



AYEN ENERGY CO. INC.

**01 JANUARY 2015 - 30 JUNE 2015
EXECUTIVE BOARD
ANNUAL REPORT**

BASIS OF PREPARATION

Interim Annual Reports have been prepared in accordance with Capital Markets Board's Communiqué numbered Series II-14.1 on Principles of Financial Reporting in Capital Markets and Ministry of Customs Commerce's "Regulations on determining the minimum content of the Annual Report of the companies".

Trade name of the company, the Commercial Registry Number, contacts information regarding the headquarters and branches and website address:

AYEN ENERGY INC

Year of foundation -----: 15.08.1990
Headquarters -----Hulya Sokak No: 37 G.G.O.P / ANKARA
Tel----- (312) 445 04 64
Fax ----- (312) 445 05 02
e-mail-----: ayen@ayen.com.tr
Web -----: the www.ayen.com.tr
Capital-----: 171,042,300 -TL
Trade Register no -----: 79 297-Centrum
Industry Registration Number : 520264.34
Tax Office / RegistryNo. ----: Cumhuriyet - 119 004 5930
Purpose and Subject-----: Electricity production and trade

The Company has no branches.

ORGANIZATION STRUCTURE OF THE COMPANY

The organization structure of the company is shown as a "Group" with Ayen Energy Corporation and its partnerships upon which it consolidates their financial statements, operating in the same sector Ayen Ostim Power Generation Inc., Kayseri Electricity Generation Industry and Trade Inc., Ayen Electrical Trade Co., Aksu Clean Energy Electricity Generation Industry and Trade Inc., Ayel Electricity Generation Industry and Trade Inc., Araklı Natural Gas Power Generation Industry and Trade Inc., Ayen Natural Gas Power Generation Industry and Trade Inc. and situated in Albania according to Albania laws, Ayen AS Energj SHA, Ayen Energj Trading SHA, Ayen Energj Trading DOO (Serbia) and AyenEnergie DOO (Slovenia).

The capital and shareholding structure of the Company and their changes in the accounting period

As of 30 June 2015, the company's shareholder structure is as follows.

Stockholder	Share Rate (%)	Number of Shares	Amount of Shares Held	Share Group
Aydiner Construction Co.	56.8738023	9727825965	97278259.65	A
Aydiner Construction Co.	28.1038374	4806945000	48069450.00	B (Non public)
Mehmet AYDINER	0000451	772200	7.722,00	A
Fatma Nirvana AYDINER	0.0000169	289575	2895.75	A
Omer Ali AYDINER	0.0000169	289575	2895.75	A
Turhan AYDINER	0.0000169	289575	2895.75	A
Turgut AYDINER	0.0000146	250965	2509.65	A
Fahrettin Amir Arman	0,0000001	2145	21,45	A
Public Joint Section	15.0112866	2567565000	25.675.650,00	B (Public)
Total	100%	17.104.230.000	171.042.300,00	

The Company's original capital is 171,042,300.00 TL (one hundred seventy one million and forty two thousand three hundred Liras); each one worth a kurush is divided into 17,104,230,000 shares. 9.72972 units of these are the bearer of (A) shares. 2.567565 of (B) group shares are public and 4.806945 shares are non-public registered shares (bearer).

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

Governing Body, Senior Managers, Limits of Authority, period of office;

The operations and management of the Company, in accordance with the Turkish Commercial Law, is conducted by the Board consisting of 7 (seven) Board members elected by the General Assembly of which 5 (five) members from (A) group of shareholders.

EXECUTIVE BOARD

<i>Name and Surname</i>	<i>Title</i>	<i>Term of office</i>
Mehmet AYDINER	Chairman of the Board of Management	Since 08/05/2013 For 3 years
Turgut AYDINER	Chairman of the Board Deputy	3 years from 05.08.2013
Ayse Tuvana AYDINER KIRAC (On behalf of Aydiner Construction Co.)	Board member	3 years from 08.05.2013
Omer Ali AYDINER	Board member	3 years from 08.05.2013
Fahrettin Amir Arman	Member of the Board, General Manager	3 years from 08.05.2013
Metin BOSTANCIOĞLU	Independent Board Member	1 year from 31.03.2015
Kadir Nejat UNLU	Independent Board Member	1 year from 31.03.2015

COMMITTEES ESTABLISHED UNDER BOARD STRUCTURE

The Audit Committee

Name and Surname	Title
Kadir Nejat UNLU	Chairman of the Committee
Metin Bostancıoğlu	Member

Early Risk Detection and Diagnosis Committee

Name and Surname	Title
Metin Bostancıoğlu	Chairman of the Committee
Ayse Tuvana Aydiner Kirac	Member

The Corporate Governance Committee

Name and Surname	Title
Metin Bostancıoğlu	Chairman of the Committee
Mehmet Aydiner	Member
Turgut Aydiner	Member
Ahmet Alan	Corporate Governance Rating Specialist

TURKISH ELECTRICITY

INSTALLED POWER AS TO FUEL TYPE AND INSTALLMENT

ORGANIZATIONS	THE END OF 2014			AS OF 30.06.2015		
	INSTALLED CAPACITY	CONTRIBUTION	NUMBER OF POWER PLANTS	INSTALLED CAPACITY	CONTRIBUTION	NUMBER OF POWER PLANTS
	MW	%	Pcs	MW	%	Pcs
EÜAŞ + SUBSIDIARY PLANT OF EÜAŞ	21879.2	31.5	78,0	20.321,2	28.4	76
POWER PLANTS WHOSE OPERATING RIGHTS ARE TRANSFERRED	946.2	1,4	60	945.7	1,3	60
BUILD OPERATE PLANTS	6101.8	8.8	5	6101.8	8.5	5
BOT PLANTS	2319.3	3,3	19	2312.3	3.2	18
FREE PRODUCTION COMPANIES	38193.4	54.9	839	41758.2	58.3	860
AUTOPRODUCER PLANTS	27.2	0	6	27.2	0	6
UNLICENSED (TEDAS) PLANTS	52.8	0,1	119	137.3	0.2	209
TOTAL	69519.8	100	1126	71603.7	100	1234

FUEL TYPES	THE END OF 2014			AS OF 30 JUNE 2015		
	INSTALLED CAPACITY	CONTRIBUTION	NUMBER OF POWER PLANTS	INSTALLED CAPACITY	CONTRIBUTION	NUMBER OF POWER PLANTS
	MW	%	Pcs	MW	%	Pcs
FUEL OIL ASPHALTITES NAFTA DIESEL	659.8	9	18	766.3	1,1	16
Coal lignite	8573.4	12.3	23	8594.4	12,0	24
IMPORTED COAL	6062.6	8.7	8	6064.2	8.5	8
Natural Gas LNG	21476.1	30.9	230	21571.3	30.1	235
RENEWED.Waste PYROLYTIC WASTE HEAT OIL	288.1	0.4	58	314.7	0.4	63
Multi-fuel SOLID LIQUID	667.8	1,0	9	657.8	0,9	7
Multi-fuel LIQUID NATURAL GAS	4.074,0	5,9	42	4.015,1	5,6	39
GEOTHERMAL	404.9	0,6	15	431.2	0,6	16
Hydraulic dams	16606.9	23.9	77	17881.7	25	86
HYDRAULIC RIVERS	7036.3	10.1	444	7174.9	10,0	444
Wind	3629.7	5,2	90	4024.4	5,6	100
SOLAR (unlicensed)	40.2	0,1	112	107.6	0.2	196
TOTAL	69519.8	100	1126	71603.7	100	1234

Source: TEIAS

*** By the end of 30.06.2015, Turkey's installed capacity has been 71603.7 MW with 1,234 facilities. The total energy production reached 124.90 billion kWh by the end of June. The total electricity production in 2014 was performed as 250.4 billion kWh.

OUR INVESTMENTS

Fan Basin Hydroelectric Power Plant Project: construction work of our project operated by Ayen AS Enerji SHA, located in Albania, at 110.70 MW installed capacity, 380 million kWh of electricity production capacity is ongoing and as of report date, Peshqeshit 3 Hydroelectric Power Plant, River type, of 28 MW power, annual 118.4 million kWh production capacity, was taken into commercial operation.

As of the date of this report, the company received a percentage of the overall completion level of this project that reached 60% with our plant taken into operation .

Akbük RES II: under Law No. 4628, for the electricity generation facility based on wind energy which will be operated in province of Aydin, Didim district, Akbük location, of 20 MW , 68.153 million kWh of electricity generation capacity; forest permits have been obtained for the project site and power transmission line, the construction of roads has been completed and plant construction continues.

The facility is estimated to be completed and taken into commercial operation in the first half of 2016.

Trabzon, Araklı Çankaya Dam and HEPP: Our subsidiary Araklı Energy Natural Gas Industry and Trade Inc. has received Pre-Certificate from the Energy Market Regulatory Authority in accordance with the Electricity Market Law numbered 6446 and the related legislation for Çankaya Dam and HEPP project plant at 98.36 MW of installed capacity, 244.858 million kWh power production.

Aksu RES: The application we made to increase capacity by our subsidiary Aksu Temiz Enerji Elektrik Enerji Üretim ve Ticaret A.Ş. for wind-based Electric Energy Power Production Plant established in Kayseri province, Yahyalı, with 72 MW installed power, 237 218 900 kWh / capacity; The total capacity of 8 MW was increased to 80 MW capacity and license modification is made by EMRA. As a result of this increased capacity, along with the introduction of additional turbines of Aksu Wind Power Generation Plant, the expected total annual production capacity will be 263 500 800 kWh.

Mordoğan RES: Established by our company in İzmir province, in the town of Karaburun, Mordoğan RES Electricity Generation Facility based on wind power, with installed capacity of 30.75 MWm, 99.4092 million kWh capacity, the application we made to increase the plant capacity was approved; as a result, the capacity increased 10.5 mwm and reached total capacity of 42 MWm and license modification is made by EMRA. As a result of this increased capacity, together with the introduction of additional wind turbines of Mordoğan Power Generation Plant, the expected total annual production capacity will be 128 426 000 kWh.

OUR ACTIVITIES

GENERAL	Mordoğan	AKBÜK	YAMULA *	AYEN OSTİM	Buyukduz	Aksu	KORKMAZ	PESHQESHİT
Location of Plant	Karaburun - Izmir	Didim - Aydın	Kizilirmak River - Kayseri	Ostim - Ankara	Kurtun district-Gümüşhane	Dikmen village, Yahyalı-Kayseri	Izmir-Seferihisar Sigacik site	Peshqeshit district Albanian-Mirdita
Plant Type	Wind Energy Plant	Wind Energy Plant	With Reservoir	Natural Gas Combined Cycle Power Plant	Precipitation pool, covered and uncontrolled spillway river type-storage regulator	Wind Energy Plant	Wind Energy Plant	With precipitation pool, covered and uncontrolled spillway river type-non-storage regulator
Installed Power	30,75 MW	31.50 MW	100 MW	41 MW	71 MW	72 MW	24 MW	28 MW
Licensing Basis Annual Production	96.000 MWh	122 400 MWh	422 300 MWh	280,000 MWh	192 021 MWh	237 200 MWh	83 005 MWh	118.4 MWh
Actual Production (January-June)	39662 MWh	48 117 MWh	119 393 MWh	24 335 MWh	124694 MWh	101 064 MWh	34 424 MWh	7960 MWh
Capacity in use. Ratio	%83	%85	%100	% 19	% 55	%79	%87	-

* Yamula HES dam is working according to the production schedule due to its reservoir.

Production location	2015 2. Period Quantity (kWh)	2015 I. Period Quantity (kWh)
Mordoğan Res	39662250	24562110
Ayen Ostim	24335365	22340485
YAMULA HEPP	119393630	54540490
Akbuk RES	48117389	27472309
Aksu RES	101064667	54771007
Buyukduz HEPP	124694341	16006191
Korkmaz RES	34424373	20740173
Peshqeshit HEPP	7960000	--

ELECTRICITY SALES

AYEN ELECTRICAL TRADE INC has a portfolio consisting of a total of 675 meters as of 30 June 2015, respectively. In the portfolio of 675 meters, 595 Piece commercial, 49 industrial and 31 residential units are subscribed. In the first six months of 2015, sales volume stood at 345.4 million kWh, so there was a %14.25 increase compared to sales volume of the same period of the previous year of 302.3 million kWh.

Our companies in abroad- Serbia, Slovenia and Albania- have performed 654,061.87 MWh cross-border electricity trade between 01/01/2015 and 06/30/2015.

RATIOS REGARDING THE FINANCIAL STRUCTURE

Basic ratios of calculated financial position, profitability and solvency ratio based on financial statements and the information organized within the framework of CMB series: II-14.1 restatement

BASIC RATIOS / CONSOLIDATED	30.06.2015	31.12.2014
Current Ratio	0,33	0,82
Net Debt / Equity	4.00	3.36
Gross Profit Margin (%)	% 30	% 25
Operating Profit Margin (%)	% 28	% 20
EBITDA Margin (%)	% 34	%33

CORPORATE GOVERNANCE

Our Company has appointed two personnel who have "Corporate Governance Rating License" and "Capital Market Activities Level 3.License" working full-time in our company's "Investor Relations Department" under Article 11 of Corporate Governance Communiqué No. II-17.1,

SUBSEQUENT EVENTS

Established by Ayen Energy Inc in city of Izmir, Karaburun town, Mordoğan Wind Power Energy Generation Facility of 30.75 MW installed power has reached a capacity increase of 10.5 MW and its total capacity raised to 42 MW and License Amendment is made by EMRA. As a result of this increased capacity, together with the introduction of additional wind turbines of Mordoğan Power Generation Plant, the expected total annual production capacity will be 128 426 000 kWh.

For Akbuk II RES project which will be operated by Ayen Energy Inc. in Muğla, Milas district boundaries, of 20 MW and annually 68.153 million kWh of electricity generation capacity investment, according to the agreement signed with Commerzbank AG; 17.56 million Euros of investment loan of 15-years maturity, the principal and interest payments every 6 months, has been provided and loan agreement was signed by the parties on July 30, 2015, respectively.

Ayen Inc has provided an investment loan to be used in Peshqeshit HES and Ura e Fanit Dam and Fangut HEPP for a 41-year concession of 110 MW of installed capacity, received from Turkey İşBank with the loan agreement signed on February 26, 2014 A.Ş. of 128 million euros and with the amended agreement signed on July 31, 2015, the investment loan was increased with 30 million euros(25 million Euros investment loan, 5 Million Euros as working capital loan) and reached to 158 million euros in total.

It has been decided in General Meeting of Ayen Inc on 31/07/2015 that original capital will be increased from 4.9 billion LEK to 5.6 billion LEK.