

**Datagate Bilgisayar Malzemeleri
Ticaret Anonim Şirketi
Consolidated
Financial Statements
And
Footnotes
For the Year Ended December 31, 2012**

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ
CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012
(Series: XI No: 29)

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INDEPENDENT AUDIT REPORT

To The Board of Directors of
Datagate Bilgisayar Malzemeleri Anonim Şirketi

Introduction

We have audited the accompanying consolidated financial statements of **Datagate Bilgisayar Malzemeleri Anonim Şirketi** ("Company"), and its subsidiary which is included into consolidation scope in the current period (together with "Group") which comprise the consolidated balance sheet as of December 31, 2012 and the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of Management in Accordance with Financial Statements

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

Responsibility of Independent Auditing Company

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

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

Opinion

In our opinion, the consolidated financial statements present fairly the consolidated financial position **Datagate Bilgisayar Malzemeleri Anonim Şirketi** as of December 31, 2012 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with financial reporting standards published by Capital Market Board.

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



ÖZCAN AKSU
Certified Public Accountant
(İstanbul, April 8, 2013)

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(TL) BALANCE SHEET
(XI-29 CONSOLIDATED)

		Audited Current Period	Nonconsolidated Audited Previous Period
	Notes	December 31, 2012	December 31, 2011
ASSETS			
Current Assets		82.078.556	111.566.231
Cash and Cash Equivalents	6	18.940.223	34.730.246
Financial Investments	7	-	21.565
Trade Receivables	10	40.654.512	65.990.545
- Receivables from Related Parties	10-37	2.370	7.077.075
- Other	10	40.652.142	58.913.470
Other Receivables	11	49.556	6.704
Inventories	13	14.452.545	7.610.972
Other Current Assets	26.	7.981.720	3.206.199
Non-Current Assets		326.100	278.812
Other Receivables	11	1.139	1.207
Investment Property	17	-	-
Tangible Fixed Assets	18	90.451	113.339
Intangible Fixed Assets	19	6.571	8.662
Deferred Tax Assets	35	227.939	155.604
TOTAL ASSETS		82.404.656	111.845.043

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 (Series XI – No:29)

Page : 2

(TL) BALANCE SHEET (XI-29 CONSOLIDATED)	Notes	Audited Current Period December 31, 2012	Nonconsolidated Audited Previous Period December 31, 2011
LIABILITIES			
Short -Term Liabilities		53.377.789	81.738.719
Financial Liabilities	8	-	7.657.257
Other Financial Liabilities	9	37.476	-
Trade Payables	10	48.410.589	63.515.285
-Liabilities to Related Parties	10-37	231.050	78.169
-Other	10	48.179.539	63.437.116
Other Financial Liabilities	11	428.847	434.910
Provision For Tax Liabilities	35	-	836.336
Provision For Liabilities	22	3.616.295	7.190.874
Other Short-Term Liabilities	26	884.582	2.104.057
Long – Term Liabilities		183.250	1.527.805
Financial Liabilities	8	-	1.428.666
Provision For Employment Termination Indemnities	24	183.250	99.139
SHAREHOLDERS EQUITY	27	28.843.617	28.578.519
Total Shareholders' Equity of Parent Company	27	28.843.617	28.578.519
Capital		10.000.000	10.000.000
Capital Translation Adjustments		(562.761)	-
Share Premiums		2.711.057	2.872.723
Hedging Funds		(462)	7.444
Foreign Currency Translation Differences		(901.347)	-
Restricted Reserves		1.996.958	1.721.267
Previous Years' Profit / (Loss)		13.701.394	8.478.189
Net Profit / (Loss) for the Period		1.898.778	5.498.896
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		82.404.656	111.845.043

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

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**(TL) COMPREHENSIVE INCOME
STATEMENT
(XI-29 CONSOLIDATED)**

Nonconsolidated

		Audited Current Period January 1, 2012 December 31, 2012	Audited Previous Period January 1, 2011 December 31, 2011
	Notes		
OPERATING INCOME			
Sales	28	194.446.806	308.712.274
Cost of Sales (-)	28	(185.866.522)	(291.966.010)
GROSS PROFIT		8.580.284	16.746.264
Marketing, Sales and Distribution (-)	29	(2.321.387)	(2.425.598)
General Administrative Expenses (-)	29	(2.667.105)	(2.654.453)
Other Operating Income	31	89.742	182.770
Other Operating Expense (-)	31	(72.110)	(88.554)
OPERATING PROFIT/(LOSS)		3.609.424	11.760.429
Financial Income	32	2.982.521	11.368.254
Financial Expenses (-)	33	(4.671.825)	(16.248.668)
CONTINUED OPERATIONS PROFIT BEFORE TAXATION		1.920.120	6.880.015
Continued Operations Tax Income / (Expense)		(21.342)	(1.381.119)
- Tax Expense for the Period	35	(100.562)	(1.323.737)
- Deferred Tax Income / (Expense)	35	79.220	(57.382)
CONTINUED OPERATIONS PROFIT PROFIT FOR THE PERIOD		1.898.778	5.498.896
Other Comprehensive Income		-	-
Foreign Currency Translation Differences		(1.625.774)	-
Change in Hedge Funds	7-27	(7.906)	(15.553)
OTHER COMPREHENSIVE INCOME (AFTER TAX)		(1.633.680)	(15.553)
TOTAL COMPREHENSIVE INCOME OPERATING INCOME			
TOTAL COMPREHENSIVE INCOME		265.098	5.483.343
Distribution of Period Profit / (Loss)			
Minority Share			
Main Partnership Share		1.898.778	5.498.896
Distribution of Total Comprehensive Income			
Minority Share			
Main Partnership Share		265.098	5.483.343
Net Earnings Per Share	36	0,189878	0,549890

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



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

		Audited	Nonconsolidated
		Current	Audited
		Period	Previous
		January 1, 2012	January 1, 2011
	Notes	December 31, 2012	December 31, 2011
A) CASH FLOW PROVIDED FROM OPERATIONS			
CONTINUED OPERATIONS PROFIT BEFORE TAXATION		1.920.120	6.880.015
Adjustments:			
Depreciation (+)	18-19	42.779	46.984
Increase in Provision For Termination Indemnities (+)	24	102.015	82.095
Rediscount on Notes Receivable (+)	10	(278.041)	391.751
Gain (-) or Loss (+) on Sale of Assets	18-19	-	(33.445)
Increase (+) / Decrease (-) in Provision for Debt s	22	(3.574.579)	5.984.306
Forward Income Accruals	7	59.041	7.181
Provision for Doubtful Receivables for Current Period (+)	10	77.705	31.170
Provision for Nullified Doubtful Receivables (-)		-	-
Provision for Decrease in Value of Inventories (+)	13	107.276	(271.851)
Rediscount on Notes Payable (-)	10	343.507	(364.955)
Provision for Decrease in Value of Affiliates (-)		-	-
Interest Expenses (+)	33	4.028.418	2.819.645
Interest Income (-)	32	(2.199.467)	(3.647.138)
Income from Marketable Securities or Long-term Investments(-)		-	-
Operational Income Before Changes in Working Capital:		628.774	11.925.758
Increase in Trade Receivables /Other Receivables (-)	10-11	25.493.585	(21.439.355)
Decrease in Inventories (+)	13	(6.948.849)	14.021.444
Increase in Marketable Securities with Purchase/Sale Purposes (-)		-	-
Decrease in Trade Receivables /Other Receivables (-)	10-11	(15.454.265)	11.107.591
Increase (-) / Decrease (+) in Other Current Assets	26	(4.775.521)	7.693.346
Increase (+) / Decrease (-) in other Liabilities	26	(1.219.475)	(1.954.538)
Other Cash Flows (+) / (-)		(1.724.374)	(20.245)
Cash Inflow Provided/(Used) From Operating Activities:		(4.000.125)	21.334.001
Termination Indemnities Payment (-)	22	(17.904)	(69.665)
Tax Payment (-)	35	(836.336)	(496.685)
Net Cash Inflow Provided/(Used) From Operating Activities:		(4.854.365)	20.767.651
B) NET CASH USED IN INVESTMENT OPERATIONS			
Net Tangible Assets Purchases (-)		-	-
Investment property (-)	17	-	-
Tangible Assets Purchases (-)	18-19	(20.378)	(38.505)
Cash provided from sale of Tangible and Intangible Assets	18-19	-	165.966
Dividends Collected (+)		-	-
NET CASH RELATING TO INVESTMENT OPERATIONS		(20.378)	127.461
C) CASH FLOW RELATING TO FINANCIAL ACTIVITIES			
Change in Short Term Financial Liabilities (+)	8	(7.657.257)	7.468.606
Change in Long Term Financial Liabilities (+)	8	(1.428.666)	1.428.666
Dividends Payments (-)		-	-
Net Interest Income / (Expense)	32-33	(1.828.951)	1.016.145
Hedge Funds		-	-
NET CASH RELATING TO FINANCIAL ACTIVITIES		(10.914.874)	9.913.417
NET CHANGE IN CASH AND CASH EQUIVALENTS		(15.789.617)	30.808.529
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	34.729.443	3.920.914
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	18.939.826	34.729.443

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



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

	Notes	Capital	Capital Translation Adjustments	Issue Premiums	Hedge Funds	Foreign Currency Translation Differences	Restricted Reserves	Previous Year Profit / (Loss)	Net Period Profit / (Loss)	Total Shareholders' Equity
January 1, 2012	27	10.000.000	-	2.872.723	7.444	-	1.721.267	8.478.189	5.498.896	28.578.519
Capital		-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	-	5.498.896	(5.498.896)	-
Transfers to Reserves		-	-	-	-	-	275.691	(275.691)	-	-
Dividends		-	-	-	-	-	-	-	-	-
Foreign Currency Translation Differences		-	(562.761)	(161.666)	-	(901.347)	-	-	-	(1.625.774)
Other Comprehensive Income	7	-	-	-	(7.906)	-	-	-	-	(7.906)
Net Profit		-	-	-	-	-	-	-	1.898.778	1.898.778
December 31, 2012	27	10.000.000	(562.761)	2.711.057	(462)	(901.347)	1.996.958	13.701.394	1.898.778	28.843.617
Nonconsolidated Audited										
January 1, 2011	27	10.000.000	-	2.872.723	22.997	-	1.635.829	6.850.645	1.712.982	23.095.176
Capital		-	-	-	-	-	-	-	-	-
Transfers to Retained Earnings		-	-	-	-	-	-	1.712.982	(1.712.982)	-
Transfers to Reserves		-	-	-	-	-	85.438	(85.438)	-	-
Dividends		-	-	-	-	-	-	-	-	-
Other Comprehensive Income	7	-	-	-	(15.553)	-	-	-	-	(15.553)
Net Profit		-	-	-	-	-	-	-	5.498.896	5.498.896
December 31, 2011	27	10.000.000	-	2.872.723	7.444	-	1.721.267	8.478.189	5.498.896	28.578.519

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

1 ORGANIZATION AND BUSINESS SEGMENT

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

The main shareholders of the company as of December 31, 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. The main shareholders of the company as of December 31, 2011 are İndeks Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. % 59,24, Tayfun Ateş %5 and Public Shares %35,75.

As of 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, 2012 is 40. (2011:42). All of the employees of the Group are white-collared.

The Group's official address registered in Trade Registry is Ayazağa Mah. Cendere Yolu No: 9/2 Şişli, İSTANBUL and the company has branch in Istanbul Atatürk Airport Free Zone.

2 PRINCIPLES RELATED TO THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 Basic Principles for the Presentation

The Group in Turkey maintains its books of account and prepares its statutory financial statements in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation. The Company's financial statements were prepared in accordance with the Capital Market Board's ("CMB") rules for accounting and reporting. The records of the subsidiary are kept according to the legislations of the country in which it is established. Also the statutory financial statements are prepared in accordance with the local legislations.

The Group's consolidated Financial Statements were prepared in accordance with the Capital Market Board's ("CMB") serial 26842 and April 9,2008 in the official gazetta published Serial:XI, No:29 "Communiqué on Financial Reporting at Capital Markets".

CMB determines that serie:XI, No:29" Communiqué on Financial Reporting at Capital Markets" with this communiqué financial statements are prepared and presented to related part of bases and consistent by companies.This communiqué"Communiqué on Financial Reporting at Capital Markets" were abolished by CMB. This communiqué has become valid for the first interim financial statements after January 1, 2008.In accordance with the communiqué Companies have to prepare their financial statements which were accepted by European Union appropriate to IAS/ IFRS.Turkish Accounting/Financial Reporting Standards.On the other hand, standards were accepted by European Union and financial statements appropriate to IAS/ IFRS.Turkish Accounting/Financial Reporting Standards which were published by Turkish Accounting Standards Board, are based and consistent with IAS/ IFRS when the standards will be announced by Public Oversight Accounting and Auditing Standards Authority

Financial statements were prepared in accordance with the communiqué Series XI, No: 29 and notes to the financial statements were presented according to the format obliged by the CMB with the declaration dated April 14, 2008.

As of April 8, 2013 the consolidated financial statements were approved and signed by its Board of Directors for the period January 1- December 31, 2012. General Assembly has a right to change financial statements.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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:

Reviewed

- 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 balance sheet date,

- Monetary items in foreign currency are translated into USD using the balance sheet 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 balance sheet presented (including comparatives) are translated at the closing rate at the date of that balance sheet. 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 income statement (including comparatives) are translated at exchange rates at the dates of the transactions. The average foreign exchange rate for the period ended as of December 31, 2012 is 1 USD = 1,7942 TL.
- all resulting exchange differences are recognised in other comprehensive income.

The balance sheet date rates for TL/USD as of December 31, 2012 and December 31, 2011 are as follows:

Date TL	USD Rate
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 01, 2005 for the companies that are operating in Turkey and preparing financial statements in accordance with CMB standards. Therefore, practise of International Accounting Standards 29 "Financial Reporting on Hyper-Inflationist Economies" ended after January 1, 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.

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

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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

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

The current shares in the subsidiaries as of December 31, 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 on May 9, 2012 with a capital in the amount of UAE Dirham 150.000. 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.

Balance Sheets and Income statements 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 Financial Statements,

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

There is no classification change in previous year financial statements in the current period.

2.05 Offsetting

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

2.06 Changes in Accounting Policies

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

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 balance sheet date. Within this context, according to the evaluation made on March 31, 2012, the company management decided to change the functional currency to USD starting from January 1, 2012 considering the previous years realizations and prospective expectations. The effects of changes in these accounting estimates, related to the future expectations, are applied prospectively in line with the paragraphs 35-37 of IAS 21. In other words, the company translated all balance items to new currency at the date of December 31, 2011 using the rates as of that date. The amounts arising after translation are considered as historical cost of non-monetary items.

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.

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 1, 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:

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012

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

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

Tangible fixed assets are reviewed in terms of impairment for each balance sheet period. If the carrying value of a tangible fixed asset is more than its expected net realizable value, then the carrying value is reduced to its net realizable value by making the necessary provisions. There is no provision for decrease in value of 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 year's 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. The information related with the provision for value decrease in inventories is disclosed in **Note:13**. There is no such a situation that may cause impairment for tangible, intangible assets and investment properties.

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.

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

Prevailing Interest Method;

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

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

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

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

b) Financial Assets Which Will Be Held to the Maturity

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

c) Financial Assets Available-For-Sale

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

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

d) Loans and Receivables

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

Impairment of financial assets

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

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

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was

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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.

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

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

b) Other Financial Liabilities

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

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

(iii) Derivative Financial Instruments

The Group has agreement in foreign currency futures markets. Derivative financial instruments are 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, 2012 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 balance sheet. (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 balance sheet are converted into TL by the exchange rate ruling at the balance sheet date. Foreign exchange gains and/or losses as a result of the conversions are recorded in the income statement.

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2.08.10 Earnings per Share

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

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

2.08.11 Subsequent Events

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

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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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

2.08.13 Leasing Operations

The Group as Lessee

Financial Leases

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

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

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

Operating Leases

Lease agreements in which the lessor retains all the risks and benefits relating to the good are described as operational leasing. Lease payments made for an operational leasing are recorded as expense according to normal method throughout the lease term. Lease agreements are related to office, storage and motor vehicles leasings in İstanbul, Ankara, İzmir and Diyarbakır.

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The Group as Lessor

Operating Leases

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

2.08.14 Related Party Disclosures

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

2.08.15 Government Grants and Assistance

None.

2.08.16 Investment Property

There is no investment property of Group as of December 31, 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 balance sheet and the gain or loss from sale of investment property is recognised under the income statement.

2.08.17 Taxation and Deferred Tax

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

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the 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.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that may arise from which the 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 income statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in the equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

Taxes on financial statements contain changes in current period taxes and deferred tax. 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 balance sheet, where there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. 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 balance sheet date of lump pension in the next years by discounting by adequate interest rate. Interest cost added to the lump pension expense is shown as interest expense in the results of operations.

2.08.19 Cash Flow Statement

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

On cash flow statement, the 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 balance sheet depending upon the realization of the targets and conditions given by the sellers. The

documents prepared by sellers under the name of "rebate", "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 have become effective after January 1, 2012 are as follows:

- IAS 12 (Amendment) "Income Taxes:" (The amendment is effective for annual periods beginning on or after January 1, 2012. Early adoption is permitted) Updates related with the calculation of deferred tax on investment properties according to the carrying value of real estate sales basis. This standard has not yet been endorsed by the EU. Additionally there was an explanation relating to calculation of deferred tax on not depreciable assets which are evaluated according to revaluation model in IAS 16, stating that sales basis will be considered.
- IFRS 7 (Amendment) "Financial Instruments: Disclosures" (The amendment is effective for annual periods beginning on or after July 1, 2011). Explanations related with examination of the off-balance sheet transactions have been made. Regulations have been made to allow the users of financial information to improve their understanding of transfer transactions and possible effects of any risks that may remain with the entity which transferred the assets.

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

ii) Amendments and interpretations that are not effective or an early adoption is not used by the Group as of December 31, 2012 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-balance sheet 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 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.
- IFRS 10 "Consolidated Financial Statements" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis) The standard replaces the IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This standard has not yet been endorsed by the EU.
- IFRS 11 "Joint Arrangements:" (Standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new standard may be early adopted, requiring

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that IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities are also early adopted.) The standard is with regard to the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted to account for joint ventures. This standard has not yet been endorsed by the EU.

- IFRS 12 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis. This new Standard may be early adopted, requiring that IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements are also early adopted.) Footnote disclosures related with the affiliates have been determined. This standard has not yet been endorsed by the EU.
- IFRS 13 "Disclosure of Interests in Other Entities" (Standard is effective for annual periods beginning on or after January 1, 2013 and are applied on a modified retrospective basis.) Advance level of explanations has been made related with the consolidated and separate financial statements in which Company has participation. This standard has not yet been endorsed by the EU.
- IAS 1 (Amendment) "Presentation of Financial Statements:" (Standard is effective for annual periods beginning on or after July 1, 2012 The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. This standard has not yet been endorsed by the EU)
- 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 according 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. This standard has not yet been endorsed by the EU.
- IAS 28 (Amendment) "Investments in Associates and Joint Ventures:" As a consequential to IFRS 11 some amendments have been made. With this amendment IAS 28 consists of associates and joint ventures. After amendment IAS 28 only consist of accounting of subsidiaries, joint ventures and affiliates separate financial statements. This standard has not yet been endorsed by the EU.
- IAS 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.
- 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.

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.

3 BUSINESS COMBINATIONS

A new company was established in United Arab Emirates with the title Datagate International FZE on May 9, 2012 with a capital in the amount of UAE Dirham 150.000. 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.

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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, 2012 and December 31, 2011 are as follows:

Account Name	December 31, 2012	December 31, 2011
Cash	16.759	10.679
Bank	7.651.330	17.761.179
- Demand Deposit	7.651.330	17.761.179
Financial Assets Which Will Be Held to the Maturity (Reverse Repo)	11.231.160	16.927.235
Credit Card Slips	40.974	31.153
Total	18.940.223	34.730.246

Maturity of the reverse repo is 1-2 days and 397 TL interest accrual has been made. Reverse repo is made in USD and the interest rates are % 0,90 - % 2.

Maturity of the reverse repo is 1-3 days and 803 TL interest accrual has been made. Reverse repo is made in USD and the interest rates are % 0,24 - % 1,35.

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, 2012	December 31, 2011
Cash and Cash Equivalents	18.940.223	34.730.246
Interest income accruals	(397)	(803)
Total	18.939.826	34.729.443

There are no blocked deposits or any restrictions on cash and cash equivalents as of December 31, 2012. (December 31, 2011: None.)

7 FINANCIAL INVESTMENTS

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

Account Name	December 31, 2012	December 31, 2011
Derivative Instruments	-	21.565
Total	-	21.565

As of December 31, 2011 Group has made a contract amounted USD 523.903 for forward purchase commitments. USD 487.531 has 0-3 month's maturity while USD 36.732 has 3-12 months maturity. The fair value of these contracts is TL 968.036 as of December 31, 2011 and the revaluation surplus TL 9.305 is recognized as "hedging funds" under the shareholders' equity while revaluation surplus TL 12.260 is recognized as a income in financial statements. The deferred tax liability related with the revaluation surplus is TL 4.313 and TL 1.860 of this amount is offsetted from hedging funds.

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8 FINANCIAL LIABILITIES

The Group's short-term financial liabilities as of December 31, 2012 and December 31, 2011 are as follows:

Account Name	December 31, 2012	December 31, 2011
Bank Loans	-	-
Factoring Loans	-	7.657.257
Total Short-Term Loans	-	7.657.257

The Group's long-term financial liabilities as of December 31, 2012 and December 31, 2011 are as follows::

Account Name	December 31, 2012	December 31, 2011
Factoring Loans	-	1.428.666
Total Long-Term Loans	-	1.428.666

The details of the Loans are as follows:

December 31, 2012

None.

December 31, 2011

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Short-Term Loans			
Factoring Loans (TL) (*)		7.657.257	13,35%-18,97
Total Loans		7.657.257	

Type	Foreign Currency Amount	Amount in TL	Annual Interest Rate (%)
Account Name			
Factoring Loans (*)		1.428.666	13,35%
Total Long-Term Loans		1.428.666	

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

The maturities of Financial Liabilities are as follows:

Loans	December 31, 2012	December 31, 2011
0-3 months	-	7.222.457
3-12 months	-	434.800
12-36 months	-	1.428.666
Total	-	9.085.923

9 OTHER FINANCIAL LIABILITIES

Group's Other Financial Liabilities as of December 31, 2012 and December 31, 2011 are as follows::

Account Name	December 31, 2012	December 31, 2011
Derivative Financial Instruments	37.476	-
Total	37.476	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

As of December 31, 2012 Group has made a contract amounted USD 2.024.714 for forward purchase commitments. All of the contracts have 0-3 month's maturity. The fair value of these contracts is TL 3.646.732 as of December 31, 2012 and the revaluation deficit TL 578 is recognized as "hedging funds" under the shareholders' equity while revaluation deficit TL 36.898 is recognized as an expense in financial statements. The deferred tax assets related with the revaluation deficit is TL 7.495 and TL 116 of this amount is offset from hedging funds.

10 TRADE RECEIVABLES AND PAYABLES

Short-Term trade receivables for the years ended December 31, 2012 and December 31, 2011 are as follows:

Account Name	December 31, 2012	December 31, 2011
Trade Receivables	27.484.889	50.399.383
-Related Parties (Note: 37)	2.370	7.077.075
-Other	27.482.519	43.322.308
Notes Receivables	13.388.239	16.087.819
Rediscount on Notes Receivables (-)	(218.616)	(496.657)
Doubtful Receivables	1.353.639	1.275.934
Provision for Doubtful Receivables (-)	(1.353.639)	(1.275.934)
Total	40.654.512	65.990.545

The Company has no Long-Term Trade Receivables for the years ended December 31, 2012 and December 31, 2011.

The amounts of the guarantees taken for the **40.654.512 TL** trade receivables for the year ended December 31, 2012 is **629.916 TL**. The amounts of the guarantees taken for the **65.990.545 TL** trade receivables for the year ended December 31, 2011 is **1.354.701 TL**.

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

Provision for Doubtful Receivables summarize table is below:

	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Opening Balance	(1.275.934)	(1.244.764)
Collections (-)	2.614	27.027
Profit from Foreign Exchange Gains	925	(233)
Current Period Expenses	(81.244)	(57.964)
Balance of at end of year	(1.353.639)	(1.275.934)

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

	December 31, 2012	December 31, 2011
0-3 months	71.347	68.868
3-12 months	27.027	-
1-5 years	-	-
Total	98.374	68.868

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

Account Name	December 31, 2012	December 31, 2011
Trade Payables	48.361.312	63.940.076
Other Trade Payables	48.130.262	63.861.907
Related Parties	231.050	78.169
Notes Payables	130.561	-
Rediscount on Notes Payables(-)	(81.284)	(424.791)
Total	48.410.589	63.515.285

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

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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. December 31, 2012 Rates: TL %6 USD % 0,8435, EURO % 0,4400 (December 31,2011 Rates : TL %11, USD %1,1281, EURO % 1,9134)

11 OTHER RECEIVABLES AND PAYABLES

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

Account Name	December 31, 2012	December 31, 2011
Due from Personnel	49.556	6.704
Total	49.556	6.704

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

Account Name	December 31, 2012	December 31, 2011
Deposits and Guarantees Given	1.139	1.207
Total	1.139	1.207

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

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

Account Name	December 31, 2012	December 31, 2011
Taxes, Duties Payable and Other Fiscal Liabilities	40.803	35.573
Social Security Premiums Payable	41.048	39.292
Advances Received	213.760	228.378
Due to Personnel	133.236	131.667
Total	428.847	434.910

12 RECEIVABLES AND PAYABLES FROM / TO FINANCE SECTOR OPERATIONS

None.

13 INVENTORIES

The inventories of the Company as of December 31, 2012 and December 31, 2011 are as follows:

Account Name	December 31, 2012	December 31, 2011
Commercial Goods	12.046.308	7.712.975
Goods in Transit	2.678.916	63.400
Provision for Decrease in value of stocks (-)	(272.679)	(165.403)
Total	14.452.545	7.610.972

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

Provision for Impairment of Inventory:

	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Opening Balance, (-)	(165.403)	(437.254)
Cancellation of Provision Due to Increase in Net Realizable Value Net(+)	-	271.851
Foreign Currency Translation Adjustment	(1.024)	-
Provision for the Period(-) Not: 28)	(106.252)	-
Balance at the end of year (-)	(272.679)	(165.403)

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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, 2012, 1.308.992 TL of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the financial statements. (As of December 31, 2011, TL 434.323 of the inventories is presented with their net realizable value and the remaining balance is presented with their cost in the financial statements.)

Explanation	December 31, 2012	December 31, 2011
Cost	1.581.671	599.726
Provision for Value Decrease in Inventories	(272.679)	(165.403)
Net Realizable Value (a)	1.308.992	434.323
Inventory presented with its cost value (b)	13.143.553	7.176.649
Total Inventories (a+b)	14.452.545	7.610.972

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 CONSTRUCTION CONTRACTS IN PROGRESS

None.

16 INVESTMENTS EVALUATED BY EQUITY METHOD

None.

17 INVESTMENT PROPERTIES

The investment property of the Group consists of a house placed in Çankaya, Ankara. The mentioned property is acquired from a pledge for a receivable in 2010. The Group management estimates the fair value of this property as 125.000 TL. The Group management has considered the fair value of the properties in the neighborhood and acquisition of mentioned properties in their estimates. The mentioned investment property has been sold in the previous period.

December 31, 2012

None

December 31, 2011

Cost Value

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

Accumulated Depreciation

Account Name	January 1, 2011	Period Depreciation	Sales (-)	Transfer	December 1, 2011
Buildings	(629)	(1.881)	2.510	-	-
Total	(629)	(1.881)	2.510	-	-

Net Value	124.871
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DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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.

18 TANGIBLE FIXED ASSETS

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

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	Acquisitions	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)	-	49.830	(771.299)
Leasehold Improvements	(10.292)	(1.416)	-	1.995	(9.713)
Total	(893.563)	(39.197)	-	54.946	(877.813)

Net Value	113.339	90.451
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December 31, 2011

Cost

Account Name	January 1, 2011	Acquisitions	Disposals (-)	December 31, 2011
Machinery, Plants & Equipments	3.709	-	-	3.709
Motor Vehicles	135.323	-	-	135.323
Furniture & Fixtures	835.617	33.114	(12.707)	856.024
Leasehold Improvements	11.846	-	-	11.846
Total	986.495	33.114	(12.707)	1.006.902

Accumulated Depreciation

Account Name	January 1, 2011	Period Depreciation	Disposals (-)	December 31, 2011
Machinery, Plants & Equipments	(3.709)	-	-	(3.709)
Motor Vehicles	(61.317)	(19.272)	-	(80.589)
Furniture & Fixtures	(781.483)	(20.665)	3.175	(798.973)
Leasehold Improvements	(7.923)	(2.369)	-	(10.292)
Total	(854.432)	(42.306)	3.175	(893.563)

Net Value	132.063
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DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

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 FIXED ASSETS

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

December 31, 2011

Cost

Account Name	January 1, 2011	Acquisitions	Disposals (-)	December 31, 2011
Rights	206.642	5.391	-	212.033
Total	206.642	5.391	-	212.033

Accumulated Depreciation

Account Name	January 1, 2011	Period Depreciation	Disposals (-)	December 31, 2011
Rights	(200.575)	(2.796)	-	(203.371)
Total	(200.575)	(2.796)	-	(203.371)
Net Value	6.067			8.662

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

20 GOODWILL

None.

21 GOVERNMENT GRANT AND ASSISTANCE

None.

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

22 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

i) Provisions

Account Name	December 31, 2012	December 31, 2011
Provision for TTNNet Campaign	2.475.464	5.183.023
Provision for Price Differences	660.771	1.481.869
Provision for Litigations (Note:22-ii)	480.060	525.982
Total	3.616.295	7.190.874

December 31, 2012	Provision for Litigations	Provision for Price Differences	Provision for TTNNet 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

December 31, 2011	Provision for Litigations	Provision for Price Differences	Provision for TTNNet Campaign	Total
As of January 1	581.718	624.850	-	1.206.568
Additional Provisions	80.071	1.481.869	5.183.023	6.744.963
Payment / Offset	-	(624.850)	-	(624.850)
Terminated Provisions	(135.807)	-	-	(135.807)
Total	525.982	1.481.869	5.183.023	7.190.874

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, 2012

As of December 31, 2011, for the lawsuits initiated against Group, provision amount 480.060 TL is reflected to the financial statements.

December 31, 2011

As of December 31, 2011, for the lawsuits initiated against Group, provision amount 525.982 TL is reflected to the financial statements.

iii) Contingent Liabilities and Commitments:

December 31, 2012

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

December 31, 2011

	TL	USD	EURO
Guarantee Letters Given	1.471.442	3.175.000	-
Total	1.471.442	3.175.000	-

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

iv) Total Guarantees and Mortgages on Assets

None.

v) Total Insurance Coverage on Assets

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

December 31, 2011

Type of Insured Assets	USD	TL
Goods	15.497.500	-
Vehicles	-	113.050
Other	127.563	-
Total	15.625.063	113.050

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

Mortgages & Guarantees Given by the Group	Dec 31, 2012 Foreign Currency Amount	Dec 31, 2012 TL Amount	Dec 31, 2011 Foreign Currency Amount	Dec 31, 2011 TL Amount
A. Total amount of M&G Given on behalf of the Group	-	5.213.380	-	7.468.700
Guarantee Letter (USD)	2.800.000	4.991.280	3.175.000	5.997.258
Guarantee Letter (TL)	-	222.100	-	1.471.442
Mortgage	-	-	-	-
Pledges	-	-	-	-
B. Total amount of M&G Given on behalf of the Subsidiaries and Affiliated Companies subject to full consolidation	-	-	-	-
C. Total Amount of M&G Given on behalf of the third person liability in order to sustain usual business activities.	-	-	-	-
D. Total Amount of other M&G Given	-	-	-	-
i. Total Amount of M&G Given on behalf of main shareholder	-	-	-	-
ii. Total Amount of M&G Given on behalf of other affiliated companies which can not be classified under section B and C.	-	-	-	-
iii. Total Amount of M&G Given on behalf of the third person that cannot be classified under section C.	-	-	-	-
Total	-	5.213.380	-	7.468.700

The ratio of Mortgages and Guarantees Given to Shareholders' Equity is 0 %. (December 31, 2011: %0)

23 COMMITMENTS

None.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

24 EMPLOYEE TERMINATION BENEFITS

Account Name	December 31, 2012	December 31, 2011
Provision for Employment Termination Indemnity	183.250	99.139
Total	183.250	99.139

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

The maximum employee termination benefit payable as of December 31, 2012 is 3.033,98 TL. (December 31, 2011: 2.731,85 TL) The maximum employee termination benefit payable as of January 1, 2013 is 3.129,25 TL (December 31, 2011: 2.805,04 TL) and taken into consideration in the calculations of the Group's provision for termination indemnities.

Termination indemnity payable is not subject to any legal funding.

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

The principal assumption is that the maximum liability for each year of service will increase in line with the inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the financial statements dated as of December 31, 2012, the provision was calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the balance sheet dates have been calculated assuming an annual inflation rate of 5 % and a discount rate of 9 %. With that the real discount rate of 3,81 % (December 31, 2011: 4,66 %) was used in the computation. These expectations are reviewed every balance sheet period and revised if required.

	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
January 1	99.139	86.709
Service Cost	23.993	11.466
Actuarial Loss / (Profit)	68.107	61.958
Interest Cost	9.914	8.671
Payments (-)	(17.903)	(69.665)
Closing Balance	183.250	99.139

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

25 RETIREMENT BENEFIT PLANS

None.

26 OTHER ASSETS AND LIABILITIES

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

Account Name	December 31, 2012	December 31, 2011
Prepaid Expenses for the Following Months	88.759	292.682
Credit Note Income Accrual (*)	1.103.885	1.046.458
Deferred VAT	5.496.840	1.831.457
Advance Tax Return	7.446	-
Advances Given	1.284.790	35.602
Total	7.981.720	3.206.199

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

Credit Note Income Relating to Future Months transactions as follows:

	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Opening Balance	1.046.458	2.927.052
Current period accrual	7.951.472	16.303.833
Collection / Current account transfer	(7.894.045)	(18.184.427)
Balance at the end of year	1.103.885	1.046.458

The Group has not any other non-current assets for the years December 31, 2012 and December 31, 2011.

Short-term other liabilities as of December 31, 2012 and December 31, 2011 are as follows:

Account Name	December 31, 2012	December 31, 2011
Deferred Income	884.582	2.104.057
Total	884.582	2.104.057

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 SHAREHOLDERS' EQUITY

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

None.

ii) *Capital/ Capital Adjustments Due to Cross-Ownership*

The paid in capital of the Group is **TL 10.000.000** TL 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** TL 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 of the half of 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.

Capital and shareholder structure of the Company as of December, 2012 and December 31, 2011 are as follows;

Shareholder	December 31, 2012		December 31, 2011	
	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 Company is Nevres Erol Bilecik and his family members.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

iii) Capital Reserves

Capital reserves consist of share issue premiums.

iv) Restricted Reserves from Profit

Restricted reserves from profits consist of legal reserves.

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

vi) Hedging Funds

Account Name	December 31, 2012	December 31, 2011
Cash Flow Hedge (*)	(578)	9.305
Deferred Tax Liability Offset (-)	116	(1.861)
Total	(462)	7.444

(*) Note:7-9

vi) Previous Years' Profit

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

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

Shareholders' Equity as of December 31, 2012 and December 31, 2011 are as follows:

Account Name	December 31, 2012	December 31, 2011
Share capital	10.000.000	10.000.000
Share Translation Differences	(562.761)	-
Share Premium	2.711.057	2.872.723
Hedging Funds	(462)	7.444
Foreign Currency Translation Differences	(901.347)	-
Restricted Reserves Assorted From Profit	1.996.958	1.721.267
- Legal Reserves	904.037	628.346
- Profit Reserves Gain on Sale of Subsidiaries	1.092.921	1.092.921
Previous Years' Profits	13.701.394	8.478.189
Net Period Profit	1.898.778	5.498.896
Total	28.843.617	28.578.519

In the financial statements prepared according to the standards of the CMB, the Group's net period profit is TL 1.898.778. The net period profit of the Company in legal records is TL 248.340. In the financial statements prepared according to the standards of the CMB, the Group's retained earnings are TL 13.701.394 TL. The Company's distributable retained earnings in legal records are TL 13.611.761 TL 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.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

28 SALES AND COST OF SALES

Sales for the periods January 1 – December 31, 2012 and January 1 – December 31, 2011 are as follows:

Account Name	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Domestic Sales	192.521.511	301.959.868
Foreign Sales	2.260.726	4.483.788
Other Sales	3.401.972	6.754.843
Sales Returns (-)	(3.588.582)	(4.294.522)
Sales Discounts (-)	(127.005)	(190.968)
Other Discounts (-)	(21.816)	(735)
Net Sales	194.446.806	308.712.274
Cost of Sales (-)	(185.866.522)	(291.966.010)
Gross Profit / (Loss)	8.580.284	16.746.264

Depreciation and amortization expenses are shown in operational expenses.

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES

The Operational Expenses of the Group as of December 31, 2012 and December 31, 2011 are as follows:

Account Name	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Marketing and Selling Expenses (-)	(2.321.387)	(2.425.598)
General Administrative Expenses (-)	(2.667.105)	(2.654.453)
Total Operating Expenses	(4.988.492)	(5.080.051)

30 EXPENSES RELATED TO THEIR NATURE

Expenses Related to Their Nature of the Group as of December 31, 2012 and December 31, 2011 are as follows:

Hesap Adı	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Marketing and Selling Expenses (-)		
- Personnel Expenses	(2.731.303)	(2.522.138)
- Transportation Expenses	(304.807)	(363.861)
- Advertisement Expense	(147.509)	(131.888)
- Communication Expense	(42.449)	(58.176)
- Outsourced benefits and services	(248.277)	(226.005)
- Rental Expense	(485.074)	(499.674)
- Consultancy and Audit Expenses	(194.805)	(106.180)
- Logistic and storage expenses	(305.185)	(390.836)
- Provision for Termination Indemnities	(102.014)	(82.095)
- Provisions for Doubtful Receivables	(76.780)	(30.937)
- Other Expenses	(350.289)	(668.261)
Total Operating Expenses	(4.988.492)	(5.080.051)

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
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31 OTHER INCOME / EXPENSE

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

Account Name	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Other Income	89.742	182.770
Other Expense (-)	(72.110)	(88.554)
Other Income / Expense (Net)	17.632	94.216

32 FINANCIAL INCOME

Financial income for the periods ended is as follows:

Account Name	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Interest Income	743.371	1.097.274
Profit from Foreign Exchange Gains	205.113	7.191.419
Interest Eliminated From Sales	1.456.096	2.549.864
Rediscount Income of the Period	81.284	424.791
Previous Period Rediscount Cancellation	496.657	104.906
Total Financial Income	2.982.521	11.368.254

33 FINANCIAL EXPENSES

The financial expenses of the Group as of December 31, 2012 and December 31, 2011 are as follows:

Account Name	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Bank and Interest Expenses (-)	(3.550.904)	(1.233.690)
Foreign Exchange Losses (-)	-	(12.872.530)
Eliminated Interest From Purchases(-)	(477.514)	(1.585.955)
Rediscount Expense (-)	(218.616)	(496.657)
Cancellation of Previous Period's Rediscount (-)	(424.791)	(59.836)
Total Financial Expense	(4.671.825)	(16.248.668)

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

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

35 TAX ASSETS AND LIABILITIES

The 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, 2012 and December 31, 2011 are as follows:

Account Name	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Provision for Current Period Tax (-)	(100.562)	(1.323.737)
Deferred Tax Income / (Expense)	79.220	(57.382)
Total Tax Income / (Expense)	(21.342)	(1.381.119)

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

	December 31, 2012	December 31, 2011
Account Name		
Provision for Current Period Tax (-)	100.562	1.323.737
Prepaid Taxes (-)	(100.562)	(487.401)
Total Tax Payable Net	-	836.336

i) Provision for Current Period Tax

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

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

According to Corporate Tax Law's Article: 24, the corporate tax is imposed by the taxpayer's tax returns. There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25th of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

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, 2012 Temporary Differences	December 31, 2012 Deferred Tax Assets / (Liabilities)	December 31, 2011 Temporary Differences	December 31, 2011 Deferred Tax Assets / (Liabilities)
Fixed Assets	(16.926)	(3.385)	(14.936)	(2.987)
Rediscount Expense	218.616	43.724	496.657	99.331
Provision for Termination Indemnities	183.249	36.650	99.139	19.828
Provision for Lawsuit	480.060	96.013	525.982	105.196
Provision for Value Decrease in Inventories	272.679	54.535	165.403	33.081
Rediscount Income	(81.285)	(16.257)	(424.791)	(84.958)
Derivative Income Accrual	36.898	7.380	(12.260)	(2.452)
Hedge Funds	578	116	(9.305)	(1.860)
Difference of Loan's Internal Rate of Return	-	-	(61.868)	(12.374)
Share of Inventory Financing	7.776	1.553	13.996	2.799
The difference between carrying amount and tax base of inventories	38.048	7.610	-	-
Deferred Tax Asset		227.939		155.604

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
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	December 31, 2012	December 31, 2011
Deferred Tax Asset / Liability at the beginning of the period	155.604	209.097
Deferred Tax Income / (Expense)	79.220	(57.382)
Foreign Currency Translation Differences	(8.861)	-
Hedge Fund Offset	1.976	3.889
Deferred Tax Asset / (Liability) at the end of the period	227.939	155.604

Explanation of Unused Tax Advantages:

There is no financial loss transferred to forthcoming periods as of December 31, 2012.

Reconciliation of tax provision for the periods ended December 31, 2012 and December 31, 2011 are as follows:

Reconciliation of Tax Provision:	January 1, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Profit from Continuing Operations	1.920.120	6.880.015
Tax Rate % 20	(384.024)	(1.376.003)
Tax Effect:		
Tax Effect of Translation Differences of Equity Items	325.155	
- Non-Deductible Expenses	37.527	(5.116)
Deferred Tax Expense	(21.342)	(1.381.119)

36 EARNINGS PER SHARE/ (LOSS)

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, 2012 December 31, 2012	January 1, 2011 December 31, 2011
Current Period Profit / (Loss)	1.898.778	5.498.896
Average Number of Shares	10.000.000	10.000.000
Earnings / (Loss) per Share	0,189878	0,549890

37 RELATED PARTIES DISCLOSURES

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

	Receivables		Payables	
December 31, 2012	Trade Receivables	Non-Trade Receivables	Trade Payables	Non-Trade Payables
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	-

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
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	Receivables		Payables	
	Trade Receivables	Non-Trade Receivables	Trade Payables	Non-Trade Payables
December 31, 2011				
İndeks A.Ş.	6.683.849	-	-	-
Neotech A.Ş.	8.130	-	-	-
Neteks A.Ş.	-	-	913	-
Teklos A.Ş.	-	-	74.646	-
İnfin A.Ş.	384.664	-	-	-
Despec A.Ş.	-	-	2.610	-
Homend A.Ş.	432	-	-	-
Total	7.077.075	-	78.169	-

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 vary between % 5,30 and % 6 for the first six months of 2012 and is %3 and %7,50 for the year 2011.

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

December 31, 2012

Sales to Related Parties	Goods and Services	Common Cost Participation	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

Purchases from Related Parties	Goods and Services	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense / Purchases
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.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
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December 31, 2011

Sales to Related Parties	Goods and Services	Common Cost Participation	Interest and Foreign Exchange Income	Total Income / Sales
İndeks A.Ş.	44.020.359	66.299	2.955.205	47.041.863
Artım A.Ş.	503	-	-	503
Despec A.Ş.	9.016.605	-	293	9.016.898
İnfin A.Ş.	3.016.021	-	184.719	3.200.740
Neotech A.Ş.	2.200	10.484	713	13.397
Neteks A.Ş.	18.211.503	-	4.008	18.215.511
Homend A.Ş.	48.901	-	638	49.539
Teklos A.Ş.	662	10	5.806	6.478
Total	74.316.754	76.793	3.151.382	77.544.929

Purchases from Related Parties	Goods and Services	Common Cost Participation	Interest and Foreign Exchange Expense	Total Expense / Purchases
İndeks A.Ş.	31.149.130	1.135.719	41.842	32.326.691
Despec A.Ş.	8.350.620	-	3.013	8.353.633
İnfin A.Ş.	2.711.202	-	9.937	2.721.139
Neotech A.Ş.	1.817	-	81	1.898
Neteks A.Ş.	17.253.185	-	1.442	17.254.627
Homend A.Ş.	-	-	632	632
Teklos A.Ş.	8.756	593.252	82.837	684.845
Total	59.474.710	1.728.971	139.784	61.343.465

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

c) Benefits and Services Provided for Senior Management

Account Name	December 31, 2012	December 31, 2011
Short-Term Benefits provided to Employees	838.607	739.143
Employment Termination Benefits	-	-
Other long term benefits	-	-
Total	838.607	739.143

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012

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38 NATURES AND LEVEL OF RISKS ARISING OUT OF FINANCIAL INSTRUMENTS

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,

(a) Capital risk management

profit reserves and profits of previous years explained in note 27.

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

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

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

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, 2012 and December 31, 2011 are as follows:

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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

Table of Foreign Exchange Position

	December 31, 2012			December 31, 2011		
	Amount in TL	TL	Avro	Amount in TL	USD	Avro
1. Trade Receivables	11.716.755	11.676.780	16.998	43.261.392	22.511.418	302.633
2a. Monetary Financial Assets	299.064	288.041	4.687	35.527.876	18.803.758	3.871
2b. Non-Monetary Financial Assets	-	-	-	-	-	-
3. Other	5.596.844	5.596.844	-	-	-	-
4. Current Assets Total (1+2+3)	17.612.663	17.561.665	21.685	78.789.268	41.315.175	306.504
5. Trade Receivables	227.939	227.939	-	-	-	-
6a. Monetary Financial Assets	-	-	-	1.207	639	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Fixed Assets Total (5+6+7)	227.939	227.939	-	1.207	639	-
9. Total Assets (4+8)	17.840.603	17.789.604	21.685	78.790.475	41.315.814	306.504
10. Trade Payables	(1.589.344)	(1.569.203)	(8.564)	(62.017.178)	(32.832.430)	-
11. Financial Liabilities	(37.476)	(37.476)	-	-	-	-
12a. Other Monetary Liabilities	(3.288.002)	(3.288.002)	-	(3.178.648)	(1.682.468)	(260)
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-
13. Total Short Term Liabilities (10+11+12)	(4.914.822)	(4.894.681)	(8.564)	(65.195.826)	(34.514.898)	(260)
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	(183.250)	(183.250)	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	(183.250)	(183.250)	-	-	-	-
18. Total Liabilities (13+17)	(5.098.072)	(5.077.931)	(8.564)	(65.195.826)	(34.514.898)	(260)
19. Net Asset/ (Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	-	-	-	989.600	523.903	-
19a. Total Amount of Hedged Assets	-	-	-	989.600	523.903	-
19b. Total Amount of Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	12.742.531	12.711.673	13.122	14.584.249	7.324.819	306.244
21. Monetary Items Net Foreign Exchange Asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	7.145.686	7.114.829	13.122	13.594.649	6.800.916	306.244
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	-	-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Assets	-	-	-	968.035	523.903	-
24. The Amount of Hedged part of Foreign Exchange Liabilities	-	-	-	-	-	-
25. Export	-	-	-	4.483.788	-	-
26. Import	-	-	-	168.349.764	-	-

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
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c2) Counterparty Risk

December 31, 2012

	Receivables					Deposit at Banks and Reverse Repo		
	Trade Receivables		Other Receivables		Foot Note	Foot Note		Foot Note
	Related Party	Other	Related Party	Other		Reverse Repo	Foot 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	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 balance sheet	-	-	-	-	-	-	-	-

December 31, 2011

	Receivables					Deposit at Banks and Reverse Repo		
	Trade Receivables		Other Receivables		Foot Note	Foot Note		Foot Note
	Related Party	Other	Related Party	Other		Reverse Repo	Foot Note	
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	7.077.075	58.913.470	-	7.911	-	34.688.414	-	-
- The part of maximum risk secured by guarantee etc.	-	1.354.701	-	-	-	-	-	-
A. Net book value of financial assets which are undue or which did not decline in value	7.077.075	58.844.602	-	7.911	10-11	34.688.414	6	6
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value	-	49.979	-	-	10-11	-	-	6
C. Net book value of assets, overdue but did not decline in value.	-	18.889	-	-	-	-	-	-
- The part secured by guarantee etc.	-	18.889	-	-	-	-	-	-
D. Net book values of assets declined in value	-	-	-	-	10-11	-	-	6
- Overdue (gross book value)	-	1.275.934	-	-	-	-	-	-
- Decline in value (-)	-	(1.275.934)	-	-	10-11	-	-	6
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-	-	6
- Undue (gross book value)	-	-	-	-	10-11	-	-	6
- Decline in value (-)	-	-	-	-	10-11	-	-	6
- The part of net value secured by guarantee etc.	-	-	-	-	10-11	-	-	6
E. Elements containing credit risk off the balance sheet	-	-	-	-	-	-	-	-

C A C D A S
Bağimsız Denetim S.M.M.M. A.Ş.

DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012
(The amounts are stated as Turkish lira ("TL") unless otherwise specified.)

December 31, 2012	Receivables	
	Trade Receivables	Other 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.	-	-

December 31, 2011	Receivables	
	Trade Receivables	Other Receivables
1-30 Days Overdue	53.273	-
1-3 Months Overdue	15.595	-
More than 3 Months Overdue	-	-
The part of net value secured by guarantee etc.	18.889	-

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 balance sheet 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 floating and fixed interest financial instruments.

Table of Interest Position

	December 31, 2012	December 31, 2011
Fixed Interest Financial Instruments		
Financial Assets	11.231.160	16.927.235
Financial Liabilities	-	9.085.923
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, 2012, profit before tax will be more with the amount of 112.311 TL. (December 31, 2011: TL 78.413 more)

(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, 2012

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial						
Liabilities	48.839.436	48.920.720	48.920.720	-	-	-
Bank Loans	-	-	-	-	-	-
Trade Payables	48.410.589	48.491.873	48.491.873	-	-	-
Other Payables	428.847	428.847	428.847	-	-	-
Other	-	-	-	-	-	-

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial						
Liabilities	(37.477)	(57.795)	(57.795)	-	-	-
Derivative Cash Inflows (*)	3.609.255	3.609.255	3.609.255	-	-	-
Derivative Cash Outflows	(3.646.732)	(3.667.050)	(3.667.050)	-	-	-

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(*)The amount of forward transactions consists of **2.024.714 USD**. In liability calculation, derivative cash outflow is calculated using exchange rates valid at the end of term. Derivative cash inflow is calculated using the exchange rate valid on **December 31, 2012**. Actual profit or loss will arise at the end of term.

December 31, 2011

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities	73.036.116	73.527.519	71.728.377	538.205	1.260.937	-
<i>Bank Loans</i>	<i>9.085.923</i>	<i>9.152.533</i>	<i>7.353.391</i>	<i>538.205</i>	<i>1.260.937</i>	-
<i>Trade Payables</i>	<i>63.515.284</i>	<i>63.940.076</i>	<i>63.940.076</i>	-	-	-
<i>Other Payables</i>	<i>434.910</i>	<i>434.910</i>	<i>434.910</i>	-	-	-
<i>Other</i>	-	-	-	-	-	-

Contract Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	21.565	14.474	16.114	(1.640)	-	-
<i>Derivative Cash Inflows (*)</i>	<i>989.600</i>	<i>989.600</i>	<i>920.897</i>	<i>68.703</i>	-	-
<i>Derivative Cash Outflows</i>	<i>(968.035)</i>	<i>(975.126)</i>	<i>(904.783)</i>	<i>(70.343)</i>	-	-

(*)The amount of forward transactions consists of **523.903 USD**. In liability calculation, derivative cash outflow is calculated using exchange rates valid at the end of term. Derivative cash inflow is calculated using the exchange rate valid on **December 31, 2011**. Actual profit or loss will arise at the end of term.

(c5) Analyses of other Risks

Risks Related to Financial Instruments, Stocks Etc.

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

39 FINANCIAL INSTRUMENTS (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;

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DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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Monetary Assets

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

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

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

Monetary Liabilities

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

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

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

Fair Value Assessment:

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

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

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

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

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

The Group presents its financial investments with their fair values in the financial statements as of December 31, 2012. (Level 2) (Note: 7)

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

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

40 SUBSEQUENT EVENTS

None.

41 OTHER ISSUES

None.