

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş. AND SUBSIDIARIES

**Consolidated Financial Statements And
Explanatory Notes Regarding
1 January – 30 September 2014 Interim Accounting Period**

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Statements and Disclosures as of January 1, 2014 and September 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	27
7. TRADE RECEIVABLES AND PAYABLES	30
8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR OPERATIONS	30
9. OTHER RECEIVABLES AND PAYABLES	31
10. INVENTORIES	32
11. BIOLOGICAL ASSETS	32
12. PRE-PAID EXPENSES VE DEFERRED INCOME	32
13. INVESTMENT PROPERTY	32
14. TANGIBLE FIXED ASSETS	33
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	39
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	44
29.OTHER ASSETS AND LIABILITIES	47
30.EQUITY, RESERVES AND OTHER EQUITIES.....	48
31.REVENUE AND COST OF GOODS SOLD	51
32.CONSTRUCTION CONTRACTS	54
33.GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	54
34.OTHER OPERATIONAL INCOME AND EXPENSE	55
35.EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES	56
36.EXPENSES CLASSIFIED BY PRINCIPLE TYPES	56
37.FINANCIAL EXPENSE AND INCOME.....	57
38.ANALYSIS OF OTHER COMPREHENSIVE INCOME	57
39.FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	57
40.TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	57
41.EARNING PER SHARE	61
42.SHARE-BASED PAYMENT	61
43.INSURANCE CONTRACTS	61
44.THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE.....	61
45.FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES	61
46.DERIVATIVE INSTRUMENTS.....	61
47.FINANCIAL INSTRUMENTS	61
48.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES	65
49.FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION).....	67
50.SUBSEQUENT EVENTS	67
51.OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS	67
52.FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS	67
53.EXPLANATION TO CASH FLOW STATEMENT	68
54.EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE	70
55.INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)	70

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited as of September 30,2014
Consolidated Statement of Financial Position (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period Un-audited Consolidated	Prior Period Audited Consolidated
		September 30, 2014	December 31, 2013
ASSETS	Notes		
Current Assets			
Cash and cash equivalents	53	61.481.444	52.404.670
Trade receivables	6-7	44.183.296	33.238.324
<i>Trade receivables from third parties</i>	7	44.183.296	33.238.324
Other receivables	6-9	5.468.000	9.785.335
<i>Due from related parties</i>	6	3.966.787	8.370.563
<i>Due from unrelated parties</i>	9	1.501.213	1.414.772
Inventories	10	171.467	188.471
Prepaid expenses	12	18.955.130	19.659.892
Assets Related to Current Term Tax	25	87.040	-
Other current assets	29	32.435.221	33.429.816
TOTAL CURRENT ASSETS		162.781.598	148.706.508
Non-current Assets			
Other receivables	9	148.573	-
<i>Other receivables from third parties</i>	9	148.573	-
Tangible fixed assets	14	180.085.981	166.227.036
Intangible fixed assets	17	292.864.451	290.366.101
<i>Other intangible fixed assets</i>	17-18	292.864.451	290.366.101
Prepaid expenses	12	1.432.242	3.949.840
Deferred tax assets	40	774.679	63.461
Other non-current assets	29	65.371.681	3.357.780
TOTAL NON-CURRENT ASSETS		540.677.607	463.964.218
TOTAL ASSETS		703.459.200	612.670.726

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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited as of September 30,2014
Consolidated Statement of Financial Position (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period
		Un-audited Consolidated	Audited Consolidated
	Notes	September 30, 2014	December 31, 2013
LIABILITIES			
Short Term Liabilities			
Short term loans	47	62.204.957	-
Short term finance lease liabilities	47	1.004.273	11.943.029
Short-term Parts of Long Term Loans	47	42.296.069	33.284.811
Other financial liabilities	47	1.490	58.759
Trade payables	6-7	29.113.580	37.320.172
<i>Due to related parties</i>	6	67.564	-
<i>Trade payables to third parties</i>	7	29.046.016	37.320.172
Employee benefit obligations	27	377.682	121.929
Other payables	6-9	4.822.020	5.590.024
<i>Due to related parties</i>	6	843.835	3.275.120
<i>Other trade payables to third parties</i>	9	3.978.185	2.314.904
Deferred income	12	3.664.083	16.947.983
Other short term liabilities	29	30.576.862	25.599.952
TOTAL SHORT TERM LIABILITIES		177.470.741	130.866.659
Long term liabilities	47	134.009.769	67.343.604
Long term finance lease Liabilities	47	4.274.257	55.539.942
Long term provisions	27	339.103	251.383
<i>Long term provisions for employee benefits</i>	27	339.103	251.383
Deferred tax liabilities	40	66.860.928	64.004.240
TOTAL LONG TERM LIABILITIES		205.484.057	187.139.169
EQUITY			
Equity of Parent Company		296.373.397	270.730.259
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	(115.787)	(105.555)
<i>Other Gains/Losses</i>	30	(115.787)	(105.555)
Retained earnings/losses	30	207.241.224	14.428.699
Net profit/loss for the period	41	25.653.370	192.812.525
Non-controlling Shares	30	24.131.005	23.934.637
TOTAL EQUITY		320.504.402	294.664.896
TOTAL LIABILITIES		703.459.200	612.670.726

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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.**Un-Audited as of September 30,2014****Consolidated Profit or Loss and Other Comprehensive Income Statement (TRY)**

(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period	Current Period	Prior Period
		Un-audited Consolidated	Un-audited Consolidated	Un-audited Consolidated	Un-audited Consolidated
		Jan 01 – September 30, 2014	Jan 01 – September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
STATEMENT OF PROFIT/LOSS	Notes				
Revenue	31	472.386.696	439.666.164	204.036.429	186.797.803
Cost of sales (-)	28-31	(419.977.725)	(393.587.640)	(164.131.597)	(160.354.753)
Gross profit/loss from commercial activities		52.408.971	46.078.524	39.904.832	26.443.050
GROSS PROFIT/LOSS		52.408.971	46.078.524	39.904.832	26.443.050
General administrative expenses (-)	33	(4.701.415)	(2.732.913)	(1.311.485)	(921.806)
Marketing expenses (-)	33	(1.054.693)	(1.519.816)	(311.733)	(884.323)
Other operating income	34	5.127.526	1.409.485	1.459.711	677.609
Other operating expenses (-)	34	(7.321.801)	(5.480.816)	681.602	928.040
OPERATING PROFIT/LOSS	34	44.458.588	37.754.464	40.422.927	26.242.571
Gain from investing activities	35	57.562	8.202	57.562	-
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		44.516.150	37.762.666	40.480.489	26.242.571
Financial income	37	13.481.357	12.821.441	1.348.502	5.978.617
Financial expenses (-)	37	(26.850.015)	(46.268.167)	(8.615.943)	(23.002.079)
PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX		31.147.492	4.315.940	33.213.048	9.219.110
Ongoing Operations Tax Loss/Income		(5.557.753)	(1.887.768)	(4.513.028)	(200.161)
Current Tax Income/Loss	40	(3.409.725)	(813.507)	(3.409.725)	(93.607)
Deferred Tax Income/Loss	40	(2.148.028)	(1.074.261)	(1.103.303)	(106.554)
PROFIT/LOSS FROM ONGOING OPERATIONS		25.589.739	2.428.172	28.700.020	9.018.949
PROFIT/LOSS FOR DISCONTINUED OPERATIONS					
PROFIT/LOSS FOR THE PERIOD		25.589.739	2.428.172	28.700.020	9.018.949
Profit/loss distribution for the period					
Non-controlling Shares	30	(63.632)	(30.921)	14.526	(14.832)
Parent Company Shares	30-41	25.653.371	2.459.093	28.685.494	9.033.781
Earnings Per Share		0,610795	0,066462	0,682988	0,244156
Earnings per share from continuing operations	41	0,610795	0,066462	0,682988	0,244156
OTHER COMPREHENSIVE INCOME					
Not to be reclassified to profit or loss	38	10.233	(81.419)	(31.631)	(30.182)
Actuarial losses and earnings calculated under Employee Benefit	38	12.790	(101.774)	(39.540)	(37.728)
Tax Effect	38	(2.557)	20.355	7.909	7.546
TOTAL COMPREHENSIVE INCOME		25.599.972	2.346.753	28.668.389	8.988.767
DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME					
Non-controlling Shares		(63.657)	(19.562)	13.449	(3.348)
Parent Company Shares		25.663.629	2.366.315	28.654.940	8.992.115

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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited as of September 30,2014
Consolidated Statement of Changes in Equity (TRY)
(Currency is TRY unless otherwise is indicated.)

			Not to be Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses	Reclassification of Profit or Loss Accumulated other Comprehensive Income or Expenses			Retained Earnings	
	Paid-in Share Capital	Share Premiums	Actuarial Profit/Loss	Minority Interest	Revaluation and Classification Gain/Loss	Accumulated Income/Loss	Net Income/Loss for the Period	Shareholder's Equity
Balance at January 1, 2013	30.000.000	-	(64.917)	4.049	-	(1.075.762)	15.504.460	44.367.830
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)
Balance at September 30, 2013	42.000.000	48.000.000	(131.160)	665.127	-	14.428.698	(6.574.688)	98.387.977
Balance at January 1, 2014	42.000.000	48.000.000	(105.555)	23.934.637	(26.405.410)	14.428.699	192.812.525	294.664.896
Other comprehensive income/expense	-	-	(10.232)	-	-	-	-	(10.232)
Minority Interest	-	-	-	196.368	-	-	-	196.368
Transfers	-	-	-	-	-	192.812.525	(192.812.525)	-
Net income for the period	-	-	-	-	-	-	25.653.370	25.653.370
Balance at September 30, 2014	42.000.000	48.000.000	(115.787)	24.131.005	(26.405.410)	207.241.224	25.653.370	320.504.402

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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited as of September 30,2014
Consolidated Statement of Cash Flow (TRY)
(Currency is TRY unless otherwise is indicated.)

		Current Period	Prior Period
	Notes	01.01-30.09.2014	01.01-30.09.2013
A. CASH FLOWS FROM OPEARING ACTIVITIES		(46.439.450)	(6.697.472)
Profit/Loss For The Period		25.653.371	2.459.095
Adjustments To Reconcile Net Profit/Loss For The Period		11.294.620	(2.282.358)
-Adjustments related to amortization and depreciation expenses	10-31-33-34	3.689.590	2.687.806
-Adjustments related to provisions		178.738	(35.631)
Provision for termination indemnities	27	9.889	80.646
Provision for tax liabilities	40	-	-
Provision for vacation pay	27	65.040	14.925
Provision for doubtful receivables	7	-	-
Rediscounts	34	103.809	(131.202)
-Adjustments related to interest income and expenses		5.024.334	(6.735.068)
Accrued income	29	(25.552.528)	(21.284.387)
Accrued expense (Interest and Other)	29	30.576.862	14.549.319
-Adjustments related to tax expense/income	40	2.148.028	1.066.092
-Adjustments related to loss/gain from disposal of the fixed assets	35	57.562	8.202
-Other adjustments related to reconciliations of profit/loss		196.368	726.241
Minority Interest	30	196.368	726.241
Changes In Business Capital		(83.374.655)	(6.792.790)
-Adjustments related to inventories increase/decrease	10	17.004	(395.799)
-Adjustments related to trade receivables increase/decrease	7	(10.966.233)	(19.397.674)
-Adjustments related to receivables from financial sector operations		(37.504.071)	15.241.734
increase/decrease			
Changes in other receivables	9	(1.950.253)	(1.308.595)
Changes in other assets	29	(35.553.818)	16.550.329
-Adjustments related to trade payables increase/decrease		(8.345.121)	17.868.411
Changes in trade payables	7	(8.345.121)	17.868.411
-Adjustments related to payables from financial sector operations		8.897.897	(10.887.510)
increase/decrease			
Changes in prepaid expenses	12	3.222.360	(10.446.592)
Changes in employee benefit provisions	27	180.825	176.287
Changes in other payables	9	5.406.992	(641.658)
Employee benefit provisions		87.720	24.453
-Adjustments related to other increase/decrease in business capital		(35.474.130)	(9.221.951)
Period income tax and liabilities	25-40	3.409.724	(378.213)
Changes in deferred income	12	(13.283.902)	(1.651.592)
Changes in other liabilities	29	(25.599.952)	(7.192.146)
Cash Flows from activities		(46.426.664)	(6.616.052)
Actuarial gain/loss	30	(12.786)	(81.419)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(20.104.446)	(32.218.786)
Cash outflows from purchases of other obtaining of the control of			
subsidaaires	3	-	(5.942.047)
Tangible Assets purchase and sales, Net	14	(17.449.127)	(26.121.805)
Intangible Assets purchase and sales, Net	17	(2.655.319)	(154.934)
C. CASH FLOWS FROM FINANCING ACTIVITIES		75.620.670	65.321.466
Cash inflows from exported instruments based on share and other equity	30	-	59.920.001
Cash inflows and outflows from borrowing	37	137.825.111	(3.394.625)
Cash outflows related in debt payments of financial leasing contracts	37	(62.204.441)	8.796.090
BEFORE THE EFFECT OF THE FOREIGN CURRENCY			
CONVERSION, DIFFERENCES IN CASH AND CASH		9.076.774	26.405.209
EQUIVALENTS NET INCREASES/DECREASES			
D. THE EFFECT OF FOREIGN CURRENCY CONVERSION			
DIFFERENCES ON CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE		9.076.774	26.405.209
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF		52.404.670	48.207.313
THE PERIOD			
CASH AND CASH EQUIVALENTS AT THE END OF THE		61.481.444	74.612.522
PERIOD			

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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited 1 January 2014 – 30 September 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 54 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 investment was completed and settled into operation on the year 2013.

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

Shareholder	30.09.2014		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%
Total Capital	42.000.000	100%	42.000.000	100%

As of September 30, 2014 in company’s structure there are 75 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 regulations.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited 1 January 2014 – 30 September 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:

	September 30, 2014	December 31, 2013
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:

	September 30, 2014	December 31, 2013
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.
Un-Audited 1 January 2014 – 30 September 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:

	September 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:

	September 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 January 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:

	September 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.
Un-Audited 1 January 2014 – 30 September 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:

	September 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:

	September 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%

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.

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited 1 January 2014 – 30 September 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 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 dated July 10, 2014 and numbered 5117-5 on July 24, 2014. Installed power of Thermal Power Plant will be 340 MWm/330 MWe.

Framework agreement has signed between Çan Kömür ve İnşaat A.Ş. and General Directorate of Coal on 08.09.2014 which is about purchasing 1.000.000 tons of coal in total from General Directorate of Çan Lignite that covers the term of 2017-2021.

Hereby, optimization between coal and electricity sales revenue is targeted by scrambling with our highest quality reserve in Çan-2 Thermal Power Plant and receivable coal in accordance with agreement.

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

	September 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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 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 comminiques 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 ("TAS / TFRS ") 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 September 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 TAS 34.

Attached financial statements and footnotes should be evaluated with financial statements, that are audited on December 31, 2013. Interim finanacial 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 September 30, 2014 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = 2.2789 (31 December 2013: 2.1343), 1 EURO = 2.8914 (31 December 2013: 2.9365), 1 GBP = 3.6933 (31 December 2013: 3.5114), 1 CHF = 2.33895 TRY (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 separately on financial statements.

Comparative Information and Restatement of Prior Period Financial Statements

Group has presented the consolidated statement of financial position as of September 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 September 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 September 2014 period presented comparatively with 1 January - 30 September 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.

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 TFRS

i) New and Amended Standards and Reviews

Effective as of January 1st, 2014 - excluding the new and amended TFRS standards and TFRYK reviews - September 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

TFRS 10 Consolidated Financial Statements (Amendment)

TFRS 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 TFRS 9 Financial Instruments standards. The standart and interpretation have no effect on the Group's financial status or performance.

TFRS 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

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 activiy. The group complied with the required classification and the presantion principles in order to fullfill the requirements of this regulation.

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 tkae place on the financial tables and iii) while combination of rights method is applying, on the beggining of report period financial table should fix and present as comparative. This situation adjudicated.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 od 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) The case is that participations or sunbsidiarities have investor of business's equity's financial instruments.
- iii) Bussiness's depending on equity financial instruments, company who have investment interms 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 purpo se, kept for short term cash liabilities and they cannot be used for other purposes.(Note: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. (Note: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 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. (Note: 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 a 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 or deducted from records (eklenmeli mi?)

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 are calculated by using effective interest method.

- 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

b) Financial assets 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.

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.

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. (Note: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.

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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. (Note: 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.(Note: 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
Development Activities	10

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.(Note: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% (10% before the date of 22.07.2006). 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 28714. 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 TRY result from acqusition 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 appliclable 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.

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.

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

3.BUSINESS COMBINATIONS (Continued)

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2012 and 30 September 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
Total	25.661.586	(743.824)	26.405.410

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 TRY 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 TRY 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 TRY.

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

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

3.BUSINESS COMBINATIONS (Continued)

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

(TFRS 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 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 TFRS 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.

3.BUSINESS COMBINATIONS (Continued)

(TAS 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 ‘TFRS 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 TFRS 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.

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

6.RELATED PARTIES

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

a) Due From Related Parties :

	30.09.2014	31.12.2013
Korkut Özal	3.557.507	5.042.221
Burak Altay	202.111	1.416.596
Bahattin Özal	169.509	1.147.313
Öztay Enerji Elektrik Üretim Sanayi A.Ş	40.859	338.048
Hidro Kontrol Elektrik Üretim A.Ş	-	461.751
Arsin Enerji Elektrik Üretim San. Ve Tic. A.Ş	-	19.229
Mekel Enerji İnş.Taah.Danş.Müh.Hizm. Ve Tic.A.Ş	-	432
TOTAL	3.969.986	8.425.590
Deduction: Unrealised financial gain	(3.199)	(55.027)
TOTAL	3.966.787	8.370.563

b) Due to related parties:

	30.09.2014	31.12.2013
Mekel Enerji İnş. Taah. Danş.Müh. Hiz. Ve Tic. A.Ş.	72.430	-
Hidro Kontrol Elektrik Üretim A.Ş.	810	-
TOTAL	73.239	-
Deduction: Unrealised financial losses	(5.675)	-
TOTAL	67.564	-

c) Other due to related parties :

	30.09.2014	31.12.2013
Bahattin Özal	318.180	708.500
Öztay Enerji Elektrik Üretim San. A.Ş.	283.167	-
Hidro Kontrol Elektrik Üretim A.Ş	127.547	73.013
Burak Altay	60.241	738.191
Hidayet Büküm	31.304	31.304
Esin Ersan	20.000	20.000
Hafize Ayşegül Özal	20.000	20.000
Korkut Özal	-	1.663.650
Aköz Vakfı İktisadi İşletmesi	-	860
Eylül Elektromekanik Enerji San ve Ltd Şti.	-	28.530
TOTAL	860.438	3.284.047
Deduction: Unrealised financial gain	(16.603)	(8.927)
TOTAL	843.835	3.275.120

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited 1 January 2014 – 30 September 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 - September 30, 2014	January 01 - September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş.	943	-	-	-
TOTAL	943	-	-	-

b) Sales of services to related parties:

	January 01 - September 30, 2014	January 01 - September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş.	301.284	163.299	71.027	119.299
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	32.603	67.265	(504)	58.265
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	-	-	(2.000)	-
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	-	-	(9000)	-
Eylül Elektromekanik Enerji San ve Ltd Şti	34.957	-	34.957	-
TOTAL	369.383	230.564	94.479	177.564

c) Service purchases from related parties:

	January 01 - September 30, 2014	January 01 - September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş (*)	497.879	132.795	(342.970)	94.149
Öztay Enerji Elektrik Üretim Sanayi A.Ş	583.734	135.008	209.055	57.408
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	403	-	(16.092)	-
Aköz Vakfı İktisadi işletmesi	-	272	-	663
TOTAL	1.082.017	268.074	(150.006)	152.220

(*) The amount which should be related with investment account in the period of 30.06.2014 is adjusted in the period of 30.09.2014.

d) Transactions with related parties and related financing expenses:

	January 01 - September 30, 2014	January 01 - September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
Hidro Kontrol Elektrik Üretim A.Ş	1.898	22.132	-	22.132
Öztay Enerji Elektrik Üretim Sanayi A.Ş	289	14.561	-	14.561
TOTAL	2.186	36.693	-	36.693

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

6.RELATED PARTIES (Continued)

e) Transactions with related parties related financing income:

	January 01 - September 30, 2014	January 01 - September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
Korkut Özal	319.803	249.115	99.938	102.732
Bahattin Özal	44.095	34.183	13.840	14.212
Burak Altay	68.322	52.145	21.895	21.470
Hidro Kontrol Elektrik Üretim A.Ş	587.209	274.025	84.750	38.436
Öztay Enerji Elektrik Üretim Sanayi A.Ş	303.929	209.607	59.005	-
TOTAL	1.323.358	819.075	279.428	176.850

f) Fixed assets purchases from related parties:

	January 01 - September 30, 2014	January 01 - September 30, 2013	July 01 – September 30, 2014	July 01 – September 30, 2013
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	13.152	1.092.122	13.152	1.092.122
Hidro Kontrol Elektrik Üretim A.Ş	564.583	-	-	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş	480	-	-	-
TOTAL	578.215	1.092.122	13.152	1.092.122

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 9-month fiscal period provided to top management in 2014 is 1.756.671 TRY (31.12.2013: 1.270.172 TRY)

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

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

7. TRADE RECEIVABLES AND PAYABLES

Trade receivables

	September 30, 2014	December 31, 2013
Customer Current Accounts	44.169.081	33.268.190
-Other receivables	44.169.081	33.268.190
Notes Receivables	148.244	80.151
Doubtful Receivables	403.667	532.941
Provision of Doubtful Receivables(-)	(403.667)	(532.941)
	44.317.325	33.348.341
Deduction: Unaccrued financing losses	(134.029)	(110.017)
TOTAL	44.183.296	33.238.324

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

	September 30, 2014	December 31, 2013
Opening Balance	532.941	385.594
Additional provisions	-	147.347
Payments (-)	(129.274)	-
TOTAL	403.667	532.941

Trade Payables

	September 30, 2014	December 31, 2013
Supplier Current Accounts	27.805.031	37.595.366
- Supplier payables to related parties	73.239	-
-Other supplier payables	27.726.117	37.595.366
Other Trade Payables	1.449.105	3.895
	29.248.461	37.599.261
Deduction: Unaccrued financial gains	(134.881)	(279.089)
-Payables to related parties	(5.675)	-
-Other Payables	(129.206)	(279.089)
TOTAL	29.113.581	37.320.172

8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR OPERATIONS

None. (None, December 31, 2013)

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

9.OTHER RECEIVABLES AND PAYABLES

Short-term Other Receivables

	September 30, 2014	December 31, 2013
Receivables from related parties	3.969.986	8.425.590
Other receivables	1.282.304	99.865
Receivables from Tax Office	62.313	1.131.921
Deposits and guarantees given	155.624	190.835
Receivables from personnel	1.652	1.660
TOTAL	5.471.879	9.849.871
Deduction: Unaccrued financial losses	(3.879)	(64.536)
- <i>Receivables from related parties</i>	(3.199)	(55.027)
- <i>Other receivables</i>	(680)	(9.509)
TOTAL	5.468.000	9.785.335

Long-term Other Receivables

	September 30, 2014	December 31, 2013
Deposits and guarantees given	148.573	-
TOTAL	148.573	-

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

Short-term Other Payables

	September 30, 2014	December 31, 2013
<i>Due to related parties</i>	860.438	3.284.047
Other payables	100.727	88.075
Payable tax and funds	3.876.995	2.230.787
Deposits and guarantees received	500	-
	4.838.660	5.602.909
Deduction: Unaccrued finance costs	(16.640)	(12.885)
- <i>Payables to related parties</i>	(16.603)	(8.927)
- <i>Other payables</i>	(37)	(3.958)
TOTAL	4.822.020	5.590.024

Details of taxes and funds payable are as follow;

	September 30, 2014	December 31, 2013
TRT Share	1.130.125	852.927
Municipality Consumption Tax	1.186.736	452.799
Energy Fund	556.363	748.967
Income Tax Stoppage from Wages	235.609	116.580
Value Added Tax	736.658	30.447
Other Tax Liabilities	31.505	29.068
TOTAL	3.876.995	2.230.787

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

10.INVENTORIES

	September 30, 2014	December 31, 2013
Other inventories (*)	171.467	188.471
TOTAL	171.467	188.471

(*) 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

	September 30, 2014	December 31, 2013
Advances given for orders (*)	17.263.941	19.641.614
Expenses related to the coming months	1.691.189	18.278
TOTAL	18.955.130	19.659.892

(*)Advances given to suppliers in 2014 are consist of; the amount of 283.635 TRY advances given to TEİAŞ from Odaş, the amount of 678.663 TRY import cost from Ensco Energy&Energy Services company for electric importation of Voytron, the amount of 14.612.257 TRY of advances given to Türkiye Elektrik Üretim A.Ş by Voytron for daily consumption done by PMUM SYSTEM.

Long-term Pre-paid Expenses

	September 30, 2014	December 31, 2013
Advances given for orders	47.600	3.949.840
Expenses related to the coming years	1.384.642	-
TOTAL	1.432.242	3.949.840

Deferred Income

	September 30, 2014	December 31, 2013
Advances Received	3.664.083	16.947.983
TOTAL	3.664.083	16.947.983

13.INVESTMENT PROPERTY

None. (None, December 31, 2013).

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

14. TANGIBLE FIXED ASSETS

	01.01.2014	Addition	Disposal	Transfer	30.09.2014
Cost					
Land and properties	1.273.563	1.226.028	-	75.000	2.574.591
Plant, machinery and equipment	166.901.151	2.813.491	-	-	169.714.642
Vehicles	478.385	28	(151.023)	-	327.390
Furniture and fixtures	1.194.883	205.084	(768)	-	1.399.199
Construction in progress	3.182.599	19.635.296	(4.355.226)	(2.119.595)	16.343.072
Total	173.030.581	23.879.928	(4.507.017)	(2.044.595)	190.358.894
Accumulated Depreciation					
Plant, machinery and equipment	6.520.715	3.295.373	-	-	9.816.088
Vehicles	118.293	49.109	(63.253)	-	104.149
Furniture and fixtures	164.537	188.139	-	-	352.676
Total	6.803.545	3.532.621	(63.253)	-	10.272.913
Net Book Value	166.227.036	20.347.307	(4.443.764)	(2.044.595)	180.085.981

	01.01.2013	Addition	Disposal	Transfer	31.12.2013
Cost					
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
Vehicles	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
Total	141.024.710	31.621.253	(86.278)	18.500	173.030.581
Accumulated Depreciation					
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
Total	3.097.913	3.727.671	23.723	-	6.803.545
Net Book Value	137.926.797	27.893.582	(62.555)	18.500	166.227.036

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

14. TANGIBLE FIXED ASSETS (Continued)

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 Acception third stage fully activated as amount of 37.455.752 TRY. Also at the end of the 2013 solar energy panel activated with amount of 758.260 TRY. Plant machinery and equipment amount were 166.901.151 TRY at the end of the 2013. As the date of 30 June, 2014 the capitalized amount of 2.813.491 TRY was added to the natural gas cycle power plant costs.

Commercial enterprise pledge with amount of 500.000.000 TRY 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 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

	01.01.2014	Additions	Transferred assets from acquired companies	Disposals	Transfers	30.09.2014
Cost						
Rights	290.353.587	571.370	-	-	2.044.595	292.969.552
Other intangible assets	156.237	39.353	-	-	-	195.590
TOTAL	290.509.824	610.723			2.044.595	293.165.142
ACCUMULATED AMORTIZATION						
Rights	59.670	124.975	-	-	-	184.644
Other intangible assets	84.054	31.994	-	-	-	116.048
TOTAL	143.723	156.969	-	-	-	300.692
NET BOOK VALUE	290.366.101	453.754	-	-	2.044.595	292.864.450

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

17.INTANGIBLE FIXED ASSETS (Continued)

	01.01.2013	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12. 2013
Costs						
Rights	350.426	103.200	289.884.961	-	15.000	290.353.587
Other intangible assets	81.931	74.306	-	-	-	156.237
TOTAL	432.357	177.506	-	-	15.000	290.509.824
ACCUMULATED AMORTIZATION						
Rights	40.381	19.120	-	-	(170)	59.670
Other intangible assets	35.940	48.115	-	-	-	84.054
TOTAL	76.321	67.235	-	-	(170)	143.723
NET BOOK VALUE	356.036	110.271	-	-	14.830	290.366.101

As the date of September 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	Mine Development Right (*)	2.044.595
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
TOTAL		292.969.552

(*) Development activies (drilling practises, valuation and topographic, geological practises) are capitalized according to TAS 38 Intangible Fixed Assests Standard.

Company/Subsidiary	Other Intangible Assets	Amount
Voytron Elektrik	Computer Software	122.820
Voytron Elektrik	Website	4.600
Odaş Elektrik	Computer Software	32.235
Odaş Elektrik	Website	35.935
TOTAL		195.590

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

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 TRY 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 TRY.

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

18. GOODWILL (Continued)

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.

(TAS 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 'TFRS 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 TFRS 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 combinaton section; it is assumed that there is enough knowledge to calculate fair and true value of intangible asset if asset can be seperated and result from contract or other legal rights. When we use predictions to calculate fair and treu value of an intangible asset, some possible results could be reached and that uncertainty circumstances will be considered when calclating fair and true value of an asset.

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

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.

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

18. GOODWILL (Continued)

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 interest) 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,

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
Total	25.661.586	(743.824)	26.405.410

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 TRY result from acqusition 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

In the first nine months of 2014, the amount of 788.012 TRY 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

Assets Related to Current Tax

	September 30, 2014	December 31, 2013
Pre-paid taxes and funds	87.040	-
TOTAL	87.040	-

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

25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Income Tax Provisions, Net		
	September 30, 2014	December 31, 2013
Provision for Profit and Other Obligations	3.422.750	-
Minus : Pre-paid taxes and funds (-)	(13.026)	-
TOTAL	(3.409.725)	-

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 Yapi Kredi Bank and Kucuk Enerji Uretim ve Tic Ltd Sti, Kucuk Enerji Uretim's partners' signed a Pledge Agreement in Yapi Kredi Bank's benefit. The total value of the pledged amount is 2.650.000 shares with a nominal value of 1 TRY.

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 TRY 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:

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

25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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 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:

	30.09.2014	31.12.2013
<i>Given guarantee letters and bills</i>	193.225.441	377.607.908
<i>* Given to Credit Institutions</i>	157.207.000	313.518.374
Odaş	133.701.000	289.769.374
Voytron	14.457.000	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
<i>*Given to electricity transmission and distribution entities due to trade operations</i>	36.018.441	64.089.534
Odaş	4.112.911	15.421.141
Voytron	21.710.144	39.264.132
Ena Elektrik	901.440	901.440
Hidro Enerji	202.778	1.519.130
Küçük Enerji	1.741.721	1.784.244
Ağrı Elektrik	2.949.431	2.949.431
Çan Kömür	3.400.000	1.000.000
Odaş Doğalgaz	1.000.016	1.250.016
<i>*Pledge of Entity</i>	500.000.000	215.000.000
Odaş	500.000.000	215.000.000
TOTAL	693.225.441	592.607.908

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

25.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

<i>Received Guarantee Letters</i>	7.078.560	16.588.055
Odaş	1.827.678	1.740.340
Voytron	3.122.500	14.847.715
Küçük Enerji	2.128.382	-
<i>Received Guarantee Bills</i>	75.000	19.000
Küçük Enerji	75.000	-
Voytron	-	19.000
TOTAL	7.153.560	16.607.055

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)

	September 30, 2014	December 31, 2013
Provision for severance payment	182.790	160.110
Provision for vacation	156.313	91.273
TOTAL	339.103	251.383

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 September 30, 2014 and December 31, 2013 are depicted below:

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

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

27.EMPLOYEES BENEFIT OBLIGATIONS (Continued)

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

Provision for severance payments

	September 30, 2014	December 31, 2013
Opening balance	160.110	91.679
Transferred provisions from acquisitions	-	10.071
Additional provisions	22.680	58.360
Period-end balance	182.790	160.110
	2014	2013
January 01	160.110	91.679
Transferred provisions from acquisitions	-	10.071
Payment	(4.200)	(16.635)
Interest expenses	11.251	9.006
Current service cost	2.840	15.191
Actuarial gain/(loss)	(12.790)	50.798
September 30	182.790	160.110

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

	September 30, 2014	December 31, 2013
Opening balance	91.273	50.316
Additional provisions	65.040	40.957
Period-end balance	156.313	91.273

Payables within employee benefits

	September 30, 2014	December 31, 2013
Due to personnel	277.782	39.989
Social security premium payables	99.900	81.940
TOTAL	377.682	121.929

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

28.EXPENSES ACCORDING TO THEIR QUALIFICATIONS

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Cost of energy trade from bilateral agreements	116.298.986	112.328.682	32.441.214	34.547.838
GOP purchase price of the system	95.618.204	81.055.595	51.602.358	42.769.095
Usage of natural gas	84.970.541	75.069.312	34.529.226	31.635.145
Distribution companies system usage cost	45.683.591	62.715.046	22.706.581	23.794.894
Electricity import	15.649.284	15.546.119	2.613.333	9.266.667
Imbalance energy amount of TEİAŞ	14.561.972	20.849.853	4.377.590	7.697.317
Natural gas sales value	9.734.991	-	3.352.602	-
TEİAŞ zero balance adjusting item	8.491.205	5.391.507	4.551.857	3.669.443
TEİAŞ Yek receivable amount	7.553.843	2.731.787	2.627.260	942.698
TEİAŞ accepted load amount	6.492.853	4.561.845	723.430	1.322.928
Maintenance expenses	4.142.335	1.045.948	1.531.444	532.124
Depreciation and amortisation	3.294.889	2.684.373	1.100.919	909.517
TEİAŞ other expenses	2.423.216	4.328.375	789.062	(7.070)
Personnel expense	1.585.049	731.356	453.257	119.094
TEİAŞ Interconnection Capacity Allocation Cost	1.324.718	2.267.609	219.047	1.998.172
PFK liability transfer service cost	801.546	240.744	379.186	218.208
Insurance expense	701.114	308.280	293.576	104.737
Other expenses	537.048	824.416	(272.684)	(72.847)
TEİAŞ adjustments for previous period	112.340	906.795	112.340	906.795
TOTAL	419.977.725	393.587.640	164.131.597	160.354.753

Cost of sales resulting from production activities is as follows:

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Usage of natural gas	84.970.541	75.069.312	34.529.226	31.856.154
Imbalance energy amount of TEİAŞ	14.561.972	13.663.222	4.377.590	2.535.126
TEİAŞ zero balance adjusting item	8.491.205	5.391.507	4.551.857	3.669.443
TEİAŞ accepted load amount	6.492.853	4.561.845	723.430	1.322.928
Maintenance expenses	4.142.335	1.045.948	1.531.444	532.124
Depreciation and amortisation	3.294.889	2.593.138	1.100.919	878.612
TEİAŞ other expenses	2.310.854	3.839.355	735.439	(20.627)
Personnel expense	1.585.049	731.356	453.257	119.094
PFK liability transfer service cost	801.546	240.744	379.186	218.208
Insurance expense	701.114	308.280	293.576	104.737
Other expenses	537.048	824.416	(272.682)	(72.343)
TEİAŞ adjustments for previous period	52.355	812.008	52.352	812.008
TOTAL	127.941.761	109.081.131	48.455.594	41.955.464

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

28.EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Cost of energy trade from bilateral agreements	116.298.986	112.328.682	32.441.214	34.117.742
GOP purchase price of the system	95.618.204	81.055.595	51.602.358	42.769.095
Distribution companies system usage cost	45.683.591	62.715.046	22.706.581	23.794.894
Electricity import	15.649.284	15.546.119	2.613.333	9.266.667
Yek receivable amount	7.553.843	2.731.787	2.627.260	942.698
TEİAŞ Interconnection Capacity Allocation Cost	1.324.718	2.267.609	219.047	2.267.609
TEİAŞ other expenses	112.362	489.020	112.362	489.020
TEİAŞ adjustments for previous period	59.986	94.787	1.247	341
Imbalance energy amount of TEİAŞ	-	7.186.631	-	5.162.191
Depreciation and amortisation	-	91.235	-	91.235
Other expenses	-	-	-	(502.200)
TOTAL	282.300.973	284.506.509	112.323.401	118.399.292

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Natural Gas Sales Cost	9.734.991	-	3.352.602	-
TOTAL	9.734.991	-	3.352.602	-

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.

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.

28.EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

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 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.

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

29.OTHER ASSETS AND LIABILITIES

Other current assets

	September 30, 2014	December 31, 2013
Income accruals(*)	25.552.528	30.867.043
Deferred VAT	5.596.409	1.201.203
Work advances	487.465	217.131
Advances given to personnel	28.578	40.676
Advances given to suppliers	770.240	1.103.763
TOTAL	32.435.221	33.429.816

(*)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 15-20th 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 15-20th 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:

	September 30, 2014	December 31, 2013
Accrued electricity sales income	25.530.158	30.782.551
Accrued interest income of time deposit	20.717	10.913
Other accrued interest income	1.653	11.578
Other accrued income	-	62.001
TOTAL	25.552.528	30.867.043

Other Fixed Assets

	September 30, 2014	December 31, 2013
Given advances (*)	65.371.681	3.357.780
TOTAL	65.371.681	3.357.780

(*) The amount of 59.675.764 TRY of given advances in 2014 includes expenses for Çan-2 Kömür thermal power plant.

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

29.OTHER ASSETS AND LIABILITIES (Continued)

.Other short term liabilities

	September 30, 2014	December 31, 2013
Accrued expenses (*)	30.576.862	25.599.952
TOTAL	30.576.862	25.599.952

(*)Accrued expenses details are as follows:

	September 30, 2014	December 31, 2013
Accrued electricity purchase cost	28.519.500	23.649.989
Accrued distribution company cost	1.960.556	155.355
Accrued interest	94.931	1.794.608
Other accrued expenses	1.875	-
Total	30.576.862	25.599.952

30.EQUITY, RESERVES AND OTHER EQUITIES

Paid-in Capital

Paid-in Capital structure of the Company between September 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

	September 30, 2014		December 21,2013	
	Share Amount	Rate	Share 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 Share (*)	12.000.000	28,57%	12.000.000	28,57%
Paid-in Capital	42.000.000	100%	42.000.000	100%

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

	September 30, 2014	December 31, 2013
Share Premium	48.000.000	48.000.000
TOTAL	48.000.000	48.000.000

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

30.EQUITY, RESERVES AND OTHER EQUITY (Continued)

Actuarial gain / loss of funds

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

	September 30, 2014	December 31, 2013
Beginning period balance	105.555	64.917
Current year actuarial gains / (losses)	10.232	40.638
TOTAL	115.787	105.555

Previous Years' Profit/Loss

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

Retained earnings	September 30, 2014	December 31, 2013
	Balance	Balance
Retained earnings	14.428.699	(1.075.762)
Period profit/(loss)	192.812.525	15.504.461
TOTAL	207.241.224	14.428.699

Dividend Distribution

Publicly trading companies distribute its dividends according to the regulations that came into force by the CMB on February 1st, 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.

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 (Recors according to Tax Procedure Law) or other reserves.

Minority Interest

Details of minority interest are shown below;

Minority Interest	September 30, 2014	December 31, 2013
Capital	1.109.335	849.335
Retained earnings	(25.176.708)	(107.418)
Period profit/(loss)	(63.632)	(24.676.554)
TOTAL	(24.131.005)	(23.934.637)

30.EQUITY, RESERVES AND OTHER EQUITY (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.

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 TRY result from acqusition 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.

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 on 30 September,2014 and 31 December, 2013.

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

30.EQUITY, RESERVES AND OTHER EQUITY (Continued)

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
Total	25.661.586	(743.824)	26.405.410

31.REVENUE AND COST OF GOODS SOLD

Details of sales are given below;

Revenue:

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Domestic sales	472.331.502	440.340.308	203.696.263	187.010.575
<i>Free Consumer Electricity Sales</i>	266.268.092	287.819.717	114.324.746	113.088.405
<i>Electricity Sales income from TEİAŞ</i>	168.356.064	137.188.811	83.410.720	71.480.100
<i>Bilateral Agreements Electricity Sales</i>	18.113.873	14.939.752	1.303.561	2.050.042
<i>Sales to Subsidiaries</i>	5.107	-	5.107	-
<i>PFK Sales</i>	8.304.916	-	44.057	-
<i>Solar Energy Sales</i>	86.932	-	36.754	-
<i>GDDK Incomes</i>	893.357	-	765.023	-
<i>Distribution Companies Income from Natural Gas Sales</i>	10.303.162	-	3.880.288	-
<i>Energy Imbalance</i>	-	392.028	(5.083)	392.028
<i>Other Incomes</i>	-	-	(68.909)	-
Electricity Export Sales	538.143	-	394.609	454.308
<i>Electricity Export Sales</i>	538.143	-	394.609	454.308
Sales returns	(482.948)	(569.548)	(54.442)	(562.485)
Sales discounts	-	(104.595)	-	(104.595)
Total	472.386.696	439.666.164	204.036.429	186.797.803

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

31.REVENUE AND COST OF GOODS SOLD (Continued)

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Domestic sales	169.040.345	136.642.077	81.231.975	64.095.241
<i>Electricity Sales income from TEİAŞ (*)</i>	<i>160.348.835</i>	<i>135.127.251</i>	<i>81.220.343</i>	<i>72.700.476</i>
<i>Free Consumer Electricity Sales</i>	<i>294.555</i>	<i>1.122.798</i>	<i>(294)</i>	<i>614.794</i>
<i>Bilateral Agreements Electricity Sales</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(9.612.057)</i>
<i>Sales to Subsidiaries</i>	<i>5.107</i>	<i>-</i>	<i>5.107</i>	<i>-</i>
<i>PFK Sales</i>	<i>8.304.916</i>	<i>-</i>	<i>44.057</i>	<i>-</i>
<i>Solar Energy Sales</i>	<i>86.932</i>	<i>-</i>	<i>36.754</i>	<i>-</i>
<i>Energy Imbalance</i>	<i>-</i>	<i>392.028</i>	<i>(5.083)</i>	<i>392.028</i>
<i>Other Incomes</i>	<i>-</i>	<i>-</i>	<i>(68.909)</i>	<i>-</i>
Total	169.040.345	136.642.077	81.231.975	64.095.241

(*) 95% 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;

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Domestic sales	292.987.995	303.698.230	118.584.000	122.915.335
<i>Free Consumer Electricity Sales</i>	<i>265.973.537</i>	<i>286.569.409</i>	<i>114.325.040</i>	<i>112.346.101</i>
<i>Electricity Sales income from TEİAŞ</i>	<i>8.007.229</i>	<i>2.189.070</i>	<i>2.190.377</i>	<i>(1.092.865)</i>
<i>Bilateral Agreements Electricity Sales</i>	<i>18.113.873</i>	<i>14.939.752</i>	<i>1.303.561</i>	<i>11.662.099</i>
<i>GDDK Incomes</i>	<i>893.357</i>	<i>-</i>	<i>765.023</i>	<i>-</i>
Export Sales	538.143	-	394.609	-
<i>Export Sales</i>	<i>538.143</i>	<i>-</i>	<i>394.609</i>	<i>-</i>
Sales returns	(482.948)	(569.548)	(54.442)	(115.240)
Sales discounts	-	(104.595)	-	(97.532)
Total	293.043.189	303.024.087	118.924.166	122.702.563

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Domestic sales	10.303.161	-	3.380.287	-
<i>Distribution Companies Income from Natural Gas Sales</i>	<i>10.303.161</i>	<i>-</i>	<i>3.380.287</i>	<i>-</i>
Total	10.303.161	-	3.380.287	-

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

31.REVENUE AND COST OF GOODS SOLD (Continued)

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

Title	Ratio
Türkiye Elektrik İletim A.Ş.	93%
Boyabat Elektrik Üretim ve Tic. A.Ş.	1%
Limak Yatırım Enerji Üretim İşl. Hiz. ve İnş. A.Ş.	1%
Sanko Enerji Sanayi ve Ticaret A.Ş.	1%
Aliağa Çakmaktepe Enerji Üretim A.Ş.	1%
Çevre ve Şehircilik Bakanlığı	1%
Bosen Enerji Elektrik Üretim A.Ş.	1%
Age Denizli Doğalgaz Elektrik Üretim A.Ş.	1%

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

Title	Ratio
İstanbul İkitelli Organize Sanayi Bölgesi Başkanlığı	37%
Avea İletişim Hizmetleri A.Ş.	19%
Yeni Mağazacılık A.Ş.(A101)	10%
Vodafone Telekomünikasyon A.Ş	7%
Türkiye Elektrik İletim A.Ş.	3%
Fina Elektrik Enerjisi İth. İhr. ve Toptan Satış A.Ş.	2%
Bir Enerji Elektrik Toptan Satış İth. İhr. A.Ş.	2%
Flament Tekstil San. Tic. A.Ş.	1%
Limak Enerji Ticareti A.Ş.	1%
Cengiz Elektrik Toptan Satış A.Ş.	1%

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

Title	Ratio
Doğal Enerji İthalat A.Ş.	44%
BOTAŞ - Boru Hatları ile Petrol Taşıma A.Ş.	39%
Hipot Enerji ve Madencilik A.Ş.	8%
Zorlu Doğalgaz İthalat İhracat ve Toptan Tic. A.Ş.	4%
Angoragaz Doğalgaz Toptan Satış İth. İhr. San. ve Tic. A.Ş.	4%

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

31.REVENUE AND COST OF GOODS SOLD (Continued)

Cost of goods sold consists of following;

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Cost of goods sold (production)	127.941.761	109.081.131	48.201.395	41.955.443
Cost of goods sold (trade)	292.035.964	284.506.509	115.930.202	118.399.310
Cost of services sold (*)	-	-	-	-
TOTAL	419.977.725	393.587.640	164.131.597	160.354.753

(*) **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 ,December 31, 2013.)

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Marketing, sales and distribution expenses	1.054.693	1.519.816	311.733	884.323
General administration expenses	4.701.415	2.732.913	1.311.485	921.806
TOTAL	5.756.108	4.252.729	1.623.218	1.806.128

Marketing, sales and distribution expenses

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Personnel expense	730.727	55.708	235.300	10.503
Electricity sales commission expense	137.183	69.830	46.636	59.442
Consultancy expenses	71.057	62.114	8.460	22.884
Other expenses	59.593	61.830	(2.427)	9.871
Advertising expense	22.122	-	18.199	-
Annual license costs	19.424	23.353	-	6.677
Shipping expense	10.799	32.383	3.067	9.375
Travel expenses	3.787	21.911	2.497	6.859
Tax expense	-	853.668	-	574.610
Fuel expense	-	17.650	-	6.599
System usage fee	-	321.370	-	177.504
TOTAL	1.054.693	1.519.816	311.733	884.323

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

33.GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Countinued)

General Administration Expenses

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Personnel expense	2.129.980	1.433.599	620.360	544.787
Office rent expense	656.465	197.309	277.799	115.407
Consultancy expense	589.880	80.874	2.393	(116.188)
Amortization	278.068	94.669	72.331	92.588
Tax expenses	254.925	153.951	80.408	9.879
Other expenses	220.471	365.681	7.269	115.675
Travel expenses	177.882	86.681	112.718	(66.393)
Sharing common expenses	120.000	-	120.000	-
Shipping expense	97.054	87.349	28.965	35.139
Dues contribution share	79.402	-	16.545	(21.004)
Provision for unused vacation	65.040	14.925	(32.782)	(4.733)
Notary expense	22.358	36.590	22.358	36.590
Severance payment provisions	9.889	3.324	4.696	2.098
Fuel expense	-	22.463	(21.576)	22.463
Insurance expense	-	3.297	-	3.297
Financial and accounting advisor expenses	-	152.200	-	152.200
TOTAL	4.701.415	2.732.913	1.311.485	921.806

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

34.OTHER OPERATIONAL INCOME AND EXPENSE

Other Operational Income

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Exchange rate income	2.093.682	362.995	896.026	359.783
Rediscount interest income	1.122.442	752.426	(52.389)	111.761
Prior Year Revenues and Profits	21.574	354	-	-
Interest income	-	-	-	(87.645)
Other Income and Profits related to operations	1.695.811	-	554.711	-
Provisions no longer required	129.274	-	-	-
Other Extraordinary Income	64.743	293.710	61.363	293.710
TOTAL	5.127.526	1.409.485	1.459.711	677.609

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

34.OTHER OPERATIONAL INCOME AND EXPENSE (Continued)

Other Operational Expense

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Exchange rate expense	1.304.941	7.162	(1.840.135)	(836.956)
Rediscount interest expense	1.226.252	926.828	(16.062)	(19.277)
Other Extraordinary Expenses and Losses	766.098	2.978.723	359.261	36.030
Prior Period Expenses and Losses	2.480.196	1.000	(24.953)	-
Other Ordinary Expenses and Losses	1.544.314	1.567.103	840.287	1.370
Provision for Doubtful Receivables	-	-	-	(109.207)
TOTAL	7.321.801	5.480.816	(681.602)	(928.040)

35.EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investing activities

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Gain on sale of fixed assets	57.562	8.202	57.562	-
TOTAL	57.562	8.202	57.562	-

36.EXPENSES CLASSIFIED BY PRINCIPLE TYPES

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

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Depreciation and amortization expense				
Cost of sales	3.294.889	2.684.373	1.100.919	909.517
General administration expenses	278.068	94.669	72.331	92.588
TOTAL	3.572.957	2.779.042	1.173.250	1.002.105

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Personnel expenses				
Cost of sales	1.585.049	731.356	453.257	119.094
Marketing, sales and distribution expenses	730.727	55.708	235.300	10.503
General operating expenses	2.129.980	1.433.599	620.360	544.787
TOTAL	4.445.757	2.220.663	1.308.918	674.384

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Consultancy expenses				
Marketing, sales and distribution expenses	71.057	62.114	8.460	22.884
General administration expenses	589.880	80.874	2.393	(116.188)
TOTAL	660.937	142.988	10.853	(93.304)

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

37.FINANCIAL EXPENSE AND INCOME

Financial Expense (-)

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Loss on sale of marketable securities	12.704	-	12.500	-
Foreign exchange losses	3.254.842	31.822.142	2.404	16.728.582
Interest and commission expense	23.582.468	14.446.025	8.601.038	6.273.497
TOTAL	26.850.015	46.268.167	8.615.943	23.002.079

Financial Income

	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Interest and commission income	3.492.147	6.884.975	1.093.593	2.097.656
Gain on sale of marketable securities	20.622	-	20.215	-
Foreign exchange gain	9.968.588	5.936.466	234.694	3.880.961
TOTAL	13.481.357	12.821.441	1.348.502	5.978.617

38.ANALYSIS OF OTHER COMPREHENSIVE INCOME

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

Not reclassified on gain/(loss)	January 01- September 30, 2014	January 01- September 30, 2013	July 01- September 30, 2014	July 01- September 30, 2013
Actuarial gains/(loss)(Note:27)	12.790	(101.774)	(39.540)	(37.727)
Deferred tax revenue/(expense)(Note:40)	(2.557)	20.355	7.909	7.546
TOTAL	10.233	(81.419)	(31.631)	(30.182)

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 September 2014 - 31 December 2013, is like below :

	September 30, 2014	December 31, 2013
Tax expense for the period	(3.409.725)	-
Deferred tax income/ expense	(2.148.028)	(58.445.077)
Deferred tax reflected in equity (*)	(2.557)	10.160
Deferred Tax Liability	(5.560.310)	(58.434.917)

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

40.TAXATION ON INCOME (Continued)

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.

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:

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

40. TAXATION ON INCOME (Continued)

- 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.

	January 01- September 30, 2014	January 01- December 31, 2013
Profit/loss before tax	34.315.504	(11.869.225)
Non-deductible expenses	184.003	3.682.632
To be offset prior year losses	(17.385.756)	(8.186.593)
Corporate tax base	17.113.751	-
Corporate Tax Provision	3.422.750	-
To be offset pre-paid Corporate Tax	(13.026)	-
Tax Expense For The Period (*)	3.409.725	-

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%.

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

40. TAXATION ON INCOME (Continued)

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

Deferred Tax Assets / (Liabilities)	Accumulated Temporary Differences		Tax Rate	Deferred Tax Assets / (Liabilities)	
	30.09.2014	31.12.2013		30.09.2014	31.12.2013
Interest Accrual Loans and Leasing	(3.675)	348.305	20%	(735)	69.661
Fixed Assets	(41.244.840)	(30.860.620)	20%	(8.248.968)	(6.172.124)
Severance Indemnities and Provisions	320.995	287.680	20%	64.199	57.536
Rediscount	(13.615)	(117.416)	20%	(2.723)	(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)		(57.980.846)	(57.980.846)
	(301.247.248)	(290.519.903)		(66.086.248)	(63.940.779)

Odaş Deferred Tax Assets / Liabilities	30.09.2014	31.12.2013
Opening balance	(63.902.362)	(5.470.908)
Current year deferred tax gain/(loss)	(1.887.182)	(58.441.357)
Deferred tax reflected in shareholders' equity	1.029	9.903
Deferred Tax Assets / (Liabilities)	(65.788.515)	(63.902.362)

Subsidiaries Deferred Tax Assets / Liabilities	30.09.2014	31.12.2013
Balance from the previous period, the deferred tax	(38.417)	(26.441)
Purchased Company prior period deferred tax	-	(8.514)
Current year deferred tax income / (expense)	(260.847)	(3.720)
Deferred tax in equity	1.531	257
Deferred Tax Assets / (Liabilities)	(297.733)	(38.418)

Subsidiaries Deferred Tax Assets	30.09.2014	31.12.2013
Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş.	147.120	84
Voytron Elektrik Toptan Satış Dış Tic. A.Ş.	317.933	63.377
Ena Elektrik Üretim Ltd. Şti.	6.535	-
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	303.091	-
Deferred Tax Assets	774.679	63.461

Subsidiaries Deferred Tax Liabilities	30.09.2014	31.12.2013
Yel Enerji Elektrik Üretim San. A.Ş.	(3.036)	(2.661)
Ena Elektrik Üretim Ltd. Şti.	-	(158)
Çan Kömür ve İnşaat A.Ş.	(1.065.810)	(31.565)
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	-	(65.385)
Hidro Enerji Elektrik Üretim San. A.Ş.	(1.067)	(396)
Ağrı Elektrik Üretim San. A.Ş.	(2.500)	(1.713)
Deferred Tax Liabilities	(1.072.413)	(101.878)

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

41.EARNING PER SHARE

	September 30, 2014	December 31, 2013
Net profit /(loss)	25.653.371	192.812.525
Weighted average number of ordinary share	42.000.000	37.000.000
Profit/(loss) per share with nominal value of 1 TRY	0,610795	5,211149

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 TAS 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 (TAS 29) that is published by IASC, were not applied.

46.DERIVATIVE INSTRUMENTS

None. (None, 31 December 2013.)

47.FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

	September 30, 2014	December 31,2013
Bank loans	62.204.957	-
Finance lease liabilities (*)	1.319.332	18.596.738
Deferred lease costs (-) (**)	(315.059)	(6.653.708)
Installments of principal and interest of loans	42.296.069	33.284.810
Short-Term Financial Liabilities - Net	105.505.299	45.227.840

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

47.FINANCIAL INSTRUMENTS (Countined)

(*)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

	September 30, 2014	December 31,2013
Bank loans	134.009.769	67.343.604
Finance lease liabilities (*)	4.907.134	64.367.560
Deferred lease costs (-) (**)	(632.877)	(8.827.618)
Long-Term Financial Liabilities - Net	138.284.026	122.883.546

(*)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 September 30, 2014 redemption schedule of long-term liabilities are as follows:

Liabilities Long-Term Loans	September 30, 2014
2015	2.051.175
2016	40.304.612
2017	35.442.982
2018	21.310.752
2019	18.828.847
2020	10.209.762
2021	2.812.593
2022	2.097.703
2023	951.343
Total	134.009.769

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

Payment Year	Finance Lease Obligations	Deferred Financial Leasing Costs
2016	1.319.332	251.187
2017	1.319.332	183.253
2018	907.386	117.448
2019	907.386	67.209
2020	453.699	13.780
Total	4.907.134	632.877

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

47. FINANCIAL INSTRUMENTS (Countined)

Other Financial Liabilities

	September 30,2014	December 31,2013
Other financial liabilities (*)	1.490	58.759
Total	1.490	58.759

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

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Un-Audited 1 January 2014 – 30 September 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:

	<u>Annual Interest Rate %</u>		<u>Exchange Value</u>		<u>TRY</u>	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
TRY Loans	10-13%	11-15%	-	-	62.204.957	135.016
Short-term Loans			-	-	62.204.957	135.016
EURO Loans	3%-6,50%	6%-9%	14.065.577	11.288.879	40.669.209	33.149.794
USD Loans	6,50%	6%-9%	691.055	-	1.574.845	-
TRY Loans	10%-13%	-	-	-	52.014	-
Short-term payments and interests of loans			14.756.632	11.288.879	42.296.069	33.149.794
Total short-term loans			14.756.632	11.288.879	104.501.026	33.284.810
EURO Loans	3%-6,50%	6%-9%	38.374.543	22.923.228	110.956.102	67.314.060
USD Loans	6,50%	-	10.116.116	-	23.053.617	-
TRY Loans	-	11%-15%	-	-	-	29.543
Total long-term loans			48.490.659	22.923.228	134.009.769	67.343.603

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

48.FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Currency Position

	30.09.2014				31.12.2013			
	TRY (Functional Currency)	USD	EURO	GBP	TRY	USD	EURO	GBP
1. Trade Receivables	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash and cash equivalents)	11.893.853	5.176.562	33.065	375	7.404.369	18.099	2.507.894	375
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	57.724.943	8.557	19.957.613	-	7.112.481	1.200.698	1.549.407	-
4. Current Assets (1+2+3)	69.618.797	5.185.119	19.990.678	375	14.516.850	1.218.797	4.057.300	375
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-	-	-	-
9. Total Assets (4+8)	69.618.797	5.185.119	19.990.678	375	14.516.850	1.218.797	4.507.300	375
10. Trade payables	4.199.714	117.940	1.359.529	-	1.070.710	-	364.621	-
11. Financial Liabilities	2.180.014	-	753.965	-	52.454.113	-	17.862.800	-
12a. Monetary financial liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary financial liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	6.379.728	117.940	2.113.493	-	53.524.822	-	18.227.421	-
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	155.764.101	-	53.871.516	-	145.702.074	-	49.617.597	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	155.764.101	-	53.871.824	-	145.702.074	-	49.617.597	-
18. Total Liabilities (13+17)	162.143.830	117.940	55.985.009	-	199.226.896	-	67.845.018	-
19. Off-balance Sheet Derivatives Net Asset/Liabilities Position (19a-19b)	-	-	-	-	-	-	-	-
19a. Amount of Hedge Total Asset	-	-	-	-	-	-	-	-
19b. Amount of Hedge Total Liabilities	-	-	-	-	-	-	-	-
20. Net Foreign Currency asset/ (liabilities) Position (9-18)	(92.525.033)	5.067.179	(35.994.331)	375	(184.710.046)	1.218.797	(63.787.718)	375
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(150.249.976)	5.058.622	(55.951.945)	375	(191.822.527)	18.099	(65.337.125)	375
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	57.713.549	3.557	19.957.613	-	-	-	-	-

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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.

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
September 30,2014				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	6.080.615	(6.080.615)	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	6.080.615	(6.080.615)	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(43.193.198)	43.193.198	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(43.193.198)	43.193.198	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	450	(450)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP (7+8)	450	(450)	-	-
TOTAL (3+6+9)	(37.112.132)	37.112.132	-	-

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

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) Severance payment limit is determined as 3.438,22 TRY as at October 1,2014

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

None. (None December 1, 2013)

52.FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS

None.

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

53.EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalents

	September 30 , 2014	December 31, 2013
Cash	42.236	96.668
Bank	61.438.808	52.308.002
-Demand deposit	3.030.443	4.130.647
-Time deposit	58.408.365	48.177.355
Other Current Assets	400	-
TOTAL	61.481.444	52.404.670

As of September 30, 2014 there is no blocked deposits of the Group (None December 31, 2013)

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

Currency Time Deposits	Maturity	Interest rate	September 30, 2014 TRY
TRY	01.10.2014	6,25%	70.000
TRY	01.10.2014	8,25%	1.720.971
TRY	01.10.2014	7,65%	28.940.000
TRY	01.10.2014	9,00%	7.400.000
TRY	01.10.2014	6,00%	345.000
TRY	01.10.2014	3,00%	150.000
TRY	01.10.2014	8,25%	2.102.859
TRY	01.10.2014	3,00%	2.180
TRY	01.10.2014	7,00%	5.900.000
TOTAL			46.631.010

Currency Time Deposits	Maturity	Interest rate	September 30, 2014 USD	September 30, 2014 TRY
USD	02.10.2014	1,65%	1.500.000	3.418.350
USD	14.10.2014	2,10%	3.668.000	8.359.005
TOTAL			5.168.000	11.777.355

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

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 TRY
TRY	31.01.2014	8,05%	1.600.000
TRY	02.01.2014	9,00%	13.000.000
TRY	02.01.2014	6,00%	6.000.000
TRY	02.01.2014	6,50%	9.982.509
TRY	02.01.2014	7,50%	2.008.386
TRY	02.01.2014	6,83%	1.414.117
TRY	02.01.2014	6,00%	400.000
TRY	02.01.2014	6,50%	125.000
TRY	02.01.2014	7,50%	179.838
TRY	02.01.2014	7,50%	1.507.276
TRY	02.01.2014	6,60%	1.200.000
TRY	02.01.2014	3,50%	193.276
TRY	02.01.2014	5,00%	134.285
TRY	02.01.2014	5,50%	86.000
TRY	02.01.2014	6,83%	1.645.200
TRY	02.01.2014	6,50%	90.000
TRY	02.01.2014	6,50%	435.186
TRY	02.01.2014	5,50%	85.000
TRY	02.01.2014	6,50%	780.345
TOTAL			40.866.418

Currency Time Deposits	Maturity	Interest rate	December 31, 2013 EUR	December 31, 2013 TRY
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
TOTAL			2.489.677	7.310.937

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

	January 1- September 30, 2014	January 1- September 30, 2013
Adjustments Related to Depreciation and Amortization	3.689.590	2.687.806
Severance Indemnity	9.889	80.646
Provision for Allowance	65.040	14.925
Rediscount	103.809	(131.202)
Income Accrual	(25.552.528)	(21.284.387)
Accrued expenses (interest and other)	30.576.862	14.549.319
Adjustments Related to Income Tax Expense / Revenue	2.148.028	1.066.092
Adjustments Related to Disposal of Fixed Assets Resulting from the Loss / Gain	57.562	8.202
Minority Interest	196.368	726.241

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 June 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 September 30, 2014 the amount of interest, tax, profit before depreciation is 50.342.435 TRY. (December 31, 2013: 47.249.818 TRY)