



**Datagate Bilgisayar Malzemeleri
Ticaret Anonim Şirketi**

**Financial Statements
and
Independent Auditors' Report
As of December 31, 2010**



'IAPA - a global association of independent accountancy firms.'

Independent External Auditing Services – Corporate Finance – Tax & Revision – ECM “Market Advisor”

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**DATAGATE BİLGİSAYAR MALZEMELERİ
TİCARET ANONİM ŞİRKETİ**

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
AS OF DECEMBER 31, 2010**

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.
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(Series: XI No: 29)

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INDEPENDENT AUDIT REPORT

**To the Board of Directors of
Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi**

Introduction

We have audited the accompanying financial statements of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** which comprise the balance sheet as of December 31, 2010 and the income statement, statement of changes in shareholders' equity and statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes. Financial statements of the Company 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 financial statements present fairly the financial position of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** as of December 31, 2010 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).

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, March 11, 2011)

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BALANCE SHEET (TL) (Series XI – No:29)	Notes	Audited	(Reclassified) Audited
		Current	Previous
		31 .12. 2010	31.12. 2009
ASSETS			
Current Assets		81.191.419	69.776.641
Cash and Cash Equivalents	6	3.920.914	518.762
Financial Investments	7	28.746	-
Trade Receivables	10	44.979.001	39.365.911
- <i>Receivables from Related Parties</i>	10-37	2.422	2.324.126
- <i>Other</i>	10	44.976.579	37.041.785
Other Receivables	11	2.648	20.161
Inventories	13	21.360.565	20.655.462
Other Current Assets	26	10.899.545	9.216.345
Non-Current Assets		472.471	134.642
Other Receivables	11	373	671
Investment Property	17	124.871	-
Tangible Fixed Assets	18	132.063	50.821
Intangible Fixed Assets	19	6.067	4.147
Deferred Tax Assets	35	209.097	79.003
TOTAL ASSETS		81.663.890	69.911.283

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

BALANCE SHEET (TL) (Series XI – No:29)	Notes	Audited	(Reclassified) Audited
		Current 31.12.2010	Previous 31.12.2009
LIABILITIES			
Short -Term Liabilities		58.482.005	48.494.567
Financial Liabilities	8	-	6.587.918
Trade Payables	10	52.673.041	36.648.164
-Liabilities to Related Parties	10-37	4.471.993	8.058.892
-Other	10	48.201.048	28.589.272
Other Financial Liabilities	11	534.517	465.664
Provision For Tax Liabilities	35	9.284	181.953
Provision For Liabilities	22	1.206.568	574.712
Other Short-Term Liabilities	26	4.058.595	4.036.156
Long – Term Liabilities		86.709	57.519
Provision For Employment Termination Indemnities	24	86.709	57.519
SHAREHOLDERS EQUITY	27	23.095.176	21.359.197
Capital		10.000.000	10.000.000
Share Premiums		2.872.723	2.872.723
Restricted Reserves		1.635.829	1.420.313
Hedging Funds		22.997	-
Previous Years' Profit / (Loss)		6.850.645	2.814.853
Net Profit / (Loss) for the Period		1.712.982	4.251.308
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		81.663.890	69.911.283

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

INCOME STATEMENT (TL)

(Reclassified)

(Series XI – No:29)

		Audited	Audited
	Notes	01.01.2010 31.12.2010	01.01.2009 31.12.2009
OPERATING INCOME			
Sales Revenue	28	305.497.533	295.075.781
Cost of Sales (-)	28	(295.332.022)	(284.792.896)
GROSS PROFIT		10.165.511	10.282.885
Marketing, Sales and Distribution (-)	29	(2.007.178)	(1.733.791)
General Administrative Expenses (-)	29	(3.425.094)	(2.022.203)
Other Operating Income	31	3.034	379.639
Other Operating Expense (-)	31	(78.499)	(112.816)
OPERATING PROFIT/(LOSS)		4.657.774	6.793.714
The Profit/(Loss) of Investments Evaluated According to Equity Method	32	11.619.204	19.136.984
Financial Income	33	(13.985.406)	(20.528.655)
Financial Expenses (-)		2.291.572	5.402.043
CONTINUED OPERATIONS PROFIT BEFORE TAXATION		(578.590)	(1.150.735)
Continued Operations Tax Income / (Expense)	35	(714.433)	(1.123.399)
- Tax Expense for the Period	35	135.843	(27.336)
- Deferred Tax Income / (Expense)		1.712.982	4.251.308
CONTINUED OPERATIONS PROFIT		1.712.982	4.251.308
PROFIT FOR THE PERIOD		1.712.982	4.251.308
Other Comprehensive Income		0,1713	0,4251
OTHER COMPREHENSIVE INCOME (AFTER TAX)	36		
Parent Company Share			

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

CASH FLOW STATEMENT (TL)
(Series XI – No:29)

		<i>(Reclassified)</i>
	<i>Audited</i>	<i>Audited</i>
Footnote References	01.01.2010 31.12.2010	01.01.2009 31.12.2009
A) CASH FLOW PROVIDED FROM OPERATIONS		
Net Profit for the Year	2.291.571	5.402.044
Adjustments to Reach the Cash Flow used in Operations:		
Depreciation (+)	18-19 40.965	25.237
Change in Provision for Termination Indemnities	24 30.191	42.586
Rediscount on Notes Receivable (+)	10 52.994	(64)
Gain (-) or Loss (+) on Sale of Assets	18-19 (2.474)	-
Increase (+) / Decrease (-) in Provision for Debt s	22 631.856	465.370
Provision for Doubtful Receivables for Current Period (+)	10 101.525	200.418
Provision for Nullified Doubtful Receivables (-)	-	-
Provision for Decrease in Value of Inventories (+)	13 98.302	(169.857)
Rediscount on Notes Payable (-)	10 (25.300)	38.994
Provision for Decrease in Value of Affiliates (-)	-	-
Interest Expenses (+)	33 1.160.057	889.837
Interest Income (-)	32 (1.031.089)	(528.452)
Income from Marketable Securities or Long-term Investments(-)	-	-
Operational Income Before Changes in Working Capital:	3.348.598	6.366.113
Increase/Decrease in Trade Receivables /Other Receivables (-)	10-11 (5.749.797)	(18.280.391)
Decrease in Inventories (+)	13 (803.405)	(12.099.051)
Increase in Marketable Securities with Purchase/Sale Purposes(-)	-	-
Decrease in Trade Receivables /Other Receivables (-)	10-11 16.119.030	17.467.651
Increase (-) / Decrease (+) in Other Current Assets	26 (1.683.200)	(2.230.246)
Increase (+) / Decrease (-) in other Liabilities	26 22.440	3.556.741
Other Cash Flows (+)/(-)	-	(482)
Cash Inflow Provided/(Used) From Operating Activities:	11.253.666	(5.219.665)
Termination Indemnities Payment (-)	22 (1.001)	(29.075)
Tax Payment (-)	35 (887.102)	(941.665)
Net Cash Inflow Provided/(Used) From Operating Activities:	10.365.563	(6.190.405)
B) NET CASH USED IN INVESTMENT OPERATIONS		
Net Tangible Assets Purchases (-)	-	-
Investment property (-)	17 (125.500)	-
Tangible Assets Purchases	18-19 (123.499)	(17.778)
Cash provided from sale of Tangible and Intangible Assets	18-19 2.474	-
NET CASH RELATING TO INVESTMENT OPERATIONS	(246.525)	(17.778)
C) CASH FLOW RELATING TO FINANCIAL ACTIVITIES		
Capital Increase	-	-
Change in Cash with Issue Premiums	-	-
Change in Short Term Financial Liabilities	8 (6.587.918)	6.587.918
Change in Long Term Financial Liabilities	8 -	-
Dividends Payments (-)	-	-
Net Interest Income / (Expense)	32-33 (128.968)	(360.904)
NET CASH RELATING TO FINANCIAL ACTIVITIES	(6.716.886)	6.227.014
NET CHANGE IN CASH AND CASH EQUIVALENTS	3.402.152	18.831
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6 518.762	499.931
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6 3.920.914	518.762

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010
(Series XI – No:29)

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STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts are stated in TL unless otherwise stated.)

Audited	Notes	Capital	Issue Premiums	Value Increase Funds	Foreign Currency Conversion Adjustments	Restricted Reserves	Previous Year Profit / (Loss)	Net Period Profit / (Loss)	Total Shareholders' Equity
01.01.2010	27	10.000.000	2.872.723	-	-	1.420.313	2.814.853	4.251.308	21.359.197
Capital		-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	4.251.308	(4.251.308)	-
Transfers to Reserves		-	-	-	-	215.516	(215.516)	-	-
Dividends		-	-	-	-	-	-	-	-
Other Comprehensive Income		-	-	22.997	-	-	-	-	22.997
Net Profit		-	-	-	-	-	-	1.712.982	1.712.982
31.12.2010	27	10.000.000	2.872.723	22.997	-	1.635.829	6.850.645	1.712.982	23.095.176

Audited

01.01.2009	27	10.000.000	2.872.723	-	-	1.404.456	2.568.387	262.323	17.107.889
Capital		-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	262.323	(262.323)	-
Transfers to Reserves		-	-	-	-	15.857	(15.857)	-	-
Dividends		-	-	-	-	-	-	-	-
Foreign Currency Translation Reserve		-	-	-	-	-	-	-	-
Net Profit		-	-	-	-	-	-	4.251.308	4.251.308
31.12.2009	27	10.000.000	2.872.723	-	-	1.420.313	2.814.853	4.251.308	21.359.197

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

1 ORGANIZATION AND BUSINESS SEGMENT

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

The main shareholders of the company as of December 31, 2010 are İndeks Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. (% 59,24) (Non-Public shares % 51,74 and Public Shares % 7,5) , Tayfun Ateş % 5,00 and Public Shares % 35,75. The main shareholders of the company as of December 31, 2009 are İndeks Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. (% 59,24), Tayfun Ateş %10,5 and Public Shares %30,30.

The average number of employees as of December 31, 2010 is 38. (2009:35). All of the employees of the Company are white-collared.

The Company's official address registered 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 PRINCIPLES RELATED TO THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 Accounting Standards

The Company in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation. The branch of the Company operating in Dubai maintains its books of account and prepares its statutory financial statements in USD. The Company's financial statements were prepared in accordance with the Capital Market Board's ("CMB") rules for accounting and reporting.

CMB published a comprehensive set of accounting principles in accordance with the communiqué Serial: XI, No:29 on "Communiqué on Financial Reporting at Capital Markets". This communiqué has become valid for the first interim financial period subsequent to January 01, 2008. The supplementary communicate Serial: XI, No: 29 was issued as an amendment to Communiqué Serial: XI NO: 25 and states that, the financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") as conceded by the European Union ("EU"). IFRS will be applied until the time differences between the IFRS and Turkish Accounting/Financial Reporting Standards ("TFRS") are declared by the Turkish Accounting Standards Board. Thus TFRS, which are in compliant with the applied standards, will be adopted.

As of March 11, 2011 the Company's financial statements were approved and signed by its Board of Directors for the period January 01- 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 CMB, the inflation accounting is no longer effective for the periods after January 01, 2005 for the companies that are operating in Turkey and preparing financial statements in accordance with CMB standards. Therefore, practise of International Accounting Standards 29 "Financial Reporting on Hyper-Inflationist Economies" ended after January 01, 2005.

2.03 Changes in Accounting Policies

The changes to the current accounting policies can be made either if it is necessary or the changes will provide more appropriate and reliable presentation of the transactions and events pertaining to the financial position, performance and the cash flow of the Company. If the changes in accounting policies affect the prior periods, the financial statements are retroactively adjusted.

Summary of the important accounting policies which applies by the company is located in the relevant section below. There is no changes in accounting policies in the current period.

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

2.04 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 Company 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 Company are disclosed below in the related parts of the footnotes. The Company benefits from past experiences for the accounting estimates.

2.05 Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the financial statements are as follows:

2.05.01 Income

The Company recognizes income according to the accrual basis, when the Company reasonably determines the income and economic benefit is probable. Company's income mainly consists of sales of computer and computer equipments as PC, laptop, motherboard, 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 related to the sale of goods, is recorded to the financial statements when all the followings are applied:

- The significant risks and the ownership of the goods are transferred to the customer,
- The Company 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 economic benefits related to transaction will flow to the entity,
- The costs incurred or will be incurred in conjunction with the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, 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 discounting 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 are recorded as interest income according to the accrual basis.

2.05.02 Inventories

Inventories are stated either at the lower of acquisition cost or net realizable value. The inventories of the Company consist of PC, notebook, main board, screen card and the other related computer components. The inventory cost methods used by the Company is "First in First out (FIFO)". Net realizable value is calculated by subtracting sales expenses from the sales price of the related product. Information of Provision for Decrease in Value of Inventories in the current period and previous period is disclosed in **Note: 13**.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

2.05.03 Tangible Fixed Assets

The tangible fixed assets acquired after January 01, 2005 are carried at historical cost, which is calculated by deducting the accumulated depreciation from their cost basis. For assets that were acquired before January 01, 2005, the tangible fixed assets are presented on the financial statement at indexed historical cost for inflation effects as at December 31, 2004. Tangible assets are depreciated using the straight-line method over their useful lives.

The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

	<u>Useful Lives(year)</u>
- Machinery, Plant, and Equipment	5
- Furniture and Fixtures	4-5
- Motor Vehicles	2-5
- Leasehold Improvements	5

Tangible fixed assets are reviewed 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.

The profit and loss arisen from fixed asset sales are determined by comparing the net book value with the sales price and the difference is recorded as operating profit or loss.

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

2.05.04 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 01, 2005 are carried at historical cost including inflationary effects as at December 31, 2004; however, purchases after January 01, 2005 are carried at their historical cost less accumulated amortization and impairment.

Intangible assets are depreciated on a straight-line basis over their expected useful lives in five and ten years period. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. If the net value of an intangible asset is more than the recoverable value, the net value of the intangible asset is decreased to recoverable value by making provisions. There is no provisions for the value decrease in intangible assets.

2.05.05 Leasing Operations

The Company has no financial lease operations.

The Company carries out its operating leases (real estate) as lessee. Operational Lease agreements, which the lessor retains all the risks and benefits pertaining to the goods, are described as operational leases. Lease payments made for an operational lease are expensed throughout the lease term. The Company's most important operational lease is related with the head office and warehouse leased from related party of the Company Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos A.Ş.). The lease operation is realized yearly and the rent invoices are billed monthly basis by Teklos A.Ş. The yearly rent expense for the the current period is 240.048 USD.

2.05.06 Impairment of Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped

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at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

2.05.07 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 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. The company did not capitalize any borrowing costs as of year end.

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

c) Financial Assets Available-For-Sale

Financial assets, which are "Available-for-Sale" are either financial assets, which will not be held to maturity or financial assets, which are not held for trading purposes. Financial assets Available-for-Sale are recorded with their fair value if their fair value can be determined reliably. Marketable securities are shown at their cost basis unless their fair value can be reliably measured or have an active trading market. Profit or loss pertaining to the financial assets Available-for-Sale is not recorded on the income statement. The fluctuation in the fair value of these assets 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 included 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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.

Impairment of financial assets

Financial assets, whose fair value differences are reflected to the profit or loss are assessed for indicators 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, which were 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 Company has agreement in foreign currency futures markets. Derivative financial instruments are recognised with its market value on the date of derivative contracts signed and re-assessed with its market value.

The difference between the fair value as of December 31, 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 Hedging 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 hedging 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)

2.05.09 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.

2.05.10 Earnings Per Share

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

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

2.05.11 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.

The Company adjusts its financial statements if the above-explained subsequent events require any adjustments.

2.05.12 Provisions, Contingent Liabilities & Assets

A provision shall be 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.

The assets and liabilities which can be confirmed according to eventuation of one or more issues which are not fully in control of the company and which arise from previous transactions are not presented in the financial statements and they are determined as contingent liabilities and assets.

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2.05.13 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**.

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company 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 may arise from which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in 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 on financial statements contain changes in current period taxes and deferred tax. Company calculates current period tax and deferred tax based on period results.



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Offsetting in Taxation

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.

2.05.15 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.

2.05.16 Cash Flow Statement

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 Company classifies period's cash flows as investment and financing activities.

2.05.17. Income Accruals

The most of the products sold by the Company 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 Company) is collected or offsetted.

2.05.18 Provisions for Warranty

The Company 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.

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2.05.19 Investment Property

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

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

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

2.06 Comparative Information and Adjustment of the Previous Financial Statements

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

The Company has reclassified the profit from the termination of provision for value decrease in inventory which is offsetted and reported under the operational expenses for the periods January 1, 2009 – December 31, 2009. The mentioned income is recognised under the other income for the periods January 1, 2009 – December 31, 2009.

The new items have been added to Company's Statement of Cash Flows in the current period in order to better reporting of the cash flows of the Company. 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.

2.07 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.

2.08 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 Company.

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i) **The following standards, amendments and interpretations not preferred an early application by the Company 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 "Reassessment 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 Company 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.

3 BUSINESS COMBINATIONS

The Company has no operation in context of business combinations.

4 BUSINESS PARTNERSHIPS

None.

5 REPORTING FINANCIAL INFORMATION BY SEGMENTS AND GEOGRAPHIC AREAS

The company 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.

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6 CASH AND CASH EQUIVALENTS

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

Account Name	31.12.2010	31.12.2009
Cash	6.072	3.236
Bank	3.786.436	415.419
- Demand Deposit	3.786.436	415.419
Credit Card Slips	128.406	100.107
Total	3.920.914	518.762

Maturity of credit card slips are 1or 2 days for the current and prior period.

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

7 FINANCIAL INVESTMENTS

The Company's all financial investments consist of derivative financial instruments which are recognised with their fair value.

Account Name	31.12.2010	31.12.2009
Derivative Instruments	28.746	-
Total	28.746	-

As of December 31, 2010 Company has made a contract amounted 490.335 USD for forward purchase commitments. All contracts have 0-3 months maturity. The fair value of these contracts is 729.312 TL as of December 31, 2010 and the revaluation surplus is recognised as "hedging funds" under the shareholders' equity. The deferred tax liability related with the revaluation surplus is 5.749 TL and this amount is offsetted from hedging funds.

8 FINANCIAL LIABILITIES

The Company's short-term financial liabilities for the periods ended are as follows:

Account Name	31.12.2010	31.12.2009
Bank Loans	-	6.587.918
Total	-	6.587.918

There is not any long-term financial liabilities for the years ended December 31, 2010 and December 31, 2009.

The details of the Loans are as follows:

31.12.2010

None.

31.12.2009

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Short Term Loans			
TL Loans	-	-	-
USD Loans	4.375.319	6.587.918	2,5
Total Loans	4.375.319	6.587.918	

The maturities of Financial Liabilities are as follows:

Loans	31.12.2010	31.12.2009
0-3 months	-	6.587.918
Total	-	6.587.918

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9 OTHER FINANCIAL LIABILITIES

None.

10 TRADE RECEIVABLES AND PAYABLES

Short-Term trade receivables for the years ended December 31, 2010 and December 31, 2009 are as follows:

<u>Account Name</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Trade Receivables	30.587.004	29.449.370
-Related Parties (Note: 37)	2.422	2.324.126
-Other	30.584.582	27.125.244
Notes Receivables	14.496.903	9.968.453
Rediscount on Notes Receivables (-)	(104.906)	(51.912)
Doubtful Receivables	1.244.764	1.143.239
Provision for Doubtful Receivables (-)	(1.244.764)	(1.143.239)
Total	44.979.001	39.365.911

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

The amounts of the guarantees taken for the receivables for the year ended December 31, 2010 is 1.373.579 TL (31.12.2009: TL 4.491.768)

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

Provision for Doubtful Receivables summarize table is below:

	<u>January 1- December 31, 2010</u>	<u>January 1- December 31, 2009</u>
Opening Balance	1.143.239	942.821
Collections (-)	(38.753)	(230.575)
Profit from Foreign Exchange Gains	93	-
Current Period Expences	140.185	430.993
Balance of at end of year	1.244.764	1.143.239

The maturities of trade receivables which is overdue and there is not decline in value are as follows;

	<u>31.12.2010</u>	<u>31.12.2009</u>
0-3 months	58.831	90.582
3-12 months	12.110	6.644
1-5 years	-	-
Total	70.941	97.226

The details of the Short-Term Trade Payables for the periods ended are as follows:

<u>Account Name</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Suppliers	52.732.877	35.769.963
Other Suppliers	48.260.884	27.711.071
Related Parties	4.471.993	8.058.892
Notes Payable	-	912.737
Rediscount on Notes Payable (-)	(59.836)	(34.536)
Total	52.673.041	36.648.164

The Company has no Long-Term Trade Payables for the periods ended.

The average maturity of trade receivables and payables is less than 2 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 Euribor are used for trade receivables and payables in USD and EURO.

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11 OTHER RECEIVABLES AND PAYABLES

Short-term other receivables for the periods ended are as follows:

Account Name	31.12.2010	31.12.2009
Due from Personnel	2.648	5.186
Deposits and Guarantees Given	-	14.975
Total	2.648	20.161

Long-term Other Receivables for the years ended are as follows:

Account Name	31.12.2010	31.12.2009
Deposits and Guarantees Given	373	671
Total	373	671

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

Short-term Other Payables for the years ended are as follows:

Account Name	31.12.2010	31.12.2009
Taxes, Duties Payable and Other Fiscal Liabilities	35.290	28.324
Social Security Premiums Payable	37.013	30.426
Advances Received	329.942	223.869
Due to Personnel	132.272	183.045
Total	534.517	465.664

12 RECEIVABLES AND PAYABLES FROM / TO FINANCE SECTOR OPERATIONS

None.

13 INVENTORIES

The inventories of the Company as of December 31, 2010 and December 31, 2009 are as follows:

Account Name	31.12.2010	31.12.2009
Commercial Goods	21.738.048	20.528.913
Goods in Transit	59.771	465.501
Provision for Decrease in value of stocks (-)	(437.254)	(338.952)
Total	21.360.565	20.655.462

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

Provision for Impairment of Inventory

	1 January- December 31, 2010	1 January- December 31, 2009
Opening Balance (-)	(338.952)	(508.809)
Cancellation of Provision Due to Increase in Net Realizable Value Net(+)	-	169.857
Provision for the Period(-)	(98.302)	-
Balance at the end of year (-)	(437.254)	(338.952)

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, 1.570.379 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, 1.140.666 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.)

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	31.12.2010	31.12. 2009
Cost	1.268.713	1.483.861
Net Realizable Value (a)	831.459	1.144.909
Provision for Decrease in value of Inventories	437.254	338.952
Inventory presented with its cost value (b)	20.529.106	19.510.553
Total Inventories (a+b)	21.360.565	20.655.462

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.

17 INVESTMENT PROPERTIES

The investment property of the Company consist of a house placed in Çankaya, Ankara. The mentioned property is acquired from a pledge for a receivable. The Company management estimates the fair value of this property as 125.000 TL. The Company management has considered the fair value of the properties in the neighbourhood and acquisition of mentioned properties in their estimates.

Cost Value

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

Accumulated depreciation

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

Other Information:

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

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

There is no mortgage and guarantee, restrictions, annotations, etc. on assets.

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18 TANGIBLE FIXED ASSETS

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

31.12.2010

Cost

Account Name	01.01.2010	Additions	Disposals	Transfers	31.12.2010
Machinery,	3.709	-	-	-	3.709
Plants&Equipments					
Motor Vehicles	64.423	83.842	(12.942)	-	135.323
Furniture & Fixtures	799.360	36.257	-	-	835.617
Leasehold Improvements	11.846	-	-	-	11.846
Total	879.338	120.099	(12.942)	-	986.495

Accumulated Depreciation

Account Name	01.01.2010	Period Depreciation	Disposals	Transfers	31.12.2010
Machinery,	(3.709)	-	-	-	(3.709)
Plants&Equipments					
Motor Vehicles	(55.755)	(18.504)	12.942	-	(61.317)
Furniture & Fixtures	(763.500)	(17.983)	-	-	(781.483)
Leasehold Improvements	(5.553)	(2.370)	-	-	(7.923)
Total	(828.517)	(38.857)	12.942	-	(854.432)
Net Value	50.821				132.063

31.12.2009

Cost

Account Name	01.01.2009	Additions	Disposals	Transfers	31.12.2009
Machinery,	3.709	-	-	-	3.709
Plants&Equipments					
Motor Vehicles	64.423	-	-	-	64.423
Furniture & Fixtures	784.912	14.448	-	-	799.360
Leasehold Improvements	11.846	-	-	-	11.846
Total	864.890	14.448	-	-	879.338

Accumulated Depreciation

Account Name	01.01.2009	Period Depreciation	Disposals	Transfers	31.12.2009
Machinery,	3.709	-	-	-	3.709
Plants&Equipments					
Motor Vehicles	45.458	10.297	-	-	55.755
Furniture & Fixtures	751.570	11.930	-	-	763.500
Leasehold Improvements	3.184	2.369	-	-	5.553
Total	(803.921)	(24.596)			(828.517)
Net Value	60.969				50.821

Other Information:

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

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

There is no mortgage and guarantee, restrictions, annotations, etc. on assets.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

19 INTANGIBLE FIXED ASSETS

31.12.2010

Cost

Account Name	01.01.2010	Additions	Disposals	Transfers	31.12.2010
Rights	203.242	3.400	-	-	206.642
Total	203.242	3.400	-	-	206.642

Accumulated Depreciation

Account Name	01.01.2010	Period Depreciation	Disposals	Transfers	31.12.2010
Rights	(199.095)	(1.480)	-	-	(200.575)
Total	(199.095)	(1.480)	-	-	(200.575)

Net Value	4.147	-	-	-	6.067
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31.12.2009

Cost

Account Name	01.01.2009	Period Depreciation	Disposals	Transfers	31.12.2009
Rights	199.912	3.330	-	-	203.242
Total	199.912	3.330	-	-	203.242

Accumulated Depreciation

Account Name	01.01.2009	Period Depreciation	Disposals	Transfers	31.12.2009
Rights	(198.454)	(641)	-	-	(199.095)
Total	(198.454)	(641)	-	-	(199.095)

Net Value	1.458	-	-	-	4.147
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The depreciation and amortization expenses are recognised under the operational expenses.

20 GOODWILL

None.

22 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

i) Provisions

Account Name	31.12.2010	31.12.2009
Provision for Price Differences	624.850	573.179
Provision for Litigations	581.718	1.533
Total	1.206.568	574.712

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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31.12.2010	Provision for Litigations	Provision for Price Differences	Total
As of 01.01.2010	1.533	573.179	574.712
Additional Provisions	960.463	624.850	1.585.313
Payment	(380.278)	-	(380.278)
Terminated Provisions	-	(573.179)	(573.179)
Total	581.718	624.850	1.206.568

31.12.2009	Provision for Litigations	Provision for Price Differences	Total
As of 01.01.2009	8.837	100.505	109.342
Additional Provisions	1.533	573.179	574.712
Payment	(8.837)	-	(8.837)
Terminated Provisions	-	(100.505)	(100.505)
Total	1.533	573.179	574.712

ii) Contingent Assets and Liabilities:

31.12.2010

As of December 31, 2010, for one lawsuit initiated against Company, provision amount **581.718 TL** is reflected to the financial statements.

31.12.2009

As of December 31, 2009, for one lawsuit initiated against Company, provision amount **1.533 TL** is reflected to the financial statements.

iii) Contingent Liabilities and Commitments:

31.12.2010

	TL	USD	EURO
Guarantee Letters Given	1.288.942	3.185.500	-
Total	1.288.942	3.185.500	-

31.12.2009

	TL	USD	EURO
Guarantee Letters Given	309.250	9.185.500	-
Total	309.250	9.185.500	-

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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iv) Total Guarantees and Mortgages on Assets

None

v) Total Insurance Coverage on Assets:

31.12.2010

Type of Insured Assets	USD	TL
Goods	17.995.000	-
Vehicles	-	120.075
Other	225.125	-
Total	18.220.125	120.075

31.12. 2009

Type of Insured Assets	USD	TL
Goods	15.250.000	-
Vehicles	-	66.700
Other	225.125	-
Total	15.475.125	66.700

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

Mortgages & Guarantees Given by the Company	31.12. 2010	31.12. 2010	31.12. 2009	31.12. 2009
	Foreign Currency Amount	TL Amount	Foreign Currency Amount	TL Amount
A. Total amount of M&G Given on behalf of the Company	-	6.213.725	-	14.139.857
Guarantee Letter (USD)	3.185.500	4.924.783	9.185.500	13.830.607
Guarantee Letter (TL)	-	1.288.942	-	309.250
Mortgage	-	-	-	-
Pledges	-	-	-	-
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated Companies subject to full consolidation	-	-	-	-
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	-	6.213.725	-	14.139.857

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.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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24 EMPLOYEE TERMINATION BENEFITS

Account Name	31.12.2010	31.12.2009
Provision for Employment Termination	86.709	57.519
Indemnity		
Total	86.709	57.519

Under the Turkish Labor Law, the Company is required to pay employee termination benefits to each employee, who has entitled to receive provisions for employee termination benefits in accordance with the effective laws: 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 Company's provision for termination indemnities.

Termination indemnity payable is not subject to any legal funding.

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

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 01	57.519	44.008
Service Costs	1.051	27.570
Actuarial Gains	10.286	(445)
Interest Expences	18.854	15.461
Payment (-)	(1.001)	(29.075)
Closing Balance	86.709	57.519

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	31.12.2010	31.12.2009
Prepaid Expenses for the Following Months	52.820	58.215
Credit Note Income Accrual	2.927.052	2.102.323
Deferred VAT	6.494.820	6.927.787
VAT Return	1.213.692	-
Job Advances	1.278	2.303
Advances Given	209.883	125.717
Total	10.899.545	9.226.345

(*)Credit note Income Relating to Future Months is disclosed in Note: 2.05.17



DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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Credit Note Income Relating to Future Months transactions as follows:

	1 January – 31 December 2010	1 January – 31 December 2009
Opening Balance	2.102.323	1.725.400
Current period accrual	7.468.626	6.926.847
Collection / Current account transfer	(6.643.897)	(6.549.924)
Balance at the end of year	2.927.052	2.102.323

The Company has not any other non-current assets for the years December 31, 2010 and December 31, 2009

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

Account Name	31.12. 2010	31.12.2009
Income Relating to Future Months	4.058.595	4.036.156
Total	4.058.595	4.036.156

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.

27 SHAREHOLDERS' EQUITY

i) Minority Shareholders Equity

None.

ii) Capital / Share Capital / Elimination Adjustments

The company's issued capital as of December 31, 2010 is 10.000.000 TL.

The paid in capital of the Company, which is **TL 10.000.000**, consists of A Company shares issued to the name as paid-in capital is **TL 151,51**, B Company shares issued to the bear as paid-in capital is **TL 9.999.848** A Group Shareholders have privilege in Board of Directors Election, B Group Shareholders do not have any privilege. One more of the half member of the Board of Directors is elected by A Group Shareholders.

The Company adopted the Registered Share capital System with the dated May 03, 2007 and numbered 17/483 permission of Capital Market Board and determined the Registered Share Capital ceiling as **TL 20.000.000**. The decision was accepted by General Assembly of the company held on May 29, 2007.

As of December 31, 2010 and December 31, 2009; the Shareholders are listed below;

Shareholder	31.12. 2010		31.12. 2009	
	Share Percentage	Share Amount	Share Percentage	Share Amount
İndeks A.Ş.	%59,24	5.924.228	%59,24	5.924.228
Tayfun Ateş	% 5,00	500.000	%10,45	1.045.455
Public Shares	%35,75	3.575.758	%30,30	3.030.303
Other	%0,01	14	%0,01	14
Total	%100	10.000.000	%100	10.000.000

(*) Non Public shares % 51,74; Public Shares % 7,5; Total:% 59,24.

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

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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iii) Capital Reserves

Capital reserves consist of share issue premiums.

iv) Restricted Reserves from Profit

Restricted reserves from profits consist of legal reserves.

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

vi) Hedging Funds

Account Name	31.12.2010	31.12.2009
Cash Flow Hedge (*)	28.746	-
Deferred Tax Liability Offset (-)	(5.749)	-
Total	22.997	-

(*) Note:7

vi) Previous Years' Profit

Profits of previous years consist of extraordinary reserves, loss 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, companies, 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 Company management decided to distribute dividends according to regulations specified in articles of association and dividend distribution policies declared to public.

Shareholders Equity as of December 31, 2010 and December 31, 2009 are as follows:

Account Name	31.12. 2010	31.12. 2009
Share capital	10.000.000	10.000.000
Share Premium	2.872.723	2.872.723
Hedging Funds	22.997	-
Restricted Reserves From Profit	1.635.829	1.420.313
-Legal Reserves	542.908	327.392
-Profit Reserves Gain on Sale of Subsidiaries	1.092.921	1.092.921
Previous Years' Profits	6.850.645	2.814.853
Net Period Loss/ Profit	1.712.982	4.251.308
Total	23.095.176	21.359.197

In the financial statements prepared according to the standards of the CMB, the Company's current profits amounted to 1.712.982 TL. The Company's distributable profit for current period is 1.708.852 TL. In the financial statements prepared according to the standards of the CMB, the Company's accumulated profits amounted to 6.850.645 TL. The Company's distributable profit amount is 6.750.304 TL and the dividend the Company can pay over retained profits is limited to this amount. An allowance of 10% over the distributed profit

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will be made as second legal reserve. Management of the Company has not taken any decision regarding distribution of retained earnings. The total distributable amount was calculated taking the Inflation Adjustment Differences and Income from Sales of Real Estate Held for Addition to Share Capital into consideration.

28 SALES AND COST OF SALES

Sales for the periods January 01 – December 31, 2010 and January 01 – December 31, 2009 are as follows:

Account Name	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009
Domestic Sales	298.575.684	288.745.311
Foreign Sales	4.610.792	3.608.098
Other Sales	8.098.652	8.735.338
Sales Returns (-)	(3.859.222)	(5.477.914)
Sales Discounts (-)	(1.787.267)	(533.713)
Other Discounts (-)	(141.106)	(1.339)
Net Sales	305.497.533	295.075.781
Cost of Sales (-)	(295.332.022)	(284.792.896)
Gross Profit from Business Operations	10.165.511	10.282.885

Depreciation, amortization and personnel expenses are shown in operating expense.

The sales quantities for the periods 2010 and 2009:

Account Name	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009	Difference %
Accessories	232.467	116.752	99%
Computer	139.881	65.197	115%
Security	4.667	5.093	-8%
Communication Products	-	50	-100%
PC Components (OEM)	946.670	970.876	-2%
Consumption	-	2.719	-100%
Printer and Peripherals	33.575	15.025	123%
Software	-	22	-100%
Other	167.621	151.015	11%

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES

The Operational Expenses of the Company 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 (-)	(2.007.178)	(1.733.791)
General Administrative Expenses (-)	(3.425.094)	(2.022.203)
Total Operating Expenses	(5.432.272)	(3.755.994)

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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30 EXPENSES RELATED TO THEIR NATURE

Expenses Related to Their Nature of the Company as of December 31, 2009 and December 31, 2008 are as follows:

Account Name	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009
Sales, Marketing and Distribution Expenses (-)		
- Personnel Expenses	(2.239.521)	(1.798.945)
- Transportation Expenses	(283.209)	(218.502)
- Advertisement Expense	(174.403)	(162.535)
-Communication Expense	(73.578)	(77.210)
-Outsourced benefits and services	(205.105)	(174.358)
- Rental Expense	(388.181)	(397.873)
- Consultancy and Audit Expenses	(144.515)	(74.814)
- Logistic and storage expences	(343.136)	(310.887)
-Provision for litigation Expence	(960.463)	(1.533)
-Provisions for doubtful trade receivables	(101.433)	(200.418)
- Decrease in value of stocks	(98.302)	-
- Other Expenses	(420.426)	(338.919)
- Total Operating Expenses	(5.432.272)	(3.755.994)

31 OTHER INCOME / EXPENSE

Other income / expense for the periods ended are as follows:

Account Name	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009
Insurance Compensation Income	-	151.280
Cancellation provision for inventories	-	169.857
Other Income	3.034	58.502
Other Income Total	3.034	379.639
Other Expense Total (-) (*)	(78.499)	(112.816)
Other Income / Expence (Net)	(75.465)	266.823

(*)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
Interest Income	103.698	134.842
Profit from Foreign Exchange Gains	10.476.366	18.522.020
Interest Eliminated From Sales(-)	927.392	393.610
Rediscount Income of the Period	59.836	34.536
Previous Period Rediscount Cancellation	51.912	51.976
Total Financial Income	11.619.204	19.136.984

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33 FINANCIAL EXPENSES

The financial expenses of the Company 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
Interest Expense (-)	(840.948)	(615.371)
Foreign Exchange Losses (-)	(12.669.320)	(19.513.376)
Eliminated Interest From Purchases(-)	(335.696)	(274.466)
Rediscount Expense (-)	(104.906)	(51.912)
Cancellation of Previous Period's Rediscount	(34.536)	(73.530)
Total Financial Expense	(13.985.406)	(20.528.655)

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

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

35 TAX ASSETS AND LIABILITIES

The Company'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 Company 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
Period Tax Income/(Expense)	(714.433)	(1.123.399)
Deferred Tax Income / (Expense)	135.843	(27.336)
Total Tax Income / (Expense)	(578.590)	(1.150.735)

Account Name	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009
Provision for Current Period Tax (-)	714.433	1.123.399
Prepaid Taxes on Profit for the Period (-)	(705.149)	(941.446)
Total	9.284	181.953

i) Provision for Current Period Tax

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

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Provision for tax of the Company 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
Commercial Profit/Loss in Legal Records	2.423.185	5.433.721
Additions to Tax Base	1.161.728	371.318
Provision for Doubtful Receivables	553.961	49.733
Provision for Employee Termination Benefits	25.250	28.346
Provision for Impairment of Inventory	98.302	-
Notes and Check Rediscount	11.479	12.746
Other Non-allowable Charges Expenses	472.736	280.493
Deductions to Tax Base (-)	(12.746)	(188.042)
Provisions No Longer Required	-	(169.857)
Notes and Check Rediscount	(12.746)	(5.927)
Provisions No Longer Required for Doubtful Receivables	-	(12.258)
Financial profit/(loss) at legal records	3.572.167	5.616.997

Income Withholding Tax:

ii) Deferred Tax

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

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Company reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Company writes-off the recorded deferred tax asset. Corporate tax rate is used in the calculation of deferred taxes.

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	(14.758)	(2.952)	(8.838)	(1.768)
Rediscount Expense	104.906	20.981	51.912	10.383
Provision for Termination Indemnities	85.709	17.342	45.991	9.198
Provision for Lawsuit	519.956	103.991	1.533	307
Provision for Reduced Depreciation from Stock	437.254	87.451	338.952	67.790
Fixed Assets	(59.836)	(11.967)	(34.536)	(6.907)
Hedging Funds	(28.746)	(5.749)	-	-
Deferred Tax Assets / (Liabilities)		209.097		79.003

	31. 12. 2010	31.12. 2009
Deferred Tax Asset / Liability at the beginning of the period	79.003	106.339
Deferred Tax Income / (Expense)	135.843	(27.336)
Deferred Tax Asset / Liability at the end of the period	(5.749)	-
Deferred Tax Asset / Liability at the beginning of the period	209.097	79.003

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
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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	2.291.572	5.402.044
Income tax rate %20	(458.314)	(1.080.409)
Tax effect:		
-Non-taxable income	-	-
-Non-deductible Expenses	(120.276)	(70.326)
Deferred Tax Income	(578.590)	(1.150.735)

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. Company'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
Net Profit For The Period / (Loss)	1.712.982	4.251.308
Weighted Average Number of Common Shares Outstanding	10.000.000	10.000.000
Earnings / (Loss) per Share	0,1713	0,4251

37 EXPLANATIONS OF RELATED PARTIES

a) Receivables and Payables of Related Parties:

December 31, 2010	RECEIVABLES		LIABILITIES	
	Commercial	Non-Commercial	Commercial	Non-Commercial
İndeks A.Ş.	-	-	4.139.163	-
Neotech A.Ş.	1.143	-	-	-
Teklos A.Ş.	-	-	61.466	-
İfin A.Ş.	-	-	271.364	-
Despec A.Ş.	1.279	-	-	-
Total	2.422	-	4.471.993	-

December 31, 2009	RECEIVABLES		LIABILITIES	
	Commercial	Non-Commercial	Commercial	Non-Commercial
İndeks A.Ş.	22.025	-	4.778.699	-
Neteks	-	-	127.928	-
Neotech A.Ş.	74.824	-	-	-
Teklos A.Ş.	-	-	367.789	-
İfin A.Ş.	2.227.231	-	2.781.436	-
Despec A.Ş.	46	-	3.040	-
Total	2.324.126	-	5.957.882	-

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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.

b) Purchases from Related Parties and Purchases from Related Parties

31.12. 2010

Sales to Related Parties	Goods and Service Sales	Common Cost Participation	Interest and Foreign Exchange Income	Total Expense/Purchases
İndeks A.Ş.	88.993.819	3.255	606.271	89.603.345
Despec A.Ş.	4.817.065	-	5.351	4.822.416
İnfin A.Ş.	3.448.409	-	265.988	3.714.397
Neotech A.Ş.	140	11.934	1.231	13.305
Neteks A.Ş.	6.980.764	-	1.936	6.982.700
Homend A.Ş.	431	-	4	435
Teklos A.Ş.	-	-	7.588	7.588
Total	104.240.628	15.189	888.369	105.144.186

Purchases From Related Parties	Goods and Service Purchases	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense/Purchases
İndeks A.Ş.	79.036.666	992.411	316.790	80.345.867
Despec A.Ş.	4.733.353	-	2.445	4.735.798
İnfin A.Ş.	2.990.175	-	291.932	3.282.107
Neotech A.Ş.	71	-	72	143
Neteks A.Ş.	6.961.167	-	1.436	6.962.603
Homend A.Ş.	-	-	-	-
Teklos A.Ş.	14.334	536.966	13.501	564.801
Total	93.735.766	1.529.377	626.176	95.891.319

There is no taken or given guarantee in between related parties.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

31.12. 2009

Sales to Related Parties	Goods and Service Sales	Common Cost Participation	Interest and Foreign Exchange Income	Total Expense/Purchases
İndeks A.Ş.	100.442.230	14.936	184.641	100.641.807
Despec A.Ş.	926.419	-	-	926.419
İnfin A.Ş.	3.363.954	-	341.631	3.705.585
Neotech A.Ş.	2.849.479	4.399	31.863	2.885.741
Neteks A.Ş.	16.027.450	-	9.250	16.036.700
Teklos	2.723	-	18.351	21.074
Total	123.612.255	19.335	585.736	124.217.326

Purchases From Related Parties	Goods and Service Purchases	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense/Purchases
İndeks A.Ş.	90.101.670	832.448	217.224	91.151.342
Despec A.Ş.	662.880	-	8.734	671.613
İnfin A.Ş.	3.310.322	-	46.414	3.356.737
Neotech A.Ş.	2.492.048	-	3.974	2.496.022
Neteks A.Ş.	17.871.422	-	3.968	17.875.390
Teklos A.Ş.	15.799	521.369	27.563	564.732
Total	114.454.141	1.353.817	307.877	116.115.836

There are not any guarentees received from or given to related parties.

c) Benefits and wages provided to Management Staff

Account Name	31.12.2010	31.12.2009
Short term benefits provided to employees	611.863	489.986
Employment Termination Benefits	-	-
Other long term benefits	-	-
Total	611.863	489.986

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

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

38 NATURE AND LEVEL OF RISKS ARISING OUT OF FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company, 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 Company 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 Company 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 Company based on resources is not different from the previous years.

The Company is entering into hedging contracts (including derivative financial instruments) for the purpose of diversifying currency fluctuation risks.

(b) Important Accounting Policies

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

(c) Market risk

The Company, 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 Company, as it holds the financial instruments, also bears the risk of other party not meeting the requirements of the agreement. (Article h)

Market risks seen at the level of Company are measured according to the sensitivity analysis principle. The market risk of the Company 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) Rate risk management

Transactions by foreign currency cause the formation of rate risks. The Company 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 Company 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.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

Current Period	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	(1.168.623)	1.168.623	(371.898)	371.898
2- The part, protected from US Dollar Risk (-)				
3- US Dollar Net Effect (1+2)	(1.168.623)	1.168.623	(371.898)	371.898
In the event of 10% value change of Euro against TL;				
4- Euro Net Property / Liability	994	(994)	3.040	(3.040)
5- The part, protected from Euro Risk (-)				
6- Euro Net Effect (4+5)	994	(994)	3.040	(3.040)
Total	(1.167.629)	1.167.629	(368.858)	368.858

As of December 31, 2010 total amount of the commercial good inventories is **21.300.794TL**. A significant part of inventories are purchased or imported in USD. As of December 31, 2009 total amount of the commercial good inventories is **20.189.961TL**. A significant part of inventories are purchased or imported in USD.

DATAGATE BİLGISAYAR MALZEMELERİ TİCARET ANONİM Şİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

Table of Foreign Exchange Position

	Current Period			Previous Period			
	TL Value	USD	Euro	TL Value	USD	Euro	GBP
1. Commercial Receivables	35.646.072	23.056.967	-	36.902.947	24.493.212	10.886	-
2a. Monetary Financial Assets	6.219.187	4.016.334	4.849	3.002.591	1.991.563	1.803	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-
4. Current Assets Total (1+2+3)	41.865.259	27.073.301	4.849	39.905.538	26.484.775	12.689	-
5. Commercial 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)	41.865.632	27.073.542	4.849	39.906.209	26.485.221	12.689	-
10. Commercial Debts	(52.317.443)	(33.840.519)	-	(36.433.572)	(24.199.085)	1.384	-
11. Financial Liabilities	-	-	-	(6.587.918)	(4.375.319)	-	-
12a. Other Monetary Liabilities	(1.224.484)	(792.033)	-	(573.299)	(380.753)	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-
13. Total Short Term Liabilities (10+11+12)	(53.541.927)	(34.632.552)	-	(43.594.789)	(28.955.157)	1.384	-
14. Commercial Debts	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	-	-	-	-	-	-	-
18. Total Liabilities (13+17)	(53.541.927)	(34.632.552)	-	(43.594.789)	(28.955.157)	1.384	-
19. Net Asset/ (Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	758.058	490.335	-	821.600	545.660	-	-
19a. Total Amount of Hedged Assets	758.058	490.335	-	821.600	545.660	-	-
19b. Total Amount of Hedged Liabilities	-	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(10.918.238)	(7.068.676)	4.849	(2.866.979)	(1.924.275)	14.073	-
21. Monetary Items Net Foreign Exchange Asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	(11.676.295)	(7.559.010)	4.849	(3.688.579)	(2.469.935)	14.073	-
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	-	-	-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Assets	729.312	490.335	-	821.600	545.660	-	-
23. The Amount of Hedged part of Foreign Exchange Liabilities	-	-	-	-	-	-	-
23. Export	4.610.792	-	-	3.608.098	-	-	-
24. Import	186.462.150	-	-	193.619.870	-	-	-

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

c2.) Counterparty Risk

CURRENT PERIOD

	Receivables			Note			
	Commercial Receivables	Other	Other Receivables				
	Related	Other	Related	Other	Other	Deposit at Banks	Note
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	2.422	44.976.579	-	3.021	-	3.786.436	-
- The part of maximum risk secured by guarantee etc.	-	1.373.579	-	-	-	-	-
A. Net book value of financial assets which are undue or which did not decline in value (2)	2.422	44.905.638	-	3.021	10-11	3.786.436	6
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	-	63.211	-	-	10-11	-	6
C. Net book value of assets, overdue but did not decline in value. (6)	-	7.730	-	-	-	-	-
- The part secured by guarantee etc.	-	7.730	-	-	-	-	-
D. Net book values of assets declined in value (4)	-	-	-	-	10-11	-	6
- Overdue (gross book value)	-	-	-	-	-	-	-
- Decline in value (-)	-	1.244.764	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-	(1.244.764)	-	-	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			Note			
	Commercial Receivables	Other	Other Receivables				
	Related	Related	Related	Other	Other	Deposit at Banks	Note
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	2.324.126	37.041.785	-	20.832	-	415.419	-
- The part of maximum risk secured by guarantee etc.	-	4.491.768	-	-	-	-	-
A. Net book value of financial assets which are undue or which did not decline in value (2)	2.234.126	36.944.559	-	20.832	10-11	415.419	6
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)	-	90.476	-	-	10-11	-	6
C. Net book value of assets, overdue but did not decline in value. (6)	-	6.750	-	-	-	-	-
- The part secured by guarantee etc.	-	6.750	-	-	-	-	-
D. Net book values of assets declined in value (4)	-	-	-	-	10-11	-	6
- Overdue (gross book value)	-	-	-	-	-	-	-
- Decline in value (-)	-	1.143.239	-	-	10-11	-	6
- The part of net value secured by guarantee etc.	-	(1.143.239)	-	-	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)

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

Current Period	Receivables	
	Commercial Receivables	Commercial Receivables
1-30 Days Overdue	58.831	-
1-3 Months Overdue	12.110	-
More than 3 Months Overdue	-	-
The part of net value secured by guarantee etc.	7.730	-

Previous Period	Receivables	
	Commercial Receivables	Commercial Receivables
1-30 Days Overdue	68.054	-
1-3 Months Overdue	22.528	-
More than 3 Months Overdue	6.644	-
The part of net value secured by guarantee etc.	6.750	-

Credit Risk Management :

The Company's credit risk management exposed from trade receivables. Trade receivables mostly consist from receivables from dealers. The Company has set up an effective control system over its dealers and the risk is monitorized by credit risk management team and Company Management. The Company has set limits for every dealer and these limits are revised if it is necessary. The taking adequate guarantees from dealers is another method for the risk management. There is no significant trade receivable risk for the Company, because the Company 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 Company'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 Company management show sensivity in these situations. The detailed information about the collection and risk management policies are as follows;

The Company starts executive proceedings and / or litigate for the receivables overdue for a few months. The Company 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 Company 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 Company are 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.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

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Trade receivables are evaluated by taking into consideration the Company 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

The Company is exposed to interest risk due to its floating and fixed interest financial instruments.

Table of Interest Position

	Current Period	Previous Period
Fixed Interest Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	6.587.918
Floating Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

(c4) Liquidity risk management

The Company 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.

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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

31.12.2010

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5
Non-Derivative Financial Liabilities	53.207.557	53.267.393	53.267.393	-	-	-
<i>Bank Credits</i>	-	-	-	-	-	-
<i>Issuances of Debt Instrument</i>	-	-	-	-	-	-
<i>Leasing Liabilities</i>	-	-	-	-	-	-
<i>Commercial Debts</i>	52.673.041	52.732.877	52.732.877	-	-	-
<i>Other Debts</i>	534.517	534.517	534.517	-	-	-
<i>Other</i>	-	-	-	-	-	-

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3- 12 months	Between 1-5 years	Longer than 5
Derivative Financial Liabilities	28.746	27.189	25.282	1.907	-	-
<i>Derivative Cash Inflow(*)</i>	758.058	758.058	702.402	55.656	-	-
<i>Derivative Cash Outflow</i>	(729.312)	(730.869)	(677.120)	(53.749)	-	-

(*)The amount of forward transactions consist of **USD 490.33**. 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.

31.12.2009

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3- 12 months	Between 1-5 years	Longer than 5
Non-Derivative Financial Liabilities	43.701.746	43.737.722	43.737.722	-	-	-
<i>Loans</i>	6.587.918	6.589.358	6.589.358	-	-	-
<i>Issuances of Debt Instrument</i>	-	-	-	-	-	-
<i>Leasing Liabilities</i>	-	-	-	-	-	-
<i>Commercial Debts</i>	36.648.164	36.682.700	36.682.700	-	-	-
<i>Other Debts</i>	465.664	465.664	465.664	-	-	-
<i>Other</i>	-	-	-	-	-	-

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3- 12 months	Between 1-5 years	Longer than 5
Derivative Financial Liabilities	1.733	1.733	1.733	-	-	-
<i>Derivative Cash Inflow(*)</i>	821.600	821.600	821.600	-	-	-
<i>Derivative Cash Outflow</i>	(819.867)	(819.867)	(819.867)	-	-	-

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010

(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

(*) The amount of forward transactions consist of USD 545.660 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, 2009. Actual profit or loss will arise at the end of term.

(c5) Analyses of other Risks

Risks Related to Financial Instruments, Stocks Etc.

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

39 FINANCIAL INSTRUMENTS

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

Aims at financial risk management

The finance department of the Company 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 Company. 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 liquidation process between willing parties and it is determined with its market value if there is a quoted price.

The Company 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 equivalent 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.

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2010
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

Fair Value Assessment :

The Company 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).

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 Company 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 their fair values due to their short-term maturity.

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

40 SUBSEQUENT EVENTS

None.

41 OTHER ISSUES

None.