AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT AS OF 30 SEPTEMBER 2013

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT OF
AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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To the Shareholders and Board of Directors of
Aksa Enerji Üretim A.Ş.
İstanbul

Introduction

We have reviewed the accompanying consolidated interim balance sheet of Aksa Enerji Üretim A.Ş. and its subsidiaries (together referred to as the Group) as of 30 September 2013 and the related consolidated interim statements of income, changes in equity and cash flow for the nine-month period then ended. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International 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 International Standards on Auditing 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 consolidated interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards.

EREN Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.
Member Firm of GRANT THORNTON International

Nazım Hikmet
Partner

Istanbul, 07 November 2013

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30.09.2013 AND 31.12.2012
(Currency - Turkish Lira)
(Amounts translated into US Dollar at the period / year end exchange rate for convenience purposes)

ASSETS	**Note**	**30.09.2013**		**31.12.2012**	
Current Assets		**USD**	**TL**	**USD**	**TL**
Cash and Cash Equivalents	4	11.892.608	24.191.943	22.758.617	40.569.510
Marketable Securities		-	-	193.861	345.577
Trade Receivables	5	124.595.366	253.451.893	137.954.077	245.916.937
Due from/to Related Parties and Shareholders, net	6	-	-	333.139.857	593.855.109
Inventory	7	92.722.521	188.616.153	76.033.633	135.537.555
Derivative Financial Instruments	25	924.694	1.881.012	-	-
Other Current Assets	8	34.717.492	70.622.322	47.443.461	84.572.714
		264.852.681	538.763.323	617.523.506	1.100.797.402
Non-Current Assets					
Trade Receivables, net	5	1.181.267	2.402.933	-	-
Investments	9	743.437	1.512.300	915.447	1.631.875
Property, Plant and Equipment	10	989.243.161	2.012.318.438	912.871.829	1.627.285.323
Goodwill	2	4.681.319	9.522.739	5.342.050	9.522.739
Intangible Assets	11	883.813	1.797.852	942.200	1.679.566
Other Non-Current Assets	8	83.552.295	169.962.078	48.812.272	87.012.756
Deferred Tax Asset	14	2.020.062	4.109.211	2.305.178	4.109.211
		1.082.305.354	2.201.625.551	971.188.976	1.731.241.470
TOTAL ASSETS		**1.347.158.035**	**2.740.388.874**	**1.588.712.482**	**2.832.038.872**

The accompanying notes are an integral part of these consolidated financial statements.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30.09.2013 AND 31.12.2012
(Currency - Turkish Lira)
(Amounts translated into US Dollar at the period / year end exchange rate for convenience purposes)

LIABILITIES	**Note**	**30.09.2013**		**31.12.2012**	
Short Term Liabilities		**USD**	**TL**	**USD**	**TL**
Financial Liabilities	12	126.256.633	256.831.243	316.548.066	564.278.583
Trade Payables	13	162.267.694	330.084.944	159.730.910	284.736.320
Due to Related Parties and Shareholders	6	3.651.295	7.427.465	-	-
Taxation Payable on Income	14	3.166.256	6.440.798	3.714.033	6.620.636
Other Payables and Accrued Liabilities	15	8.832.249	17.966.560	6.550.508	11.676.935
		304.174.127	618.751.010	486.543.517	867.312.474
Long Term Liabilities					
Financial Liabilities	12	480.574.991	977.585.647	424.305.420	756.366.842
Retirement Pay Provision	16	1.565.785	3.185.119	1.219.385	2.173.676
Other Payables and Accrued Liabilities	15	1.228.315	2.498.638	-	-
Deferred Tax Liability	14	1.443.590	2.936.550	1.647.341	2.936.550
		484.812.681	986.205.954	427.172.146	761.477.068
Shareholders' Equity					
Share Capital	17	302.407.359	615.157.050	345.089.785	615.157.050
General Reserves	18	167.341.265	340.405.601	67.854.251	121.222.324
Share Premium		121.622.080	247.403.635	138.788.082	247.403.635
Cash Flow Hedge Reserve	25	924.694	1.881.012	-	-
Net Profit / (Loss) for Period / (Year)		(34.124.171)	(69.415.388)	123.264.701	219.466.321
		558.171.227	1.135.431.910	674.996.819	1.203.249.330
Commitments and Contingencies	24				
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1.347.158.035**	**2.740.388.874**	**1.588.712.482**	**2.832.038.872**

The accompanying notes are an integral part of these consolidated financial statements.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED 30.09.2013 AND 30.09.2012
(Currency - Turkish Lira)
(Amounts translated into US Dollar at the period end exchange rate for convenience purposes)

INCOME STATEMENT	**Note**	**01.01.- 30.09.2013**		**01.01.- 30.09.2012**	
		USD	**TL**	**USD**	**TL**
Net Sales	19	653.117.557	1.328.571.735	788.822.390	1.407.811.319
Cost of Sales	20	(568.575.802)	(1.156.596.896)	(681.367.129)	(1.216.035.916)
Gross Profit		**84.541.755**	**171.974.839**	**107.455.261**	**191.775.403**
Marketing and Selling Expenses	21	(435.488)	(885.869)	(673.750)	(1.202.441)
General Administrative Expenses	21	(6.220.320)	(12.653.375)	(6.919.496)	(12.349.224)
Basic Operating Profit		**77.885.947**	**158.435.595**	**99.862.015**	**178.223.738**
Other Income	22	1.888.082	3.840.737	3.319.756	5.924.769
Other Expenses	22	(4.124.131)	(8.389.308)	(10.645.241)	(18.998.562)
Financing Income	23	71.911.057	146.281.472	111.739.110	199.420.789
Financing Expenses	23	(177.372.637)	(360.811.419)	(88.736.808)	(158.368.581)
Profit / (Loss) Before Tax For The Period		**(29.811.682)**	**(60.642.923)**	**115.538.832**	**206.202.153**
Taxation on Profit					
- Current	14	(4.312.489)	(8.772.465)	(4.399.638)	(7.852.034)
- Deferred	14	-	-	-	-
Profit / (Loss) After Tax For The Period		**(34.124.171)**	**(69.415.388)**	**111.139.194**	**198.350.119**
Discontinued Operations		-	-	(260.499)	(464.913)
NET PROFIT / (LOSS) FOR THE PERIOD		**(34.124.171)**	**(69.415.388)**	**110.878.695**	**197.885.206**
Other Comprehensive Income:					
Items not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain / (loss)		(219.252)	(446.003)	115.204	205.604
Tax effect of actuarial loss from employee benefits		-	-	-	-
Other Comprehensive Income for the period (after tax)		(219.252)	(446.003)	115.204	205.604
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(34.343.423)**	**(69.861.391)**	**110.993.899**	**198.090.810**
Earnings before interest, tax, depreciation and amortization (EBITDA)	3	**117.821.510**	**239.672.516**	**143.301.276**	**255.749.787**

The accompanying notes are an integral part of these consolidated financial statements.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30.09.2013 AND 30.09.2012
(Currency - Turkish Lira)

SHAREHOLDERS' EQUITY	**Share Capital**	**General Reserves**	**Share Premium**	**Cash Flow Hedge Reserve**	**Net Profit / (Loss) for the Period**	**Total**
Balance, 01.01.2012	**579.487.932**	**242.940.489**	**96.523.266**	**-**	**(121.983.502)**	**796.968.185**
Adjustments for changing in accounting policies	-	(31.131)	-	-	31.131	-
Balance, 01.01.2012 adjusted	**579.487.932**	**242.909.358**	**96.523.266**	**-**	**(121.952.371)**	**796.968.185**
						-
Transfer to reserves	-	(121.952.371)	-	-	121.952.371	-
Adjustments for changing in accounting policies		205.604	-	-	-	205.604
Net profit for the period	-	-	-	-	197.885.206	197.885.206
Balance, 30.09.2012	**579.487.932**	**121.162.591**	**96.523.266**	**-**	**197.885.206**	**995.058.995**
Balance, 01.01.2013	**615.157.050**	**120.956.987**	**247.403.635**	**-**	**219.731.658**	**1.203.249.330**
Adjustments for changing in accounting policies	-	265.337	-	-	(265.337)	-
Balance, 01.01.2013 adjusted	**615.157.050**	**121.222.324**	**247.403.635**	**-**	**219.466.321**	**1.203.249.330**
Adjustments for changing in accounting policies	-	(446.003)	-	-	-	(446.003)
Effective portion of changes in fair value of cash hedges	-	-	-	1.881.012	-	1.881.012
Acquisiton of new companies	-	162.959	-	-	-	162.959
Transfer to reserves	-	219.466.321	-	-	(219.466.321)	-
Net loss for the period	-	-	-	-	(69.415.388)	(69.415.388)
Balance, 30.09.2013	**615.157.050**	**340.405.601**	**247.403.635**	**1.881.012**	**(69.415.388)**	**1.135.431.910**

The accompanying notes are an integral part of these consolidated financial statements.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIOD ENDED 30.09.2013 AND 30.09.2012
(Currency - Turkish Lira)

CASH FLOWS FROM OPERATING ACTIVITIES	**Note**	**01.01.- 30.09.2013**	**01.01.- 30.09.2012**
Net profit / (loss) before tax for the period		(60.642.923)	206.202.153
Adjustment for:			
Depreciation and amortization	10	81.236.921	77.526.049
Provision for employee termination benefits	16	560.797	537.285
Interest expense accruals on loans	12	2.326.714	(10.725.902)
Unrealised foreign exchange (gains) / losses on loans	12	143.591.237	(70.043.452)
Decrease in value of inventory	7	965.985	-
Decrease in value of machinery and equipments	10	29.697.186	12.316.971
Discount on receivables / (payables), net	5-13	(843.307)	687.672
Tax provision	14	(2.331.667)	(7.822.292)
Operating profit before working capital changes		**194.560.943**	**208.678.484**
Trade receivables	5	(9.523.240)	33.443.220
Inventory	7	(54.044.583)	(19.401.827)
Other current assets	8	13.950.392	(70.892.459)
Other non current assets	8	(82.949.322)	18.145.475
Trade payables	13	45.777.282	6.620.756
Other payables and accrued liabilities	15	8.788.263	(39.123.929)
Retirement Pay Provision	16	450.646	-
Taxes paid	14	(6.620.636)	(4.411.569)
Net Cash Flows Generated From Operating Activities		**110.389.745**	**133.058.151**
CASH FLOWS FROM INVESTING ACTIVITIES			
Assets Held For Sale	--	-	12.635.656
(Purchases) / Disposals of property, plant and equipment and intangible assets, net	10-11	(297.845.787)	(89.411.153)
Sales of marketable securities		345.577	49.562
Net Cash Flows Used In Investment Activities		**(297.500.210)**	**(76.725.935)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financial liabilities	12	(232.146.486)	25.779.956
Due from/to related parties and shareholders	6	601.282.574	(107.238.918)
Adjustments for changing in accounting policies		(446.003)	-
Effect of Companies Included in Consolidation First Time		(197.957.187)	-
Net Cash Flows Generated From / (Used in) Financing Activities		**170.732.898**	**(81.458.962)**
Net Increase / (Decrease) in Cash and Cash Equivalents		(16.377.567)	(25.126.746)
Cash and Cash Equivalents at Beginning of the Period		40.569.510	- 110.146.953
Cash and Cash Equivalents at the End of the Period		**24.191.943**	**85.020.207**

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Nature of Activities

Aksa Enerji Üretim A.Ş. (The Company) was established on 12 March 1997 for production and sale of electricity. The shares of Company have been registered in the Turkish Capital Markets Board (CMB) in May 2010 and the shares are now publicly traded on the Istanbul Stock Exchange. The public portion of the shares is 21,46% , 61,91% of the share capital is owned by Kazancı Holding A.Ş. and 16,62% of the share capital is owned by Goldman Sachs (note 17). As of 30 September 2013, the number of personnel employed by the Company is 268 (31.12.2012: 254) and the total number of personnel employed by the group is 653 (31.12.2012: 611).

The Company has the following electricity production plants:

- **Antalya Power Plant**

The Company has been awarded an electricity production license for a natural gas fired combined cycle power plant at Antalya. The Company completed the first portion of the construction of simple cycle at the end of 2008 and the Company started to produce electricity.

As of November 2011 the construction of the second portion of construction has been completed and the total installed capacity of the power plant increased to 1.150 MW. The third portion of construction will be completed in 2017 and the total installed capacity of the plant will increase to 2,050 MW.

The Company's power generation plant located in Antalya is the property of the Company's own land.

- **Manisa Power Plant**

During 2008, the Company has obtained a license for combine cycle natural gas power plant in Manisa, which has 115, 26 MW installed capacity. Manisa power plant construction has been fully completed and operational in 31.03.2010.

The Company's power generation plant is located in Manisa are the property of the Company's own land.

- **Hakkari Power Plant**

Hakkari power plant has an installed capacity of 24 MW. It is a mobile power plant and it uses fuel oil for energy production. Electricity production license was obtained from EMRA (Electricity Market Regulatory Authority in Turkey) at the end of 2007.

According to the contract rent of land are renewed each year since 21.09.2007 where the Company's power generation plant is located in Hakkari. Dated on 28.05.2013 license was ended by the Energy Market Regulatory Authority board resolution which is dated on 31.05.2013 and number of 4422-2.

- **Samsun Power Plant**

The Company has mobile combine cycle power plant located in Samsun which has installed capacity of 131,78 MW and the power plant uses fuel oil for energy production. On April 2009, the power plant has changed fuel oil to natural gas for energy production and the Company hold the energy production for a while. On August 2011, Samsun Power Plant has started to operate as a natural gas fired combined cycle power plant.

The Company's power generation plant located in Samsun is the property of the Company's own land.

- **Çorum Power Plant**

The Company has a hydro-electric power plant located in Çorum İncesu. The installed capacity of the plant is 15 MW and it is operational since 30.04.2011.

The Company's power generation plant located in Çorum is the property of the Company's own land.

(Currency - Turkish Lira)

- **Mardin Power Plant**

The Company has a fuel oil power plant located in Mardin. The installed capacity of the plant is 32 MW and it has been operational since November 2011.

The Company's power generation plant located in Mardin is the property of the Group's related party's own land.

The subsidiaries included in the consolidation as of 30 September 2013 are as follows:

Subsidiaries	Subject of activity	Country	Effective Ownership(%)
1. Aksa Enerji Üretim A.Ş.-Y.Ş.	Electricity production	Northern Cyprus	100,00
2. Rasa Elektrik Üretim A.Ş.	Radiator and Electricity production	Turkey	99,96
3. Deniz Elektrik Üretim Limited Şirketi	Electricity production	Turkey	99,99
4. Baki Elektrik Üretim Limited Şirketi	Electricity production	Turkey	95,00
5. Rasa Enerji Üretim A.Ş.	Electricity production	Turkey	99,99
6. İdil İki Enerji Sanayi ve Ticaret A.Ş.	Electricity production	Turkey	99,99
7. Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti.	Electricity production	Turkey	99,00
8. Alenka Enerji Üretim ve Yatırım Ltd. Şti.	Electricity production	Turkey	90,45
9. Aksa Göynük Enerji Üretim A.Ş.	Electricity production	Turkey	99,99
10. Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş.	Electricity production	Turkey	94,00
11. Gesa Güç Sistemleri A.Ş.	Electricity production	Turkey	99,99

- **Aksa Enerji Üretim A.Ş. - (Y.Ş.) (Northern Cyprus):**

The power plant started electricity production in mid 2003 and all of its production is sold to Electricity Distribution Company of Turkish Northern Cyprus (KIB-TEK). The capacity of the power plant increased by 31 MW as of August 2011 and reached to 120 MW.

The revised contract between the Company and KIB-TEK which is currently available started in April 2009 and the contract period is 15+3 years starting from this date.

Company in Northern Cyprus, named Aksa Enerji Üretim A.Ş. (Y.Ş.), is the wholly owned subsidiary of the Company and its financial results have been consolidated in the accompanying financial statements.

As of 30 September 2013, the number of personnel employed by the Company is 71 (31.12.2012: 65).

- **Rasa Elektrik Üretim A.Ş.:**

The Company located at Mardin established on January 1996 in order to meet the electricity needs of Mardin and surrounding areas. It sells its production to TEİAŞ (Turkish Electricity TransmissionCompany). As of 31 December 2012 the capacity of the fuel power plant is 33 MW.

The land over which the power plant is located in Mardin, has been leased from Koni İnşaat A.Ş. in 2002, to be renewed annually. The factory which the Company manufacture of radiators has been leased from Koni İnşaat A.Ş. until 31.12.2012, the factory land is the property of Aksa Enerji Üretim A.Ş..

Aksa Enerji Üretim A.Ş. have been acquired the Company's 99,96 % shares. As of 30 September 2013, the number of personnel employed by the Company is 94 (31.12.2012: 109).

- **Deniz Elektrik Üretim Limited Şirketi:**

The Company was initially established in 1997 in Izmir with the name of "Deniz Rüzgar Enerjisi ve Cihazları Sanayi ve Ticaret Limited Şirketi". In 2003, the Company changed its name to Deniz Elektrik Üretim Limited Şirketi.

In May 2004, Aksa Enerji Üretim A.Ş. acquired 95% of the shares of the Company. On 13.08.2010, Aksa Enerji Üretim A.Ş. has made the purchase of new shares participate in Deniz Elektrik Üretim Ltd. Şti. and raised its shares to 99,99%.

The Company established to produce electricity from wind energy. In 2004, the Company awarded two wind farm licences located in Sebenova/Hatay and Karakurt/Manisa, the production capacities of which are 30 MW and 10.8 MW respectively.

Karakurt/Manisa Wind Power Plant and Sebenova/Hatay Wind Power Plant became operational in September 2007 and April 2008, respectively. The Company sold its production to TEIAS and Aksa Elektrik Toptan Satış A.Ş. (related Company).

The Company's power generation plants are located in Karakurt/Manisa and Sebanova/Hatay are the property of the Company's own land.

As of 30 September 2013, the number of personnel employed by the Company is 35 (31.12.2012: 25).

- **Baki Elektrik Üretim Limited Şirketi:**

Baki Elektrik Üretim Ltd. Şti. (the Company) was established on 4 July 2003 in Ankara for the production and sale of wind power electricity.

In March 2004, Aksa Enerji Üretim A.Ş. acquired 95% of the shares of the Company.

As of 31 December 2012 the capacity of the plant is 114 MW and the produced electricity is sold to TEIAS and Aksa Elektrik Toptan Satış A.Ş. (related Company).

The Company's power generation plant is located in Şamlı/Balıkesir are the property of the Company's own land.

As of 30 September 2013, the number of personnel employed by the Company is 21 (31.12.2012: 21).

- **Rasa Enerji Üretim A.Ş.:**

Rasa Enerji Üretim A.Ş. (the Company) was established on 12.09.2000 for production and distribution of the electricity. The Company's 99,99% shares have been acquired by Aksa Enerji Üretim A.Ş. at 05.03.2010 from one of the related parties of Koni İnşaat Sanayi A.Ş..

The Company has licence for a natural gas power plant in Van which has a 114,88 MW capacity. The total installed capacity of the Van plant was increased to 104 MW to 114,88 MW as combined cycle in the last quarter of 2010.

The Company has licence for naturalgas power plant in Urfa which has a 270 MW capacity. The first construction period is completed in August 2011with an installed capacity of 129 MW and the Company started to generate electricity. The second portion of construction will be completed in 2017 and the total installed capacity of the plant will increase to 270 MW.

Investment of these naturalgas power plant waste-heat boilers and 11.7 MW steam turbine, and combined cycle investment completed and has been activated as of 08.10.2012.

As of 30 September 2013, the number of personnel employed by the Company is 80 (31.12.2012: 83).

- **İdil İki Enerji Sanayi ve Ticaret A.Ş.:**

İdil İki Enerji Sanayi ve Ticaret A.Ş. (the Company) was established in 2001. The Company owns Şırnak plant which is a fuel oil fired power plant with an installed capacity of 24 MW. The power plant became operational in 2001.

The Company's 99,99% shares have been acquired by Aksa Enerji Üretim A.Ş. at 05.03.2010 from Koni İnşaat Sanayi A.Ş..

As of 30 September 2013, the number of personnel employed by the Company is 19 (31.12.2012:16).

- **Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti.:**

The Company has a wind power plant in Çanakkale Ayvacık with a capacity of 5 MW. The Company's 99,00% shares have been acquired by Aksa Enerji Üretim A.Ş. at 18.04.2011 from one of the related parties of Kazancı Holding.

As of 30 September 2013, the number of personnel employed by the Company is 5 (31.12.2012: 4).

- **Alenka Enerji Üretim ve Yatırım Ltd. Şti.:**

As of 17.08.2011, Aksa Enerji Üretim A.Ş. has purchased the 81% stake of from the Alenka's shareholders which has 67.5 MW of wind power plant with a total investment stage in Kırklareli-Kıyıköy, Kıblekayası-Hatay, Hatay-Yurttepe and Tekirdag-Sırakayalar. During 2012, as a result of the purchase of additional shares, the Group's effective ownership increased to 90,45%.

As of 30 September 2013, the number of personnel employed by the Company is 2 (31.12.2012: none).

- **Aksa Göynük Enerji Üretim A.Ş.:**

Aksa Göynük Enerji Üretim A.Ş. has signed royalty agreement with General Directorate of Turkish Coal for the use of coal in Bolu-Göynük reservoir by the same time Aksa Enerji Üretim A.Ş. has licence about the process of this coal in its power plant with 270 MW capacity.

As of 28.10.2011, Aksa Enerji Üretim A.Ş. purchased the 99,99% of the shares of the Company from Kazancı Holding . The Company is established to install, operate, taken over and hire electricalenergy production facilities, produce and selling of electrical energy and dealing all kinds of oil, gas and mining goods.

The company targets to complete first phase of the energy power plant which has 135 MW capacity in 2014 and planning to produce 1 billion KWH of energy per year .

As of 30 September 2013, the number of personnel employed by the Company is 48 (31.12.2012: 34).

- **Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş.:**

As of 31.05.2013, Aksa Enerji Üretim A.Ş. has purchased the 94% stake of from Kazancı Holding A.Ş. which has 34,85 MW of wind power plant in Balıkesir.

As of 30 September 2013, the number of personnel employed by the Company is 10.

- **Gesa Güç Sistemleri A.Ş.:**

As of 02.04.2013, Aksa Enerji Üretim A.Ş. has purchased the 99,99% stake of from Kazancı Holding A.Ş..

As of 30 September 2013, there is no personnel employed by the Company.

(Currency - Turkish Lira)

As of 30.09.2013, electricity production licences held by the Group are as follows:

Licence Owner	Area	Type of Facility	Date of Licence Started	Licence Duration	The capacity of the plant (MWe)	The capacity under operation (MWe)
Aksa Enerji	KKTC	Fuel oil			120	120
Aksa Enerji	Belen- Atik (İskenderun-Hatay)	WPP	13.03.2008	49 year	30	4
Aksa Enerji	Antalya	Natural Gas	13.11.2007	30 year	2.050	1.150
Aksa Enerji	Manisa	Natural Gas	21.02.2008	30 year	115	115
Aksa Enerji	İncesu-Ortaköy-Çorum	HPP	29.09.2005	40 year	15	15
Aksa Enerji	Mardin	Fuel oil	14.07.2011	49 year	32	32
Aksa Enerji	Samsun	Natural Gas	28.07.2011	49 year	131	131
Aksa Enerji	Bolu	Thermal	25.03.2008	30 year	270	-
Aksa Enerji	Erzincan (*)	HPP	17.01.2008	49 year	85	-
Aksa Enerji	Mersin (*)	HPP	14.06.2007	49 year	20	-
Aksa Enerji	Kayseri (*)	HPP	17.01.2008	49 year	30	-
Aksa Enerji	Bitlis İli, Kor Barajı (*)	HPP	30.10.2008	49 year	26	-
Aksa Enerji	Adana, Yamanlı 1 Reg. (*)	HPP	20.05.2010	49 year	24	-
Alenka	Kırklareli-Kıyıköy	WPP	04.04.2007	20 year	27	-
Ayres	Ayvacık	WPP	01.11.2007	25 year	5	5
Baki Elektrik	Merkez-Şamlı-Balıkesir	WPP	06.04.2004	49 year	114	114
Deniz Elektrik	Sebenoba-Gözene-Yayladağı-Samandağ-Hatay	WPP	04.06.2004	49 year	60	30
Deniz Elektrik	Karakurt-İlyaslar-Çakaltepe-Manisa	WPP	05.12.2003	49 year	11	11
İdil İki	Şırnak	Thermal	22.03.2007	20 year	24	24
İdil İki	Ordu	HPP	25.04.2008	49 year	62	-
Rasa Enerji	Van	Natural Gas	15.01.2009	49 year	115	115
Rasa Enerji	Şanlıurfa	Natural Gas	12.05.2011	49 year	270	129
Rasa Elektrik	Mardin	Fuel oil	22.03.2007	20 year	33	33
Kapıdağ	Balıkesir	WPP	12.12.2006	49 year	35	24
Total					**3.704**	**2.052**

(*)The licences for which the investments are being planned but not started yet.

2. Basis of Presentation of the Financial Statements

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect.

Basis of Consolidation

The consolidated financial statements included the financial statements of Aksa Enerji Üretim A.Ş., Deniz Elektrik Üretim Limited Şirketi, Aksa Enerji Üretim Kıbrıs, Baki Elektrik Üretim Ltd. Şti., Rasa Elektrik Üretim A.Ş., Rasa Enerji Üretim A.Ş., İdil İki Enerji Sanayi ve Ticaret A.Ş., Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti., Alenka Enerji Üretim ve Yatırım Ltd. Şti., Aksa Göynük Enerji Üretim A.Ş., Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş. and Gesa Güç Sistemleri A.Ş. The balance sheets and income statements of the consolidated entities are added on a line by line basis. All significant inter-company transactions and balances between the consolidated entities are eliminated on consolidation.

The subsidiaries which have been included in consolidation and their shareholding percentages at 30 September 2013 and 31 December 2012 are as follows:

	Effective Rate of Ownership (%)	
Name of Consolidated Entity	**30.09.2013**	**31.12.2012**
1. Aksa Enerji Üretim Kıbrıs – Y.Ş. (Northern Cyprus)	100,00	100,00
2. Rasa Elektrik Üretim A.Ş.	99,96	99,96
3. Deniz Elektrik Üretim Limited Şirketi	99,99	99,99
4. Baki Elektrik Üretim Limited Şirketi	95,00	95,00
5. Rasa Enerji Üretim A.Ş.	99,99	99,99
6. İdil İki Enerji Sanayi ve Ticaret A.Ş.	99,99	99,99
7. Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti.	99,00	99,00
8. Alenka Enerji Üretim ve Yatırım Ltd. Şti.	90,45	90,45
9. Aksa Göynük Enerji Üretim A.Ş.	99,99	99,99
10. Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş. (*)	94,00	-
11. Gesa Güç Sistemleri A.Ş. (**)	99,99	-

(*) Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş. was acquired by on 31.05.2013 and was consolidated in financial statements on 30.09.2013 with its respective balance sheet amount and last four months income statement amount.

(**) Gesa Güç Sistemleri A.Ş. was acquired by on 02.04.2013 and was consolidated in financial statements on 30.09.2013 with its respective balance sheet amount and last six months income statement amount.

All subsidiaries in the attached financial statements are fully consolidated and no minority interest is calculated because the companies are under the control of the Kazancı family.

The Group is incorporated in Turkey, maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The financial statements have been prepared from statutory financial statements of the Group and presented in Turkish Lira (TL) with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

Classification applied to financial statements as of 30 September 2012 and 31 December 2012

To allow for the detection of financial position and performance trends, the financial statements of the Group for the current period are prepared comparatively with the previous period. To ensure compliance with the presentation of the financial statements for the current period, comparative information may be reclassified when necessary.

- Within the scope of the amendments to IAS 19 – Employee benefits, actuarial gain/loss related to employee termination benefits are recognized under equity. This practice is effective for the periods starting as of 1 January 2013 and has been implemented retrospectively. In its statement of income, the Group has classified the actuarial gain amounting to TL 205.604 under other comprehensive income, which was recognized under "general administrative expenses" account in the period ended 30 September 2012.

  The Group has classified the actuarial income amounting to TL 265.337 which was shown in net profit for the period in the statement of financial position dated 31 December 2012, and the actuarial loss amounting to TL (31.131) netted off (actuarial income totally amounting to TL 234.206) under the actuarial gain/loss fund in the general reserves in the statement of financial position of the same date.

  The Group has classified the actuarial loss amounting to TL 205.604 which was classified under profit before tax in the cash flow statement dated 30 September 2012 under employee termination benefits.

Reporting currency
The currency used in these consolidated financial statements is Turkish Lira, which is denoted by the symbol TL.

Convenience translation of financial statements
For the convenience of the reader, the accompanying consolidated financial statements have been translated from Turkish Lira to US$ with the Central Bank buying exchange rates at period / year-ends (30.09.2013: US$1 = TL 2,0342; 31.12.2012: US$1 = TL1,7826). The accompanying statements of income have been translated from Turkish Lira to US$ with the respective Central Bank buying exchange rates for the relevant period (30.09.2013: US$1 = TL2,0342, 30.09.2012: US$1 = TL1,7847). Such convenience translations are not intended to comply with the provisions of IAS 21 "The Effects of Changes in Foreign Exchange Rates" or Financial Accounting Standards Board No.52 "Foreign Currency Translations" for the translation of financial statements.

(Currency - Turkish Lira)

Goodwill

Goodwill is taken into account at the consolidation stage. Goodwill is the difference of the realizable value and cost of a subsidiary. Goodwill is carried at cost as reduced by appropriate provisions for diminution in the value of goodwill (if one exists) in the accompanying financial statements.

Positive goodwill (included in the balance sheet):

Cost (Baki Elektrik)	
Payment	180.258
(-)Positive /(Negative) Fair value of the asset acquired	(43.725)
Goodwill	223.983

As of 24.05.2006 (from financial statements dated 31.12.2006), 95% of the shares of Baki Elektrik were acquired by the Group and TL 223.983 worth of positive goodwill arose. During 2012, as a result of additional payments amounting to TL 752.651 resulted in positive goodwill in income statement.

Cost (Idil iki)	
Payment	18.000.000
(-)Positive /(Negative) Fair value of the asset acquired	14.650.644
Goodwill	3.349.356

As of 05.03.2010 (from financial statements dated 31.03.2010), 99,99% of the shares of İdil İki were acquired by the Group and TL 3.349.356 worth of positive goodwill arose.

Cost (Deniz Elektrik)	
Payment	2.880.310
(-)Positive /(Negative) Fair value of the asset acquired	429.750
Goodwill	2.450.560

As of 12.08.2010, the Group acquired additional 4,99 % and TL 2.450.560 worth of positive goodwill arose.

Cost (Ayres)	
Payment	3.275.083
(-)Positive /(Negative) Fair value of the asset acquired	(223.757)
Goodwill	3.498.840

As of 18.04.2011, Aksa Enerji has acquired 99,00% of the shares of Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Ltd.Sti. According to the valuation report prepared by a qualified institution as of 14.02.2011 and the balance sheet tests of the Company, TL 3.498.840 positive goodwill arose.

(Currency - Turkish Lira)

Cost (Kapıdağ)	
Payment (31.05.2013)	126.588.793
(-)Positive /(Negative) Fair value of the asset acquired	9.369.391
Goodwill	117.219.402

In accordance with IFRS 3, the goodwill of TL 117.219.402 arising from the purchase of shares of Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş. (Kapıdağ Wind Power Plant) is booked under machinery and equipment in tangible fixed assets and amortised in the accompanying financial statements.

Positive goodwill (included in the income statement):

Cost (Alenka)	
Payment	629.064
(-)Positive /(Negative) Fair value of the asset acquired	467.593
Goodwill	161.471

As of 01.10.2011, 80% of the shares of Alenka Enerji Üretim ve Yatırım Ltd. Şti. were acquired by the Group and TL 161.471 positive goodwill arose in the income statements. During 2012, as a result of additional payments amounting to TL 2.243.456 resulted in positive goodwill in the income statement.

Cost (Aksa Göynük)	
Payment	1.308.200
(-)Positive /(Negative) Fair value of the asset acquired	518.615
Goodwill	789.585

As of 28.10.2011, 99,99% of the shares of Aksa Göynük Enerji Üretim A.Ş. were acquired by the Group and TL 789.585 positive goodwill arose in the income statement.

Cost (Gesa Güç Sistemleri)	
Payment	50.000
(-)Positive /(Negative) Fair value of the asset acquired	-
Goodwill	50.000

As of 02.04.2013, 99,99% of the shares of Gesa Güç Sistemleri A.Ş. were acquired by the Group and TL 50.000 positive goodwill arose in the income statement.

Inflation accounting

The restatement for the changes in the general purchasing power of TL until 31 December 2005 is based on IAS 29 (“Financial Reporting in Hyperinflationary Economies”). As of 1 January 2006, it has been decided to discontinue the adjustment of financial statements for inflation after taking into account that the hyperinflation period has come to an end as indicated by existing objective criteria and, that other signs indicating the continuance of hyperinflation have largely disappeared.

Adoption of New and Revised International Financial Reporting Standards
The Group applied the revised standards and interpretations that are relevant to its operations, published by International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) and effective for financial statement which belong the period of 30 September 2013:

The new standards, amendments and interpretations which are effective as at 1 January 2013 are as follows:

TFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)

TAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income

TAS 19 Employee Benefits (Amended)

TAS 27 Separate Financial Statements (Amended)

TAS 28 Investments in Associates and Joint Ventures (Amended)

TFRS 10 Consolidated Financial Statements

TFRS 11 Joint Arrangements

TFRS 12 Disclosure of Interests in Other Entities

TFRS 13 Fair Value Measurement

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Transition Guidance (Amendments to TFRS 10, TFRS 11 and TFRS 12)
The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as „the beginning of the annual reporting period in which TFRS 10 is applied for the first time‟. The assessment of whether control exists is made at „the date of initial application‟ rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons POA has also amended TFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. These amendments did not have an impact on the interim consolidated financial statements of the Group.

Improvements to TFRSs
Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards, is effective for annual periods beginning on or after 1 January 2013. This project did not have an impact on the financial position or performance of the Group.

TAS 1 Financial Statement Presentation:
Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:
Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory

TAS 32 Financial Instruments: Presentation:
Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

TAS 34 Interim Financial Reporting:
Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity‟s previous annual financial statements for that reportable segment.

Standards issued but not yet effective and not early adopted
Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)
The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

TFRS 9 Financial Instruments – Classification and measurement
As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA
The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the interim financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

IFRS 10 Consolidated Financial Statements (Amendment)
IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IFRIC Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early application permitted. Retrospective application of this interpretation is required. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial assets (Amendment)

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13.The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendment)

In June 2013, the IASB issued amendments to IAS 39 Financial Instruments: Recognition and Measurement that provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014.The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

3. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of the accompanying consolidated financial statements are set forth below:

Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include all short-term, highly liquid investments that are readily convertible to known amounts of cash and near to maturity that they present an insignificant risk of changes in value because of changes in interest rates.

Trade receivables and allowance for doubtful receivables
Trade receivables and notes receivable are recognized at original invoice amount and discounted to present value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. In case the provision decreases as a result of an event that occurs after write off, the amount is reflected on the income statement in the current period.

Based on an evaluation of its trade portfolio such as volume, character of outstanding loans, past loan experience and general economic conditions management provides a general reserve that it believes is adequate to cover possible losses and uncollectible amounts in the Group's receivables, in addition to specific reserves provided for receivables in legal follow-up.

Related parties
For the purpose of the accompanying financial statements, key personnel in management and board of directors, their family and controlled or dependent companies, participations and subsidiaries of the Group are referred to as related parties (Appendix 1).

Trade payables
Trade payables are stated at their nominal value, discounted to present value as appropriate.

Derivative financial instruments
Derivative financial instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The derivative instruments of the Company mainly consist of foreign exchange forward contracts and currency / interest rate swap instruments. These derivative transactions, even though providing effective economic hedges under the Company risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the financial statements. The fair value changes for these derivatives are recognized in the income statement.

Inventory
Inventory (including raw materials) are valued at the lower of cost and net realizable value. Cost is calculated using the average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(Currency - Turkish Lira)

Property, plant and equipment, intangible assets and related depreciation and amortization
Property, plant and equipment and intangible assets are stated at cost. Depreciation and amortization are provided on straight line basis. Repair and maintenance expenditure related to property, plant and equipment is expensed as incurred. The depreciation and amortization periods for property, plant, equipment and intangible assets which approximate the economic useful lives of such assets, are as follows:

	Year
Buildings	10-50
Machinery and equipment (*)	10-40
Furniture, fixtures and office equipment	5-15
Motor vehicles	5-8
Intangible assets	2-49

(*) The depreciation periods for power plants according to their types are as follows;

	Year
Wind Electricity Powerhouse	20
Natural Gas Power Plants	20
Fuel Oil Power Plants	15
Hidroelectric Power Plants	40

Financial liabilities
Interest bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and shown in other liabilities and expense accruals to the extent they are not settled in the period in which they arise.

Aksa Enerji Üretim A.Ş. has an export credit premium payable in connection with its long term loans used to finance the wind electricity, natural gas and other energy plants. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities– Note 12) until the time of payment. As of 30 September 2013, TL 41.212.888 (USD 13.189.092, EURO 5.223.459) and 31 December 2012, TL 42.659.093 (USD 16.174.271, EURO 5.879.508) of export credit premium is netted off from assets and liabilities.

Deniz Elektrik Üretim Ltd. Şti. has an export credit premium payable in connection with its long term loans used to finance the wind electricity plant. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities – Note 12) until the time of payment. As of 30 September 2013, TL 4.014.720 (USD 1.973.611) and 31 December 2012, TL 4.264.427(USD 2.392.251) of export credit premium is netted off from assets and liabilities.

Baki Elektrik Üretim Ltd. Şti. has an export credit premium payable in connection with its long term loans used to finance the wind electricity plant. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities – Note 12) until the time of payment. As of 30 September 2013, TL 29.129.395 (USD 10.786.645 and EURO 2.615.048) and 31 December 2012, TL 27.781.943 (USD 11.985.161 and EURO 2.728.747) of export credit premium is netted off from assets and liabilities.

Rasa Enerji Üretim A.Ş. has an export credit premium payable in connection with its long term loans used to finance the wind electricity plant. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities – Note 12) until the time of payment. As of 30 September 2013, TL 8.669.328 (EURO 3.154.318) and 31 December 2012, TL 9.152.949 (EURO 3.892.056) of export credit premium is netted off from assets and liabilities.

Impairment of assets
Assets that have indefinite useful lives, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Taxation and deferred income taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax: The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax: Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Employee benefits / retirement pay provision
Under the Turkish Labour Law and union agreements, employee termination payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No: 19 (revised) "Employee Benefits" ("IAS 19"). The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

Operating expenses
Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized.

Revenue recognition
Revenue involves the goods and service sales invoiced value. Revenues are recognized on an accrual basis at the time deliveries of goods and services or acceptances are made, the transfer of risks and benefits related to good are realized, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. The significant risks and benefits in sales are transferred when the goods are delivered or legal proprietorship is transferred to the customer. Interest income and expenses are recognized in the income statement on an accrual basis. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes.

Research and development costs
Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved power plant equipments) are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Development costs that have been capitalised are amortised over five years.

(Currency - Turkish Lira)

Segment reporting
In identifying its operating segments, management generally follows the Group's service lines, which represent the main services provided by the Group. All the Group's power plants (except 120 MW power plant in Northern Cyprus) and wind electricity powerhouses are located in Turkey (notes 19-20).

Offsetting
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Foreign currency transactions and translation
Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

The period / year end rates used for USD, EURO, CHF, GBP and JPY are shown below:

Currency	**30.09.2013**	**31.12.2012**
USD	2,0342	1,7826
EURO	2,7484	2,3517
CHF	2,2370	1,9430
GBP	3,2665	2,8708
JPY	0,0205	0,0207

Provisions
A provision is recognized when, and only when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Commitments and contingencies
Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

Use of estimates
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(Currency - Turkish Lira)

Significant management judgment in applying accounting policies

The following are significant management judgments in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Impairment: An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management makes assumptions about future events and circumstances.

Provisions: The Group is currently defending certain lawsuits where the actual outcome may vary from the amount recognized in the financial statements. None of the provisions will be discussed here in further detail so as not to seriously prejudice the Group's position in the related disputes.

EBITDA

EBITDA is defined as earnings before interest expense, income tax expense (benefit), depreciation and amortization. This information should be read with the statements of cash flows contained in the accompanying consolidated financial statements.

4. Cash and Cash Equivalents

	30.09.2013	31.12.2012
Cash on hand	76.392	87.517
Cash at banks		
- Demand account	8.762.573	15.716.567
- Time deposits and repurchase agreements (*)	15.240.232	24.753.552
Other liquid assets (**)	112.746	11.874
	24.191.943	**40.569.510**

(*) As of 30 September 2013, the Group has no TL time deposits (31.12.2012: average term is between 2-18 days, interest rate is between 5,75%-8,50%).

The average term of the USD time deposit is 4 days and the effective interest rate on USD time deposit is 2,50% (31.12.2012: 4 days, interest rate is 2,75%).

Included in demand and time deposits, as of 30 September 2013 there is an amount of TL 15.778.120 (USD 6.000.000 and EURO 1.300.000) which is blocked as security for the financial liabilities of the Group (31.12.2012: TL 18.036.843 - USD 6.000.000 and EURO 3.121.675).

(**) As of 30 September 2013, the amount consists of B type investment funds amounting to TL 112.746 (31.12.2012: TL 11.874).

(Currency - Turkish Lira)

5. Trade Receivables

Current trade receivables	**30.09.2013**	**31.12.2012**
Customers' current accounts (*)	68.230.203	126.962.372
Trade receivables from related parties (**)	182.781.758	120.036.663
Notes receivable	5.183.594	2.100.036
Unearned interest on trade receivable (-)	(149.248)	(587.720)
Provision for doubtful receivables (-)	(2.594.414)	(2.594.414)
	253.451.893	**245.916.937**

(*) TL 12.012.962 (2012: TL 29.141.127) of trade receivables is assignable. It consists of bills of receivables issued by the Group for TEİAŞ, assigned as collateral for loans to banks.

(**)The amount is detailed in note 6.

As of 30 September 2013, the movement of the allowance for doubtful trade receivables is as follows:

	01.01.-30.09.2013	**01.01.-31.12.2012**
Opening balances at 1 January	2.594.414	2.499.414
Increase in provisions	-	120.937
Reversal of provisions and collections received (-)	-	(25.937)
Closing balance	**2.594.414**	**2.594.414**

Non - Current trade receivables	**30.09.2013**	**31.12.2012**
Notes receivable	2.426.757	-
Unearned interest on trade receivable (-)	(23.824)	-
	2.402.933	**-**

(Currency - Turkish Lira)

6. Due from/to Related Parties and Shareholders, net

On 01.03.2010, Kazancı Holding A.Ş. signed a protocol with Aksa Enerji which stated that the liability of Kazancı Holding A.Ş. (at an amount of TL 335.2 million as of 31.12.2009) to be paid within 2 years.

This time, on 08.03.2012 a new protocol has been signed which has extended the payment period for a further 3 years. The amount of total net receivables (trade and non trade) from Kazancı Holding A.Ş. and all related parties is TL 560.8 million as of 31.12.2011.

As of 30 September 2013, Aksa Enerji has receivables from Kazancı Holding A.Ş., Koni İnşaat A.Ş. and Aksa Jeneratör Sanayi A.Ş. at a total amount of TL 6.027.503 (31.12.2012: TL 535.713.268) Aksa Jeneratör business valuation report has been prepared by an independent expert and signed on 24.02.2012. The independent value of Aksa Jeneratör A.Ş. is established at TL 752 million. Aksa Jeneratör Sanayi A.Ş. is almost wholly owned by Kazancı Holding A.Ş. Kazancı Holding has given all of Aksa Jeneratör's shares as guarantee in relation to Kazancı Holding, Koni İnşaat and Aksa Jeneratör liability to Aksa Enerji .

As of 30 September 2013 and 31 December 2012 the breakdown of the related parties balances are as follows:

	30.09.2013		31.12.2012	
Due from related parties	**Trade**	**Non-Trade**	**Trade**	**Non-Trade**
Aksa Afyon Doğalgaz Dağıtım A.Ş.	-	-	-	1.604.690
Aksa Doğal Gaz Toptan Satış A.Ş.	-	15.852	-	15.852
Aksa Elektrik Perakende Satış A.Ş.	-	768.293	-	51.546.223
Aksa Elektrik Toptan Satış A.Ş.	176.739.658	22	110.477.751	22
Aksa Gaz Dagıtım A.S.	1.313	-	136.124	3.048
Aksa International Ltd.	1.565.818	-	-	1.556.942
Aksa Jeneratör Sanayi A.Ş.	535.693	64.316		111.500.710
Aksa Makina Sanayi A.Ş.	-	-	-	24.236
Aksa Satış Ve Pazarlama A.Ş.	-	287.463	-	284.816
Aksa Servis Ve Yedek Parça A.Ş.	24.192	43.692	3.320	-
Aksa Teknoloji A.Ş.	-	-	-	93.792
Aksa Turizm İşletmeleri A.Ş.	-	10	-	254.901
Aksa Bilecik Bolu Doğal Gaz Dağıtım A.Ş.	-	-		519.181
Ceka Enerji Üretim A.Ş.		7.970		146.916
Aksa Çanakkale Doğalgaz Dağıtım A.Ş.	-	-		205.973
Çoruh Aksa Elektrik Hizmetleri A.Ş.	-	-	-	29.858
Çoruh Elektrik Dağıtım A.Ş.	-	-	389.668	-
Çoruh Elektrik Perakende Satış A.Ş.	2.339.372	-	-	-
Jiangyin Aksa Electrical	-	-	-	1.893
Aksa Düzce Ereğli Doğal Gaz Dağıtım A.Ş:	-	-	-	153.029
Aksa Elazığ Doğalgaz Dağıtım A.Ş.	106	-		19.798
Elektrik Altyapı Hizmetleri A.Ş.	11.939	44.407	49.750	36.906
Fırat Elektrik Perakende Satış A.Ş.	1.791.404	-	-	-
Aksa Gemlik Doğal Gaz Dağıtım A.Ş.	-	2.124		103.466

(Currency - Turkish Lira)

	30.09.2013		31.12.2012	
Due from related parties (con't)	**Trade**	**Non-Trade**	**Trade**	**Non-Trade**
Gesa Güç Sistemleri A.Ş.	-	-	-	11.006
Aksa Gümüşhane Bayburt Doğalgaz Dağıtım A.Ş.	-	-	-	3.998.326
Kapıdağ Rüzgar Enerji Santrali Ltd. Şti.	-	-	17.900	14.937.240
Aksa Karadeniz Doğalgaz Dağıtım A.Ş.	-	-	-	283.405
Kazancı Holding A.Ş.	-	11.703	-	395.640.245
Kazancı Teknik Cihazlar Yedek Parça A.Ş.	-	325.199	-	2.853.876
Koni İnşaat Sanayi A.Ş.	-	5.415.791	8.987.631	19.584.682
Koni Turizm San. Ve Ticaret A.Ş.	-	5.894	-	4.234
Aksa Malatya Doğalgaz Dağıtım A.Ş	-	-	-	281.869
Aksa Mustafa Kemal Paşa Susurluk Doğalgaz Dağıtım A.Ş.	-	-	-	316.827
Onan Enerji Üretim A.Ş.	-	1.042	-	102.717
Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.	-	-	-	461.002
Aksa Siirt Batman Doğalgaz Dağıtım A.Ş.	-	-	-	6.274.588
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	2.685	6.923	-	807.774
Tasfiye Halinde S.S.Endüstriyel Ürün Üreticileri	-	2.113	-	2.112
Aksa Tokat Amasya Doğal Gaz Dağıtım A.Ş.	-	-	-	3.144.443
Aksa Trakya Doğal Gaz Dağıtım A.Ş.	-	-	-	19.878
Aksa Van Doğalgaz Dağıtım A.Ş.	-	-	-	743.565
Other	613	300.261	-	20.297
Unearned interest on trade receivables from related parties (-)	(231.035)	-	(25.481)	-
Total	**182.781.758**	**7.303.075**	**120.036.663**	**617.590.338**

(Currency - Turkish Lira)

	30.09.2013		31.12.2012	
Due to related parties	**Trade**	**Non-Trade**	**Trade**	**Non-Trade**
Aksa Doğal Gaz Toptan Satış A.Ş.	-	7.158	2.403	4.755
Aksa Doğalgaz Dağıtım A.Ş.	-	10.766	-	10.766
Aksa Elektrik Perakende Satış A.Ş.	-	72.892	7.542	72.156
Aksa Elektrik Toptan Satış A.Ş.	10.033.778	247.502	53.256	60.833
Aksa Far East PTE Ltd.	916.448	-	-	916.448
Aksa Havacılık A.Ş.	1.178.771	-	291.128	-
Aksa Jeneratör Sanayi A.Ş	639.170	2.587.483	34.887	13.432.801
Aksa Satış Ve Pazarlama A.Ş.	6.667	4.759	5.663	23.722
Aksa Servis Ve Yedek Parça A.Ş.	-	15.722	-	3
Aksa Gümüşhane Bayburt Doğalgaz Dağıtım A.Ş.	-	152.266	-	-
Anadolu Doğalgaz Dağıtım A.Ş.	-	9.267	156	8.156
Aksa Balıkesir Doğalgaz Dağıtım A.Ş.	-	1.626	1.626	7.892
Aksa Bandırma Doğalgaz Dağıtım A.Ş.	-	33.357	-	29.050
Aksa Teknoloji A.Ş.	-	107.247	-	-
Çoruh Elektrik Dağıtım A.Ş.	-	99.521	-	5.531
Deriş İnşaat A.Ş.	139.720	74.580	18.395	35.297
Elektrik Altyapı Hizmetleri Ltd. Şti.	74.038	347.677	-	32.112
Aksa Elazığ Doğalgaz Dağıtım A.Ş.	-	64.542	-	-
Fırat Elektrik Dağıtım A.Ş.	-	12.722	-	6.753.320
Aksa Gemlik Doğalgaz Dağıtım A.Ş.	-	-	6.654	-
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	23.441.625	572	1.782.743	-
Kapıdağ Rüzgar Enerji Santrali Ltd. Şti.	-	-	2.026	103.723
Kazancı Holding A.Ş.	-	10.288.905	59.979	498.492
Kazancı Makina Ve Motor Ltd. Şti.	8.745	5.813	-	599
Kazancı Teknik Cihazlar Yedek Parça A.Ş.	540.907	5.411	151.883	114.292
Koni İnşaat Sanayi A.Ş.	26.080	370.412	39.555	820.263
Aksa Manisa Doğalgaz Dağıtım A.Ş.	17.103.855	-	5.504.744	-
Aksa Tokat Amasya Doğal Gaz Dağıtım A.Ş.	-	36.621	-	-
Aksa Siirt Batman Doğalgaz Dağıtım A.Ş	-	43.891	-	-
Aksa Sivas Doğal Gaz Dağıtım A.Ş.	-	5.038	-	450.008
Renk Transmisyon San. A.Ş.	40.843	-	233.077	27.345
Real Makina İthalat İhracat Ltd.	-	-	43.953	279.763
Aksa Van Doğalgaz Dağıtım A.Ş.	15.485.152	-	4.595.674	-
Unearned interest on trade payables from related parties (-)	(487.649)	-	(4.235)	-
Other	-	124.790	540	47.902
Total	**69.148.150**	**14.730.540**	**12.831.649**	**23.735.229**
Due from / to related parties, net	**113.633.608**	**(7.427.465)**	**107.205.014**	**593.855.109**

(Currency - Turkish Lira)

7. Inventory

	30.09.2013	**31.12.2012**
Raw materials(*)	161.721.788	110.881.083
Work in process	22.914.841	357.240
Finished goods	423.713	7.856.807
Merchandise	157.770	1.340.327
Other inventory	15.037.201	15.578.947
Provision for diminution in value of inventory (-)	(11.639.160)	(476.849)
	188.616.153	**135.537.555**

(*) Raw materials are mainly comprised of spare parts and fuel oil required for the power plants.

The movement for inventory value decrease is as follows:

	01.01.- 30.09.2013	**01.01.- 31.12.2012**
Opening balances at 1 January	476.849	506.698
Increase in provisions (note 22)	965.985	-
The amount classified as other inventory	10.196.326	
Reversal of provisions and collections received (-)	-	(29.849)
Closing balance	**11.639.160**	**476.849**

8. Other Current and Non-Current Assets

Other Current Assets	**30.09.2013**	**31.12.2012**
Other VAT (*)	27.705.078	40.849.407
VAT carried forward	21.517.648	18.587.541
Prepaid expenses	7.064.749	3.609.212
Advances given for inventories	6.720.661	8.975.465
Prepaid taxes and funds	2.631.511	10.823.801
Other doubtful receivables	496.041	553.382
Provision for other sundry receivables	(496.041)	(553.382)
Sundry debtors	4.982.675	1.727.288
	70.622.322	**84.572.714**

(*) Other VAT is related to export registered sales to Aksa Elektrik Toptan Satış A.Ş. (a related party).

(Currency - Turkish Lira)

As of 30 September 2013, the movement of the allowance for doubtful receivables is as follows:

	01.01.- 30.09.2013	01.01.- 31.12.2012
Opening balances at 1 January	553.382	857.299
Increase in provisions	6.859	3.978
Reversal of provisions and collections received (-)	(64.200)	(198.260)
Write off uncollectable receivables	-	(109.635)
Closing balance	**496.041**	**553.382**

Other Non Current Assets	**30.09.2013**	**31.12.2012**
Advances given (*)	165.005.798	85.431.415
Deposits given (**)	4.913.710	1.542.022
Prepaid expenses	42.570	39.319
	169.962.078	**87.012.756**

(*) Advances given is mainly related to Aksa Göynük thermal power plant and other energy production power plants (note 1).

(**)As of 30 September 2013 , the amount of TL 4.614.608 (31 December 2012: TL 1.341.199) is related to collateral given to Takasbank in relation to receivables to be collected through TEİAŞ sales transactions.

9. Investments

	Participation rate (%)	30.09.2013	31.12.2012
Rasa Radiator (Jiangyin) Co. Ltd.	100,00	1.512.300	1.512.300
Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş.	-	-	119.575
I.S.P. A.Ş.	10,00	42.108	42.108
Provision for impairment of I.S.P. A.Ş.		(42.108)	(42.108)
		1.512.300	**1.631.875**

Rasa Radiator Co. Ltd. is established in Jiangyin, China. Rasa Radiator Co. Ltd. has been a dormant company with no financial results for the past few years.

(Currency - Turkish Lira)

10. Property, Plant and Equipment

	01.01.2013	Additions	Disposals	Transfer	Acquisition of new companies	Transfer to other inventory	30.09.2013
Cost							
Land, land improvements and buildings	63.250.216	89.036	-	-	344.111	-	63.683.363
Leasehold improvements	826.494	55.320	-	-	-	-	881.814
Machinery and equipment	1.974.813.926	61.794.855	(757.074)	89.357.685	117.234.894	(29.697.186)	2.212.747.100
Motor vehicles	3.116.942	5.043	(769.195)	-	53.528	-	2.406.318
Furniture, fixtures and office equipment	12.108.687	607.332	(122.546)	-	94.907	-	12.688.380
Construction in progress	88.362.497	228.357.333	-	(89.357.685)	82.241.078	-	309.603.223
	2.142.478.762	290.908.919	(1.648.815)	-	199.968.518	(29.697.186)	2.602.010.198
Accumulated Depreciation							
Land improvements and buildings	1.321.134	245.834	-	-	11.430	-	1.578.398
Leasehold improvements	352.872	40.024	-	-	-	-	392.896
Machinery and equipment	503.835.688	79.626.801	(143.378)	-	1.653.792	(7.479.653)	577.493.250
Motor vehicles	1.957.040	216.442	(502.477)	-	36.151	-	1.707.156
Furniture, fixtures and office equipment	7.726.705	762.853	(46.381)	-	76.883	-	8.520.060
	515.193.439	80.891.954	(692.236)	-	1.778.256	(7.479.653)	589.691.760
Net Book Value	**1.627.285.323**						**2.012.318.438**

(Currency - Turkish Lira)

	01.01.2012	Additions	Disposals	Transfer	Transfers from Assets Held for Sales	Provision for diminution in value of machinery	31.12.2012
Cost							
Land, land improvements and buildings	62.625.440	346.590	(354.471)	-	632.657	-	63.250.216
Leasehold improvements	526.388	300.678	(572)	-	-	-	826.494
Machinery and equipment (*)	1.922.447.668	66.053.221	(10.698.895)	6.900.582	307.676	(10.196.326)	1.974.813.926
Motor vehicles	3.513.673	57.321	(456.552)	-	2.500	-	3.116.942
Furniture, fixtures and office equipment	11.333.126	787.417	(186.554)	-	174.698	-	12.108.687
Construction in progress	30.175.848	52.487.847	-	(6.900.582)	12.599.384	-	88.362.497
	2.030.622.143	120.033.074	(11.697.044)	-	13.716.915	(10.196.326)	2.142.478.762
Accumulated Depreciation							
Land improvements and buildings	1.016.709	311.257	(21.573)	-	14.741	-	1.321.134
Leasehold improvements	300.661	52.221	(10)	-	-	-	352.872
Machinery and equipment	407.770.315	103.213.894	(7.261.742)	-	113.221	-	503.835.688
Motor vehicles	1.783.214	467.595	(295.977)	-	2.208	-	1.957.040
Furniture, fixtures and office equipment	6.715.443	1.026.123	(157.413)	-	142.552	-	7.726.705
	417.586.342	105.071.090	(7.736.715)	-	272.722	-	515.193.439
Net Book Value	**1.613.035.801**						**1.627.285.323**

(*) The amount is related to provision calculated for damaged gas turbine of Antalya Power Plant.

(Currency - Turkish Lira)

During the period ended 30 September 2013, TL 5.634.537 (31 December 2012: TL 5.571.714) of interest expenses and foreign exchange losses has been capitalized.

(**) As of 30 September 2013, the breakdown of construction in progress are as follows:

	Technical Completion	**Investment Expenditures**
Bolu Göynük thermal power plant	60%	220.324.027
Cyprus Kalecik – Mobile PP	90%	27.180.368
Kıyıköy – Wind PP	50%	23.428.507
Belen Atik - Wind PP	75%	11.910.356
Olur Kozbükü – HPP	30%	11.205.199
Sebenoba – Wind PP	25%	3.996.144
Kapıdağ – Wind PP	99%	3.880.954
Other (*)	-	7.677.668
		309.603.223

(*) Other projects are related to HPP and WPP Projects as explained in note 1 which are under license.

The allocation of current period depreciation and amortization expenses for the periods ended 30 September 2013 and 2012 is as follows:

	30.09.2013	**30.09.2012**
Cost of sales	80.434.975	76.897.678
General administrative expenses (note 21)	801.946	600.003
Discontinued operations	-	28.368
	81.236.921	**77.526.049**

(Currency - Turkish Lira)

11. Intangible Assets, net

	01.01.2013	Additions	Disposals	Acquisition of new companies	30.09.2013
Cost					
Rights	2.336.643	276.138	(7.750)	57.556	2.662.587
Other intangible assets	149.539	145.134	-	1.086	295.759
	2.486.182	421.272	(7.750)	58.642	2.958.346
Accumulated Depreciation					
Rights	768.213	279.739	(272)	6.708	1.054.388
Other intangible assets	38.403	65.228	-	2.475	106.106
	806.616	344.967	(272)	9.183	1.160.494
Net Book Value	**1.679.566**				**1.797.852**

	01.01.2012	Additions	Disposals	31.12.2012
Cost				
Rights	1.634.337	883.346	(181.040)	2.336.643
Other intangible assets	-	149.539	-	149.539
	1.634.337	1.032.885	(181.040)	2.486.182
Accumulated Depreciation				
Rights	579.805	210.683	(22.275)	768.213
Other intangible assets	-	38.403	-	38.403
	579.805	249.086	(22.275)	806.616
Net Book Value	**1.054.532**			**1.679.566**

(Currency - Turkish Lira)

12. Financial Liabilities

	30.09.2013	31.12.2012
Short-term bank loans	41.957.604	236.093.416
Current portion of long-term bank loans	166.039.910	183.158.030
Factoring payables	-	91.182.338
Finance lease liabilities, net	33.323.029	40.660.813
Interest expense accruals	15.510.700	13.183.986
Total short-term financial liabilities	256.831.243	564.278.583
Long-term bank loans	892.126.040	665.692.578
Factoring payables	19.976.619	20.338.885
Finance lease liabilities, net	65.482.988	70.335.379
Total long -term financial liabilities	977.585.647	756.366.842
Total financial liabilities	**1.234.416.890**	**1.320.645.425**

As of 30 September 2013, the effective interest rate of the short term TL loans is between 6,95%-14,4% (31 December 2012: 9%-14,40%), USD loans is between 1,92%-8,81% (31 December 2012: 4,30%-8,00%) and EURO loans is between 2,40%-9,67% (31 December 2012: 3,65%-8,99%) .

As of 30 September 2013, USD loans is between 1,46%-8,64% (31 December 2012: 0,60%-8,67%) and EURO loans is between 1,99%-9,09% (31 December 2012: 1,99%-9,67%). As of 30 September 2013, the Group has no TL loans (31 December 2012: 6,37%-14,4%).

Bank loans are guaranteed by Kazancı Holding A.Ş., Aksa Jeneratör Sanayi A.Ş. (a related party), personal guarantee of the Group’s shareholders, as well as several other securities.

As of 30 September 2013, total amounting of corporate guarantees provided by Kazancı Family members and Kazancı Holding companies for the Group’s bank borrowings is TL 3.778.870.273 (31 December 2012: TL 2.695.941.844).

(Currency - Turkish Lira)

As of 30 September 2013, the repayment schedule of the short term and long term loans is as follows:

Payment Year	**EURO**	**USD**	**TL**	**Total TL Equivalent**
Payable in 1 year	27.959.713	64.184.033	589.885	207.997.514
Payable in 1-2 years	24.591.101	45.751.270	-	160.653.415
Payable in 2-3 years	18.464.427	43.095.278	-	138.412.046
Payable in 3-4 years	16.646.088	37.222.312	-	121.467.735
Payable in 4-5 years	17.535.039	31.136.504	-	111.531.177
Payable over 5 years	31.348.755	134.648.877	-	360.061.667
Total	**136.545.123**	**356.038.274**	**589.885**	**1.100.123.554**

Factoring Payables

As of 30 September 2013 and 31 December 2012, the breakdown of the factoring payables is as follows:

	30.09.2013	**31.12.2012**
Short-term:		
Yapı ve Kredi Faktoring A.Ş. (*)	-	29.182.338
Girişim Faktoring A.Ş.	-	37.000.000
Garanti Faktoring A.Ş.	-	25.000.000
Total short term	-	91.182.338
Long-term:		
Yapı ve Kredi Faktoring A.Ş. (*)	19.976.619	20.338.885
Total long term	19.976.619	20.338.885
Total	**19.976.619**	**111.521.223**

(*)As of 30.09.2013, TL 19.976.619 (31.12.2012: TL 49.521.223) of total liabilities has occurred by the service purchase agreement signed via leasing between KIBTEK and the Group which is based on electricity receivable for the future periods by factoring. As of 30 September 2013, TL 18.889.578 (31.12.2012: TL 13.907.457) of KIBTEK receivables is netted off from assets and liabilities.

(Currency - Turkish Lira)

Lease Payables

The Group acquired machinery and equipment via financial leasing. As of 30 September 2013, the repayment schedule of leasing obligations is as follows:

Payment Year	**EURO**	**USD**	**Total TL Equivalent**
Payable in 1 year	2.637.547	12.817.815	33.323.029
Payable in 1-2 years	3.329.676	12.357.080	34.288.054
Payable in 2-3 years	2.789.586	8.223.098	24.394.324
Payable in 3-4 years	1.306.223	436.836	4.478.635
Payable in 4-5 years	844.847	-	2.321.975
Total	**10.907.879**	**33.834.829**	**98.806.017**

13. Trade Payables

	30.09.2013	**31.12.2012**
Suppliers' current accounts (*)	261.211.183	271.388.807
Trade payables to related parties (**)	69.148.150	12.831.649
Notes payable	356.000	486.350
Unearned interest on trade payable (-)	(630.389)	(201.731)
Other	-	231.245
	330.084.944	**284.736.320**

(*) As of 30.09.2013 TL 117.116.876 (31.12.2012, TL 186.073.238) of the amount is related to letter of credits which are in relation to import of spare parts and small equipments for power plants.

(**) The amount is detailed in note 6.

14. Taxation Payable on Income

The corporation tax rate in Turkey on the profits for the calendar year 2013 is 20% (2012: 20%). Taxable profits are calculated by modifying accounting income for certain exclusions and allowances for tax purposes from the profit disclosed in the statutory income. No other taxes are paid unless profits are distributed. In Turkey, no taxes are withheld from undistributed profits, profits added to share capital (bonus shares) and dividends paid to other resident companies. Other than those, profits distributed in dividends to individuals and non-resident companies are subject to withholding at the rate of 15%.

The Turkish Tax Procedural Law does not include a procedure for formally agreeing tax assessments. Tax returns must be filed within three and a half months of the year-end and may be subject to investigation, together with their underlying accounting records, by the tax authorities at any stage during the following five years.

(Currency - Turkish Lira)

The tax liabilities included in the accompanying financial statements comprised:

	30.09.2013	30.09.2012
a) Included in the income statement:		
Current tax charge	(8.772.465)	(7.852.034)

	30.09.2013	31.12.2012
b) Included in the balance sheet:		
Taxation payable on income (current)	6.440.798	6.620.636
Deferred tax assets	4.109.211	4.109.211
Deferred tax liabilities	2.936.550	2.936.550

Deferred taxes

As of 30 September 2013 and 31 December 2012, the Group does not have material timing differences which will be reversed in the foreseeable future. Accordingly, the Group does not create any provision for deferred taxation.

15. Other Payables and Accrued Liabilities

Current	30.09.2013	31.12.2012
Taxes and dues payable	9.134.898	5.354.940
Order advances received	4.013.081	2.340.728
Due to personnel	2.261.737	1.471.566
Deposits received	1.119.375	867.102
Social security premiums payable	661.228	520.976
Provision for lawsuits	423.900	423.900
Deferred rent income	277.391	-
Other	74.950	697.723
	17.966.560	**11.676.935**

Non - Current	30.09.2013	31.12.2012
Order advances received	2.426.757	-
Deferred rent income	71.881	-
	2.498.638	**-**

(Currency - Turkish Lira)

16. Retirement Pay Provision

Under the Turkish Labour Law, the Group is required to pay employment termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). The provision is made in respect of all eligible employees, at a rate of 30 days gross pay for each year of service. The rate of pay is that ruling at the respective balance sheet dates, subject to a maximum of TL 3.254,44 per year as of 30.09.2013 (31.12.2012 : TL 3.033,98 per year).

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

Communiqué require actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	30.09.2013	**31.12.2012**
Discount rate %	9,50	9,25
Inflation rate %	5,00	5,00

Movements of the provision for employee termination benefits during the period are as follows:

	01.01.- 30.09.2013	**01.01.- 31.12.2012**
Balance at 1 January	2.173.676	1.839.533
Service cost	354.298	460.553
Interest cost	206.499	170.058
Actuarial difference	446.003	(296.468)
Acquisition of new companies	4.643	--
Balance at the end of the period/ year	**3.185.119**	**2.173.676**

The allocation of the provision for employment termination benefits expenses in the income statement are as follows:

	01.01- 30.09.2013	**01.01- 30.09.2012**
Cost of Sales	385.764	481.440
General administrative expenses (Note21)	175.033	55.844
	560.797	**537.284**

(Currency - Turkish Lira)

17. Share Capital

The issued and paid up share capital of Aksa Enerji Üretim A.Ş. comprised 613.169.118 (31 December 2012: 613.169.118) shares of par value TL 1 each at 30 September 2013.

	30.09.2013	%	31.12.2012	%
Kazancı Holding A.Ş.	379.622.977	61,91	500.005.330	81,54
Goldman Sachs	101.911.765	16,62	81.529.412	13,30
Public Share	131.600.000	21,46	31.600.000	5,15
Other	34.376	(*)	34.376	(*)
Historic share capital	613.169.118	100,00	613.169.118	100,00
Inflation adjustment to share capital	1.987.932		1.987.932	
Inflation adjusted share capital	**615.157.050**		**615.157.050**	

(*) Less than 0.01

Kazancı Holding A.Ş., being the Parent Company of Aksa Enerji, has secured 500 million USD long term credit facility arranged by Goldman Sachs, China Development Bank, Garanti Bankası and İş Bankası. 68,86% of issued capital of Aksa Enerji are pledged as security of the credit facility to Garanti Bankası acting as Security Agent.

The new shareholding structure and the capital increase amounting to TL 35.669.118 in November 2012 was not registered in the Turkish Trade Registry as of the report date. As of 30.09.2013, the registration of the capital increase is completed.

18. General Reserves

General reserves comprise prior years’ undistributed income and legal reserves.

The legal reserves are appropriated in accordance with the Turkish Commercial Code. 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 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. The legal reserves are not available for distribution unless they exceed 50% of the paid-in share capital but may be used to offset losses in the event that the general reserve is exhausted.

Undistributed retained earnings are available for distribution. However if this reserve is distributed as dividends, a further legal reserve is required to be provided equal to 10% of dividend declared.

(Currency - Turkish Lira)

19. Net Sales

Total Sales – MWH / Unit	**01.01.- 30.09.2013**	**01.01.- 30.09.2012**
Energy sales – MWH [(*)]	6.709.426	7.408.420
Radiator sales – unit	7.176	7.516
Generator sales – unit	-	28

Total Sales – Amount	**01.01.- 30.09.2013**	**01.01.- 30.09.2012**
Electricity Sales	1.309.643.978	1.375.220.799
Radiator Sales	8.555.540	6.490.214
Total Lignite Sales and Transportation Income	5.945.192	-
Natural Gas Equipments	61.045	19.194.850
Generator Sales	-	431.657
Other	4.365.980	6.473.799
Total Sales	**1.328.571.735**	**1.407.811.319**

[(*)] In 2013, the Group have produced 5.726,19 Gwh electricity , in addition to the production, the Group have received from TEIAŞ's Load Rejection Order (YAT: Yük Atma Talimatı) and therefore sold 983,23 Gwh additional electricity. Thereby, the total amount of electricity sales reached to 6.709,42 Gwh and according to the calculation made by considering the weighted averages the average selling price is 187,4 TL/mws . The Group's average capacity utilization rate is 55,08%.

Total amount of balancing invoices issued by TEIAS in 01.01.-30.09.2013 is TL 51.743.740 (01.01.-30.09.2012: TL 43.447.976), which has been added to the cost of sales account.

20. Cost of Sales

	01.01.- 30.09.2013	**01.01.- 30.09.2012**
Cost of Energy Sales	1.139.097.685	1.195.326.448
Cost of Lignite Sales	7.171.311	-
Cost of Radiator Sales	6.994.016	5.401.055
Cost of Natural Gas Equipments Sales	59.214	9.306.409
Cost of Generator Sales	-	291.374
Cost of Other Sales	3.274.670	5.710.630
Total Cost Of Sales	**1.156.596.896**	**1.216.035.916**

(Currency - Turkish Lira)

21. Marketing and Selling and General Administrative Expenses

	01.01-30.09.2013	01.01-30.09.2012
Marketing, selling and distribution expenses	885.869	1.202.441
General administrative expenses	12.653.375	12.349.224
	13.539.244	**13.551.665**

Breakdown of operating expenses are as follows:

Marketing, selling and distribution expenses	**01.01.-30.09.2013**	**01.01.-30.09.2012**
Freight and freight insurance	513.915	511.624
Personnel salaries and bonus payments	102.565	112.838
Travelling expenses	38.959	20.873
Motor vehicle expenses	22.462	8.017
Advertising expenses	14.727	168.000
Redevance expenses	-	203.410
Other marketing expenses	193.241	177.679
	885.869	**1.202.441**

General administrative expenses	**01.01.-30.09.2013**	**01.01.-30.09.2012**
Personnel expenses	7.121.625	5.023.309
Traveling expenses	1.561.618	1.561.040
Taxes paid	828.928	1.761.975
Depreciation and amortisation expenses (note 10)	801.946	600.003
Consultancy expenses	392.636	431.711
Motor vehicle expenses	357.451	272.358
Representation expenses	283.672	207.144
Court and notary expenses	192.529	278.087
Rent expenses	180.841	140.330
Retirement pay provision expense (note 16)	175.033	47.970
Communication expenses	117.987	148.985
Office expenses	106.688	126.669
Insurance expenses	87.719	49.552
Doubtful debts provision expense	6.859	744
Provision for lawsuits	-	399.750
Other	437.843	1.299.597
	12.653.375	**12.349.224**

(Currency - Turkish Lira)

22. Other Income and Other Expenses

Other Income	01.01.- 30.09.2013	01.01.- 30.09.2012
Income on insurance claims	1.649.242	1.101.431
Profit on sale of fixed assets	475.476	434.438
Return of Osmaneli OSB Land	457.197	-
Return of expropriation	433.215	-
Discount on trade payable	276.349	986.347
Reversal of provision for doubtful receivables	64.200	-
Tax provision released	-	1.565.897
Warranty provision released	-	29.849
Other income	485.058	1.806.807
	3.840.737	**5.924.769**

Other Expenses	01.01.- 30.09.2013	01.01.- 30.09.2012
Letters of guarntee payment	3.002.000	-
Non-realised tender expenses	2.076.425	-
Decrease in value of inventory (note 7)	965.985	-
Discount on trade receivable	114.491	2.939.452
Goodwill	50.000	-
Loss on sale of fixed assets	20.040	345.486
Reversal of licence fee	-	1.184.000
Decrease in value of machinery and equipments (note 10) (*)	-	12.316.971
Other expense	2.160.367	2.212.653
	8.389.308	**18.998.562**

(*)This amount is related to gas tribune which was sent to repair and maintenance for services in Antalya PP.

(Currency - Turkish Lira)

23. Financing Income and Financing Expenses

Financing income	**01.01.- 30.09.2013**	**01.01.- 30.09.2012**
Foreign exchange gains	103.473.771	143.645.415
Interest income on time deposits at banks and related parties	38.788.757	55.775.374
Foreign exchange gains from derivative financial instruments	4.018.944	-
	146.281.472	**199.420.789**

Financing expenses	**01.01.- 30.09.2013**	**01.01.- 30.09.2012**
Foreign exchange losses	271.366.197	74.887.732
Interest expense on bank loans and related parties	71.954.694	71.858.594
Letters of guarantee and bank commission expenses	10.757.413	11.390.121
Foreign exchange losses from derivative financial instruments	6.690.297	-
Other	42.818	232.134
	360.811.419	**158.368.581**

(Currency - Turkish Lira)

24. Commitments and Contingencies

a) Letters of guarantee given to:

30.09.2013	TL	USD	EUR	TL Equivalent
Botaş–Petroleum Pipeline Corporation	--	11.084.184	--	22.547.447
Banks	--	6.772.700	21.526.000	72.939.085
Ministry of environment and foresty	2.476.000	--	--	2.476.000
Electricity distribution companies	1.643.562	--	--	1.643.562
Energy Market Regulatory Authority (EMRA)	83.965.346	--	--	83.965.346
Ministry of Customs and Trade	--	--	1.250.000	3.435.500
Enforcement offices	755.400	--	--	755.400
Electricity Authority of KKTC	39.646	--	--	39.646
Special provincial administration	--	3.000.000	--	6.102.600
Turkey Electricity Distribuiton Company (TEDAS)	26.862	--	--	26.862
Turkey Electricity Transmission Company (TEIAS)	11.090.551	2.062.080	--	15.285.234
Turkey Electricity Generation Company (EUAS)	--	2.006.648	--	4.081.923
Other	4.108.760	--	--	4.108.760
Total	**104.106.127**	**24.925.612**	**22.776.000**	**217.407.365**

(Currency - Turkish Lira)

31.12.2012	**TL**	**USD**	**EUR**	**TL Equivalent**
Botaş–Petroleum Pipeline Corporation	-	11.084.184	-	19.758.666
Municipalities	780	-	-	780
Commerzbank AG	-	-	1.000.000	2.351.700
Ministry of environment and foresty	-	-	-	-
Public Waterworks Administration	3.076.000	-	-	3.076.000
Electricity distribution companies	1.670.424	-	-	1.670.424
The Electricity Generation Company	-	-	-	-
Energy Market Regulatory Authority (EMRA)	76.457.122	1.000.000	-	78.239.722
Custom offices	58.010	-	-	58.010
Undersecretariat of customs	-	-	250.000	587.925
Enforcement offices	670.944	-	-	670.944
Electricity Authority of KKTC	-	3.000.000	-	5.347.800
Special provincial administration	39.646	-	-	39.646
Republic of Turkey Prime Ministry Privitization Administration	-	30.000.000	-	53.478.000
Turkey Electricity Distribuiton Company (TEDAS)	-	-	-	-
Turkey Electricity Transmission Company (TEIAS)	11.491.938	3.454.290	-	17.649.555
General Directorate of Turkish Coal	14.691.825	-	-	14.691.825
Other	150.000	-	-	150.000
Total	**108.306.689**	**48.538.474**	**1.250.000**	**197.770.997**

(Currency - Turkish Lira)

b) Guarantees given for the Group's loans

Guarantee Types – 30.09.2013	Foreign Currency	Currency Amount	Total (TL)
Commercial Enterprise Pledge(*)	USD	133.000.000	270.548.600
Machinery and Equipment Pledge (**)	EUR	24.914.673	68.475.487
Bank Deposit Blockage (Note 4)	EUR	1.300.000	3.572.920
Bank Deposit Blockage (Note 4)	USD	6.000.000	12.205.200
Surety Ship	TL	530.394.500	530.394.500
Surety Ship	USD	1.402.726.034	2.853.425.298
Surety Ship	EUR	127.099.212	349.319.474
Surety Ship	GBP	14.000.000	45.731.000
Assignment of Claim	TL	302.300.000	302.300.000
Collateral Bond	EUR	988.875	2.717.824
Letters of guantee	USD	6.772.700	13.777.026
Letters of guantee	EUR	21.526.000	59.162.058
Total			**4.511.629.387**

(*) The amount is related to Antalya power plant.

(**) As of 30.09.2013, a collateral of TL 68.475.487 (EURO 24.914.673) (31.12.2012: TL 58.591.836 (EURO 24.914.673)) have been pledged on the machinery and equipment at the powerplant of Rasa Enerji Üretim A.Ş., a consolidated subsidiary.

In relation to two bank loans from Commerzbank AG (total of EURO 97.292.148) 51% of Baki Elektrik's shares have been pledged as security.

Kazancı Holding, being the Parent Company of Aksa Enerji, has secured 500 million USD long term credit facility arranged by Goldman Sachs, China Development Bank, Garanti Bankası and İş Bankası. 68.86% of issued capital of Aksa Enerji are pledged as security of the credit facility to Garanti Bankası acting as Security Agent.

The Group has signed a assignment agreement total amounting to TL 686.500.000 (31.12.2012: TL 839.000.000) in relation to the current financial debts. As of 30.09.2013, open risk amounted of assignment agreements is TL 302.300.000 (31.12.2012: TL 436.800.000).

(Currency - Turkish Lira)

Guarantee Types – 31.12.2012	**Foreign Currency**	**Currency Amount**	**Total (TL)**
Mortgage	EUR	12.000.000	28.220.400
Commercial Enterprise Pledge	USD	133.000.000	237.085.800
Machinery and Equipment Pledge	EUR	24.914.673	58.591.836
Bank Deposit Blockage	EUR	3.121.676	7.341.245
Bank Deposit Blockage	USD	6.000.000	10.695.600
Surety Ship	TL	399.539.500	399.539.500
Surety Ship	USD	1.182.356.034	2.107.667.866
Surety Ship	EUR	63.164.212	148.543.277
Surety Ship	GBP	14.000.000	40.191.200
Assignment of Claim	TL	436.800.000	436.800.000
Collateral Bond	EUR	1.285.288	3.022.611
Total			**3.477.699.335**

c) Guarantees given to related parties

As of 30 September 2013, the amount of corporate guarantees granted to Kazancı Group companies in relation to their bank loans is at TL 1.339.171.464 (31.12.2012: TL 1.285.639.106).

As of 30 September 2013, there are 9 lawsuits pending in favour of the Group at the amount of TL 6.110.185 and there are 40 lawsuits pending against the Group at the amount of TL 5.086.789.

As of the report date , the management does not expect negative outcomes in relation to ongoing lawsuits in the short run therefore there is no allowance reflected to financial statements regarding to those lawsuits.

25. Derivative Financial Instruments

Current derivative financial instruments asset	**30.09.2013**	**31.12.2012**
Cross currency swap	1.295.605	-
Interest rate swap	585.407	-
Total	**1.881.012**	**-**

As of 30 September 2013, the Group uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings amount of TL 390.566.400 (USD 192.000.000).

As of 30 September 2013, the Group uses cross currency derivatives to manage its exposure to foreign currency exchange rates between October- December 2013 on its bank borrowings amount of TL 152.285.005 (USD 74.862.356).

(Currency - Turkish Lira)

26. The Nature and Level of Risks Arising From Financial Instruments

The table below summarizes the foreign monetary position risk of the Group as of 30 September 2013 and 31 December 2012, the recorded amounts of the foreign monetary assets are kept by the Group and those of the payables in terms of total amounts and foreign exchange are as follows:

30.09.2013	**USD**	**EUR**	**GBP**	**CHF**	**JPY**	**TL Equivalent**
Cash and cash equivalents	6.875.964	1.851.178	12.676	8.077	53.457	19.135.441
Trade receivables	152.136	211.453	-	-	-	890.634
Other non-current assets	7.158.013	35.876.311	382	-	-	113.164.531
Total foreign currency assets	14.186.113	37.938.942	13.058	8.077	53.457	133.190.606
Financial liabilities	399.693.484	147.453.002	-	-	-	1.218.316.315
Trade payables	55.247.600	6.009.625	165	-	-	128.902.057
Total foreign currency liabilities	454.941.084	153.462.627	165	-	-	1.347.218.372
Net foreign currency position	**(440.754.971)**	**(115.523.685)**	**12.893**	**8.077**	**53.457**	**(1.214.027.766)**

(Currency - Turkish Lira)

31.12.2012	**USD**	**EUR**	**GBP**	**OTHER**	**TL Equivalent**
Cash and cash equivalents	6.970.549	4.012.011	13.707	4.812	21.904.909
Trade receivables	138.117	201.948	-	-	721.128
Due from related parties	882.746	-	-	-	1.573.583
Other non-current assets	234.325	29.156.075	-	-	68.984.049
Total foreign currency assets	8.225.737	33.370.034	13.707	4.812	93.183.669
Financial liabilities	491.680.469	145.568.549	-	-	1.218.803.157
Trade payables	66.150.394	31.619.270	50.144	-	192.422.683
Other current liabilities	-	75.900	-	-	178.494
Total foreign currency liabilities	557.830.863	177.263.719	50.144	-	1.411.404.334
Net foreign currency position	**(549.605.126)**	**(143.893.685)**	**(36.437)**	**4.812**	**(1.318.220.665)**

(Currency - Turkish Lira)

Supplementary Disclosures on financial instruments

(a) Capital Management Policies and Procedures

The risk related with each of the capital class and group capital cost is considered by the top management of the Group.

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may obtain new loans, repay existing loans; make cash and non cash (bonus shares) dividend payments to shareholders, issue new shares based on Management's evaluation.

The Group manages the capital structure so as to ensure the Group's ability to continue as a going concern; and maximize its profitability by maintaining an adequate capital to overall financing structure ratio.

The Group monitors capital using a gearing ratio, which is net debt divided by total financing used. The Group includes within net financial debt, borrowings, less cash and cash equivalents. Financing used is the sum of total equity and net financial debt.

The following table sets out the gearing ratios as of 30 September 2013 and 31 December 2012:

	30.09.2013	**31.12.2012**
Total financial liabilities	1.234.416.890	1.320.645.425
Less: cash and cash equivalents	(24.191.943)	(40.569.510)
Net financial debt	1.210.224.947	1.280.075.915
Total equity	1.135.431.910	1.203.249.330
Total financing used	2.345.656.857	2.483.325.245
Gearing ratio (net financial debt to overall financing used ratio)	**52%**	**52%**

(b) Financial instruments and categories

Financial assets		
Cash and cash equivalents	24.191.943	40.569.510
Trade receivables	255.854.826	245.916.937
	280.046.769	286.486.447
Financial liabilities		
Financial payables	1.234.416.890	1.320.645.425
Trade payables	330.084.944	284.736.320
	1.564.501.834	1.605.381.745

(c) Market risk

The Group is exposed to financial risks arising from changes in currency rate (paragraph d), interest rate (paragraph e) and price risk (paragraph f) which arise directly from its operations.

The market risks that the Group is exposed to are measured on the basis of sensitivity analysis.

The Group’s risk management policies and processes used to measure those risks have been similar to previous periods.

(d) Foreign currency risk

The Group does not have transactional currency exposure from foreign currency denominated transactions.

The Group is exposed to foreign currency risk arising from the translation of foreign currency denominated assets and liabilities to TL, the foreign currency denominated assets and liabilities mainly include bank deposits, bank borrowings and trade payables and trade receivables.

(e) Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

The majority of the Group’s financial obligations consist of fixed and variable interest rate borrowings.

(f) Price risk

Sales invoices to TEİAŞ and EÜAŞ are issued in Turkish Lira and sales unit prices are fixed, the management of the Group is carefully monitoring the costs, when needed appropriate measures are taken.

27. ADDITIONAL INFORMATION

a) The public disclosure made by the Company in Istanbul Stock Exchange (ISE) on 06.04.2012 concerning the negotiations for the loan use from Goldman Sachs, foreign-based financial institution, carried out by one of the Group's related parties and shareholders Kazancı Holding A.Ş. are as follows:

On July 25, 2011, July 26, 2011, August 5, 2011 and 27 October 2011, we made certain disclosures to the public regarding a loan made to us of USD 192 million with a 1 year, 1 week term (“Bridge Facility”) and a proposed transaction with Goldman Sachs (“Proposed Transaction”).

During the course of discussions between the parties regarding the structure of the Proposed Transaction, a number of changes to the terms disclosed to the public on October 27, 2011 have been agreed and several agreements have today been signed by the relevant parties which will facilitate the following transaction (the “Transaction”):

Goldman Sachs, Turkiye Is Bankasi A.S. and Turkiye Garanti Bankasi A.S. have arranged USD 400 million syndicated secured loan to Kazanci Holdings (the “New Loan Facility”). The New Loan Facility will provide additional financing and will also be used to repay the bridge facility (in part on initial utilisation with the balance on final maturity of the bridge facility). In consideration for arranging the Transaction, Goldman Sachs will receive (i) a right to the equity upside on 13,30% of shares in Aksa Enerji at any time before the sixth anniversary of the date of utilisation of the New Loan Facility, and (ii) downside protection, through a cash collateralised repurchase obligation of Kazanci Holdings at Goldman Sachs’ initial purchase price, on any shares in Aksa Enerji purchased by Goldman Sachs.

As of 26.02.2013, according to the public disclosure of "New Credit", they agreed to increase “New Credit” from USD 400 million to USD 500 million, GS and Kazancı Holding A.Ş. agreed for purchasing of Aksa Enerji’s capital representing 3,32% of additional shares through the sale of common. Following the completion of this transaction, GS’s shares on Aksa Enerji will be increase from 13,30% to 16,62%.

Further information about the Transaction is summarised below:

1. Simultaneously with the execution of the New Loan Facility, the board of directors of Aksa Enerji will initiate a process of capital increase through private placement under registered capital system by restricting the pre-emptive rights of current shareholders. Goldman Sachs has committed to subscribe for 35.669.118 shares with a nominal value of TL 1.00 each corresponding to circa 5,82% of the total issued share capital of Aksa Enerji (post money) for a total price of USD 105 million (to be converted into TL at an exchange rate determined by the parties). Aksa Enerji will adopt the necessary board resolutions and make the necessary approval applications to the Capital Markets Board of Turkey, Energy Market Regulatory Authority and other authorities for the registration of the shares that are subject to this capital increase.

2. In parallel to such private placement, Goldman Sachs has committed to purchase from us existing B-type Aksa Enerji shares representing circa 7,48% (post money) of the total issued share capital of Aksa Enerji for a total price of USD 135 million.

3. After the successful completion of the capital increase through private placement and share transfer, Goldman Sachs will, subject to the downside protection provided by Kazanci Holdings, own approximately 13,30% (post money) of the total issued share capital of Aksa Enerji. The total price to be paid by Goldman Sachs for those shares (“GS Shares”) will be USD 240 million which equates to a market price per share which will be different to the then exchange traded price.

4. Goldman Sachs will have the right to sell some or all of the GS Shares at any time before the sixth anniversary of the Transaction. Kazanci Holdings will retain voting rights over the GS Shares until such time as Goldman Sachs elects to sell the GS Shares to a third party. If Goldman Sachs sells the GS Shares to a third party prior to the maturity of the Transaction, it will repay to Kazanci Holdings a corresponding amount of the cash collateral initially posted to Goldman Sachs together with cash paid interest until such date under the loan and there will be a corresponding pay down of the New Loan Facility.

5. The New Loan Facility will be used, among other things, for general corporate purposes and to repay the bridge facility. It will have a 6 year tenor with a 3 years' grace period and will be secured over 65,54% shares of Aksa Enerji. Upon completion of the equity purchase by Goldman Sachs described above, the GS Shares will be pledged as security for the New Loan Facility and a corresponding number of shares secured under the bridge facility will be released. Consequently, 52,24% of the Aksa Enerji shares pledged under the New Loan Facility will be provided by Kazancı Holdings and 13,30% will be GS Shares. The lenders will have no recourse to Goldman Sachs other than in respect of the GS Shares.

6. On the closing date of the New Loan Facility, Goldman Sachs will acquire the right to receive equity upside on Aksa Enerji shares through a call option granted by Kazanci Holdings to Goldman Sachs over 14,12% of the shares. The call option will terminate after the successful completion of the capital increase through the private placement and share transfer transactions (such that Goldman Sachs retains equity upside). Up until the six year anniversary of the Transaction, if there is equity upside, a portion of this upside will be shared by Goldman Sachs with syndicate members.

7. On the six year anniversary of the Transaction, Goldman Sachs will sell the remaining GS Shares back to Kazancı Holdings at a price per share equal to the initial purchase price. In order to secure this repurchase obligation of Kazancı Holdings, and in consideration for Goldman Sachs providing security over GS Shares, Kazanci Holdings will deliver cash collateral to Goldman Sachs in an amount equal to the total price of the Aksa Enerji shares acquired by Goldman Sachs.

   As of 26.02.2013, the statement made with GS and Kazancı Holding agreed to increase "new loan" from USD 400 million to USD 500 million and GS will purchase 3,32% of Aksa Enerji's capital through sale of partner for the USD 60 million from Kazancı Holding. Following the completion of this transaction, GS's share on Aksa Enerji will increase from 13,30% to 16,62%.

b) The ISE material disclosure made by the Company on 09.11.2012:

   The electricity sale agreement made in 2011 between shareholders of the Group, Kazancı Holding A.Ş. 's subsidiary, related company Aksa Elektrik Toptan Satış A.Ş. and Syria extended for one year for the annual 2 billion kWh (+ / - 25%) of energy exports to be made. Capacity of 500 MW in Syria than 1 year officially approvals are required for the export of energy. Requirements for Syria to export 500 MW energy for one more year are approved officially. Proportion of energy needs of Syria, as well as 2011 and 2012, starting from now, will continue to purchase one more year. Aksa Elektrik Toptan Satış A.Ş.will supply energy to export from Aksa Enerji Üretim A.Ş. and its subsidiaries. On the other side, the current contract obligations are secured by the parties and Aksa Elektrik Toptan Satış A.Ş. has no receivables that is not collected. During 2013, the Company does not have elctricity sales to Syria according to this agreement.

c) According to the IMKB announcement of the Group as of 30.04.2013, published in the Official Gazette dated 30.03.2013, within the new Electricity Market Law No. 6446 Article 9, which entered into force, an application to EMRA (EPDK) for termination of the electricity production licences of the parent Company's interim Kuletaşı-Gümüşhane (30MW) and Koru-Gümüşhane (15MW), the subsidiary, included in the consolidation İdil İki Enerji Sanayi ve Ticaret A.Ş.'s Olur-Erzurum (60MW), the subsidiary included in the consolidation Alenka Enerji Üretim ve Yatırım Ltd Şti.'s Yurttepe-Hatay (14MW) have been submitted.

In addition, the electricity production licences of consolidated subsidiary Alenka Enerji Üretim ve Yatırım Ltd Şti.'s Sırakayalar - Tekirdağ (12MW) and Kıblekayası - Hatay (15MW) and the Parent Company's Ayşehatun - Bitlis (82MW) have been terminated according to Licensing Regulation Article 15.. 24 MW power plant in the region of Hakkari on imported energy supplies fuel oil to be used as spare capacity due to increased transport of Mardin and Hakkari license applications have been submitted to EMRA (EPDK) for termination.

On the other hand, Rasa Enerji Üretim A.Ş., included in the consolidation as a subsidiary, entitled to receive a license for Akçay-1/Denizli (15MW) and Akçay-2/Denizli (10MW) projects, has acquired all of the shares of Gesa Güç Sistemleri A.Ş. with a price of TL 50.000.

28. SUBSEQUENT EVENTS

The ISE material disclosure made by the Group on 11.10.2013:

"As per our disclosure dated 30.05.2013; Aksa Enerji had submitted the best bid as 3.20 krs/kwh for royalty fee paid upon produced energy to the Turkish Coal Board for the operation of Bingöl-Karlıova coal mine on condition of building a thermal power plant; and following the approval of the tender and signing of the agreement, application would be submitted to the EMRA in order to receive electricity production licence, and would start working on the project for the power plant and coal mine.

However; in line with the rise in borrowing costs and and the exchange rate; we have approved to focus on our existing investment plan (especially our 270MW ongoing thermal power plant investment in Bolu-Göynük), and for this reason, we have decided not to sign the aforementioned agreement. As a result, the bid bond amounting 3 million TL has been paid in cash to the Turkish Coal Board.
As a reminder, we have an ongoing investment for a 270MW (2x135MW) coal fired power plant in Bolu-Göynük with royalty agreement to the Turkish Coal Board, which is planned to be in commercial operation in 2014 and 2015.

We hereby declare that our statement above is in conformity with the principles included in the Capital Markets Board's Communiqué, Serial VIII No.54, that it exactly reflects the entire information we received; that the information complies with our records, books and documents; that we have endeavored to obtain the correct and complete information relative to this subject and that we are responsible for the declarations made in this regard."

(Currency - Turkish Lira)

Appendix 1: Related Parties

a) Kazancı Holding A.Ş.'s direct subsidiaries and affiliaties:

1	Aksa Afyon Doğal Gaz Dağıtım A.Ş.	Naturalgas
2	Deriş İnşaat A.Ş.	Construction
3	Aksa Balıkesir Doğal Gaz Dağıtım A.Ş.	Naturalgas
4	Aksa Bandırma Doğal Gaz Dağıtım A.Ş.	Naturalgas
5	Aksa Bilecik, Bolu Doğal Gaz Dağıtım A.Ş.	Naturalgas
6	Aksa CNG Sıkıştırılmış Doğal Gaz Dağ. İletim ve Satış A.Ş.	Naturalgas
7	Aksa Çanakkale Doğal Gaz Dağıtım A.Ş.	Naturalgas
8	Aksa Doğal Gaz Toptan Satış A.Ş.	Naturalgas
9	Aksa Doğal Gaz Dağıtım A.Ş.	Naturalgas
10	Aksa Elazığ Doğal Gaz Dağıtım A.Ş.	Naturalgas
11	Aksa Elektrik Perakende Satış A.Ş.	Energy
12	Aksa Elektrik Toptan Satış A.Ş.	Energy
13	Aksa Gaz Dağıtım A.Ş.	Naturalgas
14	Aksa Gemlik Doğal Gaz Dağıtım A.Ş.	Naturalgas
15	Aksa Gümüşhane Bayburt Naturalgas A.Ş.	Naturalgas
16	Aksa Havacılık A.Ş.	Aviation
17	Aksa Jeneratör Sanayi A.Ş	Generator
18	Aksa Karadeniz Doğal Gaz Dağıtım A.Ş.	Naturalgas
19	Aksa Makina Sanayi A.Ş.	Machine
20	Aksa Malatya Doğal Gaz Dağıtım A.Ş	Naturalgas
21	Aksa Manisa Doğal Gaz Dağıtım A.Ş.	Naturalgas
22	Aksa Mustafa Kemal Paşa Susurluk Karacabey Doğalgaz Dağıtım A.Ş.	Naturalgas
23	Aksa Ordu Giresun Doğal Gaz Dağıtım A.Ş.	Naturalgas
24	Aksa Sivas Doğal Gaz Dağıtım A.Ş.	Naturalgas
25	Aksa Şanlıurfa Doğal Gaz Dağıtım Ltd. Şti.	Naturalgas
26	Aksa Televizyon Hizmetleri A.Ş.	Media
27	Aksa Tokat Amasya Doğal Gaz Dağıtım A.Ş.	Naturalgas
28	Aksa Trakya Doğal Gaz Dağıtım A.Ş.	Naturalgas
29	Aksa Turizm İşletmeleri A.Ş.	Tourism
30	Aksa Van Doğal Gaz Dağıtım A.Ş.	Naturalgas
31	Anadolu Doğal Gaz Dağıtım A.Ş.	Naturalgas
32	Anadolu Doğal Gaz Toptan Satış A.Ş.	Naturalgas
33	Atel Telekominikasyon A.Ş.	Communication
34	Aksa Düzce Ereğli Doğal Gaz Dağıtım A.Ş.	Naturalgas
35	Kazancı Teknik Cihazlar Yedek Parça A.Ş.	Transportation

(Currency - Turkish Lira)

b) Kazancı Holding A.Ş.'s direct subsidiaries and affiliaties:

1	Aksa Far East Pte Ltd.	Generator
2	Aksa International UK Ltd.	Generator
3	Aksa Power Generation (China) Co Ltd.	Generator
4	Aksa Power Generation Fze.	Generator
5	Aksa Servis ve Kiralama A.Ş.	Generator
6	Eurl Aksa Generateurs Algeria	Generator
7	Aksa Kazakhstan Ltd.	Generator
8	Aksa Middle East LLC (Dubai)	Generator
9	Aksa Power Generation (Changzhou) Co. Ltd.	Generator
10	Jiangyin AKSA Electrical & Mechanical Co.,Ltd.	Generator
11	OOO Aksa Russia	Generator
12	Aksa USA	Generator
13	Aksa Satış ve Pazarlama A.Ş.	Marketing
14	Aksa Teknoloji A.Ş.	Technology
15	Ceka Enerji Üretim A.Ş.	Energy
16	Çoruh Aksa Elektrik Hizmetleri A.Ş.	Energy
17	Çoruh Elektrik Dağıtım A.Ş.	Energy
18	Fırat Aksa Elektrik Hizmetleri A.Ş.	Energy
19	Fırat Elektrik Dağıtım A.Ş.	Energy
20	Aksa Ankara Makina Satış ve Servis A.Ş.	Machine
21	Vangölü Aksa Elektrik Hizmetleri A.Ş.	Electricity
22	Çoruh Elektrik Perakende Satış A.Ş.	Electricity
23	Fırat Elektrik Perekende Satış A.Ş.	Electricity
24	Renk Transmisyon San A.Ş.	Other
25	Real Makine Ithalat İhracat Sanayi Tic. Ltd. Şti.	Other

c) Related Parties through the key management and family members without capital relationship

1	Aksa Enerji Iraq	Energy
2	Onan Enerji Üretim A.Ş.	Energy
3	Normdata Bilişim Teknolojileri San. ve Tic. Ltd. Şti.	Energy
4	Doust Company (Irak)	Generator
5	Siirt Batman Doğalgaz Dağıtım A.Ş	Naturalgas
6	Elektrik Altyapı Hizmetleri Ltd. Şti.	Other
7	Kazancı Makina ve Motor Ltd. Şti.	Machine
8	Koni İnşaat Sanayi A.Ş.	Construction
9	Koni Tarım İşletmeleri A.Ş.	Agriculture
10	Koni Tarımsal Yatırım A.Ş.	Agriculture
11	Koni Turizm San. ve Ticaret A.Ş.	Tourism

d)	**Other non-consolidate subsidiaries due to lack of control power or non-operation (Note 9)**	
1	Rasa Radiator (Jiangyin) Co. Ltd.	Radiator