ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş.

AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH

OF CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2015 AND AUDIT REPORT

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

Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.

To the Board of Directors

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors ' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Auditing which 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, 2015, and of its financial performance and its cash flows for the period then ended in accordance with Turkish Accounting Standards.

Reports on other responsibilities arising from regulatory requirements

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

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

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

BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.

Rafet KALKAN, CPA
Partner

İstanbul, 10 March 2016

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

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

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

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

Audited

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

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

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

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

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

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

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

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

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

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

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

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

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

					Other comprehensive income items not to be reclassified to profit or loss		Other comprehensive income items to be reclassified to profit or loss in subsequent periods		Retained Earnings				
	Notes	Paid-in Capital	Premiums / Discounts related with Shares	The Merge Effect of Entities subject to Common Control (-)	Revaluation Measurement Gains/(Losses)	Identified Benefit Plans Reclassification Income/Loss	Foreign Currency Conversion Difference	Restricted Reserves	Retained Profit / (Loss)	Net Profit / (Loss)	Equity Attributable to Parent	Non-controlling shares	Equity
PREVIOUS 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**
Transfers		-	-	-	-	-	-	3.442.163	(2.069.640)	(1.372.523)	-	-	-
Total Comprehensive Income	37	-	-	-	-	10.675	16.715.460	-	-	10.030.701	26.756.836	3.687.112	**30.443.948**
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**
CURRENT PERIOD													
Balances as of January 1, 2015 (beginning of period)		**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 merger effect of entities subject to common control (-)		-	-	(1.074.034)	-	118	-	7.260	(7.260)	-	(1.073.916)	684.152	**(389.764)**
Transfers		-	-	-	-	-	-	3.870.493	6.160.208	(10.030.701)	-	-	-
Total Comprehensive Income	37	-	-	-	180.081	(74.890)	5.492.151	-	-	14.415.378	20.012.720	21.803.700	**41.816.420**
Dividends		-	-	-	-	-	-	-	(1.319.634)	-	(1.319.634)		**(1.319.634)**
Increase / (Decrease) related with Changes of Subsidiary Share Percentage with Non-Progressive Loss		-	-	-	-	-	(1.145.146)	-	(281.345)	-	(1.426.491)	15.993.687	**14.567.196**
Balance as of December 31, 2015 (end of period)	28	**110.000.000**	**1.384.433**	**(9.137.569)**	**1.165.542**	**(270.823)**	**66.389.102**	**10.372.875**	**91.979.688**	**14.415.378**	**286.298.626**	**66.393.141**	**352.691.767**

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

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

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

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

CONTENTS

1. ORGANIZATION AND ACTIVITIES 1
2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS 2
3. BUSINESS COMBINATION 27
4. JOINT VENTURES 27
5.SEGMENT REPORTING 27
6. CASH AND CASH EQUIVALENTS 31
7. FINANCIAL ASSETS 31
8. FINANCIAL LIABILITIES 32
9. TRADE RECEIVABLES/ PAYABLES 33
10. OTHER RECEIVABLES AND PAYABLES 35
11. DERIVATIVE INSTRUMENTS 35
12. INVENTORIES 36
13. PREPAID EXPENSES AND DEFERRED REVENUES 36
14. CONSTRUCTION CONTRACTS 37
15. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD 38
16. INVESTMENT PROPERTY 39
17. PROPERTY, PLANT AND EQUIPMENT 40
18. INTANGIBLE FIXED ASSETS 42
19. GOODWILL 43
20. LEASING OPERATIONS 43
21. IMPAIRMENT OF ASSETS 44
22. GOVERNMENT GRANTS 44
23. BORROWING COSTS 44
24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES 44
25. COMMITMENTS 47
26. EMPLOYEE BENEFITS 47
27.OTHER CURRENT/NONCURRENT ASSETS AND LIABILITIES 48
28. CAPİTAL, RESERVES AND OTHER EQUITY COMPONENTS 49
29. REVENUE 50
30. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES 51
31. EXPENSES BY NATURE 52
32. INCOME/EXPENSES FROM MAIN OPERATIONS 53
33. INCOME FROM INVESTMENT OPERATIONS AND EXPENSES 53
34. FINANCIAL INCOME / (EXPENSES) 53
35. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS 53
36. INCOME TAXES 54
37. EARNINGS PER SHARE 57
38. RELATED PARTY DISCLOSURES 57
39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS 63
40. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES) 71
41. EVENTS AFTER THE REPORTING PERIOD 73
42. DISCLOSURE OF OTHER MATTERS 73

1. ORGANIZATION AND ACTIVITIES

The Company was first established in 1986 by the title of "Anel Elektrik Proje Taahhut Ve Ticaret Limited Sirketi". The Company's commercial type has been changed to"Anel Elektrik Proje Taahhut Ve Ticaret Anonim Sirketi" (The 'Company-Anel Elektrik') in 26/12/2006.
The company's head Office is located in Saray Mahallesi Site Yolu Sokak No:5/4 34768 Anel İş Merkezi, Ümraniye/İstanbul

Branch Adresses:

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

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

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

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

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

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

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

The main shareholder of the company is Çelikel Family.

Information on the Company's subsidiaries is given below:

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

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

(*) Note 2A

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

A. Basic Standards of Presentation

Basis of presentation of the financial statements

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

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

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

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

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

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

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

Preparation of Financial Statements in Hyperinflationary Periods

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

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

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

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

A. Basic Standards of Presentation (continued)

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

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

A. Basic Standards of Presentation (continued)

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

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

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

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

A. Basic Standards of Presentation (continued)

Going concern

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

Offsetting

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

Functional and presentation currency

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

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

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

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

Consolidation Principles

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

A. Basic Standards of Presentation (continued)

Subsidiaries

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

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

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

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

Control obtained if Company provides conditions below:

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

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

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

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

A. Basic Standards of Presentation (continued)

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

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

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

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

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

Subsidiary under Group's control

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

Elimination Transactions On the Consolidation

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

A. Basic Standards of Presentation (continued)

Regulatory principles of the consolidated balance sheet and consolidated income statement

Full Consolidation Method:

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

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

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

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

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

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

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

Joint Ventures

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

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

Affiliates

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

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

A. Basic Standards of Presentation (continued)

Affiliates (continued)

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

The new standards, amendments and interpretations

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

Standards and interpretations that are affective in 2015:

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

TFRS 9 Financial Instruments – Classification and Measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

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

The amendments to TAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to TAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate.
The amendments are effective for annual periods beginning on after 1 January 2016, and are to be applied prospectively. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations (continued)

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

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

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

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

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

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

IFRS 9 Financial Instruments (2014)

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

IFRS 14 Regulatory Deferral Accounts

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

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

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations (continued)

IFRS 15 Revenue from Contracts with customers

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

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

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

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

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

Disclosure initiative (Amendments to TAS 1)

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

Improvements to IFRSs

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

A. Basic Standards of Presentation (continued)

The new standards, amendments and interpretations (continued)

Improvements to IFRSs (continued)

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

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

B. Declaration of Conformity to TAS

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

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

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

C. Changes in Accounting Policies

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

D. Changes in Accounting Estimates and Errors

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

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

E. Summary of Significant Accounting Policies

Revenue and Income

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

Sale of Goods

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

- Transferred to the buyer the significant risks and rewards of ownership of the
- Associated with the ownership of the Group and of the continuing managerial involvement nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity, ve

A reliable measurement of costs arising from the transaction, or to be incurred.

Service Delivery:

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

Degree of completion of the agreement as follows:

- Setup fees books accordingly degree of completion of the setup. Degree of completion specified by the rate of elapsed time as of balance sheet date to estimated time for setup completion.

- Service fees added to price of goods sold books accordingly total cost of service 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.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

E. Summary of Significant Accounting Policies (continued)

Revenue and Income (continued)

Dividend and interest income:

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

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

Inventories

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

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

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

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

Tangible Fixed Assets

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

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

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

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

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

E. Summary of Significant Accounting Policies (continued)

Tangible Fixed Assets (continued)

Revaluation Model

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

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

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

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

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

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

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

Cost Method

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

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.
Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

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)

E. Summary of Significant Accounting Policies (continued)

Impairment of Assets

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

Leases

Financial Leasing

- The Group as the 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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

E. Summary of Significant Accounting Policies (continued)

Related Parties

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

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

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

- The Group controls, or is controlled by the Group

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

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

ii) the party is an associate of the Group;
iii) The party is joint venture of the Group is venturer;
iv) the party is a member of the key management personnel of the Group or its parent;
v) the (i) or (iv) above, any individual is a close family member;

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

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

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

Financial Instruments

Financial assets

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

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

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

E. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

The effective interest method

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

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

Financial assets at fair value through profit or loss

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

Financial assets held to maturity

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

Available-for-sale financial assets

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

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group has the right to receive dividends.
Available-for-sale monetary assets denominated in a foreign currency fair value is determined in that foreign currency and translated at the spot rate at the end of the reporting period. Foreign exchange gains recognized in the statement of income / losses are determined based on the amortized cost of a financial asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

Loans and receivables

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

E. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

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

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

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

Cash and cash equivalents

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

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

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

E. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Other financial liabilities

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

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

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

Trade Payables

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

Business Combinations and Goodwill

Business Combinations

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

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

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

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

E. Summary of Significant Accounting Policies (continued)

Business Combinations (continued)

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

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

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

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

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

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

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

E. Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions

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

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

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

- Which relate to assets under construction for future productive use, and an adjustment to interest costs on foreign currency borrowings are regarded as foreign exchange differences are included in the cost of those assets,

- Foreign currency risks (see accounting policies are described below in order to hedge against) Exchange differences on transactions entered into in order to hedge,
- Form part of the net investment in foreign operation, net investment in a foreign operation and the profit or loss associated with the sale, without intention or possibility of payment of monetary payables and receivables arising from foreign exchange differences arising from the activities.

Earnings Per Share

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

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

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

Events after the Balance Sheet Date

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

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

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

E. Summary of Significant Accounting Policies (continued)

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

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

Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

Contingent Liabilities

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

Contingent Assets

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

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

Financial Information Segment Reporting

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

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

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

E. Summary of Significant Accounting Policies (continued)

Financial Information Segment Reporting (continued)

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

Government Grants and Incentives

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

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

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

Taxation and Deferred Income Taxes

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

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

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

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

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

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

Employee Benefits and Severance Pay

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

E. Summary of Significant Accounting Policies (continued)

Reporting of cash flows

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

Dividends

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

F. Significant Accounting Estimates

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

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

a) Estimations used to determine total cost and profitability of the projects within the scope of IAS 11 "Construction Contracts".

b) A deferred tax asset is recognized only to the extent that it is probable that a tax benefit will be realized in the future. If it is probable that a tax benefit will be realized, a deferred tax asset is recognized on unused tax losses, unused tax credits and other deductible temporary differences. As at 31 December 2015 With the expectation to recover certain part of its tax losses carried forward, the Group has recognized deferred tax assets on statutory tax losses available for offsetting with future statutory taxable profits.

c) Severance pay provision calculates under actuerial estimations (discount rate, future salary increases and employe leave rate) .

d) Company guarantee provision determined by taking into consideration guarantee expenses of previous years per vehicle and remaining guarantee time per vehicle.

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

F. Significant Accounting Estimates (continued)

e) Doubtful receivable provisions reflects future loss of possible uncollectible receivable amounts as at balance sheet date.While the determination impariement of receivables, past performans of third party receivables, market credibilities and performanses from balance sheet date until the confirmation of financial statements taking into consadiration.

f) Inventory impairement calculates by using list price after discounts. Sales price imponderable inventories evaluated by determining of waiting time of inventories, physical conditions and technical staff opinion. Provision made if net realizable value under the cost value.

g) While the determination provision for lawsuits, Company's legal advisor's and Company Management's opinions regarding possibility of lose lawsuits and liabilities in case of lose took into consodiration.Company Managament determine lawsuit provision according to best estimations.

h) Company Management make significant estimations regarding determination economic life of tangible and intangible assets.

3. BUSINESS COMBINATION

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

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

4. JOINT VENTURES

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

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

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

5.SEGMENT REPORTING

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

5.SEGMENT REPORTING (continued)

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

5.SEGMENT REPORTING (continued)

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

5.SEGMENT REPORTING (continued)

Geographical Segments

01.01.- 31.12.2015	Turkey	Quatar	Russia	Bulgaria	Azerbaijan	Libia	United Arab Emirates	Elimination	Total
Revenue	277.866.418	15.281.146	-	3.764.374	47.075.109	-	217.462.836	(1.920.320)	559.529.563
Assets Related Ongoing Construction Contracts	26.705.244	14.260.981	-	-	730.950	-	59.000.167	-	100.697.342
Assets according to Segment	811.106.334	192.812.361	528.610	27.314.878	70.266.583	352.557	274.754.501	(399.540.947)	977.594.877
Investment Expenses	603.073	914.634	-	-	41.898	-	211.679	-	1.771.284

01.01.- 31.12.2014	Turkey	Quatar	Russia	Bulgaria	Azerbaijan	Libia	United Arab Emirates	Elimination	Total
Revenue	339.399.516	48.332.298	-	4.339.123	92.008.050	-	169.918.381	(14.563.407)	639.433.961
Assets Related Ongoing Construction Contracts	48.685.935	16.340.892	-	-	39.321.590	-	25.956.139	-	130.304.556
Assets according to Segment	699.007.597	180.536.405	6.800.643	25.334.478	61.151.563	352.557	192.730.642	(275.477.202)	890.436.683
Investment Expenses	1.734.682	54.853	-	10.038	788.040	-	1.556.801	-	4.144.414

5.SEGMENT REPORTING (continued)

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

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

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

6. CASH AND CASH EQUIVALENTS

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

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

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

7. FINANCIAL ASSETS

Short-Term Financial Assets

None (31.12.2014: None).

Long Term Financial Investments	31.12.2015	31.12.2014
Financial Investments Accounted with Cost Method in the Absence of Active Market	46.296	46.296
Total	46.296	46.296

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

7. FINANCIAL ASSETS (continued)

Long Term Financial Assets (continued)

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

Stocks	31.12.2015	31.12.2014
Unlisted Stocks	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 TL 46.296 (2014: TL 46.296) and the estimated amount of non-quoted market value and the estimated value ranges of values can not be measured reliably, the probability of a reliable estimate of the fair value of unquoted available-for-sale equity investments that can not be cost-are measured.

8. FINANCIAL LIABILITIES

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

a)Bank Loans:

31.12.2015

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

31.12.2014

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

8. FINANCIAL LIABILITIES (continued)

a)Bank Loans (continued)

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

Group's significant loans are summurized as below;

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

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

9. TRADE RECEIVABLES/ PAYABLES

a) Trade Receivables:

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

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

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

There is not any collateral for undued trade receivables.

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

9. TRADE RECEIVABLES/ PAYABLES (continued)

a) Trade Receivables (continued) :

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

	31.12.2015	31.12.2014
Beginning of the period	7.235.341	846.825
Provisions within the period	679.478	6.335.265
Less: Collected within the current period	(3.955.236)	-
Foregin currency exchange differences	702.734	53.251
End of the period	4.662.317	7.235.341

Long-term trade receivables

None. (31.12.2014: None.)

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

b) Trade Payables:

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

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

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

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

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

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

10. OTHER RECEIVABLES AND PAYABLES

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

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

	31.12.2015	31.12.2014
Beginning of the period	244.896	34.526
Provisions within the period	-	208.967
Less: Collected within the Period	(78.990)	-
Foreign Currency Exchage Differences	390	1.403
End of the period	166.296	244.896

Long-Term Other Receivables	31.12.2015	31.12.2014
Deposits and Guarantees Given	49.819	49.819
Total	49.819	49.819

Shorts-Term Other Payables	31.12.2015	31.12.2014
Deposits and Guarantees Received	201.470	150.937
Taxes and Charges	4.865.043	3.565.563
Other Payables	398.792	158.749
Sub Total	5.465.305	3.875.249
Other payables to related parties	4.492.566	923.182
Total	9.957.871	4.798.431

Long-Term Other Payables	31.12.2015	31.12.2014
Deferred Payables to Treasury	55.943	123.076
Total	55.943	123.076

11. DERIVATIVE INSTRUMENTS

None (31.12.2014: None).

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

12. INVENTORIES

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

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

Inventory Impairment Breakdown	01.01.-31.12.2015	01.01.-31.12.2014
Raw Materials and Equipments	311.103	368.789
Total	311.103	368.789

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

13. PREPAID EXPENSES AND DEFERRED REVENUES

Short-Term Prepaid Expenses	31.12.2015	31.12.2014
Advances Given for Inventories	19.566.315	9.825.094
Other Advances Given	4.876.781	3.980.646
Prepaid Expenses for the Fallowing Months	1.024.973	703.669
Total	25.468.069	14.509.409

Long-Term Prepaid Expenses	31.12.2015	31.12.2014
Expense for the Fallowing Years	5.148.661	4.124.404
Total	5.148.661	4.124.404

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

Long-Term Deferred Income	31.12.2015	31.12.2014
Income for the Fallowing Years	22.593	232.408
Total	22.593	232.408

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

14. CONSTRUCTION CONTRACTS

Assets related to construction projects in progress are as follows:

	31.12.2015	31.12.2014
Assets regarding Construction Contracts In Progress	100.697.342	130.304.556
Total	100.697.342	130.304.556

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

Assets related to construction projects in progress are as follows:

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

Liabilities related to construction projects in progress are as follows:

	31.12.2015	31.12.2014
Liabilities Regarding Construction Contracts In Progress	8.350.325	17.870.259
Total	8.350.325	17.870.259

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

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

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

15. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD

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

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

(*) Not 2/A
(**) Anel Enerji Elektrik Üretim San. ve Tic. A.Ş sold out its association Avek Solar Üretim San. ve Tic. A.Ş on 16, November 2015.

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

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

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

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

31.12.2015

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

15. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD (continued)

31.12.2014

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

16. INVESTMENT PROPERTY

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

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

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

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

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

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

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

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

17. PROPERTY, PLANT AND EQUIPMENT

31.12.2015

31.12.2015

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

17. PROPERTY, PLANT AND EQUIPMENT(continued)

31.12.2014

Cost Value	Lands	Land Improvments	Buildings	Plants,Machinery and Equipments	Vehicles	Fixtures	Leasehold Improvments	Other Fixed 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
Subsidiary Purchasing Effect	-	-	-	-	-	(8.891)	-	(42.857)	(51.748)
Foreign Currency Conversion Adjustments	(6.480)	12.644	-	(747.104)	(250.593)	440.887	636	(883)	(550.893)
Purchases	-	-	-	419.364	268.112	1.487.604	-	10.038	2.185.118
Extractions	-	-	-	(98.430)	(358.600)	(765.095)	(68.359)	-	(1.290.484)
Valuation	-	-	40.618	-	-	-	-	-	40.618
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)	-	(3.303.912)	(489.148)	(8.630.988)	(428.127)	(127.253)	(13.024.170)
Subsidiary Purchasing Effect	-	-	-	-	-	1.824	-	(89)	1.735
Foreign Currency Conversion Adjustments	-	(3.871)	-	25.148	454.501	(341.343)	(636)	295	134.094
Period Expense	-	(7.963)	-	(1.586.550)	(176.968)	(1.343.050)	(822)	(4.303)	(3.119.656)
Extractions	-	-	-	(39.373)	(152.495)	678.761	68.359	-	555.251
Closing Balance	**-**	**(56.577)**	**-**	**(4.904.685)**	**(364.111)**	**(9.634.796)**	**(361.226)**	**(131.350)**	**(15.452.745)**
Fixed Assets, Net	1.295.796	102.252	593.484	18.169.694	305.946	4.007.524	19.233	62.826	24.556.755

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

17. MADDİ DURAN VARLIKLAR (devamı)

Useful lives of tangible fixed assets are as follows:

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

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

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

Net Values	31.12.2015	31.12.2014
Fixtures (Net)	370.513	499.105

18. INTANGIBLE FIXED ASSETS

31.12.2015

Cost Value	Rights	Total
Opening Balance	4.776.051	4.776.051
Foreign Currency Conversion Adjustments	174.258	174.258
Purchases	53.766	53.766
Extractions	(5.141)	(5.141)
Closing Balance	**4.998.934**	**4.998.934**
		-
Accumulated Depreciation and Impairment		
Opening Balance	(2.562.640)	(2.562.640)
Foreign Currency Conversion Adjustments	(64.737)	(64.737)
Period Expense	(1.277.824)	(1.277.824)
Extractions	5.097	5.097
Closing Balance	**(3.900.104)**	**(3.900.104)**
Fixed Assets, Net	1.098.830	1.098.830

18. INTANGIBLE FIXED ASSETS(Continued)

31.12.2014

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

Economic lives of intangible assets are as follows:

	Useful Life
Rights	3-14

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

19. GOODWILL

None. (31.12.2014: None).

20. LEASING OPERATIONS

Operating Leases

The Group as lessee

Leasing Contracts:

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

The Payments Recognized as an Expense	31.12.2015	31.12.2014
Minimum Lease Payments	9.019.605	6.533.141
Contingent Lease Payments	-	-
Payments Received from Secondary Rental	-	-
Total	9.019.605	6.533.141

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

20. LEASING OPERATIONS (Continued)

The Group as lessor

Leasing Contracts:

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

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

Commitments Related to Operating Leases	31.12.2015	31.12.2014
Between 2-10 years	14.900.958	15.795.534

21. IMPAIRMENT OF ASSETS

	31.12.2015	31.12.2014
Provsions for Doubtful Trade Receivables	4.662.317	7.235.341
Provsions for Doubtful Other Receivables	166.296	244.896
Provisions for Inventories	311.103	368.789
Total	5.139.716	7.849.026

22. GOVERNMENT GRANTS

None (31.12.2014: None).

23. BORROWING COSTS

None (31.12.2014: None).

24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

Other Short-term Provisions	31.12.2015	31.12.2014
Provisions for Lawsuits	3.590.990	-
Provisions for Liabilities and Expenses	-	443.264
Total	3.590.990	443.264

Contingent Liabilities

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

Guarantee-Pledge-Mortgages

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

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

24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES(Continued)

Guarantee-Pledge-Mortgages (Continued)

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

				31.12.2014
	USD	EUR	TL	TL Equivalent
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

Guarentees Given:

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

				31.12.2014
	USD	EUR	TL	TL Total
Related to Projects				
Letters of Guarantees Given	76.605.488	5.673.254	17.468.423	211.111.437
Bills of Guarantees Given	-	-	-	-
Checks of Guarantees Given	-	-	-	-
Other				
Letters of Guarantees Given	6.200	-	527.150	541.527
Bills 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

24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES(continued)

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

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

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

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

24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES(continued)

Colleterals, Pledges, Mortgages and Bails	31.12.2015 Total TL Equivalent	USD	EUR	TL
Colleterals	345.348.542	108.112.882	4.133.917	17.863.592
Pledges	-	-	-	-
Mortgages	152.524.800	-	48.000.000	-
Total	497.873.342	108.112.882	52.133.917	17.863.592

Colleterals, Pledges, Mortgages and Bails	31.12.2014 Total TL Equivalent	USD	EUR	TL
Colleterals	211.652.964	76.611.688	5.673.254	17.995.573
Pledges	-	-	-	-
Mortgages	135.393.600	-	48.000.000	-
Total	347.046.564	76.611.688	53.673.254	17.995.573

25. COMMITMENTS

None (31.12.2014: None).

26. EMPLOYEE BENEFITS

Provisions for Short Term Employee Benefits	31.12.2015	31.12.2014
Unused Vacation Rights	4.656.243	662.471

Employee Benefits Liabilities	31.12.2015	31.12.2014
Due To Personnel	3.695.497	1.263.410
Social Security Withholdings Payable	286.925	641.761
Total	3.982.422	1.905.171

Provisions for Long Term Employee Benefits	31.12.2015	31.12.2014
Provisions for Employee Termination Benefits	8.438.120	942.522

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

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

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

26. EMPLOYEE BENEFITS (continued)

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

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

The movement of provision for severance pay as follows:

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

27.OTHER CURRENT/NONCURRENT ASSETS AND LIABILITIES

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

Other Non-current Assets

None (31.12.2014: None).

Other Short-Term Liabilities	31.12.2015	31.12.2014
Other Liabilities	-	3.909
Total	-	3.909

Other Long-Term Liabilities

None (31.12.2014: None).

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

28. CAPİTAL, RESERVES AND OTHER EQUITY COMPONENTS

a) Capital

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

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

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

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

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

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

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

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

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

e) Foreign Currency Translation Differences	31.12.2015	31.12.2014
Forign Currency Translation Differences	66.389.102	62.042.097
Total	66.389.102	62.042.097

f) Defined Benefit Plans Revalution and Measurement Gain/ (Loss)	31.12.2015	31.12.2014
Defined Benefit Plans Revalution and Measurement Gain/ (Loss)	(270.823)	(196.051)
Total	(270.823)	(196.051)

g) Restricted Reserves	31.12.2015	31.12.2014
Restricted Reserves	10.372.875	6.495.122
Total	10.372.875	6.495.122

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

h) Retained Earnings	31.12.2015	31.12.2014
Retained Earnings	91.979.688	87.427.719
Total	91.979.688	87.427.719

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

Profit Distribution

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

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

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

29. REVENUE

Sales Revenues (Net)	01.01.-31.12.2015	01.01.-31.12.2014
Domestic Sales	200.075.938	309.552.892
Export Sales	341.469.497	312.871.939
Rent Revenues	14.900.958	15.800.328
Other Revenues	4.245.034	1.216.165
Total Revenues	560.691.427	639.441.324
Sales Returns (-)	(1.161.864)	(7.363)
Sales Revenues (Net)	559.529.563	639.433.961
II- Cost of Goods Sold	(32.869.125)	(121.412.934)
III- Cost of Services Sold	(496.867.668)	(446.476.551)
IV- Cost of Other Sales	(47.377)	-
V- Depreciation Expenses	(3.399.584)	(2.508.298)
VI- Redemption Expenses	(353.874)	(130.360)
Cost of Sales (I+II+III+IV+V+VI)	(533.537.628)	(570.528.143)
GROSS PROFIT/LOSS	25.991.935	68.905.818

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	01.01.-31.12.2015	01.01.-31.12.2014
General Administrative Expenses (-)	28.609.567	22.332.114
Marketing Expenses (-)	2.886	166.319
Total	28.612.453	22.498.433

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

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

31. EXPENSES BY NATURE

Depreciation Expenses	01.01.-31.12.2015	01.01.-31.12.2014
Cost of Goods Sold	3.399.584	2.508.298
General Administrative Expenses	351.319	609.206
Marketing Expenses	2.490	2.152
Total	3.753.393	3.119.656

Redemption Expenses	01.01.-31.12.2015	01.01.-31.12.2014
Cost of Goods Sold	353.874	130.360
General Administrative Expenses	396	275
Marketing Expenses	923.554	848.868
Total	1.277.824	979.503

Personnel Expenses	01.01.-31.12.2015	01.01.-31.12.2014
Salary and Wages	110.205.566	68.341.169
Social Security Expenses	4.259.564	3.674.225
Severance Pay Expenses	816.928	142.913
Vacation Provision Expenses	527.984	191.222
Total	115.810.042	72.349.529

32. INCOME/EXPENSES FROM MAIN OPERATIONS

Other Income from Main Operations	01.01.-31.12.2015	01.01.-31.12.2014
Provisions No Longer Required	687.462	190.691
Exchange Differences Income Related to Main Operations	61.040.189	26.372.303
Other Income and Profits	1.481.000	2.123.142
Total	63.208.651	28.686.136

Other Expenses from Main Operations	01.01.-31.12.2015	01.01.-31.12.2014
Provision Expenses (-)	4.220.385	6.209.249
Exchange Differences Expenses Related to Main Operations	38.549.837	23.503.305
Other Expenses (-) (*)	26.577.633	4.194.320
Total	69.347.855	33.906.874

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

33. INCOME FROM INVESTMENT OPERATIONS AND EXPENSES

Income from Investing Activities	01.01.-31.12.2015	01.01.-31.12.2014
Interest Income on Term Deposits	25.449	118.634
Investment Property Revaluation Gain	54.213.423	1.980.658
Subsidiary Sales Revenue (Note 15)	16.985	6.201.976
Dividend Income from Associates	3.873.217	-
Financial Investment Sales Gain	1.948.394	1.289.858
Fixed Assets Sales Revenue	1.731.534	431.920
Total	61.809.002	10.023.046

Expenses from Investing Activities (-)	01.01.-31.12.2015	01.01.-31.12.2014
Fixed Assets Sales Loss (-)	28.424	218.285
Subsidiary Sales Expense (-)	-	1.645.074
Financial Investment Sales Loss (-)	906.061	-
Waived Receviables from Associates Investments	-	7.016.430
Total	934.485	8.879.789

34. FINANCIAL INCOME / (EXPENSES)

Financing Income	01.01.-31.12.2015	01.01.-31.12.2014
Interest Income	4.010.604	4.182.724
Exchange Differences Income	393.502.725	201.987.068
Total	397.513.329	206.169.792

Financing Expenses (-)	01.01.-31.12.2015	01.01.-31.12.2014
Loan Interest Expenses (-)	32.820.162	33.274.454
Exchange Differences Expenses (-)	367.608.852	198.879.148
Total	400.429.014	232.153.602

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

None (31.12.2014: None).

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

36. INCOME TAXES

Current Assets Related with Current Tax	31.12.2015	31.12.2014
Prepaid Taxes and Funds	3.449.407	10.009.283

Non-Current Assets Related with Current Tax	31.12.2015	31.12.2014
Prepaid Taxes and Funds	11.622.332	10.309.527

Income Tax Liabilities	31.12.2015	31.12.2014
Current Tax Liabilities	14.924.880	15.253.520
Less:Prepaid Taxes and Funds	(3.449.407)	(10.009.283)
Income Tax Liabilities	11.475.473	5.244.237

Tax Provision	31.12.2015	31.12.2014
Current Period Corporate Tax Provision (-)	(14.602.273)	(14.900.955)
Provision for Deffered Tax Expenses / (Icome)	(2.515.250)	6.466.439
Income Tax Liabilities	(17.117.523)	(8.434.516)

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

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

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

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

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

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

36. INCOME TAXES (continued)

Tax Provision (Continued)

Period income tax obligation movement table is as below:

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

Income Tax Withholding

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

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

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

Deferred Tax Liabilities

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

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

36. INCOME TAXES (continued)

Deferred Tax (Continued)

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

36. INCOME TAXES (continued)

Deferred Tax (Continued)

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

37. EARNINGS PER SHARE

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

38. RELATED PARTY DISCLOSURES

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

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

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

38. RELATED PARTY DISCLOSURES(continued)

	31.12.2015							
	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.	948.382	23.217.410	-	-	2.042.116	12.128	-	-
Anelmak Makine ve Elektronik San. Ve Tic. A.Ş.	-	-	-	-	253	3.124.901	-	-
Doğa Çevre Teknolojileri A.Ş.	218.211	-	-	-	-	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	2.993.221	1.225.246	-	-	430.258	-	-	-
Köpük Turizm ve Yatçılık Ltd. Şti.	230.968	-	-	-	-	-	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	3.754.398	28.775.030	-	-	-	-	-	-
EKB(Energinia Compania)	508.997	1.916.010	-	-	-	-	-	-
Anel Holding A.Ş.	3.312.179	-	-	-	1.162.266	-	-	-
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	-	-	-	-	-	1.174.517	-	-
Doğa Geri Dönüşüm San. Tic. Ltd. Şti.	8.688	-	-	-	-	-	-	-
Anel Kingdom of Suudi Arabia	-	24.611	-	-	-	-	-	-
Krty Enerji Üretim ve Tic. Ltd. Şti.	474	-	-	-	-	-	-	-
Çelikel Vakfı	7.381	-	-	-	-	-	-	-
E Sistem Elektronik A.Ş.	7.080	-	-	-	401	181.020	-	-
Unearned Interest Income / Expense (-)	(6.598)	-	-	-	(29.830)	-	-	-
Total	11.983.381	55.158.307	-	-	3.605.464	4.492.566	-	-

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

38. RELATED PARTY DISCLOSURES (continued)

	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	-	-	-	-	-	-
Anel-Sera Adi Ortaklığı			-	-	-	-	-	-
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	-	-	-	-	-	-	-
Sera Yapı Endüstri ve Ticaret		-	-	-	-	-	-	-
Ams Aneltech Adi Ortaklığı	5.163	-	-	-	-	-	-	-
Anel Kingdom of Suudi Arabia		19.628	-	-	-	-	-	-
Aneles Elektronik Üretim ve Paz. San. ve Tic. A.Ş.		-	-	-	-	-	-	-
Anel Arabia Company Limited			-	-	-		-	-
Çelikel Vakfı	2.921	-	-	-	-	-	-	-
Anelsis Bosnia Branch		-	-	-	-		-	-
E Sistem Elektronik A.Ş.	5.664	67.472	-	-	-	-	-	-
Tasfiye Halinde Anel Elektronik ve Dış Tic. Kollektif Şti. Rıdvan Çelikel ve Ortağı	46.582	-	-	-	175	-	-	-
Other Real Person	-	-	-	-	-	39.180	-	-
Unearned Interest Income / Expense (-)	(6.164)	-	-	-	(112.133)	-	-	-
Total	15.344.924	76.522.998	-	-	2.369.560	923.182	-	-

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

38. RELATED PARTY DISCLOSURES(continued)

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

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

38. RELATED PARTY DISCLOSURES(continued)

	31.12.2014										
Operations with related parties	Good Purchases	Good Sales	Interest Income	Interest Expense	Rent Income	Service Sales	Service Purchase	Exchange Difference Expense	Fixed Assets Purchase	Acquisition Of Subsidiaries	Exchange Difference Income
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	12.996.604		81.311	-	137.140	269.632	861.873	-	2.830	-	-
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	-	-	-	-	1.200	-	-	-	-	-	-
Anel Ar-Ge Dan. San. Ve Tic. A.Ş.	-	-	27.634	6.114	400	1.918	-	-	-	-	-
Plastikkart Akıllı Kart İletişim Sistemleri San. ve Tic. A.Ş.	-	-	-	-	32.596	6.901	11.658	62	-	-	-
Çelikel Vakfı	-	-	-	-		4.252	-	-	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	-	-	22.162	20.379	7.900	52.285	460.885	-	-	-	-
Köpük Turizm ve Yatçılık Ltd. Şti.	-	-	-	-	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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

38. RELATED PARTY DISCLOSURES(continued)

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

- Product sales consist of electrical supplies
- Service purchases consist of department 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.-31.12.2015 and 01.01.-31.12.2014 as follows;

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

(Amounts expressed in Turkish Lira ("TL") 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, 2015 and 2014 as follows:

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

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

b) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.
The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

b.1) Credit Risk

Financial losses due to Company's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk.Company trying to decrease credit risk by making operations with confidential parties and attain enough collateral.

Trade receivables contain lots of customers rathered on different sector and geographical area. Credit consideration making over Custumer's trade receivables permanently.

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

31.12.2015

	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)	**11.983.381**	**407.369.048**	**55.158.307**	**8.425.003**	**48.750.246**	**46.296**
-Total receivables that have been secured with collateras other credit enhancements etc.	-	-	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	11.983.381	407.369.048	55.158.307	8.425.003	48.750.246	46.296
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-	-
C. The amount of financial assets that are impaired. (3)	-	-	-	-	-	-
-Past due (Gross book value)	-	4.662.317	-	166.296	-	-
-The amount of impairment (-)	-	(4.662.317)	-	(166.296)	-	-
-Net value garanted 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 ("TL") 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			
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) (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	-	-	-	-	-	-

(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.

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

b) Financial risk factors (continued)

b.2) Liquidity Risk Management

Liquidity risk is that an entity will be unable to meet its net funding requirements The Group's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections. The Group manages short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments. Liquidity risk table shown as below :

Current Period

Terms According to Agreements	Book Value	According to Contract Total 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	**430.000.118**	**408.283.815**	**267.736.483**	**59.143.087**	**52.507.910**	**28.896.335**	**-**
Bank Loans	254.301.594	233.081.831	141.924.372	9.822.671	52.438.453	28.896.335	-
Trade Payables	165.684.710	165.188.170	115.798.297	49.320.416	69.457	-	-
Other Payables	10.013.814	10.013.814	10.013.814	-	-	-	-

Prior Period

Terms According to Agreements	Book Value	According to Contract Total 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**	**452.693.770**	**306.964.112**	**71.589.711**	**34.402.316**	**39.737.631**	**-**
Bank Loans	267.151.718	249.436.634	167.108.444	8.683.568	33.906.991	39.737.631	-
Trade Payables	198.233.499	198.335.629	135.057.237	62.906.143	372.249	-	-
Other Payables	4.921.507	4.921.507	4.798.431	-	123.076	-	-

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:

CURRENCY POSITION TABLE

Current Period

	TL Equivalent	USD	EUR	GBP	AED
1. Trade Receivables	56.801.578	16.446.756	2.826.344	-	-
2a. Monetary Financial Assets	5.857.851	789.110	1.120.266	855	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	70.807.938	22.961.787	1.272.533	150	-
4. Current Assets (1+2+3)	**133.467.367**	**40.197.653**	**5.219.143**	**1.005**	-
5. Fixed Assets	-	-	-	-	-
6. Total Assets (4+6)	**133.467.367**	**40.197.653**	**5.219.143**	**1.005**	-
7. Trade Payables	9.690.130	1.872.361	1.331.327	3.634	-
8. Financial Liabilities	52.265.928	3.334.582	13.396.997	-	-
9a. Other Monetary Liabilities	-	-	-	-	-
9b. Other Non-Monetary Liabilities	70.639.948	21.527.605	2.532.189	-	-
10. Short-Term Liabilities	**132.596.007**	**26.734.548**	**17.260.513**	**3.634**	-
11. Financial Liabilities	247.119.226		77.769.142	-	-
12. Long-Term Liabilities	**247.119.226**	-	**77.769.142**	-	-
13. Total Liabilities	**379.715.232**	**26.734.548**	**95.029.655**	**3.634**	-
14. Net Foreign Currency Assets / (Liability) Position (7-14)	**(246.247.865)**	**13.463.105**	**(89.810.512)**	**(2.629)**	-
15. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(246.415.854)**	**12.028.923**	**(88.550.856)**	**(2.779)**	-

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

b.3.1) Foreign Exchange Risk Management (continued)

CURRENCY POSITION TABLE

31.12.2014

	TL 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 (5+6)	-	-	-	-	-
6. Total Assets (4+7)	**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	-	-
9a. Other Financial Liabilities	-	-	-	-	-
9b. Other Non-Financial Liabilities	42.637.535	16.384.601	1.646.077	-	308
10. Short-Term Liabilites (9+10+11)	**115.063.045**	**29.971.775**	**16.145.513**	**5.465**	**308**
11. Financial Liabilities	83.804.873	-	29.710.665	-	-
12. Long Term Liabilities (13+14)	**83.804.873**	-	**29.710.665**	-	-
13. Total Liabilities (12+15)	**198.867.917**	**29.971.775**	**45.856.178**	**5.465**	**308**
14. Net Foreign Currency Assets / (Liability) Position (8-16)	**(91.355.615)**	**10.195.797**	**(40.766.937)**	**(1.990)**	**(308)**
15. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(91.651.739)**	**10.717.452**	**(41.298.753)**	**(3.628)**	**(308)**

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.

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

b) Financial Risk Factors(continued)

b.3.1) Currency Risk Method

Exchange Rate Sensitivity Analysis Table				
31.12.2015				
	Profit/Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in USD against TL:				
1- U S Dollar net assets / liabilities	3.914.532	(3.914.532)	-	-
2- U S Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	**3.914.532**	**(3.914.532)**	-	-
10% change in EUR against TL:				
4- EUR net assets / liabilities	(28.538.188)	28.538.188	-	-
5- EUR Hedged (-)	-	-	-	-
6- EUR Net Effect (4+5)	**(28.538.188)**	**28.538.188**	-	-
10% change in GBP against TL:				
7- GBP net assets / liabilities	(1.130)	1.130	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	**(1.130)**	**1.130**	-	-
TOTAL (3+6+9)	**(24.624.787)**	**24.624.787**		

Exchange Rate Sensitivity Analysis Table				
31.12.2014				
	Profit/Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
10% change in USD against TL:				
1- U S Dollar net assets / liabilities	2.364.303	(2.364.303)	-	-
2- U S Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	**2.364.303**	**(2.364.303)**	-	-
10% change in EUR against TL:				
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 TL:				
7- GBP net assets / liabilities	(716)	716	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	**(716)**	**716**	-	-
10- AED net assets / liabilities	(19)	19	-	-
11- AED Hedged (-)	-	-	-	-
12- AED Net Effect (10+11)	**(19)**	**19**	-	-
TOTAL (3+6+9+12)	**(9.135.562)**	**9.135.562**	-	-

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

b) Financial Risk Factors(continued)

b.3) Market Risk Management (continued)

b.3.2) Interest Rate Risk Management

The value of a financial instrument will fluctuate as a result of changes in market prices. The Group's interest rate risk is primarily attributable to its borrowings.
The interest-bearing financial liabilities have variable interest rates, whereas the interest bearing financial assets have a fixed interest rate and future cash flows associated with these financial instruments will not fluctuate in amount. The Group is subject to interest risk due to financial liabilities and finance lease obligations. Policy of the Group is to manage this risk through fixed and variable rates borrowings.

Company's interest position table as of 31.12.2015 and 31.12.2014 as follows :

Interest Position Table			
		Current Period	**Prior Period**
Fixed-Rate Financial Instruments			
	Fair value differences through loss/profit assets	-	-
Financial Assets	Cash and Cash Equivalents	1.000.242	-
Financial Liabilities		254.301.594	267.151.718
Floating-Rate Financial 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.(31.12.2014: None).

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Group management believes that the carrying values of financial instruments present their fair values.

31 Aralık 2015	Financial Assets Carried at Fair Value	Credits and Receivables (Cash and Cash Equivalents Included)	Financial Assets Valued at Cost Value	Other Financial Liabilities Valued at Amortized Cost Value	Book Value	Dipnot
Financial Assets						
Cash and Cash Equivalents	-	52.860.078	-	-	52.860.078	6
Trade Receivables	-	419.352.429	-	-	419.352.429	9, 38
Financial Investments	-	-	46.296	-	46.296	7
Finanial Liabilities						
Financial Liabilities	-	-	-	254.301.594	254.301.594	8
Trade Payables	-	-	-	165.684.710	165.684.710	9, 38
Other Financial Liabilities	-	-	-	14.924.880	14.924.880	36
31 Aralık 2014						
Financial Assets						
Cash and Cash Equivalents	-	26.013.925	-	-	26.013.925	6
Trade Receivables	-	443.099.479	-	-	443.099.479	9, 38
Financial Investments	-	-	46.296	-	46.296	7
Finanial Liabilities						
Financial Liabilities	-	-	-	267.151.718	267.151.718	8
Trade Payables	-	-	-	198.233.499	198.233.499	9, 38
Other Financial Liabilities	-	-	-	15.253.520	15.253.520	36

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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	31.12.2015	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	31.12.2014	First Level (TL)	Second Level (TL)	Third Level (TL)
Available for sale financial Assets				
- Shares	46.296	-	-	46.296
Total	46.296	-	-	46.296

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

	31.12.2015 Available for sale financial Shares	31.12.2014 Available for sale financial Shares
Openning balance	46.296	46.296
Changes	-	-
Closing Balance	46.296	46.296

41. EVENTS AFTER THE REPORTING PERIOD

31.12.2015

-Consolidated financial tables of the Group as at 31 December 2015 is approved by Board of Directors on 10 March 2016.

-According to desicion that Board of Directors of Anelsis Mühendislik Sanayi ve TicaretA.Ş. made on 18 December 2015, Anelmep Maintenance and Operations LLC will be managed by manager/managers who is assigned by the company. The decision has been inserted to the articles of incorporation and articles signed on 19.01.2016. As a result of the changes made above, Anelmep Maintenance and Operations LLC is consolidated with full consolidation method as of 2015.

31.12.2014

-Severance pay ceiling has been increased to TL 3.541 to be effective on January 1, 2015 which was TL 3.438 on 31.12.2014.

42. DISCLOSURE OF OTHER MATTERS

31.12.2015

None.

31.12.2014

None.