

**VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF 31 MARCH 2007 AND 31 DECEMBER 2006**

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

<b>ASSETS</b>	<b>Note</b>	<i>Audited</i> <b>31.03.2007</b>	<i>Audited</i> <b>31.12.2006</b>
<b>Current Assets</b>		<b>2,990,743</b>	<b>3,433,972</b>
Cash and Cash Equivalents	4	473,379	588,448
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	1,040,223	1,348,640
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	4,011	2,526
Other Receivables (net)	10	63,609	38,164
Biological Products (net)	11	--	--
Inventory (net)	12	1,195,601	1,242,032
Construction Contracts Work in Progress	13	25,941	23,618
Deferred Tax Asset	14	26,233	25,023
Other Current Assets	15	161,746	165,521
<b>Non - Current Assets</b>		<b>1,264,670</b>	<b>1,274,137</b>
Trade Receivables (net)	7	14,711	14,803
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)	10	--	--
Investments (net)	16	1,308	1,494
Positive/Negative Goodwill (net)	17	210,233	213,315
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	993,395	993,010
Intangible Assets, Net	20	13,920	15,657
Deferred Tax Asset	14	5,657	8,433
Other Non-Current Assets	15	25,446	27,425
<b>TOTAL ASSETS</b>		<b>4,255,413</b>	<b>4,708,109</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 MARCH 2007 AND 31 DECEMBER 2006**

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

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Note</b>	<i>Audited</i> <b>31.03.2007</b>	<i>Audited</i> <b>31.12.2006</b>
<b>Current Liabilities</b>		<b>2,547,465</b>	<b>2,980,877</b>
Borrowings (net)	6	183,370	318,529
Current Installments of Long Term Loans (net)	6	257,847	202,843
Financial Lease Liabilities (net)	8	2,275	2,277
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	1,921,470	2,302,364
Due to Related Parties (net)	9	13,781	7,629
Advances Received	21	23,287	17,489
Deferred billings (net)	13	33,456	31,007
Expense Accruals	23	66,616	56,251
Deferred Tax Liability	14	3,865	3,752
Other Liabilities (net)	10	41,498	38,736
<b>Non -Current Liabilities</b>		<b>477,881</b>	<b>464,296</b>
Borrowings (net)	6	415,571	393,616
Financial Lease Liabilities (net)	8	711	1,043
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	--	--
Due to Related Parties (net)	9	--	--
Advances Received	21	--	--
Expense Accruals	23	18,417	21,447
Deferred Tax Liability	14	43,047	47,924
Other Liabilities (net)	10	135	266
<b>MINORITY INTERESTS</b>	24	<b>133,948</b>	<b>128,343</b>
<b>SHAREHOLDER'S EQUITY</b>		<b>1,096,119</b>	<b>1,134,593</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>904,563</b>	<b>888,449</b>
Premium in excess of par		79,191	79,191
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		17,339	1,225
Equity Inflation Adjustment Differences		808,033	808,033
<b>Profit Reserves</b>	27	<b>314,002</b>	<b>314,005</b>
Legal Reserves		20,944	20,938
Special Reserves		--	--
Extraordinary Reserves		266,080	266,056
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		26,956	26,989
<b>Net Profit for the period</b>		<b>-37,705</b>	<b>2,960</b>
<b>Retained Loss</b>	28	<b>-243,841</b>	<b>-229,921</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>4,255,413</b>	<b>4,708,109</b>

**VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2007**

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

	Note	<i>Audited</i> <b>01.01- 31.03.2007</b>	<i>Audited</i> <b>01.01- 31.03.2006</b>
<b>BASIC OPERATING INCOME</b>			
Sales (net)	36	1,142,163	1,117,839
Cost of Sales (-)		-1,030,902	-961,661
<b>GROSS PROFIT</b>		<b>111,261</b>	<b>156,178</b>
Operating Expenses	37	-140,108	-126,559
<b>BASIC OPERATING PROFIT (NET)</b>		<b>-28,847</b>	<b>29,619</b>
Other Income	38	165,513	85,122
Other Expenses (-)	38	-107,641	-44,582
Financing Expenses (-)	39	-49,144	-59,619
<b>OPERATING PROFIT</b>		<b>-20,119</b>	<b>10,540</b>
Net Monetary Gain	40	--	--
Minority Interest	24	-5,117	-4,484
<b>PROFIT BEFORE TAX</b>		<b>-25,236</b>	<b>6,056</b>
Taxes	41	-12,469	15,262
<b>NET INCOME FOR THE PERIOD</b>		<b>-37,705</b>	<b>21,318</b>
<b>EARNINGS PER SHARE (YTL)</b>	42	<b>-0.24</b>	<b>0.13</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 THREE MONTH PERIOD ENDED 31 MARCH 2007**  
(All amounts in thousand New Turkish Lira unless stated otherwise)

		<i>Audited</i> <b>01.01-</b>	<i>Audited</i> <b>01.01-</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>31.03.2007</b>	<b>31.03.2006</b>
Net income before tax		-25,236	6,056
<b>Adjustment to reconcile net income to net cash provided from operating activities:</b>			
Depreciation and amortization		40,961	31,792
Provision for retirement pay	23	1,176	2,802
Provision for diminution in value of inventories		3,332	-24
Provision for doubtful accounts		435	29
Minority interests		15,442	-89,919
Loss on sale of property, plant, equipment		5,219	4,517
Increase and decrease in other provisions		-406	-21
Interest income		-8,238	-10,256
Interest expense		21,626	17,060
<b>Operating profit before changes in working capital</b>		<b>54,311</b>	<b>-37,964</b>
Changes in trade receivables		307,242	25,910
Changes in related parties		4,667	74
Changes in inventory		43,099	-153,204
Changes in other current assets		-22,014	-31,854
Changes in trade payables		-384,898	6,293
Changes in other current liabilities		-13,475	-9,590
Retirement pay	23	4,206	867
<b>Net cash provided by operating activities</b>		<b>-6,862</b>	<b>-199,468</b>
<b>Cash flows from investing activities</b>			
Purchases of subsidiary & participation		-108	--
Purchases of property, plant, equipment	19	-3,988	-26,027
Purchases of intangible fixed assets	20	3,759	-1,815
Increase in investments	16	-33	--
Decrease in available for sale assets	16	-23	-4
<b>Net cash used in investing activities</b>		<b>-36,285</b>	<b>-27,846</b>
<b>Cash flows from financing activities</b>			
Changes in borrowings, net		-59,798	74,571
Changes in financial lease , net		-334	-1,039
Interest paid	39	-20,028	-17,060
Interest received	38	8,238	10,256
<b>Net cash used in financing activities</b>		<b>-71,922</b>	<b>66,728</b>
<b>Changes in cash and cash equivalents</b>		<b>-115,069</b>	<b>-160,586</b>
Cash and cash equivalents at beginning of period		588,448	621,778
Cash and cash equivalents at end of period		473,379	461,192

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

