

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

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

ASSETS	Note	<i>Audited</i> 31.12.2005	<i>Audited</i> 31.12.2004
Current Assets		3.223.547	2.681.244
Cash and Cash Equivalents	4	621.778	688.994
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	1.367.201	981.818
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	1.815	40.660
Other Receivables (net)	10	32.561	26.087
Biological Products (net)	11	--	--
Inventory (net)	12	1.030.443	868.801
Construction Contracts Work in Progress	13	17.273	--
Deferred Tax Asset	14	47.780	25.420
Other Current Assets	15	104.696	49.464
Non - Current Assets		1.110.828	986.678
Trade Receivables (net)	7	13.085	9.973
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)		--	--
Investments (net)	16	3.067	4.653
Positive/Negative Goodwill (net)	17	79.812	78.156
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	951.448	829.531
Intangible Assets, Net	20	17.158	28.023
Deferred Tax Asset	14	13.091	34.357
Other Non-Current Assets	15	33.167	1.985
TOTAL ASSETS		4.334.375	3.667.922

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

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

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	<i>Audited</i> 31.12.2005	<i>Audited</i> 31.12.2004
Current Liabilities		2.510.061	1.861.144
Borrowings (net)	6	138.060	136.611
Current Instalments Of Long Term Loans (net)	6	29.981	8.731
Financial Lease Liabilities (net)	8	3.893	4.761
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	2.063.321	1.553.875
Due to Relates Parties (net)	9	7.934	685
Advances Received	21	18.373	19.782
Deferred billings (net)	13	20.263	--
Expense Accruals	23	146.425	68.939
Deferred Tax Liability	14	49.582	45.957
Other Liabilities (net)	10	32.229	21.803
Non -Current Liabilities		613.510	716.236
Borrowings (net)	6	522.643	479.765
Financial Lease Liabilities (net)	8	2.954	7.038
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	--	--
Due to Relates Parties (net)	9	--	--
Advances Received	21	--	--
Expense Accruals	23	18.456	117.030
Deferred Tax Liability	14	68.981	112.320
Other Liabilities (net)		476	83
MINORITY INTERESTS	24	155.475	121.638
SHAREHOLDER'S EQUITY		1.055.329	968.904
Share capital	25	159.100	159.100
Investment and Capital net-off		--	--
Capital Reserves	26	810.659	808.170
Premium in access of par		--	--
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		2.626	2.348
Equity Inflation Adjustment Differences		808.033	805.822
Profit Reserves	27	227.043	192.156
Legal Reserves		17.982	12.946
Special Reserves		--	--
Extraordinary Reserves		211.056	180.974
Special Funds		22	--
Profit From Sale of Investment and From Sale of Property to be added on to Share Capital		--	--
Foreign Currency Translation Differences		(2.017)	(1.764)
Net Profit for the period		86.400	95.703
Retained Loss	28	(227.873)	(286.225)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4.334.375	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 TWELVE MONTH PERIOD ENDED 31 DECEMBER 2005

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

Audited

01.01-30.12.2005

	Note	
BASIC OPERATING INCOME		
Sales (net)	36	4.407.738
Cost of Sales (-)		(3.747.152)
GROSS PROFIT		660.586
Operating expenses (-)	37	(505.916)
BASIC OPERATING PROFIT (NET)		154.670
Other Income	38	317.325
Other Expenses (-)	38	(137.562)
Financing Expenses (-)	39	(200.867)
OPERATING PROFIT		133.566
Net Monetary Gain	40	--
Minority Interest	24	(30.360)
PROFIT BEFORE TAX		103.206
Taxes	41	(16.806)
NET INCOME FOR THE PERIOD		86.400
EARNINGS PER SHARE (YTL)	42	0,0005

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

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

Audited

01.01-

31.12.2005

CASH FLOWS FROM OPERATING ACTIVITIES	Note	01.01- 31.12.2005
Net income before tax		103.206
Adjustment to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization		113.387
Provision for retirement pay	23	7.176
Provision for diminution in value of inventories		1.446
Provision for doubtful accounts		433
Minority interests		33.837
Loss on sale of property, plant, equipment		(7.426)
Increase and decrease in other provisions		(7.440)
Interest income		(74.501)
Interest expense		7.873
Operating profit before changes in working capital		177.991
Changes in trade receivables		(394.284)
Changes in related parties		46.094
Changes in inventory		(163.088)
Changes in other current assets		(110.161)
Changes in trade payables		509.526
Changes in other current liabilities		(47.603)
Retirement pay	23	3.861
Net cash provided by operating activities		22.336
Cash flows from investing activities		
Purchases of property, plant, equipment	19	(221.657)
Purchases of intangible fixed assets	20	2.988
Increase in investments	16	(10)
Decrease in available for sale assets	16	1.874
Net cash used in investing activities		(216.805)
Cash flows from financing activities		
Changes in borrowings, net		117.004
Changes in financial lease, net		(4.952)
Interest paid	39	(59.300)
Interest received	38	74.501
Net cash used in financing activities		127.253
Changes in cash and cash equivalents		(67.216)
Cash and cash equivalents at beginning of period		688.994
Cash and cash equivalents at end of period		621.778

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