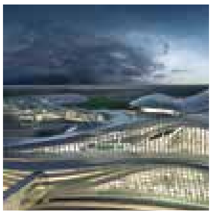
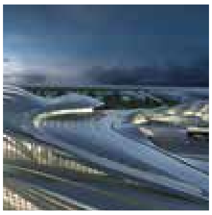
# ANNUAL REPORT 2014

# Today for tomorrow







AnelGroup

# ANNUAL REPORT 2014

# CONTENTS

## ANEL ELEKTRİK AT A GLANCE



## FROM THE MANAGEMENT



## 2014 ACTIVITIES



## FINANCIAL INFORMATION AND CORPORATE GOVERNANCE

founded in

**1986**

as an electricity contractor
**Anel Elektrik**

**3** continents

**12** countries,



namely

- **contracting**
- **energy**
- **real estate**
- **electronics**

through its **subsidiaries** and **affiliates.**

is carrying out its business activities in

**4** **main segments**

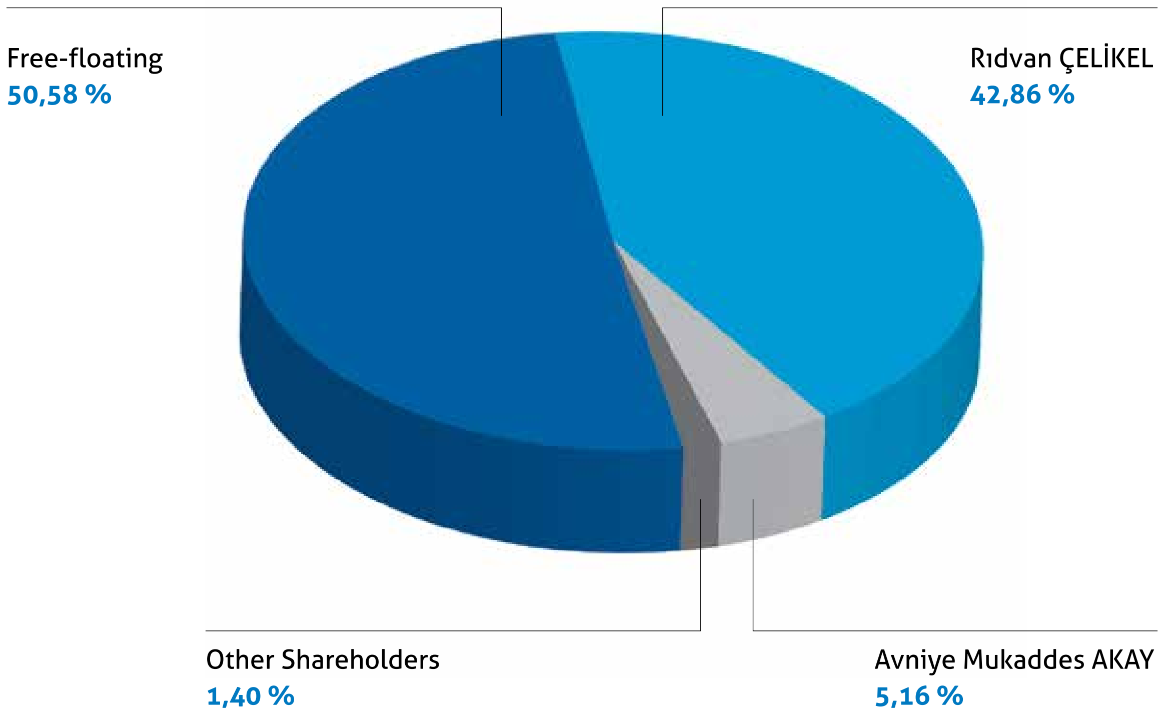
## WHO ARE WE?

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

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

### SHAREHOLDER STRUCTURE

| Shareholder's Full Name | Share Amount (TRY) | Share Ratio (%) |
|---|---|---|
| Rıdvan ÇELİKEL | 47.142.089,02 | 42,86 |
| Avniye Mukaddes AKAY | 5.677.038,58 | 5,16 |
| Other Shareholders | 1.547.395,48 | 1,40 |
| Free-floating | 55.633.476,93 | 50,58 |
| **Total** | **110.000.000** | **100,00** |




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





## OBJECTIVES

We offer reliable and creative engineering solutions and electromechanical contracting services for large scale and technically challenging projects that meet international quality standards. Every step we take is based on our respect for the individual and the environment alike, and we believe in adding value to the community and for all our business partners.

We ensure sustainability in our social responsibility projects, particularly in the areas of education and the arts, in an effort to contribute to the development and modernization of our society.

By offering very reliable and top quality services to its customers, Anel Elektrik aims to become the most preferred electromechanical contracting company, maintain its lean and key position by establishing sustainable relations with its material and service providers based on trust, mutual benefits and attain project sustainability through efficient risk and cost management.

## VISION

To become the most preferred electromechanical contracting company for investors and employers.

## MISSION

We intend to become the most preferred electromechanical contracting company in the region by providing the most reliable, top quality services to our customers; to maintain our unequivocal and key position in the industry by establishing sustainable relations based on mutual trust with our providers of products and services; and to achieve sustainability through efficient risk and cost management of our projects.

# SUBSIDIARIES, AFFILIATES AND BRANCHES

| Subsidiaries & Affiliates | Country | Year Established | Areas of Operations | Shareholder Ratio (%) |
|---|---|---|---|---|
| Anel Enerji Elektrik Üretim San. Ve Tic. A.Ş. | Turkey | 2009 | Solar Energy Projects | 70,5 |
| Anel Mekanik Tesisat Taahhüt A.Ş. | Turkey | 2009 | Mechanical Installation Projects | 97 |
| Anel Yapı Gayrimenkul A.Ş. | Turkey | 2007 | Real Estate Purchase and Sale | 60,08 |
| Anel Marin Gemi Elektrik Elektronik Sistemleri Tic. ve San. A.Ş. | Turkey | 2005 | Marine Electrical and Electronic Systems | 93 |
| Anel Telekomünikasyon Elektronik Sistemleri San. ve Tic. A.Ş. | Turkey | 2003 | Telecommunications, Electronics | 26,47 |
| ANEL-SERA Ordinary Partnership | Turkey | 2010 | Construction, Electrical, Mechanical and Installation Works | 70,2 |
| Aveksolar Üretim San.ve Tic.A.Ş. | Turkey | 2011 | Manufacturing and Installation of Solar Panels | 49,98 |
| Anel Engineering-Technological Company Ltd. | Russia | 2011 | Electrical Contracting | 90 |
| Anel Ukraine Ltd. | Ukraine | 2008 | Electrical Contracting | 100 |
| Anel Dar Libya Constructing & Services Llc . | Libya | 2010 | Electrical Contracting | 65 |
| AnelMep Maintenance & Operations Llc. | Qatar | 2008 | Electrical, Mechanical Contracting | 30 |
| Energiina Kompania Bonev OOD | Bulgaria | 2011 | Solar Energy Projects | 50 |
| Golden Sun OOD | Bulgaria | 2011 | Solar Energy Projects | 100 |
| AnelBG Ltd. | Bulgaria | 2011 | Solar Energy Projects | 70,5 |
| Dag-08 OOD | Bulgaria | 2011 | Solar Energy Projects | 100 |
| Anel Emirates | UAE | 2010 | Electrical, Mechanical Contracting | 49 |

| Branches | | | |
|---|---|---|---|
| Doha | Qatar | 2006 | Electrical, Mechanical Contracting |
| Baku | Azerbaijan | 2011 | Electrical, Mechanical Contracting |
| Georgia | Georgia | 2006 | Electrical, Mechanical Contracting |



| Anel Elektrik at a Glance |

# AREAS OF OPERATION

## Contracting

As part of its core business of electromechanical contracting, Anel Elektrik has successfully implemented electromechanical systems in numerous high-quality projects on a national and international level.

Furthermore, the company has formed operations and maintenance team to support its projects in Turkey and abroad. With its team ensuring maximum efficiency and perfection, Anel Elektrik is a step ahead of the competition in terms of service continuity. With its ability to deliver electrical and mechanical contracting services simultaneously, Anel Elektrik is a Turkish company that is strong enough to participate in international tenders as a sole bidder. Anel Elektrik augments its success and competitive edge in tender processes through its subsidiary AnelMekanik, which was established in 2009 to carry out mechanical contracting services.

Anel Elektrik has become a well-known brand in Turkey and abroad due to its proven success in completing nine airport projects, six of which were carried out simultaneously, in 12 years.

Anel Elektrik's achievements include some of the most prestigious hotel, airport, commercial headquarters, and shopping mall projects in Turkey and abroad. Abu Dhabi, Hamad, Tbilisi, Batumi and Cairo International Airports; and the Qatar Convention Center are a few of the company's projects abroad. Anel Elektrik's signature projects in Turkey include Istanbul Atatürk, Ankara Esenboğa and Izmir Adnan Menderes International Airports; Marmaray Rail Tube Tunnel Project, Turkcell Operation Centers, Istanbul Kuyumcukent (Goldsmiths Center), Four Seasons Bosphorus Hotel and Bayrampaşa Forum Shopping Mall, which is one of the largest malls in Turkey.

With its 28 years of experience, the company excels in sustaining its customer relationships through its quality-focused service approach. Anel Elektrik provides contracting services in Russia, Azerbaijan, Qatar and United Arab Emirates through its successful business partnerships with major contracting firms such as Bechtel, TAISEI, Hyundai and TAV.

## Telecommunications

Serving domestic and international markets with its team of experts, Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. (AnelTech) provides solutions and services in system integration and maintenance, fixed and mobile telecommunications, defense, industrial and professional electronics, corporate information technologies and mechatronics.

AnelTech, together with Anel Group affiliates, offers design, system integration, maintenance, repair, project management and consulting solutions to its customers in the public, health, maritime, energy and defense industries. The company has been trading on Borsa Istanbul under the ticker "ANELT" since its IPO in 2005.





## Energy

The sharing of energy resources is recognized as one of the most complicated challenges of our time. Faced with the two-fold energy challenge of meeting a steadily-rising energy demand and global warming, as well as pollution and sustainability issues brought on by conventional energy resources, the world directed its search for alternative energy to renewable energy sources. Turkey has an enormous potential for all renewable energy sources, particularly solar. AnelEnerji was established to tap into this potential and convert environment-friendly, reliable and sustainable solar energy to electrical power.

AnelEnerji Elektrik Üretim Sanayi ve Ticaret A.Ş., in which Anel Elektrik has a 70.5 % shareholding, provides investment and technical consulting for solar power plants as well as project and system design, plant installations, license procurement and operation & maintenance services. The company also develops roof installation solutions for homes.

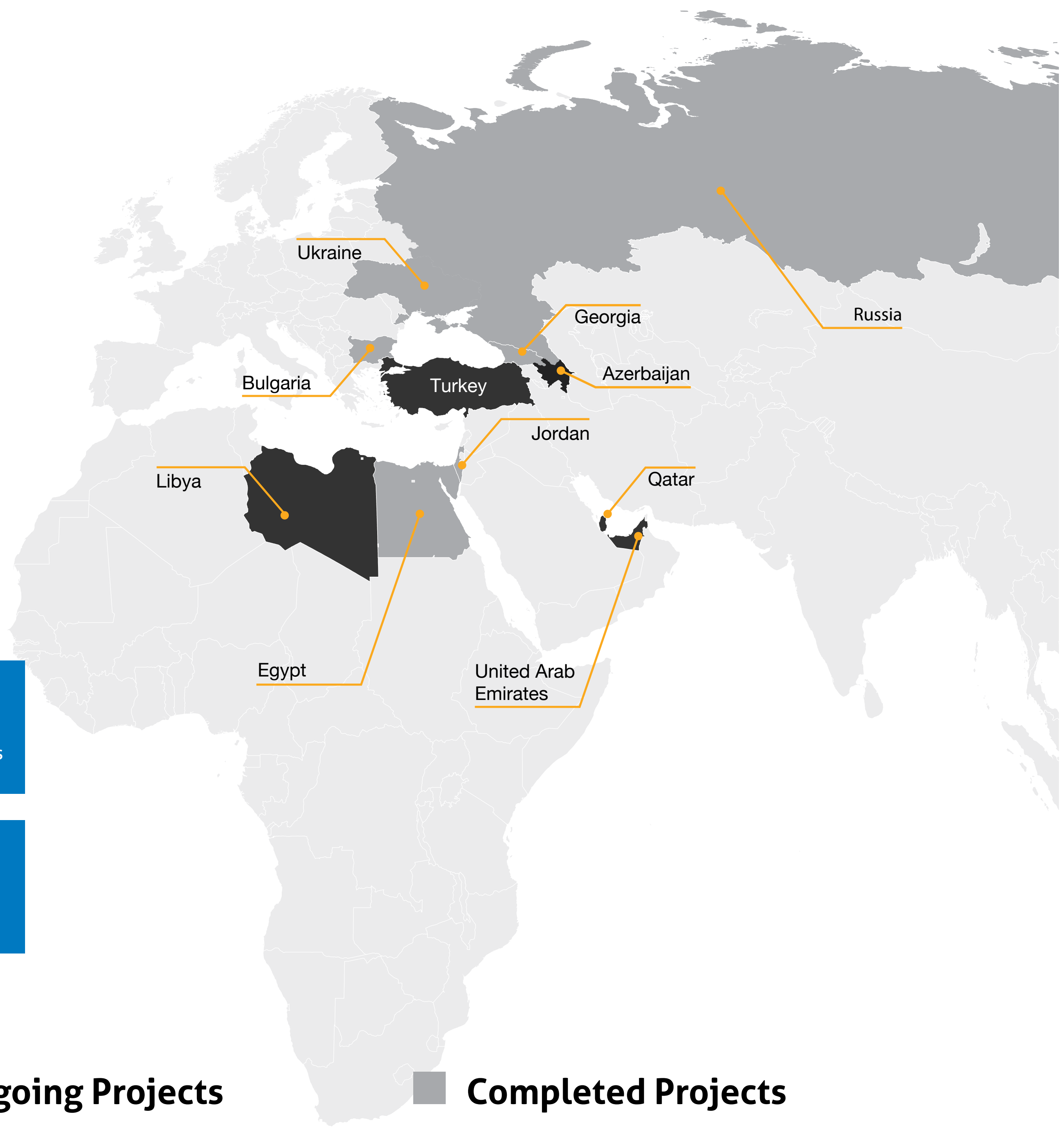
Avek Solar Üretim San. ve Tic. A.Ş., a 50/50 partnership between AnelEnerji and Kioto PV (Austria), manufactures photovoltaic solar modules that meet EIC, TÜV and ISO certification standards at its fully automated production lines in Istanbul.


## Real Estate

AnelYapı Gayrimenkul A.Ş. (AnelYapı) was established primarily for the construction and management of Anel Business Center in Ümraniye, where Anel Group headquarters is located. The high-tech, smart and environmentally friendly Anel Business Center is AnelYapı's most important project. The building features photovoltaic (PV) solar panels on its roof and terraces, which meet a moderate volume of the building's energy needs. It also features a water recycling system.

AnelYapı continues to manage the 19-story Anel Business Center, which has a leasable area of 22,566 square meters and a parking lot for 450 vehicles. Besides Ümraniye Anel Business Center, AnelYapı's portfolio also includes offices in Koşuyolu and Yeşilköy EGS Blocks.

## OPERATION MAP




**3** continents

**12** countries

### Ongoing Projects

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

### Completed Projects

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





## MILESTONES

### 1980

**1986** | Anel Elektrik Proje ve Taahhüt A.Ş. Was Established
| First Project: Darlık Dam
**1988** | First Industrial Plant: KAV Factory

### 1990

**1990** | AnelSis Was Established To Manufacture Low Voltage Distribution Panels
**1991** | A Step Forward Into Business Centers With Technological Infrastructures: Hürriyet Headquarters Building
**1998** | The Operations & Maintenance Unit Was Formed
**1999** | The First International Airport Of Turkey And Anel Elektrik: Istanbul Atatürk International Airport
| The First International Project: Tverskaya Hotel In Russia
| Russian Branch Was Established
| Turkcell Maltepe Operations Center

### 2000

**2000** | Ford Otosan Gölcük Plant
**2003** | AnelTech Was Established To Serve In The Telecommunications Industry
**2005** | AnelMarin Was Established To Provide Solutions And Services In Marine Electrical & Electronic Systems
| Ankara Esenboğa International Airport
| AnelTech's IPO
| The First Overseas International Airport Project: Cairo International Airport, Egypt
**2006** | The MILGEM Project
| The Qatar Branch Was Established
**2007** | Hamad International Airport
**2009** | Start Of Electromechanical Contracting Services
| AnelEnerji Was Established To Serve In The Renewable Energy Industry

### 2010

**2010** | Cyprus Solar Power Plant Was Established
| Anel Elektrik's IPO
**2011** | The World's Deepest Undersea Immersed Tube Tunnel: Marmaray BC1 Project
**2012** | First Project in Baku: The BP Headquarters Building
**2013** | Abu Dhabi International Airport
| Baku Olympic Stadium
**2014** | Baku's Largest Shopping Mall: Ganjlik Mall


# MESSAGE FROM THE CHAIRMAN

2014 was marked by major economic developments such as the sharp decline in global oil prices, US Federal Reserve's (FED) announcements regarding interest rate and monetary policy changes, as well as inflation and growing concerns about economic activity in the eurozone. Whereas these developments reshaped expectations for the course of the global economy, they did not reflect positively on Turkey's growth performance.

Based on the positive performance during the first ten months of the year, we have increased our exports by 4.2% year-on-year for the January-November period. We expect this number to grow exponentially due to increased relations with Russia, which has suffered from sanctions imposed by the USA and the EU due to its role in the conflict in Ukraine. Recognized as a company that provides overseas services, Anel Elektrik intends to make the most of this situation by actively taking part in new projects, primarily in Russia and the surrounding region.

As one of the prominent companies of the electromechanical industry, Anel Elektrik has reinforced its success with the 68,000 spectator capacity Baku Olympic Stadium. This project has opened the doors for new business opportunities in the surrounding region. The addition of the Ganjlik Shopping Mall Project, which will be the largest mall in Baku, to our portfolio is an example of the firm steps we are taking to have a more active presence in the region. Due to our success of the Baku Olympic Stadium project, we are now planning to take part in stadium projects for the FIFA World Cup in Russia in 2018 and Qatar in 2022.

Anel Elektrik has fully completed all its deliverables on the Marmaray Project, one of the world's most important transportation projects that became operational in 2013. Following this milestone achievement, we will continue pursuing our goals of taking part in metro projects as a solution partner to help solve Turkey's transportation problems as well as in infrastructure projects in Qatar.

As a responsible corporate citizen, Anel Elektrik adds value to society by supporting education and art as a part of its social responsibility projects. Çelikel Education Foundation continues to support successful high school and university students with a variety of programs. Galeri 5, the art gallery located at Anel Business Center, promotes art and contributes to the development of art in Turkey with the exhibitions on display throughout the year.

In 2015, the company intends to reinforce its leading position in the electrical and mechanical contracting industry; participate in global projects such as airports, shopping malls, highways, hotels, metro, railway and other major projects and continue its pioneering works in the industry.

The support we receive from our valued shareholders and the diligence of our employees will continue to be our driving force in the years ahead. I would like to take this opportunity to express my gratitude to our shareholders, employees and all our business partners.

**Rıdvan ÇELİKEL**
***Chairman of The Board***

| From the Management |

# THE BOARD OF DIRECTORS

**Rıdvan ÇELİKEL**
**Chairman of The Board**

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

**Avniye Mukaddes AKAY**
**Vice Chairman of The Board**

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

**Mahir Kerem ÇELİKEL**
**Board Member**

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

**Merve Şirin ÇELİKEL**
**Board Member**

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

**Ahmet Bülent BATUKAN**
**Board Member**

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

**Cahit DÜZEL**
**Independent Board Member**

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



| From the Management |

**Ahmet Münir EKONOMİ, Ph.D.**
**Independent Board Member**

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

| Board Member | Other Duties |
|---|---|
| Rıdvan ÇELİKEL | Chairman of the Board of Anel Group Companies |
| Avniye Mukaddes AKAY | Vice Chairman of the Board of Anel Group Companies |
| Merve Şirin ÇELİKEL | Board Member of Anel Group Companies |
| Ahmet Bülent BATUKAN | Board Member of Anel Group Companies |
| Mahir Kerem ÇELİKEL | Board Member of Anel Group Companies |
| Ahmet Münir EKONOMİ, Ph.D. | Consultant at Akbank T.A.Ş., Eczacıbaşı Holding A.Ş., Türk Ekonomi Bankası A.Ş., Türk Telekom A.Ş., PharmaVision Holding A.Ş, Japon Tütün Ürünleri Pazarlama A.Ş., and Unilever Holding A.Ş. |
| Cahit DÜZEL | Managing Partner at PAL Consulting and Chairman of the Board of Directors of Menzel Kimya A.Ş. |

Except for the Independent Board Members, other Members of the Board may serve as Board Members of other companies of Anel Group.

# COMMITTEES

Anel Elektrik's Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee as well as the Nomination and Remuneration Committees reporting to the Corporate Governance Committee continued their activities in 2014. Information about their operations and working principles have been disclosed on the company's website.

Independent Board Member Ahmet Münir Ekonomi, Ph.D. serves as Chairman of all Committees, and Independent Board Member Cahit Düzel serves as Member in all the committees due to the current structure of the Board of Directors. Committees and their members are as below.

**Corporate Governance Committee**

Ahmet Münir Ekonomi, Ph.D.
Chairman, Independent Member

Cahit Düzel
Member, Independent Member

Ahmet Bülent Batukan
Member, Board Member

Önder Mutlu Bulut
Member, Executive

**Audit Committee**

Ahmet Münir Ekonomi, Ph.D.
Chairman, Independent Member

Cahit Düzel
Member, Independent Member

**Early Risk Identification Committee**

Ahmet Münir Ekonomi, Ph.D.
Chairman, Independent Member

Cahit Düzel
Member, Independent Member





# SENIOR MANAGEMENT

**Adnan EK**
**Financial Affairs Group Manager**

After receiving his undergraduate degree in Finance from Istanbul University in 1987, Adnan Ek completed his MBA in Business Administration at Yeditepe University. Currently, he is pursuing his Ph.D. in Business Administration at Maltepe University. Starting his career as Assistant Accounting Specialist at STFA Holding in 1998, Ek worked in the company until 2006 as Accounting Specialist, Budget Specialist, Accounting Manager, Vice General Manager and Internal Auditing Coordinator. Between 2006 and 2012, he worked as Finance Director at Sertrans International Logistics, Durak Textiles and Kayı Holding. In May 2012, Adnan Ek joined Anel Group, where he continues to work as the Financial Affairs Group Manager.

**Başak ÜLKENLİ**
**Contract Manager**

After graduating from Middle East Technical University's Department of Public Administration in 1998, Başak Ülkenli started her career at ASELSAN, where she worked for two years as Assistant Specialist. In 2000, she joined HAVELSAN as Contract Specialist. During her eight years of tenure, she was promoted to the positions of Contract Unit Manager and then Contract Manager for the Aviation, Defense and Simulation Groups. Between 2008 and 2012, Ülkenli served as Contract Unit Manager in the Business Development and Customer Relations Department of TÜBİTAK BİLGEM. She joined Anel Group in March 2012 as Contract Manager in charge of contracting operations at Anel Elektrik.

**Celal AKTAŞ**
**Electrical Design Coordinator**

Celal Aktaş graduated from Yıldız Technical University's Department of Electrical Engineering in 1989. He joined Anel Elektrik in 1997 and is currently serving as Electrical Design Coordinator.

**Cem ÖZŞEN**
**Director of Financial Affairs and Finance**

Cem Özşen graduated from Ankara University in 1990 and Bentley College (USA) in 1997. He held various positions in public and private organizations between 1990 and 2013. Özşen joined Anel Group in 2013 and works as the Director of Financial Affairs and Finance.

**Nesrin BAYRAKTAR**
**Director of Human Resources and Corporate Communications**

After receiving her bachelor's degree in Business Administration from Istanbul University in 2000, Nesrin Bayraktar began her career at Telsim. In 2003, she joined Biruni Laboratories, where she worked for four years as Human Resources and Quality Management Systems Supervisor. In 2007, Bayraktar started at Anel Group as Human Resources Specialist and then worked as Selection and Placement Manager and Human Resources Planning Manager until her promotion to Human Resources Director in December 2012. Since January 2014, Bayraktar has been working as Director of Human Resources and Corporate Communications.

**Önder Mutlu BULUT**
**Investor Relations Manager**

Önder Mutlu Bulut graduated from Yıldız Technical University's Department of Statistics in 2004 and from Anadolu University's Department of Economics in 2007. He completed his MBA at Istanbul University's Department of Accounting-Audit in 2011. Bulut is currently pursuing his Ph.D. in Financial Economy at Istanbul Commerce University. Between 2004 and 2006, he worked at Turkcell Group Companies as Executive and Technology Consultant. Between 2007 and 2013, Bulut worked as Budget Reporting Manager and then as Investor Relations Department Manager at Uyum Gıda A.Ş. Bulut joined Anel Group in 2013 as Investor Relations Manager. He holds a Capital Market Activities Advanced Level License and a Corporate Governance Rating Specialist License issued by the CMB.





**Önder ÖZYILMAZ**
**Budget and Reporting Group Manager**

Önder Özyılmaz received his bachelor's degree in Business Administration from Istanbul University in 1999 and his MBA in English Language from Maltepe University in 2014. He started his career at Işıklar Menkul Kıymetler in 1998. In 2000, Özyılmaz joined Gemak Group of Companies as Finance and Strategy Specialist. Between 2004 and 2012, he worked as Budget and Reporting Manager at Alarko Contracting Group. Since October 2012, Özyılmaz has been working at Anel Group as Budget and Reporting Group Manager.

**Serkan KILIÇ**
**Tender Coordinator**

Serkan Kılıç graduated from Middle East Technical University's Department of Electrical Engineering in 1995. He started his career as Electrical Design Engineer at MNG Esmas A.Ş in 1994 and continued at MNG Günal A.Ş. as an Electrical Design Manager and Electrical Project Manager between 1995 and 2002. He joined Samko Group as Project Manager in 2002 and held various positions, namely Project Manager, Electrical Technical Manager, General Manager and Business Development Manager until 2013. Kılıç joined Anel Group in October, 2013.

**Süleyman DEMİRHAN**
**Tender Coordinator**

After graduating from Istanbul Technical University's Department of Electrical Engineering in 1995, Süleyman Demirhan worked as Electrical Engineer and Site Supervisor at Eltem Elektrik until 1997. He joined Anel Group in 1998 and currently works as Tender Coordinator.

**Tarık BEKMEZCİ**
**Project Coordinator**

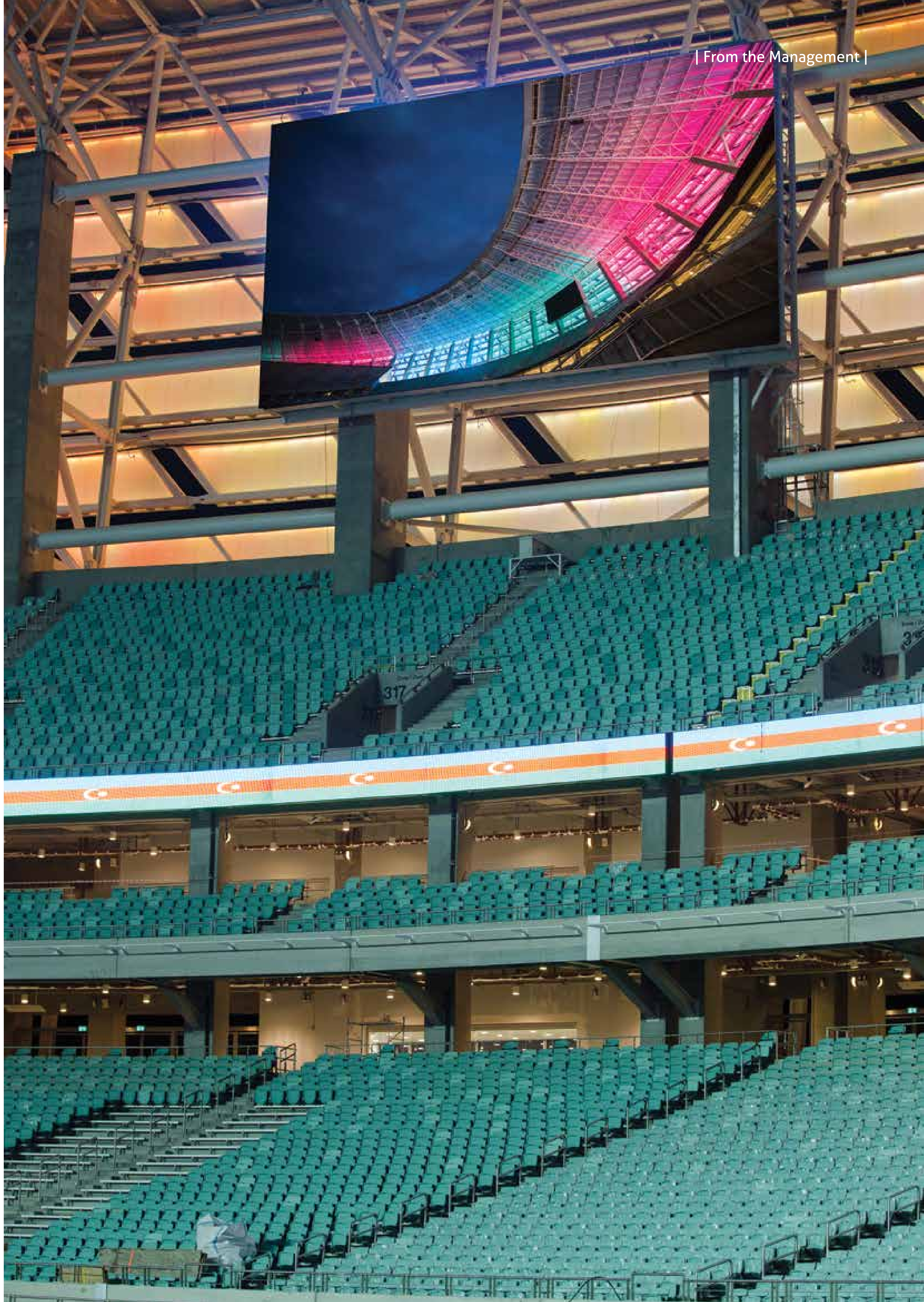
After graduating from Yıldız Technical University's Department of Electrical Engineering in 1995, Tarık Bekmezci worked at Devrektaş A.Ş. as Electrical Division Manager between 1995 and 1998. Subsequently, he worked as Electrical Energy Manager at Köseoğlu Group until 2000. Bekmezci joined Anel Elektrik in 2001 and currently works as Project Coordinator.

**Turgut Alp ÇOLAKOĞLU**
**International Projects Coordinator**

Turgut Alp Çolakoğlu graduated from Yıldız Technical University's Department of Electrical Engineering in 1982, after which he started his professional career at Cedetaş Mühendislik. Between 1988 and 1999, he worked as Project Manager in Sumitomo Densetsu Co. Ltd. in Tokyo. Turgut Çolakoğlu joined Anel Elektrik in 1999 and currently serves as International Projects Coordinator.

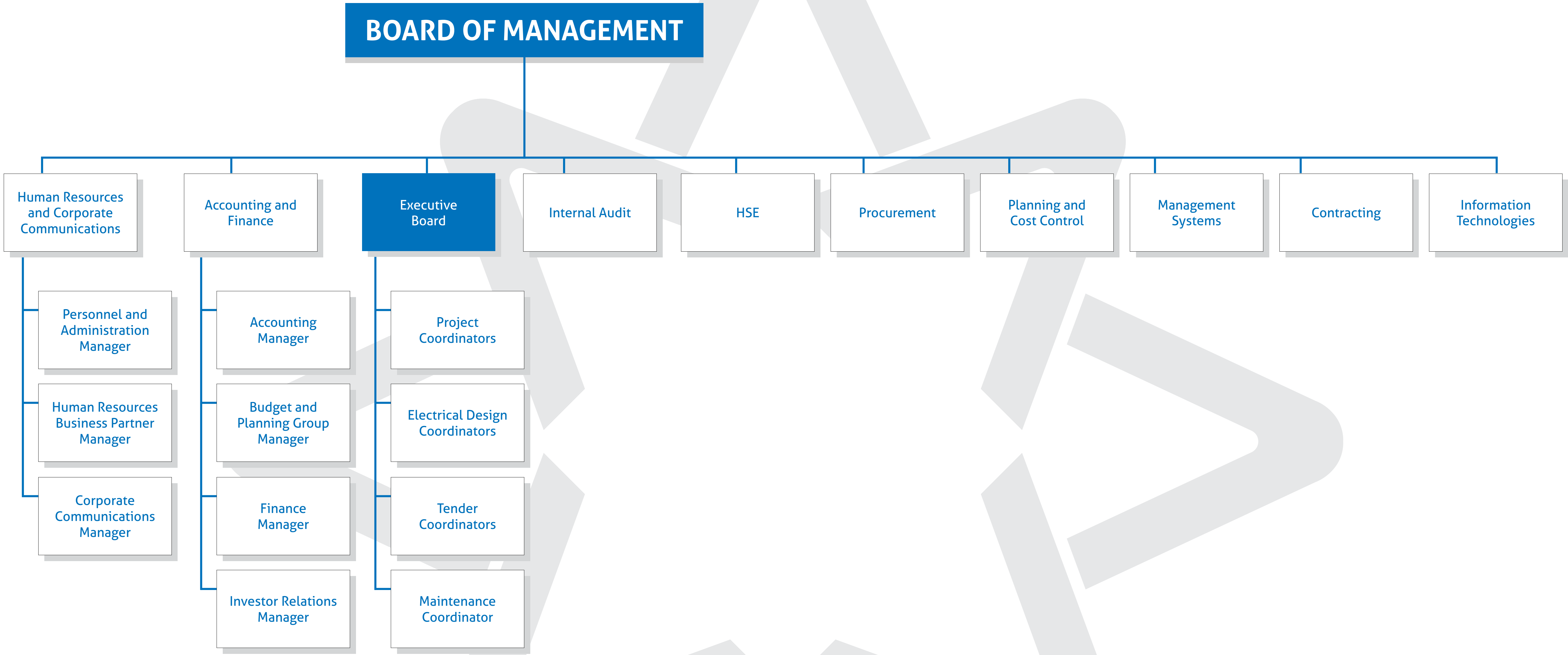


| From the Management |



| From the Management |

## ORGANIZATION CHART




**Information About The Employees**

As of December 31, 2014, the company employs 2,813 people. Anel Elektrik does not have any collective labor agreements and provides all rights and benefits in accordance with the Labor Law.

# Engineering that exceeds the limits in different languages, different geographies

# FROM OUR PROJECTS

## A. Overseas Projects

### Abu Dhabi International Airport

Anel Elektrik has continued performing the electrical work in the new terminal building at Abu Dhabi International Airport, pursuant to the agreement signed with the prime contractor TAVCCC-Arabtec (TCA) Consortium and the Abu Dhabi Airports Company PSJC (ADAC).

Designed by the Kohn Pedersen Fox Associates (KPF), the terminal will be built on 690,000 square meters of land. With 106 air bridges and a 22-km long baggage line capable of handling over 19,000 pieces of baggage per hour, the new terminal building is being planned to serve 27 million passengers per year.

### Hamad Bin Khalifa Medical City

The company continued its works for the region's largest medical complex project, with the prime contractor; Hyundai Engineering and Construction Ltd.

### Hamad International Airport

In 2014, Anel Elektrik continued its works at Hamad International Airport in Qatar through additional work subcontracted by various prime contractors, including TAV and TAISEI.

### Qatar Research and Development Complex

Subcontracted by REDCO Construction - AL MANA (prime contractor) in 2013, AnelMep Maintenance & Operations LLC, an affiliate, worked through the reporting period and successfully completed the project in 2014.



| 2014 Activities |

### Baku Olympic Stadium

In 2014, the company continued to deliver its tasks at full speed for the Baku Olympic Stadium Project. The stadium will serve as the venue for the 1st European Olympic Games that will be held in Azerbaijan in June 2015 for the first time. Anel Elektrik is proud to be a part of this remarkable project, which is of critical importance to Azerbaijan.

Anel Elektrik has been operating in the Middle East and North Africa since 2004. With its regional experience and brand value, the company will take part in the coming new projects in the region.

As Turkey's leading electromechanical contracting company, Anel Elektrik intends to reinforce its presence in the Middle East, North Africa, Azerbaijan and Russia thanks to its relations with the world's leading contracting firms and its experience. Accordingly, the company monitors events that require major investment, such as the 2022 FIFA World Cup in Qatar.

### Ganjlik Shopping Mall

After signing the contract with the prime contractor Pasha Construction for Ganjlik Shopping Mall Project in June 2014, Anel Elektrik started its work. Expected to be completed in 2015, the mall will feature 119,000 square meters of floor space.

### Qatar Al Rayyan Road Construction and Improvement Project

At the end of 2014, Anel Elektrik started mechanical works for the Qatar Al Rayyan Road Construction and Improvement Project, which is being built by Doğuş Onur JV, the prime contractor. Scheduled for its completion during the first quarter of 2017, the project is a 10.7-km highway featuring 4x4 lanes and six intersections.

# FROM OUR PROJECTS

## B. Domestic Projects

### İŞ REIT Tuzla Trade Center

In 2014, Anel Elektrik continued working on the electrical and mechanical works of the İş REIT Tuzla Trade Center Project, under the prime contractor Koray Construction.

### 42 Maslak

Anel Elektrik continued carrying out the electrical and mechanical works for 42 Maslak Project, per the provisions of the agreement signed with Bay İnşaat İthalat ve Ticaret A.Ş.

### Kocaeli Ford Otosan Plant

Subcontracted by Ark Construction for the electrical works of the Gölcük/Kocaeli Ford Otosan Plant Yeniköy Truck B460 Project, Anel Elektrik worked on its deliverables throughout the reporting period and successfully completed the project on time.

### Samsun Sheraton Hotel

Subcontracted by the prime contractor Ege Yapı for the electrical works of the Samsun Sheraton Hotel at the end of 2013, Anel Elektrik continued to work on its deliverables through the reporting period and completed the project in accordance with the terms of the subcontracting agreement.



| 2014 Activities |

# HUMAN RESOURCES

## While offering creative and reliable engineering solutions that meet international quality standards for comprehensive and challenging projects that require high-level expertise, Anel Elektrik values human resources as the most essential component for sustaining and enhancing Anel Group's quality in its operations.

**Anel Group's Human Resources Policy focuses on four main areas as follows:**

### 1. Human Resources Planning

Human Resources Planning includes the processes that identify the current and future needs of Anel Group such as staff plans, budget requirements, compensation and benefit plans and tracking actual personnel project costs in line with the budget.

### 2. Performance and Talent Management

Through Performance and Talent Management, Anel Group manages the performance of its employees by aligning their goals with those of the company, improving their technical and managerial knowledge and skills, retaining high-potential top performers and contributing to their professional development.

### 3. Business Partnership

Anel Group strives to recruit and retain fair and dynamic human resources who create value, care for the environment and society, welcome innovation, change and aim for personal and career development. Group also makes sure that the right employee is assigned to the right position through recruiting individuals that meet the criteria listed in the job descriptions.

### 4. Staff Operations and Administration

Anel Group ensures that administrative work is carried out effectively by implementing control measures. Such administrative activities include payroll services, annual leaves, managing relations with subcontractors and suppliers, cafeteria services, cleaning, security, garden maintenance, shuttle service and other administrative works.

### Activities in 2014

- 35% of the vacant positions were covered by the internal resources.
- After communicating the results of the Employee Satisfaction Survey to its staff, the company prepared an action plan, with the contribution of senior management, to make improvements on identified issues in the survey. The employees were informed about the completed actions.
- "Improvement Opportunities," was formed within the company intranet Anel'IN, as a shared platform for the employees to input their ideas, suggestions and to improve the system.
- Following a comprehensive review of all documents such as procedures, instructions and forms, all Human Resources processes were revised and uploaded to Anel'IN, making them easily accessible for the employees.
- Individual job descriptions were integrated with the system.
- As part of the "Career Support Program for Interns" implemented in 2014, the company organized training sessions and activities that contribute to the interns' career planning and personal development. Anel Group hired 41 students as interns in 2014.
- With a focus on promotion from within, the company posted "Vacant Positions" on Anel'IN.
- The company developed new human resources project boards for reporting, planning, performance management and systems improvements. Some projects were completed in 2014, while some were rolled into the 2015 goals.
- An "Overseas New Employee Handbook" was developed to provide country-specific information that helps with the adaptation of employees stationed abroad. The handbook was uploaded to Anel'IN for easy access.
- Quarterly reports that include the activities of the Human Resources Department and demographic data were delivered to the employees.
- The terrace was renovated in a nature-friendly fashion and became the new venue for employees to take a break or engage in conversation.
- Anel Group organized its New Year's festivities simultaneously so that all domestic and overseas employees could celebrate it as one big family. The company announced the first event of 2015 – a new theatrical play.

### Anel Group Employee Demographics

**Employee Profile**

| Number of Employees | 2013 | 2014 |
|---|---|---|
| Anel Group | 2.523 | 2.813 |
| Domestic Contracting | 422 | 316 |
| International Contracting | 1.777 | 2.277 |

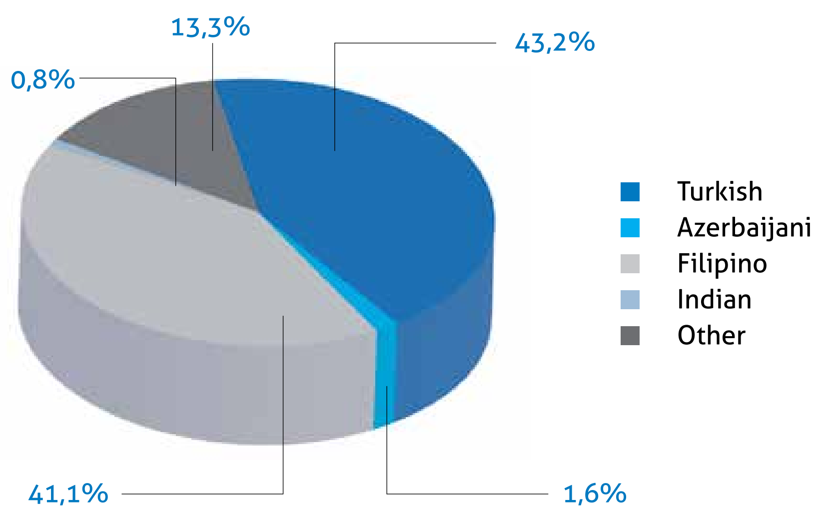
In 2014, the number of employees was 2,813, nearly an 18% increase over the previous year. This growth rate is attributable to Anel Group's new overseas projects.

| Number of Employees by Employment Type | 2013 | 2014 |
|---|---|---|
| White Collar | 661 | 851 |
| Blue Collar | 1.862 | 1.962 |

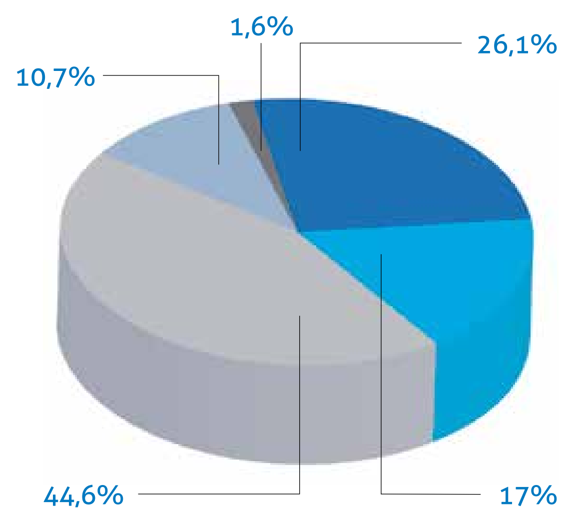
A significant portion of the company's work force is comprised of technical employees. As of the year-end 2014, 14% of the total employees were engineers and 21% were technicians and mechanists

**Distribution by Nationality (%)**

**2013**




**2014**

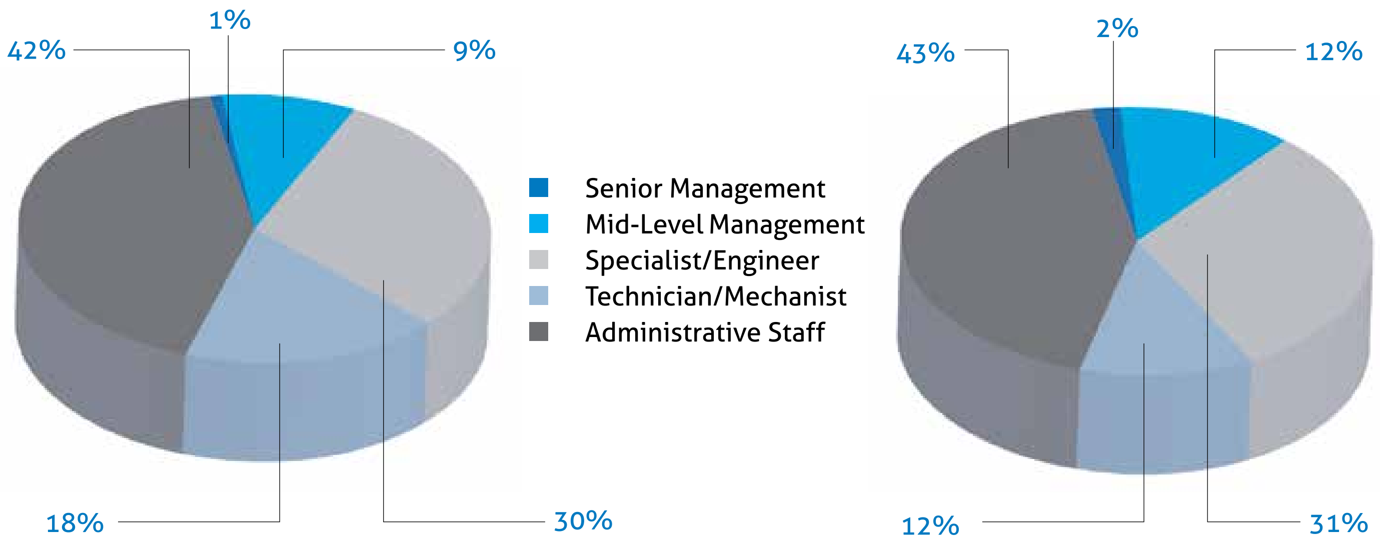


In line with its goal of becoming a global player, the company expanded its overseas operations, continued to increase the employee diversity with employees from different nationalities. In their business relations, Anel Group and its employees treat everyone equally, regardless of language, race, religion, sect, gender, political affiliation, philosophical belief, or similar rationale. Anel Group respects human rights.

An "Overseas Employee Handbook" was developed to provide country-specific information that helps with the adaptation of employees stationed abroad. The handbooks as well as relevant Human Resources Processes were uploaded to Anel'IN for easy access.

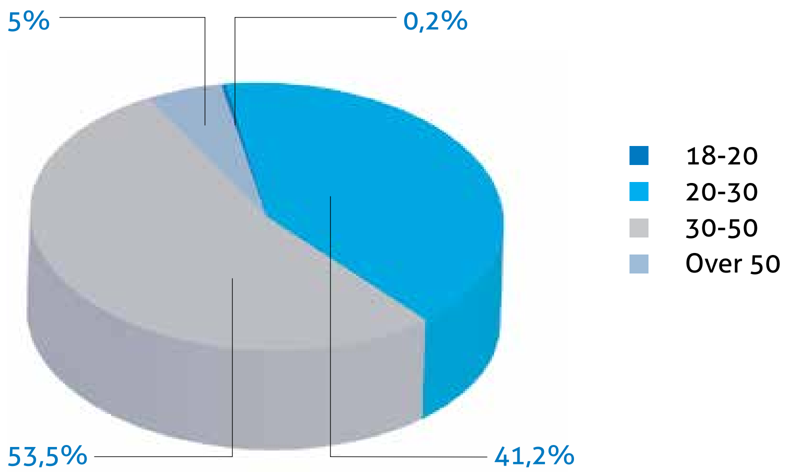
### Distribution of Female Employees (%)

**2013** **2014**




### Distribution by Age (%)

**2014**

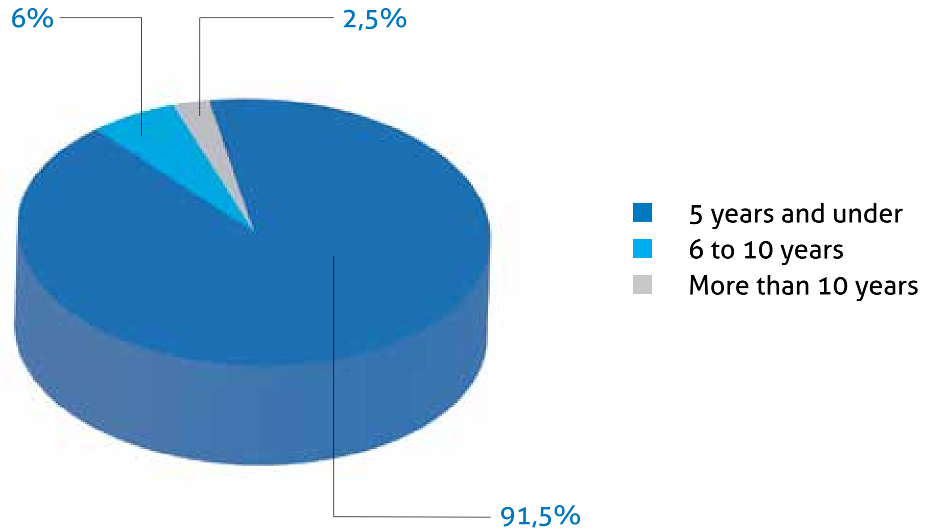





| 2014 Activities |

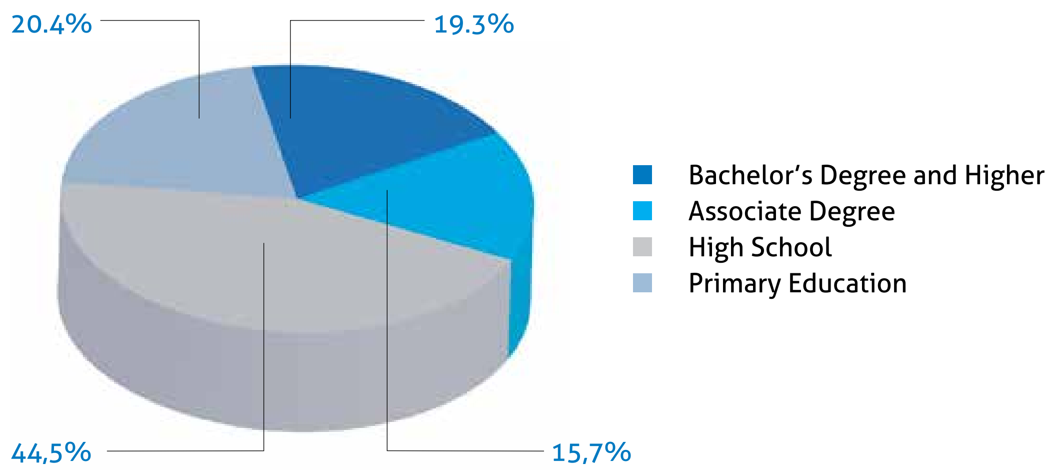
### Distribution by Seniority (%)

**2014**




### Distribution by Education (%)

**2014**



### Training Activities

With the transition to the Training Module in the ERP program, Anel Group has increased its abilities to track employee training and development as well as the maintenance of their records.

The company has started the restructuring of its training programs to include modern training platforms. E-learning modules are being implemented to provide equal training opportunities to all Anel Group employees at all locations. Having identified the training topics, the company started developing the content for the online courses that will be a part of the employee development program.

### Training Data

In 2014, the company provided 7.422 man-hours of training. Occupational Health and Safety trainings had the biggest share, with 3.705 man-hours.

Training activity data, based on the four main training categories (Orientation, Occupational Health and Safety, Technical and Development Trainings), are provided below.

| Criteria | Total | Orientation | OSH | Technical | Development |
|---|---|---|---|---|---|
| Total Number of Training Topics | **55** | 15 | 10 | 26 | 4 |
| Total Training Activities | **646** | 75 | 190 | 377 | 4 |
| Total Training Hours | **1.205** | 315 | 464 | 363 | 63 |
| Training Time (man-hours) | **7.422** | 895 | 3.705 | 1.971 | 851 |
| Number of Trainees | **561** | 167 | 408 | 297 | 38 |
| Training Hours Per Person | **13,2** | 5,4 | 9 | 6,6 | 22,5 |

### Performance Management

The company uses a competency-based performance management system that measures employees' accomplishment of assigned goals. To develop the most rational set of indicators for the assessment, the goal completion target was set to 94%.

A project team of 16 employees was formed to develop Performance Management System concept that reveals the impact of business relations on individual performance and its reflection on the overall business, in parallel with the dynamics of the industry. The company's 360-degree competence assessment system, which is also used to measure behavioral indicators, was improved with a new approach that measures competencies required for the business functions.

### Talent and Career Management

The company has adopted a talent management model that tracks the developments of the top performers closely using a talent matrix. The company interviews top performers regarding their career goals and also provides career consultancy. In 2014, 54 top performers were interviewed with a career consultancy approach.



| 2014 Activities |

## INFORMATION TECHNOLOGIES

**In 2014, comprehensive works were carried out to optimize the SAP ERP System, Digital Identity Management System, Document Management System and Corporate Communications Portal. The company's backup infrastructure and IT inventory were upgraded and IT process charts were formed.**

### SAP ERP Enhancements

Aligning user demands with the latest technological developments, Anel Elektrik continues to enhance its SAP ERP System with optimizations, upgrades and new modules. Some of these enhancements are explained below.

### Mobile Platform for Purchase Approvals

In September 2014, Anel Elektrik implemented a mobile platform that speeds up the purchase approvals in the Purchase Requisition and Purchase Order processes. The platform forwards the PR/PO details as a pdf attachment in an email to the approver, who can easily complete the approval process by clicking on either the "Approve" or "Reject" link using any smartphone or tablet. While making the process seamless and independent of time and place, this enhancement contributed to a significant decrease in the duration of approvals. Furthermore, the company began structuring the conceptual design of a SAP mobile application based on this platform. The mobile application is planned to go live in 2015.

### Conversion to SAP E-billing and E-ledgers

With the completion of the e-billing and e-ledger projects, which were mandatory requirements of e-transformation project, the company achieved significant improvements in the financial processes of sending/receiving invoices and issuing ledgers.

By converting financial documents into digital form, the company saves paper equivalent to about two trees annually, contributing to the environment.

### SAP ERP User Trainings

In 2014, Anel Elektrik increased awareness about the SAP and IT systems with 16 training programs, which were included in its 2014 IT Training Catalogue. The company's IT Business Support Team and Systems & Networks Team provided user trainings in a total of 510 classes (each 45 mins.) with 260 training sessions.

### SAP Key User Program

In consideration of business continuity, the IT department updated its user training program in September 2014 by identifying Key Users and training them. The program intends to enable Key Users to provide first-hand support in solving common daily problems experienced by other users across the company. The Key User approach is widely used among corporations as an efficient and self-sufficient method to provide fast solutions to user problems in SAP. Key Users are vital to the success of SAP rollouts and upgrades as they can relate better to daily users, understand them and solve their issues.

### SAP ERP Geographic Redundancy Activities

As a requirement of the IT business continuity plan, the company implemented a fully redundant SAP ERP system at its Disaster Recovery Center in Söğütözü, Ankara. The geographic-redundant system, which is fully automated for real-time updates, acts as a backup to the system located at Anel Business Center. The company completed the tests for all disaster recovery scenarios, and prepared all procedures and manuals pursuant to the Anel Information Security procedures.

The redundant SAP ERP System at the DRC will ensure business continuity in case of a natural disaster (such as flood, fire and so on) or terrorist attacks that may destroy or render SAP ERP servers unusable at the Anel Business Center.

### SAP Business Objects (BO) Project Indicators

As part of the SAP ERP System enhancements, the Company increased the number of tracked

| 2014 Activities |

key performance indicators by creating its own metrics based on the built-in metrics in BO. Recently added metrics are as follows:

- Site General Costs and Headquarters General Costs were added.
- The National Currency metric was modified to generate reports in different currencies. "TRY," "QAR," "AED," and "AZM" were added for projects in Turkey, Qatar, Abu Dhabi and Azerbaijan, respectively.
- More choices were added for closing the MM (Materials ledger) and FI (financial accounting) periods.
- The ability to select multiple projects was added to the SAP BO screen. Additionally, the screen was segmented for enhanced visibility and technical authorization levels were arranged.

### Reports on SAP BO

With the corporate communications portal; Anel'IN, which was launched in July 2014, the use of Notification System was increased and IT department proceeded to the next step: Quality of Service (QoS) Reporting. After two months of diligent work, the SAP BO platform was reconfigured to run Quality of Service reports based on ticket closure date. Based on this report, the company can:

- Measure mean response time and mean repair time based on notification ticket type (problem, additional request and master data)
- Determine Service-Level Agreement (SLA) per ticket type
- Measure individual IT staff performance (number of tickets, average duration to close tickets, user satisfaction and so on)
- Determine service deficiencies or choke-points and make continuous service improvements (CSI)

### Forefront Identity Management (FIM)

Regarded as a success story by Microsoft, Anel Identity Management System was introduced during a special panel event at the IDC Security Roadshow Istanbul in March 2014. Following the rollout of SharePoint 2013, Anel Identity Management System was migrated to the new platform in July 2014, featuring a new form view.

### Corporate Communications Portal and Document Management System (DMS)

Anel'IN, the corporate communications portal, was launched in July 2014. A repository of current information about all the departments and projects, Anel'IN enabled employees to follow the latest announcements, manage "Improvement Opportunities" (IO) and access many documents through the Document Management System (DMS). In addition to personnel features, Anel'IN provided a personal touch: The user profile dashboard. Employees can now track their annual leave, performance notes, career prospects and training requests, all from a single page.

The IT Notification System, which has been in use for about two and a half years, became more user friendly with the rollout of Anel'IN. The easily- accessible new version enabled users to quickly open notification tickets. Thanks to the integrated IT equipment inventory, users can now view the company hardware assigned to them and directly open their notification ticket for specific equipment. Furthermore, they can track ticket status in real time and vote on the quality of service received.

Based on user feedback, the company determined the areas of improvement as well as the new requirements for phase 2 of the project, which is scheduled to be implemented in 2015.

### Documenting IT Processes

All the IT policies, procedures, instructions, forms and process flowcharts were documented in 2013 according to ISO 27000 standards and ITIL best practices.

They are now being revised according to the business methods used in 2014. All updated IT processes are uploaded and maintained in the Process Management application.

### Backup Infrastructure Upgrade

The backup infrastructure was upgraded by installing "Data Domain," a device that improves system restore performance to acceptable levels. Consequently:

- Backup time was reduced from six to two days.
- With the capability to restore any file from the previous day's data, the risk of losing 14 days of data was minimized.
- Data recovery and data backup functions can be performed simultaneously.

The backup infrastructure upgrade which reduced the risk of data loss, saved time during data recovery and made the infrastructure more robust - was rolled out after all tests were performed.

### IT Inventory Update

Activities performed to track and control the IT inventory are as follows:

- All viruses as well as dangerous and unlicensed software were removed from computers assigned to all Anel Group employees in Turkey.
- Devices assigned to employees were inventoried and necessary updates were made in the SAP.
- With the activation of the "administrator" password, users were prevented from installing unauthorized or illegal programs and virus threats were minimized.
- Scrap inventory at the remote offices were collected and sent to AnelDoğa for recycling.
- The System Center Configuration Manager (SCCM), which collects hardware and software inventory data over the network, was upgraded to include an inventory reporting feature.
- IT Inventory Procedures and Instructions were updated. Consequently, the hardware and software license inventory can now be tracked in a transparent manner.

### Green IT Activities

As part of its IT architecture, Anel Elektrik has been using energy-efficient devices such as virtual servers, which have become the new standard for many organizations, and applications that switch the computers to energy-saving mode when not in use. In fact, the energy consumption rating was positioned as significant selection criteria for IT equipment purchases in 2014.

A smart printing system has prevented excessive use of print resources such as paper or toner. Set aside as electronic scrap, end-of-life hardware was removed from the inventory and recycled at AnelDoğa. Therefore, metals such as copper, aluminum and lead were recovered without being released back into nature.

| 2014 Activities |

# OCCUPATIONAL HEALTH AND SAFETY

## Anel Elektrik is diligent and through in providing all the favorable conditions required for occupational health and safety in every step of their operations, everywhere and every time...

Developed with an approach that embraces respect for the individual and environment, Anel Elektrik's Environmental, Health and Occupational Safety Policy is as follows:

- The company acts in compliance with all applicable laws and regulations, and therefore implements programs and procedures accordingly.

- When setting the quality standards for environment, health and occupational safety, the company considers the legal requirements as the minimum benchmark to surpass.

- The company provides a safe working environment and minimizes risks by using cutting-edge technology.

- For emergency preparedness, the company implements contingency plans and disaster recovery programs.

- The company takes all measures to prevent the disposal of substances harmful to the environment and humans, thus minimizing both the quantity and the hazard of waste.

- The company consistently utilizes opportunities for improving Environmental, Health and Occupational Safety policies.

- The company informs its employees, suppliers, customers and shareholders about developments, asks for their contribution towards achieving its goals, and in return supports them in attaining their objectives.

- The company measures and improves its performance and communicates its results to its business partners and shareholders.

Anel Elektrik ensures the most meticulous conditions of occupational health and safety at each stage of its processes, to both national and international standards. The company works on each project with a focus on compliance with environmental and occupational safety requirements, including those that are specific to a project. That is just one example of Anel Elektrik's superb service standards.

Anel Elektrik's 2014 activities related to occupational health and safety are as follows:

### Occupational Safety Trainings

As part of the 2014 training program, 16-hour sessions on occupational safety training were scheduled and completed. All trainees who completed the training were certified.

Basic Safety Training: 370 people
Ergonomics and Hygiene Training: 211 people
Electrical Work Safety Training: 218 people
Occupational Diseases Training: 211 people
Emergency Response Teams Training: 25 people
Emergency Training: 57 people
Occupational Safety Committee Members Training: 31 people
Working at Height Training: 180 people
Risk Analysis Training: 165 people
First Aid (Theoretical) Training: 98 people

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

- The company arranged a certification course for all the first responders per the first responder regulations.

- Four technical employees working under high voltage received High Voltage Electrical Safety Work Permit Training from TEDAŞ.

### Risk Analysis and Internal Audits

Anel Group performed risk analyses on all the companies and construction sites and shared the results with the prime contractor. The construction sites were internally audited for compliance with occupational health and safety procedures.

### Emergency Action Plans and Drills

The company developed emergency plans and performed fire and evacuation drills in May at Anel Business Center with the participation of 245 employees as well as all the tenants in the building. Following the evacuation drill, Ümraniye Fire Department provided hands-on training.

### Disclosures to the Ministry of Labor and Social Security

All Anel Group companies have submitted their disclosures about the Occupational Safety Specialist and Occupational Physician to the Ministry of Labor and Social Security via ISG-Katip. The company also ensured that all subcontracting firms submitted their disclosures.

### Occupational Safety Committee Meetings

Monthly Occupational Safety Committee meetings are held with the participation of construction site chiefs and representatives of subcontractors. Elected corporate spokespeople, in numbers determined by the regulations, also participate in these meetings held at Anel Business Center and construction sites.

### Procedures and Instructions

All occupational safety procedures and instructions were updated. The company started the practice of work permits for dangerous works (shaft works, electrical works, LOTO procedures, hot works etc.)

### Site Inspections and Controls

- The construction sites were internally audited for compliance with occupational health and safety procedures.

- Any non-confirming work observed during the site inspections were interrupted and corrected immediately. All non-conformities and preventive measures taken were recorded and non-compliant personnel took refresher training programs.

- All scaffoldings were inspected regularly and inspection tags (red for unsafe and green for safe) were used for tracking.

- All power tools that passed the inspections were permitted for site use.

- All sites provided weekly site inspection reports via AnelBilgi system.

### Periodic Inspections of Equipment

Period renewals of all equipment inspections were performed by representatives of TMMOB (Turkish Chamber of Mechanical Engineers) and EMO (Chamber of Electrical Engineers). Lifting gear, grounding systems, lightning rods, elevators and pressure vessels are examples of the site equipment inspected.

### Employee Health Reports

Occupational physicians issue certified health reports for all new employees and renew them annually.

# CONTRIBUTION TO THE COMMUNITY

## Mindful of the impact of arts on social life and education, Anel Group values and promotes art and cultural activities.

### Social Responsibility Activities In The Field Of Arts

Recognizing the impact of art on society and education, Anel Group attaches great importance to art events and cultural activities. By organizing exhibitions with the participation of both national and international artists of various disciplines throughout the year at Galeri 5, the art gallery located in the hall of Anel Business Center, the Company contributes to the development of artistic activities in Turkey as well as offering young generation artists the opportunity to show off their talents.

Exhibitions held in 2014:
- On the Starting Line
- Mengü Ertel: His Life & Works Through The Eyes Of Murat Ertel

Through a project coordinated with Marmara University Music Department students, weekly music recitals are organized every Monday from 8:30 to 9:30 in the ground floor lobby at Anel Business Center. This project not only creates a source of income for the students, but also gives them the opportunity to demonstrate their talents.

Founded in 2007 Çelikel Education Foundation intends to establish a collaborative and cooperative network between educational institutions, parents and non-governmental organizations in order to raise creative, responsible, freethinking and open-minded young people.

### Social Responsibility Activities in the Field of Education

#### Fire Balls Program

Initiated in 2012, Fire Balls Program continued during 2014-2015 academic year with the participation of new "sparks." The program is based on the concept of turning their testing-system achievements to real-life accomplishments. Besides providing financial aid, the program embraces the students' lives with personal and social development opportunities. Scholarship students use the "culture and arts package" they receive to enjoy cultural and art events such as theaters, operas, movies, dances, concerts and others throughout the year. Additionally, the company provides personal and social development training programs, organizes vision meetings and events where students can meet subject matter experts and provides opportunities for internship and volunteer work on projects. Students enjoy the privileges of a unique program, which also includes gifts of books and museum passes.

#### "Friendly High Schools" Project

On August 15, 2013, Çelikel Education Foundation launched the "Friendly High Schools Project" in collaboration with ÇOÇA (Istanbul Bilgi University, Children Studies Division). Ümraniye Anatolian High School, Ataşehir Anadolu High School and Ümraniye 75th Year Republic Trade Vocational High School participated in the 12-month project, which was funded by the European Union under the "Grant Program for Democratic Citizenship and Human Rights Training." The program partner was the Ministry of National Education. The purpose of the project was to establish a high school culture that respects human rights and gender equality by bringing up youth who have self-esteem and value others, know and express their rights, respect diversity and maintain a non-discriminating and non-violent attitude when solving problems. In order to empower the parties related to youths, the company organized teacher-parent worksops in November and December 2013. The project aimed to invigorate the parties related to the youth through ÇOÇA specialists and psychologists. During the workshops, a leaflet that encouraged parents' participation in school events and a study guide for the Human Rights and Democracy class, were distributed. Teachers engaged the students in activities that were designed to increase awareness of human rights during the 10-hour workshops.

Furthermore, a "Being Positive and Effective Parents" course, which comprised of three workshops for parents, was taught by psychologists Banu Bülbül and Damla Gürkan at all three participating schools. The workshops assisted the parents in finding the answers to questions such as: "How can we be effective parents?", "How can I balance discipline and freedom?", "How can I get to know my child better?", "How can I take back control and limit my child's use of technology?" and "How can I cope with stress, anger and conflict at home, with crisis and violence prevailing in society?"

#### "Peaceful Communication with the Youth" Project

Çelikel Education Foundation implemente "Peaceful Communication with the Youth" Project at three high schools, with the support of the Directorate of National Education. Financed by the Swedish Consulate, the project intended to ensure a nonviolent environment of communication at home and at school. Believing that this objective can be achieved by facilitating cooperation between teachers and families, Çelikel Education Foundation implemented the 12-month project at Ataşehir Nuri Cıngıllıoğlu High School, 75th Year Republic Trade Vocational High School and Ümraniye Anatolian High School.

As part of the "Cooperation between Teachers and Families for Peaceful Communication with the Youth" Project, a six-week training was provided to families free of charge. The training increased the teachers' understanding and skills related to handling peer violence, domestic violence and other similar subjects. During the "Positive Parenting" course, the participants discussed non-violent communication methods, helping children to self-learn, setting limits, and awareness of children's as well as parents' rights.

#### "Wide Shot in Education" Program

Wide Shot in Education Program is designed to support and strengthen students, teachers and parents as well as enable them to acquire new skills, creating an integrated model at schools and expanding this model across the country. Launched in 2010, the program includes informative, consciousness-raising and social activities that contributed to their success and happiness in support of their personal, social and professional developments. On its fifth year, Wide Shot in Education Program is continuing at Kavak Rıdvan Çelikel Anatolian High School in Samsun. The program results, obtained through professional measurement and assessment methods, demonstrate that the program contributes significantly to the development of students.

#### "My Vocational High School is Youth Friendly" Project

"My Vocational High School is Youth Friendly" Project was launched by Çelikel Education Foundation in September 2013 with support from the Matra Fund of the Consulate General of the Netherlands in Istanbul. The project aims to ensure that the youth get the most out of their right to education by supporting the establishment of

sensitive environments to human rights and gender mainstreaming at vocational high schools. During the 10-month project, teacher/administrator workshops were organized with the collaboration of the Human Rights Law Research Center at Istanbul Bilgi University, the project partner. Workshops raised awareness about human rights and gender equality among the participants, who were also provided with information and skillsets that they could use to further support the youth. Another aspect of the project was the introduction of human rights and democracy clubs at schools. The clubs intended to set young students in motion by engaging them in activities such as attending seminars, visiting non-governmental organizations and publishing school papers; thereby contributing to their development into responsible citizens who exercise their rights, respect diversity and embrace democratic values. In addition, the project called out a major violation of the right to education caused by early vocational school dropouts based on the results of a study carried out with the support of Sever Impeks Research & Consultancy. The study received the "Bronze Owl" award in the social research category at the 2014 Research Summit organized by the Turkish Researchers Association (TUAD). The results of the study were discussed in a workshop attended by vocational school teachers and administrators, academicians, and representatives from vocational organizations and non-governmental organizations. Both the results of the research and the findings of the workshop were shared with the press to increase public awareness.

### "Gender Equality in Vocational Schools" Research Project

Whereas the topic of primary schooling for girls is quite frequently in the news, research about gender equality at vocational and technical high schools is very limited and is mostly focused on vocational schools for girls.
In addition, there are only a limited number of comprehensive research reports that analyze the current situation and develop solutions to improve the quality and relevance of their education.

The "Gender Equality in Vocational Schools" Research Project was designed to study the gender equality aspect as it relates to the quality and relevance of education at vocational and technical high schools. The study will evaluate methods and practices for improving the quality of education and increasing its relevance as well as its impact on employment.

The project began in November 2014 as a collaborative effort between Çelikel Education Foundation and Education Reform Initiative. All fieldwork has been completed and the research report is in progress. As part of the fieldwork, randomly selected students and teachers (from Ümraniye Vocational and Technical Anatolian High School and Şişli Vocational and Technical Anatolian High School) took part in focus group studies. Çelikel Education Foundation's Fire Balls Program students provided volunteer support during the focus group studies in which 24 female students, 14 male students and 9 teachers participated.

| 2014 Activities |

## ENVIRONMENT

**Anel Elektrik displays due diligence to protect the environment in all its projects and works towards conserving natural resources and minimizing adverse effects to the environment. To this end, Anel Elektrik complies with all the applicable legislations and regulations.**

Anel Elektrik generates its own energy at its headquarters in Anel Business Center through the PV solar panels installed on its roof and terraces. The obtained energy is used to meet a portion of the smart building's energy needs as well as for interior lighting.

In its continuing efforts for a clean and livable environment, as of 2013, the company has started measuring the carbon footprint caused by its operations.  Subsequently, the company took actions to reduce and neutralize its greenhouse gas emissions.

The company's primary goal is to produce minimum waste and to recycle it completely. Working hand in hand with AnelDoğa, the company systematically recycles all waste from both its headquarters and construction sites. AnelDoğa also provides environmental consultancy services to Anel Group



| 2014 Activities |

# FINANCIAL INFORMATION

## In 2014, revenue from operations increased by 39,09 % year on year to 639,433,961 TRY. The net profit for the period increased by 630,82 % to 10,030,701 TRY.

| Consolidated Income Statement (TRY) | 2014 | 2013 | % |
|---|---|---|---|
| Sales | 639,433,961 | 459,740,937 | 39,09 % |
| Gross Profit | 68,905,818 | 51,385,010 | 34,10 % |
| Operating Profit/Loss | 41,186,647 | 25,400,482 | 62,15 % |
| Net Profit/Loss | 10,030,701 | 1,372,523 | 630,82 % |

| Rations (%) | 2014 | 2013 | % |
|---|---|---|---|
| Gross Profit | 10,78 % | 11,18 % | (0.40)pp |
| Operating Profit/Loss | 6,44 % | 5,52 % | 0.92pp |
| Net Profit/Loss | 1,57 % | 0,30 % | 1.27pp |

In addition to the revenue and net profit growth, EBITDA increased by 61.22 % over the year, reaching 50,506,544 Turkish lira. EBITDA/revenue ratio was at 7.9 %.

| Consolidated Balance Sheet (TRY) | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Current Assets | 670,597,346 | 533,015,318 |
| Fixed Assets | 364,683,289 | 286,237,449 |
| **Total Assets** | **1,035,280,635** | **819,252,767** |
| | | |
| Short-Term Liabilities | 485,604,733 | 353,256,122 |
| Long-Term Liabilities | 251,658,353 | 193,611,613 |
| Total Liabilities | 737,263,086 | 546,867,735 |
| Equity | 298,017,549 | 272,385,032 |
| **Total Equity** | **1,035,280,635** | **819,252,767** |





# SUBSEQUENT DEVELOPMENTS

### DP World Yarımca Container Terminal

At the end of 2014, Anel Elektrik had signed the letter of intent for the DP World Yarımca Container Terminal Project with STFA A.Ş., the prime contractor for the MV-LV Power Distribution, Lighting Systems and Generator Plant Tender. The parties signed the contract in January 2015, allowing Anel Elektrik to commence the construction works.

### Mavibahçe Shopping Mall

In January 2015, Anel Elektrik and prime contractor Opera Gayrimenkul Geliştirme A.Ş. signed the contract for the electromechanical works of Mavibahçe Shopping Mall, which covers an area of 165,000 square meters.

# OTHER INFORMATION

| | |
|---|---|
| **Company Name** | Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. |
| **Address** | Saray Mah. Site Yolu Sok. Anel İş Merkezi No:5\4 Ümraniye İSTANBUL |
| **Trade Registry Office** | İstanbul |
| **Number Ticaret Siciline** | 222590 |
| **Date of Registration with the Trade Registry** | 12.03.1986 |
| **Company Website** | www.anel.com.tr |

### Remuneration Policy

Anel Elektrik's Remuneration Policy is based on the "Principles for Remuneration of Board Members and Senior Managers," which was approved by the Board of Directors resolution on April 12, 2012. These principles intend to plan, implement and manage the remuneration practices in compliance with the company's operational scope and structure, long-term targets and strategies, ethical values, and internal balance as well as the relevant legislation. These principles are available on the company website.

### Voting Rights

The General Assembly meetings and the quorum are subject to the provisions of the Turkish Commercial Code. The Company's shares are divided into Group A and Group B shares. Group A shares are privileged shares. At the General Assembly meetings, Group A shareholders have two votes per share while Group B shareholders have one vote per share.

### Dividend Distribution Policy

By taking into consideration its shareholder expectations and its own needs in line with the company's mid- and long-term strategic plans, investment plans and financial goals; Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. has set its Dividend Distribution Policy in accordance with the pertinent provisions of the Turkish Commercial Code, the Capital Markets Law, and other legal arrangements as well as with relevant clauses set forth in its Articles of Association.

Anel Elektrik follows a balanced and consistent strategy between the interests of the shareholders and the company based on the Corporate Governance Principles. When determining the distribution amount, the company takes into account the long-term strategies, investment and financing policies, profitability and cash position. In principle, upon the approval of the Board of Directors, the company may distribute at least 20 percent of its net distributable profit for each accounting period in cash and/or bonus shares, calculated in accordance with the Capital Markets regulations and other relevant legislation.

Dividends are distributed equally to all existing shares on the date of the dividend distribution, notwithstanding the date of issue or acquisition. The General Assembly decides the dividend distribution date within the statutory terms.

The General Assembly or the Board of Directors, if authorized, may decide to distribute the dividend in installments in accordance with Capital Markets regulations. Anel Elektrik does not distribute dividend advances.

The General Assembly may set aside all or part of the net profit as extraordinary reserves. If the Board of Directors proposes to the General Assembly to not distribute dividends, the Board must inform the shareholders of the reasons for their decision as well as the intended use for the held profit during the General Assembly meeting. Likewise, this information is disclosed in the annual report and on the Company's website. The Dividend Distribution Policy is submitted to the approval of shareholders at the General Assembly Meeting. The Company reviews the policy annually depending on any adverse developments in domestic and/or global economic conditions, the status of current projects and the Company's funds. Any changes made to the policy are submitted during the first General Assembly Meeting for the approval of shareholders and disclosed on the Company's website.





# AMENDMENTS TO THE ARTICLES OF ASSOCIATION

#### COMPANY HEADQUARTERS AND BRANCH OFFICE

**Article 4 -** The company headquarters is in Ümraniye, Istanbul. The address is Saray Mah. Site Yolu Sok. Anel İş Merkezi Kat:5/4. In case of an address change, the new address is registered with the Trade Registry and published in the Turkish Trade Registry Gazette. Notifications made to the registered and published address are deemed as having been made to the company. Failure to register the new company address within the required time period after relocation shall be considered a reason for termination. Change of address notification must be provided to the Ministry of Science, Industry and Technology as well as to the Capital Markets Board. The Company may open domestic and overseas branches and liaison offices by informing the Ministry of Science, Industry and Technology as well as the Capital Markets Board.

#### COMPANY HEADQUARTERS AND BRANCH OFFICES

**Article 4** - The company headquarters is in Ümraniye, Istanbul. The address is Saray Mah. Site Yolu Sok. Anel İş Merkezi Kat:5/4. In case of an address change, the new address is registered with the Trade Registry and published in the Turkish Trade Registry Gazette. Change of address notification must be provided to the Ministry of Customs and Trade as well as to the Capital Markets Board. Notifications made to the registered and published address are deemed as having been made to the company. Failure to register the new company address within the required time period after relocation shall be considered a reason for termination. The company may open domestic and overseas branches and liaison offices by informing the Ministry of Customs and Trade as well as the Capital Markets Board.

#### ISSUANCE OF BONDS AND OTHER SECURITIES

**Article 9** - The company may issue bonds, commercial papers, convertible bonds and other market instruments pursuant to the General Assembly resolutions in accordance with the Turkish Commercial Law, Capital Markets Law and other relevant legislation.

#### ISSUANCE OF CAPITAL MARKET INSTRUMENTS

**Article 9**- The company may issue all kinds of debt instruments and other capital market instruments that are acceptable to the Capital Markets Board in accordance with the Turkish Commercial Law, Capital Markets Law and other relevant legislation.

Acting in compliance with the provisions of the capital market legislation, the Board of Directors is authorized to issue instruments and determine the maximum amount, type, maturity, interest rate and other conditions that relate to the issuance as well as to authorize senior management. The company shall comply with the limits and regulations set by the Capital Markets Law and relevant legislation for the issuance of instruments.

#### REPRESENTATION OF THE COMPANY

**Article 11** - The company's management, its external representation and authority to bind reside with the Board of Directors. The Board of Directors is authorized to refer, manage and arrange all business and transactions of the Company, on behalf of the Company. The Board of Directors may assign their management duties and their authority to represent and bind completely or partially to one or more executive members, either individually or collectively. The Board of Directors shall determine, register and announce the individuals that shall duly represent and bind the Company, pursuant to this provision.

In order for any documents issued by the company as well as any documents or contracts that may put the Company under debt or commitment to be valid, they need to bear the signatures of individuals who

#### REPRESENTATION OF THE COMPANY

**Article 11**- The Board of Directors shall manage, represent and bind the company in compliance with the provisions of the Turkish Commercial Code, Capital Markets Law, Capital Markets legislation and the Company's Articles of Association.

The Board of Directors is authorized to refer, manage and arrange all business and transactions of the Company, on behalf of the Company. In order for any documents issued by the company as well as any contracts to be valid, they need to bear the signature of at least one person who has the authority to bind the company and such signature must be affixed under the company stamp.

The Company's management duties and responsibilities reside with the Board of Directors.

are authorized by the Board of Directors to represent and bind the company, and such signatures must be affixed under the company stamp.

**AUDITORS AND THEIR DUTIES**
**Article 12** - The General Assembly selects one or more auditors among the (A) group of shareholders or nominated candidates for a maximum period of three years. The number of auditors shall not be more than five.

Auditors are required to perform the tasks specified in articles 353 and 357 of the Turkish Commercial Code.

**PRESENCE OF A COMMISSIONER AT THE MEETINGS**
**Article 14** - It is mandatory to have a Commissioner of the Ministry of Science, Industry and Technology present in all ordinary and extraordinary meetings of the General Assembly, and the meeting minutes must also be signed by the Commissioner. General Assembly resolutions that are made in the absence of the Commissioner and meeting minutes that do not bear the signature of the Commissioner shall not be valid.

The Board of Directors is authorized to assign its management duties and responsibilities completely or partially to one or more Board Members or to a third party. Therefore, the Board of Directors may further delegate the management of the company completely or partially to one or more board members or to a third party through an internal directive that shall be prepared in accordance with article 367 paragraph 1 of the Turkish Commercial Code.

With a board resolution and under a single signature, the Board of Directors may delegate the representation of the Company to one or more board members, executive members or to third parties acting as managers. At least one member of the Board of Directors must have powers of representation. A notarized copy of the resolution that states the individuals authorized to represent the company must be registered in the trade registry and announced in the Trade Registry Gazette for the delegation to be considered valid. Limiting the representation shall not be binding to the goodwill of third parties. However, it shall be valid for registered and announced limitations that restrict the representation to the headquarters or to a branch or in cases of delegation to more than one party. The provisions of articles 371, 374 and 375 of the Turkish Commercial Code are reserved.

**AUDITS**
**Article 12** - The provisions of the Turkish Commercial Code, Capital Markets Law and other relevant legislations shall apply regarding the audit of the company and other matters stipulated in the relevant legislation.

**MINISTRY REPRESENTATIVE**
**Article 14** - The provisions of article 407 paragraph 3 of the Turkish Commercial Code shall apply to the participation of a representative of the Ministry of Customs and Trade in the General Assembly Meetings.

It is mandatory to have a representative of the Ministry of Customs and Trade present in all ordinary and extraordinary meetings of the General Assembly. The ministry representative must sign the meeting minutes. General Assembly resolutions that are made in the absence of a representative and meeting minutes that do not bear the signature of the representative shall not be valid. Following general assemblies, the Board of Directors is responsible for



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**ANNOUNCEMENTS**
**Article 15** - By taking into account the related regulations of the Capital Markets Board, and without prejudice to the provisions of the Turkish Commercial Code's article 37 paragraph 4, company announcements are published in the Turkish Trade Registry Gazette and on the Company website. All the Company's announcements, including General Assembly Meeting notices, are made in accordance with the Capital Markets Law and related legislation. For cases that are not stipulated by the Capital Markets Law, provisions of the Turkish Commercial Code shall apply.

The provisions of articles 397 and 438 of the TCC are reserved for announcements on reducing capital and liquidation activities.

**DETERMINING AND DISTRIBUTING PROFIT, AND RESERVES**
**Article 17** - The net profit, as stated in the annual balance sheet, is calculated by deducting the company's general expenses, various amortization considerations, amounts that are required to be paid or set aside and the current payable taxes from the total profit assessed at the end of the fiscal year. After deducting the previous years' losses, the net profit (if any) is distributed in the order listed below:

First legal reserve:

a) Five percent of the balance sheet profit is set aside as legal reserves per the provisions of the Turkish Commercial Code. First dividend:

b) The first dividend is appropriated from the balance, in the amount and proportion as determined by the Capital Markets Board. Second dividend:

c) Once the items in sub-paragraphs (a) and (b) are deducted from the net profit, the General Assembly

ensuring the registration and announcement of the parts of the meeting minutes that are required to be registered and announced. Furthermore, the Board of Directors must disclose the meeting minutes on the company website. The meeting minutes are also disclosed to the public as per the provisions of the Capital Markets legislation.

**ANNOUNCEMENTS**
**Article 15** - All the company's announcements are made in accordance with the provisions of the Turkish Commercial Code, Capital Markets Law and related legislation and within the durations provided in the Turkish Commercial Code and Capital Markets legislation to reach a maximum number of shareholders. The Capital Markets Board's other regulations on announcements are reserved.

All Material Event Disclosures of the Company and other disclosure requirements stipulated by the Capital Markets Board shall be made in accordance with the regulations of the Capital Markets Board and other relevant legislation.

**DETERMINING AND DISTRIBUTING PROFIT, AND RESERVES**
**Article 17** - The net profit, as stated in the annual balance sheet, is calculated by deducting the company's general expenses, various amortization considerations, amounts that are required to be paid or set aside and the current payable taxes from the total profit assessed at the end of the fiscal year. After deducting the previous years' losses, the net profit for the period is distributed in the order listed below:

Legal Reserves:

a) Five percent of the profit for the period is set aside as legal reserves.
First Dividend:

b) The amount of donations, if any, is added to the balance. From this total, the first dividend is appropriated as per the company's dividend distribution policy, and pursuant to the provisions of the Turkish Commercial Code and Capital Markets legislation.

c) Following the calculations above, the General Assembly has the authority to decide on distributing is authorized to distribute the remaining amount in part or as a whole as second dividend, or add it to the extraordinary reserves.

Second legal reserve:

d) Pursuant to article 466 paragraph 2 sub-paragraph 3 of the Turkish Commercial Code, one tenth of the second dividend is set aside as a legal reserve fund after 5 percent of the profit share is deducted from the paid capital of the shareholders who contribute to the profit. Legal reserves are set aside if dividends and undistributed balance sheet profit is distributed as shares due to a capital increase.

e) Unless the statutory reserves required by Law and the first dividends laid out for the shareholders in the Articles of Association are set aside, it is not permitted to set aside any other reserve funds or carry forward the profits to the following year; and the decision cannot be made to distribute dividends to the members of the Board of Directors, officers, employees or workers, or to foundations established for various purposes and to such persons and/or institutions.

Dividend advances may be distributed to shareholders pursuant to article 15 of the Capital Markets Law.

Dividends are distributed equally to all existing shares on the date of the dividend distribution, notwithstanding the date of issue or acquisition. The date and method of distribution, including first dividend, is decided by the General Assembly, upon recommendation of the Board of Directors and in line with the Capital Market Law.

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
**Article 19** - Assent of the Capital Markets Board and the assent of the Ministry of Science, Technology and Industry is required, in that order, prior to discussion of any changes to the Articles of Association at the General Assembly Meeting. Such amendments to the Articles of Association shall be valid as of the date of their announcement after being duly approved and

the dividend to the Board Members, employees, privileged shareholders and non-shareholders.

Second Dividend:

d) Once the items in sub-paragraphs (a), (b), and (c) are deducted from the net profit for the period, the General Assembly is authorized to distribute the remaining amount in part or as a whole as a second dividend, or to add it to legal or voluntary reserves pursuant to article 521 of the Turkish Commercial Code.

Legal Reserves:

e) Pursuant to article 519 paragraph 2 of the Turkish Commercial Code, ten percent of the second dividend is set aside as a legal reserve fund after five percent of the profit share is deducted from the paid capital of the shareholders who contribute to the profit.

Unless the statutory reserves required by the provisions of the TCC and the first dividends laid out for the shareholders in the Articles of Association or in the dividend policy are set aside; it is not permitted to set aside any other reserve funds or carry forward the profits to the following year. In addition, the decision cannot be made to distribute dividends to members of the Board of Directors, employees of the group or to non-shareholders.

Dividends are distributed equally to all existing shares on the date of the dividend distribution, notwithstanding the date of issue or acquisition.

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 Market Law.

Such decision by the General Assembly to distribute dividend cannot be withdrawn per the provisions of the Articles of Association.

**AMENDMENT TO THE ARTICLES OF ASSOCIATION**
**Article 19 -** The finalization and implementation of all amendments to the Company's Articles of Association shall depend on the assent of the Capital Markets Board and the permission of the relevant Ministry, pursuant to the provisions of the Ministry of Customs and Trade, Capital Markets Law and other relevant legislation. During the General Assembly meeting,





registered with the trade registry.

**FINANCIAL STATEMENTS AND REPORTS**
**Article 21** - The financial statements and reports that are required by the Capital Markets Board and independent auditor's report, if the company is subject to independent auditing, are provided to the Capital Market's Board and disclosed to the public pursuant to the principles and procedures that are specified by the Capital Markets Board.

**TERMINATION AND DISSOLUTION OF THE COMPANY**
**Article 22** - The company may be dissolved as per the reasons stated in Article 434 of the TCC, or by a court decision. Furthermore, the company may be dissolved by the decision of its shareholders. In case of termination and dissolution of the company, provisions of the TCC and the capital market legislation shall apply.

invitations of which were made in compliance with the provisions of the Turkish Commercial Code and the Articles of Association, the decision to adopt the amendment is made pursuant to the provisions of the TCC, Capital Markets legislation and the Articles of Association.

Such amendments to the Articles of Association shall be valid as of the date of their announcement in the trade registry after being duly approved by the General Assembly and registered with the trade registry. All pre-approvals and permissions that are legally required must be obtained prior to the General Assembly Meeting. Amendment decisions shall be in force against third parties as of the date of registration in the trade registry.

Registering amendments to the Article of Associations with the Trade Registry and announcing them in the Turkish Trade Registry Gazette are mandatory as per the public disclosure provisions of the Capital Markets legislation.

**FINANCIAL STATEMENTS AND REPORTS**
**Article 21** - The company shall prepare, provide and announce all notifications required by the Capital Markets Board as well as documents and others to be disclosed to the public pursuant to the provisions of the TCC, CML and other relevant legislation.

The financial statements and reports that are required by the Capital Markets as well as the independent auditor's report, if the company is subject to independent auditing, are disclosed to the public pursuant to the relevant provisions of the TCC as well as the principles and procedures of the Capital Markets legislation.

All mandatory reports and documents must be provided to the Capital Markets Board and other relevant authorities, including the Ministry, within the legal deadline as per the relevant legislation.

**TERMINATION AND DISSOLUTION OF THE COMPANY**
**Article 22** - The company may be dissolved as per the reasons stated in article 434 of the TCC, or by a court decision. Furthermore, the company may be dissolved by the decision of its shareholders. In case of termination and dissolution of the company, provisions of the TCC and the capital market legislation shall apply.

# ADDITIONAL INFORMATION

During the 2014 calendar year:

- The company did not have any R&D expenses.
- The company did not acquire its own shares.
- The company did not go through any private or public audits, excluding the independent audit performed according to the provisions of the legislation.
- There were no lawsuits filed against the company that may affect its financial position or operations.
- There were no administrative or legal sanctions imposed on the company or its members of the administration due to violations of the provisions of the legislation.
- The company made donations and subsidies in the amount of 406,836.29 Turkish lira.
- The company did not benefit from any incentive programs.
- The company amended its Articles of Association by making changes to the following articles: Article 4 - Company's Headquarters and Branch Offices; Article 9 - Issuance of Bonds and Other Securities; Article 11 - Representation of the Company; Article 12 - Auditors and Their Duties; Article 14 - Presence of a Commissioner at the Meetings; Article 15 – Announcements; Article 17 - Determining and Distributing Profit, and Reserves; Article 19 - Amendments to the Articles of Association; Article 21 - Financial Statements and Reports; Article 22 - Termination and Dissolution of the Company. Further details are available under the Material Event Disclosures section on the company website and also on the Public Disclosure Platform's website (www.kap.gov.tr).
- The company did not issue any capital increases.
- The General Assembly did not hold any extraordinary meetings.

### Risk Management

### Early Detection of Risk Committee

Reporting to the Board of Directors, the Early Detection of Risk Committee makes recommendations for developing necessary policies that are required for monitoring risks to which the Company may be exposed as well as executing the risk management process.

Early Detection of Risk Committee:

- Creates effective internal control systems that identify potential risks that may inhibit the achievement of corporate goals; and evaluates, monitors and manages such risks.
- Integrates risk management and internal control systems with the corporate structure, and monitors their efficiency.
- Measures risk factors by employing risk controls in risk management and internal control systems and uses the measured risk factors in reporting and decision-making.

### Internal Controls and Audits

The auditing operations of Anel Elektrik follow International Internal Auditing Standards and the proactive methodology based on the Anel Group Code of Ethics. The specialized Anel Group Auditing Unit Team performs annual internal audits on the predetermined topics of the company's financials, operations, risks, processes, legal compliance, work ethics and misconduct.

Basic financial and process audits are performed twice a year at all of Anel Elektrik's operations centers. Thematic audits for each working period are performed at least once a year.

The audit topics are determined and shared with the relevant company units at the beginning of each year, after which risk-based auditing plans are drawn up. The company releases the audit results internally and takes remedial and preventive measures immediately. The company also reviews the results periodically in order to track the implemented improvements.



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# INVESTOR RELATIONS

Anel Elektrik shares have been traded on Borsa Istanbul since June 16, 2010. The issued capital of Anel Elektrik is at the nominal value of 110,000,000.00 Turkish lira. The number of registered shares amounts to 110,000,000, each with a nominal value of 1 Turkish lira.

Traded under the ticker symbol "ANELE," the market value of the company is 140,800,000.00 Turkish lira as of December 31, 2014.

| Share | 2014 YE (TRY) | 2014 Highest Price (TRY) | 2014 Lowest Price (TRY) |
|---|---|---|---|
| ANELE | 1,28 | 1,60 | 0,92 |

Company news and financial data are available on the company website, or can be obtained from the Investor Relations Unit, whose contact information is provided below.

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

This report includes important developments from the reporting period and any subsequent developments. All information and reports about Anel Elektrik are provided under the "Investor Relations" section of the company website www.anel.com.tr.

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# ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş.

## 2014 Corporate Governance Principles Compliance Report

### 1. Declaration of Compliance with Corporate Governance Principles

Anel Elektrik aims to add value for its shareholders, employees, stakeholders, the environment and society by ensuring compliance with the Corporate Governance Principles.

Therefore, the Company intends to maximize the benefits to both the shareholders and itself through the principles of transparency, reliability, accountability and integrity in its relationships with shareholders.

The Company's management initiated the effort to revise certain articles of its Articles of Association as a mandatory requirement for compliance with the Corporate Governance Principles issued by the Capital Markets Board. {Said articles are: (1.3.1.), (1.3.5.), (1.3.6.), (1.3.9.), (4.2.6.), (4.3.1.), (4.3.2.), (4.3.3.), (4.3.4.), (4.3.5.), (4.3.6.), (4.3.7.), (4.3.8.), (4.5.1.), (4.5.2.), (4.5.3.), (4.5.4.), (4.5.9.), (4.5.10.), (4.5.11.), (4.5.12.), (4.5.13.), (4.6.2.) and (4.6.3.)}. In fact, the company completed most of the required revisions. Consequently, in the operating period between January 1 and December 31, 2014, the Company has complied with the "Corporate Governance Principles" of the Capital Markets Board, with the exception of the below-listed mandatory and voluntary principles. The exceptional principles, which are not yet implemented, have not caused any conflict of interest.

- Regulations on minority rights were not made in the Company's Articles of Association, as required by article 1.5.2 of the "Corporate Governance Principles."

- The Company has not issued yet a written employee compensation policy, as required by article 3.1.2 of the "Corporate Governance Principles."

- The Company has not established necessary mechanisms for submitting stakeholders' transactions that are in violation of the legislation and unacceptable, from an ethical point of view, to the Corporate Governance Committee or the Audit Committee, as required by article 3.1.4 of the "Corporate Governance Principles."

- Per article 4.3.4 of the "Corporate Governance Principles," at least three of the seven members of the Board of Directors must be Independent Members. Unable to fulfill this requirement, the Company benefited from the exemption provided for the companies listed in the third group of article 6 of the Communiqué. Currently, the Board of Directors continues to service with two independent members.

- Although the Audit Committee consists of two Independent Members, as required by article 4.3.10 of the "Corporate Governance Principles," at least one of the members does not have the required 5-year experience in auditing, accounting and finance.

- Pursuant to article 4.6.5 of the "Corporate Governance Principles," the remunerations and all other benefits granted to Board Members and senior management are disclosed to the public via the Company's annual report. However, the information is disclosed as two separate totals for each group - Board Members and senior management - and not on an individual basis.

- There are no regulations in the Company's Articles of Association restricting the transfer of Group B shares. However, the following conditions are applicable for the transfer of Group A shares:

- Group A shareholders are granted some privileged rights. One of these rights is that all Board members, other than Independent Members, are elected from among Group A shareholders or candidates nominated by them. Another right is related to the voting process. At the General Assembly meetings, Group A shareholders have two votes per share while Group B shareholders have one vote per share.

- The request by shareholders to nominate a private auditor has not been defined in the Company's Articles of Incorporation as an individual right.

### SECTION I - SHAREHOLDERS

### 2. Investor Relations Unit

The Investor Relations Unit has been active since the Company's IPO. The unit reports to Cem Özşen, Director of Financial Affairs and Finance, and the Corporate Governance Committee. The Investor Relations Unit provides information on its activities, which are defined in the Corporate Governance Communiqué, during the Corporate Governance Committee meetings throughout the year. The information is also provided to the Board of Directors as part of the minutes of the Committee resolutions.

Contact information for the Investor Relations Unit is provided below.

**Önder Mutlu BULUT**
**Investor Relations Manager**
Holds Capital Market Activities Advanced Level License and Corporate Governance Rating Specialist License

**Selahattin ŞAHİN**
**Investor Relations Assistant Specialist**

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

The primary responsibilities of the Investor Relations Unit are provided below:

a) To ensure that shareholders' correspondence, records and other information are kept secure and up to date.
b) To respond to shareholders' written inquiries regarding the Company.
c) To prepare documents that will be of interest to shareholders during the General Assembly meeting, and take measures to ensure the meeting is held in compliance with relevant legislation, Articles of Association and other Company regulations.
d) To supervise and keep track of the obligations arising from capital market regulations, including corporate governance and public disclosures.

The Investor Relations Unit responds to inquiries in accordance with the Company's Disclosure Policy. In 2014, the Investor Relations Unit attended one Investor Conference and three teleconferences, which were held at either the company headquarters or investors' offices, during which they met with investors and analysts from eight institutions and 40 funds. The Investor Relations Unit holds regular meetings with investors and analysts to inform them about Anel Elektrik's strategic and operational performance, and responds to their requests for information in this regard. Based on the principle of equality, the Company publishes the information shared with investors and analysts on the company website.

### 3. Shareholders' Rights to Information

To ensure easy shareholder access to Company information, the information set forth under the Corporate Governance Principles are announced on the company website, both in Turkish and English. The Investor Relations Unit is responsible for updating and monitoring the website.

The Investor Relations Unit responds to verbal and written inquiries from shareholders in the shortest possible time, without bias, and in line with the principles of equality, on condition that the information requested is already made public and does not include any confidential business information.

The Articles of Association of the Company has not addressed the Corporate Governance Principles' request for the appointment of a special auditor, and there has been no request for appointment of a special auditor during the period.

### 4. Information on the General Assembly

The Ordinary General Assembly Meeting was held on June 24, 2014, with a quorum of 60.71 percent. There were no other meetings held during the year. The invitation to the Ordinary General Assembly Meeting was announced in the Turkish Trade Registry Gazette June 4, 2014, in the daily national Yenigün and Dünya Newspapers on May 27, 2014, on the Public Disclosure Platform, the Electronic General Assembly System of the Central Registry Agency and on the company website. Stakeholders or press did not attend the meeting.

In order to facilitate participation in the General Assembly Meeting, the Company showed due diligence in the early release of the announcements through various media channels. Prior to the meeting, the annual report and financial statements were made available at the Company headquarters for review by shareholders. In addition, the Company disclosed this information, together with the General Assembly Meeting invitation and the agenda items, on the company website. During the meeting, shareholders exercised their right to obtain information; all questions put forth before the General Assembly were answered. Shareholders did not present any suggestions to the agenda.

The Company issued a written policy on donations and contributions, which was announced to the shareholders and the public on the company website and submitted to the approval of the General Assembly. In addition, under a separate agenda item during the General Assembly meeting, shareholders were informed of the donations and grants made in the reporting period to associations and foundations that operate in the public interest.

Minutes of the General Assembly Meeting and other documents are disclosed to all shareholders and stakeholders on the company website, the Public Disclosure Platform, and the Electronic General Assembly System of the Central Registry Agency.

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### 5. Voting Rights and Minority Rights

The General Assembly meetings and the quorum are subject to the provisions of the Turkish Commercial Code. The Company's shares are divided into Group A and Group B shares. Group A shares are privileged shares. At the General Assembly meetings, Group A shareholders have two votes per share while Group B shareholders have one vote per share.

Shareholders may be represented by proxies to be appointed from among them, or designated externally at General Assembly Meetings, in accordance with the relevant provisions of the Capital Market legislation. Shareholders who are also proxies are authorized to vote in their own name and in the name of the shareholder they are representing.

There is no reciprocal shareholding between the Company and any of its shareholders.

The Company takes utmost care to ensure that minority rights are exercised in accordance with the Capital Market Law, yet there is no regulation in the Articles of Association in this respect.

### 6. Right of Dividend

The Dividend Distribution Policy was revised in accordance with the Capital Markets legislation and the Company's Articles of Association, and adopted at the General Assembly Meeting held during the reporting period. 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 Market Law. At the end of fiscal year 2013, the profit of 1,372,523 Turkish lira was not distributed as per the resolution of the General Assembly.

### 7. Transfer of Shares

Per the Articles of Association, bearer shares can be freely transferred in compliance with legislative provisions, whereas registered shares can be transferred upon approval of a written transfer request by the Board of Directors and after recording the transfer in the share register.

## SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

### 8. Disclosure Policy

Prepared in line with the Corporate Governance Principles of the Capital Markets Board, the Company's Disclosure Policy intends to inform all shareholders and stakeholders completely, accurately and in a timely manner. In this regard, only information that is not considered confidential or trade secret can be disclosed. The Disclosure Policy is available on the company website.

Anel Elektrik uses methods defined in its Disclosure Policy to disclose information that is deemed mandatory under the Capital Markets Law and other related legislation. Anel Elektrik's Disclosure Policy aims to simultaneously, actively and transparently disclose 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 legislation.

### 9. Company Website and Content

The Company website, www.anel.com.tr, was developed in order to disclose clear, transparent and real-time information to shareholders, stakeholders and the public. The website contains information deemed mandatory by CMB resolutions and announcements that govern the implementation of the CMB Corporate Governance Communiqué and Principles. Updated continuously, the website is also available in English. Topics covered in the Company's Corporate Governance Principles are also included on the website.

Furthermore, Anel Elektrik's social responsibility projects are recounted on the website.

### 10. Annual Report

The Company's annual reports are prepared in accordance with the Turkish Commercial Code, Ministry Regulations and the criteria set out in the Corporate Governance Principles issued by the Capital Markets Board.

## SECTION III - STAKEHOLDERS

### 11. Informing Stakeholders

Stakeholders are those parties who are directly involved in and contribute to the operations and goals of the Company. They include shareholders, investors, suppliers, customers, employees and other stakeholders in society. Anel Elektrik strives to make executive decisions in a just, fair, transparent and accountable fashion; and to fulfill its responsibilities to these groups in the most ethical and appropriate manner possible.

Shareholders, investors and analysts can access the Company's financial statements, annual reports and other related information on the company website.

In addition, they may contact the Investor Relations Unit by phone or email (investor.relations@anel.com.tr).

The employees are kept informed at various events or via the company intranet, although the Company has not established necessary mechanisms for stakeholders to inform the Corporate Governance Committee or the Audit Committee about Company operations that are in violation of legislation and unacceptable from an ethical point of view. Important announcements are emailed directly to the employees. The Company has taken the necessary steps to establish two-way communications between the management and employees.

### 12. Stakeholders' Participation in the Company Management

The Articles of Association does not include any special provisions regarding the participation of stakeholders in management. On the other hand, their requests and recommendations are reviewed during regular management meetings.

### 13. Human Resources Policy

One of the primary objectives of the Human Resources Policy is to support the continuous improvement of the employees, the key players who contribute to the Company's success in achieving goals and strategies, and in expanding its corporate capabilities and creating value for society. Bringing in a qualified workforce that recognizes Anel Elektrik's values and that will carry the Company forward is one of the priorities of the Human Resources Policy. The policy is built on three fundamental objectives: supporting employees' professional development, creating opportunities to unearth their potential, and rewarding them for their achievements and contributions to the Company.

The recruitment process includes qualification criteria. Accordingly, employee goals and career plans are set upon the first day of work, and evaluated at the end of the year by a general assessment. Through this process, the Company strives to provide equal opportunities for equally qualified peers.

To contribute to employees' personal and professional development, the Company organizes training sessions which, in turn, directly contribute to its success.

Elif Altay, Gökçe Babayiğit, Gülay Savaşan and Murat Akcan are appointed as employee representatives who are charged with maintaining relationships with the employees and conveying Company decisions about employees or developments that concern them. In addition, the representatives exchange ideas about the status of the company, training, careers and health.

Job descriptions, distribution of the positions, performance criteria and other measures are defined in the Company's internal directives, which are kept on an easily accessible portal.

A 360-degree performance assessment is provided once a year, depending on the competencies required for the position and targets set for the individual. The Company rewards its employees based on their responsibilities and the value they bring to the organization.

All employees are treated equally, regardless of race, religion, language, gender or nationality, in Training & Development, Performance Management, Career Management, Salary and other HR processes. No complaint was filed by any employee during the reporting period.

The Company has not taken any supportive action for the effective recognition of the right to freedom of association and/or collective labor agreement; however, the Company evaluated and restructured its human resource systems and processes based on certain requirements, with the purpose of maintaining the Company's success in 2014.

### 14. Code of Conduct and Social Responsibility

Developed by the Board of Directors for the Company and all of its employees, the Code of Conduct is disclosed to the public via the Company website.

The principles set forth in the Code of Conduct form the basis of the Company's corporate culture.

Founded in 2007 by Anel Group, the Çelikel Education Foundation intends to establish a collaborative and cooperative network between educational institutions, parents and non-governmental organizations in order to raise creative, responsible, freethinking and open-minded young people. The Foundation determines which problems are faced by youngsters in today's society and provides solutions by joining forces with them. It creates social and vocational development

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opportunities for them. Every year, the Foundation grants scholarships to approximately 400 successful students in need.

With this scholarship program, the Company aims to improve the level of education in Turkey, provide more students with better conditions, and increase the quality of life for youth. In addition, with the help of volunteers, the scholarship students have the opportunity to attend training/development camps and mentorship programs, or to work as interns.
The Company carried out the following social responsibility activities in 2014:

### Social Responsibility Activities in the Field of the Arts

Recognizing the impact the arts have on society and education, Anel Group attaches great importance to art events and cultural activities. By organizing exhibitions with the participation of both national and international artists of various disciplines throughout the year at Galeri 5, the art gallery located in the hall of Anel Business Center, the Company contributes to the development of artistic activities in Turkey as well as offers young artists the opportunity to show off their talents.
Exhibitions held in 2014:

- On the Starting Line
- Mengü Ertel: His Life & Works Through The Eyes Of Murat Ertel

Through a project coordinated with Marmara University Music Department students, weekly music recitals are organized every Monday from 8:30 to 9:30 in the ground floor lobby of the Anel Business Center. This project not only creates a source of income for the students, but also gives them the opportunity to demonstrate their talents.

### Social Responsibility Activities in the Field of Education

#### Fire Balls Scholarship Program

Initiated in 2012, Fire Balls Scholarship Program continued during 2014-2015 academic year with the participation of new "sparks." The program is based on the concept of turning their testing-system achievements to real-life accomplishments. Besides providing financial aid, the program embraces the students' lives with personal and social development opportunities. Scholarship students use the "culture and arts package" they receive to enjoy cultural and art events such as theaters, operas, movies, dances, concerts and other events throughout the year. Additionally, the company provides personal and social development training programs, organizes vision meetings and events where students can meet subject matter experts, and provides opportunities for internship and volunteer work on projects. Students enjoy the privileges of a unique scholarship program, which also includes gifts of books and museum passes.

#### "Friendly High Schools" Project

On August 15, 2013, Çelikel Education Foundation launched the "Friendly High Schools Project" in collaboration with ÇOÇA (Istanbul Bilgi University, Children Studies Division). Ümraniye Anadolu High School, Ataşehir Anadolu High School and Ümraniye 75. Yıl Trade Vocational High School participated in the 12-month project, which was funded by the European Union under the "Grant Program for Democratic Citizenship and Human Rights Training." The program partner was the Ministry of National Education. The purpose of the project was to foster a high school culture that respects human rights and gender equality by raising youth who have high self-esteem and value others, know and express their rights, respect diversity, and maintain a non-discriminating and non-violent attitude when solving problems. In order to empower the youth and parties related to youths, the company organized teacher-parent workshops in November and December 2013. The workshops were aimed at invigorating parties related to the younger generations through ÇOÇA specialists and psychologists. During the workshops, the company distributed a leaflet that encouraged parents' participation in school events and a study guide for the Human Rights and Democracy class, an addition to the curriculum under the project. Teachers engaged the students in activities that were designed to increase awareness of human rights during the 10-session workshops.

Furthermore, a "Being Positive and Effective Parents" course, which comprised of three workshops for parents, was taught by psychologists Banu Bülbül and Damla Gürkan at all three participating schools. The workshops assisted the parents in finding the answers to questions such as: "How can we be effective parents?", "How can I balance discipline and freedom?", "How can I get to know my child better?", "How can I take back control and limit my child's use of technology?" and "How can I cope with stress, anger and conflict at home, with crisis and violence prevailing in society?"

#### Peaceful Communication with the Youth Project

Çelikel Education Foundation implemented "Peaceful Communication with the Youth" Project at three high schools, with the support of the Directorate of National Education. Financed by the Swedish Consulate, the Project intended to ensure a nonviolent environment of communication at home and at school. Believing that this objective can be achieved by facilitating cooperation between teachers and families, Çelikel Education Foundation implemented the 12-month project at Ataşehir Nuri Cıngıllıoğlu High School, 75. Yıl Cumhuriyet Trade Vocational High School and Ümraniye Anadolu High School.

As part of the "Cooperation between Teachers and Families for Peaceful Communication with the Youth" Project, a six-week training was provided to families free of charge. The training increased the teachers' understanding and skills related to handling peer violence, domestic violence and other similar subjects. During the "Positive Parenting" course, the participants discussed non-violent communication methods, helping children to self-learn, setting limits, and awareness of children's as well as parents' rights.

#### Wide Shot in Education Program

Wide Shot in Education Program is designed to support and strengthen students, teachers and parents as well as enable them to acquire new skills, creating an integrated model at schools and expanding this model across the country. Launched in 2010, the program includes informative, consciousness-raising and social activities that contributed to their success and happiness in support of their personal, social and professional developments. On its fifth year, the Wide Shot in Education Program is continuing at Kavak Rıdvan Çelikel Anadolu High School in Samsun. The program results, obtained through professional measurement and assessment methods, demonstrate that the program contributes significantly to the development of students.

#### "My Vocational High School is Youth Friendly" Project

"My Vocational High School is Youth Friendly" Project was launched by the Çelikel Education Foundation in September 2013 with support from the Matra Fund of the Consulate General of the Netherlands to Istanbul. The project aims to ensure that the youth get the most out of their right to education by creating environments that foster human rights and gender equality at vocational high schools. During the 10-month project, teacher/administrator workshops were organized with the collaboration of the Human Rights Law Research Center at Istanbul Bilgi University, the project partner. Workshops raised awareness about human rights and gender equality among the participants, who were also provided with information and skillsets that they could use to further support the youth. Another aspect of the project was the introduction of human rights and democracy clubs at schools. The clubs intended to set young students in motion by engaging them in activities such as attending seminars, visiting non-governmental organizations and publishing school papers; thereby contributing to their development into responsible citizens who exercise their rights, respect diversity and embrace democratic values. In addition, the project called out a major violation of the right to education caused by early vocational school dropouts based on the results of a study carried out with the support of Sever Impeks Research & Consultancy. The study received the "Bronze Owl" award in the social research category at the 2014 Research Summit organized by the Turkish Researchers Association (TUAD). The results of the study were discussed in a workshop attended by vocational school teachers and administrators, academicians, and representatives from vocational organizations and non-governmental organizations. Both the results of the research and the findings of the workshop were shared with the press to increase public awareness.

#### "Perspectives on Vocational Education: Female Students at Vocational High Schools & Their Goals" Research Project

Whereas the topic of primary schooling for girls is quite frequently in the news, research about gender equality at vocational and technical high schools is very limited and is mostly focused on vocational schools for girls.

In addition, there are only a limited number of comprehensive research reports that analyze the current situation and develop solutions to improve the quality and relevance of their education.

The "Perspectives on Vocational Education: Female Students at Vocational High Schools & Their Goals" Research Project was designed to study the gender equality aspect of the quality and relevance of education at vocational and technical high schools. The research will evaluate methods and practices for improving the quality of education and increasing its relevance as well as the impact on employment.
The project began in November 2014 as a collaborative effort between the Çelikel Education Foundation and the Education Reform Initiative. All

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fieldwork has been completed and the research report is in progress. As part of the fieldwork, randomly selected students and teachers (from Ümraniye Vocational and Technical Anadolu High School and Şişli Vocational and Technical Anadolu High School) took part in focus group studies. Çelikel Education Foundation's Fire Balls Program students provided volunteer support during the focus group studies in which 24 female students, 14 male students and 9 teachers participated.

| Full Name | Position/Title |
|---|---|
| Rıdvan ÇELİKEL (Representing Anel Holding A.Ş.) | Chairman - (Executive Member) |
| Avniye Mukaddes AKAY | Vice Chairman - (Executive) |
| Ahmet Bülent BATUKAN | Member - (Executive) |
| Mahir Kerem ÇELİKEL | Member - (Executive) |
| Merve Şirin ÇELİKEL | Member - (Executive) |
| Cahit DÜZEL | Independent Member - (Non-executive) |
| Ahmet Münir EKONOMİ, Ph.D., | Independent Member - (Non-executive) |

**Rıdvan ÇELİKEL (Chairman)**

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

**Avniye Mukaddes AKAY (Vice Chairman)**

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

**Mahir Kerem ÇELİKEL (Board Member)**

After graduating from Robert College in 1999, Mahir Kerem Çelikel received his bachelor's degree from Johns Hopkins University's Department of Mathematical Sciences and Engineering in 2004 and his MBA from Boğaziçi University's Department of Business Administration in 2007. Currently, he serves as Member of the Board of Anel Elektrik.

**Merve Şirin ÇELİKEL (Board Member)**

Merve Şirin Çelikel received her bachelor's degree in Electronics Engineering from Technischen Universität Berlin in 2008, and her MBA in Business Administration from INSEAD University in December 2012 as a scholarship student. In November 2008, she started her professional career as a Project Engineer at Hexagon Global Energy, a company that invests in alternative energy resources. Between 2009 and 2011, she simultaneously held the titles of Project Quality Manager; Health, Safety and Environmental Coordinator; and Proposal Coordinator at Siemens Enerji A.Ş. Between January - September 2011 she worked as Proposal Manager at Siemens Wind Power Group. She joined Anel Group in 2011 and currently serves as Member of the Board of Anel Group companies (Anel Elektrik, AnelEnerji and AnelDoğa).

**Ahmet Bülent BATUKAN (Board Member)**

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



**Ahmet Münir EKONOMİ, Ph.D. (Independent Board Member)**

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

**Cahit DÜZEL (Independent Board Member)**

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

| Board Member | Other Duties |
|---|---|
| Rıdvan ÇELİKEL | Chairman of the Board of Anel Group Companies |
| Avniye Mukaddes AKAY | Vice Chairman of the Board of Anel Group Companies |
| Merve Şirin ÇELİKEL | Board Member of Anel Group Companies |
| Ahmet Bülent BATUKAN | Board Member of Anel Group Companies |
| Mahir Kerem ÇELİKEL | Board Member of Anel Group Companies |
| Ahmet Münir EKONOMİ, PH.D. | Consultant at Akbank T.A.Ş., Eczacıbaşı Holding A.Ş., Türk Ekonomi Bankası A.Ş., Türk Telekom A.Ş., PharmaVision Holding A.Ş, Japon Tütün Ürünleri Pazarlama A.Ş., and Unilever Holding A.Ş. |
| Cahit DÜZEL | Managing Partner at PAL Consulting and Chairman of the Board of Directors of Menzel Kimya A.Ş. |

The Members of the Board of Directors were elected at the General Assembly Meeting held on May 23, 2013, for three-year terms. At the same Meeting, the Chairman and Members of Board have been empowered to perform the business and acts as stated under Articles 395 and 396 of the Turkish Commercial Code.

## 16. Operating Principles of the Board of Directors

Pursuant to its Articles of Association, the Board of Directors meets as often as required by the Company's affairs and transactions. The draft agenda for the meetings is prepared by the Chairman.

Meeting invitations are done via phone and email. The Board Secretariat, which is established within the Board of Directors in accordance with the Corporate Governance Principles, delivers the meeting agenda and other related documents to the Board Members.

The meeting quorum is calculated as half of the total number of Board Members plus one. The Board meets in line with principles set in the Turkish Commercial Code and the Articles of Association, with a decision quorum being a simple majority of participants.

In 2014, the Board of Directors held 22 meetings with 95 percent participation rate. The members take great care to attend every Board meeting and express their opinions. Opinions of Members who do not attend a meeting but submit their opinions in writing are shared during the meeting.

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Resolutions of the Board of Directors and resolutions on all related party transactions are adopted by a majority vote of Independent Members in accordance with the Corporate Governance Principles. At the meetings held during the reporting period, no Member voted against the Board resolutions.

Although there were no material events, as described in the Communiqué on the Corporate Governance Principles, in 2014, the majority of the Independent Board Members agreed with the resolutions adopted by the Board of Directors. All material events resolved at the meetings are announced to the public via material event disclosures.

Board Members are not granted voting rights in cases of equality in the number of votes and/or veto power. Every Board Member, including the Chairman, has one vote. Members have not been granted weighted voting rights.
Company losses due to the faults of Board Members or senior management are insured. The Company took out an insurance policy worth $25 million in order to guarantee compensation for damage that may be caused by Board Members or senior management while performing their duties.

### 17. Number, Structure, and Independence of Committees Formed Under the Board of Directors

Anel Elektrik's Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee as well as the Nomination and Remuneration Committees reporting to the Corporate Governance Committee continued their activities in 2014. Information about their operations and working principles have been disclosed on the company's website.

Due to the current structure of the Board of Directors, the two Independent Board Members Ahmet Münir Ekonomi, Ph.D., and Cahit Düzel serve as members in all active committees. The Audit Committee consists of two Independent Members; however, at least one member does not have five years of experience in auditing, accounting or finance.

In order to comply with the Corporate Governance Communiqué, Investor Relations Manager Önder Mutlu Bulut was appointed as a member of the Corporate Governance Committee in 2014. Committees and their members are provided below.

| CORPORATE GOVERNANCE COMMITTEE | Full Name | Position |
|---|---|---|
| CHAIRMAN | Ahmet Münir EKONOMİ, Ph.D. | Independent Member |
| MEMBER | Cahit DÜZEL | Independent Member |
| MEMBER | Ahmet Bülent BATUKAN | Executive Member |
| MEMBER | Önder Mutlu BULUT | Executive |

| AUDIT COMMITTEE | Full Name | Position |
|---|---|---|
| CHAIRMAN | Ahmet Münir EKONOMİ, Ph.D. | Independent Member |
| MEMBER | Cahit DÜZEL | Independent Member |

| EARLY DETECTION OF RISK COMMITTEE | Full Name | Position |
|---|---|---|
| CHAIRMAN | Ahmet Münir EKONOMİ, Ph.D. | Independent Member |
| MEMBER | Cahit DÜZEL | Independent Member |

The Committees meet as frequently as required by the Corporate Governance Principles. In 2014, the Audit Committee met five times, the Early Detection of Risk Committee seven times and the Corporate Governance Committee two times. Upon completion of each committee meeting, the minutes are submitted to the Board of Directors.

Procedures followed by the committees when performing their duties are available on the company's website.



### 18. Risk Management and Internal Control Mechanisms

Risk management and internal auditing mechanisms were approved and implemented by the Board of Directors to assess the company's current and potential risks, as well as to take necessary actions and preventive measures.

As per the internal audit regulations approved by the Board of Directors, internal auditing aims to audit, develop, and improve all operations of the company as well as add value by offering independent and impartial assurance and consultancy services. It also contributes to the company's ability to achieve its goals by developing systematic approaches to the assessment and the improvement of the effectiveness and efficiency of the company headquarters, as well as the Risk Management, Internal Control and Management Processes.

Internal Auditing Activities include the following:

1. The scope of audit includes all operations and activities of the company.

2. The Audit Group is responsible for assessing the compliance of the Risk Management, Internal Control, and Management Processes with the guidelines set by the Board of Directors, and determining if the processes function as intended. In fulfilling this responsibility, the Audit Group performs the following tasks:
a) Correctly addressing and effectively managing all financial and operational risks that may have a negative impact on the company's operations.
b) Maintaining effective communications with relevant departments and branches on matters within the scope of the audit.
c) Ensuring that financial, managerial, and operational information that is essential to business continuity is accurate, current, and reliable.
d) Ensuring that all employees comply with the company policies, procedures and principles, code of conduct and standards as well as relevant legal regulations and the rules of law.
e) Ensuring efficient procurement and use of all available company resources.
f) Developing constant drive for quality and improvement of the internal control processes.
g) Ensuring that important legal and regulatory issues that concern the company's operations are communicated to the relevant departments and branches.
h) Reviewing and evaluating critical audit results about managerial control, efficiency and corporate identity issues with senior management.

### 19. Strategic Goals of the Company

Since 1986, Anel Elektrik has endeavored to protect our future by acting with awareness to add value to the planet on which we live, the society of which we are a part, and to the institutions and companies we serve as well as enabling us to maintain our values by sharing them. This perspective is reflected on the company's vision and mission statements as well as on its goals and critical performance indicators, which are defined in annual strategic plans. The Board of Directors reviews and approves the company's goals and critical performance indicators during the year-end budget meetings. At its ordinary meetings, the Board of Directors reviews the operating results by comparing them with the previous year's performance and target indicators.

### 20. Financial Rights

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

During the Ordinary General Assembly Meeting on May 23, 2013, the allowances for the Board Members were discussed as a separate agenda item, put to vote and approved.

Pursuant to the Corporate Governance Principles, remunerations and all other benefits granted to Board Members and senior management are disclosed to the public via the company's annual report. However, the information is disclosed as two separate totals for each group - Board Members and senior management - not on an individual basis.

The company paid 725,084.97 TRY to the Board Members and 976,328.70 Turkish lira to the senior management as total financial benefits for 2014.

In 2014, the Company did not issue loans or lines of credit to any Board Member, did not extend the terms of loans or credits, and did not give any guarantees or sureties in their favor.

# STATEMENT OF RESPONSIBILITY

**STATEMENT OF RESPONSIBILITY PREPARED PURSUANT TO ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ NO. II-14.1 ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS**

**RESOLUTION NO:4 OF THE BOARD OF DIRECTORS ON MARCH 11, 2015 REGARDING THE APPROVAL OF FINANCIAL STATEMENTS AND ANNUAL REPORT**

a) We have reviewed the financial statement and the related profit/loss statement as well as the annual report of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi ("Company") on December 31, 2014.

b) Based on the information we possess within the scope of our duties and responsibilities in the Company, the financial statements and the annual report do not contain any incorrect statements or any omissions of material facts that be construed as misleading as of the date of issuance.

c) Based on the information we possess within the scope of our duties and responsibilities in the Company: the financial statements, which are prepared in accordance with the Communiqué, provide an accurate view of the assets, liabilities, financial position and profit/loss of the Company including its consolidated participations; in addition, the annual report provides an accurate view of the development and performance of the business and the financial position of the Company, including its consolidated participations as well as the principal risks and uncertainties to which the Company is exposed.

Respectfully,

**A. Mukaddes AKAY**
Vice Chairman

**Cem ÖZŞEN**
Director of Financial Affairs and Finance



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**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITORS' REPORT RELATED TO ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH**

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

**Report On The Audit Of Board Of Directors' Annual Report Based On The Standards On Auditing Which Is A Component Of The Turkish Auditing Standards Published By The Public Oversight Accounting And Auditing Standards Authority ("POA")**

We have audited the accompanying annual report of Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. ("the Group") for the year ended 31 December 2014.

**Board of Directors' Responsibility for the Annual Report**

Pursuant to the article 514 of the Turkish Commercial Code numbered 6102 ("TCC") and Communiqué on the Principles of Financial Reporting In Capital Markets numbered II – 14.1 ("Communiqué"), management is responsible for the preparation of the annual report fairly and consistent with the consolidated financial statements and for such internal control as management determines is necessary to enable the preparation of such annual report.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Group's annual report based on our audit in accordance with article 397 of the TCC and Communiqué whether the financial information included in the accompanying annual report is consistent with the audited consolidated financial statements expressed in the auditor's report of the Group dated 11 March 2015 and provides fair presentation.

Our audit has been conducted in accordance with the Standards on Auditing which is a component of the Turkish Auditing Standards ("TAS") published by the POA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information included in the annual report is consistent with the consolidated financial statements and provide fair presentation. An audit also includes performing audit procedures in order to obtain audit evidence about the historical financial information. The procedures selected depend on the auditor's judgment.

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

**Opinion**

In our opinion, the financial information included in the annual report is consistent, in all material respects, with the audited consolidated financial statements and provides a fair presentation.

**Report on Other Regulatory Requirements**

In accordance with the third clause of the article 402 of TCC, no material issue has come to our attention that shall be reported about the Group's ability to continue as a going concern in accordance with TAS 570 Going Concern.

İstanbul, 11.03.2015
**BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.**

**Rafet KALKAN**
**Partner**

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

**AND IT'S SUBSIDIARIES**

*CONVENIENCE TRANSLATION INTO ENGLISH*

*OF CONSOLIDATED FINANCIAL STATEMENTS*

*AS AT 31 DECEMBER 2014 AND AUDIT REPORT*

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

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

**To the Board of Directors**

1. We have audited the accompanying consolidated financial statements of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditors ' Responsibility*

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

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

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



*Opinion*

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi. and It's subsidiaries as of December 31, 2014, and of its financial performance and its cash flows for the period then ended in accordance with Turkish Accounting Standards.

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

5. In accordance with subparagraph 4, Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January — 31 December 2014 and financial statements are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.

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

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

BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.

Rafet KALKAN, CPA

Partner

İstanbul, 11 March 2015

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

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

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

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



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

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

| | Notes | Audited Current Period 31.12.2014 | Prior Period 31.12.2013 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Short-Term Liabilities** | | **485.604.733** | **353.256.122** |
| Short-Term Borrowings | 8 | 158.050.050 | 83.089.799 |
| Current Part of Long Term Borrowings | 8 | 15.029.854 | 16.873.787 |
| Trade Payables | | | |
| - Due to Related Parties | 9,38 | 2.369.560 | 4.793.648 |
| - Other payables to third parties | 9 | 190.521.850 | 78.751.927 |
| Employee Benefits | 26 | 1.905.171 | 2.470.593 |
| Other Payables | | | |
| - Due to Related Parties | 10,38 | 923.182 | 3.421.646 |
| - Other payables to third parties | 10 | 8.850.321 | 5.263.549 |
| Deferred Income | 13 | 91.591.581 | 150.730.054 |
| Current Period Tax Liabilities | 36 | 15.253.520 | 7.380.211 |
| Short-Term Provisions | | | |
| - Employee Benefits | 26 | 662.471 | 480.908 |
| - Other Short-Term Provisions | 24 | 443.264 | - |
| Other Current Liabilities | 27 | 3.909 | - |
| **Long Term Liabillities** | | **251.658.353** | **193.611.613** |
| Long-Term Borrowings | 8 | 94.071.814 | 91.777.772 |
| Trade Payables | | | |
| - Due to Related Parties | 9,38 | - | - |
| -Trade Payables to Third Parties | 9 | 367.017 | - |
| Other Borrowings | | | |
| - Due to Related Parties | 10,38 | - | - |
| -Trade Payables to Third Parties | 10 | 123.076 | - |
| Deferred Income | 13 | 232.408 | 1.531.171 |
| Long-term provisions | | | |
| -Employee Benefits Related to Long-Term Provisions | 26 | 942.522 | 975.996 |
| - Other Long-Term Provisions | 24 | - | - |
| Deferred Tax Liabilities | 36 | 155.921.516 | 99.326.674 |
| **EQUITY CAPITAL** | | **298.017.549** | **272.385.032** |
| **Equity Attributable to Equity Holders of the Parent** | | **270.105.947** | **243.290.099** |
| Paid-in Share Capital | 28 | 110.000.000 | 110.000.000 |
| Effect of undertakings or businesses under common control Containing Combinations (-) | 28 | (8.063.535) | (8.063.535) |
| Inflation adjustments to paid in capital (-) | | | |
| Shares Related To Premiums/Discounts | 28 | 1.384.433 | 1.384.433 |
| Other Comprehensive Income or Expenses not to be reclassified on Profit or Loss | | | |
| - Revaluation and Measurement Gain / (Loss) | 28 | 985.461 | 926.297 |
| - Defined Benefit Plans Remeasurement Gains / Losses | 28 | (196.051) | (206.574) |
| Other Comprehensive Income or Expenses to be reclassified on Profit or Loss | | | |
| -Foreign Currency Translation Difference | 28 | 62.042.097 | 45.326.637 |
| Restricted reserves allocated from profits | 28 | 6.495.122 | 3.052.537 |
| Retained Earnings/(Losses) | 28 | 87.427.719 | 89.497.781 |
| Net Profit /(Loss) | 37 | 10.030.701 | 1.372.523 |
| **Minority Shares** | 28 | **27.911.602** | **29.094.933** |
| **TOTAL LIABILITIES** | | **1.035.280.635** | **819.252.767** |

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

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**AUDITED**
**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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

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

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

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

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



**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**AUDITED**
**01.01.-31.12.2014 THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

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

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

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

**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**AUDITED**
**01.01.2013 - 31.12.2014 CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD**

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

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

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



**ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

## 1. ORGANIZATION AND ACTIVITIES

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

The Group has branches in Tiflis, Doha and Azerbaycan.
Tiflis Branch: Tiflis Sehri, Paliasvili Sokak No:17 Tiflis-Georgia
Doha Branch: P.O. Box: 21346 Doha– Qatar
Azerbaycan Branch: C. Cabbarlı 44, Caspian Plaza Kat:2 D:4 Bakü - Azerbaycan

The Company and its subsidiaries (the Group) including ;Project contracting,real estate leasing,power electronics and energy ship in operates four divisions. Aşağıda ayrıntıları verilen faaliyet alanları aynı zamanda The following fields of activity at the same time;form the basis of reporting by the Group's activities.

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

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

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

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

The main shareholder of the company is Çelikel Family.

Şirket'in bağlı ortaklıklarına ilişkin bilgilere aşağıda verilmektedir:

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

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

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

The Company has no subsidiaries traded on any stock exchange.







## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

### A. Basic Standards of Presentation

**Declaration of Conformity to TAS**

The condensed financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Accounting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676.

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

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

**Basis of presentation of the financial statements**

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

The condensed financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Accounting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676.

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

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

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

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

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

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

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

**Functional and presentation currency**

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

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

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

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

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

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

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

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







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

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

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

The reclassifications that are made at the Company"s consolidated balance sheet as at 31 December 2013 are as follows:

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

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

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

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

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

**Going concern**

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

**Offsetting**

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

**Consolidation Principles**

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

*Subsidiaries*

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

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





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

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

**Consolidation Principles (continued)**

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

| ***Subsidiaries*** | Estahblishment and place of organization | Core business | Currency | Parent Company's Share (%) 31.12.2014 | 31.12.2013 |
|---|---|---|---|---|---|
| Anel Yapı Gayrimenkul A.Ş. (Not 21) | Turkey | Real Estate Leasing | Turkish Liras | 60,07 | 55,07 |
| Anel Mekanik Tesisat Taahhüt A.Ş. | Turkey | Project Commitment | Turkish Liras | 97,00 | 97,00 |
| Anel Enerji Elek. Üretim San. Ve Tic. A.Ş. | Turkey | Energy | Turkish Liras | 71,87 | 71,87 |
| Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş. | Turkey | Ship Elektirk-Electronics | Turkish Liras | 93,00 | 93,00 |
| Anel Ukrayna Ltd. | Ukrainian | Project Commitment | Ukrayna Grivnası | - | 100,00 |
| Anel Dar Libya Constructing & Services LLC | Libya | Project Commitment | USA USD | 65,00 | 65,00 |
| Anel Engineering-Technological Company Ltd.Rusya | Russia | Project Commitment | USA USD | 90,00 | 90,00 |
| Dag-08 Ood | Bulgaria | Energy | Bulgarian Lev | 100,00 | 100,00 |
| Golden Sun Ood | Bulgaria | Energy | Bulgarian Lev | 100,00 | 100,00 |
| Anel BG Ltd | Bulgaria | Energy | Bulgarian Lev | 100,00 | 100,00 |
| Anel Emirates | United Arab Emirates | Project Commitment | USA USD | 100,00 | 100,00 |

**Elimination Transactions On the Consolidation**

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

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

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

**Consolidation Principles (continued)**

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

*Full Consolidation Method:*

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

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

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

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

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

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

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

**Joint Ventures**

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



ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

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

**Joint Ventures (continued)**

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

**Affiliates**

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

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

**The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**Standards and interpretations that are affective in 2014:**

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

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

**TFRIC Interpretation 21 Levies**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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







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

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

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

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

**Improvements to IFRSs**

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

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

*IFRS 2 Share-based Payment*

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

*IFRS 3 Business Combinations*

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

*IFRS 8 Operating Segments*

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

*IFRS 13 Fair Value Measurement Decision Requirements*

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

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

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

*UMS 24 Related Party Disclosures*

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

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

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

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

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

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

*IFRS 3 Business combinations*

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

*IFRS 13 Fair Value Measurement*

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

*IMS 40 Investment Property*

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

**IFRS 14 Regulatory Deferral Accounts**

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

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

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

**B. Changes in Accounting Policies**

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

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

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







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

**D. Summary of Significant Accounting Policies**

**Revenue and Income**

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

*Sale of Goods*

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

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

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

*Service Delivery:*

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

Degree of completion of the agreement as follows:

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

- Service fees added to price of goods sold books accordingly total cost of service provieded for goods sold,
-
- Derived from contracts that are connected to spent time income, working hours and direct expenses are recognized over the contract it forms charges.

*Construction contract activities*

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

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

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

*Rental Income:*

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

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

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

*Dividend and interest income:*

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

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

Inventories

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

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

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

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

**Tangible Fixed Assets**

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

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

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

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







**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)**
**D. Summary of Significant Accounting Policies (continued)**

**Tangible Fixed Assets (continued)**

*Revaluation Model*

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

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

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

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

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

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

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

*Cost Method*

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

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

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

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

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

**Intangible Assets**

*Purchase of intangible assets*

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

*Software*

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

*Derecognition of intangible assets*

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

**Investment Property**

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

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

*Fair Value Method*

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

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

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

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







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

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

**Impairment of Assets**

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

**Leases**

Financial Leasing

- The Group as the leesee

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

Operating Lease

- The group as the lessee

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

- The group as the lessor

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

**Borrowing Costs and Funds**

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

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

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

**Related Parties**

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

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

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

- The Group controls, or is controlled by the Group

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

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

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

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

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

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

**Financial Instruments**

Financial assets

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

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





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

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

**Financial Instruments (continued)**

Financial assets (continued)

*The effective interest method*

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

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

*Financial assets at fair value through profit or loss*

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

*Financial assets held to maturity*

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

*Available-for-sale financial assets*

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

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

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

*Loans and receivables*

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

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

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

**Financial Instruments (continued)**

Financial assets (continued)

*Impairment of financial assets*

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

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

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

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

*Cash and cash equivalents*

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

Financial liabilities

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

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





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

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

**Financial Instruments (continued)**

Financial assets (continued)

*Financial liabilities at fair value through profit or loss*

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

*Other financial liabilities*

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

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

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

**Trade Payables**

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

**Business Combinations and Goodwill**

*Business Combinations*

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

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

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

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

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

*Business Combinations (continued)*

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

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

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

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

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

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







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

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

**Foreign Currency Transactions**

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

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

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

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

- Foreign currency risks (see accounting policies are described below in order to hedge against) Exchange differences on transactions entered into in order to hedge,

- Form part of the net investment in foreign operation, net investment in a foreign operation and the profit or loss associated with the sale, without intention or possibility of payment of monetary payables and receivables arising from foreign exchange differences arising from the activities.

**Earnings Per Share Earnings Per Share from Continuing Operations**

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

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

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

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

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

**Events after the Balance Sheet Date**

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

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

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

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

**Provisions, Contingent Liabilities and Contingent Assets**

*Provisions*

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

*Contingent Liabilities*

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

*Contingent Assets*

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

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







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

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

**Financial Information Segment Reporting**

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

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

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

**Government Grants and Incentives**

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

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

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

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

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

**Taxation and Deferred Income Taxes**

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

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

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

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

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

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

**Employee Benefits and Severance Pay**

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







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

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

**Reporting of cash flows**

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

**Dividends**

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

**E. Significant Accounting Estimates**

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

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

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

*Percentage of Completion*

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

*Income tax*

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

*Estimated impairment of goodwill*

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

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

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

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

**3. BUSINESS COMBINATION**

31.12.2014

None.

31.12.2013

**Subsidiaries purchased**

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

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

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

**Minority Shares**

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

**Goodwill arising during purchase**

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

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



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**3.BUSINESS COMBINATION (continued)**

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

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

**4. JOINT VENTURES**

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

In this context, the Group's jointly controlled Anelmep Maintenance and Operations LLC , Anel Kingdom of Saudi Arabia , Turkges Energy Electricity Generation Industry and Trade . Co., Avek Solar Manufacturing Industry Trade Co., Energi to OOO Bonev and Anel - Sera Joint Venture IAS - 28 " Investments in Associates and Joint Ventures " standard according to the equity method accounted for by the by has restated (Note 2). This company Explanations are given in note 15 .

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

**5.SEGMENT REPORTING**

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

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

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

## 5.SEGMENT REPORTING (continued)

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

| 31.12.2014 | Project Commitment | Real Estate Lease | Ship Electrical and Electronics | Energy | Consolidation Adjustments | Total |
|---|---|---|---|---|---|---|
| Net Revenue Non-Group | 603.742.082 | 14.947.841 | 1.504.795 | 19.239.243 | - | 639.433.961 |
| Group revenue | 13.654.617 | 847.693 | - | 61.097 | (14.563.407) | - |
| Total Net Revenue | 617.396.699 | 15.795.534 | 1.504.795 | 19.300.340 | (14.563.407) | 639.433.961 |
| Cost of Sales (-) | (569.630.224) | (1.506.564) | (1.414.205) | (19.185.270) | 21.208.120 | (570.528.143) |
| Gross Profit / Loss | 47.766.475 | 14.288.970 | 90.590 | 115.070 | 6.644.713 | 68.905.818 |
| General and Administrative Expenses (-) | (21.101.390) | (1.721.798) | (243.163) | (1.194.369) | 1.928.606 | (22.332.114) |
| Marketing, Sales and Distribution Expenses (-) | (275) | - | - | (166.044) | - | (166.319) |
| Other Operating Income | 28.645.227 | 217.998 | 92.298 | 391.696 | (661.083) | 28.686.136 |
| Other Operating Expenses | (32.237.996) | (982.233) | (247.498) | (439.147) | - | (33.906.874) |
| Operating Profit / (Loss) | 23.072.041 | 11.802.937 | (307.773) | (1.292.794) | 7.912.236 | 41.186.647 |
| Income from Investment Operations | 8.245.571 | 1.816.999 | 785 | 309 | (40.618) | 10.023.046 |
| Investment Operations Expenses (-) | (218.285) | - | - | - | (8.661.504) | (8.879.789) |
| Equity Method Investments Profit / (Loss) 's Shares | 4.982.396 | - | - | 823.839 | - | 5.806.235 |
| Finance Income and Expense Pre-Operating Profit / (Loss) | 36.081.723 | 13.619.936 | (306.988) | (468.646) | (789.886) | 48.136.139 |
| Finance Income | 181.472.303 | 24.451.848 | 1.316.923 | 3.975.095 | (5.046.377) | 206.169.792 |
| Financing Expenses (-) | (199.072.490) | (28.820.497) | (1.320.169) | (7.944.601) | 5.004.155 | (232.153.602) |
| **FROM CONTINUING OPERATIONS BEFORE TAXES INCOME (LOSS)** | 18.481.536 | 9.251.287 | (310.234) | (4.438.152) | (832.108) | 22.152.329 |
| **Continuing Operations Tax Income / (Expense)** | | | | | | |
| -Current Tax Income/(Expense) | (14.900.955) | - | - | - | - | (14.900.955) |
| -Deferred Tax Income/(Expense) | 4.447.928 | 1.458.512 | 106.249 | 452.483 | 1.267 | 6.466.439 |
| **PROFIT / (LOSS)** | 8.028.509 | 10.709.799 | (203.985) | (3.985.669) | (830.841) | 13.717.813 |
| **Investment Expenditures** | | | | | | |
| Investment Properties | - | - | - | - | - | - |
| Tangible Assets | 2.108.227 | 43.045 | 23.058 | 10.788 | - | 2.185.118 |
| Intangible Assets | 1.948.096 | - | 5.013 | 6.187 | - | 1.959.296 |
| Amortization Expenses | 1.805.415 | 411.700 | 4.033 | 898.508 | - | 3.119.656 |
| Depreciation | 975.480 | 1.072 | 551 | 2.400 | - | 979.503 |
| Other Information | | | | | | |
| - Total Assets | 981.644.025 | 162.775.656 | 2.027.780 | 29.287.474 | (140.454.300) | 1.035.280.635 |
| - Resources Total | 981.644.025 | 162.775.656 | 2.027.780 | 29.287.474 | (140.454.300) | 1.035.280.635 |





## 5.SEGMENT REPORTING (continued)

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

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

## 5.SEGMENT REPORTING (continued)

### Geographical Segments

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

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







## 5.SEGMENT REPORTING (continued)

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

| | | 01.01. - 31.12.2014 | |
|---|---|---|---|
| Operations Department | Content | Inside the Amount of Gross Revenue | Inside the Gross Revenue Share |
| Project Commitment | Project Commitment | 170.848.419 | 28% |
| Real Estate Lease | Rent | 2.347.822 | 15% |
| Ship Electrical and Electronics | Service Sales | 1.323.405 | 88% |
| Energy | Energy | 14.950.000 | 77% |

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

## 6. CASH AND CASH EQUIVALENTS

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

As of 31.12.2014 There are no term deposits.

31.12.2013 date, the deposit details are as follows:

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

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

## 7. FINANCIAL ASSETS

**Short-Term Financial Assets**

None (31.12.2013:None).

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

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

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

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

Located above TRY 46.296 (2013: TRY 46.296) and the estimated amount of non-quoted market value and the estimated value ranges of values can not be measured reliably, the probability of a reliable estimate of the fair value of unquoted available-for-sale equity investments that can not be cost-are measured.

## 8. FINANCIAL LIABILITIES

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

a)Bank Loans:

31.12.2014

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

31.12.2013

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







## 8. FINANCIAL LIABILITIES(Continued)

a)Bank Loans (continued)

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

Below, significant bank borrowings of the Group are summarized:

- A loan of EUR 31.000.000 (2013: EUR 29.129.964). Credit was used in 13 October 2010. Loan repayments have been started in 13 October 2011 expiration date, which will continue until 17 October 2024. The average effective interest rate of the loan, 4,38% tr. Credits, from the Group's investment properties amounting to EUR 48 million on Anel Business Center is secured by mortgages.

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

b) Lease Obligations:

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

Finance lease liabilities as at 31.12.2013 are as follows;

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

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

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

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

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

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

**9. TRADE RECEIVABLES/ PAYABLES**

**a) Trade Receivables:**

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

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

31.12.2014 As of TL,USD and EUR denominated short-term trade receivables securities calculated for unearned finance income is used for the effective weighted average interest rate of 7.88%,0,18% and 0,23% will receive the weighted average maturity of one month (2013: %7,89 1 months).

There is no collateral for trade receivables from Undue.

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

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

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

**Long-term trade receivables**

None. (31.12.2013: None.)

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





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

b) Trade Payables:

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

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

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

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

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

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

**10. OTHER RECEIVABLES AND PAYABLES**

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

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

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

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

**10. OTHER RECEIVABLES AND PAYABLES (Continued)**

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

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

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

**11. DERIVATIVE INSTRUMENTS**

None (31.12.2013: None).

**12. INVENTORIES**

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

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

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

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

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







**13. PREPAID EXPENSES AND DEFERRED REVENUES**

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

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

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

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

**14. CONSTRUCTION CONTRACTS**

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

Assets related to construction projects in progress are as follows:

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

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

Liabilities related to construction projects in progress are as follows:

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

**14. CONSTRUCTION CONTRACTS(Continued)**

Liabilities related to construction projects in progress are as follows:

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

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

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

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

**15. INVESTMENTS ACCORDING TO EQUITY METHOD**

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

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

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

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

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





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

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

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

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

| | | | | | | 31.12.2014 |
|---|---|---|---|---|---|---|
| | Total Assets | Total Liabilities | Equity Attributable to Parent | Non Controlling Interest | Revenue | Profit / (Loss) |
| Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. | 36.262.996 | 2.200.356 | 34.062.640 | - | 52.724.506 | 3.524.157 |
| Anelmep Maintenance and Operations LLC | 68.917.931 | 62.660.416 | 6.257.515 | - | 163.646.152 | 12.951.868 |
| Anel Kingdom of Suudi Arabia (*) | - | - | - | - | - | - |
| Avek Solar Üretim Sanayi Ticaret A.Ş. | 3.272.928 | 5.613.397 | (2.340.469) | - | - | (692.131) |
| Energina Kompania Bonev | 8.647.020 | 8.283.101 | 363.919 | - | 1.684.236 | 327.983 |
| Anel - Sera Adi Ortaklığı (**) | - | - | - | - | - | - |

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

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

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







**16. INVESTMENT PROPERTY**

| | 01.01.2014 | | | | | 31.12.2014 |
|---|---|---|---|---|---|---|
| **Fair Value** | Openning Balance | Additions | Output | Transfers | Value Incresae | Closing Balance |
| Land and Buildings | 137.533.858 | - | (1.381.000) | - | 1.980.658 | 138.133.516 |
| Investment Properties | 137.533.858 | - | (1.381.000) | - | 1.980.658 | 138.133.516 |

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

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

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

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

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

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

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

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

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

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

**17. PROPERTY, PLANT AND EQUIPMENT**

31.12.2014

| Cost | Land | Place and land improvements | Binalar | Machinery,Equipment and Installations | Motor Vehicles | Fixtures | Special Cost | Other Tangible Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Opening Balance** | 1.302.276 | 146.185 | 552.866 | 23.500.549 | 1.011.138 | 12.487.815 | 448.182 | 227.878 | 39.676.889 |
| Sales of Subsidiaries Effect | - | - | - | - | - | (8.891) | - | (42.857) | (51.748) |
| Foreign Currency Tarnslation Differences | (6.480) | 12.644 | - | (747.104) | (250.593) | 440.887 | 636 | (883) | (550.893) |
| Purchases | - | - | - | 419.364 | 268.112 | 1.487.604 | - | 10.038 | 2.185.118 |
| Sales | - | - | - | (98.430) | (358.600) | (765.095) | (68.359) | - | (1.290.484) |
| Investment property transfers (*) | - | - | - | - | - | - | - | - | - |
| Valuation | - | - | 40.618 | - | - | - | - | - | 40.618 |
| Transfers from construction in progress | - | - | - | - | - | - | - | - | - |
| **Closing Balance** | **1.295.796** | **158.829** | **593.484** | **23.074.379** | **670.057** | **13.642.320** | **380.459** | **194.176** | **40.009.500** |
| **Accumulated Depreciation and Impairment** | | | | | | | | | |
| **Opening Balance** | - | (44.743) | - | (3.303.910) | (489.148) | (8.630.988) | (428.127) | (127.253) | (13.024.170) |
| Sales of subsidiaries effect | - | - | - | - | - | 1.824 | - | (89) | 1.735 |
| Foreign Currency Tarnslation Differences | - | (3.871) | - | 25.148 | 454.501 | (341.343) | (636) | 295 | 134.094 |
| Period Expenses | - | (7.963) | - | (1.586.550) | (176.968) | (1.343.050) | (822) | (4.303) | (3.119.656) |
| Outputs | - | - | - | (39.373) | (152.496) | 678.761 | 68.359 | - | 555.251 |
| Valuation | - | - | - | - | - | - | - | - | - |
| Investment property transfers | - | - | - | - | - | - | - | - | - |
| **Closing Balance** | **-** | **(56.577)** | **-** | **(4.904.685)** | **(364.111)** | **(9.634.796)** | **(361.226)** | **(131.350)** | **(15.452.745)** |
| **Tangible Assets,Net** | 1.295.796 | 102.252 | 593.484 | 18.169.694 | 305.946 | 4.007.524 | 19.233 | 62.826 | 24.556.755 |





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

31.12.2013

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

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

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

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

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

Useful lives of tangible fixed assets are as follows:

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

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

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

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

**18. INTANGIBLE FIXED ASSETS**

31.12.2014

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







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

31.12.2013

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

Economic lives of intangible assets are as follows:

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

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

**19. GOODWILL**

None. (31.12.2013: None).

**20. LEASING OPERATIONS**

Operating Leases

The Group as lessee

*Leasing Contracts:*

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

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

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

## 20. LEASING OPERATIONS (Continued)

The Group as lessee

*Leasing Contracts:*

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

The company's property to his activities on rental income earned from rental is TRY 15.795.534 (2013: TRY 10.312.825).

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

## 21. IMPAIRMENT OF ASSETS

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

## 22. GOVERNMENT GRANTS

None (31.12.2013: None).

## 23. BORROWİNG COSTS

None (31.12.2013: None).

## 24. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

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

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

**Guarantee-Pledge-Mortgages**

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





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

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

| | | | | 31.12.2014 |
|---|---|---|---|---|
| | USD | EUR | TRY | TRY Amount |
| Letters of Guarantees Received | 4.767.349 | 939.720 | 681.057 | 14.386.731 |
| Guarenteed Bill Received | 2.098.407 | 1.268.269 | 4.398.568 | 12.841.970 |
| Guaranteed Cheques Received | 104.833 | 75.940 | 5.499.660 | 5.956.961 |
| Total | 6.970.589 | 2.283.929 | 10.579.285 | 33.185.662 |

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

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

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

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

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

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

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

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

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







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

| | 31.12.2014 | | | |
|---|---|---|---|---|
| Guarantees,Pledges and Mortgage | TRY Amount | USD | EUR | TRY |
| Guarantees | 211.652.964 | 76.611.688 | 5.673.254 | 17.995.573 |
| Pledge | - | - | - | - |
| Mortgage | 135.393.600 | - | 48.000.000 | - |
| Total | 347.046.564 | 76.611.688 | 53.673.254 | 17.995.573 |

| | 31.12.2013 | | | |
|---|---|---|---|---|
| Guarantees,Pledges and Mortgage | Toplam TL Karşılıkları | USD | EUR | TL |
| Guarantees | 208.133.493 | 86.548.457 | 4.188.745 | 11.112.872 |
| Pledge | - | - | - | - |
| Mortgage | 140.952.000 | - | 48.000.000 | - |
| Total | 349.085.493 | 86.548.457 | 52.188.745 | 11.112.872 |

## 25. COMMITMENTS

None (31.12.2013: None).

## 26. EMPLOYEE BENEFITS

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

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

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

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

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

Balance sheet date, an annual inflation rate of 5% and 9% based on the assumption that the discount rate, about 3,81% real discount rate is calculated according to the assumptions of the following retirement. (December 31, 2013: 5%, respectively 5% %8,5 and 3,33%).

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

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

**26. EMPLOYEE BENEFITS (continued)**

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

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

The movement of provision for severance pay as follows:

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

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

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

**Other Non-current Assets**

None (31.12.2013: None).

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

**Other Long-Term Liabilities**

None (31.12.2013: None).





**28. CAPİTAL, RESERVES AND OTHER EQUITY COMPONENTS**

**a) Capital**

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

| | 31.12.2014 | | 31.12.2013 | |
|---|---|---|---|---|
| Affiliates | Amount Per Share TL | Share Rate(%) | Share Rate TRY | Share Rate(%) |
| Rıdvan Çelikel (**) | 47.142.089 | 42,86 | 47.142.089 | 42,86 |
| Avniye Mukaddes Çelikel | 5.677.039 | 5,16 | 5.677.039 | 5,16 |
| Mahir Kerem Çelikel | 1.526.758 | 1,39 | 1.526.758 | 1,39 |
| Diğer Gerçek Kişiler | 20.637 | 0,04 | 20.637 | 0,04 |
| Public Section (*) | 55.633.477 | 50,55 | 55.633.477 | 50,55 |
| Paid-in Capital | 110.000.000 | 100,00 | 110.000.000 | 100,00 |

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

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

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

The Company's issued share capital, historical value, TRY 110.000.000. (31.12.2013: TRY 110.000.000). which consisted of 22.188.841 A-group shares and 87.811.159 B-group shares authorized and fully paid shares each having 1 TRY nominal value. A-group shareholders have two voting rights and B-group shareholders have one voting rights for each share owned at the General Assembly meeting. All of the A-group shares belong to Rıdvan Çelikel.

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

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

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

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

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

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

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

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

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

**Profit Distribution**

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

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

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

**29. REVENUE**

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





ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

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

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

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

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

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

**31. EXPENSES BY NATURE**

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

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

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







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

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

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

(*) Provision for doubtful receivables is TRY 6.209.249.

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

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

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

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

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

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

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

None (31.12.2013: None).

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

**36. INCOME TAXES**

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

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

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

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

**CorporateTax**

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

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

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

Corporations calculate and pay quarterly temporary corporate tax of 20%. (2013: %20).
The tax legislation provides for a temporary tax (prepaid tax) of 20% (20% in 2013) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

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





**36. INCOME TAXES (continued)**

**Tax Provision (Continued)**

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

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

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

**Income Tax Withholding**

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

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

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

**Deferred Tax Liabilities**

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit.
Deferred tax is calculated using tax rates that have been enacted in the period in which assets acquired and/or liabilities carried out and included in the statement of income as income or expense.
Deffered tax rate is %20.(31.12.2013 : %20).

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

**36. INCOME TAXES (continued)**

**Deferred Tax (Continued)**

| | Cumulative Timing Difference | | Deferred Tax Asset/ (Liability) | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| **Deferred Tax Assets** | | | | |
| Provision of Doubtful Receivable | 7.480.238 | 881.352 | 1.212.272 | 113.082 |
| The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets | 17.340.319 | 17.488.520 | 3.037.179 | 3.066.820 |
| Provision of Severance Pay | 942.522 | 975.996 | 188.505 | 195.199 |
| Provision of Unused Annual Leave | 662.471 | 480.908 | 132.494 | 96.182 |
| Unearned Credit Finance Income | 265.286 | 16.151 | 52.259 | 3.230 |
| Adjustments regarding using percent complete method on projects | 800.635.685 | 526.032.896 | 153.726.715 | 94.217.193 |
| Provision for inventory impairment | 368.789 | 368.789 | 73.758 | 73.758 |
| Financing Expenses | 914.851 | 914.851 | 182.970 | 182.970 |
| Unused prior year's losses | 20.523.515 | 8.435.819 | 4.104.703 | 1.687.164 |
| Withdrawed Receivables | - | - | - | - |
| Other Adjustment | 3.103.602 | 2.096.124 | 361.165 | 231.118 |
| Total | 852.237.278 | 557.691.406 | 163.072.020 | 99.866.716 |
| **Deferred Tax Liabilities** | | | | |
| The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets | (53.347.226) | (48.916.294) | (10.641.739) | (9.767.382) |
| Unrealized Credit Finance Expense | (493.719) | (107.260) | (98.498) | (21.452) |
| Adjustments regarding using percent complete method on projects | (727.408.257) | (476.594.267) | (145.167.134) | (89.427.948) |
| Other Adjustment | (70.736) | (549.466) | (14.145) | (109.892) |
| Total | (781.319.938) | (526.167.287) | (155.921.516) | (99.326.674) |
| Deferred Tax Asset/ (Liability), net | 70.917.340 | 31.524.119 | 7.150.504 | 540.042 |
| Deferred Tax Income/(Expense) | | | | 6.610.462 |
| Foreign Currency Translation Effect | | | | (155.963) |
| Revaluation and Measurement Profit / Loss Deduction of Amounts | | | | 8.123 |
| Defined Benefit Plans Remeasurement Gain / Loss from Amounts deducted | | | | 3.817 |
| Deferred Tax Income/(Expense) for the period between 01/01-31/12/2013 | | | | 6.466.439 |
| | | | | () |

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





**37. EARNINGS PER SHARE**

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

**38. RELATED PARTY DISCLOSURES**

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

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

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

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

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

## 38. RELATED PARTY DISCLOSURES(continued)

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

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





## 38. RELATED PARTY DISCLOSURES(continued)

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

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

## 38. RELATED PARTY DISCLOSURES(continued)

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

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





## 38. RELATED PARTY DISCLOSURES(continued)

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

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

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

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

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

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

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







**39. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS**

**a)Equity Risk Method**

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

The Group's capital risk management, calculating as disclosed in note 8 and 10 including loans, debts, and, respectively, of cash and cash equivalents as disclosed in note 6 , paid-in capital, defined benefit plans, re-measurement gains / losses, capital reserves, profit reserves and retained earnings / (loss) comprising shareholders' equity are taken into account and as disclosed in note 28.
Group capital cost and each risks regarding capital evaulate by executives.According to the evaulate company aim to equalise the capital structure by borrowing, redemption, dividend payment and issuance of shares.

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

Equity rate to depts as of December 31, 2014 and 2013 as follows:

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

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

**b) Financial risk factors**

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

**b.1) Credit Risk**

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

Trade receivables contain lots of customers rathered on same sector and geographical area

Credit consideration making over Custumer's trade receivables permanently

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

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

**31.12.2014**

| | Receivables | | | | Cash and Cash Equivalents | |
|---|---|---|---|---|---|---|
| | Trade Receivables | | Other Receivables | | | |
| Current Period | Related Parties | 3 th Parties | Related Parties | 3 th Parties | Banks Deposits | Financial Investment |
| **The maximum amount ofexposure to credit risk at the end of the reporting (A+B+C+D) (1)** | **15.344.924** | **427.754.555** | **76.522.998** | **14.724.747** | **24.596.255** | **46.296** |
| -Total receivables that have been secured with collateras other credit enhancements etc. | - | - | - | - | - | - |
| | | | | | | |
| A. Financial assets that are neither past due nor impaired the net book value (2) | 15.344.924 | 427.754.555 | 76.522.998 | 14.724.747 | 24.596.255 | 46.296 |
| B. The amount of financial assets that are past due as at the end of the reporting period but not impaired | - | - | - | - | - | - |
| C. The amount of financial assets that are impaired. (3) | - | - | - | - | - | - |
| -Past due (Gross book value) | - | 7.235.341 | - | 244.896 | - | - |
| -The amount of impairment (-) | - | (7.235.341) | - | (244.896) | - | - |
| -Net value garanteed with coleteral etc. | - | - | - | - | - | - |
| Not overdue (gross book value) | - | - | - | - | - | - |
| -Impairment (-) | - | - | | | | |
| - Net Value garanteed with colleteral etc. | - | - | - | - | - | - |
| D. Off financial statement credit risk amount | - | - | - | - | - | - |





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

**31.12.2013**

| | Receivables | | | | Cash and Cash Equivalents | |
|---|---|---|---|---|---|---|
| | Trade Receivables | | Other Receivables | | | |
| Prior Period | Related Parties | 3 th Parties | Related Parties | 3 th Parties | Banks Deposits | Financial Investment |
| **The maximum amount ofexposure to credit risk at the end of the reporting (A+B+C+D+E) (1)** | **16.526.880** | **341.971.592** | **54.824.035** | **10.535.803** | **43.968.794** | **46.296** |
| -Total receivables that have been secured with collateras other credit enhancements etc. | - | - | - | - | - | - |
| | | | | | | |
| A. Financial assets that are neither past due nor impaired the net book value (2) | 16.526.880 | 341.971.592 | 54.824.035 | 10.535.803 | 43.968.794 | 46.296 |
| B. The amount of financial assets that are past due as at the end of the reporting period but not impaired | - | - | - | - | - | - |
| C. The amount of financial assets that are impaired. (3) | - | - | - | - | - | - |
| -Past due (Gross book value) | - | 846.825 | - | - | - | - |
| -The amount of impairment (-) | - | (846.825) | | - | - | - |
| -Net value garanteed with coleteral etc. | - | - | - | - | - | - |
| Not overdue (gross book value) | - | - | - | - | - | - |
| -Impairment (-) | - | - | - | - | - | - |
| - Net Value garanteed with colleteral etc. | - | - | - | - | - | - |
| D. Off financial statement credit risk amount | - | - | - | - | - | - |

(1) It was not considered collaterals taken which is raising credit reliability when the amounts was determined.
(2) All of the trade receivables are receivables from clients. The Group management predicted that It would not be encountered any problem regarding Collection of Receivables because of considering their past experiences
(3) the impairment test, the Group's customers, which is one of receivables determined by the management of doubtful receivables have been made in the framework of policy.

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

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

### b) Financial risk factors (continued)

### b.2) Liquidity Risk Management

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

**Current Period**

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

**Prior Period**

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





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

### b) Financial risk factors (continued)

### b.3) Market Risk Management

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

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

### b.3.1) Foreign Exchange Risk Management

Foreign currency transactions expose the Group to foreign currency risk. These risks are monitored and limited by the analysis of foreign currency position.

The group's foreign currency denominated monetary and non-monetary assets and liabilities as of the date of the balance sheet are as follows:

| FOREIGN CURRENCY POSITION | | | | | |
|---|---|---|---|---|---|
| 31.12.2014 | | | | | |
| | **TRY equivalent** | **USD** | **EUR** | **GBP** | **AED** |
| 1. Trade Receivables | 61.965.220 | 24.241.988 | 2.038.669 | - | - |
| 2a. Monetary Financial Assets | 2.613.423 | 62.638 | 872.679 | 1.837 | - |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - |
| 3. Other | 42.933.659 | 15.862.946 | 2.177.893 | 1.638 | - |
| **4. Current Assets (1+2+3)** | **107.512.302** | **40.167.572** | **5.089.241** | **3.475** | - |
| **5. Fixed Assets** | - | - | - | - | - |
| **6. Total Assets (4+6)** | **107.512.302** | **40.167.572** | **5.089.241** | **3.475** | - |
| 7. Trade Payables | 54.507.568 | 10.020.333 | 11.079.436 | 5.465 | - |
| 8. Financial Liabilities | 17.917.942 | 3.566.841 | 3.420.000 | - | - |
| 8a. Other Monetary Liabilities | - | - | - | - | - |
| 8b. Other Non-Monetary Liabilities | 42.637.535 | 16.384.601 | 1.646.077 | - | 308 |
| **9. Short-Term Liabilities** | **115.063.045** | **29.971.775** | **16.145.513** | **5.465** | **308** |
| 10. Financial Liabilities | 83.804.873 | | 29.710.665 | - | - |
| **11. Long-Term Liabilities** | **83.804.873** | - | **29.710.665** | - | - |
| **12. Total Liabilities** | **198.867.917** | **29.971.775** | **45.856.178** | **5.465** | **308** |
| **13. Net Foreign Currency Assets / (Liability) Position (7-14)** | **(91.355.615)** | **10.195.797** | **(40.766.937)** | **(1.990)** | **(308)** |
| **14. Monetary Items Net Foreign Currency Asset / (Liability) Position** | **(91.651.739)** | **10.717.452** | **(41.298.753)** | **(3.628)** | **(308)** |

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

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

**FOREIGN CURRENCY POSITION**

**31.12.2013**

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

The Group is exposed to foreign exchange risk arising primarily with respect to transactions denominated in USD, EURO and GBP.

The following table details the Company's sensitivity to a 10% increase and decrease in the TL against USD, Euro and GBP. 10% is used in the reporting of currency risk to the key management and it represents the management's expectation on the potential exchange rate fluctuations. Sensitivity analysis can only made on the year-end outstanding foreign currency denominated monetary items and it shows the year-end effects of the 10% of exchange currency fluctuation on the related items.







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

**b) Financial Risk Factors(continued)**

**b.3.1) Currency Risk Method**

**Exchange Rate Sensitivity Analysis Table**

**31.12.2014**

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

**Exchange Rate Sensitivity Analysis Table**

**31.12.2013**

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

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

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

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

**b) Financial Risk Factors(continued)**

**b.3) Market Risk Management (continued)**

**b.3.2) Interest Rate Risk Management**

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

Company's interest position table as of 31.12.2014 and 31.12.2013 as follows :

| Interest Rate Risk | | | |
|---|---|---|---|
| | | **Current Period** | **Piror Period** |
| **Finacial Instruments with fixed rate** | | | |
| | Assets fair value difference reflected to profit/loss | | - |
| Financial Assets | Cash and Cash Equivalents | - | 2.672.801 |
| Financial Liabilities | | 267.151.718 | 191.741.358 |
| **Variable Rate Instruments** | | | |
| Financial Assets | | - | - |
| Financial Liabilities | | - | - |

Company does not exposed to interest rate risk because of fixed-rated financial liabilities therefore interest rate risk calculation did not applied.(31.12.2013 None).





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

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

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

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

Financial Instrument fair values determine as follows;

- First Level: Financial Instruments valuated with market values of the similar instruments which traded on active market.
- Second Level: Financial Instruments valuated with data uses to find price which observable directly or indirectly on the market in addition to first level.
- Third Level: Financial Instruments valuated with data which not based on data uses to find fair value of the instruments on the market.

The fair value hierarchy of financial assets and level of classification is as follows:

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

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

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

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

**41. EVENTS AFTER THE REPORTING PERIOD**

None. (31.12.2013: None).

**42. DISCLOSURE OF OTHER MATTERS**

None (31.12.2013: None).

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