

Türk Telekom Investor Presentation

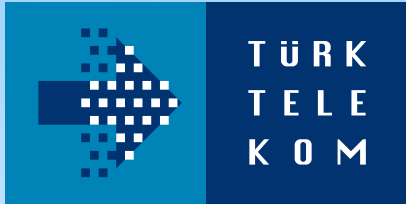
Q1 2009

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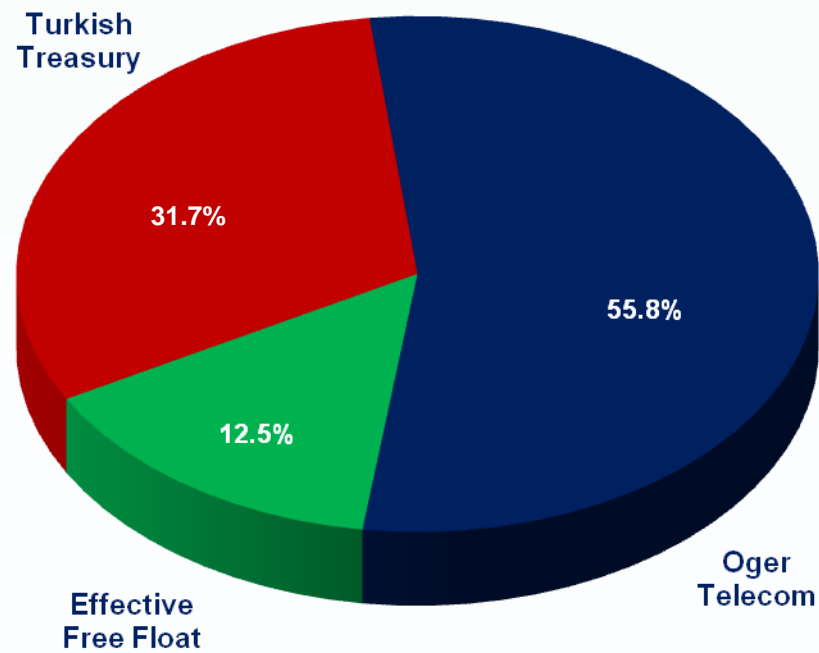
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Section I: Türk Telekom Overview

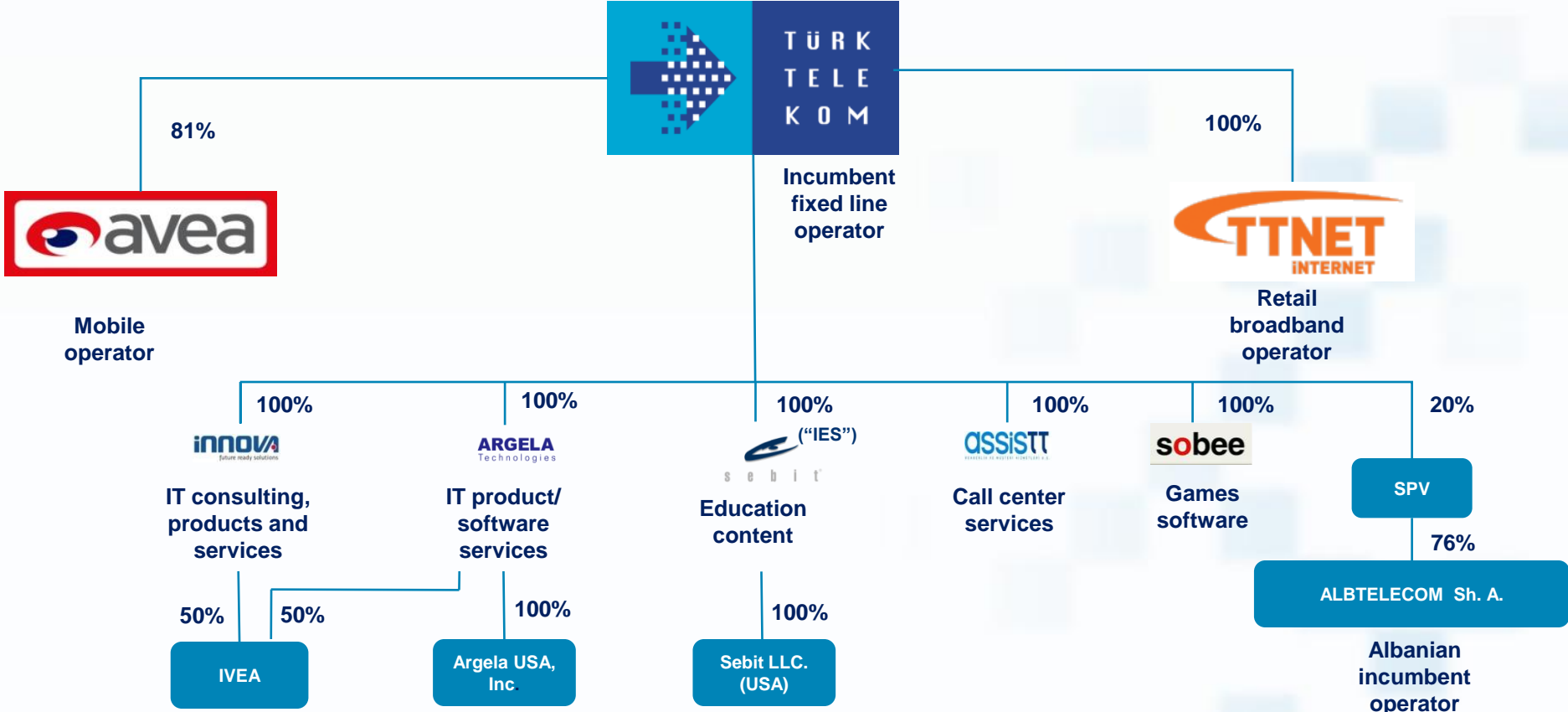
Ownership Structure



- ✓ Oger Telecom appoints 6 Board Members
- ✓ Turkish Treasury appoints 4 Board Members (1 of which represents Golden Share)

* Turk Telekom Ownership Structure as of April 21, 2009

Group Structure



Business Overview

Stability in PSTN core business

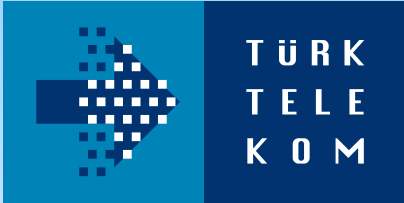
Leading and growing broadband operator

Challenger mobile business



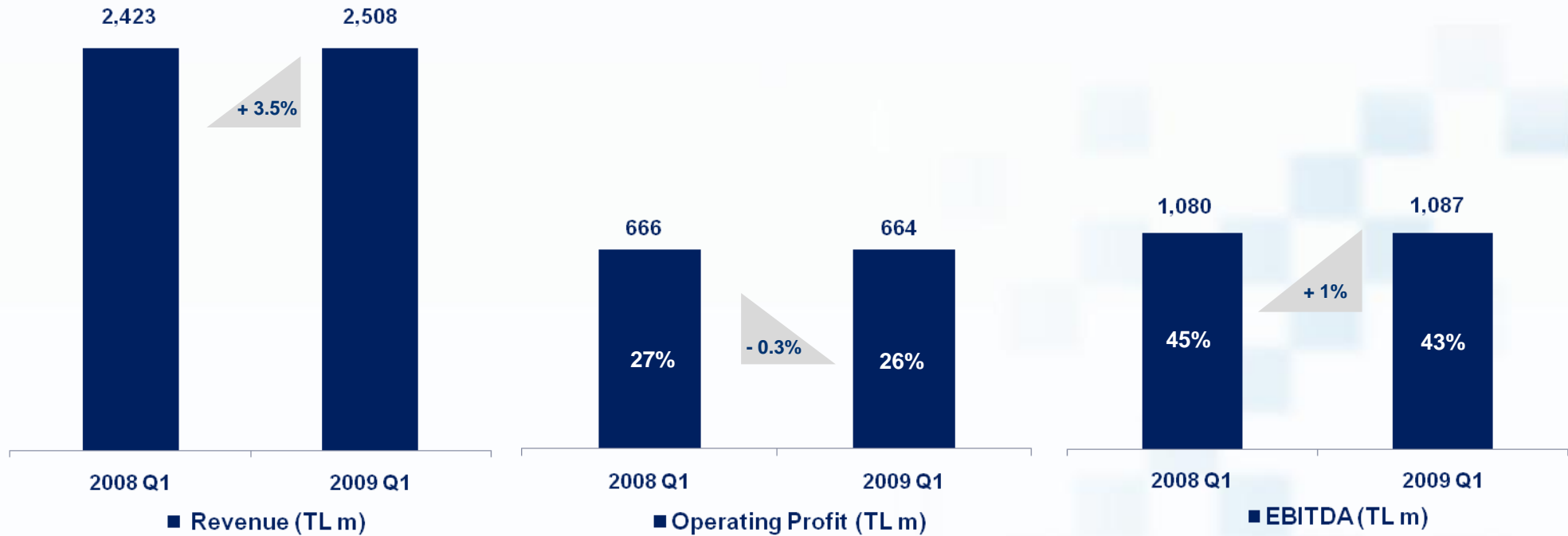
Design, implement and manage integrated communication solutions with convergence to drive collaboration, business flexibility and growth





Section II: Türk Telekom Consolidated

Consolidated Performance

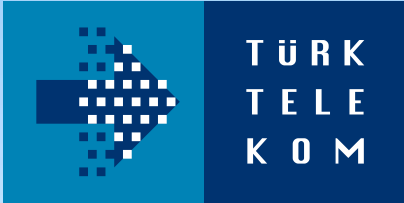


- ✓ Revenue growth continues to be driven by our mobile, ADSL and other access businesses which in total now constitute approximately 43% of group revenue
- ✓ Consolidated profit is satisfactory in Q1 09 considering the price battles within mobile and the impact of foreign exchange loss

Regulatory Environment



- ✓ **FNP postponed to September 2009 due to regulatory needs**
- ✓ **Local call licenses expected in H2 2009**
- ✓ **Mobile Termination Rate cut (29% on average) effective from May 1, 2009**
- ✓ **Competition Board resolution on naked-ADSL**
- ✓ **Special Communication Tax rate cut on fixed and mobile internet effective from March 1, 2009**
- ✓ **3G services to start in August, 2009**
- ✓ **MVNO regulations and Wimax licenses expected in H2 2009**



Section III: Fixed Line Business

Convergence Initiatives

- ✓ **TT-MSN: Live call service will be launched in cooperation with Microsoft in H2 09**
- ✓ **Wi-Phone (Call origination and termination service over internet connected end device) will be launched in Q3 09**
- ✓ **WIRO (PSTN service over Wi-Fi), first convergent product of Turk Telekom; calls from 90 different countries have been made since launch**



PSTN Initiatives

- ✓ **Jettfon** brand for unlimited tariffs (local and national long distance) introduced in April 09
- ✓ **Jettvell** brand for GSM-like limited voice bundles (100, 200, 300, 600 minutes)
- ✓ **Happy Sunday** offer launched in April (unlimited local calls on Sundays for additional TL 2)
- ✓ Currently 1.6 mn subscribers in bundle tariffs including Uzun Konuşturan and Akşam Konuşturan



ADSL Initiatives

- ✓ **New 8 MB unlimited ADSL offer**
- ✓ **Complementary mobile internet offer to be launched in Q2 09 to enhance customers' internet experience**
- ✓ **Campaigns launched to sell value added services on top of the basic connectivity package**
- ✓ **TTNET Wi-Fi now under the brand TTNET Flying Internet ; Wi-Fi hot spots increased to over 4,000**
- ✓ **Positive discrimination for ISPs other than TTNET continues**

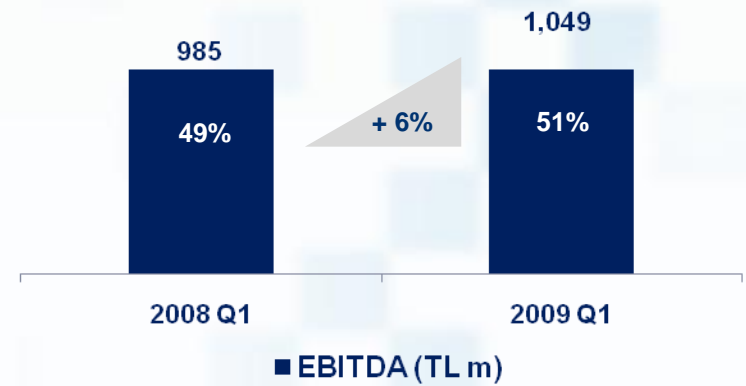
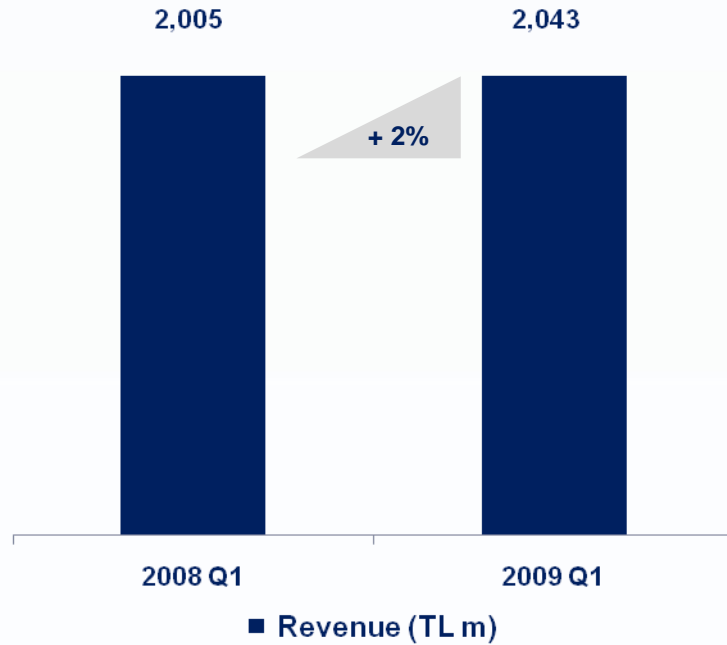


Fixed Line Competition



- ✓ **FNP in place May 09; local call licenses expected in H2 09**
- ✓ **Smile and Koçnet continued low price ADSL campaigns and started offering 8 MB ADSL service with a discount to that of TNET**
- ✓ **Dogan-Smile double-play offering (ADSL with Satellite TV)**
- ✓ **Tellcom - Superonline**
 - **Fiber access offering with speeds up to 100MB in selected locations**
 - **Offering on their own infrastructure with 12 months contract launched with free modem, installation and activation (2 MB limited fiber access for TL 29.00)**
- ✓ **Turksat – UyduNet (Cable Broadband)**
 - **Low price offers: 512KB and 1MB limited access for TL 9.24 and 14.79 respectively.**
 - **Also offers faster connections with speeds up to 20 MB**

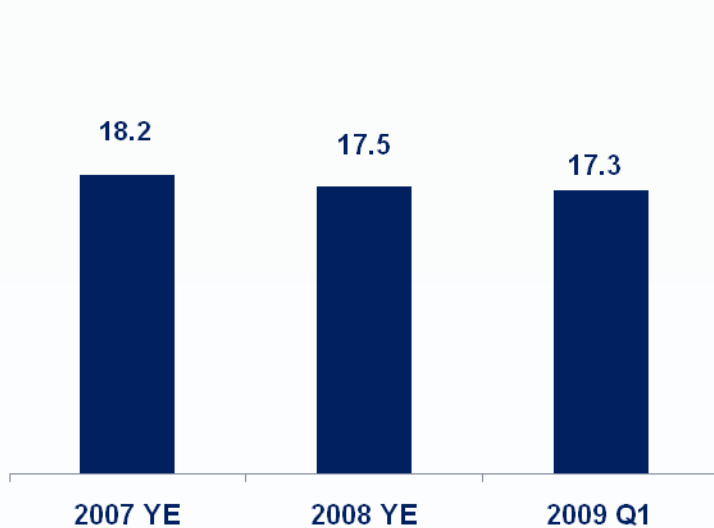
Fixed Line Revenue & EBITDA Highlights



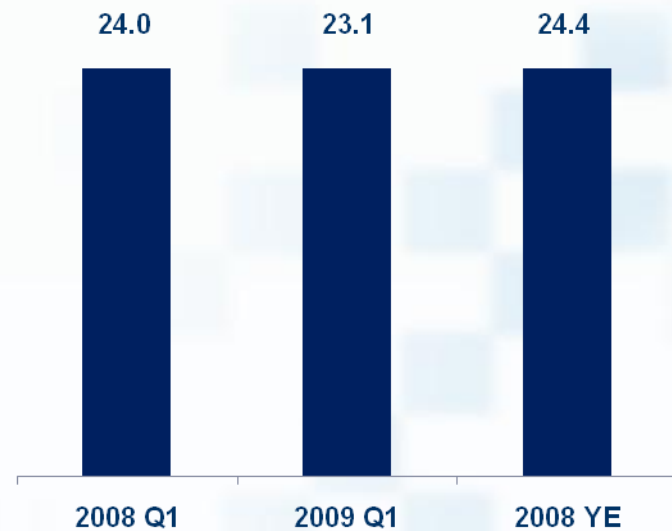
- ✓ Revenue growth underpinned by 34% ADSL growth
- ✓ EBITDA growth is significantly higher than revenue growth due to impact of the HR restructuring in 2008

PSTN Highlights

of PSTN Access lines (million)



PSTN ARPU (TL) (a)

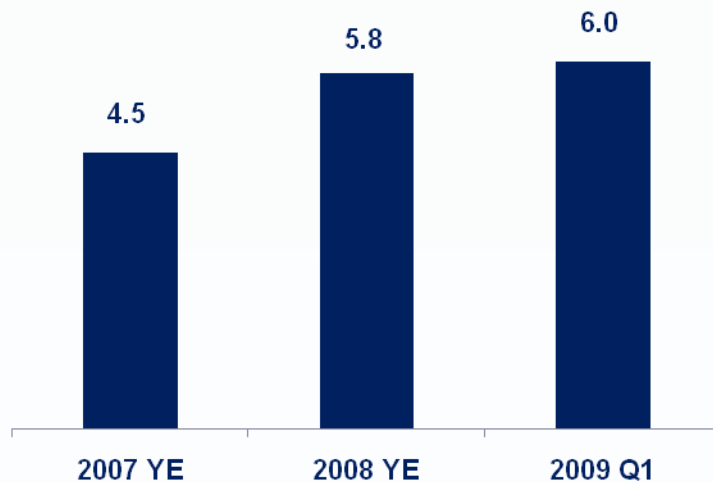


- ✓ Access lines continue to decline in Q1 ; new voice bundles launched but against background of economic recession
- ✓ Fixed voice traffic decreased as a result of mobile price battles

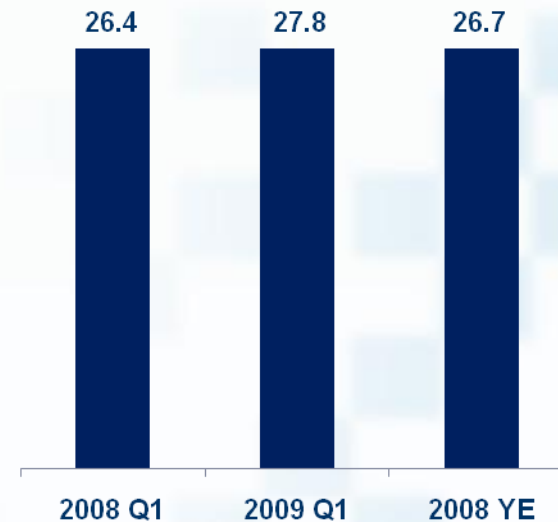
(a) The numbers represent the PSTN revenue divided by average PSTN access lines in service.

ADSL Highlights

Wholesale ADSL Connections (million)



ADSL ARPU ^(a) (TL)



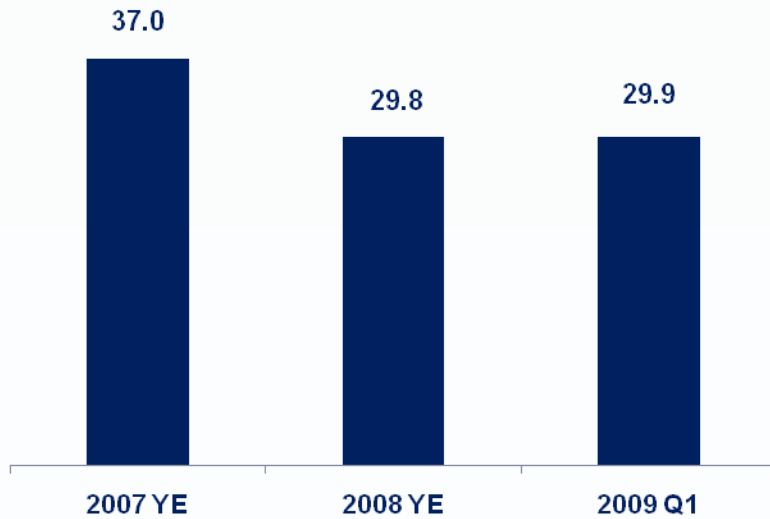
- ✓ ADSL connection growth subdued in Q1 09 with TTNET still driving most of the growth
- ✓ ARPU continues to show positive growth through combination of increased customer usage within limited packages and migration to unlimited packages

(a) The numbers represent the ADSL revenue divided by average number of ADSL subscribers.

Fixed Headcount



Number of Employees (thousands) *

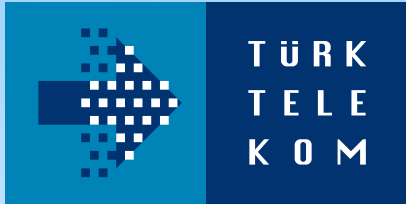


Total Personnel Cost as a % of Revenue



* Fixed Network Operating Unit only

- ✓ Access lines per employee is 578 in Q1 09 compared to 490 in Q1 08
- ✓ Total fixed line personnel cost as a percentage of revenue decreased as a result of the HR restructuring within the network operating unit



Section IV: Mobile Business

Mobile Initiatives

- ✓ “Aveaİş”: New offers targeted to corporate customers
- ✓ First ever unlimited (on-net / off-net) call package in Turkey launched in February 09
- ✓ Branded Services (pre MVNO) with top football clubs launched; Fenercell (Fenerbahçe) in February and GSMobile (Galatasaray) in April
- ✓ Flat offers and bundles targeting simplicity and transparency (HerYöne150, HerYöne1000, HepsiBir)



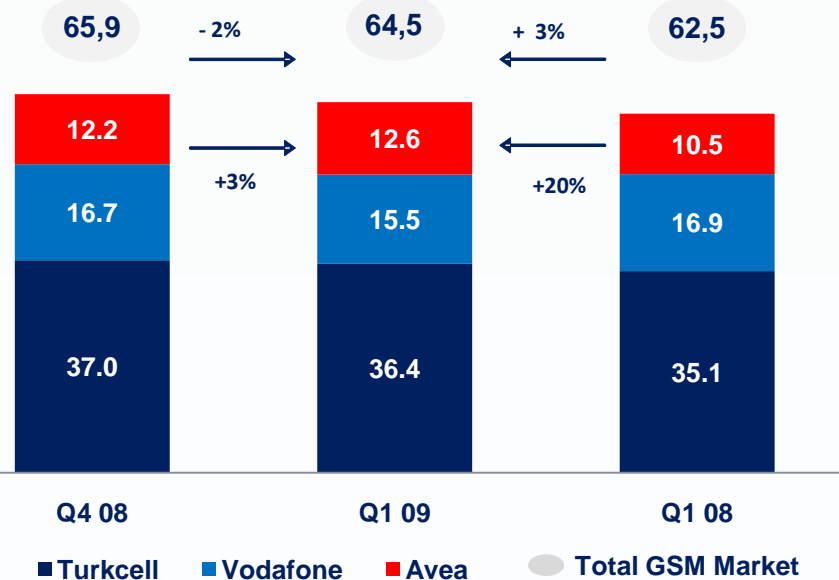
Fenercell

GSMobile
tek takım, tek yürek, tek hat.

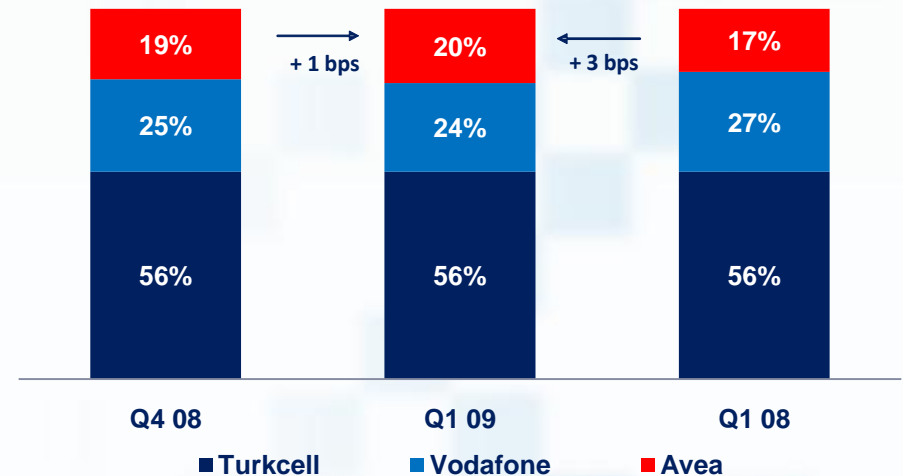


Subscriber Base

Mobile Growth (Subscriber Base-million)

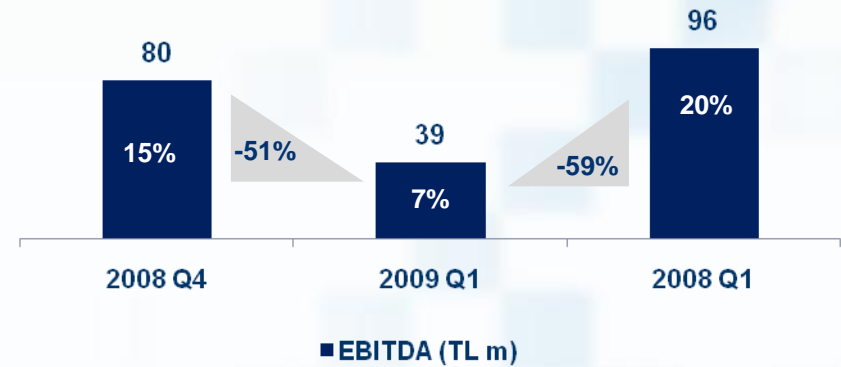
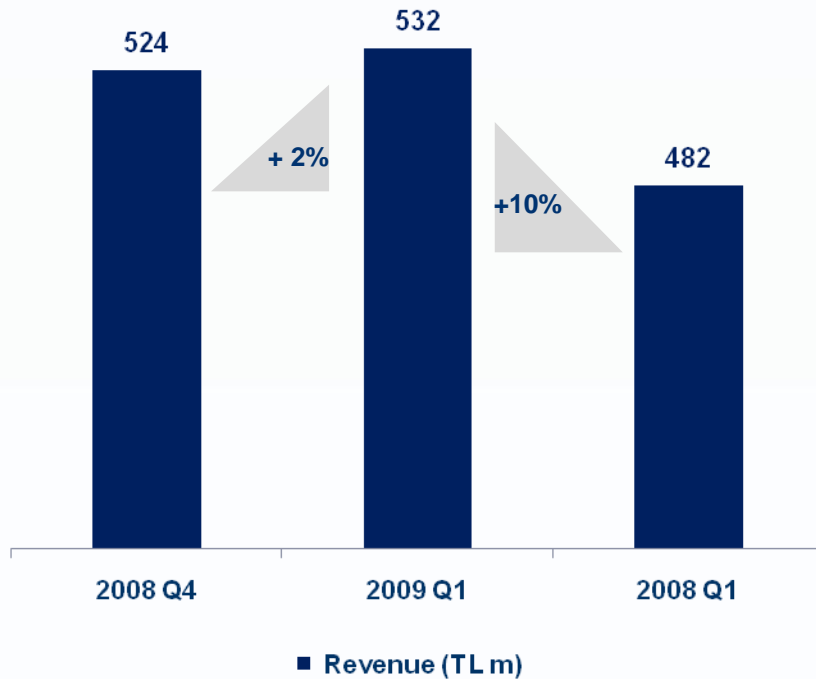


Market Share (% Subscriber Base)



- ✓ Avea continues to increase its market share, as it has done for the last nine quarters
- ✓ Avea gained around 400K net adds in Q1 09; the only operator with positive balance in Q1 09
- ✓ Turkcell and Vodafone lost 600K and 1,200K subscribers respectively in the same period

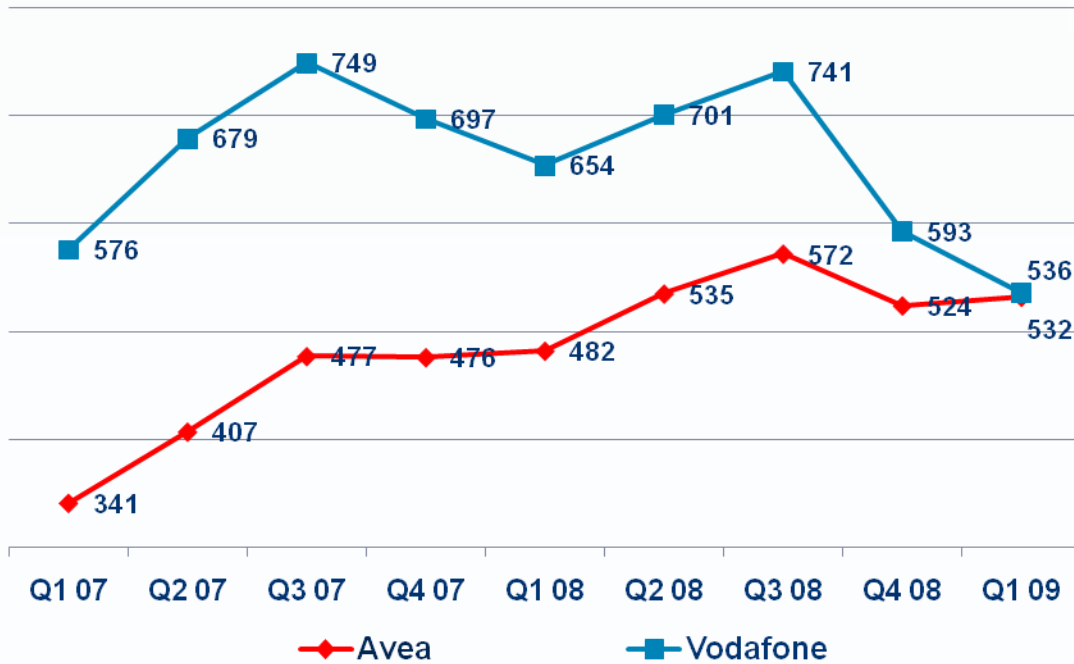
Mobile Business Revenue & EBITDA Highlights



- ✓ Both Revenue and EBITDA negatively impacted by price battles in mobile market
- ✓ Unlimited post-paid package offer (Sınırsız) launched in February to drive revenue growth

Revenue Trend

Revenue Trend (TL million)

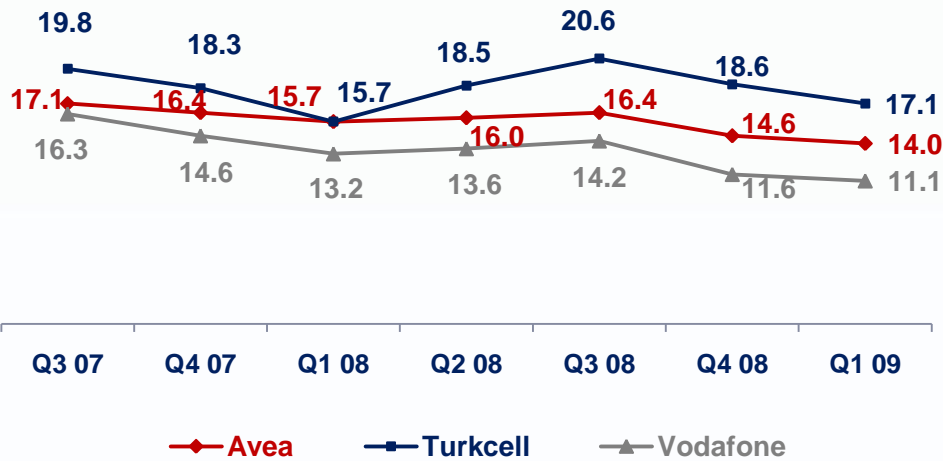


- ✓ With impetus from the Unlimited offer, Avea is well positioned to become number 2 operator in revenues in the first half of 2009

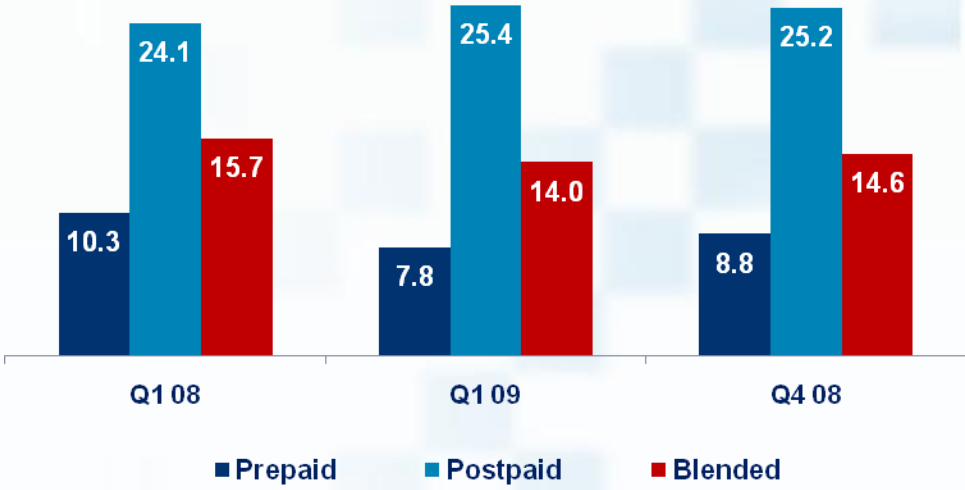
Mobile ARPU



ARPU Trend (TL)



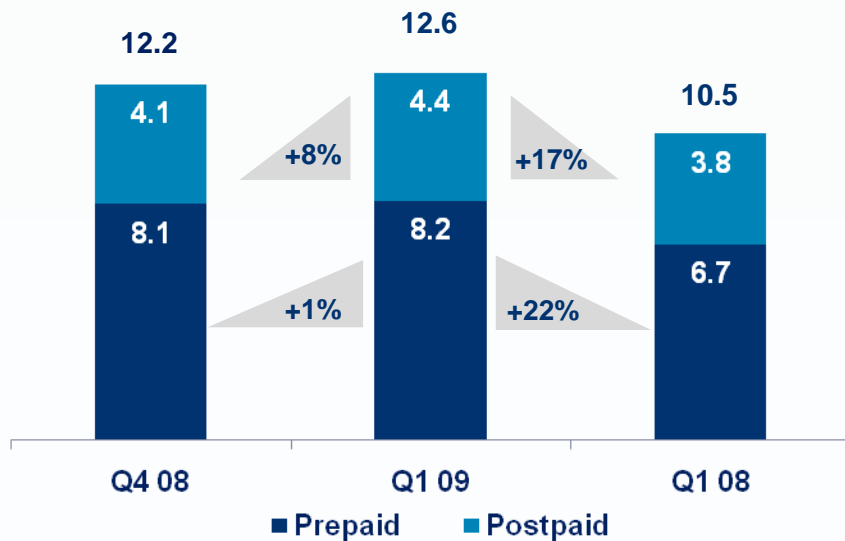
ARPU (TL)



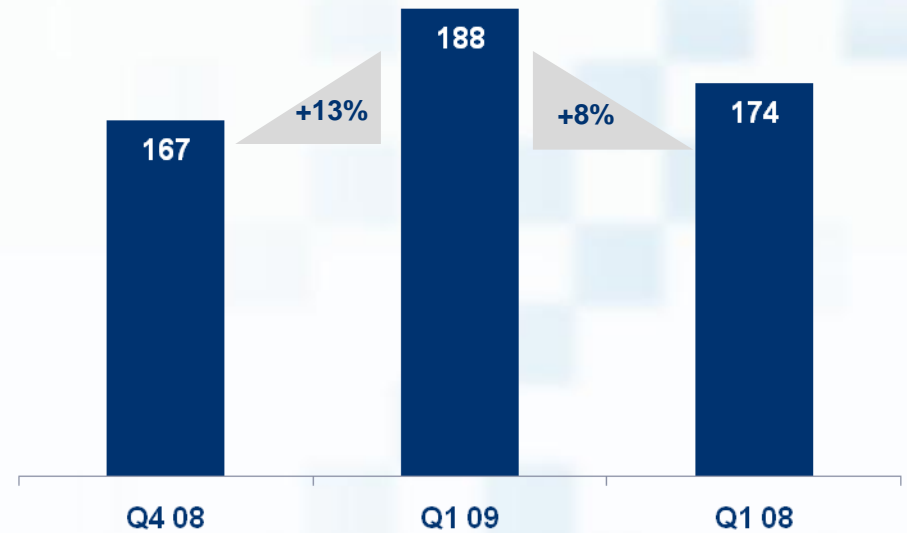
- ✓ Postpaid ARPU increased 5% YoY in Q1 09 driven by the high ARPU from the Unlimited offer
- ✓ Prepaid ARPU decreased by 24% YoY due to price battles and aggressive campaigns around MNP

Mobile Subscriber Composition & MoU

Subscriber Base (million)



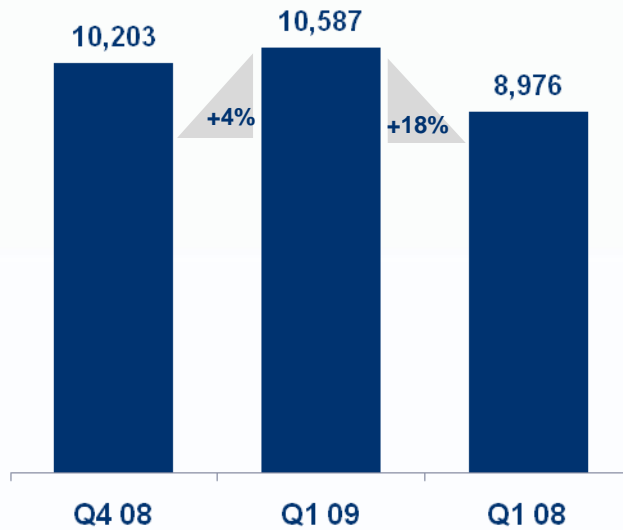
Blended MoU



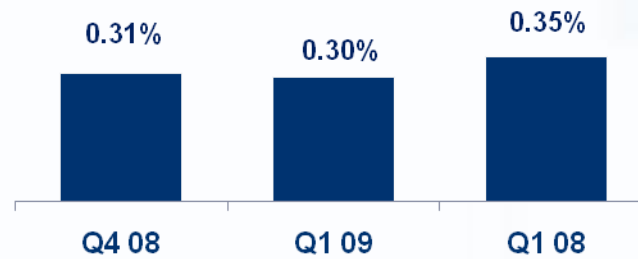
- ✓ Subscriber base increased by 400K in Q1 09 with majority coming from Postpaid
- ✓ Blended MoU is driven by growth from the new Unlimited offer

Mobile Business Quality Indicators

Number of Sites (*)



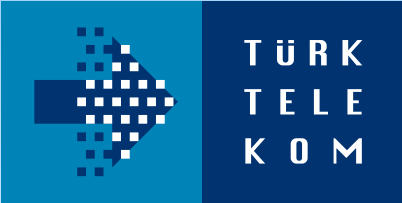
Network Busy Hour Call Drop Rate (%)



Network Busy Hour Call Block Rate (%)



* Population Coverage 95.38%; Surface Coverage 72.18%; EDGE Penetration Rate 96.32%



Financials

Summary Türk Telekom Consolidated P&L

<i>TL million</i>	2008 YE	2008 Q1	2009 Q1
Revenues	10,195	2,423	2,508
EBITDA	4,342	1,080	1,087
<i>Margin</i>	43%	45%	43%
Operating Profit	2,710	666	664
<i>Margin</i>	27%	27%	26%
Financial income / (expenses), net	(574)	(162)	(296)
FX gain / (losses), net	(580)	(200)	(261)
Interest Income / (Expenses), net	29	39	(17)
Other financial income / (expenses), net	(22)	(1)	(18)
Tax expense	(509)	(149)	(148)
Minority Interest	125	43	71
Profit/Loss	1,752	399	291
<i>Margin</i>	17%	16%	12%

Summary Türk Telekom Consolidated Balance Sheet

<i>TL million</i>	2008 YE	2008 Q1	2009 Q1
Intangible Assets ^(a)	2,734	2,675	2,695
Tangible Assets ^(b)	6,588	6,313	6,431
Other Assets ^(c)	2,295	2,267	2,455
Cash and equivalents	1,042	2,034	927
Total Assets	12,659	13,289	12,508
Share capital	3,260	3,260	3,260
Reserves and retained earnings	1,853	3,124	2,061
Interest Bearing Liabilities ^(d)	3,455	2,464	3,206
Provisions for long-term employee benefits	667	997	689
Other Liabilities ^(e)	3,424	3,444	3,292
Total Equity And Liabilities	12,659	13,289	12,508

(a) Intangible assets excluding goodwill

(b) Tangible assets include property, plant and equipment and investment property.

(c) Major items within Other Assets are Trade Receivables, Due from Related Parties, Other Current Assets and Deferred Tax Asset.

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

(e) 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

Summary Consolidated Cash Flow Statement

<i>TL million</i>	2008 YE	2008 Q1	2009 Q1
Cash Flow from Operating Activities	3,353	756	648
Cash Flow from Investing Activities	(1,330)	(91)	(149)
<i>Capex</i>	<i>(1,638)</i>	<i>(198)</i>	<i>(204)</i>
<i>Other Investing Activities</i>	<i>308</i>	<i>107</i>	<i>55</i>
Cash Flow from Financing Activities	(2,329)	43	(618)
<i>Proceeds / (Repayments) Bank borrowings</i>	<i>632</i>	<i>126</i>	<i>(487)</i>
<i>Repayment of obligations under finance leases</i>	<i>(7)</i>	<i>(2)</i>	<i>(1)</i>
<i>Interest paid</i>	<i>(210)</i>	<i>(81)</i>	<i>(130)</i>
<i>Dividends paid</i>	<i>(2,744)</i>	<i>0</i>	<i>0</i>
Net Change in Cash Position^(a)	(306)	708	(119)

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

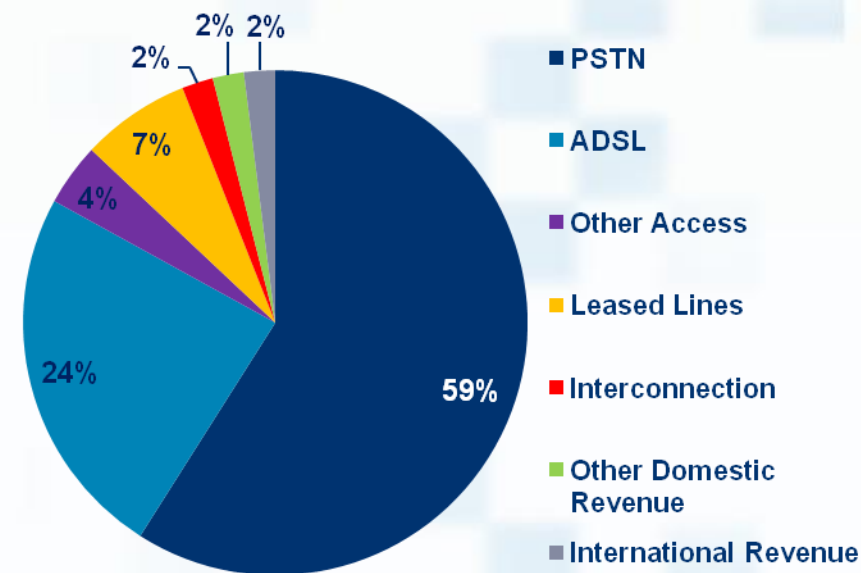
Summary Fixed Line P&L

<i>TL million</i>	2008 YE	2008 Q1	2009 Q1	Growth
Revenues	8,319	2,005	2,043	2%
EBITDA	3,897	985	1,049	6%
<i>Margin</i>	<i>47%</i>	<i>49%</i>	<i>51%</i>	
Operating Profit	2,766	694	759	9%
<i>Margin</i>	<i>33%</i>	<i>35%</i>	<i>37%</i>	
Capex	1,291	150	170	13%
<i>Capex as % of Revenue</i>	<i>16%</i>	<i>7%</i>	<i>8%</i>	

Fixed Line Revenue Breakdown

TL million	2008 YE	2008 Q1	2009 Q1
PSTN	5,218	1,305	1,205
ADSL	1,670	369 (a)	496
Other access	239	51	72
Leased lines	556	141	136
Interconnection (b)	172	38	46
Other domestic revenue	148	49	36
International revenue (c)	216	49	51
Sub-Total Revenue	8,219	2,002	2,042
Construction Revenue (IFRIC 12)	100	3	1
Total Revenue	8,319	2,005	2,043

Revenue Breakdown 2009 Q1



* Figures are rounded

(a) Before Q2 08, discounts were deducted from other revenue

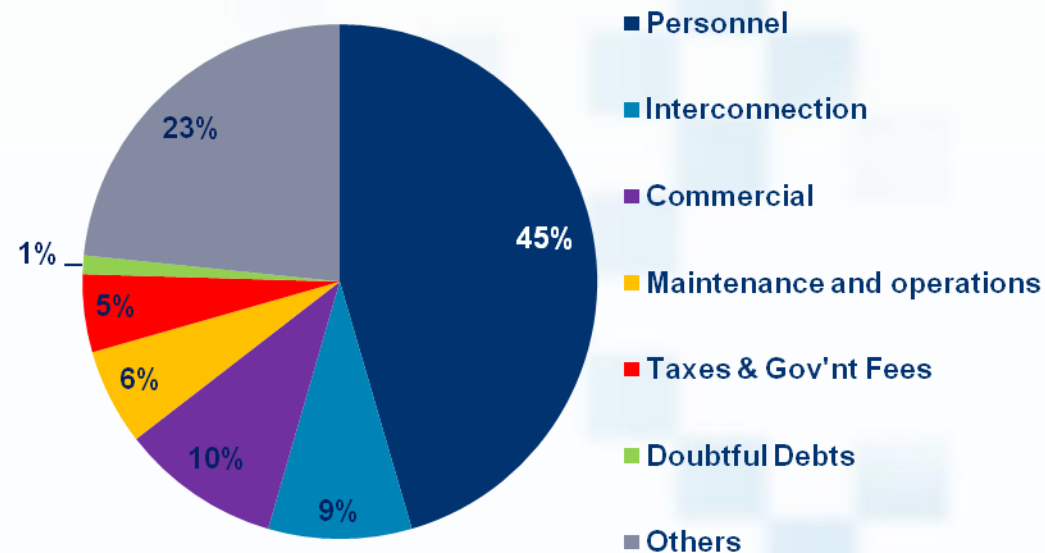
(b) Interconnection includes Domestic

(c) Revenue from international data services and inbound traffic terminated at Turk Telekom's international gateway

Fixed Line OPEX Composition

TL Million	2008 YE	2008 Q1	2009 Q1	YoY change
Personnel	2,009	491	452	-8%
Interconnection	453	133	90	-33%
Commercial	443	75	100	34%
Maintenance and operations	407	76	60	-21%
Taxes & Gov't Fees	205	46	49	6%
Doubtful Debts	136	23	12	-50%
Others	676	174	232	33%
Sub- Total	4,330	1,018	993	-2%
Construction Cost (IFRIC 12)	91	3	1	
Total Opex	4,421	1,021	994	-3%

OPEX Breakdown 2009 Q1



* Figures are rounded

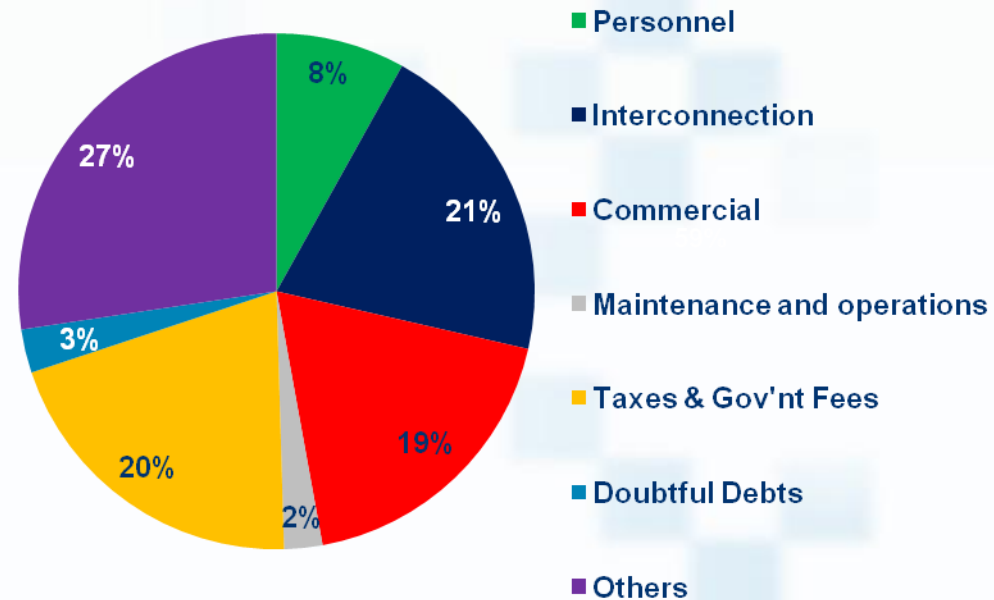
Summary Mobile P&L

<i>TL million</i>	2008 YE	2008 Q1	2009 Q1	Growth
Revenues	2.113	482	532	10%
EBITDA	446	96	39	-59%
<i>Margin</i>	21%	20%	7%	
Operating Profit	-55	-30	-95	-216%
<i>Margin</i>	-3%	-6%	-18%	
Capex (excluding leasing)	465	48	65	35%
<i>Capex as % of Revenue</i>	22%	10%	12%	

Summary Mobile Business OPEX Composition

TL Million	2008 YE	2008 Q1	2009 Q1	YoY change
Personnel	140	33	40	21%
Interconnection	241	64	101	57%
Commercial	370	78	92	18%
Maintenance and operations	132	15	12	-21%
Taxes & Gov'nt Fees	302	85	101	19%
Doubtful Debts	43	10	13	31%
Others	438	102	135	32%
Total	1,667	386	494	28%

OPEX Breakdown 2009 Q1



* Figures are rounded



THANK YOU

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Note: EBITDA number in this presentation includes revenues, direct cost of revenues, selling and marketing expenses, general administrative expenses, research & development costs, and other operating income/(expense), but excludes depreciation and amortization cost, financial income/(expense), income/(loss) from related parties, and minority interest.