

Consolidated Financial Statements

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.

Consolidated Financial Statements (Balance Sheets) as of December 31, 2012 and December 31, 2011
Unless otherwise stated, the amounts are in Turkish lira (TL)

	Footnote References	Based on Independent Audit	
		Audited 31.12.2012	Audited 31.12.2011
ASSETS			
Current Assets		209.417.001	164.268.072
Cash and Cash Equivalents	6	1.533.382	470.744
Financial Investments	7	87.258.985	43.631.358
Trade Receivables	10	63.744.451	63.808.556
-Trade Receivables from Related Parties	10	13.951.131	2.947.757
- Other Trade Receivables	10	49.793.320	60.860.799
Financial Receivables	12	0	0
Other Receivables	11	12.343.662	899.109
-Other Receivables from Related Parties	11	12.094.803	-
- Other Receivables	11	248.859	899.109
Inventories	13	36.392.419	40.909.003
Live Assets	14	0	0
Other Current Assets	26	8.144.102	14.549.302
(Sub Total)		209.417.001	164.268.072
Held-for-Sale Fixed Assets	34	0	0
Fixed Assets		94.805.697	121.534.743
Trade Receivables	10	0	0
Financial Receivables	12	0	0
Other Receivables	11	245.031	231.262
Financial Investments	7	1.470.663	1.364.959
Investments Appraised using the Equity Method of Accounting	16	0	0
Live Assets	14	0	0
Investment Properties	17	37.359.741	59.108.783
Tangible Fixed Assets	18	5.179.618	4.357.900
Intangible Fixed Assets	19	5.786.175	5.312.081
Goodwill	20	37.720.505	39.923.002
Deferred Tax Asset	35	7.007.113	11.180.443
Other Fixed Assets	26	36.851	56.313
TOTAL ASSETS		304.222.698	285.802.815

The attached footnotes augment the consolidated financial statements.



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EQUITIES			
Short-Term Liabilities		78.498.510	75.161.693
Financial Liabilities	8	0	61.377
Other Financial Liabilities	9	39.342.259	28.899.098
Trade Payables	10	34.113.503	41.996.402
-Related Party Payables	10	686.246	591.036
- Other Trade Payables	10	33.427.257	41.405.366
Other Payables	11	12.400	0
Financial Payables	12	0	0
Government Incentives and Aid	21	0	0
Year-end Profit Tax Liabilities	35	0	0
Provisions for Payables	22-23	0	0
Other Short-Term Liabilities	26	5.030.348	4.204.816
(Sub Total)		78.498.510	75.161.693
Held-for-Sale Fixed Asset			
Liabilities	34	0	0
Long-Term Liabilities		7.597.489	7.186.012
Financial Liabilities	8	0	0
Other Financial Liabilities	9	0	0
Trade Payables	10	0	0
Other Payables	11	0	0
Financial Payables	12	0	0
Government Incentives and Aid	21	0	0
Provisions for Payables	22-23	781.053	1.065.584
Reserves Related to Benefits Provided to Employees	24	2.539.085	1.897.987
Deferred Tax Liability	35	3.671.262	1.876.035
Other Long-Term Liabilities	26	606.089	2.346.406



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		Audited 31.12.2012	Audited 31.12.2011
EQUITIES		218.126.699	203.455.110
Equities Belonging to the Parent Company		201.040.730	181.978.538
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
Other Equity Reserves	27	4.890.469	4.890.469
Growth Funds	27	0	0
Currency Exchange Differences	27	0	0
Restricted Reserves from Profits	27	2.865.403	1.887.847
Profit/(Loss) from Previous Years	27	(24.911.772)	3.467.180
Net Current Profit/(Loss)	36	20.292.048	(26.171.540)
Minority Shares	27	17.085.969	21.476.572
TOTAL RESOURCES		304.222.698	285.802.815

The attached footnotes augment the consolidated financial statements.



Consolidated Comprehensive Income Statements

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.

January 1 - December 31, 2012 and January 1 - December 31, 2011 Consolidated Comprehensive Income Statements
Unless otherwise stated, the amounts are in Turkish lira (TL)

	Footnote References	Based on Independent Audit	
		Audited 01.01.2012- 31.12.2012	Audited 01.01.2011- 31.12.2011
CONTINUED ACTIVITIES			
Sales Income	28	101.540.360	99.508.540
Cost of Sales (-)	28	(90.272.373)	(92.807.844)
Gross Profit/(Loss) from Trade Activities		11.267.987	6.700.696
Interests, Fees, Premiums, Commissions, and Other Income	28	0	0
Interests, Fees, Premiums, Commissions, and Other Costs (-)	28	0	0
Gross Profit/(Loss) from Financial Activities		0	0
GROSS PROFIT/(LOSS)		11.267.987	6.700.696
Marketing, Sales, and Distribution Costs (-)	29	(2.564.585)	(2.385.887)
Administrative Costs (-)	29	(9.313.044)	(9.655.228)
Research and Development Costs (-)	29	(1.230.119)	(1.032.997)
Other Operating Income	31	43.265.008	12.983.376
Other Operating Costs (-)	31	(12.571.495)	(34.357.930)
OPERATING PROFIT / (LOSS)		28.853.752	(27.747.970)
Amount of Investment Appraisal through Equity Management in Profit/Loss		0	0
Financial Income	32	14.166.108	11.338.316
Financial Costs (-)	33	(19.420.020)	(15.633.495)
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAXES		23.599.840	(32.043.149)
Continuing Operations Tax Income/ (Expense)		(5.968.557)	6.118.783
- Current Tax Income/(Costs)	35	0	0
- Deferred Tax Income/(Costs) (-)	35	(5.968.557)	6.118.783
CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		17.631.283	(25.924.366)
DISCONTINUED OPERATIONS		0	0
Discontinued Operations Profit/(Loss) After Taxes		0	0
CURRENT PROFIT / (LOSS)		17.631.283	(25.924.366)
Distribution of Current Profit/Loss		17.631.283	(25.924.366)
Minority Shares	36	(2.660.765)	247.174
Parent Company Shares	36	20.292.048	(26.171.540)
Earnings per Share (in Kurus)	36	0,106	(0,137)
Diluted Earnings per Share (in Kurus)	36	0,106	(0,137)
Earnings per Share from Continuing Operations (in Kurus)	36	0,106	(0,137)
Diluted Earnings per Share from Continuing Operations (in Kurus)	36	0,106	(0,137)



Consolidated Comprehensive Income Statements

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.

January 1 - December 31, 2012 and January 1 - December 31, 2011 Consolidated Comprehensive Income Statements
Unless otherwise stated, the amounts are in Turkish lira (TL)

OTHER COMPREHENSIVE INCOME STATEMENT	Footnote References	Based on Independent Audit	
		Audited 01.01.2012- 31.12.2012	Audited 01.01.2011- 31.12.2011
CURRENT PROFIT / (LOSS)	36	17.631.283	(25.924.366)
OTHER COMPREHENSIVE INCOME		0	(1.984.217)
Change in Financial Assets Growth Funds		0	(1.984.217)
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
OTHER COMPREHENSIVE INCOME (AFTER TAXES)		17.631.283	(27.908.583)
TOTAL COMPREHENSIVE INCOME		17.631.283	(27.908.583)
Distribution of Total Comprehensive Income			
Minority Shares		(2.660.765)	247.174
Parent Company Shares		20.292.048	(28.155.757)

The attached footnotes augment the consolidated financial statements.



Consolidated Equity Adjustment Statements

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.

January 1 - December 31, 2012 and January 1 - December 31, 2011 Consolidated Equity Adjustment Statements
Unless otherwise stated, the amounts are in Turkish lira (TL)

January 1, 2012
New Mergers and Effective Share Adjustments
Adjustment in Special Reserves
Transfers
Current Net Profit/(Loss)
December 31, 2012

January 1, 2012
Changes in Revaluation of Financial Fixed Assets
Additional Equity Contribution Related to the Merger
Changes in Reserves Derived from Profit
Effective Share Adjustments
Transfers
Current Net Profit/(Loss)
December 31, 2011

The attached footnotes augment the consolidated financial statements.



	Footnote References	Issued Capital	Share Premiums	Other Equity Reserves	Restricted Reserves Derived from the Profit	Net Current Profit / (Loss)	Profit/(Loss) from Previous Years	Minority Shares	Total
		191.370.001	6.534.581	4.890.469	1.887.847	(26.171.540)	3.467.180	21.476.572	203.455.110
	27	0	0	0	936.433	0	(2.207.412)	(1.729.838)	(3.000.817)
	27	0	0	0	41.123	0	0	0	41.123
	27	0	0	0	0	26.171.540	(26.171.540)	0	0
	36	0	0	0	0	20.292.048	0	(2.660.765)	17.631.283
		191.370.001	6.534.581	4.890.469	2.865.403	20.292.048	(24.911.772)	17.085.969	218.126.699

	Footnote References	Issued Capital	Share Premiums	Revaluation of Financial Fixed Assets	Other Equity Reserves	Restricted Reserves Derived from the Profit	Net Current Profit / (Loss)	Profit/(Loss) from Previous Years	Minority Shares	Total
		191.370.001	6.534.581	1.984.217	0	1.680.909	9.217.632	(5.874.327)	26.574.616	231.487.629
	27	0	0	(1.984.217)	0	0	0	0	0	(1.984.217)
	3-27	0	0	0	4.890.469	0	0	0	2.966.089	7.856.558
	27	0	0	0	0	206.938	0	(206.938)	0	0
	27	0	0	0	0	0	0	330.813	(8.311.307)	(7.980.494)
	27	0	0	0	0	0	(9.217.632)	9.217.632	0	0
	36	0	0	0	0	0	(26.171.540)	0	247.174	(25.924.366)
		191.370.001	6.534.581	0	4.890.469	1.887.847	(26.171.540)	(3.467.180)	21.476.572	203.455.110



Consolidated Cash Flow Statements

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.

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	Footnote References	Based on Independent Audit	
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Cash flow from Business Activities			
Current Net Profit/(Loss)	36	20.292.048	(26.171.540)
Reconciliation of Cash from Business Activities and Net Profit			
Depreciation	18	1.611.157	1.515.966
Amortization and Depletion Shares	19	86.417	231.837
Termination Benefit Provisions	30	807.393	978.452
Terminated Warranty Provisions	31	(270.811)	(1.070.367)
Tax	35	5.968.557	(6.118.783)
Non-Parent Profit/(Loss)	36	(2.660.765)	247.174
Tax costs in scope of Law no 6111	31	-	963.143
Financial Income	32	(1.643.184)	(2.132.137)
Financial Costs	33	9.764.195	3.576.019
Goodwill Impairment Provisions	31	2.202.497	1.807.346
Long-term Financial Investment Impairment Provisions	31	32.802	177.375
Canceled Long-term Financial Investment Impairment Provisions	31	(148.506)	-
Investment Properties Impairment Provisions	31	806.616	874.234
Net Securities Sales Profit/(Loss)	31	1.957.502	(777.019)
Terminated Lawsuit Provisions	31	(13.720)	(1.678)
Other Terminated Provisions	31	(303.801)	(151.753)
Revaluation Surplus of Financial Assets		-	(1.984.217)
Other Net Costs/(Income) Requiring No Cash Outflow/(Inflow)		433.429	(237.071)
Net Operating Profit Before Receivable and Payable Adjustments		38.921.826	(28.273.019)
Receivables and Payables Adjustments			
Financing Investments Adjustments	7	(43.733.331)	(15.626.585)
Related Party Receivables Adjustments	10	(11.003.374)	27.154.210
Other Trade Receivables Adjustments	10	11.067.479	(34.884.172)
Other Receivables Adjustments	11	636.481	405.448
Related Party Other Receivables Adjustments	11	(12.094.803)	-
Inventory Adjustments	13	4.516.584	(15.399.252)
Other Current Asset Adjustments		6.523.158	8.130.141
Other Fixed Asset Adjustments	26	19.462	20.981.980
Related Party Payables Adjustments		(9.721.698)	(453.323)



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Other Trade Payables Adjustments		(1.080.206)	20.246.594
Other Short-term and Long-term Payables Adjustments		(1.143.712)	(3.687.263)
Termination Benefits Paid	24	(166.295)	(172.728)
Net Cash from Business Activities (A)		(17.258.429)	(21.577.969)
Investment Activities			
Tangible Asset Purchases	17,18	(2.443.556)	(21.950.562)
Intangible Asset Purchases	19	(560.510)	(4.751.479)
Cash from Sold Tangible Assets		19.012.179	45.016
Net Cash from Investments (B)		16.008.113	(26.657.025)
Financial Activities			
Received Interest	32	1.643.184	2.132.137
Paid Interest	33	(9.764.195)	(3.576.019)
Financial Liabilities Adjustments	8	(61.377)	(11.495.861)
Other Financial Liability Adjustments	9	10.443.161	21.461.698
Net Cash for Financial Activities (C)		2.260.773	8.521.955
Net Increase in Cash and Cash Equivalent Assets (D = A + B + C)		1.010.457	(39.713.039)
Opening Balance for Cash and Cash Equivalent Assets (E)		470.744	40.183.783
Opening Existing Cash from Mergers (F)	3	52.181	-
Closing Balance for Cash and Cash Equivalent Assets (G = D+E+F)	6	1.533.382	470.744

The attached footnotes augment the consolidated financial statements.

