EGELİ & CO YATIRIM HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013 TOGETHER WITH INDEPENDENT AUDITORS' REPORT (ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

To the Board of Directors of Egeli & Co Yatırım Holding A.Ş.

1. We have audited the accompanying consolidated balance sheet of Egeli & Co Yatırım Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 December 2013 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards ("TAS") as published by Public Oversight, Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error and/or fraud. In making those risk assessments, the entity's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the consolidated financial statements prepared by the Group and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group's management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Caddesi No:48 B Blok Kat 9 Akaretler Beşiktaş 34357 İstanbul-Turkey
www.pwc.com/tr Telephone: +90 (212) 326 6060 Facsimile: +90 (212) 326 6050

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Egeli & Co Yatırım Holding A.Ş. and its subsidiaries as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the TAS (Note 2).

Reports on independent auditor's responsibilities arising from other regulatory requirements

5. In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

6. Pursuant to Article 378 of Turkish Commercial Code no 6102, Board of Directors of publicly traded companies are required to form an expert committee and to run and develop the necessary system for purposes of early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4 of Article 398 of the Code, the auditor is required to prepare a separate explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management and, if such a system exists, the report, the principles of which shall be announced by the POA, shall be describe the structure of the system and the practises of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Group formed the mentioned committee on 27 March 2013 and it is comprised of 2 members. The committee has met 6 times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the Group and its development, applying the necessary measures and remedies in this regard, and managing risks, and has submitted the relevant reports to the Board of Directors.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

ORIGINALLY SIGNED IN TURKISH

Talar Gül, SMMM
Partner

Istanbul, 11 March 2014

EGELİ & CO YATIRIM HOLDİNG A.Ş.

1 JANUARY - 31 DECEMBER 2013 HESAP DÖNEMİNE AİT KONSOLİDE FİNANSAL TABLOLAR

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EGELİ & CO YATIRIM HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2012 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	*(Audited)* 31 December 2013	*Restated (*)* *(Audited)* 31 December 2012
ASSETS			
Current Assets		**29.801.010**	**89.447.408**
Cash and cash equivalents	5	3.845.716	50.602.072
Financial investment	6 and 22	867.564	15.000.137
Current income tax asset		240.739	235
Other current assets	14	676.300	675.172
Other receivables	9	24.170.691	23.169.792
- *Other receivables from related parties*	*9 and 22*	-	*23.169.792*
- *Other receivables from non-related parties*	*9*	*24.170.691*	-
Non-current assets		**11.668.139**	**7.358.794**
Financial investment	6 and 22	9.935.445	6.452.593
Other receivables		297.515	-
- *Other receivables from related parties*	*22*	*297.515*	-
Investments in associates	4	379.761	512.704
Property, plant and equipment	10	467.592	180.716
Intangible assets	11	5.254	8.604
Prepaid expenses	14	-	1.955
Deferred tax assets	20	582.572	202.222
TOTAL ASSETS		**41.469.149**	**96.806.202**
LIABILITIES			
Current liabilities		**5.273.882**	**53.465.777**
Long term financial liabilities	7	4.500.305	53.216.786
Trade payables	*8 and 22*	633.708	109.767
Due to related parties	*8 and 22*	*595.363*	*94.566*
Due to non-related parties	*8*	*38.345*	*15.201*
Other payables	9	-	21
Short term provisions	13	16.701	7.765
Short term provision for employee benefits	*13*	*16.701*	*7.765*
Other current liabilities	14	123.168	131.438
Non-current Liabilities		**281.133**	**8.946**
Financial liabilities	7	267.321	-
Long term provisions	13	13.812	8.946
Long term provision for employee benefits	*13*	*13.812*	*8.946*
Total Liabilities		**5.555.015**	**53.474.723**
EQUITY		**35.914.134**	**43.331.479**
Shareholders' equity		**32.577.400**	**39.723.188**
Paid-in capital	15	40.000.000	40.000.000
Adjustments to share capital	15	251.880	251.880
Treasury stocks (-)	15	(2.160.679)	(2.160.679)
Share premium		297.610	297.610
Other comprehensive income/expense not to be reclassified to profit or loss		1.602	-
Actuarial gain		*1.602*	-
Other comprehensive income/expense to be reclassified to profit or loss		(2.227.220)	(1.040.357)
Change in the fair value of AFS financial investments		*(2.227.220)*	*(1.040.357)*
Restricted reserves	15	363.093	278.095
Retained earnings	15	34.154	486.292
Net (loss)/ income for the period		(3.983.040)	1.610.347
Non-controlling Interests		**3.336.734**	**3.608.291**
TOTAL LIABILITIES AND EQUITY		**41.469.149**	**96.806.202**

(*) Note 2.1.5.

The accompanying explanations and notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*(Audited)* 1 January - 31 December 2013	*Restated (*)* *(Audited)* 1 January - 31 December 2012
PROFIT/LOSS			
Revenues from financial sector	16	11.307.553	9.318.821
Costs from financial sector (-)	16	(11.723.798)	(2.868.332)
Gross (loss)/profit from financial sector		**(416.245)**	**6.450.489**
General administrative expense (-)	17	(4.096.774)	(2.538.444)
Other operating income	18	1.771.463	53.756
Other operating expenses (-)	18	(33.590)	(64.130)
Loss from investments in associates	4	(132.943)	(59.900)
Operating (loss)/gain		**(2.908.089)**	**3.841.771**
Financial expenses, net (-)	19	(1.206.765)	(1.824.232)
(Loss)/profit before tax from continued operations		**(4.114.854)**	**2.017.539**
Tax income/expense from continued operations			
- Current period tax expense (-)	20	-	(283.878)
- Deferred tax income/expense (-)	20	83.896	(101.161)
Income/(loss) from continuing operations		**(4.030.958)**	**1.632.500**
Net gain (loss) from continuing operations		**(4.030.958)**	**1.632.500**
Attributable to:			
Non-controlling interest		(47.918)	22.153
Equity holders of the parent		(3.983.040)	1.610.347
Earnings per share from continuing operations (Corresponds to per share which is 1 TRY nominal)	21	(0,0996)	0,0403
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items to be reclassified to profit or loss			
Changes in the fair value of available for-sale financial investments	6	(1.186.863)	(879.158)
Items not to be reclassified to profit or loss			
Funds for actuarial gain on employee termination benefits		1.602	-
Other comprehensive (loss)/ income		**(5.216.219)**	**753.342**
Comprehensive loss attributable to:			
Non-controlling interest		(47.918)	22.153
Equity holders of the parent		(5.168.301)	731.189

(*) Note 2.1.5.

The accompanying explanations and notes form an integral part of these consolidated financial statements.

EGELİ & CO YATIRIM HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF AUDITED CONSOLIDATED
STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013
ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Paid in capital	Unpaid capital	Adjustment to share capital	Share premium	Treasury share	Restricted reserves	Actuarial gain (*)	Retained earnings	Revaluation funds	Non controlling interest	Net profit/loss	Total equity
1 January 2012		**40.000.000**	**(40.017)**	**251.880**	**297.610**	**-**	**278.095**	**-**	**1.034.235**	**(161.199)**	**4**	**(470.778)**	**41.189.830**
Capital increase		-	40.017	-	-	-	-	-	-	-	-	-	40.017
Minority shares regarding current period purchases		-	-	-	-	-	-	-	-	-	3.586.134	-	3.586.134
Transactions with non controlling interest		-	-	-	-	-	-	-	(77.165)	-	-	-	(77.165)
Treasury stock purchase (-)		-	-	-	-	(2.160.679)	-	-	-	-	-	-	(2.160.679)
Transfers		-	-	-	-	-	-	-	(470.778)	-	-	470.778	-
Total comprehensive income		-	-	-	-	-	-	-	-	(879.158)	22.153	1.610.347	753.342
31 December 2012		**40.000.000**	**-**	**251.880**	**297.610**	**(2.160.679)**	**278.095**	**-**	**486.292**	**(1.040.357)**	**3.608.291**	**1.610.347**	**43.331.479**
1 January 2013		**40.000.000**	**-**	**251.880**	**297.610**	**(2.160.679)**	**278.095**	**-**	**486.292**	**(1.040.357)**	**3.608.291**	**1.610.347**	**43.331.479**
Dividends paid		-	-	-	-	-	84.998	-	(2.096.639)	-	-	-	(2.011.641)
Transactions with non controlling interest	-	-	-	-		-	-	-	34.154	-	(223.639)	-	(189.485)
Transfers		-	-	-	-	-	-	-	1.610.347	-	-	(1.610.347)	-
Total comprehensive expense (-)		-	-	-	-	-	-	1.602	-	(1.186.863)	(47.918)	(3.983.040)	(5.216.219)
31 December 2013		**40.000.000**	**-**	**251.880**	**297.610**	**(2.160.679)**	**363.093**	**1.602**	**34.154**	**(2.227.220)**	**3.336.734**	**(3.983.040)**	**35.914.134**

(*) Items not to be reclassified to profit or loss.

The accompanying explanations and notes form an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*(Audited)* 1 January - 31 December 2013	*(Audited)* 1 January - 31 December 2012
Cash flows from operating activities			
Profit(loss)/ before tax for the period		(4.114.854)	2.017.539
Adjustments to reconcile net (loss)/ income to net cash from operating activities:			
Financial investments value increase(-)		816.062	(15.953)
Depreciation and amortisation	10 and 11	88.025	125.192
Provision accruals		4.866	4.793
Interest accrual adjustment		275.293	184.126
Intercompany Interest adjustment		(1.131.962)	(1.419.792)
Interest expense adjustment		2.389.822	3.216.786
Adjusment on loss of investments valued by equity method	4	132.943	59.900
Subsidiary sales income adjustment		(1.666.766)	-
Net cash used in operating activities before changes in operating assets and liabilities		**(3.206.571)**	**4.172.591**
Increase/ decrease in financial investments adjustment		13.297.617	(8.062.486)
Increase/(decrease) in other payables and other liabilities adjustment		(1.128)	(432.164)
Increase/(decrease) in trade payables adjustment		523.920	(41.933)
Increase/ (decrease) in other non-current assets adjustment		-	(105.781)
Increase/(decrease) in other payables and expense accruals		(8.270)	(740.615)
(Increase)/ decrease in current income tax asset adjustment		(240.504)	268.377
(Increase) / decrease in other receivables adjustment		(297.515)	-
(Increase) / decrease in prepaid expenses adjustment		1.955	-
Net cash gained /(used in) operating activities (-)		**10.069.504**	**(4.942.011)**
Purchases of tangible and intangible assets		(371.551)	(312.269)
Purchase of subsiadiary shares		(191.092)	-
Increase in financial assets available for sale		(27.466.431)	(2.386.487)
Cash and cash equivalents acquired by purchase of subsidiary		-	4.120.678
Cash flows used in investing activities		**(28.029.074)**	**1.421.922**
Bank borrowings paid		(50.655.449)	-
Transferred amount of paid borrowings from main shareholder		24.301.754	-
Bank borrowings received		5.450.915	50.000.000
Loans transferred to main shareholder		-	(21.750.000)
Interest paid		(5.599.417)	-
Dividends paid		(2.011.641)	-
Purchase of treasury stock		-	(2.160.679)
Change in restricted cash used for borrowing		25.137.886	(24.856.007)
Cash flows from financing activities		**(3.375.952)**	**1.233.314**
Net increase/decrease in cash and cash equivalents		**(21.335.522)**	**(2.286.775)**
Cash and cash equivalents at the beginning of the period	5	24.736.535	27.023.310
Cash and cash equivalents at the end of the period	**5**	**3.401.013**	**24.736.535**

The accompanying explanations and notes form an integral part of these consolidated financial statements.

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Egeli & Co. Yatırım Holding A.Ş. (The "Company") was incorporated by being fully registered and started its financial operations on 10 February 1998. The company was established under the name of Varlık Yatırım Ortaklığı A.Ş., on 24 March 2010 in order to be engaged with Securities Investment Trusts according to the regulations of the Capital Markets Board ("CMB"). It has been decided by the Board of Directors to expand the Company's field of operations and to make the most of the investment opportunities in finance, energy, agriculture, real estate and to evaluate other investment opportunities in various sectors. In order to increase the profitability of the Company by contributing to the development of the country's economy, providing added value to shareholders and capital markets, and getting involved in various projects, it has been decided to amend the entire contract and change to the status of Marketable Securities Investment Partnership. The Company is in the process of the restructuring of its legal personality status, after obtaining the necessary clearances to change the contract based on an unanimous vote by the General Assembly of Shareholders. Modification of all of the Company Articles of Association has been submitted to the approval of the CMB and it was allocated from Securities Investment Trust status with the permission of the CMB. For amendment of the Articles, in the Extraordinary General Meeting of Shareholders which was held on 27 September 2010 and Decisions of the Board Meeting of Preferred Shareholders Partners has been approved by the Istanbul Trade Registry Office as of 30 September 2010. As a result of the registration, the title of Varlık Yatırım Yönetim A.Ş. has been altered to Egeli & Co. Yatırım Holding A.Ş.

The company's shares have been offered to the public and are traded on the Istanbul Stock Exchange ("ISE"). The registered office address of the Company is as follows: Abdi İpekçi Caddesi, Azer İş Merkezi No: 40 Kat: 6 Daire: 16-17 Harbiye Şişli - İstanbul, Turkey.

The Company has participated in "Karesi Jeotermal Enerji Üretim İnşaat Sanayi ve Ticaret Anonim Şirketi"(Karesi), which was founded on 30 March 2011 with TRY480,000 capital stock, with NRG Enerji Sistemleri Sanayi ve Ticaret A.Ş., as a 50%-50% joint venture co-founded, to operate in geothermal energy investments, especially investments of energy production in the Balıkesir-Bigadiç-Adalı-Çeribaşı and the Balıkesir-Balya-Ilıca geothermal fields. The Company sold its partnership interest in Karesi, amounting to TRY794,111, to an intercompany on 20 February 2013, 91.68% of whose shares are owned by the company Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş. (formerly known as "Ak B Tipi Yatırım Ortaklığı" and "Egeli & Co B tipi Menkul Kıymet Yatırım Ortaklığı A.Ş.") as of 31 December 2013.

The company has participated in "EGC Elektrik Enerji Üretim Sanayi ve Ticaret A.Ş." ("EGC Elektrik or subsidiaries"), which was founded on 19 September 2011 with TRY 200.000 capital stock, as co-founder, with a 99.99% rate and TRY 199.996 capital stock, to operate in founding facilities and renting and purchasing already-existing facilities in the field of energy production from renewable and clean energy sources. The Company's partnership interest in EGC Elektrik as of 31 December 2012 is 100%.

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

On 5 April 2012 a transfer agreement for the shares which represent 70.04% of Ak B Tipi Yatırım Ortaklığı's capital of TRY 18.000.000 , owned by Akbank T.A.Ş., was signed. After obtaining the necessary regulatory approvals from the Capital Markets Board and other authorized institutions, the share transfer process was completed on 3 July 2012 for TRY 28.542.387, and Ak B Tipi Yatırım Ortaklığı's title was changed to "Egeli & Co B Tipi Menkul Kıymet Yatırım Ortaklığı A.Ş.". As of 31 December 2012, the Company owns 91.20% of the share capital of "Egeli & Co B Tipi Menkul Kıymet Yatırım Ortaklığı A.Ş.". Egeli & Co B Tipi Menkul Kıymet Yatırım Ortaklığı A.Ş. operates in order to manage partnerships whose securities the Company has bought, without power on control, as well as activities of capital and management, capital market instruments, and gold and other precious metal portfolios which are traded in national or international stock exchanges or in over-the-counter organized markets in accordance with the rules and principles defined in relevant legislation. The aforementioned subsidiary has transformed into a venture capital company as of 31 December 2012. The extraordinary general assembly resolution that changed the prime contract has been registered by Istanbul Trade Registry as of 31 December 2012, and the title of the company has been changed to "Egeli&Co Girişim Sermayesi Yatırım Ortaklığı A.Ş.". The company has 91,68% share of the "Egeli&Co Girişim Sermayesi Yatırım Ortaklığı A.Ş ("Egeli Girişim") as of 31 December 2013 (Note 2 and 3).

The Company's subsidiary EGC Elektrik, purchased TRY 7.352.918 worth of Enda Enerji Holding A.Ş. in 2013. The company has acquired TRY 2.386.487, through transfer from EGC. (Note 6)

In accordance with the decision taken by Board of Directors of Egeli Girişim, which is one of the subsidiaries of the Company, on 8 April 2013, it has been unanimously decided that; a pre-purchase agreement should be signed regarding the purchase of 400.000 EGC shares with a nominal value of TL1.00, which constitutes all of the EGC shares and owned by Yatırım Holding A.Ş., for TRY7.500.000 on the basis of the independent valuation report dates 29 March 2013, the share transfers should be made after EGC receives its production licence from Energy Market Regulatory Authority, TRY 3.000.000should be paid in advance, the balance of TRY 4.500.000 should be paid after the share transfers and in case the sales transaction cannot be finalised, the amount of advance payment should be reimbursed, including all the legal interest. The pre-purchase agreement signed between Egeli Yatırım and Egeli Girişim regarding to acquisition of EGC Elektrik's shares was terminated on 6 February 2014.It has been agreed by the companies that TRY 3.000.000 advance will be refunded and on 6 February 2013 TRY 1.000.000 of advance totally amounting to TRY 1.088.452 with its legal interest and VAT was refunded to Egeli Girişim.

Egeli & Co Yatırım Holding A.Ş, its subsidiary and joint venture are expressed as "the Group" all together. The total number of personnel employed in the Company as of 31 December 2013 is 8 (as of 31 December 2012 it was 8).

The consolidated financial statements for the period 31 December 2013 have been approved by the Board of Directors on 11 March 2014. The General Assembly has the power to amend the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied and compliance to IAS/TAS

The consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, interim consolidated financial statements are prepared in accordance with Turkish Accounting Standards(“TAS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards.

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year’s consolidated financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

The Company and its Turkish subsidiaries and joint venture maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These consolidated financial statements have been prepared under historical cost conventions except for financial assets which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

2.1.2 Offsetting

Financial assets and liabilities are offset, as is the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.1.3 Going concern

The Group’s consolidated financial statements have been prepared using a going concern basis of accounting.

2.1.4 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in TRY, which is the Group’s functional and presentation currency.

2.1.5 Comparatives and restatement of prior periods’ financial statements

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance. The Company prepared the consolidated financial statement as of 31 December 2013 with the consolidated financial statement as of 31 December 2012 and the Company prepared the comprehensive income statement, the cash flow statement and statement of changes in equity for the period ended 31 December 2013 comparatively with the period ended 31 December 2012.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Restatement of financial statements

The reason for rearrangement

In accordance with the announcement regarding the financial statements and NOTE formats, which would be prepared as per the decision taken in CMB meeting No. 20/670 dated 07 June 2013, the Group has made the necessary classifications according to the changes in display made in the current period, in consolidated financial statements of the period.

Addition to that, the group has recognised its joint venture Karesi through proportional consolidation in previous periods. However, as of 31 December 2013, the group has recognised Karesi Jeotermal Enerji Üretim İnşaat Sanayi ve Ticaret A.Ş. through equity accounting method for the first time, in the framework of IFRS "Joint Arrangements", which is valid for the periods starting from 1 January 2013. The effects of accounting policy change in question have been corrected retrospectively. The effects of this correction on the consolidated financial statement prepared as of 31 December 2012 and the consolidated profit or loss and the consolidated statement of comprehensive income prepared for the 01 January – 31 December 2012 period, is presented below (Note 4).

The restatement of consolidated financial statements ad of 31 December 2012:

	Previously Reported	***Restated***	***Change***
Cash and cash equivalents	50.612.295	50.602.072	(10.223)
Financial investments	15.000.137	15.000.137	-
Current income tax assets	-	235	235
Other receivables and current assets	23.932.239	23.844.964	(87.275)
Total current assets	**89.544.671**	**89.447.408**	**(97.263)**
Financial investments	6.452.593	6.452.593	-
Investment in associates	-	512.704	512.704
Property, plant and equipment	321.459	180.716	(140.743)
Intangible assets	599.462	8.604	(590.858)
Prepaid expenses	121.956	1.955	(120.001)
Deferred tax assets	192.760	202.222	9.462
Total non-current assets	**7.688.230**	**7.358.794**	**(329.436)**
Total Assets	**97.232.901**	**96.806.202**	**(426.699)**
Short term payables	53.216.786	53.216.786	-
Trade payables	110.337	109.767	(570)
Other payables	21	21	-
Short term accruals	-	7.765	7.765
Other short term liabilities	308.520	131.438	(177.082)
Total short term liabilities	**53.635.664**	**53.465.777**	**(169.887)**
Long term accruals	8.946	8.946	-
Other long term liabilities	256.812	-	(256.812)
Total long term liabilities	**265.758**	**8.946**	**(256.812)**
Total Liabilities	**53.901.422**	**53.474.723**	**(426.699)**
Total Equity	**43.331.479**	**43.331.479**	**-**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

Consolidated comprehensive statements of income for the interim periods between 1 January - 31 December 2013

	Previously Reported	*Restated*	*Change*
Revenues from financial sector	9.318.821	9.318.821	-
Costs from financial sector (-)	(2.868.332)	(2.868.332)	-
General administrative expenses (-)	(2.594.826)	(2.538.444)	56.382
Other operating income	4.844	53.756	48.912
Other operating expenses (-)	(53.138)	(64.130)	(10.992)
Loss from investment in associates	-	(59.900)	(59.900)
Net financial expenses (-)	(1.786.714)	(1.824.232)	(37.518)
Current tax income (-)	(283.878)	(283.878)	-
Deferred tax income (-)	(104.277)	(101.161)	3.116
Net Period Profit	**1.632.500**	**1.632.500**	**-**

2.2 Significant accounting standards

Changes in Turkish Accounting Standards

The Company has implemented new and revised standarts those are effective starting from 1 January 2013 and relevant to its financial statements that are published by TMS. The effects and comments of these standards over the company's financial statement are explained in the related paragraphs.

a) Standards,changes and comments effective from 1 January 2013 for the annual reporting period:

- TAS 1 (amendment), "Presentation of financial statements", regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment affects disclosures only and has no impact on the financial position or performance of the Group.

- TAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The standard requires past service cost to be recognized immediately in profit or loss. There is a new term "remeasurement" and remeasurement will be recognized in OCI and no longer be recognized in profit or loss.

- TFRS 1 (amendment), "First time adoption on government loans", is effective for annual periods beginning on or after 1 January 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to TFRS.

- TFRS 7 (amendment), "Financial instruments: Disclosures", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare TFRS financial statements and those that prepare US GAAP financial statements.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

a) Standards,changes and comments effective from 1 January 2013 for the annual reporting period (Continued):

- TFRS 10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2013. The amendment also provide additional transition relief in TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before TFRS 12 is applied.

- Annual Improvements to TFRSs 2011 is effective for annual periods beginning on or after 1 January 2013. Amendments effect five standards: TFRS 1, TAS 1, TAS 16, TAS 32 and TAS 34. This amendment did not have any impact on the financial position or performance of the Group. These changes;

  - TFRS 1, 'First time adoption'
  - TMS 1, 'Presentation of the financial statements'
  - TMS 16, 'Property, plant and equipment'
  - TMS 32, 'Financial instruments presentation'
  - TMS 34, 'Interim period financial reporting'

- IFRS 10, 'Consolidated financial statements'; is effective for annual periods beginning on or after 1 January 2013. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

- TFRS 11, "Joint arrangements", is effective for annual periods beginning on or after 1 January 2013. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.There are 2 kinds of commun agreement:common operation and business partnership.Common operation comes out when the common participant is obtain all the rights and obligations related to the aggreement and is accounted all assets,liabilities,income and expenses arised from the agreement.Business partnership comes out when the business partner obtain all the rights on the net asset according to the regulation and these shares are accounted by the equity method.In business partnership,proportional consolidation is not allowed.

- TFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles.

- IFRS 13, 'Fair value measurement'; is effective for annual periods beginning on or after 1 January 2013. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

a) Standards,changes and comments effective from 1 January 2013 for the annual reporting period (Continued):

- TAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of TAS 27 have been included in the new TFRS 10.

- TAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of TFRS 11.

- IFRIC 20, 'Stripping costs in the production phase of a surface mine' is effective for annual periods beginning on or after 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

b) Standards and changes published in 31 December 2013 and effective from 1 January 2014:

- TAS 32 (amendment), "Financial instruments: Presentation", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS 32, "Financial instruments: Presentation", to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' - 'Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria

- IFRIC 21, 'Levies' is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

b) Standards and changes published in 31 December 2013 and effective from 1 January 2014:

- IFRS 9 'Financial instruments' – classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

- The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.

- Amendments to IFRS 9, 'Financial instruments', regarding general hedge. These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

- Amendment to IAS 19 regarding defined benefit plans; is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

  - TFRS 2; 'Share-based payment'
  - TFRS 3, 'Business Combinations'
  - TFRS 8, 'Operating segments'
  - TMS 16; 'Property, plant and equipment' and IAS 38, 'Intangible assets'
  - TFRS 9, 'Consequential amendments, 'Financial instruments', IAS 37 Provisions, contingent liabilities and contingent assets'
  - TMS 39, Financial instruments - Recognition and measurement

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3 Restatement and the Errors in the Accounting Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 31 December 2013 are consistent with those used in the preparation of financial statements for the year ended 31 December 2012.

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

2.4 Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of financial statements are summarized below:

a. Consolidation principles

The consolidated financial statements include the accounts of the parent company, Egeli & Co Yatırım Holding A.Ş., and its subsidiary and joint venture. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TAS, applying uniform accounting policies and presentation. The results of subsidiary and joint venture are included from their effective dates of acquisition.

Joint Venture

Joint venture is a company in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Egeli & Co Yatırım Holding A.Ş. and one or more other parties. Egeli & Co Yatırım Holding A.Ş. exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself and/or as a result of written agreements by certain related parties' members and owned by them, whereby Egeli & Co Yatırım Holding A.Ş. exercises control over the voting rights of the shares held by them.

The table below sets out the joint venture and shows the proportion of ownership interests:

Joint venture	Egeli & Co Yatırım Holding A,Ş. direct ownership interest	Total ownership interest	Proportion of effective interest
Karesi Jeotermal Enerji Üretim İnşaat Sanayi ve Ticaret A.Ş.	-	%50	%45,84

The joint ventures are accounted for by proportionate consolidation. The Group combines individual income and expenses, assets and liabilities and cash flows of joint ventures on a line-by-line basis with similar items in the consolidated financial statements. Intercompany transactions, balances and unrealised gains/losses between group companies are eliminated on consolidation.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

Subsidiaries

A subsidiary is a company in which Egeli & Co Yatırım Holding A.Ş. has the power to control the financial and operating policies for the benefit of Egeli & Co Yatırım Holding A.Ş., either through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of ownership interest owned directly and indirectly by itself, and/or as a result of agreements by certain related parties.

The table below sets out the subsidiaries and shows the proportion of ownership interests:

Subsidiary	Egeli & Co Yatırım Holding A.Ş. direct ownership interest	Total ownership interest	Proportion of effective interest
EGC Elektrik Enerji Üretim Sanayi ve Ticaret A.Ş.	%100,00	%100,00	%100,00
Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş.	%91,68	%91,68	%91,68

The Group combines individual income and expenses, assets and liabilities and cash flows of subsidiaries on a line-by-line basis with similar items in the consolidated financial statements. Intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Minority shares

The minority shares in the net assets and operating results of Subsidiaries are separately classified in the consolidated financial statement and profit or loss and comprehensive income statements as "minority shares.

b. Financial Assets

The group classifies its financial assets in the following categories: "at fair value through profit or loss", "held until maturity", and "available for sale".

Regular purchases and sales of financial assets are recognised on the "trade date", the date on which the Group commits to purchase or sell the asset.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

Financial assets at fair value through profit or loss

Financial assets, which are classified as "fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short term profit making exists independently from the acquisition purpose.

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. The gains and losses formed as a result of the valuation made are booked to the related income/expense accounts. All related realized and unrealized gains and losses, dividends received and interest earned whilst holding trading securities is reported as "Revenues from financial sector".

In assessing the fair value of the trading securities, the best bid price on the Istanbul Stock Exchange as of the balance sheet date is used.

All regular way purchases and sales of trading securities are recognized at the "settlement date", which is the date that the asset is delivered to/from the Company.

Financial assets held until maturity

Financial assets held until maturity are kept with the intention of holding until maturity and the necessary conditions are met in order to hold until maturity, including funding ability. They have fixed or determinable payments with fixed maturity and are excluded from credit and receivables. They are not classified as held for trading during the initial accounting and not presented as ready for sale in the records. The mentioned assets are recorded at their acquisition cost and this value is accepted as fair value.

Financial assets held until maturity are valuated with "discounted value" using the effective interest rate method, following the recording. Interest income regarding financial assets held until maturity is recognized in the consolidated profit or loss and other comprehensive income statement. The Group does not allocate any impairment provision for the short-term market fluctuations under the condition that no collection risk emerges on the securities representing the borrowing classified under held-to-maturity financial assets. In the event that collection risk emerges, the amount of the impairment is the difference between the book value of the financial asset and the cash flows that are still expected to be collected from the financial assets, if any, obtained through discounting based on the original effective interest rate.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

Financial assets available for sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are subsequently carried at fair value. In case that the fair value price is not formed in active market conditions it is accepted that the fair value of the asset has not been determined reliably and the discounted value which was calculated with the effective interest rate is taken into account as fair value.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Changes in the fair value of available-for-sale financial investments'.

When these securities are disposed of or impaired, the fair value differences accumulated in the shareholders' equity are transferred to the profit or loss statement.

When these securities' fair value differences are determined, this impairment loss effect is transferred to the profit or loss statement.

c. Sale and repurchase agreements

Securities sold under sale and repurchase agreements ("repos") are retained in the financial statements and the counterparty liability is recorded as due to customers. Securities purchased under agreements to resell ("reverse repos") are recorded as reverse repo receivables on the cash and due from the bank's account, together with the difference between the sale and repurchase price, which is accrued evenly over the life of the agreement using the effective yield method.

d. Financial liabilities and borrowing costs

Borrowings are recorded with the value after deducting their transaction cost, on the date of their opening. Borrowings are presented using the effective interest method with their discounted cost value. The difference between the amount after deducting transaction costs and discounted cost value is added to the consolidated income statement as a financing cost during the borrowing period.

The fees paid for borrowing arrangements are defined as borrowing transaction costs when it is possible to use a part of or all of the borrowing arrangement. In this case, the fee is postponed until the use of the borrowing. When there is no evidence of the use of borrowing arrangements, the fee is capitalized by accepting it as an advance to provide liquidity and is amortised over the duration of the borrowing arrangement.

e. Interest income and expenses

Interest income and expenses are recognised in the income statement of the period to which they relate on an accrual basis. Interest income includes coupons earned on fixed income investment securities and amortisation of discounts on government bonds.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

f. Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions, and monetary assets and liabilities denominated in foreign currencies are translated by using year-end exchange rates of the Central Bank of the Republic of Turkey's bid rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss statement.

g. Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property and equipment using the straight-line method based on the useful lives of such assets. The useful lives of tangible fixed assets ranged from 4 to 5 years (Note 10).

h. Intangible assets

Intangible assets include software (Note 11).

Software

Intangible assets comprise acquired computer software. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated economic lives for a period ranging from 3 to 5 years from the date of acquisition.

i. Impairment of financial assets

Financial assets except trading financial assets are evaluated each period to determine whether they have indicators of impairment. The financial instruments are accepted as impaired in case that the expected collectable amount calculated by the discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument.

j. Revenue recognition

Income and expenses are recognized on an accrual basis.

The Group records income from the sales of securities in its portfolio when the sales are conducted.

k. Fees and commissions

Brokerage commissions are recorded as income or expense at the time the transactions to which they relate are made. All fees and commissions are recognized on an accrual basis and booked under the "Costs from financial sector" account as interest income in the income statement (Note 16).

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

l. Taxes

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognised in related financial statement items.

Corporate tax is subject to offsetting when a legal right about netting off the current tax assets and liabilities or when they are related to the corporate tax collected by the same tax regulatory (Note 20).

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax.

The principal temporary differences arise from reserve for annual leave and provision for employment termination benefits, valuation differences of marketable securities, property and equipment.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

The deferred tax assets and the deferred tax liabilities can be netted off only if there is a legal right in this respect according to the tax legislation of the country they are dependent on (Note 20).

m. Related parties

For the purpose of the accompanying financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of business. These transactions consist of the transfers of the assets and liabilities between related parties by market prices (Note 22).

n. Capital and dividends

Share capital is recognized at the nominal amount and amounts received in excess of the par value are recognized in a share premium account. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction.

The company accounted the issued capital increases to be issued with a cost in excess of the nominal export price and the difference with nominal value, as "Share Premium" in equity.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

o. Cash flow statement

For the purposes of the cash flow statement, the Company considers bank deposits and mutual funds with a maturity of no more than three months (Note 5).

p. Provisions, contingent assets and liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can and will be made. Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and treated as "contingent assets or liabilities" are not included in the financial statements and disclosed in explanatory notes to the financial statements.

Contingent assets generally arise from unplanned or other unexpected events that bear the probability of an inflow of economic benefits to the Group. Contingent assets are not shown on the financial statements, since they may imply accounting of an income that will never be gained. Contingent assets are disclosed in financial statement disclosures if the inflow of the economic benefits to the Group is probable. Contingent assets are subject to continuous evaluation in order to reflect the effect of developments in contingent assets to financial statements accurately. In case that the probability of inflow of the economic benefit to the Company is almost certain, the related asset and the income generated from the asset are reflected to the financial statements of the period in which the inflow is likely.

r. Employee benefits

The Company accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause "Employee Benefits" ("TAS 19") and classifies them as "Provisions for Employee Benefits" on the balance sheet.

Employment termination benefits, as required by the Turkish Labour Law, are recognized in these financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Company arising from the retirement of its employees regarding the actuarial projections

Provision for employment termination is the discounted amount of the calculated value within the case of retirement of employees of the Company's estimated future liability that will occur within the framework of the Turkish Labour Law (Note 13).

s. Cash and cash equivalents

Cash and cash equivalents which are immediately convertible to cash and carry an insignificant risk of changes in value, or other short-term, highly liquid investments, demand deposit accounts from date of purchase and maturities of 3 months, or less than 3 months.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

t. Earnings per share

Earnings per share disclosed in these statements of profit or loss and other comprehensive income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

u. Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information was publicly disclosed.

The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements.

v. Segment Reporting

The Group does not prepare segment reporting as of 31 December 2013 since the subsidiary and the joint venture, which will perform their activities in different sectors and geographical areas, has not yet started their operations. Aggregate amounts of assets, liabilities, and revenue and results related to subsidiaries and joint ventures in the consolidated financial statements are figured in Note 3 and Note 4.

2.5 Critical Accounting Estimates and Judgements

Preparation of financial statements requires balance sheet assets and liabilities as of the date reported or described in the relevant period, and the amounts of contingent assets and liabilities consists of estimates and assumptions that affect the reported amounts of revenues and expenses. These estimates are based on management's best knowledge of current circumstances, and actual results may differ from those estimates.

Deferred tax assets recognition

Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium-term business plan prepared by Management and results are extrapolated thereafter. The business plan is based on Management expectations that are believed to be reasonable under the circumstances.

Fair value of financial assets

In assessing the trading securities, the best bid price on the Istanbul Stock Exchange as of the balance sheet date is considered to be the fair value of the trading securities.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 3 - SUBSIDIARIES AND JOINT VENTURES

Aggregate amounts of assets, liabilities, and revenue and results related to subsidiaries and joint ventures in the consolidated financial statements are as follows on a combined basis:

Subsidiary:

Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş.

	31 December 2013	31 December 2012
Total current assets	29.664.168	41.153.567
Total non-current assets	10.997.332	16.322
Total assets	**40.661.500**	**41.169.889**
Total current liabilities	539.783	164.854
Total non-current liabilities	4.711	1.740
Total liabilities	**544.494**	**166.594**
Revenue	9.138.394	46.442.870
Net (loss)/gain for the period	(576.108)	2.448.097

EGC Elektrik Enerji Üretim Sanayi ve Ticaret A.Ş.

	31 December 2013	31 December 2012
Total current assets	91.278	45.553
Total non-current assets	-	2.386.487
Total assets	**91.278**	**2.432.040**
Total current liabilities	349.624	2.391.887
Total non-current liabilities	-	-
Total liabilities	**349.624**	**2.391.887**
Revenue	-	-
Net loss for the period (-)	(298.499)	(208.309)

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 4 - INVESTMENTS IN ASSOCIATES

As of 31 December 2013 and 31 December 2012 details of investment in associates valued by equity method are as below:

	Efficient rate	**31 December 2013**	**Efficient rate**	**31 December 2012**
Karesi	%45,84	379.761	%50	512.704
Total		**379.761**		**512.704**

	2013	**2012**
Period beginning, January 1	**512.704**	**92.584**
Participation in capital increase	-	480.020
Loss from associates (net)	(132.943)	(59.900)
Period ending - December 31	**379.761**	**512.704**

480.000 shares with a nominal value of TRY 1.00 per share, which corresponds to 50% portion which belongs to Egeli & Co Yatırım Holding A.Ş., of Karesi Jeotermal Enerji Üretim İnşaat Sanayi ve Ticaret A.Ş., has been sold for TRY 794.111 on 20 February 2013 to Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş, whose 91.68% of shares are owned by the Company and is a subsidiary of the Company.

Karesi Jeotermal Enerji Üretim İnşaat San. ve Tic. A.Ş.

	31 December 2013	**31 December 2012**
Total current assets	252.872	194.526
Total non-current assets	1.460.253	1.463.202
Total assets	**1.713.125**	**1.657.728**
Total current liabilities	871.775	339.812
Total non-current liabilities	347.460	532.548
Total liabilities	**1.219.235**	**872.360**
Revenue	-	-
Net loss for the period (-)	(290.007)	(119.800)

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 December 2013	31 December 2012
Cash	255	530
Banks		
- Time deposits (*) (**)	3.832.148	25.857.882
- Demand deposits	13.313	35.005
Reverse repo (***)	-	17.505.335
Receivables from money market operations (****)	-	7.203.320
	3.845.716	**50.602.072**

(*) As of 31 December 2013 time deposit amounting to TRY 442.650 are under blockage. (31 December 2012: TRY 25.580.536).
(**) As of 31 December 2013 interest rate of time deposit is between %6,15 - %7;50. (31 December 2012: %7,42 - %8,40).
(***) As of 31 December 2012 current reverse repo is daily and the interest rate is between %5,25-%5,80.
(****) As of 31 December 2012 receivables from money market operations has 2 day of maturity and interest rate is %5,80.

For the purpose of preparation of cash flow statements, details of cash and cash equivalents are as follows:

	31 December 2013	31 December 2012
Cash	255	530
Banks		
- Time deposits	3.387.445	-
- Demand deposits	12.425	35.005
Reverse repo	-	17.500.000
Receivables from money market operations	-	7.201.000
	3.400.125	**24.736.535**

The details of time deposits are as follows:

31 December 2013	Interest rate	Maturity date		Cost	Book value
	%7,25	2 January 2014		24.360	24.364
	%6,15	22 January 2014	(1)	442.650	443.534
	%7,25	2 January 2014		2.763.085	2.763.634
	%7,50	3 January 2014		600.000	600.616
				3.830.095	**3.832.148**

31 December 2012	Interest rate	Maturity date		Cost	Book value
	%8,40	27 Mart 2013	(2)	25.000.000	25.276.165
	%7,42	24 January 2013	(1)	580.536	581.717
				25.580.536	**25.857.882**

(1) Related amount is under blockage for letter of guarantee of Karesi.
(2) Related amount is under blockage for use of credit which is explained in Note 7.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS

Short term financial investments	31 December 2013	31 December 2012
Fair value through profit or loss	867.564	9.161.345
Financial assets held until maturity	-	5.838.792
	867.564	**15.000.137**

Financial assets at fair value through profit or loss

	31 December 2013	31 December 2012
Financial assets held for trading	867.564	9.161.345
	867.564	**9.161.345**

Financial assets at fair value through profit or loss are held for trading and measured at their fair value. In assessing the fair value of the trading securities, the best bid price on the Istanbul Stock Exchange as of the balance sheet date is used. In case that the fair value price is not formed in active market conditions it is accepted that the fair value of the asset has not been determined reliably and their cost value is taken into account as fair value.

	31 December 2013			31 December 2012		
	Cost value	Fair Value	Book Value	Cost value	Fair Value	Book Value
Share certificates (*)	1.477.959	867.564	867.564	2.488.194	2.255.128	2.255.128
Government bonds (**)	-	-	-	6.414.752	6.906.217	6.906.217
	1.477.959	**867.564**	**867.564**	**8.902.946**	**9.161.345**	**9.161.345**

(*) As of 31 December 2013 and 31 December 2012, stocks at fair value through profit or loss are comprised of stocks quoted on the ISE. A part of the stocks amounting to TRY 867.563 consists of Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. stocks (31 December 2012: TRY 1.378.602) (Note 22).

(**) The government bonds classed under financial assets at fair value through profit or loss are all quoted on the stock exchange and their maturities and interest rates are as follows:

Type of currency	31 December 2013		31 December 2012	
	Average maturity	Yearly interest rate (%)	Average maturity	Yearly interest rate (%)
TRY	-	-	46 months	6,38

Financial assets held until maturity:

	31 December 2013	31 December 2012
Private sector bonds	-	5.838.792

As of 31 December 2013, Group does not own ant private sector financing bonds. (Private sector financing bonds that the Group owns, has an average maturity of 88 days and an average interest rate of 13.60% as of 31 December 2012.)

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS (Continued)

Financial assets available for sale:

Details of equity securities that are classified as available-for-sale financial assets that the Group follows under current assets are as follows;

	31 December 2013		31 December 2012	
	Subsidiary amount TRY	**Partnership interest %**	**Subsidiary amount TRY**	**Partnership interest %**
Quoted to stock exchange				
Egeli & Co Tarım Girişim Sermayesi Y.O. A.Ş. (Dipnot 22)	2.582.527	24,98	4.066.106	24,98
Not quoted to stock exchange				
Enda Enerji Holding A.Ş.	7.352.918	5,34	2.386.487	2,05
	9.935.445		**6.452.593**	

As of 31 December 2013, amounting to TRY 2.582.527 of available-for-sale financial assets (31 December 2012:amounting to TRY 4.066.106) consists of shares of Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. with a nominal value of TRY 494.738 owned by the Company and shares with a nominal value of TRY 5.000.000 . This second set of shares was sold to the Company via private placement without exercising the right of purchasing new shares and was issued when the issued capital of Egeli & Co. Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. (formerly known as "Egeli & Co. Yatırım Ortaklığı A.Ş.") was increased from TRY 17.000.000 to TRY 22.000.000. Both sets of shares are valued according to the market price on the Istanbul Stock Exchange. All of the said shares are Class B shares and two-thirds of the members of the Board of Directors are selected among the members indicated by Class A shareholders. Hence, the Group does not have a major influence on the management of the relevant company.(Note 22)

Egeli Girişim, which is one of the subsidiaries of the Company, owns 5.34% of the Enda Enerji Holding A.Ş. shares, including the shares purchased from EGC as of 31 December 2013. These shares are purchased for TRY 7.352.918 in total. Share purchases of Enda Enerji Holding A.Ş. has been realised in 2013 and it is assumed that the cost regarding the purchases have approximated to the fair values of the purchased shares as of 31 December 2013 and carried with the cost value in the financial statement as of 31 December 2013. (Note 22).

The movement of short term and long term financial invesmets are given below :

	2013
1 January	**21.452.730**
Purchase of Enda	4.966.431
Sales of goverment bonds and equity securities	(13.316.511)
Decrease in value of financial investment valued by equity method (*)	(1.483.579)
Changes in the fair value of available for-sale financial investments (Dipnot 16)	(816.062)
31 December	**10.803.009**

(*) Net-off deferred tax decrease in valuation accounted under equity,has been classified under Other comprehensive (loss)/income

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES

Short term financial liabilities	31 December 2013	31 December 2012
TRY bank borrowings	4.350.000	50.000.000
EUR bank borrowings	124.833	-
Interest expense accrual	25.472	3.216.786
	4.500.305	**53.216.786**

Long term financial liabilities	31 December 2013	31 December 2012
EUR bank borrowings (*)	267.321	-
	267.321	**-**

(*) Long term borrowings' maturity is 21 month.

Based on the credit agreement between The Company and Türkiye Vakıflar Bankası T.A.O, between 27 June and 4 July 2012 the Company took up a loan amounting to TRY50.000.000. A time deposit amounting to TRY 25.000.000 has been blocked due to this loan(Note 5). In addition, the Company has given shares of Egeli & Co B Tipi Menkul Kıymet Yatırım Ortaklığı A.Ş. and Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş. amounting to TRY 33.109.716 to Türkiye Vakıflar Bankası T.A.O as collateral. TRY 21.750.000 of the loan has been given to controlling shareholder Egeli & Co. Finansal Yatırımlar A.Ş with the same conditions and interest rate (Note 22).The company repaid the borrowing and interest on 27 March 2013 and 3 June 2013.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

As of 31 December 2013 and 31 December 2012, the Group does not have any trade receivables.

Short-term trade payables	31 December 2013	31 December 2012
Due to related parties (Note 22)	595.363	94.566
Trade payables	27.810	12.575
Payables to insurance companies	10.535	2.626
	633.708	**109.767**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Other receivables	**31 December 2013**	**31 December 2012**
Receivables from sale of subdiriary (*)	25.750.000	-
Receivables discount from sale of subdiriary (-) (*)	(1.583.234)	-
Other receivables from related parties (Note 22)	-	23.169.792
Other	3.925	-
	24.170.691	**23.169.792**

(*) With the decision taken on Egeli Girişim Board of Directors meeting on 29 April 2013, which is one of the subsidiaries of the Company, has decided to contribute to the capital increase of KRC Gayrimenkul Yatırım Ltd. Şti., engaged in investment and development activities in urban hotel management, by TRY 10.000.000, and become a shareholder, as well as to sign a Share Purchase and Shareholders Agreement with Kenan Onak and Ayten Onak. In addition to this decision, with the decision taken by Egeli Girişim Board of Directors on 9 May 2013, it is decided that; an additional TRY 12.500.000 should be paid in order to increase the shareholders share to 36% and in total, TRY 22.500.000 of contribution should be made to the capital increase. In accordance with the decision taken at the Board of Directors meeting held on 3 December 2013, Sale of shares owned at KRC Gayrimenkul Yatırım A.Ş.to Kenan Onak and Ayten Onat worth to TRY 25.750.000 was bonded by a contract signed on 3 December 2013 and with the contract it was decided to collect the amount with 3 instalments respectively 30 June 2014, 30 september 2014 and 30 December 2014. Receivable arising from mentioned sale has been discounted with %9.47 by considering the instalment dates and reflected to financial statements as of 31 December 2013 (Note 18).

Short-term trade payables	**31 December 2013**	**31 December 2012**
Dividend payables	-	21
	-	**21**

NOTE 10 - PROPERTY AND EQUIPMENT

31 December 2013	**Property and equipment**	**Fixtures**	**Leasehold improvements**	**Vehicles**	**Total**
Cost					
1 January 2013 opening balance	13.050	195.597	145.960	-	354.607
Additions	-	8.374	-	363.177	371.551
31 December 2013 closing balance	**13.050**	**203.971**	**145.960**	**363.177**	**726.158**
Accumulated depreciation					
1 January 2013 opening balance	(13.050)	(104.976)	(55.865)	-	(173.891)
Additions	-	(31.271)	(29.192)	(24.212)	(84.675)
31 December 2013 closing balance	**(13.050)**	**(136.247)**	**(85.057)**	**(24.212)**	**(258.566)**
31 December 2013 net book value	**-**	**67.724**	**60.903**	**338.965**	**467.592**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROPERTY AND EQUIPMENT (Continued)

31 December 2012	Property and equipment	Fixtures	Leasehold improvements	Vehicles	Total
Cost					
1 January 2012 opening balance	13.050	57.024	120.058	-	190.132
Additions	-	138.573	25.902	-	164.475
31 December 2012 closing balance	**13.050**	**195.597**	**145.960**	**-**	**354.607**
Accumulated depreciation					
1 January 2012 opening balance	(13.050)	(12.384)	(26.694)	-	(52.128)
Additions	-	(92.592)	(29.171)	-	(121.763)
31 December 2012 closing balance	**(13.050)**	**(104.976)**	**(55.865)**	**-**	**(173.891)**
31 December 2012 net book value	**-**	**90.621**	**90.095**	**-**	**180.716**

NOTE 11 - INTANGIBLE ASSETS

Intangible assets consist of softwares.

31 December 2013	Software	Total
Cost		
1 January 2013 opening balance	47.802	47.802
Additions	-	-
31 December 2013 closing balance	**47.802**	**47.802**
Accumulated depreciation		
1 January 2013 opening balance	(39.198)	(39.198)
Additions	(3.350)	(3.350)
31 December 2013 closing balance	**(42.548)**	**(42.548)**
31 December 2013 net book value	**5.254**	**5.254**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS (Continued)

31 December 2012	**Software**	**Total**
Cost		
1 January 2012 opening balance	40.752	40.752
Additions	7.050	7.050
31 December 2012 closing balance	**47.802**	**47.802**
Accumulated depreciation		
1 January 2012 opening balance	(35.769)	(35.769)
Additions	(3.429)	(3.429)
31 December 2012 closing balance	**(39.198)**	**(39.198)**
31 December 2012 net book value	**8.604**	**8.604**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The statements of the Company related to its collateral/pledge/mortgage position as of 31 December 2013 and 31 December 2012 are as follows:

Collateral, pledges and mortgages given by the Group	**31 December 2013**			**31 December 2012**		
	Currency	**Quantity**	**TRY Equivalent**	**Currency**	**Quantity**	**TRY Equivalent**
A. Total amount of collateral, pledges and mortgages issued in the name of its legal entity (note 7)	TRY	-	-	TRY	58.109.716	58.109.716
B. Total amount of collateral, pledges and mortgages given on behalf of affiliates within the scope of full consolidation	TRY	1.000.000	1.000.000	TRY	1.000.000	1.000.000
C. Total amount of collateral, pledges and mortgages given in order to assure the liabilities of third parties for the purpose of performing ordinary trade activities	TRY	4.437.896	4.437.896	TRY	4.113.536	4.113.536
A. Total amount of other collateral, pledges and mortgages given				-	-	-
i. The total amount of collateral, pledges and mortgages given on behalf of parent company	-	-	-	-	-	-
ii. The total amount of collateral, pledges and mortgages given on behalf of other group companies that is not within the scope of Articles B and C	-	-	-	-	-	-
iii. The total amount of collateral, pledges and mortgages given on behalf of third parties that is not within the scope of Article C	-	-	-	-	-	-
Total			**5.437.896**			**63.223.252**

As of 31 December 2013, the ratio of other collateral, pledges and mortgages to the Group equity is %15 (31 December 2012: %146); to total assets it is %13. (31December2012:65%).

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
Short-term employee benefits		
Provision for unused vacation	16.701	7.765
	16.701	**7.765**
Long-term employee benefits		
Provision for employment termination benefits	13.812	8.946
	13.812	**8.946**

Unused vacation provision

In accordance with existing labour law in Turkey, the Group is required to make payments to employees for the remaining vacation days up to the termination date regarding on the current salary amount.

Provision for employment termination benefits

The provision for employment termination benefits is reserved in line with the explanations below:

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, who 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).

The amount payable consists of one month's salary limited to a maximum of TRY3.254,44 (31 December 2012: TRY3.033,98) for each period of service at 31 December 2013.

The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees.IAS 19 requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2013	31 December 2012
Discount rate (%)	2,41 - 3,98	3,40 - 4,66
Turnover rate to estimate the probability of retirement (%)	93 - 100	93 - 100

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - EMPLOYEE BENEFITS (Continued)

Additionally, 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 effects of future inflation. Therefore the maximum amount of employment termination benefits of the Company is determined every six months and is calculated using the maximum amount of TRY3.438,22, valid from 1 January 2014 (1 January 2013: TRY3.254,44).

Movements in the reserve for employment termination benefits as of 31 December 2013 and 31 December 2012 are as follows:

	2013	2012
Period beginning balance 1 January	**8.946**	**4.153**
Current provision amount		
- *Service cost*	*5.918*	*4.601*
- *Interest cost*	*951*	*192*
Actuarial gain (*)	(2.003)	-
Period end balance - 31 December	**13.812**	**8.946**

(*) Actuarial gain amounting to TRY 2.003, for the period ended 31 December 2013, has been recognised in the "Other income and expenses which cannot be re-classified regarding profits and losses" account" in equity capital, including tax effects. Due to the fact that the actuarial losses arising in 01 January - 31 December 2012 , does not have a significant effect on the financial statements of the previous period, no correction is made in the financial statements of the previous period. Also, service and interest costs regarding the period in question and all of the actuarial losses are recognised in the consolidated income/expenses statement

NOTE 14 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Other current assets		
Deferred value added tax (VAT)	625.600	497.609
Prepaid expenses	43.992	1.711
Given deposits and guarantees	6.708	-
Receivables from tax office	-	141.211
Other	-	34.641
Total	**676.300**	**675.172**
Non current prepaid expenses		
Prepaid expenses	-	1.955
	-	**1.955**

	31 December 2013	31 December 2012
Other short-term liabilities		
Taxes and funds payable	121.805	-
Provision for potential tax risk	-	96.742
Other	1.363	34.696
	123.168	**131.438**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - SHAREHOLDER'S EQUITY

The Company's paid-in capital TRY40.000.000 (31 December 2012: TRY40.000.000), has been divided number of shares 4.000.000.000 (31 December 2012: 4.000.000.000) to give each share a nominal value of TRY1.

The company is in an authorized capital subject system, the amount of authorized capital being TRY250.000.000 (31 December 2011: TRY250.000.000).

As the parent company, the Company owns 7,976,071 Class A privileged shares registered in the name of shareholders with the nominal value of TRY1, all of which belong to Egeli & Co Finansal Yatırımlar A.Ş. as of the date when these financial statements were prepared. In the election of members of the Board of Directors, all of these members are elected from among the members nominated by Class A shareholders.

Net book value of issued and paid capital as of 31 December 2013 and 31 December 2012 as below;

Shareholders	Share (%)	31 December 2013 TRY	Hisse (%)	31 December 2012 TRY
Egeli & Co Investment Management S.A.	39,13	15.650.000	-	-
Egeli & Co Portföy Yönetimi A.Ş.	4,00	1.600.000	-	-
Tan Egeli	1,95	780.002	1,95	780.002
Egeli & Co Finansal Yatırımlar A.Ş.	0,20	79.761	43,33	17.329.761
Other/Publicly held	54,72	21.890.237	54,72	21.890.237
Total paid-in share capital	**100,00**	**40.000.000**	**100,00**	**40.000.000**
Adjustment to share capital		251.880		251.880
Total capital		**40.251.880**		**40.251.880**

On 3 June 2013, Group B shares of Egeli & Co Yatırım Holding A.Ş. with a nominal value of TRY17,250,000.00 are transferred to Egeli & Co Investment Management S.A. by Egeli & Co Finansal Yatırımlar A.Ş., for TRY1,05 per share. Through this transaction, Egeli & Co Finansal Yatırımlar A.Ş. has only Group A shares left in Egeli & Co Yatırım Holding A.Ş. and the share of Egeli & Co Investment Management S.A. in Egeli & Co Yatırım Holding A.Ş. has increased to 43,13%.

TRY 1.600.000 nominal amounted of B group shares was transferred to Egeli& Co Portföy Yönetimi A.Ş. from Egeli & Co Investment Management S.A. with TRY 0,60 per share. With this transaction The share of Egeli & Co Investment Management S.A. over The Company was decreased to %39.13 and The share of Egeli& Co Portföy Yönetimi A.Ş. on the company is %4.00 as of 31 December 2013.

Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital due to the inflation adjustments. Capital adjustment differences have no other use other than being transferred to share capital.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - SHAREHOLDER'S EQUITY(Countinued)

Treasury stocks:

The Company's subsidiary Egeli & Co Girişim Sermayesi Ortaklığı A.Ş. purchased the Company's 2.398.136 stocks from price range TRY 0,79-TRY 0,95, transaction amount TRY 2.160.679, between 12 September and 12 December 2012 from the stock market. The average purchase price of the stocks is TRY 0,90 and the rate of shares resulting from purchase transactions to total number of stocks is 6%. The mentioned stocks are classed as "Treasury stocks" in the consolidated financial statements (31 December 2012: TRY 2.160.679).

Reserves, retained earnings (accumulated losses):	**31 December 2013**	**31 December 2012**
Restricted reserves		
- Legal reserves	363.093	278.095
Retained earnings	34.154	486.292
	397.247	**764.387**

According to CMB's fifth article's second paragraph, Series IV, No. 27 "Principles of the Distribution of Dividends for Public Joint Ventures and Partnerships", the calculation of the amount for distributable profits will be made by taking into account unrealized capital gains of investment trusts under the provisions. These unrealized capital gains are classified as special reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Retained earnings

In accordance with the CMB regulations effective until 01 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "Accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

NOTE 15 - SHAREHOLDER'S EQUITY(Countinued)

However, the application that is valid until 01 January 2008, corrected for the inflation in accordance with the regulation of the financial statements as a result of the first equity "capital, share premium, legal reserves, statutory reserves, special reserves and extraordinary reserves, "presented at their historical amounts of these items are given and the corrected values in such accounts' equity inflation adjustment differences" account. For all equity accounts "equity inflation adjustment differences" could be used free of charge for share capital increase, the extraordinary values, free capital increase, cash dividend distribution or to offset losses.

In accordance with the Communiqué Serial: XI, No. 29 which became effective as of 01 January 2008 and according to the CMB's announcements clarifying the said Communiqué, "Share capital", "Restricted reserves allocated from profit" and "Share premiums" need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of "Paid-in capital" and has not yet been transferred to capital, it should be classified under the "Inflation adjustment to share capital";

- If the difference is arising from valuation of "Restricted reserves" and "Share premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained earnings".

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Divident payment

Publicly traded companies are subjected to CMB regulations for dividends.

Dividend payments for publicly traded companies are done in accordance with II-19.1 numbered Dividend Communique with 1 February 2014 effective date published by CMB.

In the event that the entire profit distribution amount that was calculated in line with CMB's regulations on the liability of minimum profit distribution at the rate of the net distributable profit determined according to CMB's regulations can be covered by the distributable profit in statutory records, the entire amount shall be distributed; and if this is not possible, the entire net distbibutable profit in statutory records shall be distributed. And if the financial statements or legal books prepared in line with CBM's regulations contain period loss, profit distribution shall not be performed.

In the General Assembly Meeting of the Company dated 26 April 2013, in accordance with the provisions of the Communiqué of Capital Markets Board Serial: XI, No: 29, it is decided that, TRY 84.998.00 of net period profit regarding 2012 in the legal records prepared in accordance to Tax Procedural Law should be allocated as First Legal Reserves and TRY 1.525.349 of this profit and TRY 486.292 of the amount in the extraordinary reserves account should be distributed to the shareholders as cash dividend, and TRY 89.623 of the remaining 2012 profit should be transferred to Extraordinary Reserves account. Cash dividend amounting to TRY 2.011.641 is distributed on 16 May 2013 through the accounts within Takasbank A.Ş..

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 - REVENUES AND COSTS FROM FINANCIAL SECTOR

	1 January- 31 December 2013	1 January - 31 December 2012
Revenues from financial sector		
Gain on sale of common stocks	8.129.274	1.308.077
Deposit interest income	1.591.851	2.664.459
Gain of government bonds and treasury bills	1.464.766	3.921.452
Divident income	120.605	-
Reverse repo interest income	-	1.279.808
Other	1.057	145.025
	11.307.553	**9.318.821**
Costs from financial sector		
Cost of government bonds and treasury bills	8.186.436	1.448.949
Portfolio management fee (Note 22)	1.661.958	1.330.475
Cost of common stocks	1.009.000	-
Decrease in marketable securities valuation	816.062	-
Other	50.342	88.908
	11.723.798	**2.868.332**

NOTE 17 - GENERAL ADMINISTRATIVE EXPENSE

	1 January- 31 December 2013	1 January- 31 December 2012
General administrative expenses		
Personnel expenses	1.280.322	1.055.048
Audit and consultancy expense	842.116	362.765
Performance fee relating to sale of subsidiary (Note 22)	445.208	-
Rent expenses and the share of building expenses	282.060	211.809
Service expenses	131.306	229.104
Maintanances expenses	125.810	-
Tax,notary and duty expenses	107.937	44.955
Councillorship expenses	101.559	88.478
Amortisation and depreciation expenses	88.025	125.192
Travel expenses	81.393	65.884
Transportation expenses	68.319	64.279
Legal expenses	33.000	60.789
Quatation and committee registration expenses	13.600	-
Other operating expenses	496.119	230.141
	4.096.774	**2.538.444**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - OTHER OPERATING INCOME/EXPENSES

	1 January- 31 December 2013	1 January- 31 December 2012
Income from other operations		
Profit on sales of subsidiary (*)	1.666.766	-
Cancellation income of tax provision	96.299	-
Foreign exchange gain	917	48.912
Other	7.481	4.844
	1.771.463	**53.756**
Expenses from other operations		
Foreign exchange loss	33.590	10.992
Cancellation of leasehold improvements	-	42.132
Other	-	11.006
	33.590	**64.130**

(*) TRY 3.250.000 sales income of KRC shares has been accounted as TRY 1.666.766 after deducting the discount amount TRY 1.583.234 (Note 9).

NOTE 19 - FINANCIAL EXPENSE

	1 January- 31 December 2013	1 January- 31 December 2012
Borrowing interest expense	2.389.822	3.216.786
Interest income from loans transferred to main shareholder (Note 22)	(1.131.962)	(1.419.792)
Other	(51.095)	27.238
	1.206.765	**1.824.232**

NOTE 20 - INCOME TAXES

	1 January- 31 December 2013	1 January- 31 December 2012
Deferred tax (expense)/income	83.896	(101.161)
Current year tax expense (-)	-	(283.878)
Total tax (expense)/income	**83.896**	**(385.039)**

According to the Corporate Tax Law, the corporation tax rates 20% as of 31 December 2013 and 31 December 2012.Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (e.g. research and development expenditures deductions). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance amount utilized within the scope of the Income Tax Law transitional article 61).

NOTE 20 - INCOME TAXES (continued)

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published in the Official Gazette on 31 December 2003, effective from 1 January 2004, income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for changes in the general purchasing power of the Turkish Lira. In accordance with the law in question, the cumulative inflation rate for the last 36 months, and the inflation rate for the last 12 months must exceed (DIE WPI increase rate) 100% and 10% respectively. Since the conditions in question were not fulfilled in 2005 and 2006, no inflation adjustment was performed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office before the evening of the 25th of the fourth month following the balance sheet date.

Tax returns are open for five years from the beginning of the year following the date of filing, during which period the tax authorities have the right to audit tax returns and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Egeli Girişim(subsidiary of the Company) is subject to the related exemptions due to operating in the status of investment trust in 2012, and since it changed type and was transformed into "venture capital trust" as of 01 January 2013, it is subject to the venture capital revenues exemption included in Corporate Income Tax Law as of this date.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

The Corporate Tax Legislation consists of various numbers of exemptions regarding the corporations. Hence, the exceptional earnings that are classified as profit or loss are taken into consideration by the corporate tax law.

Besides the exceptions stated above, the discounts that are stated in the 8th, 9th, and 10th articles of the Corporate Tax Law and the 40th article of the Income Tax Law are taken in into consideration in the fixation of the corporate tax assessment.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - INCOME TAXES (continued)

As of 31 December 2013 and 31 December 2012 the cumulative temporary differences and deferred tax assets and liabilities using enacted tax rates are as follows:

	31 December 2013	31 December 2012
Deferred tax assets	590.147	216.992
Deferred tax liabilities (-)	(7.575)	(14.770)
Deferred tax assets, net	**582.572**	**202.222**

	Total temporary differences 31 December 2013	Deferred tax assets/(liabilities) 31 December 2013
Deferred tax assets		
Marketable securities valuation differences	2.924.936	584.987
Employee termination benefits	9.101	1.820
Unusued vacation	16.701	3.340
	2.950.738	**590.147**
Deferred tax liabilities		
Tangible and intangible assets	(36.567)	(7.312)
Other	(1.315)	(263)
	(37.882)	**(7.575)**
Deferred tax assets, net		**582.572**

Movements in the deferred tax assets and liabilities during the current year are as follows

	2013	2012
Beginning of the period - 1 January	**202.222**	**83.593**
Deferred tax income / (expense) recognized in the profit or loss statement	83.896	(101.161)
Deferred tax income recognized in the equity	296.454	219.790
End of the period – 31 December	**582.572**	**202.222**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - INCOME TAXES (continued)

	Total temporary differences 31 December 2012	**Deferred tax assets/(liabilities) 31 December 2012**
Deferred tax assets		
Marketable securities valuation differences	1.063.317	212.663
Employee termination benefits	8.946	1.789
Other	12.700	2.540
	1.084.963	**216.992**
Deferred tax liabilities		
Tangible and intangible assets tax basis and book value differences	(60.256)	(12.051)
Other	(13.594)	(2.719)
	(73.850)	**(14.770)**
Deferred tax assets, net		**202.222**

Reconciliation of corporate tax is given below:

	1 January - 31 December 2013	**1 January - 31 December 2012**
Deferred income tax and corporation profit before tax (-)	**(4.114.854)**	**2.017.539**
Tax rate	%20	%20
Tax calculated	822.971	(403.508)
Expenses/incomes non-deductible for tax purposes	141.701	34.179
Unrecognized tax losses	(765.554)	(41.662)
Subsidiary effect which non-taxable	(115.222)	25.952
Net deferred income tax asset	**83.896**	**(385.039)**

The Group did not calculate TRY 837.524 (31 December 2012: 71.970 TL)amounted deferred tax asset based on TRY 4.187.620 (31 December 2012: 359.848 TL) idle financial losses.

Maturity of carryforward losses that deferred tax is not calculated over is stated:

	31 December 2013	**31 December 2012**
2016	151.539	151.539
2017	208.309	208.309
2018	3.827.772	-
	4.187.620	**359.848**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 21 - EARNINGS PER SHARE

Earnings/(losses) per share stated in the profit or loss statement are being calculated by dividing the net profit/(loss) for the current period by the weighted average number of ordinary shares.

In Turkey, companies can increase their share capital by distributing "bonus shares" of earnings to existing shareholders from retained earnings and revaluation funds. This type of "bonus shares", comprised of a certain amount of retained earnings per share, are regarded as issued shares. The weighted average number of shares used for earnings per share, is derived by giving retroactive effect of previous transactions.

Earnings per share are calculated by dividing the net profit distributed to shareholders by the weighted average number of shares issued.

	1 January- 31 December 2013	**1 January 31 December 2012**
Net period (loss)/income	(3.983.040)	1.610.347
The average number of shares	40.000.000	40.000.000
(Loss)/income per share (As TRY1 per share)	**(0,0996)**	**0,0403**
Total comprehensive (loss)/ income	(5.216.219)	753.342
Comprehensive Income /(Loss) ,income/(loss) per share (As TRY1 per share)	**(0,1304)**	**0,0188**

NOTE 22 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. As of 31 December 2013 and 31 December 2012 balances of related parties are as follows:

	31 December 2013	**31 December 2012**
Other current asset from related parties/ Receivables from shareholders		
Egeli & Co Finansal Yatırımlar A.Ş. (Note 7) (*)	-	23.169.792
	-	**23.169.792**
Trade payables to related parties		
Egeli & Co Portföy Yönetimi A.Ş. (**)	581.721	94.566
Egeli & Co Kurumsal Destek Hizmetleri A.Ş.	13.642	-
	595.363	**94.566**

(*) The Company provided a loan amounting TRY 21.750.000 to its majority shareholder Egeli & Co Finansal Yatırımlar A.Ş. to compensate their need of cash in investment activities. The related receivable balance amounting to TRY 1.419.792 contains interest income accrual (Note 7).

(**) Consists of portfolio management and investment advisory fees.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 22 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Other long term receivables from related parties

	31 December 2013	31 December 2012
Karesi Jeotermal Enerji Üretim İnşaat San. ve Tic. A.Ş.	297.515	-
	297.515	-

b. The details of transaction with related parties are listed below as of 31 December 2013 and 2012:

	1 January- 31 December 2013	1 January- 31 December 2012
Dividens paid to related parties		
Egeli & Co Finansal Yatırımlar A.Ş.	871.188	-
	871.188	**-**
Interest income from related parties		
Egeli & Co Finansal Yatırımlar A.Ş. (Note 19)	1.131.962	1.419.792
	1.131.962	**1.419.792**
Invesment Advisory expenses for investing activities and portfolio management fee		
Egeli& Co Portföy Yönetimi A.Ş. (*)	2.107.166	1.330.475
	2.107.166	**1.330.475**
Support services,rent and other expenses		
Egeli & Co Destek Hizmetleri A.Ş.(**)	203.172	152.492
Egeli & Co Finansal Yatırımlar A.Ş. (***)	76.047	-
	279.219	**152.492**

(*) Consists of expenses paid for portfolio management and performance fee of subsisdiary sale.
(**) Consists of accounting, operation, management, technical service, corporational support and reporting etc. services received.
(***) Consist of rent and building utulization expenses.

Purchase of financial asset from related parties		
EGC Elektrik Enerji Üretim Sanayi ve Ticaret A.Ş. (***)	2.386.487	-
	2.386.487	**-**

(****) The balance related to purchase of Enda Enerji Holding A.Ş. and details are explained in Note 6.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 22 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

c. As of 31 December 2013 and 31 December 2012 financial assets due to transactions with related parties are as follows:

	31 December 2013	31 December 2012
Financial assets at fair value through profit or loss		
Egeli & Co Tarım Girişim Sermayesi Y.O. A.Ş.	867.564	1.378.602
	867.564	**1.378.602**
Financial assets classified as available for sale		
Egeli & Co Tarım Girişim Sermayesi Y.O. A.Ş.	2.582.527	4.066.106
	2.582.527	**4.066.106**

d. The unrealized valuation (decrease)/increase amounts of intercompany shares are listed below:

	1 January- 31 December 2013	1 January- 31 December 2012
Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş.		
- Profit or loss	(498.388)	(244.130)
- Other comprehensive income/expense	(1.483.579)	(1.098.948)
	(1.981.967)	**(1.343.078)**

e. The details of benefits which provided to high level executives are as follows;

	1 January- 31 December 2013	1 January- 31 December 2012
Gross wages and other short term benefits	581.136	281.395
	581.136	**281.395**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks due to its operations. The details of these risks and The Group's risk management are as follows.

Financial Risk Management

The Group's activities expose it to a variety of risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

a. *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to meet regarding the terms of their agreements as foreseen and which causes the other party to incur a financial loss.

The Group's maximum credit risk exposure:

Note	Banks and B type liquid funds (Note 5)	Receivables from reverse repo transactions (Note 5)	Receivables from money market transactions (Note 5)	Financial investments (Note 6)	Other receivables (Note 9)	Receivables from related parties (Note 22)
31 December 2013						
As of reporting date max. credit risk exposed	**3.845.461**	**-**	**-**	**-**	**24.170.691**	**297.515**
Net book value of non-overdue or non-impaired financial assets	-	-	-	-	24.166.766	-
Net book value of non-overdue or non-impaired financial assets	3.845.461	-	-	-	24.170.691	297.515
31 December 2012						
As of reporting date max. credit risk exposed	**25.892.887**	**17.505.335**	**7.203.320**	**12.745.009**	**-**	**23.169.792**
Net book value of non-overdue or non-impaired financial assets	-	-	-	-	-	-
Net book value of non-overdue or non-impaired financial assets	25.892.887	17.505.335	7.203.320	12.745.009	-	23.169.792

The Group does not hold any financial assets that are past due but which are not impaired with renegotiated conditions which would otherwise be past due and impaired. In addition, the Group does not hold any off-balance sheet items with credit risk and impaired assets.

b. Liquidity risk disclosures

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient funds. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Group manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

The Group does not have any derivative financial liabilities. The following table presents the cash flows payable by the Group under other financial liabilities according to their remaining contractual maturities as of 30 June 2013 and 31 December 2012.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2013						
	Up to 1 month	**Between 1-3 months**	**Between 3 months-1 year**	**Between 1-5 years**	**5 years and more**	**Demand**	**Total**
Cash and cash equivalents	3.832.403	-	-	-	-	13.313	3.845.716
Financial investments	-	-	-	-	-	10.803.009	10.803.009
Current income tax asset	-	-	240.739	-	-	-	240.739
Other current asset	-	-	676.300	-	-	-	676.300
Other receivables from related parties	-	-	-	297.515	-	-	297.515
Other receivables	-	-	24.170.691	-	-	-	24.170.691
Total asset	**3.832.403**	**-**	**25.087.730**	**297.515**	**-**	**10.816.322**	**40.033.970**
Financial liabilities	-	-	4.500.305	267.321	-	-	4.767.626
Due to non-related parties	38.345	-	-	-	-	-	38.345
Due to related parties	595.363	-	-	-	-	-	595.363
Other current liabilities	-	-	123.168	-	-	-	123.168
Provisions for employee benefits	-	-	16.701	-	-	-	16.701
Employee termination benefit	-	-	-	-	13.812	-	13.812
Total liailities	**633.708**	**-**	**4.640.174**	**267.321**	**13.812**	**-**	**5.555.015**
Net liquidity excess/ (shortage)	**3.198.695**	**-**	**20.447.556**	**30.194**	**(13.812)**	**10.816.322**	**34.478.955**

	31 December 2012						
	Up to 1 month	**Between 1-3 months**	**Between 3 months-1 year**	**Between 1-5 years**	**5 years and more**	**Demand**	**Total**
Cash and cash equivalents	50.566.537	-	-	-	-	35.535	50.602.072
Financial investments	-	-	12.745.009	-	-	8.707.721	21.452.730
Prepaid expenses	-	-	-	1.955	-	-	1.955
Due from related parties	-	23.169.792	-	-	-	-	23.169.792
Current income tax asset	-	-	235	-	-	-	235
Other current asset	-	-	675.172	-	-	-	675.172
Total asset	**50.566.537**	**23.169.792**	**13.420.416**	**1.955**	**-**	**8.743.256**	**95.901.956**
Financial liabilities	-	53.216.786	-	-	-	-	53.216.786
Due to non-related parties	15.201	-	-	-	-	-	15.201
Due to related parties	94.566	-	-	-	-	-	94.566
Other current liabilities	-	-	131.438	-	-	-	131.438
Provisions for employee benefits	-	-	7.765	-	-	-	7.765
Employee termination benefit	-	-	-	-	8.946	-	8.946
Total liailities	**109.767**	**53.216.786**	**139.203**	**-**	**8.946**	**-**	**53.474.702**
Net liquidity excess/ (shortage)	**50.456.770**	**(30.046.994)**	**13.281.213**	**1.955**	**(8.946)**	**8.743.256**	**42.427.254**

According to the contract, as there is no difference between the price of the book and the value of cash outflows, there is no extra table presented for cash inputs and outputs.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c. Information on market risk

1. Foreign currency risk

The Group is exposes to foreign currency risk of Euro. The table below summarises the Company's exposure to foreign currency exchange rate risk and foreign currency position at 31 December 2013 and 31 December 2012.

	31 December 2013	31 December 2012
Financial assets	-	-
Financial liabilities (-)	(417.626)	-
	(417.626)	**-**

Financial liabilities are consist of EUR borrowing s from banks as of 31 December 2013.

Vergi öncesi kar/(zarar)	**Appreciated**	**Depreciated**
If EUR appreciated/(depreciated) against TL by 10%:		
1- EUR net liability	(41.763)	41.763
2- EUR risk protected part (-)	-	-
3- EUR net effect (1+2)	(41.763)	41.763
Toplam	**(41.763)**	**41.763**

As of 31 December 2012 The Group did not have foreign currency assets and liabilities

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Below table summarizes foreign currency risk of The Group.

		31 December 2013					31 December 2012				
		TRY equivalent	**USD**	**EUR**	**GBP**	**Other**	**TRY equivalent**	**USD**	**EUR**	**GBP**	**Other**
1.	Trade receivables	-	-	-	-	-	-	-	-	-	-
2a.	Monetary financial assets	-	-	-	-	-	-	-	-	-	-
2b.	Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
3.	Other	-	-	-	-	-	-	-	-	-	-
4.	**Current assets (1+2+3)**	-	-	-	-	-	-	-	-	-	-
5.	Trade receivables	-	-	-	-	-	-	-	-	-	-
6a.	Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
7.	Other	-	-	-	-	-	-	-	-	-	-
8.	**Non-current assets (5+6+7)**	-	-	-	-	-	-	-	-	-	-
9.	**Total assets (4+8)**	-	-	-	-	-	-	-	-	-	-
10.	Trade payables	-	-	-	-	-	-	-	-	-	-
11.	Financial liabilities	150.305	-	51.185	-	-	-	-	-	-	-
12a.	Monetary other liabilities	-	-	-	-	-	-	-	-	-	-
12b.	Non-monetary other liabilities	-	-	-	-	-	-	-	-	-	-
13.	**Current liabilities (10+11+12)**	**150.305**	**-**	**51.185**	-	-	-	-	-	-	-
14.	Trade payables						-	-	-	-	-
15.	Financial liabilities	267.321	-	91.034	-	-	-	-	-	-	-
16a.	Monetary other liabilities						-	-	-	-	-
16b.	Non-monetary other liabilities						-	-	-	-	-
17.	**Non-current liabilities (14+15+16)**	**267.321**	**-**	**91.034**	-	-	-	-	-	-	-
18.	**Total liabilities (13+17)**	**417.626**		**142.219**	-	-	-	-	-	-	-
19.	**Net asset / (liability) position of off-balance sheet derivative instruments (19a-19b)**	-	-	-	-	-	-	-	-	-	-
19a.	Total hedged asset amount	-	-	-	-	-	-	-	-	-	-
19b.	Total hedged liability amount	-	-	-	-	-	-	-	-	-	-
20.	**Net foreign currency asset/(liability) position (9+18+19)**	-	-	-	-	-	-	-	-	-	-
21.	**Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-1 5-16a)**	-	-	-	-	-	-	-	-	-	-
22.	**Total fair value of financial instruments used for foreign currency hedging**										
23.	**Export**	-	-	-	-	-	-	-	-	-	-
24.	**Import**	-	-	-	-	-	-	-	-	-	-

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

2. *Interest Rate Risk*

The Group is exposed to interest rate risk because of its interest bearing assets and liabilities.

The Group manages its interest rate-susceptible assets and liabilities by balancing their time left to repricing.

The Group doesn't have any financial assets or liabilities that are susceptible to interest rate risk.

The Interest position Schedule is as below:

Fixed-rate financial instruments	**31 December 2013**	**31 December 2012**
Financial assets		
Cash and cash equivalents	3.832.148	50.566.537
Financial investments	-	12.745.009
Other receivables	24.166.766	23.169.792
	27.998.914	**86.481.338**
Financial liabilities		
Financial liabilities	4.767.626	53.216.786
	4.767.626	**53.216.786**

Group's average effective yearly interest rates (%) concerning financial assets and liabilities are shown below:

	31 December 2013	**31 December 2012**
Assets		
TRY cash and cash equivalents	6,15 - 7,50	5,25 - 8,40
TRY financial investments	-	6 - 14
TRY other receivables	9,47	12
Liabilities		
TRY financial liabilities	11	12
EUR financial liabilities	6,84	-

NOTE 23 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

3. Equity securities price risk

In the Group's balance sheet, the Group has TRY 3.450.091 worth of the stocks which belongs to publicly traded companies which are classified as of 31 December 2013 (31 December 2012: TRY 13.227.451). The Group's analysis suggests that when the ISE index increases/decreases by 5%, the Group's pre-tax increases/decreases by TRY 172.505(31 December 2012: TRY 661.373) assuming that all other variables remain constant.

d. Share capital management

The Group's objectives when managing capital is to decrease the investment risk through portfolio diversification. The Group aims to provide returns for shareholders and preserve and increase the value of its portfolio. In order to add value to its portfolio, the Group invests in high yielding marketable securities and other financial instruments, monitors the developments in capital markets other financial institutions, and modifies its portfolio strategy accordingly.

NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value of the financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here are not necessarily indicative of the amounts the Company could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

a. Financial assets:

The fair values of certain financial assets carried at cost, including cash due from banks, are considered to approximate their respective carrying values.

Market prices are used on the determination of the fair values of marketable securities.

b. Financial liabilities:

The Company assumes that the carrying values of financial assets and liabilities are close to their fair values, due to their short-term maturity.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities.
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in the first level.
- Third level: Financial assets and liabilities are valued with inputs that cannot be based on the data observed in the market and used to determine the fair value of the asset or liability.

	Level 1	Level 2	Level 3
31 December 2013			
Financial Investments	3.450.091	7.352.918	-
31 December 2012			
Financial Investments	13.227.451	2.386.487	-

NOTE 25 - SUBSEQUENT EVENTS

Shares on Egeli Girişim which The Company is the main shareholder was reduced to %84,03 as of 27 February 2014

NOTE 26 - OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS

None.

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