

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

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

<b>ASSETS</b>	<b>Note</b>	<i>Audited</i> <b>31.12.2006</b>	<i>Audited</i> <b>31.12.2005</b>
<b>Current Assets</b>		<b>3.433.972</b>	<b>3.223.547</b>
Cash and Cash Equivalents	4	588.448	621.778
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	1.348.640	1.367.201
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	2.526	1.815
Other Receivables (net)	10	38.164	32.561
Biological Products (net)	11	--	--
Inventory (net)	12	1.242.032	1.030.443
Construction Contracts Work in Progress	13	23.618	17.273
Deferred Tax Asset	14	25.023	47.780
Other Current Assets	15	165.521	104.696
<b>Non - Current Assets</b>		<b>1.274.137</b>	<b>1.110.828</b>
Trade Receivables (net)	7	14.803	13.085
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)		--	--
Investments (net)	16	1.494	3.067
Positive/Negative Goodwill (net)	17	213.315	79.812
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	993.010	951.448
Intangible Assets, Net	20	15.657	17.158
Deferred Tax Asset	14	8.433	13.091
Other Non-Current Assets	15	27.425	33.167
<b>TOTAL ASSETS</b>		<b>4.708.109</b>	<b>4.334.375</b>

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 2006 AND 31 DECEMBER 2005**

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

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Note</b>	<i>Audited</i> <b>31.12.2006</b>	<i>Audited</i> <b>31.12.2005</b>
<b>Current Liabilities</b>		<b>2.980.877</b>	<b>2.510.061</b>
Borrowings (net)	6	318.529	138.060
Current Instalments Of Long Term Loans (net)	6	202.843	29.981
Financial Lease Liabilities (net)	8	2.277	3.893
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	2.302.364	2.063.321
Due to Relates Parties (net)	9	7.629	7.934
Advances Received	21	17.489	18.373
Deferred billings (net)	13	31.007	20.263
Expense Accruals	23	56.251	146.425
Deferred Tax Liability	14	3.752	49.582
Other Liabilities (net)	10	38.736	32.229
<b>Non -Current Liabilities</b>		<b>464.296</b>	<b>613.510</b>
Borrowings (net)	6	393.616	522.643
Financial Lease Liabilities (net)	8	1.043	2.954
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	--	--
Due to Relates Parties (net)	9	--	--
Advances Received	21	--	--
Expense Accruals	23	21.447	18.456
Deferred Tax Liability	14	47.924	68.981
Other Liabilities (net)		266	476
<b>MINORITY INTERESTS</b>	24	<b>128.343</b>	<b>155.475</b>
<b>SHAREHOLDER'S EQUITY</b>		<b>1.134.593</b>	<b>1.055.329</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>888.449</b>	<b>810.659</b>
Premium in access of par		79.191	--
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		1.225	2.626
Equity Inflation Adjustment Differences		808.033	808.033
<b>Profit Reserves</b>	27	<b>314.005</b>	<b>227.043</b>
Legal Reserves		20.938	17.982
Special Reserves		--	--
Extraordinary Reserves		266.056	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		26.989	(2.017)
<b>Net Profit for the period</b>		<b>2.960</b>	<b>86.400</b>
<b>Retained Loss</b>	28	<b>(229.921)</b>	<b>(227.873)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>4.708.109</b>	<b>4.334.375</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 TWELVE MONTH PERIOD ENDED 31 DECEMBER 2006**

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

	<i>Note</i>	<i>Audited</i> <b>01.01- 31.12.2006</b>	<i>Audited</i> <b>01.01- 31.12.2005</b>
<b>BASIC OPERATING INCOME</b>			
Sales (net)	36	5.231.124	4.407.738
Cost of Sales (-)		(4.366.458)	(3.747.152)
<b>GROSS PROFIT</b>		<b>864.666</b>	<b>660.586</b>
Operating expenses (-)	37	(654.432)	(505.916)
<b>BASIC OPERATING PROFIT (NET)</b>		<b>210.234</b>	<b>154.670</b>
Other Income	38	387.145	317.325
Other Expenses (-)	38	(157.362)	(137.562)
Financing Expenses (-)	39	(446.057)	(200.867)
<b>OPERATING PROFIT</b>		<b>(6.040)</b>	<b>133.566</b>
Net Monetary Gain	40	--	--
Minority Interest	24	(12.647)	(30.360)
<b>PROFIT BEFORE TAX</b>		<b>(18.687)</b>	<b>103.206</b>
Taxes	41	21.647	(16.806)
<b>NET INCOME FOR THE PERIOD</b>		<b>2.960</b>	<b>86.400</b>
<b>EARNINGS PER SHARE (YTL)</b>	42	<b>0,02</b>	<b>0,54</b>

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 2006**  
(All amounts in thousand New Turkish Lira unless stated otherwise)

*Audited*

**01.01-**

**31.12.2006**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	
Net income before tax		(18.687)
<b>Adjustment to reconcile net income to net cash provided from operating activities:</b>		
Depreciation and amortization		137.364
Provision for retirement pay	23	5.387
Provision for diminution in value of inventories		2.524
Provision for doubtful accounts		4.757
Minority interests		(81.278)
Loss on sale of property, plant, equipment		20.209
Increase and decrease in other provisions		2.155
Interest income		(39.608)
Interest expense		10.895
<b>Operating profit before changes in working capital</b>		<b>43.718</b>
Changes in trade receivables		23.644
Changes in related parties		(5.832)
Changes in inventory		(214.044)
Changes in other current assets		(65.873)
Changes in trade payables		228.985
Changes in other current liabilities		16.058
Retirement pay	23	3.184
<b>Net cash provided by operating activities</b>		<b>29.840</b>
<b>Cash flows from investing activities</b>		
Purchases of subsidiary & participation	43	(1.619)
Purchases of property, plant, equipment	19	(174.133)
Purchases of intangible fixed assets	20	(136.609)
Increase in investments	16	(24)
Decrease in available for sale assets	16	196
<b>Net cash used in investing activities</b>		<b>(312.189)</b>
<b>Cash flows from financing activities</b>		
Changes in borrowings, net		307.222
Changes in financial lease, net		(3.527)
Interest paid	39	(94.284)
Interest received	38	39.608
<b>Net cash used in financing activities</b>		<b>249.019</b>
<b>Changes in cash and cash equivalents</b>		<b>(33.330)</b>
Cash and cash equivalents at beginning of period		621.778
Cash and cash equivalents at end of period		588.448

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