



**AYEN ENERJİ A.Ş.**

**1 JANUARY 2014 – 30 JUNE 2014  
BOARD OF DIRECTORS  
ACTIVITY REPORT**

## **PRINCIPLES OF PREPARING THE REPORT**

Annual activity report has been produced, as required by Capital Markets Board's Communiqué on the Principles for Reporting with Serial No. II-14.1 and "By-law on Determining the Minimum Content of the Annual Activity Reports of the Companies" of Ministry of Customs and Trade.

**Trade Name, Trade Registry Number of the Company and contact information and web page addresses of its headquarters and branches**

### **AYEN ENERJİ ANONİM ŞİRKETİ**

Date of establishment-----: 15.08.1990  
Headquarters -----: Hülya Sokak No: 37 G.O.P. / ANKARA  
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 No-----: 79297-Merkez  
Industry Registry No -----: 520264.34  
Tax Office/Reg. No-----: Cumhuriyet - 119 004 5930  
Purpose and Scope----- : Electricity generation and trade  
The company has no branches.

## **ORGANISATIONAL STRUCTURE OF THE COMPANY**

Organisational structure of the company has been referred to as "Group" including Ayen Enerji Anonim Şirketi, along with its subsidiaries operating in the same sector with Ayen Enerji Anonim Şirketi and whose financial statements are consolidated by the same; Ayen Ostim Enerji Üretim A.Ş., Kayseri Elektrik Üretim Sanayi ve Ticaret A.Ş., Ayen Elektrik Ticaret A.Ş., Aksu Temiz Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş., Ayel Elektrik Üretim Sanayi ve Ticaret A.Ş., Araklı Doğalgaz Enerji Üretim Sanayi ve Ticaret A.Ş., Ayen Doğalgaz Enerji Üretim Sanayi ve Ticaret A.Ş. and Ayen AS Enerji SHA and Ayen Energy Trading SHA established in Albania in compliance with the laws of Albania.

**Capital and partnership structures of the Company and the respective changes within the accounting period.**

**The capital structure of the company as of 30 June 2014 is as follows.**

Shareholder	Ratio of share (%)	Number of Shares	Amount of the Share	Group of Shares
Aydiner İnşaat A.Ş	56,8738023	9,727,825,965	97.278.259,65	A
Aydiner İnşaat A.Ş	28,1038374	4,806,945,000	48.069.450,00	B(Not Offered to 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
Such Part Offered to Public	15,0112866	2,567,565,000	25.675.650,00	B(Offered to Public)
<b>Total</b>	<b>%100</b>	<b>17,104,230,000</b>	<b>171.042.300,00</b>	

Authorised capital of the company is 171.042.300,00,- TL (onehundredseventyonemillionfortytwothousandthreehundredTurkishLiras), and it has been divided into 17.104.230.000 shares, each of which is 1 (One) kuruş. Out of those, 9.729.720.000 are group

(A) registered shares. 2.567.565.000 shares out of group (B) shares are those offered to the public and 4.806.945.000 are not offered to public registered (to the bearer) shares.

During the relevant activity period of the company, there has been no change in the shareholding structure of the Company.

#### **Management Body, Top Managers, Authority Limitations, Terms of Office;**

Operations and administration of the Company shall be executed by the Board of Directors, as required by the provisions of Turkish Code of Commerce, composed of at least 7 (seven) members, 5 (five) of whom will be from among group (A) shareholders.

#### **BOARD OF DIRECTORS**

<i>Name</i>	<i>Duty</i>	<i>Term of Office</i>
Mehmet AYDINER	Chairman of Board of Directors	3 years as from 08.05.2013
Turgut AYDINER	Deputy Chairman of Board of Directors	3 years as from 08.05.2013
Ayşe Tuvana AYDINER KIRIÇ ( Aydıner İnşaat A.Ş. Adına )	Member of Board of Directors	3 years as from 08.05.2013
Ömer Ali AYDINER	Member of Board of Directors	3 years as from 08.05.2013
Fahrettin Amir ARMAN	Member of Board of Directors General Manager	3 years as from 08.05.2013
Metin BOSTANCIOĞLU	Independent Member of Board of Directors	1 year as from 31.03.2014
Kadir Nejat ÜNLÜ	Independent Member of Board of Directors	1 year as from 31.03.2014

#### **COMMITTEES CONSTITUTED UNDER THE ORGANISATION OF BOARD OF DIRECTORS**

##### **Committee Charged with Auditing**

<b>Name</b>	<b>Duty</b>
Kadir Nejat Ünlü	Chairman of the Committee
Metin Bostancıoğlu	Member

##### **Committee for Early Detection and Determining of Risk**

<b>Name</b>	<b>Duty</b>
Metin Bostancıoğlu	Chairman of the Committee
Ayşe Tuvana Aydın Kiriç	Member

##### **Corporate Management Committee**

<b>Name</b>	<b>Duty</b>
Metin Bostancıoğlu	Chairman of the Committee

Mehmet Aydınır	Member
Turgut Aydınır	Member
Ahmet Alan	Corporate Management Rating Surveyor

## ELECTRICITY POWER IN TURKEY

### INSTALLED POWER AS PER INSTITUTIONS AND FUEL TYPES

INSTITUTIONS	2013 END-YEAR			AS OF 30 JUNE 2014		
	INSTALLED POWER MW	CONTRI- BUTION %	NUMBER OF PLANTS EACH	INSTALLED POWER MW	CONTRI- BUTION %	NUMBER OF PLANTS EACH
EÜAŞ	21.066,7	32,9	79	21.066,7	31,6	79
PARTNERSHIP PLANTS AFFILIATED TO EÜAŞ	2.714,0	4,2	4	2.714,0	4,1	4
POWER PLANTS WHOSE OPERATION RIGHT IS TRANSFERRED	938,3	1,5	55	938,3	1,4	55
BUILD-OPERATE POWER PLANTS	6.101,8	9,5	5	6.101,8	9,2	5
BUILD-OPERATE-TRANSFER POWER PLANTS	2.335,8	3,6	20	2.335,8	3,5	20
FREE PRODUCTION COMPANIES	27.429,4	42,9	541	33.427,2	50,2	792
AUTOPRODUCER POWER PLANTS	3.421,4	5,3	203	31,3	0,0	7
POWER PLANTS WITHOUT LICENSE (TEDAŞ)				17,5	0,0	40
<b>TOTAL</b>	<b>64.007,5</b>	<b>100,0</b>	<b>907</b>	<b>66.632,5</b>	<b>100,0</b>	<b>1.002</b>
TYPES OF FUEL	2013 END-YEAR			AS OF 30 JUNE 2014		
	INSTALLED POWER MW	CONTRI- BUTION %	NUMBER OF PLANTS EACH	INSTALLED POWER MW	CONTRI- BUTION %	NUMBER OF PLANTS EACH
FUEL-OİL + ASPHALTITE + NAPHTHA + DIESEL	693,1	1,1	20	678,1	1,0	19
HARD COAL + LIGNITE	8.515,2	13,3	20	8.566,2	12,9	21
IMPORT COAL	3.912,6	6,1	7	4.262,6	6,4	7
NATURAL GAS + LNG	20.254,9	31,6	216	21.169,7	31,8	230
RENEWABLE + WASTE	224,0	0,3	38	252,9	0,4	45
MULTIFUEL TYPES SOLID+LIQUID	682,4	1,1	9	667,7	1,0	9
MULTIFUEL TYPES LIQUID+N. GAS	4.365,8	6,8	45	4.365,8	6,6	45
GEO THERMAL	310,8	0,5	13	334,4	0,5	13
HYDRAULIC DAMS	16.142,5	25,2	74	16.535,0	24,8	75
HYDRAULIC RIVERS	6.146,6	9,6	393	6.650,5	10,0	419
WIND	2.759,6	4,3	72	3.141,2	4,7	81
<b>TOTAL</b>	<b>64.007,5</b>	<b>100,0</b>	<b>907</b>	<b>66.632,5</b>	<b>100,0</b>	<b>1.002</b>

\*\*\*Installed power of Turkey is 66.632,50 MW with 1.002 plants in total as of 30.06.2014 end-of month ay.

## **OUR INVESTMENTS**

As regards **Korkmaz RES** Electricity power plants with 73 million kWh electricity capacity and 24 MW installed power based on wind power within the framework of Electricity Market Law No. 4628, the imports of Wind Tribune – Generator groups have been completed and their assembly works have been started. The mentioned facility is planned to be commissioned in August 2014. As there are some malfunctions, due to legal procedures, in supply of some technical equipment from abroad required for the assembly of wind tribunes of Korkmaz Res power plant, its commissioning time has been delayed.

**Fan Basin HES Project:** Construction works in our project are still being executed by Ayen AS Enerji SHA established in Albania with installed power of 110,70 MW and 380 million kWh electricity energy generation capacity, and the transportation roads of the mentioned project have been completed. Excavation and support works at the length of 18.965 meters ( 83.47%) of the tunnel construction in projects number 3 and 4 being constructed in the first phase, which is totally 22,720 meter-length together with approach tunnels composing of 3 river-type hydroelectric power plants with cascade shape and one rock-fill dam with a concrete covered front façade, have been completed as of 30 June 2014. Under the project, project no 3 which has 27.94 MW (mechanical) installed power with HES river type is planned to be completed in spring 2015, and dam project no 4 which has 63.8 MW (mechanical) installed power is planned to be commissioned in winter 2016-2017.

**Akbük II RES:** In the scope of Law No. 4628, for the electricity generation facility based on Wind Energy with the electricity generation capacity of 68.153.000 kWh and 20 MW installed power to be established and operated in the province of Aydın, district of Didim, location of Akbük, construction of the most of the transportation roads has been completed, and the permission procedures for the place of the facility is underway.

**Mordoğan RES:** Mordoğan Wind Power Plant (RES) established by our company in the province of İzmir, district of Karaburun, location of Bitiktepe -Değirmendağı -Kemerdağı - Düzlendağı - Mordoğan has 30,75 MW installed power. This capacity supply its 2,05 MW installed power from 15 wind turbines. The Ministry has accepted the facility with 96 million kWh generation capacity on **27.09.2013** and the facility has been commissioned.

**Ayen Erciyes Natural Gas Power Plant:** Since the construction location of “Ayen Erciyes Doğalgaz Santrali”, which is planned to be constructed and operated by Ayen Enerji A.Ş. in the province of Kayseri, district of Kocasinan, location of Ebiç-mahzemin and for which Energy Market Regulatory Authority has given its consent for granting a License in its decision No. 3201-4 of 04/05/2011, has been changed by General Directorate of State Hydraulic Works (DSİ) as it is within “Kızılırmak River Protection Band” and “Yamula Dam Degree Attraction and Irrigation Pumping Field” and the new place recommended is not appropriate in terms of ÇED and reconstruction permits, this situation has been communicated by our company to Energy Market Regulatory Authority, and it has been deemed appropriate that the License is Revoked upon the Decision of the Board No. 5006-42 of 15/05/2014. The letter notifying the decision of EPDK was received by our company on 16/06/2014.

This way, “Ayen Erciyes Natural gas Power Plant” Project License Procedure has been cancelled, upon positive opinion of Energy Market Regulatory Authority with the reasons above, and the project has been terminated.

## OUR ACTIVITIES

GENERAL	MORDOĞAN	AKBÜK	YAMULA(*)	AYEN OSTİM	BÜYÜKDÜZ	AKSU
Place of the Power Plant	Karaburun - İzmir	Didim - Aydın	Kızılırmak River - Kayseri	Ostim - Ankara	Kürtün District - Gümüşhane	Dikme Village Yahyalı-Kayseri
Type of the Power Plant	Wind Power Plant	Wind Power Plant	With reservoir	Natural Gas Combined Cycle Power Plant	With settling tank and lid, uncontrolled sluice river type with regulator without storing	Wind Power Plant
Installed Power Plant	30,75 MW	31,50 MW	100 MW	41 MW	70,80 MW	72 MW
Yearly Generation	96.000.000 kWh	122.400.000 kWh	422.300.000 kWh	280.000.000 kWh	192.021.000 kWh	237.200.000 kWh
2014 Realised Generation (January-June)	34.321.280 kWh	35.496.360 kWh	157.322.960 kWh	79.680.780 kWh	83.482.710 kWh	78.822.470 kWh
Availability	100%		100%			
Capacity Usage Rate	36%	29%	100%	28%	44%	33%

\*Since it has reservoir, Yamula Hydroelectricity Dam operates in compliance with the given generation program.

Place of Generation	2014 Term II Amount (kWh)	2014 I.Dönem Miktar (kWh)
Mordoğan Res	34.321.280	18.191.860
Ayen Ostim	79.680.780	38.571.120
Yamula HES	157.322.960	59.229.970
Akbük RES	35.496.360	18.824.720
Aksu RES	78.822.470	37.410.330
Büyükdüz HES	83.482.710	7.606.390

## RATIOS REGARDING FINANCIAL STRUCTURE

Basic ratios for the financial position, profitability and paying debt calculated taking as basis the financial statements and information issued within the framework of Capital Market Board's Communique Serial No. II-14.1;

BASIC RATIOS / CONSOLIDATED	30.06.2014	31.12.2013
Current Ratio	0,40	0,63
Net Debt / Equity	3,46	2,91
Gross Profit Margin (%)	0,30	0,16
Activity Profit Margin (%)	0,26	0,14

## **CORPORATE MANAGEMENT**

In the meeting of Board of Directors No. 295 of 24/06/2014, it was decided that investor relations unit will be established and assigning members in Corporate Management Committee will be discussed. In line with this decision, as per article 11 of Corporate Management Communique (Serial II-17.1), it was decided that 'Investor relations unit will be established, Ahmet Alan with Corporate Management Ranking Expert License will be assigned as the head of the department and will report directly to the General Director.

Corporate Management Committee is composed of Metin Bostancıoğlu, Mehmet Aydınler, Turgut Aydınler and Ahmet Alan.

Since the harmonisation on 'Warranty, Pledge and Liens' required to be ensured as per article 12 of the Communique by 31.12.2014 was ensured earlier, no other transaction was required. The implementation has been decided to be remained as it is.

## **POST BALANCE SHEET EVENTS**

Korkmaz RES Electricity Power Plant (5 10 mw Turbine – Generator Group as 1<sup>st</sup> Degree) with 73.000,000 kWh/year production capacity, 24 MW installed power and 12 Turbine –Generator based onwind energy established by Ayen Enerji A.Ş. in province of İzmir, district of Seferhisar was accepted by Ministry of Energy and Natural Resources on 15/08/2014, and the facility has been taken into commercial operation and electricity generation started. The works on commissioning remaining 7 wind tribunes-generator group are underway.