

**AKSA ENERJİ ÜRETİM A.Ş. AND ITS
WHOLLY OWNED SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS TOGETHER WITH
INDEPENDENT
AUDITOR'S REPORT AS OF
30 JUNE 2012**

**INDEPENDENT AUDITOR'S REPORT OF
AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
FOR THE PERIOD ENDED 30 JUNE 2012**

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

**Eren Bağımsız Denetim ve
Yeminli Mali Müşavirlik A.Ş.**
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Introduction

We have reviewed the accompanying consolidated interim balance sheet of Aksa Enerji Üretim A.Ş. and its wholly owned subsidiaries (together referred to as the Group) as of 30 June 2012 and the related consolidated interim statements of income, changes in equity and cash flow for the six-month period then ended. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

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

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



Nazım Hikmet
Partner

Istanbul, 16 August 2012

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30.06.2012 AND 31.12.2011
(Currency - Turkish Lira)

ASSETS	Note	30.06.2012	31.12.2011
Current Assets			
Cash and Cash Equivalents	4	79.046.984	110.146.953
Marketable Securities		89.487	383.292
Trade Receivables	5	271.663.527	261.469.390
Due from/to Related Parties and Shareholders, net	6	388.987.895	360.009.439
Inventory	7	146.603.383	121.520.019
Other Current Assets	8	87.023.404	77.303.403
		973.414.680	930.832.496
Assets Held For Sale	24	13.514.272	13.444.193
Non-Current Assets			
Investments	9	1.631.875	1.631.875
Property, Plant and Equipment	10	1.615.300.919	1.613.035.801
Goodwill	2	9.522.739	9.522.739
Intangible Assets	11	1.755.641	1.054.532
Other Non-Current Assets	8	41.520.252	43.389.684
Deferred Tax Asset	14	4.109.211	4.109.211
		1.673.840.637	1.672.743.842
TOTAL ASSETS		2.660.769.589	2.617.020.531

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30.06.2012 AND 31.12.2011
(Currency - Turkish Lira)

LIABILITIES	Note	30.06.2012	31.12.2011
Short Term Liabilities			
Financial Liabilities	12	487.624.007	489.549.669
Trade Payables	13	389.135.481	359.498.367
Taxation Payable on Income	14	5.427.814	4.411.568
Other Payables and Accrued Liabilities	15	37.721.091	70.366.018
		919.908.393	923.825.622
Long Term Liabilities			
Financial Liabilities	12	791.503.223	891.450.641
Retirement Pay Provision	16	2.012.525	1.839.533
Deferred Tax Liability	14	2.936.550	2.936.550
		796.452.298	896.226.724
Shareholders' Equity			
Share Capital	17	579.487.932	579.487.932
General Reserves	18	120.956.987	242.940.489
Share Premium		96.523.266	96.523.266
Net Profit / (Loss) for the Period / Year		147.440.713	(121.983.502)
		944.408.898	796.968.185
Commitments and Contingencies	25		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2.660.769.589	2.617.020.531

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTH PERIOD ENDED
30.06.2012 AND 30.06.2011
(Currency - Turkish Lira)

INCOME STATEMENT	Note	01.01.- 30.06.2012	01.01.- 30.06.2011
Net Sales	19	867.719.435	401.019.210
Cost of Sales	20	(745.197.354)	(347.527.859)
Gross Profit		122.522.081	53.491.351
Research and Development Expenses	21	-	(18.348)
Marketing and Selling Expenses	21	(767.359)	(1.340.299)
General Administrative Expenses	21	(9.624.901)	(6.810.710)
Basic Operating Profit		112.129.821	45.321.994
Other Income	22	4.776.003	622.053
Other Expenses	22	(14.327.414)	(51.172.861)
Financing Income	23	163.591.295	49.554.866
Financing Expenses	23	(113.292.563)	(142.952.331)
Profit / (Loss) Before Tax For The Period		152.877.142	(98.626.279)
Taxation on Profit - Current	14	(5.427.814)	(6.193.304)
Profit / (Loss) After Tax For The Period		147.449.328	(104.819.583)
Discontinued Operations	24	(8.615)	(39.759)
NET PROFIT / (LOSS) FOR THE PERIOD		147.440.713	(104.859.342)
Earnings before interest, tax, depreciation and amortization (EBITDA)	3	163.788.128	82.924.045

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30.06.2012 AND 30.06.2011
(Currency - Turkish Lira)

SHAREHOLDERS' EQUITY	Share Capital	General Reserves	Share Premium	Net Profit / (loss) for the Period	Total
Balance, 01.01.2011	579.487.932	173.652.620	95.999.686	69.427.025	918.567.263
Transfer to reserves	-	69.427.025	-	(69.427.025)	-
Effect of first time aggregation of Ayres Ayvacık Rüzgar Enerjisi	-	(303.659)	-	-	(303.659)
Share premium	-	-	523.580	-	523.580
Dividend paid	-	(4.544)	-	-	(4.544)
Net loss for the period	-	-	-	(104.859.342)	(104.859.342)
Balance, 30.06.2011	579.487.932	242.771.442	96.523.266	(104.859.342)	813.923.298
Balance, 01.01.2012	579.487.932	242.940.489	96.523.266	(121.983.502)	796.968.185
Transfer to reserves	-	(121.983.502)	-	121.983.502	-
Net profit for the period	-	-	-	147.440.713	147.440.713
Balance, 30.06.2012	579.487.932	120.956.987	96.523.266	147.440.713	944.408.898

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIOD ENDED 30.06.2012 AND
30.06.2011
(Currency - Turkish Lira)

CASH FLOWS FROM OPERATING ACTIVITIES	01.01.- 30.06.2012	01.01.- 30.06.2011
Net profit / (loss) for the period	147.440.713	(104.859.342)
<u>Adjustment for:</u>		
Depreciation and amortization	51.674.085	37.632.988
Retirement pay provision	172.992	339.312
Interest expense accruals on loans	(4.097.300)	2.351.528
Unrealised foreign exchange (gains) / losses on loans	(63.679.461)	77.852.787
Decrease in value of machinery and equipments	12.316.971	-
Discount on receivables / (payables), net	687.672	(189.940)
Tax provision	5.427.814	4.534.271
Operating profit before working capital changes	149.943.486	17.661.604
Trade receivables	(10.287.613)	16.770.328
Inventory	(25.083.364)	(41.741.860)
Other current assets	(9.720.001)	8.752.352
Other non current assets	1.869.432	15.873.367
Trade payables	29.042.918	45.982.413
Other payables and accrued liabilities	(32.644.927)	25.268.161
Other long term liabilities	-	18.729.829
Taxes paid	(4.411.568)	(13.471.828)
Net Cash Flows Generated From Operating Activities	98.708.363	93.824.366
CASH FLOWS FROM INVESTING ACTIVITIES		
Assets Held For Sale	(70.079)	582.033
Purchases / (Disposals) of property, plant and equipment and intangible assets, net	(66.957.283)	(186.521.616)
Goodwill	-	(3.498.840)
Sales of marketable securities	293.805	-
Purchase / (Disposal) of equity participations, net	-	(612.127)
Net Cash Flows Used In Investment Activities	(66.733.557)	(190.050.550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial liabilities	(34.096.319)	(12.334.631)
Due from/to related parties and shareholders	(28.978.456)	75.377.246
Effect of first time aggregation of Ayres Ayvacık Rüzgar Enerjisi	-	(303.659)
Share Premium	-	523.580
Dividend Paid	-	(4.544)
Net Cash Flows Generated From / (Used in) Financing Activities	(63.074.775)	63.257.992
Net Increase / (Decrease) in Cash and Cash Equivalents	(31.099.969)	(32.968.192)
Cash and Cash Equivalents at Beginning of Period	110.146.953	78.323.598
Cash and Cash Equivalents at the End of Period	79.046.984	45.355.406

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency - Turkish Lira)

1. Organization and Nature of Activities

Aksa Enerji Üretim A.Ş. (The Company) was established on 12 March 1997 for production and sale of electricity. The shares of Company have been registered in the Turkish Capital Markets Board (CMB) in May 2010 and the shares are now publicly traded on the Istanbul Stock Exchange. The public portion of the shares is 5,47% and 94,52% of the share capital is owned by Kazancı Holding A.Ş. (note 17). As of 30 June 2012, the number of personnel employed by the Company is 278 (31.12.2011: 290).

As of 30 June 2012, the number of personnel employed by the group is 620 (31.12.2011:660).

The Company has the following electricity production plants:

• **Antalya Power Plant**

The Company has been awarded an electricity production license for a natural gas fired combined cycle power plant at Antalya with an installed capacity of 1.150 MW at 2007. The Company completed 23% portion of the construction of simple cycle at the end of 2008 and the Company started to produce electricity.

As of November 2011 the construction of the turbines has been fully completed and the total installed capacity of the power plant increased to 1.150 MW.

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

• **Manisa Power Plant**

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

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

• **Hakkari Power Plant**

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

According to the contract rent of land are renewed each year since 21.09.2007 where the Company's power generation plant is located in Hakkari.

• **Samsun Power Plant**

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

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

• **Çorum Power Plant**

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

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

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- **Mardin Power Plant**

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

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

- **Bursa Power Plant:**

The power plant at Bursa which has a capacity of 1,39 MW produces electricity from methane gas. Methane gas is extracted from biological waste naturals. Since the methane gas at the region is almost used up, the operation is stopped for a while. Dated on 24.04.2004 with the number of EÜ/133-6/153 license was ended by the Energy Market Regulatory Authority board resolution which is dated on 21.12.2010 and number of 2938-45.

As of 30 June 2012 the subsidiaries which have been included in consolidation are below:

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

Early in 2003, the Company had been awarded a 5 years contract of 20 MW mobile power plant in Northern Cyprus. The plant had started electricity production in mid 2003 and all of its production was sold to Electricity Distribution Company of Turkish Northern Cyprus (KIB-TEK). In October 2004, the Company signed an additional protocol with KIB-TEK. Accordingly, the Company has increased its capacity to 89 MW during 2005 and all of its production was sold to KIB-TEK. At the end of 2008, the contract with KIB-TEK has been revised and the contract period has been extended up to 2024. The Company in Northern Cyprus, named Aksa Enerji Üretim A.Ş. (Y.Ş.), is the wholly owned subsidiary of the Company and its financial results have been consolidated in the accompanying financial statements.

As of August 2011 the ongoing investment to increase the capacity of the Power Plant and combined cycle conversion by 31 MW , has been fully completed and the capacity of the power plant has increased to 120 MW.

During 2010, Aksa Enerji Üretim A.Ş. - (Y.Ş.) has leased the land over which its power plant is located in Northern Cyprus for 10 years from a real person resident in Northern Cyprus. This land is subleased to Kazancı Holding A.Ş. for the same period of 10 years.

As of 30 June 2012, the number of personnel employed by the Company is 55 (31.12.2011: 55).

2. Rasa Elektrik Üretim A.Ş.:

The Company was established on 30 January 1996 in Istanbul. It was originally engaged in the production of oil and water coolers for automobiles, agricultural machinery and generators. During 2001, the Company completed the construction of a mobile power plant in Mardin which has installed capacity of 33 MW. This is a mobile power plant which uses fuel oil and it has been established to meet the electricity needs of Mardin and surrounding areas. The contract with TEİAŞ (Turkey Electricity Production and Relaying Company) foresees that all production during five years (2001-2007) is sold to TEAŞ. The contract with TEİAŞ has expired as of 31 December 2007. An electricity production licence was obtained from EMRA in 2007 and since then the power plant is producing and selling its energy to TEİAŞ.

The land over which the power plant is located in Mardin, has been leased from Koni İnşaat A.Ş. in 2002, to be renewed annually.

As of 30 June 2012, the number of personnel employed by the Company is 99 (31.12.2011: 105).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. Deniz Elektrik Üretim Limited Şirketi:

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

In May 2004, Aksa Enerji Üretim A.Ş. acquired 95% of the shares of the Company. On 13.08.2010, Aksa Enerji Üretim A.Ş. has made the purchase of new shares participate in Deniz Elektrik Üretim Ltd. Şti. and raised its shares to 99.99%.

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

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

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

As of 30 June 2012, the number of personnel employed by the Company is 27 (31.12.2011: 50).

4. Baki Elektrik Üretim Limited Şirketi:

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

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

The Company started the construction of a plant which will produce electricity from wind power with a capacity of 90 MW (thirty wind turbines, each with a capacity of 3 MW) in Şamlı, Balıkesir in 2007. The plant became operational in September 2008. The Company is completed the expansion project and the capacity is increasing to 114 MW from 90 MW.

The Company sold its production to TEIAS and Aksa Elektrik Toptan Satış A.Ş. (related company).

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

As of 30 June 2012, the number of personnel employed by the Company is 21 (31.12.2011: 24).

5. Rasa Enerji Üretim A.Ş.:

Rasa Enerji Üretim A.Ş. (the Company) was established on 12.09.2000 for production and distribution of the electricity. The Company has licence for a natural gas power plant in Van which has a 114,88 MW capacity. The total installed capacity of the Van plant was increased to 104 MW to 114,88 MW as combined cycle in the last quarter of 2010.

The Company has licence for naturalgas power plant in Urfa which has a 116,76 MW capacity. The construction period is completed in August 2011 and the Company started to generate electricity.

The Company’s 99.99% shares have been acquired by Aksa Enerji Üretim A.Ş. at 05.03.2010 from one of the related parties of Koni İnşaat Sanayi A.Ş..

As of 30 June 2012, the number of personnel employed by the Company is 86 (31.12.2011: 81).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. İdil İki Enerji Sanayi ve Ticaret A.Ş.:

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

The Company's 99.99% shares have been acquired by Akxa Enerji Üretim A.Ş. at 05.03.2010 from one of the related parties of Koni İnşaat Sanayi A.Ş..

As of 30 June 2012, the number of personnel employed by the Company is 20 (31.12.2011: 21).

7. Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti.:

The Company has a wind power plant in Çanakkale Ayvacık with a capacity of 5 MW. The Company's 99.99% shares have been acquired by Akxa Enerji Üretim A.Ş. at 18.04.2011 from one of the related parties of Kazancı Holding.

As of 30 June 2012, the number of personnel employed by the Company is 5 (31.12.2011: 5).

8. Alenka Enerji Üretim ve Yatırım Ltd. Şti.:

As of 17.08.2011, Akxa Enerji Üretim A.Ş. has purchased the 81% stake of from the Alenka's shareholders which has 67.5 MW of wind power plant with a total investment stage in Kırklareli-Kıyıköy, Kiblekayası-Hatay, Hatay-Yurtepe and Tekirdag-Sırakayalar.

9. Akxa Göynük Enerji Üretim A.Ş.:

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

As of 28.10.2011, Akxa Enerji Üretim A.Ş. purchased the 99.993% of the shares of the Company from Kazancı Holding (related Party) . The Company is established to install, operate, taken over and hire electrical energy production facilities, produce and selling of electrical energy and dealing all kinds of oil, gas and mining goods.

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

As of 30 June 2012, the number of personnel employed by the Company is 29 (31.12.2011: 29).

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency - Turkish Lira)

Electricity production licences held by the Group are as follows:

Licence Owner	Area	Type of Facility	Date of Licence Started	Licence Duration	The capacity of the plant (MWe)	The capacity under operation (MWe)
Aksa Enerji	KKTC	Fuel oil			120	120
Aksa Enerji	Hakkari	Fuel oil	18.10.2007	10 year	24	24
Aksa Enerji	Antalya	Natural Gas	13.11.2007	30 year	2.050	1.150
Aksa Enerji	Manisa	Natural Gas	21.02.2008	30 year	115,26	115,26
Aksa Enerji	İncesu-Ortaköy-Çorum	HPP	29.09.2005	40 year	15	15
Aksa Enerji	Mardin	Fuel oil	14.07.2011	49 year	30	30
Aksa Enerji	Samsun	Natural Gas	28.07.2011	49 year	130	130
Aksa Enerji	Bolu (*)	Thermal	25.03.2008	30 year	270	--
Aksa Enerji	Erzincan (*)	HPP	17.01.2008	49 year	85	--
Aksa Enerji	Mersin (*)	HPP	14.06.2007	49 year	20	--
Aksa Enerji	Kayseri (*)	HPP	17.01.2008	49 year	30	--
Aksa Enerji	Mutki-Bitlis (*)	HPP	24.03.2005	35 year	32	--
Aksa Enerji	Pazarköy-Akyazı-Sakarya (*)	HPP	10.02.2005	40 year	26,4	--
Aksa Enerji		HPP	05.03.2009	49 year	30	--
Aksa Enerji	Gümüşhane İli, Kuletaşı Barajı (*)					
Aksa Enerji	Bitlis İli, Kor Barajı (*)	HPP	30.10.2008	49 year	26	--
Aksa Enerji	Koru Barajı (*)	HPP	17.06.2009	49 year	15	--
Aksa Enerji	Adana, Yamanlı 1 Reg. (*)	HPP	20.05.2010	49 year	24,2	--
Aksa Enerji		WPP	13.03.2008	49 year	30	--
	EğrikayaSırtı-Atikboynutepe- Atıkkaşatepe-Alacıkkaşatepe- Çardaklıtepe-İskenderun-Hatay (*)					
Alenka	Hatay-Yurttepe	WPP	04.04.2007	20 year	13,5	-
Alenka	Hatay-Meydan Kiblekayası	WPP	04.04.2007	20 year	15	-
Alenka	Tekirdağ-Sırakayalar	WPP	04.04.2007	20 year	12	-
Alenka	Kırklareli-Kıyıköy	WPP	04.04.2007	20 year	27	-
Ayres	Ayvacık	WPP	01.11.2007	25 year	5	5
Baki Elektrik	Merkez-Şanlı-Balıkesir	WPP	06.04.2004	49 year	114	114
Deniz Elektrik	Sebenoba-Gözene-Yayladağı- Samandağ-Hatay	WPP	04.06.2004	49 year	60	30
Deniz Elektrik		WPP	05.12.2003	49 year	10,8	10,8
	Karakurt-İlyaslar-Çakaltepe-Manisa					
İdil İki	Şırnak	Thermal	22.03.2007	20 year	24	24
İdil İki	Ordu (*)	HPP	25.04.2008	49 year	62,34	--
İdil İki	Erzurum (*)	HPP	06.09.2007	49 year	60	--
Rasa Enerji	Van	Natural Gas	15.01.2009	49 year	114,88	114,88
Rasa Enerji	Şanlıurfa	Natural Gas	12.05.2011	49 year	270,07	120
Rasa Elektrik	Mardin	Fuel oil	22.03.2007	20 year	33	33
Total					3.894,45	2.035,94

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

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency - Turkish Lira)

2. Basis of Presentation of the Financial Statements

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

The consolidated financial statements of the Group for the year ended 30 June 2012 were authorised for issue in accordance with a resolution of the directors on 16.08.2012.

Basis of Consolidation

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

The subsidiaries which have been included in consolidation and their shareholding percentages at 30 June 2012 and 31 December 2011 are as follows:

Name of Consolidated Entity	Effective Rate of Ownership (%)	
	30.06.2012	31.12.2011
1. Akxa Enerji Üretim Kıbrıs – Y.Ş. (Northern Cyprus)	100,00	100,00
2. Rasa Elektrik Üretim A.Ş.	99,96	99,96
3. Deniz Elektrik Üretim Limited Şirketi	99,99	99,99
4. Baki Elektrik Üretim Limited Şirketi	95,00	95,00
5. Rasa Enerji Üretim A.Ş.	99,99	99,99
6. İdil İki Enerji Sanayi ve Ticaret A.Ş.	99,99	99,99
7. Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti. (*)	99,99	99,99
8. Alenka Enerji Üretim ve Yatırım Ltd. Şti. (**)	81,00	81,00
9. Akxa Göynük Enerji Üretim A.Ş. (***)	99,99	99,99

(*) Ayres Ayvacık Rüzgar Enerjisinden Elektrik Üretim Santrali Ltd. Şti. was acquired by on 18.04.2011 and was consolidated in financial statements on 31.12.2011 with its respective balance sheet amount and last six months income statement amount.

(**) Alenka Enerji Üretim ve Yatırım Ltd. Şti. was acquired by on 17.08.2011 and was consolidated in financial statements on 31.12.2011 with its respective balance sheet amount and last three months income statement amount.

(***) Akxa Göynük Enerji Üretim A.Ş. was acquired by on 28.10.2011 and was consolidated in financial statements on 31.12.2011 with its respective balance sheet amount and last two months income statement amount.

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

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

Reporting currency

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

Goodwill

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

Positive goodwill (included in the balance sheet):

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

As of 24.05.2006 (from financial statements dated 31.12.2006), 95% of the shares of Baki Elektrik were acquired by the Group and TL 223.983 worth of positive goodwill arose.

Cost (İdil İki)	
Payment	18.000.000
Fair value of the asset acquired	(14.650.644)
Goodwill	3.349.356

As of 05.03.2010 (from financial statements dated 31.03.2010), 99.99% of the shares of İdil İki were acquired by the Group and TL 3.349.356 worth of positive goodwill arose.

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

As of 13.08.2010, the Group acquired additional 4.99 % and TL 2.450.560 worth of positive goodwill arose.

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Cost (Ayres)

Payment	3.275.083
Fair value of the asset acquired	223.757
Goodwill	3.498.840

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

Cost (Alenka)

Payment	629.064
Fair value of the asset acquired	(467.593)
Goodwill	161.471

As of 01.10.2011, %81 of the shares of Alenka Enerji Üretim ve Yatırım Ltd. Şti..were acquired by the Group and TL 161.471 positive goodwill arose in the income statements.

Cost (Alenka)

Payment	1.308.200
Fair value of the asset acquired	(518.615)
Goodwill	789.585

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

Inflation accounting

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

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Adoption of New and Revised International Financial Reporting Standards

The Group applied the revised standards and interpretations that are relevant to its operations, published by International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) and effective from 1 January 2011.

a) Standards, amendments and interpretations effective from 1 January 2011:

- IAS 24 (Revised), "Statements of Related Parties"
- IFRS 1 (Amendment), "First Implementation of IFRS"
- IAS 32 (Amendment), "Financial Tools: Presentation"
- IFRIC 14 (Amendment), "Advance Payment of Minimum Funding Requirement"
- IFRIC 19 (Interpretation), "Payment of Financial Debts with Financial Tools Based on Equity Capital"
- The standards within the scope of 2010 Annual Development Project will be valid for financial periods start after January 1st, 2011. The abovementioned project includes the following changes in 6 standards and 1 interpretation:
 - IFRS 1 (Improvement), "First Implementation of IFRS"
 - IFRS 3 (Improvement), "Business Mergers"
 - IFRS 7 (Improvement), "Financial Tools: Explanations"
 - IAS 1 (Improvement), "Presentation of Financial Statements"
 - IAS 27 (Improvement), "Consolidated and Non-consolidated Financial Statements"
 - IAS 34 (Improvement), "Intermediary Period Financial Reporting"
 - IFRIC 13 (Improvement), "Customer Loyalty Programs"

b) Standards, amendments and interpretations to existing standards that are not yet effective as of 31 December 2011 and have not been early adopted by the Group:

- IFRS 7 (Amendment), "Financial Tools: Explanations"
- IFRS 1 (Amendment), "First Implementation of IFRS"
- IAS 12 (Amendment), "Income Taxes"
- IAS 19 (Amendment), "Employee Benefits"
- IAS 1 (Amendment), "Presentation of Financial Statements"
- IFRS 9, "Financial Tools"
- IFRS 10, "Consolidated Financial Statements"
- IFRS 11, "Common Regulations"
- IFRS 12, "Explanations Concerning the Shares in Other Operations"
- IFRS 13, "Measurement of Securities"
- IAS 27, "Individual Financial Statements"
- IAS 28, "Participations and Joint Ventures"

The Group management will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date. It is expected that the application of the standards and the interpretations above will not have a significant effect on the financial statements of the Group.

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3. Summary of Significant Accounting Policies

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

Cash and cash equivalents

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

Trade receivables and allowance for doubtful receivables

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

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

Related parties

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

Trade payables

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

Inventory

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

Property, plant and equipment, intangible assets and related depreciation and amortization

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

	<u>Year</u>
Buildings	10-50
Machinery and equipment (*)	10-20
Furniture, fixtures and office equipment	5-15
Motor vehicles	5-8
Intangible assets	5-7

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(*) Breakdown of machinery and equipment is as follows:

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

Financial liabilities

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

Aksa Enerji Üretim A.Ş. has an export credit premium payable in connection with its long term loans used to finance the wind electricity, natural gas and other energy plants. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities– Note 12) until the time of payment. As of 30 June 2012, TL 48.062.792 (USD 17.843.376, EURO 6.928.854 and TL 71.134) and 31 December 2011, TL 47.138.486 (TL 104.874, USD 16.441.785 and EURO 6.537.258) of export credit premium is netted off from assets and liabilities.

Deniz Elektrik Üretim Ltd. Şti. has an export credit premium payable in connection with its long term loans used to finance the wind electricity plant. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities – Note 12) until the time of payment. As of 30 June 2012, TL 4.768.242 (USD 2.638.953 and TL 974) and 31 December 2011, TL 5.450.711 (USD 2.885.653) of export credit premium is netted off from assets and liabilities.

Baki Elektrik Üretim Ltd. Şti. has an export credit premium payable in connection with its long term loans used to finance the wind electricity plant. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities – Note 12) until the time of payment. As of 30 June 2012, TL 29.316.963 (USD 12.584.420, EURO 2.872.830 and TL 49.818) and 31 December 2011, TL 32.126.869 (USD 13.183.677 and EURO 2.956.142) of export credit premium is netted off from assets and liabilities.

Rasa Enerji Üretim A.Ş. has an export credit premium payable in connection with its long term loans used to finance the wind electricity plant. In statutory financial statements, the Company recorded these both at assets (Other current and noncurrent assets – Note 8) and liabilities (Financial liabilities – Note 12) until the time of payment. As of 30 June 2012, TL 10.716.000 (USD 449.219, EURO 4.347.017 and TL 18.500) and 31 December 2011, TL 14.256.958 (TL 63.205, USD 1.017.917 and EURO 5.021.282) of export credit premium is netted off from assets and liabilities.

Impairment of assets

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

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Taxation and deferred income taxes

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

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

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

Employee benefits / retirement pay provision

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

Operating expenses

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

Revenue recognition

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

Research and development costs

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

Segment reporting

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

Offsetting

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

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Foreign currency transactions and translation

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

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

Currency	30.06.2012	31.12.2011
USD	1,8065	1,8889
EURO	2,2742	2,4438
CHF	1,8889	2,0062
GBP	2,8216	2,9170
JPY	0,0227	0,0243

Provisions

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

Commitments and contingencies

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

Use of estimates

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

Significant management judgment in applying accounting policies

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

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

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

EBITDA

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

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4. Cash and Cash Equivalents

	30.06.2012	31.12.2011
Cash on hand	180.175	156.601
Cash at banks		
- Demand account	49.565.685	49.044.997
- Time deposits and repurchase agreements (*)	29.289.714	45.945.366
Other liquid assets (**)	11.410	14.999.989
	79.046.984	110.146.953

(*) As of 30 June 2012, the average term of the TL time deposit is 2-79 days and the effective interest rate on TL time deposit is between 5,05%- 9,3 % (31.12.2011: 1-4 days, interest rate is between 8,50%- 9,50%).

The average term of the USD time deposit is 1 month and the effective interest rate on USD time deposit is 2,75% and the average term of the EURO time deposit is 2 months and the effective interest rate on EURO time deposit is between 0,30%- 2,63%.

(*) Included in time deposits, as of 30 June 2012 there is an amount of TL 9.279.210 (USD 3.500.000 and EURO 1.300.000) which is blocked as security for the financial liabilities of the Group (31.12.2011: TL 8.843.640- USD 3.500.000 and EURO 1.300.000).

(**) As of 31 December 2011, the Group had B type investment funds at the amount of TL 11.410 (31.12.2011 TL 14.999.989).

5. Trade Receivables

	30.06.2012	31.12.2011
Customers' current accounts	82.797.379	60.658.042
Trade receivables from related parties (*)	191.066.321	201.389.840
Notes receivable	707.202	2.261.344
Unearned interest on trade receivable (-)	(433.898)	(340.422)
Provision for doubtful receivables (-)	(2.473.477)	(2.499.414)
	271.663.527	261.469.390

(*) The amount is detailed in note 6.

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

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

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

Aksa Enerji has receivables from Kazancı Holding A.Ş., Koni İnşaat A.Ş. and Aksa Jeneratör A.Ş. at a total amount of TL 441.316.350 (31.12.2011: TL 353.053.438) Aksa Jeneratör business valuation report has been prepared by an independent expert and signed on 24.02.2012. The independent value of Aksa Jeneratör A.Ş. is established at TL 752 million. Aksa Jeneratör A.Ş. is almost wholly owned by Kazancı Holding A.Ş. Kazancı Holding has given all of Aksa Jeneratör's shares as guarantee in relation to Kazancı Holding, Koni İnşaat and Aksa Jeneratör liability to Aksa Enerji .

As of 30 June 2012 and 31 December 2011 the breakdown of the related parties balances are as follows:

Due from related parties	30.06.2012		31.12.2011	
	Trade	Non-Trade	Trade	Non-Trade
Aksa Afyon Doğalgaz Dağıtım A.Ş.	64.496	371.841	-	1.592
Aksa Anadolu Doğalgaz Dağıtım A.Ş.	-	594	-	1.062.139
Aksa Bilecik Bolu Doğal Gaz Dağıtım A.Ş.	29.117	183.483	489.751	208
Aksa Çanakkale Doğalgaz Dağıtım A.Ş.	17.158	-	431.227	1.526
Aksa Düzce Ereğli Doğal Gaz Dağıtım A.Ş.:	74.493	3.519.270	3.247.248	6.046
Aksa Elektrik Perakende Satış A.Ş.	-	2.087.249	-	1.898.650
Aksa Elektrik Toptan Satış A.Ş.	165.858.672	22	162.507.595	22
Aksa Gaz Dağıtım A.S.	804.472	4.250.563	7.781.097	-
Aksa Gümüşhane Doğalgaz Dağıtım A.Ş.	5.416	3.661.306	2.293.523	1.060.963
Aksa International Ltd.	-	1.834.290	399.442	1.827.741
Aksa Jeneratör Sanayi A.Ş.	194.862	3.235.023	870.098	301.347
Aksa Karadeniz Doğalgaz Dağıtım A.Ş.	68.174	143.081	-	47
Aksa Makina Sanayi A.Ş.	18.147	10.483	-	457.957
Aksa Malatya Doğalgaz Dağıtım A.Ş.	7.585	151.504	1.884.712	69
Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.	314.497	1.065	1.856.725	1.065
Aksa Power Generation Co.	126.271	2.320.272	9.135.428	-
Aksa Power Generation Fze.	-	-	-	1.394.782
Aksa Satış Ve Pazarlama A.Ş.	-	283.563	1.795	378.163
Aksa Servis Ve Yedek Parça A.Ş.	91.454	-	12.666	-
Aksa Siirt Batman Doğalgaz Dağıtım A.Ş.	3.170.005	2.444.785	1.924.936	458
Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.	827.663	117.859	881.439	2.989.577
Aksa Tokat Doğal Gaz Dağıtım A.Ş.	2.033.261	675.034	-	5
Aksa Trakya Doğal Gaz Dağıtım A.Ş.	-	11.256	418.287	290.098
Aksa Van Doğalgaz Dağıtım A.Ş.	113.073	330.237	3.560.681	415.437
Çoruh Elektrik Dağıtım A.Ş.	-	200	2.086.184	444
Elektrik Altyapı Hizmetleri A.Ş.	30.683	30.932	19.845	2.712
Kapıdağ Rüzgar Enerji Santrali Ltd. Şti.	341.768	1.051.534	-	43.246
Kazancı Holding A.Ş.	-	414.589.145	-	351.877.959

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Due from related parties (continuing)	30.06.2012		31.12.2011	
	Trade	Non-Trade	Trade	Non-Trade
Kazancı Teknik Cihazlar Yedek Parça A.Ş.	-	1.901.935	-	1.949.572
Koni İnşaat Sanayi A.Ş.	17.722.678	5.574.642	-	4.034
Other	8.948	777.922	1.587.161	1.209.010
Unearned interest on trade receivables from related parties (-)	(856.572)	-	-	-
Total	191.066.321	449.559.090	201.389.840	367.174.869

Due to related parties	30.06.2012		31.12.2011	
	Trade	Non-Trade	Trade	Non-Trade
Aksa Anadolu Doğalgaz Dağıtım A.Ş.	-	164.119	-	7.839
Aksa Balıkesir Doğalgaz Dağıtım A.Ş.	-	288.464	2.465	99.862
Aksa Bandırma Doğalgaz Dağıtım A.Ş.	-	642.643	-	-
Aksa Elektrik Toptan Satış A.Ş.	-	469.225	2.136	24.282
Aksa Far East PTE Ltd.	-	928.725	-	860.367
Aksa Gemlik Doğalgaz Dağıtım A.Ş.	97	180.136	-	165.803
Aksa Havacılık A.Ş.	805.257	-	185.836	-
Aksa Jeneratör Sanayi A.Ş.	210.540	26.836.896	790	1.779
Aksa Manisa Doğalgaz Dağıtım A.Ş.	7.020.390	3.000	-	3.000
Aksa Sivas Doğal Gaz Dağıtım A.Ş.	-	7.735.680	-	632.732
Aksa Van Doğalgaz Dağıtım A.Ş.	9.703.077	-	-	40.500
Çoruh Elektrik Dağıtım A.Ş.	-	2.327.197	-	-
Fırat Aksa Elektrik Hizmetleri A.Ş.	-	1.719	-	4.364.638
Fırat Elektrik Dağıtım A.Ş.	2.753	7.465.514	-	-
Kazancı Holding A.Ş.	24.842	6.293.123	-	-
Koni İnşaat Sanayi A.Ş.	45.608	6.164.175	198.338	257.820
Other	57.121	1.070.579	140.257	706.808
Total	17.869.685	60.571.195	529.822	7.165.430

Due from / to related parties, net	173.196.636	388.987.895	200.860.018	360.009.439
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7. Inventory

	30.06.2012	31.12.2011
Raw materials (*)	130.431.882	96.062.742
Merchandise	3.254.691	13.030.001
Finished goods	2.449.851	1.932.647
Work in process	907.046	272.448
Provision for diminution in value of inventory (-) (**)	(476.849)	(506.698)
Other inventory	10.036.762	10.728.879
	146.603.383	121.520.019

(*) Raw materials are mainly comprised of fuel oil which is purchased on the basis of CIF (Cost, Insurance, and Freight Inclusive).

(**) The movement for inventory value decrease is as follows:

	30.06.2012	31.12.2011
Opening balance, 1 January	506.698	506.698
Cancelled (note 22)	(29.849)	--
At the end of the period	476.849	506.698

8. Other Current and Non-Current Assets

Other Current Assets	30.06.2012	31.12.2011
Other VAT (*)	32.385.819	36.176.813
VAT carried forward	22.279.390	4.902.759
Advances given	13.437.010	22.183.857
Prepaid taxes and funds	9.905.982	6.127.826
Prepaid expenses	7.632.618	6.280.769
Advances given for business purposes	615.878	104.678
Deposits given	427.819	454.392
Advances given to personnel	49.814	196.644
Other doubtful receivables	549.404	857.299
Provision for other sundry receivables	(549.404)	(857.299)
Sundry debtors	289.074	875.665
	87.023.404	77.303.403

(*)As of 30.06.2012 and 31.12.2011, other VAT is related to export registered sales to Akxa Elektrik Toptan Satış A.Ş. (a related party).

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Other Non Current Assets	30.06.2012	31.12.2011
Advances given (*)	36.308.193	42.670.267
Deposits given (**)	5.199.636	704.347
Prepaid expenses	12.423	15.070
	41.520.252	43.389.684

(*) As of 30 June 2012 and 31 December 2011, advances given is related to Akxa Göynük thermal power plant and other energy production power plants (note 1).

(**)As of 30 June 2012 , the amount of TL 5.006.842 is related to collateral given to Takasbank in relation to receivables to be collected through TEİAŞ transactions.

9. Investments

	30.06.2012	31.12.2011
Rasa Radiator (Jiangyin) Co. Ltd.	1.512.300	1.512.300
Kapıdağ Rüzgar Enerji Santrali Ltd. Şti.	119.575	119.575
I.S.P. A.Ş.	-	42.108
Provision for impairment of I.S.P. A.Ş.	-	(42.108)
	1.631.875	1.631.875

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10. Property, Plant and Equipment

	01.01.2012	Additions	Disposals	Provision for diminution in value of machinery	30.06.2012
Cost					
Land, land improvements and buildings	62.625.440	31.251	-	-	62.656.691
Leasehold improvements	526.388	154.483	-	-	680.871
Machinery and equipment ^(*)	1.922.447.668	38.982.749	-	(12.316.971)	1.949.113.446
Motor vehicles	3.513.673	114.642	(128.920)	-	3.499.395
Furniture, fixtures and office equipment	11.333.126	463.998	(88.832)	-	11.708.292
Construction in progress ^(**)	30.175.848	26.481.733	-	-	56.657.581
	2.030.622.143	66.228.856	(217.752)	(12.316.971)	2.084.316.276
Accumulated Depreciation					
Land improvements and buildings	1.016.709	166.895	-	-	1.183.604
Leasehold improvements	300.661	37.907	-	-	338.568
Machinery and equipment	407.770.315	50.656.052	-	-	458.426.367
Motor vehicles	1.783.214	217.467	(86.953)	-	1.913.728
Fixtures and fittings	6.715.443	478.185	(40.538)	-	7.153.090
	417.586.342	51.556.506	(127.491)	-	469.015.357
Net Book Value	1.613.035.801	14.672.350	(90.261)	(12.316.971)	1.615.300.919

^(**) This amount is related to gas tribune which was sent to repair and maintenance for services (note 22).

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	01.01.2011	Additions	Disposals	Transfer	Acquisition of Ayres, Alenka and Göynük	31.12.2011
Cost						
Land, land improvements and buildings	61.757.220	903.073	(50.302)	-	15.449	62.625.440
Leasehold improvements	430.328	96.060	-	-	-	526.388
Machinery and equipment	1.282.518.015	412.110.611	(13.804.057)	240.541.742	1.081.357	1.922.447.668
Motor vehicles	3.489.748	542.982	(619.021)	-	99.964	3.513.673
Furniture, fixtures and office equipment	9.134.322	3.477.990	(1.287.422)	-	8.236	11.333.126
Construction in progress	349.527.035	(91.859.240)	-	(240.541.742)	13.049.795	30.175.848
	1.706.856.668	325.271.476	(15.760.802)	-	14.254.801	2.030.622.143
Accumulated Depreciation						
Land improvements and buildings	683.688	331.992	-	-	1.029	1.016.709
Leasehold improvements	240.623	60.038	-	-	-	300.661
Machinery and equipment	322.689.400	90.588.166	(5.516.262)	-	9.011	407.770.315
Motor vehicles	1.639.568	445.788	(313.804)	-	11.662	1.783.214
Fixtures and fittings	5.863.650	943.709	(92.658)	-	742	6.715.443
	331.116.929	92.369.693	(5.922.724)	-	22.444	417.586.342
Net Book Value	1.375.739.739	232.901.783	(9.838.078)	-	14.232.357	1.613.035.801

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As of 30 June 2012, the Group's property, plant and equipment were insured at EURO 268.843.260 and USD 371.599.797 (31 December 2011, EURO 268.048.799, USD 202.720.973 and TL 166.880.215).

During the six month period ended 30 June 2012, TL 4.322.546 (30 June 2011 TL 42.750.264) of interest expenses and foreign exchange losses has been capitalized.

(**) As of 30 June 2012, the breakdown of construction in progress are as follows:

Bolu Göynük thermal power plant	19.401.148
Turkish Republic of Northern Cyprus (TRNC) sea water purification investment	6.291.179
Şanlıurfa Power Plant capacity expansion	17.267.464
Other (**)	13.697.790
	56.657.581

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

The allocation of current period depreciation and amortization expenses for the years ended 30 June 2012 and 30 June 2011 is as follows:

	30.06.2012	30.06.2011
Cost of sales	51.426.532	37.417.900
General administration expenses	231.775	184.151
Discontinued Operations	15.778	30.937
	51.674.085	37.632.988

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11. Intangible Assets, net

	01.01.2012	Additions	30.06.2012
Cost			
Rights	1.634.337	818.688	2.453.025
	1.634.337	818.688	2.453.025
Accumulated Depreciation			
Rights	579.805	117.579	697.384
	579.805	117.579	697.384
Net Book Value	1.054.532	701.109	1.755.641

	01.01.2011	Additions	Acquisition of Ayres, Alenka and Göynük	31.12.2011
Cost				
Rights	1.055.904	574.452	3.981	1.634.337
	1.055.904	574.452	3.981	1.634.337
Accumulated Depreciation				
Rights	403.754	175.888	163	579.805
	403.754	175.888	163	579.805
Net Book Value	652.150	398.564	3.818	1.054.532

12. Financial Liabilities

	30.06.2012	31.12.2011
Short-term bank loans	125.524.827	174.963.109
Current portion of long-term bank loans	239.928.767	239.002.009
Factoring payables	74.509.564	26.800.113
Finance lease liabilities, net	34.606.451	31.632.740
Interest expense accruals	13.054.398	17.151.698
Total short-term financial liabilities	487.624.007	489.549.669
Long-term bank loans	676.740.257	769.181.009
Factoring payables	36.475.050	35.039.305
Finance lease liabilities, net	78.287.916	87.230.327
Total long -term financial liabilities	791.503.223	891.450.641
Total financial liabilities	1.279.127.230	1.381.000.310

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As of 30 June 2012, the effective interest rate of the short term TL loans is between 7,65%-18,62% (2011: 7,65% - 18,62%), USD loans is between 3,65%-8,25% (2011: 3,65% - 8,25%) and EURO loans is between 2,70%-7,12% (2011: 2,70% - 7,12%).

As of 30 June 2012, the effective interest rate of the long term TL loans is between 6,37%-14,40% (2011: 6,37% -14,40%), USD loans is between 0,60%-8,66% (2011: 0,60% - 8,66%) and EURO loans is between 2,32%-6,24% (2011: 2,32% - 6,24%).

Bank loans are guaranteed by Kazancı Holding A.Ş., Akxa Jeneratör Sanayi A.Ş. (a related party), personal guarantee of the Group's shareholders, as well as several other securities (note 25-b).

As of 30.06.2012, total amounting of corporate guaeantees provided by Akxa Group Companies and the Kazancı Family members for the Group's bank borrowings is TL 2.363.321.666 (31.12.2011: TL 2.747.665.576)

As of 30 June 2012, the repayment schedule of the short term and long term loans is as follows:

Payment Period	EURO	USD	TL	Total TL Equivalent
30.06.2012-30.06.2013	34.021.447	157.423.404	3.696.640	365.453.594
30.06.2013-30.06.2014	14.392.365	52.449.297	429.697	127.910.468
30.06.2014-30.06.2015	15.584.915	58.846.485	-	141.749.389
30.06.2015-30.06.2016	13.187.684	34.772.606	-	92.808.144
30.06.2016-30.06.2017	10.378.463	28.250.625	-	74.637.455
30.06.2017-30.06.2018	9.315.363	23.800.614	-	64.180.808
30.06.2018-30.06.2019	8.635.593	21.199.433	-	57.935.842
30.06.2019-30.06.2020	6.749.904	20.269.622	-	51.967.704
30.06.2020-30.06.2021	4.864.353	11.220.634	-	31.332.587
30.06.2021-30.06.2022	3.453.353	6.238.971	-	19.124.316
30.06.2022-30.06.2023	1.841.444	3.119.489	-	9.823.169
30.06.2023-30.06.2024	1.544.979	-	-	3.513.591
30.06.2024-30.06.2025	772.485	-	-	1.756.784
Total	124.742.348	417.591.180	4.126.337	1.042.193.851

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Factoring Payables

As of 30 June 2012 and 31 December 2011, the breakdown of the factoring payables is as follows:

	30.06.2012	31.12.2011
Short-term:		
Yapı ve Kredi Faktoring A.Ş. (*)	39.424.451	26.800.113
Girişim Faktoring A.Ş. (**)	25.085.113	-
Garanti Faktoring A.Ş.	10.000.000	
Total short term	74.509.564	26.800.113
Long-term:		
Yapı ve Kredi Faktoring A.Ş. (*)	36.475.050	35.039.305
Total long term	36.475.050	35.039.305
Total	110.984.614	61.839.418

(*) As of 30 June 2012, TL 14.558.042 (31.12.2011: TL 16.010.891) of KIBTEK receivables is netted off from assets and liabilities.

(**) As of 30 June 2012, TL 4.914.887 (31.12.2011: none) of KIBTEK receivables is netted off from assets and liabilities.

Lease Payables

The Group acquired machinery and equipment via financial leasing. As of 30 June 2012, the repayment schedule of leasing obligations is as follows:

Payment Period	EURO	USD	Total TL Equivalent
30.06.2012-30.06.2013	1.860.718	16.814.175	34.606.451
30.06.2013-30.06.2014	1.464.000	14.717.478	29.916.553
30.06.2014-30.06.2015	1.826.674	12.252.496	26.288.356
30.06.2015-30.06.2016	1.640.874	8.998.525	19.987.511
30.06.2016-30.06.2017	533.541	488.303	2.095.496
Total	7.325.807	53.270.977	112.894.367

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13. Trade Payables

	30.06.2012	31.12.2011
Suppliers' current accounts (*)	368.677.819	357.008.526
Trade payables to related parties (**)	17.869.685	529.822
Notes payable	49.550	-
Unearned interest on trade payable (-)	(1.419.844)	(2.014.040)
Other	3.958.271	3.974.059
	389.135.481	359.498.367

(*) TL 240.810.823 (31.12.2011: TL 195.937.484) of the amount is related to letter of credits which are in relation to import of spare parts and small equipments for power plants.

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

14. Taxation Payable on Income

The corporation tax rate in Turkey on the profits for the calendar year 2012 is 20% (2011: 20%). Taxable profits are calculated by modifying accounting income for certain exclusions and allowances for tax purposes from the profit disclosed in the statutory income. No other taxes are paid unless profits are distributed. In Turkey, no taxes are withheld from undistributed profits, profits added to share capital (bonus shares) and dividends paid to other resident companies. Other than those, profits distributed in dividends to individuals and non-resident companies are subject to withholding at the rate of 15%.

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

The tax liabilities included in the accompanying financial statements comprised:

	30.06.2012	30.06.2011
a) Included in the income statement:		
Current tax charge	(5.427.814)	(6.193.304)
	30.06.2012	31.12.2011
b) Included in the balance sheet:		
Taxation payable on income (current)	5.427.814	4.411.568
Deferred tax assets	4.109.211	4.109.211
Deferred tax liabilities	2.936.550	2.936.550

Deferred taxes

As of 30 June 2012 and 31 December 2011, the Group does not have material timing differences which will be reversed in the foreseeable future. Accordingly, the Group does not create any provision for deferred taxation.

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15. Other Payables and Accrued Liabilities

Current	30.06.2012	31.12.2011
Provision for payment to EÜAŞ regarding SamsunPower Plant (note 22) (*)	20.740.346	54.572.496
Taxes and dues payable	9.329.663	4.620.937
Licence fee accrual to DSI (**)	3.600.000	7.200.000
Due to personnel	1.837.255	1.493.373
Deposits received	820.502	1.157.226
Order advances received	648.051	175.946
Social security premiums payable	576.737	976.614
Other Provisions	119.765	151.390
Overdue or deferred taxes and dues payable	10.260	10.260
Other	38.512	7.776
	37.721.091	70.366.018

(*) A protocol was reached with EÜAŞ about Samsun Power Plant, according this protocol, the debt is being paid by the Group with monthly installments between the dates of 10.01.2012 - 10.10.2012.

(**) A protocol was reached with DSI (Public Water Works Administration) about HPP in Erzurum, according this protocol, the debt is being paid by the Group with monthly installments (TL 600.000) in 2012.

16. Retirement Pay Provision

Under the Turkish Labour Law, the Group is required to pay employment termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). The provision is made in respect of all eligible employees, at a rate of 30 days gross pay for each year of service. The rate of pay is that ruling at the respective balance sheet dates, subject to a maximum of TL 2.917,27 per year as of 30.06.2012 (31.12.2011 : TL 2.731,85 per year).

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

As of 30 June 2012 and 31 December 2011 in the accompanying financial statements in accordance with revised IAS 19 (Employee Benefits) the Group reflected a liability for termination benefits based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted to present value at the balance sheet date by using average market yield, expected inflation rate (5,0 %) and an appropriate discount rate (9,25 %).

	30.06.2012	31.12.2011
Balance at 1 January	1.839.533	1.331.912
Acquisition of new companies	--	65.463
Increase in employment termination benefits during the period /year	225.647	531.785
Provision released	(52.655)	(89.627)
Balance at end of period / year	2.012.525	1.839.533

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17. Share Capital

The issued and paid up share capital of Aksa Enerji Üretim A.Ş. comprised 577.500.000 shares of par value TL 1 each at 30 June 2012 and 31 December 2011.

	30.06.2012	%	31.12.2011	%
Kazancı Holding A.Ş.	545.865.625	94,52	545.865.625	94,52
Ali Metin Kazancı	4.814	(*)	4.814	(*)
Mehmet Kazancı	4.812	(*)	4.812	(*)
Şaban Cemil Kazancı	4.812	(*)	4.812	(*)
Necati Baykal	4.812	(*)	4.812	(*)
Aksa Makina Sanayi A.Ş.	15.125	(*)	15.125	(*)
Public Share	31.600.000	5,48	31.600.000	5,48
Historic share capital	577.500.000	100,00	577.500.000	100,00
Inflation adjustment to share capital	1.987.932		1.987.932	
Inflation adjusted share capital	579.487.932		579.487.932	

(*) Less than 0.01

Kazancı Holding A.Ş., being the Parent Company of Aksa Enerji, has secured 400 million USD long term credit facility arranged by Goldman Sachs, China Development Bank, Garanti Bankası and İş Bankası. Class B shares representing 65.54% of issued capital of Aksa Enerji are pledged as security of the credit facility to Garanti Bankası acting as Security Agent.

18. General Reserves

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

The legal reserves are appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of statutory profits at the rate of 5 % per annum, until the total reserve reaches 20 % of the paid-in share capital. The second legal reserve is appropriated at the rate of 10 % per annum of all cash distributions in excess of 5 % of the paid-in share capital. The legal reserves are not available for distribution unless they exceed 50 % of the paid-in share capital but may be used to offset losses in the event that the general reserve is exhausted.

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

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19. Net Sales

	01.01.-	01.01.-
	30.06.2012	30.06.2011
Total Sales – MWH / Unit		
Energy sales – MWH (*)	4.731.257	1.730.803
Radiator sales – unit	5.179	6.010
Generator sales – unit	28	378
	01.01.-	01.01.-
	30.06.2012	30.06.2011
Total Sales – Amount		
Electricity Sales	840.377.285	349.210.496
Natural Gas Equipments	19.840.591	27.656.357
Radiator Sales	4.176.650	5.246.883
Generator Sales	389.390	13.568.712
Other	2.935.519	5.336.762
Total Sales	867.719.435	401.019.210

(*) In the first half of 2012, the Group have produced 4.016.704 Mwh electricity , in addition to the production, the Group have received from TEİAŞ's Load Rejection Order (YAT: Yük Atma Talimatı) and therefore sold 714.553 Mwh additional electricity. Thereby, the total amount of electricity sales reached to 4.731.257Mwh and according to the calculation made by considering the weighted averages the average selling price is 173,77 TL/mws . The Group's average capacity utilization rate is 62%.

Total amount of balancing invoices issued by TEİAŞ in 01.01.-30.06.2012 is TL 18.220.957 (01.01.-30.06.2011: TL 33.163.949), which has been added to the cost of sales account.

20. Cost of Sales

	01.01.-	01.01.-
	30.06.2012	30.06.2011
Cost of Electricity Sales	724.023.919	312.283.692
Cost of Natural Gas Equipments Sales	15.193.459	19.302.842
Cost of Radiator Sales	3.597.027	3.349.731
Cost of Generator Sales	257.168	12.591.594
Cost of Other Sales	2.125.781	-
Total Cost Of Sales	745.197.354	347.527.859

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21. Research and Development, Marketing and Selling and General Administrative Expenses

	01.01- 30.06.2012	01.01- 30.06.2011
Research and development expenses	-	18.348
Marketing, selling and distribution expenses	767.359	1.340.299
General administrative expenses	9.624.901	6.810.710
	10.392.260	8.169.357

Breakdown of operating expenses are as follows:

Marketing, selling and distribution expenses

Freight and freight insurance	345.800	1.057.705
Advertising expenses	140.817	-
Personnel salaries and bonus payments	94.201	76.449
Rent expenses	45.398	59.540
Insurance expenses	29.377	34.315
Office expenses	19.829	7.200
Travelling expenses	12.845	1.375
Motor vehicle expenses	7.164	6.626
Communication expenses	1.080	3.822
Redevance expenses	-	53.168
Other	70.848	40.099
	767.359	1.340.299

General administrative expenses

Personnel expenses	3.859.975	3.757.980
Taxes paid	1.456.687	586.348
Traveling expenses	1.330.802	552.303
Consultancy expenses	475.647	164.860
Motor vehicle expenses	402.985	470.648
Insurance expenses	327.779	28.369
Depreciation and amortisation expenses	231.775	184.151
Court and notary expenses	197.766	133.642
Communication expenses	113.247	242.351
Office expenses	102.880	42.381
Representation expenses	83.286	90.733
Rent expenses	71.295	68.780
Retirement pay provision expense	31.556	64.950
Other	939.221	423.214
	9.624.901	6.810.710

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22. Other Income and Other Expenses

Other Income	01.01.- 30.06.2012	01.01.- 30.06.2011
Tax provision released	1.565.897	-
Income on insurance claims	1.101.431	19.808
Imports with waiver	655.177	-
Doubtful debt provision released	333.832	-
Profit on sale of fixed assets	61.352	103.290
Severance pay provision released	52.655	-
Warranty provision released	29.849	-
Other income	975.870	498.955
	4.776.003	622.053

Other Expenses

Decrease in value of machinery and equipments (note 10)	(12.316.971)	-
Provision for payment to EÜAŞ regarding Samsun Power Plant (note 15)	-	(47.259.289)
Loss on sale of fixed assets	(3.492)	(264.149)
Idle capacity expenses	-	(2.165.804)
Other	(2.006.951)	(1.483.619)
	(14.327.414)	(51.172.861)

23. Financing Income and Financing Expenses

Financing income	01.01.- 30.06.2012	01.01.- 30.06.2011
Foreign exchange gains	127.464.601	19.177.205
Interest income on time deposits at banks and interest income on receivables from Kazancı Group Companies	34.537.841	29.922.547
Discount on trade payable	1.588.853	455.114
	163.591.295	49.554.866

Financing expenses

Foreign exchange losses	(55.541.064)	(87.779.848)
Interest expense on bank loans and related parties	(43.593.372)	(45.030.436)
Bank commission expenses	(6.679.758)	(3.496.699)
Discount on trade receivable	(3.304.510)	(645.054)
Interest expense on related parties	(2.807.354)	(5.735.350)
Letters of guarantee expenses	(1.330.421)	(201.345)
Other	(36.084)	(63.599)
	(113.292.563)	(142.952.331)

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24. Assets Held For Sale and Discontinued Operations

Aksa Enerji Üretim A.Ş., the parent Company of “Aksa Göynük Branch” used to have a mutual agreement with the Turkish Coal Board to establish a thermal Power Plant in Bolu Göynük Region until the period determined in the given license. However, because of some managerial reasons the rights of the agreement, other than the license, was transferred to Kazancı Holding, which is the parent Company of the “Aksa Göynük Enerji Üretim A.Ş.”. Accordingly, the Branch in Aksa Göynük has ceased its operations on 27 October 2010.

In the meantime, Aksa Enerji Üretim A.Ş. and the Turkish Coal Board have reached a new agreement to transfer all the rights and the liabilities of the original agreement and its supplements to “Aksa Göynük Enerji Üretim A.Ş.” which is a 100 % subsidiary of Aksa Enerji Üretim A.Ş.. Consequently, an application has been made to Energy Market Regulatory Authority to transfer the production license to “Aksa Göynük Enerji Üretim A.Ş.”. Accordingly, the assets under Aksa Enerji Bolu Göynük Branch will be sold to Aksa Göynük Enerji Üretim A.Ş.

The financials of the Aksa Enerji Bolu Göynük Branch are classified as discontinued operations as of and for the periods ending 30.06.2012 and 31.12.2011 in the accompanying financial statements.

Assets Held For Sale by Aksa Enerji Bolu Göynük Branch:

	30.06.2012	31.12.2011
Land	339.878	339.878
Buildings	292.779	292.779
Machinery and equipment	307.676	307.676
Motor vehicles	2.500	2.500
Fixtures and fittings	255.622	174.698
Construction in progress	12.604.317	12.599.384
	13.802.772	13.716.915
Depreciation and Amortization (-)	(288.500)	(272.722)
Net Book Value	13.514.272	13.444.193

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Discontinued Operation of Aksa Enerji Bolu Göynük Branch:

	01.01.- 30.06.2012	01.01.- 30.06.2011
Net Sales	-	60.965
Cost of Sales	-	(60.965)
Gross Profit	-	-
General Administrative Expenses	(7.979)	(174.003)
Basic Operating Profit	(7.979)	(174.003)
Other Income	222	135.673
Other Expenses	(858)	(226)
Financing expenses	-	(1.203)
	(8.615)	(39.759)

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25. Commitments and Contingencies

a) Letters of guarantee given to:

30.06.2012	Foreign Currency	Currency Amount	TL Equivalent
Ankara 29. İcra	TL	62.000	62.000
Beyoğlu 4. İcra	TL	7.444	7.444
Boğaziçi Elektrik Dağıtım A.Ş.	TL	69.120	69.120
Boru Hatları İle Petrol Taşıma A.Ş. (BOTAŞ)	USD	11.084.184	20.023.579
Bursa Belediyesi	TL	780	780
Bursa Turkey Electricity Distribution Company	TL	600	600
Commerzbank AG	EUR	1.000.000	2.274.200
Public Waterworks Administration	TL	3.076.000	3.076.000
Enerji Piyasası Düzenleme Kurumu	TL	84.651.346	84.651.346
Electricity Generation Co. Inc. (EUAS)	USD	14.392.337	25.999.757
Gediz Electricity	TL	15.570	15.570
Gümrük Müsteşarlığı	EUR	250.000	568.550
İstanbul 1. İcra	TL	30.200	30.200
İstanbul 11. İcra	TL	600.000	600.000
İstanbul 10. Asliye Mahkemesi	TL	1.500	1.500
K.K.T.C. Elektrik Kurumu	USD	3.000.000	5.419.500
Özer Metal Sanayi A.Ş.	TL	150.000	150.000
Sakarya Electricity Distribution Company	TL	140.305	140.305
Samsun Turkey Electricity Distribution Company	TL	26.862	26.862
TEİAŞ Araştırma Planlama	TL	421.008	421.008
Manisa İl Özel İdaresi	TL	39.646	39.646
Turkey Electricity Transmission Company (TEIAS)	TL	11.323.196	11.323.196
Turkey Electricity Transmission Company (TEIAS)	USD	4.068.729	7.350.158
Türkiye Kömür İşl. Kurumu	TL	11.691.825	11.691.825
Uludağ Electricity	TL	425.000	425.000
Yeşilirmak Electricity	TL	24.967	24.967
Atlas Copco	EUR	35.400	80.507

174.473.620

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31.12.2011	Foreign Currency	Currency Amount	TL Equivalent
Akdeniz Electricity Distribution Company	TL	28.955	28.955
Ankara 29. İcra Müdürlüğü	TL	62.000	62.000
Ankara Turkey Electricity Distribution Company	TL	10.000	10.000
Beyoğlu 4. İcra Müdürlüğü	TL	7.444	7.444
Boğaziçi Elektrik Dağıtım A.Ş.	TL	69.120	69.120
Botaş – Petroleum Pipeline Corporation	USD	2.641.000	4.988.585
Bursa Turkey Electricity Distribution Company	TL	600	600
Municipality of Bursa	TL	1.621	1.621
Commerzbank Ag	EUR	1.000.000	2.443.800
Customs administration	EUR	250.000	610.950
Electricity Authority of KKTC	USD	3.000.000	5.666.700
Electricity Generation Co. Inc. (EÜAŞ)	USD	28.989.873	54.758.971
Energy Market Regulatory Authority (EMRA)	TL	85.342.154	85.342.154
Gediz Electricity	TL	15.570	15.570
General Directorate of Turkish Coal	TL	10.316.620	10.316.620
İstanbul 1. İcra	TL	30.200	30.200
İstanbul 10. Asliye Ticaret Mahkemesi	TL	1.500	1.500
Manisa İl Özel İdaresi	TL	39.646	39.646
Özer Metal San.A.Ş.	TL	150.000	150.000
Public Water Works Administration	TL	3.076.000	3.076.000
Sakarya Electricity Distribution Company	TL	98.305	98.305
Samsun Turkey Electricity Distribution Company	TL	26.862	26.862
Turkey Electricity Transmission Company (TEIAS)	TL	12.413.153	12.413.153
Turkey Electricity Transmission Company (TEIAS)	USD	1.288.048	2.432.994
Turkey Electricity Transmission Company (TEIAS)	TL	421.008	421.008
Research and Planning Department	TL	425.000	425.000
Uludağ Electricity	TL	1.024.967	1.024.967
Yeşilirmak Electricity Distribution Company	TL	1.024.967	1.024.967
			184.462.725

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b) Guarantees given for the Group's loans

Guarantee Types – 30.06.2012	Foreign Currency	Currency Amount	Total (TL)
Mortgage (*)	EUR	12.000.000	27.290.400
Commercial Enterprise Pledge (**)	USD	133.000.000	240.264.500
Machinery and Equipment Pledge	EUR	24.914.673	56.660.949
Bank Deposit Blockage	USD	3.500.000	6.322.750
Bank Deposit Blockage	EUR	1.300.000	2.956.460
Surety Ship	TL	--	399.539.500
Surety Ship	USD	990.716.034	1.789.728.515
Surety Ship	EUR	59.164.212	134.551.251
Surety Ship	GBP	14.000.000	39.502.400
Assignment of Claim	TL	--	340.000.000
Collateral Bond	EUR	1.384.425	3.148.459
Total			3.039.965.184

(*) Mortgages have been established on Samsun power plant at amounts of EUR 12.000.000 on 30.06.2005.

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

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

Kazancı Holding, being the Parent Company of Akxa Enerji, has secured 400 million USD long term credit facility arranged by Goldman Sachs, China Development Bank, Garanti Bankası and İş Bankası. Class B shares representing 65.54% of issued capital of Akxa Enerji are pledged as security of the credit facility to Garanti Bankası acting as Security Agent.

Guarantee Types – 31.12.2011	Foreign Currency	Currency Amount	Total (TL)
Mortgage	EUR	12.000.000	29.325.600
Commercial Enterprise Pledge	USD	133.000.000	251.223.700
Bank Deposit Blockage	EUR	1.300.000	3.176.940
Bank Deposit Blockage	USD	3.000.000	5.666.700
Surety Ship	TL	476.913.248	476.913.248
Surety Ship	USD	1.079.926.159	2.039.872.522
Surety Ship	EUR	94.475.737	230.879.806
Assignment of Claim	TL	240.000.000	240.000.000
Total			3.277.058.516

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c) Guarantees given to related parties

As of 30 June 2012, the amount of corporate guarantees granted to Kazancı Group companies in relation to their bank loans were at TL 1.289.877.536 (31.12.2011: TL 1.768.177.063).

However, based on the Aksa Group's management representation, not all of the guaranteed credit lines has been made use by Kazancı Group Companies and as of 30.06.2012, the risk exposure was only about TL 461.9 million (31.12.2011: TL 550.2 million).

As of 30 June 2012, there are 2 lawsuits pending in favour of the Group at the amount of TL 1.520.772 and there are 28 law suits pending against the Group at the amount of TL 8.637.341.

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

The table below summarizes the foreign monetary position risk of the Group as of 30 June 2012 and 31 December 2011, the recorded amounts of the foreign monetary assets are kept by the Group and those of the payables in terms of total amounts and foreign exchange are as follows:

30.06.2012	USD	EUR	CHF	GBP	JPY	TL Equivalent
Cash and cash equivalents	19.333.883	9.866.006	66	10.940	53.444	57.396.134
Trade receivables	70.960	332.361	-	-	-	884.045
Due from related parties	2.370.746	-	-	-	-	4.282.753
Other current assets	271.292	793.654	-	-	-	2.295.017
Other non-current assets	-	9.146.000	-	-	-	20.799.833
Total foreign currency assets	22.046.881	20.138.021	66	10.940	53.444	85.657.782
Financial liabilities	512.876.827	132.068.155	-	-	-	1.226.861.387
Trade payables	88.005.435	36.629.064	-	1.860	-	242.288.884
Other payables and accrued liabilities	11.474.220	-	-	-	-	20.728.178
Total foreign currency liabilities	612.356.482	168.697.219	-	1.860	-	1.489.878.449
Net foreign currency position	(590.309.601)	(148.559.198)	66	9.080	53.444	(1.404.220.667)

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31.12.2011	USD	EUR	CHF	GBP	JPY	TL Equivalent
Cash and cash equivalents	10.144.173	2.523.815	65	4.048	53.451	25.342.264
Trade receivables	5	245.317	-	-	-	599.515
Due from related parties	5.712.395	234.253	-	-	-	11.362.610
Other current assets	261.088	1.091.995	-	2.626	-	3.169.447
Other non-current assets	-	4.863	-	-	-	11.884
Total foreign currency assets	16.117.661	4.100.243	65	6.674	53.451	40.485.720
Financial liabilities	538.575.513	139.481.701	-	-	-	1.358.180.674
Trade payables	84.468.828	16.817.419	-	-	-	200.651.579
Other payables and accrued liabilities	28.989.872	-	-	-	-	54.758.969
Total foreign currency liabilities	652.034.213	156.299.120	-	-	-	1.613.591.222
Net foreign currency position	(635.916.552)	(152.198.877)	65	6.674	53.451	(1.573.105.502)

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Supplementary Disclosures on financial instruments

(a) Capital Management Policies and Procedures

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

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

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

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

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

The following table sets out the gearing ratios as of 30 June 2012 and 31 December 2011:

	30.06.2012	31.12.2011
Total financial liabilities	1.279.127.230	1.381.000.310
Less: cash and cash equivalents	(79.046.984)	(110.146.953)
Net financial debt	1.200.080.246	1.270.853.357
Total equity	944.408.898	796.968.185
Total financing used	2.144.489.146	2.067.821.542
Gearing ratio (net financial debt to overall financing used ratio)	56%	61%

(b) Financial instruments and categories

Financial assets

Cash and cash equivalents	79.046.984	110.146.953
Trade receivables	271.663.527	261.469.390
	350.710.511	371.616.343

Financial liabilities

Financial payables	1.279.127.230	1.381.000.310
Trade payables	389.135.481	359.498.367
	1.668.262.711	1.740.498.677

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(c) Market risk

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

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

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

(d) Foreign currency risk

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

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

(e) Interest rate risk management

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

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

(f) Price risk

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

27. ADDITIONAL INFORMATION

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

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

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

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

Further information about the Transaction is summarised below:

1. Simultaneously with the execution of the New Loan Facility, the board of directors of Akşa Enerji will initiate a process of capital increase through private placement under registered capital system by restricting the pre-emptive rights of current shareholders. Goldman Sachs has committed to subscribe for 35.669.118 shares with a nominal value of TL 1.00 each corresponding to circa 5,82% of the total issued share capital of Akşa Enerji (post money) for a total price of USD 105 million (to be converted into TL at an exchange rate determined by the parties). Akşa Enerji will adopt the necessary board resolutions and make the necessary approval applications to the Capital Markets Board of Turkey, Energy Market Regulatory Authority and other authorities for the registration of the shares that are subject to this capital increase.
2. In parallel to such private placement, Goldman Sachs has committed to purchase from us existing B-type Akşa Enerji shares representing circa 7,48% (post money) of the total issued share capital of Akşa Enerji for a total price of USD 135 million.
3. After the successful completion of the capital increase through private placement and share transfer, Goldman Sachs will, subject to the downside protection provided by Kazancı Holdings, own approximately 13,30% (post money) of the total issued share capital of Akşa Enerji. The total price to be paid by Goldman Sachs for those shares (“GS Shares”) will be USD 240 million which equates to a market price per share which will be different to the then exchange traded price.
4. Goldman Sachs will have the right to sell some or all of the GS Shares at any time before the sixth anniversary of the Transaction. Kazancı Holdings will retain voting rights over the GS Shares until such time as Goldman Sachs elects to sell the GS Shares to a third party. If Goldman Sachs sells the GS Shares to a third party prior to the maturity of the Transaction, it will repay to Kazancı Holdings a corresponding amount of the cash collateral initially posted to Goldman Sachs together with cash paid interest until such date under the loan and there will be a corresponding pay down of the New Loan Facility.
5. The New Loan Facility will be used, among other things, for general corporate purposes and to repay the bridge facility. It will have a 6 year tenor with a 3 years’ grace period and will be secured over 65,54% shares of Akşa Enerji. Upon completion of the equity purchase by Goldman Sachs described above, the GS Shares will be pledged as security for the New Loan Facility and a corresponding number of shares secured under the bridge facility will be released. Consequently, 52,24% of the Akşa Enerji shares pledged under the New Loan Facility will be provided by Kazancı Holdings and 13,30% will be GS Shares. The lenders will have no recourse to Goldman Sachs other than in respect of the GS Shares.
6. On the closing date of the New Loan Facility, Goldman Sachs will acquire the right to receive equity upside on Akşa Enerji shares through a call option granted by Kazancı Holdings to Goldman Sachs over 14,12% of the shares. The call option will terminate after the successful completion of the capital increase through the private placement and share transfer transactions (such that Goldman Sachs retains equity upside). Up until the six year anniversary of the Transaction, if there is equity upside, a portion of this upside will be shared by Goldman Sachs with syndicate members.

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

b) The ISE material disclosure made by the Company on 10.04.2012:

Akxa Energy Uretim A..Ş. signed a loan agreement on 10.04.2012 with KfW IPEX Bank GmbH for the financing of the routine maintenance and supply of spare parts of the Siemens gas turbines of 600 MW capacity currently operating in Antalya Natural Gas Combine Power Plant in accordance with the agreement between Akxa Energy Uretim A.Ş. with Siemens Aktiengesellschaft Erlangen and Siemens Sanayi ve Ticaret A.Ş..

The loan which is to be insured by Euler Hermes (ECA) the German export insurance agency amounts to EURO 37.600.000 with maturity of 7 years . From a cash flow point of view we believe that such a financing model is of extreme importance . Therefore our efforts and discussions continue with finance institutions to obtain finance for the maintenance and supply of spare parts of our other power plants in operation.

28. SUBSEQUENT EVENTS

As of 13.07.2012, The Group released disclosures to ISE, for the establishment of thermal power plants laid the foundation of Akxa Energy Göynük Thermal Power Plant on Coal Operators Association's lignite coal field. As a result of this project, indigenous coal plant will be established with 270 MW production capacity. The investment cost approximately Estimated as 580 million TL, it is planned to go into operation with 2 billion KW hours of electricity production in 2014. For the financing of investment, dissertation is started lead by Türkiye Garanti Bankası A.Ş. and Türkiye İş Bankası A.Ş..

29. CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

For the convenience of the reader, the accompanying financial statements have been translated from Turkish Lira to US Dollars as explained below. Such convenience translations are not intended to comply with the provisions of IAS 21 “The Effects of Changes in Foreign Exchange Rates” or Financial Accounting Standards Board No.52 “Foreign Currency Translations” for the translation of financial statements.

Balance sheets: with the respective period / year-end exchange rates

30.06.2012 : USD = TL 1,8065

31.12.2011 : USD = TL 1,8889

Income statements: with the respective period end exchange rates

30.06.2012 : USD = TL 1,8065

30.06.2011 : USD = TL 1,6302

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30.06.2012 AND 31.12.2011
(Currency - US Dollars)

ASSETS	30.06.2012	31.12.2011
Current Assets		
Cash and Cash Equivalents	43.756.980	58.312.750
Marketable Securities	49.536	202.918
Trade Receivables	150.381.139	138.424.157
Due from/to Related Parties and Shareholders, net	215.326.817	190.592.111
Inventory	81.153.270	64.333.749
Other Current Assets	48.172.380	40.925.090
	<hr/>	<hr/>
	538.840.122	492.790.775
Assets Held For Sale	7.480.914	7.117.472
Non-Current Assets		
Investments	903.335	863.929
Property, Plant and Equipment	894.160.487	853.955.107
Goodwill	5.271.375	5.041.420
Intangible Assets	971.847	558.278
Other Non-Current Assets	22.983.810	22.970.874
Deferred Tax Asset	2.274.681	2.175.452
	<hr/>	<hr/>
	926.565.535	885.565.060
TOTAL ASSETS	<hr/> 1.472.886.571 <hr/>	<hr/> 1.385.473.307 <hr/>

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 30.06.2012 AND 31.12.2011
(Currency - US Dollars)

LIABILITIES	30.06.2012	31.12.2011
Short Term Liabilities		
Financial Liabilities	269.927.488	259.171.830
Trade Payables	215.408.514	190.321.545
Taxation Payable on Income	3.004.602	2.335.522
Other Payables and Accrued Liabilities	20.880.760	37.252.378
	509.221.364	489.081.275
Long Term Liabilities		
Financial Liabilities	438.141.834	471.941.681
Retirement Pay Provision	1.114.046	973.865
Deferred Tax Liability	1.625.547	1.554.635
	440.881.427	474.470.181
Shareholders' Equity		
Share Capital	320.779.370	306.785.924
General Reserves	66.956.539	128.614.796
Share Premium	53.431.091	51.100.252
Net Profit / (Loss) for the Period / Year	81.616.780	(64.579.121)
	522.783.780	421.921.851
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1.472.886.571	1.385.473.307

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTH PERIOD ENDED
30.06.2012 AND 30.06.2011
(Currency - US Dollars)

INCOME STATEMENT	01.01.- 30.06.2012	01.01.- 30.06.2011
Net Sales	480.331.821	245.993.872
Cost of Sales	(412.508.914)	(213.181.118)
Gross Profit	67.822.907	32.812.754
Research and Development Expenses	-	(11.255)
Marketing and Selling Expenses	(424.777)	(822.168)
General Administrative Expenses	(5.327.927)	(4.177.837)
Basic Operating Profit	62.070.203	27.801.494
Other Income	2.643.788	381.581
Other Expenses	(7.931.035)	(31.390.542)
Financing Income	90.557.041	30.398.028
Financing Expenses	(62.713.846)	(87.690.057)
Profit / (Loss) Before Tax For The Period	84.626.151	(60.499.496)
Taxation on Profit - Current	(3.004.602)	(3.799.107)
Profit / (Loss) After Tax For The Period	81.621.549	(64.298.603)
Discontinued Operations	(4.769)	(24.389)
NET PROFIT / (LOSS) FOR THE PERIOD	81.616.780	(64.322.992)
Earnings before interest, tax, depreciation and amortization (EBITDA)	90.666.000	50.867.406

AKSA ENERJİ ÜRETİM A.Ş. AND ITS WHOLLY OWNED SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency - Turkish Lira)

Appendix 1

Related parties of the Group are shown below:

- 1 Aksa Afyon Doğal Gaz Dağıtım A.Ş.
- 2 Aksa Ankara Makina Satış ve Servis A.Ş.
- 3 Aksa Balıkesir Doğal Gaz Dağıtım A.Ş.
- 4 Aksa Bandırma Doğal Gaz Dağıtım A.Ş.
- 5 Aksa Bilecik, Bolu Doğal Gaz Dağıtım A.Ş.
- 6 Aksa CNG Sıkıştırılmış Doğal Gaz Dağ. İletim ve Satış A.Ş.
- 7 Aksa Çanakkale Doğalgaz Dağıtım A.Ş.
- 8 Aksa Doğal Gaz Toptan Satış A.Ş.
- 9 Aksa Doğalgaz Dağıtım A.Ş.
- 10 Aksa Elazığ Doğalgaz Dağıtım A.Ş.
- 11 Aksa Elektrik Perakende Satış A.Ş.
- 12 Aksa Elektrik Toptan Satış A.Ş.
- 13 Aksa Enerji Iraq
- 14 Aksa Far East Pte Ltd.
- 15 Aksa Gaz Dağıtım A.Ş.
- 16 Aksa Gemlik Doğal Gaz Dağıtım A.Ş.
- 17 Aksa Gümüşhane Bayburt Doğalgaz A.Ş.
- 18 Aksa Havacılık A.Ş.
- 19 Aksa International UK Ltd
- 20 Aksa Jeneratör Sanayi A.Ş.
- 21 Aksa Karadeniz Doğalgaz Dağıtım A.Ş.
- 22 Aksa Makina Sanayi A.Ş.
- 23 Aksa Malatya Doğalgaz A.Ş.
- 24 Aksa Manisa Doğalgaz Dağıtım A.Ş.
- 25 Aksa Mustafa Kemal Paşa Susurluk Karacabey Doğalgaz Dağıtım A.Ş.
- 26 Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.
- 27 Aksa Power Generation Co.
- 28 Aksa Power Generation Fze.
- 29 Aksa Satış ve Pazarlama A.Ş.
- 30 Aksa Servis ve Yedek Parça A.Ş.
- 31 Aksa Sivas Doğal Gaz Dağıtım A.Ş.
- 32 Aksa Şanlıurfa Doğalgaz Dağıtım Ltd. Şti.
- 33 Aksa Teknoloji A.Ş.
- 34 Aksa Televizyon Hizmetleri A.Ş.
- 35 Aksa Tokat Amasya Doğal Gaz Dağıtım A.Ş.
- 36 Aksa Trakya Doğal Gaz Dağıtım A.Ş.
- 37 Aksa Turizm İşletmeleri A.Ş.
- 38 Aksa Van Doğalgaz Dağıtım A.Ş.
- 39 Anadolu Doğalgaz Dağıtım A.Ş.
- 40 Atel Telekomünikasyon A.Ş.
- 41 Ceka Enerji Üretim A.Ş.
- 42 Çoruh Elektrik Dağıtım A.Ş.
- 43 Deriş İnşaat A.Ş.
- 44 Doust Company (Irak)
- 45 Düzce Ereğli Doğal Gaz Dağıtım A.Ş.
- 46 Elektrik Altyapı Hizm. A.Ş.
- 47 Eurl Aksa Generateurs Algeria
- 48 Fırat Elektrik Dağıtım A.Ş.
- 49 Gesa Güç Sistemleri A.Ş.
- 50 Kapıdağ Rüzgar Enerji Santrali Ltd. Şti.
- 51 Kazancı Holding A.Ş.
- 52 Kazancı Makina ve Motor Ltd. Şti.
- 53 Kazancı Teknik Cihazlar Yedek Parça A.Ş.
- 54 Koni İnşaat Sanayi A.Ş.
- 55 Koni Tarım İşletmeleri A.Ş.
- 56 Koni Tarımsal Yatırım A.Ş.
- 57 Koni Turizm San. ve Ticaret A.Ş.
- 58 Onan Enerji Üretim A.Ş.
- 59 Rasa Radiator (Jiangyin) Co. Ltd.
- 60 Renk Transmisyon San A.Ş.
- 61 Siirt Batman Doğalgaz Dağıtım A.Ş.