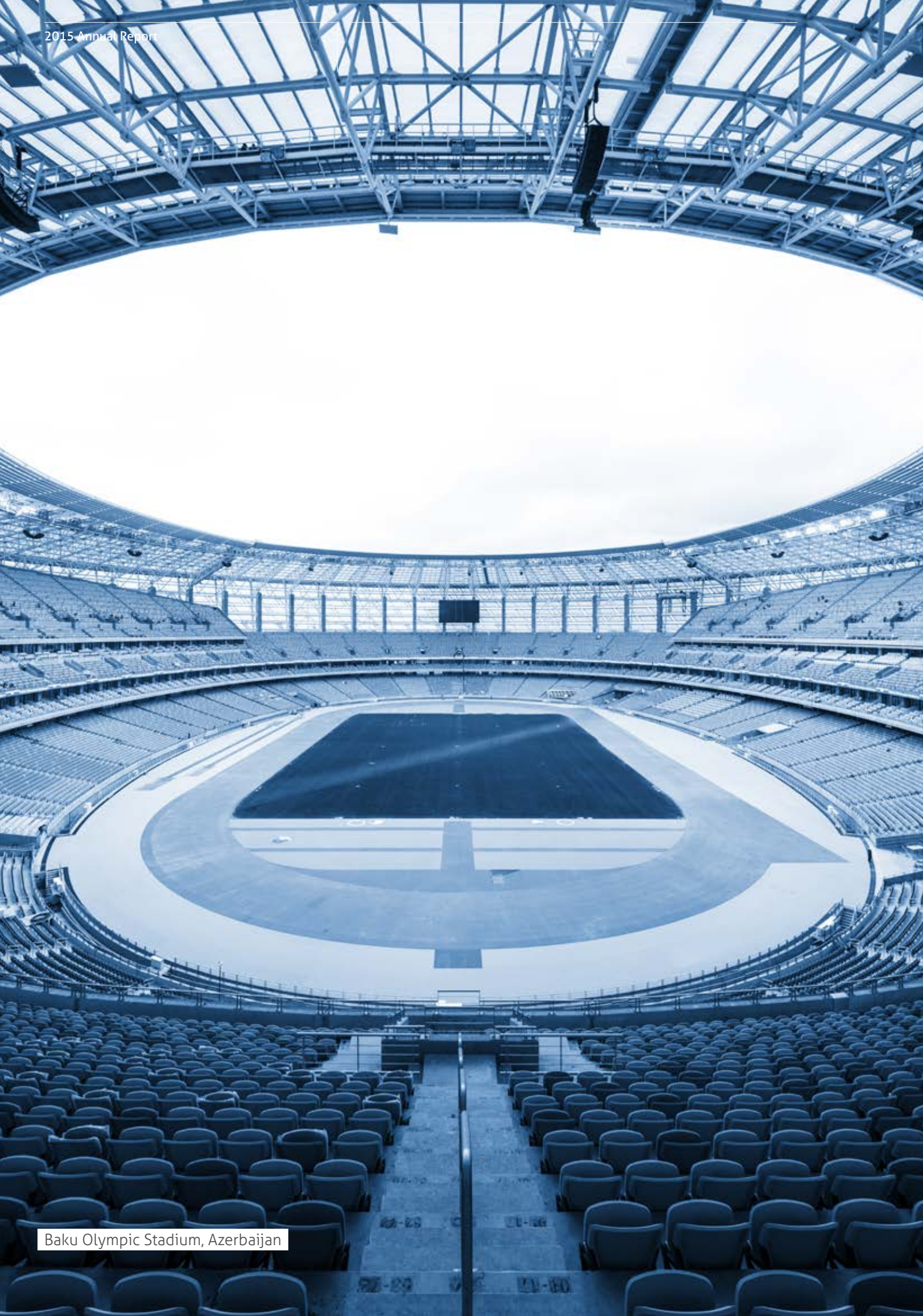


# ANEL ELEKTRIK ANNUAL REPORT 2015







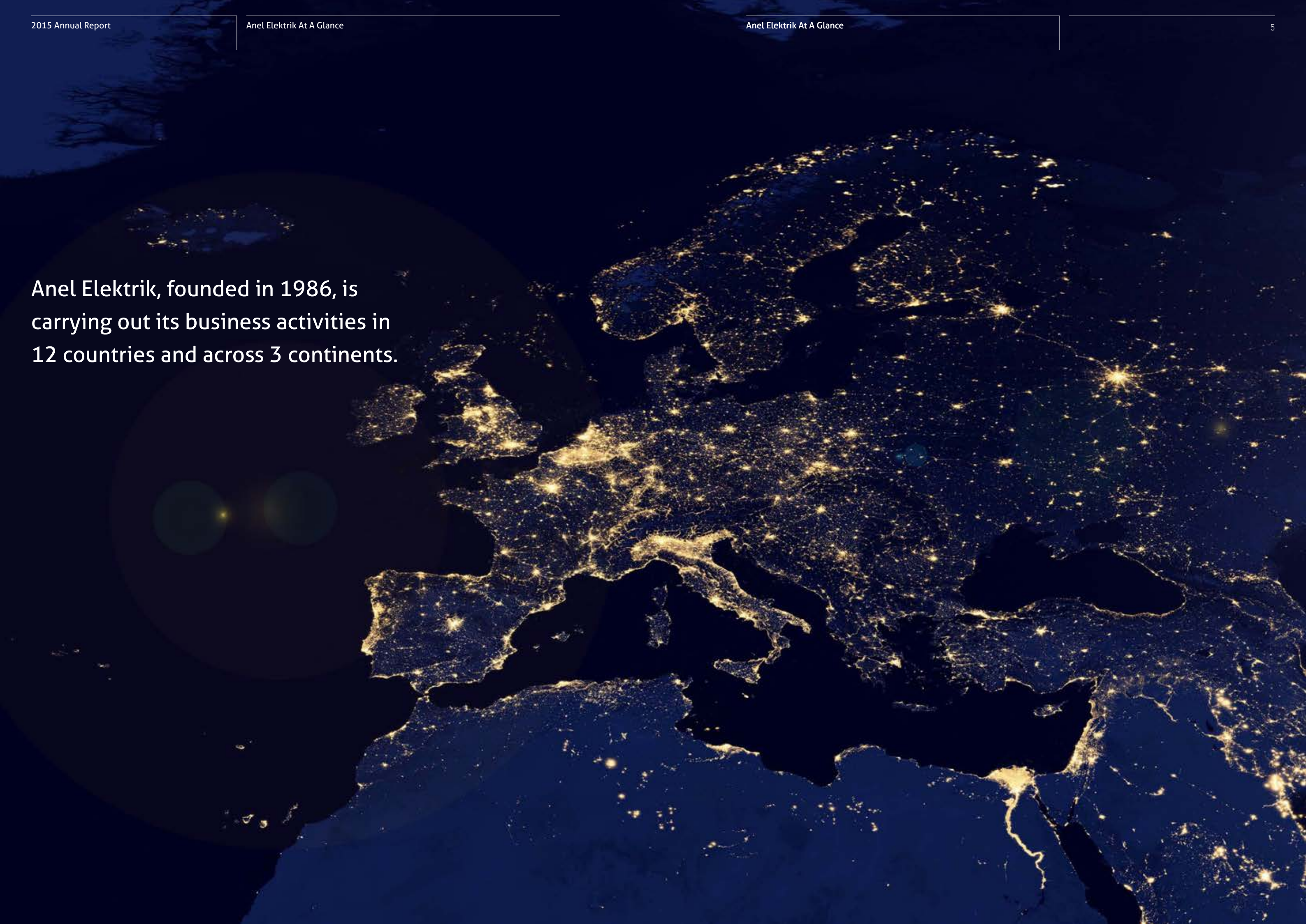
Baku Olympic Stadium, Azerbaijan

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Anel Elektrik, founded in 1986, is carrying out its business activities in 12 countries and across 3 continents.





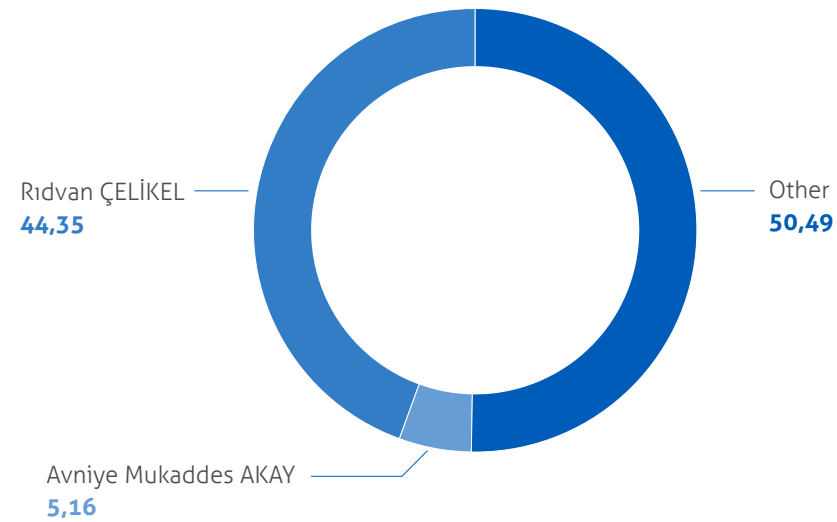
## Anel Elektrik at a Glance

The foundation of Anel Group dates back to 1986, the year that Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. was established. In addition to its core business of electrical and mechanical contracting, Anel Group offers solutions in operations & maintenance, renewable energy, recycling, low voltage distribution panels and marine electrical & electronic systems.

With its eleven subsidiaries, five affiliates and three overseas branches, Anel Group is Turkey's leading electromechanical contracting company that has successfully carried out several high-profile domestic and international projects. Anel Elektrik is the flagship company of Anel Group, which is one of Turkey's pioneering engineering and technology conglomerates. Following its IPO on June 16, 2010, Anel Elektrik began trading on Borsa Istanbul, under the ticker "ANELE". With a capital of 110,000,000 Turkish lira, 50.58 % of the company's shares is free-floating.

### Shareholder Structure

Shareholder's Full Name	Share Amount (TL)	Share Ratio (%)
Rıdvan ÇELİKEL	48.780.773,00	44,35
Avniye Mukaddes AKAY	5.677.038,58	5,16
Other	55.542.188,43	50,49
Total	110.000.000,00	100



The upper limit of Anel Elektrik's registered capital is **TRY 200,000,000**. The company operates in **12 countries** and across 3 continents through its subsidiaries.

## Subsidiaries, Affiliates And Branches

Commercial Name	Areas of Operations	Shareholder Ratio (%)	Shareholder Kind
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Telecommunications, Electronics	24,68	Subsidiary
Anel Yapı Gayrimenkul A.Ş.	Real Estate Purchase and Sale	47,5	Affiliate
Anel Enerji Elektrik Üretim San. ve Tic. A.Ş.	Solar Energy Projects	70,5	Affiliate
Anel Marin Gemi Elektrik Elektronik Sistemleri Tic.ve San. A.Ş.	Marine Electrical and Electronic Systems	93	Affiliate
Anel Dar Libya Constructing & Services L.L.C.	Electrical Contracting	65	Affiliate
Anel Emirates General Contracting Limited L.L.C.	Electrical, Mechanical Contracting	49	Affiliate
Anel Engineering-Technological Company L.L.C.	Electrical Contracting	90	Affiliate
Dag-08 OOD	Solar Energy Projects	100	Affiliate
Golden Sun OOD	Solar Energy Projects	100	Affiliate
Anel Mep Maintenance And Operations L.L.C.	Design, Electrical, Mechanical Contracting and Maintenance	30	Subsidiary
Energinia Kompania Bonev EOOD	Solar Energy Projects	50	Subsidiary
Branches	Areas Of Operations		
Doha	Electrical, Mechanical Contracting		
Baku	Electrical, Mechanical Contracting		
Georgia	Electrical, Mechanical Contracting		
Russia	Electrical, Mechanical Contracting		





## Vision

To be the first choice of investors, employers and employees in electromechanical contracting sector.

## Mission

We aim to be the first choice in electromechanical contracting sector and provide our customers with the most reliable and quality service. We also aim to maintain sustainability by taking on efficient and simple risk, cost, and cash management in our projects; and continuous improvement by providing different project experiences and knowledge sharing to our employees. We would like to play a key role by maintaining sustainable win-win relationships with mutual trust between the material and service suppliers.



## Areas Of Operation

Anel Elektrik has successfully implemented many domestic and international electromechanical systems on a national and international level within the scope of its core business in electromechanical contracting.

In addition to domestic & international electrical and mechanical contracting services, Anel is one step ahead of its competitors with its maintenance and management team ensuring project continuity and maximum efficiency.

Anel Elektrik is a Turkish company that is competent enough to participate in the international tenders as a sole bidder with its ability to provide both electrical and mechanical contracting services simultaneously.

Anel Elektrik has nowadays become a well-known brand both domestically and internationally due to success achieved by having completed 9 airport projects in 13 years, 6 of which were carried out simultaneously.

Anel has completed widely appreciated projects that required special expertise like Abu Dhabi, Hamad, Tbilisi, Batumi and Cairo International Airport projects abroad; and like Ankara Esenboğa and Izmir Adnan Menderes International Airports, Marmaray Rail Tube Tunnel Project, Turkcell Operation Centers, Kuyumcukent (Goldsmiths Center), Bayrampaşa Forum Mall, Four Seasons Bosphorus Hotel, Shangri La Hotel projects in Turkey.

Anel Elektrik stands out by establishing sustainable relationships with its customers through its quality-focused service approach with its 30 years of experience. Anel Elektrik continues its contracting services in Turkey as well as in Russia, Azerbaijan, Qatar and United Arab Emirates through successful partnerships with major contracting companies such as Bechtel, TAISEI, Hyundai and TAV.

*Anel Elektrik has nowadays become a well-known brand both domestically and internationally due to success achieved by having completed 9 airport projects in 13 years, 6 of which were carried out simultaneously.*

## Operation Map



### Ongoing Projects

- Azerbaijan
- United Arab Emirates
- Qatar
- Libya
- Turkey

### Completed Projects

- Azerbaijan
- Bulgaria
- Georgia
- Egypt
- Russia
- Ukraine
- Jordan



## Milestones

# 1986

## 1986

Anel Elektrik Proje ve Taahhüt A.Ş. was founded

Darlık Dam: First Project

## 1988

KAV Factory: First Industrial Facility

# 1990

## 1990

Foundation of AnelSis (Low Voltage Switchboard Production)

## 1991

Hürriyet Headquarters: Passage to Business Centers with Technological Infrastructure

## 1998

Foundation of Operation & Maintenance Unit

## 1999

Istanbul Atatürk International Airport: First International Airport in Turkey, First International Airport completed by Anel

Russia Tverskaya Hotel: First International Project

Foundation of Russia Office

Turkcell Maltepe Operation Center

# 2000

## 2000

Ford Otosan Gölcük Factory

## 2003

Foundation of AnelTech (Telecom Sector)

## 2005

Foundation of AnelMarin (Ship Electrical Electronic Systems)

Ankara Esenboğa International Airport

AnelTech's Public Offering

Egypt Cairo Airport: First Airport Project Abroad

## 2006

MİLGEM Project

Foundation of Qatar Office

## 2007

Hamad International Airport

## 2009

Transition to Electromechanical Contracting Structure

Foundation of AnelEnerji (Renewable Energy)

# 2010

## 2010

Cyprus Solar Power Plant Foundation

Anel Elektrik's Public Offering

## 2011

Marmaray BC1 Project: World's deepest submerged tube project

## 2012

BP Headquarters: First Project in Baku

## 2013

Abu Dhabi International Airport

Baku Olympic Stadium

## 2014

Ganjlik Mall – Biggest mall in Baku

## 2015

DP World Yarımcı Container Terminal: First Port Project

Qatar Redline South Subway Project (Conditional Letter of Award has been signed)



## Message from the Chairman



With Brent oil price per barrel dropping to an 11-year-low level, US Federal Reserve's (FED) decision to increase the interest rates after 9 years played a big role in shaping the world's economic structure in 2015. Macroeconomic data coming from Eurozone have continued to demonstrate a positive outlook in general with the support of low energy prices.

The main source of growth in 2015 in our economy was once again the domestic consumption, and net exports contributed positively to the growth. Together with downward trend in foreign trade deficit and upward trend in industrial production in 2015, current deficit fell to the lowest level since September 2010.

Anel Elektrik fulfilled its responsibilities thoroughly in Baku Olympic Stadium Project which has a capacity of 68.000 seats and was opened in 2015 and hosted its 1st European Olympic Games. After its success in Baku Olympic Stadium Project, our company is aiming to take part in stadium projects like the one that is planned to be built in Qatar for the 2022 FIFA World Cup.

In 2015, we continued our work in Ganjlik Mall project which is the largest shopping mall in Baku. We have added Port Project in Yarımca to our portfolio. The project is carried out by DP World, managing more than 70 ports in 6 continents of the World. We also aim to develop ourselves in port projects as a different type of business area.

As Anel Elektrik, after our success in Marmaray Project which was opened in 2013 and is one of the world's most important transportation projects, we continued our work in 2015 with our objective to take part in Qatar's infrastructure projects. While adding a new milestone to our worldwide success by signing Conditional Letter of Award for Qatar Redline South Underground project, we have supported Anel brand to form a more solid basis in our region.

As a responsible corporate entity, we have been continuing to create added value in society and support art and education by implementing corporate social responsibility projects.

We have supported successful high school and university students with our programs that have been initiated by Çelikel Education Foundation. We have on our support for young talents and artists with exhibitions held in our art gallery, Galeri 5 which is located at the Anel Business Center.

Our company aims to fortify its leading position in electrical and mechanical contracting services, to take part in important projects - whether ongoing or planned for future - in Turkey and in the World namely airport, stadium, shopping mall, highway, hotel, subway, railway, etc. projects and to continue pioneering in the sector.

Our employees' effort and our shareholders' support would continue to be our prime mover in the coming years. I'd like to take this opportunity to send my regards to all our shareholders, employees and business partners.

**Ridvan Çelikel**  
Chairman of the Executive Board

Our company aims to fortify its leading position in electrical and mechanical contracting services, to take part in important projects - whether ongoing or planned for future - in Turkey and in the World namely airport, stadium, shopping mall, highway, hotel, subway, railway, etc. projects and to continue pioneering in the sector.



## Board Of Directors

### Rıdvan ÇELİKEL

Chairman of The Board

Rıdvan Çelikel graduated from Electrical Engineering Department of Yıldız Technical University. He began his career at Öneren Engineering in 1975, where he worked until 1983. After working as a partner in Aktek Elektrik for two years, Çelikel established Anel Elektrik in 1986. Currently, he is the Chairman of the Board of Anel Group companies. Rıdvan Çelikel also serves as Founding Member and Vice Chairman of the Board at ETMD, the Electrical Installation Engineers Association.

### Avniye Mukaddes AKAY

Vice Chairman of The Board

Avniye Mukaddes Akay graduated from Chemical Engineering Department of Istanbul University, she has served as a Member of the Board of Anel Group companies since 1986. Currently, she is the Vice Chairman of the Board and the Support Units Group President. In addition, she is the President of Çelikel Education Foundation.

### Mahir Kerem ÇELİKEL

Board Member

After graduating from Robert College in 1999, Mahir Kerem Çelikel received his bachelor's degree from Johns Hopkins University's Department of Mathematical Sciences and Electrical Engineering in 2004 and his MBA from Boğaziçi University's Department of Business Administration in 2007. Subsequently, he completed his Master's in History at Boğaziçi University and began his Ph.D. in History at Berkeley University. Çelikel started his career at Anel Group in 2013. Currently, he serves as Member of the Board of Anel Group Companies

### Merve Şirin ÇELİKEL

Board Member

Merve Şirin Çelikel received her bachelor's degree in Electrical & Electronical Engineering from Technische Universitaet Berlin in 2008, and her MBA in Business Administration from INSEAD University in 2012 as a scholarship student. In November 2008, she started her professional career as a Project Engineer at Hexagon Global Energy, a company that operates in alternative energy investments. Between 2009 and 2011, Merve Şirin Çelikel worked as a Senior Tender Engineer at the Wind Power Department and as Project Quality Manager at the Tender Department of Siemens Energy. She joined Anel Group in 2011 and currently serves as Member of the Board of Anel Group companies.

### Ahmet Bülent BATUKAN

Board Member

Ahmet Bülent Batukan received his degree in Mathematics Department of Middle East Technical University in 1976, and a Master's degree in Business Management Department of Gazi University. Between 1976 and 1981, Batukan worked as Assistant Manager in charge of Ankara Regional Sales at Koç Burroughs Computer Systems. He joined Saniva (Sperry Univac) in 1981 as Ankara Regional Manager and then took the position of Istanbul Major Computers Department Manager. Between 1988 and 1991, Batukan served as General Manager at Kavala Group Teleteknik. In 1991, he joined Setus as Founding Partner and served as General Manager until 1998. After serving as Board Member at Setkom from 1998 to 2005, Batukan joined Anel Group in 2005. He currently serves as a Member of the Board of Anel Group companies.

### Cahit DÜZEL

Independent Board Member

Cahit Düzel graduated from the Business Administration and Economy School of Robert College in 1971. He served as Director of Corporate Relations at Philip Morris Sabancı (1989-2005) and as Member of the Board at PhilSA. Since 2005, he has been serving as Managing Partner at PAL Consulting and Chairman of the Board at Menzel Kimya. Düzel currently holds the position of Independent Board Member at Anel Elektrik. He meets all the requirements defined in the Corporate Governance Principles set out by the Capital Markets Board. He is not affiliated with Anel Elektrik or its subsidiaries.

### Prof. Dr. Ahmet Münir EKONOMİ

Independent Board Member

After graduating from Istanbul University Faculty of Law in 1955, Ahmet Münir Ekonomi received his Ph.D. from Munich University's Faculty of Law. Ekonomi started his academic career as Labor Law Assistant at Istanbul Technical University, and later he was appointed as Assistant Professor and Professor. He taught Labor Law at Istanbul University and Galatasaray University's Faculty of Engineering and Technology. In addition to Anel Group, Ekonomi serves as a consultant for Akbank, Eczacıbaşı Holding, Türk Ekonomi Bankası, Türk Telekom, PharmaVision Holding, Japon Tütün Ürünleri Pazarlama (JTI) and Unilever Holding. Formerly a Member of the Board at the Yaşar Educational and Cultural Foundation, he currently serves as a Board Member at the Istanbul Foundation for Culture and Arts, Dr. Nejat Eczacıbaşı Science and Arts Foundation, Istanbul Modern Art Foundation, Istanbul Museum of Modern Art and Istanbul Archeology Museum Society. Ekonomi currently holds the position of Independent Board Member at Anel Elektrik. He meets all the requirements defined in the Corporate Governance Principles set out by the Capital Markets Board and is not affiliated with Anel Elektrik or its subsidiaries.

**Cahit Düzel, Independent Board Member has voluntarily left his job on 27th November 2015; Neslihan Tonbul was assigned to this post on 2nd December 2015.**



## Committees

Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee as well as the Nomination and Remuneration Committee reporting to the Corporate Governance Committee continued their activities in 2015. Information about their operations and working principles have been disclosed to the public on the company's website.

Due to the current structure of the Board of Directors, Independent Board Member Prof. Dr. Ahmet Münir Ekonomi serves as the Chairman in all Committees. Another Independent Board Member Neslihan Tonbul who replaced Cahit Düzel after he left this job, now serves as a member in all committees. Committees and their members are listed below.

<b>Corporate Governance Committee</b>		
	<b>Full Name</b>	<b>Position</b>
CHAIRMAN	Prof. Dr. Ahmet Münir Ekonomi	Independent Member
MEMBER	Neslihan Tonbul	Independent Member
MEMBER	Önder Mutlu Bulut	Executive
<b>Audit Committee</b>		
	<b>Full Name</b>	<b>Position</b>
CHAIRMAN	Prof. Dr. Ahmet Münir Ekonomi	Independent Member
MEMBER	Neslihan Tonbul	Independent Member
<b>Early Detection Of Risk Committee</b>		
	<b>Full Name</b>	<b>Position</b>
CHAIRMAN	Prof. Dr. Ahmet Münir Ekonomi	Independent Member
MEMBER	Neslihan Tonbul	Independent Member

## Top Management

<b>Manager</b>	<b>Position</b>	<b>Experience</b>
Adnan Ek	Financial Affairs Group Manager	28 Years
Başak Ülkenli	Contract Group Manager	18 Years
Bige Sayraç	Contract Group Manager	22 Years
Burçin Tezel Cengizoğlu	Design Coordinator	18 Years
Celal Aktaş	Design Coordinator	27 Years
Cem Özşen	Director of Financial Affairs and Finance	26 Years
Enver Kır	Maintenance Coordinator	26 Years
K. Serkan Kılıç	Tender Coordinator	22 Years
Mustafa Parapan	Project Coordinator	21 Years
Nejat Babür	Design Coordinator	28 Years
Nesrin Bayraktar	Director of Human Resources and Corporate Communications	15 Years
Önder Mutlu Bulut	Investor Relations Manager / Committee Member	12 Years
Süleyman Demirhan	Tender Coordinator	21 Years
Tarık Bekmezci	Project Coordinator	21 Years
Tolga Tutum	Project Coordinator	19 Years
Turgut Alp Çolakoğlu	Project Coordinator	30 Years
Zafer Genç	Project Coordinator	28 Years

### Employee Information

Total number of employees in our company is 2172 as of 31<sup>st</sup> December 2015. Collective agreement application is not available in our company; we provide all rights and benefits to our employees within the scope of Labor Law.

# Organization Chart

## EXECUTIVE BOARD





**Engineering that exceeds  
the limits in different languages  
and different geographies.**





## PROJECTS

### A. Projects Abroad



#### Abu Dhabi International Airport

Electrical construction of the new terminal continued in this period in accordance with the agreement signed with Main Contractor TAVCCC-ArabTec (TCA) Consortium and Abu Dhabi Airports Company PSJC (ADAC).

Designed by Kohn Pederson Fox Associates (KPF), the airport will be built on an area of 690.000 square meters. The airport is expected to serve 27 million passengers every year with its 22 km long luggage belt and 106 passenger bridges reaching the capacity of nineteen thousand luggage.



#### Hamad Bin Khalifa Medical City

The work on this project, which is considered region's largest health care center, continued this year. Hyundai Engineering is the main contractor.



#### Hamad International Airport

The project which started in 2007 in Qatar, continued in 2015 with additional works delivered from main contractors like TAV and TAISEI.



#### Baku Olympic Stadium

Baku Olympic Stadium works were completed just on the agreed date in March 2015 and project delivery was fulfilled.

First European Olympics took place in Baku in June 2015, which was a very important event for Azerbaijan. Participating in this project was a source of pride for Anel Elektrik.

#### Ganjlik Mall

The main contractor for this project, which covers 119.000 square meters in Baku, Azerbaijan's capital, is Pasha Construction. The works continued during 2015.



#### Qatar Al Rayyan Road Upgrade and Construction Project

The mechanical works continued for Qatar Al Rayyan Road Construction and Rehabilitation Project in 2015, which started at the end of 2014. The main contractor is Doğuş Onur JV and the project includes 10.7 km long 4x4 lanes and 6 intersections.



#### Qatar Research and Development Complex

Research and Development Complex is located in Qatar and its main contractor is REDCO Construction – AL MANA. The project continued in 2015.



#### Qatar Red Line South Underground Project

Conditional Letter of Award has been signed in the last quarter of 2015 with our subsidiary AnelMep Maintenance to complete LV Distribution Systems, Fire Alarm and Emergency Announce System, Automation Field Equipment and Cabling, Cooling and Ventilation, Sanitary Installations, Fire Extinguishing System Works and Fire Intervention and Protection Systems for Qatar Red Line South Underground Project, whose main contractor is QDVC-GS Engineering & Construction- Al. Darwish Engineering.





## PROJECTS

### B. Domestic Projects



#### Is REIT (Real Estate Investment Trust) Tuzla Trade Center

The electromechanical works continued in 2015 for the İş GYO (Real Estate Investment Trust) Tuzla Trade Center Project, the main contractor is Koray Construction.



#### DP World Yarmca Container Terminal

The works as part of MV-LV Electrical Distribution, Lighting System and Generator Establishment Tender, continued in 2015 for DP World Yarmca Container Terminal Project. The main contractor is STFA İnşaat A.Ş.



#### Mavibahçe Mall

Electromechanical works continued in 2015 for Mavibahçe Mall Project, which will cover 165.000 square meters in İzmir. The main contractor is Opera Gayrimenkul Geliştirme A.Ş.



#### 42 Maslak

Electromechanical sanitary installations continued in 2015 for 42 Maslak Project. The main contractor is Bay İnşaat İthalat ve Ticaret A.Ş.







**We are proud of the cultural diversity of our employees and we consider this diversity as a tool for development.**



## HUMAN RESOURCES

We believe that Human Resources is the most important element to maintain and develop Anel's activities with top-notch quality while offering reliable and innovative engineering solutions that would require extensive expertise in every aspect and that are in compliance with international quality standards.

Anel Elektrik Human Resources functions are divided into 4 main areas;

### 1. Human Resources Planning

This function manages the staff planning, budget planning, remuneration and side benefits within Anel Elektrik organization and ensures that the personnel expense is spent within the budget.

### 2. Performance and Talent Management

This function manages the processes to contribute to the employee's development, to keep the potential employees within the company, to increase the employees technical and managerial skills and abilities and to manage the employee's performance by making the employees' personal goals compatible with the company's objectives.

### 3. Business Partnership

This function works for adding new workforce who are dynamic, fair, open to innovation and change, sensitive to environment and society, add value and aim to develop themselves and business, to Anel Elektrik organization. Furthermore, they ensure that the workforce is employed in the company in accordance with job descriptions.

### 4. Personnel Operations and Administrative Services

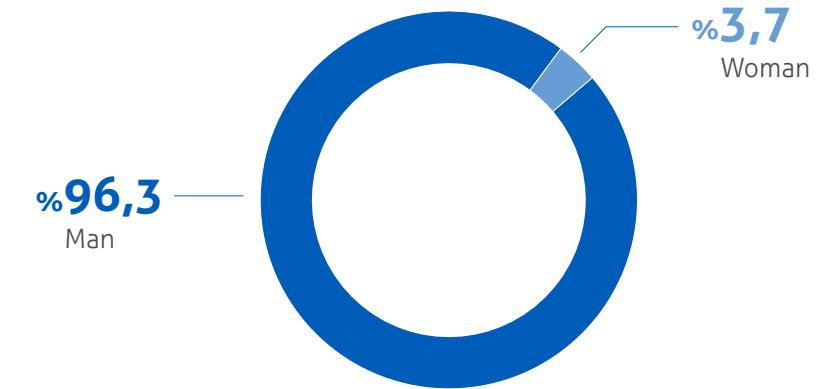
They manage the processes like preparation of payrolls and annual leaves, relationship management with subcontractors and suppliers, following up communication with government agencies, checking administrative services' efficiency in terms of meal, cleaning, safety and shuttle services.

### 2015 Activities

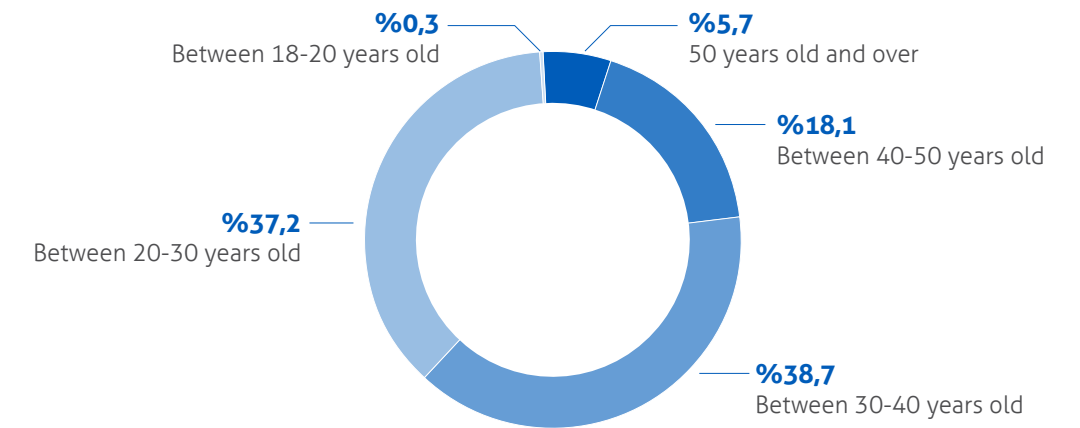
- Employment opportunities were provided to 336 employees in 2015. By actively using internal application system, 161 posts were filled with internal resources.
- We applied Employee Satisfaction Survey in 2015, as we did in 2014, to increase employees' motivation, their performance and their commitment to the company. The participation rate to the survey was 83%. An independent consulting company implemented the survey. The survey results about key issues like Satisfaction, Engagement and Loyalty leaped forward compared to last year's results. We obtained better results than the average results of 5 companies who received EFQM Excellence Award. We shared the survey results with our employees and collected all action plans about the points that need to be improved. We announced the action plans that will be realized in 2016 to all employees.
- All job descriptions were reviewed and integrated to the position based system.
- In 2015, we continued the activities and training that would contribute to employee development and career planning of interns with "Intern Career Support Program" that we started in 2014. We provided internship opportunity to 45 university students, as well as 21 high school students in 2015.
- We offered part-time jobs to the students who completed full-time internship in fall, spring and summer seasons in 2014. Thus, we assisted them to increase their professional experience while their training and development period continues. In 2015, we offered full - time jobs to people who gained experience in Anel Elektrik by working in part - time positions. Our main criteria were being compatible with the company's culture and passing certain evaluation processes.
- An area to be improved according to 2014 Employee Satisfaction Survey was remuneration policy. We improved this policy with the support of the international consulting companies and we shared the results with all our employees.
- Second area to be improved according to the same survey was Training Process. We realized many activities about training in 2015. We provided training content of different categories on our e-learning platform called AnelAkademi. Thus, we provided equal opportunities for employees located in different countries.
- Another improvement was made regarding performance process in 2015. 360° competency evaluation system, target evaluation system and feedback screens were renewed with the decision of a committee consisting of employees.

- For fast adaptation to the country of assignment for relocating employees, we prepared "Abroad New Employee Guide" and "Country Presentations" and we announced them on Anel'IN (corporate portal).
- Human Resources Partnership Team participated in the 23<sup>rd</sup> Human Resource Management Congress organized by PERYÖN Turkey People Management Association, which is Europe's largest Congress on that subject. Thus, we raised awareness about applications in different sectors and we gained information about the current innovations on management.
- We received Respect to Human award at the Human Resources Summit held under the main sponsorship of Kariyer.net, as we have received in the past years, because we received more than 20.000 applications and we replied back to all applications. We highlighted our careful works in Human Resources and shared them with the public.
- The Chairman of the Board Rıdvan Çelikel and The Vice Chairman of the Board Mukaddes Akay presented a plaquet to employees who completed their 10<sup>th</sup> year in Anel Elektrik organization.
- We prepared a Manager's Guide for Anel Elektrik's employees who attach importance to management and communication as well as to technical information. The guide that contained accepted management approaches was shared with all employees and published on Anel'IN in 2015.
- The ones who are engaged in volunteer programs are sensitive to the environment, the society and the world. In this context we formed a Volunteers Committee with 20 caring employees. Committee members supported personal development and education processes of Rıdvan Çelikel Science High School students.
- Each quarter, activities of Human Resources and demographic information were reported and published with all employees on Anel'IN and shared with all employees.
- We continued to present live music in Anel Business Center every Monday morning this year, like we have done in previous years so that employees start the week in a good mood. In addition, various artists' works of art were exhibited in Galeri 5 exhibit area.

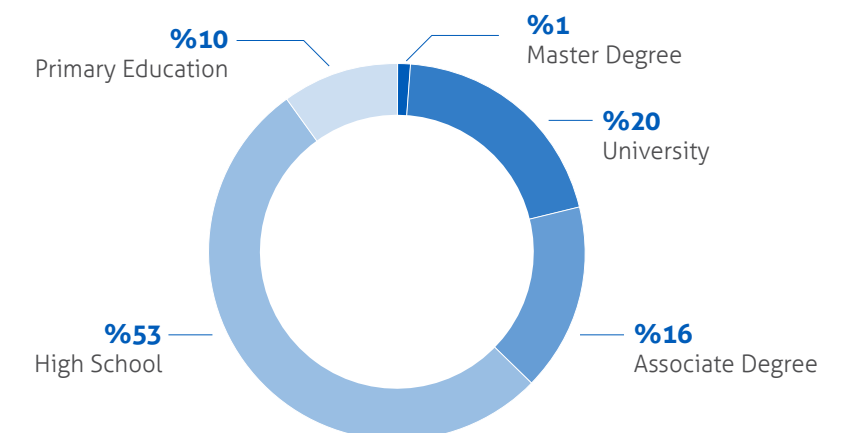
### Distribution by Gender



### Distribution by Age



### Distribution by Education





Anel Group does not discriminate between its employees on the basis of race, language, religion, national origin, and other similar causes. Anel is proud of cultural diversity of its employees and personal differences of the employees, and considers diversity as a development tool.

### Training Activities

AnelAkademi, e-learning platform of Anel was opened in 2015 offering training content of different categories. We formed a Training Committee consisting of 17 employees from different departments. After participating in a 5-day e-learning platform usage training, Committee members have planned the trainings during the year. Thanks to implementation of this project in July, we shared in total 39 trainings in different categories like Occupational Health and Safety, Orientation Training, Purchasing Training, Contracts Training, SAP training and Technical Training each week with employees. Thus, we contributed to our personal and professional development of the employees by providing them with a platform, which is open 7 days of a week day and night, so that they can use it independently of time and place.

By applying Training Needs Analysis survey, we gained insights about the trainings that the employees would like to participate. Training headings were determined in accordance with the results and we began to work.

22 employees participated in "Internal Auditor" training about ISO 9001, ISO 14001:2015 and OHSAS18001:2007 standards for 3 days. We expect that the employees would support Management Systems about the internal audit processes thanks to this program. In the meantime, we witnessed that it helped to share ideas between different departments.

This year for the first time, Prof. Dr. Ioanna Kuçuradi and Prof. Dr. Betül Çotuksöken gave "Ethics and Ethical Values" seminar for 5 weeks with different content for site and headquarter employees to inform and to raise awareness about the ethics and ethical values.

### Training Data

With the use of ERP Program's Training Module, we can better follow up trainings of employees and monitor their progress. The largest share in training belongs to Occupational Health and Safety trainings with 4231 man-hours out of 8358 man-hours total annual training.

Anel Elektrik is committed to provide a safe and comfortable working environment and to take necessary care to protect the health of employees. Anel Elektrik has been chosen as the best company in construction business regarding Occupational Health and Safety implementations for Qatar Research and

Development Complex project according to REDCO Construction Al Mana's evaluation.

### Performance Management Based on Target and on Competence

We formed a project team of 15 employees to manage the performance system in a way that it would be accepted and owned jointly. This was one of the defined areas to improve in the employee survey in 2014. We created Performance Management System construction according to industry dynamics that would reveal the impact of professional relationships and their reflection to the totality.

360-degree competency evaluation system is transferred to a new evaluation model in which competencies are not limited to behavioral indicators and business-oriented competencies can be measured as well. We defined several form types on the basis of levels with project team and we changed evaluation questions.

Individual Feedback and Team Feedback Screens were created to provide feedback to managers and employees as a result of evaluations.

There were some improvements works conducted with project team about target evaluation process. We revised the targets that were in the target pool and we defined them in the system.

### Talent and Career Management

We have applied Talent matrix approach to follow up closely high-performing employees. Career planning has been prepared for employees in line with their knowledge, skills and competencies. We define critical positions and the potential employees that would carry the company a step forward during the Human Resources Planning meeting that we organize every year. We follow up closely the performance of potential employees, we support their development and we help them to get ready for their potential future positions.



Is REIT (Real Estate Investment Trust) Tuzla Trade Center, Turkey



## INFORMATION TECHNOLOGIES

### SAP ERP Enhancements

Anel SAP ERP system is continuously improved in line with user's demands and latest technological developments. Some of the enhancements about the system are listed below.

### BA-BS Automatic Reconciliation Project

With this project, BA-BS reconciliation was reported with the data received via SAP, then they were sent automatically by e-mail to the e-mail addresses defined in the system. The confirmation e-mail was designed in a standardized way and with easily understandable visuals; also suitable for mobile use.

### SAP Jobs Optimization

Improvement works have been completed to solve the daily performance problems in the SAP system and also inefficient use of system resources was identified in SAP prior notification reports. At the end of these works, the performance problems have been solved and we ensured efficient use of system resources.

### SAP E-Invoice Project

In the scope of E-Invoice integration project, we have ensured that the invoices are entered automatically into the system in a faster and reliable way for 7 companies and for both outgoing and incoming invoices.

### Expense Approvals Transition to Mobile Environment

We have integrated expense approvals, which was available only in the SAP system, to mobile environment and to use with independent devices. Users may see the expenses that require their approval through any computer, smart phone or tablet connected to Internet. They can answer to this request quickly with "Approve" or "Reject" options.

### SAP Business Objects (BO) Report Infrastructure Innovation Project

We were frequently receiving errors in the old structure and we weren't able to use the report because jobs were running over 10 hours in SAP source system and the current hardware wasn't capable enough to process that data. We have solved this performance problem with improvement works.

### Digital Identity Management (FIM)

We have completed improvement works during 2015 in accordance with new requirements together with analysis of Anel's Identity Management.

### Corporate Communications Portal (Anel'İN)

Anel'İN, our communications portal became online in July 2014, we have developed it in 2015 according to requirements and demands that we have received. Anel'İN will be online with new design and portal in English in January 2016 within the context of Phase 2.

### Logistics Project

We have created a web application integrated with SAP system to follow up more easily logistics processes and to be able to report momentary place of the inventory. With this application we minimized the loss of time and workforce and we automated a manual process.

### Firewall Replacement Project

We completed the setting up of a new Firewall structure because the previous one was old and out of support. The Firewall ensures the data exchange security of our institution in electronic environment with the outside world. With this study, we have managed to provide efficient use of data and the internet speed has been increased. With installation of IPS feature the protection level has been increased by activating attack detection and prevention system.

### Transfer of Fax Servers

Fax services in Anel Business Center have been successfully transferred to Turkcell Smart Fax.

### Network Monitoring Software Setup

We have setup Network Monitoring Software to be able to have an instant access to statistical data by monitoring items included in the network such as service, system and traffic and to be warned about momentary errors.

### Construction Site 2.0 Project

### E-mail Service (Office 365)

E-mail service includes the transfer of e-mail foundation to Microsoft Office 365 by offering high quota for e-mail, ensuring 99.9% continuity and eliminating server management costs and risks. Domestic users were transferred to new system in 2015. By June 2016, all users will be transferred to Office365 and this hybrid structure will be removed.

### Automatic VPN

VPN platform has been realized to enable all Anel's users to connect to all central applications. A user working on that platform, can access to all central systems as if he/she is in the office, independently from his/her location.

### Cloud Servers (Azure)

We have moved the files that were in archived status (which means unchanged files for last 1 year) from file server (evafs) to Microsoft Azure platform, in order to create space on the file server. Thus we have eliminated the cost of local investment. In total, 2 TB archive files have been moved to Microsoft Azure server.

### Green IT Activities

As part of its IT structure, Anel Elektriik has been using energy-efficient devices such as virtual servers, which have become the new standard for many organizations, and applications that switch the computers to energy-saving mode when not in use.

With Cloud platform, we expect to reduce the energy consumption in 2015.

We prevented excessive use of paper and tonner with smart printing system.

IT equipment which expired and become electronical waste, has been removed from IT inventory and recycled at AnelDoğa recycling facilities. Thus, we recovered the metals like copper, aluminum and lead without harming nature.

**Anel IT will always facilitate our employees work experience with solutions that increase the efficiency, profitability and competitive advantage by using the most innovative information technology possibilities in accordance with our company's needs.**

## OCCUPATIONAL HEALTH AND SAFETY

Anel Elektriik is diligent in providing all favorable conditions required for occupational health and safety in every step of its operations.

Occupational Environment, Health and Safety policy which is developed with an approach that prioritized respect for human beings and nature, is as following:

- The company acts in compliance with all applicable laws and regulations, and implements accordingly the programs and the procedures.
- When defining quality standards for environment, health and safety, legal requirements are considered as the minimum benchmark that the company aims to pass beyond.
- It minimizes the risk by providing safe working environments to its employees with the help of high technology.
- To prepare itself to emergencies, the company sets ready contingency plans and disaster recovery plans.
- The company takes all necessary measures to prevent the disposal of substances harmful to the environment, thus minimizing both the amount and dangerousness of the waste.
- The company constantly seeks to develop the Environment, Health and Safety policies.
- It informs its employees, suppliers, customers and shareholders about developments, asks for their contribution and supports them to reach their own goals regarding the same matter.
- It measures the performance, improves it and shares the results with business and investor partners.
- Anel Elektriik acts in accordance with domestic and international conditions regarding occupational health and safety in every stage of its operations. Working in accordance with project-specific health protection and occupational safety for each project is reflection of highest service standard of Anel.



### Anel Elektrik's activities in 2015 regarding occupational health and safety are as following;

#### Occupational Safety Trainings

As a part of the training programs in 2015, the employees who work in domestic construction areas in Turkey, completed Occupational Safety Trainings which last for 16 hours. All participant employees received their certificate after the training.

Basic Occupational Safety Training	262 employees
Risk Analysis Training	262 employees
Ergonomics and Hygiene Training	213 employees
Electrical Work Occupational Safety Training	197 employees
Occupational Diseases Training	203 employees
Working at Height Training	166 employees
First Aid Training in Theory	195 employees
State of Emergency Training (Fire Extinguishing Training 66 employees, Minor Search and Rescue Training 12 employees, First Aid Training 19 employees)	97 employees
State of Emergency Teams Training	22 employees
Occupational Safety Board Members Training	23 employees

On-the-job training (tool-box) continued.

Certified first aid training for employees has been organized to meet the certified number of employees mentioned in First aid regulations.

TEDAŞ gave EKAT (High Voltage Electrical Safety Work Permit) training to 4 technical personnel working under high voltage.

#### Risk Analysis Activities and Internal Audits

Risk analysis for all Anel Elektrik offices and constructions sites has been prepared and the results have been shared with the main contractor for the constructions sites. Internal audit monitored the compliance of implementations in the constructions sites with occupational health and safety procedures.

#### Emergency Action Plans and Simulation Exercises

Emergency Action plans have been prepared. We have performed fire and evacuation simulations on June 2015 at Anel Business Center together with the participation of tenants of the building

and 154 Anel employees.

#### Ministry of Labor and Social Security (MLSS) Notices

Occupational Health Specialist and On-site Doctor MLSS notifications have been completed for Anel Elektrik on ISG-Katip application. The company also ensured that all subcontractors have implemented this application.

#### Occupational Safety Committee Meetings

Occupational Safety Committee Meetings are held monthly at Anel Business Center with the participation of construction sites chiefs and subcontractor representatives. We ensured that the number of elected representative, mentioned in the regulations, have participated to the meetings.

#### Organization of Procedures and Instructions

We have revised all current Occupational Safety procedures and instructions. We have started to apply work permits for dangerous works (shaft works, electrical works – LOTO application, hot works, etc.)

#### Site Inspections and Controls

The constructions sites were internally audited for compliance with occupational health and safety procedures. Non-compliant work during constructions sites audit has been interrupted and corrected. Non-compliant employees' trainings have been renewed and all non-conformities were recorded.

We filled forms for 385 non-conformity cases in 2015 and we immediately intervened and took necessary actions.

All scaffoldings were regularly inspected and tags application (red for unsafe, green for safe) was continued.

All power tools that were considered as acceptable in the monthly inspections, were allowed to be used in the site.

We have ensured that all constructions sites share their assessments about occupational safety applications of especially sub-contractors through the portal.

#### Periodic Inspections of Equipment

We followed up the timing for periodic inspections of the equipment and we renewed the inspections by TMMOB (Turkish Chamber of Mechanical Engineers), EMO (Chamber of Electrical Engineers) and other competent body. (lifting equipment controls, electrical grounding controls, lighting rod controls, elevator controls, pressure vessels controls, etc.)

#### Employee Health Reports

On-site Doctor has certified health reports for all new employees. Periodic inspections were made for 305 employees.

#### Manhours worked (mh)

10062563,75

#### Recordable incidents

2

#### Number of Day Lost

3 day

#### Fatalities

0

#### Severity Rate

0,0003

#### Frequency Rate

0,1988



Hamad Bin Khalifa Medical City, Qatar



## CONTRIBUTION TO THE COMMUNITY

Anel Elektrik acknowledging the importance of arts and training on social life, promotes arts and educational activities.

### Social Responsibility Activities in Arts

Galeri 5, located at the entrance of the Anel Business Center, organizes exhibitions with the participation of both national and international artists working in many different fields. Thus Anel contributes to the development of arts and offers to young talents having fine arts education to show off their talent.

#### Exhibitions held in 2015

- Before the Rain
- Gut Feeling
- Recess
- Cocoon

In addition to exhibitions held, Galeri 5 hosted a photography exhibition within the framework of social responsibility project named "I am an athlete without disabilities".

Through a project coordinated with Marmara University Music Department students, weekly music recitals are organized every Monday in the ground floor lobby at Anel Business Center so that our employees start the week in a good mood. This project not only creates a source of income for the students, but also gives them the opportunity to demonstrate their talents.

### Social Responsibility Activities in Education

Çelikel Education Foundation, founded in 2007, intends to establish a collaboration between educational institutions, parents and non-governmental organizations in order to raise creative, responsible, freethinking and open-minded young generations.

Anel Elektrik continued to support programs mentioned below, conducted by Çelikel Education Foundation in 2015 like previous years.

#### Alev Topları (Fire Balls) Program

Alev Topları Program initiated in 2012 continued during 2015-16 academic year with the participation of new "sparks". The

program is based on the concept of turning school achievements into real-life accomplishments, based on ethical values, efficiency and balanced life style. Besides providing financial aid, the program embraces the students' lives with personal and social development opportunities. Students, in addition their scholarship during 12 months, are given a "culture and arts package" so that they may participate in cultural and art events like theater and concert throughout the year. Furthermore, personal and social developments trainings are organized, vision meetings are held with specialists. We provide them opportunities to work for volunteer activities by creating internships and social responsibility projects. Students also enjoy the privileges of a unique program, which also includes gifts of books and Museum Card Plus.

#### Eğitimde Geniş Açı (Wide Shot in Education) Program

This program intends to support the students, teachers and parents in their personal lives so that they acquire new abilities and develop themselves and to create an integrated model at schools with a holistic approach and to expand this model across the country. Initiated in 2010, the program consists of informative, awareness-raising and social activities that may contribute to the success and happiness of students, teachers and parents by supporting their personal, social and professional developments. On its sixth academic year, the program continues at Rıdvan Çelikel Science High School (formerly named as Rıdvan Çelikel Anatolian High School) in Samsun/Kavak. We realized that the program contributed significantly to the development of students according to applications results obtained with professional measurement and assessment.

#### Mentorship Program

Mentorship program started in 2014 - 2015 academic year with a selected group of students in Rıdvan Çelikel Science High School.

With this program, we intend to support 25 volunteer students personally. The students were selected by other students with a democratic election.

A group of mentors consisting of Anel Elektrik employees and families, support the students about text anxiety, social development. Each year they touch the lives of different students and they create an impact on their lives.



## ENVIRONMENT

Anel Elektrik attaching special importance to the protection of the environment in all projects it performs, takes all necessary actions to protect natural resources and to minimize potential adverse effects that may harm nature. For that purpose, it acts in compliance with all applicable legislations and regulations.

For a clean and livable nature, Anel Elektrik calculates carbon footprint within the activities performed since 2013. Subsequently, the company took actions to reduce even neutralize greenhouse gas emissions. In this context, we have planted 8.958 trees with cooperation of TEMA Foundation (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) by forming Çanakkale Biga Çınardere Memorial Forest, to combat global climate change and to hold carbon emission to nature.

With cooperation of AnelDoğa in 2015, the recycling of Anel Business Center and all constructions sites has been systematized with the purposes of minimizing the waste and making the waste usable again by recycling. AnelDoğa at the same time continued to offer consulting services to Anel Elektrik on environmental issues.

Anel Elektrik generates its own energy at his headquarters, Anel Business Center having Smart Building classification through the PV solar panels installed on its roof and terraces. The obtained energy fulfills a part of the energy need and interior lighting by utilizing day light at maximum.





## DEVELOPMENTS AFTER PERIOD

### Signing Share Transfer Agreement with Acredo Technology BV

As shared with public opinion, the negotiations concerning the conditions of the sale of Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş shares, which are within the asset of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş., have been concluded positively. Pursuant to the resolution taken by our Company's Board of Directors on 13.01.2016, a share transfer agreement was signed on 14.01.2016 at a price to be determined depending on the worth of company's equity on closing date, provided that per share value will remain between 1,50 TL and 1,70 TL. Our Board of Directors has proposed that the sale to be made will remain under transaction criteria having important characteristics, even if it is made from the highest possible price level in accordance with "Common Principles With Regard To Transactions Having Important Characteristics and Leave Right Notification (II - 23.1)" provisions published in Official Gazette dated 24 December 2013 and numbered 28861.

## OTHER INFORMATION

Company Title	: Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.
Address	: Saray Mah. Site Yolu Sok. Anel İş Merkezi No:5\4 Ümraniye / İSTANBUL
Trade Registry Office	: Istanbul
Trade Registry Number	: 222590
Date of Registry	: 12.03.1986
Website	: www.anel.com.tr

### Pricing Policy

The pricing for Members of the Board of Directors and Senior Managers in our company is performed according to "Pricing Principles For Members of the Board of Directors and Senior Managers" approved by the Board of Directors on 12.04.2012, and purpose of these principles is to ensure implementations with regard to the pricing to be planned and carried out and managed in order for them to be in accordance with relevant legislation and scope and structure of activities, long-term targets and strategies, ethical values, internal balances of the Company. The relevant principles can be found on the website of the Company.

### Voting Rights

Meetings of the general assembly and quorum in this meeting are subject to Turkish Commercial Code provisions. The shares of our Company have been divided as A group and B group. A group shares have privileges. In the meetings of the general assembly a share in A group has two (2) voting rights and a share in B group has one (1) voting right.

### Profit Distribution Policy

Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (ANEL) Profit Distribution Policy has been determined within the scope of Turkish Commercial Code provisions, Capital Market Legislation and other relevant legislation and article of our Articles of Association with regard to the profit distribution and in line with medium-term and long-term strategies and investment and financial plans of ANEL, provided that the state of national economy and sector is taken into consideration and the obstacle between expectations of shareholders and needs of ANEL is taken care of.



In the profit distribution an equal and consistent policy is followed between the shareholders and Company interests in accordance with Corporate Governance Principles; and in determination of the profit distribution amount, our long-term company strategy, investment and financial policies, profitability and cash position are taken into consideration. As a principle, in the case that ANEL Board of Directors takes decision for the Profit Distribution, when considering the above-mentioned factors, minimum 20% of distributable period income calculated within the scope of Capital Market Regulations and other relevant legislation may be distributed in cash and / or non-paid-up share.

It is accepted that the profit shares are distributed equally as soon as possible regardless of whole of existing shares and issue and acquisition dates of them, as well as these profit shares shall be distributed to the shareholders within determined legal terms on the date determined by the General Assembly following approval of the General Assembly. The General Assembly or Board of Directors, if it is granted authorization, may decide installment distribution of the profit share in accordance with the Capital Market regulations. ANEL does not implement advance dividend distribution.

The General Assembly may transfer a part or whole of net profit to extraordinary reserve fund. In the case that ANEL Board of Directors offers the General Assembly not to distribute the profit, the shareholders are informed in the Meeting of the General Assembly with regard to reasons of this case and usage of retained earnings. In the same way this information is also included in activity report and website and shared with the public opinion. The profit distribution policy is submitted for approval of the shareholders in the Meeting of the General Assembly. This policy is reviewed every year by the Board of Directors according to the case that any negation exists in national and global economic conditions and the position of projects and funds in question. The changes made to this policy are also submitted for approval of the shareholders in the first meeting of the general assembly after the change and explained to the public opinion in the website.

#### Articles of Association

A change has been made in the article 6 titled "Capital of the Company" of the Company's Articles of Association within the year 2015.

## OLD TEXT

### CAPITAL OF THE COMPANY

Article 6 - The Company accepted registered capital system according to 2499 numbered Law provisions and moved into this system with 20.04.2010 Dated and 4030 numbered permission of the Capital Market Board. The registered capital of the Company is 200.000.000 (two hundred million) Turkish Lira, divided into 200.000.000 (two hundred million) shares and each of the shares has 1 (One) Turkish Lira value. The registered capital upper limit permission given by the Capital Market Board is valid for the years 2011-2015 (5 years). Even if the permitted registered capital upper limit is not able to be achieved at the end of 2015, it is compulsory to obtain authorization from the general assembly for new time, so that the board of directors can take decision for capital increase after 2015; provided that the permission will be received from the Capital Market Board for previously permitted upper limit amount or a new upper limit amount. In the case that the authorization in question is not received, the company shall be deemed to exit from registered capital system.

The issued capital of the company is 110.000.000.-(Hundred ten million) Turkish Liras, and whole of it has been paid in cash freely from collusion. This capital has been divided into 110.000.000.-(Hundred ten million) shares, each of them has 1.-(One) Turkish Lira nominal value and 22.188.841.- pieces of which are payable to (A) Group holder and 87.811.549.- pieces of which are payable to (B) Group holder. The Board of Directors is authorized to issue shares payable to holder up to the registered capital upper limit and to increase the issued capital between the years of 2011-2015 in accordance with Capital Market Law provisions, when it deems necessary. The Board of Directors is authorized to issue privileged share and share at a premium and to take decisions restricting the shareholder partially or wholly to receiving new shares. Unless the whole of issued shares is sold and their values are collected, new share may not be issued. The shares representing the capital are pursued within the scope of dematerializing principles.

## NEW TEXT

### CAPITAL OF THE COMPANY

Article 6 - The Company accepted registered capital system according to 6362 numbered Law provisions and moved into this system with 20.04.2010 Dated and 4030 numbered permission of the Capital Market Board. The registered capital of the Company is 200.000.000 (two hundred million) Turkish Lira, divided into 200.000.000 (two hundred million) shares and each of the shares has 1 (One) Turkish Lira value. The registered capital upper limit permission given by the Capital Market Board is valid for the years 2016-2020 (5 years). Even if the permitted registered capital upper limit is not able to be achieved at the end of 2020, it is compulsory to obtain authorization from the general assembly for new time, so that the board of directors can take decision for capital increase after 2020; provided that the permission will be received from the Capital Market Board for previously permitted upper limit amount or a new upper limit amount. In the case that the authorization in question is not received, the capital increase may not be made according to the resolution of the board of directors.

The issued capital of the company is 110.000.000.-(Hundred ten million) Turkish Liras, and whole of it has been paid in cash freely from collusion. This capital has been divided into 110.000.000.-(Hundred ten million) shares, each of them has 1.-(One) Turkish Lira nominal value and 22.188.841.- pieces of which are payable to (A) Group holder and 87.811.549.- pieces of which are payable to (B) Group holder. The Board of Directors is authorized to issue shares payable to holder up to the registered capital upper limit and to increase the issued capital between the years of 2016-2020 in accordance with Capital Market Law provisions, when it deems necessary. The Board of Directors is authorized to issue privileged share and share at a premium and to take decisions restricting the shareholder partially or wholly to receiving new shares. The authorization to restrict receiving new share may not be used in a way that it will cause inequality between the shareholders. Unless the whole of issued shares is sold and their values are collected, new share may not be issued. The shares representing the capital are pursued within the scope of dematerializing principles.

### Additional Information

In the period between 01.01.2015 – 31.12.2015;

- No research and development expense was made.
- The Company did not Acquire its own shares.
- Private or Public scrutiny was not carried out in our Company, except for independent audit carried out in accordance with the legislation provisions.
- Law suits, which were opened against the Company and have the characteristic of being able to affect financial status and activities of the company, did not come into question.
- Any cases that will require juridical and administrative sanctions for the company and managing body members due to implementations contrary to the legislation provisions did not come into existence.
- A contribution and aid in the amount of 152.220\_TL were made.
- No incentives were used.
- No capital increase was made.
- Extraordinary general assembly did not convene within the relevant period.

### Risk Management

#### Committee for Early Determination of Risk

While the committee for Early Determination of Risk which carries out duty depending on the Board of Directors fulfills its duty, it presents offers for developing policies required for detecting the risks that may be harmful and conducting the risk management processes.

The Committee for Early Determination of Risk was constituted to work on the subjects of;

- developing effective internal control systems for the purpose of defining, evaluating, detecting and managing the risk factors, which may affect reaching targets, according to effect and possibility,
- integrating the risk management and internal control systems to corporate structure and monitoring its effectiveness,
- measuring and reporting the risk factors and using them in decision-making mechanisms by the risk management and internal control systems.

### Internal Control and Audit

The audit activities in Anel Elektrik are conducted by an expert team of Anel Group Audit Unit on process and subjects determined over many years in main topics such as finance, operation, risk, process, legislative harmonization, occupational ethics and abuse by following a proactive methodology, of which basis is formed by International Internal Audit Standards and Anel Group Ethical Principles.

Main financial and process audits are performed twice a year, and thematic audits determined for working period are performed at least once a year in all centers of activities at Anel Elektrik.

The audit subjects determined are shared with relevant departments of the Company at the beginning of each year and annual risk-based audit plans are developed. The audit findings are made widely known within the Company without losing time and it is provided that necessary corrective precautions are taken. The findings are reviewed on a regular basis and improvements provided in the activities are followed up.



## INVESTOR RELATIONS

Anel Elektrik shares have been traded in Borsa Istanbul since 16.06.2010. The issued capital of the company has 110.000.000 TL nominal value and each equity security includes 1 TL nominal value and 110.000.000 shares. Our company, which is traded in Borsa Istanbul A.Ş with the code of ANELE, has 127.600.000 TL market value since 31.12.2015.

Share Code	2015 Closing Price (TL)	2015 Maximum Price (TL)	2015 Minimum Price (TL)
ANELE	1,16	1,47	0,83

Anel Elektrik news and financial data are accessible in Company's website or the information may be provided from Investor Relations Department through information given below.

Tel : +90 (216) 636 20 00  
 E-mail : investor.relations@anel.com.tr  
 Fax : +90 (212) 636 25 00  
 Web : www.anel.com.tr

It is aimed to include important developments realized within and after the period in this report. All information and reports about Anel Elektrik are accessible at [www.anel.com.tr](http://www.anel.com.tr) under the section title of Investor Relations.



Ganjlik Mall, Baku, Azerbaijan

## ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş

### Corporate Governance Principles Compliance Report of The Year 2015

#### 1. Corporate Governance Principles Compliance Statement

Our company aims that corporate governance is made dominant over the company management with all of its components and that the value is ensured to the company partners, employees, stakeholders, environment and society by this way.

Based upon this understanding, we aim to provide maximum benefit both to our Company and shareholders in the subject of relations with the shareholders in line with our transparency, reliability, accountability and honesty principles.

The management of our Company started its works in accordance with the Corporate Governance Principles made widely known by the Capital Market Board for the purpose of making necessary regulations for its (1.3.1.), (1.3.5.), (1.3.6.), (1.3.9.), (4.2.6.), (4.3.1.), (4.3.2.), (4.3.3.), (4.3.4.), (4.3.5.), (4.3.6.), (4.3.7.), (4.3.8.), (4.5.1.), (4.5.2.), (4.5.3.), (4.5.4.), (4.5.9.), (4.5.10.), (4.5.11.), (4.5.12.), (4.5.13.), (4.6.2.) and (4.6.3.) numbered principles that it is liable to implement, and completed the necessary regulations to a large extent in line with this purpose. Therefore, our Company complied with "Corporate Governance Principles", made widely known by the Capital Market Board, in 01.01.2015 - 31.12.2015 activity period, except for some compulsory and non-compulsory principles specified below. There is not any conflict of interest arising from cases summarized below and that are not implemented.

- In the Company's Articles of Association any regulation was not made within the scope of dissenters' rights in accordance with 1.5.2 numbered article of "Corporate Governance Principles".
- There is not a written compensation policy for the employees which should be established in accordance with 3.1.2 numbered article of the "Corporate Governance Principles" of our Company available.
- The mechanisms required for communicating the transactions, being contrary to relevant

legislation of the company and being inappropriate in terms of ethics of the Company by the stakeholders to the corporate governance committee or committee being responsible for the audit, specified with 3.1.4 numbered article of the "Corporate Governance Principles", were not able to be established within the period.

- In accordance with 4.3.4 numbered article of the "Corporate Governance Principles" of our Company, the number of members in independent board of directors, which should be composed of 7 persons, was not able to be made three. The exception provided for the companies in the third group with 6th Article of Notification was utilized. At present, two independent members of board of directors maintain their duties.
- The wages paid to members of the Board of Directors and senior managers and all other benefits provided in accordance with 4.6.5 numbered article of the "Corporate Governance Principles" are announced to the public through annual activity report. However, the announcement is not made on the basis of a person, but on a whole basis that the discrimination of board of directors and senior manager is included.
- In the Articles of Association of the Company any provision restricting transfer of B Group shares does not exist. However, there are some conditions with regard to transfer of A Group shares.
- A Group shareholders were accorded some preferential rights. One of them is; that the whole of members of the Board of Directors, except for its independent members, is selected among the A Group shareholders or candidates that they slate, another one is in voting right, during voting of the General Assembly A Group shareholder has (2) voting rights and B Group shareholder has (1) voting right.
- In the Articles of Association of Anel Elektrik there is not any provision that the shareholders may request for special audit from the general

assembly, being an individual right.

#### SECTION I - SHAREHOLDERS

##### 2. Shareholder Relations Unit

Within the body of our Company, there is Investor Relations Department carrying on business from the day that we go public. Cem Özşen, Financial Affairs Manager and Finance Director, and Department carrying on business depending on the Corporate Governance Committee submit the information with regard to the activities, which they performed under duty titles in the Corporate Governance Notification, to the Committee in the meetings of the Corporate Governance Committee held within the year. The relevant information are communicated additionally to the Board of Directors through minutes of committee resolutions.

The information about the Investor Relations Department are given below.

##### Önder Mutlu Bulut Investor Relations Manager

He has SPF Advanced Level License and Corporate Governance Rating Expertise License.

##### Semra Çağlar Financial Control and Consolidation Executive

She has SPF Advanced Level License and Corporate Governance Rating Expertise License.

Telephone : +90 216 636 22 53  
E-mail : investor.relations@anel.com.tr  
Address : Anel İş Merkezi, Saray Mahallesi, Site Yolu Sokak No:5/4 Ümraniye / İstanbul

Main duties that the department carries out are given below:

- To provide the correspondences made between the investors and partnership and the records with regard to other information and documents to be kept reliable, secure and updated.
- To respond to written information requests of the partnership's shareholders with regard to the partnership.
- To prepare documents that should be submitted for information and investigation of the shareholders with regard to the meeting of the general assembly and to take precautions that will ensure the meeting of the general assembly

to be held in accordance with the relevant legislation, articles of association and other intra-partnership regulations.

- To observe and follow that the obligations arising from the capital market legislation are fulfilled, including all kind of points with regard to the corporate governance and public disclosure.

The questions posed to the Investor Relations department are answered in accordance with Anel Information Policy.

##### 3. Exercising Shareholders' Rights to Obtain Information

The information provided for the website in the Corporate Governance Principles were submitted for use of the shareholders on the website of our Company in Turkish and English, so that the shareholders can reach the information about our Company easily. Updating and monitoring the website are under the responsibility of the Investor Relations Department.

The verbal and written questions posed to the Investor Relations Department were answered without making any distinction within the scope of principle of equality and within the scope of information disclosed to the public as soon as possible, provided that it is not an information having characteristic of business secret or not being already disclosed to the public.

In the articles of association of our Company, there is not a regulation with regard to regulating request for appointment of special auditor in the articles of association given in the Corporate Governance Principles. There have not been a request for appointment of special auditor within the year.

##### 4. General Assembly Information

In 2015 Ordinary Meeting of General Assembly realized on 29.05.2015 with quorum of 56,85 %. Apart from that, any meeting of the general assembly was not held within the year. The announcements of our ordinary meeting of general assembly were made before the general assembly date in 18.03.2015 dated Turkish Trade Registry Gazette, in Ortadoğu and Hürses newspapers, broadcasting throughout Turkey, on 09.04.2015, in Public Disclosure Platform, on Central Registry Agency's Electronic General Assembly System and on our website, and the press did not participate in our meeting.



It was paid attention that the general assembly announcements were made early and through various channels in order to facilitate the participation in the general assembly. Prior to the General Assembly, the annual activity report and financial statements were kept available in registered office for the shareholders. In addition to this, whole of this information was published on our Company website with General Assembly Announcement and agenda items. In the general assembly, the shareholders exercised their questioning rights and the questions were answered. Any agenda offer was not made by the shareholders.

A policy with regard to Contributions and Aids was established by our Company, published in the Public Disclosure Platform, notified to our investors and public and the approval of the General Assembly was received. The information about the contributions and aids made to associations and foundations, being beneficial for the public, within the year was given in the General Assembly with a separate agenda item.

The General Assembly minutes and other documents are submitted for information of the shareholders and all stakeholders on our Company website, the Public Disclosure Platform and Central Registry Agency' Electronic General Assembly System.

## 5. Voting Rights and Minority Rights

The meetings of the general assembly and quorum in this meeting are subject to Turkish Commercial Code provisions. The shares of our company were divided as A group and B group. A group shares have privileges. In the meetings of the general assembly, a share in A group has two (2) voting rights and a share in B group has one (1) voting right.

In the meetings of the general assembly the shareholders may have themselves represented by other shareholders or proxy holder appointed extrinsically by them within the scope of regulations of the Capital Market Board with regard to voting by proxy. The proxy holders, being shareholder of the company, are authorized to cast the votes of the shareholder they represent, in addition to their own votes.

In our company there is not any reciprocal shareholding relation.

It is cared to have the dissenters' rights exercised within the scope of the Capital Market Law, however, no regulation was decided with regard to the matter in our articles of association.

## 6. Dividend Right

The dividend policy of our Company was rearranged in accordance with the Capital Market Board legislation and company's articles of association and accepted in the ordinary general assembly held within the year. The date and type of dividend are decided by the General Assembly upon suggestion of the Board of Directors by paying regard to the Capital Market Legislation.

At the end of the fiscal year of 2014, the profit in the amount of 1.314.008,66TL was distributed to our partners with approval of the general assembly.

## 7. Transfer of Shares

In the articles of association of our Company, there is an information as regards Bearer shares may be transferred freely in accordance with the legislation provisions, but in the transfer processes of Registered shares, the transfer process of Registered shares will be completed after the transfer request, made in written, is deemed appropriate by the Board of Directors and registered in stock ledger.

## SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

### 8. Information Policy

It aims that shareholders and all stakeholders of our Company are enlightened completely in time and with exact information within the scope of Information Policy established within the Corporate Governance Principles, published by the Capital Market Board. The information to be disclosed within this scope is the information that is not included in the scope of business secret. The information policy is published on the Company website.

Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi ("Anel") uses the means, being within the scope of "Information Policy", in explanations that are compulsory to be made within the scope of the Capital Market Legislation and other relevant legislations. The purpose of Anel Information Policy is to provide the explanations to be disclosed to the public in line with the regulations, to which the Company is subject, to be communicated to the shareholders, investors, employees and customers and all stakeholders completely, fairly, truthfully, in time, comprehensibly and in an easily accessible way, synchronously, actively and transparently.

## 9. Corporate Website and Its Content

The website of the company has been established for the purpose of informing the shareholders, stake and all public clearly, transparently and synchronously, and its address is www.anel.com.tr. The Company's website contains Capital Market Board resolutions and announcements and information deemed necessary, which are governing implementation of the Capital Market Board Corporate Governance Principles Notification and Principles, and continuous updates are made. Furthermore, the information on the website can also be read in English. The website of the Company contains the points specified in the corporate governance principles.

On the other hand, the activities carried out by our company within the scope of corporate social responsibility principle are also included in our website.

## 10. Activity Report

The activity reports of our Company are prepared in accordance with criteria specified in the Corporate Governance Principles published by Turkish Commercial Code, Ministry Regulations and Capital Markets Board.

## SECTION III - STAKEHOLDERS

### 11. Informing The Stakeholders

Our stakeholders having directly relation with our Company and having relation in the company's activities in reaching the targets are our shareholders, investors, suppliers, customers, employees and other stakeholders in the society.

As Anel, one of our purposes is to take the management decisions fairly, transparently and in an accountable way, and to fulfill our responsibility towards all of these groups within this scope ideally. The shareholders, investors and analysts may reach financial reports, activity reports and other information about the Company from our Company website.

In addition to this, they may also reach the Investor Relations department through telephone or through e-mail by using e-mail address of investor.relations@anel.com.tr.

Although the mechanisms required for communicating

the transactions, being contrary to legislation and being inappropriate in terms of ethics, of the Company by the stakeholders to the Corporate Governance Committee or Committee Being Responsible For The Audit, the information transfer to the employees is made by being gathered in various organizations or through intranet system used within the Company. Some important announcements are transmitted to all employees through e-mail. The regulations required for providing two-way information flow between the manager and employees are made.

## 12. Participation of the Stakeholders in Management

In the company's articles of association, any model with regard to participation of our stakeholders in the management was not established. On the other hand, the requests and suggestions transmitted in periodical meetings, in which the managers participate, are taken into consideration and the processes with regard to them are considered.

## 13. Human Resources Policy

One of the primary objectives of the Human Resources Policy is to support the continuous improvement of the employees who are the key players who contribute to the Company's success in achieving company's goals and strategies, in expanding its corporate capabilities and creating value. We aim to add new workforce who recognize Anel's values that would carry us to the future. The base of the Human Resources policy would be supporting our employees' development, creating the opportunities that unearth the employees' potential and encouraging the contributions and the successes they bring to the company.

The recruitment process is determined with fixed criteria. Additionally, career planning of the employee is prepared when the employee starts his/her job and we aim to provide equal opportunities for people that possess equal conditions. Plan and current status of the career plan are assessed at every year end.

The company organizes training sessions contributing directly to our corporate success, to take a step further in employees' personal and professional development.

Gökçe Babayiğit, Gülay Savaşan and Murat Akcan are appointed as employee's representatives who are charged to maintain relationship with employees

and inform Company decisions about employees or development that concern them. In addition, the representatives exchange ideas with employees about the current status of the Company, training, career and health.

Job descriptions and distributions as well as performance and other criteria are well defined with internal company regulations, these documents are accessible to all employees in the portal.

360-degree performance evaluation is completed once a year depending on the competencies required for the position and the determined targets. The company aims to remunerate the employees based on their responsibilities and the value they add to the organization.

All employees are treated equally without any discrimination on the basis of ethnicity, language, religion, race or gender regarding Training & Development, Performance Management, Career Management, Remuneration and other Human Resources processes. There has been no employee's complaint regarding this issue during the year.

The company has not taken any supportive action for the effective recognition of the right to freedom of association and collective labor agreement. However, the Company reviewed and restructured Human Resources system and processes based on requirements, to endure corporate structure's success in 2015.

#### 14. Ethical Code of Conduct and Social Responsibility

Executive Board developed Ethical Code of Conduct for the company and its employees, the code is disclosed to the public via the company website.

The principles mentioned in the Ethical Code of Conduct, form the basis of our Corporate culture.

Due the importance Anel has attached to sustainability, Anel Group has signed in 2013 United Nations (UN) Global Compact. Anel, by implementing 10 principles mentioned in Global Compact in its applications and strategies, seeks for improvements.

Çelikel Education Foundation, founded in 2007 intends to establish a collaboration between educational institutions, parents and non-governmental organizations in order to raise creative,

responsible, freethinking and open to developments young generations. The Foundation determines the current problems that young people are facing and opportunities together with them and provides solutions. It creates social, personal and professional development opportunities. Foundation, grants scholarship every year to the successful students in need.

With this scholarship program, we aim to improve the level of education in Turkey, to provide better conditions for more students and increase the quality of life for our young generation. With the cooperation of our volunteers, we provide them education-development, monitoring and internship opportunities.

The company continued to participate in social responsibility programs. Our activities about social responsibility are mentioned in the Company's website and in the annual report.

#### CHAPTER IV - EXECUTIVE BOARD

##### 15. Executive Board's Structure and Constitution and Independent Membership

We have 7 Board members in our organization. 5 executive directors and 2 non-executive directors take place in Executive Board. Having three women in our Board correspond well with our Corporate Governance principles with 42,86% female members rate. However, we didn't reach the presence of three independent members in Executive Board. We have benefited from the exception provided for 3rd group of companies with 6th Article of Corporate Governance Communiqué. Two independent board members continue at the present time to their work.

Cahit Tüzel, Independent Board Member has voluntarily left his job on 27th November 2015; Neslihan Tonbul was assigned to this post on 02nd December 2015.

Full Name	Position / Title
Rıdvan ÇELİKEL (Representing Anel Holding A.Ş.)	Chairman - (Executive)
Avniye Mukaddes AKAY	Vice Chairman - (Executive)
Ahmet Bülent BATUKAN	Member - (Executive)
Mahir Kerem ÇELİKEL	Member - (Executive)
Merve Şirin ÇELİKEL	Member - (Executive)
Neslihan TONBUL	Independent Member - (Non-executive)
Prof. Dr. Ahmet Münir Ekonomi	Independent Member - (Non-executive)

##### Rıdvan ÇELİKEL

*(Chairman of The Board)*

Rıdvan Çelikel graduated from Electrical Engineering Department of Yıldız Technical University. He began his career at Öneren Engineering in 1975, where he worked until 1983. After working as a partner in Aktek Elektrik for two years, Çelikel established Anel Elektrik in 1986. Currently, he is the Chairman of the Board of Anel Group companies. Rıdvan Çelikel also serves as Founding Member and Vice Chairman of the Board at ETMD, the Electrical Installation Engineers Association.

##### Avniye Mukaddes AKAY

*(Vice Chairman of The Board)*

Avniye Mukaddes Akay graduated from Chemical Engineering Department of Istanbul University, she has served as a Member of the Board of Anel Group companies since 1986. Currently, she is the Vice Chairman of the Board and the Support Units Group President. In addition, she is the President of Çelikel Education Foundation.

##### Mahir Kerem ÇELİKEL

*(Board Member)*

After graduating from Robert College in 1999, Mahir Kerem Çelikel received his bachelor's degree from Johns Hopkins University's Department of Mathematical Sciences and Electrical Engineering in 2004 and his MBA from Boğaziçi University's Department of Business Administration in 2007. Subsequently, he completed his Master's in History at Boğaziçi University and began his Ph.D. in History at Berkeley University. Çelikel started his career at Anel Group in 2013. Currently, he serves as Member of the Board of Anel Group Companies.

##### Merve Şirin ÇELİKEL

*(Board Member)*

Merve Şirin Çelikel received her bachelor's degree in Electrical & Electronical Engineering from Technische Universitaet Berlin in 2008, and her MBA in Business Administration from INSEAD University in 2012 as a scholarship student. In November 2008, she started her professional career as a Project Engineer at Hexagon Global Energy, a company that operates in alternative energy investments. Between 2009 and 2011, Merve Şirin Çelikel worked as a Senior Tender Engineer at the Wind Power Department and as Project Quality Manager at the Tender Department of Siemens Energy. She joined Anel Group in 2011 and currently serves as Member of the Board of Anel Group companies.

##### Ahmet Bülent BATUKAN

*(Board Member)*

Ahmet Bülent Batukan received his degree in Mathematics from Middle East Technical University in 1976, and a Master's degree in Business Management from Gazi University. Between 1976 and 1981, Batukan worked as Assistant Manager in charge of Ankara Regional Sales at Koç Burroughs Computer Systems. He joined Saniva (Sperry Univac) in 1981 as Ankara Regional Manager and then took the position of Istanbul Major Computers Department Manager. Between 1988 and 1991, Batukan served as General Manager at Kavala Group Teleteknik. In 1991, he joined Setus as Founding Partner and served as General Manager until 1998. After serving as Board Member at Setkom from 1998 to 2005, Batukan joined Anel Group in 2005. He currently serves as a Member of the Board of Anel Group companies.

##### Ahmet Münir EKONOMİ, Ph.D.

*(Independent Board Member)*

After graduating from Istanbul University Faculty of Law in 1955, Ahmet Münir Ekonomi received his Ph.D. from Munich University's Faculty of Law. Ekonomi started his academic career as Labor Law Assistant at Istanbul Technical University, and later he was appointed as Assistant Professor and Professor. He taught Labor Law at Istanbul University and Galatasaray University's Faculty of Engineering and Technology. In addition to Anel Group, Ekonomi serves as a consultant for Akbank T.A.Ş., Eczacıbaşı Holding A.Ş., Türk Ekonomi Bankası A.Ş., Türk Telekom A.Ş., Pharma Vision Holding A.Ş., Japon Tütün Ürünleri Pazarlama A.Ş. and Unilever Holding A.Ş. Formerly a Member of the Board at the Yaşar Educational and Cultural Foundation, he currently serves as a Board Member at the Istanbul Foundation for Culture and



Arts, Dr. Nejat Eczacıbaşı Science and Arts Foundation, Istanbul Modern Art Foundation, Istanbul Museum of Modern Art and Istanbul Archeology Museum Society. Ekonomi currently holds the position of Independent Board Member at Anel Elektrik. He meets all the requirements defined in the Corporate Governance Principles set out by the Capital Markets Board and is not affiliated with Anel Elektrik or its subsidiaries.

**Neslihan TONBUL**  
(Independent Board Member)

Beginning her career in 1983 at the Irving Trust Company (now The Bank of New York Mellon), she is specialized in marketing, risk management and new business development. She has been assigned to Board Member in Yaşar Holding in 2009, followed by Board appointments at Prysmian Kablo and consultancy at New Zealand Trade and Enterprise. She received a B.A. degree in Economics and Political Science from Rutgers University in 1981 and was awarded an M.A degree in International Business

from the Fletcher School of Law and Diplomacy at Tufts University in 1983. Ms. Tombul is also an active member of various NGOs including ARIT (American Research Institute in Turkey), YPO Istanbul Chapter (Young Presidents Organization), and Trustee of TGEV (Educational Volunteers Foundation of Turkey). She is also a founding member of the American Business Forum in Turkey and a member of International Advisory Board of FSTC (Foundation for Science, Technology and Civilization) based in the United Kingdom. She is Independent Board Member since December 2005 at Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. and member of Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee. Neslihan Tonbul meets the criteria of an Independent Member in the scope of Capital Markets Board of Turkey Corporate Governance Principles. She isn't involved in any relationship with Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. and its related parties.

Board Member	Other Duties
Rıdvan ÇELİKEL	Chairman of the Board of Anel Group Companies
Avniye Mukaddes AKAY	Vice Chairman of the Board of Anel Group Companies
Merve Şirin ÇELİKEL	Board Member of Anel Group Companies
Ahmet Bülent BATUKAN	Board Member of Anel Group Companies
Mahir Kerem ÇELİKEL	Board Member of Anel Group Companies
Ahmet Münir EKONOMİ, Ph.D.	Consultant at Akbank T.A.Ş., Eczacıbaşı Holding A.Ş., Türk Ekonomi Bankası A.Ş., Türk Telekom A.Ş., PharmaVision Holding A.Ş., Japon Tütün Ürünleri Pazarlama A.Ş. and Unilever Holding A.Ş.
Neslihan TONBUL	Consultant at Cambrige Family Enterprise Group. Board Member of Turcas Petrol A.Ş. Consultant at New Zealand Trade and Enterprise.

Board members have been selected on 23rd May 2013 in a General Assembly meeting to serve for 3 years.

Board members are selected from our General Assembly among shareholders of group A and the candidates they select, as stated in our Articles of Incorporation.

Except for our Independent Board Members, other Board Members may serve as Board Member in Anel Group's other companies.

## 16. Operating Principles of the Board of Directors

The Executive Board meets as often as the company's business requires, as stated in our Articles of Incorporation. Meeting invitations are sent by e-mail or Board members are contacted by phone. Board Secretariat which is set up within the Executive Board in accordance with Corporate Governance Principles, informs Board members by sending meeting agenda and other related documents.

Meeting is held with the presence of half of the total Board Members, plus one member. The Board meets in line with principles set in the Turkish Commercial Code and Articles of Incorporation, the decision quorum being a simple majority of participants.

In 2015, Board Members participation rate to the 26 meetings held was 95%. The members are very attentive to participate every meeting and express their opinions. Opinions of members who didn't participate in the meeting but submit their opinions in writing are shared with other members during the meeting.

Board decisions and resolutions on all related parties are taken by a majority vote of Independent Members in accordance with Corporate Governance Principles. No members voted against the Board decisions at the meeting held during this reporting period.

Although there were no material events, as described in the Communiqué on the Corporate Governance Principles, the majority of independent board members have agreed with Board decisions in 2015. All material events resolved at the meetings are announced to the public via material disclosure.

Additional vote right or veto power is not granted to Board members in case of a tie in votes. Every board member, including the Chairman, has only one vote and no member has granted predominant vote.

Board members and Senior managers are insured with a policy worth \$25 million dollars because of the damage that may cause to company while performing their duties.

## 17. Number, Structure and Independence of Committees Formed under the Executive Board

Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee as well as the

Nomination and Remuneration Committee reporting to the Corporate Governance Committee continued their activities in 2015. Information about their operations and working principles have been disclosed to the public on the company's website.

Due to the current structure of the Board of Directors, Independent Board Member Prof. Dr. Ahmet Münir Ekonomi serves as the Chairman in all Committees. Another Independent Board Member Neslihan Tonbul who replaces Cahit Düzél after he left this job serves as a member in all committees. Committees and their members are listed below.

Corporate Governance Committee	Full Name	Position
CHAIRMAN	Prof. Dr. Ahmet Münir EKONOMİ	Independent Member
MEMBER	Neslihan TONBUL	Independent Member
MEMBER	Önder Mutlu BULUT	Executive
Audit Committee	Full Name	Position
CHAIRMAN	Prof. Dr. Ahmet Münir EKONOMİ	Independent Member
MEMBER	Neslihan TONBUL	Independent Member
Early Detection of Risk Committee	Full Name	Position
CHAIRMAN	Prof. Dr. Ahmet Münir EKONOMİ	Independent Member
MEMBER	Neslihan TONBUL	Independent Member

The committees meet as frequently as required by Corporate Governance Principles. The minutes are submitted to Executive Board.

Procedures that committees follow when performing their duties are available on the company's website.

### 18. Risk Management and Internal Control Mechanisms

Internal auditing and risk management mechanisms were determined to assess the company's current and potential risk, as well as to take necessary actions and preventive measures. These mechanisms are approved by Executive Board and their implementation started.

According to Internal Audit Code approved by Executive Board, the aim of internal audit is to monitor, develop, and improve every operation of the company as well as to serve as independent consultant and to offer impartial assurance in order to add value to the group. General Management contributes to the assessment and the improvement of the efficiency and effectiveness of Risk Management, Internal Control and Management processes by developing systematic approaches.

Internal Audit Activities content is as following:

1. The scope of audit includes all operations and activities of the company.
2. Audit Group is responsible for assessing the compliance of the Risk Management, Internal Control and Management processes with the guidelines set by Executive Board, and determining if the processes function as intended. For this purpose, Audit Group performs the following tasks:
  - a) Defining well all financial and operational risks that may have a negative impact on the company's operations and effectively managing these risks,
  - b) Establishing effective communication with relevant departments and branches on matters within the scope of the audit.
  - c) Keeping important financial, managerial and operational information for company's operations, as accurate, reliable and current as possible

- d) Ensuring that all employees and their operations comply with Company policies, procedures and principles, Ethical Code of Conduct, Standards as well as relevant legal regulations and law.
- e) Ensuring efficiency on procurement of all company's resources and on their use.
- f) Developing constantly quality and improvement effort on the internal controlling processes.
- g) Monitoring that the regulations and legal issues that effect company's operations are communicated with related departments and branches
- h) Reviewing and evaluating critical audit results about managerial control, efficiency and corporate identity issues with relevant senior management.

During the ordinary General Assembly Meeting on 23rd May 2013, the per diem fees for Executive Board members were discussed in the agenda, and the discussion led to a Board decision.

In accordance with Corporate Governance Principles, all remunerations and all other benefits granted to Executive Board Members and senior managers are disclosed to the public via the company's annual report. However, the information is disclosed in two separate totals for each group – Board members and senior managers – the information is not on individual basis.

The company paid 1.082.989,96\_Turkish Lira to Board Members as salaries and per diem fees in 2015; 833.191,80\_TL to Senior managers as total financial benefits.

The Company did not issue this year loans or lines of credit to any Board Member, did not extend the terms of loans or credits, and did not give any guarantees or sureties in their favor.

### 19. Strategic Goals of the Company

Since 1986, Anel Elektrik has endeavored to protect our future by acting with awareness to add value to the planet, to the society and to the institutions and companies that we serve. We are maintaining our values by sharing them. This perspective is reflected on the company's vision and mission statements as well as on its goals and critical performance indicators, which are defined in annual strategic plans. Executive Board reviews and approves the company's goals and critical performance indicators during the year-end budget meetings. Executive Board reviews the operating results in comparison with last year's performance and target indicators in ordinary meetings.

### 20. Financial Rights

Remuneration of Executive Board Members and Senior Managers is done according to "Principles for Remuneration of Executive Board Members and Senior Managers," which was approved by the Executive Board in 2012. These principles intend to plan, implement and manage the remuneration practices in compliance with the company's activities scope and structure, long-term targets and strategies, ethical values, and internal balance as well as the relevant law. These principles are available on the company website.



## DECLARATION OF RESPONSIBILITY

OF THE BOARD RESOLUTION ON APPROVAL OF FINANCIAL STATEMENTS AND ANNUAL REPORTS

DATE: 10.03.2016

NUMBER: 03

COMPANY'S DECLARATION OF RESPONSIBILITY PURSUANT THE CAPITAL  
MARKET BOARD'S COMMUNIQUÉ SERIES: XI, NO: 29, PART THREE ARTICLE 9

- a) We have examined the statement of financial position as well as the income statement and annual report of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi ("the Company") at 31 December 2015.
- b) Based on the information we possess pursuant to our duties and responsibilities within the Company, the financial statements and the annual report do not have any misstatements in material aspects or any omissions that may be construed as misleading as of the date of declaration,
- c) Based on the information we possess pursuant to our duties and responsibilities within the Company, the financial statements, together with those included in consolidation, that were prepared pursuant the Communiqué fairly reflect the Company's assets, liabilities, financial situation and profit/loss and the annual report fairly reflects the business development and performance, the financial statements, together with those included in consolidation, significant risks and uncertainties being exposed.

Sincerely



A. Mukaddes AKAY  
Vice Chairman



Cem ÖZŞEN  
Director of Financial Affairs and Finance

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş.**

**AND ITS SUBSIDIARIES**

*CONVENIENCE TRANSLATION INTO ENGLISH*

*OF CONSOLIDATED FINANCIAL STATEMENTS*

*AS AT 31 DECEMBER 2015 AND AUDIT REPORT*



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT  
ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH**

**Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.**

**To the Board of Directors**

1. We have audited the accompanying consolidated financial statements of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditors' Responsibility*

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

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

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

*Opinion*

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi and its subsidiaries as of December 31, 2015, and of its financial performance and its cash flows for the period then ended in accordance with Turkish Accounting Standards.

**Reports on other responsibilities arising from regulatory requirements**

5. Auditors' report on Risk Management System and Committee prepared in accordance with subparagraph 4, Article 398 of Turkish Commercial Code no. 6102 ("TCC") is submitted to the Board of Directors of the Group on 10 March 2016.

6. In accordance with subparagraph 4, Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January — 31 December 2015 and financial statements are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.

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

**BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.**

Rafet KALKAN, CPA  
Partner

İstanbul, 10 March 2016

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2015

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

	Notes	Audited	
		Current Period 31.12.2015	Previous Period 31.12.2014
<b>ASSETS</b>			
<b>Current Assets</b>		<b>695.734.847</b>	<b>670.597.346</b>
Cash and Cash Equivalents	6	52.860.078	26.013.925
Trade Receivables			
- Trade Receivables from related parties	9,38	11.983.381	15.344.924
- Trade receivables from third parties	9	407.369.048	427.754.555
Other receivables			
- Other receivables from related parties	10,38	55.158.307	76.522.998
- Other receivables from third parties	10	8.375.184	14.674.928
Inventories	12	119.555.286	66.150.753
Prepaid Expenses	13	25.468.069	14.509.409
Current tax related assets	36	3.449.407	10.009.283
Other Current Assets	27	11.516.087	19.616.571
<b>Non-Current Assets</b>		<b>281.860.030</b>	<b>219.839.337</b>
Financial Investment		46.296	46.296
Other Receivables			
- Other receivables from Related Parties	10,38	-	-
- Other receivables from third parties	10	49.819	49.819
Investments Accounted with Equity Method	15	22.831.414	22.177.540
Investment Property	16	190.031.939	138.133.516
Property, Plant and Equipment	17	27.658.421	24.556.755
Intangible Fixed Assets	18	1.098.830	2.213.412
Prepaid Expenses	13	5.148.661	4.124.404
Deferred Tax Assets	36	23.372.318	18.228.068
Non-Current Assets Related with Current Period Tax	36	11.622.332	10.309.527
<b>TOTAL ASSETS</b>		<b>977.594.877</b>	<b>890.436.683</b>

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements

Audited

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2015

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

	Notes	Audited	
		Current Period 31.12.2015	Previous Period 31.12.2014
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>		<b>502.722.020</b>	<b>485.604.733</b>
Short-Term Borrowings	8	143.293.989	158.050.050
Current Part of Long Term Borrowings	8	15.309.542	15.029.854
Trade Payables			
- Due to Related Parties	9,38	3.605.464	2.369.560
- Other payables to third parties	9	162.010.280	195.496.922
Employee Benefits		3.982.422	1.905.171
Other Payables			
- Due to Related Parties	10,38	4.492.566	923.182
- Other payables to third parties	10	5.465.305	3.875.249
Deferred Income	13	141.390.339	91.591.581
Income tax payable	36	14.924.880	15.253.520
Short term provisions			
- Short term provisions for employee benefits	26	4.656.243	662.471
- Other Short-Term Provisions	24	3.590.990	443.264
Other current liabilities	27	-	3.909
<b>Long Term Liabilities</b>		<b>122.181.090</b>	<b>106.814.401</b>
Long-Term Borrowings	8	95.698.063	94.071.814
Trade Payables			
- Due to Related Parties	9,38	-	-
- Trade Payables to Third Parties	9	68.966	367.017
Other Payables			
- Due to Related Parties	10,38	-	-
- Other Payables to Third Parties	10	55.943	123.076
Deferred Income	13	22.593	232.408
Long-term provisions			
- Long term provisions for employee benefits	26	8.438.120	942.522
- Other Long-Term Provisions	24	-	-
Deferred Tax Liabilities	36	17.897.405	11.077.564
<b>EQUITY</b>		<b>352.691.767</b>	<b>298.017.549</b>
<b>Equity Belongs to Parent Company</b>		<b>286.298.626</b>	<b>270.105.947</b>
Paid-in Capital	28	110.000.000	110.000.000
The merger effect of entities subject to common control	28	(9.137.569)	(8.063.535)
Premiums/Discounts related with Shares	28	1.384.433	1.384.433
Other Comprehensive Income or Expenses not to be reclassified on Profit or Loss			
- Revaluation and Measurement Gain / (Loss)	28	1.165.542	985.461
- Defined Benefit Plans Remeasurement Gains / Losses	28	(270.823)	(196.051)
Other Comprehensive Income or Expenses to be reclassified on Profit or Loss			
- Foreign Currency Conversion Difference	28	66.389.102	62.042.097
Restricted reserves allocated from profits	28	10.372.875	6.495.122
Retained Earnings/(Losses)	28	91.979.688	87.427.719
Net Profit /(Loss)	37	14.415.378	10.030.701
<b>Non-controlling Shares</b>	28	<b>66.393.141</b>	<b>27.911.602</b>
<b>TOTAL LIABILITIES</b>		<b>977.594.877</b>	<b>890.436.683</b>

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements



ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 01.01.2015 - 31.12.2015

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

	Notes	Audited	
		Current Period 01.01.-31.12.2015	Previous Period 01.01.-31.12.2014
<b>PROFIT OR LOSS</b>			
Revenue	29	559.529.563	639.433.961
Cost of Sales (-)	29	(533.537.628)	(570.528.143)
<b>GROSS PROFIT/LOSS</b>		<b>25.991.935</b>	<b>68.905.818</b>
General Administrative Expense (-)	30	(28.609.567)	(22.332.114)
Marketing and Sales Expense (-)	30	(2.886)	(166.319)
Other Operating Income	32	63.208.651	28.686.136
Other Operating Expense (-)	32	(69.347.855)	(33.906.874)
<b>OPERATING PROFIT/LOSS</b>		<b>(8.759.722)</b>	<b>41.186.647</b>
Income From Investing Activities	33	61.809.002	10.023.046
Expense From Investing Activities (-)	33	(934.485)	(8.879.789)
Investments Valuated with Equity Method			
Shares on Income / (Loss)	15	2.992.227	5.806.235
<b>OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES</b>		<b>55.107.022</b>	<b>48.136.139</b>
Financing Income	34	397.513.329	206.169.792
Financing Expenses (-)	34	(400.429.014)	(232.153.602)
<b>ONGOING ACTIVITIES PROFIT/LOSS BEFORE TAX</b>		<b>52.191.337</b>	<b>22.152.329</b>
<b>Tax Income/(Expense) From Ongoing Activities</b>			
-Tax For Period	36	(14.602.273)	(14.900.955)
-Deferred Tax Income/ (Expense)	36	(2.515.250)	6.466.439
<b>PERIOD PROFIT / (LOSS) FROM ONGOING ACTIVITIES</b>		<b>35.073.814</b>	<b>13.717.813</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>35.073.814</b>	<b>13.717.813</b>
<b>Distribution of the Profit / (Loss) for the Year:</b>			
Non-controlling Shares	28	20.658.436	3.687.112
Parent Company Shares		14.415.378	10.030.701
<b>Earnings Per Share</b>			
- Earnings Per Share from Ongoing Activities	37	0,13	0,09

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 01.01.2015 - 31.12.2015

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

		35.073.814	13.717.813
<b>PROFIT/(LOSS) FOR THE PERIOD</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss :</b>			
Increase/ (Decrease) from Revaluation of Tangible Assets		225.101	73.955
Increase/ (Decrease) from Revaluation of Intangible Assets		-	-
Defined Benefit Plans Remeasurement Gains / Losses		(93.465)	13.154
Taxes related to Defined Benefit Plans Remeasurement Gain / Loss			
- Deferred Tax (Expense) / Income		18.693	(2.631)
Tax Income / (Expense) related to other comprehensive income not to be reclassified to profit or loss			
- Deferred Tax (Expense) / Income		(45.020)	(14.791)
<b>Items to be reclassified to profit or loss :</b>			
Foreign Currency Translation Differences		4.347.005	16.757.682
<b>OTHER COMPREHENSIVE INCOME</b>		<b>4.452.314</b>	<b>16.827.369</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>39.526.128</b>	<b>30.545.182</b>
<b>Appropriation of period income</b>			
Non-Controlling Interests		21.803.700	3.786.255
Parent Company Share		17.722.428	26.758.927

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN 01.01.2015 - 31.12.2015

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

PREVIOUS PERIOD	Notes	Paid-in Capital related with Shares	Premiums / Discounts	The Change Effect of Entities subject to Consolidation (-)	Revaluation Measurements Gains (Losses)	Other comprehensive income items not to be reclassified to profit or loss in subsequent periods	Retained Reserves	Retained Profit / (Loss)	Net Profit / (Loss)	Equity Attributable to Parent	Non-controlling shares	Equity
Balance as of January 1, 2014 (beginning of period)		110.000.000	1.354.433	(8.065.533)	926.297	45.336.637	3.892.237	99.497.791	1.372.523	243.290.099	29.094.933	272.385.032
Transfers		-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	37	-	-	-	10.675	16.715.400	3.442.163	(2.609.640)	(1.373.523)	26.776.896	3.097.112	30.443.948
Increase / (Decrease) related with Changes of Subsidiary Share Percentage with Non-Progressive Loss		-	-	-	(152)	-	422	(422)	-	59.012	(4.870.443)	(4.811.431)
Balance as of December 31, 2014 (end of period)	28	110.000.000	1.354.433	(8.065.533)	985.443	62.052.037	4.495.122	97.427.719	18.000.981	270.105.947	27.511.603	297.617.550
<b>CURRENT PERIOD</b>												
Balance as of January 1, 2015 (beginning of period)		110.000.000	1.354.433	(8.065.533)	985.443	62.052.037	4.495.122	97.427.719	18.000.981	270.105.947	27.511.603	297.617.549
The merger effect of entities subject to common control (-)		-	-	118	-	-	7.560	(7.560)	-	(1.073.916)	684.152	(389.764)
Total Comprehensive Income	37	-	-	(74.895)	180.001	5.492.151	3.870.169	6.160.208	(10.010.703)	20.032.726	21.803.700	41.836.426
Dividends		-	-	-	-	-	-	-	14.415.378	(3.319.634)	-	11.095.744
Increase / (Decrease) related with Changes of Subsidiary Share Percentage with Non-Progressive Loss		-	-	-	-	-	-	-	-	(381.345)	-	(381.345)
Balance as of December 31, 2015 (end of period)	28	110.000.000	1.354.433	(8.137.569)	1.165.542	67.544.188	18.372.151	91.979.689	14.415.378	286.296.626	66.933.141	353.231.767

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 01.01.2015 - 31.12.2015

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

	Notes	Not Reviewed	
		Current Period 01.01.-31.12.2015	Previous Period 01.01.-31.12.2014
<b>A. CASHFLOWS FROM OPERATING ACTIVITIES</b>		<b>(3.881.286)</b>	<b>(90.644.712)</b>
Profit/(Loss) for the period	37	35.073.814	13.717.813
<b>Adjustments to Reconcile Net Profit/Loss :</b>		<b>27.150.964</b>	<b>80.713.888</b>
Depreciation and amortization	17,18,30	5.031.217	4.099.159
Provisions	32	4.212.401	6.711.408
Projects expense accruals	14	79.969.785	73.227.428
Tax Expense / Income	36	17.117.523	8.434.516
Investments Accounted with Equity Method (-)	15	(2.992.227)	(5.806.235)
(Profit) / Loss from Minority Shares	28	(20.658.436)	(3.687.112)
Increase / Decrease from Investment Property Sales	16	(1.433.299)	(244.000)
The fair value gains/losses		(54.096.000)	(2.021.276)
<b>Net working capital changes in:</b>		<b>(50.852.544)</b>	<b>(187.705.485)</b>
Increase (-) / Decrease (+) in Inventories	12	(53.404.533)	(39.485.427)
Increase / Decrease (+) in Trade Receivables	9,38	(6.539.642)	(122.289.322)
Increase / Decrease (+) in Other Receivables	10,38	27.664.435	(25.887.907)
Increase / Decrease (+) in Trade Payables	9,38	(18.053.783)	99.681.932
Increase / Decrease (+) in Other Payables	10,38	117.235	1.211.384
Receivables / Payables from Ongoing Construction Contracts	14	(59.882.505)	(25.508.193)
Other Increase / Decrease in Working Capital	13,27	59.246.249	(75.427.952)
<b>Cash Flows from Operating Activities</b>		<b>11.372.234</b>	<b>(93.273.784)</b>
Tax Payments / Refunds	36	(15.253.520)	2.629.072
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>2.068.653</b>	<b>(17.074.609)</b>
Cash Outflows from Subsidiary Purchases		-	-
Changes in Investments Accounted with Equity Method	15	2.338.353	(11.711.784)
Cash Inflows from Investment Property Sales	16	2.197.577	1.381.000
Cash Outflows from Tangible and Intangible Asset Purchases	17,18	(1.771.284)	(2.705.012)
Cash Inflows from Tangible and Intangible Asset Sales	17,18	328.264	-
Cash Outflows from Other Long Term Asset Purchases	27	(1.024.257)	(4.038.813)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>24.311.781</b>	<b>70.539.917</b>
Cash inflows from borrowings	8	(12.850.124)	75.410.360
Paid Dividends		(1.319.634)	-
Paid Interest		-	-
Change in consolidated equity of participations	28	38.481.539	(4.870.443)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)</b>		<b>22.499.148</b>	<b>(37.179.404)</b>
<b>D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS</b>	28	4.347.005	16.715.460
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>26.846.153</b>	<b>(20.463.944)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6	<b>26.013.925</b>	<b>46.477.869</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	6	<b>52.860.078</b>	<b>26.013.925</b>

The accompanying accounting policies and explanatory notes are an integral part of these consolidated statements

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2015

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

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**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2015**

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

**1. ORGANIZATION AND ACTIVITIES**

The Company was first established in 1986 by the title of "Anel Elektrik Proje Taahhut Ve Ticaret Limited Sirketi". The Company's commercial type has been changed to "Anel Elektrik Proje Taahhut Ve Ticaret Anonim Sirketi" (The 'Company-Anel Elektrik') in 26/12/2006.

The company's head Office is located in Saray Mahallesi Site Yolu Sokak No:5/4 34768 Anel İş Merkezi, Ümraniye/İstanbul

Branch Addresses:

Doha Branch: P.O. Box: 21346 Doha- Qatar

Azerbaijan Branch: C. Cabbarlı 44, Caspian Plaza Kat:2 D:4 Bakü - Azerbaijan

The Company and its subsidiaries ("the Group") operates in four divisions just as; project commitment, real estate leasing, ship electricity and electronics and energy. The following fields of activity at the same time, underlie the reporting according to Group's activities.

- To desing all manner of electrical projects,
- To design all manner of mechanical Project.
- Renting of real estate owned by the Group
- Ship Electrical and Electronics - Designing power electronic systems for ships
- Energy- Generating electricity energy

The activities of the Group's ongoing business sectors and geographical segment reporting details are given in the note 5.

Company shares were offered to the public since 2010 and 48,70 % of shares are trading Istanbul Stock Exchange Inc. ( BIST ) as of December 31, 2015. (31 December 2014: %50,56). (Note 28)

In the period ended at December 31, 2015, 2.592 people have been employed in the group. (31.12.2014: 2.860)

The main shareholder of the company is Çelikel Family.

Information on the Company's subsidiaries is given below:

Anel Elektrik has the following subsidiaries, which business and country of incorporation details are listed below:

<u>Name of the Company</u>	<u>Field of the Activity</u>	<u>Type of the Activity</u>
Anel Yapı Gayrimenkul A.Ş.	Real Estate Leasing	Services
Anel Enerji Elek. Üretim San. ve Tic. A.Ş.	Solar Energy Projects	Services
Anelmarin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Marine Electrical, Electronic Systems	Services
Anel Dar Libya Constructing & Services LLC	Project Commitment	Services
Anel Engineering-Technological Company Ltd.Rusya	Project Commitment	Services
Dag-08 Ood	Solar Energy Projects	Services
Golden Sun Ood	Solar Energy Projects	Services
Anel Emirates General Contracting LLC	Project Commitment	Services
Anel BG Ltd.		
Anelmep Maintenance and Operations LLC (*)	Project Commitment	Services

(\*) Note 2A

The Company does not has any subsidiaries traded on any stock exchange.

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2015**

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

**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

**A. Basic Standards of Presentation**

**Basis of presentation of the financial statements**

The consolidated financial statements and explanatory notes have been prepared in accordance with Turkish Accounting Standards ("TAS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Markets Board of Turkey ("CMB"), which is published on 13 June 2013 at the Official Gazette numbered 28676.

In accordance with article 5th of the CMB Accounting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS) and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The group maintains its books of accounts and prepare its statutory financial statements in accordance with the regulation of Turkish Commercial Code and Tax Legislation.

The consolidated financial statements are based on the Group's statutory accounts and are expressed in TL, according to the Turkey Accounting Standards issued by UPS to deliver as required the state of the Group are prepared and subjected to certain adjustments and reclassifications.

Consolidated financial statements/TMS in order to prepare, as appropriate, assets and liabilities, contingent assets and liabilities with relation to the explanatory notes to affect certain assumptions important and requires the use of accounting estimates. These estimates, management's current events and actions within the framework based on best estimates, the actual results are different than estimated to occur. Complex and a further comment that requires assumptions and estimates to have a significant effect on the financial statements can be found. 31 December 2014 as of the date of the financial statements the assumptions used in the preparation of important and there has been no change in the accounting estimates.

Financial statements prepared according to revaluation of financial intruments and basis of historical cost.

There are not any seasonal and cyclical changes significantly affect the company's operations.

**Preparation of Financial Statements in Hyperinflationary Periods**

Based on CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the POA Accounting Standards are not subject to inflation accounting effective from 1 January 2005. Therefore, starting from January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

**Comparative information, changes in accounting policies and restatement of prior period financial statements**

In order to allow the determination of financial position and performance of the Group are prepared in the comparative prior period consolidated financial statements of the current period. In order to comply with the presentation of the consolidated financial statements for the period necessary, comparative figures are reclassified.

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2015**

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

**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**Comparative information, changes in accounting policies and restatement of prior period financial statements (continued)**

The reclassifications that are made at the Company's consolidated balance sheet as of 31 December 2014 are as follows:

	Previously reported 31 December 2014	Reclassifications	Readjusted 31 December 2014
<b>ASSETS</b>			
<b>Current Assets</b>	<b>670.597.346</b>	-	<b>670.597.346</b>
Cash and Cash Equivalents	26.013.925	-	26.013.925
Trade Receivables			
- Trade Receivables from related parties	15.344.924	-	15.344.924
- Trade receivables from third parties	427.754.555	-	427.754.555
Other receivables			
- Other receivables from related parties	76.522.998	-	76.522.998
- Other receivables from third parties	14.674.928	-	14.674.928
Inventories	66.150.753	-	66.150.753
Prepaid Expenses	14.509.409	-	14.509.409
Current tax related assets	10.009.283	-	10.009.283
Other Current Assets	19.616.571	-	19.616.571
<b>Non-Current Assets</b>	<b>364.683.289</b>	<b>(144.843.952)</b>	<b>219.839.337</b>
Financial Investment	46.296	-	46.296
Other Receivables			
- Other receivables from Related Parties	49.819	-	49.819
Investments Accounted with Equity Method	22.177.540	-	22.177.540
Investment Property	138.133.516	-	138.133.516
Property, Plant and Equipment	24.556.755	-	24.556.755
Intangible Fixed Assets	2.213.412	-	2.213.412
Prepaid Expenses	4.124.404	-	4.124.404
Deferred Tax Assets	163.072.020	(144.843.952)	18.228.068
Non-Current Assets Related with Current Period Tax	10.309.527	-	10.309.527
<b>TOTAL ASSETS</b>	<b>1.035.280.635</b>	<b>(144.843.952)</b>	<b>890.436.683</b>

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2015**

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

**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**Comparative information, changes in accounting policies and restatement of prior period financial statements (continued)**

	Previously reported 31 December 2014	Reclassifications	Readjusted 31 December 2014
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>	<b>485.604.733</b>	-	<b>485.604.733</b>
Short-Term Borrowings	158.050.050	-	158.050.050
Current Part of Long Term Borrowings	15.029.854	-	15.029.854
Trade Payables			
- Due to Related Parties	2.369.560	-	2.369.560
- Other payables to third parties	190.521.850	-	190.521.850
Employee Benefits	1.905.171	-	1.905.171
Other Payables			
- Due to Related Parties	923.182	-	923.182
- Other payables to third parties	8.850.321	-	8.850.321
Deferred Income	91.591.581	-	91.591.581
Income tax payable	15.253.520	-	15.253.520
Short term provisions for employee benefits	662.471	-	662.471
- Other Short-Term Provisions	443.264	-	443.264
Other current liabilities	3.909	-	3.909
<b>Long Term Liabilities</b>	<b>251.658.353</b>	<b>(144.843.952)</b>	<b>106.814.401</b>
Long-Term Borrowings	94.071.814	-	94.071.814
Trade Payables			
-Trade Payables to Third Parties	367.017	-	367.017
Other Payables			
-Other Payables to Third Parties	123.076	-	123.076
Deferred Income	232.408	-	232.408
Long term provisions for employee benefits	942.522	-	942.522
Deferred Tax Liabilities	155.921.516	(144.843.952)	11.077.564
<b>EQUITY</b>	<b>298.017.549</b>	-	<b>298.017.549</b>
<b>Equity Belongs to Parent Company</b>	<b>270.105.947</b>	-	<b>270.105.947</b>
Paid-in Capital	110.000.000	-	110.000.000
The merger effect of entities subject to common control	(8.063.535)	-	(8.063.535)
Premiums/Discounts related with Shares	1.384.433	-	1.384.433
Other Comprehensive Income or Expenses not to be reclassified on Profit or Loss			
- Revaluation and Measurement Gain / (Loss)	985.461	-	985.461
- Defined Benefit Plans Remeasurement Gains / Losses	(196.051)	-	(196.051)
Other Comprehensive Income or Expenses to be reclassified on Profit or Loss			
- Foreign Currency Conversion Difference	62.042.097	-	62.042.097
Restricted reserves allocated from profits	6.495.122	-	6.495.122
Retained Earnings/(Losses)	87.427.719	-	87.427.719
Net Profit /(Loss)	10.030.701	-	10.030.701
<b>Non-controlling Shares</b>	<b>27.911.602</b>	-	<b>27.911.602</b>
<b>TOTAL LIABILITIES</b>	<b>1.035.280.635</b>	-	<b>890.436.683</b>

144.843.952 TL is offset which was reclassified in Deferred Tax Liabilities and Deferred Tax Assets on previous period financial statements.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**Going concern**

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

**Offsetting**

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**Functional and presentation currency**

The financial statements of the group's subsidiaries are reported in terms of their local currencies. The consolidated financial statements are presented in Turkish Lira ("TL").

IAS 21 "Effects of Changes in Foreign Exchange Rates," according to the consolidation of branches and subsidiaries of the Group's assets and liabilities of foreign countries in parity with the balance sheet date are translated into Turkish Lira. The average exchange rate of the period with revenue and expense items are translated into Turkish Lira. Closing and average exchange rate differences resulting from the use of foreign currency translation differences in equity accounts are being followed.

The foreign Exchange rates that were used in exchanging consolidating overseas activities are as follows:

Name of the Company	Currency	31 December 2015		31 December 2014	
		End of the Period	Average of the Period	End of the Period	Average of the Period
Qatar Branch	Qatari Riyal (QAR)	0,7988	0,7473	0,6371	0,6011
Azerbaijan Branch	New Manat	1,8646	2,6446	2,9563	2,7892
Anel Engineering-Technological Company Ltd.Rusya	Russian Ruble	0,0398	0,0373	0,0405	0,0382
Dag-08 Ood, Golden Sun Ood, Anel BG Ltd.	Bulgarian Lev	1,6155	1,5346	1,4340	1,4774
Anel Emirates	United Arab Emirates Dirham	0,7917	0,7406	0,6313	0,5957

**Consolidation Principles**

The consolidated financial statements include the accounts of the parent company, its subsidiaries on the basis set out in sections below. Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

*Subsidiaries*

As of December 31, 2015 direct and indirect participation rate of subsidiaries subject to consolidation are as follows:

<u>Subsidiaries</u>	Establishment and place of organization	Core Business	Currency	Parent Company's Share (%)	
				31.12.2015	31.12.2014
Anel Yapı Gayrimenkul A.Ş.	Turkey	Real Estate Leasing Project	Turkish Lira	59,22	60,07
Anel Mekanik Tesisat Taahhüt A.Ş. (*)	Turkey	Commitment	Turkish Lira	-	97,00
Anel Enerji Elek. Üretim San. Ve Tic. A.Ş.	Turkey	Energy	Turkish Lira	71,73	71,87
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Ship Elektirk-Electronics	Turkish Lira	93,00	93,00
Anel Dar Libya Constructing & Services LLC	Libya	Project Commitment	USD	65,00	65,00
Anel Engineering-Technological Company Ltd.Rusya (**)	Russia	Commitment	USD	100,00	90,00
Dag-08 Ood	Bulgaria	Energy	Bulgarian Lev	100,00	100,00
Golden Sun Ood	Bulgaria	Energy	Bulgarian Lev	100,00	100,00
Anel BG Ltd	Bulgaria	Energy	Bulgarian Lev	100,00	100,00
Anel Emirates	United Arab Emirates	Project Commitment	USD	100,00	100,00
Anelmcp Maintenance and Operations LLC (***)	Qatar	Project Commitment	Qatari Riyal	30,00	-

(\*) Merging of the company and its %100 subsidiary Anel Mekanik Tesisat Taahhüt A.Ş. was registered by İstanbul Trade Registry Office on 31 July 2015 within the frame of notification II-23.2 of Capital Board of Turkey with the provision of the simplified procedure.

(\*\*) Shares of the company on its subsidiary Anel Engineering-Technological Company Ltd.Russia raised to %100.

Control obtained if Company provides conditions below:

- Having power on investment company/asset ;
- Having right to get variable benefits from investment company/asset and can use power to effect those benefits

Company will evaluate it's control power if there is any situation or case happen and changes conditions above.

Company will have control power if have vote right to direct investment operations even if Company does not have majority of votes on company/asset. Company consider every cases regarding it's vote majority will provide control power including components stated below.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

- Comparing Company's vote right with other shareholders vote rights
- Company's and other shareholders potential vote rights;
- Other rights according to agreements and
- Other conditions which shows Company's current power to ability manage related operations (past votings on general assemblies.)

Subsidiary is subject to consolidation when Company gain control power on subsidiary until lose control power. Income and expenses of subsidiaries reflects to consolidate profit or loss and other comprehensive income statement from purchasing to selling date of subsidiary.

Profit or loss and other comprehensive income items belongs to parent shareholders and non-controlling shares. Subsidiary's total comprehensive income transfers to parent shareholders and non-controlling shares even if non-controlling shares are negative.

Under necessity, accounting policy adjustments made on subsidiary financial statements to apply same policies with Group.

All intragroup assets and liabilities, equity, income and expenses and intragroup operations eliminates in consolidation.

**Subsidiary under Group's control**

Anelmep Maintenance and Operations LLC which is the Group's affiliate and located in Qatar is consolidated with full consolidation method as of 31.12.2015 even if Group does not have majority shares but Group obtained control power by making agreement with affiliate's shareholder Anelsis Mühendislik Sanayi ve Ticaret A.Ş. (Anelsis).

***Elimination Transactions On the Consolidation***

Unrealized Income and Expenses arises from intragroup transactions, intragroup transactions and intragroup balances erases mutually while preparation of consolidated financial statements. Profits and Losses arises from transactions between parent and subsidiaries subject to consolidation offsets as far as parent's share on subsidiary.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

***Regulatory principles of the consolidated balance sheet and consolidated income statement***

***Full Consolidation Method:***

The Company and its subsidiaries paid-in capital and balance sheet items were collected. The collection process, the consolidation of the subsidiaries' receivables and payables decreased from each other.

- The consolidated balance sheet of the Company's paid in capital paid-in capital paid-in capital of subsidiaries are not included in the consolidated balance sheet.

- Consolidated subsidiaries paid / issued capital items included in the set of all equity, the parent company and its subsidiaries and the consolidated balance sheet is reduced to the amounts attributable to non-controlling interests in shareholders' equity account group and the "Minority Interests" group name is shown.

- They are subject to consolidation companies have bought each other current and non-current assets, in principle, these assets are shown at acquisition cost, which entities subject to consolidation adjustments will be made in the accompanying consolidated balance sheet prior to the sale has taken place.

- The Company's income statement and its subsidiaries are separately collected and consolidation of the process of collecting the goods and services subject to the sales of companies that they have made to each other, the total sales amounts and reduced the cost of goods sold. Consolidation of subsidiaries' stocks, profit from the trading of goods between these partnerships on the consolidated financial statements, inventories added by subtracting the cost of goods sold, cost of goods sold if the damage has been reduced by adding to inventories. Formed due to the consolidation of subsidiaries' income and expenses related to transactions with each other, mutual accounts have been eliminated.

- The net profit or loss of consolidated subsidiaries other than the shares of companies subject to the portion that corresponds to the consolidation method, the consolidated net profit for the "Minority Interests" group name is shown.

- Where necessary, other members of the Group financial statements of subsidiaries to bring the accounting policies used in the appropriate corrections were made.

**Joint Ventures**

Joint Ventures , the Company and its Subsidiaries and joint control by one or more other parties , to a contract for the adoption of an economic activity generated within the company refers to . Groups such joint control , he shares owned directly or indirectly by taking advantage of the offers .

Group from 1 January 2012 IFRS 11 is applied to all collective agreements . In accordance with IFRS 11 , joint arrangements investments in the contractual rights and obligations of investors , depending on the are classified as joint operations or joint ventures . The Company has evaluated the type of joint arrangement and that partnership has decided . Joint ventures are accounted for using the equity method .

**Affiliates**

Investments in associates are accounted for using the equity method . They are 20 % of the voting rights of the Group owned 50% or the Group has power to exercise control over its operations , although there are organizations that have a significant impact .



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**Affiliates (continued)**

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's share of associates and unrealized losses are also eliminated ; process , impairment of the asset transferred there is no indication that has been corrected . Group subsidiaries in connection with the said line a without liability or commitment does not have as long as the investment in an associate carrying value of zero, or the Group 's impact on the end of the equity method is discontinued . The date that significant influence ceases carrying value of the investment , after that date, the fair value of fair value can be reliably measured at cost otherwise is indicated .

**The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**Standards and interpretations that are affective in 2015:**

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

**TFRS 9 Financial Instruments – Classification and Measurement**

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. 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.

**Amendments to TAS 16 and TAS 38 – Clarification of acceptable methods of depreciation and amortization**

The amendments to TAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to TAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate.

The amendments are effective for annual periods beginning on after 1 January 2016, and are to be applied prospectively. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**The new standards, amendments and interpretations (continued)**

**Amendments to TFRS 11 – Accounting for acquisition of interests in joint operations**

The amendments clarify whether TFRS 3 Business Combinations applies when an entity acquires an interest in a joint operation that meets that standard's definition of a business. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

**The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA**

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

**IFRS 9 Financial Instruments – Hedge Accounting and amendments to TFRS 9, TFRS 7 and TAS 39 - IFRS 9 (2013)**

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. Further, the new standard removes the 1 January 2015 effective date of IFRS 9. The new version of IFRS 9 issued after IFRS 9 (2013) introduces the mandatory effective date of 1 January 2018 for IFRS 9, with early adoption permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**IFRS 9 Financial Instruments (2014)**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from TAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**IFRS 14 Regulatory Deferral Accounts**

IASB has started a comprehensive project for Rate Regulated Activities in 2012. As part of the project, IASB published an interim standard to ease the transition to IFRS for rate regulated entities. The standard permits first time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances. The interim standard is effective for financial reporting periods beginning on or after 1 January 2016, although early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**The new standards, amendments and interpretations (continued)**

**IFRS 15 Revenue from Contracts with customers**

The standard is the result of a joint project and IASB and FASB which replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

**Sale or contribution of assets between an investor and its associate or joint venture (Amendments to TFRS 10 and TAS 28)**

The amendments address the conflict between the existing guidance on consolidation and equity accounting. The amendments require the full gain to be recognized when the assets transferred meet the definition of a "business" under TFRS 3 Business Combinations. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

**Equity method in separate financial statements (Amendments to TAS 27)**

The amendments allow the use of the equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures, but also for subsidiaries. The amendments apply retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

**Disclosure initiative (Amendments to TAS 1)**

The narrow-focus amendments to TAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing TAS 1 requirements. In most cases the amendments respond to overly prescriptive interpretations of the wording in TAS 1. The amendments relate to the following: materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments apply for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

**Improvements to IFRSs**

The IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle. The amendments are effective as of 1 January 2016. Earlier application is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

*IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*

The amendments clarify the requirements of IFRS 5 when an entity changes the method of disposal of an asset (or disposal group) and no longer meets the criteria to be classified as held-for-distribution.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**A. Basic Standards of Presentation (continued)**

**The new standards, amendments and interpretations (continued)**

**Improvements to IFRSs (continued)**

*IFRS 7 Financial Instruments: Disclosures*

IFRS 7 is amended to clarify when servicing arrangement are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that the additional disclosures required by Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7).

*IAS 19 Employee Benefits*

IAS 19 has been amended to clarify that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

**B. Declaration of Conformity to TAS**

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013.

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

The Group's consolidated financial statements as at 31 December 2015 is confirmed and signed by Board of Directors on 10 March 2016. General Assembly of the Group has the right to readjust financial statements prepared in accordance with legal regulations of legal institutions.

**C. Changes in Accounting Policies**

The Group's financial position, performance or cash flows of the effects of transactions and events on the financial statements to be presented in a more convenient and reliable way will affect the quality there has not been any changes in the accounting policies. A change in the accounting policies applied are not foreseen in the near future.

**D. Changes in Accounting Estimates and Errors**

Changes in accounting estimates, if only for one period, changes are made in the current period, if they relate to future periods, as well as in the period of change in future periods, are applied prospectively. Group in the current year has not been any significant changes in accounting estimates.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies**

**Revenue and Income**

Sales revenue, giving the product or service delivery, the product is transferred to the buyer the significant risks and rewards, the amount of revenue can be measured reliably and the economic benefits will flow to the Group it is probable that the fair value received or receivable recorded on an accrual basis is taken.

*Sale of Goods*

Group parties to the transaction is considered to make reliable estimates after it has agreed upon the following:

- Transferred to the buyer the significant risks and rewards of ownership of the
  - Associated with the ownership of the Group and of the continuing managerial involvement 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, ve
- A reliable measurement of costs arising from the transaction, or to be incurred.

*Service Delivery:*

Income from service delivery agreement books accordingly degree of completion of the agreement.

Degree of completion of the agreement as follows:

- Setup fees books accordingly degree of completion of the setup. Degree of completion specified by the rate of elapsed time as of balance sheet date to estimated time for setup completion.
- Service fees added to price of goods sold books accordingly total cost of service provided for goods sold,
- Derived from contracts that are connected to spent time income, working hours and direct expenses are recognized over the contract it forms charges.

*Construction contract activities*

Contract revenue and expenses of the construction contract can be estimated reliably when the right of return, as an item of income and expense are recorded. Contract revenues are recognized in the financial statements on the percentage of completion method. As the period of the total contract costs incurred to total estimated cost of the contract rate of completion of the contract and this ratio is the percentage of current total revenue earned during the period of the contract is used reflecting the part of the financial statements.

Type of revenue from cost plus contracts, records cost calculated on the profit margin reflected.

Contract costs include all raw - material and direct labor costs, indirect labor costs related to contract performance, materials, and indirect costs, such as repairs and depreciation costs. Selling, general and administrative expenses are expensed as occurred. Provisions for estimated losses on uncompleted contracts, divided into periods such losses are determined. Job performance, job conditions and estimated profitability of the contract penalty provisions and final contract settlements may result in revisions to costs and income changes that. The effects of revisions are reflected in the consolidated financial statements. Profit incentives are included in revenues when realization is reasonably assured.

Due to ongoing construction contracts, income is reflected in the consolidated financial statements is on how the invoice amount, progress billings on uncompleted contracts of the invoice amount is above shows how much income is reflected in the consolidated financial statements.

*Rental Income:*

Rental income from vehicles books with linear method during agreement time.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Revenue and Income (continued)**

*Dividend and interest income:*

Dividend income from equity investments, when the Group's right to receive dividend (the economic benefits will flow to the Group and the revenue can be measured reliably, as long as) is recorded.

The interest income from financial assets, economic benefits will flow to the Group and the revenue can be measured reliably are recognized as long. Interest income, with the remaining balance to be achieved through the expected life of the financial asset to that asset's net carrying amount that discounts estimated future cash receipts and at the effective interest rate.

**Inventories**

As held for sale in the ordinary course of business, which is produced to be sold or used in the production process or the provision of services in the form of raw materials assets shown in the castle. Muhasebeleştirilinceye stock up on advances given are classified as other current assets.

Inventories are valued at the lower of cost and net realizable value. The cost of inventories of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition involves. The costs of conversion of inventories, such as direct labor costs related to production costs. These costs are also incurred in converting raw materials and finished goods material in a systematic allocation of fixed and variable production overheads that include the amounts.

Net realizable value is the estimated selling price in the ordinary course of business, the estimated costs of completion and the estimated costs necessary to make the sale shall be obtained by deducting total. Stocks in the financial statements, use or sales can not be tracked at a price higher than the amount expected to be achieved as a result. The net realizable value of inventories is less than cost, inventories are reduced to net realizable value and are recognized as an expense in the income statement in the year when the impairment. That caused inventories to be written down to net realizable value before conditions or evidence of an increase in net realizable value because of changed economic circumstances cases, impairment loss is canceled. The previously recognized impairment loss is limited to the amount of the canceled amount (Note 12).

Group, the calculation of cost of inventories "weighted average cost method" used.

**Tangible Fixed Assets**

Group for use in the production or supply of goods and services, for rental to others (except for property, plant and equipment) or to be used for administrative purposes intended to be used over a period of physical items held within the framework of the cost model, the cost values are expressed.

The initial cost of property, plant and purchase price, including import duties and non-refundable purchase taxes, plant and equipment are comprised of expenses incurred to make the asset ready for use. After the start of use of tangible property, such as repair and maintenance expenditures are reported in the income statement as an expense as incurred. Expenditure on the future use of the property and equipment expenditures that have resulted in an increased economic value added to the cost of the asset.

Leasehold improvements include the expenses for leased properties and useful life of the lease agreement for the duration of the rental period is longer in cases, where the short is depreciated over their useful lives. Depreciation of tangible fixed assets are separated from the date that is ready for use. Depreciation in the period in which the related assets will continue to idle.

The useful life and depreciation method are reviewed on a regular basis, depending on the method and period of depreciation on that asset's economic benefits are sought and the necessary corrective action in line with the provision (Note 17).



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Tangible Fixed Assets (continued)**

*Revaluation Model*

The production or supply of goods or services or for administrative purposes are held in use of land and buildings are stated at revalued. Revalued amount, being the fair value at the date of revaluation subsequent accumulated depreciation and accumulated impairment is determined by subtracting. Balance sheet date, the carrying amount of the revaluations will not differ from the fair value is determined by the way is done at regular intervals.

Tangible fixed assets are stated at revalued amount of land and buildings are reported. The fair value of buildings is determined by independent valuation company licensed by the CMB. Revalued amount, the date of the revaluation at fair value, any subsequent accumulated depreciation and subsequent accumulated impairment losses are through. The corresponding increases in value are reported in equity is revalued.

If the carrying amount of an asset is increased after revaluation, the increase is recognized in other comprehensive income and directly in equity revaluation account under the name of the group are collected. However, a revaluation, the same asset previously associated with the revaluation gain or loss is recognized in income largely reversed reception.

If the carrying amount of an asset is low as a result of revaluation, the decrease is recognized as an expense. However, the decrease in other comprehensive income in the asset revaluation surplus in respect of the extent of any credit balance recognized in scope. Recognized in other comprehensive income and the decrease reduces the amount accumulated in equity under the heading of revaluation surplus (Note 17).

Depreciation of revalued buildings is recognized in the statement of income. Sale or retirement of a revalued property, the remaining balance in the revaluation reserve is transferred directly to retained earnings. No release of off-balance sheet assets, are not transferred from revaluation reserve to retained earnings.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

Machinery and equipment, at cost less accumulated depreciation and accumulated impairment losses, on the same basis.

*Cost Method*

Tangible fixed assets are reported at cost less accumulated depreciation and accumulated impairment losses, on the same basis.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of tangible fixed assets of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**D. Summary of Significant Accounting Policies (continued)**

**Intangible Assets**

*Purchase of intangible assets*

Purchased intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized over their estimated useful lives using the straight-line method. The estimated useful life and the depreciation method, in order to determine the possible effects of changes in estimates are reviewed each year and changes in estimates are accounted for prospectively.

*Software*

Acquired computer software, buying during the acquisition and capitalized on the costs incurred until ready for use. These costs, estimated useful lives (5-10 years) are amortized.

*Derecognition of intangible assets*

An intangible asset through use or sale of disposed of or when no future economic benefits are expected from the case of statement of financial position (balance sheet) is disabled. An intangible asset statement of financial position (balance sheet) disconnection of the profit or loss, if any, to the disposal of assets is calculated as the difference between the net book value of collections. This difference is related assets statement of financial position (balance sheet) is recognized in profit or loss when taken out.

**Investment Property**

Investment property, rental income and / or capital appreciation is held in order to obtain the cost of the initial values and are measured at cost, including transaction. Subsequent to initial recognition, investment property, which reflects market conditions at the reporting date are measured at fair value.

Investment properties are sold or become unusable and the sale in the event of any future economic benefit is derecognized. The retirement or disposal of an investment property and the profit / loss is included in the income statement in the period.

*Fair Value Method*

Group, after the initial recognition process, and all have chosen the fair value model for investment property at fair value measured by the method (Note 16).

From the change in fair value of investment property gain or loss is included in profit or loss in the period.

Transfers are made when there is a change in use of the investment property. Monitored on the basis of the fair value of investment property, owner occupied property is a transfer to the transfer, the deemed cost for subsequent accounting, the fair value of the aforementioned property at the date of change in use. Owner-occupied property, will be shown on the basis of the fair value of an investment property in the event of conversion, the company, up to the date of change in use "Tangible Fixed Assets" applies the accounting policies applied.

In their use of the tangible assets of the Group are presented in the real estate.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting

**Leases**

**Financial Leasing**

- The Group as the lessee

The Group substantially all the risks and rewards of ownership of tangible assets taken on lease, are classified as finance leases. Finance leases are subject to finance lease at the inception of the lease at the fair value of fixed assets at the lower of the present value basis are included in tangible assets by taking. Arising from lease financing costs over the lease term so as to produce a constant periodic rate is spread over the lease term. In addition, leased fixed assets based on estimated useful lives are amortized through. A reduction in value of fixed assets subject to finance lease impairment provision is recognized if detected. Finance lease liabilities and related interest expense and foreign exchange differences are recognized in profit or loss statement. Lease payments from finance lease liabilities are deducted.

**Operating Lease**

- The group as the lessee

A significant portion of the risks and rewards of ownership are retained by the lessor that leases, are classified as operating leases. Under operating leases (net of any incentives received from the lessor after) the payments made, straight-line basis over the lease term on the profit or loss is recognized as an expense in the statement. The Group's activities conducted their own offices and warehouses are located in the business center, rent expense during the period of the lease expense is comprised of branches located in Baku.

- The group as the lessor

In an operating lease, the leased assets, property, land and investment properties held, except to the consolidated statement of financial position of tangible assets are classified and the resulting rental income during the leasing period in equal amounts in the consolidated profit or loss reflected in the statement. Straight-line basis over the lease term rental income in the consolidated profit or loss are recognized in the statement. His capacity as lessor if the lease agreements become a party to the main building where the Group operates and other non-consolidated group companies of investment properties and other non-group companies stems from a rented office and warehouse .

**Borrowing Costs and Funds**

Require significant time to get ready for use or sale assets (qualifying assets) when it comes to the acquisition, construction or production of directly attributable costs of the asset until the asset is ready for use or sale, are added to the cost. In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Related Parties**

Related parties of the Group's shareholding, contractual rights, the opposite side of the family relationship or otherwise, directly or indirectly, control or significantly influence the team includes a. The accompanying consolidated financial statements of the Group companies are owned by shareholders and the shareholders of which are known to be associated with key management personnel and other companies are defined as related parties.

Presence of one of the following criteria, are considered related party to the Group:

i) use directly, or indirectly through one or more intermediaries:

- The Group controls, or is controlled by the Group

- Is under common control with the Group (parent, subsidiaries and fellow subsidiaries, including the same);

- Has an interest in the Group that gives it significant influence over, or has joint control over the Group;

ii) the party is an associate of the Group;

iii) The party is joint venture of the Group is venturer;

iv) the party is a member of the key management personnel of the Group or its parent;

v) the (i) or (iv) above, any individual is a close family member;

vi) the entity that is controlled, jointly controlled or significantly influenced by, or (iv) or (v) directly or indirectly, any individual referred to in Articles important to have an entity that is entitled to vote, or

vii) the party is an entity that is a related party of the company or for the benefit of employees of the entity must have plans.

Related party transactions between related parties, resources, services or obligations, regardless of whether a price is charged transfer (Note 38).

**Financial Instruments**

**Financial assets**

Financial assets at fair value through profit or loss of the ones which are classified as financial assets recognized at fair value and the fair market value of the total price of the acquisition is recognized directly attributable transaction costs. The investment within the timeframe established by the market concerned is under a contract require delivery of the related assets as a result of the purchase or sale of financial assets, are recognized or derecognized on trade date.

"Financial assets at fair value through profit or loss Financial assets", "held to maturity investments", "available-for-sale financial assets" and "loans and receivables". Classification of financial assets depending on the purpose and specifications, is determined at initial recognition.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Financial Instruments (continued)**

Financial assets (continued)

*The effective interest method*

The effective interest method of calculating the amortized cost of a financial asset and of allocating the interest income related to the Respective period. The effective interest rate for the expected life of the financial instrument or, where Appropriate, a shorter period of time, the sum of the estimated cash flow, net present value of the related financial assets.

Financial assets at fair value through profit or loss on financial assets, except calculated by using the effective interest method.

*Financial assets at fair value through profit or loss*

At fair value through profit or loss are financial assets are financial assets held for trading purposes. A financial asset is classified in this category if acquired principally for the purpose of disposal. Against financial risk, derivative instruments are designated as effective hedging instruments which embody the fair value of financial assets classified as financial assets at fair value through profit.

*Financial assets held to maturity*

That the Group has the intention and ability to hold to maturity, with fixed or determinable payments and fixed maturity debt securities are classified as held to maturity investments. Held to maturity investments are recorded at amortized cost using effective interest method less impairment, with revenue recognized is calculated using the effective interest method.

*Available-for-sale financial assets*

Held by the Group that are traded in an active market with quoted equity instruments and certain debt securities are classified as available-for-sale financial assets are stated at fair value. Are not quoted in an active market and the Group's unlisted equity instruments classified as available for sale financial assets, but the fair values can be reliably measured are measured at cost. Impairment losses recognized in income statement, interest calculated using the effective interest method and foreign exchange losses on monetary assets, profit / loss amount, except for gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated financial assets revaluation reserve. If the investment is sold or impaired, the accumulated financial assets revaluation reserve total profit / loss is reclassified.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group has the right to receive dividends.

Available-for-sale monetary assets denominated in a foreign currency fair value is determined in that foreign currency and translated at the spot rate at the end of the reporting period. Foreign exchange gains recognized in the statement of income / losses are determined based on the amortized cost of a financial asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

*Loans and receivables*

With fixed or determinable payments that are not quoted in trade and other receivables are classified as loans. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment is shown.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Financial Instruments (continued)**

Financial assets (continued)

*Impairment of financial assets*

Financial assets at fair value through profit or loss, a financial asset or group of financial assets At each reporting date whether there are indicators of impairment are assessed. After the initial recognition of the financial asset, or where there is more than one occurrence of the event of the financial asset or group of assets that can be reliably estimated future cash flows of the financial asset may be impaired as a result of the negative impact on the objective evidence of impairment loss is recognized when there is . For financial assets carried at amortized cost less impairment of estimated future cash flows, discounted at the original effective interest rate of the financial asset is calculated by the difference between the carrying amount and the present value.

Carrying amount is reduced through the use of an allowance account, except for trade receivables, all financial assets are deducted from the carrying amount of the related financial asset impairment. Trade receivables can not be collected by deducting the amount of the reserve account will be deleted. Changes in the allowance account are recognized in the income statement.

Available-for-sale equity instruments, except for the period after the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss recognized, the previously recognized impairment loss when the carrying value of the investment at the date the impairment is reversed in case of muhasabeleştirilmemiş reach does not exceed what the amortized cost profit or loss to be canceled.

Available-for-sale equity securities, any increase in fair value subsequent to an impairment loss recognized directly in equity.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, demand deposits with original maturities of 3 months from the date of acquisition is less than 3 months, the risk of significant value change readily convertible to cash and other short-term highly liquid investments.

Financial liabilities

The Group's financial liabilities and equity instruments, the contractual arrangements, the definitions of a financial liability and an equity instrument classified on the basis of. Assets of the Group after deducting all of its liabilities equity instrument is any contract that right. For specific financial liabilities and equity instruments accounting policies set out below.

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

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss, are recognized at fair value at each reporting period and at the balance sheet date the fair value is revalued. Changes in fair value, are recognized in the income statement. Net gains or losses are recognized in the income statement, include the amount of interest paid on the financial liability.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Financial Instruments (continued)**

**Financial assets (continued)**

*Other financial liabilities*

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

Other financial liabilities are subsequently at amortized cost using the effective interest rate and are accounted for at amortized cost using the effective interest method.

The effective interest method, calculating the amortized cost of a financial liability and of allocating interest expense associated period. The effective interest rate for the expected life of the financial instrument or a shorter period of time, if appropriate, the estimated future cash payments net present value of the financial liability.

**Trade Payables**

Trade payables in the ordinary activities of the suppliers of goods and services provided refers to payments to be made on. Trade payables are initially and subsequently at fair value calculated at the effective interest method are measured at amortized cost (Note 9).

**Business Combinations and Goodwill**

*Business Combinations*

Purchase of property, using the purchase method are accounted for. The consideration transferred in a business combination is its fair value is measured at cost being transferred, the acquirer acquisition-date fair values of the assets transferred by the acquirer to former owners of the debts incurred by the acquired entity and are calculated as the sum of the equity interests issued by the acquirer. Acquisition-related costs are generally recognized as an expense.

The identifiable assets acquired and the liabilities assumed are recognized at their fair values at the acquisition date. In this way are not recognized as provided below:

- Deferred income tax assets or liabilities or assets related to employee benefits or liabilities, respectively, IAS 12 Income Taxes and IAS 19 Employee Benefits in accordance with the standards recognized and measured;
- The acquired entity's share-based payment arrangements of the acquiree or share-based payment arrangements of the Group signed a share-based payment arrangements intended to replace liabilities or equity instruments related to the acquisition date are accounted for in accordance with IFRS 2 Share-based Payment Arrangements, and
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are classified as held for sale in accordance with current assets (or disposal groups) that are recognized in accordance with the requirements of IFRS 5.

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

*Business Combinations (continued)*

Goodwill is the consideration transferred for the acquisition, non-controlling interests in the acquiree, and if you have, if any, of the acquirer in a business combination achieved in stages, previously of the total fair value of the equity interest in the acquiree, on the purchase date of the acquiree's identifiable assets, and net liabilities assumed exceeds the amount calculated as described. After reassessment, the acquiree's identifiable assets and assumed on acquisition of net identifiable liabilities, transferred to the purchase price, and the non-controlling interest in the acquiree, if any, in the acquiree prior to the acquisition exceeds the sum of the fair value of the shares, the amount directly as a gain on bargain purchase in profit / loss recognized.

The consideration transferred by the Group in a business combination, contingent consideration included cases, the contingent consideration is measured at its acquisition-date fair value and the consideration transferred in a business combination are included. Arising during the measurement period as a result of the additional information you need to fix the fair value of the contingent consideration, the amendment retroactively adjusted for goodwill. The measurement period following the date of the merger, the period adjustments are adjustments that the provisional amounts recognized in the acquirer in a business combination. This period can not be more than 1 year from date of purchase.

The fair value of the contingent consideration that qualify as measurement period adjustments The subsequent accounting for changes, depends on how the contingent consideration is classified. Contingent consideration is classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is the nature of financial instruments and IAS 39, Financial Instruments: Recognition and Measurement In the presence of the scope of the standard, the contingent consideration is measured at fair value and gains or losses arising from changes in profit or loss or in other comprehensive income accounted for. Those who are not within the scope of IAS 39, IAS 37 and are accounted for in accordance with IFRS or other appropriate provisions.

Acquired in a business combination achieved in stages, the Group's previously held equity interest to fair value at the acquisition date (ie the date when the Group obtains control) is measured again, and if the resulting gain / loss in profit / loss accounted for. Prior to the date of acquisition recognized in other comprehensive income amounts arising from interests in the acquiree, under the assumption that interest were disposed of the profit / loss is transferred.

The initial accounting for a business combination is incomplete by the end of the reporting period when the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, are adjusted during the measurement period, or may have an effect on the amounts recognized at the acquisition date and the date on events and situations that arise, resulting in additional assets or liabilities are recognized to reflect new information.

Business combinations prior to January 1, 2010, accounted for in accordance with the previous version of IFRS 3. Betterment.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Foreign Currency Transactions**

The individual financial statements of each Group entity are measured using the currency of the primary economic environment (functional currency) are presented. Each entity's financial position and operating results of the Company's functional currency and the presentation currency for the consolidated financial statements are expressed in TL.

During the preparation of the financial statements of the individual entities, in foreign currencies (currencies other than TL) the transactions are recorded at the rates prevailing on the date. Balance sheet foreign currency denominated monetary assets and liabilities are translated into New Turkish Lira at the exchange rates prevailing at the dates. Non-monetary items carried at fair value that are denominated in foreign currencies at fair value are retranslated at the rates prevailing on the date specified. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences, except to the extent specified below, are recognized in profit or loss in the period in which:

- Which relate to assets under construction for future productive use, and an adjustment to interest costs on foreign currency borrowings are regarded as foreign exchange differences are included in the cost of those assets,
- Foreign currency risks (see accounting policies are described below in order to hedge against) Exchange differences on transactions entered into in order to hedge,
- Form part of the net investment in foreign operation, net investment in a foreign operation and the profit or loss associated with the sale, without intention or possibility of payment of monetary payables and receivables arising from foreign exchange differences arising from the activities.

**Earnings Per Share**

Earnings per share Earnings / loss amount, profit / loss, earnings per share from continuing operations / loss amount, the continuing operations profit / loss for the period of time in the Company's shares is calculated by dividing the weighted average number of common shares.

In Turkey, companies, existing shareholders from retained earnings distributing "bonus shares" by way of earnings. This type of "bonus share" distributions, earnings per share, are regarded as issued shares. Accordingly, the weighted average number of shares used in the calculations, giving retroactive effect to the stock in question is taken into consideration.

The calculation of earnings per share, will make the necessary corrections to the dilution effect of potential shares of preferred stock, or None (Note 37).

**Events after the Balance Sheet Date**

Events after the balance sheet date, the approval date of the publication of the balance sheet date of the consolidated financial statements, the Company refers to events that occur in favor or against. Whether to make a correction, according to the two types of situations can be identified:

- Adjusting events after the balance sheet, showing evidence of conditions that existed at the reporting date on situations in which the conditions,

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

- About the events that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet)

The accompanying consolidated financial statements of the Group, has been recognized adjusting events after balance sheet date and non-adjusting events after the balance sheet notes (Note 41).

**Provisions, Contingent Liabilities and Contingent Assets**

*Provisions*

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

*Contingent Liabilities*

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities. Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation can not be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations (Note 24).

*Contingent Assets*

The Group within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

Or all of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset

**Financial Information Segment Reporting**

Reportable segment information required to be disclosed is a business segment or geographical segment . Industrial segments of a particular commodity or service or group of related goods or services , or to provide benefits in terms of risk and different from other parts of the Group are the features section . Geographical segments provide products or services within a particular economic environment of the Group and the risks and benefits in terms of the economic environment to another with different characteristics from those of components operating in other chapters .

The Group mainly abroad and in Turkey , electrical and mechanical project contracting, real estate in Turkey chartering, ship power electronics and solar energy in the areas in which it operates financial information for the segmental reporting this that performs the operations of the companies restructured by the electrical and mechanical project contracting, real estate leasing , power electronics and energy are reported under the headings of the ship .



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Financial Information Segment Reporting (continued)**

Group management for the purposes geographically Turkey, Qatar , Georgia, Ukraine, Russia, Bulgaria, Saudi Arabia , Azerbaijan and the United Arab Emirates is divided into 9 sections including ( Note 5).

**Government Grants and Incentives**

Government grants, donations will be received and the Group is obliged to comply with a reasonable assurance that it meets the conditions is recognized at the fair value (Note 22).

Government grants relating to costs, costs will meet their match in a consistent manner throughout the period is recognized as income.

Government grants relating to tangible fixed assets, non-current liabilities as deferred government grants and are classified under the straight-line basis over their useful lives are recorded as receivables in the statement of profit or loss.

**Taxation and Deferred Income Taxes**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity. (Note 36).

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Group operate.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

The principal temporary differences arise from the carrying values of property, plant and equipment and available-for-sale-investments and their historical costs, various provisions and unused tax allowances and exemptions.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

**Employee Benefits and Severance Pay**

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise (Note 26).

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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**E. Summary of Significant Accounting Policies (continued)**

**Reporting of cash flows**

The Company's net assets, financial structure, and the ability to affect the amounts and timing of cash flows, financial statement users to provide information about the cash flow statement holds. Cash flow statement, cash flows from operating, investing and financing activities are classified. Cash flows from operating activities, cash flows from operating activities of the Company. From investing activities Cash flows from investing activities (fixed asset investments and financial investments) and the cash flows. Cash flows related to financing activities, the resources used in financing activities of the Company and repayments. Cash and cash equivalents include cash, bank deposits and investments that are readily convertible into cash at short-term, highly liquid investments with original maturities of three months or less

**Dividends**

Ordinary shares, are classified as equity. Dividends payable are declared as an element of profit in the period are reflected as liabilities in the financial statements.

**F. Significant Accounting Estimates**

The preparation of consolidated financial statements requires management to affect the reported amounts of assets and liabilities in the balance sheet at the date of the possible liabilities and commitments and the amounts of revenue and expenses during the reporting period required to make certain assumptions and estimates. These estimates and assumptions are based on management's best knowledge of current events and transactions despite the actual results may vary. Estimates are revised regularly and any necessary corrections are made and are reflected in the income statement in the periods. Critical judgments in applying the Group's accounting policies Summary of Significant Accounting Policies in the process of applying the accounting policies specified in management, with a significant impact on the amounts recognized in the financial statements (other than the estimates discussed below) made the following comments:

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- a) Estimations used to determine total cost and profitability of the projects within the scope of IAS 11 "Construction Contracts".
- b) A deferred tax asset is recognized only to the extent that it is probable that a tax benefit will be realized in the future. If it is probable that a tax benefit will be realized, a deferred tax asset is recognized on unused tax losses, unused tax credits and other deductible temporary differences. As at 31 December 2015 With the expectation to recover certain part of its tax losses carried forward, the Group has recognized deferred tax assets on statutory tax losses available for offsetting with future statutory taxable profits.
- c) Severance pay provision calculates under actuarial estimations (discount rate, future salary increases and employe leave rate) .
- d) Company guarantee provision determined by taking into consideration guarantee expenses of previous years per vehicle and remaining guarantee time per vehicle.



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**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**

**F. Significant Accounting Estimates (continued)**

- e) Doubtful receivable provisions reflects future loss of possible uncollectible receivable amounts as at balance sheet date. While the determination impairment of receivables, past performers of third party receivables, market credibilities and performances from balance sheet date until the confirmation of financial statements taking into consideration.
- f) Inventory impairment calculates by using list price after discounts. Sales price imponderable inventories evaluated by determining of waiting time of inventories, physical conditions and technical staff opinion. Provision made if net realizable value under the cost value.
- g) While the determination provision for lawsuits, Company's legal advisor's and Company Management's opinions regarding possibility of lose lawsuits and liabilities in case of lose took into consideration. Company Management determine lawsuit provision according to best estimations.
- h) Company Management make significant estimations regarding determination economic life of tangible and intangible assets.

**3. BUSINESS COMBINATION**

Anel Mekanik Tesisat A.Ş which is %100 subsidiary of the company was suspended by İstanbul Trade Registry Office on 31th July 2015, with simplified procedure of merger in the context of mergers and divisions of Capital Markets Board No.II-23.2

Anelmep Maintenance and Operations LLC which is the Group's affiliate and located in Qatar is consolidated with full consolidation method as of 2015 even if Group does not have majority shares but Group obtained control power by making agreement with affiliate's shareholder Anelsis Mühendislik Sanayi ve Ticaret A.Ş. (Anelsis).

**4. JOINT VENTURES**

Which came into force from 1 January 2013 IFRS -11 " Joint Arrangements" standard IAS 31 " Interests in Joint Ventures " standard has been completely remove the application . The new joint arrangements standard ; joint operations and joint ventures and partnerships as divided into two categories accounted for using the equity method is imperative to keep .

In this context, the Group's jointly controlled Energina Kompania Bonev IAS - 28 " Investments in Associates and Joint Ventures " standard according to the equity method accounted for by the by has restated (Note 2). This company Explanations are given in note 15 .

The Group's subsidiaries' business activities , information on the country of registration and ownership rates are disclosed in Note 1 .

**5.SEGMENT REPORTING**

By the chief operating decision-making authority determined the operating segments based on internal reports that are regularly reviewed. The competent authority of the board of directors and general manager of the Group's decision-making.

The competent authority to decide the Group, to make decisions about resources to be allocated to departments and divisions in order to evaluate the performance and results of operations on a product basis and examines the basis of geographical distribution. The distribution of the Group's product lines are as follows: Electrical and mechanical project contracting, real estate leasing, ship electrical and electronics, and energy. Revenue of the Group's reportable operating segments are largely businesses committed.

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**5.SEGMENT REPORTING (continued)**

Information on the Group's operating segments based on internal reporting are as follows:

31.12.2015	Project Commitment	Real Estate Leasing	Ship Electrical and Electronics	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	534.556.743	14.268.234	6.736.704	3.967.882	-	559.529.563
Intra Group Revenue	1.287.596	632.724	-	-	(1.920.320)	-
<b>Total Net Revenue</b>	<b>535.844.339</b>	<b>14.900.958</b>	<b>6.736.704</b>	<b>3.967.882</b>	<b>(1.920.320)</b>	<b>559.529.563</b>
Cost of Sales (-)	(524.831.733)	(1.665.493)	(6.190.263)	(2.532.375)	1.682.236	(533.537.628)
<b>Gross Profit / Loss</b>	<b>11.012.606</b>	<b>13.235.465</b>	<b>546.441</b>	<b>1.435.507</b>	<b>(238.084)</b>	<b>25.991.935</b>
General and Administrative Expenses (-)	(26.233.058)	(1.352.334)	(410.998)	(957.674)	344.497	(28.609.567)
Marketing, Sales and Distribution Expenses (-)	-	-	-	(2.886)	-	(2.886)
Other Operating Income	61.437.359	755.218	582.078	540.409	(106.413)	63.208.651
Other Operating Expenses	(63.679.317)	(785.278)	(520.866)	(4.355.846)	(6.548)	(69.347.855)
<b>Operating Profit / (Loss)</b>	<b>(17.462.410)</b>	<b>11.853.071</b>	<b>196.655</b>	<b>(3.340.490)</b>	<b>(6.548)</b>	<b>(8.759.722)</b>
Income from Investment Operations	6.481.865	55.533.818	1.282	17.138	(225.101)	61.809.002
Expense from Investment Operations (-)	(934.485)	-	-	-	-	(934.485)
Equity Method Investments Profit / (Loss)'s Shares	2.992.227	-	-	-	-	2.992.227
<b>Operating Profit / (Loss) before Finance Income and Expense</b>	<b>(8.922.803)</b>	<b>67.386.889</b>	<b>197.937</b>	<b>(3.323.352)</b>	<b>(231.649)</b>	<b>55.107.022</b>
Financing Income	356.460.854	37.423.306	2.025.803	5.995.299	(4.391.933)	397.513.329
Financing Expenses (-)	(342.434.511)	(51.537.553)	(2.068.124)	(8.780.759)	4.391.933	(400.429.014)
<b>OPERATING PROFIT / (LOSS) BEFORE TAX</b>	<b>5.103.540</b>	<b>53.272.642</b>	<b>155.616</b>	<b>(6.108.812)</b>	<b>(231.649)</b>	<b>52.191.337</b>
<b>Operating Tax Income / (Loss)</b>						
-Period Tax Income / (Loss)	(14.587.837)	-	(14.436)	-	-	(14.602.273)
-Deferred Tax Income/(Expense)	8.186.615	(10.735.909)	(4.004)	(13.520)	51.568	(2.515.250)
<b>PROFIT / (LOSS)</b>	<b>(1.297.682)</b>	<b>42.536.733</b>	<b>137.176</b>	<b>(6.122.332)</b>	<b>(180.081)</b>	<b>35.073.814</b>
<b>Investment Expenses</b>						
Investment Property	-	-	-	-	-	-
Property Plant and Equipment	1.393.933	320.250	670	2.665	-	1.717.518
Intangible Fixed Assets	43.748	9.773	245	-	-	53.766
Depreciation Expenses	2.399.072	372.912	5.978	1.013.488	-	3.791.450
Redemption Expenses	1.271.867	1.723	1.688	2.546	-	1.277.824
<b>Other Information</b>						
- Total Assets	841.667.532	210.082.839	5.155.833	31.498.652	(110.809.979)	977.594.877
- Total Liabilities	841.667.532	210.082.839	5.155.833	31.498.652	(110.809.979)	977.594.877



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**5.SEGMENT REPORTING (continued)**

31.12.2014	Project Commitment	Real Estate Leasing	Ship Electrical and Electronics	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	603.742.082	14.947.841	1.504.795	19.239.243	-	639.433.961
IntraGroup revenue	13.654.617	847.693	-	61.097	(14.563.407)	-
Total Net Revenue	617.396.699	15.795.534	1.504.795	19.300.340	(14.563.407)	639.433.961
Cost of Sales (-)	(569.630.224)	(1.506.564)	(1.414.205)	(19.185.270)	21.208.120	(570.528.143)
Gross Profit / Loss	47.766.475	14.288.970	90.590	115.070	6.644.713	68.905.818
General and Administrative Expenses (-)	(21.101.390)	(1.721.798)	(243.163)	(1.194.369)	1.928.606	(22.332.114)
Marketing, Sales and Distribution Expenses (-)	(275)	-	-	(166.044)	-	(166.319)
Other Operating Income	28.645.227	217.998	92.298	391.696	(661.083)	28.686.136
Other Operating Expenses	(32.237.996)	(982.233)	(247.498)	(439.147)	-	(33.906.874)
Operating Profit / (Loss)	23.072.041	11.802.937	(307.773)	(1.292.794)	7.912.236	41.186.647
Income from Investment Operations	8.245.571	1.816.999	785	309	(40.618)	10.023.046
Expense from Investment Operations (-)	(218.285)	-	-	-	(8.661.504)	(8.879.789)
Equity Method Investments Profit / (Loss)'s Shares	4.982.396	-	-	823.839	-	5.806.235
Operating Profit / (Loss) before Finance Income and Expense	36.081.723	13.619.936	(306.988)	(468.646)	(789.886)	48.136.139
Finance Income	181.472.303	24.451.848	1.316.923	3.975.095	(5.046.377)	206.169.792
Financing Expenses (-)	(199.072.490)	(28.820.497)	(1.320.169)	(7.944.601)	5.004.155	(232.153.602)
<b>OPERATING PROFIT / (LOSS)</b> <b>BEFORE TAX</b>	18.481.536	9.251.287	(310.234)	(4.438.152)	(832.108)	22.152.329
<b>Operating Tax Income / (Loss)</b>						
-Period Tax Income / (Loss)	(14.900.955)	-	-	-	-	(14.900.955)
-Deferred Tax Income/(Expense)	4.447.928	1.458.512	106.249	452.483	1.267	6.466.439
<b>PROFIT / (LOSS)</b>	8.028.509	10.709.799	(203.985)	(3.985.669)	(830.841)	13.717.813
<b>Investment Expenses</b>						
Investment Property	-	-	-	-	-	-
Property Plant and Equipment	2.108.227	43.045	23.058	10.788	-	2.185.118
Intangible Fixed Assets	1.948.096	-	5.013	6.187	-	1.959.296
Depreciation Expenses	1.805.415	411.700	4.033	898.508	-	3.119.656
Redemption Expenses	975.480	1.072	551	2.400	-	979.503
<b>Other Information</b>						
- Total Assets	846.890.138	152.688.269	2.027.695	29.284.881	(140.454.300)	890.436.683
- Total Liabilities	846.890.138	152.688.269	2.027.695	29.284.881	(140.454.300)	890.436.683

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**5.SEGMENT REPORTING (continued)**

**Geographical Segments**

	<u>Turkey</u>	<u>Quatar</u>	<u>Russia</u>	<u>Bulgaria</u>	<u>Azerbaijan</u>	<u>Libia</u>	<u>United Arab Emirates</u>	<u>Elimination</u>	<u>Total</u>
<b>01.01.- 31.12.2015</b>									
Revenue	277.866.418	15.281.146	-	3.764.374	47.075.109	-	217.462.836	(1.920.320)	559.529.563
Assets Related Ongoing Construction Contracts	26.705.244	14.260.981	-	-	730.950	-	59.000.167	-	100.697.342
Assets according to Segment Investment Expenses	811.106.334	192.812.361	528.610	27.314.878	70.266.583	352.557	274.754.501	(399.540.947)	977.594.877
	603.073	914.634	-	-	41.898	-	211.679	-	1.771.284
<b>01.01.- 31.12.2014</b>									
Revenue	339.399.516	48.332.298	-	4.339.123	92.008.050	-	169.918.381	(14.563.407)	639.433.961
Assets Related Ongoing Construction Contracts	48.685.935	16.340.892	-	-	39.321.590	-	25.956.139	-	130.304.556
Assets according to Segment Investment Expenses	699.007.597	180.536.405	6.800.643	25.334.478	61.151.563	352.557	192.730.642	(275.477.202)	890.436.683
	1.734.682	54.853	-	10.038	788.040	-	1.556.801	-	4.144.414

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**5.SEGMENT REPORTING (continued)**

10% based on the Group's business segments 01.01.-31.12.2015 and the revenue earned in the period 01.01.-31.12.2014 or forming more information about the customer is as follows.

<u>Operating Segment</u>	<u>Activity</u>	<u>01.01. - 31.12.2015</u>	
		<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Project Commitment	Project Commitment	112.270.724	20%
Project Commitment	Project Commitment	192.619.654	34%
Project Commitment	Project Commitment	69.510.946	12%
Ship Electrical and Electronics	Service Sales	3.652.778	54%
Ship Electrical and Electronics	Service Sales	2.549.642	38%
Ship Electrical and Electronics	Service Sales	771.284	11%

<u>Operating Segment</u>	<u>Activity</u>	<u>01.01. - 31.12.2014</u>	
		<u>Amount in Gross Revenue</u>	<u>Share in Gross Revenue</u>
Project Commitment	Project Commitment	170.848.419	28%
Real Estate Lease	Rent	2.347.822	15%
Ship Electrical and Electronics	Service Sales	1.323.405	88%
Energy	Energy	14.950.000	77%

**6. CASH AND CASH EQUIVALENTS**

	<u>31.12.2015</u>	<u>31.12.2014</u>
Cash	125.286	447.746
Banks	48.750.246	24.596.255
- Demand Deposits	47.750.004	24.596.255
- Time Deposit Maturity less than 3 Months	1.000.242	-
Other Cash and Cash Equivalents	3.984.546	969.924
<b>Total</b>	<b>52.860.078</b>	<b>26.013.925</b>

The detail of the term deposits as at 31 December 2015 as follows:

Currency	Interest Rate (%)	<u>31.12.2015</u>	Interest Rate (%)	<u>31.12.2014</u>
TL	9,00	1.000.242	-	-
Total Time Deposit		1.000.242		-

**7. FINANCIAL ASSETS**

**Short-Term Financial Assets**

None (31.12.2014: None).

**Long Term Financial Investments**

	<u>31.12.2015</u>	<u>31.12.2014</u>
Financial Investments Accounted with Cost Method in the Absence of Active Market	46.296	46.296
<b>Total</b>	<b>46.296</b>	<b>46.296</b>

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**7. FINANCIAL ASSETS (continued)**

**Long Term Financial Assets (continued)**

Financial Investments Accounted with Cost Method in the Absence of Active Market

	<u>31.12.2015</u>	<u>31.12.2014</u>
Stocks		
Unlisted Stocks	46.296	46.296
<b>Total</b>	<b>46.296</b>	<b>46.296</b>

Information on the nature and level of risks in financial assets 39 disclosed in the notes.

Located above TL 46.296 (2014: TL 46.296) and the estimated amount of non-quoted market value and the estimated value ranges of values can not be measured reliably, the probability of a reliable estimate of the fair value of unquoted available-for-sale equity investments that can not be cost-are measured.

**8. FINANCIAL LIABILITIES**

	<u>31.12.2015</u>	<u>31.12.2014</u>
a) Bank Loans	254.289.932	267.151.718
b) Credit Card Debts	11.662	-
<b>Total</b>	<b>254.301.594</b>	<b>267.151.718</b>

a)Bank Loans:

<u>Currency</u>	<u>Weighted Average Interest Rate (%)</u>	<u>31.12.2015</u>		
		<u>Short Term</u>	<u>Short-Term Portion of Long Term Loans</u>	<u>Long Term</u>
TL	12,65 - 17,25	131.827.708	-	-
USD	4,00	9.695.631	-	-
EUR	4,20 - 5,00	-	15.309.542	95.698.063
AED	3,95	1.259.523	-	-
QAR	5,50	511.127	-	-
<b>Toplam</b>		<b>143.293.989</b>	<b>15.309.542</b>	<b>95.698.063</b>

<u>Currency</u>	<u>Weighted Average Interest Rate (%)</u>	<u>31.12.2014</u>		
		<u>Short Term</u>	<u>Short-Term Portion of Long Term Loans</u>	<u>Long Term</u>
TL	12,50 - 18,50	123.002.020	-	-
USD	4,00	8.271.148	-	-
EUR	4,38 - 5,00	6.812.517	15.029.854	94.071.814
AED	4,00	19.964.365	-	-
<b>Toplam</b>		<b>158.050.050</b>	<b>15.029.854</b>	<b>94.071.814</b>



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**8. FINANCIAL LIABILITIES (continued)**

a) Bank Loans (continued)

	<u>31.12.2015</u>	<u>31.12.2014</u>
Payable within one year	158.603.531	173.079.904
Payable within 2 - 3 years	14.788.983	7.927.440
Payable within 3 - 4 years	13.119.925	10.168.965
Payable within 4 - 5 years	12.356.615	10.255.390
Payable within 5 years and longer term	55.432.540	65.720.019
<b>Total</b>	<u>254.301.594</u>	<u>267.151.718</u>

Group's significant loans are summarized as below;

- A loan of EUR 27.900.000 (2014: EUR 31.000.000) was used in 17 October 2014. Loan repayments have been started in 17 April 2015 expiration date, which will continue until 17 October 2024. The average effective interest rate of the loan is Libor+%4,20. Credits, from the Group's investment properties amounting to EUR 48 million on Anel Business Center is secured by mortgages.

The fair value of short term debt, the effect of the undiscounted cash flows is equal to the carrying amount is immaterial.

**9. TRADE RECEIVABLES/ PAYABLES**

a) **Trade Receivables:**

The Group's trade receivables at the balance sheet date are as follows:

<u>Short Term Trade Receivables</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Customers	175.748.443	207.939.275
Notes Receivables and Postdated Checks	4.837.749	2.676.350
Less: Unrealized Finance Income	(403.436)	(259.122)
Income Accruals	-	4.220.766
Doubtful Trade Receivables (*)	4.662.317	7.235.341
Less: Doubtful Trade Receivables Provisions	(4.662.317)	(7.235.341)
Collaterals held by Employers	126.488.950	82.872.730
Receivables from construction contracts (Note 10)	100.697.342	130.304.556
<b>Sub Total</b>	<u>407.369.048</u>	<u>427.754.555</u>
Receivables from related parties	11.983.381	15.344.924
<b>Total</b>	<u>419.352.429</u>	<u>443.099.479</u>

As of 31.12.2015 TL, USD and EUR denominated short-term trade receivables securities calculated for unearned finance income is used for the effective weighted average interest rate of % 10,38, %0,17, %0,07 will receive the weighted average maturity of two months (2014: %7,89 1 months). (2014: TL: %7,88, USD : % 0,18, EUR : %0,23 1 month).

There is not any collateral for undued trade receivables.

As of 31 December 2015, trade receivables of 4.662.317 TL (2014: 7.235.341 TL) is a provision for doubtful receivables.

The provision for trade receivables, is determined based on past experience.

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**9. TRADE RECEIVABLES/ PAYABLES (continued)**

a) **Trade Receivables (continued) :**

The provision for trade receivables, is determined based on past experience.

	<u>31.12.2015</u>	<u>31.12.2014</u>
Beginning of the period	7.235.341	846.825
Provisions within the period	679.478	6.335.265
Less: Collected within the current period	(3.955.236)	-
Foreign currency exchange differences	702.734	53.251
<b>End of the period</b>	<u>4.662.317</u>	<u>7.235.341</u>

**Long-term trade receivables**

None. (31.12.2014: None.)

Information on the nature and level of risk in trade receivables is described in detail in Note 39.

b) **Trade Payables:**

The Group's trade payables at the balance sheet date are as follows:

<u>Short Term Trade Payables</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Suppliers	135.946.843	155.450.357
Notes Payable and Postdated Checks	7.954.482	7.691.610
Less: Unrealized Finance Expense	(496.049)	(370.100)
Expense Accruals	12.353	9.879.724
Payables from construction contracts (Note 10)	8.350.325	17.870.259
Financial Guarantees Given to the Subcontractor	10.242.326	4.975.072
<b>Sub Total</b>	<u>162.010.280</u>	<u>195.496.922</u>
Trade payables to related parties	3.605.464	2.369.560
<b>Total</b>	<u>165.615.744</u>	<u>197.866.482</u>

Maturity of the debt securities, which ended after the balance sheet date, the average effective interest rate for the TL and USD are % 8,48 and % 0,23 and the weighted average maturity of 3 months. (31.12.2014: TL : % 7,88, USD: %0,18, EUR : % 0,23, 2 months).

<u>Long Term Trade Payables</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Notes Receivables and Postdated Checks	69.457	369.633
Less: Unrealized Finance Income	(491)	(2.616)
<b>Total</b>	<u>68.966</u>	<u>367.017</u>

Receivables from related parties and payables to related parties are shown in Note 38.

The nature and level of risks for trade payables are described in detail in Note 39.

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**10. OTHER RECEIVABLES AND PAYABLES**

<b>Short Term Other Receivables</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Deposits and Guarantees Given	4.775.936	5.089.493
Due From Personel	5.028	14.369
Doubtful Other Receivables	166.296	244.896
Less: Provision of Doubtful Other Receivables (*)	(166.296)	(244.896)
Other Receivables	496.273	7.410.179
Tax and Social Security Receivables	3.097.947	2.160.887
<i>Sub Total</i>	<u>8.375.184</u>	<u>14.674.928</u>
Other receivables from related parties	55.158.307	76.522.998
<b>Total</b>	<u>63.533.491</u>	<u>91.197.926</u>

(\*) The details of the other doubtful receivables is as follows:

	<b>31.12.2015</b>	<b>31.12.2014</b>
Beginning of the period	244.896	34.526
Provisions within the period	-	208.967
Less: Collected within the Period	(78.990)	-
Foreign Currency Exchange Differences	390	1.403
End of the period	<u>166.296</u>	<u>244.896</u>

<b>Long-Term Other Receivables</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Deposits and Guarantees Given	49.819	49.819
<b>Total</b>	<u>49.819</u>	<u>49.819</u>

<b>Shorts-Term Other Payables</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Deposits and Guarantees Received	201.470	150.937
Taxes and Charges	4.865.043	3.565.563
Other Payables	398.792	158.749
<i>Sub Total</i>	<u>5.465.305</u>	<u>3.875.249</u>

Other payables to related parties	4.492.566	923.182
<b>Total</b>	<u>9.957.871</u>	<u>4.798.431</u>

<b>Long-Term Other Payables</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Deferred Payables to Treasury	55.943	123.076
<b>Total</b>	<u>55.943</u>	<u>123.076</u>

**11. DERIVATIVE INSTRUMENTS**

None (31.12.2014: None).

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**12. INVENTORIES**

	<b>31.12.2015</b>	<b>31.12.2014</b>
Raw Materials and Equipments	119.808.034	66.462.222
Goods	17.585	17.585
Trade Goods	40.683	38.694
Other Inventories	87	1.041
Provision for Inventories (-)	(311.103)	(368.789)
<b>Total</b>	<u>119.555.286</u>	<u>66.150.753</u>

	<b>01.01.-31.12.2015</b>	<b>01.01.-31.12.2014</b>
Provision for Inventories Movement		
Opening Balance	368.789	368.789
Canceled During the Period (-)	(57.686)	-
Closing Balance	<u>311.103</u>	<u>368.789</u>

<b>Inventory Impairment Breakdown</b>	<b>01.01.-31.12.2015</b>	<b>01.01.-31.12.2014</b>
Raw Materials and Equipments	311.103	368.789
<b>Total</b>	<u>311.103</u>	<u>368.789</u>

The Group has no inventory pledged as collateral for loans used. (31.12.2014: None)

**13. PREPAID EXPENSES AND DEFERRED REVENUES**

<b>Short-Term Prepaid Expenses</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Advances Given for Inventories	19.566.315	9.825.094
Other Advances Given	4.876.781	3.980.646
Prepaid Expenses for the Following Months	1.024.973	703.669
<b>Total</b>	<u>25.468.069</u>	<u>14.509.409</u>

<b>Long-Term Prepaid Expenses</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Expense for the Following Years	5.148.661	4.124.404
<b>Total</b>	<u>5.148.661</u>	<u>4.124.404</u>

<b>Short-Term Deferred Income</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Advances Received	140.035.895	78.600.843
Short-term Deferred Income	1.354.444	12.988.238
Advances Received from Related Parties	-	2.500
<b>Total</b>	<u>141.390.339</u>	<u>91.591.581</u>

<b>Long-Term Deferred Income</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Income for the Following Years	22.593	232.408
<b>Total</b>	<u>22.593</u>	<u>232.408</u>



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**14. CONSTRUCTION CONTRACTS**

Assets related to construction projects in progress are as follows:

	<u>31.12.2015</u>	<u>31.12.2014</u>
<b>Assets regarding Construction Contracts In Progress</b>	100.697.342	130.304.556
<b>Total</b>	<u>100.697.342</u>	<u>130.304.556</u>

(\*) Not unearned assets in order to obtain reasonable assurance that the Company will fulfill the necessary conditions are formed, which may be taken out of the fair value of the consolidated financial statements on an accruals basis.

Assets related to construction projects in progress are as follows:

	<u>31.12.2015</u>	<u>31.12.2014</u>
<b>Assets regarding Construction Contracts In Progress</b>	100.697.343	130.304.556
- Assets regarding Domestic Construction Contracts	3.085.944	6.235.626
- Unearned Assets regarding Domestic Construction Contracts (*)	23.619.300	42.450.310
- Assets regarding Overseas Construction Contracts	-	-
- Unearned Assets regarding Overseas Construction Contracts (*)	73.992.099	81.618.620

Liabilities related to construction projects in progress are as follows:

	<u>31.12.2015</u>	<u>31.12.2014</u>
<b>Liabilities Regarding Construction Contracts In Progress</b>	8.350.325	17.870.259
<b>Total</b>	<u>8.350.325</u>	<u>17.870.259</u>

	<u>31.12.2015</u>	<u>31.12.2014</u>
<b>Liabilities Regarding Construction Contracts In Progress</b>	8.350.325	17.870.259
- Progress Payments regarding Domestic Construction Contracts	-	-
- Over-invoiced Portion regarding Domestic Construction Contracts	1.441.355	4.674.570
- Progress Payments regarding Overseas Construction Contracts	-	-
- Over-invoiced Portion regarding Overseas Construction Contracts	6.908.970	13.195.689

Guarantees given and received for the projects described in Note 24.

The Group as of 31 December 2015 regarding the ongoing construction contracts have taken the total amount of short-and long-term advances TL 133.874.353 (31 December 2014: TL 77.838.668 ).

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**15. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD**

Details of subsidiaries and associates partnerships according to equity method evaluation as of December 31, 2015 and December 31, 2014 are as follows:

	<u>Participation Rate</u>		<u>Participation Rate</u>	
	(%)	<u>31.12.2015</u>	(%)	<u>31.12.2014</u>
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	24,68	22.562.433	26,47	20.118.325
Anelmep Maintenance and Operations LLC (*)	-	-	30,00	1.877.255
Avek Solar Üretim Sanayi Ticaret A.Ş. (**)	49,98	-	49,98	-
Energina Kompania Bonev	50,00	268.981	50,00	181.960
<b>Toplam</b>		<u>22.831.414</u>		<u>22.177.540</u>

(\*) Not 2/A

(\*\*) Anel Enerji Elektrik Üretim San. ve Tic. A.Ş sold out its association Avek Solar Üretim San. ve Tic. A.Ş on 16, November 2015.

The Group's associates Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. informatin below:

	<u>Participation Rate</u>		<u>Participation Rate</u>	
	(%)	<u>31.12.2015</u>	(%)	<u>31.12.2014</u>
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. (*)	24,68	11.460.489	26,47	9.016.381
Goodwill		16.466.160		16.466.160
Impairment on Goodwill (-)		(5.364.216)		(5.364.216)
<b>Total</b>		<u>22.562.433</u>		<u>20.118.325</u>

(\*) On the BIST traded at Anel Telecommunications and Electronic Systems Industry and Trade Inc. As of December 31, 2015 issued by the ISE best bid among current orders pending the settlement price per unit of TRY 2,48 evaluated in price over the fair value of TL 30.597.873. (31.12.2014: TL 30.171.461)

Details of investments accounting under equity method evaluation are as follows;

				<u>31.12.2015</u>		
	<u>Assets Total</u>	<u>Payables</u>	<u>Equity of Parent</u>	<u>Non-controlling</u>		
		<u>Total</u>		<u>Shares</u>		
				<u>Revenue</u>		
				<u>Profit / (Loss)</u>		
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	50.516.372	4.080.024	46.436.348	-	217.496	12.029.548
Energina Kompania Bonev	9.778.623	9.240.662	537.961	-	1.335.102	46.670

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**15. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD (continued)**

	31.12.2014					
	Assets Total	Payables Total	Equity of Parent	Non- controlling Shares	Revenue	Profit / (Loss)
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	36.262.996	2.200.356	34.062.640	-	52.724.506	3.524.157
Anelmep Maintenance and Operations LLC	68.917.931	62.660.416	6.257.515	-	163.646.152	12.951.868
Avek Solar Üretim Sanayi Ticaret A.Ş.	3.272.928	5.613.397	(2.340.469)	-	-	(692.131)
Energina Kompania Bonev	8.647.020	8.283.101	363.919	-	1.684.236	327.983

**16. INVESTMENT PROPERTY**

	01.01.2015					31.12.2015
<u>The Fair Value</u>	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Appreciation</u>	<u>Closing Balance</u>
Lands and Buildings	138.133.516	-	(2.315.000)	-	54.213.423	190.031.939
Investment Properties	138.133.516	-	(2.315.000)	-	54.213.423	190.031.939

	01.01.2014					31.12.2014
<u>The Fair Value</u>	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Appreciation</u>	<u>Closing Balance</u>
Lands and Buildings	137.533.858	-	(1.381.000)	-	1.980.658	138.133.516
Investment Properties	137.533.858	-	(1.381.000)	-	1.980.658	138.133.516

Group valuated Anel Business Center located in Ümraniye / İstanbul to independent expertise company TSKB Gayrimenkul Değerleme A.Ş. (CMB licenced).

According to 16 November 2015 dated expertise report, bulding value set as TL 185.350.000. Properties values calculated according to coefficient comparison, cost, income comparison methods.

Also, Group valuated building located in Koşuyolu, Bakırköy and Gaziantep to same independent expertise company TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş. (CMB licenced). According to 16 November 2015 and 31 December 2015 dated expertise report, buldings values set as respectively TL 3.546.000 and TL 2.184.000. Properties values calculated according to coefficient comparison, cost, income comparison and direct capitilazation methods.

Out of 29 independent valuation of the property section of the company's use as part of its consolidated Group, fair value of 1.048.061 TL is in fixed assets, the remaininf portion out of it amounting 190.031.939 TL is reported in investment properties.

At balance sheet date, there is no building or development, maintenance, repair or remediation obligations arising from contracts of investment properties.

In the current period, The Group gained rent income from its investment properties amounting TL 14.900.958. Total operating expense related to these properties is TL 1.352.334. There is 48.000.000 Eur mortgage on its investment properties.

As of 31 December 2015, there is insurance coverage amount of TL 124.933.414 on investment properties (31.12.2014: 124.933.414 TL)

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**17. PROPERTY, PLANT AND EQUIPMENT**

31.12.2015

31.12.2015

Cost Value	Land		Plants, Machinery and Equipments		Vehicles		Fixtures		Leasehold Improvements		Other Fixed Assets		Total
	Lands	Improvements	Buildings										
<b>Opening Balance</b>	1.295.796	158.829	593.484	23.074.379	670.057	13.642.320	284.670	380.459	194.176	40.009.500	2.141.759	5.682.891	1.717.518
Subsidiary Purchasing Effect	-	-	-	1.857.089	-	4.440.977	35.288	2.027	3.267	-	2.141.759	5.682.891	-
Foreign Currency Conversion Adjustments	19.965	40.321	-	4.440.977	35.288	1.141.046	1.141.046	2.027	3.267	-	2.141.759	5.682.891	-
Purchases	-	-	-	701.389	-	1.016.129	1.016.129	-	-	-	1.717.518	-	-
Sales	-	-	-	(4.676)	(237.817)	(79.393)	(79.393)	(7.060)	726	-	(328.220)	-	-
Valuation	-	-	454.577	(193.308)	(95.490)	-	-	-	-	-	165.779	-	-
<b>Closing Balance</b>	<b>1.315.761</b>	<b>199.150</b>	<b>1.048.061</b>	<b>29.875.850</b>	<b>372.038</b>	<b>16.004.772</b>	<b>375.426</b>	<b>198.169</b>	<b>49.389.227</b>	<b>49.389.227</b>	<b>49.389.227</b>	<b>49.389.227</b>	<b>49.389.227</b>
<b>Accumulated Depreciation and Impairment</b>													
<b>Opening Balance</b>	-	(56.577)	-	(4.904.685)	(364.111)	(9.634.796)	(361.226)	(131.350)	-	(15.452.746)	-	(653.185)	-
Subsidiary Purchasing Effect	-	-	-	(477.318)	-	(175.868)	-	-	-	(653.185)	-	-	-
Foreign Currency Conversion Adjustments	-	(14.367)	-	(1.017.166)	(29.668)	(1.151.571)	(10.013)	(2.645)	(2.225.429)	(2.225.429)	-	(2.225.429)	-
Period Expense	-	(9.985)	-	(2.370.959)	(86.334)	(1.278.037)	-	(8.078)	(3.753.393)	(3.753.393)	-	(3.753.393)	-
Extractions	-	-	-	78.960	190.469	84.518	-	-	-	353.947	-	353.947	-
<b>Closing Balance</b>	<b>(80.929)</b>	<b>118.221</b>	<b>1.048.061</b>	<b>(8.691.168)</b>	<b>(289.644)</b>	<b>(12.155.754)</b>	<b>(371.239)</b>	<b>(142.073)</b>	<b>(21.730.806)</b>	<b>(21.730.806)</b>	<b>(21.730.806)</b>	<b>(21.730.806)</b>	<b>(21.730.806)</b>
<b>Fixed Assets, Net</b>	1.315.761	118.221	1.048.061	21.184.683	82.394	3.849.018	4.187	56.096	27.658.421	27.658.421	27.658.421	27.658.421	27.658.421



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**17. PROPERTY, PLANT AND EQUIPMENT(continued)**

31.12.2014

Cost Value	Land		Plants, Machinery and Equipments		Vehicles	Fixtures	Leasehold Improvements	Other Fixed Assets		Total
	Lands	Improvements	Buildings	and Equipments				Assets	Assets	
<b>Opening Balance</b>	1.302.276	146.185	552.866	23.500.549	1.011.138	12.487.815	448.182	227.878	39.676.889	
Subsidiary Purchasing Effect	-	-	-	-	-	(8.891)	-	(42.857)	(51.748)	
Foreign Currency Conversion Adjustments	(6.480)	12.644	-	(747.104)	(250.593)	440.887	636	(883)	(550.893)	
Purchases	-	-	-	419.364	268.112	1.487.604	-	10.038	2.185.118	
Extractions	-	-	-	(98.430)	(358.600)	(765.095)	(68.359)	-	(1.290.484)	
Valuation	-	-	40.618	-	-	-	-	-	40.618	
<b>Closing Balance</b>	<b>1.295.796</b>	<b>158.829</b>	<b>593.484</b>	<b>23.074.379</b>	<b>670.057</b>	<b>13.642.320</b>	<b>380.459</b>	<b>194.176</b>	<b>40.009.500</b>	
<b>Accumulated Depreciation and Impairment</b>										
<b>Opening Balance</b>	-	(44.743)	-	(3.303.912)	(489.148)	(8.630.988)	(428.127)	(127.253)	(13.024.170)	
Subsidiary Purchasing Effect	-	-	-	-	-	1.824	-	(89)	1.735	
Foreign Currency Conversion Adjustments	-	(3.871)	-	25.148	454.501	(341.343)	(636)	295	134.094	
Period Expense	-	(7.963)	-	(1.586.550)	(176.968)	(1.343.050)	(822)	(4.303)	(3.119.656)	
Extractions	-	-	-	(39.373)	(152.495)	678.761	68.359	-	555.251	
<b>Closing Balance</b>	<b>-</b>	<b>(56.577)</b>	<b>-</b>	<b>(4.904.685)</b>	<b>(364.111)</b>	<b>(9.634.796)</b>	<b>(361.226)</b>	<b>(131.350)</b>	<b>(15.452.745)</b>	
<b>Fixed Assets, Net</b>	<b>1.295.796</b>	<b>102.252</b>	<b>593.484</b>	<b>18.169.694</b>	<b>305.946</b>	<b>4.007.524</b>	<b>19.233</b>	<b>62.826</b>	<b>24.556.755</b>	

As of 31.12.2015, there is insurance coverage amounting TL 6.633.358, USD 4.168.809, Qatar Riyal 24.000 on fixed assets.

(\*) Classified as investment property of the Group and of the business center in Ümraniye 29 independent parts, one part of the portion of the ground floor is used by the Group are reported in tangible assets (Note 16).

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**17. MADDİ DURAN VARLIKLAR (devamı)**

Useful lives of tangible fixed assets are as follows:

	Useful Life
Land Improvements	3-14
Buildings	50
Plants, Machinery and Equipments	3-14
Vehicles	5
Fixtures	3-14
Other Fixed Assets	5
Special Costs	5

The sum of the depreciation expense in the current year is TL 3.753.393 (31.12.2014: TL 3.119.656). TL 3.399.584 (31.12.2014: 2.508.298 TL) of this amount is included in cost of good sold (Note 29), amounting TL 2.490 (31.12.2014: 2.152 TL) is included in marketing expenses, and amounting TL 351.319 (31.12.2014: 609.206 TL) is included in administrative expenses (Note 30).

At balance sheet date, the net book value of the assets subject to finance lease are as follows:

<u>Net Values</u>	31.12.2015	31.12.2014
Fixtures (Net)	370.513	499.105

**18. INTANGIBLE FIXED ASSETS**

31.12.2015

<u>Cost Value</u>	<u>Rights</u>	<u>Total</u>
<b>Opening Balance</b>	4.776.051	4.776.051
Foreign Currency Conversion Adjustments	174.258	174.258
Purchases	53.766	53.766
Extractions	(5.141)	(5.141)
<b>Closing Balance</b>	<b>4.998.934</b>	<b>4.998.934</b>

**Accumulated Depreciation and Impairment**

<b>Opening Balance</b>	(2.562.640)	(2.562.640)
Foreign Currency Conversion Adjustments	(64.737)	(64.737)
Period Expense	(1.277.824)	(1.277.824)
Extractions	5.097	5.097
<b>Closing Balance</b>	<b>(3.900.104)</b>	<b>(3.900.104)</b>
<b>Fixed Assets, Net</b>	<b>1.098.830</b>	<b>1.098.830</b>

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**18. INTANGIBLE FIXED ASSETS(Continued)**

31.12.2014

<u>Cost Value</u>	<u>Rights</u>	<u>Total</u>
<b>Opening Balance</b>	2.804.798	2.804.798
Foreign Currency Conversion Adjustments	11.957	11.957
Purchases	1.959.296	1.959.296
<b>Closing Balance</b>	<b>4.776.051</b>	<b>4.776.051</b>
Accumulated Depreciation and Impairment		
<b>Opening Balance</b>	(1.577.821)	(1.577.821)
Foreign Currency Conversion Adjustments	(5.315)	(5.315)
Period Expense	(979.503)	(979.503)
<b>Closing Balance</b>	<b>(2.562.639)</b>	<b>(2.562.639)</b>
<b>Fixed Assets, Net</b>	<b>2.213.412</b>	<b>2.213.412</b>

Economic lives of intangible assets are as follows:

	<u>Useful Life</u>
Rights	3-14

The sum of the current year amortization expense is TL 1.277.824 (31.12.2014: TL 979.503). TL 353.874 (31.12.2014: 130.360 TL) of this amount is included in cost of goods sold (Note 29), TL 396 (31.12.2014: 275) of this amount is included in marketing expenses, TL 923.554 (31.12.2014: 848.868 TL) of this amount is included in administrative expenses (Note 30).

**19. GOODWILL**

None. (31.12.2014: None).

**20. LEASING OPERATIONS**

**Operating Leases**

The Group as lessee

*Leasing Contracts:*

The Group's operating leases are subject to the lease agreement, which currently has four units Qatar, Baku branches and subsidiaries located in Russia, Turkey and Abu Dhabi are related to the office and storage building.

<u>The Payments Recognized as an Expense</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Minimum Lease Payments	9.019.605	6.533.141
Contingent Lease Payments	-	-
Payments Received from Secondary Rental	-	-
<b>Total</b>	<b>9.019.605</b>	<b>6.533.141</b>

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**20. LEASING OPERATIONS (Continued)**

The Group as lessor

*Leasing Contracts:*

The operating leases terms are between 2 -10 years and related with investment properties. Company does not has the right to purchase rental assets at the end of lease term.

The company's property to his activities on rental income earned from rental is TL 14.900.958 (2014: TL 15.795.534).

	<u>31.12.2015</u>	<u>31.12.2014</u>
Commitments Related to Operating Leases		
Between 2-10 years	14.900.958	15.795.534

**21. IMPAIRMENT OF ASSETS**

	<u>31.12.2015</u>	<u>31.12.2014</u>
Provisions for Doubtful Trade Receivables	4.662.317	7.235.341
Provisions for Doubtful Other Receivables	166.296	244.896
Provisions for Inventories	311.103	368.789
<b>Total</b>	<b>5.139.716</b>	<b>7.849.026</b>

**22. GOVERNMENT GRANTS**

None (31.12.2014: None).

**23. BORROWING COSTS**

None (31.12.2014: None).

**24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES**

<u>Other Short-term Provisions</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Provisions for Lawsuits	3.590.990	-
Provisions for Liabilities and Expenses	-	443.264
<b>Total</b>	<b>3.590.990</b>	<b>443.264</b>

**Contingent Liabilities**

As of December 31, 2015, there are 30 lawsuits against the Group amounting to TL 5.628.166 and USD 2.383.345 (TL equivalent 6.929.815). (31.12.2014: 29 lawsuits TL 2.437.137 and USD 20.000 46.378 TL equivalent) Regarding to this lawsuits the Group has made provision amounting TL 3.590.990 (31.12.2014: None).

**Guarantee-Pledge-Mortgages**

As of 31 December 2015 and 31 December 2014, the Group's guarantee / pledge / mortgage position statements are as follows:



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**24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES(Continued)**

**Guarantee-Pledge-Mortgages (Continued)**

	31.12.2015			
	USD	EUR	TL	TL Equivalent
Letters of Guarantees Received	623.800	344.088	630.250	3.537.385
Guaranteed Bill Received	2.246.528	1.415.962	4.378.605	15.409.971
Guaranteed Cheques Received	146.361	88.340	4.157.355	4.863.623
<b>Total</b>	<b>3.016.689</b>	<b>1.848.390</b>	<b>9.166.210</b>	<b>23.810.979</b>

	31.12.2014			
	USD	EUR	TL	TL Equivalent
Letters of Guarantees Received	4.767.349	939.720	681.057	14.386.731
Guaranteed Bill Received	2.098.407	1.268.269	4.398.568	12.841.970
Guaranteed Cheques Received	104.833	75.940	5.499.660	5.956.961
<b>Total</b>	<b>6.970.589</b>	<b>2.283.929</b>	<b>10.579.285</b>	<b>33.185.662</b>

**Guarantees Given:**

	31.12.2015			
	USD	EUR	TL	TL Total
<u>Related to Projects</u>				
Letters of Guarantees Given	108.112.882	4.133.918	11.938.897	339.423.850
Bills of Guarantees Given	-	-	2.682.946	2.682.945
Checks of Guarantees Given	-	-	-	-
<u>Other</u>				
Letters of Guarantees Given	-	-	3.241.749	3.241.747
Bills of Guarantees Given	-	-	-	-
Checks of Guarantees Given	-	-	-	-
Mortgages Given	-	48.000.000	-	152.524.800
<b>Total</b>	<b>108.112.882</b>	<b>52.133.918</b>	<b>17.863.592</b>	<b>497.873.342</b>

	31.12.2014			
	USD	EUR	TL	TL Total
<u>Related to Projects</u>				
Letters of Guarantees Given	76.605.488	5.673.254	17.468.423	211.111.437
Bills of Guarantees Given	-	-	-	-
Checks of Guarantees Given	-	-	-	-
<u>Other</u>				
Letters of Guarantees Given	6.200	-	527.150	541.527
Bills of Guarantees Given	-	-	-	-
Checks of Guarantees Given	-	-	-	-
Mortgages Given	-	48.000.000	-	135.393.600
<b>Total</b>	<b>76.611.688</b>	<b>53.673.254</b>	<b>17.995.573</b>	<b>347.046.564</b>

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**24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES(continued)**

	31.12.2015			
	USD	EURO	TL	TL Equivalent
<b>CPMB's given by the Company (Collaterals, Pledges, Mortgages, Bails)</b>				
A) CPMB's given for Company's own legal personality	28.186.873	51.763.736	17.806.092	264.246.691
B) CPMB's given on behalf of fully consolidated companies	79.926.009	370.181	57.500	233.626.651
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-
E) Total amount of other CPMB's	-	-	-	-
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-
<b>Total</b>	<b>108.112.882</b>	<b>52.133.917</b>	<b>17.863.592</b>	<b>497.873.342</b>

	31.12.2014			
	USD	EURO	TL	TL Equivalent
<b>CPMB's given by the Company (Collaterals, Pledges, Mortgages, Bails)</b>				
A) CPMB's given for Company's own legal personality	76.605.488	53.277.254	16.641.753	344.561.369
B) CPMB's given on behalf of fully consolidated companies	-	396.000	-	1.116.998
C) CPMB's given on behalf of third parties for ordinary course of business	6.200	-	1.353.820	1.368.197
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-
E) Total amount of other CPMB's	-	-	-	-
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-
<b>Total</b>	<b>76.611.688</b>	<b>53.673.254</b>	<b>17.995.573</b>	<b>347.046.564</b>

Other groups of CPM is given by the Group's equity ratio as of 31.12.2015 is 0% (31.12.2014:%0'dır).

As of 31.12.2015 and 31.12.2014 Guarantees given the distribution of the species is shown below.

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**24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES(continued)**

<u>Collaterals, Pledges, Mortgages and Bails</u>	<u>31.12.2015</u>			
	<u>Total TL Equivalent</u>	<u>USD</u>	<u>EUR</u>	<u>TL</u>
Collaterals	345.348.542	108.112.882	4.133.917	17.863.592
Pledges	-	-	-	-
Mortgages	152.524.800	-	48.000.000	-
<b>Total</b>	<b>497.873.342</b>	<b>108.112.882</b>	<b>52.133.917</b>	<b>17.863.592</b>

<u>Collaterals, Pledges, Mortgages and Bails</u>	<u>31.12.2014</u>			
	<u>Total TL Equivalent</u>	<u>USD</u>	<u>EUR</u>	<u>TL</u>
Collaterals	211.652.964	76.611.688	5.673.254	17.995.573
Pledges	-	-	-	-
Mortgages	135.393.600	-	48.000.000	-
<b>Total</b>	<b>347.046.564</b>	<b>76.611.688</b>	<b>53.673.254</b>	<b>17.995.573</b>

**25. COMMITMENTS**

None (31.12.2014: None).

**26. EMPLOYEE BENEFITS**

<u>Provisions for Short Term Employee Benefits</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Unused Vacation Rights	4.656.243	662.471
<u>Employee Benefits Liabilities</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Due To Personnel	3.695.497	1.263.410
Social Security Withholdings Payable	286.925	641.761
<b>Total</b>	<b>3.982.422</b>	<b>1.905.171</b>
<u>Provisions for Long Term Employee Benefits</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Provisions for Employee Termination Benefits	8.438.120	942.522

Under Turkish law, and any group that fills a one-year service period is terminated without due cause, is called up for military service, dies, 20-year period of service for men, 25 women have been filled or the retirement age (women 58 and 60 years), the staff has to make severance payments.

The liability is not subject to any funding. The provision Grup'in, arising from the retirement of employees is calculated by estimating the present value of future probable obligation. IAS 19 ("Employee Benefits"), group obligations under defined benefit plans using actuarial valuation methods to be developed. Accordingly, the actuarial assumptions used in calculating the total liabilities are as follows:

Balance sheet date, an annual inflation rate of 5% and 9% based on the assumption that the discount rate, about 3,81% real discount rate is calculated according to the assumptions of the following retirement. (December 31, 2014: 5%, respectively 5% %8,5 and 3,33%).

	<u>31.12.2015</u>	<u>31.12.2014</u>
Annual Discount Rate (%)	3,81	3,81
Probability of retirement (%)	86,33	86,50

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**26. EMPLOYEE BENEFITS (continued)**

The main assumption, the maximum liability for each year of service will only grow in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of December 31, 2014 the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value.

3.828 TL (31.12.2014: 3.438 TL) maximum amount used on calculation of retirement pay provision with effect from 01 January 2015.

The movement of provision for severance pay as follows:

	<u>01.01.-31.12.2015</u>	<u>01.01.-31.12.2014</u>
Provision as of 1 January	942.522	975.996
Service Cost	5.822.941	134.112
Interest Cost	35.908	32.533
Employee Termination Paid	(187.801)	(181.032)
Subsidiary Purchasing Effect (Note 2)	1.721.229	-
Aktuarial Gain/Loss	103.321	(19.087)
<b>Provision as of 31 December</b>	<b>8.438.120</b>	<b>942.522</b>

**27. OTHER CURRENT/NONCURRENT ASSETS AND LIABILITIES**

<u>Other Current Assets</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Deferred VAT	9.371.027	17.087.140
Work Advance	144.028	338.751
Personel Advances	1.262.751	936.905
Other Current Assets	738.281	1.253.775
<b>Total</b>	<b>11.516.087</b>	<b>19.616.571</b>

**Other Non-current Assets**

None (31.12.2014: None).

<u>Other Short-Term Liabilities</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Other Liabilities	-	3.909
<b>Total</b>	<b>-</b>	<b>3.909</b>

**Other Long-Term Liabilities**

None (31.12.2014: None).



**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
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**28. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS**

**a) Capital**

The Company's issued share capital at 31 December 2015 and 2014 dates are as follows:

	31.12.2015		31.12.2014	
	Share Amount TL	Share Percentage (%)	Share Amount TL	Share Percentage (%)
Shareholders				
Rıdvan Çelikel (**)	47.142.089	42,86	47.142.089	42,86
Avniye Mukaddes Çelikel	5.677.039	5,16	5.677.039	5,16
Mahir Kerem Çelikel	1.526.758	1,39	1.526.758	1,39
Other Real Persons	20.637	0,04	20.637	0,04
Public Section (*)	55.633.477	50,55	55.633.477	50,55
Paid-in Capital	110.000.000	100,00	110.000.000	100,00

(\*) As at 31.12.2015, % 48,70 (31.12.2015: %48,15) of Company shares are being traded in ISE (Istanbul Stock Exchange) according to Central Registry Agency (CRA) report.

(\*\*) Ridvan Çelikel shareholder of the Company, owns 1.638.684 shares in the capital of part of the shares of publicly traded shares of capital and the amount of TL 48.780.773 and a total of 44.35% of the shares.

The Group use authorized capital system and the equity ceiling is TL 200.000.000.

The Company's issued share capital, historical value, TL 110.000.000. (31.12.2014: TL 110.000.000) which consisted of 22.188.841 A-group shares and 87.811.159 B-group shares authorized and fully paid shares each having 1 TL nominal value. A-group shareholders have two voting rights and B-group shareholders have one voting rights for each share owned at the General Assembly meeting. All of the A-group shares belong to Ridvan Çelikel.

	31.12.2015	31.12.2014
<b>b) Premiums/ (Discounts) Related with Shares</b>		
Premiums/ (Discounts) Related with Shares	1.384.433	1.384.433
Total	1.384.433	1.384.433

	31.12.2015	31.12.2014
<b>c) Effect of Common Controlled Entities or Enterprises Mergers</b>		
Effect of Common Controlled Entities or Enterprises Mergers	(9.137.569)	(8.063.535)
Total	(9.137.569)	(8.063.535)

	31.12.2015	31.12.2014
<b>d) Revaluation and Measurement Gain/ (Loss)</b>		
Financial Assets Revaluation Gain/(Loss)	(348.487)	(348.487)
Fixed Assets Revaluation and Measurement Gains	1.514.029	1.333.948
Total	1.165.542	985.461

	31.12.2015	31.12.2014
<b>e) Foreign Currency Translation Differences</b>		
Foreign Currency Translation Differences	66.389.102	62.042.097
Total	66.389.102	62.042.097

	31.12.2015	31.12.2014
<b>f) Defined Benefit Plans Revaluation and Measurement Gain/ (Loss)</b>		
Defined Benefit Plans Revaluation and Measurement Gain/ (Loss)	(270.823)	(196.051)
Total	(270.823)	(196.051)

	31.12.2015	31.12.2014
<b>g) Restricted Reserves</b>		
Restricted Reserves	10.372.875	6.495.122
Total	10.372.875	6.495.122

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**28. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)**

	31.12.2015	31.12.2014
<b>h) Retained Earnings</b>		
Retained Earnings	91.979.688	87.427.719
Total	91.979.688	87.427.719

	31.12.2015	31.12.2014
<b>i) Non-controlling Shares</b>		
1st January Balance	27.911.602	29.094.933
Additions	11.390.300	(4.147.345)
Foreign Currency Translation Differences	-	(723.098)
Minority Share Profit/(Loss)	20.658.436	3.687.112
Anel Mep Effect (Note 2)	6.432.803	-
Total	66.393.141	27.911.602

**Profit Distribution**

Publicly held companies, the CMB's profit distribution came into force from the date of February 1, 2014 II-1.19 Dividend accordance with the notification.

Partnerships, profits will be determined by the General Assembly in accordance with the dividend distribution policy and in accordance with the provisions of the relevant legislation by the General Assembly distributes. Comes within the scope of the notification a minimum distribution rate has not been determined. Companies based in contract or in the manner specified in the dividend distribution policy will pay dividends. In addition, dividends may be paid in installments of equal or different, consistent and interim financial statements of the profits in advance may distribute dividends in cash.

TCC based on separation of reserves required by the articles of association or dividend distribution policy for the shareholders determine dividend allottees other reserves to allocate to the next year to transfer profit and dividend shareholders, management board members subsidiaries to their employees and shareholders, persons other than the profit share to be distributed could not be given, as determined for the shareholders in cash dividends are paid on these shares may not be distributed to persons on the card.

**29. REVENUE**

	01.01.-31.12.2015	01.01.-31.12.2014
<b>Sales Revenues (Net)</b>		
Domestic Sales	200.075.938	309.552.892
Export Sales	341.469.497	312.871.939
Rent Revenues	14.900.958	15.800.328
Other Revenues	4.245.034	1.216.165
Total Revenues	560.691.427	639.441.324
Sales Returns (-)	(1.161.864)	(7.363)
Sales Revenues (Net)	559.529.563	639.433.961

II- Cost of Goods Sold	(32.869.125)	(121.412.934)
III- Cost of Services Sold	(496.867.668)	(446.476.551)
IV- Cost of Other Sales	(47.377)	-
V- Depreciation Expenses	(3.399.584)	(2.508.298)
VI- Redemption Expenses	(353.874)	(130.360)
Cost of Sales (I+II+III+IV+V+VI)	(533.537.628)	(570.528.143)

<b>GROSS PROFIT/LOSS</b>	25.991.935	68.905.818
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30. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION  
EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	<u>01.01.-31.12.2015</u>	<u>01.01.-31.12.2014</u>
General Administrative Expenses (-)	28.609.567	22.332.114
Marketing Expenses (-)	2.886	166.319
<b>Total</b>	<b>28.612.453</b>	<b>22.498.433</b>
<b><u>General Administrative Expenses (-)</u></b>	<b><u>01.01.-31.12.2015</u></b>	<b><u>01.01.-31.12.2014</u></b>
Employee Expenses	7.990.095	7.578.977
Subcontracted Labour Expenses	3.256	163.155
Depreciation Expenses	351.319	609.206
Amortisation and Depletion Expenses	923.554	848.868
Transportation Expenses	33.298	11.329
Counselling Expenses	700.087	634.795
Maintenance and Repair Expenses	66.230	62.901
Information Processing Expenses	379.446	317.158
Bank Expenses	6.348	15.474
Dues Expenses	436.378	625.467
Vehicles Expenses	31.415	76.013
Utulity Expenses	58.118	81.416
Telecommunication Expenses	57.166	71.619
Non-deductible Expenses	5.416.652	944.565
Advertising Expenses	36.921	123.975
Cargo Expenses	14.542	10.944
Department Share	8.710.995	7.751.052
Stationery Expenses	5.429	20.902
Material Costs	46.969	25.178
Brand and Registry Expenses	10.162	26.818
Penalties	6.866	3.167
Forwarding Expenses	14.638	19.328
Representation and Entertainment Expenses	51.311	107.089
Insurance Expenses	121.244	148.653
Cleaning Expenses	56.297	55.229
Tax Fees	133.908	111.757
Food Expenses	110.626	123.847
Employee Termination Expenses	816.928	166.645
Vacation Provision Expenses	527.984	191.222
Rent Expenses	519.176	337.063
Travel and Accommodation Expenses	616.785	391.276
Vehicle Rent Expenses	131.684	244.612
Other Expenses	223.740	432.414
<b>Total</b>	<b>28.609.567</b>	<b>22.332.114</b>

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30. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION  
EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (continued)

	<u>01.01.-31.12.2015</u>	<u>01.01.-31.12.2014</u>
<b><u>Marketing Expenses (-)</u></b>		
Personnel Expenses	-	144.848
Depreciation Expenses	2.490	2.152
Amortisation and Depletion Expenses	396	275
Transportation Expenses	-	955
Vehicle Expenses	-	2.642
Insurance Expenses	-	345
Tax Fees	-	145
Food Expenses	-	210
Vehicle Rent Expenses	-	13.588
Other Expenses	-	1.159
<b>Total</b>	<b>2.886</b>	<b>166.319</b>

31. EXPENSES BY NATURE

	<u>01.01.-31.12.2015</u>	<u>01.01.-31.12.2014</u>
<b><u>Depreciation Expenses</u></b>		
Cost of Goods Sold	3.399.584	2.508.298
General Administrative Expenses	351.319	609.206
Marketing Expenses	2.490	2.152
<b>Total</b>	<b>3.753.393</b>	<b>3.119.656</b>
<b><u>Redemption Expenses</u></b>		
Cost of Goods Sold	353.874	130.360
General Administrative Expenses	396	275
Marketing Expenses	923.554	848.868
<b>Total</b>	<b>1.277.824</b>	<b>979.503</b>
<b><u>Personnel Expenses</u></b>		
Salary and Wages	110.205.566	68.341.169
Social Security Expenses	4.259.564	3.674.225
Severance Pay Expenses	816.928	142.913
Vacation Provision Expenses	527.984	191.222
<b>Total</b>	<b>115.810.042</b>	<b>72.349.529</b>



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**32. INCOME/EXPENSES FROM MAIN OPERATIONS**

	01.01.-31.12.2015	01.01.-31.12.2014
<b>Other Income from Main Operations</b>		
Provisions No Longer Required	687.462	190.691
Exchange Differences Income Related to Main Operations	61.040.189	26.372.303
Other Income and Profits	1.481.000	2.123.142
<b>Total</b>	<b>63.208.651</b>	<b>28.686.136</b>
<b>Other Expenses from Main Operations</b>		
Provision Expenses (-)	4.220.385	6.209.249
Exchange Differences Expenses Related to Main Operations	38.549.837	23.503.305
Other Expenses (-) (*)	26.577.633	4.194.320
<b>Total</b>	<b>69.347.855</b>	<b>33.906.874</b>

(\*) Amount of TL 3.001.672 provisions for inventories and amount of TL 22.333.914 bad debt is included in other expenses.

**33. INCOME FROM INVESTMENT OPERATIONS AND EXPENSES**

	01.01.-31.12.2015	01.01.-31.12.2014
<b>Income from Investing Activities</b>		
Interest Income on Term Deposits	25.449	118.634
Investment Property Revaluation Gain	54.213.423	1.980.658
Subsidiary Sales Revenue (Note 15)	16.985	6.201.976
Dividend Income from Associates	3.873.217	-
Financial Investment Sales Gain	1.948.394	1.289.858
Fixed Assets Sales Revenue	1.731.534	431.920
<b>Total</b>	<b>61.809.002</b>	<b>10.023.046</b>
<b>Expenses from Investing Activities (-)</b>		
Fixed Assets Sales Loss (-)	28.424	218.285
Subsidiary Sales Expense (-)	-	1.645.074
Financial Investment Sales Loss (-)	906.061	-
Waived Receivables from Associates Investments	-	7.016.430
<b>Total</b>	<b>934.485</b>	<b>8.879.789</b>

**34. FINANCIAL INCOME / (EXPENSES)**

	01.01.-31.12.2015	01.01.-31.12.2014
<b>Financing Income</b>		
Interest Income	4.010.604	4.182.724
Exchange Differences Income	393.502.725	201.987.068
<b>Total</b>	<b>397.513.329</b>	<b>206.169.792</b>
<b>Financing Expenses (-)</b>		
Loan Interest Expenses (-)	32.820.162	33.274.454
Exchange Differences Expenses (-)	367.608.852	198.879.148
<b>Total</b>	<b>400.429.014</b>	<b>232.153.602</b>

**35. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

None (31.12.2014: None).

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**36. INCOME TAXES**

	31.12.2015	31.12.2014
<b>Current Assets Related with Current Tax</b>		
Prepaid Taxes and Funds	3.449.407	10.009.283
<b>Non-Current Assets Related with Current Tax</b>		
Prepaid Taxes and Funds	11.622.332	10.309.527
<b>Income Tax Liabilities</b>		
Current Tax Liabilities	14.924.880	15.253.520
Less: Prepaid Taxes and Funds	(3.449.407)	(10.009.283)
<b>Income Tax Liabilities</b>	<b>11.475.473</b>	<b>5.244.237</b>
<b>Tax Provision</b>		
Current Period Corporate Tax Provision (-)	(14.602.273)	(14.900.955)
Provision for Deferred Tax Expenses / (Income)	(2.515.250)	6.466.439
<b>Income Tax Liabilities</b>	<b>(17.117.523)</b>	<b>(8.434.516)</b>

**Corporate Tax**

The Group is subject to Turkish corporate taxes. The estimated tax liabilities of the Group's results for the period is recognized in the accompanying consolidated financial statements.

The corporate tax rate on taxable profit will be accrued expense in determining accounting profit and tax-exempt non-deductible expenses, gains and other non-taxable income deductions (prior year losses and investment incentives) on taxable income after the deduction of calculated.

As at 31 December 2015 and 31 December 2014, the Group offset against future profits will be achieved TL 22.410.294 and TL 20.523.515, respectively, amounting to has unused tax losses. Unused tax losses, to be available at the following dates will lose quality.

	31.12.2015	31.12.2014
Will be ended in 2017	259.094	1.833.069
Will be ended in 2018	18.335.526	18.690.446
Will be ended in 2020	3.815.674	-
<b>Total</b>	<b>22.410.294</b>	<b>20.523.515</b>

Corporations calculate and pay quarterly temporary corporate tax of 20%. (2014: %20).

The tax legislation provides for a temporary tax (prepaid tax) of 20% (20% in 2014) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

Carried back to Turkey on tax there is no procedure. The annual accounting period until the close of the fourth month following the month of 25th. However, the tax authorities review the accounting records for five years and amount of tax payable may vary if errors are detected.

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**36. INCOME TAXES (continued)**

**Tax Provision (Continued)**

Period income tax obligation movement table is as below:

	31.12.2015	31.12.2014
01 January	15.253.520	7.380.211
The Current Period Tax Expense	14.924.880	14.900.955
Taxes Paid	(14.900.955)	(6.798.587)
Foreign Currency Translation Difference	(352.565)	(229.059)
Current Profit Tax Liability	14.924.880	15.253.520

**Income Tax Withholding**

In addition to corporate taxes, their share of the profit from the distribution of dividends in the event of the company's income in the statements, including non-resident institutions and branches of foreign companies in Turkey on any dividends distributed, except for the calculation of income tax withholding is required. Income tax 24 April 2003 - 22 July 2006 was 10% in all companies. This rate is from 22 July 2006 2006/10731 15% by the Council of Ministers. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

A reconciliation of income tax expense in the period are as follows:

	31.12.2015	31.12.2014
Profit Before Tax	52.191.337	22.152.329
The effective tax rate (% 20)	(10.438.267)	(4.430.466)
Foreign Branches and Subsidiary Impact on Tax Rate	(16.307.580)	8.932.004
Non-deductible expenses	(1.873.366)	(3.047.071)
Changes in tax losses of the current period	(377.356)	(2.417.539)
Unused tax losses of the current period	(4.482.059)	(4.104.703)
Effect of Other Adjustments	16.361.105	(3.366.740)
Total	(17.117.523)	(8.434.516)

**Deferred Tax Liabilities**

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit. Deferred tax is calculated using tax rates that have been enacted in the period in which assets acquired and/or liabilities carried out and included in the statement of income as income or expense.

Deferred tax rate is %20.(31.12.2014 : %20).

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**36. INCOME TAXES (continued)**

**Deferred Tax (Continued)**

	Cumulative Timing Difference		Deferred Tax Asset/ (Liability)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Deferred Tax Assets</b>				
Provision of Doubtful Receivable	9.297.992	7.480.238	1.507.315	1.212.272
The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets	17.955.113	17.340.319	3.094.234	3.037.179
Provision of Severance Pay	5.833.169	942.522	677.426	188.505
Provision of Unused Annual Leave	2.451.986	662.471	303.040	132.494
Unearned Credit Finance Income	884.369	265.286	176.204	52.259
Adjustments regarding using percent complete method on projects	953.295.006	800.635.685	189.077.157	153.726.715
Provision for inventory impairment	368.789	368.789	73.758	73.758
Financing Expenses	914.851	914.851	182.970	182.970
Unused prior year's losses	22.410.294	20.523.515	4.482.060	4.104.703
Lawsuit Provision Expense	3.590.990	-	718.198	-
Withdrawed Receivables	2.097.398	-	419.480	-
Other Adjustment	4.134.797	3.103.602	485.749	361.165
Total	1.023.234.754	852.237.278	201.197.591	163.072.020
<b>Deferred Tax Liabilities</b>				
The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets	(109.946.618)	(53.347.226)	(21.943.017)	(10.641.739)
Unrealized Credit Finance Expense	(699.549)	(493.719)	(139.092)	(98.498)
Adjustments regarding using percent complete method on projects	(873.325.221)	(727.408.257)	(172.295.438)	(145.167.134)
Other Adjustment	(2.226.135)	(70.736)	(445.225)	(14.145)
Total	(986.197.523)	(781.319.938)	(194.822.772)	(155.921.516)
Provision (*)			(899.906)	
Deferred Tax Asset/ (Liability), net	37.037.231	70.917.340	5.474.913	7.150.504
Deferred Tax Income/(Expense)				(1.675.591)
Foreign Currency Translation Effect				(935.088)
Revaluation and Measurement Profit / Loss Deduction of Amounts				45.020
Subsidiary Effect (Note 2)				69.102
Defined Benefit Plans Remeasurement Gain / Loss from Amounts deducted				(18.693)
Deferred Tax Income/(Expense) for the period between 01/01-31/12/2015				(2.515.250)

(\*) It belongs to the company's subsidiary Anel Engineering-Technological Company Ltd.Russia.



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**36. INCOME TAXES (continued)**

**Deferred Tax (Continued)**

	31.12.2015	31.12.2014
Beginning of Period	7.150.504	540.042
Current Period Income Statement Debt / (receivable) Record	(2.515.250)	6.466.439
Impact of Foreign Currency Translation	935.088	155.963
Revaluation and Measurement Profit / Loss Deduction of Amounts	(45.020)	(8.123)
Defined Benefit Plans Remeasurement Gain / Loss from Amounts deducted	18.693	(3.817)
Subsidiary Effect	(69.102)	-
End of term	5.474.913	7.150.504

**37. EARNINGS PER SHARE**

<b>Earnings Per Share</b>	<b>01.01.-31.12.2015</b>	<b>01.01.-31.12.2014</b>
Net Profit\Loss) of the Parent Company	14.415.378	10.030.701
Weighted Average Number of Shares	110.000.000	110.000.000
Earning Per Share Profit\Loss) from Ongoing Activities	0,13	0,09

**38. RELATED PARTY DISCLOSURES**

Related parties of the Company and the transactions between subsidiaries have been eliminated on consolidation, are not disclosed in this note.

Trade receivables from related parties are generally arise from sales and maturities of approximately 2 months. Due to the nature of unsecured interest-free and not operated.

Trade payables to related parties usually arise from purchase transactions and average maturity is 2 months. Payables are not interest bearing.

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

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
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**38. RELATED PARTY DISCLOSURES(continued)**

	31.12.2015					
	Receivables			Payables		
	Short Term Trade	Long Term Trade	Other	Short Term Trade	Long Term Trade	Other
Balances with Related Parties						
Anelisis Mühendislik Samayî ve Ticaret A.Ş.	948.382		23.217.410			
Anelmak Makine ve Elektronik San. Ve Tic. A.Ş.						
Doğa Çevre Teknolojileri A.Ş.	218.211					
Anelnet Teknik Hizmetler Ltd. Şti.	2.993.221		1.225.246			
Köptük Turizm ve Yatçılık Ltd. Şti.	230.968					
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	3.754.398		28.775.030			
EKB(Energimia Company)	508.997		1.916.010			
Anel Holding A.Ş.	3.312.179				1.162.266	
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.						1.174.517
Doğa Geri Dönüşüm San. Tic. Ltd. Şti.	8.688					
Anel Kingdom of Suudi Arabia			24.611			
Kıry Enerji Üretim ve Tic. Ltd. Şti.	474					
Çelikel Vakfı	7.381					
E Sistem Elektronik A.Ş.	7.080					401
Unearned Interest Income / Expense (-)	(6.598)				(29.830)	
Total	11.983.381		55.158.307		3.605.464	4.492.566

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**38. RELATED PARTY DISCLOSURES (continued)**

	31.12.2014					
	Receivables			Payables		
	Short Term	Long Term	Other	Short Term	Long Term	Other
Balances with Related Parties	Trade	Trade	Other	Trade	Trade	Other
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	1.681.847	-	28.756.958	-	1.389.578	-
Anelmak Makine ve Elektronik San. Ve Tic. A.Ş.	72.904	-	-	-	-	-
Anel Ar-Ge Dan. San. Ve Tic.A.Ş.	303.169	-	136.946	-	-	-
Doğa Çevre Teknolojileri A.Ş.	249.631	-	211.553	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	2.721.419	-	-	436.686	793.013	-
Köptük Turizm ve Yatçılık Ltd. Şti.	230.060	-	186.613	-	-	-
Anelmep Maintenance and Operations LLC	4.440.037	-	24.195.379	-	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	20.767.908	-	-	-
Anel-Sera Adi Ortaklığı	-	-	-	-	-	-
Avek Solar Üretim Sanayi Ticaret A.Ş.	3.030.415	-	459.052	-	-	-
EKB(Energimia Compania)	326.911	-	1.700.805	-	-	-
Anel Holding A.Ş.	2.226.925	-	-	655.227	90.989	-
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	-	-	20.685	27	-	-
Doğa Geri Dönüşüm San. Tic. Ltd. Şti.	7.440	-	-	-	-	-
Sera Yapı Endüstri ve Ticaret	5.163	-	19.628	-	-	-
Ams Aneltech Adi Ortaklığı	-	-	-	-	-	-
Anel Kingdom of Suudi Arabia	-	-	-	-	-	-
Aneles Elektronik Üretim ve Paz. San. ve Tic. A.Ş.	-	-	-	-	-	-
Anel Arabia Company Limited	-	-	-	-	-	-
Çelikel Vakfi	2.921	-	-	-	-	-
Anelisis Bosnia Branch	-	-	-	-	-	-
E Sistem Elektronik A.Ş.	5.664	-	67.472	-	-	-
Tasfiye Halinde Anel Elektronik ve Dış Tic. Kollektif	-	-	-	-	-	-
Şti. Rıdvan Çelikel ve Ortağı	46.582	-	-	175	-	-
Other Real Person	-	-	-	-	39.180	-
Unearned Interest Income / Expense (-)	(6.164)	-	-	(112.133)	-	-
Total	15.344.924	76.522.998	-	2.369.560	923.182	-

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**38. RELATED PARTY DISCLOSURES(continued)**

In the period between 01.01.- 31.12.2015 and 01.01.- 31.12.2014 transactions between the company and its related parties are as follows:

	01.01. - 31.12.2015									
	Good Purchases	Good Sales	Interest Income	Interest Expense	Rent Income	Service Sales	Service Purchase	Exchange Difference Expense	Exchange Difference Income	
Operations with related parties										
Anelisis Mühendislik Sanayi ve Ticaret A.Ş.	11.482.995	22.634	304.304	-	50.858	77.376	238.910	-	-	-
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	-	-	-	374.840	1.100	-	-	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	170	-	43.878	41.913	8.694	11.871	440.453	33.455	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	2.432.851	-	-	95.812	-	-	-	-
Çelikel Vakfi	-	-	-	-	1.200	2.819	-	-	-	-
Köptük Turizm ve Yatçılık Ltd. Şti.	-	-	-	-	2.400	-	-	-	-	-
Avek Solar Üretim Sanayi Ticaret A.Ş.	-	-	35.744	-	64.572	3.649	-	-	-	-
EKB(Energimia Compania)	-	-	137.938	-	-	-	-	-	-	-
Krty Enerji Üretim ve Ticaret Ltd. Şti.	-	-	-	-	400	-	-	-	-	-
Anel Holding A.Ş.	-	-	56.150	-	1.091.964	157.888	9.749.717	-	231.189	-
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	18.896	-	10.801	181.259	82.297	65.085	10.696	307.187	46.133	-
E Sistem Elektronik A.Ş.	-	-	7.313	-	1.200	-	-	-	-	-
Total	11.502.061	22.634	3.028.979	598.012	1.304.685	414.500	10.439.776	340.642	277.322	-

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**38. RELATED PARTY DISCLOSURES(continued)**

	31.12.2014										
	Good Purchases	Good Sales	Interest Income	Interest Expense	Rent Income	Service Sales	Service Purchase	Exchange Difference Expense	Fixed Assets Purchase	Acquisition Of Subsidiaries	Exchange Difference Income
Operations with related parties											
AnelSis Mühendislik Sanayi ve Ticaret A.Ş.	12.996.604	-	81.311	-	137.140	269.632	861.873	-	2.830	-	-
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	-	-	-	-	1.200	-	-	-	-	-	-
Anel Ar-Ge Dan. San. Ve Tic. A.Ş.	-	-	27.634	6.114	400	1.918	-	-	-	-	-
Plastikkart Akıllı Kart İletişim Sistemleri San. ve Tic. A.Ş.	-	-	-	-	32.596	6.901	11.658	62	-	-	-
Çelikel Vakfı	-	-	-	-	-	4.252	-	-	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	-	-	22.162	20.379	7.900	52.285	460.885	-	-	-	-
Köpük Turizm ve Yaşlılık Ltd. Şti.	-	-	-	-	2.400	-	-	-	-	-	-
Anelyapı Sera Adi Ortaklığı	-	116.765	2.370.169	-	-	68.289	130.047	-	-	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	-	-	-	-	10.677	287	-	-	-	-
Anel-Sera Adi Ortaklığı	-	-	39.576	-	67.041	4.722	-	-	-	-	-
Avek Solar Üretim Sanayi Ticaret A.Ş.	-	-	128.939	-	-	-	-	-	-	-	-
EKB(Energimia Companyia)	-	-	132.449	-	1.164.628	241.420	8.133.202	-	-	-	-
Anel Holding A.Ş.	5.662	-	404.959	76.494	80	15.029.593	33.787	-	669.421	4.125.000	233.365
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	-	-	-	-	-	474	-	-	-	-	-
Doğa Geri Dönüşüm San. Tic.	-	-	-	-	-	-	-	-	-	-	-
Ams Aneltech Adi Ortaklığı	-	-	-	-	1.200	-	-	-	-	-	-
Çelikel Vakfı	-	-	-	-	1.200	-	-	-	-	-	-
E Sistem Elektronik A.Ş.	-	-	6.506	-	1.200	-	-	-	-	-	-
Tasfiye Halindeki Anel Elektronik ve Dış Tic. Kollektif Şti.Radvan Çelikel ve Ortağı	-	-	-	-	1.200	-	-	-	-	-	-
Total	13.002.266	116.765	3.213.705	102.987	1.418.185	15.690.163	9.631.739	62	672.251	4.125.000	233.365

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**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
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**38. RELATED PARTY DISCLOSURES(continued)**

Related party transactions between 01.01.- 31.12.2015 and 01.01.- 31.12.2014 are as follows;

- Product sales consist of electrical supplies
- Service purchases consist of department attendance fee, building maintenance fee, electricity and water expense, food expense, security expense, transportation expense, labour service expenses.
- Service sales consist of labour service income, building maintenance fee, consultancy, electricity and water expense, food expense, security expense, transportation expense and department attendance fee.

Company's Key Management Personnels are Board Chairman and Members and General Manager\_Benefits Supplied to Key Management Personnel as of 01.01.- 31.12.2015 and 01.01.-31.12.2014 as follows;

	01.01.-31.12.2015	01.01.-31.12.2014
<b>Benefits Provided to Senior Management</b>		
Short-Term Employee Benefits	1.276.981	1.684.883
Benefits Provided Because of Dismissals	-	-
Other Long-Term Benefits	-	-
Total	1.276.981	1.684.883

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**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS**

**a) Equity Risk Method**

The aims of Group are to be beneficial for all shareholders and maintaining the best capital combination to reduce capital cost and keeping on entity when managing the capital.

The Group's capital risk management, calculating as disclosed in note 8 and 10 including loans, debts, and, respectively, of cash and cash equivalents as disclosed in note 6, paid-in capital, defined benefit plans, re-measurement gains / losses, capital reserves, profit reserves and retained earnings / (loss) comprising shareholders' equity are taken into account and as disclosed in note 28.

Group capital cost and each risks regarding capital evaluate by executives. According to the evaluate company aim to equalise the capital structure by borrowing, redemption, dividend payment and issuance of shares.

The Group uses Liabilities / Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities is counted by cash and cash equivalents minus total liabilities which appears in balance sheet.

Equity rate to debts as of December 31, 2015 and 2014 as follows:

	31.12.2015	31.12.2014
Total Debt	624.903.110	592.419.134
(-): Cash and Cash Equivalents	(52.860.078)	(26.013.925)
Net Debt	572.043.032	566.405.209
Total Equity	352.691.767	298.017.549
Liability/Equity Rate	1,622	1,901

Company's aim is to high profitability and equity to be able to manage its debts.

**b) Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

**b.1) Credit Risk**

Financial losses due to Company's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk. Company trying to decrease credit risk by making operations with confidential parties and attain enough collateral.

Trade receivables contain lots of customers rathered on different sector and geographical area. Credit consideration making over Customer's trade receivables permanently.

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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

	31.12.2015					
	Receivables			Cash and Cash Equivalents		
	Trade Receivables		Other Receivables		Banks Deposits	
Current Period	Related Parties	3 th Parties	Related Parties	3 th Parties	Financial Investment	
The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)	11.983.381	407.369.048	55.158.307	8.425.003	48.750.246	46.296
-Total receivables that have been secured with collateras other credit enhancements etc.	-	-	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	11.983.381	407.369.048	55.158.307	8.425.003	48.750.246	46.296
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-	-
C. The amount of financial assets that are impaired. (3)	-	-	-	-	-	-
-Past due (Gross book value)	-	4.662.317	-	166.296	-	-
-The amount of impairment (-)	-	(4.662.317)	-	(166.296)	-	-
-Net value guaranteed with coateral etc.	-	-	-	-	-	-
Not overdue (gross book value)	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-
- Net Value guaranteed with coateral etc.	-	-	-	-	-	-
D. Off financial statement credit risk amount	-	-	-	-	-	-



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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

	31.12.2014						
	Receivables						
	Trade Receivables		Other Receivables			Cash and Cash Equivalents	
Prior Period	Related Parties	3 th Parties	Related Parties	3 th Parties	Banks Deposits	Financial Investment	
The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)	15.344.924	427.754.555	76.522.998	14.724.747	24.596.255	46.296	
-Total receivables that have been secured with collaterals other credit enhancements etc.	-	-	-	-	-	-	
A. Financial assets that are neither past due nor impaired the net book value (2)	15.344.924	427.754.555	76.522.998	14.724.747	24.596.255	46.296	
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-	-	
C. The amount of financial assets that are impaired. (3)	-	-	-	-	-	-	
-Past due (Gross book value)	-	7.235.341	-	244.896	-	-	
-The amount of impairment (-)	-	(7.235.341)	-	(244.896)	-	-	
-Net value guaranteed with collateral etc.	-	-	-	-	-	-	
Not overdue (gross book value)	-	-	-	-	-	-	
-Impairment (-)	-	-	-	-	-	-	
- Net Value guaranteed with collateral etc.	-	-	-	-	-	-	
D. Off financial statement credit risk amount	-	-	-	-	-	-	

(1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.

(2) All of the trade receivables are receivables from clients. The Group management predicted that it would not be encountered any problem regarding Collection of Receivables because of considering their past experiences

(3) the impairment test, the Group's customers, which is one of receivables determined by the management of doubtful receivables have been made in the framework of policy.

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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

**b) Financial risk factors (continued)**

**b.2) Liquidity Risk Management**

Liquidity risk is that an entity will be unable to meet its net funding requirements. The Group's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections. The Group manages short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments. Liquidity risk table shown as below :

Current Period							
Terms According to Agreements	Book Value	According to Contract Total	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
		Outflows (-I+II+III+IV)					
<b>Non Drivatives Financial Liabilities</b>	<b>430.000.118</b>	<b>408.283.815</b>	<b>267.736.483</b>	<b>59.143.087</b>	<b>52.507.910</b>	<b>28.896.335</b>	-
Bank Loans	254.301.594	233.081.831	141.924.372	9.822.671	52.438.453	28.896.335	-
Trade Payables	165.684.710	165.188.170	115.798.297	49.320.416	69.457	-	-
Other Payables	10.013.814	10.013.814	10.013.814	-	-	-	-

Prior Period							
Terms According to Agreements	Book Value	According to Contract Total	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
		Outflows (-I+II+III+IV)					
<b>Non Drivatives Financial Liabilities</b>	<b>470.306.724</b>	<b>452.693.770</b>	<b>306.964.112</b>	<b>71.589.711</b>	<b>34.402.316</b>	<b>39.737.631</b>	-
Bank Loans	267.151.718	249.436.634	167.108.444	8.683.568	33.906.991	39.737.631	-
Trade Payables	198.233.499	198.335.629	135.057.237	62.906.143	372.249	-	-
Other Payables	4.921.507	4.921.507	4.798.431	-	123.076	-	-

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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

**b) Financial risk factors (continued)**

**b.3) Market Risk Management**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The group is subject to foreign currency risk because of international purchasing and FX denominated loans. That risk is tried to minimise by setting the sale price in terms of FX as in last year.

**b.3.1) Foreign Exchange Risk Management**

Foreign currency transactions expose the Group to foreign currency risk. These risks are monitored and limited by the analysis of foreign currency position.

The group's foreign currency denominated monetary and non-monetary assets and liabilities as of the date of the balance sheet are as follows:

<b>CURRENCY POSITION TABLE</b>					
<b>Current Period</b>					
	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>AED</b>
1. Trade Receivables	56.801.578	16.446.756	2.826.344	-	-
2a. Monetary Financial Assets	5.857.851	789.110	1.120.266	855	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	70.807.938	22.961.787	1.272.533	150	-
<b>4. Current Assets (1+2+3)</b>	<b>133.467.367</b>	<b>40.197.653</b>	<b>5.219.143</b>	<b>1.005</b>	-
<b>5. Fixed Assets</b>	-	-	-	-	-
<b>6. Total Assets (4+5)</b>	<b>133.467.367</b>	<b>40.197.653</b>	<b>5.219.143</b>	<b>1.005</b>	-
7. Trade Payables	9.690.130	1.872.361	1.331.327	3.634	-
8. Financial Liabilities	52.265.928	3.334.582	13.396.997	-	-
9a. Other Monetary Liabilities	-	-	-	-	-
9b. Other Non-Monetary Liabilities	70.639.948	21.527.605	2.532.189	-	-
<b>10. Short-Term Liabilities</b>	<b>132.596.007</b>	<b>26.734.548</b>	<b>17.260.513</b>	<b>3.634</b>	-
11. Financial Liabilities	247.119.226	-	77.769.142	-	-
<b>12. Long-Term Liabilities</b>	<b>247.119.226</b>	-	<b>77.769.142</b>	-	-
<b>13. Total Liabilities</b>	<b>379.715.232</b>	<b>26.734.548</b>	<b>95.029.655</b>	<b>3.634</b>	-
<b>14. Net Foreign Currency Assets / (Liability) Position (7-14)</b>	<b>(246.247.865)</b>	<b>13.463.105</b>	<b>(89.810.512)</b>	<b>(2.629)</b>	-
<b>15. Monetary Items Net Foreign Currency Asset / (Liability) Position</b>	<b>(246.415.854)</b>	<b>12.028.923</b>	<b>(88.550.856)</b>	<b>(2.779)</b>	-

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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

**b.3.1) Foreign Exchange Risk Management (continued)**

<b>CURRENCY POSITION TABLE</b>					
<b>31.12.2014</b>					
	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>AED</b>
1. Trade Receivables	61.965.220	24.241.988	2.038.669	-	-
2a. Monetary Financial Assets	2.613.423	62.638	872.679	1.837	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	42.933.659	15.862.946	2.177.893	1.638	-
<b>4. Current Assets (1+2+3)</b>	<b>107.512.302</b>	<b>40.167.572</b>	<b>5.089.241</b>	<b>3.475</b>	-
<b>5. Fixed Assets (5+6)</b>	-	-	-	-	-
<b>6. Total Assets (4+5)</b>	<b>107.512.302</b>	<b>40.167.572</b>	<b>5.089.241</b>	<b>3.475</b>	-
7. Trade Payables	54.507.568	10.020.333	11.079.436	5.465	-
8. Financial Liabilities	17.917.942	3.566.841	3.420.000	-	-
9a. Other Financial Liabilities	-	-	-	-	-
9b. Other Non-Financial Liabilities	42.637.535	16.384.601	1.646.077	-	308
<b>10. Short-Term Liabilities (9+10+11)</b>	<b>115.063.045</b>	<b>29.971.775</b>	<b>16.145.513</b>	<b>5.465</b>	<b>308</b>
11. Financial Liabilities	83.804.873	-	29.710.665	-	-
<b>12. Long Term Liabilities (13+14)</b>	<b>83.804.873</b>	-	<b>29.710.665</b>	-	-
<b>13. Total Liabilities (12+15)</b>	<b>198.867.917</b>	<b>29.971.775</b>	<b>45.856.178</b>	<b>5.465</b>	<b>308</b>
<b>14. Net Foreign Currency Assets / (Liability) Position (8-16)</b>	<b>(91.355.615)</b>	<b>10.195.797</b>	<b>(40.766.937)</b>	<b>(1.990)</b>	<b>(308)</b>
<b>15. Monetary Items Net Foreign Currency Asset / (Liability) Position</b>	<b>(91.651.739)</b>	<b>10.717.452</b>	<b>(41.298.753)</b>	<b>(3.628)</b>	<b>(308)</b>

The Group is exposed to foreign exchange risk arising primarily with respect to transactions denominated in USD, EURO and GBP.

The following table details the Company's sensitivity to a 10% increase and decrease in the TL against USD, Euro and GBP. 10% is used in the reporting of currency risk to the key management and it represents the management's expectation on the potential exchange rate fluctuations. Sensitivity analysis can only be made on the year-end outstanding foreign currency denominated monetary items and it shows the year-end effects of the 10% of exchange currency fluctuation on the related items.



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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

**b) Financial Risk Factors(continued)**

**b.3.1) Currency Risk Method**

Exchange Rate Sensitivity Analysis Table				
31.12.2015				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in USD against TL:				
1- U S Dollar net assets / liabilities	3.914.532	(3.914.532)	-	-
2- U S Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>3.914.532</b>	<b>(3.914.532)</b>	-	-
10% change in EUR against TL:				
4- EUR net assets / liabilities	(28.538.188)	28.538.188	-	-
5- EUR Hedged (-)	-	-	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>(28.538.188)</b>	<b>28.538.188</b>	-	-
10% change in GBP against TL:				
7- GBP net assets / liabilities	(1.130)	1.130	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(1.130)</b>	<b>1.130</b>	-	-
<b>TOTAL (3+6+9)</b>	<b>(24.624.787)</b>	<b>24.624.787</b>		

Exchange Rate Sensitivity Analysis Table				
31.12.2014				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in USD against TL:				
1- U S Dollar net assets / liabilities	2.364.303	(2.364.303)	-	-
2- U S Dollar Hedged (-)	-	-	-	-
<b>3- USD Dollar Net Effect (1+2)</b>	<b>2.364.303</b>	<b>(2.364.303)</b>	-	-
10% change in EUR against TL:				
4- EUR net assets / liabilities	(11.499.130)	11.499.130	-	-
5- EUR Hedged (-)	-	-	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>(11.499.130)</b>	<b>11.499.130</b>	-	-
10% change in GBP against TL:				
7- GBP net assets / liabilities	(716)	716	-	-
8- GBP Hedged (-)	-	-	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(716)</b>	<b>716</b>	-	-
10- AED net assets / liabilities	(19)	19	-	-
11- AED Hedged (-)	-	-	-	-
<b>12- AED Net Effect (10+11)</b>	<b>(19)</b>	<b>19</b>	-	-
<b>TOTAL (3+6+9+12)</b>	<b>(9.135.562)</b>	<b>9.135.562</b>		

Group foreign exchange liabilities arising from the operations through the use of derivative financial instruments is to hedge.

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**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**

**b) Financial Risk Factors(continued)**

**b.3) Market Risk Management (continued)**

**b.3.2) Interest Rate Risk Management**

The value of a financial instrument will fluctuate as a result of changes in market prices. The Group's interest rate risk is primarily attributable to its borrowings.

The interest-bearing financial liabilities have variable interest rates, whereas the interest bearing financial assets have a fixed interest rate and future cash flows associated with these financial instruments will not fluctuate in amount. The Group is subject to interest risk due to financial liabilities and finance lease obligations. Policy of the Group is to manage this risk through fixed and variable rates borrowings.

Company's interest position table as of 31.12.2015 and 31.12.2014 as follows :

Interest Position Table		
	Current Period	Prior Period
<b>Fixed-Rate Financial Instruments</b>		
Fair value differences through loss/profit assets	-	-
Financial Assets	Cash and Cash Equivalents	1.000.242
Financial Liabilities		254.301.594
		267.151.718
<b>Floating-Rate Financial Instruments</b>		
Financial Assets	-	-
Financial Liabilities	-	-

Company does not exposed to interest rate risk because of fixed-rated financial liabilities therefore interest rate risk calculation did not applied.(31.12.2014: None).

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**40. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES)**

Group management believes that the carrying values of financial instruments present their fair values.

	Financial Assets Carried at Fair Value	Credits and Receivables (Cash and Cash Equivalents Included)	Financial Assets Valued at Cost Value	Other Financial Liabilities Valued at Amortized Cost Value	Book Value	Dipnot
<b>31 Aralık 2015</b>						
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	52.860.078	-	-	52.860.078	6
Trade Receivables	-	419.352.429	-	-	419.352.429	9, 38
Financial Investments	-	-	46.296	-	46.296	7
<b>Financial Liabilities</b>						
Financial Liabilities	-	-	-	254.301.594	254.301.594	8
Trade Payables	-	-	-	165.684.710	165.684.710	9, 38
Other Financial Liabilities	-	-	-	14.924.880	14.924.880	36
<b>31 Aralık 2014</b>						
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	26.013.925	-	-	26.013.925	6
Trade Receivables	-	443.099.479	-	-	443.099.479	9, 38
Financial Investments	-	-	46.296	-	46.296	7
<b>Financial Liabilities</b>						
Financial Liabilities	-	-	-	267.151.718	267.151.718	8
Trade Payables	-	-	-	198.233.499	198.233.499	9, 38
Other Financial Liabilities	-	-	-	15.253.520	15.253.520	36

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**40. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES) (continued)**

Financial Instrument fair values determine as follows;

- First Level: Financial Instruments valued with market values of the similar instruments which traded on active market.
- Second Level: Financial Instruments valued with data uses to find price which observable directly or indirectly on the market in addition to first level.
- Third Level: Financial Instruments valued with data which not based on data uses to find fair value of the instruments on the market.

The fair value hierarchy of financial assets and level of classification is as follows:

Financial Assets	31.12.2015	The Level Of the fair value at the reporting date		
		First Level (TL)	Second Level (TL)	Third Level (TL)
Available for sale financial Assets				
- Shares	46.296	-	-	46.296
<b>Total</b>	<b>46.296</b>	<b>-</b>	<b>-</b>	<b>46.296</b>

Financial Assets	31.12.2014	The Level Of the fair value at the reporting date		
		First Level (TL)	Second Level (TL)	Third Level (TL)
Available for sale financial Assets				
- Shares	46.296	-	-	46.296
<b>Total</b>	<b>46.296</b>	<b>-</b>	<b>-</b>	<b>46.296</b>

Financial assets reconciliation of beginning and ending balances are as follows:

	31.12.2015	31.12.2014
	Available for sale financial Shares	Available for sale financial Shares
Opening balance	46.296	46.296
Changes	-	-
<b>Closing Balance</b>	<b>46.296</b>	<b>46.296</b>

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**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
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**41. EVENTS AFTER THE REPORTING PERIOD**

31.12.2015

-Consolidated financial tables of the Group as at 31 December 2015 is approved by Board of Directors on 10 March 2016.

-According to decision that Board of Directors of Anelsis Mühendislik Sanayi ve Ticaret A.Ş. made on 18 December 2015, Anelmep Maintenance and Operations LLC will be managed by manager/managers who is assigned by the company. The decision has been inserted to the articles of incorporation and articles signed on 19.01.2016. As a result of the changes made above, Anelmep Maintenance and Operations LLC is consolidated with full consolidation method as of 2015.

31.12.2014

-Severance pay ceiling has been increased to TL 3.541 to be effective on January 1, 2015 which was TL 3.438 on 31.12.2014.

**42. DISCLOSURE OF OTHER MATTERS**

31.12.2015

None.

31.12.2014

None.

**Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.**

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