

TEKNOSA İÇ VE DIŞ TİCARET A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

NOTE 3 – SEGMENT REPORTING (Continued)

Reconciliation of EBITDA with profit before taxes:

	1 January 31 December 2014	1 January- 31 December 2013
EBITDA for reportable segments	81.904	133.002
Depreciation	(36.761)	(29.054)
Financial expenses	(22.250)	(17.208)
Income from investing activities	6.566	8.597
Other expenses - net	(50.388)	(21.470)
Provision for employee termination benefits	(3.119)	(3.379)
(Loss) / Profit before tax	(24.048)	70.488

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.

	31 December 2014	
	Receivables	Payables
	Current	Current
Balances with related parties	Trading	Trading
Akbank T.A.Ş.	2.105	-
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	1.485	(101)
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	-	(6.041)
Enerjisa Enerji A.Ş. Ve İştirakleri	-	(1.112)
Avivasa Emeklilik ve Hayat A.Ş.	262	(19)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	92	-
Akçansa Çimento San. ve Tic. A.Ş.	29	-
Aksigorta A.Ş.	15	(41)
Philip Morris Sabancı Pazarlama Satış A.Ş.	11	-
Hacı Ömer Sabancı Holding A.Ş.	-	(7)
	3.999	(7.321)

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NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

	31 December 2013	
	Receivables	Payables
	Current	Current
	Trading	Trading
<u>Balances with related parties</u>		
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 İştirakleri	-	(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>
	31 December	31 December
<u>Deposit accounts in Akbank T.A.Ş.</u>	<u>2014</u>	<u>2013</u>
Demand deposit	1.392	20
Time deposit	144.250	318.140
	<u>145.642</u>	<u>318.160</u>
	31 December	31 December
<u>Credit card slip receivables in Akbank T.A.Ş.</u>	<u>2014</u>	<u>2013</u>
Credit card slip receivables	4.163	1.312
	<u>4.163</u>	<u>1.312</u>

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NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties	1 January - 31 December 2014		
	Sales	Rent expense	Other income / (expenses)
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	5.085	(7.167)	(874)
Akbank T.A.Ş.	4.660	-	6.556
Aksigorta A.Ş.	552	(8)	(4.335)
Avivasa Emeklilik ve Hayat A.Ş.	1.049	-	(1.247)
H.Ö. Sabancı Holding A.Ş.	157	-	(28)
Akçansa Çimento San. ve Tic. A.Ş.	158	-	-
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	205	-	(119)
Philip Morris Sabancı Pazarlama Satış A.Ş.	54	-	-
Enerjisa Enerji A.Ş. ve İştirakleri	19	-	(6.330)
Sabancı Üniversitesi	11	-	-
Kordsa Global Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	5	-	-
Çimsa Çimento Sanayi ve Ticaret A.Ş.	9	-	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	2	-	(8.458)
Other	-	-	(7)
	<u>11.966</u>	<u>(7.175)</u>	<u>(14.842)</u>
Transactions with related parties	1 January - 31 December 2013		
	Sales	Rent expense	Other income / (expenses)
Akbank T.A.Ş.	2.678	-	3.220
Avivasa Emeklilik ve Hayat A.Ş.	560	-	(1.301)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	338	-	-
Akçansa Çimento San. ve Tic. A.Ş.	279	-	-
Aksigorta A.Ş.	183	(28)	(2.445)
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	100	(4.742)	-
H.Ö. Sabancı Holding	97	-	(139)
Kordsa Global Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	23	-	-
Philip Morris Sabancı Pazarlama Satış A.Ş.	19	-	-
Sabancı Üniversitesi	17	-	-
Enerjisa Enerji A.Ş. ve İştirakleri	6	-	(6.066)
Temsa Global Sanayi ve Ticaret A.Ş.	2	-	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	1	-	(2.155)
Vista Turizm ve Seyahat A.Ş.	-	-	2.380
Other	1	-	-
	<u>4.304</u>	<u>(4.770)</u>	<u>(6.506)</u>

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NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

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 years ended 31 December 2014 and 2013 are as follows:

	1 January – 31 December 2014	1 January – 31 December 2013
Salaries and other benefits	4.092	6.944
	<u>4.092</u>	<u>6.944</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

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

	31 December 2014	31 December 2013
Cash	1.295	958
Demand deposit	1.718	1.084
Time deposit	175.532	318.140
Credit card slip receivables	14.453	14.285
	<u>192.998</u>	<u>334.467</u>

As of 31 December 2014, Group's time deposits include TRY 174.373 Turkish Liras and USD time deposits of TRY 1.159 with the average interest rates of 10,53% and 1.95% respectively (31 December 2013: 9.59%).

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

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

<u>Current trade receivables</u>	31 December 2014	31 December 2013
Trade receivables	19.197	15.820
Due from related parties (Note 4)	3.999	393
Notes receivables	5.852	10.127
Allowance for doubtful receivables (-)	(2.215)	(1.261)
Income accruals	720	-
	<u>27.553</u>	<u>25.079</u>