ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş. AND SUBSIDIARIES

Consolidated Financial Statements And
Independent Audit Report Regarding
1 January – 31 December 2013 Accounting Period

(Convenience translation of a report and financial statements originally issued in Turkish)

Odaş Elektrik Üretim Sanayi Ticaret A.Ş

Consolidated Financial Statements And Independent Audit Report Regarding 1 January – 31 December 2013 Accounting Period

To The Board of Directors of
ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Introduction

We have audited the accompanying consolidated financial statements of Odaş Elektrik Üretim Sanayi Ticaret Anonim Şirketi (The Company), its subsidiaries (together "the Group") as of December 31, 2013 including consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flow for the year ended and a summary of significant accounting policies and explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkey Acconting Statndards which is issued by the Public Oversight Accounting and Auditing Standards Authority. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with financial reporting standards issued by the Capital Market Board (CMB). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from materail misstatement.

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

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

Opinion

In our opinion, the accompanying financial statements of Odaş Elektrik Üretim San. Tic. A.Ş. and its subsidiaries as of December 31, 2013 including the consolidated financial position of the consolidated financial performance and its consolidated cash flows in accordance with Turkey Accounting Standards reflects the true and honest manner.

Other Matters

As of September 9, 2013 The Company has purchased Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares which is the part of the 9.200 portion of total 10.000 shares from Mustafa Koncagül and Süleyman Koncagül at amount of 6.614.727 TL.

Company, located in Çan district in the province of Çanakkale, has a right of royalty related to paid-up coal fields. Reserve Estimation studies of coal field has done by German-based international independent valuation company Fichtner Mining & Environment GMBH. Signed on February 26, 2014, according to 'Çan Yaylaköy Lignite Reserves Valuation Report' regarding to studies 18,94 million tons proven, 5.76 million tons of extra should be a total of 24.70 million tons of coal reserves have been estimated.

Based on independent valuation report which is prepared by Moore Stephens Turkey –MBK Independent Auditing and CPA Inc. (independent valuation company) at March 04, 2014; as of December 31,2013, the company and Çan Kömür assets value updated by company management and calculated as 290.581.485 TL.

The Company, as a result of the valuation report the amount of assets accounted for in accordance with IAS 38 is stopped at the 3-IFRS and negative goodwill amounting to 260.720.038 TL which consists in calculating the income gain has included recording period.

Other Relevant Legislation Arising from the Reports of Independent Auditor's Obligations

In Accordance with Article 402 of Turkish Commercial Code (TCC) 6102; Board of Directors have made the statement required under our audit and have provided the requested documents. Furthermore,
There were not significant issues which is about the Company's bookkeeping scheme during the period of January 1-December 31 regarding inappropriate to Law and Articles of Association to comply with the provisions relating to financial report.

According to Article 378 of Turkish Commercial Code 6102, shares in companies traded on the stock exchange company, board of directors is responsible for early diagnosis of endangering causes of the company's existence,development and continue, for the purpose of necessary measures to remedy implemantation and management of risk, set up of an expert committee, run the system and obliged to develop. According to the same law of Article 398 of paragraph 4, in order to diagnose, if there is system which explain structure of this and application of committe,it is necessery to present with audit report to administration committe -issuing different report and determining its basics by POC.Our audit have not covered evaluation of operationaol effectiveness and adequacy which is realized by the Company Management in order to manage these risks. There has not been an explanation of the basis of this report by Public Oversight Accounting and Auditing Standards Authority at balance sheet date. Consequently, a seperate report is not prepared about this subject. The Company established Audit and Risk Committee, The Corporate Governance Committee and The Early Detection Committee according to the decision of board of directors numbered 33 in December 25, 2013. These committees consists of at least two members.

As Bağımsız Denetim ve YMM A.Ş.
(Member of **NEXIA INTERNATIONAL**)
Osman Tuğrul ÖZSÜT,
Responsible Partner, Lead Auditor

AS BAĞIMSIZ DENETİM VE YMM A.Ş.
NEXIA TÜRKİYE

06.03.2014
İstanbul, Türkiye

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ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Statements and Disclosures as of January 1, 2013 and December 31, 2013

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AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

STATEMENT OF FINANCIAL POSITION (TRY)

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

			Re-stated
		Independent Audited Consolidated	Independent Audited Consolidated
Assests	**Notes**	**December 31, 2013**	**December 31, 2012**
Current Assets			
Cash and Cash Equivalents	53	52.404.670	48.207.313
Trade receivables	6-7	33.238.324	22.094.062
Due from related parties	6-7	-	-
Due from unrelated parties	6-7	33.238.324	22.094.062
Other receivables	9	9.785.335	6.751.727
Due from related parties	6	8.370.563	6.311.108
Due from unrelated parties	9	1.414.772	440.619
Inventories	10	188.471	276.805
Prepaid Expenses	12	19.659.892	5.988.474
Assets Related To Current Term Tax	25	-	-
Other Current Assets	29	33.429.816	17.085.066
TOTAL CURRENT ASSETS		148.706.508	100.403.447
Non-current Assets			
Tangible Fixed Assets	14	166.227.036	137.926.797
Intangible Assets	17	290.366.101	26.665.190
Goodwill	18	-	26.309.154
Other Intangible Assets	17	290.366.101	356.036
Prepaid Expenses	12	3.949.840	5.888.150
Deferred Tax Assets	40	63.461	-
Other Fixed Assets	29	3.357.780	-
Total Non-current Assets		463.964.218	170.480.137
Total Assets		612.670.723	270.883.584

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

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

Liabilities	Notes	December 31, 2013	December 31, 2012
Short-term Liabilities			
Short-term Loans	47	-	2.699
Short-term Finance Lease Liabilities	47	11.943.029	458.861
Short-term Parts Of Long Term Loans	47	33.284.811	34.486.037
Other Financial Liabilities	47	58.759	-
Trade Payables	6-7	37.320.172	35.916.012
Due to related parties	*6-7*	-	*638*
Due to unrelated parties	*6-7*	*37.320.172*	*35.915.374*
Payables Under Employee Benefit	27	121.929	92.935
Other Payables	6-9	5.590.024	7.591.005
Due to related parties	*6-9*	*3.275.120*	*5.232.422*
Due to unrelated parties	*9*	*2.314.904*	*2.358.583*
Deferred Income	12	16.947.983	10.468.455
Period Tax Liabilities	25	-	853.605
Short-Term Provisions	25	-	-
Short-term Provisions For Employee Benefits	25	-	-
Other Short-Term Liabilities	29	25.599.952	7.192.146
TOTAL SHORT-TERM LIABILITIES		**130.866.659**	**97.061.755**
Long-Term Liabilities	47	67.343.603	69.770.825
Long-term Finance Lease Liabilities	47	55.539.942	54.043.829
Long-Term Provisions	27	251.383	141.995
Long-term Provisions For Employee Benefits	27	251.383	141.995
Deferred Tax Liabilities	40	64.004.240	5.497.348
TOTAL LONG-TERM LIABILITES		**187.139.168**	**129.453.997**
EQUITY			
Equity Of Parent Company		**270.730.259**	**44.363.781**
Paid in Share Capital	30	42.000.000	30.000.000
Share Premiums / Discounts	30	48.000.000	-
Not to be Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses	30	(26.405.410)	-
Undertakings or businesses under common control, Including Effects of Mergers	30	(26.405.410)	-
Not to be Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses	30	(105.555)	(64.917)
Other Gains / Losses	30	(105.555)	(64.917)
Retained Profits / Losses	30	14.428.699	(1.075.762)
Net Profit / Loss	41	192.812.525	15.504.460
Non-Controlling Shares	30	23.934.637	4.049
TOTAL EQUITY		**294.664.896**	**44.367.830**
TOTAL LIABILITIES		**612.670.723**	**270.883.584**

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

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
COMPREHENSIVE INCOME STATEMENT
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Independent Audited Consolidated December 31, 2013	*Re-stated* Independent Audited Consolidated December 31, 2012
SECTION OF PROFIT OR LOSS			
Revenue	31	599.703.615	174.565.999
Cost of Sales (-)	31	(549.496.133)	(144.444.645)
Gross profit/loss from commercial activities		50.207.482	30.121.354
GROSS PROFIT/LOSS		**50.207.482**	**30.121.354**
General Administrative Expenses (-)	33	(4.463.611)	(1.009.722)
Distribution an Selling expenses (-)	33	(2.310.954)	(242.316)
Research and Development expenses	33	-	-
Other Operating Income	34	3.297.879	1.511.196
Other Operating Expenses (-)	34	(6.893.771)	(244.538)
OPERATING PROFIT / LOSS		**39.837.025**	**30.135.974**
Gains from investing activities	35	260.728.440	-
Losses from investing activities	35	-	-
FINANCING EXPENSE BEFORE OPERATING PROFIT / LOSS		**300.565.465**	**30.135.974**
Financial income	37	15.794.742	11.271.893
Financial expenses (-)	37	(65.156.269)	(18.983.291)
PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX		**251.203.938**	**22.424.576**
Ongoing Operations Tax Loss / Income		**(58.445.077)**	**(6.921.110)**
Current Tax Income/Loss	40	-	(899.148)
Deferred Tax Income/Loss	40	(58.445.077)	(6.021.962)
PROFIT/LOSS FROM ON GOING OPERATIONS		**192.758.861**	**15.503.466**
PROFIT/LOSS FOR THE PERİIOD		**192.758.861**	**15.503.466**
Distribution of Profit/Loss for the Period			
Non-Controlling Shares	30	(53.663)	(995)
Parent Company Shares	30	192.812.525	15.504.460
Earnings Per Share			
Earnings Per Share from Ongoing Operations	41	5,211149	0,516815
OTHER COMPREHENSIVE INCOME			
Not to be Reclassification of Profit or Loss	38	**40.638**	**64.917**
Actuarial losses and earnings calculated under Employee Benefits	38	50.798	81.146
Tax Effects			
Deferred Tax Income/Loss	38	(10.160)	(16.229)
OTHER COMPREHENSIVE INCOME		**40.638**	**64.917**
TOTAL COMPREHENSIVE INCOME		**192.799.499**	**15.568.383**
DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME			
Non-Controlling Shares		(53.674)	(996)
Main Company Shares		192.853.174	15.569.379

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

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
STATEMENT OF CHANGES IN EQUITY
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

				Not to be Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses		Reclassification of Profit or Loss Accumulated other Comprehensive Income or	Retained Earnings		
	Notes	Paid-in Share Capital	Share Premium	Actuarial Gain/Loss Effect	Minority Interest	Revaluation and Classification Gain / Loss	Accumulated Income/Loss	Net Income/ (Loss) for the period	Shareholder's Equity
Balances at January 01,2012		**100.000**	-	-	-	-	**(1.075.762)**	-	(975.760)
Other comprehensive income / expense	38	-	-	(64.917)	-	-	-	-	(64.917)
Minority Interest	30	-	-	-	4.049	-	-	-	4.049
Capital Increase	30	29.900.000	-	-	-	-	-	-	29.900.000
Other Changes Due Increase/ Decrease		-	-	-	-	-	-	15.504.460	15.504.460
Balances at December 31, 2013		**30.000.000**	-	**(64.917)**	**4.049**	-	**(1.075.762)**	**15.504.460**	**44.367.830**
Balances at January 01, 2013		**30.000.000**	-	**(64.917)**	**4.049**	-	**(1.075.762)**	**15.504.460**	**44.367.830**
Other comprehensive income/ expense	38	-	-	(40.638)	-	-	-	-	(40.638)
Minority Interest	30	-	-	-	23.930.588	-	-	-	23.930.588
Transfers	30	-	-	-	-	-	15.504.460	(15.504.460)	-
Capital Increase	30	12.000.000	48.000.000	-	-	-	-	-	60.000.000
Changes In Accounting Policy	3	-	-	-	-	(26.405.410)	-	-	(26.405.410)
Other Changes Due Increase/ Decrease	41	-	-	-	-	-	-	192.812.525	192.812.525
Balances at December 31, 2013		**42.000.000**	**48.000.000**	**(105.555)**	**23.934.637**	**(26.405.410)**	**14.428.699**	**192.812.525**	**294.664.896**

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.
CASH FLOW STATEMENT (TRY)
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Year	Prior Period
A. Cash Flows From Operating Activities:		**230.615.717**	**21.220.764**
Net income for the period		**192.812.525**	**15.504.460**
Adjustment related to Reconciliations of Profit/Loss for the period		**81.698.010**	**1.574.237**
-Adjustments related to amortization and depreciation	10-31-33-34	3.816.901	2.648.392
- AdjusmentS related to provisions		**765.979**	**1.750.399**
Provisions for termination indemnities	27	7.562	40.207
Provision for tax liabilities	40	-	899.148
Provision for vacation pay	27	40.957	27.341
Provision for doubtful receivables	7	532.941	96.693
Rediscount		184.518	687.010
-Adjustments related to interest income and expenses		**(5.267.091)**	**(8.802.466)**
Accrued income	29	(30.867.044)	(15.994.612)
Accrued expense (Interest and Other)	29	25.599.952	7.192.146
- Adjustments related to tax expenses/income	40	58.443.432	5.973.863
- Adjustments related to loss/gain from disposal of the fixed assets	35	8.202	-
- Other adjustments related to reconciliations of profit/loss		**23.930.588**	**4.049**
Minority Interest	30	23.930.588	4.049
Changes In Business Capital		**(17.448.770)**	**4.206.982**
-Adjustments related to inventories increase/decrease	10	88.334	(276.805)
- Adjustments related to trade receivables increase/decrease	7	(11.838.940)	(16.247.216)
-Adjustments related to receivables from financial sector operations increase/decrease		**7.431.787**	**(5.278.977)**
Changes in other receivables	9	(3.732.728)	(3.066.554)
Changes in other assets	29	11.164.515	(2.212.423)
- Adjustments related to trade payables increase/decrease		**1.379.672**	**21.833.836**
Change in trade payables	7	1.379.672	21.822.750
Change in payables provisions	25	-	11.086
- Adjustments related to payables from financial sector operations increase/decrease		**(12.943.401)**	**(12.552.986)**
Changes in prepaid expenses	12	(11.733.108)	(11.876.624)
Changes in employee benefit provisions	27	28.994	(143.250)
Changes in other payables	9	(1.300.155)	(492.905)
Provisions for employee benefit	27	60.868	(40.207)
- Adjustments related to other increase/decrease in business capital		**(1.566.223)**	**16.729.130**
Period income tax and liabilities	25-40	(853.605)	(45.418)
Changes in deferred income	12	6.479.528	10.468.455
Changes in other labilites	29	(7.192.146)	6.306.093
Cash Flows From Activities		**257.061.765**	**21.285.679**
Other Gain/Loss	30	(26.446.048)	(64.917)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		**(295.826.253)**	**(88.064.715)**
Cash outflows from purchases of other obtaining of the control of subsidaires	3	-	(26.309.154)
Tangible Assets purchase and sales, Net	14	(32.060.849)	(61.409.568)
Intangible Assets purchase and sales, Net	17	(263.765.404)	(345.993)
C.CASH FLOWS FROM FINANCING ACTIVITIES		**69.407.893**	**112.354.093**
Cash inflows from exported instruments based on shareand other equity	30	60.000.000	29.900.000
Cash inflows and outflows from borrowing	37	(3.572.388)	82.454.093
Cash outflows related in debt payments of financial leasing contracts	37	12.980.281	-
BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION, DIFFERENCES IN CASH AND CASH EQUIVALENTS NET INCREASE, DECREASE		**4.197.357**	**45.510.142**
D. EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		-	-
CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE		**4.197.357**	**45.510.140**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**48.207.313**	**2.697.171**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**52.404.670**	**48.207.313**

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

AS
BAĞIMSIZ DENETİM VE
Y.M.M. A.Ş.

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 56 Mw capacities has been settled into operation. On April 30, 2011 the second phase of the plant which is 56 Mw has settled into operation. Also company has started steam turbine investment in year 2012. Steam turbine was completed and settled into operation on the year 2013.

As of December January 1, 2013 and December 31, 2012 group's capital and share percentages are given below;

Shareholder	31.12.2013 Amount	Rate	31.12.2012 Amount	Rate
Korkut Özal	12.000.000	28,57%	12.000.000	40%
A. Bahattin Özal	9.000.000	21,43%	9.000.000	30%
Burak Altay	9.000.000	21,43%	9.000.000	30%
Public Shares (*)	12.000.000	28,57%	-	-
Total Capital	**42.000.000**	**100%**	**30.000.000**	**100%**

(*) Company, increased its capital of 30.000.000TL to 42.000.000TL in the year of 2013 and the absolute amount of increase of 12.000.000TL has been committed in collusion. This increase in capital was enrolled in 22.07.2013 and declared in Trade Registry Gazette dated 25.07.2013 and numbered 8371.

By the Board of Directors' decision dated 08.03.2013 and numbered 2013/08 and the certificate of recognition of the Capital Markets Board dated 08.05.2013 and numbered 16/519, the absolute amount of issued shares representing the 12.000.000TL increased amount of capital has been offered to the public.

As of December 31, 2013 in company's structure there are 65 average personnel employed December 31, 2012: 41)

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

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

AS.
BAĞIMSIZ DENETİM VE
Y.M.M. A.Ş.

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

Subsidiaries

Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. :

The company bought at the rate of %100 share of Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. on September 28, 2012, and Voytron Elektrik is included in consolidation.

Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. ("Voytron Elektrik" or "Company") is established at the date of September 17, 2009 in address given below and registered. Voytron Elektrik operate in selling produced electricity and/or created capacity to directly consumers in accordance with electricity market regulator..

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

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

Voytron Elektrik Toptan Satış Dış Ticaret A.Ş.'nin ortaklık yapısı aşağıdaki gibidir:

	December 31, 2013	December 31, 2012
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, 2013	December 31, 2012
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

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

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.

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Ağrı Elektrik had the 49 year production license taken from Energy Market Regulatory Authority (EMRA) as at July 5, 2012. The license is given for the plant which will be established in Karatay-Konya. Total power of the Ağrı I Natural Gas Combined Cycle Plant is 63 MWm / 61 MWe.

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

	December 31, 2013	December 31, 2012
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	70%	70%
Abdulkadir Bahattin Özal	15%	15%
Burak Altay	15%	15%

Küçük Enerji Üretim ve Ticaret Ltd. Şti. :
The company bought at the rate of %90 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 build 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, 2013	December 31, 2012
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90%	90%
Abdulkadir Bahattin Özal	5%	5%
Burak Altay	5%	5%

AS.
BAĞIMSIZ DENETİM VE
Y.M.M. A.Ş.

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

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 May 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.

Capital has been committed in collusion by shareholders. The amount of the initial capital 100,000.00 TRY paid in cash. The absolute amount of increase 2.905.000,00 TRY has been committed in collusion and ¼ nominal value of shares subscribed in cash has been paid before the registration of the increasing capital. Reamining ¾ nominal value of shares subscribed in cash will be paid according to decisions made by the board of shareholders within 24 months following the registration of the company.

This capital increase was registered on 07.05.2013 and has been declared at trade registry gazette, numbered 8318, dated in13.05.2013.

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, 2013	December 31, 2012
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	80%	80%
Hidayet Büküm	20%	20%

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.

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, 2013	December 31, 2012
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	75%	-
Abdulkadir Bahattin Özal	12,50%	50%
Burak Altay	12,50%	50%

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

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

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

The company is a co-founder at the rate of %80 share of Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. and Odaş Doğalgaz is included in consolidation as of January 11, 2013. The company transferred at the rate of %15 share of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. to Abdulkadir Bahattin Ozal and at the rate of %15 of Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. to Burak Altay.

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, Odas Dogalgaz Toptan Satıs Sanayi ve Ticaret A.S. operatess 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.

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

Shareholder structure of Odaş Doğalgaz is as below:

	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	50%
A. Bahattin Özal	20,01%
Burak Altay	20,01%
Tahsin Yazan	9,98%

Çan Kömür ve İnşaat A.Ş.

As of September 9, 2013 The Company has purchased Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares which is the part of the 9.200 portion of total 10.000 shares from Mustafa Koncagül and Süleyman Koncagül at amount of 6.614.727 TL.

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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.

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

	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	92%
Mustafa Koncagül	8%

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

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

Parent Company and consolidated subsidiaries owned by EMRA license information is as follows:

License owner	License Type	License No	Date	License Term	Effective Date
Voytron Elektrik	Whole sale	ETS/2461-2/1599	11.03.2010	20 years	11.03.2010
Odaş	Production	EÜ/3323-2/2005	14.07.2011	49 years	14.07.2011
Hidro Enerji	Production	EÜ/4027-2/2427	20.09.2012	49 years	20.09.2012
Ağrı Elektrik	Production	EÜ/3905-3/2372	05.07.2012	49 years	05.07.2012
Küçük Enerji	Production	EÜ/3769-4/2314	12.04.2012	49 years	12.04.2012
Odaş Doğalgaz	Natural Gas Whole sale	DTS/4318-4/291	20.03.2013	30 years	20.03.2013

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

Company keep legal books and prepared financial statements of the Turkish Commercial Code and tax legislation in conformity with the accounting principles and are prepared. From the statutory financial statements of the Company have not Capital Markets Board ("CMB") in order to make the appropriate notifications are subjected to adjustments and reclassifications.

The consolidared finacial statements of tGroup have been prepared in accordance with the Turkish Accounting Standards/Turkissh Financial Reporting Standards ('TAS/TFRS') and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditting Standards Authority of Turkey ('POA') in line with the comminique numbered II-14.1 "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 numbered 28676. TAS/TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (IFRS) by the comminuques 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 ("IAS / 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.

Functional and presentation currency

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

As of December 31, 2013 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = 2.1343 (31 December 2012: 1.7826), 1 EURO = 2.9365 (31 December 2012: £ 2.3517), 1 GBP = 3.5114 (31 December 2012: £ 2.8708), 1 CHF = 2.3899 TL (31 December 2012: £ 1.9430) is.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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".

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

- 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.

Comparative Information and Restatement of Prior Period Financial Statements

Group December 31, 2013, the consolidated statement of financial position at 31 December 2012 as prepared consolidated statement of financial position with; 1 January to 31 December 2013 time period the consolidated profit or loss and other comprehensive income, the consolidated cash flow statement 1 January - 31 December 2012 prepared as of the consolidated profit or loss and other comprehensive income, consolidated statement of cash flows with; 1 January to 31 December 2013, the consolidated changes in equity and statement 1 January - 31 December 2012 period as compared to the held.

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.

Group applied account policies in consistent with previous period.

TAS 19 - Employee benefits Changeable made in the context of standards related to employee benefits, actuarial gains / losses are recognized in equity. This application beginning on or after January 1, 2013 and is effective for annual periods application has been applied retrospectively. On 31 December 2012 the Group's net profit in the financial statements net of deferred tax effect shown in 64,917 TL in the financial statements as of the same pension plan actuarial loss / gain funds are classified.

TAS 19 - Employee Benefits standard conducted at 1 January 2013 with effect from the changes, according to the employee short-term benefits, the entire service is available annual reporting periods following the twelve months be met in the expected short-term benefits include. In this context, the Company's expectations let the money all of the reporting periods following within twelve months are not fulfilled, because such authorization responses provided to employees other long-term benefits as classes and accordingly, prior period financial statements when necessary reclassifications have been made. In this context, the balance sheet as at 31 December 2012 amounting to TL 50,316 in exchange for allowing the provision of short-term debt related to the benefits provided to employees were reclassified to long-term provisions.

Dated 7 June 2013 and 20/670 numbered meeting decisions taken in accordance with the Capital Markets Financial Reporting in the Communiqué on Principles Regarding covered by the capital market institutions 31 March 2013 after the end of the interim period from an enacted financial statements, examples and user guide has been published. Enacted in accordance with the format of the Group's statement of financial position and income statement dated December 31, 2012 and December 31, 2013, the following classifications have been made:

AŞ BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

Classifications made at company's statement of financial position dated December 31st, 2012 are:

i) Personnel debts of 49.259 TRY that are shown in other payables account and social payable security deductions and other deductions valued at 43.675 TRY in debts in the scope of benefits provided to employees,

ii) Leave of absence provisions and cost expense provisions valued at 50.316 TRY shown in accountability provisions in a separate account as short-term provisions related to benefits provided to employees.

iii) The amount of 10.468.455 TRY which is shown under advances received from customers account and future income that are netted in other short-term liabilities account group and does not give balance in a separate account in deferred income,

iv) Provision for employee termination benefits valued at 91.679 TRY that are shown under provisions for employee benefits account group, in provisions for employee benefits in long-term provisions account group,

v) Order advances of 5.413.868 TRY that are shown in other current assets account group and prepaid expenses valued at 574.606 TRY, in short-term prepaid expenses,

vi) Order advances of 5.888.150 TRY that are shown in non-current assets, are classified in long-term prepaid expenses,

vii) financial income in group accounts related to trade payables and receivables 1,100.118 tl amount of foreign exchange gain and 28.584 tl rediscount interest gain inside of other income from operations,

viii) financial expenses in group accounts related to trade payables and receivables 51.619 TL amount of foreign exchange gain and 54.282 TL rediscount interest gain inside of other expenses from operations,

ix) other current assets accounting group related to pre-paid tax funds amount of 336.634 TL pre paid tax is classified in short-term other receivables.

Classifications made at company's statement of financial position dated December 31st, 2013 are:

i) Trade payables and receivables included in financial income accounts in regard to exchange rate income amount of 1.494.963 TL and amount of 770.401 TL rediscount interest income operational activities classified in other income.,

ii) Finansal giderler hesap grubu içerisindeki ticari borç ve alacaklara ilişkin 2.147.243 TL tutarındaki kur farkı gideri ve 958.379 TL tutarındaki reeskont faiz gideri esas faaliyetlerden diğer giderler içerisinde,

iii) Esas faaliyetlerden gelirler hesap grubu içerisindeki maddi duran varlık satış gelirlerine ilişkin 8.202 TL yatırım faaliyetlerinden gelirler içerisinde sınıflandırılmıştır.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

c. Changes in Accounting Estimates and Errors

If changes in accounting estimates effect a change in assets, liability and equities, book value of related assets, liability and equities should change at related period.

In case of shifting effects of changes in accounting estimate to next financial reports, it means that it applied to transactions, events and conditions after the date of changes in forecast.

Errors related to previous periods adjust by using readjust method for previous periods except the cases in which it is not possible to calculate the cumulative and current period's effects of error.

At the preparation of the consolidated financial statements, the Group management has to do assumptions and forecasts about the amount which will affect assets and liabilities, amounts which affect liabilities and commitments as of the time of the statement of financial position and amounts of income and expenses for reporting period. Results happened in real would be different than forecasts and assumptions. These forecasts and assumptions are considered in regular time bases, all necessary adjustments are made and the results adjusted to related period.

Significant estimates which are used related to economic life and compensation of the main tangible and intangible assets.

a) New and Revised International Financial Reporting Standards

31 December 2013 As at end of the period preparing the financial statements taken as a basis the accounting policies summarized below 1 January 2013 as the current new and amended IFRS standards and IFRIC reviews than the previous year, consistent with those used were applied. These standards and interpretations on the Group's financial condition and its effects on performance are described in the relevant paragraphs.

Which is effective from 1 January 2013 new standards, amendments and interpretations are as follows:

TAS 1 Presentation of Financial Statements (Amended) - Presentation of Items of Other Comprehensive Income

The amendments to TAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or „recycled") to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and did not have an impact on the financial position or performance of the Group.

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. Since the Group recognizes the actuarial gain and loss in the other comprehensive income statement, the amendment of the standard with regards to the accounting of actuarial gain/loss did not have any impact on the financial position or performance of the Group. However based on the amendment in the presentation of short term employee benefits, vacation pay liability formerly presented in the short term provisions has been retrospectively reclassified to long term provisions and calculated based on actuarial method.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the POA also amended TAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This amendment did not have an impact on the financial position or performance of the Group.

TAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to TFRS 11 and TFRS 12, the POA also amended TAS 28, which has been renamed TAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to TFRS 11. This amendment did not have an impact on the financial position or performance of the Group.

TFRS 7 Financal Instruments: Clariying of Financial Assets and Debts (Change)

Change require explanation of some information about rights and regulation of the company's financial instrument's about clariying (example: guarantees contracts). Explanation for the user of financia statement;

In order to evaluate impact of clariying process to the company's financial status, compare and analize preparing financial statements according to accepted accounting standars, it presents beneficial infomrmations.

New explanations should make all financial instruments which are clarfied on the statement of financial statue in accordance with TAS 32. Even this explanations are not clarified on financial statue table in accordance with TAS 32, it is current regulation of clarifying and financial instrument which have similar agreement. Change only affected basics of explanation and did not any affect on the company's financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 replaces the portion of TAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

TFRS 11 Joint Arrangements

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. The Company does not expect that this standard will have an impact on the financial position or performance of the Company.

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Apart from the disclosures regarding the significant issues and transactions in the interim period, disclosures according to the new standards are not applicable to interim periods so the Group did not provide this disclosure in the interim period.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. Some of the disclosures about the financial instruments mentioned above, have to be provided in the interim condensed consolidated financial statements according to TAS 34.16 A (j). The Group has presented these disclosures in Note 14 and 15.This amendment did not have an impact on the interim consolidated financial statements of the Group.

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation is not applicable for the Group and did not have any impact on the financial position or performance of the Group.

Transition Guidance (Amendments to TFRS 10, TFRS 11 and TFRS 12)

The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as „the beginning of the annual reporting period in which TFRS 10 is applied for the first time". The assessment of whether control exists is made at „the date of initial application" rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons POA has also amended TFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. These amendments did not have an impact on the interim consolidated financial statements of the Group.

b) Improvements to TFRSs

Annual Improvements to IFRSs - 2009 - 2011 Cycle, which contains amendments to its standards, is effective for annual periods beginning on or after 1 January 2013. This project did not have an impact on the financial position or performance of the Group.

TAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

TAS 32 Financial Instruments: Presentation:

Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

TAS 34 Interim Financial Reporting:

Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

c) Standards issued but not yet effective and not early adopted.

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

TFRS 9 Financial Instruments - Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after1 January2015.Phase1ofthisnewTFRSintroducesnewrequirementsforclassifyingandmeasuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option(FVO)liabilities and requires

that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

TAS 36 Impairment of Assets – Non - recoverable value disclosures for non-financial assets (Amendment)

TFRS 13 " Fair Value Measurements " have changed some of the disclosure requirements after the change of standard TAS 36 Impairment of assets related to impaired assets, the recoverable values . The amendment is impaired assets (or group of assets) at fair value less costs to dispose of additional disclosure requirements related to the measurement of the recoverable amount. This change is effective for annual periods beginning on or after 1 January 2014 will be applied retrospectively. With earlier application permitted TFRS 13 applied them in business. The amendment affected the disclosure requirements and the company will have no effect on the financial position or performance.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

TAS 39 Financial Instruments: Recognition and Measurement - Transfer of derivative financial instruments and hedge accounting continuity (Amendment)

TAS 39 Financial Instruments: This change is a result of the hedging instrument by law or regulation, the transfer to the other party in the event of a central provision mandating a narrow hedge accounting provides an exception to stop. This change is effective for annual periods beginning on or after 1 January 2014 will be applied retrospectively. The aforementioned standard is not expected to have an impact on the financial position or performance of the Company.

TFRYK 21 Interpretation Taxes and Taxe-Like Liabilities

This interpretation clarifies that taxes and taxe-like liabilities should be recorded when it is occurred by the management within the rules of related laws. Meanwhile, this interpretation, also clarifies of taxes and taxe-like liabilities under applicable law to pay the tax only gradually over a period of action if it happens to reveal gradually that may accrue. The minimum threshold is exceeded; resulting in a mandatory duty, the liability recorded as exceeding the minimum threshold will be absent. This review is for annual periods beginning on or after 1 January 2014 with earlier application permitted is effective. This interpretation is to be applied retroactively. The company has evaluated the effects of this standard on the financial position and performance of the company.

d) New and amendment stand arts and interpretations publishes by the International Accounting Standards Boards (IASB) but not published by the Accounting and Auditing Standards Authority

New standards at the below list and current TFRS standard changes has not been effective in current reporting period but published by the IASB. However these standards, interpretations and amendments are not adapted / published to TFRS by the Accounting and Auditing Standards Authority and they do make part of TFRS due to this reason. The company is going to make necessary changes in the financial statements and disclosures after TFRS is effective.

Financial Instruments – Accounting of Protection from Risk and Changes of IFRS 9, IFRS 7 and IAS 39 (2013)

On November 2013, IASC published a new version of IFRS 9 which is include necesserries protection accounting from new risk and changes of IAS 39 and IFRS 7. Businesses can make choice of accounting policy for procedures from risk protection conditioning with Continue application of necesseries of IAS 30 accounting protection from risk. There is no validity date on this standard, but, it is applicable status. New mandatory validity date will determine after finishing phase of IASC's Project impairment. The company evaluate impact on this standard's financial statue and performance.

TFRS 10 Consolidated Financial Statements (Amendment)

TFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with TFRS 9 Financial Instruments. Subjected area amendment is not expected to have an impact on the company's financial position and performance.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

Improvements to IFRS

IASC had published 'Annual Improvements ın IFRS' inculuding to 'period of 2010-2012' and 'period of 2011-2013' on December,2013. Except from changes of standard of "basis for conclusions", changes are valid from July 1,2014.

Annual Improvements - *2010–2012 Period*

IFRS 2 Share-based Payment
Definitions related to vesting conditions have changed and service and performance condition has been defined in order to fix the problems. Changes will be applied prospectively.

IFRS 3 Business Combinations
Contingent consideration that is not classified as equity in combination of business, whether or not become the scope of IFRS 9 , it is recognized in profit or loss measuring fair value in subsequent value. Changes will be applied prospectively for business combinations.

IFRS 8 Operating Sections
Changes are as follows: i) Operating sections may be aggregated or consolidated with core principles of standards consistently. ii) Reconciliation of operating assets with total assets, if this reconciliation report to administrator who is authorized decision makers about operations of business, it should be explained. Changes will be applied retrospectively.

IFRS 13 Fair Value Measurement
As described in the reasons of decisions; short term trade receivables and payables, that is not determined interest rates, can be shown at original invoice amount in cases where the effect of discounting is insignificant. Changes will be implemented immidiately.

IAS 16 Tangible Assets and IAS 38 Intangeble Assets
Changes of IAS 16.35(a) and IAS 38.80 (a) was to clarify that it can be done in the following way: i) Gross carrying amount of the asset is adjusted market value will be or ii) the market value of the asset's net book is determined and net book value that will be come to like market value, bross book value is adjusted proportionally . Changes will be applied retrospectively.

IAS 24 Related Party Disclosures
Changes clarify that the subject has an associated related party disclousure in key management personnel of the entity's manage. Changes will be applied retrospectively.

Annual Improvements - 2011-2013 Period

IFRS 3 Business Combinations
Change, i) not only business association is not within the scope of IFRS 3, but also partnership agreements ii) this scope exception have been clarified for becoming applicable only for partnership agreement of financial statements. Changes will be applied prospectively.

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BAĞIMSIZ DENETİM VE
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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

IFRS 13 Fair Value Measurement

Exception portfolio of IFRS 13 is applicable in financial assets, financial liabilities and other contracts and this situations have been clarified. Changes will be applied prospectively.

IAS 40 Investment Property

Mutual relationship between IFRS 3 and IAS 40 has been clarified when the real estate classified as real estate of investment and real estate used by property of owner. Changes will be applied prospectively.
The aforementioned change is not expected to have an impact on the financial position or performance of the Company.

IFRS 14- Temporary Standard Subject to Regulation Regarding Deferred Account

IASC had published this standard at January,2014. The company who applicate the IFRS and regulate the prices, amounts that account about the price regulation in accordance with prior legislation, IFRS 14 permits the Continues of carrying to financial tables which are prepared in terms of IFRS for these amounts. The company who prepare its financial statements in accordance with IFRS, it can not applicate this standard. Standard will be applied as retrospective for starting annual account period on 1 January 2016 and after this date, early application is permitted. Standard is not current fort he company and it is not affect the company's financial statues or performance.

Policy Decisions published by POC

In addition to determining above, policy decisions which shown below an accordance with POC Turket Accounting Standars. "Financial Table Examples and User Guide" gain validity with publishing date, however, other decisions applicated validity for beginning annual report periods after December 31,2012.

Financial Table Examples and User Guide

POC published "Financial Table Examples and User Guide" on May 20,2013 in order to provide only one financial statement and facilitate its audit. Financial table examplas 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 activiy. The company made the changes that determined on the note 2.b with the aim of fulfilling necesseries of this regulation.

Accounting for Business Combination Under Common Control

According to decision i) business combination under common control (pooling of interest) should be accounted by this method, ii) therefore, betterment do not tkae 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 comparative. This situation adjudicated. This decision did not any affect to the company's financial tables.

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 did not any affect to the company's financial tables.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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.

i) The case is that having subsidiarity main partnerships own equity

ii) İştiraklerin veya iş ortaklığının yatırımcı işletmenin özkaynağa dayalı finansal araçlarına sahip olması durumu, The case is that participations or sunbsidiarities have investor of business's equity's financial instruments.

iii) 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.

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.(Not: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. (Not:7)

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. (Not: 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;

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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.

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 calculate 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.

b) Investments 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 kept in hand till its maturity. Financial assets kept in hand till its maturity can be shown in financial statement by the amortized cost according to effective interest method deducted from amount of decrease in value. (Note:6)

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. (Note:7)

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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. (Not: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. 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. (Not: 10)

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

Tangible Fixed Assets

Tangible assets are reflected to financial statements according to their acquit ion 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 live.

	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.(Not: 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

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.(Not:17)

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

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.

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

BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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.

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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.

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.

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 Exchange Differences

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.
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.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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%. 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.

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

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

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 deffered 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.

3.BUSINESS COMBINATIONS

The Affect Of Business Combinations Including Common Controlled Entity or Companies

Acconting 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 26.405.410 TL result from acqusition of companies under common control was shown under equity on a offset account called " Affect of Busines Combinations Including Common Controlled Entity or Companies" as of 31 December, 2013.

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 contacts, mentioned group has the control power to manage opeartional and finacial politics of the companyin 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.

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,

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

3. BUSINESS COMBINATIONS (Continued)

Company Name	Acquisition Cost	Acquired equity Share Value	Ventures or businesses under common control, Including Effects of Mergers
Voytron Elektrik	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
Ena Elektrik	32.270	(35.063)	67.333
Yel Enerji	-	(96.256)	96.256
Toplam	**25.661.586**	**(743.824)**	**26.405.410**

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2012. Goodwill amounts are reclassified at Equity under Affect of Busines Combinations Inccluding Common Controlled Entity or Companies" account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

Goodwill

Çan Kömür ve İnşaat A.Ş.'nin Satın Alımı

As of September 9, 2013 The Company has purchased Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares which is the part of the 9.200 portion of total 10.000 shares from Mustafa Koncagül and Süleyman Koncagül at amount of TL 6.614.727.

Company, located in Çan district in the province of Çanakkale, has a right of royalty related to paid-up coal fields. Reserve Estimation studies of coal field has done by German-based international independent valuation company Fichtner Mining & Environment GMBH. Signed on February 26, 2014, according to 'Çan Yaylaköy Lignite Reserves Valuation Report' regarding to studies 18,94 million tons proven, 5.76 million tons of extra should be a total of 24.70 million tons of coal reserves have been estimated.

Based on independent valuation report which is prepared by Moore Stephens Turkey –MBK Independent Auditing and CPA Inc. (independent valuation company) at March 04, 2014; as of December 31,2013, the company and Çan Kömür assets value updated by company management and calculated as 290.581.485 TL.

As a part of TFRS 3- "Business Combinations", excess value of acquired definable asset, liability and contingent liabilities' fair value' sale price accounted as goodwill. Goodwill occurred during the acquisition would not depreciated. Instead, it is revised once in a year or in conditions which cause a revision more frequently for any impairment.
If sale price is below from fair value of the acquired assets, liabilities' and contingent liabilities' price difference is recorded as revenue.

A company which applying TFRS first time, may not choose to retrospectively applying TFRS 3 for the backdated company merges(the merges happened before applying TRFS). However if a company that applying TFRS first time, choose to retrospectively applying TFRS 3 for the backdated company merges, the company merges that is happened after aforesaid merge are adjusted and TAS 27 is applied beginning from that date. (Note:20)

3.BUSINESS COMBINATIONS (Continued)

The parent company subjected to consolidation (Odaş) and its subsidiaries (Voytron Elektrik, Hidro Enerji, Ağrı Elektrik, Küçük Enerji ve Ena Elektrik) have joint control before consolidation, and according to accounting policy which is chosen by the Company, while applying consolidation the method given below (purchasing method) is applied according to TFRS-3 Business Combination Standard .

The acquire company recognizes goodwill by measuring which more than the other is of (a) or (b) that are given below as of acquisition date.

(a) Total of the followings

(i) This is measured in accordance with TFRS, the transferred amount is required to be measured on generally fair value at acquisition date,

(ii) This is measured in accordance with TFRS, minority interest of acquired company (share does not have control power) and

(iii) A business combination achieved in stages, the fair value of acquired company's shareholders' equity which is already held by acquired company as of acquisition date.

(b) This is measured in accordance with TFRS, net amounts of acquired definable assets and assumed definable liabilities as of acquisition date.

Bargaining Acqusitions :

Parent Company purchase subsidiary by bargaining sometime, that situtation is a business combination when total amount of aricle a exceeds total amount of article b. If mentioned remaining amount After implementing ruling of paragraph 36, parent company will record the amount as profit at acqusition date. Mentioned profit will be attributed to subsidiary.

Apart from that, on the TAS 38 Intangible Assets standart, at estimation of intangible asset that obtained from business combinaton section; it is assumed that there is enough knowledge to calculate fair and true value of intangible asset if asset can be seperated and result from contract or other legal rights. When we use predictions to calculate fair and treu value of an intangible asset, some possible results could be reached and that uncertainty circumtances will be considered when calclating fair and true value of an asset.

An intangible asset that obtained from business combination, can be identified only if intangiblr asset could be tougt together with a legal contract, debt or defined asset. Acquired intangible asset accounted seperately from goodwill and together with related account.

After revaluation of company, calculated amount of company is 283.966.757 TL and the amount occured at acqusition is 5.918.204 TL were recored to rights account as coal mining royalty. Besides, goodwill amount of 260.720.038 TL recorded as income and addedto period inome:

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

3.BUSINESS COMBINATIONS (Continued)

Acquisition Cost	:	6.614.727
Acquisition Rate	:	0,92
Value of Equity Shares Acquired	:	696.523
Cost Valuation Report	:	290.581.484
Acquisition of Minority Interest Entities	:	23.246.519
Goodwill	:	260.720.238

Acquired Company Valuation Difference (Royalty Rights)	:	289.884.961

4. JOINT VENTURES

None. (31.12.2013 None).

5. SEGMENTS 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.

6. EXPLANATIONS TO RELATED PARTIES

i) Balances of the Company with its' related parties as of December 31, 2013 and December 31, 2012.

a) Due From Related Parties :

	31.12.2013	**31.12.2012**
Hidro Kontrol Elektrik Üretim A.Ş	461.751	2.780
Öztay Enerji Elektrik Üretim Sanayi A.Ş	338.048	402.767
Bahattin Özal	1.147.313	807.584
Burak Altay	1.416.596	1.014.432
Korkut Özal	5.042.221	4.075.296
Eylül Elektromekanik Enerji San. Tic. Ltd. Şti.	-	6.700
Abdulkadir Bahattin Özal&Burak Altay Adi Ort.	-	1.560
Mekel Enerji İnş.Taah.Danş.Müh.Hizm. Ve Tic.A.Ş	432	-
Arsin Enerji Elektrik Üretim San. Ve Tic. A.Ş	19.229	-
TOTAL	**8.425.590**	**6.311.119**
Deduction: Unrealised finance incomes	(55.027)	(11)
TOTAL	**8.370.563**	**6.311.108**

b) Due to related parties:

	31.12.2013	**31.12.2012**
Mekel Enerji İnş. Taah. Danş.Müh. Hiz. Ve Tic. A.Ş.	-	638
TOTAL	-	**638**

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

6. EXPLANATIONS TO RELATED PARTIES (Continued)

c) Other due to related parties :

	December 31, 2013	December 31, 2012
Hidro Kontrol Elektrik Üretim A.Ş	73.013	1.901.376
Öztay Enerji Elektrik Üretim San. A.Ş.	-	1.049.280
Aköz Vakfı İktisadi İşletmesi	860	130
Eylül Elektromekanik Enerji Sanayi ve Ltd.Şti.	28.530	-
Bahattin Özal	708.500	587.347
Burak Altay	738.191	616.958
Korkut Özal	1.663.650	1.123.586
Hafize Ayşegül Özal	20.000	20.000
Hidayet Büküm	31.304	31.304
Esin Ersan	20.000	20.000
TOTAL	**3.284.047**	**5.349.981**
Deduction: Unrealised finance expense	(8.927)	(117.559)
TOTAL	**3.275.120**	**5.232.422**

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

a.1) Material sales to related parties :

	January 01 - December 31, 2013	January 01 - December 31, 2012
Hidro Kontrol Elektrik Üretim A.Ş	288.703	399.946
Öztay Enerji Elektrik Üretim Sanayi A.Ş	120.516	456.051
Arsın Enerji Elektrik Üretim San.Tic.A.Ş.	158.357	-
TOTAL	**567.576**	**855.997**

a.3) Sales of services to related parties:

	January 01 - December 31, 2013	January 01 - December 31, 2012
Abdulkadir Bahattin Özal Burak Altay Adi Ort.	-	1.560
TOTAL	-	**1.560**

b)Service purchases from related parties:

	January 01 - December 31, 2013	January 01 - December 31, 2012
Hidro Kontrol Elektrik Üretim A.Ş	56.939	2.400
Öztay Enerji Elektrik Üretim Sanayi A.Ş	-	6.000
Aköz Vakfı İktisadi işletmesi	1.084	1.468
Bahattin Özal	-	4.989
Eylül Elektromekanik Enerji Sanayi ve Ltd.Şti.	347	-
TOTAL	**58.370**	**14.857**

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

6. EXPLANATIONS TO RELATED PARTIES (Continued)

c) Transactions with related parties and related financing expenses:

	January 01 - December 31, 2013	January 01 - December 31, 2012
Hidro Kontrol Elektrik Üretim A.Ş	31.532	372.240
Öztay Enerji Elektrik Üretim Sanayi A.Ş	19.251	-
TOTAL	**50.783**	**372.240**

d) Transactions with related parties related finance income:

	January 01 - December 31, 2013	January 01 - December 31, 2012
Bahattin Özal	43.689	260.347
Burak Altay	66.473	292.009
Korkut Özal	324.547	510.080
Hidro Kontrol Elektrik Üretim A.Ş	759.080	385.952
Öztay Enerji Elektrik Üretim Sanayi A.Ş	488.742	624.979
Arsın Enerji Elektrik Üretim San.Tic.A.Ş.	1.799	-
Mekel Enerji İnş.Taah.Dan.Müh.Hiz. Ve Tic. A.Ş	171.409	-
TOTAL	**1.855.739**	**2.073.367**

e) The fixed assets purchase to related parties:

	January 01 - December 31, 2013	January 01 - December 31, 2012
Hidro Kontrol Elektrik Üretim A.Ş	546	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş	-	246.129
Mekel Enerji İnş.Taah.Dan.Müh.Hiz. Ve Tic. A.Ş	1.166.127	1.811.781
TOTAL	**1.166.673**	**2.057.910**

Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2013 is as follows:

a)Short Term Benefits to Employees: Total amount of salary and alike benefits in 6-month fiscal period provided to top management in 2013 is 1.270.172 TL (31.12.2012: 666.618TL)

b) Benefits after Leaving:. Severance payment will make to personnel in case of earning itaccording 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

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

7. TRADE RECEIVABLES AND PAYABLES

Trade receivables

	December 31, 2013	**December 31, 2012**
Customer Current Accounts	33.268.190	22.119.891
-Other receivables	*33.268.190*	*22.119.891*
Notes Receivables	80.151	23.003
Doubtful Receivables	532.941	385.594
Provision of Doubtful Receivables(-)	(532.941)	(385.594)
	33.348.341	**22.142.895**
Deduction: Unaccrued finance costs	(110.017)	(48.833)
-Other payables	*(110.017)*	*(48.833)*
TOTAL	**33.238.324**	**22.094.062**

Provision for doubtful receivables December 31, 2013 and as of December 31, 2012 The movement is as follows:

	December 31, 2013	**December 31, 2012**
Opening Balance	385.594	-
Transfered provisions from purchased companies (*)	-	288.901
Additional provisions	147.347	96.693
Paymentsr(-)	-	-
TOTAL	**532.941**	**385.594**

Provision for doubtful receivables consist of Voytron Electric 's overdue and uncollected current accounts.

(*)Provisions for doubtful receivables tranferred from purchased companies consist of Voytron Electric's overdue and uncollected note payables.

Trade Payables

	December 31, 2013	**December 31, 2012**
Seller Current Accounts	37.595.366	36.099.959
- Seller payables to related parties	-	*638*
-Other seller payables	*37.595.366*	*36.099.321*
Other Trade Payables	3.895	-
	37.599.261	**36.099.959**
Deduction: Unaccrued finance costs	(279.089)	(183.947)
-Other Payables	*(279.089)*	*(183.947)*
TOTAL	**37.320.172**	**35.916.012**

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR

None. (None, December 31, 2012)

9. OTHER RECEIVABLES AND PAYABLES

Other Short-term Receivables

	December 31, 2013	December 31, 2012
Receivables from related parties	8.425.590	6.311.119
Other receivabels	99.865	18.480
Receivables from Tax Office	1.131.921	338.764
Deposits and guarantees	190.835	79.375
Receivables from personnel	1.660	4.000
TOTAL	**9.849.871**	**6.751.738**
Deduction: Unaccrued finance costs	(64.536)	(11)
- Receivables from related parties	*(55.027)*	*(11)*
-Other receivables	*(9.509)*	-
TOTAL	**9.785.335**	**6.751.727**

Short-term Other Payables

	December 31, 2013	December 31, 2012
Due from related parties	3.284.047	5.349.981
Other payables	88.075	31.715
Payable tax and funds	2.230.787	2.326.868
	5.602.909	**7.708.564**
Deduction: Unaccrued finance costs	(12.885)	(117.559)
- Supplier payables to related parties	*(8.927)*	*(117.559)*
-Other payables	*(3.958)*	-
TOTAL	**5.590.024**	**7.591.005**

Details of taxes and funds payable are as follow;

	December 31, 2013	December 31, 2012
Value Added Tax Payable	30.447	512.849
Energy Fund	748.967	393.536
TRT Share	852.927	795.295
Municipality Consumption Tax	452.799	472.478
Income Tax Stoppage from Wages	116.580	45.632
Contract Stamp Tax	29.068	102.190
Other Tax Liabilities	-	4.887
TOTAL	**2.230.787**	**2.326.868**

10.INVENTORIES

	December 31, 2013	December 31, 2012
Other inventories (*)	188.471	276.805
TOTAL	**188.471**	**276.805**

(*) Consist of consumable material will be used in cycle power plant in Şanlıurfa for the next period .

11.BIOLOGICAL ASSETS

None. (None, December 31, 2012).

12.PRE-PAID EXPENSES VE DEFERRED INCOME

Short-term Pre-paid Expenses

	December 31, 2013	December 31, 2012
Advances given for orders (*)	19.641.614	5.413.868
Expenses related to the coming months	18.278	574.606
TOTAL	**19.659.892**	**5.988.474**

(*)Advances given to suppliers amount of 19.328.776 TL. Advances given to Türkiye Elektrik Üretim A.Ş consisted of Voytron daily consumption done by PMUM SYSTEM.

Long-term Pre-paid Expenses

	December 31, 2013	December 31, 2012
Advances given for orders (**)	3.949.840	5.888.150
TOTAL	**3.949.840**	**5.888.150**

Advances given to suppliers account; amount of 1.351.350 TL is for transmission line construction expenses done for Türkiye Elektrik İletim A.Ş.. Amount of 2.560.600 TL is for on going cycle power plant steam turbine advances given for China Machinery Engineering Coorporation.

Deferred Income

	December 31, 2013	December 31, 2012
Advances Received (***)	16.947.983	10.468.455
TOTAL	**16.947.983**	**10.468.455**

Advances received amount of 16.175.452 TLTL. Advances received from Türkiye Elektrik Üretim A.Ş consisted of Voytron daily consumption done by PMUM SYSTEM.

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

Production company (ODAS); Sales made from the system of the next month following the period 15-20. days of system is described in PM. Description Following the same day the invoice is issued. End of the accounting period in accordance with the matching concept TEİAŞ sales numbers are added to the invoice issued against the account in the "Accrued Income" is. At the same time the cost of the bill, which was held in Teiaş account is added, as against the account "Accrued Expenses" are used. Production figures are entered on a daily basis PM system as predicted, and the cost is credited to your bank account the next day. 340 Advances received from banks, these amounts are recorded in the account..With editing the invoice, amount is decreased from this account.

13.INVESTMENT PROPERTY

None. (None, December 31, 2012).

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14. TANGIBLE FIXED ASSETS

	January 01, 2013	Additions	Transferred assets from acquired companies	Disposals	Transfers	December 31, 2013
Cost						
Land	797.653	-	442.410	-	33.500	1.273.563
Plant, machinery and equipment	130.258.002	27.367.987	5.750	-	9.269.412	166.901.151
Motor vehicles	399.047	147.053	-	-67.715	-	478.385
Furniture and fixtures	300.596	908.616	4.235	-18.563	-	1.194.883
Construction in progress	9.269.412	3.197.598	-	-	-9.284.412	3.182.599
Total	**141.024.710**	**31.621.253**	**452.395**	**-86.278**	**18.500**	**173.030.581**
ACCUMULATED DEPRECIATION						
Plant, machinery and equipment	2.977.082	3.543.632	-	-	-	6.520.715
Motor vehicles	48.316	89.156	-	19.178	-	118.293
Furniture and fixtures	72.515	94.883	1.684	4.545	-	164.537
Total	**3.097.913**	**3.727.671**	**1.684**	**23.723**	**-**	**6.803.545**
NET BOOK VALUE	**137.926.797**	**27.893.582**	**450.711**	**-62.555**	**18.500**	**166.227.036**

	January 01, 2012	Additions	Transferred assets from acquired companies	Disposals	Transfer	December 31, 2012
Land	212.143	535.510	50.000	-	-	797.653
Plant, machinery and equipment	56.522.392	29.759.153	-	-	43.976.457	130.258.002
Motor vehicles	150.973	108.813	139.261	-	-	399.047
Furniture and fixtures	10.765	66.711	223.120	-	-	300.596
Construction in progress	16.743.420	36.197.736	304.714	-	-43.976.457	9.269.412
Total	**73.639.693**	**66.667.923**	**717.095**	**-**	**-**	**141.024.710**
ACCUMULATED DEPRECIATION						
Plant, machinery and equipment	359.727	2.617.355	-	-	-	2.977.082
Motor vehicles	13.028	7.173	28.115	-	-	48.316
Furniture and fixtures	1.378	11.951	59.185	-	-	72.515
Total	**374.134**	**2.636.479**	**87.300**	**-**	**-**	**3.097.913**
NET BOOK VALUE	**73.265.559**	**64.031.444**	**629.794**	**-**	**-**	**137.926.797**

166.895.401 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 34.455.752 TL. Also at the end of the 2013 solar energy panel activated amount of 758.260 TL. Plant machinery and equipment amount were 166.901.151 TL at the end of the 2013.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

14.TANGIBLE FIXED ASSETS (Continued)

ODAŞ, relating to ODAŞ I Natural Gas Cycle Plant, has commercial enterprise pledge over whole 7 pieces of Wartsila W18V50SG Motor+Turbine+Generator, 1 piece of Genpower Generator, 3 pieces of Sperre Compressor+ Air Dryer, Ventilation Unit, 1 piece of Internal Need Compressor+Transformer, 3 pieces of Oil Tanks+Oil Pump, 28 pieces of Alfa Laval Radiators, Electric Switching Plant, Energy Transmission Line Equipments, Control Room and Panel Room Equipments and Other Equipments Make Easier Production amounting to TRY 215.000.000 on behalf of Asya Katılım Bankası A.Ş.

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, 2012).

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

None. (None, December 31, 2012).

17. INTANGIBLE FIXED ASSETS

	January 01, 2013	Additions	Transferred assets from acquired companies	Disposals	Transfers	December 31, 20133
Costs						
Rights	350.426	103.200	289.884.961	-	15.000	290.353.587
Research and development expense		-	-	-	-	-
Special Costs		-	-	-	-	-
Other intangible assets	81.931	74.307	-	-	-	156.238
TOTAL COST	**432.357**	**177.507**			**15.000**	**290.509.825**
ACCUMULATED AMORTIZATION						
Rights	40.381	19.119	-	-	-170	59.669
Research and development expense	-	1-	-	-	-	-
Special Costs	-	-	-	-	-	-
Other intangible assets	35.940	48.115	-	-	-	84.055
TOTAL	**76.321**	**67.234**	-	-	**-170**	**143.724**
NET BOOK VALUE	**356.036**	**110.273**	-	-	**14.830**	**290.366.101**

Amount of 289.884.961 TL, classified at TAFAC, consist of royalty right that is transfered from Çan Kömür ve İnşaat A.Ş. at purchasing and revaluated. In licences, wholesale license amount of Voytron is 272.250 TL. AĞRI production license amount of 34.750 TL, wholesale license of Odaş Dogalgaz amount of 61.700 TL, wholesale license of Hidro Enerji amount of 15.000 TL, wholesale license and license amendment cost amount of 15.000 TL, Odaş Elektrik wholesale production license and license amendment costs are activated amount of 69.926 TL.

Other intangible assets consist of consist of computer software transfered from Voytron A.Ş.

BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

17.INTANGIBLE FIXED ASSETS(Continued)

	January 01, 2012	Additions	Transferred assets from acquired companies	Disposals	Transfers	December 31, 2012
Rights	22.093	31.333	297.000	-	-	350.426
Other intangible assets	-	11.158	70.773	-	-	81.931
TOTAL COST	**22.093**	**42.491**	**367.773**	-	-	**432.357**
Rights	138	4.798	35.445	-	-	40.381
Other intangible assets	-	7.114	28.826	-	-	35.940
ACCUMULATED AMORTIZATION	**138**	**11.912**	**64.271**	-	-	**76.321**
NET BOOK VALUE	**21.955**	**30.579**	**303.502**	-	-	**356.036**

18.GOODWILL

Purchasing of Çan Kömür ve İnşaat A.Ş.

As of September 9, 2013 The Company has purchased Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares which is the part of the 9.200 portion of total 10.000 shares from Mustafa Koncagül and Süleyman Koncagül at amount of TL 6.614.727.

Company, located in Çan district in the province of Çanakkale, has a right of royalty related to paid-up coal fields. Reserve Estimation studies of coal field has done by German-based international independent valuation company Fichtner Mining & Environment GMBH. Signed on February 26, 2014, according to 'Çan Yaylaköy Lignite Reserves Valuation Report' regarding to studies 18,94 million tons proven, 5.76 million tons of extra should be a total of 24.70 million tons of coal reserves have been estimated.

Based on independent valuation report which is prepared by Moore Stephens Turkey –MBK Independent Auditing and CPA Inc. (independent valuation company) at March 04, 2014; as of December 31,2013, the company and Çan Kömür assets value updated by company management and calculated as 290.581.485 TL.

Account record and measure of Goodwill and profit result from negotiation for acqusition have been explained on Turkish Accounting Standarts Commitee Comminique numbered 67 about TFRS-3. According to that;

Goodwill will be recorded to accounts by parent company by calculating if a is bigger than b explained as below;

a) Total amount of mentioned below:
(i) Transfferred price that has been calculated over fair and treu value at business combination date and measured in accordance with that IFRS.
(ii) Minorty interest amount that calculated in accordance with that TFRS.
(iii) An business combination has occured incrementally , fair and true value of equity rate at the subsidiary held before.

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

18. GOODWILL (Continued)

(b) Net amount of Definable assets and definable liabilities at the acqusition date.

Bargaining Acqusitions :

Parent Company purchase subsidiary by bargaining sometime, that situtation is a business combination when total amount of aricle a exceeds total amount of article b. If mentioned remaining amount After implementing ruling of paragraph 36, parent company will record the amount as profit at acqusition date.

Mentioned profit will be attributed to subsidiary.

Apart from that, on the TAS 38 Intangible Assets standart, at estimation of intangible asset that obtained from business combinaton section; it is assumed that there is enough knowledge to calculate fair and true value of intangible asset if asset can be seperated and result from contract or other legal rights. When we use predictions to calculate fair and treu value of an intangible asset, some possible results could be reached and that uncertainty circumtances will be considered when calclating fair and true value of an asset.

An intangible asset that obtained from business combination, can be identified only if intangiblr asset could be tougt together with a legal contract, debt or defined asset. Acquired intangible asset accounted seperately from goodwill and together with related account.

After revaluation of company, calculated amount of company is 283.966.757 TL and the amount occured at acqusition is 5.918.204 TL were recored to rights account as coal mining royalty. Besides, goodwill amount of 260.720.038 TL recorded as income and addedto period inome:

The Affect Of Business Combinations Including Common Controlled Entity or Companies

Acconting 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 26.405.410 TL result from acqusition of companies under common control was shown under equity on a offset account called " Affect of Busines Combinations Including Common Controlled Entity or Companies" as of 31 December, 2013.

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 contacts, mentioned group has the control power to manage opeartional and finacial politics of the companyin order to utilizw company operations and

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18. GOODWILL (Continued)

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.

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
Voytron Elektrik	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
Ena Elektrik	32.270	(35.063)	67.333
Yel Enerji	-	(96.256)	96.256
Total	**25.661.586**	**(743.824)**	**26.405.410**

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2012. Goodwill amounts are reclassified at Equity under Affect of Busines Combinations Inccluding Common Controlled Entity or Companies" account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

19. EVALUATING AND RESEARCHING OF MINE RESOURCES

None. (None, December 31, 2012).

20. LEASING OPEATIONS

None. (None, December 31, 2012).

21. SERVICE CONCESSION ARRANGEMENTS

None. (None, December 31, 2012).

22. IMPAIRMENT OF ASSETS

None. (None, December 31, 2012).

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23. GOVERNMENT INCENTIVES

Odaş Elektrik Üretim Sanayi ve Ticaret A.Ş. has investment incentive certificate 21.12.2011 dated and 102704 numbered which is drawn up by Economy Ministry of Turkish Republic Incentive Application and Foreign Capital General Directorate. 23.05..2013 dated and 102704-C 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 24.05.2011-24.05.2013 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.

24. BORROWING COSTS

The first phase of natural gas power plant in October 2011, second stage is activated in April 2012, third stage was capitalized. Natural gas power plant financing costs capitalized in the year 2012 amount of TL 1,561,026, while for the year 2013 amounted to TL 300,781.38.

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Assets Related to Current Tax

	December 31, 2013	December 31, 2012
Pre-paid taxes and funds (*)	948.005	336.634
TOTAL	**948.005**	**336.634**

(*) Current year tax on prepaid taxes, other short-term receivables are classified in accounts receivable under the tax office.

Income Tax Provisions, Net	December 31, 2013	December 31, 2012
Provision for Profit and Other Obligations	**-**	**899.148**
Minus : Pre-paid taxes and funds (-) (*)	**(948.005)**	**(45.544)**
TOTAL	**(948.005)**	**853.604**

(*)Current year tax on prepaid taxes, other short-term receivables are classified in accounts receivable under the tax office.

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25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES(Continued)

Pledges

-Pledge of Share Agreements Made with Asya Katılım Bankası A.Ş. :

In accordance with General Loan Contracts signed between Asya Katılım 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 Asya Katılım 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.

-Pledge of Commercial Enterprise Agreements Made with Asya Katılım Bankası A.Ş. :

ODAŞ, relating to ODAŞ I Natural Gas Cycle Plant, has commercial enterprise pledge over whole 7 pieces of Wartsila W18V50SG Motor+Turbine+Generator, 1 piece of Genpower Generator, 3 pieces of Sperre Compressor+ Air Dryer, Ventilation Unit, 1 piece of Internal Need Compressor+Transformer, 3 pieces of Oil Tanks+Oil Pump, 28 pieces of Alfa Laval Radiators, Electric Switching Plant, Energy Transmission Line Equipments, Control Room and Panel Room Equipments and Other Equipments Make Easier Production amounting to TRY 215.000.000 on behalf of Asya Katılım Bankası A.Ş.

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.

Warranty

-Financial Leasing Agreements Made with Asya Katılım Bankası A.Ş.:

Asya Katılım Bankası and ODAŞ sign an agreement about financial leasing of 4 pieces of Wartsila W18V50SG Gas Motor for ODAŞ I Combined Cycle Plant project. According to Financial Leasing Agreement, Korkut Özal, Abdulkadir Bahattin Özal, Burak Altay, Öztay Enerji Elektrik Üretim Sanayi A.Ş., Aköz Enerji Elektrik Üretim Sanayi A.Ş., Hidro Kontrol Elektrik Üretim Sanayi A.Ş. and Aköz Ticaret Müşavirlik ve Mümessillik A.Ş. are joint oblige and joint guarantor to secure liabilities.

ODAŞ has liability totally EUR 31.313.992 from the first installation date 29.07.2013 until to 15.06.2018, as 20 installations Principle+Premium (VAT Excluded).

Transportation fee of motors, customs expenses are included in leasing amounts.

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

Related party Öztay Enerji Elektrik Üretim Sanayi A.Ş. and Yapı Kredi Finansal Kiralama A.O. signed financial leasing agreement at T.C. Beyoğlu 24. Notary, 15/09/2008 dated, 35348 document numbered acquired by new financial leasing agreement which is signed at T.C. Beyoğlu 24. Notary, 27/03/2012 dated, 15749 document numbered by ODAŞ. An agreement is made with Yapı Kredi Finansal Kiralama A.O. for financial leasing of 1 power transformer. According to Financial Leasing Agreement, Korkut Özal, Abdulkadir Bahattin Özal, Burak Altay, Öztay Enerji Elektrik Üretim Sanayi A.Ş., Aköz Ticaret Müşavirlik ve Mümessillik A.Ş., Hidro Kontrol Elektrik Üretim Sanayi A.Ş. and Aköz İnşaat Pazarlama Organizasyon Mümessillik Sanayi Ticaret A.Ş. . are joint oblige and joint guarantor to secure liabilities.

25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES(Continued)

ODAŞ has liability totally EUR 484.403,01 excluded VAT from the first installation date 29.02.2012 until to 15.10.2014, as 27 installations, the company has begun to pay at the first installation date 29.02.2012.

Conveyances

-Conveyances Made with Asya Katılım Bankası A.Ş.

According to General Loan Agreement made between Asya Katılım 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 Asya Katılım Bankası A.Ş. The conveyances signed totally TRY 965.000.000; until the liabilities assured by the conveyances, the conveyances are valid.

Guarantees

Given and received guarantees by the group are as follow:

	December 31, 2013	December 31, 2012
Given guarantee letters and bills	***376.607.908***	***499.885.765***
**** Given to Credit Institutions***	***313.518.374***	***241.603.287***
Odaş	289.769.374	226.457.787
Voytron	14.700.000	11.758.500
Ena Elektrik	2.450.000	450.000
Hidro Enerji	1.137.000	2.937.000
Yel Enerji	1.462.000	-
Ağrı Elektrik	2.000.000	-
Küçük Enerji	2.000.000	-
Odaş Doğalgaz	-	-
****Given to electricity transmission and distribution entities due to trade operations***	***64.089.534***	***43.282.478***
Odaş	15.421.141	26.320.148
Voytron	39.264.132	13.055.248
Ena Elektrik	901.440	93.900
Hidro Enerji	1.519.130	202.778
Küçük Enerji	1.784.244	890.404
Ağrı Elektrik	2.949.431	2.720.000
Yel Enerji	-	-
Çan Kömür	1.000.000	-
Odaş Doğalgaz	1.250.016	-
****Pledge of Entity***	***215.000.000***	***215.000.000***
Odaş	215.000.000	215.000.000
TOTAL	***592.607.908***	***499.885.765***
Received Guarantee Letters	***16.588.055***	***7.319.443***
Odaş	1.740.340	7.269.443
Voytron	14.847.715	50.000
Received Guarantee Bills	***19.000***	***959.680***
Odaş	-	940.680
Voytron	19.000	19.000
TOTAL	***16.607.055***	***8.279.123***

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26. COMMITMENTS

None. (31 Aralık 2012 None.)

27. EMPLOYEES BENEFIT OBLIGATIONS

Termination Indemnities and Provision of Vacation

The Company and its su 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 TRY 3.254,44 as of December 31, 2013. (December 31, 2012: TRY 3.033, 98)

	December31, 2013	**December31, 2012**
Provision for severance payment	160.110	91.679
Provision for vacation	91.273	50.316
TOTAL	**251.383**	**141.995**

It needs a calculation which can be doing with some assumptions for calculation of company's liabilities in accordance with TAS 29 (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/TAS 29 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, 2013 and December 31, 2012 are depicted below:

	December 31, 2013	**December 31, 2012**
Discount rate	%9.50	%8.50
Estimated increase rate	%5.00	%5.00

Employees benefit obligations movements as December 31, 2013 - December 31, 2012 are as follows:

Provision for severance payments

	December 31, 2013	**December 31, 2012**
Opening balance	91.679	-
Transfered provisions from acquisitions	10.071	51.472
Additional provisions	58.360	40.207
Period-end balance	**160.110**	**91.679**

	2013	**2012**
January 01	91.679	19.075
Transferor provisions from purchased companies	10.071	-
Payment	(16.635)	(17.035)
Interest expenses	9.006	625
Current service cost	15.191	7.868
Actuarial gaim/(loss)	50.798	81.146
December 31	**160.110**	**91.679**

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27. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

Provision for vacation as December 31, 2013 - December 31, 2012 are as follows:

	December31, 2013	December31, 2012
Opening balance	50.316	**11.888**
Transferor provisions from acquisitions	-	**11.087**
Additional provisions	40.957	**27.341**
Reversal of provision	-	-
Period-end balance	**91.273**	**50.316**

Payables within employee benefits

	December31, 2013	December31, 2012
Due to personnel	39.989	49.259
Social security premium payables	81.940	43.676
TOTAL	**121.929**	**92.935**

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

	January 1-December 31,2013	January 1-December 31,2012
Cost of sales	549.496.133	144.444.645
Marketing, selling and distribution expenses	2.310.954	242.316
General Operating Expenses	4.463.611	1.009.722
TOTAL	**556.270.698**	**145.696.683**

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

Cost of sales according to their nature between January 1, 2013 – December 31, 2013 and January 1, 2012 – December 31, 2012 periods are as follow;

	January 01- December 31, 2013	January 01- December 31, 2012
Bilateral agreements, energy, cost of trade goods	160.327.070	30.860.311
GOP purchase price of the system	115.435.584	9.645.276
Usage of natural gas	99.297.986	53.523.758
Distribution companies system using cost of goods	74.337.518	18.878.403
Import electricity purchases	30.943.851	2.832.224
Imbalance energy amount of TEİAŞ	26.965.997	11.169.670
TEİAŞ zero balance adjusting item	7.789.603	1.832.912
TEİAŞ accepted load amount	7.194.260	6.369.991
Depreciation and amortisation expense	3.571.000	2.648.353
Yek amaount due	3.515.623	813.224
Bilateral agreements energy, cost of usage system	3.384.528	-
Costs of interconnection capacity allocation	2.495.311	174.512
TEİAŞ adjustments for previous period	2.318.265	386.015
Maintenance expense	2.286.784	278.748
TEİAŞ DGP amaount of loan	2.280.869	-
Cost of reactive capacitive goods (-)	1.829.400	-
TEİAŞ system usage cost	1.327.768	1.066.892
Personnel expense	1.029.126	758.609
Other expenses	750.126	111.182
Insurance expense	505.665	387.234
Distribution Companies Usage Costs GDDK	425.295	-
TEİAŞ noncontrollable price	377.025	281.895
TEİAŞ electricity quality service cost	373.366	346.778
PFK liability transfer service cost	278.246	551.394
Maturity difference cost of distribution company	131.688	-
TEİAŞ market operation fee	113.205	98.192
Teiaş other expenses	106.968	90.444
TEİAŞ difference of fund	52.089	-
TEİAŞ system operation fee	51.915	54.947
Security service cost	-	67.200
Customs expenses	-	32.372
Consultancy expenses	-	26.933
TEİAŞ TM Communication Requirements Study	-	18.383
Represantation expense	-	14.857
Shipping & Transportation Expenses	-	13.395
According to TEİAŞ EPYHY Article 25 Amount of Keyat	-	315.874
Measurement costs	-	194.217
TEİAŞ share of unpaid receivables	-	-
Other material expenses	-	590.925
Termination Indemnities	-	3.039
Severance pay expense	-	6.487
TOTAL	**549.496.133**	**144.444.645**

AS BAĞIMSIZ DENETİM VE Y.M.M. A.Ş.

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

Cost of sales resulting from production activities is as follows:

	January 01-December 31, 2013	January 01-December 31, 2012
Usage of natural gas	99.297.986	53.523.758
Imbalance energy amount of TEIAS	23.490.659	9.924.935
TEİAŞ zero balance adjusting item	7.789.603	1.832.912
TEİAŞ accepted load amount	7.194.260	6.369.991
Depreciation and amortisation expense	3.571.000	2.618.609
Maintenance expense	2.286.784	278.748
TEİAŞ DGP amaount of loan	2.280.869	-
TEİAŞ adjustments for previous period	2.220.861	385.805
TEİAŞ system usage cost	1.266.993	1.066.892
Personnel expense	1.029.126	758.609
Other expenses	738.748	93.534
Insurance expense	505.665	387.234
TEİAŞ electricity quality service cost	373.366	346.778
PFK liability transfer service cost	278.246	551.394
TEİAŞ other expenses	106.968	90.444
TEİAŞ market operation fee	92.290	98.192
TEİAŞ system operation fee	51.915	45.693
According to TEİAŞ EPYHY Article 25 Amount of Keyat	-	315.874
TEİAŞ share of unpaid receivables	-	-
TEİAŞ noncontrollable price	-	281.895
Severance payment expenses	-	6.487
Termination indemnities	-	3.039
Measurement costs	-	194.217
Security service cost	-	67.200
Customs expenses	-	29.674
Consultancy expenses	-	26.933
TEİAŞ TM Communication Requirements Study	-	18.383
Represantation expense	-	14.857
Shipping & Transportation Expenses	-	13.395
Other material expenses	-	590.925
Total	**152.575.340**	**79.936.406**

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28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

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

	January 01- December 31, 2013	January 01- December 31, 2012
Bilateral agreements, energy, cost of trade goods	160.327.070	30.860.311
GOP purchase price of the system	115.435.584	9.645.276
Distribution companies system using cost of goods	74.337.518	18.878.403
Import electricity	30.943.851	2.832.224
Yek amount due	3.515.623	813.224
TEİAŞ energy imbalance	3.475.337	1.244.735
Bilateral agreements energy, cost of usage system	3.384.528	-
TEİAŞ Interconnection Capacity Allocation Costs	2.495.311	174.512
Cost of reactive capacitive goods (-)	1.829.400	-
Distribution companies GDDK	425.295	-
TEİAŞ noncontrollable price	377.025	-
Maturity difference cost of distribution company	131.688	-
TEİAŞ adjustments for previous period	97.404	210
TEİAŞ system usage and system operation fee	60.775	6.578
Teiaş fund of difference	52.089	-
TEİAŞ market operation fee	20.915	2.676
Other Expenses	11.378	17.648
Depreciation and amortisation expense	-	29.744
Customs expenses	-	2.698
TOTAL	**396.920.792**	**64.508.239**

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

Distribution Companies Cost of System Usage Goods; Voytron Elektrik 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.

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

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.

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 participents 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.

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29. OTHER ASSETS AND LIABILITIES

Other current assets

	31 December 2013	31 December 2012
Income accruals *	30.867.043	15.994.612
Deferred VAT	1.201.203	1.026.237
Work advances	217.131	47.657
Advances to personnel	40.676	16.560
Advances given to suppliers	1.103.762	-
TOTAL	**33.429.816**	**17.085.066**

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

Voytron, wholesale company; purchase datas taken from system will be explained on the system of Market Financial Settlement Center ("PMUM") between following month's 15-20[th] 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.
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 15-20[th] 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 340 Advances Taken Account and advances will be deducted by making out invoices.

Detail of income accruals are asbelow:

	31 December 2013	31 December 2012
Accrued electricity sales income	30.782.551	15.625.220
Accrued interest income of demand deposit	10.913	48.159
Other accrued interest income	11.578	321.233
Other accrued income	62.001	-
TOTAL	**30.867.043**	**15.994.612**

Other Fixed Assets

	31 December 2013	31 December 2012
Long-term advances to suppliers	3.357.780	-
TOTAL	**3.357.780**	-

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29. OTHER ASSETS AND LIABILITIES (Continued)

Other short term liabilities

	31 December 2013	31 December 2012
Accrued expenses	25.599.952	7.192.146
TOTAL	**25.599.952**	**7.192.146**

(*)Accrued expenses details are as follows:

	31 December 2013	31 December 2012
Accrued electricity purchase cost	23.649.989	6.893.259
Accrued distribution company cost	155.355	298.887
Accrued interest	1.794.608	-
Total	**25.599.952**	**7.192.146**

30. EQUITY, RESERVES AND OTHER EQUITIES

Paid-in Capital

Paid-in Capital structure of the Company between December 31, 2013 and December 31, 2012 given on the following table:

Nominal capital of the company is 42.000.000 TRY and the upper limit of registered capital is 50.000.000 TRY. The company's application to registration of capital system is accepted by Capital Market Board.

Equity

	31 December 2013			31 December 2012		
	Share Amount	Number of Share	Rate	Share Amount	Number of Share	Rate
Korkut Özal	12.000.000	12.000.000	28,57%	12.000.000	12.000.000	40%
A. Bahattin Özal	9.000.000	9.000.000	21,43%	9.000.000	9.000.000	30%
Burak Altay	9.000.000	9.000.000	21,43%	9.000.000	9.000.000	30%
Halka Açık Kısım	12.000.000	12.000.000	28,57%	-	-	-
Paid-in Capital	**42.000.000**	**42.000.000**	**100%**	**30.000.000**	**30.000.000**	**100%**

The capital of the company was 30.000.000 TRY. It is increased to 42.000.000 TRY in 2013. 12.000.000 TRY is committed free of collusion. This decision is registered at 22.07.2013 and announced in the Trade Registry Gazette dated 25.07.2013 and numbered 8371.

By the Board of Directors' decision dated 08.03.2013 and numbered 2013/08 and the certificate of recognition of the Capital Markets Board dated 08.05.2013 and numbered 16/519, the absolute amount of issued shares representing the 12.000.000TL increased amount of capital has been offered to the public.

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30.EQUITY, RESERVES AND OTHER EQUITIES(Continued)

As a guarantee of loan given according to general loan agreement signed between ODAŞ Elektrik Üretim Sanayi ve Ticaret A.Ş. and Asya Katılım Bankası A.Ş.; Share pledge agreement is signed to hypothecate all shares of shareholders of ODAŞ Elektrik Üretim Sanayi ve Ticaret A.Ş. Total value of pledge amount is 1 TRY nominal valued 30.000.000 shares. Share pledge agreements will be effective until liabilities which are guaranteed by share pledge agreements completely paid

According to the TTC's article of 6102 and 338 Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. made a decision to operate as a sole shared joint-stock company. This decision is registered at 09.10.2012 and announced at October 15, 2012 dated 8174 numbered Trade Registry Gazette.

According to the TTC's article of 6102 and 338 Hidro Enerji Elektrik Üretim Sanayi A.Ş. made a decision to operate as a sole shared joint-stock company. This decision is registered at 21.01.2013 and announced as at 25.01.2013 8244 numbered trade registry gazette.

Share Premium

According to Series XI, Numbered 29 communique, equity items of "Share Premium" shall be included in the carrying values on the balance sheet as a result of inflation adjustments on financial statements in accordance with with the announcement made by the Board.

Inflation adjustment of share Premium differences is stated in previous years' profit / (loss)

	31 December 2013	31 December 2012
Share Premium	48.000.000	-
TOTAL	**48.000.000**	-

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

	31 December 2013	31 December 2012
Beginning period balance	64.917	-
Current year actuarial gains / (losses)	40.638	64.917
TOTAL	**105.555**	**64.917**

Previous Years' Profit/Loss

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

Retained earnings	**31 December 2013 Balance**	**31 December 2012 Balance**
Retained earnings	(1.075.762)	(47.811)
Period profit/(loss)	15.610.016	(963.034)
Actuarial loss / income Fund	(105.555)	64.917
TOTAL	**14.428.699**	**1.075.762**

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30.EQUITY, RESERVES AND OTHER EQUITIES (Continued)

Minority Interests

Details of minority interests are shown below;

Minority Interests	31 December 2013	31 December 2012
Capital	849.335	59.907
Retained earnings	(107.418)	(54.862)
Period profit/(loss)	(24.676.554)	(996)
TOTAL	**(23.934.637)**	**4.049**

As of January, 27 2010 declaration of Capital Market Board; there is no minimum profit distribution for publicly traded stock corporations' distribution of profits obtained from their operations. Within this scope, profit distributions are implemented as of Capital Market Board's IV, 27 serial numbered notice, judgments on articles of partnership and profit distribution policies disclosured by companies.

The Affect Of Business Combinations Including Common Controlled Entity or Companies

Acconting 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 26.405.410 TL result from acqusition of companies under common control was shown under equity on a offset account called " Affect of Busines Combinations Including Common Controlled Entity or Companies" as of 31 December, 2013.

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 contacts, mentioned group has the control power to manage opeartional and finacial politics of the companyin 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.

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30.EQUITY, RESERVES AND OTHER EQUITIES (Continued)

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, 2012. Goodwill amounts are reclassified at Equity under Affect of Busines Combinations Inccluding Common Controlled Entity or Companies" account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

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
Voytron Elektrik	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
Ena Elektrik	32.270	(35.063)	67.333
Yel Enerji	-	(96.256)	96.256
Total	**25.661.586**	**(743.824)**	**26.405.410**

31. REVENUE AND COST OF GOODS SOLD

Details of sales are given below;
Revenue

	January 01 – December 31, 2013	January 01 – December 31, 2012
Domestic sales	600.967.134	174.789.334
Free Consumer Electricity Sales	*367.520.068*	*67.647.177*
Electricity Sales income from TEİAŞ	*192.571.780*	*101.664.321*
Bilateral Agreements Electricity Sales	*40.875.286*	*5.477.835*
Energy Imbalance	-	-
Sales returns	(1.158.925)	(195.948)
Sales discounts	(104.595)	(27.387)
Total	**599.703.615**	**174.565.999**

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31. REVENUE AND COST OF GOODS SOLD (Continued)

The details of sales arise from production are given below:

	January 01 – December 31, 2013	January 01 – December 31, 2012
Domestic sales	189.666.000	106.137.191
Free Consumer Electricity Sales	186.965.706	100.659.356
Electricity Sales income from TEİAŞ	1.915.612	-
Bilateral Agreements Electricity Sales	784.682	5.477.835
Energy Imbalance	-	-
Sales returns	-	-
Total	**189.666.000**	**106.137.191**

(*)90% of the sales from production activity is made to Türkiye Elektrik İletim A.Ş.

The details of sales from wholesale activity are shown below;

	January 01 – December 31, 2013	January 01 – December 31, 2012
Domestic sales	411.301.135	68.652.143
Free Consumer Electricity Sales	*365.604.457*	*67.647.177*
Electricity Sales income from TEİAŞ	*5.606.075*	*1.004.965*
Bilateral Agreements Electricity Sales	*40.090.603*	-
Energy Imbalance	-	-
Sales returns	(1.158.925)	(195.948)
Sales discounts	(104.595)	(27.387)
Total	**410.037.615**	**68.428.808**

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31. REVENUE AND COST OF GOODS SOLD (Continued)

List of top ten firms of wholesale activity between January 1, - December 31, 2013 period are as follow;

Title	Ratio
Türk Telekom A.Ş.	38%
İkitelli Organize Sanayi Bölgesi Başkanlığı	25%
Avea İletişim Hizmetleri A.Ş.	19%
Dicle Elektrik Perakende Satış A.Ş	3%
Ic İçtaş Elektrik Toptan Satış Ve Ticaret Aş.	1%
Boğaziçi Elektrik Perakende Satış A.Ş	1%
Aydem Elektrik Perakende Satış Aş.	1%
Bir Enerji Elektrik Toptan Satış İth.İhr. A.Ş.	1%
Koton Mağazacılık Tekstil Sanayi Ve Ticaret A.Ş.	1%
Meram Elektrik A.Ş.	1%
Other Companies	9%

Cost of goods sold consists of following;

	January 01 – December 31, 2013	January 01 – December 31, 2012
Cost of goods sold (production)	152.575.340	79.936.406
Cost of goods sold (trade)	396.920.793	64.508.239
TOTAL	**549.496.133**	**144.444.645**

32. CONSTRUCTION CONTRACTS

None. (None ,December 31, 2012.)

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

	January 01 – december 31, 2013	January 01 – december 31, 2012
General administration expenses	4.463.611	1.009.722
Marketing, sales and distribution expenses	2.310.954	242.316
TOTAL	**6.774.565**	**1.252.038**

Marketing, sales and distribution expenses

Details of marketing, sales and distribution expenses according to their nature between 1 January –31 December , 2013 and 1 January –31 December, 2012 periods are like below;

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33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)

	January 01 – december 31, 2013	January 01 – december 31, 2012
Tax expenses	1.152.927	126.245
System Usage Fee	564.259	-
Electricity sales commission expense	237.323	21.457
Consultancy expenses	88.806	-
Travel expenses	71.739	7.203
Other	68.004	5.600
Personnel expenses	55.708	49.887
Annual license costs	35.162	-
Fuel expense	23.137	3.749
Car rental expense	13.890	2.530
Shipping expense	-	25.645
TOTAL	**2.310.954**	**242.316**

Details of general administration expenses according to their nature 1 January – 31 December 2013, and 1 January – 31 December 2012, periods are as below;

General Administration Expenses

	January 01 – December 31, 2013	January 01 – December 31, 2012
Personnel expense	2.083.077	326.183
Travel expenses	485.700	11.711
Rent expense	397.158	48.081
Other expenses	372.437	51.194
Amortization expense	256.249	39
Tax expenses	206.030	74.217
Accounting Financial Consultancy Expenses	169.768	-
Shipping expense	159.624	-
Consultancy Expenses	148.695	130.709
Representation entertainment expenses	62.805	96.145
Notary expenses	50.828	14.688
Provision for unused vacation	40.957	27.341
Fuel expense	24.908	16.063
Insurance expense	4.901	2.718
Severance payment provisions	474	-
Common expenses contributions	-	210.633
TOTAL	**4.463.611**	**1.009.722**

There is no Research and Development Expenses belong to date of 1-31 December 2013 and 1-31 December 2012.

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34. OTHER OPERATIONAL INCOME AND EXPENSE

Other Operational Incomes

	01 Jan - 31 Dec 2013	01 Jan - 31 Dec 2012
Exchange rate income	1.494.963	1.100.118
Rediscount interest income	770.401	28.584
Prior Year Revenues and Profits	354	22.677
Other Income and Profits related to operations	318.971	266.750
Provisions no longer required	385.594	-
Other Extraordinary Income	327.596	93.067
TOTAL	**3.297.879**	**1.511.196**

Other Operational Expenses

	01 Jan - 31 Dec 2013	01 Jan - 31 Dec 2012
Exchange rate expense	2.147.243	51.619
Rediscount interest expense	958.379	54.282
Other Extraordinary Expenses and Losses	3.254.208	41.608
Prior Period Expenses and Losses	1.000	336
Provision for Doubtful Receivables	532.941	96.693
TOTAL	**6.893.771**	**244.538**

35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investing activities

	01 Jan - 31 Dec 2013	01 Jan - 31 Dec 2012
Gain on sale of fixed assets	8.202	-
Negative goodwill (*)	260.720.238	-
TOTAL	**260.728.440**	-

(*) 260.720.238 TL amount is the Negative Goodwill which is related to valuation of Çan Kömür and İnşaat A.Ş. (Note: 3)

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36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

Details of expenses according to principle types 1 January – 31 December 2013, and 1 January – 31 December 2012, periods are like below;

Depreciation and amortization expense	**01 Jan - 31 Dec 2013**	**01 Jan - 31 Dec 2012**
Cost of sales	3.571.000	2.648.353
General administration expenses	256.249	39
TOTAL	**3.827.248**	**2.648.392**

Personnel expenses	**01 Jan - 31 Dec 2013**	**01 Jan - 31 Dec 2012**
Cost of sales	1.029.126	758.609
Marketing, sales and distribution expenses	55.708	49.887
General operating expenses	2.083.077	326.183
TOTAL	**3.167.911**	**1.134.679**

Insurance Expenss	**01 Jan - 31 Dec 2013**	**01 Jan - 31 Dec 2012**
Cost of sales	505.665	387.234
General operating expenses	4.901	2.718
TOTAL	**510.566**	**389.952**

37. FINANCIAL EXPENSES AND INCOMES

Financial Expenses

	01 Jan - 31 Dec 2013	**01 Jan - 31 Dec 2012**
Foreign exchange losses	39.701.797	5.620.559
Rediscount interest expenses	-	45.540
Interest and commission expenses	25.454.472	13.317.192
TOTAL	**65.156.269**	**18.983.291**

According to IAS-39 Financial Instruments Standards, used as fair value hedges of foreign currency denominated loans to the use of the TL was accounted for as profit or loss, the difference.
The company was started in May 2011 cycle power plant has been used for the construction of Euro bank loans. In relation to this loan in accordance with IAS-23 Borrowing Costs power plant has been identified as being featured. Accordingly, as used for the loans incurred interest expense until the date of activation cycle power plant costs are taken into account as expense after the date of activation. These exchange differences on loans as the related income and expenses are taken into account.
1 natural gas combined cycle power plant stage in November 2011, 2 stage is activated in April 2012, 3 place in October 2013 have been capitalized. Natural gas power plant financing costs capitalized in the year 2012 for £ 1,561,026, while for the year 2013 amounted to £ 300,781.38.

37.FINANCIAL EXPENSES AND INCOMES (Continued)

Financial Expenses

	01 Jan - 31 Dec 2013	01 Jan - 31 Dec 2012
Interest income	8.292.207	3.446.075
Gain on sale of marketable securities	48	-
Foreign exchange gain	7.502.487	7.548.998
Rediscount interest income	-	276.820
TOTAL	**15.794.742**	**11.271.893**

38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

Details of other comprehensive incomes/(expense) 1 January – 31 December 2013, and 1 January – 30 June 2012, periods are like below;

Not reclassified on gain/(loss)	01 Jan - 31 Dec 2013	01 Jan - 31 Dec 2012
Actuerial gains/(loss)(Note:27)	50.798	81.146
Deferred tax revenue/(expense)(Note:40)	(10.160)	(16.229)
TOTAL	**40.638**	**64.917**

39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (None, 31 December 2012)

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

Tax expense/income in comprehensive income statement for periods ended at 31 December 2013 - 31 December 2012, is like below:

	31 Dec 2013	31 Dec 2012
Tax expense for the period	-	(899.148)
Deferred tax income/ expense	(58.445.077)	(6.021.962)
Deferred tax reflected in equity (*)	10.160	16.229
Deferred Tax Liability	**(58.434.917)**	**(6.904.881)**

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

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

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.

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.

Investment Allowance

Investment discount is outlaw effective as of January 01, 2006.However, in cases where company's taxable profit is not enough to recover the amount of investment discount which company did not get benefit as of December 31, 2005, this investment discount can be carry forward in order to be deducted from future taxable profit of company. Moreover this deduction can be made only for profit earned for the years 2006, 2007 and 2008.Investment discount which could not deduct from profit earned for the year 2008 cannot be carry forward for future periods. As of October 15, 2009 there was a lawsuit in constitutional court related to not to carry forward this investment discount. According to decision of this law suit, time limitation was no longer applicable for carry forward for future periods because of constitutional rights. As a result of this:

a- Investments which will start after January 1, 2006 in same scope with already started applications which are made before April 24, 2003,

40. INCOME TAXES (INCULUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

b- In scope of cancelled article numbered as 19 in Income Tax Law, exception amount of investment discount cannot be subjected to any withholding tax. According to the acts which are effective before July 24, 2003, in case of using the right of earned investment discount, company will make withholding tax as rate of 19, 8% on used investment discount exception without distributing or not distributing of profit.

According to Turkish Tax Regulations, loss without exceeding 5 years can be discounted from corporate income for the period. However loss cannot be discounted from previous year profits.

There is not any application which consists of agreement between companies and tax authority about payables taxes in Turkey. Declaration of corporate tax has to give to related tax authority of company in twenty fifth day of forth month of closed period. Moreover, tax authority can check company records for 5 years and if there is a mistake, amount of taxes payables can be changed.

Current period tax expense:

A new regulation has been done for applying aforesaid investment discount for 2010 and following years gains by law issued in August 1, 2010 dated 6009 numbered official gazette The investment allowance can be used up to %19,8 of the profit with this arrangement.

	01 Jan-31 Dec.2013	01 Jan-31 Dec 2012
Profit/loss before tax	(11.869.225,39)	(9.197.585)
Non-deductible expenses	3.682.632,44	146.927
To be offset prior year losses	8.186.592,95	(230.856)
Corporate tax base	-	-
Corporate Tax Provision	-	899.148(*)
Income Tax Expense	-	**899.148(*)**

(*)Consolidated tax expense in the current period, the Group's Corporate Tax Base in the table despite the lack of subsidiaries consisting of Voytron Elektrik 01.01.2012 - 31.12.2012 period of financial profit tax provision amounting to TL 899,148 has occurred.

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%.

Detail of accumulated temporary differences using tax rates of deferred tax assets and liabilities as of December 31, 2013, and December 31, 2012 is as below:

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40. INCOME TAXES (INCULUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

	Accumulated Temporary Differences		Tax Rate	Deferred Tax Assets / (Liabilities)	
Deferred Tax Assets / (Liabilities)	**Dec 31,2013**	**Dec 31,2012**		**Dec 31,2013**	**Dec 31,2012**
Interest Accrual Loans and Leasing	348.305	2.092.645	20%	69.661	418.529
Fixed Assets	(30.860.620)	(29.854.316)	20%	(6.172.124)	(5.970.863)
Severance Indemnities and Provisions	287.680	91.679	20%	57.536	18.336
Rediscount	(117.416)	(252.663)	20%	(23.483)	(50.533)
Doubtful Receivables	532.940	385.594	20%	106.588	77.119
Establishment and Formation Expenses	9.675	-	20%	1.935	-
Income Accruals	(229)	-	20%	(46)	-
negative Goodwill (Note:3)	(260.720.238)	-		(57.980.846)	-
	(290.519.903)	**(27.486.744)**		**(63.940.779)**	**(5.497.348)**

Odaş Deferred Tax Assets / Liabilities	**Dec 31,2013**	**Dec 31,2012**
Opening balance	(5.470.908)	476.515
Current year deferred tax gain/(loss)	(58.441.357)	(5.943.250)
Deferred tax reflected in shareholders' equity	9.903	(4.173)
Deferred Tax Assets / (Liabilities)	**(63.902.362)**	**(5.470.908)**

Subsidiaries Deferred Tax Assets / Liabilities	**Dec 31,2013**	**Dec 31,2012**
Balance from the previous period, the deferred tax	(26.441)	-
PurchasedCompany prior period deferred tax	(8.514)	-
The company purchased the deferred tax income / (expense)	(3.720)	(14.385)
Deferred tax in equity	257	(12.056)
Deferred Tax Assets / (Liabilities)	**(38.418)**	**(26.441)**

Subsidiaries Deferred Tax Assets (*)	**Dec 31,2013**	**Dec 31,2012**
Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş.	84	-
Voytron Elektrik Toptan Satış Dış Tic. A.Ş.	63.377	-
Deferred Tax Assets	**63.461**	-

(*)Subject to consolidation of the Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş. and Voytron Elektrik Toptan Satış Dış Tic. A.Ş. existing at the date of 31.12.2013 is the amount of deferred tax assets.

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41.EARNING PER SHARE

	Dec 31,2013	Dec 31,2012
Net profit /(loss)	192.812.525	15.504.460
Weighted average number of ordinary share	37.000.000	30.000.000
Profit/(loss) per share with nominal value of 1 TRY	**5,211149**	**0,516815**

42.SHARE-BASED PAYMENT

None. (None, 31 December 2012 .)

43.INSURANCE CONTRACTS

None. (None, 31 December 2012 .)

44.THE EFFECT CHANGES IN OF FOREIGN EXCHANGE RATE

None. (None, 31 December 2012.)

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 IAS 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 unnecessery 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 (IAS 29) that is published by IASC, were not applied.

46.DERIVATIVE INSTRUMENTS

None. (None, 31 December 2012.)

47.FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

	December 31,2013	December 31,2012
Bank loans	-	2.699
Finance lease liabilities (*)	18.596.738	7.871.784
Deferred lease costs (-) (**)	(6.653.708)	(7.412.923)
Installments of principal and interest of loans	33.284.810	34.486.037
Short-Term Financial Liabilities - Net	**45.227.840**	**34.947.597**

*(*)*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.

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47. FINANCIAL INSTRUMENTS (Continued)

Long-Term Financial Liabilities

	December 31,2013	December 31,2012
Bank loans	67.343.603	69.770.825
Finance lease liabilities (*)	64.367.560	66.442.069
Deferred lease costs (-) (**)	(8.827.618)	(12.398.240)
Long-Term Financial Liabilities - Net	**122.883.545**	**123.814.654**

(*)Finance lease liabilities: Tenants who lease maturity of one year and the debt which is to be monitored.
(**)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, 2013 redemption schedule of long-term liabilities are as follows:

Liabilities Long-Term Loans	December 31,2013
2015	31.754.375
2016	27.659.622
2017	5.204.921
2018	833.764
2019	765.084
2020	700.907
2021	424.930
Total	**67.343.603**

As of December 31, 2013 redemption schedule of long-term finance lease liabilities is as follows:

Payment Year	Finance Lease Obligations	Deferred Financial Leasing Costs
2015	18.390.653	4.076.238
2016	18.390.653	2.889.175
2017	18.390.653	1.579.667
2018	9.195.602	282.538
Total	**64.367.560**	**8.827.618**

Other Financial Liabilities

	December 31,2013	December 31,2012
Other financial liabilities (*)	58.759	-
Total	**58.759**	-

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

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47. FINANCIAL INSTRUMENTS(Continued)

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

	The annual interest rate %		Foreign Currency Value		TRY	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
TRY Credits	11-15%	11-15%	-	-	135.016	2.699
Short-term Credits			-	-	**135.016**	**2.699**
Euro Credits	6%-9%	6%-9%	11.288.879	9.298.701	33.149.794	21.867.755
Try Credits	11%-15%	11%-15%	-	-	-	12.618.282
Short-term portion of loans and interest rates			**11.288.879**	**9.298.701**	**33.149.794**	**34.486.037**
Total Short-term Credits			**11.288.879**	**9.298.701**	**33.284.810**	**34.486.037**
Euro Credits	6%-9%	6%-9%	22.923.228	29.632.577	67.314.060	69.686.932
Try Credits	11%-15%	11%-15%	-	-	29.543	83.893
Total Long-term Credits			**22.923.228**	**29.632.577**	**67.343.603**	**69.770.825**

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48. FINANCIAl RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit Risk

Credit risk of the Group for each financial instruments type as December 31, 2013 are as follows:

December 31, 2013	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) *	-	**33.238.324**	**8.370.563**	**1.414.772**	**52.308.002**	-	**1.103.762**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	-	-	-	190.835	-	-	-
A. Neither due Nor impaired	-	29.128.297	8.370.563	1.223.937	52.308.002	-	1.103.762
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	4.110.027	-	-	-	-	-
D.Impaired	-	-	-	-	-	-	-
-Past due (gross book value)	-	532.941	-	-	-	-	-
-Impairment (-)	-	*(532.941)*	-	-	-	-	-
- 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)

Credit risk of the Group for each financial instruments type as December 31, 2012 are as follows:

December 31, 2012	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) *	-	**22.094.062**	**6.311.108**	**103.985**	**48.207.313**	-	**5.413.868**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	-	-	-	-	-	-	-
A. Neither due Nor impaired	-	21.440.444	6.308.328	103.985	48.207.313	-	5.413.868
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	653.618	2.780	-	-	-	-
D.Impaired	-	-	-	-	-	-	-
-Past due (gross book value)	-	385.594	-	-	-	-	-
-Impairment (-)	-	*(385.594)*	-	-	-	-	-
- 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.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Past due but not impaired related to the aging of assets is as follows.

December 31, 2012	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	other Parties	Related Parties	other Parties			
Overdue 1-30 days past	-	2.605.672	-	-	-	-	-
Overdue 1-3 months	-	824.188	-	-	-	-	-
3-12 months overdue	-	680.167	-	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue for more than 5 years	-	-	-	-	-	-	-
The part secured by guarantee etc.	-	-	-	-	-	-	-
Total	-	**4.110.027**	-	-	-	-	-

December 31, 2012	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	other Parties			
Overdue 1-30 days past	-	484.387	-	-	-	-	-
Overdue 1-3 months	-	-	-	-	-	-	-
3-12 months overdue	-	169.231	2.780	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue for more than 5 years	-	-	-	-	-	-	-
The part secured by guarantee etc.	-	-	-	-	-	-	-
Total	-	**653.618**	**2.780**	-	-	-	-

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity Risk

Liquidity table related to derivative and non-derivative financial liabilities is presented below:

December 31, 2013

Contractual maturities	Book Value	Contractual cash outflows (= I + II + III + IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	Longer than5 years (IV)
Non-derivative financial liabilities	**261.511.140**	**261.511.140**	**78.467.250**	**43.781.698**	**139.262.192**	-
Bank loans	99.868.547	99.868.547	5.924.712	21.404.755	72.539.080	-
Finance lease liabilities	82.964.297	82.964.297	4.752.225	13.844.512	64.367.560	-
Trade payables	37.599.261	37.599.261	36.017.179	1.582.082	-	-
Other payables	41.079.034	41.079.034	31.773.133	6.950.349	2.355.552	-
Contract based maturities	**Book Value**	**Contractual cash outflows (= I + II + III + IV)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years (III)**	**Longer than5 years (IV)**
Derivative Financial Liabilities (Net)	-	-	-	-	-	-
Derivative cash inflows	-	-	-	-	-	-
Derivative cash outflows	-	-	-	-	-	-

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

December 31, 2013

Contractual maturities	Book Value	Contractual cash outflows (= I + II + III + IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	Longer than 5 years (IV)
Non-derivative financial liabilities	**202.362.203**	**199.984.157**	**52.536.448**	**23.635.039**	**122.333.667**	**1.479.003**
Bank loans	104.259.561	104.259.561	16.137.638	18.353.082	68.289.838	1.479.003
Finance lease liabilities	54.502.690	54.502.690	110.988	347.873	54.043.829	
Trade payables	35.916.012	35.916.012	35.569.727	346.285	-	
Other payables	7.683.940	5.305.894	718.095	4.587.799	-	
Contract based maturities	**Book Value**	**Contractual cash outflows (= I + II + III + IV)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years (III)**	**Longer than 5 years (IV)**
Derivative Financial Liabilities (Net)	-	-	-	-	-	-
Derivative cash inflows	-	-	-	-	-	-
Derivative cash outflows	-	-	-	-	-	-

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market Risk

The probability of loss sourced by risk arises from interest, exchange difference and change in share price because of fluctuations in the financial market in financial statement accounts and other accounts.

Interest Position Table

	December 31,2013	December 31,2012
Fixed rate financial instruments	**220.574.814**	**206.969.564**
- Financial assets	52.404.670	48.207.313
- Financial liabilities	168.170.144	158.762.251
Floating rate instruments	-	-
- Financial assets	-	-
- Financial liabilities	-	-
Total	**220.574.814**	**206.969.564**

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CURRENCY POSITION STATEMENT								
	2013				2012			
	TRY (Functional Currency)	USD	EURO	GBP	TRY (Functional Currency)	USD	EURO	GBP
1. Trade Receivables								
2a. Monetary Financial Assets (Cash,	7.404.369	18.099	2.507.894	375	7.258.221	4.071.591	86	-
Bank accounts)	-	-	-	-	4.204.885	2.264.100	71.820	-
2b. Non-monetary financial assets	7.112.481	1.200.698	1.549.407	-	91	-	39	-
4. Current assets (1 +2 +3)	**14.516.850**	**1.218.797**	**4.057.300**	**375**	**11.463.197**	**6.335.691**	**71.945**	-
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Fixed Assets (5 +6 +7)	-	-	-	-	-	-	-	-
9. Total Assets (4 +8)	**14.516.850**	**1.218.797**	**4.057.300**	**375**	**11.463.197**	**6.335.691**	**71.945**	-
10. Trade Payables	1.070.710	-	364.621	-	**705.438**	-	**299.969**	-
11. Financial Liabilities	52.454.113	-	17.862.800	-	7.784.525	-	3.310.170	-
12a. Monetary other liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
13. Short-term liabilities (10 +11 +12)	**53.524.822**	-	**18.227.421**	-	**8.489.963**	-	**3.610.139**	-
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	145.702.074	-	49.617.597	-	74.369.631	-	31.623.775	-
16a. Monetary other liabilities	-	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
17. Long-Term Liabilities (14 +15 +16)	**145.702.074**	-	**49.617.597**	-	**74.369.631**	-	**31.623.775**	-
18. Total Liabilities (13 +17)	**199.226.896**	-	**67.845.018**	-	**82.859.594**	-	**35.233.914**	-
19. The 19th-balance sheet derivatives Net Asset / (Liability) Position (19a-19b)	-	-	-	-	-	-	-	-
19a. Total Amount of Hedged	-	-	-	-	-	-	-	-
19b. Amount of Hedged Liabilities	-	-	-	-	-	-	-	-
20. Net foreign currency asset /(liability) Position (9-18+19)	**(184.710.046)**	**1.218.797**	**(63.787.718)**	**375**	**(71.396.397)**	**6.335.691**	**(35.161.969)**	-
21. Monetary Items Net foreign currency asset /(Liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(191.822.527)	18.099	(65.337.125)	375	(75.601.373)	4.071.591	(35.233.828)	-
22. Total fair value of financial instruments usec	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	-	-	-	-	**9.408.023**	**408.170**	**3.691.125**	-

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES(Continued)

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
December 31, 2013				
	Profit / Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TL;				
1 - Net asset / liability of USD	1.462.556	(1.462.556)	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net effect of U.S. Dollar (1+2)	**1.462.556**	**(1.462.556)**	-	-
Change in 20% of the EURO against TL;				
4 - Net asset / liability of EUR	(76.545.262)	76.545.262	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO(4+5)	**(76.545.262)**	**76.545.262**	-	-
Change in 20% of the GBP against TL;				
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)	**(75.082.255)**	**75.082.255**	-	-

December 31, 2012				
	Profit / Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TL;				
1 - Net asset / liability of USD	13.552.804	(13.552.804)	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- ABD Doları Net Etki (1+2)	**13.552.804**	**(13.552.804)**	-	-
Change in 20% of the EURO against TL;				
4 - Net asset / liability of EUR	(99.228.481)	99.228.481	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO(4+5)	**(99.228.481)**	**99.228.481**	-	-
Change in 20% of the GBP against TL;				
7- Other foreign currency net asset / liability	-	-	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP(7+8)	-	-	-	-
TOTAL (3+6+9)	**(85.675.677)**	**85.675.677**	-	-

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital Risk Management

Group manages its capital on one hand, while trying to ensure continuity of operations , on the other hand , using the most efficient balance of debt and equity aims to increase profitability.

The Group's capital structure; Note 47 as described in the financial liabilities , including borrowings , Note: 53 is described in cash and cash equivalents Note 30 as described in the paid-up capital , capital reserves, profit reserves and retained earnings in equity comprising consist of .

Together with the Group's cost of capital and the risks associated with each class of capital is evaluated by senior management . Top management assessment , based on the capital structure of new debt or the redemption of existing debt as well as the payment of dividends , new share issues to keep in balance by aims .

Group long-term Euro loan was for investment . Borrowing the structure of existing investments, investment holding period equivalent to the short-term borrowing is trying to minimize the burden . As these loans are loans that use the euro is used as TL potential risks are accounted for as described in Note 37 .

Capital Risk Management

	December 31, 2013	December 31, 2012
Financial and trade payables	205.490.316	194.678.263
Cash and cash equivalents	(52.404.670)	(48.207.313)
Net liability	**153.085.646**	**146.470.950**
Total shareholders' equity	294.664.896	44.367.830
Net liabilities/ total equity ratio	**52%**	**330%**

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

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

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.

Derivative Financial Instruments (Futures Agreements)

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

50. SUBSEQUENT EVENTS

1) Total cost of 51.002.373 EUR and fixed rate of 8,15% project finance credit and finance lease payables were paid by amount of 49.002.373 EUR. Paid amount met by a new credit used from Yapı Kredi Bankası A.Ş. And refinancing conditions are; installments will be once each 6 months, duration of payment was exceeded to six years. Interest ratio has decreased to +6% despite market conditions.

2) The upper limit of registered capital was increased to 210.000.000 TL and approved by Capital Market Board dated 03.03.2014 and numbered 435-2166. Increase amount will be applicable between 2014-2018 for five years.

3) Severance payment limit is determined as 3.438,22 TL as at January 1,2014

4) Profit before interest amortization and tax expense is amount of 47.249,818 TL.

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

None. (None December 31, 2012.)

52. IMPLEMENTATION OF TAS

None.

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53. EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalents

	December 31, 2013	December 31, 2012
Cash	96.668	-
Bank	52.308.002	35.207.315
-Demand deposit	*4.130.647*	*90.847*
-Time deposit	*48.177.355*	*33.190.229*
-Repo	-	*1.926.239*
Other Current Assets	-	12.999.998
- Gold-time deposits	-	*12.999.998*
TOTAL	**52.404.670**	**48.207.313**

As of December 31, 2013 are not blocked deposits of the Group. (31 December 2012)

As of December 31, 2013, there is no term gold deposits, as of December 31, 2012 Details of the term gold deposit amount is presented below:

Gold deposits	Gram	Maturity	Interest rate	December 31, 2012 TL
XAU	127.263,81	02.01.2013	1,04%	12.999.998
TOTAL				**12.999.998**

Amount of time deposits as of 31 December 2013 concerning the details are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2013 TL
TRY	31.01.2014	8,05%	1.600.000
TRY	02.01.2014	9,00%	13.000.000
TRY	02.01.2014	6,00%	6.000.000
TRY	02.01.2014	6,50%	9.982.509
TRY	02.01.2014	7,50%	2.008.386
TRY	02.01.2014	6,83%	1.414.117
TRY	02.01.2014	6,00%	400.000
TRY	02.01.2014	6,50%	125.000
TRY	02.01.2014	7,50%	179.838
TRY	02.01.2014	7,50%	1.507.276
TRY	02.01.2014	6,60%	1.200.000
TRY	02.01.2014	3,50%	193.276
TRY	02.01.2014	5,00%	134.284
TRY	02.01.2014	5,50%	86.000
TRY	02.01.2014	6,83%	1.645.200
TRY	02.01.2014	6,50%	90.000
TRY	02.01.2014	6,50%	435.186
TRY	02.01.2014	5,50%	85.000
TRY	02.01.2014	6,50%	780.345
TOTAL			**40.866.418**

53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

Currency Time Deposits	Maturity	Interest rate	31.12.2013 EUR	31.12.2013 TRY
TRY	23.01.2014	2,86%	1.328.247	3.900.397
TRY	02.01.2014	3,27%	876.430	2.573.637
TRY	02.01.2014	4,00%	285.000	836.903
TOTAL			**2.489.677**	**7.310.937**

As at December 31, 2012 amounting details on time deposits are as follows:

Currency Time Deposits	Maturity	Interest rate	31.12.2012 TRY
TRY	25.01.2013	6,73%	3.200.000
TRY	03.01.2013	5,00%	2.030.000
TRY	02.01.2013	5,00%	2.881.076
TRY	02.01.2013	6,00%	5.680.000
TRY	02.01.2013	4,75%	264.000
TRY	02.01.2013	6,05%	695.000
TRY	02.01.2013	6,00%	2.186.799
TRY	03.01.2013	8,00%	9.000.000
TOTAL			**25.936.875**

Currency Time Deposits	Maturity	Interest rate	31.12.2012 USD	31.12.2012 TRY
USD	03.01.2013	3,16%	1.678.885	2.992.781
USD	03.01.2013	3,16%	200.434	357.294
USD	07.01.2013	3,15%	2.189.654	3.903.278
TOTAL				**7.253.353**

Repo Currency Deposits	Maturity	Interest rate	31.12.2012 TRY
TRY	01.01.2013	13,34%	1.393.795
TRY	01.01.2013	13,34%	532.444
TOTAL			**1.926.239**

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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 July 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.

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