

**DATAGATE BİLGİSAYAR MALZEMELERİ  
TİCARET ANONİM ŞİRKETİ**

**FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITOR'S REPORT  
AS OF DECEMBER 31,2007**

2

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31,2007**

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## INDEPENDENT AUDIT REPORT

### TO THE BOARD OF DIRECTORS OF DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

We have audited the accompanying financial statements of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** ("the Company"), which comprise the balance sheets as of December 31, 2007 and the income statements, statements of changes in equity and cash flow statements for the years then ended, and a summary of significant accounting policies and other explanatory notes.

#### 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 Firm

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. 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 financial statements present fairly, in all material respects, the financial position of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** as of December 31, 2007 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting standards published by Capital Market Board (CMB).

Istanbul, 14.03.2008

**GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A. Ş.**  
An independent member of BAKER TILLY INTERNATIONAL



**GÜRELİ**  
YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ  
DENETİM HİZMETLERİ A.Ş.

**Dr. Hakkı DEDE**  
Certified Public Accountant

## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

SERIE: XI NO: 25

(Currency- In New Turkish Lira Unless Stated Otherwise.)

BALANCE SHEET		Current Period	Previous Period
ASSETS	Footnote References	Audited	Audited
		<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Current Assets</b>		<b>80.275.535</b>	<b>61.599.203</b>
Cash and Cash Equivalents	4	837.243	870.004
Marketable Securities (Net)	5	-	-
Trade Receivables (Net)	7	24.004.464	26.281.485
Financial Lease Receivables and Payables (Net)	8	-	-
Due from Related Parties (Net)	9	15.808.458	8.825.540
Other Receivables (Net)	10	2.557	467
Live Assets (Net)	11	-	-
Inventories (Net)	12	31.168.260	18.643.089
Receivables from Construction Contracts in Progress (Net)	13	-	-
Deferred Tax Assets	14	-	-
Other Current Assets	15	8.454.553	6.978.618
<b>Non-Current Assets</b>		<b>359.037</b>	<b>517.996</b>
Trade Receivables (Net)	7	244.959	1.684
Financial Lease Receivables (Net)	8	-	-
Due from Related Parties (Net)	9	-	-
Other Receivables (Net)	10	-	-
Financial Instruments (Net)	16	-	401.457
Positive / Negative Goodwill (Net)	17	-	-
Real Estate Properties with Investment Purposes (Net)	18	-	-
Tangible Fixed Assets (Net)	19	55.600	82.677
Intangible Fixed Assets (Net)	20	11.108	7.651
Deferred Tax Assets	14	47.370	24.528
Other Non-Current Assets	15	-	-
<b>TOTAL ASSETS</b>		<b>80.634.572</b>	<b>62.117.199</b>

## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

SERIE: XI NO: 25

(Currency- In New Turkish Lira Unless Stated Otherwise.)

<b>BALANCE SHEET</b>		<b>Current Period</b>	<b>Previous Period</b>
<b>LIABILITIES</b>	<b>Footnote References</b>	<b>Audited</b>	<b>Audited</b>
		<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Short -Term Liabilities</b>		<b>63.739.350</b>	<b>48.141.541</b>
Financial Liabilities (Net)	6	3.740.192	9.494.948
Financial Leasing Payables (Net)	8	-	-
Trade Payables (Net)	7	58.132.708	30.143.581
Due to Related Parties (Net)	9	406.476	7.486.918
Other Financial Liabilities (Net)	10	-	-
Advances Received	21	219.033	120.072
Construction Contracts in Progress	13	-	-
Provision for Expenses and Liabilities	23	723.667	556.730
Deferred Tax Liabilities	14	-	-
Other Liabilities (Net)	15	517.274	339.292
<b>Long – Term Liabilities</b>		<b>49.656</b>	<b>77.574</b>
Financial Liabilities (Net)	6	-	-
Financial Leasing Payables (Net)	8	-	-
Other Financial Liabilities (Net)	10	-	-
Trade Payables (Net)	7	-	-
Due to Related Parties (Net)	9	-	-
Advances Received	21	-	-
Provision for Expenses and Liabilities	23	49.656	77.574
Deferred Tax Liabilities	14	-	-
Other Liabilities (Net)	15	-	-
<b>MINORITY SHAREHOLDERS EQUITY</b>	24	-	-
<b>SHAREHOLDERS EQUITY</b>		<b>16.845.566</b>	<b>13.898.085</b>
Capital	25	10.000.000	6.600.000
Reclassification Adjustments	25	-	-
<b>Capital Reserves</b>	<b>26</b>	<b>2.927.309</b>	<b>4.417.305</b>
Share Premiums		2.872.723	4.362.719
Profit from Invalidation of Shares		-	-
Fixed Assets Revaluation Funds		-	-
Financial Assets Revaluation Funds		-	-
Inflation Adjustment Differences of Shareholders' Equity		54.586	54.586
<b>Retained Earnings / (Loss) and Legal Reserves</b>	<b>27</b>	<b>1.554.333</b>	<b>572.246</b>
Legal Reserves		214.348	113.217
Statutory Reserves		-	-
Extraordinary Reserves		247.064	459.029
Special Reserves		-	-
Income from Sales of Subsidiary Share and Fixed Assets		1.092.921	-
<b>Foreign Currency Translation Differences</b>		-	-
<b>Net Profit / (Loss) for the Period</b>	<b>26</b>	<b>1.854.560</b>	<b>2.103.157</b>
<b>Previous Years' Profit / (Loss)</b>	<b>28</b>	<b>509.364</b>	<b>205.377</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>80.634.572</b>	<b>62.117.199</b>

## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

SERIE: XI NO: 25

(Currency- In New Turkish Lira Unless Stated Otherwise.)

INCOME STATEMENT (YTL)	Footnote References	Current Period	Previous Period
		Audited	Audited
		01.01.2007 - 31.12.2007	01.01.2006- 31.12.2006
<b>OPERATING INCOME</b>			
Sales Revenue (net)	36	254.921.956	221.083.014
Cost of Sales (-)	36	(246.366.665)	(211.472.418)
Service Revenue (net)		-	-
Other Operating Income / interest+dividend+rent (net)	36	-	-
<b>GROSS PROFIT / (LOSS)</b>		<b>8.555.291</b>	<b>9.610.596</b>
Operating Expenses (-)	37	(4.303.869)	(3.937.850)
<b>NET OPERATING PROFIT / (LOSS)</b>		<b>4.251.422</b>	<b>5.672.746</b>
Income and Profit from Other Operations	38	6.136.091	5.372.433
Expenses and Losses from other Operations (-)	38	(6.224.318)	(5.407.699)
Financial Expenses (-)	39	(1.831.047)	(3.111.968)
<b>PROFIT / (LOSS)</b>		<b>2.332.148</b>	<b>2.525.511</b>
Profit / (Loss) On Net Monetary Position	40	-	-
<b>PROFIT / (LOSS) BEFORE MINORITY</b>	24	-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>2.332.148</b>	<b>2.525.511</b>
Taxes	41	(477.588)	(422.355)
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>		<b>1.854.560</b>	<b>2.103.157</b>
<b>EARNINGS PER SHARE</b>	42	<b>% 22.36</b>	<b>% 34,78</b>



## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

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CASH FLOW STATEMENT	Footnote References	Current Period Audited 31.12.2007	Previous Period Audited 31.12.2006
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Profit / (Loss)</b>		<b>1.854.560</b>	<b>2.103.157</b>
<b>Adjustments :</b>			
Depreciation (+)	19	46.259	103.124
Increase in Provision For Termination Indemnities (+)	23	(27.918)	11.247
Rediscount on Notes Receivable (+)	7, 9	(19.514)	95.942
Provision for Doubtful Receivables for Current Period (+)		90.302	94.523
Provision for Nullified Doubtful Receivables (-)		-	-
Provision for Decrease in Value of Inventories (+)	12	140.285	79.145
Rediscount on Notes Payable (-)	9	(56.166)	(134.751)
Provision for Decrease in Value of Affiliates (-)	16	-	-
Currency Exchange Loss (+)		-	-
Income from Marketable Securities or Long-term Investments(-)		-	-
<b>Operational Income Before Changes in Working Capital:</b>		<b>2.027.808</b>	<b>2.352.387</b>
Increase in Trade Receivables /Other Receivables (-)	7, 9, 10	(5.022.050)	(10.720.819)
Decrease in Inventories (+)	12	(12.665.456)	(2.784.092)
Increase in Marketable Securities with Purchase/Sale Purposes(-)		-	-
Decrease in Trade Receivables /Other Receivables (-)	7, 9	21.063.811	9.726.307
Cash from Operational Activities (+)		-	-
Interest Paid (-)		-	-
Taxes Paid (-)		-	-
Other Cash Flows (+)/(-)		-	-
		340.521	324.785
<b>Net Cash Inflow Provided/(Used) From Operating Activities:</b>		<b>5.744.634</b>	<b>(1.101.432)</b>
<b>B) NET CASH PROVIDED/(USED) FROM INVESTMENT ACTIVITIES</b>			
Financial Fixed Assets Acquisition (-)		-	-
Tangible Fixed Assets Acquisition (-)	19	(22.639)	(44.979)
Net Value of Tangible Fixed Assets Disposal (+)		-	-
Interest Received (+)		-	-
Dividends Received (+)		-	-
<b>Net Cash Used In Investment Activities</b>		<b>(22.639)</b>	<b>(44.979)</b>
<b>C) CASH FLOW PROVIDED / (USED) FROM FINANCIAL ACTIVITIES</b>			
Net Cash Flow Provided by Capital Increase		-	2.000.000
Net Cash Flow Provided by Issued Shares (+)		-	4.362.719
Increase of Short - Term Financial Liabilities (+)	6	(5.754.756)	(6.519.863)
Increase of Long - Term Financial Liabilities (+)	6	-	-
Dividend Paid (-)		-	(264.001)
<b>Net Cash Provided / (Used) From Financial Activities</b>		<b>(5.754.756)</b>	<b>(421.145)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(32.761)</b>	<b>(1.567.556)</b>
BEGINNING BALANCE of CASH and CASH EQUIVALENTS	4	870.004	2.437.560
ENDING BALANCE of CASH and CASH EQUIVALENTS	4	837.243	870.004

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25**  
(Currency- In New Turkish Lira Unless Stated Otherwise.)

	Capital	Capital Reserves	Previous Years' Profits/(Losses)	Net Profit/(Loss) for the Period	Retained Earnings / Legal Reserves	Total Equity
<b>31.12.2006</b>	6.600.000	4.417.305	205.377	2.103.157	572.246	13.898.085
Transfer	3.400.000	(1.489.996)	405.118	(2.103.157)	(211.965)	-
Issue Premium	-	-	-	-	-	-
Capital Increase	-	-	-	-	-	-
Transfer to Legal Reserves	-	-	(101.131)	-	101.131	-
Transfer to Extraordinary Reserves	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Affiliate Sales Gains Transferred to Capital	-	-	-	-	1.092.921	1.092.921
Net Profit	-	-	-	1.854.560	-	1.854.560
<b>31.12.2007</b>	10.000.000	2.927.309	509.364	1.854.560	1.554.333	16.845.566

	Capital	Capital Reserves	Previous Years' Profits/(Losses)	Net Profit/(Loss) for the Period	Retained Earnings / Legal Reserves	Total Equity
<b>31.12.2005</b>	1.550.000	2.808.314	(1.792.691)	2.446.263	684.324	5.696.210
Transfer	3.050.000	(2.753.728)	2.778.783	(2.446.263)	(628.793)	-
Issue Premium	-	4.362.719	-	-	-	4.362.719
Capital Increase	2.000.000	-	-	-	-	2.000.000
Transfer to Legal Reserves	-	-	(57.686)	-	57.686	-
Transfer to Extraordinary Reserves	-	-	(459.029)	-	459.029	-
Dividends	-	-	(264.000)	-	-	(264.000)
Net Profit	-	-	-	2.103.157	-	2.103.157
<b>31.12.2006</b>	6.600.000	4.417.305	205.377	2.103.157	572.246	13.898.085

YEMİNLİLERİN MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.



**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB**

**SERIE: XI NO: 25**

**(Currency- In New Turkish Lira Unless Stated Otherwise.)**

**NOTE 1. ORGANIZATION AND BUSINESS SEGMENTS**

Datagate Bilgisayar Malzemeleri Anonim Şirketi ("Company") was founded in 1992, and the main activities of the Company consist of buying and selling computer and computer equipments.

The main shareholders of the company as of December 31, 2007 and December 31,2006 are İndeks Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. (% 59,24), Tayfun Ateş (%10,45) and Publicly Held. (%30,30).

The average number of employees as of December 31,2007 is 44. (2006:50)

The Company's official address stated in Trade Registry is Ayazağa Mah. Cendere Yolu No: 9/2 Şişli , İSTANBUL and the company has branches in Istanbul Atatürk Airport Free Zone and Dubai Jebel Ali Free Zone.

**2. BASIS OF THE FINANCIAL STATEMENTS**

**2.01. Basis of Preparation**

The company maintains its books of accounts in New Turkish Lira and in accordance with Turkish Commercial Code, Tax Laws and communiques of Capital Markets Board.

The financial statements of Company have been prepared in accordance with reporting and accounting standards as prescribed by the Turkish Capital Markets Board ("CMB Accounting Standards"). The CMB has issued a comprehensive set of accounting standards in CMB Communiqué Serial XI, No: 25 "Communiqué for the Accounting Standards in Capital Markets. In the mentioned communiqué, it has been stated that application of the accounting principles published by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be in accordance with the CMB accounting principles as an alternative.

**2.02. Dealing With The Inflation Effects in Hyper-Inflationary Periods**

The elimination of the inflationary effects in the financial statements which arise after the difference of the purchasing power of YTL as of 31.12.2004 is based on the Capital Markets Board's (CMB) communiqué Serie XI No: 25 dated 15 November 2003. According to the communiqué, the financial statements, prepared with a currency that belongs to a high- inflationary economy , are presented with the valid purchasing power as of the balance sheet date, and the figures belonging to the previous reporting periods are also adjusted with the index valid on the latest balance sheet date.

According to the mentioned communiqué, high inflationary period starts with the period, when the index at the date of yearly balance exceeds the double of the index at the beginning of the third previous period including the related period and when the index of the related balance sheet date has increased 10% or more than the index at the beginning of accounting period . Also if the price index reaches the double in a period shorter than the period stated above, the high inflation period starts as of financial statement date.

Indexing process is done with correction factor based by Wholesale Price Index (WPI), which is explained and accepted all around the country by State Institute of Statistics (SIS).

The significant applications concerning the adjustments mentioned above are as follows;

- The financial statements prepared in currency of a hyper-inflationist economy are expressed in purchasing power of balance sheet date or they are indexed to latest balance sheet date if they belong to previous reporting periods.
- Monetary assets and liabilities are not restated as they are expressed with the currency unit of the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB****SERIE: XI NO: 25****(Currency- In New Turkish Lira Unless Stated Otherwise.)**

- Non-monetary assets, liabilities and shareholder's equity accounts are restated via relevant month's adjustment coefficients. Tangible and intangible fixed assets are restated via relevant month's adjustment coefficients at the year of capitalization.
- All the items of income statement are restated with the relevant month's coefficients.
- The financial statements of previous periods are restated via using the general inflation index, which expresses the financial statements in purchasing power prevailing as at the balance sheet date.
- Inflation's effect on net monetary position is included to income statement as net monetary gain or loss.
- The inflation adjusted share capital was derived by indexing all increases, other than bonus shares from statutory revaluation surplus, from the date they were contributed.

**2.03. Consolidation Principles**

The Company is not subjected to consolidation process. The Company has sold full of its affiliates, Neteks İletişim Ürünleri Dağıtım A.Ş. that the company participate in % 24. Thus the company has no affiliates or subsidiaries. In the previous periods the company subjected the affiliate company, Neteks İletişim Ürünleri A.Ş. to consolidation process according to equity method. Subsidiaries are the companies whose shares are held by the Company directly or indirectly through shares of other companies. As a result, the Company, with 20% or more and less than 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. The subsidiaries had been presented in the financial statements according to the Equity Method.

According to the Equity Method; as of date, when the partnership within the scope of consolidation becomes a subsidiary, and just to be applied for once, when subsequent share acquisitions occur, the acquisition cost of the shares of the subsidiary owned by parent company are deducted from the value of these shares represented in the equity balances of the balance sheet of the subsidiary, which is evaluated according to the fair value and accounted under the previous years' profit/(loss). The increase and decrease in values, which arise in subsequent years, are related with the income statements as provisions for increase or decrease in values for calculation of the fair value of the participation. Goodwill arisen has been amortized completely.

**2.04. Comparative Information And Adjustment of The Previous Year Financial Statements**

The changes in classification of the financial statements of the current period are also applied to the financial statements relating to prior period, if necessary.

**2.05. Offsetting Against The Carrying Amount of An Asset and Liability**

The financial assets and liabilities in financial statements are shown at their net value under the circumstances of permission by a legal authority, an intention for showing in the financial statements at net value and the financial asset and liabilities are arisen concurrently.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****3.01. Income**

The definition of income encompasses both revenue and gains. Revenues consist of Computer Sales and Computer Components Sales. All the sales are operated via dealers and not implemented to ultimate users. For sales significant risks and advantages are transferred when the goods are delivered to customers or when customers have the ownership of the goods. If there is a significant financial cost in sales amounts, fair value is determined by discounting future receipts if the cash or cash inflow is deferred. Net sales are calculated after the sales returns and discounts are reduced from the invoiced value of the delivered goods. If the sales include significant cost of financing, fair value is determined that revenue which will occur in the future is discounted with secret interest rate in the cost of financing. The differences between the fair value and the nominal value of the sales are taken in to consideration as interest income on accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB****SERIE: XI NO: 25****(Currency- In New Turkish Lira Unless Stated Otherwise.)****3.02. Inventories**

Inventories are reflected to the financial statements at the lower of acquisition cost or net realizable value. The inventory costing methods used by the Company is "First In First Out (FIFO)".

Borrowing costs are not taken into consideration in calculation of cost of finished and semi-finished goods. Net realizable value is computed by subtracting sales expenses from company's sales price.

**3.03. Tangible Fixed Assets**

Tangible fixed assets are reflected to the financial statements by deducting their accumulated depreciation from their cost values, which are adjusted according to the inflationary effects as of December 31, 2004 in case they have been acquired before January 1, 2005 and permanent impairments if there are any.

Depreciation is calculated by straight-line method based on economic life. The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

<b>TYPE</b>	<b>31.12.2007 RATE (%)</b>	<b>31.12.2006 RATE (%)</b>
Machinery, Plant and Equipment	20	20
Furniture and Fixtures	20-25	20-25
Motor Vehicles	20	20

The profit and loss arisen from fixed asset sales are determined by comparing net book value with sales price and as a result it is added to period 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 it is capitalized.

**3.04. Intangible Fixed Assets**

Intangible Fixed assets are reflected to the financial statements by deducting their accumulated depreciation from their cost values, which are adjusted according to the inflationary effects as of December 31, 2004.

Intangible fixed assets comprises rights, leasehold improvements and other intangible Fixed Assets.

Intangible fixed assets are stated cost, net of accumulated amortization. Amortization is calculated with straight-line depreciation method based on economic life 5-10 years.

**3.05. Impairment of Assets**

The carrying value of non-current assets comprising tangible and intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If the recoverable amount of an asset is below its carrying amount, impairment loss is recognized by making provision.

**3.06. 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 for the asset are being incurred, borrowing costs are being incurred; and activities that are necessary to prepare the asset for its intended use or sale are in progress. 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.



**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB****SERIE: XI NO: 25****(Currency- In New Turkish Lira Unless Stated Otherwise.)****3.07. Financial Instruments**

Financial assets are accounted with their recorded values in the initial recording date. In the subsequent reporting period financial assets, which the community has, intention and power to have control over till the end of expiration date, are evaluated with their discounted cost values taking decrease in value in consideration. Financial assets other than the ones that will be in hand till the expiration date are classified as for sale and they are evaluated with the current value on balance sheet date. Unrealized gains and losses that emerge from financial assets with trading purposes are accounted in the gain/loss of the period. Unrealized gains and losses that emerge from financial assets that are for sale are either accounted under sales or under equity till taking decision of continuing decrease in value and the cumulative gain and loss that are formed in equity is devolved in gain/loss of the period.

The methods used to determine realizable value of each financial instruments are shown below.

**Cash and Cash Equivalents;**

Cash and bank balances in foreign currencies have been valued with period-end exchange rate. The cash accounted in balance sheet and the values of the deposit at bank are the predicted values in consistency with their real values.

**Trade Receivables;**

Trade receivables are accounted with their realizable values and with their net realizable value, which were discounted by prevailing interest rate and deducting, provisions for doubtful receivables. These provisions are made by considering the amounts that were not collectable, guarantees taken, experiences, and also current economic situations. The receivables which can not be collected are accounted as expenses at the year that they are considered as uncollectible receivables.

**Loans;**

The loans utilized are subject to prevailing interest rates at the date they were used. Bank loans have been accounted considering the net cash amount taken. Financial expenses are accounted on an accrual basis and the unpaid parts of these expenses are added to the principal of the loans.

**Risk of Collection;**

The risk of collection of the company arises from its trade receivables. Most of the trade receivables are from branches. The company has strong controlling system on its branches and the credit risks which arise from the transactions with the branches are effectively followed and moreover these risks have been restricted for every debtor. Taking adequate guarantees from branches is a method of managing these risks. There has been no important credit risk due to the fact that the company has receivables from many companies with small amounts instead of few companies with huge amounts. Trade receivables have been evaluated by company management considering past years' experiences and current economic situation and after all have been accounted in the balance sheet with their net values after making provision for doubtful receivables.

**Risk of Liquidity;**

The company usually creates its own fund via converting the short-term financial instruments to cash; for example, receivables or disposal of securities are collected. The amounts received from these instruments have been accounted via their realizable values.

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**Risk of Exchange;**

The company usually realizes its sales in foreign currency, which is used by the company in purchasing. Therefore, there is no important exchange risk.

**3.08. Mergers**

There exists no transaction of the Company relating to mergers as of December 31, 2007 and December 31, 2006.

**3.09. Exchange Differences Effects**

All transactions denominated in foreign currencies are translated into YTL at the actual rates of exchange ruling at the dates of the transactions. Foreign currency monetary assets and liabilities stated in the balance sheet have been converted into YTL using the exchange rates on balance sheet date. Foreign exchange differences are reflected to the income statement.

**3.10. Net Profit Per Share**

Net profit per share is computed by dividing net profit available to common shareholders by the weighted average number of common shares outstanding for the period.

**3.11. Subsequent Events**

The Company is liable for adjusting the amounts and disclosures in the financial statements if they arise after the balance sheet date. The non-adjusting subsequent events are adjusted in the notes to the financial statements provided that they comprise the issues effecting the economic decisions of the users.

**3.12. Provisions, Contingent Liabilities and Assets**

A provision is accounted if a liability comes from past and continues today and if this liability may require source outflow from the community and if the value of liability can be calculated exactly.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Because of the time value of money, provisions relating to cash outflows that arise soon after the balance sheet date are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted, where the effect is material.

The discount rate (or rates) shall be 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 discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted. 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. Expected future events may be particularly important in measuring provisions.

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.

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB****SERIE: XI NO: 25****(Currency- In New Turkish Lira Unless Stated Otherwise.)****3.13. Changes in Accounting Policies, Estimates and Errors**

The principles, basis estimations and regulations used in preparing and presenting the financial statements are identified and consistently used in compliance with the issued accounting standards and Communiqué Series: XI, No: 25 of the Capital Market Board.

Preparing the financial statements in accordance with the Capital Markets Board communiqués requires the management to estimate the amount of the assets and liabilities in the financial statements and make assumption for the possible liabilities and commitments at the balance sheet date. The estimates are revised regularly and thereby necessary adjustments are made and related to the income statement of the relating periods.

The changes to the current accounting policies can be performed if it is necessary or the performed changes will provide a more appropriate and reliable presentation of the transactions and events related with the financial position, performance and the cash flow that affect the financial statements of the Company.

**3.14. Leases**

Assets that are acquired with financial leasing are considered with their realizable values at acquisition date as an asset belonging to the company. The obligation to the lessor will be presented in the balance sheet as financial leasing liability. Financial expenses that emerge from the difference between total financial leasing commitment and realizable value of the asset, will be recorded in the statement of income for the period they occur with allocation of liability per accounting period using fixed interest rate throughout the whole leasing term.

**3.15. Related Party Disclosures**

The shareholders' of the Company; Indeks Group Companies that the company is affiliated to, and its directors and other companies directly or indirectly controlled by Datagate are considered related parties. The transactions with related parties are disclosed in the notes to the financial statements.

**3.16. Segmented Reporting of Financial Information**

The company and the affiliated companies have not reported the financial information according to the segment reporting.

**3.17. Construction Contracts**

The company does not have any activity related to construction and there exist no construction contracts as of December 31, 2007.

**3.18. Discontinuing Operations**

When the companies are parties of a binding sales agreement with regard total of the assets directly or the board directors or a similar management unit approves a formal and detailed plan related with the discontinuation or make declaration concerning the discontinuation this situation is declared to public. The presentation and evaluation principles of discontinuing operations concerning impairment of assets, provisions, contingent liabilities, tangible and intangible assets and employee benefits are in accordance with the current related regulations.



## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

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**3.19. Government Grants and Assistance**

Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

Government grants shall be recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. The income obtained from the investment incentives, which are provided by the government, is accounted as a discount from an appropriate expense item.

**3.20. Investment Properties**

None.

**3.21. Income Taxes**

The Company is subject to Corporate Tax at the rate of 20%, corporate tax is computed over the Community's taxable income. The withholding tax is accounted at the time of dividend distribution.

**3.22. Retirement Pay**

According to Turkish Labor Law, employee termination benefit is reflected to financial statements when the termination indemnities are deserved. The amount of the benefit is calculated over the severance indemnity upper limit as of the balance sheet date. Total provision reflects the probable present value of the amount of liability that will arise in the future according to the retirement of the all employees.

**3.23. Retirement Benefit Plans**

There exists no issue in relation with the retirement benefit plans as of December 31, 2007.

**3.24. Agriculture**

Due to the business segment the Company is operating, there exist no agricultural transactions as of December 31, 2007.

**3.25. Cash Flow Statement**

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

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Account Name	31.12.2007	31.12.2006
Cash	1.890	5.138
Bank	743.955	833.573
Other Liquid Assets (Receivables from Credit Cards)	91.398	31.293
<b>Total</b>	<b>837.243</b>	<b>870.004</b>

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**5. MARKETABLE SECURITIES**

The company does not have any marketable securities for the periods ended December 31, 2007 and December 31, 2006.

**6. FINANCIAL LIABILITIES**

Financial liabilities for the periods ended December 31, 2007 and December 31, 2006 are as follows:

**31.12.2007**

Currency	Amount in Foreign Currency	Amount in YTL	Interest Rate (%)
USD Loans	2.505.543	2.918.206	5,35-5,85
YTL Loans	-	821.986	Without interest
<b>TOTAL</b>	<b>2.505.543</b>	<b>3.740.192</b>	

**31.12.2006**

Currency	Amount in Foreign Currency	Amount in YTL	Interest Rate (%)
USD Loans	6.562.684	9.224.508	6,00-7,00
YTL Loans	-	270.440	Without Interest
<b>TOTAL</b>	<b>6.562.684</b>	<b>9.494.948</b>	

**7. TRADE RECEIVABLES AND PAYABLES**

Trade receivables for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Account Name	31.12.2007		31.12.2006	
	Short-Term	Long-Term	Short-Term	Long-Term
Customers	16.074.267	-	14.840.605	-
Notes Receivable	8.121.034	-	11.651.141	-
Rediscount on Cheques and Notes Receivables (-)	(190.837)	-	(210.351)	-
Deposits and Guarantees Given	-	244.959	90	1.684
Doubtful Receivables	536.780	-	446.478	-
Provision for Doubtful Receivables (-)	(536.780)	-	(446.478)	-
<b>Total</b>	<b>24.004.464</b>	<b>244.959</b>	<b>26.281.485</b>	<b>1.684</b>

Trade payables for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Account Name	31.12.2007	31.12.2006
Suppliers	58.498.081	30.452.788
Discount on Payables (-)	(365.373)	(309.207)
<b>Total</b>	<b>58.132.708</b>	<b>30.143.581</b>

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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The types and the amounts of the guarantees taken for the receivables for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Type	31.12.2007			31.12.2006		
	YTL	USD	EURO	YTL	USD	EURO
Guarantee Notes	3.500	178.000	-	-	63.000	-
Guarantee Cheques	880.500	2.328.500	15.000	393.000	1.660.500	5.000
Guarantee Letters	235.000	-	-	-	-	-
<b>Total</b>	<b>1.119.000</b>	<b>2.506.500</b>	<b>15.000</b>	<b>393.000</b>	<b>1.723.500</b>	<b>5.000</b>

### 8. FINANCIAL LEASE RECEIVABLES AND PAYABLES

The company does not have Finance Lease Receivables and Payables for the periods ended December 31, 2007 and December 31, 2006.

### 9. TRANSACTIONS WITH RELATED PARTIES

Due to/ receivables from related parties for the periods ended December 31, 2007 and December 31, 2006 are as follows:

#### 31.12.2007

1) Related Parties	Receivables		Payables	
	Trade Receivables	Non-Trade Receivables	Trade Payables	Non-Trade Payables
Shareholders	-	-	-	-
İndeks A.Ş.	14.544.648	-	-	-
Neteks	-	-	16.885	-
İnfin A.Ş.	1.076.569	-	138.273	-
Neotech A.Ş.	1.725	-	-	-
Despec A.Ş.	180.714	-	28.850	-
Teklos A.Ş.	-	-	161.960	-
Personnel	-	4.802	-	60.508
<b>Total</b>	<b>15.803.656</b>	<b>4.802</b>	<b>345.968</b>	<b>60.508</b>
<b>Total Receivables / Liabilities</b>	<b>15.808.458</b>		<b>406.476</b>	

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**31.12.2006**

<b>1) Related Parties</b>	<b>Receivables</b>		<b>Payables</b>	
	<b>Trade Receivables</b>	<b>Non-Trade Receivables</b>	<b>Trade Payables</b>	<b>Non-Trade Payables</b>
Shareholders	-	-	-	-
İndeks A.Ş.	7.765.680	-	7.311.811	-
Neteks	877	-	61.071	-
İfin A.Ş.	509.000	-	959	-
Neotech A.Ş.	334.896	-	96.512	-
Despec A.Ş.	215.087	-	15.176	-
Personnel	-	-	-	1.389
<b>Total</b>	<b>8.825.540</b>	<b>-</b>	<b>7.485.529</b>	<b>1.389</b>
<b>Total Receivables / Liabilities</b>	<b>8.825.540</b>		<b>7.486.918</b>	

**10. OTHER RECEIVABLES AND PAYABLES**

Other Receivables and Payables for the periods ended December 31, 2007 and December 31, 2006 are as follows:

**Receivables**

<b>Account Name</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Other Receivables	2.557	467
<b>Total</b>	<b>2.557</b>	<b>467</b>

**11. LIVE ASSETS**

None.

**12. INVENTORIES**

The inventories for the periods ended December 31, 2007 and December 31, 2006 are as follows:

<b>Account Name</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Commercial Goods	17.454.491	15.842.043
Other Inventories	301.315	161.030
Provision for Decrease in Value of Inventories (-)	(301.315)	(161.030)
Goods in Transit	13.622.559	2.791.936
Advances Given	91.210	9.110
<b>Total</b>	<b>31.168.260</b>	<b>18.643.089</b>

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**13. CONSTRUCTION CONTRACTS IN PROGRESS**

Due to the business segment the Company is operating, there exist no transactions relating to construction contracts in progress as of December 31, 2007.

**14. DEFERRED TAX ASSETS AND LIABILITIES**

**Corporate Tax:**

Corporate Tax rate to be applied including the profit of the year 2006 is determined as 20% as it came into effect with Corporate Tax Law No. 5520 published in the Official Gazette dated June 21, 2006 .(2005: 30 %.)

According to Turkish Tax Law, arisen losses can be carried forward against income for a maximum period of 5 years.

The corporate tax is assessed based on the declaration of the taxpayer.

There is not an exact mutual agreement procedure with tax authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 15th of April in the following year. Moreover, the tax authorities have the right to examine the legal books of account within 5 years.

**Withholding Tax on Income:**

In addition to corporate tax, withholding tax must be computed over dividends distributed. The rate of withholding tax had been raised from 10% to 15% by the Cabinet Decision No:2006/10731 published in Official Gazette on 23.07.2006.

**Deferred Tax:**

The Community recognizes deferred tax asset and liability arisen from the temporary differences between the official financial statements and the financial statements prepared in accordance with the Series XI, No: 25 "Communiqué on Accounting Standards of Capital Markets" ("communiqué").

These temporary differences generally arise when income or expense is included in accounting profit in one period but included in taxable profit in a different period. Such temporary differences are often described as timing differences. Temporary differences exist between the carrying value and the tax base of income among the periods.

Temporary differences are calculated over the fixed assets (excluding lands), inventories, prepaid expenses, rediscount on receivables, provision for retirement pay, previous years' losses and investment allowances that will be benefited in the future.



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The items relating to current tax and deferred tax are given as follows:

	31.12.2007	
	Accumulated Temporary Differences	Deferred Tax Asset / (Liability)
Fixed Assets	10.328	(2.065)
Rediscount Expenses	190.837	38.168
Provision for Termination Indemnities	49.656	9.931
Provision for Litigation	14.837	2.967
Provision for Doubtful Debts	55.906	11.181
Provision for decrease in Value of Inventories	301.315	60.263
Rediscount Income	365.373	(73.075)
<b>Total Deferred Tax Asset/ (Liability)</b>		<b>47.370</b>

	31.12.2006	
	Accumulated Temporary Differences	Deferred Tax Asset / (Liability)
Fixed Assets	23.110	(4.622)
Rediscount Expenses	210.351	42.070
Provision for Termination Indemnities	77.574	15.515
Provision for Litigation	6.000	1.200
Provision for decrease in Value of Inventories	161.030	32.206
Rediscount Income	309.207	(61.841)
<b>Total Deferred Tax Asset/ (Liability)</b>		<b>24.528</b>

<b>31.12.2006 Deferred Tax Asset/(Liability)</b>	<b>24.528</b>
Deferred Tax Income	22.842
<b>31.12.2007 Deferred Tax Asset/(Liability)</b>	<b>47.370</b>

## 15. OTHER CURRENT / NON-CURRENT ASSETS AND SHORT-TERM / LONG-TERM LIABILITIES

## Other Current Assets (Short Term)

The other current assets for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Account Name	31.12.2007	31.12.2006
Prepaid Expenses for the Following Months	50.242	36.085
Income Accruals	1.461.917	1.495.571
Deferred VAT	6.427.431	5.012.663
Prepaid Taxes and Funds	500.824	412.113
Personnel Advances	-	6.948
Job Advances	14.139	15.238
<b>Total</b>	<b>8.454.553</b>	<b>6.978.618</b>

## Other Non-Current Assets (Long Term)

None.



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**Other Liabilities**

Account Name	31.12.2007	31.12.2006
Taxes and Funds Payable	281.597	334.790
Prepaid Sales for Future Months	235.677	-
Other	-	4.502
<b>Total</b>	<b>517.274</b>	<b>339.292</b>

**16. FINANCIAL ASSETS**

The financial assets for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Account Name	31.12.2007	31.12.2006
Participation ( Neteks A.Ş.)	-	401.457
<b>Total</b>	<b>-</b>	<b>401.457</b>

**17. POSITIVE/NEGATIVE GOODWILL**

The goodwill amounts are transferred to the income statement in the period they arise and for this reason there are no balances as of period ends.

**18. INVESTMENT PROPERTIES**

The company has no investment properties as of December 31, 2007 and December 31, 2006.

**19. TANGIBLE FIXED ASSETS**

The net values of Tangible Fixed Assets for the period ended December 31, 2007 is as follows;

**31.12.2007****Current Value**

Account Name	31.12.2006	Additions	Disposals	31.12.2007
Machinery, Plants&Equipments	3.709	-	-	3.709
Motor Vehicles	98.776	-	34.353	64.423
Furniture & Fixtures	751.130	12.664	-	763.794
<b>Total</b>	<b>853.615</b>	<b>12.664</b>	<b>34.353</b>	<b>831.926</b>

**Accumulated Depreciations**

Account Name	31.12.2006	Period Depreciation	Sale Disposals	31.12.2007
Machinery, Plants&Equipments	3.087	507	-	3.594
Motor Vehicles	56.415	12.884	34.353	34.946
Furniture & Fixtures	711.436	26.350	-	737.786
<b>Total</b>	<b>770.938</b>	<b>39.741</b>	<b>34.353</b>	<b>776.326</b>
<b>Net Value</b>	<b>82.677</b>			<b>55.600</b>

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The net values of tangible fixed assets for the periods ended December 31, 2006 are given below;

**31.12.2006****Current Value**

Account Name	31.12.2005	Additions	Disposals	31.12.2006
Machinery, Plants&Equipments	3.709	-	-	3.709
Motor Vehicles	64.015	34.761	-	98.776
Furniture & Fixtures	743.564	7.566	-	751.130
<b>Total</b>	<b>811.288</b>	<b>42.327</b>	-	<b>853.615</b>

**Accumulated Depreciations**

Account Name	31.12.2005	Period Depreciation	Sale Disposals	31.12.2006
Machinery, Plants&Equipments	2.345	742	-	3.087
Motor Vehicles	44.689	11.726	-	56.415
Furniture & Fixtures	668.220	43.216	-	711.436
<b>Total</b>	<b>715.254</b>	<b>55.684</b>	-	<b>770.938</b>
<b>Net Value</b>	<b>96.034</b>			<b>82.677</b>

**20. INTANGIBLE FIXED ASSETS**

The net values of intangible fixed assets for the periods ended December 31, 2007 and December 31, 2006 are given below;

**31.12.2007****Current Value**

Account Name	31.12.2006	Additions	Disposals	31.12.2007
Rights	2.651	-	-	2.651
Other Intangible Fixed Assets	197.261	-	-	197.261
Special Costs	75.417	9.975	75.417	9.975
<b>Total</b>	<b>275.329</b>	<b>9.975</b>	<b>75.417</b>	<b>209.887</b>

**Accumulated Depreciations**

Account Name	31.12.2006	Period Depreciation	Sale Disposals	31.12.2007
Rights	133	530	-	663
Other Intangible Fixed Assets	192.128	5.111	-	197.239
Special Costs	75.417	877	75.417	877
<b>Total</b>	<b>267.678</b>	<b>6.518</b>	<b>75.417</b>	<b>198.779</b>
<b>Net Value</b>	<b>7.651</b>		-	<b>11.108</b>

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The net values of intangible fixed assets for the periods ended December 31, 2006 are given below;

**31.12.2006****Current Value**

Account Name	31.12.2005	Additions	Disposals	31.12.2006
Rights	-	2.651	-	2.651
Special Costs	75.417	-	-	75.417
Other Intangible Fixed Assets	197.261	-	-	197.261
<b>Total</b>	<b>272.678</b>	<b>2.651</b>	<b>-</b>	<b>275.329</b>

**Accumulated Depreciations**

Account Name	31.12.2005	Period Depreciation	Sale Disposals	31.12.2006
Rights	-	133	-	133
Special Costs	48.811	26.606	-	75.417
Other Intangible Fixed Assets	171.428	20.700	-	192.128
<b>Total</b>	<b>220.239</b>	<b>47.439</b>	<b>-</b>	<b>267.678</b>
<b>Net Value</b>	<b>52.439</b>		<b>-</b>	<b>7.651</b>

**21. ADVANCES RECEIVED**

The advances received for the periods ended December 31, 2007 and December 31, 2006 are as follows;

Account Name	31.12.2007	31.12.2006
Advances Received	219.033	120.072
<b>Total</b>	<b>219.033</b>	<b>120.072</b>

**22. PENSIONS AND OTHER BENEFIT PLANS**

The company has no pension and other benefit plans as of December 31, 2007.

**23. PROVISION FOR EXPENSES AND LIABILITIES**

The provision for expenses and liabilities for the periods ended December 31, 2007 and December 31, 2006 are as follows:

Short-Term	31.12.2007	31.12.2006
Provision for Taxes	500.429	412.113
Provision for Litigation	14.837	6.000
Other (Electricity, Telephone Water, Risturn)	208.401	138.617
<b>Total</b>	<b>723.667</b>	<b>556.730</b>

Long-Term	31.12.2007	31.12.2006
Provision for Termination Indemnities	49.656	77.574
<b>Total</b>	<b>49.656</b>	<b>77.574</b>

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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According to Turkish Labor Law, community has to pay termination benefit to employees who worked more than one year and whose employment agreement has been terminated or whose retired, who deserves retirement right (for women at 58 years old, for men at 60 years old) after completing 25 working years (20 years for women), and also for the ones called for military service or died.

The termination benefit payable is amounted of to one-month salary per year. This amount is limited to **YTL 2.030,19** (31.12.2006; **YTL 1.857,44**)

Since there is no legal obligation for funding the termination benefit liability, there exists no special fund shown in the financial tables.

A convenient discount rate and inflation expectation must be determined to obtain a real discount as a result of offsetting them. And this discount rate should be used in the calculation of bringing termination indemnities payable in the future to present value.

The estimated value of the termination indemnities, which will be not paid due to the voluntary leaves, should also be taken into consideration.

As a result; as of December 31, 2007, termination indemnities, amounting to **YTL 49.656 (31.12.2006: YTL 77.574)**, was calculated by estimating the present value of the liability and therefore; retirement pay provision was made and reflected to financial statements. While calculation of termination indemnities, real discount rate was determined as % 5,71.

The statement of Employee Termination Benefit is as follows;

	<b>AMOUNT</b>
<b>31.12.2006</b>	<b>77.574</b>
Period Change	(27.918)
<b>31.12.2007</b>	<b>49.656</b>

**24. MINORITY SHAREHOLDERS EQUITY**

As of December 31,2007; There is no minority shareholders equity due to the company does not have any subsidiaries subjected to full consolidation method.

**25. SHARE CAPITAL / ELIMINATION ADJUSTMENTS**

As of December 31,2007, the company's issued capital is **YTL 10.000.000**

The Company accepts the Registered Share capital System with the 03.05.2007 dated and 17/483 numbered permission of Capital Market Board and determined the Registered Share Capital ceiling **YTL 20.000.000**. The decision accepted 2006 Period Regular Meeting of the company-dated 29.05.2007

Corporate Tax rate to be applied including the profit of the year 2006 is determined as 20% as it came into effect with Corporate Tax Law No. 5520 published in the Official Gazette dated June 21, 2006 .(2005: 30 %.)

The Company's registered Share Capital Ceiling is **20.000.000 YTL**, The Company's application to raise capital from **6.600.000 YTL** to **10.000.000 YTL** by implementing **1.910.004 YTL** from net profit of 2006 and **1.489.996 YTL** from Share Premiums is approved by committee rulling numbered 58/626 and dated 25.06.2007.As of 02 July,2007, the increase of the capital is registered and published in the Official Gazette numbered 6845 and dated July 05,2007.

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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As of December 31,2007 and December 31, 2006; the Shareholders are listed below;

Shareholder	31.12.2007	
	Share Amount	Share Ratio
İndeks A.Ş.	5.924.228	%59,24
Tayfun Ateş	1.045.455	%10,45
Public Offerings	3.030.303	%30,30
Others	14	%0,01
<b>Total</b>	<b>10.000.000</b>	<b>%100</b>

Shareholder	31.12.2006	
	Share Amount	Share Ratio
İndeks A.Ş.	3.909.991	%59,24
Tayfun Ateş	690.000	%10,45
Public Offerings	2.000.000	%30,30
Others	9	%0,01
<b>Total</b>	<b>6.600.000</b>	<b>%100</b>

## 26. CAPITAL RESERVES

As a result of adjusting the financial statements for inflation, the items in shareholders' equity such as share capital, emission premiums, legal reserves, other distributable reserves, special reserves and extraordinary reserves are shown in the balance sheet at historical values in accordance with the Communiqué Serie: XI No: 25. The adjustment differences of these items are shown aggregately in "Shareholders' Equity Inflation Adjustment Differences Account".

Shareholders' Equity Inflation Adjustment Differences will be only used when bonus issuing or deducting the previous years' losses whereas the extraordinary reserves' historical value will be used only when bonus issuing, dividend distribution or deducting previous years' losses.

As at December 31, 2007 and December 31, 2006, the Statements of Shareholders' Equity, prepared in accordance with the Communiqué No. XI, 25, for dividend distribution regarding the issues mentioned above are as follows.

	31.12.2007	31.12.2006
Capital	10.000.000	6.600.000
Share Premiums	2.872.723	4.362.719
Legal Reserves	214.348	113.217
Extraordinary Reserves	247.064	459.029
Inflation Adjustment Differences of Shareholders' Equity	54.586	54.586
Affiliate Sales Gain Transferred to Capital (*)	1.092.921	-
Net Profit/(Losses) for the Period	1.854.560	2.103.157
Retained Earnings/(Losses)	509.364	205.377
<b>Total Shareholders' Equity</b>	<b>16.845.566</b>	<b>13.898.085</b>



## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

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	31.12.2007	31.12.2006
Capital Inflation Adjustment Differences	-	-
Legal Reserves Inflation Adjustment Differences	17.430	17.430
Extraordinary Reserves Inflation Adjustment Differences	37.156	37.156
<b>Shareholders' Equity Inflation Adjustment Differences</b>	<b>54.586</b>	<b>54.586</b>

(\*) Sales gain grow out of due to selling the company's % 24 of affiliate Neteks İletişim Ürünleri Dağıtım A.Ş. as of July 24, 2007. As of December 31, 2007 the Company has no affiliates or subsidiaries.

**27. PROFIT RESERVES**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. The total amount of legal reserves of the Company as at December 31, 2007 is **YTL 214.348** and amount of extraordinary reserves is **YTL 247.064**. (Legal Reserve as of 31.12.2006 is **YTL 113.217**, extraordinary reserve **YTL 459.029**)

**28. PREVIOUS YEARS' PROFIT AND LOSSES**

"In accordance with the Communiqué No. XI-25, Sec.15, Article. 399, the amount arisen from restating consolidated financial statements and accounted in "previous years' losses" is deducted from the distributable profit amount determined according to the restated consolidated financial statements under CMB' s regulations. Besides, the amount accounted in Previous Years' Losses Account is deductible from the profit for the period and retained earnings, if any, and the balance undeducted amount can be deducted extraordinary reserve, legal reserves and the capital reserves arisen from inflation adjustments.

Publicly held companies distribute dividend in accordance with the CMB regulations.

In accordance with the communiqué, at least 20% of the distributable profit must be distributed regarding the profit determined referring to the consolidated financial statements prepared. Dividend distribution based on the General Assembly's resolution can be made either by cash, bonus issues or cash and bonus shares in part provided that the distributable amount will not be less than 20 % of the distributable profit.



**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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**29. FOREIGN CURRENCY POSITION**

The book value of foreign currency assets and liabilities of the Company denominated in foreign currency are as follows:

**31.12.2007**

	USD		EURO		GBP	
	Currency	YTL	Currency	YTL	Currency	YTL
Cash	267	311	-	-	-	-
Banks	590.976	688.310	1.734	2.965	32	75
Accounts Receivable	13.622.166	15.865.736	2.231	3.815	-	-
Notes Receivable	6.940.605	8.083.723	-	-	-	-
Receivables from Related Parties	13.638.558	15.884.829	-	-	-	-
Advances Given	11.760.312	13.697.235	-	-	-	-
Other Current Assets	1.251.263	1.457.346	-	-	-	-
Credits	2.505.543	2.918.206	-	-	-	-
Suppliers	50.037.850	58.279.084	-	-	-	-
Payables to Related Parties	297.045	345.968	-	-	-	-
Other Payables	4.520	5.264	-	-	-	-
Advances Received	181.546	211.447	-	-	-	-
Income Relating to Future Months	190.996	222.453	-	-	-	-
Assessment of expenditure	173.504	202.080	-	-	-	-

**31.12.2006**

	USD		EURO		GBP	
	Currency	YTL	Currency	YTL	Currency	YTL
Cash	1.636	2.300	-	-	-	-
Banks	485.698	682.697	3.400	6.295	32	89
Customers	10.503.891	14.764.269	2.319	4.293	-	-
Notes Receivable	8.275.860	11.632.549	-	-	-	-
Due from Shareholders	-	-	-	-	-	-
Receivables from Related Parties	6.249.581	8.784.411	-	-	-	-
Advances Given	1.931.078	2.714.314	-	-	-	-
Other Current Assets	1.041.957	1.464.575	-	-	-	-
Credits	6.562.684	9.224.508	-	-	-	-
Suppliers	21.492.343	30.209.637	49	90	-	-
Notes Payable	-	-	-	-	-	-
Payables to Related Parties	5.253.196	7.383.892	45	83	-	-
Other Payables	1.950	2.741	-	-	-	-
Advances Received	83.553	117.443	-	-	-	-
Assessment of expenditure	92.121	129.485	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB

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## Net Foreign Currency Position :

**31.12.2007**

	USD	EURO	GBP
Receivable in Foreign Currency	47.804.147	3.965	32
Payable in Foreign Currency	53.391.005	-	-
<b>Net Foreign Currency Position :</b>	<b>(5.586.858)</b>	<b>3.965</b>	<b>32</b>

**31.12.2006**

	USD	EURO	GBP
Receivable in Foreign Currency	28.489.701	5.719	32
Payable in Foreign Currency	33.485.847	45	-
<b>Net Foreign Currency Position :</b>	<b>(4.996.146)</b>	<b>5.674</b>	<b>32</b>

**30. GOVERNMENT GRANTS AND INCENTIVES**

None.

**31. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Legal provisions have been made for all lawsuits against the company amount of **YTL 14.837** related amounts are presented on financial tables. (31.12.2006: **YTL 6.000**)

**Insurance Coverage on Assets;****31.12.2007**

As of December 31, 2007 total insurance coverage on assets are **YTL 90.835** and **USD 8.500.125**.

**31.12.2006**

As of December 31, 2006 total insurance coverage on assets are **YTL 90.835** and **USD 8.600.000**.

The total amounts of commitments not shown in the liabilities in the balance sheet are as follows:

**31.12.2007**

	YTL	USD	EURO
Guarantee Letters Given	33.250	6.000.000	-
<b>TOTAL</b>	<b>33.250</b>	<b>6.000.000</b>	<b>-</b>

**31.12.2006**

	YTL	USD	EURO
Guarantee Letters Given	-	4.250.000	-
<b>TOTAL</b>	<b>-</b>	<b>4.250.000</b>	<b>-</b>

**Mortgages and Guarantees on Assets:**

There exists no mortgage or guarantee on assets for the periods ended December 31, 2007 and December 31, 2006.

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**32. MERGERS**

There occurred no mergers as of Balance-Sheet dates.

**33. SEGMENT REPORTING**

Due to the Company operates their activities in Information Technology sector, financial information is not reported according to segmentations.

**34. SUBSEQUENT EVENTS**

None.

**35. DISCONTINUING OPERATIONS**

There exist no discontinuing operations of the Company as of the balance sheet date.

**36. OPERATING INCOME**

<b>SALES</b>	<b>01.01.2007 - 31.12.2007</b>	<b>01.01.2006 - 31.12.2006</b>
Domestic Sales	203.497.319	190.850.824
Foreign Sales	45.063.349	18.189.780
Other Sales	17.756.741	21.797.680
Discounts	(11.395.453)	(9.755.270)
<b>Sales Income (Net)</b>	<b>254.921.956</b>	<b>221.083.014</b>
Cost of Sales	(246.366.665)	(211.472.418)
<b>Gross Operating Profit / Loss</b>	<b>8.555.291</b>	<b>9.610.596</b>

**37. OPERATING EXPENSES**

<b>Account Name</b>	<b>01.01.2007 - 31.12.2007</b>	<b>01.01.2006 - 31.12.2006</b>
Personnel Expenses	2.123.452	2.326.912
Transportation and Storing Expenses	570.274	506.079
Rent Expenses	348.075	115.292
Office Expenses	169.252	94.725
Advertising and Promotion Expenses	102.911	85.736
Communication Expenses	82.936	67.613
Consultancy and Audit Expenses	64.647	73.403
Amortization and Depreciation Expenses	46.260	103.413
Other Expenses	796.062	564.677
<b>Total Operating Expenses</b>	<b>4.303.869</b>	<b>3.937.850</b>

**NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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**38. INCOME/(EXPENSE) AND PROFIT/(LOSS) FROM OTHER OPERATIONS**

<b>Other income:</b>	<b>01.01.2007 - 31.12.2007</b>	<b>01.01.2006 - 31.12.2006</b>
Foreign Exchange Income	3.750.546	2.694.318
Income from Term Differences	1.381.320	1.646.820
Rediscount Income	575.723	423.615
Participation Income	40.984	92.023
Bank Deposits	36.981	219.348
Nullified Provisions	112.575	148.167
Other	237.962	148.142
<b>Total Other Income:</b>	<b>6.136.091</b>	<b>5.372.433</b>
<b>Other Expenses:</b>		
Interest Eliminated from Current Period Sales Cost	1.552.238	1.737.762
Foreign Exchange Expenses	4.144.809	3.076.164
Rediscount Expenses	500.044	384.807
Previous Period Expense and Losses	-	-
Other	27.227	208.966
<b>Total Other Expenses:</b>	<b>6.224.318</b>	<b>5.407.699</b>
<b>Other Incomes/(Expenses) - net</b>	<b>(88.227)</b>	<b>(35.266)</b>

**39. FINANCIAL EXPENSES**

<b>Financial Expenses</b>	<b>01.01.2007 - 31.12.2007</b>	<b>01.01.2006 - 31.12.2006</b>
Foreign Exchange Expenses	-	802.825
Interest Expenses and Bank Costs	1.831.048	2.309.143
<b>Total Financial Expenses</b>	<b>1.831.048</b>	<b>3.111.968</b>

**40. PROFIT/(LOSS) ON NET MONETARY POSITION**

Due to the announcement, dated March 17, 2005, made by Capital Market Board, the inflation accounting has been no longer effective from January 1, 2005. Since inflation accounting has not been applied from January 1, 2005, referred to the mentioned announcement by CMP, there exists no monetary gain or loss as at December 31, 2007.

**41. TAXES**

	<b>01.01.2007 - 31.12.2007</b>	<b>01.01.2006 - 31.12.2006</b>
Provision Expense of Corporate Tax	(500.430)	(412.114)
Deferred Tax Income/(Expense) <b>(Note: 14)</b>	22.842	(10.241)
Tax Income / (Expense) of the Period	<b>(477.588)</b>	<b>(422.355)</b>

NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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**42. NET EARNINGS PER SHARE**

	01.01.2007 - 31.12.2007	01.01.2006 - 31.12.2006
Net Profit For The Period	1.854.560	2.103.157
Weighted Average Number of Common Shares With A Nominal Value of YTL 1	8.295.342	6.046.575
<b>Earnings/(Loss) Per Share</b>	<b>% 22,36</b>	<b>% 34,78</b>

**43. CASH FLOW STATEMENT**

The cash flow statement was presented as an integral part of the consolidated financial statements.

**44. OTHER SIGNIFICANT ISSUES THAT AFFECT THE FINANCIAL STATEMENTS OR PREVENT CLEAR AND UNDERSTANDABLE PRESENTATION OF THE FINANCIAL STATEMENTS**

There are no other significant issues that affect the financial statements or prevent clear and understandable presentation of the financial statements.