

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

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

ASSETS	Note	<i>Audited</i> 31.12.2007	<i>Audited</i> 31.12.2006
Current Assets		2,976,402	3,433,972
Cash and Cash Equivalents	4	512,895	588,448
Marketable Securities (net)	5	--	--
Trade Receivables (net)	7	1,119,198	1,348,640
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	18,400	2,526
Other Receivables (net)	10	75,038	38,164
Biological Products (net)	11	--	--
Inventory (net)	12	1,093,117	1,242,032
Construction Contracts Work in Progress	13	44,554	23,618
Deferred Tax Asset	14	32,729	25,023
Other Current Assets	15	80,471	165,521
Non - Current Assets		1,297,370	1,274,137
Trade Receivables (net)	7	6,441	14,803
Financial Lease Receivables (net)	8	--	--
Due from Related Parties	9	--	--
Other Receivables (net)	10	--	--
Investments (net)	16	1,713	1,494
Positive/Negative Goodwill (net)	17	210,391	213,315
Investment Property (net)	18	--	--
Property, Plant And Equipment, Net	19	994,934	993,010
Intangible Assets, Net	20	56,471	15,657
Deferred Tax Asset	14	6,233	8,433
Other Non-Current Assets	15	21,187	27,425
TOTAL ASSETS		4,273,772	4,708,109

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 2007 AND 31 DECEMBER 2006

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	<i>Audited</i> 31.12.2007	<i>Audited</i> 31.12.2006
Current Liabilities		2,491,478	2,980,877
Borrowings (net)	6	202,524	318,529
Current Installments Of Long Term Loans (net)	6	33,431	202,843
Financial Lease Liabilities (net)	8	992	2,277
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	2,059,164	2,302,364
Due to Relates Parties (net)	9	12,247	7,629
Advances Received	21	27,724	17,489
Deferred billings (net)	13	45,654	31,007
Expense Accruals	23	80,978	56,251
Deferred Tax Liability	14	3,744	3,752
Other Liabilities (net)	10	25,020	38,736
Non -Current Liabilities		494,031	464,296
Borrowings (net)	6	425,316	393,616
Financial Lease Liabilities (net)	8	101	1,043
Other Financial Liabilities (net)		--	--
Trade Payables (net)	7	15	--
Due to Relates Parties (net)	9	--	--
Advances Received	21	--	--
Expense Accruals	23	19,208	21,447
Deferred Tax Liability	14	49,295	47,924
Other Liabilities (net)	10	96	266
MINORITY INTERESTS	24	140,306	128,343
SHAREHOLDER'S EQUITY		1,147,957	1,134,593
Share capital	25	159,100	159,100
Investment and Capital net-off		--	--
Capital Reserves	26	905,041	888,449
Premium in access of par		79,191	79,191
Profit on cancelled shares		--	--
Revaluation reserve of tangible fixed assets		--	--
Revaluation reserve of equity participations		1,461	1,225
Equity Inflation Adjustment Differences		808,033	808,033
Other Capital Reserves		16,356	
Profit Reserves	27	345,228	314,005
Legal Reserves		26,451	20,938
Special Reserves		--	--
Extraordinary Reserves		297,817	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		20,938	26,989
Net Profit for the period		18,013	2,960
Retained Loss	28	-279,425	-229,921
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,273,772	4,708,109

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 2007

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

		<i>Audited</i>	<i>Audited</i>
	Note	01.01- 31.12.2007	01.01- 31.12.2006
BASIC OPERATING INCOME			
Sales (net)	36	4,627,010	5,231,124
Cost of Sales (-)		-4,093,854	-4,366,458
GROSS PROFIT		533,156	864,666
Operating Expenses	37	-625,168	-654,432
BASIC OPERATING PROFIT (NET)		-92,012	210,234
Other Income	38	901,418	387,145
Other Expenses (-)	38	-535,561	-157,362
Financing Expenses (-)	39	-207,118	-446,057
OPERATING PROFIT		66,727	-6,040
Net Monetary Gain	40	--	--
Minority Interest	24	-15,518	-12,647
PROFIT BEFORE TAX		51,209	-18,687
Taxes	41	-33,196	21,647
NET INCOME FOR THE PERIOD		18,013	2,960
EARNINGS PER SHARE (YTL)	42	0.01	--

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 2007

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

		<i>Audited</i> 01.01-	<i>Audited</i> 01.01-
CASH FLOWS FROM OPERATING ACTIVITIES	Note	31.12.2007	31.12.2006
Net income before tax		51,209	-18,687
Adjustment to reconcile net income to net cash provided from operating activities:		268,500	143,484
Depreciation and amortization		155,354	137,364
Provision for retirement pay	23	6,322	5,387
Provision for diminution in value of inventories		11,739	2,524
Provision for doubtful accounts		6,929	4,757
Minority interests		13,269	20,209
Loss on sale of property, plant, equipment		1,724	-2,155
Increase and decrease in other provisions		20,099	-81,278
Interest income		-37,284	-39,608
Interest expense		90,348	96,284
Operating profit before changes in working capital		319,709	124,797
Changes in trade receivables		232,429	23,644
Changes in related parties		-11,256	-5,832
Changes in inventory		137,176	-214,044
Changes in other current assets		33,478	-65,873
Changes in trade payables		-243,198	228,985
Changes in other current liabilities		-27,907	22,426
Retirement pay		-8,561	-3,184
Net cash provided by operating activities		431,870	110,919
Cash flows from investing activities			
Purchases of subsidiary & participation		-3,775	-1,619
Purchases of property, plant, equipment	19	-154,705	-217,174
Purchases of intangible fixed assets	20	-45,543	-143,245
Increase in investments	16	5,591	53,987
Decrease in available for sale assets	16	17	-24
		--	196
Net cash used in investing activities		-198,415	-307,879
Cash flows from financing activities			
Changes in borrowings, net		-263,264	212,938
Changes in financial lease, net		-2,227	-3,527
Interest paid	39	-80,801	-85,389
Interest received	38	37,284	39,608
Net cash used in financing activities		-309,008	163,630
Changes in cash and cash equivalents		-75,553	-33,330
Cash and cash equivalents at beginning of period		588,448	621,778
Cash and cash equivalents at end of period		512,895	588,448

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

