

TURKIYE ELEKTRIK ILETIM A.S.

March 25, 2002

International Bank for Reconstruction
and Development
1818 H St., NW
Washington, DC 20433
United States of America

Re: Loan No. 4344 TU
(National Transmission Grid Project)
Performance Indicators - Loan Assumption Agreement

Dear Sirs or Mesdames:

This refers to the provisions of paragraph 5 (a) of Schedule 5 to the Loan Assumption Agreement (National Transmission Grid Project) of even date herewith between the International Bank for Reconstruction and Development (the Bank) and Turkiye Elektrik Iletim A.S. (the Borrower).

The Borrower hereby confirms to the Bank that the performance indicators set forth in the attachment to this letter shall serve as the basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

truly yours,

Very

TURKIYE ELEKTRIK ILETIM A.S.

By /s/ Ahmet Altinel
Authorized Representative

Attachment : a/s**Attachment**

TURKIYE ELEKTRIK ILETIM A.S.
Performance Monitoring Indicators

Impact/Outcome Indicators

UNIT

A. Transmission Lines Constructed

400 kV Transmission lines	Km
B. Losses in Transmission System	%
C. Electricity Transmitted	tWh
D. Capacity of New Substations	mVa

2. Financial Indicators

A. Funds from Internal Sources/Capital Expenditures	%
B. Accounts Receivable/Average Daily Revenues	days
C. Current Assets/Current Liabilities	ratio
D. Net Revenues/ Debt Service Requirements	ratio
E. Project Management Reports	unit
F. Unqualified Audit	Unit

TARGETS

Performance Indicators	Unit	Base (2001)	2003	2005
400 KV Transmission Lines	Km.	14,168	14,800	15,368
Losses in Transmission	%	3.3	3.0	2.8
Transformer Capacity	MVA	62,762	64,000	66,512
Electricity Transmitted	TWh	101.3	112.0	125
3. Financial Indicators There is no financial data for TEIAS for the base year 2001 since the company was only separated from TEAS on October 1, 2001.				

Funds from Internal Sources/Capital Expenditures	%	N.A.	>30	>35
Accounts Receivable /Average Daily Revenues	days	N.A.	<50	<45
Current Ratio	Ratio	N.A.	>1.0	>1.0
Net Revenues/Debt Service Requirements	Ratio	N.A.	>1.5	>1.5
Project Management Reports	Unit	No	Yes	Yes
Unqualified Audit Report	Unit	N.A.	Yes	Yes

