

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Consolidated Financial Statements Concerning
For The Period January 1- December 31, 2015
Independent Auditor's Report**

To the Board of Directors of

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.,

Introduction

We have audited the accompanying consolidated statement of financial position of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and its subsidiaries (the Group) as at 31 December, 2015 and the consolidated statement of profit and loss for the year then ended and statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with Turkey Accounting Standards which is issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Independent Auditor's Responsibility

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

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

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



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Qualified Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and its subsidiaries as at December 31, 2015 and result of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with Turkey Accounting Standards.

Report of Other Responsibilities Arising from Regulatory Requirements

- 1) In accordance with Article 378 of Turkish Commercial Code no:6102, Board of Directors of publicly listed companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of early identification of causes that jeopardize the existence, development and continuity of the Odaş Elektrik Üretim Sanayi Ticaret A.Ş. In accordance with the fourth paragraph of 398th article of the same law, the auditor report that is about Early Identification of Risk System and Its Committee is presented to The Group's Board of Directors on March 09, 2016.
- 2) No considerable matter has come to our attention that causes us to believe that the Company's bookkeeping method, financial statements and articles of incorporation for the period 1 January - 31 December 2015 are in compliance with the article 402 fourth paragraph of Turkish Commercial Code and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code, the Board of Directors submitted to us necessary explanations and provided required documents within the context of audit

As Bağımsız Denetim ve YMM A.Ş.
(Member of NEXIA INTERNATIONAL)

O. Tuğrul ÖZSÜT
Partner, Head of Auditor



10.03.2016
İstanbul, Türkiye



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ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Statements and Disclosures Regarding January 1, 2015- December 31, 2015 Accounting Period

(Currency is TRY unless otherwise is indicated.)

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ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Consolidated Statement of Financial Position (TRY)**

(Currency is TRY unless otherwise is indicated.)

ASSETS	Notes	Current Period	Revised	Revised
		Audited	Prior Period	Current Period
		Consolidated	Audited	Audited
		December	December	December
		31, 2015	31, 2014	31, 2013
Current Assets				
Cash and cash equivalents	53	61.572.618	70.907.968	52.404.670
Financial Investments		-	-	-
Trade Receivables	6-7	66.603.761	28.553.915	33.238.324
Trade receivables from related parties	6	-	-	-
<i>Trade receivables from third parties</i>	7	66.603.761	28.553.915	33.238.324
Receivables from Financial Sector Operations	8	-	-	-
Financial sector operations receivables from related parties	8	-	-	-
Financial sector operations receivables from third parties	8	-	-	-
Other receivables	6-9	11.255.215	5.417.105	9.785.335
<i>Due from related parties</i>	6	7.955.572	5.119.864	8.370.563
<i>Due from third parties</i>	9	3.299.643	297.241	1.414.772
Derivative Financial Instruments	46	-	-	-
Inventories	10	10.858.227	183.036	188.470
Biological Assets	11	-	-	-
Prepaid expenses	12	1.817.485	5.936.593	19.659.892
Assets Related to Current Term Tax	25	71.113	53.653	-
Other Current Assets	29	41.932.192	29.446.193	33.429.815
SUBTOTAL		194.110.611	140.498.463	148.706.507
Fixed Assets Classified for Sale	39	662.669	-	-
TOTAL CURRENT ASSETS		194.773.280	140.498.463	148.706.507
Non-current Assets				
Financial Investments	4	-	-	-
Trade receivables	6-7	-	-	-
Trade receivables from related parties	6-7	-	-	-
Trade receivables from third parties	6-7	-	-	-
Receivables from Financial Sector Operations	8	-	-	-
Financial sector operations receivables from related parties	8	-	-	-
Financial sector operations receivables from third parties	8	-	-	-
Other receivables	9	581.257	148.573	-
Other receivables from related parties	6	-	-	-
<i>Other receivables from third parties</i>	9	581.257	148.573	-
Derivative Financial Instruments	46	-	-	-
Investments Valued by Equity Method	4	200.000	-	-
Biological Assets	11	-	-	-
Investment Property	13	-	-	-
Tangible fixed assets	14	401.777.920	212.897.125	167.554.678
Intangible fixed assets	17	18.583.054	8.477.554	6.399.344
Goodwill	18	-	-	-
<i>Other intangible fixed assets</i>	17-18	18.583.054	8.477.554	6.399.344
Prepaid expenses	12	2.405.590	390.159	-
Deferred tax assets	40	1.960.380	1.343.167	60.817
Other non-current assets	29	27.342.432	54.918.957	5.956.270
TOTAL NON-CURRENT ASSETS		452.850.633	278.175.535	179.971.109
TOTAL ASSETS		647.623.913	418.673.998	328.677.615

(The accompanying notes are an integral part of financial statements)

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Consolidated Statement of Financial Position (TRY)

(Currency is TRY unless otherwise is indicated.)

LIABILITIES	Notes	Current Period	Revised	Revised
		Audited Consolidated December 31, 2015	Audited Consolidated December 31, 2014	Current Period Audited Consolidated December 31, 2013
Short Term Liabilities				
Short term loans	47	65.157.661	61.555.163	-
Short term finance lease liabilities	47	1.271.114	1.083.082	13.729.280
Short-term Parts of Long Term Loans	47	48.977.830	41.921.271	33.284.811
Other financial liabilities	47	7.769	3.336	58.759
Trade payables	6-7	54.501.328	39.552.629	37.320.172
<i>Due to related parties</i>	6	-	-	-
<i>Trade payables to third parties</i>	7	54.501.328	39.552.629	37.320.172
Payables from Financial Sector Operations	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Employee benefit obligations	27	444.744	162.497	121.929
Other payables	6-9	6.842.582	3.963.524	5.590.024
<i>Due to related parties</i>	6	672.125	730.794	3.275.120
<i>Other trade payables to third parties</i>	9	6.170.457	3.232.730	2.314.904
Derivative Financial Instruments	46	-	-	-
Government Promotion and Aids	23	-	-	-
Deferred income	12	12.568.101	11.899.783	16.947.983
Period Income Tax Liabilities	25	-	41.131	-
Short-term Provisions	25	-	-	-
Short-term provisions for employee benefits	25	-	-	-
Other short term provisions	29	-	-	-
Other short term liabilities	29	25.802.224	16.469.288	23.813.701
SUBTOTAL		215.573.353	175.941.704	130.866.659
Liabilities related to assets classified for sale	39	-	-	-
TOTAL SHORT TERM LIABILITIES		215.573.353	175.941.704	130.866.659
Long term liabilities	47	247.394.701	131.772.746	67.343.603
Long term finance lease liabilities	47	3.517.748	4.171.281	55.539.942
Other finance liabilities	47	-	-	-
Trade payables	6-7	-	-	-
<i>Due to related parties</i>	6-7	-	-	-
<i>Trade payables to third parties</i>	6-7	-	-	-
Payables from Financial Sector Operations	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Payables for employee benefits	27	-	-	-
Other payables	6-9	500	500	-
<i>Due to related parties</i>	6-9	-	-	-
<i>Other trade payables to third parties</i>	9	500	500	-
Derivative Financial Instruments	46	-	-	-
Government Promotion and Aids	23	-	-	-
Deferred income	12	-	-	-
Period Income Tax Liabilities	25	-	-	-
Long term provisions	27	429.617	334.817	251.384
<i>Long term provisions for employee benefits</i>	27	313.461	223.300	251.384
Other long term provisions	27	116.156	111.517	-
Current Period Tax Payables	40	-	-	-
Deferred tax liabilities	40	12.066.332	10.342.539	6.028.556
Other long term liabilities		-	-	-
TOTAL LONG TERM LIABILITIES		263.408.898	146.621.883	129.163.486
EQUITY				
Equity of Parent Company		165.496.396	95.190.166	67.959.353
Paid-in share capital	30	47.600.180	42.000.000	42.000.000
Positive distinction from share capital adjustment	30	-	-	-
Reacquired shares (-)	30	-	-	-
Capital adjustments due to cross-ownership	30	-	-	-
Share premiums/discounts	30	88.194.062	45.134.869	45.134.869
Not to be reclassification of profit or loss accumulated other comprehensive income or expenses (-)	30	(26.340.830)	(26.405.410)	(26.405.410)
Revaluation and Measurement Gains/Losses		-	-	-
<i>Effects of combination of entities or businesses under common control</i>	30	(26.340.830)	(26.405.410)	(26.405.410)
Reclassification of profit or loss accumulated other comprehensive income or expenses	30	(4.785)	(27.756)	(105.555)
Foreign Currency Conversion Adjustments		-	-	-
Hedging Gains/Losses		-	-	-
Revaluation and Classification Gains/Losses		-	-	-
<i>Other Gains/Losses</i>	30	(4.785)	(27.756)	(105.555)
Retained earnings/losses	30	639.252	-	-
Other Equities		21.868.966	-	-
Prior Years Profits/Losses	30	34.101.259	7.335.449	14.428.699
Net profit/loss for the period	41	(561.708)	27.153.014	(7.093.250)
Non-controlling Shares	30	3.145.264	920.243	688.118
TOTAL EQUITY		168.641.660	96.110.409	68.647.471
TOTAL LIABILITIES		647.623.913	418.673.998	328.677.615

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited regarding of January-December 31, 2015 period

Consolidated Profit of Loss and Other Comprehensive Income Statement (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
STATEMENT OF PROFIT/LOSS	Notes	01.01 - 31.12.2015	01.01 - 31.12.2014
Revenue	31	484.914.175	621.537.517
Cost of sales (-)	31	(442.065.066)	(565.299.471)
Gross profit/loss from commercial activities		42.849.109	56.238.046
Financial sector operations revenue		-	-
Financial sector operations cost of sales (-)		-	-
Gross profit/loss from financial sector operations		-	-
GROSS PROFIT/LOSS		42.849.109	56.238.046
General administrative expenses (-)	33	(9.200.406)	(5.978.590)
Marketing expenses (-)	33	(1.841.606)	(1.516.725)
Research and Development Expenses	33	-	-
Other operating income	34	14.150.960	7.140.947
Other operating expenses (-)	34	(10.539.254)	(9.014.069)
OPERATING PROFIT/LOSS		35.418.803	46.869.609
Gain from investing activities	35	44.949	57.562
Expenses from investing activities	35	-	-
Shares from gains/losses of investments valued by equity method		-	-
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		35.463.752	46.927.171
Financial income	37	32.510.342	18.066.961
Financial expenses (-)	37	(69.254.365)	(30.892.211)
PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX		(1.280.271)	34.101.921
Ongoing Operations Tax Loss/Income		(96.332)	(7.004.405)
Period Tax Income/Loss	40	(31.495)	(3.991.525)
Deferred Tax Income/Loss	40	(64.837)	(3.012.880)
PROFIT/LOSS FROM ONGOING OPERATIONS		(1.376.603)	27.097.516
PROFIT/LOSS FROM DISCONTINUED OPERATIONS	39	91.669	26.873
PROFIT/LOSS FOR THE PERIOD		(1.374.934)	27.124.389
Profit/loss distribution for the period			
Non-controlling Shares	30	(813.226)	(28.626)
Parent Company Shares	30	(561.708)	27.153.015
Earnings Per Share			
Earnings per share from continuing operations	41	(0,012670)	0,646500
Earnings per share from discounted operations	41		
Number of shares		44.333.408	42.000.000
The amount of increased capital (public offering)		5.600.180	42.000.000
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss	38	(22.971)	(77.799)
Tangible assets revaluation losses and earnings		-	-
Intangible assets revaluation losses and earnings		-	-
Actuarial losses and earnings calculated under employee benefit	38	(28.714)	(97.249)
Tax Effect	38	5.743	19.450
OTHER COMPREHENSIVE INCOME		(22.971)	(77.799)
TOTAL COMPREHENSIVE INCOME		(1.397.905)	27.046.590
DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME			
Non-controlling Shares		1.475	(28.544)
Parent Company Shares		(1.399.380)	27.075.134

(The accompanying notes are an integral part of financial statements)

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Consolidated Statement of Changes in Equity (TRY)**

(Currency is TRY unless otherwise is indicated.)

	Paid-in Share Capital	Share Premiums	Contribution of Equity Relating Assets Held	Not to be Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses		Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses	Retained Earnings			Shareholder's Equity
				Actuarial Profit/Loss	Minority Interest	Revaluation and Classification Gain/Loss	Retained Earnings/ Losses	Accumulated Income/Loss	Net Income/Loss for the Period	
Balance at January 1, 2014	42.000.000	45.134.869	-	(105.555)	688.118	(26.405.410)	-	14.428.699	(7.093.250)	68.647.471
Adjustments Related to Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/expense	-	-	-	77.799	-	-	-	-	-	77.799
Minority Interest	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(7.093.250)	7.093.250	-
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Capital Increase	-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Dividend Distribution	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	232.125	-	-	-	27.153.018	27.385.143
Balance at December 31, 2014	42.000.000	45.134.869	-	(27.756)	920.243	(26.405.410)	-	7.335.449	27.153.018	96.110.413
Balance at January 1, 2015	42.000.000	45.134.869	-	(27.756)	920.243	(26.405.410)	-	7.335.449	27.153.018	96.110.413
Dividend Payment	-	-	-	-	-	-	-	(5.000.000)	-	(5.000.000)
Purchasing Assets	-	-	21.868.966	-	-	-	-	-	-	21.868.966
Effect of Adjustment Related to Prior Periods	-	-	-	-	-	-	-	5.469.304	-	5.469.304
Adjustments Related to Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/expense	-	-	-	22.971	-	-	-	-	-	22.971
Minority Interest Change	-	-	-	-	2.225.021	-	-	(217.260)	-	2.007.761
Transfers	-	-	-	-	-	-	639.252	26.513.766	(27.153.018)	-
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Capital Increase	5.600.180	43.059.193	-	-	-	-	-	-	-	48.659.373
Dispose of Subsidiary	-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policy	-	-	-	-	-	64.580	-	-	-	64.580
Net income for the period	-	-	-	-	-	-	-	-	(561.708)	(561.708)
Balance at December 31, 2015	47.600.180	88.194.062	21.868.966	(4.785)	3.145.264	(26.340.830)	639.252	34.101.259	(561.708)	168.641.660

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Consolidated Statement of Cash Flow (TRY)

(Currency is TRY unless otherwise is indicated.)

	Notes	01.01-31.12.2015	01.01-31.12.2014
A. CASH FLOWS FROM OPERATING ACTIVITIES			
		18.581.731	396.360
Profit/Loss For The Period		(561.708)	27.153.018
Adjustments To Reconcile Net Profit/Loss For The Period		46.346.160	7.631.547
-Adjustments related to amortization and depreciation expenses	10-31-33-34	6.459.453	4.965.325
-Adjustments related to impairment/revocation		-	-
-Adjustments related to provisions		800.209	4.055.267
Provision for termination indemnities	27	-	19.776
Provision for tax liabilities	40	31.495	3.991.525
Provision for vacation pay	27	106.352	53.591
Provision for case expense, net	25	-	-
Provision for doubtful receivables	7	132.405	-
Provision for other payable and expense (Mine Restoration)	19	4.639	111.517
Rediscounts	34	525.318	(121.142)
-Adjustments related to interest income and expenses		12.544.311	(4.710.363)
Accrued income	29	3.211.375	(21.179.651)
Accrued expense (Interest and Other)	29	9.332.935	16.469.288
-Adjustments related to tax expense/income	40	1.106.580	3.031.631
-Adjustments related to loss/gain from disposal of the fixed assets	35	44.949	57.562
-Adjustments related to no cause to cash flow from investment and financial activities		23.165.637	-
-Other adjustments related to reconciliations of profit/loss		2.225.021	232.125
Minority Interest	30	2.225.021	232.125
Changes in Business Capital		(22.225.692)	(34.466.005)
-Adjustments related to inventories increase/decrease	10	(10.675.191)	5.435
-Adjustments related to trade receivables increase/decrease	7	(24.093.966)	(8.192.028)
-Adjustments related to receivables from financial sector operations increase/decrease		-	-
-Adjustments related to other receivables from operations increase/decrease		5.590.897	(19.633.409)
Changes in other receivables	9	(6.270.794)	4.219.657
Changes in other assets	29	11.861.691	(23.853.066)
-Adjustments related to trade payables increase/decrease		335.096	2.115.542
Changes in trade payables	7	335.096	2.115.542
Changes payables provisions		-	-
-Adjustments related to payables from financial sector operations increase/decrease		-	-
-Adjustments related to other payables from operations increase/decrease		5.253.430	11.757.775
Changes in prepaid expenses	12	2.103.677	13.333.140
Changes in employee benefit provisions	27	75.895	(32.799)
Changes in other payables	9	2.879.058	(1.626.000)
Employee benefit provisions	27	94.800	50.685
-Adjustments related to other increase/decrease in business capital		1.364.043	(33.633.815)
Period income tax and liabilities	25-40	(9.635)	(3.950.394)
Changes in deferred income	12	1.378.316	(5.758.202)
Changes in other liabilities	29	(4.638)	(23.925.219)
Cash Flows from activities		23.558.760	318.560
Dividend Paid		(5.000.000)	-
Actuarial gain/loss	30	22.971	77.799
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(202.396.397)	(52.443.542)
Cash inflows regarding to assets held for sale will result in control loss of subsidiary		-	-
Cash outflows from purchasing of obtaining of the control of subsidiaries	3-4-51	3.094.300	-
Cash inflows from acquisition of other business or funds shares or borrowing tools		-	-
Cash outflows from acquisition of other business or funds shares or borrowing tools		-	-
Tangible Assets purchase and sales, Net	14	(194.731.328)	(50.154.278)
Intangible Assets purchase and sales, Net	17	(10.759.369)	(2.289.264)
C. CASH FLOWS FROM FINANCING ACTIVITIES		174.479.317	70.550.480
Cash inflows from exported instruments based on share and other equity	30	48.659.373	-
Cash outflows from company's own shares and other equity instruments		-	-
Cash inflows and outflows from borrowing	37	126.285.445	134.565.339
Cash outflows related in debt payments		-	-
Cash outflows related in debt payments of financial leasing contracts	37	(465.501)	(64.014.859)
Cash inflows obtained from government incentives		-	-
BEFORE THE EFFECT OF THE FOREIGN CURRENCY CONVERSION, DIFFERENCES IN CASH AND CASH EQUIVALENTS NET INCREASES/DECREASES		(9.335.349)	18.503.298
D. THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS		-	-
CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE		(9.335.349)	18.503.297
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		70.907.968	52.404.670
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		61.572.618	70.907.968

(The accompanying notes are an integral part of financial statements)

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. (“Odaş” or “The Company”) operates as producing electricity by natural gas combined cycling. Company has been established in Istanbul in September 28, 2010.

The Company has business vie establishing production plant, setting plants into operation, lease, producing electricity energy, selling produced electricity and/or created capacity to clients.

The company has got the producing license from Energy Market Regulatory Authority (EMRA) at July 14, 2011. According to this license company will produce electricity from the power plant that will be established in Şanlıurfa for 49 years. The production plants’ planned installed capacity is 150 Mw. At October 28, 2011 first phase of the plant which has 54 Mw capacities has been settled into operation. On April 30, 2012 the second phase of the plant which is 56 Mw has settled into operation. On August 2012, company has increased 128 Mw its installed capacity in two stages by adding 18 Mw to turbine capacity. Also company has started 12 Mw third phase additional steam turbine investment in year 2012. Steam turbine investment was completed and settled into operation on the year 2013 and total settled power plant reached to 140 Mw.

As of December 31, 2015 and December 31, 2014 group’s capital and share percentages are given below;

Shareholder	31.12.2015		31.12.2014	
	Amount	Rate	Amount	Rate
Korkut Özal	7.500.000	15,8%	7.500.000	17,86%
A. Bahattin Özal	7.300.000	15,3%	7.500.000	17,86%
Burak Altay	7.300.000	15,3%	7.500.000	17,86%
BB Enerji Yatırım San. ve Tic. A.Ş.	7.500.000	15,8%	7.500.000	17,86%
Public Shares	18.000.180	37,8%	12.000.000	28,57%
Total Capital	47.600.180	100%	42.000.000	100%

As of December 31, 2015 in company’s structure , 135 average personnel employed (December 31, 2014: 77).

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. is registered to Trade Registry in Turkey and its registered centre address is below:

Fatih Sultan Mehmet Mh.Poligon Cd.Buyaka 2 Sitesi No: 8B 2.Kule Kat : 17 Tepeüstü, Ümraniye/ İstanbul.

Subsidiaries

Odaş Enerji Elektrik Perakende Satış A.Ş. (Prior Title: Voytron Elektrik Toptan Satış Dış Ticaret A.Ş.)

The company bought at the rate of %100 share of Odaş Enerji Elektrik Perakende Satış A.Ş. on September 28, 2012, and Odaş Enerji is included in consolidation. The company has changed its title on 27.10.2015.

Odaş Enerji Elektrik Perakende Satış A.Ş. (“Odaş Enerji” or “Company”) is established at the date of September 17, 2009 in address given below and registered. Odaş Enerji operates in selling produced electricity and/or created capacity to directly consumers in accordance with electricity market regulations.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Odaş Enerji, had the 20 year duration license of wholesale taken from Energy Market Regulatory Authority (EMRA) as at March 11, 2010.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Shareholder structure of Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

Hidro Enerji Elektrik Üretim Sanayi A.Ş. :

The company bought at the rate of %100 share of Hidro Enerji Elektrik Üretim Sanayi A.Ş. on November 27, 2012, and Hidro Enerji is included in consolidation.

Hidro Enerji Elektrik Üretim Sanayi A.Ş. (Hidro Enerji) is established on the date of April 5, 2005. Hidro Enerji engages in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Hidro Enerji, had 49 year duration production license taken from Energy Market Regulatory Authority (EMRA) as at September 20, 2012. The license is given for Volkan Hydro Electric Power Plant which will be build in Trabzon. Total power of the plant is 1.913 MWm / 1.857 MWe.

Shareholder structure of Hidro Enerji Elektrik Üretim Sanayi A.Ş. is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

Ağrı Elektrik Üretim Sanayi A.Ş. :

The company bought at the rate of %70 share of Ağrı Elektrik Üretim Sanayi A.Ş on November 27, 2012, and Ağrı Elektrik is included in consolidation.

Ağrı Elektrik Üretim Sanayi A.Ş. (Ağrı Elektrik) is established on the date of April 13, 2011. Ağrı Elektrik operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

The 49 years production license was given on behalf of Ağrı Elektrik has been revoked, cash collateral is given regarding the licence revocation has been taken back on 26.01.2016

Partnership structure of Ağrı Elektrik Üretim Sanayi A.Ş.is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	70%	70%
Abdulkadir Bahattin Özal	15%	15%
Burak Altay	15%	15%

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Küçük Enerji Üretim ve Ticaret Ltd. Şti. :

The company bought at the rate of %90 shares of Küçük Enerji Üretim ve Ticaret Ltd. Şti.on December 27, 2012, and Küçük Enerji is included in consolidation.

Küçük Enerji Üretim ve Ticaret Ltd. Şti. (Küçük Enerji) is established on the date of May 1, 2007. Küçük Enerji operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Küçük Enerji had the 49 year production license taken from Energy Market Regulatory Authority (EMRA) as at April 12, 2012. The license is given for Köprübaşı Regulatory and Hidroelectric Power Plant which will be built in Trabzon. Total power of the plant is (2 x 4,097) MWm / (2 x 3,975) MWe.

Partnership structure of Küçük Enerji Üretim ve Ticaret Ltd. Şti. is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90%	90%
Abdulkadir Bahattin Özal	5%	5%
Burak Altay	5%	5%

The temporary admission procedures of the Köprübaşı Regulator and Hydroelectric Power Plant has been completed with the participation of company officials and committee from Turkish Republic of Ministry of Energy and Natural Sources . The power plant has started to production on 02.10.2015.

Ena Elektrik Üretim Ltd. Şti. :

The company bought at the rate of %80 share of Ena Elektrik Üretim Ltd. Şti. as of December 27, 2012, and Ena Elektrik is included in consolidation.

Ena Elektrik Üretim Ltd. Şti. (Ena Elektrik) is established as the date of January 17, 2007. Ena Elektrik operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Shareholder structure of Ena Elektrik is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	80%	80%
Hidayet Büküm	20%	20%

The share transfer agreement has been signed regarding the sale of all shares which the company owned by 80% of Ena Elektrik on June 29,2015. The share transfer has not been actualised yet. It is going to come true after the licensing process in the presence of EMRA.

Ena Elektrik has been classified as Non-current Assets Held for Sale and Discontinued Operations at consolidated financial table as of 31.12.2015.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Yel Enerji Elektrik Üretim Sanayi A.Ş. :

The company bought at the rate of %75 share of Yel Enerji Elektrik Üretim Sanayi A.Ş. as of January 10, 2013, and Yel Elektrik is included in consolidation.

Yel Enerji Elektrik Üretim Sanayi A.Ş (Yel Elektrik) is established as the date of October 22, 2007. Yel Elektrik Üretim Sanayi A.Ş. engages in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

İR:17517 numbered mining license is purchased by Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. in Çanakkale, Bayramiç Town and its transfer process is completed.

Compared with main coal reserves in Çan, the coal reserves in the license area is not composed of one main large vessels as the main reserves in Çan, consists of various shallow sediment close to ground. This situation will allow certain scale coal mining and sales before starting the production of our main coal reserves in Çan.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Shareholder structure of Yel Elektrik is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	75%	75%
Abdulkadir Bahattin Özal	12,50%	12,50%
Burak Altay	12,50%	12,50%

Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. :

The company is a co-founder at the rate of %80 share of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. and Odaş Doğalgaz is included in consolidation as of January 11, 2013.

According to Law No: 4646, Energy Market Regulatory Authority (EMRA) issued the notification, the decision and commitments specified in the regulations, and with the adoption of the issues, Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. operates in Natural Gas Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) purchasing from the production, import, wholesale companies and other sources of law will be allowed and to wholesale to customers which are exporter distribution, LNG, CNG, wholesale companies, eligible consumers and permitted by law to customers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş., had the 30 year duration license of natural gas wholesale from Energy Market Regulatory Authority (EMRA) as at March 20, 2013.

Shareholder structure of Odaş Doğalgaz is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90,02%	50%
A. Bahattin Özal	-	20,01%
Burak Altay	-	20,01%
Tahsin Yazan	9,98%	9,98%

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Çan Kömür ve İnşaat A.Ş. :

The company purchased at the rate of %92 share of Çan Kömür ve İnşaat Anonim Şirketi as of September 9, 2013, and Çan Kömür is included in consolidation.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Çan Kömür engaged in, domestic coal based power generation plant establishment, commissioning, hiring, producing electric power generation and sale of generated electricity power and/or the capacity to customers.

Pre-License document belongs to Çan-2 Thermal Power Plant, which will be planned to be located at Çan district in Çanakkale, was given to Çan Kömür ve İnşaat A.Ş. with the EMRA decision dated July 10, 2014 and numbered 5117-5 on July 24, 2014. Installed power of Thermal Power Plant will be 340 MWm/330 MWe.

Framework agreement has signed between Çan Kömür ve İnşaat A.Ş. and General Directorate of Coal on 08.09.2014 which is about purchasing 1.000.000 tons of coal in total from General Directorate of Çan Lignite that covers the term of 2017-2021. Hereby, optimization between coal and electricity sales revenue is targeted by scrambling with our highest quality reserve in Çan-2 Thermal Power Plant and receivable coal in accordance with agreement.

Shareholder structure of Çan Kömür ve İnşaat A.Ş. is as below:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	92%	92%
Mustafa Koncagül	8%	8%

About the Project finance regarding the investment of Çan-2 Thermic Power Plant, the amount of 116 million Euro project finance loan contract has been signed with the consortium of Yapı Kredi Bankası A.Ş. ve Halk Bankası A.Ş. In the framework of this loan contract, the amount of 40 million Euro bridge loan has been used.

Regarding Çan-2 Thermic Power Plant Production Facility, elementary development plan belongs to "Çan-2 Thermic Power Plant Area" and "Solid Waste Storage Area" has been approved by Çanakkale Special Provincial Administration, Provincial Assembly.

Regarding the construction and mechanical Works, the agreement is signed with the consortium of Efor Endüstriyel A.Ş. ve Synergy Yapı Taahhüt San. Ltd. Şti. and site delivery is accomplished.

The physical progress rate of the investment has reached 40,96% level. One of the most important equipment in terms of environmental awareness "Flue Gas Treatment Systems (FGD)" is to be manufactured according to the latest technology. In this context, one of the world's largest and most experienced company General Electric (GE) (Alstom Power SPA) has been preferred.

YS Madencilik San. ve Tic. Ltd. Şti.

Yel Enerji Elektrik Üretim Sanayi A.Ş. is co-founder at the rate of %70 share of YS Madencilik Sanayi ve Ticaret Ltd. Şti. and as a co-founder and YS Madencilik Sanayi ve Ticaret Ltd. Şti is included in consolidation as of December 12, 2014.

YS Madencilik operates purchasing, selling, manufacturing, installation, importing and exporting every kind of natural stone and manufactured and semi-manufactured of mineral ores.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Shareholder structure of YS Madencilik Sanayi ve Ticaret Ltd. Şti. is as below:

	December 31, 2015	December 31, 2014
Yel Enerji Elektrik Üretim Sanayi A.Ş.	70%	70%
Süleyman Sarı	30%	30%

Through its strategy, company aims to establish coal supply and trade center in the geography close to their mine. To begin earlier than predicted for the coal trade, thermal power plant will provide the main input of coal requirement. Before starting large production in Çan II coal mine field will be come into operations in coordination with the time required to cycle thermal power plant, it is targeted to partial start for trial production and sales from smaller scale coal mines planned to participate in the following period under the responsibility of subsidiaries.

Anadolu Export Maden Sanayi ve Ticaret A.Ş.

The company is a partner at the rate of %96 share of Anadolu Export Maden Sanayi ve Ticaret A.Ş. and Anadolu Export is included in consolidation as of January 22, 2015.

Anadolu Export operates purchasing, selling, manufacturing, installation, importing and exporting every kind of natural stone and manufactured and semi-manufactured of mineral ores.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

	December 31, 2015
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	96%
Burak Altay	4%

License transfer purchase agreement was signed between Stratex International PLC (Stratex) and Anadolu Export to complete the search in the gold field called Karaağaç and decide on business investment based on research results. Regarding this transfer, application had been made to General Directorate of Mining Affairs. It is expected to be completed the license transfer in a short period. Superficial studies were conducted in the field, construction of drilling is planned that may raise the proven reserves ratio and increase the reserves in the coming period.

Suda Maden A.Ş.

The company purchased all shares of Suda Maden A.Ş. as of October 28, 2015, and Suda Maden is included in consolidation.

Suda Maden operates extraction, manufacturing and selling, every kind of natural stone mineral ores.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

	December 31, 2015
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%

The company has 4 licences including 2 operating license and 2 exploration in Murat mountain located Kütahya-Uşak area.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)

Parent Company and consolidated subsidiaries EMRA license information as of 31.12.2015 is as follows :

License Owner	License Type	License No	License Duration	Effective Date
Odaş Enerji	Whole sale	ETS/2461-2/1599	20 Year	11.03.2010
Odaş Elektrik	Production	EÜ/3323-2/2005	49 Year	14.07.2011
Hidro Enerji	Production	EÜ/4027-2/2427	49 Year	20.09.2012
Küçük Enerji	Production	EÜ/3769-4/2314	49 Year	12.04.2012
Odaş Doğalgaz	Natural Gas Whole sale	DTS/4318-4/291	30 Year	20.03.2013
Ena Elektrik	Associate/Production	ÖN/5298-3/03165	30 Month	12.11.2014

Parent Company and consolidated subsidiaries licenses information of is as follows :

License Owner	License Group	License Type	License No	Effective Date	Due Date
Suda Maden	IV. Group	Operating	34412	04.04.2014	04.04.2034
Suda Maden	IV. Group	Operating	43169	13.04.2015	13.04.2025
Suda Maden	IV. Group	Exploration	201200931	22.06.2012	22.06.2019
Suda Maden	IV. Group	Exploration	201200932	22.06.2012	22.06.2019
Yel Enerji	IV. Group	Operating	17517	05.01.2015	05.01.2025

*Ağrı Elektrik production license was revoked by application in 2016. (Note:50)

*Çan-2 Thermic Power Plant License is approved by Energy Market Regulatory Authority's 28.01.2016 dated and 6083-2 numbered decision and submitted on 08.02.2016. (Note:50)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

The main accounting policies applied in the preparation of the financial statements of the Group are as follows:

Accounting Policies Applied

Group keep legal books and present financial statements in accordance with Turkish Commercial Code and accounting principles defined by tax legislations. Financial statements of the Group are subjected to adjustments and reclassifications in order to make the appropriate notifications of Capital Market Board. And also financial statements are based on legal book records of the Group.

The consolidated financial statements of Group have been prepared in accordance with the Turkish Accounting Standards/ Turkish Financial Reporting Standards ('TAS/IFRS') and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ('POA') in line with the communique numbered II-14.I "Comminuque on The Principles Of Financial Reporting In Capital Markets" announced by the Capital Markets Board Of Turkey (CMB) on June 13, 2013 which is published on Official Gazette and valid after April 01, 2013 the ended interim financial report. TAS/IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (IFRS) by the communique announced by the POA.

Series II, No: 14.1 "Capital Markets Financial Reporting in the Communiqué on Principles Regarding the" What's statement, businesses, preparation of financial statements in the Public Oversight, Accounting and Auditing Standards Board ("UPS") issued by Turkey Accounting / Financial Reporting Standards ("TAS / IFRS ") are based. Therefore, the accompanying financial statements IAS / IFRS "financial statements and notes have been prepared in accordance with CMB be enforced by and in accordance with the format by including the mandatory information is presented.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Functional and presentation currency

Functional currency of the report is TRY and decimal parts of the amounts were rounded up.

As of December 31, 2015 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = 2.9076 TRY (31 December 2014: 2.3189), 1 EURO = 3.1776 TRY (31 December 2014: 2.2807), 1 GBP = 4.3007 TRY (31 December 2014: 3.5961), 1 CHF = 2.9278 TRY (31 December 2014: 2.3397).

Adjusting financial tables in hyperinflation periods

The companies, who are preparing their financial tables according to CMB Accounting Standards, are not using inflation accounting according to a decision given in March 17, 2005 that will be in effect since January 01, 2005. The preparing and presenting financial tables are not done in accordance with TAS/TAS 29" Financial Reporting in Economies with High Inflation" according to the decision given by CMB.

Base of Consolidation

Consolidation is prepared in structure of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. which is parent company.

Consolidated financial reports are prepared in accordance with TAS 27 - Consolidated and Separated Financial statements of Turkish accounting standard.

Consolidated financial reports contain all subsidiaries of the parent company.

- It eliminates participation amount at each subsidiary and percentage amount of main partnership which are equivalent to amount in equities of each subsidiary.
- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.
- All expenses, income, transactions and balances incurred of group are eliminated.
- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 "Income Taxes" standard.
- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.
- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions and transactions in same condition.
- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity take into account in accordance with "TAS 21 Currency Change Effects".
- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group's loss or profit amount for minority interest should be shown also seperately on financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Comparative Information and Restatement of Prior Period Financial Statements

Group has presented the consolidated statement of financial position as of December 31, 2015 comparatively with the date of 31 December 2014. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-31 December 2015 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-31 December 2014 period. Consolidated changes in equity statement for the 1 January - 31 December 2015 period presented comparatively with 1 January - 31 December 2014 period.

b. Changes in Accounting Policies

If adjustments on accounting policies are applied retroactive, the group should adjust the previous opening balance in the report. The group should provide comparative data which is presented in accordance with the new accounting policies in terms of current years.

Changes in accounting policy need to application for previous periods and also for current period or if group cannot determine the change effect of the financial statements as in cumulative, it wouldn't make any application for previous periods.

The company has made a change in accounting policy regarding purchase of Çan Kömür ve İnşaat Anonim Şirketi's 92% of shares according to Capital Market Board's decision, 17.04.2015 dated and 36231672-115.01-302 numbered. According to Capital Market Board decision, the issue of evaluating of purchasing Çan Kömür's share as a business combination within the framework of TFRS 3 "Business Combinations Standard", there are different applications in purchasing of mining to define as business combination or assets purchases according to TFRS 3 Standard within the scope of studies at International Accounting Standards Board (IASB), by indicating that studies which are the assets invested is defined as company within the scope of project of reconsidering TFRS 3 Standard, are going on, evaluating of the issue, if it is necessary, the case for establishing general principle decision regarding application principles of UFRS Standards has transmitted to Public Oversight Accounting and Auditing Standards Authority.

In the text sent by CMB's decision, 24.08.2015 dated and 36231672-115.01-E.8935 numbered, in order to evaluate the purchasing process of Çan Kömür's 92% shares as business combinations according to view approved by POA, one of the acquired inputs should prove and be considered as a potential reserve. Within this scope, it is understood that there is no proven reserve when Çan Kömür's share was purchased. The purchasing process of Çan Kömür's 92% shares should be considered as assets held when the intended production is to achieve final commodity at mine site. In this context, the purchase of shares is classified as Intangible Assets over purchase price at 31.12.2015, 31.12.2014 and 31.12.2013 financial statements by presenting assets held. Moreover, the 5.918.026 TRY goodwill amount was presented on the prior financial reports is cancelled and presented with corrected form in the comparative financial statements.

There is no amortization for the amount of 5.918.026 TRY is classified at intangible assets by taking production unit method into account.

c. Changes and Errors in Accounting Estimates

If the effect of a change in accounting estimate creates a difference in an asset, a foreign source or equity, then the asset must be corrected during the same period as when the book value of the foreign source or equity is adjusted.

The effect of a change in accounting estimate being reflected on financial statements for future reference means that the transactions, events and conditions will be applied to the means happening after the date of the changes.

Except for the errors that cannot be recalculated due to the periodic changes or the cumulative effects, prior period errors are corrected retrospectively.

While preparing the consolidated financial statements, the Group's management must make assumptions and estimations - as of the reporting period from the date of the balance sheet and the contingent liabilities and commitments- on income and expenses, that will effect the asset and liability amounts. Actual results may defer from estimates and assumptions. These estimates and assumptions are reviewed regularly; any necessary corrections are made, and then reflected in the operating results for that period. Significant estimates are related to the tangible and intangible existences' economic lives and provisions.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Changes in the Standards of the TFRS

New and Amended Standards and Reviews

Effective as of January 1st, 2015 excluding the new and amended TFRS standards and TFRYK reviews as of December 31th, 2015 financial statements are consistent with the previous years' standards. The effects of these standards and reviews on the Group's financial condition and performance are described in the relevant paragraphs.

a) Standarts are published but not come into force and will be applicable soon

New standarts, comments and changes that are published as of the date of approval of financial statement are as below. However, they are not come into force in current reporting period and make applicable soon by group. Group ,unless indicated otherwise, will make necessary changes that will affect financial statement and notes after new standarts and comments come into force.

TFRS 9 Financial Instruments: Classification and Statement

New standart with the change on December 2012 is valid for annual periods beginning on or after 1 January 2018. The first phase of TFRS 9 Financial Instruments contains new provisions in accordance with measurement and classification of financial assets and liabilities. Amendments to TFRS 9 will mainly affect measurement and classification of financial assests and measurement of financial liabilities classified at fair value reflecting profit or loss. That kind of financial liabilities that change in fair value related to part of credit risk require presentation at other comprehensive income statement. Group will evaluate standart effects on financial statement and performance after the other phases of standarts are accepted by Public Oversight Accounting and Auditing Standards Authority.

TAS 19 - Defined Benefit Plans - Employee Contribution (Amendment)

According to TAS 19, while defined benefit plans is recognized, employees or third-party contributions should be considered. The amendment clarifies contributions can be recognized by declining its cost in the year that service is taken instead of spreading into service periods. The amendment will have no effect on group's financial position and performance.

TFRS 11 Shares Acquisition on Joint Activities (Amendments)

TFRS 11 is changed due to guide acquisition of shareholding on joint activities accounting. This change requires, as noted TFRS 3 Business Combinations a company which its activity share a common activity acquire partnership except guidance and be contray to spesified in this TFRS, implementation of all policies related to TFRS 3 and other TFRS Business Combinations accounting. In addition, acquirer company should express necessary information about TFRS 3 Business Combinations and other TFRS.

Changes will be applied prospectively for annual periods beginning on and after January 01, 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

TFRS 14 Regulatory Deferment Accounts (Amendments)

IASC has launched a comprehensive project about Rate Regulated Activities in 2012. As a part of this project, IASC has published a limited standard in terms of temporary solution for the companies held rates and will apply IFRS for the first time. This standard allows the companies which will apply IFRS for the first time to transition of its regulatory deferment accounts which is recognized according to generally accepted accounting principles into IFRS in the same way. This standard is effective for annual periods beginning on or after 1 January 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

Assets Sales or Contribution of The Business Investor to Its Affiliate or Joint Venture (Amendments on TFRS 10 and TFRS 28)

These changes point out contradiction between the application of consolidation and equity recognition. Amendments require the recognition of all gains if the assets transferred appropriate the defition of 'business' in IFRS 3 Business Combinations. This standard is effective for annual periods beginning on or after 1 January 2016 and will be applied prospectively. Early application is permitted. The amendment will have no effect on group's financial position and performance.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Description initiative (Amendments on IAS 1)

This narrow change makes the requirements of IAS 1 explicit rather than switch of IAS 1 Presentation of Financial Statements standard. Changes mostly responds the proper interpretation of the phrase of IAS 1. The amendments clarify the following issues: materiality level, the sequence of notes, subtotals, accounting standards and initiatives. This standard is effective for annual periods beginning on or after 1 January 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

Investment Companies: The Implementation of The Consolidation Exemption (Amendments on IFRS 10, IFRS 12 ve IAS 28)

Before changes, how to recognition of subsidiaries which provides services associated with investment is not clear. As a result of changes, the intermediate level investment business is not allowed to consolidate. Accordingly, if the internal structure of an investment company uses the intermediate level business, the financial statements will provide less detailed information about the investment performance. For instance; less details about the fair values of investments composing investment portfolio and cash flow obtained from investment. This standard is effective for annual periods beginning on or after 1 January 2016 and will be applied prospectively. Early application is permitted. The amendment will have no effect on group's financial position and performance.

TAS 16 and TAS 38 -- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)

Changes on TAS16 and TAS 38 prohibits the use of tangible assets depreciation calculation based on revenue and also restricts the use of intangible assets depreciation calculation based on revenue significantly. Changes will be applied prospectively for annual periods beginning on and after January 01, 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

TAS 16 Tangible Assets and TAS 41 Agricultural Activities: Carrier Plants (Amendments)

A change is made related to recognition of carrier plants on TAS 16. The amendment express carrier plants such as grape vine, rubber plant or date palm that are from biological assets class give more products after ripening period and held by companies during life of fruition. However, since carrier plants do not pass through an important transformation after ripen and its function similar to manufacturing, the amendment reveals carrier plants should record TAS 16 instead TAS 41 and let it to appreciate with 'cost model' or 'revaluation model'. The product in carrier plants will be recognized at fair value that declined sell cost. Changes will be applied prospectively for annual periods beginning on and after January 01, 2016. The amendment will have no effect on group's financial position and performance.

b) Annual Improvements on TAS/TFRS

In September 2014, POA published following regarding the standard changes called 'Annual Improvements regarding the period 2010-2012' and 'Annual Improvements on the period 2011-2013'.

Annual Improvements - 2010-2012 Period

TFRS 2 - Share-based Payment

Definitions related to interim payment are changed. Performance and service condition is defined to resolve problems. The amendment will be applied prospectively.

TFRS 3 Business Combinations

A conditional value which is not classified as equity in business combinations, the conditional value is recorded at profit or loss by measuring at fair value in the next periods whether the scope of TFRS 9 Financial Instruments or not. The amendment will be applied prospectively for business combinations.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

TFRS 8 Activity Segments

The changes are as follows: i) Activity segments can be combined consistently with the main principles of the standard. ii) Reconciliation of financial assets with total assets should express if this reconciliation is reported to manager who authorized to take decisions relating to the operating activities. The amendment will be applied retrospectively.

TAS 16 Tangible Assets and TAS 38 Intangible Assets

The change on TAS 16.35 (a) and TAS 38.80 (a) has clarified that the revaluation can be done in the following way. i) Gross book value of assets is adjusted to market value or ii) the market value of the net book value of the assets is determined, gross book value is adjusted proportionally in the way that net book value goes through the market value. The amendment will be applied retrospectively.

TAS 24 Related Party Disclosures

The amendment have clarified company's key management personel's service is subject to related party associate with related party disclosures. The amendment will be applied retrospectively.

Annual Improvements – 2011-2013 Period

TFRS 3 Business Combinations

With the amendment i) not just joint ventures but also joint agreements are not the scope of TRFS 3 and ii) this exception has been clarified only joint agreements is applicable for accounting in the financial statements. The amendment will be applied prospectively.

TFRS 13 Fair Value Measurement Reasons for Decision

It is expressed that portfolio exception in TFRS 13 is not just applicable for financial assets or liabilities. It also can be applied other agreements in the scope of TAS 39. The amendment will be applied prospectively.

TAS 40 Investment Property

It is expressed the interrelation between TFRS 3 and TAS 40 for the classification of property for investment or used by owner. The amendment will be applied prospectively. It is not expected that the amendment will have significant effect on group's financial position and performance.

d) New and adjusted standards and interpretations are published by International Accounting Standards Board (IASB) but not published by POA

New standards, interpretations and present changes in IFRS standards listed below issued by the IASB but are not yet effective for the current reporting period. These new standards, amendments and interpretations are not yet adopted to the TFRS and published by POA and therefore they do not form a part of TFRS. Group will make necessary changes in notes and financial statements after these standards and interprepations come into force into TFRS. As it is explained, short -term trade receivables and payables are not specified interest rate on them may be shown at invoice amount where the effect of discounting is unimportant. The amendments will be implemented immediately.

Annual Improvements – 2011-2013 Period

TFRS 13 Fair Value Measurement

As explained in decisions, short-term trade receivables and payables are not specified interest rate on them, in cases where the effect of discounting is immaterial, may be shown at original invoice amount. The amendment will be applied prospectively.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

TAS 15 – Revenue from Agreements with Customer

POA has published TAS 15 – Revenue from Agreements with Customer on May 2014. New five-stage model of the standard describes the requirements for revenue recognition and measurement. Standard is to be applied revenue arising from agreements with customer and is a model for measuring sales of non-financial assets not related with a company's ordinary business activities such as out of tangible assets. TFRS 15 will be applied for annual periods beginning on or after January 01, 2017. Early application is permitted. For the transition to TFRS 15 two alternative applications is presented: full retrospective application or modified retrospective application. When the modified retrospective application is preferred, prior periods will not be readjust but comparative numerical information will be provided in the financial statements notes. The impact of those matter changes on Group's financial situation and performance is evaluated.

TFRS 9 – Financial Assets – Final Standard (2014)

POA has published the project of TFRS 9 Financial Assets consist of and measurement, impairment and protection from risk of hedge accounting which will replace TAS 39 Financial Instruments recognition and measurement Standard on July 2014. TFRS 9 Financial Assets is based on rational, a single classification and measurement approach reflects business model and characteristic of cash flow.

Thereupon, a single model is established which is applicable to expected credit loss model for recognition of loan losses more timely and all financial instruments can be applied to impairment accounting. In addition, when banks and other business choose measure option with fair value of their financial liabilities, TFRS 9 tackles a problem called 'own credit risk' lead to record income into profit or loss statement due to decreasing at fair value of financial liabilities. TFRS 9 will be applied for annual periods beginning on or after January 01, 2018. Early application is permitted. Moreover, early application in changes in 'own credit risk' is permitted alone without changing financial instruments accounting. Group evaluates standard's impact on financial situation and performance.

TFRS 16 – Leases

The International Accounting Standards Board (IASB) issued IFRS 16 Leases in January 2016. The new standard eliminates the distinction between rental and leasing activities and requires many rentals taken into balance sheet under a single model. The recognition is not changed heavily for the lessor companies but the difference between operating leases and financial leases continues. IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 is effective from 1 January 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers. The impact of those matter changes on Group's financial situation and performance is evaluated.

TAS 12 Income Taxes : Recognition of Deferred Tax Assets For Unrealized Losses (Amendments)

The International Accounting Standards Board (IASB) issued changes in IAS 12 Income Taxes in January 2016. The amendments clarify the recognition for deferred tax relating to debt instruments measured at fair value. The amendments is intended to overcome the existing differences in practice about the recognition of deferred tax assets for unrealized losses. The amendments will be applied retroactively for annual periods beginning on or after January 01, 201. Early application is permitted. However, the term is applied for the first time of the change, the impact on the opening shareholders' equity, will be recognized at opening retained earnings/losses (or in other equity where appropriate) by not separating opening retained earnings/losses and other components of equity. Company / Group would make disclosures in financial statements in case this exemption is used. The impact of those matter changes on Group's financial situation and performance is evaluated.

TAS 27 – Equity Method in Singular Financial Statement (Change in TAS 27)

POA has done amendment in TAS 27 on April 2015 to represent the use of equity method in singular financial statement for accounting of investment in subsidiaries and affiliates of the company. Accordingly, companies should recognize and take into account of these investment by using following methods:

- Cost Value
- According to TFRS 9 (or TAS 39)
- Equity Method

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Business should apply same recognition for each investment category. Changes will be applied retrospectively for annual periods beginning on and after January 01, 2016. Early application is permitted but should be explained. The amendment is not applicable for the company and will have no effect on group's financial situation and performance.

TFRS Annual Improvements, 2012-2014 Period

POA has published Annual Improvements in TFRS (TFRS Annual Improvements, 2012-2014 Period) on February 2015. Document makes five changes into four standards except standards are modified as a result of changes and related reasons. The subject of the affected standards and changes are as follows:

- TFRS 5 Tangible Assets Held for Sale and Discontinued Operations - change in disposal methods
- TFRS7 Financial Instruments: Disclosures - Service Agreements; changes of applicable to interim summary financial statement according to TFRS 7.
- TAS 19 Employee Benefits - regional market issues relating to the discount rate
- TAS 34 Interim Financial Reporting - information is described in another part of interim financial statement

Changes will be applied retrospectively for annual periods beginning on and after January 01, 2016. Early application is permitted but should be explained. The amendment is not applicable for the company and will have no effect on group's financial situation and performance.

Policy Decisions published by POA (2012-13 Period)

In addition to explanations above, policy decisions declared by POA in order to apply Turkey Accounting Standards. "Financial Table Examples and User Guide" was in use as of declaration date, however, other decisions applicated validity for beginning annual report periods after December 31, 2012.

1. Financial Table Examples and User Guide

POA published "Financial Table Examples and User Guide" on May 20,2013 in order to provide standard form of financial statement and facilitate its audit. Financial table examples that located on this regulation published for becoming sample to companies who have to applicate TAS except banking, insurance, individual retirement or financial institution that establish for capital activity. The group complied with the required classification and the presantion principles in order to fullfill the requirements of this regulation.

2. Accounting for Business Combination Under Common Control

According to decision i) business combination under common control (pooling of interest) must be accounted by this method, ii) therefore, goodwill do not take place on the financial tables and iii) while combination of rights method is applying, on the beggining of report period financial table should fix and present as comparatively. This situation adjudicated.

3. Accounting of Usufructary Notes

Usufructary notes should be accounted in which the cases as financial liability in which the cases the as equity instruments were clarified. This decision does not have any affect to the company's financial tables.

4. Accounting of Participation Investment as Mutual

If a company has its own share on the business who have participation investment, this situation is defined mutual participation relation . The subject of accounting od mutual participation is evaluated depending on the type of investment and different accounting basics that applied.With this decision, subject was evaluated under three main title and each of their accounting basics were determined.

- The case is that having subsidiarity main partnerships own equity
- The case is that participations or sunbsidiarities have investor of business's equity's financial instruments.
- Bussiness's depending on equity financial instruments, company who have investment interms of TAS 39 and TFRS 9.

Aforesaid decision has no effect on Group's financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Resolutions are published by POA (2015 Period)

1. Capitalization of Exchange Rate as Borrowing Cost (Outline)

Featured assets in TAS 23 Borrowing Cost standard are defined as assets that necessarily take a long time to be able to get ready for their intended use or sale and organized basis of borrowing costs accounting related to featured assets. According to TAS 23 first paragraph, it is stated that the acquisition, construction or production of a featured asset related with directly borrowing cost form part of this asset cost, on the other hand, other borrowing costs will be recognized as an expense.

Methods can be considered to what extent the exchange rate can take into consideration as interest cost adjustment in borrowing from foreign currency:

Seasonal Approach

In this method, the found amount (real interest cost) which is borrowing in foreign currency denominated interest cost in foreign currency is translated into functional currency is not accepted borrowing cost directly. In this amount, adjustment can be made as a part of or all exchange rate of principal amount. Adjustment in real interest cost is done based on 'representative interest cost'.

Representative Interest Cost is a interest cost which is expected to occur in current period based on interest rate at date of borrowing if borrowing in foreign currency had denominated in functional currency.

Representative Interest Cost is considered as limit borrowing cost of the borrowing cost will be capitalized.

Although there is a chance real interest cost can be higher than representative interest cost, considering that probability of meeting such kind of situation is low for business, only main accounting principles are taken on resolutions when representative cost is higher than real interest cost.

Cumulative Approach

In the cumulative approach, the investment project is considered as a whole. In this context, when calculating the cost of borrowing will be capitalized, unlike seasonal approach, adjustment are made cumulatively by considering uncanceled exchange rate losses which occurred previous periods and recorded as loss exchange,

Although there is a chance real cumulative interest cost subject to higher representative cumulative interest cost, considering that probability of meeting such kind of situation is low for business, only main accounting principles are taken on resolutions when representative cumulative cost is higher than real cumulative interest cost.

d. Summary of Important Accounting Policies

Cash and Cash Equivalents

Cash can be implied as cash in the group and cash equivalent can be implied as short term investments which have unimportant risk to lose value, higher liquidity and can be converted easily to cash. Cash equivalents are assets which are used for investment purpose, kept for short term cash liabilities and they cannot be used for other purposes. (Note:53)

Trade Receivables

Trade Receivables are the receivables sourced from group which are come from a debtor cause of a direct supply of goods or services. They are valued by using effective interest method thought discounted cost.

Without a specified term, short-term trade receivables are valued on their amount of invoice when accrued interest has insignificant effects. (Note:7)

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

In case of receivables become impossible to collect, group will make a provision as a risk provision. This provision amount is the difference between the book value of receivables and possible collection amount of receivables. Possible collection amount is the rediscounted value which is calculated with effective interest method on amount of original trade receivables, collectible guarantees and other cash transactions. (Note: 7)

If the amount of low value decreases after written as a loss, the amount of decrease will record in other income in the current period.

Related Parties

The group will consider as a related party if one the conditions below are met.

- a) If the party directly or indirectly with one or more agent:
 - i) Controls the enterprise, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
 - ii) Has share which allows it to have big impact on the group; or
 - iii) Has associated control on the group;
- b) If the party is an affiliate of the group;
- c) If the party is an business partnership where the group is a party;
- d) If the party is a member of the key personnel in the group or Company's main partnership;
- e) If the party is a close family member of any person mentioned in the a or d parts;
- f) If the party is an enterprise which is controlled, partnered or under important effect or any person mentioned in d) or e) parts has right to vote in important decisions of the party;
- g) If the party has profit plans about a possible leaving job of related parties' employees.

Financial Instrument

Financial assets

Financial assets are recorded with their appropriate value and expenses directly related to purchase except financial assets reflected to profit or loss of the appropriate value difference and recorded on their appropriate value. In the case of purchase or selling of financial assets which are bound to a contract that has a condition on deliverance date of financial instruments set by the market are recorded at the date of transaction or deducted from records Financial assets are classified as "financial assets reflected to profit or loss of the realizable value difference", "financial assets kept in hand till its maturity", "marketable financial assets" and credits and receivables.

Effective Interest Method

It is the method in which interest income of financial asset distribute to related period and amortized cost of financial asset gain value. Effective interest rate; Estimated future cash value which will be charged in a shorter time period during the expected lifetime of financial instrument or in case in which life time of financial instrument is appropriate, is the reduced rate of net present value of related financial assets.

Financial assets which will keep in hand till maturity, marketable debt instruments, credits and receivables, which are classified as financial assets, and related interest income of these assets are calculated by using effective interest method.

- a) Net realizable value difference of financial assets which recorded as profit/(loss)

Financial assets measured at fair value through profit and loss are the assets which are the owned one to sell or buy. If a financial asset is bought to sell in short term, it will classify in this category and in current assets. Financial assets which constitute derivative products that have not an effective protection tool against financial risk are also considered as financial assets reflected to profit or loss of the appropriate value difference. Assets in this category are classified as current assets.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

b) Financial assets held to maturity

Debt instruments with constant terms which has constant and determinable payment plan, for which group has an intention to keep in hand till its maturity can be classified as financial assets held to maturity. Financial assets held to maturity can be shown in financial statement by the amortized cost according to effective interest method deducted from amount of decrease in value.

c) Assets available for sale

The group has equity instruments which are not open to capital market but ready to be sold. Since their appropriate value could not be defined in an accredited way, they are shown with their cost values.

d) Loans and receivables

Loans and receivables which are not in the capital market and have steady and computable payments are classified in this category. Credits and receivables are shown by deducting loss in value decrease from the cost which was calculated by using effective interest method. (Note:7)

Financial Liabilities

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Agreement which represents right of group on assets after deducting all liabilities can be count as financial instrument on equity. 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 difference recorded as profit and loss or other financial liabilities.

a) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value difference recorded as profit and loss are stated at their fair value, and they revalue at financial statement date and every reporting period. Change in fair value record in comprehensive income statement. The net gain or loss recognized in comprehensive income statement incorporates any interest paid on the financial liability.

b) Other financial liabilities

Other financial liabilities, including borrowings, are initially recorded at fair value after deduction of transaction costs.

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

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.

Inventories

Inventories are valued on the basis of the weighted average cost method by considering the cost or the net realizable value, whichever is the lowest. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories cover all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

In cases where impairment of inventories are no longer valid or net realizable value is increased, impairment of inventories which was recorded as loss in previous comprehensive income statement will be a provision no longer required. The amount of provision no longer required is limited with the amount of provision which was allocated in previous periods. (Note: 10)

Tangible Fixed Assets

Tangible assets are reflected to financial statements according to their acquisition date: if they are acquired before January 1, 2005 they will state on acquisition cost which are rearranged with buying power of TRY in December 31, 2004 and if they are acquired after January 1, 2005, they will state with its acquisition cost after deduction of accumulated depreciation and accumulated impairment loss. Depreciation is calculated according to normal amortization method on amounts which are rearranged according to inflation.

There is no applicable amortization method for land in the report because of their nature and useful life is unlimited. Tangible fixed assets are amortized with rates below according to their economic useful life.

	Years
Natural Gas Power Plant	40
Land Improvements	8-50
Buildings	50
Plant, Machinery and Equipment	4-15
Motor Vehicles	5
Furniture and Fixtures	3-15
Special Costs	lease term (in days) or the less than useful life

If book value of an asset is bigger than the recovered value of this asset, book value of this asset can be discount to its recovered value. Recovered value of an asset is bigger than net sales price or value at use. Net sales price can calculate after deduction of all cost to sell from its fair value. Value at use will determine after addition of discounted amounts at the date of statement of financial position to estimated cash flows in future in condition of continuing to use the related asset.

The loss or profit from sales of tangible asset determine with comparison of arranged amounts and collected amounts and it is reflected to income and expense accounts in related period.

Maintenance or repair cost of tangible asset can be recorded as expense under normal conditions. However, in exceptional cases if maintenance and repair are resulted with improvement in tangible assets, the cost in question can be recorded as asset and it will be counted in amortization of related asset with remaining useful life. (Note: 14)

Intangible Assets

Intangible assets are consists of acquisition rights, information systems, computer software and special costs. These elements record on acquisition cost and after the date of acquisition they will amortize by using normal amortization method according to their expected useful life. Expected useful life of intangible assets is like below;

	Years
Rights	3-49
Computer programs	3
Preparation and Development Activities	License or Royalty Contract Duration

In case of decrease in value, the book value of intangible assets can be discounted to its recovered value. Recovered value is the value that whichever is higher between useful value and net selling price. (Note:17)

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Leasing Transactions

Financial Leasing Transactions

The group reflect fixed assets acquired through financial leasing with their current value from the rental start date in statement of financial position or if it's lower than present value they will reflect from their current value of minimum lease payments on statement of financial position date (they added to related fixed assets section in financial statements). Acquisition expenses of fixed assets which are subjected to financial leasing transaction added to its cost. Liability from financial leasing transaction can be split as payable interest and principal debt. Interest expenses calculate from its constant interest rate and it will be added to its related period's account.

As of reporting date, unpaid but accrued financial leasing interest costs recorded as expense and calculated interest provisions have been set off and stated Deferred Financial Leasing Borrowing Costs. (Note:20 Leasing Operations, Note:47 Financial Instruments)

Operational Leasing Transactions

Lease contracts where all the risks and benefits of renting property in the hands of the leaser are known as operational leasing. For an operational lease payments, during the rental period will be recorded as expenses according to the direct method.

Investment Properties

Rather than sell goods and services for use in the production and administrative purposes at normal course of business, lands and buildings which are held in hand to obtain lease or capital gains or to obtain both, can be classified as Investment Properties and they can be recorded as values which comes after deduction of accumulated depreciation from cost according to its cost method except lands. The cost of construction, which construct by the company, of property for investment purposes determine on cost at the date of completion of rehabilitation and construction works. Asset at this date becomes a property for investment purposes and cause of that it transfer to properties account section.

Borrowing Costs

Group reflects borrowing costs as financing cost during credit period in its comprehensive income statement. Financing cost which is sourced from credits is recorded to comprehensive income statement when they occur.

Energy producing plants can be evaluated as a specialty asset depending on conditions. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset can be capitalized as a part of specialty asset's cost by firms. Firms can book the other borrowing costs as an expense in their occurred period Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset is added to cost of the asset. This kind of borrowing costs is capitalized as a part of specialty asset's cost for a dependable measure and for a possible situation that it can make an economic contribution to company.

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset are borrowing costs that will not appear in case that there will be no expense done related to specialty asset.

If a company is get into debt in order to acquire a specialty asset, the borrowing cost amount that will be capitalized will be determined by deducting income that is gained via temporary exploiting aforesaid funds from borrowing cost of the aforesaid borrowing in the related period.

In the case of a company uses a part of the funds that it is get in to debt for general purposes in order to finance a qualifying asset; the borrowing cost amount that can be capitalized; is determined via using capitalizing rate that will be applied to expenses that related asset. This capitalizing rate is the weighted average of the all existing borrowing of the related period to borrowing costs, except the borrowings that is done for acquiring the qualifying asset. The borrowing cost amount that is capitalized for a period, cannot exceed consisted the borrowing cost in related period.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

When the all necessary proceedings virtually is completed for asset's intended usage and getting ready for sale, the capitalizing of borrowing costs will end. In the situation of a qualifying asset is completed in parts and every part can be used while other parts Continue to constructing; When the all necessary proceedings virtually is completed for certain part's intended usage and getting ready for sale, the capitalizing of borrowing costs of the related part will end.

Provisions, Contingent Liabilities and Assets

Provisions

Provisions which are present in group as of the statement of financial position date can be accounted in case where there is a legal liability sourced from past or a structural liability and it is highly possible to realize exit of resources to fulfil this liability, there is a reliable estimated amount of liability. In cases where here is more than one a like liability, the need for the possibility of exit of resources which can provide economic profit evaluate by taking in account of all same liabilities in same quality. Even if there is a little possibility to realize exit of resources for a liability in same quality, group allocates provision. Group does not allocate provision for operational loss in future. In cases when the value effect of money is important, amount of provision determine with present value of expenses which will be needed to fulfil liability.

Contingent Liabilities and Assets

Assets and liabilities which are related to the cases whether it will or will not realize one or more than one cases, which are not entirely in group's control to realize in future, and which are sourced from past, can be accepted as contingent liabilities and assets.

Group does not reflect assets and liabilities related to condition to its records. Contingent liabilities are explained in explanatory notes of financial statements during the possibility of exit for an economic profit is not far and contingent assets are explained in explanatory notes of financial statements if the possibility of enter for economic profit is high.

Employee Benefits:

a) Defined Benefit Plan

Provisions for severance benefit reflect upon to actuarial work according to TAS 19 "employee benefit".

Liability of severance benefit means value of estimated total provisions for possible liabilities which will occur in future cause of ending the agreement between group and its personnel for defined reasons according to Turkish Labour Law or retirement of personnel according to related law as of statement of financial position date.

Group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group's experience about fire a personnel or quit of the personnel and reflects to its financial statements.

b) Defined Contribution Proportions

Group has to pay social insurance premium to Social Insurance Intuition. There will be no other liability if the group Continues to pay the premiums. These premiums reflect to personnel expenses in its accrual periods.

Revenue

Revenue is recognized on accrual basis at the fair value of the amount received or to be received. Net sales are calculated after the sales returns and sales discounts.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Sales Income

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

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

Income is fair value that is the amount which is taken or will be taken when electricity delivery is realized. According to accrual basis, income is recorded in the period that the amounts to be invoiced. Net sales are shown in the amount on invoiced electricity delivery after deduction from sales commission and taxes. Obtained from transmission fee revenue is shown by net off related costs in the financial statements.

TEİAŞ Electricity Sales Revenue; contains all sales transactions are made by market participant on the free market reconciled by PMUM (Market Financial Settlement Center) and sales arising from settlement center due to presence of the free market.

Free Consumer Electricity Sales; according to consumer limit is published by EMRA, sales made to all consumers within the definition of free consumer. (For example; While this limit is 4,500 kwh per year in 2014, it was taken 4,000 kwh per year in 2015)

Bilateral Agreements Electricity Sales; Physical or service sales to both wholesale companies or private manufacturing companies. Primary Frequency Control (PFC) contains service sales related with power plants liability in relevant legislations to transfer this liability to someone else.

Energy Imbalance; According to legislation, all imbalance receivables and payables are reconciled within responsible party when group companies are merged to create balance group. The responsible party for the balance distributes this amount of compensation to group members. Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

Interest Revenue

Interest revenues are recorded as income on accrual basis.

Rent Revenues

Rent revenues are recorded as income on periodical accrual basis.

Effects of Change in Exchange Rate

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates occurred Turkish Republic Central Bank at the dates of the transactions. Monetary assets and liabilities based on foreign currency were valued with exchange rates at the end of the period. Exchange gains or losses arising from settlement and translation of monetary foreign currency items have been included in the financial income, net in the accompanying comprehensive income statements.

Calculated Taxed on Corporation Revenue

Deferred taxes are calculated by taking into account statement of financial position liability. They are reflected considering the tax effects of temporary differences between legal tax base and reflected values of assets and liabilities in financial statements. Deferred tax liability is calculating for all taxable temporary differences however discounted temporary differences which occurs from deferred tax assets is calculated in condition to be highly possible to have benefit from these differences by obtaining taxable profit in future.

Receivable and liability for deferred tax occurs where there are differences (which are reducible in future and taxable temporary differences) between book value and tax value of asset and liability sections. Deferred tax asset and liability is recording without considering time where group can use timing differences.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Corporate tax rate in Turkey is 20%. This rate can be applied to tax base which if found out after adding expenses, which are not accepted to reduce from tax according to tax law, to its commercial income and deducting exceptions in law(exception like affiliate income), discounts (like investment discount). In case of not distributing dividends, it will not be necessary to pay another tax.

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15% (10% before the date of 22.07.2006). Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Financial loss which is showed in declaration form according to Turkish Tax Regulation in condition not to pass for 5 years can be deducted on corporate income for period. However, fiscal loss cannot be deducted from previous year's profits.

Earnings per Share

Earnings per share presented at the bottom of the consolidated Comprehensive Income Statement are calculated by dividing the net profit for the period to the number of shares. In case of increasing capital from sources in group in period, when calculating weighted average of number of shares, the value found after that is accepted also to use as valid at the beginning of period.

Subsequent Events

Subsequent events cover all events between authorization dates for publishing statement of financial position and statement of financial position date even if they are related to an announcement related to profits or if they occur after publishing financial information to public.

In case of occurring events which are necessary to make adjustments after statement of financial position date, group adjusts the amounts in financial statements in an appropriate way to this situation. Subjects which are not necessary to make adjustment occurred after statement of financial position date is explained in explanatory notes of financial statements if they will affect economic decision of financial statements user.

Statement of Cash Flow

In cash flow statement group reports cash flows in period based on classification as operating, investing and financing activities. Cash flows sourced from operating activities shows cash flows sourced from Group's activities. Cash flow related to investing activities shows cash flows that group use at present time or they gain from investing activities such as intangible asset investing and financial investing. Cash flow related to financing activities shows the resources used by group and back payment of these resources for financing activities. Cash and cash equivalents are consist of cash and bank deposit, investment with certain amount at 3 months term or less than 3 months, short term with high liquidity.

e. Important Accounting Estimates, Assumptions and Evaluation

Preparing of financial statements make need of using estimates and assumptions which will effect income and expense amount which are reported at account period, explanation of contingent assets and liability and amount of assets and liabilities which are reported as of statement of financial position date. These estimates and assumptions give the most reliable information about group managements' present events and transactions. Although realized results can show differences from assumptions. The estimates and assumptions may cause significant adjustments on book value of assets and liabilities in financial reporting is stated below.

Borrowing cost of credits which are used for financing of natural gas station and hydro electric power is added to cost of natural gas station and by group in scope of TAS-23 "Borrowing Cost".

Deferred Tax Assets

Group accounted deferred tax and liabilities in order to temporary timing differences arising from diversity between financial tables that determine tax and prepared financial tables in accordance with CMC reporting standards. Assets of deferred tax estimated the amount of recoverable partially or completely. During the assesment, future profit projections and other tax assets expiration dates and potential tax planning strategies were considered.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Determination of Fair Value

Several accounting policies and disclosures of the group require determination of fair value of both financial and non-financial assets. Assumptions are used to determine fair value and relevant additional information is presented in the notes specific to asset or liability.

According to levels, the valuation methods are listed as follows;

Level 1: Recorded prices (unadjusted) in active market for identical assets and liability

Level 2: Directly (through prices) observable data and indirectly (derived from prices) observable data for assets or liabilities and except recorded prices in Level 1

Level 3: Data is not based on observable market data relevant with assets and liabilities (unobservable data)

3. BUSINESS COMBINATIONS

The Affect Of Business Combinations Including Common Controlled Entity or Companies

Accounting Standarts of Business Combinations Under Common Control was determined with "Principle Decision For Implementation of Turkish Accounting Standarts". The subject of principle decision is "Accounting of Business Combinations Under Common Control". The principle decision numbered 2013-2, was published by KGK and become effective on July 21 of 2013 with the Official Journal numbered 28714.

According to this, because of the recognition by the method of the merger of the rights of businesses under common control, the goodwill can not included in financial statements. As the date of 30 December, 2013 the goodwill amount of 26.405.410 TRY arising from purchasing businesses under common control, stated in "The Affect Of Business Combinations Including Common Controlled Entity or Companies" account under shareholders'equity as a balancing account.

Business Combinations Under Common Controlled Companies has been explained at TFRS-3 Business Combinations Standart, article b1- and b4. According to standart, TFRS-3 Business Combinations Standart will not be applicable for business combinations under common control.

A business combination under common control is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction. These combinations often occur in group reorganisations in which the direct ownership of subsidiaries changes but the ultimate parent remains the same. Such combinations can arise prior to an initial public offering or a sale of combined entities.

Some of individuals are counted as "controlling the company" when they have the controlling ability for financial and operational policies in order to utilize the company's operations as a result of agreements related to contracts. So that, as a result of agreements related to contracts, mentioned group has the control power to manage opeartional and finacial politics of the company in order to utilizw company operations and that power is not temporary, that kind of business combination lie beyond the scope of TFRS 3 Business Combinations.

There is no connection between the scale of uncontrolled shares (minortiy interests) of each combined companies and determining the if business combinations include common controlled companşes. Likewise, the reality does not have any connection to determine the business combinations does include the companies under common control.

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2013 has been shown in the "Affect of Busines Combinations Includng Common Controlled Entity or Companies" account under equity in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors in the 31.12.2015, 31.12.2014 and 31.12.2013 financial statements.

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3. BUSINESS COMBINATIONS (Continued)

Amounts that has been resulted from business combinations under common control and take place on "The Affect Of Business Combinations Including Common Controlled Entity or Companies" are shown as below,

Company Name	Acquisition Cost	Acquired equity Share Value	Ventures or businesses under common control, Including Effects of Mergers
Odaş Enerji	23.342.950	(729.287)	24.072.237
Hidro Enerji	150.490	51.398	99.092
Ağrı Elektrik	70.000	20.616	49.384
Küçük Enerji	2.065.876	44.768	2.021.108
Yel Enerji	-	(96.256)	96.256
Anadolu Export	-	(2.753)	2.753
Total	25.629.316	(711.514)	26.340.830

Acquisition of Suda Maden A.Ş.

The company has purchased all shares of Suda Maden A.Ş. with its all licenses in the amount of 1.000.000 USD (2.894.300 TRY) on 28.10.2015. Acquired Suda Maden A.Ş is inactive since 2013 and has two antimony operating license and two exploration license.

The purchasing of Suda Maden A.Ş is not evaluated within TFRS-3 Business Combinations. It is qualified as the purchase of assets group (assets purchase). In such cases, the acquired company identifies its acquired assets (including assets that meet the recognition criteria and definition of IAS 38 Intangible Assets) and liabilities separately and is recognized. The cost of the asset group are distributed to the identifiable assets and liabilities in the group based on the fair value at the date of purchase. Such a transaction or event does not give rise to goodwill.

Suda Maden's assets and liabilities values on purchase dated are taken in to account by their book values. There is no assessment report belongs to Suda Maden for the purpose to determine the fair value as of purchase date.

4. JOINT VENTURES

The company has purchased 200.000 entity shares of EPIAŞ (Energy Market Operating A.Ş.) with the cost of 200.000 TRY in order to be founding partners as shareholders. The total capital of the company to become a partner organization 61.572,57 million shares, equivalent to 61.572,57 million TRY. The total shares acquired is equivalent to 0,0032% of the total capital. Partnership is only meant to have say in the energy market, is shown with historical cost amounting to 200.000 TRY in the financial statement. (31.12.2014: None)

5. SEGMENT REPORTING

Group does not make any reporting according to sector because there were not any geographic or operating sector differences on risks and profits from group's product or service presentation.

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6. RELATED PARTIES

i) Balances of the Company with its' related parties as of December 31, 2015 and December 31, 2014.

a) Other receivables from related parties :

	31.12.2015	31.12.2014
Korkut Özal	3.611.203	3.755.178
Burak Altay	553.643	829.558
Bahattin Özal	115.760	522.856
Öztay Enerji Elektrik Üretim Sanayi A.Ş	6.491	13.219
Geokoax Jeotermal Enerji San. Tic. A.Ş.	24.200	-
Eylül Elektromekanik Enerji San ve Ltd Şti	29.541	-
Mustafa Koncagül	3.498.923	-
Süleyman Sarı	120.750	-
TOTAL	7.960.512	5.120.811
Deduction: Unrealised financial losses	(4.939)	(947)
TOTAL	7.955.572	5.119.864

b) Other payables to related parties:

	31.12.2015	31.12.2014
Abdulkadir Bahattin Özal	-	291.130
Öztay Enerji Elektrik Üretim San. A.Ş.	49.573	201.245
Hidro Kontrol Elektrik Üretim A.Ş	123.416	206.064
Ena Elektrik Üretim Ltd. Şti.	516.847	-
Burak Altay	-	3.500
Hidayet Büküm	-	31.304
Esin Ersan	20.000	20.000
Hafize Ayşegül Özal	20.000	20.000
TOTAL	729.836	773.243
Deduction: Unrealised financial gain	(57.711)	(42.449)
TOTAL	672.125	730.794

ii) Significant sales to related parties and major purchases from related parties:**a) Material sales to related parties :**

	January 01 - December 31, 2015	January 01 - December 31, 2014
Hidro Kontrol Elektrik Üretim A.Ş	376.150	943
Öztay Enerji Elektrik Üretim Sanayi A.Ş	4.475	-
Burak Altay	3.330	-
Korkut Özal	6.566	-
TOTAL	390.521	943

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6. RELATED PARTIES (Continued)

b) Sales of services to related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Hidro Kontrol Elektrik Üretim A.Ş.	-	406.760
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	201.008	41.107
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	-	2.000
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	-	36.000
Eylül Elektromekanik Enerji San ve Ltd Şti	143.261	104.210
TOTAL	344.269	590.077

c) Service purchases from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Hidro Kontrol Elektrik Üretim A.Ş.	466.680	660.944
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	684.411	864.862
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	732	3.034
Mekel Enerji İnş. Taah. Danş. Tic.A.Ş.	-	1.116
TOTAL	1.151.824	1.529.957

d) Financing expenses from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	8.398	16.959
TOTAL	8.398	16.959

e) Financing income from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Korkut Özal	476.908	414.134
Bahattin Özal	22.000	57.328
Burak Altay	63.312	89.376
Hidro Kontrol Elektrik Üretim A.Ş.	1.844.471	828.538
Mustafa Koncagül	264.518	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	723.515	436.471
Eylül Elektromekanik Eneji San. Ve Tic.A.Ş.	-	36.279
TOTAL	3.394.723	1.862.126

f) Fixed assets purchases from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	-	153.848
Hidro Kontrol Elektrik Üretim A.Ş.	-	478.493
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	-	1.704
TOTAL	-	634.045

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6. RELATED PARTIES (Continued)

The interest rates is applied due from related parties and to related parties for the period is as below:

	January 01 – December 31, 2015	January 01 – December 31, 2014
Interest rates for the first period	16%	14,50%
Interest rates for the second period	16%	11,50%
Interest rates for the third period	15%	11,50%
Interest rates for the fourth period	15%	11%

Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2015 is as follows:

a) Short Term Benefits to Employees: Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2015 is 2.731.318 TRY (31.12.2013: 2.344.594 TRY)

b) Benefits after Leaving: Severance payment will make to personnel in case of earning it according to applicable law. There is no extra payment other than this.

c) Other Long term Benefits: None.

d) Benefits due to Dismissal: None.

e) Share-based Payments: None

7. TRADE RECEIVABLES AND PAYABLES

Trade receivables

	December 31, 2015	December 31, 2014
Customer Current Accounts	66.623.107	28.607.209
-Receivables from related parties	-	-
-Other receivables	66.623.107	28.607.209
Notes Receivables	672.205	54.735
Doubtful Receivables	536.072	403.667
Provision of Doubtful Receivables(-)	(536.072)	(403.667)
	67.295.312	28.661.945
Deduction: Unaccrued financing losses	(691.551)	(108.029)
TOTAL	66.603.761	28.553.915

Provision for doubtful receivables as of December 31, 2015 and as of December 31, 2014 The movement is as follows:

	December 31, 2015	December 31, 2014
Opening Balance	403.667	532.941
Additional provisions	132.405	-
Payments (-)	-	(129.274)
TOTAL	536.072	403.667

(*)Consist of Odaş Enerji (subsidiary of the group) energy sales trade receivables which is under execution procedure.

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7. TRADE RECEIVABLES AND PAYABLES (Continued)

Trade Payables

	December 31, 2015	December 31, 2014
Supplier Current Accounts	27.784.088	33.150.637
-Due to related parties	-	-
-Other supplier payables	27.784.088	33.150.637
Notes Payables	1.472.993	-
Other Trade Payables	25.697.096	6.569.683
	54.954.177	39.720.320
Deduction: Unaccrued financial gains	(452.849)	(167.690)
TOTAL	54.501.329	39.552.629

8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR OPERATIONS

None. (None, December 31, 2014)

9. OTHER RECEIVABLES AND PAYABLES

Short-term Other Receivables

	December 31, 2015	December 31, 2014
Deposits and guarantees given (*)	2.732.219	135.491
Receivables from shareholders	-	36.651
Receivables from subsidiaries	-	13.219
Receivables from personnel	1.652	1.652
Other receivables	874.266	111.319
Other rediscount for notes receivable (-)	(308.495)	(1.091)
Other receivables from related parties	7.955.572	5.119.864
TOTAL	11.255.215	5.417.105

(*) The amount of 2.720.000 TRY deposit and guarantees given consist of the production license revocation was given to EMRA by Ađrı Elektrik. The guarantee has been refunded with revocation of license on 22.01.2016.

Long-term Other Receivables

	December 31, 2015	December 31, 2014
Deposits and guarantees given	581.257	148.573
TOTAL	581.257	148.573

Short-term Other Payables

	December 31, 2015	December 31, 2014
Deposits and guarantees taken	93.742	-
Due to shareholders	-	404.052
Other payables	2.127.336	599.845
Rediscount for notes payables (-)	(155.212)	(179.993)
Other payables to related parties (Not:6)	672.125	730.794
Advances received	290.760	-
Payable tax and funds	3.813.831	2.408.826
TOTAL	6.842.582	3.963.524

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9. OTHER RECEIVABLES AND PAYABLES (Continued)

Details of taxes and funds payable are as follow;

	December 31, 2015	December 31, 2014
TRT Share	436.342	594.063
Municipality Consumption Tax	933.385	1.014.704
Energy Fund	518.003	425.146
Income Tax Stoppage from Wages	308.772	222.868
Value Added Tax	1.255.741	83.541
Other Tax Liabilities	361.588	68.504
TOTAL	3.813.831	2.408.826

Long-term Other Payables

	December 31, 2015	December 31, 2014
Deposits and guarantees received	500	500
TOTAL	500	500

10. INVENTORIES

	December 31, 2015	December 31, 2014
Semi-manufactured (*)	7.642.257	-
Other inventories (**)	3.215.970	183.036
TOTAL	10.858.227	183.036

(*) The amount of 7.642.257 TRY consist of Suda Maden's antimony inventories and it is valued at cost.

(**) The amount of 172.970,32 TRY consist of consumable material will be used in cycle power plant in Şanlıurfa for the upcoming periods. The remaining part of 3.043.000 TRY consist of container cost which is used for transport and storage of the materials of Çanakkale Power Plant. These containers is purchased from seller. Hereby, the remaning amount is related to container fees after discharge and will be sold.

11. BIOLOGICAL ASSETS

None. (None, December 31, 2014).

12. PRE-PAID EXPENSES VE DEFERRED INCOME**Short-term Pre-paid Expenses**

	December 31, 2015	December 31, 2014
Expenses related to the coming months	383.777	2.488.239
Advances associated with cost	1.433.708	3.448.354
TOTAL	1.817.485	5.936.593

Long-term Pre-paid Expenses

	December 31, 2015	December 31, 2014
Expenses related to the coming years	2.405.590	390.159
TOTAL	2.405.590	390.159

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12. PRE-PAID EXPENSES VE DEFERRED INCOME (Continued)

The amount of 330.000 TRY prepaid expenses for the future years is the price that has been paid regarding royalty agreement of Çan Kömür as of December 31,2015. Royalty fee is transferred to Idle Capacity Expenses and Losses since there is no coal extraction process for the respective periods. When coal production begins, it will be associated with raw material cost.At the balance sheet as of 31.12.2015, expenses with the amount of 1.940.246 TRY consist of upcoming months for care service invoices to Şanlıurfa Power Cycle Plant received from Wartsila. Wartsila makes out care service cost invoice to Odaş based on real working hours of machines concerning care and spare part agreement. Invoices are held in cash and charged at the beginning of the maintenance period. The total amount of the contract is 11.000.374 EUR and maintenance costs corresponding to the unit operating hours vary each year. Pricing for the periods has been made depending on the hours of maintenance costs. Accordingly, the total annual average unit price of the contract on the basis of actual working hours in 2015 (33.36 euro) corresponding the part of the 2014 associated with production costs, while remaining balance of invoices received in 2015 was transferred to the prepaid expenses for the next month.

Deferred Income

	December 31, 2015	December 31, 2014
Advances Received (*)	12.568.101	11.189.783
TOTAL	12.568.101	11.189.783

(*)The amount of 169.575 TRY advances received consists of advances received from Odaş Enerji's clients. The amount of 183.261 TRY consists of daily production to TEİAŞ by Küçük Enerji. The remaining 12.215.265 TRY consists of daily production to TEİAŞ by Odaş.

13. INVESTMENT PROPERTY

None. (None, December 31, 2014).

14. TANGIBLE FIXED ASSETS

	01.01.2015	Addition	Transferred assets from acquired companies	Disposal	Transfer	31.12.2015
Cost						
Land and properties	3.966.112	1.621.624	82.184	-	-	5.669.920
Buildings	-	-	150.000	-	-	150.000
Underground and overland plants	127.024	-	441.113	-	-	568.137
Plant, machinery and equipment	171.065.990	283.626	4.163.802	-	48.989.630	224.503.048
Vehicles	327.390	377.157	160.503	(97.051)	-	767.999
Furniture and fixtures	1.441.209	1.117.587	883.457	(220.401)	-	3.221.853
Construction in progress	47.487.691	186.232.798	8.202.674	-	(56.595.230)	185.327.933
Research expenses	-	-	251.203	-	-	251.203
Total	224.415.415	189.632.792	14.334.936	(317.452)	(7.605.600)	420.460.093
Accumulated Depreciation						
Underground and overland plants	-	(18.750)	(39.062)	-	-	(57.812)
Buildings	(423)	(23.723)	(72.484)	-	-	(96.631)
Plant, machinery and equipment	(10.976.437)	(5.110.662)	(874.094)	-	-	(16.961.192)
Vehicles	(120.540)	(145.255)	(135.425)	51.900	-	(349.320)
Furniture and fixtures	(420.890)	(507.194)	(452.159)	163.025	-	(1.217.218)
Total	(11.518.290)	(5.805.584)	(1.573.224)	214.925	-	(18.682.173)
Net Book Value	212.897.125	183.827.208	12.761.712	(102.527)	(7.605.600)	401.777.920

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14. TANGIBLE FIXED ASSETS (Continued)

	01.01.2014	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12.2014
Cost						
Land and properties	1.273.563	2.744.572	-	-	(52.023)	3.966.112
Buildings	-	-	-	-	127.023	127.023
Plant, machinery and equipment	168.252.501	2.813.489	-	-	-	171.065.990
Vehicles	478.385	28	-	(151.023)	-	327.390
Furniture and fixtures	1.194.883	247.094	-	(768)	-	1.441.209
Construction in progress	3.182.599	46.541.128	-	(1.250)	(2.234.786)	47.487.691
TOTAL	174.381.931	52.346.311	-	(153.041)	(2.159.786)	224.415.415
ACCUMULATED AMORTIZATION						
Buildings	-	(423)	-	-	-	(423)
Plant, machinery and equipment	(6.544.423)	(4.432.014)	-	-	-	(10.976.437)
Vehicles	(118.293)	(80.583)	-	(78.336)	-	(277.212)
Furniture and fixtures	(164.537)	(256.353)	-	-	-	(420.890)
TOTAL	(6.827.253)	(4.769.373)	-	(78.336)	-	(11.518.290)
NET BOOK VALUE	167.554.678	47.576.938	-	(74.705)	(2.159.786)	212.897.125

The fixed assets are acquired through financial lease is shown above as 'Plant and consist of machinery and equipment. The cost of assets are acquired through financial lease 57.542.073 as of December 31, 2015 and accumulated depreciation of leased assets are 5.286.985 TRY.

169.714.642 TRY amount of machinery and equipments belong to Natural Gas Cycle Plant.

Since Natural Gas Cycle Plant started to produce at October 28, 2011 by completing first stage, in 2011 TRY 56.522.392 amount has been capitalized and by completing second stage at April 30, 2012, TRY 73.735.610 amount has been also capitalized, and totally the amount of "1 Machinery and equipment's has reached to TRY 130.258.002 at the end of 2012. At the date of October 23 2013 making a Temporary Acception third stage fully activated as amount of 37.455.752 TRY. Also at the end of the 2013 solar energy panel activated with amount of 758.260 TRY. Plant machinery and equipment amount reached to 166.901.151 TRY at the end of the 2013. As the date of 31 December, 2014 the capitalized amount of 2.813.491 TRY was added to the natural gas cycle power plant costs.

The 280.304 TRY Plant, machinery and equipment has been capitalized in 2015. It consist of additional spending for stage II was capitalized before.

TEİAŞ has set off 502.526 TRY by which calculating its unit price in 07.05.2013 for the total spending of 1.853.876 TRY is done for transferring energy line by Odaş Elektrik Üretim San. A.Ş. in 2011 and 2012. The remaining net cost of 1.351.350 TRY is capitalized in 07.05.2013 which is date the cost of related tangible assets can be measured safely and amortization has been begun.

The group's subsidiaries of Küçük Enerji has completed the construction of "Köprübaşı Regulatory and Hydroelectric Powe Plant" with the power of 8,195 MWm / 7,949 MWe in Trabzon and it has become available for use with the certificate of provisional acceptance on 02.10.2015. The total transferring amount from the investment of hydroelectric power plant to "Property, plant and equipment" is 48.989.630 TRY.

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14. TANGIBLE FIXED ASSETS (Continued)

The investment project and the amount of investment spending regarding construction in progress based on subsidiary as follows;

Company /Subsidiary	Investment Details	Amount
Çan Kömür	Çan II Thermal Power Plant	182.368.916
Suda Maden	Factory Building Investment	2.683.573
Hidro Enerji	Volkan Hydroelectric Power Plant	150.283
YS Madencilik	Coal Mine Preliminary Exploration and License Costs	125.161
TOTAL		185.327.933

Commercial enterprise pledge with amount of 500.000.000 TRY in favour of Yapı Kredi Bankası A.Ş. over entire Odaş I Combined Power Plants and Power Plant Equipments such as Engine, Turbine and Power Plant which consist 7 pieces called Warstila W18GV50SG, a piece of Genpower Power Plant, three pieces of Sperre Compressor+ Air Dryer, Air Condition Unit, a piece of domestic need Transformer, three pieces of oil tanks and oil Pumps, 28 pieces of Alfa Laval Radiators, Transformer Station, Power Transmission Line Equipments, Remote Control Room and Panel Board Room, Generator, Oiled Transformer with three phases, Console of Oil Unit, Waste Hot Boiler, Drum, Condenser, Condense Pumps, Water Pumps, Cooling Water Pumps, DegazorUnit, Cooling Tower Fans, R/O Water Smoothing Unit, Crane, Fire Tank, Turbine Remote Control Room and Panel Board Room Equipments and Other Materials which is used for production.

The commercial enterprise and components which are subjected to Commercial Enterprise Pledge is safeguarded by insurance policies which give guarantee against to Machine Breakdown, Loss of Profit, and Fire etc.

15. DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS

None. (None, December 31, 2014).

16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS

None. (None, December 31, 2014).

17. INTANGIBLE FIXED ASSETS

	01.01.2015	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12.2015
Cost						
Rights	505.836	2.481.202	4.331.903	-	-	7.318.941
Other intangible assets	6.166.708	134.488	-	-	-	6.301.196
Preparation and Development Expenses	2.159.786	723.822	4.574.324	-	-	7.457.932
TOTAL	8.832.330	3.339.512	8.906.227	-	-	21.078.069
ACCUMULATED AMORTIZATION						
Rights	(81.632)	(97.178)	(1.288.149)	-	-	(1.466.959)
Other intangible assets	(131.229)	(263.491)	(198.220)	-	-	(592.940)
Preparation and Development Expenses	(141.916)	(293.200)	-	-	-	(435.116)
TOTAL	(354.777)	(653.869)	(1.486.369)	-	-	(2.495.015)
NET BOOK VALUE	8.477.554	2.685.643	7.419.858	-	-	18.583.054

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17. INTANGIBLE FIXED ASSETS (Continued)

	01.01.2014	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12. 2014
Costs						
Rights	468.626	587.210		(550.000)	-	505.836
Preparation and Development Expenses	6.074.441	92.267		-	-	6.166.708
Other intangible assets	-	-		-	2.159.786	2.159.786
TOTAL	6.543.067	6.095.711		(550.000)	2.159.786	8.832.330
ACCUMULATED AMORTIZATION						
Rights	(59.670)	(26.824)	-	4.862	-	(81.632)
Preparation and Development Expenses	(84.054)	(47.175)	-	-	-	(131.229)
Other intangible assets	-	-	-	-	(141.916)	(141.916)
TOTAL	(143.724)	(73.999)	-	4.862	(141.916)	(354.777)
NET BOOK VALUE	6.399.344	605.478	(545.138)	2.017.870	8.477.554	6.399.344

As the date of December 31, 2015 the details of intangible assets are as follows;

Company/Subsidiary	Intangible Assets	Amount
Çan Kömür	Çan 2 Thermic Power Plant License Fees	21.000
Odaş Enerji	Wholesale License	277.750
Odaş Doğalgaz	Natural Gas Wholesale License and Amendment Fees	64.450
Hidro Enerji	Production License and Amendment Fees	15.000
Küçük Enerji	Production License and Amendment Fees	15.000
Odaş Elektrik	Production License and Amendment Fees	115.967
Yel Enerji	Mine License Cost	2.363.640
Suda Maden	Site License and Mine License Costs	4.296.500
Odaş Enerji	Computer Software	147.318
Odaş Enerji	Website	4.600
Odaş Elektrik	Computer Software	180.398
Odaş Elektrik	Website Software	38.159
Odaş Elektrik	Çan Kömür Assets Purchase Cost	5.915.802
Çan Kömür	Preparation and Development Expenses (*)	2.338.952
Çan Kömür	Computer Software	125.149
Yel Enerji	Preparation and Development Expenses (*)	544.656
Yel Enerji	Computer Software	4.001
Suda Maden	Computer Software	35.403
Suda Maden	Preparation and Development Expenses (*)	4.574.324
TOTAL		21.078.069

(*) Expenditures made by Group for the development of mineral resources already existing (drilling , evaluation and topographical, geological studies) were capitalized in accordance with TAS 38 Intangible Assets Standard.

At Yel Energy, the IR:4327 (17517) numbered license transfer has been held on 15.07.2015, amortization has started when intangible assets are ready to use mean necessary conditions available for management's operations.

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17. INTANGIBLE FIXED ASSETS (Continued)

The amount of preparation and development expenses recorded to assets of Çan Kömür consist of land measure, test and drilling, engineering and architectural works, property damage fees, construction equipment rental fees. These expenditures recorded as development costs and started to be amortized. Development costs belong to coal mining area located in Çanakkale, Çan District, Yaylaköy Village with license number IR 17448 in 09.07.2013. The operating rights of coal mining (existed before) obtained by operating agreement called 'royalty agreement'.

Preparation and Development Expense capitalized in Suda Maden A.Ş. consist of drilling, sampling, mine development expenses regarding 34412 and 43169 numbered operating license in antimony area.

18. GOODWILL

None. (None, December 31, 2014)

19. EVALUATING AND RESEARCHING OF MINE RESOURCES

Expenditures made for the preparation and development of the Group's already existing mineral resources are capitalized as Intangible Assets.

As of 31.12.2015 the total development expenditure capitalized amount on the basis of the subsidiaries are as follows;

Subsidiaries	The Amount of Preparation and Development Expenditures
Çan Kömür	2.338.952
Suda Maden	4.574.324
Yel Enerji	544.656
Total	7.457.932

Amounts related to amortization of capitalized amounts and net book value amounts as preparation and development expense are included in Note: 17.

At Yel Enerji, the capitalized amount of 544.656 TRY as development expenditures is regarding the amount of drilling activities for coal mine license which is IR:17517 number and 1.205,11 hectares located in Bayramiç district in Çanakkale.

Because transferring of mine license has not yet realized and there is no expenditure as preparation and search expenditures, the drilling amount is capitalized according to TAS 38 Intangible Assets. Amortization process will be began when intangible assets is ready to use (taken over the license) means required conditions available for management's aim. Therefore development expenses is capitalized but amortization is not calculated.

The amount of preparation and development expenses recorded to assets of Çan Kömür consist of land measure, test and drilling, engineering and architectural works, property damage fees, construction equipment rental fees. These expenditures recorded as development costs and started to be amortized in 2014. Development costs belong to coal mining area located in Çanakkale, Çan District, Yaylaköy Village with license number IR 17448. The operating rights of coal mining (existed before) obtained by operating agreement called 'royalty agreement'. Total expenditures for coal mining activities are amount of 2.338.952 TRY as of 31.12.2015

Suda Maden has 2 exploration license and 2 operating license. Regarding 34412 and 43169 numbered operating license, the total expenditures such as drilling, mapping, shaft drilling is 4.574.324 TRY as of December 31, 2015. It has been capitalized and amortized by years.

Moreover, regarding the received exploration license 201200931 and 201200932 numbered on 22.06.2012, exploration expenses such as preliminary study projections, sampling, section and map preparation is capitalized, the amount of 251.023 TRY is classified as research expenses since no mining license.

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20. LEASING OPERATIONS

Operating Leases

Group as Lessee

Lease Agreements:

There are two leases subject to the Group's operating leases.

The first of the lease is related to office and stores buildings within 5 years at starting date of August 01, 2013.

Second is related to business office rental of one year at starting date of January 11, 2013.

All operating leases has carried a clause related to review of the circumstances based on market conditions in case of group uses renewal rights. There is no right to purchase the asset at the end of the lease term rented by the Group.

The payments are recognized as an expense	December 31, 2015	December 31, 2014
Minimum lease payments	856.440	799.843

Group has 9 rental agreements regarding investment stage.

The payments are recognized as active	December 31, 2015	December 31, 2014
Minimum lease payments	216.995	-

21. SERVICE CONCESSION ARRANGEMENTS

None. (None, December 31, 2014).

22. IMPAIRMENT OF ASSETS

None. (None, December 31, 2014).

23. GOVERNMENT INCENTIVES

Odaş Elektrik Üretim Sanayi ve Ticaret A.Ş. has investment incentive certificate 21.12.2011 dated and 102704-B numbered which is drawn up by Economy Ministry of Turkish Republic Incentive Application and Foreign Capital General Directorate 15.04.2014 dated and E-102704 numbered investment incentive certificate is prepared instead of this certificate. The certificate of investment is about natural gas cycle plant (7x19)+17=150 MW powered, it is prepared referring to Energy Market Regulatory Authority EU/3323-2/2005 numbered and 14.07.2011 dated Production License.

The investment incentive certificate is given for whole new investment in Şanlıurfa, and it involves the 24.05.2011-24.05.2014 period. VAT exemption and customs duty indemnity are benefited by this certificate. The absolute amount of this investment financed by liabilities and it is total investment amount is TRY 127.000.000.

Aforesaid investment is completed within the stipulated period according to Investment Incentive Certificate. In order to make Incentive Completion Visa (Incentive Closed) has been applied to Ministry of Economy.

Çan Kömür ve İnşaat A.Ş. has Investment Incentive Certificate is prepared by Ministry of Economy of the Republic of Turkey and General Directorate of Foreign Capital and Incentives Implementation. Aforesaid investment is power plant based on domestic coal (Çan 2 Thermic Plant) with 340 MW installed capacity and incentive certificate is arranged according to EPDK's ÖN/5117-5/03070 associate license number and 10.07.2014 dated.

Investment incentives Certificate is given for the full new investment carried out in Çanakkale (Çan 2 region) and covers the period 13.08.2014-13.08.2017. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited. Total amount of the investment is 162.056.360 TRY based on incentive certificate. This amount is financed by 29.170.144 TRY of capital sources and remaining 132.86.216 TRY of foreign sources.

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23. GOVERNMENT INCENTIVES (Continued)

Küçük Enerji Üretim ve Tic. Ltd. Şti. has investment incentive certificate 31.12.2013 dated and A-113287numbered which is drawn up by Economy Ministry of Turkish Republic Incentive Application and Foreign Capital General Directorat. The certificate of investment is about hydroelectric power plant (Köprübaşı Reg. ve Hydroelectric Power Plant) (2x4,097)=8,195 MW powered, it is prepared referring to Energy Market Regulatory Authority EÜ/3769-4/2314 numbered and 12.04.2012 dated Production License.

Investment incentives Certificate is given for the full new investment carried out in Trabzon Köprübaşı third region and covers the period 18.12.2013-18.12.2016. With the certificate, VAT exception incentives are benefited. Total amount of the investment is 28.571.000 TRY based on incentive certificate. This amount is financed by 4.243.400 TRY of capital sources and remaining 24.327.600 TRY of foreign sources.

24. BORROWING COSTS

In the periods of 01.01.2015-31.12.2015, regarding the subsidiary of Küçük Enerji Üretim ve Tic. Ltd. Şti.'s investment loan which is used for Köprübaşı Hes Project ready to use with temporary admission on 02.10.2015, the amount of 1.534.382 TRY net financing cost of from 01.01.2015 to 02.10.2015 is added to the investment cost.

Group has adopted to 'cyclical approach' method related to qualifying assets cost and capitalizing the exchange difference in current period concerning the amount of 10.470.000 USD investment loan used on 08.04.2014 and 970.000,0 USD loan used on 28.09.2015 by Küçük Enerji. The amount of 2.565.743 TRY exchange difference expense is actualised until 02.10.2015 regarding principal exchange difference of investment loan used has been associated with qualifying assets cost (Köprübaşı HES Project).

In the calculations, if the same credit was used as TRY under the same conditions, 23,5 and 19 basis interest rate is based on, calculated interest amount from the credit usage date of 01.01.2015 to the date of 02.10.2015 as follows;

	01.01.2015-02.10.2015
Interest accrual if credit used as TL	4.106.684
Total USD credit interest accrual related to qualifying assets cost	1.534.382
Exchange difference will be related to qualifying assets cost	2.565.743
Total exchange difference expense of credit principal	7.294.689
Exchange difference expense related to qualifying assets cost	2.565.743

Similarly, in the period of 01.01.2015 - 31.12.2015, the 5.022.077 TRY finance cost related to the total amount of 40.000.000 Euro bridge investment loan which 20.000.000 Euro portion was used in 27.01.2015 and 20.000.000 Euro portion was used 18.06.2015 for Çan II Power Plant by subsidiary of Çan Kömür ve İnşaat A.Ş., is added to investment cost.

Besides, group has adopted to 'cyclical approach' method related to qualifying assets cost and capitalizing the exchange difference in current period concerning the amount of 40.000.000 USD investment credit used from Çan Kömür. The amount of 9.332.609 TRY exchange loss amount regarding principal exchange difference of investment credit used has been associated with qualifying assets cost (Çan II Power Plant Project).

In the calculations, if the same credit was used as TRY under the same conditions, 16,00 basis interest rate is based on for 20.000.000 Euro used in 27.01.2015 and 18,00 basis interest rate is based on for 20.000.000 Euro used in 18.06.2015, calculated interest amount from 01.01.2015 to the date of 31.12.2015 accordingly periodic approach method as follows;

	01.01.2015 - 31.12.2015
Interest accrual if credit used as TRY	14.354.685
Total USD credit interest accrual related to qualifying assets cost	5.022.077
Exchange difference will be related to qualifying assets cost	9.332.609
Total exchange difference expense of credit principal	11.702.660
Exchange difference expense related to qualifying assets cost	9.332.609

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other long-term provisions

	December 31, 2015	December 31, 2014
Other payable and expense provisions (*)	116.156	111.517
TOTAL	116.156	111.517

(*) At 11th paragraph of TFRS 6 stated: When a company assume the investigation and evaluation of mine resources, it reflects removal and restoration liabilities resulting in given period at financial statement according to TAS 37 - Provisions , Contingent Liabilities and Contingent Assets standard.

According to assessment made by project manager and technical team, 70 % of mining operations run as underground mining and 30% of mining operations run as surface mining located in Çanakkale, Çan (Yaylaköy) district with 17448 license numbered region. The scope of extending project has been submitted for approval to MİGEM (General Directorate of Mining Affairs). After surface mining, will be passed into underground mining. There will be no any stripping practice on the ground during underground mining. Stripping area during surface mining will be used as ash storage as stated in ÇED (Environmental Impact Assessment) report as the scope of Çan 2 thermic power plant. Following the completion of economic life of the mining site, the region will be planted and then leaved. The predict cost for plantation is around 300.000 TRY.

About 150.000 acres will be stripped. Because of the extension project, 100 tree is needed per acres. Due to regional soil structure, the cost of plantation is expected around 2.000 TRY per acres. The total cost for 150 acres is calculated as 150*2.000 TRY = 300.000 TRY. After the surface mining completed its economic life, this study will be done and carried out about 20 years. The rediscounting amount of total cost of 300.000 TRY is 116.156 TRY.

Assets related with current tax period

	December 31, 2015	December 31, 2014
Pre-paid taxes and funds (*)	71.113	53.653
TOTAL	71.113	53.653

This is the amount related tax assets which are paid in the period but setoff and given back regarding group and its subsidiaries.

Pledges

-Pledge of Share Agreements Made with Yapı Kredi Bankası A.Ş. :

In accordance with General Loan Contracts signed between Yapı Kredi Bankası A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş.'s shareholders on behalf of Yapı Kredi Bankası A.Ş. The total value of the amount pledged 29.000.000 shares with a nominal value of TRY 1. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

- As the guarantee of the loan on the General Loan Agreements signed between Yapı Kredi Bank and Kucuk Enerji Uretim ve Tic Ltd Sti, Kucuk Enerji Uretim's partners' signed a Pledge Agreement in Yapı Kredi Bank's benefit. The total value of the pledged amount is 2.650.000 shares with a nominal value of 1 TRY. Share pledge agreement stays valid until the obligations under guarantee by the pledge agreements are paid in full.

-Commercial Enterprise Pledge Agreement Signed With Yapı Kredi Bankası A.Ş.

Commercial enterprise pledge with amount of 500.000.000 TRY in favour of Yapı Kredi Bankası A.Ş. over entire Odaş I Combined Power Plants and Power Plant Equipments such as Engine, Turbine and Power Plant which consist 7 pieces called Warstila W18GV50SG, a piece of Genpower Power Plant, three pieces of Sperre Compressor+ Air Dryer, Air Condition Unit, a piece of domestic need Transformer, three pieces of oil tanks and oil Pumps, 28 pieces of Alfa Laval Radiators, Transformer Station, Power Transmission Line Equipments, Remote Control Room and Panel Board Room, Generator, Oiled Transformer with three phases, Console of Oil Unit, Waste Hot Boiler, Drum, Condenser, Condense Pumps, Water Pumps, Cooling Water Pumps, DegazorUnit, Cooling Tower Fans, R/O Water Smoothing Unit, Crane, Fire Tank, Turbine Remote Control Room and Panel Board Room Equipments and Other Materials which is used for production. Net book value of Odaş I Combined Power Plants is 106.454.968 TRY

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The commercial enterprise and components which are subjected to Commercial Enterprise Pledge is safeguarded by insurance policies which give guarantee against to Machine Breakdown, Loss of Profit, and Fire and so on.

-Shares Pledge Agreement Signed With The Consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch.

In accordance with General Loan Contracts signed between the consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch and Çan Kömür ve İnşaat A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of Çan Kömür ve İnşaat A.Ş.'s shareholders on behalf of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch. The total value of the amount pledged 255.000 shares with a nominal value of TRY 100. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

Warranty

- Financial Leasing Agreements Made with Yapı Kredi Finansal Kiralama A.O:

Signed leasing agreement of four Wartsila W18V50SG gas chamber for ODAŞ I Combined Cycle Power Plant with Asya Katılım Bankası A.Ş is transferred to Yapı Kredi Finansal Kiralama A.O and transfer agreement is made. According to Financial Leasing Agreement Korkut Özal, Abdulkadir Bahattin Özal, Burak Altay, Odaş Enerji Elektrik Satış A.Ş. are joint obligee and joint guarantor to secure liabilities.

Conveyances

-Conveyances Made with Yapı Kredi Bankası A.Ş:

According to General Loan Agreement made between Yapı Kredi Bankası A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of given borrowings, conveyances are signed about transferring of income from energy sales to TEİAŞ by ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. on behalf of Yapı Kredi Bankası A.Ş. The conveyances signed totally TRY 500.000.000; until the liabilities assured by the conveyances, the conveyances are valid.

Dividend Payment

In 11.3.1 article of the loan contract was made between ODAŞ and Yapı Kredi Bankası A.Ş. has following provisions related dividend payment.

11.3.1 Dividend Payment

- i) To be any delinquency status or not to be possible delinquency status and relevant dividend payment's decision or paying dividend will not lead potential delinquency/delinquency
- ii) As of 15.11.2014, the funding of debt servicing amount of relevant calculating period in the debt servicing reserve account.
- iii) In any case, receiving fore written approval of creditor before dividend payment.

Note : Debt Service = " Principal + Interest + Banking and Insurance Transaction Tax"

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees

Given guarantees by the group are as follow:

GUARANTEES, PLEDGES, HYPOTHECS	31.12.2015	31.12.2014
A) Total amount of TRI was given for its own legal entity	671.303.342	635.194.204
B) Partnerships includes scope of full consolidation	109.985.846	76.074.033
C) Total amount of TRI was given in order to conduct ordinary business and to guarantee third parties debt	-	-
D) Total amount of other given TRI	-	-
i) Total amount of TRI was given on behalf of main partner	-	-
ii) Total amount of TRI was given to companies except B and C article	-	-
iii) Total amount of TRI was given to third parties except C article	-	-
TOTAL	781.289.188	711.268.237

The ratio of guarantees, pledges and hypothecs to equity is 4,74. (31.12.2014 : 7,47)

Received guarantees by the group are as follow:

GUARANTEES, PLEDGES, HYPOTHECS	31.12.2015	31.12.2014
Received Guarantee Letters	31.003.157	7.080.604
Received Guarantee Cheques	-	75.000
Received Guarantee Bills	567.228	-
TOTAL	31.570.385	7.155.604

Given and received guarantees by the group are as follow:

	31.12.2015	31.12.2014
Received Guarantee Letters	31.003.157	7.080.604
Odaş	2.331.895	1.859.758
Odaş Enerji	1.122.500	3.122.500
Küçük Enerji	-	2.098.346
Çan Kömür	27.548.762	-
Received Guarantee Bills	567.228	75.000
Odaş	87.228	-
Küçük Enerji	400.000	-
Odaş Enerji	-	-
Çan Kömür	80.000	-
TOTAL	31.570.385	7.155.604

Unfavourable Cases:

As of December 31, 2015, there are lawsuits against group's subsidiaries of Küçük Enerji Üretim ve Ticaret Ltd. Şti regarding damages caused by using of explosives in tunnelling operations. Scout has been doing regarding lawsuits, most of the cases in the expert stage and it not clear yet how the cases will be resulted.

There are various lawsuits against Odaş Enerji Elektrik Perakende Satış A.Ş. ,regarding trade activities (leakage losses, transmission costs, distribution costs, costs of meter reading from customers who previously carried out electricity sales) in total amount of 13.634.777,34 TRY. There is no clear evidence how these cases will be ended as of December 31, 2015. In addition, the total amount of opened cases relating to leakage losses cost is specified by the customer will be reflected in the distribution companies.

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25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Group management does not expect a negative result from relating cases and these cases have no significant effect on group's operations, financial statement and liquidity. As of December 31, 2015, since the cases's possibility of ended up against group is lower than possibility of not being liability, it has not been any recognition process regarding the lawsuit liabilities in the financial statements.

26. COMMITMENTS

None. (31 Aralık 2014 None.)

27. EMPLOYEES BENEFIT OBLIGATIONS

Termination Indemnities and Provision of Vacation

The Company and its subsidiaries has to make a certain severance payment to its personnel who fires from company for several reasons like retirement after working at least one year at company except reassignment and bad behavior. Compensation which company has to pay is at amount of one month salary for each servicing year and this amount is limited to 3.828,37 TRY as of December 31, 2015. (December 31, 2014: 3.438.22 TRY)

As of 31.12.2015 and 31.12.2014, calculated provision for severance payment and provision for vacation as follows.

	December 31, 2015	December 31, 2014
Provision for severance payment	62.247	78.436
Provision for vacation	251.214	144.864
TOTAL	313.461	223.300

It needs a calculation which can be doing with some assumptions for calculation of company's liabilities in accordance with TAS 19 (Benefits Provided to Personnel). Company is calculated severance payment based on completion of personnel service time in past years at company and experience about having rights to have severance pay, by using projection method in accordance with TAS 19 and Company is reflected this amount to its financial statements.

Provisions for severance payment allocates after calculating present value of potential liability which Company will pay to its personnel in case of retirement. As related to this, assumptions, which are used to calculate the liability amount between of December 31, 2015 and December 31, 2014 are depicted below:

	December 31, 2015	December 31, 2014
Discount rate	%8,80	%8,90
Estimated increase rate	%5,00	%4,75

Employees benefit obligations movements as December 31, 2015 - December 31, 2014 are as follows:

Provision for severance payments

	December 31, 2015	December 31, 2014
Opening balance	78.436	160.110
Additional provisions/payment (-)	(16.189)	(81.674)
Period-end balance	62.247	78.436

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27. EMPLOYEES BENEFIT OBLIGATIONS (Continued)

Actuarial gain/(loss) movements as December 31, 2015 - December 31, 2014 are as follows:

	December 31, 2015	December 31, 2014
Transfer	78.436	160.110
Payment	(37.306)	(4.200)
Interest cost	7.875	23.610
Current service cost	(32.654)	(3.835)
Actuarial gain/(loss)	(28.714)	(97.249)
Balance	62.247	78.436

Provision for vacation as December 31, 2015 - December 31, 2014 are as follows:

	December 31, 2015	December 31, 2014
Opening balance	144.864	91.273
Additional provisions (Note:33)	106.350	53.591
Period-end balance	251.214	144.864

Payables within employee benefit;

	December 31, 2015	December 31, 2014
Due to personnel	210.943	45.347
Social security premium payables	233.801	117.150
TOTAL	444.744	162.497

Payables to personnel balance consist of fee and similar payables accrued but unpaid, social security withholdings payable consist of social security premium debts belongs to labor and management. It is accrued with pay roll and declared in the 23th of following months and will be paid until the months.

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

Cost of sales according to their nature between January 1, 2015 -December 31, 2015 and January 1, 2014 - December 31, 2014 periods are as follow ;

	January 01- December 31, 2015	January 01- December 31, 2014
Usage of natural gas	115.580.736	107.951.410
GOP purchase price of the system	124.406.892	148.513.425
Cost of energy trade from bilateral agreements	81.158.610	134.401.685
Distribution companies system usage cost	46.262.145	68.644.146
TEİAŞ Yek receivable amount	26.011.047	10.486.360
Imbalance energy amount of TEİAŞ	12.948.010	18.643.395
TEİAŞ accepted load amount	6.441.064	11.193.959
TEİAŞ zero balance adjusting item	6.251.716	10.657.642
Maintenance expenses	6.155.748	5.666.506
Depreciation and amortisation	4.732.705	4.431.370
Personnel expense	2.886.549	2.193.783
TEİAŞ system usage fee	2.038.831	-
TEİAŞ Interconnection Capacity Allocation Cost	1.571.630	28.489
Insurance expense	980.332	999.387
TEİAŞ adjustments for previous period	749.670	464.626
PFK liability transfer service cost	660.509	1.248.908
The amount of debt of TEİAŞ DGP	594.329	602.540
TEİAŞ other expenses	535.888	605.809
TEİAŞ electric quality service cost	429.818	-
Container purchase cost	333.000	-
TEİAŞ market operating fee	50.014	135.742
Electricity import	27.331	17.640.625
Distribution companies other expenses	1.297	-
Natural gas sales value	-	16.746.017
Imbalance of group companies	-	39.150
TEİAŞ interconnection cost	-	1.798.423
TEİAŞ system operating fee	-	1.537.984
Other expenses	1.257.193	668.090
TOTAL	442.065.066	565.299.471

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

Cost of sales resulting from production activities is as follows:

	January 01- December 31, 2015	January 01- December 31, 2014
Usage of natural gas	102.804.599	107.951.410
Imbalance energy amount of TEİAŞ	12.837.028	18.643.395
TEİAŞ accepted load amount	6.441.064	11.193.959
TEİAŞ zero balance adjusting item	6.251.661	10.657.642
Maintenance expenses	6.155.748	5.666.506
Depreciation and amortisation	4.444.084	4.431.370
Personnel expense	2.853.084	2.193.783
TEİAŞ system usage fee	1.938.425	565
PFK liability transfer service cost	980.332	999.387
Insurance expense	719.365	401.820
The amount of debt of TEİAŞ DGP	660.509	1.248.908
TEİAŞ other expenses	594.329	602.540
TEİAŞ adjustments for previous period	429.818	-
TEİAŞ market operating fee	275.581	507.118
TEİAŞ system operating fee	48.054	113.003
TEİAŞ electric quality service cost	-	1.476.110
Other expenses	1.245.085	668.090
TOTAL	148.678.766	166.755.606

	January 01- December 31, 2015	January 01- December 31, 2014
Container cost	333.000	-
TOTAL	333.000	-

Cost of sales resulting from Hydro Power Plant electricity production is as follows:

	January 01- December 31, 2015	January 01- December 31, 2014
Depreciation and amortisation	288.621	-
Imbalance energy amount of TEİAŞ	110.981	-
Personnel expense	33.465	-
TEİAŞ other expenses	15.555	-
TEİAŞ market operating fee	1.960	-
TEİAŞ zero balance adjusting item	56	-
Other expenses	12.109	-
TEİAŞ system operating fee	100.406	-
TOTAL	563.152	-

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

The details of cost of electricity sales from wholesale are as follow;

	January 01- December 31, 2015	January 01- December 31, 2014
GOP purchase price of the system	124.406.892	148.513.425
Distribution companies system usage cost	46.262.145	68.644.146
Yek receivable amount	26.011.047	10.486.360
Cost of energy trade from bilateral agreements	81.158.610	134.401.685
Reactive capacitive goods cost (-)	1.571.630	28.489
TEİAŞ other expenses	244.752	98.691
TEİAŞ adjustments for previous period	30.306	62.805
Electricity import	27.331	17.640.625
Distribution companies other expenses	1.297	-
TEİAŞ Interconnection Capacity Allocation Cost	-	1.798.423
TEİAŞ system usage and operating fee	-	61.310
Imbalance of group companies	-	39.150
TEİAŞ market operating fee	-	22.739
TOTAL	279.714.011	381.797.848

The details of cost of natural gas sales are as follow;

	January 01- December 31, 2015	January 01- December 31, 2014
Natural Gas Sales Cost	12.776.137	16.746.017
TOTAL	12.776.137	16.746.017

Bilateral Agreements Energy Cost of Trade Goods; Cost of Odaş Enerji's electricity purchase from producing companies out of system.

Distribution Companies Cost of System Usage Goods; Odaş Enerji use distribution companies' distribution piping systems on their direct sales to consumers and these distribution companies do meter readings. Voytron pays this price to distribution companies and charges it from consumers.

Teiaş Energy Imbalance Amount; Due to Odaş's being responsible party from balance in day-ahead market

Göp System Purchase Amount; Electricity rates taken from PMUM day-ahead market (TEİAŞ)

Energy Imbalance; Negative incidence of difference with Voytron's consumption estimates in day-ahead market.

TEİAŞ Retroactive Adjustment Item; Mistakes on PMUM conciliation shown on this item on the following term.

TEİAŞ Accepted Load Cycling Amount; The amount acquired with multiplication of bid price and quantity given by System Operator's offer valid for conciliation term related with balancing units in the scope of balancing power market and system losses deducted from Embarkation Direction Amount.

Keyat Amount According to TEİAŞ EPYHY Article 25; The amount acquired with multiplication of Accepted and Implemented Embarkation bid price calculated by Electricity Market Balancing and Settlement Regulation, 2 tag value of balancing power market's balancing unit's offer valid for conciliation term.

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

TEİAŞ Zero Balance Adjustment Item; The amount is reflected to market participants in proportion of zero balance adjustment item. It is based on the basis of market operator's profit or loss from operations done for wholesale electricity market. In a billing period, will be accrued receivables to market participant and payables should be balanced with conciliation of compensating mechanism and conciliation of imbalance of related parts to balancing and without energy sales and purchases in the scope of day-ahead market, market operating fee, transmission fee and overdue receivables.

TEİAŞ System Usage Fee; The amount confirmed by EPDK and calculated by TEİAŞ based on thrust-transmit power reflected income ceilings reflected to system usage fee signed market participant, using TEİAŞ transmission system.

YEK Credit Balance; The amount reflected to participants by considering energy imbalance amount reconciliated from Renewable Energy Sources Backstopping Mechanism and payment liability rate(ÖYO) calculated in the scope of YEKDEM.

PFK Liability Transfer Service Fee; In case of productive facilities in the scope of electricity market ancillary services regulations obligated to participate primer frequency control service (PFK), want to transfer PFK liabilities to another company in related conciliation term, fee is assigned by companies.

TEİAŞ Electricity Quality Service Fee; It is declared in Transmission System System Usage and Calculation of System Operating Tariff's Procedure Declaration's 5th section approved in 3575 numbered assembly resolution Energy Market Regulatory Authority. Electricity Quality Service Fee on transmission system invoices are related to other related system users and producers within the scope of 4628 numbered Electricity Market Law and secondary legislation Electricity Market Network Regulations, Electricity Market Ancillary Services Regulations.

TEİAŞ Market Operating Fee; It is accrued to cover operating cost and amortisation of investment expenses without electricity energy sale and purchase. Market operating income ceiling is shared to market participants by considering organized wholesale electricity market facilities by market operators.

TEİAŞ Non-controllable Fee; It is related to get peripheral service from other system users and producers within the scope of 4628 numbered Electricity Market Law and secondary legislation Electricity Market Network Regulations, Electricity Market Ancillary Services Regulations. Cost of peripheral services concludes to prevent constraint of energy flow on transmission system. Non-controllable costs reflected to all users equally and take part as non-controllable fee item on transmission system usage and system operating invoices.

Interconnection Capacity Allocation Fee; Capacity and time limit of publicly interconnection are considered for electricity import and export. Interconnection lines within scope of the licences are presented to market participants by tendering procedure after line base determined and declared by system operator. Price capacity allocation after tender comprise price capacity allocation fee for that term.

29. OTHER ASSETS AND LIABILITIES

Other current assets

	December 31, 2015	December 31, 2014
Income accruals(*)	24.391.026	21.179.651
Deferred VAT	16.312.769	6.722.723
Work advances	940.650	99.410
Advances given to personnel	233.089	130.487
Advances given to suppliers	54.658	1.313.922
TOTAL	41.932.192	29.446.193

(*) Information about Process of Income-Expense Accruals and Advances Given-Received

Odaş Enerji, wholesale company; purchase datas taken from system will be explained on the system of Market Financial Settlement Center ("PMUM") between following month's 15-20th day. Within the same day, after explanation invoice will be made out. Invoices made out to TEİAŞ and customers are added to sales figure and recorded as Income Accruals as contra account. Invoices made out by TEİAŞ are added to cost figure and recorded as Expense Accruals.

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29. OTHER ASSETS AND LIABILITIES (Continued)

Payments to TEİAŞ are made daily according to estimated consumption and recorded to 159 Advances Given. Account will be deducted by making out invoices.

Odaş, production company; purchase datas taken from system will be explained on the system of Market Financial Settlement Center ("PMUM") between following month's 15-20th day. Within the same day, after explanation invoice will be made out. Amount of invoices made out to TEİAŞ are added to sales as matching principle at the end of the periods and recorded as Income Accruals as contra account. Invoices made out by TEİAŞ are added to cost figure and recorded as Expense Accruals.

Production figure is conjecturally recorded to PMUM system daily and production cost put into bank account following day. Amount in the bank account is recorded to Advances Taken Account and advances will be deducted by making out invoices.

Detail of income accruals are as below:

	December 31, 2015	December 31, 2014
Accrued electricity sales income	22.605.234	20.597.146
Accrued interest income of time deposit	268.912	40.077
Other accrued interest income	1.498.418	507.802
Other accrued income	18.463	34.626
TOTAL	24.391.026	21.179.651

Other Tangible Fixed Assets

	December 31, 2015	December 31, 2014
Given advances (*)	27.342.432	54.918.957
TOTAL	27.342.432	54.918.957

(*) The given advances as of 31.12.2015 includes expenses for Çan-2 thermal power plant in the amount of 26.372.151 TRY, expenses for Köprübaşı hydroelectric plant in the amount of 253.136 TRY, expenses for Yel Enerji mining site in the amount of 142.325 TRY and Anadolu Export's gold site in the amount of 570.120 TRY.

Other short term liabilities

	December 31, 2015	December 31, 2014
Accrued expenses (*)	25.802.224	16.469.288
TOTAL	25.802.224	16.469.288

(*)Accrued expenses details are as follows:

	December 31, 2015	December 31, 2014
Accrued electricity purchase cost	23.968.926	14.131.993
Accrued distribution company cost	1.636.847	2.249.674
Accrued interest	157.642	80.885
Other accrued expenses	38.809	6.736
Total	25.802.224	16.469.288

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30. EQUITY, RESERVES AND OTHER EQUITIES

Paid-in Capital

Paid-in Capital structure of the Company between December 31, 2015 and December 31, 2014 given on the following table:

Nominal capital of the company is 47.600.180 TRY and the upper limit of registered capital is 210.000.000 TRY. The company's application to registration of capital system is accepted by Capital Market Board.

Equity

	December 31, 2015		December 31, 2014	
	Share Amount	Rate	Share Amount	Rate
Korkut Özal	7.500.000	%15,76	7.500.000	%15,76
A. Bahattin Özal	7.300.000	%15,34	7.300.000	%15,34
Burak Altay	7.300.000	%15,34	7.300.000	%15,34
BB Enerji Yatırım San. Ve Tic. A.Ş.	7.500.000	%15,76	7.500.000	%15,76
Public Share (*)	18.000.180	%37,80	18.000.180	%37,80
Paid-in Capital	47.600.180	%100	47.600.180	%100

The company's issued capital is 47.600.180 TRY and aforesaid issued capital is paid in cash and fully by means free collusion.

This capital is divided into two registered share with total 47.600.180 TRY. One is 3.000.000 TRY with nominal value, (A) share group and other is 44.600.180 TRY with nominal value, (B) share group.

The company has decided to arise existing 42.000.000 TRY capital to 50.500.000 TRY by adding 8.500.000 TRY by restricting the pre-emptive rights of existing shareholders with the Board of Director's decision 12.02.2015 dated and 2015/04 numbered. It is decided that increased 8.500.000 TRY nominal valued shares will be sold qualified investors rather than public offering.

Because the capital increase from 42.000.000 TRY to 47.600.180 TRY in the scope of approval 8.500.000 TRY nominal fees document with the decision of Capital Market Board 16.04.2015 dated and 10/491 numbered, issued 5.600.180 numbered shares with 1 TRY nominal value is sold in Borsa Istanbul A.Ş., 27.04.2015. The capital increase is registered in June 29, 2015.

Lot shares has been sold for total 400.000 shares consist of 200.000 number shares belongs to one of the company's partner Abdülkadir Bahattin Özal and 200.000 number shares belongs to company's partner Burak Altay in 26.05.2015.

In accordance with General Loan Contracts signed between Yapı Kredi Bankası A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş.'s shareholders on behalf of Yapı Kredi Bankası A.Ş. The total value of the amount pledged 30.000.000 shares with a nominal value of TRY 1. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

In the framework of this agreement's 7,8, and 10 articles (The Board of Directors, nominate to the Board, president and vice president elected, representing the company and right to vote in the General Assembly), (A) group shares has the right of determination of board member and use of the right to vote in the General Assembly. (B) group shares has no special rights and privileges.

In capital increases, to represent the increased capital (A) Group shares ratio to (A) Group share and (B) Group shares ratio (B) Group share will be issued. In capital increases, when board of directors decided to issue only (B) group, right to receive shares is given to (A) group the ratio of its capital.

The Board of Directors is authorized to take decisions to increase the issued share capital, limiting the right to buy new shares to be issued, preference shares to be issued and The issue of share issue premium by issuing new shares of (A) and / or (B) group up to the registered capital in accordance with Capital Market Law and Capital Market Board's regulations between the years 2014-2018. The shares representing the capital are monitored in records within the framework of dematerialization principles.

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30. EQUITY, RESERVES AND OTHER EQUITY (Continued)

Authority to restrict the right to buy new shares is not used in a manner to cause inequality among shareholders. New shares cannot be issued unless issued shares are fully sold.

When shares representing five per cent or more of the Company's capital with direct or indirect acquisition by a natural or legal person or as a result of the acquisition of shares that does not exceed five percent of the share capital of the entities belonging to a common or transfer of shares results of falling below ratio compared to above belonging to one common share EMRA approval will be received each time and required disclosures will be stated in accordance with the Capital Market Legislation. This provision also valid if the voting rights is acquisitioned.

Board of Directors is authorized to take decisions for not given approval to transfer and refusing from registration in the share register while transferring (A) group share within the framework of TTK 493 showing reason for carrying out company's goal and protection of independency of company. To transfer (B) group share will be traded in stock market can not be restricted.

Share Premium

The amount of 48.000.000 difference occurred as a result of selling of newly issued 12.000.000 shares offered to public higher price than nominal cost has been recognized as share premium. The amount of 2.865.131 TRY expenses for new issue shares and its public offer, in accordance with, have been deducted from share premium

Besides, The amount of 44.241.422 difference occurred as a result of selling of newly issued 5.600.180 shares offered to public higher price than nominal cost has been recognized as share premium. The amount of 1.182.229 TRY expenses for new issue shares and its process of issuance and selling, in accordance with, have been deducted from share premium and shown at equity.

	December 31, 2015	December 31, 2014
Share Premium	88.194.062	45.134.869
TOTAL	88.194.062	45.134.869

Actuarial gain / loss of funds

Actuarial gain / loss of movement of funds are as follows.

	December 31, 2015	December 31, 2014
Beginning period balance	27.756	105.555
Current year actuarial gains / (losses)	(77.799)	(77.799)
TOTAL	4.785	27.756

Previous Years' Profit/Loss

Accumulated profit/loss except net profit for the period is shown like below;

	December 31, 2015	December 31, 2014
Retained earnings		
Retained earnings/(loss)	34.488.467	14.428.699
Dividend Distribution (-)	(5.000.000)	-
Legal Reserves (-)	(639.252)	-
Transfers (-)	5.252.044	-
Period profit/(loss)	-	7.093.250
TOTAL	34.101.259	7.335.449

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30. EQUITY, RESERVES AND OTHER EQUITY (Continued)

Dividend Distribution

Publicly trading companies distribute its dividends according to the regulations that came into force by the CMB on February 1st, 2014, dividend notification code II-19.1

The partners distribute their profits according to the profit distribution policy and legislative provisions determined by the general assembly. A minimum distribution rate under the declared notification has not been determined. Companies pay dividends based on their contacts or based on dividend distribution policies. Dividend can be paid in fixed or varying installments, if agreed during the general meeting. As for payments in installments; dividend notification No. II-19.1 of the provisions contained in Article 5 shall be complied with. In addition to that, partnerships whose shares are traded in the stock exchange can distribute cash dividends in advance, according to their earnings obtained on their interim financial statements.

According to the TCC, as long as the reserves to be set aside and the dividend rate stated in the real agreement or dividend distribution policy are not separated; another reserve cannot be set aside, any profit cannot be transferred to the following year, and the usufruct of their prospective owners, board members, partners and everyone else other than shareholders will not be given any dividends from the obtained profit, just as well as if the shareholders are not paid their determined dividend fully in cash.

The total amount of the dividends to be distributed can only be distributed if dividend distribution amount could be met from net profit available for distribution on legal records (Records according to Tax Procedure Law) or other reserves. Group has a decision which held in 25.05.2015 in General Assembly to distribute total 5.000.000 TRY gross dividend after leaving the legal provisions of 2014 profit as of 29.05.2015. Dividend payment has been carried out in June.

Legal Reserves

According to Turkish Commercial Code, legal reserves divided into two; I. and II. Legal Reserves. According to Turkish Commercial Code, primary reserve is 5% of statutory profit until reached 20% of paid capital. Secondary reserve is 10% of distributed profit which exceeds 5% of paid capital. According to Turkish Commercial Code, until legal reserves doesn't exceed 50% of paid capital, can be used just to clarify losses. There is no possibility to use in another way.

As of December 31, 2015, the amount of restricted reserves is 639.252 TRY. (31.12.2014: None). This all amount consist of legal reserves.

Minority Interest

Details of minority interest are shown below;

Minority Interest	December 31, 2015	December 31, 2014
Capital	(3.907.203)	(1.110.085)
Retained earnings/(loss)	(51.287)	161.216
Period profit/(loss)	813.226	28.626
TOTAL	(3.145.264)	(920.243)

The Affect Of Business Combinations Including Common Controlled Entity or Companies

Accounting Standarts of Business Combinations Under Common Control was determined with "Principle Decision For Implementation of Turkish Accounting Standarts". The subject of principle decision is "Accounting of Business Combinations Under Common Control". The principle decision numbered 2013-2, was published by KGK and become effective on July 21 of 2013 with the Official Journal numbered 28174.

According to decision, goodwill result from business combinations could not be existed on financial statements due to "pooling of interest" accounting method. Goodwill amount of 26.340.830 TRY result from acquisition of companies under common control was shown under equity on a offset account called "Affect of Busines Combinations Including Common Controlled Entity or Companies".

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30. EQUITY, RESERVES AND OTHER EQUITY (Continued)

Business Combinations Under Common Controlled Companies has been explained at TFRS-3 Business Combinations Standart, article b1- and b4. According to standart, TFRS-3 Business Combinations Standart will not be applicable for business combinations under common control.

A business combination under common control is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction. These combinations often occur in group reorganisations in which the direct ownership of subsidiaries changes but the ultimate parent remains the same. Such combinations can arise prior to an initial public offering or a sale of combined entities.

Some of individuals are counted as “controlling the company” when they have the controlling ability for financial and operational policies in order to utilize the company’s operations as a result of agreements related to contracts. So that, as a result of agreements related to contracts, mentioned group has the control power to manage operational and financial politics of the company in order to utilize company operations and that power is not temporary, that kind of business combination lie beyond the scope of TFRS 3 Business Combinations.

There is no connection between the scale of uncontrolled shares (minority interests) of each combined companies and determining the if business combinations include common controlled companies. Likewise, the reality does not have any connection to determine the business combinations does include the companies under common control.

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2013. Goodwill amounts are reclassified at Equity under Affect of Business Combinations Including Common Controlled Entity or Companies” account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 10-12 on 31 December 2015, 31 December 2014 and 31 December 2013. Business combinations under common control is added to consolidation since the beginning period of common control.

Amounts that has been resulted from business combinations under common control and take place on “The Affect Of Business Combinations Including Common Controlled Entity or Companies” are shown as below;

Company Name	Acquisition Cost	Acquired equity Share Value	Ventures or businesses under common control, Including Effects of Mergers
Odaş Enerji	23.342.950	(729.287)	24.072.237
Hidro Enerji	150.490	51.398	99.092
Ağrı Elektrik	70.000	20.616	49.384
Küçük Enerji	2.065.876	44.768	2.021.108
Yel Enerji	-	(96.256)	96.256
Anadolu Export	-	(2.753)	2.753
Total	25.629.316	(711.514)	26.340.830

Other Equities

The other equities are shown as below;

	December 31, 2015	December 31, 2014
Other Equities	21.868.966	-
TOTAL	21.868.966	-

The Suda Maden purchase is evaluated within the scope of IFRS 3 Business Combinations-standard. This process has been determined an acquisition rather than a business combination transaction. The total amount paid for the asset and the difference amount consists of the between assets and liabilities are calculated by taking the book values of the company’s into account, the difference amount of 21.868.966 is recognised at equities.

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31. REVENUE AND COST OF GOODS SOLD

Details of sales are given below;

Revenue:

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	485.047.078	621.631.375
<i>Free Consumer Electricity Sales</i>	278.588.277	361.900.692
<i>Electricity Sales income from TEİAŞ</i>	186.573.144	207.545.509
<i>Bilateral Agreements Electricity Sales</i>	5.311.786	20.713.061
<i>Sales to Group Companies</i>	88.771	-
<i>PFK Sales</i>	-	13.927.102
<i>Solar Energy Sales</i>	141.400	109.058
<i>GDDK Incomes</i>	122.510	-
<i>Distribution Companies Income from Natural Gas Sales</i>	13.310.142	17.391.836
<i>Other Incomes</i>	911.050	44.118
<i>Electricity Export Sales</i>	-	691.304
<i>Electricity Export Sales</i>	-	691.304
<i>Sales returns (-)</i>	(132.902)	(785.163)
Total	484.914.175	621.537.517

The details of electricity sales from natural gas power plant are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	172.238.672	212.037.373
<i>Electricity Sales income from TEİAŞ</i>	171.173.701	197.706.585
<i>Free Consumer Electricity Sales</i>	-	294.555
<i>Sales to Group Companies</i>	88.770	-
<i>PFK Sales</i>	-	13.927.102
<i>Solar Energy Sales</i>	141.400	109.058
<i>Other Incomes</i>	834.800	-
Total	172.238.671	212.037.373

The details of electricity sales from wholesale activity are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	298.650.408	392.158.049
<i>Free Consumer Electricity Sales</i>	278.588.277	361.606.064
<i>Electricity Sales income from TEİAŞ</i>	14.627.836	9.838.924
<i>Bilateral Agreements Electricity Sales</i>	5.311.786	20.713.061
<i>GDDK Incomes</i>	122.510	-
<i>Export Sales</i>	-	691.304
<i>Electricity Export Sales</i>	-	691.304
<i>Group Companies Sales Incomes</i>	-	-
<i>Sales returns (-)</i>	(132.902)	(785.163)
<i>Sales discounts (-)</i>	-	-
<i>Other Sales</i>	-	44.118
Total	298.517.506	392.108.308

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31. REVENUE AND COST OF GOODS SOLD (Continued)

The details of natural gas sales from wholesale activity are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	13.310.141	17 .391.836
<i>Distribution Companies Income from Natural Gas Sales</i>	<i>13.310.141</i>	<i>17 .391.836</i>
Total	13.310.141	17 .391.836

The details of electricity sales from Hydroelectric Power Plant activity are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	771.607	-
<i>Teiaş/Epiaş Electricity Sales Income</i>	<i>771.607</i>	-
Total	771.607	-

The details of sales from container sales are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	76.250	-
<i>Container Sales</i>	<i>76.250</i>	-
Total	76.250	-

Teiaş Electricity Sales; Market participant's sales made in market reconciled by PMUM (Market Financial Settlement Center) and sales arising from settlement center due to presence of the free market.

Free Consumer Electricity Sales; according to consumer limit is published by EMRA, sales made to all consumers within the definition of free consumer. (For example; While this limit is 4,500 kwh per year in 2014, it was taken 4,000 kwh per year in 2015)

Bilateral Agreements Electricity Sales; Physical or service sales to both wholesale companies or private manufacturing companies. Primary Frequency Control (PFC) contains service sales related with power plants liability in relevant legislations to transfer this liability to someone else.

Energy Imbalance; According to legislation, all imbalance receivables and payables are reconciled within responsible party when group companies are merged to create balance group. The responsible party for the balance distributes this amount of compensation to group members. Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

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31. REVENUE AND COST OF GOODS SOLD (Continued)

List of the companies according to electricity sales of productive activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
Türkiye Elektrik İletim A.Ş.	54%
Enerji Piyasaları İşletme Anonim Şirketi	30%
Limak Yatırım Enerji Üretim İşl.Hiz.Ve İnş.A.Ş.	2%
Boyabat Elektrik Üretim Ve Tic.A.Ş.	2%
Egemer Elektrik Üretim A.Ş.	2%
Bosen Enerji Elektrik Üretim A.Ş.	1%
İc İctaş Bağıştaş Enerji Üretim Ve İşletme A.Ş.	1%
Sanko Enerji Sanayi Ve Ticaret A.Ş.	1%
Age Denizli Doğalgaz Elektrik Üretim A.Ş.	1%

List of firms from electricity sales from Hydroelectric Power Plant activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
Enerji Piyasaları İşletmeleri A.Ş.	100%

List of top ten firms of wholesale activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
İkitelli Organize Sanayi Bölgesi Başkanlığı	42%
Vodafone Telekomünikasyon A.Ş.	31%
Türkiye Elektrik İletim A.Ş.	3%
Enerji Piyasaları İşletme A.Ş.	2%
Bir Enerji Elektrik Toptan Satış İth.İhr.A.Ş.	2%
Albaraka Türk Katılım Bankası A.Ş.	1%
Pamukkale Kablo Sanayi Ve Ticaret A.Ş.	1%
Buyaka 2 Site Yönetimi	1%
S.S. İst. Anadolu Yakası Doğrama Ve Mobilyacılar	1%
Türk Hava Yolları A.O.	1%

List of the companies according to natural gas sales of wholesale activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
Botaş-Boru Hatları İle Petrol Taşıma A.Ş.	43%
Doğal Enerji İthalat A.Ş.	38%
Cengiz Enerji San. Tic. A.Ş.	9%
Other Companies	10%

Cost of goods sold consists of following;

	January 01- December 31, 2015	January 01- December 31, 2014
Cost of goods sold (production)	149.381.240	166.755.606
Cost of goods sold (trade)	292.490.148	398.543.865
Other costs	193.678	-
TOTAL	442.065.066	565.299.471

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32. CONSTRUCTION CONTRACTS

(None, December 31, 2014.)

33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	January 01- December 31, 2015	January 01- December 31, 2014
Marketing, sales and distribution expenses	1.841.606	1.516.724
General administration expenses	9.200.406	5.978.590
TOTAL	11.042.012	7.495.314

Marketing, sales and distribution expenses

Details of marketing, sales and distribution expenses according to their nature between 1 January - 31 December , 2015 and 1 January - 31 December, 2014 periods are like below;

	January 01- December 31, 2015	January 01- December 31, 2014
Personnel expense	974.239	983.062
Electricity sales commission expense	382.615	158.085
Consultancy expenses	65.162	61.602
Other expenses	33.591	48.080
Advertising expense	4.392	25.234
Annual license costs	127.138	58.273
Shipping expense	133.384	141.373
Travel expenses	-	2.139
Tax expense	27.137	32.059
Fuel expense	26.670	6.818
Car rent expense	67.275	-
TOTAL	1.841.606	1.516.724

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33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)**General Administration Expenses**

Details of general administration expenses according to their nature 1 January – 31 December 2015, and 1 January – 31 December 2014, periods are as below;

	January 01- December 31, 2015	January 01- December 31, 2014
Personnel expense	4.352.487	2.785.311
Office rent expense	1.410.408	799.843
Consultancy expense	636.379	518.565
Amortization (Note:14,17)	689.191	378.738
Tax expenses	384.531	315.750
Travel expenses	178.584	134.095
Sharing common expenses	-	616
Shipping expense	29.294	12.625
Dues contribution share	191.037	112.879
Provision for unused vacation (Note:27)	106.352	53.591
Notary expense	68.095	59.703
Severance payment provisions	12.523	19.775
Fuel expense	50.902	47.785
Insurance expense	413	10.176
Representation and hospitality expenses	66.868	80.729
Accounting and Financial Advisor expenses	313.467	210.739
Declaration and Agreement Stamp Tax	621	-
Other expenses	709.253	437.668
TOTAL	9.200.406	5.978.590

There is no Research and Development Expenses belong to date of 1 January - 31 December 2015 and 1 January - 31 December 2014.

34. OTHER OPERATIONAL INCOME AND EXPENSE**Other Operational Income**

	January 01- December 31, 2015	January 01- December 31, 2014
Rediscount interest income	4.548.351	1.318.606
Exchange rate income	7.676.838	3.323.239
Prior Year Revenues and Profits	129.856	21.574
Other Income and Profits related to operations	1.691.291	2.224.017
Cancellation of provisions for doubtful receivables (Note:7)	-	129.274
Other Extraordinary Income	104.624	124.237
TOTAL	14.150.960	7.140.947

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34. OTHER OPERATIONAL INCOME AND EXPENSE (Continued)**Other Operational Expense**

	January 01- December 31, 2015	January 01- December 31, 2014
Exchange rate expense	4.363.492	1.917.939
Provision Expenses (Note:7)	132.405	-
Rediscount interest expense	2.284.922	1.197.464
Other Extraordinary Expenses and Losses	1.106.454	1.865.387
Prior Period Expenses and Losses	879.466	2.696.034
Other Ordinary Expenses and Losses	839.643	1.170.729
Idle Capacity Expenses and Losses	932.871	166.517
TOTAL	10.539.254	9.014.069

35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES**Revenues from investing activities**

	January 01- December 31, 2015	January 01- December 31, 2014
Gain on sale of fixed assets	44.949	57.562
TOTAL	44.949	57.562

(*) Income arising from selling fixed assets (vehicles) in relevant period.

36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

Details of expenses according to principle types as of 31 December 2015, and 31 December 2014, periods are like below;

	January 01- December 31, 2015	January 01- December 31, 2014
Depreciation and amortization expense		
Cost of sales	4.732.705	4.431.370
General administration expenses	689.191	378.738
Idle Capacity Expenses and Losses	1.037.557	-
TOTAL	6.459.453	4.810.108

	January 01- December 31, 2015	January 01- December 31, 2014
Personnel expenses		
Cost of sales	2.886.549	2.193.783
General operating expenses	4.352.487	2.785.311
Marketing, sales and distribution expenses	974.239	983.062
TOTAL	8.213.275	5.962.156

	January 01- December 31, 2015	January 01- December 31, 2014
Insurance expenses		
Cost of sales	980.332	999.387
General administration expenses	413	10.176
TOTAL	980.745	1.009.563

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36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES (Continued)

	January 01- December 31, 2015	January 01- December 31, 2014
Consultancy expenses		
Marketing, sales and distribution expenses	65.162	61.602
General administration expenses	636.379	518.565
TOTAL	701.541	580.167

37. FINANCIAL EXPENSE AND INCOME**Financial Income**

	January 01- December 31, 2015	January 01- December 31, 2014
Interest income	8.980.465	4.359.008
Rediscount interest income	2.771.914	-
Gain on sale of marketable securities	8.863	18.508
Foreign exchange gain	20.749.100	13.689.445
TOTAL	32.510.342	18.066.961

Financial Expense (-)

	January 01- December 31, 2015	January 01- December 31, 2014
Loss on sale of marketable securities	97.140	12.704
Foreign exchange losses	46.224.446	3.272.553
Interest and commission expense	22.932.778	27.606.954
TOTAL	69.254.365	30.892.211

38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

Details of other comprehensive income/(expense) as of December 31, 2015 and December 31, 2014 periods are as below;

	January 01- December 31, 2015	January 01- December 31, 2014
Not reclassified on gain/(loss)		
Actuarial gains/(loss) (Note:27)	28.714	(97.249)
Deferred tax revenue/(expense) (Note:40)	(5.743)	19.450
TOTAL	22.971	(77.799)

39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Share transfer agreement was signed with FERRIT S.R.O (Czech Republic) on 29 June 2015, regarding the selling of all stocks which company has 80 percent of Ena Elektrik Üretim Ltd. Şti in group portfolio. Transfer of shares has not been realized yet, will be held after licensing process by EMRA. As of December 31 2015, Ena Elektrik Üretim Ltd. Şti is classified as assets held for sale. As of 31 December 2015, the net asset value of Ena Elektrik is 662.669 TRY.

The sale process is evaluated as discounted operations in accordance with TFRS 5 standard "Fixed Assets Held for Sale and Discounted Operations" and net profit/loss arising from Ena Elektrik Üretim Ltd. Şti's operations in 31.12.2015 is classified as income and expenses related discounted operations in the 01.01.2015 - 31.12.2015 consolidation profit or loss and comprehensive income statement. Toward this application the same classification is made in the 31.12.2014 profit or loss and comprehensive income statement.

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39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

Comparatively income statement of Ena Elektrik Üretim Ltd. Şti is as follow;

	January 01- December 31, 2015	January 01- December 31, 2014
Incomes	26.926	56.048
Expenses (-)	(28.319)	(29.872)
Period income before tax	(1.393)	26.176
Tax (-)	3.479	697
Period Net Profit/Loss	1.669	26.873

40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Tax expense/income in comprehensive income statement for periods ended at 31 December 2015 - 31 December 2014, is like below:

	December 31, 2015	December 31, 2014
Tax expense for the period	(31.495)	(3.991.525)
Deferred tax income/ expense	(64.837)	(3.012.880)
Deferred tax reflected in equity (*)	(5.743)	(19.450)
Deferred Tax Income /Liability	102.075	(7.023.855)

(*)TAS 19 Employee benefits changes made to the standard actuarial gains / losses is the amount of deferred tax on the amount. (Note:38)

Current Tax

Corporate tax rate is 20% in Turkey. This rate can be applied to the amount after addition of expenses which are not accepted to discount according to Turkish law to company's operating income and deduction of exceptions in tax law like subsidiary income and discounts like investment discount from company's operating income.

According to the Corporate Tax Law numbered with 5520, corporate tax rate is %20. This rate is applied to the tax bases in accordance with the laws of corporate income tax to be added to deductible expenses, exemptions which place at tax laws (such as affiliation privilege) and usage of deductions (like investment incentives). As of December 31, 2003, there was an act which predicted to change in Tax Procedure Law, Income Tax Law and Corporate Tax Law ("Act numbered as 5024"), it predicts that income and corporate taxpayer, who determines its profit according to statement of financial position base, keep their financial statements with inflation adjustment starting after January 1, 2004. These taxpayers also have to make inflation adjustment for their financial statements at December 31, 2003. It is an obligation that taxpayers, who have to make inflation adjustment according to the general declaration published by Ministry of Finance as of 28 February 2004, have to make adjustments in their statement of financial position after January 1, 2004 if there is the case which obligates adjustment.

Company will calculate tax amount for the period according to declaration numbered 338 if there are conditions (such as increase in price index in last 12 periods at 100% and 10% for current period) needs for adjustments in the direction of 5024 numbered Law and mentioned declarations.

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15% (10% before July 22nd, 2006). Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Companies calculate pre-paid corporate tax at 20% on their profit for each 3 months and they declare that amount at fourteenth day of second month in following period and they pay it till evening of seventeenth day of same month. Pre-paid taxes which are paid in the year belong to same year and it will be deducted from corporate tax amount which is calculated according to corporate tax declaration for the following year. Pre-paid corporate tax remained after deduction can be deducted from any financial payables to government.

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40. TAXATION ON INCOME (Continued)

75% of profit from sales of property, subsidiary's shares, management shares, shares for which company has first right of purchase which company kept in hand at least 2 years is count as exception in condition that they can be kept under a fund account as equity item for 5 years in liabilities and collection of total sales amount has to be finished not exceeding second year after sales made.

Current period tax assets:

The details of current period tax assets at 31 December 2015 - 31 December 2014, is like below

	December 31 2015	December 31 2014
Prepaid taxes and funds (*)	71.113	53.653
Total	71.113	53.653

(*) Current period tax assets is a tax assets related to group that has no corporate tax base in releveant years but has prepaid advance tax and stoppage in year or to companies that have prepaid advance tax and stoppage more than corporate tax base.

Current period tax expense:

Period profit and calculation as of 31 December 2015 - 31 December 2014, is like below

	December 31, 2015	December 31, 2014
Profit/loss before tax	156.567	37.099.552
Non-deductible expenses	910	164.014
To be offset prior year losses	-	(17.305.941)
Corporate tax base	157.477	19.957.625
Tax Expense For The Period (*)	31.495	3.991.525

(*) Regarding 2015 period tax expenses in the amount of 31.495 TRY consist of group's subsidiaries of Odaş Doğalgaz tax expense regarding 2015 year.

Due to the absence of the tax base in the parent company and other subsidiaries (absence of tax base, if there is financial loss for period or companies in which financial profit after deduction of previous years' losses) tax expense is not calculated.

Deferred Tax

Company calculates deferred tax assets and liabilities with recorded values in statement of financial position items by considering difference effects which occurs as a result of evaluation for values in statement of financial position items and Tax Procedure Law.

Differences in question generally sourced from accounting of expenses and incomes for different reporting periods according to CMB declarations and Tax Law. The rate which will apply for deferred tax receivables and liability which is calculated according to liability methods on temporary differences will occur after December 31, 2008 is 20%.

Turkish tax legislation makes possible that the main partner of company can organize tax statement via financial statement of its consolidated subsidiaries and affiliates. Therefore, with company has deferred tax assets and company has deferred liabilities are not net off their tax position. It is stated seperately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of 31 December 2015 - 31 December 2014 in the following manner;

	December 31, 2015	December 31, 2014
Deferred Tax Assets	1.960.380	1.343.167
Deferred Tax Liabilities	(12.066.332)	(10.342.539)
Total	(10.105.952)	(8.999.372)

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40. TAXATION ON INCOME (Continued)

Detail of accumulated temporary differences using tax rates of deferred tax assets and liabilities as of December 31, 2015, and December 31, 2014 is as below:

Deferred Tax Assets / (Liabilities)	Accumulated Temporary Differences		Tax Rate	Deferred Tax Assets / (Liabilities)	
	31.12.2015	31.12.2014		31.12.2015	31.12.2014
Accrued Financial Losses	17.929.430	3.770.150	20%	3.585.886	754.030
Fixed Assets	(70.501.905)	(49.197.725)	20%	(14.100.381)	(9.839.545)
Severance Indemnities and Provisions	168.385	(33.383)	20%	33.677	(6.677)
Rediscount	339.210	(238.565)	20%	67.842	(47.713)
Doubtful Receivables	536.070	403.665	20%	107.214	80.733
Establishment and Formation Expenses	11.565	11.565	20%	2.313	2.313
Prepaid Expenses	-	30.030	20%	-	6.006
Provisions for Other Payables and Expenses	1.204.140	111.515	20%	240.828	22.303
Expense Accrual	(216.655)	145.890	20%	(43.331)	29.178
	(50.529.760)	(44.996.858)		(10.105.952)	(8.999.372)

The deferred tax assets and liabilities of Odaş and its subsidiaries as of December 31, 2015, and December 31, 2014, is like below:

Odaş Deferred Tax Assets / Liabilities	31.12.2015	31.12.2014
Opening balance	(9.349.413)	(5.926.677)
Current year deferred tax gain/(expense)	(1.551.218)	(3.414.531)
Deferred tax reflected in shareholders' equity	(1.901)	(8.204)
Deferred Tax Assets / (Liabilities)	(10.902.532)	(9.349.413)

Subsidiaries Deferred Tax Assets / Liabilities	31.12.2015	31.12.2014
Balance from the previous period, the deferred tax	350.041	(41.062)
Subsidiary removed from consolidation transferee deferred tax	(539)	-
Purchased Company prior period deferred tax	(844.779)	-
Current year deferred tax income / (expense)	1.273.534	402.348
Deferred tax in equity	18.324	(11.245)
Deferred Tax Assets / (Liabilities)	796.582	350.041

Balances related to subsidiaries' deferred tax assets and liabilities as of December 31, 2015, and December 31, 2014, is like below:

Subsidiaries Deferred Tax Assets	31.12.2015	31.12.2014
Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş.	231.429	143.902
Odaş Enerji Elektrik Perakende Satış A.Ş.	1.004.607	1.198.550
Ena Elektrik Üretim Ltd. Şti.	-	539
YS Madencilik San. Tic. Ltd. Şti.	-	176
Küçük Enerji İnşaat Ltd. Şti.	705.607	-
Çan Kömür ve İnşaat A.Ş.	18.736	-
Deferred Tax Assets	1.960.380	1.343.167

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40. TAXATION ON INCOME (Continued)

Subsidiaries Deferred Tax Liabilities	31.12.2015	31.12.2014
Ağrı Elektrik Üretim San. A.Ş.	(48.802)	(2.671)
Çan Kömür ve İnşaat A.Ş.	-	(881.226)
Hidro Enerji Elektrik Üretim San. A.Ş.	(3.135)	(1.104)
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	-	(70.030)
Anadolu Export Maden Sanayi ve Ticaret A.Ş.	(9.643)	-
Yel Enerji Elektrik Üretim San. A.Ş.	(77.654)	(38.096)
YS Madencilik San. Tic. Ltd. Şti.	(4.010)	-
Suda Maden A.Ş.	(1.020.556)	-
Deferred Tax Liabilities	(1.163.800)	(993.127)

The distribution of accumulated financial losses and amortization period by years as of December 31, 2015, and December 31, 2014, is like below;

Amortization Date	December 31, 2015		December 31, 2014	
	Recorded Part	Unrecorded Part	Recorded Part	Unrecorded Part
2016	-	23.720	-	43.088
2017	-	177.412	-	40.424
2018	999.855	1.107.620	-	362.670
2019	3.263.107	12.014.473	754.030	12.594.149
2020	13.666.470	17.478.051	-	-
	17.929.432	30.801.277	754.030	13.040.331

Subsidiaries have deductible tax losses that can be net off from taxable income for the next period (oncoming 5 years) as of balance sheet date, is shown above table. Deferred tax assets consisting of tax losses which was predicted to be unusable losses is not recorded.

Odaş Enerji Perakende Satış Dış Tic. A.Ş., one of the subsidiaries has deductible losses, only expects profit in 2016. In the projections, 852.592 TRY useable financial loss is recorded as tax asstes over the total 4.262.962 TRY taxable profit. The subsidiary has 999.885 TRY financial loss transferred from 2013 and will be ended in 2018 and 11.754.761,60 TRY financial loss transferred from 2014 and will be ended in 2019.

In the projections of Küçük Enerji which has useable financial loss expects profit in 2016, the amount of 223.972 TRY useable financial loss is recorded as tax asstes over the total 1.119.859 TRY taxable profit. The subsidiary has 1.119.829 TRY financial loss transferred from 2015 and will be ended in 2020.

The main partner, Odaş Elektrik Üretim San. Tic. A.Ş. has resulted 36.722.254,70 TRY tax base in 2014, 17.074.623,78 TRY Accumulated Financial Loss was not recorded deferred tax assets in the perivious period has been set off from tax base.

In the projections of Odaş elektrik which has useable financial loss expects profit in 2016, the amount of 2.509.322 TRY useable financial loss is recorded as tax asstes over the total 12.546.611 TRY taxable profit. The subsidiary has 12.546.611 TRY financial loss transferred from 2015 and will be ended in 2020.

Besides, the subsidiary of Çan Kömür has useable reduced corporate tax related investment incentive certificate which details are given "23. Government Incentives".

The investment of Çan Kömür is on stage II but because investment involves primary investment subjects according to fifth article of special conditions of investment incentive certificate, it will take advantage from 5. Zone support. Accordingly, the investment contribution rate is 40% and Reduced Corporate Tax is 80%.

This means, company can benefit the amount of 64.822.544 TRY (40% of total investment which is 162.056.360 *40%) reduced corporate tax related investment gain. If it used as advance, reduced corporate tax can bu used until 50% of total investment until investment is done. Tax deduction to be applied will be 16% (20%*0,80).

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40. TAXATION ON INCOME (Continued)

If company has gain from other operations related those amounts, it can benefit from advance reduced corporate tax. However, Çan Kömür has no other gain to benefit from advance reduced corporate tax. The only operation is to mine coal and use it in thermic power plant. The company has just been investment stage.

To acceptance Çan Kömür starts investment, it will be needed 5 million TRY investment spending in the scope of incentive certificate and recorded to investment certificate by applying Ministry. Because the investment has not been completed yet, there is even no partially operations regarding investment, gain obtained from investment is not certain and there is not other gain to use advance reduced corporate tax, when there is gain from investment, the useable reduced corporate tax will be reflected to financial statements as assets when the date of investment is done or partially operated. Besides, there are things may cause risk in deferred tax assets like transfer, selling of investment before completed.

41. EARNING PER SHARE

	December 31, 2015	December 31, 2014
Net profit /(loss)	(561.708)	27.153.015
Weighted average number of ordinary share	44.333.408	42.000.000
Profit/(loss) per share with nominal value of 1 TRY	(0,012670)	0,646500

42. SHARE-BASED PAYMENT

None. (None, 31 December 2014.)

43. INSURANCE CONTRACTS

None. (None, 31 December 2014.)

44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

None. (None, 31 December 2014.)

45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

Prepared financial tables before the period of January 01,2005, in order to show change of purchasing power of TRY, inflations adjustments were made using general wholesale price index under TAS 29. In this standard, financial tables prepared with currency on the high inflation periods, conditioning using adjustment coefficient, financial statements of Money expressed in terms of current purchasing power is predicted.

CMC took a decision on March 17,2005, with this decision, companies who operate in Turkey and prepare financial table in accordance with accounting and reporting principles which are adopted by CMC (CMC Financial Reporting Standard) proclaimed unnecessary application of inflation accounting as of 01.01.2005. Therefore, conditioning with started on 01.01.2005, Financial Reporting on the high inflation economies standard (TAS 29) that is published by IASC, were not applied.

46. DERIVATIVE INSTRUMENTS

None. (None, 31 December 2014)

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47. FINANCIAL INSTRUMENTS**Short-Term Financial Liabilities**

	December 31, 2015	December 31, 2014
Bank loans	65.157.661	61.555.163
Finance lease liabilities (*)	1.423.261	1.263.629
Deferred lease costs (-) (**)	(152.147)	(180.547)
Installments of principal and interest of loans	48.977.830	41.921.271
Short-Term Financial Liabilities - Net	115.406.605	104.559.516

Long-Term Financial Liabilities

	December 31, 2015	December 31, 2014
Bank loans	247.394.701	131.772.746
Finance lease liabilities (*)	3.870.426	4.699.954
Deferred lease costs (-) (**)	(352.678)	(528.673)
Long-Term Financial Liabilities - Net	250.912.449	135.944.026

(*)Finance lease liabilities: Renters and that those who lease term debt not exceeding one year are followed.

(**)Deferred lease costs (-): Financial leasing liabilities at the date of lease rental payments on the leased asset represents the difference between the present value of lease borrowing costs not yet paid are monitored.

Cycle power plant used in the lease is made for motors and transformers.

As of December 31, 2015 redemption schedule of long-term loan liabilities are as follows:

Liabilities Long-Term Loans	December 31, 2015
2017	43.339.511
2018	26.521.869
2019	23.522.989
2020	13.109.903
2021	4.112.851
2022	3.176.573
2023	1.286.119
Çan Kömür (*)	132.324.886
Toplam	247.394.701

(*) Çan Kömür's total 132.324.966 TRY loan has revised into the long term situation.

As of December 31, 2015 redemption schedule of long-term finance lease liabilities is as follows:

Payment Year	Finance Lease Obligations	Deferred Financial Leasing Costs
2016	1.423.261	152.147
2017	1.423.261	169.799
2018	978.865	108.465
2019	978.865	61.793
2020	489.439	12.623
Total	5.293.690	504.824

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47. FINANCIAL INSTRUMENTS (Continued)

Other Financial Liabilities

	December 31, 2015	December 31, 2014
Other financial liabilities (*)	7.769	3.336
Total	7.769	3.336

(*) Made with a credit card belonging to the company consists of debt in relation to expenditure.

The maturity of the Group's loans and interest amounts are as follows:

	Annual Interest Rate %		Exchange Value		TRY	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
TRY Loans	10-13%	11-15%	-	-	65.157.661	61.555.163
Short-term Loans			-	-	65.157.661	61.555.163
EURO Loans	3%-6,50%	6%-9%	13.517.451	14.264.680	42.953.052	40.236.383
USD Loans	6,50%	6%-9%	2.072.079	712.689	6.024.778	1.652.655
TRY Loans	10%-13%	11%-15%	-	-	-	32.234
Short-term payments and interests of loans			-	-	48.977.830	41.921.271
Total short-term loans			-	-	114.135.491	103.476.435
EURO Loans	3%-6,50%	6%-9%	69.105.674	38.543.901	219.590.190	108.720.781
USD Loans	6,50%	-	9.562.702	9.940.905	27.804.511	23.051.965
TRY Loans	10%-13%	11%-15%	-	-	-	-
Total long-term loans			-	-	247.394.701	131.772.746

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Capital Risk Management

While group tries to ensure the continuity of its activities , on the other hand, aims to increase its profitability by using the optimization of the debt and equity balance.

The capital structure of the group consist of; borrowings includes financial payables stated at note:47, cash and cash equivalents stated at note:53 and equity instruments contain prepaid capital, capital reserves, profit reserves and retained earnings.

The risks associated with each class of capital with the capital cost are evaluated by senior management. The management aims to balance structure of capital via obtain new payable or repayment of existing debt or dividend payments, issued new shares based on its evaluation.

Group used long-term USD and EURO loan for investments. Group is trying to minize short-term loan liability by equivalent debt structure to holding period of existing investment. Regarding used EURO and USD loan if it is used as TRY , the risks are recorded as stated note:37.

Group analyses equity according to leverage ratio which is consistent with other companies. Aforesaid ratio is calculated by dividing net debt to total equity. Net debt (the current and non-current loan as shown in the balance sheet) is obtained by subtracting cash and cash equivalents from total loans.

Group management aims to reach a higher level profit and equity in order to manage existing debts.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Group's current period capital risk management strategy does not differ compared to previous periods .

b) Financial Risk Factors

Group is exposed to market risk (exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk) credit risk and liquidity risk due its operations. The Group's overall risk management program focus on the minimize the impact of uncertainty in financial markets on group's potential financial performance.

b.1) Credit risk

The risk of financial loss to group due to default of agreement of one of the parties is defined as credit risk. The Group has operations only dealing with creditworthy counterparties and try to reduce the risk of credit by obtaining sufficient collateral where possible. Credit risk and customers credit ratings that group exposure to them are continuously monitored.

Credit evaluations are performed continuously over the balance of customers' trade receivables.

Credit risk exposure as types of financial instruments are shown in the table below.

December 31, 2015	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	-	69.917.236	7.955.572	11.162.881	61.535.260	-	20.249.716
- Maximum amount of risk exposed	-	3.313.475	-	-	-	-	-
- Part of the risk covered by guarantees	-	-	-	-	-	-	-
A. Net value of financial assets neither due nor impaired	-	62.077.466	7.955.572	11.162.881	61.535.260	-	20.249.716
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	4.526.295	-	-	-	-	-
D. Net book value of Impaired assets	-	536.072	-	-	-	-	-
- Past due (gross book value)	-	(536.072)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

* In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Aging of assets that is overdue but is not impairment as follows;

December 31, 2015	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	-	3.817.817	-	-	-	-	-
Overdue 1-3 months	-	172.437	-	-	-	-	-
Overdue 3-12 months	-	536.041	-	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue above 5 years	-	-	-	-	-	-	-
Part covered by guarantess	-	-	-	-	-	-	-
Total		4.526.295					

Credit risk exposure as types of financial instruments are shown in the table below.

December 31, 2014	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	-	28.837.979	5.119.864	297.241	70.766.388	-	59.681.633
- Maximum amount of risk exposed	-	284.064	-	-	-	-	-
- Part of the risk covered by guarantess	-	-	-	-	-	-	-
A. Net value of financial assets neither due nor impaired	-	25.115.774	5.119.864	297.241	70.766.388	-	59.681.633
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	3.438.141	-	-	-	-	-
D. Net book value of Impaired assets	-	-	-	-	-	-	-
-Past due (gross book value)	-	403.667	-	-	-	-	-
- Impairment (-)	-	(403.667)	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

* In determining the amount, the increase in credit reliability such as guarantess received are not taken into account.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Aging of assets that is overdue but is not impairment as follows;

December 31, 2014	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	-	2.323.330	-	-	-	-	-
Overdue 1-3 months	-	910.007	-	-	-	-	-
Overdue 3-12 months	-	204.804	-	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue above 5 years	-	-	-	-	-	-	-
Part covered by guarantess	-	-	-	-	-	-	-
Total		3.438.141					

Risk control for customers are not secured by collateral, financial position for the customers, past experience and other factors, taking into account, individual limits are determined results from customer credit quality of the evaluation and the use of credit limit is regularly monitored.

The details of credit quality for receivables that is not due, is not subject to impairment and conditions have been met again.

	December 31, 2015	December 31, 2014
Group 1	677.651	214
Group 2	56.109.518	30.483.482
Group 3	7.817.545	49.183
Total	64.604.713	30.532.879

Group 1 – New customers (less than 3 months)

Group 2 – Existing customers have no default in the previous years (customer exist more than 3 months)

Group 3 – Existing customers have default in the previous years but collection is done although delayed.

b.2) Liquidity Risk

Main responsibility relevant with liquidity risk management belongs to Board of Directors. The board short of the Group management has built an appropriate liquidity risk management for medium and long term funding and liquidity requirements. The Group manages liquidity risk by following forecast and actual cash flows regularly and ensuring the continuation of adequate of funds and reserves by matching the maturity profiles of financial assets and liabilities.

In this context, taken care to compitable maturity of receivables and payables, net working capital management objectives are being put in order to protect short-term liquidity and kept at a certain level of balance sheet ratios.

Medium and long- term liquidity management is done according to the group's cash flow projections based on the dynamics of financial markets and industry, cash flow cycle is monitored and tested according to various scenarios.

The following table shows the maturity of the Group's derivative financial liabilities. Non-derivative financial liabilities are required to be paid at the earliest date and is based on an undiscounted. Payable interest over aforesaid liabilities included in the table below. The amounts when receivables or payables are not constant is determined by using interest rate acquired reporting date yield curve.

Liquidity risk table regarding derivate and non-derivate financial liabilities is presented below.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.12.2015

Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Non-derivate financial Liabilities	425.477.154	446.475.841	110.509.026	194.350.038	128.693.858	12.922.919
Bank loans	364.065.062	385.063.748	88.312.183	159.012.805	124.815.841	12.922.919
Financial leasing liabilities	5.319.317	5.319.318	737.261	711.630	3.870.426	-
Trade payables	53.481.184	53.481.184	20.517.229	32.963.623	333	-
Other payables	2.611.591	2.611.591	942.354	1.661.979	7.258	-
Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Derivate financial Liabilities (Net)	-	-	-	-	-	-
Derivate cash inflows	-	-	-	-	-	-
Derivate cash outflows	-	-	-	-	-	-

31.12.2014

Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Non-derivate financial Liabilities	223.712.761	253.898.433	61.176.528	27.151.298	156.050.715	9.519.893
Bank loans	173.722.844	203.908.516	19.586.817	23.451.474	151.350.333	9.519.893
Financial leasing liabilities	5.963.583	5.963.583	631.815	631.815	4.699.954	-
Trade payables	39.720.320	39.720.320	37.717.381	2.002.939	-	-
Other payables	4.306.014	4.306.014	3.240.515	1.065.071	428	-
Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Derivate financial Liabilities (Net)	-	-	-	-	-	-
Derivate cash inflows	-	-	-	-	-	-
Derivate cash outflows	-	-	-	-	-	-

b.3) Market Risk

Market risk is the risk of fluctuations of fair value of financial liabilities due to changes occurring in market prices or future cash flows will adversely affect the business.

These, foreign currency risk, interest rate risk and financial instruments or commodity price changes risk.

In the current year, there is no change on market risk that group exposed or methods that management or measurement of exposed risk.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b.3.1) Foreign Currency Risk Management

Transactions denominated in foreign currencies causes exchange rate risk. These risks are monitored and classified by analysis of foreign currency position.

The distribution of monetary and non-monetary assets and liabilities in terms of foreign currency are as follows:

Currency Position

	31.12.2015				31.12.2014			
	TRY (Functional Currency)	USD	EURO	GBP	TRY	USD	EURO	GBP
1. Trade Receivables	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash and cash equivalents)	1.972.323	649.035	26.242	419	51973.429	2.848.786	16.083.254	375
2b. Non-monetary financial assets	13.133	205	3.945	-	852.280	-	302.152	-
3. Other	38.373	-	-	8.922	-	-	-	-
4. Current Assets (1+2+3)	2.023.828	649.240	30.187	-	52.825.710	2.848.786	16.385.406	375
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	44.300.026	-	15.705.330	-
7. Other	-	-	-	-	-	-	-	-
8. Non-current assets (5+6+7)	0,00	0,00	0,00	0,00	44.300.026	-	15.705.330	-
9. Total Assets (4+8)	2.023.828	649.240	30.187	9.342	97.125.735	2.848.786	32.090.737	375
10. Trade payables	3.857.971	11.807	1.203.311	-	4.277.902	116.830	1.420.564	-
11. Financial Liabilities	50.860.043	1.696.521	14.453.437	-	3.635.461	169.980	1.149.110	-
12a. Monetary financial liabilities	290.760	100.000	-	-	-	-	-	-
12b. Non-monetary financial liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	55.008.774	1.808.328	15.656.747	0,00	7.913.363	286.810	2.569.674	-
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	251.061.682	9.933.948	69.919.982	-	176.123.634	10.470.000	53.832.294	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	251.061.682	9.933.948	69.919.982	0,00	176.123.634	10.470.000	53.832.294	-
18. Total Liabilities (13+17)	306.070.456	11.742.275	85.576.730	0,00	184.036.997	10.756.810	56.401.968	-
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	-	-	-	-	-	-	-	-
19a. Amount of Hedge Total Asset	-	-	-	-	-	-	-	-
19b. Amount of Hedge Total Liabilities	-	-	-	-	-	-	-	-
20. Net Foreign Currency asset/ (liabilities) Position (9-18)	(304.046.628)	(11.093.035)	(85.546.543)	9.342	(86.911.262)	(7.908.024)	(24.311.231)	375
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(304.098.134)	(11.093.241)	(85.550.488)	419	(132.063.568)	(7.908.024)	(40.318.714)	375
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	0,00	0,00	0,00	0,00	44.300.026	-	15.705.330	-

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group is mainly exposed to USD and EURO exchange rate risk.

The table below shows the Group's US dollar and Euro exchange rate and a 20% increase in sensitivity to a decrease. 20% rate is the rate used by senior management when reporting foreign currency risk the expected rate in question refers to a possible change in foreign exchange rates. The sensitivity analysis covers only the period at the end of the open foreign currency denominated monetary items and shows the effects of changes in exchange rates of 20% at the end of the period of aforesaid items. Stated positive increase in Positive value, profit / loss and other equity items.

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
31.12.2015				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	(13.311.642)	13.311.642	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	(13.311.642)	13.311.642	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(102.655.851)	102.655.851	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(102.655.851)	102.655.851	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	11.210	(11.210)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP (7+8)	11.210	(11.210)	-	-
TOTAL (3+6+9)	(115.956.284)	115.956.284	-	-

December 31, 2014				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	(9.489.629)	9.489.629	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	(9.489.629)	9.489.629	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(29.173.477)	29.173.477	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(29.173.477)	29.173.477	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	450	(450)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP(7+8)	450	(450)	-	-
TOTAL (3+6+9)	(38.662.656)	38.662.656	-	-

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b.3.2) Interest rate risk management

Leading to fluctuations in the fair value of financial instruments or future cash flows by changes in market interest rates cause the necessity of dealing with interest rate risk of the Group.

Hedging is evaluated as regular in order to be compatible with interest rate expectations and defined risk. Thus, it is aimed that the creation of optimal hedging strategy, reviewing of the balance sheet and keeping interest expenses under control at different interest rates.

b.3.3) Price Risk

Because there are no share certificates as classified trading financial assets at group's financial statement, price is not available. (31.12.2014: None)

49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)

Fair Value

Fair value is defined as price between willing parties who are into making a sale or purchase.

Financial assets and liabilities in foreign currency are converted to market prices at statement of financial position date.

Methods and assumptions below are used to predict fair value of each financial instrument in case when it is possible to determine fair value of these instruments.

Financial Assets

The fair value of certain financial assets carried at cost, including cash at banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to approximate their fair values. The carrying value of the financial assets is considered to approximate their fair values.

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

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

First Level: Financial assets and liabilities are appricated from stock price traded in active market for similiar assets and liabilities.

Second Level: Financial assets and liabilities are appricated from inputs used determining observable price in the market as direct or indirect with the exception of the price is stated in first level.

Third Level: Financial assets and liabilities are appricated from inputs based on unobservable data in the market in determining the fair value of an asset or liability.

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49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION) (Continued)

Level classification of financial instruments with fair value is as follows;

Because there are no financial assets with its fair value, are not included level classification table.

31.12.2015

	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	-	61.572.253	-	-	61.572.253	53
Trade receivables	-	66.603.761	-	-	66.603.761	6-7
Other receivables	-	19.699.710	-	-	19.699.710	6-9
Financial Liabilities						
Financial payables	-	-	-	366.326.823	366.326.823	47
Trade payables	-	-	-	54.501.328	54.501.328	6-7
Other payables	-	-	-	6.843.082	6.843.082	6-9

31.12.2014

	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	-	70.907.968	-	-	70.907.968	53
Trade receivables	-	28.553.915	-	-	28.553.915	6-7
Other receivables	-	5.417.105	-	-	5.417.105	6-9
Financial Liabilities						
Financial payables	-	-	-	240.506.879	240.506.879	47
Trade payables	-	-	-	39.552.629	39.552.629	6-7
Other payables	-	-	-	3.963.524	3.963.524	6-9

The Group's management believes that the recorded values of financial instruments reflects their fair values.

Derivative Financial Instruments (Futures Agreements)

The Group does not engage in derivative transactions in the foreign exchange markets.

50. SUBSEQUENT EVENTS

1) Regarding the Çan-2 Thermic Power Plant will be 330 MW installed power, the physical progress rate of the investment has reached 40,96% level as of November,2015.

In paralel with the investment development process, one of the most important equipment in terms of environmental awaransess "Flue Gas Treatment Systems (FGD)" is to be manufactured according to the latest technology. In this context, one of the world's largest and most experienced company General Electric (GE) (Alstom Power SPA) has been preferred.

2) Once again, regarding the Çan-2 Thermic Power Plant License Certificate is submitted to Çan Kömür ve İnşaat A.Ş. on 08.02.2016 by approval decision of Energy Market Regulatory Authority,28.01.2016 dated and 6083-2 numbered.Also, the Project finance is ended.

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50. SUBSEQUENT EVENTS (Continued)

3) According to International credit rating agency JCR Eurasia Rating's declaration on 18.02.2016, it has evaluated ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş and it has confirmed company's long term national notes and appearance as "BBB- (Trk)/Stable" and long term international foreign currency notes and long term international domestic currency notes as "BBB-" in investable category. It is verified company's long term international foreign currency appearance and long term international domestic currency appearance as 'Stable'.

4) The board of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş has decided to present authorizing the Board of Directors for the programme will be formed regarding repurchased share in the framework of Capital Market Board's, Repurchased Share Disclosure-Article 5 by considering ODAŞ's share price level does not reflect real performance of company's operations.

5) The 49 years production license was given on behalf of Ağrı Elektrik has been revoked, cash collateral is given regarding the licence revocation has been taken back on 26.01.2016

51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

The company has purchased all shares of Suda Maden A.Ş. with its all licenses by 1.000.000 USD (2.894.300 TRY) on 28.10.2015. Acquired Suda Maden A.Ş is inactive since 2013 and has 2antimony operating license and 2 exploration license.

The purchasing of Suda Maden A.Ş is not evaluated within TFRS-3 Business Combinations. It is qualified as the purchase of assets group (assets acquisition), differences arising between asstes and liabilities calculated by considering the total amount paid for assets and company's book value is recognized at equity.

The details of Suda Maden purchase process is shown below table;

Definable Assets and Take Over Liabilities Value		Assets / Liabilities Book Value
Cash and Cash Equivalents		79.448
Trade and Other Receivables		538.704
Inventories		7.642.257
Other Liquid Assets		3.900.292
Tangible Assets		6.665.051
Intangible Assets		7.310.381
Tax Liabilities		(1.035.416)
Trade and Other Payables		(337.450)
Total Net Definable Assets Value		24.763.067
Cash Paid	: 2.894.300	
Purchased Cash and Cash Equivalents	: (79.102)	
Net Cash Outflow	: 2.815.198	

The company has made a change in accounting policy regarding purchase of Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares according to Capital Market Board's decision, 17.04.2015 dated and 36231672-115.01-302 numbered. According to Capital Market Board decision, the issue of evaluating of purchasing Çan Kömür's share as a business combination within the framework of TFRS 3 "Business Combinations Standard", there are different applications in purchasing of mining to define as business combination or assets purchases according to TFRS 3 Standard within the scope of studies at International Accounting Standards Board (IASB), by indicating that studies which are the assets invested is defined as company within the scope of project of reconsidering TFRS 3 Standard, are going on, evaluating of the issue, if it is necessary, the case for establishing general principle decision regarding application principles of UFRS Standards has transmitted to Public Oversight Accounting and Auditing Standards Authority.

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51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS (Continued)

In the text sent by CMB's decision, 24.08.2015 dated and 36231672-115.01-E.8935 numbered, in order to evaluate the purchasing process of Çan Kömür's 92% shares as business combinations according to view approved by POA, one of the acquired inputs should prove and be considered as a potential reserve. Within this scope, it is understood that there is no proven reserve when Çan Kömür's share was purchased. The purchasing process of Çan Kömür's 92% shares should be considered as assets held when the intended production is to achieve final commodity at mine site. In this context, the purchase of shares is classified as Intangible Assets over purchase price at 31.12.2015 and 31.12.2014 financial statements by presenting assets held. Moreover, the 5.918.026 TRY goodwill amount was presented on the prior financial reports is cancelled and presented with corrected form in the comparative financial statements.

There is no amortization for the amount of 5.918.026 TRY is classified at intangible assets by taking production unit method into account.

The details of Çan Kömür purchase process is shown below table;

<u>Definable Assets and Take Over Liabilities Value</u>		<u>Assets / Liabilities Book Value</u>
Cash and Cash Equivalents		106.375
Trade and Other Receivables		57.111
Inventories		312.983
Tangible Assets		956.744
Tax Liabilities		(7.524)
Trade and Other Payables		(668.599)
Total Net Definable Assets Value		757.090
Cash Paid	:	6.614.727
Purchased Cash and Cash Equivalents	:	(106.596)
Net Cash Outflow	:	6.508.131

The purchase price paid in the amount of 6.614.727 TRY was paid in cash on 09.09.2014.

52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS

None.

53. EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalents

	December 31, 2015	December 31, 2014
Cash	36.693	12.511
Bank	61.535.260	70.766.388
-Demand deposit	1.117.467	835.177
-Time deposit	60.417.793	69.931.211
Demand Checks	-	128.669
Other Current Assets	664	400
TOTAL	61.572.618	70.907.968

As of December 31, 2015 there is no blocked deposits of the Group (None December 31, 2014)

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53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

Amount of time deposits as of 31 December 2015 concerning the details are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2015	
				TRY
TRY	05.01.2016	10,50%		12.000.000
TRY	04.01.2016	11,00%		8.000.000
TRY	04.01.2016	11,00%		4.000.000
TRY	04.01.2016	11,25%		5.000.000
TRY	04.01.2016	8,79%		2.500.818
TRY	04.01.2016	8,79%		12.673
TRY	04.01.2016	7,50%		475.000
TRY	04.01.2016	8,79%		1.403
TRY	04.01.2016	10,00%		26.580.000
TOTAL				58.569.894

Currency Time Deposits	Maturity	Interest rate	December 31, 2015	December 31, 2015
			USD	TRY
USD	04.01.2016	0,70%	69.141	201.034
USD	04.01.2016	0,55%	566.400	1.646.865
TOTAL			635.541	1.847.899

As at December 31, 2014 amounting details on time deposits are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2014	
				TRY
TRY	02.01.2015	7,00%		785.000
TRY	05.01.2015	7,75%		5.200.000
TRY	02.01.2015	10,00%		10.100.000
TRY	02.01.2015	8,25%		765.627
TRY	05.01.2015	7,75%		700.000
TRY	05.01.2015	7,75%		450.000
TRY	02.01.2015	8,23%		1.313
TOTAL				18.001.940

Currency Time Deposits	Maturity	Interest rate	December 31, 2014	December 31, 2014
			USD	TRY
USD	12.01.2015	1,95%	163.795	379.823
USD	12.01.2015	2,00%	1.000.000	2.318.900
USD	26.01.2015	2,25%	1.677.259	3.889.395
TOTAL			2.841.054	6.588.118

Currency Time Deposits	Maturity	Interest rate	December 31, 2014	December 31, 2014
			EUR	TRY
EUR	02.01.2015	0,04%	5.765.000	16.261.336
EUR	07.01.2015	1,75%	3.500.000	9.872.450
EUR	20.01.2015	1,90%	6.809.433	19.207.367
TOTAL			16.074.433	45.341.153

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54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

The company's equity change table is presented as appropriate for explanatory notes and financial tables of basics which are published on June 07, 2013 and with no 2103/19 weekly newsletter by CMB.

Effect of accountant politics changes that explain in note 2, effect of accumulated gains/losses account and effects of accumulated other comprehensive incomes/expenses as proffit/loss restrospective which is shown in other comprehensive income are shown that equity change table.

55. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)

This financial data, that is calculated as an income before finance, tax and depreciation is an indication of measured income without taking notice of finance, tax, expenses that are not required cash outflows, depreciation and redemption expenses of the company. This financial data also specified in the financial statements by some investors due to use in the measurement of the company's ability to repay the loans and/or additional loan. However, EBITDA should not be consider independently from financial statements. Also, EBITDA should not evaluate as an alternative to net income(loss), net cash flow derived from operating, investing and financing activities, financial data obtained from investing and financial activities or prepared according to IAS / IFRS, or other inputs obtained from financial instruments such as, business operating performance. This financial information should be evaluated together with other financial inputs that are contained in the statement of cash flow.

As the date of December 31, 2015 the amount of interest, tax, profit before depreciation is 37.228.994 TRY. (December 31, 2014: 53.548.301 TRY)

