

**VESTEL ELEKTRONİK
SANAYİ VE TİCARET AŞ**

**SUMMARY FINANCIAL STATEMENTS
FOR THE PERIOD
01.01.2016 - 31.03.2016**

(Originally issued in Turkish)

VESTEL

VESTEL ELEKTRONİK SANAYİ VE TİCARET AŞ
SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD
01.01.2016 – 31.03.2016

VESTEL ELEKTRONİK SANAYİ VE TİCARET AŞ
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF BALANCE SHEETS
AS OF 31 MARCH 2016 AND 31 DECEMBER 2015

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

Audited

ASSETS	Note	31.03.2016	31.12.2015
Current Assets		6,041,506	6,247,745
Cash and cash equivalents	5	694,630	728,219
Derivative financial instruments	27	82,728	74,303
Trade receivables		2,905,488	2,767,366
Related parties	8	20,635	27,997
Other parties	9	2,884,853	2,739,369
Other receivables		346,892	369,541
Related parties	8	13,976	22,098
Other parties	10	332,916	347,443
Inventories	11	1,906,669	2,203,005
Prepaid expenses	12	54,569	52,712
Current income tax assets	25	19,621	24,885
Other current assets	19	30,909	27,714
Non - Current Assets		3,200,864	3,088,204
Financial investments	6	9,139	7,639
Trade receivables		181,041	140,183
Other parties	9	181,041	140,183
Other receivables		859,891	798,465
Related parties	8	843,036	781,743
Other parties	10	16,855	16,722
Prepaid expenses	12	13,249	7,540
Property, plant and equipment	13	1,519,564	1,528,666
Intangible assets		552,522	542,762
Goodwill		197,793	197,793
Other intangible assets	14	354,729	344,969
Other non-current assets	19	9,887	11,224
Deferred tax asset	25	55,571	51,725
TOTAL ASSETS		9,242,370	9,335,949

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF BALANCE SHEETS
AS OF 31 MARCH 2016 AND 31 DECEMBER 2015

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

			<i>Audited</i>
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31.03.2016	31.12.2015
Current Liabilities		6,794,214	5,857,414
Short term financial liabilities	7	925,127	356,880
Short term portion of long term financial liabilities	7	1,370,736	384,106
Trade payables		3,822,621	4,536,791
Related parties	8	9,098	4,567
Other parties	9	3,813,523	4,532,224
Liabilities for employee benefits	17	57,844	67,006
Other payables		4,230	8,135
Other parties		4,230	8,135
Derivative financial instruments	27	120,375	61,275
Current income tax liabilities	25	4,234	1,799
Short term provisions		211,041	205,438
Other short term provisions	15	211,041	205,438
Other current liabilities	19	278,006	235,984
Non-Current Liabilities		785,713	1,904,727
Long term financial liabilities	7	612,166	1,720,198
Other payables		--	1,558
Other parties		--	1,558
Long term provisions		93,249	101,459
Provisions for employee benefits	17	68,320	68,311
Other long term provisions	15	24,929	33,148
Derivative financial instruments	27	2,010	--
Deferred tax liability	25	78,288	81,512
Shareholders' Equity		1,662,443	1,573,808
Paid in capital	20	335,456	335,456
Adjustments to share capital	20	688,315	688,315
Share premium	20	103,165	103,165
Other comprehensive income/expense not to be reclassified to profit or loss		559,495	563,302
Revaluation gain/loss		559,495	563,302
Revaluation of tangible fixed assets		571,237	574,004
Actuarial gain/loss arising from defined benefit plans		(11,742)	(10,702)
Other comprehensive income/expense to be reclassified to profit or loss		(47,541)	(26,378)
Foreign currency translation differences		(41,986)	(47,686)
Cash flow hedges		(7,607)	19,256
Financial assets revaluation fund	20	2,052	2,052
Restricted reserves	20	28,314	28,314
Accumulated deficit	20	(164,870)	(227,257)
Net profit for the period		107,526	59,620
Non-Controlling Interests		52,583	49,271
TOTAL LIABILITIES AND EQUITY		9,242,370	9,335,949

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SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD
01.01.2016 – 31.03.2016

VESTEL ELEKTRONİK SANAYİ VE TİCARET AŞ
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016 AND 31 MARCH 2015

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

	Note	01.01- 31.03.2016	01.01- 31.03.2015
Revenue	21	2,248,050	1,807,801
Cost of sales	21	(1,750,247)	(1,412,599)
Gross Profit		497,803	395,202
Marketing, selling and distribution expenses	22	(250,440)	(199,271)
General administrative expenses	22	(47,719)	(43,271)
Research and development expenses	22	(30,660)	(27,003)
Other income from operating activities	23	182,194	132,752
Other expenses from operating activities	23	(100,128)	(291,332)
Operating Profit/Loss		251,050	(32,923)
Financial income	24	101,292	324,588
Financial expenses	24	(234,712)	(367,438)
Profit/Loss Before Tax		117,630	(75,773)
Tax Benefit/(Expense)			
Current tax expense	25	(6,419)	(1,287)
Deferred tax benefit/(expense)	25	(56)	2,943
Net Income/Loss for the Period		111,155	(74,117)
Attributable to:			
Non-controlling interests		3,629	47
Equity holders of the parent		107,526	(74,164)
Earnings per 1000 shares with a Kr 1 of face value (TL)	26	0.32	(0.22)

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SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD
01.01.2016 – 31.03.2016

VESTEL ELEKTRONİK SANAYİ VE TİCARET AŞ
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016 AND 31 MARCH 2015

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

	Note	01.01- 31.03.2016	01.01- 31.03.2015
Operating Activities:			
Profit/(Loss) Before Tax		117,630	(75,773)
Adjustments to reconcile net cash provided from operating activities to profit/(loss) before taxes :			
- Depreciation and amortization	13	77,466	72,721
- Changes in other provisions		(2,616)	(1,322)
- Provision for employment termination benefits	17	1,550	7,643
- Provision for impairment on inventories	11	703	876
- Provision for doubtful receivables	9	1,949	(188)
- Interest expense	24	74,471	53,435
- Interest income	24	(23,994)	(2,361)
- (Gain)/loss from sales of tangible and intangible assets		(820)	(296)
- Derivative financial instruments (income)/expense accrual		18,710	1,879
- Unrealized foreign exchange differences		4,451	25,003
Change in blocked cash and cash equivalents	5	(668)	(477)
Changes in working capital			
(Increase)/decrease in trade receivables		(180,929)	(56,297)
(Increase)/decrease in inventories		295,292	(278,884)
Increase/(decrease) in other receivables and other current assets		20,904	19,739
(Increase)/decrease in other non-current assets		1,204	1,514
Increase/(decrease) in trade payables		(714,170)	208,932
Increase/(decrease) in other payables and other liabilities		27,397	(23,252)
Cash flows from operating activities			
Employment termination benefits paid	17	(2,841)	(3,178)
Current income tax paid	25	(11,874)	(25,295)
Net cash used in operating activities		(296,185)	(75,581)
Investing Activities:			
Change in financial assets		(1,500)	--
Acquisition of tangible assets	13	(43,139)	(60,076)
Cash provided from sales of tangible and intangible assets		1,312	1,155
Acquisition of intangible assets	14	(29,786)	(30,219)
Transactions with non-controlling interests		--	(173)
Net cash used in investing activities		(73,113)	(89,313)
Financing Activities:			
Proceeds from bank borrowings		589,389	841,817
Repayment of bank borrowings		(169,619)	(442,581)
Increase in other receivables from related parties		(53,171)	(418,900)
Interest paid		(51,847)	(40,536)

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Interest received	23,994	2,361
Net cash provided by (used in) financing activities	338,746	(57,839)
Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences	(30,552)	(222,733)
Effect of currency translation differences on cash and cash equivalents	(3,705)	(2,512)
Net increase/(decrease) in cash and cash equivalents	(34,257)	(225,245)
Cash and cash equivalents at the beginning of the period	5	675,290
Cash and cash equivalents at the end of the period	5	641,033