

TEKNOSA İÇ VE DIŞ TİCARET A.Ş.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

NOTE 4 – RELATED PARTY DISCLOSURES

The related parties are companies directly or indirectly controlled by Hacı Ömer Sabancı Holding A.Ş., parent company of Teknosa or companies over which Hacı Ömer Sabancı Holding A.Ş. has significant influence.

Kliksa A.Ş. which is the subsidiary of the Company and consolidated on a line-by-line basis supplies a large portion of its trade goods from the Company. Besides, Kliksa receives services from the Company's support departments such as finance, law, information technologies, and human resources.

	30 September 2014	
	Receivables	Payables
	Current	Current
	Trading	Trading
Balances with related parties		
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	2,138	-
Akbank T.A.Ş.	585	-
Aksigorta A.Ş.	332	(548)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	57	(20)
Akçansa Çimento San. ve Tic. A.Ş.	23	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	13	(1,955)
Philip Morris Sabancı Pazarlama Satış A.Ş.	7	-
Avivasa Emeklilik ve Hayat A.Ş.	2	(11)
Enerjisa Enerji A.Ş. ve iştirakleri	-	(823)
	<u>3,157</u>	<u>(3,357)</u>

	31 December 2013	
	Receivables	Payables
	Current	Current
	Trading	Trading
Balances with related parties		
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	173	-
Avivasa Emeklilik ve Hayat A.Ş.	145	-
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	42	(45)
Akbank T.A.Ş.	16	-
Akçansa Çimento San. ve Tic. A.Ş.	13	-
Aksigorta A.Ş.	3	(42)
Sabancı Üniversitesi	1	-
Enerjisa Enerji A.Ş. ve iştirakleri	-	(462)
Temsa Global Sanayi ve Ticaret A.Ş.	-	(1)
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	-	(1,122)
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş.	-	(233)
	<u>393</u>	<u>(1,905)</u>

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

NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

	30 September 2014	31 December 2013
<u>Deposit accounts in Akbank T.A.Ş.</u>		
Demand deposit	604	20
Time deposit	107,494	318,140
	<u>108,098</u>	<u>318,160</u>

	1 January - 30 September 2014		
	Sales	Rent expense	Other expenses
Transactions with related parties			
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	3,401	(5,572)	(827)
Akbank T.A.Ş.	1,812		6,093
Aksigorta A.Ş.	738		(3,301)
Avivasa Emeklilik ve Hayat A.Ş.	577		(106)
H.Ö. Sabancı Holding A.Ş.	130		-
Akçansa Çimento San. ve Tic. A.Ş.	105		-
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	95		(34)
Philip Morris Sabancı Pazarlama Satış A.Ş.	22		-
Enerjisa Enerji A.Ş. ve İştirakleri	14		(4,783)
Sabancı Üniversitesi	11		-
Kordsa Global Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	5		-
Vista Turizm ve Seyahat A.Ş.	0		(7)
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	2		(4,634)
	<u>6,912</u>	<u>(5,572)</u>	<u>(7,599)</u>

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NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties	1 January - 30 September 2013		
	Sales	Rent expense	Other expenses
Akbank T.A.Ş.	2,081		8,808
Avivasa Emeklilik ve Hayat A.Ş.	302		(1,743)
Aksigorta A.Ş.	183		
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	134		
Akçansa Çimento San. ve Tic. A.Ş.	243		
H.Ö. Sabancı Holding	97	(12)	(100)
Kordsa Global Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	21	-	-
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	13	(2,948)	-
Enerjisa Enerji A.Ş. ve İştirakleri	-	-	(4,569)
Diğer	16	-	-
	<u>3,090</u>	<u>(2,960)</u>	<u>2,396</u>

The Company's key management has been identified as the general managers and directors. Remuneration to key management personnel consists of wages, premiums, pensions, health insurance and life insurance payments. Remunerations of key management personnel for the interim periods ended 30 September 2014 and 2013 are as follows:

	1 January – 30 September 2014	1 January – 30 September 2013
Salaries and other benefits	<u>3,135</u>	<u>5,395</u>
	<u>3,135</u>	<u>5,395</u>

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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NOTE 5 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 September 2014 and 31 December 2013 are as follows:

	30 September 2014	31 December 2013
Cash	1,277	958
Demand deposit	1,834	1,084
Time deposit	107,516	318,140
	<u>110,627</u>	<u>320,182</u>

As of 30 September 2014, Group's time deposits include TRY 106, 355 Turkish Liras and USD time deposits of TRY 1.139 with the average interest rates of 9% and 1.95% respectively (31 December 2013: 9.59%).

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

The details of trade receivables as of 30 September 2014 and 31 December 2013 are as follows:

<i>Current trade receivables</i>	30 September 2014	31 December 2013
Trade receivables	27,086	29,327
Due from related parties (Note 4)	3,157	393
Notes receivables	5,279	10,127
Allowance for doubtful receivables (-)	(798)	(483)
	<u>34,724</u>	<u>39,364</u>

As of 30 September 2014, TRY 9,765 amount of trade receivables consist of receivables from credit card slips (31 December 2013: TRY 14,285).

As of 30 September 2014 and 31 December 2013, the Group has hold the below given guarantees for its checks and notes (except receivables from credit card slips).

	30 September 2014	31 December 2013
Letters of guarantees received	3,496	6,862
Cash deposits and guarantees	-	722
Mortgages	7,359	4,504
	<u>10,855</u>	<u>12,088</u>