ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş.

AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH

RESTATED OF CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017 AND AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Director of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi

A) Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations. We have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition contracts with cusomers

Refer to Note 2 "Construction contracts revenue" for the relevant accounting policy and a discussion of significant accounting estimates

The key audit matter	The audit procedures we applied in this area is as following
The significant portion of Group's revenues consist of construction contracts. Companies operating in contracting industry. Anel Elektrik Proje Taahhüt ve Ticaret Anonim Şirketi and the consolidated subsidiaries of the Groupoperating in the construction sector, conduct mainly engineering, procurement and construction projects ("EPC") in Turkey and abroad. The EPC projects are complex and exposes the Group to various business and financial reporting risks. The timing of the recognition of revenue in respect of EPC contracts is calculated using the percentage of completion method. The recognition of revenue and the estimation of the outcome of EPC contracts with project specific terms require significant management judgement, in particular with respect to estimation the cost to complete and the amounts of variation orders to be recognised. Recognition of EPC contracts influence receivables and payables from progressing constructs, commitments and service agreements beside the revenue recognition. Because of this process determined by management of company's predictions and judgements, be identified as a significant risk.	- We obtained an understanding of and tested that the key controls around the revenue recognition process are designed and implemented effectively, supporting the prevention, detection or correction of material errors in the reported contract revenue figures. - We inspected the terms and conditions of material EPC contracts in evaluating the judgements used and determining the timing of the revenue recognition. - We discussed on the status of projects under construction with finance and technical staff of the Group and evidenced our understanding with the supporting documents. - We recomputed contract revenues by using the percentage of completion method. - We performed an assessment of the historical level of accuracy and prudence in the contract cost budgets and forecasts and challenged management's current assumptions in respect of completion stages of the EPC projects or change in the cost budgets. - We tested revenue and contract accounting journal entries focusing on unusual or irregular items. - We performed detailed cut off tests over revenue and revenue return accounts.

Other Matter

The Group's consolidated financial statements as at and for the year ended 31 December 2016 and consolidated condensed interim financial statements as at and for the six month period then ended 30 June 2016 were audited and reviewed by another auditor who expressed unmodified opinion and conclusion on 17 August 2016 and on 5 June 2017, respectively.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TAS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting processs.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing issued by the CMB and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by the CMB and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") no. 6102; Auditors' Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Group on 12 March 2018.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2017, the Group's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Group's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member of KPMG International Cooperative

Hatice Nesrin Tuncer, SMMM
Partner
12 March 2018
İstanbul, Türkiye

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2017

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

		Audited	
		Current Period	**Previous Period**
	Notes	**31.12.2017**	**31.12.2016**
ASSETS			
Current Assets		**800.896.409**	**880.872.521**
Cash and Cash Equivalents	5	56.097.860	31.689.004
Trade Receivables		278.157.848	386.954.900
- Trade Receivables from Related Parties	8,3	706.169	571.654
- Trade Receivables from Third Parties	8	277.451.679	386.383.246
Other Receivables		24.150.684	40.733.988
- Other Receivables from Related Parties	9,3	11.162.032	23.684.411
- Other Receivables from Third Parties	9	12.988.652	17.049.577
Receivables from Ongoing Construction, Commitments and Service Agreements	12	158.546.300	139.497.859
Inventories	10	235.365.902	226.923.519
Prepaid Expenses	11	37.305.373	46.752.322
Current Tax Related Assets	28	1.973.952	2.731.792
Other Current Assets	20	9.298.490	5.589.137
Non-Current Assets		**134.068.573**	**129.353.408**
Financial Investments		-	46.296
-Available for sale Financial Investments	6	-	46.296
Other Receivables		6.247	4.000
- Other Receivables from Third Parties	9	6.247	4.000
Investments Accounted with Equity Method	13	56.419.151	58.623.812
Investment Property	14	2.470.000	2.280.000
Tangible Fixed Assets	15	41.565.008	36.825.306
Intangible Fixed Assets	16	238.295	587.788
Prepaid Expenses	11	2.422.428	1.362.286
Deferred Tax Assets	28	30.093.444	23.571.541
Non-Current Assets Related with Current Period Tax	28	854.000	6.052.379
TOTAL ASSETS		**934.964.982**	**1.010.225.929**

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2017

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

		Audited	
	Notes	Current Period 31.12.2017	Previous Period 31.12.2016
LIABILITIES			
Short-Term Liabilities		**503.505.566**	**650.356.184**
Short-Term Borrowings	7	23.208.716	142.911.731
Short Term Portion of Long Term Financial Liabilities	7	2.558.678	2.320.186
Trade Payables		215.440.133	234.162.535
- Trade Payables to Related Parties	8,3	1.372.081	2.834.377
- Trade Payables to Third Parties	8	214.068.052	231.328.158
Employee Benefits	19	1.284.316	14.356.145
Other Payables		5.104.438	9.719.704
- Other Payables to Related Parties	9,3	586.682	5.769.462
- Other Payables to Third Parties	9	4.517.756	3.950.242
Payables from Ongoing Construction, Commitments and Service Agreements	12	44.530.946	60.716.501
Deferred Income	11	194.770.826	172.544.860
Income Tax Payable	28	4.782.492	5.252.656
Short-Term Provisions		11.825.021	8.371.866
- Short-Term Provisions for Employee Benefits	19	8.423.865	7.162.004
- Other Short-Term Provisions	18	3.401.156	1.209.862
Long Term Liabillities		**40.155.032**	**37.614.054**
Long-Term Borrowings	7	22.786.980	21.099.667
Trade Payables		-	2.737.114
-Trade Payables to Third Parties	8	-	2.737.114
Other Payables		720.758	1.711.654
-Other Payables to Third Parties	9	720.758	1.711.654
Deferred Income	11	-	17.011
Long-Term Provisions		16.647.294	12.048.608
- Long-Term Provisions for Employee Benefits	19	16.647.294	12.048.608
EQUITY		**391.304.384**	**322.255.691**
Equity Belongs to Parent Company		**393.746.238**	**324.428.928**
Paid-in Capital	21	110.000.000	110.000.000
Premiums/Discounts related with Shares	21	1.384.433	1.384.433
The Merge Effectof Business Combinations Under Common Control	21	(48.314.150)	(48.314.150)
Other Comprehensive Income (Expense) Items not to be Reclassified to Profit (Loss)		(1.311.860)	(1.205.970)
Revaluation and Measurement Gain / (Loss)		(1.311.860)	(1.205.970)
-Increase / (Decrease) from Revaluation of Tangible Assets	21	(348.487)	(348.487)
- Defined Benefit Plans Remeasurement Gains / Losses	21	(963.373)	(857.483)
Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)		90.181.741	78.827.166
- Foreign Currency Conversion Difference	21	90.181.741	78.827.166
Restricted Reserves Allocated from Profits		11.982.429	10.389.397
-Legal Reserves	21	11.982.429	10.389.397
Retained Earnings/(Losses)	21	159.787.220	113.509.051
Net Profit /(Loss) for the Period	29	70.036.425	59.839.001
Non-controlling Shares	**21**	**(2.441.854)**	**(2.173.237)**
TOTAL LIABILITIES		**934.964.982**	**1.010.225.929**
		-	

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 01.01.2017 - 31.12.2017

		Audited	
	Notes	Current Period 01.01.-31.12.2017	Previous Period 01.01.-31.12.2016
PROFIT OR LOSS			
Revenue	22	1.015.757.257	662.155.887
Cost of Sales (-)	22	(909.515.700)	(602.668.384)
GROSS PROFIT/LOSS		**106.241.557**	**59.487.503**
General Administrative Expense (-)	23	(30.631.915)	(31.540.453)
Marketing and Sales Expense (-)	23	-	(714)
Other Operating Income	25	17.661.812	47.508.435
Other Operating Expense (-)	25	(21.009.981)	(16.471.676)
OPERATING PROFIT/LOSS		**72.261.473**	**58.983.095**
Income From Investing Activities	26	320.224	1.418.519
Expense From Investing Activities (-)	26	(30.440)	(11.160.206)
Shares from Income / (Loss) of Investments Valuated with Equity Method	13	(2.297.491)	(581.581)
OPERATING PROFIT/LOSS BEFORE FINANCING INCOME AND EXPENSES		**70.253.766**	**48.659.827**
Financing Income	27	22.847.089	297.400.391
Financing Expenses (-)	27	(25.065.526)	(272.337.701)
PROFIT/LOSS BEFORE TAX FROM ONGOING ACTIVITIES		**68.035.329**	**73.722.517**
Tax Income/(Expense) From Ongoing Activities		1.732.479	(2.373.854)
-Tax Income/ (Expense) For Period	28	(4.645.131)	(4.588.071)
-Deferred Tax Income/ (Expense)	28	6.377.610	2.214.217
PERIOD PROFIT / (LOSS) FROM ONGOING ACTIVITIES		**69.767.808**	**71.348.663**
PROFIT/ (LOSS) FOR THE PERIOD		**69.767.808**	**71.348.663**
Distribution of the Profit / (Loss) for the Year			
Non-controlling Shares	21	(268.617)	11.509.662
Parent Company Shares	29	**70.036.425**	**59.839.001**
Earnings Per Share			
- Earnings Per Share from Ongoing Activities	29	0,64	0,54

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 01.01.2017 - 31.12.2017

PROFIT/ (LOSS) FOR THE PERIOD		**69.767.808**	**71.348.663**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss :		(105.890)	(100.679)
Increase/ (Decrease) from Revaluation of Tangible Assets		-	
Defined Benefit Plans Remeasurement Gains / (Losses)	21	(133.138)	(127.237)
Taxes Related to Other Comprehensive Income (expenses) Items not to be Reclassified to Profit		27.248	26.558
Deferred Tax Income (Expenses)		27.248	26.558
Items to be Reclassified to Profit or Loss:		11.354.575	12.438.064
Gain / (Loss) from Foreign Currency Conversion Differences		11.354.575	12.438.064
OTHER COMPREHENSIVE INCOME/ EXPENSES		**11.248.685**	**12.337.385**
TOTAL COMPREHENSIVE INCOME		**81.016.493**	**83.686.048**
Appropriation of Total Comprehensive Income:			
Non-Controlling Interests		(268.617)	11.509.662
Parent Company Share		81.285.110	72.176.386

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN 01.01.2017 - 31.12.2017

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

Audited	**Notes**	Paid-in Capital	Premiums /Discounts Related with Shares	The Merge Effect of Business Combinations Under Common Control	Other Comprehensive Income (expenses) Items not to ve Reclassified to Profit (Loss)		Other Comprehensive Income (Expense) Items to be Reclassified to Profit (Loss)	Restricted Reserves Allocated from Profits			Equity Attributable to Parent Company	Non-controlling Shares	Equity
					Increase / (Decrease) from Revaluation of Tangible Assets	Defined Benefit Plans Remeasurement Gains / Losses	Foreign Currency Conversion Differences		Retained Earnings/(Losses)	Net Profit /(Loss) for the Period			
PRIOR PERIOD													
Balances as of January 01, 2016 (beginning of period)		**110.000.000**	**1.384.433**	**(9.137.569)**	**(348.487)**	**(756.804)**	**66.389.102**	**10.370.201**	**94.369.397**	**14.415.378**	**286.685.651**	**13.968.436**	**300.654.087**
Transfers		-	-	-	-	-	-	19.196	14.396.182	(14.415.378)	-	-	**-**
Total Comprehensive Income/Expenses		-	-	-	-	(100.679)	12.438.064	-	-	59.839.001	72.176.386	11.509.662	**83.686.048**
The Merge Effect of Business Combinations Under Common Control		-	-	-	-	-		-	-		-	-	**-**
Profit Share		-	-	-	-	-	-	-	(1.488.216)		(1.488.216)		**(1.488.216)**
Not resulting in loss of control in subsidiaries increase / decrease due to share rate changes		-	-	(39.176.581)	-		-	-	6.231.688		(32.944.893)	(27.651.335)	**(60.596.228)**
Balance as of December 31, 2016 (end of period)	**21**	**110.000.000**	**1.384.433**	**(48.314.150)**	**(348.487)**	**(857.483)**	**78.827.166**	**10.389.397**	**113.509.051**	**59.839.001**	**324.428.928**	**(2.173.237)**	**322.255.691**
CURRENT PERIOD													
Balances as of January 01, 2017 (beginning of period)	**21**	**110.000.000**	**1.384.433**	**(48.314.150)**	**(348.487)**	**(857.483)**	**78.827.166**	**10.389.397**	**113.509.051**	**59.839.001**	**324.428.928**	**(2.173.237)**	**322.255.691**
Transfers		-	-	-	-	-	-	1.593.032	58.245.969	(59.839.001)	-	-	**-**
Total Comprehensive Income/ Expenses		-	-	-	-	(105.890)	11.354.575	-	-	70.036.425	81.285.110	(268.617)	**81.016.493**
Profit Share		-	-	-	-	-	-	-	(11.967.800)	-	(11.967.800)	-	**(11.967.800)**
Increase / (Decrease) related with Changes of Subsidiary Share Percentage with Non-Progressive Loss		-	-	-	-	-	-	-	-	-	-	-	**-**
Balance as of December 31, 2017 (end of period)	**21**	**110.000.000**	**1.384.433**	**(48.314.150)**	**(348.487)**	**(963.373)**	**90.181.741**	**11.982.429**	**159.787.220**	**70.036.425**	**393.746.238**	**(2.441.854)**	**391.304.384**

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

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 01.01.2017 - 31.12.2017

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

	Notes	Audited Current Period 01.01.-31.12.2017	Prior Period 01.01.-31.12.2016
A. CASHFLOWS FROM OPERATING ACTIVITIES		**152.300.308**	**32.440.834**
Profit/(Loss) for the period		69.767.808	71.348.663
Profit/(Loss) from Ongoing Activities	37	69.767.808	71.348.663
Adjustments to reconcile net profit to cash provided by operating activities		**18.267.975**	**(3.301.600)**
Depreciation and Amortisation Expenses	15,16	7.240.742	6.036.586
Adjustments for Provisions / (Reversals) of Employee Benefits	19	6.348.026	4.907.752
Adjustments for Provisions / (Reversals) of Lawsuits or Fine	18	2.191.294	(2.381.128)
Financial income / expense net	27	2.218.437	(25.062.690)
Interest income adjustments	27	(22.847.089)	(297.400.391)
Interest expense adjustments	27	25.065.526	272.337.701
- Adjustments for Fair Value Increase / (Decrease) of Investment Property	14	(190.000)	(96.000)
Undivided Profit of Investment Valuated with Equity Method	13	2.204.661	11.639.480
Tax (Income) / (expenses)	28	(1.732.479)	2.373.854
-Adjustments for (Gains) / Losses from Disposal of fixed assetts		(12.706)	(719.454)
-Adjustments for (Gains) / Losses from Disposal of Tangible fixed assetts		(12.706)	(625.169)
-Adjustments for (Gains) / Losses from Disposal of Intangible fixed assetts		-	(94.285)
Changes in Net Working Capital		**70.916.327**	**(20.192.980)**
-Increases / (Decreases) in Trade Receivables from Related Parties	8,30	(134.515)	4.181.478
-Increases / (Decreases) in Trade Receivables from Third Parties	8	108.931.567	(66.215.585)
-Increases / (Decreases) in Other Receivables from Related Parties	9,30	12.522.379	31.514.843
-Increases / (Decreases) in Other Receivables from Third Parties	9	4.058.678	(8.675.472)
Increases / (Decreases) in Receivables from Ongoing Construction, Commitment, and Service Agreements	12	(19.048.441)	(38.800.517)
Increases / (Decreases) in Inventories	10	(8.442.383)	(107.368.233)
Increases / (Decreases) in Prepaid Expenses	11	8.386.807	(15.260.884)
-Increases / (Decreases) in Trade Paybles to Related Parties	8,30	(1.462.296)	(1.400.819)
-Increases / (Decreases) in Trade Payables to Third Parties	8	(19.997.220)	81.097.590
Increases / (Decreases) in Employee Benefits	19	(13.071.829)	10.375.310
Increases / (Decreases) in Payables from Ongoing Construction, Commitment, and Service Agreements	12	(16.185.555)	52.366.176
-Increases / (Decreases) in Other Payables to Related Parties	9,3	(5.182.780)	(1.308.799)
-Increases / (Decreases) in Other Payables to Third Parties	9	(423.382)	353.607
-Increases / (Decreases) in Deferred Income	11	22.208.955	32.619.792
-Increases / (Decreases) in Other Assets	27	2.246.867	8.210.874
-Increases / (Decreases) in Other Liabilities	27	(3.490.525)	(1.882.341)
Cash Flows from Operating Activities		**158.952.110**	**47.854.083**
Payments in the coverage of benefits provided to employees	19	(1.399.146)	(488.369)
Tax Returns (Payments)	28	(5.252.656)	(14.924.880)
B. CASH FLOW FROM INVESTING ACTIVITIES		**(5.271.399)**	**(75.397.962)**
Cash Outflows from Purchase of Subsidiary Share		-	(63.748.990)
-Cash Inflows from Tangible Asset Sales	15	56.819	736.897
-Cash Inflows from Intangible Asset Sales	16	-	184.731
-Cash Outflowsflows from Tangible Asset Purchases	15	(5.244.232)	(12.127.084)
-Cash Outflowsflows from Intangible Asset Purchases	16	(83.986)	(443.516)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(122.673.405)**	**25.078.588**
Cash Inflows from Loans	7	169.829.959	442.871.277
Cash Outflows on Credit Repayments	7	(273.414.710)	(404.604.448)
Dividend profit share	21	(11.967.800)	(1.488.216)
Paid interest	27	(11.247.739)	(24.460.238)
Received interest	27	4.126.885	12.760.213
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)		**24.355.504**	**(17.878.540)**
D. FOREIGN CURRENCY CONVERSION DIFFERENCES IMPACT ON CASH AND CASH EQUIVALENTS		**53.352**	**502.390**
NET (DECREASE)/INCREASE IN CASH ANS CASH EQUIVALENTS (A+B+C+D)		**24.408.856**	**(17.376.150)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5**	**31.689.004**	**49.065.154**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**5**	**56.097.860**	**31.689.004**

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

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1. ORGANIZATION AND ACTIVITIES

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

Branch Adresses:

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

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

Rusya Branch: 127422, Russian Federation, Moscow, Timiryazevskaya street, 1. Business Centre -Premier.

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

Project Construction- providing electricity and mechanic works according to project agreement
Ship Electricity and Electronics - Ship electrical and electronics systems design
Energy – Producing electrical energy

The company shares were offered to public in 2010, and as of 31 December 2017, % 48,63 of shares are traded in Istanbul Stock exchange, INC. (BIST) according to Central Registry Agency (CRA) records. (31 December 2016 :%48,66) (Note :21)

3.731 personnel have been employed within the Group. (31.12.2016: 3988 people)

The main shareholder of the company is Çelikel Family. Details regarding the Group's subsidiaries are as follows:

Subsidiaries included to full consolidation are as follows;

Name of company	Field of company	Activity type	Foundation of country	Foundation of year
Anel Enerji Elektrik Üretim San. ve Tic. A.Ş.	Solar Energy Projects	Service	Turkey	2009
Anelmarin Gemi Elektrik Elektronik. Sist. Tic ve San A.Ş.	Ship Electricity and Electronics	Service	Turkey	2005
Anel Dar Libya Constructing & Services LLC	Project Commitment	Service	Libia	2010
Anel Engineering-Technological Company Ltd Russia	Project Commitment	Service	Russia	2009
Dag-08 Ood	Solar Energy Projects	Service	Bulgaria	2008
Golden Sun Ood	Solar Energy Projects	Service	Bulgaria	2008
Anel Emirates General Contracting LLC	Project Commitment	Service	United Arab Emirates	2010
Anel BG Ltd.	Solar Energy Projects	Service	Bulgaria	2011
Anelmep Maintenance and Operations LLC	Project Commitment	Service	Qatar	2008
Anelmep Mekanik Ltd. Şti.	Project Commitment	Service	Turkey	2016
Anel Engineering & Contracting Ltd.	Project Commitment	Service	England	2017

The Company does not have any subsidiaries that are traded in any stock exchange.

From now on, Anel Electric project will be referred to as "Group" together with Contracting and Trading Inc. and the affiliates mentioned above.

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2. BASIC OF PRESENTATION FINANCIAL STATEMENTS

A. Basic Standards of Presentation

Basic of presentation of the condensed consolidated financial statements

The consolidated financial statements and explanatory notes have been prepared in accordance with Turkish Accounting Standards ("TAS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Markets Board of Turkey ("CMB"), which is published on 13 June 2013 at the Official Gazette numbered 28676. TMS; Turkish accounting standards consist of additional and interpretations of the Turkish financial reporting standards. Furthermore, the consolidated financial statements and their explanatory notes are announced by the CMB on June 7, 2013, "announcement about financial statement and footnote formats"provided in accordance with the described formats and the required information.

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

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

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Accounting Standards of the POA and are presented in TL.

In order to prepare financial statements in accordance with TFRSs, certain assumptions affecting notes to the financial statements and critical accounting estimations related to assets, liabilities, contingent assets and contingent liabilities are required to be used. Although these estimations are made upon the best afford of the management by interpreting the cyclical circumstances, actual results may differ from the forecasts. Issues that are complex and needs further interpretation, which might have a critical impact on financial statements. There is no change in judgements and critical accounting estimates used in interim condensed consolidated financial statements as of 31 December 2017.

There are not any seasonal and cyclical changes significantly affect the company's operations.Consolidated financial statements, except for the revaluation of financial instruments, investment properties have been prepared according to historical cost basis.

Preparation of Financial Statements in Hyperinflationary Periods

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

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

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

Assumption of continuity of business

Consolidated financial statements are prepared according to the continuity of the company under the assumption that the group will benefit from its assets in the next year and its activities in the natural flow and fulfill its obligations.

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2. BASIC OF PRESENTATION FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Offsetting

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

Functional and presentation currency

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

TAS 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:

		31December 2017		31 December 2016	
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)	1,0362	1,0021	0,9668	0,8300
Azerbaycan Branch	New Manat	2,2186	2,1201	1,9875	1,8915
Anel Engineering-Technological Company Ltd.Rusya	Russian Ruble	0,0654	0,0633	0,0576	0,0495
Dag-08 Ood, Golden Sun Ood,					
Anel BG Ltd.	Bulgarian Lev	2,2958	2,0928	1,8860	1,6980
Anel Emirates	United Arab Emirates Dirham	1,0270	0,9931	0,9583	0,8227
Anel Mep	Qatari Riyal (QAR)	1,0362	1,0021	0,9668	0,8300

The following methods are used in the presentation of the Company's subsidiaries operating in foreign countries in the financial statements:

Operations of branch-like enterprises are subject to valuation, such as the operations of the main partnership. In this context, the Central Bank of the Republic of Turkey, which is valid at the end of the reporting period of the monetary and non-monetary items in the financial statements prepared with their respective currencies and the partnerships subject to joint management ("TCMB ") is translated into Turkish lira through exchange rates. The income and expense items are distributed regularly over the years, and the average annual rates are translated into Turkish lira. The exchange rate differences arising from the cycle are monitored in the consolidated Balance sheet under the Equity account group in the "foreign currency cycle differences" account. Equity items are also translated into Turkish lira through TCMB exchange rates, which are valid at the end of the reporting period. The emerging cycle differences related to the equity of branch-like enterprises and independent foreign enterprises in foreign countries that are involved in the consolidation are again followed by the "foreign money Cycle differences" account under the Equity account group Served

Consolidation Principles

The consolidated financial statements in the relationship include the financial statements of the Company and its subsidiaries. The financial statements of the companies involved in the consolidation are prepared with the same date as the consolidated financial statements.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Consolidation Principles (continued)

Subsidiaries

Consolidated financial statements as of 31 December 2017; It contains the financial statements of the Company's subsidiaries that have control over their financial and activity policies. As of December 31, 2017 direct and indirect participation rate of subsidiaries subject to consolidation are as follows.

				Parent Company's Share (%)	
Subsidiaries	Estahblishment and place of organization	Core Business	Currency	31.12.2017	31.12.2016
Anel Enerji Elek. Üretim San. Ve Tic. A.Ş.	Turkey	Enegy	Turkish Lira	71,73	71,73
Anel Marin Gemi Elektrik Elektronik. Sist. Ticaret ve Sanayi A.Ş.	Turkey	Marine Electrical, Electronic	Turkish Lira	93,00	93,00
Anel Dar Libya Constructing & Services LLC	Libya	Project Commitment	USD Dolar	65,00	65,00
Anel Engineering-Technological Company Ltd.Rusya	Russia	Project Commitment	USD Dolar	100,00	100,00
Dag-08 Ood	Bulgaria	Enegy	Bulgarian Lev	100,00	100,00
Golden Sun Ood	Bulgaria	Enegy	Bulgarian Lev	100,00	100,00
Anel BG Ltd	Bulgaria	Enegy	Bulgarian Lev	100,00	100,00
Anel Emirates General Contracting LLC	United Arab Emirates	Project Commitment	USD Dolar	100,00	100,00
Anelmep Maintenance and Operations LLC	Qatar	Project Commitment	USD Dolar	100,00	30,00
Anelmep Mekanik Ltd. Şti.	Turkey	Project Commitment	Turkish Lira	100,00	-
Anel Engineering & Contracting Ltd.	England	Project Commitment	USD Dolar	100,00	100,00

In the event that the main partnership is entitled to control more than half of the voting rights in a partnership directly or indirectly, and that the business has the authority to manage its financial and activity policies, the control is assumed to exist. In the consolidation of financial statements, all profits and losses, including inter-company balances, transactions and unrealized profits and losses, are deducted. Consolidated financial statements are prepared by implementing consistent accounting policies for similar transactions and calculations. The financial statements of affiliate partnerships are prepared for the same accounting period as the main partnership. Affiliate partnerships begin to be consolidated from the date of the control to the group, and the process of consolidating the control with the emergence of the group ends. Revenue and expenses of affiliate affiliates purchased or disposed of within the year, disposal from the date of purchase Consolidated profits or losses and other comprehensive income statements.

Reevaluates whether or not the company has control over its investment if there is a situation or event that may cause any changes to at least one of the criteria listed above.

Non-controlling shares in the net assets of subsidiaries incorporated into the consolidation It is included as a separate pencil in the equity. The shareholders of consolidated subsidiaries and their main non-affiliate shares within the current term operations have been individually shown as "non-controlling shares" in consolidated financial statements. Non-controlling shares consist of the amount of the main non-affiliate shares in the shareholders ' equity changes from the date of purchase, with the amounts belonging to the shares that are not already in the initial purchase date. Non-control power shares with negative balance Even if it is concluded, the total comprehensive revenue is transferred to the shareholders and non-control power shares. Control is achieved by the Company meet the following conditions:

At least one of the criteria listed above in a condition that would cause any changes or occurrence of events, the company re-evaluate whether the control over the investment.

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

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

A. Basic Standards of Presentation (continued)

Consolidation Principles (continued)

In the event that the company does not have the majority voting rights on the invested company/entity, the investment company/entity should be eligible for adequate voting to direct/manage the activities of the related investment alone. It has control power on it. The company should evaluate whether the majority of the voting in the respective investment, including the following elements, is sufficient to provide control power.
Consider all relevant events and conditions.

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

In the event that the group is required, the financial statements of the subsidiaries have been made to make adjustments to the accounting policies in order to be the same as the accounting policies.

All intra-group assets and liabilities, equity, revenues and expenses and cash flows for transactions between group companies are eliminated in consolidation.

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.

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.

- Companies which are subject to consolidation have been bought current and non-current assets from each other, 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.

- Adjustment has been made on subsidiary's financial statement to bring in compliance with accounting policies used by intragroup companies under necessity.

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

A. Basic Standards of Presentation (continued)

Associates

Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. The equity method is used for accounting of associates.

The unrealized profits arising from the transactions between the group and its subsidiaries have been corrected in the group's share of the participation and unrealized damages; Corrected if the transaction does not indicate that the transferred asset has decreased value. As long as the group has not been under any obligation or committed to the participation in relation to the affiliate, the registered value of the investment in the affiliate should be zero or the equity method will continue in the event of the group's significant impact. Not. The registered value of the investment on the date of the important effect is shown at the cost of the fair value, otherwise it can be measured reliably if the value of the truth after that date is reliable.

As of 31 December 2017, the details of the group's subsidiaries are as follows.

			Effective Share rate in capital (%)	
The title of the participant	**Establishment and place of activity**	**Main activity**	**31.12.2017**	**31.12.2016**
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	Turkey	Telecommunications	24,68	24,68
Energina Kompania Bonev	Bulgaria	Energy	50	50
Anel Yapı Gayrimenkul A.Ş.	Turkey	Real Estate Leasing	47,5	47,5

Summary of significant accounting policies

Standards and interpretations issued but not yet effective

New standards, interpretations and amendments to existing standards are not effective at reporting date but earlier application is permitted; however the [Group has not early adopted are as follows. The [Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

TFRS 15 Revenue from Contracts with Customers

As issued in September 2016 by POA, the new standard replaces existing TFRS guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which companies to be entitled, rather than fair value and new guidance have been introduced on separating performance obligations for goods and services in a contract and recognition of revenue over time. TFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.
The Group has performed an initial assessment on these transactions and does not expect that there will be a significant impact on its consolidated financial statements resulting from the application of TFRS 15.

TFRS 9 Financial Instruments (2017 version)

TFRS 9 Financial Instruments, has been published by POA in January 2017, replaces the existing guidance in TAS 39 Financial Instruments: Recognition and Measurement. It also carries forward the guidance on recognition, classification, measurement and derecogniton of financial instruments from TAS 39 to TFRS 9. The last version of TFRS 9 includes a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements and also includes guidance issued in previous versions of TFRS 9. The Standard is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.
The Group has performed an initial assessment on these financial assets and liabilities and does not expect that there will be a significant impact on its consolidated financial statements resulting from the application of TFRS 9.

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

A. Summary of significant accounting policies (continued)

TFRS Interpretation 22 – Foreign Currency Transactions and Advance Consideration
TFRS Interpretation 22 "Foreign Currency Transactions and Advance Consideration" has been published by POA in December 2017 to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. This Interpretation is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS Interpretation 22.

Amendments to TFRS 2 – Classification and Measurement of Share-based Payment Transactions
POA has issued amendments to TFRS 2 Share-Based Payment in December 2017to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted.
The Groupdoes not expect that application of these amendments to TFRS 2 will have significant impact on its consolidated financial statements.

TAS 40 – Transfers of Investment Property
Amendments to TAS 40 - Transfers of Investment Property issued by POA in December 2017 have been made to clarify uncertainty about that provide evidence of transfer of /from investment property to other asset groups. A change in management's intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the statement of consolidated financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 40.

Annual Improvements to TFRSs 2014-2016 Cycle
Improvements to TFRSs
POA has issued Annual Improvements to TFRSs - 2014–2016 Cycle for applicable standards. The amendments are effective as of 1 January 2018. Earlier application is permitted. The Group does not expect that application of these improvements to TFRSs will have significant impact on its consolidated financial statements.

Annual Improvements to TFRSs 2014-2016 Cycle
TFRS 1 "First Time Adoption of Turkish Financial Reporting Standards"
TFRS 1 is amended to removing of the outdated short-term exemptions for first-time adopters within the context of 'Annual Improvements to TFRSs 2012-2014 Cycle' related to disclosures for financial instruments, employee benefits and consolidation of investment entities.

TAS 28 "Investments in Associates and Joint Ventures"
The amendment enable when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with TFRS 9.

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

A. Summary of significant accounting policies (continued)

Amendments to IFRS 9 - Prepayment features with negative compensation

On December2017, POA has issued amendments to TFRS 9 to clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of TFRS 9. Under TFRS 9, a prepayment option in a financial asset meets this criterion if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include 'reasonable additional compensation' for early termination of the contract. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TFRS 9.

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

Amendments to TAS 28- Long-term interests in Associates and Joint Ventures

On December 2017, POA has issued amendments to TAS 28 to clarify that entities also apply TFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. An entity applies IFRS 9 to such long-term interests before it applies related paragraphs of TAS 28. In applying TFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying TAS 28. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.
The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 28.

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

IFRS 16 Leases

On 13 January 2016, IASB issued the new leasing standard which will replace TAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently changes to TAS 40 Investment Properties. TFRS 16 Leases eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts TFRS 15 Revenue from Contracts with Customers. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 16.

IFRIC 23 –Uncertainty Over Income Tax Treatments

On 17 June 2017, IASB issued IFRIC 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The Groupis assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 23.

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

A. Summary of significant accounting policies (continued)

Annual Improvements to IFRSs 2015-2017 Cycle
Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2015–2017 Cycle. The amendments are effective as of 1 January 2019. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements

IFRS 3 and IFRS 11 are amended to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. If a party maintains (or obtains) joint control, then the previously held interest is not remeasured.

Annual Improvements to IFRSs 2015-2017 Cycle
Improvements to IFRSs

IAS 12 Income Taxes

IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income (OCI) or equity.

IAS 23 Borrowing Costs

IAS 23 is amended to clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool.

IFRS 17 –Insurance Contracts
On 18 May 2017, IASB issued IFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. IFRS 17 has an effective date of 1 January 2021 but companies can apply it earlier.
The Group does not expect that application of IFRS 17 will have significant impact on its consolidated financial statements.

B. Changes in Accounting Policies

The accounting policy changes arising from the first implementation of a new ("IAS/IFRS") are applied backwards or forwards in accordance with the provisions of the transition. Changes that are not included in any transitional provision are applied retrospectively to significant changes in the accounting policy or the accounting errors that have been identified and the previous term financial statements are re-organised.

The accounting policies used in the current period are the same as the accounting policies used in the preparation of consolidated financial statements for the year ending on 31 December 2016.

C. Changes in Accounting Estimates and Errors

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.

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

C. Changes in Accounting Estimates and Errors (continued)

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. Significant accounting estimates used in current period is coherent with significant accounting estimates used to prepare 31 December 2016 dated consolidated financial statements.

D. Summary of Significant Accounting Policies

Revenue

Revenue measures from fair value of collected or collectible amounts. Possible customer returns, discounts and provisions deducts from this amount.

Business Operations

The revenue obtained from the sale of commercial activities is accounted for when the following conditions are fulfilled:

- Transferring the significant risks and rewards to the buyer,
- Associated with the ownership of the Group and ongoing 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, and reliable measurement of costs arising from the transaction, or to be incurred.

Reliable measurement of the costs arising from or due to the process.

Service Presentation:

Income from service delivery agreement books accordingly with degree of completion stated on agreement.
Degree of completion determines as below:

- Electricity and mechanic commitment works books accordingly with degree of completion. 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

If the results of the construction contracts cannot be reliably guessed, the revenue from the contract shall be accounted for as much as the compensated portion of the contractual expenses. The contract expenses are accounted for when they occur. Type of revenue from cost plus contracts, records cost calculated on the profit margin reflected.

The contract proceeds are accounted for during the term of the contract in cases where the result of construction contracts can be reliably guessed and the contract is likely to bring profits. In cases where the total contract expenses are likely to exceed the total contract revenue, the expected damage is immediately accounted for as a expense. Changes in contracts, requested payments and incentive payments are added to the contract revenues as long as the customer agrees and can be measured reliably.

In cases where the revenue of a construction contract can be reliably guessed, revenues are recorded according to the completion rate of the construction activity on the balance sheet date. The completion rate is calculated according to the total estimate of the cost of construction up to the balance sheet date. This calculation does not apply in cases where the completion rate cannot be calculated in a way that is true.

Changes in the amount of the construction contract, supplementary claims and incentive payments are likely to be approved by the employer and included in the project revenues if the relevant income can be reliably measured.
The construction contract costs cover indirect costs, including all first-item-material and direct labor expenses, contract-related performance, and consequential labor, material, repairs and depreciation expenses.

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

The sales and general administrative expenses are fixed as soon as they occur. The expense equivalents of the estimated damages in incomplete contracts are recorded in the financial statements during the period in which these damages are determined. Changes in estimated profitability due to business performance, business conditions, contract penalties and final agreement arrangements may result in the revision of cost and revenue amounts that will occur at the end of the project. These revisions are reflected in consolidated financial statements during the period of its detection.

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.

Group management will receive additional receivables under the contract that may be subject to a non-contractual claim, as well as negotiations on the additional claims receivable in question with the employer when the collection reaches the approval phase and the When measured, it registers as revenue.

Dividend and interest income

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

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.

Financial guarantees maintained by employers

Employers can make a deposit deduction at the rates that are changed according to the terms of the contract, based on their entitlement to the group of construction projects. These guarantees will be charged to employers when the warranty process is completed. Financial guarantees maintained by employers are initially recorded with the values that are authentic and are valued by the values redeemed using the effective interest rate method in subsequent periods.

Employment cuts from Taheros

The group shall be able to withhold a margin of guarantee, based on the terms and conditions of the contracts organized by the subcontractors. These debts are paid back to the subcontractors when the warranty process is complete. The employment cuts from the Taheras are initially recorded with the values of the truth and are valued with their redeemed values using the internal yield rate method in subsequent periods.

Inventories

Inventories are the items 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.Advances given are classified in the prepaid expenses until the related stock is recognized.

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 10).

Compnay, uses " moving average method" method to able to calculate cost of inventories.

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

D. Summary of Significant Accounting Policies (continued)

Property, Plant And Equipment

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 15).

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 book value of an asset is decreased as a result of revaluation, this reduction is accounted for as expense. However, this decrease will be accounted for by the extent of any credit balance in excess of the revaluation in relation to this entity in other comprehensive revenue.

In the other comprehensive revenue, the decrease in question reduces the amount accumulated in equity under the title of revaluation surplus (note 15).

Depreciation of the re-valued buildings is in the revenue table. The remaining balance in the revaluation Fund is transferred directly to the undistributed profits when the revalued property is sold or withdrew from the service. Unless the asset is excluded from the financial statement, the revaluation funds are not transferred to the non-distributed profits.

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.

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

D. Summary of Significant Accounting Policies (continued)

Property, Plant And Equipment (continued)

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.

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.

Non-financial statements 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 real estate is the property that is acquired in order to gain a lease and/or increase in value, and are measured primarily by cost values and the transaction costs included in it. Investment properties are valued by the fair value reflecting the market conditions as of the balance sheet date.

Investment properties are excluded from the balance sheet if they are to be sold or unusable and cannot be provided for any future economic benefit from the sale.

The gain or loss on disposal or sale of the investment property is included in the income statement for the related 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 14). Profit or loss is included in the period when the gain or loss arises from the change in the fair value of the investment property.

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

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

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.

Determining whether a contract includes leasing

The group determines at the start of the contract whether a contract is a lease or whether it includes a lease. In order for a transaction to be "leased", the following two conditions must be met:

- the fulfillment of the contract depends on the use of a particular entity; and
- The right to control the use of the entity specified in the contract.

At the inception or reassessment of the arrangement, the Group allocates the payments and other items required for such an arrangement for lease transactions and other items based on relevant fair values.

If the Group decides that it can not reliably receive payments for a finance lease transaction, an asset and a liability are recorded that are equal to the fair value of the contractual asset.

If the sales and leaseback transaction result in a financial lease, the portion above the carrying amount of the sales revenue is not immediately recognized as income by the seller-leaseholder.

Instead, the income is postponed and amortized over the lease period and recorded in profit or loss.

Borrowing Costs

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

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

D. Summary of Significant Accounting Policies (continued)

<u>Related Parties</u>

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 30).

<u>Financial Instruments</u>

<u>Financial assets</u>
The Group classifies its financial assets as "financial assets at fair value through profit or loss", "investments held to maturity", "available-for-sale financial assets" and "loans and receivables".The classification is determined at the time of initial filing, depending on the purpose and nature of the asset obtained. Financial assets traded on a regular basis are recorded in the records at the transaction delivery date. Financial assets are measured at fair value at initial recognition.

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.

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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 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.

Derivative instruments, which are associated with such equity tools, and the payment of such assets through the sale of the current market value, which is not available in an active market and whose value is not reliably determined in a reliable way. At the end of each reporting period, the cost value is valued by the deducted amounts of the losses that are determined by the value.

Loans and receivables

Commercial and other receivables and loans that are not traded on the market, with fixed and identifiable payments, are classified into this category. Credits and receivables (trade and other receivables, bank balances, safes, and others) are shown by decreasing the low value over the discounted cost using the effective interest method. Interest income is calculated according to the effective interest rate method, except where the rediscount effect is not important.

Impairment of financial assets

Financial assets or groups of financial assets other than financial assets at fair value through profit or loss are assessed for indicators of impairment at each balance sheet date.

One or more events occur after the initial recognition of the financial asset and the related event is related to the impairment of the related financial asset or the future cash flow of the asset group that can be reliably estimated
If there is a neutral indicator, the impairment of value occurs. For financial assets carried at amortized cost, the amount of the impairment is the difference between the present value of the estimated future cash flows, discounted at the financial asset's effective interest rate, and the carrying amount.

For all financial assets, except for trade receivables where the carrying amount is reduced through the use of a provision, the impairment is directly deducted from the carrying amount of the related financial asset. If the commercial receivable can not be collected, it is deducted from the corresponding amount provision account and deleted. Changes in the allowance account are recognized in the income statement.

Except for available for sale equity instruments, if the impairment loss decreases in the following period and the impairment loss can be attributed to an event occurring after the recognition of the impairment loss, the impairment loss previously recognized will not exceed the amortized cost amount if the impairment of the investment has not been accounted for at the date when the impairment is canceled it is canceled in the income table.

The increase in the fair value of available-for-sale equity securities after impairment is accounted directly in equity.

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

D. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

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. Cash and cash equivalents of the Group are classified under the category of "Loans and Receivables".

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

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 8).

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:

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

D. Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions (Continued)

- 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,

Monetary debt arising from overseas activities that constitute a part of the net investment in foreign activity, accounted for in the online reserves, and associated with profit or loss in the sale of net investment, with no intent or possibility of payment The differences arising from their receivables.

<u>Earnings Per Share</u>

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 29).

<u>Events after the Balance Sheet Date</u>

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 33).

<u>Provisions, Contingent Liabilities and Contingent Assets</u>

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 18).

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

D. Summary of Significant Accounting Policies (continued)

Provisions, Contingent Liabilities and Contingent Assets (continued)

Contingent Assets

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

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

Financial Information Segment Reporting

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

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

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 4).

Taxes calculated over corporate earnings

Because of Turkish tax legislation does not allow the parent company and its affiliates to prepare a consolidated tax declaration, the tax equivalents are calculated separately on the basis of each legal entity, as reflected in the attached consolidated financial statements.

The current tax charge includes the current year's tax and deferred tax. The tax expense of the period is recorded in profit or loss, except for those relating to the business mergers or items taken directly from the records under other comprehensive revenue or equity.

Tax

The current tax liability is calculated through the taxable portion of the term profit.Taxable profits differ from profits in income statement table due to excluding items that are not possible to be taxes or taxes deductible.Current tax liability of group is legalized as of balance sheet date or calculated by using substantially significant tax rates.

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

D. Summary of Significant Accounting Policies (continued)

Taxation and Deferred Income Taxes (continued)

Deferred tax

Deferred tax liabilities or assets are determined by calculating the temporary differences between the amounts recognized in the financial statements of assets and liabilities and the amounts considered in the statutory tax base, taking the tax effects into consideration at the statutory tax rates

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets consisting of unused tax losses and 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 It is calculated.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of the goodwill or other asset or liability in the financial statements (other than in a business combination) that is not effected by business or financial profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates and joint ventures, except where the Group is able to control the reversal of temporary differences and the probability of such reversal in the foreseeable future is low. deferred tax assets arising from related taxable temporary differences are calculated on the assumption that it is highly probable that the differences will be utilized in the near future with sufficient profits subject to taxation and it is probable that the related differences will be recovered in the future.

Deferred income tax assets and liabilities are calculated over the tax rates (tax regulations) that are expected to be effective in the period in which the assets are realized or liabilities are realized and legalized or substantively legalized as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax consequences of the Group's anticipated recovery of its carrying amount or the fulfillment of its obligations as of the balance sheet date are taken into account.

Deferred income tax assets and liabilities are recognized when the Group has a legally enforceable right to set off current tax assets or liabilities based on current tax assets or when the Group has a willingness to pay taxes by offsetting the Group's current tax assets and liabilities is deducted.

Deferred tax assets and liabilities are offset against each other if the same country is subject to tax legislation and there is a legally enforceable right to offset current tax assets against current tax liabilities.

Taxation of foreign branches and projects:

The Company's subsidiaries in Bulgaria are subject to 10% income tax. Ongoing construction projects in the United Arab Emirates and Qatar are exempt from corporate tax. 20% of the company's subsidiary in Russia is subject to income tax.

Employee Benefits and Severance Pay

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. In accordance with the updated TAS 19 Employee Benefits Standard ("TAS 19"), such payments are considered as defined retirement benefit plans. The retirement pay liability recognized in the statement of financial position is calculated according to the net present value of the estimated future salary of all employees due to their retirement and reflected in the financial statements. All actuarial gains and losses are accounted for under other comprehensive income. There are no liabilities related to subsidiaries and joint activities operating in foreign countries. (Note 19).

Cash Flow Statement

The Group prepares cash flow statements to inform the users of the financial statements about the ability to direct the amount and timing of changes in net assets, financial structure and cash flows according to changing conditions. In the cash flow table, the cash flows related to the turnover are reported by being classified as operating, investing and financing activities.
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

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

D. Summary of Significant Accounting Policies (continued)

Cash Flow Statement (continued)

Cash flows from operating activities represent cash flows arising from the Group's core operations. Cash flows from investing activities represent the cash flows the Group uses in its investment activities (fixed assets investments and financial investments). Cash flows from financing activities represent the resources the Group uses in its financial activities and the repayments of those resources. Cash and cash equivalents include investments in cash and demand deposits with short-term, high liquidity with a short maturity of 3 months or less.

Shares and 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

In the preparation of financial statements in the Consolidated Financial Statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, the probable liabilities and commitments that arise as of the reporting date and the amounts of income and expenses in the reporting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, they may differ from actual results. Estimates are regularly reviewed, necessary corrections are made and they are reflected in the period income table.

The interpretations that may have significant effect on the amounts reflected in the financial statements and the assumptions made by taking into account the actual sources of the existing or future estimates are as follows:

a) Where it becomes probable that the contractual amendments will be approved by the employer, the group will reflect such contractual changes in the financial statements according to the completion rate of the construction projects. Estimates of the collectibility of contractual changes are made by taking into account the past experience of the Group's management, the relevant contractual provisions and the related legal regulations.".

b) TAS 11 "Construction Contracts" uses estimates in determining the total cost of the project and the project profitability.

c) The group calculates the "project costs remaining in construction contracts" through in-house forecasting mechanisms. Factors such as raw material prices, labor and other costs increases are included in these projections, which are based on best estimate as of the balance sheet date. For unexpected increases that may occur in subsequent periods, the remaining costs of the construction contracts need to be reassessed. Changes in the scope of construction projects and changes in scope project incomes and estimates of the total project costs resulting from the realizations can be significant fluctuations between years.

d) The group is subject to different tax legislation and laws as it operates in various countries. There are uncertainties about the final tax implications of some transactions and calculations affecting income tax due to the general system in those countries. In those countries, the tax account is generally 1-5 years. Therefore, the group must use significant estimates when calculating tax equivalents. When the final tax results are released, the realized amounts may differ from those predicted, and the income tax for the records as of the balance sheet.

Deferred tax asset is recorded in the event of determining that taxable revenue is likely to occur in the coming years. Deferred tax asset is calculated through the downloadable temporary differences in cases where taxable revenue is likely to occur. For the interim period, which ended on 31 December 2017, the group has registered deferred tax assets because it finds adequate indicators that the foreseeable future is a taxable wife.

e) Severance pay liability for actuarial assumptions (discount rates, future salary increases and employee seperation rates)

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

E. Significant Accounting Estimates

f) The claims receivable reflects the amounts that the administration believes will meet future damages from receivables, which are present as of the balance sheet date but are at risk of not being charged under current economic conditions. The performance of borrowers who remain outside the associated organization while evaluating the receivables ' impairment in the past company based on the credibility of the market and the date of the financial statements from the balance sheet and re-negotiated conditions are also taken into consideratio
g) When calculating inventory impairment, data for inventory after discount list prices is used. For non-measurable stocks, the sales price is evaluated by the opinions of the goods in stock and the physical status of the technical staff. In cases where the projected net can be accomplished, the value of the inventory is divided by the low cost.
h) The possibility of loss of cases and the obligations to be lost in the case of the case in response to litigation, the company's legal advisors and expert opinions are obtained by the company's management evaluated by the Based on the best estimates, company management determines the amount of the litigation response.
i) Company management has made significant assumptions in the direction of the technical team's experience in determining the beneficial economic lifetimes of tangible and intangible assets.

3. SHARES IN OTHER BUSİNESS

The information about the group's affiliated partnerships, the country and ownership rate in which it is registered, is described in footnote 1.

Anel Yapı Gayrimenkul A.Ş., which is a subsidiary of the Group, Anel Telemonikasyon Elektrik Sistemleri Sanayi ve Ticaret Anonim Sirketi and Energia Kompania Bonev TAS-28 "Investments in Associates and Joint Ventures" (Note 2).Descriptions of these companies are given in footnote 13.

4. SEGMENT REPORTING

The Group has determined operating segments based on internal reports regularly audited by the competent authority to take decisions on its activities. The authority of the Group to make decisions is the General Manager and the Board of Directors.

The Group's competent authority to review the results and activities on a product-by-product basis and geographical distribution basis in order to make decisions about the resources allocated to the divisions and to evaluate the performance of the divisions. The distribution on the basis of group product groups is as follows: Electrical and mechanical project commitment, ship electrical electronics and energy. The revenue of the Group's reportable operating segments comes largely from project commitment.

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4.SEGMENT REPORTING (Continued)

31.12.2017	Project Commitment	Ship Electrical	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	1.001.548.755	8.876.468	5.332.034	-	1.015.757.257
Intra Group Revenue	20	-	-	(20)	-
Total Net Revenue	1.001.548.775	8.876.468	5.332.034	(20)	1.015.757.257
Cost of Sales (-)	(901.339.262)	(5.277.464)	(3.094.184)	195.210	(909.515.700)
Gross Profit	100.209.513	3.599.004	2.237.850	195.190	106.241.557
General and Administrative Expenses (	(28.946.580)	(750.389)	(934.946)	-	(30.631.915)
Other Operating Income	15.550.185	1.381.924	924.858	(195.155)	17.661.812
Other Operating Expenses	(19.070.727)	(1.215.478)	(723.776)	-	(21.009.981)
Operating Profit	67.742.391	3.015.061	1.503.986	35	72.261.473
Income from Investment Operations	322.044	157	65	(2.042)	320.224
Expense from Investment Operations (-)	(30.440)	-	-	-	(30.440)
Equity Method Investments Profit / (Loss) 's Shares	(2.297.491)	-	-	-	(2.297.491)
Operating Profit / (Loss) before Finance Income and Expense	65.736.504	3.015.218	1.504.051	(2.007)	70.253.766
Financing Income	24.291.685	914.283	327.544	(2.686.423)	22.847.089
Financing Expenses (-)	(23.870.161)	(98.473)	(3.783.315)	2.686.423	(25.065.526)
OPERATING PROFIT / (LOSS) BEFORE TAX	66.158.028	3.831.028	(1.951.720)	(2.007)	68.035.329
Operating Tax Income / (Loss)					
-Period Tax Income / (Loss)	(4.033.723)	(611.408)	-	-	(4.645.131)
-Deferred Tax Income/(Expense)	6.340.485	(195.770)	77.832	155.063	6.377.610
PROFIT / (LOSS)	68.464.790	3.023.850	(1.873.888)	153.056	69.767.808
Investment Expenses					
Tangible Fixed Assets	5.172.846	49.701	8.740	12.945	5.244.232
Intangible Fixed Assets	83.986	-	-	-	83.986
Depreciation Expenses	(5.311.431)	(7.390)	(1.436.768)	(14.952)	(6.770.541)
Redemption Expenses	(468.067)	(1.234)	(900)	-	(470.201)
Other Information					
- Total Assets	1.268.508.630	7.737.603	35.328.508	(376.609.759)	934.964.982
- Total Liabilities	789.474.426	1.896.491	37.726.152	(285.436.471)	543.660.598

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4.SEGMENT REPORTING (continued)

31.12.2016	Project Commitment	Ship Electrical and Electronics	Energy	Consolidation Adjustments	Total
Net Revenue Non-Group	648.799.356	9.137.327	4.150.920	-	662.087.603
Intra Group Revenue	20.331	-	107.335	(59.382)	68.284
Total Net Revenue	648.819.687	9.137.327	4.258.255	(59.382)	662.155.887
Cost of Sales (-)	(593.272.640)	(6.970.609)	(2.433.966)	8.831	(602.668.384)
Gross Profit / Loss	55.547.047	2.166.718	1.824.289	(50.551)	59.487.503
General and Administrative Expenses (	(29.933.032)	(658.583)	(1.000.285)	51.447	(31.540.453)
Marketing, Sales and Distribution Expenses (-)	-	-	(714)	-	(714)
Other Operating Income	46.031.370	570.959	907.002	(896)	47.508.435
Other Operating Expenses	(15.092.806)	(449.598)	(855.704)	(73.568)	(16.471.676)
Operating Profit / (Loss)	56.552.579	1.629.496	874.588	(73.568)	58.983.095
Income from Investment Operations	1.418.470	49	-	-	1.418.519
Expense from Investment Operations (-)	(11.160.206)	-	-	-	(11.160.206)
Equity Method Investments Profit / (Loss) 's Shares	(581.581)	-	-	-	(581.581)
Operating Profit / (Loss) before Finance Income and Expense	46.229.262	1.629.545	874.588	(73.568)	48.659.827
Financing Income	295.776.597	2.175.092	1.407.948	(1.959.246)	297.400.391
Financing Expenses (-)	(267.506.862)	(1.944.319)	(4.845.766)	1.959.246	(272.337.701)
OPERATING PROFIT / (LOSS) BEFORE TAX	74.498.997	1.860.318	(2.563.230)	(73.568)	73.722.517
Operating Tax Income / (Loss)					
-Period Tax Income / (Loss)	(4.031.819)	(556.252)	-	-	(4.588.071)
-Deferred Tax Income/(Expense)	2.589.544	163.566	(560.927)	22.034	2.214.217
PROFIT / (LOSS)	73.056.722	1.467.632	(3.124.157)	(51.534)	71.348.663
Investment Expenses					
Tangible Fixed Assets	12.110.110	-	16.974	-	12.127.084
Intangible Fixed Assets	443.516	-	-	-	443.516
Depreciation Expenses	(3.935.703)	(6.047)	(1.185.360)	-	(5.127.110)
Redemption Expenses	(906.630)	(1.734)	(1.112)	-	(909.476)
Other Information					
- Total Assets	1.535.952.054	5.914.928	30.857.796	(562.498.849)	1.010.225.929
- Total Liabilities	1.125.323.896	3.088.882	45.986.160	(486.428.700)	687.970.238

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4.SEGMENT REPORTING (continued)

Geographical Segments

01.01.- 31.12.2017	Turkey	Qatar	England	Russia	Bulgaria	Azerbaijan	United Arab Emirates	Elimination	Total
Revenue	65.227.060	715.681.301	944.513	2.126	5.330.254	85.035	228.486.988	(20)	1.015.757.257
Assets Related Ongoing Construction Contracts	5.413.696	48.491.709	-	-	-	-	104.640.895	-	158.546.300
Assets according to Segment	367.326.396	519.793.532	20.776.349	156.990	33.305.170	22.992.605	347.223.698	-376.609.758	934.964.982
Investment Expenses	298.819	4.560.261	62.647	-	-	-	406.491	-	5.328.218

01.01.- 31.12.2016	Turkey	Qatar	Russia	Bulgaria	Azerbaijan	Libia	United Arab Emirates	Elimination	Total
Revenue	81.775.550	289.036.068	10.553	4.151.366	2.295.674	-	284.946.058	(59.382)	662.155.887
Assets Related Ongoing Construction Contracts	20.554.790	17.854.872	-	-	-	-	101.088.197	-	139.497.859
Assets according to Segment	616.652.251	556.849.273	364.068	28.950.100	25.957.431	352.557	343.599.098	(562.498.849)	1.010.225.929
Investment Expenses	267.381	11.462.110	-	16.974	270	-	823.865	-	12.570.600

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4.SEGMENT REPORTING (continued)

The details of customers which constitute %10 or more of Group's revenue gained within the periods as 01.01.-31.12.2017 and 01.01.-31.12.2016 are as below:

			01.01. - 31.12.2017
		Amount in Gross	Share in Gross
Operating Segment	Activity	Revenue	Revenue
Project Commitment	Project Commitment	283.516.023	28%
Project Commitment	Project Commitment	186.511.699	18%
Ship Electrical and Electronics	Service Sales	5.894.221	66%
Ship Electrical and Electronics	Service Sales	2.383.629	27%

			01.01. - 31.12.2016
		Amount in Gross	Share in Gross
Operating Segment	Activity	Revenue	Revenue
Project Commitment	Project Commitment	197.961.680	54%
Project Commitment	Project Commitment	259.210.311	71%
Ship Electrical and Electronics	Service Sales	1.292.766	14%
Ship Electrical and Electronics	Service Sales	3.138.194	34%
Ship Electrical and Electronics	Service Sales	5.481.594	60%

5. CASH AND CASH EQUIVALENTS

	31.12.2017	31.12.2016
Cash	290.010	107.188
Banks	55.807.850	31.581.816
- Demand Deposits	35.465.855	31.581.816
- Time Deposit Maturity less than 3 Months	20.341.995	-
Total	56.097.860	31.689.004

Details of bank deposits are as follows ;

Currency	Interest Rate (%)	31.12.2017	Interest Rate (%)	31.12.2016
TL	13,00	2.002.137		-
US Dollars	0,80	15.088.591	-	-
Euro	0,40	3.251.267	-	-
Total Time Deposit		20.341.995		-

There is no blockage on cash and cash equivalents as of the reporting date (31 December 2016: None)

6. FINANCIAL INVESTMENTS

Short Term Financial Investment

None (31.12.2016: None).

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6. FINANCIAL INVESTMENTS (continued)

Long Term Financial Investments

Long Term Financial Investments	31.12.2017	31.12.2016
Available for sale Financial Assets		
- Financial Investments Accounted with Cost Method in the Absence of Active Market	-	46.296
Total	-	46.296

Available for sale Financial Assets
- Financial Investments Accounted with Cost Method in the Absence of Active Market

Stocks	31.12.2017	31.12.2016
Unlisted Stocks	-	46.296
Total	-	46.296

7. FINANCIAL BORROWINGS

	31.12.2017	31.12.2016
a) Bank Loans	48.391.730	166.138.331
b) Credit Card Debts	162.644	193.253
Total	48.554.374	166.331.584

a)Bank Loans:

31.12.2017

Currency	Weighted Average Interest Rate (%)	Short Term	Short-Term Portion of Long Term Loans	Long Term
TL	15,2-17,5	23.046.072	-	-
Euro	5,85 - 6,8	-	2.558.678	22.786.980
Total		23.046.072	2.558.678	22.786.980

31.12.2016

Currency	Weighted Average Interest Rate (%)	Short Term	Short-Term Portion of Long Term Loans	Long Term
TL	13,00 - 19,20	121.110.379	-	-
Euro	4,2 - 5,87	-	2.320.186	21.099.667
AED	4,10 - 4,83	20.204.311	-	-
Qatari Riyal	5,50	1.403.788	-	-
Total		142.718.478	2.320.186	21.099.667

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7. FINANCIAL BORROWINGS (continued)

a) Bank Loans (continued):

	31.12.2017	31.12.2016
Payable within one year	25.604.750	145.038.664
Payable within 2 - 3 years	2.331.680	1.536.584
Payable within 3 - 4 years	2.584.949	1.977.778
Payable within 4 - 5 years	2.749.802	2.106.632
Payable within 5 years and longer term	15.120.549	15.478.673
Total	48.391.730	166.138.331

As of 31 December 2017, there are mortgages amounting to TL 18.811.785 on the bank loans. (31 December 2016: TL 17.541.686)

	31.12.2016	Monotory Transactions	Non-Monotory Transactions	31.12.2017
Financial liability	166.331.584	(103.584.751)	(14.192.459)	48.554.374
Total	166.331.584	(103.584.751)	(14.192.459)	48.554.374

8. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

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

Short Term Trade Receivables	31.12.2017	31.12.2016
Customers	181.789.996	241.464.719
Notes Receivables and Postdated Checks	3.727.089	250.000
Less: Unrealized Finance Income	(271.970)	(75.487)
Doubtful Trade Receivables (*)	3.832.786	5.534.835
Less:Dobtful Trade Receivables Provisions	(3.832.786)	(5.534.835)
Collaterals held by Employers	92.206.564	144.744.014
Sub Total	277.451.679	386.383.246
Recaivables from Related Parties (Note 30)	706.169	571.654
Total	278.157.848	386.954.900

As of 31.12.2017, the weighted avarage of interest rate % 13,39, %0,77 and %0,37 used to calculate unearned finance income for short-term trade receivables in terms of TL, US Dollars and Euro and avarage maturity of receivables is 2 months. (2016: TL: %8,49, US Dollars : % 0,42 , Euro :%0,21, 2 month).

As of 31 December 2017, trade receivables' amounting TL 3.832.786 (2016: 5.534.835 TL) is a provision for doubtful receivables.

Provision for doubtful receivables for trade receivables is determined based on past experience.

(*) The movement schedule of the Group for doubtful trade receivables is as follows:

	31.12.2017	31.12.2016
Beginning of the period	5.534.835	4.299.260
Provisions within the period	41.096	593.104
Less: Collected within the current period	(2.064.530)	(98.137)
Foregin currency exchange differences	321.385	740.608
End of the period	3.832.786	5.534.835

(**) Until the completion of the work defined in the construction contracts or until completion, in some cases the commercial receivables held by the customers for longer periods and not yet arriving " share receivables ".

The disclosures about the nature and level of risks for trade receivables are explained in detail in Note 31.

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8. TRADE RECEIVABLES/ PAYABLES (continued)

.**b) Trade Payables:**

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

Short Term Trade Payables	31.12.2017	31.12.2016
Suppliers	162.279.539	186.904.800
Notes Payable and Postdated Checks	27.519.927	30.477.475
Less: Unrealized Finance Expense	(434.606)	(150.125)
Expense Accruals	-	1.894.860
Financial Guarantees Given to the Subcontractor (*)	24.703.192	12.201.148
Sub Total	214.068.052	231.328.158
Trade Payables to Related Parties (Not 30)	1.372.081	2.834.377
Total	215.440.133	234.162.535

As of 31.12.2017, the weighted avarage of interest rates %13,39, %0,92 and %0,34 used to calculate unearned finance expense for short-term trade payables in terms of TL, US Dollars and Euro and weighted avarage maturity is 3 months. (31.12.2016: TL :% 8,5, US Dollars :%0,62, Euro:0,22% 3 months).

Long Term Trade Payables	31.12.2017	31.12.2016
Notes Receivables and Postdated Checks	-	2.777.655
Less: Unrealized Finance Income	-	(40.541)
Total	-	2.737.114

(*) Before or after the completion of the work defined in the construction contracts, in some cases the commercial debt that is held by the employer for a longer period and does not arrive yet,
share debts ".
Details of receivables from related parties and due to related parties are disclosed in Note 30.
The disclosures about the nature and level of risks in trade payables are explained in detail in Note 31.

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9. OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables	31.12.2017	31.12.2016
Deposits and Guarantees Given	7.536.060	6.535.385
Due From Personel	2.988	3.330
Doubtful Other Receivables	933.856	923.744
Less: Provision of Doubtful Other Receivables (*)	(933.856)	(923.744)
Other Receivables	382.998	375.268
Tax and Social Security Receivables	5.066.606	10.135.594
Sub Total	12.988.652	17.049.577
Other receivables from related parties (Not 30)	11.162.032	23.684.411
Total	24.150.684	40.733.988

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

	31.12.2017	31.12.2016
Beginning of the period	923.744	128.049
Provisions within the period	12.385	795.350
Less: Collected within the Period	(2.273)	(60)
Foreign Currency Exchage Differences	-	405
End of the period	933.856	923.744

Long-Term Other Receivables	31.12.2017	31.12.2016
Deposits and Guarantees Given	6.247	4.000
Total	6.247	4.000

Shorts-Term Other Payables	31.12.2017	31.12.2016
Deposits and Guarantees Received	15.217	-
Taxes and Charges	3.875.281	3.708.243
Other Payables	9.465	203.239
Restructed Debts of Public Sector	617.793	38.760
Sub Total	4.517.756	3.950.242
Other Payables to Related Parties (Not 30)	586.682	5.769.462
Total	5.104.438	9.719.704

Long-Term Other Payables	31.12.2017	31.12.2016
Restructed Debts of Public Sector	720.758	1.711.654
Total	720.758	1.711.654

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10. INVENTORIES

	31.12.2017	31.12.2016
Raw Materials and Equipments	235.709.532	227.242.961
Goods	16.875	17.585
Trade Goods	11.120	34.598
Provision for Inventories (-)	(371.625)	(371.625)
Total	235.365.902	226.923.519

Provision for Inventories Movement	31.12.2017	31.12.2016
Opening Balance	371.625	311.103
Additional During the Period (-)	-	60.522
Closing Balance	371.625	371.625

Inventory Impairment Breakdown	01.01.-31.12.2017	01.01.-31.12.2016
Raw Materials and Equipments	371.625	371.625
Total	371.625	371.625

The Group has no inventory pledged as collateral for loans used. (31.12.2016: None)

11. PREPAID EXPENSES AND DEFERRED REVENUES

Short-Term Prepaid Expenses	31.12.2017	31.12.2016
Advances Given for Inventories	9.665.903	18.981.964
Other Advances Given	19.469.653	18.285.448
Prepaid Expenses for the Fallowing Months	8.169.817	9.484.910
Total	37.305.373	46.752.322

Long-Term Prepaid Expenses	31.12.2017	31.12.2016
Expense for the Fallowing Years	2.422.428	1.362.286
Total	2.422.428	1.362.286

Short-Term Deferred Income	31.12.2017	31.12.2016
Advances Received	193.423.555	172.362.348
Short-term Deferred Income	1.347.271	182.512
Total	194.770.826	172.544.860

Long-Term Deferred Income	31.12.2017	31.12.2016
Income for the Fallowing Years	-	17.011
Total	-	17.011

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12. CONSTRUCTION CONTRACTS

	31.12.2017	31.12.2016
Assets regarding Construction Contracts In Progress	158.546.300	139.497.859
Total	158.546.300	139.497.859

Assets related to construction projects in progress are as follows:

	31.12.2017	31.12.2016
- Assets regarding Domestic Construction Contracts	3.961.251	3.429.155
- Unearned Assets regarding Domestic Construction Contracts (*)	1.452.445	17.125.635
- Unearned Assets regarding Overseas Construction Contracts (*)	153.132.604	118.943.069
Assets regarding Construction Contracts In Progress	158.546.300	139.497.859

	31.12.2017	31.12.2016
Liabilities Regarding Construction Contracts In Progress	44.530.946	60.716.501
Total	44.530.946	60.716.501

Liabilities related to construction projects in progress are as follows:

	31.12.2017	31.12.2016
- Over-invoiced Portion regarding Domestic Construction Contracts	561.346	2.803.683
- Over-invoiced Portion regarding Overseas Construction Contracts	43.969.600	57.912.818
	44.530.946	60.716.501

(*) There is reasonable assurance that the entity will fulfill the necessary conditions for the acquisition of assets that have not yet been acquired and the fair value of the consideration received has been reflected in the financial statements on an accrual basis.

Guarantees given and received for the projects described in Note 18.

As of 31 December 2017, short-and long-term advances has been received regarding the ongoing construction contracts is amounting to TL 193.423.555 (31 December 2016: TL 172.362.348) .

13. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD

Details of subsidiaries and associates partnerships according to equity method evaluation as of December 31, 2017 and December 31, 2016 are as follows:

	Participation Rate (%)	31.12.2017	Participation Rate (%)	31.12.2017
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	24,68	10.561.028	24,68	11.062.052
Energina Kompania Bonev	50,00	577.394	50,00	380.972
Anel Yapı Gayrimenkul A.Ş.	47,50	45.280.729	47,50	47.180.788
Total		56.419.151		58.623.812

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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13. INVESTMENTS ACCOUNTING UNDER EQUITY METHOD (continued)

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

	Participation Rate (%)	31.12.2017	Participation Rate (%)	31.12.2016
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş. (*)	24,68	10.561.028	24,68	11.062.052
Goodwill		16.466.160		16.466.160
Impairment on Goodwill (-)		(16.466.160)		(16.466.160)
Total		10.561.028		11.062.052

(*) As of 31 December 2017, the fair value of Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. shares which trading in İstanbul Stock Exchange (BİST) is calculated as amounting to TL 6.133.171according to best purchasing price TL 0,497 which is annaunced by BİST. (31.12.2016: TL 6.045.547)

Assets, liabilities, equity, revenue and profit and loss information investments according to equity method are listed below;

31.12.2017

	Assets Total	Payables Total	Equity of Parent	Revenue	Profit / (Loss)
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	46.962.994	4.171.147	42.791.847	29.541	(2.030.084)
Energina Kompania Bonev	11.752.201	10.597.413	1.154.788	1.822.792	207.183
Anel Yapı Gayrimenkul A.Ş.	219.177.527	123.849.678	95.327.849	18.232.018	(4.000.122)

31.12.2016

	Assets Total	Payables Total	Equity of Parent	Revenue	Profit / (Loss)
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	49.958.434	5.136.503	44.821.931	49.982	(1.584.847)
Energina Kompania Bonev	9.963.738	9.201.794	761.944	1.478.871	120.551
Anel Yapı Gayrimenkul A.Ş.	215.985.002	116.657.030	99.327.972	15.404.006	(527.826)

İştiraklerin ve iş ortaklıklarının dönem karlarından alınan payların detayı aşağıda yer almaktadır:

	Affiliates rate (%)	31.12.2017	Affiliates rate (%)	31.12.2016
Anel Telekomünikasyon Elekt. Sist. San. ve Tic. A.Ş.	24,68	(501.025)	24,68	(391.140)
Energina Kompania Bonev	50	103.592	50	60.276
Anel Yapı Gayrimenkul A.Ş.	47,5	(1.900.058)	47,5	(250.717)
		(2.297.491)		(581.581)

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14. INVESTMENT PROPERTY

						31.12.2017
The Fair Value	Opening Balance	Additions	Disposals	Transfers	Appreciation	Closing Balance
Lands and Buildings	2.280.000	-	-	-	190.000	2.470.000
Investment Properties	2.280.000	-	-	-	190.000	2.470.000

						31.12.2016
The Fair Value	Opening Balance	Additions	Disposals	Transfers	Appreciation	Closing Balance
Lands and Buildings	2.184.000	-	-	-	96.000	2.280.000
Investment Properties	2.184.000	-	-	-	96.000	2.280.000

The fair value of investment property amounting to Turkey at 31 December are as follows:

	31.12.2017		31.12.2016	
	Expertize Report Date	Fair Value	Expertize Report Date	Fair Value
Name of real estate				
3 Piece of field	29.01.2018	2.470.000	28.02.2017	2.280.000

TSKB Gayrimenkul Değerleme A.Ş., an independent appraisal company with CMB license, which does not have any relationship with the Group, has valued three of the Group's investment properties in Gaziantep.The Group management believes that the valuation company has up-to-date information about the class and location of the investment property with the relevant professional background.The Group earned TL 190.000 in revenue from investment properties in Gaziantep during the period (2016: TL 96.000). Rent income is recognized in income from investment activities.

According to the appraisal report dated January 29, 2018 organized by the valuation company, the value of the real estate was valued at TL 2.470.000. (December 31, 2016: TL 2.280.000) The value of the property is determined by the Market Approach method. (31 December 2016: Market approach)

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15. TANGIBLE ASSETS

31.12.2017

Cost Price	Lands	Lands Improvements	PlantsMachinery and Equipments	Vehicles	Fixtures	Leasehold İmprovements	Other Fixed Assets	Total
Opening Balance	1.345.516	241.041	40.449.992	2.711.700	18.205.259	377.532	217.322	63.548.361
Translation Difference	45.078	17.308	7.401.637	182.260	1.130.156	870	11.885	8.789.194
Additions	-	-	3.813.625	124.348	1.279.654	26.605	-	5.244.232
Disposals	-	-	(7.722)	-	(254.944)		-	(262.666)
Closing Balance	**1.390.594**	**258.349**	**51.657.532**	**3.018.308**	**20.360.125**	**405.007**	**229.207**	**77.319.121**

Accumulated depreciation	Lands	Lands Improvements	PlantsMachinery and Equipments	Vehicles	Fixtures	Leasehold İmprovements	Other Fixed Assets	Total
Opening Balance	-	(110.040)	(13.490.065)	(479.792)	(12.112.909)	(373.345)	(156.906)	(26.723.056)
Translation Difference	-	(7.918)	(1.723.966)	(31.074)	(707.866)	(870)	(7.375)	(2.479.069)
Charge for the period	-	(12.953)	(3.939.466)	(559.022)	(2.247.178)	(443)	(11.479)	(6.770.541)
Disposals	-	-	4.182	-	214.371	-		218.553
Closing Balance		**(130.911)**	**(19.149.315)**	**(1.069.888)**	**(14.853.582)**	**(374.658)**	**(175.760)**	**(35.754.113)**
Tangible fixed assets	1.390.594	127.438	32.508.217	1.948.420	5.506.542	30.349	53.447	41.565.008

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15. TANGIBLE ASSETS (continued)

								31.12.2016
Cost Value	Lands	Lands Improvements	PlantsMachinery and Equipments	Vehicles	Fixtures	Leasehold İmprovements	Other Fixed Assets	Total
Opening Balance	1.315.761	199.150	29.859.557	372.038	11.735.767	375.426	198.169	44.055.867
Translation Difference	29.755	41.891	6.014.101	36.661	1.725.805	2.106	5.951	7.856.270
Additions	-	-	4.592.561	2.453.742	5.063.807	-	16.974	12.127.084
Disposals	-	-	(16.227)	(150.741)	(320.120)	-	(3.772)	(490.860)
Closing Balance	**1.345.516**	**241.041**	**40.449.992**	**2.711.700**	**18.205.259**	**377.532**	**217.322**	**63.548.361**
Accumulated depreciation								
Opening Balance	-	(80.929)	(8.687.156)	(289.644)	(9.301.980)	(371.239)	(142.073)	(18.873.019)
Translation Difference	-	(17.026)	(1.634.295)	(33.517)	(1.411.597)	(2.106)	(3.517)	(3.102.058)
Charge for the period	-	(12.085)	(3.184.841)	(274.532)	(1.642.450)	-	(13.202)	(5.127.110)
Disposals	-	-	16.227	117.901	243.118	-	1.886	379.132
Closing Balance	**-**	**(110.040)**	**(13.490.065)**	**(479.792)**	**(12.112.909)**	**(373.345)**	**(156.906)**	**(26.723.055)**
Tangible asssets, net	1.345.516	131.001	26.959.928	2.231.909	6.092.350	4.187	60.416	36.825.306

Total depreciation expense for the current period is TL 6.770.541 (December 31, 2016: TL 5.127.110). This amount is TL 6.595.401 (31 December 2016: TL 5.027.611) which is part of the cost of goods sold (Note 22) and TL 175.140 (31 December 2016: TL 98.960) are included in general administrative expenses (Note 23) marketing expenses have not been paid (31 December 2016: TL 539).

As of 31.12.2017, there is insurance coverage of TL 178.893 and USD 28.233 on the tangible fixed assets.

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15. TANGIBLE ASSETS (continued)

Useful lives of tangible fixed assets are as follows:

	Useful Life	
Lands Improvements	3&14	Year
Buildings	50	Year
PlantsMachinery and Equipments	3&14	Year
Vehicles	5	Year
Fixtures	3&14	Year
Other Fixed Assets	5	Year
Leasehold İmprovements	5	Year

16. INTANGIBLE FIXED ASSETS

		31.12.2017
Cost Price	**Right**	**Total**
Opening Balance	5.132.186	5.132.186
Translation Difference	130.564	130.564
Additions	83.986	83.986
Closing Balance	5.346.736	5.346.736
Accumulated Amortizition and Impairment		
Opening Balance	(4.544.398)	(4.544.398)
Translation Difference	(93.842)	(93.842)
Charge for the period	(470.201)	(470.201)
Closing Balance	**(5.108.441)**	**(5.108.441)**
Fixed Assets,net	238.295	238.295

		31.12.2016
Cost Price	Right	Total
Opening Balance	4.973.061	4.973.061
Translation Difference	218.758	218.758
Additions	443.516	443.516
Disposals	(503.149)	(503.149)
Closing Balance	5.132.186	5.132.186
Accumulated Amortizition and Impairment		
Opening Balance	(3.895.164)	(3.895.164)
Translation Difference	(152.461)	(152.461)
Charge for the period	(909.476)	(909.476)
Disposals	412.703	412.703
Closing Balance	**(4.544.398)**	**(4.544.398)**
Fixed Assets,net	587.788	587.788

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16. INTANGIBLE FIXED ASSETS (continued)

The sum of the current period redemption is TL 470,201. (31 December 2016: TL 909.476). The amount of this amount TL 371,938 (31 December 2016:TL 522.124) is included in the cost of the sold goods (note 22), part of the TL 98.263 (31 December TL 387.352) amount included in the general administrative expenses (note 23).

Economic lives of intangible assets are as follows:

	Useful Life
Rights	3-14

17. LEASING OPERATIONS

Operating Leases

The Group as lessee

Leasing Contracts:

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

Payments accounted for as expenses	31.12.2017	31.12.2016
Minumum lease payments	15.897.347	11.578.364
Total	15.897.347	11.578.364

	31.12.2017	31.12.2016
in a one year	15.712.751	11.333.866
in a two year	142.508	173.283
in a three year	33.671	36.354
in a four year	8.418	27.888
in a five year	-	6.972
Total	15.897.348	11.578.363

18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31.12.2017	31.12.2016
Litigation provisions	3.401.156	1.209.862
Total	3.401.156	1.209.862

	31.12.2017	31.12.2016
Begining of period	1.209.862	3.590.990
Provision in period	2.195.766	379.825
Negative: canceled in period	(4.472)	(2.760.953)
End of period	3.401.156	1.209.862

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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent Liabilities

As of December 31, 2017, there are 48 lawsuits against the Group amounting to TL 3.783.818 and USD 323.693 (TL equivalent 1.220.941). (31.12.2016: 50 lawsuits TL 4.296.931 and USD 2.383.345 / equivalent TL 8.387.469) . Group has been made provision amounting TL 3.401.156 (31.12.2016: TL 1.209.862) regarding to this lawsuits.

Collaterals-Pledge-Mortgages-Bails

As of 31 December 2017 and 31 December 2016, the Group's colateral / pledge / mortgage position statements are as follows:

There are no guarantees obtained for undertaking projects of the Group. Other collaterals received are as follows

				31.12.2017
	US Dollars	**Euro**	**TL**	**TL Equivalent**
Letters of Guarantees Received	-	14.731	267.500	334.018
Guarenteed Bill Received	1.124.874	489.306	2.407.514	8.859.887
Guaranteed Cheques Received	-	12.400	1.919.036	1.975.028
Total	1.124.874	516.437	4.594.050	11.168.933

				31.12.2016
	US Dollars	**Euro**	**TL**	**TL Equivalent**
Letters of Guarantees Received	25.803	36.301	286.750	512.229
Guarenteed Bill Received	1.237.453	1.373.300	3.937.434	13.387.084
Guaranteed Cheques Received	63.360	84.340	3.084.766	3.620.636
Total	1.326.616	1.493.941	7.308.950	17.519.949

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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (continued)

								31.12.2017
	US Dollars	Euro	BGN	GBP	AED	QATARİ RİYAL	TL	Total TL
Related to Projects								
Letters of Guarantees Given	106.382.804	3.411.754	-	5.160.000	149.703.605	47.936.229	15.569.581	661.867.004
Guarenteed Bill Given	-	-	8.194.000	-	-	-	-	18.811.785
Other								
Letters of Guarantees Given	-	-	-	-	-	55.000	6.747.700	6.804.693
Total	106.382.804	3.411.754	8.194.000	5.160.000	149.703.605	47.991.229	22.317.281	687.483.482

							31.12.2016
	US Dollars	Euro	BGN	AED	QATARİ RİYAL	TL	Total TL
Related to Projects							
Letters of Guarantees Given	128.405.868	3.588.926	-	149.703.605	54.856.349	12.037.621	673.736.335
Guarenteed Bill Given	-	-	9.301.000	-	-	-	17.541.686
Other							
Letters of Guarantees Given	-	-	-	-	-	1.398.256	1.398.256
Total	128.405.868	3.588.926	9.301.000	149.703.605	54.856.349	13.435.877	692.676.277

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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (continued)

CPMB's given by the Group (Collaterals, Pledges, Mortgages, Bails)								
31.12.2017	**US Dollars**	**Euro**	**TL**	**GBP**	**AED**	**QATARİ RİYAL**	**BGN**	**TL Equivalent**
A) CPMB's given for Company's own legal personality	575.468	2.929.469	18.068.881	5.160.000	149.703.605	47.991.229	8.194.000	281.962.634
B) CPMB's given on behalf of fully consolidated companies	105.807.336	482.285	206.100	-	-			401.478.548
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	4.042.300	-	-	-		4.042.300
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-	-	-		-
E) Total amount of other CPMB's	-	-	-	-	-	-		-
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-	-	-		-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-		-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-		-
TOTAL	106.382.804	3.411.754	22.317.281	5.160.000	149.703.605	47.991.229	8.194.000	687.483.482

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

18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (continued)

CPMB's given by the Group (Collaterals, Pledges, Mortgages, Bails)							
31.12.2016	**US Dollars**	**Euro**	**TL**	**AED**	**QATARİ RİYAL**	**BGN**	**TL Equivalent**
A) CPMB's given for Company's own legal personality	17.547.662	3.330.314	13.292.877	149.703.605	54.856.349	9.301.000	301.441.656
B) CPMB's given on behalf of fully consolidated companies	110.858.206	258.612	143.000	-	-		391.234.621
C) CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-	
D) CPMB's given within the scope of Corporate Governance Communiqué's 12/2 clause	-	-	-	-	-	-	
E) Total amount of other CPMB's	-	-	-	-	-	-	
i) Total amount of CPMB's given on behalf of majotary shareholder	-	-	-	-	-	-	
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-	
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-	
TOTAL	128.405.868	3.588.926	13.435.877	149.703.605	54.856.349	9.301.000	692.676.277

Other groups of CPM is given by the Group's equity ratio as of 31.12.2017 is 0% (31.12.2016:%0).
The distribution of TRIKs by type as of 31 December 2017 and 31 December 2016 is shown below.

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18. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals-Pledge-Mortgages-Bails (continued)

31.12.2017

Colleterals,Pledges,Mortgages and Bails	Total TL Equivalent	US Dollars	Euro	AED	Qatari Riyal	GBP	BGN	TL
Colleterals	668.671.697	106.382.804	3.411.754	149.703.605	47.991.229	5.160.000	-	22.317.281
Mortgages	18.811.785	-	-	-	-	-	8.194.000	-
Total	687.483.482	106.382.804	3.411.754	149.703.605	47.991.229	5.160.000	8.194.000	22.317.281

31.12.2016

Colleterals,Pledges,Mortgages and Bails	Total TL Equivalent	US Dollars	Euro	AED	Qatari Riyal	BGN	TL
Colleterals	675.134.591	128.405.868	3.588.926	149.703.605	54.856.349	-	13.435.877
Mortgages	17.541.686	-	-	-	-	9.301.000	-
Total	692.676.277	128.405.868	3.588.926	149.703.605	54.856.349	9.301.000	13.435.877

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19. EMPLOYEE BENEFITS

Provisions for Short Term Employee Benefits	31.12.2017	31.12.2016
Unused Vacation Rights	8.423.865	7.162.004

	31.12.2017	31.12.2016
Begining of the period	7.162.004	4.655.701
Additional provision	7.367.987	6.397.698
Using in period	(6.570.925)	(4.749.144)
Foreign currency conversion adjustments	464.799	857.749
End of the period	8.423.865	7.162.004

Employee Benefits Liabilities	31.12.2017	31.12.2016
Due To Personnel	745.637	13.833.587
Social Security Withholdings Payable	538.678	522.558
Total	1.284.316	14.356.145

Provisions for Long Term Employee Benefits	31.12.2017	31.12.2016
Provisions for Employee Termination Benefits	16.647.294	12.048.608

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. TAS 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:

As at balance sheet date provisions calculated according to assumption % 7 expected salary increasing rate and % 12 discount rate and approximately % 4,64 real discount rate and retiring assumption as follows. (December 31, 2016: %3,79). The severence provisions for the employees that works Group's Qatar and United Arab Emirates branches are not subject to any discount due to local laws of these countries where the units are.

	31.12.2017	31.12.2016
Annual Discount Rate (%)	4,64	3,79
Probability of Retirement (%)	92,96	87,57

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, 2017 the accompanying financial statements provisions for the future probably obligation arising from the retirement of employees is calculated by estimating the present value.

Severance pay ceiling amounting to amounting to TL 4.732 (31.12.2016: TL 4.297) used on calculation of retirement pay provision with effect from 01 January 2017.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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19. EMPLOYEE BENEFITS (Continued)

The movement of provision for severance pay as follows:

	31.12.2017	31.12.2016
Provision as of 1 January	12.048.608	8.431.328
Service Cost	5.040.421	2.373.306
Interest Cost	45.744	28.143
Employee Termination Paid	(1.399.146)	(488.369)
Aktuarial Gain/Loss	133.138	127.237
Foreign Currency Exchage Differences	778.529	1.576.963
Provision as of 31 December	16.647.294	12.048.608

20.OTHER ASSETS AND LIABILITIES

Other Current Assets	31.12.2017	31.12.2016
Deferred VAT	4.975.094	2.671.454
Work Advance	998.675	166.013
Personel Advances	2.661.965	2.081.217
Other Current Assets	662.755	670.453
Total	9.298.489	5.589.137

21. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

a) Capital

The Company's issued share capital as at 31 December 2017 and 31 December 2016 dates are as follows:

	31.12.2017		31.12.2016	
Shareholders	Share Amount TL	Share Percentage (%)	Share Amount TL	Share Percentage (%)
Rıdvan Çelikel (**)	47.142.089	42,86	47.142.089	42,86
Avniye Mukaddes Çelikel	5.677.039	5,16	5.677.039	5,16
Mahir Kerem Çelikel (***)	1.526.758	1,39	1.526.758	1,39
Capital Strategy Funds Spc-The Opportunistic Series Segregateg Portfolio (****)	8.803.498	8,00	13.000.000	11,82
Other Real Persons (*****)	20.637	0,02	20.637	0,02
Other (*)	46.829.980	42,57	42.633.477	38,76
Paid-in Capital	110.000.000	100,00	110.000.000	100,00

(*) As at 31.12.2017, % 48,63 (31.12.2016: %48,66) of Company shares are being traded in ISE (Istanbul Stock Exchange) according to Central Registry Agency (CRA) report.

(**) Company shareholder Rıdvan Çelikel own amounting to TL 48.780.773 of Company shares and share rate is % 44,35, also this total amount includes the 1.638.684 pcs of publicly traded shares owned by Rıdvan Çelikel.

(***) The share of the company, Mahir Kerem Çelikel, with 473.100 shares (0.43%), which is owned by the public shares of the Company's capital, is TL 1.999.857 and the shareholding ratio is 1.82% . (31.12.2016: 400,000 shares)

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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21. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

a) Capital (continued)

(****) Capital Strategy Funds Spc-The Opportunistic Series 8,803,498 shares (8%) owned by Segregateg Portfolio are all publicly traded.

(*****) 24.425 shares (0.02%) which other real persons have on the Company's capital are publicly traded.

The Company is subject to authorized capital system and the equity ceiling is TL 200.000.000.The Company's issued share capitals' historical value is TL 110.000.000. (31.12.2016: TL 110.000.000) which is consisted of authorized and fully paid 22.188.841 pcs of A-group shares and 87.811.159 pcs of B-group shares shares and each having TL 1 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 are owned by Rıdvan Çelikel.

b) Premiums/ (Discounts) Related with Shares	31.12.2017	31.12.2016
Premiums/ (Discounts) Related with Shares	1.384.433	1.384.433
Total	1.384.433	1.384.433

c) Effect of Common Controlled Entities or Enterprises Mergers	31.12.2017	31.12.2016
Effect of Common Controlled Entities or Enterprises Mergers	(48.314.150)	(48.314.150)
Total	(48.314.150)	(48.314.150)

d) Revalution and Measurement Gain/ (Loss)	31.12.2017	31.12.2016
Financial Assets Revaluation Gain/(Loss)	(348.487)	(348.487)
Total	(348.487)	(348.487)

e) Foreign Currency Translation Differences	31.12.2017	31.12.2016
Forign Currency Translation Differences	90.181.741	78.827.166
Total	90.181.741	78.827.166

f) Defined Benefit Plans Revalution and Measurement Gain/ (Loss)	31.12.2017	31.12.2016
Defined Benefit Plans Revalution and Measurement Gain/ (Loss)	(963.373)	(857.483)
Total	(963.373)	(857.483)

g) Restricted Reserves	31.12.2017	31.12.2016
Restricted Reserves	11.982.429	10.389.397
Total	11.982.429	10.389.397

h) Retained Earnings	31.12.2017	31.12.2016
Retained Earnings	159.787.220	113.509.051
Total	159.787.220	113.509.051

ı) Non-controlling Shares	31.12.2017	31.12.2016
1st January Balance	(2.173.237)	13.968.436
Additions	-	(26.527.371)
Foreign Currency Translation Diffrences	16.330	(1.123.964)
Minority Share Profit/(Loss)	(284.947)	11.509.662
Total	(2.441.854)	(2.173.237)

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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21. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

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.

The partnerships distribute their profits within the framework of the profit distribution policies to be determined by the general assemblies and in accordance with the provisions of the related legislation by the decision of the general assembly. A minimum distribution ratio has not been determined within the scope of the said communiqué. Companies pay dividends in the manner specified in their articles of incorporation or profit distribution policies. In addition, dividends may be paid in installments of equal or different consistency, and cash dividend advances may be distributed over the profit in the interim period financial statements.

The Company has decided to allocate other reserves, distribute profits to the next year and distribute profit shares to the members of the board of directors, members of the partnership and persons outside the shareholders unless the profit share determined for the shareholders is reserved in the articles of association or in the profit distribution policy. as well as for the shareholders, the profit share can not be distributed to these persons unless the profit share is paid in cash.

Equity inflation adjustment differences and carrying values of extraordinary reserves can be used for bonus share capital increase, cash dividend distribution or loss deduction. However, equity inflation adjustment differences will be subject to corporation tax if used for cash profit distribution.

In our financial statements for the period 01.01.2016-31.12.2016, which is prepared within the framework of the Tax Procedure Law, a profit of TL 18.137.862,50 TL was obtained as a result of our activities in the year 2016.

Considering our dividend distribution policy, the profit of the period included in our financial statements for the period 01.01.2016-31.12.2016 prepared in the framework of the Tax Procedural Code of TL 11.967.800 which is calculated as 20% over the profit amount of TL 59.839.001, It has been decided at the General Assembly to be distributed to the shareholders as of 20/09/2017. (31.12.2016: TL 1.488.216).

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22. REVENUE / COST OF SALES

Sales Revenues (Net)	01.01.-31.12.2017	01.01.-31.12.2016
Domestic Sales	65.246.868	78.610.459
Export Sales	950.228.688	584.760.569
Other Revenues	576.248	3.567.366
Total Revenues	1.016.051.804	666.938.394
Sales Returns (-)	(294.547)	(4.782.507)
Sales Revenues (Net)	1.015.757.257	662.155.887
II- Cost of Goods Sold	(377.091)	(1.325.105)
III- Cost of Services Sold	(902.170.241)	(595.793.544)
IV- Cost of Other Sales	(1.029)	-
V- Depreciation Expenses	(6.595.401)	(5.027.611)
VI- Redemption Expenses	(371.938)	(522.124)
Cost of Sales (I+II+III+IV+V+VI)	(909.515.700)	(602.668.384)
GROSS PROFIT/LOSS	106.241.557	59.487.503

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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23. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	01.01-31.12.2017	**01.01-31.12.2016**
General Administrative Expenses	30.631.915	31.540.453
Marketing Expenses	-	714
Total	30.631.915	31.541.167

General Administrative Expenses	**01.01-31.12.2017**	**01.01-31.12.2016**
Department Share (*)	11.797.244	11.804.109
Employee Expenses	10.262.712	9.589.208
Counselling Expenses	1.242.501	910.988
Litigation and Execution Expenses	1.156.862	117.359
Non-deductible Expenses	1.037.895	2.196.533
Employee Termination Expenses	854.695	926.244
İnformation and Processing Expenses	722.972	893.248
Travel and Accomadaiton Expenses	697.843	715.170
Rent Expenses	646.682	686.895
Trademark and registration expenses	367.363	791.363
Insurance Expenses	219.972	89.494
Other Expenses	218.355	791.062
Depreciation Expenses	175.140	98.960
Vacation Provison Expenses	168.007	398.273
Food Expenses	152.848	152.618
Vehicle Rent Expenses	115.993	3.486
Cleaning Expenses	112.643	104.191
Redemption and exhaustion shares	98.263	387.352
Elelectric, water , heating expenses	97.864	97.748
Tax Fees	97.197	393.470
Communication expenses	71.899	140.084
Material Costs	57.403	25.823
Dues Expenses	47.327	7.563
Advertising Expenses	42.099	18.650
Vehicles Expenses	41.177	34.052
Bank Expenses	34.624	2.148
Maintenance and Repair expenses	29.678	49.591
Fowarding Expenses	22.077	28.678
Representation and Entertainment Expenses	21.122	38.440
Cargo expenses	14.737	11.197
Stationery Expenses	6.721	4.791
Subcontracted Labour Expenses	-	150
Transportation Expenses	-	28.567
Penalties	-	2.948
Total	30.631.915	31.540.453

(*) Within the scope of Anel Group; management and organization of financial affairs, finance, quality processes, information systems, corporate communication, internal audit, commercial affairs, procurement, planning and legal affairs and management of all these processes. and the expenses incurred are distributed to companies benefiting from the service as a share of contribution with a certain systematic.

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24. EXPENSES BY NATURE

Depreciation Expenses	01.01-31.12.2017	01.01-31.12.2016
Cost of Good Sold	6.595.401	5.027.611
General Administrative Expenses	175.140	98.960
Marketing Expenses	-	539
Total	6.770.541	5.127.110

Redemtion Expenses	01.01-31.12.2017	01.01-31.12.2016
Cost of Good Sold	371.938	522.124
General Administrative Expenses	98.263	387.352
Total	470.201	909.476

Personnel Expenses	01.01-31.12.2017	01.01-31.12.2016
Salary and Wages	264.594.780	180.032.556
Social Security Expenses	3.582.337	3.628.617
Severance Pay Expenses	4.941.933	2.409.254
Vacation Provision Expenses	1.261.861	2.506.303
Total	274.380.911	188.576.730

25. INCOME/EXPENSES FROM MAIN OPERATIONS

Other Income from Main Operations	01.01.-31.12.2017	01.01.-31.12.2016
Provisions No Longer Required	4.973.584	1.247.347
Exchange Differences Income Related to Main Operations	8.335.649	16.496.177
Interest Income from Related Parties	-	9.675.122
Tax Provisions Canceled	1.558.251	15.638.866
Advances Recognition As An Income	-	3.526.599
Return from the execution file	1.148.000	-
Other Income and Profits	1.646.328	924.324
Total	17.661.812	47.508.435

Other Expenses from Main Operations	01.01.-31.12.2017	01.01.-31.12.2016
Provision Expenses (-)	2.244.775	1.527.937
Exchange Differences Expenses Related to Main Operations	8.716.458	12.672.165
Accounts receivables As An Expense (*)	8.980.807	572.749
Other Expenses (-)	1.067.941	1.698.825
Total	21.009.981	16.471.676

(*) Receivable accounts that are abandoned.

26. INCOME / EXPENSES FROM INVESTMENT ACTIVITIES

Income from Investing Activities	01.01.-31.12.2017	01.01.-31.12.2016
Interest Income on Term Deposits	68.540	530.785
Investment Property Revaluation Gain (Not 14)	190.000	96.000
Ground rent	18.538	21.362
Fixed Assets Sales Revenue	43.146	770.372
Total	320.224	1.418.519

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26. INCOME / EXPENSES FROM INVESTMENT ACTIVITIES (continued)

Expenses from Investing Activities (-)	01.01.-31.12.2017	01.01.-31.12.2016
Fixed Assets Sales Loss (-)	30.440	50.918
Goodwill Ipairement Expenses(-)	-	11.101.944
Financial Investment Sales Loss (-)	-	7.344
Total	30.440	11.160.206

27. FINANCIAL INCOME / (EXPENSES)

Financing Income	01.01.-31.12.2017	01.01.-31.12.2016
Interest Income	4.126.888	12.760.213
Exchange Differences Income	18.714.834	284.636.826
Unearned İnterest İncome	5.367	3.352
Total	22.847.089	297.400.391

Financing Expenses (-)	01.01.-31.12.2017	01.01.-31.12.2016
Loan Interest Expenses (-)	11.247.739	24.460.238
Exchange Differences Expenses (-)	13.808.200	247.877.097
Unearned İnterest Expense (-)	9.587	366
Total	25.065.526	272.337.701
Financial income/expense,net	(2.218.437)	25.062.690

28. INCOME TAXES

Current Assets Related with Current Tax	31.12.2017	31.12.2016
Prepaid Taxes and Funds	1.973.952	2.731.792

Non-Current Assets Related with Current Tax	31.12.2017	31.12.2016
Prepaid Taxes and Funds	854.000	6.052.379

Income Tax Liabilities	31.12.2017	31.12.2016
Current Tax Liabilities	4.782.492	5.252.656
Less:Prepaid Taxes and Funds	(1.973.952)	(2.731.792)
Income Tax Liabilities	2.808.540	2.520.864

Tax Provision	31.12.2017	31.12.2016
Current Period Corporate Tax Provision (-)	(4.645.131)	(4.588.071)
Provision for Deffered Tax Expenses / (Icome)	6.377.610	2.214.217
Income Tax Liabilities	1.732.479	(2.373.854)
Other Comprehensive Not to be Reclassified to Profit or Loss	27.248	26.558
	1.759.727	(2.347.296)

Corporate Tax

The Group is subject to corporate tax valid in Turkey. Institutions have a 20% tax rate. The rate of corporation tax for the years 2018, 2019 and 2020 within the scope of the "Law on the Amendment of Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Official Gazette dated 5 December 2017 from 20% to 22%. Under the said law, deferred tax assets and liabilities are recognized in the consolidated financial statements as of 31 December 2017 at a rate of 22% for the portion of temporary differences that will have tax effect in the years 2018, 2019 and 2020, and for temporary differences at 2021 and for tax- 20 ratio. Provision is made in the accompanying financial statements for the estimated tax liabilities related to the Group's results for the current period. Turkish tax legislation does not permit a parent company, its subsidiaries, to file a tax return on its consolidated financial statements. For this reason, the tax liabilities reflected in the financial statements in this console are calculated separately for all companies included in the scope of consolidation. As at 31 December 2017 and 31 December 2016, the Group has respectively TL 76.414.897 and TL 50.856.658 unused tax losses to be offset against future profits. Unused tax losses could be usable within the dates stated below.

ANEL ELEKTRİK PROJE TAAHHÜT VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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28. INCOME TAXES (continued)

Corparate Tax (continued)

	31.12.2017	31.12.2016
Will be expired in 2017	-	129.546
Will be expired in 2018	48.358.878	48.358.878
Will be expired in 2020	18.566.216	463.910
Will be expired in 2021	1.904.324	1.904.324
Will be expired in 2022	7.455.933	-
Total	76.285.351	50.856.658

As below used tax loss:

	31.12.2017	31.12.2016
Will be expired in 2020	7.915.506	7.915.506
Will be expired in 2021	103.338.124	4.170.686
Total	111.253.630	12.086.192

As at 2017, effective corporate tax rate is 20%. (2016: %20).
As of 31 December 2017, provisional tax is payable at the rate of 20% (2016: 20%) on the income generated for the three-month periods according to tax legislation and the amounts paid in this manner are deducted from the tax calculated on the annual earnings. With the amendment made for the years 2018, 2019 and 2020, this rate is set at 22%.

Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayed is exempt from corporation tax. In addition, the participation in the assets of the institutions for at least two full years
75% of the profits arising from the sale of founders' shares, redeemed shares and preferential rights of real estate (immovables) in the same period as their shares are exempt from corporate tax as of December 31, 2017. However, with the amendment made by Law No. 7061, this ratio has been reduced from 75% to 50% in terms of immovables and this ratio will be used as 50% in tax declarations to be prepared from 2018.

There is no clear and definitive agreement on tax assessment procedures in Turkey. Companies prepare their tax declarations between 1-25 April of the year following the close of accounting period of the related year. The Tax Office will make these statements and the underlying accounting records within 5 years.

In Qatar, the tax rate is 10%. The losses can be carried forward for a maximum of 3 years to be deducted from the taxable profit to be incurred in the following years. In the United Arab Emirates, no tax is applied.

Current income tax liability movement table is as below:

	31.12.2017	31.12.2016
01 January	5.252.656	14.924.880
The Current Period Tax Expense	4.782.492	5.252.656
Taxes Paid	(5.252.656)	(14.924.880)
Current Profit Tax Liability	4.782.492	5.252.656

Income Tax Withholding

In addition to corporate taxes, in case of allocating get a dividend, and also on any dividends that dividends of corporate income to the statement that the resident corporations by including and excluding those distributed to Branches of foreign companies in Turkey, income tax withholding should be calculated. Income withholding tax was applied as 10% in all companies between April 24, 2003 and July 22, 2006.

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28. INCOME TAXES (continued)

Income Tax Withholding (continued)

	31.12.2017	31.12.2016
Profit Before Tax	68.035.329	73.722.517
The effective tax rate (% 20)	(13.607.066)	(14.744.503)
Foreign Branches and Subsidiary Impact on Tax Rate	13.038.742	12.462.667
Non-deductible expenses	(494.772)	(1.000.656)
Unused tax losses of the current period	969.699	365.613
Impact of Loss from Equity Method	(459.498)	(116.316)
Impact of Changable on Tax Rates	2.489.107	-
Conversion difference	(203.734)	659.341
Tax income / expense in current period	1.732.479	(2.373.854)

Deferred Tax

The Group recognizes deferred tax assets and deferred tax liabilities for temporary timing differences arising from the differences between the tax basis financial statements and the consolidated financial statements prepared in accordance with TFRS. Such differences usually arise from the fact that certain income and expense items are included in different periods in the financial statements as well as in the Consolidated Financial Statements

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28. INCOME TAXES (continued)

Deferred Tax (Continued)

	Cumulative Timing Difference		Deferred Tax Asset/ (Liability)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Deferred Tax Assets				
Provision for Doubtful Receivables	13.811.610	6.458.580	1.559.387	831.393
The Difference Between Book Value and Tax Assessment of Tangible and Intangible Fixed Assets	5.888.526	5.276.667	521.619	479.102
Provision of Severance Pay	8.624.500	6.771.638	835.224	694.387
Provision of Unused Annual Leave	3.411.021	3.314.716	318.038	344.617
Unearned Finance Income	262.721	58.978	49.319	11.795
Adjustments Regarding Using Percentage Complete Method on Projects	45.582.350	380.538.515	10.028.117	70.309.384
Provision for Inventory Impairment	371.625	371.625	81.758	74.325
Unused Prior Year's Losses	111.253.630	12.086.192	24.475.800	2.417.239
Lawsuit Provision Expense	3.401.156	1.033.051	748.254	206.610
Withdraw From Receivables	2.954.334	2.670.147	649.953	534.029
Other Adjustment	5.908.021	4.550.351	589.446	454.965
Total	201.469.494	423.130.460	39.856.915	76.357.846
Deferred Tax Liabilities				
Tangible and Intangible Fixed Assets and Investments Re-measurement Of Objectives and Reasonable Value Adjustment	(2.283.450)	(1.994.404)	(398.331)	(331.205)
Unearned Finance Expense	(348.652)	(182.718)	(34.816)	(16.885)
Adjustments Regarding Using Percentage Complete Method on Projects	(44.820.280)	(260.245.593)	(8.902.720)	(52.049.118)
Other Adjustment	(1.945.491)	(1.945.491)	(427.604)	(389.097)
Total	(49.397.873)	(264.368.206)	(9.763.471)	(52.786.305)
Deferred Tax Asset/ (Liability), net	152.071.621	158.762.254	30.093.444	23.571.541

	01.01.2017-31.12.2017	01.01.2017-31.12.2017
Beginning of Period	23.571.541	20.425.134
Debt / (Receivable) Record to Current Period Income Statement	6.377.610	2.214.217
Impact of Foreign Currency Exchange Differences	117.045	905.632
The Amounts deducted from Losses of Remeasurement Gains Of Defined Benefit Plans	27.248	26.558
End of Period	30.093.444	23.571.541

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29. EARNINGS PER SHARE

Earnings Per Share	01.01.-31.12.2017	01.01.-31.12.2016
Net Profit\(Loss) of the Parent Company	70.036.425	59.839.001
Weighted Average Number of Shares	110.000.000	110.000.000
Earning Per Share Profit\(Loss) from Ongoing Activities	0,64	0,54

30. RELATED PARTY DISCLOSURES

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

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

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

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

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30. RELATED PARTY DISCLOSURES (continued)

	31.12.2017			
	Receivables		Payables	
	Short Term		Short Term	
Balances with Related Parties	Trade	Other	Trade	Other
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	-	-	423.244	-
In liquidation Doğa Çevre Teknolojileri A.Ş.	399.622	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti. (*)	-	264.330	483.585	-
Köpük Turizm ve Yatçılık Ltd. Şti.	204.766	586.916	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (*)	91.346	5.909.249	-	-
EKB(Energinia Compania) (**)	-	2.634.146	-	-
Anel Holding A.Ş.	-	611.306	500.350	586.682
Anel Yapı Gayrimenkul A.Ş. (*)	10.570	1.156.085	960	-
Unearned interest income	(135)	-	(36.058)	
Total	706.169	11.162.032	1.372.081	586.682

(*) Non-commercial transactions with related parties (not related to the payment program) interest is accrued under the provisions of Year the average interest rate is 16,66%.

(**) Anel Electric Project contracting and Trading Co. A.Ş. is covered by the debt contract which is concluded between the EKB.

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30. RELATED PARTY DISCLOSURES (continued)

	31.12.2016			
	Receivables		Payables	
	Short Term		Short Term	
Balances with Related Parties	Trade	Other	Trade	Other
Anelsis Mühendislik Sanayi ve Ticaret A.Ş. (*)	-	6.508	-	2.158.754
In liquidation Doğa Çevre Teknolojileri A.Ş.	328.326	-	-	-
Anelnet Teknik Hizmetler Ltd. Şti.	-	217.188	519.178	887.023
Köpük Turizm ve Yatçılık Ltd. Şti.	204.766	299.371	-	-
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş. (*)	10	17.740.101	-	-
EKB(Energinia Compania)	-	2.217.425	-	-
Anel Holding A.Ş. (*)	-	1.403.016	1.719.233	-
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	11.430	201.200	-	-
Doğa Geri Dönüşüm San. Tic. Ltd. Şti.	8.688	-	-	-
Anel Kingdom of Suudi Arabia	-	1.136.143	-	-
Çelikel Vakfı	-	-	-	-
E Sistem Elektronik A.Ş.	18.434	99.782	401	-
Anel Yapı Gayrimenkul A.Ş.	-	363.677	617.975	2.723.685
Unearned Interest Income / Expense (-)	-	-	(22.410)	-
Total	571.654	23.684.411	2.856.787	5.769.462

(*) Interest is accrued under the provisions of V.U.K. regarding non-commercial transactions with related parties (not linked to the payment program). The average interest rate is 16,31% as of the second quarter.

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30. RELATED PARTY DISCLOSURES(continued)

Operations between related parties for the period 01.01.- 31.12.2017 and 01.01.- 31.12.2016 are as follows;

31.12.2017

Related Party Transactions	Stock Purchases	Merchandis Sales	Interest Income	Interest Expense	Service Sales	Service Purchase	Income from Purchase Of Tangible Assets	Fixed assets purchase	Exchange Difference Expense	Exchange Difference Income
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	3.196.684	-	7.100	18.680	1.109	14.808	-	-	55.875	-
Anelnet Teknik Hizmetler Ltd. Şti	163	-	47.610	146.042	84.781	353.243	-	1.930	9.859	1.993
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	-	16.591	3.763.135	-	124.067	422	-	6.030	-	1.031.274
Köpük Turizm ve Yatçılık Ltd. Şti.	-	-	69.272	-	-	-	-	-	-	-
EKB(Energinia Compania	-	-	183.793	-	-	-	-	-	-	-
Anel Holding A.Ş.	-	-	144.218	-	24.431	14.880.473	228	1.800	-	-
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	-	-	-	67.281	15.345	366.688	-	-	-	-
Anel Yapı Gayrimenkul A.Ş.	-	1.915	66.759	287.721	-	71.116	-	-	430.919	-
Anel Kingdom of Suudi Arabia	-	-	11.912	887	-	-	-	-	-	-
E Sistem Elektronik A.Ş.	-	-	5.327	-	20.208	-	-	-	-	-
Total	3.196.847	18.506	4.299.126	520.611	269.941	15.686.750	228	9.760	496.653	1.033.267

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30. RELATED PARTY DISCLOSURES(continued)

31.12.2016

Related Party Transactions	Stock Purchases	Merchand is Sales	Interest Income	Interest Expense	Rent Expense	Service Sales	Service Purchase	Equity Share Purchases	Income from Sales Of Assets	Exchange Difference Expense	Exchange Difference Income
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	4.878.026	11.800	6.905.453	-	-	100.521	208.664	63.748.990	6.176	97.812	9426
Anelnet Teknik Hizmetler Ltd. Şti.	-	-	31.515	256.752	-	83.872	307.213	-	-	46	436
Anel Doğa Entegre Geri Dönüşüm Endüstrisi A.Ş.	12.758	222.247	4.899.994	-	-	202	37	-	2.261	-	-
Çelikel Vakfı	-	-	-	-	-	-	-	-	-	-	-
Köpük Turizm ve Yatçılık Ltd. Şti.	-	-	24.368	-	-	-	-	-	-	-	-
EKB(Energinia Compania)	-	-	150.206	-	-	-	-	-	-	-	-
Krty Enerji Üretim ve Ticaret Ltd. Şti.	-	-	-	-	-			-	-	-	-
Anel Holding A.Ş.	-	-	378.824	-	-	31.499	11.291.164	-	-	-	-
Anel Telekomünikasyon Elk. Sist. San. ve Tic. A.Ş.	-	-	203.665	149.901	-	33.353	745.368	-	500.000	-	-
Anel Kingdom of Suudi Arabia	-	-	162.610		-	-	-	-	-	-	-
E Sistem Elektronik A.Ş.	-	-	2.571	10.447	-	18.811	-	-	-	-	-
Anel Yapı Gayrimenkul A.Ş.	-	-	47.439	323.296	48.260	119.763	-	-	-	-	-
Total	4.890.784	234.047	12.806.645	740.396	48.260	388.021	12.553.046	63.748.990	508.437	97.858	9.862

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30. RELATED PARTY DISCLOSURES (continued)

Related party transactions between 01.01.- 31.12.2017 and 01.01.- 31.12.2016 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.

Group's key management personnels are Board Chairman and Members and vice general manager. Benefits supplied to key management personnel as of 01.01.- 31.12.2017 and 01.01.-31.12.2016 as are as follows;

Benefits Provided by Top-Level Management	01.01-31.12.2017	01.01-31.12.2016
Employee Short Term Benefits	7.302.882	4.872.815
Total	7.302.882	4.872.815

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31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

a)Equity Risk Method

While the group is trying to ensure the continuity of its activities in capital Management, it aims to increase its profitability by using the balance of debt and equity in the most efficient way. The group's capital structure is the debts containing the footnote 8 credits, the cash and cash equivalents described in footnote 5, and the paid capital, capital correction differences, premiums on shares/discounts, revaluation measurement gains and Losses, foreign currency cycle differences, defined benefit plans gain re-measurement/ is comprised of resource pens including the past year profit/(losses), with restricted reserves, separated from profits.
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 31 December 2017 and 31 December 2016 are as follows:

	31.12.2017	31.12.2016
Total Debt	48.554.374	166.331.584
Less: Cash and Cash Equivalents	(56.097.860)	(31.689.004)
Net Debt	(7.543.486)	134.642.580
Total Equity	391.304.384	322.255.691
Liability/Equity Rate	(0,019)	0,418

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

b) Financial risk factors

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

b.1) Credit Risk

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

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

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

31.12.2017

	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 of exposure to credit risk at the end of the reporting (A+B+C+D+E) (1)	**706.169**	**277.451.679**	**11.162.032**	**12.994.899**	**55.807.850**	**158.546.300**
-Total receivables that have been secured with collateras other credit enhancements etc.	-	95.933.653	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	501.394	171.347.595	11.162.032	12.994.899	55.807.850	158.546.300
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	204.775	10.170.431	-	-	-	-
C. The amount of financial assets that are impaired. (3)	-	-	-	-	-	-
-Past due (Gross book value)	-	3.832.786	-	933.856	-	-
-The amount of impairment (-)	-	(3.832.786)		(933.856)	-	-
-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	-	-	-	-	-	-

*) The cash deposits of the projects are covered by the contract of each project.

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

31.12.2016

	Receivables				Cash and Cash Equivalents		
	Trade Receivables		Other Receivables				
Current Period	**Related Parties**	**3 th Parties**	**Related Parties**	**3 th Parties**	**Banks Deposits**	**Ongoing construction, contracting or service**	**Financial Investment**
The maximum amount of exposure to credit risk at the end of the reporting (A+B+C+D) (1)	**571.654**	**386.383.246**	**23.684.411**	**17.053.577**	**31.581.816**	**139.497.859**	**46.296**
-Total receivables that have been secured with collateras other credit enhancements etc.	-	144.994.014	-	-	-	-	-
A. Financial assets that are neither past due nor impaired the net book value (2)	562.580	231.244.172	23.684.411	17.053.577	31.581.816	139.497.859	46.296
B. The amount of financial assets that are past due as at the end of the reporting period but not impaired	9.074	10.145.060	-	-	-		-
C. The amount of financial assets that are impaired. (3)	-	-	-	-	-		-
-Past due (Gross book value)	-	5.534.865	-	923.744	-		-
-The amount of impairment (-)	-	(5.534.865)	-	(923.744)	-		-
-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.

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

b) Financial risk factors (continued)

b.2) Liquidity Risk Management

The main responsibility for liquidity risk management belongs to the Board of directors. The Board of Directors has established a suitable liquidity risk management for short, medium and long-term funding and liquidity requirements of group management. The group manages the risk of liquidity and the continued monitoring of actual cash flows on a regular basis and ensuring the continuation of adequate funds and borrowing reserves through the mapping of the financial assets and liabilities ' maturity.

The following table shows the maturity distribution of the group's non-derivative financial obligations. Non-derivative financial obligations are prepared based on the earliest dates required to be paid and not discounted. The interest to be paid over these obligations is included in the table below.

The tables on liquidity risk are listed below:

Current Period

Terms According to Agreements	Book Value	According to Contract Total Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)	Demand
Non Drivatives Financial Liabilities	**269.819.703**	**280.814.847**	**180.301.038**	**70.066.726**	**17.080.514**	**13.366.569**	**-**
Bank Loans	48.554.374	59.078.854	23.852.266	5.500.263	16.359.756	13.366.569	-
Trade Payables	215.440.133	215.910.797	151.344.334	64.566.463	-	-	-
Other Payables	5.825.196	5.825.196	5.104.438	-	720.758	-	-

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	**414.662.591**	**427.630.330**	**367.197.972**	**27.425.954**	**17.311.804**	**15.694.600**	**-**
Bank Loans	166.331.584	179.126.788	142.659.485	7.950.208	12.822.495	15.694.600	-
Trade Payables	236.899.649	237.072.184	214.818.783	19.475.746	2.777.655	-	-
Other Payables	11.431.358	11.431.358	9.719.704	-	1.711.654	-	-

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

b) Financial risk factors (continued)

b.3) Market Risk Management

Market risk is the risk of fluctuations in market prices due to the fact that a financial instrument is in good value or in future cash flows negatively affecting a business. These are the risk of foreign currency risk, interest rate risk and price change of financial instruments or commodity.

There is not any change on Group's measurement and management methods of exposure to market risk or exposure to risks in the current year compared to the previous year.

b.3.1) Foreign Exchange Risk Management

Foreign currency transactions expose the Group to foreign currency risk. These risks are monitored and limited by the analysis of foreign currency position.

The group's foreign currency denominated monetary and non-monetary assets and liabilities as of the date of the balance sheet are as follows:

CURRENCY POSITION TABLE							
31.12.2017							
	TL Eqıvalent	**US Dollars**	**Euro**	**GBP**	**AED**	**CHF**	**BGN**
1. Trade Receivables	30.124.921	7.597.502	325.081	-	-	-	-
2.Montetary Financial Assets	19.424.169	4.143.156	833.141	6.801	-	-	-
3. Other	13.084.424	1.741.547	1.442.915	-	-	-	-
4. Current Assets (1+2+3)	**62.633.514**	**13.482.205**	**2.601.137**	**6.801**	**-**	**-**	**-**
5. Total Assets (4)	**62.633.514**	**13.482.205**	**2.601.137**	**6.801**	**-**	**-**	**-**
6. Trade Payables	63.512.846	11.936.821	2.690.029	474.772	3.826.403	-	-
7. Financial Liabilities	8.357.927	-	1.447.251	-	-		794.000
8 Other Non Monetary Liabilities	21.860.433	3.862.704	1.602.500	-	-	14.167	
9. Short Term Liabilities (6+7+8)	**93.731.206**	**15.799.525**	**5.739.780**	**474.772**	**3.826.403**	**14.167**	**794.000**
10. Financial Liabilities	16.988.920	-	-	-	-		7.400.000
11. Long Term Liabilities (10)	**16.988.920**	**-**	**-**	**-**	**-**		**7.400.000**
12. Total Liabilities (9+11)	**110.720.126**	**15.799.525**	**5.739.780**	**474.772**	**3.826.403**	**14.167**	**8.194.000**
13. Net Foreign Currency Assets / (Liabities)(5-13)	**(48.086.612)**	**(2.317.320)**	**(3.138.643)**	**(467.971)**	**(3.826.403)**	**(14.167)**	**(8.194.000)**
14. Monetary Items Net Foreign Currency Assets / Liability Position	**(5.922.678)**	**4.143.156**	**(614.110)**	**6.801**	**(3.826.403)**	**(14.167)**	**(8.194.000)**

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31. FİNANSAL ARAÇLARDAN KAYNAKLANAN RİSKLERİN NİTELİĞİ VE DÜZEYİ (devamı)

b) Finansal Risk Faktörleri (devamı)

b.3.1) Kur Riski Yönetimi

CURRENCY POSITION TABLE						
31.12.2016						
	TL Eqivalent	US Dollars	Euro	GBP	AED	BGN
1. Trade Receivables	82.077.162	20.496.205	2.681.182	-	-	-
2.Montetary Financial Assets	603.468	57.392	106.660	1.342	-	-
3. Other	28.299.774	3.920.440	3.909.086	149	-	-
4. Current Assets (1+2+3)	**110.980.404**	**24.474.037**	**6.696.928**	**1.491**	**-**	**-**
5. Total Assets (4)	**110.980.404**	**24.474.037**	**6.696.928**	**1.491**	**-**	**-**
6. Trade Payables	65.661.198	11.387.789	6.680.750	32.908	686.887	-
7. Financial Liabilities	2.321.254	-	155.450	-	-	925.000
8. Other Non Monetary Liabilities	71.934.409	17.425.341	2.860.225	-	-	-
9. Short Term Liabilities (6+7+8)	**139.916.861**	**28.813.130**	**9.696.425**	**32.908**	**686.887**	**925.000**
10. Financial Liabilities	21.099.666	-	1.429.292	-	-	8.376.000
11. Long Term Liabilities	**21.099.666**	**-**	**1.429.292**	**-**	**-**	**8.376.000**
12. Total Liabilities (9+11)	**161.016.527**	**28.813.130**	**11.125.717**	**32.908**	**686.887**	**9.301.000**
13. Net Foreign Currency Assets / (Liabities)(5-13)	**(50.036.123)**	**(4.339.093)**	**(4.428.789)**	**(31.417)**	**(686.887)**	**(9.301.000)**
15. Monetary Items Net Foreign Currency Assets / Liability Position	**(22.817.452)**	**57.392**	**(1.478.082)**	**1.342**	**(686.887)**	**(9.301.000)**

The Group is exposed to foreign exchange risk arising primarily with respect to transactions denominated in US Dollars, Euro, GBP, AED and BGN.

The following table shows the group's US dollars, Euro, British pound, UAE dirham, Swiss franc, and Bulgarian lev rates to increase the 10% and decrease sensitivity. The ratio of 10% to senior executives is the rate used to report the risk of setup within the company, and the rate of management It represents the possible change in exchange rates.
Sensitivity analysis covers only monetary items in the open foreign currency at the end of the year and shows the effects of the 10% exchange rate at the end of the year. Positive value refers to the increase in profit/dice and other equity pens.

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31. 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				
31.12.2017				
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
	10% change in US Dollars against TL:			
1- U S Dollar net assets / liabilities	(874.070)	874.070	-	-
2- U S Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	**(874.070)**	**874.070**	-	-
	10% change in Euro against TL:			
4- Euro net assets / liabilities	(1.417.254)	1.417.254	-	-
5- Euro Hedged (-)	-	-	-	-
6- Euro Net Effect (4+5	**(1.417.254)**	**1.417.254**	-	-
	10% change in GBP against TL:			
7- GBP net assets / liabilities	(237.743)	237.743	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	**(237.743)**	**237.743**	-	-
	10% change in BAE Dirhem against TL:			
10- AED net assets / liabilities	(392.954)	392.954	-	-
11- AED Hedged(-)	-	-	-	-
12- AED Net Effect(10+11)	**(392.954)**	**392.954**	**-**	**-**
	10% change in CHF against TL:			
10- CHF net assets / liabilities	(5.461)	5.461	-	-
11- CHFHedged(-)	-	-	-	-
12- CHF Net Effect(10+11)	**(5.461)**	**5.461**	**-**	**-**
10% change in BGN against TL:				
13- BGN net assets / liabilities	(1.881.179)	1.881.179	-	-
14- BGN Hedged(-)	-	-	-	-
15- BGN Net Effect(10+11)	**(1.881.179)**	**1.881.179**	**-**	**-**
TOTAL(3+6+9+12)	**(4.808.661)**	**4.808.661**	**-**	**-**

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31. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)
b) Financial Risk Factors(continued)

b.3.1) Currency Risk Management

Exchange Rate Sensitivity Analysis Table				
31.12.2016				
	Profit/Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciates	Foreign currency appreciation	Foreign currency depreciates
	10% change in US Dollars against TL:			
1- U S Dollar net assets / liabilities	(1.527.014)	1.527.014	-	-
2- U S Dollar Hedged (-)	-	-	-	-
3- USD Dollar Net Effect (1+2)	**(1.527.014)**	**1.527.014**	-	-
	10% change in Euro against TL:			
4- Euro net assets / liabilities	(1.643.036)	1.643.036	-	-
5- Euro Hedged (-)	-	-	-	-
6- Euro Net Effect (4+5	**(1.643.036)**	**1.643.036**	**-**	**-**
	10% change in GBP against TL:			
7- GBP net assets / liabilities	(13.568)	13.568	-	-
8- GBP Hedged (-)	-	-	-	-
9- GBP Net Effect (7+8)	**(13.568)**	**13.568**	-	-
	10% change in BAE Dirhem against TL:			
10- AED net assets / liabilities	(65.825)	65.825	-	-
11- AED Hedged(-)	-	-	-	-
12- AED Net Effect(10+11)	**(65.825)**	**65.825**	**-**	**-**
	10% change in BGN against TL:			
13- BGN net assets / liabilities	(1.754.169)	1.754.169	-	-
14- BGN Hedged(-)	-	-	-	-
15- BGN Net Effect(10+11)	**(1.754.169)**	**1.754.169**	**-**	**-**
TOTAL(3+6+9+12)	**(5.003.611)**	**5.003.611**	**-**	**-**

Group does not hedge foreign exchange liabilities arising from the operations through the use of derivative financial instruments.

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31. 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

Changes in market interest rates lead to the fact that financial instruments are worth a fair value or fluctuations in future cash flows, the group's need to cope with the risk of interest rate. Risk prevention strategies are assessed regularly to comply with the interest rate expectation and the defined risk. Thus, the creation of the optimal risk prevention strategy, the review of the position of the balance sheet and the interest expenditures to be kept under the control of different interest rates is aimed.

All of the financial obligations of the Group consist of fixed interest loans. Therefore, there is no interest rate risk calculation for interest changes. (31 December 2016: Not available.)

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

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

31 Aralık 2017	Financial Assets Carried at Fair Value	Credits and Receivables (Cash and Cash Equivalents)	Available for sale Financial Assets	Other Financial Valued at Amortized Cost Value	Book Value	Note
Financial Assets						
Cash and Cash Equivalents	-	56.097.860	-	-	56.097.860	5
Trade Receivables	-	278.157.848	-	-	278.157.848	8,30
Finanial Liabilities						
Financial Liabilities	-	-	-	48.554.374	48.554.374	7
Trade Payables	-	-	-	215.440.133	215.440.133	8,30
Other Financial Liabilities	-	-	-	4.782.492	4.782.492	28
31 Aralık 2016						
Financial Assets						
Cash and Cash Equivalents	-	31.689.004	-	-	31.689.004	5
Trade Receivables	-	386.954.900	-	-	386.954.900	8,30
Financial Investments		-	46.296	-	46.296	6
Finanial Liabilities						
Financial Liabilities	-	-	-	166.331.584	166.331.584	7
Trade Payables	-	-	-	236.899.649	236.899.649	8,30
Other Financial Liabilities	-	-	-	5.252.656	5.252.656	28

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

Financial Instrument fair values determine as follows;

- First Level: Financial assets and liabilities are valued at the market prices traded on the active market for the same assets and liabilities..

- Second Level: Financial assets and liabilities may be found on the market as a direct or indirect price other than the market price of the relevant asset or liability at the first leve is valued from the entries used.

- Third Level: Financial assets and liabilities are valued from inputs that are not based on an observable data in the market used to find the value of the asset or obligation to be true.

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	31.12.2017	First Level (TL)	Second Level (TL)	Third Level (TL)
Real Estate for Investment	2.470.000	-	-	2.470.000
Total	2.470.000	-	-	2.470.000

		The level of the fair value at the reporting date		
Financial Assets	31.12.2016	First Level (TL)	Second Level (TL)	Third Level (TL)
Available for sale Financial Assets				
- Stocks	46.296	-	-	46.296
Real Estate for Investment	2.280.000			2.280.000
Total	2.326.296	-	-	2.326.296

33. EVENTS AFTER THE REPORTING PERIOD

31.12.2017

None