Aksa Enerji Üretim A.Ş. and its Subsidiaries

Consolidated Interim Financial Statements
As At and For The Six Month Period
Ended 30 June 2016 with
Independent Auditor's Reviews Report Thereon

18 August 2016

This report contains the "Independent Auditors' Report on Review of Consolidated Interim Financial Statements " comprising 2 pages and "Consolidated Interim Financial Statements and their explanatory notes" comprising 74 pages.

Aksa Enerji Üretim A.Ş. and its Subsidiaries

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KPMG

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Independent Auditors' Report on Review of Consolidated Interim Financial Statements

To the Board of Directors of
Aksa Enerji Üretim A.Ş.

Introduction

We have reviewed the accompanying consolidated statement of financial position of Aksa Enerji Üretim A.Ş. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2016, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information ("the consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim financial statements 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 statements do not give a true and fair view of the financial position of Aksa Enerji Üretim A.Ş. and its subsidiaries as at 30 June 2016, and of its financial performance and its cash flows for the six month period then ended in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The audit of consolidated financial statements of the Group as at and for the year ended 31 December 2015 which excludes impacts of restatements explained in Note 3. r) were performed by another independent auditor who expressed an unqualified opinion on those statements dated 29 February 2016. The review of the consolidated interim financial statements of the Group as at and for the six month period ended 30 June 2016 were reviewed by this auditor which excludes impacts of restatements explained in Note 3. r), and in their report dated 14 August 2015, nothing come to their attention that caused them to believe that those consolidated interim financial statements were not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member of KPMG International Cooperative

Şirin Soysal, Partner
18 August 2016
İstanbul, Turkey

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Consolidated Interim Statement of Financial Position
As at 30 June 2016

(Amounts expressed in Turkish Lira unless otherwise stated.)

ASSETS	Notes	Reviewed 30 June 2016	Restated (*) Audited except the restatement effects 31 December 2015
Current Assets			
Cash and cash equivalents	22	84,215,816	48,452,416
Trade receivables and other receivables	21	178,021,583	119,782,399
Due from related parties	34	30,971,237	67,345,504
Derivative financial assets	30	2,029,075	36,357
Inventories	18	374,017,141	361,101,809
Prepayments	20	4,405,598	21,076,251
Current tax assets	11	2,784,886	5,005,240
Other current assets	19	129,463,736	138,698,716
Total current assets		**805,909,072**	**761,498,692**
Non-Current Assets			
Financial investments	15	412,408	412,408
Trade receivables and other receivables	21	3,318,499	2,484,450
Tangible assets	12	3,201,171,726	3,209,024,078
Intangible assets	13	3,528,619	3,421,905
Goodwill	14	6,848,196	6,848,196
Prepayments	20	1,964,174	99,707,107
Other non-current assets		23,623,780	23,926,649
Deferred tax asset		82,768,675	61,061,953
Total non-current assets		**3,323,636,077**	**3,406,886,746**
TOTAL ASSETS		**4,129,545,149**	**4,168,385,438**

The notes on pages 7 to 74 are an integral part of these consolidated interim financial statements.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Consolidated Interim Statement of Financial Position
As at 30 June 2016

(Amounts expressed in Turkish Lira unless otherwise stated.)

LIABILITIES	Notes	Reviewed 30 June 2016	Restated (*) Audited except the restatement effects 31 December 2015
Current Liabilities			
Loans and borrowings	25	771,929,899	884,776,408
Other financial liabilities	26	121,083,603	53,220,162
Trade payables and other payables	21	262,515,489	280,445,059
Due to related parties	34	171,402,206	132,755,519
Derivative financial liabilities	30	9,623,148	7,207,234
Taxation payable on income	11	5,064,754	6,801,785
Provisions	29	2,572,104	990,316
Other current liabilities	28	3,781,130	3,770,300
Total current liabilities		**1,347,972,333**	**1,369,966,783**
Non-Current Liabilities			
Loans and borrowings	25	1,540,460,545	1,664,241,052
Other financial liabilities	26	337,082,902	188,119,144
Reserve for employee severance indemnity	27	5,416,196	4,385,783
Deferred tax liabilities		58,618,112	44,578,441
Total non-current liabilities		**1,941,577,755**	**1,901,324,420**
Total liabilities		**3,289,550,088**	**3,271,291,203**
EQUITY			
Share capital	23	615,157,050	615,157,050
Legal reserves	23	42,114,653	42,114,653
Cash flow hedge reserves		1,511,309	(5,765,383)
Actuarial gain/loss		(669,697)	121,695
Translation difference		8,701,181	65,049,607
Share premium		247,403,635	247,403,635
(Accumulated losses) / Retained earnings		(62,263,786)	149,815,477
Net loss for the period		(7,032,963)	(214,082,057)
Total equity attributable to equity holders of the Company		**844,921,382**	**899,814,677**
Non-controlling interests	23	(4,926,321)	(2,720,442)
Total equity		**839,995,061**	**897,094,235**
TOTAL EQUITY AND LIABILITIES		**4,129,545,149**	**4,168,385,438**

The notes on pages 7 to 74 are an integral part of these consolidated interim financial statements.

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Consolidated Statement of Comprehensive Income
For the six-month period ended 30 June 2016

(Amounts expressed in Turkish Lira unless otherwise stated.)

INCOME STATEMENT	Notes	Reviewed 1 January- 30 June 2016	Reviewed 1 January- 30 June 2015
Net sales	6	1,302,144,407	856,374,146
Cost of sales	6	(1,155,380,409)	(676,963,299)
Gross profit		**146,763,998**	**179,410,847**
General administrative expenses	8	(15,479,318)	(10,215,857)
Marketing and selling expenses	9	(332,796)	(160,472)
Other operating income	7	5,327,883	3,818,062
Other operating expenses	7	(2,903,716)	(8,580,812)
Operating profit		**133,376,051**	**164,271,768**
Financing income	10	33,276,653	96,624,068
Financing expenses	10	(168,047,465)	(319,034,686)
Net finance costs		**(134,770,812)**	**(222,410,618)**
Loss before tax for the period		**(1,394,761)**	**(58,138,850)**
Tax income	11	(5,898,347)	11,720,607
Loss for the period		**(7,293,108)**	**(46,418,243)**
Non-controlling interest		(260,145)	(828,581)
Attributable to equity holders of the parent		(7,032,963)	(45,589,662)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit liability		(984,154)	(155,183)
Tax on items that never be reclassified to profit or loss		196,831	31,037
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		8,726,275	(5,381,371)
Foreign currency translation differences for foreign operations		(56,295,435)	6,889,562
Tax on items that are or may be reclassified subsequently to profit or loss		(1,449,583)	1,076,335
Other comprehensive income for the period, net of tax		**(49,806,066)**	**2,460,380**
Non-controlling interests		(4,926,321)	(2,213,520)
Total comprehensive loss for the period		**(62,025,495)**	**(46,171,383)**
EBITDA		**219,690,736**	**230,910,752**

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Consolidated Statement of Changes in Equity
For the six-month period ended 30 June 2016
(Amounts expressed in Turkish Lira unless otherwise stated.)

SHAREHOLDERS' EQUITY	Notes	Share Capital	Share Premium	Legal Reserves	Actuarial Gain/ (Loss)	Cash flow hedge reserve	Translation Differences	Retained Earnings	Net Profit /(Loss)	Total	Non-controlling interests	Total Equity
Balance at 1 January 2015		**615,157,050**	**247,403,635**	**31,652,019**	**(488,682)**	**961,047**	**--**	**206,970,431**	**39,437,144**	**1,141,092,644**	**(2,644,607)**	**1,138,448,037**
Restatement		--	--	--	**27,647**	**81**	**38,472,336**	**(93,323,621)**	**(2,247,666)**	**(57,071,223)**	**1,259,769**	**(55,811,454)**
Balance at 1 January 2015 as restated		**615,157,050**	**247,403,635**	**31,652,019**	**(461,035)**	**961,128**	**38,472,336**	**113,646,810**	**37,189,478**	**1,084,021,421**	**(1,384,838)**	**1,082,636,583**
Transfer to reserves		--	--	10,466,729	--	--	--	26,722,749	(37,189,478)	--	--	--
Net loss for the period	12	--	--	--	--	--	--	--	(46,407,346)	(46,407,346)	(828,581)	(47,235,927)
Actuarial gain / (loss)		--	--	--	(123,891)	--	--	--	--	(123,891)	(256)	(124,147)
Translation difference	12	--	--	--	--	--	6,889,562	--	--	6,889,562	--	6,889,562
Effective portion of changes in fair value of cash hedges	14	--	--	--	--	(4,305,188)	--	--	--	(4,305,188)	152	(4,305,036)
Total other comprehensive income for the period		**--**	**--**	**--**	**(123,891)**	**(4,305,188)**	**6,889,562**	**--**	**--**	**2,460,482**	**(102)**	**2,460,381**
Total comprehensive income for the period		**--**	**--**	**10,466,729**	**(123,891)**	**(4,305,188)**	**6,889,562**	**26,722,749**	**(83,596,824)**	**(43,946,863)**	**(828,685)**	**(44,775,548)**
Change in non-controlling interests		--	--	(4,096)	--	--	--	37,930	--	33,834	--	33,834
Dividend paid		--	--	--	--	--	--	(33,834)	,	(33,834)		(33,834)
		--	--	(4,096)	--	--	--	4,096	--	--	--	--
Balance at 30 June 2015		**615,157,050**	**247,403,635**	**42,114,652**	**(584,926)**	**(3,344,060)**	**45,361,898**	**140,373,655**	**(46,407,346)**	**1,040,074,558**	**(2,213,523)**	**1,037,861,035**

Aksa Enerji Üretim Anonim Şirketi and its Subsidiaries
Consolidated Statement of Changes in Equity
For the six-month period ended 30 June 2016
(Amounts expressed in Turkish Lira unless otherwise stated.)

SHAREHOLDERS' EQUITY	Notes	Share Capital	Share Premium	Legal Reserves	Actuarial Gain/ (Loss)	Cash flow hedge reserve	Translation Differences	Retained Earnings	Net Profit /(Loss)	Total	Non-controlling interests	Total Equity
Balance at 1 January 2016		**615,157,050**	**247,403,635**	**42,114,653**	**1,377,489**	**(5,765,787)**	**(64,522)**	**203,324,778**	**(228,419,769)**	**875,127,527**	**(2,213,520)**	**872,914,007**
Restatement		--	--	--	**(1,255,794)**	**404**	**65,114,129**	**(53,509,301)**	**14,337,712**	**24,687,150**	**(506,922)**	**24,180,228**
Balance at 1 January 2016 as restated		**615,157,050**	**247,403,635**	**42,114,653**	**121,695**	**(5,765,383)**	**65,049,607**	**149,815,477**	**(214,082,057)**	**899,814,677**	**(2,720,442)**	**897,094,235**
Total comprehensive income for the period												
Transfer to reserves		--	--	--	--	--	--	(214,082,057)	214,082,057	--	--	--
Net profit for the period	12	--	--	--	--	--	--	--	(7,032,963)	(7,032,963)	(260,145)	(7,293,108)
Actuarial gain / (loss)		--	--	--	(791,392)	--	--	--	--	(791,392)	4,069	(787,323)
Translation difference	12	--	--	--	--	--	(56,348,426)	--	--	(56,348,426)	52,991	(56,295,435)
Effective portion of changes in fair value of cash hedges	14	--	--	--	--	7,276,692	--	--	--	--	--	7,276,692
Total other comprehensive income for the period		--	--	--	--	**7,276,692**	**(56,348,426)**	--	--	--	**57,060**	**(49,806,066)**
Total comprehensive income for the period		--	--	--	**(791,392)**	**7,276,692**	**(56,348,426)**	**(214,082,057)**	**207,049,094**	**(56,896,089)**	**(203,085)**	**(57,099,174)**
Change in non-controlling interest		--	--	--	--	--	--	2,002,794	--	2,002,794	(2,002,794)	--
Balance at 30 June 2016		**615,157,050**	**247,403,635**	**42,114,653**	**(669,697)**	**1,511,309**	**8,701,181**	**(62,263,786)**	**(7,032,963)**	**844,921,381**	**(4,926,321)**	**839,995,060**

(Amounts expressed in Turkish Lira unless otherwise stated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	Reviewed 1 January- 30 June 2016	Reviewed 1 January- 30 June 2015
Net loss for the period		(7,293,108)	(71,958,313)
Adjustments for:			
Impact of error			25,540,070
Depreciation and amortisation	12.13	86,314,685	66,638,984
Provision for employee severance indemnity	26	273,471	466,846
Interest expense accruals on loans	24	52,899,040	4,059,524
Unrealised foreign exchange (gains) / losses on loans		(11,600,455)	167,462,211
Change in allowance for doubtful other receivables	20	692,733	5,070,390
Tax expense		(5,898,347)	(9,552,718)
Adjustment for provisions	28	(2,183,646)	--
Gain on disposal of subsidiary		(843,299)	--
Operating profit before working capital changes		**112,361,074**	**187,726,994**
Change in trade and other receivables	20	(57,545,612)	37,099,345
Change in inventories	17	(14,519,055)	(95,715,869)
Change in other current assets		12,567,070	(37,758,943)
Change in other non- current assets	18	302,869	(20,842,091)
Change in trade and other payables	20	24,435,140	(92,745,678)
Change in due to related parties	33	38,993,867	--
Change in due from related parties	33	34,211,803	--
Change in prepayments		114,278,986	(1,660,321)
Increase/decrease in value of working capital		(56,291,366)	(11,991,986)
Change in other current liabilities		3,776,265	--
Cash provided from / (used in) operations		**212,571,041**	**(35,888,549)**
(Purchases) / Disposals of property, plant and equipment and intangible assets, net		(142,322,608)	(253,781,700)
Tax paid		(4,704,509)	(2,500,000)
Net cash used in from operating activities		**(147,027,117)**	**(256,281,700)**
CASH FLOWS FROM INVESTING ACTIVITIES			--
Financial liabilities		(75,021,855)	293,300,224
Due from/to related parties and shareholders		--	(3,959,116)
Net cash inflow from derivatives		21,623,340	--
Disposal of subsidiary		23,617,991	--
Dividend paid		--	(33,835)
Net cash provided / (used in) investing activities		**(29,780,524)**	**289,307,273**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**35,763,400**	**(2,862,975)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	21	**48,452,416**	**34,238,000**
CASH AND CASH EQUIVALENTS AT 30 JUNE		**84,215,816**	**31,375,025**

(Amounts expressed in Turkish Lira unless otherwise stated.)

1. REPORTING ENTITY

Aksa Enerji Üretim A.Ş. ("Aksa Enerji" or "the Company") is engaged in production and sale of electricity and was established on 12 March 1997. Company's registered office address is Rüzgarlıbahçe Mahallesi, Özalp Çıkmazı, No:10, Kavacık-Beykoz, İstanbul / Turkey.

The shares of Company have been registered in the Borsa İstanbul A.Ş. ("BIST") in 21 May 2010 and the shares are now publicly traded on the Istanbul Stock Exchange.

The main shareholder of the Company is Kazancı Holding A.Ş. ("Kazancı Holding").

The Company and its subsidiaries are collectively referred to as "the Group" in this report.

			Voting power held	
Name of subsidiary	**Principal activity**	**Place of operation**	**30 June 2016**	**31 December 2015**
Aksa Enerji Üretim A.Ş.-Y.Ş. ("Aksa Enerji – Y.Ş.")	Electricity production	Turkey	100.00	100.00
Rasa Elektrik Üretim A.Ş. ("Rasa Elektrik")	Electricity production	Turkey	99.96	99.96
Deniz Elektrik Üretim Limited Şirketi ("Deniz Elektrik")	Electricity production	Turkey	99.99	99.99
Baki Elektrik Üretim Limited Şirketi ("Baki Elektrik")	Electricity production	Turkey	95.00	95.00
Rasa Enerji Üretim A.Ş. ("Rasa Enerji")	Electricity production	Turkey	99.99	99.99
İdil İki Enerji Sanayi ve Ticaret A.Ş. ("İdil İki Enerji")	Electricity production	Turkey	99.99	99.99
Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti. ("Ayres Ayvacık Rüzgar")	Electricity production	Turkey	99.00	99.00
Alenka Enerji Üretim ve Yatırım Ltd. Şti. ("Alenka Enerji")	Electricity production	Turkey	99.98	90.45
Aksa Göynük Enerji Üretim A.Ş. ("Aksa Göynük Enerji")	Electricity production	Turkey	99.99	99.99
Kapıdağ Rüzgar Enerjisi Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Kapıdağ Rüzgar Enerjisi")	Electricity production	Turkey	94.00	94.00
Gesa Güç Sistemleri A.Ş. ("Gesa Güç Sistemleri")	Electricity production	Turkey	99.99	99.99
Siirt Akköy Enerji Üretim A.Ş. ("Siirt Akköy Enerji")	Electricity production	Turkey	--	100.00
Aksa Aksen Enerji Ticareti A.Ş. ("Aksa Aksen Enerji")	Electricity production	Turkey	100.00	100.00
Aksa Energy Ghana Limited ("Aksa Energy Ghana")	Electricity production	Ghana	75.00	75.00

(*) On 13 May 2016, the Group sold its shares in Siirt Akköy Enerji with all assets and liabilities to DC Elektrik Üretim A.Ş. ("DC Elektrik Üretim"). For detail information please see Note 34.

At 30 June 2016, the Group employs 757 employees (31 December 2015: 779).

1. REPORTING ENTITY (continued)

Aksa Enerji - Y.Ş.:

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.

In accordance with the capacity increase works of Northern Cyprus Kalecik Power Plant, the installed capacity has been increased by 33 MW by the instalment of two units with the same engine specifications from the power plants whose licenses were cancelled. The installed capacity of our Northern Cyprus Kalecik Power Plant has increased to 153 MW, thus its percentage of availability has also grown by the increase in spare capacity.

Aksa Enerji-Y.Ş.'s factory land was leased from a third party for 10 years on 12 February 2010 by Kazancı Holding. Aksa Enerji-Y.Ş. subleases from Kazancı Holding for 10 years.

Rasa Elektrik:

Rasa Elektrik 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 Transmission Company").

The land over which the power plant is located in Mardin, has been leased from Koni İnşaat A.Ş. ("Koni İnşaat") in 2002, to be renewed annually. The factory which Rasa Elektrik manufacture of radiators has been leased from Koni İnşaat until 31 December 2012, the factory land is the property of Aksa Enerji.

In November 2013, part of the manufacturing of radiators was split and received the title which was the Rasa Endüstriyel Radyatörler Sanayi ve Ticaret A.Ş. Aksa Enerji does not have any partnership in the company.

Deniz Elektrik:

Deniz Elektrik 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 acquired 95% of the shares of the Company. On 13 August 2010, Aksa Enerji has made the purchase of new shares participate in Deniz Elektrik and raised its shares to 99.99%.

Deniz Elektrik established to produce electricity from wind energy. In 2004, the Company awarded two wind farm licenses located in Sebenova/Hatay and Karakurt/Manisa, the production capacities of which are 30 MW and 10.8 MW respectively. Within the capacity expansion of Sebenova/Hatay wind power plant, total installed capacity of 13 MW which has 2 of 2 MW and 3 of 3 MW turbines, total 5 turbines, was operational on 20 December 2014 with permission of Ministry of Energy and Natural resources. According to the licence, the rest of construction completed in 2015 which is 17 MW and the total operational installed capacity of Hatay Sebenova wind power plant increased to 60 MW.

Wind energy power plant having 11 MW power in Karakurt/Manisa has become operational in June 2007. Wind energy power plant in Sebenoba/Hatay whose construction was ongoing in 2007 has become operational in April 2008.

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

1. REPORTING ENTITY (continued)

Baki Elektrik:

Baki Elektrik was established on 4 July 2003 in Ankara for the production and sale of wind power electricity. In March 2004, Aksa Enerji acquired 95% of the shares of Baki Elektrik.

The capacity of the plant is 114 MW. The Company's power generation plant is located in Şamlı/Balıkesir are the property of Baki Elektrik's own land.

Rasa Enerji:

Rasa Enerji was established on 12.09.2000 for production and distribution of electricity. Rasa Enerji's 99.99% shares have been acquired by Aksa Enerji on 05 March 2010 from one of the related parties of Koni İnşaat.

Rasa Enerji had a natural gas power plant in Van, which has a 114.88 MW capacity. The total installed capacity of the Van plant was increased from 104 MW to 114.88 MW, as combined cycle in the last quarter of 2010.

As per the application to Energy Market Regulatory Authority, generation licence of Van Natural Gas Combined Cycle Power Plant, which had an installed capacity of 115 MW, has been cancelled. The power plant, which has a decreasing chance of generation in free market conditions within Turkey, is expected to be used abroad on a USD based contract with higher margins.

Urfa plant started to generate electricity in August 2011 with an installed capacity of 129 MW and the investment to transform the plant into a combined cycle engine driven technology was completed in 2012.

In accordance with the capacity increase works of Şanlıurfa Natural Gas Power Plant, 18 MW capacity has been accepted by the Ministry of Energy and Natural Resources and commissioned on 18 November 2015. Thus, the installed capacity of Şanlıurfa Natural Gas Power Plant is increased to 147 MW.

İdil İki Enerji:

İdil İki Enerji was established in 2001. İdil İki Enerji 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. İdil İki Enerji's 99.99% shares have been acquired by Aksa Enerji at 5 March 2010 from Koni İnşaat.

Ayres Ayvacık Rüzgar:

Ayres Ayvacık has a wind power plant in Çanakkale Ayvacık with a capacity of 5 MW. Ayres Ayvacık's 99.00% shares have been acquired by Aksa Enerji at 18 April 2011 from one of the related parties of Kazancı Holding.

Alenka Enerji:

As of 17 August 2011, Aksa Enerji has purchased the 80% stake of from the Alenka's shareholders which has 27 MW of wind power plant with a total investment stage in Kırklareli-Kıyıköy. During 2016 as a result of the purchase of additional shares, the Group's effective ownership increased to 99.98%. In 2012 and 2016, as a result of the purchase of additional shares from non-controlling interests, the Group's effective ownership increased to 90.45% and 99.98%, respectively.

Aksa Göynük Enerji:

Aksa Göynük 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 has licence about the process of this coal in its power plant with 270 MW capacity.

1. REPORTING ENTITY (continued)

Aksa Göynük (continued):

As of 28 October 2011, Aksa Enerji purchased the 99.99% of the shares of the Company from Kazancı Holding A.Ş. The Company is established to install, operate, taken over and hire electric energy production facilities, produce and selling of electrical energy and dealing all kinds of oil, gas and mining goods.

The first phase of PP which was 135 MW has become operational as of 30 September 2015 and the second 135 MW phase of PP has become operational as of 29 January 2016.

Kapıdağ Rüzgar:

As of 31 May 2013, Aksa Enerji has purchased the 94% stake of from Kazancı Holding which has 24 MW and 3 MW additional capacity is on progress of wind power plant in Balıkesir.

Gesa Güç Sistemleri:

As of 2 April 2013, Aksa Enerji has purchased the 99.99% stake of from Kazancı Holding.

Siirt Akköy Enerji:

As of 31 August 2014, Rasa Elektrik has purchased the 100% stake of from third parties which has 24 MW of fuel oil power plant and 13 MW of hydroelectric power plant.

24 MW power plant was cancelled as a result of the application done by the Group to Energy Market Regulatory Authority.

On 13 May 2016, the Group sold its shares in Siirt Akköy Enerji with all assets and liabilities to DC Elektrik Üretim. For detail information please see Note 34.

Aksa Aksen Enerji:

Aksa Aksen Enerji was founded on 8 July 2015 by the Aksa Enerji who has the 100% shares of the company. The purpose of the company is to sell the electricity produced by group companies.

Aksa Energy Ghana

Aksa Energy Ghana Limited was founded on 15 July 2015 by the Aksa Enerji who has the 75% shares of the company. It was founded as a result of the sale agreement signed with Ghana Republic Government to produce and sell electricity.

(Amounts expressed in Turkish Lira unless otherwise stated.)

1. REPORTING ENTITY (continued)

As of 30 June 2016, 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	--	--	153	153
Aksa Enerji	Belen- Atik (İskenderun-Hatay)	WPP	13.03.2008	49 year	30	18
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	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	-
Aksa Enerji	Bolu	Thermal	25.03.2008	30 year	270	270
Alenka	Kırklareli-Kıyıköy	WPP	04.04.2007	20 year	27	27
Ayres	Ayvacık	WPP	01.11.2007	25 year	5	5
Baki Elektrik	Merkez-Şamlı-Balıkesir	WPP	06.04.2004	49 year	127	114
Deniz Elektrik	Sebenoba-Gözene-Yayladağı-Samandağ-Hatay	WPP	04.06.2004	49 year	60	60
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	81	-
Rasa Enerji	Şanlıurfa	Natural Gas	12.05.2011	49 year	270	147
Rasa Elektrik	Mardin	Fuel oil	22.03.2007	20 year	33	33
Kapıdağ	Balıkesir	WPP	12.12.2006	49 year	35	24
Siirt Akköy	Giresun (**)	HPP	21.05.2014	42 year	13	13
Total					**3,536**	**2,211**

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

(**) On 13 May 2016, the Group sold its shares in Siirt Akköy Enerji with all assets and liabilities to DC Elektrik Üretim. For detail information please see Note 34.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The consolidated interim financial statements as at and for the six-month period ended 30 June 2016 were approved by the Board of Directors on 18 August 2016.

b) Basis of measurement

The consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

The financial statements of subsidiaries that report in the currency of an economy formerly accepted as hyperinflationary (Turkey) are restated in terms of the measuring unit current at the reporting dates until 31 December 2005. Turkey came off highly inflationary status for the period beginning after 15 December 2005, therefore restatement for IAS 29 ("Financial Reporting in Hyperinflationary Economies") has not been applied since 1 January 2006.

c) Functional and presentation currency

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and Tax Procedure Law. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

The accompanying consolidated financial statements expressed in TL. All financial information presented in TL has been rounded to the nearest TL amounts, except when otherwise indicated.

The table below summarises functional currencies of the Group entities.

Company	Functional currency
Aksa Enerji A.Ş.– Y.Ş.	US Dollars ("USD")
Rasa Elektrik	TL
Deniz Elektrik	TL
Baki Elektrik	TL
Rasa Enerji	TL
İdil İki Enerji	TL
Ayres Ayvacık Rüzgar	TL
Alenka Enerji	TL
Aksa Göynük Enerji	TL
Kapıdağ Rüzgar Enerjisi	TL
Gesa Güç Sistemleri	TL
Siirt Akköy Enerji	TL
Aksa Aksen Enerji	TL
Aksa Energy Ghana	USD

Group entities Aksa Enerji – Y.Ş. and Aksa Enerji Ghana use USD as functional currencies since these currencies are used to a significant extent in, or have a significant impact on the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currencies selected for measuring items in the consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currencies have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21, "*The Effects of Changes in Foreign Exchange Rates*".

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through it power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus

i) Business combinations (continued)

- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

Each entity is consolidated based on the following methods:

- Aksa Enerji A.Ş. – Y.Ş. Siirt Akköy Enerji, Aksa Aksen Enerji are fully consolidated without non-controlling interest's ownership.
- Rasa Elektrik, Deniz Elektrik, Baki Elektrik, Rasa Enerji, İdil İki Enerji, Ayres Ayvacık Rüzgar, Alenka Enerji (Note 34), Aksa Göynük Enerji, Kapıdağ Rüzgar Enerjisi, Gesa Güç Sistemleri and Aksa Energy Ghana are fully consolidated with the non-controlling interest's ownership reflected as a non-controlling interest.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

iii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any NCI and other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary, then such interest is measured at fair value at the date when control is lost.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements.

(Amounts expressed in Turkish Lira unless otherwise stated.)

2. BASIS OF PREPARATION (continued)

e) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss.

ii) Foreign operations

The assets and liabilities of Aksa Energy Ghana and Aksa Energy Y.Ş. arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at monthly average exchange rates. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve ("translation reserve") in equity.

The EUR/TL, USD/TL, GHS/USD and TL/USD as at 30 June 2016 and 31 December 2015 are as follows:

	30 June 2016	31 December 2015
EUR/TL	3.2044	3.1776
USD/TL	2.8936	2.9076
GHS/USD	0.2528	0.2584
TL/USD	0.3456	0.3147

f) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 20 – Net of trade receivables from KIBTEK and factoring liabilities: as the factoring agreements are irrevocable factoring liabilities in amount of TL 121,259,476 (31 December 2015: TL 104,210,205) and trade receivables from KIBTEK in amount of TL 10,630,003 (31 December 2015: TL 14,115,674) are presented in gross in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment as at and for the six month period ended 30 June 2016 is included in the following notes:

Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 3 – impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs and goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Group classifies non-derivative financial assets into the following categories: held to maturity financial assets, loans and receivables and available for sale assets.
The Group classifies non-derivative financial liabilities into other financial liabilities category.

i) Non-derivative financial assets and financial liabilities - Recognition and derecognition

The Group initially recognises loans and receivables and bank deposits on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date, which is the date that the Group, becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a trading transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ii) Non-derivative financial assets – Measurement

Held-to-maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits and short-term highly liquid investments with maturities of three months or less from acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

iii) Non-derivative financial liabilities – Measurement

Non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

iv) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

b) Impairment

i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor; restructuring of an amount due to the Group on terms that the Group would not consider otherwise; indications that a debtor or issuer will enter bankruptcy; adverse changes in the payment status of borrowers or issuers; the disappearance of an active market for a security because of financial difficulties; or observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Impairment (continued)

i) Non-derivative financial assets (continued)

Financial assets measured at amortised cost

The Group considers evidence of impairment for loans and receivables at a specific asset. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets other than inventories and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

c) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The cost of inventories is calculated using the weighted average method.

d) Related parties

For the purposes of the financial statements, the shareholders, key management personnel and member of the Board of the Directors, in each case together with companies controlled by or affiliated with them are considered and referred to as related parties (Note 33).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Related parties (continued)

Parties are considered related to the Group if;

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

e) Property and equipment

i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of certain items of property and equipment at 1 January 2005, the Group’s date of transition to IFRS, was determined with reference to its fair value at that date.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property and equipment, and are recognised net within “Other operating income / (expense)” in profit or loss.

During the production phase of the mine, the material removed when stripping in the production phase, often it will be a combination of ore and waste. Removal of material with a low ratio of ore to waste may produce some usable material, which can be used to produce inventory. This removal might also provide access to deeper levels of material that have a higher ratio of ore to waste that will be mined in future periods. The Group, recognize stripping activity asset when it is probable that the future economic benefit associated with the stripping activity will flow to the Group, identify the component of the ore body for which access has been improved; and the costs relating to the stripping activity associated with that component can be measured reliably. The Group shall allocate the production stripping costs between the inventory produced and the stripping activity asset by using an allocation basis that is based on mineral content of the ore extracted compared with expected mineral content to be extracted, for a given quantity of ore produced.

Since some incidental operations may take place at the same time as the production stripping activity, but which are not necessary for the production stripping activity to continue as planned, these incidental operations are not be included in the cost of the stripping activity asset.

(Amounts expressed in Turkish Lira unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property and equipment (continued)

ii) Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

After initial recognition, the stripping activity asset is initially measured at its cost less depreciation and less impairment losses. Stripping activity asset is depreciated on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	10 - 50 years
Machinery and equipment	10 - 40 years
Furniture and fixtures	5 - 15 years
Vehicles	5 - 8 years
Leasehold improvements	5 years

Power generation plants depreciated over shorter of licence term and their useful lives. The Group depreciates its power generation plants in different useful lives in accordance to their different useful lives.

Wind electricity powerhouse	20 years
Fuel oil power plants	40 years
Natural gas power plants	20 years
Hydroelectric power plants	40 years
Coal plants	40 years

Overhaul costs related to power generation plants have different useful lives, then they are accounted as separate items (major components) of power generation plants.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill related to purchases of Baki Enerji and Alenka Enerji are completely impaired as at 30 June 2016.

i) Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

ii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives of licences for the current and comparative periods are between 2 and 49 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Goodwill is not amortised.

g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money where appropriate, and the risks specific to the liability.

h) Employee benefits

i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Other long-term employee benefits

In accordance with the existing labour law in Turkey, the Group entities in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum TL 4,093 as at 30 June 2016 (31 December 2015: TL 3,828) per year of employment at the of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The management of the Group used some assumptions (detailed in Note 26) in the calculation of the retirement pay provision. The calculation was based upon the retirement pay ceiling announced by the Government.

Remeasurements arising from retirement pay comprise actuarial gains and losses. The Group recognises actuarial differences in other comprehensive income.

i) Contingent assets and liabilities

Possible assets or obligations that arise from past events and for which their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Group are treated as contingent assets or liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Contingent assets and liabilities (continued)

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If the possibility of transfer of assets is probable, contingent liability is recognized in the financial statements.

A contingent asset is disclosed, when the possibility of an inflow of economic benefits to the entity is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

j) Revenue

i) Electricity sales

Revenue mainly comprises electricity sales which are recognised when the electricity delivered to the customers and related risks and rewards transferred to the customers, recovery of the consideration is probable, the associated costs and possible return of sales can be estimated reliably. Electricity sales revenue are recorded at invoiced amounts by the delivery of electricity power to customers on an accrual basis. Revenue is measured net of sales commissions, taxes. Balancing invoices issued by TEIAŞ is recognised in cost of sales.

k) Leases

i) Determining whether an agreement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

ii) Leased assets

Leases of property and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

l) Finance income and finance costs

The Group's finance income and finance costs include interest income, interest expense, the foreign currency gain or loss on financial assets and financial liabilities, bank commission expense and discount expense the net gain or loss on hedging instruments that are recognised in profit or loss and interest and late charge fees obtained from related parties. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

iii) Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

n) Earnings per share

The Group, presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic and diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. There are no dilutive potential shares.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) 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.

p) Standards issued but not yet effective and not early adopted

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2018. Phase 1 of this new TFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. 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 standard on the consolidated financial position or performance of the Group.

IFRS 9 Financial Instruments – Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39 -IFRS 9 (2013)

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. Further, the new standard removes the 1 January 2015 effective date of IFRS 9. The new version of IFRS 9 issued after IFRS 9 (2013) introduces the mandatory effective date of 1 January 2018 for IFRS 9, with early adoption permitted. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

IFRS 9 Financial Instruments (2014)

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

IFRS 15 Revenue from Contracts with customers

The standard is the result of a joint project and IASB and Financial Accounting Standards Board ("FASB") which replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Group expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognising revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

IFRS 16 Leases

On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently change IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15-Revenue from Contracts with Customers. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Standards issued but not yet effective and not early adopted (continued)

Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative

IAS 7 Statement of Cash Flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in [consolidated] financial statements. The amendments will require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for periods beginning on or after 1 January 2017, with earlier application permitted. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

Amendments to IAS 12 Income Taxes– Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are effective for annual periods beginning on or after 1 January 2017. The Group is in the process of assessing the impact of the standard on the consolidated financial position or performance of the Group.

Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions

IFRS 2 Share-Based Payment has been amended by IASB to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted.

The Group does not expect that these amendments will have significant impact on the [consolidated] financial position or performance of the Group.

r) Correction of error

Two subsidiaries of the Group, Aksa Enerji – Y.Ş. and Aksa Enerji Ghana had been using TL and GSH as their functional currencies. As a result of assessment by management on 30 June 2016, the Group assessed that USD are used to a significant extent in, or have a significant impact on the Operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currencies selected for measuring items in the consolidated financial statements are treated as foreign currencies selected for measuring items in the consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balance not already measured in the functional currencies have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 "*The Effects of Changes in Foreign Exchange Rates*". As a result of correction of this error in the Group's restated consolidated statement of financial position as at 31 December 2015 for the following accounts: *Translation Reserves* increased by TL 65,114,129 (1 January 2015: increased by TL 38,472,336; 30 June 2015 increased by TL 45,396,037), *Actuarial Gains/Losses* decreased by TL 1,255,794, *Retained Earnings* increased by TL *9,936,064* (1 January 2015: decreased by TL 4.507.753), non-controlling interests decreased by TL 81,003. *Net Loss* increased by TL 2,316,719 (30 June 2015: decreased by TL 11,991,986).

The Group corrected the consolidated financial statements in accordance with *IFRIC 20 Stripping Costs In The Production Phase Of A Surface Mine*. As a result of correction of this error in the Group's restated consolidated statement of financial position as at 31 December 2015 for the following accounts: an increase in *Stripping Assets* and *Development Assets* by TL 65,483,738 (1 January 2015: increased by TL 43,328,692) and TL 5,245,440 (1 January 2015: increase by TL 4,395,086), respectively under *Property Plant and Equipment*, a decrease in the *Inventory* account by TL 84,555,274 (1 January 2015: increase by TL 43,616,136 TL), an increase in *Retained Earnings* increased by TL 4,107,642 (1 January 2015:decrease by TL 4,107,642), *Net Loss* increased by TL 17,933,738 (1 January 2015: net income increased by TL 7,190,091) has been recognised in the restated consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Correction of error (continued)

As a result of correction of this error in the Group's restated consolidated statement of profit or loss and other comprehensive income as at 31 December 2015 for the following accounts: an increase in depreciation expense under *Cost of Sales* by TL 1,650,963 (30 June 2015: TL 412,740 increase) *Cost of Goods Sold* excluding the effect of depreciation expense by TL 16,282,775 (31 June 2015: increased by TL 4,070,693) and total *Cost of Sales* increase by TL 8,966,869 (31 December 2015: TL 17,933,738) have been recognised in the restated consolidated financial statements.

Aksa Aksen Enerji, a group entity, exercises future transactions in Derivatives Market. The Group restated its financial statements in accordance with the relevant provisions of IAS 39 *Financial Instruments: Recognition and Measurement*. As a result of correction of this error in the Group's restated consolidated statement of financial position as at 31 December 2015 for the following accounts: *Derivative Instruments Assets* increased by TL 36,357; *Other Operating Expenses* increased by TL 36,357.

Impairment loss recognised in the consolidated financial statements before 1 January 2015 reversed by TL 16,410,537 in accordance with the revaluation report obtained in October 2015. As a result of correction of error, an increase in *Property, Plant and Equipment* account by TL 16,410,537; a decrease in *Retained Loss* account by TL 16,410,537 have been recognised as at 31 December 2015 in the restated consolidated financial statements. This error does not affect consolidated profit or loss and other comprehensive income as at 30 June 2015. An increase in *Other Income* by TL 1,650,963 have been recognised as of 31 December 2015.

The Group determined that there is an inconsistency in useful lives of similar assets under *Property, Plant and Equipment* account and corrected its consolidated financial statements. As a result of correction of this error in the Group's restated consolidated financial statement for the following accounts: an increase in *Property Plant and Equipment* account by TL 18,145,506 TL (1 January 2015: decrease by TL 6,199,525); and a decreased in *Retained Losses* by TL 4,806,482; decreased in *Net Loss* TL 13,333,857; an increase in *Non-Controlling Interests* by TL 5,168 have been recognised in the restated consolidated financial position. As a result of correction of this error in the Group's restated consolidated financial statement for the following accounts: decrease in *Depreciation Expenses* by TL 13,333,857 (30 June 2015: increase by TL 1,168,979).

As at 31 December 2015, as a result of other various correction of errors in the Group's consolidated financial statements, an increase in *Other Long-Term Assets* by TL 23,926,651; a decrease in *Inventory* by TL 36,856,033, *Goodwill* decrease by TL 223,983; due to related parties decreased by TL 1,001,462; a decrease in *Non-controlling Interest* by TL 2,568,772; a decrease in *Retained Losses* by TL 110,906,087 together with above adjustments, a decrease in *Cost Of Sales* by TL 23,926,651 (30 June 2015: decrease by TL 5,981,663) have been recognised in the restated consolidated financial statements.

As a result of overall effect of above correction of errors, *Deferred Tax Liabilities* increased by TL 18,394,875, *Deferred Tax asset* decreased by TL 30,657,176, *Retained Losses* increased by TL 49,052,051, and as at 31 December 2015, *Deferred Tax Expense* decreased by TL 158,620 (30 June 2015: TL 163,930).

Reclassifications

The Group presented factoring liabilities in amount of TL 133,025,154 in *Trade and Other Payable* account to the *Other Financial Liabilities* TL 53,220,162 TL and TL 79,804,992 to long term *Other Financial Liabilities* and net-off prepaid commission expenses which was presented under *Other Current Assets* with financial liabilities in amount of TL 19,282,972 and transfer *Legal Reserves* TL 42,114,653 from *Retained Earnings*, long term bond issued accounts in amounts of TL 17,779,146 to short term *Financial Liabilities*, expenses from doubtful receivables in amount of TL 5,070,390 from *Administrative Expenses* to *Other Operating Expenses* in order to reflect better the nature of financial information. There are some other reclassification due to the change in detail of presentation in the face of the consolidated financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. These fair values are determined for disclosure purposes.

ii) Derivatives

The fair value of interest rate swaps are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group when appropriate.

iii) Non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

5. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group considers its risks in respect of financial risks (credit, market, geographical, foreign exchange, liquidity and interest rate), operational and legal risks. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Internal audit plans are based on risk assessments as well as the issues highlighted by the Audit Committee of Aksa Enerji management. Risk assessment is conducted on a continuous basis so as to identify not only existing risks but also emerging risks. Formally, risk assessment is made annually but more often if necessary.

5. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and bank balances.

The Group has procedures in place to ensure that services are provided to customers with an appropriate credit history. The carrying amount of trade or other receivables, net of provision for impairment of receivables, and the total of cash and cash equivalents, and restricted bank balances represent the maximum amount exposed to credit risk. The main customer is TEİAŞ. Based on past history with these customers, the Group management believes there is no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys derivatives, and also incur financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by lenders and executives of the Group. The Group applies hedge accounting in order to manage volatility in interest rates.

i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. As at 30 June 2016, the Group had balances that are denominated in a currency other than the respective functional currencies of Group entities, primarily TL, but also GHS which are disclosed within the relevant notes to these consolidated interim financial statements. The currencies in which these transactions primarily denominated are USD and EUR. The Group manages this currency risk by maintaining foreign currency cash balances and using some financial instruments as mentioned in Note 30.

ii) Interest rate risk

Group, exposes interest rate risk due to repricing of variable interest rate borrowing risk of bank loans and financial lease liabilities. The aim of risk management is to optimize net interest gains and market interest rate in accordance with company policies The Group signed interest rate swap related with some variable rate borrowings.

Capital management

The main objective of the Company's capital management is to maintain a strong capital ratio in order to support its future development of the business and maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments on it according to its growth and economic conditions and competition at the market. In order to maintain or adjust the capital structure, the shareholders may make a direct cash contribution of the needed working capital to the Company.

There were no changes in the Group's approach to capital management during the period.

(Amounts expressed in Turkish Lira unless otherwise stated.)

6. REVENUE

An analysis of the Group's revenue, for the six-month periods ended 30 June is as follows:

	1 January- 30 June 2016	1 January- 30 June 2015
Domestic sales	1,226,062,746	761,770,402
Foreign sales	76,078,662	94,775,979
Other sales	2,999	87,875
Sales Returns	--	(260,110)
Net Sales	1,302,144,407	856,374,146
Cost of sales (-)	(1,155,380,409)	(676,963,299)
Gross profit	**146,763,998**	**179,410,847**

	1 January- 30 June 2016	1 January- 30 June 2015
Revenue – Amount		
Electricity	1,301,268,718	845,141,601
Lignite sales and shipping costs	413,249	11,042,872
Natural gas materials and other income	389,164	189,673
Generator	73,276	---
Total	**1,302,144,407**	**856,374,146**
Gross Margin - Amount		
Electricity	145,925,488	175,622,085
Lignite sales and shipping costs	534,026	3,923,978
Natural gas materials and other income	288,623	(135,216)
Generator	15,861	--
Total	**146,763,998**	**179,410,847**

(Amounts expressed in Turkish Lira unless otherwise stated.)

7. OTHER OPERATING INCOME AND EXPENSES

An analysis of the Group's other operating income, for the six-month periods ended 30 June is as follows:

Other operating income	1 January- 30 June 2016	1 January- 30 June 2015
Insurance income	2,377,602	1,626,794
Financial income from credit sales	1,332,982	1,024,005
Gain on disposal of subsidiaries (Note 33)	843,299	--
Gain on disposal of property, plant and equipment	191,196	234,411
Provisions no longer required	7,079	37,113
Other	575,725	895,739
Total	**5,327,883**	**3,818,062**

An analysis of the Group's other operating expenses, for the six-month periods ended 30 June is as follows:

Other operating expenses	1 January- 30 June 2016	1 January- 30 June 2015
Financial expenses from credit sales	762,038	676,464
Bad debt provisions	441,350	5,070,390
Loss on disposal of property, plant and equipment	391,580	702,335
Donations	115,300	639,160
Lawsuits provisions	196,235	--
Other	997,213	1,492,463
Total	**2,903,716**	**8,580,812**

8. ADMINISTRATIVE EXPENSES

An analysis of the Group's administrative expenses, for the six-month periods ended 30 June is as follows:

General administrative expenses	1 January- 30 June 2016	1 January- 30 June 2015
Personnel expenses	7,627,282	5,662,683
Travelling, vehicle and transportation expenses	2,453,902	911,680
Consultancy expenses	1,824,750	1,091,105
Rent expenses	792,629	564,222
Tax and charge expenses	643,774	395,812
License expenses	589,836	340,529
Depreciation and amortization expenses	294,058	448,796
Representation expenses	223,924	120,796
Electricity, gas and water expenses	263,900	163,665
Other	765,263	516,569
Total	**15,479,318**	**10,215,857**

(Amounts expressed in Turkish Lira unless otherwise stated.)

9. MARKETING AND SELLING EXPENSES

An analysis of the Group's marketing and selling expenses, for the six-month periods ended 30 June is as follows:

Marketing and selling expenses	1 January-30 June 2016	1 January-30 June 2015
Freight and export expenses	150,561	42,594
Other	182,235	117,878
Total	**332,796**	**160,472**

10. FINANCIAL INCOME AND FINANCIAL EXPENSES

An analysis of the Group's financial income and expenses, for the six-month periods ended 30 June is as follows:

Financing income	1 January-30 June 2016	1 January-30 June 2015
Foreign exchange gain, net	20,825,745	84,351,722
Interest and discount income	2,459,497	1,338,043
Interest and discount income from related parties	5,153,174	10,928,938
Income from derivative transactions	4,838,237	--
Other	--	5,365
Total	**33,276,653**	**96,624,068**

Financing expenses	1 January-30 June 2016	1 January-30 June 2015
Interest and discount expenses	105,284,539	69,223,137
Interest expense on financial liabilities and intercompany loans	35,117,253	15,790,542
Expenses from derivative transactions	18,761,689	--
Foreign exchange loss, net	4,675,810	233,253,748
Guarantee letters and bank commission expenses	3,958,101	766,173
Other	250,073	1,086
Total	**168,047,465**	**319,034,686**

(Amounts expressed in Turkish Lira unless otherwise stated.)

11. TAX EXPENSE

An analysis of the Group's tax expense, for six-month periods ended 30 June is as follows:

	1 January- 30 June 2016	1 January- 30 June 2015
Current tax expense		
Current period tax expense	(6,976,387)	(3,379,806)
Deferred tax expense		
Origination and reversal of temporary differences	1,078,040	15,095,413
Total tax income	**(5,898,347)**	**11,720,607**

Corporate tax:

Corporate tax liabilities as at 30 June 2016 and 31 December 2015 as follows:

	30 June 2016	31 December 2015
Corporate tax provision as restated		
Add / (Less): prepaid corporation tax from previous period	6,976,387	4,619,789
Less: corporation taxes paid in advance during the period	(4,696,519)	(2,071,855)
Current tax liabilities, net	**2,279,868**	**2,547,934**

The Turkish entities within the Group are subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities' results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilised.

There is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate at 30 June 2016 is 20% (31 December 2015: 20%). Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

Aksa Enerji A.Ş. –YŞ., operating in KKTC, is subject to a corporate tax rate of 23.5% (31 December 2015: 23.5%). Losses can be carried forward for offset against future taxable income for up to 5 years.

Income withholding tax:

According to Corporate Tax Law code numbered 5520 article 15, companies who are resident in Turkey, should calculate 15% income withholding tax on dividends distributed to non-resident companies, individuals and resident individuals. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Transfer pricing regulations:

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "Disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

(Amounts expressed in Turkish Lira unless otherwise stated.)

12. PROPERTY AND EQUIPMENT

The movements of property and equipment comprise fixed asset and mining assets and related accumulated depreciation for the six-month period ended 30 June were as follows:

Cost	Land and buildings and land improvements	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2016 as previously reported	**75,553,117**	**3,425,096,512**	**2,386,351**	**13,541,194**	**500,859**	**459,479,744**	**3,976,557,777**
Effect of error	20,079,125	(80,845,174)	98,604	233,916	--	4,029,732	(56,403,796)
Balance at 1 January 2016 as restated	**95,632,242**	**3,344,251,338**	**2,484,955**	**13,775,110**	**500,859**	**463,509,476**	**3,920,153,981**
Effect of movements in exchange rates	(45,177)	(1,495,654)	(3,537)	(3,889)	--	(54,652)	(1,602,909)
Additions	6,308,627	2,102,628	--	580,030	1,004	125,736,968	134,729,256
Disposals	--	--	(183,022)	--	--	--	(183,022)
Transfers (**)	--	(38,910,208)	--	--	--	38,910,208	--
Disposal of subsidiaries	(148,115)	(70,112,177)	--	(61,545)	(271)	(14,783)	(70,336,891)
Balance at 30 June 2016	**101,747,576**	**3,235,835,927**	**2,298,396**	**14,289,706**	**501,592**	**628,087,217**	**3,982,760,415**
	--						
Accumulated depreciation							
Balance at 1 January 2016 as previously reported	**3,941,462**	**809,485,018**	**1,517,884**	**7,867,569**	**198,413**	**--**	**823,010,346**
Effect of error	(147,999)	(41,246,157)	117,609	125,282	--	--	(41,151,265)
Balance at 1 January 2016 as restated	**3,793,463**	**768,238,861**	**1,635,493**	**7,992,851**	**198,413**	**--**	**781,859,081**
Effect of movements in exchange rates	64,458	3,793,831	1,492	11,390	--	--	3,871,172
Depreciation for the period	1,296,934	83,647,548	125,965	624,665	14,994	--	85,710,106
Disposals	--	--	(180,382)	--	--	--	(180,382)
Transfers	--	--	--	--	--	--	--
Disposal of subsidiaries	(20,278)	(6,569,704)	--	(20,031)	(68)	--	(6,610,081)
Balance at 30 June 2016	**5,134,576**	**849,110,537**	**1,582,568**	**8,608,875**	**213,339**	**--**	**864,649,896**
Carrying amount as of 30 June 2016	**96,613,000**	**2,425,635,598**	**715,828**	**5,680,831**	**288,253**	**628,087,217**	**3,118,110,519**

(*) At 30 June 2016, interest expense capitalised under tangible assets in amount of TL 25,224,329 (30 June 2015: TL 19,907,412).

(**) At 30 June 2016, the remaining portion of transfer amounting to TL 2,074,848 comprises inventory (30 June 2015: None).

(Amounts expressed in Turkish Lira unless otherwise stated.)

12. PROPERTY AND EQUIPMENT (continued)

Cost	**Land and buildings and land improvements**	**Machinery and equipment**	**Vehicles**	**Furniture and fixtures**	**Leasehold improvements**	**Construction in progress**	**Total**
Balance at 1 January 2015 as previously reported	**64,107,764**	**2,582,933,714**	**2,116,654**	**14,341,597**	**639,212**	**921,988,123**	**3,586,127,064**
Effect of error	(25,162,415)	(130,347,058)	726,894	(2,030,010)	(154,630)	40,907	(156,926,311)
Balance at 1 January 2015 as restated	**38,945,349**	**2,452,586,656**	**2,843,548**	**12,311,587**	**484,582**	**922,029,030**	**3,429,200,753**
Effect of movements in exchange rates	1,078,374	37,466,551	18,210	89,510	--	962,741	39,615,386
Additions	383,428	20,544,711	131,499	544,929	14,716	246,454,713	268,073,996
Disposals	(10,600)	(3,236,218)	(772,444)	(88,350)	--	(25,548)	(4,133,160)
Transfers (**)	--	75,171,667	--	--	--	(75,171,667)	--
Balance at 30 June 2015	**40,396,552**	**2,582,533,367**	**2,220,814**	**12,857,676**	**499,298**	**1,094,249,269**	**3,732,756,975**
Accumulated depreciation							
Balance at 1 January 2015 as previously reported	**2,013,021**	**725,130,021**	**1,498,816**	**9,273,980**	**259,154**	**--**	**738,174,992**
Effect of error	2,152,806	(50,562,491)	681,808	(2,479,924)	(88,797)	--	(50,296,598)
Balance at 1 January 2015 as restated	**4,165,827**	**674,567,530**	**2,180,624**	**6,794,056**	**170,357**	**--**	**687,878,394**
Effect of movements in exchange rates	539,232	17,210,316	(760,510)	20,554	--	--	17,009,591
Depreciation for the period	184,376	64,449,686	98,065	550,595	15,842	--	65,298,564
Disposals	--	--	--	--	--	--	--
Transfers	--	--	--	--	--	--	--
Balance at 30 June 2015	**4,889,434**	**756,227,532**	**1,518,179**	**7,365,205**	**186,199**	**--**	**770,186,549**
Carrying amount as of 30 June 2015	**35,507,118**	**1,826,305,835**	**702,635**	**5,492,471**	**313,099**	**1,094,249,269**	**2,962,570,426**

(Amounts expressed in Turkish Lira unless otherwise stated.)

12. PROPERTY AND EQUIPMENT (continued)

Construction in progress

At 30 June 2016, construction in progress represents, stationary export and import warehouse.

Project	30 June 2016 Amount	Technical completion rate (%)
Kozbükü – Hydroelectric power plant	248,903,335	98%
Bolu Göynük power plant investment	163,561,945	100%
Ghana investment	178,660,365	45%
Kıbrıs Kalecik – Mobile power plant investment	8,834,028	99%
Other (*)	28,127,544	
Total	**628,087,217**	

(*) This balance comprises investments in licence period and capacity increase of current power plants.

Mining assets

At 30 June 2016 and 31 December 2015, mining assets comprise mining development assets and stripping cost.

Cost:	**30 June 2016**	**31 December 2015**
Stripping costs	80,561,201	67,843,827
Mining development assets	5,477,771	5,477,773
Total	**86,038,972**	**73,321,600**
Amortisation:		
Stripping costs	2,721,445	2,360,089
Mining development assets	256,320	232,333
Total	**2,977,765**	**2,592,422**
Carried amount as at 30 June	**83,061,207**	**70,729,178**

(Amounts expressed in Turkish Lira unless otherwise stated.)

13. INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortisation during the six-month periods ended 30 June were as follows:

Cost	**Rights**	**Other**	**Total**
Balance at 1 January 2016 as previously reported	**4,118,891**	**888,684**	**5,007,575**
Effect of error	11,664	--	11,665
Balance at 1 January 2016 as restated	**4,130,555**	**888,684**	**5,019,240**
Additions	348,412	6,612	355,024
Disposals	--	--	--
Effect of movements in exchange rates	(790)	--	(790)
Disposal of subsidiary	(30,500)	--	(30,500)
Balance at 30 June 2016	**4,447,677**	**895,296**	**5,342,974**
Amortisation			
Balance at 1 January 2016 as previously reported	**1,057,477**	**517,297**	**1,574,774**
Effect of error	168,346	(145,786)	22,560
Balance at 1 January 2016 as restated	**1,225,823**	**371,511**	**1,597,334**
Amortisation for the period	151,288	67,949	219,237
Effect of movements in exchange rates	1,624	--	1,624
Disposal of subsidiary	(3,840)	--	(3,840)
Balance at 30 June 2016	**1,374,895**	**439,460**	**1,814,355**
Carrying amount as of 30 June 2016	**3,072,783**	**455,836**	**3,528,619**

Cost	**Rights**	**Other**	**Total**
Balance at 1 January 2015	**3,267,954**	**594,950**	**3,862,904**
Additions	224,036	--	224,036
Disposals	(36,250)	--	(36,250)
Balance at 30 June 2015	**3,455,740**	**594,950**	**4,050,690**
Amortisation			
Balance at 1 January 2015	**877,769**	**319,382**	**1,197,151**
Amortisation for the period	80,735	90,706	171,441
Disposals	(5,355)	--	(5,355)
Transfers	--	--	--
Balance at 30 June 2015	**953,149**	**410,088**	**1,363,237**
Carrying amount as of 30 June 2015	**2,502,591**	**184,862**	**2,687,453**

(Amounts expressed in Turkish Lira unless otherwise stated.)

14. GOODWILL

At 30 June 2016 and 31 December 2015, goodwill comprised the following:

	30 June 2016	31 December 2015
Goodwill	6,848,196	6,848,196
Total	**6,848,196**	**6,848,196**

15. FINANCIAL INVESTMENTS

Financial investments

At 30 June 2016 and 31 December 2015, financial investments comprised the following:

	Rate %	30 June 2016	31 December 2015
Enerji Piyasaları İşletme A.Ş. (*)	0.67	412,408	412,408
		412,408	**412,408**

(*) The Group invest to Enerji Piyasaları İşletme A.Ş. (EXIST) and obtained 412,408 Group C share on 20 November 2014.

16. GOVERNMENT GRANTS

The Group entities, Aksa Enerji and İdil İki Enerji, have investment incentive related with coal powerplant in Göynük and hydroelectric powerplant in Kozbükü. This investmenst provide tax incentive, employer's national insurance contribution, VAT exemption and custom duty. As at 30 June 2016, investment incentive carried forward is TL 239,401,600 related with Aksa Enerji and TL 28,716,593 related with İdil İki Enerji investments. At 30 June 2016, deferred tax effect of investment incentive amounting to TL 539,657 (31 December 2015: TL 539,657) is recognised in the consolidated interim financial statements.

(Amounts expressed in Turkish Lira unless otherwise stated.)

17. DEFERRED TAX ASSETS AND LIABILITIES

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

For calculation of deferred tax assets and liabilities, the applicable tax rate is 20% for the Company and subsidiaries in Turkey, the rate of 25% for the subsidiary in Ghana for the current and comparative periods.

In Turkey, companies cannot declare a consolidated tax return, therefore subsidiaries and jointly controlled entities that have deferred tax assets position were not netted off against jointly controlled entities that have deferred tax liabilities position and were disclosed separately.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30 June 2016	31 December 2015
	Asset / (Liability)	Asset / (Liability)
Property and equipment and intangible assets	(31,527,260)	(43,641,649)
Accrued expense correction	392,468	(289,047)
Investment allowance	1,206,183	1,206,183
Foreign exchange losses	--	1,128,703
Provision of doubtful receivables correction	5,939,175	4,747,479
Derivatives	1,519,445	1,441,447
Inventory impairment loss	2,504,082	2,912,138
Loans and borrowings	1,592,334	(230,282)
Reserve for employee severance indemnity	(3,047,535)	901,075
Rediscount finance income	1,949,711	292,269
Rediscount finance expense	(330,151)	(251,574)
Rediscount bond issue	2,012,875	425,822
Other current asset	(4,724,756)	--
Litigation provisions	101,565	--
Vacation provisions	418,736	--
Tax loss carry - forwards	46,143,691	56,779,539
Impact of error	--	(8,938,591)
Deferred tax assets / (liabilities)	**24,150,563**	**16,483,512**
Set-off of tax	--	--
Net deferred tax assets / (liabilities)	**24,150,563**	**16,483,512**

(Amounts expressed in Turkish Lira unless otherwise stated.)

18. INVENTORIES

At 30 June 2016 and 31 December 2015, inventories comprised the following:

	30 June 2016	31 December 2015
Raw materials	138,116,588	186,122,671
Work-in-progress	19,106,252	41,144,248
Finished goods	540,598	775,517
Trade goods	22,864,099	84,825
Other inventory	182,125,006	115,063,779
Provision for impairment on inventories (-)	(12,389,160)	(12,389,160)
Advances given for raw materials and supplies	23,653,758	30,299,929
Total	**374,017,141**	**361,101,809**

19. OTHER CURRENT ASSETS

At 30 June 2016 and 31 December 2015, other current assets comprised the following:

	30 June 2016	31 December 2015
VAT carried forward	128,849,365	134,329,234
Other	614,371	4,358,482
Total	**129,463,736**	**138,687,716**

20. LONG AND SHORT TERM PREPAYMENTS

At 30 June 2016 and 31 December 2015, short term prepayments comprised the following:

	30 June 2016	31 December 2015
Prepaid loan insurance expenses	1,465,451	15,928,150
Prepaid insurance expenses	801,306	3,705,970
Other	2,138,841	1,442,131
Total	**4,405,598**	**21,076,251**

At 30 June 2016 and 31 December 2015, long term prepayments comprised the following:

	30 June 2016	31 December 2015
Advances given for tangible assets	1,957,094	44,992,503
Prepaid loan insurance expenses	1,183	54,703,266
Other prepaid expenses	5,897	11,338
Total	**1,964,174**	**99,707,107**

(Amounts expressed in Turkish Lira unless otherwise stated.)

21. TRADE RECEIVABLES AND PAYABLES

At 30 June 2016 and 31 December 2015, trade receivables to third parties comprised the following:

	30 June 2016	31 December 2015
Trade receivables	171,354,902	120,598,307
Doubtful receivables	17,806,320	17,464,117
Allowance for doubtful receivables (-)	(17,806,320)	(17,464,117)
Other receivables	6,847,352	601,276
Unearned credit finance charges (-)	(516,120)	(1,417,184)
Income accruals	335,449	--
Total	**178,021,583**	**119,782,399**

The exposure to credit and market risks and impairment losses related to trade receivables are disclosed in Note 31.

At 30 June 2016 and 31 December 2015, trade payables to third parties comprised the following:

	30 June 2016	31 December 2015
Trade payables to third parties	257,544,468	269,884,236
Notes payables	4,171,863	11,048,880
Expense accruals	1,440,390	--
Unearned credit finance charges (-)	(641,232)	(488,057)
Total	**262,515,489**	**280,445,059**

The exposure to credit and liquidity related to trade payables are disclosed in Note 31.

At 30 June 2016 and 31 December 2015, long term trade and other receivables comprised the following:

Trade and other receivables	30 June 2016	31 December 2015
Deposits given	3,318,499	2,484,450
Total	**3,318,499**	**2,484,450**

22. CASH AND CASH EQUIVALENTS

At 30 June 2016 and 31 December 2015, cash and cash equivalents comprised the following:

	30 June 2016	31 December 2015
Cash on hand	247,192	63,861
Cash at banks	83,968,624	48,388,555
- Demand deposits	16,888,960	10,422,257
- Time deposits	47,779,096	20,518,378
- Blocked cash	19,300,568	17,447,920
Total	**84,215,816**	**48,452,416**

The exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 31.

(Amounts expressed in Turkish Lira unless otherwise stated.)

23. CAPITAL AND RESERVES

At 30 June 2016 and 31 December 2015, the shareholding structure of the Company was as follows:

	30 June 2016		**31 December 2015**	
Shareholders	**(%)**	**Amount**	**(%)**	**Amount**
Kazancı Holding	61.98	380,064,978	61.98	380,064,978
Goldman Sachs International	16.62	101,911,765	16.62	101,911,765
Public Share	21.39	131,158,000	21.39	131,158,000
Other	0.01	34,375	0.01	34,375
Inflation adjustment to share capital		1,987,932		1,987,932
Paid in capital in TL (nominal)	**100**	**615,157,050**	**100**	**615,157,050**

	30 June 2016		**31 December 2015**	
Group	**(%)**	**Amount**	**(%)**	**Amount**
A Group (Registered share)	47.93	293,896,220	47.93	293,896,220
B Group (Bearer share)	52.07	319,272,898	52.07	319,272,898
Inflation adjustment to share capital		1,987,932		1,987,932
Paid in capital	**100**	**615,157,050**	**100**	**615,157,050**

TL 131,158,000 of bearer B group share are traded in Borsa İstanbul A.Ş.

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.

Legal reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and second legal reserves.

The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the

Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communiqué II-19.1, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 30 June 2016, legal reserves of the Group amounted to TL 42,114,653 (31 December 2015: TL 42,114,653).

Share premium

Share premium represents differences resulting from the sale of the Company's Subsidiaries' and Associates' shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

Actuarial gain/loss:

Actuarial gain/loss reserves comprises actuarial gains and losses recognised in other comprehensive income based on IAS (2011).

(Amounts expressed in Turkish Lira unless otherwise stated.)

23. CAPITAL AND RESERVES (continued)

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred, net of tax.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign and domestic operations from their functional currencies to presentation currency of TL.

Dividend distribution

Publicly held companies distribute dividends based on the Capital Market Board ("CMB") Dividend Communique numbered II-19.1 effective from 1 February 2014.

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation.

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "Non-controlling interests" in the consolidated financial statements.

As at 30 June 2016 and 31 December 2015 the related amounts in the "Non-controlling interests" in the consolidated statement of financial position are respectively TL 4,926,321 asset and TL 2,639,439 liability (31 December 2015: TL 260,145 asset and TL 2,644,607 liability). In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "Non-controlling interests" in the consolidated financial statements.

24. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 30 June 2016 and 2015 is as follows:

	1 January-30 June 2016	**1 January-30 June 2015**
Numerator:		
Profit/ (loss) for the period	(7,032,963)	(45,589,662)
Weighted average number of shares	615,157,050	615,157,050
Basic and diluted profit per share (full TL)	**(0.011)**	**(0.74)**

(Amounts expressed in Turkish Lira unless otherwise stated.)

25. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risks, see Note 31.

	30 June 2016	31 December 2015
Current liabilities		
Short term secured bank loans	146,119,910	278,509,816
Current portion of secured bank loans	595,001,041	576,151,545
Finance lease liabilities	30,808,948	30,115,047
	771,929,899	**884,776,408**
Non-current liabilities		
Secured bank loans	1,411,925,667	1,525,054,345
Finance lease liabilities	128,534,878	139,186,707
	1,540,460,545	**1,664,241,052**
Total loans and borrowings	**2,312,390,444**	**2,549,017,460**

The Group's total bank loans and finance lease liabilities as at 30 June 2016 and 31 December 2015 are as follows:

	30 June 2016	31 December 2015
Bank loans	2,153,046,618	2,379,715,706
Finance lease liabilities	159,343,826	169,301,754
	2,312,390,444	**2,549,017,460**

(Amounts expressed in Turkish Lira unless otherwise stated.)

25. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 30 June 2016 are as follows:

		30 June 2016	
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 Months	USD	86,761,121	251,051,979
	EUR	18,973,361	60,798,237
	TL	429,270,734	429,270,734
1-2 Year	USD	57,459,521	166,264,871
	EUR	17,398,678	55,752,324
	TL	200,430,487	200,430,487
2-3 Year	USD	52,619,681	152,260,308
	EUR	16,332,694	52,336,485
	TL	48,725,966	48,725,966
3-4 Year	USD	46,187,477	133,648,083
	EUR	9,436,191	30,237,332
	TL	--	--
4-5 Year	USD	38,882,194	112,509,516
	EUR	6,861,570	21,987,213
	TL	--	--
5 Year and more	USD	139,630,839	404,035,796
	EUR	10,528,426	33,737,287
	TL	--	--
Total			**2,153,046,618**

(Amounts expressed in Turkish Lira unless otherwise stated.)

25. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 31 December 2015 are as follows:

		31 December 2015	
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 Months	USD	129,371,079	376,159,350
	EUR	22,758,204	72,316,470
	TL	406,185,541	406,185,541
1-2 Year	USD	77,704,556	225,933,778
	EUR	20,423,847	64,898,816
	TL	194,700,030	194,700,030
2-3 Year	USD	63,490,422	184,604,749
	EUR	18,154,872	57,688,922
	TL	59,673,053	59,673,053
3-4 Year	USD	56,340,944	163,816,928
	EUR	14,075,570	44,726,532
	TL	--	--
4-5 Year	USD	42,296,673	122,981,807
	EUR	7,082,129	22,504,174
	TL	--	--
5 Year and more	USD	117,250,255	340,916,842
	EUR	13,409,087	42,608,714
	TL	--	--
Total			**2,379,715,706**

(Amounts expressed in Turkish Lira unless otherwise stated.)

25. LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule

The breakdown of bank loans as at 30 June 2016 is as follows:

Original Currency	Nominal Interest rate %	Face Value	Carrying Amount
TL	%11,50-18,50	659,274,618	678,427,187
USD	Libor +0,15 – Libor+6,75	1,231,510,726	1,219,770,553
EUR	Euribor +1,80 –Euribor +6,50	273,249,573	254,848,878
Total			**2,153,046,618**

As at 30 June 2016, The Group's loans accrued finance charge is TL 52,889,040.

The breakdown of bank loans as at 31 December 2015 is as follows:

Original Currency	Nominal Interest rate %	Face Value	Carrying Amount
TL	%12,99-16,49	882,768,691	660,558,634
USD	Libor +0,15 – Libor+6,75	1,718,746,061	1,414,413,446
EUR	Euribor +0,80 –Euribor +3,50	324,849,821	304,743,626
Total			**2,379,715,706**

The breakdown of financial liabilities as at 30 June 2016 is as follows:

	30 June 2016		
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 Months	USD	3,773,752	11,760,641
	EUR	4,614,010	19,048,307
	TL	--	--
1-2 Year	USD	3,773,752	10,919,728
	EUR	4,614,010	14,785,133
	TL	--	--
2-3 Year	USD	3,509,849	10,156,100
	EUR	3,310,946	10,609,596
	TL	--	--
3-4 Year	USD	3,264,404	9,445,878
	EUR	3,070,160	9,838,022
	TL	--	--
4-5 Year	USD	3,036,111	8,785,292
	EUR	2,808,860	9,000,711
	TL	--	--
5 Year and more	USD	7,892,075	22,836,507
	EUR	6,914,839	22,157,911
	TL	--	--
Total			**159,343,826**

(Amounts expressed in Turkish Lira unless otherwise stated.)

25. LOANS AND BORROWINGS (continued)

The breakdown of financial liabilities as at 31 December 2015 is as follows:

	31 December 2015		
Maturity	**Currency**	**Amount**	**TL Amount**
0-12 Months	USD	3,295,326	9,581,490
	EUR	6,461,971	20,533,558
	TL	--	--
1-2 Year	USD	--	--
	EUR	4,783,235	15,199,208
	TL	--	--
2-3 Year	USD	2,231,869	6,489,382
	EUR	4,025,175	12,790,396
	TL	--	--
3-4 Year	USD	5,118,040	14,881,213
	EUR	3,046,939	9,681,953
	TL	--	--
4-5 Year	USD	3,073,464	8,936,404
	EUR	2,852,896	9,065,362
	TL	--	--
5 Year and more	USD	12,992,320	37,776,469
	EUR	7,668,152	24,366,319
	TL	--	--
Total			**169,301,754**

26. OTHER FINANCIAL LIABILITIES

Other short term financial liabilities

At 30 June 2016 and 31 December 2015, other short term financial liabilities comprised the following:

Other short term financial liabilities	30 June 2016	31 December 2015
Factoring liabilities	77,565,387	53,220,162
Bond issued	43,518,216	--
Total	**121,083,603**	**53,220,162**

Other long term financial liabilities

At 30 June 2016 and 31 December 2015, other long term financial liabilities comprised the following:

Other long term financial liabilities	30 June 2016	31 December 2015
Factoring liabilities	43,694,089	50,990,043
Bond issued	293,388,814	137,129,101
Total	**337,082,903**	**188,119,144**

The Company has bond issuance at a nominal amount of TL 135,000,000, to be quarterly paid within 2 years maturity bond based on 3.5300% coupon rate on 18 November 2015. The maturity date of restated bonds is on 15 November 2017.

The Company has bond issuance at a nominal amount of TL 60,000,000, to be quarterly paid within 2 years maturity bond based on 3.3763 % coupon rate on 8 June 2016. The maturity date of restated bonds is on 28 June 2018.

(Amounts expressed in Turkish Lira unless otherwise stated.)

26. OTHER FINANCIAL LIABILITIES (continued)

Other long term financial liabilities (continued)

The Company has bond issuance at a nominal amount of TL 140,000,000, to be quarterly paid within 3 years maturity bond based on 3.6795% coupon rate on 28 June 2016. The maturity date of restated bonds is on 26 June 2019.

The breakdown of factoring as at 30 June 2016 and 31 December 2015 is as follows:

30 June 2016

Maturity	Currency	Amount	TL Amount
Less than 1 year	TL	26,805,843	77,565,387
1-2 Year	TL	12,293,241	35,571,721
2-3 Year	TL	2,807,011	8,122,367
Total			**121,259,475**

31 December 2015

Maturity	Currency	Amount	TL Amount
Less than 1 year	TL	50,458,739	50,458,739
Less than 1 year	USD	869,028	2,761,423
1-2 Year	TL	34,762,076	34,762,076
2-3 Year	TL	16,227,967	16,227,967
Total			**104,210,205**

The breakdown of bond issues as at 30 June 2016 and 31 December 2015 is as follows:

30 June 2016

Maturity	Currency	Amount	TL Amount
Less than 1 year	TL	43,518,216	43,518,216
1-2 Year	TL	188,448,555	188,448,555
2-3 Year	TL	104,940,259	104,940,259
Total			**336,907,030**

31 December 2015

Maturity	Currency	Amount	TL Amount
1-2 Year	TL	17,779,146	17,779,146
2-3 Year	TL	119,349,955	119,349,955
Total			**137,129,101**

(Amounts expressed in Turkish Lira unless otherwise stated.)

27. EMPLOYEE BENEFITS

Under the Turkish Labour Law, Aksa Enerji and its subsidiaries in Turkey are required to pay 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 reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 8 September 1999, there are certain transitional provisions relating to the length of service prior to retirement.

Such payments are calculated on the basis of 30 days' pay maximum full TL 4,093 as at 30 June 2016 (31 December 2015: full TL 3,828) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of Group from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the Government.

International Accounting Standard No. 19 ("IAS 19") "*Employee Benefits*" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 March 2016, 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. The provision at 30 June 2016 has been calculated assuming an annual inflation rate of 6.50% and a discount rate of 10.50% resulting in a real discount rate of approximately 3.76% (31 December 2015: annual inflation rate of 6.50% and a discount rate of 10.50% resulting in a real discount rate of approximately 3.76%). It is planned that retirement rights will be paid to employees at the end of concession periods. Accordingly, present value of the future probable obligation has been calculated based on the concession periods.

The amount of the reserve for employee severance indemnity during the six-month period ended 30 June was as follows:

	2016	2015
Balance at 1 January	**4,385,783**	**5,208,671**
Interest cost	243,756	106,728
Service cost	932,150	402,818
Payment made during the period	(1,129,647)	(42,698)
Actuarial difference	984,154	155,183
Balance at 30 June	**5,416,196**	**5,830,702**

(Amounts expressed in Turkish Lira unless otherwise stated.)

28. OTHER CURRENT LIABILITIES

At 30 June 2016 and 31 December 2015, other current liabilities comprised the following:

	30 June 2016	31 December 2015
Due to personnel	2,821,872	2,754,961
Social security withholdings payable	954,940	1,010,473
Advances received	4,318	4,866
Total	**3,781,130**	**3,770,300**

29. PROVISIONS

At 30 June 2016 and 2015, provisions comprised the following:

	Lawsuits	Vacation	Other provisions	Total
Balance as of 1 January 2016	592,178	--	398,138	990,316
Provision set during the period	395,959	2,064,281	--	2,460,240
Provision used	(480,314)	--	(398,138)	(878,452)
Balance as of 30 June 2016	**507,823**	**2,064,281**	--	**2,572,104**
Balance as of 1 January 2015	592,178	--	398,138	990,316
Provision set during the period	--	--	--	--
Provision used	--	--	--	--
Balance as of 30 June 2015	**592,178**	**--**	**398,138**	**990,316**

Contingent assets

(*) Enforcements related with receivables amounting to TL 1,520,772 is related to lawsuits against EÜAŞ. The Group recognized doubtful allowance in the consolidated financials in prior periods.

(Amounts expressed in Turkish Lira unless otherwise stated.)

30. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 June 2016 and 31 December 2015, derivative financial instruments comprised the following:

	30 June 2016		31 December 2015	
	Current Value		Current Value	
Derivative financial instruments	**Asset**	**Liability**	**Asset**	**Liability**
Interest rate swap	--	7,247,915	--	7,207,234
FX option	2,025,925	2,375,233	--	--
Future	3,150	--	36,357	--
Total	**2,029,075**	**9,623,148**	**36,357**	**7,207,234**

Interest rate swap

The Group uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings.

The fair value of derivatives at 30 June 2016 is estimated at loss of TL 9,472,112 (31 December 2015: income TL 3,303,034). This amount is based on market values of equivalent instruments at the reporting date.

(Amounts expressed in Turkish Lira unless otherwise stated.)

31. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Collateral / Pledge / Mortgage ("CPM")

As of 30 June 2016 and 31 December 2015, the Group's collateral, pledge and mortgage (CPM) position is disclosed as follows:

	30 June 2016	31 December 2015
A. CPM given for companies own legal personality	1,861,832,607	1,642,533,969
B. CPM given in behalf of fully consolidated companies	1,136,960,176	774,030,570
C. CPM given for continuation of its economic activities on behalf of third parties	--	--
D. Total amount of other CPM's	--	--
i. Total amount of CPM's given on behalf of majority shareholder	--	--
ii. Total amount of CPM's given on behalf of other Group companies which are not in scope of B and C	--	--
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
Total CPM	**2,998,792,783**	**2,416,564,539**

Letters of guarantees given to:

30 June 2016	**TL**	**USD**	**EUR**	**TL Equivalent**
Banks	--	8,313,563	18,543,544	83,045,194
Botaş–Petroleum Pipeline Corporation	--	8,443,184	--	23,922,918
Other	83,869,453	--	--	83,869,453
Electricity distribution companies	1,682,487	--	--	1,682,487
Enerji Piyasaları İşletme A.Ş.(EXIST)	-	-	--	-
Republic of Turkey Energy Market Regulatory Authority	63,533,800	--	--	63,533,800
Ministry of Custom and Trade	--	--	1,250,000	4,010,125
Enforcement offices	709,923	--	--	709,923
Special provincial administration	39,646	--	--	39,646
Electricity Authority of KKTC	--	3,000,000	--	8,500,200
Turkey Electricity Distribution Company (TEDAS)	26,862	--	--	26,862
Turkey Electricity Transmission Company (TEIAS)	14,148,139	2,676,518	140,000	22,180,919
Turkey Electricity Generation Company (EUAS)	--	718,601	--	2,036,085
Other				
Total	**164,010,310**	**23,151,866**	**19,933,544**	**293,557,612**

(Amounts expressed in Turkish Lira unless otherwise stated.)

31. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

31 December 2015	TL	USD	EUR	TL Equivalent
Banks	--	6,693,163	21,149,444	86,665,515
Botaş–Petroleum Pipeline Corporation	--	8,443,184	--	24,549,402
Electricity distribution companies	1,682,487	--	--	1,682,487
Energy Market Regulatory Authority (EMRA)	85,229,800	--	--	85,229,800
Ministry of Custom and Trade	--	--	21,149,444	3,972,000
Enforcement offices	796,029	--	--	796,029
Special provincial administration	39,646	--	--	39,646
Electricity Authority of TRNC	--	3,000,000	--	8,722,800
Turkey Electricity Distribution Company (TEDAS)	26,862	--	--	26,862
Turkey Electricity Transmission Company (TEIAS)	12,920,187	2,676,518	40,000	20,829,535
Turkey Electricity Generation Company (EUAS)	--	718,601	--	2,089,405
Other	31,168,525	--		31,168,525
Total	**131,863,536**	**21,531,466**	**42,338,888**	**265,772,006**

(Amounts expressed in Turkish Lira unless otherwise stated.)

31. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Guarantees received for the Group's loans

At 30 June 2016 and 31 December 2015, the details of guarantees received is as follows:

Type of guarantees	TL	USD	EUR	30 June 2016 TL Equivalent
Letter of guarantee	137,259,049	1,192,750	2,688,824	141,140,622
Note	26,961,399	1,050,574	935,112	28,947,085
Cheques	13,196,533	28	3,546,000	16,770,533
Mortgage	700,000	--	--	700,000
Total	**177,417,681**	**2,243,352**	**7,169,936**	**187,5588,940**

Type of guarantees	TL	USD	EUR	31 December 2015 TL Equivalent
Letter of guarantee	32,869,555	1,657,272	4,481,115	39,007,942
Note	27,055,204	1,050,574	935,112	29,040,890
Cheques	4,712,533	28,000	3,546,000	8,286,533
Mortgage	700,000	--	--	700,000
Total	**65,337,292**	**2,735,846**	**8,962,227**	**77,035,365**

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS

Credit Risk

Impairment losses

The aging of trade receivables at the reporting date that were not impaired was as follows:

30 June 2016	Receivables				Deposits and banks	Other
	Trade Receivables		Other Receivables			
	Related Parties	Other	Related Parties	Other		
Maximum credit risk exposed to as at 30 June 2016 (A+B+C+D+E)	29,776,283	171,174,231	1,194,954	6,847,352	83,968,624	--
A. Carrying amount of financial assets not overdue or not impaired	29,776,283	171,174,231	--	6,847,352	83,968,624	--
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	--	--	--	--	--	--
C. Carrying amount of financial assets overdue but not impaired	--	--	1,194,954	--	--	--
D. Carrying amount of assets impaired	--	--	--	--	--	--
- Overdue (gross book value)	3,410,559	20,785,690	--	8,248,322	--	--
- Impairment (-)	(3,410,559)	(20,785,690)	--	(8,248,322)	--	--
E. Off balance sheet items with credit risk	--	--	--	--	--	--

31 December 2015	Receivables				Deposits and banks	Other
	Trade Receivables		Other Receivables			
	Related Parties	Other	Related Parties	Related Parties		
Maximum credit risk exposed to as at 30 June 2016 (A+B+C+D+E)	63,440,035	119,181,123	3,905,469	601,276	48,388,555	--
A. Carrying amount of financial assets not overdue or not impaired						
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	63,440,035	115,019,638	--	601,276	48,388,555	--
C. Carrying amount of financial assets overdue but not impaired	--	--	--	--	--	--
D. Carrying amount of assets impaired	--	4,161,485	3,905,469	--	--	--
- Overdue (gross book value)	--	--	--	--	--	--
- Impairment (-)	12,575,611	2,601,758	--	8,173,855	--	--
E. Off balance sheet items with credit risk	(12,575,611)	(2,601,758)	--	(8,173,855)	--	--
Maximum credit risk exposed to as at 30 June 2016 (A+B+C+D+E)	--	--	--	--	--	--

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS

Liquidity risk

The followings are the contractual maturities of financial liabilities, including estimated interest payments:

30 June 2015	**Carrying amount**	**Contractual cash flows (=I+II+III +IV+V)**	**3 months or less (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities						
Financial liabilities	2,153,046,618	2,164,034,917	203,084,311	470,939,936	1,040,132,191	449,878,479
Financial lease liabilities	159,343,826	152,834,569	4,549,466	12,868,639	73,679,463	61,737,000
Other financial liabilities	458,166,505	454,861,147	17,249,991	51,749,973	385,861,183	--
Derivative financial liabilities	--	--	--	--	--	--
Interest rate swaps used for hedging	519,082,693	526,330,608	--	--	526,330,608	--
Total	**3,289,639,642**	**3,298,061,241**	**224,883,768**	**535,558,548**	**2,026,003,445**	**511,615,479**

31 December 2015	**Carrying amount**	**Contractual cash flows (=I+II+III +IV+V)**	**3 months or less (I)**	**3-12 months (II)**	**1-5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities						
Financial liabilities	2,379,715,706	2,334,333,380	223,174,136	586,104,899	1,141,528,789	383,525,556
Financial lease liabilities	169,301,754	169,164,095	5,754,504	24,222,884	77,043,913	62,142,794
Other financial liabilities	241,339,306	104,210,205	6,609,784	46,610,378	50,990,043	--
Derivative financial liabilities	--	--	--	--	--	--
Interest rate swaps used for hedging	551,051,966	558,259,200	--	--	558,259,200	--
Total	**3,341,408,732**	**3,165,966,880**	**235,538,424**	**656,938,161**	**1,827,821,945**	**445,668,350**

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS (continued)

Currency risk

The summary of quantitative data about the Group entities' exposure to foreign currency risk as follows:

FOREIGN CURRENCY RISK						
	30 June 2016					
	TL Equivalent	**USD**	**EUR**	**GBP**	**CHF**	**Other (*)**
1. Trade Receivables	22,010,881	4,849,003	2,490,265	--	--	--
2a. Monetary Financial Assets	22,167,596	7,594,366	58,225	1,541	--	--
2b. Non-monetary Financial Assets	18,663,323	4,159,647	2,068,084	--	--	--
3. Other	1,577,012	545,000	--	--	--	--
4. CURRENT ASSETS	**64,418,812**	**17,148,016**	**4,616,574**	**1,541**	**--**	--
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--	--
6b. Non-Monetary Financial Assets	47,056,017	11,432,955	4,360,760	--	--	--
7. Other	--	--	--	--	--	--
8. NON-CURRENT ASSETS	**47,056,017**	**11,432,955**	**4,360,760**	**--**	**--**	**--**
9. TOTAL ASSETS	**111,474,829**	**28,580,971**	**8,977,334**	**1,541**	**--**	--
10. Trade Payables	51,816,405	11,646,526	5,548,975	66,980	25,727	--
11. Financial Liabilities	336,111,988	85,589,632	27,602,618	--	--	--
12a. Other Financial Liabilities	601,564	--	187,731	--	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--	--	--
13. SHORT TERM LIABILITIES	**388,529,957**	**97,236,158**	**33,339,324**	**66,980**	**25,727**	--
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	1,418,913,190	383,113,557	96,846,774	--	--	--
16a. Other Financial Liabilities	--	--	--	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--	--	--
17. LONG TERM LIABILITIES	**1,418,913,190**	**383,113,557**	**96,846,774**	**--**	**--**	--
18. TOTAL LIABILITIES	**1,807,443,147**	**480,349,715**	**130,186,098**	**66,980**	**25,727**	--
19. Off balance sheet derivatives net asset/liability position						--
20. Net foreign currency asset liability position	**(1,695,968,318)**	**(451,768,744)**	**(121,208,764)**	**(65,439)**	**(25,727)**	--
21. Net foreign currency asset / (liability) (position of **monetary items (1+2a+5+6a-10-11-12a-14-15-16a)**	**(1,763,264,670)**	**(467,906,346)**	**(127,637,608)**	**(65,439)**	**(25,727)**	--
22. Fair value of derivative instruments used in foreign currency hedge	7,247,915	2,530,352	--	--	--	--
23. Hedged portion of foreign currency assets	--	--	--	--	--	--
24. Hedged portion of foreign currency liabilities	526,330,608	181,894,736	--	--	--	--

* Amounts in foreign currencies are presented in TL equivalents.

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

FOREIGN CURRENCY RISK						
	31 December 2015					
	TL Equivalent	USD	EUR	GBP	CHF	Other (*)
1. Trade Receivables	160,753	50,741	4,160	--	--	--
2a. Monetary Financial Assets	18,622,722	6,308,579	110,558	81	--	(94,680)
2b. Non-monetary Financial Assets	--	--	--	--	--	--
3. Other	23,794,554	5,341,068	2,600,977	--	--	--
4. CURRENT ASSETS	**42,578,029**	**11,700,388**	**2,715,695**	**81**	**--**	**(94,680)**
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--	--	--
7. Other	92,555,121	25,032,323	6,222,035	--	--	--
8. NON-CURRENT ASSETS	**92,555,121**	**25,032,323**	**6,222,035**	**--**	**--**	**--**
9. TOTAL ASSETS	**135,133,150**	**36,732,711**	**8,937,730**	**81**	**--**	**(94,680)**
10. Trade Payables	50,186,351	5,337,305	10,891,891	1,867	16,905	--
11. Financial Liabilities	481,352,290	133,616,131	29,220,176	--	--	--
12a. Other Financial Liabilities	1,475,043	507,306	--	--	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--	--	--
13. SHORT TERM LIABILITIES	**533,013,684**	**139,460,742**	**40,112,067**	**1,867**	**16,905**	**--**
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	1,409,867,959	380,498,541	95,521,902	--	--	--
16a. Other Financial Liabilities	--	--	--	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--	--	--
17. LONG TERM LIABILITIES	**1,409,867,959**	**380,498,541**	**95,521,902**	**--**	**--**	**--**
18. TOTAL LIABILITIES	**1,942,881,643**	**519,959,283**	**135,633,969**	**1,867**	**16,905**	**--**
19. Off balance sheet derivatives net asset/liability position	--	--	--	--	--	--
20. Net foreign currency asset liability position	**(1,807,748,493)**	**(483,226,572)**	**(126,696,239)**	**(1,786)**	**(16,905)**	**(94,680)**
22. Fair value of derivative instruments used in foreign currency hedge	**(1,924,098,168)**	**(513,599,963)**	**(135,519,251)**	**(1,786)**	**(16,905)**	**(94,680)**
23. Hedged portion of foreign currency assets	--	--	--	--	--	--
24. Hedged portion of foreign currency liabilities	**(7,207,234)**	**(2,478,757)**	**--**	**--**	**--**	**--**

* Amounts in foreign currencies are presented in TL equivalents.

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

Foreign currency risk sensitivity analysis

The Group is mainly exposed to foreign currency risks in USD and Euro.

The following table shows the Group's sensitivity to a 10% increase and decrease in USD and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit / loss and other equity.

Sensitivity Analysis				
30 June 2016				
	Profit/Loss		**Equity**	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the USD				
1 - USD net asset / liability	(130.723.804)	130.723.804	(130.723.804)	130.723.804
2- Portion secured from USD(-)	52.633.061	(52.633.061)	52.633.061	(52.633.061)
3- USD net effect (1 +2)	**(78.090.743)**	**78.090.743**	**(78.090.743)**	**78.090.743**
10% appreciation / depreciation of TL against EUR				
4 - Euro net asset / liability	(38.840.136)	38.840.136	(38.840.136)	38.840.136
5 - Portion secured from Euro (-)	--	--	--	--
6 - Euro net effect (4+5)	**(38.840.136)**	**38.840.136**	**(38.840.136)**	**38.840.136**
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset/liability	(32,892)	32,892	(32,892)	32,892
8- Portion secured from other currency (-)	--	--	--	--
9- Other currency net effect (7+8)	**(32,892)**	**32,892**	**(32,892)**	**32,892**
Total (3+6+9)	**(116.963.771)**	**116.963.771**	**(116.963.771)**	**116.963.771**

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis (continued)

Foreign currency risk sensitivity analysis (continued)

Sensitivity Analysis				
31 December 2015				
	Profit/Loss		**Equity**	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
10% appreciation / depreciation of TL against the USD				
1 - USD net asset / liability	(140,502,958)	140,502,958	(140,502,958)	140,502,958
2- Portion secured from USD(-)	55,825,920	(55,825,920)	55,825,920	(55,825,920)
3- USD net effect (1 +2)	**(84,677,038)**	**84,677,038**	**(84,677,038)**	**84,677,038**
10% appreciation / depreciation of TL against EUR				
4 - Euro net asset / liability	(40,258,997)	40,258,997	(40,258,997)	40,258,997
5 - Portion secured from Euro (-)	--	--	--	--
6 - Euro net effect (4+5)	**(40,258,997)**	**40,258,997**	**(40,258,997)**	**40,258,997**
10% appreciation / depreciation of TL against other currencies				
7- Other foreign currency net asset/liability	(5,720)	5,720	(5,720)	5,720
8- Portion secured from other currency (-)	--	--	--	--
9- Other currency net effect (7+8)	**(5,720)**	**5,720**	**(5,720)**	**5,720**
Total (3+6+9)	**(124,941,755)**	**124,941,755**	**(124,941,755)**	**124,941,755**

Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	30 June 2016	31 December 2015
Fixed rate instruments		
Financial assets	--	--
Financial liabilities	1,049,296,047	1,125,338,596
Variable rate instruments		
Financial assets	--	--
Financial liabilities	1,103,722,095	1,254,377,110

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS (continued)

Capital risk management

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 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 June 2016 and 31 December 2015:

	30 June 2016	31 December 2015
Total financial liabilities	2,770,556,949	2,790,356,766
Less: cash and cash equivalents	84,215,816	48,452,416
Net financial debt	2,686,341,133	2,741,904,350
Total equity	839,995,061	897,094,235
Total financing used	3,526,336,194	3,638,998,585
Gearing ratio (net financial debt to overall financing used ratio)	**76%**	**75%**

Fair values

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(Amounts expressed in Turkish Lira unless otherwise stated.)

32. FINANCIAL INSTRUMENTS (continued)

Fair values (continued)

Cash flow sensitivity analysis for variable rate instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

		30 June 2016		31 December 2015	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and cash equivalents		84,215,816	84,215,816	48,452,416	48,452,416
Trade receivables and other receivables		187,012,529	187,012,529	182,621,158	182,621,158
Financial liabilities					
Financial liabilities		(2,312,390,444)	(2,312,390,444)	(2,549,017,460)	(2,549,017,460)
Trade payables and other payables		(433,917,695)	(433,917,695)	(413,200,578)	(413,200,578)
Other financial liabilities		(458,166,505)	(458,166,505)	(241,339,306)	(241,339,306)

The basis for determining fair values is discussed in Note 4.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: input for the asset or liability that is not based on observable market data (unobservable inputs).

33. OPERATING LEASES

The Group entered into various operating lease agreements for the six-month period ended. As at 30 June 2016 and 31 December 2015, minimum future lease payments for non-cancellable operating leases comprised the following:

	30 June 2016	31 December 2015
Less than 1 year	30,808,948	30,115,047
1 - 5 years	83,540,460	15,199,208
More than 5 years	44,994,418	123,987,499
	159,343,826	**169,301,754**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES

The Company has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders. There are no set payment terms for any of the related party transactions. The related party receivables and payables resulting from operating activities are generally settled in the normal course of business.

Parent and ultimate controlling party

The controlling party of the Company is Kazancı Holding, holding 61.98% of the Company's shares.

Key management personnel compensation

The remuneration of directors and other members of key management during year comprised the following:

	1 January- 30 June 2016	1 January- 30 June 2015
Short-term and long-term employee benefits (salaries, bonuses, employee termination benefits etc.)	1,904,189	1,110,441
	1,904,189	**1,110,441**

As at 30 June 2016 and 2015, none of the Group's directors and executive officers has outstanding personnel loans from the Company. As at 30 June 2016 and 2015, the Company did not issue any loans to the directors and executive officers.

	30 June 2016		31 December 2015	
Short Term Due From Related Parties	**Trade**	**Other**	**Trade**	**Other**
Trade receivables due to related parties	30,501,643	1,194,954	63,448,264	3,905,469
Unaccured finance income (-)	(725,360)	--	(8,229)	--
Doubtful trade receivables	3,410,559	--	3,134,496	--
Provisions for doubtful trade receivables (-)	(3,410,559)	--	(3,134,496)	--
Total	**29.776.283**	**1,194,954**	**63,440,035**	**3,905,469**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Other related party balances

	30 June 2016		31 December 2015	
Due from Kazancı Holding's associates and subsidiaries:	**Trade**	**Other**	**Trade**	**Other**
Aksa Bandırma Doğalgaz Dağıtım A.Ş.	--	--	--	5,074
Aksa Bilecik Bolu Doğal Gaz Dağıtım A.Ş.	1,180	--		
Aksa Elektrik Perakende Satış A.Ş.	--	40,614	--	37,587
Aksa Elektrik Satış A.Ş.	13,937,930	--	63,436,380	--
Aksa Jeneratör Sanayi A.Ş.	5,934	702,776	--	7,622
Kazancı Holding A.Ş.	--	--	--	743,063
Kazancı Teknik Cihazlar Yedek Parça A.Ş.	--	113,814	--	58,286
Other	27	49	--	--
	13,945,071	**857,253**	**63,436,380**	**851,632**
Due from Kazancı Holding's indirect investments and subsidiaries:				
Aksa International Ltd.	2,489,217	--	--	2,501,261
Aksa Satış ve Pazarlama A.Ş.	--	--	11,813	211,867
Çoruh Elektrik Parakende Satış A.Ş.	8,325,712	909		
Fırat Elektrik Parakende Satış A.Ş.	5,454,002	916	--	--
Other	--	--	--	409
	16,268,931	**1,825**	**11,813**	**2,713,537**
Due from Related Parties:				
Flamingo Enerji Üretim ve Satış A.Ş.	271,608	--	--	31,458
Rasa Endüstriyel Radyatörler San. A.Ş.	--	--	71	--
Other	16,033	335,876	--	308,842
	287,641	**335,876**	**71**	**340,300**
Total	**30.501.643**	**1,194,954**	**63,448,264**	**3,905,469**

	30 June 2016		31 December 2015	
Short Term Due To Related Parties	**Trade**	**Other**	**Trade**	**Other**
Trade Payables due to related parties	165,160,182	7,251,811	128,618,211	4,906,931
Unaccured finance expense (-)	(1,009,787)	--	(769,623)	--
Total	**164,150,395**	**7,251,811**	**127,848,588**	**4,906,931**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Other related party balances (continued)

	30 June 2016		31 December 2015	
Due to Kazancı Holding's associates and subsidiaries:	**Trade**	**Other**	**Trade**	**Other**
Aksa Balıkesir Doğal Gaz Dağıtım A.Ş.	--	--	--	1,626
Aksa Bilecik Bolu Doğal Gaz Dağıtım A.Ş.	--	--	--	2,520
Aksa Doğal Gaz Toptan Satış A.Ş.	15,275,998	--	--	2,403
Aksa Elektrik Satış A.Ş.	109,671,771	--	7,321,048	--
Aksa Gaz Dağıtım A.Ş.	--	--	--	2,509
Aksa Havacılık A.Ş.	33,152	--	554,444	--
Aksa Jeneratör Sanayi A.Ş.	28,433,000	17,250	16,013,388	311,391
Aksa Makina Sanayi A.Ş.	--	17,110	--	14,955
Aksa Manisa Doğalgaz Dağıtım A.Ş.	1,603,440	--	7,121,505	--
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	1,573,198	--	10,035,801	--
Aksa Turizm İşletmeleri A.Ş.	22,954	--	21,592	--
Aksa Tokat Amasya Doğal Gaz Dağıtım A.Ş.	--	--	--	6,691
ATK Sigorta Aracılık Hiz. A.Ş.	4,481,502	--	--	--
Deriş İnşaat A.Ş.	--	--	113,137	--
Kazancı Holding A.Ş.	--	3,025,015	--	67,881
	161,095,015	**3,059,375**	**41,180,915**	**409,976**
Due from Kazancı Holding's indirect investments and subsidiaries:				
Aksa Far East PTE Ltd,	--	1,467,941	--	1,475,043
Aksa Satış ve Pazarlama A,Ş,	76,582	--	3,871	--
Aksa Servis ve Kiralama A,Ş,	4,530	--	1,975	--
Aksa Teknoloji A,Ş,	10,409	--	161,990	--
Aksa Power Generation Fze,	512,833	--	407,064	--
Çoruh Elektrik Dağıtım A,Ş	1,754	--	--	--
Çoruh Elektrik Perakende Satış A,Ş,	667,404	--	50,871,470	--
Fırat Aksa Elektrik Dağıtım A,Ş,	13,083	--	1,875	--
Fırat Aksa Elektrik Hizmetleri A,Ş,	--	--	--	649
Fırat Elektrik Perakende Satış A,Ş,	1,636,401	--	34,354,986	--
	2,922,996	**1,467,941**	**85,803,231**	**1,475,692**
Due from Related Parties:				
Datça Rüzgar Enerjisi Elektrik Üretimi A.Ş.	--	2,719,947	--	2,724,132
Elektrik Altyapı Hizmetleri Ltd. Şti.	266,005	--	445,579	--
Koni İnşaat Sanayi A.Ş.	839,533	314	978,111	297,095
Koni Tarım İşletmeleri A.Ş.	--	--	210,375	--
Other	36,578	4,234	--	36
	1,142,116	**2,724,495**	**1,634,065**	**3,021,263**
Total	**165,160,182**	**7,251,811**	**128,618,211**	**4,906,931**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Related party transactions

	01 January - 30 June 2016		01 January - 30 June 2015	
Sales to Kazancı Holding's associates and subsidiaries:	**Goods & Services**	**Other**	**Goods & Services**	**Other**
Aksa Elektrik Satış A.Ş.	397,242,430	--	555,291,297	190
Other	--	2,259	7,023	16,090
	397,242,430	**2,259**	**555,298,320**	**16,280**
Sales to Kazancı Holding's indirect investments and subsidiaries:				
Fırat Aksa Elektrik Perakende Satış A.Ş.	33,060,137	--	48,735,435	--
Çoruh Elektrik Perakende Satış A.Ş.	18,257,758	2,443	35,650,860	--
Other	--	200	--	25,003
	51,317,895	**2,643**	**84,386,295**	**25,003**
Sales to Related Parties:				
Elektrik Altyapı Hizmetleri Ltd. Şti.	--	--	--	2,462
Koni İnşaat	--	113,483	12,617	83,574
Other	--	622	--	3
	--	**114,105**	**12,617**	**86,039**
Total	**448,560,325**	**119,007**	**639,697,232**	**127,322**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Related party transactions (continued)

	01 January - 30 June 2016		01 January - 30 June 2015	
Purchases from Kazancı Holding's associates and subsidiaries	**Goods & Services**	**Other**	**Goods & Services**	**Other**
Aksa Doğal Gaz Toptan Satış A.Ş.	25,675,830	--	--	--
Aksa Doğalgaz Dağıtım A.Ş.	--	--	42,456	--
Aksa Elektrik Satış A.Ş.	36,363,222	--	224,027,780	--
Aksa Havacılık A.Ş.	--	--	--	272,243
Aksa Jeneratör Sanayi A.Ş.	25,639,466	91,545	186,808	73,152
Aksa Manisa Doğalgaz Dağıtım A.Ş.	12,433,229	--	17,758,526	--
Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.	--	629	--	709
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	26,253,273	--	48,026,533	--
Aksa Van Doğalgaz Dağıtım A.Ş.	--	--	10,421,092	24,944
Kazancı Holding A.Ş.	--	237,398	--	231,102
Other	1,413	1,525	9,000	24,600
Total	**126,366,433**	**331,097**	**300,472,195**	**626,750**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Related party transactions (contunied)

	01 January - 30 June 2016		01 January - 30 June 2015	
Purchases to Kazancı Holding's indirect investments and subsidiaries	**Goods & Services**	**Other**	**Goods & Services**	**Other**
Aksa Power Generation	3,504,635	--	--	--
Aksa Satış ve Pazarlama A.Ş.	660	5,790	17,906	41,266
Aksa Servis ve Kiralama A.Ş.	244	2,571	9,661	65,534
Aksa Servis ve Yedek Parça A.Ş.	--	--	--	--
Çoruh Elektrik Dağıtım A.Ş.	--	408,136	167,974	--
Çoruh Elektrik Perakende Satış A.Ş.	1,229,051	--	3,450	--
Fırat Elektrik Dağıtım A.Ş.	--	10,668	21,483	29,509
Fırat Elektrik Perakende Satış A.Ş.	3,095,257	4,079	--	--
	7,829,847	**431,244**	**220,474**	**136,309**

	01 January - 30 June 2016		01 January - 30 June 2015	
Purchases to Kazancı Holding's indirect investments and subsidiaries	**Goods & Services**	**Other**	**Goods & Services**	**Other**
Elektrik Altyapı Hizmetleri Ltd. Şti.	--	643,746	224,202	304,117
Koni İnşaat Sanayi A.Ş.	35,342	1,084,313	74,841	648,313
Other	--	3,386	--	--
	35,342	**1,731,445**	**299,043**	**952,430**
Total	**134,231,622**	**2,493,786**	**300,991,712**	**1,715,489**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Related party transaction (continued)

Financial Income from Related Parties

	01 January - 30 June 2016	01 January - 30 June 2015
Kazancı Holding's associates and subsidiaries:	**Interest and exchange difference**	**Interest and exchange difference**
Aksa Elektrik Satış A.Ş.	3,880,378	236,051
Aksa Havacılık A.Ş.	--	--
Aksa Jeneratör Sanayi A.Ş.	420,190	32,276
Kazancı Holding A.Ş.	831,950	10,488,813
Other	17,604	49,003
	5,150,122	**10,806,143**
Kazancı Holding's indirect investments and subsidiaries:		
Çoruh Aksa Elektrik Hizmetleri A.Ş.	--	4,439
Çoruh Elektrik Parakende Satış A.Ş.	770	--
Fırat Elektrik Perakende Satış A.Ş.	776	--
	1,547	**4,439**
Related Parties:		
Flamingo Enerji Üretim ve Satış A.Ş.	1,505	--
Other	--	118,356
	1,505	**118,356**
Total	**5,153,174**	**10,928,938**

(Amounts expressed in Turkish Lira unless otherwise stated.)

34. RELATED PARTIES (continued)

Related party transaction (continued)

Financial Expense to Related Parties

	01 January - 31 March 2016	01 January - 31 March 2016
Kazancı Holding's associates and subsidiaries:	**Interest and exchange difference**	**Interest and exchange difference**
Aksa Elektrik Satış A.Ş.	13,270,189	9,946,071
Aksa Havacılık A.Ş.	24,329	16,604
Aksa Jeneratör Sanayi A.Ş.	82,476	13,874
Aksa Makine Sanayi A.Ş.	1,203	
Aksa Manisa Doğalgaz Dağıtım A.Ş.	3,779,948	164,813
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	7,419,219	539,987
Aksa Tokat Amasya Doğal Gaz Dağıtım A.Ş.	1,192	--
Aksa Turizm İşletmeleri A.Ş.	1,688	1,122
Aksa Van Doğalgaz Dağıtım A.Ş.	--	457,002
Kazancı Holding A.Ş.	5,190,386	--
Other	4,739	3,480
	29,775,369	**11,142,953**
Kazancı Holding's indirect investments and subsidiaries:		
Aksa Satış ve Pazarlama A.Ş.	5,027	1,994
Aksa Teknoloji A.Ş.	7,134	12,156
Fırat Elektrik Perakende Satış A.Ş.	2,959,842	2,216,851
Çoruh Elektrik Perakende Satış A.Ş.	2,074,103	2,242,678
	5,046,106	**4,473,679**
Related Parties:		
Elektrik Altyapı Hizmetleri Ltd. Şti.	13,875	20,971
Koni İnşaat Sanayi A.Ş.	67,450	75,553
Flamingo Enerji Üretim ve Satış A.Ş.	--	72,578
Datça Rüzgar Enerjisi Elektrik Üretim A.Ş	214,453	74,645
Other	--	2,741
	295,778	**246,488**
Total	**35,117,253**	**15,863,120**

(Amounts expressed in Turkish Lira unless otherwise stated.)

35. DISPOSAL OF SUBSIDIARY

Sale of Siirt Akköy Enerji

On 13 May 2016, the Group sold all its shares in Siirt Akköy Enerji to DC Elektrik Üretim in return of USD 7,963,183 (equivalent to TL 23,631,541 at the time of sale) after liabilities of Siirt Akköy deducted in accordance with share transfer agreement signed on 21 April 2016. The fair value of Siirt Akköy was 19 million USD.

The book values were determined in accordance with IFRS on the date of the transaction. The following table summarises the major classes of consideration transferred and identifiable assets acquired and liabilities assumed at the disposal date:

Identifiable assets sold and liabilities transferred	**Recognised values on sale**
Cash and cash equivalents	13,550
Due from related parties - trade	2,118,758
Inventories	1,603,723
Prepayments - short term	101,943
Other current assets	32,942
Current tax assets	601
Trade other receivables - long term	43,105
Property and equipment	63,726,811
Prepayments - long term	32,657
Goodwill	2,747,858
Intangible assets	26,660
Trade payables	(347,180)
Trade other payables	(40,678,112)
Employee benefits	(34,450)
Deferred tax liabilities	(2,166,168)
Total net identifiable assets	**24,474,840**
Consideration received	23,631,541
Net loss on sale of Siirt Akköy Enerji	**843,299**
Cash flow from sale of Siirt Akköy Enerji	
Cash and cash equivalents disposed	(13,550)
Consideration received	23,631,541
Net cash received	**23,617,991**

The difference arising between consideration transferred and the recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date is recognised under other income in profit or loss (see Note 9).

36. EBIDTA RECONCILIATION

The board of directors monitors the Group's performance over Earnings before Interests, Taxes, Depreciation and Amortization ("EBITDA"), The EBITDA reconciliations for the periods ended 30 June 2016 and 2015 are as follows:

	Note	**30 June 2016**	**30 June 2015**
Operating Profit		**133,376,051**	**164,271,768**
Add: Depreciation and amortization expenses		86,314,685	66,638,984
EBITDA		**219,690,736**	**230,910,752**

37. SUBSEQUENT EVENTS

The Company has founded a company named Aksaf Power Ltd. in Mauritius with a local partner to establish a 120MW fuel oil power plant in Madagascar on 8 July 2016.