

ODAS

**ANNUAL
REPORT
2015**

As ODAŞ continues its distinguished investments with internal efficiency that creates value in energy market, it aims to obtain a range of revenues and acquire an additional synergy with mining industry.

Burak Altay
Deputy Chairman of the Board of Directors



TABLE OF CONTENTS

4	Independent Auditors' Report on the Annual Report of the Board of Directors
6	Odaş at A Glance
8	Financial Highlights
10	Existing Facilities & Running Projects
15	Highlights in 2015
16	Management
17	Members of Board of Directors
18	Vision & Mission & Values
20	Our Activities
21	Odaş Group Companies
22	Participations
24	Investor Relations & Share Performances
26	Electricity Generation & Sales
28	Human Resources
30	Social Responsibility Projects
32	Corporate Governance Principles Compliance Report
33	Information within the Scope of Corporate Governance Principles Compliance Report
44	Consolidated Financial Statements
46	Independent Auditors' Report on the Financial Statements
48	Financial Statements
54	Footnotes
130	Contacts

**INDEPENDENT AUDITORS' REPORT ON THE ANNUAL REPORT OF
THE BOARD OF DIRECTORS**

To the Board of Director of
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.,

Audit Report on the Annual Report of the Board of Directors in line with the Independent Auditing Standards

This is the annual report for the accounting term ending on December 31, 2015 of Odaş Elektrik Üretim Sanayi Ticaret AŞ ("Company") and her subsidiaries and affiliated (hereinafter collectively called the "Group").

Board of Directors' Responsibility on the Annual Report

It is the responsibility of the Board of Directors to prepare the annual report in consistency with the consolidated financial statements as per the respective terms and provisions of the Communiqué No. II-14.1 "Financial Reporting Principles in Capital market" of the Capital market Board and Section 514 of the Turkish Commercial Code (TCC) No. 6102, and perform any necessary internal audits at its option to ensure that an appropriate report would be issued.

Independent Auditor's Responsibility

Our responsibility is limited to check, and report a formal opinion on the consistency of the financial data reported herein with the consolidated financial statements essential for the chartered auditor's report of March 10, 2016 on the basis of the independent audit performed by us on the Group's activity report within the framework of Section 397 of the Turkish Commercial Code and the Communiqué.

Our independent audit is carried out in accordance with independency and the standards issued by Capital Market Board and independent audit standards as a part of Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority. These standards are required to ensure compliance with ethical provisions and to carry out of the independent report to obtain reasonable assurance concerning whether or not the financial information on the annual report is consistent with the financial statements and reflects reality.

The independent audit involves the application of audit procedures to obtain audit evidence about the financial information. The selection of these procedures is based on the independent auditor's professional judgment.

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

Opinion

In our opinion, the financial information in the report of Board of Directors is consistent with the audited financial statements and reflects reality with all important aspects.



Büyükdere Cad. No.23 Kat.7
34381 Şişli / İSTANBUL
Telefon 0212 225 68 78(pbx)
Faks 0212 225 62 52
nexia@nexiaturkey.com.tr
www.nexiaturkey.com.tr

NEXIA TÜRKİYE
As Bağımsız Denetim ve YMM A.Ş.



Other liabilities arising from the legislation

In accordance with Article 40 of Turkish Commercial Code no: 6102, in the framework of IAS 570 "Business Continuity"; there is no any relevant issues regarding to the group's activities that may prevent the continuity in the foreseeable future.

As Bağımsız Denetim ve YMM AŞ
A member of Nexia International



O. Tuğrul ÖZSÜT
Responsible Partner & Chief Auditor

March 10, 2016
Istanbul, Turkey



Büyükdere Cad. No.23 Kat.7
34381 Şişli / İSTANBUL
Telefon 0212 225 68 78(pbx)
Faks 0212 225 62 52

nexia@nexiaturkey.com.tr
www.nexiaturkey.com.tr

2 | ODAŞ AT A GLANCE

2010

Odaş
founded.

2011

The first phase
of 54 MW of
the natural gas
combined cycle
plant with an
installed capacity
of 140 MW is
commissioned.

2012

Odaş Enerji
Elektrik
Perakende Satış
Anonim Şirketi
is founded.

The second phase of
74 MW of the Natural
Gas Combined Cycle
Plant with an installed
capacity of 140 MW
is commissioned.

2013

12 MW Steam Turbine of the Natural Gas Combined Cycle Plant with an installed capacity of 140 MW is commissioned.

Odaş Doğal Gaz Toptan Satış is founded.

Odaş Enerji is offered to public. Odaş shares has started to be processed at Borsa İstanbul.

2014

0,25 MW Solar Energy Power Plant is commissioned.

Çan-2 Thermal Power Plant investment with an installed capacity of 330 MW has started.

Environmental Impact Assessment (EIA) for Çan-2 Thermal Power Plant production site of Çan Kömür is accepted.

2015

40,96% of 330 MW Çan-2 Thermal Power Plant with an installed capacity of 330 MW is completed.

Köprübaşı HEPP with an installed capacity of 8,2 MW is commissioned.

Odaş has entered in mining sector and has purchased Suda Maden AŞ with 96% of Anadolu Export.

Odaş shares has started trade in BİST 100 Index.

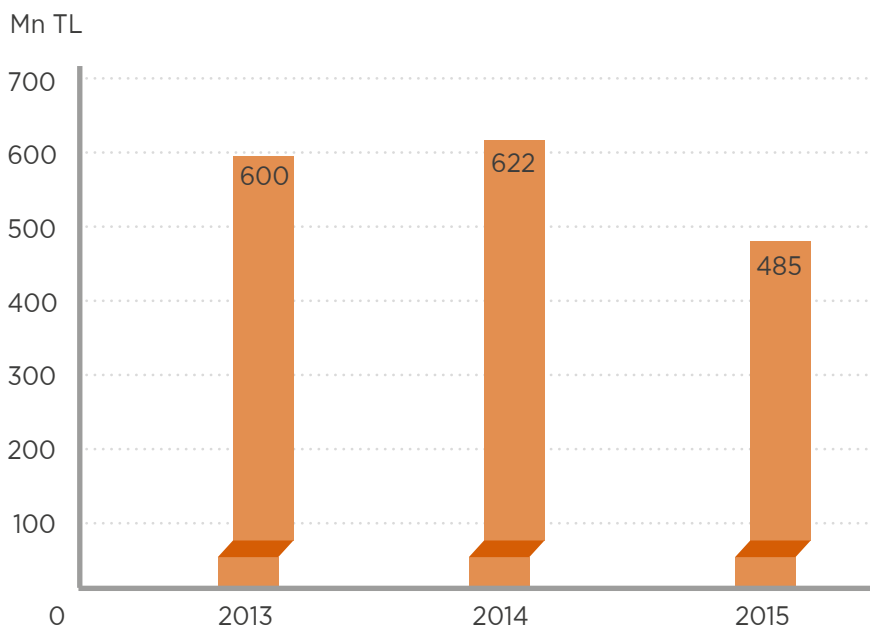


ODAS

2A | Financial Highlights

Consolidated Financial Data (Mn TL)	2012	2013	2014	2015
Net Sales	175	600	622	485
Net Profit	15	-7	27	-1
EBITDA*	31	47	54	37
Cash & Cash Equivalents	48	52	71	62
Short Term Liabilities	35	47	104	115
Long Term Liabilities	124	123	136	251
Equity	44	69	96	169
Total Assets	271	329	419	648
Net Debt	111	117	169	305
KPIs	2012	2013	2014	2015
Net Debt / Equity (x)	2,5	1,7	1,8	1,8
Net Debt / EBITDA (x)	3,5	2,5	3,2	8,2
Equity / Total Assets (%)	16%	21%	23%	26%

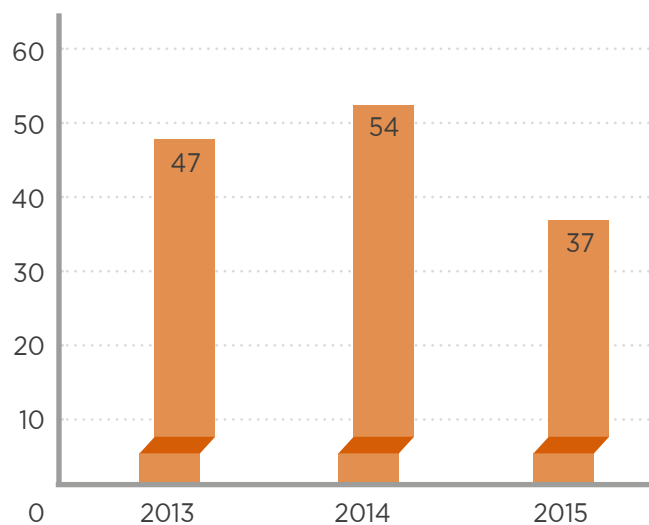
Net Sales



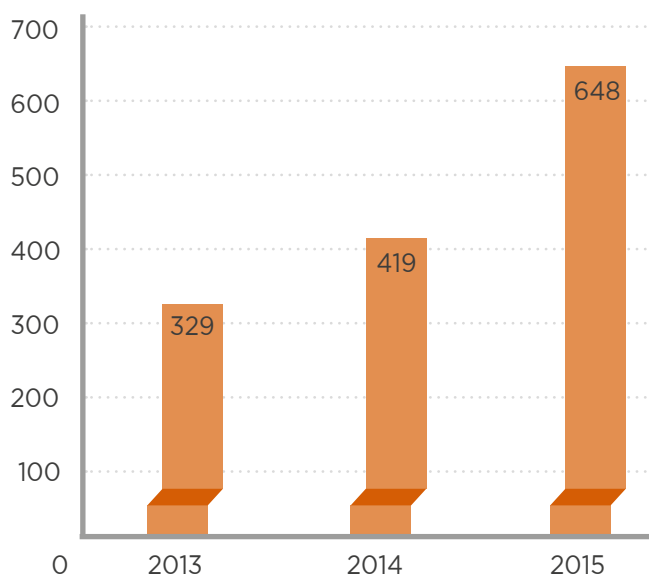
* Earnings before interest, tax, depreciation and amortization

EBITDA

Mn TL

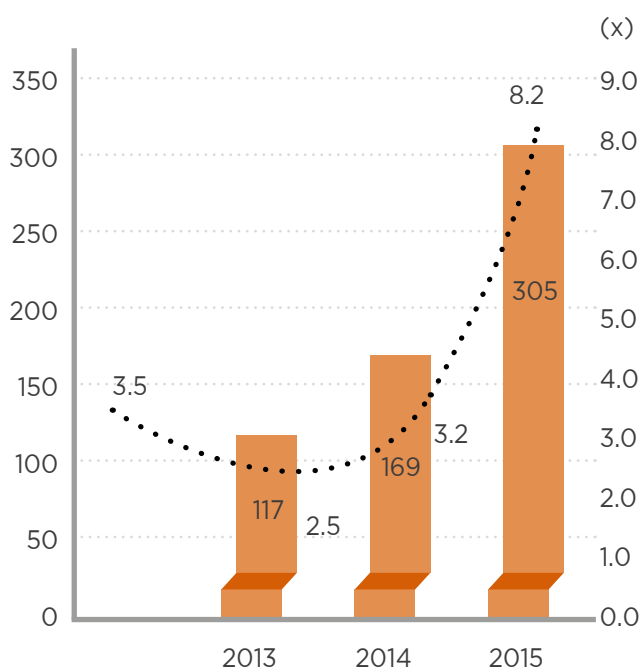


Total Assets



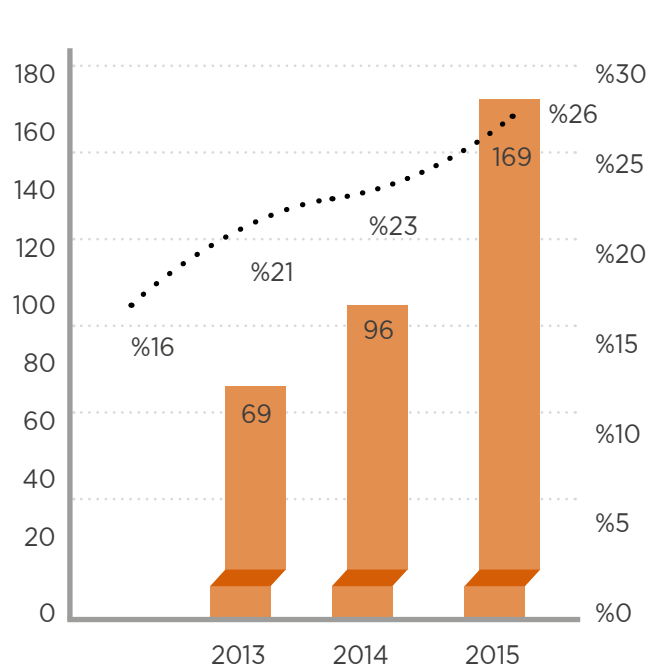
Net Debt

Net Debt - EBITDA (x)



Equity (Mn TL)

Equity/Total Assets (%)



Odas at a Glance

Management

Our activities

Corporate Governance

Consolidated
Financial Statements

Contact

2B | Existing Facilities & Running Projects



We are focused on the “national” energy resources by **comprehensive investments** with the ultimate goal of enhancing our **competitive standing in this industry.**

What Do We Do?

ELECTRICITY PRODUCTION

Odaş Şanlıurfa Natural Gas Combined Cycle Power Plant

Natural Gas Combined Cycle Power Plant with an installed capacity of 140 MW commissioned since 2011.

Odaş Şanlıurfa Solar Energy Power Plant

0,25 MW installed capacity, it commissioned since 2014.

Odaş Köprübaşı Hydroelectricity Power Plants

8,2 MW installed capacity and it has become operational since October 2015.

ELECTRICITY SALES

Odaş Enerji Elektrik Perakende Satış Anonim Şirketi

It continues its activities in retail electricity sales market since 2012.

NATURAL GAS SALES

Odaş Doğal Gaz Satış AŞ

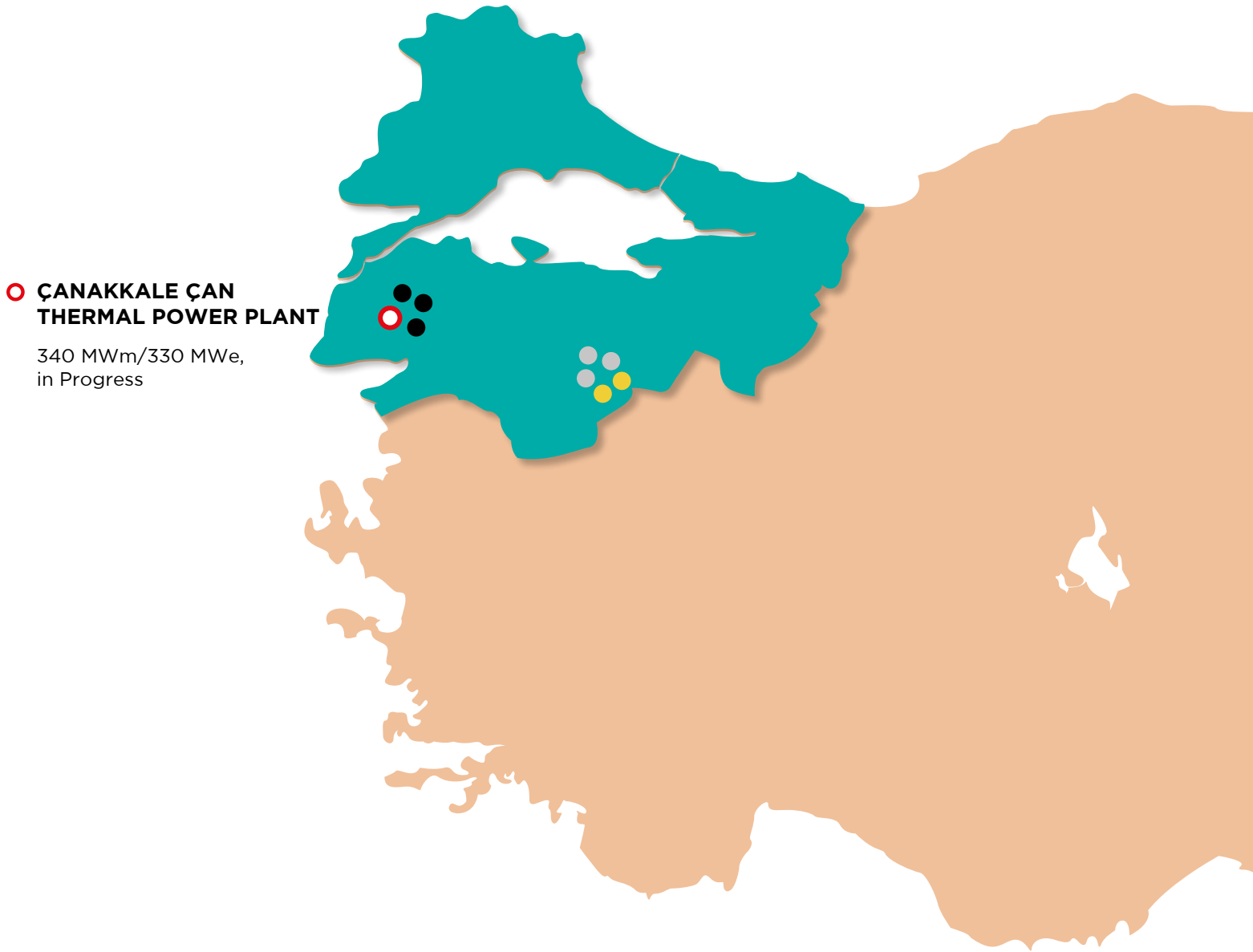
Odaş Doğal Gaz Satış AŞ become a part of Odaş Group Companies in 2013, it aims to take advantage of the group in electricity market to the Natural Gas sector.

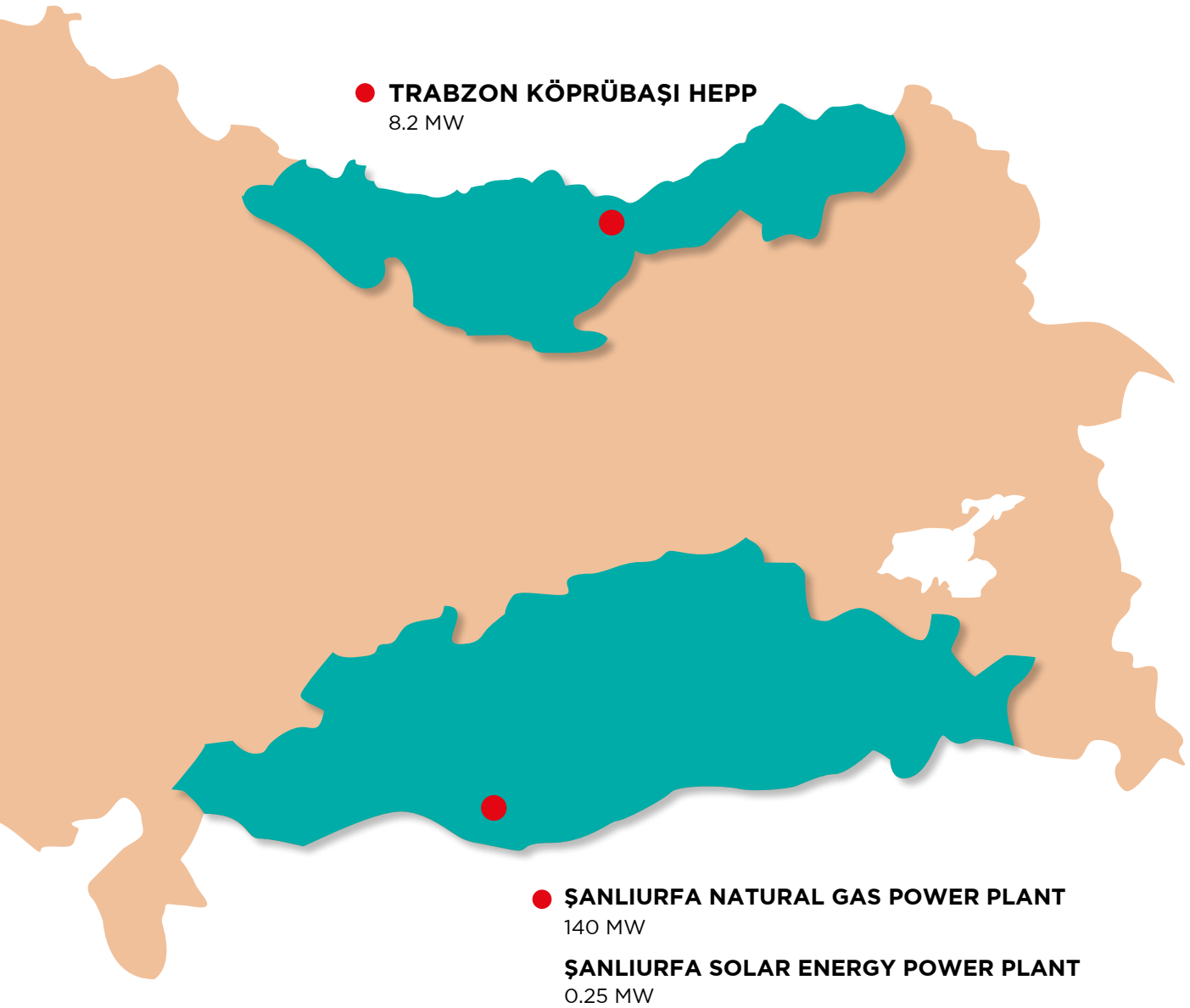
MINING

Precious Metals

Group executes its works in precious metal (Antimony, Gold, Copper, Silver) sector through Anadolu Export Maden Sanayi ve Ticaret AŞ and Suda Maden AŞ.

2B | Existing Facilities & Running Projects







2C | Highlights in 2015

Çan-2 Thermal Power Plant Investment

To cover the financing of the 340 MWm/330 MWe thermal power plant to use domestic coal reserves in the county of Çan of the Province of Çanakkale, Çan Kömür ve İnşaat AŞ, an affiliate that is participated for 92% by this Company, signed the loan and guarantee contracts with the Consortium of Yapı Kredi Bankası AŞ and Halk Bankası AŞ ("Creditors") amounting to 116 Million Euros repayable in total 8 years, including a grace period of the first three years.

As of November 2015, the physical completion rate of the plant has been actualized as %40.96. In parallel to the investment development process, "Flue Gas Desuphlurization (FGD)" Systems that are the most important essential equipment in terms of environmental awareness will be produced in state of the art technology and General Electric (GE) (Alstom Power SPA), which is one of the world's biggest and most experienced companies, has been preferred.

Natural Gas Wholesale Trade

The Board of Directors of our company has taken over 40,02% shares of Odaş Doğal Gaz Toptan Satış Sanayi ve Ticaret AŞ of which we are 50% shareholder and it has increased its total share ratio to 90,02%.

Köprübaşı HEPP Investment

Hydroelectricity power plant with an installed power of 8.2 MW belonging to Küçük Üretim Enerji Ticaret Sanayi Ltd Şti that shows activity at Trabzon, Köprübaşı district and to which we contribute with 90% shares, has been commercially commissioned as of October 2015.

Mining Activities

Our company has taken over all the shares of Suda Maden AŞ and 96% shares of Anadolu Export Maden Sanayi ve Ticaret AŞ in order to operate in mining sector.

Suda Maden Anonim Şirketi has totally 4 licenses at Kütahya-Uşak area of which 2 for operation and 2 for exploration.

Index Change

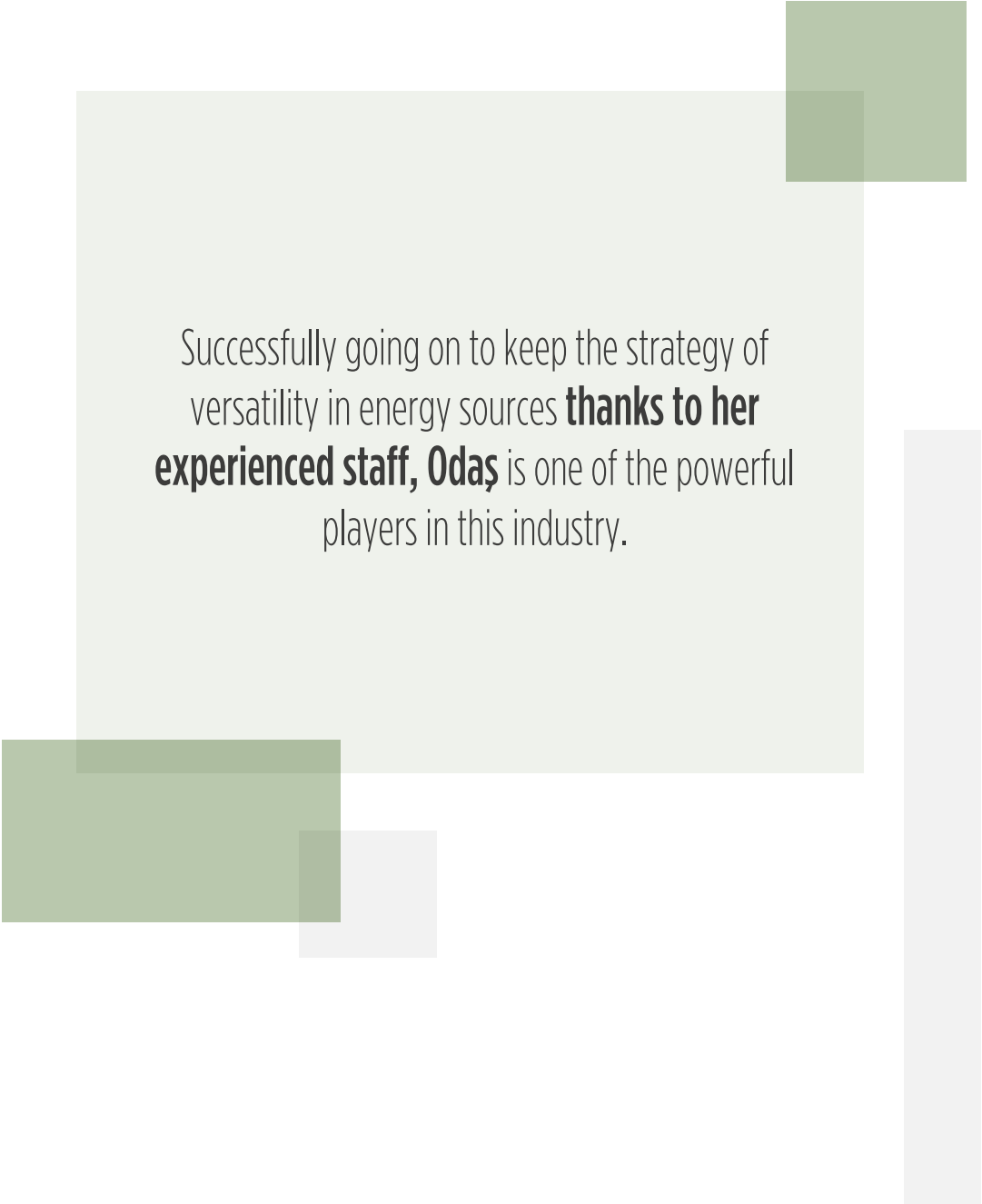
Odaş Enerji shares started to be traded at BIST 100 Index as of 01.04.2015.

5 Million TL Dividend Distribution to Shareholders

In line with the decision taken at the 2014 Ordinary General Assembly on 25.05.2015 gross 5.000.000 TL dividend has been paid to shareholders in cash.



3 | MANAGEMENT



Successfully going on to keep the strategy of versatility in energy sources **thanks to her experienced staff, Odaş** is one of the powerful players in this industry.

3A | Members of Board of Directors

Abdulkadir Bahattin Özal

Chairman of Board of Directors

Mr. Özal graduated from İstanbul Technical University, Department of Control and Computer Engineering in 1985. Following his education at Boğaziçi University, Department of Physics Engineering in 1988, he engaged in professional business world, founded various companies and worked as a manager in construction, import, export, and energy sectors. He developed many start-up projects in energy sector together with Mr. Burak Altay and carried out successful energy investments. Mr. Özal continues to act as the Company's Chairman of the Board of Directors, as the founding partner of Odaş Energy Group.

Burak Altay

Deputy Chairman of Board of Directors

Mr. Altay graduated from Koç University, Department of Business Administration, completed his higher education in Marmara University, Department of Law, and gave lectures as a teaching assistant at Koç University. He started entrepreneurship in the energy sector as the Turkish distributor of Alstom Power, and then developed many start-up projects in the energy sector with Mr. Bahattin Özal and carried out successful energy investments. Mr. Altay continues to act as the Company's Deputy Chairman of the Board of Directors, as the founding partner of Odaş Energy Group.

Mustafa Ali Özal

Member of Board of Directors

Mr. Özal is an alumnus of Gazi University, Department of Economics. He started his business life in 1982 and worked in various sectors as manager and board member. Mr. Özal is a Board Member of Odaş Energy Group.

H. Ayşegül Özal Dinç

Member of Board of Directors

Mrs. Özal Dinç completed her education in 1972. She started working at the Aköz Foundation in 1994 and later was appointed as the Foundation Manager. She is a Board Member of the Aköz Foundation, which grants scholarships to 200 students and provides assistance to many students and people in need, and a Board Member of Odaş Energy Group.

Yavuz Baylan

Member of Board of Directors

Mr. Baylan graduated from İstanbul University, Department of Economics. Following his position at the Ministry of Finance as Chief Accountant, he started working as a financial consultant in the private sector in 1981. He was the leader in the foundation of BDO Turkey in 1987. Having become a Certified Public Accountant in 1989, Mr. Baylan is an Independent Board Member of Odaş Energy Group.

Salih Erez

Member of Board of Directors

Mr. Erez graduated from Koç University, Department of Business Administration. He continues his position as a Board Member with the Companies, Haznedar Refrakter, Durer Refrakter Malzemeleri, and Haznedar Yatırım ve Pazarlama Şirketleri and he is also an Independent Board Member of Odaş Energy Group.

3B | Vision & Mission & Values



VISION

To be a leading company in energy and mining sectors, differentiating with strategic investments and ensuring sustainable profitability.

MISSION

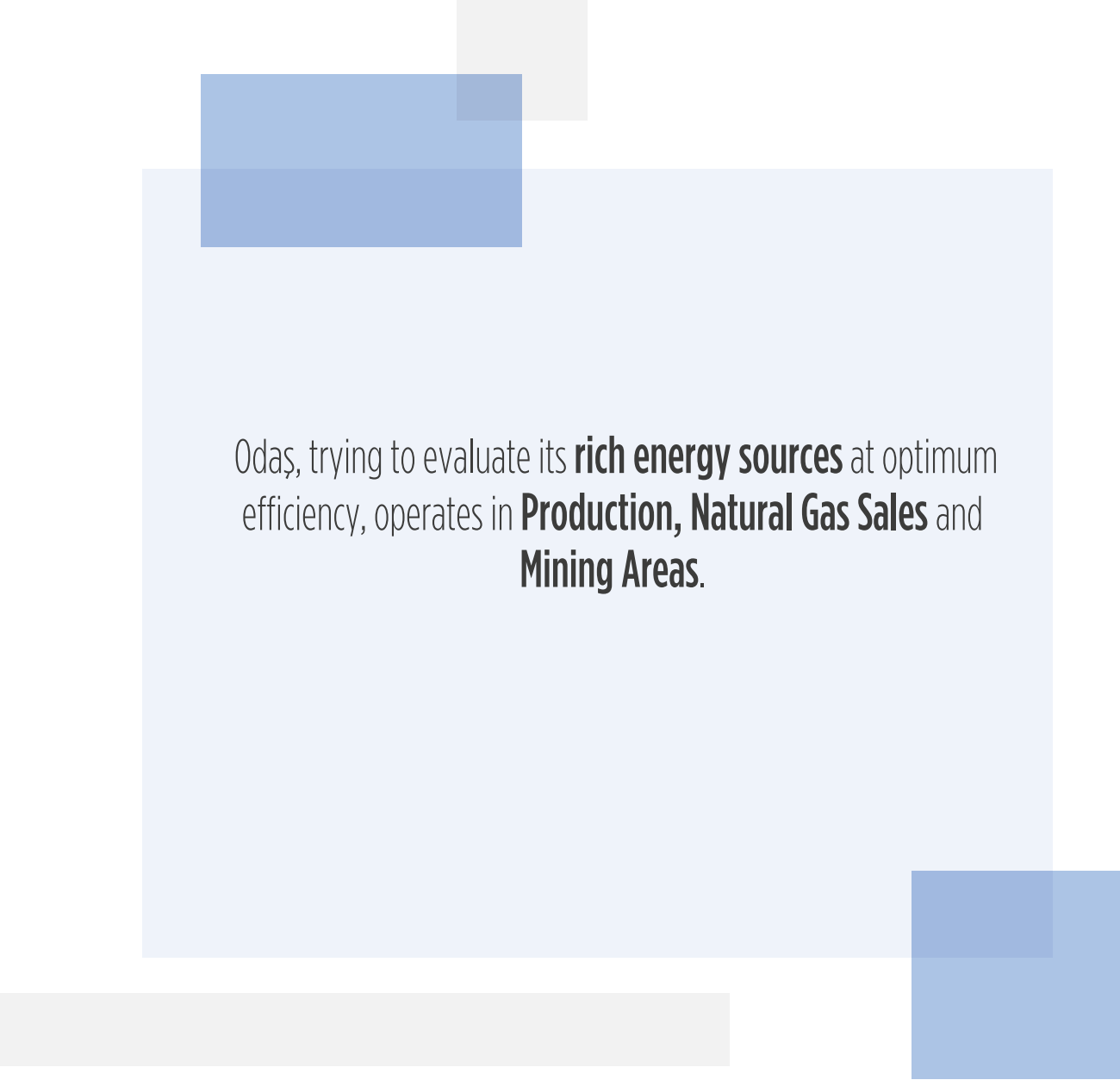
Providing value-added products and services to our country and shareholders with a high sense of responsibility and bringing high-return investments with a fast and flexible approach.

VALUES

Creativity and Flexibility
Transparency and Sustainability
Responsibility to the Society and Environment
Occupational Health and Safety

[Odas at a Glance](#)[Management](#)[Our activities](#)[Corporate Governance](#)[Consolidated
Financial Statements](#)[Contact](#)

4 | OUR ACTIVITIES



Odaş, trying to evaluate its **rich energy sources** at optimum efficiency, operates in **Production, Natural Gas Sales** and **Mining Areas**.

4A | Odaş Group Companies



4B | Participations

The investment of **Çan-2 Thermal Power Plant** continues on track. As of November 2015, physical **completion rate of the power plant is 40,96%.**

Çan Kömür ve İnşaat AŞ

Our Group has focused on domestic coal resources which have a high calorific value in order to utilize the most advantageous electricity production methods in the current market conditions. Within this scope, it purchased 92% of Çan Kömür ve İnşaat AŞ's shares, which has paid loyalty rights in the province of Çanakkale, district of Çan, in September 2013. At the current license site, drilling works according to Joint Ore Reserves Committee ("JORC") standards were performed. Average calories of the total reserve at the existing site is 3.481 kcal/kg and this is the highest value amongst the power plants in Turkey that produces electricity with domestic lignite. Accordingly, the investment period has been commenced for the electricity production plant with installed capacity of 330 MW. At the same time, the coal on site can be directly sold to the market due to its high calorific value. Thus it is possible to sell the coal by retail and/or to the industrial companies using coal at the production stage.

It will be financed with the current equities and the project finance with an amount of 116 Million Euro. It is aimed to engage the coal thermal power plant with a capacity of 330 MW within the second half of 2017. As of November 2015, physical completion rate of the power plant is realized as 40,96%.

Odaş Enerji Elektrik Perakende Satış AŞ

Odaş Enerji Elektrik Perakende Satış AŞ, which is a 100% subsidiary of Odaş Energy Group, is founded in 2009. The growth strategy of the Company is common electricity distribution by the purpose of providing vertical integration and thus to deliver electricity to final consumers. With its wide customer network, Odaş Enerji Elektrik Perakende provides electricity to 19,548 eligible customer meters as of 31.12.2015. Odaş Enerji

Elektrik Perakende obtained wholesale electricity selling license from EMRA (Energy Market Regulation Authority) in 2010. Via the authorization of this license, the Company sells the electricity purchased from the market via bilateral agreements, to its customers. Odaş Enerji Elektrik Perakende aims to increase the amount of electricity sold to the house consumers in the sector due to the decrease in the eligible consumer limit.

The Company has succeeded to come to the forefront among the wholesale trade companies with the advantage of being an Odaş Group company. The biggest advantage of the Company can be shown as providing a vertical integration. Due to the nature of electricity market, the prices vary hourly, daily and monthly due to the high volatility. The possibility of the Company to fix its electricity sales price via the bilateral agreements provides to take the minimum cash flow under guarantee. Also in case the prices are higher than normal in the market, Odaş Enerji Elektrik Perakende company, having the authority to make importation, is also able to import energy from the countries such as Bulgaria and Greece.

Küçük Enerji Üretim ve Ticaret Ltd Şti

The Company, 90% of which was acquired by Odaş Energy Group in December 2012, has the production license for Köprübaşı Regulator and Hydroelectricity Power Plant. The installed capacity of Köprübaşı Regulator and Hydroelectricity Power Plant is 8.2 MW and it is located in the province of Trabzon, on the Mahanoz River. The term of the license is 49 years as of 12.04.2012. At the current situation, the investment for the plant has been commenced on October 2015. Since the electromechanical equipment for a hydroelectricity plant has been provided from a domestic company in Turkey for the first time, the guaranteed sales price shall be 9.3 \$cent/KWh instead of 7.3 \$cent/KWh.

Odaş Enerji Elektrik Perakende aims to increase the amount of electricity sold to the house consumers in the sector due to the decrease in the eligible consumer limit.

Odaş Doğal Gaz Toptan Satış Sanayi ve Ticaret AŞ

Being a 90% subsidiary of Odaş Energy Group, Odaş Doğal Gaz Toptan Satış Sanayi ve Ticaret AŞ provides long-term reliable natural gas to Odaş Natural Gas Power Plant located in Şanlıurfa and it was founded to carry the sales network the group created in the electricity sector to natural gas sector. The Company obtained the Natural Gas Wholesale License Trade License from EMRA in March 2013.

Ena Elektrik Üretim Ltd Şti

The Company, 80% of which belongs to Odaş Energy Group, has a production license application for Hisar Regulator and Hydroelectricity Power Plant. A "Share Transfer Agreement" has been signed to transfer all of the shares that Odaş Energy Group has in Ena Elektrik Üretim Limited Şirketi to a foreign company against approximately TRL 1 million subject to the completion of the license transactions to be made with the Energy Market Regulatory Board.

Hidro Enerji Elektrik Üretim Sanayi AŞ

The Company, 100% of which belongs to Odaş Energy Group, has a production license for Volkan Hydroelectricity Power Plant with an installed capacity of 1,9 MW located at the province of Trabzon on Balkodu Creek.

Yel Enerji Elektrik Üretim Sanayi Ticaret AŞ

75% of Yel Enerji is incorporated within the body of Odaş Enerji in January 2013. Yel Enerji has owned 70% of the shares of YS Madencilik Sanayi ve Ticaret Ltd Şti as a founder that has no existing activities on 12.12.2014 and the related company is included in consolidation. Odaş Enerji plans to develop a coal supply and sales center in a geography close to its own mine pit in Çanakkale. Within the scope of this strategy, the mining license with no İR:17517

at Çanakkale, Bayramiç district is purchased by Yel Enerji Elektrik Üretim Sanayi Ticaret AŞ and the transfer transactions are completed.

Ağrı Elektrik Üretim Sanayi Ticaret AŞ

70% has passed to the body of Odaş Enerji in December 2012.

Anadolu Export Maden Sanayi ve Ticaret AŞ

96% shares of Anadolu Export Maden Sanayi ve Ticaret AŞ are taken over by Odaş Elektrik Üretim Export Maden Sanayi ve Ticaret Limited Şirketi on January 2015. A "License Transfer Agreement" is signed in to complete the explorations on the gold site located within the borders of the provinces of Kütahya and Uşak and to decide on the operation investments based on the exploration results.

Suda Maden AŞ

The Company, 100% of which belongs to Odaş Energy Group, has 4 mining licenses, two for operation (Gold, Antimony) and two for exploration (Gold, Antimony) at Kütahya-Uşak. Within this scope, the presence of Copper (Cu) and Silver (Ag) mines is determined in precious metal works besides Gold (Au) and Antimony (Sb) and these mines take place among the mines within the scope of exploration. The presence of antimony in the site is determined as a specific amount and additional works should be done in order to determine the operable economic reserve.

The licenses under the responsibility of the Company are located around Kütahya and Uşak at a geography close to the Karaağaç gold license.

4C | Investor Relations & Share Performance

Throughout 2015; Investor Relations Department and the Senior Managers of the Company have made various meetings with numerous analysts and investors and have shared the developments regarding to the current activities and investments under the light of the realized financial and operational data.

Investor Relations Activities

Odaş Enerji Investor Relations Department aims to develop close relations with its shareholders and to provide optimum benefit for them according to the honesty, accountability, transparency and reliability principles in parallel to the Corporate Governance standards that are adapted by providing complete adaptation to its liabilities caused by the legal arrangements related to the capital markets.

Within 2015; 114 investor meetings have done and in these meetings, the group's activities, financial statements and the information regarding to the growth plans have been discussed. Together with the investor meetings and analyst meetings performed in 2015, the number of coverage reports has increased to 5.

Pursuant to the Capital Market Legislation; 47 material disclosures were announced in 2015.

Share Performance and Market Value

Odaş Enerji, with a total market value of 301 Million TL as of 31.12.2015, has the Odaş shares "Ticker: Odaş" traded at the lowest share price of 5,99 TL and highest

share price of 11,43 TL.

The foreign investor shares of the Company, of which 37.46% shares are being traded at Borsa İstanbul, is 10,97% as of the end of 2015.

Highlights in 2015

Capital Increase done to be Sold to Qualified Investors Sales at Borsa İstanbul Wholesale Trade Market

Within the scope of the export document approved by the decision of the Capital Market Board of 16.04.2015 and no. 10/491, as our capital was raised to 47.600.180 from 42.000.000 TL, the sales process of the exported 5.600.180 TL nominal value shares to 47 qualified investors 8.90 TL for 1 TL nominal value share and a total of 49.841.602 TL was actualized at Borsa İstanbul AŞ Wholesale Market ("TSP").

Index Change

Odaş Enerji shares started to trade at BIST 100 Index as of 01.04.2015.

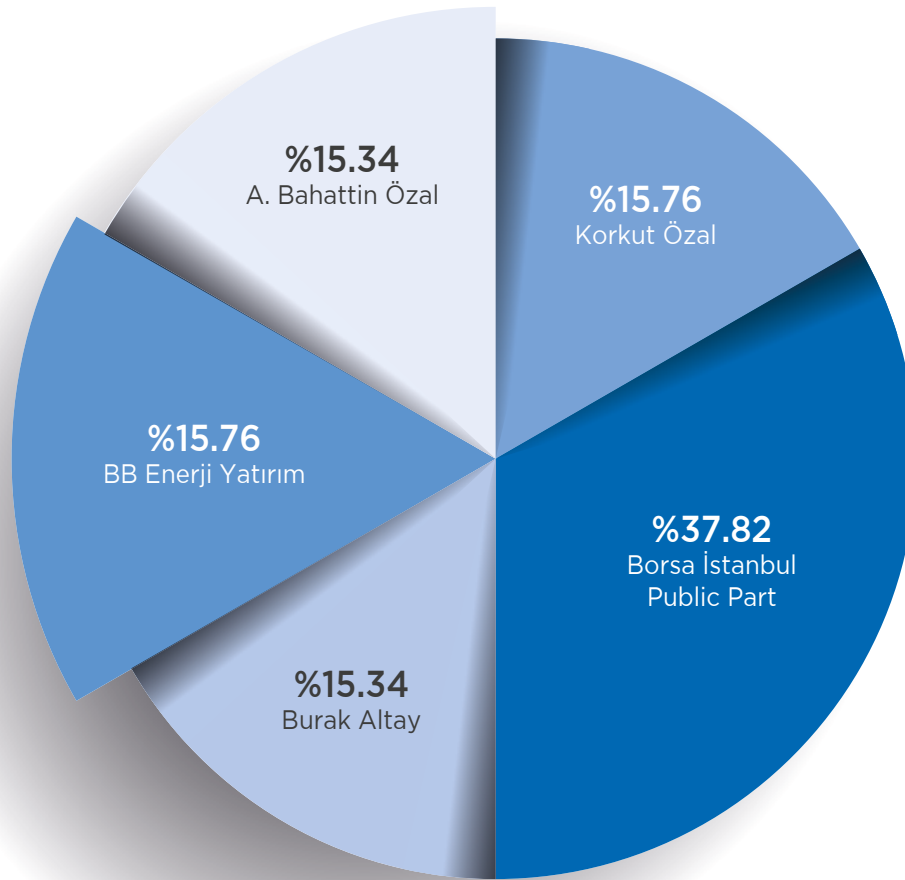
Distribution of 5 Million TL Gross Profit to Shareholders

In line with the decision taken at the 2014 Ordinary General Assembly on 25.05.2015 gross 5 Million TL dividend has been paid to shareholders in cash.

Odaş - BİST 100 Comparative Graphic

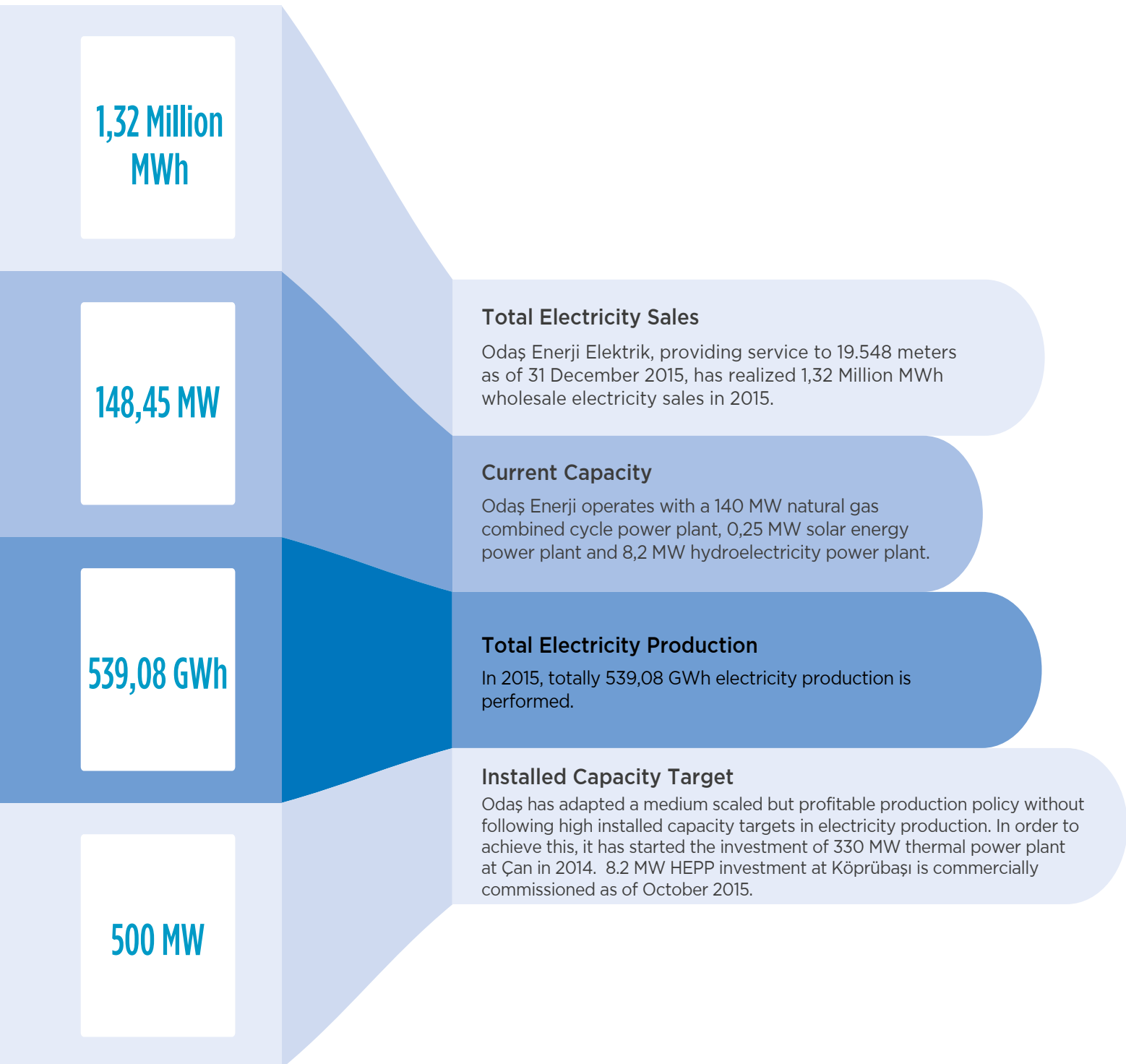


Shareholder Structure



Name Surname/Title	Total Nominal Shares (TRY)	%
Korkut Özal	7.500.000	%15,76
A. Bahattin Özal	7.300.000	%15,34
Burak Altay	7.300.000	%15,34
BB Enerji Yatırım	7.500.000	%15,76
Borsa İstanbul Public Part	18.000.180	%37,82
Total	47.600.180	%100,00

4D | Electricity Generation & Sales



Odaş Şanlıurfa Operasyonel Figures	2015	2014
Total Electricity Generation (Net) ('000 MW)	534	583
Average Spot Price (TL/MWh)	138	164
Odaş Average Sales Price (TL/MWh)	278	313
Price Premium	101%	91%
Total Electricity Production in 2015	539 GWh	583 GWh

Odaş Enerji Elektrik Perakende Operational Figures	2015	2014
Total Electricity Sales (Milion MWh)	1.32	1.85
Utility Meters (Total)	19.548	33.678

1,32 MWh (Million)


Total of electricity sales of Odaş Enerji Elektrik
Perakende Satış AŞ in 2015

19548

Total number of meters

Sector Glance

As of December 2015, total installed capacity in the sector is 73,146.7 MW and the share of natural gas in the installed capacity is realized as 35%. When the installed capacity development is considered, it is seen that the shares of private sector has rapidly developed and the investments are mostly caused by the private sector. As of the end of 2015, 27,8% of the total installed capacity is developed by EÜAŞ and the power plants related to EÜAŞ.



Odaş creates opportunities for its **employee regarding to their continuous development** and potentials. Within this scope, it accomplishes the applications that increase the life qualities of its employees and provide **high occupational comfort**.

Human Resources

Odaş Energy Group carefully selects every personnel according to its sustainable growth target principles and develops its family with young and dynamic employees by a corporate approach that gives importance to synergy and variability in order to add value to our country and the sector.

Human Resources policies are created based on “Creativity and Flexibility”, “Transparency and Sustainability”, “Sensitivity against Population and Environment”, “Focus on Occupational Health and Safety” values. Within this scope, in order to carry all its personnel to the highest point of their capacities, prioritized targets of Human Resources policy are to provide support for development, to develop applications that will cause high business comfort and satisfaction by increasing the qualities of life of the personnel.

As of the end of 2015; Odaş Energy Group, acting with the vision of being a leading energy company that provides sustainable profitability by its strategic investments with varying energy sources, continues its activities with a total of 166 employees of which 11% belongs to the management level.

Of the group employees, 18% is female, 82% is male and 54% is graduated from university.

All the technical personnel at the production site should be at least graduated from a vocational high school and they have completed all the occupational competency trainings according to their specialties and have received their competency certificates.

Recruitment Activities

Odaş Enerji, in the process of recruiting the qualified human resources as new individuals in the group, carries out such applications as group interviews with participation of all management levels, case studies, professional knowledge-based presentations, competence-based face-to-face interviews, foreign language test conducted by specialized institutions, personality inventory and detailed reference check stages.

Within this scope, 86 people have participated in Odaş family in 2015. Also internship is provided to 9 vocational high school students and university students.

Training and Development Activities

Odaş Enerji, in the process of recruiting the qualified human resources as new individuals in the group, carries out such applications as group interviews with participation of all management levels, case studies, professional knowledge-based presentations,

competence-based face-to-face interviews, foreign language test conducted by specialized institutions, personality inventory and detailed reference check stages.

Accordingly, within 2015, technical development trainings, especially occupational safety, are taken for the production employees and functional occupational development trainings for the expert levels from experienced companies. Also all the employees are supported to participate in the seminars and congress according to their specialties and aimed to create individual and occupational awareness.

Performance Management

Odaş Enerji measures the performances of its employees during the year by means of assessment forms. Following assessment process, all results are calibrated on the Company basis and finalized through effective communications with the employees and through mutual feedback and covenant. Performance assessment results are used in many areas such as, particularly setting the wages for the next period, self-improvement planning, functional training analysis, determination of requests and requirements for rotation, potential manager assessment.

Within this scope, individual performance evaluations and one-to-one feedback sessions are performed for all the personnel and also an evaluation center is developed where managerial competences are measured and development plans are done by an international company. In 2015, the Company has started required works in order to apply “Balanced Scorecard” approach including the numerical criteria via the target distribution principles from the senior management to all the personnel.

Wage and Side Benefit Management

Odaş Energy Group Wages and Side Benefit Management system consists of wages market and policy, current wages structure and solvency, individual performance, narrow band job levels criteria. By means of regular market analyses in line with investigations and studies of specialized independent consulting companies, a fair and competitive wages and side benefit policy is implemented.

Internal Communication Activities

One of the core human resources policies of Odaş Enerji is to create an open communication-based common language with young and dynamic employee family. We aim to generate innovative and solution-based idea by means of transparent approaches far from hierarchy, thus improve performance of the Company constantly and establish a perfection-oriented culture adopted by everyone.

Social Responsibility Projects

Our company has realized the below mentioned Social Responsibility Projects in 2015 based upon the environmental and social requirements of the population within the scope of Social Responsibility Policy.

ÇAN SPORTS SPONSORSHIP

Çanspor, the football team of the town since 1946, is the sole dynamic entertainment of a small town. Çanspor is one of our important projects, as it represents a common value. It is the only dynamic entertainment of a small city. Odaş Enerji advertisements are present on the Çanspor formas and on the bus of Çanspor.



CUMHURİYET SCHOOL INTELLIGENCE CLASS PROJECT

The Intelligence Class, for which the construction is organized by Çan Kömür ve İnşaat AŞ that is a subsidiary of Odaş Energy Group, is opened at Cumhuriyet Primary School. The Intelligence Class aims at supporting the students in self-expression, communication, mechanical and social development.

23 EYLÜL SECONDARY SCHOOL COMPUTER LABORATORY PROJECT

23 Eylül Secondary School is one of the oldest and long-established schools that represent Çan. In this school, children of middle income families are studying. In the computer laboratory deployed by Çan Kömür ve İnşaat AŞ; there is 1 complete up-to-date computer laboratory of Çan comprising or 12 computers, network system, power grid and furniture.



SCHOLARSHIP AT ÇAN, YAYA KÖY, BAHADIRLI VILLAGE and ÇANAKKALE

In order to support education within the scope of social responsibility projects, the students needing scholarship are specified by coordinating with District Director of National Education and the school managers and required transactions are performed regarding to such scholarships.

HALİL İBRAHİM BRIDGE PROJECT

The Odaş Energy Group has constructed the project “Halil İbrahim Bridge” that connects the “Yaya” and “Bahadır” villages in the town of Çan in Çanakkale. The most important feature of this bridge that the local people would be allowed to easily reach the farming highlands under all the conditions in every season.



CAMPAIGN FOR TREES

Çan Kömür ve İnşaat AŞ Project Team and Administrative team have developed a “1000 saplings every year” campaign. 1000 saplings from the year 2015 are planted at the idle mine pit at Yaya Köy. This activity will become traditional.

UZUN ALAN VILLAGE WATER DRAINAGE PROJECT

In this village with 500 houses, there is a water problem for 10 years. Within the scope of social responsibility, as Çan Kömür ve İnşaat AŞ, a 270 m water drainage is constructed in order to eliminate the water problem of Uzun Alan Village and the water problem of Uzun Alan Village is eliminated by the water supplied.



SUPPORT TO SPORTS AND ATHLETES

Odaş Energy Group has provided the necessary (required) support for Garanti wheel chair basketball Boğazgücü Team to participate in the sports competition held in Şanlıurfa on 15 November 2015.

SOCIAL RESPONSIBILITY PROJECTS PERFORMED AT TRABZON KÖPRÜBAŞI

- Social facility at Beşköy Merkez (park, landscaping, children game group, multifunctional sports complex)
- Konuklu District Drinking water project
- Village and District Roads Concreting projects
- Adnan Kahveci Primary Education School various works (marble works, concrete works, computer room etc.)
- Köprübaşı District camera system
- Köprübaşı District Security Visual and Audio Systems - Social Presentation Activity sponsorship that is arranged by Köprübaşı Municipality
- Kitchen aids for the needers coming via the Village headmen

5 | CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT



Odaş has **strengthened its corporate governance culture** in 2015 with its strategical targets and continued its steady development with its **fair and virtuous business** mentality.

Information within the Scope of Corporate Governance Principles Compliance Report

PART I - Corporate Governance PRINCIPLES COMPLIANCE DECLARATION

Odaş Enerji ("Company") shows maximum care to the adaptation of Corporate Governance Principles of Capital Markets Board and adapts the equality, transparency, accountability and responsibility concepts of Corporate Governance principles while fronting its targets. In 2014, Odaş Enerji has completely adapted the principles that should be applied within the scope of No. II-17.1 Legislation regarding to the determination and application of Corporate Governance Principles and also has shown maximum effort to adapt the non-obligatory principles.

Based on these principles; Corporate Governance Principles Compliance Works that has started in the Company in 2013 and continued in 2014 continues to be applied with various mechanisms that are developed in the Company. In the first stage of the works; some amendments are done in the articles of association in order to provide an equal, accountable, responsible and transparent structure to the shareholders. In the articles of association, while the rights foreseen in Corporate Governance Principles are defined for the shareholders, a "better management" is aimed in the management structure.

Internet site of the Company is updated in order to deliver maximum information in a rapid, simultaneous, correct and full form.

Via this declaration, Odaş Enerji has adapted a transparent and open management style and aimed to create a responsible, accountable management approach against all its partners, especially its small-scale shareholders.

Justification of the Corporate Governance Principles that have not Applied Yet

Corporate Governance Committee of the Company continues its works regarding to the development of Corporate Governance applications. Full compliance cannot be adapted because of the difficulties occurred in a part of the principles, discussions both in our country and in international platform regarding to the compliance to some principles. The principles out of the principles being applied and the ones that are not applied does not cause any conflict of interest between the shareholders till today. It is planned to adopt the non-compulsory principles that should be applied at a limited number by making structural amendments and intra-company arrangements. Below, the principles that cannot be adapted yet and the detailed works executed within the scope of Corporate Governance Principles are explained.

- Although not expressed in the articles of association; no one in the Company has the right to decided unlimitedly.

- Pursuant to article 4.6.5 of Corporate Governance Principles; the wages given to the Members of the Board of Directors and the Senior Managers and all the other benefits provided are explained to public via the annual report. However, the explanations are not made on the basis of people but to specify the separation between the Board of Directors and the Senior Managers.

PART II - SHAREHOLDERS

Investor Relations Department

Investor Relations Department operates regarding to using share ownership within the body of our company and performs providing the communication between the Board of Directors and the current and potential shareholders and also to execute the transactions according to the CMB Corporate Governance Principles. This department serves under the Corporate Governance Committee and also Burak Altay, Deputy Chairman of the Board of Directors of the Company.

Within this Scope, Investor Relations Department is Responsible for;

- Making the presentation of the Company to domestic and foreign existing and potential corporate investors and to the intermediaries,
- Meeting the information requests coming from the analysts at these companies,
- Proactively and regularly informing the shareholders and corporate investors about the developments regarding to the Company via the conference and investor meetings,
- Responding the information requests coming from the domestic and foreign corporate investors excluding the confidential and commercial secrets and the information that are not explained to public,
- Answering the questions and requests coming from the shareholders,
- Making comparative analyses of other company performances showing activity in the same sector and the Company share performance,
- Performing the General Assembly Meetings according to the existing legislation and other company arrangements,

- Preparing the documents which will be used by the shareholders in General Assembly Meetings and submitting the said documents to the investors via the internet site of the Company three weeks before the General Assembly,
- Via the General Assembly Meeting minutes; recording the voting results and submitting the reports including the voting results to the shareholders,
- Executing, auditing and following all the liabilities arising from the Capital Market legislation including all kinds of matters related to financial reporting, Corporate Governance and public disclosure,
- Regularly following the content of “Investor Relations” at the internet site and making the updates,
- As of the three-month quarters; preparing the presentations of the activities and financial status of the Company for the related period; preparing the list of people having access to internal information and following the validity of this list,
- Providing bidirectional information flow between the shareholders and the Senior Management and board of Directors of the Company.

Odaş Investor Relations Department

Name Surname	Title	Telephone	E-mail
Melih Yüceyurt	Finance and Investor Relations Director	0216 474 1 474	yatirimciliskileri@odasenerji.com
Mehmet Erdem Aykın	Investor Relations Manager	0216 474 1 474	yatirimciliskileri@odasenerji.com

Usage of Rights to Information of the Shareholders

All kinds of information requests coming to Investor Relations Department, are answered without making any differentiation among the investors provided that they are trade secrets or information that are not disclosed to public. Accordingly, written and verbal net and detailed answers are given via telephone and e-mail to the information requests about various matters of the shareholders and every question is answered in order to satisfy the investors provided that they are not trade secrets.

Besides all the investors can access all kinds of data regarding to full, correct and current information from the “Investor Relations” section in the internet site of the Company (www.odasenerji.com.tr). in order to inform the shareholders about the developments that may affect their rights of usage; the instruments used in 2015 are shared from the Company internet site and the special case explanations made via Public Closure Platform (KAP).

Because the right of requesting a private auditor by the shareholders is arranged via legal legislations, there is no arrangement in the articles of association regarding to assigning a private auditor. There is no request for assigning a private auditor within the period.

General Assembly Meetings

General Assembly Meetings are performed in order to provide opportunity for wide participation and sufficient information of the shareholder by considering the Turkish Commercial Code,

Capital Markets Law and Corporate Governance Principles.

Ordinary General Assembly of the Company comes together at least once a year and the matters in agenda prepared by the Board of Directors are discussed and decided by considering Article 413 of Turkish Commercial Code. The notifications and advertisements of the General Assembly Meetings are published by considering the minimum periods specified in the articles of Turkish Commercial Code, Capital Markets Law and other relevant legislations via all kinds of communication tools including electronic communication in order to provide to reach maximum shareholders.

Ordinary general meeting of our company was held on 25 May 2015 at 14.00 at the Company’s head office located in Fatih Sultan Mehmet Mah, Poligon Cad, Buyaka 2 Sitesi NO: 8/B 2. Kule Kat. 17 34771, Tepeüstü, Ümraniye/İstanbul. 2014 Ordinary General Assembly Meeting is performed under the Government Commissary assigned by Republic of Turkey Ministry of Customs and Trade. Agenda, minutes and list of participants of the meeting are present in the internet site of the Company.

Invitation to General Assembly Meetings are performed by the Board of Directors according to the articles of Turkish Commercial Code, Capital Markets Law and the articles of association of the Company. In order to execute the General Assembly Meeting, required explanations are made by KAP and Electronic General Assembly System (EGKS) at the time the decision of Board of Directors is taken, in and the public is informed.

General Assembly Meeting advertisement is made at least 3 weeks before the meeting via www.odasenerji.com in order to reach maximum number of shareholders besides the procedures foreseen by the legislation and also they are published in Turkish Trade Registry Gazette and in Turkey version of one of the daily gazettes with high circulation.

Before the General Assembly Meeting, a notification document is prepared regarding to the agenda and it is announced to public and all the legal periods and legislation are adapted in all the notifications. Within the scope of the agenda articles of General Assembly, including the audited annual report, financial statements and reports, Corporate Governance Compliance Report, profit distribution recommendation, independent audit reports and if any amendment will be done in the articles of association, the amendment text and its justification, Notification Policy, Wage policy, Profit Distribution Policy, curriculum vitae of all the candidate members of Board of Directors including the independent candidates and other documents constituting a basis for the agenda articles are kept open for inspection at least 3 weeks before the General Assembly Meeting at the Company headquarter and at the internet site.

General Assembly Meetings are performed at the Company headquarter via the Electronical General Assembly System as physical and electronical ways simultaneously. The location where the General Assembly Meetings are performed is planned in order to provide the participation of all the shareholders. Agenda titles of the General Assembly Meeting will not cause different interpretations and they are determined in order to have every offer evaluated under a separate title. During the General Assembly Meeting, the matters in the agenda are explained to the shareholders in detail, net and understandable method and the shareholders will be able to explain their thoughts and ask their questions under equal conditions. The questions asked by the shareholders during the General Assembly Meeting are answered by the Members of the Board of Directors and the Senior Managers of the Company.

Before the General Assembly Meeting, for the shareholders who will be represented by a proxy at the meeting, samples of power of attorney are submitted for the use of the shareholders via a gazette and the internet site. Voting procedure to be used in the meeting are submitted for the information of the shareholders via a gazette and the internet site. Voting by show of hands method is used in the voting of the agenda matters in our General Assembly Meetings.

After the General Assembly Meetings, the meeting minutes are kept at the minute book of the Company. Meeting minutes can be reached from KAP, EGKS and the internet site of the Company. General Assembly minutes, list of participants, agenda and advertisements are submitted for the evaluation of all the domestic and foreign investors at the same time.

Pursuant to article 1527 of Turkish Commercial Code; 2014 Ordinary General Assembly Meeting of the Company is performed by adapting the electronic General Assembly preparations of the Company according to the legal arrangements. The invitation of the meeting is made by including the agenda as foreseen in the Law and the articles of association in the Turkish Trade Registry Gazette with no 8804 and date 20.04.2015 and in the internet site of the Company, in Public Information Platform (KAP), Electronic General Assembly System (EGKS) of Merkez Kayıt Kuruluşu AŞ on 15.04.2015. It is understood that the shares of the Company are 47.600.180 TL, the 47.600.180 nominal of shares which are equal to 1 TL each; the value of 7.500.000 TL of 7.500.000 shares are represented by proxy where 22.853.731 pieces of shares in the value of 22.853.731 TL are represented in person and 1.491.112 shares equal to 1.491.112 TL are represented by their owners participated electronically; owners of totally 31.844.843 shares equal to 31.844.843 TL presented themselves and thus upon understanding that the minimum quorum foreseen in the articles of association is present in the meeting, the meeting is opened by the council chairman. The right of asking questions is given to the shareholders in 2014 Ordinary General Assembly and no question or opinion has come from the shareholders in the "Wishes and Requests" section that is the final article of agenda.

Agenda, list of participants and meeting minutes of the General Assembly Meeting are kept at the Company headquarter as open for the inspection of the shareholders. Also in the Investor Relations Section on the internet site of the Company; documents of the General Assembly Meeting are submitted for the information of all the shareholders and partners. In 2014, a separate agenda article is specified in the General Assembly Meeting regarding to the amount of the donations and supports made within the period.

The shareholders having the control of management, Members of the Board of Directors, managers having administrative responsibility and their spouses and relatives up to second degree, partners or subsidiaries have not made any significant transaction that may cause a conflict of interest.

Voting Rights and Minority Rights

Voting procedure in General Assembly Meetings are notified to the shareholders at the beginning of the meeting. The applications complicating the usage of voting rights are avoided at the Company.

At the ordinary and extraordinary general meetings of the Company, group (A) shareholders shall have the right for 15 votes for each share while group (B) shareholders shall have right for 1 vote for each vote. The shareholders can be represented by an internal or external proxy at the General Assembly Meetings.

The representatives who are shareholders at the Company shall be authorized to exercise the votes of the shareholders that they represent in addition to their own votes. The form of the authorization certificate shall be determined by the Board of Directors within the framework of the regulations of the Capital Market Board. The authorization certificate must be in written.

The representative has to exercise the vote in line with the transferor's desire provided it is specified in the authorization certificate of the authorization transferring shareholder. The regulations of the Capital Market Board shall be conformed to with respect to proxy voting. They should be exercised thereby raising hand by showing documents which state the proxy voting as well within the framework of the regulations of the Capital Market Board. However, secret vote shall be sought upon the desire of the shareholders having one-twentieth of the capital among the shareholders present at the meeting.

Within the scope of article 7, 8 and 10 of the articles of association (Board of Directors, showing a candidate for the Board of Directors, selection of a chairman and a deputy chairman, representing the Company and voting right at the General Assembly); Group shares have a privilege in the determination of the Members of Board of Directors and in the usage of the right of vote at the General Assembly.

Dividend Right

The profit distribution decisions of the Company shall be determined and distributed based on the Turkish Code of Commerce, Capital Market Board (CMB) Legislation and Decisions, Tax Laws, other legal legislation articles and the articles of association. In profit distribution; an equalized and compliant policy is observed between the shareholders and the Company benefits according to the Corporate Governance principles.

Profit distribution of the Company will be submitted to the information of the shareholders at the General Assembly Meeting as a separate agenda article every year. Profit distribution policy of the Company is published in the annual report and on the internet site of the Company. The Company has no privileged shares for profit distribution. Every share of the Company has the right to get equal ratio of profit.

The Company may distribute a dividend advance to the partners within the arrangement in article 20 of Capital Market Law. Distribution type and time of the profit to be distributed is decided by the General Assembly upon the offer of the Board of Directors about this matter.

Within the scope of Article 9 of the declaration with series: IV and no 27 of Capital Markets Board and article 20 of the Capital Market Law, in case no sufficient profit is developed at the end of the accounting period or a loss has occurred, it is decided to deduct the extraordinary reserve funds in the balance sheet of the previous year or in case the

extraordinary reserve funds are not sufficient to meet the loss, according to article 10 of the same declaration; the guarantee taken against the dividend advance is converted into cash and this amount will be deducted from this amount.

Share Transfer

For and in case of the share acquisitions which result in the shares of a shareholder exceeding five percent of the Company capital and/or share transfers which result in the shares of a shareholder falling below the above rates upon the direct or indirect acquisition of the shares which represent five percent or more of the Company capital by a real or Corporate Entity, the approval of the Energy Market Regulatory Board will be taken every time, and necessary material disclosures will be announced pursuant to the Capital Market legislation. This article is valid in case a right of voting is obtained.

Although there is no share transfer; the privilege assignment on the current shares, removal of the privilege or issuance of a dividend share will be submitted for the approval of Energy Market Regulation Board without considering the above mentioned foreseen proportional limits.

Regarding to the transfer of Group (A) shares; the Board of Directors has the right to abstain from recording to the share ledger and from not giving approval to this transfer by showing the purpose of the Company and protecting the economic independence of the Company within the scope of Article 493 of TCC. Transfer of Group (B) shares that will be processed in bursa cannot be limited.

Within the scope of the project finance that is provided as irrevocable, pursuant to the credit agreement articles such as the overdue of the Company for its payments, in case the market share limits foreseen in the relevant legislation are exceeded when the Company has a control and/or the Company has a subsidiary relationship, the said violation will be eliminated within the period given by the Energy Market and Regulation Board against these banks and/or finance companies.

Provided that the above mentioned articles are reserved; the transfer of the nominal shares of the Company are subject to the relevant articles of Turkish Commercial Code, Capital Markets Legislation and Energy Market Regulation Board.

PUBLIC DISCLOSURE AND TRANSPARENCY

Corporate Internet Site and its Content

The internet site address of the Company is www.odasenerji.com.tr and in the section under the Investor Relations, Corporate Governance Principles of CMB are specified. Internet site is developed in order to inform the shareholders, stake owners and all the public as open, net and simultaneously. Information at the internet site

are continuously updated. Information specified here are also prepared in English in order to have the international investors benefit from such data.

Annual Report

Annual report of the Company is prepared in detail as foreseen in the Turkish Commercial Code and Capital Market Legislation in order to have the shareholders, public and other benefit owners be informed about the Company activities.

STAKEHOLDERS

Informing the Stakeholders

In order to provide to inform the Company stakeholders about the relevant matters; required arrangements are done at the internet site and all kinds of information about the Company are submitted to the information of the stakeholders according to the Corporate Governance Principles. Shareholders, investors and analysts can reach to the financial reports, annual reports and other information of the Company from the internet site of the Company. Additionally, some of the important notifications and messages are delivered to the personnel via electronic mail. Audit Committee is responsible for providing and auditing compliance with legal arrangements and Corporate Governance Committee is responsible for inspecting and finalizing the complaints came from the shareholders and stakeholders about the matters related to Corporate Governance.

Contribution of Stakeholders to the Management

No model is developed regarding to the contribution of the stakeholders in the Company Management. On the other hand, the requests and recommendations submitted by the employees and other stakeholders in the meetings are evaluated by the managers and suitable policies and applications are being developed.

Human Resources Policy

Human Resources Policy of Odaş Enerji is based on being an indispensable employer that enhance the quality of employee life shift their performance capacities to high standards.

Human Resources mission is to create a communication-based common language among all employees, to improve the performance of the group in a sustainable way with innovative, creative, solution-based ideas of a dynamic, motivated and high quality labor force, to establish human resources system to create a perfection-oriented culture adopted by all individuals.

Human Resources Policy aims to enable employees to make use of their own capabilities at optimal level and to maintain their self-improvement. The policy consists of 3 core processes:

- Set goals and distribution to employees
- To establish communication methods among employees in an open communication and timely constructive feedback networks
- To plan optimal development activities to ensure that the employees do their duties in the best way and to set the ground for them to improve themselves constantly to prepare for their duties in their current positions and other future duties.

Maintaining effective and transparent relations with employees in coordination of the Human Resources Department is under the responsibility of all managers. All managers are obliged to treat all the Company employees equally and fairly without superior-subordinate pressure. As a result of the sensitivities about the equality principles taking at the beginning of the general principles of Odaş Enerji management understanding; no negative feedback or complaint is received from the employees about discrimination.

In Odaş Energy Group, we abide by the principle of informing the Company employees of definitions and distributions of jobs and performance and reward criteria. Business analyses and evaluations regarding all duties in the organization are carried out in detail and they are periodically reviewed in parallel with business expansion. All competences and qualifications required for performing these duties are determined as a result of these studies, and recruitment processes are managed by taking these pre-determined criteria for each position into consideration. In addition, the areas that need to be improved are identified in feedback interviews we have with the employees every year and regulatory and preventive actions are carried out.

Ethical Rules and Social Responsibility

Ethical rules of the Company are prepared in a written form and submitted for the information of the employees. Ethical rules are defined, updated and published by the Board of Directors.

Odaş Enerji Business Ethics Rules are integrated with Odaş Enerji policies and values and it is requested to have all the Board of Directors including the managers adapt these rules.

Honesty

In all our business processes and relations, honesty and truth are our most important values. We act with honesty and truth in all our relations with our employees and in all other relations.

Discrimination

Discrimination in age, language, religion, race, health status, gender and marital status is contrary to business rules. The employees can directly inform Human Resources Department about their complaints about this matter. Submission of any complaint about this matter cannot be prevented.



Confidentiality

Our personnel are obliged to comply with the occupational confidentiality principles determined by the laws.

As the personnel of Odaş Energy Group; we care the protection of confidentiality and secret information of our customers, personnel and other relevant people and companies.

Group protects the confidential information regarding to the activities of its companies and uses such information only according to the purposes of Odaş Energy Group and we share such information only with the people having the relevant authorities.

Prevention of Conflict of Interest

It is forbidden to have the personnel of Odaş Enerji, his/her family or a relative be in close relationship with people or organizations at which he/she will benefit from the position of our personnel in the Company, from the decisions to be taken or benefit from the confidential information.

During their duties, the personnel abstain from all kinds of actions and behaviors that may be interpreted as

providing an interest for their own or their relatives and also the personnel cares to protect the benefits of the Company.

Conflict of interest occurs in case the private interests of the personnel and the interests of Odaş Enerji conflict with each other. The situation that the personnel obtain noncompliant personal interests due to his/her position is also a case of conflict of interest.

None of the employees can utilize the Company operations in favor of the family members or any relatives; cannot use the estates, information and positions of the Company for his/her personal interests and cannot compete with the Company.

Odaş Enerji personnel gives/takes gifts only within the scope of the rules determined within the Company and only from the Companies, people and enterprises that have a business relationship.

Regarding to the protection and correct usage of our company assets; our personnel should protect and use the Company assets suitably. All the assets of the Company should only be used for business purposes.

Board of Directors

Structure and Formation of the Board of Directors

The Company shall be represented and administered by a Board of Directors which consists of minimum five (5) members to be elected by the General Assembly pursuant to the provisions of the Turkish Code of Commerce, Capital Market Law and legislation and these Articles of Association.

Members of the Board of Directors of our company are selected as follows in order to operate till the Ordinary General Assembly Meeting that will come together in order to inspect the 2015 accounts:

Name Surname	Relationship with The Company	Independency Status	Duties Taken at Other Committees
A. Bahattin Özal	Chairman of BOD	Not independent	None
Burak Altay	Deputy Chairman of BOD (General Manager)	Not independent	None
Mustafa Ali Özal	Member of BOD	Not independent	None
Hafize Ayşegül Özal Dinç	Member of BOD	Not independent	None
Yavuz Baylan	Member of BOD	Independent	Audit Committee/ Corporate Governance Committee/Early Risk Determination Committee
Salih Erez	Member of BOD	Independent	Audit Committee/ Corporate Governance Committee/Early Risk Determination Committee

Deputy Chairman of the Board of Directors Mr. Burak Altay is also the General Manager of the Company. Mr. Yavuz Baylan and Mr. Salih Erez, for whom it is determined that they have the independency criteria specified in Corporate Governance Principles of Capital Markets Board, are selected as the Independent Members of the Board of Directors.

Written declarations of each of the Independent Members of the Board of Directors regarding to their independency are as follows.

i. I, my spouse and my relatives up to fifth level and the legal people related to any parties of Odaş Elektrik Üretim ve Ticaret AŞ ("Odaş Enerji") or Odaş Enerji Capital directly or indirectly with a share of 5% or more have not developed any direct or indirect employment, capital and significant trade relations,

ii. Within the last five years, especially the audit, grading and consultancy companies of Odaş Enerji, I have not worked in the Companies executing all or part of the activities and organization of Odaş Enerji within the scope of the agreements and I have not participated as a Member of the Board of Directors,

iii. Within the last five years, I am not a partner, employee or a Member of the Board of Directors in any of the Companies providing significant service and products to Odaş Enerji,

iv. I have the occupational training, knowledge and experience in order to execute the duties that I will undertake as a Member of the Board of Directors,

v. I did not work full time at state institutions and organizations and I am deemed to domiciled in Turkey according to the Income Tax Law,

vi. I have the strong ethical standards, occupational reputation and experience in order to contribute positively in Odaş Enerji activities, to protect my objectivity in the conflicts of interest between the partners, to decide with my free will by considering the rights of the stakeholders,

vii. I can spend sufficient time for the Company works in order to track the operation of the activities of Odaş Enerji and to completely execute the works that I have undertaken,

I submit these matters to the information of our Board of Directors, partners and all the related parties.

No case has occurred that will eliminate the independencies of the independent members throughout their duty period till the reporting date.

No limitation is specified regarding to the Members of the

Board of Directors to work at different duty or duties out of the Company.

As of the current status, the Members of the Board of Directors do not perform any transactions that may cause a conflict of interest with our Company and does not operate regarding to competing with the Company at the same activity matters.

Activity Basis of the Board of Directors

Meeting frequency of the Board of Directors and the matters regarding to the quorum are specified in the articles of association of the Company. Accordingly, the Board of Directors shall convene with one member plus the half of the members when necessary for company works and transactions. The decisions of the Board of Directors shall be taken with the majority of the current members the meetings of the Board of the Directors can be made in a suitable place of the city where the corporate headquarters or administration centre is located or in another city upon the decision of the Board of Directors.

Secretariat of the meetings of the Board of Directors is performed by the Law Department.

The meeting agenda of the Board of Directors is determined as a result of the meetings to be done with the CEO and/or the General Manager and the Members of other Board of Directors. During the determination of agenda, the requests coming from the managers are considered.

The Board of Directors have met 30 times in the year 2015. There is no contrary opinion recorded in the minutes regarding to the decisions taken in all the meetings. However, in case such a situation occurs, all the matters will be recorded in the minutes.

When required by the Capital Market legislation; important decisions of the Board of Directors are explained to public via a special case explanation. In 2015; totally 47 special case explanations are done.

None of the Members of the Board of Directors, including the Chairman, has a weighed voting right and/or a negative veto power. Every member has one voting right in the meetings.

The faults of the Members of Board of Directors during their duty periods and the damages that may occur in the Company have not insured yet.

Number, Structure and Independency of the Committees Developed within the Body of the Board of Directors

During the public offer period of the Company shares;

two committees as Audit Committee and Corporate Governance Committee are developed upon the decision of the Board of Directors on 21.03.2013.

Also the Early detection of risk committee is founded upon the decision of the Board of Directors on 25.12.2013. Execution of the duties and duties and responsibility that are foreseen for the Nomination Committee and Wage Committee are performed by the Corporate Governance Committee.

Duties and working basis of the Committees developed within the scope of Corporate Governance Principles have entered into force upon the decision of the Board of Directors dated 25.12.2013 and they are published in the Public Disclosure Platform and also Duties and Working Basis in which general procedures regarding to the activities to be performed by all the Committees is updated on 12.06.2015 and submitted for the information of the stakeholders at the Public Disclosure Platform and at the internet site of the Company.

Audit Committee

The Audit Committee is structured according to the Corporate Governance Principles of Capital Markets Board. The Committee consists of at least two members. The Chairman and the members of the Committee are selected from the independent members of the Board of Directors and Mr. Yavuz Baylan is the Chairman of the Committee and Mr. Salih Erez is the member of the Committee. Chairman of the Committee has worked at a similar work before, has sufficient knowledge to analyze the financial statements and knows the accountancy standards and is highly qualified.

The purpose of the Committee reporting to the Board of Directors is to aid the Board of Directors under the surveillance of the accountancy system and financial information of the Company and independent audit and internal control system according to the Capital Markets Legislation and the basis in this arrangement, to evaluate the matters specified according to the evaluations and to report them to the Board of Directors. The arrangement regarding to the meeting of the Committee at least once every 3 months is specified in the Duties and Working Basis of the Audit Committee.

Corporate Governance Committee consists of 3 members as 2 independent and 1 company authority of the Board of Directors who are not engaged in the execution.

Members of Corporate Governance Committee

Name Surname	Relationship with The Company	Independency Status
Yavuz Baylan (Committee Chairman)	Independent member of BOD	Independent
Salih Erez (Committee Member)	Independent member of BOD	Independent
Melih Yüceyurt (Committee Member)	Finance and Investor Relations Director	Not independent

Corporate Governance Committee

The Committee is formed to carry out activities on issues such as monitoring and implementing the compliance of the Company to the Corporate Governance Principles in accordance with the Capital Market legislations, determining the reasons if not implemented, carrying out improving works to increase efficiency, determining the candidates anticipated for election to the Board of Directors, establishing the approach, principles and implementations of the Company on the salaries, performance assessment and career planning of the Board of Directors and directors with administrative responsibilities, and monitoring the investor relations activities, and to support and assist the Board of Directors via implementable recommendations

The Committee is formed in accordance with the Company's Articles of Association. Committee consists of at least two members or more. Whether the Committee consists of two member or more, the members shall not be in charge of execution for the Company. The Chairman of the Company's Executive Board/General Manager cannot be assigned to the Committee. The Chairman of the Committee are selected from the independent members of the Board of Directors. The director of the Investor Relations Department is assigned as a member of the Corporate Governance Committee. Other than this, people who are not Board Members but are experts in their fields can also be assigned as members of the Corporate Governance Committee. The Company's Board of Directors assign the members of the Corporate Governance Committee at the first Board meeting following the Ordinary General Assembly in which they have been elected. The Corporate Governance Committee meets at least three times in a year.

When required, they convene at the Company Headquarters upon the invitation made by the Committee Chairman through the secretariat of the Board of Directors. The Committee Meetings are held with the participation of the Committee Members at a number one more than the half of the number of members; the decisions are taken with majority vote and recorded in writing, signed by the Committee Members in the next meeting to be held, and archived.

Early Determination of Risk Committee

Early determination of risk committee consists of at least 2 members of the Board of Directors who are not engaged in the enforcement committee. Committee Members consist of two independent members of the Board of Directors and Mr. Salih Erez is the Chairman of the Committee and Mr. Yavuz Baylan is the Member of the Committee.

Early determination of risk committee is founded in order to provide the Company's Board of Directors with suggestions and recommendations on early detection and assessment of all the strategic, financial, legal and other risks that may jeopardize the existence, development and continuity of the Company; calculation of their impacts and possibilities; management and reporting of such risks in accordance with the corporate risk-taking profile of the Company; implementation of the necessary measures related to the established risks; taking these into account in decision-making mechanisms; and establishment of effective internal control systems according to the Turkish Commercial Code, articles of association and Corporate Governance Legislation of Capital Markets Board.

The Committee Reports to the Board of Directors. Arrangement regarding to the meeting of the Committee is explained in The Duties and Working Basis of Early Determination of Risk Committee.

Risk Management and Internal Control Mechanism

Odaş Enerji prepares its financial statements as consolidated according to the relevant legislation. UFRS based financial statements are prepared as of the quarter periods in two main activity groups including electricity production and electricity wholesale trade. At Odaş Enerji grade; elimination of the transactions is performed between the said two groups and consolidated financial statements are being developed. Periodical financial results of the Companies' subject to consolidation and their performances are analyzed and they are subject to consolidated financial reporting. Odaş Enerji internal control activities are executed under the responsibility of the Audit Committee. In the quarter periods when the financial statements are explained to public, consolidated financial statements are submitted to the Board of Directors after the control and approval of the Audit Committee.

New Turkish Commercial Code (TCC) that has entered into force on 1 July 2012 has made risk management activity as a liability for public limited companies. Via the decision of the Board of Directors dated 25.12.213; Early Determination of Risk Committee that is developed depending on the Board of Directors, is founded in order to submit opinions and recommendations to the Board of Directors regarding to the early determination of the

risks that may endanger the presence, development and continuity of the Company, application of the precautions that should be applied regarding to the specified risks and the management of the risk.

Strategic Aims of the Company

Odaş Enerji aims to develop a bilateral strategy in order to develop its presence in the sector. By courtesy of this bilateral strategy, business areas providing synergy with vertical and horizontal integration will increase together with the overlying monetary values.

Within this scope, electricity production and sales which is our current main activity subject, is planned to be rapidly integrated in coal mining production and direct sales.

Financial Rights

Pursuant to the Corporate Governance principles; a "wage policy" is created for the Members of the Board of Directors and the Senior Managers in a written form and it is accepted in the meeting of the Board of Directors dated 25.12.2013 and the shareholders are informed via PCP and als published in the internet site of the Company.

Pursuant to the articles of association; monthly wafes and daily allowances of the Members of the Board of Directors are decided by the General Assembly. In 2014 Ordinary General Assembly Meeting performed on 25.05.2015; it is decided to pay 6.000 TL net monthly wage for the Members of the Board of Directors.

Financial rights provided for the Members of the Board of Directors and the Senior Managers including the group managers of the Company are as follows:

	Total Financial Benefits
Board of Directors	833.580 TL
Senior Managers	1.897.738 TL

The payments done for the Members of the Board of Directors include monthly fees. The wages to be given to the Members of the Board Directors are determined according to the profitability ratio, performance and internal balance of the Company and they are cash payments made in specific periods of every month.

The payments made to the Senior Managers of the Company include monthly payments. The wages to be paid to the Senior Managers are determined by considering the titles and the feature of the work done, experience, performance and the wage policies applied

in the same sector for similar duties, intracompany balances, inflation and the achievement of the financial targets of the Company in the relevant year.

The wage applications are observed in order not to consist of any incentive systems that may harm the benefits of the partners, employees and customers. The wages are updated once every year by revision. No debt or credit is given to any member of the Board of Directors or to any managers, no credits are used via a third party for a personal credit or no guarantees such as commitments are given.

INCENTIVE AND AIDS

Odaş Elektrik Üretim San Tic AŞ

Odaş Enerji has an investment incentive certificate with no E-102704 and date 15.04.2014 that is prepared together with the final revisions by Republic of Turkey Ministry of Economy General Directorate of Incentive Application and Foreign Capital.

Investment incentive certificate is given for the completely new investment at Şanlıurfa Merkez and VAT deduction and Customs Tax exemption are used. Total amount of the investment based on the incentive certificate that will be financed completely by foreign sources is 127.000.000 TL.

Our project is completed within the period presumed in the Investment Incentive Certificate and an application is done to the Ministry of Economy in order to get the Incentive Completion Visa (Incentive Closing).

Küçük Enerji Üretim ve Tic Ltd Şti

Köprübaşı Reg. and Hydroelectricity Power Plant within the body of Küçük Enerji Üretim ve Tic. Ltd Şti, that is the subsidiary of Odaş Enerji; has an investment incentive certificate with no A-113287 and date 31.12.2013 that is prepared by Republic of Turkey Ministry of Economy General Directorate of Incentive Application and Foreign Capital.

The investment incentive certificate is given for the completed new investment at Trabzon Köprübaşı 3rd area and it consists of the 18.12.2013-18.12.2016 periods. VAT exception and Customs Tax incentives can be used by the certificate. The project will be financed by foreign sources and equities and the total amount of the investment based on the incentive certificate is 28.571.000 TL.

Çan Kömür ve İnşaat AŞ

It has an investment incentive certificate with no 117824 and date 06.02.2015 that is prepared by Republic of Turkey Ministry of Economy General Directorate of Incentive Application and Foreign Capital. The said

investment is a domestic charcoal-based electricity production power plant (Çan-2 Thermal Power Plant) with an installed capacity of 340 MW and the incentive certificate is prepared according to the preliminary license of EMRA with no ÖN/5117-5/03070 and date 10.07.2014.

PROFIT DISTRIBUTION POLICY

The profit of the Company shall be determined and distributed based on the Turkish Code of Commerce, Capital Market Legislation and generally accepted accounting principles. The net profit is the amount seen in the annual balance, obtained after deducting the incomes determined at the end of the operating cycle of the Company, the general expenses of the Company and the amounts to be paid and allocated by the Company such as several depreciation, and the taxes and all financial liabilities to be paid by the legal entity of the Company from the incomes which are determined at the end of the fiscal year and it shall be distributed as shown below respectively after deducting the accumulated losses if any.

Primary Reserves

5% legal reserves shall be allocated based on the provisions of the related article of the Turkish Code of Commerce.

First Dividend

From the remainder, the first dividend shall be allocated in compliance with the Turkish Code of Commerce and Capital Market Legislation over the amount obtained by adding the amount of contributions made within the year, if any.

After making the above deductions, the General Assembly shall be entitled to decide the distribution of the profit share to the members of the board and officers, servants and workers, foundations and similar persons and institutions.

Second Dividend

The General Assembly shall be entitled to distribute the amount remaining after deducting the amounts specified in subparagraphs (a), (b) and (c) from the net profit partially or wholly as the second dividend or allocate as extraordinary reserves.

Secondary Reserves

From the amount agreed to be distributed to the shareholders and other persons participating the profit, one-tenth of the amount obtained after deducting the profit rate at the rate of 5% shall be allocated as secondary reserves pursuant to the 2nd paragraph of article 519 of the Turkish Code of Commerce.

Unless the reserves which should be allocated pursuant

to the provision of law are allocated, unless the first dividend which is determined for the shareholders in the articles of association is distributed in cash and/or as shares; it cannot be decided to allocate further reserves, transfer profit to the following year and distribute profit shares to the members of the board, officers, servants and workers, foundations founded for several purposes and similar persons and/or institutions in the dividend distribution.

The dividend regarding the shares shall be distributed to all of the current shares as of the end of the operating cycle without considering their dates of issue and acquisition, without applying the principle of per diem deduction.

The Company can distribute dividend advance to its shareholders within the framework of the regulation in article 20 of the Capital Market Law.

The way and time to distribute the profit shall be decided by the General Assembly upon the proposal of the Board of Directors in this regard.

The date of the profit distribution to the shareholders is decided by the General Assembly upon the offer of the Board of Directors. Profit share payments are performed within the legal period. In other distribution methods, relevant legislation and regulations of CMB are adapted.

Dividend to be paid according to the decision of the General Assembly; can be completely cash or completely free shares but also they can be partially cash and partially free shares. In profit distribution policy; a consistent policy is observed between the benefits of the shareholders and the Company.

In case no profit is distributed, the Board of Directors submits the reason of not distributing the profit and how the undistributed profit is used to the information of the shareholders.

CASES

There are various cases opened regarding to the commercial activities with an amount of 1.067.646 TL that are opened as contrary to Odaş Enerji Elektrik Perakende Satış AŞ and an amount of 4.000 TL as contrary to Küçük Enerji Üretim ve Ticaret Ltd Şti as of 31 December 2015, the results of cases have not specified yet. Regarding to the said cases, Group management does not expect a negative result and these cases will not affect the activity results, financial status or liquidity of the Group.

As of 31 December 2015, because the possibility of the completion of the opposite cases against the Group by the Group Management is less than the possibility of not creating any liability; recognition cannot be done regarding to the case liabilities in the financial statements.



6 | CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR REPORT
ON FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FOOTNOTES

**ODAŞ AIMS TO REACH STRONG AND SUSTAINABLE
PROFITABILITY VALUES BY MEANS OF ITS CAPITAL
PROFIT AND INVESTMENTS WITH A HIGH YIELD
RATE OF RETURN.**



**Odaş Elektrik Üretim Sanayi Ticaret A.Ş.
Consolidated Financial Statements Concerning
For The Period January 1- December 31, 2015
Independent Auditor's Report**

To the Board of Directors of

Odaş Elektrik Üretim Sanayi Ticaret A.Ş.,

Introduction

We have audited the accompanying consolidated statement of financial position of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and its subsidiaries (the Group) as at 31 December, 2015 and the consolidated statement of profit and loss for the year then ended and statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with Turkey Accounting Standards which is issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by Capital Market Board and standards on auditing which is part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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



Büyükdere Cad. No.23 Kat.7
34381 Şişli / İSTANBUL
Telefon 0212 225 68 78(pbx)
Faks 0212 225 62 52

nexia@nexiatrkiye.com.tr
www.nexiatrkiye.com.tr

Qualified Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. and its subsidiaries as at December 31, 2015 and result of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with Turkey Accounting Standards.

Report of Other Responsibilities Arising from Regulatory Requirements

- 1) In accordance with Article 378 of Turkish Commercial Code no:6102, Board of Directors of publicly listed companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of early identification of causes that jeopardize the existence, development and continuity of the Odaş Elektrik Üretim Sanayi Ticaret A.Ş. In accordance with the fourth paragraph of 398th article of the same law, the auditor report that is about Early Identification of Risk System and Its Committee is presented to The Group's Board of Directors on March 09, 2016.
- 2) No considerable matter has come to our attention that causes us to believe that the Company's bookkeeping method, financial statements and articles of incorporation for the period 1 January - 31 December 2015 are in compliance with the article 402 fourth paragraph of Turkish Commercial Code and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code, the Board of Directors submitted to us necessary explanations and provided required documents within the context of audit

As Bağımsız Denetim ve YMM A.Ş.
(Member of NEXIA INTERNATIONAL)

O. Tuğrul ÖZSÜT
Partner, Head of Auditor



10.03.2016
İstanbul, Türkiye



Büyükdere Cad. No.23 Kat.7
34381 Şişli / İSTANBUL
Telefon 0212 225 68 78(pbx)
Faks 0212 225 62 52
nexia@nexiatrkey.com.tr
www.nexiatrkey.com.tr



ODAS

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Statements and Disclosures Regarding January 1, 2015- December 31, 2015 Accounting Period

(Currency is TRY unless otherwise is indicated.)

CONTENTS	PAGES
Consolidated Statement of Financial Position	49-50
Consolidated Profit or Loss and Other Comprehensive Income Statement	51
Consolidated Statement of Changes in Equity	52
Statement of Cash Flow	53
1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY	54
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	61
3. BUSINESS COMBINATIONS	77
4. JOINT VENTURES	77
5. SEGMENT REPORTING	77
6. RELATED PARTIES	78
7. TRADE RECEIVABLES AND PAYABLES	81
8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR OPERATIONS	82
9. OTHER RECEIVABLES AND PAYABLES	82
10. INVENTORIES	82
11. BIOLOGICAL ASSETS	82
12. PRE-PAID EXPENSES VE DEFERRED INCOME	82
13. INVESTMENT PROPERTY	83
14. TANGIBLE FIXED ASSETS	83
15. DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS FROM INTEREST ON RIGHTS	85
16. SHARES OF MEMBERS ON BUSINESS COOPERATIVE AND SIMILAR FINANCIAL INSTRUMENTS	85
17. INTANGIBLE FIXED ASSETS	85
18. GOODWILL	87
19. EVALUATING AND RESEARCHING OF MINE RESOURCES	87
20. LEASING OPEATIONS	88
21. SERVICE CONCESSION ARRANGEMENTS	88
22. IMPAIRMENT OF ASSETS	88
23. GOVERNMENT INCENTIVES	88
24. BORROWING COSTS	89
25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	90
26. COMMITMENTS	93
27. EMPLOYEES BENEFIT OBLIGATIONS	93
28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS	95
29. OTHER ASSETS AND LIABILITIES	99
30. EQUITY, RESERVES AND OTHER EQUITIES	100
31. REVENUE AND COST OF GOODS SOLD	104
32. CONSTRUCTION CONTRACTS	107
33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	107
34. OTHER OPERATIONAL INCOME AND EXPENSE	109
35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES	109
36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES	109
37. FINANCIAL EXPENSE AND INCOME	110
38. ANALYSIS OF OTHER COMPREHENSIVE INCOME	110
39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	110
40. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	111
41. EARNING PER SHARE	115
42. SHARE-BASED PAYMENT	115
43. INSURANCE CONTRACTS	115
44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE	115
45. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES	115
46. DERIVATIVE INSTRUMENTS	115
47. FINANCIAL INSTRUMENTS	116
48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES	117
49. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)	124
50. SUBSEQUENT EVENTS	125
51. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS	126
52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARTS	127
53. EXPLANATION TO CASH FLOW STATEMENT	127
54. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE	129
55. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)	129

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Consolidated Statement of Financial Position (TRY)**

(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Revised Prior Period Audited Consolidated	Revised Current Period Audited Consolidated
ASSETS	Notes	December 31, 2015	December 31, 2014	December 31, 2013
Current Assets				
Cash and cash equivalents	53	61.572.618	70.907.968	52.404.670
Financial Investments		-	-	-
Trade Receivables	6-7	66.603.761	28.553.915	33.238.324
Trade receivables from related parties	6	-	-	-
<i>Trade receivables from third parties</i>	7	66.603.761	28.553.915	33.238.324
Receivables from Financial Sector Operations	8	-	-	-
Financial sector operations receivables from related parties	8	-	-	-
Financial sector operations receivables from third parties	8	-	-	-
Other receivables	6-9	11.255.215	5.417.105	9.785.335
<i>Due from related parties</i>	6	7.955.572	5.119.864	8.370.563
<i>Due from third parties</i>	9	3.299.643	297.241	1.414.772
Derivative Financial Instruments	46	-	-	-
Inventories	10	10.858.227	183.036	188.470
Biological Assets	11	-	-	-
Prepaid expenses	12	1.817.485	5.936.593	19.659.892
Assets Related to Current Term Tax	25	71.113	53.653	-
Other Current Assets	29	41.932.192	29.446.193	33.429.815
SUBTOTAL		194.110.611	140.498.463	148.706.507
Fixed Assets Classified for Sale	39	662.669	-	-
TOTAL CURRENT ASSETS		194.773.280	140.498.463	148.706.507
Non-current Assets				
Financial Investments	4	-	-	-
Trade receivables	6-7	-	-	-
Trade receivables from related parties	6-7	-	-	-
Trade receivables from third parties	6-7	-	-	-
Receivables from Financial Sector Operations	8	-	-	-
Financial sector operations receivables from related parties	8	-	-	-
Financial sector operations receivables from third parties	8	-	-	-
Other receivables	9	581.257	148.573	-
Other receivables from related parties	6	-	-	-
<i>Other receivables from third parties</i>	9	581.257	148.573	-
Derivative Financial Instruments	46	-	-	-
Investments Valued by Equity Method	4	200.000	-	-
Biological Assets	11	-	-	-
Investment Property	13	-	-	-
Tangible fixed assets	14	401.777.920	212.897.125	167.554.678
Intangible fixed assets	17	18.583.054	8.477.554	6.399.344
Goodwill	18	-	-	-
<i>Other intangible fixed assets</i>	17-18	18.583.054	8.477.554	6.399.344
Prepaid expenses	12	2.405.590	390.159	-
Deferred tax assets	40	1.960.380	1.343.167	60.817
Other non-current assets	29	27.342.432	54.918.957	5.956.270
TOTAL NON-CURRENT ASSETS		452.850.633	278.175.535	179.971.109
TOTAL ASSETS		647.623.913	418.673.998	328.677.615

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Consolidated Statement of Financial Position (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Revised Prior Period Audited Consolidated	Revised Current Period Audited Consolidated
LIABILITIES	Notes	December 31, 2015	December 31, 2014	December 31, 2013
Short Term Liabilities				
Short term loans	47	65.157.661	61.555.163	-
Short term finance lease liabilities	47	1.271.114	1.083.082	13.729.280
Short-term Parts of Long Term Loans	47	48.977.830	41.921.271	33.284.811
Other financial liabilities	47	7.769	3.336	58.759
Trade payables	6-7	54.501.328	39.552.629	37.320.172
<i>Due to related parties</i>	6	-	-	-
<i>Trade payables to third parties</i>	7	54.501.328	39.552.629	37.320.172
Payables from Financial Sector Operations	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Employee benefit obligations	27	444.744	162.497	121.929
Other payables	6-9	6.842.582	3.963.524	5.590.024
<i>Due to related parties</i>	6	672.125	730.794	3.275.120
<i>Other trade payables to third parties</i>	9	6.170.457	3.232.730	2.314.904
Derivative Financial Instruments	46	-	-	-
Government Promotion and Aids	23	-	-	-
Deferred income	12	12.568.101	11.189.783	16.947.983
Period Income Tax Liabilities	25	-	41.131	-
Short-term Provisions	25	-	-	-
Short-term provisions for employee benefits	25	-	-	-
Other short term provisions	29	-	-	-
Other short term liabilities	29	25.802.224	16.469.288	23.813.701
SUBTOTAL		215.573.353	175.941.704	130.866.659
Liabilities related to assets classified for sale	39	-	-	-
TOTAL SHORT TERM LIABILITIES		215.573.353	175.941.704	130.866.659
Long term liabilities	47	247.394.701	131.772.746	67.343.603
Long term finance lease liabilities	47	3.517.748	4.171.281	55.539.942
Other finance liabilities	47	-	-	-
Trade payables	6-7	-	-	-
<i>Due to related parties</i>	6-7	-	-	-
<i>Trade payables to third parties</i>	6-7	-	-	-
Payables from Financial Sector Operations	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Financial sector operations payables from related parties	8	-	-	-
Payables for employee benefits	27	-	-	-
Other payables	6-9	500	500	-
<i>Due to related parties</i>	6-9	-	-	-
<i>Other trade payables to third parties</i>	9	500	500	-
Derivative Financial Instruments	46	-	-	-
Government Promotion and Aids	23	-	-	-
Deferred income	12	-	-	-
Period Income Tax Liabilities	25	-	-	-
Long term provisions	27	429.617	334.817	251.384
<i>Long term provisions for employee benefits</i>	27	313.461	223.300	251.384
Other long term provisions	27	116.156	111.517	-
Current Period Tax Payables	40	-	-	-
Deferred tax liabilities	40	12.066.332	10.342.539	6.028.556
Other long term liabilities		-	-	-
TOTAL LONG TERM LIABILITIES		263.408.898	146.621.883	129.163.486
EQUITY				
Equity of Parent Company		165.496.396	95.190.166	67.959.353
Paid-in share capital	30	47.600.180	42.000.000	42.000.000
Positive distinction from share capital adjustment	30	-	-	-
Reacquired shares (-)	30	-	-	-
Capital adjustments due to cross-ownership	30	-	-	-
Share premiums/discounts	30	88.194.062	45.134.869	45.134.869
Not to be reclassification of profit or loss accumulated other comprehensive income or expenses (-)	30	(26.340.830)	(26.405.410)	(26.405.410)
Revaluation and Measurement Gains/Losses		-	-	-
<i>Effects of combination of entities or businesses under common control</i>	30	(26.340.830)	(26.405.410)	(26.405.410)
Reclassification of profit or loss accumulated other comprehensive income or expenses	30	(4.785)	(27.756)	(105.555)
Foreign Currency Conversion Adjustments		-	-	-
Hedging Gains/Losses		-	-	-
Revaluation and Classification Gains/Losses		-	-	-
<i>Other Gains/Losses</i>	30	(4.785)	(27.756)	(105.555)
Retained earnings/losses	30	639.252	-	-
Other Equities		21.868.966	-	-
Prior Years Profits/Losses	30	34.101.259	7.335.449	14.428.699
Net profit/loss for the period	41	(561.708)	27.153.014	(7.093.250)
Non-controlling Shares	30	3.145.264	920.243	688.118
TOTAL EQUITY		168.641.660	96.110.409	68.647.471
TOTAL LIABILITIES		647.623.913	418.673.998	328.677.615

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited regarding of January-December 31, 2015 period

Consolidated Profit of Loss and Other Comprehensive Income Statement (TRY)

(Currency is TRY unless otherwise is indicated.)

		Current Period Audited Consolidated	Prior Period Audited Consolidated
STATEMENT OF PROFIT/LOSS	Notes	01.01 - 31.12.2015	01.01 - 31.12.2014
Revenue	31	484.914.175	621.537.517
Cost of sales (-)	31	(442.065.066)	(565.299.471)
Gross profit/loss from commercial activities		42.849.109	56.238.046
Financial sector operations revenue		-	-
Financial sector operations cost of sales (-)		-	-
Gross profit/loss from financial sector operations		-	-
GROSS PROFIT/LOSS		42.849.109	56.238.046
General administrative expenses (-)	33	(9.200.406)	(5.978.590)
Marketing expenses (-)	33	(1.841.606)	(1.516.725)
Research and Development Expenses	33	-	-
Other operating income	34	14.150.960	7.140.947
Other operating expenses (-)	34	(10.539.254)	(9.014.069)
OPERATING PROFIT/LOSS		35.418.803	46.869.609
Gain from investing activities	35	44.949	57.562
Expenses from investing activities	35	-	-
Shares from gains/losses of investments valued by equity method		-	-
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		35.463.752	46.927.171
Financial income	37	32.510.342	18.066.961
Financial expenses (-)	37	(69.254.365)	(30.892.211)
PROFIT/LOSS BEFORE ONGOING OPERATIONS TAX		(1.280.271)	34.101.921
Ongoing Operations Tax Loss/Income		(96.332)	(7.004.405)
Period Tax Income/Loss	40	(31.495)	(3.991.525)
Deferred Tax Income/Loss	40	(64.837)	(3.012.880)
PROFIT/LOSS FROM ONGOING OPERATIONS		(1.376.603)	27.097.516
PROFIT/LOSS FROM DISCONTINUED OPERATIONS	39	91.669	26.873
PROFIT/LOSS FOR THE PERIOD		(1.374.934)	27.124.389
Profit/loss distribution for the period			
Non-controlling Shares	30	(813.226)	(28.626)
Parent Company Shares	30	(561.708)	27.153.015
Earnings Per Share			
Earnings per share from continuing operations	41	(0,012670)	0,646500
Earnings per share from discounted operations	41		
Number of shares		44.333.408	42.000.000
The amount of increased capital (public offering)		5.600.180	42.000.000
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss	38	(22.971)	(77.799)
Tangible assets revaluation losses and earnings		-	-
Intangible assets revaluation losses and earnings		-	-
Actuarial losses and earnings calculated under employee benefit	38	(28.714)	(97.249)
Tax Effect	38	5.743	19.450
OTHER COMPREHENSIVE INCOME		(22.971)	(77.799)
TOTAL COMPREHENSIVE INCOME		(1.397.905)	27.046.590
DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME			
Non-controlling Shares		1.475	(28.544)
Parent Company Shares		(1.399.380)	27.075.134

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 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	Contribution of Equity Relating Assets Held	Actuarial Profit/Loss	Minority Interest	Revaluation and Classification Gain/Loss	Retained Earnings/ Losses	Accumulated Income/Loss	Net Income/Loss for the Period	Shareholder's Equity
Balance at January 1, 2014	42.000.000	45.134.869	-	(105.555)	688.118	(26.405.410)	-	14.428.699	(7.093.250)	68.647.471
Adjustments Related to Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/expense	-	-	-	77.799	-	-	-	-	-	77.799
Minority Interest	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(7.093.250)	7.093.250	-
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Capital Increase	-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Dividend Distribution	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	232.125	-	-	-	27.153.018	27.385.143
Balance at December 31, 2014	42.000.000	45.134.869	-	(27.756)	920.243	(26.405.410)	-	7.335.449	27.153.018	96.110.413
Balance at January 1, 2015	42.000.000	45.134.869	-	(27.756)	920.243	(26.405.410)	-	7.335.449	27.153.018	96.110.413
Dividend Payment	-	-	-	-	-	-	-	(5.000.000)	-	(5.000.000)
Purchasing Assets	-	-	21.868.966	-	-	-	-	-	-	21.868.966
Effect of Adjustment Related to Prior Periods	-	-	-	-	-	-	-	5.469.304	-	5.469.304
Adjustments Related to Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/expense	-	-	-	22.971	-	-	-	-	-	22.971
Minority Interest Change	-	-	-	-	2.225.021	-	-	(217.260)	-	2.007.761
Transfers	-	-	-	-	-	-	639.252	26.513.766	(27.153.018)	-
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Capital Increase	5.600.180	43.059.193	-	-	-	-	-	-	-	48.659.373
Dispose of Subsidiary	-	-	-	-	-	-	-	-	-	-
Changes in Accounting Policy	-	-	-	-	-	64.580	-	-	-	64.580
Net income for the period	-	-	-	-	-	-	-	-	(561.708)	(561.708)
Balance at December 31, 2015	47.600.180	88.194.062	21.868.966	(4.785)	3.145.264	(26.340.830)	639.252	34.101.259	(561.708)	168.641.660

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Consolidated Statement of Cash Flow (TRY)

(Currency is TRY unless otherwise is indicated.)

	Notes	01.01-31.12.2015	01.01-31.12.2014
A. CASH FLOWS FROM OPEARING ACTIVITIES		18.581.731	396.360
Profit/Loss For The Period		(561.708)	27.153.018
Adjustments To Reconcile Net Profit/Loss For The Period		46.346.160	7.631.547
-Adjustments related to amortization and depreciation expenses	10-31-33-34	6.459.453	4.965.325
-Adjustments related to impairment/revocation		-	-
-Adjustments related to provisions		800.209	4.055.267
Provision for termination indemnities	27	-	19.776
Provision for tax liabilities	40	31.495	3.991.525
Provision for vacation pay	27	106.352	53.591
Provision for case expense, net	25	-	-
Provision for doubtful receivables	7	132.405	-
Provision for other payable and expense (Mine Restoration)	19	4.639	111.517
Rediscounts	34	525.318	(121.142)
-Adjustments related to interest income and expenses		12.544.311	(4.710.363)
Accrued income	29	3.211.375	(21.179.651)
Accrued expense (Interest and Other)	29	9.332.935	16.469.288
-Adjustments related to tax expense/income	40	1.106.580	3.031.631
-Adjustments related to loss/gain from disposal of the fixed assets	35	44.949	57.562
-Adjustments related to no cause to cash flow from investment and financial activities		23.165.637	-
-Other adjustments related to reconciliations of profit/loss		2.225.021	232.125
Minority Interest	30	2.225.021	232.125
Changes In Business Capital		(22.225.692)	(34.466.005)
-Adjustments related to inventories increase/decrease	10	(10.675.191)	5.435
-Adjustments related to trade receivables increase/decrease	7	(24.093.966)	(8.192.028)
-Adjustments related to receivables from financial sector operations increase/decrease		-	-
-Adjustments related to other receivables from operations increase/decrease		5.590.897	(19.633.409)
Changes in other receivables	9	(6.270.794)	4.219.657
Changes in other assets	29	11.861.691	(23.853.066)
-Adjustments related to trade payables increase/decrease		335.096	2.115.542
Changes in trade payables	7	335.096	2.115.542
Changes payables provisions		-	-
-Adjustments related to payables from financial sector operations increase/decrease		-	-
-Adjustments related to other payables from operations increase/decrease		5.253.430	11.757.775
Changes in prepaid expenses	12	2.103.677	13.333.140
Changes in employee benefit provisions	27	75.895	(32.799)
Changes in other payables	9	2.879.058	(1.626.000)
Employee benefit provisions	27	94.800	50.685
-Adjustments related to other increase/decrease in business capital		1.364.043	(33.633.815)
Period income tax and liabilities	25-40	(9.635)	(3.950.394)
Changes in deferred income	12	1.378.316	(5.758.202)
Changes in other liabilities	29	(4.638)	(23.925.219)
Cash Flows from activities		23.558.760	318.560
Dividend Paid		(5.000.000)	-
Actuarial gain/loss	30	22.971	77.799
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(202.396.397)	(52.443.542)
Cash inflows regarding to assets held for sale will result in control loss of subsidiary		-	-
Cash outflows from purchasing of obtaining of the control of subsidiaries	3-4-51	3.094.300	-
Cash inflows from acquisition of other business or funds shares or borrowing tools		-	-
Cash outflows from acquisition of other business or funds shares or borrowing tools		-	-
Tangible Assets purchase and sales, Net	14	(194.731.328)	(50.154.278)
Intangible Assets purchase and sales, Net	17	(10.759.369)	(2.289.264)
C. CASH FLOWS FROM FINANCING ACTIVITIES		174.479.317	70.550.480
Cash inflows from exported instruments based on share and other equity	30	48.659.373	-
Cash outflows from company's own shares and other equity instruments		-	-
Cash inflows and outflows from borrowing	37	126.285.445	134.565.339
Cash outflows related in debt payments		-	-
Cash outflows related in debt payments of financial leasing contracts	37	(465.501)	(64.014.859)
Cash inflows obtained from government incentives		-	-
BEFORE THE EFFECT OF THE FOREIGN CURRENCY CONVERSION, DIFFERENCES IN CASH AND CASH EQUIVALENTS NET INCREASES/DECREASES		(9.335.349)	18.503.298
D. THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS		-	-
CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE		(9.335.349)	18.503.297
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		70.907.968	52.404.670
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		61.572.618	70.907.968

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



ODAS

Odaş at a Glance

Management

Our activities

Corporate Governance

Consolidated Financial Statements

Contact

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 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. On August 2012, company has increased 128 Mw its installed capacity in two stages by adding 18 Mw to turbine capacity. Also company has started 12 Mw third phase additional steam turbine investment in year 2012. Steam turbine investment was completed and settled into operation on the year 2013 and total settled power plant reached to 140 Mw.

As of December 31, 2015 and December 31, 2014 group's capital and share percentages are given below;

Shareholder	31.12.2015		31.12.2014	
	Amount	Rate	Amount	Rate
Korkut Özal	7.500.000	15,8%	7.500.000	17,86%
A. Bahattin Özal	7.300.000	15,3%	7.500.000	17,86%
Burak Altay	7.300.000	15,3%	7.500.000	17,86%
BB Enerji Yatırım San. ve Tic. A.Ş.	7.500.000	15,8%	7.500.000	17,86%
Public Shares	18.000.180	37,8%	12.000.000	28,57%
Total Capital	47.600.180	100%	42.000.000	100%

As of December 31, 2015 in company's structure , 135 average personnel employed (December 31, 2014: 77).

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

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

Subsidiaries

Odaş Enerji Elektrik Perakende Satış A.Ş. (Prior Title: Voytron Elektrik Toptan Satış Dış Ticaret A.Ş.)

The company bought at the rate of %100 share of Odaş Enerji Elektrik Perakende Satış A.Ş. on September 28, 2012, and Odaş Enerji is included in consolidation. The company has changed its title on 27.10.2015.

Odaş Enerji Elektrik Perakende Satış A.Ş. ("Odaş Enerji" or "Company") is established at the date of September 17, 2009 in address given below and registered. Odaş Enerji operates in selling produced electricity and/or created capacity to directly consumers in accordance with electricity market regulations.

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

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

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

	December 31, 2015	December 31, 2014
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:

	December 31, 2015	December 31, 2014
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.

The 49 years production license was given on behalf of Ağrı Elektrik has been revoked, cash collateral is given regarding the licence revocation has been taken back on 26.01.2016

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

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	70%	70%
Abdulkadir Bahattin Özal	15%	15%
Burak Altay	15%	15%

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

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:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90%	90%
Abdulkadir Bahattin Özal	5%	5%
Burak Altay	5%	5%

The temporary admission procedures of the Köprübaşı Regulator and Hydroelectric Power Plant has been completed with the participation of company officials and committee from Turkish Republic of Ministry of Energy and Natural Sources . The power plant has started to production on 02.10.2015.

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:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	80%	80%
Hidayet Büküm	20%	20%

The share transfer agreement has been signed regarding the sale of all shares which the company owned by 80% of Ena Elektrik on June 29,2015. The share transfer has not been actualised yet. It is going to come true after the licensing process in the presence of EMRA.

Ena Elektrik has been classified as Non-current Assets Held for Sale and Discontinued Operations at consolidated financial table as of 31.12.2015.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 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.

İR:17517 numbered mining license is purchased by Yel Enerji Elektrik Üretim Sanayi Ticaret A.Ş. in Çanakkale, Bayramiç Town and its transfer process is completed.

Compared with main coal reserves in Çan, the coal reserves in the license area is not composed of one main large vessels as the main reserves in Çan, consists of various shallow sediment close to ground. This situation will allow certain scale coal mining and sales before starting the production of our main coal reserves in Çan.

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:

	December 31, 2015	December 31, 2014
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 Odaş 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:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	90,02%	50%
A. Bahattin Özal	-	20,01%
Burak Altay	-	20,01%
Tahsin Yazan	9,98%	9,98%



ODAŞ

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

Çan Kömür ve İnşaat A.Ş. :

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

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

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

Pre-License document belongs to Çan-2 Thermal Power Plant, which will be planned to be located at Çan district in Çanakkale, was given to Çan Kömür ve İnşaat A.Ş. with the EMRA decision 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:

	December 31, 2015	December 31, 2014
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	92%	92%
Mustafa Koncagül	8%	8%

About the Project finance regarding the investment of Çan-2 Thermic Power Plant, the amount of 116 million Euro project finance loan contract has been signed with the consortium of Yapı Kredi Bankası A.Ş. ve Halk Bankası A.Ş. In the framework of this loan contract, the amount of 40 million Euro bridge loan has been used.

Regarding Çan-2 Thermic Power Plant Production Facility, implementary development plan belongs to "Çan-2 Thermic Power Plant Are" and "Solid Waste Storage Area" has been approved by Çanakkale Special Provincial Administration, Provincial Assembly.

Regarding the construction and mechanical Works, the agreement is signed with the consortium of Efor Endüstriyel A.Ş. ve Synergy Yapı Taahhüt San. Ltd. Şti. and site delivery is accomplished.

The physical progress rate of the investment has reached 40,96% level. One of the most important equipment in terms of environmental awareness "Flue Gas Treatment Systems (FGD)" is to be manufactured according to the latest technology. In this context, one of the world's largest and most experienced company General Electric (GE) (Alstom Power SPA) has been preferred.

YS Madencilik San. ve Tic. Ltd. Şti.

Yel Enerji Elektrik Üretim Sanayi A.Ş. is co-founder at the rate of %70 share of YS Madencilik Sanayi ve Ticaret Ltd. Şti. and as a co-founder and YS Madencilik Sanayi ve Ticaret Ltd. Şti is included in consolidation as of December 12, 2014.

YS Madencilik operates purchasing, selling, manufacturing, installation, importing and exporting every kind of natural stone and manufactured and semi-manufactured of mineral ores.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

Shareholder structure of YS Madencilik Sanayi ve Ticaret Ltd. Şti. is as below:

	December 31, 2015	December 31, 2014
Yel Enerji Elektrik Üretim Sanayi A.Ş.	70%	70%
Süleyman Sarı	30%	30%

Through its strategy, company aims to establish coal supply and trade center in the geography close to their mine. To begin earlier than predicted for the coal trade, thermal power plant will provide the main input of coal requirement. Before starting large production in Çan II coal mine field will be come into operations in coordination with the time required to cycle thermal power plant, it is targeted to partial start for trial production and sales from smaller scale coal mines planned to participate in the following period under the responsibility of subsidiaries.

Anadolu Export Maden Sanayi ve Ticaret A.Ş.

The company is a partner at the rate of %96 share of Anadolu Export Maden Sanayi ve Ticaret A.Ş. and Anadolu Export is included in consolidation as of January 22, 2015.

Anadolu Export operates purchasing, selling, manufacturing, installation, importing and exporting every kind of natural stone and manufactured and semi-manufactured of mineral ores.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

	December 31, 2015
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	96%
Burak Altay	4%

License transfer purchase agreement was signed between Stratex International PLC (Stratex) and Anadolu Export to complete the search in the gold field called Karaağaç and decide on business investment based on research results. Regarding this transfer, application had been made to General Directorate of Mining Affairs. It is expected to be completed the license transfer in a short period. Superficial studies were conducted in the field, construction of drilling is planned that may raise the proven reserves ratio and increase the reserves in the coming period.

Suda Maden A.Ş.

The company purchased all shares of Suda Maden A.Ş. as of October 28, 2015, and Suda Maden is included in consolidation.

Suda Maden operates extraction, manufacturing and selling, every kind of natural stone mineral ores.

Company centre address is Fatih Sultan Mehmet Mah. Poligon Cad. Buyaka2 Sitesi No: 8C 3.Kule Kat:13 Tepeüstü Ümraniye / İstanbul.

	December 31, 2015
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	100%

The company has 4 licences including 2 operating license and 2 exploration in Murat mountain located Kütahya-Uşak area.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

Parent Company and consolidated subsidiaries EMRA license information as of 31.12.2015 is as follows :

License Owner	License Type	License No	License Duration	Effective Date
Odaş Enerji	Whole sale	ETS/2461-2/1599	20 Year	11.03.2010
Odaş Elektrik	Production	EÜ/3323-2/2005	49 Year	14.07.2011
Hidro Enerji	Production	EÜ/4027-2/2427	49 Year	20.09.2012
Küçük Enerji	Production	EÜ/3769-4/2314	49 Year	12.04.2012
Odaş Doğalgaz	Natural Gas Whole sale	DTS/4318-4/291	30 Year	20.03.2013
Ena Elektrik	Associate/Production	ÖN/5298-3/03165	30 Month	12.11.2014

Parent Company and consolidated subsidiaries licenses information of is as follows :

License Owner	License Group	License Type	License No	Effective Date	Due Date
Suda Maden	IV. Group	Operating	34412	04.04.2014	04.04.2034
Suda Maden	IV. Group	Operating	43169	13.04.2015	13.04.2025
Suda Maden	IV. Group	Exploration	201200931	22.06.2012	22.06.2019
Suda Maden	IV. Group	Exploration	201200932	22.06.2012	22.06.2019
Yel Enerji	IV. Group	Operating	17517	05.01.2015	05.01.2025

*Ağrı Elektrik production license was revoked by application in 2016. (Note:50)

*Çan-2 Thermic Power Plant License is approved by Energy Market Regulatory Authority's 28.01.2016 dated and 6083-2 numbered decision and submitted on 08.02.2016. (Note:50)

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/IFRS') and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ('POA') in line with the communique numbered II-14.I "Comminuque on The Principles Of Financial Reporting In Capital Markets" announced by the Capital Markets Board Of Turkey (CMB) on June 13, 2013 which is published on Official Gazette and valid after April 01, 2013 the ended interim financial report. TAS/IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (IFRS) by the communique announced by the POA.

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Functional and presentation currency

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

As of December 31, 2015 released by the Central Bank of the Republic of Turkey U.S. dollar exchange rate of 1 U.S. dollar = 2.9076 TRY (31 December 2014: 2.3189), 1 EURO = 3.1776 TRY (31 December 2014: 2.2807), 1 GBP = 4.3007 TRY (31 December 2014: 3.5961), 1 CHF = 2.9278 TRY (31 December 2014: 2.3397).

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



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Comparative Information and Restatement of Prior Period Financial Statements

Group has presented the consolidated statement of financial position as of December 31, 2015 comparatively with the date of 31 December 2014. Consolidated profit or loss and other comprehensive income statement and the consolidated cash flow statement for 1 January-31 December 2015 period presented comparatively with consolidated profit or loss and other comprehensive income, consolidated statement of cash flow for 1 January-31 December 2014 period. Consolidated changes in equity statement for the 1 January - 31 December 2015 period presented comparatively with 1 January - 31 December 2014 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.

The company has made a change in accounting policy regarding purchase of Çan Kömür ve İnşaat Anonim Şirketi's 92% of shares according to Capital Market Board's decision, 17.04.2015 dated and 36231672-115.01-302 numbered. According to Capital Market Board decision, the issue of evaluating of purchasing Çan Kömür's share as a business combination within the framework of TFRS 3 "Business Combinations Standard", there are different applications in purchasing of mining to define as business combination or assets purchases according to TFRS 3 Standard within the scope of studies at International Accounting Standards Board (IASB), by indicating that studies which are the assets invested is defined as company within the scope of project of reconsidering TFRS 3 Standard, are going on, evaluating of the issue, if it is necessary, the case for establishing general principle decision regarding application principles of UFRS Standards has transmitted to Public Oversight Accounting and Auditing Standards Authority.

In the text sent by CMB's decision, 24.08.2015 dated and 36231672-115.01-E.8935 numbered, in order to evaluate the purchasing process of Çan Kömür's 92% shares as business combinations according to view approved by POA, one of the acquired inputs should prove and be considered as a potential reserve. Within this scope, it is understood that there is no proven reserve when Çan Kömür's share was purchased. The purchasing process of Çan Kömür's 92% shares should be considered as assets held when the intended production is to achieve final commodity at mine site. In this context, the purchase of shares is classified as Intangible Assets over purchase price at 31.12.2015, 31.12.2014 and 31.12.2013 financial statements by presenting assets held. Moreover, the 5.918.026 TRY goodwill amount was presented on the prior financial reports is cancelled and presented with corrected form in the comparative financial statements.

There is no amortization for the amount of 5.918.026 TRY is classified at intangible assets by taking production unit method into account.

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 adjusted.

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 from 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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Changes in the Standards of the TFRS

New and Amended Standards and Reviews

Effective as of January 1st, 2015 excluding the new and amended TFRS standards and TFRYK reviews as of December 31th, 2015 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.

a) Standards are published but not come into force and will be applicable soon

New standards, comments and changes that are published as of the date of approval of financial statement are as below. However, they are not come into force in current reporting period and make applicable soon by group. Group ,unless indicated otherwise, will make necessary changes that will affect financial statement and notes after new standards and comments come into force.

TFRS 9 Financial Instruments: Classification and Statement

New standart with the change on December 2012 is valid for annual periods beginning on or after 1 January 2018. The first phase of TFRS 9 Financial Instruments contains new provisions in accordance with measurement and classification of financial assets and liabilities. Amendments to TFRS 9 will mainly affect measurement and classification of financial assests and measurement of financial liabilities classified at fair value reflecting profit or loss. That kind of financial liabilities that change in fair value related to part of credit risk require presentation at other comprehensive income statement. Group will evaluate standart effects on financial statement and performance after the other phases of standarts are accepted by Public Oversight Accounting and Auditing Standards Authority.

TAS 19 – Defined Benefit Plans – Employee Contribution (Amendment)

According to TAS 19, while defined benefit plans is recognized, employees or third-party contributions should be considered. The amendment clarifies contributions can be recognized by declining its cost in the year that service is taken instead of spreading into service periods. The amendment will have no effect on group's financial position and performance.

TFRS 11 Shares Acquisition on Joint Activities (Amendments)

TFRS 11 is changed due to guide acquisition of shareholding on joint activities accounting. This change requires, as noted TFRS 3 Business Combinations a company which its activity share a common activity acquire partnership except guidance and be contray to specified in this TFRS, implementation of all policies related to TFRS 3 and other TFRS Business Combinations accounting. In addition, acquirer company should express necessary information about TFRS 3 Business Combinations and other TFRS.

Changes will be applied prospectively for annual periods beginning on and after January 01, 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

TFRS 14 Regulatory Deferral Accounts (Amendments)

IASC has launched a comprehensive project about Rate Regulated Activities in 2012. As a part of this project, IASC has published a limited standard in terms of temporary solution for the companies held rates and will apply IFRS for the first time. This standard allows the companies which will apply IFRS for the first time to transition of its regulatory deferral accounts which is recognized according to generally accepted accounting principles into IFRS in the same way. This standard is effective for annual periods beginning on or after 1 January 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

Assets Sales or Contribution of The Business Investor to Its Affiliate or Joint Venture (Amendments on TFRS 10 and TFRS 28)

These changes point out contradiction between the application of consolidation and equity recognition. Amendments require the recognition of all gains if the assets transferred appropriate the defition of 'business' in IFRS 3 Business Combinations. This standard is effective for annual periods beginning on or after 1 January 2016 and will be applied prospectively. Early application is permitted. The amendment will have no effect on group's financial position and performance.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Description initiative (Amendments on IAS 1)

This narrow change makes the requirements of IAS 1 explicit rather than switch of IAS 1 Presentation of Financial Statements standard. Changes mostly responds the proper interpretation of the phrase of IAS 1. The amendments clarify the following issues: materiality level, the sequence of notes, subtotals, accounting standards and initiatives. This standard is effective for annual periods beginning on or after 1 January 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

Investment Companies: The Implementation of The Consolidation Exemption (Amendments on IFRS 10, IFRS 12 ve IAS 28)

Before changes, how to recognition of subsidiaries which provides services associated with investment is not clear. As a result of changes, the intermediate level investment business is not allowed to consolidate. Accordingly, if the internal structure of an investment company uses the intermediate level business, the financial statements will provide less detailed information about the investment performance. For instance; less details about the fair values of investments composing investment portfolio and cash flow obtained from investment. This standard is effective for annual periods beginning on or after 1 January 2016 and will be applied prospectively. Early application is permitted. The amendment will have no effect on group's financial position and performance.

TAS 16 and TAS 38 -- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)

Changes on TAS16 and TAS 38 prohibits the use of tangible assets depreciation calculation based on revenue and also restricts the use of intangible assets depreciation calculation based on revenue significantly. Changes will be applied prospectively for annual periods beginning on and after January 01, 2016. Early application is permitted. The amendment will have no effect on group's financial position and performance.

TAS 16 Tangible Assets and TAS 41 Agricultural Activities: Carrier Plants (Amendments)

A change is made related to recognition of carrier plants on TAS 16. The amendment express carrier plants such as grape vine, rubber plant or date palm that are from biological assets class give more products after ripening period and held by companies during life of fruition. However, since carrier plants do not pass through an important transformation after ripen and its function similar to manufacturing, the amendment reveals carrier plants should record TAS 16 instead TAS 41 and let it to appreciate with 'cost model' or 'revaluation model'. The product in carrier plants will be recognized at fair value that declined sell cost. Changes will be applied prospectively for annual periods beginning on and after January 01, 2016. The amendment will have no effect on group's financial position and performance.

b) Annual Improvements on TAS/IFRS

In September 2014, POA published following regarding the standard changes called 'Annual Improvements regarding the period 2010-2012' and 'Annual Improvements on the period 2011-2013'.

Annual Improvements – 2010-2012 Period

TFRS 2 – Share-based Payment

Definitions related to interim payment are changed. Performance and service condition is defined to resolve problems. The amendment will be applied prospectively.

TFRS 3 Business Combinations

A conditional value which is not classified as equity in business combinations, the conditional value is recorded at profit or loss by measuring at fair value in the next periods whether the scope of TFRS 9 Financial Instruments or not. The amendment will be applied prospectively for business combinations.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

TFRS 8 Activity Segments

The changes are as follows: i) Activity segments can be combined consistently with the main principles of the standard. ii) Reconciliation of financial assets with total assets should express if this reconciliation is reported to manager who authorized to take decisions relating to the operating activities. The amendment will be applied retrospectively.

TAS 16 Tangible Assets and TAS 38 Intangible Assets

The change on TAS 16.35 (a) and TAS 38.80 (a) has clarified that the revaluation can be done in the following way. i) Gross book value of assets is adjusted to market value or ii) the market value of the net book value of the assets is determined, gross book value is adjusted proportionally in the way that net book value goes through the market value. The amendment will be applied retrospectively.

TAS 24 Related Party Disclosures

The amendment have clarified company's key management personel's service is subject to related party associate with related party disclosures. The amendment will be applied retrospectively.

Annual Improvements – 2011-2013 Period

TFRS 3 Business Combinations

With the amendment i) not just joint ventures but also joint agreements are not the scope of TRFS 3 and ii) this exception has been clarified only joint agreements is applicable for accounting in the financial statements. The amendment will be applied prospectively.

TFRS 13 Fair Value Measurement Reasons for Decision

It is expressed that portfolio exception in TFRS 13 is not just applicable for financial assets or liabilities. It also can be applied other agreements in the scope of TAS 39. The amendment will be applied prospectively.

TAS 40 Investment Property

It is expressed the interrelation between TFRS 3 and TAS 40 for the classification of property for investment or used by owner. The amendment will be applied prospectively. It is not expected that the amendment will have significant effect on group's financial position and performance.

d) New and adjusted standards and interpretations are published by International Accounting Standards Board (IASB) but not published by POA

New standards, interpretations and present changes in IFRS standards listed below issued by the IASB but are not yet effective for the current reporting period. These new standards, amendments and interpretations are not yet adopted to the TFRS and published by POA and therefore they do not form a part of TFRS. Group will make necessary changes in notes and financial statements after these standards and interpreations come into force into TFRS. As it is explained, short -term trade receivables and payables are not specified interest rate on them may be shown at invoice amount where the effect of discounting is unimportant. The amendments will be implemented immediately.

Annual Improvements – 2011-2013 Period

TFRS 13 Fair Value Measurement

As explained in decisions, short-term trade receivables and payables are not specified interest rate on them, in cases where the effect of discounting is immaterial, may be shown at original invoice amount. The amendment will be applied prospectively.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

TAS 15 – Revenue from Agreements with Customer

POA has published TAS 15 – Revenue from Agreements with Customer on May 2014. New five-stage model of the standard describes the requirements for revenue recognition and measurement. Standard is to be applied revenue arising from agreements with customer and is a model for measuring sales of non-financial assets not related with a company's ordinary business activities such as out of tangible assets. TFRS 15 will be applied for annual periods beginning on or after January 01, 2017. Early application is permitted. For the transition to TFRS 15 two alternative applications is presented: full retrospective application or modified retrospective application. When the modified retrospective application is preferred, prior periods will not be readjust but comparative numerical information will be provided in the financial statements notes. The impact of those matter changes on Group's financial situation and performance is evaluated.

TFRS 9 – Financial Assets – Final Standard (2014)

POA has published the project of TFRS 9 Financial Assets consist of and measurement, impairment and protection from risk of hedge accounting which will replace TAS 39 Financial Instruments recognition and measurement Standard on July 2014. TFRS 9 Financial Assets is based on rational, a single classification and measurement approach reflects business model and characteristic of cash flow.

Thereupon, a single model is established which is applicable to expected credit loss model for recognition of loan losses more timely and all financial instruments can be applied to impairment accounting. In addition, when banks and other business choose measure option with fair value of their financial liabilities, TFRS 9 tackles a problem called 'own credit risk' lead to record income into profit or loss statement due to decreasing at fair value of financial liabilities. TFRS 9 will be applied for annual periods beginning on or after January 01, 2018. Early application is permitted. Moreover, early application in changes in 'own credit risk' is permitted alone without changing financial instruments accounting. Group evaluates standard's impact on financial situation and performance.

TFRS 16 – Leases

The International Accounting Standards Board (IASB) issued IFRS 16 Leases in January 2016. The new standard eliminates the distinction between rental and leasing activities and requires many rentals taken into balance sheet under a single model. The recognition is not changed heavily for the lessor companies but the difference between operating leases and financial leases continues. IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 is effective from 1 January 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers. The impact of those matter changes on Group's financial situation and performance is evaluated.

TAS 12 Income Taxes : Recognition of Deferred Tax Assets For Unrealized Losses (Amendments)

The International Accounting Standards Board (IASB) issued changes in IAS 12 Income Taxes in January 2016. The amendments clarify the recognition for deferred tax relating to debt instruments measured at fair value. The amendments is intended to overcome the existing differences in practice about the recognition of deferred tax assets for unrealized losses. The amendments will be applied retroactively for annual periods beginning on or after January 01, 2016. Early application is permitted. However, the term is applied for the first time of the change, the impact on the opening shareholders' equity, will be recognized at opening retained earnings/losses (or in other equity where appropriate) by not separating opening retained earnings/losses and other components of equity. Company / Group would make disclosures in financial statements in case this exemption is used. The impact of those matter changes on Group's financial situation and performance is evaluated.

TAS 27 – Equity Method in Singular Financial Statement (Change in TAS 27)

POA has done amendment in TAS 27 on April 2015 to represent the use of equity method in singular financial statement for accounting of investment in subsidiaries and affiliates of the company. Accordingly, companies should recognize and take into account of these investment by using following methods:

- Cost Value
- According to TFRS 9 (or TAS 39)
- Equity Method

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Business should apply same recognition for each investment category. Changes will be applied retrospectively for annual periods beginning on and after January 01, 2016. Early application is permitted but should be explained. The amendment is not applicable for the company and will have no effect on group's financial situation and performance.

TFRS Annual Improvements, 2012-2014 Period

POA has published Annual Improvements in TFRS (TFRS Annual Improvements, 2012-2014 Period) on February 2015. Document makes five changes into four standards except standards are modified as a result of changes and related reasons. The subject of the affected standards and changes are as follows:

- TFRS 5 Tangible Assets Held for Sale and Discontinued Operations – change in disposal methods
- TFRS7 Financial Instruments: Disclosures – Service Agreements; changes of applicable to interim summary financial statement according to TFRS 7.
- TAS 19 Employee Benefits - regional market issues relating to the discount rate
- TAS 34 Interim Financial Reporting – information is described in another part of interim financial statement

Changes will be applied retrospectively for annual periods beginning on and after January 01, 2016. Early application is permitted but should be explained. The amendment is not applicable for the company and will have no effect on group's financial situation and performance.

Policy Decisions published by POA (2012-13 Period)

In addition to explanations above, policy decisions declared by POA 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.

1. Financial Table Examples and User Guide

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

2. Accounting for Business Combination Under Common Control

According to decision i) business combination under common control (pooling of interest) must be accounted by this method, ii) therefore, goodwill do not take 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 comparatively. This situation adjudicated.

3. Accounting of Usufructary Notes

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

4. 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.

- The case is that having subsidiarity main partnerships own equity
- The case is that participations or sunbsidiarities have investor of business's equity's financial instruments.
- 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.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Resolutions are published by POA (2015 Period)

1. Capitalization of Exchange Rate as Borrowing Cost (Outline)

Featured assests in TAS 23 Borrowing Cost standard are defined as assets that necessarily take a long time to be able to get ready for their intended use or sale and organized basis of borrowing costs accounting related to featured assets. According to TAS 23 first paragraph, it is stated that the acquisition, construction or production of a featured assest related with directly borrowing cost form part of this assest cost, on the other hand, other borrowing costs will be recognized as an expense.

Methods can be considered to what extent the exchange rate can take into consideration as interest cost adjustment in borrowing from foreing currency:

Seasonal Approach

In this method, the found amount (real interest cost) which is borrowing in foreign currency denominated interest cost in foreign currency is translated into functional currency is not accepted borrowing cost directly. In this amount, adjustment can be made as a part of or all exchange rate of principal amount. Adjustment in real interest cost is done based on 'representative interest cost'.

Representative Interest Cost is a interest cost which is expected to occur in current period based on interest rate at date of borrowing if borrowing in foreign currency had denominated in functional currency.

Representative Interest Cost is considered as limit borrowing cost of the borrowing cost will be capitalized.

Although there is a chance real interest cost can be higher than representative interest cost, considering that probability of meeting such kind of situation is low for business, only main accounting principles are taken on resolutions when representative cost is higher than real interest cost.

Cumulative Approach

In the cumulative approach , the investment project is considered as a whole.In this context, when calculating the cost of borrowing will be capitalized, unlike seasonal approach, adjustment are made cumulatively by considering uncappedalized exchange rate osses which occured previous periods and recorded as loss exchange,

Although there is a chance real cumulative interest cost subject to higher representative cumulative interest cost, considering that probability of meeting such kind of situation is low for business, only main accounting principles are taken on resolutions when representative cumulative cost is higher than real cumulative interest cost.

d. Summary of Important Accounting Policies

Cash and Cash Equivalents

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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

Related Parties

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

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

Financial Instrument

Financial assets

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



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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 held to maturity. Financial assets held to 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.

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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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 life.

	Years
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)

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;

	Years
Rights	3-49
Computer programs	3
Preparation and Development Activities	License or Royalty Contract Duration

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)



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

As of reporting date, unpaid but accrued financial leasing interest costs recorded as expense and calculated interest provisions have been set off and stated Deferred Financial Leasing Borrowing Costs. (Note:20 Leasing Operations, Note:47 Financial Instruments)

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 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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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 Intuition. 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.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

Income is fair value that is the amount which is taken or will be taken when electricity delivery is realized. According to accrual basis, income is recorded in the period that the amounts to be invoiced. Net sales are shown in the amount on invoiced electricity delivery after deduction from sales commission and taxes. Obtained from transmission fee revenue is shown by net off related costs in the financial statements.

TEİAŞ Electricity Sales Revenue; contains all sales transactions are made by market participant on the free market reconciled by PMUM (Market Financial Settlement Center) and sales arising from settlement center due to presence of the free market.

Free Consumer Electricity Sales; according to consumer limit is published by EMRA, sales made to all consumers within the definition of free consumer. (For example; While this limit is 4,500 kwh per year in 2014, it was taken 4,000 kwh per year in 2015)

Bilateral Agreements Electricity Sales; Physical or service sales to both wholesale companies or private manufacturing companies. Primary Frequency Control (PFC) contains service sales related with power plants liability in relevant legislations to transfer this liability to someone else.

Energy Imbalance; According to legislation, all imbalance receivables and payables are reconciled within responsible party when group companies are merged to create balance group. The responsible party for the balance distributes this amount of compensation to group members. Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

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 Change in Exchange Rate

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.

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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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.

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. The estimates and assumptions may cause significant adjustments on book value of assets and liabilities in financial reporting is stated below.

Borrowing cost of credits which are used for financing of natural gas station and hydro electric power is added to cost of natural gas station and 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 deferred 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.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Determination of Fair Value

Several accounting policies and disclosures of the group require determination of fair value of both financial and non-financial assets. Assumptions are used to determine fair value and relevant additional information is presented in the notes specific to asset or liability.

According to levels, the valuation methods are listed as follows;

Level 1: Recorded prices (unadjusted) in active market for identical assets and liability

Level 2: Directly (through prices) observable data and indirectly (derived from prices) observable data for assets or liabilities and except recorded prices in Level 1

Level 3: Data is not based on observable market data relevant with assets and liabilities (unobservable data)

3. BUSINESS COMBINATIONS

The Affect Of Business Combinations Including Common Controlled Entity or Companies

Accounting Standards of Business Combinations Under Common Control was determined with "Principle Decision For Implementation of Turkish Accounting Standards". The subject of principle decision is "Accounting of Business Combinations Under Common Control". The principle decision numbered 2013-2, was published by KGK and become effective on July 21 of 2013 with the Official Journal numbered 28714.

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.

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 contracts, mentioned group has the control power to manage operational and financial politics of the company in order to utilize company operations and that power is not temporary, that kind of business combination lie beyond the scope of TFRS 3 Business Combinations.

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

As a result of that, transactions classified as Goodwill at financial statements on 31 December, 2013 has been shown in the "Affect of Business Combinations Including Common Controlled Entity or Companies" account under equity in accordance with TAS-8 Accounting Policies, Changes in Accounting Estimates and Errors in the 31.12.2015, 31.12.2014 and 31.12.2013 financial statements.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

3. BUSINESS COMBINATIONS (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
Odaş Enerji	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
Yel Enerji	-	(96.256)	96.256
Anadolu Export	-	(2.753)	2.753
Total	25.629.316	(711.514)	26.340.830

Acquisition of Suda Maden A.Ş.

The company has purchased all shares of Suda Maden A.Ş. with its all licenses in the amount of 1.000.000 USD (2.894.300 TRY) on 28.10.2015. Acquired Suda Maden A.Ş is inactive since 2013 and has two antimony operating license and two exploration license.

The purchasing of Suda Maden A.Ş is not evaluated within TFRS-3 Business Combinations. It is qualified as the purchase of assets group (assets purchase). In such cases, the acquired company identifies its acquired assets (including assets that meet the recognition criteria and definition of IAS 38 Intangible Assets) and liabilities separately and is recognized. The cost of the asset group are distributed to the identifiable assets and liabilities in the group based on the fair value at the date of purchase. Such a transaction or event does not give rise to goodwill.

Suda Maden's assets and liabilities values on purchase dated are taken in to account by their book values. There is no assessment report belongs to Suda Maden for the purpose to determine the fair value as of purchase date.

4. JOINT VENTURES

The company has purchased 200.000 entity shares of EPIAŞ (Energy Market Operating A.Ş.) with the cost of 200.000 TRY in order to be founding partners as shareholders. The total capital of the company to become a partner organization 61.572,57 million shares, equivalent to 61.572,57 million TRY. The total shares acquired is equivalent to 0,0032% of the total capital. Partnership is only meant to have say in the energy market, is shown with historical cost amounting to 200.000 TRY in the financial statement. (31.12.2014: 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 ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 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 December 31, 2015 and December 31, 2014.

a) Other receivables from related parties :

	31.12.2015	31.12.2014
Korkut Özal	3.611.203	3.755.178
Burak Altay	553.643	829.558
Bahattin Özal	115.760	522.856
Öztay Enerji Elektrik Üretim Sanayi A.Ş	6.491	13.219
Geokoax Jeotermal Enerji San. Tic. A.Ş.	24.200	-
Eylül Elektromekanik Enerji San ve Ltd Şti	29.541	-
Mustafa Koncagül	3.498.923	-
Süleyman Sarı	120.750	-
TOTAL	7.960.512	5.120.811
Deduction: Unrealised financial losses	(4.939)	(947)
TOTAL	7.955.572	5.119.864

b) Other payables to related parties:

	31.12.2015	31.12.2014
Abdulkadir Bahattin Özal	-	291.130
Öztay Enerji Elektrik Üretim San. A.Ş.	49.573	201.245
Hidro Kontrol Elektrik Üretim A.Ş	123.416	206.064
Ena Elektrik Üretim Ltd. Şti.	516.847	-
Burak Altay	-	3.500
Hidayet Büküm	-	31.304
Esin Ersan	20.000	20.000
Hafize Ayşegül Özal	20.000	20.000
TOTAL	729.836	773.243
Deduction: Unrealised financial gain	(57.711)	(42.449)
TOTAL	672.125	730.794

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

	January 01 - December 31, 2015	January 01 - December 31, 2014
Hidro Kontrol Elektrik Üretim A.Ş	376.150	943
Öztay Enerji Elektrik Üretim Sanayi A.Ş	4.475	-
Burak Altay	3.330	-
Korkut Özal	6.566	-
TOTAL	390.521	943

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

6. RELATED PARTIES (Continued)**b) Sales of services to related parties:**

	January 01 - December 31, 2015	January 01 - December 31, 2014
Hidro Kontrol Elektrik Üretim A.Ş.	-	406.760
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	201.008	41.107
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	-	2.000
Arsin Enerji Elektrik Üretim San. Tic. A.Ş.	-	36.000
Eylül Elektromekanik Enerji San ve Ltd Şti	143.261	104.210
TOTAL	344.269	590.077

c) Service purchases from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Hidro Kontrol Elektrik Üretim A.Ş.	466.680	660.944
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	684.411	864.862
HK Yatırım Elektrik Üretim San.Tic.Ltd.Şti	732	3.034
Mekel Enerji İnş. Taah. Danş. Tic.A.Ş.	-	1.116
TOTAL	1.151.824	1.529.957

d) Financing expenses from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	8.398	16.959
TOTAL	8.398	16.959

e) Financing income from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Korkut Özal	476.908	414.134
Bahattin Özal	22.000	57.328
Burak Altay	63.312	89.376
Hidro Kontrol Elektrik Üretim A.Ş.	1.844.471	828.538
Mustafa Koncagül	264.518	-
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	723.515	436.471
Eylül Elektromekanik Eneji San. Ve Tic.A.Ş.	-	36.279
TOTAL	3.394.723	1.862.126

f) Fixed assets purchases from related parties:

	January 01 - December 31, 2015	January 01 - December 31, 2014
Mekel Enerji İnş. Taah. Danş. Tic. A.Ş.	-	153.848
Hidro Kontrol Elektrik Üretim A.Ş.	-	478.493
Öztay Enerji Elektrik Üretim Sanayi A.Ş.	-	1.704
TOTAL	-	634.045



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

6. RELATED PARTIES (Continued)

The interest rates is applied due from related parties and to related parties for the period is as below:

	January 01 – December 31, 2015	January 01 – December 31, 2014
Interest rates for the first period	16%	14,50%
Interest rates for the second period	16%	11,50%
Interest rates for the third period	15%	11,50%
Interest rates for the fourth period	15%	11%

Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2015 is as follows:

a) Short Term Benefits to Employees: Total amount of salary and alike benefits in 12-month fiscal period provided to top management in 2015 is 2.731.318 TRY (31.12.2013: 2.344.594 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

7. TRADE RECEIVABLES AND PAYABLES**Trade receivables**

	December 31, 2015	December 31, 2014
Customer Current Accounts	66.623.107	28.607.209
-Receivables from related parties	-	-
-Other receivables	66.623.107	28.607.209
Notes Receivables	672.205	54.735
Doubtful Receivables	536.072	403.667
Provision of Doubtful Receivables(-)	(536.072)	(403.667)
	67.295.312	28.661.945
Deduction: Unaccrued financing losses	(691.551)	(108.029)
TOTAL	66.603.761	28.553.915

Provision for doubtful receivables as of December 31, 2015 and as of December 31, 2014 The movement is as follows:

	December 31, 2015	December 31, 2014
Opening Balance	403.667	532.941
Additional provisions	132.405	-
Payments (-)	-	(129.274)
TOTAL	536.072	403.667

(*)Consist of Odaş Enerji (subsidiary of the group) energy sales trade receivables which is under execution procedure.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

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

	December 31, 2015	December 31, 2014
Supplier Current Accounts	27.784.088	33.150.637
-Due to related parties	-	-
-Other supplier payables	27.784.088	33.150.637
Notes Payables	1.472.993	-
Other Trade Payables	25.697.096	6.569.683
	54.954.177	39.720.320
Deduction: Unaccrued financial gains	(452.849)	(167.690)
TOTAL	54.501.329	39.552.629

8. RECEIVABLES AND LIABILITIES FROM FINANCE SECTOR OPERATIONS

None. (None, December 31, 2014)

9. OTHER RECEIVABLES AND PAYABLES**Short-term Other Receivables**

	December 31, 2015	December 31, 2014
Deposits and guarantees given (*)	2.732.219	135.491
Receivables from shareholders	-	36.651
Receivables from subsidiaries	-	13.219
Receivables from personnel	1.652	1.652
Other receivables	874.266	111.319
Other rediscount for notes receivable (-)	(308.495)	(1.091)
Other receivables from related parties	7.955.572	5.119.864
TOTAL	11.255.215	5.417.105

(*) The amount of 2.720.000 TRY deposit and guarantees given consist of the production license revocation was given to EMRA by Ağrı Elektrik. The guarantee has been refunded with revocation of license on 22.01.2016.

Long-term Other Receivables

	December 31, 2015	December 31, 2014
Deposits and guarantees given	581.257	148.573
TOTAL	581.257	148.573

Short-term Other Payables

	December 31, 2015	December 31, 2014
Deposits and guarantees taken	93.742	-
Due to shareholders	-	404.052
Other payables	2.127.336	599.845
Rediscount for notes payables (-)	(155.212)	(179.993)
Other payables to related parties (Not:6)	672.125	730.794
Advances received	290.760	-
Payable tax and funds	3.813.831	2.408.826
	6.842.582	3.963.524

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

9. OTHER RECEIVABLES AND PAYABLES (Continued)

Details of taxes and funds payable are as follow;

	December 31, 2015	December 31, 2014
TRT Share	436.342	594.063
Municipality Consumption Tax	933.385	1.014.704
Energy Fund	518.003	425.146
Income Tax Stoppage from Wages	308.772	222.868
Value Added Tax	1.255.741	83.541
Other Tax Liabilities	361.588	68.504
TOTAL	3.813.831	2.408.826

Long-term Other Payables

	December 31, 2015	December 31, 2014
Deposits and guarantees received	500	500
TOTAL	500	500

10. INVENTORIES

	December 31, 2015	December 31, 2014
Semi-manufactured (*)	7.642.257	-
Other inventories (**)	3.215.970	183.036
TOTAL	10.858.227	183.036

(*) The amount of 7.642.257 TRY consist of Suda Maden's antimony inventories and it is valued at cost.

(**) The amount of 172.970,32 TRY consist of consumable material will be used in cycle power plant in Şanlıurfa for the upcoming periods. The remaining part of 3.043.000 TRY consist of container cost which is used for transport and storage of the materials of Çanakkale Power Plant. These containers is purchased from seller. Hereby, the remaning amount is related to container fees after discharge and will be sold.

11. BIOLOGICAL ASSETS

None. (None, December 31, 2014).

12. PRE-PAID EXPENSES VE DEFERRED INCOME**Short-term Pre-paid Expenses**

	December 31, 2015	December 31, 2014
Expenses related to the coming months	383.777	2.488.239
Advances associated with cost	1.433.708	3.448.354
TOTAL	1.817.485	5.936.593

Long-term Pre-paid Expenses

	December 31, 2015	December 31, 2014
Expenses related to the coming years	2.405.590	390.159
TOTAL	2.405.590	390.159

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

12. PRE-PAID EXPENSES VE DEFERRED INCOME (Continued)

The amount of 330.000 TRY prepaid expenses for the future years is the price that has been paid regarding royalty agreement of Çan Kömür as of December 31, 2015. Royalty fee is transferred to Idle Capacity Expenses and Losses since there is no coal extraction process for the respective periods. When coal production begins, it will be associated with raw material cost. At the balance sheet as of 31.12.2015, expenses with the amount of 1.940.246 TRY consist of upcoming months for care service invoices to Şanlıurfa Power Cycle Plant received from Wartsila. Wartsila makes out care service cost invoice to Odaş based on real working hours of machines concerning care and spare part agreement. Invoices are held in cash and charged at the beginning of the maintenance period. The total amount of the contract is 11.000.374 EUR and maintenance costs corresponding to the unit operating hours vary each year. Pricing for the periods has been made depending on the hours of maintenance costs. Accordingly, the total annual average unit price of the contract on the basis of actual working hours in 2015 (33.36 euro) corresponding the part of the 2014 associated with production costs, while remaining balance of invoices received in 2015 was transferred to the prepaid expenses for the next month.

Deferred Income

	December 31, 2015	December 31, 2014
Advances Received (*)	12.568.101	11.189.783
TOTAL	12.568.101	11.189.783

(*)The amount of 169.575 TRY advances received consists of advances received from Odaş Enerji's clients. The amount of 183.261 TRY consists of daily production to TEİAŞ by Küçük Enerji. The remaining 12.215.265 TRY consists of daily production to TEİAŞ by Odaş.

13. INVESTMENT PROPERTY

None. (None, December 31, 2014).

14. TANGIBLE FIXED ASSETS

	01.01.2015	Addition	Transferred assets from acquired companies	Disposal	Transfer	31.12.2015
Cost						
Land and properties	3.966.112	1.621.624	82.184	-	-	5.669.920
Buildings	-	-	150.000	-	-	150.000
Underground and overland plants	127.024	-	441.113	-	-	568.137
Plant, machinery and equipment	171.065.990	283.626	4.163.802	-	48.989.630	224.503.048
Vehicles	327.390	377.157	160.503	(97.051)	-	767.999
Furniture and fixtures	1.441.209	1.117.587	883.457	(220.401)	-	3.221.853
Construction in progress	47.487.691	186.232.798	8.202.674	-	(56.595.230)	185.327.933
Research expenses	-	-	251.203	-	-	251.203
Total	224.415.415	189.632.792	14.334.936	(317.452)	(7.605.600)	420.460.093
Accumulated Depreciation						
Underground and overland plants	-	(18.750)	(39.062)	-	-	(57.812)
Buildings	(423)	(23.723)	(72.484)	-	-	(96.631)
Plant, machinery and equipment	(10.976.437)	(5.110.662)	(874.094)	-	-	(16.961.192)
Vehicles	(120.540)	(145.255)	(135.425)	51.900	-	(349.320)
Furniture and fixtures	(420.890)	(507.194)	(452.159)	163.025	-	(1.217.218)
Total	(11.518.290)	(5.805.584)	(1.573.224)	214.925	-	(18.682.173)
Net Book Value	212.897.125	183.827.208	12.761.712	(102.527)	(7.605.600)	401.777.920

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

14. TANGIBLE FIXED ASSETS (Continued)

	01.01.2014	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12.2014
Cost						
Land and properties	1.273.563	2.744.572	-	-	(52.023)	3.966.112
Buildings	-	-	-	-	127.023	127.023
Plant, machinery and equipment	168.252.501	2.813.489	-	-	-	171.065.990
Vehicles	478.385	28	-	(151.023)	-	327.390
Furniture and fixtures	1.194.883	247.094	-	(768)	-	1.441.209
Construction in progress	3.182.599	46.541.128	-	(1.250)	(2.234.786)	47.487.691
TOTAL	174.381.931	52.346.311	-	(153.041)	(2.159.786)	224.415.415
ACCUMULATED AMORTIZATION						
Buildings	-	(423)	-	-	-	(423)
Plant, machinery and equipment	(6.544.423)	(4.432.014)	-	-	-	(10.976.437)
Vehicles	(118.293)	(80.583)	-	(78.336)	-	(120.540)
Furniture and fixtures	(164.537)	(256.353)	-	-	-	(420.890)
TOTAL	(6.827.253)	(4.769.373)	-	(78.336)	-	(11.518.290)
NET BOOK VALUE	167.554.678	47.576.938	-	(74.705)	(2.159.786)	212.897.125

The fixed assets are acquired through financial lease is shown above as 'Plant and consist of machinery and equipment. The cost of assets are acquired through financial lease 57.542.073 as of December 31, 2015 and accumulated depreciation of leased assets are 5.286.985 TRY.

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 "I 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 reached to 166.901.151 TRY at the end of the 2013. As the date of 31 December, 2014 the capitalized amount of 2.813.491 TRY was added to the natural gas cycle power plant costs.

The 280.304 TRY Plant, machinery and equipment has been capitalized in 2015. It consist of additional spending for stage II was capitalized before.

TEİAŞ has set off 502.526 TRY by which calculating its unit price in 07.05.2013 for the total spending of 1.853.876 TRY is done for transferring energy line by Odaş Elektrik Üretim San. A.Ş. in 2011 and 2012. The remaining net cost of 1.351.350 TRY is capitalized in 07.05.2013 which is date the cost of related tangible assets can be measured safely and amortization has been begun.

The group's subsidiaries of Küçük Enerji has completed the construction of "Köprübaşı Regulatory and Hydroelectric Powe Plant" with the power of 8,195 MWm / 7,949 MWe in Trabzon and it has become available for use with the certificate of provisional acceptance on 02.10.2015. The total transferring amount from the investment of hydroelectric power plant to "Property, plant and equipment" is 48.989.630 TRY.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

14. TANGIBLE FIXED ASSETS (Continued)

The investment project and the amount of investment spending regarding construction in progress based on subsidiary as follows;

Company /Subsidiary	Investment Details	Amount
Çan Kömür	Çan II Thermal Power Plant	182.368.916
Suda Maden	Factory Building Investment	2.683.573
Hidro Enerji	Volkan Hydroelectric Power Plant	150.283
YS Madencilik	Coal Mine Preliminary Exploration and License Costs	125.161
TOTAL		185.327.933

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, 2014).

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

None. (None, December 31, 2014).

17. INTANGIBLE FIXED ASSETS

	01.01.2015	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12.2015
Cost						
Rights	505.836	2.481.202	4.331.903	-	-	7.318.941
Other intangible assets	6.166.708	134.488	-	-	-	6.301.196
Preparation and Development Expenses	2.159.786	723.822	4.574.324	-	-	7.457.932
TOTAL	8.832.330	3.339.512	8.906.227	-	-	21.078.069
ACCUMULATED AMORTIZATION						
Rights	(81.632)	(97.178)	(1.288.149)	-	-	(1.466.959)
Other intangible assets	(131.229)	(263.491)	(198.220)	-	-	(592.940)
Preparation and Development Expenses	(141.916)	(293.200)	-	-	-	(435.116)
TOTAL	(354.777)	(653.869)	(1.486.369)	-	-	(2.495.015)
NET BOOK VALUE	8.477.554	2.685.643	7.419.858	-	-	18.583.054

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

17. INTANGIBLE FIXED ASSETS (Continued)

	01.01.2014	Additions	Transferred assets from acquired companies	Disposals	Transfers	31.12. 2014
Costs						
Rights	468.626	587.210		(550.000)	-	505.836
Preparation and Development Expenses	6.074.441	92.267		-	-	6.166.708
Other intangible assets	-	-		-	2.159.786	2.159.786
TOTAL	6.543.067	6.095.711		(550.000)	2.159.786	8.832.330
ACCUMULATED AMORTIZATION						
Rights	(59.670)	(26.824)	-	4.862	-	(81.632)
Preparation and Development Expenses	(84.054)	(47.175)	-	-	-	(131.229)
Other intangible assets	-	-	-	-	(141.916)	(141.916)
TOTAL	(143.724)	(73.999)	-	4.862	(141.916)	(354.777)
NET BOOK VALUE	6.399.344	605.478	(545.138)	2.017.870	8.477.554	6.399.344

As the date of December 31, 2015 the details of intangible assets are as follows;

Company/Subsidiary	Intangible Assets	Amount
Çan Kömür	Çan 2 Thermic Power Plant License Fees	21.000
Odaş Enerji	Wholesale License	277.750
Odaş Doğalgaz	Natural Gas Wholesale License and Amendment Fees	64.450
Hidro Enerji	Production License and Amendment Fees	15.000
Küçük Enerji	Production License and Amendment Fees	15.000
Odaş Elektrik	Production License and Amendment Fees	115.967
Yel Enerji	Mine License Cost	2.363.640
Suda Maden	Site License and Mine License Costs	4.296.500
Odaş Enerji	Computer Software	147.318
Odaş Enerji	Website	4.600
Odaş Elektrik	Computer Software	180.398
Odaş Elektrik	Website Software	38.159
Odaş Elektrik	Çan Kömür Assets Purchase Cost	5.915.802
Çan Kömür	Preparation and Development Expenses (*)	2.338.952
Çan Kömür	Computer Software	125.149
Yel Enerji	Preparation and Development Expenses (*)	544.656
Yel Enerji	Computer Software	4.001
Suda Maden	Computer Software	35.403
Suda Maden	Preparation and Development Expenses (*)	4.574.324
TOTAL		21.078.069

(*) Expenditures made by Group for the development of mineral resources already existing (drilling , evaluation and topographical, geological studies) were capitalized in accordance with TAS 38 Intangible Assets Standard.

At Yel Energy, the IR:4327 (17517) numbered license transfer has been held on 15.07.2015, amortization has started when intangible assets are ready to use mean necessary conditions available for management's operations.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

17. INTANGIBLE FIXED ASSETS (Continued)

The amount of preperation and development expenses recorded to assets of Çan Kömür consist of land measure, test and drilling, engineering and architectural works, property damage fees, construction equipment rental fees. These expenditures recorded as development costs and started to be amortized. Development costs belong to coal mining area located in Çanakkale, Çan District, Yaylaköy Village with license number IR 17448 in 09.07.2013. The operating rights of coal mining (existed before) obtained by operating agreement called 'royalty agreement'.

Preparation and Development Expssense capitalized in Suda Maden A.Ş. consist of drilling, sampling, mine development expenses regarding 34412 and 43169 numbered operating license in antimony area.

18. GOODWILL

None. (None, December 31, 2014)

19. EVALUATING AND RESEARCHING OF MINE RESOURCES

Expenditures made for the preparation and development of the Group's already existing mineral resources are capitalized as Intangible Assets.

As of 31.12.2015 the total development expenditure capitalized amount on the basis of the subsidiaries are as follows;

Subsidiaries	The Amount of Preparation and Development Expenditures
Çan Kömür	2.338.952
Suda Maden	4.574.324
Yel Enerji	544.656
Total	7.457.932

Amounts related to amortization of capitalized amounts and net book value amounts as preparation and development expense are included in Note: 17.

At Yel Enerji, the capitalized amount of 544.656 TRY as development expenditures is regarding the amount of drilling activities for coal mine license which is IR:17517 number and 1.205,11 hectares located in Bayramiç district in Çanakkale.

Because transferring of mine license has not yet realized and there is no expenditure as preparation and search expenditures, the drilling amount is capitalized according to TAS 38 Intangible Assets. Amortization process will be began when intangible assets is ready to use (taken over the license) means required conditions available for management's aim. Therefore development expenses is capitalized but amortization is not calculated.

The amount of preperation and development expenses recorded to assets of Çan Kömür consist of land measure, test and drilling, engineering and architectural works, property damage fees, construction equipment rental fees. These expenditures recorded as development costs and started to be amortized in 2014. Development costs belong to coal mining area located in Çanakkale, Çan District, Yaylaköy Village with license number IR 17448. The operating rights of coal mining (existed before) obtained by operating agreement called 'royalty agreement'. Total expenditures for coal mining activities are amount of 2.338.952 TRY as of 31.12.2015

Suda Maden has 2 exploration license and 2 operating license. Regarding 34412 and 43169 numbered operating license, the total expenditures such as drilling, mapping, shaft drilling is 4.574.324 TRY as of December 31, 2015. It has been capitalized and amortized by years.

Moreover, regarding the received exploration license 201200931 and 201200932 numbered on 22.06.2012, exploration expenses such as preliminary study projections, sampling, section and map preparation is capitalized, the amount of 251.023 TRY is classified as research expenses since no mining license.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

20. LEASING OPERATIONS

Operating Leases

Group as Lessee

Lease Agreements:

There are two leases subject to the Group's operating leases.

The first of the lease is related to office and stores buildings within 5 years at starting date of August 01, 2013.

Second is related to business office rental of one year at starting date of January 11, 2013.

All operating leases has carried a clause related to review of the circumstances based on market conditions in case of group uses renewal rights. There is no right to purchase the asset at the end of the lease term rented by the Group.

The payments are recognized as an expense	December 31, 2015	December 31, 2014
Minimum lease payments	856.440	799.843

Group has 9 rental agreements regarding investment stage.

The payments are recognized as active	December 31, 2015	December 31, 2014
Minimum lease payments	216.995	-

21. SERVICE CONCESSION ARRANGEMENTS

None. (None, December 31, 2014).

22. IMPAIRMENT OF ASSETS

None. (None, December 31, 2014).

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 15.04.2014 dated and E-102704 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.

Aforesaid investment is completed within the stipulated period according to Investment Incentive Certificate. In order to make Incentive Completion Visa (Incentive Closed) has been applied to Ministry of Economy.

Çan Kömür ve İnşaat A.Ş. has Investment Incentive Certificate is prepared by Ministry of Economy of the Republic of Turkey and General Directorate of Foreign Capital and Incentives Implementation. Aforesaid investment is power plant based on domestic coal (Çan 2 Thermic Plant) with 340 MW installed capacity and incentive certificate is arranged according to EPDK's ÖN/5117-5/03070 associate license number and 10.07.2014 dated.

Investment incentives Certificate is given for the full new investment carried out in Çanakkale (Çan 2 region) and covers the period 13.08.2014-13.08.2017. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited. Total amount of the investment is 162.056.360 TRY based on incentive certificate. This amount is financed by 29.170.144 TRY of capital sources and remaining 132.86.216 TRY of foreign sources.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

23. GOVERNMENT INCENTIVES (Continued)

Küçük Enerji Üretim ve Tic. Ltd. Şti. has investment incentive certificate 31.12.2013 dated and A-113287 numbered which is drawn up by Economy Ministry of Turkish Republic Incentive Application and Foreign Capital General Directorate. The certificate of investment is about hydroelectric power plant (Köprübaşı Reg. ve Hydroelectric Power Plant) (2x4,097)=8,195 MW powered, it is prepared referring to Energy Market Regulatory Authority EÜ/3769-4/2314 numbered and 12.04.2012 dated Production License.

Investment incentives Certificate is given for the full new investment carried out in Trabzon Köprübaşı third region and covers the period 18.12.2013-18.12.2016. With the certificate, VAT exception incentives are benefited. Total amount of the investment is 28.571.000 TRY based on incentive certificate. This amount is financed by 4.243.400 TRY of capital sources and remaning 24.327.600 TRY of foreign sources.

24. BORROWING COSTS

In the periods of 01.01.2015-31.12.2015, regarding the subsidiary of Küçük Enerji Üretim ve Tic. Ltd. Şti.'s investment loan which is used for Köprübaşı Hes Project ready to use with temporary admission on 02.10.2015, the amount of 1.534.382 TRY net financing cost of from 01.01.2015 to 02.10.2015 is added to the investment cost.

Group has adopted to 'cyclical approach' method related to qualifying assets cost and capitalizing the exchange difference in current period concerning the amount of 10.470.000 USD investment loan used on 08.04.2014 and 970.000,0 USD loan used on 28.09.2015 by Küçük Enerji. The amount of 2.565.743 TRY exchange difference expense is actualised until 02.10.2015 regarding principal exchange difference of investment loan used has been associated with qualifying assets cost (Köprübaşı HES Project).

In the calculations, if the same credit was used as TRY under the same conditions, 23,5 and 19 basis interest rate is based on, calculated interest amount from the credit usage date of 01.01.2015 to the date of 02.10.2015 as follows;

	01.01.2015-02.10.2015
Interest accrual if credit used as TL	4.106.684
Total USD credit interest accrual related to qualifying assets cost	1.534.382
Exchange difference will be related to qualifying assets cost	2.565.743
Total exchange difference expense of credit principal	7.294.689
Exchange difference expense related to qualifying assets cost	2.565.743

Similarly, in the period of 01.01.2015 - 31.12.2015, the 5.022.077 TRY finance cost related to the total amount of 40.000.000 Euro bridge investment loan which 20.000.000 Euro portion was used in 27.01.2015 and 20.000.000 Euro portion was used 18.06.2015 for Çan II Power Plant by subsidiary of Çan Kömür ve İnşaat A.Ş., is added to investment cost.

Besides, group has adopted to 'cyclical approach' method related to qualifying assets cost and capitalizing the exchange difference in current period concerning the amount of 40.000.000 USD investment credit used from Çan Kömür. The amount of 9.332.609 TRY exchange loss amount regarding principal exchange difference of investment credit used has been associated with qualifying assets cost (Çan II Power Plant Project).

In the calculations, if the same credit was used as TRY under the same conditions, 16,00 basis interest rate is based on for 20.000.000 Euro used in 27.01.2015 and 18,00 basis interest rate is based on for 20.000.000 Euro used in 18.06.2015 , calculated interest amount from 01.01.2015 to the date of 31.12.2015 accordingly periodic approach method as follows;

	01.01.2015 - 31.12.2015
Interest accrual if credit used as TRY	14.354.685
Total USD credit interest accrual related to qualifying assets cost	5.022.077
Exchange difference will be related to qualifying assets cost	9.332.609
Total exchange difference expense of credit principal	11.702.660
Exchange difference expense related to qualifying assets cost	9.332.609



ODAS

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other long-term provisions

	December 31, 2015	December 31, 2014
Other payable and expense provisions (*)	116.156	111.517
TOTAL	116.156	111.517

(*) At 11th paragraph of TFRS 6 stated: When a company assume the investigation and evaluation of mine resources, it reflects removal and restoration liabilities resulting in given period at financial statement according to TAS 37 - Provisions , Contingent Liabilities and Contingent Assets standard.

According to assessment made by project manager and techical team, 70 % of mining operations run as underground mining and 30% of mining operations run as surface minig located in Çanakkale, Çan (Yaylaköy) district with 17448 license numbered region. The scope of extending project has been submitted for approval to MİGEM (General Directorate of Mining Affairs). After surface mining, will be passed into underground mining. There will be no any stripping practice on the ground during underground mining. Stripping area during surface mining will be used as ash storage as stated in ÇED (Environmental Impact Assessment) report as the scope of Çan 2 thermic power plant. Following the completion of economic life of the mining site, the region will be planted and then leaved. The predict cost for plantation is around 300.000 TRY.

About 150.000 acres will be stripped. Becuase of the extension project, 100 tree is needed per acres. Due to regional soil structure, the cost of plantation is expected around 2.000 TRY per acres. The total cost for 150 acres is calculated as 150*2.000 TRY = 300.000 TRY. After the surface mining completed its economic life, this study will be done and carried out about 20 years. The rediscounting amount of total cost of 300.000 TRY is 116.156 TRY.

Assets related with current tax period

	December 31, 2015	December 31, 2014
Pre-paid taxes and funds (*)	71.113	53.653
TOTAL	71.113	53.653

This is the amount related tax assets which are paid in the period but setoff and given back regarding group and its subsidiaries.

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 29.000.000 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. Net book value of Odaş I Combined Power Plants is 106.454.968 TRY

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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.

-Shares Pledge Agreement Signed With The Consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch.

In accordance with General Loan Contracts signed between the consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch and Çan Kömür ve İnşaat A.Ş., as an assurance of borrowings given, pledge of share agreements are made over all shares of Çan Kömür ve İnşaat A.Ş.'s shareholders on behalf of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch. The total value of the amount pledged 255.000 shares with a nominal value of TRY 100. Agreements are valid until liabilities are wholly paid in accordance with pledge of share agreements.

Warranty

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

Signed leasing agreement of four Wartsila W18V50SG gas chamber for ODAŞ I Combined Cycle Power Plant with Asya Katılım Bankası A.Ş is transferred to Yapı Kredi Finansal Kiralama A.O and transfer agreement is made. According to Financial Leasing Agreement Korkut Özal, Abdulkadir Bahattin Özal, Burak Altay, Odaş Enerji Elektrik Satış A.Ş. are joint obligee and joint guarantor to secure liabilities.

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.

Dividend Payment

In 11.3.1 article of the loan contract was made between ODAŞ and Yapı Kredi Bankası A.Ş. has following provisions related dividend payment.

11.3.1 Dividend Payment

- To be any delinquency status or not to be possible delinquency status and relevant dividend payment's decision or paying dividend will not lead potential delinquency/delinquency
- As of 15.11.2014, the funding of debt servicing amount of relevant calculating period in the debt servicing reserve account.
- In any case, receiving fore written approval of creditor before dividend payment.

Note : Debt Service = " Principal + Interest + Banking and Insurance Transaction Tax"



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

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

Given guarantees by the group are as follow:

GUARANTEES, PLEDGES, HYPOTHECS	31.12.2015	31.12.2014
A) Total amount of TRI was given for its own legal entity	671.303.342	635.194.204
B) Partnerships includes scope of full consolidation	109.985.846	76.074.033
C) Total amount of TRI was given in order to conduct ordinary business and to guarantee third parties debt	-	-
D) Total amount of other given TRI	-	-
i) Total amount of TRI was given on behalf of main partner	-	-
ii) Total amount of TRI was given to companies except B and C article	-	-
iii) Total amount of TRI was given to third parties except C article	-	-
TOTAL	781.289.188	711.268.237

The ratio of guarantees, pledges and hypothecs to equity is 4,74. (31.12.2014 : 7,47)

Received guarantees by the group are as follow:

GUARANTEES, PLEDGES, HYPOTHECS	31.12.2015	31.12.2014
Received Guarantee Letters	31.003.157	7.080.604
Received Guarantee Cheques	-	75.000
Received Guarantee Bills	567.228	-
TOTAL	31.570.385	7.155.604

Given and received guarantees by the group are as follow:

	31.12.2015	31.12.2014
Received Guarantee Letters	31.003.157	7.080.604
Odaş	2.331.895	1.859.758
Odaş Enerji	1.122.500	3.122.500
Küçük Enerji	-	2.098.346
Çan Kömür	27.548.762	-
Received Guarantee Bills	567.228	75.000
Odaş	87.228	-
Küçük Enerji	400.000	-
Odaş Enerji	-	-
Çan Kömür	80.000	-
TOTAL	31.570.385	7.155.604

Unfavourable Cases:

As of December 31, 2015, there are lawsuits against group's subsidiaries of Küçük Enerji Üretim ve Ticaret Ltd. Şti regarding damages caused by using of explosives in tunnelling operations. Scout has been doing regarding lawsuits, most of the cases in the expert stage and it not clear yet how the cases will be resulted.

There are various lawsuits against Odaş Enerji Elektrik Perakende Satış A.Ş. ,regarding trade activities (leakage losses, transmission costs, distribution costs, costs of meter reading from customers who previously carried out electricity sales) in total amount of 13.634.777,34 TRY. There is no clear evidence how these cases will be ended as of December 31, 2015. In addition, the total amount of opened cases relating to leakage losses cost is specified by the customer will be reflected in the distribution companies.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

25. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Group management does not expect a negative result from relating cases and these cases have no significant effect on group's operations, financial statement and liquidity. As of December 31, 2015, since the cases's possibility of ended up against group is lower than possibility of not being liability, it has not been any recognition process regarding the lawsuit liabilities in the financial statements.

26. COMMITMENTS

None. (31 Aralık 2014 None.)

27. EMPLOYEES BENEFIT OBLIGATIONS

Termination Indemnities and Provision of Vacation

The Company and its subsidiaries 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 3.828,37 TRY as of December 31, 2015. (December 31, 2014: 3.438.22 TRY)

As of 31.12.2015 and 31.12.2014, calculated provision for severance payment and provision for vacation as follows.

	December 31, 2015	December 31, 2014
Provision for severance payment	62.247	78.436
Provision for vacation	251.214	144.864
TOTAL	313.461	223.300

It needs a calculation which can be doing with some assumptions for calculation of company's liabilities in accordance with TAS 19 (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 19 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 December 31, 2015 and December 31, 2014 are depicted below:

	December 31, 2015	December 31, 2014
Discount rate	%8,80	%8,90
Estimated increase rate	%5,00	%4,75

Employees benefit obligations movements as December 31, 2015 - December 31, 2014 are as follows:

Provision for severance payments

	December 31, 2015	December 31, 2014
Opening balance	78.436	160.110
Additional provisions/payment (-)	(16.189)	(81.674)
Period-end balance	62.247	78.436

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

27. EMPLOYEES BENEFIT OBLIGATIONS (Continued)

Actuarial gain/(loss) movements as December 31, 2015 - December 31, 2014 are as follows:

	December 31, 2015	December 31, 2014
Transfer	78.436	160.110
Payment	(37.306)	(4.200)
Interest cost	7.875	23.610
Current service cost	(32.654)	(3.835)
Actuarial gain/(loss)	(28.714)	(97.249)
Balance	62.247	78.436

Provision for vacation as December 31, 2015 - December 31, 2014 are as follows:

	December 31, 2015	December 31, 2014
Opening balance	144.864	91.273
Additional provisions (Note:33)	106.350	53.591
Period-end balance	251.214	144.864

Payables within employee benefit;

	December 31, 2015	December 31, 2014
Due to personnel	210.943	45.347
Social security premium payables	233.801	117.150
TOTAL	444.744	162.497

Payables to personnel balance consist of fee and similar payables accrued but unpaid, social security withholdings payable consist of social security premium debts belongs to labor and management. It is accrued with pay roll and declared in the 23th of following months and will be paid until the months.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 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, 2015 -December 31, 2015 and January 1, 2014 - December 31, 2014 periods are as follow ;

	January 01- December 31, 2015	January 01- December 31, 2014
Usage of natural gas	115.580.736	107.951.410
GOP purchase price of the system	124.406.892	148.513.425
Cost of energy trade from bilateral agreements	81.158.610	134.401.685
Distribution companies system usage cost	46.262.145	68.644.146
TEİAŞ Yek receivable amount	26.011.047	10.486.360
Imbalance energy amount of TEİAŞ	12.948.010	18.643.395
TEİAŞ accepted load amount	6.441.064	11.193.959
TEİAŞ zero balance adjusting item	6.251.716	10.657.642
Maintenance expenses	6.155.748	5.666.506
Depreciation and amortisation	4.732.705	4.431.370
Personnel expense	2.886.549	2.193.783
TEİAŞ system usage fee	2.038.831	-
TEİAŞ Interconnection Capacity Allocation Cost	1.571.630	28.489
Insurance expense	980.332	999.387
TEİAŞ adjustments for previous period	749.670	464.626
PFK liability transfer service cost	660.509	1.248.908
The amount of debt of TEİAŞ DGP	594.329	602.540
TEİAŞ other expenses	535.888	605.809
TEİAŞ electric quality service cost	429.818	-
Container purchase cost	333.000	-
TEİAŞ market operating fee	50.014	135.742
Electricity import	27.331	17.640.625
Distribution companies other expenses	1.297	-
Natural gas sales value	-	16.746.017
Imbalance of group companies	-	39.150
TEİAŞ interconnection cost	-	1.798.423
TEİAŞ system operating fee	-	1.537.984
Other expenses	1.257.193	668.090
TOTAL	442.065.066	565.299.471



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

Cost of sales resulting from production activities is as follows:

	January 01- December 31, 2015	January 01- December 31, 2014
Usage of natural gas	102.804.599	107.951.410
Imbalance energy amount of TEİAŞ	12.837.028	18.643.395
TEİAŞ accepted load amount	6.441.064	11.193.959
TEİAŞ zero balance adjusting item	6.251.661	10.657.642
Maintenance expenses	6.155.748	5.666.506
Depreciation and amortisation	4.444.084	4.431.370
Personnel expense	2.853.084	2.193.783
TEİAŞ system usage fee	1.938.425	565
PFK liability transfer service cost	980.332	999.387
Insurance expense	719.365	401.820
The amount of debt of TEİAŞ DGP	660.509	1.248.908
TEİAŞ other expenses	594.329	602.540
TEİAŞ adjustments for previous period	429.818	-
TEİAŞ market operating fee	275.581	507.118
TEİAŞ system operating fee	48.054	113.003
TEİAŞ electric quality service cost	-	1.476.110
Other expenses	1.245.085	668.090
TOTAL	148.678.766	166.755.606

	January 01- December 31, 2015	January 01- December 31, 2014
Container cost	333.000	-
TOTAL	333.000	-

Cost of sales resulting from Hydro Power Plant electricity production is as follows:

	January 01- December 31, 2015	January 01- December 31, 2014
Depreciation and amortisation	288.621	-
Imbalance energy amount of TEİAŞ	110.981	-
Personnel expense	33.465	-
TEİAŞ other expenses	15.555	-
TEİAŞ market operating fee	1.960	-
TEİAŞ zero balance adjusting item	56	-
Other expenses	12.109	-
TEİAŞ system operating fee	100.406	-
TOTAL	563.152	-

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 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- December 31, 2015	January 01- December 31, 2014
GOP purchase price of the system	124.406.892	148.513.425
Distribution companies system usage cost	46.262.145	68.644.146
Yek receivable amount	26.011.047	10.486.360
Cost of energy trade from bilateral agreements	81.158.610	134.401.685
Reactive capacitive goods cost (-)	1.571.630	28.489
TEİAŞ other expenses	244.752	98.691
TEİAŞ adjustments for previous period	30.306	62.805
Electricity import	27.331	17.640.625
Distribution companies other expenses	1.297	-
TEİAŞ Interconnection Capacity Allocation Cost	-	1.798.423
TEİAŞ system usage and operating fee	-	61.310
Imbalance of group companies	-	39.150
TEİAŞ market operating fee	-	22.739
TOTAL	279.714.011	381.797.848

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

	January 01- December 31, 2015	January 01- December 31, 2014
Natural Gas Sales Cost	12.776.137	16.746.017
TOTAL	12.776.137	16.746.017

Bilateral Agreements Energy Cost of Trade Goods; Cost of Odaş Enerji's electricity purchase from producing companies out of system.

Distribution Companies Cost of System Usage Goods; Odaş Enerji 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.

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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

28. EXPENSES ACCORDING TO THEIR QUALIFICATIONS (Continued)

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 reconciled 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.

29. OTHER ASSETS AND LIABILITIES

Other current assets

	December 31, 2015	December 31, 2014
Income accruals(*)	24.391.026	21.179.651
Deferred VAT	16.312.769	6.722.723
Work advances	940.650	99.410
Advances given to personnel	233.089	130.487
Advances given to suppliers	54.658	1.313.922
TOTAL	41.932.192	29.446.193

(*) Information about Process of Income-Expense Accruals and Advances Given-Received

Odaş Enerji, 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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

29. OTHER ASSETS AND LIABILITIES (Continued)

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 Advances Taken Account and advances will be deducted by making out invoices.

Detail of income accruals are as below:

	December 31, 2015	December 31, 2014
Accrued electricity sales income	22.605.234	20.597.146
Accrued interest income of time deposit	268.912	40.077
Other accrued interest income	1.498.418	507.802
Other accrued income	18.463	34.626
TOTAL	24.391.026	21.179.651

Other Tangible Fixed Assets

	December 31, 2015	December 31, 2014
Given advances (*)	27.342.432	54.918.957
TOTAL	27.342.432	54.918.957

(*) The given advances as of 31.12.2015 includes expenses for Çan-2 thermal power plant in the amount of 26.372.151 TRY, expenses for Köprübaşı hydroelectric plant in the amount of 253.136 TRY, expenses for Yel Enerji mining site in the amount of 142.325 TRY and Anadolu Export's gold site in the amount of 570.120 TRY.

Other short term liabilities

	December 31, 2015	December 31, 2014
Accrued expenses (*)	25.802.224	16.469.288
TOTAL	25.802.224	16.469.288

(*)Accrued expenses details are as follows:

	December 31, 2015	December 31, 2014
Accrued electricity purchase cost	23.968.926	14.131.993
Accrued distribution company cost	1.636.847	2.249.674
Accrued interest	157.642	80.885
Other accrued expenses	38.809	6.736
Total	25.802.224	16.469.288

**ODAS**

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

30. EQUITY, RESERVES AND OTHER EQUITIES

Paid-in Capital

Paid-in Capital structure of the Company between December 31, 2015 and December 31, 2014 given on the following table:

Nominal capital of the company is 47.600.180 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

	December 31, 2015		December 31, 2014	
	Share Amount	Rate	Share Amount	Rate
Korkut Özal	7.500.000	%15,76	7.500.000	%15,76
A. Bahattin Özal	7.300.000	%15,34	7.300.000	%15,34
Burak Altay	7.300.000	%15,34	7.300.000	%15,34
BB Enerji Yatırım San. Ve Tic. A.Ş.	7.500.000	%15,76	7.500.000	%15,76
Public Share (*)	18.000.180	%37,80	18.000.180	%37,80
Paid-in Capital	47.600.180	%100	47.600.180	%100

The company's issued capital is 47.600.180 TRY and aforesaid issued capital is paid in cash and fully by means free collusion.

This capital is divided into two registered share with total 47.600.180 TRY. One is 3.000.000 TRY with nominal value, (A) share group and other is 44.600.180 TRY with nominal value, (B) share group.

The company has decided to arise existing 42.000.000 TRY capital to 50.500.000 TRY by adding 8.500.000 TRY by restricting the pre-emptive rights of existing shareholders with the Board of Director's decision 12.02.2015 dated and 2015/04 numbered. It is decided that increased 8.500.000 TRY nominal valued shares will be sold qualified investors rather than public offering.

Because the capital increase from 42.000.000 TRY to 47.600.180 TRY in the scope of approval 8.500.000 TRY nominal fees document with the decision of Capital Market Board 16.04.2015 dated and 10/491 numbered, issued 5.600.180 numbered shares with 1 TRY nominal value is sold in Borsa İstanbul A.Ş., 27.04.2015. The capital increase is registered in June 29, 2015.

Lot shares has been sold for total 400.000 shares consist of 200.000 number shares belongs to one of the company's partner Abdülkadir Bahattin Özal and 200.000 number shares belongs to company's partner Burak Altay in 26.05.2015.

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.

In the framework of this agreement's 7,8, and 10 articles (The Board of Directors, nominate to the Board, president and vice president elected, representing the company and right to vote in the General Assembly), (A) group shares has the right of determination of board member and use of the right to vote in the General Assembly. (B) group shares has no special rights and privileges.

In capital increases, to represent the increased capital (A) Group shares ratio to (A) Group share and (B) Group shares ratio (B) Group share will be issued. In capital increases, when board of directors decided to issue only (B) group, right to receive shares is given to (A) group the ratio of its capital.

The Board of Directors is authorized to take decisions to increase the issued share capital, limiting the right to buy new shares to be issued, preference shares to be issued and The issue of share issue premium by issuing new shares of (A) and / or (B) group up to the registered capital in accordance with Capital Market Law and Capital Market Board's regulations between the years 2014-2018. The shares representing the capital are monitored in records within the framework of dematerialization principles.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

30. EQUITY, RESERVES AND OTHER EQUITY (Continued)

Authority to restrict the right to buy new shares is not used in a manner to cause inequality among shareholders. New shares cannot be issued unless issued shares are fully sold.

When shares representing five per cent or more of the Company's capital with direct or indirect acquisition by a natural or legal person or as a result of the acquisition of shares that does not exceed five percent of the share capital of the entities belonging to a common or transfer of shares results of falling below ratio compared to above belonging to one common share EMRA approval will be received each time and required disclosures will be stated in accordance with the Capital Market Legislation. This provision also valid if the voting rights is acquisitioned.

Board of Directors is authorized to take decisions for not given approval to transfer and refusing from registration in the share register while transferring (A) group share within the framework of TTK 493 showing reason for carrying out company's goal and protection of independency of company. To transfer (B) group share will be traded in stock market can not be restricted.

Share Premium

The amount of 48.000.000 difference occurred as a result of selling of newly issued 12.000.000 shares offered to public higher price than nominal cost has been recognized as share premium. The amount of 2.865.131 TRY expenses for new issue shares and its public offer, in accordance with, have been deducted from share premium

Besides, The amount of 44.241.422 difference occurred as a result of selling of newly issued 5.600.180 shares offered to public higher price than nominal cost has been recognized as share premium. The amount of 1.182.229 TRY expenses for new issue shares and its process of issuance and selling, in accordance with, have been deducted from share premium and shown at equity.

	December 31, 2015	December 31, 2014
Share Premium	88.194.062	45.134.869
TOTAL	88.194.062	45.134.869

Actuarial gain / loss of funds

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

	December 31, 2015	December 31, 2014
Beginning period balance	27.756	105.555
Current year actuarial gains / (losses)	(77.799)	(77.799)
TOTAL	4.785	27.756

Previous Years' Profit/Loss

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

Retained earnings	December 31, 2015	December 31, 2014
Retained earnings/(loss)	34.488.467	14.428.699
Dividend Distribution (-)	(5.000.000)	-
Legal Reserves (-)	(639.252)	-
Transfers (-)	5.252.044	-
Period profit/(loss)	-	7.093.250
TOTAL	34.101.259	7.335.449

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

30. EQUITY, RESERVES AND OTHER EQUITY (Continued)

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 (Records according to Tax Procedure Law) or other reserves. Group has a decision which held in 25.05.2015 in General Assembly to distribute total 5.000.000 TRY gross dividend after leaving the legal provisions of 2014 profit as of 29.05.2015. Dividend payment has been carried out in June.

Legal Reserves

According to Turkish Commercial Code, legal reserves divided into two; I. and II. Legal Reserves. According to Turkish Commercial Code, primary reserve is 5% of statutory profit until reached 20% of paid capital. Secondary reserve is 10% of distributed profit which exceeds 5% of paid capital. According to Turkish Commercial Code, until legal reserves doesn't exceed 50% of paid capital, can be used just to clarify losses. There is no possibility to use in another way.

As of December 31, 2015, the amount of restricted reserves is 639.252 TRY. (31.12.2014: None). This all amount consist of legal reserves.

Minority Interest

Details of minority interest are shown below;

Minority Interest	December 31, 2015	December 31, 2014
Capital	(3.907.203)	(1.110.085)
Retained earnings/(loss)	(51.287)	161.216
Period profit/(loss)	813.226	28.626
TOTAL	(3.145.264)	(920.243)

The Affect Of Business Combinations Including Common Controlled Entity or Companies

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

According to decision, goodwill result from business combinations could not be existed on financial statements due to "pooling of interest" accounting method. Goodwill amount of 26.340.830 TRY result from acquisition of companies under common control was shown under equity on a offset account called "Affect of Business Combinations Including Common Controlled Entity or Companies".

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

30. EQUITY, RESERVES AND OTHER EQUITY (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.

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, 2013. 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 31 December 2015, 31 December 2014 and 31 December 2013. Business combinations under common control is added to consolidation since the beginning period of common control.

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
Odaş Enerji	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
Yel Enerji	-	(96.256)	96.256
Anadolu Export	-	(2.753)	2.753
Total	25.629.316	(711.514)	26.340.830

Other Equities

The other equities are shown as below;

	December 31, 2015	December 31, 2014
Other Equities	21.868.966	-
TOTAL	21.868.966	-

The Suda Maden purchase is evaluated within the scope of IFRS 3 Business Combinations-standard. This process has been determined an acquisition rather than a business combination transaction. The total amount paid for the asset and the difference amount consists of the between assets and liabilities are calculated by taking the book values of the company’s into account, the difference amount of 21.868.966 is recognised at equities.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

31. REVENUE AND COST OF GOODS SOLD

Details of sales are given below;

Revenue:

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	485.047.078	621.631.375
Free Consumer Electricity Sales	278.588.277	361.900.692
Electricity Sales income from TEİAŞ	186.573.144	207.545.509
Bilateral Agreements Electricity Sales	5.311.786	20.713.061
Sales to Group Companies	88.771	-
PFK Sales	-	13.927.102
Solar Energy Sales	141.400	109.058
GDDK Incomes	122.510	-
Distribution Companies Income from Natural Gas Sales	13.310.142	17.391.836
Other Incomes	911.050	44.118
Electricity Export Sales	-	691.304
Electricity Export Sales	-	691.304
Sales returns (-)	(132.902)	(785.163)
Total	484.914.175	621.537.517

The details of electricity sales from natural gas power plant are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	172.238.672	212.037.373
Electricity Sales income from TEİAŞ	171.173.701	197.706.585
Free Consumer Electricity Sales	-	294.555
Sales to Group Companies	88.770	-
PFK Sales	-	13.927.102
Solar Energy Sales	141.400	109.058
Other Incomes	834.800	-
Total	172.238.671	212.037.373

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

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	298.650.408	392.158.049
Free Consumer Electricity Sales	278.588.277	361.606.064
Electricity Sales income from TEİAŞ	14.627.836	9.838.924
Bilateral Agreements Electricity Sales	5.311.786	20.713.061
GDDK Incomes	122.510	-
Export Sales	-	691.304
Electricity Export Sales	-	691.304
Group Companies Sales Incomes	-	-
Sales returns (-)	(132.902)	(785.163)
Sales discounts (-)	-	-
Other Sales	-	44.118
Total	298.517.506	392.108.308

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

31. REVENUE AND COST OF GOODS SOLD (Continued)

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

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	13.310.141	17 .391.836
<i>Distribution Companies Income from Natural Gas Sales</i>	<i>13.310.141</i>	<i>17 .391.836</i>
Total	13.310.141	17 .391.836

The details of electricity sales from Hydroelectric Power Plant activity are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	771.607	-
<i>Teiaş/Epiaş Electricity Sales Income</i>	<i>771.607</i>	-
Total	771.607	-

The details of sales from container sales are shown below;

	January 01- December 31, 2015	January 01- December 31, 2014
Domestic sales	76.250	-
<i>Container Sales</i>	<i>76.250</i>	-
Total	76.250	-

Teiaş Electricity Sales; Market participant's sales made in market reconciled by PMUM (Market Financial Settlement Center) and sales arising from settlement center due to presence of the free market.

Free Consumer Electricity Sales; according to consumer limit is published by EMRA, sales made to all consumers within the definition of free consumer. (For example; While this limit is 4,500 kwh per year in 2014, it was taken 4,000 kwh per year in 2015)

Bilateral Agreements Electricity Sales; Physical or service sales to both wholesale companies or private manufacturing companies. Primary Frequency Control (PFC) contains service sales related with power plants liability in relevant legislations to transfer this liability to someone else.

Energy Imbalance; According to legislation, all imbalance receivables and payables are reconciled within responsible party when group companies are merged to create balance group. The responsible party for the balance distributes this amount of compensation to group members. Group imbalance items contains the amount of positive imbalance receivables, negative imbalance payables and zero balance payable/receivable.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 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, - December 31, 2015 period are as follow;

Title	Ratio
Türkiye Elektrik İletim A.Ş.	54%
Enerji Piyasaları İşletme Anonim Şirketi	30%
Limak Yatırım Enerji Üretim İşl.Hiz.Ve İnş.A.Ş.	2%
Boyabat Elektrik Üretim Ve Tic.A.Ş.	2%
Egemen Elektrik Üretim A.Ş.	2%
Bosen Enerji Elektrik Üretim A.Ş.	1%
İc İçtaş Bağıştaş Enerji Üretim Ve İşletme A.Ş.	1%
Sanko Enerji Sanayi Ve Ticaret A.Ş.	1%
Age Denizli Doğalgaz Elektrik Üretim A.Ş.	1%

List of firms from electricity sales from Hydroelectric Power Plant activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
Enerji Piyasaları İşletmeleri A.Ş.	100%

List of top ten firms of wholesale activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
İkitelli Organize Sanayi Bölgesi Başkanlığı	42%
Vodafone Telekomünikasyon A.Ş.	31%
Türkiye Elektrik İletim A.Ş.	3%
Enerji Piyasaları İşletme A.Ş.	2%
Bir Enerji Elektrik Toptan Satış İth.İhr.A.Ş.	2%
Albaraka Türk Katılım Bankası A.Ş.	1%
Pamukkale Kablo Sanayi Ve Ticaret A.Ş.	1%
Buyaka 2 Site Yönetimi	1%
S.S. İst. Anadolu Yakası Doğrama Ve Mobilyacılar	1%
Türk Hava Yolları A.O.	1%

List of the companies according to natural gas sales of wholesale activity between January 1, - December 31, 2015 period are as follow;

Title	Ratio
Botaş-Boru Hatları İle Petrol Taşıma Aş.	43%
Doğal Enerji İthalat A.Ş.	38%
Cengiz Enerji San. Tic. A.Ş.	9%
Other Companies	10%

Cost of goods sold consists of following;

	January 01- December 31, 2015	January 01- December 31, 2014
Cost of goods sold (production)	149.381.240	166.755.606
Cost of goods sold (trade)	292.490.148	398.543.865
Other costs	193.678	-
TOTAL	442.065.066	565.299.471

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

32. CONSTRUCTION CONTRACTS

(None, December 31, 2014.)

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

	January 01- December 31, 2015	January 01- December 31, 2014
Marketing, sales and distribution expenses	1.841.606	1.516.724
General administration expenses	9.200.406	5.978.590
TOTAL	11.042.012	7.495.314

Marketing, sales and distribution expenses

Details of marketing, sales and distribution expenses according to their nature between 1 January - 31 December , 2015 and 1 January - 31 December, 2014 periods are like below;

	January 01- December 31, 2015	January 01- December 31, 2014
Personnel expense	974.239	983.062
Electricity sales commission expense	382.615	158.085
Consultancy expenses	65.162	61.602
Other expenses	33.591	48.080
Advertising expense	4.392	25.234
Annual license costs	127.138	58.273
Shipping expense	133.384	141.373
Travel expenses	-	2.139
Tax expense	27.137	32.059
Fuel expense	26.670	6.818
Car rent expense	67.275	-
TOTAL	1.841.606	1.516.724



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

33. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Continued)**General Administration Expenses**

Details of general administration expenses according to their nature 1 January – 31 December 2015, and 1 January – 31 December 2014, periods are as below;

	January 01- December 31, 2015	January 01- December 31, 2014
Personnel expense	4.352.487	2.785.311
Office rent expense	1.410.408	799.843
Consultancy expense	636.379	518.565
Amortization (Note:14,17)	689.191	378.738
Tax expenses	384.531	315.750
Travel expenses	178.584	134.095
Sharing common expenses	-	616
Shipping expense	29.294	12.625
Dues contribution share	191.037	112.879
Provision for unused vacation (Note:27)	106.352	53.591
Notary expense	68.095	59.703
Severance payment provisions	12.523	19.775
Fuel expense	50.902	47.785
Insurance expense	413	10.176
Representation and hospitality expenses	66.868	80.729
Accounting and Financial Advisor expenses	313.467	210.739
Declaration and Agreement Stamp Tax	621	-
Other expenses	709.253	437.668
TOTAL	9.200.406	5.978.590

There is no Research and Development Expenses belong to date of 1 January - 31 December 2015 and 1 January - 31 December 2014.

34. OTHER OPERATIONAL INCOME AND EXPENSE**Other Operational Income**

	January 01- December 31, 2015	January 01- December 31, 2014
Rediscount interest income	4.548.351	1.318.606
Exchange rate income	7.676.838	3.323.239
Prior Year Revenues and Profits	129.856	21.574
Other Income and Profits related to operations	1.691.291	2.224.017
Cancellation of provisions for doubtful receivables (Note:7)	-	129.274
Other Extraordinary Income	104.624	124.237
TOTAL	14.150.960	7.140.947

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 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- December 31, 2015	January 01- December 31, 2014
Exchange rate expense	4.363.492	1.917.939
Provision Expenses (Note:7)	132.405	-
Rediscount interest expense	2.284.922	1.197.464
Other Extraordinary Expenses and Losses	1.106.454	1.865.387
Prior Period Expenses and Losses	879.466	2.696.034
Other Ordinary Expenses and Losses	839.643	1.170.729
Idle Capacity Expenses and Losses	932.871	166.517
TOTAL	10.539.254	9.014.069

35. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES**Revenues from investing activities**

	January 01- December 31, 2015	January 01- December 31, 2014
Gain on sale of fixed assets	44.949	57.562
TOTAL	44.949	57.562

(*) Income arising from selling fixed assets (vehicles) in relevant period.

36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES

Details of expenses according to principle types as of 31 December 2015, and 31 December 2014, periods are like below;

	January 01- December 31, 2015	January 01- December 31, 2014
Depreciation and amortization expense		
Cost of sales	4.732.705	4.431.370
General administration expenses	689.191	378.738
Idle Capacity Expenses and Losses	1.037.557	-
TOTAL	6.459.453	4.810.108

	January 01- December 31, 2015	January 01- December 31, 2014
Personnel expenses		
Cost of sales	2.886.549	2.193.783
General operating expenses	4.352.487	2.785.311
Marketing, sales and distribution expenses	974.239	983.062
TOTAL	8.213.275	5.962.156

	January 01- December 31, 2015	January 01- December 31, 2014
Insurance expenses		
Cost of sales	980.332	999.387
General administration expenses	413	10.176
TOTAL	980.745	1.009.563

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

36. EXPENSES CLASSIFIED BY PRINCIPLE TYPES (Continued)

	January 01- December 31, 2015	January 01- December 31, 2014
Consultancy expenses		
Marketing, sales and distribution expenses	65.162	61.602
General administration expenses	636.379	518.565
TOTAL	701.541	580.167

37. FINANCIAL EXPENSE AND INCOME**Financial Income**

	January 01- December 31, 2015	January 01- December 31, 2014
Interest income	8.980.465	4.359.008
Rediscount interest income	2.771.914	-
Gain on sale of marketable securities	8.863	18.508
Foreign exchange gain	20.749.100	13.689.445
TOTAL	32.510.342	18.066.961

Financial Expense (-)

	January 01- December 31, 2015	January 01- December 31, 2014
Loss on sale of marketable securities	97.140	12.704
Foreign exchange losses	46.224.446	3.272.553
Interest and commission expense	22.932.778	27.606.954
TOTAL	69.254.365	30.892.211

38. ANALYSIS OF OTHER COMPREHENSIVE INCOME

Details of other comprehensive income/(expense) as of December 31, 2015 and December 31, 2014 periods are as below;

	January 01- December 31, 2015	January 01- December 31, 2014
Not reclassified on gain/(loss)		
Actuarial gains/(loss) (Note:27)	28.714	(97.249)
Deferred tax revenue/(expense) (Note:40)	(5.743)	19.450
TOTAL	22.971	(77.799)

39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Share transfer agreement was signed with FERRIT S.R.O (Czech Republic) on 29 June 2015, regarding the selling of all stocks which company has 80 percent of Ena Elektrik Üretim Ltd. Şti in group portfolio. Transfer of shares has not been realized yet, will be held after licensing process by EMRA. As of December 31 2015, Ena Elektrik Üretim Ltd. Şti is classified as assets held for sale. As of 31 December 2015, the net asset value of Ena Elektrik is 662.669 TRY.

The sale process is evaluated as discounted operations in accordance with TFRS 5 standard "Fixed Assets Held for Sale and Discounted Operations" and net profit/loss arising from Ena Elektrik Üretim Ltd. Şti's operations in 31.12.2015 is classified as income and expenses related discounted operations in the 01.01.2015 - 31.12.2015 consolidation profit or loss and comprehensive income statement. Toward this application the same classification is made in the 31.12.2014 profit or loss and comprehensive income statement.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

39. FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

Comparatively income statement of Ena Elektrik Üretim Ltd. Şti is as follow;

	January 01- December 31, 2015	January 01- December 31, 2014
Incomes	26.926	56.048
Expenses (-)	(28.319)	(29.872)
Period income before tax	(1.393)	26.176
Tax (-)	3.479	697
Period Net Profit/Loss	1.669	26.873

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

Tax expense/income in comprehensive income statement for periods ended at 31 December 2015 - 31 December 2014, is like below:

	December 31, 2015	December 31, 2014
Tax expense for the period	(31.495)	(3.991.525)
Deferred tax income/ expense	(64.837)	(3.012.880)
Deferred tax reflected in equity (*)	(5.743)	(19.450)
Deferred Tax Income /Liability	102.075	(7.023.855)

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

Current Tax

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

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

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

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.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

40. TAXATION ON INCOME (Continued)

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.

Current period tax assets:

The details of current period tax assets at 31 December 2015 - 31 December 2014, is like below

	December 31 2015	December 31 2014
Prepaid taxes and funds (*)	71.113	53.653
Total	71.113	53.653

(*) Current period tax assets is a tax assets related to group that has no corporate tax base in relevant years but has prepaid advance tax and stoppage in year or to companies that have prepaid advance tax and stoppage more than corporate tax base.

Current period tax expense:

Period profit and calculation as of 31 December 2015 - 31 December 2014, is like below

	December 31, 2015	December 31, 2014
Profit/loss before tax	156.567	37.099.552
Non-deductible expenses	910	164.014
To be offset prior year losses	-	(17.305.941)
Corporate tax base	157.477	19.957.625
Tax Expense For The Period (*)	31.495	3.991.525

(*) Regarding 2015 period tax expenses in the amount of 31.495 TRY consist of group's subsidiaries of Odaş Doğalgaz tax expense regarding 2015 year.

Due to the absence of the tax base in the parent company and other subsidiaries (absence of tax base, if there is financial loss for period or companies in which financial profit after deduction of previous years' losses) tax expense is not calculated.

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%.

Turkish tax legislation makes possible that the main partner of company can organize tax statement via financial statement of its consolidated subsidiaries and affiliates. Therefore, with company has deferred tax assets and company has deferred liabilities are not net off their tax position. It is stated separately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of 31 December 2015 - 31 December 2014 in the following manner;

	December 31, 2015	December 31, 2014
Deferred Tax Assets	1.960.380	1.343.167
Deferred Tax Liabilities	(12.066.332)	(10.342.539)
Total	(10.105.952)	(8.999.372)

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 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 December 31, 2015, and December 31, 2014 is as below:

Deferred Tax Assets / (Liabilities)	Accumulated Temporary Differences		Tax Rate	Deferred Tax Assets / (Liabilities)	
	31.12.2015	31.12.2014		31.12.2015	31.12.2014
Accrued Financial Losses	17.929.430	3.770.150	20%	3.585.886	754.030
Fixed Assets	(70.501.905)	(49.197.725)	20%	(14.100.381)	(9.839.545)
Severance Indemnities and Provisions	168.385	(33.383)	20%	33.677	(6.677)
Rediscount	339.210	(238.565)	20%	67.842	(47.713)
Doubtful Receivables	536.070	403.665	20%	107.214	80.733
Establishment and Formation Expenses	11.565	11.565	20%	2.313	2.313
Prepaid Expenses	-	30.030	20%	-	6.006
Provisions for Other Payables and Expenses	1.204.140	111.515	20%	240.828	22.303
Expense Accrual	(216.655)	145.890	20%	(43.331)	29.178
	(50.529.760)	(44.996.858)		(10.105.952)	(8.999.372)

The deferred tax assets and liabilities of Odaş and its subsidiaries as of December 31, 2015, and December 31, 2014, is like below;

Odaş Deferred Tax Assets / Liabilities	31.12.2015	31.12.2014
Opening balance	(9.349.413)	(5.926.677)
Current year deferred tax gain/(expense)	(1.551.218)	(3.414.531)
Deferred tax reflected in shareholders' equity	(1.901)	(8.204)
Deferred Tax Assets / (Liabilities)	(10.902.532)	(9.349.413)
Subsidiaries Deferred Tax Assets / Liabilities	31.12.2015	31.12.2014
Balance from the previous period, the deferred tax	350.041	(41.062)
Subsidiary removed from consolidation transferee deferred tax	(539)	-
Purchased Company prior period deferred tax	(844.779)	-
Current year deferred tax income / (expense)	1.273.534	402.348
Deferred tax in equity	18.324	(11.245)
Deferred Tax Assets / (Liabilities)	796.582	350.041

Balances related to subsidiaries' deferred tax assets and liabilities as of December 31, 2015, and December 31, 2014, is like below;

Subsidiaries Deferred Tax Assets	31.12.2015	31.12.2014
Odaş Doğalgaz Toptan Sat. San. ve Tic. A.Ş.	231.429	143.902
Odaş Enerji Elektrik Perakende Satış A.Ş.	1.004.607	1.198.550
Ena Elektrik Üretim Ltd. Şti.	-	539
YS Madencilik San. Tic. Ltd. Şti.	-	176
Küçük Enerji İnşaat Ltd. Şti.	705.607	-
Çan Kömür ve İnşaat A.Ş.	18.736	-
Deferred Tax Assets	1.960.380	1.343.167



ODAS

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

40. TAXATION ON INCOME (Continued)

Subsidiaries Deferred Tax Liabilities	31.12.2015	31.12.2014
Ağrı Elektrik Üretim San. A.Ş.	(48.802)	(2.671)
Çan Kömür ve İnşaat A.Ş.	-	(881.226)
Hidro Enerji Elektrik Üretim San. A.Ş.	(3.135)	(1.104)
Küçük Enerji Üretim ve Ticaret Ltd. Şti.	-	(70.030)
Anadolu Export Maden Sanayi ve Ticaret A.Ş.	(9.643)	-
Yel Enerji Elektrik Üretim San. A.Ş.	(77.654)	(38.096)
YS Madencilik San. Tic. Ltd. Şti.	(4.010)	-
Suda Maden A.Ş.	(1.020.556)	-
Deferred Tax Liabilities	(1.163.800)	(993.127)

The distribution of accumulated financial losses and amortization period by years as of December 31, 2015, and December 31, 2014, is like below;

Amortization Date	December 31, 2015		December 31, 2014	
	Recorded Part	Unrecorded Part	Recorded Part	Unrecorded Part
2016	-	23.720	-	43.088
2017	-	177.412	-	40.424
2018	999.855	1.107.620	-	362.670
2019	3.263.107	12.014.473	754.030	12.594.149
2020	13.666.470	17.478.051	-	-
	17.929.432	30.801.277	754.030	13.040.331

Subsidiaries have deductible tax losses that can be net off from taxable income for the next period (oncoming 5 years) as of balance sheet date, is shown above table. Deferred tax assets consisting of tax losses which was predicted to be unusable losses is not recorded.

Odaş Enerji Perakende Satış Dış Tic. A.Ş., one of the subsidiaries has deductible losses, only expects profit in 2016. In the projections, 852.592 TRY useable financial loss is recorded as tax asstes over the total 4.262.962 TRY taxable profit. The subsidiary has 999.885 TRY financial loss transferred from 2013 and will be ended in 2018 and 11.754.761,60 TRY financial loss transferred from 2014 and will be ended in 2019.

In the projections of Küçük Enerji which has useable financial loss expects profit in 2016, the amount of 223.972 TRY useable financial loss is recorded as tax asstes over the total 1.119.859 TRY taxable profit. The subsidiary has 1.119.829 TRY financial loss transferred from 2015 and will be ended in 2020.

The main partner, Odaş Elektrik Üretim San. Tic. A.Ş. has resulted 36.722.254,70 TRY tax base in 2014, 17.074.623,78 TRY Accumulated Financial Loss was not recorded deferred tax assets in the pervious period has been set off from tax base.

In the projections of Odaş elektrik which has useable financial loss expects profit in 2016, the amount of 2.509.322 TRY useable financial loss is recorded as tax asstes over the total 12.546.611 TRY taxable profit. The subsidiary has 12.546.611 TRY financial loss transferred from 2015 and will be ended in 2020.

Besides, the subsidiary of Çan Kömür has useable reduced corporate tax related investment incentive certificate which details are given "23. Government Incentives".

The investment of Çan Kömür is on stage II but because investment involves primary investment subjects according to fifth article of special conditions of investment incentive certificate, it will take advantage from 5. Zone support. Accordingly, the investment contribution rate is 40% and Reduced Corporate Tax is 80%.

This means, company can benefit the amount of 64.822.544 TRY (40% of total investment which is 162.056.360 *40%) reduced corporate tax related investment gain. If it used as advance, reduced corporate tax can bu used until 50% of total investment until investment is done. Tax deduction to be applied will be 16% (20%*0,80).

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

40. TAXATION ON INCOME (Continued)

If company has gain from other operations related those amounts, it can benefit from advance reduced corporate tax. However, Çan Kömür has no other gain to benefit from advance reduced corporate tax. The only operation is to mine coal and use it in thermic power plant. The company has just been investment stage.

To acceptance Çan Kömür starts investment, it will be needed 5 million TRY investment spending in the scope of incentive certificate and recorded to investment certificate by applying Ministry. Because the investment has not been completed yet, there is even no partially operations regarding investment, gain obtained from investment is not certain and there is not other gain to use advance reduced corporate tax, when there is gain from investment, the useable reduced corporate tax will be reflected to financial statements as assets when the date of investment is done or partially operated. Besides, there are things may cause risk in deferred tax assets like transfer, selling of investment before completed.

41. EARNING PER SHARE

	December 31, 2015	December 31, 2014
Net profit /(loss)	(561.708)	27.153.015
Weighted average number of ordinary share	44.333.408	42.000.000
Profit/(loss) per share with nominal value of 1 TRY	(0,012670)	0,646500

42. SHARE-BASED PAYMENT

None. (None, 31 December 2014.)

43. INSURANCE CONTRACTS

None. (None, 31 December 2014.)

44. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

None. (None, 31 December 2014.)

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 2014)



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

47. FINANCIAL INSTRUMENTS**Short-Term Financial Liabilities**

	December 31, 2015	December 31, 2014
Bank loans	65.157.661	61.555.163
Finance lease liabilities (*)	1.423.261	1.263.629
Deferred lease costs (-) (**)	(152.147)	(180.547)
Installments of principal and interest of loans	48.977.830	41.921.271
Short-Term Financial Liabilities - Net	115.406.605	104.559.516

Long-Term Financial Liabilities

	December 31, 2015	December 31, 2014
Bank loans	247.394.701	131.772.746
Finance lease liabilities (*)	3.870.426	4.699.954
Deferred lease costs (-) (**)	(352.678)	(528.673)
Long-Term Financial Liabilities - Net	250.912.449	135.944.026

(*)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.

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

As of December 31, 2015 redemption schedule of long-term loan liabilities are as follows:

Liabilities Long-Term Loans	December 31, 2015
2017	43.339.511
2018	26.521.869
2019	23.522.989
2020	13.109.903
2021	4.112.851
2022	3.176.573
2023	1.286.119
Çan Kömür (*)	132.324.886
Toplam	247.394.701

(*) Çan Kömür's total 132.324.966 TRY loan has revised into the long term situation.

As of December 31, 2015 redemption schedule of long-term finance lease liabilities is as follows:

Payment Year	Finance Lease Obligations	Deferred Financial Leasing Costs
2016	1.423.261	152.147
2017	1.423.261	169.799
2018	978.865	108.465
2019	978.865	61.793
2020	489.439	12.623
Total	5.293.690	504.824

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

47. FINANCIAL INSTRUMENTS (Continued)

Other Financial Liabilities

	December 31, 2015	December 31, 2014
Other financial liabilities (*)	7.769	3.336
Total	7.769	3.336

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

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

	Annual Interest Rate %		Exchange Value		TRY	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
TRY Loans	10-13%	11-15%	-	-	65.157.661	61.555.163
Short-term Loans			-	-	65.157.661	61.555.163
EURO Loans	3%-6,50%	6%-9%	13.517.451	14.264.680	42.953.052	40.236.383
USD Loans	6,50%	6%-9%	2.072.079	712.689	6.024.778	1.652.655
TRY Loans	10%-13%	11%-15%	-	-	-	32.234
Short-term payments and interests of loans			-	-	48.977.830	41.921.271
Total short-term loans			-	-	114.135.491	103.476.435
EURO Loans	3%-6,50%	6%-9%	69.105.674	38.543.901	219.590.190	108.720.781
USD Loans	6,50%	-	9.562.702	9.940.905	27.804.511	23.051.965
TRY Loans	10%-13%	11%-15%	-	-	-	-
Total long-term loans			-	-	247.394.701	131.772.746

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Capital Risk Management

While group tries to ensure the continuity of its activities , on the other hand, aims to increase its profitability by using the optimization of the debt and equity balance.

The capital structure of the group consist of; borrowings includes financial payables stated at note:47, cash and cash equivalents stated at note:53 and equity instruments contain prepaid capital, capital reserves, profit reserves and retained earnings.

The risks associated with each class of capital with the capital cost are evaluated by senior management. The management aims to balance structure of capital via obtain new payable or repayment of existing debt or dividend payments, issued new shares based on its evaluation.

Group used long-term USD and EURO loan for investments. Group is trying to minize short-term loan liability by equivalent debt structure to holding period of existing investment. Regarding used EURO and USD loan if it is used as TRY , the risks are recorded as stated note:37.

Group analyses equity according to leverage ratio which is consistent with other companies. Aforesaid ratio is calculated by dividing net debt to total equity. Net debt (the current and non-current loan as shown in the balance sheet) is obtained by subtracting cash and cash equivalents from total loans.

Group management aims to reach a higher level profit and equity in order to manage existing debts.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Group's current period capital risk management strategy does not differ compared to previous periods .

b) Financial Risk Factors

Group is exposed to market risk (exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk) credit risk and liquidity risk due its operations. The Group's overall risk management program focus on the minimize the impact of uncertainty in financial markets on group's potential financial performance.

b.1) Credit risk

The risk of financial loss to group due to default of agreement of one of the parties is defined as credit risk. The Group has operations only dealing with creditworthy counterparties and try to reduce the risk of credit by obtaining sufficient collateral where possible. Credit risk and customers credit ratings that group exposure to them are continuously monitored.

Credit evaluations are performed continuously over the balance of customers' trade receivables.

Credit risk exposure as types of financial instruments are shown in the table below.

December 31, 2015	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	-	69.917.236	7.955.572	11.162.881	61.535.260	-	20.249.716
- Maximum amount of risk exposed - Part of the risk covered by guarantees	-	3.313.475	-	-	-	-	-
A. Net value of financial assets neither due nor impaired	-	62.077.466	7.955.572	11.162.881	61.535.260	-	20.249.716
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	4.526.295	-	-	-	-	-
D. Net book value of Impaired assets	-	536.072	-	-	-	-	-
- Past due (gross book value)	-	(536.072)	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

* In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Aging of assets that is overdue but is not impairment as follows;

December 31, 2015	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	-	3.817.817	-	-	-	-	-
Overdue 1-3 months	-	172.437	-	-	-	-	-
Overdue 3-12 months	-	536.041	-	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue above 5 years	-	-	-	-	-	-	-
Part covered by guarantess	-	-	-	-	-	-	-
Total		4.526.295					

Credit risk exposure as types of financial instruments are shown in the table below.

December 31, 2014	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E) *	-	28.837.979	5.119.864	297.241	70.766.388	-	59.681.633
- Maximum amount of risk exposed - Part of the risk covered by guarantees	-	284.064	-	-	-	-	-
A. Net value of financial assets neither due nor impaired	-	25.115.774	5.119.864	297.241	70.766.388	-	59.681.633
B. Conditions renegotiated, otherwise to be classified as past due or impaired	-	-	-	-	-	-	-
C. Past due but not impaired	-	3.438.141	-	-	-	-	-
D. Net book value of Impaired assets	-	-	-	-	-	-	-
-Past due (gross book value)	-	403.667	-	-	-	-	-
- Impairment (-)	-	(403.667)	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part covered by guarantess	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

* In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Aging of assets that is overdue but is not impairment as follows;

December 31, 2014	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Overdue 1-30 days	-	2.323.330	-	-	-	-	-
Overdue 1-3 months	-	910.007	-	-	-	-	-
Overdue 3-12 months	-	204.804	-	-	-	-	-
Overdue 1-5 years	-	-	-	-	-	-	-
Overdue above 5 years	-	-	-	-	-	-	-
Part covered by guarantess	-	-	-	-	-	-	-
Total		3.438.141					

Risk control for customers are not secured by collateral, financial position for the customers, past experience and other factors, taking into account, individual limits are determined results from customer credit quality of the evaluation and the use of credit limit is regularly monitored.

The details of credit quality for receivables that is not due, is not subject to impairment and conditions have been met again.

	December 31, 2015	December 31, 2014
Group 1	677.651	214
Group 2	56.109.518	30.483.482
Group 3	7.817.545	49.183
Total	64.604.713	30.532.879

Group 1 – New customers (less than 3 months)

Group 2 – Existing customers have no default in the previous years (customer exist more than 3 months)

Group 3 – Existing customers have default in the previous years but collection is done although delayed.

b.2) Liquidity Risk

Main responsibility relevant with liquidity risk management belongs to Board of Directors. The board short of the Group management has built an appropriate liquidity risk management for medium and long term funding and liquidity requirements. The Group manages liquidity risk by following forecast and actual cash flows regularly and ensuring the continuation of adequate of funds and reserves by matching the maturity profiles of financial assets and liabilities.

In this context, taken care to compitable maturity of receivables and payables, net working capital management objectives are being put in order to protect short-term liquidity and kept at a certain level of balance sheet ratios.

Medium and long- term liquidity management is done according to the group's cash flow projections based on the dynamics of financial markets and industry, cash flow cycle is monitored and tested according to various scenarios.

The following table shows the maturity of the Group's derivative financial liabilities. Non-derivative financial liabilities are required to be paid at the earliest date and is based on an undiscounted. Payable interest over aforesaid liabilities included in the table below. The amounts when receivables or payables are not constant is determined by using interest rate acquired reporting date yield curve.

Liquidity risk table regarding derivate and non-derivate financial liabilities is presented below.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.12.2015

Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Non-derivate financial Liabilities	425.477.154	446.475.841	110.509.026	194.350.038	128.693.858	12.922.919
Bank loans	364.065.062	385.063.748	88.312.183	159.012.805	124.815.841	12.922.919
Financial leasing liabilities	5.319.317	5.319.318	737.261	711.630	3.870.426	-
Trade payables	53.481.184	53.481.184	20.517.229	32.963.623	333	-
Other payables	2.611.591	2.611.591	942.354	1.661.979	7.258	-
Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Derivate financial Liabilities (Net)	-	-	-	-	-	-
Derivate cash inflows	-	-	-	-	-	-
Derivate cash outflows	-	-	-	-	-	-

31.12.2014

Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Non-derivate financial Liabilities	223.712.761	253.898.433	61.176.528	27.151.298	156.050.715	9.519.893
Bank loans	173.722.844	203.908.516	19.586.817	23.451.474	151.350.333	9.519.893
Financial leasing liabilities	5.963.583	5.963.583	631.815	631.815	4.699.954	-
Trade payables	39.720.320	39.720.320	37.717.381	2.002.939	-	-
Other payables	4.306.014	4.306.014	3.240.515	1.065.071	428	-
Terms according to agreement	Book Value	Total of cash outflows according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 Years (IV)
Derivate financial Liabilities (Net)	-	-	-	-	-	-
Derivate cash inflows	-	-	-	-	-	-
Derivate cash outflows	-	-	-	-	-	-

b.3) Market Risk

Market risk is the risk of fluctuations of fair value of financial liabilities due to changes occurring in market prices or future cash flows will adversely affect the business.

These, foreign currency risk, interest rate risk and financial instruments or commodity price changes risk.

In the current year, there is no change on market risk that group exposed or methods that management or measurement of exposed risk.



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b.3.1) Foreign Currency Risk Management

Transactions denominated in foreign currencies causes exchange rate risk. These risks are monitored and classified by analysis of foreign currency position.

The distribution of monetary and non-monetary assets and liabilities in terms of foreign currency are as follows:

Currency Position

	31.12.2015					31.12.2014				
	TRY (Functional Currency)	USD	EURO	GBP	TRY	USD	EURO	GBP		
1. Trade Receivables	-	-	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash and cash equivalents)	1.972.323	649.035	26.242	419	51.973.429	2.848.786	16.083.254	375		
2b. Non-monetary financial assets	13.133	205	3.945	-	852.280	-	302.152	-		
3. Other	38.373	-	-	8.922	-	-	-	-	-	-
4. Current Assets (1+2+3)	2.023.828	649.240	30.187	-	52.825.710	2.848.786	16.385.406	375		
5. Trade Receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	44.300.026	-	15.705.330	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Non-current assets (5+6+7)	0,00	0,00	0,00	0,00	44.300.026	-	15.705.330	-		
9. Total Assets (4+8)	2.023.828	649.240	30.187	9.342	97.125.735	2.848.786	32.090.737	375		
10. Trade payables	3.857.971	11.807	1.203.311	-	4.277.902	116.830	1.420.564	-		
11. Financial Liabilities	50.860.043	1.696.521	14.453.437	-	3.635.461	169.980	1.149.110	-		
12a. Monetary financial liabilities	290.760	100.000	-	-	-	-	-	-		
12b. Non-monetary financial liabilities	-	-	-	-	-	-	-	-		
13. Short Term Liabilities (10+11+12)	55.008.774	1.808.328	15.656.747	0,00	7.913.363	286.810	2.569.674	-		
14. Trade Payables	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	251.061.682	9.933.948	69.919.982	-	176.123.634	10.470.000	53.832.294	-		
16a. Other monetary liabilities	-	-	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	251.061.682	9.933.948	69.919.982	0,00	176.123.634	10.470.000	53.832.294	-		
18. Total Liabilities (13+17)	306.070.456	11.742.275	85.576.730	0,00	184.036.997	10.756.810	56.401.968	-		
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)	(304.046.628)	(11.093.035)	(85.546.543)	9.342	(86.911.262)	(7.908.024)	(24.311.231)	375		
21. Net asset/liabilities position of foreign currency monetary items. (=1+2a+5+6a-10-11-12a-14-15-16a)	(304.098.134)	(11.093.241)	(85.550.488)	419	(132.063.568)	(7.908.024)	(40.318.714)	375		
22. Fair Value of Financial Instruments used for foreign Exchange Hedge	-	-	-	-	-	-	-	-		
23. Export	-	-	-	-	-	-	-	-		
24. Import	0,00	0,00	0,00	0,00	44.300.026	-	15.705.330	-		

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group is mainly exposed to USD and EURO exchange rate risk.

The table below shows the Group's US dollar and Euro exchange rate and a 20% increase in sensitivity to a decrease. 20% rate is the rate used by senior management when reporting foreign currency risk the expected rate in question refers to a possible change in foreign exchange rates. The sensitivity analysis covers only the period at the end of the open foreign currency denominated monetary items and shows the effects of changes in exchange rates of 20% at the end of the period of aforesaid items. Stated positive increase in Positive value, profit / loss and other equity items.

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
31.12.2015				
	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	(13.311.642)	13.311.642	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	(13.311.642)	13.311.642	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(102.655.851)	102.655.851	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(102.655.851)	102.655.851	-	-
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	11.210	(11.210)	-	-
8- Part of hedged protected from other currency risk (-)	-	-	-	-
9- Net Effect of GBP (7+8)	11.210	(11.210)	-	-
TOTAL (3+6+9)	(115.956.284)	115.956.284	-	-

December 31, 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	(9.489.629)	9.489.629	-	-
2 - Amount hedged for USD risk (-)	-	-	-	-
3- Net Effect of U.S. Dollar (1+2)	(9.489.629)	9.489.629	-	-
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(29.173.477)	29.173.477	-	-
5 - Amount hedged for EUR risk (-)	-	-	-	-
6- Net Effect of EURO (4+5)	(29.173.477)	29.173.477	-	-
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)	(38.662.656)	38.662.656	-	-

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b.3.2) Interest rate risk management

Leading to fluctuations in the fair value of financial instruments or future cash flows by changes in market interest rates cause the necessity of dealing with interest rate risk of the Group.

Hedging is evaluated as regular in order to be compatible with interest rate expectations and defined risk. Thus, it is aimed that the creation of optimal hedging strategy, reviewing of the balance sheet and keeping interest expenses under control at different interest rates.

b.3.3) Price Risk

Because there are no share certificates as classified trading financial assets at group's financial statement, price is not available. (31.12.2014: None)

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.

The fair value of financial assets and liabilities are determined as follows:

First Level: Financial assets and liabilities are appricated from stock price traded in active market for similiar assets and liabilities.

Second Level: Financial assets and liabilities are appricated from inputs used determining observable price in the market as direct or indirect with the exception of the price is stated in first level.

Third Level: Financial assets and liabilities are appricated from inputs based on unobservable data in the market in determining the fair value of an asset or liability.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

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

Level classification of financial instruments with fair value is as follows;

Because there are no financial assets with its fair value, are not included level classification table.

31.12.2015

	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	-	61.572.253	-	-	61.572.253	53
Trade receivables	-	66.603.761	-	-	66.603.761	6-7
Other receivables	-	19.699.710	-	-	19.699.710	6-9
Financial Liabilities						
Financial payables				366.326.823	366.326.823	47
Trade payables	-	-	-	54.501.328	54.501.328	6-7
Other payables	-	-	-	6.843.082	6.843.082	6-9

31.12.2014

	Financial Assets with Fair Value	Loans and Receivables (Includes Cash and Cash Equivalent)	Financial Assets Available for Sale	Financial Liabilities with Amortized Value	Book Value	Notes
Financial Assets						
Cash and Cash Equivalent	-	70.907.968	-	-	70.907.968	53
Trade receivables	-	28.553.915	-	-	28.553.915	6-7
Other receivables	-	5.417.105	-	-	5.417.105	6-9
Financial Liabilities						
Financial payables	-	-	-	240.506.879	240.506.879	47
Trade payables	-	-	-	39.552.629	39.552.629	6-7
Other payables	-	-	-	3.963.524	3.963.524	6-9

The Group's management believes that the recorded values of financial instruments reflects their fair values.

Derivative Financial Instruments (Futures Agreements)

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

50. SUBSEQUENT EVENTS

1) Regarding the Çan-2 Thermic Power Plant will be 330 MW installed power, the physical progress rate of the investment has reached 40,96% level as of November,2015.

In parallel with the investment development process, one of the most important equipment in terms of environmental awareness "Flue Gas Treatment Systems (FGD)" is to be manufactured according to the latest technology. In this context, one of the world's largest and most experienced company General Electric (GE) (Alstom Power SPA) has been preferred.

2) Once again, regarding the Çan-2 Thermic Power Plant License Certificate is submitted to Çan Kömür ve İnşaat A.Ş. on 08.02.2016 by approval decision of Energy Market Regulatory Authority,28.01.2016 dated and 6083-2 numbered.Also, the Project finance is ended.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

50. SUBSEQUENT EVENTS (Continued)

3) According to International credit rating agency JCR Eurasia Rating's declaration on 18.02.2016, it has evaluated ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. and it has confirmed company's long term national notes and appearance as "BBB- (Trk)/Stable" and long term international foreign currency notes and long term international domestic currency notes as "BBB-" in investable category. It is verified company's long term international foreign currency appearance and long term international domestic currency appearance as 'Stable'.

4) The board of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. has decided to present authorizing the Board of Directors for the programme will be formed regarding repurchased share in the framework of Capital Market Board's, Repurchased Share Disclosure-Article 5 by considering ODAŞ's share price level does not reflect real performance of company's operations.

5) The 49 years production license was given on behalf of Ağrı Elektrik has been revoked, cash collateral is given regarding the licence revocation has been taken back on 26.01.2016

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

The company has purchased all shares of Suda Maden A.Ş. with its all licenses by 1.000.000 USD (2.894.300 TRY) on 28.10.2015. Acquired Suda Maden A.Ş. is inactive since 2013 and has 2 antimony operating license and 2 exploration license.

The purchasing of Suda Maden A.Ş. is not evaluated within TFRS-3 Business Combinations. It is qualified as the purchase of assets group (assets acquisition), differences arising between assets and liabilities calculated by considering the total amount paid for assets and company's book value is recognized at equity.

The details of Suda Maden purchase process is shown below table;

Definable Assets and Take Over Liabilities Value		Assets / Liabilities Book Value
Cash and Cash Equivalents		79.448
Trade and Other Receivables		538.704
Inventories		7.642.257
Other Liquid Assets		3.900.292
Tangible Assets		6.665.051
Intangible Assets		7.310.381
Tax Liabilities		(1.035.416)
Trade and Other Payables		(337.450)
Total Net Definable Assets Value		24.763.067
Cash Paid	:	2.894.300
Purchased Cash and Cash Equivalents	:	(79.102)
Net Cash Outflow	:	2.815.198

The company has made a change in accounting policy regarding purchase of Çan Kömür ve İnşaat Anonim Şirketi's 92 % of shares according to Capital Market Board's decision, 17.04.2015 dated and 36231672-115.01-302 numbered. According to Capital Market Board decision, the issue of evaluating of purchasing Çan Kömür's share as a business combination within the framework of TFRS 3 "Business Combinations Standard", there are different applications in purchasing of mining to define as business combination or assets purchases according to TFRS 3 Standard within the scope of studies at International Accounting Standards Board (IASB), by indicating that studies which are the assets invested is defined as company within the scope of project of reconsidering TFRS 3 Standard, are going on, evaluating of the issue, if it is necessary, the case for establishing general principle decision regarding application principles of UFRS Standards has transmitted to Public Oversight Accounting and Auditing Standards Authority.

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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

In the text sent by CMB's decision, 24.08.2015 dated and 36231672-115.01-E.8935 numbered, in order to evaluate the purchasing process of Çan Kömür's 92% shares as business combinations according to view approved by POA, one of the acquired inputs should prove and be considered as a potential reserve. Within this scope, it is understood that there is no proven reserve when Çan Kömür's share was purchased. The purchasing process of Çan Kömür's 92% shares should be considered as assets held when the intended production is to achieve final commodity at mine site. In this context, the purchase of shares is classified as Intangible Assets over purchase price at 31.12.2015 and 31.12.2014 financial statements by presenting assets held. Moreover, the 5.918.026 TRY goodwill amount was presented on the prior financial reports is cancelled and presented with corrected form in the comparative financial statements.

There is no amortization for the amount of 5.918.026 TRY is classified at intangible assets by taking production unit method into account.

The details of Çan Kömür purchase process is shown below table;

<u>Definable Assets and Take Over Liabilities Value</u>		<u>Assets / Liabilities Book Value</u>
Cash and Cash Equivalents		106.375
Trade and Other Receivables		57.111
Inventories		312.983
Tangible Assets		956.744
Tax Liabilities		(7.524)
Trade and Other Payables		(668.599)
Total Net Definable Assets Value		757.090

Cash Paid	:	6.614.727
Purchased Cash and Cash Equivalents	:	(106.596)
Net Cash Outflow	:	6.508.131

The purchase price paid in the amount of 6.614.727 TRY was paid in cash on 09.09.2014.

52. FIRST IMPLEMENTATION OF TURKEY ACCOUNTING STANDARDS

None.

53. EXPLANATION TO CASH FLOW STATEMENT

Cash and Cash Equivalents

	December 31, 2015	December 31, 2014
Cash	36.693	12.511
Bank	61.535.260	70.766.388
-Demand deposit	1.117.467	835.177
-Time deposit	60.417.793	69.931.211
Demand Checks	-	128.669
Other Current Assets	664	400
TOTAL	61.572.618	70.907.968

As of December 31, 2015 there is no blocked deposits of the Group (None December 31, 2014)



ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**Audited as of December 31, 2015 Explanatory Notes to the Financial Statements**

(Currency is TRY unless otherwise is indicated.)

53. EXPLANATION TO CASH FLOW STATEMENT (Continued)

Amount of time deposits as of 31 December 2015 concerning the details are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2015 TRY
TRY	05.01.2016	10,50%	12.000.000
TRY	04.01.2016	11,00%	8.000.000
TRY	04.01.2016	11,00%	4.000.000
TRY	04.01.2016	11,25%	5.000.000
TRY	04.01.2016	8,79%	2.500.818
TRY	04.01.2016	8,79%	12.673
TRY	04.01.2016	7,50%	475.000
TRY	04.01.2016	8,79%	1.403
TRY	04.01.2016	10,00%	26.580.000
TOTAL			58.569.894

Currency Time Deposits	Maturity	Interest rate	December 31, 2015 USD	December 31, 2015 TRY
USD	04.01.2016	0,70%	69.141	201.034
USD	04.01.2016	0,55%	566.400	1.646.865
TOTAL			635.541	1.847.899

As at December 31, 2014 amounting details on time deposits are as follows:

Currency Time Deposits	Maturity	Interest rate	December 31, 2014 TRY
TRY	02.01.2015	7,00%	785.000
TRY	05.01.2015	7,75%	5.200.000
TRY	02.01.2015	10,00%	10.100.000
TRY	02.01.2015	8,25%	765.627
TRY	05.01.2015	7,75%	700.000
TRY	05.01.2015	7,75%	450.000
TRY	02.01.2015	8,23%	1.313
TOTAL			18.001.940

Currency Time Deposits	Maturity	Interest rate	December 31, 2014 USD	December 31, 2014 TRY
USD	12.01.2015	1,95%	163.795	379.823
USD	12.01.2015	2,00%	1.000.000	2.318.900
USD	26.01.2015	2,25%	1.677.259	3.889.395
TOTAL			2.841.054	6.588.118

Currency Time Deposits	Maturity	Interest rate	December 31, 2014 EUR	December 31, 2014 TRY
EUR	02.01.2015	0,04%	5.765.000	16.261.336
EUR	07.01.2015	1,75%	3.500.000	9.872.450
EUR	20.01.2015	1,90%	6.809.433	19.207.367
TOTAL			16.074.433	45.341.153

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Audited as of December 31, 2015 Explanatory Notes to the Financial Statements

(Currency is TRY unless otherwise is indicated.)

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 profit/loss retrospective 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 December 31, 2015 the amount of interest, tax, profit before depreciation is 37.228.994 TRY. (December 31, 2014: 53.548.301 TRY)



CONTACT DETAILS

Fatih Sultan Mehmet Mahallesi Poligon Caddesi Buyaka 2 Sitesi No: 8B-2. Kule Kat: 17-34771
Tepeüstü, Ümraniye/İstanbul

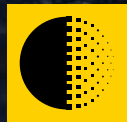
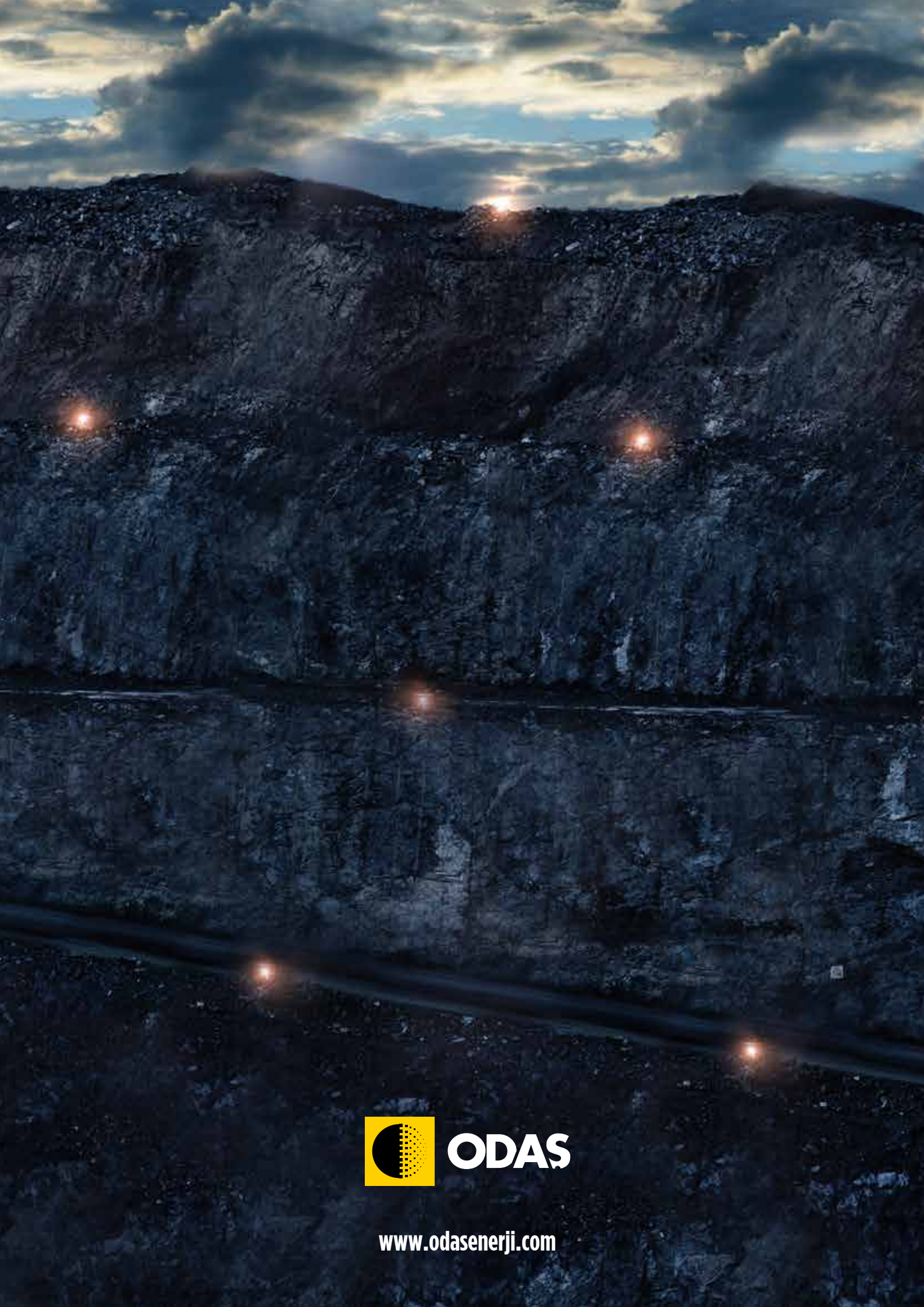
T: +90 216 474 1 474 F: +90 216 474 0 474

www.odasenerji.com





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