

**VESTEL ELEKTRONİK SANAYİ VE
TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS AT
30 SEPTEMBER 2009 TOGETHER WITH
AUDITOR'S REVIEW REPORT**

INDEPENDENT AUDITOR’S REPORT

**To the Shareholders and Board of Directors of
Vestel Elektronik Sanayi ve Ticaret A.Ş.**

Introduction

We have reviewed the accompanying statement of consolidated financial position of Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi (the “Company”) and its subsidiaries listed under note 1 as of 30 September 2009, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

EREN Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.
Member Firm of Grant Thornton International

Aykut Halit
Partner

İstanbul, 07 December 2009

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
STATEMENT OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL POSITION
AT 30.09.2009 AND 31.12.2008

(All amounts in thousands Turkish Lira ("TL") unless indicated otherwise.)

Assets	Note	30.09.2009	31.12.2008
Current assets			
Cash and cash equivalents	7	308.780	343.148
Financial assets held for trading	10	13.525	--
Trade receivables			
-Related parties	18	11.170	13.931
-Third parties		1.131.074	1.134.135
Inventories		1.059.655	786.513
Other assets			
-Related parties	18	4.757	3.058
-Third parties		162.745	192.348
Total current assets		2.691.706	2.473.133
Non-current assets			
Trade receivables		4.700	1.349
Financial assets available-for-sale	10	3.916	794
Property, plant and equipment	8	940.334	1.016.997
Intangible assets	9	351.002	349.872
Other assets		21.627	23.790
Deferred tax asset		70.174	65.818
Total non-current assets		1.391.753	1.458.620
Total assets		4.083.459	3.931.753

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
STATEMENT OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL POSITION
AT 30.09.2009 AND 31.12.2008

(All amounts in thousands Turkish Lira ("TL") unless indicated otherwise.)

Liabilities and equity	Note	30.09.2009	31.12.2008
Current liabilities			
Borrowings			
- Bank borrowings	11	480.060	305.971
- Finance lease liabilities		1.019	923
Trade payables			
-Related parties	18	1.118	5.120
-Third parties		1.703.767	1.990.067
Taxation on income		18.191	587
Provisions	12	128.577	99.753
Other liabilities			
-Related parties	18	1.614	--
-Third parties		110.986	108.626
Total current liabilities		2.445.332	2.511.047
Non-current liabilities			
Borrowings			
- Bank borrowings	11	390.915	405.362
- Finance lease liabilities		1.064	1.538
Trade payables		5.972	1.351
Employee termination benefits		18.752	17.883
Provisions	12	13.436	12.617
Other liabilities		7.761	63
Deferred tax liability		50.015	62.409
Total non-current liabilities		487.915	501.223
Equity			
Equity attributable to owners of the parent:			
Share capital	13	753.218	593.218
Translation reserve		9.492	17.695
General reserves		227.430	172.196
Equity attributable to owners of the parent		990.140	783.109
Minority interest		160.072	136.374
Total equity		1.150.212	919.483
Commitments and contingencies	14		
Total liabilities and equity		4.083.459	3.931.753

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTH PERIODS ENDED 30.09.2009 AND 2008

(All amounts in thousands Turkish Lira ("TL") unless indicated otherwise.)

	Note	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Revenue		3.292.538	3.035.439	1.371.805	914.007
Cost of sales		(2.633.560)	(2.471.820)	(1.133.460)	(766.376)
Gross profit		658.978	563.619	238.345	147.631
Warranty expenses		(34.938)	(38.219)	(12.498)	(16.299)
Research expenses		(35.450)	(17.997)	(12.843)	(6.036)
Selling expenses		(199.606)	(294.086)	(79.607)	(97.895)
General and administrative expenses		(121.613)	(121.215)	(35.494)	(34.860)
Other income		36.666	37.992	9.143	14.121
Other expense		(17.681)	(18.910)	(5.669)	(6.835)
Operating profit		286.356	111.184	101.377	(173)
Financing income	16	497.706	751.894	155.725	263.548
Financing expense	16	(692.675)	(975.665)	(172.185)	(310.299)
Profit / (loss) before taxation		91.387	(112.587)	84.917	(46.924)
Taxation charge					
Current		(31.466)	(14.229)	(15.763)	(694)
Deferred		18.244	3.722	(80)	(618)
Taxation on income		(13.222)	(10.507)	(15.843)	(1.312)
Net profit for the period		78.165	(123.094)	69.074	(48.236)
Net profit (loss) attributable to:					
Equity holders of the Company		58.501	(135.816)	57.321	(52.386)
Minority interest		19.664	12.722	11.753	4.150
		78.165	(123.094)	69.074	(48.236)
Basic and fully diluted earnings per share (TL, full)		0,00	(0,01)	0,00	(0,00)

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIODS ENDED 30.09.2009 AND 2008

(All amounts in thousands Turkish Lira ("TL") unless indicated otherwise.)

	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Profit (loss) for the period	78.165	(123.094)	69.074	(48.236)
Available-for-sale financial assets	2.322	(168)	1.615	(313)
Translation difference	(8.171)	1.551	1.277	1.252
Other comprehensive income (expense)	(5.849)	1.383	2.892	939
Total comprehensive income (expense) for the period	72.316	(121.711)	71.966	(47.297)
Net profit (loss) attributable to:				
Equity holders of the Company	52.620	(134.433)	60.194	(51.694)
Minority interest	19.696	12.722	11.772	4.397
	72.316	(121.711)	71.966	(47.297)

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIODS ENDED 30.09.2009 AND 2008

(All amounts in thousands Turkish Lira ("TL") unless indicated otherwise.)

	Share capital	Translation reserve	General reserves	Total attributable to owners of parent	Minority interest	Total equity
Balance at 01.01.2008	576.862	23.724	600.980	1.201.566	142.788	1.344.354
Change in minority interest	--	--	--	--	(477)	(477)
Dividends paid	--	--	--	--	(14.095)	(14.095)
Transactions with owners	576.862	23.724	600.980	1.201.566	128.216	1.329.782
Net income for the period	--	--	(135.816)	(135.816)	12.722	(123.094)
Other comprehensive income:						
Translation difference	--	1.551	--	1.551	--	1.551
Change in fair value of financial investments	--	--	(168)	(168)	--	(168)
Total comprehensive income for the period	--	1.551	(135.984)	(134.433)	12.722	(121.711)
Balance at 30.09.2008	576.862	25.275	464.996	1.067.133	140.938	1.208.071
Balance at 01.01.2009	593.218	17.695	172.196	783.109	136.374	919.483
Cash increase in share capital	160.000	--	--	160.000	--	160.000
Change in minority interest	--	--	(5.589)	(5.589)	5.589	--
Dividends paid	--	--	--	--	(1.587)	(1.587)
Transactions with owners	753.218	17.695	166.607	937.520	140.376	1.077.896
Net income for the period	--	--	58.501	58.501	19.664	78.165
Other comprehensive income:						
Translation difference	--	(8.203)	--	(8.203)	32	(8.171)
Change in fair value of financial investments	--	--	2.322	2.322	--	2.322
Total comprehensive income for the period	--	(8.203)	60.823	52.620	19.696	72.316
Balance at 30.09.2009	753.218	9.492	227.430	990.140	160.072	1.150.212

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
CONDENSED INTERIM
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTH PERIODS ENDED 30.09.2009 AND 2008

(All amounts in thousands Turkish Lira ("TL") unless indicated otherwise.)

	Note	01.01.- 30.09.2009	01.01.- 30.09.2008
Profit (loss) before taxation		91.387	(112.587)
Adjustment to reconcile loss before taxation to net cash provided from operating activities:	17	237.880	206.545
Operating profit before changes in working capital		329.267	93.958
Changes in operating assets and liabilities	17	(526.316)	(17.488)
Taxes paid		(13.856)	(21.985)
Net cash provided by (used in) operating activities		(210.905)	54.485
Cash flows from investing activities			
Purchase of available for sale investments		(800)	--
Purchases of property, plant and equipment	8	(54.101)	(77.014)
Purchases of intangible assets	9	(34.314)	(51.971)
Proceeds from sale of property, plant and equipment		5.771	2.081
Net cash used in investing activities		(83.444)	(126.904)
Cash flows from financing activities			
Cash increase in share capital		160.000	--
Changes in financial assets held for trading		(14.880)	(64.693)
Proceeds from borrowings		681.006	474.463
Repayment of borrowings		(550.548)	(494.627)
Interest received		35.426	25.229
Interest paid		(57.506)	(38.475)
Dividends paid		(1.587)	(14.095)
Net cash provided by (used in) financing activities		251.911	(112.198)
Translation differences		(2.172)	(2.214)
Net decrease in cash and cash equivalents		(44.610)	(186.831)
Cash and cash equivalents at beginning of year		342.951	512.130
Cash and cash equivalents at end of period		298.341	325.299

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

1. ORGANISATION AND NATURE OF ACTIVITIES

Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi (the “Company” or “Vestel Elektronik”) was founded in March 1983 under the name of Ferguson Elektronik Sanayi ve Ticaret A.Ş. under the Turkish Commercial Code and was registered in İstanbul, Turkey. The name was changed to Star Elektronik Sanayi ve Ticaret A.Ş. during the same year. In April 1984 Polly Peck Group acquired the Company and changed its name to Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi which has been its current name. In 1990 18% of the Company’s shares were issued to the public at the İstanbul Stock Exchange. The Company has been operating under the Foreign Capital regulations in Turkey since July 1985. In 1991 Polly Peck Group transferred all of its shares to one of its subsidiaries named Collar Holding BV based in the Netherlands and in the same year, following the collapse of the Polly Peck Group, the Company was placed in administration. In November 1994 Ahmet Nazif Zorlu acquired the Company from the administrator of the Polly Peck Group by buying the entire share capital of Collar Holding BV which at the time held 82% of the Company’s issued share capital.

The registered office address of the Company is located at Ambarlı, Petrol Ofisi Dolum Tesisleri Yolu, Zorlu Plaza, Avcılar / İstanbul- Turkey

The consolidated financial statements for the year ended 30 September 2009 (including comparatives) were approved by the board of directors on November 12, 2009.

For the purpose of the consolidated financial statements, the Company and its consolidated subsidiaries are referred to as the “Group”.

Nature of activities of the Group

The Group is organized into three product divisions given below;

A. Television production:

Vestel Elektronik Sanayi ve Ticaret A.Ş.

The Company is mainly engaged in the production of colour televisions. The Company’s production facilities are located in Manisa industrial site (Aegean Region, Turkey). As of the balance sheet date, production capacity for colour televisions was 11.000.000 (2008: 14.000.000) units per year respectively.

B. Refrigerator, air conditioning units, washing machines and cookers

Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. (“Vestel White”)

Vestel White started working actively in 1999 and has been engaged in the production of refrigerators, room air conditioning units, washing machines and cookers. Vestel White’s production facilities are located in Manisa industrial site (Aegean Region, Turkey). As of the balance sheet date, production capacity for refrigerators, room air conditioning units, washing machines, cooker and dishwasher unit was 3.200.000, 600.000, 2.200.000, 1.250.000 and 500.000 (2008: 3.700.000, 600.000, 2.700.000, 1.250.000 and 500.000) units per year respectively.

Vestel CIS Ltd.

During 2005, Vestel CIS commenced construction of white goods production facilities and started production by end of 2005.

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

C. Digital Devices

Vestel Komünikasyon Sanayi ve Ticaret A.Ş. (“Vestel Kom”)

Vestel Kom is engaged in the production of electronic devices. Vestel Kom’s production facilities are primarily located in İzmir Aegean free zone industrial site.

Vestel Dijital Üretim Sanayi A.Ş. (“Vestel Dijital”)

Vestel Dijital is engaged in the production of electronic devices. Vestel Dijital’s production facilities are located in Manisa industrial site. As of the balance sheet date, production capacity for digital devices, computer and panel was 4.000.000 (2008: 11.260.000) units per year.

Vestel Elektronik has always exercised effective control over the management of each of the companies included in the group consolidation.

Consolidated company	Location	30.09.2009		31.12.2008	
		Ownership interest	Economic interest	Ownership interest	Economic interest
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	Turkey	72,6	72,6	72,6	72,6
Vestel Komünikasyon Sanayi ve Ticaret A.Ş.	Turkey	99,4	99,3	99,4	99,3
Vestel Dış Ticaret A.Ş.	Turkey	99,7	99,7	99,7	99,7
Vestel Dayanıklı Tüketim Malları Pazarlama A.Ş.	Turkey	100,0	100,0	100,0	100,0
Vestel CIS Ltd.	Russia	100,0	100,0	100,0	100,0
Deksar Multimedya ve Telekomünikasyon A.Ş.	Turkey	99,9	99,9	99,9	99,9
Vestel Savunma Sanayi A.Ş.	Turkey	30,0	29,9	30,0	29,9
Aydın Yazılım Elektronik ve Sanayi A.Ş.	Turkey	60,0	18,0	60,0	18,0
Vestel Iberia SL	Spain	100,0	99,7	100,0	99,7
Vestel France SA	France	99,9	99,5	99,9	99,5
Vestel Italy SRL	Italy	100,0	99,7	100,0	99,7
Vestel Holland BV	Holland	100,0	99,7	100,0	99,7
Vestel Germany GmbH	Germany	100,0	99,7	100,0	99,7
Cabot Communications Ltd.	UK	90,8	90,9	90,8	90,9
Vestel Benelux BV	Holland	100,0	99,7	51,0	50,8
Vestel UK Ltd.	UK	100,0	99,7	100,0	99,7
Cabot İzmir Donanım Sanayi ve Ticaret A.Ş.	Turkey	58,0	52,7	58,0	52,7
Vestel Dijital Üretim Sanayi A.Ş.	Turkey	99,8	99,3	99,8	99,3
Electronics Outlet SRL	Italy	100,0	99,7	100,0	99,7
Vestek Elektronik Araştırma Geliştirme A.Ş.	Turkey	94,0	94,0	94,0	94,0
Vestel Trade Ltd.	Russia	100,0	100,0	100,0	100,0
Birim Bilgi Teknolojileri Ticaret A.Ş.	Turkey	45,0	45,0	45,0	45,0
OY Vestel Scandinavia AB	Finland	100,0	99,7	100,0	99,7
Deksarnet Telekomünikasyon A.Ş.	Turkey	99,9	99,9	99,9	99,9
Intertechnika LLC	Russia	99,9	99,9	99,9	99,9

Vestel Savunma Sanayi A.Ş., Aydın Yazılım Elektronik Sanayi ve Ticaret A.Ş. and Birim Bilgi Teknolojileri Ticaret A.Ş. with group shares of respectively 29,9%, 18% and 45% are consolidated because they are under the effective control and management of the Group.

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of preparations

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as developed and published by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared under the historical cost convention, other than financial assets which are stated at fair value.

The Company, which is quoted at the İstanbul Stock Exchange, maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code, accounting policies prescribed by the Turkish Capital Markets Board and tax legislation and since 1994 has adopted the Uniform Chart of Accounts issued by the Ministry of Finance (collectively “Turkish Practices”). Its subsidiaries which are incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the regulations of the countries in which they operate. The financial statements of overseas subsidiaries are converted into Turkish Lira (TL) by closing rate method. The consolidated financial statements have been prepared from statutory financial statements of the Company and its subsidiaries and presented in Turkish Lira (TL) with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS. Such adjustments mainly comprise deferred taxation, employee termination benefits, fixed assets and borrowing costs, receivables, interest expense accruals on bank loans.

The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with International Financial Reporting Standards.

2.2 Measurement currency and reporting currency

According to the law numbered 5083 related to the currency of Republic of Turkey and the decision of the Council of Ministers dated 04.04.2007 numbered 2007/11963 the expression of “new” has been cancelled on New Turkish Lira and New Kurush effective from 01.01.2009. After this conversion 1 New Turkish Lira is held equal to 1 Turkish Lira and 1 New Kurush is held equal to 1 Kurush (Kr). All laws, legislations, administrative and legal transactions, court decisions, commercial papers and all kind of documents referencing New Turkish Lira will be considered in Turkish Lira with the conversion rate mentioned above. Beginning from 01.01.2009, in the presentation of financial statements New Turkish Lira has been replaced by Turkish Lira. In the attached financial statements, this conversion has been made retrospectively for convenience purposes.

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

(a) New standards, amendments and interpretations effective in January 2009:

- IFRIC 9 “Reassessment of embedded derivatives”
- IFRIC 13, “Customer loyalty programmes”
- IFRIC 14, “IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction”
- IFRIC 15, “Agreements for construction of real estates”
- IFRIC 16, “Hedges of a net investment in a foreign operation”
- IAS 1 (Revised), “Presentation of financial statements”
- IAS 8 “Accounting policies, changes in accounting estimates and errors”
- IAS 10 “Events after the reporting period”
- IAS 16 “Property, plant and equipment”
- IAS 18 “Revenue”
- IAS 19 (Revised), “Employee benefits”
- IAS 20 “Accounting for government grants and disclosure of government assistance”
- IAS 23 (Amendment), “Borrowing costs”, Capitalisation of Borrowing Costs
- IAS 27 (Revised), “Consolidated and separate financial statements”
- IAS 28 (Amendment), “Investments in associates”
- IAS 29 “Financial reporting in hyperinflationary economies”
- IAS 31 (Amendment), “Interests in joint ventures”
- IAS 32 “Financial instruments: Presentation”, Puttable financial instruments and obligation arising on liquidation
- IAS 34 “Interim financial reporting”
- IAS 36 (Amendment), “Impairment of assets”
- IAS 38 (Amendment), “Intangible assets”
- IAS 39 (Amendment), “Financial instruments: Recognition and measurement”
- IAS 40 “Investment property”
- IAS 41 (Revised) “Agriculture”
- IFRS 1 (Amendment), “First time adoption of IFRS”
- IFRS 2 (Amendment), “Share-based payment”
- IFRS 5 (Amendment), “Non-current assets held-for-sale and discontinued operations”
- IFRS 7 (Amendment), “Financial instruments: Disclosure”
- IFRS 8 “Operating segments”

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

(b) Interpretations effective in July 2009 but not early adopted by the Company:

- IAS 27 (Revised), “Consolidated and separate financial statements”
- IAS 28 (Amendment), “Investments in associates”
- IAS 31 (Amendment), “Interests in joint ventures”
- IAS 39 (Amendment), “Financial instruments: Recognition and measurement”
- IFRS 3 “Business combinations”
- IFRS 1 (Amendment), “First time adoption of IFRS”
- IFRS 5 (Amendment), “Non-current assets held-for-sale and discontinued operations”
- IFRIC 17 “Distributions of non-cash assets to owners”
- IFRIC 18 “Transfers of assets from customers”

(c) Amendments in IFRSs

- IFRS 2, “Share-based payment”
- IFRS 5, “Non-current assets held-for-sale and discontinued operations”
- IFRS 8, “Operating segments”
- IAS 1 (Revised), “Presentation of financial statements”
- IAS 7, “Statement of cash flows”
- IAS 17, “Leases”
- IAS 18, “Revenue”
- IAS 36 (Amendment), “Impairment of assets”
- IAS 38 (Amendment), “Intangible assets”
- IAS 39 (Amendment), “Financial instruments: Recognition and measurement”
- IFRIC 9 “Reassessment of embedded derivatives”
- IFRIC 16, “Hedges of a net investment in a foreign operation”

Management of the Company anticipates that all of the pronouncements detailed in (a), (b) and (c) above will be adopted in the Company’s accounting policy for the first period beginning after the effective date of the pronouncement. Management of the Company has decided that these new standards and interpretations have been issued but are not expected to have a material impact on the Company’s financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial information for the period ended 30 September 2009 has been prepared in accordance with IAS 34 “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRS.

New accounting policies about financial assets held for trading which has began in 2009 is as follows:

Financial assets held for trading

Financial assets held for trading are either acquired for generating a profit from short-term fluctuations in price or dealers’ margin, or included in a portfolio in which a pattern of short-term profit making exists.

Financial assets at fair value through profit or loss are initially recognised at cost and are subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the consolidated income statement.

4. SEASONALITY

White goods segment produces washing machines, dishwashers, refrigerators, air conditioning units and cookers. Of white goods sales 55% are generated by washing machines, cookers and dishwashers which are not affected by seasonal fluctuations. However refrigerators and air conditioning units which have cooling characteristics and generate 45% of white goods sales on yearly basis are seasonally affected; during the summer months may exceed the sales in winter months by 2 to 3 times.

LCD television is the main product of the television segment and electronic appliances segment. Of the total annual sales of LCD television 35% to 40% is realised during the last quarter of the year.

5. EARNINGS PER SHARE

	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Net profit attributable to shareholders	58.501	(135.816)	57.321	(52.386)
Weighted average number of ordinary shares in issue('000.000)	27.081	17.546	27.081	17.546
Basic and fully diluted earnings per share (TL, full)	0,00	(0,01)	0,00	(0,00)

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

6. SEGMENT INFORMATION

The Group is currently organized into two major production divisions. The basis on which the Group reports its primary segment information is as follows:

Television and electronic devices: Produced by Vestel Elektronik Sanayi ve Ticaret A.Ş. (Manisa/Turkey).
Produced by Vestel Komünikasyon Sanayi ve Ticaret A.Ş. (İzmir/Turkey).
Produced by Vestel Dijital Üretim Sanayi A.Ş. (Manisa/Turkey).

White goods : Produced by Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. (Manisa/Turkey).
Produced by Vestel CIS (Vladimir Region/Russia)

The segment results for the period ended 30.09.2009 are as follows:

	Television and electronic devices	White goods	Other	Total
Revenue	2.115.851	1.100.993	75.694	3.292.538
Cost of sales	(1.679.811)	(884.218)	(69.531)	(2.633.560)
Gross profit	436.040	216.775	6.163	658.978

Other segment items included in the income statement:

Depreciation	68.656	42.807	10.397	121.860
Amortisation	17.264	7.270	8.445	32.979
	85.920	50.077	18.842	154.839

The segment results for the period ended 30.09.2008 are as follows:

Revenue	1.789.853	1.154.693	90.893	3.035.439
Cost of sales	(1.461.213)	(922.364)	(88.243)	(2.471.820)
Gross profit	328.640	232.329	2.650	563.619

Other segment items included in the income statement:

Depreciation	66.675	36.264	11.893	114.832
Amortisation	12.305	3.604	1.994	17.903
	78.980	39.868	13.887	132.735

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

The segment assets and liabilities as of the balance sheet dates and capital expenditure for the period ended are as follows:

	Television and electronic devices	White goods	Other	Total
30.09.2009				
Trade receivables	862.293	245.892	38.759	1.146.944
Inventories	713.591	339.209	6.855	1.059.655
Property, plant and equipment	475.307	456.583	8.444	940.334
Intangible assets	152.086	178.371	20.545	351.002
Unallocated assets				585.524
Total assets				4.083.459
Trade payables	1.371.322	328.686	10.849	1.710.857
Unallocated liabilities				1.222.390
Total liabilities				2.933.247
01.01.-30.09.2009				
Capital expenditure	55.462	19.724	13.229	88.415
31.12.2008				
Trade receivables	910.342	203.857	35.216	1.149.415
Inventories	435.464	345.881	5.168	786.513
Property, plant and equipment	495.053	512.189	9.755	1.016.997
Intangible assets	153.499	179.823	16.550	349.872
Unallocated assets				628.956
Total assets				3.931.753
Trade payables	1.498.926	363.554	134.058	1.996.538
Unallocated liabilities				1.015.732
Total liabilities				3.012.270
01.01.-30.09.2008				
Capital expenditure	66.485	45.936	16.564	128.985

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

Segment assets and liabilities are reconciled to entity assets and liabilities as follows:

	30.09.2009		31.12.2008	
	Assets	Liabilities	Assets	Liabilities
Cash and cash equivalents	308.780	--	343.148	--
Financial assets held for trading	13.525	--	--	--
Deferred tax	70.174	50.015	65.818	62.409
Other assets	189.129	--	219.196	--
Financial assets available-for-sale	3.916	--	794	--
Current tax	--	18.191	--	587
Current borrowings	--	481.079	--	306.894
Non-current borrowings	--	391.979	--	406.900
Employee termination benefits	--	18.752	--	17.883
Provisions	--	142.013	--	112.370
Other liabilities	--	120.361	--	108.689
	585.524	1.222.390	628.956	1.015.732

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

Geographical segments:

Segment assets			30.09.2009	31.12.2008
Turkey			2.881.877	2.601.381
Europe			969.951	981.371
Russia			231.631	349.001
			4.083.459	3.931.753
Revenue	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Turkey	814.286	975.721	263.824	345.787
Europe	2.308.571	1.935.320	1.017.043	506.697
Rest of the world	289.217	231.992	134.606	92.573
	3.412.074	3.143.033	1.415.473	945.057
Sales discounts (-)	(119.536)	(107.594)	(43.668)	(31.050)
	3.292.538	3.035.439	1.371.805	914.007
Capital expenditure on property plant and equipment and intangible assets				
Turkey	83.767	125.999	31.323	43.427
Europe	2.019	701	601	38
Russia	2.629	2.285	961	742
	88.415	128.985	32.885	44.207
Depreciation and amortisation charge				
Turkey	145.637	127.458	53.996	42.914
Europe	2.341	828	49	146
Russia	6.861	4.449	2.291	1.262
	154.839	132.735	56.336	44.322

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

7. CASH AND CASHEQUIVALENTS

	30.09.2009	31.12.2008
Cash at bank and in hand	134.482	158.403
Time deposits	171.993	181.843
Other	2.305	2.902
Cash and cash equivalents	308.780	343.148
Bank overdrafts (-)	(10.439)	(197)
Cash and cash equivalents presented in cash flow statement	298.341	342.951

Time deposit accounts mature in November 2009 (31.12.2008: January 2009).

8. PROPERTY, PLANT AND EQUIPMENT

The amount of property, plant and equipment purchased during the nine month period ended 30.09.2009 amounts to TL 54.101 (30.09.2008: TL 77.014).

The cost of property, plant and equipment sold during the nine month period ended 30.09.2009 amounts to TL 95.857 (30.09.2008: TL 17.099).

Leased assets included in the table above comprise plant and machinery amounting to TL 17.529 (31.12.2008: TL 21.394) net of accumulated depreciation. Leased assets are pledged as security for the related finance lease obligations.

9. INTANGIBLE ASSETS

The amount of intangible assets purchased during the nine month period ended 30.09.2009 amounts to TL 34.314 (30.09.2008: TL 51.971).

The cost of intangible assets sold during the nine month period ended 30.09.2009 amounts to TL 1.708 (30.09.2008: TL 11).

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

10. FINANCIAL ASSETS

	30.09.2009	31.12.2008			
Financial assets held-for-trading	13.525	--			
Financial assets available-for-sale					
Unconsolidated investments	35	35			
Other investments	3.881	759			
	3.916	794			
	Share %	Amount			
Entity	Country	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Vestpro Electronics SA	Romania	52%	52%	301	301
Vestel USA Inc.	USA	100%	100%	233	233
Vestel Elektronica S.R.L.	Romania	100%	100%	19	19
Vestel India	India	100%	100%	10	10
Uts-United Technical Services, S.R.O	Slovakia	60%	60%	6	6
				569	569
Allowance for diminution in value (-)					
Vestpro Electronics SA				(301)	(301)
Vestel USA Inc.				(233)	(233)
				35	35
Other investments					
Zorlu Enerji Elektrik Üretim A.Ş.	Turkey	Less than 1%	Less than 1%	3.808	684
Tursoft A.Ş.	Turkey	7%	7%	11	13
Zorlu Endüstriyel Enerji A.Ş.	Turkey	1%	1%	51	51
İzmir Teknoloji Geliştirme A.Ş.	Turkey	5%	5%	11	11
				3.881	759

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

11. BORROWINGS

	Current		Non-current	
	Foreign currency	TL equivalent	Foreign currency	TL equivalent
30.09.2009				
Turkish Lira bank loans	--	87.404	--	--
Foreign currency bank loans				
-USD ('000)	131.637	195.086	228.047	337.965
-EUR ('000)	91.455	197.570	24.510	52.950
		480.060		390.915
31.12.2008				
Turkish Lira bank loans	--	1.967	--	--
Foreign currency bank loans				
-USD ('000)	106.834	161.565	220.467	333.413
-EUR ('000)	66.535	142.439	33.608	71.949
		305.971		405.362

Summary maturity schedule of total borrowings is given below:

	30.09.2009	31.12.2008
Due in one year	480.060	305.971
One to two years	70.999	61.184
Two to three years	306.620	31.192
Three to four years	5.229	299.288
Four to five years	4.753	5.111
Over five years	3.314	8.587
	870.975	711.333

Letters of guarantee and notes amounting to TL 107.259 (EUR 49.650 thousand) have been given as collateral for Turkish Eximbank and other credits (31.12.2008: TL 32.893 (EUR 15.365 thousand)).

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

12. PROVISION FOR EXPENSES

	30.09.2009	31.12.2008
Current		
Warranty provision	64.409	56.018
Expense accruals	22.667	43.735
Provision for forward exchange contracts	41.501	--
	128.577	99.753
Non-current		
Warranty provision	13.436	12.617

Movement of provisions is as follows:

	Warranty provision	Expense accruals	Provision for forward exchange contracts	Total
Opening balance, 01.01.2009	68.635	43.735	--	112.370
Additions	44.148	22.667	41.501	108.316
Disposals	(34.938)	(43.735)	--	(78.673)
Closing balance, 30.09.2009	77.845	22.667	41.501	142.013

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

13. SHARE CAPITAL

The authorised share capital of the Company comprised 44.000.000.000 shares of par value Kr 1 each at 30.09.2009 and 31.12.2008.

As of 30.09.2009 the issued and paid up share capital of the Company comprised 33.545.627.500 shares (31.12.2008: 17.545.627.500) of par value Kr 1 each.

As a result of raising the share capital of the Company from TL 175.456 to TL 335.456 the newly issued shares with total nominal value of TL 160.000 have been purchased by Collar Holding B.V. at a price of TL 1. - for each share of nominal value TL 1 - through restricting the pre-emption rights of existing shareholders. The purchase was made on 20.04.2009 and was brokered through Deniz Yatırım Menkul Değerler A.Ş..

The Group’s new capital structure is as follows:

	As of 31.12.2008 before share capital increase		Cash increase	As of 30.09.2009 after share capital Increase	
	Shareholding %	Shareholding amount		Shareholding %	Shareholding amount
Collar Holding B.V.	51,62%	90.566	160.000	74,69%	250.566
Other shareholders	48,38%	84.890	--	25,31%	84.890
	100,00%	175.456	160.000	100,00%	335.456
Inflation adjustment of share capital		417.762			417.762
		593.218			753.218

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

14. COMMITMENTS AND CONTINGENCIES

	30.09.2009	31.12.2008
Contingent assets		
Guarantees received	59.812	111.601
Security bond obtained from suppliers	33.389	33.456
Mortgaged and guarantees received	696.314	698.233
Contingent liabilities		
Postponed VAT and Special Consumption Tax on export sales	153.638	67.890
Export commitments	310.781	713.996
Letters of guarantee for Turkish Eximbank credits	89.017	29.992
Letters of guarantee for customs and state authorities	37.030	42.179
Other letters of guarantee given	172.231	154.075
Guarantees given for the Group companies	1.017.342	1.048.606
Guarantees given for credits	–	2.408

a) Included among the court cases started by the group are receivables totalling TL 29.136 and tax claim of TL 1.079 which have been provided for in full. In addition a provision of TL 4.328 has been set aside in respect of court cases opened against the group.

b) A lawsuit has been initiated against the Group by a company engaged in the production of household appliances in respect of a patent certificate for a minor component used in refrigerators. The Group has initiated a counter lawsuit with a claim to cancel the patent certificate from the related registry and invalidity of the same. The lawsuit is still pending and at the stage of expert evaluation. No amount has been provided in respect of this lawsuit.

c) Total obligation of the Group related to operational lease agreements amounted to TL 7.693 (31.12.2008: TL 2.351) per year.

d) As of 30.09.2009, the Group has entered in a forward exchange contracts amounting to USD 499.373 thousand and EUR 580 thousand (31.12.2008:EUR 6.400 thousand and USD 236.726 thousand) on a fixed amount GBP 23.177 thousand and EUR 235.708 thousand (31.12.2008: GBP 12.671 thousand and EUR 156.580 thousand).

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

15. NATURE OF EXPENSES

Nature of expenses consists of cost of sales, warranty, research, selling, general and administrative expenses.

	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Direct materials and merchandises expenses	2.447.634	2.120.964	1.070.410	711.601
Changes in semi-finished goods and finished goods	(130.834)	2.845	(46.203)	(41.494)
Employee and sub-contracted personnel cost	175.831	249.907	50.213	68.828
Depreciation and amortization	149.193	131.108	55.069	42.695
Freight and freight insurance	46.096	69.557	18.375	22.639
Warranty, installation and service cost	54.422	72.466	14.835	10.546
Advertising expenses	20.883	25.967	6.760	10.947
Sales commission expenses	34.377	60.185	10.287	18.402
Office expenses	16.848	23.614	6.059	8.948
Licence and royalty expenses	19.513	16.179	5.488	961
Outsourcing expenses	21.885	35.445	13.701	29.511
Energy expenses	16.700	15.083	5.829	5.458
Rent expenses	18.598	14.601	9.784	4.782
Consulting expenses	10.206	13.515	4.287	7.696
Insurance expenses	11.988	7.253	4.482	3.033
Doubtful debts provision expense	14.160	4.425	7.189	907
Repair and maintenance expenses	5.733	5.418	1.860	1.557
Other expenses	91.934	74.805	35.477	14.449
	3.025.167	2.943.337	1.273.902	921.466

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

16. FINANCING INCOME AND FINANCING EXPENSE

	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Foreign exchange gain	434.943	703.458	142.889	254.285
Fair value gains on forward exchange contracts	721	2.260	(969)	2.260
Bank and other interest income	35.426	25.229	14.190	6.444
Unearned interest on payables	26.616	20.942	(385)	554
Other	--	5	--	5
Financing income	497.706	751.894	155.725	263.548
Foreign exchange loss	467.980	829.629	108.177	265.671
Fair value losses on forward exchange contracts	48.391	--	12.563	--
Fair value losses on financial assets held for trading	2.120	--	(1.191)	--
Bank loans interest expense	76.070	52.838	28.029	16.929
Letters of credit expenses	49.469	45.477	20.759	17.505
Factoring expenses	10.924	4.221	3.847	335
Bank commission expenses	9.422	5.247	4.565	1.607
Unearned interest on receivables	16.165	33.318	(8.338)	7.033
Other	12.134	4.935	3.774	1.219
Financing expense	692.675	975.665	172.185	310.299

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

17. SUPPLEMENTARY CASH FLOW INFORMATION

	01.01.- 30.09.2009	01.01.- 30.09.2008
Adjustment to reconcile income before tax to net cash provided from operating activities:		
Depreciation of property, plant and equipment	121.860	114.832
Amortisation of intangible assets	32.979	17.903
Profit on sale of property, plant and equipment	(4.027)	(910)
Loss on sale of property, plant and equipment	2.854	719
Provision for employee termination benefits	6.912	7.851
Provision for held for trading	1.355	--
Provision for doubtful receivables	14.160	4.425
Interest expense	76.070	52.838
Interest income	(35.426)	(25.229)
Warranty provision	9.210	3.832
Unearned interest on receivables	16.165	33.318
Unearned interest on payables	(26.616)	(20.942)
Provision for diminution in value of inventories	1.951	6.354
Provision for expense accruals	20.433	11.554
	237.880	206.545
Depreciation and amortization expense charged to:		
Cost of sales	106.293	99.899
Selling, general and administrative expenses	42.900	31.209
Other expense	5.646	1.627
	154.839	132.735
Changes in operating assets and liabilities:		
Trade receivables	(27.854)	61.331
Inventories	(275.093)	8.535
Other assets	30.067	29.884
Trade payables	(259.065)	(104.123)
Other liabilities	5.629	(13.115)
	(526.316)	(17.488)

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

18. RELATED PARTY DISCLOSURE

These comprised the following:

a) The significant balances with related parties at year end are shown below:

Related party	Trade receivables	Other assets	Trade payables	Other liabilities
30.09.2009				
Zorpet Petrogaz, Petrol, Gaz ve Petrokimya A.Ş. (*)	--	--	448	--
Teds International (**)	--	329	--	--
L-3 Communications Investments (**)	--	--	--	1.614
Vestel Elektronica S.R.L.	2.596	385	--	--
UTS-United Technical Services, Spol.S.R.O	4.789	--	--	--
Vkom-Birim-Dataset Joint Venture	1.699	1.112	--	--
Other related parties	2.134	2.931	788	--
	11.218	4.757	1.236	1.614
Unearned interest on receivables	(48)	--	(118)	--
	11.170	4.757	1.118	1.614
31.12.2008				
Zorpet Petrogaz, Petrol, Gaz ve Petrokimya A.Ş. (*)	--	--	366	--
Teds International (**)	--	327	--	--
L-3 Communications Investments (**)	666	--	1.628	--
Vestel Elektronica S.R.L.	4.800	--	--	--
UTS-United Technical Services, Spol.S.R.O	4.068	--	--	--
Vkom-Birim-Dataset Joint Venture (***)	1.314	1.926	--	--
Other related parties	3.083	805	3.126	--
	13.931	3.058	5.120	--

* Zorpet Petrogaz, Petrol, Gaz ve Petrokimya A.Ş. and “other related parties” are companies controlled by Zorlu Holding A.Ş.

** Teds International and L-3 Communications Investments are third party minority shareholders in subsidiary companies of the Group.

*** Vkom-Birim-Dataset Joint Venture was established for National Health Project by Birim Bilgi İşlem, Dataset and Vestel Kom.

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

b) Sales to and operating expenses from related parties are summarized below:

	01.01.- 30.09.2009	01.01.- 30.09.2008	01.07.- 30.09.2009	01.07.- 30.09.2008
Sales				
Zorpet Petrogaz, Petrol, Gaz ve Petrokimya A.Ş.	27	219	10	21
Vestel Elektronica S.R.L.	185	7.798	--	3.933
UTS- United Technical Services, Spol S.R.O.	5.908	4.704	1.086	79
L-3 Communications Investments	112	5.240	--	228
Other	2.600	633	990	243
	8.832	18.594	2.086	4.504
Operating expense				
Deniz Destek Oto Alım Satım Kiralama Temizlik Hizmetleri ve İnşaat A.Ş.	444	76	21	55
Other	2.129	864	1.302	63
	2.573	940	1.323	118

Deniz Destek Oto Alım Satım Kiralama Temizlik Hizmetleri ve İnşaat A.Ş. is a company controlled by the majority shareholder of Vestel Elektronik.

For the nine month period ended 30.09.2009, key personnel salaries and other short term benefits amounted to TL 8.313 (30.09.2008: TL 10.444).

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

19. FOREIGN CURRENCY POSITION

The net currency position of the Group as of the balance sheet dates are shown below:

	USD	EUR	Other currencies TL equivalent	TL equivalent
30.09.2009				
Cash and cash equivalents	55.316	55.657	18.206	220.420
Financial assets held for trading	9.126	--	--	13.525
Trade receivables	210.959	207.448	83.975	844.766
Inventories	116.707	74.861	44.359	379.041
Other receivables	2.195	8.468	410	21.956
Total foreign currency assets	394.303	346.434	146.950	1.479.708
Current bank borrowings	131.637	91.455	--	392.656
Current finance lease liabilities	421	--	--	624
Non-current bank borrowings	228.047	24.510	--	390.915
Non-current finance lease liabilities	458	--	--	678
Trade payables	780.560	169.991	3.620	1.527.642
Other liabilities	6.702	5.424	3.547	25.197
Total foreign currency liabilities	1.147.825	291.380	7.167	2.337.712
Net foreign currency position	(753.522)	55.054	139.783	(858.004)
Derivatives				
Assets	499.373	580	--	741.324
Liabilities	--	(235.708)	(54.580)	(563.780)
	499.373	(235.128)	(54.580)	177.544
Net foreign currency position including derivatives	(254.149)	(180.074)	85.203	(680.461)

VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
NOTES TO CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30.09.2009

(All amounts in thousands of Turkish Lira (“TL”) unless indicated otherwise.)

	USD	EUR	Other currencies TL equivalent	TL equivalent
31.12.2008				
Cash and cash equivalents	136.867	50.195	8.585	323.026
Trade receivables	185.725	183.230	18.790	691.921
Inventories	32.137	16.180	381	83.620
Other assets	3.423	10.442	256	27.787
Total foreign currency assets	358.152	260.047	28.012	1.126.354
Current bank borrowings	106.834	66.535	--	304.004
Current finance lease liabilities	396	43	--	692
Non-current bank borrowings	220.467	33.608	--	405.362
Non-current finance lease liabilities	777	--	--	1.175
Trade payables	1.074.708	106.419	11.926	1.865.029
Advance received	4.123	2.644	--	11.895
Other liabilities	22.210	7.686	78	50.120
Total foreign currency liabilities	1.429.515	216.935	12.004	2.638.277
Net foreign currency position	(1.071.363)	43.112	16.008	(1.511.923)
Derivatives				
Assets	236.726	6.400	--	371.702
Liabilities	--	(156.580)	(12.671)	(347.877)
	236.726	(150.180)	(12.671)	23.825
Net foreign currency position including derivatives	(834.637)	(107.068)	3.337	(1.488.098)

On basis of the above an increase of 1% in the foreign exchange rates against the Turkish Lira as of 30.09.2009 will amount to a loss of TL 8.580 (2008: TL 15.119) and a decrease will amount to profit of the same amount.