

**CONVENIENCE TRANSLATION INTO ENGLISH
OF INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

**KOÇ HOLDİNG ANONİM ŞİRKETİ
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2002**

1. We have examined the accompanying balance sheet of Koç Holding Anonim Şirketi ("the Company") at 31 December 2002 and the related statements of income for the year then ended. Our examination was made in accordance with generally accepted auditing principles issued by the Capital Markets Board ("CMB") and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary under the circumstances.
2. In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of Koç Holding Anonim Şirketi as at 31 December 2002 and the results of its operations for the year then ended, in accordance with the generally accepted accounting principles issued by the CMB (see balance sheet note 11).
3. Additional paragraph for convenience translation into English :

The effects of differences between accounting principles issued by the CMB and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

Başaran Nas Serbest Muhasebeci
Mali Müşavirlik Anonim Şirketi
a member of
PricewaterhouseCoopers



Cansen Başaran Symes, SMMM

Istanbul, 28 February 2003

KOÇ HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34
BALANCE SHEETS AT 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

		<u>31 DECEMBER 2002</u>		<u>31 DECEMBER 2001</u>
ASSETS				
CURRENT ASSETS		17,343,088		45,591,653
Liquid assets		1,351,990		30,692,377
Cash	650		1,429	
Banks	1,351,340		30,690,948	
Short term trade receivables		2,546,169		3,354,873
Customers	1,649,619		699,068	
Notes receivables	151,785		1,932,965	
Other short-term trade receivables	-		2,550	
Rediscount of notes receivables (-)	-336		-24,811	
Doubtful receivables	2,530,897		2,955,414	
Provision for doubtful receivables (-)	-1,785,795		-2,210,313	
Other short-term receivables		11,276,664		8,045,313
Due from shareholders	41,572		2,459	
Due from associates and investments	7,818,504		2,949,225	
Due from subsidiaries	3,414,350		5,081,300	
Other short-term receivables	2,238		12,329	
Other current assets		2,168,264		3,499,090
NON-CURRENT ASSETS		663,806,206		477,723,134
Long term trade receivables		7,507		5,778
Deposits and guarantees given	7,507		5,778	
Long term notes receivables		-		595,668
Long term notes receivables	-		598,547	
Rediscount of long term notes receivables (-)	-		-2,879	
Long term doubtful receivables	1,405		5,892	
Provision for long term doubtful receivables (-)	-1,405		-5,892	
Long-term financial assets		528,702,002		382,338,442
Associates and investments	477,903,658		333,346,773	
Capital commitments to investments	-33,339,026		-24,983,856	
Subsidiaries	-2,820,000		73,975,525	
Capital commitments to subsidiaries	86,957,370		-	
Fixed assets		128,835,830		86,646,742
Land	404,636		411,374	
Underground installations	3,076,690		2,366,480	
Buildings and installations	114,707,898		73,720,510	
Motor vehicles	56,407,860		35,487,186	
Furniture and fixtures	3,578,025		2,311,981	
Accumulated depreciation	-49,339,279		-27,650,789	
Intangible assets		6,260,868		8,136,504
Rights	506,856		634,144	
Other intangible fixed assets	5,754,011		7,502,360	
TOTAL ASSETS		<u>681,149,293</u>		<u>523,314,787</u>

The accompanying notes form an integral part of these financial statements

KOÇ HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34
BALANCE SHEETS AT 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

		<u>31 DECEMBER 2002</u>		<u>31 DECEMBER 2001</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES		78,776,794		27,505,923
Borrowings		46,117,974		19,246,050
Borrowings	46,117,974		19,246,050	
Trade Payables		3,827,530		1,442,905
Suppliers	3,827,530		1,442,905	
Other current liabilities		28,337,714		6,253,686
Due to shareholders	1,809,312		799,131	
Due to investments	21,392,577			
Taxes and withholdings payable	2,675,253		2,906,429	
Other short-term liabilities	2,460,571		2,548,125	
Accrued liabilities and expenses		493,576		563,282
Provision for taxes	102,955		153,897	
Other accrued liabilities and expenses	390,621		409,385	
NON-CURRENT LIABILITIES		17,258,382		41,356,775
Borrowings		16,019,451		40,368,267
Borrowings	16,019,451		40,368,267	
Accrued liabilities and expenses		1,238,931		988,508
Employment termination benefits	1,238,931		988,508	
SHAREHOLDERS' EQUITY		585,114,118		454,452,089
Share capital		203,156,006		101,578,003
Share capital premium		31,847		31,847
Revaluation surplus		149,673,547		148,303,123
Revaluation surplus - fixed assets	50,645,555		47,856,801	
Revaluation surplus - investments	66,862,005		81,175,045	
Fund generated from fixed asset and investment sales income of participations associates and investments	27,844,012		14,937,913	
Extraordinary reserves of investments	4,321,975		4,333,363	
Reserves		195,977,513		149,800,817
Legal reserves	14,635,571		11,898,656	
Extraordinary reserves	154,636,238		114,770,152	
Cost increase fund	25,679,771		23,132,010	
Extraordinary reserves of investments	1,025,933		-	
Net income for the year		36,275,205		54,806,789
Net income for the year	36,275,205		48,628,735	
Net income related to merger	-		6,178,054	
Net loss for the year				-68,491
TOTAL LIABILITIES		<u>681,149,293</u>		<u>523,314,787</u>

The accompanying notes form an integral part of these financial statements

KOÇ HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

1. PRIMARY OPERATIONS OF THE COMPANY

The primary operations of Koç Holding A.Ş. (the Company) involve capital participations in domestic and foreign companies of limited or corporate nature, established or to be established for any kind of trade, industrial, agricultural or financial purposes; the sale and purchase of all types of shares, their exchange with other shares, increase, decrease or termination of participations, without intent to administer a marketable securities portfolio or act as a financial intermediary.

2. SHAREHOLDERS WITH A NOMINAL SHARE OF 10% OR MORE IN CAPITAL

The shareholders of the Company with a nominal share of 10% or more in capital as of 31 December 2002 and 2001 are as follows:

Shareholder	31 December 2002		31 December 2001	
	Shareholding percentage (%)	Shareholding amount TL million	Shareholding percentage (%)	Shareholding amount TL million
Temel Ticaret ve Yatırım A.Ş.	36.06	73,254,252	36.06	36,627,126

3. PRIVILEGES GIVEN TO SHARES REPRESENTING CAPITAL

The preferred stocks and the privileges pertaining to these stocks under the Articles of Association are listed below:-

Preferred stock group	Nature of privilege
Group A	1. According to the 11th article of the articles of association, unused rights of preference for Group B are transferred to the shareholders of Group A. 2. According to the 25th article of the articles of association (except for meetings held for the amendment of the articles of association), Group A shares have two voting rights for each share in general assembly meetings.

4. REGISTERED SHARE CAPITAL LIMIT

The limit in respect of registered share capital is TL250,000,000 (2001: TL250,000,000).

5. CAPITAL INCREASES DURING THE YEAR AND THEIR SOURCES

The capital increases that were made during 2002 are as follows:

Date of increase	Amount	Revaluation surplus	Bonus share increase from dividend	Investment sale income	Cost increase fund
2 April 2002	101,578,003	47,851,832	10,400,277	33,647,313	9,678,581

The capital increases that were made during 2001 are as follows:

Date of increase	Amount	Revaluation surplus	Revaluation surplus associates and investments	Investment sale income	Cost increase fund
20 March 2001	21,367,400	424,809	14,589,780	4,615,860	1,736,951
12 July 2001	16,108,403 (*)				

(*) Based on the decision of the Company's extraordinary General Board Meeting on 9 July 2001, 17 Car-dealer companies belonging to the Koç Group have merged with Koç Holding A.Ş. This amount represents the addition to share capital arising from this merger.

KOÇ HOLDING A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

6. MARKETABLE SECURITIES ISSUED DURING THE YEAR OTHER THAN SHARE CERTIFICATES

None (2001: None).

7. DEBT SECURITIES ISSUED WHICH MATURED DURING THE YEAR

None (2001: None).

8. MOVEMENTS IN THE PROPERTY, PLANT AND EQUIPMENT IN THE CURRENT YEAR

a) Total cost of fixed assets purchased, produced or constructed is TL1,040,953 million (2001: TL71,315,652 million).

b) Total cost of fixed assets sold or determined as scrap is TL68,985 million (2001: TL7,487,389 million).

c) Revaluation increases in the current period:

	31 December 2002	31 December 2001	31 December 2000
Revaluation of cost of fixed asset:	62,905,611	27,997,763	6,033,133
Revaluation of accumulated depreciation of fixed assets:	(12,260,056)	(5,690,920)	(2,590,933)
	50,645,555	22,306,843	3,442,200

d) Description, total amount, starting and ending dates and percentage of completion of construction in progress:
None (2001: None).

9. INVESTMENT ALLOWANCES TO BE UTILIZED DURING THE CURRENT AND FUTURE PERIODS

	31 December 2002	31 December 2001
Investment allowances utilized during the current period	772,485	-
Investment allowances utilized during the future periods	49,810,869	32,100,075

10. DUE FROM / TO SHAREHOLDERS, INVESTMENTS AND SUBSIDIARIES

Since 77.78% (2001: 77.83%) of the paid-up share capital belongs to Koç family members and companies that are controlled by and trusts founded by family members, the Company has a direct and/or indirect management or shareholding relationship with the Koç Group companies as set forth in CMB Communiqué XI/1.

Companies in which the Company has a shareholding percentage of more than 50% are considered and referred to as subsidiaries, and the remainder are considered as associates or investments in the accompanying financial statements as at 31 December 2002 and 2001.

a) The shareholding percentages and amounts for associates, investments and subsidiaries, the total amount of bonus shares obtained by capital increases from internal sources, and the details of short-term trade receivables and payables with such companies and their current period net profit/losses are presented in the following tables:

KOÇ HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITORS'
REPORT ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34**

NOTES TO BALANCE SHEETS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

31 DECEMBER 2002

THE SHAREHOLDING PERCENTAGES AND AMOUNTS FOR ASSOCIATES, INVESTMENTS AND SUBSIDIARIES, THE TOTAL AMOUNT OF BONUS SHARES OBTAINED BY CAPITAL INCREASES FROM INTERNAL SOURCES

ASSOCIATES & INVESTMENTS	Registered value (Nominal)	Percentage of issued capital owned (%)	Revaluation surplus	Fixed assets sale income	Extraordinary reserves	Cost increase fund	Short-term trade receivables payables	Net profit (loss) for the year (*)
1 ALTINYUNUS ÇEŞME TUR.TESL.A.Ş.	1,474,200	30.00	1,329,099	49,570	-	-	-	847,749 (**)
2 ARÇELİK LG KLİMA SANAYİ VE TİC. A.Ş.	599,900	5.00	-	-	-	-	3,556	1,126,886
3 ARÇELİK A.Ş.	56,925,827	39.14	15,483,413	724,028	13,529,259	-	964,986	126,706,413 (**)
4 ASIA PACIFIC A.Ş.	868	11.50	95	-	-	-	-	36,052
5 AYGAZ A.Ş.	26,759,582	40.68	13,252,053	1,407,737	19,148	401,788	229,409	59,537,698 (**)
6 AYVALIK MARİNA VE YAT.İŞL.SAN.TİC. A.Ş.	30,864	7.72	-	-	-	-	(6)	161,110
7 BASIC INT. INVESTMENT LTD	508,137	28.00	-	-	-	-	-	\$ 1,783,997
8 BEKO ELEKTRONİK A.Ş.	19,724,153	32.87	7,623,552	1,184	906	-	246,082	15,043,826 (**)
9 BEKO TİCARET A.Ş.	195,000	39.00	60,529	93,534	3,425	1,368	-	4,980,326
10 BELDEYAMA MOTORLU VASITALAR SAN.VE TİC. A.Ş.	200	0.01	-	-	-	-	75,057	(9,998,955)
11 BİRLEŞİK OKSİJEN SAN. A.Ş.	12,720	1.00	11,130	-	-	-	11,711	3,117,252
12 DOĞU YATIRIM HOLDİNG A.Ş.	12,500	1.43	-	-	-	-	-	(115,510)
13 DÜZEY TÜKETİM MALLARI PAZ. A.Ş.	377,406	31.15	19,204	350,503	277	3,352	56,041	1,551,633
14 ENTEK ELEK.ÜRET.OTO PRODÜK GRUBU A.Ş.	39,250	0.50	-	-	-	-	2,996	(9,057,015)
15 FORD OTOMOTİV SAN. A.Ş.	27,533,372	37.66	15,385,997	-	65,094	-	1,033,840	(158,612,599) (**)
16 GARANTİ BALFOUR BEATTY İNŞ.SAN.VE TİC.AŞ	1,222,439	40.75	423,151	-	198	1,187	426,565	(7,515,928)
17 GOODYEAR TIRE RUBBER COMPANY	16,695,897	0.26	-	-	-	-	-	\$ 33.700.000 (***)
18 İZOCAM TİC. VE SAN. A.Ş.	1,832,565	20.36	1,751,380	65	723	-	66,486	2,640,191 (**)
19 KAV DANIŞMANLIK PAZARLAMA VE TİC. A.Ş.	1,221,083	18.98	352,961	844,536	615	8,622	18,430	223,572 (**)
20 KOÇ YAPI MALZEMELERİ TİC.A.Ş.	336,288	43.18	17,323	31,440	4,704	2,071	37,000	(498,433)
21 KOÇ ALLIANZ HAYAT SİGORTA A.Ş.	9,799,600	49.00	-	-	1,193,101	-	32,954	5,379,926
22 KOÇ ALLIANZ SİGORTA A.Ş.	5,208,844	43.41	2,535,800	49,950	1,529,981	-	116,683	13,358,761
23 KOÇ ATA BESİ VE TARIM ÜRÜNLERİ A.Ş.	838,500	9.32	-	-	-	-	2,897	(2,681,433)
24 KOÇ ECE PROJE YÖNETİM VE TİC. A.Ş.	973,000	24.95	-	-	-	-	-	(1,400,285)
25 KOÇ FİAT KREDİ TÜKETİCİ FİNANSMANI A.Ş.	10,500,000	35.00	-	-	-	-	2,897	(27,190,669)
26 KOÇ FİNANSAL HİZMETLER A.Ş.	140,386,068	24.12	2,663,708	12,909,986	1,239,667	18,913	702	(555,499)
27 KOÇ KÜLTÜR SANAT VE TANITIM HİZMETLERİ TİC. A.Ş.	40,200	40.20	-	-	-	-	93	9,249
28 KOÇ SİSTEM BİLGİ VE İLETİŞİM SİSTEMLERİ A.Ş.	2,879,940	41.14	563,714	-	118,989	-	1,391,821	6,201,311
29 KOÇ TÜKETİCİ FİNANS. VE KART HİZMETLERİ A.Ş.	35,600,000	44.50	-	-	-	-	31,656	(46,699,000)
30 KOÇTAŞ YAPI MARKETLERİ TİCARET A.Ş.	3,729,600	24.86	-	-	-	-	26,391	(8,484,781)
31 LİPET LİKİT PET.GAZI TİC. A.Ş.	292,500	32.50	292,125	-	-	-	56,587	2,573,911
32 MAKO ELEKTRİK SAN. VE TİC. A.Ş.	600,000	40.00	254,237	207,113	119,459	1,121	62,960	(1,537,579)
33 MARES ALTINYUNUS TUR.TES. A.Ş.	655,792	38.35	531,963	-	-	-	34,628	927,472 (**)
34 MARET MARMARA BES.ET SAN.TİC. A.Ş.	651,889	31.04	309,883	333,959	-	-	19,506	(4,034,418) (**)
35 MATAY OTOM.YAN.SAN.VE TİC. A.Ş.	146,300	17.11	23,371	-	-	79	508,302	875,525
36 METAŞ İZMİR METALURJİ FAB. A.Ş.	2,894	0.41	3,461	-	-	-	-	(3,480,143) (**)
37 MİGROS TÜRK T.A.Ş.	137,998	0.25	114,998	-	-	-	255,272	6,197,593 (**)
38 NEW HOL. TRAKMAK TRAK. ZİRAAT MAK.A.Ş.	206,719	39.38	3,910	4,025	142,547	-	87,477	335,751
39 OTOKAR OTOBÜS KAROSERİ SAN.A.Ş.	3,362,735	42.92	2,286,932	3,332	2,754	-	293,273	4,780,574 (**)
40 OTOMOTİV LAST.TEVZİ A.Ş.	115,067	46.03	2,887	577	-	174	48,277	677,342
41 OTUYOL PAZ. A.Ş.	564,000	40.00	110,320	10,024	3,600	-	235,623	60,094
42 PASTAVİLLA MAKARNACILIK SAN.TİC.A.Ş.	294,673	24.56	150,870	-	-	48,034	39,205	963,333 (**)
43 RAM DIŞ TİC. A.Ş.	689,581	17.24	270	159,398	-	54,847	(1,027,253)	(2,409,170)
44 RAMERİCA	462,686	33.33	-	-	-	-	(177,056)	\$ 7,928
45 RMK MARİNE GEMİ YAP. SAN.VE DENİZ TAŞ.İŞL. A.Ş.	962,500	40.53	1,485	-	-	-	30,203	1,834,928
46 SAMKOÇAUTO ÖZBEKİSTAN	858,396	5.00	-	-	-	-	-	(124,979,000) SUM
47 SANAL MERKEZ TİC. A.Ş.	45,000	10.00	-	-	-	-	1,625	76,524
48 SET AUTO BAKÜ AZERBEYCAN LTD.	16,474	30.00	-	-	-	-	-	\$ 98,347
49 SET OTO TİC. VE TURİZM A.Ş.	76,000	2.67	-	-	-	-	47,559	77,101
50 SETUR SERVİS TURİSTİK A.Ş.	2,240,165	24.89	5,686	145,322	3,505	121,346	41,024	(393,968)
51 TAKOSAN OTOMOBİL GÖSTERGELERİ SAN.VE TİC. A.Ş.	466,095	27.42	115,389	-	-	9	-	(3,109,396)
52 TAM SİGORTA A.Ş.	177	0.35	27	42	65	-	-	-
53 TANI PAZARLAMA VE İLETİŞİM HİZMETLERİ A.Ş.	8,399,952	35.00	-	-	-	-	436,375	-
54 TAT KONSERVE SAN. A.Ş.	4,867,179	46.35	2,488,853	419,318	3	-	34,696	9,028,787 (**)
55 TAT TOHUMCULUK A.Ş.	24,000	3.00	23,940	-	-	-	1,649	602,210
56 TEK-ART KALAMIŞ VE FENERBAHÇE MARMARA TUR.TES.A.Ş.	601,220	26.14	-	-	-	-	15,275	1,975,910
57 TEKERSAN A.Ş.	777,726	33.09	-	-	-	-	86,093	(3,585,339)
58 TNT LOJİSTİK VE DAĞITIM HİZMETLERİ A.Ş.	2,552,000	44.00	-	-	-	-	12,514	(1,550,495)
59 TOFAŞ TÜRK OTOMOBİL FAB.A.Ş.	64,054,401	37.59	37,176,969	6,670	105,645	11,652,209	251,866	(613,467) (**)
60 TÜRK DEMİR DÖKÜM FAB. A.Ş.	9,219,293	46.10	7,058,103	131,951	10,627	922,577	240,499	8,075,598 (**)
61 TUTAŞ TÜRK TURİZM A.Ş.	1,959,509	45.57	431,849	-	188	-	14,735	(528,252)
62 ULTRA KABLOLU TV.VE TELEKOMÜNİKAS. SAN.TİC.A.Ş.	1,350,000	16.67	-	-	-	-	3,103	(3,810,223)
63 ZİNERJİ ENERJİ SANAYİ TİCARET A.Ş.	74,000	37.00	-	-	-	-	2,962	26,180
TOTAL	472,185,467		112,860,637	17,884,263	18,094,478	13,237,696		

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITORS'
REPORT ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****NOTES TO BALANCE SHEETS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

31 DECEMBER 2002**THE SHAREHOLDING PERCENTAGES AND AMOUNTS FOR ASSOCIATES, INVESTMENTS AND SUBSIDIARIES, THE TOTAL AMOUNT OF BONUS SHARES OBTAINED BY CAPITAL INCREASES FROM INTERNAL SOURCES**

ASSOCIATES & INVESTMENTS	Registered value (Nominal)	Percentage of issued capital owned (%)	Revaluation surplus	Fixed assets sale income	Extraordinary reserves	Cost increase fund	Short-term trade receivables payables	Net profit (loss) for the year (*)
1 BELDESAN OTOMOTİV YAN.SAN. VE TİC. A.Ş.	3,323,377	79.13	147,051	1,619,485	18,691	26,512	3,574	371,917
2 BİLKOM BİLİŞİM HİZMETLERİ A.Ş.	192,335	69.94	-	-	-	-	6,388	(1,238,272)
3 BİRMOT BİRLEŞİK MOTOR SANAYİ VE TİC. A.Ş.	11,880,000	99.00	-	-	-	-	1,314,366	1,899,001
4 BOZKURT TARIM GIDA SAN. VE TİC. A.Ş.	723,324	67.54	486	-	-	-	(440)	77,174
5 BURSA GAZ VE TİC. A.Ş.	707,533	59.55	173,253	945,701	881,533	30,068	8,319	5,202,158
6 DÖKTAŞ DÖKÜM.TİC. VE SAN. A.Ş.	9,811,753	51.10	7,376,616	794,752	241	-	61,775	(796,776) (**)
7 GVZ SES TANIMA TEK.YAZILIM VE HİZM. A.Ş.	637,493	85.00	-	-	-	-	916	(174,503)
8 İ.D.E.A. A.Ş.	122,000	81.33	-	-	-	-	(228,499)	(59,393)
9 KOÇ BİLGİ GRUBU İLETİŞİM VE TEKNOLOJİ HİZM. A.Ş.	400,000	80.00	-	-	-	-	(268,302)	-
10 KOÇNET HABERLEŞME TEKNOLOJİ VE İLET. HİZM. A.Ş.	14,499,600	76.31	-	-	-	-	(86,564)	(5,289,306)
11 KOFİSA TRADING COMP.SA.	161	50.00	-	-	-	-	-	1,802,675
12 OTOKOÇ OTOMOTİV TİCARET VE SAN. A.Ş.	8,910,000	99.00	-	-	-	-	1,383,774	1,620,242
13 OTOYOL SAN. A.Ş.	7,200,000	60.00	7,045,275	2,187	18,000	-	508,042	(8,261,629)
14 SEK SÜT END.KUR.SAN VE TİC. A.Ş.	2,899,170	56.31	608,970	-	-	-	67,347	(3,160,576)
15 SETAİR HAVA TAŞ. VE HİZM. A.Ş.	30,000	60.00	-	-	-	-	(160,901)	10,879
16 TÜRK TRAKTÖR VE ZİRAAT MAK. AŞ.	14,998,960	62.50	13,255,878	-	-	-	59,848	16,523,359
TOTAL	76,335,705		28,607,529	3,362,125	918,464	56,580		
GRAND TOTAL	548,521,173		141,468,166	21,246,389	19,012,942	13,294,276		

(*) For listed companies 30 September 2002 financial statements, for other companies 31 December 2001 financial statements that were authorised by the General Assembly have been considered.

(**) These are listed companies. For listed companies six month limited and year end audit reports are available and the audit opinions are all clean.

(***) These are foreign investments listed on NYSE

KOÇ HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITORS'
REPORT ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34**

NOTES TO BALANCE SHEETS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

31 DECEMBER 2001

THE SHAREHOLDING PERCENTAGES AND AMOUNTS FOR ASSOCIATES, INVESTMENTS AND SUBSIDIARIES, THE TOTAL AMOUNT OF BONUS SHARES OBTAINED BY CAPITAL INCREASES FROM INTERNAL SOURCES

ASSOCIATES & INVESTMENTS	Registered value (Nominal)	Percentage of issued capital owned (%)	Revaluation surplus	Fixed assets sale income	Extraordinary reserves	Cost increase fund	Short-term trade receivables payables	Net profit (loss) for the year (*)
1 ALTINYUNUS ÇEŞME TUR.TESL.A.Ş.	1,474,200	30.00	1,329,099	49,570	-	-	-	518,824 (**)
2 ARÇELİK A.Ş.	35,578,642	39.14	15,483,413	724,028	9,375	-	547,331	(14,172,839) (**)
3 ARÇELİK LG KLİMA SANAYİ VE TİC. A.Ş.	599,900	5.00	-	-	-	-	2,424	(3,232,075)
4 ASIA PACIFIC A.Ş.	868	11.50	95	-	-	-	-	(21,993)
5 AYGAZ A.Ş.	17,839,722	40.68	13,252,053	1,407,737	19,148	401,788	251,963	9,290,039 (**)
6 AYVALIK MARİNA VE YAT.İŞL.SAN.TİC. A.Ş.	30,864	7.72	-	-	-	-	-	(51,966)
7 BASIC INT. INVESTMENT LTD	508,137	28.00	-	-	-	-	-	-
8 BEKO TİCARET A.Ş.	195,000	39.00	60,529	93,534	3,425	1,368	494	8,925,913
9 BEKO ELEKTRONİK A.Ş.	7,840,351	32.87	3,580,100	1,184	906	-	291,852	(16,380,149) (**)
10 BELDEYAMA MOTORLU VASITALAR SAN.VE TİC. A.Ş.	200	0.01	-	-	-	-	34,179	-
11 BİRLEŞİK OKSİJEN SAN. A.Ş.	1,590	1.00	-	-	-	-	8,170	1,340,171
12 DOĞU YATIRIM HOLDİNG A.Ş.	12,500	1.43	-	-	-	-	-	3,270
13 DÜZEY TÜKETİM MALLARI PAZ. A.Ş.	377,406	31.15	19,204	350,503	277	3,352	48,328	1,720,557
14 ENTEK ELEK.ÜRET.OTO PRODÜK GRUBU A.Ş.	49,000	0.50	-	-	-	-	4,139	1,677,529
15 FORD OTOMOTİV SAN. A.Ş.	27,533,372	37.66	15,385,997	-	65,094	-	(4,320)	(128,482,972) (**)
16 GARANTİ BALFOUR BEATTY İNŞ.SAN.VE TİC.AŞ	1,222,439	40.75	423,151	-	198	1,187	188,618	9,349,769
17 GOODYEAR LASTİKLERİ T.A.Ş.	1,143,504	9.60	778,371	29,622	11,389	-	-	(23,527,996) (**)
18 İZOCAM TİC. VE SAN. A.Ş.	1,221,710	20.36	1,140,525	65	723	-	55,872	4,240,587 (**)
19 KAV DANIŞMANLIK PAZARLAMA VE TİC. A.Ş.	1,221,083	18.98	352,961	844,536	615	8,622	10,990	1,232,040 (**)
20 KOÇBANK A.Ş.	33,973,646	25.17	677,075	-	1,159,637	-	133,966	19,517,213
21 KOÇ ALLIANZ HAYAT SİGORTA A.Ş.	7,594,690	37.97	-	-	1,193,101	-	13,115	3,227,248
22 KOÇ ALLIANZ SİGORTA A.Ş.	5,208,844	43.41	2,535,800	49,950	1,529,981	-	40,786	4,031,200
23 KOÇ ATA BESİ VE TARIM ÜRÜNLERİ A.Ş.	838,500	9.32	-	-	-	-	1,297	-
24 KOÇ ECE PROJE YÖNETİM VE TİC. A.Ş.	598,000	24.92	-	-	-	-	1,959	-
25 KOÇ FİAT KREDİ TÜKETİCİ FİNANSMANI A.Ş.	10,500,000	35.00	-	-	-	-	4,112	-
26 KOÇ FİNANSAL HİZMETLER A.Ş.	35,000,000	13.36	-	-	-	-	10	-
27 KOÇ FİNANSAL KİRALAMA A.Ş.	3,180,000	12.00	1,986,633	-	80,030	18,913	3,890	2,673,911
28 KOÇ KÜLTÜR SANAT VE TANITIM HİZMETLERİ TİC. A.Ş.	40,200	40.20	-	-	-	-	-	-
29 KOÇ TÜKETİCİ FİNANS. VE KART HİZMETLERİ A.Ş.	35,600,000	44.50	-	-	-	-	23,049	12,520,102
30 KOÇ YAPI MALZEMELERİ TİC.A.Ş.	336,828	43.18	17,323	31,441	4,704	2,071	9,555	1,878,611
31 KOÇTAŞ YAPI MARKETLERİ TİCARET A.Ş.	3,729,600	24.86	-	-	-	-	38,627	(1,457,660)
32 KOÇ SİSTEM BİLGİ VE İLETİŞİM SİSTEML. A.Ş.	2,879,940	41.14	563,714	-	118,989	-	(687)	4,071,996
33 LİPET LİKİT PET.GAZI TİC. A.Ş.	292,500	32.50	292,125	-	-	-	3,383	911,331
34 MAKO ELEKTRİK SAN. VE TİC. A.Ş.	600,000	40.00	254,237	207,113	119,459	1,121	7,814	(386,079)
35 MARET MARMARA BES.ET SAN.TİC.AŞ	651,889	31.04	309,883	333,959	-	-	5,716	(1,478,558) (**)
36 MARES ALTINYUNUS TUR.TES.AŞ	655,792	38.35	531,963	-	-	-	22,731	1,268,997 (**)
37 MATAY OTOM.YAN.SAN.VE TİC. A.Ş.	146,300	17.11	23,371	-	-	79	-	-
38 METAŞ İZMİR METALURJİ FAB. A.Ş.	2,895	0.41	3,461	-	-	-	-	(5,241,829) (**)
39 MİĞROS TÜRK T.A.Ş.	23,000	0.25	-	-	-	-	159,917	13,442,258 (**)
40 NEW HOL. TRAKMAK TRAK. ZİRAAT MAK.A.Ş	206,719	39.38	3,910	4,025	142,547	-	16,753	2,713,316
41 OTOKAR OTOBÜS KAROSERİ SAN.A.Ş	2,973,745	42.06	1,939,303	3,332	2,754	-	23,344	9,649,320 (**)
42 OTOMOTİV LAST.TEVZİ A.Ş.	115,067	46.03	2,887	577	-	174	39,420	557,780
43 OTOYOL PAZ. A.Ş.	564,000	40.00	110,320	10,024	3,600	-	(102,489)	4,159,206
44 PASTAVİLLA MAKARNACILIK SAN.TİC.A.Ş.	294,673	24.56	150,870	-	-	48,034	13,482	446,869 (**)
45 RAM DIŞ TİC. A.Ş.	689,581	17.24	270	159,398	-	54,847	97,501	421,752
46 RAMERİCA	462,686	33.33	-	-	-	-	-	-
47 SAMKOÇAUTO ÖZBEKİSTAN	858,396	5.00	-	-	-	-	-	-
48 SANAL MERKEZ TİC. A.Ş.	45,000	10.00	-	-	-	-	-	-
49 SET AUTO BAKÜ AZERBEYCAN LTD.	16,474	30.00	-	-	-	-	-	-
50 SET OTO TİC. VE TURİZM A.Ş.	76,000	8.00	-	-	-	-	21,274	34,992
51 SETUR SERVİS TURİSTİK A.Ş.	2,090,821	24.89	4,865	119,586	-	2,064	(52,767)	197,649
52 TAKOSAN OTOMOBİL GÖSTERGELERİ SAN.VE TİC. A.Ş.	119,846	27.42	2,187	-	-	9	-	-
53 TAM SİGORTA A.Ş.	177	0.35	27	42	65	-	-	-
54 TAT KONSERVE SAN. A.Ş.	4,867,179	46.35	2,488,853	419,318	3	-	51,020	6,293,040 (**)
55 TAT TOHUMCULUK A.Ş.	150	3.00	90	-	-	-	1,397	163,323
56 TEK-ART KALAMIŞ MARİNA VE YAPI ELAMANL. SAN. A.Ş. VE FENERBAHÇE MARMARA TUR. TES. A.Ş.	601,220	26.14	-	-	-	-	6,359	-
57 TEKERSAN A.Ş.	777,726	33.09	-	-	-	-	11,402	-
58 TNT LOJİSTİK VE DAĞITIM HİZMETLERİ A.Ş.	572,000	44.00	-	-	-	-	4,753	-
59 TOFAŞ TÜRK OTOMOBİL FAB. A.Ş.	64,054,401	37.59	37,176,969	6,670	105,645	11,652,209	183,493	(55,384,544) (**)
60 TÜRK DEMİR DÖKÜM FAB. A.Ş.	4,609,647	46.10	2,541,618	131,951	10,627	829,415	221,582	(26,225,874) (**)
61 TUTAŞ TÜRK TURİZM A.Ş.	1,959,509	45.57	431,849	-	188	-	(2,833)	(1,019,269)
62 ULTRA KABLOLU TV.VE TELEKOMÜNİKAS. SAN.TİC. A.Ş.	1,350,000	16.67	-	-	-	-	3,139	(2,807,518)
63 ZİNERJİ ENERJİ SANAYİ TİCARET A.Ş.	74,000	37.00	-	-	-	-	6,065	16,319
TOTAL	326,082,129		103,855,101	4,978,164	4,582,477	13,025,252		

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITORS'
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(Amounts expressed in millions of Turkish Lira)

31 DECEMBER 2001**THE SHAREHOLDING PERCENTAGES AND AMOUNTS FOR ASSOCIATES, INVESTMENTS AND SUBSIDIARIES, THE TOTAL AMOUNT OF BONUS SHARES OBTAINED BY CAPITAL INCREASES FROM INTERNAL SOURCES**

SUBSIDIARIES	Registered value (Nominal)	Percentage of issued capital owned (%)	Revaluation surplus	Fixed assets sale income	Extraordinary reserves	Cost increase fund	Short-term trade receivables payables	Net profit (loss) for the year (*)
1 BELDESAN OTOMOTİV YAN.SAN. VE TİC. A.Ş.	3,323,377	79.13	147,051	1,619,485	18,691	26,512	18,407	259,368
2 BİLKOM BİLİŞİM HİZMETLERİ A.Ş.	192,335	69.94	-	-	-	-	3,540	-
3 BİRMOT BİRLEŞİK MOTOR SANAYİ VE TİC. A.Ş.	9,900,000	99.00	-	-	-	-	1,282,807	-
4 BOZKURT TARIM GIDA SAN. VE TİC. A.Ş.	723,324	67.54	486	-	-	-	(437)	-
5 BURSA GAZ VE TİC. A.Ş.	707,533	59.55	173,253	945,701	881,533	30,068	27,211	1,748,403
6 DÖKTAŞ DÖKÜM.TİC. VE SAN. A.Ş.	9,811,753	51.10	7,376,616	794,752	241	-	103,263	(6,905,192) (**)
7 GVZ SES TANIMA TEK.YAZILIM VE HİZM. A.Ş.	637,492	85.00	-	-	-	-	-	-
8 İ.D.E.A. A.Ş.	122,000	81.33	-	-	-	-	(221,080)	-
9 İST.FRUEHAUF TAŞ.ARÇ.SAN.TİC.AŞ	508,500	50.85	347,629	-	-	-	38,413	10,897
10 KOÇNET HABERLEŞME TEKNO.VE İLET. HİZM. A.Ş.	14,499,600	99.99	-	-	-	-	(163,019)	-
11 KOFİSA TRADING COMP.SA.	161	50.00	-	-	-	-	-	-
12 OTOKOÇ OTOMOTİV TİCARET VE SAN. A.Ş.	5,940,000	99.00	-	-	-	-	3,195,018	-
13 OTOYOL SAN. A.Ş.	4,800,000	60.00	4,645,275	2,187	18,000	-	336,997	1,811,715
14 RMK MARİNE GEMİ YAP. SAN.VE DENİZ TAŞ.İŞL. A.Ş.	962,500	55.00	1,485	-	-	-	18,811	100,409
15 SEK SÜT END.KUR.SAN VE TİC. A.Ş.	2,899,170	56.31	608,970	-	-	-	22,272	458,601
16 SETAİR HAVA TAŞ. VE HİZM. A.Ş.	30,000	60.00	-	-	-	-	(132,851)	8,767
17 TÜRK TRAKTÖR VE ZİRAAT MAK. AŞ	7,499,480	62.50	5,756,398	-	-	-	34,561	25,275,961
TOTAL	62,557,225		19,057,163	3,362,125	918,464	56,580		
GRAND TOTAL	388,639,354		122,912,264	8,340,290	5,500,942	13,081,832		

(*) For listed companies 30 September 2001 financial statements, for other companies 31 December 2000 financial statements that were authorised by the General Assembly have been considered.

(**) These are listed companies. For listed companies six month limited and year end audit reports are available and the audit opinions are all clean.

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

10. DUE FROM / TO SHAREHOLDERS, INVESTMENTS, AND SUBSIDIARIES (Continued)

b) As of 31 December 2002 and 2001 capital commitments to investments and associates are listed below:

	31 December 2002	31 December 2001
Koç Tüketici Finansmanı ve Kart Hizmetleri A.Ş.	20,025,000	20,025,000
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	8,364,952	-
Koç Allianz Hayat Sigorta A.Ş.	4,899,800	4,899,800
Tek-Art Kalamış ve Fenerbahçe Marina	49,274	49,274
Entek Elek. Üret. Oto Prod. Grubu A.Ş.	-	9,750
Doğu Yatırım Holding A.Ş.	-	32
	33,339,026	24,983,856

c) As of 31 December 2002 and 2001 there are no capital commitments to subsidiaries.

a) Account balances with shareholders as of 31 December 2002 and 2001 are listed below:

	31 December 2002	31 December 2001
Receivables from shareholders		
Nazar Dayanıklı ve Dayaniksız Sınai Mallar Pazarlama A.Ş.	27,882	-
Koç Family	13,690	2,399
Vehbi Koç Vakfı	-	60
	41,572	2,459

Payables to shareholders

	31 December 2002	31 December 2001
Temel Ticaret ve Yatırım A.Ş.	1,489,189	782,292
Zer Madencilik Dayanıklı Mallar Yatırım Pazarlama A.Ş.	301,469	-
Dividends payable	14,886	16,839
Vehbi Koç Vakfı	3,769	-
	1,809,313	799,131

e) As of 31 December 2002, TL62,271 (2001: TL69,055) of the other short-term receivables balance includes project expenses incurred for associates, investments and subsidiaries and each will be invoiced to the relevant associate, investment or subsidiary.

	31 December 2002	31 December 2001
Payables to Investments		
Aygaz A.Ş. (*)	21,392,577	-

(*) Stated in the balance sheet note 12 and 30 and income statement note 4.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS**ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

11. VALUATION, COSTING AND DEPRECIATION METHODS APPLIED TO INVENTORIES AND OTHER BALANCE SHEET ITEMS, CHANGES IN THESE AND OTHER ACCOUNTING POLICIES COMPARED TO PREVIOUS PERIODS, THE EFFECT OF SUCH CHANGES ON THE FINANCIAL STATEMENTS, POTENTIAL EFFECTS OF POSSIBLE DEVELOPMENTS ON GOING CONCERN AND PROPER PERIOD ASSUMPTIONS AND THEIR REASONS

The Capital Markets Board ("CMB") has determined the principles and rules to be applied in the preparation and presentation of the financial statements and notes for the periods beginning from 31 December 1988, for the corporations and intermediary companies subject to Capital Market Legislation in Communiqué XI/I, and other additional communiqués. All these principles and rules will hereinafter be referred to as "generally accepted accounting principles issued by the CMB".

The Company has therefore prepared its financial statements in accordance with Turkish commercial legislation and the generally accepted accounting principles issued by the CMB.

Significant accounting principles are as follows:-

a) Fixed assets and depreciation

Fixed assets subject to depreciation are reflected at acquisition cost in the accounts and they are revalued based on the rates and procedures determined by the Ministry of Finance each year. Except for buildings, depreciation is allocated from revalued amounts. Except for the airplane acquired in 2001, depreciation is provided for using the straight-line method up to 1992 and the double-declining balance method beginning from the purchases of 1993 based on the rates stated below:

	For 1982 and before %	For 1983-1992 %	For 1993-1994 %	For 1995 and after %
Buildings	2	2	4	4
Machinery, plant and equipment	-	25	50	40
Motor vehicles	15	25	50	40
Furniture and fixtures	6 - 15	25	50	40

The airplane acquired in 2001 is subject to 15% annual depreciation based on the straight-line method.

b) Associates, investments and subsidiaries

Associates, investments and subsidiaries are stated at acquisition cost plus the nominal value of shares obtained by paid and non-paid capital increases of the companies concerned.

Associates, investments and subsidiaries are revalued at their market prices if there is a material decrease in their market value and there is no objective and reasonable proof that this decrease is temporary.

If the capital increase of the associate and/or investment is funded from the associate's and/or investment's retained earnings or from the revaluation fund, the nominal value of the shares obtained is added to the Company's investment revaluation fund.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

11. VALUATION, COSTING AND DEPRECIATION METHODS APPLIED TO INVENTORIES AND OTHER BALANCE SHEET ITEMS, CHANGES IN THESE AND OTHER ACCOUNTING POLICIES COMPARED TO PREVIOUS PERIODS, THE EFFECT OF SUCH CHANGES ON THE FINANCIAL STATEMENTS, POTENTIAL EFFECTS OF POSSIBLE DEVELOPMENTS ON GOING CONCERN AND PROPER PERIOD ASSUMPTIONS AND THEIR REASONS (Continued)

c) Notes Receivable

As of 31 December 2002, TL denominated trade receivables are rediscounted by 64% as declared by the Central Bank of Turkey (2001: 70%).

d) Foreign currency transactions

Transactions in foreign currencies are translated into Turkish Lira at the exchange rates prevailing at the dates of such transactions. Balance sheet items denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from settlement and translation of foreign currency items are included in the related income and expense accounts, as appropriate.

e) Employment termination benefits

In accordance with existing social legislation in Turkey, the Company is required to pay lump sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated without due cause, who retires, completes 25 years of service (20 years for women), is called up for military service, or dies. Such payments are calculated on the basis of 30 days' pay limited to 1,260.1 at 31 December 2002 (2001: 978.02) per year of employment (at the rate of pay applicable at the date of retirement or termination). As required by Turkish Labour Law employment termination benefits are recognised in the financial statements as they are earned.

f) Tax provision:

Tax provisions have been recorded in line with the legal requirements.

g) Other balance sheet items

Other balance sheet items are principally reflected at their historical values.

12. SUBSEQUENT EVENTS TO BE DISCLOSED

a) As of 1 January 2003, the legal limit for employment termination benefits has increased to TL1,323.9 This has increased the Company's liabilities by TL44,313 subsequent to the balance sheet date.

b) At the Board of Directors' meeting dated 30 December 2002, the Company management decided not to participate in the capital increase of the associate company, Garanti Balfour Beatty İnşaat ve Ticaret A.Ş., from TL3,000,000 to TL6,000,000. The capital increase was realized subsequent to the balance sheet date and accordingly the shares of the Company was decreased from 40.75% to 18.52%.

c) Koç Holding obtained a syndication loan through the consortium led by HSBC Bank Plc. amounting to USD150 million, dated 9 January 2003. The syndication loan will be used for all financial needs of the group companies including trade finance and working capital. Koç Holding is liable to pay a one-off commission fee at 1.9% on the syndication loan, which has a maturity of 370 days with 6 monthly interest payments at the rate of LIBOR+1.10%.

d) In January 2003, the Company has repaid the loan borrowed from associate company Aygaz A.Ş. including the accrued interest (see balance sheet note 10f and income statement note 4).

e) At the Board of Directors' meeting dated 27 February 2003, the Company management has decided to sell its 17.11% shares in Matay Otomotiv Yan Sanayi ve Ticaret A.Ş. to Orhan Holding A.Ş. for total consideration of USD2,270,000, each share having a nominal value of TL 146,300.

KOÇ HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

13. INFORMATION FOR THE CONTINGENT LOSSES AND GAINS

The total amount of pending law suits due to the merger is TL289,800 (2001: None).

14. CHANGES IN THE ACCOUNTING ESTIMATES WHICH HAVE A MATERIAL EFFECT ON THE PROFITABILITY RATIOS OF THE COMPANY AND THEIR MONETARY EFFECTS

There have been no changes in accounting estimations having a material effect on the Company's gross profit margin (2001: None).

15. MORTGAGES OR RESTRICTIONS ON ASSETS

None (2001:None).

16. TOTAL INSURANCE COVERAGE ON ASSETS

The total insurance coverage for cash and fixed assets amounted to TL1 74,959,643 (2001: TL61,726,974).

17. TOTAL MORTGAGES AND GUARANTEES OBTAINED FOR RECEIVABLES

Letters of guarantee in the amount of TL9,245,888 (2001:TL7,363,602) obtained from Koçbank A.Ş. and JP Morgan Investment Bank in the amount of USD20,000,000, equivalent to TL32,690,020 (2001: None) are recorded in off-balance sheet accounts.

18. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

- a) None. (2001: The Company has syndicated loans received from banks abroad amounting to USD175,000,000 that were transferred to group companies (Beko Elektronik A.Ş., Koç Finansal Kiralama A.Ş., Koç Ata Besi ve Tarım Ürünleri A.Ş., Ram Dış Ticaret A.Ş., Sek Süt Endüstrisi Kurumu San. ve Tic. A.Ş., Setur Servis Turistik A.Ş., Zinerji Enerji ve Sanayi Ticaret A.Ş., Tekersan Jant Sanayi A.Ş., Set Oto Ticaret ve Turizm A.Ş., Koç Yapı Malzemeleri Ticaret A.Ş., Beldeyama Motorlu Vasıtalar Sanayi ve Ticaret A.Ş.) with the same conditions).
- b) At the Board of Directors' meeting on 11 December 2001, the Company management decided to submit a guarantee of USD72,221,998 in conjunction with 50% of the loan amounting to USD144,443,997 obtained by Ford Otomotiv Sanayi A.Ş to finance its investments in Gölcük with validity until 01 January 2004 subject to Ford Motor Co.'s acting as guarantor for the other 50% of this loan should the need arise.
- c) At the Board of Directors' meeting on 11 November 2002, the Company management has decided to approve the "Project Funds Agreement" related to the USD50 million syndication loan of Beko Elektronik A.Ş. from International Finance Corporation ("IFC") and banks. The Company has further decided to deliver a "Comfort Letter", added to the agreement, stating that the shares of Koç Group in Beko Elektronik A.Ş. will not decrease below 51% until the loan is fully repaid.

19. BLOCKED DEPOSITS AT BANKS

None (2001:None).

20. MARKET VALUE OF MARKETABLE SECURITIES AND NON-CURRENT FINANCIAL ASSETS CARRIED AT COST AND THE COST OF MARKETABLE SECURITIES AND NON-CURRENT FINANCIAL ASSETS CARRIED AT MARKET VALUE

Within the non-current financial assets group, there are 19 investments (2001: 19) with an acquisition cost of TL246,116,270 (2001: TL182,383,478), 18 of which are quoted on the Istanbul Stock Exchange (2001: 19) and 1 of which is quoted on the New York Stock Exchange. The total market value of these investments, which is calculated over the weighted average prices of the last five working days to 31 December 2002, amounts to TL1,863,305,838 (2001: TL1,739,303,096) for all investments and associate companies quoted on both the Istanbul Stock Exchange and New York Stock Exchange.

Except for these marketable securities, there are no marketable securities and financial assets on the balance sheet stated at their market values.

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

21. MARKETABLE SECURITIES AND INVESTMENT SECURITIES ISSUED BY SHAREHOLDERS, ASSOCIATED COMPANIES, SUBSIDIARIES AND RELATED COMPANIES

None (2001:None).

22. DETAILS OF "OTHER" ITEMS IN THE BALANCE SHEET WHICH EXCEED 20% OF THE RESPECTIVE COMPONENT OR 5% OF TOTAL ASSETS

Other current assets:

	31 December 2002	31 December 2001
Prepaid expenses for the following periods	1,804,254	829,703
Prepaid taxes and funds	364,010	853,678
Income accruals	-	1,765,718
Other	-	49,990
	2,168,264	3,499,090

Other short-term receivables:

	31 December 2002	31 December 2001
Personnel advances	1,616	12,225
Job advances	600	-
Other	22	104
	2,238	12,329

Other intangible assets:

	31 December 2002	31 December 2001
Koç Holding A.Ş. merger account	4,972,752	6,630,336
Special costs	781,259	872,024
	5,754,011	7,502,360

Other current liabilities:

	31 December 2002	31 December 2001
Payable to personnel	2,460,570	2,506,727
Other	-	41,398
	2,460,570	2,548,125

Provision for other payables and accruals:

	31 December 2002	31 December 2001
Provision for interest expense	336,226	364,531
Provision for telephone, electricity, gas and water expenses	54,395	44,854
	390,621	409,385

Other extraordinary expenses and losses

	31 December 2002	31 December 2001
Provision for impairment on investment	2,820,000	-
	2,820,000	-

KOÇ HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

23- RECEIVABLES FROM AND PAYABLES TO PERSONNEL CLASSIFIED IN “OTHER RECEIVABLES” OR “OTHER SHORT-TERM OR LONG-TERM PAYABLES” THAT EXCEED 1% OF TOTAL ASSETS

None (2001: None).

24- DOUBTFUL RECEIVABLES FROM SHAREHOLDERS, ASSOCIATED COMPANIES AND SUBSIDIARIES

None (2001: None).

25- AMOUNT OF PROVISION FOR DOUBTFUL RECEIVABLES WHICH ARE DUE AND NOT YET DUE

The total amount of doubtful overdue short term and long term receivables are TL2,051,886 (2001: TL2,210,314) and 1,405 (2001: TL5,892), respectively.

26- BREAKDOWN OF ASSOCIATED COMPANIES AND SUBSIDIARIES HAVING AN INDIRECT SHAREHOLDING AND MANAGEMENT RELATIONSHIP WITH THE COMPANY, PARTICIPATION RATES AND AMOUNTS, PERIOD INCOME OR LOSS AND NET PERIOD INCOME OR LOSS IN THE LATEST FINANCIAL STATEMENTS OF THESE ASSOCIATED COMPANIES AND SUBSIDIARIES, REPORTING PERIOD OF THESE FINANCIAL STATEMENTS, WHETHER AUDITED OR NOT BY AN INDEPENDENT AUDITOR, WHETHER PREPARED IN ACCORDANCE WITH STANDARDS DECLARED BY CAPITAL MARKETS BOARD, WHETHER THE OPINION IS AFFIRMATIVE, CONDITIONAL OR ADVERSE IF AUDITED

Stated in balance sheet note 10a.

27- BONUS SHARES OBTAINED THROUGH INTERNALLY FUNDED CAPITAL INCREASES OF ASSOCIATED COMPANIES AND SUBSIDIARIES

Stated in balance sheet note 10a.

28- IN KIND RIGHTS ON IMMOVABLES AND THEIR VALUE

None (2001: None).

29- REVALUATION OF PROPERTY PLANT AND EQUIPMENT IN THE LAST THREE YEARS

Disclosed in balance sheet note 8c.

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

30- RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES HAVING NO FOREIGN EXCHANGE RATE GUARANTEES, ASSETS IN FOREIGN CURRENCIES AND CONVERSION RATES

As of 31 December 2002 and 2001, assets not hedged and denominated in foreign currency are as follows:

31 December 2002				
	Foreign currency	Type of currency	Exchange rate	TL million
Banks	167,096	USD	1,634,501	273,119
	567	EUR	1,703,477	966
	4	GBP	2,618,888	10
Receivables from investments	107,804	USD	1,634,501	<u>176,206</u>
				<u>450,301</u>
Borrowings	37,833,677	USD	1,642,384	62,137,425
Payables to investments (*)	12,400,000	USD	1,642,384	20,365,561
	600,000	EUR	1,711,693	1,027,016
Provision for other payables and accruals	195,171	USD	1,642,384	320,545
	9,161	EUR	1,711,693	15,681
Payables	856,305	USD	1,642,384	1,406,382
	37,500	EUR	1,711,693	<u>64,189</u>
				<u>85,336,799</u>

(*) Stated in the balance sheet note 10f

31 December 2001				
	Foreign currency	Type of currency	Exchange rate	TL million
Banks	21,026,653.65	USD	1,439,567	<u>30,269,277</u>
Borrowings	41,212,515.00	USD	1,446,510	<u>59,614,315</u>

31. GUARANTEES, COMMITMENTS, BAILS, ADVANCES AND ENDORSEMENTS GIVEN IN FAVOUR OF SHAREHOLDERS, ASSOCIATED COMPANIES AND SUBSIDIARIES

None (2001: None).

32. AVERAGE NUMBER OF EMPLOYEES BY CATEGORIES

The average number of salaried personnel working during 2002 is 168 (2000: 169).

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO BALANCE SHEETS AS AT 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

33. OTHER SIGNIFICANT MATTERS WHICH MAY HAVE A MATERIAL EFFECT ON THE FINANCIAL STATEMENTS OR CLARIFY FINANCIAL STATEMENTS

- a) At the Koç Holding Board meeting held on 8 July 2002, the Company management decided to sell its 2,287,008,008 registered shares in Goodyear, each with a nominal value of TL 1,143,504 to Goodyear Tire and Rubber Company for a consideration of USD 10,071,712 and to buy 438,091 units of Goodyear Tire and Rubber Company shares quoted on the New York Stock Exchange for a consideration of USD 10,071,712. This transaction was carried out on 18 September 2002.
- b) At the Koç Holding meeting held on 2 September 2002, the Company management decided to exchange Koçbank A.Ş. shares with a nominal value of TL 99,700,919 and participation ratio of 25.81% and Koç Finansal Kiralama A.Ş. shares with a nominal value of TL 3,180 and shares of 12% for shares of Koç Finansal Hizmetler A.Ş., which conducts the financial activities of the Koç Group. By this share transfer, which was made in conformity with sub paragraph 3, paragraph 1, Article 38 of the Corporate Tax Law, the Company's share in Koç Finansal Hizmetler A.Ş. has increased from 13.35% to 24.12%. A 50-50% partnership was established between the Koç Group and UniCredito Italiano SpA under Koç Finansal Hizmetler A.Ş., and the share transfer was realised on 22 October 2002.
- c) Following the recommendation of the Management Committee, the Extraordinary General Meeting held on 9 July 2001 and based on permit no. OFD/1574-6901 issued by the CMB on 19 June 2001 and permit no. 4807 issued by the General Directorate for Domestic Trade of the Ministry of Trade and Commerce on 19 June 2001, for the purposes of the merger the share capital of the Company was increased from TL 85,469,600 to TL 101,578,003. The net income arising from the merger amounting to TL 6,178,053 was separately displayed in the statement of income for the year ended 31 December 2001.

34. EXPLANATION ADDED FOR CONVENIENCE TRANSLATION INTO ENGLISH

The accompanying financial statements are prepared and presented in accordance with the accounting and reporting principles issued by the CMB, which are different from the accounting principles generally accepted in the countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). The effects of such differences have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34
STATEMENTS OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

	<u>2002</u>	<u>2001</u>
GROSS SALES		
Domestic sales	31,362,773	16,073,401
OPERATING EXPENSES		
General and administrative expenses	-45,806,586	-30,076,523
INCOME AND GAINS FROM OTHER OPERATING ACTIVITIES		
Dividends from investments	44,786,671	42,343,878
Dividends from subsidiaries	7,664,633	9,463,928
Interest and other dividend income	3,652,482	10,545,808
Other income and gains from operating activities	8,351,920	2,186,106
EXPENSE AND LOSSES FROM OTHER OPERATING ACTIVITIES		
		-2,820,000
FINANCIAL EXPENSES		
Short-term borrowing expenses	-10,936,853	-714,724
EXTRAORDINARY REVENUES AND INCOME		
Other extraordinary revenues and income	1,855,511	2,248,723
EXTRAORDINARY EXPENSES AND LOSSES		
Other extraordinary expenses and losses	-1,732,391	-3,287,964
OPERATING PROFIT		
		36,378,159
TAXATION (-)		
		-102,955
		36,275,205
NET INCOME RELATED TO MERGER		
		-
NET INCOME FOR THE PERIOD		
		36,275,205
		54,806,789

The accompanying notes form an integral part of these financial statements

KOÇ HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

1. DEPRECIATION AND AMORTISATION EXPENSES FOR THE YEAR

a) Depreciation expense is TL9,458,659 (2001: TL 6,891,252).

i) Normal depreciation expense is TL6,155,997 (2001: TL6,011,800).

ii) Depreciation expense due to revaluation is TL3,302,661 (2001: TL879,452).

b) Amortisation expense is TL1,914,697 (2001: TL1,906,414).

2. REDISCOUNT AND PROVISION EXPENSES FOR THE YEAR

	31 December 2002	31 December 2001
	TL million	TL million
Provision for employment termination benefit	250,423	373,331
Tax provisions	102,955	153,897
Provision for doubtful receivables	(2,977)	(1,630,379)
Discount interest losses	(1,316)	(15,460)

3. FINANCIAL EXPENSES FOR THE YEAR

The total amount of financial expenses for the period is TL 10,936,853 (2001: TL714,724).

4. FINANCIAL EXPENSES RELATED TO SHAREHOLDERS, ASSOCIATED COMPANIES AND SUBSIDIARIES

Financial expenses arising on the loan amount utilized by associate company, Aygaz A.Ş. amounts to TL749,885 (2001:None).

5. SALES TO/PURCHASES FROM SHAREHOLDERS, SUBSIDIARIES AND ASSOCIATED COMPANIES

Service sales to, income from aircraft rental and income from rights from associates, investments and subsidiaries amount to TL30,302,068 (2001: TL12,202,271).

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

6. INTEREST, RENT AND OTHER CHARGES PAID TO / COLLECTED FROM SHAREHOLDERS, SUBSIDIARIES AND ASSOCIATED COMPANIES

Income earned from associates, investments and subsidiaries is as follows:

a) Dividend income:

	31 December 2002	31 December 2001
i) Associates and investments		
Arçelik A.Ş.	21,347,185	14,231,457
Aygaz A.Ş.	14,271,777	1,783,972
Tat Konserve San. A.Ş.	2,080,383	1,024,962
Otokar Otobüs Karoseri Sanayi A.Ş.	1,932,935	1,982,497
Koç Allianz Sigorta A.Ş.	1,302,211	2,604,421
Beko Ticaret A.Ş.	1,170,000	1,170,000
Koç Allianz Hayat Sigorta A.Ş.	1,023,040	1,469,940
Kav Danışmanlık Pazarlama ve Tic. A.Ş.	254,712	541,587
Goodyear Tire & Rubber Company	85,927	-
New Holland Trakmak Traktör ve Zir. Mak. Tic. A.Ş.	17,325	665,217
Otoyol Pazarlama A.Ş.	5,640	770,093
Ford Otomotiv San. A.Ş.	-	5,506,674
Koç Tüketici Finansmanı ve Kart Hizmetleri A.Ş.	-	3,782,500
Beko Elektronik A.Ş.	-	1,306,725
Ormak Orta Anadolu Mak. Tic. A.Ş.	-	663,624
Marmara Oto A.Ş.	-	422,136
İstanbul Oto A.Ş.	-	351,700
Diğer	1,295,535	4,066,373
	<u>44,786,670</u>	<u>42,343,878</u>

ii) Subsidiaries

	31 December 2002	31 December 2001
Türk Traktör ve Ziraat Mak. A.Ş.	6,249,567	8,803,239
Bursa Gaz ve Tic. A.Ş.	1,415,066	-
Sur Oto A.Ş.	-	649,536
Otomotör A.Ş.	-	11,153
	<u>7,664,633</u>	<u>9,463,928</u>

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

6. INTEREST, RENT AND OTHER CHARGES PAID TO / COLLECTED FROM SHAREHOLDERS, SUBSIDIARIES AND ASSOCIATED COMPANIES (Continued)**b) Commission and interest accrued**

	31 December 2002	31 December 2001
Zinerji Enerji ve Sanayi Tic. A.Ş.	-	1,427,863
Koç Finansal Kiralama A.Ş.	-	428,359
Sek Süt Endüstrisi Kurumu A.Ş.	-	164,204
Beko Elektronik A.Ş.	-	149,926
Ram Dış Ticaret A.Ş.	-	114,229
İstanbul Fruehauf Taş. Arç. San. Tic. A.Ş.	-	98,435
Setur Servis Turistik A.Ş.	-	71,393
Beldeyama Motorlu Vasıtalar	-	42,836
Koç Ata Besi ve Tarım Ürünleri A.Ş.	-	42,836
Koç Yapı Malzemeleri Tic. A.Ş.	-	33,122
Tekersan Jant Sanayi A.Ş.	-	14,279
Set Oto Tic. ve Turizm A.Ş.	-	14,279
	-	2,601,761

Due to non-utilization of the syndication loan taken out in the year 2002 to meet the financing needs of the Koç Group Companies, no adjustments and commission charges have been incurred, and accordingly these have not been booked by the Company to the related parties.

c) Rent income

	31 December 2002	31 December 2001
Birmot Birleşik Motor Sanayi ve Ticaret A.Ş.	2,099,850	840,000
Otokoç Otomotiv Ticaret ve Sanayi A.Ş.	1,387,856	577,360
Otokar Sanayi A.Ş.	296,653	85,637
Tofaş Türk Otomobil Fabrikası A.Ş.	195,000	93,500
Koçtaş Yapı Marketleri San. ve Tic. A.Ş.	156,486	174,580
Set Air Hava Taşıma ve Hizm. A.Ş.	120,000	130,000
Koç Bryce Teknoloji Eğitim Hizmetleri A.Ş.	109,533	29,990
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	107,172	29,345
New Holland Trakmak Traktör ve Zir. Mak. Tic. A.Ş.	101,183	-
İ.D.E.A A.Ş.	49,800	42,000
Tofaş Oto Ticaret A.Ş.	-	32,500
Diğer	69,797	53,198
	4,693,330	2,088,110

- d)** The Company's net foreign exchange gain is TL1,720,766 (2001: TL17,256), according to the evaluation of the foreign currency bank deposits in Koçbank A.Ş. (2001: The interest and other dividend income includes net foreign exchange losses of TL17,256 according to the evaluation of the foreign currency bank deposits and the evaluation of the USD loan obtained from Koçbank Netherland N.V.). All interest income in the amount of TL2,192,467 (2001: TL5,044,931) of the Company for 2002 is derived from related party Koçbank A.Ş..

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****FOOTNOTES TO STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

6. INTEREST, RENT AND OTHER CHARGES PAID TO / COLLECTED FROM SHAREHOLDERS, SUBSIDIARIES AND ASSOCIATED COMPANIES (Continued)

e) The amounts paid to associates, investments and subsidiaries are as follows:

	31 December 2002	31 December 2001
Consulting expenses (Koç Sistem A.Ş., Koçnet A.Ş., Set Air Hava Taşımacılık ve Hizmetleri A.Ş., Koç Bilgi Grubu A.Ş., İnternet Rezervasyon Sistemleri A.Ş., Ramerica Inc., Koç Yatırım Menkul Değerler A.Ş., İ.D.E.A. A.Ş.)	5,031,254	1,452,265
Insurance expenses (Koç Allianz Sigorta A.Ş.)	1,112,959	529,279
Travel expenses (Setur A.Ş., Setair A.Ş., Setoto A.Ş., Arçelik A.Ş., Marmaris Altinyunus A.Ş., Setur Divan Oteli A.Ş., İnternet Rezervasyon Sistemleri A.Ş.)	501,249	293,134
Rent expenses (Set Air Hava Taş.ve Hizmetleri A.Ş., Koç Ailesi)	63,545	29,500
Hardware maintenance expenses (Koç Sistem A.Ş., Set Air Hava Taş. ve Hizmetleri A.Ş.)	28,468	2,840
Banking expenses (Koçbank A.Ş.)	21,172	1,202,796
	<u>6,758,647</u>	<u>3,509,814</u>

7- TOTAL SALARIES AND BENEFITS PAID TO MEMBERS OF THE BOARD OF DIRECTORS, MANAGING DIRECTOR, GENERAL COORDINATOR, ASSISTANT MANAGING DIRECTOR AND OTHER TOP MANAGEMENT

Members of the Board of Directors, general manager, general coordinator, assistant general manager and other management were paid salaries and benefits amounting to TL 7,238,062 (2001: TL 4,646,563).

8- CHANGES IN DEPRECIATION CALCULATION METHODS AND EFFECT ON THE DEPRECIATION EXPENSE FOR THE YEAR

None (2001: None).

9- INVENTORY COSTING METHOD AND PROCEDURES

There are no inventories (2001: None).

10- IF ANY, REASON FOR NOT PERFORMING PHYSICAL STOCK COUNT

There are no inventories (2001: None).

11- PRODUCT, SCRAP OR SERVICE SALES INCLUDED IN DOMESTIC AND FOREIGN SALES THAT EXCEED 20% OF GROSS SALES

None (2001: None).

12- INCENTIVES AND SUBSIDIES ON SALES

None (2001: None).

13- INCOME AND LOSSES RELATED TO PRIOR PERIOD AND THE AMOUNTS AND SOURCES OF SUCH EXPENSES AND LOSSES

None (2001: TL 68,491 resulting from previous year losses of Samoto A.Ş.)

KOÇ HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

FOOTNOTES TO STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

14- INCOME AND DIVIDEND PER ORDINARY AND PREFERENCE SHARES

The earnings per share amount stated below has not yet been approved by the General Assembly.

As of 31 December 2002, earnings per share is TL192 (2001: 539), which is calculated by dividing the net profit for the period by 203,156,006,000 (2001: 101,578,003,000 shares) shares with a nominal value of TL1,000.

15- CHANGES IN QUANTITIES OF PRODUCTION OF GOODS AND SERVICES REALIZED BY THE COMPANY DURING THE PERIOD FOR EACH MAIN PRODUCTION GROUP

None (2001: None).

16- CHANGES IN THE QUANTITIES OF SALES OF GOODS AND SERVICES REALIZED BY THE COMPANY DURING THE PERIOD FOR EACH MAIN SALES GROUP

	31 December 2002	31 December 2001
Income from services	19,043,305	10,429,420
Income from aircraft rental	7,091,156	497,414
Income from advertising	3,224,607	1,993,089
Income from project sales	2,003,705	551,697
Commission income	-	2,601,761
	<u>31,362,773</u>	<u>16,073,401</u>

17- OTHER MATTERS RELATED WITH THE INCOME STATEMENT

The Company has incurred no tax liability as of 31 December 2002 since dividend income from investments is greater than taxable base of corporate income. Tax provision in the financial statement is related to withholding tax expense.

Donations in the amount of TL4,145(2001: TL2,917) given to foundations exempted from tax are included in the general and administrative expenses.

KOÇ HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34

STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Amounts expressed in millions of Turkish Lira)

	31 December 2002	31 December 2001
A- CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	30,692,377	5,049,480
B- CASH INFLOWS DURING THE YEAR	151,154,096	183,669,998
1 Cash inflow from sales	31,362,773	16,073,401
a) Net sales	31,362,773	16,073,401
2 Cash inflow from other operating activities	64,455,705	64,539,719
3 Cash inflow from extraordinary income and profit	1,855,511	2,248,723
4 Increase in short-term payables (Not relating to purchases)	51,340,577	20,192,791
5 Increase in long-term payables	-	40,368,267
6 Increase in marketable securities	-	40,247,097
7 Other cash inflows	2,139,530	-
C- CASH OUTFLOW DURING THE YEAR	180,494,483	158,027,101
1 Cash outflow from operating activities	35,840,392	22,562,610
a) General and administrative expenses	45,806,586	30,076,523
b) Expenses not requiring cash outflow	-9,966,194	-7,513,913
2 Cash outflow from other operating activities	-	-
a) Expense and losses from other operating activities	2,820,000	-
b) Expenses and losses not requiring cash outflow	-2,820,000	-
3 Cash outflow from finance expenses	10,936,853	714,724
4 Cash outflow from purchases of property plant and equipment	102,202,884	118,640,539
5 Taxes and similar charges paid	240,850	3,755,603
6 Dividends paid	1,736,884	7,686,802
7 Increase in marketable securities	-	-
8 Decrease in long-term payables	24,348,816	-
9 Other cash outflows	5,187,804	4,666,823
D- CASH AND CASH EQUIVALENTS AT END OF YEAR	1,351,990	30,692,377
E- CASH (DECREASE)/INCREASE	-29,340,387	25,642,897

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINAL ISSUED IN TURKISH - SEE NOTE 34****STATEMENTS OF FUND FLOWS FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

	<u>31 December 2002</u>	<u>31 December 2001</u>
A - SOURCES	131,984,846	159,353,424
1- Sources from operating profit	49,164,353	56,296,546
a) Operating profit	36,378,159	48,782,633
b) Depreciation	9,715,771	7,140,582
c) Expenses not necessitating fund usage	3,070,423	373,331
2- Sources from extraordinary profit	-	2,248,723
3- Decrease in current assets	31,479,916	40,247,097
4- Increase in short term payables	51,340,577	20,192,791
5- Increase in long term payables	-	40,368,267
B - USES OF SOURCES	131,984,846	159,353,424
1- Taxes and similar charges paid	240,850	3,755,603
2- Dividends paid	1,736,884	7,686,802
3- Increase in current assets	3,455,412	29,270,480
4- Increase in non-current assets (excluding revaluation)	102,202,884	118,640,539
5- Decrease in long term payables	24,348,816	-

KOÇ HOLDİNG A.Ş.**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS****ORIGINALLY ISSUED IN TURKISH - SEE NOTE 34****STATEMENTS OF PROFIT DISTRIBUTION FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001**

(Amounts expressed in millions of Turkish Lira)

	31 December 2002	31 December 2001
DISTRIBUTION OF INCOME FOR THE YEAR		
Income for the year	36,378,159	54,960,686
Taxes payable	-102,955	-153,897
First legal reserves	-1,813,760	-2,736,915
Accumulated deficit	-	-68,491
NET CURRENT YEAR INCOME TO BE DISTRIBUTED	34,461,444	52,001,383
Dividend to shareholders	-6,892,289	-10,400,277
Approved at General Assembly meeting in accordance with Articles of Associates:		
Koç Holding Foundation for pensions and assistance portion	-150,211	-327,346
Dividends allocated to usufruct shareholders	-729,109	-1,407,674
Extraordinary reserves	26,689,835	39,866,086
Profit per share and dividend per share are not expressed in TL millions but in full TL		
EARNINGS PER SHARE (TL/%)		
203,156,006,000 shares receiving 12 months earnings from 2002 net profit for the year	169/17	
101,578,003,000 shares receiving 12 months earnings from 2001 net profit for the year		512/51
DIVIDEND PER SHARE (TL/%)		
203,156,006,000 shares receiving 12 months earnings from 2002 net profit for the year	34/3	
101,578,003,000 shares receiving 12 months earnings from 2001 net profit for the year		102/10
100 unit for privileged shares	7,291,090,000/-	14,076,740,000/-

Statements of profit distribution for the year ended 31 December 2002 have not yet been approved by the General Assembly.

Koç Group Companies On The Web

Vehbi Koç	www.vehbikoc.gen.tr
KOÇ GROUP COMPANIES	
Agro Market Elektronik Hizm.	www.kotonline.com
Apple Bilkom	www.bilkom.com.tr
Arctic	www.arctic.ro
Arçelik	www.arcelik.com.tr
Ark İnşaat	www.arkinsaat.com.tr
Artesis	www.artesis.com
Aygaz	www.aygaz.com.tr
Beko Elektronik	www.bekoelektronik.com.tr
Beko Espana	www.beko.es
Beko France	www.beko.fr
Beko Polska	www.qdnet.pl./beko
Beko Ticaret	www.beko.com.tr
Beko UK	www.beko.co.uk
Beldeyama	www.beldeyama.com.tr
Biletix	www.biletix.com.tr
Bilkom	www.bilkom.com.tr
Birleşik Oksijen	www.bos.com.tr
Birmot	www.birmot.com.tr
Blomberg	www.blomberg.de
Demir Export	www.demirexport-as.com.tr
Divan Oteli	www.divanoteli.com.tr
Divan Üretim	www.divanpastaneleri.com.tr
Döktaş	www.doktas.com.tr
Düzey	www.duzey.com.tr
Elektrabregenz	www.elektrabregenz.com
Ford Otosan	www.ford.com.tr
Garanti Balfour Beatty	www.garantibalfourbeatty.com.tr
GVZ	www.gvz.com.tr
İ.d.e.a	www.idea.com.tr
İnternet Rezervasyon Sistemleri	www.bookinturkey.com
İzocam	www.izocam.com.tr
Information Technologies Group	www.kocbilgi.com
Kangurum/Sanal Merkez	www.kangurum.com.tr
Kav Danışmanlık	www.kav.com.tr
Koç Allianz Hayat ve Emeklilik	www.kocallianzhayat.com.tr
Koç Allianz Sigorta	www.kocallianz.com.tr
Koç Ata	www.kocata.com.tr
Koç Bryce	www.kocbryce.com.tr
Koç Factoring	www.kocfactor.com.tr
Koç Fiat Kredi	www.kocfiatkredi.com.tr
Koç Holding	www.koc.com.tr
Koç.net	www.koc.net
	www.kobiline.com
Koçyatırım	www.kocyatirim.com.tr
Koç Yapı	www.kocyapi.com.tr
Koçbank	www.kocbank.com.tr
Koçbank Azerbaycan	www.kocbank.com.az
Koçbank Niderland	www.kocbank.nl
Koçfinans	www.kocfinans.com.tr
Koçfinans/Akıllıkart	www.akillikart.com.tr
KoçLease	www.koclease.com.tr
KoçSistem	www.kocsistem.com.tr
Koçtaş	www.koctas.com.tr
Mako	www.mako.com.tr
Maret	www.maret.com.tr
Marmaris Altinyunus (Mares)	www.mares.com.tr
Migros	www.migros.com.tr
Mogaz	www.mogaz.com.tr
New Holland Trakmak	www.trakmak.com.tr
Opet	www.opet.com.tr
Otokar	www.otokar.com.tr
Otokoç	www.otokoc.com.tr
Otomotiv Lastikleri	www.oltas.com.tr
Otoyol Pazarlama	www.opaz.com.tr
Otoyol Sanayi	www.otoyol.com.tr

Pastavilla	www.pastavilla.com.tr
Promena	www.promena.net
Ram	www.ram.com.tr
Ram Pacific	www.rampacific.com
Ramstore/Ramenka	www.ramstore.ru
RMK Marine	www.rmkmarine.com.tr
Sek Süt	www.seksut.com.tr
Setair	www.setair.com.tr
Set Oto Avis	www.avis.com.tr
Setur	www.setur.com.tr
Setur Marinaları	www.seturmarinas.com
Sherbrook	www.sherbrook.co.uk
Tat	www.tat.com.tr
Tanı	www.paro.com.tr
Tekersan	www.tekersan.com.tr
Tek-İz	www.tekiz.com.tr
TNT Lojistik	www.tntturkey.com
Tofaş	www.tofas.com.tr
Türk Demir Döküm	www.demirdokum.com.tr
Türk Traktör	www.turktraktor.com.tr
Tütaş (Talya Oteli)	www.talya.com.tr
Ultra TV	www.ultratv.com.tr

THE VEHBİ KOÇ FOUNDATION

AKMED Suna-İnan Kıraç Research Institute on Mediterranean Civilizations	www.akmed.org.tr
American Hospital	www.amerikanhastanesi.com.tr
Koç School	www.kocschool.k12.tr
Koç University	www.ku.edu.tr
Rahmi M. Koç Museum	www.rmkmuseum.org.tr
Sadberk Hanım Museum	www.sadberkhanimmuzesi.org.tr
Suna-İnan Kıraç Kaleiçi Museum	www.kaleicimuzesi.com
Vehbi Koç Foundation	www.vkv.org.tr
Vehbi Koç & Ankara Research Center	www.vekam.org.tr

International Network

COUNTRY	COMPANY NAME	ADDRESS	TELEPHONE	FAX
Algeria	Ram Representative Office	47 Chemin Ibn Badis (Ex-Poirson) El Biar, 16000 Alger, Algeria	00213-21-921762 00213-21-791933 00213-21-791934	00213-21-791935
Azerbaijan	Koçbank Azerbaijan	28 May Küşesi, 5 Baku-Azerbaijan	0099-412-977795	0099-412-970276
	Ram Representative Office	Huseyn Javid Prospekti 528, EV A 370073 Baku-Azerbaijan	0099-412-975455	0099-412-975553
	Ramstore Azerbaijan	Babek Prospekti 1129.cu Mehelle Baku-Azerbaijan	0099-412-903200 0099-412-903202 0099-412-903204 0099-412-903206	0099-412-903201 0099-412-903205
	Set Auto AVIS	Huseyn Javid Prospekti 528, EV A 370073 Baku-Azerbaijan	0099-412-975455	099-412-975553
Austria	Elektra Bregenz AG	Josef - Heiss-Strasse 1, Postfach 150, A-6130 Schwaz-Austria	00 5242 / 9003 - 0	00 5242 / 9003 - 185
Bahrain	Koçbank Bahrain Branch	Al Jasrah Tower 10 th Floor, Building No: 95 Road 1702 Area 317 Diplomatic Area Kingdom of Bahrain	00973-541055	00973-541056
Bulgaria	Ram Representative Office	Bul.Vitosha No. 48 ET.3 AP.8 Sofia-Bulgaria	00359-2-9989075-76	00-359-2-9818769
	Ramstore Bulgaria AD	196 Al.Stamboliysky Boulevard 1309 Sofia-Bulgaria	00359-2-9200550 00359-2-9202017	00-359-2-9293671
England	Beko UK	Beko House, Caxton Way Watford Hertfordshire WD 1 8 UF, England	0044-1923-818121	0044-1923-819652
	Beko UK (Heatline)	Units 16-19 The Manton Centre Manton Lane Bedford MK 14 7 PX England	0044-1234-363363	0044-1234-355800
	Sherbrook	Sherbrook House Swen Mews Lichfield Staffordshire WS13, 6 TU England	0044-1543-257131	0044-1543-263816
France	Beko France	Immeuble Stadium 266 Avenuedu Pdt Wilson Paris-France	0033-1-58344646	0033-1-58344647

COUNTRY	COMPANY NAME	ADDRESS	TELEPHONE	FAX
Germany	Beko Deutschland	Hermann StraBe 54-56 Nue Isenburg 63263 Germany	0049-6102-718-0	0049-6102-800930
	Beko Deutschland Dresden Dresden Branch Office	Höckendorfer StraBe 1 Ottendorf-Okrilla 04158 Germany	0049-35-20541410	0049-35-20541424
	Beko Uk Okrilla Branch Office	Höckendorfer StraBe 1 Ottendorf-Okrilla 04158 Germany	0049-35-20541410	0049-35-20541424
	Blomberg-Werke GmbH	Volastrasse 50 Ahlen Westfalle / 59229 Germany	00 2382-780212	00 2382-780362
	Koçbank Nederland N.V. Frankfurt Branch	Bockenheimer Landstrasse 59 D-60325 Frankfurt am Main Germany	0049-69-9778670	0049-69-97786731 0049-69-97786732
Hong Kong	Ram Pacific	Suite 3603, The Center 99 Queens Road Central Hong Kong	00852-29561331	00852-29561330
Iraq	Ram Representative Office	Q/611 St.59 H.No.43 Mansur-Baghdad Iraq		
Italy	Kofisa Italy	Viale Certosa 148 Milano 20156 Italy	0039-02-3343011	0039-02-33496180
Kazakhstan	Ram Representative Office	107, Valihanova Street, Apt. # 3, Almaty, Kazakhstan	007-3272-916839	007-3272-505929
	Rambutya Ramstore	Furmanova Street 226 Almaty-Kazakhstan	007-3272-587580 007-3272-587581	007-3272-587570
	Set Auto AVIS	Zheltoksan Str. 181 480099 Alma Ata-Kazakhstan	007-3272-634303	007-3272-503555
Poland	Beko Polska S.A.	U1 Raszynska 1305-500 Piaseczno-Poland	0048-22-7150701	0048-22-7150700
Republic of Ireland	Beko UK Dublin Branch Office	Bracetown Business Park Clonee Country Meath Dublin-Republic of Ireland	00353-18014020	00353-18014015
	Koratrade MTMC Ltd	"4 Harbourmaster" 1 Harbourmaster Street, IFSC Duplin 1, Republic of Ireland	00353-18291822	00353-18291833
Russian Federation	Beko-Arçelik Representative Office	Mosalarko Plaza Marksistkaya Str. No. 16 5 th Floor Moscow-Russia Federation	0070-95-2326730	007-95-2326731 007-95-2326732
	Ramenka Ramstore	121351 Yartsevskaya 19 Moscow-Russia Federation	0070-95-9370440 0070-95-9371972	0070-95-9370441 0070-95-9371971

COUNTRY	COMPANY NAME	ADDRESS	TELEPHONE	FAX
Spain	Beko Espana	C/Bergara No 3 3B Barcelona 08002 Spain	0034-93-3184647	0034-93-3184542
Switzerland	Kofisa S.A.	7 Rue du Marche 5 fl CH-1204 Geneva-Switzerland	0041-22-3185959	0041-22-3185958
The Netherlands	Koçbank Nederland N.V.	Rembrandt Tower Amstelplein 1, 1096 HA Amsterdam-The Netherlands	0031-20-4624444	0031-20-6631331
Tunisia	Tunusdan S.A.	Rue des Usines Zone Industrielle Sidi Rezig 2033 Megrine, Tunisia	00216-71-427527	00216-71-427007
Turkish Republic of Northern Cyprus	Koç Allianz Sigorta Branch Office	M.Akif Cad. Saadet Apt. No. 1 Dereboyu Köşklüçiftlik Lefkosa-Turkish Republic of Northern Cyprus	00392-2273150 00392-2277041 00392-2271292	00392-2282949
Ukraine	Aygaz Ukraine	33, Lenina Street Illichivsk Odeska Oblast, Ukraine	00380-482695116 00380-482695715	
United States	Ramerica	12 East 49 th Str. 17 th Floor New York, N.Y. 10017 USA	001-212-7590300	001-212-7597260
Uzbekistan	Ram Representative Office	2 Afrosiyob Street, Barakat - Dalston JV Business Centre, Room 69, Tashkent-Uzbekistan	00998-71-1526779 00998-71-1526781	00998-71-1526780
	SamKocAuto JSC Automotive Factory	Ruzybaev Str. 5 703060 Samarkand-Uzbekistan	00998-662-220170 00998-662-220171 00998-662-220172 00998-662-220174	00998-662-336906

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