



**AYEN ENERGY INC.**

**01 JANUARY 2016 - 31 MARCH 2016  
BOARD OF DIRECTORS  
ACTIVITY REPORT**

## **FUNDAMENTALS**

Interim Activity Report was prepared in pursuant to Circular No. Serial II-14.1 of Capital Markets Board on Principles of Financial Reporting in Capital Markets and "Bylaw of Ministry of Customs and Trade on Determining Minimum Content of Companies' Annual Activity Reports".

### **Trade Name, Trade Registry Number, Headquarters and Branches Contact Information, and Website of the Company:**

#### **AYEN ENERGY INCORPORATION**

Date of Foundation: 15 August 1990  
Headquarters: Hülya Sokak No: 37 G.O.P. ANKARA - TURKEY  
Phone: (312) 445 04 64  
Fax: (312) 445 05 02  
E-Mail: ayen@ayen.com.tr  
web -----: www.ayen.com.tr  
Capital: 171.042.300,-TL  
Trade Registry Number: 79297-Central  
Mersis No-----: 0119004593000013  
Industry Registry Nr. 520264.34  
Tax Office / ID Nr.: Cumhuriyet - 119 004 5930  
Purpose and subject -----: Power generation and trade

Company does not have a branch.

## **ORGANIZATIONAL STRUCTURE OF THE COMPANY**

Organization structure of the company is shown as a "Group" constituted by Ayen Energy Corporation and its partnerships upon which it consolidates their financial statements, operating in the same sector Ayen Ostim Power Generation Inc., Kayseri Electricity Generation Industry and Trade Inc., Ayen Electricity Trade Co., Aksu Clean Energy Electricity Generation Industry and Trade Inc., Ayel Electricity Generation Industry and Trade Inc., Araklı Natural Gas Power Generation Industry and Trade Inc., Ayen AS Energj SHA (Albania), Ayen Energj Trading SHA (Albania), Ayen Energj Trading D.O.O. (Serbia), and Ayen Energie D.O.O. (Slovenia).

### **The capital and shareholding structure of the Company and relevant changes thereof within the accounting period**

#### **Capital Structure of the Company as of 31 March 2016**

<b>Shareholder</b>	<b>Share in Percentage</b>	<b>Number of Shares</b>	<b>Share in Amount</b>	<b>Share Group</b>
Aydiner Construction Inc.	56.8738023	9,727,825,965	97,278,259.65	A
Aydiner Construction Inc.	28.1038374	4,806,945,000	48,069,450.00	B (Non-public)
Mehmet AYDINER	0.0000451	772,200	7,722.00	A
Fatma Nirvana AYDINER	0.0000169	289,575	2,895.75	A
Ömer Ali AYDINER	0.0000169	289,575	2,895.75	A
Turhan AYDINER	0.0000169	289,575	2,895.75	A
Turgut AYDINER	0.0000146	250,965	2,509.65	A
Fahrettin Amir ARMAN	0.0000001	2,145	21.45	A
Public Shares	15.0112866	2,567,565,000	25,675,650.00	B (Public)
<b>Total</b>	<b>100 %</b>	<b>17,104,230,000</b>	<b>171,042,300.00</b>	

The Company's registered capital is 171.042.300,00 TL (one hundred seventy one million and forty two thousand three hundred Liras); which is divided into 17.104.230.000 shares, each one is equal to One Turkish Cent. 9.729.720.000 of these are registered share certificates of Group A. 2.567.565.000 of Group B certificates are public shares while 4.806.945.000 shares are non-public (nominative).

No change did occur in the ownership structure of the Company during this activity period.

**Governing Body, Senior Managers, Limits of Authority, period of office:**

Operations and management of the Company are executed by the Board of Directors of at least 7 (seven) Members elected by the General Board, 5 (five) of whom are Group A shareholders, in accordance with provisions of Turkish Commercial Code.

**BOARD OF DIRECTORS**

<i>Name and Surname</i>	<i>Position</i>	<i>Term of Office</i>
Mehmet AYDINER	President of the Board of Directors	3 years from 31.03.2016
Turgut AYDINER	Vice President of the Board of Directors	3 years from 31.03.2016
Ayşe Tuvana AYDINER KIRAÇ (for Aydiner Construction Inc.)	Member of the Board of Directors	3 years from 31.03.2016
Ömer Ali AYDINER	Member of the Board of Directors	3 years from 31.03.2016
Fahrettin Amir ARMAN	Member of the Board of Directors, General Manager	3 years from 31.03.2016
Metin BOSTANCIOĞLU	Independent Member of the Board of Directors	1 year from 31.03.2016
Kadir Nejat ÜNLÜ	Independent Member of the Board of Directors	1 year from 31.03.2016

**COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS**

**Audit Committee**

<b>Name and Surname</b>	<b>Position</b>
Kadir Nejat ÜNLÜ	Head of the Committee
Metin BOSTANCIOĞLU	Member

**Early Risk Detection and Examination Committee**

<b>Name and Surname</b>	<b>Position</b>
Metin BOSTANCIOĞLU	Head of the Committee
Ayşe Tuvana Aydiner Kırac	Member

**Corporate Governance Committee**

<b>Name and Surname</b>	<b>Position</b>
Metin BOSTANCIOĞLU	Head of the Committee
Mehmet AYDINER	Member
Turgut AYDINER	Member

## ELECTRICITY ENERGY IN TURKEY

## INSTALLED POWER BY INSTITUTIONS AND FUEL TYPES

INSTITUTIONS	2015 - YEAR END			AS OF 31.03.2016		
	INSTALLED POWER	CONTRIBUTION	NUMBER OF PLANTS	INSTALLED POWER	CONTRIBUTION	N
	MW	%	NUMBER	MW	%	
EUAS + EUAS AFFILIATES	20.322,6	27.8	77	20,307.2	27.4	
PLANTS WHOSE OPERATING RIGHTS WERE TRANSFERRED	946,2	11.3	60	961.5	1.3	
BUILD-OPERATE PLANTS	6.101,8	8.3	5	6,101.80	8.2	
BUILD-OPERATE-TRANSFER PLANTS	2.309,3	3.2	17	2,309.30	3.1	
INDEPENDENT GENERATION COMPANIES	43.129,8	59.0	954	43,907.20	59.3	
AUTO-PRODUCER PLANTS	26,4	0.0	5	26.4	0.0	
UNLICENSED (TEDAS) PLANTS	310,7	0.4	396	425.9	0.6	
<b>TOTAL</b>	<b>73.146,7</b>	<b>100.0</b>	<b>1,514</b>	<b>74,039.40</b>	<b>100</b>	

FUEL TYPES	2015 - YEAR END			AS OF 31 MARCH 2016		
	INSTALLED POWER	CONTRIBUTION	NUMBER OF PLANTS	INSTALLED POWER	CONTRIBUTION	N
	MW	%	PIECE	MW	%	
FUEL-OIL - ASPHALTITE - NAPHTA - DIESEL	851	0.6	17	446.0	0.6	
HARD COAL - LIGNITE	9.013,4	12.9	29	9,848.4	13.3	
IMPORTED COAL	6.064,2	8.3	8	6,064.2	8.2	
NATURAL GAS + LNG	21.222,1	29.0	233	21,153.1	28.6	
RENEWABLE + WASTE - WASTE HEAT - PYROLYTIC OIL	344,7	0.5	69	353.3	0.5	
MULTIPLE FUEL PLANTS, SOLID + LIQUID	667,1	0.9	23	667.1	0.9	
MULTIPLE FUEL PLANTS, LIQUID + NATURAL GAS	3.684,0	5.0	46	3,684.0	5.0	
GEOTHERMAL	623,9	0.9	21	647.9	0.9	
HYDAULIC DAM	19.077,2	26.1	109	19,293.3	26.1	
HYDRAULIC STREAM WATER	6.790,6	9.3	451	6,863.2	9.3	
WIND	4.498,4	6.1	113	4,593.4	6.2	
THERMAL (UNLICENSED)	56,5	0.1	24	59.7	0.1	

WIND (UNLICENSED)	4.8	0.0	9	8.0	0.0
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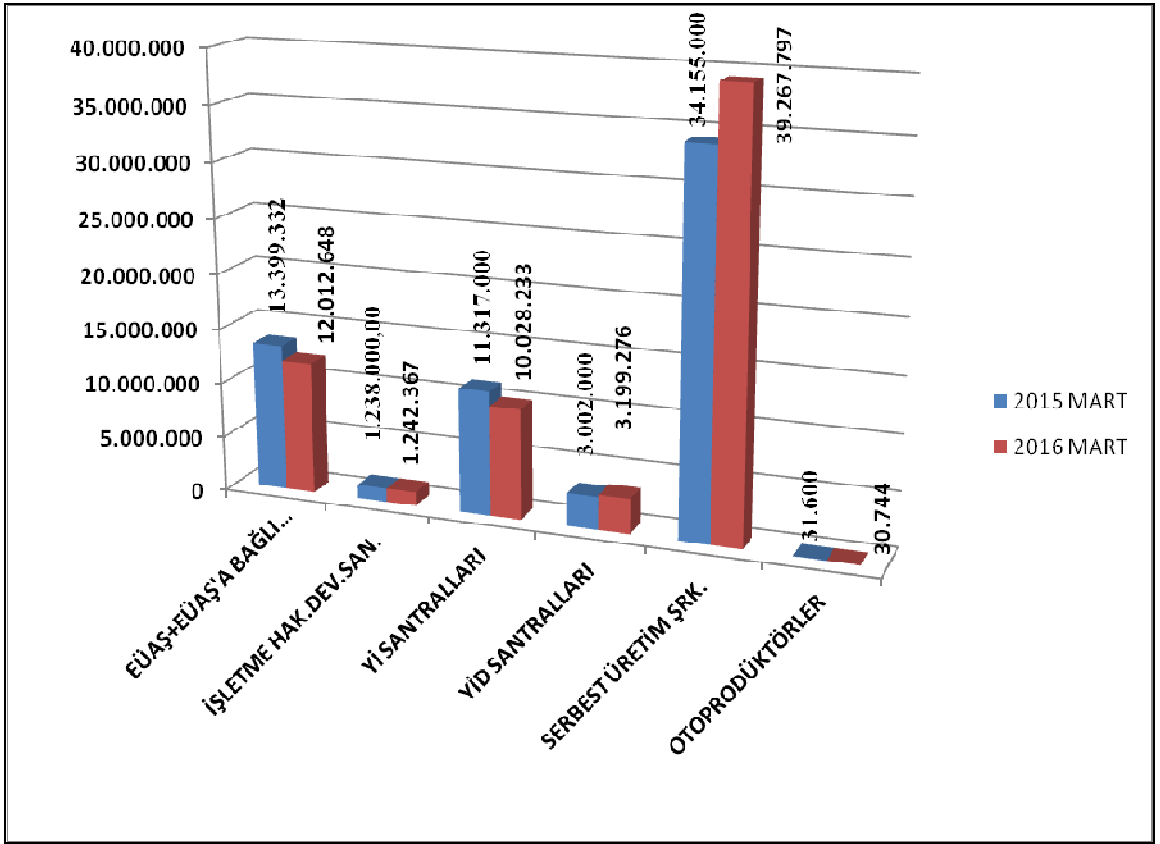
<b>DISTRIBUTION OF GENERATION IN TURKEY BY PRIMARY RESOURCES AND INSTITUTIONS</b>				
				<b>Unit: MWh</b>
<b>SOURCES:</b>	JANUARY	FEBRUARY	MARCH	<b>TOTAL</b>
FUEL OIL + DIESEL + ASPHALTIT + LPG + NAPHTA	577.148	474.881	205.455	<b>1.257.484</b>
HARD COAL + LIGNITE	3.565.420	3.715.481	3.471.251	<b>10.752.153</b>
IMPORTED COAL	3.666.211	3.414.799	3.249.296	<b>10.330.306</b>
NATURAL GAS + LNG	8.130.207	6.348.524	6.389.420	<b>20.868.151</b>
BIOGAS + OTHERS	148.157	151.112	156.960	<b>456.229</b>
TOTAL GEOTHERMAL	352.335	371.859	370.219	<b>1.094.413</b>
TOTAL HYDRAULIC	5.517.237	5.124.367	6.763.792	<b>17.405.397</b>
TOTAL WIND	1.257.062	1.140.530	1.219.340	<b>3.616.932</b>
<b>TOTAL RESOURCES</b>	<b>23.213.778</b>	<b>20.741.554</b>	<b>21.825.733</b>	<b>65.781.065</b>

**Unit: kWh**

<b>COMPANIES</b>	JANUARY	FEBRUARY	MARCH	<b>TOTAL</b>	
EUAS + EUAS AFFILIATES	4.549.779	3.490.165	3.972.704	<b>12.012.648</b>	
PLANTS WHOSE OPERATING RIGHTS WERE TRANSFERRED	387.099	394.826	460.442	<b>1.242.367</b>	
BUILD-OPERATE PLANTS	3.659.883	3,587,759	2,780,591	<b>10,028,233</b>	
BUILD-OPERATE-TRANSFER PLANTS	1.159.325	954.464	1.085.486	<b>3.199.276</b>	
INDEPENDENT GENERATION COMPANIES	13.450.489	12.303.508	13.513.800	<b>39.267.797</b>	
AUTO-PRODUCERS	7.203	10.832	12.710	<b>30.744</b>	
<b>TOTAL CONSUMPTION OF TURKEY</b>	<b>23.213.778</b>	<b>20.741.554</b>	<b>21.825.733</b>	<b>65.781.065</b>	
SOLAR (UNLICENSED)	248,8	0,3	362	357,7	0,5
<b>TOTAL</b>	<b>73.146,7</b>	<b>100,0</b>	<b>1,514</b>	<b>74,039,4</b>	<b>100,0</b>

\*\*\* Installed Power of Turkey has become 74.039,40 MW with 1.666 Plants, as of 31.03.2016.

CUMULATIVE COMPARISON OF 2015 MARCH - 2016 MARCH		
	2015	2016
EÜAŞ	13.399.332	12.012.648
OPERATING RIGHT TRANSFER	1.238,50	30.744
AUTO-PRODUCER PLANTS	31.606	3.199.276
INDEPENDENT GENERATION COMPANIES	31.155.430	39.267.797
BUILD-OPERATE PLANTS	11.316.760	10.028.233
BUILD-OPERATE-TRANSFER PLANTS	3.001.706	1.242.367
TOTAL	63.143.317	65.781.065



## **OUR INVESTMENTS**

**FAN BASIN HEPP PROJECT:** Peshqesh HEPP with installed power of 28 MW was commissioned in the May 2015. It is one of Fan River Basin Projects executed by Ayen AS Energji SHA in Albania. Projects are planned to be installed power of 110,70 MW and 380 million kWh electricity generation capacity in total. Construction phase of Fangut HEPP construction with installed power of 63,8 MW is still continuing. Its 85% was completed. It is planned to be commissioned in spring-summer season of 2017.

**Akbük II Wind Power Plant (WPP):** Our wind power generation plant with 20 MW of installed power and 68.153.000 kWh of generation capacity is planned to be established and operated in Akbük municipal of Aydın Province, Didim County within scope of the Law No. 4628. The plant was accepted and has generated electricity power since 12 February 2016.

**Trabzon, Araklı Çankaya Dam and HEPP:** Our subsidiary Araklı Energy Natural Gas Industry and Trade Inc. received Preliminary License from the Energy Market Regulatory Authority and has continued with project studies for Çankaya Dam and HEPP Project with 98,36 MW of installed power and 244.858.000 kWh of power generation capacity as per Electricity Market Law numbered 6446 and related legislation.

**Aksu WPP:** Our application for capacity increase in the Wind Power Plant with 72 MW of installed capacity and 237.218.900 kWh/year energy generation capacity in Kayseri province Yahyalı District by our subsidiary Aksu Clean Energy Electricity Generation Industry and Trade Co. was accepted, total capacity of the plant was increased by 8 MW up to 80 MW, and Energy Markets regulatory Authority (EMRA) amended the License. With additional turbines, Aksu Wind Power Plant's expected annual generation capacity will reach to 263.500.800 kWh.

**Mordoğan WPP:** Our application for capacity increase in Mordoğan Wind Power Plant with 30,75 MW of installed capacity and 99.409.200 kWh kWh/year energy generation capacity in Izmir Province Karaburun District by our company was accepted, total capacity of the plant increased up to 42 MW, and Energy Markets regulatory Authority (EMRA) amended the License. With additional turbines, Mordoğan Wind Power Plant's expected annual generation capacity will reach to 128.426.000 kWh.

## OUR ACTIVITIES

GENERAL	MORDOĞAN	AKBÜK	YAMULA*	AYEN OSTİM	BÜYÜKDÜZ	AKSU	KORKMAZ	PESHQESHIT HEPP	AKBÜK II
Location of Plant	Karaburun - İzmir	Didim - Aydın	Kızılırmak River-Kayseri	Ostim - Ankara	Kürtün District-Gümüşhane	Dikme Village Yahyalı-Kayseri	İzmir-Seferihisar-Sığacık	Albania-Mirdite Peshqeshit	Didim - Aydın
Plant Type	Wind Power Plant	Wind Power Plant	w/reservoir	Natural Gas Combined Cycle Power Plant	w/sedimentation pond, gate, uncontrolled spillway, and non-storage regulator	Wind Power Plant	Wind Power Plant	w/sedimentation pond, gate, uncontrolled spillway, and non-storage regulator, river-type	Wind Power Plant
Installed Capacity	30,75 MW	31,50 MW	100 MW	41 MW	70 MW	72 MW	24 MW	28 MW	20 MW
Licensee Annual Generation	99.000 MWh	122.400 MWh	422.300 MWh	280.000 MWh	192.021 MWh	237.200 MWh	83.005 MWh	118,4 MWh	68,20 MWh
Actual Generation (January-March)	26.113.410	27.034.080	84.057.110	16.769.378	28.158.620	70.349.433	17.587.170	41.352.000	8.055.910
Capacity Usage Rate	97,3%	78,3%	100%	25,5%	97,5%	99,8%	88%	93,1%	84,7%

\* Yamula HEPP Dam operates in accordance with its generation schedule because it has reservoir.

Location	2015 1st Period Quantity (kWh)	2016 1st Period Quantity (kWh)
Mordoğan WPP	24.562.110	26.113.410
Ayen Ostim	22.340.485	16.769.378
YAMULA HEPP	54.540.490	84.057.110
Akbük WPP	27.472.309	27.034.080
Aksu WPP	54.771.007	70.349.433



Büyükdüz HEPP	16.006.191	28.158.620
Korkmaz WPP	20.740.173	17.587.170
Peshqeshit HEPP		41.352.000
Akbük II		11.619.622

## **RATIOS RELATED TO FINANCIAL STRUCTURE**

Basic ratios related to financial status, profitability, and debt discharging status, which are calculated on the basis of financial tables and information issued within scope of Serial II-14.1 Circular of Capital Markets Board.

<b>BASIC RATIOS / CONSOLIDATED</b>	<b>31.03.2016</b>	<b>31.12.2015</b>
<b>Current Ratio</b>	0,24	0,44
<b>Net Debt / Shareholders' Equity</b>	4,10	4,58
<b>Gross profit margin (%)</b>	0,32	0,21
<b>Operating profit margin (%)</b>	0,30	0,18
<b>VAFOK Margin</b>	0,38	0,27

## **CORPORATE GOVERNANCE**

Year-2015 Ordinary General Assembly of our Company met physically and via electronic environment at Company's headquarters at the address of Hülya Sokak No: 37 Gaziosmanpaşa, Çankaya / Ankara on 31 March 2016, with presence of Ministry's representative. Shareholders attended the meeting physically and via electronic environment. Election was made to determine Independent Members of the Board of Directors who will hold the office for three years and those who will hold the office for one year were determined. The proposal of the Board of Directors for not distributing profit was unanimously accepted. Other articles of the agenda were voted and unanimously accepted by General Assembly. Relevant officials have informed the General Assembly about the articles of agenda, which are not needed to vote. A minutes of meeting for the decisions made in the meeting, the list of attendants, and other documents were published in the Public Information Platform (KAP), Central Registration Institution Electronic General Assembly system, and Company's web site in the same day.

## **EVENTS AFTER BALANCE SHEET**

A Commercial Enterprise Pledge of TRL 225.000.000 in favor of Turkish Industrial Development Bank was established and registered on 20 April 2016 as guarantee of Loan Agreement conducted by and between our subsidiary Aksu Clean Electricity Energy Generation Corporation and TSKB - Turkish Industrial Development Bank Corporation on 27 May 2011 in relation with Aksu Wind Power Plant with 72 MW of installed power established within boundaries of Kayseri Province Yahyalı District.

