

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

**Convenience Translation Of The
Independent Auditor's Review Report
And Condensed Consolidated Financial
Statements For The Six-Month Interim
Period Ended 30 June 2015
Originally Issued In Turkish**

**DRT BAĞIMSIZ DENETİM VE SERBEST
MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
18 August 2015**

*This report consists of 1 page of review
report and 34 pages of condensed
consolidated financial statements and footnotes.*

**CONVENIENCE TRANSLATION OF THE REVIEW REPORT AND THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH**

REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Board of Directors of
Ayen Enerji A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Ayen Enerji A.Ş. (the "Company") and its subsidiaries (together the "Group") as of 30 June 2015 and the related condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month interim period then ended. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

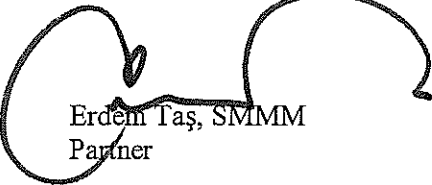
Scope of review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED


Erdem Taş, SMMM
Partner

Ankara, 18 August 2015

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AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF BALANCE SHEET AS OF 30 JUNE 2015

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

	Notes	Current Period (Reviewed) 30 June 2015	Prior Period (Audited) 31 December 2014
ASSETS			
Current Assets			
Cash and Cash Equivalents		75.539.979	253.278.411
Trade Receivables		10.603.978	188.692.607
<i>Trade Receivables from Third Parties</i>		30.126.587	31.100.923
<i>Trade Receivables from Related Parties</i>	3	29.824.842	31.033.323
301.745			67.600
Other Receivables		1.607.339	1.343.418
<i>Other Receivables from Third Parties</i>		1.604.072	1.343.418
<i>Other Receivables from Related Parties</i>	3	3.267	-
Service Concession Arrangements	5	27.443.558	26.613.132
Prepaid Expenses		4.000.703	4.136.999
Assets Related to Current Tax		51.157	218.160
Other Current Assets		1.706.657	1.173.172
Non-Current Assets			
Service Concession Arrangements	5	1.307.710.208	1.177.704.576
Financial Assets		101.824.055	90.367.450
Other Receivables		464.936	464.936
<i>Other Receivables from Third Parties</i>		27.355.214	24.208.601
<i>Other Receivables from Related Parties</i>	3	5.221.260	5.180.440
22.133.954			19.028.161
Property, Plant and Equipment	4	1.006.766.398	912.416.269
Intangible Assets		41.090.249	41.506.289
<i>Other Intangible Assets</i>	4	18.947.116	19.363.156
<i>Goodwill</i>		22.143.133	22.143.133
Prepaid Expenses		36.548.207	35.129.643
Deferred Tax Assets		26.832.026	22.802.550
Other Non-Current Assets		66.829.123	50.808.838
TOTAL ASSETS		1.383.250.187	1.430.982.987

The accompanying notes presented between pages 8 and 34 form an integral part of these condensed consolidated interim financial statements.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF BALANCE SHEET AS OF 30 JUNE 2015

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

LIABILITIES	Notes	Current Period (Reviewed) 30 June 2015	Prior Period (Audited) 31 December 2014
Current Liabilities		226.749.591	309.161.410
Short-Term Borrowings	13	58.214.755	61.296.610
Short-Term Portion of Long-Term Borrowings	13	88.179.866	92.865.188
Other Financial Liabilities		214.875	18.064
Trade Payables		63.255.238	79.316.772
<i>Trade Payables to Third Parties</i>		<i>31.784.900</i>	<i>34.097.143</i>
<i>Trade Payables to Related Parties</i>	3	<i>31.470.338</i>	<i>45.219.629</i>
Payables for Employee Termination Benefits		321.126	389.771
Other Liabilities		3.220.382	59.521.797
<i>Trade Payables to Third Parties</i>		<i>1.241.840</i>	<i>948.426</i>
<i>Trade Payables to Related Parties</i>	3	<i>1.978.542</i>	<i>58.573.371</i>
Deferred Income		2.948.213	1.972.617
Current Tax Liabilities		5.864.975	10.108.726
Short-Term Provisions		814.701	606.919
<i>Short-Term Provisions for Employee Benefits</i>		<i>814.701</i>	<i>606.919</i>
Payables Related to Current Tax		2.962.614	1.741.250
Other Current Liabilities		752.846	1.323.696
Non-Current Liabilities		874.591.956	847.858.466
Long-Term Borrowings	13	786.628.459	775.021.665
Other Financial Liabilities	13	70.000.000	70.175.251
Trade Payables		15.116.092	-
<i>Trade Payables to Related Parties</i>	3	<i>15.116.092</i>	<i>-</i>
Other Payables		447.668	607.305
<i>Other Payables to Third Parties</i>		<i>2.258</i>	<i>161.895</i>
<i>Other Payables to Related Parties</i>	3	<i>445.410</i>	<i>445.410</i>
Long-Term Provisions		2.399.737	2.054.245
<i>Long-Term Provisions for Employee Benefits</i>		<i>2.399.737</i>	<i>2.054.245</i>
EQUITY		281.908.640	273.963.111
Equity Attributable to Owners of the Parent		248.170.912	241.216.449
Paid-in Capital	9	171.042.300	171.042.300
Accumulated Other Comprehensive Income or Expenses that will be Reclassified Subsequently to Profit or Loss		8.683.083	3.411.319
<i>Currency Translation Reserves</i>		<i>8.683.083</i>	<i>3.411.319</i>
Accumulated Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		(456.568)	(456.568)
<i>Accumulated Gain/Loss on Remeasurement of Defined Benefit Plans</i>		<i>(456.568)</i>	<i>(456.568)</i>
Restricted Reserves	9	62.162.876	56.068.938
Retained Earnings		5.056.522	(15.687.799)
Net Profit/Loss for the Period		1.682.699	26.838.259
Non-Controlling Interests		33.737.728	32.746.662
TOTAL LIABILITIES AND EQUITY		1.383.250.187	1.430.982.987

The accompanying notes presented between pages 8 and 34 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Notes	Current Period (Reviewed) 1 January- 30 June 2015	Current Period (Not Reviewed) 1 April- 30 June 2015	Prior Period (Reviewed) 1 January- 30 June 2014	Prior Period (Not Reviewed) 1 April- 30 June 2014
PROFIT OR LOSS					
Revenue		139.237.160	64.366.018	102.726.986	53.968.098
Cost of Sales (-)	8	(97.074.585)	(40.957.049)	(71.909.823)	(32.630.589)
GROSS PROFIT		42.162.575	23.408.969	30.817.163	21.337.509
General Administration Expenses (-)	8	(7.356.579)	(3.653.233)	(4.519.689)	(2.072.325)
Other Income from Operating Activities		7.037.521	5.540.243	4.267.943	2.597.324
Other Expenses from Operating Activities (-)		(3.258.803)	(1.791.563)	(3.507.431)	(2.592.082)
OPERATING PROFIT		38.584.714	23.504.416	27.057.986	19.270.426
Income from Investing Activities	10	18.601.599	3.962.286	1.434.324	(2.954.675)
Expenses from Investing Activities (-)	10	-	-	(405.151)	(651.925)
OPERATING PROFIT / LOSS BEFORE FINANCE EXPENSE		57.186.313	27.466.702	28.087.159	15.663.826
Finance Expenses (-)	11	(53.316.461)	(33.972.629)	(10.228.053)	13.744.557
PROFIT/LOSS FOR THE PERIOD		3.869.852	(6.505.927)	17.859.106	29.408.383
Tax Expense/Income		(1.835.500)	658.217	(4.251.757)	(6.059.704)
Current Tax Expense/Income		(5.864.975)	(3.319.719)	(4.831.585)	(3.782.152)
Deferred Tax Expense/Income		4.029.475	3.977.936	579.828	(2.277.552)
PROFIT/ LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		2.034.352	(5.847.710)	13.607.349	23.348.679
PROFIT/LOSS BEFORE TAX		2.034.352	(5.847.710)	13.607.349	23.348.679
Profit / Loss for the Period Attributable to:					
Non-Controlling Interests		351.653	(983.699)	1.415.519	1.956.827
Owners of the Company		1.682.699	(4.864.011)	12.191.830	21.391.852
		2.034.352	(5.847.710)	13.607.349	23.348.679
Earnings / losses per 1.000 shares	12	0,10	(0,28)	0,71	1,25

The accompanying notes presented between pages 8 and 34 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Current Period (Reviewed) 1 January- 30 June 2015	Current Period (Not Reviewed) 1 April- 30 June 2015	Prior Period (Reviewed) 1 January- 30 June 2014	Prior Period (Not Reviewed) 1 April- 30 June 2014
PROFIT/LOSS FOR THE PERIOD	2.034.352	(5.847.710)	13.607.349	23.348.679
Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss	5.271.764	4.886.249	(1.759.394)	(2.915.934)
Currency Translation Reserves	5.271.764	4.886.249	(1.759.394)	(2.915.934)
OTHER COMPREHENSIVE INCOME/EXPENSE	5.271.764	4.886.249	(1.759.394)	(2.915.934)
TOTAL COMPREHENSIVE INCOME/EXPENSE	<u>7.306.116</u>	<u>(961.461)</u>	<u>11.847.955</u>	<u>20.432.745</u>
Total Comprehensive Income for the Period Attributable to:				
Non- Controlling Interests	351.653	(983.699)	1.415.519	1.956.827
Owners of the Company	6.954.463	22.238	10.432.436	18.475.918
	<u>7.306.116</u>	<u>(961.461)</u>	<u>11.847.955</u>	<u>20.432.745</u>

The accompanying notes presented between pages 8 and 34 form an integral part of these condensed consolidated interim financial statements.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Share Capital	Restricted Profit Reserves	Retained Earnings	Net Profit/Loss for the Period	Accumulated Other Comprehensive Income or Expense that may be reclassified to Profit or Loss	Currency Translation Reserves	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
Balance as of 1 January 2014	171.042.300	51.589.982	37.712.818	(48.846.437)	8.445.989	(89.307)	219.855.345	22.542.765	242.398.110	
Transfers	-	4.478.956	(53.325.393)	48.846.437	-	-	-	-	-	
Total comprehensive (expense)/income	-	-	-	12.191.830	(1.759.394)	-	10.432.436	1.415.519	11.847.955	
Dividends paid	-	-	-	-	-	-	(984.754)	(984.754)	(984.754)	
Increase in share capital	-	-	-	-	-	-	6.654.753	6.654.753	6.654.753	
Balance as of 30 June 2014	171.042.300	56.068.938	(15.612.575)	12.191.830	6.686.595	(89.307)	230.287.781	29.628.283	259.916.064	
Balance as of 1 January 2015	171.042.300	56.068.938	(15.687.799)	26.838.259	3.411.319	(456.568)	241.216.449	32.746.662	273.963.111	
Transfers	-	6.093.938	20.744.321	(26.838.259)	-	-	-	-	-	
Total comprehensive income/expense	-	-	-	1.682.699	5.271.764	-	6.954.463	351.653	7.306.116	
Increase in share capital	-	-	-	-	-	-	1.976.931	1.976.931	1.976.931	
Dividends paid	-	-	-	-	-	-	(1.337.518)	(1.337.518)	(1.337.518)	
Balance as of 30 June 2015	171.042.300	62.162.876	5.056.522	1.682.699	8.683.083	(456.568)	248.170.912	33.737.728	281.908.640	

The accompanying notes presented between pages 8 and 34 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Notes	Current Period (Reviewed) 1 January - 30 June 2015	Prior Period (Reviewed) 1 January - 30 June 2014
A. Cash Flows from Operating Activities			
Profit/(Loss) for the Period		3.869.852	17.859.106
Adjustments to reconcile profit/loss for the period			
- Adjustments related to depreciation and amortization expenses	4,8	15.892.645	14.029.878
- Adjustments related to provisions		561.323	676.660
- Adjustments related to interest income and expenses	10,11	10.021.872	12.125.583
- Adjustments related to accrued income		1.115.857	(1.591.524)
- Adjustments related to accrued expense		(1.705.300)	(7.702.385)
- Adjustments related to deferred finance expenses	11	1.135.519	2.375.825
- Realised foreign exchange loss due to foreign currency translation		(16.565.225)	(362.730)
- Unrealised foreign exchange (gain)/loss		15.874.125	(7.531.803)
Changes in working capital			
- Adjustments related to increase/decrease in trade receivables		(141.521)	16.148.511
- Adjustment related to increase/decrease in financial assets		-	(21.238)
- Adjustments related to increase in service concession arrangements		5.015.756	20.483.582
- Adjustments related to decrease in other receivables from operating activities		6.557.711	264.284
- Adjustments related to decrease/increase in trade payables		759.858	(70.881.143)
- Adjustments related to decrease/increase in other liabilities from operating activities		(54.903.586)	(12.676.007)
		(12.511.114)	(16.803.401)
Cash Generated From / Operations			
Income taxes paid		(10.108.726)	(7.554.708)
Other cash inflows/outflows		(8.049)	(421.686)
		(22.627.889)	(24.779.795)

The accompanying notes presented between pages 8 and 34 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015**

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

	Notes	Current Period (Reviewed) 1 January- 30 June 2015	Prior Period (Reviewed) 1 January- 30 June 2014
B. Cash Flows from Investing Activities			
Proceeds from sales of property, plant and equipment		-	22.534
Payments for property, plant and equipment and intangible asset		(78.084.522)	(89.262.521)
Interest received	10	1.232.779	1.394.931
Tax related with investments		(16.024.443)	(14.301.902)
Advances given for acquisition of property, plant and equipment		(12.748.357)	(17.124.869)
		<u>(105.624.543)</u>	<u>(119.271.827)</u>
C. Cash Flows from Financing Activities			
Cash obtained from borrowings		69.036.117	164.364.489
Cash used for repayments of the borrowings		(100.734.397)	(88.307.125)
Capital increase in non-controlling interests		1.976.931	-
Interest paid		(18.798.890)	(15.894.031)
Dividends paid		(1.337.518)	(984.754)
- non-controlling interests		(1.337.518)	(984.754)
Payments for the other financial liabilities		21.560	(1.532.716)
		<u>(49.836.197)</u>	<u>57.645.863</u>
Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		<u>(178.088.629)</u>	<u>(86.405.759)</u>
D. Cash and cash equivalents at the beginning of the period		<u>188.692.607</u>	<u>95.281.050</u>
Cash and cash equivalents at the end of the period (A+B+C+D)		<u>10.603.978</u>	<u>8.875.291</u>

The accompanying notes presented between pages 8 and 34 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 Aydiner Group. Main shareholder of the Company is Aydiner İnşaat A.Ş. (“Aydiner 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 June 2015 (31 December 2014: %15,01) (Note: 9).

The number of personnel of the Group as of 30 June 2015 is 259 (31 December 2014: 237).

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 Kasabası 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%	89%	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	82%	82%	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 Energy 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 Energy Trading D.O.O. Beograd-Stari Grad (“Ayen Sırbistan”)	Electricity trading	0%	100%	Kosaņicev Venac Sokak No: 20, 11000 Belgrad, Serbia
Ayen Energija Trgovanje z Električno Energijo D.O.O. (“Ayen Slovenya”)	Electricity trading	0%	100%	Dolenjska cesta 148, 1000 Ljubljana, Slovenia

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 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 consolidated financial statements. The project term of the license is cancelled with the assent of EMRA and therefore the project is terminated by the management in the Extraordinary General Assembly as of 27 October 2014.

<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>
Elektrik Piyasaları İşletim A.Ş. ("EPIAŞ")(*)	Electricity market operations	1%	1%	Harbiye Mahallesi Asker Ocağı Caddesi Süzer Plaza Kat 4 No :15 Şişli -İstanbul

(*) Participated to EPIAŞ as of December 2014.

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, of Ayen Enerji is located in Gümüşhane, Kürtün with an installed capacity of 70,8 MW has production license for 49 years. The power plant started to operate on 1 June 2012.

Mordoğan WPP, of Ayen Enerji, is located in İzmir, Karaburun with an installed capacity of 30,75 MW and has a production license for 49 years. The power plant has started to operate on 27 September 2013. Additionally, the approval of EMRA has obtained for 10,5 MW capacity increase and total capacity has increased to 42 MW with license amendment.

Kormaz WPP, of Ayen Enerji, is located in İzmir, Seferihisar with an installed capacity of 24 MW and has a production license for 49 years. The first part of the plant with an installed capacity of 10 MW and the second part of the plant with an installed capacity of 14 MW started to operate respectively August and September 2014.

Investment operations continues for Akbük II WPP, of Ayen Enerji a power plant with installed capacity of 20 MW to be built by our company in Didim town of city of Aydın.

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 Aydiner İnşaat which is the main shareholder of the Company.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

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

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.

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. Additionally, the approval of EMRA has obtained for 8 MW capacity increase and total capacity has increased to 80 MW with license amendment.

Ayen AS Enerji SHA; the construction of the facilities of the PESHQESHIT 3 Hydroelectricity Energy Production Facility, established in Albania has been completed with the annual electricity energy production capacity of 118,400,000 kWh, installation power of 28 MW and one of the HEPP projects within the scope of the "Albanian Fan Basin HEPP Project" with the annual electricity energy production capacity of 380,000,000 and installation power of 110 MW and has been commissioned commercially on 4 May 2015 and the electricity energy production in this facility has started.

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 Enerji has acquired 76% shares of Araklı Enerji 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 72 MW has been approved by EMRA. As of 19 January 2015, with the approval of EMRA, installed capacity of the power plant has been increased to 98,36 MW for Çankaya Barrage and HEPP projects. In accordance with Electricity Market Law no. 6446 and relevant legislations, pre deal for license obtained from Energy Market Regulatory Board.

Ayen Elektrik participated in 100% share of Ayen Enerji Trading SHA which established with ALL 3.500.000 (EURO 25.000) nominal capital. The Company has established in Tirane- Albania in accordance with Albania laws at 30 September 2013.

Ayen Elektrik Ticaret A.Ş participated in 100% share of Ayen Enerji Trading D.O.O. (Serbia) with EURO 10.000 nominal capital and Ayen Enerji Trgovanje z Električno Energijo, D.O.O. (Slovenia) with EURO 67.500 nominal capital in respectively 13 June 2014 and 19 June 2014. The main operations of these companies are to sale, import and export of the electricity and/or the electricity capacity as wholesale and sale directly to end users particularly to European Countries in accordance with the European Union regulations.

Approval of consolidated financial statements:

Board of Directors has approved the consolidated financial statements for the period between 1 January - 30 June 2015 and delegated publishing it on 18 August 2015. No authority other than Board of Directors and General Assembly has the right to modify the consolidated financial statements.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the presentation

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

Ayen-AS and Ayen Trading maintain their books of account in Albanian LEK ("ALL") in accordance with accounting principles in Albania. Ayen Slovenia and Ayen Serbia maintain their books of accounts in EURO in accordance with accounting principles in Slovenia and Serbia respectively.

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/TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

The accompanying consolidated 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 and Ayen Trading 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 0,02126). Ayen Slovenia is measured using EURO and Ayen Serbia is measured using RSD and the balance sheet items (except capital accounts) in terms of EURO have been included into consolidation by being translated to TL with buying rate applicable as of balance sheet date (EURO 1 = TL 2,9822; RSD 1:TL 0,0248). Profit or loss statement and other comprehensive income items have been included into consolidation by being translated to TL with buying rate applicable at the transaction date.

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 Accounting Standarts

- a) Amendments to TASs affecting amounts reported and/or disclosures in the consolidated financial statements

None.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 Accounting Standards (cont'd)

b) Standards, amendments and interpretations to existing standards effective in 2015 but not relevant to the Group

Amendments to TAS 19
Annual Improvements to
2010-2012 Cycle
Annual Improvements to
2011-2013 Cycle

*Defined Benefit Plans: Employee Contributions*¹
*TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24*¹
*TFRS 9, TAS 37, TAS 39*¹
*TFRS 1, TFRS 3, TFRS 13, TAS 40*¹

¹ Effective for annual periods beginning on or after 30 July 2014.

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, to 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.

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 2010-2012 Cycle also led to amendments in related provisions of TFRS 9, TAS 27 and TAS 39, respectively.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 Accounting Standards (cont'd)

- b) Standards, amendments and interpretations to existing standards effective in 2015 but not relevant to the Group (cont'd)

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.

- c) New and Revised TASs 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>TFRS 9 and Mandatory Effective Date of TFRS 9 and Transition Disclosure</i>
Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation¹</i>
Amendments to TAS 16 and TAS 41	<i>Agriculture: Bearer Plants¹</i>
Amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	
Amendments to TFRS 11 and TFRS 1	<i>Accounting for Acquisition of Interests in Joint operations¹</i>
Annual Improvements to 2012-2013 Cycle	<i>TFRS 1²</i>
Amendments to TAS 1	<i>Disclosure Initiative²</i>
Annual Improvements to 2012-2014 Cycle	<i>TFRS 5, TFRS 7, TAS 34, TAS 19²</i>
Amendments to TAS 27	<i>Equity Method in Separate Financial Statements²</i>
Amendments to TFRS 10 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²</i>
Amendments to TFRS 10, TFRS 12 and TAS 28	<i>Investment Entities: Applying the Consolidation Exception²</i>
TFRS 14	<i>Regulatory Deferral Accounts²</i>

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 Accounting Standards (cont'd)

c) New and Revised TASs in issue but not yet effective (cont'd)

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 16 and TAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies 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.

Amendments to TAS 16 and TAS 41 and Amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 Agriculture: Bearer Plants

This amendment include 'bearer plants' within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with TAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40, respectively.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 Accounting Standards (cont'd)

c) New and Revised TASs in issue but not yet effective (cont'd)

Amendments to TFRS 11 and TFRS 1 *Accounting for Acquisition of Interests in Joint operations*

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in TFRS 3 and other TAS, except for those principles that conflict with the guidance in TFRS 11,
- disclose the information required by TFRS 3 and other TAS for business combinations.

Amendments to TFRS 11 also led to amendments in related provisions of TFRS 1.

Annual Improvements 2011-2013 Cycle

TFRS 1: Clarify which versions of TAS can be used on initial adoption (amends basis for conclusions only).

Amendments to TAS 1 *Disclosure Initiative*

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

TFRS 5: Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

TFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

TAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS 19.

Amendments to TAS 27 *Equity Method in Separate Financial Statements*

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 Accounting Standards (cont'd)

c) New and Revised TASs in issue but not yet effective (cont'd)

Amendments to TFRS 10 and TAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to TFRS 10, TFRS 12 and TAS 28 Investment Entities: Applying the Consolidation Exception

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

TFRS 14 Regulatory Deferral Accounts

TFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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 2014. 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

3. RELATED PARTY TRANSACTIONS

Related party transactions	30 June 2015							
	Receivables			Payables				
	Short-Term		Long-Term	Short-Term		Long-Term		
Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade	
Aydiner İnşaat A.Ş. (*)	21.968	-	-	-	28.338.159	964.381	15.116.092	-
Kayseri ve Civan Elektrik A.Ş.	-	-	-	-	17.825	-	-	-
Layne Bowler Pompa Sanayi A.Ş.	23.714	-	-	-	-	-	-	-
Aksu Other Shareholders(**)	-	-	-	13.723.086	-	-	-	-
Kayseri Other Shareholders	-	-	-	-	-	1.014.161	-	-
Agrom Turizm ve Ticaret A.Ş.	240.783	-	-	-	-	-	-	-
As Enerji Şirketi (***)	-	-	-	8.410.868	-	-	-	-
Metay İnşaat Sanayii ve Ticaret A.Ş.	-	-	-	-	3.069.094	-	-	-
Araklı Other Shareholders	-	-	-	-	-	-	-	445.410
Other	15.280	3.267	-	-	45.260	-	-	-
	<u>301.745</u>	<u>3.267</u>	<u>-</u>	<u>22.133.954</u>	<u>31.470.338</u>	<u>1.978.542</u>	<u>15.116.092</u>	<u>445.410</u>

(*) 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 June 2015, interest rate for a forementioned loan is %13,30

(**) 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 SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

3. RELATED PARTY TRANSACTIONS (cont'd)

Related party transactions	31 December 2014							
	Receivables				Payables			
	Short-Term	Long-Term	Trade	Non-Trade	Short-Term	Non-Trade	Trade	Non-Trade
Aydiner İnşaat A.Ş. (*)	-	-	-	-	43.500.299	58.573.371	-	-
Kayseri ve Civarı Elektrik A.Ş.	8.659	-	-	-	24.375	-	-	-
Metay İnşaat Sanayii ve Ticaret A.Ş.	-	-	-	-	1.694.955	-	-	-
Aksu Other Shareholders (**)	-	12.717.857	-	-	-	-	-	-
As Enerji Şirk (***)	-	6.310.304	-	-	-	-	-	-
Araklı Other Shareholders	-	-	-	-	-	-	-	445.410
Other	58.941	-	-	-	-	-	-	-
	<u>67.600</u>	<u>19.028.161</u>	<u>-</u>	<u>19.028.161</u>	<u>45.219.629</u>	<u>58.573.371</u>	<u>-</u>	<u>445.410</u>

(*) The short-term trade payables consist of the progress bills for the facility construction of Korkmaz WPP, located in Izmir and Ayen AS HEPP, located in Albania. The short-term non-trade payables consist of loan given to Group by Aydinler İnşaat A.Ş.. As of 31 December 2014, interest rate for aforementioned loan is 12,86%.

(**) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

3. RELATED PARTY TRANSACTIONS (cont'd)

Related party transactions	1 January – 30 June 2015				
	Energy sales	Interest income	Purchase of fixed assets	Purchase of services	Interest expense
Aydiner İnşaat A.Ş. (*)	182.356	2.821.523	44.699.758	123.924	214.842
Kayseri ve Cıvart Elektrik A.Ş.	-	-	-	106.318	-
Samsun Makine Sanayi A.Ş.	4.646	-	-	-	-
Aybet Beton A.Ş.	101.736	-	-	-	-
Metay İnşaat Sanayii ve Ticaret A.Ş.	-	-	1.231.348	2.500	-
Aksu Other Shareholders	-	722.691	-	-	-
Layne Bowler Pompa Sanayi A.Ş.	115.138	-	-	-	-
Other	338.103	-	-	49.308	-
	<u>741.979</u>	<u>3.544.214</u>	<u>45.931.106</u>	<u>282.050</u>	<u>214.842</u>

(*) Purchase of fixed assets consist of progress payment invoices issued by Aydiner İnşaat to Group regarding construction in progress.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015**

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

3. RELATED PARTY TRANSACTIONS (cont'd)

1 January – 30 June 2014

Related party transactions	Energy sales	Interest income	Purchases of fixed assets	Purchases of services	Interest expense	Other expenses
Aydiner İnşaat A.Ş. (*)	731.063	2.018.418	67.698.538	182.638	378.203	-
Kayseri ve Civarı Elektrik A.Ş.	-	-	-	133.695	-	-
Samsun Makine Sanayi A.Ş.	9.377	-	-	-	423.308	-
Aybet Beton A.Ş.	517.313	-	-	-	-	-
Melay İnşaat Sanayii ve Ticaret A.Ş.	-	-	-	1.350	-	514.257
Aksu Other Shareholders	-	825.705	-	-	-	-
Layne Bowler Pompa Sanayi A.Ş.	110.758	-	-	-	-	-
Other	-	-	-	84.224	-	-
	1.368.511	2.844.123	67.698.538	401.907	801.511	514.257

(*) Purchase of fixed assets consist of progress payment invoices issued by Aydiner İnşaat to Group regarding construction in progress.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Salary and other short term benefits	1.482.176	773.939	1.414.855	864.784
Other long-term benefits	192.106	(16.954)	107.831	(35.021)
	<u>1.674.282</u>	<u>756.985</u>	<u>1.522.686</u>	<u>829.763</u>

4. TANGIBLE AND INTANGIBLE ASSETS

	<u>Property, Plant and Equipment</u>	<u>Intangible Assets</u>
<u>Cost</u>		
Opening balance as at 1 January 2015	1.020.555.947	23.289.436
Additions (*)	87.969.178	20.567
Currency translation differences	21.891.805	-
Closing balance as at 30 June 2015	<u>1.130.416.930</u>	<u>23.310.003</u>
<u>Accumulated Depreciation</u>		
Opening balance as at 1 January 2015	(108.139.678)	(3.926.280)
Charge for the period	(15.456.038)	(436.607)
Currency translation differences	(54.816)	-
Closing balance as at 30 June 2015	<u>(123.650.532)</u>	<u>(4.362.887)</u>
Net book value as at 30 June 2015	<u>1.006.766.398</u>	<u>18.947.116</u>

(*) In the current period, TL 9.560.150 of borrowing cost regarding loan used for investments of Ayen AS have been capitalized over property, plant and equipments. Additions during the period consists of construction progress payments, general construction expenses and construction of facility expenses related to Ayen AS and Akbük WEPP II. Additionally, Peshqesit 3 HEPP with installed capacity of 28 MW under Albania project of Fan River started to operate on 4 May 2015.

AYEN ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

4. TANGIBLE AND INTANGIBLE ASSET (cont'd)

	Property, Plant and Equipment	Intangible Assets
<u>Cost</u>		
Opening balance as at 1 January 2014	797.349.246	22.846.460
Additions (*)	93.853.322	283.946
Disposals	(35.580)	-
Currency translation differences	(1.396.664)	-
Closing balance as at 30 June 2014	889.770.324	23.130.406
<u>Accumulated Depreciation</u>		
Opening balance as at 1 January 2014	(79.927.647)	(3.040.002)
Charge for the period	(13.588.319)	(441.559)
Disposals	13.046	-
Closing balance as at 30 June 2014	(93.502.920)	(3.481.561)
Net book value as at 30 June 2014	796.267.404	19.648.845

(*) As of 30 June 2014, TL 92.803.471 of the additions is related to the construction in progress, TL 85.006.169 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 4.107.904 of borrowing costs regarding the loans used for construction in progress have been capitalized in property, plant and equipment.

TL 15.580.948 (30 June 2014: TL 13.821.319) of the current period depreciation expense and amortization expense has been charged in cost of sales and TL 311.697 (30 June 2014: TL 208.559) charged in general and administrative expenses.

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5. SERVICE CONCESSION ARRANGEMENTS

Due from Service Concession Arrangements	30 June 2015	31 December 2014
Short-term due from service concession arrangements	16.026.632	22.730.057
Invoiced and undue due from service concession arrangements (*)	11.416.926	3.883.075
Total short-term due from service concession arrangements	27.443.558	26.613.132
Long-term due from service concession arrangements	101.824.055	90.367.450
Total due from service concession arrangements	129.267.613	116.980.582
Gross due from service concession arrangements	222.110.452	211.229.710
Unearned financial income (-)	(104.259.765)	(98.132.203)
Due from service concession arrangements(*)	11.416.926	3.883.075
Due from service concession arrangements-net	129.267.613	116.980.582

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

As of 30 June 2015 and 31 December 2014, 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 June 2015	31 December 2014	30 June 2015	31 December 2014
Up to 1 year	12.283.020	16.815.620	32.995.877	38.993.741
1 to 2 years	7.750.420	7.750.420	20.819.953	17.972.449
2 to 3 years	7.750.420	7.750.420	20.819.953	17.972.449
3 to 4 years	7.750.420	7.750.420	20.819.953	17.972.449
More than 4 years	47.148.388	51.023.598	126.654.716	118.318.622
	82.682.668	91.090.478	222.110.452	211.229.710

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5. SERVICE CONCESSION ARRANGEMENTS (cont'd)

	Gross due from service concession arrangements (USD)		Gross due from service concession arrangements (TL)	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Up to 1 year	5.966.062	9.802.086	16.026.632	22.730.057
1 to 2 years	2.291.395	2.130.038	6.155.374	4.939.345
2 to 3 years	2.629.109	2.452.753	7.062.576	5.687.689
3 to 4 years	3.007.181	2.805.465	8.078.190	6.505.593
More than 4 years	29.977.260	31.581.708	80.527.915	73.234.823
	<u>43.871.007</u>	<u>48.772.050</u>	<u>117.850.687</u>	<u>113.097.507</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 Yamula HHEPs and the electricity equipments will be transferred to the MENR at the end of the operation terms.

6. 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 June 2015, there is no provision accounted for the litigations (31 December 2014: None).

b) Contingent Assets and Liabilities

	30 June 2015	31 December 2014
<u>Contingent assets</u>		
Letters of guarantee received (*)	18.702.721	20.094.684
Guarantee received (**)	604.758.670	592.162.355
	<u>623.461.391</u>	<u>612.257.039</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.

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

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

Contingent Liabilities	30 June 2015	31 December 2014
Letters of conveyance given (*)	500.220.465	560.775.632

(*) 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 74.641.464 (31 December 2014: USD 119.658.318) 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 299.711.100, 31 December 2014: EURO 100.500.000) of conveyance over receivables of Aksu Temiz Enerji.

Contingent Liabilities	30 June 2015	31 December 2014
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 Akbük 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.

Contingent Liabilities	30 June 2015	31 December 2014
Mortgages given (***)	13.431.500	11.594.500

(***) Consists of the mortgages given for the long-term borrowings of the Group, there exists TL 13.431.500 (USD 5.000.000) of mortgages over property, plant and equipment.

Contingent Liabilities	30 June 2015	31 December 2014
Letters of guarantee given (****)	65.903.126	95.305.195

(****) Letters of guarantee given consist of TL 18.466.966 (USD 6.874.510) has been given to the Albania Ministry of Economy for Ayen-AS, TL, TL 4.558.600 has been given to MENR TL 2.000.000 has been given to TEİAŞ for Akbük II plant, TL 4.371.585 (USD 1.627.363) are the letters of gurantee given as a guarantee for the long-term borrowings obtained for the investment activities of the Group. In addition to this, remaining part has been given to electricity distribution companies as assurance pay for the payable arising due to the electricity purchases by Group.

Contingent Liabilities	30 June 2015	31 December 2014
Guarantee given (*****)	149.110.000	235.364.900

(*****) TL 149.110.000 (EURO 50.000.000) is due to the joint quarantee for the loan obtained by Aksu Temiz Enerji from TSKB.

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7. COMMITMENTS

Guarantees, pledge and mortgage ("GPM") position of the Group as of 30 June 2015 and 31 December 2014 is as follows:

	30 June 2015			31 December 2014				
	TL Equivalent	TL	USD	EURO	TL Equivalent	TL	USD	EURO
GPM given on behalf of the legal entity	329.352.313	296.991.747	12.046.520	-	398.255.859	302.629.965	41.237.610	-
Guarantee Letter	25.920.813	6.991.747	7.046.520	-	50.283.359	12.629.965	16.237.610	-
Pledge	290.000.000	290.000.000	-	-	290.000.000	290.000.000	-	-
Mortgage	13.431.500	-	5.000.000	-	11.594.500	-	5.000.000	-
Guarantee	-	-	-	-	46.378.000	-	20.000.000	-
GPM given on behalf of the subsidiaries that are included in full consolidation	689.312.778	33.344.255	76.268.827	151.260.000	794.964.760	37.000.258	122.229.566	168.230.000
Conveyance	500.220.465	-	74.641.464	100.500.000	560.956.024	-	119.658.318	100.500.000
Guarantee Letter	39.982.313	33.344.255	1.627.363	760.000	45.021.836	37.000.258	2.571.248	730.000
Guarantee	149.110.000	-	-	50.000.000	188.986.900	-	-	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.	-	-	-	-	-	-	-	-
Total	1.018.665.091	330.336.002	88.315.347	151.260.000	1.193.220.619	339.630.223	163.467.176	168.230.000

(*) As of 30 June 2015, rate of Group's GPM to equity is 0% (2014: 0%).

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8. EXPENSES BY NATURE

	1 January - 30 June 2015	1 April- 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Personnel expenses (*)	(8.462.338)	(3.757.245)	(6.167.175)	(2.692.065)
Depreciation and amortization expenses	(15.892.645)	(8.383.204)	(14.029.878)	(7.052.566)
Transportation expenses	(427.596)	(192.434)	(543.397)	(204.778)
Cost of natural gas	(4.681.145)	(371.644)	(12.971.850)	(6.698.999)
Cost of electricity (**)	(60.214.373)	(23.716.680)	(32.888.463)	(13.235.622)
Plant technical assistance and maintenance g	(4.982.811)	(2.521.905)	(4.367.711)	(3.281.019)
Consultancy fees	(859.991)	(348.569)	(1.286.338)	(435.795)
System usage fee (***)	(3.776.615)	(2.984.801)	(1.097.552)	(426.977)
Office expenses	(422.599)	(229.788)	(425.203)	(217.756)
Provisions for doubtful receivables	(940.001)	(940.001)	-	-
Taxes and duties	(315.132)	(135.676)	(195.401)	(114.386)
Other	(3.455.918)	(1.028.335)	(2.456.544)	(342.951)
	<u>(104.431.164)</u>	<u>(44.610.282)</u>	<u>(76.429.512)</u>	<u>(34.702.914)</u>

(*) Personnel expenses of TL 4.676.330 (30 June 2014: TL 3.282.065) has been charged in cost of sales; TL 3.786.008 (30 June 2014: TL 2.885.110) has been charged in general administrative expenses.

(**) Consists of the cost of electricity that Ayen Ostim, Ayen Enerji ve Ayen Elektrik purchased from suppliers other than TEİAŞ and Group Companies.

(***) 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.

9. 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 2014: 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 June 2015 and 31 December 2014 is as follows:

Shareholders	%	30 June 2015	%	31 December 2014
Aydiner İnşaat A.Ş.	84,98	145.347.710	84,98	145.347.710
Public quotation	15,01	25.675.650	15,01	25.675.650
Other	<1	18.940	<1	18.940
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.

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

b) Restricted profit reserves and retained earnings

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of %5 per annum, until the total reserve reaches %20 of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of %10 per annum of all cash dividend distributions. As of 30 June 2015, the amount of restricted profit reserves is TL 62.162.876 (31 December 2014: TL 56.068.938).

Besides, in Kayseri Elektrik General Assembly which was hold on 25 April 2015, was decided transfer of TL 6.093.938 to reserves from the Company's profit for the year 2014.

Resources Available for Profit Distribution

As of balance sheet date, period income of the Group is TL 14.942.267 and retained earnings is TL 21.524.231 according to the statutory records. Total profit available for distribution resources after adding period income is TL 36.466.498 (31 December 2014: TL 21.524.231).

10. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from Investing Activities:

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Interest income	1.232.779	457.863	1.394.931	517.585
Net foreign exchange gains	17.300.576	3.468.488	-	(3.511.653)
Gain on sale of fixed assets	-	-	17.421	17.421
Other	68.244	35.935	21.972	21.972
	<u>18.601.599</u>	<u>3.962.286</u>	<u>1.434.324</u>	<u>(2.954.675)</u>

Expenses from Investing Activities:

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Foreign exchange losses	-	-	(405.151)	(651.925)
	<u>-</u>	<u>-</u>	<u>(405.151)</u>	<u>(651.925)</u>

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11. FINANCE EXPENSES

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Net foreign exchange loss/income	(37.453.849)	(26.958.385)	6.407.082	22.590.616
Bank loan interests	(11.254.651)	(4.577.153)	(13.520.514)	(7.048.617)
Deferred finance expenses	(1.135.519)	(533.983)	(2.375.825)	(1.333.770)
Other	(3.472.442)	(1.903.108)	(738.796)	(463.672)
	<u>(53.316.461)</u>	<u>(33.972.629)</u>	<u>(10.228.053)</u>	<u>13.744.557</u>

12. EARNINGS PER SHARE

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Earning/Loss per share				
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 year attributable to equity holders of the Parent	1.682.699	(4.864.011)	12.191.830	21.391.852
Earnings/ (loss) per basic, 1.000 shares (TL)	0,10	(0,28)	0,71	1,25

13. FINANCIAL INSTRUMENTS

Other Financial Liabilities

	30 June 2015	31 December 2014
Other Long-Term Financial Liabilities		
Bonds Issued (*)	70.000.000	70.175.251
	<u>70.000.000</u>	<u>70.175.251</u>

(*) Bonds with 24 months maturity; with quarterly coupon payment and with variable interests and capital payment at the end of the maturity as nominal amount of TL 70.000.000 is issued by the Group as of 24 December 2014.

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13. FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities:

The detail of borrowings of the Group as of 30 June 2015 and 31 December 2014 is as follows:

Borrowings	30 June 2015	31 December 2014
Short-term financial borrowings	58.214.755	61.296.610
Short-term portion of long-term borrowings	88.179.866	92.865.188
Long-term financial borrowings	786.628.459	775.021.665
	933.023.080	929.183.463

The accrued interest expense on short-term borrowings is TL 9.645.307 (31 December 2014: TL 7.276.678).

The detail of borrowings is as follows:

Original Currency	Weighted average effective interest rate (%)	30 June 2015	
		Short-term	Long-term
TL	12,30%	15.247.565	-
USD	7,43%	48.417.746	18.804.103
EURO	4,01%	82.729.310	767.824.356
		146.394.621	786.628.459
Original Currency	Weighted average effective interest rate (%)	31 December 2014	
		Short-term	Long-term
TL	12,04%	49.701.816	-
USD	5,88%	38.091.767	24.348.455
EURO	4,06%	66.368.215	750.673.210
		154.161.798	775.021.665

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13. FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities: (cont'd)

The redemption schedule of the borrowings as of 30 June 2015 and 31 December 2014 is as follows:

	30 June 2015	31 December 2014
To be paid within 1 year	146.394.621	154.161.798
To be paid between 1-2 years	69.882.253	64.816.025
To be paid between 2-3 years	51.078.142	57.328.078
To be paid between 3-4 years	76.733.602	72.578.118
To be paid between 4-5 years	76.733.602	72.578.118
5 and more than 5 years	512.200.860	507.721.326
	<u>933.023.080</u>	<u>929.183.463</u>

14. 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 June 2015 and 31 December 2014:

	30 June 2015		
	TL Equivalent	USD	EUR
Trade receivables	16.879.379	6.283.505	-
Monetary financial assets	8.561.227	35.067	2.839.188
Due from short term service concession arrangements	27.443.558	10.216.118	-
Other	22.116	-	7.416
CURRENT ASSETS	52.906.280	16.534.690	2.846.604
Due from long term service concession arrangements	101.824.055	37.904.945	-
Other	16.430.335	152.397	5.372.192
NON-CURRENT ASSETS	118.254.390	38.057.342	5.372.192
TOTAL ASSETS	171.160.670	54.592.032	8.218.796
Trade payables	45.840.742	84.143	15.295.657
Financial borrowings	131.147.056	18.023.954	27.741.033
SHORT TERM LIABILITIES	176.987.798	18.108.097	43.036.690
Financial borrowings	786.628.459	7.000.001	257.469.102
LONG TERM LIABILITIES	786.628.459	7.000.001	257.469.102
TOTAL LIABILITIES	963.616.257	25.108.098	300.505.792
Net Foreign Currency Position	(792.455.587)	29.483.934	(292.286.996)

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14. FOREIGN CURRENCY POSITION (cont'd)

	31 December 2014		
	TL Equivalent	USD	EUR
Trade receivables	7.358.155	2.448.381	595.811
Monetary financial assets	73.322.908	17.738	25.979.996
Due from short term service concession arrangements	26.613.132	11.476.619	-
Other	20.918	-	7.416
CURRENT ASSETS	107.315.113	13.942.738	26.583.223
Due from long term service concession arrangements	90.367.450	38.969.964	-
Other	2.832.578	-	1.004.211
NON-CURRENT ASSETS	93.200.028	38.969.964	1.004.211
TOTAL ASSETS	200.515.141	52.912.702	27.587.434
Trade payables	43.519.547	430.515	15.074.707
Financial borrowings	104.459.982	16.426.654	23.528.987
SHORT TERM LIABILITIES	147.979.529	16.857.169	38.603.694
Financial borrowings	775.021.665	10.500.002	266.130.113
LONG TERM LIABILITIES	775.021.665	10.500.002	266.130.113
TOTAL LIABILITIES	923.001.194	27.357.171	304.733.807
Net Foreign Currency Position	(722.486.053)	25.555.531	(277.146.373)

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14. 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 June 2015 and 2014, 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:

	30 June 2015	
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case 10% appreciation in USD against TL	7.920.269	(7.920.269)
US Dollar net asset / liability		
Part of hedged from US Dollar risk (-)		
US Dollar net effect	<u>7.920.269</u>	<u>(7.920.269)</u>
Euro net asset / liability	(87.165.828)	87.165.828
Part of hedged from Euro risk (-)		
Euro net effect	<u>(87.165.828)</u>	<u>87.165.828</u>
TOTAL	(79.245.559)	79.245.559
	30 June 2014	
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case 10% appreciation in USD against TL	6.983.635	(6.983.635)
US Dollar net asset / liability		
Part of hedged from US Dollar risk (-)	-	-
US Dollar net effect	<u>6.983.635</u>	<u>(6.983.635)</u>
Euro net asset / liability	(72.839.464)	(72.839.464)
Part of hedged from Euro risk (-)		
Euro net effect	<u>(72.839.464)</u>	<u>(72.839.464)</u>
TOTAL	(65.855.859)	(65.855.859)

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15. EVENTS AFTER THE REPORTING PERIOD

As a result of the capacity increase of 10,5 MW, the total capacity of Mordoğan WPP, of Ayen Enerji, located in İzmir, Karaburun, has increased to 42 MW and licence amendment has been done by EMRA. After the increase in total capacity and activating additional turbines of Mordoğan Wind Power Generation Facilities, expected annual production amount will be 128.426.000 kWh.

In order to finance investment activities of Akbük II WPP with an installed capacity of 20 MW and the annual capacity of 68.153.000 kWh, established in the province of Muğla Milas, the Entity made loan agreement with Commerzbank AG on 30 July 2015, with a maturity of 15 years, principle and interest payment every 6 months for investment loan worth EUR 17.560.000.

As Ayen AS has concession for 41 years, in order to finance the projects of Peshqeshit HPP and Ura e Fanit Barrage with an installed capacity of 110 MW, the loan taken from Türkiye İş Bankası A.Ş with loan agreement on 26 February 2014 worth EUR 128 million, with supplemental agreement on 30 June 2015 the loan has increased to EUR 158 million respectively; EUR 25 million of loan as investment loan, EUR 5 million as working capital loan in total amounting EUR 30 million.

At Board of Directors Meeting held on 30 June 2015, registered capital of Ayen AS is decided to be increased to LEK 5.600.000.000 from LEK 4.900.000.000.