

2012 Year End Results

Türk Telekom Group



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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this presentation includes Revenues, Direct Cost of Revenues excluding depreciation and amortization, Selling and Marketing expenses, Administrative expenses, and other operating income/(expense), but excludes translation gain/(loss), financial income, income on unconsolidated subsidiaries, gain on sale of investments, and minority interest.

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Consolidated Performance

2012 YE Results
Türk Telekom Group

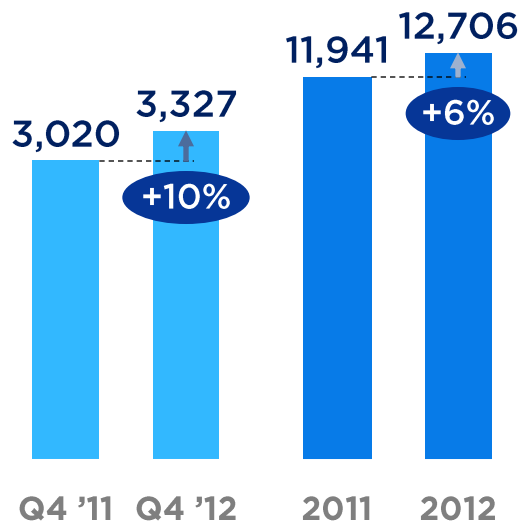
2012 Year End Highlights

- ✦ Solid performance in all segments leading to a top-line growth of 6.4% year on year - in line with full year guidance
- ✦ Robust consolidated EBITDA margin at 40% - in line with full year guidance
- ✦ 27% year on year increase in net income
- ✦ 6% increase in Broadband revenues and 220K subscriber net additions
- ✦ Strong finish to the year in mobile business with 730K subscriber net additions, 13% revenue increase, and 28% EBITDA increase
- ✦ Dividend per share of TL 0.69 (92% pay out ratio) recommended by the Board of Directors

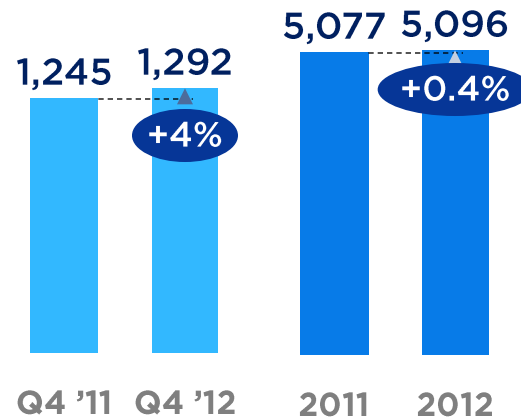
Consolidated Financials

(TLmn)

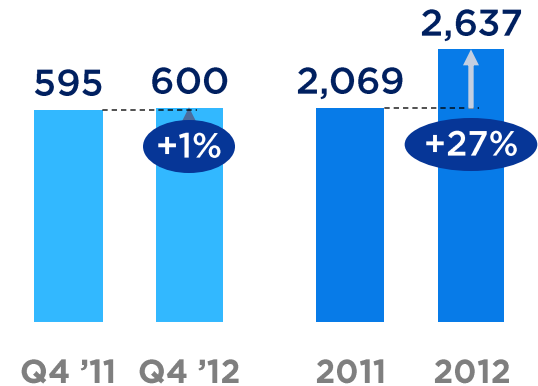
Revenue



EBITDA



Net Income

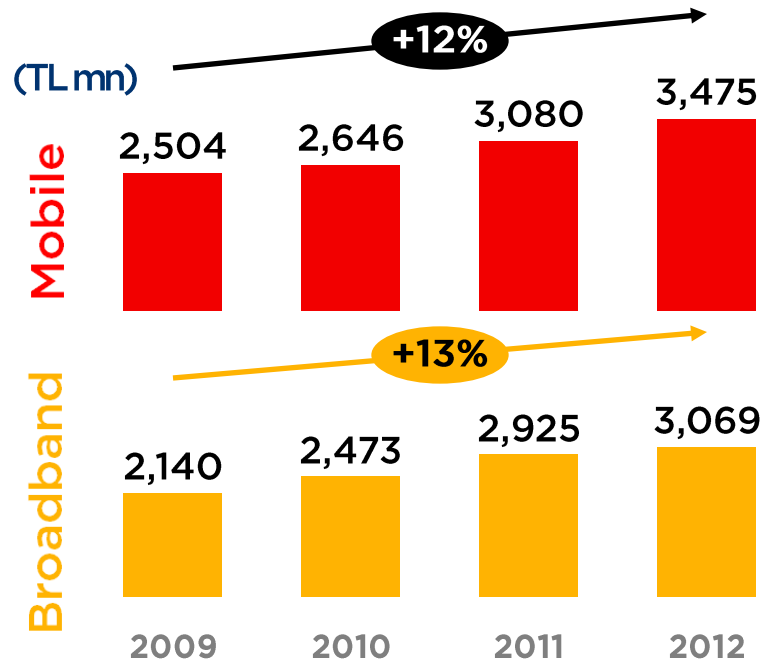


Year end guidance reached

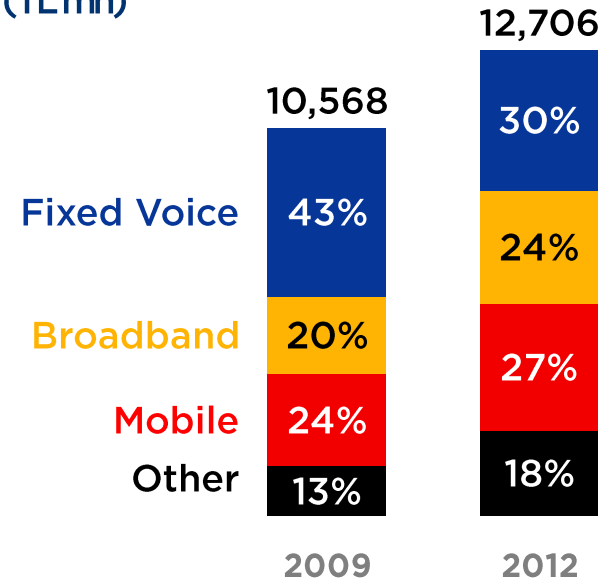
- ❖ Double digit Q4 growth, enabling year end growth of 6.4%
- ❖ EBITDA margin maintained at above 40%
- ❖ 27% Net Income increase reflecting positively on high dividend yield

Revenue Mix

Transformation Continues



Consolidated Revenues (TLmn)



Focusing on high growth businesses...

- ✦ Mobile and Broadband businesses grow at double digit rates
- ✦ Fixed voice constitutes less than one third of total revenues
- ✦ Mobile and Broadband make up more than half of total revenues

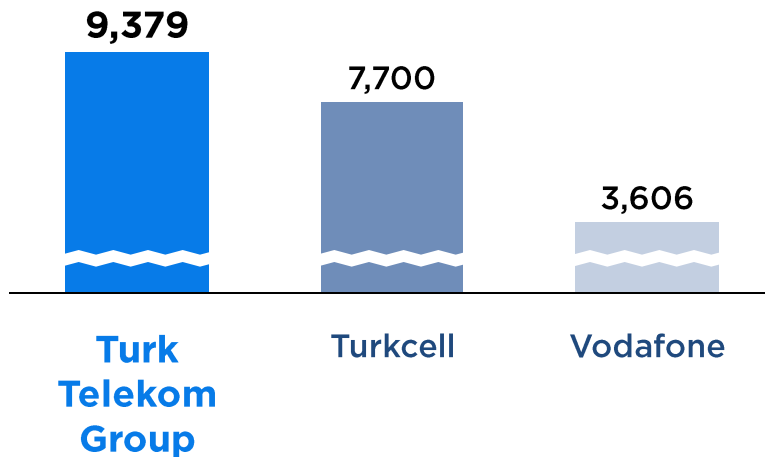
Note: Other Revenues include Pantel acquisition effect, which was completed in Q4 2010

TT: Strong Leader of the Market

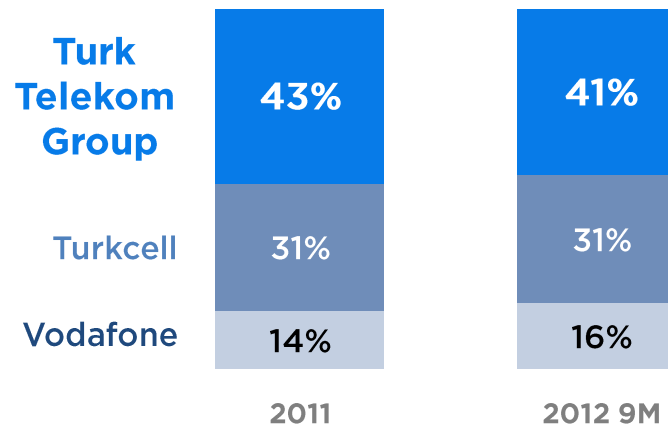
Largest and Most Profitable Operator in Turkey

Telecom Operators by Revenue

(2012 9M, TLmn)



Telecom Operators' EBITDA Margins



- ❖ 43% of the total revenues in Turkish telecom market is generated by Turk Telekom Group
- ❖ Clear leader in profitability
- ❖ Strongest position to provide end to end wireless and wireline telecom services to both consumers and corporates

Note: Other operators' figures are from their published financials

Fixed Line

2012 YE Results
Türk Telekom Group

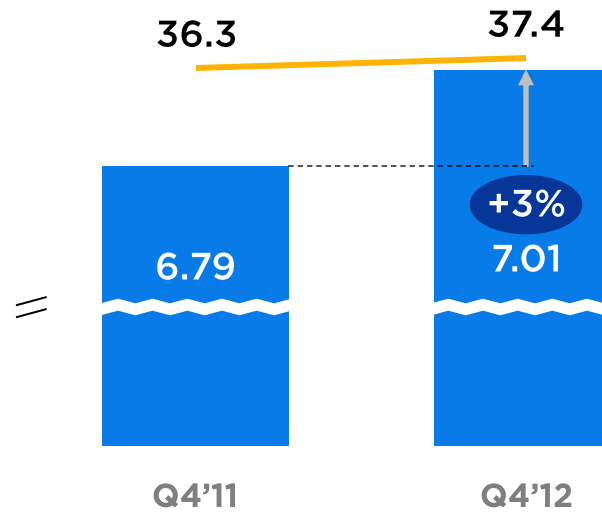
High Speed Broadband

Steady revenue growth

Revenue



ARPU and Subscribers (TL & mn)



- ✦ Continued ARPU and subscriber growth
- ✦ Positioned to reap benefits from penetration increase
- ✦ Strongest player in fiber with highest homepass

Fiber means Turk Telekom

Availability of Fiber

Turk Telekom Fiber Network



Alternative Operator

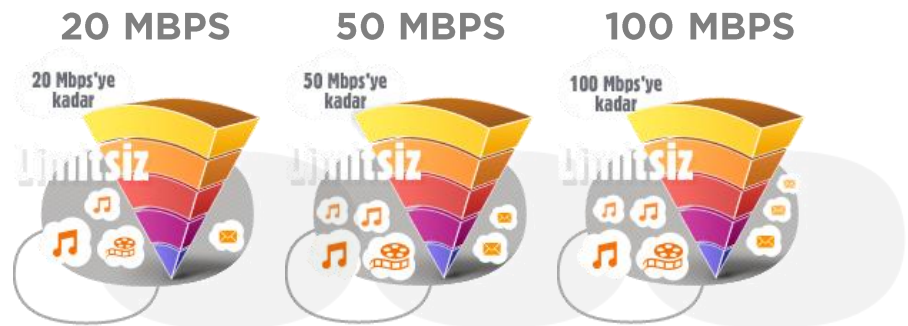


Fiber operations growing fast...

- ✦ Coverage of all 81 cities as opposed to competition's limited reach
- ✦ 168 thousand km fiber network
- ✦ 1.9 million Fiber to the Home/Building, over 4 million Fiber to the Curb homepass
- ✦ 220 thousand subscribers

Note: Other operators' data are from their own publications

Speeds offered :

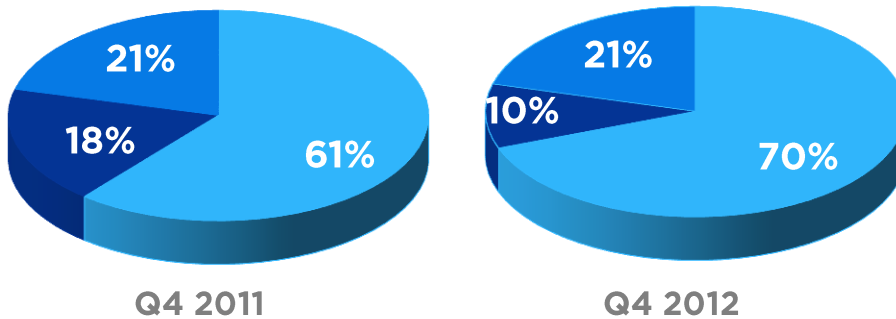


Broadband Speed and Capacity

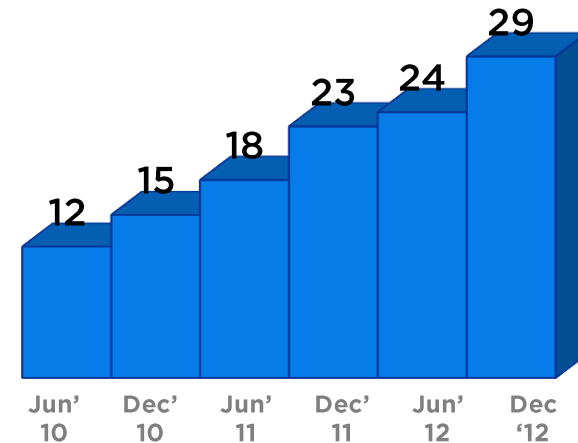
Key to upsell customers

Capacity

- Unlimited
- Limited (Over 4 GB)
- Limited (4 GB and below)



Monthly Data Usage (GB)



Customers want speed and capacity

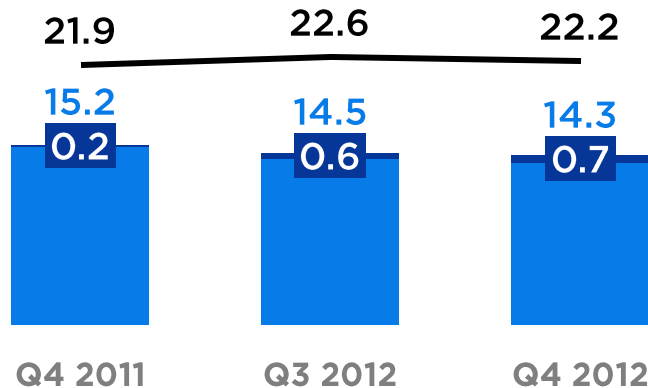
- ✦ 90% of our customers are now in “up to 8 MBPS” or higher speed packages
- ✦ Unlimited quota subscribers are 70% of our total base (up from 61%)
- ✦ As speed increases, average monthly data usage of customers grow – now at 29GB

Fixed Voice

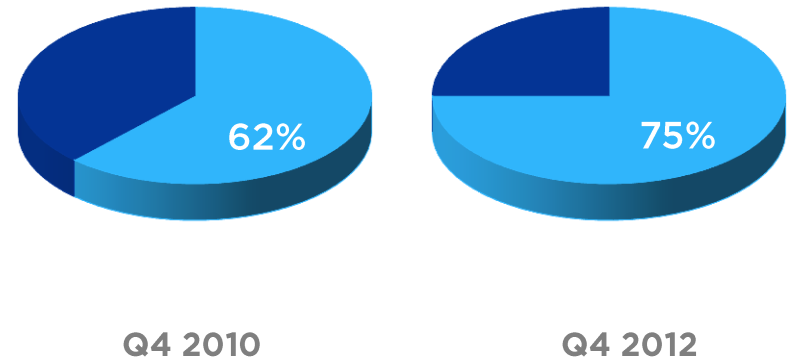
Harvesting revenues with value enhancements

Access Lines & ARPU⁽¹⁾

■ Naked ADSL (mn) — PSTN ARPU (TL)
■ Total Access Lines (mn)



Recurring Revenue Share within Fixed Voice Revenues



Despite strong mobile voice competition, home phone still relevant in households

- ✦ 7pm - 7am free on-net calls
- ✦ Discount benefits from leading retailers, free home insurance program
- ✦ Joint offers with group companies
- ✦ Fixed voice decline partially offset by naked DSL additions
- ✦ ARPU slightly increased YoY

(1) Revenue divided by average number of connections

Mobile

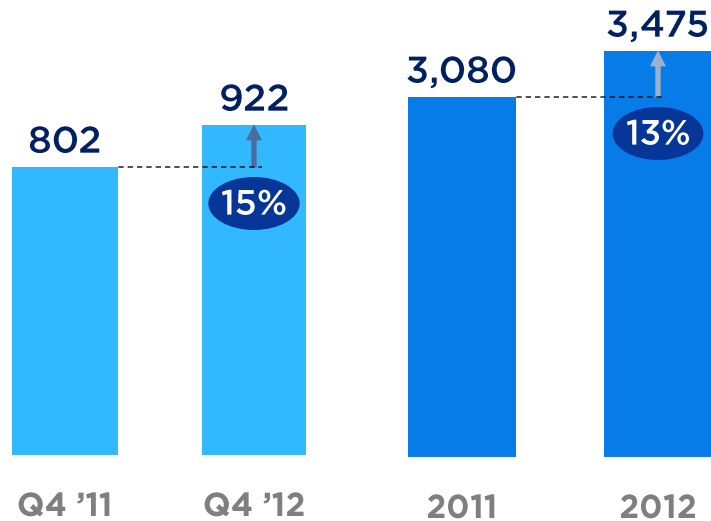
2012 YE Results
Türk Telekom Group

Mobile

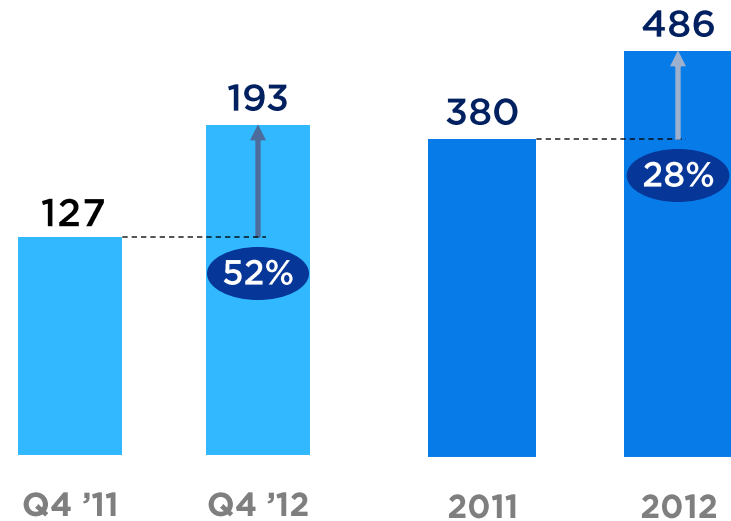
Strong finish to the year despite market challenges

(TLmn)

Revenue



EBITDA



Steady revenue increase coupled with improved profitability

- ✦ 21% EBITDA margin
- ✦ Operating profit turns positive
- ✦ Double digit revenue growth maintained

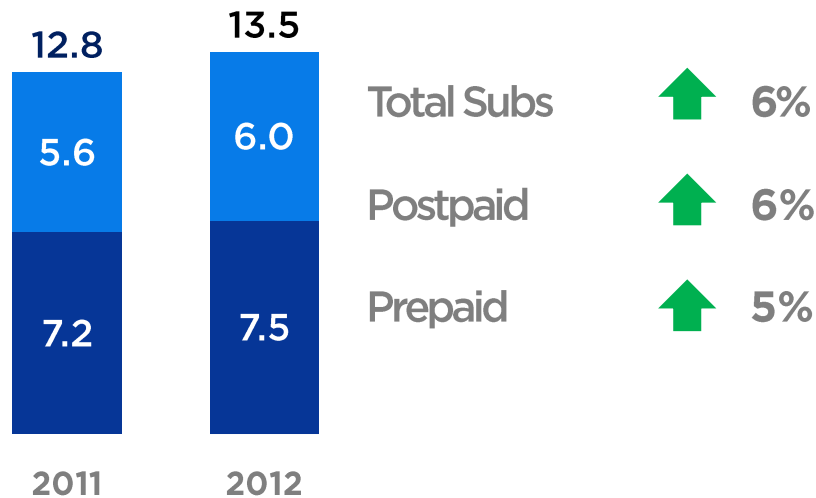
Note: EBITDA margin was positively affected by a one off item (see slide 29 for details). Excluding the one-off, EBITDA margin is 17% for Q4 2012

Mobile Operational KPIs

Smart growth strategy paying off ...

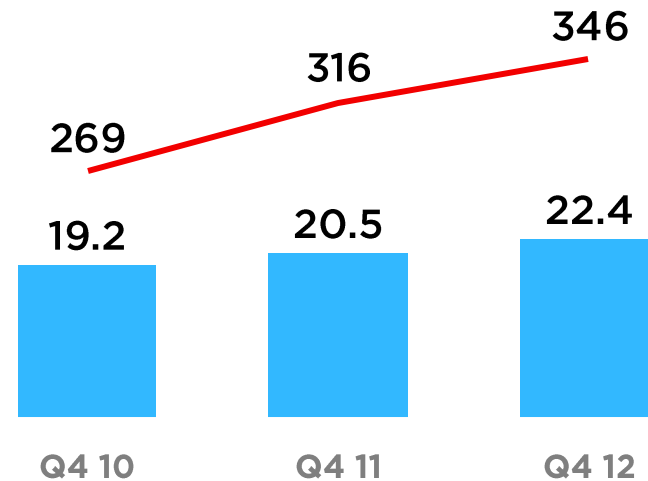
Subscribers (mn)

■ Postpaid ■ Prepaid



MoU and ARPU

— MoU ■ Blended ARPU (TL)

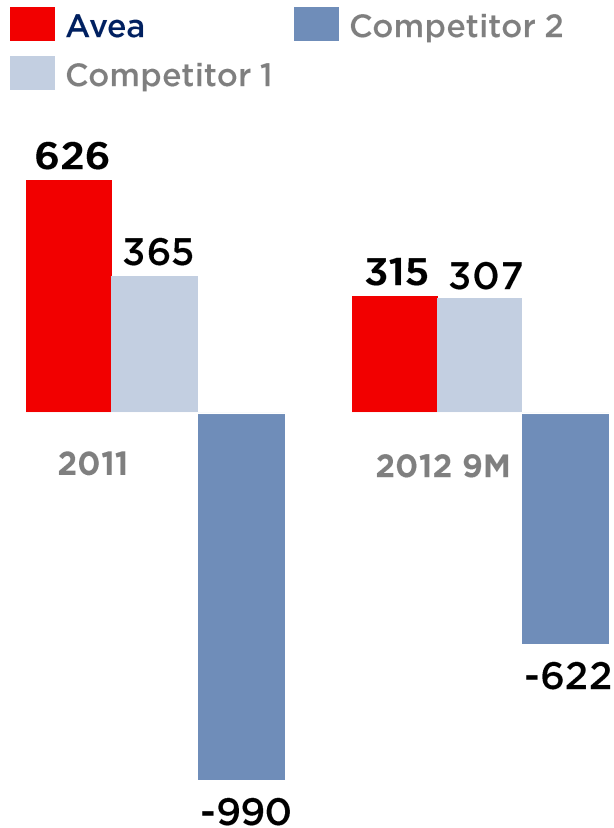


- ✦ Robust increase in subscribers both in postpaid and prepaid
- ✦ Highest postpaid to total subscribers ratio in the market
- ✦ 9.5% YoY growth in ARPU – Highest ARPU in the market as of Q3 2012
- ✦ 9.4% YoY growth in MoU – Consistently the highest MoU in the market for the past 5 years

Mobile Number Portability

Avea - Preferred operator among MNP customers

MNP Subscriber Additions (thousand)



❖ Avea outperformed competitors on Mobile Number Portability

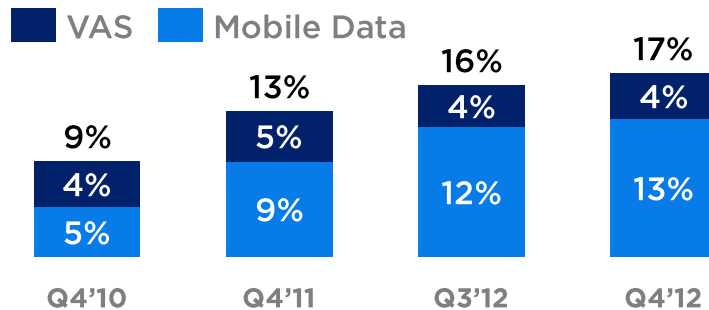


Note: Avea and Other operators' figures are from Q3 2012 ICTA report

Mobile Data

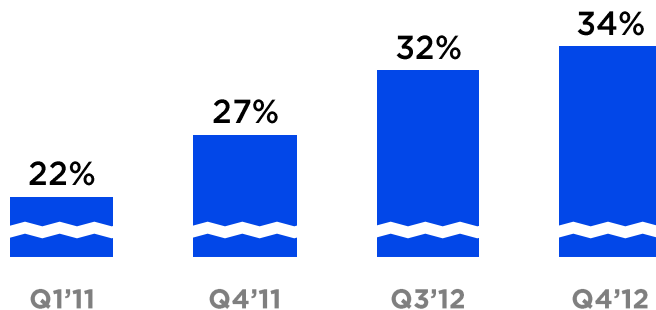
High growth maintained ...

Mobile Data¹ and VAS² shares in Revenues



SMS not included in mobile data

Avea Share of Small Screen Data Users³



(1) Mobile data revenues consist of small & large screen and M2M revenues

(2) VAS: Value Added Services

(3) Small Screen defined as all handheld devices that access internet via mobile broadband except dongles that are used for PC's. Small screen % = Small screen users/Total base excluding large screen users.

Set to further boost data revenues ...

✚ 79% YoY full year increase in mobile data

✚ Highest YoY growth rate as of Q3 2012 in the market with 83%

✚ Affordable smartphones offered to further grow data subscribers

Continued growth in small screen data users and USB stick modem

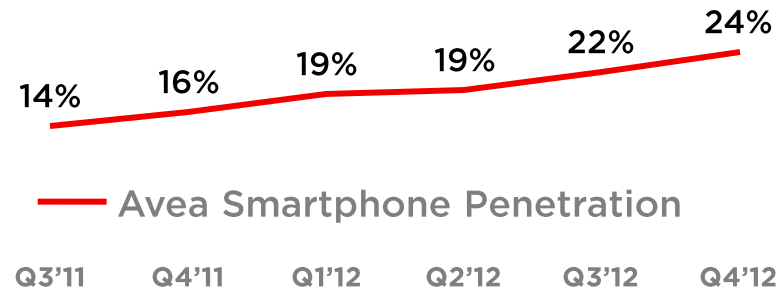
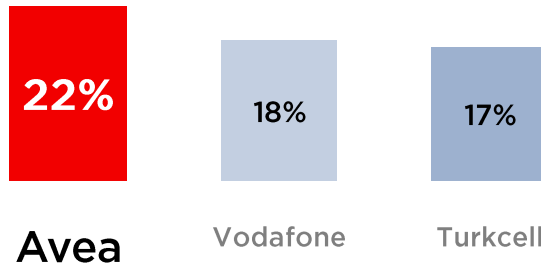
✚ Smartphone and tablet users increased 57% YoY

✚ Jet Modem (USB stick) subscribers are up 38% YoY

Smartphones

Leader in penetration ...

Smartphone Penetration (Q3 2012)



Situated best to further lift smartphone penetration

- ✦ Avea inTouch – a fully functional and affordable smartphone that runs on Android
- ✦ Highest share of postpaid customers and young segment
- ✦ Innovative data & voice tariffs enabling customers to mix and match

Note: Other operators' figures are from their published financials

New Partnerships & Vertical Services

Incremental growth ...

New Partnerships



- Accessing micro segments through partnerships with retail giant and Turkish State Postal Service

Avea Mobile Health



MEDISANA avea

- Preventative and informational health SMS/IVR services
- Telehealth solutions
- Telecare solutions

Avea Applications to make life easier



Avea Music



Avea Backup



Avea League



Online Transactions



Avea Legal



Avea Mobilife

Financials

2012 YE Results
Türk Telekom Group

Consolidated

Summary Income Statement

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Revenues	3,020	3,327	10%	11,941	12,706	6%
EBITDA	1,245	1,292	4%	5,077	5,096	0%
Margin	41.2%	38.8%		42.5%	40.1%	
Operating Profit	844	851	1%	3,501	3,400	-3%
Margin	28%	26%		29%	27%	
Financial Income/Expense	(76)	(87)	-16%	(891)	(33)	96%
FX & Hedging Gain/Loss	(13)	(24)	-81%	(785)	191	NM
Interest Income/Expense	(21)	(28)	-32%	(29)	(108)	-272%
Other Financial Income/Expense	(42)	(36)	14%	(78)	(117)	-50%
Tax Expense	(210)	(165)	-21%	(710)	(773)	-9%
Net Income	595	600	1%	2,069	2,637	27%
Margin	20%	18%		17%	21%	

Consolidated Summary Balance Sheet

TL Millions	30.12.2011	31.12.2012
Intangible Assets ¹	3,540	4,050
Tangible Assets ²	8,156	8,347
Other Assets ³	3,499	3,850
Cash and Equivalents	979	961
Total Assets	16,174	17,208
Share capital	3,260	3,260
Reserves and Retained Earnings	2,509	3,195
Interest Bearing Liabilities ⁴	5,346	6,038
Provisions for Long-term Employee Benefits	563	749
Other Liabilities ⁵	4,496	3,965
Total Equity and Liabilities	16,174	17,208

(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, Due from Related Parties, 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, Due to Related Parties, Other Current Liabilities, Provisions for Employee Termination Benefits and Minority Put Option Liability

Consolidated

Summary Cash Flow Statement

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Cash Flow from Operating Activities	1,189	1,212	2%	3,934	3,579	-9%
Cash Flow from Investing Activities	(860)	(661)	23%	(2,024)	(1,972)	3%
CAPEX	(897)	(750)	16%	(2,327)	(2,348)	-1%
Other Investing Activities	37	89	141%	303	376	24%
Cash Flow from Financing Activities	(350)	(556)	-59%	(2,073)	(1,387)	33%
Net Change in Cash Position ¹	(20)	(5)	75%	(163)	220	NM

(1) Blocked deposits are included in operating activities rather than net cash position.

Consolidated

Summary Revenue Breakdown

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Fixed Line	2,305	2,495	8%	9,197	9,578	4%
Domestic PSTN	995	916	-8%	4,114	3,837	-7%
ADSL	742	783	6%	2,925	3,069	5%
Data Services	114	154	35%	443	561	27%
International Settlements	116	132	14%	461	464	1%
Domestic interconnection	82	79	-4%	321	309	-4%
Leased lines	105	67	-36%	449	349	-22%
Rental income from GSM operators	23	17	-28%	99	88	-11%
Other	76	131	72%	245	330	35%
Construction Revenue (IFRIC 12) ¹	52	217	317%	140	572	309%
Mobile	802	922	15%	3,080	3,475	13%
Elimination	(88)	(90)	2%	(338)	(347)	3%
Total Revenue	3,020	3,327	10%	11,941	12,706	6%

(1) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction revenue is due to higher amount of eligible CAPEX recorded in the period

Consolidated

Summary OPEX Breakdown

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Personnel	569	552	-3%	2,068	2,099	1%
Domestic interconnection	172	236	37%	618	839	36%
International interconnection	86	103	19%	301	328	9%
Commercial ¹	329	323	-2%	1,200	1,142	-5%
Maintenance and Operations	107	124	16%	404	434	7%
Taxes & Government Fees	195	218	12%	793	833	5%
Doubtful Receivables	(102)	(63)	38%	(4)	14	NM
Others	373	350	-6%	1,359	1,416	4%
Sub-Total	1,728	1,843	7%	6,739	7,104	5%
Construction Cost (IFRIC 12) ²	46	192	317%	124	506	308%
Total OPEX	1,775	2,035	15%	6,864	7,610	11%

(1) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion

(2) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction cost is due to higher amount of eligible CAPEX recorded in the period

Fixed Line

Summary Income Statement

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Revenues	2,306	2,495	8%	9,198	9,578	4%
EBITDA	1,116	1,101	-1%	4,703	4,614	-2%
Margin	48%	44%		51%	48%	
Operating Profit	870	825	-5%	3,729	3,556	-5%
Margin	38%	33%		41%	37%	
CAPEX	579	474	-18%	1,481	1,681	13%
CAPEX as % of Revenue	25%	19%		16%	18%	

Fixed Line

Summary OPEX Breakdown

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Personnel	518	500	-3%	1,878	1,879	0%
Domestic interconnection	26	55	113%	101	152	50%
International interconnection	80	98	23%	286	313	10%
Commercial ¹	198	205	3%	695	661	-5%
Maintenance and Operations	96	94	-2%	308	320	4%
Taxes & Government Fees	59	59	0%	234	224	-4%
Doubtful Receivables	(92)	(40)	57%	(53)	2	NM
Others	259	231	-11%	923	907	-2%
Sub-Total	1,143	1,202	5%	4,370	4,458	2%
Construction Cost (IFRIC 12) ²	47	192		124	506	308%
Total OPEX	1,190	1,394	17%	4,495	4,964	10%

(1) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion

(2) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction costs is due to higher amount of eligible CAPEX recorded in the period

Mobile

Summary Income Statement

TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Revenues	802	922	15%	3,080	3,475	13%
EBITDA ¹	127	193	52%	380	486	28%
Margin	16%	21%		12%	14%	
Operating Profit	(27)	26	NM	(224)	(156)	30%
Margin	-3%	3%		-7%	-4%	
CAPEX	206	340	65%	799	756	-5%
CAPEX as % of Revenue	26%	37%		26%	22%	

(1) EBITDA margin on the mobile business was positively affected by an estimation update on doubtful receivables in Q4 2012. Excluding related one-off, EBITDA margin on mobile business is 17% in Q4 2012

Mobile

Summary OPEX Breakdown

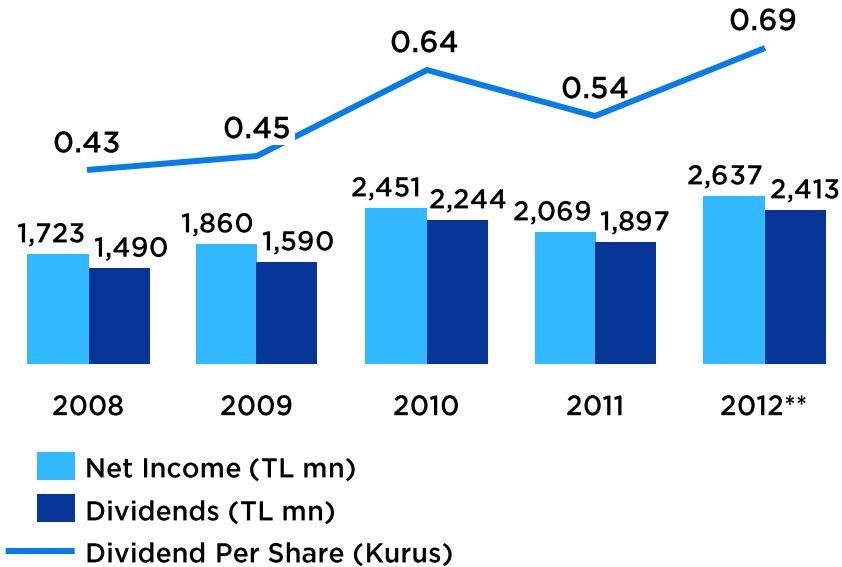
TL Millions	2011 Q4	2012 Q4	YoY % Change	2011 YE	2012 YE	YoY % Change
Personnel	52	57	9%	201	235	17%
Domestic interconnection	169	212	25%	606	791	31%
International interconnection	5	4	-14%	15	15	-1%
Commercial ¹	133	119	-10%	509	483	-5%
Maintenance and Operations	13	30	133%	100	116	16%
Taxes & Government Fees	136	159	17%	559	608	9%
Doubtful Receivables	(10)	(23)	-131%	50	12	-75%
Others ²	174	170	-2%	660	728	10%
Total	675	728	8%	2,701	2,989	11%

(1) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion

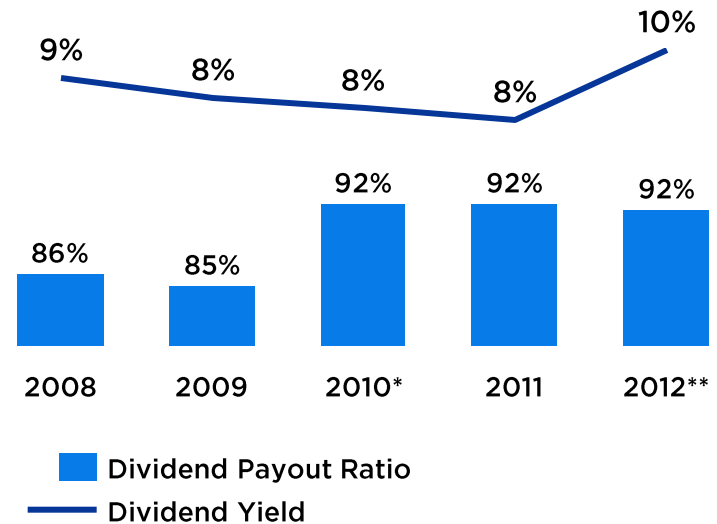
(2) Includes Rent Expense, Utilities, Leased Line Expense and other expenses

Shareholder Remuneration

Dividend Distribution



Dividend Yield & Payout Ratio



- ✦ Consistently the highest dividends in ISE since IPO, with top ranking payout ratio
- ✦ Solid dividend policy of maximum payout as defined in the Articles of Association

(*) Note: We reached the cap in the first legal reserve in 2010

(**) 2012 dividend is recommended by the Board of Directors and it is subject to General Assembly approval

2013 Guidance

Revenue
Growth of
5% - 7%

TL bn

12.7



13.6

13.3



Revenue Growth Enablers

- ✚ Mobile growth
- ✚ Broadband growth
- ✚ Combined offers

EBITDA
between
TL 5.1bn &
TL 5.3bn

5.10



5.30

5.10

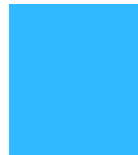


EBITDA Growth

- ✚ Focusing on absolute EBITDA
- ✚ OPEX saving initiatives

CAPEX
~ TL 2.2bn

2.4



~2.2



2012

2013

CAPEX

- ✚ Reducing CAPEX since major CAPEX programs' peak investment levels passed

Appendix

2012 YE Results
Türk Telekom Group

Debt Profile

Debt (Millions) In Currency TL Equivalent		<3 Month	3 Months to 1 Year	1 to 5 Years	>5 Years	
TL	285	285	272	12	0	0
USD	1,631	2,907	211	437	1,703	557
EUR	1,154	2,715	104	305	2,079	227
JPY	4,989	103	1	0	102	0
TOTAL		6,010	587	754	3,884	784

Ratios	2011 YE	2012 YE
Net Debt / EBITDA	0.86	1.00
Net Debt / Assets	0.27	0.30
Debt (Total Liabilities) / Equity	1.80	1.67
Debt (Financial) / Equity	0.93	0.94
Current Ratio	0.71	1.01

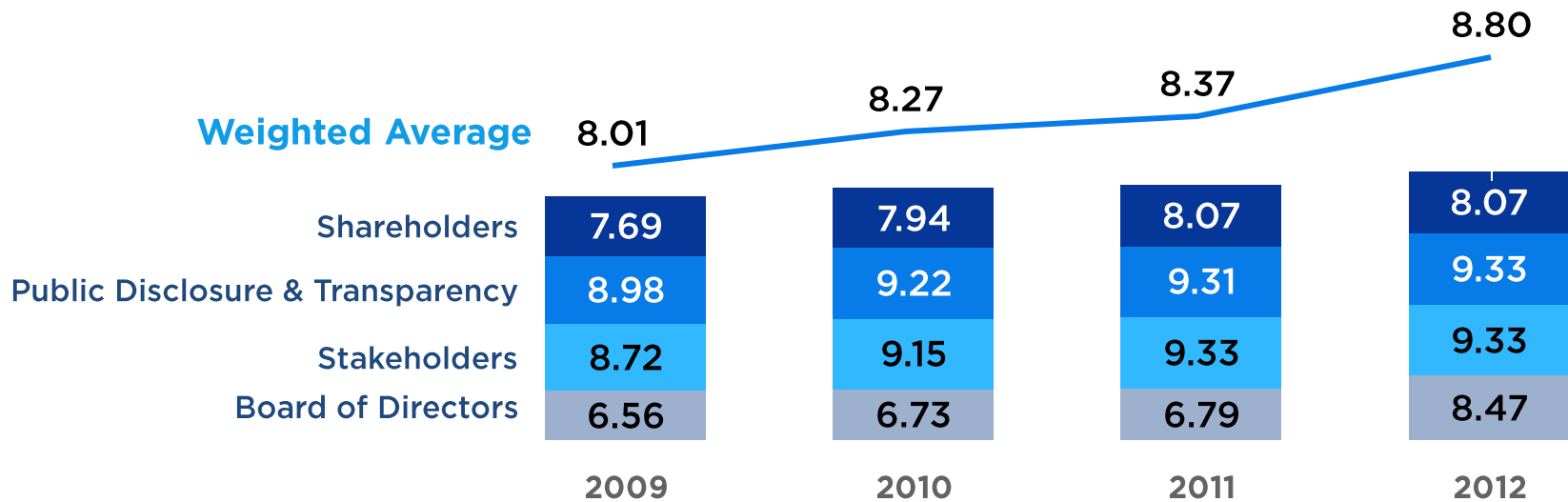
✦ Average maturity of fx denominated debt is 2.6 years

✦ Comfortable Net Debt / EBITDA ratio at 1.00

Corporate Governance at Turk Telekom

Exemplary Practices

Corporate Governance Ratings of Turk Telekom (out of 10)



Turk Telekom demonstrates exemplary practices in Corporate Governance

- ✦ First and only telecom company in ISE Corporate Governance Index
- ✦ Achieved 8.8 over 10 in 2012
- ✦ Compliance to Capital Market Board Corporate Governance Principles

Note: Independent Rating Study conducted by Saha Corporate Governance and Credit Rating Services Inc.



THANK YOU

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