

**VESTEL BEYAZ EŐYA SANAYİ
VE TİCARET ANONİM ŐİRKETİ
CONDENSED INTERIM FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2013**

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31.03.2013

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FOR THE INTERIM PERIOD 01.01-31.03.2013**

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS
AS OF 31.03.2013 AND 31.12.2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31.03.2013	Audited 31.12.2012
ASSETS			
Current assets			
Cash and cash equivalents	4	9.148	27.218
Derivative financial instruments	5	10.787	-
Trade receivables			
Related parties	23	609.152	622.071
Third parties	7	13.224	13.538
Other receivables	8	49.231	49.916
Inventories	9	306.645	221.283
Other current assets	14	12.836	20.740
Total current assets		1.011.023	954.766
Non-current assets			
Property, plant and equipment	10	310.714	308.563
Intangible assets	11	50.697	48.501
Other non-current assets	14	7.897	3.397
Total non-current assets		369.308	360.461
TOTAL ASSETS		1.380.331	1.315.227

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS
AS OF 31.03.2013 AND 31.12.2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	31.03.2013	Audited 31.12.2012
LIABILITIES			
Current liabilities			
Financial liabilities	6	230.629	287.817
Trade payables			
Related parties	23	13.783	7.587
Third parties	7	390.808	405.419
Derivative financial instruments	5	-	8.673
Other payables to related parties	23	65.185	-
Provisions	12	651	928
Other liabilities	14	15.005	9.715
Total current liabilities		716.061	720.139
Non-current liabilities			
Financial liabilities	6	140.007	87.698
Provision for employment termination benefits	13	13.456	12.607
Deferred tax liability	21	6.360	3.527
Total non-current liabilities		159.823	103.832
EQUITY			
Paid in capital	15.a	190.000	190.000
Adjustments to share capital	15.b	9.734	9.734
Share premium	15.c	109.031	109.031
Restricted reserve	15.d	38.886	38.886
Retained earnings		144.552	162.096
Actuarial gain / (loss) on employee benefits		(947)	(947)
Net income (loss) for the period		13.191	(17.544)
Total equity		504.447	491.256
TOTAL LIABILITIES AND EQUITY		1.380.331	1.315.227

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31.03.2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	01.01.- 31.03.2013	01.01.- 31.03.2012
Revenue	16	473.797	391.986
Cost of sales		(436.015)	(377.646)
Gross profit		37.782	14.340
Marketing, selling and distribution expenses		(7.966)	(6.203)
General administrative expenses		(12.028)	(5.581)
Research and development expenses		(5.209)	(4.347)
Other income	18	907	21.290
Other expense		(83)	(863)
Operating profit		13.403	18.636
Financial income	19	41.819	55.390
Financial expense	20	(39.198)	(50.811)
Income before tax		16.024	23.215
Tax benefit / (expense)			
Current tax expense (-)	21	-	(2.951)
Deferred tax benefit / (expense)	21	(2.833)	(494)
Net income		13.191	19.770
Other comprehensive income		-	-
Total comprehensive income		13.191	19.770
Earnings per share		6,9%	10,4%

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 31.03.2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Paid in capital	Adjustments to share capital	Share premium	Restricted reserve	Retained earnings	Net income for the period	Actuarial loss on employee benefits	Total equity
Balance at 01.01.2013	190.000	9.734	109.031	38.886	162.096	(17.544)	(947)	491.256
Comprehensive income;								
Net income for the period	-	-	-	-	-	13.191	-	13.191
Other comprehensive income:	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	13.191	-	13.191
Transfer to retained earnings	-	-	-	-	(17.544)	17.544	-	-
Balance at 31.03.2013	190.000	9.734	109.031	38.886	144.552	13.191	(947)	504.447

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 31.03.2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Paid in capital	Adjustments to share capital	Share premium	Restricted reserve	Retained earnings	Net income for the period	Actuarial loss on employee benefits	Total equity
Balance at 01.01.2012	190.000	9.734	109.031	37.921	142.916	20.145	-	509.747
Comprehensive income;								
Net income for the period	-	-	-	-	-	19.770	-	19.770
Other comprehensive income:	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	19.770	-	19.770
Transfer to retained earnings	-	-	-	-	20.145	(20.145)	-	-
Balance at 31.03.2012	190.000	9.734	109.031	37.921	163.061	19.770	-	529.517

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31.03.2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Operating activities:	Notes	01 January- 31 March 2013	01 January- 31 March 2013
Income before tax		16.024	23.215
- Interest expense	20	5.495	3.225
- Interest income	19	(62)	(371)
- (Gain) / loss from sales of tangible and intangible assets		-	7
- Depreciation and amortization of fixed assets	17	17.997	14.486
- Provision for employment termination benefits	13	2.325	1.006
- Derivative financial instruments (income) / expense accrual		(19.460)	459
- (Decrease) / increase in warranty and assembly provisions		-	(19.627)
- Changes in provision for impairment on inventories	9	(1.635)	210
- Changes in provision for lawsuit risks	12	(277)	806
Changes in working capital			
Decrease in trade receivables	7	13.233	90.797
Increase in inventories	9	(83.727)	(58.159)
Decrease in other receivables and other assets		8.589	11.728
Increase in other non-current assets		(4.500)	-
(Decrease) / increase in trade payables	7	(8.415)	(24.190)
Increase in other payables and other liabilities		5.290	1.974
Payments of employee termination benefits	13	(1.476)	(202)
Taxes paid	21	-	(55)
Net cash (used in) / provided by operating activities		(50.599)	45.309

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31.03.2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	01 January- 31 March 2013	01 January- 31 March 2013
Investing activities:			
Acquisition of tangible assets	10	(18.393)	(21.017)
Cash provided from sales of tangible and intangible assets		246	118
Acquisitions of intangible assets	11	(4.197)	(3.941)
Net cash used in investing activities		(22.344)	(24.840)
Financing activities:			
Proceeds from bank borrowings		65.371	81.771
Repayment of bank borrowings		(70.250)	(75.247)
Other payables to related parties	23	65.185	-
Interest paid		(5.495)	(1.543)
Interest received		62	371
Net cash provided by financing activities		54.873	5.352
Net (decrease) / increase in cash and cash equivalents		(18.070)	25.821
Changes in blocked deposits	4	(15)	-
Cash and cash equivalents at January 1	4	25.887	7.216
Cash and cash equivalents at March 31		7.802	33.037

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 1 – COMPANY’S ORGANISATION AND NATURE OF ACTIVITIES

Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. (the “Company” or “Vestel Beyaz Eşya”) was incorporated in 1997 under the Turkish Commercial Code and its head office is located at Zorlu Plaza, 34310 Avclar / Istanbul.

The Company started its operations in 1999 and produces refrigerators, room air conditioning units, washing machines, cookers, dishwashers and water heaters. The Company’s production facilities occupy 312.000 square meters of enclosed area located in Manisa Organized Industrial Zone on total area of 395.000 square meters.

The Company is a member of Vestel Group of Companies which are under the control of the Ahmet Nazif Zorlu family. The Company performs its foreign sales and domestic sales via Vestel Ticaret A.Ş. and Vestel Ticaret A.Ş Istanbul Branch., respectively, which are also members of Vestel Group of Companies.

The Company is registered to Capital Market Board and its shares have been quoted to Istanbul Stock Exchange since 21 April 2006.

As of balance sheet dates, the shareholders of the Company and their percentage shareholdings were as follows:

	Share %
Vestel Elektronik Sanayi ve Ticaret A.Ş.	75,50
Other shareholders	24,50
	100,00

As of 31.03.2013, 59.800.000 shares of the Company have been quoted at the Istanbul Stock Exchange (“ISE”) (31,5% of its Share Capital).

The Company’s refrigerator and air conditioner sales include the effects of seasonal variations.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

2.1 Basis of presentation

The condensed interim financial statements of the Company have been prepared in accordance with the financial reporting standards issued by the Capital Markets Board (“CMB”).

CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with Communiqué XI, No. 29, “Principles of Financial Reporting in Capital Markets”. The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes Communiqué XI, No. 25, “The Capital Market Accounting Standards”.

According to the Communiqué, the entities shall prepare their financial statements in accordance with the International Financial Reporting Standards (“IAS” / “IFRS”) endorsed by the European Union (“EU”). Until the differences of the IAS / IFRS as endorsed by EU from the ones issued by the International Accounting Standards Board (“IASB”) are announced by Public Oversight Accounting and Auditing Standards Board (“POAASB”), IAS / IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS” / “TFRS”) issued by the POAASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for the companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, IAS 29, “Financial Reporting in Hyperinflationary Economies” issued by the IASB, has not been applied in the financial statements for the accounting year commencing from 1 January 2005.

In accordance with the Communiqué No: XI-29, 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 Company has preferred to prepare condensed financial statements in the interim periods and prepared the aforementioned condensed financial statements in compliance with CMB Financial Reporting Standards.

The condensed interim financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The condensed interim financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the announcement dated April 14, 2008 and January 9, 2009 including the compulsory disclosures (note 24).

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM FINANCIAL STATEMENTS (Cont’d)

These condensed interim financial statements have been prepared under the historical cost convention except for the financial assets and liabilities presented at their fair values, and are expressed in TL which is the functional and presentation currency of the Company.

2.2. Summary of significant accounting policies

The accounting policies used in the preparation of these condensed interim financial information are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2012 except for the following:

Provision for taxation on income at interim periods is calculated by considering the effective tax rate on the annual results.

The condensed interim financial information for the period 1 January – 31 March 2013 should be evaluated together with the annual financial statements for the year ended at 31 December 2012.

Expenses that are incurred unevenly during the financial year are anticipated or deferred for interim reporting purposes if it is also appropriate to anticipate or defer those type of costs as at the end of the financial year.

2.3. Amendments in International Financial Reporting Standards

a) New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2013 and are adopted by the Company:

- IAS 19 (Amendment), “Employee benefits”, is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. Actuarial gains and losses arising from the calculations of provision for employment termination benefits will be classified under other comprehensive income without having an effect on the net profit/ loss for the year.

Interest cost incurred in employment termination benefits is classified as financial expense instead of operational expenses in the income statement.

As a result of retrospective application of these amendments, actuarial loss classified as general administrative expenses in Company’s statement of comprehensive income as of 31 December 2012 amounting to 1.184 TL is revised by presenting in other comprehensive expense and actuarial loss fund in the balance sheet; interest cost classified as general administrative expenses amounting to 858 TL is revised by presenting in financial expenses.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM FINANCIAL STATEMENTS (Cont’d)

As a result of the revision, the Company made necessary correction in the financial statements as of 31 December 2012, the earliest date at which actuarial gain/ loss can be calculated. Net loss of the Company is decreased by 947 TL as a result of actuarial loss and deferred tax effect related to employment termination benefits as of 31 December 2012 whereas the correction has no effect on total comprehensive expenses and equity. There is no actuarial gain/loss related with the employment termination benefits as of 31 March 2012, and interest cost classified as general administrative expenses in the statement of comprehensive income amounting to 214 TL is classified as financial expenses. This reclassification has no effect on the net profit of the Company as of and for the year ended 31 March 2012.

- Amendment to IAS 1, “Financial statement presentation” regarding other comprehensive income, 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in “other comprehensive income” (“OCI”) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

The amendment does not have a significant impact on the Company’s condensed interim financial statements.

- IFRS 13, “Fair value measurement” is effective for annual periods beginning on or after 1 January 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS.

The amendment does not have a significant impact on the Company’s condensed interim financial statements.

- IFRS 7 (amendment), “Financial instruments: Disclosures’, on offsetting financial assets and financial liabilities”, is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements.

The amendment does not have a significant impact on the Company’s condensed interim financial statements.

- b) New standards, amendments and interpretations issued and effective as of 1 January 2013 have not been presented since they are not relevant to the operations of the Company or have insignificant impact on the financial statements.**

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM FINANCIAL STATEMENTS (Cont’d)

c) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company:

- IFRS 9, “Financial instruments” is not applicable until 1 January 2015 but is available for early adoption. This standard is the first step in the process to replace IAS 39, “Financial instruments: Recognition and Measurement”. IFRS 9 introduces new requirements for classifying and measuring financial assets. "Impairment of financial assets" and IAS 39 hedge accounting provisions relating to the implementation are ongoing.
- IAS 32 (amendment), “Financial instruments: Presentation”, on offsetting financial assets and financial liabilities”, is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendment does not have any impact on the Company’s condensed interim financial statements.

The amendments do not have significant impact on the Company’s condensed interim financial statements.

2.4. Comparative information

Condensed interim financial statements of the Company have been prepared comparatively with the preceding financial period, in order to enable determination of trends in financial position and performance. The Company prepared its balance sheet at 31 March 2013 on a comparative basis with balance sheet at 31 December 2012; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 31 March 2013 on a comparative basis with financial statements for the period of 1 January - 31 March 2012.

The Company has made reclassifications in the statement of comprehensive income as of 31 March 2012 between the net sales and cost of sales related to the supplier industry transactions that amounts to 57.050 TL; between net sales and financial income related to term sales transactions that amounts to 5.244 TL; between cost of sales and financial expenses related to term purchases transactions that amounts to 3.693 TL. These reclassifications have no effect on the retained earnings and net profit of the Company.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM FINANCIAL STATEMENTS (Cont’d)

2.5. Critical accounting estimates and judgments

Preparation of condensed interim financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Company management’s best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Company management are as follows:

Income taxes:

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Company recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made (Note 21).

2.6. Additional paragraph for convenience translation into English of financial statements originally issued in Turkish

The financial reporting standards described in note 2 (defined as “CMB Financial Reporting Standards”) to the financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the basic financial statements and also for certain disclosure requirements of CMB. Accordingly, the accompanying financial statements are not intended to present the financial position, financial performance and cash flows of the Company in accordance with IFRS.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING

Operating segments are identified on the same basis as financial information is reported internally to the Company’s chief operating decision maker. The Company Board of Directors has been identified as the Company’s chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Company management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategical decisions.

The Management believes that the Company operates in a single industry sector as the risks and returns for the activities do not show any material difference because the scope of activity covers only the production of white goods and the production processes and classes of customers are similar. As a result all information related to the industrial segment has been fully presented in the attached financial statements. The Management has decided to use geographical segments for segment reporting considering the fact that risks and returns are affected by the differences in geographical regions.

Geographical segments	01.01.- 31.03.2013	01.01.- 31.03.2012
Turkey	131.914	97.058
Europe	289.681	216.939
Other	52.273	78.119
Gross sales	473.868	392.116
Sales discount (-)	(71)	(130)
Net sales	473.797	391.986

The amount of export is 341.954 TL for the period ended 31.03.2013 (01.01-31.03.2012 :295.058 TL). Export sales are denominated in EURO, USD and RUB as 94,2% ,6,3% and 1,3% of total export respectively.

The carrying value of segment assets and costs incurred in order to obtain these assets are not separately disclosed since all assets of the company are located in Turkey.

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 – CASH AND CASH EQUIVALENTS

	31.03.2013	31.12.2012
Cash	54	36
Bank deposits		
- Demand deposits	2.593	367
- Time deposits	5.155	25.484
Blocked deposits	1.346	1.331
Cash and cash equivalents	9.148	27.218

As of balance sheet dates, the maturity date of time deposit account was April 2013 (31.12.2012: January 2013) and the interest rates are given below:

	31.03.2013	31.12.2012
EUR	0,75%	0,50%
TL	-	6,00%
USD	-	0,75%

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS

	31.03.2013		31.12.2012	
	Contract Amount	Fair Value Assets / (Liabilities)	Contract Amount	Fair Value Assets / (Liabilities)
Held for trading				
Forward foreign exchange contracts	1.254.212	10.283	1.363.384	(9.310)
Foreign currency swap contracts	20.000	504	20.000	637
	1.274.212	10.787	1.383.384	(8.673)

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31.03.2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 – FINANCIAL LIABILITIES

	31.03.2013	31.12.2012
Short - term financial liabilities		
Bank borrowings		
- USD	91.676	89.294
- EUR	36.074	51.392
- TL	102.879	147.131
	230.629	287.817
Long - term financial liabilities		
Bank borrowings		
- USD	22.658	-
- EUR	98.884	70.004
- TL	18.465	17.694
	140.007	87.698

Summary of the maturity schedule of Company's long term financial liabilities is given below:

	31.03.2013	31.12.2012
One to two years	127.330	72.931
Two to three years	7.429	7.677
Three to four years	3.639	3.806
Four to five years	1.609	3.284
	140.007	87.698

The Company obtained various loans denominated in EUR from non-Turkish financial institutions with a maturity of 5 years in years between 2005-2008 for financing investments in production machinery and equipment. As of 31.03.2013, short term payable of these loans amount to 5.483 TL (2.364 thousand EUR) (31.12.2012: 5.550 TL (2.791 thousand EUR)) and long term payable amount to 9.255 (3.991 thousand EUR) (31.12.2012: 9.374 TL (3.986 thousand EUR)). The principal amounts of these loans are repayable at six months intervals and the last repayment date is June 2016. The annual interest rate is Euribor + 0,3%.

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

The Company has obtained bank loans for operational purposes from Turkish and non-Turkish financial institutions, short term payable of which amounts to 225.041 TL (102.846 TL, 13.192 thousand EUR, 50.646 thousand USD), (31.12.2012: 282.267 TL (147.131 TL, 19.493 thousand EUR, 50.681 thousand USD)) and long term payable of which amounts to 130.752 TL (18.465 TL, 38.652 thousand EUR and 12.527 thousand USD), (31.12.2012: 78.324 TL (17.694 TL, 25.781 thousand EUR)). The annual effective interest rates are between 5,76 % - 14,24 % for TL ,4,27 % - 4,62 % for USD and, 4,27 % - 5,66 % for EUR.

The Company had given various letters of guarantees to financial institutions for the bank loans obtained (note 12).

NOTE 7 – TRADE RECEIVABLES

	31.03.2013	31.12.2012
Short - term trade receivables		
Trade receivables		
- Related parties (note 23)	612.990	624.535
- Third parties	12.365	13.151
Cheques and notes receivables	1.040	520
	626.395	638.206
Unearned interest on receivables (-)		
- Related parties (note 23)	(3.838)	(2.464)
- Third parties	(143)	(95)
Allowance for doubtful receivables (-)	(38)	(38)
Total short - term trade receivables	622.376	635.609
Short - term trade payables	31.03.2013	31.12.2012
Trade payables		
- Related parties (note 23)	13.787	7.589
- Third parties	391.683	406.082
	405.470	413.671
Unearned interest on payables (-)		
- Related parties (note 23)	(4)	(2)
- Third parties	(875)	(663)
Total short - term trade payables	404.591	413.006

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NOTE 8 – OTHER RECEIVABLES

	31.03.2013	31.12.2012
Short - term other receivables		
VAT receivable	46.406	47.688
Deposits and guarantees given	2.664	2.055
Receivables from personnel	148	152
Other	13	21
	49.231	49.916

NOTE 9 – INVENTORIES

	31.03.2013	31.12.2012
Raw materials	188.576	132.539
Work in process	9.193	7.327
Finished goods	108.400	84.580
Merchandise	110	27
Other	3.128	1.207
	309.407	225.680
Provision for impairment on inventories (-)	(2.762)	(4.397)
	306.645	221.283

Cost of the inventory included in the cost of sales for the period 01.01-31.03.2013 amounts to 376.717 TL (01.01- 31.03.2012: 332.163 TL).

Allocation of provision for impairment on inventories in terms of inventory type is as follows:

	31.03.2013	31.12.2012
Raw materials	2.086	1.278
Finished goods and merchandise	676	3.119
	2.762	4.397

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NOTE 9 – INVENTORIES (Cont’d)

Movement of provision for diminution in value of inventories is as follows:

	01.01.- 31.03.2013	01.01.- 31.03.2012
Opening balance, 01 January	4.397	3.210
Current period additions	1.331	210
Realised due to sale of inventory	(2.966)	-
Closing balance, 31 March	2.762	3.420

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

	01.01.2013	Additions	Disposals	Transfers	31.03.2013
Cost					
Land	6.547	-	-	-	6.547
Land improvements	2.660	-	-	-	2.660
Buildings	63.194	100	-	-	63.294
Leasehold improvements	2.634	176	-	-	2.810
Plant and machinery	583.257	11.059	(419)	15.648	609.545
Motor vehicles	340	-	(11)	-	329
Furniture and fixtures	30.054	899	(54)	-	30.899
Construction in progress	24.064	6.159	-	(15.648)	14.575
	712.750	18.393	(484)	-	730.659
Accumulated depreciation					
Land improvements	1.860	39	-	-	1.899
Buildings	24.950	631	-	-	25.581
Leasehold improvements	1.664	32	-	-	1.696
Plant and machinery	356.940	14.656	(363)	-	371.233
Motor vehicles	74	14	(11)	-	77
Furniture and fixtures	18.699	806	(46)	-	19.459
	404.187	16.178	(420)	-	419.945
Net book value	308.563				310.714

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NOTE 10 – PROPERTY, PLANT AND EQUIPMENT (Cont’d)

	01.01.2012	Additions	Disposals	Transfers	31.03.2012
Cost					
Land	6.547	-	-	-	6.547
Land improvements	2.660	-	-	-	2.660
Buildings	62.140	203	-	-	62.343
Leasehold improvements	2.146	97	-	-	2.243
Plant and machinery	499.407	15.624	(203)	6.944	521.772
Motor vehicles	212	18	-	-	230
Furniture and fixtures	25.417	635	(51)	-	26.001
Construction in progress	37.924	4.440	(3)	(6.944)	35.417
	636.453	21.017	(257)	-	657.213
Accumulated depreciation					
Land improvements	1.708	39	-	-	1.747
Buildings	22.480	604	-	-	23.084
Leasehold improvements	1.570	19	-	-	1.589
Plant and machinery	303.605	12.203	(107)	-	315.701
Motor vehicles	204	3	-	-	207
Furniture and fixtures	15.836	717	(24)	-	16.529
	345.403	13.585	(131)	-	358.857
Net book value	291.050				298.356

The Company’s policy is to trace all material and significant fixed asset additions under construction in progress and transfer to the related fixed asset accounts when the construction process is completed. Construction-in-progress balance represented investment made to increase its first and second refrigerator, washing machine, cooker and dishwasher factories.

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NOTE 11 – INTANGIBLE FIXEDASSETS

	01.01.2013	Additions	Disposals	31.03.2013
Cost				
Rights	6.376	-	-	6.376
Development cost	70.346	4.137	(182)	74.301
Other intangible assets	5.132	60	-	5.192
	81.854	4.197	(182)	85.869
Accumulated amortization				
Rights	6.342	-	-	6.342
Development cost	24.893	1.721	-	26.614
Other intangible assets	2.118	98	-	2.216
	33.353	1.819	-	35.172
Net book value	48.501			50.697

	01.01.2012	Additions	Disposals	31.03.2012
Cost				
Rights	6.395	20	-	6.415
Development cost	53.680	3.731	-	57.411
Other intangible assets	3.217	190	-	3.407
	63.292	3.941	-	67.233
Accumulated amortization				
Rights	6.339	1	-	6.340
Development cost	20.890	818	-	21.708
Other intangible assets	1.787	82	-	1.869
	29.016	901	-	29.917
Net book value	34.276			37.316

Development costs, incurred by the Company on development projects relating to refrigerators, split air conditioners, washing machines, cookers and dish washers are capitalized as intangible assets when it is probable that costs will be recovered through future commercial activity and only if the cost can be measured reliably.

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	31.03.2013	31.12.2012
Short - term provisions		
Warranty and assembly provision	-	-
Provision for lawsuit risks	651	928
	651	928

Movement of provision expenses is as follows:

2013	Warranty provision	Provision for lawsuit risks	Total provision
Opening balance, 01.01	-	928	928
Disposals (-)	-	(277)	(277)
Closing balance, 31.03	-	651	651
2012			
Opening balance, 01.01	19.627	556	20.183
Addition	-	806	806
Disposals (-)	(19.627)	-	(19.627)
Closing balance, 31.03	-	1.362	1.362

In accordance with the Board of Directors’ decision of the Company and Vestel Ticaret A.Ş. Istanbul Branch, warranty provisions which arises from the production sales of Vestel Ticaret A.Ş. Istanbul Branch, has been released in 2012 and accounted under “Other income” due to the transfer of warranty liabilities to Vestel Ticaret A.Ş. Istanbul Branch.

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)

b) Contingent assets

As of the balance sheet date guarantee letters obtained from customers and suppliers are given below:

	31.03.2013	31.12.2012
Guarantee letters	3.511	5.777
Cheques and notes	13.825	12.793
Guarantees received from related companies	2.161.779	1.978.924

Vestel Elektronik Sanayi ve Ticaret A.Ş. has given guarantees to Royal Bank of Scotland PLC and HSBC Bank A.S. on behalf of the Company for its forward contracts.

c) Commitments and contingencies

Collaterals, pledges and mortgages (“CPM’s”) given by the Company are as follows:

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CPM's given by the Group	USD ('000)	EUR ('000)	TL	TL Equivalent
31.03.2013				
A. Total amount CPM's given on behalf of its own legal entity	-	2.000	10.890	15.528
B. Total amount CPM's given on behalf of fully consolidated subsidiaries	-	-	-	-
C. Total amount CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	1.689.386	160.700	1.176.108	4.604.348
i. Total amount of CPM's given on behalf of the parent company	1.283.000	65.000	933.839	3.405.130
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C.	406.386	95.700	242.269	1.199.218
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	1.689.386	162.700	1.186.998	4.619.876

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

CPM's given by the Group	USD ('000)	EUR ('000)	TL	TL Equivalent
31.12.2012				
A. Total amount CPM's given on behalf of its own legal entity	-	2.000	10.970	15.673
B. Total amount CPM's given on behalf of fully consolidated subsidiaries	-	-	-	-
C. Total amount CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	1.553.886	169.700	829.915	3.998.955
i. Total amount of CPM's given on behalf of the parent company	1.298.000	65.000	581.739	3.048.414
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C.	255.886	104.700	248.176	950.541
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	1.553.886	171.700	840.885	4.014.628

Proportion of other CPM's given by the Company to its equity is 913 % as of 31.03.2013 (31.12.2012: 814 %)

Due to the export and investment incentive certificates obtained, as of 31.03.2013 the Company has committed to realize exports amounting to 421.632 thousand USD (31.12.2012: 332.845 thousand USD).

- The Company has given collaterals to Citibank on behalf of Vestel CIS Ltd and OOO Vestel Trade for the bank bans they obtained.
- The Company has given collaterals to Royal Bank of Scotland PLC on behalf of Vestel Germany GmbH, Vestel Ticaret A.Ş. and Vestel Elektronik Sanayi and Ticaret A.Ş. for their forward contracts.
- The Company has given collaterals to HSBC Bank A.Ş. on behalf of Vestel Ticaret A.Ş. and Vestel Elektronik Sanayi ve Ticaret A.Ş. for their forward contracts.

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)

The payment of VAT on certain export sales may be postponed and later cancelled by the tax office subject to clearance of certain routine formalities in due course. Responsibility of the Company continues until such clearance however no liability has arisen in the past and no liability is reasonably expected for the future. As of 31.03.2013 the amount of postponed VAT is 46.876 TL (31.12.2012: 66.421 TL).

The ongoing consumer lawsuits against the Company amount to 553 TL (31.12.2011: 663 TL). There are no lawsuits which have been finalized in favour of the Company (31.12.2012: nil).

d) Derivative financial instruments

As of 31.03.2013 the Company has forward foreign currency purchase contract that amounts to 336.433 thousand USD, 106.837 thousand EUR, 397.961 TL against forward foreign currency sales contract that amounts to 28.205 thousand USD, 348.805 thousand EUR, 717.056 thousand RUB and 341.113 TL (31.12.2012 :383.667 thousand USD, 140.241 thousand EUR, 48.832 thousand RUB and 339.247 TL purchase contract against 62.478 thousand USD, 418.885 thousand EUR, 808.282 thousand RUB and 219.974 TL sales contract).

NOTE 13 – PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	31.03.2013	31.12.2012
Provision for employment termination benefits	13.456	12.607

Under Turkish law, the Company is required to pay employment termination benefits to each employee whose employment is terminated without due cause. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 06.03.1981, No.2422 and 25.08.1999, No.4447, the Company is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The amount payable is the equivalent of one month’s salary for each year of service and is limited to a maximum of 3.129,25 TL/year as of 31.03.2013 (31.12.2012: 3.033,98 TL/year).

The Company has no other obligation for employee termination other than the retirement pay above. The provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. Turkish Accounting Standards No: 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined employee plans. Accordingly actuarial assumptions were used in the calculation of the total liability which are described below:

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NOTE 13 – PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. Consequently in the accompanying financial statements as at 31 March 2013 the provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. As of 31.03.2013 provision is calculated based on real discount rate of %3,83 (31.12.2012: 3,83%) assuming 5,00% annual inflation rate and 9,02% discount rate.

The movements in the provision for employment termination benefit is as follows:

	01.01.- 31.03.2013	01.01.- 31.03.2012
Opening balance, 01 January	12.607	9.461
Increase during the year	2.041	792
Payments during the year	(1.476)	(202)
Interest expense	284	214
Actuarial gain / (loss)	-	-
Closing balance, 31 March	13.456	10.265

NOTE 14 – OTHER ASSETS AND LIABILITIES

	31.03.2013	31.12.2012
Other current assets		
Prepaid expenses	2.389	3.353
Business advances given	78	8
Prepaid taxes and funds	3.007	2.997
Advances given	7.362	14.382
	12.836	20.740
Other non - current assets		
Prepaid expenses	21	23
Advances given	7.876	3.374
	7.897	3.397

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NOTE 14 - OTHER ASSETS AND LIABILITIES (Cont'd)

	31.03.2013	31.12.2012
Other current liabilities		
Taxes and dues payable	3.916	3.379
Social security payables	3.249	2.856
Due to personnel	7.787	3.457
Other	53	23
	15.005	9.715

NOTE 15 - EQUITY

a) Paid in capital

	31.03.2013	31.12.2012
Shares of par value TL 1 each		
Issued share capital	190.000	190.000

As of 31.03.2013 the shareholding structure is as follows:

	Shareholding percentage %	Amount
Vestel Elektronik Sanayi ve Ticaret A.Ş. (Includes of the Board of Directors.)	75,50%	143.441
Shares open to the public (ISE)	24,50%	46.559
Paid in capital	100,00%	190.000

b) Adjustments to share capital

Adjustment to share capital (restated to 31.12.2004 purchasing power of money) is the difference between restated share capital and historical share capital.

Adjustment to share capital	9.734	9.734
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NOTE 15 – EQUITY (Cont’d)

c) Share premium

Share premium account refers the difference between par value of the company’s shares and the amount the company received for newly issued shares. The share premium account is disclosed under equity as a separate line item and may not be distributed. It may be used in capital increase.

	31.03.2013	31.12.2012
Share premium	109.031	109.031

d) Restricted reserves (“Legal reserves”)

The legal reserves consist of first and second legal reserves appropriated in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company’s share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company’s share capital. Under TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital.

Legal reserves	38.866	38.866
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NOTE 16 – SALES AND COST OF SALES

	01.01.- 31.03.2013	01.01.- 31.03.2012
Domestic sales	131.914	97.058
Overseas sales	341.954	295.058
Gross sales	473.868	392.116
Less: Sales discounts (-)	(71)	(130)
Net sales	473.797	391.986
Cost of sales	(436.015)	(377.646)
Gross profit	37.782	14.340

NOTE 17 – EXPENSES BY NATURE

Expenses by nature consists of cost of sales, research and development, selling, general and administrative expenses.

	01.01.- 31.03.2013	01.01.- 31.03.2012
Raw materials, supplies and finished goods	402.403	353.266
Changes in finished goods, work in process and trade goods	(25.686)	(21.103)
Personnel expenses	37.493	28.638
Depreciation and amortization	17.997	14.486
Transportation expenses	2.711	1.885
Office and rent expenses	5.039	2.401
Energy expenses	5.056	4.136
Repair and maintenance expenses	2.213	1.452
Other	13.992	8.616
	461.218	393.777

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NOTE 18 – OTHER INCOME

	01.01.- 31.03.2013	01.01.- 31.03.2012
Provisions released (*)	277	19.627
Income on insurance claims	-	787
Other	630	876
	907	21.290

(*) In accordance with the Board of Directors’ decision of the Company and Vestel Ticaret A.Ş. Istanbul Branch, warranty provisions which arises from the production sales of Vestel Ticaret A.Ş. Istanbul Branch, has been released and accounted under “Other income” due to the transfer of warranty liabilities to Vestel Ticaret A.Ş. Istanbul Branch.

NOTE 19 – FINANCIAL INCOME

	01.01.- 31.03.2013	01.01.- 31.03.2012
Foreign exchange gains	13.419	38.071
Gains on derivative financial instruments	24.537	11.591
Interest income from term sales	-	42
Interest income	62	371
Unearned interest income	3.801	5.315
	41.819	55.390

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NOTE 20 – FINANCIAL EXPENSES

	01.01.- 31.03.2013	01.01.- 31.03.2012
Foreign exchange losses	19.449	25.586
Losses on derivative financial instruments	10.144	16.673
Unearned interest expense	2.645	3.693
Interest expense	5.495	3.225
Letters of credit expenses	1.017	1.324
Other	448	310
	39.198	50.811

NOTE 21 – TAX ASSETS AND LIABILITIES

a) Current tax on income:

	01.01.- 31.03.2013	01.01.- 31.03.2012
Profit before tax	16.024	23.215
Local tax rate	20%	20%
Tax expense calculated using local tax rate	(3.205)	(4.643)
Utilization of tax losses not previously recognized	358	-
Disallowable expenses	14	2
Research and development allowances	-	909
Investment allowance incentives	-	287
	(2.833)	(3.445)

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NOTE 21 – TAX ASSETS AND LIABILITIES (Cont’d)

Company’s current taxes on income are as follows:

	31.03.2013	31.03.2012
Current period tax expense	-	(2.951)
Deferred tax benefit	(2.833)	(494)
Total tax expense	(2.833)	(3.445)

In Turkey, beginning from 1 January 2006, the corporate tax rate is 20%.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses and by deducting other exempt income. In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed at the rate of % 15, except for companies receiving dividends who are resident companies in Turkey. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

In Turkey, advance tax returns are filed on a quarterly basis at the rate of %20, until the 10th day of the following month and paid until the 17th day. Advance tax returns files within the year are offset against corporate income tax calculated over the annual taxable corporate income.

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible assets and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilized in a share capital increase within five years from the date of the sale.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

There is no procedure for a final and definitive agreement on tax assessments. Tax returns are filed between 1-25 April following the close of the accounting year to which they relate. Tax authorities may however examine such returns and the underlying accounting records and may revise assessment within five years.

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NOTE 21 – TAX ASSETS AND LIABILITIES (Cont’d)

Company’s tax liabilities as of the balance sheet dates are as follows:

	31.03.2013	31.12.2012
Corporation and income taxes	-	2.597
Prepaid taxes (-)	-	(2.597)
Current income tax liabilities	-	-
Deferred tax liability	6.360	3.527
	6.360	3.527

b) Deferred tax assets and liabilities

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Communiqué XI, No. 29 and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes.

Tax rate used in the calculation of deferred tax assets and liabilities based on the liability method is 20% (31.12.2012:%20).

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NOTE 21 – TAX ASSETS AND LIABILITIES (Cont'd)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided using principal tax rate as of the balance sheet dates is as follows:

	Cumulative temporary differences		Deferred tax	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Deferred tax asset				
Employment termination benefits	13.456	12.607	2.691	2.521
Unearned interest on receivables	3.981	2.559	796	512
Provision for impairment on inventories	2.762	4.397	552	879
Derivative financial instruments	-	8.673	-	1.735
Provision for lawsuit risks	651	928	130	186
Other	4.019	1.244	804	250
			4.973	6.083

	Cumulative temporary differences		Deferred tax	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Deferred tax liabilities				
Derivative financial instruments	10.787	-	2.157	-
Unearned interest on payables	879	665	176	133
Property, plant and equipment and intangible assets	44.744	47.298	8.949	9.460
Other	254	80	51	17
			11.333	9.610
Deferred tax liabilities - net			(6.360)	(3.527)

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NOTE 21 – TAX ASSETS AND LIABILITIES (Cont'd)

The movement of net deferred tax assets and liabilities is as follows:

	01.01.- 31.03.2013	01.01.- 31.03.2012
Opening balance, 01 January	(3.527)	(3.725)
Tax expense recognized in income statement	(2.833)	(494)
Deferred tax liabilities as of 31 March	(6.360)	(4.219)

NOTE 22 – EARNINGS PER SHARE

	01.01.- 31.03.2013	01.01.- 31.03.2012
Net income attributable to equity holders of the parent	13.191	19.770
Weighted average number of ordinary shares	190.000.000	190.000.000
Earnings per share – TL, full	0,07	0,10

NOTE 23 – RELATED PARTY DISCLOSURES

a) Short-term trade receivables from related parties

	31.03.2013	31.12.2012
Vestel Ticaret A.Ş.	612.832	621.861
Vestel CIS Limited	158	2.655
Other related parties	-	19
	612.990	624.535
Unearned interest on receivables (-)	(3.838)	(2.464)
	609.152	622.071

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NOTE 23 - RELATED PARTY DISCLOSURES (Cont'd)

b) Short-term trade payables to related parties

	31.03.2013	31.12.2012
Vestel Elektronik Sanayi ve Ticaret A.Ş.	5.582	1.958
Vestel Holland B.V.	7.712	5.288
Other related parties	493	343
	13.787	7.589
Unearned interest on payables (-)	(4)	(2)
	13.783	7.587

The receivables result from the Company's foreign and domestic sales performed via Vestel Ticaret A.Ş. and Vestel Ticaret A.Ş. Istanbul Branch respectively which are also members of Vestel Group Companies.

c) Other payables to related parties

Vestel Ticaret A.Ş.	65.185	-
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.03.2013, other payables to Vestel Ticaret A.Ş. is related to the loans obtained from Vestel Ticaret A.Ş. from various financial institutions and transferred to the Company with the same conditions. The annual average effective interest rate of the loans transferred from Vestel Ticaret A.Ş. is 9,67% for TL.

d) Transactions with related parties

	01.01.- 31.03.2013	01.01.- 31.03.2012
Sales		
Vestel Ticaret A.Ş.	465.196	383.048
Vestel Elektronik Sanayi ve Ticaret A.Ş.	2.921	1.868
Other related parties	11	3.061
	468.128	387.977

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NOTE 23 – RELATED PARTY DISCLOSURES (Cont'd)

	01.01.- 31.03.2013	01.01.- 31.03.2012
Purchases and operating income		
Vestel Holland BV	119.299	81.967
Vestel Ticaret A.Ş.	483	773
Vestel Elektronik Sanayi ve Ticaret A.Ş.	3.783	5.812
Other related parties	1.578	625
	125.143	89.177
Financial income		
Vestel Ticaret A.Ş.	8.786	4.920
Other related parties	613	374
	9.399	5.294
Financial expenses		
Vestel Holland BV.	358	-
Vestel Ticaret A.Ş.	9.899	16.688
Other related parties	158	162
	10.415	16.850

The Company performs its foreign and domestic sales via Vestel Ticaret A.Ş. and Vestel Ticaret A.Ş. Istanbul Branch respectively which are also members of Vestel Group Companies.

The Company performs part of its raw material purchases via Vestel Holland B.V.

e) Compensation paid to key management including directors, the Chairman of Board of Directors, general managers and assistant general managers

Compensation paid to key management for the three months period ended 31.03.2013 is 1.525 TL (01.01.-31.03.2012: 468 TL).

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NOTE 24 – FOREIGN CURRENCY POSITION

31.03.2013	USD	EUR	Other Currencies (TL Equivalent)	TL Equivalent
1. Trade receivables	8.375	129.382	41.479	356.651
2a. Monetary financial assets (including cash and cash equivalents)	144	2.314	1.730	7.356
2b. Non-monetary financial assets	-	-	-	-
3. Other	18	2.697	-	6.287
4. Current assets (1+2+3)	8.537	134.393	43.209	370.294
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	8.537	134.393	43.209	370.294
10. Trade payables	109.073	26.416	259	258.795
11. Financial liabilities	50.686	15.557	-	127.750
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	159.759	41.973	259	386.545
14. Trade payables	-	-	-	-
15. Financial liabilities	12.527	42.643	-	121.543
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	12.527	42.643	-	121.543
18. Total liabilities (13+17)	172.286	84.616	259	508.088
19. Off-balance sheet derivative instruments/ net asset (liability) position (19a+19b)	-	-	-	-
19a. Hedged total assets	-	-	-	-
19b. Hedged total liabilities	-	-	-	-
20. Net foreign currency asset/ (liability) position (9-18+19)	(163.749)	49.777	42.950	(137.794)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(163.767)	47.080	42.950	(144.081)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	-
23. Export	10.469	135.699	4.256	341.954
24. Import	71.015	59.911	168	267.432

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NOTE 24 – FOREIGN CURRENCY POSITION (Cont'd)

31.12.2012	USD	EUR	Other Currencies (TL Equivalent)	TL Equivalent
1. Trade receivables	16.048	152.229	45.709	432.313
2a. Monetary financial assets (including cash and cash equivalents)	-	-	-	-
	426	518	36	2.014
2b. Non-monetary financial assets	-	-	-	-
3. Other	11.220	4.511	107	30.716
4. Current assets (1+2+3)	27.694	157.258	45.852	465.043
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	27.694	157.258	45.852	465.043
10. Trade payables	105.968	39.624	118	282.200
11. Financial liabilities	50.092	21.853	-	140.686
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	156.060	61.477	118	422.886
14. Trade payables	-	-	-	-
15. Financial liabilities	-	29.767	-	70.004
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	29.767	-	70.004
18. Total liabilities (13+17)	156.060	91.244	118	492.890
19. Off-balance sheet derivative instruments/ net asset (liability) position (19a+19b)	-	-	-	-
19a. Hedged total assets	-	-	-	-
19b. Hedged total liabilities	-	-	-	-
20. Net foreign currency asset/ (liability) position (9-18+19)	(128.366)	66.014	45.734	(27.847)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(139.586)	61.503	45.627	(58.563)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	-
23. Export	59.498	570.162	35.144	1.455.670
24. Import	251.244	218.536	1.360	955.284

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NOTE 24 – FOREIGN CURRENCY POSITION (Cont'd)

	Gain/ Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31.03.2013				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(29.621)	29.621	-	-
Secured portion from USD risk (-)	-	-	-	-
USD net effect	(29.621)	29.621	-	-
+/- 10% fluctuation of EUR rate:				
EUR net asset/ liability	10.917	(10.917)	-	-
Secured portion from EUR risk (-)	-	-	-	-
EUR net effect	10.917	(10.917)	-	-
+/- 10% fluctuation of other currency rates:				
Other currencies net asset/ liability	4.295	(4.295)	-	-
Secured portion from other currency risk (-)	-	-	-	-
Other currency net effect	4.295	(4.295)	-	-

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NOTE 24 – FOREIGN CURRENCY POSITION (Cont'd)

	Gain/ Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31.12.2012				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(24.883)	24.883	-	-
Secured portion from USD risk (-)	-	-	-	-
USD net effect	(24.883)	24.883	-	-
+/- 10% fluctuation of EUR rate:				
EUR net asset/ liability	14.464	(14.464)	-	-
Secured portion from EUR risk (-)	-	-	-	-
EUR net effect	14.464	(14.464)	-	-
+/- 10% fluctuation of other currency rates:				
Other currencies net asset/ liability	-	-	-	-
Secured portion from other currency risk (-)	(4.563)	4.563	-	-
Other currency net effect	(4.563)	4.563	-	-