İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi

Consolidated
Financial Statements
And
Independent Auditors' Report
For the Year Ended December 31, 2011

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INDEPENDENT AUDIT REPORT

To The Board of Directors of
İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi

Introduction

We have audited the accompanying consolidated financial statements of **İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi**, its subsidiaries (together with "Group") which comprise the consolidated balance sheet as of December 31, 2011 and the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes. **(Note:2.03)**

Responsibility of Management in Accordance with Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards published by Capital Market Board (CMB). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of Independent Auditing Company

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing published by Capital Market Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly the consolidated financial position of **İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi** as of December 31, 2011 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with financial reporting standards published by Capital Market Board (CMB).

ÇAĞDAŞ BAĞIMSIZ DENETİM S.M.M.M. A.Ş.
An independent member of IAPA International

ÇAĞDAŞ
Bağımsız Denetim S.M.M.M. A.Ş.
ÖZCAN AKSU
Certified Public Accountant
(İstanbul, April 3, 2012)

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BALANCE SHEET (TL)
(XI-29 CONSOLIDATED)

	Notes	*Audited* 31.12.2011	*Audited* 31.12.2010
ASSETS			
Current Assets		**599.295.104**	**506.260.534**
Cash and Cash Equivalents	6	65.358.568	26.415.870
Financial Investments	7	444.263	100.875
Trade Receivables	10	403.174.146	315.185.436
- Receivables from Related Parties	*10-37*	*2.859.230*	*4.619.012*
- Other	*10*	*400.314.916*	*310.566.424*
Other Receivables	11	327.731	246.748
- Receivables from Related Parties	*11-37*	*162.812*	*96.013*
- Other	*11*	*164.919*	*150.735*
Inventories	13	104.450.889	127.325.894
Other Current Assets	26	25.539.507	36.985.711
Non-Current Assets		**32.984.480**	**31.871.237**
Other Receivables	11	49.241	56.440
Financial Investments	7	64.894	64.894
Investment Property	17	-	124.871
Tangible Fixed Assets	18	29.127.228	28.430.858
Intangible Fixed Assets	19	214.850	59.139
Goodwill	20	2.467.577	2.467.577
Deferred Tax Assets	35	1.060.690	667.458
TOTAL ASSETS		**632.279.584**	**538.131.771**

The accompanying policies and explanatory notes are an integral part of the consolidated financial statements.

ÇAĞDAŞ
Bağımsız Denetim S M M M A Ş

BALANCE SHEET (TL)

(XI-29 CONSOLIDATED)	Notes	*Audited* 31.12.2011	*Audited* 31.12.2010
LIABILITIES			
Short -Term Liabilities		**480.634.053**	**408.392.686**
Financial Liabilities	8	34.590.274	11.424.383
Other Financial Liabilities	9	-	-
Trade Payables	10	395.944.108	365.962.360
-Due to Related Parties	*10-37*	*3.960.356*	*624.144*
-Other	*10*	*391.983.752*	*365.338.216*
Other Payables	11	15.325.840	13.468.858
-Due to Related Parties	*11-37*	*4.385.413*	*4.834.616*
-Other	*11*	*10.940.427*	*8.634.242*
Provision for Tax	35	2.958.982	1.098.634
Provision For Liabilities	22	23.027.029	5.176.795
Other Short-Term Liabilities	26	8.787.820	11.261.656
Long – Term Liabilities		**13.199.846**	**9.301.841**
Financial Liabilities	8	11.732.883	8.285.360
Provision For Employment Termination Indemnities	24	1.466.963	1.016.481
SHAREHOLDERS EQUITY		**138.445.685**	**120.437.244**
Parent Company Shareholders' Equity	27	**124.758.384**	**110.656.770**
Paid-in Capital		56.000.000	56.000.000
Capital Inflation Adjustment Differences		241.113	241.113
Value Increase Funds		-	-
Hedging Funds	7	9.895	79.284
Restricted Reserves		5.671.482	5.109.837
Previous Years' Profit / (Loss)		44.388.033	36.055.067
Net Profit / (Loss) for the Period		18.447.861	13.171.469
Minority Shares	27	**13.687.301**	**9.780.474**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**632.279.584**	**538.131.771**

ÇAĞDAŞ
Bağımsız Denetim S.M.M.M. A.S.

COMPREHENSIVE INCOME STATEMENT (TL) (XI-29 CONSOLIDATED)	Notes	*Audited* 01.01.2011 31.12.2011	*(Re-classified)* *Audited* 01.01.2010 31.12.2010
OPERATING INCOME			
Sales Revenue	28	1.513.546.064	1.228.175.766
Cost of Sales (-)	28	(1.420.802.797)	(1.153.557.084)
GROSS PROFIT		**92.743.267**	**74.618.682**
Marketing, Sales and Distribution Expenses (-)	29	(16.789.949)	(13.493.798)
General Administrative Expenses (-)	29	(19.258.023)	(14.612.412)
Other Operating Income	31	395.771	60.687
Other Operating Expense (-)	31	(1.191.240)	(374.948)
OPERATING PROFIT/(LOSS)		**55.899.826**	**46.198.211**
Financial Income	32	59.350.774	40.029.703
Financial Expenses (-)	33	(86.869.690)	(67.681.475)
CONTINUED OPERATIONS PROFIT BEFORE TAXATION		**28.380.910**	**18.546.439**
Tax Income / (Expense)		**(7.265.906)**	**(4.347.057)**
- Tax Expense for the Period	35	(7.605.354)	(4.626.551)
- Deferred Tax Income	35	339.448	279.494
PROFIT FOR THE PERIOD		**21.115.004**	**14.199.382**
Other Comprehensive Income		**(69.389)**	**79.284**
Change in Hedge Funds	27	(69.389)	79.284
OTHER COMPREHENSIVE INCOME (AFTER TAX)		-	-
TOTAL COMPREHENSIVE INCOME		**21.045.615**	**14.278.666**
Distribution of Period Profit / (Loss)		-	-
Minority Share	27	2.667.143	1.027.913
Main Partnership Share	27	18.447.861	13.171.469
Distribution of Total Comprehensive Income		-	-
Minority Share	27	2.660.804	1.027.913
Main Partnership Share	27	18.384.811	13.250.753
Net Earnings Per Share	36	0,329426	0,235205

The accompanying policies and explanatory notes are an integral part of the consolidated financial statements.

ÇAĞDAŞ
Bağımsız Denetim S.M.M.M. A.Ş.

CASH FLOW STATEMENT (TL)
(XI-29 CONSOLIDATED)

	Notes	*Audited* January 1, 2011 December 31, 2011	*Audited* January 1, 2010 December 31, 2010
A) CASH FLOW PROVIDED FROM OPERATIONS			
CONTINUED OPERATIONS PROFIT BEFORE TAXATION		**28.380.910**	**18.546.439**
Adjustments:			
Depreciation (+)	18-19	1.125.760	840.617
Increase in Provision For Termination Indemnities (+)	24	643.301	521.509
Rediscount on Notes Receivable (+)	10	2.355.440	489.818
Profit (+) / Loss from Sale of Fixed Assets	18-19	39.045	(16.309)
Increase (+) / Decrease (-) in Provision for Debt s	22	17.850.235	1.793.875
Provision for Doubtful Receivables for Current Period (+)	10	1.112.429	438.975
Provision for Nullified Doubtful Receivables (-)	10	(245.616)	(242.705)
Provision for Decrease in Value of Inventories (+)	13	253.717	284.547
Rediscount on Notes Payable (-)	10	(2.796.835)	(626.494)
Provision for Decrease in Value of Affiliates (-)		-	-
Negative Goodwill Income	3	(60.752)	-
Interest Expenses (+)	33	24.279.734	13.146.389
Interest Income (-)	32	(19.649.907)	(8.367.322)
Income from Marketable Securities or Long-term Investments(-)		-	-
Operational Income Before Changes in Working Capital:		**53.287.461**	**26.809.339**
Increase in Trade Receivables /Other Receivables (-)	10-11	(90.048.141)	(85.515.205)
Decrease in Inventories (+)	13	23.484.116	11.274.863
Increase in Marketable Securities with Purchase/Sale Purposes (-)		-	-
Decrease in Trade Receivables /Other Receivables (-)	10-11	33.391.927	106.737.658
Increase (-) / Decrease (+) in Other Current Assets	26	12.650.830	(3.388.036)
Cash Assets from Artım A.Ş.		1.291.909	-
Increase (+) / Decrease (-) in other Liabilities	26	(2.798.992)	(1.356.481)
Other Cash Flows (+) / (-)		(1.381.538)	286.070
Cash Inflow Provided/(Used) From Operating Activities:		**29.877.572**	**54.848.208**
Termination Indemnities Payment (-)	24	(250.053)	(154.297)
Tax Payment (-)	35	(5.745.006)	(5.058.573)
Net Cash Inflow Provided/(Used) From Operating Activities:		**23.882.513**	**49.635.338**
B) NET CASH USED IN INVESTMENT OPERATIONS			
Net Tangible Assets Purchases (-)	3	(1.229.531)	-
Investment property (-)	17	-	(125.500)
Tangible Assets Purchases (-)	18-19	(1.876.669)	(1.265.890)
Cash provided from sale of Tangible and Intangible Assets	18-19	252.995	52.206
NET CASH RELATING TO INVESTMENT OPERATIONS		**(2.853.205)**	**(1.339.184)**
C) CASH FLOW RELATING TO FINANCIAL ACTIVITIES			
Capital Increase		-	-
Change in Cash with Issue Premiums (+)		-	-
Change in Short Term Financial Liabilities (+)	8	22.403.413	(10.731.473)
Change in Long Term Financial Liabilities (+)	8	3.447.523	(2.027.702)
Dividends Payments (-)	27	(4.276.858)	(6.617.827)
Net Interest Income / (Expense)	32-33	(3.673.960)	(4.903.594)
Hedge Funds	7	9.895	79.284
NET CASH RELATING TO FINANCIAL ACTIVITIES		**17.910.013**	**(24.201.312)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**38.939.321**	**24.094.842**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	26.415.870	2.320.888
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	65.355.191	26.415.730

The accompanying policies and explanatory notes are an integral part of the consolidated financial statements.

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Bağımsız Denetim S M M M. A Ş.

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2011

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (TL)
(XI-29 CONSOLIDATED)

Audited

	Notes	Capital	Capital Adjustment Differences	Issue Premiums	Hedge Funds	Restricted Reserves	Previous Year Profit / (Loss)	Net Period Profit / (Loss)	Minority Shares	Total Shareholders' Equity
01.01.2011	**Note-27**	**56.000.000**	**241.113**	**-**	**79.284**	**5.109.837**	**36.055.067**	**13.171.469**	**9.780.474**	**120.437.244**
Capital Increase		-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	13.171.469	(13.171.469)	-	-
Transfers to Reserves		-	-	-	-	561.645	(561.645)	-	-	-
Dividends		-	-	-	-	-	(4.276.858)	-	-	(4.276.858)
Other Comprehensive Income	7	-	-	-	(69.389)	-	-	-	-	(69.389)
Minority Share from Artım A.Ş.		-	-	-	-	-	-		1.239.684	1.239.684
Net Period Profit		-	-	-	-	-	-	18.447.861	2.667.143	21.115.004
31.12.2011	**Note-27**	**56.000.000**	**241.113**	**-**	**9.895**	**5.671.482**	**44.388.033**	**18.447.861**	**13.687.301**	**138.445.685**

Audited

	Notes	Capital	Capital Adjustment Differences	Issue Premiums	Hedge Funds	Restricted Reserves	Previous Year Profit / (Loss)	Net Period Profit / (Loss)	Minority Shares	Total Shareholders' Equity
01.01.2010	**Note-27**	**56.000.000**	**241.113**	**-**	**-**	**4.183.406**	**27.664.383**	**15.934.942**	**8.752.561**	**112.776.405**
Capital Increase		-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	15.934.942	(15.934.942)	-	-
Transfers to Reserves		-	-	-	-	926.431	(926.431)	-	-	-
Dividends		-	-	-	-	-	(6.617.827)	-	-	(6.617.827)
Other Comprehensive Income		-	-	-	79.284	-	-	-	-	79.284
Net Period Profit		-	-	-	-	-	-	13.171.469	1.027.913	14.199.382
31.12.2010	**Note-27**	**56.000.000**	**241.113**	**-**	**79.284**	**5.109.837**	**36.055.067**	**13.171.469**	**9.780.474**	**120.437.244**

The accompanying policies and explanatory notes are an integral part of the consolidated financial statements.

Bağımsız Denetim S.M.M.M. A.Ş.

1 ORGANIZATION AND BUSINESS SEGMENT

İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi was established in 1989 and the activities of the Company are comprised of trade of all kinds of "Information Technology" products for the purpose of wholesale trading. The Company is registered to the Capital Markets Board of Turkey since June 2004 and 15, 34% of the Company's shares are traded on Istanbul Stock Exchange.

As of December 31, 2011 and December 31, 2010, details regarding to Company's subsidiaries, which are subject to consolidation, are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	Purchasing and Selling of Computer and Equipment	10.000.000	59,24	59,24
Neotech Teknolojik Ürünler Dağ. A.Ş. (Neotech)	Purchasing and Selling of Home Electronic Products	1.000.000	80,00	80,00
Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics	5.000.000	99,99	99,99
Artım Bilişim Çözüm ve Dağıtım A.Ş. (Artım) (*)	Purchasing and Selling of Spare Parts of IT Products	1.210.000	51,00	51,00

(*) % 51 of the Artım Bilişim Çözüm ve Dağ. A.Ş. has been acquired on February 7, 2011.

As of December 31, 2011 and December 31, 2010, details regarding to Company's joint ventures, which are subject to consolidation, are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Neteks İletişim Ürünleri Dağıtım A.Ş. (Neteks)	Purchasing and Selling Network Products	1.100.000	50,00	50,00

The financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş. and Artım Bilişim Çözüm ve Dağıtım A.Ş. are consolidated according to "the full consolidation method". The financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. is consolidated according to "the proportionate consolidation method".

The main shareholders of the Company are Nevres Erol Bilecik (%33, 77) and Pouliadis and Associates S.A. (% 35, 56) located in Greece.

The average number of employees for the year 2011 is 369. (December 31, 2010: 316). All personnel are administrative staff.

The Company's official address registered in Trade Registry is Ayazağa District, Cendere Yolu No: 9/1 Şişli, İstanbul. The Company's head office is in Istanbul and it has branches in Ankara, İzmir, Diyarbakır and İstanbul Atatürk Airport Free Zone.

The Group's' subsidiaries as of December 31, 2011 and December 31, 2010 are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Datagate Bilgisayar Malzemeleri A.Ş.	Purchasing and Selling Computer and equipment	10.000.000	59,24	59,24
Neotech Teknolojik Ürünler Dağ. A.Ş.	Purchasing and selling Home Electronic Products	1.000.000	80,00	80,00
Teklos Teknoloji Lojistik Hizmetleri A.Ş.	Logistics	5.000.000	99,99	99,99
İnfin Bilgisayar Ticaret A.Ş.	Purchasing and Selling Computer and equipment (Export-Import)	50.000	99,80	99,80
Artım Bilişim Çözüm ve Dağıtım A.Ş.(*)	Purchasing and Selling of Spare Parts of IT Products	1.210.000	51,00	51,00

(*) % 51 of the Artım Bilişim Çözüm ve Dağ. A.Ş. has been acquired on February 7, 2011.

As of December 31, 2011 and December 31, 2010, details regarding to Company's joint ventures are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Neteks İletişim ürünleri Dağıtım A.Ş.	Purchasing and Selling Network Products	1.100.000	50,00	50,00
Neteks Dış Ticaret Ltd.Şti. (*)	Purchasing and Selling Network Products	5.000	-	49,50

(*)Neteks Dış Ticaret Ltd.Şti is the subsidiary of Neteks İletişim Ürünleri Dağıtım A.Ş. with a rate of 99%.

Hereafter, the Company and the subsidiaries will be referred as ('The Group') in the consolidated financial statements and notes to the financial statements.

2 PRINCIPLES RELATED TO THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 Basic Principles for the Presentation

The Group maintains its books of account and prepares its statutory financial statements in accordance with the regulations of Capital Market Board (CMB) Law, Turkish Commercial Code, Tax Procedural Law and Uniform Chart of Accountants published by Ministry of Finance.

The accompanying consolidated financial statements of the Group were prepared in accordance with the communiqué Serie XI, No: 29 "Communiqué on Financial Reporting at Capital Markets" which was declared by the CMB dated April 9, 2008 with No: 26842.

This communiqué has become valid for the first interim financial statements after January 01, 2008. Based on 5th clause of this communiqué, companies applying International Accounting / Financial Reporting Standards (IAS/ IFRS) , which were accepted by European Union and financial statements are disclosed in s appropriate to IAS/ IFRS.Turkish Accounting/Financial Reporting Standards which were published by Turkish Accounting Standards Board, are based and consistent with IAS/ IFRS. Group's consolidated financial statements were prepared in accordance with the communiqué Serie XI, No: 29 and s to the consolidated financial statements were presented according to the format obliged by the CMB with the declaration dated April 14, 2008.

As of April 3, 2012 the Group's financial statements were approved and signed by its Board of Directors for the period January 1- December 31, 2011. General Assembly has a right to change financial statements.

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

According to the decision, dated March 17, 2005 with No: 11/367, made by the Capital Market Board, the inflation accounting has been no longer effective as of 2005 and the accompanying consolidated financial statements have not been adjusted since January 1, 2005. Nonmonetary values, which are in the accompanying consolidated financial statements, exist with valued as of December 31, 2004 in accordance with International Accounting Standards No. 29 "Financial Reporting on Hyper-Inflationist Economies".

2.03 Consolidation Principles

Subsidiaries are the companies, whose shares are held by the Company directly or indirectly through shares of other companies. As a result, the Group with or without over 50% of voting right, has the power and authority to direct and control the management and policies of the subsidiary companies whether through the ownership of voting securities, by contract or otherwise.

Balance Sheet and Income statements of the subsidiaries are consolidated according to "full consolidation method" and book value and capital of the Group's subsidiary are adjusted accordingly. Transactions and balances between the Company and Subsidiaries are eliminated during consolidation.

Minority interests show minority shareholders' share in the subsidiaries' assets and result of operations for the related period. These details are to be expressed separately in consolidated Balance Sheet and Income Statement. If losses related to minority interest are over benefits from shares of a subsidiary and if there is no bounding liability to the minorities, in general, these losses related with the minorities result against to benefits of the minorities.

Companies under common control of the Group are described as Joint Managing Companies. The Group has significant impact on financial and operating policies of these companies.

The current shares in the subsidiaries as of December 31, 2011 and December 31, 2010 are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Datagate Bilgisayar Malzemeleri A.Ş.	Purchasing and Selling Computer and Equipments	10.000.000	59,24	59,24
Neotech Teknolojik Ürünler Dağ. A.Ş.	Purchasing and Selling Home Electronic Products	1.000.000	80,00	80,00
Teklos Teknoloji Lojistik Hizmetleri A.Ş.	Logistics	5.000.000	99,99	99,99
İnfin Bilgisayar Ticaret A.Ş.	Purchasing and Selling Computer and Equipments (Export-Import)	50.000	99,80	99,80
Artım Bilişim Çözüm ve Dağıtım A.Ş. (*)	Purchasing and Selling of Spare Parts of IT Products	1.210.000	51,00	51,00

(*) % 51 of the Artım Bilişim Çözüm ve Dağ. A.Ş. has been acquired on February 7, 2011.

As of December 31, 2011 and December 31, 2010, details regarding to Company's joint ventures are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Neteks İletişim ürünleri Dağıtım A.Ş.	Purchasing and Selling Network Products	1.100.000	50,00	50,00
Neteks Dış Ticaret Ltd.Şti. (*)	Purchasing and Selling Network Products	5.000	-	49,50

(*)Neteks Dış Ticaret Ltd.Şti is the subsidiary of Neteks İletişim Ürünleri Dağıtım A.Ş. with a rate of 99%.

Hereafter, the Company and the subsidiaries will be referred as ('The Group') in the consolidated financial statements and notes to the financial statements.

The financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş. and Artım Bilişim Çözüm ve Dağıtım A.Ş. are consolidated for using direct consolidation method, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. is consolidated by using partial consolidation method.

Balance Sheets and Income statements of the subsidiaries are consolidated according to "full consolidation method" and "partial consolidation method", and book value and capital of the Company's subsidiaries are adjusted accordingly. Transactions and balances between the Company and subsidiaries are eliminated during consolidation.

Minority interests show minority shareholders' equity in the subsidiaries' assets and result of operations for the related period. These details are expressed separately in consolidated balance sheet and Profit/Loss Statement. If losses related to minority interest are over benefits from shares of a subsidiary and if there is no bounding liability to the minorities, in general, these losses related with the minorities can result against to benefits of the main shareholders.

Financial Information of Companies which are subjected to Partial Consolidation Method

Parent and subsidiary companies which are not subjected to consolidation and the subsidiary related with management, auditing, and capital are as follows:

Subsidiary	**Participation Rate %**	**Participation Amount in TL**
İnfin Bilgisayar Ticaret A.Ş.	99,80	62.419
Neteks Dış Ticaret Ltd.Şti. (*)	49,50	2.475
Total		**64.894**

(*)Neteks Dış Ticaret Ltd.Şti is the subsidiary of Neteks İletişim Ürünleri Dağıtım A.Ş. with a rate of 99%.

İnfin Bilgisayar Ticaret A.Ş. and Neteks Dış Ticaret Limited Şirketi were not consolidated to the fact that they are both insignificant and do not have material effect on the Group's consolidated financial statements. These subsidiaries are classified as financial assets available for sale in consolidated financial statements. The summary financial information of mentioned companies is discloses in **Note: 7**.

Comparison between financial outcomes of companies which are not subjected to consolidation and financial outcomes of consolidated financial statements as of December 31, 2011 is as follows;

Financial Outcomes of 2011	**Total Asset**	**Total Equity**	**Net Sales**	**Period Income**
Companies which are not subjected to consolidation	10.093.670	213.995	22.294.579	(211.073)
Consolidated Financial Statements	632.279.584	138.445.685	1.513.546.064	18.447.861
%	**1,60%**	**0,15%**	**1,47%**	**(1,14)%**

Comparison between financial outcomes of companies which are not subjected to consolidation and financial outcomes of consolidated financial statements as of December 31, 2010 is as follows;

Financial Outcomes of 2010	**Total Asset**	**Total Equity**	**Net Sales**	**Period Income**
Companies which are not subjected to consolidation	7.158.065	425.158	28.165.752	78.690
Consolidated Financial Statements	538.131.771	120.437.244	1.228.175.766	13.171.469
%	**1,33%**	**0,35%**	**2,29%**	**0,60%**

Significant part of items, which are located in total asset and sales, are eliminated during the consolidation even though these companies are subjected to consolidation. Considered other matters when mentioned companies are excluded from the consolidation, are as follows;

These companies have not got significant assets and liabilities which are out of balance sheet. Moreover these companies have not got significant assets such as fixed assets etc.

On the lights of above given data all these companies were not subjected to consolidation due to all quantitative and qualitative evaluations and on the lights of above given data indicate that these companies do not effect to financial outcomes significantly.

2.04 Comparative Information and Adjustment of the Previous Consolidated Financial Statements

The comparative financial statements have been presented to enable to perform the financial position and the performance trend analysis. All necessary adjustments have been made in prior financial statements to present consistent and comparative financial statements.

The adjustment transactions which have been made in prior period's income statement are as follows.

Income Statement

The provision expense for value decrease in inventories amounted **284.547 TL** which is presented under the operational expenses in the income statement for the period January 1, 2010 - December 31, 2010 is classified under the cost of sales in the current period. As a result of this classification the operational expenses are decreased by **284.547 TL** and cost of sales are increased by **284.547 TL**. The classifications do not have any effect on the prior period's profit / loss, shareholders' equity, total assets, etc.

2.05 Offsetting

The financial assets and liabilities in the financial statements are offset and the net amount reported in the balance sheet, where there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.06 Changes in Accounting Policies

The changes to the current accounting policies can be performed if it is necessary or the changes will provide more appropriate and reliable presentation of the transactions and to the events related financial position, performance and the cash flow of the Group that affect the financial statements of the Group. If the changes in accounting policies affects the prior periods, policy is applied to the prior period financial statements as if it is applied before.

2.07 Changes in Accounting Estimates and Errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. On the other hand, if the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted.

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements. However; if the effect of the accounting estimate to the financial statement cannot be determined, then it is not disclosed in the notes to the financial statements. The Group is applying the accounting estimates to determine the doubtful receivables, the value decrease in fixed assets and inventory, the useful lives of the fixed assets, contingent liabilities, actuarial assumptions for the termination indemnities, etc. There is no change in accounting estimates in the current period. Accounting estimates applied by the Group are disclosed below in the related parts of the footnotes.

2.08 Summary of Significant Accounting Policies

2.08.01 Income

The Group recognizes income according to the accrual basis, when the Group reasonably determines the income and economic benefit is probable. Group's income mainly consists of sales of computer and computer equipments as PC, laptop, electronic home products, networking products, etc. All the sales are operated via dealers and there are not any direct sales to end customers. Net sales are calculated by deducting sales return and sales discounts from total sales.

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

- The significant risks and the ownership of the goods are transferred to the buyer;
- The Group refrains the managerial control over the goods and the effective control over the goods sold;
- The revenue can be measured reasonably;
- It is probable that the the economic benefits related to transaction will flow to the entitiy;
- The costs incurred or will be incurred in conjuction with the transaction can be measured reliably.

The most of the products sold by the Group has foreign origin. The purchases are made from foreign companies, offices of foreign companies in Turkey or domestic companies in Turkey. Depending upon the realization of the targets given by the domestic or foreign companies; a set of payments are received or offsetting the accounts under the name of "rebate", "risturn", "sell out", or "bonus". The mentioned amounts are recognised as credit note income accruals in the balance sheet depending upon the realization of the targets and conditions given by the sellers. The documents prepared by sellers under the name of "rebate", "risturn", "sell out", "bonus", and "credit note" (or Invoices prepared by the Group) is collected or offsetted. Credit notes obtained from inventories are discounted from cost of inventories. The remaining balance is recognised as "Other Sales" in the sales of the Group.

Interest revenue is accured on a time basis, by reference to the principal outstanding and at the effective interest rate applicaple, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

When there is significant amount of cost of financing included in the sales, the fair value is determined by discouting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The differences between the fair value and the nominal value is recorded as interest income according to the accrual basis.

2.08.02 Inventories

Inventories are stated either at the lower of acquisition cost or net realizable value. Group's inventories consist of computer and computer equipments like PC, laptop, electronical home products, network products, etc.
The inventory costing method used by the Group is "First in First out (FIFO)". Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.08.03 Tangible Fixed Assets

For Assets acquired in and after 2005, the tangible assets are reflected to the consolidated financial statements by deducting their accumulated depreciation from their cost. For assets that were acquired before January 01, 2005, the tangible fixed assets are presented on the consolidated financial statements based on their cost value, which is adjusted according to the inflationary effects as of December 31, 2004. Depreciation is calculated using the straight-line method based on their economic lives. The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation.

Type	December 31, 2011 Rate (%)	December 31, 2010 Rate (%)
Land Improvements	10	10
Buildings	2	2
Machinery, Plant and Equipment	10-20	10-20
Motor Vehicles	10-25	10-25
Furniture and Fixtures	10-33	10-33
Leasehold Improvements	10-33	10-33

Lands are not subject to depreciation since they have unlimited useful lives.

Tangible fixed assets are rewiewed in terms of impairment for each balance sheet period. If the carrying value of a tangible fixed asset is more than its expected net realizable value, then the carrying value is reduced to its net realizable value by making the necessary provisions. There is no provision for decrease in value of tangible fixed assets.

The profit and loss arisen from fixed asset sales are determined by comparing the net book value with the sales price and the result is added to the operating profit or loss.

Maintenance and repair expenses are accounted as expense at their realization date. If the maintenance and repair expenses clearly improve the economic value or performance of the related asset then they are capitalized.

2.08.04 Intangible Assets

Intangible Assets contains acquired assets by sales such as computer software programs and computer software licences. There is no intangible asset created within the structure of business.

Intangible assets acquired before January 1, 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in the year 2005 and purchased after 2005 are carried forward at their acquisition cost less accumulated amortization.

Amortization is calculated using the straight-line method between 5 and 10 years period. Art objects are not subjected to depreciation due to their indefinite useful life.

Intangible fixed assets are rewieved in terms of impairment for each balance sheet period. If the carrying value of a tangible fixed asset is more than its expected net realizable value, then the carrying value is reduced to its net realizable value by making the necessary provisions. There is no provision for decrease in value of tangible fixed assets.

2.08.05 Impairment of Assets

Assets such as goodwill which has infinite life are not subjected to amortization. Impairment test is applied for these assets for each year. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

According to the Group Management's assessment; There is no such a situation that may cause impairment for tangible, intangible assets and investment properties. These assets' net book value as of December 31, 2011 is **29.342.078 TL** and this amount consist of real estates for **25.894.007 TL** and art objects for **128.372 TL**. It has been predicted that the mentioned assets' market values are over their net book values. The remaining assets except from mentioned assets consist of vehicles and furniture&fixtures for administrative purposes. These assets' insurance values and replacement values are over their book values.

2.08.06 Research and Development Expenses

None.

2.08.07 Borrowings Costs

The borrowing costs are recognized as expense when they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. The capitalization of borrowing costs as part of the cost of a qualifying asset shall commence, when expenditures and borrowing costs for the asset are incurred, continues until that asset becomes available for sale. Expenditures on a qualifying asset include only those expenditures that have resulted in payments of cash, transfers of other assets or the assumption of interest-bearing liabilities. There are no capitalized borrowing costs in current period related to qualifying assets.

2.08.08 Financial Instruments

(i) Financial Assets

Investments are recognized and derecognized on transaction date where the purchase and sales of an investment is under a contract, terms of which require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

Financial assets are classified as "financial assets, whose fair value differences are reflected to the profit or loss", "financial assets held to the maturity", "financial assets available for-sale" and "loans and receivables."

Prevailing Interest Method;

Prevailing interest method is the assessment of financial asset with their amortized cost and allocation of interest income to the relevant period. Prevailing interest rate is a rate that discounts the estimated cash flow of the financial instruments for the expected life or where appropriates a shorter period.

Income related to financial assets, except the "financial assets, whose fair value differences are reflected to the profit or loss", is calculated by using the prevailing interest rate.

a) Financial Assets Whose Fair Value Differences Are Reflected to the Profit or Loss

"Financial assets whose fair value differences are reflected to the profit or loss", are the financial assets that are held for trading purposes. If a financial asset is acquired for trading purposes, it is classified in this category. Also, derivative instruments, which are not exempt from financial risk, are also classified as "Financial assets whose fair value differences are reflected to the profit or loss". These financial assets are classified as current assets.

b) Financial Assets Which Will Be Held to the Maturity

Debt instruments, which the Group has the intention and capability to hold to maturity, and/or have fixed or determinable payment arrangement, are classified as "Investments Held to the Maturity". Financial asset that will be held to the maturity, are recorded after deducting the impairment from the cost basis, which has been amortized with prevailing interest method. All relevant income is calculated using the prevailing interest method.

c) Financial Assets Available-For-Sale

Financial assets, which are "Available-for-Sale", are either financial assets, which will not be held to maturity or financial assets, which are not held for trading purposes. Financial assets Available-for-Sale are recorded with their fair value if their fair value can be determined reliably. Marketable securities are shown at their cost basis unless their fair value can be reliably measured or have an active trading market. Profit or loss pertaining to the financial assets Available-for-Sale is not recorded on the income statement. The fluctuation in the fair value of these assets is shown in the statement of shareholders' equity. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized is included in profit or loss for the period. Provisions recorded in the income statement pertaining to the impairment of financial asset Available-for-Sale cannot be reversed from the income statement in future periods.
Except equity instruments classified as available-for-sale, if impairment loss decreases in next period and if therein decreasing can be related to an event occurred after the accounting of impairment loss, impairment loss accounted before can be cancelled in income statement.

d) Loans and Receivables

Trade receivables, other receivables, and loans are initially recognized at their fair value. Subsequently, receivables and loans are measured at amortized cost using the effective interest method. In the case of interest on loans and receivables negligible, registered value of loan and receivables is accepted as fair value.

Impairment of financial assets

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

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents are cash, demand deposit and other short-term highly liquid investments, which their maturities are three months or less from the date as of acquisition, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(ii) Financial Liabilities

Financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all the liabilities. Accounting policies determined for the financial liabilities and the financial instruments based on equity are explained below.

Financial liabilities are classified as either "financial liabilities whose fair value differences are reflected to the profit /loss" or other financial liabilities.

a) Financial Liabilities Whose Fair Value Differences Are Reflected to the Profit /Loss

"Financial liabilities whose fair value differences are reflected to the profit /loss" are recorded with their fair value and are re-evaluated at the end of each balance sheet date. Changes in fair values are recorded on the income statement. Net earnings and/or losses recorded on the income statement also include interest payments made for this financial liability.

b) Other Financial Liabilities

Other financial liabilities are initially recognised with their fair values free from transaction costs.

Other financial liabilities are recognised over their amortized costs using the effective interest method and with interest costs calculated over effective interest rate in subsequent periods. The effective interest method is the calculation of the amortized costs of the financial liabilities and the distribution of the related interest expenses to related periods.

(iii) Derivative Financial Instruments

The Group has agreement in foreign currency futures markets. Derivative financial instruments are recognised with its market value on the date of derivative contracts signed and re-assessed with its market value.

The difference between the fair value as of December 31, 2011 and the cost value of the forward contracts as of December 31, 2011 is recognised under the shareholders' equity within the scope of "IAS 39 Hedge Accounting."

The gain or loss realized from the increase or decrease in the fair value of the derivative instruments which do not meet the conditions for hedge accounting is recognised in profit or loss.

The fair value is determined by the appropriate one of possible valid market values, otherwise discounted cash flows and option pricing models. The derivatives with positive fair value is recognised as an asset and with negative fair value is recognised as a liability under the balance sheet. **(Note: 7)**

2.08.09 Effects of Currency Fluctuations

All transactions, denominated in foreign currencies, are converted into TL by the exchange rate ruling at the transaction date. All foreign currency denominated monetary assets and liabilities stated at the balance sheet are converted into TL by the exchange rate ruling at the balance sheet date. Foreign exchange gains and/or losses as a result of the conversions are recorded in the income statement. Group uses same foreign currency in their sales and purchase transaction. Therefore Group does not contain important currency risk.

2.08.10 Earnings per Share

Earnings per share in the income statement are calculated by dividing net income by the weighted average number of common shares outstanding for the period.

In Turkey, companies are allowed to increase their share capital by distributing "bonus shares" from retained earnings. These bonus shares are deemed as issued shares while calculating the net earnings per share. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2.08.11 Subsequent Events

Subsequent events cover all events that occur between the balance sheet date and the publication date of the financial statements. If there is substantial evidence that the subsequent events existed or arise after the balance sheet date, these events are disclosed and explained in the notes to the financial statements.

2.08.12 Provisions, Contingent Liabilities and Assets

A provision is recognized when an entity has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made of the amount of the obligation Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate (or rates) is a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The increase in provisions arisen from time differences is recorded as interest expense in case of discounting. Future events that may affect the amount required to settle an obligation shall be reflected in the amount of a provision where there is sufficient objective evidence that they will occur. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities and assets are not reflected to consolidated financial statements but disclosed in the notes to the consolidated financial statements. The entity recognizes a provision for the part of the obligation, for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

2.08.13 Leasing Operations

The Group as Lessee

Financial Leases

Financial leases are described which the lessor retains all the risks and benefits pertaining to the goods. Financial leases are taken into the accounts according to lower current market value or minimum lease payments.

The liability arising from a financial leasing transaction is separated into interest payable and principal debt in order to determine a fixed interest rate on the remaining balance. The costs and expenses incurred at the initial acquisition of the fixed asset subject to financial leasing are added to the cost. The fixed assets obtained through financial leasing are subject to depreciation over their estimated useful lives.

Information of net book value of Group's assets, which are subject to lease, stated on Note: 18. Information related with Group's financial leasing debt stated on **Note: 8**.

Operating Leases

Lease agreements in which the lessor retains all the risks and benefits relating to the good are described as operational leasing. Lease payments made for an operational leasing are recorded as expense according to normal method throughout the lease term.

The Group as Lessor

Operating Leases

The Group presents assets subject to operating leases in their balance sheet according to the nature of the asset. Lease income from operating leases is recognized as income according to the normal method. The initial direct costs incurred during operational leasing are reflected to income statement as expense. Group's Lease agreements as a lessor, are related with leasing to small part of the main building where Group's operating, to other non-consolidated companies and to another company which is not include the Group, as a office and store.

2.08.14 Related Party Disclosures

The partners' of the Company, Company's Board of Directors, Company's management personnel, Company's other directors, close family members in the charge of the Company, and other companies directly or indirectly controlled by the Company are considered as related parties. The transactions with related parties are disclosed in the **Note: 37**.

2.08.15 Government Grants and Assistance

None.

2.08.16 Investment Property

There is no investment property of Group as of December 31, 2011. Investment properties which are held as of December 31, 2010 are sold in 2011. Until the sale date, Investment properties are recognised according to the following principles.

Real Estates held to earn rentals or for capital appreciation are classified as Investment Properties and they are recognised at their cost value less accumulated depreciation and accumulated impairments. The cost of the change of a part of real estate is added if the generally accepted conditions are meet. But daily maintenance expenses are not added to mentioned amount.

Intangible assets are depreciated on a straight-line basis over their expected useful lives and the depreciation rate is % 2 per annum.

If the investment property is out of use or sold, they are removed from the balance sheet and the gain or loss from sale of investment property is recognised under the income statement.

2.08.17 Taxation and Deferred Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

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

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

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

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

Current and deferred tax for the period

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

Taxes stated in financial statements contain changes in current and deferred taxes for the period. The Group calculates current period tax and deferred tax over the period results.

Offsetting Tax Income and Liabilities

Corporate tax amounts are offset with prepaid corporate tax as they are related. Deferred tax assets and liabilities are also offset.

2.08.18 Retirement Pay

According to Turkish Labor Law, employee termination benefit is reflected in the financial statements, when the termination indemnities are deserved. Such payments are considered as being part of defined retirement benefit plan as per IAS No.19 "Employee Benefits".

Termination indemnity liability is reflected to the financial statements with the amount calculated for value at balance sheet date of lump pension in the next years by discounting by adequate interest rate. Interest cost added to the lump pension expense is shown as interest expense in the results of operations.

2.08.19 Statement of Cash Flow

Cash and cash equivalents are stated at their fair values in the balance sheet. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments.

On cash flow statement, the Group classifies period's cash flows as investment and financing activities. Cash inflow provided from operating activities denotes cash inflow provided from main activities of the Group.

Cash flow concerned with investment activities shows cash used and provided from investment activities (asset investments and financial investments).

Cash flow concerned with financial activities represents sources used from financial activities and pay-back of these funds.

2.08.20 Income Accruals

The most of the products sold by the Group has foreign origin. The purchases are made from foreign companies, offices of foreign companies in Turkey or domestic companies in Turkey. Depending upon the realization of the targets given by the domestic or foreign companies; a set of payments are received or offsetting the accounts under the name of "rebate", "ristum", "sell out", or "bonus". The mentioned amounts are recognised as credit note income accruals in the balance sheet depending upon the realization of the targets and conditions given by the sellers. The documents prepared by sellers under the name of "rebate", "ristum", "sell out", "bonus", and "credit note" (or Invoices prepared by the Group) is collected or offsetted.

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2.08.21 Provisions for Warranty

The Group is a distributor of the information technologies in Turkey. The warranties of the products sold are provided by the companies assigned by the producers. The products submitted to Company from dealers and these products are sent to producers or companies assigned by the producers for repair and maintenance. After the repair and maintenance, if there is a need to change or give a new product to customers within the scope of the warranty, the amount of the products are invoiced to producer companies. The Group has no liability of provisions for warranty.

2.09 New and Revised International Financial Reporting Standards

i) Amendments and interpretations that have become effective after January 1, 2011 are as follows:

- IAS 24 (Revised) "Related-Party Disclosures" (The amendment is effective for financial period beginning on and after January 1, 2011.) Revision on the related party disclosures related to entities with significant state ownership.

- IAS 32 (Amendment) "Financial Instruments Presentation" (The amendment is effective for financial period beginning on and after February 1, 2011.) Proposals related with the issue of rights which are in exchange for certain foreign currency amounts and accounted as a derivative instruments.

- IAS 1 (Amendment) "Presentations of Financial Statements" (The amendment is effective for financial period beginning on and after January 1, 2011) the analysis of comprehensive income statement are allowed to be disclosed in footnotes or the statement of changes in shareholders' equity.

- IFRS 1 (Amendment) (The amendment is effective for financial period beginning on and after July 1, 2010) Limited exemptions for comparative IFRS 7 notes

- IFRIC 14 (Amendment) "Minimum Funding Requirements" (The amendment is effective for financial period beginning on and after January 1, 2011) The amendment permits such an entity to treat the benefit of such an early payment as an asset

- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (The amendment is effective for financial period beginning on and after July 1, 2011) Explanations related with the circumstances that when entities are renegotiating the terms of financial liabilities with their creditors and the creditors agree to accept entities shares or other equity instruments to settle the financial liability.

<u>May 2010, Annual Improvements</u>

IASB has published explanations related with the below mentioned 6 standards / comments in May 2010 in addition to above mentioned amendments and revised standards.

IFRS1, "First-time Adoption of International Financial Reporting Standards"
IFRS 3, "Business Combinations"
IFRS 7, "Financial Instruments: Disclosures"
IAS 27 "Consolidated and Separate Financial Statements"
IAS 34, "Interim Financial Reporting"
IFRIC 13, "Customer Loyalty Programs"

These changes do not have impact on the financial statements of the Group.

ii) Amendments and interpretations that are not effective or an early adoption is not used by the Group as of December 31, 2011 are as follows;

- IFRS 9 "Financial Instruments" (The new standard is effective for annual periods beginning on or after January 1, 2013. Early adoption is permitted.) This standard requires that the financial assets must be classified based on the characteristic of cash-flows based on the models and agreements which are used to

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manage the financial assets and also standard requires that financial assets must be evaluated with their fair value or their amortized costs. This standard has not yet been endorsed by the EU.

- IFRS 7 (Amendment) "Financial Instruments: Disclosures" (The amendment is effective for annual periods beginning on or after July 1, 2011). Explanations related with examination of the off-balance sheet transactions have been made. Regulations have been made to allow the users of financial information to improve their understanding of transfer transactions and possible effects of any risks that may remain with the entity which transferred the assets.

- IAS 12 (Amendment) "Income Taxes:" (The amendment is effective for annual periods beginning on or after January 1, 2012. Early adoption is permitted) Updates related with the calculation of deferred tax on investment properties according to the carrying value of real estate sales basis. This standard has not yet been endorsed by the EU.

- IFRS 10 "Consolidated Financial Statements" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis) The standard replaces the IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This standard has not yet been endorsed by the EU.

- IFRS 11 "Joint Arrangements:" (Standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new standard may be early adopted, requiring that IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities are also early adopted.) The standard is with regard to the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted to account for joint ventures. This standard has not yet been endorsed by the EU.

- IFRS 12 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis. This new Standard may be early adopted, requiring that IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements are also early adopted.) Footnote disclosures related with the affiliates have been determined. This standard has not yet been endorsed by the EU.

- IFRS 13 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis. This new Standard may be early adopted, requiring that IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements are also early adopted.) Advance level of explanations has been made related with the consolidated and separate financial statements in which Company has participation. This standard has not yet been endorsed by the EU.

- IAS 27 (Amendment) "Separate Financial Statements" As a consequential to IFRS 10 some amendments have been made. IAS 27 only consists of accounting for subsidiaries, jointly controlled entities and affiliates in separate financial statements. This standard has not yet been endorsed by the EU.

- IAS 28 (Amendment) "Investments in Associates and Joint Ventures:" As a consequential to IFRS 11 some amendments have been made. With this amendment IAS 28 consists of associates and joint ventures. After amendment IAS 28 only consist of accounting of subsidiaries, joint ventures and affiliates separate financial statements. This standard has not yet been endorsed by the EU.

- IAS 1 (Amendment) "Presentation of Financial Statements:" (Standard is effective for annual periods beginning on or after July 1, 2012 The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. This standard has not yet been endorsed by the EU.

- IFRIC 20 "Costs associated with waste removal in surface mining" :" (The amendment is effective for annual periods beginning on or after January 1, 2011. Early adoption is permitted) An interpretation clarifying the requirements for accounting for stripping costs in the phase of a surface mine.

Management of the Group has the opinion that the implementations of the standards stated above does not have an important effect of the Group's financial statements at subsequent periods.

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3 BUSINESS COMBINATIONS

The Company has acquired % 51 of Artım Bilişim Çözüm ve Dağ. A.Ş. on February 7, 2011. The financial statements of Artım Bilişim Çözüm ve Dağ. A.Ş. is included into the consolidation process from beginning of 2011. The summary financial statements and the calculation of goodwill are as follows;

Financial Statement Item	**December 31, 2010**
Current Assets	4.840.349
Non-Current Assets	171.844
Total Assets	**5.012.193**
Short-term Liabilities	2.424.992
Long-term Liabilities	57.234
Shareholders' Equity	2.529.967
Total Shareholders' Equity	**5.012.193**

Acquisition Amount	1.229.531
Shareholders' Equity (% 51)	1.290.283
Negative Goodwill	**60.752**

All of the negative goodwill is recognised under other income.

4 BUSINESS PARTNERSHIPS

The Company's joint managing company Neteks İletişim Ürünleri Dağıtım A.Ş. is recognised according to the proportionate consolidation method. The summary financial information of mentioned company is as follows.

Financial Statement Item	**December 31, 2011**	**December 31, 2010**
Current Assets	74.497.310	42.657.724
Non-current Assets	215.897	197.745
Total Assets	**74.713.207**	**42.855.469**
Short-term Liabilities	67.045.655	38.003.364
Long-term Liabilities	31.299	16.960
Shareholders' Equity	7.636.253	4.835.145
Total Shareholders' Equity	**74.713.207**	**42.855.469**
Financial Statement Item	**January 1, 2011 December 31, 2011**	**January 1, 2010 December 31, 2010**
Sales	168.156.805	107.884.168
Gross Profit	10.009.912	5.752.937
Operating Profit	5.562.743	2.675.971
Net Profit	2.801.107	1.547.921

5 REPORTING FINANCIAL INFORMATION BY SEGMENTS AND GEOGRAPHIC AREAS

Group has reported its financial information by information technologies and logistics. Information technologies consist of sale of computer and its components such as PC, notebook, electronical home products, networking products, etc. The gross profit / loss information of operations as of periods ends are as follows;

01.01.2011-31.12.2011

Income Statement	Information Technologies	Logistics	Total	Elimination	Consolidated
Sales Income	1.509.187.050	8.117.401	1.517.304.451	(3.758.387)	1.513.546.064
Cost of Sales (-)	(1.420.054.200)	(748.597)	(1.420.802.797)	-	(1.420.802.797)
Gross Profit / Loss	**89.132.850**	**7.368.805**	**96.501.655**	**-**	**92.743.267**
Operating Expenses (-)	(36.547.858)	(3.258.501)	(39.806.359)	3.758.387	(36.047.972)
Other Income	350.005	45.766	395.771	-	395.771
Other Expense (-)	(1.098.771)	(92.469)	(1.191.240)	-	(1.191.240)
Operating Profit / (Loss)	**51.836.225**	**4.063.601**	**55.899.826**	**-**	**55.899.826**
Financial Income	59.067.939	1.449.881	60.517.820	(1.167.046)	59.350.774
Financial Expense(-)	(87.824.550)	(212.186)	(88.036.736)	1.167.046	(86.869.690)
Profit / Loss Before Tax	**23.079.615**	**5.301.295**	**28.380.910**	**-**	**28.380.910**
Total Assets	**606.158.957**	**33.721.095**	**639.880.052**	**7.600.468**	**632.279.584**
Total Liabilities	**500.353.747**	**1.080.619**	**501.434.367**	**7.600.468**	**493.833.899**

01.01.2010-31.12.2010

Income Statement	Information Technologies	Logistics	Total	Elimination	Consolidated
Sales Income	1.225.310.157	6.160.060	1.231.470.217	(3.294.451)	1.228.175.766
Cost of Sales (-)	(1.152.856.037)	(701.047)	(1.153.557.084)	-	(1.153.557.084)
Gross Profit / Loss	**72.454.120**	**5.459.013**	**77.913.133**	**-**	**74.618.682**
Operating Expenses (-)	(29.323.147)	(2.077.514)	(31.400.661)	3.294.451	(28.106.210)
Other Income	49.773	10.914	60.687	-	60.687
Other Expense (-)	(370.968)	(3.980)	(374.948)	-	(374.948)
Operating Profit / (Loss)	**42.809.778**	**3.388.433**	**46.198.211**	**-**	**46.198.211**
Financial Income	40.084.082	314.829	40.398.911	(369.208)	40.029.703
Financial Expense(-)	(67.776.265)	(274.418)	(68.050.683)	369.208	(67.681.475)
Profit / Loss Before Tax	**15.117.595**	**3.428.844**	**18.546.439**	**-**	**18.546.439**
Total Assets	**510.238.515**	**29.396.505**	**539.635.020**	**1.503.249**	**538.131.771**
Total Liabilities	**418.217.671**	**980.105**	**419.197.776**	**1.503.249**	**417.694.527**

6 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the periods December 31, 2011 and December 31, 20010 are as follows:

Account Name	December 31, 2011	December 31, 2010
Cash	56.598	32.821
Bank (Demand Deposits)	38.755.250	24.326.634
Liquid Funds	1.796	-
Financial Assets held until Maturity (Reverse Repo)	26.308.719	1.000.140
Credit card slips	236.205	1.056.275
Total	**65.358.568**	**26.415.870**

Maturities of credit card slips are 1 or 3 days for the current and prior period.

Maturity of Reverse Repo transactions are 3 day and interest income of TL 3.377 is accrued. Reverse repo transaction currency is made in TL and USD and interest rate of reverse repo transaction for USD is % 0,21 - % 2,22 and for TL is % 6,27- % 8,38.

Maturity of Reverse Repo transactions are 1 day and interest income of TL 140 is accrued. Reverse repo transaction currency is made in TL and Interest rate of reverse repo transaction is % 5, 10.

There is no lien and blocked amounts on cash and cash equivalents as of December 31, 2011 (December 31, 2010: None.)

Cash and cash equivalents have been indicated as accrued interest income deducted from cash and equivalents in Group's cash flow statements.

Account Name	December 31, 2011	December 31, 2010
Cash and Equivalents	65.358.568	26.415.870
Accrued Interest Income (-)	(3.377)	(140)
Total	**65.355.191**	**26.415.730**

7 FINANCIAL ASSETS & INVESTMENTS

Short- Term Financial Assets & Investments

All short term financial investments consist of stock investments and they are classified as financial assets whose fair value differences are reflected to profit or loss and derivative financial instruments which are recognized with their fair value. Details are shown below;

Account Name	December 31, 2011	December 31, 2010
Shares	109	214
Derivative Instruments	444.154	100.661
Total	**444.263**	**100.875**

Group's Stock investments consist of shares which are traded in Istanbul Stock and Exchange Market (ISEM).

As of December 31, 2011 Group has made a contract amounted 13.921.635 USD for forward purchase commitments. 12.069.470 USD has 0-3 months maturity while 1.852.165 USD has 3-12 months maturity. The fair value of these contracts is 25.852.423 TL as of December 31, 2011 and the revaluation surplus 12.370 TL is recognized as "hedging funds" under the shareholders' equity while revaluation surplus 431.784 TL is recognized as an income in financial statements . The deferred tax liability related with the revaluation surplus is 2.474 TL is offsetted from hedging funds.

Group has been made a forward foreign exchange purchase commitments amounted USD 21.126.341 as of December 31, 2010. The fair value of this contract is 3.186.663 TL as of December 31, 2010. 1.556 TL of revaluation surplus is considered as income and amount of 99.105 TL considered as '' hedging fund'' under the shareholder's equity. Amount of 19.821 TL Deferred Tax Liabilities which is related with revaluation surplus, has been offsetting from hedging fund.

Long –Term Financial Assets & Investments

All long term financial investments are consist of Financial Assets Ready for Sale.

Details of Financial Assets Available for Sale are as follows:

	December 31, 2011	December 31, 2010
Shares	64.894	64.894
- Listed stocks	-	-
-Unlisted stocks	*64.894*	*64.894*
Total	**64.894**	**64.894**

Unlisted stock investments are as follows;

	December 31, 2011		December 31, 2010	
Company Name	Share Amount	Rate (%)	Share Amount	Rate (%)
İnfin A.Ş.	62.419	99,80	62.419	99,80
Neteks Dış Tic. Ltd.Şti.	2.475	49,50	2.475	49,50
Total	**64.894**		**64.894**	

Summary of financial information related to unlisted stock investments;

December 31, 2011

Company Name	Total Asset	Total Liabilities	Total Equity	Net Sales	Profit for the period
İnfin A.Ş.	8.116.654	8.068.468	48.186	12.542.157	(293.151)
Neteks Dış Tic. Ltd.Şti.	1.977.016	1.811.207	165.809	9.752.422	82.078
Total	**10.093.670**	**9.879.675**	**213.995**	**22.294.579**	**(211.073)**

December 31, 2010

Company Name	Total Asset	Total Liabilities	Total Equity	Net Sales	Profit for the period
İnfin A.Ş.	5.488.926	5.147.499	341.427	14.786.251	48.714
Neteks Dış Tic. Ltd.Şti.	1.669.139	1.585.408	83.731	13.379.501	29.976
Total	**7.158.065**	**6.732.907**	**425.158**	**28.165.752**	**78.690**

8 FINANCIAL LIABILITIES

Short-Term financial liabilities for the years ended are as follows:

Account Name	December 31, 2011	December 31, 2010
Bank Loans	34.590.274	11.424.242
Payables of Financial Leases	-	156
Deferred Financial Leasing Borrowing Cost (-)	-	(15)
Total	**34.590.274**	**11.424.383**

The details of the Short Term Bank Loans are as follows:

December 31, 2011

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Short Term Loans			
TL Loans		*239.061*	*Interest free* -12,89
Factoring Loans *(TL) (*)*		*9.575.984*	13,17-18,96
USD Loans	*13.116.221*	*24.775.229*	3,85-8,10
Total Loans		**34.590.274**	

(*) 2.507.927 TL of the short-term factoring loans are the funds used from factoring company before the assignment in order to finance long-term receivables within the scope of TTNet computer campaign. % 80 of the invoices of TTNet is assigned to factoring company during the campaign period.

December 31, 2010

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Short Term Loans			
TL Loans		*431.388*	*Interest free - 13*
USD Loans	*7.110.514*	*10.992.854*	*3 – 8*
Total Loans		**11.424.242**	

The details of the Long Term Bank Loans for the years ended are as follows:

Account Name	December 31, 2011	December 31, 2010
Bank Loans	11.732.883	8.285.360
Total	**11.732.883**	**8.285.360**

The details of the Long Term Bank Loans are as follows:

December 31, 2011

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Long Term Loans			
TL Loans		*57.509*	*12,23-12,89*
Factoring Loans *(TL) (*)*		*3.890.917*	*13,17-13,36*
USD Loans	*4.121.159*	*7.784.457*	*8,1*
Total Loans		**11.732.883**	

(*) All of the long-term factoring loans are the funds used from factoring company before the assignment in order to finance long-term receivables within the scope of TTNet computer campaign. % 80 of the invoices of TTNet is assigned to factoring company during the campaign period.

December 31, 2010

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Long Term Loans			
TL Loans		*261.247*	*12-13*
USD Loans	*5.190.241*	*8.024.113*	*8*
Total Loans		**8.285.360**	

Maturity Information of Bank Loans Liabilities is as follows;

	December 31,2011	December 31, 2010
0-3 Months	25.637.628	5.594.772
3-12 Months	8.952.647	5.829.471
12-60 Months	11.732.882	7.884.224
60 Months and above	-	401.135
Total	**46.323.157**	**19.709.602**

Maturity Information of Financial Lease Liabilities is as follows

	December 31, 2011	December 31, 2010
0-3 Months	-	156
3-12 Months	-	-
Total	-	**156**

9 OTHER FINANCIAL LIABILITIES

None.

10 TRADE RECEIVABLES AND PAYABLES

Short-Term trade receivables for the years ended December 31, 2011 and December 31, 2010 are as follows:

Account Name	December 31, 2011	December 31, 2010
Trade Receivables	271.809.144	217.070.240
Due from Related Parties (Note:37)	*2.859.230*	*4.619.012*
Other Receivables	*268.949.914*	*212.451.228*
Notes Receivables	135.051.446	99.446.201
Rediscount on s Receivables (-)	(3.686.444)	(1.331.005)
Doubtful Receivables	5.942.549	5.082.748
Provision for Doubtful Receivables (-)	(5.942.549)	(5.082.748)
Total	**403.174.146**	**315.185.436**

The Group has no Long-Term Trade Receivables for the years ended December 31, 2011 and December 31, 2010.

A part of **30.810.485TL** of Total **403.174.146TL** trade receivables are in the scope of guarantee as of December 31, 2011. As of December 31.2010, A part of **21.166.698 TL** of total **315.185.436 TL** trade receivables were in the scope of guarantee.

Provision for Doubtful Receivables summarize table is below:

	January 1, 2011 - December 31, 2011	January 1, 2010 - December 31, 2010
Opening Balance	(5.082.748)	(4.888.556)
Received amount in current period (+)	245.616	242.705
Exchange Difference	7.012	2.078
Period Expenses (-)	(1.112.429)	(438.975)
Period-end Balance	**(5.942.549)**	**(5.082.748)**

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Maturity analysis of trade receivable overdue that is not assessed for impairment is as follows:

	December 31, 2011	December 31, 2010
Up to 3 Months	685.557	744.859
Between 3- 12 Months	26.975	75.791
Between 1-5 Years	-	-
Total	**712.532**	**820.650**

Explanations concerning the nature risk and level of risk of trade receivables are disclosed in **Note: 38**

Details of Trade payables for the year ended are as follows:

Account Name	December 31, 2011	December 31, 2010
Suppliers	387.160.069	339.132.873
Other Suppliers	*383.199.713*	*338.508.729*
Due to Related Suppliers (Note:37)	*3.960.356*	*624.144*
Notes Payable	13.201.095	28.449.708
Rediscount on Payable (-)	(4.417.056)	(1.620.221)
Total	**395.944.108**	**365.962.360**

There are not any long-term trade payables for the years ended December 31, 2011 and December 31, 2010.

Average Maturity of Trade receivables and payables are under two months. The trade receivables and payables in TL were discounted using the compound interest rate specified in Government Bonds. Receivables and payables in USD and EURO are discounted using Libor and Euro Libor rates respectively TL %11, USD %1, 13 and EURO %1, 91. (December 31, 2010 Rates: TL %7, USD %0, 78 and EURO %1, 47)

11 OTHER RECEIVABLES AND PAYABLES

Short-term other receivables for the years ended are as follows;

Account Name	December 31, 2011	December 31, 2010
Other Receivables	18.399	1.526
Due From Personnel	146.520	149.209
Non-commercial Receivables Due From Related Parties *(Note:37)*	162.812	96.013
Total	**327.731**	**246.748**

Long-term other receivables for the years ended are as follows:

Account Name	December 31, 2011	December 31, 2010
Deposits and Guarantees Given	49.241	56.440
Total	**49.241**	**56.440**

Explanations concerning the nature risk and level of risk of trade receivables are disclosed in **Note: 38**

Short-term other payables for the years ended are as follows:

Account Name	December 31, 2011	December 31, 2010
Taxes, Duties Payable and Other Fiscal Liabilities	7.870.771	4.177.693
Social Security Premiums Payable	377.058	311.604
Advances Received	2.524.794	4.012.373
Due to Personnel	154.516	132.572
Non-commercial Payables Due to Related Parties *(Note:37)*	4.385.413	4.834.616
Other	13.288	-
Total	**15.325.840**	**13.468.858**

12 RECEIVABLES AND PAYABLES FROM / TO FINANCE SECTOR OPERATIONS

None.

13 INVENTORIES

Inventories for the periods ended are as follows:

Account Name	December 31, 2011	December 31, 2010
Commercial Goods	102.066.755	125.235.533
Goods in Transportation	4.242.690	3.695.200
Decrease in Value of Inventory (-)	(1.858.556)	(1.604.839)
Total	**104.450.889**	**127.325.894**

Products which are invoiced but not actually transferred to inventories are recognised under the "Goods in Transit".

Provision for Impairment of Inventory:

	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Opening Balance (-)	(1.604.839)	(1.320.293)
Cancellation of Provision Due to Increase in Net Realizable Value Net(+)	291.680	118.899
Transfer from Artım A.Ş. **(Note:3)**	(155.352)	-
Provision for the Period(-)	(390.045)	(403.445)
Balance at the end of year (-)	**(1.858.556)**	**(1.604.839)**

The provision for decrease in value of stocks is calculated with increasing percentages for the goods waiting in the inventory more than 3 months depending upon increase in the inventory turnover rate.
As of December 31, 2011, **8.426.213 TL** of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the financial statements. (As of December 31, 2010, **5.932.274 TL** of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the financial statements.)

Explanation	December 31, 2011	December 31, 2010
Cost	10.284.769	7.537.113
Provision for Decrease in value of Inventories	1.858.556	1.604.839
Net Realizable Value **(a)**	8.426.213	5.932.274
Inventory presented with its cost value **(b)**	96.024.676	121.393.620
Total Inventories (a+b)	**104.450.889**	**127.325.894**

There is no inventory given as a guarantee for a liability.

Total Amount of Insurances on Assets is disclosed in **Note: 22**.

The information related to inventories recognised as expense in the current period is disclosed in **Note: 28**.

14 BIOLOGICAL ASSETS

None.

15 CONSTRUCTION CONTRACTS IN PROGRESS

None.

16 INVESTMENTS EVALUATED BY EQUITY METHOD

None.

17 INVESTMENT PROPERTIES

The investment property of the Group consists of a house placed in Çankaya, Ankara. The mentioned property is acquired from a pledge for a receivable. The mentioned investment property has been sold in the current period.

December 31, 2011

Cost Value

Account Name	January 1, 2011	Additions	Sales (-)	December 31, 2011
Buildings	125.500	-	(125.500)	-
Total	**125.500**	**-**	**(125.500)**	**-**

Accumulated Depreciation

Account Name	January 1, 2011	Period Depreciation	Sales (-)	December 31, 2011
Buildings	(629)	(1.882)	2.511	-
Total	**(629)**	**(1.882)**	**2.511**	**-**
Net Value	**124.871**	**-**	**-**	**-**

December 31, 2010

Account Name	January 1, 2010	Additions	Sales (-)	December 31, 2010
Buildings	-	125.500	-	125.500
Total	**-**	**125.500**	**-**	**125.500**

Account Name	January 1, 2010	Period Depreciation	Sales (-)	December 31, 2010
Buildings	-	(629)	-	(629)
Total	**-**	**(629)**	**-**	**(629)**
Net Value	**-**			**124.871**

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18 TANGIBLE FIXED ASSETS

The Fixed Assets details for the years ended are as follows:

December 31, 2011

Cost Value

Account Name	Jan 1, 2011	Additions	Disposals (-)	Transfers	Artım(*)	Dec 31, 2011
Lands and parcels	17.320.543	-	-	-	-	17.320.543
Land Improvements	39.204	-	-	-	-	39.204
Buildings	12.063.895	345.211	-	-	-	12.409.106
Machinery, Plants&Equipments	1.413.477	-	-	-	-	1.413.477
Motor Vehicles	1.650.628	978.006	(269.507)	-	31.705	2.390.832
Furniture & Fixtures	4.496.751	668.129	(393.660)	-	134.933	4.906.153
Leasehold improvements	276.065	5.232	(50.452)	-	50.452	281.297
Other tangible fixed assets	128.372	-	-	(128.372)	-	-
Total	**37.388.935**	**1.996.578**	**(713.619)**	**(128.372)**	**217.090**	**38.760.612**

Accumulated Depreciation

Account Name	Jan 1, 2011	Period Depreciation	Sales (-)	Transfer	Artım (*)	Dec 31, 2011
Lands and parcels	-	-	-	-	-	-
Land Improvements	(39.204)	-	-	-	-	(39.204)
Buildings	(3.543.699)	(291.944)	-	-		(3.835.643)
Machinery, Plants&Equipments	(1.318.528)	(20.237)	-	-	-	(1.338.765)
Motor Vehicles	(697.094)	(340.005)	175.706	-	(10.748)	(872.141)
Furniture & Fixtures	(3.224.787)	(398.654)	335.563	-	(91.673)	(3.379.551)
Leasehold improvements	(134.765)	(33.315)	33.300	-	(33.300)	(168.080)
Total	**(8.958.077)**	**(1.084.155)**	**544.569**	**-**	**(135.721)**	**(9.633.384)**
Net Value	**28.430.858**					**29.127.228**

(*) Fixed assets of Artım A.Ş. which is included into consolidation process in the current period. **(Note: 3)**

Other tangible assets consist of art objects and according to the Group Management's assessment, it has been decided that these assets are recognised under intangible assets. They are not subject to depreciation due to their indefinite useful life.

Other Information

The depreciation and amortization expenses are recognised under the operational expenses.

The Amount of mortgage on buildings which are stated in assets is **USD 5.628.647**.

Total Amount of Insurances on Assets is disclosed in **Note: 22**.

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December 31, 2010

Cost Value

Account Name	Jan 1, 2010	Additions	Disposals (-)	Dec 31, 2011
Lands and parcels	17.320.543	-	-	17.320.543
Land Improvements	39.204	-	-	39.204
Buildings	11.786.858	277.037	-	12.063.895
Machinery, Plants&Equipments	1.372.927	40.550	-	1.413.477
Motor Vehicles	1.231.892	517.682	(98.946)	1.650.628
Furniture & Fixtures	4.094.611	415.110	(12.970)	4.496.751
Leasehold improvements	274.115	1.950	-	276.065
Other tangible fixed assets	128.372	-	-	128.372
Total	**36.248.522**	**1.252.329**	**(111.916)**	**37.388.935**

Accumulated Depreciation

Account Name	Jan 1, 2010	Period Depreciation	Sales (-)	Dec 31, 2011
Land Improvements	(39.204)	-	-	(39.204)
Buildings	(3.305.121)	(238.578)	-	(3.543.699)
Machinery, Plants&Equipments	(1.307.261)	(11.267)	-	(1.318.528)
Motor Vehicles	(531.971)	(237.251)	72.128	(697.094)
Furniture & Fixtures	(2.931.370)	(297.308)	3.891	(3.224.787)
Leasehold improvements	(102.469)	(32.296)	-	(134.765)
Total	**(8.217.396)**	**(816.700)**	**76.019**	**(8.958.077)**
Net Value	**28.031.126**			**28.430.858**

Other tangible assets consist of art objects and according to the Group Management's assessment, it has been decided that these assets are recognised under intangible assets. They are not subject to depreciation due to their indefinite useful life.

Other Information

The depreciation and amortization expenses are recognised under the operational expenses.

The Amount of mortgage on buildings which are stated in assets is **USD 6.686.756**.

Total Amount of Insurances on Assets is disclosed in **Note: 22**.

19 INTANGIBLE FIXED ASSETS

December 31, 2011

Cost Value

Account Name	Jan 1, 2011	Additions	Disposals (-)	Transfers	Artım(*)	Dec 31, 2011
Rights	535.979	14.259	-	-	100.380	650.61
Other intangible fixed assets	-	-	-	128.372	-	128.37
Total	**535.979**	**14.259**	**-**	**128.372**	**100.380**	**778.99**

Accumulated Depreciation

Account Name	Jan 1, 2011	Period Depreciation	Sales (-)	Artım (*)	Dec 31, 2011
Rights	(476.840)	(39.723)	-	(47.577)	(564.14
Total	**(476.840)**	**(39.723)**	**-**	**(47.577)**	**(564.14**
Net Value	**59.139**	**-**	**-**	**-**	**214.85**

Other intangible assets consist of art objects and according to the Group Management's assessment, it has been decided that these assets, which were recognised under tangible assets before, are recognised under intangible assets. They are not subject to depreciation due to their indefinite useful life.

December 31, 2010

Cost Value

Account Name	January 1, 2010	Additions	Disposals (-)	December 31, 2010
Rights	522.419	13.560	-	535.979
Total	**522.419**	**13.560**	**-**	**535.979**

Accumulated Depreciation

Account Name	January 1, 2010	Period Depreciation	Sales (-)	December 31, 2010
Rights	(453.554)	(23.286)	-	(476.840)
Total	**(453.554)**	**(23.286)**	**-**	**(476.840)**
Net Value	**68.865**			**59.139**

The depreciation and amortization expenses are recognised under the operational expenses.

20 GOODWILL

Goodwill	31.12.2011	31.12.2010
Opening Balance	2.467.577	2.467.577
Additions	-	-
Disposals/ Sales	-	-
Provisions for the value decrease	-	-
Closing balance	**2.467.577**	**2.467.577**

There are no provisions for the value decrease in Goodwill. Group's goodwill arisen from Data Gate Bilgisayar A.Ş. which is the subsidiary of the Group and Neteks Bilgisayar A.Ş. which is group's joint managing company. Calculated amount of goodwill is revised each balance sheet period. Mentioned companies' cash amounts are subjected to calculated present discounted value during to revising. According to evaluation made, discount rate is %12, and rate of growth is %5 which is used for determining the future cash flows to present value, as of December 2011.

21 GOVERNMENT GRANT AND ASSISTANCE

None.

22 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

Account Name	December 31, 2011	December 31, 2010
Provisions for Price Differences	8.653.806	3.552.295
Provisions for TT Net Campaign	12.412.995	-
Provision for Litigations	1.960.228	1.624.500
Total	**23.027.029**	**5.176.795**

December 31, 2011	Provision for Litigations	Provisions for Price Differences and TT Net Campaign	Total
As of January 1	1.624.500	3.552.295	5.176.795
Additions	463.857	21.066.801	21.530.658
Payments / Offsetting	(22.462)	(3.552.295)	(3.574.757)
Terminated Provisions	(105.667)	-	(105.667)
As of December 31, 2011	**1.960.228**	**21.066.801**	**23.027.029**

December 31, 2010	Provision for Litigations	Provisions for Price Differences	Total
As of January 1	895.362	2.487.557	3.382.919
Additions	1.222.790	3.552.295	4.775.085
Payments / Offsetting	(493.652)	-	(493.652)
Terminated Provisions	-	(2.487.557)	(2.487.557)
As of December 31, 2010	**1.624.500**	**3.552.295**	**5.176.795**

Almost all of the provisions for litigations consist of custom lawsuits.

Price difference invoices are taken from customers for the products sold in different prices from previous period and provisions are made for them. Also targets have been given to customers in order to increase the sales and turnover premium, credit note, price difference, etc. invoices are taken from customers in the event of targets achieved by the customers and provisions are made for them.

ii) Contingent Assets and Liabilities;

December 31, 2011

As of December 31, 2011, for the lawsuits initiated against Group, provision amount **1.960.228 TL** is reflected to the financial statements.

December 31, 2010

As of December 31, 2010, for the lawsuits initiated against Group, provision amount **1.624.500 TL** is reflected to the financial statements.

iii) Contingent Liabilities and Commitments:

December 31, 2011

	TL	USD	EUR
Bailment Given	8.537.802	3.875.000	1.000.000
Guarantee Cheques and Notes Given		-	-
Mortgage	-	5.628.648	-
Guarantee Letters given	2.507.933	18.115.000	7.350.000
Total	**11.045.735**	**27.618.648**	**8.350.000**

December 31, 2010

	TL	USD	EUR
Bailment Given	1.462.250	3.685.500	1.000.000
Guarantee Cheques and Notes Given	1.586.506	-	-
Mortgage	-	6.686.756	-
Guarantee Letters given	3.096.000	11.515.000	7.500.000
Total	**6.144.756**	**21.887.256**	**8.500.000**

Guarantee letters are given to some public institutions, domestic and foreign sellers which Group purchase from. They are the guarantee of liabilities obtained from purchase of goods. There is no cash out-flow related with the guarantee letters due to the liabilities are paid on their maturity.

iv) Total Guarantees and Mortgages on Assets

None.

v) Total Insurance Coverage on Assets

December 31, 2011

Type of Insured Assets	USD	EUR	TL
Trade goods	68.792.500	-	-
Vehicles	-	-	2.198.892
Plants machinery and equipment	6.927.908	63.500	-
Other	1.030.000	-	-
Total	**76.750.408**	**63.500**	**2.198.892**

December 31, 2010

Type of Insured Assets	USD	EUR	TL
Trade goods	104.285.000	-	-
Vehicles	-	-	1.376.200
Plants machinery and equipment	8.818.571	57.545	-
Other	610.000	-	-
Total	**113.713.571**	**57.545**	**1.376.200**

vi) The ratio of Mortgages and Guarantees Given to Shareholders' Equity is as follows;

Mortgages & Guarantees Given by the Group	**Dec 31, 2011**	**Dec 31, 2011**	**Dec 31, 2010**	**Dec 31, 2010**
	Foreign Currency Amount	**TL Amount**	**Foreign Currency Amount**	**TL Amount**
A. Total amount of M&G Given on behalf of the Group	-	**65.319.238**	-	**48.190.671**
Guarantee Letter (USD)	*18.115.000*	*34.217.424*	*11.515.000*	*17.802.190*
Guarantee Letter (EUR)	*7.350.000*	*17.961.930*	*7.500.000*	*15.368.250*
Guarantee Letter (TL)		*2.507.933*		*3.096.000*
Guarantee notes and cheques(TL)				*1.586.506*
Lien				
Mortgage	*5.628.648*	*10.631.952*	*6.686.756*	*10.337.725*
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated Companies subject to full consolidation	-	**18.301.090**	-	**9.209.133**
Bailment (USD)	*3.875.000*	*7.319.488*	*3.685.500*	*5.697.783*
Bailment (EURO)	*1.000.000*	*2.443.800*	*1.000.000*	*2.049.100*
Bailment (TL)		*8.537.802*		*1.462.250*
C. Total Amount of M&G Given on behalf of the third person liability in order to sustain usual business activities.	-		-	
D. Total Amount of other M&G Given	-	-	-	-
i. Total Amount of M&G Given on behalf of main shareholder	-	-	-	-
ii. Total Amount of M&G Given on behalf of other affiliated companies which cannot be classified under section B and C.	-		-	
iii. Total Amount of M&G Given on behalf of the third person that cannot be classified under section C.	-	-	-	-
Total	-	**83.620.328**	-	**57.399.804**

Amounts stated in the above table are the amounts in TL at the end of the period.

The ratio of Mortgages and Guarantees Given to Shareholders' Equity is 0 %. (0 % as of December 31, 2010)

23 COMMITMENTS

None.

24 EMPLOYEE TERMINATION BENEFITS

Account Name	**December 31, 2011**	**December 31, 2010**
Provision for Employment Termination Indemnity	1.466.963	1.016.481
Total	**1.466.963**	**1.016.481**

Under the Turkish Labor Law, the Group is required to pay employee termination benefits to each employee, who has entitled to receive provisions for employee termination benefits in accordance with the effective laws. Additionally the Group is required to pay employee who has the right of severance with termination indemnity.

The maximum employee termination benefit payable as of December 31, 2011 is **2.731,85 TL**. (December 31, 2010: **2.517,01 TL**) The maximum employee termination benefit payable as of January 1, 2012 is **2.805,04 TL** (December 31, 2010: **2.623,23 TL**) and taken into consideration in the calculations of the Group's provision for termination indemnities.

Termination indemnity payable is not subject to any legal funding.

Termination indemnity payable is calculated by forecasting the present value of currently working employee's possible future liabilities. IAS 19 ("Employee Termination Benefits") predicts to build up Company's liabilities with using actuarial valuation techniques in context of defined benefit plans. According to these predictions, actuarial assumptions used in calculation of total liabilities are as follows.

The principal assumption is that the maximum liability for each year of service will increase in line with the inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the financial statements dated as of December 31, 2011, the provision was calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the balance sheet dates have been calculated assuming an annual inflation rate of 5, 10 % and a discount rate of 10%. With that the real discount rate of 4, 66 % (December 31, 2010: 4, 66 %) was used in the computation. The estimate of inflation and discount rate reflects the Group Management's long-term expectations. These expectations are reviewed every balance sheet period and revised if required. The Group Management has decided that there is no need to revise the estimations in 2011.

	January 1, 2011 December 31, 2011	**January 1, 2010 December 31, 2010**
January 1	1.016.481	649.270
Service Cost	137.003	109.748
Actuarial Loss / (Profit)	212.001	202.293
Interest Cost	294.297	209.468
Transferred From Artım	57.234	-
Payments (-)	(250.053)	(154.298)
Closing Balance	**1.466.963**	**1.016.481**

Provision expense for termination indemnities is recognised under the operational expenses.

25 RETIREMENT BENEFIT PLANS

None.

26 OTHER ASSETS AND LIABILITIES

Other Current Assets for the years ended, are as follows:

Account Name	**December 31, 2011**	**December 31, 2010**
Prepaid Expenses for the Following Months	1.419.440	1.076.036
Credit Note Income Accrual	16.727.008	17.176.193
Deferred VAT	4.284.340	11.016.348
VAT Return	-	1.213.692
Job Advances	859.911	681.336
Advances Given	2.194.432	5.822.106
Prepaid Taxes	54.376	-
Total	**25.539.507**	**36.985.711**

Short-term other liabilities for the years ended, are as follows;

Account Name	**December 31, 2011**	**December 31, 2010**
Income Relating to Future Months	8.787.820	11.261.656
Total	**8.787.820**	**11.261.656**

Income recognised from invoiced but not delivered products are recognised under the "Income Relating to Future Months"due to the criteria related with IAS 18 (delivery, transfer of risks, etc.) are not met.

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Credit Note Income Accrual transactions are as follows:

Account Name	**January 1, 2011 December 31, 2011**	**January 1, 2010 December 31, 2010**
Opening	17.176.193	15.506.860
Current period accrual	97.571.931	91.020.591
Transferred From Artım **(Note: 3)**	28.527	-
Collection / Current account transfer	(98.049.643)	(89.351.258)
Balance at the end of year	**16.727.008**	**17.176.193**

27 SHAREHOLDERS' EQUITY

i) Minority Shares / Minority Shares Profit / (Loss)

Account Name	**December 31, 2011**	**December 31, 2010**
Minority Shares	13.687.301	9.780.474
Total	**13.687.301**	**9.780.474**

Account Name	**January 1, 2011 December 31, 2011**	**January 1, 2010 December 31, 2010**
Minority Shares Profit - (Loss)	2.667.143	1.027.913
Minority Share from Artım A.Ş.	1.239.684	-
Total	**3.906.827**	**1.027.913**

ii) Capital / Share Capital / Elimination Adjustments

The share capital of the Group is **56.000.000 TL** and the share capital consist of **56.000.000** per-shares which each of 1 nominal value. The paid in capital of the Group, which is **56.000.000 TL**, consists of A Group shares issued to the name as paid-in capital is **318,18 TL**, B Group shares issued to the bear as paid-in capital is **55.999.682,82 TL**. A Group of shareholders have the rights to appoint one more of the half member of the Executive Board. After the initial dividend is given from the distribution of profit, A group Shareholders has also the rights to get % 5 of the remaining part.

The Group accepts the Registered Share capital System with the March 17, 2005 dated and 11/327 numbered permission of Capital Market Board and determined the Registered Share Capital ceiling **75.000.000 TL**. The decision accepted at 2004 Regular Meeting Shareholders of the Group dated April 27, 2005.

The Group's registered capital is **75.000.000 TL.** The Group's application to raise capital from **55.000.000 TL** to **56.000.000 TL** by implementing **1.000.000 TL** from share of profit of 2006 is approved by committee ruling numbered 25/699 and dated June 28, 2007. The public offering of shares to be issued has been accepted in the Board's meeting dated June 28, 2007 and with the number of 25/699. As of July 10, 2007, the increase of the capital is registered and published in the Official Gazette numbered 6852 and dated July 16, 2007.

The share capital shown in the consolidated balance sheet is the share capital of the Group. The amounts of share capital of the subsidiaries and the subsidiary account are eliminated mutually.

	December 31, 2011		**December 31, 2010**	
Shareholder	**Share Percentage %**	**Share Amount**	**Share Percentage %**	**Share Amount**
Nevres Erol Bilecik	% 33,77	18.909.441	% 38,63	21.634.440
Pouliadis and Associates S.A.	% 35,56	19.911.119	% 35,56	19.911.119
Public Shares	% 28,30	15.851.986	% 23,44	13.126.987
Other	% 2,37	1.327.454	% 2,37	1.327.454
Total	**% 100**	**56.000.000**	**% 100**	**56.000.000**

The ultimate controlling party of the Group is Nevres Erol Bilecik and his family members.

There are liens of 5 Greece Banks on the shares of the Company which belongs to the Company's partner Pouliadis and Associates S.A. according to the EFGEurobank Ergasias S.A.'s material event disclosure sent to ISEM on June 24, 2007. Material event disclosure of EFGEurobank Ergasias S.A. related with the mentioned matter are as follows.

"According to the share pledge and voting agreement(s) on August 31, 2005 between Pouliadis and Associates Commercial and Industrial Societe Anonyme of High Technology Systems (Pledger) and Bank EFGEurobank Ergasias S.A. (Pledgee) as a guarantee assignee on behalf of EFG Eurobank Ergasias S.A., National Bank of Greece S.A., Emporiki Bank S.A., Alpha Bank S.A. and Laiki Bank (Hellas) S.A.; The pledger has put a lien on the % 35,5 own shares of İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret A.Ş. According to the agreements, vote rights related with the shares are part of the lien; According to the Common Bond Loan dated August 31, 2005, the pledger has a right to use their vote rights until the delinquency. The pledgee has determined a delinquency and accordingly the vote rights related with the shares will be used by pledgee."

iii) Capital Reserves

None.

iv) Restricted Reserves Assorted from Profit

Restricted reserves from profits consist of legal reserves.

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

vi) Previous Years' Profits / (Losses)

Profits of previous years consist of extraordinary reserves, miscellaneous inflation differences and profits of other previous years.

In accordance with the CMB's decision numbered 7/242 dated on February 25, 2005; if the amount of net distributable profit based on the CMB's requirement on the minimum profit distribution arrangements, which is computed over the net profit determined based on the CMB's regulations, does not exceed the net distributable profit in the statutory accounts, the whole amount should be distributed, otherwise; all distributable amount in the statutory accounts are distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period.

In accordance with CMB's decision dated January 27, 2010; it is decided not to bring any obligation for any minimum profit distribution about dividend distribution which will be made for public corporations. The Group management decided to distribute dividends according to the regulations specified in articles of association of the Group and dividend distribution policies declared to public.

Shareholders' Equity as of periods ended is as follows:

Account Name	**December 31, 2011**	**December 31, 2010**
Share capital	56.000.000	56.000.000
Capital Adjustment Differences	241.113	241.113
Hedging Funds	9.895	79.284
Restricted Reserves Assorted From Profit	5.671.482	5.109.837
- Legal Reserves	4.524.432	*3.962.787*
- Profit from sale of affiliates except from Corporate Tax	1.147.050	*1.147.050*
Previous Years' Profits	44.388.033	36.055.067
Net Period Loss/ Profit	18.447.861	13.171.469
Parent Company Shareholders' Equity	**124.758.384**	**110.656.770**
Minority Shares	13.687.301	9.780.474
Total Shareholders' Equity	**138.445.685**	**120.437.244**

In the financial statements prepared according to the standards of the CMB, the Group's current profits amounted to **18.447.861 TL**. The Group's distributable profit for current period is **9.778.366 TL**. In the financial statements prepared according to the standards of the CMB, the Group's accumulated profits amounted to **62.835.894 TL**. The Group's distributable profit amount is **36.642.967 TL**. Group's dividend which is related previous period profits is limited with this amount. Inflation adjustments on equity, real estates sales profits which are held in fund for adding the share capital are not taken into consideration to total distributable profit.

Results of General board dated on May 6, 2011 are as follows;

- Acceptance of the Balance Sheet and Income Statement of 2010,
- Granting the board of management and auditors for the accounts of 2010,
- Selecting Çağdaş Bağımsız Denetim S.M.M.M. A.Ş. as an auditor for the audit of financial statements of 2011,
- Distributing the % 30 of the distributable profit of 2010 as a 1st dividend,
- Determining the amounts of profit distribution of 2010 as follows;
- Net Profit after tax is 13.171.469 TL in the consolidated financial statements of 2010 prepared according to the Capital Markets Board's Communiqué Serie:XI, No:29.
- Appropriating 413.959,12 TL 1st Legal Reserve which is the % 5 of the 8.279.182, 39 TL profit according to the legal records.
- Appropriating 413.959,12 TL 1st Legal Reserve from 13.171.469 TL profit after tax, distributing 1st dividend gross 3.830.021, 96 TL (0, 0683936 TL for per share with 1 TL nominal value with the rate of % 6, 83936) net 3.255.518, 67 TL dividends (0, 0581346 TL for per share with 1 TL nominal value with the rate of % 5, 81346) which is the % 30 of the 12.766.739, 88 net distributable profit which is attained by adding 9.230 TL donations,
- Distributing 2nd dividend to A Group Privileged Shareholders gross 446.835,90 TL (1.404, 35 TL for per share with 1 TL nominal value) net 379.810,51 TL (1.193, 70 TL for per share with 1 TL nominal value) which is the % 5 of the 8.936.717,92 TL attained by subtracting 3.830.021,96 TL 1st dividend from 12.766.739,88 TL net distributable profit,
- Appropriating 147.685,79 TL 2nd legal reserve,
- Starting dividend distribution on May 17, 2011,
- Adding the remaining balance to extraordinary reserves,
- Selecting Veli Tan Kirtiş and H. Çağatay Özüdoğru as a member of supervisory board for 1 year,

28 SALES AND COST OF SALES

Sales and cost of sales details which belong twelve months accounting period of the Group as of December 31, 2011 and December 31, 2010 are as follows:

Account Name	**January 1, 2011 December 31, 2011**	**January 1, 2010 December 31, 2010**
Domestic Sales	1.473.926.639	1.220.214.680
Foreign Sales	16.180.209	13.816.010
Other Sales	59.162.673	46.717.733
Sales Returns (-)	(30.006.122)	(45.676.817)
Sales Discounts (-)	(5.468.549)	(6.117.768)
Other Discounts (-)	(248.786)	(778.072)
Net Sales	**1.513.546.064**	**1.228.175.766**
Cost of Sales (-)	(1.420.802.797)	(1.153.557.084)
Gross Profit / (Loss)	**92.743.267**	**74.618.682**

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES

Other operating expenses which belong twelve months accounting period of the Group as of December 31, 2011 and December 31, 2010 are as follows:

Account Name	**January 1, 2011 December 31, 2011**	**January 1, 2010 December 31, 2010**
Marketing, Selling and Distribution Expenses (-)	(16.789.949)	(13.493.798)
General Administrative Expenses (-)	(19.258.023)	(14.612.412)
Total Operating Expenses	**(36.047.972)**	**(28.106.210)**

30 EXPENSES RELATED TO THEIR NATURE

Expenses Related to Their Nature of the Group as of December 31, 2011 and December 31, 2010 are as follows:

Account Name	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Marketing, Selling and Distribution Expenses (-)	**(36.047.972)**	**(28.106.210)**
- Personnel Expenses	(20.774.477)	(16.270.464)
- Logistic and storage expenses	(3.982.027)	(3.327.649)
- Depreciation expenses	(1.125.760)	(840.615)
- Rental Expense	(836.460)	(479.728)
- Communication Expense	(321.242)	(334.662)
- Travelling Expenses	(582.230)	(359.739)
- Transportation Expenses	(762.241)	(632.137)
- Consultancy and Audit Expenses	(686.844)	(462.234)
- Insurance Expenses	(703.903)	(619.926)
- Maintenance and repair expenses	(201.552)	(96.728)
- Advertisement Expense	(1.270.461)	(1.024.701)
- Taxes, Duties, Charges Expenses	(655.656)	(423.101)
- Provisions for termination indemnities expenses	(393.247)	(521.508)
- Provisions for doubtful trade receivables	(866.813)	(196.270)
- Provision for litigation expenses	(358.190)	(1.222.790)
-Sales and foreign trade expenses	(746.984)	(718.041)
- Other Expenses	(1.779.885)	(575.917)
Total Operating Expenses	**(36.047.972)**	**(28.106.210)**

Depreciation and amortisation expenses and personnel expenses are recognised in operational expenses.

31 OTHER OPERATING INCOME / EXPENSE

Other operating Income / Expense which belong twelve months accounting period, of the Group as of December 31, 2011 and December 31, 2010 are as follows:

Account Name	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Negative Goodwill Income (Note: 3)	60.752	-
Terminated Provisions for Litigations	-	-
Other Income	335.019	60.687
Total Other Income	**395.771**	**60.687**
Total Other Expense (-) (*)	**(1.191.240)**	**(374.948)**
Other Income / Expense (Net)	**(795.469)**	**(314.261)**

(*)Other expenses consist from non-deductible expenses such as tax, penalty, motor vehicle taxes and special communication taxes, etc.

32 FINANCIAL INCOMES

Financial Income which belongs twelve months accounting period, of the Group as of December 31, 2011 and December 31, 2010 are as follows:

Account Name	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Interest Income	1.850.375	730.701
Foreign Exchange Gains	33.496.401	29.200.793
Interest Eliminated From Sales	18.252.921	7.636.802
Rediscount Income	4.417.056	1.620.220
Previous Period Rediscount Cancellation	1.334.021	841.187
Total Financial Income	**59.350.774**	**40.029.703**

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33 FINANCIAL EXPENSES

Financial Expense which belongs twelve months accounting period, of the Group as of December 31, 2011 and December 31, 2010 are as follows:

Account Name	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Banking Charges and Interest Expense (-)	(9.024.861)	(7.284.186)
Foreign Exchange Loss (-)	(57.280.533)	(52.193.769)
Eliminated Interest From Purchases(-)	(15.254.873)	(5.878.789)
Rediscount Expense (-)	(3.686.444)	(1.331.006)
Cancellation of Previous Period's Rediscount	(1.622.979)	(993.725)
Total Financial Expense	**(86.869.690)**	**(67.681.475)**

There is no capitalized financial expense of Group for current period.

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

35 TAX ASSETS AND LIABILITIES (Deferred Tax Assets and Liabilities)

The Group's tax income / (expense) is composed of current period's corporate tax expense and deferred tax income / (expense)

The tax assets and liabilities of the Group as of December 31, 2011 and December 31, 2010 are as follows:

	December 31, 2011	December 31, 2010
Provision for Current Period Tax	7.605.354	4.626.551
Prepaid Taxes (-)	(4.646.372)	(3.527.917)
Total Net Tax Payable	**2.958.982**	**1.098.634**

Account Name	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Provision for Current Period Tax (-)	(7.605.354)	(4.626.551)
Deferred Tax Income / (Expense)	339.448	279.494
Total Tax Income / (Expense)	**(7.265.906)**	**(4.347.057)**

i) Provision for Current Period Tax

Group calculate their temporary taxes on their quarterly financial profits in Turkey. Corporate income as of the temporary tax periods, temporary tax rate of 20 % over the corporate income was calculated and prepaid taxes deducted from taxation on income.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits. According to Corporate Tax Law's Article: 24, the corporate tax is imposed by the taxpayer's tax returns. There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25th of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

Effective Corporate Tax Rate:

According to the corporate tax law numbered 5520, which was published in the official gazette dated June 21, 2006, the effective corporate tax rate was set as 20%.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

According to Corporate Tax Law's Article: 20, the corporate tax is imposed by the taxpayer's tax returns. There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25th of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

Income Withholding Tax:

In addition to corporate tax, Group should also calculate income withholding tax on any dividends and income distributed, except for resident companies in Turkey receiving dividends from resident companies in Turkey and Turkish branches of foreign companies. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

ii) Deferred Tax

The deferred tax asset and tax liability is based on the temporary differences, which arise between the financial statements prepared according to CMB's accounting standards and statutory tax financial statements. These differences usually due to the recognition of revenue and expenses in different reporting periods for the CMB standards and tax purposes.

	Dec 31, 2011	**Dec 31, 2011**	**Dec 31, 2010**	**Dec 31, 2010**
Account Name	**Accumulated Temporary Differences**	**Deferred Tax Assets / (Liabilities)**	**Accumulated Temporary Differences**	**Deferred Tax Assets / (Liabilities)**
Fixed Assets	610.823	(122.165)	(673.700)	(134.740)
Financial Loss	1.184.825	236.965	-	-
Rediscount Expense	3.686.444	737.289	1.331.005	266.201
Provision for Termination Indemnity	1.466.963	293.393	1.016.480	203.296
Provision for Value Decrease in Inventories	1.858.556	371.711	1.604.840	320.968
Rediscount Income	(4.417.056)	(883.411)	(1.620.220)	(324.044)
Derivative Income Accruals	(431.785)	(86.357)	-	-
Hedging Funds	(12.369)	(2.474)	(99.105)	(19.821)
Other	2.578.691	515.739	1.777.987	355.598
Deferred Tax Asset / Liability		**1.060.690**		**667.458**

	December 31, 2011	**December 31, 2010**
Deferred Tax Asset / Liability at the beginning of the period	667.458	407.785
Transferred From Artım A.Ş.	36.437	-
Deferred Tax Income / (Expense)	339.448	279.494
Hedging Funds **(Note:7)**	17.348	(19.821)
Deferred Tax Asset / Liability at the end of the period	**1.060.690**	**667.458**

Explanation of Used / Unused Tax Advantages:

<u>Financial Loss</u>

1.184.825 TL (December 31, 2010: None) which comprise of the deferred financial loss as of December 31, 2011 was included in deferred tax calculation based on the decisions of the Group management, which evaluates that this loss can be used against the taxable profit in the following years.

The details of the financial losses taken into calculation of deferred tax asset are as follows;

Period	Last Year for Validity	2011	2010
2011	2016	1.184.825	-
Total		**1.184.825**	**-**

The Group does not have any financial loss which was not included in deferred tax calculation as of December 31, 2011 and 2010.

Reconciliation of tax provision as of December 31, 2011 and December 31, 2010 are as follows:

Reconciliation of Tax Provision:	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Profits obtained from continuing operations	28.380.910	18.546.439
Income tax rate %20	(5.676.182)	(3.709.287)
Tax effect:		
-Non-deductible Expenses	(1.589.724)	(637.770)
Deferred Tax Expense	**(7.265.906)**	**(4.347.057)**

36 NET EARNINGS PER SHARE

Earnings per share in the income statement are calculated by dividing net income by the weighted average number of common shares outstanding for the period. Group's earnings per share are calculated for the periods are as follows:

	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Period Profit/ (Loss)	18.447.861	13.171.469
Average Number of Shares	56.000.000	56.000.000
Earnings / (Loss) per Share	**0,329426**	**0,235205**
Profit for preferred shares	2.898,97	2.070
Profit for ordinary shares	0,312957	0,223446

37 EXPLANATIONS OF RELATED PARTIES

a) Receivables and Payables of Related Parties:

	Receivables		Payables	
December 31, 2011	**Trade Receivables**	**Non-Trade Receivables**	**Trade Payables**	**Non-Trade Payables**
Shareholders	-	-	-	4.201.814
Homend A.Ş.	1.035.245	-	-	-
Desbil A.Ş.	11.986	162.812	-	-
İnfin A.Ş.	1.461.335	-	2.269.576	-
Neteks Dış Tic.	310.317	-	1.682.856	-
Despec A.Ş.	40.347	-	7.924	183.599
Total	**2.859.230**	**162.812**	**3.960.356**	**4.385.413**

	Receivables		Payables	
December 31, 2010	**Trade Receivables**	**Non-Trade Receivables**	**Trade Payables**	**Non-Trade Payables**
Shareholders	-	-	-	3.043.727
Homend A.Ş.	1.783.661	-	-	112.199
Desbil A.Ş.	5.957	96.013	-	-
İnfin A.Ş.	2.399.123	-	624.144	-
Neteks Dış Tic.	292.827	-	-	-
Despec A.Ş.	137.444	-	-	1.678.690
Total	**4.619.012**	**96.013**	**624.144**	**4.834.616**

Non-trade payables to shareholders almost consist of dividend payments.

There are no guarantees or mortgages for the related party receivables or payables. There is no provision made for doubtful receivables for the related party receivables. İnfin A.Ş. is the subsidiary which is not included in the consolidation, Neteks Dış Ticaret A.Ş. is the affiliate evaluated by equity method, Desbil, Desbec and Homend are other related parties.

The related party balances generally consist from trade transactions. But in some conditions there are cash usages between the related parties. The balances consist from non-trade transactions are classified as non-trade receivables or payables in the financial statements. Interest is calculated for the balances and invoiced quarterly. The interest rate for USD is between % 3 and % 7, 50 in 2011, % 3 and % 4, 50 in 2010.

Shareholders current accounts are generally arisen from dividend debt, and interest is not calculated for this debt.

b) Purchases from Related Parties and Purchases from Related Parties:

January 1, 2011 – December 31, 2011

Sales to Related Parties	Goods and Service Sales	Common Cost Participation	Interest and Foreign Exchange Income	Total Income/ Sales
Desbil A.Ş.	-	3.048	31.091	34.139
Despec A.Ş.	15.013.735	1.646.574	361.747	17.022.056
Homend A.Ş.	7.565.849	1.460.623	2.334.321	11.360.793
İnfin A.Ş.	8.320.268	4.800	653.270	8.978.338
Neteks Dış Ltd.Şti.	3.491.658	-	25.384	3.517.042
Total	**34.391.510**	**3.115.045**	**3.405.813**	**40.912.368**

Purchases From Related Parties	Goods and Service Purchases	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense/ Purchases
Desbil A.Ş.	-	-	1.793	1.793
Despec A.Ş.	14.278.665	18.253	1.305.470	15.602.388
Homend A.Ş.	8.014.832	134	72.556	8.087.522
İnfin A.Ş.	4.539.768	-	62.148	4.601.916
Neteks Dış Ltd.Şti.	3.608.395	-	71.340	3.679.735
Total	**30.441.660**	**18.387**	**1.513.307**	**31.973.354**

January 1, 2010 – December 31, 2010

Sales to Related Parties	Goods and Service Sales	Common Cost Participation	Interest and Foreign Exchange Income	Total Income/ Sales
Desbil A.Ş.	-	2.994	10.363	13.357
Despec A.Ş.	6.672.779	1.498.753	295.300	8.466.832
Homend A.Ş.	270.992	217.816	226.804	715.612
İnfin A.Ş.	9.683.293	5.070	617.698	10.306.061
Neteks Dış Ltd.Şti.	3.648.161	-	3.550	3.651.711
Total	**20.275.225**	**1.724.633**	**1.153.715**	**23.153.573**

Purchases From Related Parties	Goods and Service Purchases	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense/ Purchases
Despec A.Ş.	-	-	20.713	20.713
Despec A.Ş.	5.869.015	-	389.459	6.258.474
Homend A.Ş.	4.834.305	-	309.094	5.143.399
İnfin A.Ş.	5.431.286	-	461.823	5.893.109
Neteks Dış Ltd.Şti.	4.611.145	-	10.397	4.621.542
Total	**20.745.751**	**-**	**1.191.486**	**21.937.237**

c) Benefits and Services Provided for Senior Management

Account Name	January 1, 2011 December 31, 2011	January 1, 2010 December 31, 2010
Short-Term Benefits provided to Employees	3.040.756	2.384.466
Employment Termination Benefits	-	-
Other long term benefits	-	-
Total	**3.040.756**	**2.384.466**

Benefits and wages provided to Management Staff consist of general manager wages, assistant general manager wages.

38 NATURE AND LEVEL OF RISKS ARISING OUT OF FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand.

The capital structure of the Group consists of debts containing the credits explained in note 8, cash and cash equivalents explained in note 6 and resource items containing respectively issued capital, capital reserves, profit reserves and profits of previous years explained in note 27.

Risks, associated with each capital class, and the capital cost are evaluated by the senior management. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Group follows the capital by using debt/total capital rate. This rate is found by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet). Total capital is calculated as resources plus net debt as indicated in the balance sheet.

General strategy of the Group based on resources is not different from the previous years.

	December 31, 2011	December 31, 2010
Total Debt	493.883.899	417.694.527
Minus (-) Cash and Equivalent	(65.358.568)	(26.415.870)
Net Debt	428.525.331	391.278.657
Total Shareholder's Equity	138.445.685	120.437.244
Total Share capital	566.971.016	511.715.901
Rate % (Net Debt / Total Share Capital)	**75.58%**	**76,46%**

The Group does not have any speculative financial instruments (including derivative financial instruments) and any operating activity of trade of these financial instruments.

(b) Important Accounting Policies

The Company's important accounting policies relating to financial instruments are presented in the Note 2.

(c) Risks Exposed

Because of its operations, the Group is exposed to financial risks related to exchange rates and interest rates.

The Group as it holds the financial instruments also carry the risk of other party not meeting the requirements of the agreement.

Market risks seen at the level of Group are measured according to the sensitivity analysis principle. Market risks faced by the Company in current period or the process of undertaking the faced risks or the process of the measure of faced risks was not changed according to previous year.

(c1) Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk. This risk mainly arises from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized.

The Company is mainly exposed to foreign currency risk due to deposits, receivables and payables

Foreign Exchange Rate Sensitivity Analysis Table

	Current Period		Previous Period	
	Profit / Loss		Profit / Loss	
	Appreciation of Foreign Exchange	Devaluation of Foreign Exchange	Appreciation of Foreign Exchange	Devaluation of Foreign Exchange
In the event of 10% value change of USD against TL;				
1- USD Net Asset/ Liability	(2.323.951)	2.323.951	(5.376.668)	5.376.668
2- The part, hedged from USD Risk (-)				
3- USD Net Effect (1+2)	**(2.323.951)**	**2.323.951**	**(5.376.668)**	**5.376.668**
In the event of 10% value change of EUR against TL;				
4- EUR Net Asset/ Liability	512.758	(512.758)	(40.779)	40.779
5- The part, hedged from EUR Risk (-)				
6- EUR Net Effect (4+5)	**512.758**	**(512.758)**	**(40.779)**	**40.779**
Total	**(1.811.194)**	**1.811.194**	**(5.417.447)**	**5.417.447**

As of December 31, 2011 total amount of the commercial good inventories is **100.208.199 TL**. A significant part of inventories are purchased or imported in USD. As of December 31, 2010 total amount of the commercial good inventories is **123.630.694 TL**. A significant part of inventories are purchased or imported in USD.

c2) Credit Risk and Management

Table of Foreign Exchange Position

	Current Period				Previous Period			
	TL Value	USD	EUR	GBP	TL Value	USD	EUR	GBP
1. Trade Receivables	242.104.679	125.353.353	2.178.873	-	226.257.352	142.650.727	2.791.142	-
2a. Monetary Financial Assets	64.639.072	32.138.079	1.609.565	-	43.237.733	26.926.709	785.243	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets Total (1+2+3)	**306.743.751**	**157.491.432**	**3.788.438**	**-**	**269.495.085**	**169.577.436**	**3.576.384**	**-**
5. Trade Receivables	-			-	-	-	-	-
6a. Monetary Financial Assets	2.414	1.278		-	373	241	-	-
6b. Non-Monetary Financial Assets	-			-	-	-	-	-
7. Other	-			-	-	-	-	-
8. Fixed Assets Total (5+6+7)	**2.414**	**1.278**	**-**	**-**	**373**	**241**	**-**	**-**
9. Total Assets (4+8)	**306.746.165**	**157.492.710**	**3.788.438**	**-**	**269.495.457**	**169.577.677**	**3.576.384**	**-**
10. Trade Payables	(278.065.966)	(145.027.688)	(1.687.194)	-	(291.405.123)	(183.490.699)	(3.771.657)	-
11. Financial Liabilities	(24.775.230)	(13.116.221)	-	-	(10.992.996)	(7.110.605)	-	-
12a. Other Monetary Liabilities	(14.232.446)	(7.530.840)	(3.046)	-	(13.247.695)	(8.564.059)	(3.738)	-
12b. Other Non-Monetary Liabilities	-			-	-	-	-	-
13. Total Short Term Liabilities (10+11+12)	**(317.073.642)**	**(165.674.750)**	**(1.690.240)**	**-**	**(315.645.814)**	**(199.165.363)**	**(3.775.395)**	**-**
14. Trade Payables	-			-	-	-	-	-
15. Financial Liabilities	(7.784.458)	(4.121.160)		-	(8.024.113)	(5.190.242)	-	-
16a. Other Monetary Liabilities	-			-	-	-	-	-
16b. Other Non-Monetary Liabilities	-			-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	**(7.784.458)**	**(4.121.160)**	**-**	**-**	**(8.024.113)**	**(5.190.242)**	**-**	**-**
18. Total Liabilities (13+17)	**(324.858.101)**	**(169.795.909)**	**(1.690.240)**	**-**	**(323.669.927)**	**(204.355.605)**	**(3.775.395)**	**-**
19. Net Asset/ (Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	**26.296.577**	**13.921.635**	**-**	**-**	**3.287.323**	**2.126.341**	**-**	**-**
19a. Total Amount of Hedged Assets	26.296.577	13.921.635	-	-	3.287.323	2.126.341	-	-
19b. Total Amount of Hedged Liabilities	-				-			
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**8.184.641**	**1.618.436**	**2.098.199**	**-**	**(50.887.147)**	**(32.651.587)**	**(199.011)**	**-**
21. Monetary Items Net Foreign Exchange Asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	**(18.111.936)**	**(12.303.199)**	**2.098.199**	**-**	**(54.174.470)**	**(34.777.928)**	**(199.011)**	**-**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	-			-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Assets	25.852.423	13.921.635	-	-	3.186.663	2.126.341	-	-
23. The Amount of Hedged part of Foreign Exchange Liabilities	-			-	-	-	-	-
23. Export	16.180.209			-	13.816.010	-	-	-
24. Import	492.022.828			-	472.875.309	-	-	-

CREDIT TYPES INCURRED IN RESPECT OFFINANCIAL INSTRUMENT TYPES CURRENT PERIOD	Receivables						
	Trade Receivables		Other Receivables		Foot Note	Bank Deposits and Repos	Foot Note
	Related Party	Other	Related Party	Other			
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	2.859.230	400.314.916	162.812	214.160		65.063.969	
- The part of maximum risk secured by guarantee etc.	-	*30.810.485*	-	-			
A. Net book value of financial assets which are undue or which did not decline in value (2)	2.859.230	399.602.383	162.812	214.160	10-11	65.063.969	6
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	-	537.009	-	-	10-11	-	6
C. Net book value of assets, overdue but did not decline in value. (6)	-	175.523	-	-		-	
- The part secured by guarantee etc.	-	175.523	-	-	10-11	-	6
D. Net book values of assets declined in value (4)	-	-	-	-		-	
- Overdue (gross book value)	-	5.942.549	-	-	10-11	-	6
- Decline in value (-)	-	(5.942.549)	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-		-		10-11	-	6
- Undue (gross book value)	-	-	-	-	10-11	-	6
- Decline in value (-)					10-11	-	6
- The part of net value secured by guarantee etc.					10-11	-	6
E. Elements containing credit risk off the balance sheet (5)							

PREVIOUS PERIOD	Receivables						
	Trade Receivables		Other Receivables		Foot Note	Bank Deposits and Repos	Foot Note
	Related Party	Other	Related Party	Other			
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	4.619.012	310.566.424	96.013	207.175		25.326.774	
- The part of maximum risk secured by guarantee etc.	-	*21.166.698*	-	-			
A. Net book value of financial assets which are undue or which did not decline in value (2)	4.619.012	309.745.773	96.013	207.175	10-11	25.326.774	6
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	-	296.209	-	-	10-11		6
C. Net book value of assets, overdue but did not decline in value. (6)	-	524.442	-	-			
- The part secured by guarantee etc.		*524.442*			10-11		6
D. Net book values of assets declined in value (4)	-	-	-	-		-	
- Overdue (gross book value)	-	5.082.748	-	-	10-11	-	6
- Decline in value (-)		(5.082.748)	-	-	10-11		6
- The part of net value secured by guarantee etc.					10-11		6
- Undue (gross book value)	-	-	-	-	10-11	-	6
- Decline in value (-)					10-11		6
- The part of net value secured by guarantee etc.					10-11		6
E. Elements containing credit risk off the balance sheet (5)							

(1) During the assessment, the elements such as guarantees received which can increase the credibility are not taken into consideration.

	Receivables	
Current Period (December 31, 2011)	**Trade Receivables**	**Other Receivables**
1-30 Days Overdue	626.919	-
1-3 Months Overdue	58.638	-
More than 3 Months Overdue	26.975	-
The part of net value secured by guarantee etc.	175.523	-

	Receivables	
Previous Period (December 31, 2010)	**Trade Receivables**	**Trade Receivables**
1-30 Days Overdue	641.987	-
1-3 Months Overdue	102.873	-
More than 3 Months Overdue	75.791	-
The part of net value secured by guarantee etc.	524.442	-

Guarantees received and other elements, which increase the credibility, mortgages received, bill sureties and guarantee letters are taken into consideration.

The Group's credit risk management exposed from trade receivables. Trade receivables mostly consist from receivables from dealers. The Group has set up an effective control system over its dealers and the risk is monitorized by credit risk management team and Group Management. The Group has set limits for every dealer and these limits are revised if it is necessary. The taking adequate guarantees from dealers are another method for the risk management. There is no significant trade receivable risk for the Group, because the Group has receivables from a wide range of customers instead of a small number customers and significant amounts. Trade receivables are evaluated by taking into consideration of Group's past experience and current economic situation and these receivables are presented with their net values in the balance sheet after the proper provisions for doubtful receivables are made. The low profit margin by force of the sectoral conditions makes collection and credit risk management policies important and the Group management show sensivity in these situations. The detailed information about the collection and risk management policies are as follows;

The Group starts executive proceedings and / or litigate for the receivables overdue for a few months. The Group can configure terms for dealers in difficult situations. The low profit margin by force of the sectoral conditions makes collection of receivables important. There is a risk management team to minimize the risk of collections and the sales are realized by making credibility evaluations. The sales to new or risky dealers are made in cash collection.

The Group is selling products to a wide range of institutions which are selling or buying computer and its equipments. The capital structure of the dealers classified as "classic dealers" in the distribution channel is low. It is estimated that there are about 5.000 dealers in this group in Turkey and in terms of risk management to minimize the receivable risk of Datagate by taking steps and establishing its own organisation and working system. The steps taken by the Group is as follows;

The sales to new customers which have no experience more than 1 year: The sales to new customers which have no experience more than 1 year are made in cash collection.

The information team involved in receivable and risk management department is monitoring the dealers continuously.

Credit Committee: The information about the customers which has experience more than 1 year in the sector and the customers which are demanding an increase for the credit limit are prepared by the information team and presented to credit committee every week. Credit committee consist of Senior Vice President of Finance, Finance Manager, Accounting Manager, information team staff and the Sale Manager of related Customer. Credit Committee establish credit limits to related customers by taking into consideration the information gained from the information team, past payments and sale performances. The Credit Committee determines the conditions and if it is needed they demand for guarantees, mortgages, etc.

Group sales are widespread on Turkey; therefore it is reduce the concentration risk.

Trade receivables are evaluated by taking into consideration the Group policies and procedures and the trade receivables are shown with their net value after the provisions for doubtful receivables are made in the financial statements. (Note: 10)

(c3) Management of interest rate risk

Group's fixed interest financial instruments liabilities are stated in **Note: 8**. Group's fixed interest assets (deposit etc.) are stated in **Note: 6**.

Table of Interest Position

	Current Period	**Previous Period**
Fixed Interest Financial Instruments		
Financial Assets	26.308.719	1.000.140
Financial Liabilities	46.321.406	19.525.078
Floating Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

If there is a %1 increase on TL interest rate and other variables are fixed as of December 31, 2011, profit before tax will be less with the amount of 200.126 TL. (December 31, 2010: 185.249 TL) Important part of Group's financial assets and liabilities with fixed interest rate are short-term. Consequently the financial assets and liabilities with fixed interest rate are taken into consideration. There is no interest rate risk if only financial assets and liabilities with floating rate are taken into consideration.

(c4) Liquidity risk management

The Group tries to manage the liquidity risk by maintaining the continuation of sufficient funds and loan reserves by means of matching the financial instruments and terms of liabilities by following the cash flow regularly.

Liquidity Risk Tables

Prudent liquidity risk management signifies maintaining sufficient cash, the utility of fund sources by sufficient credit transactions and the ability to close out market positions.

Risk of existing or future possible debt requirements being fundable is managed by maintaining the continuation of availability of sufficient numbers and high quality credit providers.

The table below indicates the term divisions of derivative and non-derivative financial liabilities of the Group in TL currency.

December 31, 2011

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	*457.593.105*	**463.346.131**	**441.292.565**	**8.734.507**	**13.319.059**	-
Bank Loans	*46.323.157*	47.659.127	25.605.561	8.734.507	13.319.059	-
Debt Instrument Issue	-	-	-	-	-	-
Financial Lease Liabilities	-	-	-	-	-	-
Trade Payables	*395.944.108*	400.361.164	400.361.164	-	-	-
Other Payables	*15.325.840*	15.325.840	15.325.840	-	-	-
Other						

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	**444.154**	**235.764**	**233.554**	**2.211**	-	-
Derivative Cash Inflows	*26.296.577*	*26.296.577*	*22.798.021*	*3.498.555*	-	-
Derivative Cash Outflows	*(25.852.423)*	*(26.060.812)*	*(22.564.468)*	*(3.496.344)*	-	-

(*)The amount of forward transactions consists of **13.921.635 USD**. In liability calculation, derivative cash outflow is calculated using exchange rates valid at the end of term. Derivative cash inflow is calculated using the exchange rate valid on December 31, 2011. Actual profit or loss will arise at the end of term.

December 31, 2010

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	**399.140.961**	**403.267.461**	**386.681.130**	**6.012.865**	**9.970.175**	**603.291**
Bank Loans	*19.709.602*	22.215.866	5.629.535	6.012.865	9.970.175	603.291
Debt Instrument Issue	-	-	-	-	-	-
Financial Lease Liabilities	*141*	156	156	-	-	-
Trade Payables	*365.962.360*	367.582.581	367.582.581	-	-	-
Other Payables	*13.468.858*	13.468.858	13.468.858	-	-	-
Other						

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	**100.660**	**89.471**	**89.471**	-	-	-
Derivative Cash Inflows	*3.287.323*	*3.287.323*	*3.287.323*	-	-	-
Derivative Cash Outflows	*(3.186.663)*	*(3.197.852)*	*(3.197.852)*	-	-	-

(*)The amount of forward transactions consists of **2.126.341 USD**. In liability calculation, derivative cash outflow is calculated using exchange rates valid at the end of term. Derivative cash inflow is calculated using the exchange rate valid on December 31, 2010. Actual profit or loss will arise at the end of term.

(c5) Analyses of other Risks

Risks Related to Financial Instruments, Stocks Etc.

Group has no stocks or similar marketable securities evaluated by fair value in the current period.

39 FINANCIAL INSTRUMENTS (DECLARATIONS WITHIN THE CONTEXT OF FAIR VALUE AND HEDGING)

Aims at financial risk management

The finance department of the Group is responsible for maintaining the access to financial markets regularly and observing and managing the financial risks incurred in relation with the activities of the Group. The said risks include market risk (including foreign exchange risk, fair interest rate risk and price risk), credit risk, liquidity risk and cash receiving risk.

Fair Value of Financial Instruments

Fair value is the amount for which a financial instrument could be exchanged except compulsory sale or liquidation process between willing parties and it is determined with its market value if there is a quoted price.

The Group has determined the estimated values of financial instruments by taking into consideration the present market information and proper valuation methods. But determination of market information and estimation of fair value require interpretation and discernment. Consequently the estimations presented are not always the indicators of the values could be realized from a current market transaction.

The methods and assumptions used for the determination of the fair value of the financial instruments are as follows;

Monetary Assets

Balances denominated in foreign currencies are converted into Turkish Lira by the exchange rate ruling at the balance sheet date. It is predicted that these balances are considered to approximate to their net book value.

Financial instruments in which cash and cash equivalents are included are carried by their cost value and it is predicted that their net book value are considered to approximate to their fair values due to their short-term maturity.

It is predicted that the net book value of trade receivables with provisions made for doubtful receivables present their fair values.

Monetary Liabilities

Balances denominated in foreign currencies are converted into Turkish Lira by the exchange rate ruling at the balance sheet date. It is predicted that these balances are considered to approximate to their net book value.

It is predicted that net book value of bank loans and other monetary liabilities are considered to approximate their fair values due to their short-term maturity.

It is predicted that the net book value of trade payables present their fair values due to their short-term maturity.

Fair Value Assessment:

The Group has applied the amendments in IFRS 7 related with the financial instruments evaluated by fair value in the balance sheet effective from the date of January 1, 2009. The amendment in fair value calculations is disclosed in accordance with the steps of hierarchy for fair value mentioned below;

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data.

It is predicted that net book value of foreign currency balances which are converted to TL at the end of the year are considered to approximate to their fair values.

The Group presents its financial investments with their fair values in the financial statements as of December 31, 2011. (Level 2) **(Note: 7)**

It is accepted that the discounted net book value of financial assets such as cash and cash equivalents present their fair values due to their short-term maturity.

Trade receivables and payables are measured at their discounted cost using the effective interest method and it is accepted that the net book value of these balances are considered to approximate their fair values.

40 SUBSEQUENT EVENTS

According to the Group's main partnership İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret A.Ş.'s Board of Director's meeting on January 3, 2012, it has been decided to establish a new company with the title of "Indeks International FZE" or a title stipulated by the competent authorities in Sharjah Airport International Free Zone, United Arab Emirates in order to operate in international information technologies in the area of initially Middle East and Africa. Also it has been decided that the mentioned company's % 100 of the capital will be owned by the Company, the capital will be 150.000 United Arab Emirates Dirham and it has been decided to start legal proceedings, the mentioned situation has been explained by Public Disclosure Platform on January 3, 2012.

According to the Group's subsidiary Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi's Board of Director's meeting on January 11, 2012, it has been decided to establish a new company with the title of "Datagate International FZE" or a title stipulated by the competent authorities in Sharjah Airport International Free Zone, United Arab Emirates in order to operate in international information technologies in the area of initially Middle East and Africa. Also it has been decided that the mentioned company's % 100 of the capital will be owned by the Company, the capital will be 150.000 United Arab Emirates Dirham and it has been decided to start legal proceedings, the mentioned situation has been explained by Public Disclosure Platform on January 11, 2012.

41 OTHER ISSUES

None.