

## TEKNOSA İÇ VE DIŞ TİCARET A.Ş.

### NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

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

#### NOTE 3 – SEGMENT REPORTING (Continued)

Reconciliation of EBITDA to “Profit before tax” is as follows:

	1 January 31 March 2016	1 January- 31 March 2015
EBITDA for reportable segments	13,570	11,071
Depreciation	(9,617)	(10,401)
Financial expenses	(6,006)	(5,365)
Income from investing activities	746	124
Other expenses - net	(17,640)	(7,554)
Provision for employee termination benefits	(1,290)	(590)
<b>(Loss) / Profit before tax</b>	<b>(20,237)</b>	<b>(12,715)</b>

#### 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 March 2016	
	Receivables	Payables
	Current	Current
Balances with related parties	Trading	Trading
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	1,228	(97)
Akbank T.A.Ş.	449	-
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	50	-
Akçansa Çimento San. ve Tic. A.Ş.	37	-
Brisa Bridgestone Sabancı Lastık San. Ve Tic.A.Ş.	19	-
Philip Morris Sabancı Pazarlama Satış A.Ş.	18	-
Aksigorta A.Ş.	9	(556)
Avivasa Emeklilik ve Hayat A.Ş.	5	-
Çimsa Çimento San.ve Tic.A.Ş.	3	-
Temsa Global Sanayi ve Ticaret A.Ş.	1	-
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	-	(479)
	1,819	(1,132)

**TEKNOSA İÇ VE DIŞ TİCARET A.Ş.**

**NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

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

**NOTE 4 – RELATED PARTY DISCLOSURES (Continued)**

	31 December 2015	
	Receivables	Payables
	Current	Current
	Trading	Trading
<u>Balances with related parties</u>		
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	1,468	(177)
Akbank T.A.Ş.	435	(11)
Avivasa Emeklilik ve Hayat A.Ş.	47	(2)
Philip Morris Sabancı Pazarlama Satış A.Ş.	30	-
Akçansa Çimento San. ve Tic. A.Ş.	18	-
Aksigorta A.Ş.	10	(47)
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	-	(3,099)
Enerjisa Enerji A.Ş. and its subsidiaries	-	(954)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	-	(15)
Hacı Ömer Sabancı Holding A.Ş.	-	(27)
	<u>2,008</u>	<u>(4,332)</u>
	31 March	31 December
<u>Deposit accounts in Akbank T.A.Ş.</u>	<u>2016</u>	<u>2015</u>
Demand deposit	653	842
Time deposit	-	101,660
	<u>653</u>	<u>102,502</u>
	31 March	31 December
<u>Credit card slip receivables in Akbank T.A.Ş.</u>	<u>2016</u>	<u>2015</u>
Credit card slip receivables	1,259	1,991
	<u>1,259</u>	<u>1,991</u>

**TEKNOSA İÇ VE DIŞ TİCARET A.Ş.****NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

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

**NOTE 4 – RELATED PARTY DISCLOSURES (Continued)**

Transactions with related parties	1 January - 31 March 2016		
	Sales	Rent expense	Other income / (expenses)
Akbank T.A.Ş.	746	-	-
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	269	(1,254)	(104)
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	158	-	(1,555)
Avivasa Emeklilik ve Hayat A.Ş.	141	-	(279)
Aksigorta A.Ş.	73	-	(602)
Akçansa Çimento San. ve Tic. A.Ş.	69	-	-
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	44	-	-
Philip Morris Sabancı Pazarlama Satış A.Ş.	43	-	-
Brisa Bridgestone Sabancı Lastik San. Ve Tic. A.Ş.	17	-	-
Çimsa Çimento San. ve Tic. A.Ş.	8	-	-
Kordsa Global End. İplik ve Kordbezi San. A.Ş.	1	-	-
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	-	-	(1,375)
H.Ö. Sabancı Holding A.Ş.	-	(5)	-
	<u>1,569</u>	<u>(1,259)</u>	<u>(3,915)</u>

Transactions with related parties	1 January - 31 March 2015		
	Sales	Rent expense	Other income / (expenses)
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	2,509	(1,454)	(13)
Avivasa Emeklilik ve Hayat A.Ş.	292	-	35
Akbank T.A.Ş.	198	-	-
Akçansa Çimento San. ve Tic. A.Ş.	106	-	-
Aksigorta A.Ş.	68	-	(632)
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	6	-	(1,534)
Philip Morris Sabancı Pazarlama Satış A.Ş.	1	-	-
H.Ö. Sabancı Holding A.Ş.	-	(5)	-
Bimsa Uluslararası İş Bilgi ve Yönetim Sis. A.Ş.	-	-	(737)
	<u>3,180</u>	<u>(1,459)</u>	<u>(2,881)</u>

**TEKNOSA İÇ VE DIŞ TİCARET A.Ş.****NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

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

**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 interim periods ended 31 March 2016 and 2015 are as follows:

	1 January – 31 March 2016	1 January – 31 March 2015
<u>Salaries and other benefits</u>	1,874	1,662
	<u>1,874</u>	<u>1,662</u>

**NOTE 5 – CASH AND CASH EQUIVALENTS**

The details of cash and cash equivalents as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	31 December 2015
Cash	1,164	1,908
Demand deposit	1,524	2,218
Time deposit	60,952	288,046
Credit card slip receivables	6,288	13,113
	<u>69,928</u>	<u>305,285</u>

As of 31 March 2016, Group's time deposits include Turkish Liras with the average interest rates of 12.38%. (31 December 2015: All time deposits of the Group are Turkish Liras with average interest rates of 13.44%).

**NOTE 6 – TRADE RECEIVABLES AND PAYABLES**

The details of trade receivables as of 31 March 2016 and 31 December 2015 are as follows:

<u>Current trade receivables</u>	31 March 2016	31 December 2015
Trade receivables	56,486	44,577
Due from related parties (Note 4)	1,819	2,008
Notes receivables	13,664	10,485
Allowance for doubtful receivables (-)	(5,004)	(5,867)
	<u>66,965</u>	<u>51,203</u>