

**İhlas Ev Aletleri İmalat San. ve Tic. A.Ş.****Consolidated Balance Sheets As Of December 31, 2010 and December 31, 2009**

Unless otherwise stated, the amounts are in Turkish lira (TRY)

		<b>Based on Independent Audit</b>	
	<b>Footnote</b>	<b>Audited</b>	<b>Audited</b>
	<b>References</b>	<b>12.31.2010</b>	<b>12.31.2009</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>171,350,532</b>	<b>174,909,288</b>
Cash and Cash Equivalents	6	40,183,783	34,384,378
Financing Investments	7	25,843,181	47,874,797
Trade Receivables	10	56,078,594	41,169,506
- Trade Receivables from Related Parties	10	30,101,967	29,035,981
- Other Trade Receivables	10	25,976,627	12,133,525
Receivables from Financing Activities	12	0	0
Other Receivables	11	1,055,780	3,829,731
Inventories	13	25,509,751	28,122,386
Biological Assets	14	0	0
Other Current Assets	26	22,679,443	19,528,490
(Subtotal)		171,350,532	174,909,288
Held-for-Sale Fixed Assets	34	0	0
<b>Fixed Assets</b>			
		<b>118,038,080</b>	<b>114,176,008</b>
Trade Receivables	10	0	0
Receivables from Financial Activities	12	0	0
Other Receivables	11	480,039	274,942
Financing Investments	7	3,526,551	1,751,322
Investments Appraised using the Equity Method of Accounting	16	0	0
Biological Assets	14	0	0
Investment Properties	17	38,983,017	37,719,625
Tangible Assets	18	4,966,175	5,625,110
Intangible Assets	19	893,195	299,416
Goodwill	20	41,730,348	43,751,115
Deferred Tax Assets	35	6,420,462	3,267,181
Other Fixed Assets	26	21,038,293	21,487,297
<b>TOTAL ASSETS</b>			
		<b>289,388,612</b>	<b>289,085,296</b>

The attached footnotes augment the consolidated financial statements.

**Consolidated Balance Sheets As Of December 31, 2010 and December 31, 2009**

Unless otherwise stated, the amounts are in Turkish lira (TRY)

		<b>Based on Independent Audit</b>	
	<b>Footnote</b>	<b>Audited</b>	<b>Audited</b>
	<b>References</b>	<b>12.31.2010</b>	<b>12.31.2009</b>
<b>RESOURCES</b>			
<b>Short-Term Liabilities</b>			
		<b>51,436,254</b>	<b>56,600,326</b>
Financial Liabilities	8	11,557,238	7,200,812
Other Financial Liabilities	9	7,437,400	1,350,000
Trade Payables	10	22,203,131	23,208,039
- Related Party Payables	10	1,044,359	259,360
- Other Trade Payables	10	21,158,772	22,948,679
- Other Payables	11	0	0
Financial Activity Payables	12	0	0
Government Incentives and Aid	21	0	0
Year-end Profit Tax Liabilities	35	0	392,971
Payables Provisions	22-23	0	0
Other Short-Term Liabilities	26	10,238,485	24,448,504
(Subtotal)		51,436,254	56,600,326
Held-for-Sale Fixed Asset Liabilities	34	0	0
<b>Long-Term Liabilities</b>			
		<b>6,464,729</b>	<b>8,312,213</b>
Financial Liabilities	8	0	4,198,847
Other Financial Liabilities	9	0	0
Trade Payables	10	0	0
Other Payables	11	0	0
Financing Activity Payables	12	0	0
Government Incentives and Aid	21	0	0
Payables Provisions	22-23	2,137,629	1,615,842
Employee Benefit Provisions	24	1,092,263	1,044,564
Deferred Tax Liabilities	35	3,234,837	1,278,923
Other Long-Term Liabilities	26	0	174,037
<b>EQUITIES</b>			
<b>Equities for the Parent Company</b>			
		<b>204,913,013</b>	<b>193,711,164</b>
Issued Capital	27	191,370,001	191,370,001
Cross-Ownership Capital Adjustments (-)	27	0	0
Share Premiums	27	6,534,581	6,534,581
Growth Funds	27	1,984,217	0
Currency Exchange Differences	27	0	0
Restricted Reserves from Profits	27	1,680,909	1,453,715
Profit/(Loss) from Previous Years	27	(5,874,327)	(7,727,831)
Net Current Profit/(Loss)	36	9,217,632	2,080,698
<b>Minority Shares</b>	27	<b>26,574,616</b>	<b>30,461,593</b>
<b>TOTAL RESOURCES</b>		<b>289,388,612</b>	<b>289,085,296</b>

The attached footnotes augment the consolidated financial statements.

**Consolidated Comprehensive Income Statements for the Fiscal Years  
January 1, 2010 - December 31, 2010 and January 1, 2009 - December 31, 2009**

Unless otherwise stated, the amounts are in Turkish lira (TRY)

	Footnote References	Based on Independent Audit	
		Audited 01.01.2010- 12.31.2010	Audited 01.01.2009- 12.31.2009
<b>CONTINUING OPERATIONS</b>			
Sales Revenues	28	101,924,593	90,738,106
Cost of Sales (-)	28	(94,162,232)	(79,419,532)
<b>Trade Activities Gross Profit/(Loss)</b>		<b>7,762,361</b>	<b>11,318,574</b>
Interests, Fees, Premiums, Commissions, and Other Income	28	0	0
Interests, Fees, Premiums, Commissions, and Other Expenses (-)	28	0	0
<b>Gross Profit/(Loss) from Financing Activities</b>		<b>0</b>	<b>0</b>
<b>GROSS PROFIT/(LOSS)</b>		<b>7,762,361</b>	<b>11,318,574</b>
Marketing, Sales, and Distribution Expenses (-)	29	(2,782,182)	(2,574,158)
Administrative Expenses (-)	29	(7,050,551)	(10,004,256)
Research and Development Expenses (-)	29	(843,220)	(815,906)
Other Operating Income	31	18,814,050	19,552,022
Other Operating Expenses (-)	31	(12,930,505)	(14,555,326)
<b>OPERATING PROFIT/(LOSS)</b>		<b>2,969,953</b>	<b>□2,920,950</b>
Amount of Investment Appraisal through Equity Management in Profit/Loss		0	0
Finance Income	32	8,861,441	9,861,667
Finance Expenses (-)	33	(6,468,081)	(10,811,313)
<b>CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAXES</b>		<b>5,363,313</b>	<b>1,971,304</b>
<b>Continuing Operations Tax Income/ (Expense)</b>		<b>(48,025)</b>	<b>(2,673,277)</b>
- Current Tax Income/(Expense)	35	(1,245,392)	(946,986)
- Deferred Tax Income/(Expense)	35	1,197,367	(1,726,291)
<b>CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD</b>		<b>5,315,288</b>	<b>(701,973)</b>
<b>DISCONTINUED OPERATIONS</b>		<b>0</b>	<b>0</b>
<b>Discontinued Operations Profit/(Loss) After Taxes</b>		<b>0</b>	<b>0</b>
<b>PROFIT/(LOSS)</b>		<b>5,315,288</b>	<b>(701,973)</b>
<b>Distribution of Profit/(Loss)</b>		<b>5,315,288</b>	<b>(701,973)</b>
Minority Shares	36	(3,902,344)	(2,782,671)
Parent Shares	36	9,217,632	2,080,698
<b>Earnings per Share (in Kurus)</b>	<b>36</b>	<b>0.048</b>	<b>0.011</b>
<b>Diluted Earnings per Share (in Kurus)</b>	<b>36</b>	<b>0.048</b>	<b>0.011</b>
<b>Earnings per Share from Continuing Operations (in Kurus)</b>	<b>36</b>	<b>0.048</b>	<b>0.011</b>
<b>Diluted Earnings per Share from Continuing Operations (in Kurus)</b>	<b>36</b>	<b>0.048</b>	<b>0.011</b>

The attached footnotes augment the consolidated financial statements.

**İhlas Ev Aletleri İmalat San. ve Tic. A.Ş.**

**Consolidated Comprehensive Income Statements for the Fiscal Years  
January 1, 2010 - December 31, 2010 and January 1, 2009 - December 31, 2009**

Unless otherwise stated, the amounts are in Turkish lira (TRY)

**OTHER COMPREHENSIVE INCOME  
STATEMENT**

	Footnote References	Based on Independent Audit	
		Audited 01.01.2010- 12.31.2010	Audited 01.01.2009- 12.31.2009
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>36</b>	<b>5,315,288</b>	<b>(701,973)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>1,984,217</b>	<b>0</b>
Change in Financial Assets Growth Funds	27	1,984,217	0
Change in Fixed Assets Growth Funds		0	0
Change in Hedge Funds		0	0
Change in Currency Exchange Differences		0	0
Actuarial Profits and Losses from Retirement Benefit Plans		0	0
Shares in Other Comprehensive Incomes from Partnerships Appraised using the Equity Method of Accounting		0	0
Tax Income/Expenses Related with Other Comprehensive Income Items		0	0
<b>OTHER COMPREHENSIVE INCOME (AFTER TAXES)</b>		<b>7,299,505</b>	<b>(701,973)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,299,505</b>	<b>(701,973)</b>
<b>Distribution of Total Comprehensive Income</b>			
Minority Shares		(3,902,344)	(2,782,671)
Parent Company Shares		11,201,849	2,080,698

The attached footnotes augment the consolidated financial statements.

**İhlas Ev Aletleri İmalat San. ve Tic. A.Ş.**

**Consolidated Statement of Change in Equity for the Fiscal Years of January 1, 2010 - December, 31 2010 and January 1, 2009 - December 31, 2009**

Unless otherwise stated, the amounts are in Turkish lira (TRY).

	Footnote References	Issued Capital	Share Premiums	Revaluation of Financial Fixed Assets	Net Profit/Loss for the Period	Profit/Loss from the Previous Years	Minority Shares	Total	Net Profit/Loss for the Period
<b>January 1, 2010</b>		<b>191,370,001</b>	<b>6,534,581</b>	<b>0</b>	<b>1,453,715</b>	<b>2,080,698</b>	<b>(7,727,831)</b>	<b>30,461,593</b>	<b>224,172,757</b>
Changes in Restricted Reserves Derived from the Profit	27	0	0	0	227,163	0	(227,163)	0	<b>0</b>
Changes in Revaluation of Financial Fixed Assets	27	0	0	1,984,217	0	0	0	0	<b>1,984,217</b>
Effective Share Adjustments	27	0	0	0	31	0	(31)	15,367	<b>15,367</b>
Transfers	27	0	0	0	0	(2,080,698)	2,080,698	0	<b>0</b>
Net Profit/Loss for the Period	36	0	0	0	0	9,217,632	0	(3,902,344)	<b>5,315,288</b>
<b>December 31, 2010</b>		<b>191,370,001</b>	<b>6,534,581</b>	<b>1,984,217</b>	<b>1,680,909</b>	<b>9,217,632</b>	<b>(5,874,327)</b>	<b>26,574,616</b>	<b>231,487,629</b>

	Footnote References	Issued Capital	Share Premiums	Restricted Reserves from Profit	Net Profit/Loss for the Period	Profit/(Loss) from the Previous Years	Minority Shares	Total
<b>January 1, 2009</b>		<b>95,685,001</b>	<b>3,953,382</b>	<b>1,267,617</b>	<b>(13,994,349)</b>	<b>6,411,364</b>	<b>13,589,629</b>	<b>106,912,644</b>
Capital Increase	27	95,685,000	0	0	0	0	22,605,867	<b>118,290,867</b>
Change in Share Premiums	27	0	2,581,199	0	0	0	0	<b>2,581,199</b>
Changes in Restricted Reserves from Profit	27	0	0	41,252	0	0	0	<b>41,252</b>
Transfers	27	0	0	144,846	13,994,349	(14,139,195)	0	<b>0</b>
New Acquisitions and Effective Share Adjustments	27	0	0	0	0	0	(2,951,232)	<b>(2,951,232)</b>
Net Profit/(Loss) for the Period	36	0	0	0	2,080,698	0	(2,782,671)	<b>(701,973)</b>

*Pür Bağımsız Denetim Yeminli Mali Müşavirlik A.Ş.  
Report Date: February 23, 2011*

**İhlas Ev Aletleri İmalat San. ve Tic. A.Ş.**

**Consolidated Statement of Change in Equity for the Fiscal Years of January 1, 2010 - December, 31 2010 and  
January 1, 2009 - December 31, 2009**

Unless otherwise stated, the amounts are in Turkish lira (TRY).

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<b>December 31, 2009</b>	<b>191,370,001</b>	<b>6,534,581</b>	<b>1,453,715</b>	<b>2,080,698</b>	<b>(7,727,831)</b>	<b>30,461,593</b>	<b>224,172,757</b>
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The attached footnotes augment the consolidated financial statements.

## Consolidated Cash Flow Statements For The Fiscal Years Of

January 1, 2010 - December 31, 2010 And January 1, 2009 - December 31, 2009

Unless stated otherwise, the amounts are in Turkish Liras (TL).

	Footnote References	Based on Independent Audit	
		Audited Current Period 31.12.2010	Audited Previous Period 31.12.2009
<b>Cash flow from Business Activities</b>			
Net Profit/(Loss) for the Period	36	9,217,632	2,080,698
Reconciliation of Cash from Business Activities and Net Profit			
Depreciation	17-18	2,593,557	2,882,124
Amortization and Depletion Shares	19	327,219	1,737,027
Termination Benefit Provisions		47,699	163,995
Net Warranty Provisions	2223	526,387	247,677
Taxes	35	48,025	2,673,277
Non-Parent Profit/(Loss)	36	(3,902,344)	(2,782,671)
Finance Income	32	(5,634,409)	(5,803,308)
Finance Expense	33	4,987,627	6,694,873
Goodwill Impairment Provisions	31	2,020,767	-
Subsidiary Impairment Provisions	31	111,774	-
Revaluation Surplus of Investment Properties	31	(1,497,582)	-
Net Long-term Securities Sales Profit/(Loss)	31	(143,942)	(334,013)
Terminated Lawsuit Provisions	31	(4,600)	(1,130,227)
Other Terminated Provisions	31	(1,510,704)	(2,198,885)
Annulment of Purchase Options Commitment	31	-	(4,933,334)
Revaluation Surplus of Financial Assets	27	1,984,217	-
Other Net Expense /(Income) Requiring No Cash Outflow/(Inflow)		28,403	62,787
<b>Net Operating Profit Before Receivable and Payable Adjustments</b>		<b>9,199,726</b>	<b>(639,980)</b>
<b>Receivables and Payables Adjustments</b>			
Financing Investments Adjustments	7	20,256,387	(25,415,424)
Trade Receivables Adjustments	10	(13,843,102)	7,157,395
Related Party Receivables Adjustments	10	(1,065,986)	(18,678,458)
Other Receivables Adjustments	11	2,568,854	(3,588,562)
Inventory Adjustments	13	2,612,635	(5,648,087)
Other Current Asset Adjustments	26	(1,905,561)	(7,532,596)
Other Fixed Asset Adjustments	26	449,004	(21,380,323)
Trade Payables Adjustments	10	(1,789,907)	1,341,459
Related Party Payables Adjustments	10	784,999	(425,207)
Other Short- and Long-Term Payables Adjustments	26	(14,384,056)	716,650
Taxes Paid	35	(1,245,392)	(87,846)
Termination Benefits Paid	24	(149,886)	(50,391)
<b>Net Cash from Business Activities (A)</b>		<b>1,487,715</b>	<b>(74,231,370)</b>
<b>Investment Activities</b>			
Tangible Asset Purchases	18	(2,644,396)	(11,767,380)
Intangible Asset Purchases	19	(920,998)	(431,293)
Cash from Sold Tangible Assets		985,323	571,162
Outgoing Cash Flow from Subsidiary Acquisitions		-	(40,413,746)
Increase of Cash Capital of Subsidiaries (non-parent company share)		-	22,605,867
Parent Cash Capital Increase		-	95,685,000
Increase in Share Premiums		-	2,581,199
<b>Net Cash from Investments (B)</b>		<b>(2,580,071)</b>	<b>68,830,809</b>
<b>Financing Activities:</b>			
Received and Paid Net Interest	32-33	646,782	(891,565)
Financial Liabilities Adjustments	8	157,579	(4,491,098)
Other Financial Liability Adjustments	9	6,087,400	535,620
<b>Net Cash for Financial Activities (C)</b>		<b>6,891,761</b>	<b>(4,847,043)</b>
<b>Net Increase in Cash and Cash Equivalent Assets (D = A + B + C)</b>		<b>5,799,405</b>	<b>(10,247,604)</b>
<b>Opening Balance for Cash and Cash Equivalent Assets (E)</b>	<b>6</b>	<b>34,384,378</b>	<b>44,631,982</b>
<b>Closing Balance for Cash and Cash Equivalent Assets (F = D + E)</b>	<b>6</b>	<b>40,183,783</b>	<b>34,384,378</b>

The attached footnotes augment the consolidated financial statements.