

MANAGEMENT ACTIVITIES AND CONCLUSION

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

Name	Title
DIEGO AVESANI	CEO
A.NEZİH ÖLCAY	External Relations Group Director
SERGIO SPINOLO	Accounting, Finance and Control Group Director
MÜFİT ATASEVEN	Commercial Group Director
GIORGIO MARGIARIA	Industrial Group Director
SELÇUK ÖNCER	Accounting Director
M.ÖSMAN SOYOĞUL	Production Director
KAMİL BAŞARAN	Purchasing Director
HASAN EGELİ	Sales Director
OKAN BAŞ	After Sales Director
ORHAN B. ALANKUŞ	Research and Development Director
AHMET N. ALTEKİN	Quality Director
MARCO NAPODANO	Marketing and Product Director

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

- As of 31.12.2004, the total number of employees of our Company is 4.430, comprising 858 white collared and 3.572 blue collared employees. During the year, no industrial disagreement or labor movement has been observed.
- Our Company is subject to the collective agreement of 12.11.2004 between Turkish Metal Trade Union and MESS effective as from 01.09.2004. This two-year agreement in effect will expire on 31.08.2004.
- As of 31.12.2003, our Company's severance pay liability is YTL 83.276.421,22 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 2004 prepared in accordance with the International Financial Reporting Standards (IFRS) system pursuant to Notification of the Capital Market Board Volume: XI, No: 25, our Company closed the year 2004 with a net profit of YTL 33,697 after deduction of provision of taxes. The donations and contributions to foundations and associations made in this period for social responsibility purposes totaled to YTL 1,351,808.83.

Following deduction of legal liabilities from the net term profit pursuant to Turkish Commercial Code, Capital Market Regulations and our Articles of Association, It is hereby planned to distribute our shareholders a cash dividend at a rate of 6,6666667 % (gross = net and YTL 0,066666667 per share with a nominal value of YTL 1) and totaling to YTL 30,000,000- and to implement such distribution on 2 May 2005.

We hereby present to your approval that the issue of distribution of the said dividends and the date thereof to be submitted to the General Assembly of Shareholders and the consolidated Balance Sheet and Income Statement as of 2004 to be approved thereby; and we greet our Dear Shareholders and the Assembly with respect.



MUSTAFA V. KOÇ

CHAIRMAN OF THE BOARD OF DIRECTORS

AUDITOR'S REPORT

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

Istanbul, 30.03.2005

Business Name : TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.
Registered Office : Büyükdere Cad.No: 145 Zincirlikuyu-İSTANBUL
Registered Capital : 1.000.000.000.-YTL
Issued Capital : 450.000.000.-YTL
Field of Activity : Manufacture, assembly and trading of passenger cars and engines, equipment and spare parts there of under the licence of Fiat and sales and distribution of auto and their spare parts.

Please find below the results of our auditing studies on the financial year 2004 of the company.

1. The Company had a successful term for the fields of activity carried out pursuant to the Capital Market Board and the relevant regulations.
2. It is observed that the books and records that are mandatory to maintain pursuant to the Turkish Commercial Code and the relevant regulations are duly maintained and documents verifying the records are maintained in an organized manner.
3. We are confident that the financial statements that were adopted in terms of content and corrected according to the inflation pursuant to the Tax Procedures Law, and the attached consolidated financial statements that were issued in accordance with the provisions of "Notification on Accounting Standards in Capital Market" Volume: XI, No: 25 issued by the Capital Market Board and corrected according to the inflation as of 31.12.2004 reflects the actual financial status and actual activity results of the Company on the said date in an accurate manner.
4. It is observed that the relevant resolutions passed by the Company management were recorded in the duly maintained book of resolutions.

We therefore submit to the approval of the General Assembly the acceptance of the company activities as summarized in the report issued by the Board of Directors and the consolidated financial statements issued in accordance with the International Financial Reporting System (IFRS) pursuant to Capital Market Law, and the proposals of the Board of Directors on the distribution of profit as well as the acquittal of the Board of Directors.



Auditor
Fatih EBIÇLIOĞLU



Auditor
Luca MORONI



Auditor
İbrahim YELMENOĞLU