Datagate Bilgisayar Malzemeleri
Ticaret Anonim Şirketi

Consolidated Financial Statements
Dated January 1, 2013 – December 31, 2013
and Independent Auditor's Report

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Çağdaş Bağımsız Denetim S.M.M.M. A.Ş.

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INDEPENDENT AUDITOR'S REPORT

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

Inroduction

1) We have audited the accompanying consolidated statement of financial position of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** ("the Company") and its subsidiaries (collectively referred to as the "Group") as at December 31, 2013 and the related consolidated profit or loss statement, consolidated statement of other comprehensive income, consolidated statements of changes in equity and consolidated cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Group Management 's Responsibility for the Financial Statements

2) The Group's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement ,whether due to error and/or fraud.

Independent Auditor's Responsibility

3) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards promulgated by Capital Markets Board of Turkey. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements provide a true and fair view of the Group. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Group 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

4) In our opinion, the accompanying financial statements present fairly the financial position of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards **(Note:2).**

Çağdaş Bağımsız Denetim S.M.M.M. A.Ş.

an independent member of IAPA International

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Reports on Independent Auditor 's Responsibilities Arising from Other Regulatory Requirements

5) In accordance with article 402 of the Turkish Commercial Code ("TCC") no. 6102, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1- December 31, 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

6) Pursuant to article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to establish an expert committee, to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company, applying the necessary measures and remedies in this regard and managing the related risks. According to subparagraph 4 of the article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under article 378 to identify risks that threaten or may threaten the company and to provide risk management and if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the activities carried out by the management of the Company (Group) in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it.

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
(Istanbul, March 11, 2014)

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Consolidated Statement of Financial Position for the Period Ended December 31, 2013
(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited December 31, 2013	Reclassified (*) Audited December 31, 2012
ASSETS			
Current Assets		**78.792.338**	**82.078.556**
Cash and Cash Equivalents	6	17.013.360	18.940.223
Financial Investments	7	-	-
Trade Receivables	10	37.552.140	40.654.512
- Trade Receivables from Related Parties	*10-37*	*150.063*	*2.370*
- Other Trade Receivables	*10*	*37.402.077*	*40.652.142*
Other Receivables	11	3.587	49.556
- Other Receivables from Related Parties	*11-37*	-	-
- Other Receivables	*11*	*3.587*	*49.556*
Derivative Financial Instruments	12	242.757	-
Inventories	13	16.586.864	14.452.545
Prepaid Expenses	15	218.630	1.373.549
Current Tax Assets	25	-	7.446
Other Current Assets	26	7.175.000	6.600.725
Non-Current Assets		**152.662**	**326.100**
Other Receivables	11	-	1.139
- Other Receivables from Related Parties	*11-37*	-	-
- Other Receivables	*11*	-	*1.139*
Investments Evaluated with Equity Method	16	-	-
Investment Properties	17	-	-
Tangible Assets	18	65.318	90.451
Intangible Assets	19	3.229	6.571
- Goodwill	-	-	-
- Other Intangible Assets	*19*	*3.229*	6.571
Prepaid Expenses	15	-	-
Deferred Tax Asset	35	84.115	227.939
TOTAL ASSETS		**78.945.000**	**82.404.656**

The accompanying notes form an integral part of the consolidated financial statements.

(*) Restatement effects have been explained in Note 2.04 comparative information and restatements of prior period financial statements.

ÇAĞDAŞ
Bağımsız Denetim S.M.M.M. A.Ş.

Consolidated Statement of Financial Position for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited December 31, 2013	Reclassified (*) Audited December 31, 2012
LIABILITIES			
Short-Term Liabilities		**47.775.776**	**53.377.789**
Short-Term Financial Liabilities	8	-	-
Short-term Portion of Long-term Financial Liabilities	8	-	-
Other Financial Liabilities	9	-	-
Trade Payables	10	41.729.865	48.410.589
- Trade Payables to Related Parties	*10-37*	*351.502*	*231.050*
- Other Trade Payables	*10*	*41.378.363*	*48.179.539*
Employee Benefit Obligations	20	165.813	174.284
Other Payables	11	36.532	40.803
- Other Payables to Related Parties	*11-37*	-	-
- Other Payables	*11*	*36.532*	*40.803*
Derivative Financial Instruments	12	-	37.476
Deferred Income	15	3.030.966	1.098.342
Profit Tax Liabilities	35	169.197	-
Provisions	22	2.643.403	3.616.295
- Other Provisions	*22*	2.643.403	*3.616.295*
Other Current Liabilities	-	-	-
Long-Term Liabilities		**134.872**	**183.250**
Long-Term Payables	8	-	-
Provisions for Employee Benefits	24	134.872	183.250
Deferred Tax Liabilities	35	-	-
Other Long Term Liabilities	26	-	-
SHAREHOLDERS' EQUITY	27	**31.034.352**	**28.843.617**
Parent Company Shareholders' Equity	27	**31.034.352**	**28.843.617**
Paid-in Capital		10.000.000	10.000.000
Inflation Adjustment of Shareholders' Equity		1.299.169	(562.761)
Treasury Share (-)		-	-
Share Premiums		3.245.938	2.711.057
Other Comprehensive income/expense not to be reclassifield to profit or loss		13.186	-
- Revaluation and gain/loss arising from Measurement		*13.186*	-
Other Comprehensive income/expense to be, reclassifield to profit or loss		2.090.884	(901.809)
- Foreign Currency Translation Adjustments		*2.090.884*	*(901.347)*
- Hedging Funds		-	*(462)*
Restricted Profit Reserves		2.009.375	1.996.958
Retained Earning		15.587.755	13.701.394
Net Profit/Loss		(3.211.955)	1.898.778
Non-Controlling Interests		-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**78.945.000**	**82.404.656**

The accompanying notes form an integral part of the consolidated financial statements.

(*) Restatement effects have been explained in Note 2.04 comparative information and restatements of prior period financial statements.

ÇAĞDAŞ Bağımsız Denetim S.M.M.M. A.Ş.

Consolidated Statement of Profit or Loss and Comprehensive Statement of profit or loss for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited January 1 – December 31, 2013	Reclassified (*) Audited January 1 – December 31, 2012
PROFIT OR LOSS			
Revenue	28	157.442.950	194.446.806
Cost of Sales (-)	28	(150.625.287)	(185.866.522)
GROSS PROFIT		**6.817.663**	**8.580.284**
General Administration Expenses (-)	29	(2.440.553)	(2.667.105)
Marketing, Selling and Distribution Expenses (-)	29	(2.273.886)	(2.321.387)
Other Operating Income	31	5.882.115	13.124.523
Other Operating Expenses (-)	31	(5.288.845)	(10.638.465)
OPERATION PROFIT / (LOSS)		**2.696.494**	**6.077.850**
Income from Investment Activities	32	-	-
Loss from Investment Activities (-)	32	-	-
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSE		**2.696.494**	**6.077.850**
Financial Income	33	909.166	1.011.357
Financial Expense (-)	33	(6.252.595)	(5.169.087)
CONTINUED OPERATIONS PROFIT / (LOSS) BEFORE TAX		**(2.646.935)**	**1.920.120**
Continued Operations Tax Profit / (Loss)		**(565.020)**	**(21.342)**
- Current Period Tax Income /(Expense)	35	(379.660)	(100.562)
- Deferred Tax Income / (Expense)	35	(185.360)	79.220
Distribution of Period Profit / (Loss)		**(3.211.955)**	**1.898.778**
Non-Controlling Interests		-	-
Parent Company		(3.211.955)	1.898.778
Net Earnings Per Share	36	(0,321196)	0,189878
OTHER COMPREHENSIVE INCOME		-	-
Items to be reclassified to profit or loss in subsequent periods		**5.389.504**	**(1.633.680)**
Changes in Foreign Currency Translation Adjustment	27	5.389.042	(1.625.774)
Hedging Fund	27	462	(7.906)
Items not to be reclassified to profit or loss in subsequent periods		**13.186**	-
Actuarial gain and loss arising from defined benefit plans	27	13.186	-
OTHER COMPREHENSIVE INCOME		**5.402.690**	**(1.633.680)**
TOTAL COMPREHENSIVE INCOME		**2.190.735**	**265.098**
Distribution of Comprehensive Income		**2.190.735**	**265.098**
Non-Controlling Interests		-	-
Parent Company		2.190.735	265.098

The accompanying notes form an integral part of the consolidated financial statements.

(*) Restatement effects have been explained in Note 2.04 comparative information and restatements of prior period financial statements.

ÇAĞDAŞ Bağımsız Denetim S.M.M.M. A.Ş.

Consolidated Statement of Cash Flows for the Period Ended December 31, 2013

(Amounts are stated in TL unless otherwise stated.)

	Notes	Audited January 1 - December 31, 2013	Reclassified (*)Audited January 1 - December 31, 2012
A. CASH FLOW PROVIDED FROM OPERATIONS		**(269.335)**	**(4.854.365)**
Net Profit / (Loss)		**(3.211.955)**	**1.898.778**
Adjustments :		**2.001.085**	**(1.287.908)**
Depreciation and Amortization (+)	18-19	51.784	42.779
Change in Provision for Termination Indemnities (+)	24	(3.898)	102.015
Termination Indemnity Paid (-)	22	(44.480)	(17.904)
Rediscount on Receivables (+)	10	32.326	(278.041)
Gain of Fixed Assets (-) / Loss (+)	18-19	-	-
Increase (+) / Decrease (-) in Provision for Debts	22	(972.892)	(3.574.579)
Hedge Accrual	7	-	59.041
Provision for Doubtful Receivables (+)	10	360.683	77.705
Provision for Decrease in Value of Inventories (+)	13	341.086	107.276
Rediscount on Notes Payable (-)	10	24.484	343.507
Interest Expense (+)	33	2.647.101	4.028.418
Interest Income (-)	33	(1.000.129)	(2.199.467)
Tax (Income) / Expense	35	565.020	21.342
Changes in Working Capital		**(6.428.413)**	**3.445.271**
Decrease / Increase in Inventories	13	(2.475.405)	(6.948.849)
Increase in Trade Receivables /Other Receivables	10-11	2.756.471	25.493.585
Changes in Trade and Other Payables	10-11	(6.709.479)	(15.099.465)
Net Cash Inflow Provided/(Used) From Operating Activities		**(7.639.283)**	**4.056.141**
Other Increase (-) and Decrease (+) in Currenst Assets	26	(574.275)	(3.722.810)
Other Increase (+) and Decrease (-) in Other Liabilities	26	-	(1.219.475)
Other Increase and Decrease (+)/(-)		8.154.686	(3.031.323)
Taxes Paid (-)	35	(210.463)	(936.898)
		-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(10.508)**	**(20.378)**
Tangible Assets Disposals	18-19	1.375	-
Acquisitions of Tangible and İntangibel Assets	18-19	(11.883)	(20.378)
Dividends Collected (+)		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(1.646.972)**	**(10.914.874)**
Change in Short Term Financial Liabilities (+)	8	-	(7.657.257)
Change in Long Term Financial Liabilities (+)	8	-	(1.428.666)
Payment of Interest	33	(1.646.972)	(1.828.951)
Net Decrease/Increase in Cash and Cash Equivalents Before Currency Translation Differences		**(1.926.815)**	**(15.789.617)**
Net Changes in Cash and Cash Equivalents		**(1.926.815)**	**(15.789.617)**
D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**18.939.826**	**34.729.443**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**17.013.011**	**18.939.826**

The accompanying notes form an integral part of the consolidated financial statements.

(*) Restatement effects have been explained in Note 2.04 comparative information and restatements of prior period financial statements.

ÇAĞDAŞ Bağımsız Denetim S.M.M.M. A.Ş.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ
Consolidated Statement of Changes in Shareholder's Equity for the Period Ended December 31, 2013
(Amounts are stated in TL unless otherwise stated.)

				Other Comprehensive Income/(Expense) not to be Reclassified to Profit or Loss		Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss			Accumulated Profit			
Audited	Notes	Paid-in Capital	Share Premium	Revaluation and Gain/Loss Arising from Measurement	Other Gain/Loss	Foreign Currency Translation Adjustments	Hedge Funds	Capital Translation Differences	Restricted Reserves	Retained Earnings/Loss	Net Current Year Profit/Loss	Shareholder's Equity
JANUARY 1 ,2013	Note-27	10.000.000	2.711.057	-	-	(901.347)	(462)	(562.761)	1.996.958	13.701.394	1.898.778	28.843.617
Transfer to Retained Earnings		-	-	-	-	-	-	-	-	1.898.778	(1.898.778)	-
Transfer to Restricted Reserves		-	-	-	-	-	-	-	12.417	(12.417)	-	-
Capital Increase		-	-	-	-	-	-	-	-	-	-	-
Dividend		-	-	-	-	-	-	-	-	-	-	-
Gain on Associate Disposal Which Add up to Shares		-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income		-	**534.881**	**13.186**	-	**2.992.231**	**462**	**1.861.930**	-	-	**(3.211.955)**	**2.190.735**
Foreign Currency Translation Adjustments		-	534.881	-	-	2.992.231	-	1.861.930	-	-	-	5.389.042
Gain/ Loss from Hedge Fund		-	-	-	-	-	462	-	-	-	-	462
Net Current Period Profit		-	-	-	-	-	-	-	-	-	(3.211.955)	(3.211.955)
Actuarial Gain/Loss from Defined Pension Plans		-	-	13.186	-	-	-	-	-	-	-	13.186
DECEMBER 31,2013	Note-27	10.000.000	3.245.938	13.186	-	2.090.884	-	1.299.169	2.009.375	15.587.755	(3.211.955)	31.034.352
Reclassified (*)Audited												
JANUARY 1 ,2012	Note-27	10.000.000	2.872.723	-	-	-	7.444	-	1.721.267	8.478.189	5.498.896	28.578.519
Transfer to Retained Earnings		-	-	-	-	-	-	-	-	5.498.896	(5.498.896)	-
Transfer to Restricted Reserves		-	-	-	-	-	-	-	275.691	(275.691)	-	-
Capital Increase		-	-	-	-	-	-	-	-	-	-	-
Dividend		-	-	-	-	-	-	-	-	-	-	-
Gain on Associate Disposal Which Add up to Shares		-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income		-	**(161.666)**	-	-	**(901.347)**	**(7.906)**	**(562.761)**	-	-	**1.898.778**	**265.098**
Foreign Currency Translation Adjustments		-	(161.666)	-	-	(901.347)	-	(562.761)	-	-	-	(1.625.774)
Gain/ Loss from Hedge Fund		-	-	-	-	-	(7.906)	-	-	-	-	(7.906)
Net Current Period Profit		-	-	-	-	-	-	-	-	-	1.898.778	1.898.778
Actuarial Gain/Loss from Defined Pension Plans		-	-	-	-	-	-	-	-	-	-	-
DECEMBER 31,2012	Note-27	10.000.000	2.711.057	-	-	(901.347)	(462)	(562.761)	1.996.958	13.701.394	1.898.778	28.843.617

The accompanying notes form an integral part of the consolidated financial statements.

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, 2013 and December 31, 2012 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.

As of December 31, 2013 and December 31, 2012, details regarding to Company's subsidiary, which is subject to consolidation, is as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Datagate International FZE	Purchasing and Selling of Computer and Equipment	150.000 UAE Dirham	100	100

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

The average number of employees as of December 31, 2013 is 28. (2012:40). All of the employees of the Group are white-collared.

The Company's official address registered in Trade Registry is Merkez Mahallesi Erseven Sokak No:8/2 Kağıthane/İstanbul .Company headquerters is in İstanbul.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basic Principles for the Presentation

The Group in Turkey maintain their books of account and prapare their statutory financial statements in TL in accordance with the Turkish Commercial Code,Tax Legislation,The uniform Chart of Accounts issued by Ministry of Finance.The accompanying financial statements are prepared in accordance with Capital Market Board's Communique "Priciples of Financial Reporting in Capital Markets"("Communique") which was published in the Official Gazette dated June 13,2013 and numbered 28676 Series: II,No.14.1.According to Article 5 of the Communique,The Group is applied in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS / TFRS") and its addendum and interpretations issued by Public Oversight Accounting And Auditing Standards Authority ("POA") The Group's financial position and operation results are indicated in the Group's functional currency, Turkish Lira.Comparative figures are reclassified,where necessary,to conform to changes in the presantation of the financial statements which are prepared in accordance with "Turkish Account Standards" issued by POA.

As of March 11, 2014 the consolidated financial statements were approved and signed by its Board of Directors for the period January 1- December 31, 2013. General Assembly has a right to change financial statements.

Evaluation of Foreign Currency Transactions in Functional Currency

The Group determined its functional currency as USD in accordance with International Accounting Standards ("IAS") 21 "'The Effects of Changes in Foreign Exchange Rates", due to the fact that the significant part of sales and purchases are USD based. The major outlines applied during translation of foreign currency transactions to USD are as follows;

- Transactions in foreign currencies are translated using the prevailing spot f/x rates between the foreign currency and the functional currency in the transaction dates and recorded in functional currency.

At each statement of financial position date,

- Monetary items in foreign currency are translated into USD using the statement of financial position date rates,
- Non-monetary items which are recorded at historical cost, are translated into USD using the rates at transaction dates,
- Non-monetary items which are measured at fair value, are translated into USD using the rates of the date which the fair value was determined.

Using a Reporting Currency Other Than The Functional Currency

The accompanying financial statements and notes, which are prepared to be presented to CMB are prepared in Turkish Lira. The main outlines applied during translation of financial statements which were prepared in USD to Turkish Lira for presentation purposes are as follows:

- assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of that statement of financial position. Capital and capital reserves are carried at their historical nominal values and the translation differences arising from these are recorded under the equity item translation differences.

- income and expenses for each statement of profit or loss (including comparatives) are translated at exchange rates at the dates of the transactions as of December 31, 2013.

- all resulting exchange differences are recognised in other comprehensive income.

The statement of financial position date rates for TL/USD as of December 31, 2013and December 31, 2012 are as follows:

Date TL	**USD Rate**
December 31, 2013	2,1343
December 31, 2012	1,7826
December 31, 2011	1,8889

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 1, 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 Consolidation Principles

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

Statement of financial position and Statement of profit or losss of the subsidiaries are consolidated according to "full consolidation method" and book value and capital of the Group's subsidiary are adjusted accordingly. Transactions and balances between the Company and Subsidiaries are eliminated during consolidation.

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

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

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Bağımsız Denetim S.M.M.M. A.Ş.

The current shares in the subsidiaries as of December 31, 2013and December 31, 2012 are as follows:

Company Name	Field Of Operations	Capital	% of Direct Ownership	% of Indirect Ownership
Datagate International FZE	Purchasing and Selling of Computer and Equipment	150.000 UAE Dirham	100	100

A new company was established in United Arab Emirates with the title Datagate International FZE a capital in the amount of UAE Dirham 150.000 and the Company participated in Datagate International FZE by 100 % during its establishment and accordingly this new company was included in consolidation scope and there was not any goodwill calculated relating to this transaction.

Statements of financial position and statements of profit or loss of the subsidiary are consolidated according to "full consolidation method" and "partial consolidation method", and book value and capital of the Company's subsidiary are adjusted accordingly. Transactions and balances between the Company and subsidiary are eliminated during consolidation.

2.04 Comparative Information and Adjustment of the Previous Consolidated Financial

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance.In the current year, the Group has made several reclassifications in the prior year consolidated financial statements in order to maintain consistency, with current year consolidated financial statements.

Based on the decision taken on 7 June 2013 by the CMB at its meeting numbered 20/670, a new illustrative financial statement and guidance to it has been issued effective from the interim periods ended after 31 March 2013, which is applicable for the companies that are subject to Communiqué on the Principles of Financial Reporting in Capital Markets.Based on the new illustrative which published, significant classifications in the prior year (December 31, 2012) consolidated financial statements have been indicated in following paragraphs;

- The statement of financial position as of December 31,2012 "Advance Given and Prepaid Expenses for the Following Months" amounting to TL 1.373.549 which was disclosed under Other Current Assets is reclassified to "Prepaid Expenses" in statement of the financial position.

- The statement of financial position as of December 31,2012 "Advance Tax Return" amounting to TL 7.446 which was disclosed under Other Current Assets is reclassified to "Current Income Tax Assets" in statement of the financial position.

- The statement of financial position as of December 31,2012 "Due to Personnel and Social Security Premiums Payable" amounting to TL 174.284 which was disclosed under Other Liabilities is reclassified to "Payables related to Employee Benefit Obligations" in statement of the financial position.

- The statement of financial position as of December 31,2012 "Advance Taken and Short Term Deferred Income" amounting to TL 1.098.342 which was disclosed under Other Short Term Liabilities is reclassified to "Deferred Income" in statement of the financial position.

- The statement of financial position as of December 31,2012 "Derivative Liabilities" amounting to TL 37.476 which was disclosed under Other Financial Liabilities is reclassified to "Short Term Derivatives" in statement of the financial position.

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Reclassifications in Statement of Profit or Loss as of 31 December 2012:

-" Foreign Exchange Gain and Loss" amounting to TL 363.968,amount of TL 11.000.744 was disclosed under Financial Income is reclassified and reported under Other Operating Income.Amount of TL 9.445.433 is reclassified and reported under Other Operating Expense.Amount of TL 2.187.265 is reclassified and reported under Financial Expense and amount of TL 267.986 is reclassified and reported under Financial Income.

-" Interest Eliminated from Sales, Current Period Rediscount Income and Prior Period Cancellation of Rediscount Income" amounting to TL 2.034.037 which was disclosed under Financial Income is reclassified and reported under Other Operating Income.

-" Interest Eliminated from Purchases, Current Period Rediscount Expense and Prior Period Cancellation of Rediscount Expense" amounting to TL 1.120.921 which was disclosed under Financial Expense is reclassified and reported under Other Operating Expense.

2.05 Offsetting

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

2.06 Changes in Accounting Policies

The changes to the current accounting policies can be performed if it is necessary or the changes will provide more appropriate and reliable presentation of the transactions and events related to the financial position, performance and the cash flow of the Group that affect the financial statements of the Group. If the changes in accounting policies affects the prior periods, policy is applied to the prior period financial statements as if it is applied before. There are not any changes in the accounting policies of the Group in the current period except below change.

TAS 19 ("Employee Benefits") In accordance with the revised standard, actuarial gain / loss related to employee benefits which were stated in profit or loss in the previous periods were recognized in other comprehensive income. The Group management considered that, including the tax effect, the change in the accounting policy on the financial statements prepared as of December 31, 2012 is insignificant and it is not necessary to restate the previous year's financial statements.

2.07 Changes in Accounting Estimates and Errors

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

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements. However; if the effect of the accounting estimate to the financial statement cannot be determined, then it is not disclosed in the notes to the financial statements. The Group is applying the accounting estimates to determine the doubtful receivables, the value decrease in fixed assets and inventory, the useful lives of the fixed assets, contingent liabilities, actuarial assumptions for the termination indemnities, etc. The explanation regarding the changes in accounting estimates applied in the current are disclosed in the related parts of the notes to the financial statements.

IAS 21 Effects of Changes in Foreign Exchange Rates defines the functional currency as the currency of the primary economic environment in which the entity operates. The economic environment is in general the environment in which the company creates and spends cash. The functional currency is determined by the company management considering the currency which effects the good and services sales at most, the currency in which the salaries and similar expenses are paid, the currency of cash provided by financing activities and any changes in these factors in the future. The company management reviews the accounting estimates and policies applied at each statement of financial position date.

TAS 19 ("Employee Benefits") In accordance with the revised standard, actuarial gain / loss related to employee benefits which were stated in profit or loss in the previous periods were recognized in other comprehensive income. The Group management considered that, including the tax effect, the change in the accounting policy on the financial statements prepared as of December 31, 2012 is insignificant and it is not necessary to restate the previous year's financial statements.

Significant Accounting Considerations, Predictions and Assumptions

During the preparation of the financial statements, the Group management has to make assumptions and predictions, which would indicate the possible liabilities, commitments as of the statement of financial position date as well as amounts of income and expense as of the reporting date. The realized results may differ from the estimates. Estimations are reviewed regularly and any corrections made to those estimates is corrected in the current period and reflected on the statement of profit or loss in the period which is occurred.

The Comments, which may have significant affects for the amounts reflected on the financial statements and the assumptions made that are existed as of statement of financial position date or may occur at future are as below:

- Termination Indemnity Liability is determined using the actuarial valuations (discount rates, salary increases for the future periods and estimated probability of retirement rates) **(Note 24)**

- Tangible assets are depreciated using the straight-line method over their economic lives. The estimated useful life and amortization 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.The Company has no change in estimate of calculation of depreciation and amortization **(Note: 18-19)**

- The Company makes provision for receivables which have uncertainty (doubt) about collection whether to sue or not.The Company is taken guarantees from companies to intend to prevent the receivables might be doubted.**(Note:10)**

- Inventories are stated either at the lower of acquisition cost or net realizable value in the financial statements. Technological ageing is used to calculate the Group's inventory impairment **(Note:13)**

- Acquired premiums which are determined proportion in accordance with sales and purchases from companies that are distributed by the company.**(Note:26)**

2.08 Summary of Significant Accounting Policies

2.08.01 Income

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

Revenue 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 Group refrains the managerial control over the goods and the effective control over the goods sold,
- The revenue can be measured reasonably,
- It is probable that the 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.

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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.

2.08.02 Inventories

Inventories are stated either at the lower of acquisition cost or net realizable value. The inventories of the Group consist of PC, notebook, main board, screen card and the other related computer components. The inventory cost methods used by the Group is "First in First out (FIFO)". Net realizable value is calculated by subtracting sales expenses from the sales price of the related product.

2.08.03 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:

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

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

The profit and loss arisen from fixed asset sales are determined by comparing the net book value with the sales price and the 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.

2.08.04 Intangible Assets

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

Intangible assets acquired before January 1, 2005 are carried at historical cost including inflationary effects as at December 31, 2004; however, purchases after January 1, 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 provision for the value decrease in intangible assets

2.08.05 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 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.

2.08.06 Research and Development Expenses

None.

2.08.07 Borrowings Costs

The borrowing costs are recognized as expense when they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. The capitalization of borrowing costs as part of the cost of a qualifying asset shall commence when expenditures 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 Group did not capitalize any borrowing costs as of year end.

2.08.08 *Financial Instruments*

(i) Financial Assets

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

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

Prevailing Interest Method;

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

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

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

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

b) Financial Assets Which Will Be Held to the Maturity

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

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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 statement of profit or loss. The fluctuation in the fair value of these assets is shown in the statement of shareholders' equity. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized is included in profit or loss for the period. Provisions recorded in the statement of profit or loss pertaining to the impairment of financial asset Available-for-Sale cannot be reversed from the statement of profit or loss in future periods.

Except equity instruments classified as available-for-sale, if impairment loss decreases in next period and if therein decreasing can be related to an event occurred after the accounting of impairment loss, impairment loss accounted before can be cancelled in statement of profit or loss.

d) Loans and Receivables

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

Impairment of financial assets

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

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

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

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

Cash and Cash Equivalents

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

(ii) Financial Liabilities

Financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group 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 statement of financial position date. Changes in fair values are recorded on the statement of profit or loss. Net earnings and/or losses recorded on the statement of profit or loss also include interest payments made for this financial liability.

b) Other Financial Liabilities

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

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

iii) Derivative Financial Instruments

The Group has agreement in foreign currency futures markets. Derivative financial instruments are recognized 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, 2013 and the cost value of the forward contracts as of December 31, 2012 is recognized 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 recognized 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 recognized as an asset and with negative fair value is recognized as a liability under the statement of financial position. **(Note: 7)**

2.8.09 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 statement of financial position are converted into TL by the exchange rate ruling at the statement of financial position date. Foreign exchange gains and/or losses as a result of the conversions are recorded in the statement of profit or loss.The Group ordinarily sales and buys goods similar exchange types.Therefore have no substantial currency risks.

2.08.10 Earnings per Share

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

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

2.08.11 Subsequent Events

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

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

2.08.12 Provisions, Contingent Liabilities & Assets

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

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

2.08.13 Leasing Operations

The Group as Lessee

Financial Leases

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

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

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

Operating Leases

Lease agreements in which the lessor retains all the risks and benefits relating to the good are described as operational leasing. Lease payments made for an operational leasing are recorded as expense according to normal method throughout the lease term. Lease agreements are related to office, storage and motor vehicles leasings in İstanbul, Ankara, İzmir and Diyarbakır. Annual Rent payment during lease period is recognized on a straight-line basis as expense.

The Group as Lessor

Operating Leases

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

2.08.14 Related Party Disclosures

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

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2.08.15 Government Grants and Assistance

None.

2.08.16 Investment Property

There is no investment property of Group as of December 31, 2013 and December 31, 2012.

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

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

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

2.08.17 Taxation and Deferred Tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position 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 statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each statement of financial position 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 statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that may arise from which the Group 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 statement of profit or loss, 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. Group calculates current period tax and deferred tax based on period results.

Offsetting in Taxation

The financial assets and liabilities in the financial statements are offset and the net amount reported in the statement of financial position, 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. Corporate tax payable is offset with prepaid corporate taxes. Deferred tax assets and liabilities are also offset.

2.08.18 Retirement Pay

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

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

2.08.19 Cash Flow Statement

Cash and cash equivalents are stated at their fair values in the statement of financial position. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments.

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

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

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

2.08.20. Income Accruals

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

2.08.21 Provisions for Warranty

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

2.09 New and Revised International Financial Reporting Standards

i) Amendments and interpretations that are not effective or an early adoption is not used by the Group as of January 1, 2013 are as follows;

- IFRS 1 (Changes) "The First-Time Adoption of IFRS" (It will be valid on the date 1 January 2013 or next financial year.) Committed changes enclose the drawing related to the recognition of government loans, which is used by the first-time IFRS performing companies and the interest rate of these is lower than market interest rate.

- IFRS 7 (Changes) "Financial Instruments: Disclosures" (The amendment is effective for annual periods beginning on or after January 1, 2013). Explanations related with examination of the off-statement of financial position transactions have been made. Regulations have been made to allow the users of financial information to improve their understanding of comparable financial statements as reported under IFRS and other standards.

- IFRS 10 "Consolidated Financial Statements" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis) The standard replaces the IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated.

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

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

- IFRS 13 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) Advance level of explanations has been made related with the consolidated and separate financial statements in which Company has participation.

- IAS 1 (Amendment) "Presentation of Financial Statements:" (Standard is effective for annual periods beginning on or after July 1, 2012 The amendments to IAS 1 change only the grouping of items presented in other comprehensive income.

- IAS 19 (Changes) "Employee Benefits" (It will be valid on the date 1 January 2013 or next financial year and it will be retrospective application.) The disclosures related to adoption was extended and corridor method on the seniority indemnity was abolished with this change. Also changes enclose the provisions related to be calculated financial expenses on the basis of net funding and to make discrimination between short- and long term not according to the principle of personal demand also accoring to estimated payment date.

- IAS 27 (Amendment) "Separate Financial Statements" As a consequential to IFRS 10 some amendments have been made. IAS 27 only consists of accounting for subsidiaries, jointly controlled entities and affiliates in separate financial statements.

- IAS 28 (Amendment) "Investments in Associates and Joint Ventures:" As a consequential to IFRS 11 some amendments have been made. With this amendment IAS 28 consists of associates and joint ventures. After amendment IAS 28 only consist of accounting of subsidiaries, joint ventures and affiliates separate financial statements.

- IFR IC 20 "Cost of Production Development Excavation on Surface Mining Enterprises" (It will be valid on the date 1 January 2013 or bring into early using because of entering in force in the next financial years.) Companies should apply these liabilities on excavation expenses since the beginning of the period of presented comparatively stage of production.

- POA 2013-2 (Resolution) "Accounting of Combinations under Common Control" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) In accordance with the resolution it has been decided that combination of entities under common control should be recognized using the pooling of interest method and thus, goodwill should not be included in the financial statements. While using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred.
- POA 2013-3 (Resolution) "Accounting of Redeemed Share Certificates" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments.

- POA 2013-4 (Resolution) "Accounting of Cross Shareholding Investments" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) If a subsidiary of a parent entity holds shares of the parent, then this is defined as cross shareholding investment and accounting of this cross investment is assessed based on the type and different recognition principles adopted. With the subject resolution, this topic has been explained the recognition principles have been determined for each of them.

  These standards, accounting policies and resolutions which have been efectuated in the current period, have not had an impact on the financial statements of the Group, except below explanations.

- Presentation of Other Comprehensive Income Items in IAS 1 the amendment mentioned includes the differences between the various other item groups reported on statement of profit or loss. This amendment effects only the presentation of other comprehensive income items in the forthcoming statement of profit or losss with or without reclassification. These amendments are implemented retroactively.

- TAS 19 ("Employee Benefits") In accordance with the revised standard, actuarial gain / loss related to employee benefits shall be recognized in other comprehensive income. The Group used to consider the impact of financial statements actuarial gain/loss related to employee benefits in profit or loss as of December 31,2012. The Group Management did't applied the reclassification by the reason of unsignificant affect of after tax.

ii) Amendments and interpretations that are not effective or an early adoption is not used by the Group as of December 31,2013 are as follows:

- IFRS 9 "Financial Instruments" (The new standard is effective for annual periods beginning on or after January 1, 2015. Early adoption is permitted.) This standard requires that the financial assets must be classified based on the characteristic of cash-flows based on the models and agreements which are used to manage the financial assets and also standard requires that financial assets must be evaluated with their fair value or their amortized costs. This standard has not yet been endorsed by the EU.

- IAS 32 (Changes) "Financial Instruments: Presentation" (It will be valid on the date 1 January 2014 or next financial years and it will be retrospective application.) Implementation guidance in standart updated with this change. With this update was aimed to conclude the application about the clarify financial assets and liabilities in the financial statement.

The effects of application of the mentioned standards to the financial statements which will be prepared in the future are evaluated. The Group management believes that the standards and interpretations stated in the above paragraphs will not have a significant effect on the Group's financial statements.

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3 BUSINESS COMBINATIONS

A new company was established in United Arab Emirates with the title Datagate International FZE in the amount of UAE Dirham 150.000 and the Company participated in Datagate International FZE by 100 % during its establishment and accordingly this new company was included in consolidation scope and there was not any goodwill calculated relating to this transaction.

4 BUSINESS PARTNERSHIPS

There are not any business partnerships

5 REPORTING FINANCIAL INFORMATION BY SEGMENTS AND GEOGRAPHIC AREAS

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

6 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents as of December 31, 2013 and December 31, 2013 are as follows:

Account Name	December 31, 2013	December 31, 2012
Cash	13.735	16.759
Bank	2.819.019	7.651.330
- Demand Deposits	*2.819.019*	*7.651.330*
Financial Assets Which Will Be Held to the Maturity (Reverse Repo)	14.114.475	11.231.160
Credit Card Slips	66.131	40.974
Total	**17.013.360**	**18.940.223**

Maturity of the reverse repo is 1-2 days and TL 349 (December 31, 2012: TL 397) interest accrual has been made. Reverse repo is made in USD and the interest rates are % 1,10.

Maturity of credit card slips is 1 or 3 days for the current and prior period.

Cash and cash equivalents of the Group are presented in the statement of cash flows excluding interest income accruals.

Account Name	December 31, 2013	December 31, 2012
Amount Stated in Statement of Financial Position	17.013.360	18.940.223
Interest income accruals	(349)	(397)
Total	**17.013.011**	**18.939.826**

There are no blocked deposits or any restrictions on cash and cash equivalents as of December 31, 2013 . (December 31, 2012: None.)

7 FINANCIAL INVESTMENTS

Group has no short-term and long-term financial investments as of December 31, 2013 and December 31, 2012.

8 SHORT-TERM and LONG-TERM FINANCIAL LIABILITIES

Group has no short-term and long-term financial liabiilties as of December 31, 2013 and December 31, 2012.

9 OTHER FINANCIAL LIABILITIES

Group has no short-term and long-term other financial liabiilties as of December 31, 2013 and December 31, 2012.

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10 TRADE RECEIVABLES AND PAYABLES

Short-Term trade receivables as of December 31, 2013and December 31, 2012 are as follows

Account Name	December 31, 2013	December 31, 2012
Trade Receivables	28.502.313	27.484.889
-Related Parties	*150.063*	*2.370*
-Other	*28.352.250*	*27.482.519*
Notes Receivables	9.300.769	13.388.239
Rediscount on Notes Receivables (-)	(250.942)	(218.616)
Doubtful Receivables	1.714.322	1.353.639
Provision for Doubtful Receivables (-)	(1.714.322)	(1.353.639)
Total	**37.552.140**	**40.654.512**

The Group has no Long-Term Trade Receivables as of December 31, 2013and December 31, 2012.

The amounts of the guarantees taken for the **TL 37.552.140** trade receivables for the year ended December 31, 2013 is **TL 17.049.337 .** The amounts of the guarantees taken for the **TL 40.654.512** trade receivables for the year ended December 31, 2012 is **TL 629.916.**

The company made an insurance policy agreement which contains trade receivables insurance in Turkey with Euler Hermes Sigorta A.Ş.

- Policy has arranged for two years, April 01,2013-May 31,2015.
- Damages in policy is stated in USD.
- Guarantee proportion is determined % 90 for trade receivables credit limit which are demanded.
- Amount of Eular Hermes guarantee is TL 16.108.421.

Provision for Doubtful Receivables summarize table is below:

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance (-)	(1.353.639)	(1.275.934)
Collections (+)	6.590	2.614
Exchange Rate	-	925
Period Expense (-) **(Note:30)**	(367.273)	(81.244)
Closing Balance	**(1.714.322)**	**(1.353.639)**

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

	December 31, 2013	December 31, 2012
0-3 months	257.122	71.347
3-12 months	46.411	27.027
1-5 years	-	-
Total	**303.533**	**98.374**

The details of the Short-Term Trade Payables as of December 31, 2013 and December 31, 2012 as follows:

Account Name	December 31, 2013	December 31, 2012
Trade Payables	40.853.124	48.361.312
Other Trade Payables	*40.501.622*	*48.130.262*
Related Parties	*351.502*	*231.050*
Notes Payables	933.541	130.561
Rediscount on Notes Payables(-)	(56.800)	(81.284)
Total	**41.729.865**	**48.410.589**

The Group has no Long-Term Trade Payables as of December 31, 2013 and December 31, 2012.

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. Receivables and payables in USD and EURO are discounted using Libor and Euro Libor rates respectively TL % 9,50, USD % 0,5831and EURO %0,51886. (December 31, 2012 Rates: TL %6, USD %0,8435 and EURO %0,4400)

11 OTHER RECEIVABLES AND PAYABLES

Short-term other receivables as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	December 31, 2013	December 31, 2012
Due from Personnel	3.587	49.556
Total	**3.587**	**49.556**

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

Account Name	December 31, 2013	December 31, 2012
Deposits and Guarantees Given	-	1.139
Total	**-**	**1.139**

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

Short-term Other Payables as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	December 31, 2013	December 31, 2012
Taxes, Duties Payable and Other Fiscal Liabilities	36.532	40.803
Total	**36.532**	**40.803**

12 DERIVATIVE INSTRUMENTS

The Group's financial investments consist of derivatives which are recognised at fair value .

Account Name	December 31, 2013	December 31, 2012
Derivative Financial Instruments	242.757	-
Total	**242.757**	**-**

As of December 31, 2013, Group has made foreign exchange purchase contracts for the amounts of USD 2.785.150. The maturity of the USD contracts is 0-3 months. The fair value of the contracts as of December 31, 2013 is TL 5.701.588 and the total amount of valuation difference is TL 242.757 is recognized in the statement of profit or loss.

Derivative Financial Liabilities as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	December 31, 2013	December 31, 2012
Derivative Financial Instruments	-	37.476
Total	**-**	**37.476**

As of December 31, 2012, Group has made foreign exchange purchase contracts for the amounts of USD 2.024.714. The maturity of the USD contracts is 0-3 months. The fair value of the contracts as of December 31, 2012 is TL 3.646.732 and the amount of valuation difference TL 36.898 is recognized in the statement of profit or loss and, the valuation difference of TL 578 is recognized under the shareholders' equity as "hedge funds". The deferred tax asset related to valuation difference TL 116 is offsetted from hedge funds.

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13 INVENTORIES

The inventories of the Group as of December 31, 2013 and December 31, 2012 are as follows;

Account Name	December 31, 2013	December 31, 2012
Commercial Goods	11.800.954	12.046.308
Goods in Transit	5.399.675	2.678.916
Provision for Decrease in value of stocks (-)	(613.765)	(272.679)
Total	**16.586.864**	**14.452.545**

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

Provision for Impairment of Inventory:

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance (-)	(272.679)	(165.403)
Cancellation of Provision Due to Increase in Net Realizable Value Net (+)	-	-
Translation Difference	(16.795)	(1.024)
Provision for the Period(-) **(Note:28)**	(324.291)	(106.252)
Balance at the end of year (-)	**(613.765)**	**(272.679)**

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, 2013, **TL 847.552** of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the financial statements. (As of December 31, 2012, **TL 1.308.992** of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the financial statements.)

	December 31, 2013	December 31, 2012
Cost	1.461.317	1.581.671
Provision for Value Decrease in Inventories	(613.765)	(272.679)
Net Realizable Value **(a)**	847.552	1.308.992
Inventory presented with its cost value **(b)**	15.739.312	13.143.553
Total Inventories (a+b)	**16.586.864**	**14.452.545**

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

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

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

14 BIOLOGICAL ASSETS

None.

15 PREPAID EXPENSES and DEFERRED INCOMES

Short-Term:

Short-term prepaid expenses as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	December 31, 2013	December 31, 2012
Prepaid Expenses for Following Months	95.452	88.759
Advances Given For Purchases	123.178	1.284.790
Total	**218.630**	**1.373.549**

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Deferred Incomes as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	December 31, 2013	December 31, 2012
Income for the following Months	2.571.084	884.582
Advances Received	459.882	213.760
Total	**3.030.966**	**1.098.342**

Long-Term :

Group has no prepaid expenses as of December 31, 2013 and December 31, 2012.

Group has no deferred incomes as of December 31, 2013 and December 31, 2012.

16 INVESTMENTS EVALUATED BY EQUITY METHOD

None.

17 INVESTMENT PROPERTY

None.

18 TANGIBLE ASSETS

Tangible assets for the periods ended are as follows:

December 31, 2013

Cost

Account Name	January 1, 2013	Acquisitions	Disposals (-)	Translation Differences	December 31, 2013
Machinery, Plants&Equipments	3.501	-	-	691	4.192
Motor Vehicles	134.240	-	-	26.486	160.726
Furniture & Fixtures	819.344	11.883	(1.375)	161.654	991.506
Leasehold Improvements	11.179	-	-	2.205	13.384
Total	**968.264**	**11.883**	**(1.375)**	**191.036**	**1.169.808**

Accumulated Depreciation

Account Name	January 1, 2013	Period Depreciation	Disposals (-)	Translation Differences	December 31, 2013
Machinery, Plants&Equipments	(3.500)	-	-	(691)	(4.191)
Motor Vehicles	(93.301)	(19.549)	-	(20.802)	(133.652)
Furniture & Fixtures	(771.299)	(26.540)	-	(155.422)	(953.261)
Leasehold Improvements	(9.713)	(1.565)	-	(2.108)	(13.386)
Total	**(877.813)**	**(47.654)**	**-**	**(179.023)**	**(1.104.490)**
Net Value	**90.451**				**65.318**

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December 31, 2012

Cost

Account Name	January 1, 2012	Acquisitions	Disposals (-)	Translation Differences	December 31, 2012
Machinery, Plants&Equipments	3.709	-	-	(208)	3.501
Motor Vehicles	135.323	6.575	-	(7.658)	134.240
Furniture & Fixtures	856.024	11.569	-	(48.249)	819.344
Leasehold Improvements	11.846	-	-	(667)	11.179
Total	**1.006.902**	**18.144**	**-**	**(56.782)**	**968.264**

Accumulated Depreciation

Account Name	January 1, 2012	Period Depreciation	Disposals (-)	Translation Differences	December 31, 2012
Machinery, Plants&Equipments	(3.709)	-	-	209	(3.500)
Motor Vehicles	(80.589)	(15.624)	-	2.912	(93.301)
Furniture & Fixtures	(798.973)	(22.157)	-	49.831	(771.299)
Leasehold Improvements	(10.292)	(1.416)	-	1.995	(9.713)
Total	**(893.563)**	**(39.197)**	**-**	**54.947**	**(877.813)**
Net Value	**113.339**				**90.451**

Other Information:

The depreciation and amortization expenses are recognized under the operational expenses. (**Note: 30**)

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

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

19 INTANGIBLE ASSETS

December 31, 2013

Cost

Account Name	January 1, 2013	Acquisitions	Disposals (-)	Translation Differences	December 31, 2013
Rights	202.323	-	-	39.916	242.239
Total	**202.323**	**-**	**-**	**39.916**	**242.239**

Accumulated Depreciation

Account Name	January 1, 2013	Period Amortization	Disposals (-)	Translation Differences	December 31, 2013
Rights	(195.752)	(4.131)	-	(39.127)	(239.010)
Total	**(195.752)**	**(4.131)**	**-**	**(39.127)**	**(239.010)**
Net Value	**6.571**				**3.229**

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December 31, 2012

Cost

Account Name	January 1, 2012	Acquisitions	Disposals (-)	Translation Differences	December 31, 2012
Rights	212.033	2.235	-	(11.945)	202.323
Total	**212.033**	**2.235**	-	**(11.945)**	**202.323**

Accumulated Depreciation

Account Name	January 1, 2012	Period Amortization	Disposals (-)	Translation Differences	December 31, 2012
Rights	(203.371)	(3.582)	-	11.201	(195.752)
Total	**(203.371)**	**(3.582)**	-	**11.201**	**(195.752)**
Net Value	**8.662**				**6.571**

The depreciation and amortization expenses are recognized under the operational expenses. **(Note: 30)**

20 PAYABLES RELATED TO EMPLOYEE BENEFITS

Payables Related to Employee Benefits for the periods ended are as follows:

Account Name	December 31, 2013	December 31, 2012
Social Security Institution Payable	32.309	41.048
Due to Personnel	133.504	133.236
Total	**165.813**	**174.284**

21 GOVERNMENT GRANT AND ASSISTANCE

None.

22 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

i) Provisions

Account Name	December 31, 2013	December 31, 2013
Provision for TTNet Campaign	1.432.191	2.475.464
Provision for Price Differences	700.402	660.771
Provision for Litigations **(Note:22-ii)**	510.810	480.060
Total	**2.643.403**	**3.616.295**

Provision for Litigations	Provision for Price Differences	Provision for TTNet Campaign	Total

December 31, 2013	Provision for Litigations	Provision for Price Differences	Provision for TTNet Campaign	Total
As of January 1	480.060	660.771	2.475.464	3.616.295
Additional Provisions	48.223	700.402	-	748.625
Payment / Offset	(17.473)	(660.771)	(1.043.273)	(1.721.517)
Total	**510.810**	**700.402**	**1.432.191**	**2.643.403**

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December 31, 2012	Provision for Litigations	Provision for Price Differences	Provision for TTNet Campaign	Total
As of January 1	525.982	1.481.869	5.183.023	7.190.874
Additional Provisions	43.539	660.771	-	704.310
Payment / Offset	(89.461)	(1.481.869)	(2.707.559)	(4.278.889)
Terminated Provisions	-	-	-	-
Total	**480.060**	**660.771**	**2.475.464**	**3.616.295**

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

ii) Contingent Assets and Liabilities;

December 31, 2013

As of December 31, 2013, for the lawsuits initiated against Group, provision amount **TL 510.810** is reflected to the financial statements.

December 31, 2012

As of December 31, 2012, for the lawsuits initiated against Group, provision amount **TL 480.060** is reflected to the financial statements.

iii) Contingent Liabilities and Commitments:

December 31, 2013

	TL	USD	EURO
Guarantee Letters Given	520.616	2.800.000	-
Total	**520.616**	**2.800.000**	-

December 31, 2012

	TL	USD	EURO
Guarantee Letters Given	222.100	2.800.000	-
Total	**222.100**	**2.800.000**	-

iv) Total Guarantees and Mortgages on Assets

None.

v) Total Insurance Coverage on Assets:

December 31, 2013

Type of Insured Assets	USD	TL
Goods	7.354.000	-
Vehicles	-	121.620
Other	225.126	-
Total	**7.579.126**	**121.620**

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December 31, 2012

Type of Insured Assets	USD	TL
Goods	7.524.649	-
Vehicles	-	134.150
Other	186.102	-
Total	**7.710.751**	**134.150**

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

Mortgages & Guarantees Given by the Group	December 31, 2013	December 31, 2013	December 31, 2012	December 31, 2012
	Foreign Currency Amount	TL Amount	Foreign Currency Amount	TL Amount
A. Total amount of M&G Given on behalf of the Group	-	**6.496.656**	-	**5.213.380**
Guarantee Letter (USD)	*2.800.000*	*5.976.040*	*2.800.000*	*4.991.280*
Guarantee Letter (TL)	-	*520.616*	-	*222.100*
Pledges				
Mortgage	-	-	-	-
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	-	**6.496.656**	-	**5.213.380**

The ratio of Mortgages and Guarantees Given to Shareholders' Equity is 0 %. (December 31, 2012: %0)

23 COMMITMENTS

None.

24 EMPLOYEE TERMINATION BENEFITS

Account Name	December 31, 2013	December 31, 2012
Provision for Employment Termination Indemnity	134.872	183.250
Total	**134.872**	**183.250**

In context of current Labor Law, liability of payment of legal benefit for termination indemnity arises when terminated employment contract is qualified for termination indemnity. In addition, according to currently operated Social Insurance Law making payment to employee, who has the right of severance with termination indemnity, is a legal liability. Termination indemnity payable is not subjected to any legal funding. As of January 01, 2014, termination indemnity upper limit is monthly TL 3.438,22 (December 31, 2012: TL 3.129,25).

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Termination indemnity payable, is calculated by forecasting the present value of currently working employee's possible future liabilities IAS 19 ("Employee Termination Benefits"), predicts to build up Group's liabilities with using actuarial valuation techniques in context of defined benefit plans.According to these predictions, actuarial assumptions used in calculation of total liabilities are as follows: Base assumption is the inflation parallel increase of maximum liability of each year Applied discount rate must represent expected real discount rate after the adjustment of future inflation As of December 31, 2013 , provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities. The provisions at the statement of financial position dates have been calculated assuming an annual inflation rate of 6,50 % and a discount rate of 10.00%. The real discount rate of % 3,29 (December 31, 2012: %3,81) was used in the computation. The Group Management revised the expectations of discount assumptions in 2013.

Employee termination benefits related to severance for December 31, 2013 probability estimate was calculated as 93,49 %. (December 31, 2012: %95,61).

	January 1, 2013 December 31, 2013	**January 1, 2012 December 31, 2012**
Provision as of January 1	183.250	99.139
Current Period Service Cost	13.501	23.993
Actuarial Income/(Loss)	(16.482)	68.107
Interest Cost	18.325	9.914
Payments (-)	(44.480)	(17.903)
Loss Composed on Payment	40.578	-
Provisions no Longer Required	(59.820)	-
Closing Balance	**134.872**	**183.250**

Provision expense (income) for termination indemnities are recognized the accounts as follows;

	January 1, 2013 December 31, 2013
General Administration Expenses	12.584
The amount accounted in (Profit) / Loss	**12.584**
Actuarial Loss accounted in Other Comprehensive Income (*)	(16.482)
Total Expense / (Income)	**(3.898)**

(*) In accordance with the revised standard IFRS 19 ("Employee Benefits") which has become effective as January 1, 2013 the group started to state actuarial gain / loss related to employee benefits recognized as other comprehensive income under Previous Years' Loss/Profit. In the current period acturial loss amount was TL 16.482. Deferred tax effect of this amount was also taken into consideration and stated in other comprehensive statement of profit or loss and as a result of this transaction the amount of other comprehensive was TL 13.186.

	January 1, 2013 December 31, 2013
Actuarial Loss accounted in Other Comprehensive Income	16.482
Tax Effect: % 20	3.296
Net Amount	**13.186**

The Group management considers that the changed account policy and its impact of financial statements actuarial gain/loss related to employee benefits in profit or loss in the period of December 31,2012 is not significant, therefore the consolidated financial statements were not restated.

	January 1, 2012 December 31, 2012
General Administration Expenses	102.014
The amount accounted in (Profit) / Loss	**102.014**

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25 CURRENT TAX ASETS and LIABILITIES

The current tax assets of the Group as of December 31, 2013 and December 31, 2012 are as follows;

Account Name	December 31, 2013	December 31, 2012
Prepaid Taxes (Refundable Advance Tax)	-	7.446
Total	**-**	**7.446**

NOTE 26 OTHER ASSETS AND LIABILITIES

Other Current Assets as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	December 31, 2013	December 31, 2012
Credit Note Income Accrual (*)	1.774.048	1.103.885
Deferred VAT	5.400.952	5.496.840
Advances Given	-	-
Total	**7.175.000**	**6.600.725**

(*)Credit note Income Relating to Future Months is disclosed in **Note: 2.08.20**.

Credit Note Income Relating to Future Months transactions as follows: :

	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Opening Balance	1.103.885	1.046.458
Current period accrual	11.449.730	7.951.472
Collection / Current account transfer	(10.779.567)	(7.894.045)
Balance at the end of year	**1.774.048**	**1.103.885**

The Group has not any other non-current assets for the years 31, 2013 and December 31, 2012.

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

27 SHAREHOLDER'S EQUITY

i) Non-Controlling Interests

None.

(ii) Capital / Capital Adjustments Due to Cross-Ownership / Treasury Shares

The paid in capital of the Group is **TL 10.000.000** and consist of **10.000.000** shares, each with TL 1 nominal value. The paid in capital of the Company, which is **TL 10.000.000**, consists of A Group shares issued to the name in the amount of **TL 151,51** and B Group shares issued to the bearer in the amount of **TL 9.999.848,49.** A Group shareholders have privilege in election of Board of Directors members, B Group Shareholders do not have any privileges. A Group of shareholders have the right to assign one more the half of the total available Board of Director positions.

The Company adopted the Registered Share capital System with the dated May 3, 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 2006 General Assembly of the Company held on May 29, 2007.

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Capital and shareholder structure of the Company as of December 31, 2013 and December 31, 2012 are as follows;

	December 31, 2013		December 31, 2012	
Shareholder	**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	% 5,00	500.000
Public Shares	%35,75	3.575.758	%35,75	3.575.758
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 Group is Nevres Erol Bilecik and his family members.

(iii) Share Premium

Capital reserves consist of share issue premiums.There is not movement in the current period.

(iv) Other Comprehensive Income / Expense not to be Reclassifield to Profit or Loss

Other Comprehensive Income / Expense not to be Reclassifield to Profit or Loss for the periods ended, are as follows:

Account Name	**December 31, 2013**	**December 31, 2012**
*Actuarial Gain/(Loss) **(Note:24)***	16.482	-
*Tax Effect (-)**(Note:24, Note:35)***	(3.296)	-
Actuarial Gain/(Loss) (Net)	**13.186**	-
Revaluation and Gain/Loss Arising from Measurement	**13.186**	-
Other Gain / Loss	-	-
Other Comprehensive Income/Expense not to be Reclassifield to Profit or (Loss)	**13.186**	-

	December 31, 2013	**December 31, 2012**
Opening Balance, January 1	-	-
Addition	16.482	-
Deferred Tax Offset (-)	(3.296)	-
Closing Balance	**13.186**	-

(v) Other Comprehensive Income/(Expense) to be Reclassified to Profit or (Loss)

Account Name	**December 31, 2013**	**December 31, 2012**
Currency Translation Adjustments	2.090.884	(901.347)
Tax Effect	-	-
Currency Translation Adjustments (Net)	**2.090.884**	**(901.347)**
Gain and (Loss) from Hedge Funds (*)		(578)
Tax Effect		116
Gain and (Loss) from Hedge Funds (Net)	-	**(462)**
Other Comprehensive Income/(Expense) to be Reclassified to Profit or (Loss)	**2.090.884**	**(901.809)**

(*) In Note:12.

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Currency Translation Adjustments movement table for the periods ended, is as follows:

	December 31, 2013	December 31, 2012
As of January 1	(901.347)	-
Addition	2.992.231	(901.347)
Transfer to Profit/Loss Statement	-	-
Closing Balance	**2.090.884**	**(901.347)**

Gain and Losses on Cash Flow Hedge movement table for the period ended,is as follows:

	December 31, 2013	December 31, 2012
As of January 1	(462)	7.444
Addition	-	-
Transfer to Profit/Loss Statement	462	(7.906)
Closing Balance	**-**	**(462)**

vi) 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.

(vii) *Previous Years' Profits*

Profits of previous years consist of extraordinary reserves, lose and profits of other previous years.

Publicly traded companies shall perform dividend distribution in accordance with the Communique on Dividends II-19.01 of the Capital Market Board effective. Within the scope of this communique,no minimum distribution rate has been determined. Companies shall pay dividends as set out in their profit distribution policies or their article association. Additionally, dividends can be paid via equal or different installments and companies can be distribute dividend advances based on profits at interim financial statements. The amount of distributable profit based on the companies' decision, 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.

Shareholders' Equity as of December 31, 2013and December 31, 2013 are as follows:

Account Name	December 31, 2013	December 31, 2012
Capital	10.000.000	10.000.000
Capital Adjustments Differences	1.299.169	(562.761)
Share Premium	3.245.938	2.711.057
Other Comprehensive Income / Expense not to be Reclassifield to Profit or Loss	13.186	-
- Revaluation and Gain/Loss Arising from Measurement	*13.186*	-
Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss	2.090.884	(901.809)
-Financial Assets Available for-Sale Revaluation Surplus	-	-
- Hedge Funds (Note:12)	-	*(462)*
- Currency Translation Adjustments	*2.090.884*	*(901.347)*
Restricted Reserves	2.009.375	1.996.958
- Legal Reserves	*916.454*	*904.037*
- Profit Reserves Gain on Sale of Subsidiaries	*1.092.921*	*1.092.921*
Previous Years' Profit / (Loss)	15.587.755	13.701.394
Net Period Profit / (Loss)	(3.211.955)	1.898.778
Total	**31.034.352**	**28.843.617**

In the financial statements prepared according to the standards of the CMB, the Group's net period loss is (**TL 3.211.955**). The net period profit of the Company in legal records is **TL 1.194.155**. In the financial statements prepared according to the standards of the CMB, the Group's retained earnings are **TL 15.587.755**. The Company's distributable retained earnings in legal records are **TL 13.847.682** and the distributable dividend from retained earnings is limited with this amount. Capital inflation adjustment differences are not taken into consideration in the calculation of the total distributable profit.

28 REVENUE AND COST OF SALES

Revenue and cost of sales for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Domestic Sales	156.298.510	192.521.511
Foreign Sales	1.538.994	2.260.726
Other Sales	2.700.823	3.401.972
Sales Returns (-)	(2.983.953)	(3.588.582)
Sales Discounts (-)	(104.607)	(127.005)
Other Discounts (-)	(6.817)	(21.816)
Revenue	**157.442.950**	**194.446.806**
Cost of Sales (-)	(150.625.287)	(185.866.522)
Gross Profit	**6.817.663**	**8.580.284**

Depreciation and amortization expenses are shown in operational expenses.

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES AND GENEREAL ADMINISTRATION EXPENSES

The Operational Expenses for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Marketing, Sales & Distribution Expenses (-)	(2.440.553)	(2.667.105)
General Administration Expenses (-)	(2.273.886)	(2.321.387)
Total Operating Expenses	**(4.714.439)**	**(4.988.492)**

30 EXPENSES RELATED TO THEIR NATURE

Expenses Related to Their Nature of the Group for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Marketing, Sales & Distribution Expenses (-) and General Administration Expenses (-)		
- Personnel Expenses	(2.209.689)	(2.731.303)
- Transportation Expenses	(275.536)	(304.807)
- Advertisement Expense	(171.909)	(147.509)
- Communication Expense	(31.062)	(42.449)
- Outsourced benefits and services	(247.295)	(248.277)
- Rental Expense	(516.400)	(485.074)
- Consultancy and Audit Expenses	(117.365)	(194.805)
- Logistic and storage expenses	(276.082)	(305.185)
- Other Expenses	(869.101)	(529.083)
Total Operating Expenses	**(4.714.439)**	**(4.988.492)**

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31 OTHER OPERATING INCOME / EXPENSE

The Other Operating Income / Expenses for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Other Income	**5.882.115**	**13.124.523**
Terminated Provisions for Litigations	-	45.922
Terminated Provisions for Termination Indemnity Expenses	-	-
Eliminated Interest From Revenue	762.637	1.456.096
Rediscount Income of the Period	56.800	81.284
Previous Period Rediscount Cancellation	218.616	496.657
Foreign Exchange Gain (Trade Receivables and Payables)	4.831.363	11.000.744
Other	12.699	43.820
Other Expenses (-)	**(5.288.845)**	**(10.638.465)**
Eliminated Interest From Purchases	(221.889)	(477.514)
Rediscount Expense	(250.942)	(218.616)
Cancellation of Previous Period's Rediscount	(81.284)	(424.791)
Foreign Exchange Loss (Trade Receivables and Payables)	(4.655.695)	(9.445.434)
Other (-)	(79.035)	(72.110)
Other Income / Expense (Net)	**593.270**	**2.486.058**

32 INCOME / EXPENSE FROM INVESTMENT ACITIVITIES

Group has no Income / Expense from Investment Activities as of December 31, 2013 and December 31, 2012.

33 FINANCIAL INCOME / EXPENSE

The Financial Income for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Interest Income	237.492	743.371
Foreign Exchange Gain	671.674	267.986
Total	**909.166**	**1.011.357**

The Financial Expenses for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Bank and Interest Expenses	(2.425.212)	(3.550.904)
Foreign Exchange Losses	(3.827.383)	(1.618.183)
Total	**(6.252.595)**	**(5.169.087)**

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

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

35 TAX ASSETS AND LIABILITIES

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

The tax assets and liabilities of the Group as of December 31, 2013 and December 31, 2012 are as follows:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Current Corporate Tax Provision (-)	(379.660)	(100.562)
Deferred Tax Income / (Expense)	(185.360)	79.220
Total Tax Income / (Expense)	**(565.020)**	**(21.342)**

Account Name	December 31, 2013	December 31, 2012
Provision for Taxes	379.660	100.562
Prepaid Taxes (-)	(210.463)	(100.562)
Total Tax Liabilities of Current Period	**169.197**	-

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 previous years' profits.

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

Income Withholding Tax:

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

ii) Deferred Tax :

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes and disclosed below.

Account Name	December 31, 2013 Accumulated Temporary Differences	December 31, 2013 Deferred Tax Receivable / (Payable)	December 31, 2012 Accumulated Temporary Differences	December 31, 2012 Deferred Tax Receivable / (Payable)
Fixed Assets	22.301	(4.461)	16.926	(3.385)
Rediscount Expense	235.740	47.149	218.616	43.724
Provision for Termination Indemnities	134.873	26.975	183.249	36.650
Provision for Lawsuit	510.811	102.163	480.060	96.013
Provision for Value Decrease in Inventories	613.765	122.752	272.679	54.535
Rediscount Income	56.493	(11.299)	81.285	(16.257)
Derivative Income / Expense Accrual	-	-	-	-
Rediscount Income	242.757	(48.551)	37.476	7.496
Difference of Loan's Internal Rate of Return	-	-	-	-
Share of Inventory Financing	13.149	2.629	7.776	1.553
The difference between carrying amount and tax base of inventories	766.209	(153.242)	38.048	7.610
Deferred Tax Asset		**84.115**		**227.939**

	December 31, 2013	December 31, 2012
Deferred Tax Asset / (Liability) at the beginning of the period	227.939	155.604
Deferred Tax Income / (Expense)	(185.360)	79.220
Deferred Tax in Shareholders' Equity	(116)	1.976
Currency Translation Adjustments	44.948	(8.861)
Employee Termination Benefits Actuarial Gain/Loss	(3.296)	-
Deferred Tax Assets / (Liabilities)	**84.115**	**227.939**

Explanation of Unused Tax Advantages:

There is no financial loss transferred to forthcoming periods as of December 31, 2013.

Reconciliation of tax provision for the periods ended December 31, 2013 and December 31, 2012 are as follows:

Reconciliation of Tax Provision:	**January 1, 2013 December 31, 2013**	**January 1, 2012 December 31, 2012**
Profit from Continuing Operations	(2.646.935)	1.920.120
Tax Rate % 20	529.387	(384.024)
Tax Effect :		
Tax effect of Translation Differences of Equity Items	(1.077.808)	325.155
- Non-Deductible Expenses	(16.599)	37.527
Deferred Tax Expense	**(565.020)**	**(21.342)**

36 EARNINGS PER SHARE

Earnings per share are calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Calculation of earnings per share/loss is as follow:

Account Name	January 1, 2013 December 31, 2013	January 1, 2012 December 31, 2012
Current Period Profit / (Loss)	(3.211.955)	1.898.778
Average Number of Shares	10.000.000	10.000.000
Earnings / (Loss) per Share	**(0,321196)**	**0,189878**

37 RELATED PARTIES DISCLOSURES

a) Receivables from and Payables to Related Parties are as follows:

	Receivables		Payables	
December 31, 2013	**Trade Receivables**	**Non-Trade Receivables**	**Trade Receivables**	**Non-Trade Receivables**
İndeks A.Ş.	-	-	149.528	-
Neotech A.Ş.	-	-	3.707	-
Neteks A.Ş.	-	-	3.904	-
Teklos A.Ş.	-	-	78.443	-
İnfin A.Ş.	120.240	-	90.440	-
Despec A.Ş.	-	-	25.229	-
Homend A.Ş.	-	-	251	-
Artım A.Ş.	29.823	-	-	-
Total	**150.063**	-	**351.502**	-

	Receivables		Payables	
December 31, 2012	**Trade Receivables**	**Non-Trade Receivables**	**Trade Receivables**	**Non-Trade Receivables**
İndeks A.Ş.	-	-	131.809	-
Neotech A.Ş.	-	-	14.804	-
Neteks A.Ş.	-	-	11.925	-
Teklos A.Ş.	-	-	69.422	-
İnfin A.Ş.	-	-	1.008	-
Despec A.Ş.	-	-	2.082	-
Homend A.Ş.	2.370	-	-	-
Total	**2.370**	-	**231.050**	-

There is no a guarantee 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 which consist from non-trade transactions are classified as non-trade receivables or payables in the financial statements. Interest is calculated for the balances and is invoiced quarterly. The interest rates for USD, EURO and TL are % 4,5, % 4,5 and % 12 and The interest rates for USD varies between % 5,30 and % 6 in December 31, 2012.

b) Acquisitions from Related Parties and Sales to Related Parties are as follows;

December 31, 2013

Sales to Related Parties	Goods and Services	General Expense Allocation	Interest and Foreign Exchange Income	Total Income / Sales
İndeks A.Ş.	6.614.184	108.414	338.282	7.060.880
Artım A.Ş.	24.800	-	1.120	25.920
Despec A.Ş.	62.472	-	397	62.869
İnfin A.Ş.	1.623.354	-	228.106	1.851.460
Neotech A.Ş.	19.137	6.507	64	25.708
Neteks A.Ş.	2.010	-	611	2.621
Homend A.Ş.	3.685	-	88	3.773
Teklos A.Ş.	-	15415	3.436	18.851
Total	**8.349.642**	**130.336**	**572.104**	**9.052.082**

Acquisitions from Related Parties	Goods and Services	General Expense Allocation	Interest and Foreign Exchange Expense	Total Expenses / Acquisitions
Artım	337	-	80	417
Despec	143.749	770	2.285	146.804
İnbil	32.940	237	437	33.614
İndeks	1.267.323	985.812	367.245	2.620.380
İnfin	-	-	18.626	18.626
Neotech	146.978	367	6.328	153.673
Neteks	108.279	169	3.692	112.140
Teklos	2.953	682.064	14.171	699.188
Total	**1.702.559**	**1.669.419**	**412.864**	**3.784.842**

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

December 31, 2012

Sales to Related Parties	Goods and Services	General Expense Allocation	Interest and Foreign Exchange Income	Total Income / Sales
İndeks A.Ş.	21.410.089	24.687	1.154.127	22.588.903
Artım A.Ş.	2.961	-	-	2.961
Despec A.Ş.	272.860	-	3.233	276.093
İnfin A.Ş.	2.226.949	-	77.366	2.304.315
Neotech A.Ş.	3.100.511	7.649	13.665	3.121.825
Neteks A.Ş.	-	-	204	204
Homend A.Ş.	7.592	-	2.432	10.024
Teklos A.Ş.	77	782	7.630	8.489
Total	**27.021.039**	**33.118**	**1.258.657**	**28.312.814**

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Acquisitions from Related Parties	Goods and Services	General Expense Allocation	Interest and Foreign Exchange Expense	Total Expenses / Acquisitions
İndeks A.Ş.	20.930.826	1.015.019	1.275.796	23.221.641
Despec A.Ş.	402.395	591	2.988	405.974
İnfin A.Ş.	1.587.293	-	104.062	1.691.355
Neotech A.Ş.	3.253.776	567	804	3.255.147
Neteks A.Ş.	42.955	156	359	43.470
Homend A.Ş.	56.605	429	2.120	59.154
Teklos A.Ş.	8.035	634.581	2.595	645.211
Total	**26.281.885**	**1.651.343**	**1.388.724**	**29.321.952**

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

c) Benefits and Services Provided for Senior Management

Account Name	December 31, 2013	December 31, 2012
Short-Term Benefits provided to Employees	765.052	838.607
Employment Termination Benefits	-	-
Other long term benefits	-	-
Total	**765.052**	**838.607**

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

38 NATURES AND LEVEL OF RISKS ARISING OUT OF FINANCIAL INSTRUMENTS

a) Capital risk management

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

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

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

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

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

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

(b) Important Accounting Policies

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

(c) Risks Exposed

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

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

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

(c1) Foreign currency risk management

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

The Group is mainly exposed to foreign currency risk due to deposits, receivables, payables and financial liabilities.

As stated below the Group management evaluates and monitors the balance of assets and liabilities in Turkish Lira currency as open position. According to this, the details of TL position risk as of December 31, 2013 and December 31, 2012 are as follows:

Table of Foreign Exchange Position

	December 31, 2013			December 31, 2012		
	Amount in TL	**TL**	**EURO**	**Amount in TL**	**TL**	**EURO**
1. Trade Receivables	10.594.199	10.583.789	3.544	11.716.755	11.676.780	16.998
2a. Monetary Financial Assets	405.268	403.273	680	299.064	288.041	4.687
2b. Non-Monetary Financial Assets	-	-	-	-	-	-
3. Other	5.502.934	5.502.934	-	5.596.844	5.596.844	-
4. Current Assets Total (1+2+3)	**16.502.401**	**16.489.996**	**4.224**	**17.612.663**	**17.561.665**	**21.685**
5. Trade Receivables	84.115	84.115	-	227.941	227.939	-
6a. Monetary Financial Assets	-	-	-	-	-	
6b. Non-Monetary Financial Assets	-	-	-	-	-	
7. Other	-	-	-	-	-	
8. Fixed Assets Total (5+6+7)	**84.115**	**84.115**	**-**	**227.941**	**227.939**	**-**
9. Total Assets (4+8)	**16.586.516**	**16.574.111**	**4.224**	**17.840.604**	**17.789.604**	**21.685**
10. Trade Payables	(3.641.131)	(3.628.869)	(4.176)	(1.589.344)	(1.569.203)	(8.564)
11. Financial Liabilities	-	-	-	(37.476)	(37.476)	-
12a. Other Monetary Liabilities	(2.580.840)	(2.580.840)	-	(3.288.002)	(3.288.002)	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-
13. Total Short Term Liabilities (10+11+12)	**(6.221.971)**	**(6.209.709)**	**(4.176)**	**(4.914.822)**	**(4.894.681)**	**(8.564)**
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	(134.872)	(134.872)	-	(183.250)	(183.250)	
16b. Other Non-Monetary Liabilities	-	-	-	-	-	
17. Total Long Term Liabilities (14+15+16)	**(134.872)**	**(134.872)**	**-**	**(183.250)**	**(183.250)**	**-**
18. Total Liabilities (13+17)	**(6.356.843)**	**(6.344.581)**	**(4.176)**	**(5.098.072)**	**(5.077.931)**	**(8.564)**
19. Net Asset/ (Liability) Position of Derivative Instruments off the Statement of financial position (19a-19b)	-	-	-	-	-	-
19a. Total Amount of Hedged Assets	-	-	-	-	-	-
19b. Total Amount of Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**10.229.673**	**10.229.530**	**48**	**12.742.532**	**12.711.673**	**13.121**
21. Monetary Items Net Foreign Exchange Asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	**10.229.673**	**10.229.530**	**48**	**12.742.532**	**12.711.673**	**13.121**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge				-	-	-
23. The Amount of Hedged part of Foreign Exchange Assets	-	-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Liabilities	-	-	-	-	-	-
23. Export	-	-	-	-	-	-
24. Import	-	-	-	-	-	-

c2) Counterparty Risk

December 31, 2013	Receivables					Deposit at Banks and Reverse Repo	
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other	Note		Note
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	**150.063**	**37.402.076**	-	**3.587**		**16.933.494**	
- The part of maximum risk secured by guarantee etc.	-	17.049.337	-	-		-	
A. Net book value of financial assets which are undue or which did not decline in value	**150.063**	**37.098.543**	-	**3.587**	**10-11**	**16.933.494**	**6**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value	-	284.671	-	-	**10-11**	-	**6**
C. Net book value of assets, overdue but did not decline in value.	-	18.862	-	-		-	
- The part secured by guarantee etc.	-	18.862	-	-		-	
D. Net book values of assets declined in value	-	-	-	-	**10-11**	-	**6**
- Overdue (gross book value)	-	1.714.322	-	-		-	
- Decline in value (-)	-	(1.714.322)	-	-	**10-11**	-	**6**
- The part of net value secured by guarantee etc.	-	-	-	-	**10-11**	-	**6**
- Undue (gross book value)	-	-	-	-	**10-11**	-	**6**
- Decline in value (-)	-	-	-	-	**10-11**	-	**6**
- The part of net value secured by guarantee etc.	-	-	-	-	**10-11**	-	**6**
E. Elements containing credit risk off the statement of financial position							

December 31, 2012	Receivables					Deposit at Banks and Reverse Repo	
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other	Note		Note
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	**2.370**	**40.652.142**	-	**50.695**		**18.882.490**	
- The part of maximum risk secured by guarantee etc.	-	629.916	-	-		-	
A. Net book value of financial assets which are undue or which did not decline in value	**2.370**	**40.553.768**	-	**50.695**	**10-11**	**18.882.490**	**6**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value	-	**98.374**	-	-	**10-11**	-	**6**
C. Net book value of assets, overdue but did not decline in value.	-	-	-	-		-	
- The part secured by guarantee etc.	-	-	-	-		-	
D. Net book values of assets declined in value	-	-	-	-	**10-11**	-	**6**
- Overdue (gross book value)	-	1.353.639	-	-		-	
- Decline in value (-)	-	(1.353.639)	-	-	**10-11**	-	**6**
- The part of net value secured by guarantee etc.	-	-	-	-	**10-11**	-	**6**
- Undue (gross book value)	-	-	-	-	**10-11**	-	**6**
- Decline in value (-)	-	-	-	-	**10-11**	-	**6**
- The part of net value secured by guarantee etc.	-	-	-	-	**10-11**	-	**6**
E. Elements containing credit risk off the statement of financial position							

	Receivables	
December 31, 2013	**Trade Receivables**	**Trade Receivables**
1-30 Days Overdue	257.122	-
1-3 Months Overdue	46.411	-
More than 3 Months Overdue	-	-
The part of net value secured by guarantee etc.	18.862	-

	Receivables	
December 31, 2012	**Trade Receivables**	**Trade Receivables**
1-30 Days Overdue	71.347	-
1-3 Months Overdue	27.027	-
More than 3 Months Overdue	-	-
The part of net value secured by guarantee etc.	-	-

Credit Risk Management:

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

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

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

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

The information team involved in receivable and risk management department consists 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 consists of Senior Vice President of Finance, Finance Manager, Accounting Manager, information team staff and the Sale Manager of related Customer. Credit Committee establish credit limits to related customers by taking into consideration the information gained from the information team, past payments and sale performances. The Credit Committee determines the conditions and if it is needed they demand for guarantees, mortgages, etc.

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

(c3) Management of interest rate risk

The Group is exposed to interest risk due to its fixed interest financial instruments.

Table of Interest Position

	December 31, 2013	December 31, 2012
Fixed Interest Financial Instruments		
Financial Assets	14.114.475	11.231.160
Financial Liabilities	-	-
Floating Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

If there is a %1 increase on TL interest rate and other variables are fixed as of December 31, 2013 , loss before tax will be less with the amount of TL 141.144 TL.

If there is a %1 increase on TL interest rate and other variables are fixed as of December 31, 2012, profit before tax will be more with the amount of TL 112.311 TL.

(c4) Liquidity risk management

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

Liquidity Risk Tables

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

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

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

December 31, 2013

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	**41.766.397**	**41.823.197**	**41.823.197**	-	-	-
Bank Loans	-	-	-	-	-	-
Trade Payables	*41.729.865*	*41.786.665*	*41.786.665*	-	-	-
Other Payables	*36.532*	*36.532*	*36.532*	-	-	-
Other	-	-	-	-	-	-

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Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	**242.757**	**177.763**	**177.763**	-	-	-
Derivative Cash Inflows (*)	*5.944.346*	*5.944.346*	*5.944.346*	-	-	-
Derivative Cash Outflows	*(5.701.589)*	*(5.766.583)*	*(5.766.583)*	-	-	-

(*) The amount of forward transactions consists of **USD 2.785.150**. 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, 2013**. Actual profit or loss will arise at the end of term.

December 31, 2012

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	**48.451.392**	**48.532.676**	**48.532.676**	-	-	-
Bank Loans	-	-	-	-	-	-
Trade Payables	*48.410.589*	*48.491.873*	*48.491.873*	-	-	-
Other Payables	*40.803*	*40.803*	*40.803*	-	-	-
Other	-	-	-	-	-	-

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	**(37.476)**	**(57.795)**	**(57.795)**	-	-	-
Derivative Cash Inflows (*)	*3.609.256*	*3.609.255*	*3.609.255*	-	-	-
Derivative Cash Outflows	*(3.646.732)*	*(3.667.050)*	*(3.667.050)*	-	-	-

(*)The amount of forward transactions consists of **USD 2.024.714**. 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, 2012**. Actual profit or loss will arise at the end of term

(c5) Analyses of other Risks

Risks Related to Financial Instruments, Stocks Etc.

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

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

Aims at financial risk management

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

Fair Value of Financial Instruments

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

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

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

Monetary Assets

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

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

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

Monetary Liabilities

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

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

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

Fair Value Assessment:

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

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

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

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

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

The Group presents its financial investments with their fair values in the financial statements as of December 31, 2013 and December 31, 2013. (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 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

Company headquarters was moved to Merkez Mahallesi Erseven Sokak No: 8/2 Kağıthane /İSTANBUL as of March 3,2014.

41 OTHER ISSUES

None.

ÇAĞDAŞ M. A.Ş.