

# **ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş. AND SUBSIDIARIES**

**Consolidated Financial Statements And  
Limited Audit Report Regarding  
1 January – 30 June 2014 Interim Accounting Period**

**(Convenience translation of a report and financial statements  
originally issued in Turkish )**

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**

**Consolidated Financial Statements And  
Limited Audit Report Regarding  
1 January – 30 June 2014 Interim Accounting Period**

**To The Board of Directors of  
ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**

**Introduction**

We have limited audit of the accompanying consolidated financial statements of Odaş Elektrik Üretim Sanayi Ticaret Anonim Şirketi (The Company), its subsidiaries (together "the Group") as of June 30, 2014 including consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flow for the year ended and a summary of significant accounting policies and explanatory notes. The Company's management is responsible of the preparation and presentation of the interim financial information in accordance with Turkey Accounting Standard 34 "Interim Financial Reporting" Standard (IAS 34). Our responsibility is to declare a conclusion about the interim financial information based on our limited audit.

**The Scope of the Limited Audit**

Our limited audit, was carried out in accordance with Limited Independent Auditing Standards (the "SBDS") 2410 "Interim Financial Information, Business of the Annual Financial Statements by Independent Auditors \ Audit Execute". The limited audit of interim financial information occurs by particular persons responsible for financial and accounting matters, including the questioning of the person concerned and the other with limited analytical procedures for the implementation of audit procedures. Limited scope of the audit interim financial information; In accordance with the Independent Auditing Standards and the objective is to express an opinion on these financial statements compared to the scope of the independent audit is significantly narrower. As a result of interim financial information limited supervision, inspection company, identified in an audit of all significant matters that may not provide an assurance about what might get to grips with. For this reason, we do not express an audit opinion.

**Result**

According to our limited audit, not any issues were found that cause to reach a conclusion that Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and its subsidiaries did not prepare its financial position, financial performance as of June 30, 2014 and cash flows based on six-month period ended in the same date according to the IAS 34, "Interim Financial Reporting" Standard.

  
Osman Tuğrul ÖZSÜT  
Partner, Head of Auditors

August 14, 2014



# ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Statements and Disclosures as of January 1, 2014 and June 30, 2014

## CONTENTS

## PAGES

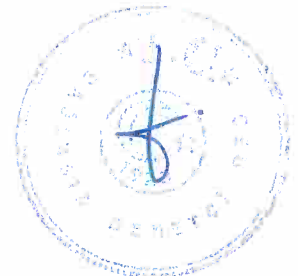
Consolidated Statement of Financial Position .....	1-2
Consolidated Profit or Loss and Other Comprehensive Income Statement.....	3
Consolidated Statement of Changes in Equity.....	4
Consolidated Statement of Cash Flow.....	5
1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY .....	6
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	10
3. BUSINESS COMBINATIONS .....	23
4. JOINT VENTURES .....	26
5. SEGMENT REPORTING .....	26
6. RELATED PARTIES .....	26
7. TRADE RECEIVABLES AND PAYABLES .....	29
8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR .....	30
9. OTHER RECEIVABLES AND PAYABLES .....	30
10. INVENTORIES .....	31
11. BIOLOGICAL ASSETS .....	31
12. PRE-PAID EXPENSES VE DEFERRED INCOME .....	32
13. INVESTMENT PROPERTY .....	32
14. TANGIBLE FIXED ASSETS .....	32
15. DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS .....	34
16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS .....	34
17. INTANGIBLE FIXED ASSETS .....	34
18. GOODWILL .....	36
19. EVALUATING AND RESEARCHING OF MINE RESOURCES .....	38
20. LEASING OPEATIONS .....	39
21. SERVICE CONCESSION ARRANGEMENTS .....	39
22. IMPAIRMENT OF ASSETS .....	39
23. GOVERNMENT INCENTIVES .....	39
24. BORROWING COSTS .....	39
25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	39
26. COMMITMENTS .....	42
27. EMPLOYEES BENEFIT OBLIGATIONS .....	42
28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS .....	43
29. OTHER ASSETS AND LIABILITIES .....	46
30. EQUITY, RESERVES AND OTHER EQUITIES .....	47
31. REVENUE AND COST OF GOODS SOLD .....	50
32. CONSTRUCTION CONTRACTS .....	53
33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES .....	53
34. OTHER OPERATIONAL INCOME AND EXPENSE .....	54
35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES .....	54
36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES .....	55
37. FINANCIAL EXPENSE AND INCOME .....	55
38. ANALYSIS OF OTHER COMPREHENSIVE INCOME .....	56
39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	56
40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) .....	56
41. EARNING PER SHARE .....	59
42. SHARE-BASED PAYMENT .....	59
43. INSURANCE CONTRACTS .....	59
44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE .....	59
45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES .....	59
46. DERIVATIVE INSTRUMENTS .....	60
47. FINANCIAL INSTRUMENTS .....	60
48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES .....	63
49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION) .....	65
50. SUBSEQUENT EVENTS .....	65
51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS .....	65
52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS .....	65
53. EXPLANATION TO CASH FLOW STATEMENT .....	66
54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE .....	68
55. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA) .....	68



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**LIMITED AUDITED AS OF JUNE 30,2014**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (TRY)**  
(Currency is TRY unless otherwise is indicated.)

		<b>Current Period Limited Audited Consolidated</b>	<b>Prior Period Audited Consolidated</b>
<b>ASSETS</b>	<b>Notes</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
<b>Current Assets</b>			
Cash and cash equivalents	53	25.230.556	52.404.670
Trade receivables	6-7	40.114.932	33.238.324
<i>Trade receivables from third parties</i>	7	40.114.932	33.238.324
Other receivables	6-9	6.343.015	9.785.335
<i>Due from related parties</i>	6	5.278.646	8.370.563
<i>Due from third parties</i>	9	1.064.369	1.414.772
Inventories	10	198.893	188.471
Prepaid expenses	12	20.616.856	19.659.892
Assets Related to Current Term Tax	25	66.016	-
Other current assets	29	35.246.930	33.429.816
<b>TOTAL CURRENT ASSETS</b>		<b>127.817.198</b>	<b>148.706.508</b>
<b>Non-current Assets</b>			
Other receivables	9	147.125	-
<i>Other receivables from third parties</i>	9	147.125	-
Tangible fixed assets	14	176.620.227	166.227.036
Intangible fixed assets	17	290.916.577	290.366.101
<i>Other intangible fixed assets</i>	17-18	290.916.577	290.366.101
Prepaid expenses	12	1.495.551	3.949.840
Deferred tax assets	40	138.413	63.461
Other non-current assets	29	57.114.400	3.357.780
<b>TOTAL NON-CURRENT ASSETS</b>		<b>526.432.293</b>	<b>463.964.218</b>
<b>TOTAL ASSETS</b>		<b>654.249.491</b>	<b>612.670.726</b>

The accompanying notes are an integral part of these consolidated financial statements.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**LIMITED AUDITED AS OF JUNE 30,2014**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (TRY)**  
(Currency is TRY unless otherwise is indicated.)

		Current Period Limited Audited Consolidated	Prior Period Audited Consolidated
LIABILITIES	Notes	June 30, 2014	December 31, 2013
<b>Short Term Liabilities</b>			
Short term loans	47	33.506.229	-
Short term finance lease liabilities	47	1.014.842	11.943.029
Short-term Parts of Long Term Loans	47	42.728.452	33.284.811
Other financial liabilities	47	5.970	58.759
Trade payables	6-7	51.747.643	37.320.172
<i>Due to related parties</i>	6	3.669	-
<i>Trade payables to third parties</i>	7	51.743.974	37.320.172
Employee benefit obligations	27	369.786	121.929
Other payables	6-9	3.306.586	5.590.024
<i>Due to related parties</i>	6	531.397	3.275.120
<i>Other trade payables to third parties</i>	9	2.775.189	2.134.904
Deferred income	12	540.359	16.947.983
Other short term liabilities	29	10.517.726	25.599.952
<b>TOTAL SHORT TERM LIABILITIES</b>		<b>143.737.593</b>	<b>130.866.659</b>
Long term liabilities	47	148.438.990	67.343.604
Long term finance lease Liabilities	47	4.779.977	55.539.942
Long term provisions	27	302.068	251.383
<i>Long term provisions for employee benefits</i>	27	302.068	251.383
Deferred tax liabilities	40	65.134.384	64.004.240
<b>TOTAL LONG TERM LIABILITIES</b>		<b>218.655.419</b>	<b>187.139.169</b>
<b>EQUITY</b>			
<b>Equity of Parent Company</b>		<b>267.740.000</b>	<b>270.730.259</b>
Paid-in share capital	30	42.000.000	42.000.000
Share premiums/discounts	30	48.000.000	48.000.000
Not to be reclassification of profit or loss accumulated other comprehensive income or expenses	30	(26.405.410)	(26.405.410)
<i>Effects of combination of entities or businesses under common control</i>	30	(26.405.410)	(26.405.410)
Reclassification of profit or loss accumulated other comprehensive income or expenses	30	(63.691)	(105.555)
<i>Other Gains/Losses</i>	30	(63.691)	(105.555)
Retained earnings/losses	30	207.241.224	14.428.699
Net profit/loss for the period	41	(3.032.123)	192.812.525
<b>Non-controlling Shares</b>	30	24.116.479	23.934.637
<b>TOTAL EQUITY</b>		<b>291.856.479</b>	<b>294.664.896</b>
<b>TOTAL LIABILITIES</b>		<b>654.249.491</b>	<b>612.670.726</b>

(The accompanying notes are an integral part of financial statements)



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**

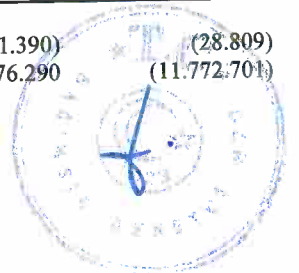
**LIMITED AUDITED AS OF JUNE 30,2014**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTH. COMP. INCOME (TRY)**

(Currency is TRY unless otherwise is indicated.)

		Current Period Limited Reviewed Consolidated Jan 01 – June 30, 2014	Current Period Limited Reviewed Consolidated Jan 01 – June 30, 2013	Current Period Limited Reviewed Consolidated April 01 – June 30, 2014	Current Period Limited Reviewed Consolidated April 01 – June 30, 2013
<b>STATEMENT OF PROFIT/LOSS</b>	<b>Notes</b>				
Revenue	31	268.350.267	252.868.361	131.770.141	148.357.182
Cost of sales (-)	31	(255.846.128)	(233.232.887)	(121.613.831)	(137.208.091)
Gross profit/loss from commercial activities		12.504.139	19.635.474	10.156.310	11.149.091
<b>GROSS PROFIT/LOSS</b>		<b>12.504.139</b>	<b>19.635.474</b>	<b>10.156.310</b>	<b>11.149.091</b>
General administrative expenses (-)	33	(3.389.930)	(1.811.107)	(1.672.426)	(857.313)
Marketing expenses(-)	33	(742.960)	(635.493)	(385.658)	(434.197)
Other operating income	34	3.667.815	731.876	1.633.545	(1.271.687)
Other operating expenses (-)	34	(8.003.403)	(6.408.856)	(6.010.920)	(5.012.912)
<b>OPERATING PROFIT/LOSS</b>		<b>4.035.661</b>	<b>11.511.893</b>	<b>3.720.851</b>	<b>3.572.980</b>
Gain from investing activities	35	-	8.202	-	8.202
<b>FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS</b>		<b>4.035.661</b>	<b>11.520.095</b>	<b>3.720.851</b>	<b>3.581.182</b>
Financial income	37	12.132.855	6.842.824	6.183.563	2.441.305
Financial expenses (-)	37	(18.234.072)	(23.266.088)	(3.503.631)	(17.595.059)
<b>PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX</b>		<b>(2.065.556)</b>	<b>(4.903.170)</b>	<b>6.400.783</b>	<b>(11.572.572)</b>
<b>Ongoing Operations Tax Loss/Income</b>		<b>(1.044.725)</b>	<b>(1.687.607)</b>	<b>(702.240)</b>	<b>(203.959)</b>
Current Tax Income/Loss	40	-	(719.900)	-	(397.670)
Deferred Tax Income/Loss	40	(1.044.725)	(967.707)	(702.240)	193.712
<b>PROFIT/LOSS FROM ONGOING OPERATIONS</b>		<b>(3.110.281)</b>	<b>(6.590.777)</b>	<b>5.698.543</b>	<b>(11.776.531)</b>
<b>PROFIT/LOSS FOR DISCONTINUED OPERATIONS</b>					
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>(3.110.281)</b>	<b>(6.590.777)</b>	<b>5.698.543</b>	<b>(11.776.531)</b>
<b>Profit/loss distribution for the period</b>					
Non-controlling Shares	30	(78.158)	(16.089)	(132.414)	(28.748)
Parent Company Shares	30	(3.032.123)	(6.574.688)	5.830.957	(11.747.782)
<b>Earnings Per Share</b>					
Earnings per share from continuing operations	41	(0,072193)	(0,177694)	0,138832	(0,329167)
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Not to be reclassified to profit or loss</b>	<b>38</b>	<b>41.864</b>	<b>(51.237)</b>	<b>46.357</b>	<b>(24.980)</b>
Actuarial losses and earnings calculated under		52.330	(64.047)	57.946	(31.225)
Employee Benefit	38				
Tax Effect	38	(10.466)	12.809	(11.589)	6.245
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(3.068.417)</b>	<b>(6.642.014)</b>	<b>5.744.900</b>	<b>(11.801.510)</b>
<b>DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME</b>					
Non-controlling Shares		(77.106)	(16.214)	(131.390)	(28.809)
Parent Company Shares		(2.991.311)	(6.625.800)	5.876.290	(11.772.701)

(The accompanying notes are an integral part of financial statements)

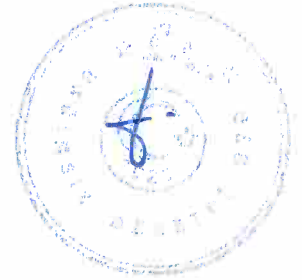




**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**LIMITED AUDITED AS OF JUNE 30,2014**  
**CONSOLIDATED STATEMENT OF EQUITY (TRY)**  
(Currency is TRY unless otherwise is indicated.)

	Paid-in Share Capital	Share Premiums	Not to be Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses	Minority Interest	Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses	Accumulated Income/Loss	Retained Earnings Net Income/Loss for the Period	Shareholder's Equity
<b>Balance at January 1, 2013</b>	<b>30.000.000</b>	<b>-</b>	<b>(64.917)</b>	<b>4.049</b>	<b>-</b>	<b>(1.075.762)</b>	<b>15.504.460</b>	<b>44.367.830</b>
Other comprehensive income/expense	-	-	(66.243)	-	-	-	-	(66.243)
Minority Interest	-	-	-	661.078	-	-	-	661.078
Transfers	-	-	-	-	-	15.504.460	(15.504.460)	-
Capital Increase	12.000.000	48.000.000	-	-	-	-	-	60.000.000
Net income for the period	-	-	-	-	-	-	(6.574.688)	(6.574.688)
<b>Balance at June 30, 2013</b>	<b>42.000.000</b>	<b>48.000.000</b>	<b>(131.160)</b>	<b>665.127</b>	<b>-</b>	<b>14.428.698</b>	<b>(6.574.688)</b>	<b>98.387.977</b>
<b>Balance at January 1, 2014</b>	<b>42.000.000</b>	<b>48.000.000</b>	<b>(105.555)</b>	<b>23.934.637</b>	<b>(26.405.410)</b>	<b>14.428.699</b>	<b>192.812.525</b>	<b>294.664.896</b>
Other comprehensive income/expense	-	-	41.864	-	-	-	-	41.864
Minority Interest	-	-	-	181.842	-	-	-	181.842
Transfers	-	-	-	-	-	198.812.525	(192.812.525)	-
Net income for the period	-	-	-	-	-	-	(3.032.123)	(3.032.123)
<b>Balance at June 30, 2014</b>	<b>42.000.000</b>	<b>48.000.000</b>	<b>(63.691)</b>	<b>24.116.479</b>	<b>(26.405.410)</b>	<b>207.241.224</b>	<b>(3.032.123)</b>	<b>291.856.479</b>

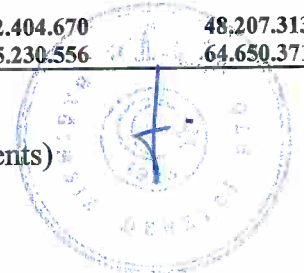
The accompanying notes are an integral part of these consolidated financial statements.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**LIMITED AUDITED AS OF JUNE 30,2014**  
**CONSOLIDATED STATEMENT OF CASH FLOW (TRY)**  
(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period
	Notes	01.01-30.06.2014	01.01-30.06.2013
<b>A. CASH FLOWS FROM OPEARING ACTIVITIES</b>		<b>(76.135.055)</b>	<b>(15.761.080)</b>
Profit/Loss For The Period		(3.032.123)	(6.574.689)
Adjustments To Reconcile Net Profit/Loss For The Period		(7.167.289)	(13.421.727)
-Adjustments related to amortization and depreciation expenses	10-31-33-34	2.399.707	1.776.937
-Adjustments related to provisions		(103.337)	1.100.654
Provision for termination indemnities	27	(47.137)	67.371
Provision for tax liabilities	40	-	719.900
Provision for vacation pay	27	97.822	19.658
Provision for doubtful receivables	7	-	109.207
Rediscounts		(154.023)	184.518
-Adjustments related to interest income and expenses		(100.700.692)	(17.925.590)
Accrued income	29	(21.218.418)	(17.925.590)
Accrued expense (Interest and Other)	29	10.517.726	
-Adjustments related to tax expense/income	40	1.055.192	956.992
-Adjustments related to loss/gain from disposal of the fixed assets	35	-	8.202
-Other adjustments related to reconciliations of profit/loss		181.842	661.078
Minority Interest	30	181.842	661.078
<b>Changes In Business Capital</b>		<b>(65.977.507)</b>	<b>4.286.573</b>
-Adjustments related to inventories increase/decrease	10	(10.422)	56.417
-Adjustments related to trade receivables increase/decrease	7	(6.685.036)	(25.620.883)
-Adjustments related to receivables from financial sector operations		(32.633.129)	16.334.678
increase/decrease			
Changes in other receivables	9	1.788.203	(804.069)
Changes in other assets	29	(34.421.332)	17.138.746
-Adjustments related to trade payables increase/decrease		14.466.276	5.996.532
Changes in trade payables	7	14.466.276	5.976.873
Changes in payable provisions		-	19.659
-Adjustments related to payables from financial sector operations		892.381	(8.273.690)
increase/decrease			
Changes in prepaid expenses	12	1.497.325	(7.018.468)
Changes in employee benefit provisions	27	247.857	194.542
Changes in other payables	9	(852.801)	(1.449.764)
-Adjustments related to other increase/decrease in business capital		(42.007.578)	15.793.520
Period income tax and liabilities	25-40	-	(1.191.720)
Changes in deferred income	12	(16.407.626)	3.424.059
Changes in other liabilities	29	(25.599.952)	13.561.180
<b>Cash Flows from activities</b>		<b>(76.176.919)</b>	<b>(15.709.843)</b>
Actuarial gain/loss	30	41.864	(51.237)
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(13.343.374)</b>	<b>(19.717.615)</b>
Cash outflows from purchases of other obtaining of the control of subsidaires	3	-	(96.256)
Tangible Assets purchase and sales, Net	14	(12.756.558)	(19.446.163)
Intangible Assets purchase and sales, Net	17	(586.815)	(175.196)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>62.304.315</b>	<b>51.921.753</b>
Cash inflows from exported instruments based on share and other equity	30	-	60.000.000
Cash inflows and outflows from borrowing	37	123.992.467	(11.592.855)
Cash outflows related in debt payments of financial leasing contracts	37	(61.688.152)	3.514.608
<b>BEFORE THE EFFECT OF THE FOREIGN CURRENCY CONVERSION, DIFFERENCES IN CASH AND CASH EQUIVALENTS NET INCREASES/DECREASES</b>		<b>(27.174.114)</b>	<b>16.443.058</b>
<b>D. THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>			
<b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE</b>		<b>(27.174.114)</b>	<b>16.443.058</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>52.404.670</b>	<b>48.207.313</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>25.230.556</b>	<b>64.650.371</b>

(The accompanying notes are an integral part of financial statements)





**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. (“Odaş” or “The Company”) operates as producing electricity by natural gas combined cycling. Company has been established in Istanbul in September 28, 2010.

The Company has business vie establishing production plant, setting plants into operation, lease, producing electricity energy, selling produced electricity and/or created capacity to clients.

The company has got the producing license from Energy Market Regulatory Authority (EMRA) at July 14, 2011.

According to this license company will produce electricity from the power plant that will be established in Şanlıurfa for 49 years. The production plants’ planned installed capacity is 150 Mw. At October 28, 2011 first phase of the plant which has 56 Mw capacities has been settled into operation. On April 30, 2012 the second phase of the plant which is 56 Mw has settled into operation. Also company has started steam turbine investment in year 2012. Steam turbine was completed and settled into operation on the year 2013.

As of December June 30, 2014 and December 31, 2013 group’s capital and share percentages are given below;

Shareholder	30.06.2014		31.12.2013	
	Amount	Rate	Amount	Rate
Korkut Özal	7.500.000	17,86%	12.000.000	28,57%
A. Bahattin Özal	7.500.000	17,86%	9.000.000	21,43%
Burak Altay	7.500.000	17,86%	9.000.000	21,43%
BB Enerji Yatırım San. ve Tic. A.Ş.	7.500.000	17,86%	-	-
Public Shares (*)	12.000.000	28,57%	12.000.000	28,57%
<b>Total Capital</b>	<b>42.000.000</b>	<b>100%</b>	<b>42.000.000</b>	<b>100%</b>

As of June 30, 2014 in company’s structure there are 74 average personnel employed (December 31, 2013: 65).

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. is registered in Trade Registry and its registered address is below:

Fatih Sultan Mehmet Mh.Poligon Cd.Buyaka 2 Sitesi No: 8B 2.Kule Kat : 17  
Tepeüstü, Ümraniye/ İstanbul.

**Subsidiaries**

**Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. :**

The company bought at the rate of %100 share of Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. on September 28, 2012, and Voytron Elektrik is included in consolidation.

Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. (“Voytron Elektrik” or “Company”) is established at the date of September 17, 2009 in address given below and registered. Voytron Elektrik operate in selling produced electricity and/or created capacity to directly consumers in accordance with electricity market regulator.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)**

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Voytron Elektrik, had the 20 year duration license of wholesale taken from Energy Market Regulatory Authority (EMRA) as at March 11, 2010.

Shareholder structure of Voytron Elektrik Toptan Satış Dış Ticaret A.Ş. is as below:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

**Hidro Enerji Elektrik Üretim Sanayi A.Ş. :**

The company bought at the rate of %100 share of Hidro Enerji Elektrik Üretim Sanayi A.Ş. on November 27, 2012, and Hidro Enerji is included in consolidation.

Hidro Enerji Elektrik Üretim Sanayi A.Ş. (Hidro Enerji) is established on the date of April 5, 2005. Hidro Enerji engages in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Hidro Enerji, had 49 year duration production license taken from Energy Market Regulatory Authority (EMRA) as at September 20, 2012. The license is given for Volkan Hydro Electric Power Plant which will be build in Trabzon. Total power of the plant is 1.913 MWm / 1.857 MWe.

Shareholder structure of Hidro Enerji Elektrik Üretim Sanayi A.Ş. is as below:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%	100%

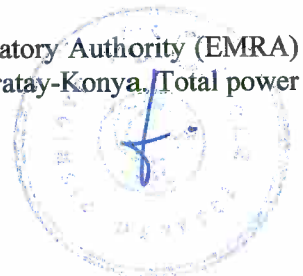
**Ağrı Elektrik Üretim Sanayi A.Ş. :**

The company bought at the rate of %70 share of Ağrı Elektrik Üretim Sanayi A.Ş on November 27, 2012, and Ağrı Elektrik is included in consolidation.

Ağrı Elektrik Üretim Sanayi A.Ş. (Ağrı Elektrik) is established on the date of April 13, 2011. Ağrı Elektrik operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Ağrı Elektrik had the 49 year production license taken from Energy Market Regulatory Authority (EMRA) as at July 5, 2012. The license is given for the plant which will be established in Karatay-Konya. Total power of the Ağrı I Natural Gas Combined Cycle Plant is 63 MWm / 61 MWe.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)**

Partnership structure of Ağrı Elektrik Üretim Sanayi A.Ş. is as below:

	June 30, 2014	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	70%	70%
Abdulkadir Bahattin Özal	15%	15%
Burak Altay	15%	15%

**Küçük Enerji Üretim ve Ticaret Ltd. Şti. :**

The company bought at the rate of %90 shares of Küçük Enerji Üretim ve Ticaret Ltd. Şti. on December 27, 2012, and Küçük Enerji is included in consolidation.

Küçük Enerji Üretim ve Ticaret Ltd. Şti. (Küçük Enerji) is established on the date of May 1, 2007. Küçük Enerji operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Küçük Enerji had the 49 year production license taken from Energy Market Regulatory Authority (EMRA) as at April 12, 2012. The license is given for Köprübaşı Regulatory and Hidroelectric Power Plant which will be built in Trabzon. Total power of the plant is (2 x 4,097) MWm / (2 x 3,975) MWe.

Partnership structure of Küçük Enerji Üretim ve Ticaret Ltd. Şti. is as below:

	June 30, 2014	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90%	90%
Abdulkadir Bahattin Özal	5%	5%
Burak Altay	5%	5%

**Ena Elektrik Üretim Ltd. Şti. :**

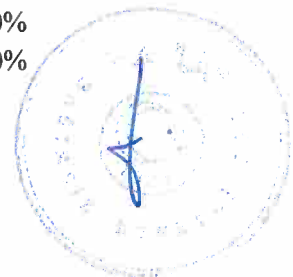
The company bought at the rate of %80 share of Ena Elektrik Üretim Ltd. Şti. as of December 27, 2012, and Ena Elektrik is included in consolidation.

Ena Elektrik Üretim Ltd. Şti. (Ena Elektrik) is established as the date of May 17, 2007. Ena Elektrik operates in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Shareholder structure of Ena Elektrik is as below:

	June 30, 2014	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	80%	80%
Hidayet Büküm	20%	20%



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)**

**Yel Enerji Elektrik Üretim Sanayi A.Ş. :**

The company bought at the rate of %75 share of Yel Enerji Elektrik Üretim Sanayi A.Ş. as of January 10, 2013, and Yel Elektrik is included in consolidation.

Yel Enerji Elektrik Üretim Sanayi A.Ş ( Yel Elektrik) is established as the date of October 22, 2007. Yel Elektrik Üretim Sanayi A.Ş. engages in establishment of electric power generation plant, operation, leasing, electricity power generation, and sale of generated electricity power and / or the capacity to consumers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Shareholder structure of Yel Elektrik is as below:

	June 30, 2014	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	75%	75%
Abdulkadir Bahattin Özal	12,50%	12,50%
Burak Altay	12,50%	12,50%

**Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. :**

The company is a co-founder at the rate of %80 share of Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. and Odaş Doğalgaz is included in consolidation as of January 11, 2013.

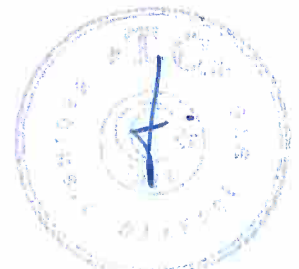
According to Law No: 4646, Energy Market Regulatory Authority (EMRA) issued the notification, the decision and commitments specified in the regulations, and with the adoption of the issues, Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş. operates in Natural Gas Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) purchasing from the production, import, wholesale companies and other sources of law will be allowed and to wholesale to customers which are exporter distribution, LNG, CNG, wholesale companies, eligible consumers and permitted by law to customers.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Odaş Doğalgaz Toptan Satış Sanayi ve Ticaret A.Ş., had the 30 year duration license of natural gas wholesale from Energy Market Regulatory Authority (EMRA) as at March 20, 2013.

Shareholder structure of Odaş Doğalgaz is as below:

	June 30, 2014	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	50%	50%
A. Bahattin Özal	20,01%	20,01%
Burak Altay	20,01%	20,01%
Tahsin Yazan	9,98%	9,98%



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY (Continued)**

**Çan Kömür ve İnşaat A.Ş.**

The company purchased at the rate of %92 share of Çan Kömür ve İnşaat Anonim Şirketi as of September 9, 2013, and Çan Kömür is included in consolidation.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8B 2.Kule Kat:17 Tepeüstü Ümraniye / İstanbul.

Çan Kömür engaged in, domestic coal based power generation plant establishment, commissioning, hiring, producing electric power generation and sale of generated electricity power and/or the capacity to customers.

Pre-License document belongs to Çan-2 Thermal Power Plant, which will be planned to be located at Çan district in Çanakkale, was given to Çan Kömür ve İnşaat A.Ş. with the EMRA decision numbered 5117-5 and dated July 10, 2014. Installed power of Thermal Power Plant will be 340 MWm/330 MWe.

Shareholder structure of Çan Kömür ve İnşaat A.Ş. is as below:

	June 30, 2014	December 31, 2013
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	92%	92%
Mustafa Koncagül	8%	8%

Parent Company and consolidated subsidiaries EMRA license information of is as follows:

License owner	License Type	License No	Date	License Duration	Effective Date
Voytron Elektrik	Whole sale	ETS/2461-2/1599	11.03.2010	20 years	11.03.2010
Odaş	Production	EÜ/3323-2/2005	14.07.2011	49 years	14.07.2011
Hidro Enerji	Production	EÜ/4027-2/2427	20.09.2012	49 years	20.09.2012
Ağrı Elektrik	Production	EÜ/3905-3/2372	05.07.2012	49 years	05.07.2012
Küçük Enerji	Production	EÜ/3769-4/2314	12.04.2012	49 years	12.04.2012
Odaş Doğalgaz	Natural Gas Whole sale	DTS/4318-4/291	20.03.2013	30 years	20.03.2013

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**a. Basis of Presentation**

The main accounting policies applied in the preparation of the financial statements of the Group are as follows:

**Accounting Policies Applied**

Group keep legal books and present financial statements in accordance with Turkish Commercial Code and accounting principles defined by tax legislations.

Financial statements of the Group are subjected to adjustments and reclassifications in order to make the appropriate notifications of Capital Market Board. And also financial statements are based on legal book records of the Group.

The consolidated financial statements of Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards ('TAS/TFRS') and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ('POA') in line with the communique numbered II-14.I "Comminuque on The Principles Of Financial Reporting In Capital Markets" announced by the Capital Markets Board Of Turkey (CMB) on June 13, 2013



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

which is published on Official Gazette numbered 28676. TAS/TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (IFRS) by the communique announced by the POA.

Series II, No: 14.1 "Capital Markets Financial Reporting in the Communiqué on Principles Regarding the" What's statement, businesses, preparation of financial statements in the Public Oversight, Accounting and Auditing Standards Board ("UPS") issued by Turkey Accounting / Financial Reporting Standards ("IAS / IFRS ") are based. Therefore, the accompanying financial statements IAS / IFRS 'financial statements and notes have been prepared in accordance with CMB be enforced by and in accordance with the format by including the mandatory information is presented.

The Company prepared its financial statements based on interim term which ended on June 30, 2014 according to Turkey Accounting Standard No.34 "Interim Financial Reporting".

Based on this communique, explanations and footnotes that should be included in annual financial statements, which are prepared in accordance with TAS, are not summarized or included in according to IAS 34.

Attached financial statements and footnotes should be evaluated with financial statements, that are audited on December 31, 2013. Interim financial results alone can not be an indication of year-end results.

### **Functional and presentation currency**

Functional currency of the report is TRY and decimal parts of the amounts were rounded up.

As of June 30, 2014 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = 2.1234 (31 December 2013: 2.1343), 1 EURO = 2.8919 (31 December 2013: 2.9365), 1 GBP = 3.6094 (31 December 2013: 3.5114), 1 CHF = 2.3722 TL (31 December 2013: 2.3899) is.

### **Adjusting financial tables in hyperinflation periods**

The companies, who are preparing their financial tables according to CMB Accounting Standards, are not using inflation accounting according to a decision given in March 17, 2005 that will be in effect since January 01, 2005.

The preparing and presenting financial tables are not done in accordance with TAS/TAS 29" Financial Reporting in Economies with High Inflation" according to the decision given by CMB.

### **Base of Consolidation**

Consolidation is prepared in structure of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. which is parent company.

Consolidated financial reports are prepared in accordance with TAS 27 - Consolidated and Separated Financial statements of Turkish accounting standard.

Consolidated financial reports contain all subsidiaries of the parent company.

- It eliminates participation amount at each subsidiary and percentage amount of main partnership which are equivalent to amount in equities of each subsidiary.





## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

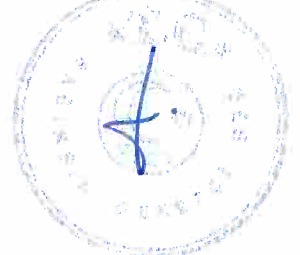
- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.
- All expenses, income, transactions and balances incurred of group are eliminated.
- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 “Income Taxes” standard.
- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.
- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions and transactions in same condition.
- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation Continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity take into account in accordance with “TAS 21 Currency change effects”.
- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group’s loss or profit amount for minority interest should be shown also seperately on financial statements.

### **Comparative Information and Restatement of Prior Period Financial Statements**

Group has presented the consolidated statement of financial position as of June 30, 2014 comparatively with the date of 31 December 2013. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-30 June 2014 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-31 December 2013 period. Consolidated changes in equity statement for the 1 January - 30 June 2014 period presented comparatively with 1 January - 30 June 2013 period.

#### **b. Changes in Accounting Policies**

If adjustments on accounting policies are applied retroactive, the group should adjust the previous opening balance in the report. The group should provide comparative data which is presented in accordance with the new accounting policies in terms of current years.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

Changes in accounting policy need to application for previous periods and also for current period or if group cannot determine the change effect of the financial statements as in cumulative, it wouldn't make any application for previous periods.

### **c. Changes and Errors in Accounting Estimates**

If the effect of a change in accounting estimate creates a difference in an asset, a foreign source or equity, then the asset must be corrected during the same period as when the book value of the foreign source or equity is modified.

The effect of a change in accounting estimate being reflected on financial statements for future reference means that the transactions, events and conditions will be applied to the means happening after the date of the changes.

Except for the errors that cannot be recalculated due to the periodic changes or the cumulative effects, prior period errors are corrected retrospectively.

While preparing the consolidated financial statements, the Group's management must make assumptions and estimations – as of the reporting period from the date of the balance sheet and the contingent liabilities and commitments- on income and expenses, that will effect the asset and liability amounts.

Actual results may defer form estimates and assumptions. These estimates and assumptions are reviewed regularly; any necessary corrections are made, and then reflected in the operating results for that period.

Significant estimates are related to the tangible and intangible existences' economic lives and provisions.

### **Changes in the Standards of the IFRS**

#### **i) New and Amended Standards and Reviews**

Effective as of January 1st, 2014 - excluding the new and amended IFRS standards and TFRYK reviews - June 30th, 2014 interim financial statements are consistent with the previous years' standards. The effects of these standards and reviews on the Group's financial condition and performance are described in the relevant paragraphs.

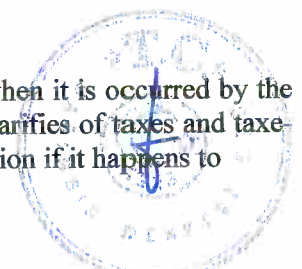
#### **New standard, reviews and changes effective January 1st, 2014**

##### **IFRS 10 Consolidated Financial Statements (Amendment)**

IFRS 10 standard was amended in order to exempt companies that meet the definition of an investment company, from the provisions of consolidation. The exception to the provisions of consolidation and their subsidiaries with investment companies must be accounted for at a fair value, under the provisions of IFRS 9 Financial Instruments standards. The standart and interpretation have no effect on the Group's financial status or performance.

##### **TFRYK 21 Interpretation Taxes and Taxe-Like Liabilities**

This interpretation clarifies that taxes and taxe-like liabilities should be recorded when it is occurred by the management within the rules of related laws. Meanwhile, this interpretation, also clarifies of taxes and taxe-like liabilities under applicable law to pay the tax only gradually over a period of action if it happens to



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

reveal gradually that may accrue. The minimum threshold is exceeded; resulting in a mandatory duty, the liability recorded as exceeding the minimum threshold will be absent. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

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

The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

### **TAS 36 Impairment of Assets – Non - recoverable value disclosures for non-financial assets (Amendment)**

TFRS 13 " Fair Value Measurements " have changed some of the disclosure requirements after the change of standard TAS 36 Impairment of assets related to impaired assets, the recoverable values . The amendment is impaired assets (or group of assets) at fair value less costs to dispose of additional disclosure requirements related to the measurement of the recoverable amount. The amendment affected the disclosure requirements and the company will have no effect on the financial position or performance.

### **TAS 39 Financial Instruments: Recognition and Measurement - Transfer of derivative financial instruments and hedge accounting continuity (Amendment)**

TAS 39 Financial Instruments: This change is a result of the hedging instrument by law or regulation, the transfer to the other party in the event of a central provision mandating a narrow hedge accounting provides an exception to stop. This change is effective for annual periods beginning on or after 1 January 2014 will be applied retrospectively. The aforementioned standard is not expected to have an impact on the financial position or performance of the Group.

### **Policy Decisions published by POC**

In addition to explanations above, policy decisions declared by POC in order to apply Turkey Accounting Standards. “Financial Table Examples and User Guide” was in use as of declaration date, however, other decisions applicated validity for beginning annual report periods after December 31,2012.

### ***Financial Table Examples and User Guide***

POC published “Financial Table Examples and User Guide” on May 20,2013 in order to provide only one financial statement and facilitate its audit. Financial table examples that located on this regulation published for becoming sample to companies who have to applicate TAS except banking, insurance, individual retirement or financial institution that establish for capital activity. The group complied with the required classification and the presantion principles in order to fullfill the requirements of this regulation.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### ***Accounting for Business Combination Under Common Control***

According to decision i) business combination under common control (pooling of interest) should be accounted by this method, ii) therefore, betterment do not take place on the financial tables and iii) while combination of rights method is applying, on the beginning of report period financial table should fix and present as comparative. This situation adjudicated. This decision did not any affect to the company's financial tables.

### ***Accounting of Usufructuary Notes***

Usufructuary notes should be accounted in which the cases as financial liability in which the cases the as equity instruments were clarified. This decision did not any affect to the company's financial tables.

### ***Accounting of Participation Investment as Mutual***

If a company has its own share on the business who have participation investment, this situation is defined mutual participation relation . The subject of accounting of mutual participation is evaluated depending on the type of investment and different accounting basics that applied. With this decision, subject was evaluated under three main title and each of their accounting basics were determined.

- i) The case is that having subsidiarity main partnerships own equity
- ii) İştiraklerin veya iş ortaklığının yatırımcı işletmenin özkaynağa dayalı finansal araçlarına sahip olması durumu, The case is that participations or subsidiaries have investor of business's equity's financial instruments.
- iii) Business's depending on equity financial instruments, company who have investment terms of TAS 39 and TFRS 9.

Aforesaid decision has no effect on Group's financial statements.

## **d. Summary of Important Accounting Policies**

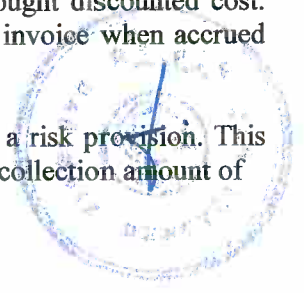
### **Cash and Cash Equivalents**

Cash can be implied as cash in the group and cash equivalent can be implied as short term investments which have unimportant risk to lose value, higher liquidity and can be converted easily to cash. Cash equivalents are assets which are used for investment purpose, kept for short term cash liabilities and they cannot be used for other purposes.(Not:53)

### **Trade Receivables**

Trade Receivables are the receivables sourced from group which are come from a debtor cause of a direct supply of goods or services. They are valued by using effective interest method thought discounted cost. Without a specified term, short-term trade receivables are valued on their amount of invoice when accrued interest has insignificant effects. (Not:7)

In case of receivables become impossible to collect, group will make a provision as a risk provision. This provision amount is the difference between the book value of receivables and possible collection amount of





## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

receivables. Possible collection amount is the rediscounted value which is calculated with effective interest method on amount of original trade receivables, collectible guarantees and other cash transactions. (Not: 7)

If the amount of low value decreases after written as a loss, the amount of decrease will record in other income in the current period.

### **Related Parties**

The group will consider as a related party if one the conditions below are met.

- a) If the party directly or indirectly with one or more agent:
  - i) Controls the enterprise, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
  - ii) Has share which allows it to have big impact on the group; or
  - iii) Has associated control on the group;
- b) If the party is an affiliate of the group;
- c) If the party is an business partnership where the group is a party;
- d) If the party is a member of the key personnel in the group or Company's main partnership;
- e) If the party is a close family member of any person mentioned in the a or d parts;
- f) If the party is an enterprise which is controlled, partnered or under important effect or any person mentioned in d) or e) parts has right to vote in important decisions of the party;
- g) If the party has profit plans about a possible leaving job of related parties' employees.

### **Financial Instrument**

#### **Financial assets**

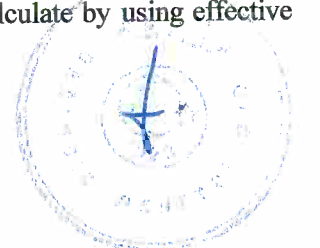
Financial assets are recorded with their appropriate value and expenses directly related to purchase except financial assets reflected to profit or loss of the appropriate value difference and recorded on their appropriate value. In the case of purchase or selling of financial assets which are bound to a contract that has a condition on deliverance date of financial instruments set by the market are recorded at the date of transaction.

Financial assets are classified as "financial assets reflected to profit or loss of the realizable value difference", "financial assets kept in hand till its maturity", "marketable financial assets" and credits and receivables.

#### ***Effective Interest Method***

It is the method in which interest income of financial asset distribute to related period and amortized cost of financial asset gain value. Effective interest rate; Estimated future cash value which will be charged in a shorter time period during the expected lifetime of financial instrument or in case in which life time of financial instrument is appropriate, is the reduced rate of net present value of related financial assets.

Financial assets which will keep in hand till maturity, marketable debt instruments, credits and receivables, which are classified as financial assets, and related interest income of these assets calculate by using effective interest method.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **a) Net realizable value difference of financial assets which recorded as profit/(loss)**

Financial assets measured at fair value through profit and loss are the assets which are the owned one to sell or buy. If a financial asset is bought to sell in short term, it will classify in this category and in current assets. Financial assets which constitute derivative products that have not an effective protection tool against financial risk are also considered as financial assets reflected to profit or loss of the appropriate value difference. Assets in this category are classified as current assets.

### **b) Investments held to maturity**

Debt instruments with constant terms which has constant and determinable payment plan, for which group has an intention to keep in hand till its maturity can be classified as financial assets kept in hand till its maturity. Financial assets kept in hand till its maturity can be shown in financial statement by the amortized cost according to effective interest method deducted from amount of decrease in value. (Note:6)

### **c) Assets available for sale**

The group has equity instruments which are not open to capital market but ready to be sold. Since their appropriate value could not be defined in an accredited way, they are shown with their cost values. (Note:7)

### **d) Loans and receivables**

Loans and receivables which are not in the capital market and have steady and computable payments are classified in this category. Credits and receivables are shown by deducting loss in value decrease from the cost which was calculated by using effective interest method. (Not:7)

## **Financial Liabilities**

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Agreement which represents right of group on assets after deducting all liabilities can be count as financial instrument on equity. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value difference recorded as profit and loss or other financial liabilities.

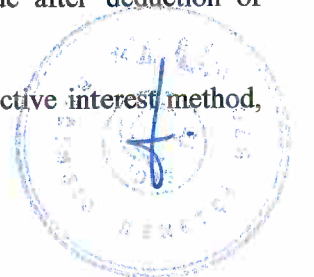
### **a) Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value difference recorded as profit and loss are stated at their fair value, and they revalue at financial statement date and every reporting period. Change in fair value record in comprehensive income statement. The net gain or loss recognized in comprehensive income statement incorporates any interest paid on the financial liability.

### **b) Other financial liabilities**

Other financial liabilities, including borrowings, are initially recorded at fair value after deduction of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.





## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

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

### **Inventories**

Inventories are valued on the basis of the weighted average cost method by considering the cost or the net realizable value, whichever is the lowest. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories cover all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement. In cases where impairment of inventories are no longer valid or net realizable value is increased, impairment of inventories which was recorded as loss in previous comprehensive income statement will be a provision no longer required.

The amount of provision no longer required is limited with the amount of provision which was allocated in previous periods. (Not: 10)

### **Tangible Fixed Assets**

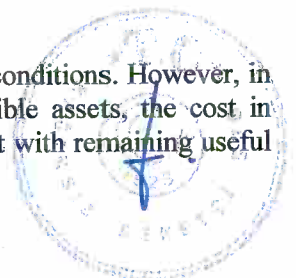
Tangible assets are reflected to financial statements according to their acquisition date: if they are acquired before January 1, 2005 they will state on acquisition cost which are rearranged with buying power of TRY in December 31, 2004 and if they are acquired after January 1, 2005, they will state with its acquisition cost after deduction of accumulated depreciation and accumulated impairment loss. Depreciation is calculated according to normal amortization method on amounts which are rearranged according to inflation. There is no applicable amortization method for land in the report because of their nature and useful life is unlimited. Tangible fixed assets are amortized with rates below according to their economic useful live.

	<u>Years</u>
Natural Gas Power Plant	40
Land Improvements	8-50
Buildings	50
Plant, Machinery and Equipment	4-15
Motor Vehicles	5
Furniture and Fixtures	3-15
Special Costs	lease term (in days) or the less than useful life

If book value of an asset is bigger than the recovered value of this asset, book value of this asset can be discount to its recovered value. Recovered value of an asset is bigger than net sales price or value at use. Net sales price can calculate after deduction of all cost to sell from its fair value. Value at use will determine after addition of discounted amounts at the date of statement of financial position to estimated cash flows in future in condition of continuing to use the related asset.

The loss or profit from sales of tangible asset determine with comparison of arranged amounts and collected amounts and it is reflected to income and expense accounts in related period.

Maintenance or repair cost of tangible asset can be recorded as expense under normal conditions. However, in exceptional cases if maintenance and repair are resulted with improvement in tangible assets, the cost in question can be recorded as asset and it will be counted in amortization of related asset with remaining useful life.(Not: 14)



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **Intangible Assets**

Intangible assets are consists of acquisition rights, information systems, computer software and special costs. These elements record on acquisition cost and after the date of acquisition they will amortize by using normal amortization method according to their expected useful life. Expected useful life of intangible assets is like below;

	<u>Years</u>
Rights	3-49
Computer programs	3

In case of decrease in value, the book value of intangible assets can be discounted to its recovered value. Recovered value is the value that whichever is higher between useful value and net selling price.(Not:17)

### **Leasing Transactions**

#### **Financial Leasing Transactions**

The group reflect fixed assets acquired through financial leasing with their current value from the rental start date in statement of financial position or if it's lower than present value they will reflect from their current value of minimum lease payments on statement of financial position date (they added to related fixed assets section in financial statements). Acquisition expenses of fixed assets which are subjected to financial leasing transaction added to its cost. Liability from financial leasing transaction can be split as payable interest and principal debt. Interest expenses calculate from its constant interest rate and it will be added to its related period's account.

#### **Operational Leasing Transactions**

Lease contracts where all the risks and benefits of renting property in the hands of the leaser are known as operational leasing. For an operational lease payments, during the rental period will be recorded as expenses according to the direct method.

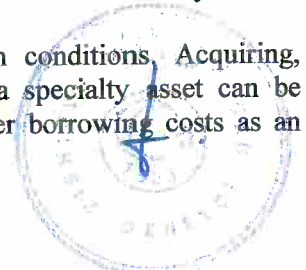
### **Investment Properties**

Rather than sell goods and services for use in the production and administrative purposes at normal course of business, lands and buildings which are held in hand to obtain lease or capital gains or to obtain both, can be classified as Investment Properties and they can be recorded as values which comes after deduction of accumulated depreciation from cost according to its cost method except lands. The cost of construction, which construct by the company, of property for investment purposes determine on cost at the date of completion of rehabilitation and construction works. Asset at this date becomes a property for investment purposes and cause of that it transfer to properties account section.

### **Borrowing Costs**

Group reflects borrowing costs as financing cost during credit period in its comprehensive income statement. Financing cost which is sourced from credits is recorded to comprehensive income statement when they occur.

Energy producing plants can be evaluated as a specialty asset depending on conditions. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset can be capitalized as a part of specialty asset's cost by firms. Firms can book the other borrowing costs as an expense in their occurred period.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset is added to cost of the asset. This kind of borrowing costs is capitalized as a part of specialty asset's cost for a dependable measure and for a possible situation that it can make an economic contribution to company.

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset are borrowing costs that will not appear in case that there will be no expense done related to specialty asset.

If a company is get into debt in order to acquire a specialty asset, the borrowing cost amount that will be capitalized will be determined by deducting income that is gained via temporary exploiting aforesaid funds from borrowing cost of the aforesaid borrowing in the related period.

In the case of a company uses a part of the funds that it is get in to debt for general purposes in order to finance a qualifying asset; the borrowing cost amount that can be capitalized; is determined via using capitalizing rate that will be applied to expenses that related asset. This capitalizing rate is the weighted average of the all existing borrowing of the related period to borrowing costs, except the borrowings that is done for acquiring the qualifying asset. The borrowing cost amount that is capitalized for a period, cannot exceed consisted the borrowing cost in related period.

When the all necessary proceedings virtually is completed for asset's intended usage and getting ready for sale, the capitalizing of borrowing costs will end. In the situation of a qualifying asset is completed in parts and every part can be used while other parts Continue to constructing; When the all necessary proceedings virtually is completed for certain part's intended usage and getting ready for sale, the capitalizing of borrowing costs of the related part will end.

### **Provisions, Contingent Liabilities and Assets**

#### **Provisions**

Provisions which are present in group as of the statement of financial position date can be accounted in case where there is a legal liability sourced from past or a structural liability and it is highly possible to realize exit of resources to fulfil this liability, there is a reliable estimated amount of liability. In cases where here is more than one a like liability, the need for the possibility of exit of resources which can provide economic profit evaluate by taking in account of all same liabilities in same quality. Even if there is a little possibility to realize exit of resources for a liability in same quality, group allocates provision. Group does not allocate provision for operational loss in future. In cases when the value effect of money is important, amount of provision determine with present value of expenses which will be needed to fulfil liability.

#### **Contingent Liabilities and Assets**

Assets and liabilities which are related to the cases whether it will or will not realize one or more than one cases, which are not entirely in group's control to realize in future, and which are sourced from past, can be accepted as contingent liabilities and assets. Group does not reflect assets and liabilities related to condition to its records.

Contingent liabilities are explained in explanatory notes of financial statements during the possibility of exit for an economic profit is not far and contingent assets are explained in explanatory notes of financial statements if the possibility of enter for economic profit is high.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **Employee Benefits:**

#### **a) Defined Benefit Plan**

Provisions for severance benefit reflect upon to actuarial work according to TAS 19 “employee benefit”.

Liability of severance benefit means value of estimated total provisions for possible liabilities which will occur in future cause of ending the agreement between group and its personnel for defined reasons according to Turkish Labour Law or retirement of personnel according to related law as of statement of financial position date. Group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group’s experience about fire a personnel or quit of the personnel and reflects to its financial statements.

#### **b) Defined Contribution Proportions**

Group has to pay social insurance premium to Social Insurance Institution. There will be no other liability if the group continues to pay the premiums. These premiums reflect to personnel expenses in its accrual periods.

### **Revenue**

Revenue is recognized on accrual basis at the fair value of the amount received or to be received. Net sales are calculated after the sales returns and sales discounts.

#### ***Sales Income***

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership 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
- The costs incurred or to be incurred in respect of transactions can be measured reliably.

#### ***Interest Revenue***

Interest revenues are recorded as income on accrual basis.

#### ***Rent Revenues***

Rent revenues are recorded as income on periodical accrual basis.

### **Effects of Exchange Differences**

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates occurred Turkish Republic Central Bank at the dates of the transactions. Monetary assets and liabilities based on foreign currency were valued with exchange rates at the end of the period. Exchange gains or losses arising from settlement and translation of monetary foreign currency items have been included in the financial income, net in the accompanying comprehensive income statements.



## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **Calculated Taxed on Corporation Revenue**

Deferred taxes are calculated by taking into account statement of financial position liability. They are reflected considering the tax effects of temporary differences between legal tax base and reflected values of assets and liabilities in financial statements. Deferred tax liability is calculating for all taxable temporary differences however discounted temporary differences which occurs from deferred tax assets is calculated in condition to be highly possible to have benefit from these differences by obtaining taxable profit in future. Receivable and liability for deferred tax occurs where there are differences (which are reducible in future and taxable temporary differences) between book value and tax value of asset and liability sections. Deferred tax asset and liability is recording without considering time where group can use timing differences.

Corporate tax rate in Turkey is 20%. This rate can be applied to tax base which if found out after adding expenses, which are not accepted to reduce from tax according to tax law, to its commercial income and deducting exceptions in law( exception like affiliate income), discounts (like investment discount). In case of not distributing dividends, it will not be necessary to pay another tax.

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15%. Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Financial loss which is showed in declaration form according to Turkish Tax Regulation in condition not to pass for 5 years can be deducted on corporate income for period. However, fiscal loss cannot be deducted from previous year's profits.

### **Earnings per Share**

Earnings per share presented at the bottom of the consolidated Comprehensive Income Statement are calculated by dividing the net profit for the period to the number of shares. In case of increasing capital from sources in group in period, when calculating weighted average of number of shares, the value found after that is accepted also to use as valid at the beginning of period.

### **Subsequent Events**

Subsequent events cover all events between authorization dates for publishing statement of financial position and statement of financial position date even if they are related to an announcement related to profits or if they occur after publishing financial information to public.

In case of occurring events which are necessary to make adjustments after statement of financial position date, group adjusts the amounts in financial statements in an appropriate way to this situation. Subjects which are not necessary to make adjustment occurred after statement of financial position date is explained in explanatory notes of financial statements if they will affect economic decision of financial statements user.

### **Statement of Cash Flow**

In cash flow statement group reports cash flows in period based on classification as operating, investing and financing activities. Cash flows sourced from operating activities shows cash flows sourced from Group's activities. Cash flow related to investing activities shows cash flows that group use at present time or they gain from investing activities such as intangible asset investing and financial investing. Cash flow related to financing activities shows the resources used by group and back payment of these resources for financing activities. Cash and cash equivalents are consist of cash and bank deposit, investment with certain amount at 3 months term or less than 3 months, short term with high liquidity.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **e. Important Accounting Estimates, Assumptions and Evaluation**

Preparing of financial statements make need of using estimates and assumptions which will effect income and expense amount which are reported at account period, explanation of contingent assets and liability and amount of assets and liabilities which are reported as of statement of financial position date. These estimates and assumptions give the most reliable information about group managements' present events and transactions. Although realized results can show differences from assumptions.

Borrowing cost of credits which are used for financing of natural gas station is added to cost of natural gas station by group in scope of TAS-23 "Borrowing Cost".

### **Deferred Tax Assets**

Group accounted deferred tax and liabilities in order to temporary timing differences arising from diversity between financial tables that determine tax and prepared financial tables in accordance with CMC reporting standards. Assets of deffered tax estimated the amount of recoverable partially or completely. During the assesment, future profit projections and other tax assets expiration dates and potential tax planning strategies were considered.

## **3.BUSINESS COMBINATIONS**

### ***The Affect Of Business Combinations Including Common Controlled Entity or Companies***

Accounting Standarts of Business Combinations Under Common Control was determined with "Principle Decision For Implementation of Turkish Accounting Standarts". The subject of principle decision is "Accounting of Business Combinations Under Common Control". The principle decision numbered 2013-2, was published by KGK and become effective on July 21 of 2013 with the Official Journal numbered 28174. According to decision, goodwill result from business combinations could not be existed on financial statements due to "pooling of interest" accounting method. Goodwill amount of 26.405.410 TL result from acquisition of companies under common control was shown under equity on a offset account called " Affect of Busines Combinations Including Common Controlled Entity or Companies" as of 31 December, 2013.

Business Combinations Under Common Controlled Companies has been explained at TFRS-3 Business Combinations Standart, article b1- and b4. According to standart, TFRS-3 Business Combinations Standart will not be applicable for business combinations under common control.

A business combination under common control is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction. These combinations often occur in group reorganisations in which the direct ownership of subsidiaries changes but the ultimate parent remains the same. Such combinations can arise prior to an initial public offering or a sale of combined entities.

Some of individuals are counted as "controlling the company" when they have the controlling ability for financial and operational policies in order to utilize the company's operations as a result of agreements related to contracts. So that, as a result of agreements related to contacts, mentioned group has the control power to manage opeartional and finacial politics of the companyin order to utilizw company operations and that power is not temporary, that kind of business combination lie beyond the scope of TFRS 3 Business Combinations.





**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**3.BUSINESS COMBINATIONS (Continued)**

There is no connection between the scale of uncontrolled shares (minority interests) of each combined companies and determining the if business combinations include common controlled companies. Likewise, the reality does not have any connection to determine the business combinations does include the companies under common control.

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2012 and 30 June 2014. Goodwill amounts are reclassified at Equity under Affect of Business Combinations Including Common Controlled Entity or Companies” account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

Amounts that has been resulted from business combinations under common control and take place on “The Affect Of Business Combinations Including Common Controlled Entity or Companies” are shown as below,

Company Name	Acquisition Cost	Acquired equity Share Value	Ventures or businesses under common control, Including Effects of Mergers
Voytron Elektrik	23.342.950	(729.287)	24.072.237
Hidro Enerji	150.490	51.398	99.092
Ağrı Elektrik	70.000	20.616	49.384
Küçük Enerji	2.065.876	44.768	2.021.108
Ena Elektrik	32.270	(35.063)	67.333
Yel Enerji	-	(96.256)	96.256
<b>Total</b>	<b>25.661.586</b>	<b>(743.824)</b>	<b>26.405.410</b>

According to this, because of the recognition by the method of the merger of the rights of businesses under common control, the goodwill can not included in financial statements. As the date of 30 December, 2013 the goodwill amount of 26.405.410 TL arising from purchasing businesses under common control, stated in “The Affect Of Business Combinations Including Common Controlled Entity or Companies” account under shareholders'equity as a balancing account.

**Acquisition of Çan Kömür ve İnşaat A.Ş.**

As of September 9, 2013 company purchased 92 % share of Çan Kömür ve İnşaat Anonim Şirketi which is the part of the 9.200 share of total 10.000 shares from Mustafa Koncagül and Süleyman Koncagül at amount of TL 6.614.727.

Company, located in Çan district in the province of Çanakkale, has a right of royalty related to paid-up coal fields. Reserve Estimation studies of coal field has done by German-based international independent valuation company Fichtner Mining & Environment GMBH. Signed on February 26, 2014, according to 'Çan Yaylaköy Lignite Reserves Valuation Report' regarding to studies 18,94 million tons proven, 5.76 million tons of extra should be a total of 24.70 million tons of coal reserves have been estimated.

Based on independent valuation report which is prepared by Moore Stephens Turkey –MBK Independent Auditing and CPA Inc. (independent valuation company) at March 04, 2014; as of December 31,2013, the company and Çan Kömür assets value updated by company management and calculated as 290.581.485 TL.



### **3.BUSINESS COMBINATIONS (Continued)**

Çan Kömür implement recognition and measurement procedures of purchasing according to IFRS-3 and TAS-38. After revaluation of company, calculated amount of company is 283.966.757 TL and the amount occurred at acquisition is 5.918.204 TL were recored to rights account as coal mining royalty. Besides, goodwill amount of 260.720.038 TL recorded as income and addedto period income:

Acquisition Cost	:	6.614.727
Acquisition Rate	:	0,92
Value of Equity Shares Acquired	:	696.523
Cost Valuation Report	:	290.581.484
Acquisition of Minority Interest Entities	:	23.246.519
Goodwill	:	260.720.238
<hr/>		
Acquired Company Valuation Difference (Royalty Rights)	:	289.884.961

(IFRS 3) – According to the Business Combinations paragraph 32,

The acquire company recognizes goodwill by measuring which more than the other is of (a) or (b) that are given below as of acquisition date.

(a) Total of the followings

(i) This is measured in accordance with TFRS, the transferred amount is required to be measured on generally fair value at acquisition date,

(ii) This is measured in accordance with TFRS, minority interest of acquired company (share does not have control power) and

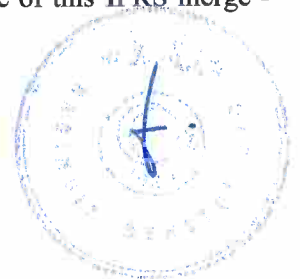
(iii) A business combination achieved in stages, the fair value of acquired company's shareholders' equity which is already held by acquired company as of acquisition date.

(b) This is measured in accordance with TFRS, net amounts of acquired definable assets and assumed definable liabilities as of acquisition date.

According to the paragraph 34 of the same standard,

Parent Company purchase subsidiary by bargaining sometime, that situtation is a business combination when total amount of aricle a exceeds total amount of article b. If mentioned remaining amount After implementing ruling of paragraph 36, parent company will record the amount as profit at acquisition date. Mentioned profit will be attributed to subsidiary.

In a bargain purchase, prior to accounting the gain, the acquirer must re-evaluate its acquired assets and assumed liabilities correctly, while accounting the additional assets or liabilities determined during this process. After which the acquired company reviews all the amounts – within the date of this IFRS merge - used in the calculation of the following sums:



### **3.BUSINESS COMBINATIONS (Continued)**

- (a) The identifiable assets acquired and liabilities assumed
- (b) If exists, the minority interests of the acquired firm
- (c) In a business acquisition that has been achieved through stages, the acquiring company's previously owned equity shares of the acquired firm and
- (d) The amount transferred.

The purpose of this review is to make sure that the calculations reflect all the information, as of the date of the merger, in an appropriate way.

**(TMS 38)** According to the paragraphs 33, 34, 35 and 36 of the Standard of Intangible Assets, acquisition as part of business mergers is described.

According to the 'IFRS 3 Business Mergers' Standard, the cost value of an intangible good attained during acquisition is the real value of the good at the date of the acquisition. The real value of an intangible asset reflects the expected future economic benefits from the asset if acquired by the enterprise, anticipated by the market participants at the time of merger. If an acquired asset can be separated or sourced by the agreement or a different legal right during the merger, then enough information to calculate the asset's real value in a reliable way is available.

According to this Standard and IFRS 3, without taking into consideration whether the asset has been accounted or not before the merger, considering that the real value of the asset is reliably calculated, the intangible assets of the acquired company is accounted apart from goodwill at the time of the merger.

An intangible asset that obtained from business combination, can be identified only if intangible asset could be bought together with a legal contract, debt or defined asset. Acquired intangible asset accounted separately from goodwill and together with related account.

### **4. JOINT VENTURES**

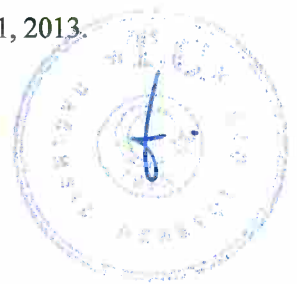
None. (31.12.2013 None).

### **5. SEGMENT REPORTING**

Group does not make any reporting according to sector because there were not any geographic or operating sector differences on risks and profits from group's product or service presentation.

### **6. RELATED PARTIES**

- i) Balances of the Company with its' related parties as of June 30, 2014 and December 31, 2013.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**6. RELATED PARTIES (Continued)**

**a) Due From Related Parties :**

	<b>30.06.2014</b>	<b>31.12.2013</b>
Korkut Özal	3.638.013	5.042.221
Bahattin Özal	506.528	1.147.313
Burak Altay	796.160	1.416.596
Hidro Kontrol Elektrik Üretim A.Ş.	349.337	461.751
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	-	338.048
Arsin Enerji Elektrik Üretim San. Ve Tic. A.Ş.	-	19.229
Mekel Enerji İnş.Taah.Danş.Müh.Hizm. Ve Tic.A.Ş	-	432
<b>TOTAL</b>	<b>5.290.038</b>	<b>8.425.590</b>

Deduction: Unrealised financial losses (11.392) (55.027)

**TOTAL 5.278.646 8.370.563**

**b) Due to related parties:**

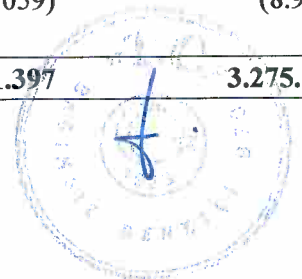
	<b>30.06.2014</b>	<b>31.12.2013</b>
Hidro Kontrol Elektrik Üretim A.Ş.	802	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	142	-
Mekel Enerji İnş. Taah. Danş.Müh. Hiz. Ve Tic. A.Ş.	2.725	-
<b>TOTAL</b>	<b>3.669</b>	<b>-</b>

**c) Other due to related parties :**

	<b>30.06.2014</b>	<b>31.12.2013</b>
Korkut Özal	-	1.663.650
Bahattin Özal	318.180	708.500
Burak Altay	60.240	738.190
Hidro Kontrol Elektrik Üretim A.Ş.	-	73.013
Mustafa Koncagül	200	-
Öztay Enerji Elektrik Üretim San. A.Ş.	125.163	-
Esin Ersan	20.000	20.000
Hafize Ayşegül Özal	5.000	20.000
Aköz Vakfı İktisadi İşletmesi	-	860
Hidayet Büküm	3.673	31.304
<b>TOTAL</b>	<b>532.456</b>	<b>3.284.047</b>

Deduction: Unrealised financial gain (1.059) (8.927)

**TOTAL 531.397 3.275.120**



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**6.RELATED PARTIES (Continued)**

**ii) Significant sales to related parties and major purchases from related parties:**

**a) Material sales to related parties :**

	January 01 - June 30, 2014	January 01 - June 30, 2013	April 01 - June 30, 2014	April 01 - June 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş	943	163.229	-	128.565
Öztay Enerji Elektrik Üretim Sanayi A.Ş	-	67.265	-	67.265
<b>TOTAL</b>	<b>943</b>	<b>230.564</b>	<b>-</b>	<b>195.830</b>

**b) Sales of services to related parties:**

	January 01 - June 30, 2014	January 01 - June 30, 2013	April 01 - June 30, 2014	April 01 - June 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş.	230.797	44.000	130.500	22.000
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	33.107	9.000	24.107	-
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	2.000	-	2.000	-
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	9.000	-	-	-
<b>TOTAL</b>	<b>274.904</b>	<b>53.000</b>	<b>156.607</b>	<b>22.000</b>

**c) Service purchases from related parties:**

	January 01 - June 30, 2014	January 01 - June 30, 2013	April 01 - June 30, 2014	April 01 - June 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş	840.849	38.646	276.110	38.646
Öztay Enerji Elektrik Üretim Sanayi A.Ş	256.452	77.600	209.055	77.600
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	16.495	-	15.379	-
Aköz Vakfı İktisadi işletmesi	-	935	-	235
<b>TOTAL</b>	<b>1.113.796</b>	<b>117.181</b>	<b>500.544</b>	<b>116.481</b>

**d) Transactions with related parties and related financing expenses:**

	January 01 - June 30, 2014	January 01 - June 30, 2013	April 01 - June 30, 2014	April 01 - June 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş	-	22.132	-	22.132
Öztay Enerji Elektrik Üretim Sanayi A.Ş	-	14.561	-	6.099
<b>TOTAL</b>	<b>-</b>	<b>36.693</b>	<b>-</b>	<b>28.231</b>

**e) Transactions with related parties related financing income:**

	January 01 - June 30, 2014	January 01 - June 30, 2013	April 01 - June 30, 2014	April 01 - June 30, 2013
Korkut Özal	219.865	146.383	97.392	64.466
Bahattin Özal	30.255	19.971	13.403	9.104
Burak Altay	46.427	30.675	20.553	13.888
Hidro Kontrol Elektrik Üretim A.Ş	502.459	235.589	32.662	100.577
Öztay Enerji Elektrik Üretim Sanayi A.Ş	244.924	209.607	2.505	66.335
<b>TOTAL</b>	<b>1.403.930</b>	<b>642.225</b>	<b>166.515</b>	<b>254.370</b>



#### 6.RELATED PARTIES (Continued)

Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2014 is as follows:

a) *Short Term Benefits to Employees:* Total amount of salary and alike benefits in 6-month fiscal period provided to top management in 2014 is 1.197.162 TL (31.12.2013: 1.270.172 TL)

b) *Benefits after Leaving:* Severance payment will make to personnel in case of earning it according to applicable law. There is no extra payment other than this.

c) *Other Long term Benefits:* None.

d) *Benefits due to Dismissal:* None.

e) *Share-based Payments:* None

#### 7. TRADE RECEIVABLES AND PAYABLES

##### Trade receivables

	June 30, 2014	December 31, 2013
Customer Current Accounts	40.044.720	33.268.190
-Other receivables	40.044.720	33.268.190
Notes Receivables	210.160	80.151
Doubtful Receivables	403.667	532.941
Provision of Doubtful Receivables(-)	(403.667)	(532.941)
	<b>40.254.880</b>	<b>33.348.341</b>
Deduction: Unaccrued financing losses	(139.948)	(110.017)
<b>TOTAL</b>	<b>40.114.932</b>	<b>33.238.324</b>

Provision for doubtful receivables as of June 30, 2014 and as of December 31, 2013 The movement is as follows:

	June 30, 2014	December 31, 2013
Opening Balance	532.941	385.594
Additional provisions	-	147.347
Payments (-)	129.274	-
<b>TOTAL</b>	<b>403.667</b>	<b>532.941</b>





**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**7. TRADE RECEIVABLES AND PAYABLES (Continued)**

**Trade Payables**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Seller Current Accounts	49.928.814	37.595.366
- <i>Seller payables to related parties</i>	3.669	-
- <i>Other seller payables</i>	49.925.145	37.595.366
Other Trade Payables	2.020.934	3.895
<b>TOTAL</b>	<b>51.949.748</b>	<b>37.599.261</b>
Deduction: Unaccrued financial gains	(202.105)	(279.089)
- <i>Other Payables</i>	(202.105)	(279.089)
<b>TOTAL</b>	<b>51.747.643</b>	<b>37.320.172</b>

**8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR**

None. (None, December 31, 2013 )

**9. OTHER RECEIVABLES AND PAYABLES**

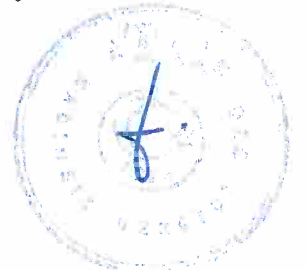
**Short-term Receivables**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Receivables from related parties	5.290.038	8.425.590
Other receivables	80.671	99.865
Receivables from Tax Office	912.066	1.131.921
Deposits and guarantees given	72.610	190.835
Receivables from personnel	1.652	1.660
<b>TOTAL</b>	<b>6.357.037</b>	<b>9.849.871</b>
Deduction: Unaccrued financial losses	(14.022)	(64.536)
- <i>Receivables from related parties</i>	(11.392)	(55.027)
- <i>Other receivables</i>	( 2.630)	( 9.509)
<b>TOTAL</b>	<b>6.343.015</b>	<b>9.785.335</b>

**Long-term Other Receivables**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Deposits and guarantees	147.125	-
<b>TOTAL</b>	<b>147.125</b>	<b>-</b>

(\*)The amount of 146.825 TL of deposit and guarantees are given to the Türkiye Elektrik İletim A.Ş.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

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

**Short-term Other Payables**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
<i>Due from related parties</i>	532.456	3.284.047
Other payables	267.024	88.075
Payable tax and funds	2.508.411	2.230.787
Deposits and guarantees received	500	-
	<b>3.308.391</b>	<b>5.602.909</b>
Deduction: Unaccrued finance costs	(1.805)	(12.885)
- <i>Supplier payables to related parties</i>	(1.059)	(8.927)
- <i>Other payables</i>	(746)	(3.958)
<b>TOTAL</b>	<b>3.306.586</b>	<b>5.590.024</b>

Details of taxes and funds payable are as follow;

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
TRT Share	933.852	852.927
Municipality Consumption Tax	853.844	452.799
Energy Fund	448.739	748.967
Income Tax Stoppage from Wages	175.238	116.580
Value Added Tax	75.283	30.447
Other Tax Liabilities	21.455	29.068
<b>TOTAL</b>	<b>2.508.411</b>	<b>2.230.787</b>

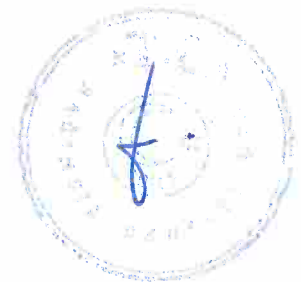
**10. INVENTORIES**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Other inventories (*)	198.893	188.471
<b>TOTAL</b>	<b>198.893</b>	<b>188.471</b>

(\*) Consist of consumable material will be used in cycle power plant in Şanlıurfa for the upcoming periods.

**11. BIOLOGICAL ASSETS**

None. ( None, December 31, 2013).



## 12. PRE-PAID EXPENSES VE DEFERRED INCOME

### Short-term Pre-paid Expenses

	June 30, 2014	December 31, 2013
Advances given for orders (*)	19.972.931	19.641.614
Expenses related to the coming months	643.925	18.278
<b>TOTAL</b>	<b>20.616.856</b>	<b>19.659.892</b>

(\*)Advances given to suppliers in 2014 are consist of; the amount of 912.995 TL advances given to TEİAŞ from Odaş, the amount of 598.148 import cost from Ensco Energy&Energy Services company for electric importation of Voytron, the amount of 14.783.357 TL of advances given to Türkiye Elektrik Üretim A.Ş by Voytron for daily consumption done by PMUM SYSTEM.

### Long-term Pre-paid Expenses

	June 30, 2014	December 31, 2013
Advances given for orders	47.850	3.949.840
Expenses related to the coming years	1.447.701	-
<b>TOTAL</b>	<b>1.495.551</b>	<b>3.949.840</b>

### Deferred Income

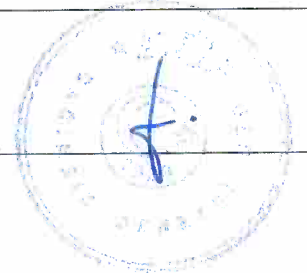
	June 30, 2014	December 31, 2013
Advances Received	540.359	16.947.983
<b>TOTAL</b>	<b>540.359</b>	<b>16.947.983</b>

## 13. INVESTMENT PROPERTY

None. (None, December 31, 2013).

## 14. TANGIBLE FIXED ASSETS

	Jan. 01, 2014	Addition	Disposal	Transfer	June 30, 2014
<b>Cost</b>					
Land and properties	1.273.563	-	-	-	1.273.563
Plant, machinery and equipment	166.901.151	2.813.491	-	-	169.714.642
Tools	478.385	-	-	-	478.385
Furniture and fixtures	1.194.883	140.635	(768)	-	1.334.750
Construction in progress	3.182.599	9.803.472	(250)	-	12.985.821
<b>Total</b>	<b>173.030.581</b>	<b>12.757.598</b>	<b>(1.018)</b>	<b>-</b>	<b>185.787.161</b>



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

<b>Accumulated Depreciation</b>					
Plant, machinery and equipment	6.520.715	2.194.294	-	42.933	8.672.075
Tools	118.293	47.838	-	(35.289)	201.421
Furniture and fixtures	164.537	121.257	-	(7.644)	293.438
<b>Total</b>	<b>6.803.545</b>	<b>2.363.389</b>	<b>-</b>	<b>-</b>	<b>9.166.934</b>
<b>Net Book Value</b>	<b>166.227.036</b>	<b>10.394.209</b>	<b>(1.018)</b>	<b>-</b>	<b>176.620.227</b>

	<b>Jan. 01, 2013</b>	<b>Addition</b>	<b>Disposal</b>	<b>Transfer</b>	<b>Dec. 31, 2013</b>
<b>Cost</b>					
Land and properties	797.653	-	-	33.500	1.273.563
Plant, machinery and equipment	130.258.002	27.367.987	-	9.269.412	166.901.151
Tools	399.047	147.053	(67.715)	-	478.385
Furniture and fixtures	300.596	908.616	(18.563)	-	1.194.883
Construction in progress	9.269.412	3.197.598	-	(9.284.412)	3.182.599
<b>Total</b>	<b>141.024.710</b>	<b>31.621.253</b>	<b>(86.278)</b>	<b>18.500</b>	<b>173.030.581</b>
<b>Accumulated Depreciation</b>					
Plant, machinery and equipment	2.977.082	3.543.632	-	-	6.520.715
Tools	48.316	89.156	19.178	-	118.293
Furniture and fixtures	72.515	94.883	4.545	-	164.537
<b>Total</b>	<b>3.097.913</b>	<b>3.727.671</b>	<b>23.723</b>	<b>-</b>	<b>6.803.545</b>
<b>Net Book Value</b>	<b>137.926.797</b>	<b>27.893.582</b>	<b>(62.555)</b>	<b>18.500</b>	<b>166.227.036</b>

169.714.642 TRY amount of machinery and equipments belong to Natural Gas Cycle Plant.

Since Natural Gas Cycle Plant started to produce at October 28, 2011 by completing first stage, in 2011 TRY 56.522.392 amount has been capitalized and by completing second stage at April 30, 2012, TRY 73.735.610 amount has been also capitalized, and totally the amount of "1 Machinery and equipment's has reached to TRY 130.258.002 at the end of 2012. At the date of October 23 2013 making a Temporary Acceptance third stage fully activated as amount of 37.455.752 TL. Also at the end of the 2013 solar energy panel activated with amount of 758.260 TL. Plant machinery and equipment amount were 166.901.151 TL at the end of the 2013. As the date of 30 June, 2014 the capitalized amount of 2.813.491 TL was added to the natural gas cycle power plant costs.

Commercial enterprise pledge with amount of 500.000.000 TL in favour of Yapı Kredi Bankası A.Ş. over entire Odaş I Combined Power Plants and Power Plant Equipments such as Engine, Turbine and Power Plant which consist 7 pieces called Warstila W18GV50SG, a piece of Genpower Power Plant, three pieces of Sperre Compressor+ Air Dryer, Air Condition Unit, a piece of domestic need Transformer, three pieces of oil tanks and oil Pumps, 28 pieces of Alfa Laval Radiators, Transformer Station, Power Transmission Line Equipments, Remote Control Room and Panel Board Room, Generator, Oiled Transformer with three

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**14. TANGIBLE FIXED ASSETS (Continued)**

phases, Console of Oil Unit, Waste Hot Boiler, Drum, Condenser, Condense Pumps, Water Pumps, Cooling Water Pumps, DegazorUnit, Cooling Tower Fans, R/O Water Smoothing Unit, Crane, Fire Tank, Turbine Remote Control Room and Panel Board Room Equipments and Other Materials which is used for production.

The commercial enterprise and components which are subjected to Commercial Enterprise Pledge is safeguarded by insurance policies which give guarantee against to Machine Breakdown, Loss of Profit, and Fire etc.

**15. DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS**

None. ( None, December 31, 2013).

**16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS**

None. ( None, December 31, 2013).

**17. INTANGIBLE FIXED ASSETS**

	January 01, 2014	Additions	Transferred assets from acquired companies	Disposals	Transfers	June 30, 2014
Costs						
Rights	290.353.587	571.370	-	-	-	290.924.957
Other intangible assets	156.237	15.423	-	-	-	171.660
<b>TOTAL COST</b>	<b>290.509.824</b>	<b>586.793</b>			-	<b>291.096.616</b>
ACCUMULATED AMORTIZATION						
Rights	59.670	15.353	-	-	-	75.022
Other intangible assets	84.054	20.965	-	-	-	105.018
<b>TOTAL</b>	<b>143.723</b>	<b>36.317</b>	-	-	-	<b>180.040</b>
<b>NET BOOK VALUE</b>	<b>290.366.101</b>	<b>550.476</b>	-	-	-	<b>290.916.577</b>





**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

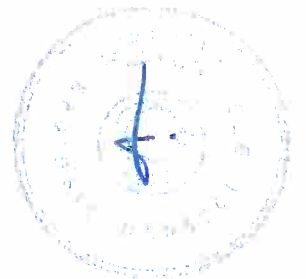
**17.INTANGIBLE FIXED ASSETS (Continued)**

	January 01, 2013	Additions	Transferred assets from acquired companies	Disposals	Transfers	December 31, 2013
Costs						
Rights	350.426	103.200	289.884.961	-	15.000	290.353.587
Other intangible assets	81.931	74.306	-	-	-	156.237
<b>TOTAL COST</b>	<b>432.357</b>	<b>177.506</b>	<b>-</b>	<b>-</b>	<b>15.000</b>	<b>290.509.824</b>
ACCUMULATED AMORTIZATION						
Rights	40.381	19.120	-	-	(170)	59.670
Other intangible assets	35.940	48.115	-	-	-	84.054
<b>TOTAL</b>	<b>76.321</b>	<b>67.235</b>	<b>-</b>	<b>-</b>	<b>(170)</b>	<b>143.723</b>
<b>NET BOOK VALUE</b>	<b>356.036</b>	<b>110.271</b>	<b>-</b>	<b>-</b>	<b>14.830</b>	<b>290.366.101</b>

As the date of June 30, 2014 the details of intangible assests are as follows;

Company/Subsidiary	Intangible Assets	Amount
Çan Kömür	Royalty Rights consist as a result of Valuation	289.884.961
Çan Kömür	Royalty Cost Payments of Çan Kömür	550.000
Çan Kömür	Çan 2 Thermic Power Plant Cycle Cost	10.000
Voytron Elektrik	Electricity Wholesale License	272.250
Ağrı Enerji	Electricity Generation License	34.750
Odaş Doğalgaz	Natural Gas Wholesale License	61.700
Hidro Enerji	Wholesale License and Amendment Fees	15.000
Küçük Enerji	Wholesale License and Amendment Fees	15.000
Odaş Elektrik	Wholesale License and Amendment Fees	81.296
<b>TOTAL</b>		<b>290.924.957</b>

Company/Subsidiary	Other Intangible Assets	Amount
Voytron Elektrik	Computer Software	98.890
Voytron Elektrik	Website	4.600
Odaş Elektrik	Computer Software	32.235
Odaş Elektrik	Website	35.935
<b>TOTAL</b>		<b>171.660</b>



## **18.GOODWILL**

### **Acquisition of Çan Kömür ve İnşaat A.Ş.**

As of September 9, 2013 The Company has purchased Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares which is the part of the 9.200 share of total 10.000 shares from Mustafa Koncagül and Süleyman Koncagül at amount of TL 6.614.727.

Company, located in Çan district in the province of Çanakkale, has a right of royalty related to paid-up coal fields. Reserve Estimation studies of coal field has done by German-based international independent valuation company Fichtner Mining & Environment GMBH. Signed on February 26, 2014, according to 'Çan Yaylaköy Lignite Reserves Valuation Report' regarding to studies 18,94 million tons proven, 5.76 million tons of extra should be a total of 24.70 million tons of coal reserves have been estimated.

Based on independent valuation report which is prepared by Moore Stephens Turkey –MBK Independent Auditing and CPA Inc. (independent valuation company) at March 04, 2014; as of December 31,2013, the company and Çan Kömür assets value updated by company management and calculated as 290.581.485 TL.

Çan Kömür implement recognition and measurement procedures of purchasing according to IFRS-3 and TAS-38. After revaluation of company, calculated amount of company is 283.966.757 TL and the amount occurred at acquisition is 5.918.204 TL were recorded to rights account as coal mining royalty. Besides, goodwill amount of 260.720.038 TL recorded as income and added to period income.

Acquisition Cost	:	6.614.727
Acquisition Rate	:	0,92
Value of Equity Shares Acquired	:	696.523
Cost Valuation Report	:	290.581.484
Acquisition of Minority Interest Entities	:	23.246.519
Goodwill	:	260.720.238

Acquired Company Valuation Difference (Royalty Rights)	:	289.884.961
---	---	-------------

(IFRS 3) – According to the Business Combinations paragraph 32,

The acquire company recognizes goodwill by measuring which more than the other is of (a) or (b) that are given below as of acquisition date.

(a) Total of the followings

(i) This is measured in accordance with TFRS, the transferred amount is required to be measured on generally fair value at acquisition date,

(ii) This is measured in accordance with TFRS, minority interest of acquired company (share does not have control power) and

(iii) A business combination achieved in stages, the fair value of acquired company's shareholders' equity which is already held by acquired company as of acquisition date.



## **18. GOODWILL (Continued)**

(b) This is measured in accordance with TFRS, net amounts of acquired definable assets and assumed definable liabilities as of acquisition date.

According to the paragraph 34 of the same standard,

Parent Company purchase subsidiary by bargaining sometime, that situation is a business combination when total amount of article a exceeds total amount of article b. If mentioned remaining amount After implementing ruling of paragraph 36, parent company will record the amount as profit at acquisition date. Mentioned profit will be attributed to subsidiary.

In a bargain purchase, prior to accounting the gain, the acquirer must re-evaluate its acquired assets and assumed liabilities correctly, while accounting the additional assets or liabilities determined during this process. After which the acquired company reviews all the amounts – within the date of this IFRS merge - used in the calculation of the following sums:

- (a) The identifiable assets acquired and liabilities assumed
- (b) If exists, the minority interests of the acquired firm
- (c) In a business acquisition that has been achieved through stages, the acquiring company's previously owned equity shares of the acquired firm and
- (d) The amount transferred.

The purpose of this review is to make sure that the calculations reflect all the information, as of the date of the merger, in an appropriate way.

**(TMS 38)** According to the paragraphs 33, 34, 35 and 36 of the Standard of Intangible Assets, acquisition as part of business mergers is described.

According to the 'IFRS 3 Business Mergers' Standard, the cost value of an intangible good attained during acquisition is the real value of the good at the date of the acquisition. The real value of an intangible asset reflects the expected future economic benefits from the asset if acquired by the enterprise, anticipated by the market participants at the time of merger. If an acquired asset can be separated or sourced by the agreement or a different legal right during the merger, then enough information to calculate the asset's real value in a reliable way is available.

According to this Standard and IFRS 3, without taking into consideration whether the asset has been accounted or not before the merger, considering that the real value of the asset is reliably calculated, the intangible assets of the acquired company is accounted apart from goodwill at the time of the merger.

At estimation of intangible asset that obtained from business combination section; it is assumed that there is enough knowledge to calculate fair and true value of intangible asset if asset can be separated and result from contract or other legal rights. When we use predictions to calculate fair and true value of an intangible asset, some possible results could be reached and that uncertainty circumstances will be considered when calculating fair and true value of an asset.

An intangible asset that obtained from business combination, can be identified only if intangible asset could be bought together with a legal contract, debt or defined asset. Acquired intangible asset accounted separately from goodwill and together with related account.



## **18. GOODWILL (Continued)**

### ***The Affect Of Business Combinations Including Common Controlled Entity or Companies***

Accounting Standarts of Business Combinations Under Common Control was determined with “Principle Decision For Implementation of Turkish Accounting Standarts”. The subject of principle decision is “Accounting of Business Combinations Under Common Control”. The principle decision numbered 2013-2, was published by KGK and become effective on July 21 of 2013 with the Official Journal numbered 28174.

Business Combinations Under Common Controlled Companies has been explained at TFRS-3 Business Combinations Standart, article b1- and b4. According to standart, TFRS-3 Business Combinations Standart will not be applicable for business combinations under common control.

Some of individuals are counted as “controlling the company” when they have the controlling ability for financial and operational policies in order to utilize the company’s operations as a result of agreements related to contracts. So that, as a result of agreements related to contacts, mentioned group has the control power to manage opeartional and finacial politics of the companyin order to utilizw company operations and that power is not temporary, that kind of business combination lie beyond the scope of TFRS 3 Business Combinations.

There is no connection between the scale of uncontrolled shares (minortiy interests) of each combined companies and determining the if business combinations include common controlled companşes. Likewise, the reality does not have any connection to determine the business combinations does include the companies under common control.

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2012. Goodwill amounts are reclassified at Equity under Affect of Busines Combinations Including Common Controlled Entity or Companies” account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 10-12.

Amounts that has been resulted from business combinations under common control and take place on “The Affect Of Business Combinations Including Common Controlled Entity or Companies” are shown as below,

<b>Company Name</b>	<b>Acquisition Cost</b>	<b>Acquired equity Share Value</b>	<b>Ventures or businesses under common control, Including Effects of Mergers</b>
Voytron Elektrik	23.342.950	(729.287)	24.072.237
Hidro Enerji	150.490	51.398	99.092
Ağrı Elektrik	70.000	20.616	49.384
Küçük Enerji	2.065.876	44.768	2.021.108
Ena Elektrik	32.270	(35.063)	67.333
Yel Enerji	-	(96.256)	96.256
<b>Total</b>	<b>25.661.586</b>	<b>(743.824)</b>	<b>26.405.410</b>

According to decision, goodwill result from business combinations could not be existed on financial statements due to “pooling of interest” accounting method. Goodwill amount of 26.405.410 TL result from acquisition of companies under common control was shown under equity on a offset account called “ Affect of Busines Combinations Including Common Controlled Entity or Companies” as of 31 December, 2013.

## **19.EVALUATING AND RESEARCHING OF MINE RESOURCES**

None. (None, December 31, 2013).



## **20.LEASING OPEATIONS**

None. ( None, December 31, 2013).

## **21.SERVICE CONCESSION ARRANGEMENTS**

None. ( None, December 31, 2013).

## **22.IMPAIRMENT OF ASSETS**

None. ( None, December 31, 2013).

## **23.GOVERNMENT INCENTIVES**

Odaş Elektrik Üretim Sanayi ve Ticaret A.Ş. has investment incentive certificate 21.12.2011 dated and 102704-B numbered which is drawn up by Economy Ministry of Turkish Republic Incentive Application and Foreign Capital General Directorate. 23.05..2013 dated and 102704-C numbered investment incentive certificate is prepared instead of this certificate.

The certificate of investment is about natural gas cycle plant (7x19)+17=150 MW powered, it is prepared referring to Energy Market Regulatory Authority EU/3323-2/2005 numbered and 14.07.2011 dated Production License.

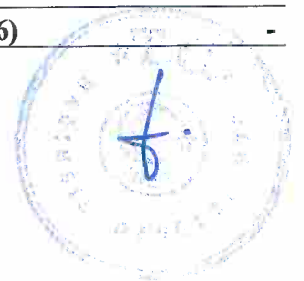
The investment incentive certificate is given for whole new investment in Şanlıurfa, and it involves the 24.05.2011-24.05.2014 period. VAT exemption and customs duty indemnity are benefited by this certificate. The absolute amount of this investment financed by liabilities and it is total investment amount is TRY 127.000.000.

## **24.BORROWING COSTS**

The amount of 504.912 TL net financing cost of the investment loan, which is used for Köprübaşı Hes Project of the Küçük Enerji Üretim ve Tic. Ltd. Şti., is added to the investment cost.

## **25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

<b>Assets Related to Current Tax</b>		
	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Pre-paid taxes and funds (*)	66.016	-
<b>TOTAL</b>	<b>66.016</b>	<b>-</b>
<b>Income Tax Provisions, Net</b>		
	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Provision for Profit and Other Obligations	-	-
Minus : Pre-paid taxes and funds (-) (*)	(66.016)	-
<b>TOTAL</b>	<b>(66.016)</b>	<b>-</b>





## **25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

### **Pledges**

#### **-Pledge of Share Agreements Made with Yapı Kredi Bankası A.Ş. :**

In accordance with General Loan Contracts signed between Yapı Kredi Bankası A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş.'s shareholders on behalf of Yapı Kredi Bankası A.Ş. The total value of the amount pledged 30,000,000 shares with a nominal value of TRY 1. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

- As the guarantee of the loan on the General Loan Agreements signed between Yapı Kredi Bank and Kucuk Enerji Uretim ve Tic Ltd Sti, Kucuk Enerji Uretim's partners' signed a Pledge Agreement in Yapı Kredi Bank's benefit. The total value of the pledged amount is 2.650.000 shares with a nominal value of 1 TL. Share pledge agreement stays valid until the obligations under guarantee by the pledge agreements are paid in full.

#### **-Commercial Enterprise Pledge Agreement Signed With Yapı Kredi Bankası A.Ş.**

Commercial enterprise pledge with amount of 500.000.000 TL in favour of Yapı Kredi Bankası A.Ş. over entire Odaş I Combined Power Plants and Power Plant Equipments such as Engine, Turbine and Power Plant which consist 7 pieces called Warstila W18GV50SG, a piece of Genpower Power Plant, three pieces of Sperre Compressor+ Air Dryer, Air Condition Unit, a piece of domestic need Transformer, three pieces of oil tanks and oil Pumps, 28 pieces of Alfa Laval Radiators, Transformator Station, Power Transmission Line Equipments, Remote Control Room and Panel Board Room, Generator, Oiled Transformator with three phases, Console of Oil Unit, Waste Hot Boiler, Drum, Condenser, Condense Pumps, Water Pumps, Cooling Water Pumps, DegazorUnit, Cooling Tower Fans, R/O Water Smoothing Unit, Crane, Fire Tank, Turbine Remote Control Room and Panel Board Room Equipments and Other Materials which is used for production.

The commercial enterprise and components which are subjected to Commercial Enterprise Pledge is safeguarded by insurance policies which give guarantee against to Machine Breakdown, Loss of Profit, and Fire and so on.

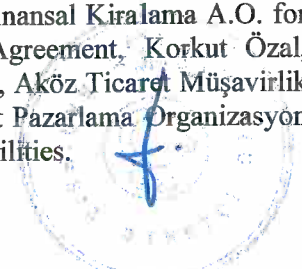
### **Warranty**

#### **-Yapı Kredi Finansal Kiralama A.O. ile Yapılan Finansal Kiralama Devir Sözleşmesi:**

Asya Katılım Bankası ile ODAŞ I Doğalgaz Kombine Çevrim Santrali projesi için 4 adet Wartsila W18V50SG Gaz Motorunun finansal kiralaması için imzalanan sözleşme Yapı Kredi Finansal Kiralama A.O.'ya devredilmiş olup devir sözleşmesi imzalanmıştır. Finansal Kiralama Devir Sözleşmesi uyarınca, Korkut Özal, Abdulkadir Bahattin Özal, Burak Altay, Voyton Elektrik Toptan Satış Dış Ticaret A.Ş. yükümlülükleri teminat altına almak amacıyla müteselsil borçlu ve müteselsil kefil olmuşlardır.

#### **-Financial Leasing Agreements Made with Yapı Kredi Finansal Kiralama A.O:**

Related party Öztay Enerji Elektrik Üretim Sanayi A.Ş. and Yapı Kredi Finansal Kiralama A.O. signed financial leasing agreement at T.C. Beyoğlu 24. Notary, 15/09/2008 dated, 35348 document numbered acquired by new financial leasing agreement which is signed at T.C. Beyoğlu 24. Notary, 27/03/2012 dated, 15749 document numbered by ODAŞ. An agreement is made with Yapı Kredi Finansal Kiralama A.O. for financial leasing of 1 power transformer. According to Financial Leasing Agreement, Korkut Özal, Abdulkadir Bahattin Özal, Burak Altay, Öztay Enerji Elektrik Üretim Sanayi A.Ş., Aköz Ticaret Müşavirlik ve Mümessillik A.Ş., Hidro Kontrol Elektrik Üretim Sanayi A.Ş. and Aköz İnşaat Pazarlama Organizasyon Mümessillik Sanayi Ticaret A.Ş. are joint obligee and joint guarantor to secure liabilities.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

ODAŞ has liability totally EUR 484.403,01 excluded VAT from the first installation date 29.02.2012 until to 15.10.2014, as 27 installations, the company has begun to pay at the first installation date 29.02.2012.

**Conveyances**

-Conveyances Made with Yapı Kredi Bankası A.Ş.

According to General Loan Agreement made between Yapı Kredi Bankası A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of given borrowings, conveyances are signed about transferring of income from energy sales to TEİAŞ by ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. on behalf of Yapı Kredi Bankası A.Ş. The conveyances signed totally TRY 500.000.000; until the liabilities assured by the conveyances, the conveyances are valid.

**Guarantees**

Given and received guarantees by the group are as follow:

	June 30, 2014	December 31, 2013
<b>Given guarantee letters and bills</b>	<b>176.993.43</b>	<b>377.607.908</b>
<b>* Given to Credit Institutions</b>	<b>122.108.728</b>	<b>313.518.374</b>
Odaş	98.600.228	289.769.374
Voytron	14.459.500	14.700.000
Ena Elektrik	2.450.000	2.450.000
Hidro Enerji	1.137.000	1.137.000
Yel Enerji	1.462.000	1.462.000
Ağrı Elektrik	2.000.000	2.000.000
Küçük Enerji	2.000.000	2.000.000
Odaş Doğalgaz	-	-
<b>*Given to electricity transmission and distribution entities due to trade operations</b>	<b>54.884.315</b>	<b>64.089.534</b>
Odaş	7.480.817	15.421.141
Voytron	36.962.810	39.264.132
Ena Elektrik	901.440	901.440
Hidro Enerji	19.130	1.519.130
Küçük Enerji	1.810.671	1.784.244
Ağrı Elektrik	2.949.431	2.949.431
Yel Enerji	-	-
Çan Kömür	3.400.000	1.000.000
Odaş Doğalgaz	1.000.016	1.250.016
<b>*Pledge of Entity</b>	<b>500.000.000</b>	<b>215.000.000</b>
Odaş	500.000.000	215.000.000
<b>TOTAL</b>	<b>676.993.043</b>	<b>592.607.908</b>
<b>Received Guarantee Letters</b>	<b>8.662.982</b>	<b>16.588.055</b>
Odaş	1.702.967	1.740.340
Voytron	4.914.100	14.847.715
Küçük Enerji	2.045.915	-
<b>Received Guarantee Bills</b>	<b>75.000</b>	<b>19.000</b>
Küçük Enerji	75.000	-
Voytron	-	19.000
<b>TOTAL</b>	<b>8.737.982</b>	<b>16.607.055</b>

## 26. COMMITMENTS

None. (31 Aralık 2013 None.)

## 27. EMPLOYEES BENEFIT OBLIGATIONS

### Termination Indemnities and Provision of Vacation

The Company and its su has to make a certain severance payment to its personnel who fires from company for several reasons like retirement after working at least one year at company except reassignment and bad behavior. Compensation which company has to pay is at amount of one month salary for each servicing year and this amount is limited to TRY 3.438.22 as of January 1, 2014. (December 31, 2013: TRY 3.254,44)

	June 30, 2014	December 31, 2013
Provision for severance payment	112.973	160.110
Provision for vacation	189.095	91.273
<b>TOTAL</b>	<b>302.068</b>	<b>251.383</b>

It needs a calculation which can be doing with some assumptions for calculation of company's liabilities in accordance with TAS 29 (Benefits Provided to Personnel). Company is calculated severance payment based on completion of personnel service time in past years at company and experience about having rights to have severance pay, by using projection method in accordance with TAS/TAS 29 and Company is reflected this amount to its financial statements. Provisions for severance payment allocates after calculating present value of potential liability which Company will pay to its personnel in case of retirement. As related to this, assumptions, which are used to calculate the liability amount between of June 30, 2014 and December 31, 2013 are depicted below:

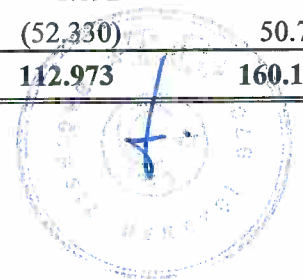
	June 30, 2014	December 31, 2013
Discount rate	%9.50	%9.50
Estimated increase rate	%5.00	%5.00

Employees benefit obligations movements as June 30, 2014 - December 31, 2013 are as follows:

### Provision for severance payments

	June 30, 2014	December 31, 2013
Opening balance	160.110	91.679
Transferred provisions from acquisitions	-	10.071
Additional provisions	(47.137)	58.360
<b>Period-end balance</b>	<b>112.973</b>	<b>160.110</b>

	2014	2013
<b>January 01</b>	160.110	91.679
Transferred provisions from acquisitions	-	10.071
Payment	(4.200)	(16.635)
Interest expenses	7.501	9.006
Current service cost	1.892	15.191
Actuarial gain/(loss)	(52.330)	50.798
<b>June 30</b>	<b>112.973</b>	<b>160.110</b>



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**27. EMPLOYEES BENEFIT OBLIGATIONS (Continued)**

Provision for vacation as June 30, 2014 - December 31, 2013 are as follows:

	June 30, 2014	December 31, 2013
Opening balance	91.273	50.316
Additional provisions	97.822	40.957
<b>Period-end balance</b>	<b>189.095</b>	<b>91.273</b>

**Payables within employee benefits**

	June 30, 2014	December 31, 2013
Due to personnel	273.929	39.989
Social security premium payables	95.857	81.940
<b>TOTAL</b>	<b>369.786</b>	<b>121.929</b>

**28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS**

Cost of sales according to their nature between January 1, 2014 –June 30, 2014 and January 1, 2013 –June 30, 2013 periods are as follow;

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Cost of energy trade from bilateral agreements	83.857.772	77.780.844	41.912.106	45.661.095
Usage of natural gas	50.441.315	43.434.167	25.102.857	19.915.219
GOP purchase price of the system	44.015.846	38.286.500	22.892.610	28.252.136
Distribution companies system usage cost	22.977.010	38.920.152	10.588.818	19.706.771
Electricity import	13.035.951	6.279.452	1.820.602	4.453.778
Imbalance energy amount of TEİAŞ	10.184.383	13.152.536	3.119.259	10.396.975
Natural gas sales value	6.382.389	-	3.936.665	-
TEİAŞ accepted load amount	5.769.423	3.238.917	1.553.607	1.536.127
TEİAŞ Yek receivable amount	4.926.583	1.789.089	2.553.111	1.242.432
TEİAŞ zero balance adjusting item	3.939.348	1.722.064	1.744.431	983.245
Maintenance expenses	2.610.891	513.824	2.232.028	302.839
Depreciation and amortisation expense	2.193.970	1.774.856	1.101.490	887.117
TEİAŞ other expenses	1.634.154	4.335.445	1.051.964	2.311.189
Personnel expense	1.131.792	612.262	593.174	374.665
TEİAŞ Interconnection Capacity Allocation Cost	1.105.671	269.437	195.973	269.437
PFK liability transfer service cost	422.360	22.536	363.430	22.536
Insurance expense	407.538		241.707	102.404
Other expenses	809.730	897.263	609.997	790.126
<b>TOTAL</b>	<b>255.846.128</b>	<b>233.232.887</b>	<b>121.613.831</b>	<b>137.208.091</b>

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)**

Cost of sales resulting from production activities is as follows:

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Usage of natural gas	50.441.315	43.213.158	25.102.857	19.694.190
Imbalance energy amount of TEİAŞ	10.184.383	11.128.096	3.119.259	8.372.535
TEİAŞ accepted load amount	5.769.423	3.238.917	1.553.607	1.536.127
TEİAŞ zero balance adjusting item	3.939.348	1.722.064	1.744.431	983.245
Maintenance expenses	2.610.891	513.824	2.232.028	302.839
Depreciation and amortisation expense	2.193.970	1.714.526	1.101.490	860.579
TEİAŞ other expenses	1.575.415	3.859.982	-	1.930.529
Personnel expense	1.131.792	612.262	593.174	374.665
PFK liability transfer service cost	422.360	22.536	363.430	20.304
Insurance expense	407.538	203.543	241.707	102.404
Other expenses	809.730	896.759	609.997	770.983
<b>TOTAL</b>	<b>79.486.167</b>	<b>67.125.667</b>	<b>36.661.981</b>	<b>34.948.400</b>

The details of cost of electricity sales from wholesale are as follow;

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Cost of energy trade from bilateral agreements	83.857.772	78.210.940	41.912.106	46.121.053
GOP purchase price of the system	44.015.846	38.286.500	22.892.610	28.252.136
Distribution companies system usage cost	22.977.010	38.920.152	11.666.338	19.706.771
Electricity import	13.035.951	6.279.452	1.820.602	4.453.778
Yek receivable amount	4.926.583	1.789.089	2.553.111	1.242.432
TEİAŞ Interconnection Capacity Allocation Cost	1.105.671	-	195.973	-
TEİAŞ adjustments for previous period	58.739	94.446	21.505	94.446
Imbalance energy amount of TEİAŞ	-	2.024.440	-	2.024.440
Other expenses	-	502.200	(47.060)	364.635
<b>TOTAL</b>	<b>169.977.572</b>	<b>166.107.219</b>	<b>81.015.185</b>	<b>102.259.691</b>

The details of cost of natural gas sales are as follow;

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Natural Gas Sales Cost	6.382.389	-	3.936.665	-
<b>TOTAL</b>	<b>6.382.389</b>	<b>-</b>	<b>3.936.665</b>	<b>-</b>

**Bilateral Agreements Energy Cost of Trade Goods;** Cost of Voytron Elektrik's electricity purchase from producing companies out of system.

**Distribution Companies Cost of System Usage Goods;** Voytron Elektrik use distribution companies' distribution piping systems on their direct sales to consumers and these distribution companies do meter readings. Voytron pays this price to distribution companies and charges it from consumers.





## **28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)**

**Teiaş Energy Imbalance Amount;** Due to Odaş's being responsible party from balance in day-ahead market

**Göp System Purchase Amount;** Electricity rates taken from PMUM day-ahead market (TEİAŞ)

**Energy Imbalance;** Negative incidence of difference with Voytron's consumption estimates in day-ahead market.

**TEİAŞ Retroactive Adjustment Item;** Mistakes on PMUM conciliation shown on this item on the following term.

**TEİAŞ Accepted Load Cycling Amount;** The amount acquired with multiplication of bid price and quantity given by System Operator's offer valid for conciliation term related with balancing units in the scope of balancing power market and system losses deducted from Embarkation Direction Amount.

**Keyat Amount According to TEİAŞ EPYHY Article 25;** The amount acquired with multiplication of Accepted and Implemented Embarkation bid price calculated by Electricity Market Balancing and Settlement Regulation, 2 tag value of balancing power market's balancing unit's offer valid for conciliation term.

**TEİAŞ Zero Balance Adjustment Item;** The amount is reflected to market participants in proportion of zero balance adjustment item. It is based on the basis of market operator's profit or loss from operations done for wholesale electricity market. In a billing period, will be accrued receivables to market participant and payables should be balanced with conciliation of compensating mechanism and conciliation of imbalance of related parts to balancing and without energy sales and purchases in the scope of day-ahead market, market operating fee, transmission fee and overdue receivables.

**TEİAŞ System Usage Fee;** The amount confirmed by EPDK and calculated by TEİAŞ based on thrust-transmit power reflected income ceilings reflected to system usage fee signed market participant, using TEİAŞ transmission system.

**YEK Credit Balance;** The amount reflected to participants by considering energy imbalance amount reconciliated from Renewable Energy Sources Backstopping Mechanism and payment liability rate(ÖYO) calculated in the scope of YEKDEM.

**PFK Liability Transfer Service Fee;** In case of productive facilities in the scope of electricity market ancillary services regulations obligated to participate primer frequency control service (PFK), want to transfer PFK liabilities to another company in related conciliation term, fee is assigned by companies.

**TEİAŞ Electricity Quality Service Fee;** It is declared in Transmission System System Usage and Calculation of System Operating Tariff's Procedure Declaration's 5th section approved in 3575 numbered assembly resolution Energy Market Regulatory Authority. Electricity Quality Service Fee on transmission system invoices are related to other related system users and producers within the scope of 4628 numbered Electricity Market Law and secondary legislation Electricity Market Network Regulations, Electricity Market Ancillary Services Regulations.

**TEİAŞ Market Operating Fee;** It is accrued to cover operating cost and amortisation of investment expenses without electricity energy sale and purchase. Market operating income ceiling is shared to market participants by considering organized wholesale electricity market facilities by market operators.

**TEİAŞ Non-controllable Fee;** It is related to get peripheral service from other system users and producers within the scope of 4628 numbered Electricity Market Law and secondary legislation Electricity Market Network Regulations, Electricity Market Ancillary Services Regulations. Cost of peripheral services concludes to prevent constraint of energy flow on transmission system. Non-controllable costs reflected to all

## **28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)**

users equally and take part as non-controllable fee item on transmission system usage and system operating invoices.

**Interconnection Capacity Allocation Fee;** Capacity and time limit of publicly interconnection are considered for electricity import and export. Interconnection lines within scope of the licences are presented to market participants by tendering procedure after line base determined and declared by system operator. Price capacity allocation after tender comprise price capacity allocation fee for that term.

## **29. OTHER ASSETS AND LIABILITIES**

### **Other current assets**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Income accruals *	21.218.418	30.867.043
Deferred VAT	13.150.982	1.201.203
Work advances	183.698	217.131
Advances to personnel	33.945	40.676
Advances given to suppliers	659.887	1.103.762
<b>TOTAL</b>	<b>35.246.930</b>	<b>33.429.816</b>

### **\*Information about Process of Income-Expense Accruals and Advances Given-Received**

Voytron, wholesale company; purchase datas taken from system will be explained on the system of Market Financial Settlement Center ("PMUM") between following month's 15-20<sup>th</sup> day. Within the same day, after explanation invoice will be made out. Invoices made out to TEİAŞ and customers are added to sales figure and recorded as Income Accruals as contra account. Invoices made out by TEİAŞ are added to cost figure and recorded as Expense Accruals.

Payments to TEİAŞ are made daily according to estimated consumption and recorded to 159 Advances Given. Account will be deducted by making out invoices.

Odaş, production company; purchase datas taken from system will be explained on the system of Market Financial Settlement Center ("PMUM") between following month's 15-20<sup>th</sup> day. Within the same day, after explanation invoice will be made out. Amount of invoices made out to TEİAŞ are added to sales as matching principle at the end of the periods and recorded as Income Accruals as contra account. Invoices made out by TEİAŞ are added to cost figure and recorded as Expense Accruals.

Production figure is conjecturally recorded to PMUM system daily and production cost put into bank account following day. Amount in the bank account is recorded to 340 Advances Taken Account and advances will be deducted by making out invoices.

Detail of income accruals are as below:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Accrued electricity sales income	21.076.057	30.782.551
Accrued interest income of time deposit	22.395	10.913
Other accrued interest income	-	11.578
Other accrued income	119.966	62.001
<b>TOTAL</b>	<b>21.218.418</b>	<b>30.867.043</b>

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**29. OTHER ASSETS AND LIABILITIES (Continued)**

**Other Fixed Assets**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Given advances	57.114.400	3.357.780
<b>TOTAL</b>	<b>57.114.400</b>	<b>3.357.780</b>

The amount of 51.595.319 TL of given advances in 2014 includes expenses for Çan Kömür thermal power plant.

**Other short term liabilities**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Accrued expenses	10.517.726	25.599.952
<b>TOTAL</b>	<b>10.517.726</b>	<b>25.599.952</b>

(\*)Accrued expenses details are as follows:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Accrued electricity purchase cost	10.357.512	23.649.989
Accrued distribution company cost	-	155.355
Accrued interest	134.039	1.794.608
Other accrued expenses	26.175	-
<b>Total</b>	<b>10.517.726</b>	<b>25.599.952</b>

**30.EQUITY, RESERVES AND OTHER EQUITIES**

**Paid-in Capital**

Paid-in Capital structure of the Company between June 30, 2014 and December 31, 2013 given on the following table:

Nominal capital of the company is 42.000.000 TRY and the upper limit of registered capital is 210.000.000 TRY. The company's application to registration of capital system is accepted by Capital Market Board.

**Equity**

	<b>June 30, 2014</b>		<b>December 21, 2013</b>	
	<b>Share Amount</b>	<b>Rate</b>	<b>Share Amount</b>	<b>Rate</b>
Korkut Özal	7.500.000	17.86%	12.000.000	28,57%
A. Bahattin Özal	7.500.000	17.86%	9.000.000	21,43%
Burak Altay	7.500.000	17.86%	9.000.000	21,43%
BB Enerji Yatırım San. Ve Tic. A.Ş.	7.500.000	17.86%		
Public Share	12.000.000	28,57%	12.000.000	28,57%
<b>Paid-in Capital</b>	<b>42.000.000</b>	<b>100%</b>	<b>42.000.000</b>	<b>100%</b>

### **30. EQUITY, RESERVES AND OTHER EQUITY (Continued)**

In accordance with General Loan Contracts signed between Yapı Kredi Bankası A.Ş. and ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş.'s shareholders on behalf of Yapı Kredi Bankası A.Ş. The total value of the amount pledged 30,000,000 shares with a nominal value of TRY 1. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

#### **Share Premium**

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Share Premium	48.000.000	48.000.000
<b>TOTAL</b>	<b>48.000.000</b>	<b>48.000.000</b>

#### **Actuarial gain / loss of funds**

Actuarial gain / loss of movement of funds are as follows:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Beginning period balance	105.555	64.917
Current year actuarial gains / (losses)	(41.864)	40.638
<b>TOTAL</b>	<b>63.691</b>	<b>105.555</b>

#### **Previous Years' Profit/Loss**

Accumulated profit/loss except net profit for the period is shown like below.

<b>Retained earnings</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
	<b>Balance</b>	<b>Balance</b>
Retained earnings	14.428.699	(1.075.762)
Period profit/(loss)	192.812.525	15.504.460
<b>TOTAL</b>	<b>207.241.224</b>	<b>14.428.699</b>

#### **Dividend Distribution**

Publicly trading companies distribute its dividends according to the regulations that came into force by the CMB on February 1<sup>st</sup>, 2014, dividend notification code II-19.1

The partners distribute their profits according to the profit distribution policy and legislative provisions determined by the general assembly. A minimum distribution rate under the declared notification has not been determined. Companies pay dividends based on their contacts or based on dividend distribution policies. Dividend can be paid in fixed or varying installments, if agreed during the general meeting. As for payments in installments; dividend notification No. II-19.1 of the provisions contained in Article 5 shall be complied with. In addition to that, partnerships whose shares are traded in the stock exchange can distribute cash dividends in advance, according to their earnings obtained on their interim financial statements.

According to the TCC, as long as the reserves to be set aside and the dividend rate stated in the real agreement or dividend distribution policy are not separated; another reserve cannot be set aside any profit cannot be transferred to the following year, and the usufruct of their prospective owners, board members, partners and everyone else other than shareholders will not be given any dividends from the obtained profit, just as well as if the shareholders are not paid their determined dividend fully in cash.



### **30. EQUITY, RESERVES AND OTHER EQUITY (Continued)**

The total amount of the dividends to be distributed can only be distributed if dividend distribution amount could be met from net profit available for distribution on legal records (Records according to Tax Procedure Law) or other reserves.

#### **Minority Interest**

Details of minority interest are shown below;

<b>Minority Interest</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Capital	1.109.335	849.335
Retained earnings	(25.303.972)	(107.418)
Period profit/(loss)	78.158	(24.676.554)
<b>TOTAL</b>	<b>(24.116.479)</b>	<b>(23.934.637)</b>

#### ***The Affect Of Business Combinations Including Common Controlled Entity or Companies***

Accounting Standards of Business Combinations Under Common Control was determined with "Principle Decision For Implementation of Turkish Accounting Standards". The subject of principle decision is "Accounting of Business Combinations Under Common Control". The principle decision numbered 2013-2, was published by KGK and become effective on July 21 of 2013 with the Official Journal numbered 28174.

According to decision, goodwill result from business combinations could not be existed on financial statements due to "pooling of interest" accounting method. Goodwill amount of 26.405.410 TL result from acquisition of companies under common control was shown under equity on a offset account called "Affect of Business Combinations Including Common Controlled Entity or Companies" as of 31 December, 2013.

Business Combinations Under Common Controlled Companies has been explained at TFRS-3 Business Combinations Standard, article b1- and b4. According to standart, TFRS-3 Business Combinations Standard will not be applicable for business combinations under common control.

A business combination under common control is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction. These combinations often occur in group reorganisations in which the direct ownership of subsidiaries changes but the ultimate parent remains the same. Such combinations can arise prior to an initial public offering or a sale of combined entities.

Some of individuals are counted as "controlling the company" when they have the controlling ability for financial and operational policies in order to utilize the company's operations as a result of agreements related to contracts. So that, as a result of agreements related to contracts, mentioned group has the control power to manage operational and financial politics of the company in order to utilize company operations and that power is not temporary, that kind of business combination lie beyond the scope of TFRS 3 Business Combinations.

There is no connection between the scale of uncontrolled shares (minority interests) of each combined companies and determining the if business combinations include common controlled companies. Likewise, the reality does not have any connection to determine the business combinations does include the companies under common control.

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2012. Goodwill amounts are reclassified at Equity under Affect of Business Combinations Including Common





**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**30. EQUITY, RESERVES AND OTHER EQUITY (Continued)**

Controlled Entity or Companies” account in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 10-12 on 30 June,2014 and 31 December, 2013.

Amounts that has been resulted from business combinations under common control and take place on “The Affect Of Business Combinations Including Common Controlled Entity or Companies” are shown as below;

Company Name	Acquisition Cost	Acquired equity Share Value	Ventures or businesses under common control, Including Effects of Mergers
Voytron Elektrik	23.342.950	(729.287)	24.072.237
Hidro Enerji	150.490	51.398	99.092
Ağrı Elektrik	70.000	20.616	49.384
Küçük Enerji	2.065.876	44.768	2.021.108
Ena Elektrik	32.270	(35.063)	67.333
Yel Enerji	-	(96.256)	96.256
<b>Total</b>	<b>25.661.586</b>	<b>(743.824)</b>	<b>26.405.410</b>

**31.REVENUE AND COST OF GOODS SOLD**

Details of sales are given below;

**Revenue:**

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
<i>Domestic sales</i>	268.635.238	253.329.732	131.705.731	148.496.567
<i>Free Consumer Electricity Sales</i>	151.943.346	174.731.312	76.272.435	98.539.923
<i>Electricity Sales income from TEİAŞ</i>	84.945.344	65.708.710	41.334.999	38.833.239
<i>Bilateral Agreements Electricity Sales</i>	16.810.312	12.889.710	4.988.483	11.123.405
<i>PFK Sales</i>	8.260.859	-	5.072.074	-
<i>Solar Energy Sales</i>	50.178	-	28.701	-
<i>GDDK Incomes</i>	128.334	-	941	-
<i>Distribution Companies Income from</i>	6.422.874	-	3.934.107	-
<i>Natural Gas Sales</i>				
<i>Energy Imbalance</i>	5.083	-	5.083	-
<i>Other Incomes</i>	68.909	-	68.909	-
<i>Electricity Export Sales</i>	143.534	-	143.534	-
<i>Electricity Export Sales</i>	143.534	-	143.534	-
<i>Sales returns</i>	(428.506)	(454.308)	(79.125)	(138.842)
<i>Sales discounts</i>	-	(7.063)	-	(543)
<b>Total</b>	<b>268.350.267</b>	<b>252.868.361</b>	<b>131.770.141</b>	<b>148.357.182</b>

The details of electricity sales arise from production are given below:



**31.REVENUE AND COST OF GOODS SOLD (Continued)**

	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Domestic sales	87.808.370	72.546.836	43.707.945	46.485.240
<i>Electricity Sales income from TEİAŞ</i>	79.128.492	62.426.775	38.528.713	37.161.071
<i>Free Consumer Electricity Sales</i>	294.849	508.004	4.465	508.004
<i>Bilateral Agreements Electricity Sales</i>	-	9.612.057	-	8.816.165
<i>PFK Sales</i>	8.260.859	-	5.072.074	-
<i>Solar Energy Sales</i>	50.178	-	28.701	-
<i>Energy Imbalance</i>	5.083	-	5.083	-
<i>Other Incomes</i>	68.909	-	68.909	-
<b>Total</b>	<b>87.808.370</b>	<b>72.546.836</b>	<b>43.707.945</b>	<b>46.485.240</b>

(\*)90% of the sales from production activity is made to Türkiye Elektrik İletim A.Ş.

The details of electricity sales from wholesale activity are shown below;

	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Domestic sales	174.403.994	180.782.896	84.059.072	102.011.328
<i>Free Consumer Electricity Sales</i>	151.648.497	174.223.308	76.263.362	98.031.919
<i>Electricity Sales income from TEİAŞ</i>	5.816.852	3.281.935	2.806.287	1.672.169
<i>Bilateral Agreements Electricity Sales</i>	16.810.312	3.277.653	4.988.483	2.307.240
<i>GDDK Incomes</i>	128.334	-	941	-
Export Sales	143.534	-	143.534	-
<i>Export Sales</i>	143.534	-	143.534	-
Sales returns	(428.506)	(454.308)	(74.518)	(138.843)
Sales discounts	-	(7.063)	-	(543)
<b>Total</b>	<b>174.119.023</b>	<b>180.321.525</b>	<b>84.128.089</b>	<b>101.871.942</b>

The details of natural gas sales from wholesale activity are shown below;

	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Domestic sales	6.422.874	-	3.934.107	-
<i>Distribution Companies Income from Natural Gas Sales</i>	6.422.874	-	3.934.107	-
<b>Total</b>	<b>6.422.874</b>	<b>-</b>	<b>3.934.107</b>	<b>-</b>

List of the companies according to electricity sales of productive activity between January 1, - June 30, 2014 period are as follow;



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**31.REVENUE AND COST OF GOODS SOLD (Continued)**

<b>Title</b>	<b>Ratio</b>
Türkiye Elektrik İletim A.Ş.	90%
Boyabat Elektrik Üretim ve Tic. A.Ş.	3%
Limak Yatırım Enerji Üretim İşl. Hiz. ve İnş. A.Ş.	2%
Sanko Enerji Sanayi ve Ticaret A.Ş.	1%
Aliaga Çakmaktepe Enerji Üretim A.Ş.	1%
Bosen Enerji Elektrik Üretim A.Ş.	1%

List of top ten firms of wholesale activity between January 1, - June 30, 2014 period are as follow;

<b>Title</b>	<b>Ratio</b>
İstanbul İkitelli Organize Sanayi Bölgesi Başkanlığı	40%
Avea İletişim Hizmetleri A.Ş.	19%
Yeni Mağazacılık A.Ş.(A101)	9%
Türkiye Elektrik İletim A.Ş.	3%
Fina Elektrik Enerjisi İth. İhr. ve Toptan Satış A.Ş.	3%
Limak Enerji Ticareti A.Ş.	2%
Flament Tekstil San. Tic. A.Ş.	1%
Bir Enerji Elektrik Toptan Satış İth. İhr. A.Ş.	1%
Cengiz Elektrik Toptan Satış A.Ş.	1%
Age Elektrik Enerjisi Toptan Satış A.Ş.	1%

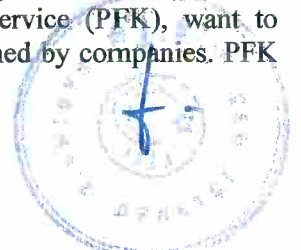
List of the companies according to natural gas sales of wholesale activity between January 1, - June 30, 2014 period are as follow;

<b>Title</b>	<b>Ratio</b>
BOTAŞ - Boru Hatları ile Petrol Taşıma A.Ş.	37%
Doğal Enerji İthalat A.Ş.	35%
Hipot Enerji ve Madencilik A.Ş.	13%
Zorlu Doğalgaz İthalat İhracat ve Toptan Tic. A.Ş.	7%
Angoragaz Doğalgaz Toptan Satış İth. İhr. San. ve Tic. A.Ş.	6%

Cost of goods sold consists of following;

	<b>January 01-June 30, 2014</b>	<b>January 01-June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Cost of goods sold (production)	79.740.366	67.125.688	36.975.111	34.948.400
Cost of goods sold (trade)	176.105.762	166.107.199	84.697.649	102.259.691
Cost of services sold (*)	-	-	(58.930)	-
<b>TOTAL</b>	<b>255.846.128</b>	<b>233.232.887</b>	<b>121.613.831</b>	<b>137.208.091</b>

(\*) **PFK Liability Transfer Service Fee;** In case of productive facilities in the scope of electricity market ancillary services regulations obligated to participate primer frequency control service (PFK), want to transfer PFK liabilities to another company in related conciliation term, fee is assigned by companies. PFK was classified at cost of good sold on current period.



### 32.CONSTRUCTION CONTRACTS

None. (None ,December 31, 2013.)

### 33.GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	January 01-June 30, 2014	January 01-June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Marketing, sales and distribution expenses	742.960	635.493	385.658	434.197
General administration expenses	3.389.930	1.811.107	1.672.426	857.313
<b>TOTAL</b>	<b>4.132.890</b>	<b>2.446.600</b>	<b>2.058.084</b>	<b>1.291.510</b>

#### Marketing, sales and distribution expenses

Details of marketing, sales and distribution expenses according to their nature between 1 January –30 June , 2014 and 1 January –30 June, 2013 periods are like below;

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Personnel expense	495.427	45.205	245.109	26.682
Electricity sales commission expense	90.547	10.388	65.014	10.388
Consultancy expenses	62.597	39.230	40.097	39.230
Annual license costs	19.424	16.676	19.424	16.676
Shipping expense	7.732	23.008	7.732	14.922
Advertising expense	3.923	-	2.117	-
Travel expenses	1.290	15.052	1.290	8.810
Tax expenses	-	279.058	-	153.572
Fuel expense	-	11.051	-	5.592
Other	62.020	195.825	4.875	158.325
<b>TOTAL</b>	<b>742.960</b>	<b>635.493</b>	<b>385.658</b>	<b>434.197</b>

#### General Administration Expenses

Details of general administration expenses according to their nature 1 January – 30 June 2014, and 1 January – 30 June 2013, periods are as below;

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Personnel expense	1.509.620	888.812	733.539	472.719
Consultancy expenses	587.487	197.062	346.719	116.093
Office rent expenses	378.666	81.902	184.319	46.927
Amortization expense	205.737	2.081	106.462	457
Tax expenses	174.517	144.072	66.150	43.840
Severance payment provisions	5.193	1.226	1.442	(42.101)
Shipping expense	68.089	52.210	29.934	27.734
Travel expenses	65.164	153.074	7.364	132.854
Dues contribution share	62.857	21.004	46.714	8.998
Fuel expense	21.576	11.237	12.841	3.971
Provision for unused vacation	97.822	19.658	39.912	(9.059)
Other	213.203	238.769	97.031	54.880
<b>TOTAL</b>	<b>3.389.930</b>	<b>1.811.107</b>	<b>1.672.426</b>	<b>857.313</b>

**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

There is no Research and Development Expenses belong to date of 1 January-30 June 2014 and 1 January-30 June 2013.

**34.OTHER OPERATIONAL INCOME AND EXPENSE**

**Other Operational Income**

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Exchange rate income	1.197.656	3.212	1.110.462	(232.689)
Rediscount interest income	1.174.832	640.665	(28.196)	(754.340)
Prior Year Revenues and Profits	21.574	354	-	354
Interest income	-	87.645	-	(285.011)
Other Income and Profits related to operations	1.141.100	-	549.694	-
Provisions no longer required	129.274	-	-	-
Other Extraordinary Income	3.380	-	1.585	-
<b>TOTAL</b>	<b>3.667.815</b>	<b>731.876</b>	<b>1.633.545</b>	<b>(1.271.687)</b>

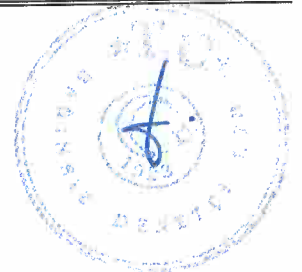
**Other Operational Expense**

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Exchange rate expense	3.145.076	844.118	2.828.870	842.090
Rediscount interest expense	1.242.314	946.106	(122.191)	308.852
Public Offer expenses	-	2.685.160	-	2.685.160
Other Extraordinary Expenses and Losses	406.837	257.533	97.489	167.925
Prior Period Expenses and Losses	2.505.149	1.000	2.505.142	-
Other Ordinary Expenses and Losses	704.027	3.183	701.610	3.183
Provision for Doubtful Receivables	-	109.207	-	(18.182)
Delay interest expense	-	1.562.549	-	1.023.884
<b>TOTAL</b>	<b>8.003.403</b>	<b>6.408.856</b>	<b>6.010.920</b>	<b>5.012.912</b>

**35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES**

**Revenues from investing activities**

	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Gain on sale of fixed assets	-	8.202	-	8.202
<b>TOTAL</b>	<b>-</b>	<b>8.202</b>	<b>-</b>	<b>8.202</b>





### 36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

Details of expenses according to principle types as of 30 June 2014, and 30 June 2013, periods are like below;

<b>Depreciation and amortization expense</b>	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Cost of sales	2.193.970	1.774.856	1.101.490	887.117
General administration expenses	205.737	2.081	106.462	457
<b>TOTAL</b>	<b>2.399.707</b>	<b>1.776.937</b>	<b>1.207.952</b>	<b>887.574</b>

<b>Personnel expenses</b>	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Cost of sales	1.131.792	612.262	593.174	374.665
Marketing, sales and distribution expenses	495.427	45.205	245.109	26.682
General operating expenses	1.509.620	888.812	733.539	472.719
<b>TOTAL</b>	<b>3.136.839</b>	<b>1.546.279</b>	<b>1.571.822</b>	<b>874.066</b>

<b>Consultancy expenses</b>	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Marketing, sales and distribution expenses	62.597	39.230	40.097	39.230
General administration expenses	587.487	197.062	346.719	116.093
<b>TOTAL</b>	<b>650.084</b>	<b>236.292</b>	<b>386.816</b>	<b>155.323</b>

### 37. FINANCIAL EXPENSE AND INCOME

#### Financial Expense (-)

	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Loss on sale of marketable securities	204	-	-	-
Foreign exchange losses	3.252.438	15.093.560	(4.902.574)	13.387.745
Interest and commission expense	14.981.430	8.172.528	8.406.205	4.207.314
<b>TOTAL</b>	<b>18.234.072</b>	<b>23.266.088</b>	<b>3.503.631</b>	<b>17.595.059</b>

#### Financial Income

	<b>January 01- June 30, 2014</b>	<b>January 01- June 30, 2013</b>	<b>April 01- June 30, 2014</b>	<b>April 01- June 30, 2013</b>
Interest and commission income	2.398.554	4.787.319	654	2.204.918
Gain on sale of marketable securities	407	-	407	-
Foreign exchange gain	9.733.894	2.055.505	6.182.503	206.387
<b>TOTAL</b>	<b>12.132.855</b>	<b>6.842.824</b>	<b>6.183.563</b>	<b>2.411.305</b>



### 38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

Details of other comprehensive income/(expense) as of June 30, 2014 and June 30, 2013 periods are like below;

Not reclassified on gain/(loss)	January 01- June 30, 2014	January 01- June 30, 2013	April 01- June 30, 2014	April 01- June 30, 2013
Actuerial gains/(loss)(Note:27)	52.330	(64.047)	57.946	(31.225)
Deferred tax revenue/(expense)(Note:40)	(10.466)	12.809	(11.589)	6.245
<b>TOTAL</b>	<b>41.864</b>	<b>(51.237)</b>	<b>46.357</b>	<b>(24.980)</b>

### 39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (None, 31 December 2013)

### 40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Tax expense/income in comprehensive income statement for periods ended at 30 June 2014 - 31 December 2013, is like below :

	June 30, 2014	December 31, 2013
Tax expense for the period	-	-
Deferred tax income/ expense	(1.044.725)	(58.445.077)
Deferred tax reflected in equity (*)	(10.466)	10.160
<b>Deferred Tax Liability</b>	<b>(1.055.191)</b>	<b>(58.434.917)</b>

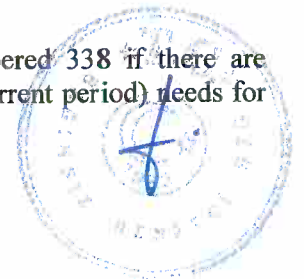
(\*)IAS 19 Employee benefits changes made to the standard actuarial gains / losses is the amount of deferred tax on the amount.Note:38)

#### Current Tax

Corporate tax rate is 20% in Turkey. This rate can be applied to the amount after addition of expenses which are not accepted to discount according to Turkish law to company's operating income and deduction of exceptions in tax law like subsidiary income and discounts like investment discount from company's operating income.

According to the Corporate Tax Law numbered with 5520, corporate tax rate is %20. This rate is applied to the tax bases in accordance with the laws of corporate income tax to be added to deductible expenses, exemptions which place at tax laws (such as affiliation privilege) and usage of deductions (like investment incentives). As of December 31, 2003, there was an act which predicted to change in Tax Procedure Law, Income Tax Law and Corporate Tax Law ("Act numbered as 5024"), it predicts that income and corporate taxpayer, who determines its profit according to statement of financial position base, keep their financial statements with inflation adjustment starting after January 1, 2004. These taxpayers also have to make inflation adjustment for their financial statements at December 31, 2003. It is an obligation that taxpayers, who have to make inflation adjustment according to the general declaration published by Ministry of Finance as of 28 February 2004, have to make adjustments in their statement of financial position after January 1, 2004 if there is the case which obligates adjustment.

Company will calculate tax amount for the period according to declaration numbered 338 if there are conditions (such as increase in price index in last 12 periods at 100% and 10% for current period) needs for adjustments in the direction of 5024 numbered Law and mentioned declarations.



#### **40. TAXATION ON INCOME (Continued)**

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15% (10% before July 22nd, 2006). Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Companies calculate pre-paid corporate tax at 20% on their profit for each 3 months and they declare that amount at fourteenth day of second month in following period and they pay it till evening of seventeenth day of same month. Pre-paid taxes which are paid in the year belong to same year and it will be deducted from corporate tax amount which is calculated according to corporate tax declaration for the following year. Pre-paid corporate tax remained after deduction can be deducted from any financial payables to government.

75% of profit from sales of property, subsidiary's shares, management shares, shares for which company has first right of purchase which company kept in hand at least 2 years is count as exception in condition that they can be kept under a fund account as equity item for 5 years in liabilities and collection of total sales amount has to be finished not exceeding second year after sales made.

#### **Investment Allowance**

Investment discount is outlaw effective as of January 01, 2006. However, in cases where company's taxable profit is not enough to recover the amount of investment discount which company did not get benefit as of December 31, 2005, this investment discount can be carry forward in order to be deducted from future taxable profit of company. Moreover this deduction can be made only for profit earned for the years 2006, 2007 and 2008. Investment discount which could not deduct from profit earned for the year 2008 cannot be carry forward for future periods. As of October 15, 2009 there was a lawsuit in constitutional court related to not to carry forward this investment discount. According to decision of this law suit, time limitation was no longer applicable for carry forward for future periods because of constitutional rights. As a result of this:

- a- Investments which will start after January 1, 2006 in same scope with already started applications which are made before April 24, 2003,
- b- In scope of cancelled article numbered as 19 in Income Tax Law, exception amount of investment discount cannot be subjected to any withholding tax. According to the acts which are effective before July 24, 2003, in case of using the right of earned investment discount, company will make withholding tax as rate of 19, 8% on used investment discount exception without distributing or not distributing of profit.

According to Turkish Tax Regulations, loss without exceeding 5 years can be discounted from corporate income for the period. However loss cannot be discounted from previous year profits.

There is not any application which consists of agreement between companies and tax authority about payables taxes in Turkey. Declaration of corporate tax has to give to related tax authority of company in twenty fifth day of forth month of closed period. Moreover, tax authority can check company records for 5 years and if there is a mistake, amount of taxes payables can be changed.

#### **Current period tax expense:**

A new regulation has been done for applying aforesaid investment discount for 2010 and following years gains by law issued in August 1, 2010 dated 6009 numbered official gazette The investment allowance can be used up to %19,8 of the profit with this arrangement.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**40. TAXATION ON INCOME (Continued)**

	<b>January 01- June 30, 2014</b>	<b>January 01- December 31, 2013</b>
Profit/loss before tax	(6.852.851)	(11.869.225)
Non-deductible expenses	4.145.053	3.682.632
To be offset prior year losses	(14.961.713)	(8.186.593)
<b>Corporate tax base</b>	-	-
Corporate Tax Provision	-	-
<b>Tax Expense For The Period</b>	-	-

**Deferred Tax**

Company calculates deferred tax assets and liabilities with recorded values in statement of financial position items by considering difference effects which occurs as a result of evaluation for values in statement of financial position items and Tax Procedure Law.

Differences in question generally sourced from accounting of expenses and incomes for different reporting periods according to CMB declarations and Tax Law. The rate which will apply for deferred tax receivables and liability which is calculated according to liability methods on temporary differences will occur after December 31, 2008 is 20%.

Detail of accumulated temporary differences using tax rates of deferred tax assets and liabilities as of June 30, 2014, and December 31, 2013 is as below:

	<b>Accumulated Temporary Differences</b>		<b>Tax Rate</b>	<b>Deferred Tax Assets / (Liabilities)</b>	
<b>Deferred Tax Assets / (Liabilities)</b>	<b>June 30, 2014</b>	<b>Dec 31,2013</b>		<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Interest Accrual Loans and Leasing	(32.575)	348.305	20%	(6.515)	69.661
Fixed Assets	(35.604.630)	(30.860.620)	20%	(7.120.926)	(6.172.124)
Severance Indemnities and Provisions	197.425	287.680	20%	39.485	57.536
Rediscount	(49.965)	(117.416)	20%	(9.993)	(23.483)
Doubtful Receivables	403.665	532.940	20%	80.733	106.588
Income Accruals	-	(229)	20%	-	(46)
Establishment and Formation Expenses	10.460	9.675	20%	2.092	1.935
Negative Goodwill (Note:3)	(260.720.238)	(260.720.238)	20%	(57.980.846)	(57.980.846)
	<b>(295.795.858)</b>	<b>(290.519.903)</b>		<b>(64.995.971)</b>	<b>(63.940.779)</b>

<b>Odaş Deferred Tax Assets / Liabilities</b>	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Opening balance	(63.902.362)	(5.470.908)
Current year deferred tax gain/(loss)	(1.208.196)	(58.441.357)
Deferred tax reflected in shareholders' equity	(486)	9.903
<b>Deferred Tax Assets / (Liabilities)</b>	<b>(65.111.045)</b>	<b>(63.902.362)</b>

<b>Subsidiaries Deferred Tax Assets / Liabilities</b>	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Balance from the previous period, the deferred tax	(38.418)	(26.441)
Purchased Company prior period deferred tax	-	(8.514)
Current year deferred tax income / (expense)	163.472	(3.720)
Deferred tax in equity	(9.980)	256
<b>Deferred Tax Assets / (Liabilities)</b>	<b>115.074</b>	<b>(38.417)</b>



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**40. TAXATION ON INCOME (Continued)**

<b>Subsidiaries Deferred Tax Assets</b>	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş.	15.438	84
Voytron Elektrik Toptan Satış Dış Tic. A.Ş.	72.324	63.377
Yel Enerji Elektrik Üretim San. A.Ş.	228	-
Ena Elektrik Üretim Ltd. Şti.	2.735	-
Çan Kömür ve İnşaat A.Ş.	47.688	-
<b>Deferred Tax Assets</b>	<b>138.413</b>	<b>63.461</b>

<b>Subsidiaries Deferred Tax Liabilities</b>	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Yel Enerji Elektrik Üretim San. A.Ş.	-	(2.661)
Ena Elektrik Üretim Ltd. Şti.	-	(158)
Çan Kömür ve İnşaat A.Ş.	-	(31.565)
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	(21.814)	(65.385)
Hidro Enerji Elektrik Üretim San. A.Ş.	(150)	(396)
Ağrı Elektrik Üretim San. A.Ş.	(1.376)	(1.713)
<b>Deferred Tax Liabilities</b>	<b>(23.340)</b>	<b>(101.878)</b>

**41. EARNING PER SHARE**

	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Net profit /(loss)	(3.032.123)	192.812.525
Weighted average number of ordinary share	42.000.000	37.000.000
<b>Profit/(loss) per share with nominal value of 1 TRY</b>	<b>(0,07219)</b>	<b>5,211149</b>

**42. SHARE-BASED PAYMENT**

None. (None, 31 December 2013.)

**43. INSURANCE CONTRACTS**

None. (None, 31 December 2013.)

**44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE**

None. (None, 31 December 2013.)

**45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES**

Prepared financial tables before the period of January 01,2005, in order to show change of purchasing power of TRY, inflations adjustments were made using general wholesale price index under IAS 29. In this standard, financial tables prepared with currency on the high inflation periods, conditioning using adjustment coefficient, financial statements of Money expressed in terms of current purchasing power is predicted.

CMC took a decision on March 17,2005, with this decision, companies who operate in Turkey and prepare financial table in accordance with accounting and reporting principles which are adopted by CMC ( CMC Financial Reporting Standard) proclaimed unnecessary application of inflation accounting as of 01.01.2005. Therefore, conditioning with started on 01.01.2005, Financial Reporting on the high inflation economies standard (IAS 29) that is published by IASC, were not applied.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**46. DERIVATIVE INSTRUMENTS**

None. (None, 31 December 2013.)

**47. FINANCIAL INSTRUMENTS**

**Short-Term Financial Liabilities**

	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Bank loans	33.506.229	-
Finance lease liabilities (*)	1.333.326	18.596.738
Deferred lease costs (-) (**)	(318.484)	(6.653.708)
Installments of principal and interest of loans	42.728.452	33.284.810
<b>Short-Term Financial Liabilities - Net</b>	<b>77.249.523</b>	<b>45.227.840</b>

(\*)Finance lease liabilities: Renters and that those who lease term debt not exceeding one year are followed.

(\*\*)Deferred lease costs (-): Financial leasing liabilities at the date of lease rental payments on the leased asset represents the difference between the present value of lease borrowing costs not yet paid are monitored.

**Long-Term Financial Liabilities**

	<b>June 30, 2014</b>	<b>Dec 31,2013</b>
Bank loans	148.438.990	67.343.604
Finance lease liabilities (*)	5.568.560	64.367.560
Deferred lease costs (-) (**)	(788.583)	(8.827.618)
<b>Long-Term Financial Liabilities - Net</b>	<b>153.218.967</b>	<b>122.883.546</b>

(\*)Finance lease liabilities: Tenants who lease maturity of one year and the debt which is to be monitored.

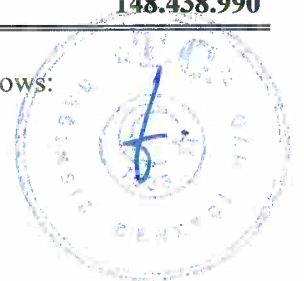
(\*\*)Deferred lease costs (-): Financial leasing liabilities at the date of lease rental payments on the leased asset represents the difference between the present value of lease borrowing costs not yet paid are monitored.

Cycle power plant used in the lease is made for motors and transformers.

As of June 30, 2014 redemption schedule of long-term liabilities are as follows:

<b>Liabilities Long-Term Loans</b>	<b>June 30, 2014</b>
2015	20.087.517
2016	39.405.876
2017	34.626.083
2018	20.734.310
2019	18.318.263
2020	9.864.122
2021	2.608.772
2022	1.922.267
2023	871.780
<b>Total</b>	<b>148.438.990</b>

As of June 30, 2014 redemption schedule of long-term finance lease liabilities is as follows:



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

Payment Year	Finance Lease Obligations	Deferred Financial Leasing Costs
2015	659.874	150.878
2016	1.319.749	253.052
2017	1.319.749	184.649
2018	907.673	118.363
2019	907.673	67.748
2020	453.842	13.893
<b>Total</b>	<b>5.568.560</b>	<b>788.583</b>

Other Financial Liabilities

	June 30,2014	December 31,2013
Other financial liabilities (*)	5.970	58.759
<b>Total</b>	<b>5.970</b>	<b>58.759</b>

(\*) Made with a credit card belonging to the Company consists of debt in relation to expenditure.

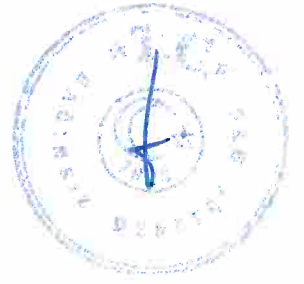


**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**47. FINANCIAL INSTRUMENTS (Continued)**

The maturity of the Group's loans and interest amounts are as follows:

	Annual Interest Rate %		Exchange Value		TL	
	June 30, 2014	Dec. 31, 2013	June 30, 2014	Dec. 31, 2013	June 30, 2014	Dec. 31, 2013
TL Loans	11-15%	11-15%	-	-	33.506.229	135.016
<b>Short-term Loans</b>			-	-	<b>33.506.229</b>	<b>135.016</b>
EURO Loans	6%-9%	6%-9%	14.247.253	11.288.879	41.201.630	33.149.794
USD Loans	6%-9%	6%-9%	679.635	-	1.443.136	-
TL Loans	11%-15%	11%-15%	-	-	83.684	-
<b>Short-term payments and interests of loans</b>			<b>14.926.88</b>	<b>11.288.879</b>	<b>42.728.452</b>	<b>33.149.794</b>
<b>Total short-term loans</b>			<b>14.926.88</b>	<b>11.288.879</b>	<b>76.234.680</b>	<b>33.284.810</b>
EURO Loans	6%-9%	6%-9%	44.024.134	22.923.228	127.313.394	67.314.060
USD Loans	6%-9%	6%-9%	9.948.948	-	21.125.596	-
TL Loans	11%-15%	11%-15%	-	-	-	29.544
<b>Total long-term loans</b>			<b>53.973.082</b>	<b>22.923.228</b>	<b>148.438.990</b>	<b>67.343.604</b>



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

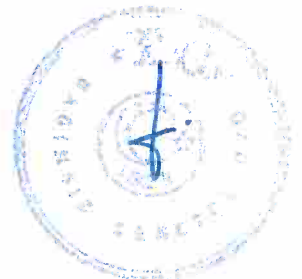
**48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Currency Position**

	June 30, 2014				December 31, 2013			
	TL (Functional Currency)	USD	EURO	GBP	TL	USD	EURO	GBP
1. Trade Receivables	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash and cash equivalents)	13.858.603	29.628	29.628	375	7.404.369	18.099	2.507.894	375
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	52.173.165	18.036.761	18.036.761	-	7.112.481	1.200.698	1.549.407	-
<b>4. Current Assets (1+2+3)</b>	<b>66.031.767</b>	<b>18.066.389</b>	<b>18.066.389</b>	<b>375</b>	<b>14.516.850</b>	<b>1.218.797</b>	<b>4.057.300</b>	<b>375</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>66.031.767</b>	<b>6.491.583</b>	<b>18.066.389</b>	<b>375</b>	<b>14.516.850</b>	<b>1.218.797</b>	<b>4.507.300</b>	<b>375</b>
10. Trade payables	3.754.719	117.940	1.211.759	-	1.070.710	-	364.621	-
11. Financial Liabilities	19.804.866	-	6.848.392	-	52.454.113	-	17.862.800	-
12a. Monetary financial liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary financial liabilities	-	-	-	-	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>23.559.585</b>	<b>117.940</b>	<b>8.060.151</b>	<b>-</b>	<b>53.524.822</b>	<b>-</b>	<b>18.227.421</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	155.791.929	-	53.871.824	-	145.702.074	-	49.617.597	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>155.791.929</b>	<b>-</b>	<b>53.871.824</b>	<b>-</b>	<b>145.702.074</b>	<b>-</b>	<b>49.617.597</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>179.351.514</b>	<b>117.940</b>	<b>61.931.975</b>	<b>-</b>	<b>199.226.896</b>	<b>-</b>	<b>67.845.018</b>	<b>-</b>
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	-	-	-	-	-	-	-	-
19a. Amount of Hedge Total Asset	-	-	-	-	-	-	-	-
19b. Amount of Hedge Total Liabilities	-	-	-	-	-	-	-	-
<b>20. Net Foreign Currency asset/ (liabilities) Position (9-18)</b>	<b>(113.319.746)</b>	<b>6.373.643</b>	<b>(43.865.586)</b>	<b>375</b>	<b>(184.710.046)</b>	<b>1.218.797</b>	<b>(63.787.718)</b>	<b>375</b>
<b>21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(165.492.911)</b>	<b>6.367.683</b>	<b>(61.902.347)</b>	<b>375</b>	<b>(191.822.527)</b>	<b>18.099</b>	<b>(65.337.125)</b>	<b>375</b>
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	52.162.548	960	18.036.761	-	-	-	-	-

**Market Risk**

The probability of loss sourced by risk arises from interest, exchange difference and change in share price because of fluctuations in the financial market in financial statement accounts and other accounts.



#### 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
June 30, 2014				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
<b>Change in 20% of the U.S. Dollar against TL;</b>				
1 - Net asset / liability of USD	7.648.371	(7.648.371)	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
<b>3- Net effect of U.S. Dollar (1+2)</b>	<b>7.648.371</b>	<b>(7.648.371)</b>	<b>-</b>	<b>-</b>
<b>Change in 20% of the EURO against TL;</b>				
4 - Net asset / liability of EUR	(52.638.704)	52.638.704	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
<b>6- Net Effect of EURO(4+5)</b>	<b>(52.638.704)</b>	<b>52.638.704</b>	<b>-</b>	<b>-</b>
<b>Change in 20% of the GBP against TL;</b>				
7- Other foreign currency net asset / liability	450	(450)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
<b>9- Net Effect of GBP(7+8)</b>	<b>450</b>	<b>(450)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9)</b>	<b>(44.989.882)</b>	<b>44.989.882</b>	<b>-</b>	<b>-</b>

December 31, 2013				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
<b>Change in 20% of the U.S. Dollar against TL;</b>				
1 - Net asset / liability of USD	1.462.556	(1.462.556)	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
<b>3- ABD Doları Net Etki (1+2)</b>	<b>1.462.556</b>	<b>(1.462.556)</b>	<b>-</b>	<b>-</b>
<b>Change in 20% of the EURO against TL;</b>				
4 - Net asset / liability of EUR	(76.545.262)	75.545.262	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
<b>6- Net Effect of EURO(4+5)</b>	<b>(76.545.262)</b>	<b>75.545.262</b>	<b>-</b>	<b>-</b>
<b>Change in 20% of the GBP against TL;</b>				
7- Other foreign currency net asset / liability	450	(450)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
<b>9- Net Effect of GBP(7+8)</b>	<b>450</b>	<b>(450)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9)</b>	<b>(75.082.255)</b>	<b>75.082.255</b>	<b>-</b>	<b>-</b>



#### **49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)**

##### **Fair Value**

Fair value is defined as price between willing parties who are into making a sale or purchase.

Financial assets and liabilities in foreign currency are converted to market prices at statement of financial position date.

Methods and assumptions below are used to predict fair value of each financial instrument in case when it is possible to determine fair value of these instruments.

##### **Financial Assets**

The fair value of certain financial assets carried at cost, including cash at banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to approximate their fair values. The carrying value of the financial assets is considered to approximate their fair values.

##### **Financial Liabilities**

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

##### **Derivative Financial Instruments (Futures Agreements)**

The Group does not engage in derivative transactions in the foreign exchange markets.

#### **50. SUBSEQUENT EVENTS**

1) Pre-License document belongs to Çan-2 Thermal Power Plant, which will be planned to be located at Çan district in Çanakkale, was given to Çan Kömür ve İnşaat A.Ş. with the EMRA decision numbered 5117-5 and dated July 10, 2014. Installed power of Thermal Power Plant will be 340 MWm/330 MWe.

2) Severance payment limit is determined as 3.438,22 TL as at July 1, 2014

#### **51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS**

None. (None December 31, 2013.)

#### **52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS**

None.



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**  
**Limited Audited 1 January 2014 – 30 June period**  
**Explanatory Notes to the Financial Statements**  
(Currency is TRY unless otherwise is indicated.)

**53. EXPLANATION TO CASH FLOW STATEMENT**

**Cash and Cash Equivalents**

	<b>June 30 , 2014</b>	<b>December 31, 2013</b>
Cash	57.491	96.668
Bank	25.172.665	52.308.002
-Demand deposit	1.409.226	4.130.647
-Time deposit	17.613.439	48.177.355
-Blocked deposit	6.150.000	-
Other Current Assets	400	-
<b>TOTAL</b>	<b>25.230.556</b>	<b>52.404.670</b>

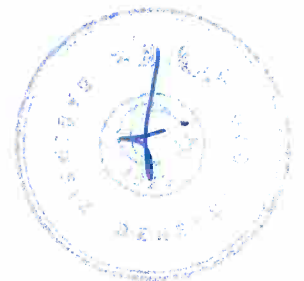
As of June 30, 2014 details of blocked deposits of the Group are presented below; (None December 31, 2013)

<b>Blocked Time Deposits</b>	<b>Maturity</b>	<b>Interest Rate</b>	<b>June 30, 2014 TL</b>
TL	01.07.2014	7,20%	6.150.000
<b>TOTAL</b>			<b>6.150.000</b>

Amount of time deposits as of 30 June 2014 concerning the details are as follows:

<b>Currency Time Deposits</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2014 TL</b>
TL	01.07.2014	6,75%	150.000
TL	01.07.2014	8,00%	2.480.000
TL	01.07.2014	6,50%	83.000
TL	01.07.2014	8,80%	1.131.358
TL	01.07.2014	8,80%	955
<b>TOTAL</b>			<b>3.845.313</b>

<b>Currency Time Deposits</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>June 30, 2014 USD</b>	<b>June 30, 2014 TL</b>
USD	07.07.2014	2,10%	6.484.000	13.768.126
<b>TOTAL</b>			<b>6.484.000</b>	<b>13.768.126</b>



### 53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

As at December 31, 2013 amounting details on time deposits are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2013 TL
TL	31.01.2014	8,05%	1.600.000
TL	02.01.2014	9,00%	13.000.000
TL	02.01.2014	6,00%	6.000.000
TL	02.01.2014	6,50%	9.982.509
TL	02.01.2014	7,50%	2.008.386
TL	02.01.2014	6,83%	1.414.117
TL	02.01.2014	6,00%	400.000
TL	02.01.2014	6,50%	125.000
TL	02.01.2014	7,50%	179.838
TL	02.01.2014	7,50%	1.507.276
TL	02.01.2014	6,60%	1.200.000
TL	02.01.2014	3,50%	193.276
TL	02.01.2014	5,00%	134.285
TL	02.01.2014	5,50%	86.000
TL	02.01.2014	6,83%	1.645.200
TL	02.01.2014	6,50%	90.000
TL	02.01.2014	6,50%	435.186
TL	02.01.2014	5,50%	85.000
TL	02.01.2014	6,50%	780.345
<b>TOTAL</b>			<b>40.866.418</b>

Currency Time Deposits	Maturity	Interest rate	December 31, 2013 EUR	December 31, 2013 TL
EUR	23.01.2014	2,86%	1.328.247	3.900.397
EUR	02.01.2014	3,27%	876.430	2.573.637
EUR	02.01.2014	4,00%	285.000	836.903
<b>TOTAL</b>			<b>2.489.677</b>	<b>7.310.937</b>

Details of statement of cash flow corrections for the periods ended on 30 June, 2014 and 30 June, 2013 are presented below;

	January 1- June 30, 2014	January 1- June 30, 2013
Adjustments Related to Depreciation and Amortization	2.399.707	1.776.937
Severance Indemnity	(47.137)	67.371
Provision for Taxes	-	719.900
Provision for Allowance	97.822	19.658
Provision for Doubtful Receivables	-	109.207
Rediscount	(154.023)	184.518
Income Accrual	(21.218.418)	(17.925.590)
Accrued expenses (interest and other)	10.517.726	-
Adjustments Related to Income Tax Expense / Revenue	1.055.192	956.992
Adjustments Related to Disposal of Fixed Assets Resulting from the Loss / Gain	-	8.202
Minority Interest	181.842	661.078

**54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE**

The company's equity change table is presented as appropriate for explanatory notes and financial tables of basics which are published on July 07, 2013 and with no 2103/19 weekly newsletter by CMB.

Effect of accountant politics changes that explain in note 2, effect of accumulated gains/losses account and effects of accumulated other comprehensive incomes/expenses as proffit/loss restrospective which is shown in other comprehensive income are shown that equity change table.

**55. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)**

This financial data, that is calculated as an income before finance, tax and depreciation is an indication of measured income without taking notice of finance, tax, expenses that are not required cash outflows, depreciation and redemption expenses of the company. This financial data also specified in the financial statements by some investors due to use in the measurement of the company's ability to repay the loans and/or additional loan. However, EBITDA should not be consider independently from financial statements. Also, EBITDA should not evaluate as an alternative to net income(loss), net cash flow derived from operating, investing and financing activities, financial data obtained from investing and financial activities or prepared according to IAS / IFRS, or other inputs obtained from financial instruments such as, business operating performance. This financial information should be evaluated together with other financial inputs that are contained in the statement of cash flow.

As the date of June 30, 2014 the amount of interest, tax, profit before depreciation is 10.770.955 TL.  
(December 31, 2013: 47.249.818 TL)

