

Investor Call

2017 Q3

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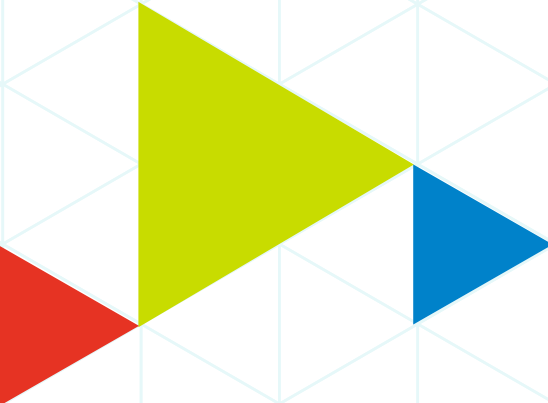
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Note: EBITDA is a non-GAAP financial measure. In this presentation, EBITDA represents revenue less cost of sales and other operating expenses plus other operating income/ (expense) plus income/(expense) from investing activities but excluding financial income/ (expense) presented in other operating income/(expense) (i.e., foreign exchange gain/ (loss), interest income / (expense) and discount income/(expense) on receivables and payables excluding financial borrowings), depreciation, amortization and impairment, income on unconsolidated subsidiaries and minority interest.

Financial Performance



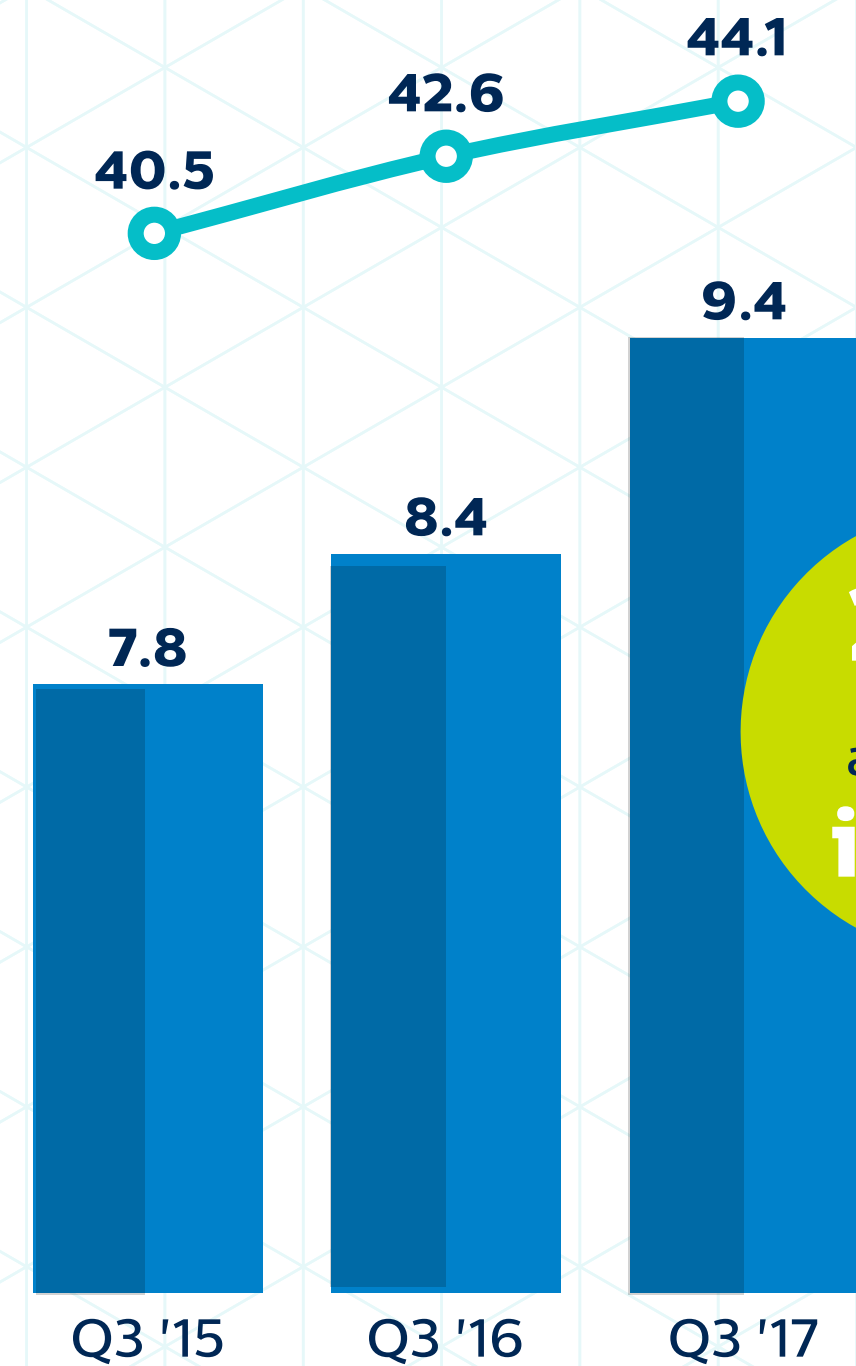
(TL mn)	2016 Q3	2017 Q2	2017 Q3	Growth (YoY)	Growth (QoQ)
Revenue	4,118	4,501	4,532	10.1%	0.7%
Revenue (exc. construction adj) ¹	3,943	4,292	4,420	12.1%	3.0%
EBITDA	1,452	1,712	1,687	16.2%	(1.4%)
EBITDA Margin	35.3%	38.0%	37.2%		
Net Income	9	890	293	n.m.	(67.0%)
CAPEX ²	666	545	554	(16.8%)	1.7%

(1) Construction accounting adjustment is a non-operational revenue line booked in conjunction with upgrades to fixed line infrastructure, such as the upgrade from copper to fiber based network
(2) Excluding license fees

Fixed Broadband Performance

ARPU & Subscribers

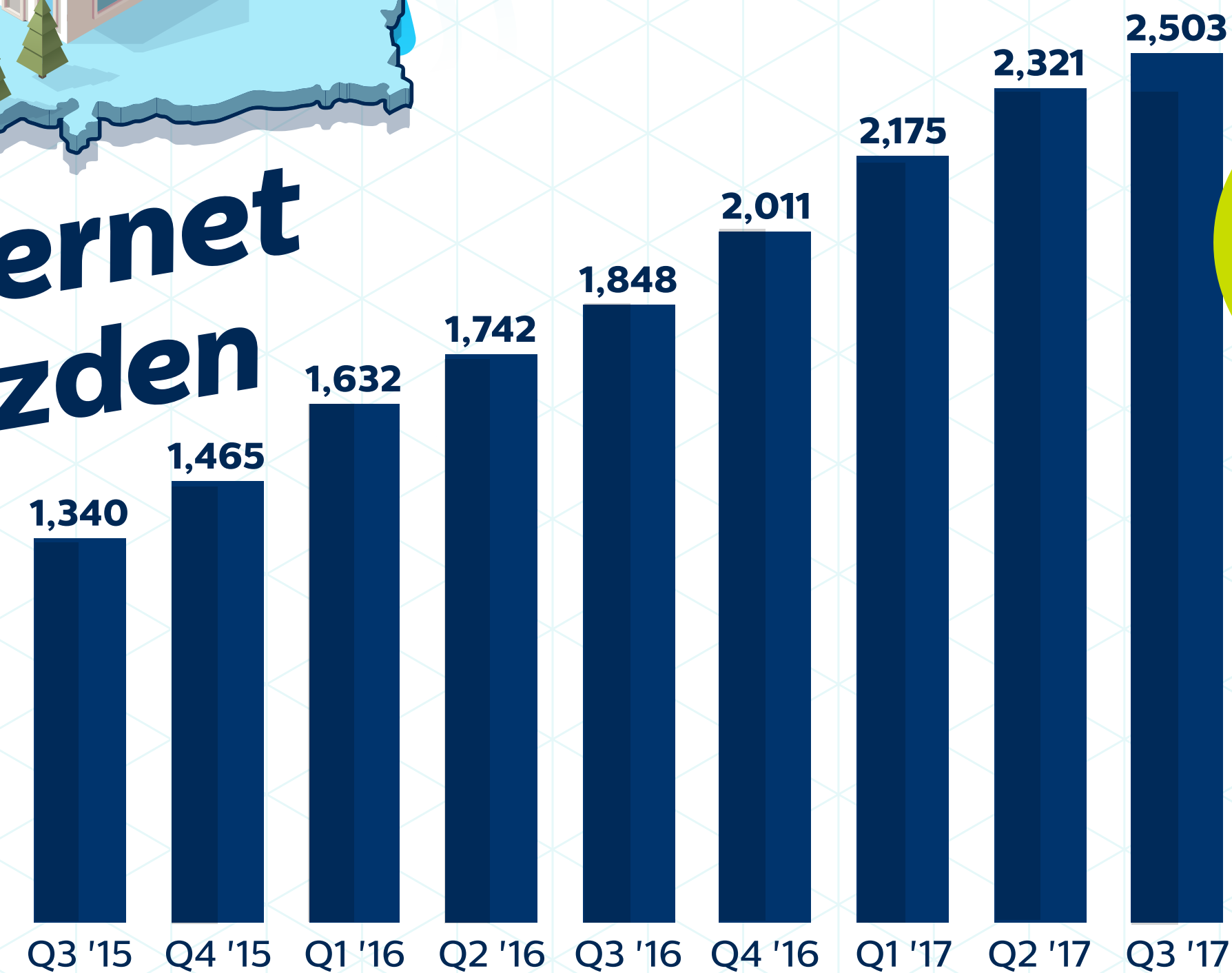
○ ARPU (TL) ■ Subscribers (mn)



289K
net
additions
in Q3



Internet Bizden



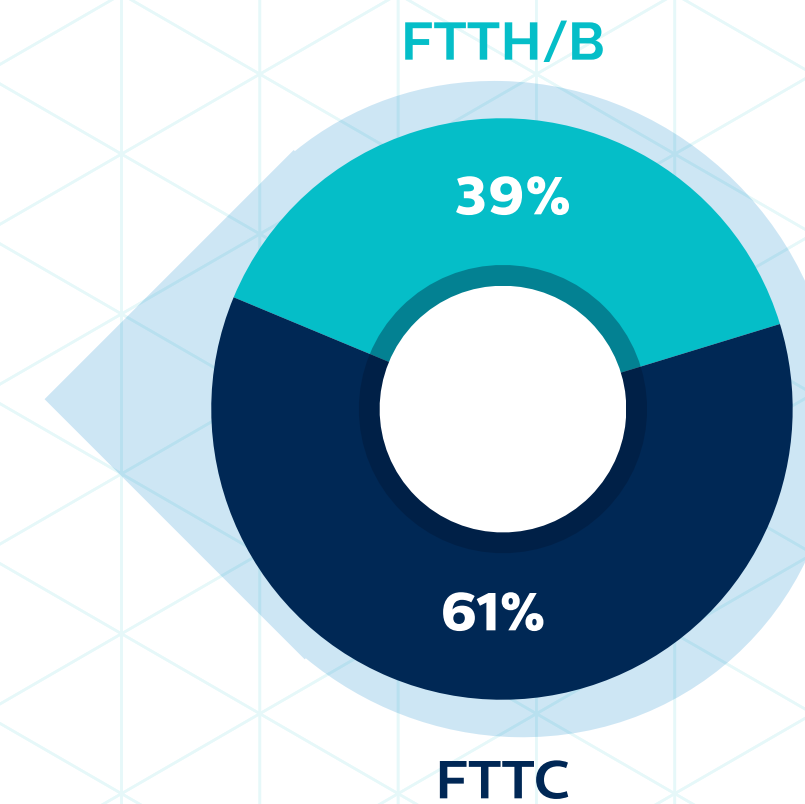
FTTH/B & FTTC tariffs have same prices for a given speed/quota

Fiber Subscribers

(thousand)



182K
net
additions
in Q3



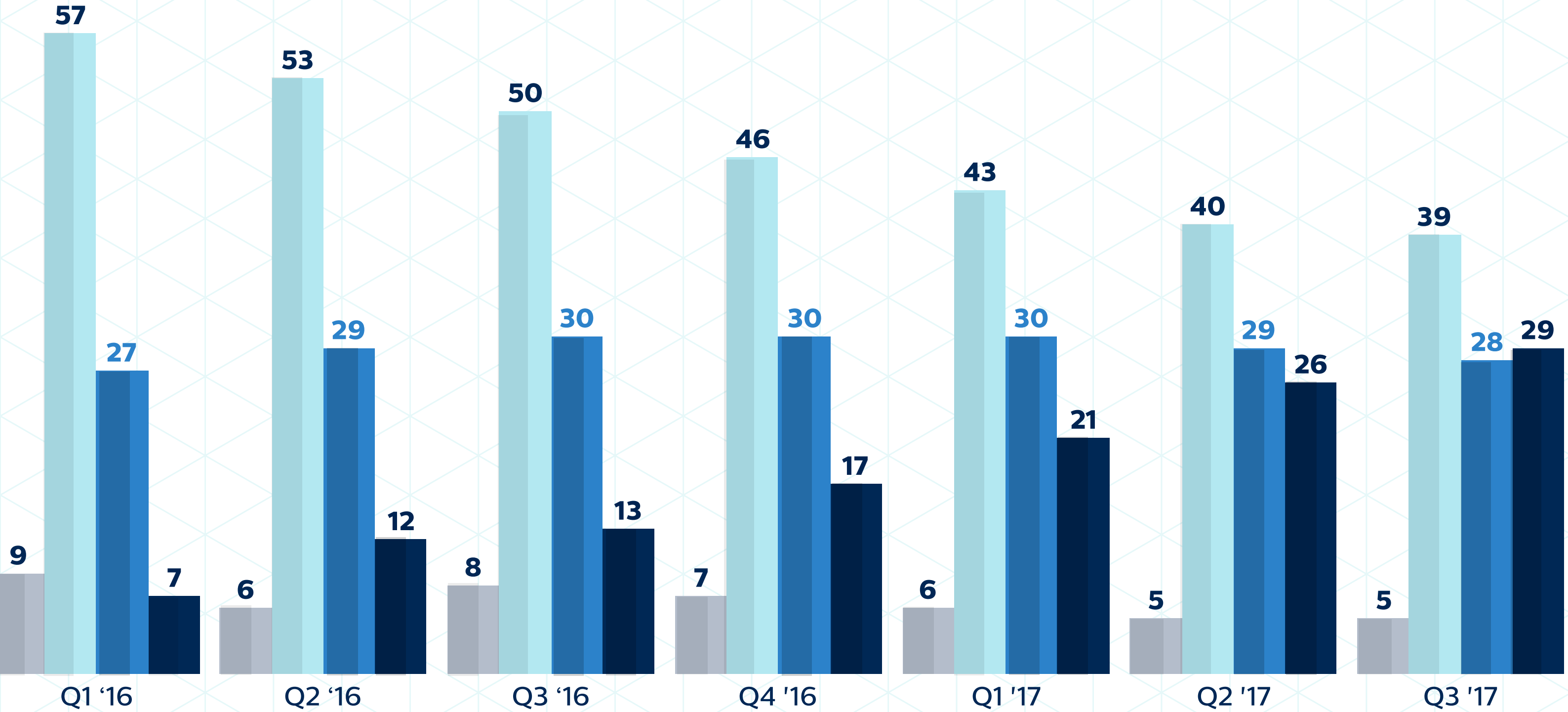
Upselling Dynamics in Fixed Broadband



Capacity Breakdown

(% of Subscribers)

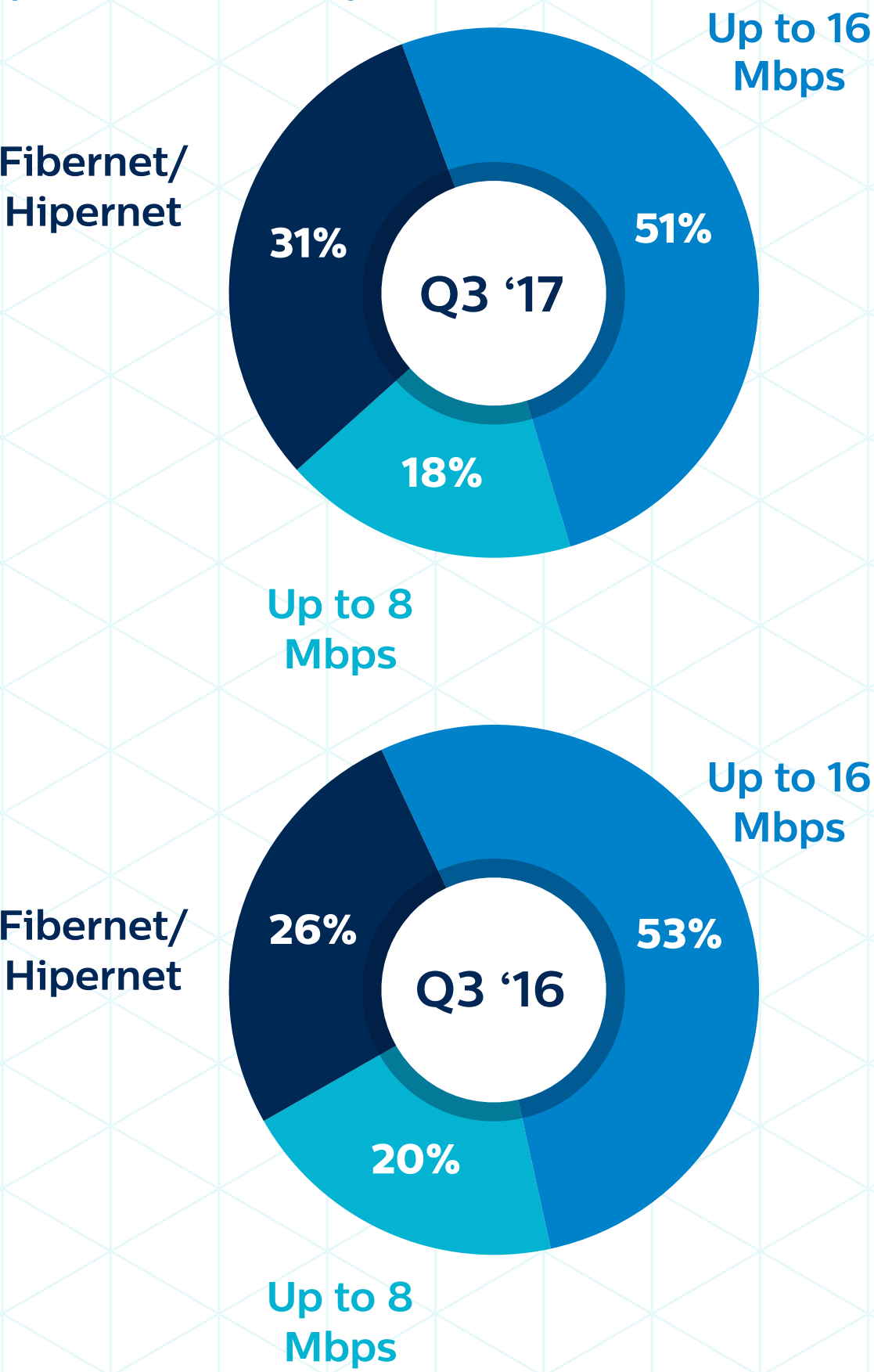
■ 25 GB & Below ■ 25 to 50 GB ■ 50 to 75GB ■ Above 75 GB



All figures are based on Türk Telekom's retail subscribers

Speed Breakdown

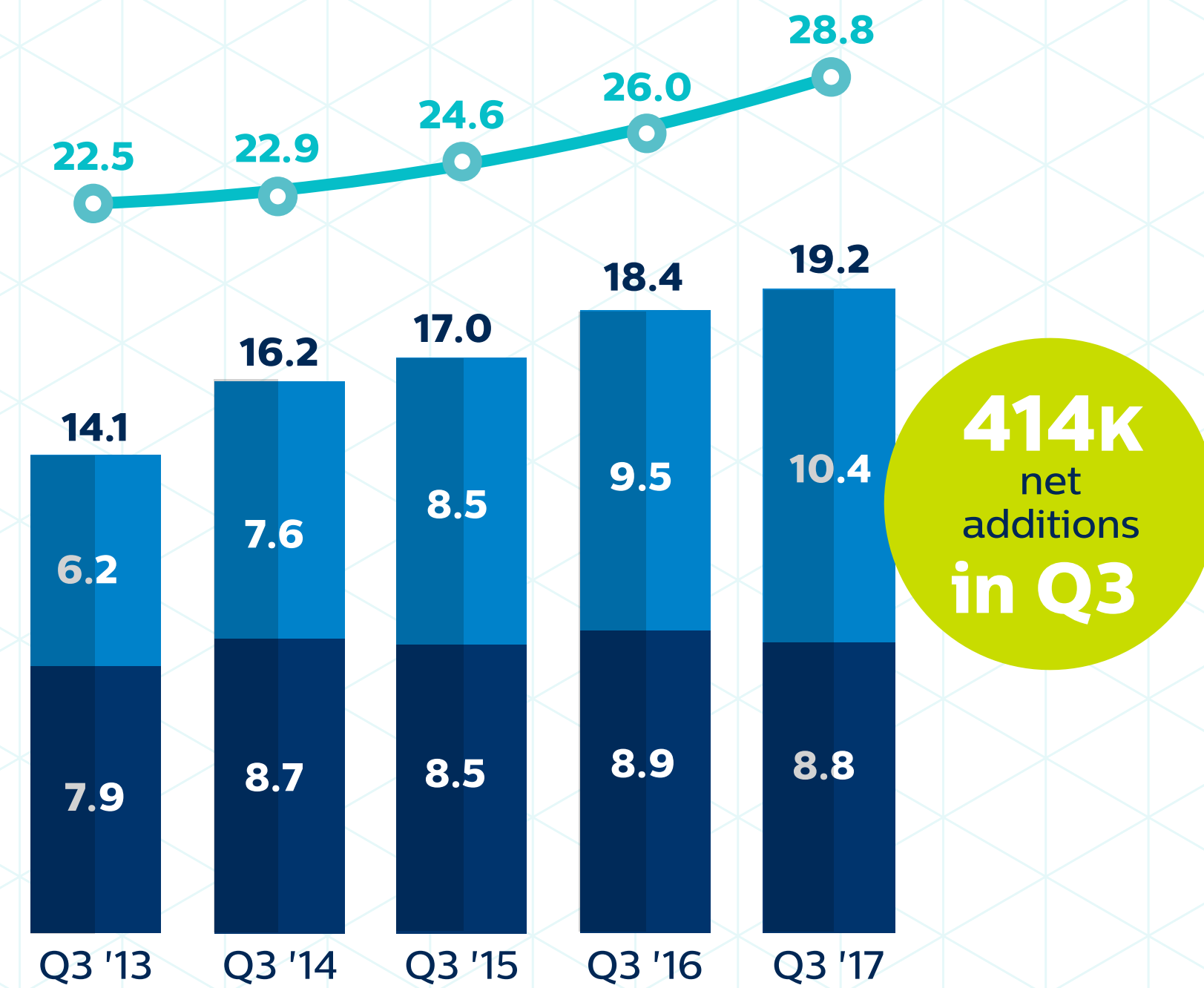
(% of Subscribers)



Mobile Performance

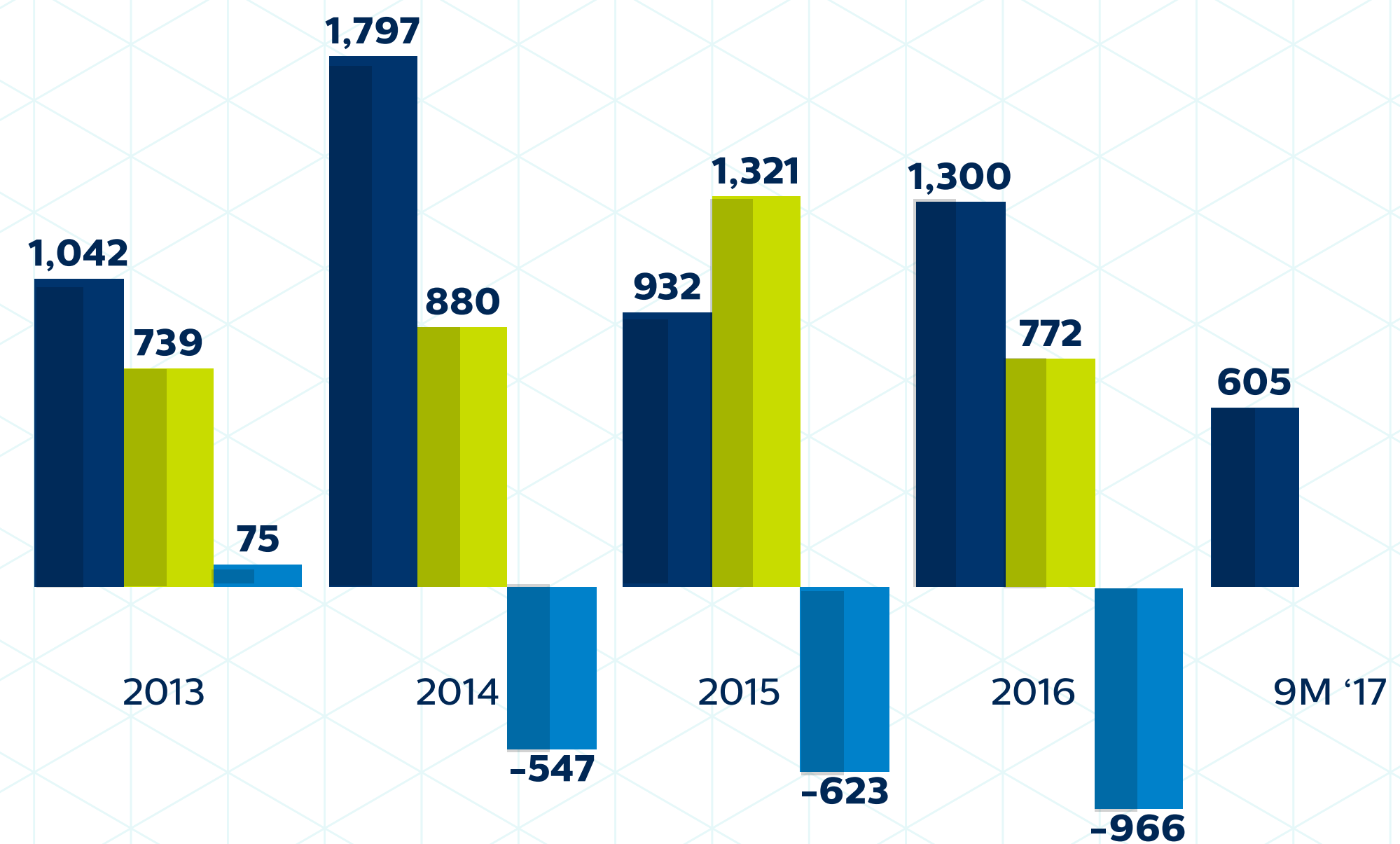
Growing ARPU & Subscribers

○ Blended ARPU (TL)
■ Prepaid (mn) ■ Postpaid (mn)



Net Subscriber Addition

■ Türk Telekom ■ Vodafone ■ Turkcell



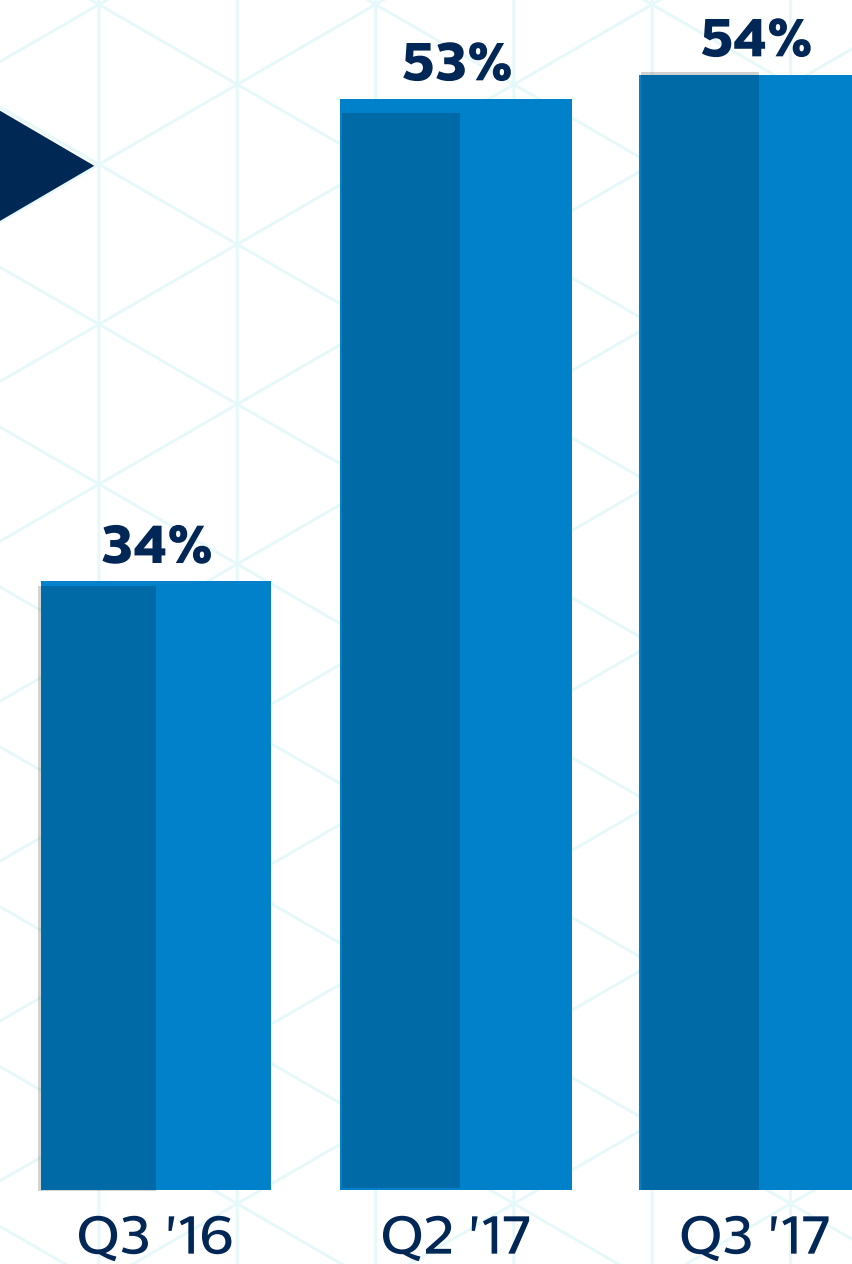
Other operators' data are from their own publications.



Monetizing Data

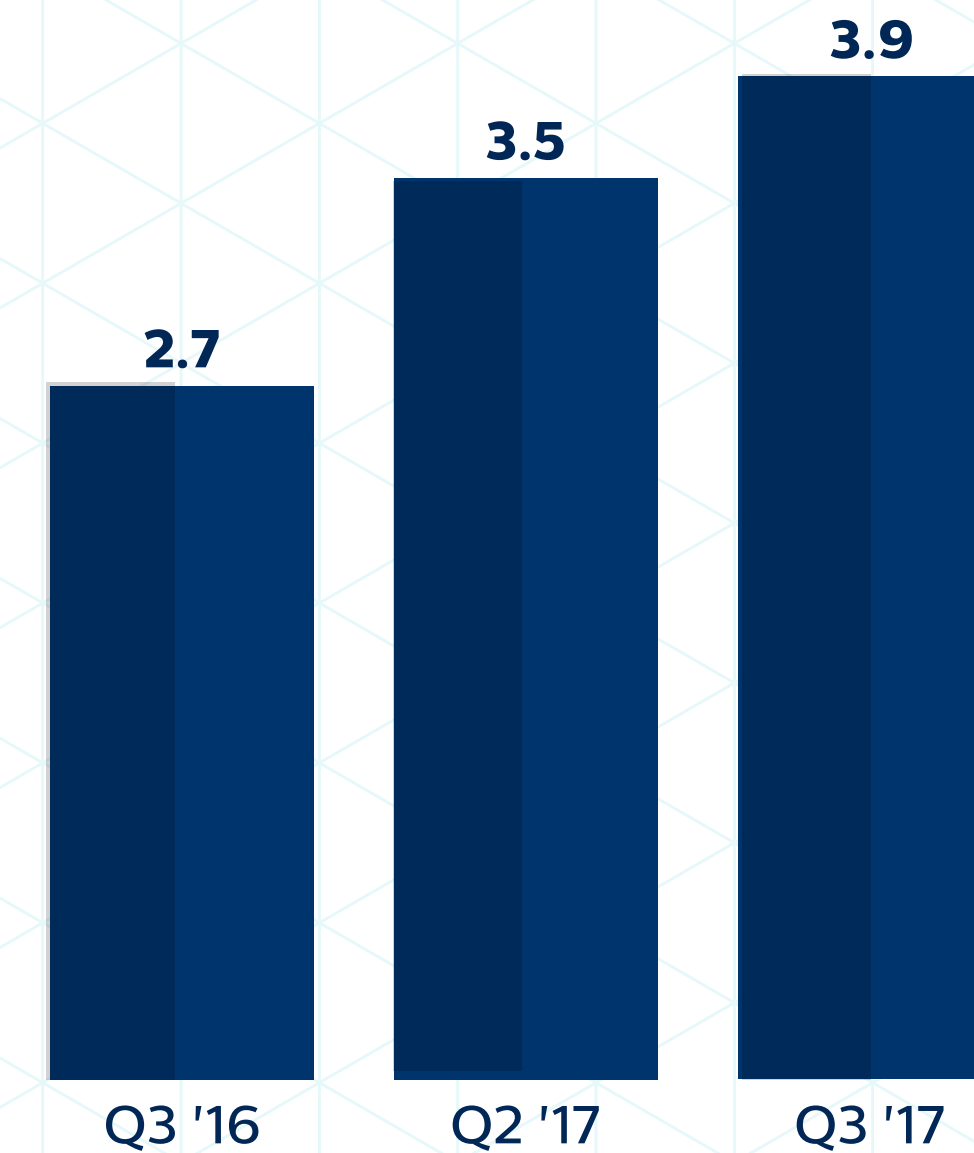
Data Revenue

(Service revenue shares)



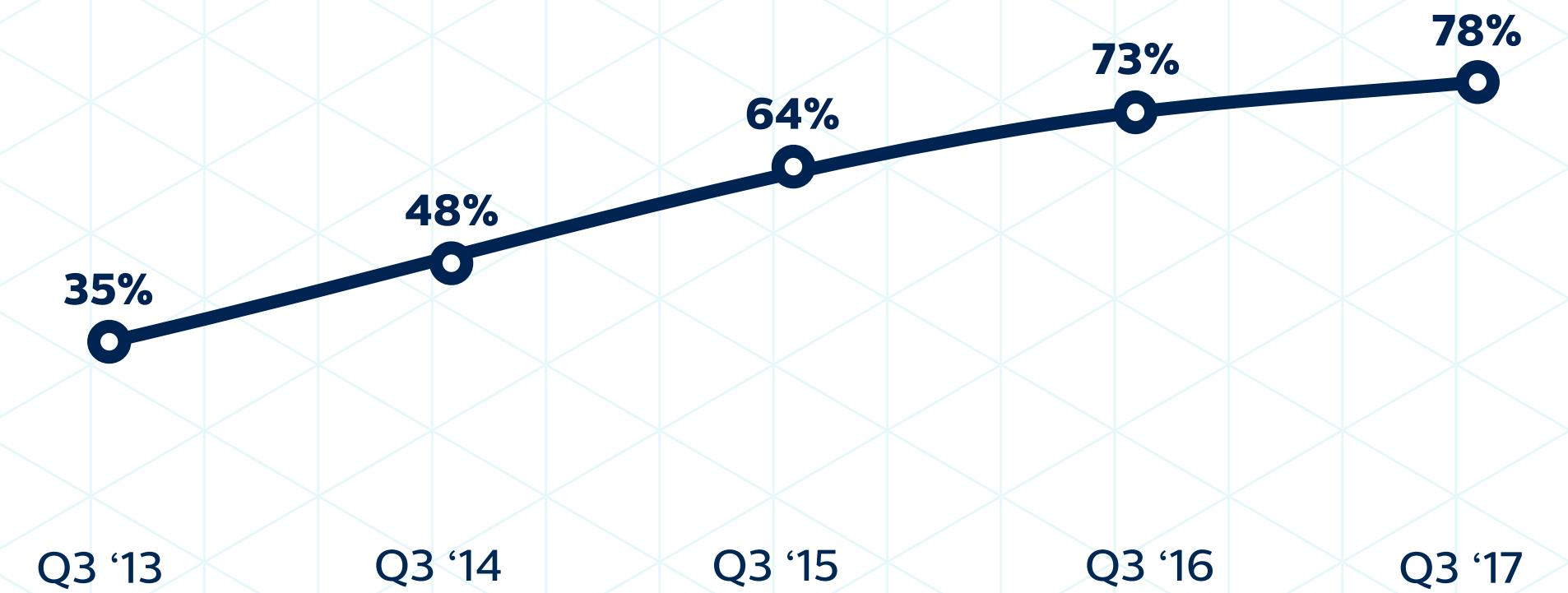
Avg. Monthly Mobile Data Usage

(GB per user*)

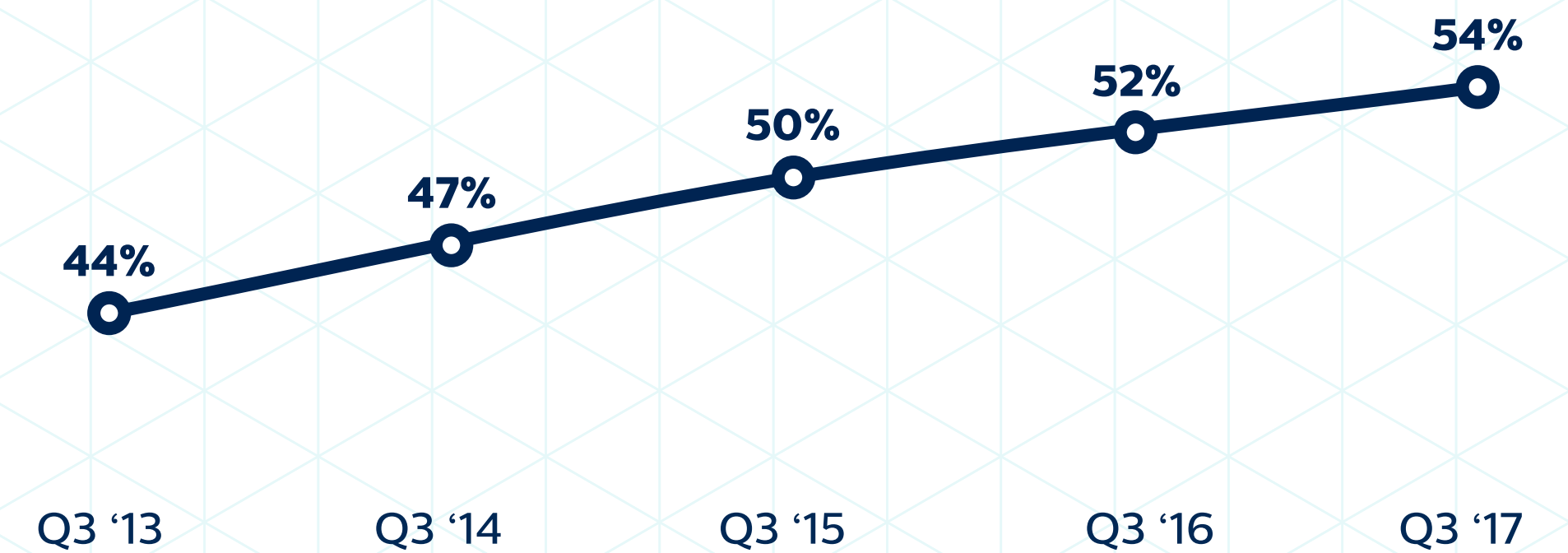


* Türk Telekom smartphone users

Smartphone Penetration



Postpaid Ratio

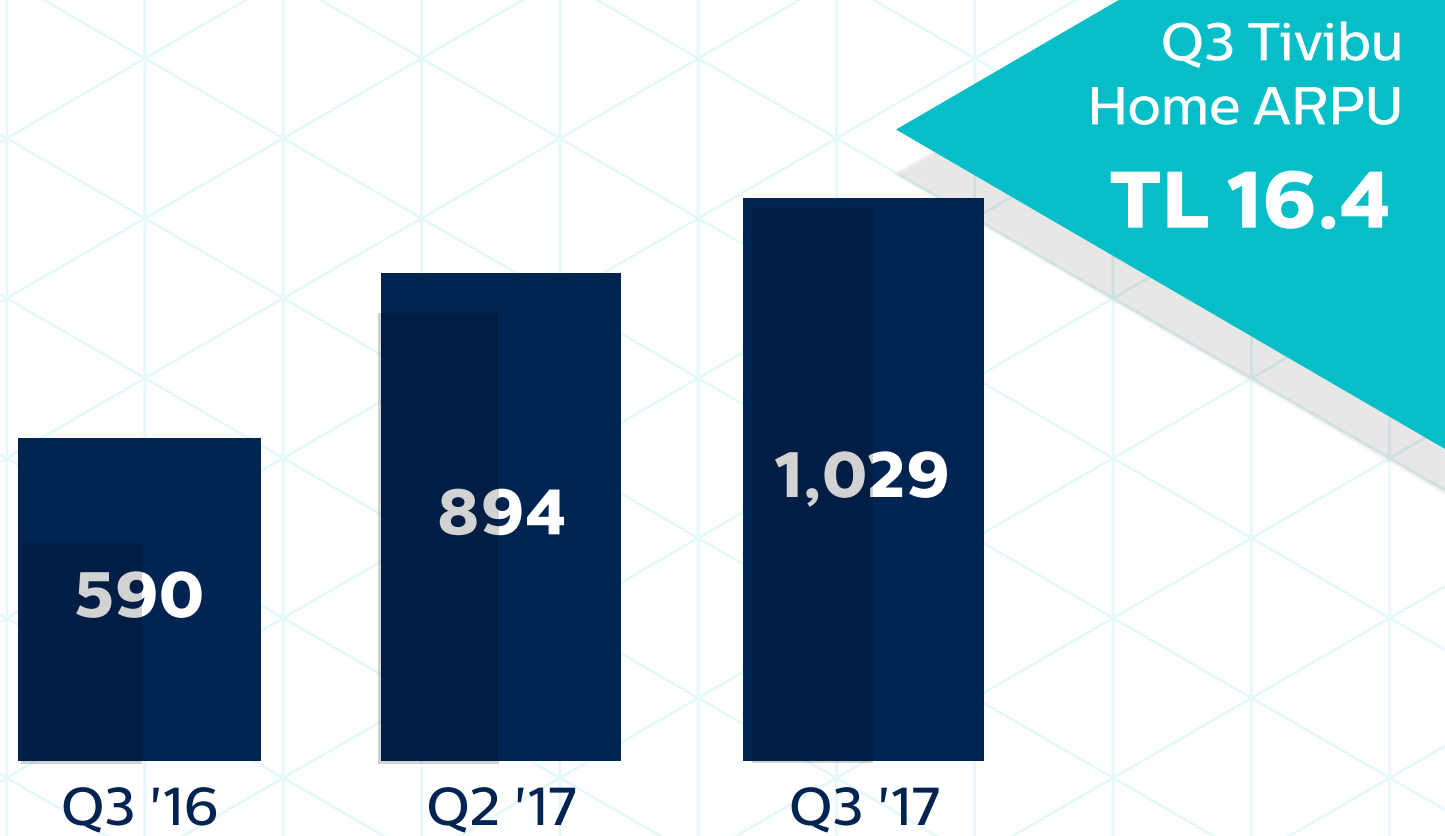


TV Performance

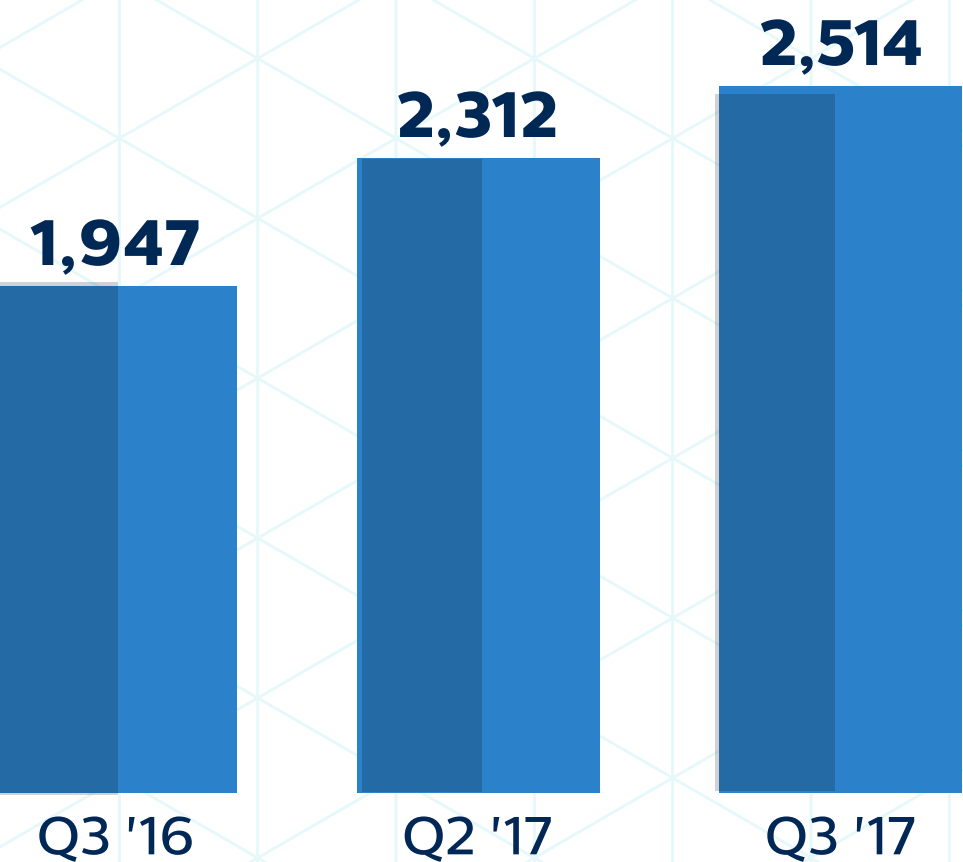
Türk Telekom Tivibu

Subscribers
(thousand)

■ Tivibu Home



■ Total TV (inc. Tivibu Home)

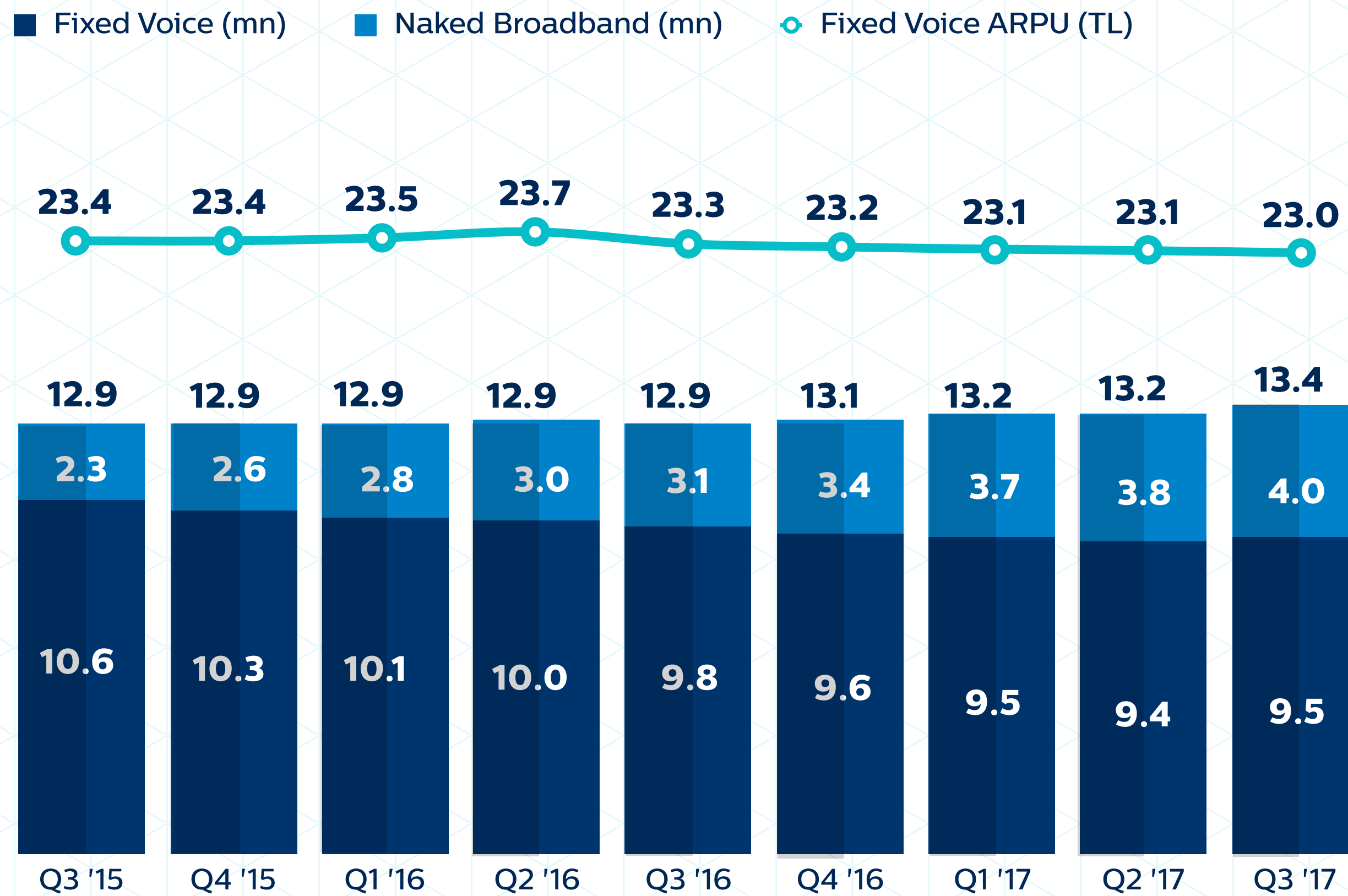


135K net additions in Q3 '17
in Tivibu Home



Fixed Voice

Access Lines and ARPU



Digital Transformation

Taking steps to lead digital transformation

Türk Telekom Group Value Chain

Technology

Custom solutions by using both internal and subsidiary resources for serving both Turk Telekom and 3rd parties



ARGELA

s e b i t

Marketing

Diverse portfolio addressing the consumer segment; with 200+ value added services and 40+ mobile applications



Wirofon

Tambu



Playstore



TT Music

Education



Tivibu Go

Branding & Comm.

Utilization of internal products for external sale

Segmented digital advertises

PROGRAMATİK

Sales

Diversification towards virtual channels

Easy, quick, secure online payment



Direct Carrier Billing



Web-sites / Applications

Customer Services

Improved customer services via online channels



Visual IVR



Account Management

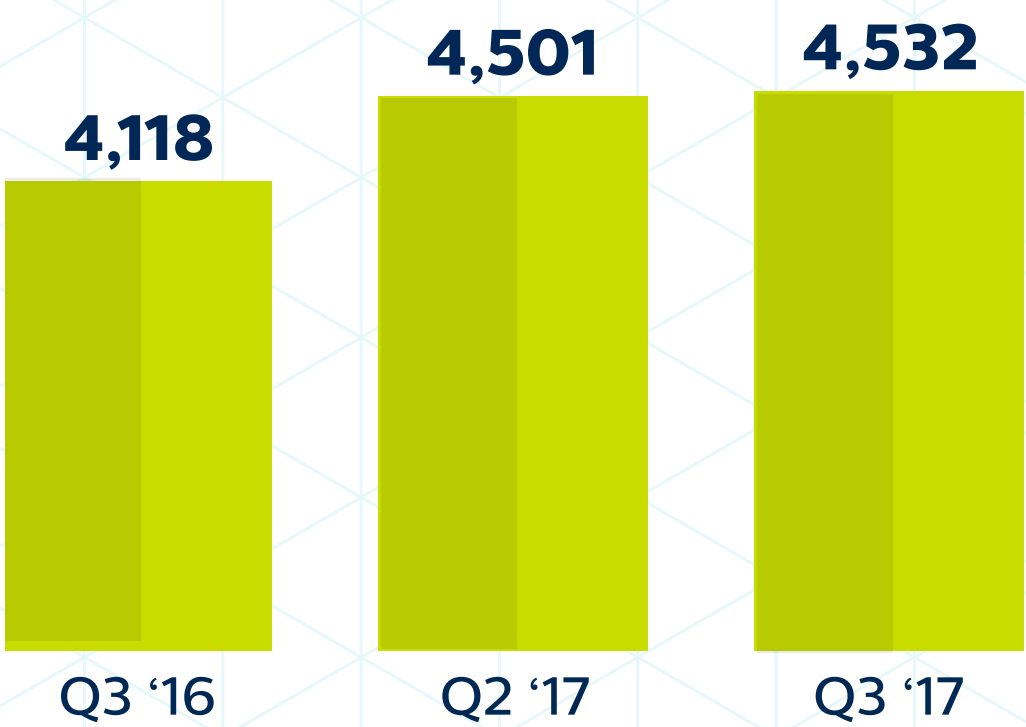


Financials

Financial Performance

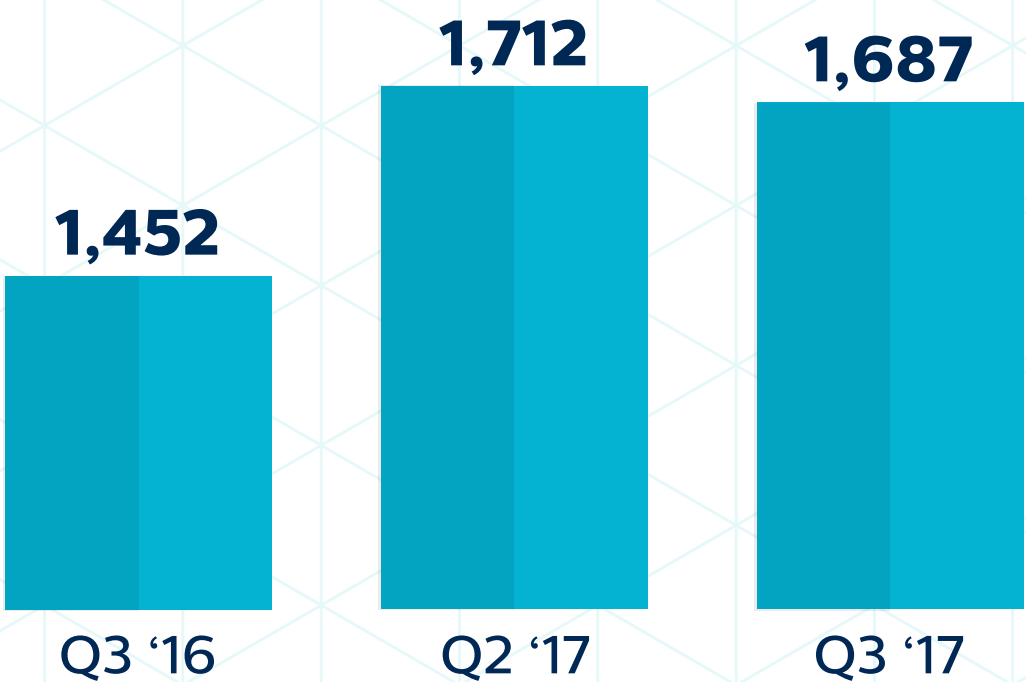
Revenue

(TL mn)



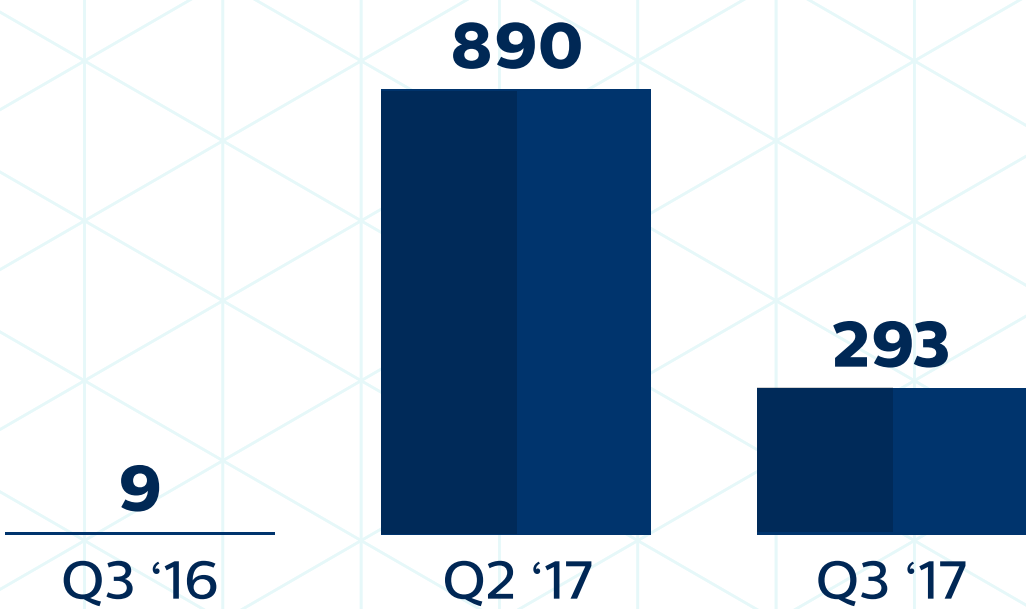
EBITDA

(TL mn)



Net Income

(TL mn)



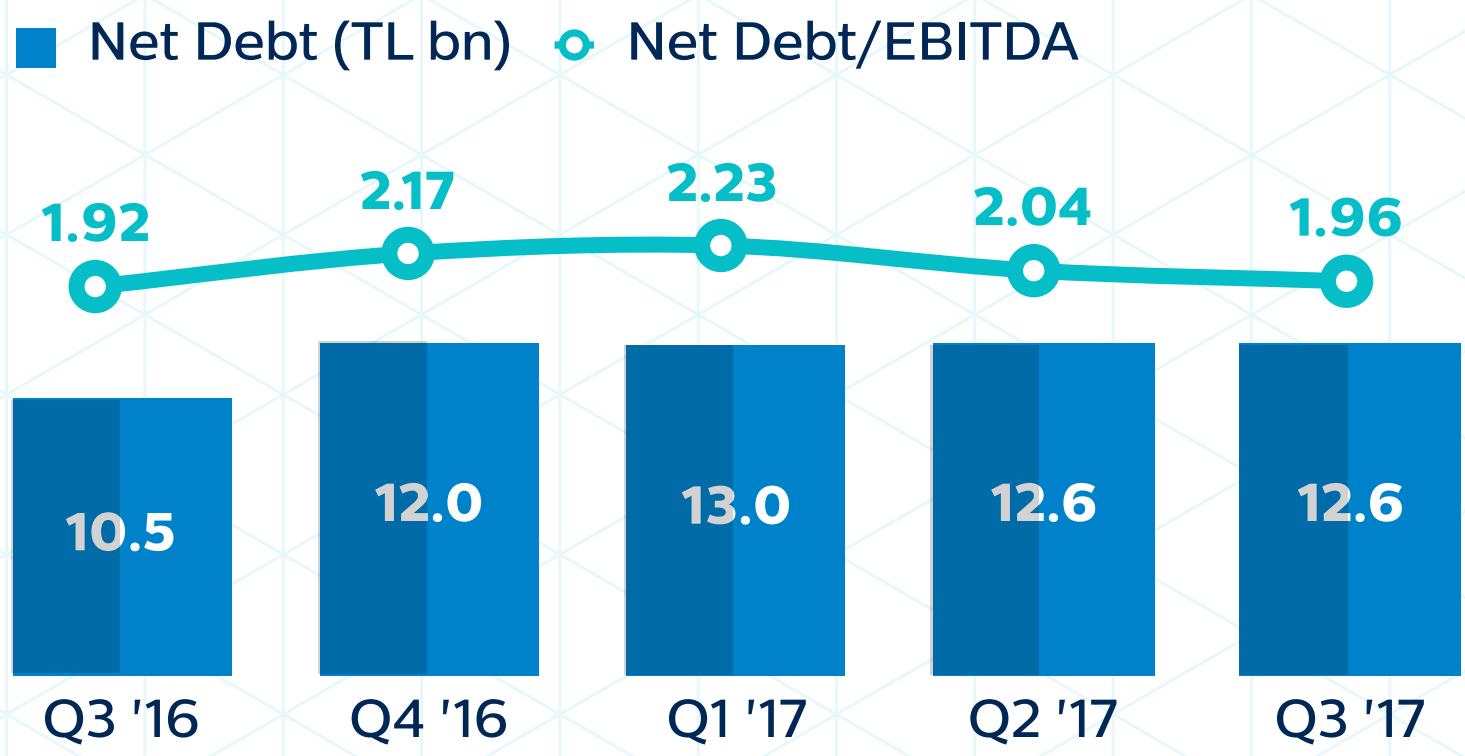
CAPEX

(TL mn)



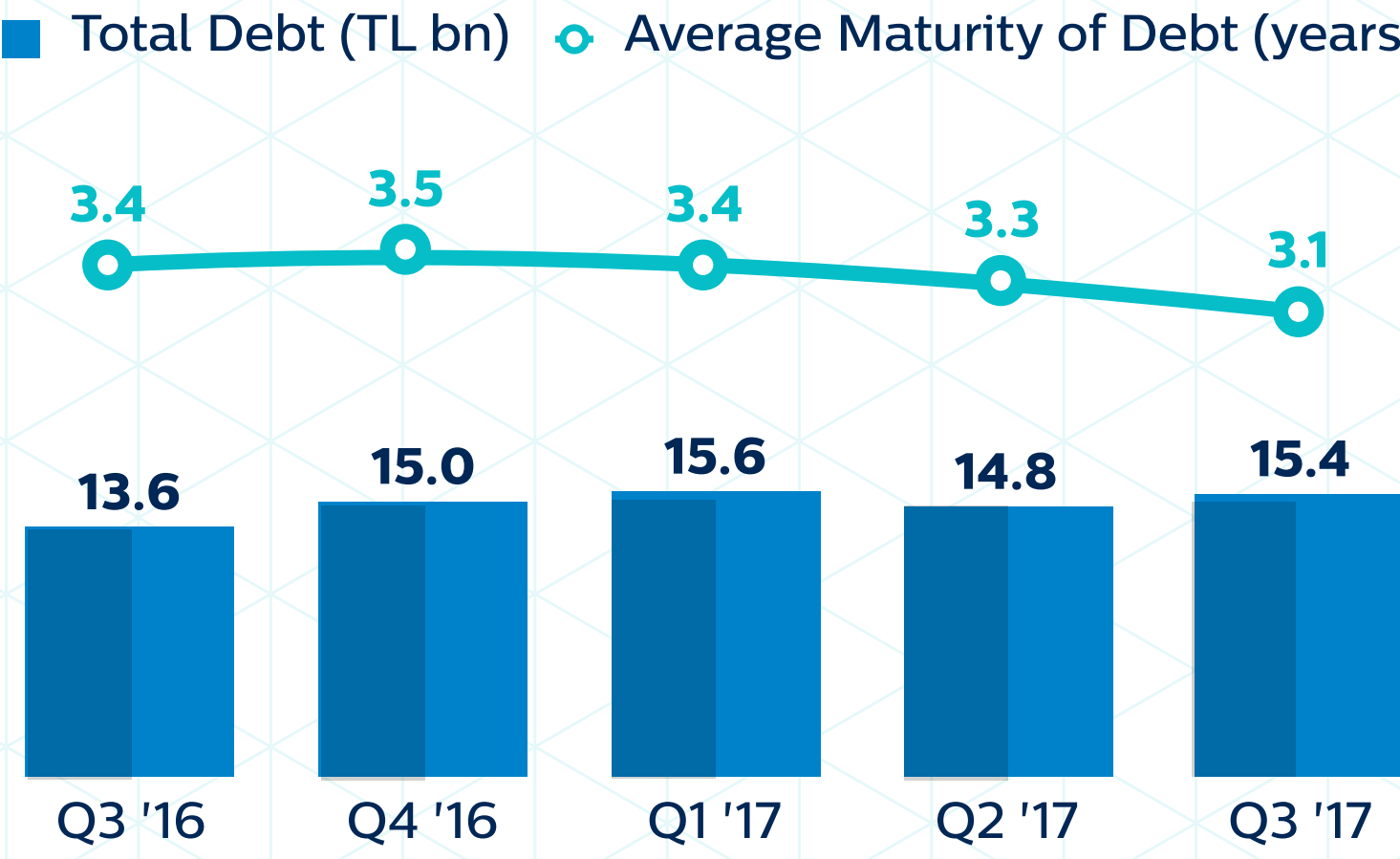
Debt Profile

Net Debt

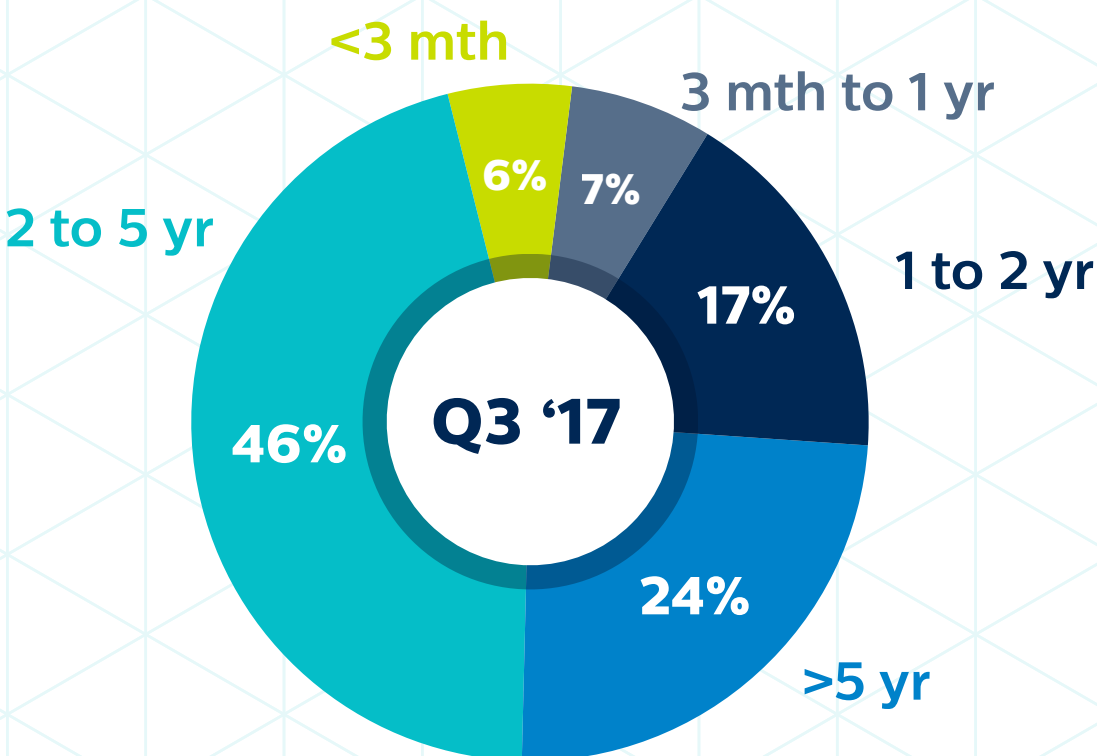


Note: In Q4 '16, Q1 '17 and Q2 '17 Net Debt/EBITDA calculation excludes extraordinary claims.

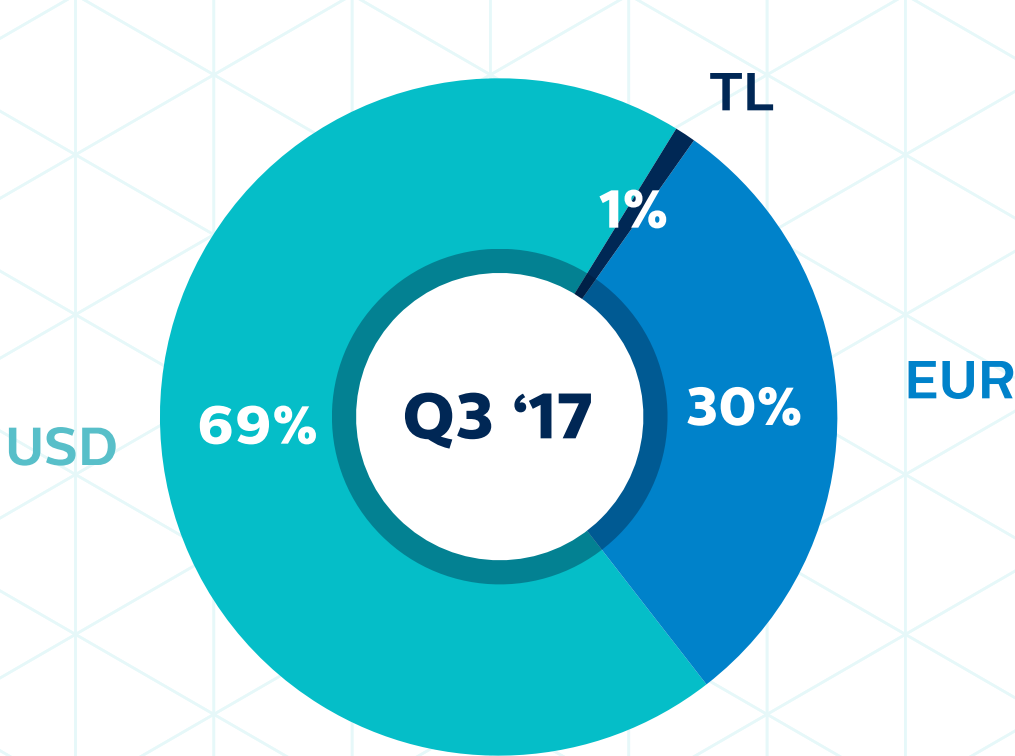
Average Maturity of Debt



Maturity Profile

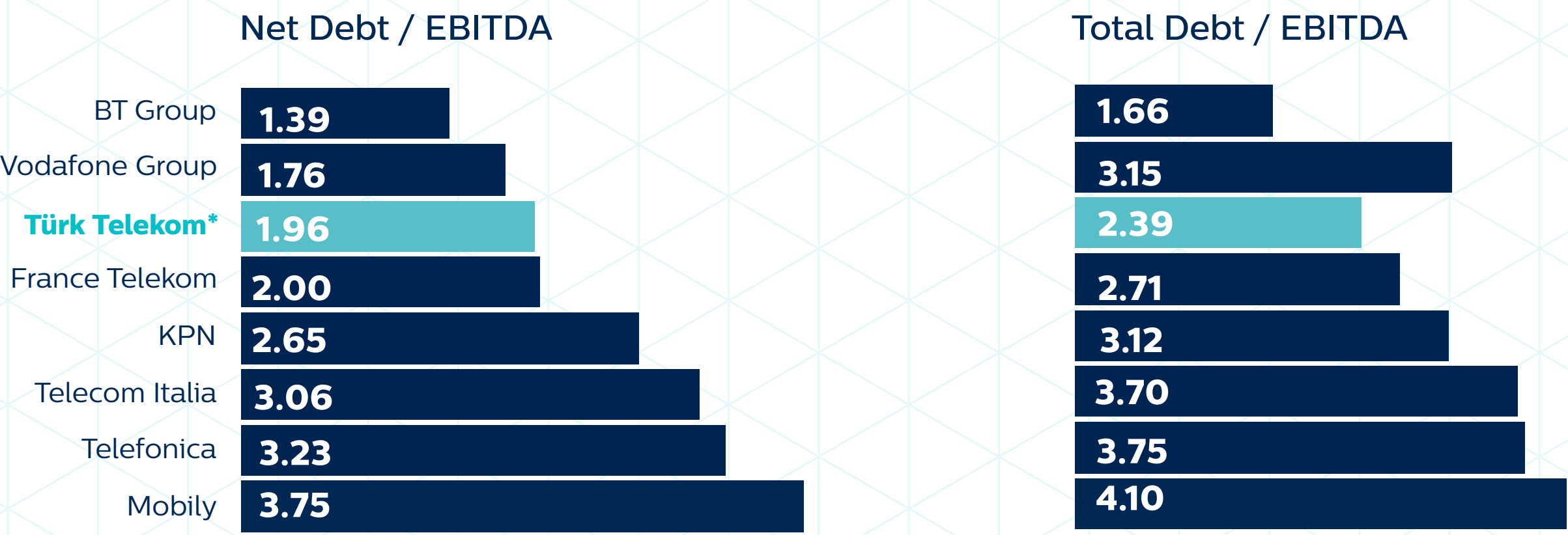


Debt Breakdown



Note: Hedging activities are available on financial footnotes

Low debt burden compared to peers



Source: Bloomberg



Appendix

Summary Income Statement

(TL mn)	2016 9M	2017 9M	YoY Change	Q3 '16	Q3 '17	YoY Change
Revenues	11,859	13,340	12.5%	4,118	4,532	10.1%
EBITDA	4,036	4,927	22.1%	1,452	1,687	16.2%
Margin	34.0%	36.9%		35.3%	37.2%	
Operating Profit	1,964	2,720	38.5%	733	973	32.8%
Margin	16.6%	20.4%		17.8%	21.5%	
Financial Income / (Expense)	(837)	(893)	6.6%	(595)	(519)	(12.8%)
FX & Hedging Gain / (Loss)	(510)	(568)	11.5%	(498)	(398)	(20.0%)
Interest Income/(Expense)	(271)	(249)	(8.1%)	(103)	(88)	(14.2%)
Other Financial Income/ (Expense)	(57)	(76)	33.4%	5	(33)	n.m.
Tax Expense	(462)	(578)	25.0%	(129)	(161)	24.6%
Net Income	664	1,249	88.1%	9	293	n.m.
Margin	5.6%	9.4%		0.2%	6.5%	

Note: FX Rates used in financial income/expense calculation are as follows: **September-17:** USD/TL: 3.5521; EUR/TL: 4.1924

Summary Balance Sheet



(TL mn)	30.09.2016	30.06.2017	30.09.2017
Total Assets	26,590	25,733	26,519
Intangible Assets ¹	8,038	8,252	8,148
Tangible Assets ²	8,761	8,358	8,362
Other Assets ³	6,641	7,000	7,247
Cash and Equivalents	3,150	2,123	2,761
Total Equities and Liabilities	26,590	25,733	26,519
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	1,433	1,084	1,389
Interest Bearing Liabilities ⁴	13,615	14,754	15,398
Provisions for Employee Termination Benefits	614	651	673
Other Liabilities ⁵	7,669	5,983	5,798

(1) Intangible assets excluding goodwill

(2) Tangible assets include property, plant and equipment and investment property

(3) Major items within other assets are trade receivables, prepaid expenses, other current assets and deferred tax asset

(4) Includes short-term and long-term borrowing and short-term and long-term obligations under finance leases

(5) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, employee benefit obligations, deferred revenue, other current liabilities, and minority put option liability



Q&A



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Thank you



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