

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED BALANCE SHEETS
AS OF 30 JUNE 2005 AND 31 DECEMBER 2004

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

ASSETS	Note	<i>Audited</i> 30.06.2005	<i>Audited</i> 31.12.2004
Current Assets		2.796.387	2.681.244
Cash and Cash Equivalents	4	667.204	688.994
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	1.069.855	981.818
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	4.755	40.660
Other Receivables (net)	10	16.050	26.087
Biological Products (net)	11	--	--
Inventory (net)	12	937.523	868.801
Construction Contracts Work in Progress	13	--	--
Deferred Tax Asset	14	37.640	25.420
Other Current Assets	15	63.360	49.464
Non - Current Assets		1.062.229	986.678
Trade Receivables (net)	7	7.850	9.973
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)		--	--
Investments (net)	16	5.350	4.653
Positive/Negative Goodwill (net)	17	78.156	78.156
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	901.030	829.531
Intangible Assets, Net	20	21.872	28.023
Deferred Tax Asset	14	12.012	34.357
Other Non-Current Assets	15	35.959	1.985
TOTAL ASSETS		3.858.616	3.667.922

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

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AS OF 30 JUNE 2005 AND 31 DECEMBER 2004

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	<i>Audited</i> 30.06.2005	<i>Audited</i> 31.12.2004
Current Liabilities		1.958.506	1.861.144
Borrowings (net)	6	127.520	136.611
Current Instalments Of Long Term Loans (net)	6	30.273	8.731
Financial Lease Liabilities (net)	8	4.551	4.761
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	1.664.426	1.553.875
Due to Relates Parties (net)	9	6.320	685
Advances Received	21	8.986	19.782
Deferred billings (net)	13	--	--
Expense Accruals	23	51.609	68.939
Deferred Tax Liability	14	45.678	45.957
Other Liabilities (net)	10	19.143	21.803
Non -Current Liabilities		734.394	716.236
Borrowings (net)	6	543.456	479.765
Financial Lease Liabilities (net)	8	4.528	7.038
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	8.921	--
Due to Relates Parties (net)	9	323	--
Advances Received	21	5.007	--
Expense Accruals	23	104.865	117.030
Deferred Tax Liability	14	67.228	112.320
Other Liabilities (net)		66	83
MINORITY INTERESTS		147.529	121.638
SHAREHOLDER'S EQUITY		1.018.187	968.904
Share capital	25	159.100	159.100
Investment and Capital net-off		--	--
Capital Reserves	26	807.596	808.170
Premium in access of par		--	--
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		1.774	2.348
Equity Inflation Adjustment Differences		805.822	805.822
Profit Reserves	27	203.525	192.156
Legal Reserves		16.620	12.946
Special Reserves		--	--
Extraordinary Reserves		188.900	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		(1.995)	(1.764)
Net Profit for the period		50.088	95.703
Retained Loss	28	(202.122)	(286.225)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3.858.616	3.667.922

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2005

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

	Note	<i>Audited</i> 01.01- 30.06.2005	<i>Audited</i> 01.04- 30.06.2005
BASIC OPERATING INCOME		267.022	135.838
Sales (net)	36	1.879.608	927.649
Cost of Sales (-)		(1.612.586)	(791.811)
GROSS PROFIT		267.022	135.838
Operating expenses (-)	37	(224.388)	(119.250)
BASIC OPERATING PROFIT (NET)		42.634	16.588
Other Income	38	225.841	130.339
Other Expenses (-)	38	(92.312)	(35.018)
Financing Expenses (-)	39	(94.047)	(46.697)
OPERATING PROFIT		82.116	65.212
Net Monetary Gain	40	--	--
Minority Interest	24	(22.911)	(15.623)
PROFIT BEFORE TAX		59.205	49.589
Taxes	41	(9.117)	(15.751)
NET INCOME FOR THE PERIOD		50.088	33.838
EARNINGS PER SHARE (YTL)	42	0,0003	0,0002

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VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2005
(All amounts in thousand New Turkish Lira unless stated otherwise)

Audited

01.01-

30.06.2005

CASH FLOWS FROM OPERATING ACTIVITIES	Note	01.01- 30.06.2005
Net income before tax		59.205
Adjustment to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization		53.869
Provision for retirement pay	23	1.893
Provision for diminution in value of inventories		(3.213)
Provision for doubtful accounts		(1.119)
Minority interests		25.891
Loss on sale of property, plant, equipment		(4.207)
Increase and decrease in other provisions		(23.404)
Interest income	38	(37.587)
Interest expense	39	7.960
Operating profit before changes in working capital		79.288
Changes in trade receivables		(85.309)
Changes in related parties		41.863
Changes in inventory		(65.509)
Changes in other current assets		(37.833)
Changes in trade payables		120.793
Changes in other current liabilities		(59.424)
Retirement pay	23	(2.427)
Net cash provided by operating activities		(8.558)
Cash flows from investing activities		
Purchases of property, plant, equipment	19	(117.525)
Purchases of intangible fixed assets	20	2.515
Increase in investments	16	(3.030)
Decrease in available for sale assets	16	1.759
Net cash used in investing activities		(116.281)
Cash flows from financing activities		
Changes in borrowings, net		97.032
Changes in financial lease, net		(2.720)
Interest paid		(28.850)
Interest received		37.587
Net cash used in financing activities		103.049
Changes in cash and cash equivalents		(21.790)
Cash and cash equivalents at beginning of period		688.994
Cash and cash equivalents at end of period		667.204

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