

(Convenience translation of interim condensed consolidated financial statements  
originally issued in Turkish)

# **Aygaz Anonim Őirketi and Subsidiaries**

**January 1 – September 30, 2014 interim condensed  
consolidated financial statements**

## **Aygaz Anonim Şirketi and Subsidiaries**

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(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Consolidated balance sheet

as at September 30, 2014

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

| Assets                                    | Notes | Current period<br>(Not Reviewed)<br>September 30,<br>2014 | Prior period<br>(Audited)<br>December 31,<br>2013 |
|---|-------|---|---|
| <b>Current assets</b>                     |       | <b>886.845</b>  | 867.167   |
| Cash and cash equivalents                 | 4     | <b>167.114</b>  | 173.054   |
| Trade receivables                         |       | <b>443.739</b>  | 367.454   |
| -Trade receivables from related parties   | 18    | <b>27.704</b>   | 18.360  |
| -Trade receivables from third parties     | 8     | <b>416.035</b>  | 349.094   |
| Other receivables                         |       | <b>6.527</b>  | 4.505   |
| -Other receivables from third parties     |       | <b>6.527</b>  | 4.505   |
| Derivative financial instruments          | 7     | <b>1.798</b>  | -   |
| Inventories                               | 9     | <b>219.445</b>  | 275.630   |
| Prepaid expenses                          |       | <b>42.669</b>   | 39.762  |
| Assets related to current year tax        |       | <b>131</b>  | 40  |
| Other current assets                      |       | <b>5.422</b>  | 6.722   |
| <b>Non-current assets</b>                 |       | <b>2.493.189</b>  | 2.321.139   |
| Financial investments                     | 5     | <b>317.140</b>  | 267.885   |
| Trade receivables                         |       | <b>5.555</b>  | 6.756   |
| -Trade receivables from third parties     | 8     | <b>5.555</b>  | 6.756   |
| Other receivables                         |       | <b>77</b>   | 77  |
| -Other receivables from third parties     |       | <b>77</b>   | 77  |
| Derivative financial instruments          | 7     | <b>3.958</b>  | -   |
| Investments accounted under equity method | 10    | <b>1.516.259</b>  | 1.377.154   |
| Property, plant and equipment             | 11    | <b>575.723</b>  | 589.330   |
| Intangible assets                         |       | <b>26.395</b>   | 30.562  |
| -Other intangible assets                  | 12    | <b>26.395</b>   | 30.562  |
| Prepaid expenses                          |       | <b>47.651</b>   | 49.136  |
| Deferred tax asset                        | 17    | <b>431</b>  | 239   |
| <b>Total assets</b>                       |       | <b>3.380.034</b>  | 3.188.306   |

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Consolidated balance sheet

as at September 30, 2014

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

| Liabilities   | Notes | Current period<br>(Not Reviewed)<br>September 30,<br>2014 | Prior period<br>(Audited)<br>December 31,<br>2013 |
|---|-------|---|---|
| <b>Short term liabilities</b>   |       | <b>821.083</b>  | <b>667.192</b>                                    |
| Short-term financial borrowings   | 6     | 4.798   | 85.405  |
| Short-term portion of long term financial borrowings                              | 6     | 151.083   | 9.905   |
| Trade payables  |       | 404.794   | 376.346   |
| - Trade payables to related parties   | 18    | 110.943   | 164.175   |
| - Trade payables to third parties   | 8     | 293.851   | 212.171   |
| Liabilities for employee benefits   |       | 4.999   | 36.354  |
| Other payables  |       | 624   | 578   |
| - Other payables to related parties   | 18    | 506   | 434   |
| - Other payables to third parties   |       | 118   | 144   |
| Derivative financial instruments  |       | -   | -   |
| Deferred income   |       | 4.201   | 2.968   |
| Provision for taxation on income  | 17    | 5.277   | 2.649   |
| Short-term provisions   |       | 115.478   | 85.373  |
| - Provisions for employee benefits  |       | 8.221   | -   |
| - Other provisions  | 14    | 107.257   | 85.373  |
| Other current liabilities   | 14    | 129.829   | 67.614  |
| <b>Long term liabilities</b>  |       | <b>225.587</b>  | <b>277.538</b>                                    |
| Long-term financial borrowings  | 6     | 84.853  | 142.497   |
| Other payables  |       | 77.310  | 73.614  |
| - Other payables to third parties   |       | 77.310  | 73.614  |
| Derivative financial instruments  |       | -   | -   |
| Long-term provisions  |       | 26.356  | 24.485  |
| - Provisions for employee benefits  |       | 26.356  | 24.485  |
| Deferred tax liabilities  | 17    | 37.068  | 36.942  |
| <b>Equity</b>   |       | <b>2.333.364</b>  | <b>2.243.576</b>                                  |
| Share capital   | 15    | 300.000   | 300.000   |
| Adjustment to share capital   | 15    | 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   |       | (106)   | (106)   |
| - Actuarial gain/loss arising from defined benefit plans                          |       | (106)   | (106)   |
| Other comprehensive income or expenses to be reclassified to profit or loss       |       | 216.003   | 167.532   |
| - Foreign currency translation differences  |       | 2.350   | 1.875   |
| - Hedging gains/losses  |       | -   | (1.208)   |
| - Gains/losses from the revaluation and reclassification of marketable securities |       | 213.653   | 166.865   |
| Restricted reserves   |       | 293.875   | 277.875   |
| Retained earnings   |       | 1.242.608   | 1.228.355   |
| Net profit for the period   |       | 216.248   | 205.253   |
| <b>Equity attributable to equity holders of the parent</b>                        |       | <b>2.332.690</b>  | <b>2.242.971</b>                                  |
| <b>Non-controlling interests</b>  |       | <b>674</b>  | <b>605</b>  |
| <b>Total equity and liabilities</b>   |       | <b>3.380.034</b>  | <b>3.188.306</b>                                  |

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Consolidated statement of profit or loss and other comprehensive income for the nine month interim period ended September 30, 2014 (Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

|   | Not Reviewed |                                      | Not Reviewed                      |                                      |                                   |
|---|--------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|   | Notes        | January 1 -<br>September 30,<br>2014 | July 1 -<br>September 30,<br>2014 | January 1 -<br>September 30,<br>2013 | July 1 -<br>September 30,<br>2013 |
| Revenue   |              | 5.361.156                            | 1.869.597                         | 4.374.336                            | 1.606.805                         |
| Cost of sales (-)   |              | (4.952.137)                          | (1.723.619)                       | (3.980.718)                          | (1.456.213)                       |
| <b>Gross profit</b>   |              | <b>409.019</b>                       | <b>145.978</b>                    | <b>393.618</b>                       | <b>150.592</b>                    |
| General administrative expenses (-)   |              | (109.129)                            | (31.830)                          | (92.629)                             | (30.041)                          |
| Marketing, sales and distribution expenses (-)                                  |              | (173.959)                            | (62.747)                          | (168.112)                            | (61.661)                          |
| Research and development expenses (-)   |              | (1.734)                              | (496)                             | (2.018)                              | (653)                             |
| Other operating income  |              | 81.111                               | 22.052                            | 47.622                               | 17.532                            |
| Other operating expenses (-)  |              | (72.798)                             | (23.352)                          | (42.265)                             | (21.514)                          |
| <b>Operating profit</b>   |              | <b>132.510</b>                       | <b>49.605</b>                     | <b>136.216</b>                       | <b>54.255</b>                     |
| Income from investment activities   |              | 5.322                                | 1.197                             | 1.485                                | 411                               |
| Loss from investment activities (-)   |              | (509)                                | (11)                              | (331)                                | (202)                             |
| Profit/losses from investments accounted under equity method                    |              | 109.543                              | 26.662                            | 79.890                               | 72.540                            |
| <b>Operating profit before financial income / (expense)</b>                     |              | <b>246.866</b>                       | <b>77.453</b>                     | <b>217.260</b>                       | <b>127.004</b>                    |
| Financial income  |              | 32.301                               | 10.458                            | 12.160                               | 8.327                             |
| Financial expense (-)   |              | (43.293)                             | (10.149)                          | (12.859)                             | (7.384)                           |
| <b>Profit before taxation</b>   |              | <b>235.874</b>                       | <b>77.762</b>                     | <b>216.561</b>                       | <b>127.947</b>                    |
| <b>Tax income / (expense)</b>   |              |                                      |                                   |                                      |                                   |
| - Current tax expense for the period (-)  | 17           | (22.085)                             | (8.167)                           | (24.604)                             | (11.392)                          |
| - Deferred tax income / (expense)   | 17           | 2.528                                | (1.578)                           | 2.563                                | 1.774                             |
| <b>Profit for the period</b>  |              | <b>216.317</b>                       | <b>68.017</b>                     | <b>194.520</b>                       | <b>118.329</b>                    |
| <b>Other comprehensive income / (expense)</b>                                   |              |                                      |                                   |                                      |                                   |
| <b>To be reclassified as profit or loss</b>                                     |              |                                      |                                   |                                      |                                   |
| Foreign currency translation differences  |              | 475                                  | 489                               | 534                                  | 326                               |
| Gains/losses from the revaluation and reclassification of marketable securities |              | 46.788                               | -                                 | 6.550                                | -                                 |
| Hedging gains/losses  |              | 1.208                                | -                                 | 1.432                                | 322                               |
| <b>Other comprehensive income/(expense) (after taxation)</b>                    |              | <b>48.471</b>                        | <b>489</b>                        | <b>8.516</b>                         | <b>648</b>                        |
| <b>Total comprehensive income</b>   |              | <b>264.788</b>                       | <b>68.506</b>                     | <b>203.036</b>                       | <b>118.977</b>                    |
| <b>Distribution of profit for the period</b>                                    |              |                                      |                                   |                                      |                                   |
| Non-controlling interest  |              | 69                                   | 33                                | 80                                   | 28                                |
| Equity holders of the parent  |              | 216.248                              | 67.984                            | 194.440                              | 118.301                           |
| <b>Distribution of total comprehensive income</b>                               |              |                                      |                                   |                                      |                                   |
| Non-controlling interest  |              | 69                                   | 33                                | 80                                   | 28                                |
| Equity holders of the parent  |              | 264.719                              | 68.473                            | 202.956                              | 118.949                           |
| Earnings per share (TL)   | 16           | 0,720827                             | 0,226613                          | 0,648133                             | 0,394337                          |

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

**Aygaz Anonim Şirketi and Subsidiaries**

**Consolidated statement of changes in equity**

**for the period ended September 30, 2014**

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

|  | Share capital | Adjustment to share capital | Adjustment to share capital due to cross-ownership (-) | Other comprehensive income or expenses not to be reclassified to profit or loss | Actuarial gain/loss arising from defined benefit plans | Foreign currency translation adjustment | 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 |
|--|---------------|-----------------------------|--|---|--|---|----------------------|---|---------------------|-------------------|---------------------------|---|--------------------------|--------------|
| Not Reviewed                                 |               |                             |  |   |  |   |                      |   |                     |                   |                           |   |                          |              |
| Balance as of January 1, 2013                | 300.000       | 71.504                      | (7.442)  |   | (1.862)  | 1.024                                   | (3.095)              | 213.653   | 307.846             | 1.193.454         | 304.930                   | 2.380.012   | 523                      | 2.380.535    |
| Transfers from retained earnings             | -             | -                           | -  | -   | -  | -                                       | -                    | -   | -                   | 304.930           | (304.930)                 | -   | -                        | -            |
| Transfers to reserves                        | -             | -                           | -  | -   | -  | -                                       | -                    | -   | 28.500              | (28.500)          | -                         | -   | -                        | -            |
| Transfers from restricted reserves           | -             | -                           | -  | -   | -  | -                                       | -                    | -   | (71.553)            | 71.553            | -                         | -   | -                        | -            |
| Dividends paid                               | -             | -                           | -  | -   | -  | -                                       | -                    | -   | -                   | (300.000)         | -                         | (300.000)   | -                        | (300.000)    |
| Comprehensive income / (loss) for the period | -             | -                           | -  | -   | -  | 534                                     | 1.432                | 6.550   | -                   | -                 | 194.440                   | 202.956   | 80                       | 203.036      |
| Balance as of September 30, 2013             | 300.000       | 71.504                      | (7.442)  |   | (1.862)  | 1.558                                   | (1.663)              | 220.203   | 264.793             | 1.241.437         | 194.440                   | 2.282.968   | 603                      | 2.283.571    |
| Not Reviewed                                 |               |                             |  |   |  |   |                      |   |                     |                   |                           |   |                          |              |
| 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                        | -             | -                           | -  | -   | -  | -                                       | -                    | -   | 16.000              | (16.000)          | -                         | -   | -                        | -            |
| Dividends paid (note 15)                     | -             | -                           | -  | -   | -  | -                                       | -                    | -   | -                   | (175.000)         | -                         | (175.000)   | -                        | (175.000)    |
| Comprehensive income / (loss) for the period | -             | -                           | -  | -   | -  | 475                                     | 1.208                | 46.788  | -                   | -                 | 216.248                   | 264.719   | 69                       | 264.788      |
| Balance as of September 30, 2014             | 300.000       | 71.504                      | (7.442)  |   | (106)  | 2.350                                   | -                    | 213.653   | 293.875             | 1.242.608         | 216.248                   | 2.332.690   | 674                      | 2.333.364    |

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Consolidated cash flow statement

for the period ended September 30, 2014

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

|   |        | Not Reviewed<br>January 1-<br>September 30,<br>2014 | Not Reviewed<br>January 1-<br>September 30,<br>2013 |
|---|--------|---|---|
|   | Notes  |   |   |
| <b>A. Cash flows from operating activities</b>  |        | <b>240.096</b>                                      | 204.777   |
| Profit/loss before tax for the period   |        | 235.874   | 216.561   |
| <b>Adjustments related with the reconciliation of net profit/ loss for the period</b>                                   |        | <b>(24.253)</b>                                     | 42.830  |
| - Adjustments for depreciation and amortization expenses  | 11, 12 | 62.153  | 61.611  |
| - Adjustments for provisions  |        | 28.422  | 66.303  |
| - Adjustments for interest income and expenses  |        | 5.863   | (1.217)   |
| - Adjustments for income from equity participations   | 10     | (109.543)   | (79.890)  |
| - Adjustments for profit/ loss on sale of tangible/intangible assets  |        | (3.892)   | (485)   |
| - Other adjustments for reconciliation of profit/ loss  |        | (7.256)   | (3.492)   |
| <b>Changes in working capital:</b>  |        | <b>51.781</b>                                       | (34.578)  |
| - Adjustments for increase/decrease in inventories  |        | 56.185  | (23.874)  |
| - Adjustments for increase/decrease in trade receivables  |        | (75.993)  | (71.165)  |
| - Adjustments for other current assets and liabilities  |        | 59.849  | 51.020  |
| - Adjustments for increase/ decrease in trade payables  |        | 28.444  | 64.943  |
| - Adjustments for other non-current assets and long-term liabilities  |        | (16.704)  | (55.502)  |
| <b>Cash flows from operating activities</b>   |        | <b>263.402</b>                                      | 224.813   |
| - Tax payments/returns  | 17     | (19.548)  | (18.888)  |
| - Other cash inflow/outflows  |        | (3.758)   | (1.148)   |
| <b>B. Cash flows from investing activities</b>  |        | <b>(68.575)</b>                                     | (90.079)  |
| Cash inflows from the sale of property, plant and equipment and intangible assets                                       |        | 8.533   | 4.023   |
| Cash outflows from the purchase of property, plant and equipment and intangible assets                                  | 11, 12 | (49.020)  | (46.311)  |
| Share capital participation to joint ventures   |        | (30.000)  | (47.791)  |
| Acquisition of a subsidiary, net of cash acquired   |        | 1.912   | -   |
| <b>C. Cash flows from financing activities</b>  |        | <b>(177.936)</b>                                    | (91.709)  |
| Net change in borrowings  |        | 4.439   | 201.441   |
| Dividends paid  | 15     | (175.000)   | (300.000)   |
| Interest received   |        | 7.393   | 6.850   |
| Interest paid   |        | (14.768)  | -   |
| <b>Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences</b> |        | <b>(6.415)</b>                                      | 22.989  |
| <b>D. Impact of foreign currency translation differences on cash and cash equivalents</b>                               |        | <b>475</b>  | 534   |
| <b>Net increase/decrease in cash and cash equivalents</b>   |        | <b>(5.940)</b>                                      | 23.523  |
| <b>E. Cash and cash equivalents at the beginning of the period</b>  | 4      | <b>173.054</b>                                      | 125.365   |
| <b>Cash and cash equivalents at the end of the period</b>   | 4      | <b>167.114</b>                                      | 148.888   |

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014**

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

#### **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. In addition, the Company owns LPG vessels and provides transportation service on behalf of other LPG companies. 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 September, 30 2014 24,27% of its shares have been quoted at Borsa İstanbul.

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

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

As of September 30, 2014, number of personnel employed by categories in Aygaz and its subsidiaries (together with referred to as the “Group”) is 695 white-collar (December 31, 2013: 724) and 736 blue-collar (December 31, 2013: 703) totaling to 1.431 (December 31, 2013: 1.427).

#### **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 lubes through autogas stations 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%.

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 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 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%.



## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2014

(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. The Company has paid in cash a part of the increased share amounting to TL 13.500 thousand on September 26, 2014 and the remaining part amounting to TL 40.500 thousand will be paid within 24 months from the date of decision.

The Company has purchased 100% ownership interest of Enram Su ve Çevre Yatırımları A.Ş. as a result of share transfer 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. The Company has paid in cash a part of the increased share amounting to TL 5.350 thousand 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:

| Subsidiaries                      | Place of incorporation and operation | Ownership interest (%) |                   |        | Voting power right | Principal activity |
|-----------------------------------|--------------------------------------|------------------------|-------------------|--------|--------------------|--------------------|
|                                   |                                      | September 30, 2014     | December 31, 2013 |        |                    |                    |
| 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%   | Natural gas        |                    |
| Zinerji (*)                       | Turkey                               | 100%                   | %56               | 100%   | Energy             |                    |

(\*) On July 24, 2014, Akpa A.Ş., which already had 8% ownership of Zinerji A.Ş., acquired 100% ownership of Zinerji from other shareholders including Aygaz A.Ş., 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. Since Zinerji is a dormant company, it is consolidated with equity method in the accompanying condensed consolidated financial statements until July 24, 2014, even though the ownership of the Group is 56%. As of July 24, 2014, Zinerji A.Ş. is included in full consolidation scope in the condensed consolidated financial statements of the Group.

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)

(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)

##### 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.

AES Entek Elektrik Üretim A.Ş. (AES Entek), the electricity producer company of Koç Group, has been operating with its two natural gas cycling plants and one cogeneration facility with a total of 302 MW power in Kocaeli, Bursa and Istanbul, and two hydroelectric power plants in Karaman and one hydroelectric power plant in Samsun with a total of 62 MW power. AES Entek increased its share capital from TL 402.000 thousand to TL 538.500 thousand with the decision taken through Ordinary General Meeting held on April 30, 2013. The Company has netted of TL 32.750 thousand of related increase, which corresponds to the preferential right of the Company, from the shareholder loan provided to AES Entek, and the remaining balance amounting to TL 1.113 thousand has been paid in cash in May,2013.

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

|  | Place of incorporation and operation | Ownership interest (%) |                   |                    | Principal activity |
|--|--------------------------------------|------------------------|-------------------|--------------------|--------------------|
|  |                                      | September 30, 2014     | December 31, 2013 | Voting power right |                    |
| Investments in associates                    |                                      |                        |                   |                    |                    |
| EYAŞ   | Turkey                               | %20,00                 | %20,00            | %20,00             | Energy             |
| AES Entek Elektrik Üretimi A.Ş (“AES Entek”) | Turkey                               | %24,81                 | %24,81            | %24,81             | 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. It’s 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:

| Joint venture              | Place of incorporation and operation | Ownership interest (%) |                   |                    | Principal activity |
|----------------------------|--------------------------------------|------------------------|-------------------|--------------------|--------------------|
|                            |                                      | September 30, 2014     | December 31, 2013 | Voting power right |                    |
| Opet Aygaz Gayrimenkul A.Ş | Turkey                               | 50,00%                 | 50,00%            | 50,00%             | Real Estate        |

##### Approval of condensed consolidated financial statements:

The condensed consolidated financial tables for the period ended on September 30, 2014 are approved on the Board of Directors meeting held on 7 November, 2014 to be published and are signed by Assistant General Manager (Finance) Gökhan Tezel and Subsidiaries and Accounting Director Nurettin Demirtaş.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

## **2. Basis of presentation of consolidated financial statements**

Accounting standards used in preparation of the Group’s condensed consolidated financial statements are as follows:

### **2.1 Basis of presentation**

The accompanying interim condensed consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) in compliance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (the Communiqué) announced by the CMB on 13 June 2013 which is published on Official Gazette numbered 28676. TAS consists of the Turkish Accounting Standards, Turkish Financial Reporting Standards and related supplements and interpretations. TAS/IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

The Group has prepared its interim condensed consolidated financial statements for the period ended on September 30, 2014 in accordance with TAS 34 “Interim Financial Reporting Standards”.

The interim condensed consolidated financial statements are prepared in accordance with the Turkish Accounting Standards published by POA with the certain adjustments and reclassifications to reflect for presentation of Group’s financial position.

The interim condensed consolidated financial statements do not include all of the disclosures required in year-end financial statements and should be evaluated with the Group’s consolidated financial statements as of December 31, 2013.

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 listed companies in Turkey. The Group’s interim condensed financial statements have been prepared in accordance with this decision.

The interim condensed consolidated financial statements are prepared on cost basis in thousands of Turkish Lira (“TL”), except of financial assets and liabilities shown in fair value.

### **2.2 Changes in accounting policies**

Changes in accounting policies or accounting errors noted are applied retroactively and the financial statements of the previous year are adjusted. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively.

### **2.3 New and amended Turkey Financial Reporting Standards**

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 September 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

#### **2. Basis of presentation of consolidated financial statements (continued)**

##### **i) The new standards, amendments and interpretations which are effective as at January 1, 2014**

#### **TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)**

The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

#### **TRFS Interpretation 21 Levies**

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is not applicable for the Group and did not have any impact on the financial position or performance of the Group.

#### **TAS 36 Impairment of Assets (Amended) - Recoverable Amount Disclosures for Non-Financial assets**

As a consequential amendment to TFRS 13 Fair Value Measurement, some of the disclosure requirements in TAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets has been modified. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

#### **TAS 39 Financial Instruments: Recognition and Measurement (Amended)- Novation of Derivatives and Continuation of Hedge Accounting**

Amendments provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

#### **TFRS 10 Consolidated Financial Statements (Amendment)**

TFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with TFRS 9 Financial Instruments. This amendment does not have any impact on the financial position or performance of the Group.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

## **2. Basis of presentation of consolidated financial statements (continued)**

### **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 interim condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, when the new standards and interpretations become effective.

#### **TFRS 9 Financial Instruments – Classification and measurement**

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS 9 Financial Instruments 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.

#### **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 recognise 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. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. 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 Amortisation (Amendments to TAS 16 and TAS 38)**

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 amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

#### **Annual Improvements to TAS/TFRSs**

In September 2014, Public Oversight Authority (POA) has issued the below amendments to the standards in relation to “Annual Improvements - 2010–2012 Cycle” and “Annual Improvements - 2011–2013 Cycle”. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

#### **Annual Improvements - 2010–2012 Cycle**

##### *TFRS 2 Share-based Payment:*

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

## **2. Basis of presentation of consolidated financial statements (continued)**

### *TFRS 3 Business Combinations*

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

### *TFRS 8 Operating Segments*

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. 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.

### *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. 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.

### *Amendment to the Basis for Conclusions on TFRS 13 Fair Value Measurement*

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

### *TAS 40 Investment Property*

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The Group do not expect that these amendments will have significant impact on the financial position or performance of the Group.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

## **2. Basis of presentation of consolidated financial statements (continued)**

### **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 interim condensed consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

#### ***Annual Improvements – 2010–2012 Cycle***

##### *IFRS 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.

#### ***Annual Improvements – 2011–2013 Cycle***

##### **IFRS 11 - Acquisition of an Interest in a Joint Operation (Amendment)**

In May 2014 the IASB amended IFRS 11 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 IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

##### **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 is effective for reporting periods beginning on or after 1 January 2017, 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.

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

## **2. Basis of presentation of consolidated financial statements (continued)**

### **IAS 16 Property, Plant and Equipment and IAS 41 Agriculture (Amendment) – Bearer Plants**

In June 2014, the IASB issued amendments 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 IAS 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 IAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 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.

### **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 1 January 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.

### **IAS 27 - Equity Method in Separate Financial Statements - Amendments to IAS 27**

In August 2014, IASB issued an amendment to IAS 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 IFRS 9 (or IAS 39),
- Or
- Using the equity method

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 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.



(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)**

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

## **2. Basis of presentation of consolidated financial statements (continued)**

### **Annual Improvements to IFRSs - 2012-2014 Cycle**

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 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:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information ‘elsewhere in the interim financial report’

The amendments are effective for annual periods beginning on or after 1 January 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.

### **IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments**

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 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 IFRS 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 1 January 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

## **2.4 Convenience Translation into English of Consolidated Financial Statements**

The accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosures requirement of the POA.

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

### 3. Segment reporting

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 September 30, 2014 and December 31, 2013, assets and liabilities according to industrial segments are as follows:

|   | September 30, 2014         |                |                |                           |                  |
|---|----------------------------|----------------|----------------|---------------------------|------------------|
|   | Gas and petroleum products | Electricity    | Other          | Consolidation adjustments | Total            |
| Assets                                    |                            |                |                |                           |                  |
| Current assets                            | 777.101                    | -              | 121.681        | (11.937)                  | 886.845          |
| Non-current assets                        | 1.673.230                  | 182.462        | 196.091        | 441.406                   | 2.493.189        |
| <b>Total assets</b>                       | <b>2.450.331</b>           | <b>182.462</b> | <b>317.772</b> | <b>429.469</b>            | <b>3.380.034</b> |
| Liabilities                               |                            |                |                |                           |                  |
| Short term liabilities                    | 794.534                    | -              | 43.853         | (17.304)                  | 821.083          |
| Long term liabilities                     | 210.482                    | -              | 12.454         | 2.651                     | 225.587          |
| Equity                                    | 1.445.315                  | 182.462        | 261.465        | 444.122                   | 2.333.364        |
| <b>Total liabilities and equity</b>       | <b>2.450.331</b>           | <b>182.462</b> | <b>317.772</b> | <b>429.469</b>            | <b>3.380.034</b> |
| Investments accounted under equity method | 1.257.990                  | 182.462        | 75.807         | -                         | 1.516.259        |
|   |                            |                |                |                           |                  |
|   | December 31, 2013          |                |                |                           |                  |
|   | Gas and petroleum products | Electricity    | Other          | Consolidation adjustments | Total            |
| Assets                                    |                            |                |                |                           |                  |
| Current assets                            | 755.763                    | -              | 124.742        | (13.338)                  | 867.167          |
| Non-current assets                        | 1.660.370                  | 184.393        | 166.237        | 310.139                   | 2.321.139        |
| <b>Total assets</b>                       | <b>2.416.133</b>           | <b>184.393</b> | <b>290.979</b> | <b>296.801</b>            | <b>3.188.306</b> |
| Liabilities                               |                            |                |                |                           |                  |
| Short term liabilities                    | 623.359                    | -              | 61.405         | (17.572)                  | 667.192          |
| Long term liabilities                     | 266.238                    | -              | 9.613          | 1.687                     | 277.538          |
| Equity                                    | 1.526.536                  | 184.393        | 219.961        | 312.686                   | 2.243.576        |
| <b>Total liabilities and equity</b>       | <b>2.416.133</b>           | <b>184.393</b> | <b>290.979</b> | <b>296.801</b>            | <b>3.188.306</b> |
| Investments accounted under equity method | 1.145.592                  | 184.393        | 47.169         | -                         | 1.377.154        |

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements**

**as of September 30, 2014 (continued)**

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

**3. Segment reporting (continued)**

For the period ended September 30, 2014 and 2013, profit or loss statements according to industrial segments are as follows:

|  | January 1 - September 30, 2014 |                |               |                           |                |
|--|--------------------------------|----------------|---------------|---------------------------|----------------|
|  | Gas and petroleum products     | Electricity    | Other         | Consolidation adjustments | Total          |
| Revenue  | 5.131.780                      | -              | 340.532       | (111.156)                 | 5.361.156      |
| Cost of sales (-)  | (4.762.780)                    | -              | (301.293)     | 111.936                   | (4.952.137)    |
| <b>Gross profit</b>  | <b>369.000</b>                 | <b>-</b>       | <b>39.239</b> | <b>780</b>                | <b>409.019</b> |
| General administrative expenses (-)                          | (96.061)                       | -              | (13.809)      | 741                       | (109.129)      |
| Marketing, sales and distribution expenses (-)               | (164.510)                      | -              | (9.449)       | -                         | (173.959)      |
| Research and development expenses (-)                        | (1.734)                        | -              | -             | -                         | (1.734)        |
| Other operating income                                       | 101.117                        | -              | 5.885         | (25.891)                  | 81.111         |
| Other operating expenses (-)                                 | (69.162)                       | -              | (3.618)       | (18)                      | (72.798)       |
| <b>Operating profit</b>                                      | <b>138.650</b>                 | <b>-</b>       | <b>18.248</b> | <b>(24.388)</b>           | <b>132.510</b> |
| Income from investment activities                            | 5.126                          | -              | 196           | -                         | 5.322          |
| Loss from investment activities (-)                          | (509)                          | -              | -             | -                         | (509)          |
| Profit/losses from investments accounted under equity method | 110.715                        | (1.931)        | 759           | -                         | 109.543        |
| <b>Operating profit before financial income / (expense)</b>  | <b>253.982</b>                 | <b>(1.931)</b> | <b>19.203</b> | <b>(24.388)</b>           | <b>246.866</b> |
| Financial income   | 27.933                         | -              | 4.368         | -                         | 32.301         |
| Financial expense (-)  | (41.868)                       | -              | (1.425)       | -                         | (43.293)       |
| <b>Profit before taxation</b>                                | <b>240.047</b>                 | <b>(1.931)</b> | <b>22.146</b> | <b>(24.388)</b>           | <b>235.874</b> |
| Tax income / (expense)                                       |                                |                |               |                           |                |
| Current tax expense for the period (-)                       | (20.182)                       | -              | (1.903)       | -                         | (22.085)       |
| Deferred tax income / (expense)                              | 2.336                          | -              | 192           | -                         | 2.528          |
| <b>Profit for the period</b>                                 | <b>222.201</b>                 | <b>(1.931)</b> | <b>20.435</b> | <b>(24.388)</b>           | <b>216.317</b> |
| Distribution of profit for the period:                       |                                |                |               |                           |                |
| Non-controlling interest                                     | 69                             | -              | -             | -                         | 69             |
| Equity holders of the parent                                 | 222.132                        | (1.931)        | 20.435        | (24.388)                  | 216.248        |
| Investments accounted under equity method                    | 110.715                        | (1.931)        | 759           | -                         | 109.543        |

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

### 3. Segment reporting (continued)

|  | January 1 - September 30, 2013 |                |               |                           |                |
|--|--------------------------------|----------------|---------------|---------------------------|----------------|
|  | Gas and petroleum products     | Electricity    | Other         | Consolidation adjustments | Total          |
| Revenue  | 4.176.415                      | -              | 297.129       | (99.208)                  | 4.374.336      |
| Cost of sales (-)  | (3.821.571)                    | -              | (260.502)     | 101.355                   | (3.980.718)    |
| <b>Gross profit</b>  | <b>354.844</b>                 | <b>-</b>       | <b>36.627</b> | <b>2.147</b>              | <b>393.618</b> |
| General administrative expenses (-)                          | (81.226)                       | -              | (12.001)      | 598                       | (92.629)       |
| Marketing, sales and distribution expenses (-)               | (157.869)                      | -              | (10.243)      | -                         | (168.112)      |
| Research and development expenses (-)                        | (2.018)                        | -              | -             | -                         | (2.018)        |
| Other operating income                                       | 70.056                         | -              | 4.367         | (26.801)                  | 47.622         |
| Other operating expenses (-)                                 | (39.823)                       | -              | (2.442)       | -                         | (42.265)       |
| <b>Operating profit</b>                                      | <b>143.964</b>                 | <b>-</b>       | <b>16.308</b> | <b>(24.056)</b>           | <b>136.216</b> |
| Income from investment activities                            | 1.679                          | -              | 27            | (221)                     | 1.485          |
| Loss from investment activities (-)                          | (331)                          | -              | -             | -                         | (331)          |
| Profit/losses from investments accounted under equity method | 84.214                         | (4.324)        | -             | -                         | 79.890         |
| <b>Operating profit before financial income / (expense)</b>  | <b>229.526</b>                 | <b>(4.324)</b> | <b>16.335</b> | <b>(24.277)</b>           | <b>217.260</b> |
| Financial income   | 9.908                          | -              | 2.252         | -                         | 12.160         |
| Financial expense (-)  | (12.011)                       | -              | (848)         | -                         | (12.859)       |
| <b>Profit before taxation</b>                                | <b>227.423</b>                 | <b>(4.324)</b> | <b>17.739</b> | <b>(24.277)</b>           | <b>216.561</b> |
| Tax income / (expense)                                       |                                |                |               |                           |                |
| Current tax expense for the period (-)                       | (23.488)                       | -              | (1.116)       | -                         | (24.604)       |
| Deferred tax income / (expense)                              | 2.717                          | -              | 122           | (276)                     | 2.563          |
| <b>Profit for the period</b>                                 | <b>206.652</b>                 | <b>(4.324)</b> | <b>16.745</b> | <b>(24.553)</b>           | <b>194.520</b> |
| Distribution of profit for the period:                       |                                |                |               |                           |                |
| Non-controlling interest                                     | 80                             | -              | -             | -                         | 80             |
| Equity holders of the parent                                 | 206.572                        | (4.324)        | 16.745        | (24.553)                  | 194.440        |
| Investments accounted under equity method                    | 84.214                         | (4.324)        | -             | -                         | 79.890         |

The amortization and depreciation expense for the industrial segmental assets for the period ended on September 30, 2014 and 2013 are as follows:

|                            | January 1 -<br>September 30,<br>2014 | January 1 -<br>September 30,<br>2013 |
|----------------------------|--------------------------------------|--------------------------------------|
| Gas and petroleum products | <b>56.767</b>                        | 56.250                               |
| Other                      | <b>5.386</b>                         | 5.361                                |
|                            | <b>62.153</b>                        | 61.611                               |

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 3. Segment reporting (continued)

The investment expenditures for the industrial segmental assets for the periods ended on September 30, 2014 and 2013 are as follows:

|                            | January 1 -<br>September 30,<br>2014 | January 1 -<br>September 30,<br>2013 |
|----------------------------|--------------------------------------|--------------------------------------|
| Gas and petroleum products | 48.489                               | 44.621                               |
| Other                      | 531                                  | 1.742                                |
|                            | <b>49.020</b>                        | <b>46.363</b>                        |

#### 4. Cash and cash equivalents

|   | September 30,<br>2014 | December 31,<br>2013 |
|---|-----------------------|----------------------|
| Cash on hand                              | 583                   | 356                  |
| Cash at banks                             | 138.041               | 140.136              |
| - Demand deposits                         | 21.332                | 16.187               |
| - Time deposits                           | 116.709               | 123.949              |
| Receivables from credit card transactions | 28.490                | 32.562               |
| <b>Total cash and cash equivalents</b>    | <b>167.114</b>        | <b>173.054</b>       |

As of September 30, 2014 the Group's TL time deposits amounting to TL 96.490 thousand have maturities of 1-36 days and interest rate of 8,65-9,6%; USD time deposits amounting to USD 8.870 thousand (TL 20.214 thousand) have a maturity of 1 day and interest rate of 1,65% (As of December 31, 2013, the Group's TL time deposits amounting to TL 76.670 thousand have maturities of 2 – 32 days and interest rates of 6,5% – 9,4%; USD time deposits amounting to USD 22.150 thousand (TL 47.275 thousand) have a maturity of 2 days and interest rate of 1,9%).

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 5. Financial assets

The long term financial assets identified as financial assets held for sale by the Group are as follows as of September 30, 2014 and December 31, 2013:

|  | September 30, 2014      |                         | December 31, 2013       |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Participation<br>amount | Participation<br>rate % | Participation<br>amount | Participation<br>rate % |
| Koç Finansal Hizmetler A.Ş. (*)                  | 315.200                 | 1,97                    | 265.950                 | 1,97                    |
| Ram Dış Ticaret A.Ş. (**)                        | 1.338                   | 2,50                    | 1.338                   | 2,50                    |
| Tanı Pazarlama ve İletişim Hizmetleri A.Ş. (***) | 540                     | 10,00                   | 540                     | 10,00                   |
| Tat Gıda Sanayi A.Ş. (**)                        | 39                      | 0,08                    | 34                      | 0,08                    |
| Other (***)                                      | 23                      | -                       | 23                      | -                       |
|  | <b>317.140</b>          |                         | <b>267.885</b>          |                         |

(\*) 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.

(\*\*\*) Stated at cost, because fair value could not be determined reliably.

#### 6. Financial borrowings

As of September 30, 2014 and December 31, 2013 the Group's short-term financial borrowings are as follows:

|   | September 30,<br>2014 | December 31,<br>2013 |
|---|-----------------------|----------------------|
| USD-denominated short-term borrowings                             | -                     | 85.372               |
| TL-denominated short-term borrowings (*)                          | 4.798                 | 33                   |
| <b>Total short-term financial borrowings</b>                      | <b>4.798</b>          | <b>85.405</b>        |
| Interest accruals of TL-denominated long-term borrowings          | 783                   | -                    |
| Interest accruals of USD-denominated long-term borrowings         | 124                   | -                    |
| Short-term portion of long-term bond issued (**)                  | 150.176               | 9.905                |
| <b>Total short-term portion of long-term financial borrowings</b> | <b>151.083</b>        | <b>9.905</b>         |

(\*) As of September 30, 2014, the Group has interest free loan with a total amount of TL 4.798 thousand which was used for SSI payment amounting to TL 1.639 thousand and custom expenses payment amounting to TL 3.159 thousand.

(\*\*) On April 18, 2013, the Group has issued a fixed rate bond with a nominal value of TL 150.000 thousand, with a maturity of 700 days and half-yearly coupon payments. As of September 30, 2014, net present value of the issued bond is TL 150.176 thousand and its effective interest rate is 7,26%.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 6. Financial borrowings (continued)

As of September 30, 2014, the details of short-term bank borrowings are as follows:

| Currency | Effective interest rate per annum (%) | Original amount | TL amount    |
|----------|---------------------------------------|-----------------|--------------|
| TL       | -                                     | 4.798           | 4.798        |
|          |                                       |                 | <b>4.798</b> |

As of December 31, 2013, the details of short-term bank borrowings are as follows:

| Currency | Effective interest rate per annum (%) | Original amount | TL amount     |
|----------|---------------------------------------|-----------------|---------------|
| TL       | -                                     | 33              | 33            |
| USD      | 1,86                                  | 40.000          | 85.372        |
|          |                                       |                 | <b>85.405</b> |

As of September 30, 2014 and December 31, 2013 the Group’s long-term financial borrowings are as follows:

|                                      | September 30,<br>2014 | December 31,<br>2013 |
|--------------------------------------|-----------------------|----------------------|
| TL-denominated long-term borrowings  | <b>30.000</b>         | -                    |
| USD-denominated long-term borrowings | <b>54.853</b>         | -                    |
| Long-term bonds issued (*)           | -                     | 142.497              |
| <b>Total long-term borrowings</b>    | <b>84.853</b>         | <b>142.497</b>       |

(\*) On April 18, 2013, the Group has issued a fixed rate bond with a nominal value of TL 150.000 thousand, with a maturity of 700 days and half-yearly coupon payments. As of December 31, 2013, net present value of the issued bond is TL 152.402 thousand (TL 9.905 thousand of this amount is shown as short-term portion of long-term financial borrowings) and its effective interest rate is 7,26%.

As of September 30, 2014 the details of long-term bank borrowings are as follows:

| Currency  | Effective interest rate per annum (%) | Original amount | TL amount     |
|---|---------------------------------------|-----------------|---------------|
| TL  | 13,73                                 | 30.783          | 30.783        |
| USD   | 2,08                                  | 24.124          | 54.977        |
|   |                                       |                 | <b>85.760</b> |
| <b>Short-term interest accruals of long-term financial borrowings</b> |                                       |                 | <b>(907)</b>  |
|   |                                       |                 | <b>84.853</b> |

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 7. Derivative financial instruments

As of September 30, 2014 and December 31, 2013, the Group’s derivative financial instruments are as follows:

| <b>Short-term derivative financial instruments</b> | <b>September 30, 2014</b> |                                 | <b>December 31, 2013</b> |                                 |
|--|---------------------------|---------------------------------|--------------------------|---------------------------------|
|  | Contract amount           | Fair value assets/(liabilities) | Contract amount          | Fair value assets/(liabilities) |
| Forward transactions (*)                           | 25.232                    | 1.798                           | -                        | -                               |
| <b>Long-term derivative financial instruments</b>  | <b>September 30, 2014</b> |                                 | <b>December 31, 2013</b> |                                 |
|  | Contract amount           | Fair value assets/(liabilities) | Contract amount          | Fair value assets/(liabilities) |
| Foreign currency swap contracts (**)               | 50.635                    | 3.958                           | -                        | -                               |

(\*) As of September 30, 2014 the Group made forward transaction with a maturity of 17 - 59 days and nominal value amounting to USD 11.800 thousand.

(\*\*) In May, 2014, the Group has realized swap transaction with a contract amounting to TL 50.635 thousand with 2 years maturity, quarterly interest payment and fixed interest rate of 11%, in return for USD 24.070 thousand with a floating interest rate of three-month USDLIBOR +1,8%.

#### 8. Trade receivables and payables from third parties

The Group’s trade receivables from third parties as of September 30, 2014 and December 31, 2013 are as follows:

| <b>Short-term trade receivables</b>       | <b>September 30, 2014</b> | <b>December 31, 2013</b> |
|---|---------------------------|--------------------------|
| Trade receivables                         | <b>384.783</b>            | 300.896                  |
| Notes receivables                         | <b>48.309</b>             | 64.892                   |
| Allowance for doubtful receivables (-)    | <b>(17.057)</b>           | (16.694)                 |
| <b>Total short-term trade receivables</b> | <b>416.035</b>            | <b>349.094</b>           |
| <b>Long-term trade receivables</b>        | <b>September 30, 2014</b> | <b>December 31, 2013</b> |
| Notes receivables                         | <b>5.555</b>              | 6.756                    |
| <b>Total long-term trade receivables</b>  | <b>5.555</b>              | <b>6.756</b>             |

The Group’s trade payables to third parties as of September 30, 2014 and December 31, 2013 are as follows:

| <b>Short-term trade payables</b>       | <b>September 30, 2014</b> | <b>December 31, 2013</b> |
|--|---------------------------|--------------------------|
| Trade payables                         | <b>293.851</b>            | 212.171                  |
| <b>Total short-term trade payables</b> | <b>293.851</b>            | <b>212.171</b>           |



## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 9. Inventories

|                                       | September 30, 2014 | December 31, 2013 |
|---------------------------------------|--------------------|-------------------|
| Raw materials                         | 175.945            | 223.889           |
| Trade goods                           | 13.288             | 21.080            |
| Goods in transit                      | 18.092             | 19.333            |
| Finished goods                        | 10.411             | 10.596            |
| Work in process                       | 1.938              | 961               |
| Allowance for impairment on inventory | (229)              | (229)             |
| <b>Total inventories</b>              | <b>219.445</b>     | <b>275.630</b>    |

As of September 30, 2014, the inventories comprise of 64.007 tons of LPG (December 31, 2013: 71.441 tons).

#### 10. Equity investments

|  | September 30, 2014   |                      | December 31, 2013    |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 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   | 2.350                |                      | 1.875                |                      |
| Legal reserves   | 14.239               |                      | 5.509                |                      |
| Financial risk hedge fund  | -                    |                      | (1.208)              |                      |
| Actuarial gain/loss arising from defined benefit plans                       | (273)                |                      | (273)                |                      |
| The share of the Group in the retained earnings after the acquisition date   | 579.716              |                      | 477.731              |                      |
|  | <b>1.257.990</b>     | <b>20,00%</b>        | 1.145.592            | 20,00%               |
| AES Entek acquisition value  | 118.930              |                      | 118.930              |                      |
| Participation in share capital increase of equity investment                 | 108.300              |                      | 108.300              |                      |
| The share of the Group in the retained earnings after the acquisition date   | (44.768)             |                      | (42.837)             |                      |
|  | <b>182.462</b>       | <b>24,81%</b>        | 184.393              | 24,81%               |
| Zinerji Enerji Sanayi ve Tic. A.Ş. (establishment cost) (*)                  | -                    |                      | 738                  |                      |
| Group's share in accumulated profit occurred after the date of establishment | -                    |                      | 1.313                |                      |
|  | -                    | -                    | 2.051                | 56,00%               |
| Opet Aygaz Gayrimenkul A.Ş.  | 45.000               |                      | 45.000               |                      |
| Participation in share capital increase of equity investment                 | 30.000               |                      | -                    |                      |
| Group's share in accumulated profit occurred after the date of establishment | 807                  |                      | 118                  |                      |
|  | <b>75.807</b>        | <b>50,00%</b>        | 45.118               | 50,00%               |
| <b>Total</b>   | <b>1.516.259</b>     |                      | 1.377.154            |                      |

(\*) The Group acquired 100% ownership of Zinerji A.Ş. as of July 24, 2014. Zinerji A.Ş. has been consolidated with equity method in the condensed consolidated financial statements of the Group until July 24, 2014. The revenue amounting to TL 70 thousand which belongs to Zinerji A.Ş. between January 1 and July 24, 2014 was reflected under "Profit from investments accounted under equity method" in the accompanying consolidated statement of profit or loss. As of July 24, 2014, Zinerji A.Ş. is included in full consolidation scope in the condensed consolidated financial statements of the Group.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

**11. Property, plant and equipment**

|  | Land          | Land Improvements | Buildings     | Plant, machinery, equipment and LPG cylinders | Vehicles and vessels | Furnitures and fixtures | Leasehold improvements | Construction in progress | Total          |
|--|---------------|-------------------|---------------|---|----------------------|-------------------------|------------------------|--------------------------|----------------|
| <b>Acquisition cost</b>                        |               |                   |               |   |                      |                         |                        |                          |                |
| 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                                      | -             | -                 | -             | 1.952   | 309                  | 75                      | -                      | 46.684                   | 49.020         |
| Transfers                                      | -             | 20                | 5             | 32.255  | 4.645                | 878                     | 392                    | (38.195)                 | -              |
| Disposals                                      | -             | (489)             | (8)           | (24.727)                                      | (3.652)              | (623)                   | (315)                  | -                        | (29.814)       |
| Ending balance as of September 30, 2014        | 16.204        | 114.707           | 70.604        | 1.565.244                                     | 206.902              | 53.372                  | 24.796                 | 20.390                   | 2.072.219      |
| <b>Accumulated depreciation</b>                |               |                   |               |   |                      |                         |                        |                          |                |
| 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                           | -             | 3.199             | 1.528         | 41.558  | 8.128                | 3.007                   | 587                    | -                        | 58.007         |
| Disposals                                      | -             | (323)             | (2)           | (20.827)                                      | (3.381)              | (563)                   | (98)                   | -                        | (25.194)       |
| Ending balance as of September 30, 2014        | -             | 51.645            | 46.742        | 1.213.207                                     | 120.063              | 41.398                  | 23.441                 | -                        | 1.496.496      |
| <b>Net book value as of September 30, 2014</b> | <b>16.204</b> | <b>63.062</b>     | <b>23.862</b> | <b>352.037</b>                                | <b>86.839</b>        | <b>11.974</b>           | <b>1.355</b>           | <b>20.390</b>            | <b>575.723</b> |

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

**11. Property, plant and equipment (continued)**

|  | Land          | Land Improvements | Buildings     | Plant, machinery, equipment and LPG cylinders | Vehicles and vessels | Furnitures and fixtures | Leasehold improvements | Construction in progress | Total          |
|--|---------------|-------------------|---------------|---|----------------------|-------------------------|------------------------|--------------------------|----------------|
| <b>Acquisition cost</b>                        |               |                   |               |   |                      |                         |                        |                          |                |
| Opening balance as of January 1, 2013          | 16.204        | 109.331           | 69.165        | 1.535.063                                     | 201.547              | 51.601                  | 24.110                 | 15.514                   | 2.022.535      |
| Additions                                      | -             | -                 | -             | 1.478   | 1.402                | 294                     | -                      | 43.137                   | 46.311         |
| Transfers (*)                                  | 1.293         | -                 | -             | 32.417  | 258                  | 1.376                   | 387                    | (33.869)                 | 1.862          |
| Disposals                                      | -             | (1.528)           | (118)         | (29.447)                                      | (608)                | (870)                   | (108)                  | -                        | (32.679)       |
| Ending balance as of September 30, 2013        | 17.497        | 107.803           | 69.047        | 1.539.511                                     | 202.599              | 52.401                  | 24.389                 | 24.782                   | 2.038.029      |
| <b>Accumulated depreciation</b>                |               |                   |               |   |                      |                         |                        |                          |                |
| Opening balance as of January 1, 2013          | -             | 46.118            | 43.345        | 1.170.827                                     | 107.116              | 37.883                  | 22.319                 | -                        | 1.427.608      |
| Charge of the period                           | -             | 3.019             | 1.487         | 42.171  | 7.390                | 2.794                   | 531                    | -                        | 57.392         |
| Disposals                                      | -             | (1.018)           | (94)          | (26.631)                                      | (582)                | (799)                   | (17)                   | -                        | (29.141)       |
| Ending balance as of September 30, 2013        | -             | 48.119            | 44.738        | 1.186.367                                     | 113.924              | 39.878                  | 22.833                 | -                        | 1.455.859      |
| <b>Net book value as of September 30, 2013</b> | <b>17.497</b> | <b>59.684</b>     | <b>24.309</b> | <b>353.144</b>                                | <b>88.675</b>        | <b>12.523</b>           | <b>1.556</b>           | <b>24.782</b>            | <b>582.170</b> |

(\*) TL 52 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets. Remaining balance amounting to TL 1.914 thousand, consists of the spare parts and maintenance equipments which were earlier accounted under “inventories” and have been reclassified to plant, machinery, equipment and LPG cylinders under the account “property, plant and equipment” in 2013.

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements**

**as of September 30, 2014 (continued)**

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

**12. Intangible assets**

|  | <b>Rights</b> | <b>Total</b>  |
|--|---------------|---------------|
| <b>Acquisition costs</b>                       |               |               |
| Opening balance as of January 1, 2014          | <b>53.152</b> | <b>53.152</b> |
| Disposals                                      | <b>(24)</b>   | <b>(24)</b>   |
| <b>Ending balance as of September 30, 2014</b> | <b>53.128</b> | <b>53.128</b> |
| <b>Accumulated depreciation</b>                |               |               |
| Opening balance as of January 1, 2014          | <b>22.590</b> | <b>22.590</b> |
| Charge for the period                          | <b>4.146</b>  | <b>4.146</b>  |
| Disposals                                      | <b>(3)</b>    | <b>(3)</b>    |
| <b>Ending balance as of September 30, 2014</b> | <b>26.733</b> | <b>26.733</b> |
| <b>Carrying value as of September 30, 2014</b> | <b>26.395</b> | <b>26.395</b> |
|  | <b>Rights</b> | <b>Total</b>  |
| <b>Acquisition costs</b>                       |               |               |
| Opening balance as of January 1, 2013          | 52.127        | 52.127        |
| Transfers (*)                                  | 52            | 52            |
| <b>Ending balance as of September 30, 2013</b> | <b>52.179</b> | <b>52.179</b> |
| <b>Accumulated depreciation</b>                |               |               |
| Opening balance as of January 1, 2013          | 16.982        | 16.982        |
| Charge for the period                          | 4.219         | 4.219         |
| <b>Ending balance as of September 30, 2013</b> | <b>21.201</b> | <b>21.201</b> |
| <b>Carrying value as of September 30, 2013</b> | <b>30.978</b> | <b>30.978</b> |

(\*) TL 52 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible assets.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

**13. Provisions, contingent liabilities and assets**

|  | <b>September 30,<br/>2014</b> | December 31,<br>2013 |
|--|-------------------------------|----------------------|
| <b>Guarantees given</b>                              |                               |                      |
| Letter of guarantees given to customs for gas import | <b>606.424</b>                | 234.171              |
| Other letter of guarantees given                     | <b>148.210</b>                | 18.180               |
| <b>Total guarantees given</b>                        | <b>754.634</b>                | 252.351              |

**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 interim consolidated balance sheet date.

**National inventory reserve liability:**

Oil refineries, licensed oil and LPG distributors 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.

**Commitments of EYAŞ resulting from acquisition of TÜPRAŞ:**

The agreements of EYAŞ related with the loans taken for TÜPRAŞ acquisition have certain covenants regarding dividend distribution of EYAŞ and usage of dividend payments of TÜPRAŞ. Moreover, EYAŞ has various financial and non-financial commitments related to these loans and acquisition of TÜPRAŞ. If these commitments are not met by EYAŞ, the financial institutions have rights to recall these loans.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

**13. Provisions, contingent liabilities and assets (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:

|  | September 30, 2014 |                   |                  |                | December 31, 2013  |                   |                  |             |
|--|--------------------|-------------------|------------------|----------------|--------------------|-------------------|------------------|-------------|
|  | Euro<br>guarantees | USD<br>guarantees | TL<br>guarantees | TL<br>total    | Euro<br>guarantees | USD<br>guarantees | TL<br>guarantees | TL<br>total |
| <b>A. GPMs given on behalf of the Company’s legal personality</b>  | <b>32.103</b>      | <b>132.068</b>    | <b>590.463</b>   | <b>754.634</b> | 32.625             | 4.172             | 215.554          | 252.351     |
| <b>B. GPMs given in favor of subsidiaries included in full consolidation</b>                                       | -                  | -                 | -                | -              | -                  | -                 | -                | -           |
| <b>C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business</b> | -                  | -                 | -                | -              | -                  | -                 | -                | -           |
| <b>D. Other GPM's</b>  |                    |                   |                  |                |                    |                   |                  |             |
| 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                                    | -                  | -                 | -                | -              | -                  | -                 | -                | -           |
| <b>Total amount of GPM</b>   | <b>32.103</b>      | <b>132.068</b>    | <b>590.463</b>   | <b>754.634</b> | 32.625             | 4.172             | 215.554          | 252.351     |

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 14. Other short-term liabilities

|   | September 30,<br>2014 | December 31,<br>2013 |
|---|-----------------------|----------------------|
| <b>Other short-term provisions</b>                      |                       |                      |
| Special Consumption Tax (SCT) provision on imported LPG | 72.742                | 64.554               |
| Provision for general and administrative expenses       | 21.917                | 11.592               |
| Provision for selling and marketing expenses            | 4.579                 | 2.214                |
| Provision for EMRA contribution                         | 4.295                 | 3.653                |
| Provision for lawsuit                                   | 3.724                 | 3.360                |
| <b>Total other short-term provisions</b>                | <b>107.257</b>        | <b>85.373</b>        |
|   |                       |                      |
|   | September 30,<br>2014 | December 31,<br>2013 |
| <b>Other current liabilities</b>                        |                       |                      |
| Taxes and funds payable                                 | 126.742               | 63.359               |
| Other liabilities                                       | 3.087                 | 4.255                |
| <b>Total other current liabilities</b>                  | <b>129.829</b>        | <b>67.614</b>        |

#### 15. Share capital

As of September 30, 2014 and December 31, 2013 the share capital held is as follows:

| Shareholders  | Participation<br>rate | September 30,<br>2014 | Participation<br>rate | December 31,<br>2013 |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| Koç Holding A.Ş.  | 40,68%                | 122.054               | 40,68%                | 122.054              |
| Liquid Petroleum Gas Development<br>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               |
| <b>Nominal capital</b>                                    | <b>100,00%</b>        | <b>300.000</b>        | <b>100,00%</b>        | <b>300.000</b>       |
| Inflation adjustment (**)                                 |                       | 71.504                |                       | 71.504               |
| <b>Adjusted capital</b>                                   |                       | <b>371.504</b>        |                       | <b>371.504</b>       |

(\*) 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/IFRS promulgated by the POA. “Adjustment to share capital” has no use other than being transferred to paid-in share capital.

#### Dividend paid

During the Ordinary General Meeting held on March 31, 2014, the Company decided to reserve TL 16.000 thousand as legal reserves and distribute TL 175.000 thousand gross dividends from the net distributable income of 2013. According to this decision, the Company has begun dividend payments on April 7, 2014.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

as of September 30, 2014 (continued)

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

#### 16. Earnings per share

|  | January 1 –<br>September 30,<br>2014 | July 1 –<br>September 30,<br>2014 | January 1 –<br>September 30,<br>2013 | July 1 –<br>September 30,<br>2013 |
|--|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Average number of shares throughout the period (thousand)            | 300.000                              | 300.000                           | 300.000                              | 300.000                           |
| Net profit for the year attributable to equity holders of the parent | 216.248                              | 67.984                            | 194.440                              | 118.301                           |
| Earnings per share (TL)  | 0,720827                             | 0,226613                          | 0,648133                             | 0,394337                          |

#### 17. Tax assets and liabilities

|  | September 30,<br>2014               | December 31,<br>2013                |
|--|-------------------------------------|-------------------------------------|
| <b>Current tax liability:</b>                  |                                     |                                     |
| Current corporate tax provision                | 22.085                              | 32.361                              |
| Less: Prepaid taxes and funds                  | (16.808)                            | (29.712)                            |
| <b>Current tax liability</b>                   | <b>5.277</b>                        | <b>2.649</b>                        |
|  |                                     |                                     |
|  | January 1-<br>September 30,<br>2014 | January 1-<br>September 30,<br>2013 |
| <b>Tax expense in profit or loss statement</b> |                                     |                                     |
| Current corporate tax provision                | (22.085)                            | (24.604)                            |
| Deferred tax income                            | 2.528                               | 2.563                               |
|  | <b>(19.557)</b>                     | <b>(22.041)</b>                     |

#### Corporate tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying condensed 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 2014 is 20% (2013: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2014 is 20% (2013: 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.



**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements**

**as of September 30, 2014 (continued)**

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

**17. Tax assets and liabilities (continued)**

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.

**Deferred tax**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for TFRS purposes 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, 2013: 20%).

|  | <b>September 30,<br/>2014</b> | December 31,<br>2013 |
|--|-------------------------------|----------------------|
| <b>Deferred tax (assets) / liabilities:</b>  |                               |                      |
| Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets | <b>34.773</b>                 | 34.721               |
| Revaluation fund on financial assets   | <b>11.244</b>                 | 8.782                |
| Valuation of inventories   | <b>(1.766)</b>                | 249                  |
| Provision for employment termination benefits  | <b>(4.107)</b>                | (3.963)              |
| Carry forward tax losses   | -                             | (365)                |
| Other  | <b>(3.507)</b>                | (2.721)              |
|  | <b>36.637</b>                 | 36.703               |

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.

|                 | <b>September 30, 2014</b> |                    |               | December 31, 2013 |             |        |
|-----------------|---------------------------|--------------------|---------------|-------------------|-------------|--------|
|                 | <b>Assets</b>             | <b>Liabilities</b> | <b>Net</b>    | Assets            | Liabilities | Net    |
| Aygaz A.Ş.      | <b>(9.607)</b>            | <b>44.820</b>      | <b>35.213</b> | (8.006)           | 43.217      | 35.211 |
| Akpa A.Ş.       | <b>(569)</b>              | <b>138</b>         | <b>(431)</b>  | (517)             | 278         | (239)  |
| Aygaz Dođal Gaz | <b>(522)</b>              | <b>2.377</b>       | <b>1.855</b>  | (603)             | 2.334       | 1.731  |
|                 | <b>(10.698)</b>           | <b>47.335</b>      | <b>36.637</b> | (9.126)           | 45.829      | 36.703 |

Movement of deferred tax from continuing operations is as follows:

|   | <b>January 1-<br/>September 30,<br/>2014</b> | January 1-<br>September 30,<br>2013 |
|---|--|-------------------------------------|
| <b>Movement of deferred tax (asset) / liability:</b>          |  |                                     |
| <b>Opening balance as of January 1</b>                        | <b>36.703</b>                                | 39.573                              |
| Deferred tax expense / (income)                               | <b>(2.528)</b>                               | (2.563)                             |
| Deferred tax associated with financial asset revaluation fund | <b>2.462</b>                                 | 346                                 |
| <b>Closing balance as of September 30</b>                     | <b>36.637</b>                                | 37.356                              |

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

**18. 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 A.Ş., Koç family or entities owned by Koç family. In condensed consolidated financial statements, shareholder companies, shareholders and financial investments and other Group companies’ assets are shown as related parties.

| Balances with related parties                    | September 30, 2014 |           |                |           |
|--|--------------------|-----------|----------------|-----------|
|  | Receivables        |           | Payables       |           |
|  | Trade              | Non-trade | Trade          | Non-trade |
| <b>Group companies (*)</b>                       |                    |           |                |           |
| Türkiye Petrol Rafinerileri A.Ş.                 | 12.610             | -         | 63.321         | -         |
| Demir Export A.Ş.                                | 6.033              | -         | -              | -         |
| Tat Gıda Sanayi A.Ş.                             | 4.157              | -         | -              | -         |
| Ford Otomotiv Sanayi A.Ş.                        | 2.073              | -         | -              | -         |
| Arçelik A.Ş.                                     | 494                | -         | 5.138          | -         |
| Opet Petrolcülük A.Ş.                            | 95                 | -         | 27.521         | -         |
| Otokoç Otomotiv Tic. ve San. A.Ş.                | 89                 | -         | 1.354          | -         |
| Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)       | 2                  | -         | 3.786          | -         |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.     | -                  | -         | 851            | -         |
| Ram Dış Ticaret A.Ş.                             | -                  | -         | 6.280          | -         |
| Other  | 2.149              | -         | 2.349          | -         |
| <b>Shareholders</b>                              |                    |           |                |           |
| Koç Holding A.Ş.                                 | -                  | -         | 19             | -         |
| <b>Investments accounted under equity method</b> |                    |           |                |           |
| AES Entek Elektrik Üretimi A.Ş.                  | 2                  | -         | 324            | -         |
|  | <b>27.704</b>      | <b>-</b>  | <b>110.943</b> | <b>-</b>  |

| Balances with related parties                        | December 31, 2013 |           |                |           |
|--|-------------------|-----------|----------------|-----------|
|  | Receivables       |           | Payables       |           |
|  | Trade             | Non-trade | Trade          | Non-trade |
| <b>Group companies (*)</b>                           |                   |           |                |           |
| Türkiye Petrol Rafinerileri A.Ş.                     | 8.347             | -         | 75.991         | -         |
| Demir Export A.Ş.                                    | 4.762             | -         | -              | -         |
| Ford Otomotiv Sanayi A.Ş.                            | 975               | -         | 6              | -         |
| Tat Gıda Sanayi A.Ş.                                 | 448               | -         | -              | -         |
| Arçelik A.Ş.   | 447               | -         | 22.223         | -         |
| Opet Petrolcülük A.Ş.                                | 161               | -         | 45.553         | -         |
| Otokoç Otomotiv Tic. ve San. A.Ş.                    | 86                | -         | 1.708          | -         |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.         | 49                | -         | 2.306          | -         |
| Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)           | -                 | -         | 7.453          | -         |
| Ram Dış Ticaret A.Ş.                                 | -                 | -         | 5.827          | -         |
| Other  | 1.443             | -         | 2.405          | -         |
| <b>Shareholders</b>                                  |                   |           |                |           |
| Koç Holding A.Ş.                                     | -                 | -         | 244            | -         |
| <b>Investments accounted under the equity method</b> |                   |           |                |           |
| AES Entek Elektrik Üretimi A.Ş.                      | 1.642             | -         | 459            | -         |
|  | <b>18.360</b>     | <b>-</b>  | <b>164.175</b> | <b>-</b>  |

(\*) 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 supplier companies and payables to Zer for commissions for intermediary activities.

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

**18. Transactions with related parties (continued)**

As of September 30, 2014; dividends payable amounting to TL 506 thousand (December 31, 2013 – TL 434 thousand) is reflected within other payables to related parties at the consolidated balance sheet.

| Transactions with related parties                | January 1 - September 30, 2014 |                  |                         |                     |
|--|--------------------------------|------------------|-------------------------|---------------------|
|  | Purchases<br>(Goods)           | Sales<br>(Goods) | Purchases<br>(Services) | Sales<br>(Services) |
| <b>Group companies (*)</b>                       |                                |                  |                         |                     |
| Türkiye Petrol Rafinerileri A.Ş.                 | 596.994                        | 289.688          | 1.483                   | -                   |
| Opet Petrolcülük A.Ş.(**)                        | 148.983                        | 865              | 292                     | -                   |
| Arçelik A.Ş.                                     | 28.274                         | 3.631            | 124                     | -                   |
| Ram Dış Ticaret A.Ş.                             | 25.870                         | -                | -                       | -                   |
| Zer Merkezi Hizmetler ve Ticaret A.Ş.            | 14.965                         | 4                | 16.569                  | -                   |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.     | 18                             | 77               | 4.207                   | -                   |
| Otokoç Otomotiv Tic. ve San. A.Ş.                | 6                              | 2.249            | 890                     | -                   |
| Tanı Pazarlama ve İletişim Hizmetleri A.Ş.       | -                              | 6                | 1.992                   | -                   |
| Ford Otomotiv Sanayi A.Ş.                        | -                              | 13.481           | -                       | -                   |
| Demir Export A.Ş.                                | -                              | 39.185           | -                       | -                   |
| Tat Gıda Sanayi A.Ş.                             | -                              | 10.513           | -                       | -                   |
| Setur Servis Turistik A.Ş.                       | -                              | 29               | 1.851                   | -                   |
| Setair Hava Taşımacılığı ve Hizm. A.Ş.           | -                              | -                | 3.318                   | -                   |
| Other  | 3.020                          | 12.459           | 2.038                   | -                   |
| <b>Shareholders</b>                              |                                |                  |                         |                     |
| Koç Holding A.Ş.                                 | -                              | 26               | 3.775                   | -                   |
| <b>Investments accounted under equity method</b> |                                |                  |                         |                     |
| AES Entek Elektrik Üretimi A.Ş.                  | -                              | 11               | 2.775                   | -                   |
|  | <b>818.130</b>                 | <b>372.224</b>   | <b>39.314</b>           | <b>-</b>            |

| Transactions with related parties                | January 1 - September 30, 2013 |                  |                         |                     |
|--|--------------------------------|------------------|-------------------------|---------------------|
|  | Purchases<br>(Goods)           | Sales<br>(Goods) | Purchases<br>(Services) | Sales<br>(Services) |
| <b>Group companies (*)</b>                       |                                |                  |                         |                     |
| Türkiye Petrol Rafinerileri A.Ş.                 | 538.212                        | 202.030          | 1.261                   | 1.851               |
| Opet Petrolcülük A.Ş.(**)                        | 93.938                         | 912              | 2.161                   | -                   |
| Arçelik A.Ş.                                     | 70.291                         | 3.498            | 121                     | -                   |
| Ram Dış Ticaret A.Ş.                             | 19.324                         | -                | 76                      | -                   |
| Zer Merkezi Hizmetler ve Ticaret A.Ş.            | 10.969                         | 8                | 13.313                  | -                   |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.     | 262                            | 28               | 1.669                   | -                   |
| Tanı Pazarlama ve İletişim Hizmetleri A.Ş.       | 11                             | 5                | 1.397                   | -                   |
| Otokoç Otomotiv Tic. ve San. A.Ş.                | 9                              | 1.674            | 2.464                   | -                   |
| Ford Otomotiv Sanayi A.Ş.                        | -                              | 11.669           | -                       | -                   |
| Demir Export A.Ş.                                | -                              | 7.363            | -                       | -                   |
| Tat Gıda Sanayi A.Ş.                             | -                              | 11.016           | -                       | -                   |
| Setur Servis Turistik A.Ş.                       | -                              | 53               | 1.761                   | -                   |
| Setair Hava Taşımacılığı ve Hizm. A.Ş.           | -                              | -                | 2.659                   | -                   |
| Other  | 1.166                          | 14.313           | 2.274                   | -                   |
| <b>Shareholders</b>                              |                                |                  |                         |                     |
| Koç Holding A.Ş.                                 | -                              | 21               | 2.426                   | -                   |
| <b>Investments accounted under equity method</b> |                                |                  |                         |                     |
| AES Entek Elektrik Üretimi A.Ş.                  | -                              | 11.944           | 1.398                   | -                   |
|  | <b>734.182</b>                 | <b>264.534</b>   | <b>32.980</b>           | <b>1.851</b>        |

(\*) Group companies include Koç Group companies.

(\*\*) Commission expense regarding LPG sold at Opet stations as of September 30, 2014 is TL 82.594 thousand (September 30, 2013 - TL 66.508 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

**18. Transactions with related parties (continued)**

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements

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

| January 1 - September 30, 2014                            |             |              |                       |                   |
|---|-------------|--------------|-----------------------|-------------------|
| Tangible asset and rent transactions with related parties | Rent income | Rent expense | Fixed asset purchases | Fixed asset sales |
| <b>Group companies (*)</b>                                |             |              |                       |                   |
| Opet Petrolcülük A.Ş.                                     | 364         | 15           | 49                    | -                 |
| Yapı Kredi Bankası A.Ş.                                   | -           | 175          | -                     | -                 |
| Otokoç Otomotiv Tic. ve San. A.Ş.                         | -           | 3.142        | 44                    | -                 |
| Türkiye Petrol Rafinerileri A.Ş.                          | -           | 11           | -                     | -                 |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.              | -           | -            | 476                   | -                 |
| Zer Merkezi Hizmetler ve Ticaret A.Ş.                     | -           | -            | 73                    | -                 |
| Arçelik A.Ş.  | -           | -            | 8                     | -                 |
| Other   | -           | -            | 37                    | -                 |
|   | <b>364</b>  | <b>3.343</b> | <b>687</b>            | <b>-</b>          |

| January 1 - September 30, 2013                            |             |              |                       |                   |
|---|-------------|--------------|-----------------------|-------------------|
| Tangible asset and rent transactions with related parties | Rent income | Rent expense | Fixed asset purchases | Fixed asset sales |
| <b>Group companies (*)</b>                                |             |              |                       |                   |
| Opet Petrolcülük A.Ş.                                     | 358         | 14           | -                     | -                 |
| Yapı Kredi Bankası A.Ş.                                   | -           | 97           | -                     | -                 |
| Otokoç Otomotiv Tic. ve San. A.Ş.                         | -           | 943          | 266                   | 15                |
| Türkiye Petrol Rafinerileri A.Ş.                          | -           | -            | 500                   | -                 |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.              | -           | -            | 688                   | -                 |
| Zer Merkezi Hizmetler ve Ticaret A.Ş.                     | -           | -            | 55                    | -                 |
| Arçelik A.Ş.  | -           | -            | 145                   | -                 |
| Other   | 4           | -            | 153                   | -                 |
|   | <b>362</b>  | <b>1.054</b> | <b>1.807</b>          | <b>15</b>         |

(\*) Group companies include Koç Group companies.

| January 1 - September 30, 2014                        |                  |                   |              |               |
|---|------------------|-------------------|--------------|---------------|
| Financial and other transactions with related parties | Financial income | Financial expense | Other income | Other expense |
| <b>Group companies (*)</b>                            |                  |                   |              |               |
| Yapı Kredi Bankası A.Ş.                               | 9.605            | 11.868            | -            | -             |
|   | <b>9.605</b>     | <b>11.868</b>     | <b>-</b>     | <b>-</b>      |

| January 1 - September 30, 2013                        |                  |                   |              |               |
|---|------------------|-------------------|--------------|---------------|
| Financial and other transactions with related parties | Financial income | Financial expense | Other income | Other expense |
| <b>Group companies (*)</b>                            |                  |                   |              |               |
| Yapı Kredi Bankası A.Ş.                               | 5.719            | 1.122             | -            | -             |
| Otokoç Otomotiv Tic. ve San. A.Ş.                     | -                | -                 | 15           | -             |
| <b>Investments accounted under equity method</b>      |                  |                   |              |               |
| AES Entek Elektrik Üretimi A.Ş.                       | 1.277            | -                 | -            | -             |
|   | <b>6.996</b>     | <b>1.122</b>      | <b>15</b>    | <b>-</b>      |

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2014 (continued)

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

#### 18. Transactions with related parties (continued)

| <b>Cash at banks</b>           | <b>September 30, 2014</b> | <b>December 31, 2013</b> |
|--------------------------------|---------------------------|--------------------------|
| <b>Group companies (*)</b>     |                           |                          |
| Yapı Kredi Bankası A.Ş.        | <b>121.163</b>            | 129.151                  |
| <b>Credit card receivables</b> | <b>September 30, 2014</b> | <b>December 31, 2013</b> |
| <b>Group companies (*)</b>     |                           |                          |
| Yapı Kredi Bankası A.Ş.        | <b>25.019</b>             | 24.274                   |

(\*) Group companies include Koç Group companies.

#### Benefits to Top Management

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

Benefits to top management personnel includes salaries, premiums, Social Security Institution employer’s contribution, employer’s contribution of unemployment insurance and the attendance fees of board of directors.

Total of the benefit provided to senior management of the Group as of September 30, 2014 is TL 4.449 thousand (September 30, 2013: TL 4.804 thousand).

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the interim condensed consolidated financial statements****as of September 30, 2014 (continued)****(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)****19. Nature and level of risk derived from financial instruments****Financial risk factors**

The risks of the Group, resulted from operations, include market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk), credit risk and liquidity risk. The Group’s risk management program generally focuses on minimizing 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.

*Foreign currency risk management*

Foreign currency transactions results in foreign currency risk. The Group controls foreign currency risk coming from its operations and cash flows of finance contracts by using “forward foreign exchange contracts”.

The foreign currency denominated assets and liabilities of monetary and non-monetary items as of the balance sheet date are as follows:

| <b>September 30, 2014</b> |  | <b>Total<br/>TL equivalent</b> | <b>TL<br/>equivalent<br/>of USD</b> | <b>TL<br/>equivalent<br/>of Euro</b> | <b>TL<br/>equivalent<br/>of other</b> |
|---------------------------|--|--------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|
| 1.                        | Trade receivables  | 6.545                          | 5.914                               | 170                                  | 461                                   |
| 2.a                       | Monetary financial assets  | 22.138                         | 20.773                              | 1.102                                | 263                                   |
| 2.b                       | Non monetary financial assets  | -                              | -                                   | -                                    | -                                     |
| 3.                        | Other  | -                              | -                                   | -                                    | -                                     |
| <b>4.</b>                 | <b>Current assets</b>  | <b>28.683</b>                  | <b>26.687</b>                       | <b>1.272</b>                         | <b>724</b>                            |
| 5.                        | Trade receivables  | -                              | -                                   | -                                    | -                                     |
| 6.a                       | Monetary financial assets  | -                              | -                                   | -                                    | -                                     |
| 6.b                       | Non monetary financial assets  | -                              | -                                   | -                                    | -                                     |
| 7.                        | Other  | -                              | -                                   | -                                    | -                                     |
| <b>8.</b>                 | <b>Non current assets</b>  | <b>-</b>                       | <b>-</b>                            | <b>-</b>                             | <b>-</b>                              |
| <b>9.</b>                 | <b>Total assets</b>  | <b>28.683</b>                  | <b>26.687</b>                       | <b>1.272</b>                         | <b>724</b>                            |
| 10.                       | Trade payables   | (194.576)                      | (194.538)                           | (35)                                 | (3)                                   |
| 11.                       | Financial liabilities  | (124)                          | (124)                               | -                                    | -                                     |
| 12.a                      | Other monetary financial liabilities   | -                              | -                                   | -                                    | -                                     |
| 12.b                      | Other non monetary financial liabilities   | -                              | -                                   | -                                    | -                                     |
| <b>13.</b>                | <b>Current liabilities</b>   | <b>(194.700)</b>               | <b>(194.662)</b>                    | <b>(35)</b>                          | <b>(3)</b>                            |
| 14.                       | Trade payables   | -                              | -                                   | -                                    | -                                     |
| 15.                       | Financial liabilities  | (54.853)                       | (54.853)                            | -                                    | -                                     |
| 16.a                      | Other monetary financial liabilities   | -                              | -                                   | -                                    | -                                     |
| 16.b                      | Other non monetary financial liabilities   | -                              | -                                   | -                                    | -                                     |
| <b>17.</b>                | <b>Non current liabilities</b>   | <b>(54.853)</b>                | <b>(54.853)</b>                     | <b>-</b>                             | <b>-</b>                              |
| <b>18.</b>                | <b>Total liabilities</b>   | <b>(249.553)</b>               | <b>(249.515)</b>                    | <b>(35)</b>                          | <b>(3)</b>                            |
| 19.                       | Net asset / liability position of<br>off balance sheet liabilities (19a-19b)                                     | 81.753                         | 81.753                              | -                                    | -                                     |
| 19.a                      | Total hedged assets  | 81.753                         | 81.753                              | -                                    | -                                     |
| 19.b                      | Total hedged liabilities   | -                              | -                                   | -                                    | -                                     |
| <b>20.</b>                | <b>Net foreign currency asset / liability position</b>   | <b>(139.117)</b>               | <b>(141.075)</b>                    | <b>1.237</b>                         | <b>721</b>                            |
| <b>21.</b>                | <b>Net foreign currency asset / liability position of<br/>monetary items<br/>(1+2a+5+6a+10+11+12a+14+15+16a)</b> | <b>(220.870)</b>               | <b>(222.828)</b>                    | <b>1.237</b>                         | <b>721</b>                            |
| 22.                       | Fair value of foreign currency hedged<br>financial assets  | -                              | -                                   | -                                    | -                                     |
| 23.                       | Hedged foreign currency assets   | -                              | -                                   | -                                    | -                                     |
| 24.                       | Hedged foreign currency liabilities  | -                              | -                                   | -                                    | -                                     |
| 25.                       | Export   | 352.115                        | 346.080                             | 6.035                                | -                                     |
| 26.                       | Import   | 1.865.606                      | 1.862.105                           | 2.861                                | 640                                   |

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the interim condensed consolidated financial statements****as of September 30, 2014 (continued)****(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)****19. Nature and level of risk derived from financial instruments (continued)**

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 September 30, 2014, the Group has LPG amounting to TL 104.359 thousand (December 31, 2013 TL 151.698 thousand).

| December 31, 2013 |   | Total TL<br>equivalent | TL<br>equivalent<br>of USD | TL equivalent<br>of Euro | TL<br>equivalent<br>of other |
|-------------------|---|------------------------|----------------------------|--------------------------|------------------------------|
| 1.                | Trade receivables   | 26.346                 | 22.706                     | 3.640                    | -                            |
| 2.a               | Monetary financial assets   | 48.163                 | 47.713                     | 203                      | 247                          |
| 2.b               | Non monetary financial assets   | -                      | -                          | -                        | -                            |
| 3.                | Other   | -                      | -                          | -                        | -                            |
| 4.                | Current assets  | 74.509                 | 70.419                     | 3.843                    | 247                          |
| 5.                | Trade receivables   | -                      | -                          | -                        | -                            |
| 6.a               | Monetary financial assets   | -                      | -                          | -                        | -                            |
| 6.b               | Non monetary financial assets   | -                      | -                          | -                        | -                            |
| 7.                | Other   | -                      | -                          | -                        | -                            |
| 8.                | Non current assets  | -                      | -                          | -                        | -                            |
| 9.                | <b>Total assets</b>   | <b>74.509</b>          | <b>70.419</b>              | <b>3.843</b>             | <b>247</b>                   |
| 10.               | Trade payables  | (136.707)              | (136.605)                  | (56)                     | (46)                         |
| 11.               | Financial liabilities   | (85.372)               | (85.372)                   | -                        | -                            |
| 12.a              | Other monetary financial liabilities  | -                      | -                          | -                        | -                            |
| 12.b              | Other non monetary financial liabilities  | -                      | -                          | -                        | -                            |
| 13.               | Current liabilities   | (222.079)              | (221.977)                  | (56)                     | (46)                         |
| 14.               | Trade payables  | -                      | -                          | -                        | -                            |
| 15.               | Financial liabilities   | -                      | -                          | -                        | -                            |
| 16.a              | Other monetary financial liabilities  | -                      | -                          | -                        | -                            |
| 16.b              | Other non monetary financial liabilities  | -                      | -                          | -                        | -                            |
| 17.               | Non current liabilities   | -                      | -                          | -                        | -                            |
| 18.               | <b>Total liabilities</b>  | <b>(222.079)</b>       | <b>(221.977)</b>           | <b>(56)</b>              | <b>(46)</b>                  |
| 19.               | Net asset / liability position of<br>off balance sheet asset and liabilities (19a-19b)                  | -                      | -                          | -                        | -                            |
| 19.a              | Total foreign currency amount of off-balance sheet<br>derivative financial assets                       | -                      | -                          | -                        | -                            |
| 19.b              | Total foreign currency amount of off-balance sheet<br>derivative financial liabilities                  | -                      | -                          | -                        | -                            |
| 20.               | <b>Net foreign currency asset / liability position</b>  | <b>(147.570)</b>       | <b>(151.558)</b>           | <b>3.787</b>             | <b>201</b>                   |
| 21.               | Net foreign currency asset / liability position<br>of monetary items<br>(1+2a+5+6a+10+11+12a+14+15+16a) | (147.570)              | (151.558)                  | 3.787                    | 201                          |
| 22.               | Fair value of foreign currency hedged<br>financial assets   | -                      | -                          | -                        | -                            |
| 23.               | Hedged foreign currency assets  | -                      | -                          | -                        | -                            |
| 24.               | Hedged foreign currency liabilities   | -                      | -                          | -                        | -                            |
| 25.               | Export  | 611.454                | 593.180                    | 18.274                   | -                            |
| 26.               | Import  | 2.197.655              | 2.188.288                  | 8.569                    | 798                          |

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements**

**as of September 30, 2014 (continued)**

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

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

As of September 30, 2014 and December 31, 2013, the sensitivity analysis of the Group’s pre-tax income related to 10% change in USD and Euro (when other variables are held constant) are as follows:

|  | September 30, 2014                  |  |                                     |   |
|--|-------------------------------------|--|-------------------------------------|---|
|  | Foreign<br>exchange<br>appreciation | Gain/Loss<br>Foreign<br>exchange<br>depreciation | Foreign<br>exchange<br>appreciation | Equity<br>Foreign<br>exchange<br>depreciation |
| <b>+/-10% fluctuation of USD rate</b>  |                                     |  |                                     |   |
| USD net asset/liability                | (22.283)                            | 22.283   | (22.283)                            | 22.283  |
| Secured portion from USD risk          | -                                   | -  | -                                   | -   |
| <b>USD net effect</b>                  | <b>(22.283)</b>                     | <b>22.283</b>                                    | <b>(22.283)</b>                     | <b>22.283</b>                                 |
| <b>+/-10% fluctuation of Euro rate</b> |                                     |  |                                     |   |
| Euro net asset/liability               | 124                                 | (124)  | 124                                 | (124)   |
| Secured portion from Euro risk         |                                     |  |                                     |   |
| <b>Euro net effect</b>                 | <b>124</b>                          | <b>(124)</b>                                     | <b>124</b>                          | <b>(124)</b>                                  |
| <b>Total</b>                           | <b>(22.159)</b>                     | <b>22.159</b>                                    | <b>(22.159)</b>                     | <b>22.159</b>                                 |

  

|                                     | December 31, 2013                   |   |                                     |   |
|-------------------------------------|-------------------------------------|---|-------------------------------------|---|
|                                     | Foreign<br>exchange<br>appreciation | Income/Expense<br>Foreign<br>exchange<br>depreciation | Foreign<br>exchange<br>appreciation | Equity<br>Foreign<br>exchange<br>depreciation |
| <b>10% fluctuation of USD rate</b>  |                                     |   |                                     |   |
| USD net asset/liability             | (15.156)                            | 15.156  | (15.156)                            | 15.156  |
| Secured portion from USD risk       | -                                   | -   | -                                   | -   |
| <b>USD net effect</b>               | <b>(15.156)</b>                     | <b>15.156</b>   | <b>(15.156)</b>                     | <b>15.156</b>                                 |
| <b>10% fluctuation of Euro rate</b> |                                     |   |                                     |   |
| Euro net asset/liability            | 379                                 | (379)   | 379                                 | (379)   |
| Secured portion from Euro risk      | -                                   | -   | -                                   | -   |
| <b>Euro net effect</b>              | <b>379</b>                          | <b>(379)</b>  | <b>379</b>                          | <b>(379)</b>                                  |
| <b>Total</b>                        | <b>(14.777)</b>                     | <b>14.777</b>   | <b>(14.777)</b>                     | <b>14.777</b>                                 |



**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements**

**as of September 30, 2014 (continued)**

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

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

Currency forward agreements

Currency forward agreements which are valid as of September 30, 2014 are summarized at the table below. As of December 31, 2013, the Group does not have currency forward agreement.

|                 |                 |                         |                    |                     | September 30,<br>2014 |
|-----------------|-----------------|-------------------------|--------------------|---------------------|-----------------------|
| <u>Maturity</u> | <u>Parity</u>   | <u>Type of contract</u> | <u>Transaction</u> | <u>Total amount</u> | <u>Currency</u>       |
| 1 to 3 months   | 2,2729 – 2,3103 | Forward                 | Sells TL, buys USD | 11.800              | USD                   |

Swap agreements

As of September 30, 2014, the Group has swap agreements amounting to TL 50.635 thousand with fixed interest rate of 11% 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. On December 31, 2013 the Group does not have swap transaction.

Fair value of financial instruments

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 at fair value are as follows:

| <u>Financial assets / (liabilities)</u> | <u>Level of fair value as of reporting date</u> |                  |                  |                  |
|---|---|------------------|------------------|------------------|
|   | <u>September 30, 2014</u>                       | <u>1st Level</u> | <u>2nd Level</u> | <u>3rd Level</u> |
| Available-for-sale financial assets (*) | 316.577   | 39               | 316.538          | -                |
| Forward transactions                    | 5.756   | -                | 5.756            | -                |

  

| <u>Financial assets / (liabilities)</u> | <u>Level of fair value as of reporting date</u> |                  |                  |                  |
|---|---|------------------|------------------|------------------|
|   | <u>December 31, 2013</u>                        | <u>1st Level</u> | <u>2nd Level</u> | <u>3rd Level</u> |
| Available-for-sale financial assets (*) | 267.322   | 34               | 267.288          | -                |

(\*) The Group has available for sale financial assets, which are not quoted in stock markets, and total amount of these financial assets is TL 564 thousand as of September 30, 2014 (December 31, 2013 – TL 564 thousand). The fair value of these financial assets cannot be measured reliably and stated at cost in the accompanying condensed consolidated financial statements.

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2014 (continued)**

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

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

**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.

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

*Financial Liabilities*

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

**20. Events after balance sheet date**

On October 10, 2014, the vessel named “Kandilli” in the assets of Kandilli Tankercilik A.Ş. with a book value of TL 152.402, which is used in the transportation of liquid fuel gas, was sold for USD 3.000.000 in cash.

On October 13, 2014, a Share Purchase Agreement was signed among Aygaz A.Ş., Koç Holding A.Ş. and AES Mont Blanc Holdings B.V. for the Group’s acquisition of the shares with a nominal value of TL 133.594.282 and equivalent to 24,81% of the shares of the Group’s associate AES Entek Elektrik Üretimi A.Ş. for USD 62.500.000, and the acquisition of the shares with a nominal value of TL 133.594.282 and equivalent to 24,81% by Koç Holding A.Ş., the Group’s parent, from AES Mont Blanc Holdings B.V for USD 62.500.000. The share transfers are expected to be completed after the receipt of EMRA approval and necessary legal permissions and the purchase price is expected to be paid in cash after required approvals.