İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi

Consolidated Financial Statements and Independent Auditors' Report for the Year Ended December 31, 2010

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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, 2010 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)** Consolidated financial statements of the Group as of December 31, 2009 were audited by another independent auditing company. The independent auditing company has expressed a positive opinion in the audit report dated March 8, 2010.

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, 2010 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 4, 2011)

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BALANCE SHEET (TL) (XI-29 Consolidated)	Notes	Audited Current 31.12.2010	Audited Previous 31.12.2009
ASSETS			
Current Assets		**506.260.534**	**405.654.269**
Cash and Cash Equivalents	6	26.415.870	2.320.888
Financial Investments	7	100.875	33
Trade Receivables	10	315.185.436	229.494.807
- Receivables from Related Parties	*10-37*	*4.619.012*	*624.262*
- Other	*10*	*310.566.424*	*228.870.545*
Other Receivables	11	246.748	1.355.562
- Receivables from Related Parties	*11-37*	*96.013*	*1.205.509*
- Other	*11*	*150.735*	*150.053*
Inventories	13	127.325.894	138.885.304
Other Current Assets	26	36.985.711	33.597.675
Non-Current Assets		**31.871.237**	**31.092.091**
Other Receivables	11	56.440	51.844
Financial Investment	7	64.894	64.894
Investment Property	17	124.871	-
Tangible Fixed Assets	18	28.430.858	28.031.126
Intangible Fixed Assets	19	59.139	68.865
Goodwill	20	2.467.577	2.467.577
Deferred Tax Assets	35	667.458	407.785
TOTAL ASSETS		**538.131.771**	**436.746.360**

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BALANCE SHEET (TL)

(XI-29 Consolidated)	Notes	Audited Current 31.12.2010	Audited Previous 31.12.2009
LIABILITIES			
Short -Term Liabilities		**408.392.686**	**313.007.623**
Financial Liabilities	8	11.424.383	22.155.856
Trade Payables	10	365.962.360	265.080.401
-Due to Related Parties	*10-37*	*624.144*	*6.760.191*
-Other	*10*	*365.338.216*	*258.320.210*
Other Financial Liabilities	11	13.468.858	8.239.654
- Due to Related Parties	*11-37*	*4.834.616*	*1.182.299*
- Other	*11*	*8.634.242*	*7.057.355*
Provision For Tax	35	1.098.634	1.530.656
Provision For Liabilities	22	5.176.795	3.382.919
Other Short-Term Liabilities	26	11.261.656	12.618.137
Long – Term Liabilities		**9.301.841**	**10.962.332**
Financial Liabilities	8	8.285.360	10.313.062
Provision For Employment Termination Indemnities	24	1.016.481	649.270
SHAREHOLDERS EQUITY		**120.437.244**	**112.776.405**
Parent Company Shareholders' Equity	27	**110.656.770**	**104.023.844**
Paid-in Capital		56.000.000	56.000.000
Adjustments regarding Share Capital of Participations (-)		241.113	241.113
Hedging Funds		79.284	-
Restricted Reserves Assorted from Profit		5.109.837	4.183.406
Previous Years' Profit / (Loss)		36.055.067	27.664.383
Net Profit / (Loss) for the Period		13.171.469	15.934.942
Minority Interests	27	**9.780.474**	**8.752.561**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**538.131.771**	**436.746.360**

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

INCOME STATEMENT (TL)

(XI-29 Consolidated)

	Notes	Audited 01.01.2010-31.12.2010	Audited 01.01.2009-31.12.2009
CONTINUED OPERATIONS			
Sales Revenue	28	1.228.175.766	1.087.422.382
Cost of Sales (-)	28	(1.153.272.537)	(1.023.117.198)
GROSS PROFIT		**74.903.229**	**64.305.184**
Marketing, Sales and Distribution Expenses(-)	29	(13.493.798)	(11.173.103)
General Administration Expenses (-)	29	(14.896.959)	(12.767.710)
Other Operating Income	31	60.687	353.339
Other Operating Expenses (-)	31	(374.948)	(948.369)
OPERATING PROFIT / (LOSS)		**46.198.211**	**39.769.341**
Financial Income	32	40.029.703	28.286.140
Financial Expenses (-)	33	(67.681.475)	(45.663.848)
CONTINUED OPERATIONS PROFIT BEFORE TAXATION		**18.546.439**	**22.391.633**
Continued Operations Tax Income / (Expense)		**(4.347.057)**	**(4.747.543)**
- Tax Expense for the Period	35	(4.626.551)	(4.681.623)
- Deferred Tax Income / (Expense)	35	279.494	(65.920)
PROFIT FOR THE PERIOD		**14.199.382**	**17.644.090**
Change in Hedging Fund		79.284	-
Other Comprehensive Income		**79.284**	-
OTHER COMPREHENSIVE INCOME (AFTER TAXES)		**14.278.666**	**17.644.090**
Total Comprehensive Income		-	-
Distribution of Profit / (Loss) For the Period		**14.199.382**	**17.644.090**
Minority Interest	27	1.027.913	1.709.148
Parent Company Share	27	13.171.469	15.934.942
Distribution of Total Comprehensive Income for the Period		**14.278.666**	**17.644.090**
Minority Interest	27	1.027.913	1.709.148
Parent Company Share	27	13.250.753	15.934.942
Earnings Per Share	36	0,235205	0,284553

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The accompanying notes are integral parts of the consolidated financial statements.

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

	Notes	Audited January 1, 2010-December 1, 2010	(Reclassified) Audited January 1, 2009-December 1, 2009
A) CASH FLOW PROVIDED FROM OPERATIONS			
Net Profit for the Year		**18.546.439**	**22.391.633**
Adjustments :			
Depreciation (+)	18-19	840.617	698.376
Change in Provision for Termination Indemnities	24	521.509	323.612
Rediscount on Notes Receivable (+)	10	489.818	(368.166)
Gain (-) or Loss (+) on Sale of Assets	18-19	(16.309)	1.794
Increase (+) / Decrease (-) in Provision for Debt	22	1.793.875	570.793
Provision for Doubtful Receivables for Current Period (+)	10	438.975	2.124.324
Provision for Nullified Doubtful Receivables (-)	10	(242.705)	(375.794)
Provision for Decrease in Value of Inventories (+)	13	284.547	(223.830)
Rediscount on Notes Payable (-)	10	(626.494)	(166.845)
Provision for Decrease in Value of Affiliates (-)		-	-
Interest Expenses (+)	33	13.146.389	9.866.332
Interest Income (-)	32	(8.367.322)	(5.564.708)
Income from Marketable Securities or Long-term Investments(-)		-	-
Operational Income Before Changes in Working Capital:		**26.809.339**	**29.277.521**
Increase/Decrease in Trade Receivables /Other Receivables (-)	10-11	(85.515.205)	(46.971.198)
Decrease in Inventories (+)	13	11.274.863	(58.455.063)
Increase in Marketable Securities with Purchase/Sale Purposes(-)		-	-
Decrease in Trade Receivables /Other Receivables (-)	10-11	106.737.658	84.935.249
Increase (-) / Decrease (+) in Other Current Assets	26	(3.388.036)	(3.568.637)
Increase (+) / Decrease (-) in other Liabilities	26	(1.356.481)	5.596.084
Other Cash Flows (+)/(-)		286.070	(452.307)
Cash Inflow Provided/(Used) From Operating Activities:		**54.848.208**	**10.361.649**
Termination Indemnities Payment (-)	22	(154.297)	(176.683)
Tax Payment (-)	35	(5.058.573)	(3.899.370)
Net Cash Inflow Provided/(Used) From Operating Activities:		**49.635.338**	**6.285.596**
B) NET CASH USED IN INVESTMENT OPERATIONS			
		-	-
Net Tangible Assets Purchases (-)		-	-
Investment property (-)	17	(125.500)	-
Tangible Assets Purchases	18-19	(1.265.890)	(898.843)
Cash provided from sale of Tangible and Intangible Assets	18-19	52.206	22.257
NET CASH RELATING TO INVESTMENT OPERATIONS		**(1.339.184)**	**(876.586)**
C) CASH FLOW RELATING TO FINANCIAL ACTIVITIES			
Capital Increase		-	-
Change in Cash with Issue Premiums		-	-
Change in Short Term Financial Liabilities	8	(10.731.473)	(7.157.785)
Change in Long Term Financial Liabilities	8	(2.027.702)	(1.331.514)
Dividends Payments (-)		(6.617.827)	-
Net Interest Income / (Expense)	32-33	(4.903.594)	(3.726.004)
Hedging fund		79.284	-
NET CASH RELATING TO FINANCIAL ACTIVITIES		**(24.201.312)**	**(12.215.303)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**24.094.842**	**(6.806.293)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	2.320.888	9.127.181
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	26.415.730	2.320.888

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

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

Audited	Note	Capital	Capital Adjustment Differences	Issue Premiums	Hedging Fund	Restricted Reserves	Previous Year Profit / (Loss)	Net Period Profit / (Loss)	Minority Shareholder	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		-	-	-	-	-	-	-	-	-
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 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**

Audited	Note	Capital	Capital Adjustment Differences	Issue Premiums	Hedging Fund	Restricted Reserves	Previous Year Profit / (Loss)	Net Period Profit / (Loss)	Minority Shareholder	Total Shareholders' Equity
01.01.2009	**Note-27**	**56.000.000**	**241.113**	**-**	**-**	**3.972.255**	**22.808.705**	**5.066.829**	**7.043.413**	**95.132.315**
Capital		-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	5.066.829	(5.066.829)	-	-
Transfers to Reserves		-	-	-	-	211.151	(211.151)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-	-	-	-	-
Net Profit		-	-	-	-	-	-	15.934.942	1.709.148	17.644.090
31.12.2009	**Note-27**	**56.000.000**	**241.113**	**-**	**-**	**4.183.406**	**27.664.383**	**15.934.942**	**8.752.561**	**112.776.405**

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

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1 - ORGANIZATION AND BUSINESS SEGMENTS

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, 2010 and December 31, 2009, 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
Neteks İletişim Ürünleri Dağıtım A.Ş. (Neteks)	Purchasing and Selling of Network Products	1.100.000	50,00	50,00

The financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş. and Teklos Teknoloji Lojistik Hizmetleri 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 (%38,63) and Pouliadis and Associates S.A. (% 35,56) located in Greece. The average number of employees for the year ended December 31, 2010 is 316.(2009: 289) . All personnel are administrative staff.

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

The Group's' subsidiaries as of December 31, 2010 and December 31, 2009 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
Neteks İletişim ürünleri Dağıtım A.Ş.	Purchasing and Selling Network Products	1.100.000	50,00	50,00
İnfin Bilgisayar Ticaret A.Ş.	Purchasing and Selling Computer and equipment (Export-Import)	50.000	99,80	99,80
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%.

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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 communique Serie XI, No:29 "Comminuque on Financial Reporting at Capital Markets" which was declared by the CMB dated April 9, 2008 with No:26842.

This communique has become valid for the first interim financial statements after January 01, 2008. Based on 5th clause of this communique, 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 communique 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. For that reason, prior period financial statements reclassified accordingly.

As of April 4, 2011 the Group's financial statements were approved and signed by its Board of Directors for the period January 1- December 31, 2010. 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 has 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 is 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, 2010 and December 31, 2009 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	80
İnfin Bilgisayar Ticaret A.Ş.	Purchasing and Selling Computer and Equipments (Export-Import)	50.000	99,80	99,80
Teklos Teknoloji Lojistik Hizmetleri A.Ş.	Logistics	5.000.000	99,99	99,99
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%.

The financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş. and Teklos Teknoloji Lojistik Hizmetleri 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

Neteks İletişim Ürünleri Dağıtım A.Ş. which is joint managing of company are subjected to partial consolidation method. Financial summary of Neteks İletişim Ürünleri Dağıtım A.Ş stated as follows.

Financial Statement Items	December 31, 2010	December 31, 2009
Current Assets	42.657.724	26.285.563
Fixed assets	197.745	160.931
Total Assets	**42.855.469**	**26.446.494**
Short Term Liabilities	38.003.364	23.150.765
Long Term Liabilities	16.960	8.505
Total Equity	4.835.145	3.287.224
Total Liability	**42.855.469**	**26.446.494**
Sales	107.884.168	99.640.221
Gross Profit	5.752.937	4.740.065
Operational Profit	2.675.971	2.095.566
Net Profit	1.547.921	998.033

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Companies which are not subjected to Consolidation

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

Associate	% of Ownership	TL Amount of Ownership
İnfin Bilgisayar Ticaret A.Ş.	99,80	62.419
Neteks Dış Ticaret Ltd.Şti. (*)	49,50	2.475
Total Subsidiary Amount		**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.

Comparison between financial outcomes of companies which are not subjected to consolidation and financial outcomes of consolidated financial statements are 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 eleminated during the consolidation eventhough this companies are subjected to consolidation. Considered other matters when mentioned companies are excluded from the consolidation, are as follows;
These companies has not got significant assets and liabilities which are out of balance sheet. Moreover these companies has 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 new items have been added to Group's Statement of Cash Flows in the current period in order to better reporting of the cash flows of the Group. In parallel with the changes in Statement of Cash-Flows in the current period, the similar classifications are made to prior periods in order to ensure the comparability of the financial statements. 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 prier periods, policy is applied to the prier period financial statements as if it is applied before.
There is no any changing in financial accounting policies made in the current period

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. The Group benefits from past experiences for the accounting estimates.

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, motherbord, hard disk, display adapter. All the sales are operated via dealers and there are not any direct sales to end customers. Net sales is 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.

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, electrical household appliances, network products.

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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 neccessary 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 is 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 OF FIXED ASSET	Depreciation rates as of December 31, 2010 (%)	Depreciation rates as of December 31, 2009 (%)
Land Improvements	10	10
Buildings	2	2
Machinery, Plant and Equipment	20-10	20-10
Motor Vehicles	25-10	20-10
Furniture and Fixtures	25-10	20-10
Leasehold Improvements	20-10	20-10

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

Tangible fixed assets has been revised in terms of impairment each 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 provision.

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 assets 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.

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 a tangible fixed assets.

2.08.05 Impairment of Assets

Assets which has infinite life are not subjected to amortization. Impairment test is applied for these assets for each year.

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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.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 seperately identifiable cash flows. Apart from the goodwill, non-financial assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

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 appropriate 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.

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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 are 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 includeded in profit or loss for the period. Provisions recorded in the income statement pertaining to the impairment of financial asset Available-for-Sale can not 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.

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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

None.

(iii) Derivative Financial Instruments

The Group has aggrement 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, 2010 and the cost value of the forward contracts as of December 31, 2010 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 balancesheet. **(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 cuurency risk.

2.08.10 Earnings per Share

Earnings per share in the income statement is 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.

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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 descibed 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.

Group's Lease agreements as a lessee ,are related with store and office lease in İstanbul, Ankara, İzmir, Diyarbakır and vehicle leases. Annual lease expence is 479.728 TL (2009 : 582.934 TL) as of 2010. Lease payments have been expensed with straight line-method.

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 aoffice 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

None.

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 whichthose 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 Liablities

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

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 investment 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 is 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 is recognised as credit note income accruals in the balancesheet 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.

2.08.21 Provisions for Warranty

The Group is a distributor of the information technologies in Turkey. The warranties of the products sold is 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 Company 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 01, 2010 are as follows:**

- IFRS 2 (Amendment) "Share-based payment" A set of explanations related to share-based payments.
- IFRS 3 (Amendment), "Business Combinations" and IAS 27 (Amendment), "Consolidated Financial Statements and Non-Consolidated Financial Statements" Regulations has been made related to accounting for conditional value, cost of acquisition, goodwill and examples related to exchange of shares in subsidiaries are given.

- IFRS 1(Amendment), "First-time Adoption of IFRS" Some exceptions to First-time Adoption of IFRS have been made
- IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" – Hedging Instruments
- IFRIC 17, "Distributions of Non-cash Assets to Owners". A set of explanations related to recognition of distribution of non-cash assets to shareholders.

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

i) The following standards, amendments and interpretations not preferred an early application by the Group and will become effective after December 31, 2010 :

- IAS 24 (Revised) "Related-Party Disclosures" (The amendment is effective for financial period beginning on and after January 01, 2011.) Revision on the related party disclosures related to entities with significant state ownership.
- IFRS 9 "Financial Instruments" (The amendment is effective for financial period beginning on and after January 01, 2013.) Additional conditions to recognition and measurement of Financial Instruments
- IAS 32 (Amendment) "Financial Instruments' Presentation" (The amendment is effective for financial period beginning on and after February 01, 2010.) Some explanations related to right issue offerings in return for the foreign currency amounts recognised as derivative financial instruments.
- IAS 1 (Amendment) "Presentation of Financial Statements" (The amendment is effective for financial period beginning on and after January 1, 2011.) Some explanations have been made for presentation of the statement of shareholders' equity per shareholders' equity items.
- IFRS 1 (Amendment) (The amendment is effective for financial period beginning on and after July 01, 2010, early adoption is permitted) Limited exemptions for comparative IFRS 7 notes
- IFRS 7 (Amendment) "Financial Instruments: Disclosures" (The amendment is effective for financial period beginning on and after January 1, 2011.): Some explanations have been made for the disclosures must be done according to IFRS 7.
- IFRS 7 (Amendment) "Financial Instruments: Disclosures" (The amendment is effective for financial period beginning on and after July 1, 2011.): Some explanations have been made for the off-balancesheet transactions to be examined more comprehensively.
- IFRIC 9 "Reassesment of Embedded Derivatives" (The amendment is effective for financial period beginning on and after January 01, 2013.)
- IFRIC 14 (Amendment) "Prepayments of a Minimum Funding Requirement" (The amendment is effective for financial period beginning on and after January 01, 2011.) Some explanations have been made for the permit to recognise as an asset some voluntary prepayments for minimum funding contributions.
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (The amendment is effective for financial period beginning on and after July 01, 2010.)Some explanations have been made for the recognition of the transactions such as a negotiation between the company and the creditor for the conditions of the financial liabilities and such a situation that the creditor accept that the debtor company repay the complete or a part of the financial liability by equity instruments.

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

i) Amendments and interpretations that have become effective after January 01, 2010 are as follows:

- IFRS 2 (Amendment) "Share-based payment" A set of explanations related to share-based payments.
- IFRS 3 (Amendment), "Business Combinations" and IAS 27 (Amendment), "Consolidated Financial Statements and Non-Consolidated Financial Statements" Regulations has been made related to accounting for conditional value, cost of acquisition, goodwill and examples related to exchange of shares in subsidiaries are given.
- IFRS 1(Amendment), "First-time Adoption of IFRS" Some exceptions to First-time Adoption of IFRS have been made

- IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" – Hedging Instruments
- IFRIC 17, "Distributions of Non-cash Assets to Owners". A set of explanations related to recognition of distribution of non-cash assets to shareholders.

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

3 BUSINESS COMBINATIONS

None.

4 BUSINESS ASSOCIATIONS

None.

5 REPORTING FINANCIAL INFORMATION BY SEGMENTS AND GEOGRAPHIC AREAS

The Group operates in only one sector, which is related to products of information technologies in only one geographical location. Due to these facts it is not necessary to disclose any information related to segment reporting. The information related to the production and sales quantities are disclosed in the relevant note.

6 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the periods December 31, 2010 and December 31, 2009 are as follows:

Account Name	December 31, 2010	December 31, 2009
Cash	32.821	35.603
Bank (Demand Deposits)	24.326.634	1.569.999
Financial Assets held until Maturuity (Reverse Repo)	1.000.140	-
Credit card slips	1.056.275	715.286
Total	**26.415.870**	**2.320.888**

Maturity of credit card slips are 1 or 2 days for the current and prior period.
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 İnterest rate of reverse repo transaction is % 5,10.

There is no lien and blocked amounts on cash and cash equivalents as of December 31, 2010 (December 31, 2009 : None.)

Cash and cash equivalents has been indicated as accured interest income deducted from cash and equivalants in Group's cash flow statements.

Account Name	December 31, 2010	December 31, 2009
Cash and Equivalents	26.415.870	2.320.888
Accrued Interest Income (-)	(140)	-
Total	**26.415.730**	**2.320.888**

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. Details are shown below;

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Account Name	December 31, 2010	December 31, 2009
Shares	214	33
Assets arised from Derivative Instruments	100.661	-
Total	**100.875**	**33**

Groups Stock investments consists of shares which are traded in Istanbul Stock and Exchange Market (IMKB).

181 TL of valuation income which is valuated with closing price on December 31, 2010, is considered as other income.

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 TL 3.186.663 as of December 31, 2010. TL 1.556 of revaluation surplus is considered as income and a mount of TL 99.105 considered as '' hedging fund''under the shareholder's equity. Amount of 19.821 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 Avaliable for Sale are as follows:

Account Name	December 31, 2010	December 31, 2009
Shares	64.894	64.894
- Listed stocks	-	-
-Unlisted stocks	*64.894*	*64.894*
Total	**64.894**	**64.894**

Unlisted stock investments are as follows;

Company Name	December 31, 2010 Share Amount	December 31, 2010 Rate (%)	December 31, 2009 Share Amount	December 31, 2009 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, 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**

December 31, 2009

Company Name	Total Asset	Total Liabilities	Total Equity	Net Sales	Profit for the period
İnfin A.Ş.	10.272.466	9.979.753	292.713	17.821.381	47.939
Neteks Dış Tic. Ltd.Şti.	2.013.512	1.959.758	53.754	12.924.449	63.239
Total	**12.285.978**	**11.939.511**	**346.467**	**30.745.830**	**111.178**

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8 - FINANCIAL LIABILITIES

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

Account Name	December 31, 2010	December 31, 2009
Bank Loans	11.424.242	22.154.762
Payables of Financial Leases	156	3.378
Deferred Financial Leasing Borrowing Cost (-)	(15)	(2.284)
Total	**11.424.383**	**22.155.856**

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

December 31, 2010

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

December 31, 2009

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Short Term Loans			
TL Loans(Short Term)		*250.441*	*Interest free -11,63*
USD Loans (Short Term)	*14.547.600*	*21.904.321*	*2,50 –7,82*
Total Loans		**22.154.762**	

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

Account Name	December 31, 2010	December 31, 2009
Bank Loans	8.285.360	10.313.062
Total	**8.285.360**	**10.313.062**

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

December 31, 2010

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

December 31, 2009

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Long Term Loans			
TL Loans(Short Term)		*218.386*	*Interest free -11,63*
USD Loans (Short Term)	*6.704.308*	*10.094.676*	*7,82*
Total Loans		**10.313.062**	

ÇAĞDAŞ Bağımsız Denetim S M M M. A.Ş

Maturity Information of Bank Loans Liabilities are as follows;

	December 31,2010	December 31, 2009
0-3 Months	5.594.772	17.083.167
3-12 Months	5.829.471	5.071.595
12-60 Months	7.884.224	7.522.904
60 Months and above	401.135	2.790.158
Total	**19.709.602**	**32.467.824**

Maturity Information of Financial Lease Liabilities are as follows

	December 31,2010	December 31, 2009
0-3 Months	156	968
3-12 Months	-	2.410
Total	**156**	**3.378**

9- OTHER FINANCIAL LIABILITIES

None.

10- TRADE RECEIVABLES AND PAYABLES

Short-Term trade receivables for the years ended December 31, 2009 and December 31, 2008 are as follows:

Account Name	December 31,2010	December 31, 2009
Trade Receivables	217.070.240	161.033.481
Due from Related Parties	*4.619.012*	*624.262*
Other	*212.451.228*	*160.409.219*
Receivables	99.446.201	69.302.512
Rediscount on s Receivables (-)	(1.331.005)	(841.186)
Doubtful Receviables	5.082.748	4.888.556
Provision for Doubtful Receviables (-)	(5.082.748)	(4.888.556)
Total	**315.185.436**	**229.494.807**

The Group has no Long-Term Trade Receviables for the years ended December 31, 2010 and December 31, 2009.

A part of 21.616.698 TL of Total 315.185.436 TL trade receivables are in the scope of guarantee as of December 31, 2010. As of December 31.2009, A part of **34.269.777 TL** of total **229.494.807 TL** trade receivables were in the scope of guarantee.

Provision for Doubtful Receivables summarize table is below:

	January 1, 2010 - December 31, 2010	January 1, 2009 - December 31, 2009
Opening Balance	(4.888.556)	(3.140.027)
Recived amount in current period (+)	242.705	375.794
Exchange Differance	2.078	-
Period Expenses (-)	(438.975)	(2.124.323)
Period-end Balance	**(5.082.748)**	**(4.888.556)**

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

	December, 31 2010	December, 31 2009
Up to 3 Months	744.859	1.209.251
Between 3- 12 Months	75.791	153.816
Between 1-5 Years	-	-
Total	**820.650**	**1.363.067**

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 2010	December, 31 2009
Suppliers	339.132.873	212.094.553
Other Suppliers	*338.508.729*	*205.334.362*
Due to Related Suppliers	*624.144*	*6.760.191*
Notes Payable	28.449.708	53.979.575
Rediscount on Payable	(1.620.221)	(993.727)
Total	**365.962.360**	**265.080.401**

There are not any long-term trade payables for the years ended December 31, 2010. Avarage Maturity of Trade receivables and payables are under two months.

Compound interest rate of domestic government bonds is used as prevailing interest rate for rediscount of trade receivables and payables in TL. Also Libor and Eurobor are used for trade receiavbles and payables in USD and EURO.

11 - OTHER RECEIVABLES AND PAYABLES

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

Account Name	December, 31 2010	December, 31 2009
Other Receivables	1.526	-
Deposits and Guarantees Given	-	14.975
Due From Personnel	149.209	135.078
Non-commercial Receivables Due From Related Parties	96.013	1.205.509
Total	**246.748**	**1.355.562**

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

Account Name	December, 31 2010	December, 31 2009
Deposits and Guarantees Given	56.440	51.844
Total	**56.440**	**51.844**

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 2010	December, 31 2009
Taxes, Duties Payable and Other Fiscal Liabilities	4.177.693	3.195.053
Social Security Institution Payables	311.604	250.798
Advances Received	4.012.373	3.354.910
Personnel	132.572	256.594
Non-commercial Payables Due to Releated Parties	4.834.616	1.182.299
Total	**13.468.858**	**8.239.654**

12 –RECEIVABLES AND PAYABLES FROM / TO FINANCE SECTOR OPERATIONS

None.

13 –INVENTORIES

Inventories for the periods ended are as follows:

Account Name	December, 31 2010	December, 31 2009
Commercial Goods	125.235.533	135.921.631
Goods in Transportation	3.695.200	4.283.966
Decrease in Value of Inventory (-)	(1.604.839)	(1.320.293)
Toplam	**127.325.894**	**138.885.304**

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

Provision for Impairment of Inventory:

	January 1, 2010 December 31, 2010	January 1, 2009 December 31, 2009
Openning Balance (-)	(1.320.293)	(1.544.123)
Cancellation of Provision Due to Increase in Net Realizable Value Net(+)	118.899	337.416
Provision for the Period(-)	(403.445)	(113.586)
Balance at the end of year (-)	**(1.604.839)**	**(1.320.293)**

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, 2010, **7.537.113 TL** TL of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the the financial statements. (As of December 31, 2009, **9.277.090 TL** TL of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the the financial statements.)

Explanation	December, 31 2010	December, 31 2009
Cost	7.537.113	9.277.090
Provision for Decrease in value of Inventories	1.604.839	1.320.293
Net Realizable Value **(a)**	5.932.274	7.956.797
Inventory presented with its cost value **(b)**	121.393.620	130.928.507
Total Inventories (a+b)	**127.325.894**	**138.885.304**

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

Total Amount of Insurances on Assets are 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.

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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 Group management estimates the fair value of this property as 125.000 TL. The Group management has considered the fair value of the properties in the neighbourhood and acquisition of mentioned properties in their estimates.

<u>Cost Value</u>

Account Name	01.01. 2010	Additions	Sales	Transfer	31. 12. 2010
Buildings	-	125.500	-	-	125.500
Total	**-**	**125.500**			**125.500**

<u>Accumulated depreciation</u>

Account Name	01.01. 2010	Period Depreciation	Sales	Transfer	31. 12, 2010
Buildings	-	(629)	-	-	(629)
Total	**-**	**(629)**	**-**		**(629)**
Net Value	**-**				**124.871**

<u>December 31, 2009</u>

None

18 TANGIBLE FIXED ASSETS

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

<u>December 31, 2010</u>

<u>Cost</u>

Account Name	01.01.2010	Additions	Disposals	Transfers	31.12.2010
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**

<u>Accumulated Depreciation</u>

Account Name	01.01.2010	Additions	Disposals	Transfers	31.12.2010
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**

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Other tangible fixed assets consist of art objects. Due to there is no depriciation on art objects, these are not subject to depreciation.

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 are disclosed in **Note:22.**

December 31, 2009

Cost

Account Name	01.01.2009	Additions	Disposals	Transfers	31.12.2009
Lands and parcels	17.320.543	-	-	-	17.320.543
Land Improvements	39.204	-	-	-	39.204
Buildings	11.412.201	374.657	-	-	11.786.858
Machinery, Plants&Equipments	1.372.927	-	-	-	1.372.927
Motor Vehicles	1.133.338	304.904	(206.350)	-	1.231.892
Furniture & Fixtures	3.968.677	133.981	(8.047)	-	4.094.611
Leasehold Improvements	197.112	77.003	-	-	274.115
Other tangible assets	128.372	-	-	-	128.372
Total	**35.572.374**	**890.545**	**(214.397)**	**-**	**36.248.522**

Accumulated Depreciation

Account Name	01.01.2009	Additions	Disposals	Transfers	31.12.2009
Lands and parcels	-	-	-	-	-
Land Improvements	(39.204)	-	-	-	(39.204)
Buildings	(3.029.428)	(275.693)	-	-	(3.305.121)
Machinery, Plants&Equipments	(1.296.051)	(11.210)	-	-	(1.307.261)
Motor Vehicles	(602.292)	(118.725)	189.046	-	(531.971)
Furniture & Fixtures	(2.682.842)	(249.830)	1.302	-	(2.931.370)
Leasehold Improvements	(84.566)	(17.903)	-	-	(102.469)
Total	**(7.734.383)**	**(673.361)**	**190.348**		**(8.217.396)**
Net value	**27.837.991**				**28.031.126**

Other tangible fixed assets consist of art objects. Due to there is no depriciation on art objects, these are not subjected to depreciation.

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 7.699.183

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

19 INTANGIBLE FIXED ASSETS

31.12.2010

Cost

Account Name	01.01.2010	Additions	Disposals	Transfers	31.12.2010
Rights	522.419	13.560	-	-	535.979
Total	**522.419**	**13.560**	**-**	**-**	**535.979**

Accumulated Depreciation

Account Name	01.01.2010	Period Depreciation	Disposals	Transfers	31.12.2010
Rights	(453.554)	(23.286)	-	-	(476.840)
Total	**(453.554)**	**(23.286)**	**-**	**-**	**(476.840)**

Net Value	**68.865**	**-**	**-**	**-**	**59.139**

31.12.2009

Cost

Account Name	01.01.2010	Additions	Disposals	Transfers	31.12.2009
Rights	514.121	8.298	-	-	522.419
Total	**514.121**	**8.298**	**-**	**-**	**522.419**

Accumulated Depreciation

Account Name	01.01.2010	Period Depreciation	Disposals	Transfers	31.12.2010
Rights	(428.538)	(25.016)	-	-	(453.554)
Total	**(428.538)**	**(25.016)**	**-**	**-**	**(453.554)**

Net Value	**85.583**	**-**	**-**	**-**	**68.865**

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

20 GOODWILL

Goodwill	31.12.2010	31.12.2009
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 is no provisions for the value decrease in Goodwill. Group's goodwill arised from Data Gate Bilgisayar A.Ş. which is subsidiary of Group's 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 2010

21 - GOVERNMENT GRANT AND ASSISTANCE

None.

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22 - PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

Account Name	December 31, 2010	December 31,2009
Provisions for Price Differences	3.552.295	2.487.557
Provision for Litigations	1.624.500	895.362
Total	**5.176.795**	**3.382.919**

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

December 31, 2009	Provision for Litigations	Provisions for Price Differences	Total
As of January 1, 2009	18.629	2.793.497	2.812.126
Additions	902.986	2.487.557	3.390.543
Payments	(26.253)	-	(26.253)
Cancellation of Provisions	-	(2.793.497)	(2.793.497)
As of December 2009	**895.362**	**2.487.557**	**3.382.919**

Price difference invoices are taken from clients for selling products with different prices,prvisions are made.isions Additionally, due to increase the sales , targets are given to clients. When the clients achieve the targets, turnover premiums, credit note, price differences invoices etc. are taken from dealers and prvisions are made.

ii) Contingent Assets and Liabilities;

31.12.2010

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

31.12.2009

As of December 31, 2009, for one lawsuit initiated against Group, provision amount **895.392TL** is reflected to the financial statements.

iii) Contingent Liabilities and Commitments:

December 31, 2010

	TL	USD	EURO
Bailment Given	1.462.250	3.685.500	1.000.000
Guarantee Notes Given	1.586.506	-	-
Mortgage	-	6.686.756	-
Guarantess letters given	3.096.000	11.515.000	7.500.000
Total	**6.144.756**	**21.887.256**	**8.500.000**

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December 31, 2009

	TL	USD	EURO
Bailment Given	312.750	9.435.500	-
Mortgage	-	7.699.183	-
Guarantess letters given	2.854.000	10.515.000	7.100.000
Total	**3.166.750**	**27.649.683**	**7.100.000**

iv) Total Guarantees and Mortgages on Assets

None

v) Total Insurance Coverage on Assets:

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**

December 31, 2009

Type of Insured Assets	USD	EUR	TL
Trade goods	91.200.000	-	-
Vehicles	-	-	961.839
Plants machinery and equipment	8.926.446	37.700	-
Oher	805.125	-	55.000
Total	**100.931.571**	**37.700**	**1.016.839**

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

Mortgages & Guarantees Given by the Group	**31.12. 2010 Foreign Currency Amount**	**31.12. 2010 TL Amount**	**31.12. 2009 Foreign Currency Amount**	**31.12. 2009 TL Amount**
A. Total amount of M&G Given on behalf of the Group	-	48.190.671	-	45.617.226
Guarantee Letter *(USD)*	*11.515.000*	*17.802.190*	*10.515.000*	*15.832.436*
Guarantee Letter *(EUR)*	*7.500.000*	*15.368.250*	*7.100.000*	*15.338.130*
Guarantee Letter *(TL)*		*3.096.000*		*2.854.000*
Guarantee notes and cheques*(TL)*		*1.586.506*		
Lien				
Mortgage	*6.686.756*	*10.337.725*	*7.699.183*	*11.592.660*
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated Companies subject to full consolidation	-	9.209.133	-	14.519.782
Bailment (USD)	*3.685.500*	*5.697.783*	*9.435.500*	*14.207.032*
Bailment (EURO)	*1.000.000*	*2.049.100*		
Bailment (TL)		*1.462.250*		*312.750*
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 can not 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	**-**	**57.399.804**	**-**	**60.137.008**

As of December 31, 2010, the ratio of Mortgages and Guarantees Given to Shareholders' Equity is 0 %. (0 % of December 31, 2009)

23 COMMITMENTS

None.

24 EMPLOYEE TERMINATION BENEFITS

Account Name	**December 31, 2010**	**December 31, 2009**
Provision for Employment Termination Indemnity	1.016.481	649.270
Total	**1.016.481**	**649.270**

Under the Turkish Labor Law, the Group is required to pay employee termination benefits to each employee, who has entitiled to receive provisions for employee termination benefits in accordance with the effective laws: No: 2422 on March 6, 1981 and No: 4447 on August 25, 1999 of the Social Insurance Act No: 506 and the requirements of the amended Article 60 of the related Act. The maximum employee termination benefit payable as of December 31, 2010 is 2.517,01 TL. (December 31, 2008: 2.265,19). The maximum employee termination benefit payable as of January 1, 2011 is 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 Group'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.

Base assumption is the inflation parallel increase of maximum liability of each year. Applied discount rate must represent expected real discount rate after the adjustment of future inflation.
As of December 31, 2009, provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities.Provisions as of December 31, 2010 are calculated with %4,66 reel discount rate based on the assumptions of % 5,92 inflation rate and % 10 discount rate annually. (31 December 2009: %4,8 reel discount rate).

	1 January – 31 December 2010	**1 January – 31 December 2009**
January 1	649.270	502.341
Service Costs	109.748	108.164
Actuarial Gains	202.293	66.827
Interest Expences	209.467	148.621
Payment (-)	(154.297)	(176.683)
Closing Balance	**1.016.481**	**649.270**

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, 2010**	**December 31, 2009**
Prepaid Expenses for the Following Months	1.076.036	440.136
Credit Note Income Accrual	17.176.193	15.506.860
Deferred VAT	11.016.348	15.180.738
VAT Return	1.213.692	-
Job Advances	681.336	22.805
Advances Given	5.822.106	2.447.136
Total	**36.985.711**	**33.597.675**

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

Account Name	**December 31, 2010**	**December 31, 2009**
Income Relating to Future Months	11.261.656	12.618.137
Total	**11.261.656**	**12.618.137**

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

Credit Note Income Relating to Future Months transactions as follows:

Account Name	**1 January – 31 December 2010**	**1 January – 31 December 2009**
Opening Balance	15.506.860	15.855.397
Current period accrual	91.020.591	81.638.173
Collection / Current account transfer	(89.351.258)	(81.986.710)
Balance at the end of year	**17.176.193**	**15.506.860**

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27 SHAREHOLDERS' EQUITY

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

Account Name	December 31, 2010	December 31, 2009
Minority Shares	9.780.474	8.752.561
Total	**9.780.474**	**8.752.561**

Account Name	1 January – 31 December 2010	1 January – 31 December 2009
Minority Shares Profit - (Loss)	1.027.913	1.709.148
Total	**1.027.913**	**1.709.148**

ii) Capital / Share Capital / Elimination Adjustments

The share capital of the Group is TL 56.000.000 as of December 31, 2010 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 **TL 56.000.000**, consists of A Group shares issued to the name as paid-in capital is **TL 318**, B Group shares issued to the bear as paid-in capital is **TL 55.999.682**.

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 **TL 75.000.000**. The decision accepted at 2004 Regular Meeting Shareholders of the Group dated April 27,2005.

The Group's registered capital is **TL 75.000.000.** The Group's application to raise capital from **TL 55.000.000** to **TL 56.000.000** by implementing **TL 1.000.000** 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 with nominal value of **TL 1.000.000** 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.

	31.12.2010		**31.12.2009**	
Shareholder	**Share Percentage %**	**Share Amount**	**Share Percentage %**	**Share Amount**
Nevres Erol Bilecik	% 38,63	21.634.440	% 41,06	22.994.220
Pouliadis and Associates S.A.	% 35,56	19.911.119	% 35,56	19.911.119
Public Shares	% 23,44	13.126.987	% 21,01	11.767.207
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.

iii) Capital Reserves

None.

iv) Restricted Reserves from Profit

Restricted reserves from profits consist of legal reserves.

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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.

v) 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 the CMB's decision numbered 2/53 on January 18, 2007, Groups, which prepared their financial statements in accordance with the CMB standards, are required to distribute at least 20% of their net profit. The distribution, with the approval and decision via the General Assembly's resolution, can be made either by cash, bonus issues or cash and bonus shares with a rule that the distributable amount will not be less than 20 % of the distributable profit.

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 dividens according to the regulations specified in articles of association of the Group and dividend distiribution policies declared to public.

Breakdown of Shareholders' Equity for the periods January 01 – December 31, 2010 and January 01 – December 31, 2009 are as follows:

Account Name	December 31, 2010	December 31, 2009
Share capital	56.000.000	56.000.000
Shareholders' Equity Inflation Adjustment Differences	241.113	241.113
Hedging Funds	79.284	-
Restricted Reserves From Profit	5.109.837	4.183.406
-Legal Reserves	*3.962.787*	*3.036.356*
-Profit Reserves of Sales from Affiliates	*1.147.050*	*1.147.050*
Previous Years' Profits	36.055.067	27.664.383
Net Period Loss/ Profit	13.171.469	15.934.942
Parent Company Shareholders' Equity	**110.656.770**	**104.023.844**
Minority Interests	9.780.474	8.752.561
Total Shareholders' Equity	**120.437.244**	**112.776.405**

In the financial statements prepared according to the standards of the CMB, the Group's current profits amounted to **TL 13.171.469**. The Group's distributable profit for current period is **TL 8.279.182.** In the financial statements prepared according to the standards of the CMB, the Group's accumulated profits amounted to **49.226.536** TL. The Group's distributable profit amount is **TL 31.703.103.** 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 take into consideration to total distributable profit.

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Result of General board , which belongs to 2009, dated on April 20, 2010 as follows;

Net income after tax is **15.934.942 TL** in 2009 Consolidated Financail statements according to CMB's bulletin of No29. Serial :XI. Realized profit is TL **10.892.941,74** according to tax legistation. It has been decided that restricting primary reserve, total amount is **544.647,09 TL,** which calculated according to %5 of Realized profit (TL **10.892.941,74)**

-It has been decided that distrubiting the primary dividend of Gross **6.156.117,97 TL** as a cash, (distributing %10,9931 for 1 nominal value per share is 0,109931 TL); (Net **5.232.700,27** which is distributing %9,3442 for 1 nominal value per share is 0,093442 TL). The gross Primary dividend is calulated %40 of **15.390.294,91 TL** , as a result of deducting **544.647,09 TL,** which is primary reserve, from **15.934.942 TL,** which is tax after net profit.

-It has been decided that distrubiting the the Secondary dividend to A Group preferred shareholder. The distributing the secondary dividend of of Gross **461.708,85 TL** as a cash, (distributing for 1 nominal value per share is 1.451,09 TL); (Net **392.452,52** which is distributing for 1 nominal value per share is 1.233,43 TL). The gross Secondary dividend is calulated %5 of **9.234.176,94 TL** , as a result of deducting **6.156.117,97,** which is primary dividend, from **15. 390.294,91 TL,** which is net period profit.

-It has been decided that amount of **381.782,68 TL** made as a secondary reserve.

-Remainin distribution of profit is started on May 04, 2010

-It has been decided that the remaining amount is added to exstraordinary reserves.

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, 2010 and December 31, 2009 are as follows:

Account Name	**01.01.2010-31.12.2010**	**01.01.2009-31.12.2009**
Domestic Sales	1.220.214.680	1.072.788.369
Foreign Sales	13.816.010	8.400.999
Other Sales	46.717.733	45.200.032
Sales Returns (-)	(45.676.817)	(34.275.959)
Sales Discounts (-)	(6.117.768)	(4.304.865)
Other Discounts (-)	(778.072)	(386.194)
Net Sales	**1.228.175.766**	**1.087.422.382**
Cost of Sales (-)	(1.153.272.537)	(1.023.117.198)
Gross Profit from Business Operations	**74.903.229**	**64.305.184**

Quantity of sales related to twelve months accounting period of the Group as of December 31, 2010 and December 31, 2009 are as follows:

Account Name	**01.01.2010-31.12.2010**	**01.01.2009-31.12.2009**	**Difference %**
Accessories	183.314	116.752	57%
Computer	512.035	422.887	21%
Storage and Medium Sized Systems	299.107	332.272	(10%)
Security	4.567	5.093	(10%)
Communication Products	24.153	155	15.483%
Network Products	1.213.149	957.731	27%
PC Components (OEM)	3.024.448	3.077.113	(2%)
Consumer electronics	167.730	69.147	143%
Consumption	-	2.719	(100%)
Printer and Peripherals	632.341	617.179	2%
Software	543.642	471.978	15%
Small house appliances	18.677	-	100%
Other	577.010	757.209	(24%)

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES

Other operating expenses which belong twelve months accounting period of the Group as of December 31, 2010 and December 31, 2009 are as follows:

Account Name	01.01.2010-31.12.2010	01.01.2009-31.12.2009
Marketing and Selling Expenses (-)	(13.493.798)	(11.173.103)
General Administrative Expenses (-)	(14.896.959)	(12.767.710)
Total Operating Expenses	**(28.390.757)**	**(23.940.813)**

30 EXPENSES RELATED TO THEIR NATURE

Expenses Related to Their Nature of the Group as of December 31, 2010 and December 31, 2009 are as follows:

Account Name	01.01.2010-31.12.2010	01.01.2009-31.12.2009
Sales, Marketing and Distribution Expenses (-)	**(28.390.757)**	**(23.940.813)**
- Personnel Expenses	(16.270.464)	(12.954.133)
- Logistic and storage expences	(3.327.649)	(2.501.586)
- Depreciation expenses	(840.615)	(698.377)
- Rental Expense	(479.728)	(582.934)
- Communication Expense	(334.662)	(380.905)
- Travelling Expenses	(359.739)	(252.132)
- Transportation Expenses	(632.137)	(449.898)
- Consultancy and Audit Expenses	(462.234)	(402.161)
- Insurance Expenses	(619.926)	(685.662)
- Maintenance and repair expenses	(96.728)	(67.983)
- Advertisement Expense	(1.024.701)	(694.444)
- Taxes, Duties, Charges Expenses	(423.101)	(156.380)
- Decrease in value of stocks	(284.547)	-
- Provisions for termination indemnities expenses	(521.508)	(323.612)
- Provisions for doubtful trade receivables	(196.270)	(1.748.529)
- Provision for ligitation Expence	(1.222.790)	(902.986)
-Sales and foreign trade expenses	(718.041)	(661.879)
- Other Expenses	(575.917)	(477.212)
Total Operating Expenses	**(28.390.757)**	**(23.940.813)**

Depreciation and amortisation exspenses and personel expenses are recognised in operational expenses.

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31- OTHER OPERATING INCOME / EXPENSE

Other operating Income / Expense which belong twelve months accounting period, of the Group as of December 31, 2010 and December 31, 2009 are as follows:

	01.01.2010-31.12.2010	01.01.2009-31.12.2009
Insurance Compensation Income	25.854	129.508
Cancellation provision for inventories	-	223.831
Other Income	34.833	-
Other Income Total	**60.687**	**353.339**
Other Expense Total (-) (*)	**(374.948)**	**(948.369)**
Other Income / Expence (Net)	**(314.261)**	**(595.030)**

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

32 FINANCIAL INCOME

Financial income for the periods ended are as follows:

Account Name	01.01.2010-31.12.2010	01.01.2009-31.12.2009
Interet Income	730.520	869.733
Other	181	-
Foreign Exchange Gains (-)	29.200.793	20.518.353
Interest Eliminated From Sales(-)	7.636.802	4.694.975
Rediscount Income	1.620.220	993.725
Previous Period Rediscount Cancellation	841.187	1.209.354
Total Financial Income	**40.029.703**	**28.286.140**

33 FINANCIAL EXPENSES

The financial expenses of the Group as of December 31, 2010 and December 31, 2009 are as follows:

Account Name	01.01.2010-31.12.2010	01.01.2009-31.12.2009
Banking Charges and Interet Expense (-)	(7.284.186)	(5.754.806)
Foreign Exchange Loss (-)	(52.193.769)	(33.795.758)
Eleminated Interest From Purchases(-)	(5.878.789)	(4.111.526)
Rediscount Expense (-)	(1.331.006)	(841.187)
Cancellation of Previous Period's Rediscount	(993.725)	(1.160.571)
Total Financial Expense	**(67.681.475)**	**(45.663.848)**

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

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

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35 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, 2010 and December 31, 2009 are as follows:

Account Name	**31.12.2010**	**31.12.2009**
Period Tax Income/(Expense)	4.626.551	4.681.623
Prepaid Taxes And Funds (-)	(3.527.917)	(3.150.967)
Total Tax Payable	**1.098.634**	**1.530.656**

Account Name	**01.01.2010-31.12.2010**	**01.01.2009-31.12.2009**
Period Tax Income/(Expense)	(4.626.551)	(4.681.623)
Deferred Tax Income / (Expense)	279.494	(65.920)
Total Tax Income / (Expense)	**(4.347.057)**	**(4.747.543)**

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 prio years' profits.
According to Corporate Tax Law's Article: 24, the corporate tax is imposed by the taxpayer's tax returns. There is no prosedure 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%.
In Turkey, advance tax returns are files on a quarterly basis. The advance corporate income taxes have been calculated with the effective corportate tax rate of 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 prio years' profits.
According to Corporate Tax Law's Article: 24, the corporate tax is imposed by the taxpayer's tax returns. There is no prosedure 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 reporing periods for the CMB standards and tax purposes.

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Account Name	31.12.2010 Temporary Cumulated Differences	31.12.2010 Deffered Tax Assets / (Liabilities)	31.12.2009 Temporary Cumulated Differences	31.12.2009 Deffered Tax Assets / (Liabilities)
Fixed Assets	(673.700)	(134.740)	(722.245)	(144.449)
Rediscount Expense	1.331.005	266.201	621.465	124.293
Provision for Termination Indemnities	1.016.480	203.296	625.365	125.073
Provision for Reduced Depreciation from Stock	1.604.840	320.968	1.260.760	252.152
Prekont Income	(1.620.220)	(324.044)	(961.270)	(192.254)
Other	1.678.885	335.777	1.214.850	242.970
Deferred Tax Assets / (Liabilities)		**667.458**		**407.785**

	31.12.2010	31.12.2009
Deferred Tax Asset / Liability at the beginning of the period	407.785	473.705
Deferred Tax Income / (Expense)	279.494	(65.920)
Deferred Tax Asset / Liability at the end of the period	(19.821)	-
Deferred Tax Asset / Liability at the beginning of the period	**667.458**	**407.785**

Explanation of Unused Tax Advantages:

There is no financial loss transferred to forthcoming periods as of December 31, 2010.

Reconciliation of tax provision as of December 31, 2010 and December 31, 2009 are as follows:

Reconciliation of Tax Provision	01.01.2010 31.12.2010	01.01.2009 31.12.2009
Profits obtained from continuing operations	18.546.439	22.391.633
Income tax rate %20	(3.709.287)	(4.478.327)
Tax effect:		
-Non-taxable income		
-Non-deductible Expenses	(637.770)	(269.216)
Deferred Tax Income	**(4.347.057)**	**(4.747.543)**

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:

Account Name	01.01.2010 31.12.2010	01.01.2009 31.12.2009
Period Profit/ (Loss)	13.171.469	15.934.942
Weighted Average Number of Common Shares Outstanding	56.000.000	56.000.000
Earnings / (Loss) per Share	**0,235205**	**0,284553**
Profit for preferred shares	2.070	2.504
Profit for ordinary shares	0,223446	0,270326

37 EXPLANATIONS OF RELATED PARTIES

a) Receivables and Payables of Related Parties:

	RECEIVABLES		LIABILITIES	
December 31, 2010	**Commercial**	**Non-Commercial**	**Commercial**	**Non-Commercial**
Shareholders	-	-	-	3.043.727
Homeend A.Ş.	1.783.661	-	-	112.119
Desbil A.Ş.	5.957	96.013	-	-
Neosoft A.Ş.	-	-	-	-
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**

	RECEIVABLES		LIABILITIES	
December 31, 2009	**Commercial**	**Non-Commercial**	**Commercial**	**Non-Commercial**
Shareholders	-	-	-	1.182.299
Homeend A.Ş.	-	1.077.335	-	-
Desbil A.Ş.	-	128.174	-	-
Neosoft A.Ş.	-	-	-	-
İnfin A.Ş.	453.492	-	-	-
Neteks Dış Tic.	-	-	759.468	-
Despec A.Ş.	170.770	-	6.000.723	-
Total	**624.262**	**1.205.509**	**6.760.191**	**1.182.299**

There is no guarantees or mortgages for the related party receivables or payables. There is no provision made for doubtful receivables for the related party receivables.

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 rates for USD is between % 3 and % 4,50 in 2010.
Shareholders current accounts are generally arised from divident debt, and interest is not calculated for these debt.

b) Purchases from Related Parties and Purchases from Related Parties

January 1, 2010 – December 31, 2010

Sales to Related Parties	Goods and Service Sales	Common Cost Participation	Interest and Foreign Exchange Income	Total Expense/ Purchases
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**

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Purchases From Related Parties	Goods and Service Purchases	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense/ Purchases
Desbil 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**

January 01, 2010 – December 31, 2010

Sales to Related Parties	Goods and Service Sales	Common Cost Participation	Interest and Foreign Exchange Income	Total Expense/ Purchases
Desbil A.Ş.	-	2.802	9.571	12.373
Despec A.Ş.	12.863.898	1.276.599	851.795	14.992.292
Homeend A.Ş.	10.731	2.802	153.871	167.404
İnfin A.Ş.	8.023.374	4.800	765.743	8.793.917
Neteks Dış Ltd.Şti.	2.850.108	-	3.518	2.853.626
Total	**23.748.111**	**1.287.003**	**1.784.498**	**26.819.612**

Purchases From Related Parties	Goods and Service Purchases	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense/ Purchases
Desbil A.Ş.	-	-	10.769	10.769
Despec A.Ş.	11.062.358	19.944	948.035	12.030.337
Homeend A.Ş.	-	-	78.577	78.577
İnfin A.Ş.	5.864.858	-	350.534	6.215.392
Neteks Dış Ltd.Şti.	5.209.632	-	10.868	5.220.500
Total	**22.136.848**	**19.944**	**1.398.783**	**23.555.575**

c) Benefits and wages provided to Management Staff

Account Name	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009
Short term benefits provided to employees	2.384.466	2.088.213
Employment Termination Benefits	-	-
Other long term benefits	-	-
Total	**2.384.466**	**2.088.213**

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, 2010	**December 31, 2009**
Total Debt	417.694.527	323.969.955
Minus (-) Cash and Equivalent	(26.415.870)	(2.320.888)
Net Debt	391.278.657	321.649.067
Total Shareholder's Equity	120.437.244	112.776.405
Total Share capital	511.715.901	434.425.472
Rate %	**76,46%**	**74,04%**

The Group is entening into hedging contracts (including derivative financial instruments) for the purpose of diversifing currency fluctuation risks.

((b) Important Accounting Policies

Significant accounting policies of the Group relating to the financial instruments are stated in the footnote 2.

(c) Market risk

The , due to its activities, is exposed to changes in exchange rates (see article d) and interest rates (see article e), and other risks (article g). The Group, as it holds the financial instruments, also bears the risk of other party not meeting the requirements of the agreement.

Market risks seen at the level of Group is measured according to the sensitivity analysis principle. The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are no different from the previous year.

(c1) Foreign exchange rate risk management

Transactions by foreign currency cause the formation of rate risks. The Group is exposed to rate risk due to the changes in exchange rates used for exchanging the assets and liabilities from foreign currency to Turkish Lira. The rate risk evolves due to the commercial transactions to be executed in the future and the difference between actives and passives of the recorded.

The Group is exposed to rate risk depending on the course of change of rate changes because it actually evaluates its accounts as foreign exchange deposits and has payables and receivables in foreign currency.

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Foreign Exchange Rate Sensitivity Analysis Table

	Current Period		**Current Period**	
	Profit / Loss		**Resources**	
	Appreciation of Foreign Exchange	**Depreciation of Foreign Exchange**	**Appreciation of Foreign Exchange**	**Depreciation of Foreign Exchange**
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Property / Liability	(5.376.668)	5.376.668	(5.727.877)	5.727.877
2- The part, protected from US Dollar Risk (-)				
3- US Dollar Net Effect (1+2)	**(5.376.668)**	**5.376.668**	**(5.727.877)**	**5.727.877**
In the event of 10% value change of Euro against TL;				
4- Euro Net Property / Liability	(40.779)	40.779	(622.808)	622.808
5- The part, protected from Euro Risk (-)				
6- Euro Net Effect (4+5)	**(40.779)**	**40.779**	**(622.808)**	**622.808**
Total	**(5.417.447)**	**5.417.447**	**(6.350.685)**	**6.350.685**

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. As of December 31, 2009 total amount of the commercial good inventories is **134.601.338 TL**. A significant part of inventories are purchased or imported in USD.

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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	226.257.352	142.650.727	2.791.142	-	180.541.616	112.923.852	4.866.071	
2a. Monetary Financial Assets	43.237.733	26.926.709	785.243	-	19.306.770	12.263.280	389.737	
2b. Non-Monetary Financial Assets	-	-	-		-	-	-	
3. Other	-	-	-		-	-	-	
4. Current Assets Total (1+2+3)	**269.495.085**	**169.577.436**	**3.576.384**	-	**199.848.386**	**125.187.132**	**5.255.808**	-
5. Trade Receivables	-				-			
6a. Monetary Financial Assets	373	241			672	446		
6b. Non-Monetary Financial Assets	-				-			
7. Other	-				-			
8. Fixed Assets Total (5+6+7)	**373**	**241**	-		**672**	**446**	-	-
9. Total Assets (4+8)	**269.495.457**	**169.577.677**	**3.576.384**	-	**199.849.058**	**125.187.578**	**5.255.808**	-
10. Trade Payables	(291.405.123)	(183.490.699)	(3.771.657)		(216.064.992)	(133.023.950)	(7.300.296)	-
11. Financial Liabilities	(10.992.996)	(7.110.605)	-		(21.905.416)	(14.548.327)	-	
12a. Other Monetary Liabilities	(13.247.695)	(8.564.059)	(3.738)		(15.290.751)	(8.952.235)	(838.481)	
12b. Other Non-Monetary Liabilities	-				-			
13. Total Short Term Liabilities (10+11+12)	**(315.645.814)**	**(199.165.363)**	**(3.775.395)**		**(253.261.159)**	**(156.524.512)**	**(8.138.778)**	-
14. Trade Payables	-				-			
15. Financial Liabilities	(8.024.113)	(5.190.242)			(10.094.751)	(6.704.358)		
16a. Other Monetary Liabilities	-				-			
16b. Other Non-Monetary Liabilities	-				-			
17. Total Long Term Liabilities (14+15+16)	**(8.024.113)**	**(5.190.242)**	-	-	**(10.094.751)**	**(6.704.358)**	-	-
18. Total Liabilities (13+17)	**(323.669.927)**	**(204.355.605)**	**(3.775.395)**	-	**(263.355.910)**	**(163.228.870)**	**(8.138.778)**	-
19. Net Asset/ (Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	**3.287.323**	**2.126.341**	-	-	**3.850.671**	**2.557.396**	-	-
19a. Total Amount of Hedged Assets	3.287.323	2.126.341			3.850.671	2.557.396		
19b. Total Amount of Hedged Liabilities	-				-			
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**(50.887.147)**	**(32.651.587)**	**(199.011)**	-	**(59.656.181)**	**(35.483.896)**	**(2.882.970)**	-
21. Monetary Items Net Foreign Exchange Asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	**(54.174.470)**	**(34.777.928)**	**(199.011)**	-	**(63.506.852)**	**(38.041.292)**	**(2.882.970)**	-
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	-				-			
23. The Amount of Hedged part of Foreign Exchange Assets	3.186.663	2.126.341			3.850.671	2.557.396		
23. The Amount of Hedged part of Foreign Exchange Liabilities	-				-			
23. Export	13.816.010				8.400.999			
24. Import	472.875.309				444.575.290			

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CREDIT TYPES INCURRED IN RESPECT OFFINANCIAL INSTRUMENT TYPES

CURRENT PERIOD	Receivables				Foot Note	Deposit at Banks	Foot Note
	Commercial Receivables		Other Receivables				
	Related	Other	Related	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)							

PREVIOUS PERIOD	Receivables				Foot Note	Deposit at Banks	Foot Note
	Commercial Receivables		Other Receivables				
	Related	Other	Related	Other			
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	624.262	228.870.545	1.205.509	150.053		1.569.999	
- The part of maximum risk secured by guarantee etc.	-	*34.269.777*	-	-			
A. Net book value of financial assets which are undue or which did not decline in value (2)	624.262	227.507.477	1.205.509	150.053	10-11	1.569.999	6
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	-	269.589	-	-	10-11		6
C. Net book value of assets, overdue but did not decline in value. (6)	-	1.093.479	-	-			
- The part secured by guarantee etc.		*1.093.479*			10-11		6
D. Net book values of assets declined in value (4)	-	-	-	-		-	
- Overdue (gross book value)	-	4.888.856	-	-	10-11	-	6
- Decline in value (-)		(4.888.856)	-	-	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)							

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	Receivables	
Current Period (31.12.2010)	**Commercial Receivables**	**Commercial 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	-

	Receivables	
Previous Period (31.12. 2009)	**Commercial Receivables**	**Commercial Receivables**
1-30 Days Overdue	1.112.764	-
1-3 Months Overdue	96.487	-
More than 3 Months Overdue	153.816	-
The part of net value secured by guarantee etc.	1.093.479	-

Credit Risk Management :

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 neccessary. The taking adequate guarantees from dealers is 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 balancesheet after the proper provisions for doubtful receivables are made. The low profit margin by force of the sectoral conditions make 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 make 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 has no experience more than 1 year : The sales to new customers which has no experience more than 1 year are made in cash collection.
The information team involved in receivable and risk management department consist of 2 staff and this team 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 determine 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.

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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 liabilies 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	1.000.140	-
Financial Liabilities	19.525.078	32.314.574
Floating Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

(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.

31.12.2010

Expected Terms	Book Value	Cash outflows Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5 year
Non-Derivative Financial Liabilities	**399.140.961**	**403.267.462**	**386.681.131**	**6.012.865**	**9.970.175**	**603.291**
	19.709.602	22.215.866	5.629.535	6.012.865	9.970.175	603.291
Bank Credits		-				
Issuances of Debt Instrument	*141*	156	156	-	-	-
Leasing Liabilities	*365.962.360*	367.582.581	367.582.581	-	-	-
Commercial Debts	*13.468.858*	13.468.858	13.468.858	-	-	-
Other Debts						

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Expected Terms	Book Value	Cash outflows Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5 year
Derivative Financial Liabilities	**100.660**	**89.471**	**89.471**	-	-	-
Derivative Cash Inflow(*)	*3.287.323*	*3.287.323*	*3.287.323*	-	-	-
Derivative Cash Outflow	*(3.186.663)*	*(3.197.852)*	*(3.197.852)*	-	-	-

(*)The amount of forward transactions consist of **USD 2.125.341**. 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.

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Expected Terms	Book Value	Cash outflows Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5 year
Non-Derivative Financial Liabilities	*305.788.973*	*309.943.977*	*291.014.033*	*6.345.517*	*11.996.821*	*587.606*
Loans	*32.467.824*	*35.626.817*	*16.699.283*	*6.343.107*	*11.996.821*	*587.606*
Issuances of Debt Instrument		-				
Leasing Liabilities	*1.094*	*3.378*	*968*	*2.410*	-	
Commercial Debts	*265.080.401*	*266.074.128*	*266.074.128*			
Other Debts	*8.239.654*	*8.239.654*	*8.239.654*			
Other						

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5 year
Derivative Financial Liabilities	**(20.673)**	**(20.673)**	**(20.673)**	-	-	-
Derivative Cash Inflow(*)	*3.850.671*	*3.850.671*	*3.850.671*	-	-	-
Derivative Cash Outflow	*(3.871.344)*	*(3.871.344)*	*(3.871.344)*	-	-	-

(*) The amount of forward transactions consist of USD 2.557.396 In liability calculation, deriative 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, 2009. 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.

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39 FINANCIAL INSTRUMENTS

The Group considers that the recorded values of financial instruments reflect the fair values.

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 an financial instrument could be exchanged except compulsory sale or liqudation 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 rulling at the balancesheet 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 rulling at the balancesheet 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 balancesheet 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).

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

It is predicted that net book value of balances are considered to approximate to their fair values.

The Group present its financial investments with their fair values in the financial statements as of December 31, 2010. (Level 2) **(Note:7)**

It is accepted that the discounted net book value of financial assets such as cash and cash equivalents present thier 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

None.

41 OTHER ISSUES

None.

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