

**VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF 31 MARCH 2005 AND 31 DECEMBER 2004**

(All amounts in thousand New Turkish Lira unless stated otherwise)

<b>ASSETS</b>	<b>Note</b>	<i>Audited</i> <b>31.03.2005</b>	<i>Audited</i> <b>31.12.2004</b>
<b>Current Assets</b>		<b>2.609.398</b>	<b>2.681.244</b>
Cash and Cash Equivalents	4	619.576	688.994
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	952.970	981.818
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	62.897	40.660
Other Receivables (net)	10	14.001	26.087
Biological Products (net)	11	--	--
Inventory (net)	12	876.354	868.801
Construction Contracts Work in Progress	13	--	--
Deferred Tax Asset	14	33.062	25.420
Other Current Assets	15	50.538	49.464
<b>Non - Current Assets</b>		<b>1.001.934</b>	<b>986.678</b>
Trade Receivables (net)	7	9.705	9.973
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)		--	--
Investments (net)	16	6.994	4.653
Positive/Negative Goodwill (net)	17	78.156	78.156
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	867.753	829.531
Intangible Assets, Net	20	24.715	28.023
Deferred Tax Asset	14	12.612	34.357
Other Non-Current Assets	15	1.999	1.985
<b>TOTAL ASSETS</b>		<b>3.611.332</b>	<b>3.667.922</b>

The accompanying notes are an integral part of these financial statements.

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**CONSOLIDATED BALANCE SHEETS**  
**AS OF 31 MARCH 2005 AND 31 DECEMBER 2004**

(All amounts in thousand New Turkish Lira unless stated otherwise)

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Note</b>	<i>Audited</i> <b>31.03.2005</b>	<i>Audited</i> <b>31.12.2004</b>
<b>Current Liabilities</b>		<b>1.846.140</b>	<b>1.861.144</b>
Borrowings (net)	6	132.786	136.611
Current Instalments Of Long Term Loans (net)	6	37.651	8.731
Financial Lease Liabilities (net)	8	4.742	4.761
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	1.482.478	1.553.875
Due to Relates Parties (net)	9	6.685	685
Advances Received	21	46.133	19.782
Deferred billings (net)	13	--	--
Expense Accruals	23	71.802	68.939
Deferred Tax Liability	14	45.785	45.957
Other Liabilities (net)	10	18.078	21.803
<b>Non -Current Liabilities</b>		<b>648.491</b>	<b>716.236</b>
Borrowings (net)	6	482.022	479.765
Financial Lease Liabilities (net)	8	6.156	7.038
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	9.798	--
Due to Relates Parties (net)	9	--	--
Advances Received	21	--	--
Expense Accruals	23	87.354	117.030
Deferred Tax Liability	14	63.119	112.320
Other Liabilities (net)		42	83
<b>MINORITY INTERESTS</b>	24	<b>131.906</b>	<b>121.638</b>
<b>SHAREHOLDER'S EQUITY</b>		<b>984.795</b>	<b>968.904</b>
<b>Share capital</b>	25	<b>159.100</b>	<b>159.100</b>
<b>Investment and Capital net-off</b>		<b>--</b>	<b>--</b>
<b>Capital Reserves</b>	26	<b>807.882</b>	<b>808.170</b>
Premium in access of par		--	--
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		2.060	2.348
Equity Inflation Adjustment Differences		805.822	805.822
<b>Profit Reserves</b>	27	<b>196.508</b>	<b>192.156</b>
Legal Reserves		16.235	12.946
Special Reserves		--	--
Extraordinary Reserves		182.108	180.974
Special Funds		--	--
Profit From Sale of Investment and From Sale of Property to be added on to Share Capital		--	--
Foreign Currency Translation Differences		(1.835)	(1.764)
<b>Net Profit for the period</b>		<b>16.250</b>	<b>95.703</b>
<b>Retained Loss</b>	28	<b>(194.945)</b>	<b>(286.225)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>3.611.332</b>	<b>3.667.922</b>

The accompanying notes are an integral part of these financial statements.

**VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2005**

(All amounts in thousand New Turkish Lira unless stated otherwise)

	<i>Audited</i>	<i>31.03.2005</i>
	<b>Note</b>	
<b>BASIC OPERATING INCOME</b>		<b>131.184</b>
Sales (net)	36	951.959
Cost of Sales (-)		(820.775)
<b>GROSS PROFIT</b>		<b>131.184</b>
Operating expenses (-)	37	(105.138)
<b>BASIC OPERATING PROFIT (NET)</b>		<b>26.046</b>
Other Income	38	95.502
Other Expenses (-)	38	(57.294)
Financing Expenses (-)	39	(47.350)
<b>OPERATING PROFIT</b>		<b>16.904</b>
Net Monetary Gain	40	--
Minority Interest	24	(7.288)
<b>PROFIT BEFORE TAX</b>		<b>9.616</b>
Taxes	41	6.634
<b>NET INCOME FOR THE PERIOD</b>		<b>16.250</b>
<b>EARNINGS PER SHARE (YTL)</b>	42	<b>0,0001</b>

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**VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2005**  
(All amounts in thousand New Turkish Lira unless stated otherwise)

*Audited*

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>31.03.2005</b>
Net income before tax		9.616
<b>Adjustment to reconcile net income to net cash provided from operating activities:</b>		
Depreciation and amortization		26.448
Provision for retirement pay	23	4.061
Provision for diminution in value of inventories		(3.360)
Provision for doubtful accounts		(759)
Minority interests		10.268
Loss on sale of property, plant, equipment		(3.039)
Increase and decrease in other provisions		(40.419)
Interest income	38	(20.617)
Interest expense	39	13.145
<b>Operating profit before changes in working capital</b>		<b>(4.656)</b>
Changes in trade receivables		26.586
Changes in related parties		(16.237)
Changes in inventory		(4.193)
Changes in other current assets		10.993
Changes in trade payables		(60.923)
Changes in other current liabilities		8.276
Retirement pay	23	(2.359)
<b>Net cash provided by operating activities</b>		<b>(42.513)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant, equipment	19	(59.809)
Purchases of intangible fixed assets	20	1.486
Increase in investments		(2.629)
Decrease in available for sale assets	15	5
<b>Net cash used in investing activities</b>		<b>(60.947)</b>
<b>Cash flows from financing activities</b>		
Changes in borrowings, net		28.297
Changes in financial lease, net		(901)
Interest paid		(14.090)
Interest received		20.617
<b>Net cash used in financing activities</b>		<b>33.923</b>
Translation Differences		119
<b>Changes in cash and cash equivalents</b>		<b>(69.418)</b>
Cash and cash equivalents at beginning of period		688.994
Cash and cash equivalents at end of period		619.576

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