

**AYEN ENERJİ A.Ş.  
AND ITS SUBSIDIARIES**

**Condensed Consolidated Financial Statements  
For The Nine-Month Interim Period  
Ended 30 September 2014**

**Convenience Translation Of The Report  
Originally Issued in Turkish**

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**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	<b>Notes</b>	<b>Current Period (Not Audited) 30 September 2014</b>	<b>Prior Period (Audited) 31 December 2013</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		<b>86.291.333</b>	<b>206.919.140</b>
Trade Receivables		8.293.000	95.281.050
		28.520.329	46.379.422
<i>Trade Receivables from Third Parties</i>		28.327.080	46.071.801
<i>Trade Receivables from Related Parties</i>	3	193.249	307.621
Other Receivables		1.904.462	1.567.700
<i>Other Receivables from Third Parties</i>		1.691.685	1.566.230
<i>Other Receivables from Related Parties</i>	3	212.777	1.470
Service Concession Arrangements	6	34.454.226	44.108.340
Prepaid Expenses		8.839.150	5.019.588
Assets Related to Current Tax		197.534	184.206
Other Current Assets		4.082.632	14.378.834
<b>Non-Current Assets</b>			
Service Concession Arrangements	6	<b>1.123.095.104</b>	<b>961.357.557</b>
Financial Assets		94.393.144	104.094.187
Other Receivables		167.508	108.295
<i>Other Receivables from Third Parties</i>		23.989.159	11.899.501
<i>Other Receivables from Related Parties</i>	3	4.206.603	351.135
Property, Plant and Equipment	5	19.782.556	11.548.366
Intangible Assets		840.686.901	717.421.599
<i>Other Intangible Assets</i>	5	41.573.805	41.949.591
<i>Goodwill</i>		19.430.672	19.806.458
Prepaid Expenses	4	22.143.133	22.143.133
Deferred Tax Assets		53.070.329	41.011.218
Other Non-Current Assets		24.930.302	21.939.066
		44.283.956	22.934.100
<b>TOTAL ASSETS</b>		<b><u>1.209.386.437</u></b>	<b><u>1.168.276.697</u></b>

The accompanying notes presented between pages 8 and 33 form an integral part of these condensed consolidated interim financial statements.

# AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Current Period (Not Audited) 30 September 2014</b>	<b>Prior Period (Audited) 31 December 2013</b>
<b>Current Liabilities</b>		<b>241.684.212</b>	<b>331.113.199</b>
Short-Term Borrowings	14	60.363.488	46.441.613
Short-Term Portion of Long-Term Borrowings	14	95.728.233	95.775.147
Other Financial Liabilities		18.064	1.528.052
Trade Payables		60.217.347	141.866.502
<i>Trade Payables to Third Parties</i>		24.085.573	59.025.809
<i>Trade Payables to Related Parties</i>	3	36.131.774	82.840.693
Payables for Employee Termination Benefits		563.255	579.399
Other Liabilities		13.569.113	28.126.463
<i>Trade Payables to Third Parties</i>		522.675	1.765.136
<i>Trade Payables to Related Parties</i>	3	13.046.438	26.361.327
Deferred Income		75.169	5.335.707
Current Tax Liabilities		8.088.740	7.554.708
Short-Term Provisions		545.489	388.973
<i>Short-Term Provisions for Employee Benefits</i>		545.489	388.973
Payables Related to Current Tax		1.609.936	2.500.763
Other Current Liabilities		905.378	1.015.872
<b>Non-Current Liabilities</b>		<b>707.377.964</b>	<b>594.765.388</b>
Long-Term Borrowings	14	705.188.714	592.328.564
Other Financial Liabilities		-	22.722
Other Payables		607.305	988.822
<i>Other Payables to Third Parties</i>		161.895	543.412
<i>Other Payables to Related Parties</i>	3	445.410	445.410
Long-Term Provisions		1.581.945	1.425.280
<i>Long-Term Provisions for Employee Benefits</i>		1.581.945	1.425.280
<b>EQUITY</b>		<b>260.324.261</b>	<b>242.398.110</b>
<b>Equity Attributable to Owners of the Parent</b>		<b>230.528.331</b>	<b>219.855.345</b>
Paid-in Capital	10	171.042.300	171.042.300
Accumulated Other Comprehensive Income or Expenses that will be Reclassified Subsequently to Profit or Loss		6.779.641	8.445.989
<i>Currency Translation Reserves</i>		6.779.641	8.445.989
Accumulated Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		(89.307)	(89.307)
<i>Accumulated Gain/Loss on Remeasurement of     Defined Benefit Plans</i>		(89.307)	(89.307)
Restricted Reserves	10	56.068.939	51.589.982
Retained Earnings/Accumulated Losses		(15.612.576)	37.712.818
Net Profit/Loss for the Period		12.339.334	(48.846.437)
<b>Non-Controlling Interests</b>		<b>29.795.930</b>	<b>22.542.765</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1.209.386.437</b>	<b>1.168.276.697</b>

The accompanying notes presented between pages 8 and 33 form an integral part of these condensed consolidated interim financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Notes	Current Period (Not Reviewed) 1 January- 30 September 2014	Current Period (Not Reviewed ) 1 July- 30 September 2014	Prior Period (Not Reviewed) 1 January- 30 September 2013	Prior Period (Not Reviewed) 1 July- 30 September 2013
<b>PROFIT OR LOSS</b>					
Revenue		165.851.974	63.124.988	285.319.025	119.297.562
Cost of Sales (-)	9	(126.042.257)	(54.132.434)	(230.527.705)	(99.885.033)
<b>GROSS PROFIT</b>		<b>39.809.717</b>	<b>8.992.554</b>	<b>54.791.320</b>	<b>19.412.529</b>
General Administration Expenses (-)	9	(6.760.958)	(2.241.269)	(5.777.668)	(1.581.737)
Other Income from Operating Activities		6.296.506	2.028.563	4.278.988	1.302.489
Other Expenses from Operating Activities (-)		(7.262.059)	(3.754.628)	(3.628.610)	(2.040.164)
<b>OPERATING PROFIT</b>		<b>32.083.206</b>	<b>5.025.220</b>	<b>49.664.030</b>	<b>17.093.117</b>
Income from Investing Activities	11	10.621.029	9.186.705	20.960.099	8.368.549
Expenses from Investing Activities (-)	11	-	405.151	(239.320)	(75.880)
<b>OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES</b>		<b>42.704.235</b>	<b>14.617.076</b>	<b>70.384.809</b>	<b>25.385.786</b>
Finance Expenses (-)	12	(23.696.132)	(13.468.079)	(100.533.342)	(53.856.310)
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>19.008.103</b>	<b>1.148.997</b>	<b>(30.148.533)</b>	<b>(28.470.524)</b>
<b>Tax Expense/Income</b>		<b>(5.098.252)</b>	<b>(846.495)</b>	<b>4.677.721</b>	<b>4.640.374</b>
Current Tax Expense/Income		(8.088.740)	(3.257.155)	(5.924.270)	(2.726.819)
Deferred Tax Expense/Income		2.990.488	2.410.660	10.601.991	7.367.193
<b>PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>13.909.851</b>	<b>302.502</b>	<b>(25.470.812)</b>	<b>(23.830.150)</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>13.909.851</b>	<b>302.502</b>	<b>(25.470.812)</b>	<b>(23.830.150)</b>
<b>Profit/Loss for the Period Attributable to:</b>					
Non-Controlling Interests		1.570.517	154.998	(3.756.907)	(2.176.038)
Owners of the Company		12.339.334	147.504	(21.713.905)	(21.654.112)
		<b>13.909.851</b>	<b>302.502</b>	<b>(25.470.812)</b>	<b>(23.830.150)</b>
<b>Earnings/losses per 1.000 shares</b>	13	0,72	0,009	(1,27)	(1,27)

The accompanying notes presented between pages 8 and 33 form an integral part of these condensed consolidated interim financial statements.

**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	<b>Current Period (Not Reviewed) 1 January- 30 September 2014</b>	<b>Current Period (Not Reviewed ) 1 July- 30 September 2014</b>	<b>Prior Period (Not Reviewed) 1 January- 30 September 2013</b>	<b>Prior Period (Not Reviewed) 1 July- 30 September 2013</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>13.909.851</b>	<b>302.502</b>	<b>(25.470.812)</b>	<b>(23.830.150)</b>
<b>Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss</b>	<b>(1.666.348)</b>	<b>93.046</b>	<b>(2.182.646)</b>	<b>(1.728.562)</b>
Currency Translation Reserves	(1.666.348)	93.046	(2.182.646)	(1.728.562)
<b>Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss</b>	<b>-</b>	<b>-</b>	<b>139.204</b>	<b>972</b>
Accumulated Gain / Loss on Remeasurement of Defined Benefit Plans	-	-	139.204	972
<b>OTHER COMPREHENSIVE INCOME/EXPENSE</b>	<b>(1.666.348)</b>	<b>93.046</b>	<b>(2.043.442)</b>	<b>(1.727.590)</b>
<b>TOTAL COMPREHENSIVE INCOME/EXPENSE</b>	<b>12.243.503</b>	<b>395.548</b>	<b>(27.514.254)</b>	<b>(25.557.740)</b>
<b>Total Comprehensive Income for the Period Attributable to:</b>				
Non- Controlling Interests	1.570.517	154.998	(3.756.907)	(2.176.038)
Owners of the Company	10.672.986	240.550	(23.757.347)	(23.381.702)
	<b>12.243.503</b>	<b>395.548</b>	<b>(27.514.254)</b>	<b>(25.557.740)</b>

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## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Share Capital	Restricted Profit Reserves	Retained Earnings		Accumulated Other Comprehensive Income or Expense that will be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income or Expense that will not be Reclassified to Profit or Loss	Equity Attributable to Owners of the Parent	Non-Controlling Interest	Total Equity
			Retained Earnings/(Accumulated Losses)	Net Profit/(Loss) for the Period	Currency Translation Reserves	Accumulated Gain / Loss on Remeasurement of Defined Benefit Plans			
<b>Balance as of 1 January 2013</b>	<b>171.042.300</b>	<b>47.370.328</b>	<b>19.086.960</b>	<b>22.847.998</b>	<b>85.991</b>	<b>(236.651)</b>	<b>260.196.926</b>	<b>28.384.832</b>	<b>288.581.758</b>
Transfers	-	4.219.655	18.628.343	(22.847.998)	-	-	-	-	-
Total comprehensive (expense)/income	-	-	-	(21.713.905)	(2.182.646)	139.204	(23.757.347)	(3.756.907)	(27.514.254)
Dividends paid	-	-	-	-	-	-	-	(926.145)	(926.145)
Increase in share capital	-	-	-	-	-	-	-	4.178.697	4.178.697
<b>Balance as of 30 September 2013</b>	<b>171.042.300</b>	<b>51.589.983</b>	<b>37.715.303</b>	<b>(21.713.905)</b>	<b>(2.096.655)</b>	<b>(97.447)</b>	<b>236.439.579</b>	<b>27.880.477</b>	<b>264.320.056</b>
<b>Balance as of 1 January 2014</b>	<b>171.042.300</b>	<b>51.589.982</b>	<b>37.712.818</b>	<b>(48.846.437)</b>	<b>8.445.989</b>	<b>(89.307)</b>	<b>219.855.345</b>	<b>22.542.765</b>	<b>242.398.110</b>
Transfers	-	4.478.957	(53.325.394)	48.846.437	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	12.339.334	(1.666.348)	-	10.672.986	1.570.517	12.243.503
Increase in share capital	-	-	-	-	-	-	-	6.667.402	6.667.402
Dividends paid	-	-	-	-	-	-	-	(984.754)	(984.754)
<b>Balance as of 30 September 2014</b>	<b>171.042.300</b>	<b>56.068.939</b>	<b>(15.612.576)</b>	<b>12.339.334</b>	<b>6.779.641</b>	<b>(89.307)</b>	<b>230.528.331</b>	<b>29.795.930</b>	<b>260.324.261</b>

The accompanying notes presented between pages 8 and 33 form an integral part of these condensed consolidated interim financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	<b>Current Period (Not Reviewed) 1 January- 30 September 2014</b>	<b>Prior Period (Not Reviewed) 1 January- 30 September 2013</b>
<u>Notes</u>		
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit/(Loss) for the Period</b>	<b>19.008.103</b>	<b>(30.148.533)</b>
<b>Adjustments to reconcile profit/loss for the period</b>		
- Adjustments related to depreciation and amortization expenses	5,9 21.700.361	18.087.842
- Adjustments related to provisions	464.821	241.527
- Adjustments related to interest income and expenses	11,12 18.700.093	12.892.965
- Adjustments related to accrued income	(2.042.950)	(6.217.855)
- Adjustments related to accrued expenses	(6.226.709)	19.142.902
- Adjustments related to deferred finance expenses	12 3.376.489	2.117.001
- Adjustments related to gain/loss on disposal of non-current assets	(17.431)	(179.237)
- Realised foreign exchange loss due to foreign currency translation	170.730	(2.182.646)
- Unrealised foreign exchange (gain)/loss	(6.526.391)	64.446.111
<b>Changes in working capital</b>		
- Adjustments related to decrease /increase in trade receivables	19.902.042	(25.383.542)
- Adjustments related to decrease in service concession arrangements	27.222.626	26.632.999
- Adjustment related to increase in financial assets	(59.213)	(67.088)
- Adjustments related to increase in other receivables from operating activities	(11.276.904)	(66.424.153)
- Adjustments related to decrease/increase in trade payables	(74.977.036)	39.837.206
- Adjustments related to decrease in other liabilities from operating activities	(21.662.285)	(11.720.909)
	<b>(12.243.654)</b>	<b>41.074.590</b>
<b>Cash (Used In) / Generated From Operations</b>		
Income taxes paid	(7.554.708)	(6.995.860)
Other cash inflows/outflows	(151.640)	(79.559)
	<b>(19.950.002)</b>	<b>33.999.171</b>

The accompanying notes presented between pages 8 and 33 form an integral part of these condensed consolidated interim financial statements.



# AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	<b>Current Period (Not Reviewed) 1 January- 30 September 2014</b>	<b>Prior Period (Not Reviewed) 1 January- 30 September 2013</b>
	<u>Notes</u>	
<b>B. Cash Flows from Investing Activities</b>		
Proceeds from sales of property, plant and equipment	39.965	215.502
Payments for property, plant and equipment and intangible asset	(138.650.380)	(74.731.165)
Advances given for acquisition of property, plant and equipment	(25.390.655)	(1.374.400)
	<u><b>(164.001.070)</b></u>	<u><b>(75.890.063)</b></u>
<b>C. Cash Flows from Financing Activities</b>		
Cash obtained from borrowings	264.912.833	99.718.510
Cash used for repayments of the borrowings	(142.522.070)	(83.794.324)
Capital increase in non-controlling interests	-	4.178.697
Interest received	2.708.926	1.711.308
Interest paid	(25.619.197)	(10.297.843)
Dividends paid	(984.754)	(926.145)
- non-controlling interests	(984.754)	(926.145)
Payments for the other financial liabilities	(1.532.716)	(5.914.051)
	<u><b>96.963.022</b></u>	<u><b>4.676.152</b></u>
<b>(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<u><b>(86.988.050)</b></u>	<u><b>(37.214.740)</b></u>
<b>D. Cash and cash equivalents at the beginning of the period</b>	<u><b>95.281.050</b></u>	<u><b>46.395.890</b></u>
<b>Cash and cash equivalents at the end of the period (A+B+C+D)</b>	<u><b>8.293.000</b></u>	<u><b>9.181.150</b></u>

The accompanying notes presented between pages 8 and 33 form an integral part of these condensed consolidated interim financial statements.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Ayen Enerji A.Ş. (the “Company” or “Ayen Enerji”) engages in the electricity production and trading activities. The Company was established in 1990. The Company is a member of Aydınlar Group. Main shareholder of the Company is Aydınlar İnşaat A.Ş. (“Aydınlar İnşaat”).

The Company is registered in Turkey and the registered address is as follows:

Hülya Sok. No: 37, Gaziosmanpaşa/Ankara

The Company is registered to Capital Markets Board (“CMB”) and its shares are publicly traded in Borsa Istanbul. 15,01% of the shares of the Company is publicly held as of 30 September 2014 (31 December 2013: 15,01%) (Note: 10).

The number of personnel of the Group as of 30 September 2014 is 218 (31 December 2013: 204).

The subsidiaries of the Company (“the Subsidiaries”), the nature of their business and their address of registered head offices are as follows:

Subsidiaries	Place of incorporation and the nature of the business	Direct Share	Indirect Share	Registered address
Ayen Ostim Enerji Üretim A.Ş. (“Ayen Ostim”)	Electricity production and trading	76%	76%	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Kayseri Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Kayseri Elektrik”)	Electricity production, distribution and trading	96%	96%	Yemliha Town Kayseri
Ayen Elektrik Ticaret A.Ş. (“Ayen Elektrik”)	Electricity trading	100%	100%	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Aksu Temiz Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Aksu”)	Electricity production and trading	70%	70%	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Ayen-AS Energji SHA (“Ayen-AS”)	Electricity production and trading	82%	87%	Bulevardi Deshmoret e Kombit Qendra e Biznesit Twin Towers, Kulla nr.2, Kati i 10 Tirane/Albania
Ayel Elektrik Üretim Sanayii ve Ticaret A.Ş. (“Ayel Elektrik”)	Electricity production, distribution and trading	55%	55%	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Araklı Doğalgaz Enerji Sanayi ve Ticaret A.Ş. (“Araklı Enerji”)	Electricity production and trading	76%	76%	Hülya Sokak No: 37 Gaziosmanpaşa Ankara
Ayen Doğalgaz Enerji Üretim Sanayi ve Ticaret A.Ş. (“Ayen Doğalgaz”)(*)	Electricity production and trading	90%	90%	Hülya Sokak No: 37 Gaziosmanpaşa Ankara

(\*) Has not been included in the consolidation since the company is non-operating and has no material effect on the condensed consolidated interim financial statements. In addition, the Project license has been cancelled with approval of Energy Market Regulatory Authority (“EMRA”). The Project has been terminated and the Company has been decided to be liquidated by the management in the Extraordinary General Assembly meeting dated 27 September 2014.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

<u>Subsidiaries</u>	<u>Place of incorporation and the nature of the business</u>	<u>Direct Share</u>	<u>Indirect Share</u>	<u>Registered address</u>
Ayen Enerjji Trading SHA ("Ayen Trading")(*)	Electricity trading	0%	100%	Bulevardi Deshmoret e Kombit Qendra e Biznesit Twin Towers, Kulla nr.2, Kati i 10 Tirane/Albania
Ayen Enerjji Trading D.O.O Beograd-StariGrad(*)	Electricity trading	0%	100%	Kosaņicev Venac Sokak No: 20, 11000 Belgrad, Serbia
Ayen Enerjji Trgovanje z Električno Energijo, D.O.O (*)	Electricity trading	0%	100%	Dolenjska cesta 148, 1000 Ljubljana, Slovenia

(\*) Has not been included in the consolidation since the companies are non-operating and has no material effect on the condensed consolidated interim financial statements.

Çamlıca 1 Hydro Electric Power Plant ("HEPP") is one of the power plant of Ayen Enerji and constructed under Build-Operate and Transfer ("BOT") model, transferred to EGIC as of 12 December 2013 at 12:00 pm.

The production license for the Wind Power Plant ("WPP") located in Akbük with an annual production capacity of 31,5 MW obtained by Ayen Enerji on 18 January 2007 for 49 years. The first part of the plant with a capacity of 16,8 MW and the second part of the plant with a capacity of 14,7 MW started to operate on 19 March 2009 and 3 April 2009 respectively.

Büyükdüz HEPP, which is located in Gümüşhane, Kürtün, having a 49 years of production license with an annual production capacity of 70,8 MW, started to operate on 1 June 2012.

Mordoğan WPP, which is located in İzmir, Karaburun, having a 49 years of production license with an annual production capacity of 30,75 MW, started to operate on 27 September 2013.

Korkmaz WPP, which is located in İzmir, Seferihisar, having a 49 years of production license with an annual production capacity of 24 MW, have been approved and started to operate gradually in August 2014 with a capacity of 10 MW and in September 2014 with capacity of 14 MW.

Yamula Dam, of Kayseri Elektrik, was constructed under BOT model. The Dam located on Kızılırmak River. The installed capacity is 100 MW and the annual production capacity of the dam is 422 million kWh. The construction of the Dam started in 1998 and began to operate in August 2005. The operational period for Yamula Dam is 20 years and will end in 2025.

The main operation of Ayen Ostim which is located at Ostim Organize Sanayi Bölgesi and began to operate in July 2004, is to supply electricity to end users in the market according to "Act of Electricity Market" (within "Electricity Market Balancing and Settlement Regulation"). The installed capacity of the natural gas power plant is 41 MW. 24% of shares in Ayen Ostim's capital belongs to Aydın İnşaat which is the main shareholder of the Company.

The main operation of Ayen Elektrik is the sale, import and export of the electricity and/or the electricity capacity on wholesale and directly to end users in accordance with the "Regulation for the Electricity Market License", "Wholesale License" and the other related regulations.

## **AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### **1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)**

The production license for the Wind Power Plant (“WPP”) located in Kayseri, Yahyalı with an annual production capacity of 72 MW obtained by Aksu Temiz Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. on 29 November 2007 for 49 years. The first part of the plant with a capacity of 30 MW, the second part of the plant with a capacity of 36 MW and third part of the plant with a capacity of 6 MW started to operate respectively in March, April and May of 2012.

Ayen AS Enerjji SHA; as of 30 June 2014, excavation and related works of 18.965 meters (83,47%) of 22.720 meters tunnels within the 3 and 4 numbered projects related to the Project of Fan River HEPP’s with an installed capacity of 110,7 MW in Albania, have been completed. Investment regarding the construction and 41 years of operation of the aforementioned project is ongoing.

The nature of operations of Ayel Elektrik is the sale, import and export of the electricity and/or the electricity capacity on wholesale and directly to the end users in accordance with the “Regulation for the Electricity Market License”, “Wholesale License” and the other related regulations.

Ayen Enerjji has acquired 76% shares of Araklı Enerjji Doğalgaz Üretim Sanayi ve Ticaret A.Ş. on 9 May 2012. Production license of the HEPP which will be constructed in Trabzon, Araklı with an installed capacity of 73 MW has been approved by EMRA.

Ayen Elektrik has participated in 100% shares of Ayen Enerjji Trading SHA with ALL 3.500.000 (EURO 25.000) capital. The Company has established in Tiran-Albania in accordance with Albania laws at 30 September 2013. As of 30 September 2014, the Company has not been included in the consolidation since it has no material effect on the condensed consolidated interim financial statements.

Ayen Elektrik Ticaret A.Ş. has participated in 100% shares of Ayen Enerjji Trading D.O.O (Serbia) with EUR 10.000 capital and Ayen Enerjji Trgovanje z Električno Energijo, D.O.O (Slovenia) with EUR 7.500 capital respectively on 13 June 2014 and 19 June 2014. The main operations of the aforementioned companies within the framework of the European Union Regulations to the particularly European Countries are wholesale of electricity and/or capacity and importing and exporting by the direct sales to free consumers.

Approval of financial statements:

Board of Directors has approved the condensed consolidated interim financial statements for the period between 1 January - 30 September 2014 and delegated publishing it on 10 November 2014. No authority other than Board of Directors and General Assembly has the right to modify the condensed consolidated interim financial statements.

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

##### **2.1 Basis of the presentation**

###### Statement of Compliance

The Company and its Turkish subsidiaries maintain their books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation.

Ayen-AS Energy maintains its books of account in Albanian LEK (“ALL”) in accordance with accounting principles in Albania.

## **AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **2.1 Basis of the presentation (cont'd)**

#### Statement of Compliance (cont'd)

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying consolidated financial statements are prepared based on the Turkish Accounting Standards/Turkish Financial Reporting Standards and Interpretations (“TAS/IFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

In addition, the condensed consolidated interim financial statements and disclosures are presented in accordance with the publication by CMB dated 7 June 2013.

The accompanying condensed consolidated interim financial statements have been prepared in terms of Turkish Lira on the historical cost basis except for the fair value measurement of certain financial assets and liabilities.

#### Functional Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional, and presentation currency of the Company and the reporting currency for the consolidated financial statements.

Subsidiaries of the Group are measured using the currency that has significant impact on the entity or on the operations of entity, which reflects the economic substance of the underlying events and circumstances relevant to the entity. In this context, Ayen-AS Energy is measured using ALL. According to TAS 21, balance sheet items (except capital accounts) in terms of ALL have been included into consolidation by being translated to TL with buying rate applicable as of balance sheet date (ALL 1= TL 0,0207). Profit or loss statement items have been included into consolidation by being translated to TL with monthly average buying rates.

Capital and capital reserves are carried forward with their historical nominal costs and any related exchange component of that gain or loss and the translation gain/(loss) realized during the translation of balance sheet and profit or loss statement is also recognized in capital translation gain-loss accounts under equity.

## **2.2 New and Revised Turkish Financial Reporting Standards**

### **(a) Amendments to TFRSs affecting presentation of financial statements**

None.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.2 New and Revised Turkish Financial Reporting Standards (cont'd)

#### (b) Standards, amendments and interpretations to the existing standards effective in 2014 but not relevant to the Group

Amendments to TFRS 10, 11, TAS 27	<i>Investment Entities<sup>1</sup></i>
Amendments to TAS 32	<i>Offsetting Financial Assets and Financial Liabilities<sup>1</sup></i>
Amendments to TAS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets<sup>1</sup></i>
Amendments to TAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting<sup>1</sup></i>
TFRS Comment 21	<i>Levies<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014.

#### **Amendments to TFRS 10, 11, TAS 27 *Investment Entities***

This amendment with the additional provisions of TFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

#### **Amendments to TAS 32 *Offsetting Financial Assets and Financial Liabilities***

The amendments to TAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

#### **Amendments to TAS 36 *Recoverable Amount Disclosures for Non-Financial Assets***

As a consequence of TFRS 13 *Fair Value Measurements*, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of TAS 36 has been changed.

#### **Amendments to TAS 39 *Novation of Derivatives and Continuation of Hedge Accounting***

This amendment to TAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

#### **TFRS Interpretation 21 *Levies***

TFRS Interpretation 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.2 New and Revised Turkish Financial Reporting Standards (cont'd)

#### (c) New and revised TFRSs in issue but not yet effective

The Group has not applied the following new and revised TFRSs that have been issued but are not yet effective:

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>
Amendments to TAS 19	<i>Defined Benefit Plans: Employee Contributions</i> <sup>1</sup>
Annual Improvements to 2010-2012 Cycle	<i>TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24</i> <sup>1</sup>
Annual Improvements to 2011-2013 Cycle	<i>TFRS 1, TFRS 3, TFRS 13, TAS 40</i> <sup>1</sup>
Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2016.

#### **TFRS 9 *Financial Instruments***

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

#### **Amendments to TFRS 9 and TFRS 7 *Mandatory Effective Date of TFRS 9 and Transition Disclosures***

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

#### **Amendments to TAS 19 *Defined Benefit Plans: Employee Contributions***

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions can, but are not required, be recognised as a reduction in the service cost in the period in which the related service is rendered.

#### **Annual Improvements to 2010-2012 Cycle**

**TFRS 2:** Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

**TFRS 3:** Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

**TFRS 8:** Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

## **AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **2.2 New and Revised Turkish Financial Reporting Standards (cont'd)**

#### **(c) New and revised TFRSs in issue but not yet effective (cont'd)**

##### **Annual Improvements to 2010-2012 Cycle (cont'd)**

**TFRS 13:** Clarify that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

**TAS 16 and TAS 38:** Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

**TAS 24:** Clarify how payments to entities providing management services are to be disclosed.

##### **Annual Improvements to 2011-2013 Cycle**

**TFRS 3:** Clarify that TFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

**TFRS 13:** Clarify the scope of the portfolio exception in paragraph 52.

**TAS 40:** Clarifying the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property.

##### **Amendments to TAS 16 and TAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Group evaluates the effect of the standards on financial position and performance.

## **2.3 Summary of Significant Accounting Policies**

The accounting policies applied in preparation of condensed consolidated interim financial statements are compatible with the accounting policies applied for the period between 1 January-31 December 2013. The condensed consolidated interim financial statements should be read with the consolidated annual financial statements.



## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 3. RELATED PARTY TRANSACTIONS

	30 September 2014							
	Receivables				Payables			
	Short-Term		Long-Term		Short-Term		Long-Term	
Related party transactions	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade
Aydiner İnşaat A.Ş. (*)	-	-	-	-	35.551.520	13.046.438	-	-
Kayseri ve Civarı Elektrik A.Ş.	-	-	-	-	6.402	-	-	-
Aksu other shareholders(**)	-	-	-	12.236.690	-	-	-	-
Agron Turizm ve Ticaret A.Ş.	161.341	-	-	-	-	-	-	-
As Enerjji ShPk (***)	-	-	-	6.795.578	-	-	-	-
Ayen Energy Trading	-	212.750	-	-	-	-	-	-
Ayen Enerji Shareholders	-	-	-	750.288	-	-	-	-
Araklı Other Shareholders	-	-	-	-	-	-	-	445.410
Metay İnşaat Sanayi Ticaret A.Ş.	-	-	-	-	559.883	-	-	-
Other	31.908	27	-	-	13.969	-	-	-
	<u>193.249</u>	<u>212.777</u>	<u>-</u>	<u>19.782.556</u>	<u>36.131.774</u>	<u>13.046.438</u>	<u>-</u>	<u>445.410</u>

(\*) Short-term trade receivables consist of electricity sales of Ayen Elektrik to worksites of Aydiner İnşaat in various regions. The short-term trade payables consist of the progress bills issued by Aydiner İnşaat for constructions in progress of the Group. The short-term non-trade payables consist of loan given to Group by Aydiner İnşaat A.Ş.. As of 30 September 2014, interest rate for aforementioned loan is 12,01%.

(\*\*) Receivables consist of due from other shareholders of Aksu related to capital commitments.

(\*\*\*) Receivables consist of due from other shareholders of Ayen AS related to capital commitments.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 3. RELATED PARTY TRANSACTIONS (cont'd)

	31 December 2013							
	Receivables				Payables			
	Short-Term		Long-Term		Short-Term		Long-Term	
Related party transactions	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade
Aydiner İnşaat A.Ş. (*)	173.127	-	-	-	82.628.425	26.361.327	-	-
Kayseri ve Civarı Elektrik A.Ş.	-	-	-	-	16.153	-	-	-
Layne Bowler Pompa Sanayi A.Ş. (**)	25.178	-	-	-	-	-	-	-
Samsun Makina Sanayii A.Ş.	2.913	-	-	-	-	-	-	-
Aksu Other Shareholders (***)	-	-	-	10.841.375	-	-	-	-
As Energji ShPk (****)	-	-	-	706.991	-	-	-	-
Araklı Other Shareholders	-	-	-	-	-	-	-	445.410
Other	106.403	1.470	-	-	196.115	-	-	-
	<u>307.621</u>	<u>1.470</u>	<u>-</u>	<u>11.548.366</u>	<u>82.840.693</u>	<u>26.361.327</u>	<u>-</u>	<u>445.410</u>

(\*) Short-term trade receivables consist of electricity sales of Ayen Elektrik to worksites of Aydiner İnşaat in various regions. The short-term trade payables consist of the progress bills issued by Aydiner İnşaat for constructions in progress of the Group. The short-term non-trade payables consist of loan given to Group by Aydiner İnşaat A.Ş. As of 31 December 2013, interest rate for aforementioned loan is 11,73%.

(\*\*) Consist of receivables due to the electricity sales of Ayen Elektrik.

(\*\*\*) Receivables consist of due from other shareholders of Aksu related to capital commitments.

(\*\*\*\*) Receivables consist of due from other shareholders of Ayen AS related to capital commitments..

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 3. RELATED PARTY TRANSACTIONS (cont'd)

Related party transactions	1 January – 30 September 2014					
	Energy sales	Interest income	Purchases of fixed assets	Purchases of services	Interest expense	Other expenses
Aydiner İnşaat A.Ş. (*)	1.267.484	2.019.074	96.794.713	254.470	784.218	-
Kayseri ve Civarı Elektrik A.Ş.	-	-	-	187.958	-	-
Samsun Makine Sanayi A.Ş.	18.140	-	-	-	423.308	-
Aybet Beton A.Ş.	670.546	-	-	-	-	-
Metay İnşaat Sanayii ve Ticaret A.Ş.	-	-	-	1.350	-	1.545.412
Aksu Other Shareholders	-	1.138.015	-	-	-	-
Layne Bowler Pompa Sanayi A.Ş.	146.991	-	-	3.200	-	-
Kayseri Elektrik Perakende Satış A.Ş.	-	-	-	84.444	-	-
	<u>2.103.161</u>	<u>3.157.089</u>	<u>96.794.713</u>	<u>531.422</u>	<u>1.207.526</u>	<u>1.545.412</u>

(\*) Purchases of fixed assets consists of progress payment invoices issued by Aydiner İnşaat to Group regarding to constructions in progress.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 3. RELATED PARTY TRANSACTIONS (cont'd)

Related party transactions	1 January - 30 September 2013					
	Sale of services	Energy sales	Interest income	Purchase of fixed assets	Purchase of services	Interest expense
Aydiner İnşaat A.Ş. (*)	152.542	2.886.720	456.407	56.623.139	232.514	90.093
Kayseri ve Civarı Elektrik A.Ş.	-	-	-	-	141.585	-
Samsun Makina Sanayii A.Ş.	-	21.593	-	-	-	-
Aybet Beton A.Ş.	-	281.232	-	-	-	-
Metay İnşaat Sanayii ve Ticaret A.Ş.	-	-	-	-	115.199	-
Aksu Other Shareholders	-	-	639.868	-	-	-
Layne Bowler Pompa Sanayi A.Ş.	26.695	137.987	-	-	-	-
	<u>179.237</u>	<u>3.327.532</u>	<u>1.096.275</u>	<u>56.623.139</u>	<u>489.298</u>	<u>90.093</u>

(\*) Purchase of fixed assets consist of the construction progress bills of Aydiner İnşaat which invoiced to the Group.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 3. RELATED PARTY TRANSACTIONS (cont'd)

Compensation of key management personnel:

Compensation of key management personnel during the period as follows:

	1 January- 30 September 2014	1 July- 30 September 2014	1 January- 30 September 2013	1 July- 30 September 2013
Salary and other short term benefits	1.544.409	650.836	1.561.149	555.513
Other long-term benefits	117.788	9.957	109.104	(5.901)
	<u>1.662.197</u>	<u>660.793</u>	<u>1.670.253</u>	<u>549.612</u>

#### 4. PREPAID EXPENSES AND DEFERRED INCOME

As of 30 September 2014 and 31 December 2013 details of long term prepaid expenses of the Group are summarized below:

Long-Term Prepaid Expenses	30 September 2014	31 December 2013
Deferred finance charges	24.360.995	23.918.652
Transmission line (*)	-	11.092.261
Advances given (**)	28.709.334	5.877.512
Other	-	122.793
	<u>53.070.329</u>	<u>41.011.218</u>

(\*) Consists of the costs regarding the Büyükdüz, Mordoğan, Korkmaz and Aksu transmission lines constructed for TEİAŞ, which are considered as prepaid expenses of switching station. In current year, related costs are started to be repaid to the Group by TEİAŞ with equal installments over 10 years according to the payment plan under the name of "Transmission Line Costs Subjected to Reimbursement" and related amounts have been presented under other receivables.

(\*\*) Consists of advances paid to subcontractors for the dam projects of Ayen AS.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 5. TANGIBLE AND INTANGIBLE ASSETS

	Property, Plant and Equipment	Intangible Assets
<b><u>Cost</u></b>		
Opening balance as at 1 January 2014	797.349.246	22.846.460
Additions (*)	146.165.543	283.946
Disposals	(35.580)	-
Currency translation differences	(1.837.078)	-
Closing balance as at 30 September 2014	<u>941.642.131</u>	<u>23.130.406</u>
<b><u>Accumulated Depreciation</u></b>		
Opening balance as at 1 January 2014	(79.927.647)	(3.040.002)
Charge for the period	(21.040.629)	(659.732)
Disposals	13.046	-
Closing balance as at 30 September 2014	<u>(100.955.230)</u>	<u>(3.699.734)</u>
Net book value as at 30 September 2014	<u>840.686.901</u>	<u>19.430.672</u>

(\*) As of 30 September 2014, TL 144.953.634 of the additions is related to the construction in progress, TL 128.116.747 of the additions is related to the Arnavutluk HEPP, the remaining balance consists the construction progress payments, general construction expenses and general expenses for the construction of facility of Korkmaz WEPP. In 2014, TL 7.212.713 of borrowing costs regarding the loans used for construction in progress have been capitalized in property, plant and equipment.

	Property, Plant and Equipment	Intangible Assets
<b><u>Cost</u></b>		
Opening balance as at 1 January 2013	675.040.776	22.749.454
Additions (*)	74.703.604	27.561
Disposals	(1.114.013)	-
Closing balance as at 30 September 2013	<u>748.630.367</u>	<u>22.777.015</u>
<b><u>Accumulated Depreciation</u></b>		
Opening balance as at 1 January 2013	(56.776.075)	(2.166.282)
Charge for the period	(17.429.708)	(658.134)
Disposals	1.077.748	-
Closing balance as at 30 September 2013	<u>(73.128.035)</u>	<u>(2.824.416)</u>
Net book value as at 30 September 2013	<u>675.502.332</u>	<u>19.952.599</u>

(\*) As of 30 September 2013, TL 71.835.207 of the additions is related to the construction in progress, TL 62.427.439 of the additions is related to the Arnavutluk HEPP, the remaining balance consists the investment expenses of Mordoğan WEPP and Korkmaz WEPP. In 2013, TL 4.641.274 of borrowing costs regarding the loans used for construction in progress have been capitalized in property, plant and equipment.

TL 21.448.121 (30 September 2013: TL 17.726.085) of the current period depreciation expense and amortization expense has been charged in cost of sales and TL 252.240 (30 September 2013: TL 361.757) charged in general and administrative expenses.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 6. SERVICE CONCESSION ARRANGEMENTS

	30 September 2014	31 December 2013
<u>Due from Service Concession Arrangements</u>		
Short-term due from service concession arrangements	24.936.046	30.653.471
Invoiced and undue due from service concession arrangements (*)	9.518.180	12.235.929
Unbilled short-term due from service concession arrangements related to the shortage in production (**)	-	1.218.940
Total short-term due from service concession arrangements	34.454.226	44.108.340
Long-term due from service concession arrangements	94.393.144	104.094.187
<b>Total due from service concession arrangements</b>	<b>128.847.370</b>	<b>148.202.527</b>
Gross due from service concession arrangements	220.941.114	244.444.905
Unearned financial income (-)	(101.611.924)	(109.697.247)
Due from service concession arrangements(*) (**)	9.518.180	13.454.869
<b>Due from service concession arrangements-net</b>	<b>128.847.370</b>	<b>148.202.527</b>

(\*) Consists of the receivables invoiced to TETAŞ but not collected yet.

(\*\*) Consists of the equity portion of unbilled income of Çamlıca HEPP for the years 2000, 2001, 2003, 2006, 2007, 2012 and 2013.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 6. SERVICE CONCESSION ARRANGEMENTS (cont'd)

As of 30 September 2014 and 31 December 2013, the payment schedules for gross and net due from service concession arrangements are as follows:

	Gross due from service concession arrangements (USD)		Gross due from service concession arrangements (TL)	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Up to 1 year	18.472.009	23.441.174	42.095.861	50.030.498
1 to 2 years	10.016.720	16.815.620	22.827.103	35.889.578
2 to 3 years	7.750.420	7.750.420	17.662.432	16.541.721
3 to 4 years	7.750.420	7.750.420	17.662.432	16.541.721
More than 4 years	52.961.203	58.774.018	120.693.286	125.441.387
	<u>96.950.772</u>	<u>114.531.652</u>	<u>220.941.114</u>	<u>244.444.905</u>
	Net due from service concession arrangements (USD)		Net due from service concession arrangements (TL)	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Up to 1 year	10.942.141	14.362.307	24.936.046	30.653.471
1 to 2 years	4.048.050	9.802.086	9.225.101	20.920.592
2 to 3 years	2.372.074	2.130.038	5.405.719	4.546.140
3 to 4 years	2.717.287	2.452.753	6.192.425	5.234.911
More than 4 years	32.283.075	34.387.173	73.569.899	73.392.544
	<u>52.362.627</u>	<u>63.134.357</u>	<u>119.329.190</u>	<u>134.747.658</u>

Due from service concession arrangements consist of receivables over the terms of the agreements. In accordance with the Energy Sales Agreement, the ownership of Çamlıca and Yamula HEEPs and the electricity equipments will be transferred to the MENR at the end of the operation terms.



## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 7. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### a) Provisions

At the end of each period, the Group evaluates the potential results of the litigations and their financial effects and books a provision accordingly. As of 30 September 2014, there is no provision accounted for the litigations (31 December 2013: None).

##### b) Contingent Assets and Liabilities

	30 September 2014	31 December 2013
<u>Contingent assets</u>		
Letters of guarantee received (*)	15.668.268	23.714.418
Guarantee received (**)	704.919.859	694.476.336
	<u>720.588.127</u>	<u>718.190.754</u>

(\*) All of the letters of guarantee received by Ayen Elektrik as a guarantee against risks that might occur in collecting related with electricity sales.

(\*\*) Consists of Aydiner İnşaat A.Ş.'s guarantee obtained regarding cash and non-cash General Loan Agreements signed by the Group with banks.

The commitments and contingent liabilities of the Group that are not expected to result in material loss or liability is summarized as follows:

	30 September 2014	31 December 2013
<u>Contingent liabilities</u>		
Letters of conveyance given (*)	563.275.041	574.775.632

(\*) Regarding the "Royalty agreement of the establishment and operation of Yamula Dam and HEPP and sale of the produced electricity to TETAŞ" and the "Energy sales agreement for Yamula Dam and HEPP" signed with MENR on 7 July 2003 Kayseri Elektrik gave its receivable of USD 119.658.318 (TL 272.689.341, 31 December 2013: USD 131.030.025) as a conveyance for the loan. However, these conveyances will be effective if payment schedules of the loans have not been met. Moreover, there exists EURO 100.500.000 (TL 290.585.700, 31 December 2013: EURO 100.500.000) of conveyance over receivables of Aksu Temiz Enerji as of 30 September 2014 (Note 14).

	30 September 2014	31 December 2013
<u>Contingent liabilities</u>		
Commercial enterprise pledge (**)	290.000.000	290.000.000

(\*\*) The Group has given commercial enterprise pledge amounting to TL 140.000.000 as a guarantee for the loan used for construction of Akbüük WPP, on 25 June 2009 and TL 150.000.000 as a guarantee for the loan used for Mordoğan WPP and Korkmaz WPP on 30 May 2012 (Note 14).

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 7. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

##### b) Contingent Assets and Liabilities (cont'd)

Contingent liabilities	30 September 2014	31 December 2013
Mortgages given (***)	102.550.500	96.043.500

(\*\*\*) Consists of the mortgages given for the long-term borrowings of the Group, there exists TL 102.550.500 (USD 45.000.000) of mortgages over property, plant and equipment (Note 14). The loan guaranteed via mortgage amounting to TL 91.156.000 (USD 40.000.000) has been totally paid as of 30 September 2014 and the cancellation process of the mortgage continues.

Contingent liabilities	30 September 2014	31 December 2013
Letters of guarantee given (****)	100.352.526	124.963.599

(\*\*\*\*) Letters of guarantee given consist of TL 52.605.540 in terms of USD and TL 47.746.986 in terms of Turkish Lira. Letters of guarantee given comprises that TL 15.666.321 (USD 6.874.510) has been given to the Albania Ministry of Economy for Ayen-AS, TL 1.636.478 (USD 718.100) has been given to General Directorate of Mineral Research and Exploration, TL 7.591.016 (USD 3.331.000) has been given to BOTAŞ, TL 7.679.000 has been given to MENR, TL 2.000.000 has been given to TEİAŞ for Akbük II plant and TL 38.067.986 given to electricity distribution companies as assurance pay for the payable arising due to the electricity purchases by Group. In addition to these, TL 8.010.634 (USD 3.515.132) are the letters of guarantee given as a guarantee for the long-term borrowings obtained for the investment activities of the Group. TL 19.701.091 (USD 8.645.000) is a letter of guarantee given in accordance with the concession agreement for the transfer of Çamlıca HEPP in working condition.

Contingent liabilities	30 September 2014	31 December 2013
Guarantee given (*****)	246.138.500	265.043.100

(\*\*\*\*\* Consists of TL 52.414.700 (USD 23.000.000) guarantee given to İş Bank for the borrowing used and TL 193.723.800 (EURO 67.000.000) is due to the joint guarantee for the loan obtained by Aksu Temiz Enerji from TSKB.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 8. COMMITMENTS

Guarantees, pledge and mortgage (“GPM”) position of the Group as of 30 September 2014 and 31 December 2013 is as follows:

	30 September 2014				31 December 2013			
	TL Equivalent	TL	USD	EURO	TL Equivalent	TL	USD	EURO
GPM given on behalf of the legal entity	401.538.435	300.725.346	44.237.610	-	435.554.942	316.053.974	53.237.610	2.001.000
Guarantee Letter	47.729.235	10.725.346	16.237.610	-	66.585.842	26.053.974	16.237.610	2.001.000
Pledge	290.000.000	290.000.000	-	-	290.000.000	290.000.000	-	-
Mortgage	11.394.500	-	5.000.000	-	10.671.500	-	5.000.000	-
Guarantee	52.414.700	-	23.000.000	-	68.297.600	-	32.000.000	-
GPM given on behalf of the subsidiaries that are included in full consolidation	900.778.132	37.021.641	166.504.450	167.500.000	915.270.889	13.571.429	181.759.545	174.960.008
Conveyance	563.275.041	-	119.658.318	100.500.000	574.775.632	-	131.030.025	100.500.000
Guarantee Letter	52.623.291	37.021.641	6.846.132	-	58.377.757	13.571.429	10.729.520	7.460.008
Mortgage	91.156.000	-	40.000.000	-	85.372.000	-	40.000.000	-
Guarantee	193.723.800	-	-	67.000.000	196.745.500	-	-	67.000.000
GPM given for execution of ordinary commercial activities to collect third parties debt	-	-	-	-	-	-	-	-
Other guarantees given	-	-	-	-	-	-	-	-
i. GPM given on behalf of main shareholder								
Guarantee	-	-	-	-	-	-	-	-
ii. GPM given on behalf of group companies not covered by B and C.	-	-	-	-	-	-	-	-
iii. GPM given on behalf of group companies not covered by C.	-	-	-	-	-	-	-	-
<b>Total</b>	<u>1.302.316.567</u>	<u>337.746.987</u>	<u>210.742.060</u>	<u>167.500.000</u>	<u>1.350.825.831</u>	<u>329.625.403</u>	<u>234.997.155</u>	<u>176.961.008</u>

(\*) As of 30 September 2014, rate of Group’s GPM to equity is 0% (2013: 0%).

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 9. EXPENSES BY NATURE

	1 January- 30 September 2014	1 July- 30 September 2014	1 January- 30 September 2013	1 July - 30 September 2013
Personnel expenses (*)	(9.672.235)	(3.505.060)	(8.780.656)	(2.803.570)
Depreciation	(21.700.361)	(7.670.483)	(18.087.842)	(6.261.726)
Transportation	(726.818)	(183.421)	(1.124.607)	(273.190)
Cost of natural gas	(19.538.998)	(6.567.148)	(11.438.357)	(3.457.195)
Cost of electricity (**)	(67.258.897)	(34.370.434)	(184.171.012)	(83.363.853)
Plant technical assistance and maintenance	(5.569.520)	(1.201.809)	(3.305.070)	(1.242.680)
Consultancy	(2.377.865)	(1.091.527)	(1.994.352)	(931.389)
System usage fee (***)	(1.221.952)	(124.400)	(3.516.542)	(2.122.336)
Office	(767.033)	(341.830)	(710.975)	(260.129)
Taxes and duties	(229.399)	(33.998)	(284.663)	(75.118)
Other	(3.740.137)	(1.283.593)	(2.891.297)	(675.584)
	<u>(132.803.215)</u>	<u>(56.373.703)</u>	<u>(236.305.373)</u>	<u>(101.466.770)</u>

(\*) Personnel expenses of TL 5.346.351 (30 September 2013: TL 5.190.606) has been charged in cost of sales; TL 4.325.884 (30 September 2013: TL 3.590.050) has been charged in general administrative expenses.

(\*\*) Consists of the cost of electricity that Ayen Ostim, Ayen Enerji ve Ayen Elektrik purchased from TEİAŞ and sold to customers.

(\*\*\*) TEİAŞ charges system usage fees to the Group and the Group reflects the same amount to TETAŞ and to other customers. The amounts that could be reflected to the customers and TETAŞ are netted off in the accompanying condensed consolidated interim financial statements, however, the amounts that could not be reflected and paid by the Group are accounted for as cost of sales.

#### 10. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company is not subject to registered capital system. The approved and issued capital of the Company consists of 17.104.230.000 shares (31 December 2013: 17.104.230.000) with TL 0,01 nominal price each. The mentioned capital is fully paid.

The composition of the Company's paid-in share capital as of 30 September 2014 and 31 December 2013 is as follows:

Shareholders	%	30 September 2014	%	31 December 2013
Aydiner İnşaat A.Ş.	84,98	145.351.747	84,98	145.351.747
Public quotation	15,01	25.673.449	15,01	25.673.449
Other	<1	17.104	<1	17.104
Subscribed capital		<u>171.042.300</u>		<u>171.042.300</u>

The operations of the Company are managed by the Board of Directors with at least 7 (seven) members that consist 5 (five) A type shareholders determined in the General Assembly in accordance with the Turkish Commercial Code. Each (A) type shareholders have 15 voting rights in Ordinary and Extraordinary General Assemblies.

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 10. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

##### b) Restricted profit reserves and retained earnings

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. These amounts are classified as "Restricted profit reserves" according to the CMB Financial Reporting Standards. As of 30 September 2014, the amount of restricted profit reserves is TL 56.068.939 (31 December 2013: TL 51.589.983).

Besides, in Kayseri Elektrik General Assembly which was hold on 29 April 2014, was decided transfer of TL 4.478.957 to reserves from the Company's profit for the year 2013.

##### *Resources Available for Profit Distribution*

As of balance sheet date, period loss of the Group is TL 595.651 and retained earnings is TL 27.421.465 according to the statutory records. Total profit available for distribution resources after deducting period loss from retained earnings is TL 26.825.814 (31 December 2013: TL 27.421.467).

#### 11. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

##### Income from Investing Activities:

	1 January- 30 September 2014	1 July- 30 September 2014	1 January- 30 September 2013	1 July- 30 September 2013
Interest income	2.708.926	1.313.995	1.711.308	732.464
Foreign exchange gains	7.867.464	7.867.464	19.044.865	7.612.864
Gain on sale of fixed assets	17.421	-	179.237	-
Other	27.218	5.246	24.689	23.221
	<u>10.621.029</u>	<u>9.186.705</u>	<u>20.960.099</u>	<u>8.368.549</u>

##### Expense from Investing Activities:

	1 January- 30 September 2014	1 July- 30 September 2014	1 January- 30 September 2013	1 July- 30 September 2013
Foreign exchange loss	-	405.151	(220.482)	(75.880)
Loss from sale of fixed assets	-	-	(18.838)	-
	<u>-</u>	<u>405.151</u>	<u>(239.320)</u>	<u>(75.880)</u>

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 12. FINANCE EXPENSES

	1 January- 30 September 2014	1 July- 30 September 2014	1 January- 30 September 2013	1 July- 30 September 2013
Net foreign exchange income/(loss)	2.479.301	(3.927.781)	(82.814.613)	(46.291.948)
Bank loan interests	(21.409.019)	(7.888.505)	(14.604.272)	(6.330.621)
Deferred finance expenses	(3.376.489)	(1.000.664)	(2.117.001)	(752.421)
Other finance expenses	(1.389.925)	(651.129)	(997.456)	(481.320)
	<u>(23.696.132)</u>	<u>(13.468.079)</u>	<u>(100.533.342)</u>	<u>(53.856.310)</u>

#### 13. EARNINGS/(LOSS) PER SHARE

	1 January- 30 September 2014	1 July- 30 September 2014	1 January- 30 September 2013	1 July- 30 September 2013
<b>Earning/Loss per share</b>				
Average number of outstanding shares	17.104.230.000	17.104.230.000	17.104.230.000	17.104.230.000
Profit/(loss) for the period attributable to equity holders of the Parent	12.339.334	147.504	(21.713.905)	(21.654.112)
Earnings/(loss) per basic, 1.000 shares (TL)	0,72	0,009	(1,27)	(1,27)

#### 14. FINANCIAL INSTRUMENTS

##### Financial Liabilities:

The detail of borrowings of the Group as of 30 September 2014 and 31 December 2013 is as follows:

	30 September 2014	31 December 2013
<b>Borrowings</b>		
Short-term financial borrowings	60.363.488	46.441.613
Short-term portion of long-term borrowings	95.728.233	95.775.147
Long-term financial borrowings	705.188.714	592.328.564
	<u>861.280.435</u>	<u>734.545.324</u>

The accrued interest expense on short-term borrowings is TL 6.445.342 (31 December 2013: TL 3.442.807).

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 14. FINANCIAL INSTRUMENTS (cont'd)

##### Financial Liabilities (cont'd)

The detail of borrowings is as follows:

Original Currency	Weighted average effective interest rate (%)	30 September 2014	
		Short-term	Long-term
TL	13,79%	48.956.628	-
USD	5,82%	41.568.757	29.920.772
EURO	3,88%	65.566.336	675.267.942
		<u>156.091.721</u>	<u>705.188.714</u>

  

Original Currency	Weighted average effective interest rate (%)	31 December 2013	
		Short-term	Long-term
TL	9,55%	46.441.613	-
USD	5,99%	32.680.985	46.715.066
EURO	3,29%	63.094.162	545.613.498
		<u>142.216.760</u>	<u>592.328.564</u>

The redemption schedule of the borrowings as of 30 September 2014 and 31 December 2013 is as follows:

	30 September 2014	31 December 2013
To be paid within 1 year	156.091.721	142.216.760
To be paid between 1-2 years	70.748.626	82.616.721
To be paid between 2-3 years	61.487.186	65.235.499
To be paid between 3-4 years	66.892.950	62.293.433
To be paid between 4-5 years	65.970.503	53.886.535
5 and more than 5 years	440.089.449	328.296.376
	<u>861.280.435</u>	<u>734.545.324</u>

For the long-term borrowings of the Group, there exists TL 102.550.500 (USD 45.000.000) of mortgages over land, TL 8.010.634 (USD 3.515.132) of letters of guarantee, TL 246.138.500 (EURO 67.000.000 and USD 23.000.000) of guarantee given and TL 563.275.041 (USD 119.658.318 and EURO 100.500.000) of conveyance on receivables (Note 7). Deferred finance expenses have been recognized in deferred finance expenses which have been paid for the long-term borrowings of the Group. As of 30 September 2014 the deferred finance expenses of the Group, which have been amortised through the maturity of the loans, is TL 26.352.449 (31 December 2013: TL 25.759.689). Group has also given commercial enterprise pledge amounting to TL 290.000.000 as guarantee for the investment loans (Note 7).

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 15. FOREIGN CURRENCY POSITION

The Group is exposed to foreign exchange risks due to foreign currency transactions.

The table below analyses foreign currency denominated assets and liabilities and TL equivalents of the Group as of 30 September 2014 and 31 December 2013:

	30 September 2014		
	TL Equivalent	USD	EUR
Trade receivables	15.957.503	6.246.336	595.811
Monetary financial assets	7.796.085	73.783	2.638.148
Due from short term service concession arrangements	34.454.226	15.118.797	-
Other	30.030	148	10.269
<b>CURRENT ASSETS</b>	<b>58.237.844</b>	<b>21.439.064</b>	<b>3.244.228</b>
Due from long term service concession arrangements	94.393.144	41.420.485	-
Other	2.903.573	-	1.004.210
<b>NON-CURRENT ASSETS</b>	<b>97.296.717</b>	<b>41.420.485</b>	<b>1.004.210</b>
<b>TOTAL ASSETS</b>	<b>155.534.561</b>	<b>62.859.549</b>	<b>4.248.438</b>
Trade payables	27.313.380	325.908	9.189.551
Financial borrowings	107.135.093	18.240.711	22.676.328
<b>SHORT TERM LIABILITIES</b>	<b>134.448.473</b>	<b>18.566.619</b>	<b>31.865.879</b>
Financial borrowings	705.188.714	13.129.480	233.543.592
<b>LONG TERM LIABILITIES</b>	<b>705.188.714</b>	<b>13.129.480</b>	<b>233.543.592</b>
<b>TOTAL LIABILITIES</b>	<b>839.637.187</b>	<b>31.696.099</b>	<b>265.409.471</b>
<b>Net Foreign Currency Position</b>	<b>(684.102.626)</b>	<b>31.163.450</b>	<b>(261.161.033)</b>



**AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

**15. FOREIGN CURRENCY POSITION (cont'd)**

	31 December 2013		
	TL Equivalent	USD	EURO
Trade receivables	17.682.710	7.152.344	823.246
Monetary financial assets	24.579.054	138.530	8.269.501
Due from short-term service concession arrangements	44.108.340	20.666.420	-
Other	12.945.887	164	4.408.492
<b>CURRENT ASSETS</b>	<b>99.315.991</b>	<b>27.957.458</b>	<b>13.501.239</b>
Due from long-term service concession arrangements	104.094.187	48.772.050	-
Other	2.894.693	-	985.763
<b>NON-CURRENT ASSETS</b>	<b>106.988.880</b>	<b>48.772.050</b>	<b>985.763</b>
<b>TOTAL ASSETS</b>	<b>206.304.871</b>	<b>76.729.508</b>	<b>14.487.002</b>
Trade payables	93.321.297	1.731.965	30.520.948
Financial borrowings	95.775.147	15.312.273	21.486.178
Other current financial liabilities	1.528.052	715.950	-
<b>CURRENT LIABILITIES</b>	<b>190.624.496</b>	<b>17.760.188</b>	<b>52.007.126</b>
Financial borrowings	592.328.564	21.887.769	185.804.018
<b>NON-CURRENT LIABILITIES</b>	<b>592.328.564</b>	<b>21.887.769</b>	<b>185.804.018</b>
<b>TOTAL LIABILITIES</b>	<b>782.953.060</b>	<b>39.647.957</b>	<b>237.811.144</b>
<b>Net Foreign Currency Position</b>	<b>(576.648.189)</b>	<b>37.081.551</b>	<b>(223.324.142)</b>

## AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### 15. FOREIGN CURRENCY POSITION (cont'd)

The Group is mainly exposed to foreign exchange risk through the impact of rate changes in the translation of USD and EUR denominated assets and liabilities to local currency. As of 30 September 2014 and 31 September 2013, had the TL appreciated or depreciated by 10% against USD and EUR with all other variables held constant, the effect over current period consolidated net income and shareholder's equity be as follows:

	<b>30 September 2014</b>	
	Profit/Loss	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
In case 10% appreciation in USD against TL		
US Dollar net asset / liability	7.101.839	(7.101.839)
Part of hedged from US Dollar risk (-)		
<b>US Dollar net effect</b>	<u>7.101.839</u>	<u>(7.101.839)</u>
Euro net asset / liability	(75.512.102)	75.512.102
Part of hedged from Euro risk (-)		
<b>Euro net effect</b>	<u>(75.512.102)</u>	<u>75.512.102</u>
<b>TOTAL</b>	<b>(68.410.263)</b>	<b>68.410.263</b>

  

	<b>30 September 2013</b>	
	Profit/Loss	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
In case 10% appreciation in USD against TL		
US Dollar net asset / liability	7.373.419	(7.373.419)
Part of hedged from US Dollar risk (-)	-	-
<b>US Dollar net effect</b>	<u>7.373.419</u>	<u>(7.373.419)</u>
Euro net asset / liability	(55.556.271)	55.556.271
Part of hedged from Euro risk (-)	-	-
<b>Euro net effect</b>	<u>(55.556.271)</u>	<u>55.556.271</u>
<b>TOTAL</b>	<b>(48.182.852)</b>	<b>48.182.852</b>

## **AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2014**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

#### **16. EVENTS AFTER THE REPORTING PERIOD**

The Company has conducted Extraordinary General Assembly on 6 November 2014 and the right to issue bond and other debt instruments, which will be valid for 15 months, has been given to Board of Directors by General assembly.

Extraordinary General Assembly of Ayen Doğalgaz Enerji Üretim Sanayi ve Ticaret A.Ş. has been conducted on 27 October 2014 and the Company has been decided to be liquidated by the General Assembly.