



 **ANEL<sup>®</sup>**

YEAR 2011  
ANNUAL REPORT



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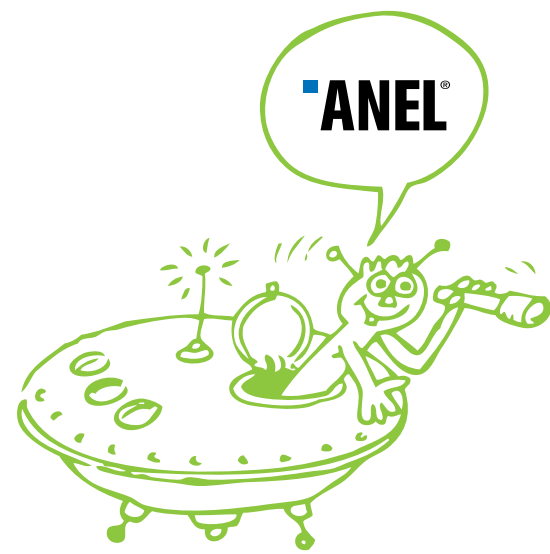
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**Anel Group** is one of the leading **engineering** and **technology** platform in Turkey. The Group provides services in the areas of electromechanical contracting, telecommunication, renewable energy, real estate, defense, corporate informatic technologies, and industrial electric-electronics with its 23 companies and 2 participations within the Group. The Group is pursuing projects in 22 countries spanning in MENA, Europe, CIS regions with its 2.430 employees. Anel Group's contracting arm, Anel Elektrik (**ISE: ANELE**) has been listed on Istanbul Stock Exchange since **June 2010**. Anel Elektrik reported **TRY 357.0 million net revenues** with **total assets of TRY 637.2 million** as of December 31, 2011. 52.71% of Anel Elektrik's share capital is held by Celikel family, 0.04% by others while the remaining 47.25% is free float as of December 31, 2011.

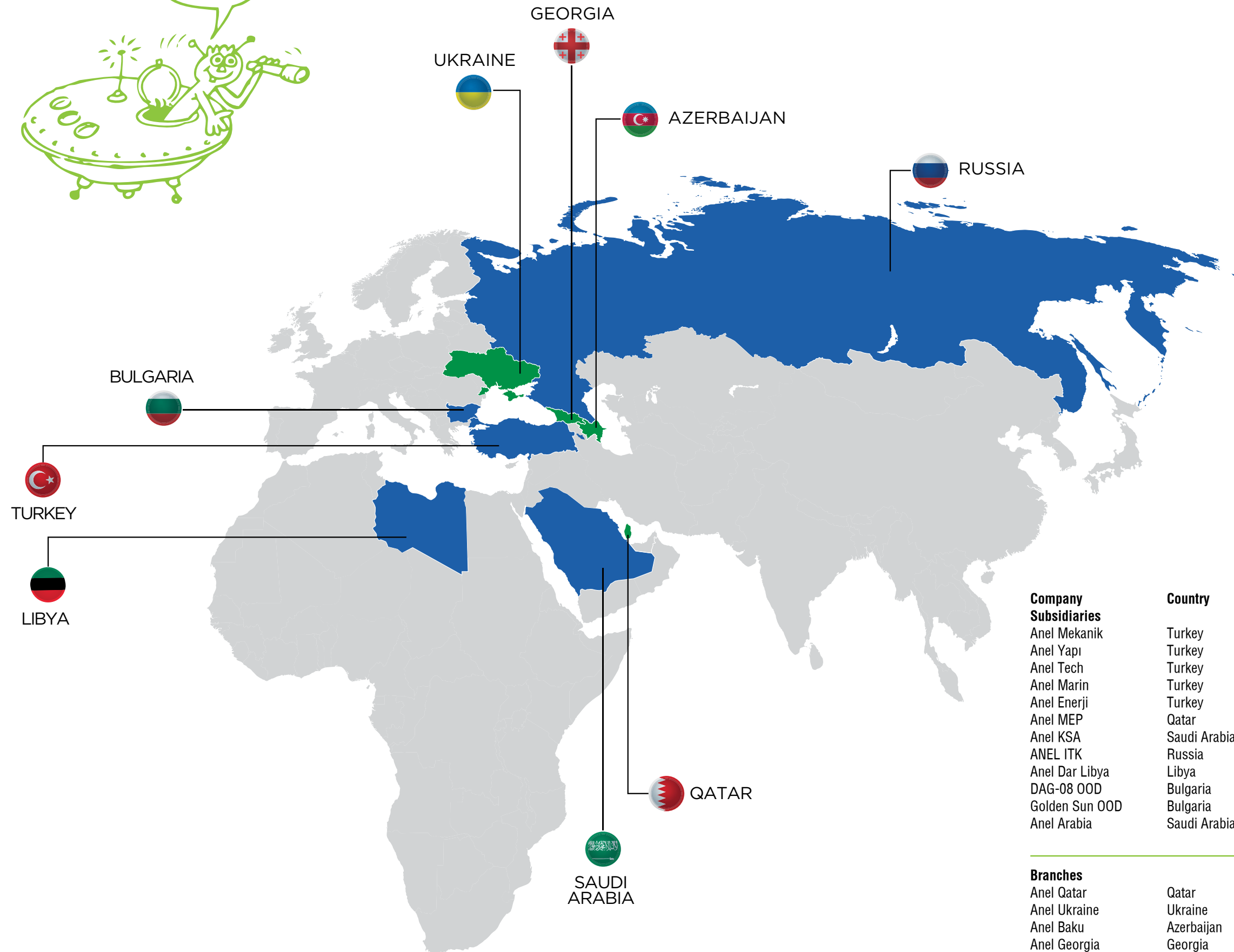




# ANEL ELEKTRİK CORPORATE STRUCTURE

(As of December 31, 2011)

Founded: 1986  
Issued Capital: 110,000,000 TL  
Market Capital: TRY 210,100,000 / US\$110,201,941  
Share Price: TRY1.91 / US\$1.00  
Free Float: 47.3%  
Foreign Ownership of Publicly Traded Shares: 33.3%  
# of Shareholders: 4,693  
Employees: 1,193



Company Subsidiaries	Country	Founded	Consolidation Method	Share (%)
Anel Mekanik	Turkey	2009	Full Consolidation	57.0%
Anel Yapı	Turkey	2007	Full Consolidation	54.0%
Anel Tech	Turkey	2003	Equity Method	27.4%
Anel Marin	Turkey	2005	Full Consolidation	93.0%
Anel Enerji	Turkey	2009	Full Consolidation	70.5%
Anel MEP	Qatar	2008	Proportionate Consolidation	30.0%
Anel KSA	Saudi Arabia	2011	Proportionate Consolidation	35.0%
ANEL ITK	Russia	2011	Full Consolidation	90.0%
Anel Dar Libya	Libya	2010	Full Consolidation	100.0%
DAG-08 OOD	Bulgaria	2011	Full Consolidation	100.0%
Golden Sun OOD	Bulgaria	2011	Full Consolidation	100.0%
Anel Arabia	Saudi Arabia	2011	Financial Investment	10.0%

Branches	Country	Founded	Consolidation Method	Share (%)
Anel Qatar	Qatar	2006	Full Consolidation	100,0%
Anel Ukraine	Ukraine	2008	Full Consolidation	100,0%
Anel Baku	Azerbaijan	2011	Full Consolidation	100,0%
Anel Georgia	Georgia	2006	Full Consolidation	100,0%



## OUR MISSION AND VALUES



We care about our future by strongly committing to awareness for adding value to our world, our country and organizations we work with through sharing our values.

- Our entrepreneurial, innovative and pioneering nature
- Our team spirit
- Our trustworthiness
- Our solution oriented strategy
- Our value-added approach
- Our respect for nature and humanity

We add value to our country, to the world, and to the institutions and organizations we work with, gaining strength from the energy of engineering and the power of technology since 1986. We are moving into the future with innovative business ventures, guided by our respect for humanity and the nature. Through hard work, innovation, development, and improvement...

## ANEL ELEKTRİK AT A GLANCE

**Anel Elektrik was founded in 1986 as a small but ambitious electricity contracting company that ultimately became the flagship of the Anel Group.**

The Anel Group is one of the leading engineering and technology platforms of Turkey which handled many international projects with its 23 subsidiaries and 2 participations.

Anel Elektrik's 12 subsidiaries and 4 branches operate in four main segments: Contracting, energy, real estate, and electronic products and services.

**Contracting:** The company provides electric, electronic and mechanical infrastructure project and contracting services for large-scale and complex projects as well as pursues 24/7 electro-mechanical operation and maintenance services to make the local and international prestigious projects implemented work perfectly.

The company has worked on significant international projects like New Doha, Tbilisi and Cairo Airports and the Qatar Convention Center. Domestically, complex and prestigious projects such as the Atatürk International, Ankara Esenboğa, and İzmir Adnan Menderes Airports, the Marmaray Railway Tube Tunnel Project, the Turkcell Operation Centers, the Bayrampaşa Forum Shopping Mall - the largest shopping mall in Europe - and the Four Seasons Bosphorus Hotel have been completed.

Operating in the contracting segment, Anel Mekanik, a 57% owned subsidiary of Anel Elektrik, provides contracting services for industrial facilities and offers mechanical hvac (heating, ventilating, air conditioning), plumbing and firefighting systems for every type of building and industrial facility. Operating in the same segment AnelMarin, a 93% owned subsidiary of the Company, provides various services in the shipbuilding industry that range from project management and consulting, panel and console manufacturing, to concept and configuration design for ships' electric and electronic systems.

**Energy:** Anel Elektrik's 70.50% owned subsidiary, AnelEnerji was founded in 2009 as part of Anel Group's investment strategy during the global economic crisis. AnelEnerji provides turnkey solar energy plant projects and plant maintenance and management services. AnelEnerji produces Turkey's first IEC 61215 certified solar panels at its fully automated production line in İstanbul with an annual production capacity of 13.5MW. The company is not only Turkey's first full automated solar panel producer but also the first domestic company to venture abroad by establishing the European Union-funded 1.3MW capacity solar energy plant in the Turkish Republic of Northern Cyprus (TRNC).

**Real Estate:** The company's 54% owned subsidiary AnelYapı has a real estate portfolio that includes the prestige project Anel Business Center in İstanbul – the culmination of the Company's experience in contracting industry – and leasable office spaces in Yeşilköy and Kadıköy. Portfolio management of AnelYapı is based on long-term leasing that aims to provide regular long term revenue stream.

**Telecommunication:** The company's 27.4% owned subsidiary AnelTech provides turnkey solutions and services ranging from design to implementation in the fields of system integration and solution services, fixed and mobile telecommunication, defense, industrial and professional electronics and corporate information technologies for both domestic and international markets. AnelTech shares have been publicly traded on the Istanbul Stock Exchange since 2005.

**Anel Elektrik's 12 subsidiaries and 4 branches operate in four main segments: Contracting, energy, real estate, and electronic products and services.**



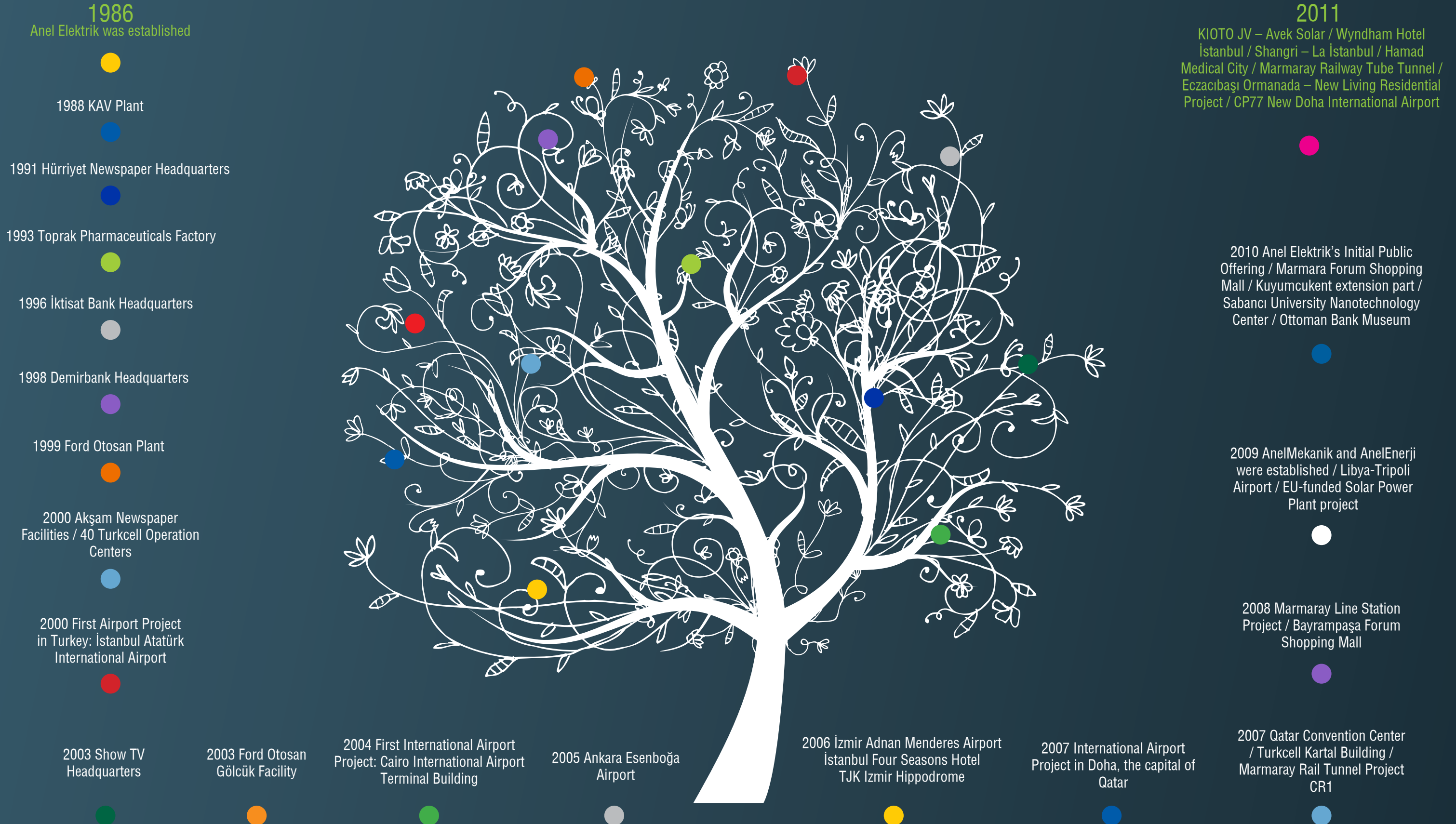


# ANEL ELEKTRİK MILESTONES

## Celebrating our 25th Year with Pride

Whilst constantly evolving and developing, Anel Group strides into the future with a value-added approach based on its principle of respect for humanity and nature. We undertake pioneering projects, both on domestic and global scale, acting in conformity with our mainstay corporate principle of value-creation, and securing their ultimate endurance by co-sharing such values.

We bring to life innovative initiatives, aiming to make an environmentally, socially and economically sustainable world possible by combining our engineering and technological know-how with our strategic ingenuity...







## MESSAGE FROM THE CHAIRMAN

At the outset, I seek to underline that it is a great pleasure for all of us to celebrate the 25th anniversary of the Anel Group, which has evolved into a Group with 23 Companies and two Participations, as of 2011-end. During the span of a quarter century, the Anel Group has undergone a constant progress, sustaining its solid infrastructure and pursuing a value-added approach, based on its principle of respect for humanity and nature.

On operational grounds, the last quarter of 2011 confirmed Anel Elektrik's continuous growth trend, recorded during the nine-month episode of the year. In 2011, total revenues showed a 11.8% upswing, compared to the preceding year, amounting to TRY 357.0 million, while EBITDA was up by 27.8%, which totaled TRY 34.5 million.

Moreover, the year was marked by notable and prestigious projects, won and completed by Anel Elektrik - all opening up fresh prospects that would secure the Group's viable endurance in the years ahead. At this point, it is quite satisfying to emphasize that we have steadily continued to build our backlog - expanding from US\$137 million, as of September 30, 2011, to US\$276 million, at year-end. Also, as an overall corporate strategy, we strictly maintained our stance to be particularly selective in terms of not only potential clients but also the impending projects - clearly defining our operational standards and business ethics. Our presence in large-scale projects justifies our on-time and on-budget performance, without sacrificing from our benchmark quality specifics and material compliance. Particularly, our exclusive experience in 10 airports, cumulating to 2 million square meters, as well as our strong-and-solid track-record in fulfillment of contract obligations, ranks us one bold step ahead of our competitors, while working in conjunction with world-renowned and globally reputable contractors.

In the same context, diversification of our Company's revenues and profits has always been one of our major focus areas. Towards that end, we persisted in our investments aimed at exploring untapped territories in the contracting segment. The plausible fruit of our efforts can be followed from our current backlog figures. Consequently, we have expanded our footprints in the regions we have already covered - such as in Qatar - while we also began to make significant inroads into new markets, such as Saudi Arabia. As of 2011-end, 64% of our backlog represents international projects, while the local works awarded account for the remainder.

In a similar context, we have continued our investments in the renewable-energy segment. Needless to mention, we are fully aware that operational diversification is a process, requiring a considerable time-span but we are strongly committed to this exceptional line of business. In line with our dedication, we have established a 50%-50% JV with an Austrian company - KIOTO in 2011. Titled Avek Solar, the partnership is based in Istanbul, and we are planning to upgrade our current annual production capacity of 13.5MW in solar panels to 60.0MW in the future. Reasonably, we take a special pride in emerging as Turkey's first company to manufacture fully-automated

solar panels, adopting the requirements incorporated into the IEC 61215 certificate. During the last year, we also continued our solar power plant investments in Bulgaria - equipped with 3.7MW capacity, in two separate plants, and expect to hit the figure of 5.2MW through the end of the current year, as a consequence of our third plant investment.

At the Anel Group, we develop our business model and overall strategy by closely monitoring the global trends, in line with our underlying target to become a global player by capitalizing on our ties with international-level contractors and reliable brand-name. For the time being, we are evaluating prospective projects in 14 countries. Going forward, we anticipate a boost in contracting projects on a worldwide scale, in parallel with the upcoming international organizations - such as the FIFA World Cup and World Olympic Games - which require sizable infrastructural expenditures covering brand-new airports, stadiums, as well as public transportation and mass transit webs. We also foresee a substantial investment potential for industrial plants and hospitals - both in Turkey and abroad. In that connection, we, we position ourselves accordingly and strengthen continuously our infrastructure base -- both in terms of human resources and the technical capabilities demanded by our tasks.

Growth of our business is, perceivably, directly dependent on the sustainability of our planet. Compelled by this awareness, we operate by taking care of environment without sacrificing from our principles of respect for humanity and nature. As a corporate mission, we also place high priority on social-responsibility projects. Taking this weighty point into consideration, the Celikel Education Foundation, founded in 2007, aspires to create the suitable educational settings for raising individuals implanted with creative, pioneering and courageous individuals who are also equipped with a contemporary world view, and possessing a capacity for critical thinking and responsibility for the environment and society, as a whole. Separately, "Galeri 5", founded to host and exhibit young artists' works, has provided young artists with opportunities to have direct access to Istanbul during 2011.

All in all, Anel Telekom - our Group Company having 23% share in Plastikkart, signed a share purchase agreement this month to sell 4.5% of its shares in Plastikkart to Gemalto - a global leader in digital security technologies. The transfer of shares should take place following the approvals received from related authorities.

As a final point, I choose to seize this opportunity for conveying my gratitude and sincere appreciation to our proficient and insightful management team, the dedicated and diligent employees of our entire Group, as well as our business partners -- all combining their forces and skills to accomplish this outcome.

Chairman  
Rıdvan Çelikel

# 2011 HIGHLIGHTS

## KEY FINANCIAL INDICATORS

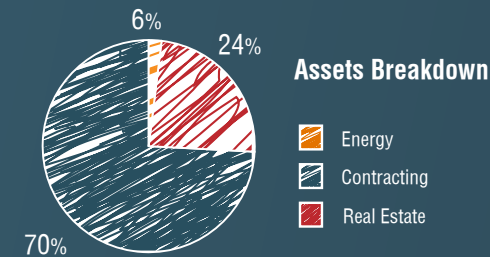
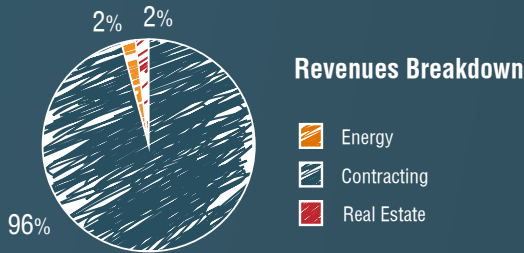


TRY MILLION	2010	2011	% Δ (2011/2010)
REVENUES	319.3	357.0	11.8%
GROSS PROFIT	38.6	52.3	35.5%
OPERATIONAL PROFIT	25.4	41.2	62.2%
NET INCOME	21.9	22.9	4.6%
TOTAL ASSETS	550.2	637.2	15.8%
CASH AND CASH EQUIVALENTS	83.5	87.2	4.4%
TOTAL NET DEBT	53.5	43.2	19.3%
RATE OF RETURN ON ASSETS	4.0%	3.6%	(0.4pp)
RATE OF RETURN ON EQUITY	10.6%	9.2%	(1.40pp)

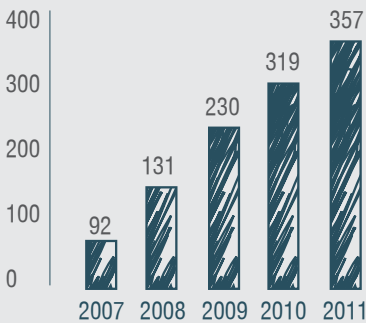
- **Revenues** grew by 11.8% year-on-year to TRY 357.0 million (TRY 319.3 million) mainly due to positive impact of new projects signed during 2011; such as Eczacıbaşı Ormanada, Manisa Shopping Center, Adıyaman Airport, Wyndham Hotel and Shangri-La Hotel İstanbul, as well as the contribution of our current contract in New Doha International Airport.
- **Gross Profit** improved by 35.5% year-on-year to TRY 52.3 million (TRY 38.6 million) which was achieved via our tight cost management policies particularly at procurement phase.
- **Operational profit** rose by 62.6% year-on-year to TRY 41.2 million (TRY 25.4 million). The upswing was partially due to the positive impact stemming from the appraisal of the HQ building owned by Anel Yapı - 54%

- owned subsidiary of Anel Elektrik.
- **EBITDA** was up by 27.8% year-on-year to TRY 34.5 million (TRY 27.0 million) while EBITDA margin improved by 1.2 percentage point to 9.7% (8.5%). The uplift in EBITDA and its margin was reflecting the improvement in operational performance during the year.
- **Net income** increased by 4.6% year-on-year to TRY 22.9 million (TRY 21.9 million). Net income was partially impacted by net translation loss amounting TRY 6.9 million due to TRY/EUR depreciation. Translation loss was mainly related with the EUR-based project finance loan utilized by Anel Yapı totaling EUR 36.5 million with maturity of 10 years.

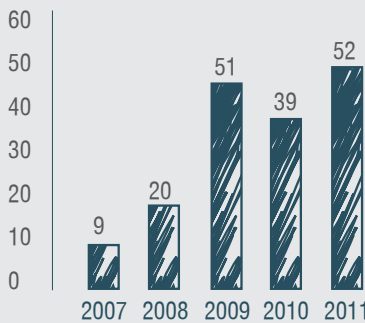
### SEGMENTED BREAKDOWN



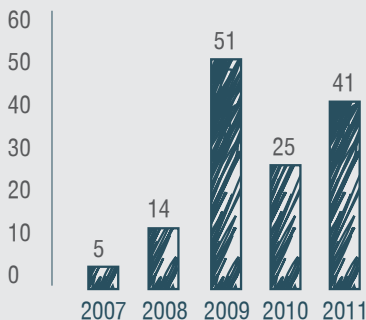
#### REVENUES



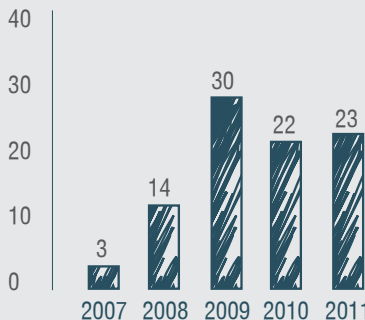
#### GROSS PROFIT



#### OPERATING PROFIT



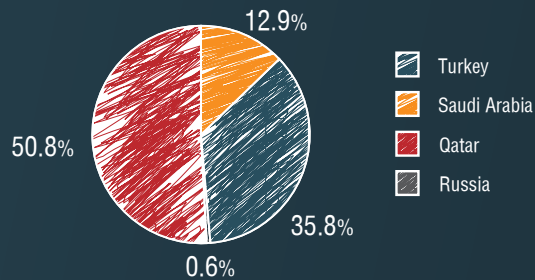
#### NET INCOME



## BACKLOG HIGHLIGHTS

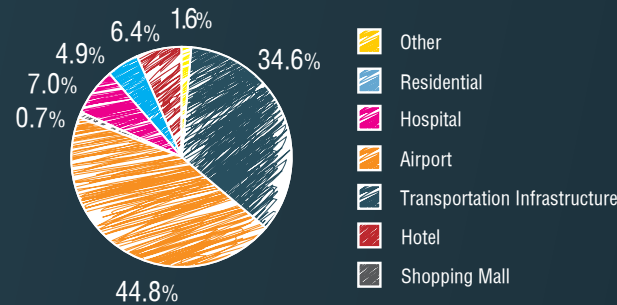
### BACKLOG BREAKDOWN BY COUNTRY

COUNTRY	PROJECT SIZE (US\$ MN)	BACKLOG (US\$ MN)
TURKEY	107.6	98.6
QATAR	455.2	140.1
RUSSIA	1.9	1.5
SAUDI ARABIA	35.5	35.5



### BACKLOG BREAKDOWN BY PROJECT TYPE

PROJECT TYPE	PROJECT SIZE (US\$ MN)	BACKLOG (US\$ MN)
TRANSPORTATION INFRASTRUCTURE	95.3	95.3
AIRPORT	440.1	126.2
SHOPPING MALL	2.3	2.0
HOSPITAL	19.2	19.2
RESIDENTIAL	16.2	13.4
HOTEL	18.2	17.7
OTHER	8.9	4.5



## PROJECTS SIGNED IN 2011

LOCAL PROJECTS	PROJECT SIZE (US\$ MN)	PROJECT TYPE	CLIENT
MARMARAY RAILWAY TUBE TUNNEL PROJECT	59.8	TRANSPORTATION INFRASTRUCTURE	TAISEI
ECZACIBAŞI ORMANADA - NEW LIVING RESIDENTIAL PROJECT	16.2	RESIDENTIAL	ECZACIBAŞI GAYRİMENKUL
WYNDHAM HOTEL	5.4	HOTEL	KILIÇBEY TURİZM İŞL.
SHANGRI-LA İSTANBUL HOTEL	12.8	HOTEL	EGE YAPI
MANISA SHOPPING MALL	2.3	SHOPPING MALL	REDEVCO
ADİYAMAN AIRPORT	4.1	AIRPORT	SERA YAPI
<b>TOTAL LOCAL PROJECTS</b>	<b>100.6</b>		

INTERNATIONAL PROJECTS	PROJECT SIZE (US\$ MN)	PROJECT TYPE	CLIENT
HAMAD MEDICAL CITY	19.2	HOSPITAL	HYUNDAI ENG. & CONS.
NEW DOHA INTERNATIONAL AIRPORT CP77	67.1	AIRPORT	LINDNER INTERIORS
NEW DOHA INTERNATIONAL AIRPORT	57.1	AIRPORT	TAISEI - TAV
MECCA RAILWAY STATION	35.5	TRANSPORTATION INFRASTRUCTURE	SAUDI BIN LADIN
<b>TOTAL INTERNATIONAL PROJECTS</b>	<b>178.9</b>		

**TOTAL PROJECTS SIGNED IN 2011** **279.5**



## BOARD OF DIRECTORS

### 1-Rıdvan ÇELİKEL - Chairman

Anel Elektrik's Chairman since 1986, Rıdvan Çelikel graduated from the Electrical Engineering Department of Yıldız Technical University. He started his career in 1975 at Öneren Mühendislik and was a partner of Aktek Elektrik between 1983 and 1985. In 1986 he founded Anel Elektrik and continued his career in the fields of contracting and project development. Mr. Çelikel continues his duties as Chairman for Anel Group companies. He is a founding member of the Electrical Installation Engineers Association (ETMD) and currently serves as its Vice Chairman.

### 2-Avniye Mukaddes ÇELİKEL - Vice Chairperson

Avniye Mukaddes Çelikel graduated from the Chemical Engineering Department of İstanbul University. She has been serving as the Board Member and Procurement Process Manager at Anel Group companies since 1986. She is a Board Member of the Çelikel Foundation.

### 3-Merve Şirin ÇELİKEL - Board Member

Merve Şirin Çelikel graduated from the Electric and Electronical Engineering Department of Berlin Technical University, in 2008

and is currently attending INSEAD's MBA program. She started her career in November 2008 as a Project Engineer at Hexagon Global Enerji, which specializes in alternative energy investments. She simultaneously held the titles of Project Quality Manager; Health, Safety and Environmental Coordinator; and Tender Coordinator at Siemens Enerji A.Ş. between 2009 and 2011. She served as Tender Manager at Siemens Wind Power Group between January 2011 and September 2011 before joining Anel Group in 2011. She is the Marmaray Project Manager at Anel Elektrik and is a Board Member at Anel Elektrik, AnelEnerji and AnelDoğa.

### 4-Ahmet Bülent BATUKAN - Board Member

Ahmet Bülent Batukan graduated from the Department of Mathematics, Middle East Technical University, in 1976. He did his master's degree at the Business Management Department of Gazi University. He served as Ankara Region Vice-Sales Manager at Koç Burrough Bilgisayar Sistemleri Tic. A.Ş. between 1976 and 1981; as Ankara Regional Manager and İstanbul Mainframe Department Manager at Saniva A.Ş. (Sperry Univac) between 1981 and 1988; as General Manager at Kavala Grup Teleteknik A.Ş. between 1988 and 1991; as Founding Partner and General Manager at Setus

A.Ş. between 1991 and 1998; and as a Member of the Board at Setkom A.Ş. between 1998 and 2005. Mr. Batukan has been a Board Member of Anel Group companies Anel Elektrik, AnelTech, AnelMak, AnelMarin, ESistem, AnelMek and AnelEnerji since 2005.

### 5-Turgut Alp ÇOLAKOĞLU - Board Member

Turgut Alp Çolakoglu graduated from the Electrical Engineering Department, Yıldız Technical University, in 1982 and began his professional career at Cedetaş Mühendislik. He served as Project Manager at Sumitomo Densetsu Co. Ltd. in Tokyo between 1987 and 1999. He has held the title of International Projects Division Manager at Anel Elektrik since 1999 and is a Board Member at Anel Elektrik, AnelMek and AnelTech.

### 6-Prof. Dr. Münir EKONOMİ - Independent Board Member

Prof. Dr. Ahmet Münir Ekonomi graduated from the Faculty of Law, İstanbul University, in 1955 and became a research assistant in the field of Labor Law at İstanbul Technical University in 1956. Prof. Dr. Mr. Ekonomi obtained his Ph.D. in Labor Law from the Faculty of Law at Munich University, before becoming Associate Professor and later Professor at İstanbul Technical University. Prof. Dr. Mr.

Ekonomi continued to give Labor Law lectures at İstanbul Technical University until his retirement in 2000. At the same time, he also continued to give Labor Law lectures after his retirement at the Faculty of Engineering and Technology, Galatasaray University, where he had been teaching since 1995. Prof. Dr. Ahmet Münir Ekonomi is a Board Member of the Geneva based International Association for Labor Law and Social Security Law and has served as the General Secretary, and later as President of its Labor Law and Social Security Law Turkish National Committee. He served as a Board Member for the Yaşar Education and Culture Foundation. He is currently a Board Member for the İstanbul Foundation for Culture and Arts, Dr. Nejat Eczacıbaşı Science and Arts Foundation, İstanbul Modern Art Foundation, İstanbul Museum of Modern Art and the İstanbul Archeology Museums Society.

### 7-Mustafa YAZLIKIÇI - Board Member

Mustafa Yazlıkçı graduated from the Electrical Engineering Department, Yıldız Technical University, in 1988 and served as Project Manager at Bakış Elektrik until 1999. Yazlıkçı has been serving as Domestic Projects Division Manager at Anel Elektrik since 1999.





## MANAGEMENT TEAM

### 1-Mehmet Raif Murat GÖKTEPE - Chief Financial Officer

Mehmet Raif Murat Göktepe graduated from the Economics Department, İstanbul University in 1996. He started his career at Pannell Kerr Forster (Denge Denetim) as an Assistant Auditor in 1995 and later held various managerial positions in the fields of financial auditing and management consultancy at Arthur Andersen between 1996 and 2002 and at Ernst & Young between 2002 and 2004. He became Financial Controller and later Financial Director at Enka Construction - Enka Power group companies between 2004 and 2011. He has been the Chief Financial

### 2-Ali Ulvi AĞAN - Operations and Maintenance Process Manager

Ali Ulvi Ağan graduated from the Electrical Engineering Department, İstanbul Technical University, in 1982 and obtained his Master's Degree from the same university in 1986. He served as Electrical Design Supervisor and Electrical Plant Manager for the Turkish Naval Forces and Project Engineer at the Gölçük Naval Shipyard Command for frigate and submarine construction between 1982 and 1999. He has been serving as Operations and Maintenance Process Manager at Anel Elektrik and as General Manager at AnelMarin since 1999.

### 3-Celal AKTAŞ - Design Division Manager

Çelak Aktaş graduated from the Electrical Engineering Department, Yıldız Technical University, in 1989 and served as Area Manager at Cedetaş Engineering until 1994. He has been serving as Design Division Manager at Anel Elektrik since 1994.

### 4-Engin KARAKUŞ - Internal Audit Manager

Engin Karakuş graduated from the Department of Finance, Marmara University, in 1998 and obtained his Master's Degree in Law of Economics, Galatasaray University. Between 1998 and 2004, Mr. Karakuş served at the Turkish Economy Bank where he became a Senior Auditor. He then served at Delta Petrol A.Ş. as Internal Audit and Loan Risk Manager between 2004 and 2009, before joining Anel Group in 2009 as Strategic Planning and Business Development Manager. He was appointed as Internal Audit Manager in January 2012.

### 5-Filiz TOPRAK - Tender Division Manager

Filiz Toprak graduated from the Electrical Engineering Department,

İstanbul Technical University, in 1984 and served as Tender and Design Engineer at various companies until she joined Anel Elektrik in 1994. She has been serving as Tender Division Manager since 1994.

### 6-Dağhan Emrah ŞENER - Finance and Accounting Group Manager

Dağhan Emrah Şener graduated from the Business Administration Department, İstanbul University in 1998 and obtained his Master's Degree in Economics and Finance at Boğaziçi University in 2006. He started his career at Enka İnşaat ve Sanayi A.Ş. in 1998 and served as Financial and Specialist Analyst in the fields of construction and electricity. He was the Finance and Accounting Manager at Yeni Elektrik Üretim A.Ş. until May 2011 when he joined Anel Group as Finance and Accounting Group Manager.

### 7-Tarık BEKMEZCİ - Domestic Projects Division Manager

Tarık Bekmezci graduated from the Electrical Engineering Department, Yıldız Technical University, in 1995 and served as Site Supervisor at various companies until he joined Anel

Elektrik in 2001. He has held the title of Domestic Projects Division Manager since 2001.

### 8-Engin ŞENYER - Information Technologies Group Manager

Engin Şenyer graduated from the Electronics and Communication Engineering Department, Yıldız Technical University, in 1988. He served as Information Technologies Manager at Yaysat A.Ş. between 1994 and 2002 and as Information Technologies Director at Doğan Dağıtım between 2002 and 2007. He joined Anel Group in 2007 and currently holds the title of Information Technologies Group Manager.

### 9-Süleyman DEMİRHAN - Tender Division Manager

Süleyman Demirhan graduated from the Electrical Engineering Department, İstanbul Technical University, in 1995 and served as Electrical Engineer and Site Supervisor at Eltem Elektrik between 1995 and 1997. Demirhan joined Anel Group in 1998 and currently holds the title of Tender Division Manager.





## ANEL ELEKTRİK SEGMENTS

### CONTRACTING

We have gained strong brand awareness both in Turkey and abroad thanks to our track-record in the large and complex electro-mechanical contracting projects we have completed in conjunction with well-known contracting companies. In particular, our credentials from successfully completed projects in the Middle East, North Africa and the Gulf Region distinguish us among competitors especially in large-scale international projects. We intend to continue

focusing these regions in the forthcoming period.

As of December 31, 2011, the total value of our backlog has reached \$275.7, including contracts signed during 2011 worth \$279.5 million. In this period, 64% our backlog represented international projects, while the local works awarded account for the remainder. As of 2011 year-end, 50.8% of our backlog was based in Qatar, 0.6% in Russia and 12.9% in Saudi Arabia.

### INTERNATIONAL PROJECTS OF 2011



#### MECCA RAILWAY STATION

Our Saudi Arabia-based, 35% owned subsidiary AnelKSA, founded in 2011 with the Saudi Binladin Group, the country's leading contracting group, has won the tender for the electrical and mechanical works of Mecca Train Station. The total project size is SAR 380.0 million (US\$ 101.3 million), while the portion that will be reflected on our financials amounts SAR 133.0 million (US\$ 35.5 million), - calculated on the basis of our 35% share in AnelKSA. The project is expected to be completed within 24 months. The total project area covers 131,000 square meters.



#### HAMAD MEDICAL CITY

We won the tender for the "Low Voltage Electrical System" of Hamad Medical City Hospital for QAR 71.7 million (approximately TRY 19.2 million). The project contract was signed with Hyundai Engineering and Construction in July. The project is expected to be completed within a 30-month time span. The total project area covers 200,000 square meters.



#### NEW DOHA INTERNATIONAL AIRPORT CP77

In addition to the various projects currently in progress in the New Doha International Airport under contract, we will install annex electrical and mechanical works for the VIP and CIP lounges. The project contract worth QAR 244.4 million (US\$ 67.1 million) and expected to be completed within a 15-month span. The contract was signed with Lindner-Depa Interiors L.L.C. The total project area covers 30,000 square meters.



#### NEW DOHA INTERNATIONAL AIRPORT

In addition to the various projects currently in progress in the New Doha International Airport under contract, additional contracts were signed during 2011 with the contractor Sky Oryx JV totaling QAR 207.6 million (approximately US\$ 57.1 million). These projects are expected to be completed within the first quarter of 2012. The total project area covers 500,000 square meters.

### LOCAL PROJECTS OF 2011



#### MARMARAY PROJECT

We signed a contract with the Japan-based Taisei Corporation in August 2011 for the Marmaray BC1 project and became a part of the century-old dream to connect Asia and Europe through railway running under the Bosphorus. The project for the electronic and mechanical works of the Marmaray Rail Tube Tunnel Project totals US\$ 59.8 million. The project is expected to be completed in October 2013.

The Marmaray BC1 Project is approximately 13.5 km long and stretches between Kazlıçeşme on the European side and Ayrılıkçeşme on the Asian side of İstanbul. Part of the project consists of a 1,387-meter tube tunnel immersed under the Bosphorus. Its deepest section will be located 56 meters below sea level, making it the world's deepest undersea immersed tube tunnel.

The total project in which we have signed the electrical and mechanical works of the BC1 phase, consists of three separate packages;

- CR3 – Modernizing the current suburban lines totaling 76 km that lie on both sides of İstanbul, along Halkalı-Sirkeci on the European side and Haydarpaşa-Gebze on the Asian side.
- BC1 – Connecting the two sides of the Bosphorus via the immersed tube tunnel.
- CR2 – Procuring vehicles.

Once completed, the line will have the capacity to carry 75,000 passengers per hour in each direction.



#### SHANGRI LA İSTANBUL HOTEL

We won the tender for the electrical and mechanical works of the Shangri-La Hotel US\$ 12.8 million. The seven-star Shangri-La Hotel, being constructed on the site of the old tobacco warehouse at the Beşiktaş coastline, is going to be the first hotel in the world to possess seven underwater floors. The hotel is going to be the second tallest building on the coastline after Dolmabahçe Palace and is planned to rank among the top 10 luxury hotels of the world. The project, the contract of which was signed in October, is expected to last seven months. The project area covers 44,000 square meters.



#### WYNDHAM HOTEL

In October we signed a TRY 10.1 million (US\$ 5.4 million) contract for the electrical and mechanical works of the Wyndham Hotel to be constructed in İstanbul, Güneşli. The project is expected to be completed in October, 2012. The project area covers 67,000 square meters.



#### ECZACIBAŞI ORMANADA NEW RESIDENTIAL PROJECT

We signed a contract amounting TRY 26.0 million (US\$ 16.2 million) for the electrical and mechanical works of the Eczacıbaşı Ormanada Residential Project. The contract was signed in July and the project is expected to be completed in two years.

Ormanada is envisioned as a 220-decare living space located in Zekeriyaköy, right in the middle of the city's oxygen rich forest, surrounded by trees in every direction and providing a lifestyle in direct contact with nature. The project is based on a sustainable life philosophy that marries nature's elegance with modern design and architecture. It was designed by the leading minds of their respective fields and consists of 188 villas with five different styles and 71 houses with four varying types.



#### MANISA SHOPPING MALL

We were awarded the electrical works of the Manisa Shopping Mall with a project size of EUR 1.6 million (US\$ 2.3 million). The contract was signed in July with Redevco Dört Emlak Geliştirme İnş. Yat. ve Tic. A.Ş. The project is expected to last nine months and covers an area of 40,000 square meters.



#### ADİYAMAN AIRPORT

We signed a contract amounting TRY 6.2 million (US\$ 4.1 million) for the electrical works of the Adıyaman Airport Project. The contract was signed with Sera Yapı End. Ve Tic. A.Ş. in April and the project is expected to last 16 months. The project area covers 21,000 square meters.



## ENERGY

**We set off to transform the sun, unlimited energy source, into the electric power**

The current power generation methods performed by means of the conventional generation methods may result in irrecoverable damage to the earth, where is the only habitat for mankind. The increasing demand for the energy in the face of finite and exhaustible resources has forced humanity to seek out and develop alternative energy sources. This is why, instead of power generation systems operated with the conventional fossil fuels which pollute on a global scale, we have to discover and develop renewable and sustainable energy sources that have less impact on the environment.

AnelEnerji set off to address this need, to preserve the earth we live on, to keep the air we breathe clean, to prevent global climate change and to close the energy shortage by transforming the sun, the unlimited energy source, into the electric power.

**We founded AnelEnerji to promote the use of safe, clean solar energy globally**

We founded Anel Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (AnelEnerji) as a 70.5% owned subsidiary of Anel Elektrik. AnelEnerji provides an extensive range of services, including investment and technical consultancy on solar energy plants, project and system design, plant installation, licensing, maintenance, production monitoring, as well as residential and industrial solar panel installations. Our fully automated production line based in Istanbul produces solar panels that are IEC, TÜV and ISO certified. The highly efficient solar panels are produced with silicon cells technology that provide optimal results even in low-radiation conditions thanks to their special anti-reflection technology that traps the light inside.

### Our Services:

- Project Development:** Conducting a preliminary economic and technical feasibility study on the solar power plant project. A detailed proposal is prepared if the study results are deemed positive.
- Engineering:** Providing site development and restructuring with necessary project reports filed.
- Outsourcing:** Providing consultancy on the procurement and financing of solar panels, inverters, installment systems and system equipment.
- Financing:** Partnering with financial institutions to secure the necessary resources for capital expenditures.
- Installation:** On-site inspection and cooperation with contractors within the region where investment will be performed. Installation process completed properly with strict adherence to general safety standards and technical specifications.
- Operation and Maintenance:** Error-free and continuous operation of the system is as important as the installation itself. The systems designed and installed by AnelEnerji are monitored on-site by technical staff, their performance measured and periodically maintained to prevent malfunctions. Investors are offered software that provides real-time, remote monitoring of the solar power plant.
- Power Generation Warranty:** The annual production quotas for power plants that AnelEnerji provides operation and maintenance services are ensured through the annual contracts. This service provides investors with a revenue guarantee.

**We plan to increase our capacity to 60MW through our JV established with KIOTO**

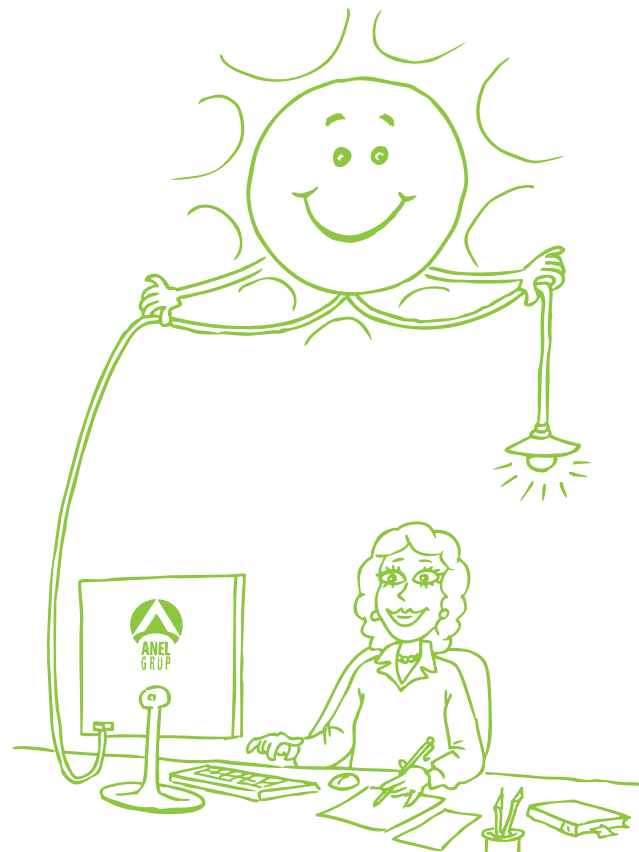
In July 2011, AnelEnerji and the Austria-based Kioto Photovoltaics GmbH ("Kioto") co-founded the Istanbul-based company "AVEK Solar" with a 50-50 partnership for producing photovoltaic solar panels. Through the AVEK Solar partnership we aim to increase our solar panel production capacity to 60MW from our current 13.5MW. We plan to sell almost all of our IEC, TÜV and ISO certified solar panels to Europe and the Middle East. The Austria-based Kioto possesses one of Europe's most modern plants which has an annual photovoltaic solar panel production capacity of 120MW. Kioto manufactures and sells photovoltaic solar modules to various solar power plants and for individual roof installments in European countries, including Italy and Germany.

**AnelEnerji constructed its first 1.3MW power plant in the Turkish Republic of Northern Cyprus**

AnelEnerji emerged successfully from the closely-contested tender held in Belgium for the EU-funded 1.3MW solar power plant to be installed in the Turkish Republic of Northern Cyprus (TRNC). The project is not only a first in the TRNC but also the largest solar power plant in the Eastern Mediterranean basin. In May, we successfully completed the turnkey project, having solely undertaken every aspect of the plant; from the production of the solar panels to the installation of the plant itself.

**We have invested in solar power plants in Bulgaria**

We have invested EUR 8 million into two solar power plant projects with a cumulative capacity of 3.7MW. The plants are located 350 km from Turkey, in Bulgaria's Burgas and Haskovo provinces. All solar modules used in the plant were manufactured in our facility. The plants are expected to be connected to grid in March 2012 and are funded by an international bank's project financing facility. It is the first solar energy project in Europe to be developed, designed, installed and invested by a Turkish company.



## REAL ESTATE

Anel Yapı Gayrimenkul A.Ş. (AnelYapı) mainly operates in the field of real estate contracting and provides contracting and project development services in the construction industry. The main purpose of AnelYapı's establishment was to construct the Anel Business Center which also houses the Head Office of Anel Elektrik. The smart, green and high-technology Anel Business Center uses photovoltaic (PV) solar panels overlaid

on its outer facade to cover its medium volume energy requirements. It recycles its own water and is AnelYapı's most significant project to date. AnelYapı still conducts maintenance duties for the completed building. On the other hand, the group does not aim to expand its operations in the real-estate contracting industry in the coming period.

### ANELYAPI'S REAL ESTATE PORTFOLIO:

PROPERTY	APPRAISAL VALUE (MILLION TL)
KOŞUYOLU OFFICE	2.2
YEŞİLKÖY EGS EGS BLOCKS, 7 OFFICES	3.7
ÜMRANIYE ANEL BUSINESS CENTER	110.0

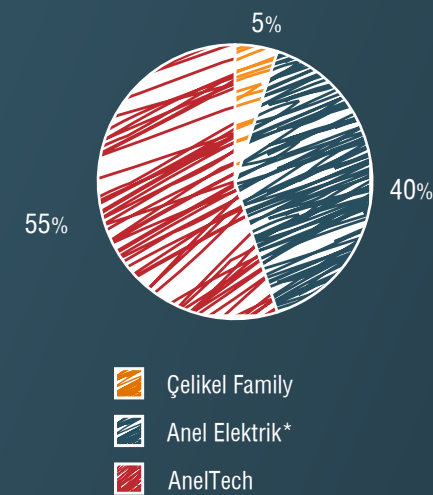
Anel Business Center, part of AnelYapı's real-estate portfolio, has 19 floors, 22,566 square meters of leasable office space and a car park with a 450-vehicle capacity. Its occupancy

rate is 95% as of December 31, 2011. Prestigious tenants with long-term lease agreements include SAP Turkey, Çelebi Holding, Redbull, Orange, Watsons, Kariyer.net and Nycomed.

### ANELYAPI FINANCIAL SUMMARY:

ANELYAPI FINANCIAL SUMMARY (MILLION TL)	2009	2010	2011	%Δ (2011/2010)
REVENUES	3.7	4.2	8.9	111.9%
DIRECT COST OF REVENUES	(2.4)	(2.3)	(2.4)	4.3%
GROSS PROFIT	1.3	1.9	6.5	242.1%
NET INCOME	(1.2)	(3.7)	(7.6)	105.4%

### AnelYapı Ownership Structure



\* Anel Elektrik's effective ownership in Anel Yapı is 54% via indirect shares in Anel Tech



## ELECTRONICS

Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. (AnelTech) provides services and solutions in the fields of systems integration and service solutions, fixed and mobile telecommunications, defense, industrial and professional electronics, corporate information technologies and mechatronics, and for domestic and international markets. AnelTech was founded in 2003 with is subsidiaries to provide its customers with a wide range of services that include project design, operation, research and development, production, maintenance and calibration.

As part of this strategy the company provides design, system integration, maintenance, repair, project management and consultancy services for public institutions and companies active in the maritime, health, energy and defense industries. Anel Group's presence in 10 countries provides AnelTech with widespread, international access and enables it to come up with flexible service solutions for its customers.

In 2011, we continued our works in the fields of modernizing solutions for the existing telecommunication infrastructure with New Generation Network (NGN) devices.

We also continue to expand our field of activity with new patents, licenses and distributor agreements, which play an important role in our operations and profitability. As part of this we have signed distribution agreements for the following goods and services:

- SIAE digital microwave radio equipment and management system software sale in Azerbaijan
  - Seiwa marine electronic products such as chartplotters, radars, and automatic pilot systems for maritime vessels less than 20m in length (sailboats, motorized yachts, commercial fishing ships)
  - Robotina smart home and building solutions sale in Turkey
- We have also signed a "Strategic Business and Solution Partnership" agreement with Turkcell Teknoloji Araştırma ve Geliştirme A.Ş. to enable AnelTech to sell application and platforms developed by Turkcell Teknoloji Araştırma ve Geliştirme A.Ş. to GSM operators abroad.

### AnelTech provides Mobile Applications and IT Solutions

In 2011, as part of its "Mobile Applications and IT Solutions", AnelTech continued its studies to develop applications and solutions for GSM and fixed telecom operators operating in countries where Anel Group companies have a presence. The company also took the necessary steps to cooperate with well-known IT companies specializing in application development. AnelTech cooperates with AnelARGE, equipped with solid R&D capabilities, to develop its own services and applications. Within this context, AnelARGE develops mobile applications tailored to AnelTech's requirements while AnelTech coordinates their integration with telecoms providers.

AnelTech develops strategic partnerships with IT companies providing services to the telecom industry, and so reaches a wider market audience with the applications developed. Its strategic partnerships with solution partners also enable it to provide tailored solutions for telecom operators.

AnelTech actively pursues its works within this context both in Turkey and abroad. The company plans to provide telecom industries in countries; such as Azerbaijan, Saudi Arabia and Qatar with value added products through its solutions partners.

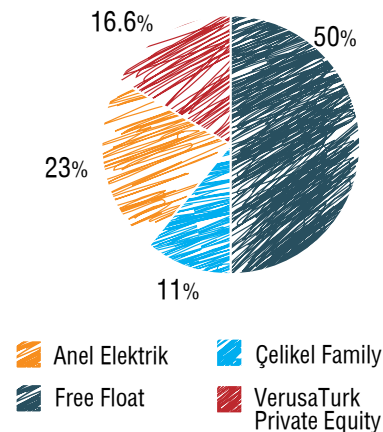


## ANELTECH FINANCIAL SUMMARY:

ANELTECH FINANCIAL SUMMARY (MILLION TL)	2009	2010	2011	% CHANGE (2011/2010)
REVENUES	70.3	154.5	128.0	(17.2%)
DIRECT COST OF REVENUES	(65.8)	(160.3)	(120.0)	(25.1%)
GROSS PROFIT	4.6	(5.8)	8.0	n.m
NET INCOME	(4.8)	(18.7)	(19.2)	2.7%

AnelTech shares have been publicly traded on the Istanbul Stock Exchange since September 2005.

### AnelTech Ownership Structure\*



\*As of April 23, 2012.

## SUBSIDIARIES

### ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SAN VE TİC. A.Ş.

The company operates to address the professional electronic (telecommunication) device demands of the domestic market and provides the related research, production, operation and maintenance services. It also provides solutions in the fields of systems integration, fixed and mobile telecommunications, defense systems, industrial and professional electronics, information technologies, mobile applications and smart solutions, while also providing services for the maritime industry. The Company's shares have been listed on the Istanbul Stock Exchange (ISE: ANELT) since September 13, 2005.

### ANELYAPI GAYRİMENKUL A.Ş.

The company buys, constructs, leases and sells offices, residences, business centers, shopping malls, hospitals, hotels, commercial warehouses, commercial parks and similar real estate opportunities for the purpose of generating rental revenues and .

### ANELENERJİ ELEKTRİK ÜRETİM SANAYİ VE TİCARET A.Ş.

The company was founded to install, operate, maintain and lease the electricity generating facilities as well as selling the produced electricity and/or capacity to legal entities, with wholesale and retail licenses, and to eligible consumers.

### ANELMEKANİK TESİSAT TAHHÜT A.Ş.

The company was founded to provide all types of electrical and mechanical works and similar services for construction contracts.

### ANELMARİN GEMİ ELEKTRİK ELEKTRONİK SİSTEMLERİ TİC. VE SAN. A.Ş.

The company was established to provide shipbuilding industry services that include the project design of professional electrical, electronic and electro-mechanical systems, maintenance services, refitting and contracting for private, commercial and military vessels. It provides research, production management and maintenance services and designs electrical, electronic and electro-mechanical projects for these systems.

### ANELMEP MAINTENANCE & OPERATIONS LLC.

The company was founded to provide contracting, design, implementation, maintenance and repair, and operation services for electro-mechanical and industrial systems in Qatar.

### ANELDAR LİBYA CONSTRUCTING & SERVICES LLC.

The company was founded to provide design, contracting, management and maintenance services for the electrical, mechanical and technical infrastructure projects in Libya.

### DAG-08 OOD

The company holds a 2.2MW solar power license in Bulgaria.

### GOLDEN SUN OOD

The company holds a 1.5MW solar power license in Bulgaria.

### ANEL ENGINEERING-TECHNOLOGICAL COMPANY LLC.

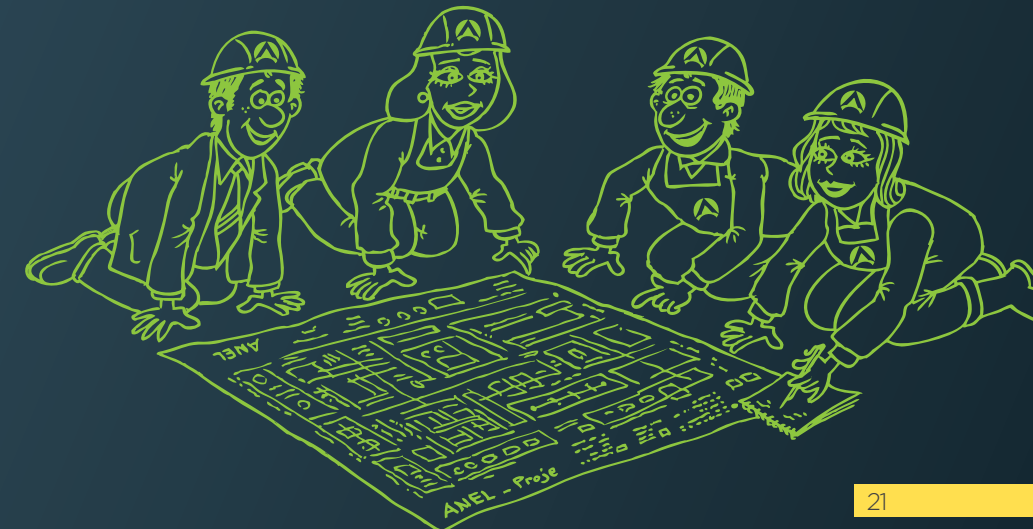
The company provides electrical, contracting and engineering services in Russia.

### ANELKSA CO.

The company provides electrical, contracting and engineering services in Saudi Arabia.

### ANEL ARABIA LLC.

The company provides electrical, contracting and engineering services in Saudi Arabia.





# CORPORATE SOCIAL RESPONSIBILITY

The Çelikel Education Foundation is upholding the legacy of Mustafa Kemal and investing in the future

We are intent on raising creative, pioneering and courageous individuals who are equipped with a contemporary world view, who have a capacity for critical thinking and who feel responsible for the environment and society.

As part of this, we continue to develop models aimed at improving education, investing in successful and conscientious generations and at providing scholarships for promising students who are likely to add value for the future.

## Annual scholarships for 400 successful students in need

Çelikel Education Foundation, founded in 2007, provides annual scholarships for 400 underprivileged students with great potential. Our Scholarship Program aims to increase our country's educational level, provide better conditions for more students and to contribute to our youngsters' life quality. Moreover, by cooperating with our volunteers we provide our scholars with training-development camps, mentoring and internship opportunities.

## Our Model School: "Kavak Rıdvan Çelikel Anatolian High School"

As an important step in our efforts to enable wider and easier access to education, we constructed the Samsun Kavak Rıdvan Çelikel Anatolian High School and subsequently donated to the Ministry of Education in 2008. With a capacity of 360 students, Kavak Rıdvan Çelikel Anatolian High School not only stands out for its fully-equipped classrooms, its 150 capacity conference hall, its modern laboratories or its comfortable modern study and rest areas that provide home-like amenities, but also for its academic achievements.

The "Best Practices in Education Conference: Samsun Workshop" was held at the Kavak Rıdvan Çelikel Anatolian High School with the assistance of Çelikel Education Foundation. It was organized as part of the "Education Reform Initiative" (ERI), launched in 2003, within the İstanbul Politics Center at Sabancı University and aims to ensure "Quality Education for All."

## Broad Perspective Creative Development Program

We are aware that improving education does not only require the construction of schools. This is why we have implemented other activities to increase the overall quality of education. The Broad Perspective Creative Development Program, developed for this

purpose, is made up of activities that support the individual, social and professional development of students, teachers and parents. The program views high school education from a broad perspective and is developed with a comprehensive and holistic approach regarding the target audience, content and content providers. The program lasts for one academic year and includes seminars, workshops, training classes, arts and social activities tailored for students, teachers and parents.

The Broad Perspective Creative Development Program's pilot implementation was first held last year at the Kavak Rıdvan Çelikel Anatolian High School with the program officially being launched at İstanbul Ümraniye Anatolian High School during the 2011-2012 academic year. The project is being implemented in Samsun with the cooperation of Ondokuz Mayıs University and in İstanbul with Boğaziçi University.

As a part of the Broad Perspective Creative Program, the second "Art Weekend Event," was held at the Kavak Rıdvan Çelikel Anatolian High School on October 15, 2011. The event was jointly organized with the Creative Children's Association. Students first attended the seminars about international artists held in the conference hall and then came together with the artists in their workshops. The attending artists conducting the workshops in Samsun were Derya Kılıç, Senem Demirhan, Melahat Mersinli and İbrahim Tapa. Students attending their classes drew caricatures, took photographs and made masks, puppets, sculptures and water marbling pictures which then were exhibited in the high school all year round.

## We continue to introduce the works of young artists to İstanbul

Anel Group's corporate social responsibility project aims to provide young artists with opportunities and support art as a whole. It is for this reason that we plan to introduce young artists' works to İstanbul in the "Galeri 5" which we established in 2010.

Galeri 5 exhibited paintings from students of the Painting Department, Faculty of Fine Arts, Mimar Sinan University, cartoonist İbrahim Tapa's works centered on the architecture and humorous sides of İstanbul and unique photographs from the research associates of Mimar Sinan University's Photography Department.



Anel Group's corporate social responsibility project aims to provide young artists with opportunities and support art as a whole.

# HUMAN RESOURCES

Our company's major human resources goal is to constantly develop the skillsets of our employees, who have the main impact on achieving our objectives and strategies, expanding our corporate capabilities and the level of added value.

We aim to have a loyal, capable workforce that will carry the company into the future and adhere to our Company's values. To achieve this, we provide development opportunities for our employees; create opportunities that unearth their potentials and encourage their support of the company whilst rewarding their achievements.

Human resources processes are actively implemented in line with this goal.

Goals for employees are set upon their first day of work and are evaluated after six months with a general assessment at the end of the year. Financial targets are reviewed monthly. A 360-degree performance assessment is provided once a year, depending on the competencies required for the position and targets set for the individual.

We aim to reward our employees based on their responsibilities and the value they add to the organization. To contribute to personal and professional development, we organize training sessions which, in turn, directly contribute to our corporate success. We constantly evaluate and restructure our human resource systems and processes based on the current requirements to ensure our ongoing success.

EMPLOYEE	2009	2010	2011
MALE	960	1,447	1,166
FEMALE	45	54	27
TOTAL	1,005	1,501	1,193
AVERAGE AGE	37	35	36
LEVEL OF EDUCATION			
DOCTORATE-POST-GRADUATE	21	21	17
UNIVERSITY	502	656	546
HIGH SCHOOL	433	621	599
SECONDARY SCHOOL	49	203	31



"Respect for Human" award by Kariyer.net



OTHER ACTIVITIES

April 10, 2012

In compliance with Communiqué of Circular: IV, No.56 of the Capital Markets Board concerning the Determination and Implementation of Corporate Governance Principles, amended with Communiqué No.57; it has been resolved by our Board of Directors to amend our Company’s Articles of Association Article No.10 (Board of Directors and Its Term), No.13 (General Assembly) and replacing the Article No.18 with a new one (Compliance to Corporate Governance Principles). The approval procedures to be received from the Ministry of Science, Industry and Technology and Capital Markets Board will be initiated. The amended texts are set forth below.

Original Version  
BOARD OF DIRECTORS AND ITS TERM  
ARTICLE 10

The business operations, representation and management of the company shall be executed by the Board of Directors comprised of 7 members to be elected by the general assembly among the shareholders or the candidates nominated by the shareholders in accordance with the provisions of Turkish Commercial Code. At least 1 of the members of the Board of Directors has to be independent as specified in the Corporate Governance Principles of the Capital Markets Board. 5 of the members of the Board of Directors shall be elected by the general assembly among the A-Group of shareholders or the candidates nominated by them. The term of office of the board members shall be three years. The Board Members whose terms of office terminate can be designated again for further period of maximum three years. If the position of one of the members is vacated for any reason before the expiration of this period of three years, the other Board Members are obliged to designate a new member to the position. The term of office of the new member shall provisionally continue until the first general assembly to be held, and if the general assembly approves the permanence of the designated new member, the term of office of the new member extends as long as the remaining term of office of the previous member. If it is required by the General Assembly, they can change the Members of the Board of Directors at any time. The Board Members must be appointed among the candidates who have basic knowledge of the legal and technical framework of the Company’s operations and have ability to read and analyze the financial statements of the company and experience in company management and are graduated from faculty. The Board of Directors shall meet as the company operations require to do so. However, it is compulsory to convey at least once in a month. The meeting quorum is 5 and the decision is taken by the the majority of votes given by the members participated. In case of equal votes, the voted agenda item shall be left to the agenda of the next meeting and in case the majority is achieved during this meeting, then the proposal shall be deemed to be rejected. The Board Members shall each have an equal right to vote regardless of their position and fields of duty. The meetings of the board of directors are mainly held in the headquarters of the company. The Board of Directors shall establish a secretary subordinated to the Chairman to serve all members and to facilitate communication and coordination among the members. Secretary shall make the necessary arrangements for the meetings of the Board of Directors and the Committees, ensure that the minutes of the meeting and the related documents are kept regularly, and keep record and archive the correspondences including the announcements of the Board of Directors regularly.

New Version  
BOARD OF DIRECTORS  
ARTICLE 10

The business operations, representation and management of the company shall be executed by the Board of Directors comprised of 7 members to be elected by the general assembly among the shareholders or the candidates nominated by the shareholders in accordance with the provisions of Turkish Commercial Code and the regulations of the Capital Markets Board. The number and qualifications of the independent board members to be designated shall be determined in accordance with the Capital Markets Board regulations concerning the corporate governance. 5 of the members of the Board of Directors shall be elected by the general assembly among the A-Group of shareholders or the candidates nominated by them. The term of office of the board members shall be three years. The Board Members whose terms of office terminate can be designated again for further period of maximum three years. If the position of one of the members is vacated for any reason or the Independent Member of the Board of Directors becomes no longer independent, before the expiration of this period of three years, the other members of the board of directors are obliged to designate a new member to the position in accordance with the Turkish Commercial Code Article No. 315 and the Capital Markets Board regulations concerning the corporate governance. The term of office of the new member shall provisionally continue until the first general assembly to be held, and if the general assembly approves the permanence of the designated new member, the term of office of the new member extends as long as the remaining term of office of the previous member. If it is required by the General Assembly, they can change the Members of the Board of Directors at any time. The Board Members must be appointed among the candidates who have basic knowledge of the legal and technical framework of the Company’s operations and have ability to read and analyze the financial statements of the company and experience in company management and are graduated from faculty. The Board of Directors shall meet as the company operations require to do so. The Article and the provisions of the Turkish Commercial Code shall be applied regarding the meeting and resolution quorum. The Capital Markets Law and the regulations of the Capital Markets Board are reserved. The Board Members shall each have an equal right to vote regardless of their position and fields of duty. The meetings of the board of directors are mainly held in the headquarters of the company. The duties, rights and authorizations as granted to the independent board members in the Capital Markets Law and applicable legislation are reserved. The Board of Directors is obliged to establish the Committees and Commissions as set forth in the legislation. Apart from these Committees, they can establish other commissions and committees designated to execute the application of the decisions and policies related to the Company’s operations, or to monitor these committees. For establishment of such committees as well as their duties and working principles, the Capital Markets legislations shall be applicable. The Board of Directors shall establish a secretary subordinated to the Chairman to serve all members and to facilitate communication and coordination among the members. meetings of the Board of Directors and the Committees, ensure that the minutes of the meeting and the related documents are kept regularly, and keep record and archive the correspondences including the announcements of the Board of Directors regularly. The remuneration of the Board Members shall be determined by the General Assembly. The General Assembly shall determine the

Original Version

GENERAL ASSEMBLY  
ARTICLE 13

a) Invitation: The General Assembly conveys ordinarily or extraordinarily. For this invitation, the provisions of Turkish Commercial Code Articles No. 355, 365, 366 and 368 are applicable. b) Meeting Periods: The ordinary General Assembly convenes within 3 months from the end of the accounting period of the Company and at least once in a year, while the extraordinary General Assembly convenes as necessary. c) Voting and Proxy Appointment: Group A shareholders attending the ordinary and extraordinary general assembly meetings or their proxies have 2 (two) votes per share and other shareholders or their proxies have 1 (one) vote per share. In General Assembly meetings, the shareholders may make themselves represented by the other shareholders or their delegates to be designated externally, in accordance with the regulations of Capital Market Board. Shareholders may be represented by proxies to be appointed from among themselves or outside in the General Assembly Meetings in accordance with the regulations of Capital Markets Board. The representatives having shares at the company are authorized to vote on behalf of the shareholders they represent other than their own votes. The related power of attorney must be in writing. The arrangements of the Capital Market Board for voting by proxy are reserved. d) Deliberations and quorum: The decisions shall be taken in the General Assembly meetings by negotiating the considerations as specified in the Turkish Commercial Code Article No. 369. The provisions of the Turkish Commercial Code are applied regarding the meeting and resolution quorum of the General Assemblies. e) Meeting Venue: General Assemblies are held in a convenient place in the city, where the headquarters of the company is located. The announcements related to the General Assembly Meetings shall be made in accordance with the procedures as set forth in the legislation and at least 3 weeks in advance in order to reach the maximum number of shareholders’ attendance.

RESERVE FUND  
ARTICLE 18

This article has been abolished.

New Version

ARTICLE 10 (continue)

remuneration of the independent and non-independent board members in compliance with the Capital Markets legislations. In order to be able to effect transactions by controlling shareholders, board members, senior executives and their spouses, relatives and next of kin up to second degree which may cause conflict of interest or compete with the company or the subsidiaries, prior approval of the general assembly is required, and information needs to be provided about such transactions at the general assembly.

GENERAL ASSEMBLY  
ARTICLE 13

In general assembly meetings, the following principles shall be applicable: a) Invitation: The General Assembly conveys ordinarily or extraordinarily. The provisions of the Turkish Commercial Code and Capital Markets Legislation are applied regarding the invitations to the General Assemblies. b) Meeting Periods: The ordinary General Assembly convenes within 3 months from the end of the accounting period of the Company and at least once in a year, while the extraordinary General Assembly convenes as necessary. c) Voting and Proxy Appointment: Group A shareholders attending the ordinary and extraordinary general assembly meetings or their proxies have 2 (two) votes per share and other shareholders or their proxies have 1 (one) vote per share. The arrangements of the Capital Markets Board for voting are reserved. d) Proxy Appointment: Shareholders may be represented by proxies to be appointed from among themselves or outside in the General Assembly Meetings. The representatives having shares at the company are authorized to vote on behalf of the shareholders they represent other than their own votes. If one share is owned by multiple shareholders, the relevant shareholders can use their right to vote only through a single proxy, in accordance with the Turkish Commercial Code Article No. 373/II. The arrangements of the Capital Markets Board for voting by proxy are reserved. e) Meeting and resolution quorum: The provisions of the Turkish Commercial Code are applied regarding the meeting and resolution quorum of the General Assemblies without prejudice to the Article 18 of the Articles of Association. However, as per the seventh paragraph of the Article 11 of the Capital Markets Law, in the general assembly meetings to be held for the considerations as specified in the second and third paragraphs of the Turkish Commercial Code Article No. 388, the meeting quorums as set forth in the Turkish Commercial Code Article No. 372 shall be applicable. The arrangements under the Turkish Commercial Code Article No. 374 are reserved. f) Meeting Venue: General Assemblies are held in a convenient place in the city, where the headquarters of the company is located. General assembly meeting shall be held to ensure that it will not lead to any inequality among the shareholders and shareholders will attend at the least cost as much as possible, for the purpose of increasing the attendance of the shareholders. For that purpose, the General Assembly meetings are held in the headquarters or any place where the shareholders are domiciled by majority in number. The announcements related to the General Assembly Meetings shall be made in accordance with the procedures as set forth in the legislation and at least 3 weeks in advance in order to reach the maximum number of shareholders’ attendance.

COMPLIANCE TO CORPORATE GOVERNANCE PRINCIPLES:  
ARTICLE 18

Corporate Governance Principles stipulated as mandatory by the Capital Market Board shall be complied with. Transactions effected without compliance with the mandatory principles and the board resolutions made thus are not effective and deemed to be in violation of the articles of association. As for the application of Corporate Governance Principles, in material transactions, and in all related party transactions of the company, and in the case of issuing guarantees, pledges and mortgages in favour of third parties, the corporate governance stipulations of the Capital Market Board shall be complied with.



#### April 26, 2012

Our consolidated net profit for the period issued and audited in accordance with the Communiqué of Circular: XI, No.29 of the Capital Markets Board for the fiscal period of 01.01.2011 - 31.12.2011 is amounting to TRY 25,233,112.00 while it is totaling TRY 23,054,398.74 according to Statutory Records. Our Board of Directors convened today and resolved to refrain from the distribution of the accrued net profit for the period and retain the sum relating to operations performed during the fiscal year 2011 and submit for the approval of the shareholders at the 2011 Ordinary General Assembly meeting.

#### April 26, 2012

Our Board of Directors has decided that the Ordinary General Assembly Meeting for the year 2011 is to be held at “Saray Mah. Siteyolu Sok. No:5/4 Anel İşmerkezi, Ümraniye, İstanbul” on May 23, 2012, at 10.00 a.m. to deliberate and resolve the attached agenda items.

The shareholders who wish to participate in the Ordinary General Assembly Meeting should sign up their accounts on the General Meeting Blockage List of Central Registry Agency (CRA) Friday, May 18, 2012 by 5.00 p.m. Shareholders who are not registered in the General Meeting Blockage List of CRA will not be able to use their rights to speak and to vote in the meeting; as per the Provisional Article 6 of the Capital Markets Law. The shareholders who will be represented by proxy in the meeting must issue their powers of attorney complying with the enclosed sample and must present their powers of attorney certified by the notary public in accordance with the provisions of the Declaration of Principles with Regard To Proxy Voting and Collection of Power of Attorney or Shares by Way of Call in the General Shareholders' Meetings of Public Corporations Serial No. IV No. 8 of the Capital Markets Board published in the Official Gazette No. 21872 on March 9, 1994.

As per the Capital Market Law, Turkish Commercial Code and other applicable legislation, The Consolidated Financial Statements, Board Annual Report and Independent External Auditing Report as well as all informative documentation regarding the agenda items will be available at the Company headquarters at least 3 (three) weeks prior to the meeting for the study of our shareholders in accordance with the corporate governance principles. In addition, the power of attorney form will be accessible at [www.anel-elektrik.com](http://www.anel-elektrik.com).

It is kindly submitted for the shareholders' information and we wish them to honor the meeting at the time and on the day as specified.

#### AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING Dated 23 May 2012

- 1.Opening and election of the Presidency Board,
- 2.Authorizing the Presidency Board to sign the minutes of the meeting,
- 3.Reading the Annual Reports of the Board of Directors relating to fiscal year 2011,
- 4.Reading the Annual Reports of the Auditors relating to fiscal year 2011,
- 5.Review, deliberation and approval of the Balance Sheet and profits/loss statements relating to fiscal year 2011,
- 6.Release of the Board members from activities and operations of the Company in year 2011,
- 7.Release of the auditors from activities and operations of the Company in year 2011,
- 8.Deliberations on the Board of Directors' proposal to refrain from the distribution of the accrued net term profit and retain the sum, relating to operations performed during the fiscal year 2011, and a subsequent decision thereon,
- 9.Decision on the amendments to be made in the Company's Articles of Association Article No.10 (Board of Directors and Duration), No.13 (General Assembly) and replacing the Article No.18 with a new one (Compliance with Corporate Governance Principles) for

- duly complying with the provisions of the Communiqué of Circular: IV, No: 56 of the Capital Markets Board,
10. Submission to the shareholders' approval the candidates for the Board Memberships, nominated by the Board of Directors for the purpose of substitution of memberships vacated by resignations, - Mr. Cahit Düzel and Prof. Dr. Ahmet Münir Ekonomi as the Independent Board Member and Mr. Mahir Kerem Çelikel as the Board Member in compliance with Communiqué of Circular: IV, No.56 of the Capital Markets Board, concerning the Determination and Implementation of Corporate Governance Principles, and as mentioned also in the Article 11 of the Company's Articles of Association, and pursuant to the requirements of Article 315 of the Turkish Commercial Code, to be effective from the date of the 2011 Ordinary General Assembly meeting,
  11. Reelection of auditors,
  12. Approving the selection of the Independent Auditing Firm,
  13. Informing the General Assembly about the Remuneration Policy of the Board Members and Executives,
  14. Determination of the Board Members' and Auditor's remuneration,
  15. Authorization of the Board Members to engage in businesses mentioned in Articles 334 and 335 of the Turkish Commercial Code and in Article 1.3.7. of the Communiqué of Serial: IV, No: 56 of the Capital Markets Board,
  16. Informing the General Assembly regarding the donations made in year 2011,
  17. Informing the General Assembly regarding the transactions of the "Related Parties" within the framework of the provision of Article 5 of the Communiqué of the Capital Markets Board Series: IV No. 41.,
  18. Informing the General Assembly about the duties and working principles as well as the members of "Early Detection of Risk Committee", "Audit Committee" and "Corporate Governance Committee",
  - 19.Informing the General Assembly regarding the guarantees, pledges and mortgages provided by the Company to third parties or the derived income thereof, in accordance with the Decision of the Capital Markets Board dated 09.09.2009 and numbered 28/780,
  20. Wishes, requests and closing.

#### April 26, 2012

In compliance with Communiqué of Circular: IV, No.56 of the Capital Markets Board concerning the Determination and Implementation of Corporate Governance Principles amended with Communiqué No.57, it has been resolved by our Board of Directors:

- to determine the duties and operating principles of the Audit Committee, the Corporate Governance Committee and the Early Detection of Risk Committee required to be established in accordance with Article 4.5. of the Communiqué;

- in accordance with Article 4.5.1. of the Communiqué, to authorize the Corporate Governance Committee, established in conformity with the Resolution No. 20 of May 11, 2010 adopted by our Board of Directors to perform the duties also of the Nominating Committee, in consideration of the fact that there is no necessity to incept a separate Nominating Committee, compliant with the same article as stated above.

#### April 26, 2012

In compliance with Communiqué of Circular: IV, No.56 of the Capital Markets Board concerning the Determination and Implementation of Corporate Governance Principles, amended with Communiqué No.57; it has been resolved by our Board of Directors:

- to nominate Prof. Dr. Ahmet Münir Ekonomi and Mr. Cahit Düzel as Independent Board Members and Mr. Mahir Kerem Çelikel as Board Member to be effective from the date of 2011 Ordinary General Assembly meeting and submit their names for approval by the shareholders at the 2011 Ordinary General Assembly meeting, subsequent to an assessment of the report prepared by the Corporate Governance Committee, dated April 11,2012, and the verification of

the qualifications of independent board member nominees, dated April 11,2012, acting on the pretext that Mr. Turgut Alp Çolakoğlu and Mr. Mustafa Yazlıkiçi, Members of the Board of Directors, have submitted their resignations to be valid as of May 23, 2012,

- to replace Ms. Merve Şirin Çelikel, Corporate Governance Committee Member, by designating Prof. Dr. Ahmet Münir Ekonomi as Corporate Governance Committee Chairman and Mr. Cahit Düzel as Corporate Governance Committee Member to be effective from the approval of their Independent Board Memberships at the 2011 Ordinary General Assembly meeting and retain Mr. Ahmet Bülent Batukan's membership in the Committee, in compliance with Article 4.5.1. of the afore-mentioned Communiqué,

- to replace Mrs. Avniye Mukaddes Çelikel and Mr. Ahmet Bülent Batukan, Audit Committee Members, by assigning Prof. Dr. Ahmet Münir Ekonomi as Audit Committee Chairman and Mr. Cahit Düzel as Audit Committee Member to be effective form the approval of their Independent Board Memberships at the 2011 Ordinary General Assembly meeting, in compliance with Article 4.5.1. of the afore-mentioned Communiqué,

- to designate Prof. Dr. Ahmet Münir Ekonomi as the Early Detection of Risk Committee Chairman and Mr. Cahit Düzel as the Committee Member - to be established and effective from the approval of their Independent Board Memberships at the 2011 Ordinary General Assembly meeting.

#### April 26, 2012

Our Board of Directors has decided to approve the "Remuneration Principles", prepared in compliance with Article 4.6.2. of the Communiqué of Circular: IV, No.56 of the Capital Markets Board concerning the Determination and Implementation of the Corporate Governance Principles, amended with Communiqué No.57, and submit it for consideration by the shareholders at the first general assembly meeting, and also post the attached Remuneration Principles on our Company's website.

#### April 6, 2012

Our fully-owned subsidiaries in Bulgaria, DAG-08 EOOD and GOLDEN SUN EOOD have signed a project finance loan agreement with Unicredit Bulbank AD for the solar power plant projects in Bulgaria amounting EUR 6,000,000 with 15 years maturity and cost of euribor + 6%.

#### April 6, 2012

Our 70.5% owned subsidiary Anel Enerji Elektrik Uretim Sanayi ve Tic. A.S. signed an agreement with Mugla Municipality for installing 105KW capacity Grid Connected Photovoltaic Power Plant with a project size of TRY 478,500 (approximately US\$268,580) - foreseeing termination within a 3-month time span.

#### February 22, 2012

As stated in our announcement made on February 16, 2012, registration procedures related to 25% stake sale in our fully-owned subsidiary Enegiina Kompania Bonev OOD to Behzat Aksaray for EUR 76,000 and 25% stake sale to Ahmet Behzat Aksaray for EUR 76,000 have been completed.

#### February 16, 2012

Our Board of Directors has decided a 25% stake sale in our fully-owned subsidiary Enegiina Kompania Bonev OOD to Behzat Aksaray for EUR 76,000 and 25% stake sale to Ahmet Behzat Aksaray for EUR 76,000.

#### February 13, 2012

In addition to the various projects currently in progress in the New Doha International Airport under contract, our Company will install the annex electrical works for Sky Oryx Joint Venture with a project

size of QAR 11,540,179 (approximately US\$ 3,171,006) -- foreseeing termination within a 3-month time span. The total amount for the electrical works constitutes 2.0% of our sales on the 30.09.2011 financial statement.

#### February 13, 2012

As stated in our announcement made on 26.01.2012, the registration procedures related to acquiring the company titled Energiina Kompania Bonev OOD located in Bulgaria have been completed.

#### January 27, 2012

Our Board of Directors resolved to select AC İstanbul Uluslararası Bağımsız Denetim A.Đ. as the independent auditing company for the fiscal year of 2012.

#### January 26, 2012

Our Board of Directors has decided to purchase the company titled Energiina Kompania Bonev OOD located in Bulgaria. The enterprise value is determined as EUR 300,000. The transfer of shares should take place following the approvals received from related authorities.

#### January 18, 2012

In our announcement made on November 29, 2011, we had announced that our Board of Directors dediced to participate in 150% rights issue of our 27.41% subsidiary, Anel Telekomunikasyon Elektronik Sistemleri Sanayi ve Ticaret A.S., in proportion to our shares. Anel Telekomunikasyon Elektronik Sistemleri Sanayi ve Ticaret A.S.' paid-in capital will be decreased from TRY 50,000,000 to TRY 20,000,000 and increased simultaneously to TRY 50,000,000 in cash.

Followed by the approval received from Capital Markets Board of Turkey on this issue, on January 18, 2012, our Board of Directors decided to pay capital advance to Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. in the amount of TRY 8,000,000.

#### May 2, 2012

In addition to the various projects currently in progress in the New Doha International Airport under contract, our Company received an Award Letter from QIT IMAR Alec Fit Out JV for the electrical and mechanical works associated with the Retail, Food & Beverage concessions fit out at the airport for the sum of QAR 78,819,215 (US\$ 21,666,547). The contract works are estimated to be completed within 20 months. The total amount for the electrical and mechanical works under the Award Letter constitutes 10.6% of our sales on the 31.12.2011 financial statement.

#### April 30, 2012

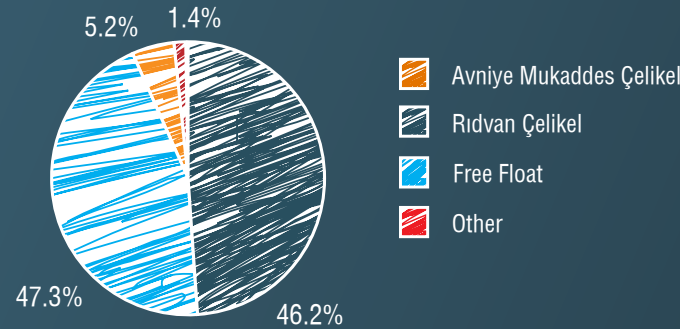
Murat Göktepe, who has been the Chief Financial Officer of the Anel Group since June 21, 2011, resigned from his position as of April 30, 2012.



## INVESTOR RELATIONS

47.25% of Anel Elektrik shares are publicly traded. Our company's ownership structure as of December 31, 2011, is listed below:

### ANEL ELEKTRİK SHAREHOLDER STRUCTURE



SHAREHOLDER	NOMINAL SHARE VALUE (TRY)	SHARE (%)
RİDVAN ÇELİKEL	50,780,773	46.16
AVNİYE MUKADDES ÇELİKEL	5,677,039	5.16
OTHER	1,571,932	1.43
FREE FLOAT	51,970,256	47.25
TOTAL	110,000,000	100.00

Since our public offering in June 2010, our Investor Relations Unit has aimed to establish close relationships with all of our stakeholders and provide them with the maximum value in line with the principles of transparency, accountability and reliability parallel to our company's corporate governance standards. Both prior to and following the public offering, the Investor Relations Unit and executive managers from our company met with many analysts and investors. Before the public offering, meetings were held with 41 analysts and investors from 37 funds on a route stretching from Prague to Helsinki, Stockholm,

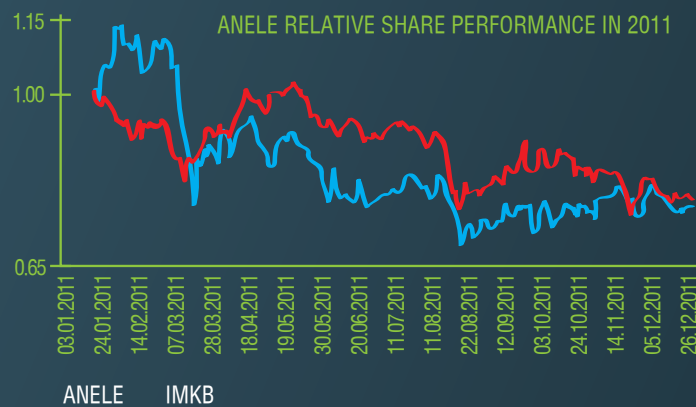
Frankfurt, London, Dubai and Vienna. In 2011; roadshows were held in London, Amsterdam, The Hague and Frankfurt to meet with 13 investors from 12 funds. In 2011, 45 announcements were made in line with the Capital Markets Legislations. Throughout the year, many queries from analysts were received and responded to via e-mail and telephone and the practice of publishing press releases with detailed information about financial and operational data from our quarterly results was initiated.

### SHARE PERFORMANCE AND MARKET VALUE

Anel Elektrik shares have been publicly traded on the İstanbul Stock Exchange since June 16, 2010, under the ticker symbol ANELE. The nominal value of the company's issued capital is TRY 110,000,000 and is composed of 110,000,000 shares with a nominal value of TRY1 each.

Anel Elektrik's market capitalization as of December 31, 2011 was TRY 210,100,000.

The average trading volume of Anel Elektrik shares in 2011 was TRY 2.8 million, with the foreign ownership of publicly traded shares being 33.3% at the end of the year.



## 2011 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

### STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Our company aims to add value to our partners, employees, stakeholders, the environment and society through ensuring our compliance with corporate governance principles within the Company. Our goal is to provide our stakeholders as well as our company with the maximum value in the field of investor relations, based on our principles of transparency, accountability and reliability.

On the other hand; despite being non-mandatory as of yet, our company has established a Corporate Governance Committee to undertake reviews and studies to ensure the company's uppermost compliance with the Corporate Governance Principles of the Capital Markets Board.

Our company's management aims to ensure the timely and duly compliance of the capital markets legislations by taking the necessary steps, in line with the Communiqué of Circular: IV, No.56 of the Capital Markets Board concerning the Determination and Implementation of Corporate Governance Principles published in 2011.

### 01 SHAREHOLDERS

#### Investor Relations Unit

The Investor Relations Unit has been active since our company started being publicly traded. The unit reports to Corporate Governance Committee and the Chief Financial Officer. The unit's primary responsibilities are listed below:

- To keep shareholders' records in an up-to-date, secure and reliable manner,
- To respond to shareholders' written inquiries about the company, without disclosing confidential business information,
- To ensure that the General Assembly adheres to current legislation, the Articles of Association and other company regulations
- To draft documents that will be of interest to shareholders during the General Assembly,
- To record the voting results and ensure that the related reports are sent to the shareholders,
- To observe and keep track of any matter regarding public disclosures, including legislation and the company's information disclosure policy.

The unit has responded to inquiries from investors and analysts regarding the company's financial and operational performance, share price and general assembly meetings within the framework of "Company's Information Disclosure Policy." Related information for the Investor Relations Unit is listed below:

Name Surname	Title
Özge Aydemir	Investor Relations Officer
Phone Number	Email
0 216 636 22 53	ozge.aydemir@anel.com.tr

### SHAREHOLDERS' RIGHT TO ACCESS INFORMATION

To ensure easy access of company information to shareholders, all disclosed information related to our Company is posted on our Company's website ([www.anel-elektrik.com](http://www.anel-elektrik.com)), under the Investor Relations section. Verbal and written inquiries by shareholders to the Investor Relations Unit have been responded in the shortest possible time, without bias and in line with principles of equality, on condition that they have been made public already and they did not include any confidential business information. The issue of the individual right to appoint a special auditor as stated in the Articles of Association and as recommended in the Corporate Governance Principles, is not referred to in our company's articles of association. There has been no request to appoint a special auditor during last year.

### GENERAL ASSEMBLY

The Ordinary General Shareholders Assembly Meeting for 2011 was held with a quorum of 52.72%, on May 31, 2011. No other General Assembly was held during the year. Announcements regarding the assembly were posted three weeks prior to the meeting in the Turkish Trade Registry Gazette, in the national newspapers Referans and Dünya, and also on both the İstanbul Stock Exchange Bulletin and our company's website. There was no attendance from neither stakeholders nor media. We paid special attention to to publish announcements through various channels in a timely manner to facilitate participation in the assembly. The annual report and financial statements were made available at the headquarters for the study of our shareholders. All this information alongside the announcement and agenda of the assembly were also posted on our website. Shareholders did not propose any suggestions and attending shareholders voted during the assembly.

Current Articles of Association do not constitutes an Article regarding the necessity for the assembly to authorize decisions that are deemed important by the Capital Markets Board; such as the partial or whole transfer or lease of the Company assets or establishment of real rights over them; the takeover or leasing of an important asset; granting privileges or changing the scope and nature of current privileges; stock exchange delisting. On the other hand, proceedings have been initiated to implement into the Company's Articles of Association the provisions set in the Communiqué of Circular: IV, No.56 of the Capital Markets Board concerning the Determination and Implementation of Corporate Governance Principles, dated December 30, 2011. The related amendments to the Articles of Association are planned to be discussed during the 2011 Ordinary General Assembly Meeting.

Minutes of the general assembly are available at the company headquarters for the study of shareholders. They are also posted on our Company's website ([www.anel-elektrik.com](http://www.anel-elektrik.com)). It is not deemed necessary to set a specific period for shareholders to register their names on the stock register in order to attend the General Assembly as all shares of our company are registered to their respective bearers.

### Voting Rights and Minority Rights

General Assemblies and their quorums are subject to the provisions of the Turkish Code of Commerce. Our Company's



shares are divided into group A and group B. Shares belonging to group A are privileged. One group A share has two (2) voting rights while one group B share has one (1) voting right at the General Assembly meetings.

Shareholders can be represented at the general assembly by the other shareholders or their delegates to be designated externally, as part of the Capital Markets Board's legislation about the right to vote by proxy. Company shareholders are entitled to vote in their own name and in the name of the shareholder they are representing.

The CMB Communiqué concerning the right to exercise cumulative voting is optional for the Publicly Traded Companies. Our Company currently does not make use of the cumulative voting method.

Due care is taken to implement minority shareholders' rights in accordance with the Capital Markets Board's legislation. Our company is not involved in any cross-shareholding relationship.

**Dividend Distribution Policy and Time of Dividend Distribution**

Our company's dividend policy has been clearly defined in our Articles of Association. For this reason, it was not deemed necessary to draft another policy and present it to the General Assembly. The date and method of distribution is decided by the General Assembly, upon recommendation of the Board of Directors and in line with the Capital Markets Law.

**Share Transfer**

All our company shares are registered to their respective bearers and their transfer is subject to the provisions of the Turkish Code of Commerce. There are no limitations in the Articles of Association of our Company with respect to the transfer of shares in any way.

**02 PUBLIC DISCLOSURE AND TRANSPARENCY**

**Company Disclosure Policy**

Our Company's Disclosure Policy has been drafted in line with the Corporate Governance Principles of the Capital Markets Board and aims to completely, correctly and timely inform company's shareholders and all other stakeholders. Information that does not fall under the definition of confidential business information is disclosed in this context. Our Disclosure Policy is published under the Corporate Governance section of the Investor Relations page on our Company's website (www.anel-elektrik.com).

Our Company uses methods defined in the "Disclosure Policy" to disclose information that is deemed mandatory by the Capital Markets Law and other related legislation. The Disclosure Policy aims to simultaneously, actively and transparently disclose the information to shareholders, investors, employees, customers, and all other stakeholders in a thorough, fair, accurate, timely, understandable and easily accessible manner, in line with the provisions of related legislations. The implementation of the Disclosure Policy is the responsibility of Rıdvan ÇELİKEL, Chairperson of the Board, and Mukaddes ÇELİKEL, Vice Chairperson of the Board.

Information on the Anel website is updated after each public disclosure.

Anel Elektrik follows-up news and rumors about the Company and discloses information in line with its obligations under Public Disclosures if deemed appropriate or necessary.

**Public Disclosures**

Our company publishes Public Disclosures in line with the Capital Markets Board's Communiqué Circular: VIII, No: 54 on "Principles Regarding the Public Disclosure of Material Events."

Our public disclosures are posted under the Investor Relations section of our company's website (www.anel-elektrik.com).

In 2011, Anel Elektrik made a total of 45 public disclosures which were related with shareholder structure as well as developments in our operations. Updated information related to former disclosures was published as well.

During the year, an additional disclosure was requested from our Company regarding one (1) public disclosure. The Capital Markets Board did not make any notice to our Company due to the Public Disclosures.

We did not make any public disclosure aimed at foreign capital markets since shares of our Company are not quoted on any foreign stock exchange.

Public disclosures fall under the responsibility of the Investor Relations Unit, which undertakes all related activities.

**Corporate Website and its Content**

Our corporate website is www.anel-elektrik.com. The Investor Relations section of our website publishes all related information regarding Section III, Article 2.2.2. of the Corporate Governance Principles of the Capital Markets Board.

**Company Information**

- Articles of Association
- Trade Registry Information
- Information on Privileged Shares
- Ownership Structure
- Board Members
- General Assembly Information
- Annual Reports

**Corporate Governance**

- Dividend Distribution Policy
- Disclosure Policy
- Code of Ethics
- Corporate Governance and Audit Committee Members
- Corporate Governance Compliance Reports

**Information about Publicly Traded Shares**

- Public Disclosures
- Initial Public Offering Prospectus
- Distribution of Publicly Traded Shares

**Financial Reports:** Balance Sheets, Income Statements, Dividend Distribution Tables, Cash Flow Statements, Statement of Changes in Equity, and Annotation of Independent Audit Reports.

SHAREHOLDER'S	NOMINAL SHARE VALUE (TRY)	SHARE (%)
RİDVAN ÇELİKEL	50,780,773	46.16
AVNİYE MUKADDES ÇELİKEL	5,677,039	5.16
OTHER	1,571,932	1.43
FREE FLOAT	51,970,256	47.25
TOTAL	110,000,000	100.00

**A presentation about our Company**  
**Investor Relations Unit**  
**Contact Information**  
**Form for Proxy Vote**

Our corporate social responsibility projects are also published on our website.

**Announcement of Real Person Final Dominant Shareholder(s)**

Our Company's shareholder structure is published on our website and in our annual report.

**Disclosure on Insider Traders**

In accordance with Capital Markets Board legislation, a list of insider traders is updated regularly upon resolution of the Board of Directors. The list of insider traders is prepared and updated by the Investor Relations Unit, in accordance with the Communiqué Circular VIII No: 54 of the Capital Markets Board. Insider traders on this list are also informed with a written notice that they signed upon receipt of their legal duties and applicable sanctions regarding abuse and unauthorized distribution of confidential information. Persons on this list who buy or sell shares also make the necessary disclosures to the Istanbul Stock Exchange.

**03 STAKEHOLDERS**

**Informing Stakeholders**

Stakeholders that have direct relations with our company, our activities and our goals are our investors, suppliers, customers, employees and other members of the population with personal interests in our company. Anel Elektrik strives to take executive decisions in a just, fair, transparent and accountable manner and carry out its responsibilities to these groups in the most ethical and appropriate ways possible.

Shareholders, investors and analysts can access our company's financial statements, annual reports and other related information on our Company's website or by inquiring via emailing investor.relations@anel.com.tr. Employees are informed at various events or through the company's intranet system. Some important announcements, however, are e-mailed to the employees. Necessary steps are taken to ensure a two-way communication flow between our management and the employees.

**Participation of Stakeholders in Management**

There is no special provision concerning the participation of stakeholders in management in our Articles of Association. On the other hand, requests and proposals are reviewed and implemented during the regular meetings of the directors.

**Human Resources Policy**

Our company's major human resources goal is to constantly develop the skillsets of our employees, who have the main impact on achieving our objectives and strategies, expanding our corporate capabilities and the level of added value.

We aim to have a loyal, capable workforce that will carry the company into the future and adhere to our Company's Anel's values. To achieve this, we provide development opportunities for our employees; create opportunities that unearth their potentials and encourage their support of the company whilst

rewarding their achievements.

Human resources processes are actively implemented in line with this goal.

Goals for employees are set upon their first day of work and are evaluated after six months with a general assessment at the end of the year. Financial targets are reviewed monthly.

A 360-degree performance assessment is provided once a year, depending on the competencies required for the position and targets set for the individual.

We aim to reward our employees based on their responsibilities and the value they add to the organization. To contribute to personal and professional development, we organize training sessions which, in turn, directly contribute to our corporate success. We constantly evaluate and restructure our human resource systems and processes based on the current requirements to ensure our ongoing success.

**Information on Relations with Customers and Suppliers**

Our company actively implements a customer satisfaction program during its projects to measure service quality, ensure constant improvement and provide services beyond customer expectations. Our customer relations process is mainly based on customer satisfaction surveys, conducted through a dedicated call center (444-ANEL/444-2635), to ensure transparent customer feedback and an objective review process. Surveys drafted through feedback received from the project managers are conducted on customers selected by the call center. The results are shared with the project managers and the necessary departments are informed about the areas that need to be improved. Customers are informed based on the responses received from the related departments. Suppliers, deemed as indispensable for our high quality services, are regularly reviewed by our project managers. Factors that need improvement are attended with the cooperation of the suppliers. We aim to get feedback from our customers and suppliers during all phases of our projects, to remedy problems and ensure maximum customer satisfaction.

Our company has various Quality Management System certifications that were awarded by domestic and international audit companies. They include the ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 certificates, the Facility Security Clearance Certificate issued by the Ministry of National Defense, and the NATO Facility Security Clearance Certificate.

**Social Responsibility**

We are intent on raising creative, pioneering and courageous individuals who are equipped with a contemporary world view, who have a capacity for critical thinking and who feel responsible for the environment and society.

As part of this, we continue to develop models aimed at improving education, investing in successful and conscientious generations and at providing scholarships for promising students who are likely to add value for the future.

Çelikel Education Foundation, founded in 2007, provides annual scholarships for 400 underprivileged students with great potential. Our Scholarship Program aims to increase our country's educational level, provide better conditions for more students and to contribute to our youngsters' life quality. Moreover, by cooperating with our volunteers we provide our scholars with training-development camps, mentoring and internship opportunities.

As an important step in our efforts to enable wider and easier access to education, we constructed the Samsun Kavak Rıdvan Çelikel Anatolian High School and subsequently donated to the Ministry of Education in 2008.. With a capacity of 360 students,

Kavak Rıdvan Çelikel Anatolian High School not only stands out for its fully-equipped classrooms, its 150 capacity conference hall, its modern laboratories or its comfortable modern study and rest areas that provide home-like amenities, but also for its academic achievements.

The “Best Practices in Education Conference- Samsun Workshop” was held at the Kavak Rıdvan Çelikel Anatolian High School with the assistance of Çelikel Education Foundation. It was organized as part of the “Education Reform Initiative” (ERI), launched in 2003, within the Istanbul Politics Center at Sabancı University and aims to ensure “Quality Education for All.”

We are aware that improving education does not only require the construction of schools. This is why we have implemented other activities to increase the overall quality of education. The Broad Perspective Creative Development Program, developed for this purpose, is made up of activities that support the individual, social and professional development of students, teachers and parents. The program views high school education from a broad perspective and is developed with a comprehensive and holistic approach regarding the target audience, content and content providers. The program lasts for one academic year and includes seminars, workshops, training classes, arts and social activities tailored for students, teachers and parents. The Broad Perspective Creative Development Program’s pilot implementation was first held last year at the Kavak Rıdvan Çelikel Anatolian High School with the program officially being launched at Istanbul Ümraniye Anatolian High School during the 2011-2012 academic year. The project is being implemented in Samsun with the cooperation of Ondokuz Mayıs University and in Istanbul with Boğaziçi University.

As a part of the Broad Perspective Creative Program, the second “Art Weekend Event,” was held at the Kavak Rıdvan Çelikel Anatolian High School on October 15, 2011. The event was jointly organized with the Creative Children’s Association. Students first attended the seminars about international artists held in the conference hall and then came together with the artists in their workshops. The attending artists conducting the workshops in Samsun were Derya Kılıç, Senem Demirhan, Melahat Mersinli and İbrahim Tapa. Students attending their classes drew caricatures, took photographs and made masks, puppets, sculptures and water marbling pictures which then were exhibited in the high school all year round.

Anel Group’s corporate social responsibility project aims to provide young artists with opportunities and support art as a whole. It is for this reason that we plan to introduce young artists’ works to Istanbul in the “Galeri 5” which we established in 2010.

Galeri 5 exhibited paintings from students of the Painting Department, Faculty of Fine Arts, Mimar Sinan University, cartoonist İbrahim Tapa’s works centered on the architecture and humorous sides of Istanbul and unique photographs from the research associates of Mimar Sinan University’s Photography Department.

## 04 BOARD OF DIRECTORS

### Structure and Composition of the Board of Directors and Independent Members

Our Chairman of the Board is Rıdvan ÇELİKEL. The Board of

Directors has seven members.

There are five executive and two non-executive board members. We are obliged to have two independent members in our Board of Directors as per Article 4.3.4 of the Communiqué Circular

IV, No: 56 of the Capital Markets Board. Our current Board of Directors has one independent Board Member, while we are taking the necessary actions to ensure the required number of independent members, as stated in the same communiqué. The appointment of independent board members is planned to be completed during the 2011 Ordinary General Assembly Meeting.

Other than the Company’s operations, our Board Members can be active in the operations as defined in the non-competition clause of the Turkish Code of Commerce. . In addition to that, our Board Members, excluding independent members, can also serve as board members of other Anel Group companies. As stated in the Articles of Association, all members of the Board of Directors must be elected by the General Assembly from Group A shareholders or their respective candidates.

### Qualifications of Board Members

All members of the Board of Directors must have basic knowledge of the legal and technical framework of the Company’s operations and have ability to read and analyze the financial statements of the company and experience in company management and graduated from faculty. Minimum requirements for our board members are stipulated under Article 10 of the Articles of Association.

A training and orientation program for Board Members was not needed so far. However, if deemed necessary, a training and orientation program as set by our Corporate Governance Committee will be provided.

### Mission, Vision and Strategic Objectives of the Company

Our company’s mission and vision have been approved by the Board of Directors and are posted on our group website (www.anel.com.tr).

Our Mission: To become a leading company in development and implementation of technological solutions on a global scale.

Our Vision: To become a market leading institution that provides a reliable service, both internationally and domestically, with its innovative, technological and engineering capabilities while creating added value for both Turkey and its business partners.

### Risk Management and Internal Control Mechanisms

Risk management and internal auditing mechanisms were specified and implemented by our Board of Directors to assess our Company’s current and potential risks, and take the necessary measures.

Internal Auditing, as per the guide line accepted by the Board of Directors, aims to audit, develop, and improve all of our Company’s activities, and to add value to our Group by providing independent and objective advice and assurance. It develops systematic approaches to assess and improve the efficiency and productivity of the Head Quarter, Risk Management, Internal Control and Management Processes to assist the Company achieve its goals.

### Internal Auditing activities cover the following:

1.To audit every operations and activities of the company.  
2.The Audit Group’s activities cover assessing if the Company functions properly and complies with guidelines set by the Board of Directors for Risk Management, Internal Control and Management Processes. These tasks under assessment are as follows:

a) To correctly address and effectively manage all financial and operational risks that may have a negative impact on the company’s activities,

- b) To maintain effective communication with relevant units and departments for the items involved in the auditing process,
- c) To ensure that financial, managerial and operational information deemed important for the company’s activities is up-to-date, reliable and accurate,
- d) To ensure that all employees comply with company policies, procedures and principles, ethics, standards and the related legislations,
- e) To ensure efficient procurement and use of all available company resources,
- f) To ensure a constant drive for quality and improvement as part of the Company’s internal control processes,
- g) To ensure that important legal and regulatory issues that concern the Company’s activities are communicated with the relevant units and departments,
- h) To ensure that critical issues relating to managerial control, efficiency and corporate identity are discussed and evaluated with the related top-management,

### Authority and Responsibilities of the Board Members and Executives

The Articles of Association define the authority and responsibilities of the Board members. Accordingly, the Board is authorized to resolve and execute decisions on all matters other than those that have to be solely carried out by the General Assembly as per the legislations of the Turkish Code of Commerce.

In line with the Article 319 of the Turkish Code of Commerce, the Board of Directors may delegate management and representation duties among its members, or to a committee composed of its members, or to a delegate or among delegates, or between managers who are not required to be shareholders.

The Board of Directors, aside from its legal duties, also:

- a.Ensures that Company’s activities comply with the legislation and the Articles of Association,
- b.Approves the Company’s annual budget and business plans,
- c.Drafts the annual report and presents it to the General Assembly,
- d.Ensures that General Assembly meetings are conducted in line with legislation as well as the Articles of Association, and executes the decisions taken at the General Assembly,
- e.Establishes an infrastructure that handles relations with the shareholders,
- f.Defines policies regarding disclosure and ethics,
- g.Defines the company’s mission and vision and makes them public,
- h.Establishes the required committees, primarily the audit and corporate governance committees, and determines their duties, responsibilities, and levels of authority to ensure that company activities are undertaken efficiently,
- i.Ensures that financial statements are prepared accurately and in line with current legislation and presents them to the General Assembly,
- j.Drafts the annual corporate governance compliance report and presents it to the General Assembly.

### Working Principles of the Board of Directors

The Board of Directors convenes as the company operations require to do so as set in the Articles of Association. The draft for the provisional agenda is prepared by the Chairman.

The meeting quorum is calculated by half of total Board Members plus one. It meets in line with principles set in the Turkish Code of Commerce and the Articles of Association, with a decision quorum of majority of participants. The secretariat notifies members about the meetings through emails and telephone calls. During 2011, there were no members of the board who voted against the Board of Directors decisions. In 2011, the Board of Directors held 37 meetings.

The Chairman and the board members do not have privileged voting rights. All members and the Chairman have equal voting rights.

### Prohibition on Doing Business or Competing with the Company

Members of our company’s Board of Directors, if not authorized by the General Assembly, are prohibited from engaging in transactions covered by the scope of activities of the Company either on their own or in the name of a third party, or becoming shareholders in companies performing such transactions. No board member did any business or competed with the Company in 2011.

### Code of Ethics

Code of Ethics for the Company and its employees has been set by our Board of Directors and has been published under the “Corporate Governance” section of the Investor Relations page on the Company’s website (www.anel-elektrik.com). Our Code of Ethics constitutes the foundation of our Company’s corporate governance structure.

### Number, Structure, and Independence of Committees Established by the Board of Directors

The Audit and Corporate Governance Committees were established in our Company in conformity with the Resolution No. 20 of May 11, 2010 adopted by our Board of Directors, and have conducted their activities during the year in line with current legislation and principles.

### Audit Committee Members

Chairman: A. Mukaddes ÇELİKEL (Board Member - Executive)  
Member: Ahmet Bülent BATUKAN (Board Member - Non-Executive)

The Audit Committee operates to ensure that the Board of Directors effectively fulfills its financial and operational duties and obligations. The committee operates as subordinate to



the Board of Directors and is responsible for monitoring the company's accounting system, the auditing and disclosure of its financial information, and the operations and efficiency of the internal auditing system.

The company has not lent funds nor extended loans to its Board Members, nor has it acted as a guarantor for them. Company has extended no loans or credit to any Board Member nor given any guarantees such as suretyship in their favor.

#### Corporate Governance Committee Members

Chairman: Ahmet Münir EKONOMI (Board Member - Non-Executive)

Member: Ahmet Bülent BATUKAN (Board Member - Non-Executive)

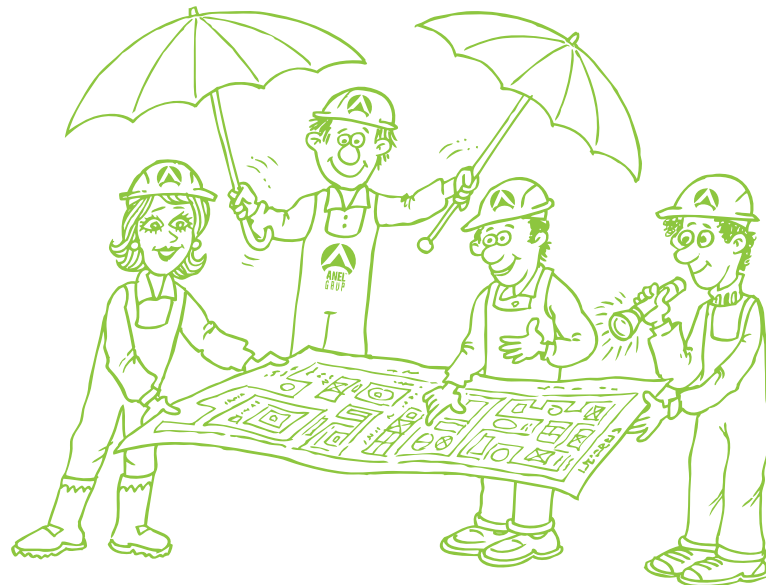
Member : Merve Şirin ÇELİKEL (Board Member - Executive)

The Corporate Governance Committee operates to ensure the Company's compliance with corporate governance principles; to designate executive managers and Board Members as well as responsible for their remunerations, performance assessments and career opportunities; and to support and assist the board by conducting activities related to investor relations and disclosures. The committee is also responsible for implementing management practices that improves the Company's performance and reviewing, assessing and proposing suggestions for current and future Company structures.

#### Financial Benefits Provided to the Board of Directors

Board Members receive an attendance fee as set by the General Assembly, with executive members also receiving a fee. In 2011, Board Members received a total of TRY 748,734, including attendance fees. Board Members are not subject to any performance evaluations.

# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. CONSOLIDATED FINANCIAL STATEMENT AND INDEPENDENT AUDIT REPORT



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH**

**To the Board of Directors of  
Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.**

1. We have audited the accompanying consolidated balance sheet of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. (the Company) and its subsidiaries (collectively referred as, the "Group") as of December 31, 2011 and the related consolidated statements of income and cashflow for the period then ended and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

2. The Group's management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards issued by the Capital Market Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

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

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

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

**Opinion**

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2011, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with the financial reporting standards issued by the CMB.

Istanbul, 13<sup>rd</sup> April 2011

**AC İSTANBUL ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.**  
**Member of ENTERPRISE WORLDWIDE**

**Ali Türker PİRTİNİ**  
**Managing Partner**



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

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

## ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011

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

	Notes Ref.	Current Period 31.12.2011	Prior Period 31.12.2010
<b>ASSETS</b>			
<b>Current Assets</b>		<b>396.961.412</b>	<b>373.869.317</b>
Cash and Cash Equivalents	6	87.175.966	83.493.170
Financial Assets	7	152.740	1.463.985
Trade Receivables			
- Due from Related Parties	37	12.048.851	9.648.862
- Other Trade Receivables	10	114.433.876	124.200.745
Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	15	116.828.926	91.391.218
Other Receivables			
- Due from Related Parties	37	5.462.034	1.395.018
- Other Receivables	11	5.877.160	3.135.573
Inventories	13	27.840.816	28.626.385
Other Current Assets	26	27.141.043	30.514.361
<b>Non-Current Assets</b>		<b>240.190.880</b>	<b>176.372.034</b>
Trade Receivables			
- Due from Related Parties	37	-	1.588.654
- Other Trade Receivables	10	-	-
Other Receivables			
- Due from Related Parties	37	400.000	400.000
- Other Receivables	11	117.493	118.403
Financial Assets	7	222.022	21.000
Investments According to Equity Method	16	16.303.979	21.359.652
Investment Property	17	117.239.553	110.158.570
Property, Plant and Equipment	18	13.921.895	7.125.694
Intangible Fixed Assets	19	234.183	315.788
Goodwill	20	173.385	173.385
Deferred Tax Assets	35	83.843.277	31.580.442
Other Noncurrent Assets	26	7.735.093	3.530.446
<b>TOTAL ASSETS</b>		<b>637.152.292</b>	<b>550.241.351</b>



ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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

	Notes Ref.	Current Period 31.12.2011	Prior Period 31.12.2010
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>224.132.289</b>	<b>234.095.402</b>
Financial Liabilities	8	50.150.235	62.885.821
Trade Payables			
- Due to Related Parties	37	12.290.890	6.877.511
- Other Trade Payables	10	40.802.394	61.419.885
Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	15	11.002.960	31.786.848
Other Payables			
- Due to Related Parties	37	2.809.459	2.903.765
- Other Payables	11	6.503.157	5.948.739
Employee Benefits	24	574.868	824.610
Taxes on Income	35	3.963.733	2.989.932
Other Current Liabilities	26	96.034.593	58.458.291
<b>Non-Current Liabilities</b>		<b>164.562.088</b>	<b>109.484.073</b>
Financial Liabilities	8	80.242.098	74.093.119
Employee Benefits	24	686.475	689.906
Deferred Tax Liabilities	35	81.043.143	31.806.293
Other Noncurrent Liabilities	26	2.590.372	2.894.755
<b>EQUITY CAPITAL</b>	<b>27</b>	<b>248.457.915</b>	<b>206.661.876</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>223.061.920</b>	<b>179.890.805</b>
Paid Capital	27	110.000.000	110.000.000
Share Premium	27	1.339.604	1.339.604
Revaluation Reserves	27	1.190.779	1.155.299
Foreign Currency Translation Difference	27	18.161.347	(56.660)
Legal Reserves	27	1.357.003	1.219.058
Retained Earnings	27	65.780.075	45.466.356
Profit of The Period	36	25.233.112	20.767.148
<b>Minority Interest</b>	<b>27</b>	<b>25.395.995</b>	<b>26.771.071</b>
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>		<b>637.152.292</b>	<b>550.241.351</b>

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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

	Notes Ref.	Current Period 31.12.2011	Prior Period 31.12.2010
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Financial Liabilities	8	80.242.098	74.093.119
Employee Benefits	24	686.475	689.906
Deferred Tax Liabilities	35	81.043.143	31.806.293
Other Noncurrent Liabilities	26	2.590.372	2.894.755
<b>EQUITY CAPITAL</b>	<b>27</b>	<b>248.457.915</b>	<b>206.661.876</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>223.061.920</b>	<b>179.890.805</b>
Paid Capital	27	110.000.000	110.000.000
Share Premium	27	1.339.604	1.339.604
Revaluation Reserves	27	1.190.779	1.155.299
Foreign Currency Translation Difference	27	18.161.347	(56.660)
Legal Reserves	27	1.357.003	1.219.058
Retained Earnings	27	65.780.075	45.466.356
Profit of The Period	36	25.233.112	20.767.148
<b>Minority Interest</b>	<b>27</b>	<b>25.395.995</b>	<b>26.771.071</b>
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>		<b>637.152.292</b>	<b>550.241.351</b>



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

	Notes	Capital	Share Premium	Revaluation Surplus	Foreign Currency Translation Difference	Legal Reserves	Retained Profit/(Loss)	Period Profit/(Loss)	Equity Attributable to Equity Holders of the Parent	Minority Interests	Total Equity Capital
Balance at 01 January 2010	27	30.000.000	-	1.655.301	(2.130.073)	1.219.058	15.316.453	30.704.213	76.764.952	24.911.751	101.676.703
Capital increase	27	10.000	-	-	-	-	-	-	10.000	-	10.000
Share premium	27	-	80.739.604	-	-	-	-	-	80.739.604	-	80.739.604
Transfers to Legal Reserves	27	-	-	-	-	-	-	-	-	300.000	300.000
The main change in the share of Partnership Transfers	27	-	(79.400.000)	(500.000)	-	-	30.614.215	(307.704.313)	(464.312)	389.499	(74.813)
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Difference	27	-	-	-	2.073.413	-	(464.312)	-	2.073.413	-	2.073.413
Profit/Loss of The Period	36	-	-	-	-	-	-	20.767.148	20.767.148	1.169.821	21.936.969
Balance at 31 December 2010	27	110.000.000	1.339.604	1.155.299	(56.660)	1.219.058	45.466.356	20.767.148	179.890.805	26.771.071	206.661.876
Balance at 01 January 2011	27	110.000.000	1.339.604	1.155.299	(56.660)	1.219.058	45.466.356	20.767.148	179.890.805	26.771.071	206.661.876
Capital increase	27	-	-	-	-	-	-	-	-	-	-
Distribution of earnings	-	-	-	-	-	-	-	-	-	-	-
Revaluations reserve	-	-	-	35.480	-	-	-	-	35.480	(660.688)	35.480
Transfers to Legal Reserves	27	-	-	-	-	137.945	(137.945)	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Changes in the scope of Consolidation	-	-	-	-	-	-	-	-	-	-	-
The main change in the share of Partnership Transfers	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Difference	27	-	-	-	-	-	-	-	(604.990)	-	(604.990)
Profit/Loss of The Period	27	-	-	-	-	-	289.506	-	289.506	1.626.893	289.506
Profit/Loss of The Period	27	-	-	-	18.218.007	-	-	-	18.218.007	-	18.218.007
Balance at 31 December 2011	27	110.000.000	1.339.604	1.190.779	18.161.347	1.357.003	65.780.075	25.233.112	223.061.820	25.395.995	248.457.815

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED DECEMBER 31, 2010

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

	Notes Ref.	Current Period 01.01.-31.12.2011	Prior Period 01.01.-31.12.2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/ (loss) for period	36	22.691.831	21.936.969
<b>Adjustments to reconcile net profit to net cash provided by operating activities:</b>			
Depreciation and amortization (+)	18, 19	2.175.309	1.592.943
Provision for doubtful debts (+)		9.935	79.775
Retirement pay provision (+)	24	243.880	356.855
Unused annual leave provision (+)	24	59.567	355.023
Unearned Credit Finance (Income)/ Expense, net	10	96.142	(18.233)
Adjustments related to Completion Method on Projects	15	2.872.253	(7.626.236)
Reversal of unnecessary provision (-)	31	(774.157)	(184.598)
Tax Accrual (-)	35	461.899	(11.864.476)
(Profit)/Loss from Equity Investments	16	5.148.482	5.024.395
Minority Interests (Profit) / Loss	27	2.341.281	(1.169.821)
Increase (-) / Decrease (+) in Financial Assets	7	-	(8.211)
Investment in associates Impairment expense (+)	7	-	5.364.216
Other Adjustments		-	-
<b>Operating cash flows before movements in working capital:</b>		<b>35.526.402</b>	<b>13.838.601</b>
Increase (-) / Decrease (+) on Commercial Transaction and other receivables	10, 11	2.147.841	(80.289.520)
Increase (-) / Decrease (+) on Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	15	(28.309.961)	(22.606.621)
Increase (-) / Decrease (+) on Inventories	13	785.569	(19.902.613)
Increase (-) / Decrease (+) on Other Current Assets	26	3.672.129	(8.389.796)
Increase (+) / Decrease (-) on Trade and other payables	10, 11	(14.744.000)	53.167.273
Increase (+) / Decrease (-) on Other liabilities	26	37.576.302	48.955.167
Increase (+) / Decrease (-) on Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	15	(20.783.888)	29.405.314
Tax payments (-)	35	(2.989.932)	(583.670)
<b>Net cash provided by (used in) operating activities</b>		<b>12.880.462</b>	<b>13.594.135</b>
<b>Net cash provided by investing activities</b>			
Purchase (-) / Sale (+) of financial assets	7	1.110.223	141.658
Change in investments according to equity method	16	5.055.673	4.166.631
Change in investments according to equity method	17	(516.575)	(1.834.353)
Purchase of tangible assets (-)	18	(2.339.680)	(2.187.354)
Purchase of intangible assets (-)	19	(66.694)	(314.201)
Sale of tangible assets (+)		30.100	-
Change of other long-term assets	26	(4.204.647)	(1.929.216)
<b>Net cash provided by (used in) investing activities</b>		<b>(931.600)</b>	<b>(1.956.835)</b>
<b>Net cash provided by financing activities</b>			
Cashflow arising from long term liabilities	26	(304.383)	(15.293.941)
Cashflow arising from financial liabilities	8	(6.586.607)	(6.898.985)
Cashflow arising from capital increase (+)	27	-	10.000
Cashflow arising from share premium (+)	27	-	80.739.604
Increase in minority interests (+) / decrease (-)	27	(1.375.076)	-
<b>Net cash provided by (used in) financing activities</b>		<b>(8.266.066)</b>	<b>58.556.678</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>3.682.796</b>	<b>70.193.978</b>
<b>Cash and cash equivalents at the beginning of the period</b>	6	<b>83.493.170</b>	<b>13.299.192</b>
<b>Cash and cash equivalents at the end of period</b>	6	<b>87.175.966</b>	<b>83.493.170</b>



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

## 1. ORGANIZATION AND ACTIVITIES

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

The activities of Anel Elektrik Proje Taahhut Ve Ticaret Limited Sirketi and its subsidiaries include the following operations,

- To desing all manner of electrical projects,
- To provide uninterrupted solutions by using low-tension services and electrical distrubution projects including communication network and security solutions,
- To commerce, import, export and produce all manner of electrical supplies and make new marketing organization related to it's activities,
- Project management,
- To purchase and sell properties,
- To design all manner of mechanical Project.

Head Office : Yukarı Dudullu, Atatürk Caddesi 1. Esensehir No:4 34775 Umraniye-İstanbul

The Group has branches in Tiflis, Doha and Azerbaijan.

Tiflis Branch: Tiflis Sehri, Paliavili Sokak No:17 Tiflis-Georgia

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

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

The main shareholder of the company that has 110.000.000 TRY capital, is Çelikel Family. (Note 27)

In the period ended at December 31, 2011, the average of 1.845 people have been employed in the group. (December 31, 2010:2.281)

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

<u>Name of the Company</u>	<u>Field of the Activity</u>	<u>Country of Incorporation</u>
Anelyapı Gayrimenkul A.Ş.	Purchasing and Selling Property	Turkey
Anel Mekanik Tesisat Taahhüt A.Ş.	Mechanical Projects	Turkey
Anel Enerji Elek. Üretim San. Ve Tic. A.Ş.	Solar Energy Projects	Turkey
Anelmarin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Marine Electricity, Electronics	Turkey
Anel Ukrayna Ltd.	Electrical Contracts	Ukraine
Anel Dar Libya Constructing & Services LLC	Electrical Contracts	Libya
Anel Engineering-Technological Company Ltd.Rusya	Electrical Contracts	Russia
DAG-08 OOD	Solar Energy Projects	Bulgaria
GOLDEN SUN OOD	Solar Energy Projects	Bulgaria

### Joint Ventures accounted by proportionate consolidation

<u>Name of the Company</u>	<u>Field of the Activity</u>	<u>Country of Incorporation</u>
Anel-Sera Adi Ortaklığı	Electric, Mechanic and Construction	Turkey
Anelmep Maintenance and Operations LLC.	Design, Contruction and Maintanance	Qatar
Turkges Enerji Elektrik Üretim San. Ve Tic. A.Ş.	Solar Energy	Turkey

### The subsidiaries accounted by equity method:

<u>Name of the Company</u>	<u>Field of the Activity</u>	<u>Country of Incorporation</u>
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	Telecommunication, Electronics	Turkey

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

## 1. ORGANIZATION AND ACTIVITIES(continued)

### Confirmation of Financial Statements

The consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) were authorized for issue on 13, April, 2012 by the management of the Group. Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issue.

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

### A. Basic Standards of Presentation

#### Accounting Standards

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

Capital Markets Board ("CMB") has obligated to prepare financial statements in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) by publishing Communiqué No: XI-29 for the periods beginning after 01.01.2008. Therefore attached financial statements have been issued in accordance with the IAS/ IFRS and presented in accordance with the formats required by the CMB with the announcement dated 17 April 2008.

Group's consolidated financial statements are presented according to above mentioned IAS/IFRS applications and weekly bulletins numbered 2008/16 and 2009/2 of CMB.

Consolidated financial tables indicate the historical costs of the all items excluding financial instruments, investment properties and investments in progress.

The group's operations are not influenced materially by the seasonal and periodical changes.

### 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.

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

The Group financial statements for prior periods, "Other Receivables" item shown in the ongoing construction contracts of guarantee on the cuts made by the employer, since it is related to commercial activities, "Trade Receivables" classified item. Retained earnings as a result of this classification has not changed.

### Going concern

The consolidated financial statements of the Group next year and will benefit from the activities of its assets in its natural course and prepared on the basis of business continuity under the assumption of obligations to be performed by going concern.



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

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

### A. Basic Standards of Presentation

#### Functional and presentation currency

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

Operating in the branch of a hyperinflationary economy, the Company's non-functional currency of Qatar Qatari Rial in Georgia Lari currency operating in the branch, subsidiary operating in the functional currency of Ukraine, Ukrainian Hryvnia, its subsidiary in Russia functional currency of the Russian ruble and the functional currency of its subsidiary operating in Bulgaria, the Bulgarian Lev is. These companies are doing the reporting to the Company balance sheet items denominated in U.S. dollars, respectively, the balance sheet date U.S. dollar / riyal, the U.S. Dollar / Lari, U.S. Dollar / Hryvnia, USD / RUB and USD / BGN ; income, expenses and cash flows of the term respectively, the average U.S. dollar / riyal, the U.S. Dollar / Lari, U.S. Dollar / Hryvnia, USD / RUB and USD / BGN kuruyla translated. Cycle arising from the translation gain / loss of the resource, which under the "Foreign Currency Translation Reserve" account is located. The functional currency of the Company's subsidiaries operating in Turkey in the TRY.

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

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

Currency	31 December 2011		31 December 2010	
	End of the Period	Average of the Period	End of the Period	Average of the Period
Qatari Riyal (QAR)	0,5189	0,4588	0,4247	0,4258
Georgian Lari (GEL)	1,1312	1,0001	0,8721	0,9194
Ukraine Hryvnia (UAH)	0,2364	0,2090	0,1941	0,1946
Rus Rublesi	0,0586	0,0518	-	-
Bulgaristan Levası	1,2495	1,1047	-	-

MINISTRY 1 of the Law No. 5083 on the Currency Unit of and dated April 4, 2007 pursuant to 2007/11963 in accordance with Decree, the New Turkish Lira and New Kurusta the 'new' phrases have been removed with effect from 1 January 2009. YKr New Turkish Lira values are converted into TL and 1 New Turkish Lira, a TL and 1 New Kurus, are equal to 1 YKr. Legal effect with all laws, regulations, administrative and legal process, court decisions, and all kinds of negotiable instruments as well as payment and exchange for keeping and presenting the financial statements and the Turkish Lira New Turkish Lira has taken place.

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

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

### A. Basic Standards of Presentation

#### Termination of Inflation Adjustments

According to the decision of Capital Markets Board of Turkey, with the decision number 11/367 dated 17.03.2005, because of the conditions necessary for the application of IFRS 29 "Financial Reporting in Hyperinflationary Economies" were not met, the inflation accounting would not be applied for the first quarter of 2005.

#### Netting / Offsetting

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

#### Amendments in International Financial Reporting Standards

Date and this date is December 31, 2011 consolidated financial statements for the fiscal period ended accounting policies adopted in the preparation of standards and new IFRIC reviews, except as outlined below as of December 31, 2011 was fully consistent with the consolidated financial statements.

#### Standards, amendments and interpretations effective as of 1 January 2010:

##### Payment of liabilities and equity Financial Instruments IFRIC 19 Borrowings

The comment on the conditions of operation and financial debt between creditors and the credit issuer company is calling a refresh all or a portion of debt and equity instruments adopted by the repayment of accounting refers to situations. IFRIC 19, IAS 39, this capital instruments pursuant to paragraph No. 41, "paid the price as" clarifies. As a result, the financial statements taken out of financial debt and equity instruments issued on the financial debt is treated as money paid to terminate.

##### IFRIC 14 Minimum Funding Requirements (Amendment)

The purpose of this amendment, businesses for minimum funding requirement is to allow the voluntary pre-payments as an asset assessment.

##### IAS 32 Financial Instruments: Presentation and Description - Classification of the issues with the new rights (Amendment)

This change in accordance with the applicable standard derivative instruments accounted for as a liability in respect of certain foreign currency amounts related to the rights issue proposals. The amendment if certain conditions were met, regardless of the currency during the procedure that will govern the rights of this kind of show that should be classified as equity issuance.

##### IAS 24 Related Party Disclosures (Amendment)

With the amendment was a new definition of related party and related party relationships in which case the influence of individuals and a key aspect of the managers were clarified. In addition, under the control of the state and the state, which jointly control or significantly influence the state of related party transactions disclosure obligations of companies that have been exempt.



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

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

### A. Basic Standards of Presentation

#### New and Revised International Financial Reporting Standards (continued)

In May 2010, the IASB, and resolve inconsistencies in the third frame in order to clarify statements published regulation. Changes were determined for various effective dates. The changes are effective as of January 1, 2011 are as follows:

#### IFRS 3 Business Combinations

This improvement, IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation, IAS 39 Financial Instruments: Recognition and Measurement standards that removes the exemption for contingent consideration and changes made in 2008 before initiation of the revised IFRS 3 arising from the business combination, contingent clarifies the issue for consideration is not valid.

Moreover, this improvement, the right to property means that the proportional share of the net assets of acquired businesses, expressed as components of the measurement options for non-controlling interests (fair value of property rights, or the proportional share of the net assets of the business through the purchase of vehicles which) limits the scope.

As a result of this improvement, a business (a business that is part of the merger process) purchased the business (mandatory or voluntary) accounting for share-based payment transactions necessitate replacement. Fees and expenses, separation of post-merger, such as, for example.

#### IFRS 7 Financial Instruments: Disclosures

The amendment clarifies the disclosures required in accordance with IFRS 7 and the quantitative and qualitative description of the degree of interaction between nature and highlights the risks associated with financial instruments.

#### IAS 1 Presentation of Financial Statements

Amendment of the business and changes in equity or equity items for each of the financial statements clarifies the requirement to submit an analysis of other comprehensive income.

#### IAS 27 Consolidated and Separate Financial Statements

This improvement, IAS 21, IAS 27 economy Effects of Exchange Rate Changes, IAS 31 and IAS 28 Investments in Joint Ventures standards clarifies the changes.

#### IAS 34 Interim Reporting

The amendment to IAS 34 and a guide for how to apply the principles of the disclosure is being done, add the descriptions to be.

#### IFRIC 13 Customer Loyalty Programmes

Correction, provided to customers within the program to receive a gift in fair values are determined based on the value scores of the cases, utilization of customer loyalty discounts given to other customers who participate in the program and clarifies the issue should be considered in the amount of incentives.

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

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

### A. Basic Standards of Presentation

#### New and Revised International Financial Reporting Standards (continued) Standards issued but not entered into force, and early application to be put

The consolidated financial statements are published as of the date of approval, but not yet entered into force for the current reporting period and begun to apply new standards early by the Group, comments and changes are as follows. Unless otherwise specified in the Group consolidated financial statements after the entry into force of the new standards and interpretations and explanatory notes will make the necessary changes will affect.

#### IFRS 9 Financial Instruments - Phase 1 Financial Instruments: Classification and Description

The new standard for annual periods beginning on and after January 1, 2013 are valid. The first phase of IFRS 9 Financial Instruments standard measurement of financial assets and liabilities and makes new provisions regarding the classification. Changes made in October 2010 to 9 IFRS affects the fair value option and fair value measurement of liabilities related to option the obligation to credit risk changes in the fair value requires the presentation of other comprehensive income statement. Early implementation of the standard are permitted. This standard is not yet approved by the European Union. Group has not yet assessed the impact of the standard financial condition and performance.

#### IAS 12 Income Taxes-Deferred Tax: Originally from the recovery of assets (Amendment)

Changes to annual periods beginning on or after January 1, 2012 but early application is permitted to apply. IAS 12, (i) as a prediction legally valid until proven otherwise, the fair value model under IAS 40, deferred tax on investment property measured at carrying value of real estate sales will also be won back through the calculation basis and (ii) the revaluation model in IAS 16 were also measured Intangible assets are depreciated on the basis of sales on the calculation of deferred taxation should be always updated about. This change has not been adopted yet by the European Union. Group has not yet assessed the impact of change in financial position or performance.

#### IFRS 7, Financial Instruments - A comprehensive study of off-balance sheet transactions Explanations (Amendment),

Amendment for annual periods beginning on or after July 1, 2011 applies. The purpose of the change, readers of financial statements in transfer operations of financial assets (such as securitization) - remain in the party who transferred financial assets, including the possible risks - to provide a better understanding. In addition, modification, transfer of financial assets disproportionate to situations where transactions towards the end of the accounting period brings additional description requirements. This change has not been adopted yet by the European Union. Impact on the Group's financial position or performance of the standard has not been evaluated yet.



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

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

### A. Basic Standards of Presentation

#### New and Revised International Financial Reporting Standards (continued)

##### IFRS 10 Consolidated Financial Statements

Standard for annual periods ending after January 1, 2013 and is valid and changes will be applied retrospectively. 11 Joint Arrangements and IFRS standards in 12 other enterprises in investment Descriptions are given for early adoption at the same time on condition that the implementation.

Standard IAS 27 Consolidated and Separate Financial Statements on the part of the consolidation has taken place. To be used in determining which companies will be consolidated in a new "control" is described. Leaving more space to make decisions to the authors of their financial statements, principles-based standard. This standard has not been adopted yet by the European Union. Impact on the Group's financial status or performance of the standard has not been evaluated yet.

##### IFRS 11 Joint Arrangements

Standard for annual periods ending after January 1, 2013 and is valid and changes will be applied retrospectively. IFRS 10 Consolidated Financial Statements and Disclosures IFRS standards for investments in enterprises at the same time 12 other early application is permitted provided that the application and the application should be done retrospectively.

How the accounting of business partnerships and joint activities are managed jointly. The new standard within the scope of consolidation is needed now to keep business partnerships are not allowed. This standard has not been adopted yet by the European Union. On the effects of the standard or the performance of the Group's financial condition has not been evaluated.

##### Other Disclosures IFRS 12 Investments in enterprises

Standard for annual periods ending after January 1, 2013 and is valid and changes will be applied retrospectively. IFRS 10 and IFRS 11 Consolidated Financial Statements Joint Arrangements for early adoption standards are given at the same time on condition that the implementation and application should be done retrospectively.

Earlier in Standard, IAS 27 Consolidated and Separate Financial Statements and before a full explanation of the consolidated financial statements IAS 31 and IAS 28 Interests in Joint Ventures, investments in associates, joint ventures, subsidiaries and related businesses must be given to all the footnote structural includes descriptions. Related to investments in other establishments within the scope of the new standard is expected to be given more explanation of footnotes. This standard has not been adopted yet by the European Union.

##### IFRS Fair Value Measurement 13

The new standard describing how to measure fair value under IFRS, although when fair value can be used and / or does a change should be used. In the nature of guidance for all fair value measurements. The new standard also makes the fair value measurement of liabilities related to the annotation of this standard is the implementation of the fiscal periods ending after January 1, 2013 and forward will be applied and the application is mandatory. Additional disclosures must be provided from the period just started to implement IFRS 13 – comparison with previous periods that do not need explanation. This standard has not been adopted yet by the European Union. Group has not yet assessed the impact of the standard on its financial condition and performance.

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

### A. Basic Standards of Presentation

#### New and Revised International Financial Reporting Standards (continued)

##### Separate Financial Statements IAS 27 (Amendment)

As a result of the publication of IFRS 10, the IASB has made changes to IAS 27. Changes made as a result, IAS 27 is no longer just a subsidiary, jointly-controlled businesses and individual financial statements of subsidiaries include the accounting issues. These changes are the same as the transitional provisions of IFRS 10. This standard has not been adopted yet by the European Union.

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

##### IAS 28 Investments in Associates and Joint Ventures (Revised)

11 As a result of the publication of IFRS, the IASB made changes to IAS in 28 and the standard was changed to the name of the IAS 28 Investments in Associates and Joint Ventures. Changes made to the subsidiaries, as well as by the equity method of accounting has been in business partnerships. These changes are the same as the transitional provisions of IFRS 11. This standard has not been adopted yet by the European Union.

##### IAS 19 Employee Benefits (Amendment)

Standard applies to annual periods beginning on or after January 1, 2013, and early application is permitted. With some exceptions, the application will be made retrospectively. Clarified the scope of change in the standard version or application changes have been made in many areas. The most important mechanism of range of many of the changes in benefit obligation of the removal and separation of short-and long-term employee benefits, not according to the principle of liability is now estimated that their rights according to the specified payment date. Group, the adjusted standard is not yet assessed the effects of the financial condition and performance. This standard has not been adopted yet by the European Union.

##### IAS 1 Presentation of Financial Statements (Revised)

Changes to annual periods beginning on or after July 1, 2012 are valid. Changes made to items in other comprehensive income statement changes only classification. Be classified in the income statement at a later date (or be returned back to) income statement items will not classified, items will never be shown separately. This standard has not been adopted yet by the European Union. Impact on the Group's financial status or performance of the standard has not been evaluated yet.



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

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

### A. Basic Standards of Presentation

#### Consolidation Principles

##### Subsidiaries

Subsidiaries are all entities over which the Group has power to govern the financial and operating policies so as to benefit from its activities. Subsidiaries in which the Group owns directly or indirectly more than 50% of the voting rights, or has power to govern the financial and operating policies under a statute or agreement are consolidated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The subsidiaries included in consolidation and their shareholding percentages at December 31, 2011 are as follows:

Name of the Company	31.12.2011		31.12.2010	
	Share		Share	
	Direct	Indirect	Direct	Indirect
Anelyapı Gayrimenkul A.Ş.	% 40,00	% 15,07	% 40,00	% 15,07
Anel Mekanik Tesisat Taahhüt A.Ş.	% 57,00	-	% 57,00	-
Anel Enerji Elek. Üretim San. Ve Tic. A.Ş.	% 70,50	% 1,37	% 70,50	% 1,37
Anelmarin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	% 93,00	-	% 93,00	-
Anel Ukrayna Ltd.	% 100,00	-	% 100,00	-
Anel Dar Libya Constructing & Services LLC	% 65,00	-	% 65,00	-

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

##### Full Consolidation Method:

Paid-up capital and balance sheet items were collected from the Company and its subsidiaries. The collection process, the consolidation method of mutual debts and claims of which was reduced from each other ventures.

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

- Subsidiaries included in consolidation, the paid in / issued capital items, including all equity groups, the parent company and subsidiaries consolidated balance sheet, minority interests and shareholders' equity account group and reduced the amounts corresponding to the "Minority Interest" shown in the name of the account group.

- Partnerships subject to consolidation method were purchased from each other in principle, current and fixed assets, the acquisition cost of these assets through partnerships subject to consolidation method will be shown by making corrections before the sale transaction took place in the consolidated balance sheet at the amounts.

- The Company 's subsidiaries and income statement items are collected separately, they are made to each other ventures consolidation method in the process of collection of goods and services sales, total sales amounts and the reduced cost of goods sold. Partnerships subject to consolidation method of stock purchase and sale of goods between these partnerships arising from the profit of the consolidated financial statements included in cost of goods sold is deducted from inventories, the inventory loss was reduced by adding the cost of goods sold. Transactions with each other is formed due to the method of consolidation of partnerships subject to income and expense items have been deducted from the accounts, mutual.

- Consolidation of subsidiaries included in consolidation method, net profit, or damage other than the shares subject to the corresponding portion of partnerships, net consolidated profit after the "Minority Interest" is shown as account group.

- Where necessary, the financial statements of subsidiaries within the Group companies to help us make the appropriate corrections were made in the accounting policies used.

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

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

### Consolidation Principles

#### Proportionate Consolidation Method:

In the financial statements of jointly controlled entities included in consolidation, the assets, liabilities, equity, revenues and expenses of the Parent Company are subject to consolidation by the percentage share of the partnership owned, consolidated financial statements prepared for consolidation adjustments made accordingly.

This joint venture of the Parent Company, subsidiaries of the Parent Company Financial assets and joint ventures are eliminated to the capital account as a mutual.

As of 31.12.2011 which was consolidated with the company in a joint venture partnership with the proportionate consolidation method, the effective rate shares are shown below.

Name of partnership	Parent Company's Share (%)	
	31.12.2011	31.12.2010
Anel – Sera Adı Ortaklığı	70,20	70,20
Anelmep Maintenance and Operations LLC.	30,00	30,00
Turkges Enerji Elektrik Üretim San. Ve Tic. A.Ş.	49,50	49,50

#### Equity Method:

Application of equity method, investments in subsidiaries are taken into account the appropriate procedures.

Accounted for by the equity method as of 31.12.2011 with the company effective rate shares of subsidiaries are shown below: (Note 27)

Name of associate	The company's share of direct capital (%)	
	31.12.2011	31.12.2010
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	27,41	27,41

The Group's interest in associates, it is the sum of subsidiary share of the parent company and other subsidiaries. Implementation of the method in shareholders' equity, the share of the enterprise subsidiaries and joint ventures are ignored. Be recognized under the equity method subsidiaries subsidiary, in the presence of an enterprise of a subsidiary or joint venture, associate net assets, profit or loss is taken into account as the associate, the consolidated balance sheet amounts. Subsidiaries, which are processed in this way, the associate, affiliate, subsidiary and joint ventures is resolved by an enterprise of the effects of the different accounting policies.

Affiliates accounted for under the equity method in respect of the affiliate who participates in the partnership share of loss, associate excess amount of the investment represented ordinary share, the other constituents of the rights of associates who participate in liquidation of partnership taking into account the reduced share purchase priority. Leave to depart the Company assesses the impairment of other components of the rights of associates.

### B. Changes in Accounting Policies

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



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

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

### C. Changes in Accounting Estimates and Errors

IAS / IFRS changes in accounting estimates under, the carrying amount of an asset or a foreign source, or determining the status of their current and expected future benefits and obligations arising from the evaluation of the periodic change of use because of the amount of fixes to be done. However, IAS / IFRS within the scope of changes in accounting estimates are caused by a new knowledge or the development, therefore, does not mean that the correction of errors.

IAS / IFRS as mistakes within the scope of the financial statement items the recognition, measurement, presentation and during the release occurs. If the financial statements, a significant error or entity's financial status, its financial performance or cash flows in front of the wrong done to demonstrate significant, albeit intentionally contains an error, is not appropriate accounting standards. IAS / IFRS financial statements before they are approved under the current period is detected errors should be corrected in the current period. Errors in some cases, however, noticeable in later periods, in which case IAS / IFRS comparative information under the following errors retroactively corrected financial statements for the periods.

### D. Summary of Significant Accounting Policies

IAS / IFRS accounting policies within the scope of consolidated financial statements used by businesses in the preparation and presentation of certain principles, guidelines, customs, rules and practices.

#### Revenues

Sales revenue, giving the product or service delivery, the product is transferred to the buyer the significant risks and rewards, and a reliable estimate the amount of revenue associated with the transaction it is probable that economic benefits will flow to the Company the fair value received or receivable recorded on an accrual basis is taken. Net sales, excluding sales tax on goods shipped or invoiced value of services completed, shows the shape of returns and commissions (Note 28).

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

- (a) Will be presented by the parties and each party's enforceable rights regarding the service,
- (b) Service charge,
- (c) Payment terms and conditions.

However, the amount already included in revenue when an uncertainty arises about the availability of charged, which can not be collected or to be likely to be charged on the amount of revenue originally recognized as an expense rather than correcting the consolidated financial statements.

#### *Investment Property Rental income from leases*

Rental income from rented property are recognized on an accrual basis. Income and economic benefits of that transaction, and that income is visible as possible the amount of input takes place be measured reliably,

#### *Interest income*

Interest income, the remaining principal balance of the financial asset and the estimated future cash receipts through the expected life of the asset's net book value is accrued over the period by which the effective interest rate.

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

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

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

#### Segment Reporting

A reportable segment is a business segment or geographical segment information to be disclosed. A business segment is associated with a particular good or service or providing goods or services or a group of other business segments subject to risks and returns that are different. A geographical segment is a particular economic environment that provides goods or services and any other economic environment subject to risks and returns that are different from other economic activities.

Group in Turkey and abroad mainly in the electrical contracting, mechanical equipment, and electronics and solar power areas in which it operates in Turkey for the ship's electrical Segment reporting of financial information according to the structure of power project contracting companies that perform these operations, real estate leasing, mechanical installation, the ship's electrical reported under the headings of the electronic and energy.

Management purposes the Group is geographically Turkey, Qatar, including Georgia and Ukraine is divided into four sections (Note 5).

#### Cash and Cash Equivalents

IAS / IFRS under the cash, cash and demand deposits in the enterprise, while cash equivalents, short-term cash obligations for the handheld and is not used for investment or other purposes, a certain amount of short-term and highly liquid investments readily convertible into cash and the assets of an insignificant risk of changes in value represents (Note 6). Than twelve months from the date of the balance sheet in a long time to be used for payment of a debt or for other reasons have been classified in cash and equivalents, is located in the fixed assets.

#### Financial Investments

IAS / IFRS financial assets within the scope of the Group if it is a legal party to financial instruments and asset side of the Group's balance sheet is located.

#### Classification and Measurement

Financial investments, at fair value through profit or loss except for financial assets recognized at fair value and fair value recorded after deducting the expenses are directly related to the purchase process. Investments in accordance with the timeframe established by the market concerned require delivery under a contract are recognized or derecognised on the trade transaction.

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

#### Financial assets at fair value through profit or loss

Principally for the purpose of the Group's financial assets to dispose of the existence of a close date of a financial asset of the Group manages together and formed the short-term profits are realized immediately constitute a part of a defined portfolio of financial instruments and financial risk as a means of effective protection against those derivatives not designated at fair value through profit or loss financial assets are classified as financial assets. Financial assets at fair value through profit or loss, earnings or losses resulting from fair value, profit / loss is recognized. Profit / loss recognized in net earnings or losses, interest earned from the asset in question and / or include the amount of dividends.



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

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

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

#### Financial Investments (continued)

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period.

Income is recognized on an effective interest basis for held-to-maturity investments, available-for-sale financial assets and loans and receivables.

##### • *Held-to-maturity investments*

If the Group has positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using effective interest method, less any impairment losses. The group does not have such financial assets.

##### • *Available-for-sale financial assets*

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes there in, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. The Group have 3 Subsidiaries and 1 Participate that classified as available for sale financial assets. (Note 7)

##### Initial recognition and subsequent measurement

Financial assets are initially recognized at fair value are recognized during import. However, financial assets are reflected at fair value through profit or loss during the first recognition, such transaction costs directly attributable to the acquisition of financial assets at fair value is added. Subsequently remeasured at their fair value of financial assets are valued. Trading financial assets and financial assets at fair value of available for sale, fair value, as of December 31, 2010 ISE best bid on actual orders clearing price, which implies the absence of the last transaction clearing price. Reliably measured at fair value and not an active market securities stated at cost. The company's purchase - date of transaction on the basis of financial instruments held for trading, available-for-sale financial assets recognized at the time of the commitment to purchase these assets are recognized.

From this date the fair value of financial assets held for trading the income statement changes, changes in the fair value of financial assets is a permanent diminution in value is not in question, in equity logged.

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

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

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

#### Trade Receivables and Payables

The Group's main activities are reported in this group under the trade receivables sales and purchases of goods or services from customers in exchange for the receivables and liabilities are expressed. The Group's trade receivables, loans and other receivables are initially recorded at fair value are recognized. Reporting periods after the date of recognition, the value measured at amortized cost using the effective interest method (Note 10).

Deposits and guarantees given and received under this head, not the other receivables and payables are reported. These receivables and payables, which is part of the related parties, related party transactions described in footnote. (Note 37).

The Group's trade receivables, after deducting for doubtful accounts receivable refers to the values of the reduced net. Could not be charged on overdue receivables is an indication of a concrete case of the provision for doubtful receivables. The amount of the provision, the difference between the carrying amount and recoverable amount. Recoverable amount, including amounts recoverable from guarantees and collateral, all cash flows, discounted based on the effective interest rate of the value of trade receivables. Cases are discovered in the collection of receivables that can not be completely deleted from all records.

Trade payables are carried at cost reduced to reflect their fair values are reported in the balance sheet. (Note 10).

#### Costs And Estimated Earnings In Excess Of Billings On Uncompleted Contracts and Billings In Excess Of Costs And Estimated Earnings On Uncompleted Contracts

Contract revenue and costs are recognized as revenue and expenses, respectively, when the outcome of a construction contract can be estimated reliably. The percentage of completion method is used to recognize revenue on a contract as work progresses by matching contract revenue with contract costs incurred based on the proportion of work completed which is determined by the ratio of costs incurred through the end of the current year divided by the total estimated costs of the project.

Revenue arising from cost plus fee contracts is recognized on the basis of costs incurred plus a percentage of the contract fee earned during the year.

Contracts to manage, supervise or coordinate the construction activity of others are recognized only to the extent of the fee revenue.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the statement of income as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured.

Costs and estimated earnings in excess of billings on uncompleted contracts represent revenues recognised in excess of amounts billed. Billings in excess of costs and estimated earnings on uncompleted contracts represent billings in excess of revenues recognised. (Note 15)

#### Other Receivables and Payables

Trade receivables and payables, receivables and payables that are not within the class of these items are shown. For example, deposits and guarantees, non-trade receivables from related parties, tax authorities, receivables, other receivables, other receivables, doubtful, and so on. Any debt obligations that are not within the class described here is shown in this item. For example, due to related parties without the capacity of the supplier or customer, deposits and guarantees, loans to public authorities, other liabilities (Note 11).



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

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

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

#### Inventories

Held for resale in the ordinary course of business, which is being produced to be sold or used in the production process or service delivery assets shown in the pen in the form of substances and materials. 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; all purchase costs, conversion costs and other costs incurred to bring inventories to their present condition and contain. Costs of conversion of inventories, such as direct labor costs, includes costs directly related to production. These costs are also incurred in the first article and material to product conversion of fixed and variable production overheads that include a systematic allocation of.

Net realizable value is the estimated selling price in the ordinary course of business, the estimated costs of completion and estimated costs necessary to realize the sale is obtained by deducting the sum. Stocks of financial statements, as a result of the use or sale can not be traced with a cost higher than the amount expected to be obtained. Amount of costs to be obtained as a result of use or sale if it is higher, the stock is divided Impairment (Note 13).

Moving average cost method is applied to calculate the cost of inventories.

#### Other Assets and Liabilities

##### *Other Assets and Liabilities*

Prepaid expenses, Income accruals, Prepaid taxes and funds, Advances given for business purposes, Advances given to personel, VAT carried forward - short term, VAT deductible, VAT other, Sundry assets are reported in Other Current/Noncurrent Assets. (Note 26)

*Prepaid expenses, Income accruals, Prepaid taxes and funds, Advances given for business purposes, Advances given to personel, VAT carried forward - short term, VAT deductible, VAT other, Sundry assets are reported in Other Current/Noncurrent Assets. (Note 26)*

Deferred income, Expense accruals, Other sundry payables are reported in Other Current/Noncurrent Liabilities. (Note 26)

#### Investment Property

Investment property, the cost to be a reliable way of measuring the possible and probable future economic benefits are taken in case of the consolidated financial statements at cost.

The Group's own use of the tangible assets shown in the property.

##### *Fair Value Method*

Group, After initial recognition, investment properties at fair value method selected, and all measured by the method of fair value (Note 17).

Investment property fair value gain or loss occurs due to a change in the profit or loss are included. Transfers from investment property is done when a change in use. Monitored on the basis of investment property at fair value, a transfer to the class of real estate used by the owner, the transfer after the estimated cost of the accounting process, the said real estate is the fair value at the dates of the change in the form of use. Used by the owner of a property, on the basis of fair value to display in case of an investment into real estate, business, until the date of change in use "Tangible Assets" applies a policy of accounting.

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

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

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

#### Tangible Fixed Assets

Group, the production or supply of goods and services to be used for rent to others (for fixed assets other than real estate), or held for use in the framework of administrative purposes and intended for use over a period of physical items within the cost model, is stated at cost.

Cost of the tangible asset value of the purchase price, import duties and non-refundable taxes, the costs to bring the material consists of assets held ready for use. The use of the tangible asset, such as repair and maintenance expenses incurred after the period in which are reported as expense in the income statement. Expenditure on the future use of the related tangible asset's cost of these expenditures provides an economical increase in value added.

Except land and construction in progress, depreciable assets, the Company's management determined by the rates calculated on the basis of their useful lives are depreciated by the straight-line method. Depreciation times are as follows:

	Years
Buildings	50
Machine and equipment	3-10
Machine and equipment (Leasing)	4-10
Motor vehicles	4-5
Furniture, fixtures and office equipment	4-14
Leasehold amount	5

Private costs include expenses incurred for leased property and where the useful life over the lease term is longer than the duration of the rental agreement, where useful lives are depreciated over the shorter. Depreciation of tangible fixed assets are separated from the date that is ready for use. Depreciation of such assets in the period in which leave will continue to idle.

Gain or loss on disposal of tangible fixed assets as a result, the amounts are determined by comparing proceeds with a net balance sheet value and are included in other income and expense accounts.

The useful life and depreciation method are reviewed on a regular basis, depreciation method and period of the related economic benefits of the related asset to be acquired and the necessary corrective action is insensitive to the parallel provision (Note 18).

Assets held under finance leases, hire purchase is made at the end of time is close to the innovations are, in the same way owned assets, are depreciated over the useful life of the asset. (Note 18).

##### Revaluation Model

Tangible fixed assets are carried at revalued amount reported for buildings and land. Company licensed by the independent valuation of the buildings at fair value determined by the CMB. Revalued amount, the fair value revaluation date, subsequent accumulated depreciation and subsequent accumulated impairment losses are reduced by. Increases in value changes reported in equity is revalued.

If the carrying value of an asset are greater as a result of the revaluation, the increase in other comprehensive income recognized directly in equity and is collected under the name of the account group revaluation increase. However, a revaluation gain, profit or loss before the asset revaluation associated with the reception in the extent recognized as income to reverse.

If the result of a revaluation of the asset book value is low, it is recognized as an expense reduction. However, this decrease in other comprehensive income related to the asset revaluation surplus of the balance of all kinds will be recognized to the extent coverage. Those recognized in other comprehensive income decreased by reducing the amount that has accumulated in equity under the heading of revaluation surplus (Note 18).

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

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

#### Intangible Assets

The Group's intangible assets, the cost of the purchase value, net of accumulated depreciation and amortization and impairment losses are recognized in the financial statements. Purchased intangible assets, primarily software, 3 and 5-year limited useful lives



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

are amortized over the straight line method (Note 19). Amortization of intangible assets in cost of sales expenses and general and administrative expenses in the income statement (Note 28-29).

#### **Business Combinations and Goodwill**

Business combinations, two separate entities or businesses, as shown in the form of reporting is considered a single enterprise. Business combinations are accounted for using the purchase method.

Costs incurred related to the purchase of a business acquisition, the acquisition date the acquired entity's identifiable assets, liabilities and contingent liabilities are distributed. Identifiable assets acquired with the purchase cost, the difference between the fair value of liabilities and contingent liabilities recognized in the consolidated financial statements as goodwill. Business acquired in business combinations / not included in the financial statements of the company's assets (such as mobile financial losses), intangible assets (brand equity) and / or contingent liabilities at their fair values are reflected in the consolidated financial statements. Amount of the goodwill acquired in the financial statements the identifiable assets of the company is not regarded as.

Carrying value of goodwill is reviewed on an annual basis and, when necessary, taking into consideration the permanent loss of value are subject to correction.

Change on the Group's share of the identifiable assets and liabilities at fair value are recognized as negative goodwill in excess of acquisition cost. Negative goodwill, anticipated future losses and expenses, and this issue is related to the acquisition plan has been achieved and a reliable determination on the calculation and acquisition cases do not represent identifiable liabilities, the expected loss and expense in the income statement portion of the financial statements for the period in which income is taken as negative goodwill (Note 20).

#### **Impairment of Assets**

The Group deferred tax assets at each balance sheet date and the financial assets at fair value each balance sheet date for each asset except those related to the asset if there is any indication of impairment reserves subjected to analysis. If any such indication exists, the asset's recoverable amount is estimated. If such an asset or cash-generating unit, the carrying value, impairment of higher amount to be recovered through use or sale has occurred. Recoverable amount is the higher of net selling price and value in use. Use of an asset at the end of the useful life of continuous usage and disposal of the present value of estimated cash flows expected to be obtained. Impairment losses are recognized in the income statement.

An impairment loss of a receivable, subsequent increase in recoverable amount of that asset, an impairment loss recognized in the periods following an event occurring with associated case is reversed. An impairment loss of other assets, if there is a change in the estimates used in determining the recoverable amount is reversed. Asset's carrying amount of the impairment loss due to cancellation of the increase occurring in previous years, if no impairment loss in the consolidated financial statements have not been taken will be determined the carrying value (net of depreciation) should not exceed.

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

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

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

#### **Borrowings and Borrowing Costs**

If received less than 12 months from the date of the balance sheet date of maturity, in the short-term liabilities, long-term liabilities are included in more than 12 months. Loans, the date of receipt of the loan proceeds net of transaction costs are recognized initially at fair value. Borrowings are subsequently stated at amortized cost using the effective interest method. With the remaining amount after the deduction of transaction costs and the difference between amortized cost, reflected in the income statement as finance costs during the loan period. Borrowing costs are recognized in the income (Note 8).

#### **Earnings per share Earnings per share from continuing operations**

Earnings / loss amount, net profit / loss; continuing operations per share, profit / loss amount, continuing operations profit / loss for the company's shares time-weighted average number of ordinary shares during the period. The calculation of earnings per share, to make the necessary corrections to the dilution of potential ordinary shares or preference does not exist (Note 36).

#### **Effects of Changes in Exchange Rate**

Foreign currency transactions are translated into TL exchange rates prevailing at the transaction. In the balance sheet assets and liabilities denominated in foreign currency exchange rates prevailing at balance sheet date are translated into TRY. Exchange differences resulting from these transactions are included in the income statement.

#### **Subsequent Events**

Subsequent events, with the balance sheet date between the date of approval for the publication of consolidated financial statements, the Company refers to events that occur in favor or against. Correction is carried out, according to the situation described two types of:

- Adjusting events after the balance sheet, balance sheet as of the date the evidence concerning the relevant facts showing that there are situations where the conditions,

- To indicate that the developments related events occur after the balance sheet date (adjusting events after the balance sheet)

The Group's consolidated financial statements, adjusting events after balance sheet date that do not require significant events after the balance sheet was taken and shown in the notes (Note 40).



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

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

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

#### Provisions, Contingent Assets and Contingent Liabilities

##### Provisions

Have a present legal or constructive obligation arising from past events and resources embodying economic benefits to settle the obligation is probable and the Company to exit in case of liability is estimated in a safe manner should be recognized in the consolidated financial statements. Provisions for fulfilling the obligation of expenses in the most realistic estimates made by management of the Company calculated and discounted to present value where the effect is significant.

##### Contingent Liabilities

This group entered the obligations arising from past events and whose existence is not entirely under the control of one or more uncertain future events by realization of non-existence of nature, which can be confirmed and evaluated as contingent liabilities, obligations are not included in the consolidated financial statements. Because, to settle the obligation, do not have the possibility of an outflow of resources embodying economic benefits or the amount of liability measured with sufficient reliability. The company of resources embodying economic benefits will likely come out very far, unless there are consolidated financial statements as contingent liabilities (Note 22).

##### Contingent Assets

Group arising from past events and whose existence is not fully controlled by one or more assets that are to be confirmed by the occurrence uncertain, contingent asset is considered. Inflow of resources embodying economic benefits is uncertain and contingent assets in the consolidated financial statements. Or all of the economic benefits required to settle a provision are expected to be a third party, which will be charged on the amount of cases, it is virtually certain that reimbursement will be received and if the amount can be measured reliably, are accounted for and reported as an asset.

##### Leasing Transactions

Risks and benefits arising from have any kind of ownership is transferred to the lessee Leases are classified as finance leases. At the end of the contract period, the property may be transferred or devredilmeyebilir. With ownership of an asset leases are transferred to all the risks and benefits of being classified as operating leases.

Assets held under finance leases, lease payments or the fair value of the asset at the lower of present value of minimum lease payments are capitalized. The corresponding liability to the lessor, are shown as a finance lease obligation. Lease payments, finance charges and reduction of the lease obligation so as apportioned over the remaining balance of the debt back to provide a fixed rate of interest. Financial expenses, except for activation of related entities within the Group's general policy on borrowing are recognized in income. Tangible assets acquired under finance leases, are depreciated over the estimated useful life of the asset (Note 8).

Payments for operating leases (lessor the rent received or receivable for the realization of the process as an incentive is recognized straight-line basis over the lease term), is recognized straight-line basis over the lease term.

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

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

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

#### Related Parties

The Group's related parties, ownership, contractual right, family relation or similar means, directly or indirectly against the side of the cover is capable of controlling or significantly affect the institutions. The accompanying consolidated financial statements of the Group's shareholders and the companies owned by shareholders, their key management personnel and other companies known to be associated with related parties, defined as.

Presence of one of the following criteria, shall be deemed a party associated with the Group:

i) mentioned directly, or indirectly by means of one or more of:

- The Group controls, is controlled by the Group or
- The group is under common control with (parents, subsidiaries and fellow subsidiaries, including the same);
- That gives it significant influence over the Group has an interest, or has joint control over the Group;

ii) the party is an associate of the Group;

iii) the party is a joint venture of the Group as a joint enterprise;

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

v) the party (i) or (iv) said articles being of any individual member of a family;

vi) the party controlled, joint controlled or an important influence, or (iv) or (v) said articles of any individual, either directly or indirectly, an operating key has the right to vote, or

vii) the party is a party of a business enterprise or its employees associated with the post-employment benefit plans must be provided.

Related party transactions between related parties, resources, services, regardless of whether a price is charged, or the transfer of liabilities (Note 37).

#### Taxation and Deferred Taxes

Income tax liability on the profit and loss for the period, includes current tax and deferred taxes. Current year tax liability, and the balance sheet date on the taxable profit for the current tax liability calculated using the tax rates (Note 35).

Deferred income tax liability or asset values shown in the consolidated financial statements of assets and liabilities taken into account with the statutory tax amounts to tax effects of temporary differences between the balance sheet method of tax rates enacted at the balance sheet date is computed taking into account. (Note 35).

Deferred tax assets or liabilities, such differences will be eliminated from any future increase or decrease the estimated taxes payable are reflected in the consolidated financial statements. Deferred tax liability, deferred tax assets are recognized for all taxable temporary differences and deductible temporary differences and future taxable profits is probable will be provided in the financial statements. Provide all or part of deferred tax assets will be available to allow the benefit is not probable that sufficient taxable profits to the extent the carrying amount of deferred tax assets is reduced.

The same country being subject to tax legislation be offset against current tax liabilities and assets for current tax is a legally enforceable right exists to a deferred income tax assets and liabilities are offset from each other (Note 35).

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

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

#### Employee Benefits and Retirement Benefits



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

According to the provisions of Turkish law and union agreements, lump sum payments are retirement or dismissal. The updated IAS 19 Employee Benefits Standard ("IAS 19") in accordance with such payments are considered as defined benefit plans.

The retirement benefit obligation reported in the balance sheet, income statement has not been part of actuarial gains and losses represent the present value remaining after deducting liabilities (Note 24).

#### Reporting of cash flows

Group net assets, financial structure and cash flow amounts and timing of the users of financial statements according to changing conditions to provide information about the routing capability, prepares cash flow. Cash flows from operating activities, cash flows arising from the Group's activities. Cash flows from investment activities, investment activities (fixed asset investments and financial investments) and cash flows. Cash flows relating to financial activities, the resources used by the Group's financial activities and show their repayment. Cash and cash equivalents, bank deposits and highly liquid assets, cash and short-term, highly liquid investments and the maturity date of three months or less.

#### E. Important Accounting Valuation, Estimation and Assumptions

The preparation of consolidated financial statements, management, affect the reported amounts of assets and liabilities in the balance sheet date and the possible liabilities and commitments that determine the amounts of revenues and expenses during the reporting period must make assumptions and estimates. These estimates and assumptions regarding the Group management's current events and transactions with the actual results may vary based on the best though. Forecasts are revised on a regular basis, the necessary corrections are made and are reflected in the income statement in the related period.

#### 3. BUSINESS COMBINATIONS

None. (2010: None)

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

#### 4. JOINT VENTURES

Joint ventures, the Group's consolidated financial statements using the proportionate consolidation method, are shown. Proportionate consolidation method, essentially identical to procedures carried out under the full consolidation method. However, before commencing joint management consolidation transactions, joint ventures related to investments that the Group's balance sheet and income statement amounts, and / or joint venture owned by affiliates to share in the enterprise, taking into account the Group's financial statements with similar pens collected. These operations generated consolidated financial statements as a result of minority shareholders' equity and minority profit / loss amounts are not. The following financial information is given about the joint ventures of these companies represent the entire financial magnitudes.

Businesses operating in joint ventures accounted for using proportionate consolidation method, threads, pay rates and summary financial information is as follows:

<u>Name of the Company</u>	<u>Field of the Activity</u>	<u>Country of Incorporation</u>
Anel-Sera Adi Ortaklığı	Electric, Mechanic and Construction	Turkey
Anelmep Maintenance and Operations LLC.	Design, Contruction and Maintanance	Qatar
Turkges Enerji Elektrik Üretim San. Ve Tic. A.Ş.	Solar Energy	Turkey

<u>Name of the Company</u>	31 Aralık 2011	
	<u>Direct Share</u>	<u>Indirect Share</u>
	%	%
Anel-Sera Adi Ortaklığı	70,20	-
Anelmep Maintenance and Operations LLC.	30,00	-
Turkges Enerji Elektrik Üretim San. Ve Tic. A.Ş.	49,50	-

#### Summary Financial Information

	Anel - Sera Adi Ortaklığı	Anelmep Maintenance and Operations LLC.	Turkges Enerji Elektrik Üretim San. Ve Tic. A.Ş.
<b>31.12.2011</b>			
Current Assets	84.910.194	367.666	109.555
Fixed Assets	1.514.140	119.704	4.340
Short Term Liabilities	(83.619.125)	(6.414.783)	(8.706)
Long Term Liabilities	-	-	-
Net Assets	<b>2.805.209</b>	<b>(5.927.413)</b>	<b>105.189</b>
<b>01.01.-31.12.2011</b>			
Income	3.064.685	2.214.999	4.578
Expences (-)	(33.741)	(3.336.994)	(18.063)

#### 5. SEGMENT INFORMATION

Power project contracting group in terms of management accounting, real estate rental and mechanical installations, including the ship's electrical electronics, and energy is divided into five operating groups. This separation, according to the following sections are the basis for financial reporting.



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

5. SEGMENT INFORMATION (continued)

31.12.2011	Electrical Projects	Property Hiring	Mechanical Installations	Marine Electric Electronic	Energy	Eliminations	Total
Net Sales	242.325.210	8.923.151	124.174.030	4.236.772	8.038.893	(30.653.922)	357.044.134
Cost of Sales (-)	(198.719.560)	(2.375.018)	(123.128.263)	(3.687.196)	(6.837.715)	29.960.342	(304.787.410)
Gross Margin	43.605.650	6.548.133	1.045.767	549.576	1.201.178	(693.580)	52.256.724
Operating Expenses (-)	(13.811.798)	(2.016.782)	(3.109.206)	(281.479)	(2.128.544)	1.422.630	(19.925.179)
Incomes From Other Operations	2.084.134	8.422.987	256.870	23.584	2.212	(741.734)	10.048.053
Expenses From Other Operations (-)	(998.529)	(23.332)	(120.994)	(13.043)	(28.426)	-	(1.184.324)
Operating Profit/(Loss)	30.879.457	12.931.006	(1.927.563)	278.638	(953.580)	(12.684)	41.195.274
Profit/(Loss) From Investments According to Equity Method	(5.148.462)	-	-	-	-	-	(5.148.462)
Financial Incomes	21.566.414	21.692.599	4.908.566	883.904	1.083.785	(1.367.703)	48.767.565
Financial Expenses (-)	(15.233.244)	(41.089.276)	(4.533.754)	(543.820)	(1.428.256)	1.367.703	(61.460.647)
<b>Profit/ (Loss) Before Provision For Taxes</b>	<b>32.064.165</b>	<b>(6.465.671)</b>	<b>(1.552.751)</b>	<b>618.722</b>	<b>(1.298.051)</b>	<b>(12.684)</b>	<b>23.353.730</b>
<b>Tax Income/(Expense) From Operating Activities</b>							
- Tax For Period	(3.026.545)	-	(476.636)	(127.391)	(122.876)	-	(3.753.448)
- Deferred Tax Income/ (Expense)	(235.730)	(1.162.033)	4.491.932	2.337	202.066	(7.023)	3.291.549
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>28.801.890</b>	<b>(7.627.704)</b>	<b>2.462.545</b>	<b>493.668</b>	<b>(1.218.861)</b>	<b>(19.707)</b>	<b>22.891.831</b>
<u>Other Informations</u>							
- Total Assets	446.651.904	179.925.744	65.960.545	2.309.824	40.812.492	(98.508.217)	637.152.292
- Total Liabilities	446.651.904	179.925.744	65.960.545	2.309.824	40.812.492	(98.508.217)	637.152.292
<u>Investment Expenditures</u>							
Investment Property	-	516.575	-	-	-	-	516.575
Property, Plant and Equipment	2.220.816	59.609	40.951	-	18.304	-	2.339.680
Intangible Fixed Assets	66.694	-	-	-	-	-	66.694

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

5. SEGMENT INFORMATION (continued)

31.12.2010	Electrical Projects	Property Hiring	Mechanic and Installations	Gemi Elektrik Elektronik	Energy	Eliminations	Total
Net Sales	257.898.318	4.159.199	82.373.313	6.066.678	12.247.265	(43.411.060)	319.333.713
Cost of Sales (-)	(231.145.111)	(2.296.292)	(75.575.218)	(4.530.809)	(10.448.221)	43.270.624	(280.725.027)
Gross Margin	26.753.207	1.862.907	6.798.095	1.535.869	1.799.044	(140.436)	38.608.686
Operating Expenses (-)	(11.654.801)	(354.820)	(322.076)	(247.836)	(1.196.602)	604.381	(13.171.754)
Incomes From Other Operations	1.739.322	588	12.949	2.089	-	(469.029)	1.285.919
Expenses From Other Operations (-)	(393.177)	(671.940)	(3.692)	(2.772)	-	(282.639)	(1.354.220)
Operating Profit/(Loss)	16.444.551	836.735	6.485.276	1.287.350	602.442	(287.723)	25.368.631
Profit/(Loss) From Investments According to Equity Method	(5.024.395)	-	-	-	-	-	(5.024.395)
Financial Incomes	13.636.798	12.324.829	1.007.743	109.306	765.306	(478.832)	27.365.150
Financial Expenses (-)	(18.915.401)	(18.181.609)	(814.702)	(134.702)	(412.349)	821.870	(37.636.893)
<b>Profit/ (Loss) Before Provision For Taxes</b>	<b>6.141.553</b>	<b>(5.020.045)</b>	<b>6.678.317</b>	<b>1.261.954</b>	<b>955.399</b>	<b>55.315</b>	<b>10.072.493</b>
<b>Tax Income/(Expense) From Operating Activities</b>							
- Tax For Period	(1.880.104)	-	(605.262)	(272.157)	(178.085)	-	(2.935.608)
- Deferred Tax Income/ (Expense)	13.953.066	1.342.574	(443.319)	17.470	(12.312)	(57.395)	14.800.084
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>18.214.515</b>	<b>(3.677.471)</b>	<b>5.629.736</b>	<b>1.007.267</b>	<b>765.002</b>	<b>(2.080)</b>	<b>21.936.969</b>
<u>Other Informations</u>							
- Total Assets	355.645.278	149.718.990	91.999.918	2.263.762	8.051.863	(57.438.460)	550.241.351
- Total Liabilities	355.645.278	149.718.990	91.999.918	2.263.762	8.051.863	(57.438.460)	550.241.351
<u>Investment Expenditures</u>							
Investment Property	1.183.724	670.629	-	-	-	-	1.834.353
Property, Plant and Equipment	1.721.005	283.111	134.963	32.576	15.699	-	2.187.354
Intangible Fixed Assets	301.819	-	-	1.058	11.324	-	314.201

Geographical Segments

31 December 2011	Turkey	Qatar	Georgia	Ukraine	Russia	Bulgaria	Eliminations	Total
Sales	174.348.971	212.343.894	-	1.568	1.003.623	-	(29.683.712)	358.014.344
Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	15.297.499	101.531.427	-	-	-	-	-	116.828.926
Segment Assets	549.786.080	216.612.150	204.661	1.157.483	1.051.350	16.659.857	(148.319.289)	637.152.292
Investment Expenditures	866.539	2.056.410	-	-	-	-	-	2.922.949

31 December 2010	Turkey	Qatar	Georgia	Ukraine	Eliminations	Total
Sales	179.059.873	181.698.329	2.870.652	280.399	(44.575.540)	319.333.713
Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	17.726.541	73.664.677	-	-	-	91.391.218
Segment Assets	468.533.026	152.537.227	2.524.521	944.511	(74.297.934)	550.241.351
Investment Expenditures	2.794.655	1.503.628	-	37.625	-	4.335.908



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

6. CASH AND CASH EQUIVALENTS	31.12.2011	31.12.2010
Cash	199.650	28.396
Banks	63.836.836	80.275.547
- Time Deposits	37.340.444	74.406.790
- Demand Deposit	26.496.392	5.868.757
Cheques with maturities less than three months	22.049.383	3.184.226
Other Liquid Assets	1.090.097	5.001
Total	87.175.966	83.493.170

The effective interest rate for cheques that is used for estimating unearned credit finance income is 11,72% as at 31 December 2011. The average maturity for cheques is 36 days. (31 December 2010: 6,55% and 50 days).

As of 31 December 2011 weighted maturity of the time deposits is 18 days. (31.12.2010: 18 days). Residual terms for the time deposits are as follow as of 31.12.2011 and 31.12.2010.

Currency	Interest rate (%)	31.12.2011	Interest rate (%)	31.12.2010
TRY	8,00 - 11,74	10.735.003	5,10-12,65	38.775.111
USD	0,50 - 0,75	19.833.764	0,50-3,00	9.332.181
EUR	1,00 - 3,75	6.651.677	0,50-4,05	26.299.498
Total Time Deposits		37.220.444		74.406.790

There are no accounts blocked.

Deposits in banks as of 31.12.2011 and 31.12.2010 the credit risk analysis is described in detail in Note 38.

## 7. FINANCIAL ASSETS

Short-Term Financial Assets	31.12.2011	31.12.2010
Financial Assets Difference of Fair Value of Which reflected in Income Statement		
Marketable Securities to Purchase-Sale	152.740	1.463.985
Total	152.740	1.463.985

Trade purposed marketable securities as of 31.12.2011 and 31.12.2010:

	31.12.2011			31.12.2010		
Held for Trading Financial Assets	Cost	Book Value	Fair Value	Cost	Book Value	Fair Value
Bond	150.428	152.740	152.740	1.474.030	1.463.985	1.463.985
Total	150.428	152.740	152.740	1.474.030	1.463.985	1.463.985

## Long-Term Financial Assets

Financial assets ready for Sale

Investments According to Cost Value	Share %	31 Dec 2011	31 Dec 2010
Anel Arabia Company Limited	10	45.724	21.000
Anel KSA	35	176.298	-
Total		222.022	21.000

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

## 8. FINANCIAL LIABILITIES

Short-Term Bank Loans	WeightedAverage InterestRate (%)	31.12.2011	WeightedAverage InterestRate (%)	31.12.2010
Bank Loans	9,75 - 16,50	10.352.513	-	-
TRY Loans	9,00 - 10,50	1.028.372	11,25	20.078.083
USD Loans	6,30 - 10,50	19.499.727	5,10	17.717.216
EUR Loans	9,75 - 16,50	10.352.513	4,86	2.090.133
USD Leases (*)		300.409		209.135
Factoring Payables		18.969.214		22.791.254
Total		50.150.235		62.885.821

(\*) As of 31.12.2011 and 31.12.2010 the detail Short-Term Leasing liabilities is as follows;

	31.12.2011		31.12.2010	
Short-term leasing payables	USD Amount	TRY Amount	USD Amount	TRY Amount
Leasing payables in USD	159.039	300.409	135.274	209.135
Total	159.039	300.409	135.274	209.135

Long-Term Bank Loans	WeightedAverage InterestRate (%)	31.12.2011	WeightedAverage InterestRate (%)	31.12.2010
Bank Loans				
EUR Loans	6,65	79.816.636	4,86	73.499.018
USD Loans		425.462		594.101
Total		80.242.098		74.093.119

(\*)As of 31.12.2011 and 31.12.2010 the detail Long-Term Leasing liabilities is as follows;

	31.12.2011		31.12.2010	
Long-term leasing payables	USD Amount	TRY Amount	USD Amount	TRY Amount
Leasing payables in USD	225.243	425.462	384.283	594.101
Total	225.243	425.462	384.283	594.101

Long term financial leasing liabilities mature through the years of 2012-2014.

As of 31.12.2011 and 31.12.2010 and liquidity risk, aging analysis of financial liabilities are described in detail in Note 38.

For financial liabilities on the Group's investment property mortgages amounting to 48.000.000 Euro are given. (Note 17)



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

## 9. OTHER FINANCIAL LIABILITIES

None. (31.12.2010: None.)

## 10. TRADE RECEIVABLES/ PAYABLES

<u>Shot Term Trade Receivables</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
Trade receivables	72.803.528	76.537.776
Notes receivable	1.248.952	19.755.740
Less: Unearned credit finance expense	(94.821)	
Doubtful receivables (*)	385.342	589.471
Less: Provision for doubtful receivables	(385.342)	(589.471)
Financial guarantees held by employers	40.476.217	27.907.229
Total	114.433.876	124.200.745

(\*) Movement of doubtful receivables are as follows;

	<u>31.12.2011</u>	<u>31.12.2010</u>
Beginning of period	589.471	526.915
Provision during the period	9.935	62.556
Less: Collected during the period	(213.964)	-
End of period	385.342	589.471

The aging analyzes of past due trade receivables and credit risk are stated in Note 38.

There is no guarantees taken for trade receivables.

Receivables from related parties can be seen in Note 37.

As of 31.12.2011 and 31.12.2010 credit risk analysis of trade receivables is in note38.

<u>Short term Trade Payables</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
Trade Creditors	39.939.140	49.896.797
Notes Payable (*)	882.731	11.200.308
Less: Unearned Credit Finance Expense	(19.478)	(107.023)
Financial guarantees for the Project	-	429.803
Total	40.802.393	61.419.885

Payables to related parties can be seen in Note37.

The effective interest rate used in calculation of the Notes Payable maturing after the date of reporting is 10,96%. (EUR: 0,56%)  
(31.12.2010: TRY: 6,60 and EUR: 0,75%)

As of 31.12.2011 and 31.12.2010 and liquidity risk, aging analysis of trade payables described in detail in Note 38.

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

## 11. OTHER RECEIVABLES AND PAYABLES

<u>Other Short-Term Receivables</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
Deposits and Guarantees Given	473.573	189.710
Due from Personel	7.937	4.866
Other Doubtful Receivables (*)	40.389	41.253
Less: Provision of Other Doubtful Receivables	(40.389)	(41.253)
Other Receivables	5.395.650	2.940.997
Total	5.877.160	3.135.573

(\*) Movement of other doubtful receivables are as follows;

	<u>31.12.2011</u>	<u>31.12.2010</u>
Beginning of period	41.253	23.817
Current period's addition	-	17.129
Collected during period (-)	(3.469)	-
Foreign Currency Translation Difference	2.605	307
End of period	40.389	41.253

<u>Other Long-Term Receivables</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
Deposits and Guarantees Given	117.493	118.403
Total	117.493	118.403

As of 31.12.2011 and 31.12.2010 the credit risk analyze of other receivables are stated in Note 38.

<u>Other Payables</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
Deposits and Guarantees Received	155.141	80.715
Due to Personel	3.798.341	3.085.532
Taxes and Dues Payable	1.154.610	1.988.835
Social Security Premiums Payable	905.059	471.220
Other Payables	490.006	322.437
Total	6.503.157	5.948.739

There is no other long-term payables. (31.12.2010: none).

As of 31.12.2011 and 31.12.2010 the aging analyzes of other payables and liquidity risk are stated in Note 38.  
Other Payables to related parties can be seen in Note37.

## 12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None. (31.12.2010: None.)

## 13. INVENTORIES

	<u>31.12.2011</u>	<u>31.12.2010</u>
Raw materials and supplies	27.411.442	28.600.167
Raw Material	3.479	-
Products	382.623	-
Goods	43.272	26.218



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

Total	27.840.816	28.626.385
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#### 14. BIOLOGICAL ASSETS

None. (31.12.2010: None.)

#### 15. COSTS AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS ON UNCOMPLETED CONTRACTS AND BILLINGS IN EXCESS OF COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

	31.12.2011	31.12.2010
Costs And Estimated Earnings In Excess Of Billings On Uncompleted Contracts (*)	116.828.926	91.391.218
Total	116.828.926	91.391.218

Assets related to construction projects in progress are as follows:

	31.12.2011	31.12.2010
Assets related to construction projects in progress	116.828.926	91.391.218
- Domestic assets related to construction contracts	8.974.595	11.942.958
- Assets not yet earned by the domestic construction contracts (*)	6.322.904	5.783.582
- Overseas assets related to construction contracts	-	-
- Currently earned by foreign entities for construction contracts (**)	101.531.427	73.664.678

(\*) Yet earned assets to obtain reasonable assurance that the necessary conditions to be fulfilled by the enterprise is formed, fair value can be reflected in the consolidated financial statements on an accrual basis.

(\*\*) The group has completed a project in Qatar due to the extension of time by the employer and the increasing cost of the additional cost associated with the projected total project cost was the income accrued. Group management, the employer pursuant to the contract signed his extension of time for charges related to the vesting in, and the percentage of completion method provides for a \$ 5.770.671 bill be held (TRY 9.637.021) and the corresponding accrual of income in the consolidated financial cost 31.12.2011 given in tables.

	31.12.2011	31.12.2010
Liabilities Related to Ongoing Construction Contracts	11.002.960	31.786.848
Total	11.002.960	31.786.848

	31.12.2011	31.12.2010
Obligations in relation to construction projects in progress	14.033.974	31.786.848
- Domestic construction contracts related to construction contracts	-	18.920.172
Over-billed on the part of domestic construction contracts	777.017	-
- International construction contracts related to construction contracts	-	-
Over-invoiced portion of construction contracts abroad	10.225.943	12.866.676

Guarantees given for the projects received and Note 22 also explained.

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

#### 16. INVESTMENTS ACCORDING TO EQUITY METHOD

Details of investments according to equity method evaluation as of December 31, 2011 and December 31, 2010 are as follows:

	Participation Rate (%)	31.12.2011	Participation Rate (%)	31.12.2010
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. (*)	27,41	5.202.035	27,41	10.257.708
Goodwill (**)		16.466.160		16.466.160
Impairment (-)		(5.364.216)		(5.364.216)
Total		16.303.979		21.359.652

(\*) Since the equity investment registered in Istanbul Stock Exchange Market, equity shares are stated at the best buying price (TRY 0,85) as at 31 December 2011 announced by IMKB (Istanbul Stock Exchange) and its fair value is TRY 11.650.350 (December 31, 2010: TRY 19.872.250).

(\*\*) All of goodwill amount consists of participating to Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. with 27,41%.

Group management in terms of the consolidated financial statements prepared as of 31.12.2011, including the asset book value of goodwill for impairment are reviewed. In this context, IAS 28 "Investments" in accordance with the recoverable amount of investment in subsidiary (use value and fair value less costs to sell as a result of the higher of the amount) compared with the book value and book value of all investment in IAS 36', or were tested for impairment based on. Group management, including associate, the carrying amount of goodwill, has concluded that the use value does not exceed the recoverable amount is calculated according to.

Anel Telekom, together with its subsidiaries considered as a single entity. In this context, the present value of future cash flows expected to be obtained from the use-value calculation based on finding the key assumptions in the model are as follows:

All numbers that were used in assumptions are as Turkish Lira In that context the sales figure for 2011 came from the budget report. For coming 4 years, growth rate of the sales was taken as 9.96% considering the inflation expectations of the Central Bank of Turkey. Gross profit margin of the company changed drastically in recent period. Budgeted gross profit margin of 17.08% in 2012, the estimated profit margin for the next four years was taken as 18.78%. Calculated from the rate used in discounting the amounts of free cash flow is calculated as 8.31% and this rate was used.

#### Share from Profit/(Loss) of Investments According to Equity Method

	31.12.2011	31.12.2010
Share from Anel Telekomünikasyon's profit/(loss)	(5.148.462)	(5.024.395)
Total	(5.148.462)	(5.024.395)

Informations about above mentioned equity investments are as follows:

Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş.	Total Assets	Total Liabilities	Total Liabilities	Minority Interests	Sales	Profit / (Loss)
December 31, 2011	286.249.901	248.435.098	18.978.602	18.836.201	127.993.664	(18.783.153)
December 31, 2010	323.396.310	267.984.746	37.423.231	17.988.334	154.533.704	(18.330.519)



ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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

17. INVESTMENT PROPERTY

	01.01.2011					31.12.2011
Asset Amount	Opening Balance	Addition	Exit	Increase/(Decrease) in Value	Transfer	Ending Balance
Buildings and Land	110.158.570	516.575	(1.758.000)	7.853.157	469.251	117.239.553
Total	110.158.570	516.575	(1.758.000)	7.853.157	469.251	117.239.553

	01.01.2010					31.12.2010
Asset Amount	Opening Balance	Addition		Increase/(Decrease) in Value	Transfer	Ending Balance
Buildings and Land	108.997.344	1.834.353		(670.629)	(2.498)	110.158.570
Total	108.997.344	1.834.353		(670.629)	(2.498)	110.158.570

48.000.000 Euros worth of investment properties and mortgages as of 31.12.2011 on the TRY 90.000.000 available insurance coverage.

Group management on 28.12.2010 and 21.09.2010 with a total cost amounting to TRY 1.163.724 cost of land purchased to reflect the cost of 31.12.2011 on the grounds are valued at fair values were invalid.

Anel Business Center building in investment properties in Umraniye Group, an independent group not affiliated with the CMB licensed real estate appraisal firm SOM Corporate Valuation and Consultancy Services Pte Ltd 'What değerletmiştir. Group management, the valuation of companies with the relevant professional knowledge and investment property in question believes that current information about the class and location.

The valuation, the valuation company appraisal report dated March 16, 2012 organized by the TRY 110.000.000 in real estate value has been appreciated.

The independent valuation of the real estate section 26 uses of group companies subject to consolidation within the department, which is the fair value of net tangible assets of TRY 559 171, out of this investment property of TRY 109.440.829 reported in the remaining chapters.

In addition, the Group's investment properties and Bakırköy Koşuyolu Anel Business Center and other buildings outside, the Group is not affiliated with the CMB licensed independent appraisal company TSKB Real Estate Appraisal Company respectively, by March 8, 2012, and held on January 16, 2012 are subject to valuation reports. The fair values of the real estate reports, respectively, held TRY 2.590.000 and TRY 4.045.000 has been recognized as. The real estate value Koşuyolu cost method, the peer comparison method Bakırköy property value determined.

As at the balance sheet, investment properties, building or development, maintenance, repair or improvement have obligations arising from contracts.

Group, TRY 8.923.151 in the current period of rental income investment properties. This is the sum of operating expenses directly related to real estate is TRY 2.375.017, Eur 48.000.000, there are mortgages on the Group's investment properties.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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

18. PROPERTY, PLANT AND EQUIPMENT

	01.01.2011						31.12.2011
Asset Amount	Opening Balance	Additions	Foreign Currency Translation Difference	Transfer	(Disposals)	Acquired in business combinations	Value Increase / (decrease) Ending Balance
Land	-	-	-	1.138.057	-	148.694	1.286.751
Buildings (*)	1.004.154	-	-	(469.251)	-	-	534.903
Infrastructure and land improvements	105.890	-	23.486	-	-	-	129.376
Plants, machinery and equipment	1.296.734	1.632.704	260.116	-	-	9.603	3.201.158
Vehicles (-)	144.204	56.726	13.000	-	(18.262)	138.373	334.041
-Purchasing	7.748.977	650.250	635.793	-	(6.258)	-	9.028.763
-Leasing	1.157.007	-	-	-	-	-	1.157.007
Other fixed assets (-)	152.109	-	7.965	-	-	-	160.074
Leasehold Improvements	480.772	-	-	-	-	-	480.772
Construction in Progress	-	-	-	-	-	4.894.370	4.894.370
Total	12.091.848	2.339.680	940.361	668.806	(24.520)	5.191.040	21.253.296
Accumulated Depreciation (-)							
Buildings	(20.083)	-	-	-	-	-	(20.083)
Infrastructure and land improvements (-)	(16.479)	(6.486)	(3.658)	-	-	-	(26.623)
Plants, machinery and equipment (-)	(199.213)	(413.343)	(25.230)	-	-	(2.682)	(640.468)
Vehicles (-)	(91.023)	(26.378)	(6.263)	-	17.853	(38.649)	(144.680)
-Purchasing	(3.887.816)	(1.460.869)	(278.455)	-	1.977	-	(5.625.163)
-Leasing	(237.894)	(118.947)	-	-	-	-	(356.841)
Other fixed assets (-)	(120.167)	-	(1.181)	-	-	-	(121.348)
Leasehold Improvements (-)	(393.478)	(986)	-	-	-	-	(394.464)
Total	(4.966.153)	(2.027.010)	(314.807)	-	19.630	(41.331)	(7.331.401)
Property, Plant and Equipment, Net	7.125.694						13.921.895

As of December 31, 2011, Insurance guarantee is available in the amount of TRY 11.702.500 and USD 487.661 on the property, plant and equipment of the Group.

(\*) The transfer amount of Buildings belongs to the group's part of the investment property that is recorded as fair value.



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

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

	01.01.2010		Foreign Currency Translation			31.12.2010
Asset Amount	Asset Amount	Additions	Difference	Transfer	(Disposals)	Ending Balance
Land	-	-	-	-	-	-
Buildings	1.001.656	-	-	2.498	-	1.004.154
Infrastructure and land improvements	103.130	-	2.760	-	-	105.890
Plants, machinery and equipment	415.184	872.422	11.128	-	-	1.298.734
Vehicles	115.594	24.268	4.344	-	-	144.204
Furnitures and fittings	-	-	-	-	-	-
Purchasing	6.432.475	1.258.738	57.764	-	-	7.748.977
-Leasing	1.157.007	-	-	-	-	1.157.007
Other fixed assets	120.167	31.927	15	-	-	152.109
Leasehold improvement	480.634	-	138	-	-	480.772
Construction in Progress	-	-	-	-	-	-
Total	9.825.847	2.187.353	76.149	2.498	-	12.091.847
<b>Accumulated Depreciation (-)</b>						
Buildings	-	(20.083)	-	-	-	(20.083)
Infrastructure and land improvements (-)	(10.879)	(5.146)	(454)	-	-	(16.479)
Plants, machinery and equipment (-)	(55.560)	(100.256)	(3.397)	-	-	(199.213)
Vehicles (-)	(71.791)	(18.060)	(1.172)	-	-	(91.023)
Furnitures and fittings (-)	-	-	-	-	-	-
- Purchasing	(2.665.660)	(1.187.917)	(34.239)	-	-	(3.887.816)
- Leasing	(118.947)	(118.947)	-	-	-	(237.894)
Other fixed assets (-)	(120.167)	-	-	-	-	(120.167)
Leasehold improvement (-)	(333.970)	(59.390)	(118)	-	-	(393.478)
Total	(3.416.974)	(1.509.799)	(39.380)	-	-	(4.966.153)
Property, Plant and Equipment, Net	6.408.873					7.125.694

The depreciation cost of Property, Plant and Equipment of current period is TRY 2.027.010 (2010: 1.509.799 ), TRY 1.263.537 (2010: TRY 1.209.497 ) of this amount is in Cost of Goods Sold (Note 28) and TRY 763.473 (2010: TRY 300.302 ) is in general administrative expenses (Note 29).

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

19. INTANGIBLE FIXED ASSETS

	01.01.2011			31.12.2011
Asset Amount	Opening Balance	Additions	(Disposals)	Closing Balance
Rights	845.986	66.694	-	912.680
Total	845.986	66.694	-	912.680
<b>Accumulated Amortization (-)</b>				
Rights	(530.198)	(148.299)	-	(678.497)
Total	(530.198)	(148.299)	-	(678.497)
Intangible Fixed Assets, Net	315.788			234.183
	01.01.2010			31.12.2010
Asset Amount	Opening Balance	Additions	(Disposals)	Closing Balance
Rights	531.785	314.201	-	845.986
Total	531.785	314.201	-	845.986
<b>Accumulated Amortization (-)</b>				
Rights	(447.054)	(83.144)	-	(530.198)
Total	(447.054)	(83.144)	-	(530.198)
Intangible Fixed Assets, Net	84.731			315.788

The amortization cost of intangible fixed assets is TRY 148.299 (2010: TRY 83.144). All of amount (2010: TRY 57.979) is in general administrative expenses (Note 29). In the current period cost of goods sold (Note 28) are not given a share (2010: TRY 25.165).

20. POSITIVE / NEGATIVE GOODWILL

The company has increased the shares of Anelmarin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş. from 68% to 93% by purchasing new shares. That change creates a goodwill of TRY 173.385.

As of 31 December 2011 ve 31 December 2010 change of goodwill is as follows.

	31.12.2011	31.12.2010
Positive goodwill (net)		
Opening Balance		-
Interim goodwill from new purchases	173.385	173.385
End of the period	173.385	173.385

The goodwill related to the group's investments valued with equity method is reported with Investments According To Equity Method. (Note: 16)

21. GOVERNMENT GRANTS

None (31.12.2010: none)



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

## 22. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

### Conditional Assets

Conditional assets for the electrical and mechanical projects are as follows;

	USD	EUR	TRY	31.12.2011 TRY Amount
Letters of Guarantees Received	89.500	1.176.284	90.000	3.133.659
Guaranteed Bill Received	339.347	178.906	832.302	1.910.505
Guaranteed Cheques Received	83.000	85.000	1.641.281	2.005.783
Total	511.847	1.440.190	2.563.583	7.049.947

	USD	EUR	TRY	31.12.2010 TRY Amount
Letters of Guarantees Received	553.750	1.358.602	90.000	3.730.009
Guaranteed Bill Received	339.347	178.906	782.302	1.673.529
Guaranteed Cheques Received	83.000	85.000	1.931.681	2.234.173
Total	976.097	1.622.508	2.803.983	7.637.711

### Conditioinal Liabilities

	USD	EUR	TRY	31.12.2011 TRY Amount
<b>Related to Electrical Projects</b>				
Letters of Guarantees Given	73.271.012	7.906.313	30.659.625	188.382.688
Bonds of Guarantees Given	149.297	2.070.419	325.200	5.666.896
Checks of Guarantees Given	-	211.420	-	516.668
<b>Other</b>				
Letters of Guarantees Given	6.200	-	1.414.544	1.426.256
Mortgages given	-	48.000.000	-	117.302.400
Total	73.426.509	58.188.152	32.399.369	313.294.907

	USD	EUR	TRY	31.12.2010 TRY Amount
<b>Related to Electrical Projects</b>				
Letters of Guarantees Given	46.118.363	7.048.813	12.717.900	98.460.612
Bonds of Guarantees Given	149.297	8.526.600	601.000	18.303.668
Checks of Guarantees Given	-	211.420	-	433.221
<b>Other</b>				
Mortgages given	-	48.000.000	-	98.356.800
Total	46.267.660	63.786.833	13.318.900	215.554.301

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

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

### Conditioinal Liabilities

The GPMs given by the group are breakdowned as follows.

	TRY Amount	USD	EUR	31.12.2011 TRY
<b>The GPM(Guarantee-Pledged collateral-Mortgage)s given by the group</b>				
1 Total amount of GPMs given for the company	308.763.764	73.396.309	58.185.452	27.931.869
2. Total amount of GPMs given for the companies consolidated	4.519.432	24.000	2.700	4.467.500
3. Total amount of GPMs given for the third parties In order to operate the usual trading activity	-	-	-	-
4. Total amount of other GPMs given	11.711	6.200	-	-
- Ana ortak lehine vermiş olduğu TRİ'lerin toplam tutarı	-	-	-	-
- Total amount of GPMs given for the group companies not included in items 2 and 3.	11.711	6.200	-	-
- Total amount of GPMs given for the third parties not included in item 3.	-	-	-	-
Total	313.294.907	73.426.509	58.188.152	32.399.369

	TRY Amount	USD	EUR	31.12.2010 TRY
<b>The GPM(Guarantee-Pledged collateral-Mortgage)s given by the group</b>				
1 Total amount of GPMs given for the company	209.459.821	46.235.593	63.644.133	7.566.400
2. Total amount of GPMs given for the companies consolidated	5.484.895	25.866	142.700	5.152.500
3. Total amount of GPMs given for the third parties In order to operate the usual trading activity	-	-	-	-
4. Total amount of other GPMs given	609.585	6.200	-	600.000
-Total amount of GPMs given for the main shareholder	-	-	-	-
- Total amount of GPMs given for the group companies not included in items 2 and 3.	609.585	6.200	-	600.000
- Total amount of GPMs given for the third parties not included in item 3.	-	-	-	-
Total	215.554.301	46.267.659	63.786.833	13.318.900

## 23. COMMITMENTS

None. (31.12.2010: None.)



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

## 24. EMPLOYEE BENEFITS

### Short-Term Employee Benefits

	31.12.2011	31.12.2010
Unused Annual Leave Provision	574.868	824.610

The movement of unused annual leave provision is below;

	2011	2010
Opening Balance	824.610	469.587
Current Period	59.567	355.023
Cancelled during the period (-)	(309.309)	-
End of period	574.868	824.610

### Long-Term Employee Benefits

	31.12.2011	31.12.2010
Retirement Pay Provision	686.475	689.906

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 5.10% and 10% based on the assumption that the discount rate, about 4.66% real discount rate is calculated according to the assumptions of the following retirement. (December 31, 2010: 10%, respectively 5.10% and 4.66%).

	31.12.2011	31.12.2010
Annual discount rate (%)	4,66	4,66
Probability of retirement(%)	87,93	88,25

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, 2011, the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value. The Group's provisions for severance pay, retirement pay ceiling is adjusted every six months, effective from 1 January 2012 is calculated based on the TRY 2.805.

The movement of provision for severance pay as follows:

	31.12.2011	31.12.2010
Opening Balance	689.906	517.649
Provision during the period	243.880	356.855
Provision Cancelled Due to Outputs	(247.311)	(184.598)
End of period	686.475	689.906

## 25. RETIREMENT PLANS

None (31.12.2010: None)

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

## 26. OTHER CURRENT/NONCURRENT ASSETS AND LIABILITIES

Other Current Assets	31.12.2011	31.12.2010
Order Advance Given	3.827.958	14.934.458
Prepaid Expenses	728.050	1.884.963
Income Accrual	4.323.597	43.180
VAT Carried Forward	13.017.685	11.787.853
Prepaid Taxes and Funds	1.992.942	919.593
Advances given for business purposes	339.377	424.419
Advances given to personnel	430.704	134.827
Other current assets	2.239.051	385.068
Advances given to related parties	241.679	-
Total	27.041.043	30.514.361

Other Non-current Assets	31.12.2011	31.12.2010
Advances Given	112.460	112.460
Prepaid Expenses	318.322	516.940
Prepaid Taxes and Funds	7.304.311	2.901.046
Total	7.735.093	3.530.446

Other Current Liabilities	31.12.2011	31.12.2010
Advances Received	90.995.674	54.198.590
Prepaid Income	758.468	1.259.818
Expense Accruals	3.341.371	2.999.883
Advances from related parties	939.080	-
Total	96.034.593	58.458.291

Other Non-Current Liabilities	31.12.2011	31.12.2010
Income related with future periods	2.517.309	2.894.755
Other	73.063	-
Total	2.590.372	2.894.755



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

## 27. SHARE CAPITAL

<u>Paid Capital</u>	<u>31.12.2011</u>		<u>31.12.2010</u>	
<u>Shareholders</u>	<u>Share Amount</u>	<u>Share (%)</u>	<u>Share Amount</u>	<u>Share (%)</u>
Rıdvan Çelikel	50.780.773	46,16	59.342.089	53,95
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 in Real Person	45.174	0,04	20.637	0,02
Publicly Offered Shares (*)	51.970.256	47,25	43.433.477	39,48
Paid-in capital	110.000.000	100,00	110.000.000	100,00

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

The Group use authorized capital system and the equity ceiling is TRY 110.000.000.

As of 31 December 2011, the Company's share capital in the statutory books, is TRY 110.000.000 (31.12.2010: TRY 30.000.000), which consisted of 22.188.841 A-group shares and 87.811.159 B-group shares authorized and fully paid shares each having 1 TRY nominal value. A-group shareholders have two voting rights and B-group shareholders have one voting rights for each share owned at the General Assembly meeting. All of the A-group shares belong to Rıdvan Çelikel.

### Share premium

	<u>31.12.2011</u>	<u>31.12.2010</u>
Share premium (*)	1.339.604	1.339.604
Total	1.339.604	1.339.604

### Revaluation Reserves

	<u>31.12.2011</u>	<u>31.12.2010</u>
Revaluation Surplus of Tangible Fixed Assets	1.190.779	1.155.299
Total	1.190.779	1.155.299

### Foreign Currency Translation Differences

	<u>31.12.2011</u>	<u>31.12.2010</u>
Foreign Currency Translation Differences	18.161.347	(56.660)
Total	18.161.347	(56.660)

### Legal Reserves

Accumulated profits in statutory books can be distributed except for the following legal provision related to legal reserves. According to Turkish Commercial Code, legal reserves can be categorized as order I (first) legal reserves and order II (second) legal reserves. Order I (first) legal reserves are apportioned as 5% of statutory net profit to the extent that they reach to 20% of the company's paid-in capital. Order II (second) legal reserves equal to 10% of distributable profit exceeding 5% of paid-in capital. According to Turkish Commercial Code, legal reserves can only be used to set off losses as long as they do not exceed 50% of paid-in capital.

### Legal Reserves (continued)

	<u>31.12.2011</u>	<u>31.12.2010</u>
Legal Reserves	1.357.003	1.219.058
Total	1.357.003	1.219.058

### Retained Earning/ (Loss)

	<u>31.12.2011</u>	<u>31.12.2010</u>
Retained Earning/ (Loss)	65.780.075	45.466.356

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

Total	65.780.075	45.466.356
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## 27. SHARE CAPITAL (continued)

### Minority Interest

As of 31 December 2011 and 31 December 2010 the detail of the group's minority interest is as follows:

	<u>31.12.2011</u>	<u>31.12.2010</u>
Opening Balance	26.771.071	24.911.751
Additions	881.812	300.000
Change related to consolidation	84.393	389.499
Attributable to Equity Holders of the Parent	(2.341.281)	1.169.821
Total	25.395.995	26.771.071

### Profit Distribution

Angle of Public companies distribute dividends make the CMB regulations as follows:

Capital Markets Board dated January 27, 2010 2/51, under the decision of a public joint stock companies in 2010 to determine the principles regarding the distribution of profits from activities that they are not publicly traded shares of joint stock companies have not been any minimum dividend distribution requirement, the CMB Series IV, No: 27 Communiqué of the principles, basis contracts, partnerships and corporations publicly disclosed by the provisions of a profit distribution policies are decided. Group 1 of the Articles of Association Dividend rates are 50%.

In addition, dated 25 February 2005 and 7/42 numbered CMB accordance with the decision over the net distributable profit, according to CMB regulations, the minimum dividend obligation calculated in accordance with CMB's profit distribution amount, the entire case of the statutory net distributable profit, this amount be covered by the statutory net distributable profit should be distributed. Statutory financial statements prepared in accordance with CMB regulations or in the case of any period will be made.

Capital Markets Board dated January 27, 2010 2/51, under the decision of a public joint stock companies in 2010 to determine the principles regarding the distribution of profits from operations of which they are obliged to prepare consolidated financial statements of companies, as long as the source of the statutory accounts, the amount of net distributable profit, Serial XI, No: 29 Communiqué on Principles Regarding Financial Reporting in Capital Markets under the consolidated financial statements of the publicly announced, taking into account in the calculation of net income has been decided. In addition, a public joint stock companies in accordance with the decision of 2010 regarding the determination of the principles of distribution of profits from activities such as they;

Companies, legislative record profit for the past year remaining after deduction of the losses and the total amount of other resources that can be subject to profit distribution, Serial XI, No: 29 of the notes to the financial statements in accordance with Communiqué issuing publicly announced,

CMB Communiqué Serial IV No: 27 Communiqué concerning the time of dividend distribution contained in Article 6 of the application deadlines,

i. Dividend introduced to your entire cash account is delivered to the end of the fifth month following the period to continue the implementation,

ii. Dividend shares will be distributed, so the shares to be issued by the Board to note the following for the fiscal period until the end of the fifth month there is an application and pay to the Board until the end of the sixth month following the completion of the accounting period distribution,

iii. (I) and (ii) in case of sub-items for use with the options specified in the paragraphs referred to process them separately in the paragraphs referred to is decided within the time limits the fulfillment.



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

## 28. SALES AND COST OF SALES

	01.01-31.12.2011	01.01-31.12.2010
<b>Sales Income (net)</b>		
Domestic Sales	128.880.530	120.824.958
Export	218.851.691	272.513.121
Rental Income	8.923.151	2.891.338
Other Income	704.994	2.034.440
Total Income	357.360.366	398.263.857
Sales Return (-)	(316.232)	(78.930.144)
Sales Income, net	357.044.134	319.333.713
I – Cost of Product	(1.640.113)	-
II – Cost of Goods Sold	(8.489.571)	(12.108.476)
III – Cost of Service Rendered	(293.394.189)	(267.381.889)
IV – Cost of Other Sales	-	-
V – Depreciation Cost	(1.263.537)	(1.209.497)
VI – Amortization Cost	-	(25.165)
Cost of Sales (I+II+III+IV+V)	(304.787.410)	(280.725.027)
<b>GROSS PROFIT/(LOSS)</b>	52.256.724	38.608.686

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

	01.01-31.12.2011	01.01-31.12.2010
Marketing, sales and distribution expenses (-)	1.170.856	802.275
General administrative expenses (-)	18.754.323	12.369.479
Total	19.925.179	13.171.754

## 30. EXPENSES BY FEATURE

	01.01-31.12.2011	01.01-31.12.2010
<b>Amortization Expenses</b>		
Cost of sales	1.263.537	1.209.497
General administrative expenses	763.473	300.302
Total	2.027.010	1.509.799

	01.01-31.12.2011	01.01-31.12.2010
<b>Depreciation Expenses</b>		
Cost of sales	-	25.165
General administrative expenses	148.299	57.979
Total	2.175.309	1.592.943

	01.01-31.12.2011	01.01-31.12.2010
<b>Personnel Costs</b>		
Salaries	63.202.600	45.506.029
Social security expenses	1.761.423	3.266.655
Provision For Severance Pay	243.880	356.855
Allow Personnel Provision Expenses	59.567	355.023
Total	65.267.470	49.484.562

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

## 31. INCOME / EXPENSES FROM OTHER OPERATIONS

	01.01-31.12.2011	01.01-31.12.2010
<b>Income From Other Operations</b>		
Unnecessary Provision	774.157	184.598
Increase in Value of Investment Properties	7.853.157	-
Rental Income	148.908	94.982
Department Participation Income	1.205.760	787.152
Other Incomes	66.071	219.187
Total	10.048.053	1.285.919

	01.01-31.12.2011	01.01-31.12.2010
<b>Expenses From Other Operations (-)</b>		
Loss on sale of fixed assets (-)	165.575	-
Decrease in Value of Investment Properties	-	670.629
Loss and expenses for the previous period(-)	244.184	-
Other Expenses (-)	774.565	683.591
Total	1.184.324	1.354.220

## 32. FINANCIAL INCOMES

	01.01-31.12.2011	01.01-31.12.2010
Increase in Value of Financial Assets	29.150	94.608
Interest Income	2.608.986	3.192.495
Foreign Exchange Gain	46.129.429	24.078.047
Total	48.767.565	27.365.150

## 33. FINANCIAL EXPENSES

	01.01-31.12.2011	01.01-31.12.2010
Decrease in Value of Financial Assets (-)	14.063	60.806
Impairment loss of investments valued by equity method(-)	-	5.364.216
Foreign Exchange Losses (-)	53.048.527	20.251.962
Interest Paid on Loans (-)	8.398.057	11.959.909
Total	61.460.647	37.636.893

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

None (31.12.2010: None)



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

### 35. TAX ASSETS AND LIABILITIES

#### Tax Provision

	31.12.2011	31.12.2010
Provision for Period's Corporation Tax (-)	(3.753.448)	(2.935.608)
Deferred Tax Income / (Expenses)	3.291.549	14.800.084
Total	(461.899)	11.864.476

As of 31 December 2011, corporate tax rate of Turkey is 20%. (31.12.2010: 20%). Taxable profits are calculated by addition of tax disallowed expenses to and deduction of tax exempt income from the profit disclosed in the statutory income. If dividend is not distributed there will be no other tax payable.

The corporations earning income from a company or a branch in Turkey do not pay any withholding tax on their dividends. Other dividend payments are subject to withholding tax of 15%. If profit is added to the capital, withholding tax is not applicable.

Corporations calculate and pay quarterly temporary corporate tax of 20%. The temporary taxes paid within the year will be offset against the final corporate tax liability for the year. The temporary tax can be offset against any other financial liability against the state.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. But financial losses can not be offset against the prior year's profits.

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.

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

	2011	2010
1 January	2.989.932	583.670
Current period tax expense	3.753.448	2.935.608
Taxes paid	(2.935.608)	(583.670)
Foreign Currency Transition Effect	155.961	54.324
Profit of the period tax liability	3.963.733	2.989.932

Ended December 31, 2010 December 31, 2011, and quarterly, by applying the statutory tax on profit before tax in the consolidated statements of income tax expense and the attached reconciliation between the total tax provision is as follows:

	31.12.2011	31.12.2010
<b>Profit / (Loss) Before Tax</b>	23.353.731	10.072.493
Current corporate tax rate (20%)	(4.670.746)	(2.014.499)
Effect of tax rate of overseas branches and subsidiaries	2.966.445	1.838.509
Prior period overseas tax effect	-	14.317.316
Disallowable expenses	(221.862)	(273.378)
Changes in the prior period's unused tax expense	940.163	(1.297.370)
Current period unused tax loss	-	(837.738)
Loss effect related the equity method	(1.029.692)	(1.004.473)
Effect of other corrections	1.553.793	1.136.109
Total	(461.899)	11.864.476

Income tax provision in the tax rates used in calculating foreign branches and subsidiaries. 10% for the current tax rates overseas branch in Qatar, 15% for the Georgian branch, 25% for Ukraine, 10% for Russia and Bulgaria is 20%.

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

### 35. TAX ASSETS AND LIABILITIES (continued)

#### Deferred Tax Liabilities

Deferred tax assets and liabilities at the balance sheet items, Serial: XI No: 29 Communiqué as a result of the reorganization by the values calculated by considering the effects of temporary differences between the legal records. These differences are usually of income and expenses in different reporting periods result in the recognition.

	Cumulative Timing Difference		Deferred Tax Asset/ (Liability)	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
<b>Deferred Tax Assets</b>				
Provision of Doubtful Receivable	340.539	545.532	66.673	107.580
The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets	13.229.433	13.151.885	2.645.828	2.630.320
Provision of Severance Pay	691.350	689.906	138.270	137.981
Provision of Unused Annual Leave	558.868	824.610	111.774	164.922
Unearned Credit Finance Income	314.249	539.702	62.849	107.940
Reversal of Prior Period Projects' Income Accruals	440.734.823	174.297.917	78.963.832	27.843.368
Foreign Exchange Losses	173.665	528.314	34.733	105.663
Financing Expenses	734.751	715.253	146.950	117.457
Unused prior year's losses	6.450.131	1.749.315	1.290.026	349.863
Other Adjustment	1.911.705	76.737	382.342	15.348
Total	465.139.514	193.119.171	83.843.277	31.580.442

#### Deferred Tax Liabilities

The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets	(23.128.337)	(13.549.751)	(4.623.845)	(2.707.809)
Unrealized Credit Finance Expense	(270.738)	(178.200)	(54.148)	(35.640)
Projects' Period Income Accruals	(437.862.570)	(181.924.153)	(76.293.127)	(29.018.363)
Foreign Exchange Gain	(367.370)	(120.443)	(36.737)	(24.089)
Other Adjustments	(332.790)	(101.966)	(35.286)	(20.392)
Total	(461.961.805)	(195.874.513)	(81.043.143)	(31.806.293)

Deferred Tax Asset/ (Liability), net	3.177.709	(2.755.342)	2.800.134	(225.851)
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Deferred Tax Income/(Expense)	3.025.985
Foreign Currency Translation Effect	274.435
Saved Revaluation Fund	(8.871)
Deferred Tax Income/(Expense) for the period between 01/01-31/12/2011	3.291.549

As of December 31, 2011, the Group offset against future profits will be obtained from unused tax losses would have amounted to TRY 6.450.131. (31.12.2010: TRY 1.749.315)

Unused tax losses and lose the quality of being available as of the dates below.

	31.12.2011	31.12.2010
<b>Ended in 2011</b>	-	-
Will end in 2012	-	-
Will end in 2013	-	-
Will end in 2014	874.658	-
Will end in 2015	494.916	1.749.315
Will end in 2016	5.080.557	-
Total	6.450.131	1.749.315



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

### 36. EARNINGS PER SHARE

	31.12.2011	31.12.2010
Profit/(Loss) of the period	25.233.112	20.767.148
Unit of shares	110.000.000	73.835.616
Earnings per share	0,23	0,28
Earnings Per Share From Operating Activities	0,23	0,28

### 37. RELATED PARTY DISCLOSURES

There is no guarantee given or received for the transactions among related parties.

<u>Current Trade Receivables</u>	31.12.2011	31.12.2010
E Sistem Elektronik A.Ş.	42.936	41.876
Anel Ar. Ge. Dan. San. Ve Tic. A.Ş.	88.206	6.181
Anel Telekomünikasyon Elektronik Sist. San. Tic. A.Ş.	575.330	2.091.578
Aneles Elektronik Üretim Ve Paz. San. Ve Tic. A.Ş.	736.409	640.776
Anel Net Teknik Hizmetler Ltd. Şti.	2.604.581	851.151
Anelsis Mühendislik San. Tic. Ltd. Şti	161.223	308.711
Çelikel Vakfı	8.344	2.122.097
Anel Sera Adi Ortaklığı	1.048.124	3.540.177
Anel Doğa Entegre Geri Dön. End. A.Ş.	231.362	-
Sera Yapı Endüstrisi A.Ş.	561.387	-
Köpük Turizm ve Yatçılık Ltd. Şti.	217.728	-
Anel Holding A.Ş.	173.267	-
Anel BG A.Ş.	5.540.463	-
Other	59.491	46.315
<b>Total</b>	<b>12.048.851</b>	<b>9.648.862</b>

<u>Non-current Trade Receivables</u>	31.12.2011	31.12.2010
Anel Telekomünikasyon Elektronik Sist. San. Tic. A.Ş.	-	1.588.654
<b>Total</b>	<b>-</b>	<b>1.588.654</b>

<u>Current Other Receivables</u>	31.12.2011	31.12.2010
Anel Sera Adi Ortaklığı	741.092	479.476
Anelmep Maintenance And Operations Llc	1.099.673	915.542
Anel Telekomünikasyon Elektronik Sist. San. Tic. A.Ş.	690.457	-
Anel Holding A.Ş.	90.559	-
Anel KSA	2.537.014	-
Anel BG A.Ş.	100.782	-
Real person	199.516	-
Other	2.941	-
<b>Total</b>	<b>5.462.034</b>	<b>1.395.018</b>

<u>Non-current Other Receivables</u>	31.12.2011	31.12.2010
Real person	400.000	400.000
<b>Total</b>	<b>400.000</b>	<b>400.000</b>

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

### 37. RELATED PARTY DISCLOSURES (continued)

There is no guarantee given or received for the transactions among related parties.

<u>Current Trade Receivables</u>	31.12.2011	31.12.2010
Anelsis Mühendislik San. ve Tic. Ltd. Şti.	12.097	487.744
E Sistem Elektronik San. Ve Tic. A.Ş.	50.041	47.359
Anel Telekomünikasyon Elekt. Sist. San. Ve Tic. A.Ş.	837.841	1.442.378
Anel Net Teknik Hizmetler Ltd. Şti.	749.114	604.092
Aneles Elektronik Üretim Ve Paz. San. Ve Tic. A.Ş.	904.422	572.822
Sera Yapı Endüstrisi A.Ş.	1.161.786	3.708.524
Anel Holding A.Ş.	784.875	-
Anel KSA	2.032.287	-
Anel BG A.Ş.	5.738.640	-
Other	19.787	14.592
<b>Total</b>	<b>12.290.890</b>	<b>6.877.511</b>

There is no long-term trade payable to related party.

<u>Current Other Payables</u>	31.12.2011	31.12.2010
Anel Telekomünikasyon Elekt. Sist. San. Ve Tic. A.Ş.	1.285.926	2.518.798
Aneles Elektronik Üretim Ve Paz. San. Ve Tic. A.Ş.	-	21.163
Anelsis Müh. San. ve Tic. Ltd. Şti. Azerbaycan Cum. Şb.	149.885	-
Sera Yapı Endüstrisi A.Ş.	790.173	363.804
Anelsis Müh. San. ve Tic. Ltd. Şti. Bosna Şubesi	1.580	-
Real person	581.895	-
<b>Total</b>	<b>2.809.459</b>	<b>2.903.765</b>

There is no long-term liability to related party.

<u>Good and Service Sales</u>	01.01-31.12.2011	01.01-31.12.2010
Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş.	2.382.914	6.071.497
Plastikkart Akıllı Kart İletişim Sis. San. ve Tic. A.Ş.	26.846	2.724.306
Anelsis Mühendislik San. ve Tic. A.Ş.	205.488	323.344
Anelnet Teknik Hizmetleri Ltd. Şti.	885.757	1.770.059
E-Sistem Elektronik San. ve Tic. A.Ş.	-	45.246
Anelmak Makina ve Elektronik San. ve Tic. A.Ş.	1.245	19.250
Aneles Elektronik Üretim ve Paz. San. Tic. A.Ş.	1.019.503	904.708
Anel Ar-ge Danışmanlık San. ve Tic. A.Ş.	51.396	50.550
Anel Doğa Entegre Geri Dönüşüm Endüstri A.Ş.	86.822	22.256
Anelyapı Sera Adi Ortaklığı	-	1.687.382
Çelikel Vakfı	5.302	2.563.287
Anel Holding A.Ş.	83.787	-
Other	7.200	7.074
<b>Total</b>	<b>4.756.260</b>	<b>16.188.959</b>



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

### 37. RELATED PARTY DISCLOSURES (continued)

	01.01-31.12.2011	01.01-31.12.2010
<b>Good and Service Purchases</b>		
Anel Mühendislik San. ve Tic. A.Ş.	901.534	2.233.643
E-Sistem Elektronik San. ve Tic. A.Ş.	1.782.991	3.324.218
Aneles Elekt. Ür. ve Paz. San. Tic. A.Ş.	2.101	101.206
Anelnet Teknik Hizmetleri Ltd. Şti.	2.802.107	6.691.819
Anel Holding A.Ş.	725.685	1.535.332
Çelikel Vakfı	730.249	-
Other	52.500	-
Other	21.967	23.418
<b>Total</b>	<b>7.019.134</b>	<b>13.909.636</b>
<b>Benefits Supplied to Key Management Personnel</b>	<b>01.01-31.12.2011</b>	<b>01.01-31.12.2010</b>
Short term benefits supplied to Employees	834.056	1.830.178
Benefits supplied for dischargings	-	-
Other Benefits	-	-
<b>Total</b>	<b>834.056</b>	<b>1.830.178</b>

There is no guarantees received or given for the transactions between related parties. (31 December 2010: None).

### 38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

#### Equity Risk Method

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

The Group may change dividends that is paid to shareholders, give back the capital to shareholders, in order to save or rearrange capital combination, put new equities on the market and may sell assets to reduce debt proportion.

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.

	31.12.2011	31.12.2010
Total Liabilities	388.694.377	343.579.475
Less: Cash and Cash Equivalents	(87.175.966)	(83.493.170)
Net Liabilities	301.418.411	260.086.305
Total Equity	248.457.915	206.661.876
Liabilities / Equity Proportion	1,21	1,26

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents and trade receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instrument. The group do not use derivative instruments. (31 December 2010: The group do not use derivative instruments.) As of 31 December 2011 and 31 December 2010 Exposure to credit risk in consideration of financial instruments are as follows.

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

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

#### Credit Risk (continued)

Exposure to credit risk in consideration of financial instruments:

Current Period	Receivables				Cash and cash equivalents		Financial investments
	Trade Receivables		Other Receivables		Banks Deposit	Cheques	
	Related	3rd	Related	3rd			
	Parties	Parties	Parties	Parties			
The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D+E) (1)	12.048.851	114.433.876	5.862.034	5.994.653	63.836.836	22.049.383	374.762
- Total receivable that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-	-	-
A. Financial assets that are neither past due nor impaired (2))	12.048.851	114.433.876	5.862.034	5.994.653	63.836.836	22.049.383	374.762
B. The amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-	-
C. The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-	-	-
- The amount that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-	-	-
D. The amount of financial assets that are impaired (*)	-	-	-	-	-	-	-
- Past due (Gross book value)	-	385.342	-	40.389	-	-	-
- The amount of impairment (-)	-	(385.342)	-	(40.389)	-	-	-
E. Off balance sheet credit risk amount	-	-	-	-	-	-	-



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

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

#### Credit Risk (continued)

Exposure to credit risk in consideration of financial instruments:

Prior Period	Receivables				Cash and cash equivalents		Financial Investments
	Trade Receivables		Other Receivables		Time	Cheques	
	Related Parties	3rd Parties	Related Parties	3rd Parties			
The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D+E) (1)	11.237.516	124.200.745	1.795.018	3.253.976	80.275.547	3.184.226	1.484.985
- Total receivable that have been secured with collaterals, other credit enhancements etc.					-	-	-
A. Financial assets that are neither past due nor impaired (2)	11.237.516	124.200.745	1.795.018	3.253.976	80.275.547	3.184.226	1.484.985
B. The amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-	-
C. The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-	-	-
- The amount that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-	-	-
D. The amount of financial assets that are impaired (*)	-	-	-	-	-	-	-
- Past due (Gross book value)	-	589.471	-	41.253	-	-	-
- The amount of impairment (-)	-	(589.471)	-	(41.253)	-	-	-
E. Off balance sheet 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 (31 December 2010: all) 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.

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

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

#### Credit Risk (continued)

#### Past Due and Overdue Receivables:

Current Period	Trade Receivables	Other Receivables
Overdue Between 1-30 days	-	-
Overdue Between 1-3 months	-	-
Overdue Between 3-12 months	-	-
Overdue Between 1-5 years	385.342	40.389
Overdue over 5 years	-	-
Overdue Receivables secured with collaterals	-	-
Prior Period	Trade Receivables	Other Receivables
Overdue Between 1-30 days	-	-
Overdue Between 1-3 months	-	-
Overdue Between 3-12 months	-	-
Overdue Between 1-5 years	589.471	41.253
Overdue over 5 years	-	-
Overdue Receivables secured with collaterals	-	-

#### Liquidity Risk

Liquidity risk is that an entity will be unable to meet its net funding requirements. The Group's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections. The Group manages short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments. The Group does not have any derivative liabilities.

#### Current Period

Terms According to Agreements	Book Value	According to the Contracts Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)
<b>Non-derivative financial liabilities</b>	<b>160.349.756</b>	<b>179.318.970</b>	<b>70.680.829</b>	<b>28.396.043</b>	<b>80.242.098</b>	-
Bank Loans	97.217.985	97.217.985	8.352.343	9.049.006	79.816.636	-
Leases	725.871	725.871	70.745	229.664	425.462	-
Factoring Payables	-	-	-	18.969.214	-	-
Trade Payables	53.093.284	53.093.284	53.015.051	78.233	-	-
Other Payables	9.312.616	9.312.616	9.242.690	69.926	-	-

#### Prior Period

Terms According to Agreements	Book Value	According to the Contracts Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)
<b>Non-derivative financial liabilities</b>	<b>214.128.840</b>	<b>214.128.840</b>	<b>69.292.785</b>	<b>70.742.936</b>	<b>29.141.976</b>	<b>44.951.143</b>
Bank Loans	113.384.449	113.384.449	17.530.261	22.355.170	28.547.875	44.951.143
Leases	803.236	803.236	49.461	159.674	594.101	-
Factoring Payables	22.791.255	22.791.255	-	22.791.255	-	-
Trade Payables	67.867.593	67.867.593	47.781.493	20.086.100	-	-
Other Payables	9.282.307	9.282.307	3.931.570	5.350.737	-	-



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

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

#### Financial Risk Factors(continued)

##### Market Risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The group is subject to foreign currency risk because of international purchasing and FX denominated loans. That risk is tried to minimise by setting the sale price in terms of FX as in last year.

##### Foreign Currency Risk

FOREIGN CURRENCY POSITION						
	Current Period			Prior Period		
	TRY Equivalent	USD	EUR	TRY Equivalent	USD	EUR
1. Trade Receivables	22.921.304	691.093	8.845.199	55.892.725	400.461	26.974.580
2a. Monetary Financial Assets	62.836.972	29.980.176	2.540.068	92.405.832	20.309.242	29.772.946
2b. Non-Monetary Financial Assets	13.647.015	304.648	5.348.869	9.598.412	861.560	4.034.181
3. Other	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>99.405.291</b>	<b>30.975.918</b>	<b>16.734.135</b>	<b>157.896.969</b>	<b>21.571.263</b>	<b>60.781.707</b>
5. Trade Receivables	-	-	-	1.588.653	-	775.293
6. Other	-	-	-	-	-	-
<b>7. Non-Current Assets (5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.588.653</b>	<b>-</b>	<b>775.293</b>
<b>8. Total Assets (4+7)</b>	<b>99.405.291</b>	<b>30.975.918</b>	<b>16.734.135</b>	<b>159.485.622</b>	<b>21.571.263</b>	<b>61.557.000</b>
9. Trade Payables	3.872.146	1.027.754	790.090	21.777.233	4.203.770	7.456.056
10. Financial Liabilities	59.142.821	11.666.000	15.184.104	36.370.264	9.660.036	10.461.104
11a. Other Monetary Financial Liabilities	-	-	-	-	-	-
11b. Other Non-Monetary Financial Liabilities	73.550.162	22.176.933	12.955.297	30.069.313	983.992	13.932.000
<b>12. Other Non-Monetary Financial Liabilities</b>	<b>136.565.129</b>	<b>34.870.687</b>	<b>28.929.490</b>	<b>88.216.810</b>	<b>14.847.798</b>	<b>31.849.160</b>
13. Financial Liabilities	78.560.844	-	32.147.002	74.093.118	384.282	35.868.927
14. Non-Monetary Other Liabilities	-	-	-	33.650	-	16.422
<b>15. Noncurrent Liabilities (13+14)</b>	<b>78.560.844</b>	<b>-</b>	<b>32.147.002</b>	<b>74.126.768</b>	<b>384.282</b>	<b>35.885.349</b>
<b>16. Total Liabilities (12+15)</b>	<b>215.125.973</b>	<b>34.870.687</b>	<b>61.076.492</b>	<b>162.343.578</b>	<b>15.232.080</b>	<b>67.734.509</b>
<b>17. Net Foreign Currency asset/(liability) position (8-16)</b>	<b>(115.720.681)</b>	<b>(3.894.769)</b>	<b>(44.342.357)</b>	<b>(2.857.956)</b>	<b>6.339.183</b>	<b>(6.177.509)</b>
<b>18. Net Foreign Currency asset/(liability) position of the monetary items</b>	<b>(55.817.534)</b>	<b>17.977.516</b>	<b>(36.735.929)</b>	<b>17.646.594</b>	<b>6.461.615</b>	<b>3.736.732</b>

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

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

#### Financial Risk Factors(continued)

##### Foreign Currency Risk (continued)

Sensitivity to Foreign Currency				
Current Period				
	Profit/(Loss)		Equity Capital	
	Appreciation of Foreign Currency	Devaluation of Foreign Currency	Appreciation of Foreign Currency	Devaluation of Foreign Currency
In case of %10 change in USD against TRY:				
1- US Dollar net assets/liabilities	(735.683)	735.683	-	-
2- The amount of USD Hedging (-)	-	-	-	-
<b>3- US Dollar Net Effect (1+2)</b>	<b>(735.683)</b>	<b>735.683</b>	<b>-</b>	<b>-</b>
In case of %10 change in EUR against TRY:				
4- Euro net asset/liabilities	(10.836.385)	10.836.385	-	-
5- The amount of EUR Hedging (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(10.836.385)</b>	<b>10.836.385</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6)</b>	<b>(11.572.068)</b>	<b>11.572.068</b>	<b>-</b>	<b>-</b>

Prior Period				
	Profit/(Loss)		Equity Capital	
	Appreciation of Foreign Currency	Devaluation of Foreign Currency	Appreciation of Foreign Currency	Devaluation of Foreign Currency
In case of %10 change in USD against TRY:				
1- US Dollar net assets/liabilities	980.038	(980.038)	-	-
2- The amount of USD Hedging (-)	-	-	-	-
<b>3- US Dollar Net Effect (1+2)</b>	<b>980.038</b>	<b>(980.038)</b>	<b>-</b>	<b>-</b>
In case of %10 change in EUR against TRY:				
4- Euro net asset/liabilities	(1.265.833)	1.265.833	-	-
5- The amount of EUR Hedging (-)	-	-	-	-
<b>6- Euro Net Effect (4+5)</b>	<b>(1.265.833)</b>	<b>1.265.833</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6)</b>	<b>(285.795)</b>	<b>285.795</b>	<b>-</b>	<b>-</b>

The Group has not hedged its foreign Exchange liabilities using derivative financial tools.

##### Interest Rate Risk

Changes in market interest rates on financial instruments lead to fluctuations in fair value or future cash flows of the Group is exposed to interest rate risk.

Interest Rate Risk			
		Current Period	Prior Period
Financial Instrument with fixed rate			
Financial Assets	Fair Value	152.740	1.463.985
	Cash and Cash Equivalents	37.340.444	74.406.790
Financial Liabilities		89.638.147	102.769.392
Financial Instrument with fixed rate			
Financial Assets			-
Financial Liabilities		40.754.186	75.989.248



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

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

#### Financial Risk Factors (continued)

#### Interest Rate Risk (continued)

Renewal of existing positions, alternative financing by the Company for bank loans with variable interest rates taking into account the various scenarios were constructed. According to these scenarios:

As of December 31, 2011 if the interest rate of floating rate instrument was 1 % more or less and all other variables stand same, profit before tax would be TRY 409.314 higher / lower. (December 31,2010: TRY 585.489)

Since the average maturity of time deposits of the Group is just 18 days, the Group is not exposure to Interest rate risk arising from Time Deposits.

#### Price Risk

The Group is exposed to market risk arising from price changes in Stock Market. As of December 31, 2011 If the prices of Equities which are traded in ISE increases/decreases by 10 % and other variables stand the same, Income of the Group would be TRY 51 higher / lower. (December 31,2010: TRY 500)

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

### 39. FINANCIAL INSTRUMENTS

	Financial assets at Amortized Cost	Loans and Receivables	Financial Assets Evaluated by Cost Value	Financial Assets At Fair Value Through Profit or Loss Financial Assets	Financial Liabilities at Amortized Cost	Carrying Value	Fair Value	Note
<b>31 December 2011</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	87.175.966	-	-	-	-	87.175.966	87.175.966	6
Trade Receivables	-	126.482.727	-	-	-	126.482.727	126.482.727	10,37
Financial Investments	-	-	222.022	152.740	-	374.762	374.762	7
<b>Financial Liabilities</b>								
Financial Liabilities	-	-	-	-	130.392.333	130.392.333	130.392.333	8
Trade Payables	-	-	-	-	53.093.284	53.093.284	53.093.284	10,37
Other Financial Liabilities	-	-	-	-	3.963.733	3.963.733	3.963.733	35
<b>31 December 2010</b>								
<b>Financial Assets</b>								
Cash and Cash Equivalents	83.488.169	-	-	5.001	-	83.493.170	83.493.170	6
Trade Receivables	-	133.849.607	-	-	-	133.849.607	133.849.607	10,37
Financial Investments	-	-	21.000	1.463.985	-	1.484.985	1.484.985	7
<b>Financial Liabilities</b>								
Financial Liabilities	-	-	-	-	136.978.940	136.978.940	136.978.940	8
Trade Payables	-	-	-	-	67.867.593	67.867.593	67.867.593	10,37
Other Financial Liabilities	-	-	-	-	2.989.932	2.989.932	2.989.932	35

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

### 40. POST BALANCE SHEET EVENTS

The company built in Bulgaria "Energiina Kompania Bonev OOD" board decision concerning the purchase of the company have been titled and registered with purchase completed.

The company built in Bulgaria "Energiina Kompania Bonev OOD" 25% of the company titled Behzat Aksaray for 76.000 Euro, 25% sale of Ahmet Behzat Aksaray for 76.000 Euro worth of business registration procedures have been completed.

Rate of 27.41% subsidiary of the company Anel Telecommunications Electronic Systems Industry and Trade Inc. 's issued share capital of TRY 50.000.000 and the simultaneous reduction of TRY 20.000.000 to TRY 50.000.000 increase, to be covered all cash which will be held regarding the capital increase of 150% value of the rate of ED Anel Telecommunications Electronic Systems Industry and Trade has decided to join his or her pet. In this respect, Anel Telecommunications Electronic Systems Industry and Trade Inc. 's Securities and Exchange Commission upon application made by a positive meeting, our Board of Directors decision dated January 18, 2012, Anel Telecommunications Electronic Systems Industry. and Tic. Inc. has decided to pay capital advance TRY 8.000.000.

Corporate, capital market corporate principles issued by the board, series IV, No:56 and No:57 in determining and implementing corporate governance principles in the Communiqué of the 10th article of association to comply with the company (board of directors, and time) and 13 (General Assembly) repealed and the 18th amendments to the articles a new substance instead of substance (corporate governance principles) to obtain the necessary approvals for the addition of science with the Capital Markets Board, apply to the Ministry of Industry and Technology has decided to lodge.

The company's board in Bulgaria 100% subsidiary of DAG-08 EOOD and GOLDEN SUN EOOD with Unicredit Bulbank AD solar power plant projects in Bulgaria, Project finance loan agreement was signed for the total amount of 6.000 Euro. Maturity of the loan in question is 15 years, the annual cost of the loan is Euribor +6%.

### 41. DISCLOSURE OF OTHER MATTERS

31.12.2011

None.

31.12.2010

None.

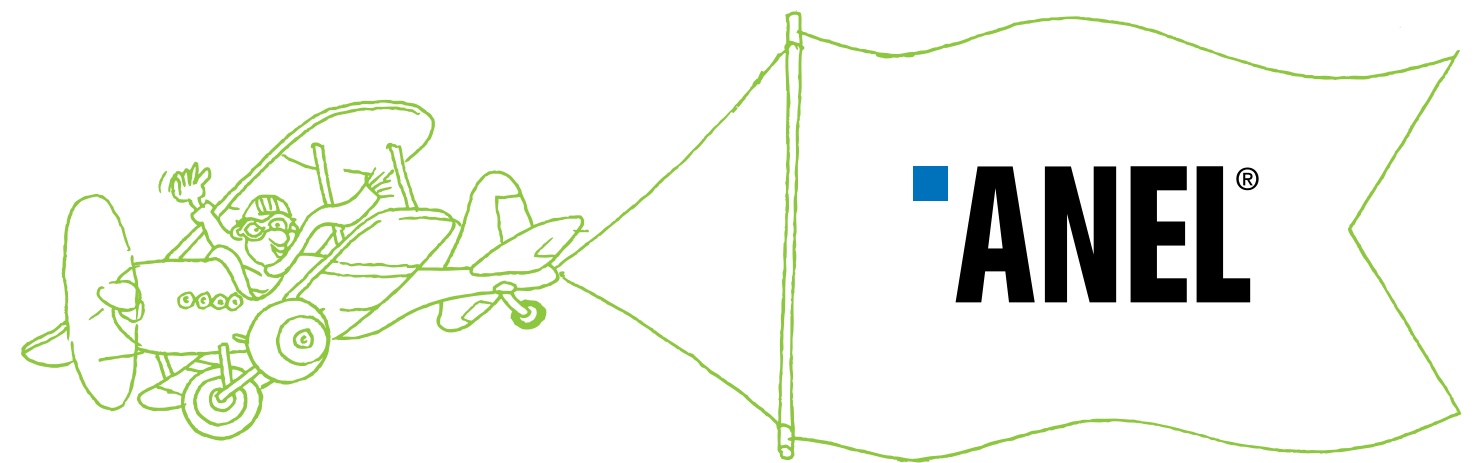


## Forward Looking Statements

*Certain statements contained in this annual report may be considered "forward-looking statements". Our forward-looking statements generally contain words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "plan," "goal," "will" or other words which mean the uncertainty of future events. These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties. Although Anel Elektrik believes that the expectations reflected in our forward-looking statements are reasonable at this time, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Therefore, Anel Elektrik disclaims any obligation to update these statements, and we caution you not to rely on them unduly.*











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