

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED BALANCE SHEETS
AS OF 30 JUNE 2006 AND 31 DECEMBER 2005

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

ASSETS	Note	<i>Audited</i> 30.06.2006	<i>Audited</i> 31.12.2005
Current Assets		3.249.503	3.223.547
Cash and Cash Equivalents	4	397.769	621.778
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	1.317.871	1.367.201
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	3.009	1.815
Other Receivables (net)	10	62.295	32.561
Biological Products (net)	11	--	--
Inventory (net)	12	1.263.604	1.030.443
Construction Contracts Work in Progress	13	24.768	17.273
Deferred Tax Asset	14	19.206	47.780
Other Current Assets	15	160.981	104.696
Non - Current Assets		1.280.368	1.110.828
Trade Receivables (net)	7	16.254	13.085
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)		--	--
Investments (net)	16	2.039	3.067
Positive/Negative Goodwill (net)	17	212.135	79.812
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	984.592	951.448
Intangible Assets, Net	20	18.429	17.158
Deferred Tax Asset	14	9.074	13.091
Other Non-Current Assets	15	37.845	33.167
TOTAL ASSETS		4.529.871	4.334.375

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

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CONSOLIDATED BALANCE SHEETS
AS OF 30 JUNE 2006 AND 31 DECEMBER 2005

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	<i>Audited</i> 30.06.2006	<i>Audited</i> 31.12.2005
Current Liabilities		2.827.898	2.510.061
Borrowings (net)	6	214.340	138.060
Current Instalments Of Long Term Loans (net)	6	214.184	29.981
Financial Lease Liabilities (net)	8	2.925	3.893
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	2.239.413	2.063.321
Due to Relates Parties (net)	9	13.393	7.934
Advances Received	21	25.272	18.373
Deferred billings (net)	13	29.190	20.263
Expense Accruals	23	55.394	146.425
Deferred Tax Liability	14	6.008	49.582
Other Liabilities (net)	10	27.779	32.229
Non -Current Liabilities		558.825	613.510
Borrowings (net)	6	491.858	522.643
Financial Lease Liabilities (net)	8	2.317	2.954
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	--	--
Due to Relates Parties (net)	9	--	--
Advances Received	21	--	--
Expense Accruals	23	19.995	18.456
Deferred Tax Liability	14	44.270	68.981
Other Liabilities (net)		385	476
MINORITY INTERESTS	24	116.431	155.475
SHAREHOLDER'S EQUITY		1.026.717	1.055.329
Share capital	25	159.100	159.100
Investment and Capital net-off		--	--
Capital Reserves	26	888.840	810.659
Premium in access of par		79.191	--
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		1.616	2.626
Equity Inflation Adjustment Differences		808.033	808.033
Profit Reserves	27	287.316	227.043
Legal Reserves		20.665	17.982
Special Reserves		--	--
Extraordinary Reserves		261.382	211.056
Special Funds		22	22
Profit From Sale of Investment and From Sale of Property to be added on to Share Capital		--	--
Foreign Currency Translation Differences		5.247	(2.017)
Net Profit for the period		(84.074)	86.400
Retained Loss	28	(224.465)	(227.873)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4.529.871	4.334.375

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 2006

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

	Note	<i>Audited</i> 01.01- 30.06.2006	<i>Audited</i> 01.01- 30.06.2005
BASIC OPERATING INCOME			
Sales (net)	36	2.533.171	1.879.608
Cost of Sales (-)		(1.988.014)	(1.612.586)
GROSS PROFIT		545.157	267.022
Operating expenses (-)	37	(276.888)	(224.388)
BASIC OPERATING PROFIT (NET)		268.269	42.634
Other Income	38	260.183	225.841
Other Expenses (-)	38	(123.017)	(92.312)
Financing Expenses (-)	39	(516.369)	(94.047)
OPERATING PROFIT		(110.934)	82.116
Net Monetary Gain	40	--	--
Minority Interest	24	(3.284)	(22.911)
PROFIT BEFORE TAX		(114.218)	59.205
Taxes	41	30.144	(9.117)
NET INCOME FOR THE PERIOD		(84.074)	50.088
EARNINGS PER SHARE (YTL)	42	(0,05)	0,03

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VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006
(All amounts in thousand New Turkish Lira unless stated otherwise)

Audited

01.01-

30.06.2006

CASH FLOWS FROM OPERATING ACTIVITIES	Note	30.06.2006
Net income before tax		(114.218)
Adjustment to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization		65.045
Provision for retirement pay	23	2.601
Provision for diminution in value of inventories		1.731
Provision for doubtful accounts		1.958
Minority interests		8.806
Loss on sale of property, plant, equipment		(53)
Increase and decrease in other provisions		(78.270)
Interest income		(19.113)
Interest expense		33.164
Operating profit before changes in working capital		(98.349)
Changes in trade receivables		48.675
Changes in related parties		(551)
Changes in inventory		(234.823)
Changes in other current assets		(97.034)
Changes in trade payables		173.602
Changes in other current liabilities		41
Retirement pay	23	1.849
Net cash provided by operating activities		(206.590)
Cash flows from investing activities		
Purchases of subsidiary & participation	43	(1.619)
Purchases of property, plant, equipment	19	(93.318)
Purchases of intangible fixed assets	20	(136.071)
Increase in investments	16	--
Decrease in available for sale assets	16	18
Net cash used in investing activities		(230.990)
Cash flows from financing activities		
Changes in borrowings, net		219.463
Changes in financial lease, net		(1.605)
Interest paid	39	(23.400)
Interest received	38	19.113
Net cash used in financing activities		213.571
Changes in cash and cash equivalents		(224.009)
Cash and cash equivalents at beginning of period		621.778
Cash and cash equivalents at end of period		397.769

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