
MANAGEMENT ACTIVITIES AND CONCLUSION

As of the end of 2003, our Company's senior management and their duties are as follows:

Name	Title
ANTONIO BENE	C.E.O.
A.NEZİH OLCAY	External Relations Group Director
SERGIO SPINOLO	Accounting, Finance and Control Group Director
MÜFIT ATASEVEN	Commercial Group Director
GIORGIO MARGIARIA	Industrial Group Director
SELÇUK ÖNCER	Accounting Director
M.OSMAN SOYOĞUL	Production Director
KAMİL BAŞARAN	Purchasing Director
HASAN EGELİ	Sales Director
OKAN BAŞ	After Sales Director
ORHAN B. ALANKUŞ	Research and Development Director
PAOLO FERRERO	Product Director

- Mr. ANTONIO BENE, who has been the CEO of our Company since 01.04.2002, is appointed to another position. Mr. DIEGO AVESANI is appointed as the CEO as of 01.02.2004.

Other administrative issues involving our staff can be summarized as follows:

- As of 31.12.2003, the total number of employees of our Company is 4.100, comprising 844 white collared and 3.256 blue collared employees. During the year, no industrial disagreement or labor movement has been observed.
- Our Company is subject to the collective agreement of 25.11.2002 between Turkish Metal Trade Union and MESS effective as from 01.09.2002. This two-year agreement in effect will expire on 31.08.2004.
- As of 31.12.2003, our Company's severance pay liability is TL 29.431 billion for which provision is made in full.
- Our staff is provided fringe benefits regularly and periodically under the legal regulations.

Conclusion and Proposal on Distribution of Profits

As seen from the consolidated Balance Sheet and Income Statement as of 2003 prepared in accordance with the International Financial Reporting Standards (IFRS) system, the donations and contributions to foundations and associations made in this period for social responsibility purposes totaled to TL 1.130 billion. Our Company closed the year 2003 with a consolidated balance profit of TL 6.336 billion after deduction of TL 1.450 billion severance pay and TL 2.888 billion provision of taxes.

We hereby present to your approval that the issue of deduction of the profit of 2003 from the losses of the previous year in accordance with the provisions of Turkish Commercial Code and article 14/7 of the Corporate Tax Law as well as Capital Market Regulation to be submitted to the General Assembly of Shareholders and the consolidated Balance Sheet and Income Statement as of 2003 to be approved thereby; and we greet our Dear Shareholders and the Assembly with respect.



MUSTAFA V. KOÇ
CHAIRMAN OF THE BOARD OF DIRECTORS

AUDITORS' REPORT

TOFAŞ Türk Otomobil Fabrikası A.Ş. To the Chairman of the Shareholders General Assembly ISTANBUL

Istanbul, 30.03.2004

- 1- Business Name : TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.
Registered Office : Büyükdere Cad.145 Zincirlikuyu-İSTANBUL
Registered Capital : 1.000.000.000.000.-TL
Issued Capital : 450.000.000.000.000.-TL
Field of Activity : Manufacture, assembly and trading of passenger cars and engines, equipment and spare parts there of under the license of Fiat and sales and distribution of auto and their spare parts.
- 2- Auditors : Name-Surname Mission's Period
Nadir ÖZŞAHİN 16.04.2003-13.04.2004
Luca MORONI 16.04.2003-13.04.2004
Fatih EBIÇLIOĞLU 16.04.2003-13.04.2004
- Employee Status : The statutory auditors are not employed by the Company.
- 3- Number of Board of Directors' Meeting participated : Participated in 4 meetings of the Board of and Board of
Auditors meeting held Directors and 3 Board of Auditors' meeting have been held.
- 4- The scope of the inspection on the accounts, the : Apart cashier's office controls, the legal board records
books and documents of the Company, and documents pertaining to interim and annual balance
inspection date and results obtained sheets of the Company have been inspected as well as the
annual budget prepared has been controlled and audited.
Inspections carried out have revealed that records kept are
in conformity with the Articles of Association of the Company
and with the general accounting rules.
- 5- Number and results of the counting carried out in the : The cashier's office has been counted 4 times
cashier's office of the Company according to Article 353, during the term and it has been noticed that the
para. 1, sub para. 3 of the Turkish Commercial Code. actual balance on hands is corresponding with records.
- 6- Date and results of the inspections carried out : It has been discovered that securities that the
according to Article 353, para. 1, sub para. 4 of the Directors are bound to deliver according to the
Turkish Commercial Code Article 313 of the Turkish Commercial Code and
share certificates not collected yet by Shareholders are
existing in the cash box of the Company.
- 7- Claims and malversations transmitted and : The Board has not been seized by any claim
treatment thereto of malversation in the year of 2003.

We have inspected the accounts and the transactions of TOFAŞ Türk Otomobil Fabrikası A.Ş. for the term between 01.01.2003 - 31.12.2003, in accordance with Turkish Commercial Code, the Company's Articles of Association and other Capital Market relevant legislation as well as with generally acknowledge accounting rules and standards. In our opinion, the consolidated Balance Sheet prepared as of 31.12.2003, which we are approving the contents, reflects the real financial status of the Association at the said date, and the consolidated Income Statement relating to the period 01.01.2003 - 31.12.2003 reflects the real status of the activities truly and with conformity.

We therefore submit to your approval the acceptance of the consolidated Balance Sheet and Income Statement prepared in accordance with the International Financial Reporting System (IFRS) as well as the acquittal of the Board of Directors.


Auditor

Nadir ÖZŞAHİN


Auditor

Luca MORONI


Auditor

Fatih EBIÇLIOĞLU