

STRONG LEADERSHIP, STRONG COMMITMENTS

Aiming to be one of the most respected and successful companies in the world, International Paper manufactures products that people depend on every day, using renewable resources to improve the world today and for generations to come.

A powerful union between Turkey's foremost packaging company and a global major player, Olmuksan International Paper will provide greater value ever than before.

OLMUKSAN

INTERNATIONAL  PAPER



MILESTONES

2013

OLMUKSAN

INTERNATIONAL PAPER

2010

Purchased DS Smith Group's Turkey operations and expanded into new geographic areas with facilities in Çorlu and Çorum.

2001

Acquisition of Kav Ambalaj Sanayi ve Ticaret (Kav Packaging Industry and Trade), adding their Bursa and Manisa Plants.

1998

Hacı Ömer Sabancı Holding established an equal partnership joint venture with International Paper.

1984

Acquired by Hacı Ömer Sabancı Holding and registered as Olmuksa Mukavva Sanayi ve Ticaret (Olmuk Cardboard Industry and Trade).

1968

Founded as Olmuk Mukavva Sanayi ve Ticaret (Olmuk Cardboard Industry and Trade).

International Paper acquired Hacı Ömer Sabancı Holding's shares and became the majority owner. The company was renamed Olmuksan International Paper Ambalaj Sanayi ve Ticaret (Olmuksan International Paper Packaging Industry and Trade).



The IP Way in Turkey

We are a company of substance. Our distinguishing feature is our principled approach. The way we do business is as important as the business we do. We call this the IP Way. "Commitment to people, to customers and to operational excellence" is the foundation of the IP Way.

A reliable business partner

At Olmuksan International Paper we turn paper into corrugated cardboard, and corrugated cardboard into packaging. We believe that the key to the success of Olmuksan International Paper, with its forty-five year history, is its customer-focused approach. We will always continue to be reliable business partner, produce to highest standards, maintain our growth targets, and develop innovative solutions that create value for our customers.

Growing together

Olmuksan International Paper is one of the major players in corrugated packaging market in Turkey. As Europe's seventh largest corrugated cardboard packaging market, the country is an area of long-term investment for International Paper.

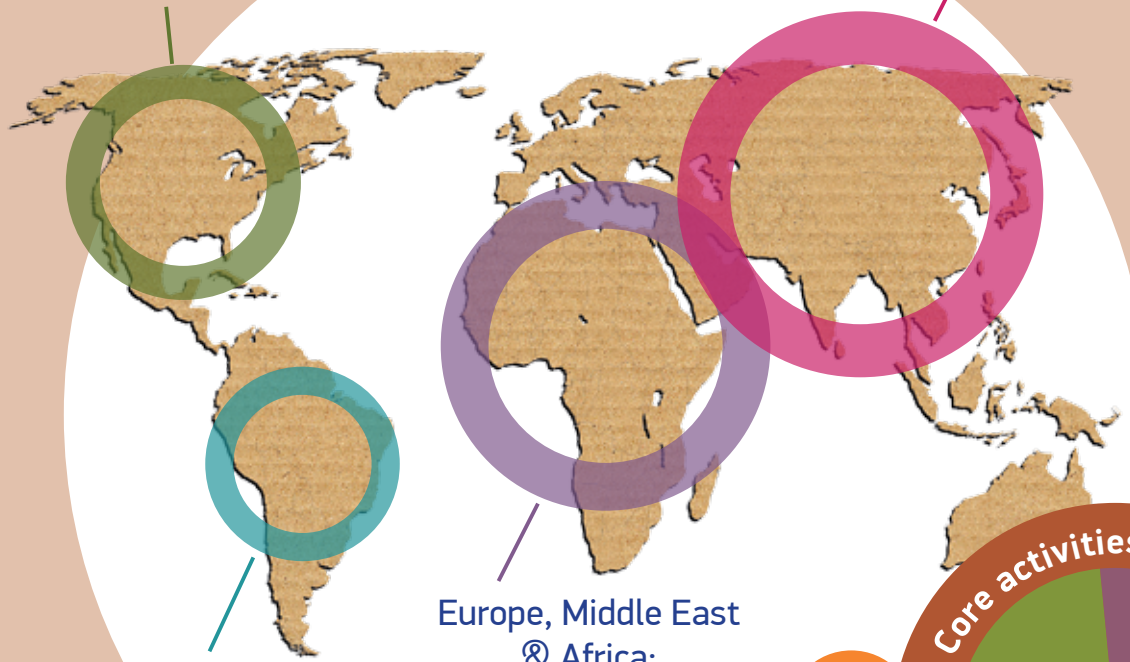


OLMUKSAN

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North America:
\$16.6 billion

Asia:
\$2.0 billion



Latin America:
\$1.7 billion

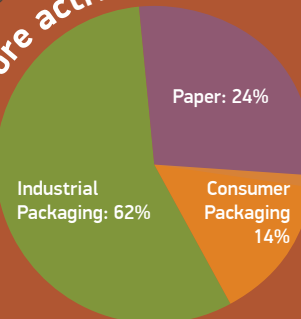
Europe, Middle East
& Africa:
\$3.3 billion

Total: \$23.6 billion
Global Net Sales 2014

founded
1898

58,000
employees

Core activities



INTERNATIONAL  PAPER

INTERNATIONAL PAPER IN BRIEF

- With its history of well over a century, International Paper is a world leader in paper and packaging.
- Headquartered in Memphis, Tennessee, USA; serving customers in over 24 countries.
- One of Fortune Magazine's Most Admired Companies list 12 times in the past 13 years.
- Chosen World's Most Ethical Company for seven consecutive years by the Ethisphere Institute.
- Awarded the Climate Leadership Award by the USA's Environmental Protection Agency in 2011.
- Reduced water use by 8% and waste sent to landfill by 20% globally since 2010.
- Planted approximately 10 billion trees and donated 1.5 million hectares of forestry land for conversation.
- 100% of its timber-based raw material is certified from lawful and monitored sources.
- Reduced greenhouse gas emission by 73% in Europe since 1990.
- Meets 71% of its global energy needs with renewable biomass.



THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING
OF
OLMUKSAN INTERNATIONAL PAPER AMBALAJ SANAYİ VE
TİCARET ANONİM ŞİRKETİ
To be held on 30th March 2015

1. Commencement of the meeting and designation of the Presiding Board,
2. Reading and discussion of the Activity Report of the Board of Directors for the year 2014,
3. Reading of the Report of the Auditing Firm for the year 2014,
4. Giving information to the General Assembly about donations and aids made during the year 2014,
5. Giving information to the General Assembly about the Pay Policy for Members of the Board of Directors and Executive Managers,
6. Reading, discussion and approval of the Financial Statements for the year 2014,
7. Ratification of the appointments which have been made to the places vacated in the Board of Directors during the course of the year 2014,
8. Discharge of the members of the Board of Directors from their activities in the year 2014,
9. Determination of the use of the net profit and decision about distributing or not distributing a dividend for the year 2014,
10. Approval of a new Donation and Aid Policy and determination of the upper limit for donations in the year 2015,
11. Election of the members of the Board of Directors and determination of their term of office and directorship fees,
12. Approval of the election of the Independent Auditing Firm to audit the 2015 financial statements and reports as provided by Article 6102 of the Turkish Commercial Code and Article 6362 of the Capital Market Law,
13. Giving permission to the president and the members of the Board of Directors, to the transactions as listed in the articles 395 and 396 of the Turkish Commercial Code.

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET ANONİM ŞİRKETİ

Dear Shareholders,

Looking back on 2014, many countries around the world continued to be impacted by the global economic crisis. Political and economic turbulence dominated many policy agendas. Yet the Turkish economy still grew 3.3% in the first half of the year. However, the country's economy lost momentum in the second half of 2014 as the continued presence of serious regional geopolitical tensions in Iraq and Syria contributed to lower export levels and weaker GDP growth. As a result of these political uncertainties there was a pronounced deceleration in private sector investment and consumption in the second half.

Despite this challenging economic backdrop, Olmuksan International Paper, one of the largest manufacturers of corrugated packaging in Turkey, performed well. We increased the volume and sales of our products relative to 2013. Our strong customer relationships were critical to our success along with our ability to win new customers in core segments. We further strengthened our position by providing innovative, value-added solutions to the market. We managed our working capital efficiently while investing more than 19 million TL to modernize our facilities, improve employee safety and increase our box converting capacity. As a result of this, we completed the year with company EBIT higher than last year.

Looking ahead to 2015, the economic environment remains challenging. The Turkish Lira has lost significant value and the political tensions in the region remain high. Consequently, our box markets remain extremely competitive. Operating efficiency, customer relationships and effective cost control to offset inflation will define how successful we will be this year. I am confident we will continue to grow the business through selected investments and by providing innovative solutions to our customers.

On behalf of the Board of Directors, I would like to extend my sincere thanks to our employees for their hard work and commitment to continuously improve the performance of Olmuksan International Paper, to our shareholders for their continued support, to our customers for their loyalty and to our suppliers and other business partners for their trustful cooperation. I am confident that the best years are ahead of Olmuksan International Paper.

Sincerely,

Jonathan Edward Ernst

Chairman

Dear Shareholders,

The past year was significant from the point of accomplishing the integration of our new identity and our successful history. It was also a satisfactory business year in terms of our financial results and operational efficiency. We have new investments to enlarge our capacity and potential for sustaining our solid position in the market. Moreover, we have considerable initiatives to reach global standards about workers' health and safety.

The market displayed an uneven trend in the year of 2014, there were sudden declines and rises in paper costs and despite the unpredictable conditions, our company succeeded to display a high performance. Corrugated cardboard consumption is still relatively low in our country when compared to the Western European countries, and this constitutes a very significant potential for those who are focused on creating a new market. In the coming years we anticipate attractive growth figures for both Turkish economy and the packaging consumption.

Being one of the major players in its respective sector with the innovative and customer oriented solutions, Olmuksan International Paper has done many successful works in 2014 which made a great deal difference in the market. V50, ideal packaging solution for the products transported in cold chain and long distance especially in fruit and vegetable export, is a good example for them. While creating new markets, value added solutions have been provided for our customers in such works, and our efforts in line with our principles of sustainability have also been maintained.

In 2014, our company has utilized nearly 100% of its paper manufacturing capacity, and 87% of its corrugated cardboard manufacturing capacity, and increased its corrugated cardboard sales by 16 %. In terms of financial results of 2014, the annual turnover of Olmuksan International Paper has been recorded as TL 515.4 million, its operation income as TL 23 million, and its net profit as TL 15.7 million. While the total value of the investments intended for capacity improvement and technological innovation was TL 19.6 million, our strategic investments regarding those areas will continue in 2015 as well.

We anticipate a growth for corrugated cardboard sector in 2015 in parallel to that of industrial growth. The fact that the awareness for environment and hygiene issues in our country has increased on the part of the consumers in recent years, indicates a very significant opportunity for the corrugated cardboard consumption per person to reach the level of European countries.

Our main objective for 2015 is to create new markets through differentiating via know-how and experience, value adding innovative solutions and products by staying closer to our customers, providing the best possible service for our customers and consolidating our market leadership. Efforts intended for improving our operation efficiency will also strengthen our financial and competitive structures and help maintain our sustainable profitable growth. One of our primary targets is to keep doing our best to create an accident-free environment and culture which is essential for sustainability.

We owe our successful performance and results to the highly dedicated Olmuksan International Paper employees. I would like to extend my thanks and gratitude to my colleagues, our customers and all our shareholders who support our company.

Ergun Hepvar
General Manager

BOARD OF DIRECTORS



Jonathan Edward Ernst
Chairman
(January 2013-March 2015)



Jean-Marc Henri Anne Servais
Vice Chairman
(November 2013 - March 2015)



Kristien Florentine Maria Kaelen
Member
(January 2013-March 2015)



David John Higgins
Member
(July 2014-March 2015)



Danny Camiel Marguerite Pieters
Member
(January 2013-July 2014)



Metin Ünlü
Member
(May 2012-May 2015)



Atıl Saryal
Member
(May 2012-May 2015)

■ Jonathan Edward Ernst - Chairman

Jonathan Edward Ernst has been Vice President & General Manager of International Paper's corrugated packaging business in the Europe, Middle East & Africa region (EMEA) since August 2012. In that position, Mr. Ernst has leadership responsibility for International Paper's corrugated packaging business in EMEA, which generates annual net sales of over 1.3 billion US\$, employs some 4,500 people and operates 25 corrugated box plants and three containerboard and recycled paper mills in France, Italy, Spain, Morocco and Turkey. Mr. Ernst joined International Paper as part of the company's merger with Union Camp in 1999. Prior to being appointed to his current position, he served as Vice President & General Manager of the company's imaging Papers business in the United States, and before that, as Director of Finance and Strategic Planning for North American white papers business. Mr. Ernst is the Chairman of Olmuksan International Paper since January 2013. He also serves on the Board of Directors of FEFCO, the European Federation of Corrugated Board Manufacturers. Mr. Ernst holds an MBA from the University of Virginia and BA in Political Science from Vanderbilt University.

■ Jean-Marc Henri Anne Servais - Vice Chairman

Jean-Marc Servais has been Finance Director for International Paper's corrugated packaging business in Europe, Middle East & Africa, since November 2013. Prior to joining International Paper in 2009 as EMEA Tax Director, Mr. Servais worked in Finance roles at Guardian Industries, RR Donnelly, FedEx, KPMG and Ernst & Young. Mr. Servais holds a BA in Economics from the ICHEC ("Institut Catholique des Hautes Etudes Commerciales") in Brussels, Belgium and a BA in Tax from ESSF ("Ecole Supérieure des Sciences Fiscales") in Brussels, Belgium.

■ Kristien Florentine Maria Kaelen - Member

Kristien Kaelen has been the General Counsel for the Europe, Middle East & Africa region at International Paper, since July 2008. Prior to joining International Paper in 1999, Ms. Kaelen worked as lawyer at Allen & Overy and Clifford Chance in Belgium. Ms. Kaelen holds a Master's degree in Law (with honors) from KUL University in Leuven, Belgium and a postgraduate degree in International Studies from the University of Vienna in Austria. Ms. Kaelen is qualified at the Brussels bar and is a member of the IBJ (Belgian in-house counsel association).

■ David John Higgins - Member

David Higgins has been Director, Communications & Government Relations for International Paper EMEA since October 2007. He assumed responsibility for Sustainability in the region in August 2009. In that position, he has responsibility for all aspects of internal and external communications in the region, as well as government affairs in the EU member states. Prior to joining International Paper, Mr. Higgins held a variety of roles in marketing, communications and public relations at Deloitte, PricewaterhouseCoopers and the European Commission. Mr. Higgins holds a Bachelor's degree from University College Dublin, Ireland and a Master's degree in Marketing from Strathclyde University in Glasgow, Scotland.

■ Danny Camiel Merguerite Pieters - Member

Danny Pieters holds Master's degrees in Civil Engineering / Electro-mechanical engineering and Industrial Engineering from the VUB (Vrije Universiteit Brussel) in Brussels, Belgium. He was appointed as member of the Board of Directors of our Company in January, 2013 and resigned on July 22, 2014.

■ Metin Ünlü - Independent Member

Metin Unlu was born on July, 17 1956. He graduated from Middle East Technical University Faculty of Management Science and has also a master degree from Middle East Technical University. He worked for Unilever as a manager and director in the Netherlands, South Africa, Indonesia and Turkey. He is a Board member of our Company since May 2012. He was appointed as independent member of Board of Director of our Company on May 23, 2012.

■ Atıl Saryal - Independent Member

Atıl Saryal was born in 1938, Ankara. After completing his elementary and intermediate education in Ankara, Saryal took his engineering degree at University of Texas. Saryal began his professional life within banking sector. Subsequently he was transferred to Sabancı Group and conducted general management of Adana Sasa and Marsa. Saryal had memberships in various executive boards. Afterwards, he was assigned to be the president of Food and Retail Business Unit. Saryal was retired from Business unit presidency in 2002 and from all executive board memberships in 2004. He was appointed as independent member of Board of Director of our Company on May 23, 2012.

■ INDEPENDENCE STATEMENT

I hereby declare that I am a candidate for the position of “independent board member” at the Board of Directors of Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş. (“Company”) within the scope of related laws and regulations, Articles of Association of the Company and the criteria set forth in the Corporate Governance Principles of the Capital Markets Board except for the criterion of “to be deemed as a resident in Turkey according to the Turkish Income Tax Law.” Within this scope, I also hereby declare that;

- a) Within the last five years, neither I, nor my spouse or my blood or affinity relatives up to third degree have / has had any direct or indirect involvement in terms of employment, shareholding or business to an important degree with the Company, one of the Company’s related parties or any legal entity which is related in terms of capital or management to the shareholders of the Company who own, directly or indirectly, more than 5% of the Company’s shares,
- b) I have not been employed by or been a board member at legal entities which undertake the administration of the whole or part of the Company’s activities and organisation under a contractual relationship, particularly in legal entities that provide audit, rating and consultancy services to the Company, within the last five years,
- c) I have not been a shareholder, employee or board member in any legal entity that provides significant amounts of services and products to the Company, within the last five years,
- d) I do not own more than 1% of the shares of the share capital of the Company and such shares are not preferred shares/ I do not own any shares in the share capital of the Company,
- e) As can be seen in my attached CV, I have professional training, knowledge and expertise required to satisfactorily fulfil the duties that are tied to being an independent member of the board of directors,
- f) I am not working full time, at the time of my nomination in any governmental institution or organization,
- g) I am deemed a resident in Turkey according to the Turkish Income Tax Law,
- h) I will provide a positive contribution to the Company’s activities, maintain my independence in the conflicts of interest between the Company’s shareholders, and decide freely by taking into account the rights of stakeholders,
- i) I will allocate time to the business of the Company in a manner sufficient to be able to follow up the operations of the Company and to fully satisfy the duties that I have undertaken.

ATIL SARYAL

■ INDEPENDENCE STATEMENT

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- d) I do not own more than 1% of the shares of the share capital of the Company and such shares are not preferred shares/ I do not own any shares in the share capital of the Company,
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- i) I will allocate time to the business of the Company in a manner sufficient to be able to follow up the operations of the Company and to fully satisfy the duties that I have undertaken.

METİN ÜNLÜ ATIL SARYAL



- | | | |
|-----|--|-----------------------------|
| 1) | <i>Purchasing and Logistics Director</i> | Muharrem Aytaçođlu |
| 2) | <i>Çorlu Plant General Manager</i> | Tamer Parla |
| 3) | <i>Adana Plant General Manager</i> | Mustafa Cirit |
| 4) | <i>İzmir Plant General Manager</i> | Osman Yeşilpınar |
| 5) | <i>Trade Director</i> | Tankut Özcan |
| 6) | <i>Gebze Plant General Manager</i> | Yılmaz Selçuk |
| 7) | <i>Operation Director</i> | Semih Çelebi |
| 8) | <i>Strategy and Paper Director</i> | Serdar Çilođlu |
| 9) | <i>Human Resources Director</i> | Betül Akol |
| 10) | <i>General Manager</i> | Ergun Hepvar |
| 11) | <i>Finance Director</i> | Selda Ercantan Aksoy |
| 12) | <i>Bursa Plant General Manager</i> | Hikmet Şakar |
| 13) | <i>Çorum Plant General Manager</i> | Özay Özdemir |



■ Ergun Hepvar

Ergun Hepvar was born in 1971 in Ankara, received bachelor's degree from the Computer Engineering Department of METU (ODTÜ) in 1992, and M.B.A degree from U.C. Berkeley, Haas School of Business in 1999. He began working for Lever Temizlik Maddeleri A.Ş., a subsidiary of Unilever Group in 1992 as an Information Systems Analyst, and continued as the Packaging Materials Purchasing Director in the same company. In USA, where he traveling in 1997 for master's degree education, he began working as a Senior Consultant at Supply Chain Strategic Consultancy department at the San Francisco office of Ernst & Young in 1999, and completed his consultancy career as a Manager in the Supply Chain Strategy Department of Boston based C-bridge Solutions company. As the Global Program Director in Purchase Order and Inventory Management department of Apple Computer, he managed global projects for supporting purchase orders with current inventories. In 2003, he returned to Turkey, began to work for TNT Lojistik (currently Ceva Lojistik) as Assistant General Manager responsible for technology and processes, and acted as a Member of the Board. In 2005, he joined Sabancı Holding as Chief Information Officer, and worked under the CEO and Group Chairmen in Sabancı Group for the reorganization of the administration of Information Technologies function. In 2010, he began working for Akçansa Cement as Assistant General Manager responsible for Logistics, Purchasing and Alternative Fuel Business Development, and during the 2.5 years of duty, as well as his other responsibilities, he accomplished projects that would reinforce the leading status of Akçansa on alternative fuel usage.

■ Selda Arcantan Aksoy

She was born in 1970 and she graduated from Business Engineering Department of Bilkent University. She completed her graduate education at George Washington University at Washington D.C. She has been working for our Company since July 1994. She was assigned to her current duty, Director of Finance, on 01.07.2008.

■ Serdar Çiloğlu

He was born in 1960. He received bachelor's degree from İTÜ Engineering, and MBA degree from The University of Louisiana at Monroe, USA. He has been working for our company since 2006. He has been working as the Director of Strategy and Paper since January 2014.

■ Semih Çelebi

He was born in 1968, graduated from Anadolu Üniversitesi MMF, Industrial Engineering department, and has been working for our company since 13 September 1993. He has been working as the Director of Operations since April 2012.

■ Muharrem Aytaçoğlu

He was born in 1963 and he graduated from the Mechanical Engineering Department of Istanbul University. He completed his Master's Degree Education in Mechanical Engineering Department of Boğaziçi University. He has been working for our company since 1989. He was appointed as the Director of Purchasing and Logistics on 29 March 2013.

■ Tankut Özcan

He was born in 1972 and he graduated from the Economy Department of Istanbul University. He has been working for our company since 07.01.2013. He was appointed as the Director of Trade in January 2014.

■ Betül Akol

She was born in 1967 and graduated from Marmara University, Atatürk Faculty of Education, Foreign Languages School, French Language and Literature Department. She completed Boğaziçi University Human Resources Management Program. She has been working for our company since 23.02.1989 and was appointed as Human Resources Director on 29 March 2013.

■ Mustafa Kemal Cirit

He was born on 1970, and graduated from Dokuz Eylül University, İ.İ.B.F, Business Administration department. He has been working for our company since 02.05.2003.

■ Hikmet Şakar

He was born in 1966 and he graduated from the Communication Arts Department of Anadolu University. He completed his master's degree education in Anadolu University Communication Arts (Advertisement and Public Relations) department. He has been working for our company since 12.08.1991.

■ Tamer Parla

He was born in 1967 and he graduated from the Business Administration Department of Marmara University. He has been working for our company since 23.12.1991.

■ Özay Özdemir

He was born in 1970 and he graduated from the Business Engineering Department of Istanbul Technical University. He completed his Master's Degree Education in the Economy Department of Boğaziçi University. He has been working for our company since 02.05.2000.

■ Yılmaz Selçuk

He was born in 1973 and he graduated from the Mechanical Engineering Department of Boğaziçi University. He has been working for our company since 01.04.2000.

■ Osman Yeşilpınar

He was born in 1960 and he graduated from the Textile Engineering Department of Ege University. He has been working for our company since 05.05.1988.

1) Period of the report

January 1, 2014 - December 31, 2014

2) Title of The Company

Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş.

3) Board of Directors

- Jonathan Edward Ernst - Chairman of the Board
Duty Period (January, 2013 – March, 2015)
- Jean-Marc Henri Anne Servais - Vice Chairman
Duty Period (November, 2013 – March, 2015)
- Kristien Florentine Maria Kaelen - Member
Duty Period (January, 2013 – March, 2015)
- David John Higgins(*) - Member
Duty Period (July, 2014 – March, 2015)
- Atıl Saryal - Independent Member
Duty Period (May, 2012 – May, 2015)
- Metin Ünlü - Independent Member
Duty Period (May, 2012 – May, 2015)

(*) On July 22, 2014 David John Higgins has replaced Danny Camiel Marguerite Pieters for the remainder of his appointed period as a member of the Board of Directors.

Authority Limits :

Empowered with the authorities determined by the transactions listed in the Article XIII of the Company's Articles of Association.

4) Amendmends made to the Articles of Association

There was no change in the Articles of Association during the period.

5) Changes in the Company's capital within the period

- **Dividends distributed per share for the last three years:**
No dividend was distributed for the last three years.
- **Shareholders with a share of more than 10% out of the issued capital :**
I.P. Container Holdings (Spain), S.L. (%91.65)

6) Securities issued within the period

No securities were issued within the period.

7) The sector and the position within the sector

The Company, with a capacity of 98,000 tons/year of recycled paper and 432,000 tons/year of corrugated production, has been operating in the sector of corrugated since 1968. The company collects the waste fiber as raw material for its Edirne and Çorum Paper Mill and converts the manufactured papers into corrugated boxes in its Gebze, İzmir, Adana, Çorlu, Çorum and Bursa Plants.



EDIRNE MILL

The Paper Mill established in Edirne in 1977 is the first private paper mill with a large capacity in the field of corrugated board. With annual production capacity of 80,000 tons, the plant is located on a total area of 380,000 m² with a covered area of 21,000 m². The Edirne Mill, which converts waste fiber into fluting and linerboard through the use of sophisticated technology, supplies paper to our corrugated box plants in Gebze, İzmir, Adana, Bursa and Çorlu. To support the mill's sensitivity and responsibility for the environment, waste water used in the manufacturing process is thoroughly treated.

GEBZE PLANT

The Gebze Plant started to operate in 1968 and successfully serves the domestic and international markets by converting corrugated board into corrugated packaging. The plant was renovated in 1977, 1983, 1987, 1994 and 2005. This plant, the first corrugated board and box factory of Olmuksan International Paper, is located on a total area of 59,196 m² with 21,500 m² of covered area. Gebze Plant produces micro wall (E), thin wall (B), thick wall (C) and combinations of double wall and triple wall corrugated by making use of today's newest technology. The plant is well equipped to produce standard boxes and speciality corrugated boxes through the use of specialized cutting dies. The plant produces a spectrum of products ranging from flexographic printed boxes to offset printed luxury packing boxes with varnish, lacquer and cellophane.

IZMIR PLANT

The Izmir Plant was introduced in 1985 with a total area of 49,100 m² and 14,500 m² of covered area. Izmir manufactures thin wall (B), thick wall (C) and combinations of double wall corrugated to meet the demands of domestic and foreign markets, specialized corrugated board applications (ie: impregnating) and coating and double flute corrugated used in the packing of fresh fruit and vegetables. In the plant standard boxes and die-cut special packages are produced with great care. The plant was modernized in 2008.

ADANA PLANT

The Adana Plant was established in 1992 to serve the customers in Central Anatolia, South-Eastern Anatolia and the Mediterranean regions. The flexographic printed multicolor packages manufactured in this modern plant are of the highest quality, which is especially important in this geographical region where citrus boxes are gaining importance. Established on covered area of 14,000 m² and a total area of 45,000 m², the plant is equipped with the most sophisticated technological facilities and serves both domestic and international markets with corrugated products ranging from standard boxes to fresh fruit and vegetable boxes.

BURSA PLANT

The Bursa Plant established in 1995 as "Kav Ambalaj Sanayi ve Ticaret A.Ş." is located in Inegöl Industrial Zone. It joined our organization on December 28, 2001. The plant is situated on a total area of 72,789 m², with a covered area of 27,787 m². Thin wall (B), thick wall (C), micro wall (E) and double wall corrugated boards were manufactured in the facility. After the fire at Bursa plant on August 6, 2006 Bursa plant was rebuilt and the production activities started again with modern machinery and equipments in 2007.

MANISA PLANT

Manisa Plant, which started operation in 1997, has covered area of 4,500 m² and a total area of 7,500 m². Production is concentrated primarily on standard boxes.

ANTALYA PLANT

The Antalya Plant, which started test production in December 2007, has a covered area of 9.573 m² and a total area of 32.989 m². In accordance with the decision taken on June 3, 2013 by the Board of Directors, the Antalya branch, Antalya 56434-58697 record numbered, registered in Antalya Trade Registry Office has been decided to be closed from the date of June 3, 2013.

ÇORUM PLANT & MILL

Çorum Box Plant, which started production in 1976, has a covered area of 19,000 m². Operating with a capacity of 60,000 tons a year producing ACB (Tripleks), CB, C and B waves. Confection machinery to meet the needs of each type of box is equipped with advanced technology. In addition to Automotive, white Goods, electronics, durable goods and food sector, heavy duty packaging, provides customers with both cost and environmental contribution.

Çorum Paper Mill which was founded in 1979 and is located in the same complex as Çorum Box Plant has a capacity of 18,000 tons a year. Facility has 6000 m² closed area. By recycling waste paper the factory produces Fluting and Test Liner paper type and meets the needs of Çorum Box Plant. The current treatment plant is providing water purifying paper and preventing to reduce natural resources.

ÇORLU PLANT

Located in the Thrace region, Çorlu is in operation since 2002. It has a 14,936 m² closed area and a total area of 34,667 m². Facility is equipped with the technology and has a portfolio in producing standard box, die-cut box circular, flat die-cut box-and four-point slip in the box. The factory manufactures thin wave (B), thick wave (C) and double-wave (BC), corrugated 'sheets and cardboard boxes. With a variety of products service is provided in white goods, electronics, automotive parts, plastics, detergents, textiles, pharmaceuticals, hygiene products and food processing industries.

INVESTMENTS

More than 20 investment projects were performed in the year 2014 in our facilities in Adana, Bursa, Çorlu, Çorum, Gebze, İzmir and Edirne in the fields of strategic forecasts, maintenance-modification, cost reduction and improvement, work safety and environment.

Thanks to the machinery, automation, and equipment investments in our plants, improvements have been achieved in terms of printing quality, capacity increase,

customer satisfaction and cost reduction, and in terms of reduction in energy density, workers' health and work safety, environment as well as and the preservation of natural resources.

Our investment thrusts in conformity with our sustainability principles, meeting our market / customer expectations, and intended for cost-saving by means of modernization will be carried on in 2015 and after.

Facility Capacities:

Corrugated capacity,
432,000 tons / year;

Confection capacity,
338,000 tons/year;

Paper capacity,
98,000 tons/year.

CRESCENTS AND STARS FOR PACKAGING 2014

4 Awards to Olmuksan International Paper

Olmuksan International Paper won **the Silver Award** with the “Cooler Fan Box”, **Bronze Award** with the “Auto Spare Parts Panel Packaging” and **Awards of Excellence** with the “Built-in Oven Box” and “Lavatory Packaging” in the Industry and Transport Packaging category.



Built-in Oven Box
This box is a total package solution that fits all oven parts in a box with support elements in a practical way that consumes less liner during packaging flow. It is also reusable and substitutable for all 395 alternatives.

Cooler Fan Box
Disposable separator design enables 20 kg Cooler Fans to be essential and transported without touching each other in a practical way. This solution also optimizes the packaging and transportation process and costs.



Lavatory Packaging
Lavatory packaging is designed into 2 identical pieces to offer simple setup and to provide full protection of the product with exclusive solutions and extra care of sensitive parts.

Automotive Spare Parts Panel Packaging
Packaging is designed into 2 identical pieces due to transportation and cost savings with easy setup, easy placement benefits and maximum protection.

OLMUKSAN INTERNATIONAL PAPER INTRODUCES NEW V50 BOX TO TURKISH MARKET

The patented and innovative V50 ventilated box, developed by Olmuksan International Paper for the fresh fruit & vegetables segment, was introduced to customers and media in September in Adana. 30 companies including citrus fruits exporters, domestic customers and other players in the wholesale segment as well as two agents of Olmuksan International Paper and 10 media representatives attended the launch event.

During the event, the benefits of V50, which represents a key milestone in the industry, were explained to the guests. The V50 box allows fresh fruits to be delivered to the end-consumers protecting their freshness. The box demonstrates superior performance thanks to its L profiles and a paper composition that is resistant to cold weather conditions and moisture. The box furthermore reduces transportation costs by providing extra storage space as its base dimensions are specified for containers. Importantly, it easily integrates into customers' packaging lines with its ergonomic design and allows for strong individual branding in high quality printing. Retailers appreciate the box because of its proven performans



Yaş meyve sebze havallı kutu
Yaş meyve sebze sektörünün havallı kutusu!

Yaş meyve sebze sektörünün havallı kutusu!
Olmuksan International Paper tarafından piyasaya sunulan Havallı Kutu V50, ürünlerin dolandan koparıp son tüketiciye ulaşana kadar tazeliğini kaybetmeden nakliye edilmesini sağlıyor. Sektörde ilkleri tanıtan Olmuksan International Paper'in üstün taşıma performansı ürünü, kırılgan ürünlerin nakliye için geliştirilmiş özel bir tasarıma sahip.

OLMUKSAN INTERNATIONAL PAPER FIRST LEVEL MANAGER LEADERSHIP DEVELOPMENT PROGRAMME

FLL (IP Leadership Development Programme) was integrated into the Company in 2014. This is 8-month leadership development programme to cultivate managers of the future using the correct methods and tools. Development of IP basic culture, coaching skills, team management and conflict management competencies were studied throughout the programme. These training modules were provided by trainers cultivated within the Company.



INTERNATIONAL PAPER CHANGE MANAGEMENT DEVELOPMENT PROGRAMME

IPCP is a development programme based on deployment of International Paper culture and aiming to deploy the change management process using certain techniques, models and tools. The objective is to raise awareness in management of the new process integrations, and to ensure implementation of the more qualified process management as desired by putting them into effect in every stage of change.

GLOBAL GPS/SAP PROJECT

International Paper started to export global human resources to a SAP human resources module comprising also the countries and to monitor them via this system. The project started in 2014 and will continue for 2 years. Through this system, while employees will be able to access their information conveniently, all managers will also be able to manage and follow up employee information by means of the system.



GLOBAL EMPLOYEE ENGAGEMENT SURVEY

Global employee engagement survey (Gallup) was applied in our country for the second time in our country by inclusion of all the employees. Through the reports taken as a result of the survey, each team is expected to prepare plans based on the actions that will improve their engagement, and to improve their engagement.

COLLECTIVE LABOR AGREEMENT

The negotiations for the collective labor agreement between the Company and the Union of Cellulose Paper and Products Workers of Turkey (SELÜLÖZ-İŞ) were completed, and upon the agreement signed on February 09, 2015 the 2nd Term Collective Labor Agreement of the Company entered into effect for the period between July 1, 2014 and June 30, 2016.

OLMUKSAN INTERNATIONAL PAPER AMBALAJ SAN. TİC. A.Ş. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

■ 1. Corporate Governance Principles Compliance Statement

Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş. (hereinafter referred to as the “Company”) complies the “Corporate Management Principles” published by the Capital Markets Board of Turkey (“CMB”).

PART I – SHAREHOLDERS

■ 2. Shareholders Relations Department

There is a unit in our company to maintain communication and contact with the investor and render service. This unit is comprised of the Budget and Financial Reporting Manager, Reyhan Altınay (0216 656 62 05, reyhan.altinay@ipaper.com); and Internal Control, Budget and Reporting Specialist Cumhuriyet Oğultürk (0216 656 62 07, cumhuriyet.ogulturk@ipaper.com). For being the person in charge of the duties and responsibilities as stipulated under the Corporate Communiqué (II-17.1.) of Capital Market Board (SPK), Reyhan Altınay, the Budget and Financial Reporting Manager of the Company, has been assigned also as the Investor Relations Department Manager and Corporate Governance Committee Member.

Investor Relations Department responded to the questions asked by the shareholders regarding the capital increase, dividend payouts, and general assembly meetings, fulfilled the processes of special condition statements, and informed the shareholders both verbally, and via e-mail, as requested, with true, accurate, and comprehensive knowledge, except those included within the scope of confidential and commercial secret. The company declares its operating results to the public quarterly. The web address of www.olmuksan-ipaper.com is at the service of the shareholder for enabling them obtain more detailed and regular information about the operations of the company, and have access to the information about the Company, which is obliged to be published in accordance with the applicable regulations.

■ 3. Exercise of the Shareholders’ Right to Obtain Information

The shareholders demanding information are responded either verbally, or via e-mail in parallel to their requests. Announcements regarding the shareholders’ exercise of their rights are made on the Turkish Trade Registry Gazette and on the web address of www.olmuksan-ipaper.com by the mediation of the Public Disclosure Platform in accordance with the respective Capital Market regulations. It is audited by an independent audit company.

Articles of Association of the Company do not include the right to request appointment of a special auditor. No demand was received from the shareholders in 2014. Link is established with the Information Society Services on the internet site of the Company in compliance with Clause 1 of Article 1524 of Turkish Commercial Law No.6102.

■ 4. General Assembly Information

During fiscal year, in accordance with the Internal Directive Regarding the Working Principles and Procedures of the General Assembly, prepared by Board of Directors, General Assembly of the Company held an ordinary meeting on March 26, 2014. Quorum at the General Meeting was 88.13%. For the General Assembly date, letters in the name of the holders have been sent; announcement has been made to Istanbul Stock Exchange on February 27, 2014 and is published in the Commercial Registry Gazette on March 4, 2014. The meeting started at the same time physically and electronically. Agenda items are discussed and agreed unanimously. Shareholders have used their rights to ask questions and the questions were answered during the General Assembly. Questions asked at the assembly meeting, and answers given thereto were disclosed to the public on the web site of the Company. No proposals besides the Agenda items are brought forward. No Extraordinary General Assembly Meeting was held in between the dates of January 1st – December 31st, 2014.

Articles of Association do not include any provision for authorizing General Assembly to take decisions on major transactions as selling, buying or renting material assets. Since the Board of Directors represents the will of the General Assembly, there was no requirement for such a regulation. Minutes of the General Assembly are presented to the interest of shareholders by publishing it in the Trade Register Gazette and in the Company’s web site located at www.olmuksan-ipaper.com.

■ 5. Voting Rights and Minority Rights

Articles of Association of the Company do not grant any privileges on voting rights.

Articles of Association of the Company do not allow cumulative voting procedure. The method of cumulative voting procedure for the current partnership structure was excluded on the grounds that it might disturb the present harmonious management structure.

■ 6. Dividend Payment Policy

The Dividend Distribution Policy of the Company is that the Company will distribute no annual dividend and no advance dividend. This policy can be reviewed by the Board of Directors at any time for any reason as the Board will deem appropriate, such as but not limited to the national and global economic conditions, the investment projects and the Company’s financial funds.

■ 7. Transfer of Shares

I.P Container Holdings (Spain), S.L. controls the Company since December 11, 2013. Transfer of the shares of other shareholders is not subject to any restriction.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY**8. Information Policy of the Company**

The Company discloses its 1.Half and 2.Half (which requires independent audit) and 1Q and 3Q (which does not require independent audit) financial statements and footnotes to the public through Istanbul Stock Exchange (ISE) and Capital Markets Board of Turkey (CMB). General Manager and Finance Director are responsible for disclosures to ISE and CMB. Names and titles of the authorized personnel were notified to ISE.

9. Disclosures of Special Cases

96 disclosures of special events were made within 2014 under the regulations of CMB and were published in ISE. CMB and ISE did not demand any further explanation on respective statements.

Share certificates of the Company are not listed in a foreign securities exchange.

10. The Company's Website and Content

The Company keeps a web site, located at www.olmuksan-ipaper.com. The web site address is also announced on letterheads of the Company.

The information to be needed about the company is provided in details in the web site. Annual Report of the company can be obtained in hard copy as well as accessible at our web site.

In addition, the information about commercial registry and registration, shareholder and structure, the preferential shareholders, disclosures of special cases, the agenda of the board of directors, minutes of the assembly meetings are provided in the web site. CMB's corporate governance principles, section 2 Article 1.11.5 in the information listed at the website given.

11. Disclosure of the Company's Ultimate Controlling Individual Shareholder or Shareholders

None of the Company's partners is an ultimate controlling individual shareholder.

12. Public Disclosure of the Persons Who Can Have Insider Information

List of the personnel who can potentially possess insider information about the Company has been given under the heading "Members of the Board of Directors and Management Executives" in the Annual Report and disclosed to the public through the Annual Report.

Personnel of the Company were notified in writing not to disclose the said insider information to any outsider persons or businesses. Furthermore, a confidentiality agreement was made with the personnel of Olmuksan International Paper. In this regard, the ethical rules approved and announced by the Board of Directors, are applicable.

PART III – STAKEHOLDERS**13. Company Information Policy Regarding Stakeholders**

Personnel: Open and honest communication is supported among all employees of Olmuksan International Paper. Written, oral and electronic communication platforms were set up to enable the personnel of Olmuksan International Paper to share information.

Communication channels are as follows: top management meetings, department meetings, plant meetings, e-mail system, notice boards, personnel satisfaction questionnaire, personnel manual, open door policy, etc.

Customers: Information about the products and services supplied by the Company (i.e. offers, quotations, quality report, etc.) is sent to customers upon their demand. In case of customer complains of a product or service, it will be settled pursuant to the ISO 9001 rules and through the relevant procedures. Besides, a web page was composed for receiving the feedbacks via the internet site, and a customer satisfaction survey was made thereon.

Suppliers: Goods and services are purchased from suppliers with or without a contract in accordance with the relevant specifications of the Company and with the applicable laws (i.e. Social Security, Taxation, Safety regulations). Meetings are held with suppliers for goods and services purchased at regular intervals to inform the relevant policies and procedures of Olmuksan International Paper and to enter into annual contracts with suppliers. The said contracts are executed in such a manner to protect the rights and interests of both Olmuksan International Paper and suppliers.

In case a dispute arises in connection with such contract, it is settled pursuant to the Company's procedures developed in accordance with the ISO 9001. Approved suppliers are included in the List of Approved Suppliers, and assessed and inspected at regular intervals.

None of the members of the Board of Directors except the independent members are paid by the Company. The Company did not lend money, issue loan, extend the terms of existing loans and credits, improve the conditions of thereof, issue loan through a third person or provide any warranties to a member of the Board in 2014.

14. Stakeholders' Participation in the Company Management

Data collected about the personnel through the information sharing meetings and personnel satisfaction questionnaire is reviewed at meetings held by the Executive Management.

Data collected about the customers through customer satisfaction questionnaire and field surveys is reviewed at meetings held by the Executive Management.

Approved suppliers' assessments made according to the "Goods and Services Purchasing Procedure", along with the data collected about them through field surveys are reviewed at meetings held by the Executive Management.

■ 15. Company Policy on Human Resources

Our human resources policies are based on to create an enthusing and elating work environment for our employees, to generate employee engagement and being the major factor of the constant success of our company, to employ customer-oriented, socially responsible employees, attaching satisfaction as particular importance to ethical values, and to provide them opportunities for developing their knowledge, skills, and abilities, revealing their potentials, displaying superior performance, and for improving their careers.

Our human resources policies have been regularly revised, in a way contributing to the business strategies of our Company, and in conformity with the requirements of our organization, and been exchanged with all our employees.

All applications and processes of human resources are in conformity with, and contribute to the human rights, intending not to make any discrimination on the basis of equality.

Industrial Relations

Our Company acts in conformity and respect with the applicable laws and regulations, and within the framework of IP Codes of Conduct and the ethics of the firm. Our Company is attentive to maintain the peaceful atmosphere in the enterprise within the framework of the mutual trust between its employees, and the trade unions thereof, and by way of acting in accordance with the requirements of the applicable regulations and the collective labor agreement.

Within the framework of the Industrial Relations Policy of Olmuksan International Paper, trade unions are regarded not as the “counterparties”, but as the “social partners”, and the relations being established with them are therefore configured on the basis of the benefits of the employees. It is also another one of the goals of the Company to cause the social stakeholders work in better conditions.

Social benefits applicable within the scope of the collective labor agreement to the employees in Olmuksan International Paper are as follows:

- Olmuksan International Paper applies bonus of 4 wages to its employees
- Increase for working in night shift
- Seniority increase for once per each passed year of seniority
- Vehicle and dining allowances applicable in the company in the form of aids in kind
- Maternity and marriage benefits, and child and education allowances in addition to the aforesaid
- Social reliefs
- Sickness and funeral allowances
- Annual right of leave is determined in the Collective Labor Agreement as longer than the legal right of leave.
- Wage equivalence of overtime, weekend holiday, national holiday, and general holiday is determined in the Collective Labor Agreement as much more than those stipulated in the respective legal provision.

The Collective Labor Agreement for the term of July 1st, 2014 – June 30th, 2016 to be applicable for all of our employees (disregarding their trade union memberships), who work within the corporate body of Olmuksan International Paper, and pay contribution fee, has been agreed.

■ 16. Information about the Relations with Customers and Suppliers

Sales representatives visit the customers at regular intervals, and then the results of the said visits are discussed at regional level. Data collected through regular customer satisfaction surveys are used as a basis to develop and implement improvement plans. A Sales and Marketing Meeting is held once a year to gather all sales and marketing teams, to determine the customers’ needs and expectations, and to develop the necessary improvement plans. Problems reported by customers at after-sale stage are assessed and solved by applying the “Customer and Supplier Complaint Procedure”. Applied under the Quality Management System, the said procedure defines the measures to be taken to ensure customer and supplier satisfaction.

■ 17. Corporate Codes of Ethics and Conduct

Corporate codes of ethics and conduct, which are the same, and applicable International Paper-wide, have been determined in order to declare the main values and standards, on the basis of which our business is being operated. They further constitute guidance, which is helpful for us to find our way successfully in the face of ethical difficulties. Codes of ethics of our Company constitute the basis of the type of behavior we have adopted not only among each other, but also before our customers, investors, and suppliers.

Our main Values

1) Commitment

We are committed to doing what is in the best interest of our shareholders, the company and each other. We protect the health and safety of our employees and support the welfare of the communities in which we operate.

2) Ownership

We are each individually accountable for following the spirit as well as the letter of the laws that apply to IP. Each of us will follow the law wherever we operate and uphold the highest ethical standards of conduct on the job.

3) Respect

We treat others with respect and dignity and believe in diversity of thought, culture and background. We deal fairly with suppliers, customers and other business partners. We manage natural resources responsibly.

4) Excellence

We pride ourselves on operational excellence, and we exercise integrity when managing the information and assets that are at the heart of our business. We also treat the resources of others with propriety, demonstrating our commitment to ethical excellence.

The Environmental and Occupational Health and Safety Policy of Olmuksan International Paper:

The major part of our main strategies are producing our products in a healthy and safe working environment, using natural resources smartly and improving our performance on environment protection continuously.

Considering this basic point, all our wish and commitment is continuously improving main reasons of occupational accidents and our potentially negative environmental affects and behaviors and conditions causing these.

We adopt the below principles in all our production processes at our paper and container plants to reach these targets:

- In accordance with all laws, regulations, expectations of our customers and other provisions our company has agreed on occupational health and safety and protecting environment, and with the principle of constant development, eliminating or minimizing all negative affects of activities on environment and human.
- For creating an accident free and hygienic working environment by avoiding health loss for everyone we're working together; to determine our risks and environmental effects and reduce to acceptable levels.
- To provide recycling for reducing our wastes and making a contribution to protect natural resources and to minimize material, energy and water consumption by following proper procedures.
- Using the possible best technologies for safe and environment sensitive production.
- To provide all workers to reach to environment and security responsibilities awareness and providing to be done what's necessary as parts of agreements
- To be in cooperation with Customers, legal organizations and Society within these principles, to notify the requirements of our policy to all our material and service providers and to help them for their improvement on these subjects.

Our Company holds ISO9001 Quality, ISO 14001 Environment, OHSAS 18001 Occupational Health and Safety Management System Certificates. Moreover, while our Gebze, Adana and Bursa plants hold BRC-IOP Food Packaging Management certificate, our Çorum facility has ISO/TS:16949 Technical Management certificate. In line with our sustainability goals our Adana, Bursa, Çorlu, Çorum, Gebze and Izmir plants hold FSC Coc and PEFC Forestry Management Council Protection Chain Certificate. Edirne paper mill holds FSC Coc Forestry Management Council Protection Chain Certificate. Our box plants are member of SEDEX and hold UN document (ADR / RIDMDG: Transport of Hazardous Materials).

PART IV – BOARD OF DIRECTORS

18. Structure and Formation of the Board of Directors and Independent Members

Board members are non-executive and two of them are independent. CV's of the board members and the Independence

Statements of the independent members are available in the annual report.

The distribution of task of the Board Of Directors are as follows:

Jonathan Edward Ernst

Chairman, Non-Executive

Jean-Marc Henri Anne Servais

Vice Chairman, Non-Executive

Kristien Florentine Maria Kaelen

Member, Non-Executive

David John Higgins (*)

Member, Non-Executive

Atıl Saryal

Member, Non-Executive

Metin Ünlü

Member, Non-Executive

* On July 22, 2014 David John Higgins has replaced Danny Camiel Marguerite Pieters for the remainder of his appointed period as member of the Board of Directors.

General Assembly has authorized the members of the Board of Directors to perform the activities and transactions described in Sections 395 and 396 of the Turkish Commercial Law.

Internal Directive of Board of Directors has been prepared in order to define the working principles and procedures of the Board of Directors of the Company in accordance with the laws, related regulations and the Company's Articles of Association.

19. Requirements for the Members of the Board of Directors

Members of the Board of Directors comply with the qualifications described in Part 4 of the Corporate Management Principles; the Company's Articles of Association do not contain any rules on this issue.

20. Mission, Vision and Strategic Targets of the Company

Vision and mission of the company was determined, and was announced to the public through the annual reports.

Our Vision:

To be one of the most respected and successful companies in the world.

Our Mission:

To improve the world, today and for generations to come, by using renewable resources to make products people depend on every day.

■ 21. Risk Management and Internal Control System

Internal audit activities of the Company are performed by International Paper through direct reports to the Audit Committee.

The task of reviewing the risk management, internal control and audit findings action plans are assigned to the Director of Finance. Early Detection of Risk Committee Duty and Operating Procedures has been issued in order to establish Early Detection of Risk Committee duty and operating procedures, to determine the financial, operational, strategic etc. risks and opportunities that can affect company activities in this scope, to position, monitor and/or review them by calculating their impacts, to manage, direct and report potential risks and opportunities in parallel with company policies, and to make recommendations to the Board of Directors of the Company.

■ 22. Duties and Responsibilities of the Board of Directors and Executives

Duties of the members of the Board of Directors have been defined in the Articles of Association. Authority and responsibility for the management executives have not been specifically defined in the Articles of Association, but defined in the signature authorization document issued by the Board of Directors to the management executives.

■ 23. Principles of the Activities of the Board of Directors

Board of Directors of the Company held 18 meetings within 2014, 2 of which were face-to-face meetings, 2 of conference meetings, the remaining 14 were held by obtaining written approvals from the members in accordance with the Turkish Commercial Law and the Articles of Association. Agenda of each Board of Directors meeting is prepared by the Chairman of the Board in consultation with the members.

In order to ensure the members to have sufficient time to review and to be prepared for the issues set forth in each meeting agenda, Secretary of the Board of Directors distributes written copies of the agenda to the members one week before the meeting.

■ 24. Principles of the Activities of the Board of Directors

None of the members of the Board of Directors made business as an individual with the Company or competed as an individual with the Company in the same business field.

■ 25. Number, Structure and Independence of Committees Established by the Board of Directors

Committee members of the Company has been elected among the independent members.

The independent members of the Board can be the members of more than one committee.

Corporate Governance Committee Members:

Metin Ünlü

Member of the Board of Directors

Atıl Saryal

Member of the Board of Directors

Reyhan Altınay

Manager of the Investor Relations Unit

Audit Committee Members:

Atıl Saryal

Member of the Board of Directors

Metin Ünlü

Member of the Board of Directors

Early Detection of Risk Committee Members:

Metin Ünlü

Member of the Board of Directors

Atıl Saryal

Member of the Board of Directors

Audit Committee was assembled for six times, and having the minutes of the meetings written down, the resolutions passed thereat were submitted to the Board of Directors.

Corporate Governance Committee was assembled for two times, and the results of the meetings were submitted to the Board of Directors.

Early Detection of Risk Committee was assembled for six times, and the report consisted of its activities was submitted to the Board of Directors.

No conflict of interest has been observed in any of the operations conducted by the Committees.

■ 26. Remuneration of the Board of Directors

The directorship fees for the members of the Board of Directors are submitted to the shareholders as a separate agenda item at the General Assembly meeting. The pay policy is available on the web site of the Company. The Company is not entitled in any way to lend money, to extend any credits, to prolong the terms of existing loans and credits, to improve the conditions of thereof, and to extend credit under the name of any personal credit means through a third person or to provide warranties to a member of the Board in 2014.

“COMMON GOALS FOR THE COMMON GOOD”



Sustainability has been at the heart of International Paper’s activities for over 115 years. We use renewable resources to make recyclable and carbon-storing products that consumers demand. Our approach to business not only focuses on performance but it is also sensitive to people and to the planet. We believe this will make us a better company with a sustainable future.

2020 Goals...

In 2012, we introduced our 2020 voluntary sustainability goals as the natural next step in demonstrating that we can make the products that matter people in a way that matters.

Our “Common Goals for the Common Good” include:

- 20% reduction in greenhouse gas emissions
- 15% improvement in energy efficiency in purchased energy
- 15% increase in third-party certified fibre volume
- Assess options to reduce the generation and disposal of manufacturing waste from our processes by 2013
- Accident-free workplace
- Measure and report on our charitable support in our communities
- Map water usage through our manufacturing locations and develop to reduce use

In keeping with our company’s global commitments, Olmuksan International Paper are an active partner for the benefit of Turkish society, supporting various charitable activities in the fields of childhood and environmental education. Our focus in Turkey is to help enable healthier and happier lives for future generations with better access to the basic needs of life.

OLMUKSAN INTERNATIONAL PAPER
AMBALAJ SANAYİ VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS
AT 31 DECEMBER 2014 TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş.**

Report on the Financial Statements

We have audited the accompanying financial statements of Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş. ("the Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş. as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January-31 December 2014 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

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

In accordance with paragraph four of the Article 398 of TCC, the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 27 February 2015.

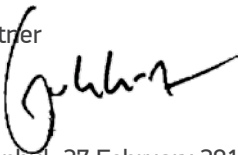
Other Matter

The audit of the Company's financial statements for the year ended 31 December 2013 has been performed by another independent auditor. Predecessor auditor issued an unqualified opinion on the statement of financial position as at 31 December 2013 and the related statement of profit or loss and and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2013 in its audit report dated 27 February 2014.

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

Gökhan Alpman, SMMM

Partner



Istanbul, 27 February 2015

CONTENTS	PAGE
STATEMENT OF FINANCIAL POSITION	31-32
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	33
STATEMENTS OF CHANGES IN EQUITY	34
STATEMENTS OF CASH FLOWS.....	35
NOTES TO THE FINANCIAL STATEMENTS	36-62
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	36
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	36-43
NOTE 3 BUSINESS COMBINATIONS.....	43
NOTE 4 INTERESTS IN OTHER ENTITIES	44
NOTE 5 SEGMENT REPORTING.....	44
NOTE 6 CASH AND CASH EQUIVALENTS	44
NOTE 7 RELATED PARTY DISCLOSURES.....	45
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	46
NOTE 9 RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS	46
NOTE 10 OTHER RECEIVABLES AND PAYABLES.....	46
NOTE 11 INVENTORIES.....	46
NOTE 12 BIOLOGICAL ASSETS.....	47
NOTE 13 PREPAID EXPENSES AND DEFERRED REVENUES	47
NOTE 14 INVESTMENT PROPERTIES	47
NOTE 15 PROPERTY, PLANT AND EQUIPMENT	47-48
NOTE 16 RIGHTS TO INTERESTS ARISING FROM DECOMMISSIONING, RESTORATION AND.....	
ENVIRONMENTAL REHABILITATION FUNDS.....	48
NOTE 17 MEMBERS' SHARES IN CO-OPERATIVE ENTITIES AND SIMILAR INSTRUMENTS.....	48
NOTE 18 INTANGIBLE ASSETS	48
NOTE 19 GOODWILL	48
NOTE 20 EXPLORATION FOR AND EVALUATION OF MINERAL ASSETS	48
NOTE 21 LEASES.....	49
NOTE 22 SERVICE CONCESSION ARRANGEMENTS.....	49

INDEPENDENT AUDITOR'S REPORT

NOTE 23	IMPAIRMENT OF ASSETS.....	49
NOTE 24	GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE	49
NOTE 25	FINANCIAL LIABILITIES	49
NOTE 26	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	49-50
NOTE 27	COMMITMENTS.....	50
NOTE 28	EMPLOYEE BENEFITS.....	50
NOTE 29	EXPENSES BY NATURE	51
NOTE 30	OTHER ASSETS AND LIABILITIES	51
NOTE 31	EQUITY	51-52
NOTE 32	REVENUE.....	52
NOTE 33	CONSTRUCTION CONTRACTS.....	52
NOTE 34	GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	52
NOTE 35	OTHER OPERATING INCOME/ (EXPENSES) FROM MAIN ACTIVITIES.....	53
NOTE 36	INCOME AND LOSS FROM INVESTMENT ACTIVITES	53
NOTE 37	SORT OF EXPENSES.....	53
NOTE 38	FINANCIAL EXPENSE	53
NOTE 39	OTHER COMPREHENSIVE INCOME ANALYSIS	53
NOTE 40	NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	53
NOTE 41	TAXES ON INCOME (INCLUDING DEFERRED TAX ASSET AND LIABILITIES)	53-54
NOTE 42	EARNINGS PER SHARE.....	55
NOTE 43	SHARE-BASED PAYMENTS.....	55
NOTE 44	INSURANCE CONTRACTS.....	55
NOTE 45	THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES.....	55
NOTE 46	FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES.....	55
NOTE 47	DERIVATIVES.....	55
NOTE 48	FINANCIAL INSTRUMENTS.....	55
NOTE 49	NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS.....	55-59
NOTE 50	FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)	59-60
NOTE 51	SUBSEQUENT EVENTS.....	60
NOTE 52	OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR, BE EXPLAINED FOR THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS	60
NOTE 53	DISCLOSURES TO STATEMENT OF CASH FLOW	60
NOTE 54	DISCLOSURES TO STATEMENT OF CHANGES IN EQUITY	60

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET A.Ş.
STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Year 31 December 2014	Prior Year 31 December 2013
ASSETS			
Current Assets		225,969,846	206,294,814
Cash and cash equivalents	6	9,493,194	6,141,945
Trade receivables		153,234,692	137,276,724
- Due from related parties	7	531,719	-
- Other trade receivables	8	152,702,973	137,276,724
Other receivables		210,984	29,252
- Due from related parties	10	184,104	-
- Due from non-related parties	10	26,880	29,252
Inventories	11	61,089,496	60,290,822
Prepaid expenses	13	1,564,685	1,581,493
Other current assets	30	376,795	974,578
Non - current assets		132,239,551	123,020,025
Investments in joint venture	4	10,152,612	10,207,664
Property, plant and equipment	15	118,861,591	109,623,458
Intangible assets	18	1,622,351	1,311,584
Prepaid expenses	13	1,602,997	1,877,024
Other non-current assets		-	295
TOTAL ASSETS		358,209,397	329,314,839

The financial statements as of 31 December 2014 have been approved by the Board of Directors of Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş. on 27 February 2015. The shareholders of the Company have the right to change financial statements and financial statements are subject to approval by shareholders at the annual general meeting.

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

INDEPENDENT AUDITOR'S REPORT

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET A.Ş.
STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Year 31 December 2014	Prior Year 31 December 2013
LIABILITIES			
Current liabilities		92,425,054	79,319,095
Financial liabilities	25	39,031,317	31,028,175
Trade payables		42,155,016	41,164,698
- Due to related parties	7	868,453	3,948,502
- Other trade payables	8	41,286,563	37,216,196
Employee benefits payable	28	2,326,452	29,992
Other payables		1,499,865	1,251,678
- Due to non-related parties	10	1,499,865	1,251,678
Current income tax liabilities	41	441,866	797,121
Deferred revenue	13	668,625	772,561
Short term provisions		6,299,677	4,271,886
- Provision for employee benefits	28	3,257,979	2,432,392
- Other provisions	26	3,041,698	1,839,494
Other current liabilities		2,236	2,984
Non - current liabilities		14,712,470	14,091,641
Long term provisions		12,622,000	12,018,006
- Provision for employment termination benefits	28	12,622,000	12,018,006
Deferred tax liabilities	41	2,090,470	2,073,635
TOTAL LIABILITIES		107,137,524	93,410,736
EQUITY		251,071,873	235,904,103
Share capital	31	32,602,500	32,602,500
Adjustment to share capital	31	90,564,317	90,564,317
Restricted reserves	31	8,831,260	8,831,260
Other comprehensive income/ expense			
not to be reclassified to profit or loss		(2,046,376)	(1,555,359)
- Actuarial gain/ (loss) arising from defined benefit plans	39	(2,046,376)	(1,555,359)
Retained earnings		105,461,385	88,764,339
Net profit for the period		15,658,787	16,697,046
TOTAL LIABILITIES AND EQUITY		358,209,397	329,314,839

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

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET A.Ş.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Year 1 January - 31 December 2014	Prior Year 1 January - 31 December 2013
Net sales	32	515,400,838	444,602,640
Cost of sales (-)	32	(422,525,653)	(362,984,499)
GROSS PROFIT	32	92,875,185	81,618,141
General administrative expenses (-)	34	(41,953,660)	(34,462,559)
Marketing, selling and distribution expenses (-)	34	(36,111,717)	(32,391,457)
Other operating income from main activities	35	12,695,984	10,953,895
Other operating expenses from main activities (-)	35	(4,449,157)	(3,623,415)
OPERATING PROFIT		23,056,635	22,094,605
Other income from investing activities	36	191,548	125,610
Other expenses from investing activities	36	(43,386)	(36,228)
Share in net (loss)/ profit of joint venture	4	64,994	614,697
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		23,269,791	22,798,684
Financial income	38	275,507	295,779
Financial expenses (-)	38	(3,506,458)	(2,260,737)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		20,038,840	20,833,726
Tax income/ (expense) from continued operations			
- Current income tax expense (-)	41	(4,270,475)	(2,854,285)
- Deferred tax (expense)/ income	41	(109,578)	(1,282,395)
NET PROFIT FOR THE YEAR		15,658,787	16,697,046
Earnings per share		0.4803	0.5121
- Earnings per share from continuing operations	42	0.4803	0.5121
OTHER COMPREHENSIVE (LOSS)/ INCOME			
Items not to be classified to profit or loss			
- Actuarial gain/ (loss) arising from defined benefit plans	39	(583,760)	(9,446)
- Tax effect of other comprehensive income/ expense not to be reclassified to profit or loss	39	92,743	1,889
OTHER COMPREHENSIVE (LOSS)/ INCOME		(491,017)	(7,557)
TOTAL COMPREHENSIVE INCOME		15,167,770	16,689,489

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

INDEPENDENT AUDITOR'S REPORT

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CHANGES EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Share capital	Adjustments on capital	Restricted reserves	Other comprehensive income/(expense) not to be reclassified to profit or loss Actuarial gain/ (loss) arising from defined benefits plan	Retained earnings	Net profit for the year	Total
PRIOR YEAR							
Balances as of 1 January 2013 (beginning) - prior reported	32,602,500	90,564,317	8,831,260	(1,547,802)	70,955,582	17,808,757	219,214,614
Transfers	-	-	-	-	17,808,757	(17,808,757)	-
Total Comprehensive Income	-	-	-	(7,557)	-	16,697,046	16,689,489
Balances as of 31 December 2013 (closing)	32,602,500	90,564,317	8,831,260	(1,555,359)	88,764,339	16,697,046	235,904,103
CURRENT YEAR							
Balances as of 1 January 2014 (beginning) - prior reported	32,602,500	90,564,317	8,831,260	(1,555,359)	88,764,339	16,697,046	235,904,103
Transfers	-	-	-	-	16,697,046	(16,697,046)	-
Total comprehensive income	-	-	-	(491,017)	-	15,658,787	15,167,770
Balances as of 31 December 2014 (closing)	32,602,500	90,564,317	8,831,260	(2,046,376)	105,461,385	15,658,787	251,071,873

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

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET A.Ş.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Year 1 January - 31 December 2014	Prior Year 1 January - 31 December 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income for the year		15,658,787	16,697,046
Adjustments:			
Depreciation and amortization	37	10,338,434	9,575,837
Interest income	38	(273,589)	(290,324)
Interest expense	38	3,500,281	2,242,867
Employment termination benefits (Reversals) / Provisions	28	1,992,994	1,799,196
Share in profit of joint ventures	4	(64,994)	(614,697)
Gain on sale of property plant and equipment and intangible assets	36	(148,162)	(89,382)
Changes in allowance for doubtful receivables, (net)	8	865,984	1,522,219
Changes in allowance for impairment on inventory, (net)	11	366,201	(99,941)
Income tax expense	41	4,380,053	4,136,680
Changes in working capital:			
Change in trade receivables	7-8	(16,823,952)	(14,339,736)
Change in inventories	11	(1,164,875)	(7,740,232)
Change in other receivables and assets		416,346	(730,592)
Change in prepaid expenses	13	16,808	(389,366)
Change in employee benefit liabilities		2,296,461	(318,521)
Change in trade payables	7-8	990,318	12,334,145
Change in other payables and liabilities		143,503	(2,226,646)
Change in provisions		(356,667)	(565,560)
Cash flows from operating activities:			
Taxes paid	41	(4,625,730)	(4,567,141)
Interests paid	38	(3,500,281)	(2,242,867)
Interests received	38	273,589	290,324
Employment termination benefits paid	28	(1,852,715)	(1,534,492)
Net cash generated from operating activities		14,813,252	11,372,318
B. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property plant and equipment	15	(19,637,935)	(12,747,899)
Proceeds on disposal of property plant and equipment		368,525	489,544
Purchase of intangible assets	18	(469,762)	(17,971)
Changes in prepaid expenses	13	274,027	(1,439,053)
Net cash used in investing activities		(19,465,145)	(13,715,379)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of borrowings		(110,706,885)	(174,312,578)
Proceeds from bank borrowings		118,710,027	173,624,857
Net cash (used in)/ generated from financing activities		8,003,142	(687,721)
Change in cash and cash equivalents		3,351,249	(3,030,782)
Cash and cash equivalents at the beginning of the year		6,141,945	9,172,727
Cash and cash equivalents at the end of the year	6	9,493,194	6,141,945

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

OLMUKSAN INTERNATIONAL PAPER AMBALAJ
SANAYİ VE TİCARET A.Ş.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Olmuksan International Paper Ambalaj Sanayi ve Ticaret A.Ş. (the "Company") was established on 13th of August, 1958 with the name of Cam Soda Sanayi A.Ş. and the name of the Company was changed in 1963 with the new business corporation. The Company produces and sells various types of corrugated boxes since 1968. Our Company's name changed into Olmuksan International Paper Ambalaj Sanayi ve Ticaret Anonim Şirketi as of 26 March 2013, which change was published in the Turkish Commercial Registry Gazette under number 8290 on 1 April 2013.

Gebze, İzmir, Adana, İnegöl, Çorlu, Çorum Manisa and Antalya facilities produce various types and sizes of corrugated boxes and sold to a broad customer portfolio operating in different sectors, ranging from food to industry. The recycled paper is processed and converted into raw material in Edirne and Çorum Paper Mill. Edirne and Çorum Paper Mill provides some of the raw material of other plants. On 3 June 2013 the Board of Directors have decided to close down Antalya Plant, registered to Antalya Trade Registry Directorate by record number 56434 - 58697.

The Company's legal center address is FSM Mahallesi Poligon Caddesi Buyaka 2 Sitesi No:8 34471 Ümraniye-İstanbul. As of 31 December 2014, the Company has 994 employees (31 December 2013: 941). Shares of the company have been listed on Borsa İstanbul ("BİST") since 1986.

The financial statements as of 31 December 2014 have been approved by the Board of Directors on

27 February 2015. The shareholders of the Company have the right to change financial statements and financial statements are subject to approval by shareholders at the annual general meeting.

At 31 December 2013, the Company's main shareholder who have the joint controlling authority is I. P. Container Holdings (Spain), S.L.. At 11 December 2013, International Paper Holding Turkey B.V. (in liquidation) transferred its shares of 1,425,713,901.50 to I.P. Container Holdings (Spain), S.L.. International Paper Co. has the ultimate control.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

2.1.1 Financial reporting standards applied

The accompanying financial statements are prepared in accordance with 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 Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC").

The financial statements of the Company 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 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 Company have been prepared accordingly.

The Company maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

2.2. Change In Accounting Policies, Comparative Information and Revision of Prior Year Financial Statements

2.2.1 New and Revised Turkish Financial Reporting Standards

a) Amendments to IFRSs affecting amounts reported and/or disclosures in the financial statements

None.

b) New and Revised IFRSs applied with no material effect on the financial statements

- Amendments to IFRS 10, 11, IAS 27
Investment Entities 1
- Amendments to IAS 32
Offsetting Financial Assets and Financial Liabilities 1
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets 1*
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting 1*
- IFRIC 21 *Levies 1* Amendments to IAS 21
The Effects of Changes in Foreign Exchange Rates 2

- 1 Effective for annual periods beginning on or after 1 January 2014.
- 2 Effective since 1 January 2014.

Amendments to IFRS 10, 11, IAS 27 Investment Entities

This amendment with the additional provisions of IFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of IFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of IAS 36 has been changed.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment to IAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

2.2.2. Comparative information and revision of prior year financial statements

The Company prepared its financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its financial position at 31 December 2014 on a comparative basis with financial position at

31 December 2013; and statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year of 1 January - 31 December 2014 on a comparative basis with financial statements for the year of 1 January - 31 December 2013.

Classifications done for Company's Financial Position at 31 December 2013 is as follows:

Changes in balance sheet	31 December 2013
Other payables (prior reported)	189,856
Advance corporation tax	1,061,822
Other Payables (revised)	1,251,678
Provision for period income tax (prior reported)	1,858,943
Advance corporation tax	(1,061,822)
Provision for period income tax (revised)	797,121

2.3 Joint ventures

Joint venture are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company. The Company exercises such joint control through direct ownership interest held by itself.

Joint venture is accounted for using the equity method of accounting in accordance with IFRS 11 "Joint arrangements" alternative method (Note 4). Balances and transactions with related parties that are not subject to eliminations are presented in Note 7.

Joint venture's financial statements are prepared in accordance with Turkish Financial Reporting Standards which explained in Note 2.1 as of financial statements dates. Joint ventures operating results are included or excluded at the effective date of transaction dates of acquisition or disposal of the joint venture.

While the Company had 49,98 % of shares in Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. increased its share by acquiring 30 shares TL owned by TURSA A.Ş in 19 December 2012. and 1 share owned by EKSA Export Sanayi Mamül Satış A.Ş TL113,33 per share price for a total cost of TL3,513.23. The Company owns 50.00 % of Dönkasan and as of 31 December 2014, Dönkasan is classified as a joint venture in financial statements.

Joint venture	Nature of business	Other venturer	Effective share rate (%)
Dönkasan	Corrugated cardboard	Kartonsan Karton Sanayi ve Ticaret A.Ş.	50.00

2.4. Accounting policies, changes in accounting estimates and errors

Material changes in accounting policies and accounting errors are applied on a retrospective basis as if a prior period error had never occurred or the policy had always been applied. The effect of change in accounting estimate shall be recognized prospectively by including it in the statement of profit or loss and other comprehensive income within the period of the change, if the change affects that period only; or period of the change and future periods, if the change affects both.

2.5. Summary of significant accounting policies

The accounting policies applied in preparation of the accompanying financial statements are as follow:

Revenue

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

If the sales transaction contains a financing element, the fair value of the sales is measured through discounting future collections using the effective interest method. The difference between the fair value and the nominal value of sales is recognized as finance income for the relevant period on an accrual basis.

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

- The Company transfers all the significant risks and rewards of ownership of the goods to the buyer;
- The Company has no continuing managerial involvement associated with the ownership or significant control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

Dividend income is recognized by the Company at the date the right to collect the dividend is realized

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

Inventory

Inventories are valued at the lower of cost or net realizable value. Cost elements included in some of fixed and variable factory overheads. The cost of inventories is mainly determined on the first-in first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/ (loss) in the period the write-down or loss occurred.

When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changes in economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial write-down.

Property, plant and equipment

Property, plant and equipment obtained before 1 January 2005 are carried at the cost restated to the equivalent purchasing power at 31 December 2004 and the acquisition value of current period additions less accumulated depreciation and, if any, impairment.

Assets in the course of construction for rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees. For assets that need considerable time to be ready for sale or use, borrowing costs are capitalized in accordance with the Company's accounting policy. As it is for the other fixed assets, such assets are depreciated when the assets are ready for their intended use.

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

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy the lessee adopts for depreciable assets that are owned. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their restated carrying amounts and are included in the related income and expense accounts, as appropriate.

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives.

The expected useful lives are stated below:

	Years
Buildings	40
Land improvements	10 - 20
Machinery and equipment	9 - 15
Motor vehicles	4 - 5
Furnitures and fixtures	8 - 10

Intangible asset

Intangible assets comprise rights and other intangible asset.

Intangible assets are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period not exceeding five years. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount. The recoverable amount is considered to be the higher of asset's net selling price or value in use.

Impairment of assets

At each reporting date, the Company assesses whether there is an impairment indication for the assets, except for the deferred income tax asset (Note 41). The recoverable

amounts of intangible assets not yet available for use to be measured annually. When an indication of impairment exists, the Company estimates the recoverable amounts of such assets. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are allocated to cash generating units for the purpose of impairment testing, which is undertaken on the lowest level. The recoverable amounts of intangible assets not yet available for use, are estimated at each reporting date. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the statement of profit or loss and other comprehensive income. Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognized.

Borrowing cost

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.

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share - based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discounted Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Business combinations arising from transfers of the interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Company controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Company equity except that any share capital of the acquired entities is recognized as part of share premium. Any cash paid for the acquisition is recognized directly in equity.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not premeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is premeasured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Financial instruments

Financial assets

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

Investments, recorded or unrecorded in the maturity date regarding to the agreement which provides that the investment instruments will be delivered accordance to the time period defined by relevant market.

Financial assets are classified into the following categories: financial assets as 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'

Effective interest rate

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

Available - for-sale financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Loans and receivables

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

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between

the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in values.

Financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting

all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

Other financial liabilities

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

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

Foreign currency transaction

In the statutory accounts of the Company, transactions in foreign currencies (in Turkey, currencies other than Turkish Lira) are translated into Turkish Lira at the rates of Exchange ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the Exchange rate ruling at 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.

Gains and losses arising on settlement and translation of foreign currency items are included in the statement of income.

Earnings per share

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

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

Events after the balance sheet date

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Company (should any evidence come about events that were prior to the balance sheet date or should new events come about) will be explained in the relevant note.

The Company; restates its financial statements if such subsequent events arise.

Provision, contingent liabilities, contingent assets

Provision are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company 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, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Related parties

If financial statements, important personnel in management and board of directors, their family and controlled or dependent companies, participations and subsidiaries are all accepted and denoted as "related parties" (Note 7).

Taxation and deferred tax

Income tax expense represents the current tax and deferred tax expenses.

Current tax

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

Deferred tax

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

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

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

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

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

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the

case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Employee benefits/ Severance pays

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

("IAS 19").

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

Statements of cash flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows generated from petroleum products sales of the Company.

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

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

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

Share capital and dividends

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

Critical accounting judgments and estimations

In the process of applying the entity's accounting policies as outlined in Note 2.2, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

At the determination of useful lives, allowance for the inventory (Note 11) and doubtful receivables (Note 8),

Allowances for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience and regarding their due dates. Critical accounting judgments and estimations (cont'd)

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities.

Deferred tax liability is calculated from all temporary differences; however deferred tax asset is calculated if and only if it is probable that all of the deferred tax assets will be realized (Note 41).

2.6. 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 offsetting. As a result of the transactions in the normal course of business, revenue except for the revenue identified in "Revenue" section above are presented as net if the nature of the transaction or the event qualify for offsetting.

2.7. Declaration of conformity to TAS / TFRS and policy settings issued by POAASA

The Company management is responsible for preparation and fair presentation of the financial statements in accordance with TAS / TFRS and Turkish Accounting Standards issued by POAASA. We state that the financial statements of prior year and current year and summary of significant accounting policies and explanatory notes are prepared and presented in accordance with TAS / TFRS.

NOTE 3 - BUSINESS COMBINATIONS

None (31 December 2013: None).

NOTE 4 - INTERESTS IN OTHER ENTITIES

	31 December 2014		31 December 2013	
	(%)	TL	(%)	TL
Dönkasan	50.00	10,152,612	50.00	10,207,664
Total		10,152,612		10,207,664

Summary of financial information for Dönkasan is as below:

	31 December 2014	31 December 2013
Current assets	22,861,001	20,851,140
Non current assets	5,655,199	5,955,453
Total assets	28,516,200	26,806,593

Short term liabilities	6,543,552	4,121,812
Long term liabilities	1,667,425	2,269,454
Total liabilities	8,210,977	6,391,266

	31 December 2014	31 December 2013
Revenue	71,788,825	71,186,557
Net profit for the year	129,987	1,229,394
The Company's share in net profit of joint venture for the year	64,994	614,697

	2014	2013
1 January	10,207,664	9,592,967
Income and expense from associates, net	64,994	592,858
Other (*)	(120,046)	21,839
31 December	10,152,612	10,207,664

(*) With the result of application in IAS 19, "Employee Benefits" the actuarial losses, were recognised in "actuarial gain/ (loss) arising from defined benefit plans" in other comprehensive income and in the financial position.ised.

NOTE 5 - SEGMENT REPORTING

Lines of activities of the Company are production of various types of corrugated boxes and other custom manufacturing goods. Scope of business, specifications and economics of the goods, production process, and classification of customers according to their riskiness and method of distribution are similar. Moreover, organizational structure of the Company has created as focusing on only one line of activity other than conducting different activities. As a result, it is accepted that there is only one line of business of the Company and results of the operations are evaluated as determination of resources allocated to line of operations and inquiry of performance of these activities.

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Banks		
- time deposits	8,557,864	4,578,000
- demand deposits	933,995	1,562,193
Cash on hand	1,335	1,752
Total	9,493,194	6,141,945

As of 31 December 2014 details of time deposits are as below:

Currency type	Original balance	TL Equivalent	Interest Rate (%)
TL	8,250,000	8,250,000	7.90
TL	307,864	307,864	7.50
Total	8,557,864	8,557,864	

As of 31 December 2013 details of time deposits are as below:

Currency type	Original balance	TL Equivalent	Interest Rate (%)
TL	4,290,000	4,290,000	7.00
TL	288,000	288,000	6.50
Total	4,578,000	4,578,000	

As of 31 December 2014 the Company has no blocked bank deposits. (31 December 2013: the Company has no blocked bank deposits.)

The credit risk of banks that company has deposits is being evaluated by using independent data. The market value of cash and cash equivalents approximates to carrying value as of balance sheet date which includes accrued interest.

NOTE 7 - RELATED PARTY DISCLOSURES

	31 December 2014	31 December 2013
i.) Due from related parties:		
International Paper – USA	531,719	-
Toplam	531,719	-

	31 December 2014	31 December 2013
ii.) Due to related parties:		
Dönkasan A.Ş.	868,453	3,948,502
Toplam	868,453	3,948,502

iii.) Sales to/ (purchase from) related parties

1 January - 31 December 2014

	Inventory purchase	Sales	Service purchase	Service sales	Interest income	Interest expense	Rent expense	Other financial Inc./exp. net
International Paper Company	(110,493,839)	-	(184,104)	-	-	-	-	-
Dönkasan A.Ş.	(12,440,401)	15,288	(251,499)	65,108	-	-	-	-
IP Belgian Service Company	-	-	(4,157,593)	-	-	-	-	-
International Paper Polska SP.	-	-	(424,383)	-	-	-	-	-
International Paper Cartonajes Union S.L.	-	-	(39,217)	68,818	-	-	-	-
International Paper Italia S.R.L.	(1,692)	-	(1,652)	-	-	-	-	-
Papeteries Etienne International Paper	(950)	-	-	-	-	-	-	-
Toplam	(122,936,882)	15,288	(5,058,448)	133,926	-	-	-	-

1 January - 31 December 2013

	Inventory purchase	Sales	Service purchase	Service sales	Interest income	Interest expense	Rent expense	Other financial Inc./exp. net
International Paper Company	(113,720,336)	-	-	-	-	-	-	-
Dönkasan A.Ş.	(14,805,575)	163,188	-	-	-	-	-	-
Toplam	(128,525,911)	163,188	-	-	-	-	-	-

iv.) Key management compensation

The Company has determined key management personnel as members of executive board. Benefits to key management include benefits such as fees, bonuses, health assurances, cars etc. Compensation amounts have been classified as below at 31 December 2014 and 2013:

	1 January - 31 December 2014	1 January - 31 December 2013
Short-term benefits	4,723,705	3,490,300
Other long-term benefits	150,652	167,100
Benefits due to cease of employment contract	-	145,179
Total	4,874,357	3,802,579

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Other trade receivables

As of 31 December 2014 and 2013 details of other trade receivables are as below:

	31 December 2014	31 December 2013
Receivables	128,896,727	124,236,859
Notes receivables	41,086,166	29,180,308
	169,982,893	153,417,167
Allowance for unrealized financing income from credit sales	(2,722,566)	(2,449,073)
Allowance for doubtful receivables (-)	(14,557,354)	(13,691,370)
	152,702,973	137,276,724

Average due date is 3 months for the trade receivables (31 December 2013: 3 months). Annual effective interest rate for trade receivables is 10% (31 December 2013: 10%).

As of 31 December 2014, the Company has TL 32,322,084 overdue trade receivables (31 December 2013: TL 31,424,923). As of 31 December 2014 the Company set allowance for doubtful receivables TL 14,557,354 (31 December 2013: TL 13,691,370).

As of 31 December 2014 and 2013 overdue receivables which need no impairments are shown below:

	31 December 2014	31 December 2013
Between 0 - 3 months	15,960,732	16,919,807
Between 3 - 6 months	1,291,585	365,000
Over than 6 months	512,413	448,746
Total	17,764,730	17,733,55

Movements of provision for doubtful receivables are as below:

	2014	2013
11 January	(13,691,370)	(12,169,151)
Provision for current period	(1,060,181)	(2,454,212)
Collections (-)	194,197	931,993
31 December	(14,557,354)	(13,691,370)

Other trade payables

As of 31 December 2014 and 2013 details of trade payables are as below:

	31 December 2014	31 December 2013
Trade payables	41,768,711	37,619,504
Less: Allowance for unrealized financing expense from credit purchases	(482,148)	(403,308)
Total short term trade payables	41,286,563	37,216,196

Average due date is 30 days for the trade payables (31 December 2013: 30 days). Annual effective interest rate is 10% (31 December 2013: 10%).

NOTE 9 - RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None (31 December 2013: None).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

	31 December 2014	31 December 2013
a) Other receivables from related parties		
Other receivables from related parties	184,104	-
Total	184,104	-

	31 December 2014	31 December 2013
b) Other receivables from non-related parties		
Other receivables from non-related parties	26,880	29,252
Total	26,880	29,252

	31 December 2014	31 December 2013
c) Other payables from non-related parties		
Tax payables	1,459,491	1,131,017
Other	40,374	120,661
Total	1,499,865	1,251

NOTE 11 - INVENTORIES

	31 December 2014	31 December 2013
Raw materials	51,004,579	50,733,369
Work in progress	4,518,181	6,220,213
Finished goods	6,790,381	3,958,484
Trade goods	145	35,623
Other inventories	457,156	657,878
Allowance for impairment on inventories (-)	(1,680,946)	(1,314,745)
Total	61,089,496	60,290,822

Movements of allowance on inventory are as below:

	2014	2013
1 January	(1,314,745)	(1,414,686)
Current period income/ (expense), net	(366,201)	99,941
31 December	(1,680,946)	(1,314,745)

Raw materials amounting to TL313.203.490 recognized as expense in cost of goods sold (2013: TL 261,758,286) (Note 32).

NOTE 12 - BIOLOGICAL ASSETS

None (31 December 2013: None).

NOTE 14 - INVESTMENT PROPERTIES

None (31 December 2013: None).

NOTE 13 - PREPAID EXPENSES AND DEFERRED REVENUES

	31 December 2014	31 December 2013
a) Short term prepaid expenses		
Prepaid expenses	1,084,585	1,250,274
Advances given to suppliers	480,100	331,219
	1,564,685	1,581,493
b) Long term prepaid expenses		
Advances given for property, plant and equipment	1,602,997	1,877,024
	1,602,997	1,877,024
c) Deferred revenues		
Advances received	668,625	772,561
	668,625	772,561

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2014	Additions	Disposals	Transfers	31 December 2014
Cost:					
Land	11,626,719	-	-	-	11,626,719
Land improvements	4,471,911	42,848	-	-	4,514,759
Buildings	56,344,727	412,640	-	767,645	57,525,012
Machinery and equipment	252,095,306	1,629,839	(1,199,901)	6,743,886	259,269,130
Motor vehicles	183,539	9,170	-	-	192,709
Furniture and fixtures	11,073,472	580,349	(8,682)	1,123,059	12,768,198
Construction in progress	3,367,672	16,963,089	-	(9,058,774)	11,271,987
	339,163,346	19,637,935	(1,208,583)	(424,184) (*)	357,168,514
Accumulated depreciation:					
Land improvements	(3,670,555)	(117,504)	-	-	(3,788,059)
Buildings	(26,604,078)	(1,446,271)	-	-	(28,050,349)
Machinery and equipment	(190,802,822)	(7,669,421)	980,716	-	(197,481,527)
Motor vehicles	(175,178)	(2,816)	-	-	(187,994)
Furniture and fixtures	(8,287,255)	(519,243)	7,504	-	(8,798,994)
	(229,539,888)	(9,755,255)	988,220	-	(238,306,923)
Net book value	109,623,458				118,861,591

(*) TL 424,184 is transferred from property, plant equipment to intangible assets (31 December 2013: TL360,777 is transferred from property, plant equipment to intangible assets) As of 31 December 2014, there is no mortgage on lands, buildings machinery and equipments of the Company (31 December 2013: No mortgage).

INDEPENDENT AUDITOR'S REPORT

	1 January 2013	Additions	Disposals	Transfers	31 December 2013
Cost:					
Land	11,626,719	-	-	-	11,626,719
Land improvements	4,169,763	95,430	-	206,718	4,471,911
Buildings	56,298,336	33,521	(10,182)	23,052	56,344,727
Machinery and equipment	245,739,336	902,721	(2,599,014)	8,052,263	252,095,306
Motor vehicles	202,115	2,802	(21,378)	-	183,539
Furniture and fixtures	9,485,367	371,492	(227,939)	1,444,552	11,073,472
Construction in progress	2,113,101	11,341,933	-	(10,087,362)	3,367,672
	329,634,737	12,747,899	(2,858,513)	(360,777)(*)	339,163,346
Accumulated depreciation:					
Land improvements	(3,569,741)	(100,814)	-	-	(3,670,555)
Buildings	(25,179,184)	(1,427,676)	2,782	-	(26,604,078)
Machinery and equipment	(185,711,041)	(7,298,789)	2,207,008	-	(190,802,822)
Motor vehicles	(195,321)	(1,016)	21,159	-	(175,178)
Furniture and fixtures	(8,249,863)	(264,795)	227,403	-	(8,287,255)
	(222,905,150)	(9,093,090)	2,458,352	-	(229,539,888)
Net book value	106,729,587				109,623,458

NOTE 16 - RIGHTS TO INTERESTS ARISING FROM DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS

None (31 December 2013: None).

NOTE 17 - MEMBERS' SHARES IN CO - OPERATIVE ENTITIES AND SIMILAR INSTRUMENTS

None (31 December 2013: None).

NOTE 18 - INTANGIBLE ASSETS

	2014	2013
As of 1 January:		
	4,833,220	4,782,131
Accumulated amortization	(3,521,636)	(3,366,546)
Opening net book value	1,311,584	1,415,585
Opening net book value		
Additions	469,762	17,971
Disposals	-	(327,659)
Transfers	424,184	360,777
Current year amortization addition	(583,179)	(482,748)
Disposal of accumulated amortization disposal	-	327,658
Closing net book value	310,767	(104,001)
As of 31 December:		
Cost	5,727,166	4,833,220
Accumulated amortization	(4,104,815)	(3,521,636)
Net book value	1,622,351	1,311,584

NOTE 19 - GOODWILL

None (31 December 2013: None).

NOTE 20 - EXPLORATION FOR AND EVALUATION OF MINERAL ASSETS

None (31 December 2013: None).

NOTE 21 - LEASES

None (31 December 2013: None).

NOTE 22 - SERVICE CONCESSION ARRANGEMENTS

None (31 December 2013: None).

NOTE 23 - IMPAIRMENT OF ASSETS

At each reporting date, the Company assesses whether there is an impairment indication for the assets, except for the deferred income tax asset. As of 31 December 2014, the Company has booked allowance for doubtful receivables amounting to TL 14,557,354 (Note 8) and allowance for impairment on inventories amounting to TL 1,680,946 (Note 11).

NOTE 24 - GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE

None (31 December 2013: None).

NOTE 25 - FINANCIAL LIABILITIES

As of 31 December 2014 and 2013 details of bank borrowings are as below:

	31 December 2014		31 December 2013	
	Weighted average efficient interest rate (%)	Amount (TL)	Weighted average efficient interest rate (%)	Amount (TL)
Short term bank borrowings:				
- TL	10.75	30,960,000	8.25	12,000,000
- USD	-	-	-	73,284
- Other (*)	-	7,178,390	-	699,466
- TL (**)	-	892,927	-	756,145
- TL	-	-	8.75	17,499,280
		39,031.317		31,028,175

(*) Other financial liabilities consists vendor financing.

(**) The balance consists of spot bank loans from Akbank T.A.Ş.

NOTE 26 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions

Details of short term provisions are shown below:

	31 December 2014	31 December 2013
Legal claims	1,141,500	1,083,667
Other provisions	1,900,198	755,827
Total	3,041,698	1,839,494

As of 31 December 2014 and 2013 movements of provision for legal claims are shown below:

	1 January	31 December 2013
	1,083,667	1,379,540
Current year additions	414,500	269,687
Paid in current period (-)	(356,667)	(565,560)
31 December	1,141,500	1,083,667

The total of the law cases opened against the Company amounts to TL 1,606,500

(31 December 2013: TL 1,083,667). Legal advisors of the Company reviewed the law cases against the Company and provision amounting to TL 1,141,500 (31 December 2013: TL 1,083,667) is recognized for the expected law cases cash outflow.

As of 31 December 2014 and 2013 details of contingent liabilities and assets are shown below:

Guarantees given

Guarantee letters given	8,000,653	16,345,052
Total	8,000,653	16,345,052

Guarantees received

Guarantee cheques received	10,629,641	12,608,122
Guarantee letters received	10,009,468	8,560,323
Pledges received	1,527,000	1,962,000
Total	22,166,109	23,130,445

Below are the amounts of collaterals, pledges and mortgages ('CPM') of the Company as of

31 December 2014 and 31 December 2013:

	31 December 2014	31 December 2013
A, CPM's given for companies		
own legal personality	8,000,653	16,345,052
B, CPM's given on behalf of		
fully consolidated companies	-	-
C, CPM's given for continuation		
of its economic activities on behalf of third parties	-	-
D, Other CPM		
	-	-
	8,000,653	16,345,052

As of 31 December 2014 ratio of CPM's to equity is 0.00 % (31 December 2013: 0.00%).

INDEPENDENT AUDITOR'S REPORT

In 2012, Turkish Competition Board, with its decision dated 24.04.2012 numbered 12 - 21/560-M, initiated an investigation relating to the paper, and particularly, waste paper sectors, covering several industry players including Olmüksan and its affiliate Dönkasan. The allegations are mainly focused on denial of requests of letters required for export of waste paper.

On July 9, 2013 the Competition Board has come to a decision that Protection of Competition Law No. 4 item of 4054 has been breached by the companies in the packaging industry. The Board concluded that companies had violated, however, at the same time the conditions for exemption meets their specified actions and therefore no punishment is given. The Board also decided to give individual exemptions for 3 years from the recognition date of "Export: 2011/6 communiqué" if objective criteria's are met in accordance with the Law No. 5 item of 4054.

NOTE 27 - COMMITMENTS

None (31 December 2013: None).

NOTE 28 - EMPLOYEE BENEFITS

	31 December 2014	31 December 2013
a) Employee benefits payable		
Payables to personnel(*)	2,326,452	29,992
Total	2,326,452	29,992

(*)In the meeting which is about collective work agreement and includes the period 1 July 2014 -30 June 2016, is between the Company and Türkiye Selüloz, Kağıt, Ağaç ve Mamulleri İşçileri Sendikası. The meeting is concluded with the agreement in 9 February 2015. According to the agreement, wage differences which includes the periods 1 July 2014 and 31 December 2014 are included to the payables to personnel.

b) Short - term provisions for employee benefits

Provision for unused vacation	1,377,756	1,270,880
Other provisions	1,880,223	1,161,512
Total	3,257,979	2,432,392

c) Long - term provisions for employee benefits

Employee termination benefit provision	12,622,000	12,018,006
Total	12,622,000	12,018,006

Employee termination benefit provision is recorded according to the following descriptions. There has been no retirement plan except the legal requirement explained below.

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who reaches the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service or passed away.

The amount payable consists of one month's salary limited to a maximum of TL 3,438.22

(31 December 2013: TL 3,254.44) for each year of service at 31 December 2014.

Provision for employee termination benefits is not subject to any funding and also there is no any funding requirements. Provision for employee termination benefit defines the current value of total expected provision for the liabilities due to retirement of the employees. According to the Turkish labor law and legislations that are applied in Turkey, the company is obliged to pay severance payment to the employees who has work for the company at least 1 year, goes because of the military duty and decedent but except the firing due to inappropriate behavior. The provision which is about the current value of defined benefit payment, is calculated by using anticipated liability method. All actuarial profit and loss are recorded to financial statements by associating with other comprehensive income statement.

IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions have been used in the calculation of the total liability:

	2014	2013
Discount rate (%)	3.47	3.7
Probability of retirement (%)	96.0	96.5

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. As the maximum liability is revised once every six months, the maximum amount of TL 3,541.37 effective from 1 January 2015 (1 January 2014: TL 3,438.22) has been taken into consideration in calculating the reserve for employment termination benefit of the Company.

Movements in the provision for employment termination benefits are as below:

	2014	2013
1 January	12,018,006	11,743,856
Service cost	903,000	892,868
Interest cost	1,089,994	906,328
Actuarial losses	463,715	9,446
Employment termination benefit paid	(1,852,715)	(1,534,492)
31 December	12,622,000	12,018,006

NOTE 29 - EXPENSES BY NATURE

	2014	2013
Raw materials, finished goods and trade goods	(315,209,829)	(263,510,938)
General production overhead	(82,749,970)	(76,493,813)
Personnel expenses	(44,383,756)	(41,488,515)
Transportation expenses	(25,282,543)	(22,833,960)
Depreciation	(10,338,433)	(9,575,837)
Services and consultancy expenses	(7,971,743)	(2,811,756)
Insurance expenses	(3,165,148)	(2,296,909)
Rent expense	(2,198,599)	(2,040,860)
Travel expense	(2,099,792)	(1,872,685)
Information technology services	(1,210,467)	(1,272,543)
Maintenance expenses	(997,256)	(779,954)
Communication expenses	(403,429)	(401,432)
Export expenses	(186,026)	(149,315)
Employee benefits	(106,876)	(185,866)
Other expenses	(4,287,163)	(4,124,132)
Total	(500,591,030)	(429,838,515)

Expense by nature comprise of cost of sales research and development expenses, marketing, selling and distribution expenses and general administrative expenses.

Cost of sales	(422,525,653)	(362,984,499)
Marketing, selling and distribution expenses	(36,111,717)	(32,391,457)
General administrative expenses	(41,953,660)	(34,462,559)
Total	(500,591,030)	(429,838,515)

NOTE 30 - OTHER ASSETS AND LIABILITIES

a) Other Current Assets	31 December 2014	31 December 2013
Job advances	281,664	459,489
Due from insurance indemnity	71,368	79,150
Other	23,763	435,939
Total	376,795	974,578

NOTE 31 - EQUITY

The Company has adopted the registered share capital system applicable to companies registered on the CMB and set a limit on its registered share capital representing type of registered shares with a nominal value of Kr 1. Historical, authorized and issued capital of the Company as of

31 December 2014 and 31 December 2013 is presented below:

	31 December 2014	31 December 2013
Limit on registered share capital (historical)	50,000,000	50,000,000
Issued share capital	32,602,500	32,602,500

At 31 December 2014 and 2013, the shareholder structure of the Company is stated below:

	31 December 2014		31 December 2013	
	Amount	Share (%)	Amount	Share (%)
International Paper Container Holdings (Spain) S.L.	29,881,045	91.65	28,514,276	87.46
Other (publicly held)	2,721,455	8.35	4,088,224	12.54
Total	32,602,500	100.00	32,602,500	100.00

The Company's share capital comprises 3,260,250,000 shares (2013: 3,260,250,000 shares). The nominal value of each share amounts to TL0.01 (2013: TL0.01). The Company does not have any privileged shares.

At 11 December 2013, International Paper Holding Turkey B.V. (in liquidation) transferred its shares of 1,425,713,901.50 to Paper Container Holdings (Spain).

Restricted reserves from profit

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

The aforementioned amounts shall be classified in "Restricted Reserves" in accordance with CMB Financial Reporting Standards. Restricted reserves of the Company amounts to TL 8,831,260

(31 December 2013: TL 8,831,260).

Dividend payment

Companies whose shares are quoted on the ISE are subject to profit distribution rules of CMB as follows:

In accordance with the decision of CMB on 28 January 2010, no obligation has been imposed for the minimum profit distribution of the incorporated companies whose shares are quoted in ISE, off the profits earned as a result of the operations in 2009. Additionally, pursuant to CMB Decision Serial IV No. 27, regarding profit distribution obligation, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the shareholders free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further made possible that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount.

Moreover, in accordance with the CMB regulations, in the event that the entire profit distribution amount calculated pursuant the minimum profit distribution amount calculated over the net distributable profit found in accordance with CMB regulations can be covered by the distributable profit in the statutory records, it shall be distributed completely, and if the relevant amount cannot be covered by that amount, all of the net distributable profit in the statutory records shall be distributed. In the event that there is any period loss in financial statements prepared in accordance with the CMB regulations or statutory records, no profit shall be distributed.

Equity statement in accordance with the Tax Procedure Law, is as follows:

	31 December 2014	31 December 2013
Share capital	32,602,500	32,602,500
Adjustment to share capital	107,849,059	107,849,059
Share issue premium	3,551,359	3,551,359
Other premium	52,347,849	52,347,849
Restricted reserves		
- Legal reserves	13,375,465	13,375,465
- Extraordinary reserves	40,141,882	40,141,882
Accumulated losses	(27,846,973)	(37,976,596)
Net income for the year(*)	16,353,055	10,129,622
	238,374,196	222,021,140

(*) Net income for the year state the net income after the tax deduction provision in fourth period temporary tax declaration and become definite with the corporate tax declaration.

NOTE 32 - REVENUE

	1 January - 31 December 2014	1 January - 31 December 2013
Domestic sales	491,521,870	423,519,961
Export sales	25,841,491	22,408,965
Sales discounts (-)	(1,962,523)	(1,326,286)
Net sales	515,400,838	444,602,640
Raw materials used	(313,203,490)	(261,758,286)
Production overheads	(82,749,970)	(76,493,813)
Direct labour expenses	(16,157,816)	(15,070,120)
Depreciation	(8,408,038)	(7,909,628)
Change in work in progress	1,702,032	(1,414,969)
Change in finished goods	(2,831,897)	170,428
Cost of goods sold	(421,649,179)	(362,476,388)
Cost of trade goods sold	(876,474)	(508,111)
Cost of Sales	(422,525,653)	(362,984,499)
Gross profit	92,875,185	81,618,141

NOTE 33 - CONSTRUCTION CONTRACTS

None (31 December 2013: None).

NOTE 34 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2014	1 January - 31 December 2013
General Administrative Expenses		
Personnel expenses	(20,606,829)	(19,601,210)
Service and consultancy expenses	(7,971,743)	(2,811,756)
Insurance expenses	(3,047,300)	(2,222,312)
Depreciation expenses	(1,930,396)	(1,666,209)
Information technology services	(1,210,467)	(1,272,543)
Travel expenses	(1,404,308)	(1,281,997)
Rent expenses	(1,150,529)	(1,129,761)
Maintenance expenses	(997,256)	(779,954)
Communication expenses	(234,996)	(234,784)
Stationery expenses	(332,782)	(253,954)
Other expenses	(3,067,054)	(3,208,079)
Total	(41,953,660)	(34,462,559)

	1 January - 31 December 2014	1 January - 31 December 2013
Marketing, Selling and Distribution Expenses		
Transportation expenses	(25,282,543)	(22,833,960)
Personnel expenses	(7,619,111)	(6,817,185)
Rent expenses	(1,048,070)	(911,099)
Travel expenses	(695,485)	(590,688)
Export expenses	(186,026)	(149,315)
Communication expenses	(168,432)	(166,648)
Insurance expenses	(117,849)	(74,597)
Stationery expenses	(59,866)	(43,502)
Other	(934,335)	(804,463)
Total	(36,111,717)	(32,391,457)

NOTE 35 - OTHER OPERATING INCOME/ (EXPENSES) FROM MAIN ACTIVITIES**a) Other operating income from main activities:**

	1 January - 31 December 2014	1 January - 31 December 2013
Unrealized interest income	9,975,154	8,606,187
Foreign exchain gain	2,162,269	1,828,989
Other sales income	103,647	226,007
Insurance income	10,693	10,489
Social security disability allowance income	61,362	50,849
Other income, net	382,859	231,374
	12,695,984	10,953,895

b) Other operating expense from main activities:

Unrealized interest expenses	(2,327,321)	(1,678,057)
Foreign exchange loss	(1,810,921)	(1,069,449)
Donation expenses	(9,789)	(15,695)
Other expenses, net	(301,126)	(860,214)
Total	(4,449,157)	(3,623,415)

NOTE 36 - INCOME AND LOSS FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2014	1 January - 31 December 2013
a) Income from investment activities:		
Gain on sale of property, plant and equipment	191,548	125,610
	191,548	125,610

b) Expense from investment activities:

Loss on sale of property, plant and equipment	(43,386)	(36,228)
	(43,386)	(36,228)

NOTE 37 - SORT OF EXPENSES

Depreciation Expenses:	1 January - 31 December 2014	1 January - 31 December 2013
Cost of goods sold	(8,408,038)	(7,909,628)
General administrative	(1,930,396)	(1,666,209)
Total	(10,338,434)	(9,575,837)
Personnel Expenses:		
General administrative	(20,606,829)	(19,601,210)
Cost of goods sold	(16,157,816)	(15,070,120)
Marketin, selling and distribution	(7,619,111)	(6,817,185)
Total	(44,383,756)	(41,488,515)

NOTE 38 - FINANCIAL EXPENSE

	1 January - 31 December 2014	1 January - 31 December 2013
Interest income	273,589	290,324
Foreign exchange gain from bank borrowings	1,918	5,455
Total financial income	275,507	295,779
Interest expense	(3,500,281)	(2,242,867)
Foreign exchange loss from bank borrowings	(6,177)	(17,870)
Total financial expense	(3,506,458)	(2,260,737)

NOTE 39 - OTHER COMPREHENSIVE INCOME ANALYSIS

As of 31 December 2014 and 2013 details of comprehensive income are as below:

	1 January - 31 December 2014	1 January - 31 December 2013
Items not to be classified to profit or loss		
- Actuarial gain/(loss) arising from defined benefit plans	(583,760)	(9,446)
- Tax effect of other comprehensive income / expense not to be reclassified to profit and loss	92,743	1,889
OTHER COMPREHENSIVE LOSS	(491,017)	(7,557)

NOTE 40 - NON - CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (31 December 2013: None).

NOTE 41 - TAXES ON INCOME (INCLUDING DEFERRED TAX ASSET AND LIABILITIES)

The details of taxation on income for the years ended 31 December 2014 and 2013 are as below:

	1 January - 31 December 2014	1 January - 31 December 2013
Corporate and income taxes payable	4,270,475	2,854,285
Less: Prepaid current year corporate tax	(3,828,609)	(2,057,163)
Current income tax payable	441,866	797,122

INDEPENDENT AUDITOR'S REPORT

Corporate tax

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

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2013: 20%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that below the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Income withholding tax

In addition to corporate taxes; companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% commencing from 22 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to incentive certificates obtained prior to 24 April 2003. The investments without investment incentive certificates made after this date, companies can deduct 40% of those who are directly related to production facilities. Subsequent to this date investments without incentive certificates do not qualify for tax allowances.

Deferred income taxes

The Company recognizes deferred income tax assets and liabilities based upon temporary differences arising between its financial statements and its statutory tax financial statements.

The deferred taxes are calculated at a rate of 20% (31 December 2013: 20%).

Tax expense reconciliation is as below:

	1 January - 31 December 2014	1 January - 31 December 2013
Profit before tax	20,038,839	20,833,726
Expected tax expense (20%)	(4,007,768)	(4,166,745)
Income exempt from tax	204,737	175,436
Disallowable expenses	(164,783)	(226,960)
Gain on bargain purchase	12,999	122,939
Other	(425,238)	(41,350)
Total tax income/ (expense)	(4,380,053)	(4,136,680)

The breakdown of cumulative temporary differences and deferred income tax assets and liabilities provided using enacted tax rates as of 31 December 2014 and 2013 are as below:

	Taxable temporary accumulated differences		Deferred tax assets/ (liabilities)	
	2014	2013	2014	2013
Property, plant and equipment and intangible assets	(38,814,307)	(36,154,805)	(6,721,657)	(6,189,756)
Provision for employee termination benefits	12,622,000	12,018,006	2,524,400	2,403,601
Discount on trade receivables and trade payables	2,240,418	2,045,766	448,084	409,153
Provisions	6,213,355	5,155,386	1,369,773	1,158,179
Other	1,444,652	725,942	288,930	145,188
Deferred tax liabilities			(6,721,657)	(6,189,756)
Deferred tax asset			4,631,187	4,116,121
Deferred tax liability - net			(2,090,470)	(2,073,635)

Movements of deferred tax liabilities as at 31 December 2014 and 2013 are as below:

	2014	2013
1 January	(2,073,635)	(793,129)
Charged to current year statement of profit or loss and other comprehensive income	(16,835)	(1,280,506)
31 December	(2,090,470)	(2,073,635)

NOTE 42 - EARNINGS PER SHARE

Earnings per share are determined by dividing the net income by the weighted average number of shares that have been outstanding during the year. The Company's earnings per share calculation are as below:

	1 January- 31 December 2014	1 January- 31 December 2013
Weighted average number of shares (equivalent of TL1)	32,602,500	32,602,500
Net income	15,658,786	16,697,046
Earnings per share (equivalent of TL1)	0.4803	0.5121

NOTE 43 - SHARE - BASED PAYMENT

None (31 December 2013: None).

NOTE 44 - INSURANCE CONTRACTS

None (31 December 2013: None).

NOTE 45 - THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income within other operating income/ (expense) from main activities and finance expense, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign currency risk analysis of the Company is presented in Note 49.

NOTE 46 - FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the POA, has not been applied in the financial statements for the accounting year starting from 1 January 2005.

NOTE 47 - DERIVATIVES

None (31 December 2013: None).

NOTE 48 - FINANCIAL INSTRUMENTS

As of 31 December 2014, the financial instruments of the Company consist of loans and receivables.

As of 31 December 2014, the Company has financial liabilities amounting to TL 39,031,317

(31 December 2013: TL 31,028,175) (Note 25), receivables amounting to TL 153,234,692

(31 December 2013: TL 137,276,724) (Notes 7 and 8) and cash and cash equivalents amounting to TL 9,493,194 (31 December 2013: TL 6,141,945) (Note 6).

NOTE 49 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management

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

The capital structure of the Company consists of debt including the borrowings, cash and cash equivalents and equity.

The Management of the Company analyzes the cost of capital and the risks associated with each class of capital, and present the ones that require the decision of Board of Directors. The Management of the Company and Board of Directors aim to balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

The Company controls its capital using the net debt/ total capital ratio. This ratio is calculated by dividing net debt by the total capital amount. Net debt is calculated as total liability amount (comprises of financial liabilities, trade payables and payables to related parties as presented in the balance sheet) less cash and cash equivalents Total capital is calculated as equity plus the net debt amount as presented in the balance sheet.

The general strategy of the company which is about equity does not have any difference from the previous period.

The company has no speculative derivative financial instrument and there has been no purchase and sales of derivative financial instrument during the period.

INDEPENDENT AUDITOR'S REPORT

Net debt/ (capital equity+net debt) as of 31 December 2014 and 31 December 2013 are as below:

	31 December 2014	31 December 2013
Total liabilities	(105,047,054)	(91,337,101)
Cash and cash equivalents	9,493,194	6,141,945
Deferred tax liabilities	(2,090,470)	(2,073,635)
Net debt	(97,644,330)	(87,268,791)
Equity	(251,071,873)	(235,904,103)
Equity+net debt	(348,716,203)	(323,172,894)
Net debt/ (Equity + net debt) ratio	0.28	0.27

b) Financial risk factors

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk and credit risk. In addition the Company has credit risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial risks are assessed based on sensitivity analysis. The company's risk assessment methods are not changed compared to the prior year.

c) Foreign currency risk management

Transactions in foreign currencies expose the Company to foreign currency risk.

The Company is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities with sales or purchase commitments.

Foreign currency position table denominated in Turkish Lira is as below:

	31 December 2014	31 December 2013
Assets	6,232,910	5,458,189
Liabilities	(1,321,630)	(1,982,651)
Net balance sheet position of foreign currency	4,911,280	3,475,538

Foreign currency risk of the Company is mainly related with USD and Euro balances

Profit/ (Loss) 31 December 2014	Appreciation	Depreciation
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Appreciation of USD against TL by 10%

1- US Dollars net asset / liability	415,049	(415,049)
2- USD risk hedged amount (-)	-	-
3- USD net effect (1 +2)	415,049	(415,049)

Appreciation of EURO against TL by 10%

4- Euro net asset / liability	64,996	(64,996)
5- Euro risk hedged amount (-)	-	-
6- Euro net effect (4+5)	64,996	(64,996)

Appreciation of other currencies against TL by 10%

7- GBP net asset / liability	2,848	(2,848)
8- GBP risk hedged amount (-)	-	-
9- GBP net effect (7+8)	2,848	(2,848)

Total	482,893	(482,893)
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Profit/ (Loss) 31 December 2013	Appreciation	Depreciation
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Appreciation of USD against TL by 10%

1- US Dollars net asset/ liability	121,904	(121,904)
2- USD risk hedged amount (-)	-	-
3- USD net effect (1 +2)	121,904	(121,904)

Appreciation of EURO against TL by 10%

4- Euro net asset/ liability	87,635	(87,635)
5- Euro risk hedged amount (-)	-	-
6- Euro net effect (4+5)	87,635	(87,635)

Appreciation of other currencies against TL by 10%

7- GBP net asset / liability	133,192	(133,192)
8- GBP risk hedged amount (-)	-	-
9- GBP net effect (7+8)	133,192	(133,192)

Total	342,731	(342,731)
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It summarized the Company's foreign currency risk. The breakdowns of the Company's foreign currency denominated monetary assets and liabilities are as below:

	31 December 2014					31 December 2013				
	TL equivalent	USD	EUR	GBP	Other	TL equivalent	USD	EUR	GBP	Other
1. Trade receivables	3,511,970	1,097,138	313,919	-	264,381	3,687,025	631,874	398,571	318,900	138,753
2a. Monetary financial assets	453,319	168,822	7,981	10,935	-	1,206,877	96,723	236,209	87,376	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
3. Other	2,267,621	808,557	139,206	-	-	564,287	144,984	86,786	-	-
4. Total current asset (1+2+3)	6,232,910	2,074,517	461,106	10,935	264,381	5,458,189	873,581	721,566	406,276	138,753
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Total non-current asset (5+6+7)	-	-	-	-	-	-	-	-	-	-
9. Total assets (4+8)	6,232,910	2,074,517	461,105	10,935	264,381	5,458,189	873,581	721,566	406,276	138,753
10. Trade payables	1,370,232	304,268	231,780	3,026	-	1,830,236	232,464	422,069	26,964	-
11. Financial liabilities	-	-	-	-	-	73,284	34,336	-	-	-
12a. Other monetary liabilities	(48,602)	(19,607)	(1,099)	(10)	-	79,134	35,616	1,062	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
13. Total current liabilities (10+11+12)	1,321,630	284,661	230,681	3,016	-	1,982,654	302,416	423,131	26,964	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Total non-current liabilities (14+15+16)	-	-	-	-	-	-	-	-	-	-
18. Total liabilities (13+17)	1,321,630	284,661	230,681	3,016	-	1,982,654	302,416	423,131	26,964	-
19. Net Asset/Liability Position Of Off -balance sheet /										
derivatives (19a-19b)	-	-	-	-	-	-	-	-	-	-
19a. Off balance sheet foreign currency										
derivative assets	-	-	-	-	-	-	-	-	-	-
19b. Off balance sheet foreign currency										
derivative liabilities	-	-	-	-	-	-	-	-	-	-
20. Net foreign currency asset / (liability) position										
(9-18+19)	4,911,280	1,789,856	230,425	7,919	264,381	3,475,535	571,165	298,435	379,312	138,753
21. Net foreign currency position										
for monetary items										
(1+2a+3+5+6a-10-11-12a-14-15-16a)	4,911,280	1,789,856	230,425	7,919	264,381	3,475,535	571,165	298,435	379,312	138,753
22. Fair value of foreign currency hedged financial assets										
23. Hedged foreign currency assets	-	-	-	-	-	-	-	-	-	-
23. Hedged foreign currency liabilities	-	-	-	-	-	-	-	-	-	-
23. Export	25,841,491	8,667,411	1,894,320	139,495	1,587,377	22,408,965	8,736,919	2,768,029	993,150	815,541
24. Import	204,503,777	63,167,335	20,571,151	-	-	199,968,430	63,337,194	22,062,951	-	-

d) Interest rate risk management

Company's financial liabilities include fixed rate bank borrowings as of 31 December 2014 and 2013. The Company is not exposed to interest risk since it has no floating interest rate borrowing.

e) Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the

creditworthiness of the counterparties. Trade receivables are evaluated based on the Company's policies and procedures, and are presented in financial statements net of provision for doubtful receivables.

Company's sales mostly consist of domestic sales and by dealer and whole sales channels. Cost of raw materials depends on general price level in Turkey. 95,3% of sales are domestic and while setting the price of goods the currency exchange rates and raw material prices are considered.

Collection of receivables is made with dealer cheques. In general, cheques are issued by the final customers, which lead to distribution and decreasing of the credit risk. Thanks to this system, there is not any risk regarding receivables.

31 December 2014	Trade receivables		Other receivables		Deposits at bank	Derivative instruments
	Related Party	Other	Related Party	Other		
Maximum credit risk as of balance sheet date	531,719	152,171,254	-	210,984	9,491,859	-
- Hedged part of maximum risk with collateral	-	6,106,940	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	531,719	134,406,524	-	210,984	9,491,859	-
B. Net book value of financial assets that are renegotiated, otherwise that will be considered as past due or impaired	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	17.764.730	-	-	-	-
- The part of which is under guarantee with collateral	-	6.106.940	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	14,557,354	-	-	-	-
- Impairment (-)	-	(14,557,354)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

31 December 2013	Trade receivables		Other receivables		Deposits at bank	Derivative instruments
	Related Party	Other	Related Party	Other		
Maximum credit risk as of balance sheet date	-	137,276,724	-	29,252	6,140,193	-
- Hedged part of maximum risk with collateral	-	4,136,601	-	-	-	-
A, Net book value of financial assets that are neither past due nor impaired	-	119,543,171	-	29,252	6,140,193	-
B, Net book value of financial assets that are renegotiated, otherwise that will be considered as past due or impaired	-	-	-	-	-	-
C, Net book value of financial assets that are past due but not impaired	-	17,733,553	-	-	-	-
- The part of which is under guarantee with collateral	-	4,136,601	-	-	-	-
D, Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	13,691,370	-	-	-	-
- Impairment (-)	-	(13,691,370)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E, Off balance sheet items with credit risk	-	-	-	-	-	-

f) Liquidity risk and management

The Company management has built an appropriate liquidity risk management framework for the management of the Company's short medium and long term funding and liquidity management requirements.

Liquidity risk statements

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The funding risk of the current and future debt requirements is managed through rendering the availability of the qualified lenders.

The maturity analysis of Company's derivative financial liabilities and non derivative financial liabilities as of 31 December 2013 is as below:

31 December 2014	Carrying value	Total				
		Cash Flow	Less than 3 months	3 - 12 months	1-5 years	More than 5 years
Financial Liabilities	39,031,317	42,359,517	42,359,517	-	-	-
Trade payables	42,155,016	42,637,164	42,637,164	-	-	-

31 December 2013	Carrying value	Total				
		Cash Flow	Less than 3 months	3 - 12 months	1-5 years	More than 5 years
Financial Liabilities	31,028,175	33,665,570	33,592,286	73,284	-	-
Trade payables	41,164,698	41,164,698	41,164,698	-	-	-

NOTE 50 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

Fair value of financial instruments

The estimated fair values of financial instruments have been determined by the Company, using available market information and appropriate valuation methodologies. However, judgment is required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair value of the financial instruments:

Financial assets

The carrying values of significant portion of cash and cash equivalents are assumed to approximate to their fair value due to their short-term nature.

The carrying values of trade receivables are assumed to approximate to their fair value.

Fair values of held to maturity financial assets are determined based on market price, or in the case where the price cannot be determined, on market prices quoted for the securities of the same nature in terms of interest, maturity and other similar conditions.

Financial liabilities

The fair values of short term borrowings and trade payables are assumed to approximate to their carrying values due to their short-term nature. The estimated fair values of long-term financial liabilities are determined by calculating the discounted cash flows, using the current market interest rates for the fixed interest loans.

The fair value of financial liabilities as of 31 December 2014 is TL 42,359,517 (31 December 2013: TL 33,665,570).

NOTE 51 - SUBSEQUENT EVENTS

The Company, negotiated the possible split-off of the Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret Anonim Şirketi ("Dönkasan") with the Board decision dated 30 January 2015. The Company, made an "Initial Agreement" with the Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi, which have 50% share of Dönkasan, regarding to potential partially or wholly split-off of the Dönkasan.

In the meeting which is regarding to collective work agreement and includes the period 1 July 2014 -30 June 2016, is between the Company and Türkiye Selüloz, Kağıt, Ağaç ve Mamulleri İşçileri Sendikası, which was concluded with the agreement in 9 February 2015.

NOTE 52 - OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR, BE EXPLAINED FOR THE CLEAR

None (31 December 2013: None).

NOTE 53 - DISCLOSURES TO STATEMENT OF CASH FLOW

As of 31 December 2014 and 2013 the Company has no blocked deposits (Note 6).

NOTE 54 - DISCLOSURES TO STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity has been presented in accordance with the disclosures and financial statement that were compulsory based on bulletin of Capital Market Board numbered 2013/19 and dated 7 June 2013.

IP WAY

International Paper is one of the world's largest corporations, a company of substance. Our substance goes well beyond our size. We value character as much as capability. We do the right things, in the right way, for the right reasons. We never forget our commitment to people, to customers, or to operational excellence. Those who work for and with International Paper do so not only because of the value we provide, but because of the vision, mission and values by which we operate. At International Paper, we are proud of the things we make, but the things we make are not what make us. We understand that the needs we are called to meet can and will change. But the substance of IP -who we are and how we do things- never will. We call them The IP Way.

OUR VALUES:

LEADERSHIP. We uphold the highest ethical standards. We keep our commitments and we are accountable for all we do. We believe in diversity and inclusion, treating all people with dignity and respect, and helping one another succeed.

RESULTS. We are passionate about results. We set stretch objectives, we embrace change, and we always consider what is best for the entire company. We are engaged and aligned in our commitment to excellence for our customers and performance for our shareowners.

RESPONSIBILITY. We are committed to sustaining our world. We place the highest priority on employee health and safety, and we ensure that every phase of our supply chain, from procurement to manufacturing, distribution, sales and recycling, is carried out in a safe and responsible manner.

PERFORMANCE AND CAREER MANAGEMENT

IP Roadmap is the common term of performance management and individual development in International Paper. IP Roadmap system has been put into use, in order not only to reveal the successes and potentials of the employees in Olmuksan International Paper, but also to award them fairly, and to open the way to their career improvements. IP Roadmap commences with the process of spreading the annual goals determined in IP Global among all IP employees, and moving therefrom towards individual goals. Annual goals are determined in a way to consist of the four main groups, namely as the Employee, Customer, Operation, and Finance, and popularized among all our employees. The support and follow-up to be rendered to our employees throughout the year, in order to meet their needs of knowledge, skill and ability for the purpose of realizing the annual goals, are all planned with the cooperation of manager/employee, and maximum increase in the performance is contributed by way of delivering regular feedbacks in the meantime.

Thanks to the IP Roadmap system, it has been intended to develop a corporate culture to contribute not only to the relationship between the work results and individual performance, but also to increase the frequency and quality of the feedback processes. We believe in the individual development to be achieved only in parallel with the improvement of the IP Roadmap system and the feedback culture.

Thanks to the Human Resources Planning process, not only the key and critical positions are backed up for the sustainable success of our Company, Individual Development Plans are also generated for the improvement of the careers of our employees. Human Resources Planning process further provides opportunity to the employees to get themselves ready for the career opportunity to arise within the body of International Paper, and thereby to better themselves.

International Paper attaches importance to commitment.

Commitment defines the eagerness of our employees to become a group, actively and keenly engaging in the goal of turning their workplaces into a better place for everyone. Commitment is a group act, and we consider the opinions of our employees important, and annually apply the Commitment Questionnaire to them. We are sure that the work results of the company may only be achieved by the mediation of the committed employees.

