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

**AND IT'S SUBSIDIARIES**

*CONVENIENCE TRANSLATION INTO ENGLISH*

*OF CONSOLIDATED FINANCIAL STATEMENTS*

*AS AT 31 DECEMBER 2014 AND AUDIT REPORT*

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

**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 2014, 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 İs 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 It's subsidiaries as of December 31, 2014, 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. 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 2014 and financial statements are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.

6. 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.

7. Auditors' report on Risk Management System and Committee prepared in accordance with subparagraph 4, Article 378 of Turkish Commercial Code no. 6102 ("TCC") is submitted to the Board of Directors of the Group on 06 March 2015.

BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.

Rafet KALKAN, CPA

Partner

İstanbul, 11 March 2015

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**AUDITED**
**CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2014**

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

| | Notes | Audited Current Period 31.12.2014 | Prior Period 31.12.2013 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | **670.597.346** | **533.015.318** |
| Cash and Cash Equivalents | 6 | 26.013.925 | 46.477.869 |
| Trade Receivables | | | |
| - Due from Related Parties | 9,38 | 15.344.924 | 16.526.880 |
| - Trade receivables from third parties | 9 | 427.754.555 | 341.971.592 |
| Other Receivables | | | |
| - Due from Related Parties | 10,38 | 76.522.998 | 54.824.035 |
| - Other receivables from third parties | 10 | 14.674.928 | 10.485.794 |
| Inventories | 12 | 66.150.753 | 26.665.326 |
| Prepaid Expenses | 13 | 14.509.409 | 14.051.236 |
| Current Assets Related with Current Period Tax | 36 | 10.009.283 | 4.462.343 |
| Other Current Assets | 27 | 19.616.571 | 17.550.243 |
| **Non-Current Assets** | | **364.683.289** | **286.237.449** |
| Financial Investment | 7 | 46.296 | 46.296 |
| Trade Receiables | | | |
| - Due from Related Parties | 9,38 | - | - |
| - Receivables from third parties | 9 | - | - |
| Other Receivables | | | |
| - Due from Related Parties | 10,38 | - | - |
| - Other receivables from third parties | 10 | 49.819 | 50.009 |
| Investments According to Equity Method | 15 | 22.177.540 | 10.465.756 |
| Investment Property | 16 | 138.133.516 | 137.533.858 |
| Property, Plant and Equipment | 17 | 24.556.755 | 26.652.719 |
| Intangible Fixed Assets | | | |
| - Goodwill | | - | - |
| - Other Intangible Fixed Assets | 18 | 2.213.412 | 1.226.977 |
| Prepaid Expenses | 13 | 4.124.404 | 2.394.582 |
| Deferred Tax Assets | 36 | 163.072.020 | 99.866.716 |
| Non-Current Assets Related with Current Period Tax | 36 | 10.309.527 | 8.000.536 |
| **TOTAL ASSETS** | | **1.035.280.635** | **819.252.767** |

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**
**AUDITED**
**CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2014**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

| | Notes | Audited<br>Current Period<br>31.12.2014 | Prior Period<br>31.12.2013 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Short-Term Liabilities** | | **485.604.733** | **353.256.122** |
| Short-Term Borrowings | 8 | 158.050.050 | 83.089.799 |
| Current Part of Long Term Borrowings | 8 | 15.029.854 | 16.873.787 |
| Trade Payables | | | |
| - Due to Related Parties | 9,38 | 2.369.560 | 4.793.648 |
| - Other payables to third parties | 9 | 190.521.850 | 78.751.927 |
| Employee Benefits | 26 | 1.905.171 | 2.470.593 |
| Other Payables | | | |
| - Due to Related Parties | 10,38 | 923.182 | 3.421.646 |
| - Other payables to third parties | 10 | 8.850.321 | 5.263.549 |
| Deferred Income | 13 | 91.591.581 | 150.730.054 |
| Current Period Tax Liabilities | 36 | 15.253.520 | 7.380.211 |
| Short-Term Provisions | | | |
| - Employee Benefits | 26 | 662.471 | 480.908 |
| - Other Short-Term Provisions | 24 | 443.264 | - |
| Other Current Liabilities | 27 | 3.909 | - |
| | | | |
| **Long Term Liabillities** | | **251.658.353** | **193.611.613** |
| Long-Term Borrowings | 8 | 94.071.814 | 91.777.772 |
| Trade Payables | | | |
| - Due to Related Parties | 9,38 | - | - |
| -Trade Payables to Third Parties | 9 | 367.017 | - |
| Other Borrowings | | | |
| - Due to Related Parties | 10,38 | - | - |
| -Trade Payables to Third Parties | 10 | 123.076 | - |
| Deferred Income | 13 | 232.408 | 1.531.171 |
| Long-term provisions | | | |
| -Employee Benefits Related to Long-Term Provisions | 26 | 942.522 | 975.996 |
| - Other Long-Term Provisions | 24 | - | - |
| Deferred Tax Liabilities | 36 | 155.921.516 | 99.326.674 |
| | | | |
| **EQUITY CAPITAL** | | **298.017.549** | **272.385.032** |
| | | | |
| **Equity Attributable to Equity Holders of the Parent** | | **270.105.947** | **243.290.099** |
| | | | |
| Paid-in Share Capital | 28 | 110.000.000 | 110.000.000 |
| Effect of undertakings or businesses under common control Containing Combinations (-) | 28 | (8.063.535) | (8.063.535) |
| Inflation adjustments to paid in capital (-) | | | |
| Shares Related To Premiums/Discounts | 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 | 985.461 | 926.297 |
| - Defined Benefit Plans Remeasurement Gains / Losses | 28 | (196.051) | (206.574) |
| Other Comprehensive Income or Expenses to be reclassified on Profit or Loss | | | |
| -Foreign Currency Translation Difference | 28 | 62.042.097 | 45.326.637 |
| Restricted reserves allocated from profits | 28 | 6.495.122 | 3.052.537 |
| Retained Earnings/(Losses) | 28 | 87.427.719 | 89.497.781 |
| Net Profit /(Loss) | 37 | 10.030.701 | 1.372.523 |
| | | | |
| **Minority Shares** | 28 | **27.911.602** | **29.094.933** |
| | | | |
| **TOTAL LIABILITIES** | | **1.035.280.635** | **819.252.767** |

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**
**AUDITED**
**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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

| | Notes | Audited<br>Current Period<br>01.01.-31.12.2014 | Prior Period<br>01.01.-31.12.2013 |
|---|---|---|---|
| **OPERATING INCOME** | | | |
| Revenue | 29 | 639.433.961 | 459.740.937 |
| Cost of Sales (-) | 29 | (570.528.143) | (408.355.927) |
| **GROSS PROFIT/LOSS** | | **68.905.818** | **51.385.010** |
| General Administrative Expense (-) | 30 | (22.332.114) | (23.402.403) |
| Marketing and Sales Expense (-) | 30 | (166.319) | (625.853) |
| Other Operating Income | 32 | 28.686.136 | 14.230.827 |
| Other Operating Expense (-) | 32 | (33.906.874) | (16.187.099) |
| **OPERATING PROFIT/LOSS** | | **41.186.647** | **25.400.482** |
| Income From Investing Activities | 33 | 10.023.046 | 18.568.633 |
| Expense From Investing Activities (-) | 33 | (8.879.789) | - |
| Shares of Investments Valuated with Equity Equity Method on Income / (Loss) | 15 | 5.806.235 | (5.213.672) |
| **OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME AND EXPENSES** | | **48.136.139** | **38.755.443** |
| Finance Income | 34 | 206.169.792 | 99.598.081 |
| Financing Expenses (-) | 34 | (232.153.602) | (129.863.516) |
| **PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES** | | **22.152.329** | **8.490.008** |
| **Tax Income/(Expense) From Operating Activities** | | | |
| -Tax For Period | 36 | (14.900.955) | (6.798.587) |
| -Deferred Tax Income/ (Expense) | 36 | 6.466.439 | (1.553.523) |
| **CONTINUING OPERATIONS PROFIT / (LOSS)** | | **13.717.813** | **137.898** |
| **PROFIT/ (LOSS) FOR THE PERIOD** | | **13.717.813** | **137.898** |
| **Distribution of the Profit / (Loss) for the Year:** | | | |
| Minority Shares | 28 | **3.687.112** | **(1.234.625)** |
| Parent Company Share | | **10.030.701** | **1.372.523** |
| **Share In Earnings Per** | | | |
| **- From Continuing Operations Earnings Per Share** | 37 | 0,09 | 0,01 |

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**AUDITED**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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

| | | |
|---|---|---|
| **PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES** | **13.717.813** | **137.898** |
| **OTHER COMPREHENSIVE INCOME** | | |
| **Items not to be reclassified to profit or loss in subsequent periods:** | | |
| Revaluation of Tangible Assets Increase/ (Decrease) | 73.955 | 74.506 |
| Defined Benefit Plans Remeasurement Gains / Losses | 13.154 | (146.203) |
| Defined Benefit Plans Remeasurement Gain / Loss Related to Taxes | | |
| - Current Tax (Expense) / Income) | - | |
| - Deferred Tax (Expense) / Income) | (2.631) | 29.241 |
| Reclassification to profit or loss in other comprehensive income Taxes on Income / (Expense) | | |
| - Current Tax (Expense) / Income) | - | |
| - Deferred Tax (Expense) / Income) | (14.791) | (14.901) |
| **Other comprehensive income to be reclassified to profit or loss** | | |
| Foreign Currency Translation Differences | 16.757.682 | 32.487.460 |
| **OTHER COMPREHENSIVE INCOME** | **16.827.369** | **32.430.103** |
| **TOTAL COMPREHENSIVE INCOME** | **30.545.182** | **32.568.001** |
| **Attribution of period income** | | |
| Minority Share | 3.786.255 | (1.101.044) |
| Parent Company Share | 26.758.927 | 33.669.045 |

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**
**AUDITED**
**01.01.-31.12.2014 THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

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

| | | | | | Other comprehensive income items not to be reclassified to profit or loss in subsequent periods | | Other comprehensive income items to be reclassified to profit or loss | | Retained earnings | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | Share Capital | Premiums / Discounts related with Shares | Effect of Undertaking or Business Under Common Control Containinng Combinations | Revaluation Measurement Gains/(Losses)On | Identified Benefit Plans Reclasification Income/Loss | Foreign Currency Translation Difference | Restricted Reserves | Prior Years Profit / (Loss) | Net Profit / (Loss) | Equity Attributable to Parent | Minority Interest | Equity |
| **PRIOR PERIOD** | | | | | | | | | | | | | |
| **Balances as of January 1, 2013 (beginning of period)** | | **110.000.000** | **1.384.433** | **-** | **866.692** | **(89.612)** | **12.839.177** | **2.955.734** | **89.446.841** | **15.464** | **217.418.729** | **29.123.727** | **246.542.456** |
| Changes in Accounting Policies Relating to Corrections | | - | - | (8.063.535) | - | - | - | - | - | - | (8.063.535) | - | **(8.063.535)** |
| Transfers | | - | - | - | 59.605 | (116.962) | 32.487.460 | - | 15.464 | (15.464) | 32.430.103 | - | **32.430.103** |
| Total Comprehensive Income | 37 | - | - | - | - | - | - | - | - | 1.372.523 | 1.372.523 | (1.234.625) | **137.898** |
| Investments Accounted for by the Equity Method of Comprehensive Income Shares | | - | - | - | - | - | - | 96.803 | 35.476 | - | 132.279 | 1.205.831 | **1.338.110** |
| **Balance as of December 31, 2013 (end of period)** | **28** | **110.000.000** | **1.384.433** | **(8.063.535)** | **926.297** | **(206.574)** | **45.326.637** | **3.052.537** | **89.497.781** | **1.372.523** | **243.290.099** | **29.094.933** | **272.385.032** |
| **CURRENT PERIOD** | | | | | | | | | | | | | |
| **Balances as of January 1, 2014 (beginning of period)** | | **110.000.000** | **1.384.433** | **(8.063.535)** | **926.297** | **(206.574)** | **45.326.637** | **3.052.537** | **89.497.781** | **1.372.523** | **243.290.099** | **29.094.933** | **272.385.032** |
| Transferler | | - | - | - | - | 10.675 | 16.715.460 | 3.442.163 | (2.069.640) | (1.372.523) | 16.726.135 | - | **16.726.135** |
| Total comprehensive income | 37 | - | - | - | - | - | - | - | - | 10.030.701 | 10.030.701 | 3.687.112 | **13.717.813** |
| Increase / (Decrease) related with Changes of Subsidiary Share Percentage with Non-Progressive Loss | | - | - | - | 59.164 | (152) | - | 422 | (422) | - | 59.012 | (4.870.443) | **(4.811.431)** |
| **Balance as of December 31, 2014 (end of period)** | **28** | **110.000.000** | **1.384.433** | **(8.063.535)** | **985.461** | **(196.051)** | **62.042.097** | **6.495.122** | **87.427.719** | **10.030.701** | **270.105.947** | **27.911.602** | **298.017.549** |

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**
**AUDITED**
**01.01.2013 - 31.12.2014 CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD**

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

| | | Audited | |
|---|---|---|---|
| | | **Current Period** | **Prior Period** |
| | **Notes** | **01.01.-31.12.2014** | **01.01.-31.12.2013** |
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | **(90.644.712)** | **(50.477.437)** |
| **Profit/(Loss)** | 37 | **13.717.813** | **137.898** |
| **Adjustments to reconcile net profit to cash provided by operating activities** | | **80.713.888** | **51.613.219** |
| Depreciation and amortization Adjustments | 17,18,30 | 4.099.159 | 3.971.008 |
| Provisions Adjustments | 30,32 | 6.711.408 | 1.028.378 |
| Degree in Project Completion Method Related Adjustment | 9 | 73.227.428 | 49.438.629 |
| Tax Expense / Income Adjustments | 36 | 8.434.516 | 8.352.110 |
| Dividend Income from Equity Investments According to Equity Method (-) | 15 | (5.806.235) | 5.213.672 |
| Minority Interest's (profit) / loss | 28 | (3.687.112) | 1.234.625 |
| Investing Property Outflow Increase / Decrease Adjustments | 16 | (244.000) | (99.709) |
| Fair Value Increase / Decrease Adjustments | | (2.021.276) | (17.525.494) |
| **Net working capital changes in:** | | **(187.705.485)** | **(98.004.489)** |
| Increase (-) / Decrease (+) on Inventories | 12 | (39.485.427) | 3.937.001 |
| Trade Receivables Increase / Decrease Adjustments | 9,38 | (122.289.322) | (77.401.540) |
| Operating activities related with in other receivables ıncrease /decrease Adjustment | 10,38 | (25.887.907) | (41.820.424) |
| Trade Payables Increase / Decrease Adjustments | 9,38 | 99.681.932 | 24.662.497 |
| Operting activities related other payables ıncrease /decrease Adjustment | 10,38 | 1.211.384 | (5.349.444) |
| Receivables from Continuing Construction Contract Increase / Decrease Adjustments | 9 | (25.508.193) | (88.817.140) |
| Other Changes on Capital Increase / Decrease Adjustments | 13,27 | (75.427.952) | 86.784.561 |
| **Cash Flows from Operating Activities Obtained** | | **(93.273.784)** | **(46.253.372)** |
| Tax Payments / Refunds | 36 | 2.629.072 | (4.224.065) |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | **(17.074.609)** | **(9.098.093)** |
| Cash Outflows from Purchases for able to Control Subsidiaries | | - | (6.662.640) |
| Changes on Investments Valuated with Equity Method | 15 | (11.711.784) | 5.918.509 |
| Cash Inflows from Investment Property Sales | 16 | 1.381.000 | 762.711 |
| Cash Inflows/Outflows from Sales of Tangible and Intangible Assets | 17,18 | (2.705.012) | (2.218.077) |
| Cash Outflows from Purchase of Other Long Term Assets | 13 | (4.038.813) | (6.898.596) |
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | **70.539.917** | **57.908.543** |
| Cash inflows arising from borrowing | 8 | 75.410.360 | 70.641.137 |
| Interest Paid | | - | (13.938.425) |
| Changes in Minority Shares | 28 | (4.870.443) | 1.205.831 |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)** | | **(37.179.404)** | **(1.666.987)** |
| **D. FOREIGN CURRENCY TRANSLATION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS** | 28 | 16.715.460 | 32.487.460 |
| **NET (DECREASE)/INCREASE IN CASH ANS CASH EQUIVALENTS (A+B+C+D)** | | **(20.463.944)** | **30.820.473** |
| **E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | **6** | **46.477.869** | **15.657.396** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)** | **6** | **26.013.925** | **46.477.869** |

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

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

## 1. ORGANIZATION AND ACTIVITIES

The Company was first established by the title of "Anel Elektrik Proje Taahhut Ve Ticaret Limited Sirketi" 1986 . 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 Group has branches in Tiflis, Doha and Azerbaycan.
Tiflis Branch: Tiflis Sehri, Paliasvili Sokak No:17 Tiflis-Georgia
Doha Branch: P.O. Box: 21346 Doha– Qatar
Azerbaycan Branch: C. Cabbarlı 44, Caspian Plaza Kat:2 D:4 Bakü - Azerbaycan

The Company and its subsidiaries (the Group) including ;Project contracting,real estate leasing,power electronics and energy ship in operates four divisions. Aşağıda ayrıntıları verilen faaliyet alanları aynı zamanda The following fields of activity at the same time;form the basis of reporting by the 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 - Ship design power electronic systems
Energy– Energy generating electricity

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

Company shares were offered to the public in 2010 and 50,56 % of sheres are trading Istanbul Stock Exchange Inc. ( BIST ) as of December 31, 2014.

In the period ended at December 31, 2014, the average of 2.860 people have been employed in the group. (31.12.2013: 1.264)

The main shareholder of the company is Çelikel Family.

Şirket'in bağlı ortaklıklarına ilişkin bilgilere aşağıda verilmektedir:

Anel Elektrik has the following subsidiaries, whose business and country of incorporation are provided below:

| Name of the Company | Field of the Activitiy | Type of Activity | Country of Incorporation |
|---|---|---|---|
| Anel Yapı Gayrimenkul A.Ş. | Real Estate Leasing | Services | Turkey |
| Anel Mekanik Tesisat Taahhüt A.Ş. | Mechanical Projects | Services | Turkey |
| Anel Enerji Elek. Üretim San. ve Tic. A.Ş. | Solar Energy Projects | Services | Turkey |
| Anelmarin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş. | MarineElectrical, Electronic Systems | Services | Turkey |
| Anel Ukrayna Ltd. (*) | Project Commitment | Services | Ukraine |
| Anel Dar Libya Constructing & Services LLC | Project Commitment | Services | Libya |
| Anel Engineering-Technological Company Ltd.Rusya | Project Commitment | Services | Russia |
| Dag-08 Ood | Solar Energy Projects | Services | Bulgaria |
| Golden Sun Ood | Solar Energy Projects | Services | Bulgaria |
| Anel Emirates General Contracting LLC | Project Commitment | Services | The United Arab Emirates |
| Anel BG Ltd. | Energy | Services | Bulgaria |

(*)Anel shares owned subsidiary in Ukraine Ltd. was disposed of in December 2014.

The Company has no subsidiaries traded on any stock exchange.

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

### A. Basic Standards of Presentation

### Declaration of Conformity to TAS

The condensed financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Accounting Standards") on 13 June 2013 which is published on 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").

Of the group at 31 December 2014 edited as of the date of the consolidated financial statements, 11 March 2015 approved by the Board of directors and was signed on behalf of the Board. General Assembly have the power to amend the financial statements.

**Basis of presentation of the financial statements**

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

The condensed financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Accounting Standards") on 13 June 2013 which is published on 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 consolidated financial statements are based on the Group's statutory accounts and are expressed in TRY, 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.

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

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

**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 ("TRY").

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 exchangeing consolidating overseas activities are as follows:

| | | 31 December 2014 | | 31 December 2013 | |
|---|---|---|---|---|---|
| Name of the Company | Currency | End of the Period | Average of the Period | End of the Period | Average of the Period |
| Katar Branch | Qatari Riyal (QAR) | 0,6371 | 0,6011 | 0,5863 | 0,5223 |
| Georgia Branch | Lari | 1,2443 | 1,1740 | 1,2292 | 1,0950 |
| Azerbaijan Branch | New Manat | 2,9563 | 2,7892 | 2,7206 | 2,4236 |
| Anel Ukrayna Ltd. | Ukraine Hryvnia | 0,1471 | 0,1387 | 0,2670 | 0,2379 |
| Anel Engineering-Technological Company Ltd.Rusya | Russian Ruble | 0,0405 | 0,0382 | 0,0651 | 0,0580 |
| Dag-08 Ood, Golden Sun Ood, Anel BG Ltd. | Bulgarian Lev | 1,4340 | 1,4774 | 1,4929 | 1,2835 |
| Anel Emirates | United Arab Emirates Dirham | 0,6313 | 0,5957 | 0,5811 | 0,5176 |

**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.

-Group, In order to ensure compliance with the presentation of the current period consolidated financial statements; Located in goodwill amounting to TRY 8,063,535 in the prior year financial statements have been presented under shareholders' equity includes the effect of the merger is subject to joint control of the undertaking and the company as a negative amount.

-Consolidated financial statements for the previous period were the following classification:

(Amounts expressed in Turkish Lira ("TRY") 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 at 31 December 2013 are as follows:

| | Previously reported 31 December 2013 | Reclassification Effect (*) | Readjusted 31 December 2013 |
|---|---|---|---|
| Revenue | 459.740.937 | - | 459.740.937 |
| Cost of Sales (-) | (408.355.927) | - | (408.355.927) |
| **GROSS PROFIT/LOSS** | 51.385.010 | - | 51.385.010 |
| General Administrative Expense (-) | (23.950.856) | 548.453 | (23.402.403) |
| Marketing and Sales Expense (-) | (625.853) | - | (625.853) |
| Other Operating Income | 14.230.827 | - | 14.230.827 |
| Other Operating Expense (-) | (15.638.646) | (548.453) | (16.187.099) |
| **OPERATING PROFIT/LOSS** | 25.400.482 | - | 25.400.482 |
| Income From Investing Activities | 18.568.633 | - | 18.568.633 |
| Expense From Investing Activities (-) | - | - | - |
| Shares of Investments Valuated with Equity Equity Method on Income / (Loss) | (5.213.672) | - | (5.213.672) |
| **OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME AND EXPENSES** | 38.755.443 | - | 38.755.443 |
| Finance Income | 99.598.081 | - | 99.598.081 |
| Financing Expenses (-) | (129.863.516) | - | (129.863.516) |
| **PROFIT/ (LOSS) BEFORE PROVISION FOR TAXES** | 8.490.008 | - | 8.490.008 |
| **Tax Income/(Expense) From Operating Activities** | | | |
| -Tax For Period | (6.798.587) | - | (6.798.587) |
| -Deferred Tax Income/ (Expense) | (1.553.523) | - | (1.553.523) |
| **PROFIT/ (LOSS) FOR THE PERIOD** | 137.898 | - | 137.898 |
| **Distribution of the Profit / (Loss) for the Year:** | | | |
| Minority Shares | (1.234.625) | - | (1.234.625) |
| Parent Company Share | 1.372.523 | - | 1.372.523 |

(*) "Doubtful Receivables", TRY 548.453 which was reported as "General and Administrative Expenses" on previous period financial statements reclassified as "Other expenses from main activities".

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

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

**Going concern**

Assets and liabilities of the consolidated financial statements, IAS / IFRS has not been offset except as permitted under the mandatory. Income and expense items, but also to IAS / IFRS have been offset in the prediction context, otherwise it has not been deducted.

**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.

**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.

*Subsidiaries*

Subsidiaries are all entities over which the Group has power to govern the financial and operating policies so as to benefit from its activities. In case of Group has income from company because of it's relation or rights-holder of income also has power to effect income than Group is controlling the company.

Subsidiaries' financial statements from the date control commences until the date that end have been included in the consolidated financial statements. Accounting policies of subsidiaries, if necessary, to ensure compliance with policies agreed by the Group has been changed.

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

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

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

**Consolidation Principles (continued)**

As of December 31, 2014 direct and indirect participation rate of subsidiaries subject to consolidation are as follows;

| ***Subsidiaries*** | Estahblishment and place of organization | Core business | Currency | Parent Company's Share (%) 31.12.2014 | 31.12.2013 |
|---|---|---|---|---|---|
| Anel Yapı Gayrimenkul A.Ş. (Not 21) | Turkey | Real Estate Leasing | Turkish Liras | 60,07 | 55,07 |
| Anel Mekanik Tesisat Taahhüt A.Ş. | Turkey | Project Commitment | Turkish Liras | 97,00 | 97,00 |
| Anel Enerji Elek. Üretim San. Ve Tic. A.Ş. | Turkey | Energy | Turkish Liras | 71,87 | 71,87 |
| Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş. | Turkey | Ship Elektirk-Electronics | Turkish Liras | 93,00 | 93,00 |
| Anel Ukrayna Ltd. | Ukrainian | Project Commitment | Ukrayna Grivnası | - | 100,00 |
| Anel Dar Libya Constructing & Services LLC | Libya | Project Commitment | USA USD | 65,00 | 65,00 |
| Anel Engineering-Technological Company Ltd.Rusya | Russia | Project Commitment | USA USD | 90,00 | 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 | USA USD | 100,00 | 100,00 |

**Elimination Transactions On the Consolidation**

Unrealized Income and Expenses arises from intragroup transactions, intragroup transactions and intragroup balances erases mutually while preperation 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.

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

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

**<u>Consolidation Principles (continued)</u>**

***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.

**<u>Joint Ventures</u>**

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 .

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

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

**Joint Ventures (continued)**

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 .

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 2014 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 2014. 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 2014:**

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

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

**TFRIC Interpretation 21 Levies**

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early application permitted. Retrospective application of this interpretation is required. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

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

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

**IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial assets (Amendment)**

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

**TMS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (Amendments)**

Amendments to IAS 39 Financial Instruments: Recognition and Measurement provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. Annual periods beginnings on after 1 January 2014 shall be applied retrospectively.The amendments had no significant impact on the financial position or performance of the Company.

**TFRS 10 Consolidated Financial Statements (Amended)**

TFRS 10 is amended for entities that meet the definition of an investment entity to qualify for the consolidation exception. According to the amendment, financial assets of an investment entity should be measured at fair value under TFRS 9 Financial Instruments Annual periods beginnings on after 1 January 2014 shall be applied retrospectively. The amendments had no significant impact on the financial position or performance of the Group.

**Standarts issued but not yet effective and not early adopted:**

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

**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.

**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 interim financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

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

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

**IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 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. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

**Improvements to IFRSs**

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs – 2010–2012 Cycle and IFRSs – 2011–2013 Cycle. Other than the amendments that only affect the standards‟ Basis for Conclusions, the changes are effective as of 1 July 2014. Earlier application is permitted.

**Annual Improvementsto IFRSs - 2010–2012 Cycle**

*IFRS 2 Share-based Payment*

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

*IFRS 3 Business Combinations*

Bir işletme birleşmesindeki özkaynak olarak sınıflanmayan koşullu bedel, UFRS 9 Finansal Araçlar kapsamında olsun ya da olmasın sonraki dönemlerde gerçeğe uygun değerinden ölçülerek kar veya zararda muhasebeleşir. Değişiklik işletme birleşmeleri için ileriye dönük olarak uygulanacaktır.

*IFRS 8 Operating Segments*

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

*IFRS 13 Fair Value Measurement Decision Requirements*

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows: i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the carrying amount equals to the market value. The amendment is effective retrospectively.

*UMS 24 Related Party Disclosures*

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

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

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

**Annual Improvementsto IFRSs - 2011–2013 Cycle**

*IFRS 1 First Time Adoption of International Financial Reporting Standards*

The amendment clarifies that in its first IFRS financial statements, a first-time adopter is permitted but not required to apply a new or revised IFRS that is not yet mandatory but is available for early application.

*IFRS 3 Business combinations*

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

*IFRS 13 Fair Value Measurement*

The portfolio exception in IFRS 13 can be applied to the contracts within the context of IAS 39, not just financial assets and financial liabilities. The amendment is effective prospectively.

*IMS 40 Investment Property*

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively. These amendments did not have an impact on the 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 Company.

**Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)**

The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. When contributions are eligible for the practical expedient, a company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered. The amendment is effective for annual periods beginning on or after 1 July 2014. Early application is permitted. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

### B. 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.

### C. 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.

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

### D. 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 provieded 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.

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

### D. Summary of Significant Accounting Policies (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.

<u>Inventories</u>

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.

**<u>Tangible Fixed Assets</u>**

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).

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

## 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.

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

### D. 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 leesee

The Group substantially all the risks and rewards of ownership of tangible assets taken on lease, are classified as finance leases. Financial 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**

Kullanıma ve satışa hazır hale getirilmesi önemli ölçüde zaman isteyen varlıklar (özellikli varlıklar) söz konusu olduğunda, satın alınması, yapımı veya üretimi ile doğrudan ilişkilendirilen borçlanma maliyetleri, ilgili varlık kullanıma veya satışa hazır hale getirilene kadar varlığın maliyetine dahil edilmektedir.

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

### D. 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.

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

### D. 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.

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

### D. 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.

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

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

**Financial Instruments (continued)**

Financial assets (continued)

*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.

*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 IFRSat 5.

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

### D. 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.

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

### D. 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 from Continuing Operations**

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).

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

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

**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,

- 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

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

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

**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 .

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.

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

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

**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).

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

### D. 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.

### E. 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:

*Critical judgments in applying the Group's accounting policies*

“2 / D Summary of Significant Accounting Policies "management in the implementation of the accounting policies in note has made the following comments with a significant effect on the amounts recognized in the financial statements:

*Percentage of Completion*

The Group uses the percentage of completion method in accounting for construction contracts. According to this method, a specific charge for contract work performed to date estimate of the total cost of the contract rate is calculated.

*Income tax*

The Group operates in various tax jurisdictions and these countries are subject to applicable tax legislation and tax laws. The use of significant estimates in determining the Group's income tax provision is required. Group tax liabilities and the deferred financial losses arising from the use of the estimated tax provision. When the final tax consequences, actual amounts could differ materially from those estimated at the balance sheet date and the income tax provision for the records can fix.

*Estimated impairment of goodwill*

Group, 2 / D. Summary of significant accounting policies in accordance with the accounting policy stated in note each year, the amount of goodwill is tested for impairment. The recoverable amounts of cash generating units, was determined by calculating the value in use. These calculations require the use of estimates (Note 20). Anel in 2012 Telecommunications and Electronic Systems Industry and Trade Co. 'there is no impairment of the wholesale cash-generating unit.

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

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

### E. Evaluation of Significant Accounting Estimates and Assumptions (continued)

The estimates used in the main notes are as follows:
Not 9 – Trade Receivables
Not 14 – Construction Contracts
Note 24 - Provisions, contingent assets and liabilities
Note 26 - Provisions for Employee benefits
Note 36 - Tax assets and liabilities

## 3. BUSINESS COMBINATION

31.12.2014

None.

31.12.2013

**Subsidiaries purchased**

| | Field of the Activity | Purchase Date | Participation Share (%) | The Consideration transferred |
|---|---|---|---|---|
| Anel Mekanik Tesisat Taahhüt A.Ş. | Project Commitment | 24.06.2013 | 97 | 6.662.640 TL |

**As of the date of purchase of assets acquired and the liabilities assumed**

Prior to buying 57% in the Group's subsidiaries which purchase new shares after the share was 97%. Subsidiaries in prior periods financial statements have been included with the full consolidation method. Therefore, a new process of acquisition, the assets acquired and liabilities incurred has not led to any changes in the amounts.Non-controlling interest.

**Minority Shares**

Purchased 3% in subsidiary minorty interests, the company received during the calculation of the goodwill of the fair value of the identifiable assets and liabilities have been accounted for by the ratio.

**Goodwill arising during purchase**

| | **Subsidiaries** |
|---|---|
| The consideration transferred | 6.662.640 |
| Plus: Non-controlling interest | 131.371 |
| Less: Get the Company's Net Assets at Fair Value | (1.096.139) |
| Goodwill | 7.890.150 |

The consideration transferred for the acquisition will create synergies, revenue growth and future market growth and the benefits to be received as a result of the company's work force are also included. Because of these benefits meet the criteria for identifiable assets have not been recognized separately from goodwill.

## 3.BUSINESS COMBINATION (continued)

### The effect of the acquisition on the Group result

This business combination had taken place on 1 January 2013 was the Group's revenue related to continuing operations unchanged, although the resulting net profit from continuing operations would have been TRY 588.071. The Company manages these pro-forma combined figures provide an estimate on the group's annual performance and create a reference in future periods are expecting that to make comparisons

## 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 Anelmep Maintenance and Operations LLC , Anel Kingdom of Saudi Arabia , Turkges Energy Electricity Generation Industry and Trade . Co., Avek Solar Manufacturing Industry Trade Co., Energi to OOO Bonev and Anel - Sera Joint Venture 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.

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

## 5.SEGMENT REPORTING (continued)

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

| 31.12.2014 | Project Commitment | Real Estate Lease | 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 |
| Group 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 |
| Investment Operations Expenses (-) | (218.285) | - | - | - | (8.661.504) | (8.879.789) |
| Equity Method Investments Profit / (Loss) 's Shares | 4.982.396 | - | - | 823.839 | - | 5.806.235 |
| Finance Income and Expense Pre-Operating Profit / (Loss) | 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) |
| **FROM CONTINUING OPERATIONS BEFORE TAXES INCOME (LOSS)** | 18.481.536 | 9.251.287 | (310.234) | (4.438.152) | (832.108) | 22.152.329 |
| **Continuing Operations Tax Income / (Expense)** | | | | | | |
| -Current Tax Income/(Expense) | (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 |
| **PROFIT / (LOSS)** | 8.028.509 | 10.709.799 | (203.985) | (3.985.669) | (830.841) | 13.717.813 |
| **Investment Expenditures** | | | | | | |
| Investment Properties | - | - | - | - | - | - |
| Tangible Assets | 2.108.227 | 43.045 | 23.058 | 10.788 | - | 2.185.118 |
| Intangible Assets | 1.948.096 | - | 5.013 | 6.187 | - | 1.959.296 |
| Amortization Expenses | 1.805.415 | 411.700 | 4.033 | 898.508 | - | 3.119.656 |
| Depreciation | 975.480 | 1.072 | 551 | 2.400 | - | 979.503 |
| Other Information | | | | | | |
| - Total Assets | 981.644.025 | 162.775.656 | 2.027.780 | 29.287.474 | (140.454.300) | 1.035.280.635 |
| - Resources Total | 981.644.025 | 162.775.656 | 2.027.780 | 29.287.474 | (140.454.300) | 1.035.280.635 |

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

## 5.SEGMENT REPORTING (continued)

| 31.12.2013 | Project Commitment | Real Estate Lease | Ship Electrical and Electronics | Energy | Consolidation Adjustments | Total |
|---|---|---|---|---|---|---|
| Net Revenue Non-Group | 443.862.383 | 9.759.260 | 566.141 | 5.553.153 | - | 459.740.937 |
| Group revenue | 11.372.476 | 553.565 | 14.404 | 34.101 | (11.974.546) | - |
| Total Net Revenue | 455.234.859 | 10.312.825 | 580.545 | 5.587.254 | (11.974.546) | 459.740.937 |
| Cost of Sales (-) | (414.170.487) | (1.842.790) | (681.408) | (3.306.877) | 11.645.635 | (408.355.927) |
| Gross Profit / Loss | 41.064.372 | 8.470.035 | (100.863) | 2.280.377 | (328.911) | 51.385.010 |
| General and Administrative Expenses (-) | (20.930.737) | (1.214.360) | (279.242) | (1.682.162) | 704.098 | (23.402.403) |
| Marketing, Sales and Distribution Expenses (-) | - | - | - | (625.853) | - | (625.853) |
| Research and Development Expense (-) | 11.671.351 | 1.698.277 | 66.708 | 1.237.706 | (443.218) | 14.230.827 |
| Other Operating Income | (14.271.508) | (1.074.515) | (24.061) | (801.765) | (15.250) | (16.187.099) |
| Other Operating Expenses | | | | | | |
| Operating Profit / (Loss) | 17.533.481 | 7.879.437 | (337.458) | 408.303 | (83.281) | 25.400.482 |
| Income from Investment Operations | 938.992 | 17.701.483 | 1.621 | 1.043 | (74.506) | 18.568.633 |
| Investment Operations Expenses (-) | - | - | - | - | - | - |
| Equity Method Investments Profit / (Loss) 's Shares | (4.274.334) | (24.814) | - | (914.524) | - | (5.213.672) |
| Finance Income and Expense Pre-Operating Profit / (Loss) | 14.198.139 | 25.556.106 | (335.837) | (505.178) | (157.787) | 38.755.443 |
| Finance Income | 89.070.818 | 9.447.823 | 805.069 | 2.584.588 | (2.310.217) | 99.598.081 |
| Financing Expenses (-) | (94.086.031) | (31.712.355) | (791.172) | (5.652.206) | 2.378.248 | (129.863.516) |
| **FROM CONTINUING OPERATIONS BEFORE TAXES INCOME (LOSS)** | 9.182.926 | 3.291.574 | (321.940) | (3.572.796) | (89.756) | 8.490.008 |
| **Continuing Operations Tax Income / (Expense)** | | | | | | |
| -Current Tax Income/(Expense) | (6.792.169) | - | - | (6.418) | - | (6.798.587) |
| -Deferred Tax Income/(Expense) | 2.595.659 | (4.180.205) | 631 | 15.491 | 14.901 | (1.553.523) |
| **PROFIT / (LOSS)** | 4.986.416 | (888.631) | (321.309) | (3.563.723) | (74.855) | 137.898 |
| **Investment Expenditures** | | | | | | |
| Investment Properties | - | - | - | - | - | - |
| Tangible Assets | 1.979.846 | 197.353 | - | 7.647 | - | 2.184.846 |
| Intangible Assets | 33.231 | - | - | - | - | 33.231 |
| Amortization Expenses | 1.818.400 | 458.598 | 299 | 933.678 | - | 3.210.975 |
| Depreciation | 714.008 | 1.071 | - | 44.955 | - | 760.034 |
| <u>Other Information</u> | | | | | | |
| - Total Assets | 746.206.590 | 160.837.393 | 1.830.481 | 35.075.379 | (124.697.076) | 819.252.767 |
| - Resources Total | 746.206.590 | 160.837.393 | 1.830.481 | 35.075.379 | (124.697.076) | 819.252.767 |

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

## 5.SEGMENT REPORTING (continued)

### Geographical Segments

| 01.01.- 31.12.2014 | Turkey | Qatar | Georgşia | Ukraina | Russia | Bulgaria | Azerbaijan | Libya | United Arab Emirates | Elimination | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gains | 339.399.516 | 48.332.298 | - | - | - | 4.339.123 | 92.008.050 | - | 169.918.381 | (14.563.407) | 639.433.961 |
| Ongoing Construction Contracts Related Assets | 48.685.935 | 16.340.892 | - | - | - | - | 39.321.590 | - | 25.956.139 | - | 130.304.556 |
| Segment Assets | 835.594.954 | 180.878.879 | - | - | 6.813.128 | 25.334.478 | 69.053.199 | 352.557 | 192.730.642 | (275.477.202) | 1.035.280.635 |
| Capital Expenditures | 1.734.682 | 54.853 | - | - | - | 10.038 | 788.040 | - | 1.556.801 | - | 4.144.414 |

| 01.01.- 31.12.2013 | Turkey | Qatar | Georgşia | Ukraina | Russia | Bulgaria | Azerbaijan | Libya | United Arab Emirates | Elimination | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gains | 249.406.025 | 88.699.008 | - | - | 58.277.672 | 3.717.017 | 31.742.684 | - | 39.873.077 | (11.974.546) | 459.740.937 |
| Ongoing Construction Contracts Related Assets | 61.818.439 | 66.404.508 | - | - | 4.123.941 | - | 4.777.833 | - | 30.868.150 | - | 167.992.871 |
| Segment Assets | 583.246.348 | 213.647.404 | - | 1.044.854 | 19.038.214 | 31.347.914 | 49.712.361 | 352.557 | 77.529.605 | (156.666.490) | 819.252.767 |
| Capital Expenditures | 914.155 | 47.559 | - | - | 572.633 | 4.479 | 357.817 | - | 321.434 | - | 2.218.077 |

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

## 5.SEGMENT REPORTING (continued)

10% based on the Group's business segments 01.01.-31.12.2014 and the revenue earned in the period 01.01.-31.12.2013 or forming more information about the customer is as follows.

| | | 01.01. - 31.12.2014 | |
|---|---|---|---|
| **Operations Department** | **Content** | **Inside the Amount of Gross Revenue** | **Inside the Gross Revenue Share** |
| 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% |

| | | 01.01. - 31.12.2013 | |
|---|---|---|---|
| **Operations Department** | **Content** | **Inside the Amount of Gross Revenue** | **Inside the Gross Revenue Share** |
| Project Commitment | Project Commitment | 129.250.526 | 28% |
| Real Estate Lease | Rent | 3.044.405 | 30% |
| Ship Electrical and Electronics | Services Sales | 109.345 | 19% |
| Ship Electrical and Electronics | Malzeme ve İşçilik | 308.368 | 53% |

## 6. CASH AND CASH EQUIVALENTS

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Cash | 447.746 | 293.147 |
| Banks | 24.596.255 | 43.968.794 |
| - Demand Deposits | 24.596.255 | 41.295.993 |
| - Term deposits than three months | - | 2.672.801 |
| Other Cash and Cash Equivalents | 969.924 | 2.215.928 |
| Total | 26.013.925 | 46.477.869 |

As of 31.12.2014 There are no term deposits.

31.12.2013 date, the deposit details are as follows:

| Currency Type | Interest Rate (%) | 31.12.2013 |
|---|---|---|
| TRY | 2,00 - 6,50 | 215.013 |
| USD | 0,35 - 0,50 | 2.328.581 |
| EUR | 0,20 | 129.207 |
| Total | | 2.672.801 |

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

## 7. FINANCIAL ASSETS

**Short-Term Financial Assets**

None (31.12.2013:None).

| **Long Term Financial Investment** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| - Cost of Financial Investments Accounted for by Becoming an Active Market | 46.296 | 46.296 |
| Total | 46.296 | 46.296 |

- Cost of Financial Investments Accounted for by Becoming an Active Market

| Shares | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Unquoted shares in the stock market | 46.296 | 46.296 |
| Total | 46.296 | 46.296 |

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

Located above TRY 46.296 (2013: TRY 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

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| a) Bank Loans | 267.151.718 | 191.661.702 |
| b) Finance Lease Obligations | - | 79.656 |
| Total | 267.151.718 | 191.741.358 |

a)Bank Loans:

31.12.2014

| Currency | Weighted Average Interest Rate (%) | Short Term | Short-Term Portion of Long Term Loans | Long Term |
|---|---|---|---|---|
| TRY | 12,5 - 18,5 | 123.002.020 | - | - |
| USD | 4,00 | 8.271.148 | - | - |
| EUR | 4,38 - 5 | 6.812.517 | 15.029.854 | 94.071.814 |
| AED | 4,00 | 19.964.365 | - | - |
| Total | | 158.050.050 | 15.029.854 | 94.071.814 |

31.12.2013

| Currency | Weighted Average Interest Rate (%) | Short Term | Short-Term Portion of Long Term Loans | Long Term |
|---|---|---|---|---|
| TL | 10,16 | 76.915.075 | - | - |
| USD | 4,00 | 682.976 | - | - |
| EUR | 5,51 | 5.412.092 | 16.873.787 | 91.777.772 |
| Total | | 83.010.143 | 16.873.787 | 91.777.772 |

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

## 8. FINANCIAL LIABILITIES(Continued)

a)Bank Loans (continued)

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Paid within one year | 173.079.904 | 99.883.930 |
| 2 - 3 years to be paid | 7.927.440 | 29.187.959 |
| 3 - 4 years to be paid | 10.168.965 | 13.703.961 |
| 4 - 5 years to be paid | 10.255.390 | 13.149.855 |
| 5 yeras and longer term | 65.720.019 | 35.735.997 |
| Total | 267.151.718 | 191.661.702 |

Below, significant bank borrowings of the Group are summarized:

- A loan of EUR 31.000.000 (2013: EUR 29.129.964). Credit was used in 13 October 2010. Loan repayments have been started in 13 October 2011 expiration date, which will continue until 17 October 2024. The average effective interest rate of the loan, 4,38% tr. 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.

b) Lease Obligations:

And the sum of the present value of the minimum lease payments:

Finance lease liabilities as at 31.12.2013 are as follows;

| 31.12.2013 | Less 1 Year | More 1 Year - Less 5 year | More 5 Year | Total |
|---|---|---|---|---|
| **Minimum Lease Payments Amount** | | | | |
| TL denominated financial leases | 81.515 | - | - | 81.515 |
| Total | 81.515 | - | - | 81.515 |
| **The present value of payments** | | | | |
| TL denominated financial leases | 79.656 | - | - | 79.656 |
| Total | 79.656 | - | - | 79.656 |

Financial leasing, the lease term of 10 years on the intelligent building systems. The Group has the option to purchase a 10-year lease term with systems. The Group's obligations under finance leases, the lessor, the leased assets are secured by the lessors' title.

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

| **The Net Value** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Fixtures(net) | 499.195 | 627.878 |

Interest rates on financial leasing activities on contract is fixed for the entire rental period. The average effective interest rate of the contract is approximately 16% (2013: 16%).

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

## 9. TRADE RECEIVABLES/ PAYABLES

### a) Trade Receivables:

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

| **Short Term Trade Receivables** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Customers | 207.939.275 | 115.726.188 |
| Notes Receivables | 2.676.350 | 2.093.576 |
| Less: Unrealized Finance Income | (259.122) | (7.449) |
| Income Accruals | 4.220.766 | 1.796 |
| Doubtful Trade Receivables (*) | 7.235.341 | 846.825 |
| Less:Dobtful Trade Receivables Provisions | (7.235.341) | (846.825) |
| Employers Held by Financial Guarantees | 82.872.730 | 56.164.610 |
| Receivables from construction contracts (Note 15) | 130.304.556 | 167.992.871 |
| *Dec Total* | 427.754.555 | 341.971.592 |
| | | |
| Receivables from related parties (Note 38) | 15.344.924 | 16.526.880 |
| Total | 443.099.479 | 358.498.472 |

31.12.2014 As of 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 7.88%,0,18% and 0,23% will receive the weighted average maturity of one month (2013: %7,89 1 months).

There is no collateral for trade receivables from Undue.

As of 31 December 2014, trade receivables of TRY 7.235.341(2013: TRY 846.825) is a provision for doubtful receivables.

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

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Beginning of the period | 846.825 | 4.454.457 |
| Provisions During the period | 6.335.265 | 615.664 |
| Less: Collected during the current period | - | (4.225.968) |
| Forign Currency Translation Differences | 53.251 | 2.672 |
| Ending the period | 7.235.341 | 846.825 |

### Long-term trade receivables

None. (31.12.2013: None.)

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

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

## 9. TRADE RECEIVABLES/ PAYABLES (continued)

b) Trade Payables:

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

| **Short-Term Trade Receivables** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Sellers | 155.450.357 | 53.647.172 |
| Debt Securities and Given Cheques | 7.691.610 | 4.800.935 |
| Less :Interest expense | (370.100) | (1.308) |
| Income Accruals | 9.879.724 | 12.465.789 |
| Liabilities from construction contracts (Note 15) | 17.870.259 | 7.839.339 |
| *Dec Total* | 190.521.850 | 78.751.927 |
| | | |
| Trade payables to related parties (Note 38) | 2.369.560 | 4.793.648 |
| Total | 192.891.410 | 83.545.575 |

Maturity debt securities, which ended after the balance sheet date, the average effective interest rate for the TRY,USD,EUR are 7,88%,0,18% and 0,23% and the weighted average maturity of 2 months. (31.12.2013: USD 0,28%)

| **Long-Term Trade Payables** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Trade Payables To Related Parties | 369.633 | - |
| Less:Nonaccrual finanace income | (2.616) | - |
| Total | 367.017 | - |

Note 38 Related party receivables and payables to related parties are shown in.

Trade payables are disclosed in Note 39 to the nature and level of risks are described in detail.

## 10. OTHER RECEIVABLES AND PAYABLES

| **Other Short-Term Receivables** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Deposits and Guarantees Given | 5.089.493 | 1.431.241 |
| Due From Personel | 14.369 | 24.629 |
| Other Doubtful Receivables (*) | 244.896 | 34.526 |
| Less: Provision of Other Doubtful Receivables | (244.896) | (34.526) |
| Other Receivables | 9.571.066 | 9.029.924 |
| *Dec total* | 14.674.928 | 10.485.794 |
| | | |
| Other receivables from related parties (Note 38) | 76.522.998 | 54.824.035 |
| Total | 91.197.926 | 65.309.829 |

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

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Beginning of the period | 34.526 | 33.193 |
| Provisions During the period | 208.967 | - |
| Less: Charged In The Period The | - | - |
| Foreign Currency Translating Differences | 1.403 | 1.333 |
| End of the period | 244.896 | 34.526 |

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

## 10. OTHER RECEIVABLES AND PAYABLES (Continued)

| **Other Long-Term Receivables** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Deposits and Guarantees Given | 49.819 | 50.009 |
| *Dec total* | 49.819 | 50.009 |

| **Other Shorts-Term Receivables** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Deposits and Guarantees Given | 5.126.009 | 2.249.406 |
| Taxes and Charges | 3.565.563 | 2.472.939 |
| Other Payables | 158.749 | 541.204 |
| *Dec Total* | 8.850.321 | 5.263.549 |
| | | |
| Other payables to related parties (No. 38) | 923.182 | 3.421.646 |
| Total | 9.773.503 | 8.685.195 |

| **Other Long-Term Liabilities** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Installment of Public Sector Debt | 123.076 | - |
| Total | 123.076 | - |

## 11. DERIVATIVE INSTRUMENTS

None (31.12.2013: None).

## 12. INVENTORIES

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Raw materials and suplies | 66.462.222 | 26.979.665 |
| Products | 17.585 | 17.585 |
| Goods | 38.694 | 36.865 |
| Other Inventories | 1.041 | - |
| Provision for inventory impairment (-) | (368.789) | (368.789) |
| Total | 66.150.753 | 26.665.326 |

Group, stocks have been subject to an impairment test as of balance sheet date and net realizable value below cost in the remaining stock is TRY 368.789 (31.12.2013: 368.789). As of December 31, 2013 the net realizable value of inventories of the total amount is TRY 66.157.510 (31.12.2013: TRY 26.666.326).

| Movements in the provision for impairment of inventories | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Opening balance | 368.789 | - |
| Charge For The Period | - | 368.789 |
| Closing balance | 368.789 | 368.789 |

| Distribution Inventory Impairment | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Raw materials and suplies | 368.789 | 368.789 |
| Raw materials | - | - |
| Products | - | - |
| Goods | - | - |
| Total | 368.789 | 368.789 |

As of December 31, 2013 There are no inventory pledged as collateral for the loans (31.12.2013: None).

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

## 13. PREPAID EXPENSES AND DEFERRED REVENUES

| **Short-Term Prepaid Expenses** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| For Inventories Advances To Suppliers | 9.825.094 | 3.925.607 |
| Other Advances | 3.980.646 | 9.221.358 |
| Prepaid Expense for the Fallowing Months | 703.669 | 904.271 |
| Total | 14.509.409 | 14.051.236 |

| **Long-Term Prepaid Expenses** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Expense for the Fallowing Years | 4.124.404 | 2.394.582 |
| Total | 4.124.404 | 2.394.582 |

| **Short-Term Deferred Income** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Advances Received | 78.600.843 | 129.722.494 |
| Income For Future Months | 12.988.238 | 20.981.938 |
| From Related Parties Advances Received | 2.500 | 25.622 |
| Total | 91.591.581 | 150.730.054 |

| **Long-Term Deferred Income** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Income For Future Years | 232.408 | 1.531.171 |
| Total | 232.408 | 1.531.171 |

## 14. CONSTRUCTION CONTRACTS

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| **Assets Construction Contracts In Progress** | 130.304.556 | 167.992.871 |
| Total | 130.304.556 | 167.992.871 |

Assets related to construction projects in progress are as follows:

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Assets related to the ongoing construction contracts | 130.304.556 | 167.992.871 |
| Domestic Assets related to construction contracts | 6.235.626 | 8.372.021 |
| Domestic unvested assets related to construction contracts (*) | 42.450.310 | 53.446.417 |
| Foreign Assets related to construction contracts | - | 6.048.152 |
| Overseas construction contracts related to unvested assets (*) | 81.618.620 | 100.126.281 |

(*) 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.

Liabilities related to construction projects in progress are as follows:

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

## 14. CONSTRUCTION CONTRACTS(Continued)

Liabilities related to construction projects in progress are as follows:

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| **Ongoing Construction Contracts Liabilities** | 17.870.259 | 7.839.339 |
| Total | 17.870.259 | 7.839.339 |

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Liabilities related to ongoing construction contracts | 17.870.259 | 7.839.339 |
| Domestic progress payments related to construction contracts | - | 69.291 |
| Domestic over-invoiced portion related to construction contracts | 4.674.570 | 274.593 |
| Foreign progress payments related to construction contracts | - | - |
| Over-invoiced portion related to construction contracts abroad | 13.195.689 | 7.495.455 |

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

The Group as of 31 December 2014 regarding the ongoing construction contracts have taken the total amount of short-and long-term advances TRY 77.838.668 (31 December 2013: TRY 129.464.934) .

## 15. INVESTMENTS ACCORDING TO EQUITY METHOD

Details of subsidiaries and associates partnerships according to equity method evaluation as of December 31, 2014 and December 31, 2013 are as follows;

| | Participation Rate(%) | 31.12.2014 | Participation Rate(%) | 31.12.2013 |
|---|---|---|---|---|
| Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. | 26,47 | 20.118.325 | 26,59 | 18.937.663 |
| Anelmep Maintenance and Operations LLC | 30,00 | 1.877.255 | 30,00 | (1.976.983) |
| Anel Kingdom of Suudi Arabia (*) | - | - | 35,00 | (5.673.423) |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | 49,98 | - | 49,98 | (823.839) |
| Energina Kompania Bonev | 50,00 | 181.960 | 50,00 | 17.968 |
| Anel - Sera Adi Ortaklığı (**) | - | - | 70,20 | (15.630) |
| Total | | 22.177.540 | | 10.465.756 |

(*)Parent, Anel Kingdom of Saudi Arabia to the Company 's own shares for ensuring that all of the expected productivity with board decision dated 30.09.2014 has been disposed of by the decision to buy. Associates owned 35% of the capital cost of TRY 176.297 value of the shares sold to the price of USD 91.308 Revenue from sales of TRY 6.201.976 earning profits arising from investing activities are recognized in the period. Abandoned the receivables amounting to TRY 7.016.430 shares in the said items of this amount and expenses are reported in investing activities.

(**)Anel Yapı İnşaat Gayrimenkul A.Ş., a subsidiary of Anel - Ordinary Partnership Sera is disposed on the 10/12/2014.

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

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

## 15. INVESTMENTS ACCORDING TO EQUITY METHOD(Continued)

| | Participation Rate (%) | 31.12.2014 | Participation Rate (%) | 31.12.2013 |
|---|---|---|---|---|
| Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. (*) | 26,47 | 9.016.381 | 26,59 | 8.156.577 |
| Goodwill | | 16.466.160 | | 16.466.160 |
| Impairement of Goodwill (-) | | (5.364.216) | | (5.364.216) |
| Share from Equity Changes | | - | | 8.713 |
| Sales of Shares | | - | | (329.571) |
| Total | | 20.118.325 | | 18.937.663 |

On the BIST traded at Anel Telecommunications and Electronic Systems Industry and Trade Inc. As of December 31, 2014 issued by the ISE best bid among current orders pending the settlement price per unit of TRY 2,28 evaluated in price over the fair value of TRY 30.171.461. (31.12.2013: TRY 29.644.046)

Details of investments according to equity method evaluation are as follows;

| | | | | | | 31.12.2014 |
|---|---|---|---|---|---|---|
| | Total Assets | Total Liabilities | Equity Attributable to Parent | Non Controlling Interest | 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 |
| Anel Kingdom of Suudi Arabia (*) | - | - | - | - | - | - |
| 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 |
| Anel - Sera Adi Ortaklığı (**) | - | - | - | - | - | - |

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

## 15. INVESTMENTS ACCORDING TO EQUITY METHOD(Continued)

| | | | | | | 31.12.2013 |
|---|---|---|---|---|---|---|
| | Total Assets | Total Liabilities | Equity Attributable to Parent | Non Controlling Interest | Revenue | Profit / (Loss) |
| Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. | 179.629.159 | 128.080.408 | 30.675.355 | 20.873.396 | 33.719.193 | (13.650.394) |
| Anelmep Maintenance and Operations LLC | 30.312.392 | 36.902.334 | (6.589.942) | - | 14.486.263 | 385.300 |
| Anel Kingdom of Suudi Arabia (*) | 111.877.695 | 128.087.474 | (16.209.779) | - | 43.140.911 | (2.223.577) |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | 4.130.913 | 5.779.251 | (1.648.338) | - | 373.531 | (1.829.780) |
| Energina Kompania Bonev | 9.091.761 | 9.055.825 | 35.936 | - | 1.298.902 | 35.936 |
| Anel - Sera Adi Ortaklığı | 1.632.188 | 1.654.455 | (22.267) | - | - | (35.348) |

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

## 16. INVESTMENT PROPERTY

| | 01.01.2014 | | | | | 31.12.2014 |
|---|---|---|---|---|---|---|
| **Fair Value** | Openning Balance | Additions | Output | Transfers | Value Incresae | Closing Balance |
| Land 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 |

| | 01.01.2013 | | | | | 31.12.2013 |
|---|---|---|---|---|---|---|
| **Fair Value** | Openning Balance | Additions | Output | Transfers | Value Incresae | Closing Balance |
| Land and Buildings | 120.630.071 | - | (663.000) | 41.293 | 17.525.494 | 137.533.858 |
| Investment Properties | 120.630.071 | - | (663.000) | 41.293 | 17.525.494 | 137.533.858 |

Group valuated Anel Business Center located in Ümraniye / İstanbul to independent expertise company Aktif Gayrimenkul Değerleme ve Danışmanlık A.Ş. (CMB licanced).

According to 24 February 2015 dated expertise report, bulding value set as TRY 132.000.000. Properties values calculated according to coefficient comparison, cost, income comparison methods.

The independent valuation of the real estate section in the consolidated Group companies using 29 departman, with TRY 593.484 of the net fair value of the tangible fixed assets, other than that reported in the remaining sections of the investment properties is TRY 131.406.516.

Also, Group valuated building located in Koşuyolu, Bakırköy and Gaziantep to same independent expertise company Aktif Gayrimenkul Değerleme ve Danışmanlık A.Ş. (CMB licanced).

According to 24 February 2015 dated expertise report, buldings values set as respectively TRY 2.800.000, TRY 2.315.000 and TRY 1.612.000. Properties values calculated according to coefficient comparison, cost, income comparison and direct capitilazition methods.

At balance sheet date, investment property, property, building or development, maintenance, repair or remediation obligations arising from contracts available.

In the current period, TRY 15.795.534 has rental income from investment properties 1.842.790 Total direct operating expenses related to this property Eur 48 million on the Group's investment properties are mortgaged.

As of 31/12/2014, TRY 124.933.414 on investment properties (31.12.2013: TRY 119.133.851), insurance coverage is available.

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

## 17. PROPERTY, PLANT AND EQUIPMENT

31.12.2014

| Cost | Land | Place and land improvements | Binalar | Machinery,Equipment and Installations | Motor Vehicles | Fixtures | Special Cost | Other Tangible Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Opening Balance** | 1.302.276 | 146.185 | 552.866 | 23.500.549 | 1.011.138 | 12.487.815 | 448.182 | 227.878 | 39.676.889 |
| Sales of Subsidiaries Effect | - | - | - | - | - | (8.891) | - | (42.857) | (51.748) |
| Foreign Currency Tarnslation Differences | (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 |
| Sales | - | - | - | (98.430) | (358.600) | (765.095) | (68.359) | - | (1.290.484) |
| Investment property transfers (*) | - | - | - | - | - | - | - | - | - |
| Valuation | - | - | 40.618 | - | - | - | - | - | 40.618 |
| Transfers from construction in progress | - | - | - | - | - | - | - | - | - |
| **Closing Balance** | **1.295.796** | **158.829** | **593.484** | **23.074.379** | **670.057** | **13.642.320** | **380.459** | **194.176** | **40.009.500** |
| **Accumulated Depreciation and Impairment** | | | | | | | | | |
| **Opening Balance** | - | (44.743) | - | (3.303.910) | (489.148) | (8.630.988) | (428.127) | (127.253) | (13.024.170) |
| Sales of subsidiaries effect | - | - | - | - | - | 1.824 | - | (89) | 1.735 |
| Foreign Currency Tarnslation Differences | - | (3.871) | - | 25.148 | 454.501 | (341.343) | (636) | 295 | 134.094 |
| Period Expenses | - | (7.963) | - | (1.586.550) | (176.968) | (1.343.050) | (822) | (4.303) | (3.119.656) |
| Outputs | - | - | - | (39.373) | (152.496) | 678.761 | 68.359 | - | 555.251 |
| Valuation | - | - | - | - | - | - | - | - | - |
| Investment property transfers | - | - | - | - | - | - | - | - | - |
| **Closing Balance** | **-** | **(56.577)** | **-** | **(4.904.685)** | **(364.111)** | **(9.634.796)** | **(361.226)** | **(131.350)** | **(15.452.745)** |
| **Tangible Assets,Net** | 1.295.796 | 102.252 | 593.484 | 18.169.694 | 305.946 | 4.007.524 | 19.233 | 62.826 | 24.556.755 |

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

## 17. PROPERTY, PLANT AND EQUIPMENT(Continued)

31.12.2013

| **Costs** | Land | Place and land improvements | Buildings | Machinery,Equipment and Installations | Motor Vehicles | Fixtures | Special Cost | Other Tangible Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Opennig Balance** | 1.269.221 | 122.096 | 555.769 | 15.116.009 | 758.469 | 10.387.734 | 480.772 | 212.731 | 31.693.017 |
| Foreign Currency Translation Differences | 33.055 | 24.089 | - | 4.978.126 | 51.321 | 737.260 | (32.590) | 10.668 | 5.801.928 |
| Purchases | - | - | - | 616.199 | 201.348 | 1.362.821 | - | 4.479 | 2.184.846 |
| Outputs | - | - | - | - | - | - | - | - | - |
| Transfers from investment property | - | - | (41.293) | - | - | - | - | - | (41.293) |
| The classification of non-current assets held-for sal | - | - | - | - | - | - | - | - | - |
| Value (İncrese)/decrese | - | - | 38.390 | - | - | - | - | - | 38.390 |
| Transfers from investment property | - | - | - | 2.790.216 | - | - | - | - | - |
| **Ending Balance** | **1.302.276** | **146.185** | **552.866** | **23.500.549** | **1.011.138** | **12.487.815** | **448.182** | **227.878** | **39.676.889** |
| **Accumulated Depreciation and Impairment** | | | | | | | | | |
| **Opennig Balance** | - | (31.246) | (20.866) | (1.454.258) | (259.791) | (6.656.683) | (426.307) | (123.366) | (8.972.517) |
| Foreign Currency Translation Differences | - | (6.168) | - | (290.511) | (21.289) | (542.976) | - | (601) | (861.544) |
| Current Expense | - | (7.329) | - | (1.559.141) | (208.069) | (1.431.329) | (1.820) | (3.286) | (3.210.975) |
| Outputs | - | - | - | - | - | - | - | - | - |
| Value (İncrese)/decrese | - | - | 20.866 | - | - | - | - | - | 20.866 |
| The classification of non-current assets held-for sal | - | - | - | - | - | - | - | - | - |
| **Ending Balance** | **-** | **(44.743)** | **-** | **(3.303.910)** | **(489.148)** | **(8.630.988)** | **(428.127)** | **(127.253)** | **(13.024.170)** |
| **Tangible Assets** | 1.302.276 | 101.442 | 552.866 | 20.196.639 | 521.989 | 3.856.827 | 20.055 | 100.624 | 26.652.719 |

31.12.2014, on Tangible Assets TRY 16.302.758 (31.12.2013: TRY 4.586.550 and TRY 50.340) available insurance coverage.

(*)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).

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

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

Useful lives of tangible fixed assets are as follows:

| | Economic Life |
|---|---|
| Land And Improvements | 3-14 |
| Buildings | 50 |
| Tesis, Makine ve Cihazlar | 3-14 |
| Motor Vehicles | 5 |
| Fixtures | 3-14 |
| Other Tangible Assets | 5 |
| Special Costs | 5 |

The sum of the depreciation expense in the current year is TRY 3.119.656 (31.12.2013: TL 3.210.975). Of this amount, TRY 2.508.298 (31.12.2013: TRY 2.684.624) amounting to the cost of goods sold (Note 29), TL 2.152 (31.12.2013:TRY 3.936.) Amounting to marketing expenses, TRY 609.206 (31.12.2013: TL 522.415 ) amounting to general administrative expenses (Note 30) were included.

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

| The Net Value | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Fixtures(net) | 499.195 | 627.878 |

## 18. INTANGIBLE FIXED ASSETS

31.12.2014

| Cost | Rigths | Total |
|---|---|---|
| **Opening Balance** | 2.804.798 | 2.804.798 |
| Foreign Currency Translation Differences | 11.957 | 11.957 |
| Purchases | 1.959.296 | 1.959.296 |
| Outputs | - | - |
| **Closing Balance** | **4.776.051** | **4.776.051** |
| | | |
| **Accumulated Depreciation and Impairment** | | |
| **Opening Balance** | (1.577.821) | (1.577.821) |
| Sales of subsidiaries effect | - | - |
| Foreign Currency Translation Differences | (5.315) | (5.315) |
| Charge for the period | (979.503) | (979.503) |
| Outputs | - | - |
| **Closing Balance** | **(2.562.639)** | **(2.562.639)** |
| **Tangible Assets,net** | 2.213.412 | 2.213.412 |

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

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

31.12.2013

| **Cost** | Rigths | Total |
|---|---|---|
| **Openning Balance** | 2.750.025 | 2.750.025 |
| Foreign Currency Translation Differences | 21.542 | 21.542 |
| Purchases | 33.231 | 33.231 |
| Outputs | - | - |
| **Ending Balances** | **2.804.798** | **2.804.798** |
| **Openning Balance** | (814.824) | (814.824) |
| Foreign Currency Translation Differences | (2.963) | (2.963) |
| Charge Of The Period | (760.034) | (760.034) |
| Outputs | - | - |
| **Ending Balance** | **(1.577.821)** | **(1.577.821)** |
| **Tangible Assets,Net** | 1.226.977 | 1.226.977 |

Economic lives of intangible assets are as follows:

| | Economic Life |
|---|---|
| Rights | 3-14 |

The sum of the current year amortization expense is TRY 979.503 (31.12.2013: TRY 760.034). Of this amount, TRY 130.360 (31.12.2013: TRY 22.950) in the portion of goods sold at cost (Note 29) TRY 275 (31.12.2013: TRY None) amounting to marketing expenses, TRY 848.868 (31.12.2013: TRY 737.084) general administrative expenses were included. (Note 30).

**19. GOODWILL**

None. (31.12.2013: 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 and Abu Dhabi are related to the office and storage building.

| **Recognized as Expenses Payments** | **01.01.-31.12.2014** | **01.01.-31.12.2013** |
|---|---|---|
| Of the minimum lease payments | 6.533.141 | 6.346.613 |
| Contingent lease payments | - | - |
| Secondary leases payments received | - | - |
| Total | 6.533.141 | 6.346.613 |

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

## 20. LEASING OPERATIONS (Continued)

The Group as lessee

*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 TRY 15.795.534 (2013: TRY 10.312.825).

| **Operating related to lease commitments** | **31.12.2014** | **31.12.2013** |
|---|---|---|
| In 2-10 Years | 15.795.534 | 10.312.825 |

## 21. IMPAIRMENT OF ASSETS

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Provisions For Doubtful Trade Receivables | 6.335.265 | 615.664 |
| Provisions For Doubtful Other Trade Receivables | 208.967 | - |
| Impairment Of Inventory | - | 368.789 |
| Total | 6.544.232 | 984.453 |

## 22. GOVERNMENT GRANTS

None (31.12.2013: None).

## 23. BORROWİNG COSTS

None (31.12.2013: None).

## 24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

| **Other Short-term Provisions** | **31.12.2014** | **31.12.2013** |
|---|---|---|
| Debt and Expenses | 443.264 | - |
| Total | 443.264 | - |

**Contingent Assets**
As of December 31, 2014, and still continues against the Group amounting to a total of TRY 2.437.137 and there are USD 20.000 amount 29 lawsuits. Create any liability against the group of cases is envisaged.(31.12.2013:14 lawsuits TRY 2.495.393)

**Guarantee-Pledge-Mortgages**

As of 31 December 2014 and 31 December 2013, the Group's guarantee / pledge / mortgage position statements are as follows:

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

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

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

| | | | | 31.12.2014 |
|---|---|---|---|---|
| | USD | EUR | TRY | TRY Amount |
| Letters of Guarantees Received | 4.767.349 | 939.720 | 681.057 | 14.386.731 |
| Guarenteed 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 |
| Total | 6.970.589 | 2.283.929 | 10.579.285 | 33.185.662 |

| | | | | 31.12.2013 |
|---|---|---|---|---|
| | USD | EUR | TRY | TRY Amount |
| Letters of Guarantees Received | 768.224 | 1.805.422 | 1.411.123 | 8.352.365 |
| Guarenteed Bill Received | 482.092 | 493.956 | 3.141.597 | 5.621.028 |
| Guaranteed Cheques Received | 83.000 | 46.500 | 2.507.739 | 2.821.433 |
| Total | 1.333.316 | 2.345.878 | 7.060.459 | 16.794.826 |

| | | | | 31.12.2014 |
|---|---|---|---|---|
| | USD | EUR | TRY | TRY Amount |
| Project Related to | | | | |
| Letters of Guarantees Given | 76.605.488 | 5.673.254 | 17.468.423 | 211.111.437 |
| Bonds of Guarantees Given | - | - | - | - |
| Checks of Guarantees Given | - | - | - | - |
| Orher | | | | |
| Letters of Guarantees Given | 6.200 | - | 527.150 | 541.527 |
| Bonds of Guarantees Given | - | - | - | - |
| Checks of Guarantees Given | - | - | - | - |
| Morgages Given | - | 48.000.000 | - | 135.393.600 |
| Total | 76.611.688 | 53.673.254 | 17.995.573 | 347.046.564 |

| | | | | 31.12.2013 |
|---|---|---|---|---|
| | USD | EUR | TL | TL Toplam |
| Project Related to | | | | |
| Letters of Guarantees Given | 86.548.457 | 4.188.745 | 10.370.722 | 207.391.343 |
| Bonds of Guarantees Given | - | - | - | - |
| Checks of Guarantees Given | - | - | - | - |
| Orher | | | | |
| Letters of Guarantees Given | - | - | 742.150 | 742.150 |
| Bonds of Guarantees Given | - | - | - | - |
| Checks of Guarantees Given | - | - | - | - |
| Morgages Given | - | 48.000.000 | - | 140.952.000 |
| Total | 86.548.457 | 52.188.745 | 11.112.872 | 349.085.493 |

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

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

| | | | | 31.12.2014 |
|---|---|---|---|---|
| **Guarantees Given by the Grou(Margin-Pledge-Mortgages)** | **TRY Amount** | **USD** | **EUR** | **TRY** |
| 1. Total Amount of GPM's given for the company | 344.561.369 | 76.605.488 | 53.277.254 | 16.641.753 |
| 2.Total Amount of GPM's given for the companies consolited | 1.568.818 | - | 396.000 | 451.820 |
| 3. Total Amount of GPM's given for the third parties.In order to operate the usual trading activities. | - | - | - | - |
| 4. Diğer verilen TRİ'lerin toplam tutarı | 916.377 | 6.200 | - | 902.000 |
| Total amaount of GPM given on behalf of its own legal personality. | 916.377 | 6.200 | - | 902.000 |
| Total amount of GPM's given for the groupcompanies not included in items 2 and3 | - | | - | |
| Total amount of GPM's given for the third parties not included in items 3. | - | - | - | - |
| Total | 347.046.564 | 76.611.688 | 53.673.254 | 17.995.573 |

| | | | | 31.12.2013 |
|---|---|---|---|---|
| **Guarantees Given by the Grou(Margin-Pledge-Mortgages)** | **TRY Amount** | **USD** | **EUR** | **TRY** |
| 1. Total Amount of GPM's given for the company | 347.602.064 | 86.509.357 | 52.176.745 | 9.748.132 |
| 2.Total Amount of GPM's given for the companies consolited | 103.144 | 26.700 | 12.000 | 10.920 |
| 3. Total Amount of GPM's given for the third parties.In order to operate the usual trading activities. | - | - | - | - |
| 4. Diğer verilen TRİ'lerin toplam tutarı | 1.380.285 | 12.400 | - | 1.353.820 |
| Total amaount of GPM given on behalf of its own legal personality. | - | - | - | - |
| Total amount of GPM's given for the groupcompanies not included in items 2 and3 | 1.380.285 | 12.400 | | 1.353.820 |
| Total amount of GPM's given for the third parties not included in items 3. | - | - | - | - |
| Total | 349.085.493 | 86.548.457 | 52.188.745 | 11.112.872 |

Other groups of CPM is given by the Group's equity ratio as of 31.12.2014 is 0% . (As of 31/12/2013 0,04%).

As of 31.12.2014 and 31.12.2013 Guarantees given the distribution of the species is shown below.

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

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

31.12.2014

| Guarantees,Pledges and Mortgage | TRY Amount | USD | EUR | TRY |
|---|---|---|---|---|
| Guarantees | 211.652.964 | 76.611.688 | 5.673.254 | 17.995.573 |
| Pledge | - | - | - | - |
| Mortgage | 135.393.600 | - | 48.000.000 | - |
| Total | 347.046.564 | 76.611.688 | 53.673.254 | 17.995.573 |

31.12.2013

| Guarantees,Pledges and Mortgage | Toplam TL Karşılıkları | USD | EUR | TL |
|---|---|---|---|---|
| Guarantees | 208.133.493 | 86.548.457 | 4.188.745 | 11.112.872 |
| Pledge | - | - | - | - |
| Mortgage | 140.952.000 | - | 48.000.000 | - |
| Total | 349.085.493 | 86.548.457 | 52.188.745 | 11.112.872 |

## 25. COMMITMENTS

None (31.12.2013: None).

## 26. EMPLOYEE BENEFITS

| **Short-Term Employee Benefits for Provisions** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Unusesed Vacation Rights | 662.471 | 480.908 |

| **Employee Benefits In The Scope of Debt** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Personele Borçlar | 1.263.410 | 1.806.434 |
| Ödenecek Sosyal Güvenlik Kesintileri | 641.761 | 664.159 |
| Total | 1.905.171 | 2.470.593 |

| **Long-Term Employee Benefits** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Provision for employee ermination benefits | 942.522 | 975.996 |

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, 2013: 5%, respectively 5% %8,5 and 3,33%).

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Annual Discount Rate (%) | 3,81 | 3,81 |
| Probability of retirement (%) | 86,50 | 88,36 |

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

## 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.

3.438 TRY(31.12.2013: 3.438 TRY) maximum amount used on calculation of retirement pay provision with effect from 01 January 2014.

The movement of provision for severance pay as follows:

| | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Provisions as of January 1 | 975.996 | 794.486 |
| Cost of Services | 134.112 | 95.516 |
| Interest Cost | 32.533 | 23.485 |
| Retirement Benefits Paid | (181.032) | (83.183) |
| Acturial Gain / Loss | (19.087) | 145.692 |
| Provisions at 31 December | 942.522 | 975.996 |

## 27.OTHER CURRENT/NONCURRENT ASSETS AND LIABILITIES

| **Other Current Assets** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Deferred VAT | 17.087.140 | 15.300.440 |
| Other VAT | - | 167.713 |
| Work Advance | 338.751 | 266.933 |
| Personel Advances | 936.905 | 550.361 |
| Other Current Assets | 1.253.775 | 1.264.796 |
| Total | 19.616.571 | 17.550.243 |

**Other Non-current Assets**

None (31.12.2013: None).

| **Other Short-Term Liabilities** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Other Liabilities | 3.909 | - |
| Total | 3.909 | - |

**Other Long-Term Liabilities**

None (31.12.2013: None).

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

## 28. CAPİTAL, RESERVES AND OTHER EQUITY COMPONENTS

**a) Capital**

The Company's issued share capital at 31 December 2014 and 2013 dates are as follows:

| | 31.12.2014 | | 31.12.2013 | |
|---|---|---|---|---|
| Affiliates | Amount Per Share TL | Share Rate(%) | Share Rate TRY | Share Rate(%) |
| 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 |
| Diğer Gerçek Kişiler | 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 |

(*)Publicly offered shares of the Group are being traded in ISE (Istanbul Stock Exchange).

(**) Ridvan Çelikel shareholders of the Company, the Company owned 1.638.684 shares in the capital of part of the shares of publicly traded shares of capital and the amount of TRY48.780.773 and a total of 44.35% of the shares.

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

The Company's issued share capital, historical value, TRY 110.000.000. (31.12.2013: TRY 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 TRY 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 Rıdvan Çelikel.

| b) Related to Pay Premiums/ (Discounts) | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Related to the share premiums/(Discounts) | 1.384.433 | 1.384.433 |
| Total | 1.384.433 | 1.384.433 |

| c) Effect of Common Controlled Entities or Enterprises Mergers | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Effect of Common Controlled Entities or Enterprises Mergers | (8.063.535) | (8.063.535) |
| Total | (8.063.535) | (8.063.535) |

| d) Revalution and Measurement Gain/ (Loss) | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Financial Assets Revaluation Gain/(Loss) | (348.487) | (348.487) |
| Maddi Duran Varlık Yeniden Değerleme Ölçüm Kazançları | 1.333.948 | 1.274.784 |
| Total | 985.461 | 926.297 |

| e) Foreign Currency Translation Differences | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Forign Currency Translation Differences | 62.042.097 | 45.326.637 |
| Total | 62.042.097 | 45.326.637 |

| f) Not Reclassified Other Cumulative Comprehensive Income /Expense in case of Profit or Loss | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Actuarial gain/(loss) | (196.051) | (206.574) |
| Total | (196.051) | (206.574) |

| g) Restricted Reserves | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Restricted Reserves | 6.495.122 | 3.052.537 |
| Total | 6.495.122 | 3.052.537 |

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

## 28.CAPİTAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

| h) Retained Earnings / (Losses) | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Retained Earnings /(Losses) | 87.427.719 | 89.497.781 |
| Total | 87.427.719 | 89.497.781 |

| ı) Minority Shares | 31.12.2014 | 31.12.2013 |
|---|---|---|
| 1 Ocak Bakiyesi | 29.094.933 | 29.123.727 |
| Additions | (4.147.345) | 1.159.459 |
| Foreign Currency Translation Diffrences | (723.098) | 46.372 |
| Minority Profit/(Loss) Share | 3.687.112 | (1.234.625) |
| Total | 27.911.602 | 29.094.933 |

**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

| Sales Income ( net) | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Other Income | 309.552.892 | 220.718.201 |
| Export Sales | 312.871.939 | 229.397.654 |
| Rental Income | 15.800.328 | 10.404.740 |
| Other Income | 1.216.165 | 487.026 |
| Total Income | 639.441.324 | 461.007.621 |
| | | |
| Sales Return (-) | (7.363) | (1.266.684) |
| Sales Income, net | 639.433.961 | 459.740.937 |
| I- Cost Of Good Sold | - | (13.495) |
| II- Cost Of Merchandise Sold | (121.412.934) | (5.616.671) |
| III- Cost Of Services Sold | (446.476.551) | (400.018.187) |
| IV- Cost Of Other Sales | - | - |
| V- Depreciation Expenses | (2.508.298) | (2.684.624) |
| VI- Amortisation And Depletion Expenses | (130.360) | (22.950) |
| Cost Of Sales (I+II+III+IV+V+VI) | (570.528.143) | (408.355.927) |
| | | |
| **GROSS PROFIT/LOSS** | 68.905.818 | 51.385.010 |

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

## 30. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

| | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| General Administration Expense (-) | 22.332.114 | 23.402.403 |
| Marketing Expenses (-) | 166.319 | 625.853 |
| Total | 22.498.433 | 24.028.256 |

| **General and Administrative Expenses** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Personnel Expenses | 7.578.977 | 10.277.201 |
| Taşeron İşçilik Giderleri | 163.155 | 185.905 |
| Depreciation Expenses | 609.206 | 522.415 |
| Redemption Expenses | 848.869 | 737.085 |
| Transportation Expenses | 11.329 | 342.154 |
| Consulting Expenses | 634.795 | 952.730 |
| Maintenance Expenses | 62.901 | 201.770 |
| Information Technology Expenses | 317.158 | 316.940 |
| Bank Expenses | 15.474 | 18.217 |
| Fees Expenses | 625.467 | 27.198 |
| Vehicle Expenses, | 76.013 | 163.238 |
| Electrity, Water and Heating Expenses | 81.416 | 87.184 |
| Communication Expenses | 71.619 | 93.623 |
| Nonallowable Charges | 944.565 | 114.999 |
| Advertising Expenses | 123.975 | 120.265 |
| Shipping Cost | 10.944 | 12.108 |
| Department Participation Share | 7.751.052 | 4.679.140 |
| Stationery Expenses | 20.902 | 227.480 |
| Material Cost | 25.178 | 257.461 |
| Brand and Registration Expenses | 26.818 | 27.291 |
| Fines | 3.167 | 1.540 |
| Transportation Costs | 19.328 | 20.308 |
| Notary Fees | - | 23.836 |
| Entertainment Expenses | 107.089 | 25.758 |
| Insurance Charges | 148.653 | 91.143 |
| Cleaning Expenses | 55.229 | 70.342 |
| Taxes, Duties and Expenses | 111.757 | 117.629 |
| Food Costs | 123.847 | 277.725 |
| Severance Pay Expenses | 166.645 | 599.343 |
| Allow Provision Expense | 191.222 | - |
| Rent Expenses | 337.063 | 937.823 |
| Travel and Hospitality Expenses | 391.276 | 118.566 |
| Vehicle Rental Expenses | 244.612 | 289.503 |
| Other Expenses | 432.413 | 1.464.483 |
| Total | 22.332.114 | 23.402.403 |

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

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

| Marketing Expenses (-) | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Personality Expenses | 144.848 | 462.845 |
| Depreciation Expense | 2.152 | 3.936 |
| Redemption Expenses | 275 | - |
| Transportaion Expenses | 955 | 185 |
| Consulting expenses | - | 5.783 |
| Vehicle Expenses | 2.642 | 23.349 |
| Department Participation Share | - | 24.924 |
| Insurance Expenses | 345 | - |
| Taxes, Duties and Expenses | 145 | 1.158 |
| Food Expenses | 210 | 4.466 |
| Araç Kira Giderleri | 13.588 | 54.494 |
| Exposition Expenses | - | 22.789 |
| Other Expenses | 1.159 | 21.924 |
| Total | 166.319 | 625.853 |

## 31. EXPENSES BY NATURE

| Depreciation Expenses | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Cost Of Sales | 2.508.298 | 2.684.624 |
| General Administration Expense | 609.206 | 522.415 |
| Marketing expenses | 2.152 | 3.936 |
| Total | 3.119.656 | 3.210.975 |

| Amortization | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Cost of Sales | 130.360 | 22.950 |
| Marketing expenses | 275 | - |
| General Administration Expense | 848.868 | 737.085 |
| Total | 979.503 | 760.035 |

| Personnel Expenses | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Saalries and Wages | 68.341.169 | 48.949.632 |
| Social Security Expenses | 3.674.225 | 4.205.190 |
| Severance Pay Expenses | 142.913 | 243.880 |
| Allow Expenses Compensation Provisions | 191.222 | 59.567 |
| Total | 72.349.529 | 53.458.269 |

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

## 32.INCOME / EXPENSES FROM PRINCIPAL OPERATIONS

| **Other Operating Income** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Obsolete Provisions | 190.691 | 142.199 |
| Foreign Exchange Differences Related to Operating Income | 26.372.303 | 11.279.849 |
| Other Income and Profits | 2.123.142 | 2.808.779 |
| Total | 28.686.136 | 14.230.827 |

| **Other Operating Expenses** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Provision Expenses (-) (*) | 6.209.249 | 917.242 |
| Foreign Exchange Differences Related to Operating Expense (-) | 23.503.305 | 13.074.947 |
| Other Expenses | 4.194.320 | 2.194.910 |
| Total | 33.906.874 | 16.187.099 |

(*) Provision for doubtful receivables is TRY 6.209.249.

## 33. INCOME FROM INVESTMENT OPERATIONS AND EXPENSES

| **Income from Investment Operations** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Deposits Interest Income | 118.634 | 50.229 |
| Investment Property Revaluation Gain | 1.980.658 | 17.525.494 |
| Associates Sales Revenue (Not 15) | 6.201.976 | - |
| Financial Invsetment Sales Gain | 1.289.858 | 893.201 |
| Investment Property Sales Gain | - | 99.709 |
| Sales of Assets | 431.920 | - |
| Total | 10.023.046 | 18.568.633 |

| **Expenses from Investment Operations (-)** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Loss on Sale of Fixed Assets (-) | 218.285 | - |
| Subsidiaries Sales Expenses (-) (Not 1) | 1.645.074 | - |
| Loss on sale of Investment (-) | 7.016.430 | |
| Total | 8.879.789 | - |

## 34. FINANCIAL INCOME / (EXPENSES)

| **Finance Income** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Interest Income | 4.182.724 | 1.426.361 |
| Income From Foreign Exchange Differences | 201.987.068 | 98.171.720 |
| Total | 206.169.792 | 99.598.081 |

| **Financing Expenses** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Loan Interest Expenses | 33.274.454 | 13.938.425 |
| Foreign Currency Exchange Losses | 198.879.148 | 115.925.091 |
| Total | 232.153.602 | 129.863.516 |

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

None (31.12.2013: None).

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

## 36. INCOME TAXES

| **Current Tax Related to Non Current Assets** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Prepaid Taxes and Funds | 10.009.283 | 4.462.343 |

| **Current Tax Related to Non Current Assets** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Prepaid Taxes and Funds | 10.309.527 | 8.000.536 |

| **Income Tax Liabilities** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Current Tax Liabilities | 15.253.520 | 7.380.211 |
| Less:Prepaid Taxes and Funds | (10.009.283) | (4.462.343) |
| Income Tax Liabilities | 5.244.237 | 2.917.868 |

| **Tax Provision** | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Current Period Corporate Tax Provision (-) | (14.900.955) | (6.798.587) |
| Provision for Deffered Tax Expenses/Icome | 6.466.439 | (1.553.523) |
| Income Tax Liabilities | (8.434.516) | (8.352.110) |

**CorporateTax**

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 2014 and 31 December 2013, the Group offset against future profits will be achieved TRY 20.523.515 and TRY 8.435.819, respectively, amounting to has unused tax losses. Unused tax losses, to be available at the following dates will lose quality.

Corporations calculate and pay quarterly temporary corporate tax of 20%. (2013: %20).
The tax legislation provides for a temporary tax (prepaid tax) of 20% (20% in 2013) 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.

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

**36. INCOME TAXES (continued)**

**Tax Provision (Continued)**

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Will end in 2016 | - | 8.435.819 |
| Will end in 2017 | 1.833.069 | - |
| Will end in 2018 | 18.690.446 | - |
| Total | 20.523.515 | 8.435.819 |

Tax liability table for the current period profit is a follows.

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| 01 January | 7.380.211 | 4.224.065 |
| The Current Tax Expense For The Project | 14.900.955 | 6.798.587 |
| Taxes Paid | (6.798.587) | (4.296.413) |
| Foreign Currency Translation Difference | (229.059) | 653.972 |
| Current Income Tax Liabilities | 15.253.520 | 7.380.211 |

**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:

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Profit Before Tax | 22.152.329 | 8.490.008 |
| The effective tax rate (% 20) | (4.430.466) | (1.688.002) |
| Foreign Branches and Subsidiary Impact on Tax Rate | 8.932.004 | 2.789.567 |
| Non-deductible expenses | (3.047.071) | (443.194) |
| Changes in tax losses of the current period | (2.417.539) | 185.789 |
| Unused tax losses of the current period | (4.104.703) | (5.420.388) |
| Impact of loss from equity method | - | (1.042.734) |
| Effect of Other Adjustments | (3.366.740) | (2.733.148) |
| Toplam | (8.434.516) | (8.352.110) |

**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.

Deffered tax rate is %20.(31.12.2013 : %20).

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

## 36. INCOME TAXES (continued)

**Deferred Tax (Continued)**

| | Cumulative Timing Difference | | Deferred Tax Asset/ (Liability) | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| **Deferred Tax Assets** | | | | |
| Provision of Doubtful Receivable | 7.480.238 | 881.352 | 1.212.272 | 113.082 |
| The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets | 17.340.319 | 17.488.520 | 3.037.179 | 3.066.820 |
| Provision of Severance Pay | 942.522 | 975.996 | 188.505 | 195.199 |
| Provision of Unused Annual Leave | 662.471 | 480.908 | 132.494 | 96.182 |
| Unearned Credit Finance Income | 265.286 | 16.151 | 52.259 | 3.230 |
| Adjustments regarding using percent complete method on projects | 800.635.685 | 526.032.896 | 153.726.715 | 94.217.193 |
| 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 | 20.523.515 | 8.435.819 | 4.104.703 | 1.687.164 |
| Withdrawed Receivables | - | - | - | - |
| Other Adjustment | 3.103.602 | 2.096.124 | 361.165 | 231.118 |
| Total | 852.237.278 | 557.691.406 | 163.072.020 | 99.866.716 |
| **Deferred Tax Liabilities** | | | | |
| The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets | (53.347.226) | (48.916.294) | (10.641.739) | (9.767.382) |
| Unrealized Credit Finance Expense | (493.719) | (107.260) | (98.498) | (21.452) |
| Adjustments regarding using percent complete method on projects | (727.408.257) | (476.594.267) | (145.167.134) | (89.427.948) |
| Other Adjustment | (70.736) | (549.466) | (14.145) | (109.892) |
| Total | (781.319.938) | (526.167.287) | (155.921.516) | (99.326.674) |
| Deferred Tax Asset/ (Liability), net | 70.917.340 | 31.524.119 | 7.150.504 | 540.042 |
| Deferred Tax Income/(Expense) | | | | 6.610.462 |
| Foreign Currency Translation Effect | | | | (155.963) |
| Revaluation and Measurement Profit / Loss Deduction of Amounts | | | | 8.123 |
| Defined Benefit Plans Remeasurement Gain / Loss from Amounts deducted | | | | 3.817 |
| Deferred Tax Income/(Expense) for the period between 01/01-31/12/2013 | | | | 6.466.439 |

()

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Beginning of Period | 540.042 | 1.519.658 |
| Current Period Income Statement Debt / (receivable) Record | 6.466.439 | (1.553.523) |
| Impact of Foreign Currency Translation | 155.963 | 559.567 |
| Revaluation and Measurement Profit / Loss Deduction of Amounts | (8.123) | (14.901) |
| Defined Benefit Plans Remeasurement Gain / Loss from Amounts deducted | (3.817) | 29.241 |
| End of term | 7.150.504 | 540.042 |

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

## 37. EARNINGS PER SHARE

| **Share In Earnings Per** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| The Parent Company,Net Profit\(Loss) For The | 10.030.701 | 1.372.523 |
| Of The Share-Weighted Average Number Of | 110.000.000 | 110.000.000 |
| From Continuing Operations Per Share Of Profit\(Loss) | 0,09 | 0,01 |

## 38. RELATED PARTY DISCLOSURES

Which are 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.

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

## 38. RELATED PARTY DISCLOSURES(continued)

Related parties and affiliates for trade and non-trade receivables is not a defined term. Due to the nature of unsecured interest-free and not operated.

| | 31.12.2014 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Receivables | | | | Payables | | | |
| | Short-Term | | Long- Term | | Short-Term | | Long- Term | |
| Balances with related parties | Trade | Other | Trade | Other | Trade | Other | Trade | Other |
| Anelsis 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 | - | - |
| Köpük Turizm ve Yatçılık Ltd. Şti. | 230.060 | 186.613 | - | - | - | - | - | - |
| Anelmep Maintenance and Operations LLC | | 24.195.379 | - | - | - | - | - | - |
| Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. | 4.440.037 | 20.767.908 | - | - | - | - | - | - |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | 3.030.415 | 459.052 | - | - | - | - | - | - |
| EKB(Energinia 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 | - | - | - | - | - | - | - |
| Ams Aneltech Adi Ortaklığı | 5.163 | - | - | - | - | - | - | - |
| Anel Kingdom of Suudi Arabia | | 19.628 | - | - | - | - | - | - |
| Çelikel Vakfı | 2.921 | - | - | - | - | - | - | - |
| 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 Persons | - | - | - | - | - | 39.180 | - | - |
| Accrual Interest Income/Expense (-) | (6.164) | - | - | - | (112.133) | - | - | - |
| Total | 15.344.924 | 76.522.998 | - | - | 2.369.560 | 923.182 | - | - |

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

## 38. RELATED PARTY DISCLOSURES(continued)

| | 31.12.2013 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Receivables | | | | Payables | | | |
| | Short-Term | | Long- Term | | Short-Term | | Long- Term | |
| Balances with related parties | Trade | Other | Trade | Other | Trade | Other | Trade | Other |
| Anelsis Mühendislik Sanayi ve Ticaret A.Ş. | 4.231.828 | 23.507.594 | - | - | 1.770 | - | - | - |
| Anelmak Makine ve Elektronik San. Ve Tic. A.Ş. | 39.344 | - | - | - | - | - | - | - |
| Anel Ar-Ge Dan. San. Ve Tic.A.Ş. | 55.986 | 573.062 | - | - | - | - | - | - |
| Doğa Çevre Teknolojileri A.Ş. | 480.118 | - | - | - | - | - | - | - |
| Anelnet Teknik Hizmetler Ltd. Şti. | 1.679.347 | 423.000 | - | - | 278.555 | - | - | - |
| Köpük Turizm ve Yatçılık Ltd. Şti. | 225.304 | - | - | - | - | - | - | - |
| Anelmep Maintenance and Operations LLC | 16.811 | 2.177.308 | - | - | - | 665.935 | - | - |
| Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. | 2.326.309 | 16.332.092 | - | - | 3.990 | - | - | - |
| Anel-Sera Adi Ortaklığı | 2.080.325 | 338.184 | - | - | 126.407 | 2.033.448 | - | - |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | 2.933.412 | 352.059 | - | - | 2.225 | - | - | - |
| EKB(Energinia Compania) | 209.871 | 1.977.420 | - | - | - | 196.370 | - | - |
| Anel Holding A.Ş. | 1.965.113 | 3.272.956 | - | - | 3.667.560 | - | - | |
| Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş. | 160.047 | 993.000 | - | - | 712.631 | 505.000 | - | - |
| Doğa Geri Dönüşüm San. Tic. Ltd. Şti. | 1.083 | - | - | - | - | - | - | - |
| Sera Yapı Endüstri ve Ticaret | 96.932 | - | - | - | - | - | - | - |
| Ams Aneltech Adi Ortaklığı | 1.888 | - | - | - | - | - | - | - |
| Anel Kingdom of Suudi Arabia | - | 4.856.669 | - | - | - | - | - | - |
| Aneles Elektronik Üretim ve Paz. San. ve Tic. A.Ş. | - | - | - | - | - | - | - | - |
| Anel Arabia Company Limited | - | 5.691 | - | - | - | 19.313 | - | - |
| Çelikel Vakfı | 18.609 | - | - | - | - | - | - | - |
| Anelsis Bosnia Branch | - | - | - | - | - | 1.580 | - | - |
| E Sistem Elektronik A.Ş. | 4.553 | 15.000 | - | - | 510 | - | - | - |
| Total | 16.526.880 | 54.824.035 | - | - | 4.793.648 | 3.421.646 | - | - |

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

## 38. RELATED PARTY DISCLOSURES(continued)

01.01. - 31.12.2014 and 01.01. - 31.12.2013 transactions with related parties during the period are as follows:

| | 31.12.2014 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Operations with related parties | Good Purchase | Good Sales | Interest Income | Interest Expense | Rent Income | Services Sales | Service Purchase | Foreign Exchange Difference Expense | Fixed Assets Purchase | Acquisition Of Subsidiaries | Exchange Income |
| 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 | - | - | - | - |
| Anel Mekanik Tesisat Taahhüt A.Ş. | - | - | - | - | 2.400 | - | - | | | | |
| Anelyapı Sera Adi Ortaklığı | - | - | - | - | - | - | 130.047 | | | | |
| Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. | - | 116.765 | 2.370.169 | - | - | 68.289 | 287 | | | | |
| Anel-Sera Adi Ortaklığı | - | - | - | - | - | 10.677 | | | | | |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | | - | 39.576 | - | 67.041 | 4.722 | | | | | |
| EKB(Energinia Compania) | - | - | 128.939 | - | - | - | - | | | | |
| Anel Holding A.Ş. | - | - | 132.449 | - | 1.164.628 | 241.420 | 8.133.202 | | | | |
| Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş. | 5.662 | - | 404.959 | 76.494 | 80 | 15.029.593 | 33.787 | | 669.421 | 4.125.000 | 233.365 |
| Doğa Geri Dönüşüm San. Tic. | - | - | - | - | - | 474 | - | | | | |
| 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.Rıdvan 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 |

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

## 38. RELATED PARTY DISCLOSURES(continued)

| | 31.12.2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| Operations with related parties | Good Purchase | Good Sales | Interest Income | Interest Expense | Rent Income | Services Sales | Service Purchase |
| Anelsis Mühendislik Sanayi ve Ticaret A.Ş. | 5.037.096 | 679 | 71.743 | - | 192.102 | 127.140 | 186.079 |
| Anelmak Makine ve Elektronik San. ve Tic. A.Ş. | - | - | - | - | 1.200 | - | 713 |
| Anel Ar-Ge Dan. San. Ve Tic. A.Ş. | - | - | 16.189 | - | 1.200 | 1.660 | |
| As Alan Sistemleri Ltd. Şti. | - | - | - | - | 1.200 | - | - |
| Çelikel Vakfı | - | - | - | - | 5.981 | - | - |
| Anelnet Teknik Hizmetler Ltd. Şti. | - | - | 8.871 | - | 27.855 | 65.205 | 514.634 |
| Köpük Turizm ve Yatçılık Ltd. Şti. | - | - | - | - | 2.400 | - | - |
| Anel Enerji Elektrik Üretim San. Tic. A.Ş. | - | - | - | 6.984 | - | - | - |
| Anelmep Maintenance and Operations LLC | - | - | 5.300 | - | - | - | - |
| Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. | - | 123.375 | 973.486 | - | - | 43.584 | 2.997 |
| Anel-Sera Adi Ortaklığı | - | - | - | - | - | 1.707.898 | 558.062 |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | 5.131 | - | | - | 88.549 | 25.232 | 24.091 |
| EKB(Energinia Compania) | - | - | 127.701 | - | - | - | - |
| Anel Holding A.Ş. | - | - | 126.558 | - | 1.034.268 | 153.513 | 2.333.032 |
| Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş. | 242.956 | - | 5.375 | 53.712 | 15.514 | 61.495 | 52.411 |
| Sera Yapı Endüstri ve Ticaret | - | - | - | - | - | 2.923.461 | - |
| Anel Arabia | - | - | 6.656 | | - | - | - |
| Kioto Photovoltaics | - | - | - | | - | 326 | - |
| E Sistem Elektronik A.Ş. | - | - | 259 | | 1.200 | - | - |
| Total | 5.285.183 | 124.054 | 1.342.138 | 60.696 | 1.371.469 | 5.109.514 | 3.672.019 |

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

## 38. RELATED PARTY DISCLOSURES(continued)

Related party activities between 01.01.- 31.12.2014 and 01.01.- 31.12.2013 are as follows;

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

Company's Key Management Personnels are Board Chairman and Members and General Manager. Benefits Supplied to Key Management Personnel as of 01.01.-31.12.2014 and 01.01.-31.12.2013 as follows;

| **Benefits Provided To Senior Management** | 01.01.-31.12.2014 | 01.01.-31.12.2013 |
|---|---|---|
| Short-Term Employee Benefits | 1.684.883 | 1.962.114 |
| Dismissial Due To The Benefits Provided | - | - |
| Other Long-Term Benefits | - | - |

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

## 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 entitiy 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 evaulate by executives.According to the evaulate 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 depts as of December 31, 2014 and 2013 as follows:

| | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Total Laibilities | 737.263.086 | 546.867.735 |
| Less: Cash and Cash Equivalents | (26.013.925) | (46.477.869) |
| Net Liabilities | 711.249.161 | 500.389.866 |
| Total Equity | 298.017.549 | 272.385.032 |
| Liabilities/Equity Proportion | 2,387 | 1,837 |

Company's aim is to high profitability and equity for able to manage 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 same sector and geographical area

Credit consideration making over Custumer's trade receivables permanently

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

## 39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

**31.12.2014**

| | Receivables | | | | Cash and Cash Equivalents | |
|---|---|---|---|---|---|---|
| | Trade Receivables | | Other Receivables | | | |
| **Current Period** | **Related Parties** | **3 th Parties** | **Related Parties** | **3 th Parties** | **Banks Deposits** | **Financial Investment** |
| **The maximum amount ofexposure 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 collateras 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 garanteed with coleteral etc. | - | - | - | - | - | - |
| Not overdue (gross book value) | - | - | - | - | - | - |
| -Impairment (-) | - | - | | | | |
| - Net Value garanteed with colleteral etc. | - | - | - | - | - | - |
| D. Off financial statement credit risk amount | - | - | - | - | - | - |

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

## 39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

**31.12.2013**

| | Receivables | | | | Cash and Cash Equivalents | |
|---|---|---|---|---|---|---|
| | Trade Receivables | | Other Receivables | | | |
| Prior Period | Related Parties | 3 th Parties | Related Parties | 3 th Parties | Banks Deposits | Financial Investment |
| **The maximum amount ofexposure to credit risk at the end of the reporting (A+B+C+D+E) (1)** | **16.526.880** | **341.971.592** | **54.824.035** | **10.535.803** | **43.968.794** | **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) | 16.526.880 | 341.971.592 | 54.824.035 | 10.535.803 | 43.968.794 | 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) | - | 846.825 | - | - | - | - |
| -The amount of impairment (-) | - | (846.825) | | - | - | - |
| -Net value garanteed with coleteral etc. | - | - | - | - | - | - |
| Not overdue (gross book value) | - | - | - | - | - | - |
| -Impairment (-) | - | - | - | - | - | - |
| - Net Value garanteed with colleteral 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.

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

## 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. The Group does not have any derivative liabilities.

**Current Period**

| **Terms According to Agreements** | Book Value | According to Contract Total Cash Outflows (=I+II+III+IV) | Up to 3 months (I) | 3 to 12 months (II) | 1 to 5 years (III) | Over 5 years (IV) | Demand |
|---|---|---|---|---|---|---|---|
| **Non Drivatives Financial Liabilities** | **470.306.724** | **472.564.717** | **301.375.418** | **76.622.160** | **28.847.120** | **65.720.019** | **-** |
| Bank Loans | 267.151.718 | 269.307.581 | 161.519.750 | 13.716.017 | 28.351.795 | 65.720.019 | - |
| Leases | - | - | - | - | - | - | - |
| Trade Payables | 193.258.427 | 193.360.557 | 130.082.165 | 62.906.143 | 372.249 | - | - |
| Other Payables | 9.896.579 | 9.896.579 | 9.773.503 | - | 123.076 | - | - |

**Prior Period**

| **Terms According to Agreements** | Book Value | According to Contract Total Outflows (=I+II+III+IV) | Up to 3 months (I) | 3 to 12 months (II) | 1 to 5 years (III) | Over 5 years (IV) | Demand |
|---|---|---|---|---|---|---|---|
| **Non Drivatives Financial Liabilities** | **283.972.128** | **299.713.170** | **167.257.681** | **24.105.082** | **63.618.938** | **44.731.469** | **-** |
| Bank Loans | 191.661.702 | 207.399.577 | 83.159.382 | 15.889.788 | 63.618.938 | 44.731.469 | - |
| Leases | 79.656 | 81.515 | 81.515 | - | - | - | - |
| Trade Payables | 83.545.575 | 83.546.883 | 78.753.235 | 4.793.648 | - | - | - |
| Other Payables | 8.685.195 | 8.685.195 | 5.263.549 | 3.421.646 | - | - | - |

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

## 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 flactuate 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:

| FOREIGN CURRENCY POSITION | | | | | |
|---|---|---|---|---|---|
| 31.12.2014 | | | | | |
| | **TRY equivalent** | **USD** | **EUR** | **GBP** | **AED** |
| 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 | - |
| **4. Current Assets (1+2+3)** | **107.512.302** | **40.167.572** | **5.089.241** | **3.475** | **-** |
| **5. Fixed Assets** | **-** | **-** | **-** | **-** | **-** |
| **6. Total Assets (4+6)** | **107.512.302** | **40.167.572** | **5.089.241** | **3.475** | **-** |
| 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 | - | - |
| 8a. Other Monetary Liabilities | - | - | - | - | - |
| 8b. Other Non-Monetary Liabilities | 42.637.535 | 16.384.601 | 1.646.077 | - | 308 |
| **9. Short-Term Liabilities** | **115.063.045** | **29.971.775** | **16.145.513** | **5.465** | **308** |
| 10. Financial Liabilities | 83.804.873 | | 29.710.665 | - | - |
| **11. Long-Term Liabilities** | **83.804.873** | **-** | **29.710.665** | **-** | **-** |
| **12. Total Liabilities** | **198.867.917** | **29.971.775** | **45.856.178** | **5.465** | **308** |
| **13. Net Foreign Currency Assets / (Liability) Position (7-14)** | **(91.355.615)** | **10.195.797** | **(40.766.937)** | **(1.990)** | **(308)** |
| **14. Monetary Items Net Foreign Currency Asset / (Liability) Position** | **(91.651.739)** | **10.717.452** | **(41.298.753)** | **(3.628)** | **(308)** |

## 39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

### b.3.1) Forign Exchange Risk Management (continued)

| FOREIGN CURRENCY POSITION | | | | | |
|---|---|---|---|---|---|
| 31.12.2013 | | | | | |
| | TRY equivalent | ABD Doları | Euro | GBP | SAR |
| 1. Trade Receivables | 17.349.209 | 6.009.129 | 1.540.584 | - | - |
| 2a. Monetary Financial Assets | 2.906.732 | 1.150.932 | 151.856 | 1.245 | |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - |
| 3. Other | 12.869.611 | 3.810.992 | 1.612.740 | - | - |
| **4. Current Assets (1+2+3)** | **33.125.552** | **10.971.053** | **3.305.180** | **1.245** | - |
| 5.Trade Receivables | - | - | | - | - |
| 6. Other | - | - | - | - | - |
| **7. Fixed Assets** | - | - | - | - | - |
| **8. Total Assets (4+6)** | **33.125.552** | **10.971.053** | **3.305.180** | **1.245** | - |
| 9. Trade Payables | 27.664.497 | 10.081.708 | 1.927.346 | 138.821 | |
| 10. Financial Liabilities | 11.966.835 | 3.925.892 | 1.221.796 | - | - |
| 11a. Other Monetary Liabilities | - | - | - | - | - |
| 11b. Other Non-Monetary Liabilities | 45.692.333 | 19.553.606 | 1.348.228 | - | - |
| **12. Short-Term Liabilities (9+10+11)** | **85.323.665** | **33.561.206** | **4.497.370** | **138.821** | - |
| 13. Financial Liabilities | 76.542.256 | 87.214 | 26.002.423 | - | - |
| 14. Non-Monetary Other Liabilities | - | - | - | - | - |
| **15. Long-Term Liabilities (13+14)** | **76.542.256** | **87.214** | **26.002.423** | - | - |
| **16. Total Liabilities (12+15)** | **161.865.921** | **33.648.420** | **30.499.793** | **138.821** | - |
| **17. Net Foreign Currency Assets / (Liability) Position (8-16)** | **(128.740.369)** | **(22.677.367)** | **(27.194.613)** | **(137.576)** | - |
| **18. Monetary Items Net Foreign Currency Asset / (Liability) Position** | **(95.917.647)** | **(6.934.753)** | **(27.459.125)** | **(137.576)** | - |

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 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.

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

## 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 | | | | |
|---|---|---|---|---|
| 31.12.2014 | | | | |
| | Profit/Loss | | Equity | |
| | Foreign currency appreciation | Foreign currency depreciates | Foreign currency appreciation | Foreign currency depreciates |
| 10% change in USD against TRY: | | | | |
| 1- U S Dollar net assets / liabilities | 2.364.303 | (2.364.303) | - | - |
| 2- U S Dollar Hedged (-) | - | - | - | - |
| **3- USD Dollar Net Effect (1+2)** | **2.364.303** | **(2.364.303)** | - | - |
| 10% change in EUR against TRY: | | | | |
| 4- EUR net assets / liabilities | (11.499.130) | 11.499.130 | - | - |
| 5- EUR Hedged (-) | - | - | - | - |
| **6- EUR Net Effect (4+5)** | **(11.499.130)** | **11.499.130** | - | - |
| 10% change in GBP against TRY: | | | | |
| 4- GBP net assets / liabilities | (716) | 716 | - | - |
| 5- GBP Hedged (-) | - | - | - | - |
| **6- GBP Net Effect (4+5)** | **(716)** | **716** | - | - |
| 10% change in GBP against AED: | | | | |
| 4- AED net assets / liabilities | (19) | 19 | - | - |
| 5- AED Hedged (-) | - | - | - | - |
| **6- AED Net Effect (4+5)** | **(19)** | **19** | - | - |
| **TOTAL (3+6+9+12)** | **(9.135.562)** | **9.135.562** | | |

| Exchange Rate Sensitivity Analysis Table | | | | |
|---|---|---|---|---|
| 31.12.2013 | | | | |
| | Profit/Loss | | Equity | |
| | Foreign currency appreciation | Foreign currency depreciates | Foreign currency appreciation | Foreign currency depreciates |
| 10% change in USD against TRY: | | | | |
| 1- U S Dollar net assets / liabilities | (4.840.030) | 4.840.030 | - | - |
| 2- U S Dollar Hedged (-) | - | - | - | - |
| **3- USD Dollar Net Effect (1+2)** | **(4.840.030)** | **4.840.030** | - | - |
| 10% change in EUR against TRY: | | | | |
| 4- EUR net assets / liabilities | (7.985.698) | 7.985.698 | - | - |
| 5- EUR Hedged (-) | - | - | - | - |
| **6- EUR Net Effect (4+5)** | **(7.985.698)** | **7.985.698** | - | - |
| 10% change in GBP against TRY: | | | | |
| 4- GBP net assets / liabilities | (48.308) | 48.308 | - | - |
| 5- GBP Hedged (-) | - | - | - | - |
| **6- GBP Net Effect (4+5)** | **(48.308)** | **48.308** | - | - |
| **TOTAL (3+6+9)** | **(12.874.037)** | **12.874.037** | - | - |

Group foreign exchange liabilities arising from the operations through the use of derivative financial instruments is to hedge.

## 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 31.12.2014 and 31.12.2013 as follows :

| Interest Rate Risk | | | |
|---|---|---|---|
| | | **Current Period** | **Piror Period** |
| **Finacial Instruments with fixed rate** | | | |
| | Assets fair value difference reflected to profit/loss | | - |
| Financial Assets | Cash and Cash Equivalents | - | 2.672.801 |
| Financial Liabilities | | 267.151.718 | 191.741.358 |
| **Variable Rate Instruments** | | | |
| 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.(31.12.2013 None).

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

## 40. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES)

| **31 Aralık 2014** | Gerçeğe uygun değeri üzerinden gösterilen finansal varlıklar | Krediler ve alacaklar (Nakit ve nakit benzerleri dahil) | Satılmaya Hazır finansal varlıklar | İtfa edilmiş değerlerden gösterilen diğer finansal yükümlülükler | Defter değeri | Dipnot |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Cash and Cash Equivalents | - | 26.013.925 | - | - | 26.013.925 | 6 |
| Trade Receivables | - | 443.099.479 | - | - | 443.099.479 | 9, 38 |
| Financial Investment | | - | 46.296 | - | 46.296 | 7 |
| **Financial Liabilities** | | | | | | |
| Financial Liabilities | - | - | - | 267.151.718 | 267.151.718 | 8 |
| Trade Liabilities | - | - | - | 193.258.427 | 193.258.427 | 9, 38 |
| Other FinancialLiabilities | - | - | - | 15.253.520 | 15.253.520 | 36 |
| **31 Aralık 2013** | | | | | | |
| **Financial Assets** | | | | | | |
| Cash and Cash Equivalents | - | 46.477.869 | - | - | 46.477.869 | 6 |
| Trade Receivables | - | 358.498.472 | - | - | 358.498.472 | 9, 38 |
| Financial Investment | - | - | 46.296 | - | 46.296 | 7 |
| **Financial Liabilities** | | | | | | |
| Financial Liabilities | - | - | - | 191.741.358 | 191.741.358 | 8 |
| Trade Liabilities | - | - | - | 83.545.575 | 83.545.575 | 9, 38 |
| Other FinancialLiabilities | - | - | - | 7.380.211 | 7.380.211 | 36 |

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

**40. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES) (continued)**

Financial Instrument fair values determine as follows;

- First Level: Financial Instruments valuated with market values of the similar instruments which traded on active market.
- Second Level: Financial Instruments valuated with data uses to find price which observable directly or indirectly on the market in addition to first level.
- Third Level: Financial Instruments valuated 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:

| | | The Level Of the fair value at the reporting date | | |
|---|---|---|---|---|
| Financial Assets | 31.12.2014 | First Level (TL) | Second Level (TL) | Third Level (TL) |
| Available for sale financial Assets | | | | |
| - Shares | 46.296 | - | - | 46.296 |
| Total | 46.296 | - | - | 46.296 |

| | | The Level of the fair value at the reporting date | | |
|---|---|---|---|---|
| Financial Assets | 31.12.2013 | Firs Level (TL) | Second Level (TL) | Third Level (TL) |
| Available for sale financial Assets | | | | |
| - Shares | 46.296 | - | - | 46.296 |
| Total | 46.296 | - | - | 46.296 |

Financial assets reconciliation of beginning and ending balances are as follows:

| | 31.12.2014<br>Available for sale financial<br>Shares | 31.12.2013<br>Available for sale financial<br>Shares |
|---|---|---|
| Openning balance | 46.296 | 46.296 |
| Changes | - | - |
| Closing Balance | 46.296 | 46.296 |

**41. EVENTS AFTER THE REPORTING PERIOD**

None. (31.12.2013: None).

**42. DISCLOSURE OF OTHER MATTERS**

None (31.12.2013: None).