

KOÇ HOLDİNG A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2010**

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

KOÇ HOLDİNG A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2010**

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CONVENIENCE TRANSLATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

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

		30 September 2010	30 September 2010	30 September 2010	31 December 2009
	Notes	(*) EUR’000	(*) USD’000	TL’000	TL’000
ASSETS					
Current assets:					
Cash and cash equivalents	4	5.742.978	7.817.446	11.344.678	9.988.245
Financial assets	5	1.033.963	1.407.449	2.042.490	1.971.334
Trade receivables	6	2.683.335	3.652.604	5.300.659	4.747.016
Receivables from finance sector operations	7	6.935.434	9.440.640	13.700.257	11.934.199
Inventories	8	2.090.716	2.845.921	4.130.001	3.361.000
Derivative financial instruments	14	255.012	347.127	503.750	250.163
Other current assets	15	935.536	1.273.469	1.848.058	1.363.879
Total current assets		19.676.974	26.784.656	38.869.893	33.615.836
Non-current assets:					
Financial assets	5	3.047.609	4.148.461	6.020.247	6.034.947
Trade receivables	6	36.978	50.336	73.047	85.641
Receivables from finance sector operations	7	6.338.965	8.628.714	12.521.990	9.743.214
Investment property		58.480	79.604	115.521	120.344
Property, plant and equipment	9	5.296.499	7.209.692	10.462.705	10.629.539
Intangible assets	10	677.392	922.078	1.338.120	1.319.893
Goodwill		1.780.655	2.423.860	3.517.506	3.517.860
Deferred tax assets	13	272.619	371.094	538.531	518.509
Derivative financial instruments	14	18.841	25.647	37.219	126.082
Other non-current assets	15	367.029	499.606	725.029	674.567
Total non-current assets		17.895.067	24.359.092	35.349.915	32.770.596
Total assets		37.572.041	51.143.748	74.219.808	66.386.432

(*) Euro (“EUR”) and US Dollar (“USD”) amounts presented above have been translated from Turkish Lira (“TL”) for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey (“CBRT”) at 30 September 2010, and therefore do not form part of these interim condensed consolidated financial statements (Note 2.1.3).

These interim condensed consolidated financial statements as of and for the period ended 30 September 2010 have been approved for issue by the Board of Directors (“BOD”) on 11 November 2010 and signed on behalf of BOD by CFO (Chief Financial Officer), Ahmet F. Ashabođlu and by Accounting Director, Emine Alangoya.

CONVENIENCE TRANSLATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

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

	Notes	30 September 2010 (* EUR'000)	30 September 2010 (* USD'000)	30 September 2010 TL'000	31 December 2009 TL'000
LIABILITIES					
Current liabilities:					
Payables from finance sector operations	11	12.214.616	16.626.759	24.128.753	20.719.836
Financial liabilities	12	3.822.739	5.203.583	7.551.439	8.492.043
Trade payables	6	2.937.460	3.998.524	5.802.658	4.083.434
Other payables		882.329	1.201.043	1.742.953	1.488.466
Derivative financial instruments	14	88.489	120.453	174.801	134.477
Current income tax liabilities	13	101.069	137.577	199.652	144.059
Other current liabilities	15	2.044.291	2.782.724	4.038.292	3.095.333
Total current liabilities		22.090.993	30.070.663	43.638.548	38.157.648
Non-current liabilities:					
Payables from finance sector operations	11	339.281	461.837	670.217	716.302
Financial liabilities	12	3.471.943	4.726.072	6.858.476	6.428.177
Derivative financial instruments	14	201.195	273.871	397.441	249.894
Provisions for employee benefits		396.093	539.169	782.442	763.664
Deferred tax liabilities	13	447.171	608.698	883.342	828.828
Other non-current liabilities	15	247.887	337.427	489.676	459.873
Total non-current liabilities		5.103.570	6.947.074	10.081.594	9.446.738
Total liabilities		27.194.563	37.017.737	53.720.142	47.604.386
Equity:					
Paid-in share capital	16	1.222.609	1.664.237	2.415.141	2.415.141
Adjustment to share capital	16	489.667	666.544	967.288	967.288
Total share capital		1.712.276	2.330.781	3.382.429	3.382.429
Share premium		4.701	6.399	9.286	9.286
Revaluation funds	16	4.282	5.828	8.458	(14.183)
Translation differences		13.741	18.704	27.143	51.707
Restricted reserves	16	1.155.497	1.572.884	2.282.569	2.269.812
Prior years' income		2.580.882	3.513.144	5.098.274	4.041.695
Profit for the period		721.266	981.800	1.424.788	1.429.210
Shareholders' equity		6.192.645	8.429.540	12.232.947	11.169.956
Minority interest		4.184.833	5.696.471	8.266.719	7.612.090
Total equity		10.377.478	14.126.011	20.499.666	18.782.046
Total liabilities and equity		37.572.041	51.143.748	74.219.808	66.386.432

Commitments and contingent liabilities 19

(*) EUR and USD amounts presented above have been translated from TL for convenience purposes only, at the official TL bid rate announced by the CBRT on 30 September 2010, and therefore do not form part of these interim condensed consolidated financial statements (Note 2.1.3).

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

CONVENIENCE TRANSLATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

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

	Notes	1 January - 30 September 2010 (* EUR'000	1 January - 30 September 2010 (* USD'000	1 January - 30 September 2010 TRY'000	1 January - 30 September 2009 TRY'000	1 July - 30 September 2010 TRY'000	1 July - 30 September 2009 TRY'000
Revenue		17.484.550	23.009.815	34.841.462	28.524.102	12.626.925	11.509.569
Interest, fee, commission and similar income		1.823.231	2.399.388	3.633.153	4.182.810	1.251.878	1.219.852
Total revenue	3	19.307.781	25.409.203	38.474.615	32.706.912	13.878.803	12.729.421
Cost of sales (-)		(15.163.853)	(19.955.759)	(30.217.010)	(24.050.267)	(10.850.957)	(9.728.434)
Interest, fee, commission and similar expenses (-)		(783.946)	(1.031.679)	(1.562.169)	(1.944.735)	(534.170)	(533.320)
Total costs	3	(15.947.799)	(20.987.438)	(31.779.179)	(25.995.002)	(11.385.127)	(10.261.754)
Gross profit non-finance		2.320.697	3.054.056	4.624.452	4.473.835	1.775.968	1.781.135
Gross profit finance		1.039.285	1.367.709	2.070.984	2.238.075	717.708	686.532
Gross profit	3	3.359.982	4.421.765	6.695.436	6.711.910	2.493.676	2.467.667
Marketing, selling and distribution expenses (-)	3	(770.109)	(1.013.470)	(1.534.597)	(1.546.779)	(552.451)	(576.551)
General administrative expenses (-)	3	(960.576)	(1.264.126)	(1.914.140)	(1.748.239)	(665.382)	(629.753)
Research and development expenses (-)	3	(46.226)	(60.833)	(92.114)	(78.432)	(34.799)	(32.896)
Other income	3	146.476	192.764	291.883	258.695	82.746	67.773
Other expense (-)	3	(98.719)	(129.915)	(196.718)	(803.416)	(75.549)	(259.311)
Operating profit	3	1.630.828	2.146.185	3.249.750	2.793.739	1.248.241	1.036.929
Financial income	17	716.449	942.853	1.427.668	1.637.832	408.402	426.890
Financial expense (-)	17	(724.817)	(953.865)	(1.444.342)	(1.885.586)	(229.075)	(389.408)
Profit before tax		1.622.460	2.135.173	3.233.076	2.545.985	1.427.568	1.074.411
Tax income/expense		(305.011)	(401.397)	(607.796)	(462.073)	(253.858)	(222.147)
- Current income tax expense (-)	13	(287.937)	(378.927)	(573.772)	(523.708)	(165.189)	(267.662)
- Deferred tax income/expense	13	(17.074)	(22.470)	(34.024)	61.635	(88.669)	45.515
Profit for the period		1.317.449	1.733.776	2.625.280	2.083.912	1.173.710	852.264
Attributable to:							
Minority interest		602.445	792.823	1.200.492	950.455	514.574	385.825
Equity holders of the parent		715.004	940.953	1.424.788	1.133.457	659.136	466.439
Earnings per share (TL)	21			0,590	0,469	0,273	0,193

(*) EUR and USD amounts presented above have been translated from TL for convenience purposes only, at the EUR and USD average CBRT bid rates for the nine month period ended 30 September 2010, and therefore do not form part of these interim condensed consolidated financial statements (Note 2.1.3).

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

CONVENIENCE TRANSLATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

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

	1 January - 30 September 2010 (* EUR'000)	1 January - 30 September 2010 (* USD'000)	1 January - 30 September 2010 TRY'000	1 January - 30 September 2009 TRY'000	1 July - 30 September 2010 TRY'000	1 July - 30 September 2009 TRY'000
Profit for the period	1.317.449	1.733.776	2.625.280	2.083.912	1.173.710	852.264
Other comprehensive income:						
Fair value gains/losses on financial assets (net)	18.442	24.269	36.751	47.206	(3.580)	23.421
Cumulative gains/losses on hedging (net)	(9.625)	(12.667)	(19.180)	52.417	(49.411)	23.540
Revaluation differences on non-current assets (net)	136	180	272	185	98	(9)
Currency translation differences	(34.123)	(44.905)	(67.996)	(12.397)	2.004	(2.230)
Other comprehensive income (after tax) (**)	(25.170)	(33.123)	(50.153)	87.411	(50.889)	44.722
Total comprehensive income	1.292.279	1.700.653	2.575.127	2.171.323	1.122.821	896.986
Attributable to:						
Minority interest	714.258	939.969	1.423.301	962.211	780.731	394.519
Equity holders of the parent	578.021	760.684	1.151.826	1.209.112	342.090	502.467

(*) EUR and USD amounts presented above have been translated from TL for convenience purposes only, at the EUR and USD average CBRT bid rates for the nine month period ended 30 September 2010, and therefore do not form part of these interim condensed consolidated financial statements (Note 2.1.3).

(**) Deferred tax effects of comprehensive income components are presented in Note 13.

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

CONVENIENCE TRANSLATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KOÇ HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

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

	Capital		Share premium	Revaluation funds			Currency translation differences	Restricted reserves		Retained earnings			Total equity
	Paid-in share capital	Adjustment to share capital		Financial assets fair value reserve	Cumulative gains/(losses) on hedging	Non-current assets revaluation fund		Legal reserves	Special reserves	Profit for the period	Prior years' income	Minority interest	
Balances at 1 January 2009	2.012.618	967.288	9.286	1.465	(112.566)	18.159	52.312	106.096	395.441	2.023.555	4.275.837	6.382.169	16.131.660
Transfers	-	-	-	-	-	-	-	34.121	1.734.154	(2.023.555)	255.280	-	-
Capital increases	402.523	-	-	-	-	-	-	-	-	-	(402.523)	165.275	165.275
Dividends paid	-	-	-	-	-	-	-	-	-	-	(71.628)	(330.572)	(402.200)
Transactions with minority interest	-	-	-	-	-	-	-	-	-	-	(25.132)	85.532	60.400
Total comprehensive income	-	-	-	34.484	43.365	417	(2.905)	-	-	1.133.457	294	962.211	2.171.323
Balances at 30 September 2009	2.415.141	967.288	9.286	35.949	(69.201)	18.576	49.407	140.217	2.129.595	1.133.457	4.032.128	7.264.615	18.126.458
Balances at 1 January 2010	2.415.141	967.288	9.286	52.509	(85.152)	18.460	51.707	140.217	2.129.595	1.429.210	4.041.695	7.612.090	18.782.046
Transfers	-	-	-	-	-	-	-	12.600	157	(1.429.210)	1.416.453	-	-
Capital increases	-	-	-	-	-	-	-	-	-	-	-	10.153	10.153
Dividends paid (Note 16)	-	-	-	-	-	-	-	-	-	-	(359.714)	(501.018)	(860.732)
Transactions with minority interest	-	-	-	-	-	-	-	-	-	-	(596)	(5.010)	(5.606)
Changes in the scope of consolidation (Note 2.4) -	-	-	-	-	-	-	-	-	-	-	-	(1.322)	(1.322)
Total comprehensive income	-	-	-	35.005	(4.801)	(7.563)	(24.564)	-	-	1.424.788	436	1.151.826	2.575.127
Balances at 30 September 2010	2.415.141	967.288	9.286	87.514	(89.953)	10.897	27.143	152.817	2.129.752	1.424.788	5.098.274	8.266.719	20.499.666

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

CONVENIENCE TRANSLATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KOÇ HOLDİNG A.Ş.

CONDENSED CONSOLIDATED CASH FLOWS STATEMENTS
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

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

	Notes	30 September 2010 (* EUR'000	30 September 2010 (* USD'000	30 September 2010 TRY'000	30 September 2009 TRY'000
Cash flow from operating activities:					
Profit before tax		1.622.460	2.135.173	3.233.076	2.545.985
Adjustments to reconcile net cash generated:					
Depreciation and amortisation	3	362.921	477.607	723.193	664.994
Changes in provisions	22	391.213	514.840	779.571	823.948
Net interest income	22	(625.676)	(823.395)	(1.246.784)	(932.594)
Finance sector interest received		1.292.637	1.701.121	2.575.838	3.504.802
Finance sector interest paid		(626.818)	(824.898)	(1.249.061)	(1.796.280)
Exchange gains on borrowings		(124.039)	(163.237)	(247.173)	(54.205)
Exchange losses on cash and cash equivalents		66.193	87.111	131.903	155.634
(Gains)/losses on sale of property, plant and equipment (net)		(27.115)	(35.684)	(54.032)	9.158
		2.331.776	3.068.638	4.646.531	4.921.442
Net changes in operating assets and liabilities	22	(751.910)	(989.520)	(1.498.331)	1.640.817
Taxes paid		(264.162)	(347.639)	(526.394)	(375.394)
Cash flows from operating activities		1.315.704	1.731.479	2.621.806	6.186.865
Investing activities:					
Purchases of property, plant and equipment and intangible assets	3	(365.057)	(480.418)	(727.449)	(938.844)
Sale of property, plant and equipment and intangible assets		82.441	108.493	164.281	55.141
Cash outflow from acquisition of subsidiary (net)		-	-	-	(14.224)
(Increase)/decrease in the financial assets		(7.048)	(9.276)	(14.046)	857
Non-finance sector interest received		187.069	246.184	372.771	279.620
Transactions with minority interest (net)		(2.813)	(3.702)	(5.606)	60.400
Cash flows from investing activities		(105.408)	(138.719)	(210.049)	(557.050)
Financing activities:					
Share capital increases		5.095	6.705	10.153	165.275
Dividend payments		(431.943)	(568.440)	(860.732)	(402.200)
Decrease in short-term borrowings (net)		(422.094)	(555.479)	(841.106)	(1.409.934)
Increase/(decrease) in long-term borrowings (net)		290.046	381.703	577.974	(1.443.936)
Non-finance sector interest paid		(219.875)	(289.357)	(438.144)	(628.830)
Cash flows from financing activities		(778.771)	(1.024.868)	(1.551.855)	(3.719.625)
Effects of foreign exchange rate changes on cash and cash equivalents		(66.193)	(87.112)	(131.904)	(155.634)
Net increase in cash and cash equivalents		365.332	480.780	727.998	1.754.556
Cash and cash equivalents at the beginning of the period		4.110.693	5.409.706	8.191.377	6.128.955
Cash and cash equivalents at the end of the period	22	4.476.025	5.890.486	8.919.375	7.883.511

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

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

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

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Koç Holding A.Ş. (“Koç Holding”) was established on 11 December 1963 in Turkey. Koç Holding’s business activities include acquisition, disposal and exchanging of shares of domestic and foreign corporations and limited liability companies which are established or will be established for all types of commercial, industrial, agricultural and financial activities, buy, sell and exchange securities without brokerage and portfolio management purposes and to increase, decrease or cease its participation to these companies.

As of 30 September 2010, the number of personnel employed by Koç Holding, Subsidiaries and Joint Ventures (collectively referred as the “Group”) is 73.217 (31 December 2009: 68.057).

The registered address of Koç Holding is as follows:

Nakkaştepe Azizbey Sok. No: 1
Kuzguncuk-İSTANBUL

Koç Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 10 January 1986. As of 30 September 2010, the principal shareholders and their respective shareholding rates in Koç Holding are as follows:

	%
Companies owned by Koç Family members	42,49
Koç Family members	26,02
Vehbi Koç Vakfi	7,15
Koç Holding Emekli ve Yardım Sandığı Vakfi	1,99
Other	22,35
	100,00

Koç Holding is organised mainly in Turkey under five core business segments:

- Energy
- Automotive
- Consumer durable
- Finance ⁽¹⁾
- Other ⁽²⁾

(1) The finance segment includes three main groups; banking, insurance and consumer finance. Leasing, factoring, portfolio management, custody and brokerage services are included in the banking sector.

(2) Other operations of Koç Holding mainly comprise food, retail, tourism, information technologies and construction, none of which are of a sufficient size to be reported separately.

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

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

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

The subsidiaries ("Subsidiary") and the joint ventures ("Joint Venture") included in the consolidation scope of Koç Holding; their country of incorporation, nature of business and their respective business segments are as follows:

Energy Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. ("Akpa")	Turkey	Trading
Anadoluhisarı Tankercilik A.Ş. ("Anadoluhisarı Tankercilik") ⁽¹⁾	Turkey	Ship Operating
Aygaz A.Ş. ("Aygaz")	Turkey	LPG
Aygaz Doğal Gaz İletim A.Ş. ("Aygaz İletim")	Turkey	LNG
Aygaz Doğal Gaz Toptan Satış A.Ş. ("Aygaz Toptan Satış")	Turkey	LNG
Beykoz Tankercilik A.Ş. ("Beykoz Tankercilik")	Turkey	Petroleum Shipping
Damla Denizcilik A.Ş. ("Damla Denizcilik")	Turkey	Petroleum Shipping
Demir Export A.Ş. ("Demir Export")	Turkey	Mining
Deniz İşletmeciliği ve Tic. A.Ş. ("Ditaş")	Turkey	Petroleum Shipping
Eltak Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. ("Eltak") ⁽²⁾	Turkey	Power Generation
Enerji Yatırımları A.Ş. ("Enerji Yatırımları")	Turkey	Investment
Entek Elektrik Üretimi A.Ş. ("Entek")	Turkey	Power Generation
Kadıköy Tankercilik A.Ş. ("Kadıköy Tankercilik")	Turkey	Petroleum Shipping
Kandilli Tankercilik A.Ş. ("Kandilli Tankercilik") ⁽¹⁾	Turkey	Ship Operating
Kuleli Tankercilik A.Ş. ("Kuleli Tankercilik") ⁽¹⁾	Turkey	Ship Operating
Kuzguncuk Tankercilik A.Ş. ("Kuzguncuk Tankercilik") ⁽¹⁾	Turkey	Ship Operating
Mogaz Petrol Gazları A.Ş. ("Mogaz")	Turkey	LPG
Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş")	Turkey	Production and Trading of Petroleum Products
Üsküdar Tankercilik A.Ş. ("Üsküdar Tankercilik")	Turkey	Petroleum Shipping

<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Opet Gıda ve İhtiyaç Mad. Tur. San. İç ve Dış Ticaret A.Ş. ("Opet Gıda") ⁽³⁾	Öztürk Family	Turkey	Food Distribution
Opet International Limited ("Opet International")	Öztürk Family	U.K.	Petroleum Products Trading
Opet Petrolcülük A.Ş. ("Opet")	Öztürk Family	Turkey	Petroleum Products Trading
Opet Trade B.V. ("Opet Trade BV")	Öztürk Family	The Netherlands	Petroleum Products Trading
Opet Trade (Singapore) Pte. Ltd. ("Opet Singapore")	Öztürk Family	Singapore	Petroleum Products Trading
Opet Trade Ireland ("Opet Trade Ireland") ⁽³⁾	Öztürk Family	Ireland	Petroleum Products Trading

Automotive Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Otokar Otobüs Karoseri Sanayi A.Ş. ("Otokar")	Turkey	Production
Otokoç Otomotiv Tic. ve San. A.Ş. ("Otokoç")	Turkey	Trading
Otokoç Sigorta Aracılık Hizmetleri A.Ş. ("Otokoç Sigorta")	Turkey	Insurance
Tasfiye Halinde Otoyol Sanayi A.Ş. ("Otoyol") ⁽³⁾	Turkey	Trading

<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Fer Mas Oto Ticaret A.Ş. ("Fer-Mas")	Fiat Auto S.p.A.	Turkey	Trading
Ford Otomotiv Sanayi A.Ş. ("Ford Otosan")	Ford Motor Co.	Turkey	Production
Platform Araştırma Geliştirme Tasarım ve Tic. A.Ş. ("Platform")	Fiat Auto S.p.A.	Turkey	Research and Development
Tofaş Türk Otomobil Fabrikası A.Ş. ("Tofaş")	Fiat Auto S.p.A.	Turkey	Production
Türk Traktör ve Ziraat Makinaları A.Ş. ("Türk Traktör")	CNH Trade NV	Turkey	Production

(1) Established in 2010.

(2) Included in the scope of consolidation as of balance sheet date.

(3) In the process of liquidation.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Consumer Durables Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Archin Limited (“Archin”) ⁽¹⁾	Hong Kong, China	Sales
Arçelik A.Ş. (“Arçelik”)	Turkey	Production/Sales
Arctic Pro SRL (“Arctic Pro”) ⁽¹⁾	Romania	Service
Ardutch B.V. (“Ardutch”)	The Netherlands	Holding
Beko Cesko (“Beko Cesko”) ⁽¹⁾	Czech Republic	Sales
Beko Deutschland GmbH (“Beko Deutschland”)	Germany	Sales
Bekodutch B.V. (“Bekodutch”)	The Netherlands	Holding
Beko Elektronik Llc (“Beko Elektronik Russia”) ⁽¹⁾	Russia	Production/Sales
Beko Electronics España S.L. (“Beko Espana”)	Spain	Sales
Beko France S.A.S (“Beko France”) ⁽²⁾	France	Sales
Beko Italy SRL (“Beko Italy”)	Italy	Sales
Beko Llc (“Beko Russia”)	Russia	Production/Sales
Beko Magyarország K.F.T. (“Beko Magyarország”) ⁽¹⁾	Hungary	Sales
Beko Plc. (“Beko UK”)	U.K.	Sales
Beko S.A. (“Beko Polska”)	Poland	Sales
Beko S.A. Czech Republic (“Beko Czech”)	Czech Republic	Sales
Beko Shanghai Trading Company Ltd. (“Beko Shanghai”)	China	Sales
Beko S.A. Hungary (“Beko Hungary”) ⁽¹⁾	Hungary	Sales
Beko Slovakia S.R.O. (“Beko Slovakia”)	Slovakia	Sales
Blomberg Vertriebsgesellschaft GmbH (“Blomberg Vertrieb”) ⁽¹⁾	Germany	Sales
Blomberg Werke GmbH (“Blomberg Werke”) ⁽¹⁾	Germany	Production
Changzhou Beko Electrical Appliances Co. Ltd. (“Beko China”)	China	Production/Sales
Elektra Bregenz AG (“Elektra Bregenz”)	Austria	Sales
Grundig Schweiz AG (“Grundig Switzerland”) ⁽¹⁾	Switzerland	Sales
Grundig Benelux B.V. (“Grundig Benelux”) ⁽¹⁾	The Netherlands	Sales
Grundig Ceska Republika S.r.o (“Grundig Czech Republic”) ⁽¹⁾	Czech Republic	Sales
Grundig Nordic Danmark A/S (“Grundig Denmark”) ⁽¹⁾	Denmark	Sales
Grundig España S.A. (“Grundig Espana”) ⁽¹⁾	Spain	Sales
Grundig Intermedia Ges.m.b.H (“Grundig Austria”) ⁽¹⁾	Austria	Sales
Grundig Intermedia GmbH (“Grundig Intermedia”)	Germany	Sales
Grundig Italiana S.p.A. (“Grundig Italy”) ⁽¹⁾	Italy	Sales
Grundig Magyarország Kft. (“Grundig Hungary”) ⁽¹⁾	Hungary	Sales
Grundig Multimedia B.V. (“Grundig Multimedia”)	The Netherlands	Holding
Grundig Nordic No AS (“Grundig Norway”)	Norway	Sales
Grundig Fin OY (“Grundig Finland”) ⁽¹⁾	Finland	Sales
Grundig Polska Sp. z o.o. (“Grundig Polska”) ⁽¹⁾	Poland	Sales
Grundig Portuguesa Lda (“Grundig Portugal”) ⁽¹⁾	Portugal	Sales
Grundig Slovakia s.r.o. (“Grundig Slovakia”) ⁽¹⁾	Slovakia	Sales
Grundig Nordic AB. (“Grundig Sweden”)	Sweden	Sales
Ram Dış Ticaret A.Ş. (“Ram Dış Ticaret”)	Turkey	Foreign Trade
Raupach Wollert GmbH (“Raupach”)	Germany	Holding
SC Arctic SA (“Arctic”)	Romania	Production/Sales

<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Arçelik-LG Klima San. ve Tic. A.Ş. (“Arçelik LG”)	LG Electronics Inc.	Turkey	Air Conditioner Production

(1) Ceased operations.

(2) Changed its business title from Beko France S.A. to Beko France S.A.S.

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Finance Sector

<u>Subsidiaries</u>		<u>Country of incorporation</u>	<u>Nature of business</u>
Koç Tüketici Finansmanı A.Ş. (“Koç Finans”)		Turkey	Consumer Finance
<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Koç Fiat Kredi Tüketici Finansmanı A.Ş. (“Fiat Finans”)	Fiat Auto S.p.A.	Turkey	Finance
Koç Finansal Hizmetler A.Ş. (“Koç Finansal Hizmetler” or “KFS”)	UniCredit S.p.A.	Turkey	Holding
Stiching Custody Services YKB (“Stiching Custody”)	UniCredit S.p.A.	The Netherlands	Custody
UniCredit Menkul Değerler A.Ş. (“UniCredit Menkul”)	UniCredit S.p.A.	Turkey	Brokerage
Yapı Kredi Azerbaijan C.J.S.C. (“Yapı Kredi Azerbaycan”)	UniCredit S.p.A.	Azerbaijan	Banking
Yapı ve Kredi Bankası A.Ş. (“Yapı Kredi Bankası”)	UniCredit S.p.A.	Turkey	Banking
Yapı Kredi Holding B.V. (“Yapı Kredi Holding”)	UniCredit S.p.A.	The Netherlands	Financial Consulting
Yapı Kredi Invest LLC. (“Yapı Kredi Invest”)	UniCredit S.p.A.	Azerbaijan	Brokerage
Yapı Kredi Nederland N.V. (“Yapı Kredi Nederland”)	UniCredit S.p.A.	The Netherlands	Banking
Yapı Kredi Diversified Payment Rights Finance Company (“Yapı Kredi SPC” ^(*))	UniCredit S.p.A.	Cayman Islands	Special Purpose Company
Yapı Kredi Emeklilik A.Ş. (“Yapı Kredi Emeklilik”)	UniCredit S.p.A.	Turkey	Life Insurance
Yapı Kredi Faktoring A.Ş. (“Yapı Kredi Faktoring”)	UniCredit S.p.A.	Turkey	Factoring
Yapı Kredi Finansal Kiralama A.O. (“Yapı Kredi Finansal Kiralama”)	UniCredit S.p.A.	Turkey	Leasing
Yapı Kredi Bank Moscow (“Yapı Kredi Moscow”)	UniCredit S.p.A.	Russia	Banking
Yapı Kredi Portföy Yönetimi A.Ş. (“Yapı Kredi Portföy”)	UniCredit S.p.A.	Turkey	Portfolio Management
Yapı Kredi Sigorta A.Ş. (“Yapı Kredi Sigorta”)	UniCredit S.p.A.	Turkey	Insurance
Yapı Kredi Yatırım Menkul Değerler A.Ş. (“Yapı Kredi Menkul”)	UniCredit S.p.A.	Turkey	Brokerage
Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş. (“Yapı Kredi Yatırım”)	UniCredit S.p.A.	Turkey	Investment Trust

(*) Although Yapı Kredi Bankası has no shareholding interest in the company, the special purpose company established for securitisation transactions is included in the scope of consolidation.

Other Sectors

<u>Subsidiaries</u>		<u>Country of incorporation</u>	<u>Nature of business</u>
Ayvalık Marina ve Yat İşletmeciliği San. ve Tic. A.Ş. (“Ayvalık Marina”)		Turkey	Tourism
Bilkom Bilişim Hizmetleri A.Ş. (“Bilkom”)		Turkey	Trading
Düzey Tüketim Malları Sanayi Pazarlama A.Ş. (“Düzey”)		Turkey	Trading
Harranova Besi ve Tarım Ürünleri A.Ş. (“Harranova Besi”)		Turkey	Agriculture and Food
Koçnet Haberleşme Teknoloji ve İletişim Hizm. A.Ş. (“Koçnet”)		Turkey	Information Technology
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. (“Koç Sistem”)		Turkey	Technology
Koç Yapı Malzemeleri Ticaret A.Ş. (“Koç Yapı Malzeme”)		Turkey	Trading
Marmaris Altinyunus Turistik Tesisleri A.Ş. (“Mares”)		Turkey	Tourism
Palmira Turizm Ticaret A.Ş. (“Palmira”)		Turkey	Tourism
RMK Marine Gemi Yapım Sanayi ve Deniz Taş. İşl. A.Ş. (“RMK Marine”)		Turkey	Ship Construction
Setur Servis Turistik A.Ş. (“Setur”)		Turkey	Tourism
Setur Yalova Marina İşletmeciliği A.Ş. (“Yalova Marina”)		Turkey	Tourism
Tat Konserve Sanayi A.Ş. (“Tat Konserve”)		Turkey	Food
Tat Tohumculuk A.Ş. (“Tat Tohumculuk”)		Turkey	Agriculture
Tek-Art Kalamış ve Fenerbahçe Marmara Turizm Tesisleri A.Ş. (“Tek-Art Marina”)		Turkey	Tourism
Zer Merkezi Hizmetler ve Ticaret A.Ş. (“Zer Ticaret”)		Turkey	Trading
<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Koçtaş Yapı Marketleri Ticaret A.Ş. (“Koçtaş Yapı Market”)	Kingfisher Plc	Turkey	Retail
Netsel Turizm Yatırımları A.Ş. (“Netsel”)	Torunlar GYO A.Ş.	Turkey	Tourism

For the purpose of segment presentation in these consolidated financial statements, Koç Holding’s stand-alone financial statements have been included in the “Other” segment (Note 3).

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards

The CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union between the ones issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

The interim condensed consolidated financial statements are prepared within the framework of Communiqué XI, No:29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the financial reporting standards accepted by the CMB (“CMB Financial Reporting Standards”) which are based on IAS/IFRS. The interim condensed consolidated financial statements and the related notes are presented in accordance with the formats recommended by the CMB and the compulsory disclosures.

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

In accordance with the Communiqué No: XI-29, entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare interim condensed consolidated financial statements in the interim periods.

Koç Holding and its Subsidiaries and Joint Ventures registered in Turkey maintain their books of account and prepare their statutory financial statements (“Statutory Financial Statements”) in TL in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles and instructions promulgated by the Banking Regulation and Supervision Agency (“BRSA”) for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

2.1.2 Comparatives and adjustment of prior periods’ financial statements

The interim condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period interim condensed consolidated financial statements. The reclassifications performed are not material to the consolidated financial statements.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1.3 EUR and USD amounts presented in the financial statements

EUR and USD amounts shown in the interim condensed consolidated balance sheet prepared in accordance with CMB Financial Reporting Standards have been translated from TL, as a matter of arithmetic computation only, at the official EUR and USD bid rates announced by the CBRT on 30 September 2010 of TL1,9754= EUR1 and TL1,4512 = USD1, respectively. EUR and USD amounts shown in the interim condensed consolidated income, comprehensive income and cash flow statements have been translated from TL, as a matter of arithmetic computation only, at the average EUR and USD bid rates calculated from the official daily bid rates announced by the CBRT for the nine months period ended 30 September 2010 of TL1,9927 = EUR1 and TL1,5142 = USD1, respectively. The EUR and USD amounts do not form part of these interim condensed consolidated financial statements.

2.2 Amendments in International Financial Reporting Standards

Amendments and interpretations effective from 1 January 2010:

- IFRS 1 (Amendment) "First-time Adoption of International Financial Reporting Standards" - Additional exemptions for first - time adopters,
- IFRS 2 (Amendment) "Share-based Payments" - Group cash settled share-based payment transactions,
- IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amendment), "Consolidated and Separate Financial Statements",
- IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" - Eligible hedged items,
- IFRIC 17, "Distributions of Non-cash Assets to Owners",
- Amendments in IFRS (Issued in 2009 and 2008).

The aforementioned changes had no significant effect on the consolidated financial statements.

*Standards, amendments and interpretations effective from periods on or after 1 January 2011
(Excluding IAS 32, these amendments have not yet been accepted by the European Union):*

- IFRS 1(Amendment) "Limited Exemption From Comparative IFRS 7 Disclosures" (Effective for periods beginning on or after 1 July 2010, with earlier application permitted),
- IFRS 9 "Financial Instruments" (Effective for periods beginning on or after 1 January 2013),
- IAS 24 (Revised) "Related Party Disclosures" (Effective for periods beginning on or after 1 January 2011),
- IAS 32 (Amendment) "Classification of Rights Issues" (Effective for periods beginning on or after 1 February 2010),
- IFRIC 14 (Amendment) "Prepayments of a Minimum Funding Requirement" (Effective for periods beginning on or after 1 January 2011, with earlier application permitted),
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (Effective for periods beginning on or after 1 July 2010, with earlier application permitted),
- Amendments in IFRS (Issued on May 2010).

The aforementioned amendments and interpretations have not been early adopted by the Group. The Group evaluates the effect of changes on the consolidated financial statements.

2.3 Restatement and Errors in the Accounting Policies and Estimates

Material changes in accounting policies or material errors are retrospectively corrected by restating the prior period consolidated financial statements. The effect of changes in accounting estimates on the current period is recognised in the current period; the effect of changes in accounting estimates on current and prospective periods is recognised in the related current and prospective periods. In the current financial year, there are no significant changes in the accounting policies and estimates of the Group.

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended 30 September 2010 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of these interim condensed consolidated financial statements for the period ended 30 September 2010 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2009. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2009.

Group Accounting

The interim condensed consolidated financial statements, which have been prepared in accordance with the principles in the consolidated financial statements for the year ended 31 December 2009, include the accounts of the parent company, Koç Holding, its Subsidiaries and its Joint Ventures.

As of 30 September 2010 there has been no change in ownership interests and effective interests of the Subsidiaries and Joint Ventures and the consolidation scope since 31 December 2009, except for the companies mentioned below:

Changes in the effective shareholding rates and voting rights:

	Proportion of effective interest		Direct and indirect ownership interest held by Koç Holding		Ownership interest held by Koç Family members		Total ownership interest	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Subsidiaries								
Anadoluhisari Tankercilik ⁽¹⁾	40,68	-	100,00	-	-	-	100,00	-
Aygaz İletim	40,30	39,89	100,00	100,00	-	-	100,00	100,00
Aygaz Toptan Satış	40,30	39,89	100,00	100,00	-	-	100,00	100,00
Demir Export	2,34	2,34	2,34	2,34	97,47	50,48	99,81	52,82
Eltek ⁽²⁾	35,03	39,51	100,00	91,00	-	9,00	100,00	100,00
Entek	35,03	34,99	86,09	86,09	13,14	13,14	99,23	99,23
Fusion Digital ⁽³⁾	-	40,51	-	100,00	-	-	-	100,00
Kandilli Tankercilik ⁽¹⁾	40,68	-	100,00	-	-	-	100,00	-
Kuleli Tankercilik ⁽¹⁾	40,68	-	100,00	-	-	-	100,00	-
Kuzguncuk Tankercilik ⁽¹⁾	40,68	-	100,00	-	-	-	100,00	-
Mogaz	40,68	39,83	100,00	97,90	-	-	100,00	97,90
Joint Ventures								
UniCredit Menkul	40,21	39,42	50,00	50,00	-	-	50,00	50,00
Mekatro ⁽³⁾	-	36,46	-	37,86	-	-	-	37,86

(1) Established in 2010

(2) Included in the scope of consolidation as of balance sheet date.

(3) Liquidation process is completed as of balance sheet date.

Changes in the scope of the consolidation:

The Group's Subsidiaries; Beldesan Otomotiv Yan Sanayii ve Tic. A.Ş., Beldeyama Motorlu Vasıtalar San. ve Tic. A.Ş. ("Beldeyama"), Bozkurt Tarım ve Gıda San. ve Tic. A.Ş. and Joint Venture; Ultra Kablolulu Televizyon ve Telekomunikasyon San. ve Tic. A.Ş. have been excluded from the scope of full and proportional consolidation, respectively, as of the balance sheet date on grounds of their immaterial effect on the financial position and financial performance of the Group. Related subsidiaries and the joint venture have been accounted in financial assets by using equity method as of 30 June 2010.

According to resolution of General Assembly of Otokoc, a Subsidiary of the Group, held on 29 July 2010, Beldeyama is merged with Otokoc.

Eltek, a Subsidiary of the Group, has been accounted for by using equity method under financial assets as of 31 December 2009. Considering the foreseeable significance of its operations, the mentioned company has been included in the scope of full consolidation as of the balance sheet date.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Significant Accounting Estimates and Decisions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are continuously reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

2.6 Convenience Translation into English of Consolidated Financial Statements

The accounting principles described in Note 2.1 to the interim condensed consolidated financial statements (defined as CMB Financial Reporting Standards) differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005. Accordingly, the accompanying interim condensed consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

NOT 3 - SEGMENT REPORTING

	1 January - 30 September 2010	1 January - 30 September 2009	1 July - 30 September 2010	1 July - 30 September 2009
a) <u>Revenue</u>				
Energy	22.477.793	17.636.339	8.340.507	7.347.754
Automotive	5.169.645	4.211.283	1.779.829	1.712.195
Consumer durables	5.248.412	5.046.244	1.795.797	1.812.430
Finance	3.633.153	4.182.810	1.251.878	1.219.852
Other	1.945.612	1.630.236	710.792	637.190
	38.474.615	32.706.912	13.878.803	12.729.421
b) <u>Operating profit</u>				
Energy	1.052.292	1.029.513	440.542	372.907
Automotive	356.847	295.352	131.053	118.473
Consumer durables	528.111	516.400	181.998	255.333
Finance	1.167.216	827.056	425.545	234.430
Other	145.284	125.418	69.103	55.786
	3.249.750	2.793.739	1.248.241	1.036.929
c) <u>Depreciation and amortisation</u>				
Energy	277.409	257.058	94.142	85.119
Automotive	169.183	141.451	57.590	49.414
Consumer durables	149.464	151.670	50.009	58.510
Finance	68.652	68.854	24.055	23.209
Other	58.485	45.961	20.617	12.287
	723.193	664.994	246.413	228.539
d) <u>Capital expenditures</u>				
Energy	222.664	385.141	84.465	91.618
Automotive	227.070	254.145	69.615	89.974
Consumer durables	140.755	143.059	59.213	48.383
Finance	61.831	65.647	27.752	27.969
Diğer	75.129	90.852	23.123	24.207
	727.449	938.844	264.168	282.151

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

e) **Segment analysis**

30 September 2010	Energy	Automotive	Consumer durables	Finance	Other	Inter segment elimination	Total
External revenue	22.477.793	5.169.645	5.248.412	3.633.153	1.945.612	-	38.474.615
Inter segment revenue	138.661	65.471	128.551	46.110	141.687	(520.480)	-
Revenue	22.616.454	5.235.116	5.376.963	3.679.263	2.087.299	(520.480)	38.474.615
Total cost	(20.842.758)	(4.547.364)	(3.771.034)	(1.608.279)	(1.508.396)	498.652	(31.779.179)
Gross profit	1.773.696	687.752	1.605.929	2.070.984	578.903	(21.828)	6.695.436
Operating expenses							
Marketing, selling and distribution	(336.812)	(184.023)	(814.906)	(40.013)	(158.843)	-	(1.534.597)
General administrative	(395.144)	(114.078)	(263.791)	(867.968)	(307.912)	34.753	(1.914.140)
Research and development	(11.840)	(35.588)	(44.659)	-	(27)	-	(92.114)
Other income/expenses (net)	22.392	2.784	45.538	4.213	33.163	(12.925)	95.165
Operating profit	1.052.292	356.847	528.111	1.167.216	145.284	-	3.249.750

30 September 2009	Energy	Automotive	Consumer durables	Finance	Other	Inter segment elimination	Total
External revenue	17.636.339	4.211.283	5.046.244	4.182.810	1.630.236	-	32.706.912
Inter segment revenue	162.441	131.984	94.793	40.682	119.199	(549.099)	-
Revenue	17.798.780	4.343.267	5.141.037	4.223.492	1.749.435	(549.099)	32.706.912
Total cost	(16.103.250)	(3.676.196)	(3.495.642)	(1.985.418)	(1.261.179)	526.683	(25.995.002)
Gross profit	1.695.530	667.071	1.645.395	2.238.074	488.256	(22.416)	6.711.910
Operating expenses							
Marketing, selling and distribution	(291.353)	(201.737)	(840.496)	(30.821)	(182.372)	-	(1.546.779)
General administrative	(394.338)	(142.752)	(247.921)	(801.152)	(193.609)	31.533	(1.748.239)
Research and development	(711)	(35.094)	(42.621)	-	(6)	-	(78.432)
Other income/expenses (net)	20.385	7.864	2.043	(579.045)	13.149	(9.117)	(544.721)
Operating profit	1.029.513	295.352	516.400	827.056	125.418	-	2.793.739

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - SEGMENT REPORTING (Continued)

1 July - 30 September 2010	Energy	Automotive	Consumer durables	Finance	Other	Inter segment elimination	Total
External revenue	8.340.507	1.779.829	1.795.797	1.251.878	710.792	-	13.878.803
Inter segment revenue	65.658	24.066	44.417	21.207	49.382	(204.730)	-
Revenue	8.406.165	1.803.895	1.840.214	1.273.085	760.174	(204.730)	13.878.803
Total cost	(7.685.655)	(1.549.425)	(1.267.565)	(555.377)	(524.224)	197.119	(11.385.127)
Gross profit	720.510	254.470	572.649	717.708	235.950	(7.611)	2.493.676
Operating expenses							
Marketing, selling and distribution	(136.596)	(69.747)	(282.008)	(13.907)	(50.193)	-	(552.451)
General administrative	(132.904)	(41.776)	(87.933)	(279.638)	(137.116)	13.985	(665.382)
Research and development	(5.535)	(13.170)	(16.078)	-	(16)	-	(34.799)
Other income/expenses (net)	(4.933)	1.276	(4.632)	1.382	20.478	(6.374)	7.197
Operating profit	440.542	131.053	181.998	425.545	69.103	-	1.248.241

1 July - 30 September 2009	Energy	Automotive	Consumer durables	Finance	Other	Inter segment elimination	Total
External revenue	7.347.754	1.712.195	1.812.430	1.219.852	637.190	-	12.729.421
Inter segment revenue	119.935	29.176	28.470	26.678	46.344	(250.603)	-
Revenue	7.467.689	1.741.371	1.840.900	1.246.530	683.534	(250.603)	12.729.421
Total costs	(6.831.887)	(1.444.177)	(1.180.461)	(560.162)	(488.346)	243.279	(10.261.754)
Gross profit	635.802	297.194	660.439	686.368	195.188	(7.324)	2.467.667
Operating expenses							
Marketing, selling and distribution	(113.683)	(96.425)	(291.542)	(8.537)	(66.364)	-	(576.551)
General administrative	(151.404)	(74.976)	(83.317)	(265.799)	(66.113)	11.856	(629.753)
Research and development	(123)	(10.932)	(21.840)	-	(1)	-	(32.896)
Other income/expenses (net)	2.315	3.612	(8.407)	(177.602)	(6.924)	(4.532)	(191.538)
Operating profit	372.907	118.473	255.333	234.430	55.786	-	1.036.929

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

NOT 3 - SEGMENT REPORTING (Continued)

f) Assets and liabilities

	30 September 2010	31 December 2009
<u>Total assets</u>		
Energy	19.320.682	16.857.792
Automotive	3.954.619	3.722.603
Consumer durables	6.041.435	5.951.592
Finance	41.523.668	36.222.512
Other	3.379.404	3.631.933
	74.219.808	66.386.432
<u>Total liabilities</u>		
Energy	11.651.983	9.727.045
Automotive	2.369.647	2.312.476
Consumer durables	3.465.070	3.586.453
Finance	34.780.179	30.657.450
Other	1.453.263	1.320.962
	53.720.142	47.604.386

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2010			31 December 2009		
	Finance	Other	Total	Finance	Other	Total
Cash in hand	331.697	3.985	335.682	326.424	2.114	328.538
Cheques received	432	29.368	29.800	92	39.402	39.494
Banks						
- Demand deposits	267.815	661.052	928.867	166.000	492.045	658.045
- Time deposits	1.354.894	6.343.397	7.698.291	998.740	5.328.930	6.327.670
Money markets	19.227	-	19.227	790.730	-	790.730
Central banks						
- Reserve requirements	1.862.597	-	1.862.597	1.429.277	-	1.429.277
- Other balances	391.846	-	391.846	357.609	-	357.609
Other	1.724	76.644	78.368	1.265	55.617	56.882
	4.230.232	7.114.446	11.344.678	4.070.137	5.918.108	9.988.245

As of 30 September 2010, total long-term bank balances of the finance sector amount to TL252.963 thousand (31 December 2009: TL90.524 thousand).

As of 30 September 2010, total blocked deposits amount to TL321.710 thousand (31 December 2009: TL289.945 thousand).

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

NOTE 5 - FINANCIAL ASSETS

	30 September 2010			31 December 2009		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Financial assets at fair value						
through profit or loss	167.335	-	167.335	199.551	-	199.551
Available-for-sale financial assets	177.223	1.952.706	2.129.929	293.610	835.329	1.128.939
Held-to-maturity financial assets	1.697.932	4.067.541	5.765.473	1.478.173	5.199.618	6.677.791
	2.042.490	6.020.247	8.062.737	1.971.334	6.034.947	8.006.281

a) Financial assets at fair value through profit or loss

	30 September 2010			31 December 2009		
	Finance	Other	Total	Finance	Other	Total
Debt securities:						
Government bonds	62.166	-	62.166	32.857	-	32.857
Eurobond	34.299	15.613	49.912	50.054	16.644	66.698
Treasury bills	19.077	-	19.077	54.031	-	54.031
Other	35.659	-	35.659	34.599	-	34.599
	151.201	15.613	166.814	171.541	16.644	188.185
Equity securities:						
Listed	521	-	521	11.366	-	11.366
	151.722	15.613	167.335	182.907	16.644	199.551

b) Available-for-sale investments

	30 September 2010			31 December 2009		
	Finance	Other	Total	Finance	Other	Total
Debt securities:						
Government Bonds	1.140.801	-	1.140.801	455.540	-	455.540
Eurobond	416.780	-	416.780	468.295	-	468.295
Treasury bills	15.310	-	15.310	24.627	-	24.627
Other	374.341	-	374.341	52.860	-	52.860
	1.947.232	-	1.947.232	1.001.322	-	1.001.322
Equity securities:						
Listed	11.988	59.889	71.877	13.372	36.773	50.145
Unlisted	41.630	69.190	110.820	40.639	36.833	77.472
	2.000.850	129.079	2.129.929	1.055.333	73.606	1.128.939

c) Held-to-maturity investments

	30 September 2010			31 December 2009		
	Finance	Other	Total	Finance	Other	Total
Debt securities:						
Government bonds	3.024.378	-	3.024.378	3.428.381	-	3.428.381
Eurobond	2.696.427	-	2.696.427	3.126.931	-	3.126.931
Treasury bills	28.224	-	28.224	104.684	-	104.684
Other	-	16.644	16.644	-	17.795	17.795
	5.749.029	16.644	5.765.673	6.659.996	17.795	6.677.791

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

NOTE 5 - FINANCIAL ASSETS (Continued)

The details of debt securities that are pledged under repurchase agreements are as follows:

	30 September 2010	31 December 2009
Financial assets at fair value through profit or loss	20.913	33.327
Held-to-maturity financial assets	1.461.154	696.718
	1.482.067	730.045

As of 30 September 2010, debt securities, amounting to TL1.032.603 thousand, included in financial assets are pledged to the CBRT, Istanbul Menkul Kıymetler Borsası Takas ve Saklama Bankası A.Ş., and to various banks as guarantee (31 December 2009: TL775.241 thousand).

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade receivables	30 September 2010	31 December 2009
Trade receivables	3.928.457	3.341.244
Notes and cheques receivables	1.465.343	1.547.161
Less: Provision for doubtful receivables	(200.187)	(191.094)
Due from related parties (Note 18)	180.093	135.346
	5.373.706	4.832.657
Short-term trade receivables	5.300.659	4.747.016
Long-term trade receivables	73.047	85.641
	5.373.706	4.832.657

Movement in the provision for doubtful receivables is as follows:

	2010	2009
Beginning of the period - 1 January	191.094	159.180
Increase during the period	27.963	25.762
Collections	(12.502)	(11.373)
Acquisitions	-	40
Additions to the scope of consolidation (*)	-	40
Changes in the scope of consolidation (Note 2.4)	(1.782)	-
Currency translation differences	(4.586)	(247)
End of the period - 30 September	200.187	173.402

(*) Related to the additions of Aygaz Toptan Satış and Aygaz İletim to the scope of consolidation.

Trade payables	30 September 2010	31 December 2009
Trade payables	5.610.693	3.895.608
Notes payables	5.442	16.736
Due to related parties (Note 18)	5.616.135	3.912.344
	186.523	171.090
	5.802.658	4.083.434

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	30 September 2010			31 December 2009		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Loans and advances to customers	13.616.446	12.518.287	26.134.733	11.855.533	9.743.214	21.598.747
Receivables from insurance business	83.811	3.703	87.514	78.666	-	78.666
	13.700.257	12.521.990	26.222.247	11.934.199	9.743.214	21.677.413

Loans and advances to customers:

30 September 2010	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Performing loans	14.506.641	5.316.127	3.994.190	803.113	637.657	25.257.728
Watch listed loans	349.155	204.634	163.374	105.452	-	822.615
Loans under legal follow-up	471.640	326.580	334.191	150.212	8.992	1.291.615
Gross	15.327.436	5.847.341	4.491.755	1.058.777	646.649	27.371.958
Less: Provision for impairment	(576.455)	(226.784)	(327.190)	(95.466)	(11.330)	(1.237.225)
Net	14.750.981	5.620.557	4.164.565	963.311	635.319	26.134.733
Short-term loans and advances						13.616.446
Long-term loans and advances						12.518.287
						26.134.733

31 December 2009	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Performing loans	11.243.896	4.253.524	3.541.553	855.954	484.979	20.379.906
Watch listed loans	740.949	182.333	205.750	164.333	-	1.293.365
Loans under legal follow-up	620.376	357.011	401.944	142.117	4.087	1.525.535
Gross	12.605.221	4.792.868	4.149.247	1.162.404	489.066	23.198.806
Less: Provision for impairment	(731.846)	(260.078)	(518.632)	(80.708)	(8.795)	(1.600.059)
Net	11.873.375	4.532.790	3.630.615	1.081.696	480.271	21.598.747
Short-term loans and advances						11.855.533
Long-term loans and advances						9.743.214
						21.598.747

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NOTE 7 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Movement in the provision for impairment of loans and advances to customers is as follows:

	2010	2009
Beginning of the period - 1 January	1.600.059	853.457
Provisions for loan losses	527.132	746.752
Recoveries of amounts previously provided	(529.764)	(172.133)
Disposals due to sale of non-performing loan portfolio	(355.355)	-
Write-off during the period as uncollectible	(3.937)	(64.682)
Currency translation differences	(910)	(766)
End of the period - 30 September	1.237.225	1.362.628

Net investment in finance leases is as follows:

	30 September 2010	31 December 2009
Gross investment in finance leases	973.954	1.062.310
Less: Unearned finance income	(170.841)	(206.356)
	803.113	855.954

Leasing receivables consist of rentals over the terms of the leases. The rentals according to their maturities are as follows:

	30 September 2010	31 December 2009
2010	137.596	446.839
2011 and over	836.358	615.471
Less: Unearned finance income	(170.841)	(206.356)
	803.113	855.954

NOTE 8 - INVENTORIES

	30 September 2010	31 December 2009
Raw materials and supplies	1.773.506	1.205.073
Finished goods	1.213.709	1.044.102
Merchandise	774.500	877.528
Work in progress	398.679	326.919
Other inventories	52.740	13.174
Less: Provision for impairment	(83.133)	(105.796)
	4.130.001	3.361.000

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	2010	2009
As of 1 January		
Cost	18.653.487	17.963.504
Accumulated depreciation	(8.023.948)	(7.579.849)
Net book value	10.629.539	10.383.655
Net book value at the beginning of the period	10.629.539	10.383.655
Acquisitions	-	15.205
Additions	589.638	830.790
Disposals	(108.991)	(61.163)
Transfers ⁽¹⁾	(15.778)	25.898
Additions to the scope of consolidation ⁽²⁾	-	15.205
Changes in the scope of consolidation (Note 2.4)	(9.132)	-
Currency translation differences	(17.466)	(11.700)
Current period depreciation	(605.105)	(569.998)
Net book value at the end of the period	10.462.705	10.627.892
As of 30 September		
Cost	19.175.589	18.773.347
Accumulated depreciation	(8.712.884)	(8.145.455)
Net book value	10.462.705	10.627.892

(1) Transferred to intangible assets (2009: Related to transfer to investment property in the amount of TL45.493 thousand and transfer from other non-current assets in the amount of TL71.391 thousand).

(2) Related to the additions of Aygaz Toptan Satış and Aygaz İletim to the scope of consolidation.

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NOTE 10 - INTANGIBLE ASSETS

	2010	2009
As of 1 January		
Cost	1.985.020	1.717.893
Accumulated amortisation	(665.127)	(531.904)
Net book value	1.319.893	1.185.989
Net book value at the beginning of the period	1.319.893	1.185.989
Acquisitions	-	137
Additions	137.811	108.054
Disposals	(1.258)	(3.136)
Transfers ⁽¹⁾	16.793	-
Additions to the scope of consolidation ⁽²⁾	110	137
Changes in the scope of consolidation (Note 2.4)	(583)	-
Currency translation differences	(17.522)	2.325
Current period amortisation	(117.124)	(94.165)
Net book value at the end of the period	1.338.120	1.199.341
As of 30 September		
Cost	2.110.686	1.819.470
Accumulated amortisation	(772.566)	(620.129)
Net book value	1.338.120	1.199.341

- (1) Related to the transfers from property, plant and equipment in the amount of TL15.778 thousand and other non-current assets in the amount of TL1.015 thousand.
- (2) Related to the addition of Eltek and additions of Aygaz Toptan Satış and Aygaz İletim to the scope of consolidation in 2010 and 2009, respectively.

Total research and development expenditures incurred as of 30 September 2010 amounts to TL97.173 thousand (30 September 2009: TRY147.835 thousand).

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - PAYABLES FROM FINANCE SECTOR OPERATIONS

	30 September 2010			31 December 2009		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Deposits	24.016.190	285.622	24.301.812	20.626.473	345.133	20.971.606
Insurance technical reserves	78.714	384.595	463.309	62.234	371.169	433.403
Other payables of insurance business	33.849	-	33.849	31.129	-	31.129
	24.128.753	670.217	24.798.970	20.719.836	716.302	21.436.138

Deposits:

	30 September 2010			31 December 2009		
	Demand	Time	Total	Demand	Time	Total
TL deposits						
Saving deposits	826.981	7.839.070	8.666.051	720.134	6.971.791	7.691.925
Commercial deposits	1.151.893	3.093.655	4.245.548	985.944	2.218.551	3.204.495
Deposits from banks	90.763	159.324	250.087	66.739	143.129	209.868
Funds deposited under repurchase agreements	-	120.243	120.243	-	65.054	65.054
	2.069.637	11.212.292	13.281.929	1.772.817	9.398.525	11.171.342

Foreign currency deposits

Saving deposits	1.157.011	3.923.425	5.080.436	1.038.468	4.105.931	5.144.399
Commercial deposits	1.223.432	3.143.590	4.367.022	1.088.905	2.560.737	3.649.642
Deposits from banks	32.911	421.981	454.892	71.706	380.226	451.932
Funds deposited under repurchase agreements	-	1.117.533	1.117.533	-	554.291	554.291
	2.413.354	8.606.529	11.019.883	2.199.079	7.601.185	9.800.264

24.301.812

20.971.606

Short-term deposits	24.016.190	20.626.473
Long-term deposits	285.622	345.133

24.301.812

20.971.606

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 12 - FINANCIAL LIABILITIES

	30 September 2010	31 December 2009
Short-term financial liabilities		
Bank borrowings	7.227.771	8.023.304
Debt securities in issue	215.832	440.534
Factoring payables	106.650	25.527
Leasing payables	1.186	2.678
	7.551.439	8.492.043
Long-term financial liabilities		
Bank borrowings	6.066.342	5.719.774
Debt securities in issue	787.928	704.443
Leasing payables	4.206	3.960
	6.858.476	6.428.177
	14.409.915	14.920.220

Details of the loans obtained in 2006 in order to finance the acquisition of Tüpraş shares and to re-structure the Group's existing loans are given below:

- a loan of USD950.000.000, from the consortium comprising JP Morgan Europe Limited and JP Morgan Chase Bank N.A. with a maturity of 7 years and bearing an interest rate of Libor+1,9;
- a loan of USD1.800.000.000 from the consortium comprising Akbank T.A.Ş. Malta Branch, Türkiye Garanti Bankası A.Ş. Luxembourg Branch, Türkiye İş Bankası A.Ş. Bahrain Offshore Branch, Standard Bank Plc, Türkiye Vakıflar Bankası T.A.O. Bahrain Offshore Branch, Türkiye Halk Bankası A.Ş. with a maturity of 10 years and bearing an interest rate of Libor+2,3 until 2013 and an interest rate of Libor+2,8 thereafter.

Following the principal repayments of the loans detailed above, the borrowings decreased to USD1.284.148.993 as of 30 September 2010.

As of 30 September 2010, Yapı Kredi Bankası, a Joint Venture of the Group, has an outstanding securitisation borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting to TL735.734 thousand (31 December 2009: TL871.880 thousand) (equivalents of USD309.000.000 and EUR155.000.000). The interest rate of this borrowing ranges between Euribor/Libor+0,18% and 0,35% and the maturity ranges between 7 and 8 years; the repayments started in the first quarter of 2010.

Yapı Kredi Bankası obtained subordinated loans amounting to TL1.011.150 thousand (EUR525.000.000) (31 December 2009: TL1.112.012 thousand), with 10 years maturity and a repayment option at the end of 5 years. These loans were extended by Merrill Lynch Capital Corporation (EUR250.000.000), Goldman Sachs International Bank (EUR175.000.000), and Citibank (EUR100.000.000) with UniCredit S.p.A. as guarantor. For the first 5 years, the interest rates of the loans are determined as Euribor+2%, Euribor+2,25% and Euribor+1,85%, respectively.

In 2010, Yapı Kredi Bankası obtained two syndication loans amounting to TL229.214 thousand (USD162.000.000) and TL496.908 thousand (EUR258.000.000) with a maturity date of 2011 and interest rates of Libor+1,5% and Euribor+1,5%, respectively.

In 2010, Koç Holding has obtained a loan in the amount of approximately USD425.000.000, comprising two tranches of USD120.000.000 and EUR211.500.000 from a consortium including 21 financial institutions. The loan is used to meet various financing needs of Koç Group Companies. The principal repayments of the USD denominated part (with 39-month maturity) and the EUR denominated part (with 27-month maturity), will be due at the maturity. For both USD and EUR parts of the loan, interest payment options are available monthly, quarterly or semi-annually and the interest rates, excluding bank charges, are determined as Libor+3,25% per annum for the USD portion and Euribor+2,75% per annum for the EUR portion.

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NOTE 12 - FINANCIAL LIABILITIES (Continued)

In 2010, Arçelik obtained loans of approximately TL1.000.000 thousand in different currencies with maturities of 2-3 years in order to finance its due loans. The interest rates of the loans with 2 years maturity are determined as Euribor+1,70% and Tribor+0,70% for EUR and TL parts, respectively. The interest rates of the loans with 3 years maturity are determined as Euribor+1,80%, Libor+1,90% and Tribor+0,75% for EUR, GBP and TL parts, respectively.

In 2009, Koç Holding obtained a loan in the amount of approximately USD770.000.000, comprising two tranches of USD320.000.000 and EUR339.000.000, from a consortium including 14 financial institutions. Following the principal repayments, the outstanding balance of the related loans decreased to EUR15.000.000 as of 30 September 2010 (31 December 2009: USD 742.000.000).

The redemption schedule of long-term financial liabilities is as follows:

	30 September 2010	31 December 2009
2011	389.454	1.569.162
2012	2.225.006	1.430.144
2013	1.800.197	761.413
2014	836.565	683.637
2015 and over	1.607.254	1.983.821
	6.858.476	6.428.177

NOTE 13 - TAX ASSETS AND LIABILITIES

	30 September 2010	31 December 2009
Current income tax liabilities		
Domestic	363.875	589.549
Foreign	24.532	8.681
Less: Prepaid corporate tax	(188.755)	(454.171)
Current income tax liabilities (net)	199.652	144.059
Deferred tax liabilities		
Domestic	836.974	782.740
Foreign	46.368	46.088
	883.342	828.828
Deferred tax assets		
Domestic	(521.561)	(501.145)
Foreign	(16.970)	(17.364)
	(538.531)	(518.509)
Deferred tax liabilities (net)	344.811	310.319

Turkish tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The corporation tax rate is 20% in Turkey. Corporation tax is payable on the total income of the company after adjusting for certain disallowable expenses, exempt income and allowances.

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NOTE 13 - TAX ASSETS AND LIABILITIES (Continued)

Koç Holding, its Subsidiaries and Joint Ventures recognize deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and the Turkish tax legislations. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes.

The principal tax rates (%) of the tax authorities in each country used to calculate deferred taxes as of 30 September 2010 are as follows:

Country	Tax rate	Country	Tax rate	Country	Tax rate
Germany	31,5	France	33,3	Italy	31,4
Austria	25,0	The Netherlands	25,5	Poland	19,0
Azerbaijan	20,0	U.K.	28,0	Romania	16,0
Czech Republic	19,0	Ireland	12,5	Russia	20,0
China	25,0	Spain	30,0	Slovakia	19,0

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Property, plant and equipment and intangible assets	4.553.741	4.492.635	(905.552)	(890.922)
Investment allowances	(1.376.405)	(1.277.235)	99.885	80.207
Provision for impaired loans	(463.609)	(514.681)	92.245	102.834
Provision for the Pension Fund	(432.030)	(432.030)	86.406	86.406
Provision for employment termination benefits	(339.285)	(328.002)	67.865	65.625
Carryforward tax losses	(228.395)	(334.261)	45.680	67.299
Warranty and assembly provisions	(211.017)	(202.809)	41.911	40.244
Inventories	(118.320)	(109.987)	23.650	21.964
Research and development incentives	(80.683)	(135.067)	16.137	27.012
Provision for unused vacation	(68.970)	(51.730)	13.794	10.279
Provision for lawsuits	(69.150)	(64.775)	13.830	12.955
Impairment of financial assets	(61.703)	(61.873)	12.196	12.230
Expense accruals (net)	(57.460)	(51.513)	11.491	10.303
Unearned credit finance income (net)	(34.177)	(22.430)	6.804	3.723
Provision for credit card bonus	(21.079)	(24.235)	4.216	4.894
Deferred income	(13.119)	(34.550)	2.624	6.910
Derivative financial instruments	101.789	21.753	(17.000)	(3.328)
Other (net)	(129.041)	(133.949)	39.007	31.046
Deferred tax liabilities (net)			(344.811)	(310.319)

Net deferred tax assets and liabilities recognised in the Subsidiaries' and Joint Ventures' financial statements prepared in accordance with CMB Financial Reporting Standards, are separately classified under deferred tax assets and liabilities accounts in Koç Holding's consolidated balance sheet. Temporary differences and deferred tax assets and liabilities presented above, which are prepared on the basis of gross amounts, present the net deferred tax position.

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NOTE 13 - TAX ASSETS AND LIABILITIES (Continued)

The details of carry forward tax losses and unused investment allowances which are not considered in the deferred tax calculation are as follows:

	30 September 2010	31 December 2009
Carry forward tax losses ⁽¹⁾	1.138.183	1.061.044
Unused investment allowances	277.355	345.932

(1) The redemption schedule of carry forward tax losses is as follows:

	30 September 2010	31 December 2009
2010	36.689	33.851
2011	136.262	152.971
2012	57.916	49.342
2013	660.461	667.438
2014	168.936	157.442
2015	77.919	-
	1.138.183	1.061.044

Movements in deferred tax assets and (liabilities) are as follows:

	2010	2009
Beginning of the period - 1 January	(310.319)	(391.101)
Charge to the income statement:	(34.024)	61.635
Charge to equity:		
- Fair value gains/losses on financial assets	(3.529)	(3.557)
- Cumulative gains/losses on hedging	7.270	1.035
- Revaluation differences on non-current assets	272	145
- Currency translation differences	(5.155)	1.182
Acquisitions	-	(564)
Additions to the scope of consolidation ^(*)	-	(564)
Changes in the scope of consolidation (Note 2.4)	674	-
End of period - 30 September	(344.811)	(331.789)

(*) Related to the additions of Aygaz Toptan Satış and Aygaz İletim to the scope of consolidation.

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NOTE 14 - DERIVATIVE FINANCIAL INSTRUMENTS

	<u>30 September 2010</u>		<u>31 December 2009</u>	
	Asset	Liability	Asset	Liability
Derivatives held for trading	532.195	267.045	311.929	161.765
Derivatives held for hedging	8.774	305.197	64.316	222.606
	540.969	572.242	376.245	384.371

Derivatives held for trading:

	<u>30 September 2010</u>			<u>31 December 2009</u>		
	<u>Contract amount</u>	<u>Fair values</u>		<u>Contract amount</u>	<u>Fair values</u>	
		Asset	Liability		Asset	Liability
Currency swaps	9.632.034	201.027	149.612	7.345.368	238.444	23.426
Option agreements	6.222.779	36.128	34.053	2.866.261	15.725	15.907
Interest rate swaps	4.911.269	253.374	44.266	5.148.430	34.567	92.964
Currency forwards	3.483.120	41.654	37.570	2.457.284	23.193	29.401
Commodity futures	126.983	12	1.544	4.062	-	67
	24.376.185	532.195	267.045	17.821.405	311.929	161.765

Derivatives held for hedging:

	<u>30 September 2010</u>			<u>31 December 2009</u>		
	<u>Contract amount</u>	<u>Fair values</u>		<u>Contract amount</u>	<u>Fair values</u>	
		Asset	Liability		Asset	Liability
Interest rate swaps	7.746.421	8.203	297.012	3.833.775	64.316	220.553
Receivables from operating leases	143.289	-	8.185	-	-	-
Commodity futures	3.028	571	-	-	-	-
Currency forwards	-	-	-	511.537	-	2.053
	7.892.738	8.774	305.197	4.345.312	64.316	222.606

NOTE 15 - OTHER ASSETS AND LIABILITIES

a) Other current assets	30 September 2010	31 December 2009
Value added tax receivables	434.062	285.823
Deposits and guarantees given	313.300	134.882
Advances given	206.118	128.676
Deductible tax and funds	195.763	227.352
Prepaid expenses	154.450	208.570
Precious metals	94.528	94.460
Biological assets	41.855	37.710
Assets obtained as loan collaterals	41.117	53.942
Payments for credit card settlements	35.434	32.557
Interbank cheque clearing account	18.000	8.977
Assets held for sale	15.096	15.265
Other	298.335	135.665
	1.848.058	1.363.879

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NOTE 15 - OTHER ASSETS AND LIABILITIES (Continued)

b) Other non-current assets	30 September 2010	31 December 2009
Spare parts and materials	329.540	327.807
Prepaid expenses	271.762	281.006
Advances given	109.428	54.736
Other	14.299	11.018
	725.029	674.567

c) Other current liabilities	30 September 2010	31 December 2009
Credit card payables	1.296.279	1.083.852
Advances received	268.324	205.914
Warranty and assembly provision	210.586	202.547
Interbank cheque clearing account	194.845	93.938
Blocked accounts	192.224	138.805
Accruals for sales and other marketing expenses	175.051	87.100
Cost accruals of construction contracts	137.852	83.695
Collaterals obtained for derivative transactions	126.568	51.279
Provision for lawsuits	123.889	111.936
Import deposits and transfer orders	122.477	77.336
Provision for losses related to loan commitments (Note 19.a)	123.222	97.717
Payables to personnel and premium accruals	118.091	156.357
Transitory accounts	77.221	49.171
Provision for unused vacation	68.970	57.306
Deferred income	55.113	81.942
Deposits and guarantees received	27.021	27.848
Provision for credit cards and promotion campaigns	21.079	24.235
Export commitment accruals	19.506	19.131
Provision for the non-core assets option agreement	18.371	18.726
Accruals for license expenses	16.029	15.567
Accrual for Energy Market Regulation Authority participation share	14.930	13.407
Provision for the advertising publication agreement	-	6.076
Liabilities held for sale	6.848	7.247
Other	623.796	384.201
	4.038.292	3.095.333

d) Other non-current liabilities	30 September 2010	31 December 2009
Revenue share (*)	310.717	265.853
Warranty provision	55.055	58.970
Deposits and guarantees received	52.632	56.705
Government grants	44.138	56.703
Other	27.134	21.642
	489.676	459.873

(*) The revenue share collected by Tüpraş in accordance with the Petroleum Market Law and Liquefied Petroleum Gas (“LPG”) Market Regulation, is classified in “cash and cash equivalents” as demand deposits with special interest rates.

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NOTE 16 - EQUITY

Share Capital:

Koç Holding adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Kr1. Koç Holding's registered and issued share capital is as follows:

Limit on registered share capital (historical)	3.000.000
Issued share capital in nominal value	2.415.141

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of free capital shares to existing shareholders.

The shareholding structure of Koç Holding is as follows:

	30 September 2010		31 December 2009	
	Share %	Amount	Share %	Amount
Temel Ticaret ve Yatırım A.Ş.	42,39	1.023.794	42,39	1.023.794
Semahat Arsel	6,42	154.947	6,42	154.947
Suna Kıraç	5,25	126.764	5,25	126.764
Rahmi M. Koç	5,23	126.311	5,23	126.311
Mustafa V. Koç	3,20	77.271	3,20	77.271
Ali Y. Koç	2,20	53.047	3,05	73.747
İpek Kıraç	1,93	46.558	1,93	46.558
Ömer M.Koç	1,79	43.298	1,79	43.298
Rahmi M. Koç ve Mahdumları Maden, İnşaat, Turizm, Ulaştırma, Yatırım ve Ticaret A.Ş.	0,10	2.532	0,10	2.532
Total Koç Family members and companies owned by Koç Family members	68,51	1.654.522	69,36	1.675.222
Vehbi Koç Vakfı	7,15	172.767	7,15	172.767
Koç Holding Emekli ve Yardım Sandığı Vakfı	1,99	48.049	1,99	48.049
Other	22,35	539.803	21,50	519.103
Paid-in share capital	100,00	2.415.141	100,00	2.415.141
Adjustment to share capital (*)		967.288		967.288
Total share capital		3.382.429		3.382.429

(*) "Adjustment to share capital" represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the CMB Financial Reporting Standards. "Adjustment to share capital" has no use other than being transferred to paid-in share capital.

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NOTE 16 - EQUITY (Continued)

The analysis of shares by group is as follows:

<u>Group</u>	<u>Unit of shares</u>	<u>TL'000</u>	<u>Nature of shares</u>
A	64.645.087.838	646.451	Registered
B	176.869.012.162	1.768.690	Registered
	241.514.100.000	2.415.141	

In the Articles of Association ("the Articles") Koç Holding sets out the following privileges for A-group shares:

1. In accordance with Article 11, pre-emptive rights not used by B-group shareholders, can be used by A-group shareholders within the terms of CMB Legislation.
2. In accordance with Article 25, A-group shareholders have two voting rights for each share owned at the General Assembly meeting (except for resolutions to change the Articles).

Revaluation Funds:

Increases/decreases of carrying amounts as a result of revaluations recognised directly in the equity are as follows:

	30 September 2010	31 December 2009
Financial assets fair value reserve	87.514	52.509
Cumulative losses on hedging	(89.953)	(85.152)
Non-current assets revaluation fund	10.897	18.460
Total revaluation funds	8.458	(14.183)

The movements in the revaluation funds are presented in the statements of changes in equity.

Restricted Reserves:

The details of the restricted reserves are as follows:

	30 September 2010	31 December 2009
Legal reserves	152.817	140.217
Special reserves	2.129.752	2.129.595
Total	2.282.569	2.269.812

Dividend Distribution:

It was resolved at Koç Holding's Ordinary General Assembly Meeting held on 21 April 2010 to distribute TL310.000 thousand from the consolidated net profit of 2009 in the amount of TL1.429.210 thousand as first and second level dividends to shareholders, TL10.838 thousand to Koç Holding Emekli ve Yardım Sandığı Vakfı, and TL38.876 thousand to the holders of dividend right certificates as cash dividends (gross=net). Related cash dividend payments were completed as of 5 May 2010.

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NOTE 17 - FINANCIAL INCOME/EXPENSES

	1 January - 30 September 2010	1 January - 30 September 2009	1 July - 30 September 2010	1 July - 30 September 2009
Financial income/expense:				
Foreign exchange gains	864.960	1.121.628	214.156	258.135
Interest income	392.786	278.035	140.700	104.193
Credit finance income	120.479	161.645	43.373	40.723
Gains on derivative financial instruments	29.290	37.557	5.235	3.584
Other financial income	20.153	38.967	4.938	20.255
Total financial income	1.427.668	1.637.832	408.402	426.890
Foreign exchange losses	(890.738)	(1.097.714)	(19.265)	(170.407)
Interest expenses	(428.039)	(586.013)	(149.257)	(133.026)
Credit finance charges	(70.606)	(78.094)	(27.499)	(18.650)
Losses on derivative financial instruments	(16.682)	(49.284)	(6.792)	(14.972)
Other financial expenses	(38.277)	(74.481)	(26.262)	(52.353)
Total financial expense	(1.444.342)	(1.885.586)	(229.075)	(389.408)

NOTE 18 - RELATED PARTY DISCLOSURES

a) Related party balances

	<u>30 September 2010</u>			<u>31 December 2009</u>		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Cash and cash equivalents	1.413.180	-	1.413.180	1.103.581	-	1.103.581
Trade receivables	80.196	99.897	180.093	107.427	27.919	135.346
Trade payables	165.291	21.232	186.523	141.968	29.122	171.090
Loans and advances to customers	8.899	23.130	32.029	26.400	13.958	40.358
Deposits	51.193	811.412	862.605	57.613	730.828	788.441
Financial liabilities	376.207	-	376.207	430.496	-	430.496

b) Related party transactions

	<u>1 January - 30 September 2010</u>			<u>1 January - 30 September 2009</u>		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Sales of goods and services	966.863	96.835	1.063.698	808.432	55.780	864.212
Purchases of goods and services	933.222	94.814	1.028.036	811.023	86.765	897.788
	<u>1 July - 30 September 2010</u>			<u>1 July - 30 September 2009</u>		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Sales of goods and services	430.077	44.654	474.731	309.236	35.048	344.284
Purchases of goods and services	357.208	25.306	382.514	234.765	14.069	248.834

c) Key management compensation

Total compensation provided to key management personnel by Koç Holding for the nine months period ended 30 September 2010 amounts to TL12.955 thousand (30 September 2009: TL5.281 thousand).

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NOTE 19 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

There has been no significant change related to the contingent assets and liabilities of the Group during the interim period ended 30 September 2010.

a) Finance sector

Credit related commitments:

	30 September 2010	31 December 2009
Letters of guarantee		
- Foreign currency	3.792.903	3.522.557
- TL	4.041.940	2.900.668
Letter of credits	78.832	75.858
Acceptance credits	1.787.407	1.369.118
Other	245.732	219.171
	9.946.814	8.087.372
Less: Provisions (Note 15.c)	(123.222)	(97.717)
	9.823.592	7.989.655

Custody services:

The financial assets held in a fiduciary capacity are not included in these interim condensed consolidated financial statements and amount to TL13.913.793 thousand as of 30 September 2010 (31 December 2009: TL12.811.713 thousand).

b) Non-finance sectors

	30 September 2010	31 December 2009
Guarantees given	3.426.291	3.669.744
Mortgages given	-	77.694
Guarantees taken	3.342.808	3.127.482
Mortgages taken	1.641.551	1.654.229

c) Collaterals/pledges/mortgages ("CPM") position of the Parent Company, Koç Holding

	30 September 2010	31 December 2009
A. CPM's given in the name of its own legal personality	91.866	170.626
B. CPM's given on behalf of the fully consolidated companies (*)	378.250	608.750
C. CPM's given on behalf of third parties in the ordinary course of business (*)	243.813	508.724
D. Total amount of other CPM's given	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-
ii) Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in the scope of C	-	-
	713.929	1.288.100

(*) Includes the commitments given regarding the loan obtained for the main operations of the Parent Company, Koç Holding, from a consortium including 21 financial institutions that is intended to meet the various financing needs of Koç Group companies (Subsidiaries and Joint Ventures) (Note 12).

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NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments and Financial Risk Management:

There has been no significant change in the Group's financial risk policies and credit risk management applications during the interim period ended 30 September 2010.

a) Credit Risk

The maximum exposure of the Group's financial assets to credit risk is as follows:

	Trade receivables	Loans and advances to customers	Cash and cash equivalents	Financial assets	Derivative financial instruments
30 September 2010					
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	5.373.706	26.134.733	11.008.996	7.879.519	540.969
A. Net book value of neither past due nor impaired financial assets	4.896.626	24.437.133	11.008.996	7.879.519	540.969
B. Net book value of restructured financial assets	46.115	36.686			
C. Net book value of past due but not impaired financial assets	356.059	1.606.523	-	-	-
D. Net book value of impaired assets	74.906	350.957	-	-	-
- Gross amount	275.093	1.291.616	-	-	-
- Impairment	(200.187)	(940.659)	-	-	-
- Secured with guarantees	52.512	184.165	-	-	-
E. Collective provision for impairment (-)	-	(296.566)	-	-	-
31 December 2009					
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	4.800.946	21.598.747	9.659.707	7.867.298	376.245
A. Net book value of neither past due nor impaired financial assets	4.092.957	19.584.535	9.659.707	7.867.298	376.245
B. Net book value of restructured financial assets	124.909	34.743	-	-	-
C. Net book value of past due but not impaired financial assets	539.175	2.053.993	-	-	-
D. Net book value of impaired assets	43.905	233.847	-	-	-
- Gross amount	234.999	1.525.535	-	-	-
- Impairment	(191.094)	(1.291.688)	-	-	-
- Secured with guarantees	43.469	379.075	-	-	-
E. Collective provision for impairment (-)	-	(308.371)	-	-	-

As of 30 September 2010, neither past due nor impaired trade receivables amounting to TL2.541.107 thousand (31 December 2009: TL2.179.954 thousand) and past due but not impaired trade receivables amounting to TL261.454 thousand (31 December 2009: TL211.664 thousand) have been secured with guarantees.

As of 30 September 2010, the fair value of guarantees taken related to watch listed loans and loans under legal follow-up amount to TL510.543 thousand (31 December 2009: TL788.007 thousand).

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NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Foreign Exchange Risk

Assets and liabilities denominated in foreign currency held by the Group before consolidation adjustments are as follows:

	30 September 2010	31 December 2009
Assets	22.929.431	21.619.519
Liabilities	(26.300.571)	(25.219.656)
Net balance sheet position	(3.371.140)	(3.600.137)
Off-balance sheet derivative instruments' net position	(91.307)	968.225
Net foreign currency position	(3.462.447)	(2.631.912)

Tüpraş, a Subsidiary of the Group, manages its foreign currency risk resulting from its net financial liabilities by reflecting the effects of the changes in foreign currencies in its selling prices of petroleum products. As of 30 September 2010, Tüpraş has raw materials and petroleum products amounting to TL1.742.885 thousand (31 December 2009: TL1.232.460 thousand).

In addition, the repayment obligation related to the loans of Tofaş, a Joint Venture of the Group, obtained for investment purposes, is guaranteed by Fiat Auto S.p.A and Fiat and Peugeot Citroen Automobiles S.A. (the "Purchasers") through future purchases. Accordingly, the exposure to foreign exchange and interest rate risks is undertaken by the Purchasers. Therefore, the net foreign currency liability position should be considered as TL357.055 thousand lower when assessing foreign exchange risk (31 December 2009: TL340.223 thousand).

As of 30 September 2010 and 2009, had the EUR, USD and other currencies appreciated/depreciated by 10% against the TL with all other variables held constant, profit before tax and minority interests would have been TL346.245 thousand (30 September 2009: TL367.672 thousand) lower/higher as detailed in the table below, mainly as a result of foreign exchange losses/gains on the translation of the foreign exchange position. The net effect of the aforementioned foreign exchange losses/gains on net profit/equity attributable to the equity holders of the parent is approximately TL175.532 thousand.

30 September 2010	USD	EUR	Other	Total
Foreign currency net asset/liability	165.359	197.210	(25.455)	337.114
Hedged items	137.180	(139.363)	11.314	9.131
Net effect	302.539	57.847	(14.141)	346.245
30 September 2009	USD	EUR	Other	Total
Foreign currency net asset/liability	369.066	203.104	(63.303)	508.867
Hedged items	(391)	(146.970)	6.166	(141.195)
Net effect	368.675	56.134	(57.137)	367.672

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NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	30 September 2010			
	USD	EUR	Other	Total
Assets:				
Cash and cash equivalents	3.169.595	2.437.090	173.560	5.780.245
Financial assets	3.288.048	624.901	63.412	3.976.361
Trade receivables	511.951	1.228.925	236.711	1.977.587
Receivables from finance sector operations	6.406.110	3.687.970	314.756	10.408.836
Inventories	20.368	70.625	88	91.081
Deferred tax assets	-	246	538	784
Other assets	293.621	296.883	104.033	694.537
Total assets	13.689.693	8.346.640	893.098	22.929.431
Liabilities:				
Payables from finance sector operations	7.802.775	4.151.780	471.877	12.426.432
Financial liabilities	4.825.218	4.981.053	144.548	9.950.819
Trade payables	2.030.309	709.083	7.065	2.746.457
Current income tax liabilities	-	6.829	93	6.922
Provisions for employee benefits	-	886	-	886
Deferred tax liabilities	-	152	769	921
Other liabilities	684.983	468.958	14.193	1.168.134
Total liabilities	15.343.285	10.318.741	638.545	26.300.571
Net balance sheet position	(1.653.592)	(1.972.101)	254.553	(3.371.140)
Derivative financial assets	6.675.774	3.732.684	274.803	10.683.261
Derivative financial liabilities	(8.047.578)	(2.339.052)	(387.939)	(10.774.568)
Off-balance sheet derivative instruments' net position	(1.371.804)	1.393.632	(113.136)	(91.307)
Net foreign currency position	(3.025.396)	(578.469)	141.417	(3.462.447)

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NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2009			
	USD	EUR	Other	Total
Assets:				
Cash and cash equivalents	2.800.382	2.314.322	320.165	5.434.869
Financial assets	3.502.079	723.770	72.042	4.297.891
Trade receivables	400.694	1.277.679	273.459	1.951.832
Receivables from finance sector operations	5.562.861	3.242.056	293.139	9.098.056
Inventories	44.210	158.527	169.392	372.129
Deferred tax assets	-	1.247	16.117	17.364
Other assets	133.996	196.999	116.383	447.378
Total assets	12.444.222	7.914.600	1.260.697	21.619.519
Liabilities:				
Payables from finance sector operations	6.483.386	3.823.975	468.559	10.775.920
Financial liabilities	4.974.282	5.423.287	106.337	10.503.906
Trade payables	2.394.094	571.760	57.290	3.023.144
Current income tax liabilities	-	1.105	13.578	14.683
Provisions for employee benefits	-	2.477	1.155	3.632
Deferred tax liabilities	-	37.820	8.268	46.088
Other liabilities	425.949	343.478	82.856	852.283
Total liabilities	14.277.711	10.203.902	738.043	25.219.656
Net balance sheet position	(1.833.489)	(2.289.302)	522.654	(3.600.137)
Derivative financial assets	5.607.509	2.208.629	177.119	7.993.257
Derivative financial liabilities	(6.312.676)	(416.473)	(295.883)	(7.025.032)
Off-balance sheet derivative instruments net position	(705.167)	1.792.156	(118.764)	968.225
Net foreign currency position	(2.538.656)	(497.146)	403.890	(2.631.912)

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NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Import and export details:

	1 January - 30 September 2010	1 January - 30 September 2009	1 July - 30 September 2010	1 July - 30 September 2009
Export				
USD	3.721.173	2.761.487	1.159.630	1.085.182
EUR	3.805.995	3.228.300	1.157.383	1.353.003
Other	444.303	411.135	172.175	180.318
	7.971.471	6.400.922	2.489.188	2.618.503
Import				
USD	15.194.747	12.309.579	5.873.349	4.978.039
EUR	2.630.474	1.962.211	882.831	734.979
Other	24.042	34.533	6.827	10.081
	17.849.263	14.306.323	6.763.007	5.723.099

NOTE 21 - EARNINGS PER SHARE

	1 January - 30 September 2010	1 January - 30 September 2009	1 July - 30 September 2010	1 July - 30 September 2009
Earnings per share:				
Profit for the period	2.625.280	2.083.912	1.173.710	852.264
Profit attributable to minority interest	(1.200.492)	(950.455)	(514.574)	(385.825)
Profit attributable to equity holders of the parent	1.424.788	1.133.457	659.136	466.439
Weighted average number of shares with nominal value TRY1 each	2.415.141.000	2.415.141.000	2.415.141.000	2.415.141.000
Earnings per share (TL)	0,590	0,469	0,273	0,193

The calculation of earnings per share of prior periods has been adjusted retrospectively due to the issuance of bonus shares in 2009.

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NOTE 22 - SUPPLEMENTARY CASH FLOW INFORMATION

Supplementary information for the details included in the interim condensed consolidated cash flow statements for the interim periods ended 30 September 2010 and 2009 is as follows:

	30 September 2010	30 September 2009
Changes in provisions:		
Sales and customer premiums accruals	87.951	101.012
Provision for warranty and assembly	4.124	(12.585)
Insurance technical reserves	29.906	(5.374)
Provision for loans and doubtful receivables	555.095	707.146
Provision for employment termination benefits and Yapı Kredi Bankası pension fund	18.778	36.082
Provision for impairment on inventories	5.943	(52.626)
Cost accruals for construction contracts	54.157	58.937
Other provisions	23.617	(8.644)
	779.571	823.948
Net changes in the operating assets and liabilities		
Finance sector:		
Long-term cash and cash equivalents	(162.439)	176.537
Reserve deposits at central banks	(433.320)	23.937
Receivables from finance sector operations	(5.123.055)	(461.172)
Payables from finance sector operations	3.339.280	(143.030)
Financial assets	(3.366)	171.770
	(2.382.900)	(231.958)
Other:		
Inventories	(774.944)	(304.986)
Trade receivables	(569.012)	(321.212)
Other assets	(732.041)	52.608
Trade payables	1.719.224	1.810.125
Other liabilities	1.241.342	636.240
	884.569	1.872.775
	(1.498.331)	1.640.817
Add back net interest income:		
Non-finance sector interest income	(392.786)	(278.035)
Finance sector interest income	(2.524.744)	(2.916.314)
Non-finance sector interest expenses	428.039	586.013
Finance sector interest expenses	1.242.707	1.675.742
	(1.246.784)	(932.594)
Cash and cash equivalents:		
Cash and cash equivalents	11.344.678	9.721.142
Cash and cash equivalents held for sale	11.967	35.217
Less: Reserve deposits at central banks	(1.862.597)	(1.586.100)
Less: Finance sector long-term bank deposits	(252.963)	(27.427)
Less: Blocked deposits	(321.710)	(259.321)
	8.919.375	7.883.511

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NOTE 23 - EVENTS AFTER THE BALANCE SHEET DATE

i) Following the ongoing tax audit of Tüpraş, a Subsidiary of the Group, tax audit reports on the cases criticized by the tax auditors were notified to Tüpraş on 20 October 2010. It is understood from the reports that a total amount of 605,4 million TL (comprising a tax liability of 242 million TL and a tax penalty of 363,4 million TL) has been claimed from Tüpraş for the years 2005, 2006, 2007, 2008 and 2009. Default interest will also be calculated on the related tax liability.

The cases criticized in the tax audit reports result from differences in interpretation on whether the refinery fuels used in the production process – specifically used in the production of asphalt – are subject to Special Consumption Tax (“SCT”) or not.

However, Tüpraş was under state ownership and management for 4 years beginning 1 August 2002, (the effective date of the SCT Law) and refinery fuels were not subject to SCT during this time. As there was no change in the related law after the privatization of Tüpraş on 26 January 2006, Tüpraş has continued to follow the same practice for the last 4 years.

In accordance with Tüpraş’ “settlement before assessment” request, an invitation was dispatched to Tüpraş for 5 November 2010 with the related tax audit reports. Tüpraş recalled its “settlement before assessment” request on 3 November 2010 by appealing to the related administrative unit of the Ministry of Finance without prejudice to any of its legal rights including “settlement after assessment”.

On 9 November 2010, tax / penalty notifications in line with the tax liability and tax penalty claimed in the tax audit reports, were communicated to Tüpraş by Tepecik Tax Administration.

As of the reporting date of these financial statements, due to the uncertainty regarding the aforementioned issue, no provision has been recognized in the consolidated financial statements.

ii) Yapı Kredi Bankası, a Joint Venture of the Group, obtained a syndicated loan from international banks, consisting of 2 credit tranches with 1 year maturity amounting USD625.000.000; first tranche amounting to USD171.250.000 with total cost of Libor+1,30% and the second tranche amounting to EUR335.000.000 with total cost of Euribor+1,30%. The agreement was signed on 29 September 2010 and the related loan is withdrawn on 5 October 2010. Additionally, on 11 October 2010, Yapı Kredi Bankası signed a 5-year maturity loan agreement with UniCredit Luxembourg amounting to USD375.000.000 with a total cost of 5,19% per annum.

iii) Following the merger between Türk Traktör, a Joint Venture of the Group, and New Holland Trakmak Traktör A.Ş. in 2008, in order to equalize the shares held by Koç Group and CNH at Türk Traktör, C group ordinary Koç Group shares with TL756.318,75 nominal value and Temel Ticaret Yatırım A.Ş (“Temel Ticaret”) shares with TL477.675 nominal value were sold to investors for TL21.594.890,63 on 13 October 2010. Furthermore, A group preferred shares with TL636.900 nominal value that were obtained by Temel Ticaret at the time of the merger were bought by Koç Holding for TL11.145.750 (at the same share price). Following these transactions, Koç Holding share at Türk Traktör stands at 37,5%, same as the pre-merger level, and is composed of A group shares with TL20.013.375 nominal value.

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