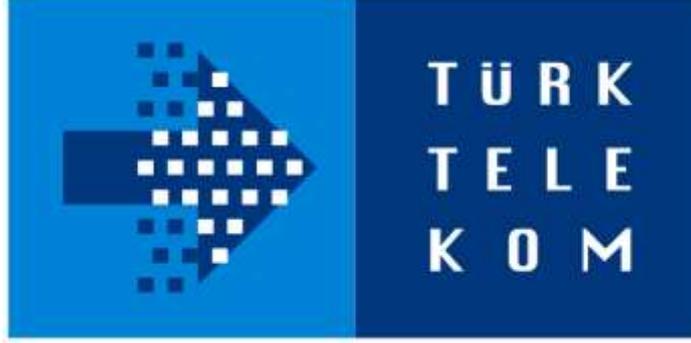


TÜRK TELEKOMÜNİKASYON A.Ş.



**INTERIM ACTIVITY REPORT AS OF 30.09.2012
BASED ON SERIAL:XI NO:29 COMMUNIQUÉ OF CAPITAL MARKETS
BOARD**



October 17, 2012

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1. OVERVIEW OF TÜRK TELEKOM

Türk Telekomünikasyon A.Ş. (“Türk Telekom”) with its subsidiaries, provides a wide range of communications services from PSTN to mobile, broadband to value-added services for customers in Turkey through its extensive fixed-line telecommunications network, which covers almost 100% of the population.

Turkey had 15,2 million total access lines in service as of 2011 year end and this number decreased to 14.5 million in the third quarter of 2012. Türk Telekom’s PSTN access line capacity is approximately 21.2 million.

Türk Telekom offers wholesale infrastructure services for ISPs besides being broadband internet provider having the widest sales network in Turkey, through its wholly owned subsidiary TTNET.

42% of the wholesale broadband internet access in Turkey is through ADSL as of 2012 third quarter. The remaining 58% is attributable to mobile operators¹. The number of ADSL subscribers was 6.8 million as of 2011 year end increased to 6.9 million as of September 30, 2012.

Türk Telekom, having 89.99% shares of Avea, the third largest mobile operator in Turkey, provides mobile communications services, including pre-paid, post-paid and value-added voice services.

Avea has been founded in 2004 as a result of the merger of Aycell and Aria brands. Thanks to its performance, from its foundation to the third quarter of 2012 its subscriber base rose from 4.8 million to 13,2 million.

In addition to fixed line and mobile voice and data services, Türk Telekom operates IT consulting services, telecommunications product and software services and education and games content businesses through its wholly owned subsidiaries Innova, Sobee, Argela and Sebit. Türk Telekom also operates CRM systems, directory services and call centers through its wholly owned subsidiary AssisTT. Finally Pantel International, data and wholesale capacity provider, joined to Türk Telekom Group in 2010. In addition to these, Türk Telekom has 20% shares of CETEL that holds 76% shares of Albtelecom, incumbent fixed line operator in Albania.

Türk Telekom supports various education projects, sports, arts and environmentally sensible activities as part of its social responsibility program.

¹Source: 2nd Quarter Sector Report of the Information Technologies and Communications Authority, Page: 28

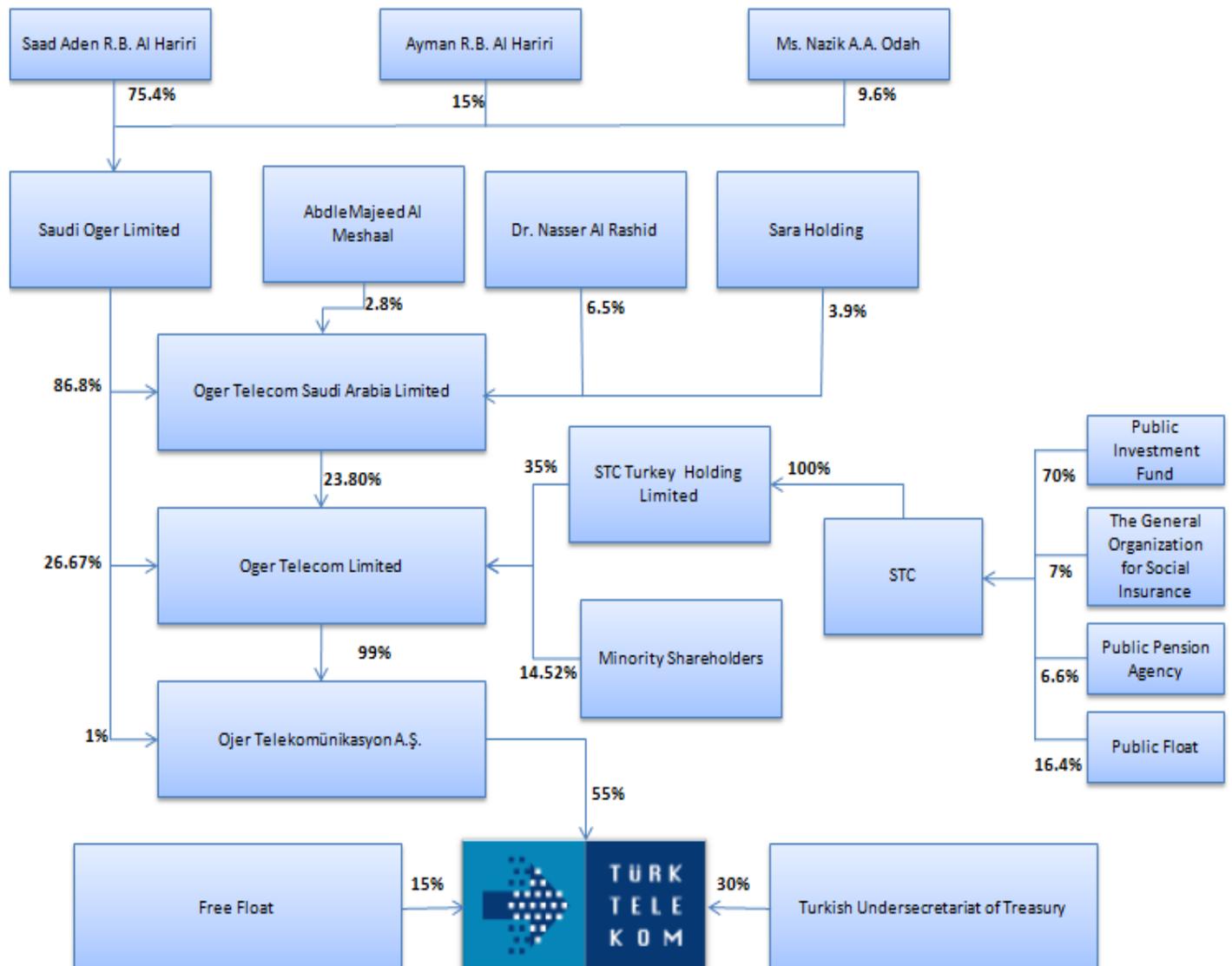
2. CORPORATE STRUCTURE

• Ownership Structure

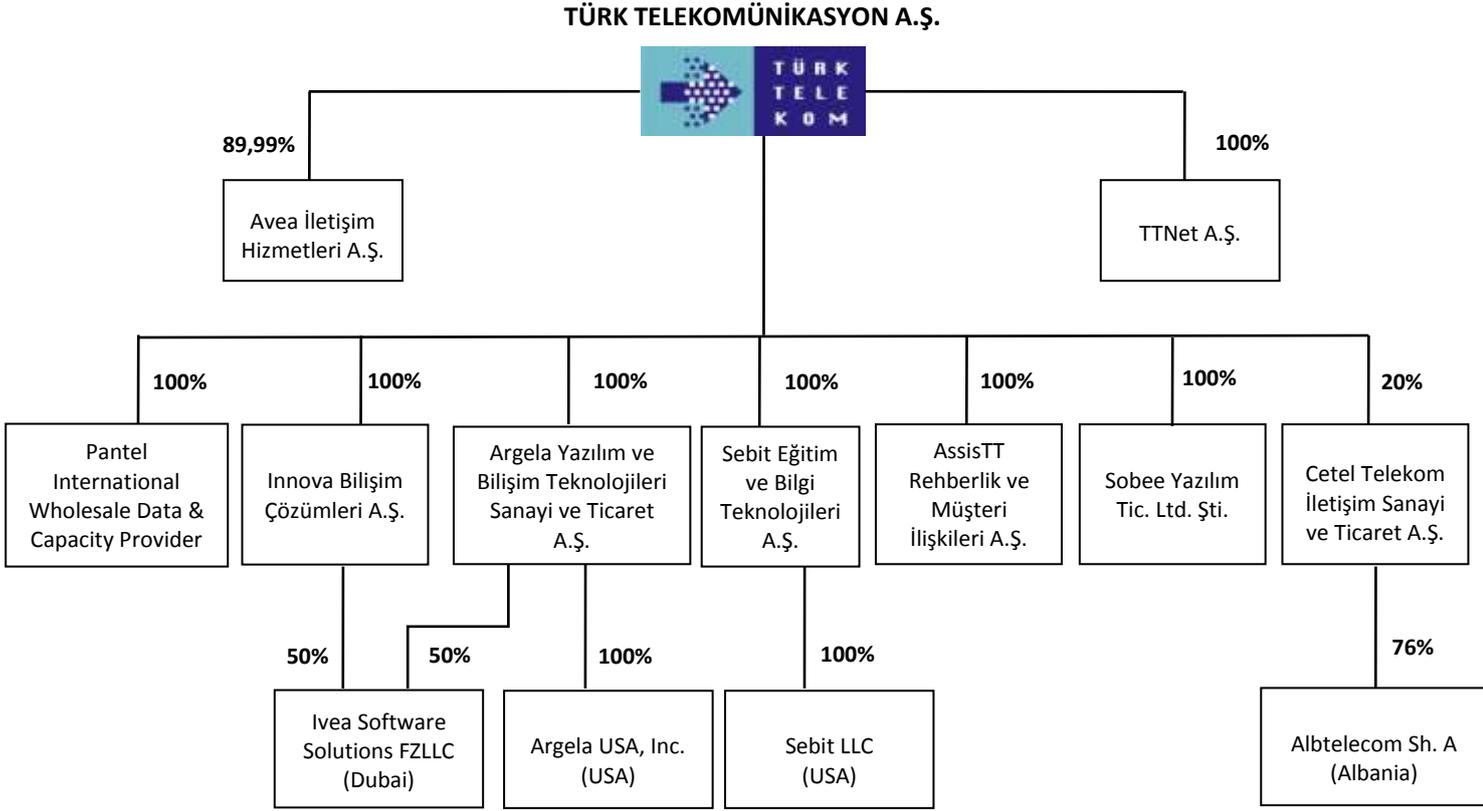
Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	T.R. Undersecretariat of Treasury	1,049,999,999.99	30
C	T.R. Undersecretariat of Treasury	0.01	
D	Free float	525,000,000.00	15
Total		3,500,000,000.00	100

The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is required under the Telephone Law and provides that, in order to protect Turkey's national interests relating to national security and the economy, the Turkish Treasury's positive vote is required for the following matters:

- Any proposed amendments to the Articles of Association;
- The transfer of any of the Company's registered shares (i.e., the Class A shares) which would result in a change in management control;
- The registration of any transfer of the Company's registered shares in the shareholder ledger. As publicly disclosed in the Public Offering Prospectus, the real and legal persons directly or indirectly holding a stake in the Company's share capital are listed below:



- **Subsidiaries**



- **Management and Organization**

Board of Directors

Mohammed Hariri	Chairman of the Board
Hakam Kanafani	Member of the Board of Directors
Rami M. Aslan	Member of the Board of Directors
Abdullah Tivnikli	Member of the Board of Directors
Ghassan Hasbani	Member of the Board of Directors
Mazen Abou Chakra	Member of the Board of Directors
Ameen Fahad Al-Shiddi*	Member of the Board of Directors
Mehmet Habib Soluk	Member of the Board of Directors
Efkan Ala	Independent Member of the Board of Directors
İbrahim Şahin	Independent Member and Vice Chairman of the Board
Süleyman Karaman	Independent Member of the Board of Directors
Adnan Çelik	Independent Member of the Board of Directors

Ameen Fahad Al-Shiddi is elected as the Board member to replace Saad Zafer M Al Kahtani who has

resigned recently.

Statutory Audit Board

Prof. Dr. Aydın Gülan	Member of the Statutory Audit Board
Lütfi Aydın	Member of the Statutory Audit Board

Senior Management

Hakam Kanafani	Türk Telekom Group CEO
Tahsin Yılmaz	General Manager-CEO
Ali Yılmaz	VP of Sales
Mustafa Uysal	Türk Telekom Group CFO
Murat Kirkgöz	VP of Finance
Mehmet Candan Toros	VP of International Sales and Wholesale
Şükrü Kutlu	VP of Human Resources Support and Regulations
Gökhan Kayalibay	VP of Strategy and Business Development
Mehmet Ali Akarca	VP of Marketing and Communications
Haktan Kılıç	VP of Customer Relations
Dr. Nazif Burca	Head of Internal Audit
Memet Atalay	VP of Operations
Timur Ceylan	VP of Technology

Gökhan Kayalibay is appointed as VP of Strategy and Business Development replacing ex-VP, Mr. Ramazan Demir who has resigned from his position as of 09.10.2012. Mr. Murat Kirkgöz shall be appointed to the position of Türk Telekom CFO which has so far been held by an acting person. Mr. Ali Yılmaz is appointed as VP of Sales replacing ex-VP Mr. Celalettin Dinçer who has resigned from his position as of 09.10.2012. Mehmet Ali Akarca is appointed as VP of Marketing and Communications replacing ex-VP Mr. Erem Demircan, who has resigned from his position as of 09.10.2012. Mr. Mehmet Kömürcü, who has worked in our Company as VP of Legal and Group Company Secretary has resigned from his position as of 09.10.2012

3. MEETINGS OF THE BOARD OF DIRECTORS

In the period of this report, meetings of the Board of Directors were held on July 13, 2012, July 16, 2012, and September 4, 2012.

- With the resolution dated July 13, 2012

Mohammed Hariri shall be appointed as Chairman and İbrahim Şahin as Vice-Chairman of the Board of Directors.

- With the resolution dated July16, 2012

It has been resolved that within the framework of Communiqué Serial XI No. 29 of the Capital Markets Board, the consolidated financial tables of our Company for the period between 01.01.2012 and 30.06.2012, which have been prepared according to the accounting principles of our Company and the applicable legislation and the International Financial Reporting Standards and audited by the independent external audit company; and Türk Telekom Board of Directors Interim Activity Report for the Q2 shall be approved.

- With the resolution dated September 4, 2012

Mr.TahsinYılmaz is appointed as CEO-General Manageras of September 4, 2012 and K. GökhanBozkurt roleischanged and assigned as Special Advisor to Chairman.

4. PERSONNEL MOVEMENTS

Consolidated headcount as of 2011 year end and third quarterof 2012 are 34,886 and 36,665 respectively.

5. FINANCIAL RISK MANAGEMENT

Main financial instruments of the Company are bank credits, open credits, cash and short term deposits. They are being used with the aim of increasing the use of funds for the operations. The risks stemming from these instruments are liquidity risk, foreign exchange risk, interest risk, and credit risk.

6. MATERIAL ISSUES DURING THE PERIOD

As we have disclosed on July 16, 2012, with the resolution of our Company's Board of Directors on July 13, 2012, Mr. Mohammed Hariri was assigned as the Chairman of the Board of Directors and Mr. İbrahim Şahin was assigned as the Vice Chairman of the Board of Directors.

As we have disclosed on September4, 2012, K. Gökhan Bozkurt, who worked in various positions in Türk Telekom since 2006 and assumed the Türk Telekom CEO position since August 2010, is appointed as Special Advisor to the Chairman of Board as of September 4, 2012.

Tahsin Yılmaz, who led TTNET as CEO since 2008, is appointed as CEO of Türk Telekom effective from September 4, 2012.

As we have disclosed on September17, 2012, Türk Telekom Board Member, Saad Zafer M Al Kahtani has resigned from his position as of September 15, 2012.

7. MATERIAL ISSUES AFTER THE END OF PERIOD

As we have disclosed on October 10, 2012,

Gökhan Kayalıbay is appointed as VP of Strategy and Business Development replacing ex-VP, Mr.Ramazan Demir who has resigned from his position as of 09.10.2012. Mr. Murat Kırkgöz shall be appointed to the position of Türk Telekom CFO which has been vacant for a while.Mr. Ali Yılmaz is appointed as VP of Sales replacing ex-VP Mr. Celalettin Dinçer who has resigned from his position as of 09.10.2012.Mehmet Ali Akarca is appointed as VP of Marketing and Communications replacing ex-VP Mr. Erem Demircan, who has resigned from his position as of 09.10.2012. Mr. Mehmet Kömürcü, who

has worked in our Company as VP of Legal and Group Company Secretary has resigned from his position and Mr. Can Esen is appointed as Operational Legal Services Director.

As we have disclosed on October 15, 2012,

Ameen Fahad Al-Shiddi is elected as the Board member to replace Saad Zafer M Al Kahtani who has resigned recently, and his membership will be submitted to approval of shareholders in the next General Assembly.

8. SUMMARY FINANCIAL RESULTS

• Summary Türk Telekom Consolidated Balance Sheet as of 2012 Q3 and 2011YE

TL million	2012 Q3	2011 YE
Intangible Assets	3,768	3,540
Tangible Assets	8,257	8,156
Other Assets	3,762	3,499
Cash and equivalents	1,038	979
Total Assets	16,825	16,174
Share capital	3,260	3,260
Other Reserves and Currency Translation Reserve	(1,542)	(1,342)
Reserves and retained earnings	1,954	1,782
Interest Bearing Liabilities	6,479	5,346
Provisions for long-term employee benefits	664	563
Other Liabilities	3,972	4,496
Net Income	2,038	2,069
Total Equity & Liabilities	16,825	16,174

• Summary Türk Telekom Consolidated Income Statement as of 2012 Q3 and 2011H1

TL million	2012 Q3	2011Q3
Revenues	9,379	8,921
<i>Change</i>	5%	
EBITDA	3,804	3,832
<i>Change</i>	-1%	
<i>Margin</i>	41%	42%
Operating Profit	2,549	2,656
<i>Change</i>	-4%	
<i>Margin</i>	27%	30%
Profit Before Tax	2,603	1,840
<i>Change</i>	41%	
<i>Margin</i>	28%	21%
Tax Expense	-608	-500

Minorities	42	134
Profit/(Loss) For The Period	2,037	1,474
<i>Change</i>	38%	
<i>Margin</i>	22%	17%