(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated financial statements as of December 31, 2015 together with independent auditors' report

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and its Subsidiaries

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(Convenience translation of the independent auditors' report originally issued in Turkish)

Independent auditors' report on the consolidated financial statements

To the Board of Directors of Aygaz Anonim Şirketi:

We have audited the accompanying consolidated statement of financial position of Aygaz Anonim Şirketi (the "Company") and its Subsidiaries (together will be referred to as the "Group") as at December 31, 2015 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Group management's responsibility for the financial statements

Group's management is responsible for the preparation and fair presentation of financial statements in accordance with the Turkish Accounting Standards and for such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditors' responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aygaz Anonim Şirketi and its Subsidiaries as at December 31, 2015 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards.

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Reports on other responsibilities arising from regulatory requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on February 12, 2016.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2015 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ethem Kutucular, SMMM
Engagement Partner

February 12, 2016
İstanbul, Turkey

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of financial position as at December 31, 2015

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

Assets	Notes	Current period (Audited) December 31, 2015	Prior period (Audited) December 31, 2014
Current assets		**1.025.191**	713.475
Cash and cash equivalents	4	**288.637**	160.904
Trade receivables		**483.374**	389.832
-Trade receivables from related parties	*31*	***30.274***	*20.435*
-Trade receivables from third parties	*8*	***453.100***	*369.397*
Other receivables		**2.376**	5.458
-Other receivables from third parties	*9*	***2.376***	*5.458*
Derivative financial instruments	7	**19.654**	500
Inventories	11	**186.024**	110.448
Prepaid expenses	19	**40.703**	38.071
Assets related to current year tax		**376**	3.555
Other current assets	18	**4.047**	4.707
Non-current assets		**2.891.133**	2.698.743
Financial investments	5	**268.002**	346.706
Trade receivables		**6.791**	5.236
-Trade receivables from third parties	*8*	***6.791***	*5.236*
Other receivables		**82**	74
-Other receivables from third parties	*9*	***82***	*74*
Derivative financial instruments	7	**-**	4.294
Investments accounted under equity method	12	**1.867.181**	1.676.961
Property, plant and equipment	13	**650.672**	585.063
Intangible assets		**21.340**	25.748
-Other intangible assets	*14*	***21.340***	*25.748*
Prepaid expenses	19	**76.632**	54.270
Deferred tax asset	29	**433**	391
Total assets		**3.916.324**	3.412.218

The accompanying accounting policies and notes between the pages 8 and 79 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of financial position
as at December 31, 2015
(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

Liabilities	Notes	Current period (Audited) December 31, 2015	Prior period (Audited) December 31, 2014
Short term liabilities		**846.837**	714.612
Short-term financial borrowings	6	**66.128**	4.625
Current portion of long term financial borrowings	6	**182.478**	166.607
Trade payables		**372.235**	318.557
- Trade payables to related parties	*31*	***143.019***	*109.625*
- Trade payables to third parties	*8*	***229.216***	*208.932*
Liabilities for employee benefits	10	**26.852**	44.093
Other payables		**1.252**	700
- Other payables to related parties	*31*	***547***	*506*
- Other payables to third parties	*9*	***705***	*194*
Derivative financial instruments	7	**1.475**	-
Deferred income	20	**2.703**	3.325
Provision for taxation on income	29	**8.767**	1.156
Short-term provisions		**86.970**	76.340
-Other provisions	*17*	***86.970***	*76.340*
Other current liabilities	18	**97.977**	99.209
Long term liabilities		**458.667**	338.416
Long-term borrowings	6	**302.748**	194.058
Other payables		**83.917**	78.809
- Other payables to third parties	*9*	***83.917***	*78.809*
Long-term provisions		**31.414**	28.273
-Provisions for employee benefits	*16*	***31.414***	*28.273*
Deferred tax liabilities	29	**38.627**	35.940
Other non-current liabilities		**1.961**	1.336
Equity		**2.610.820**	2.359.190
Share capital	21	**300.000**	300.000
Adjustment to share capital	21	**71.504**	71.504
Adjustment to share capital due to cross-ownership (-)		**(7.442)**	(7.442)
Other comprehensive income or expenses not to be reclassified to profit or loss		**(253)**	(2.892)
-Actuarial gain/loss arising from defined benefit plans		***(253)***	*(2.892)*
Other comprehensive income or expenses to be reclassified to profit or loss		**116.448**	242.909
-Foreign currency translation differences		***1.791***	*1.230*
-Cash flow hedge fund		***(52.208)***	*(46)*
-Gains/losses from the revaluation and reclassification of marketable securities	*21*	***166.865***	*241.725*
Restricted reserves	21	**320.430**	303.833
Retained earnings		**1.391.086**	1.232.650
Net profit for the period		**418.375**	217.958
Equity attributable to equity holders of the parent		**2.610.148**	2.358.520
Non-controlling interests	21	**672**	670
Total equity and liabilities		**3.916.324**	3.412.218

The accompanying accounting policies and notes between the pages 8 and 79 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated profit or loss and other comprehensive income statement for the year ended December 31, 2015

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

	Notes	(Audited) January 1- December 31, 2015	Reclassified (Note 2.3) (Audited) January 1- December 31, 2014
Revenue	22	6.419.610	7.061.276
Cost of sales (-)	22	(5.743.058)	(6.533.934)
Gross profit		676.552	527.342
General administrative expenses (-)	23	(167.467)	(171.304)
Marketing, sales and distribution expenses (-)	23	(252.865)	(235.174)
Research and development expenses (-)	23	(2.481)	(2.629)
Other operating income	25	94.662	92.589
Other operating expenses (-)	25	(97.912)	(106.808)
Operating profit		250.489	104.016
Income from investment activities	26	7.248	18.538
Loss from investment activities (-)	26	(2.164)	(515)
Profit /losses from investments accounted under equity method	12	230.770	123.900
Operating profit before financial income/(expense)		486.343	245.939
Financial income	27	217.573	43.514
Financial expense (-)	28	(246.110)	(52.877)
Profit before taxation		457.806	236.576
Tax income/(expense)			
- Current tax expense for the period (-)	29	(33.232)	(23.167)
- Deferred tax income/(expense)	29	(6.112)	4.614
Profit for the period		418.462	218.023
Other comprehensive income/(expense)			
Not to be reclassified as profit or loss			
Actuarial gain/loss arising from defined benefit plans, netted off deferred tax		2.639	(2.786)
To be reclassified as profit or loss			
Foreign currency translation differences		561	(645)
Gains/losses from the revaluation and reclassification of marketable securities		(74.860)	74.860
Cash flow hedging gains/losses		(52.162)	1.162
Other comprehensive income/(expense) (after taxation)		(123.822)	72.591
Total comprehensive income		294.640	290.614
Distribution of profit for the period			
Non-controlling interest		87	65
Equity holders of the parent		418.375	217.958
Distribution of total comprehensive income			
Non-controlling interest		87	65
Equity holders of the parent		294.553	290.549
Earnings per share (TL)	30	1,394583	0,726527

The accompanying accounting policies and notes between the pages 8 and 79 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of changes in equity
for the year ended December 31, 2015

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

				Other comprehensive income or expenses not to be reclassified to profit or loss	Other comprehensive income or expenses to be reclassified to profit or loss								
	Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	Actuarial gain/loss arising from defined benefit plans	Foreign currency translation differences	Cash flow hedging gains/ losses	Gains/losses from the revaluation and reclassification of marketable securities	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Audited													
Balance as of January 1, 2014	300.000	71.504	(7.442)	(106)	1.875	(1.208)	166.865	277.875	1.228.355	205.253	2.242.971	605	2.243.576
Transfers from retained earnings	-	-	-	-	-	-	-	-	205.253	(205.253)	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	25.958	(25.958)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(175.000)	-	(175.000)	-	(175.000)
Comprehensive income/(loss) for the period	-	-	-	(2.786)	(645)	1.162	74.860	-	-	217.958	290.549	65	290.614
Balance as of December 31, 2014	300.000	71.504	(7.442)	(2.892)	1.230	(46)	241.725	303.833	1.232.650	217.958	2.358.520	670	2.359.190
Audited													
Balance as of January 1, 2015	300.000	71.504	(7.442)	(2.892)	1.230	(46)	241.725	303.833	1.232.650	217.958	2.358.520	670	2.359.190
Effect of prior year period adjustments	-	-	-	-	-	-	-	-	57.075	-	57.075	-	57.075
Transfers from retained earnings	-	-	-	-	-	-	-	-	217.958	(217.958)	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	16.597	(16.597)	-	-	-	-
Dividends paid (note 21)	-	-	-	-	-	-	-	-	(100.000)	-	(100.000)	(85)	(100.085)
Comprehensive income/(loss) for the period	-	-	-	2.639	561	(52.162)	(74.860)	-	-	418.375	294.553	87	294.640
Balance as of December 31, 2015	300.000	71.504	(7.442)	(253)	1.791	(52.208)	166.865	320.430	1.391.086	418.375	2.610.148	672	2.610.820

The accompanying accounting policies and notes between the pages 8 and 79 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated cash flow statement
for the year ended December 31, 2015

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

	Notes	Audited January 1- December 31, 2015	Audited January 1- December 31, 2014
A. Cash flows from operating activities		**244.524**	283.456
Net profit for the period		**418.462**	218.023
Adjustments related with the reconciliation of net profit/loss for the period		**(39.439)**	(30.313)
-Adjustments for depreciation and amortization expenses	13, 14	**86.432**	83.884
-Adjustments for provisions		**23.895**	(853)
-Adjustments for interest income and expenses	27, 28	**31.010**	9.116
-Dividend income from financial investments	26	**(6.507)**	(6.392)
-Adjustments for income from investments accounted under equity method	12	**(230.770)**	(123.900)
-Unrealized foreign exchange losses related with borrowings, net		**29.309**	5.215
-Adjustments for derivative financial instruments		**(13.385)**	(4.794)
-Adjustments for tax (income)/expenses		**39.344**	18.553
-Adjustments for profit/loss on sale of tangible/intangible assets	26	**1.423**	(11.631)
-Other adjustments for reconciliation of profit/loss		**(190)**	489
Changes in working capital		**(96.878)**	128.882
-Adjustments for increase/decrease in inventories		**(76.400)**	165.182
-Adjustments for increase/decrease in trade receivables		**(98.451)**	(22.668)
-Adjustments for other current assets and liabilities		**40.932**	33.747
-Adjustments for increase/decrease in trade payables		**53.678**	(57.793)
-Adjustments for other non-current assets and long-term liabilities		**(16.637)**	10.414
Cash flows from operating activities		**282.145**	316.592
-Tax payments/returns		**(34.115)**	(28.175)
-Other cash inflows/outflows	16	**(3.506)**	(4.961)
B. Cash flows from investing activities		**(142.549)**	(233.113)
Cash inflows from the sale of property, plant and equipment and intangible assets		**6.566**	18.154
Cash outflows from the purchase of property, plant and equipment and intangible assets	13, 14	**(155.622)**	(81.326)
Dividend income	26	**6.507**	6.392
Share capital participation to joint ventures		**-**	(30.000)
Net cash outflow due to acquisition of a subsidiary		**-**	(146.333)
C. Cash flows from financing activities		**25.758**	(62.493)
Net change in borrowings		**154.357**	119.176
Dividends paid		**(100.085)**	(175.000)
Interest received		**14.681**	10.782
Interest paid		**(43.195)**	(17.451)
Net increase/decrease in cash and cash equivalents		**127.733**	(12.150)
D. Cash and cash equivalents at the beginning of the period	4	**160.904**	173.054
Cash and cash equivalents at the end of the period	4	**288.637**	160.904

The accompanying accounting policies and notes between the pages 8 and 79 form an integral part of these consolidated financial statements.

1. Organization and operations of the Company

The main activity of Aygaz Anonim Şirketi (the "Company" or "Aygaz") is the purchase of liquid petroleum gas (LPG) in bulk from domestic refineries and the overseas market and delivery to retailers for distribution to customers. As a result of the merger in 2001 with Gaz Aletleri A.Ş., the Company started to manufacture LPG cylinders, LPG tanks, LPG stoves and other supplementary materials which support the Company's main business and which are necessary equipment for the end-user. The ultimate and controlling shareholder is Koç Holding A.Ş.

The Company is registered at the Capital Markets Board of Turkey ("CMB") and as of December 31, 2015, 24,27% of its shares have been quoted at Borsa Istanbul.

The address of the registered office of the Company is as follows:

Büyükdere Cad. No: 145/1 Aygaz Han, Zincirlikuyu, 34394 / İstanbul

As of December 31, 2015, number of personnel employed by categories in Aygaz and its subsidiaries (together with referred to as the "Group") is 696 white-collar (December 31, 2014: 691) and 698 blue-collar (December 31, 2014: 691) totaling to 1.394 (December 31, 2014:1.382).

Subsidiaries

Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş ("Akpa") reached to its current structure with the merger of four subsidiaries of Koç Holding Energy Group at the end of 2001. Before the merger, four companies were operating separately from each other in Bursa, Eskişehir, Ankara and Antalya. At the time of merger the company name was Bursa Gaz ve Ticaret A.Ş, later it was changed to "Akpa Dayanıklı Tüketim Lpg ve Akaryakıt Ürünleri Pazarlama Anonim Şirketi" with the decision of Ordinary General Meeting held on March 17, 2005. Akpa is mainly engaged in sales of cylinders through dealers, retail and wholesale of LPG, fuel and lubricants through autogas stations and sale of durable goods. In October 2012, the Company has purchased shares with a nominal amount of TL 4 from natural persons and raised Group's effective control to 100%. On July 24, 2014, Akpa, which already had 8% ownership of Zinerji A.Ş., acquired 100% ownership of Zinerji from other shareholders including the Company, by purchasing the rest of the shares with a nominal value of TL 184 thousand representing 92% of total capital, with a price of TL 3.404 thousand, with the decision taken through Board of Directors held on July 22, 2014. By the decision taken through Boards of Directors held on October 30, 2014, the procedures related with the acquisition of Zinerji A.Ş. by Akpa have been registered on December 10, 2014. The merger of Akpa, with Zinerji A.Ş., through a whole take-over of all assets and liabilities were completed as of registration date.

Main activity of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş. (together "Aygaz Doğal Gaz") is to purchase natural gas from domestic and/or overseas suppliers, selling natural gas to domestic and/or overseas customers and make related arrangements for the modulation, storing of natural gas and building necessary facilities. Aygaz Doğal Gaz Toptan Satış A.Ş. has decided to increase its share capital from TL 28.000 thousand to TL 33.000 thousand in its Ordinary General Meeting dated February 6, 2012. The Company has agreed to pay the increased amount of TL 5.000 thousand in cash and the payment was realized on March 2, 2012. The Group's share in Aygaz Doğal Gaz Toptan Satış A.Ş. has increased to 99,15%. Aygaz Doğal Gaz İletim A.Ş. has decided to increase its share capital from TL 3.700 thousand to TL 9.000 thousand in its Ordinary General Meeting dated February 6, 2012. The Company has agreed to pay the increased amount of TL 5.300 thousand in cash and the payment was realized on March 2, 2012. The Group's share in Aygaz Doğal Gaz İletim A.Ş. has increased to 99,59%.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

1. Organization and operations of the company (continued)

Within July 2010, the Company has restructured its shipping operations under new legal entities, and established Anadoluhisarı Tankercilik A.Ş. ("Anadolu Hisarı"), Kandilli Tankercilik A.Ş. ("Kandilli"), Kuleli Tankercilik A.Ş. ("Kuleli") and Kuzguncuk Tankercilik A.Ş. ("Kuzguncuk") with an effective ownership interest of 100%. The main activities of these companies are to purchase, build or rent vessels and to operate them in domestic and/or overseas transportation of crude oil, petroleum products, liquid petroleum gas, natural gas and solid, liquid and liquefied products. Kandilli Tankercilik A.Ş. has decided to increase share capital from TL 8.500 thousand to TL 62.500 thousand in its Extraordinary General Meeting held on September 25, 2014. For the increased share amount of TL 54.000 thousand, the Company has paid TL 13.500 thousand in cash on September 26, 2014 and the remaining part amounting to TL 40.500 thousand was paid in cash on January 30, 2015.

The Company has purchased 100% ownership interest of Enram Su ve Çevre Yatırımları A.Ş. as a result of share assignment agreement dated March 14, 2014. Enram Su ve Çevre Yatırımları A.Ş. has decided to change its trade name as ADG Enerji Yatırımları A.Ş. ("ADG Enerji") and to increase share capital from TL 3.600 thousand to TL 25.000 thousand in its Extraordinary General Meeting held on March 20, 2014. For the increased share amount of TL 21.400 thousand, the Company has paid TL 5.350 thousand in cash on March 20, 2014 and the remaining part amounting to TL 16.050 thousand will be paid within 24 months from the date of decision. Main activity of ADG Enerji is to produce natural gas in domestic and/or overseas markets, purchase natural gas from domestic and/or overseas suppliers, selling natural gas in domestic and/or overseas customers and make related investments to storing, transportation and distribution of natural gas and building necessary facilities.

The details of the Group's subsidiaries are as follows:

		Ownership interest (%)			
Subsidiaries	Place of incorporation and Operation	December 31, 2015	December 31, 2014	Voting power right	Principal activity
Anadoluhisarı	Turkey	100%	100%	100%	Shipping
Kandilli	Turkey	100%	100%	100%	Shipping
Kuleli	Turkey	100%	100%	100%	Shipping
Kuzguncuk	Turkey	100%	100%	100%	Shipping
Akpa	Turkey	100%	100%	100%	Marketing
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	99,15%	99,15%	99,15%	Natural gas
Aygaz Doğal Gaz İletim A.Ş.	Turkey	99,59%	99,59%	99,59%	Natural gas
ADG Enerji	Turkey	100%	100%	100%	Natural gas

Investments in associates

In December 2005, Enerji Yatırımları A.Ş. ("EYAŞ") was established to acquire 51% block shares of Türkiye Petrol Rafinerileri A.Ş. ("TÜPRAŞ"), to participate in Tüpraş's management and its operational decisions as well as to establish and operate in oil refinery related sectors in Turkey.

Entek Elektrik Üretimi A.Ş. ("Entek"), the electricity producer company of Koç Group, has been operating with its two natural gas cycling plants with 300 MW power (Kocaeli and Bursa), one cogeneration facility with a total of 2 MW power (İstanbul Koç University) and two hydroelectric power plants in Karaman and one hydroelectric power plant in Samsun with 62 MW power, that has a total amount of 364 MW power. Besides Entek's power plants, Entek has 50% share on imported coal plant project with a total of 625 MW power. Entek decided to terminate the licences of natural gas cycle plant (143MW) in Bursa and cogeneration facility (2MW) in Koç University and its operations in 2016. On October 13, 2014, a Share Purchase Agreement was signed between Aygaz A.Ş., Koç Holding A.Ş. and AES Mont Blanc Holdings B.V. for the Company's acquisition of the shares with a nominal value of TL 133.594 thousand and equivalent to 24,81% of the shares of the Group's associate AES Entek Elektrik Üretimi A.Ş. for USD 62.500 thousand, and the acquisition of the shares with a nominal value of TL 133.594 thousand and equivalent to 24,81% by Koç Holding A.Ş., the Group's parent, from AES Mont Blanc Holdings B.V for USD 62.500 thousand.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

1. Organization and operations of the company (continued)

After the receipt of EMRA approval and required legal permissions, the purchase price has been paid in cash on December 18, 2014. The share transfers have been completed on December 22, 2014 and the Company's share in Entek has increased to 49,62%. AES Entek changed its trade name to "Entek" with the decision of Ordinary General Meeting in 2015.

The details of the Group's associates are as follows:

		Ownership interest (%)			
Investments in associates	Place of incorporation and operation	December 31, 2015	December 31, 2014	Voting power right	Principal activity
Enerji Yatırımları A.Ş. ("EYAŞ")	Turkey	20,00%	20,00%	20,00%	Energy
Entek Elektrik Üretimi A.Ş. ("Entek")	Turkey	49,62%	49,62%	49,62%	Electricity

Joint ventures

Opet Aygaz Gayrimenkul A.Ş. was established on September 20, 2013 as a joint venture with 50% equal shares by the Company and Opet Petrolcülük A.Ş., which is the Company's business partner, operating in distribution of fuel products. Its main activity is to establish, purchase, operate and rent fuel and LPG stations. Opet Aygaz Gayrimenkul A.Ş. decided to increase its capital from TL 90.000 thousand to TL 150.000 thousand in its Ordinary General Meeting, held on March 10, 2014. All of the related increase has been paid in cash by shareholders.

The details of the Group's joint ventures are as follows:

		Ownership interest (%)			
Joint venture	Place of incorporation and operation	December 31, 2015	December 31, 2014	Voting power right	Principal activity
Opet Aygaz Gayrimenkul A.Ş.	Turkey	50,00%	50,00%	50,00%	Real Estate

Approval of financial statements

The consolidated financial statements as of and for the year ended December 31, 2015 are approved in the Board of Directors meeting held on February 12, 2016.

2. Basis of presentation of financial statements

2.1 Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, ("TAS/TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TAS/TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

With the decision taken on March 17, 2005, the CMB announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for companies operating in Turkey. The Group has prepared its consolidated financial statements in accordance with this decision.

The Group's consolidated financial statements are presented in terms of Turkish Lira "TL" which is the functional and presentation currency of the Company and its subsidiaries.

2. Basis of presentation of financial statements (continued)

The consolidated financial statements are prepared based on the historical cost conversion, except for the financial assets and liabilities which are expressed with their fair values.

2.2 Consolidation principles

(a) Consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and affiliates and joint ventures, which have been prepared in accordance with guidelines defined in the items (b) to (h). The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements and are based on the statutory records with adjustments and reclassifications for the purpose of presentation in conformity TAS/TFRS promulgated by the POA as set out in the communiqué numbered II-14.1, and Group accounting and disclosure policies.

(b) Subsidiaries are the companies controlled by Aygaz when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(c) Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. In case it is necessary, accounting policies are changed for subsidiaries in order to align with Group accounting policies.

Balance sheets and income statements of subsidiaries have been fully included into consolidation and the book values and equities of such subsidiaries which are owned by the Company, have been netted off. All inter-group transactions, balances, income and expenses are eliminated on consolidation. Book values of the shares owned by the Company and related dividends have been netted off from related equity and income statement accounts.

(d) Investments in associated have been accounted using the equity method. These are institutions in which the Company has a voting power between 20% and 50% or in which the Company has a significant influence even though it does not have a controlling power.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. Subsequent to the date of the caesura of the significant influence, the investment is carried either at fair value when the fair value can be measured reliably, otherwise at cost.

(e) Financial assets, in which the Group has a total voting power of 20% or even though it has a voting power above 20% but does not have a significant influence, or which are immaterial for the consolidated financial statements, or such assets which are not traded in an organized market or whose fair values cannot be measured reliably, are presented with cost values, after deducting the impairment, if any.

Available for sale financial assets, in which the Group does not have a total voting power of 20% or does not have a significant influence and which have quoted market values in active markets and whose fair values can be reliably measured, are presented at fair values in the financial statements.

2. Basis of presentation of financial statements (continued)

(f) The non-controlling share in the net assets and operating results of Subsidiaries for the year are separately classified as non-controlling interest in the consolidated statements of financial position and consolidated statements of profit or loss.

(g) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The investments in its associate and joint venture are accounted for using the equity method.

(h) Under the equity method, the Group's investments in its associates and joint venture are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as a part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate or a joint venture' in the statement of profit or loss.

2.3 Comparative information and reclassifications on prior period financial statements

In order to enable determination of financial position and performance trends, the Group's consolidated financial statements are prepared by comparison with the prior period. In order to provide an accurate comparison with current period, comparative figures are reclassified when necessary and significant differences are explained.

The Group has classified the total amount of TL 6.392 thousand of dividend income shown under other operating income to income from investment activities at consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2014.

2. Basis of presentation of financial statements (continued)

2.4 New and revised Turkey Financial Reporting Standards

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendment did not have a significant impact on the consolidated financial statements of the Group.

Annual Improvements to TAS/TFRSs

In September 2014, POA issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle.

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of TAS 39 (or TFRS 9, as applicable). The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in TFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

2. Basis of presentation of financial statements (continued)

TAS 16 Property, Plant and Equipment and TAS 38 Intangible Assets

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows: i) Adjust the gross carrying amount of the asset to market value or ii) Determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of TFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of TAS 39 (or TFRS 9, as applicable). The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 in determining whether the transaction is the purchase of an asset or business combination. The amendment is effective prospectively.

The amendments did not have a significant impact on the consolidated financial statements of the Group.

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

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

2. Basis of presentation of financial statements (continued)

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

TFRS 11 Acquisition of an Interest in a Joint Operation (Amendments)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortization for intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendments) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

2. Basis of presentation of financial statements (continued)

TAS 27 Equity Method in Separate Financial Statements (Amendment)

In April 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

• At cost
• In accordance with TFRS 9,
or
• Using the equity method defined in TAS 28

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after January 1, 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TFRS 10, TFRS 12 and TAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to TFRS 10 and TAS 28)

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the following issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements; i) the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value, ii) only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value, iii) the amendments to TAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments are applied retrospectively. However, when the first time the amendments to TFRS 10 are applied, the quantitative information required TAS 8 need only be presented for the annual period immediately preceding the date of initial application. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2. Basis of presentation of financial statements (continued)

TAS 1: Disclosure Initiative (Amendments)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- TFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan.

- TFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with TFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

- TAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located.

- TAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report.

The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

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

Annual Improvements - 2010–2012 Cycle

TFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

2. Basis of presentation of financial statements (continued)

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was January 1, 2017. However, in September 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 1, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IFRS 16 Leases

In January 2016, the IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2. Basis of presentation of financial statements (continued)

IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (Amendments)

In January 2016, the IASB issued amendments to IAS 12 Income Taxes. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the requirements on recognition of deferred tax assets for unrealised losses, to address diversity in practice. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2017 with earlier application permitted. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. If *the Company/Group* applies this relief, it shall disclose that fact. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IAS 7 Statement of Cash Flows (Amendments)

In January 2016, the IASB issued amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The improvements to disclosures require companies to provide information about changes in their financing liabilities. These amendments are to be applied for annual periods beginning on or after January 1, 2017 with earlier application permitted. When the Company/Group first applies those amendments, it is not required to provide comparative information for preceding periods. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

2.5 Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

Sale of goods:

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group has transferred all the significant risks and rewards of ownership of the goods and services to the buyer,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and services provided,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Basis of presentation of financial statements (continued)

Rendering of services:

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity and when the revenue amount, the completion level of the transaction as of the reporting date and the cost required for the completion of the transaction can be measured reliably.

The assumptions for the reliability of revenue recognition after the agreement of third parties are as follows:

- Contractual rights of each parties under sanction according to the agreement,
- Service fee,
- Payment terms and conditions

Dividend and interest revenue:

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

2.7 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is calculated with first in first out method for LPG and with weighted average method for other inventories. Cost elements included in inventories are materials, labour and factory overheads. Overheads include, expenses directly related to production such as direct labor expenses. These expenses also include systematically distributed amounts from fixed and variable costs in factory overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale.

2.8 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Legal fees are included into costs. Depreciation of these assets, begins when the assets are ready for their intended use.

With the exception of land and construction in progress, the costs of property, plant and equipment are subject to depreciation using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Economic useful lives of property, plant and equipment are as follows:

	Useful lives
Buildings	25-50 years
Land improvements	10-25 years
LPG Cylinders	10 years
Plant, machinery and equipment	3-25 years
Vessels	10-20 years
Vehicles	3-15 years
Furnitures and fixtures	3-50 years
Leasehold improvements	4-10 years

2.9 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Trade rights and licenses

Acquired trade rights and licenses are shown at historical cost. Trade rights and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives in 4 – 15 years.

Computer software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives in 3 – 5 years.

2.10 Impairment of assets

An impairment test is applied when the recovery for the book value of the redeemable assets is impossible. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and 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.

2. Basis of presentation of financial statements (continued)

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recorded directly to profit and loss statement.

2.12 Financial instruments

2.12.1 Financial assets

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification is made considering the purpose of acquisition of financial asset and its specifications, at the time of initial recording of the asset. Financial assets are reflected to the Group's balance sheet, in case of that the Group becomes a party to the related financial instruments.

Effective interest method

The effective interest method; is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate; is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income related with the financial assets, other than financial assets at FVTPL and AFS financial assets, is calculated by using the effective interest method.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are; financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Available-for-sale financial assets

Quoted equity investments held by the Group that are traded in an active market are classified as being available- for-sale financial assets and are stated at fair value. The Group also has investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at fair value. Similarly, investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at cost since the fair value of these investments can not be measured reliably. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the revaluation surplus of financial assets with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the revaluation surplus of financial assets is reclassified to profit or loss.

2. Basis of presentation of financial statements (continued)

Dividends related to available for sale equity items are accounted in income statement, in case the Group has earned a right for dividends.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For loans and receivables, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, credit card receivables from banks and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are not subject to a significant risk of changes in value.

2.12.2 Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are recognized in Group's balance sheet in case the Group is a party related to the liability.

2. Basis of presentation of financial statements (continued)

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Trade payables are recognized at fair value and subsequently measured at amortized cost using effective interest rate method.

2.12.3 Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

These derivative instruments are recorded at fair value at the beginning of the contract and subsequently measured with its fair value. If the fair value is positive, derivatives are classified as financial asset or otherwise financial liability.

Such derivative instruments are generally accounted as trading derivative instruments in consolidated financial statements, because they do not have related specifications in terms of hedge accounting. The gains and losses related to the changes in fair values of such financial instruments are shown in the profit or loss statement.

2.13 Business combinations

Before January 1, 2010 business combinations carried out by the Group has accounted for using the acquisition method according to before revised TFRS 3 "Business Combinations".

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquirer. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the entity and the equity interests issued by the Group. When the agreement with the seller includes a clause that the consideration transferred could be adjusted for future events, the acquisition-date fair value of this contingent consideration is included in the cost of the acquisition. All transaction costs incurred by the Group have been recognized in general administrative expenses.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquirer either at fair value or at the proportionate share of the acquirer's identifiable net assets.

2. Basis of presentation of financial statements (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

Acquisition method requires allocation of the acquisition cost to the assets acquired and liabilities assumed at their fair values on the date of acquisition. Accordingly, acquired assets and liabilities and contingent liabilities assumed are recognized at TFRS 3 fair values on the date of acquisition. Acquired company is consolidated starting from the date of acquisition.

Partial share sale and purchase transactions settled with minority shareholders

The Group evaluates the share transactions realized with non-controlling interests as transactions within the shareholders. Consequently, the difference between the purchase cost and the net asset purchased from other shareholders are accounted under shareholders' equity in "subsidiary share purchase transactions" whereas share sale transactions to parties other than parent company are accounted as "transactions with non-controlling interest".

2.14 Foreign currency transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements. The functional currency of participations and subsidiaries that are included in the scope of consolidation is TL.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the Central Bank of the Republic of Turkey (CBRT) rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered in order to hedge certain foreign currency risk,
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

2. Basis of presentation of financial statements (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

2.15 Earnings per share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can raise their share capital by distributing "Free Shares" to shareholders from retained earnings. In computing earnings per share, such "free share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2.16 Subsequent events

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote.

The Group restates its financial statements if subsequent events which require restatement arise.

2.17 Provisions, contingent liabilities, contingent assets

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are disclosed as contingent assets or liabilities.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

2.18 Related parties

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

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity,
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. Basis of presentation of financial statements (continued)

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

- (i) Entity and Company are members of the same Group,
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
- (iii) Both entities are joint ventures of the same third party,
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
- (vi) The entity is controlled or jointly controlled by a person identified in (a),
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

In accordance with the purposes of consolidated financial statements, shareholders, important management personnel and members of Board of Directors, their families and companies controlled by them or depend upon them, the affiliates and partnerships and Koç Holding Group companies are accepted and presented as related parties.

2.19 Segmental information

The Group management assumes three operating segments to evaluate performance and source utilization decisions. These segments are gas and petroleum products, electricity and other operations. These operating segments are managed separately as the risk and return of these segments are affected by different economic conditions and geographical locations. The Group Management believes that financial results prepared according to TFRS are the best approach to evaluate performance of these operating segments.

2.20 Taxation and deferred tax

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

Income tax expense represents the sum of the corporate tax and deferred tax.

Corporate tax

The corporate tax 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.

2. Basis of presentation of financial statements (continued)

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2. Basis of presentation of financial statements (continued)

2.21 Employment benefits

Defined benefit plan:

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees, termination of employment without due cause, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. All actuarial profits and losses are recognized in consolidated statements of income. The provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial profits and losses are accounted in the shareholder's equity as other comprehensive income.

Defined contribution plan:

Group, has to compensate the Social Security Contribution of the employees. As long as this is compensated, there is no any other obligation for the Company. Social Security Contributions are classified as personnel expenses as of the accrual date.

2.22 Statement of cash flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

2.23 Share capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in retained earnings in the period in which they are approved and declared.

2.24 Research and development expenses

Research expenditure is recognized as an expense as incurred. Costs, except for listed below are classified as development expenditures and recognized as expense as incurred.

- If the cost related to the products can be defined and only if the cost can be measured reliably,
- If the technological feasibility can be measured,
- If the good will be sold or will be used within the company,
- If there's a potential market or can be proved that it is used within the company,
- If necessary technological, financial and other resources can be provided to complete the Project.

Other development expenditures are recognized as expense as incurred.

Development costs previously recognized as expense can not be capitalized in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis. As of December 31, 2015, the Group has no capitalized research and development expenses. (December 31, 2014: none).

2. Basis of presentation of financial statements (continued)

2.25 Important accounting policies and applications

Accounting policies which have material effects on book values of assets and liabilities are as follows:

a) Property, plant and equipment and intangible fixed assets are subject to depreciation according to their useful lives (Note 13, 14). Estimations of such useful lives are based on the expectations of Group management.

b) The Group Management uses market values for quoted equity items traded in active markets, while determining fair values of available for sale financial assets. For other available for sale financial assets, fair values are determined in line with generally accepted valuation principles using current economic data, trends in the market and expectations.

Available-for-sale investment of the Group includes shares of Koç Finansal Hizmetler A.Ş. as an unlisted company, which owns the majority shareholder of Yapı ve Kredi Bankası with 81,8%. Since the shares of Yapı ve Kredi Bankası are traded in Istanbul Stock Exchange, the fair value of shares of Koç Finansal Hizmetler has been determined by using several methods such as the existing market value of Yapı ve Kredi Bankası and discounted dividend method and considering price/equity ratio of recent similar local or international acquisitions realized. In the equity method, discount rate of 16,7% (2014: 13,8%) and growth rate of 4,9% (2014: 4,0%) have been taken into consideration. The average of maximum and minimum values that are formed by calculations using these methods are reflected in the recordings as fair value (Note 5).

c) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the periodic impairment test for the receivables, the debtors are assessed with their prior year performances and provision is accounted accordingly (Note 8).

d) In order to record allowances for litigations, the consequences of lost cases are evaluated with the Company lawyers and Company Management makes most accurate evaluations with the available data (Note 17).

e) Actuarial assumptions used on turnover ratio, discount rate and salary increase to calculate the employee benefit provision. Calculation details have been provided in related disclosure (Note 16).

f) There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Group recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due and recognizes tax assets for the carry forward tax losses and unused investment tax credits to the extent that the realization of the related tax benefit through the future taxable profits is probable (Note 29). Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information

The segmental operations are specified according to the internal reports reviewed regularly by the authority entitled to making decision for the Group's operations.

The Group's decision making authority evaluates operations and results according to industrial segments for the purpose of making decisions for assigning resources to the segments and evaluating the segmental performances. The distribution of segmental operations with respect to industrial segments is as follows:

- Gas and petroleum products
- Electricity
- Other

The Group Management evaluates financial results and performance based of TFRS financial statements. Therefore, TFRS financial statements are the basis of segmental reporting. The Group evaluates the performance of its segments based on gross profit and operating profit.

As of December 31, 2015 and 2014, assets and liabilities according to industrial segments are as follows:

					December 31, 2015
	Gas and petroleum products	**Electricity**	**Other**	**Consolidation adjustments**	**Total**
Assets					
Current assets	927.624	-	103.194	(5.627)	1.025.191
Non-current assets	2.566.893	330.875	246.561	(253.196)	2.891.133
Total assets	3.494.517	330.875	349.755	(258.823)	3.916.324
Liabilities					
Short term liabilities	823.016	-	29.453	(5.632)	846.837
Long term liabilities	449.642	-	15.726	(6.701)	458.667
Equity	2.221.859	330.875	304.576	(246.490)	2.610.820
Total liabilities and equity	3.494.517	330.875	349.755	(258.823)	3.916.324
Investments accounted under equity method	1.459.501	330.875	76.805	-	1.867.181

					December 31, 2014
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	594.264	-	124.293	(5.082)	713.475
Non-current assets	2.319.945	327.879	184.631	(133.712)	2.698.743
Total assets	2.914.209	327.879	308.924	(138.794)	3.412.218
Liabilities					
Short term liabilities	691.263	-	33.307	(9.958)	714.612
Long term liabilities	322.114	-	13.255	3.047	338.416
Equity	1.900.832	327.879	262.362	(131.883)	2.359.190
Total liabilities and equity	2.914.209	327.879	308.924	(138.794)	3.412.218
Investments accounted under equity method	1.273.776	327.879	75.306	-	1.676.961

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

As of December 31, 2015 and 2014, profit and loss statement according to industrial segments are as follows:

					January 1 - December 31, 2015
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	6.149.025	-	426.624	(156.039)	6.419.610
Cost of sales (-)	(5.539.292)	-	(360.450)	156.684	(5.743.058)
Gross profit	609.733	-	66.174	645	676.552
General administrative expenses (-)	(148.011)	-	(20.693)	1.237	(167.467)
Marketing, sales and distribution expenses (-)	(240.265)	-	(12.600)	-	(252.865)
Research and development expenses (-)	(2.481)	-	-	-	(2.481)
Other operating income	137.311	-	9.099	(51.748)	94.662
Other operating expenses (-)	(92.137)	-	(6.468)	693	(97.912)
Operating profit	264.150	-	35.512	(49.173)	250.489
Income from investment activities	6.647	-	601	-	7.248
Loss from investment activities (-)	(2.026)	-	(150)	12	(2.164)
Profit/losses from investments accounted under equity method	229.605	(334)	1.499	-	230.770
Operating profit before financial income/(expense)	498.376	(334)	37.462	(49.161)	486.343
Financial income	208.137	-	9.436	-	217.573
Financial expense (-)	(244.648)	-	(1.462)	-	(246.110)
Profit before taxation	461.865	(334)	45.436	(49.161)	457.806
Tax income/(expense)					
Current tax expense for the period (-)	(29.222)	-	(4.010)	-	(33.232)
Deferred tax income/(expense)	(6.186)	-	74	-	(6.112)
Profit for the period	426.457	(334)	41.500	(49.161)	418.462
Distribution of profit for the period:					
Non-controlling interest	87	-	-	-	87
Equity holders of the parent	426.370	(334)	41.500	(49.161)	418.375
Investments accounted under equity method	229.605	(334)	1.499	-	230.770

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

	January 1 - December 31, 2014				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	6.772.865	-	434.845	(146.434)	7.061.276
Cost of sales (-)	(6.298.643)	-	(382.664)	147.373	(6.533.934)
Gross profit	474.222	-	52.181	939	527.342
General administrative expenses (-)	(153.175)	-	(19.120)	991	(171.304)
Marketing, sales and distribution expenses (-)	(222.448)	-	(12.726)	-	(235.174)
Research and development expenses (-)	(2.629)	-	-	-	(2.629)
Other operating income	110.929	-	8.066	(26.406)	92.589
Other operating expenses (-)	(101.627)	-	(5.317)	136	(106.808)
Operating profit	105.272	-	23.084	(24.340)	104.016
Income from investment activities	11.647	-	233	6.658	18.538
Loss from investment activities (-)	(509)	-	(144)	138	(515)
Profit/losses from investments accounted under equity method	128.535	(4.893)	258	-	123.900
Operating profit before financial income/(expense)	244.945	(4.893)	23.431	(17.544)	245.939
Financial income	36.882	-	6.632	-	43.514
Financial expense (-)	(50.571)	-	(2.306)	-	(52.877)
Profit before taxation	231.256	(4.893)	27.757	(17.544)	236.576
Tax income/(expense)					
Current tax expense for the period (-)	(20.530)	-	(2.637)	-	(23.167)
Deferred tax income/(expense)	4.483	-	131	-	4.614
Profit for the period	215.209	(4.893)	25.251	(17.544)	218.023
Distribution of profit for the period:					
Non-controlling interest	65	-	-	-	65
Equity holders of the parent	215.144	(4.893)	25.251	(17.544)	217.958
Investments accounted under equity method	128.535	(4.893)	258	-	123.900

The depreciation and amortization expense for the industrial segmental assets as of December 31, 2015 and 2014 is as follows:

	January 1 - December 31, 2015	January 1 - December 31, 2014
Gas and petroleum products	**76.542**	76.814
Other	**9.890**	7.070
	86.432	83.884

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

The investment expenditures for the industrial segmental assets as of December 31, 2015 and 2014 are as follows:

	January 1 - December 31, 2015	January 1 - December 31, 2014
Gas and petroleum products	**85.746**	80.202
Other (*)	**69.876**	1.124
	155.622	81.326

(*) On February 25, 2015, the vessel named "Knightsbridge" which is used in the transportation of liquid petroleum gas, was bought for USD 27.150 thousand in cash by Kandilli Tankercilik A.Ş. - the Company's subsidiary.

4. Cash and cash equivalents

	December 31, 2015	December 31, 2014
Cash on hand	**181**	518
Cash at banks	**258.820**	134.869
- Demand deposits	***19.653***	*14.177*
- Time deposits	***239.167***	*120.692*
Receivables from credit card transactions	**29.636**	25.517
Total cash and cash equivalents	**288.637**	160.904

As of December 31, 2015 the Group's TL time deposits amounting to TL 134.228 thousand with maturities of 4-37 days and interest rates of 10,6-14,00%; USD time deposits amounting to USD 36.090 thousand (TL 104.939 thousand) with maturities of 4-6 days and interest rate of 1,75% (As of December 31, 2014 the Group's TL time deposits amounting to TL 83.990 thousand with maturities of 2 -54 days and interest rates of 8,75 – 10,00%; USD time deposits amounting to USD 15.870 thousand (TL 36.801 thousand) with maturity of 2 days and an interest rate of 1,55%).

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

5. Financial assets

The Group's long term financial assets identified as available-for-sale financial assets are as follows as of December 31, 2015 and 2014:

	December 31, 2015		December 31, 2014	
	Participation amount	**Participation rate %**	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	**265.950**	**1,97**	344.750	1,97
Ram Dış Ticaret A.Ş. (**)	**1.000**	**2,50**	925	2,50
Tanı Pazarlama ve İletişim Hizmetleri A.Ş. (***)	**540**	**10,00**	540	10,00
Tat Gıda Sanayi A.Ş. (**)	**76**	**0,08**	55	0,08
Other (***)	**436**	**-**	436	-
	268.002		346.706	

(*) Stated at fair value, the difference between the acquisition cost and fair value are accounted as valuation fund under equity also considering the deferred tax effect.
(**) Stated at fair value, increase in value is accounted as "profit from increase in value" under consolidated profit or loss.
(***) Stated at cost, since fair value could not be determined reliably.

6. Financial borrowings

As of December 31, 2015 and 2014 the Group's short-term financial borrowings are as follows:

	December 31, 2015	December 31, 2014
USD-denominated short-term bank borrowings (*)	**58.722**	-
TL-denominated short-term bank borrowings (*)	**7.406**	4.625
Total short-term bank borrowings	**66.128**	4.625
Short-term portion and interest accruals of TL-denominated long-term bank borrowings	**91.337**	13.616
Short-term portion and interest accruals of USD-denominated long-term bank borrowings	**81.254**	120
Short-term portion of long-term bond issued (**)	**9.887**	152.871
Total short-term portion of long-term financial borrowings	**182.478**	166.607

(*) As of December 31, 2015, the Group has interest free loan with a total amount of TL 2.204 thousand which was used for SSI payment amounting to TL 1.753 thousand and custom expenses payment amounting to TL 451 thousand. (December 31, 2014: TL 4.625 thousand). The Group has fixed interest rate loans amounting to USD 20.000 thousand (TL 58.722 thousand) have a maturity date of September 19, 2016 and TL 5.202 thousand have a maturity date of January 4, 2016. Interest rates are 3% and 12,90% respectively.
(**) On March 18, 2015 and March 30, 2015, the Group has issued fixed rate bonds with a nominal value of TL 100.000 thousand, with a maturity of 728 days, fixed interest rate and half-yearly coupon payments and with a nominal value of TL 60.000 thousand, with a maturity of 1.092 days, floating interest rate and tri-monthly coupon payments. As of December 31, 2015, net present value of the issued bonds are TL 163.020 thousand (TL 153.133 thousand is presented as long term bonds issued) and their effective interest rates are 10,55% and 11,86% respectively.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

6. Financial borrowings (continued)

As of December 31, 2015, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	-	2.204	2.204
TL	12,9	5.202	5.202
USD	3	20.196	58.722
			66.128

As of December 31, 2014, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	-	4.625	4.625
			4.625

As of December 31, 2015 and 2014 the Group's long-term financial borrowings are as follows:

	December 31, 2015	December 31, 2014
TL-denominated long-term bank borrowings	81.286	138.242
USD-denominated long-term bank borrowings	68.329	55.816
Total long-term bank borrowings	**149.615**	194.058
Long-term bonds issued	153.133	-
Total long-term bonds	**153.133**	-
Total long-term financial borrowings	**302.748**	194.058

As of December 31, 2015 the details of long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	11,6-14,3	172.623	172.623
USD	2,12-3,23	51.445	149.583
			322.206
Short-term portion of long-term loans and interest accruals			(172.591)
			149.615

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

6. Financial borrowings (continued)

As of December 31, 2014 the details of long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	11,66-14,08	151.858	151.858
USD	2,08	24.122	55.936
			207.794
Short-term portion of long-term loans and interest accruals			(13.736)
			194.058

7. Derivative financial instruments

As of December 31, 2015 and 2014, the Group's derivative financial instruments are as follows:

Short-term derivative financial instruments	**December 31, 2015**		December 31, 2014	
	Contract amount	**Fair value assets/(liabilities)**	Contract amount	Fair value assets/(liabilities)
Forward transactions (*)	**68.761**	**(1.475)**	26.787	500
Foreign currency swap contracts (**)	**50.635**	**19.654**	-	-

Long-term derivative financial instruments	**December 31, 2015**		December 31, 2014	
	Contract amount	**Fair value assets/(liabilities)**	Contract amount	Fair value assets/(liabilities)
Foreign currency swap contracts (**)	-	-	50.635	4.294

(*) As of December 31, 2015 the Group has entered into forward transaction with a maturity of 19 - 110 days and nominal value amounting to USD 22.800 thousand.

(**) In May, 2014, the Group has entered into swap transaction with a contract amounting to TL 50.635 thousand with 2 years maturity, tri-monthly interest payment and fixed interest rate of 11,2%, in return for USD 24.070 thousand with a floating interest rate of 3 months USDLIBOR +1,8%.

8. Trade receivables and payables from third parties

The Group's trade receivables from third parties as of December 31, 2015 and 2014 are as follows:

Current trade receivables	**December 31, 2015**	December 31, 2014
Trade receivables	**434.185**	346.700
Notes receivables	**39.628**	40.640
Allowance for doubtful receivables (-)	**(20.713)**	(17.943)
Total current trade receivables	**453.100**	369.397

Non-current trade receivables	**December 31, 2015**	December 31, 2014
Notes receivable	**6.791**	5.236
Total non-current trade receivables	**6.791**	5.236

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

8. Trade receivables and payables from third parties (continued)

Movement of allowance for doubtful receivables	January 1 - December 31, 2015	January 1 - December 31, 2014
Opening balance	17.943	16.694
Additional provision	3.354	1.810
Collections	(584)	(561)
Closing balance	**20.713**	17.943

Allowance for doubtful receivables has been raised per customer, based on the past experiences of the Company management.

Level and composition of risks of trade receivables are explained in note 32.

The Group's trade payables as of December 31, 2015 and 2014 are as follows:

Short-term trade payables	December 31, 2015	December 31, 2014
Trade payables	229.216	208.932
Total short-term trade payables	**229.216**	208.932

9. Other receivables and payables from third parties

The Group's other receivables from third parties as of December 31, 2015 and 2014 are as follows:

Other current receivables	December 31, 2015	December 31, 2014
Guarantees and deposits given	1.246	3.235
Other receivables	1.130	2.223
Total other current receivables	**2.376**	5.458

Other non-current receivables	December 31, 2015	December 31, 2014
Guarantees and deposits given	82	74
Total other non-current receivables	**82**	74

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

9. Other receivables and payables from third parties (continued)

As of December 31, 2015 and 2014, other payables to third parties of the Group are as follows:

Other short-term payables	December 31, 2015	December 31, 2014
Deposits and guarantees taken	705	194
Total other short-term payables	705	194

Other long-term payables	December 31, 2015	December 31, 2014
Cylinder deposits received	83.917	78.809
Total other long-term payables	83.917	78.809

10. Liabilities for employee benefits

As of December 31, 2015 and 2014, liabilities for employee benefits of the Group are as follows:

Liabilities for employee benefits	December 31, 2015	December 31, 2014
Payables to personnel	13.665	33.334
Employee's income tax payable	10.228	8.040
Social security liabilities	2.959	2.719
Total liabilities for employee benefits	26.852	44.093

11. Inventories

	December 31, 2015	December 31, 2014
Raw materials	150.698	74.438
Trade goods	17.264	15.182
Goods in transit	5.054	11.276
Finished goods	12.399	8.418
Work in process	1.662	1.363
Allowance for impairment on inventory	(1.053)	(229)
Total inventories	186.024	110.448

As of December 31, 2015, the inventories compromise of 57.795 tons of LPG (December 31, 2014: 39.031 tons).

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

11. Inventories (continued)

Movement of allowance for impairment on inventory of the Group is as follows:

Movement of allowance for impairment on inventory	January 1 - December 31, 2015	January 1- December 31, 2014
Opening balance	229	229
Additional provision	824	-
Closing balance	**1.053**	229

12. Equity investments

	December 31, 2015		December 31, 2014	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Enerji Yatırımları A.Ş. acquisition value	669.400		669.400	
Adjustment to share capital	(7.442)		(7.442)	
Currency translation reserve	1.791		1.230	
Legal reserves	15.494		14.239	
Financial risk hedge fund	(52.109)		(46)	
Actuarial gains/losses arising from defined benefit plans	(369)		(1.141)	
Group's share in accumulated profit/losses after the acquisition date	825.886		597.536	
Effect of prior year period adjustments	6.850		-	
	1.459.501	20,00%	1.273.776	20,00%
Entek acquisition value	118.930		118.930	
Acquisition of additional shares	147.831		147.831	
Participation in share capital increase of equity investment	108.300		108.300	
Group's share in accumulated profit/losses after the acquisition date	(48.064)		(47.730)	
Financial risk hedge fund	(99)		-	
Actuarial gains/losses arising from defined benefit plans	(102)		-	
Fair value adjustment for share purchase	548		548	
Effect of prior year period adjustments	3.531		-	
	330.875	49,62%	327.879	49,62%
Opet Aygaz Gayrimenkul A.Ş.	45.000		45.000	
Participation in share capital increase of equity investment	30.000		30.000	
Group's share in accumulated profit/losses realized after the date of establishment	1.805		306	
	76.805	50,00%	75.306	50,00%
Total	1.867.181		1.676.961	

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

12. Equity investments (continued)

Financial information on Enerji Yatırımları A.Ş., which is accounted in the Group's financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	December 31, 2015	December 31, 2014
Total assets	30.234.948	26.783.979
Total liabilities	(17.799.055)	(16.295.348)
Non-controlling interest	(5.138.388)	(4.119.751)
Net assets	**7.297.505**	6.368.880
Group's ownership	20%	20%
Group's share in associates' net assets	1.459.501	1.273.776

Consolidated profit or loss statement	January 1 - December 31, 2015	January 1 - December 31, 2014
Revenue	36.893.328	39.722.712
Profit for the period	1.148.027	642.675
Group's share in associates' profit for the period	**229.605**	128.535

Financial information on Entek which is accounted in the Group's financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	December 31, 2015	December 31, 2014
Total assets	906.400	964.447
Total liabilities	(239.582)	(303.667)
Net assets	**666.818**	660.780
Group's ownership	49,62%	49,62%
Group's share in associates' net assets	330.875	327.879
Group's total share	**330.875**	327.879

Consolidated profit or loss statement	January 1 - December 31, 2015	January 1 - December 31, 2014
Revenue	323.048	395.271
Loss for the period	(673)	(19.723)
Group's share in associates' loss for the period (*)	**(334)**	(4.893)

(*) After the receipt of EMRA approval and necessary legal permissions related with the acquisition of the shares with a nominal value of TL 133.594.282 and equivalent to 24,81% of the shares of Entek Elektrik Üretimi A.Ş. by the Company, the purchase price has been paid in cash on December 18, 2014 and the share transfers have been completed on December 22, 2014. The Group's share in associates' loss for the period is 24,81%.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

12. Equity investments (continued)

Financial information on Opet Aygaz Gayrimenkul A.Ş., which is accounted in the Group's financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	December 31, 2015	December 31, 2014
Total assets	**399.880**	373.910
Total liabilities	**(246.270)**	(223.298)
Net assets	**153.610**	150.612
Group's ownership	**50%**	50%
Group's share in associates' net assets	**76.805**	75.306

Consolidated profit or loss statement	January 1 - December 31, 2015	January 1 - December 31, 2014
Revenue	**14.485**	10.890
Profit for the period	**2.998**	376
Group's share in associates' profit for the period	**1.499**	188

In addition to the equity invesments given above, the revenue amounting to TL 70 thousand which belongs to Zinerji A.Ş. between January 1 and July 24, 2014 is recognized as "Profit from investments accounted under equity method" in the accompanying consolidated statement of profit or loss.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

13. Property, plant and equipment

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Acquisition cost									
Opening balance as of January 1, 2015	16.204	122.673	70.847	1.577.648	179.650	55.463	25.022	16.135	2.063.642
Additions	-	-	-	689	69.280	479	650	84.471	155.569
Transfers (*)	-	15.522	202	56.462	4.663	5.355	179	(83.022)	(639)
Disposals	-	(3.081)	(177)	(27.500)	(2.372)	(2.808)	(106)	-	(36.044)
Ending balance as of December 31, 2015	16.204	135.114	70.872	1.607.299	251.221	58.489	25.745	17.584	2.182.528
Accumulated depreciation									
Opening balance as of January 1, 2015	-	52.523	47.247	1.220.227	94.012	40.953	23.617	-	1.478.579
Charge of the period	-	4.638	1.979	54.822	14.589	4.504	800	-	81.332
Disposals	-	(1.054)	(11)	(23.258)	(1.723)	(1.982)	(27)	-	(28.055)
Ending balance as of December 31, 2015	-	56.107	49.215	1.251.791	106.878	43.475	24.390	-	1.531.856
Net book value as of December 31, 2015	16.204	79.007	21.657	355.508	144.343	15.014	1.355	17.584	650.672

(*) TL 639 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

13. Property, plant and equipment (continued)

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Acquisition cost									
Opening balance as of January 1, 2014	16.204	115.176	70.607	1.555.764	205.600	53.042	24.719	11.901	2.053.013
Additions	-	-	-	3.383	759	1.778	-	75.406	81.326
Transfers (*)	-	8.228	248	50.831	6.055	4.441	658	(71.172)	(711)
Disposals	-	(731)	(8)	(32.330)	(32.764)	(3.798)	(355)	-	(69.986)
Ending balance as of December 31, 2014	16.204	122.673	70.847	1.577.648	179.650	55.463	25.022	16.135	2.063.642
Accumulated depreciation									
Opening balance as of January 1, 2014	-	48.769	45.216	1.192.476	115.316	38.954	22.952	-	1.463.683
Charge of the period	-	4.292	2.033	55.386	11.037	4.853	787	-	78.388
Disposals	-	(538)	(2)	(27.635)	(32.341)	(2.854)	(122)	-	(63.492)
Ending balance as of December 31, 2014	-	52.523	47.247	1.220.227	94.012	40.953	23.617	-	1.478.579
Net book value as of December 31, 2014	16.204	70.150	23.600	357.421	85.638	14.510	1.405	16.135	585.063

(*) TL 711 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

13. Property, plant and equipment (continued)

The carrying amounts of fully depreciated property, plant and equipment still in use are as follows:

	December 31, 2015	December 31, 2014
Land improvements	**12.635**	12.455
Buildings	**19.173**	18.480
Plant, machinery, equipment and LPG cylinders	**926.594**	864.720
Vehicles and vessels	**22.960**	18.551
Furniture and fixtures	**31.901**	30.802
Leasehold improvements	**24.123**	21.689
	1.037.386	966.697

As of December 31, 2015 and 2014, the details of depreciation expenses are as follows:

	January 1 - December 31, 2015	January 1 - December 31, 2014
Cost of sales and services rendered	**67.946**	65.567
General and administrative expenses	**5.959**	5.926
Selling, marketing and distribution expenses	**5.070**	5.164
Capitalized on cylinders	**2.357**	1.731
	81.332	78.388

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

14. Intangible assets

	Rights	Total
Acquisition costs		
Opening balance as of January 1, 2015	**53.825**	**53.825**
Additions	**53**	**53**
Transfers (*)	**639**	**639**
Ending balance as of December 31, 2015	**54.517**	**54.517**
Accumulated amortization		
Opening balance as of January 1, 2015	**28.077**	**28.077**
Charge for the period	**5.100**	**5.100**
Ending balance as of December 31, 2015	**33.177**	**33.177**
Carrying value as of December 31, 2015	**21.340**	**21.340**

(*) TL 639 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets.

	Rights	Total
Acquisition costs		
Opening balance as of January 1, 2014	53.152	53.152
Transfers (*)	711	711
Disposals	(38)	(38)
Ending balance as of December 31, 2014	53.825	53.825
Accumulated amortization		
Opening balance as of January 1, 2014	22.590	22.590
Charge for the period	5.496	5.496
Disposals	(9)	(9)
Ending balance as of December 31, 2014	28.077	28.077
Carrying value as of December 31, 2014	25.748	25.748

(*) TL 711 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets.

The carrying amounts of fully amortized intangible assets still in use are as follows:

	December 31, 2015	December 31, 2014
Rights	**22.075**	15.776
	22.075	15.776

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

14. Intangible assets (continued)

As of December 31, 2015 and 2014, the details of amortization expenses of intangible assets are as follows:

	January 1 - December 31, 2015	January 1 - December 31, 2014
General and administrative expenses	**5.100**	5.496
	5.100	5.496

15. Contingent assets and contingent liabilities

Guarantees given as of December 31, 2015 and 2014 are as follows:

Guarantees given	December 31, 2015	December 31, 2014
Letter of guarantees given to customs for gas purchase	**815.301**	813.698
Other letter of guarantees given	**27.388**	21.190
Total guarantees given	**842.689**	834.888

The liability for environmental pollution:

According to the effective environmental laws, the Group is responsible for the environmental pollution it causes as a result of its operational activities without seeking a reason of fault. The Group may be fined with indemnity if the Group causes an environmental pollution. There is no case opened for environmental pollution against the Group, accordingly the Group does not have liability related with the environmental pollution cases as of the consolidated balance sheet date.

National inventory reserve liability:

Oil refineries, licensed oil and LPG distributers should carry at least equivalent of 20 times their average daily sales of inventory in their storage tanks or the rented storage tanks of licensed third parties.

Competition Board Investigation:

Company, received a notification from the Competition Board informing that with a decision dated August 5, 2015 and numbered 15-33/477-M that an investigation opened against the Company concerning whether there has been a violation of Article 4 of the Law No.4054 on the Protection of Competition through the setting of resale prices of Company dealers and demanded defence of Company. On September 13, 2015, the first defense statement is delivered to the Competition Board and Company will use other rights of defenses after the investigation report is prepared by the Competition Authority.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

15. Contingent assets and contingent liabilities (continued)

The details of the Company's and its subsidiaries' guarantees given or contingent liabilities on the behalf of each other, related parties, parent company or third parties within the context of business operations or other purposes are as follows:

	December 31, 2015					December 31, 2014				
	Euro guarantees	USD guarantees	Other guarantees	TL guarantees	TL total	Euro guarantees	USD guarantees	Other guarantees	TL guarantees	TL total
A. GPMs given on behalf of the Company's legal personality	37.848	61.802	57	584.530	684.237	31.332	3.803	-	591.772	626.907
B.GPMs given in favor of subsidiaries included in full consolidation (*)	-	93.075	-	65.377	158.452	-	63.948	-	144.033	207.981
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-	-	-
D. Other GPM's										
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-	-	-
ii. GPMs given in favor of companies not in the scope of B and C above	-	-	-	-	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-	-	-
Total amount of GPM	37.848	154.877	57	649.907	842.689	31.332	67.751	-	735.805	834.888

(*) As of December 31, 2015 total amount of commission accrued for guarantees given or contingent liabilities except 'A. GPMs given on behalf of the Company's legal personality' is TL 693 thousand.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

16. Long-term provision for employee benefits

Details of long-term provisions for employee benefits as of December 31, 2015 and 2014 are as follows:

Long term provision for employee benefits	December 31, 2015	December 31, 2014
Retirement pay provision	**24.469**	23.401
Vacation pay liabilities	**6.945**	4.872
Total long-term provision for employee benefits	**31.414**	28.273

Retirement pay provision:

Under the Turkish Legislations, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of full TL 3.828,37 (December 31, 2014: full TL 3.438,22) for each year of service at December 31, 2015.

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

In accordance with Turkish Labour Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future. The provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial profits and losses are accounted in the other comprehensive income statement.

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The Group makes a calculation for the employment termination benefit by applying the prescribed liability method, by the experiences and by considering the personnel who become eligible for pension. This provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	2015	2014
Net discount rate (%)	**4,60**	3,50
Turnover rate related to the probability of retirement (%)	**94,76 – 97,73**	95,70 – 97,62

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

16. Long-term provision for employee benefits (continued)

The movement of retirement pay provision for the period ended December 31, 2015 and 2014 is as follows:

	2015	2014
Opening balance at January 1	**23.401**	20.255
Charge for the period	**7.014**	5.728
Actuarial (gain)/loss	**(2.440)**	2.379
Retirement pay paid	**(3.506)**	(4.961)
Closing balance at December 31	**24.469**	23.401

17. Other short-term provisions

Other short-term provisions	**December 31, 2015**	December 31, 2014
Special Consumption Tax (SCT) provision on imported LPG	**68.496**	33.542
Provision for other operating expenses (*)	**3.537**	28.211
Provision for lawsuit	**5.724**	6.221
Provision for selling and marketing expenses	**4.540**	4.269
Provision for EMRA contribution	**3.399**	4.097
Provision for warranty expenses	**1.274**	-
Total other short term provisions	**86.970**	76.340

(*) On February 26, 2015, the Company reached to the agreement for the tax and tax penalty notifications issued to the Company as a result of the tax inspection which was started by the Presidency of Tax Audit Committee of Ministry of Finance in 2013; in accordance with the negotiation, original tax amounting to TL 12.587 thousand and its default interests have been accounted as "provision for other operating expenses" under other short-term provisions as of December 31,2014.

Movement of SCT provision on imported LPG	**January 1-December 31, 2015**	January 1-December 31, 2014
Opening balance	**33.542**	64.554
Paid in current period	**(33.542)**	(64.554)
Provision for the period	**68.496**	33.542
Closing balance	**68.496**	33.542

Movement of provision for other operating expenses	**January 1-December 31, 2015**	January 1-December 31, 2014
Opening balance	**28.211**	11.592
Paid in current period	**(22.254)**	(1.441)
Provision no longer required	**(2.789)**	-
Provision for the period	**369**	18.060
Closing balance	**3.537**	28.211

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

18. Other current assets and liabilities

Other current assets	December 31, 2015	December 31, 2014
Deferred VAT	43	1.319
Fuel used in shipping operations	2.559	1.672
Income accrual	962	738
Other current assets	483	978
Total other current assets	**4.047**	4.707

Other current liabilities	December 31, 2015	December 31, 2014
Taxes and funds payable	95.824	97.276
Other liabilities	2.153	1.933
Total other current liabilities	**97.977**	99.209

19. Prepaid expenses

As of December 31, 2015 and 2014, the details of Group's prepaid expenses in current assets are as follows:

Prepaid expenses	December 31, 2015	December 31, 2014
Prepaid expenses	38.433	36.479
Advances given	2.270	1.592
Total prepaid expenses	**40.703**	38.071

As of December 31, 2015 and 2014, the details of Group's prepaid expenses in non-current assets are as follows:

Prepaid expenses	December 31, 2015	December 31, 2014
Prepaid expenses	76.630	54.268
Advances given	2	2
Total prepaid expenses	**76.632**	54.270

Total amount of TL 35.166 thousand (2014: TL 32.626 thousand) presented as prepaid expenses under current assets and total amount of TL 75.620 thousand (2014: TL 53.431 thousand) presented as prepaid expenses under non-current assets are prepayments and investment contribution margin for dealer agreements.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

20. Deferred income

Deferred income	December 31, 2015	December 31, 2014
Advances taken	**1.307**	2.498
Prepaid income	**1.396**	827
Total deferred income	**2.703**	3.325

21. Share capital

As of December 31, 2015 and 2014 the share capital held is as follows:

Shareholders	Participation rate	December 31, 2015	Participation rate	December 31, 2014
Koç Holding A.Ş.	**40,68%**	**122.054**	40,68%	122.054
Liquid Petroleum Gas Development Company ("LPGDC") (*)	**24,52%**	**73.546**	24,52%	73.546
Temel Ticaret ve Yatırım A.Ş.	**5,29%**	**15.884**	5,29%	15.884
Koç Family	**5,24%**	**15.705**	5,24%	15.705
Publicly held (*)	**24,27%**	**72.811**	24,27%	72.811
Nominal capital	**100,00%**	**300.000**	100,00%	300.000
Inflation adjustment (**)		**71.504**		71.504
Adjusted capital		**371.504**		371.504

(*) TL 2.725.041,31 under publicly held shares (0,91% participation rate on the share capital) belong to Hilal Madeni Eşya Ticaret Sanayi ve Yatırım A.Ş., a 100% owned subsidiary of LPGDC.
(**) "Adjustment to share capital" represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the TAS/TFRS promulgated by the POA. "Adjustment to share capital" has no use other than being transferred to paid-in share capital.

Restricted reserves assorted from the profit

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to Turkish Commercial Code, legal reserves may only be used as long as it does not exceed 50% of the paid capital. It may not be used under any circumstances.

The details of the restricted reserves are stated below:

	December 31, 2015	December 31, 2014
Legal reserves	**163.741**	155.241
Gain on sale of subsidiary share that will be added to capital	**156.689**	148.592
	320.430	303.833

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

21. Share capital (continued)

Dividend distribution:

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The Company's statutory profit for the period and other sources that are subject the profit distribution as of December 31, 2015 amounts to TL 1.066.139 thousand. (December 31, 2014: TL 976.449 thousand). TL 209.043 thousand of such sources from inflation adjustment differences and TL 151.130 thousand from other capital reserves are subject to tax when they are distributed.

Dividends paid

In the Ordinary General Meeting held on March 30, 2015, the Company decided to reserve TL 8.500 thousand as legal reserves and distribute TL 100.000 thousand gross dividends from the net distributable income of 2014. According to this decision, the Company has begun dividend payments on April 6, 2015.

Gains and losses from the revaluation and reclassification of marketable securities:

Gains and losses from the revaluation and reclassification of marketable securities are related with financial assets and details are as follows:

	December 31, 2015	December 31, 2014
Koç Finansal Hizmetler A.Ş.	**166.865**	241.725
	166.865	241.725

Currency translation adjustment

Currency translation adjustment as of December 31, 2015 represents the Company's share of currency translation adjustment of equity investment.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

21. Share capital (continued)

Financial risk hedging reserve:

Fair value gains/losses of interest rates swap transactions and cross currency swap transactions carried out with respect to cash flow hedge accounting by Türkiye Petrol Rafinerileri A.Ş., a subsidiary of Enerji Yatırımları A.Ş, are recognized under "Cash flow hedge accounting gains/losses". The exchange difference gains/expenses of loans of Türkiye Petrol Rafinerileri A.Ş defined as hedging instruments against the spot foreign exchange rate risk (USD/TL) associated with highly probable export revenues in USD are recognized under equity in the same account until the cash flows of the related item, which is subject of financial risk hedging reserve, are realized.

Non-controlling interest:

	January 1 - December 31, 2015	January 1 - December 31, 2014
Opening balance	**670**	605
Dividends paid	**(85)**	-
Non-controlling interest on current year profit	**87**	65
Closing balance	**672**	670

22. Revenue and cost of sales

Revenue	**January 1 - December 31, 2015**	January 1 - December 31, 2014
Domestic sales	**6.292.308**	6.840.885
Export sales	**458.036**	513.262
Sales returns (-)	**(10.860)**	(6.234)
Sales discounts (-)	**(319.874)**	(286.637)
Total revenue, net	**6.419.610**	7.061.276
Sales of goods and services	**5.340.805**	5.787.810
Sales of merchandises	**1.078.805**	1.273.466
Revenue	**6.419.610**	7.061.276

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

22. Revenue and cost of sales (continued)

	January 1 - December 31, 2015	January 1 - December 31, 2014
Cost of goods sold and services rendered:		
Raw materials used	**4.545.987**	5.144.374
Production overheads	**98.825**	90.783
Depreciation expenses	**67.946**	65.567
Personnel expenses	**55.415**	48.553
Change in work in process inventories	**(299)**	(402)
Change in finished goods inventories	**(3.981)**	2.178
	4.763.893	5.351.053
Cost of merchandises sold	**979.165**	1.182.881
Total cost of sales	**5.743.058**	6.533.934

23. General administrative expenses, marketing, sales and distribution expenses and research and development expenses

	January 1 - December 31, 2015	January 1 - December 31, 2014
General administrative expenses	**167.467**	171.304
Marketing, sales and distribution expenses	**252.865**	235.174
Research and development expenses	**2.481**	2.629
Total	**422.813**	409.107

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

23. General administrative expenses, marketing, sales and distribution expenses and research and development expenses (continued)

a) Detail of general administrative expenses

	January 1 - December 31, 2015	January 1 - December 31, 2014
Personnel expenses	**73.559**	81.240
Consultancy expenses	**11.897**	7.852
Depreciation and amortization expenses	**11.059**	11.422
Tax expenses	**9.504**	7.450
Information technology expenses	**8.551**	7.721
Transportation expenses	**6.733**	6.669
Insurance expenses	**6.476**	5.445
Donation and aids	**5.785**	4.978
Lawsuit, consultancy and auditing expenses	**4.425**	5.583
Maintenance expenses	**3.834**	3.225
Communication expenses	**2.813**	2.662
Rent expenses	**2.375**	2.172
Post office expenses	**1.702**	1.703
Public relations activities expenses	**1.554**	1.328
Other administrative expenses	**17.200**	21.854
Total general administrative expenses	**167.467**	171.304

b) Detail of marketing, sales and distribution expenses

	January 1 - December 31, 2015	January 1 - December 31, 2014
Transportation, distribution and warehousing expenses	**110.652**	105.324
Sales expenses	**52.507**	48.970
Personnel expenses	**38.726**	34.875
Advertising and promotion expenses	**35.146**	29.345
Transportation expenses	**7.381**	7.168
Depreciation and amortization expenses	**5.070**	5.164
License expenses	**3.344**	4.225
Other marketing, sales and distribution expenses	**39**	103
Total marketing, sales and distribution expenses	**252.865**	235.174

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

23. General administrative expenses, marketing, sales and distribution expenses and research and development expenses (continued)

c) Detail of research and development expenses

	January 1 - December 31, 2015	January 1 - December 31, 2014
Outsourced research and development expenses	**2.481**	2.629
Total research and development expenses	**2.481**	2.629

24. Expenses related to their nature

	January 1 - December 31, 2015	January 1 - December 31, 2014
Personnel expenses	**112.286**	116.115
Transportation, distribution and warehousing expenses	**110.652**	105.324
Sales expenses	**52.507**	48.970
Advertising and promotion expenses	**35.146**	29.345
Depreciation and amortization expenses	**16.129**	16.586
Transportation expenses	**14.115**	13.837
Consultancy expenses	**11.897**	7.852
Tax expenses	**9.504**	7.450
Information technology expenses	**8.551**	7.721
Insurance expenses	**6.476**	5.445
Donation and aids	**5.785**	4.978
Lawsuit, consultancy and auditing expenses	**4.425**	5.583
Maintenance expenses	**3.834**	3.225
License expenses	**3.344**	4.225
Communication expenses	**2.813**	2.662
Outsourced research and development expenses	**2.481**	2.629
Rent expenses	**2.375**	2.172
Public relations activities expenses	**1.554**	1.328
Other	**18.939**	23.660
Total	**422.813**	409.107

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

25. Other operating income/expenses

Other operating income for the years ended as of December 31, 2015 and 2014 are as follows:

Other operating income	January 1 - December 31, 2015	January 1 - December 31, 2014
Foreign exchange gains arising from trading activities	43.576	33.421
Income generated from maturity differences of sales	21.020	38.350
Provisions no longer required	5.299	561
Income from port services	2.463	1.740
Fair value differences on forward transactions	2.230	2.838
Demurrage income	2.229	965
Rent income	2.050	2.221
Gain on sale of scrap	1.708	1.691
LPG pipeline usage income	1.502	935
Other income and profits	12.585	9.867
Total	**94.662**	92.589

Other operating expenses for the years ended as of December 31, 2015 and 2014 are as follows:

Other operating expenses	January 1 - December 31, 2015	January 1 - December 31, 2014
Foreign exchange losses arising from trading activities	65.681	45.356
Expenses from maturity differences of purchases on credit	19.415	33.952
Provision expenses	3.302	19.870
Fair value differences on forward transactions	3.227	3.812
Other expenses and losses	6.287	3.818
Total	**97.912**	106.808

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

26. Income and expenses from investment activities

Income from investment activities	January 1 - December 31, 2015	January 1 - December 31, 2014
Dividend income from financial investments	**6.507**	6.392
Income from sales of property, plant and equipment (*)	**741**	12.146
Total	**7.248**	18.538

(*) On October 10, 2014, the vessel named "Kandilli" in the assets of Kandilli Tankercilik A.Ş. with a book value of TL 152 thousand, which is used in the transportation of liquid fuel gas, was sold for USD 3.000 thousand in cash. Gain on sale of the vessel amounting to TL 6.658 thousand has been accounted in the income from investment activities in the consolidated financial statements as of December 31, 2014.

Expenses from investment activities	January 1 - December 31, 2015	January 1 - December 31, 2014
Expenses from sales of property, plant and equipment	**2.164**	515
Total	**2.164**	515

27. Financial income

Financial income for the years ended as of December 31, 2015 and 2014 are as follows:

Financial income	January 1 - December 31, 2015	January 1 - December 31, 2014
Foreign exchange gains	**202.990**	32.732
Interest income	**14.583**	10.782
Total	**217.573**	43.514

28. Financial expense

Financial expense for the years ended as of December 31, 2015 and 2014 are as follows:

Financial expense	January 1 - December 31, 2015	January 1 - December 31, 2014
Foreign exchange losses	**200.517**	32.979
Interest expenses	**45.593**	19.898
Total	**246.110**	52.877

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

29. Tax assets and liabilities

	December 31, 2015	December 31, 2014
Current tax liability		
Current corporate tax provision	**44.905**	23.167
Less: Prepaid taxes and funds	**(36.138)**	(22.011)
Current tax liability	**8.767**	1.156

Tax expenses	January 1- December 31, 2015	January 1- December 31, 2014
- Current corporate tax provision	**(33.232)**	(23.167)
- Deferred tax	**(6.112)**	4.614
	(39.344)	(18.553)

Corporate tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods.

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

The effective rate of tax in 2015 is 20% (2014: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2015 is 20% (2014: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

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

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

29. Tax assets and liabilities (continued)

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for TAS/TFRS purposes issued by POA and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with TAS/TFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20% (December 31, 2014: 20%).

Deferred tax (assets)/liabilities:	**December 31, 2015**	December 31, 2014
Restatement and depreciation/amortization differences of property, plant and equipment and other intangible assets	**35.771**	34.899
Revaluation fund on financial assets	**8.782**	12.722
Provision for employment termination benefits	**(4.725)**	(4.521)
Valuation of inventories	**(1.369)**	(2.863)
Other	**(265)**	(4.688)
	38.194	35.549

In Turkey, since the companies cannot declare consolidated tax refund, subsidiaries with deferred tax assets and subsidiaries with deferred tax liabilities cannot be netted off and are shown separately.

	December 31, 2015			December 31, 2014		
			Deferred tax			Deferred tax
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Aygaz A.Ş.	**(8.671)**	**46.406**	**37.735**	(13.441)	47.789	34.348
Akpa A.Ş.	**(897)**	**464**	**(433)**	(677)	286	(391)
Aygaz Doğal Gaz	**(868)**	**1.760**	**892**	(526)	2.118	1.592
	(10.436)	**48.630**	**38.194**	(14.644)	50.193	35.549

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

29. Tax assets and liabilities (continued)

Movement of deferred tax assets and liabilities are as follows:

Movement of deferred tax (assets)/liabilities :	**2015**	2014
Opening balance on January 1	**35.549**	36.703
Deferred tax expense/(income)	**6.112**	(4.614)
Deferred tax income/(expense) reflected in the comprehensive income statement:	**(3.467)**	3.460
Actuarial gain/loss arising from defined benefit plans	***473***	*(480)*
Hedging gains/losses	***(3.940)***	*3.940*
Closing balance on December 31	**38.194**	35.549

Tax reconciliation :

	January 1 - December 31, 2015	January 1 - December 31, 2014
Profit before tax	**457.806**	236.576
Income tax rate	**20%**	20%
Expected tax expense	**91.561**	47.315
Tax effects of:		
-revenue that is exempt from taxation	**(18.112)**	(9.423)
-expenses that are not deductible in determining taxable profit	**2.670**	1.666
-consolidation eliminations without tax effect	**(36.322)**	(21.244)
Other	**(453)**	239
Tax expense in the statement of profit or loss	**39.344**	18.553

30. Earnings per share

	January 1 - December 31, 2015	January 1 - December 31, 2014
Average number of ordinary shares outstanding during the period (one thousand)	**300.000**	300.000
Net profit for the year attributable equity holders of the parent company	**418.375**	217.958
Earnings per thousand shares (TL)	**1,394583**	0,726527

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Balances and transactions with related parties

A company is defined as a related party of the Company, if one of the companies has control power on the other company or has a significant impact on financial and administrative decisions of the other company. The Company is controlled by Koç Holding, Koç Family or entities owned by Koç Family. In financial statements, shareholder companies, shareholders and financial investments and other Group companies' assets are shown as related parties.

				December 31, 2015
		Receivables		Payables
Balances with related parties	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	17.224	-	70.614	-
Demir Export A.Ş.	6.661	-	-	-
Ford Otomotiv Sanayi A.Ş.	1.128	-	-	-
Tat Gıda Sanayi A.Ş.	533	-	-	-
Arçelik A.Ş.	357	-	6.603	-
Opet Petrolcülük A.Ş.	78	-	33.076	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	-	2.023	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.189	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	9.927	-
Ram Dış Ticaret A.Ş.	61	-	8.507	-
Yapı Kredi Finansal Kiralama A.O.	1.953	-	-	-
Other	2.278	-	1.666	-
Shareholders				
Koç Holding A.Ş.	-	-	9.059	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	1	-	355	-
	30.274	**-**	**143.019**	**-**

				December 31, 2014
		Receivables		Payables
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	11.244	-	52.931	-
Demir Export A.Ş.	5.305	-	-	-
Ford Otomotiv Sanayi A.Ş.	1.149	-	-	-
Tat Gıda Sanayi A.Ş.	444	-	-	-
Arçelik A.Ş.	319	-	9.738	-
Opet Petrolcülük A.Ş.	47	-	24.087	-
Otokoç Otomotiv Tic. ve San. A.Ş.	51	-	1.598	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.700	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	4.087	-
Ram Dış Ticaret A.Ş.	-	-	10.790	-
Other	1.875	-	2.038	-
Shareholders				
Koç Holding A.Ş.	-	-	2.196	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	1	-	460	-
	20.435	-	109.625	-

(*) Group companies include Koç Group companies.

(**) Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer") provides purchasing services for various item to the Group. As of balance sheet date, trade payables consist of Group's payables to third party intermediary service companies and payables to Zer for commissions for intermediary activities.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Balances and transactions with related parties (continued)

As of December 31, 2015; dividends payable amounting to TL 547 thousand (December 31, 2014 – TL 506 thousand) is reflected within other payables to related parties under short-term liabilities at the consolidated balance sheet.

	January 1 - December 31, 2015			
Transactions with related parties	**Purchases (Goods)**	**Sales (Goods)**	**Purchases (Service)**	**Sales (Service)**
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	764.056	417.352	3.168	-
Opet Petrolcülük A.Ş.(**) (***)	175.422	1.229	107.156	-
Arçelik A.Ş.	36.090	3.102	123	-
Ram Dış Ticaret A.Ş.	35.806	251	2.753	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	22.398	8	25.205	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	51	150	7.048	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	6	2.701	-
Otokoç Otomotiv Tic. ve San. A.Ş.	45	1.028	594	-
Ford Otomotiv Sanayi A.Ş.	-	17.260	-	-
Demir Export A.Ş.	-	33.903	-	-
Tat Gıda Sanayi A.Ş.	-	15.500	-	-
Setur Servis Turistik A.Ş.	-	69	3.642	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	1.021	-
Diğer	3.753	20.764	2.941	-
Shareholders				
Koç Holding A.Ş. (****)	-	36	11.897	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	-	30	3.797	-
	1.037.621	**510.688**	**172.046**	**-**

	January 1 - December 31, 2014			
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	768.981	383.357	1.798	-
Opet Petrolcülük A.Ş.(**) (***)	191.366	1.155	94.627	-
Arçelik A.Ş.	36.941	4.703	147	-
Ram Dış Ticaret A.Ş.	35.818	-	21	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	20.431	6	20.474	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	51	194	6.576	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	7	2.997	-
Otokoç Otomotiv Tic. ve San. A.Ş.	9	2.949	1.071	-
Ford Otomotiv Sanayi A.Ş.	-	17.451	-	-
Demir Export A.Ş.	-	53.190	-	-
Tat Gıda Sanayi A.Ş.	-	12.113	-	-
Setur Servis Turistik A.Ş.	-	41	3.424	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	4.321	-
Diğer	3.973	16.828	2.500	-
Shareholders				
Koç Holding A.Ş. (****)	-	35	7.861	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	-	14	3.772	-
	1.057.570	492.043	149.589	-

(*) Group companies include Koç Group companies.

(**) Commission expense regarding LPG sold at Opet stations as of December 31, 2015 is TL 106.727 thousand (December 31, 2014 - TL 94.243 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under profit or loss statement as sales discounts.

(***) Though not presented at transactions with related parties, so as to fulfil fuel and auto gas sales exclusively and on the basis of station, prepayments and/or infrastructural investments are made directed for sales under "Agreement of Auto Gas Sales at Gas Stations" between Aygaz and Opet. Prepayments are presented under prepaid expenses in consolidated statement of financial position and are periodically amortized based on duration of dealer agreements. Prepayments and investment contribution margin amounting to TL 53.031 thousand has been made to Opet in 2015 in consideration of 5 years sale agreement on average to be paid to Aygaz Dealers making auto gas sales at Opet stations.

(****) Billed remuneration for services such as finance, law, planning, tax and senior management provided by Koç Holding, the main shareholder, to Group companies, service expenses including personnel and senior management as a result of arrangement of 1st Serial Number of General Communique About Transfer Pricing Through Hidden Income Distribution's "11- In Group Services".

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Balances and transactions with related parties (continued)

	January 1 - December 31, 2015			
Tangible asset and rent transactions with related parties	**Rent income**	**Rent expense**	**Tangible and intangible asset purchases**	**Sale of fixed assets**
Group companies (*)				
Opet Petrolcülük A.Ş.	522	22	61	-
Yapı Kredi Bankası A.Ş.	-	291	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	5.284	1.148	94
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.409	-
Otokar Otomativ ve Savunma Sanayi A.Ş.	-	-	922	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	115	-
Türkiye Petrol Rafinerileri A.Ş.	-	17	-	526
Arçelik A.Ş.	-	-	20	-
Other	-	-	3	8
Shareholders				
Koç Family Members	-	865	-	-
	522	6.479	3.678	628

	January 1 - December 31, 2014			
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Tangible and intangible asset purchases	Sale of fixed assets
Group companies (*)				
Opet Petrolcülük A.Ş.	494	20	49	-
Yapı Kredi Bankası A.Ş.	-	236	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	4.349	166	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	913	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	-	76	-
Türkiye Petrol Rafinerileri A.Ş.	-	12	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.			218	-
Arçelik A.Ş.	-	-	21	-
Diğer	-	-	28	-
Shareholders				
Koç Family Members	-	788	-	-
	494	5.405	1.471	-

(*) Group companies include Koç Group companies.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Balances and transactions with related parties (continued)

Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
	January 1 - December 31, 2015			
Group companies (*)				
Yapı Kredi Bankası A.Ş.	21.490	9.112	-	-
Vehbi Koç Vakfı	-	-	-	3.826
Koç Finansal Hizmetler A.Ş.	-	-	6.353	-
Opet Petrolcülük A.Ş.	-	-	-	479
Ram Dış Ticaret A.Ş.	-	-	150	-
Ditaş Deniz İşletmeciliği ve Tic. A.Ş.	-	-	4	-
	21.490	9.112	6.507	4.305

Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
	January 1 - December 31, 2014			
Group companies (*)				
Yapı Kredi Bankası A.Ş.	21.037	14.007	-	-
Koç Finansal Hizmetler A.Ş.	-	-	6.392	-
Vehbi Koç Vakfı	-	-	-	3.830
Opet Petrolcülük A.Ş.	-	-	-	696
Diğer	-	-	3	-
	21.037	14.007	6.395	4.526

Cash at banks	December 31, 2015	December 31, 2014
Group companies (*)		
Yapı Kredi Bankası A.Ş.	220.777	124.805

Credit card receivables	December 31, 2015	December 31, 2014
Group companies (*)		
Yapı Kredi Bankası A.Ş.	27.059	22.324

Bank loans	December 31, 2015	December 31, 2014
Grup şirketleri (*)		
Yapı Kredi Bankası A.Ş.	6.953	1.606

(*) Group companies include Koç Group companies.

Benefits to Top Management:

The Company has determined senior manager squad as board of directors' members, general manager and vice general managers.

Benefits to top management personnel includes salaries, premiums, SSI employer's contribution, employer's contribution of unemployment insurance and the attendance fees of board of directors.

As of December 31, 2015, total benefit provided to senior management of the Company is TL 32.825 thousand (December 31, 2014: TL 33.746 thousand). TL 2.680 thousand of total amount is paid to senior management due to their leave (December 31, 2014: None) and the remaining amount is consist of short term benefits as of December 31, 2015.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments

a) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or rearrange capital structure, the Company can return back capital to shareholders, issue new shares and sale assets in order to decrease debt requirement.

The Group controls its capital using the net financial debt/total equity ratio parallel to other companies in the sector. This ratio is the calculated as net debt divided by the equity amount. Net debt is calculated as total financial debt amount less cash and cash equivalents.

Risk management is managed by treasury department based on the policies approved by the board of directors. Group's treasury department defines and reviews the financial risk and uses tools to minimize the risk by collaborating with Group's operational units based on such risk policies. Board of directors prepares written procedures or general policies related with the risk management including currency risk, interest risk, using of derivative and non-derivative instruments and to evaluate cash surplus.

	December 31, 2015	December 31, 2014
Total short-term and long-term borrowings	**551.354**	365.290
Less: Cash and cash equivalents	**(288.637)**	(160.904)
Net financial debt	**262.717**	204.386
Total shareholder's equity	**2.610.820**	2.359.190
Net financial debt/equity ratio	**10%**	9%

b) Financial risk factors

The risks of the Group resulted from operations, include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's risk management program generally seeks to minimize the effects of uncertainty in financial market on financial performance of the Group. The Group uses derivative financial instruments in order to safeguard itself from different financial risks.

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group manages this risk by the credit limits up to the guarantees received from customers. The usage of credit limits are monitored by the Group according to the customer's credibility is evaluated continuously.

Trade receivables consist of many customers that operate in various industries and locations. Credit risk of the receivables from counterparties is evaluated perpetually.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

Credit risk of financial instruments

	Receivables					
	Trade receivables		Other receivables			
December 31, 2015	Related party	Third party	Related party	Third party	Deposits in banks	Credit card receivables
Maximum exposed credit risk as of reporting date (*)	30.274	459.891	-	2.458	258.820	29.636
- The part of maximum risk under guarantee with collateral etc.	-	273.461	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	30.274	421.405	-	2.458	258.820	29.636
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	38.486	-	-	-	-
- The part under guarantee with collateral etc-	-	6.114	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	20.713	-	-	-	-
- Impairment (-)	-	(20.713)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Amounts show the maximum credit risk as of balance sheet date, without considering the guarantees or other items increasing credit security.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

Credit risk of financial instruments

	Receivables					
	Trade receivables		Other receivables			
December 31, 2014	Related party	Third party	Related party	Third party	Deposits in banks	Credit card receivables
Maximum exposed credit risk as of reporting date (*)	20.435	374.633	-	5.532	134.869	25.517
- The part of maximum risk under guarantee with collateral etc.	-	250.715	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	20.435	318.990	-	5.532	134.869	25.517
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	55.643	-	-	-	-
- The part under guarantee with collateral etc-	-	30.670	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	17.943	-	-	-	-
- Impairment (-)	-	(17.943)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Amounts show the maximum credit risk as of balance sheet date, without considering the guarantees or other items increasing credit security.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

December 31, 2015	Trade receivables	Other receivables	Deposits in banks	Derivative instruments	Other	Total
Past due 1-30 days	28.146	-	-	-	-	28.146
Past due 1-3 months	5.717	-	-	-	-	5.717
Past due 3-12 months	844	-	-	-	-	844
Past due 1-5 years	3.656	-	-	-	-	3.656
Past due more than 5 years	123	-	-	-	-	123
Total past due	**38.486**	-	-	-	-	**38.486**
The part under guarantee with collateral	**6.114**	-	-	-	-	**6.114**

December 31, 2014	Trade receivables	Other receivables	Deposits in banks	Derivative instruments	Other	Total
Past due 1-30 days	40.301	-	-	-	-	40.301
Past due 1-3 months	9.695	-	-	-	-	9.695
Past due 3-12 months	1.926	-	-	-	-	1.926
Past due 1-5 years	3.599	-	-	-	-	3.599
Past due more than 5 years	122	-	-	-	-	122
Total past due	55.643	-	-	-	-	55.643
The part under guarantee with collateral	30.670	-	-	-	-	30.670

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

b.2) Liquidity risk management

Liquidity risk management responsibility mainly belongs to the Board of Directors. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk forecasts and actual cash flows, by monitoring continuously and by maintaining adequate funds and reserve borrowings as matching the maturity profile of financial assets and liabilities.

The following table presents the maturity of Group's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities are presented according to undiscounted net cash inflow and cash outflow. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amounts of the payables or receivables are not fixed, the disclosed amount has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

December 31, 2015

Contractual maturity analysis	Book value	Total cash outflow according to the contract (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Short term and long term borrowings	551.354	598.990	30.948	245.377	322.665	-
Trade payables	372.235	372.235	372.235	-	-	-
Other payables	85.169	85.169	1.252	-	-	83.917
Other liabilities	99.938	99.938	97.977	-	-	1.961
	1.108.696	1.156.332	502.412	245.377	322.665	85.878

Derivative Instruments (*)	Carrying value	Cash flow according to contract	Less than 3 months	3 – 12 months	1 – 5 years	More than 5 years
Derivative cash inflows		136.279	56.117	80.162	-	-
Derivative cash outflows		(119.396)	(58.127)	(61.269)	-	-
Derivative instruments, net	18.179	16.883	(2.010)	18.893	-	-

(*) The amounts are cash flows based on contract, which have not been discounted.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

December 31, 2014

Contractual maturity analysis	Book value	Total cash outflow according to the contract (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Short term and long term borrowings	365.290	403.795	161.101	13.684	229.010	-
Trade payables	318.557	318.557	318.557	-	-	-
Other payables	79.509	79.509	700	-	-	78.809
Other liabilities	100.545	100.545	99.110	99	531	805
	863.901	902.406	579.468	13.783	229.541	79.614

Derivative Instruments (*)	Carrying value	Cash flow according to contract	Less than 3 months	3 – 12 months	1 – 5 years	More than 5 years
Derivative cash inflows		82.832	27.016	-	55.816	-
Derivative cash outflows		(77.422)	(26.787)	-	(50.635)	-
Derivative instruments, net	4.794	5.410	229	-	5.181	-

b.3) Market risk management

The Group's activities are exposed to a variety of financial risks including foreign currency risk and interest rate risk as explained below. The Group uses derivative financial instruments to hedge certain risk exposures in order to manage foreign currency and interest rate risks. These instruments are:

1. Foreign exchange forward purchase agreements to manage exposure to liabilities denominated in foreign currencies.
2. Foreign exchange purchase options to manage exposure to liabilities denominated in foreign currencies.
3. Principal and interest swap agreements to manage exposure to liabilities denominated in foreign currencies.

At the Group level market risk exposures are measured by sensitivity analysis and stress scenarios.

There has been no change in the Group's exposure to market risks or the manner which it manages and measures the risk compared to the previous year.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

b.3.1) Foreign currency risk management

Transactions in terms of foreign currency cause the Group expose to foreign exchange risk. The Group controls foreign currency risk coming from its operations and cash flows of finance contracts by using "foreign exchange forward contracts".

The Group manages its foreign currency risk by regularly considering and reflecting the foreign exchange rate changes in the determination of product prices. As of December 31, 2015, the Group has LPG amounting to TL 64.808 thousand (December 31, 2014:TL 37.824 thousand).

The Group's monetary and non-monetary assets and liabilities in terms of foreign currencies are as follows:

December 31, 2015		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	114.504	114.502	2	-
2.a	Monetary financial assets	106.283	105.673	322	288
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	80	44	36	-
4.	**Current assets**	**220.867**	**220.219**	**360**	**288**
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	**Non-current assets**	-	-	-	-
9.	**Total assets**	**220.867**	**220.219**	**360**	**288**
10.	Trade payables	(154.831)	(153.518)	(1.301)	(12)
11.	Financial liabilities	(139.978)	(139.978)	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non-monetary financial liabilities	(1.013)	(1.013)	-	-
13.	**Current liabilities**	**(295.822)**	**(294.509)**	**(1.301)**	**(12)**
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(68.330)	(68.330)	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
17.	**Non-current liabilities**	**(68.330)**	**(68.330)**	-	-
18.	**Total liabilities**	**(364.152)**	**(362.839)**	**(1.301)**	**(12)**
19.	Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	136.279	136.279	-	-
19.a	Total hedged assets	136.279	136.279	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	**Net foreign currency asset/liability position (9+18+19)**	**(7.006)**	**(6.341)**	**(941)**	**276**
21.	**Net foreign currency asset/liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)**	**(142.352)**	**(141.651)**	**(977)**	**276**
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	458.036	446.111	10.418	1.507
26.	Import	1.736.001	1.725.892	8.840	1.269

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

December 31, 2014		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	24.779	22.449	90	2.240
2.a	Monetary financial assets	38.048	37.123	184	741
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	62.827	59.572	274	2.981
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	Total assets	62.827	59.572	274	2.981
10.	Trade payables	(100.269)	(99.666)	(603)	-
11.	Financial liabilities	(120)	(120)	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non-monetary financial liabilities	-	-	-	-
13.	Current liabilities	(100.389)	(99.786)	(603)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(55.816)	(55.816)	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
17.	Non-current liabilities	(55.816)	(55.816)	-	-
18.	Total liabilities	(156.205)	(155.602)	(603)	-
19.	Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	82.832	82.832	-	-
19.a	Total hedged assets	82.832	82.832	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset/liability position (9+18+19)	(10.546)	(13.198)	(329)	2.981
21.	Net foreign currency asset/liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(93.378)	(96.030)	(329)	2.981
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	513.262	507.057	6.205	-
26.	Import	2.380.071	2.375.342	3.974	755

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

Currency forward agreements

Currency forward agreements which are valid as of December 31, 2015 and 2014 are summarized at the table below:

					December 31, 2015
Maturity	**Parity**	**Type of contract**	**Transactions**	**Total amount**	**Currency**
1 to 4 months	**2,9750 -3,0462**	**Forward**	**Sells TL, buys USD**	**22.800**	**USD**

					December 31, 2014
Maturity	Parity	Type of contract	Transactions	Total amount	Currency
1 to 3 months	2,3352 -2,3518	Forward	Sells TL, buys USD	11.650	USD

Swap agreements

As of December 31, 2015, the Group has swap agreements amounting to TL 50.635 thousand with fixed interest rate of 11,2% in return for USD 24.070 thousand with a floating interest rate of three-month USDLIBOR +1,8%. Swap transaction has quarterly interest payments and the maturity date of principal payment is on May 23, 2016.

Foreign currency sensitivity:

The Group is mainly exposed to foreign currency risk in USD and EURO.

The following table details the Group's sensitivity to a 10% increase and decrease in the USD and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

A positive number indicates an increase in profit/loss and other equity accounts.

				December 31, 2015
	Income/Expense		**Equity**	
	Foreign exchange appreciation	**Foreign exchange depreciation**	**Foreign exchange appreciation**	**Foreign exchange depreciation**
10% fluctuation of USD rate				
USD net asset/liability	(14.165)	14.165	(14.165)	14.165
Secured portion from USD risk	13.628	(13.628)	13.628	(13.628)
USD net effect	**(537)**	**537**	**(537)**	**537**
10% fluctuation of Euro rate				
Euro net asset/liability	(98)	98	(98)	98
Secured portion from Euro risk	-	-	-	-
Euro net effect	**(98)**	**98**	**(98)**	**98**
Total	**(635)**	**635**	**(635)**	**635**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

				December 31, 2014
		Income/Expense		Equity
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(9.603)	9.603	(9.603)	9.603
Secured portion from USD risk	8.283	(8.283)	8.283	(8.283)
USD net effect	(1.320)	1.320	(1.320)	1.320
10% fluctuation of Euro rate				
Euro net asset/liability	(33)	33	(33)	33
Secured portion from Euro risk	-	-	-	-
Euro net effect	(33)	33	(33)	33
Total	(1.353)	1.353	(1.353)	1.353

b.3.2) Interest rate risk management

The Group is exposed to interest rate risk due to the effect of changes in interest rates on the Group's assets and liabilities having interest returns. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and interest rate forward contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

Details of the Group's financial instruments that are sensitive to interest rates are as follows:

Interest rate position table

	December 31, 2015	December 31, 2014
Instruments with fixed interest rate		
Time deposits	**239.167**	120.692
Borrowings and bonds issued	**308.531**	273.805
Instruments with variable interest rate		
Borrowings	**240.619**	86.860

At December 31, 2015, for the financial instruments with variable interest rate, had the interest rates in terms of all the currency units increased/decreased by 100 basis points, with all other variables held constant, profit before taxation would have been higher/lower by TL 341 thousand (2014: TL 132 thousand) as a result of the low/high interest income/expense related with the borrowings and time deposits.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

Financial instrument categories and fair values

December 31, 2015	Financial assets at amortized cost	Loans and receivables	Financial assets available for sale	Trading financial assets	Financial liabilities at amortized cost	Book value	Note
Financial assets							
Cash and cash equivalents	288.637	-	-	-	-	288.637	4
Trade receivables	-	490.165	-	-	-	490.165	8,31
Other financial assets	-	-	268.002	-	-	268.002	5
Other receivables	-	2.458	-	-	-	2.458	9
Financial liabilities							
Short-term and long-term borrowings	-	-	-	-	553.919	551.354	6
Trade payables	-	-	-	-	372.235	372.235	8,31
Liabilities for employee benefits	-	-	-	-	13.665	13.665	10
Other payables	-	-	-	-	85.169	85.169	9,31
Other liabilities	-	-	-	-	2.153	2.153	18

December 31, 2014	Financial assets at amortized cost	Loans and receivables	Financial assets available for sale	Trading financial assets	Financial liabilities at amortized cost	Book value	Note
Financial assets							
Cash and cash equivalents	160.904	-	-	-	-	160.904	4
Trade receivables	-	395.068	-	-	-	395.068	8,31
Other financial assets	-	-	346.706	-	-	346.706	5
Other receivables	-	5.532	-	-	-	5.532	9
Financial liabilities							
Short-term and long-term borrowings	-	-	-	-	367.963	365.290	6
Trade payables	-	-	-	-	318.557	318.557	8,31
Liabilities for employee benefits	-	-	-	-	33.334	33.334	10
Other payables	-	-	-	-	79.509	79.509	9,31
Other liabilities	-	-	-	-	1.933	1.933	18

(*) The Group believes that the carrying value of its financial instruments is at fair value.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and level of risk derived from financial instruments (continued)

Fair value hierarchy table

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

- First level: The fair value of financial assets and financial liabilities are determined with reference to actively traded market prices;
- Second level: Other than market prices specified at first level, the fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine directly or indirectly observable price in market;
- Third level: The fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine fair value but not relying on observable data in the market.

Level classifications of financial assets and liabilities at fair value are as follows:

Financial assets/liabilities		Level of fair value as of reporting date		
	December 31, 2015	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	267.026	76	266.950	-
Derivative financial instruments	18.179	-	18.179	-

Financial assets /liabilities		Level of fair value as of reporting date		
	December 31, 2014	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	345.730	55	345.675	-
Derivative financial instruments	4.794	-	4.794	-

(*) The Group has available for sale financial assets, which are not quoted in stock markets, and total amount of these financial assets is TL 976 thousand as of December 31, 2015 (December 31, 2014 – TL 976 thousand). The fair value of these financial assets cannot be measured reliably and stated at cost in the accompanying financial statements.

Information for reflecting financial assets and liabilities at fair value:

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

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

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

Financial assets

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be their fair values since they are short-term.

32. Nature and level of risk derived from financial instruments (continued)

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

Financial Liabilities

The carrying values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short-term.

As of December 31, 2015 the carrying value and the fair value of the long-term borrowings, including the short term portions, are equal to TL 485.226 thousand (Note 6), and TL 487.791 thousand respectively. Fair value is calculated by discounting the cash out flows regarding market interest rates.

33. Subsequent events

Within the scope of approval of Capital Market Board at Meeting numbered 7/313, and dated March 13, 2015, Entity has issued bond with a nominal value of TL 75.000 thousand, maturity of 728 days, and every 182 days fixed interest rate coupon payments for demand of qualified investors on January 29, 2016.

As a result of the Board of Director's decision of ADG Enerji for share capital increase dated March 20, 2014, the Company paid the remaining amount of TL 16.050 thousand of capital commitment to ADG Enerji Yatırımları A.Ş. ("ADG Enerji") on February 11, 2016.

34. Other significant issues affecting the financial statements or the other issues required for clarification of financial statements

None.