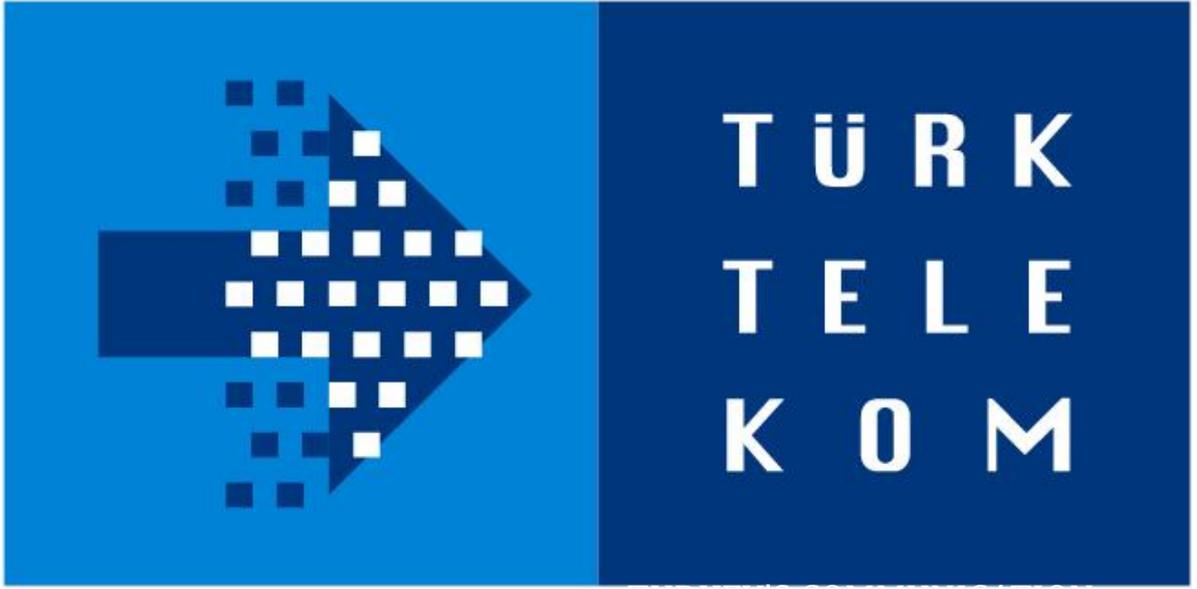


TÜRK TELEKOMÜNİKASYON A.Ş.



**INTERIM ACTIVITY REPORT AS OF 30 JUNE 2010
BASED ON SERIAL:XI NO:29 COMMUNIQUÉ OF CAPITAL MARKET BOARD**

19 JULY 2010

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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.

Türk Telekom is the leading fixed-line operator that provides value-added services beside voice and data services for its corporate and retail customers through its extensive fixed-line telecommunications network, which covers almost 100% of the population.

Turkey had 16.5 million PSTN access lines in service as of 2009 year end and this number decreased to 16.3 million in the first half of 2010. 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 TNet. 91% of the wholesale broadband internet access in Turkey was through ADSL. The remaining 9% is attributable to 3G operators. The number of ADSL subscribers increased from 6.2 million as of 2009 year end to 6.5 million as of June 30, 2010.

Türk Telekom, having 81% shares of Avea, the third largest mobile operator in Turkey, provides a range of 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 first half of 2010, Avea has been the fastest growing mobile operator in the market, and in the same period its subscriber base rose from 4.8 million to 11.5 million.

Moreover, Türk Telekom operates IT consulting services, telecommunications product and software services and education content businesses through its wholly owned subsidiaries Innova, Argela and Sebit. The Company also operates CRM systems, directory services and call centers through its wholly owned subsidiary AssisTT. In addition to these, Türk Telekom has 20% shares of CETEL that holds 76% shares of Albtelecom, incumbent fixed line operator in Albania.

In addition to providing quick, economic and high quality services everywhere and every time for its customers, Türk Telekom supports various education projects, sports, arts and environment sensibility related activities as part of its sense of social responsibility.

2. CORPORATE STRUCTURE

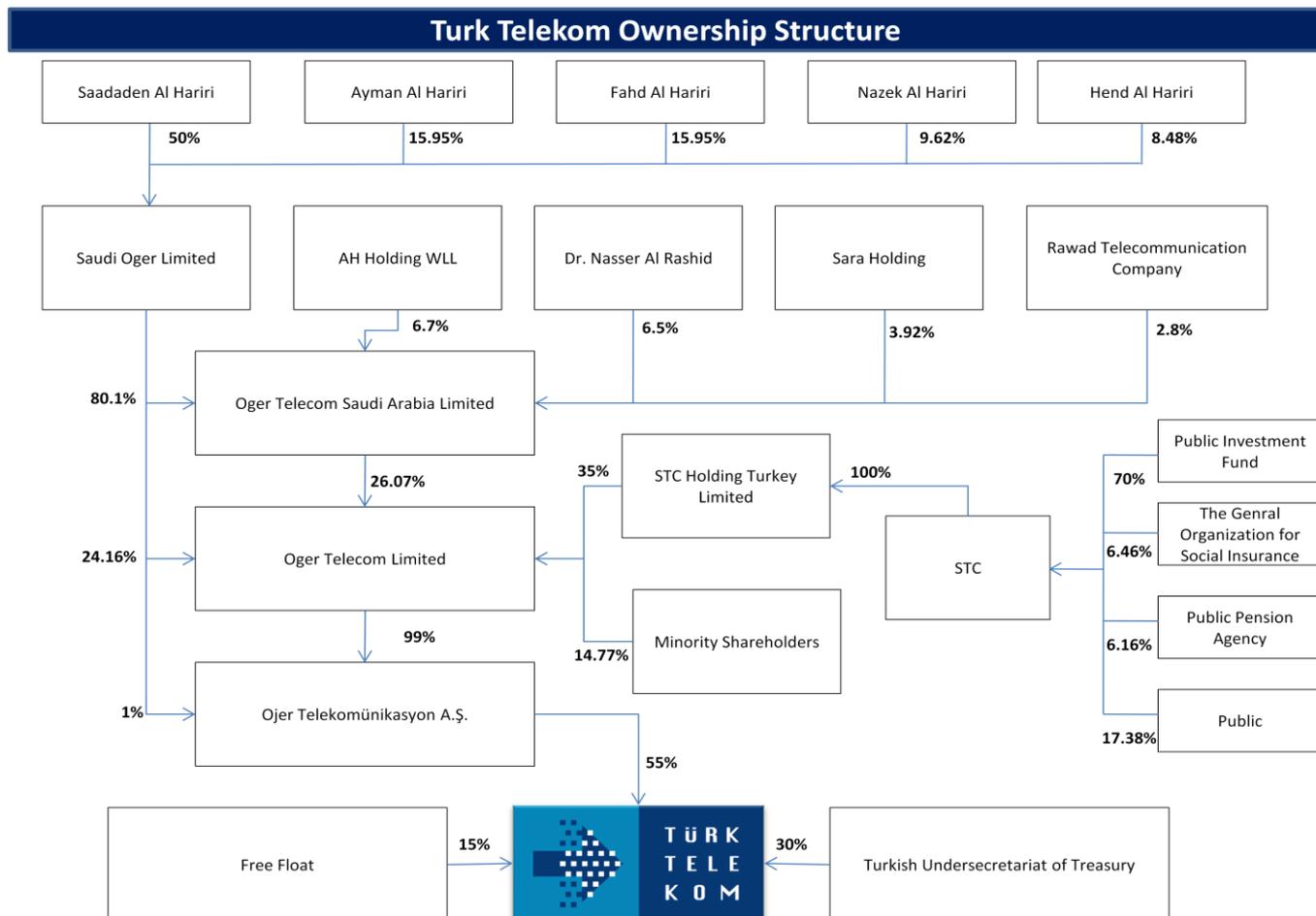
- **Ownership Structure**

Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	T.R. Undersecretariat of Treasury	971,249,999.99	30
C		0.01	
D		78,750,000.00	
D	Free float	525,000,000.00	15
Total		3,500,000,000.00	100

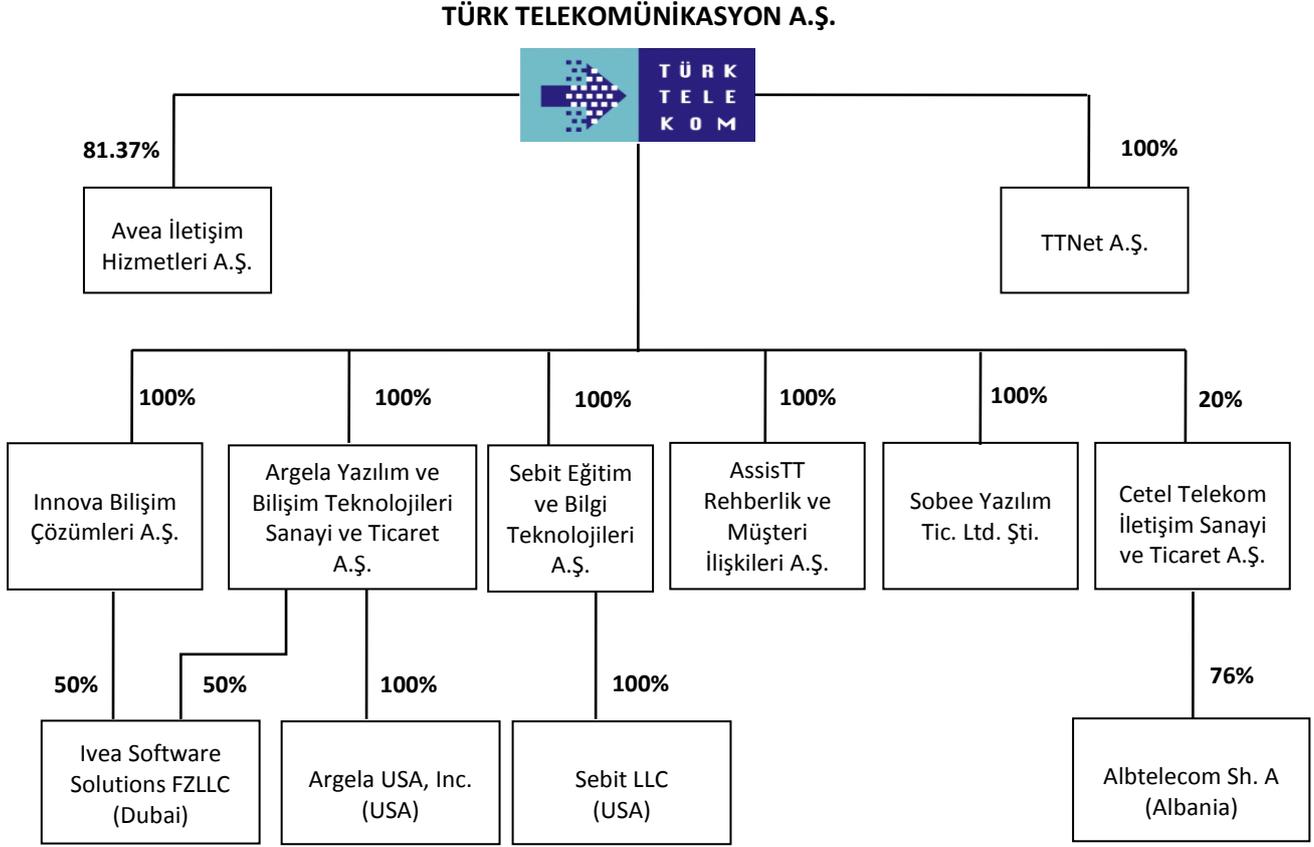
The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is required under the Telephone Law and provides that, in order to protect Turkey's national interests relating to national security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

- a) Any proposed amendments to the Articles of Association;
- b) 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;
- c) The registration of any transfer of the Company's registered shares in the shareholder ledger.

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

İbrahim Şahin

Dr. Paul (Boulos H.B.) Doany

Saad Zafer M Al Kahtani

Abdullah Tivnikli

Samir Asaad O Matbouli

Basile Yared

İsmet Yılmaz

Dr. Ali Arıdur

Mehmet Habib Soluk

Chairman of the Board of Directors

Deputy Chairman of the Board of Directors

Member of the Board of Directors and CEO

Member of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

Statutory Audit Board

Efkan Ala	Member of the Statutory Audit Board
Prof. Dr. Aydın Gülan	Member of the Statutory Audit Board
Doç. Dr. Tuna Tuğcu	Member of the Statutory Audit Board

Executive Committee

Mohammed Hariri	Chairman of the Executive Committee
İbrahim Şahin	Vice Chairman of the Executive Committee
Abdullah Tivnikli	Member of the Executive Committee
Dr. Paul (Boulos H.B.) Doany	Member of the Executive Committee
Saad M. Al Kahtani	Member of the Executive Committee

Audit Committee

Basile Yared	Chairman of the Audit Committee
Mehmet Habib Soluk	Member of the Audit Committee
Samir Asaad O Matbouli	Member of the Audit Committee

Senior Management

Dr. Paul (Boulos H.B.) Doany	Chief Executive Officer
Celalettin Dinçer	VP Operations
Mustafa Uysal	Acting VP Finance
Mehmet Candan Toros	VP International Sales and Wholesale
Şükrü Kutlu	VP Regulation and Support Services
Kamil Gökhan Bozkurt	VP Human Resources
Dr. Mehmet Kömürcü	VP Legal
Dr. Ramazan Demir	VP Strategy and Business Development
Erem Demircan	VP Marketing and Internal Communications
Aydın Çamlıbel	VP Sales
Haktan Kılıç	Deputy VP Customer Relations
Dr. Nazif Burca	Head of Internal Audit

3. MEETINGS OF THE BOARD OF DIRECTORS

In the period of this report, meetings of the Board of Directors were held on 20.04.2010, 07.05.2010 and 18.05.2010.

- With the resolution no.26 at the meeting no.4 held on April 20, 2010,

It has been resolved that, Review and approval of our Company's consolidated financial statements which was prepared according to the CMB Communique Serial:XI, No: 29 for the period between 01.01.2010 – 31.03.2010 and the interim activity report for the same period.

- With the resolution no.33 at the meeting no.4 held on April 20, 2010,

It has been resolved that the Executive Committee shall be authorized to carry out all works and transactions related to acquisition of Hungary-based Invitel International who is a leading independent wholesale data and capacity provider in Middle and Southeastern Europe; negotiate and sign agreements and other documents; decide on the final offer; make the final offer and make all transactions related to such acquisition including provision of funding for the acquisition, including the power to delegate such authorities to any of its members.

- With the resolution no.36 at the meeting no.5 held on May 7, 2010,

It is decided to hold the Extra Ordinary General Assembly Meeting at 14:00, on Tuesday, 08th of June, 2010 to discuss the below mentioned agenda at the address of Türk Telekomünikasyon A.Ş. Genel Müdürlük Kültür Merkezi, Turgut Özal Bulvarı 06103 Aydınlikevler Ankara.

1. Opening and Election of the Chairmanship Committee;
2. Authorizing the Chairmanship Committee to sign the minutes of the Extraordinary General Assembly Meeting, and the List of Attendees;
3. Pursuant to Paragraph (g) of Article 21/6 "Invitation to Meeting and Meeting Quorum" of the Articles of Association of our Company, approval of the acquisition of Invitel Holdings A/S's international wholesale business ("Invitel International" collectively), comprising the entire issued share capital of Invitel International AG (including its subsidiaries), AT-INVITEL GmbH, Invitel International Hungary Kft and S.C. EuroWeb Romania S.A.;

4. Discussing and voting of authorizing the Board of Directors and/or person(s) to be delegated by the Board of Directors for acquisition of company(s) within the year 2010 up to EUR 300,000,000 (three hundred million) for each acquisition;

Discussing and voting of authorizing the Board of Directors to establish SPV(s) when needed in relation to such acquisitions;

4. PERSONNEL MOVEMENTS

Headcount as of 2009 year end and first half of 2010 are 34.086 and 35.116 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 IN THE PERIOD

Ordinary General Assembly

The Ordinary General Assembly Meeting for the year 2009 was held on April 06, 2010 at 10.30 a.m. and below agenda items were discussed and resolved at the address of Türk Telekomünikasyon A.Ş. Head Quarters Cultural Center, Turgut Özal Bulvarı 06103 Aydınlikevler Ankara.

1. Board of Directors annual report, Audit Board report, Independent Audit Company's report summary, and Balance sheet and the profit/loss accounts for the year 2009 have been read.
2. Members of Board of Directors and Members of Statutory Audit Board have been released from the operations and actions of the Company during the year 2009.
3. The proposal of the Board of Directors regarding dividend distribution for the year 2009 has been read, discussed and approved.
4. Board of Directors' proposal, given pursuant to the recommendation of the Company's Audit Committee, offering that the Independent Audit Company Guneş Bağımsız Denetim ve SMMM A.Ş. (Ernst Young) shall continue its audit assignment on the operations and accounts of the Company for the year 2010 as per Article 14 of the Regulation on Independent External Audit in the Capital Markets issued by the Capital Market Board and Article 17/A of the Articles of Association of the Company has been discussed and approved.
5. Information has been given to the General Assembly regarding the code of ethics prepared by the Board of Directors in accordance with the Corporate Governance Principles.
6. Information has been given to the General Assembly regarding the dividend distribution policy in accordance with the Corporate Governance Principles.

7. The written explanation of the Independent Audit Company on the compliance of the financial statements and other reports with the standards, the accuracy and integrity of the information therein and the non-existence of any issues hindering its or its affiliates' independency in the services provided to our Company and to its subsidiaries/affiliates has been read.
8. Information has been given to the General Assembly regarding the disclosure policy prepared by the Board of Directors.
9. Information has been given to the General Assembly regarding the donations made during 2009.
10. Information has been given to the General Assembly regarding the transactions made with the related parties during 2009.
11. Information has been given to the General Assembly regarding the guarantees, pledges and mortgages provided by the Company to third parties or the derived income or interest thereof, in accordance with the Decision of the Capital Markets Board dated 09.09.2009 and numbered 28/780.
12. The members of the Board of Directors to carry out businesses directly or on behalf of others within or outside of the Company's fields of activity or to participate in companies engaged in such businesses and to perform other acts in accordance with the articles 334 and 335 of the Turkish Commercial Code have been permitted.

Loan Agreement

Our company signed a loan agreement with European Investment Bank, with below details;

Purpose: Investment financing

Principal amount: EUR 100 million

Interest: Euribor+2.5% p.a.

Grace period: 2 years

Interest repayments: Every 6 months after utilization

Principal repayment: Every 6 months after grace period

Loan Agreement

We have signed a bank guaranteed loan agreement with European Investment Bank, with below details;

Purpose: Investment financing

Principal amount: EUR 150 million

Maturity: 8 years (including 2 years of grace period)

Interest: Euribor p.a.

Interest repayments: Every 6 months after utilization

Principal repayment: Every 6 months after grace period

Share purchase agreement

We have signed a share purchase agreement to acquire 100% of Invitel International AG (including its subsidiaries), AT-INVITEL GmbH, Invitel International Hungary Kft and S.C. EuroWeb Romania S.A. from Invitel Holdings A/S for an enterprise value of 221 Mn Euro. The total cash consideration for the transaction is approximately 197 Mn Euro; subject to customary closing adjustments.

Invitel International is the leading independent provider of wholesale data and capacity services in Central and South-Eastern Europe with a high-quality 27,000 km optical fiber network and presence in 16 countries. Invitel International's Revenue and Recurring EBITDA as of 2009 year-end are 121.1 and 41.6 Mn Euro, respectively.

Our General Assembly has convened on June 8th, 2010 to discuss the transaction and has delegated the authority to our Board. Apart from General Assembly approval, completion of the transaction is subject to certain closing conditions, including regulatory approvals.

The acquisition will allow Türk Telekom to capitalize on its unique geographic "hub" location by connecting increasing data/broadband traffic within the Central Eastern European region, and from Turkey, Middle East and Asian markets to Western Europe and the United States. In addition, the acquisition provides opportunities for synergies between Invitel International and Türk Telekom, and will further strengthen both organizations' relationship with their international data and broadband customers, for whom dependable end-to-end service is critical.

Extraordinary General Assembly Meeting

Our General Assembly has convened and decided as follows;

1. Pursuant to Paragraph (g) of Article 21/6 "Invitation to Meeting and Meeting Quorum" of the Articles of Association of our Company, the acquisition of Invitel Holdings A/S's international wholesale business ("Invitel International" collectively), comprising the entire issued share capital of Invitel International AG (including its subsidiaries), AT-INVITEL GmbH, Invitel International Hungary Kft and S.C. EuroWeb Romania S.A.; has been approved,
2. The Board of Directors and/or person(s) to be delegated by the Board of Directors have been authorized for acquisition of company(s) within the year 2010 up to EUR 300,000,000 (three hundred million) for each acquisition;
3. The Board of Directors have been authorized to establish SPV(s) when needed in relation to such acquisitions

7. MATERIAL ISSUES AFTER THE END OF PERIOD

There is no material issue to be disclosed after the end of the period.

8. SUMMARY FINANCIAL RESULTS

- Summary Türk Telekom Consolidated Balance Sheet as of 2009 H1 and 2010 H1

<i>TL million</i>	2009 H1	2010 H1
Intangible Assets	3,122	3,196
Tangible Assets	6,493	6,768
Other Assets	2,535	2,524
Cash and equivalents	731	811
Total Assets	12,881	13,299
Share capital	3,260	3,260
Reserves and retained earnings	1,276	1,678
Interest Bearing Liabilities	4,484	4,576
Provisions for long-term employee benefits	714	680
Other Liabilities	3,147	3,105
Total Equity And Liabilities	12,881	13,299

- Summary Türk Telekom Consolidated Income Statement as of 2009 year-end, 2009 H1 YTD and 2010 H1 YTD

<i>TL million</i>	2009	2009 H1 YTD	2010 H1 YTD
Revenues	10,568	5,149	5,250
<i>Change</i>			%2
EBITDA	4,321	2,173	2,254
<i>Margin</i>	41%	42%	43%
Operating Profit	2,763	1,309	1,498
<i>Margin</i>	26%	25%	29%
Profit Before Tax	2,325	1,038	1,491
<i>Margin</i>	22%	20%	28%
Tax Expense	-673	-302	-424
Minorities	180	85	80
Profit/(Loss) For The Year	1,832	821	1,147
<i>Margin</i>	17%	16%	22%