MOODY'S
INVESTORS SERVICE

Announcement: Moody's changes Vestel's outlook to positive; affirms B3 rating

Global Credit Research - 02 Feb 2012

London, 02 February 2012 -- Moody's Investors Service today affirmed the B3 ratings of Vestel Elektronik Sanayi ve Ticaret A.S. ("Vestel") and changed the outlook to positive from negative.

The following ratings were affected:

- B3 Corporate Family Rating and Probability of Default Rating

- B3 rating on the USD225 million 8.75% Guaranteed Notes due 2012

RATINGS RATIONALE

The change of outlook reflects that Moody's could reposition Vestel's rating in a higher category over the coming 12-18 months if the company strengthens its liquidity profile following the redemption of the outstanding notes in May this year. Following buy-backs in 2011 the remaining outstanding amount of the USD 225m notes amounts to ca. USD 99m, which the company is expected to meet through cash on hand and working capital releases over the course of the first months of 2012. Working capital usually flows in at the beginning of a calendar year after a seasonally strong fourth calendar quarter. The maturing bond -- issued in 2007 and of which USD 126m have already been repurchased -- was for a long time the only significant long-term debt instrument and failure to replace it with longer dated debt to improve the liquidity profile could limit the ratings upside. Vestel's liquidity profile pro forma the bond redemption remains heavily geared towards short-term, uncommitted bank lines, albeit from relationship banks.

Vestel's financial profile has improved since a trough in 2008 when it recorded operating losses. For the last twelve months ending September 2011 Moody's has calculated debt/EBITDA leverage of 2.5x (FYE 2008: -9.0x; FYE 2009: 3.1x) and EBITA/interest coverage of 3.5x (-2.4x; 1.9x). This reflects buoyant demand for LCD TVs and white goods. Sales in the first nine months of 2011 grew by 19% in USD-terms (+27% in TL-terms) against the same period in 2010. At the same time Vestel has gained market share against its main competitors.

Ratings at B3 reflect that (i) the global market dynamics for LCD TVs with market forecasts anticipating a decline in demand by 3-4% p.a., (ii) Vestel's liquidity profile remains geared towards the short term, (iii) sales may suffer from waning consumer confidence in Vestel's main market Europe. Sales, however, for its LCD TVs (accounting for about half of group revenues) could also, albeit temporarily, profit from the two major sport events this summer, the Olympic Games and the Euro Football Championship. Consumers tend to upgrade their TV panels shortly before these events. In addition, Vestel, with its production base largely in Turkey, benefits from the depreciation of the Turkish Lira against its main trading currency Euro (-23% during 2011) as it makes its export to Europe more competitive.

For ratings to be upgraded to B2 Moody's expects Vestel to maintain its current financial profile with leverage below 3 times and interest coverage above 2 times whilst at the same time maintaining sufficient liquidity to cover funding needs for at least 12 months on a forward-looking basis. The outlook could be stabilized if Vestel fails to improve its liquidity profile.

The principal methodology used in rating Vestel was the Global Manufacturing Industry Methodology published in December 2010. Other methodologies used include Loss Given Default for Speculative-Grade Non-Financial Companies in the U.S., Canada and EMEA published in June 2009. Please see the

Credit Policy page on www.moodys.com for a copy of these methodologies.

Vestel Elektronik Sanayi Ve Ticaret A.S. (Vestel) is a publicly-listed Turkish manufacturing company. Vestel is one of the leading Original Design Manufacturer (ODM)/Original Equipment Manufacturer (OEM) of TVs, white goods and digital products both in Turkey and in Europe. Vestel has production facilities in Izmir, Turkey and Vladimir, Russia. The company's revenues are mainly driven by its exports (74% of revenues in H1 2011) to Europe, CIS, Middle East and Africa.

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Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Martin Kohlhase
Vice President - Senior Analyst
Corporate Finance Group
Moody's Investors Services Limited, Dubai Branch
Gate Precinct 3, Level 3
P.O. Box 506845
DIFC - Dubai
UAE
Telephone: 00971 4237 9536

David G. Staples
MD - Corporate Finance
Corporate Finance Group
Telephone: 00971 4237 9536

Releasing Office:
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

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