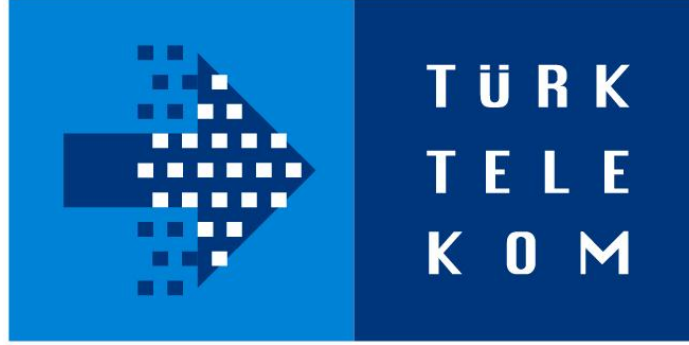


TÜRK TELEKOMÜNİKASYON A.Ş.



INTERIM ACTIVITY REPORT AS OF 31.03.2013
BASED ON SERIAL:XI NO:29 COMMUNIQUÉ OF CAPITAL MARKETS
BOARD



April 16, 2013

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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 14.3 million total access lines in service as of 2012 year end and this number decreased to 14 million in the first quarter of 2013. 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.

40% of the wholesale broadband internet access in Turkey is through ADSL as of 2012 year end. The remaining 60% is attributable to mobile operators¹. The number of ADSL subscribers was 7 million as of 2012 year end increased to 7.1 million as of March 31, 2013.

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 first quarter of 2013 its subscriber base rose from 4.8 million to 13.7 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: 4th Quarter Sector Report of the Information Technologies and Communications Authority, Page: 27

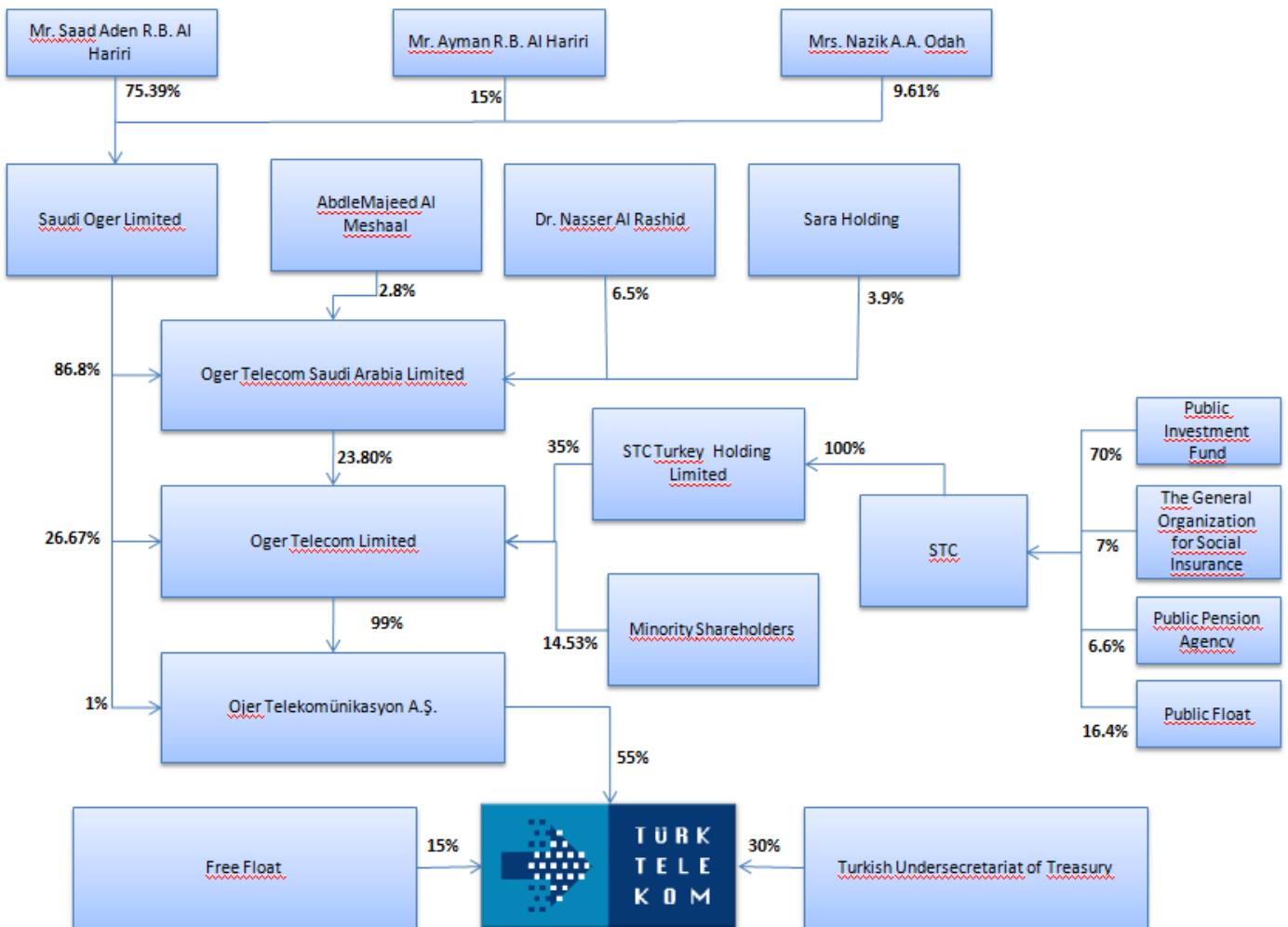
2. CORPORATE STRUCTURE

• Ownership Structure

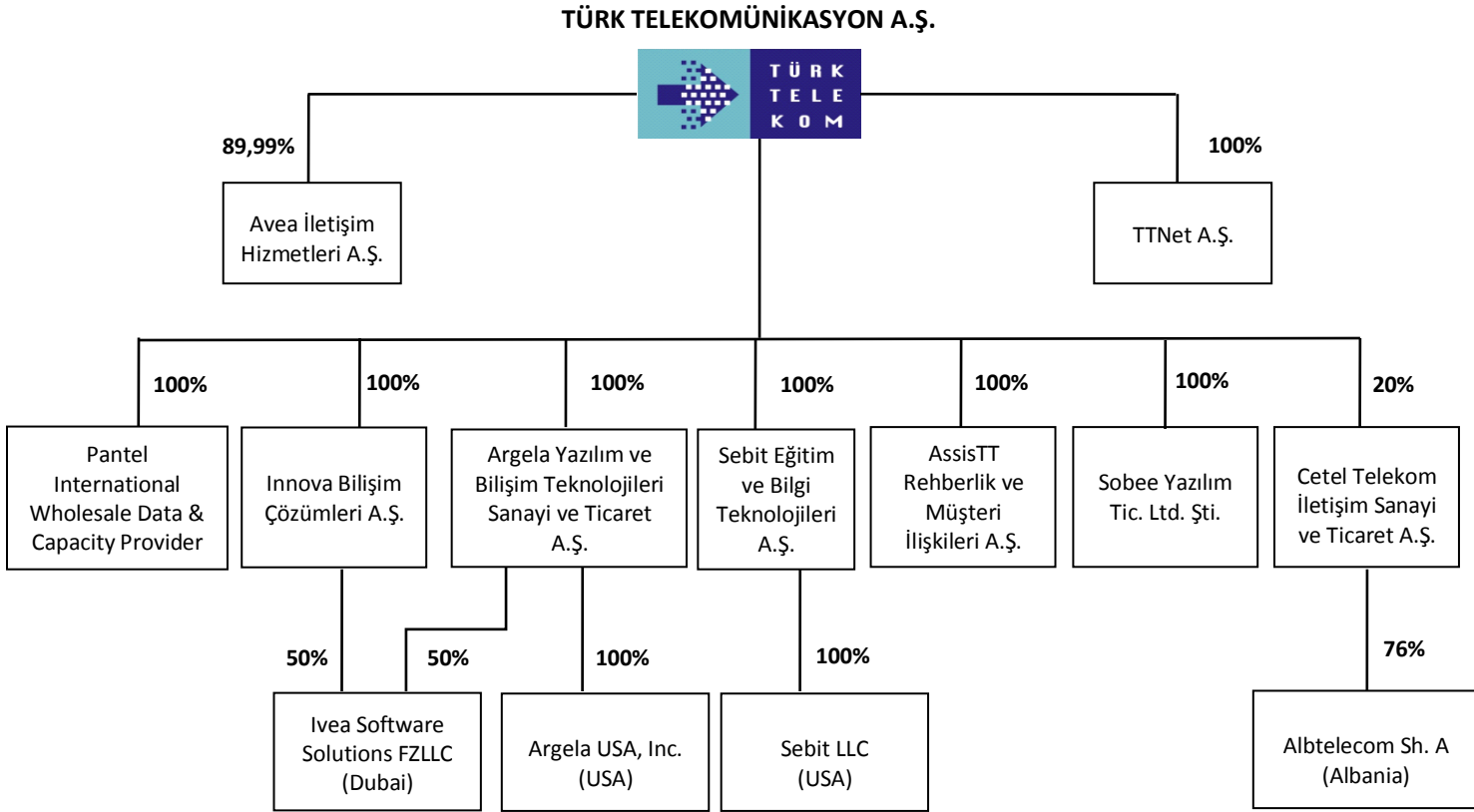
Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	T.R. Undersecretariat of Treasury	1,049,999,999.99	30
C	T.R. Undersecretariat of Treasury	0.01	
D	Free float	525,000,000.00	15
Total		3,500,000,000.00	100

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
Maziad Nasser Al-Harbi	Member of the Board of Directors
Mazen Abou Chakra	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

Statutory Audit Board

Lütfi Aydın	Member of the Statutory Audit Board
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Senior Management

Hakam Kanafani	Türk Telekom Group CEO
Tahsin Yılmaz	General Manager-CEO
Ali Yılmaz	VP of Consumer Segment
Mustafa Uysal	Türk Telekom Group CFO
Murat Kırkgöz	VP of Finance
Şükrü Kutlu	VP of Human Resources Support and Regulations
Gökhan Kayalibay	VP of Strategy and Business Development
Mehmet Ali Akarca	VP of Corporate Segment
Haktan Kılıç	VP of Customer Relations
Dr. Nazif Burca	Head of Internal Audit
Memet Atalay	VP of Operations
Timur Ceylan	VP of Technology
Can Esen	VP of Legal Affairs

3. MEETINGS OF THE BOARD OF DIRECTORS

In the period of this report, below items are related to the meetings of the Board of Directors which were held on February 6, 2013.

- With the resolution dated February 6, 2013

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 31.12.2012, which have been prepared according to the applicable legislation and the International Financial Reporting Standards and audited by the independent external audit company.

- With the resolution dated February 6, 2013

Audit Committee proposal regarding keeping getting audit service related to transactions and accounts of 2013 from Güney Bağımsız Denetim ve SMMM A.Ş. (Ernst & Young) and signing an agreement with them, has been approved.

- With the resolution dated February 6, 2013

- 1) Our company's net profit of the fiscal year 2012 according to the independently audited consolidated financials prepared in accordance with "CMB Communiqué About Financial Reporting in Capital Markets Serial: XI No:29" is TL 2,637,107,805 and according to the Turkish Commercial Code clauses and Tax Procedure Law is TL 2,995,813,137

- 2) According to the CMB Communique Serial IV No: 27, the profit after tax amount of TL 2,637,107,805 is the base amount for dividend distribution,
- 3) Although it is obligatory to set aside first legal reserves until the reserve amount reaches 20% of the paid in capital in accordance with Article 519 of Turkish Commercial Code, as the cap for first legal reserves has been reached in the previous years it is decided not to set aside any first legal reserves for 2012,
- 4) According to the consolidated financial tables, TL 2,673,249,113 shall be the base for first dividend which is reached with adding the donations made in 2012 of TL 36,141,309 to TL 2,637,107,805, which is net distributable profit of 2012,
- 5) It is decided to distribute 20% of TL 2,673,249,113 (first dividend base), TL 534,649,823 as cash first dividend, in accordance with "CMB Communique Serial IV No: 27" . The second legal reserve of TL 223,827,982 shall be set aside and the remaining TL 1,878,630,000 shall be distributed as cash second dividend.
 - a. Total cash dividend amount to be distributed of TL 2,413,279,823 shall be covered by current period net profit
 - b. Accordingly 0,6895085 Kurus (%6895085) gross cash dividend per each share worth for 1 Kurus nominally shall be distributed to our shareholders and total gross cash dividend distribution amount shall be TL 2,413,279,823
- 6) The distribution of the cash dividends to our shareholders shall begin on May 29, 2013, at Merkezi Kayıt Kuruluşu A.Ş. Süzer Plaza Askerocağı Caddesi No: 15 Kat: 2 34367 Elmadağ-Şişli İstanbul.

4. PERSONNEL MOVEMENTS

Consolidated headcount as of 2012 year end and first quarter of 2013 are 37,524 and 34,969 respectively.

5. FINANCIAL RISK MANAGEMENT

Main financial instruments of the Company are forward market transactions, bank loans and cash and short-term deposits. They are being used with the aim of raising funds for the Group's operations and hedging interest rate risk. The risks stemming from these instruments are liquidity risk, foreign exchange risk, interest rate risk, and credit risk.

6. MATERIAL ISSUES DURING THE PERIOD

As we have disclosed on February 6, 2013,

The distributable income after allocating for the legal reserves from Net Income After Tax is calculated as TL 2,413,279,823 and gross cash dividend per each share worth for 1 TL nominally is 68.95 Kurus. Board of directors will submit to the General Assembly's approval, to distribute this dividend in line with the articles of association of the company.

As we have disclosed on February 7, 2013

Guidance for 2013 is as below in normal conditions:

- * Consolidated revenue growth to be 5% to 7% over 2012
- * Consolidated EBITDA to be between TL 5.1 billion and TL 5.3 billion
- * Consolidated CAPEX to be around TL 2.2 billion

As we have disclosed on March 13, 2013

Following the news flow in the media regarding the sale of scrap copper by Türk Telekom, the requirement for the statement below arose to provide accurate information to the public. With the aim of improving the customer service and raising the speed and capacity of broadband offers, Türk Telekom regularly has been making network investments. Majority of these investments have been and still are on fiber technology. With these fiber investments, some of the copper cables in our network become idle. With the aim of optimum resource utilization, Türk Telekom sells idle copper cables and proceeds are used to finance our fiber investments. The goal is to invest efficiently in better technology and make it available for the customers. The monetary amounts of the proceeds mentioned in the media are inaccurate.

On March 15, 2013, after the news on media regarding the SPO of Turk Telekom was suspended and public offering was not in agenda; As PA published an announcement

It was stated that Council of Ministers was authorized for the determination of sales method and shares of stakes upon the opinion of PA and offer of Ministry of Transport and Türk Telekom Tender Commission was authorized to determine the timing of public offering according to market conditions and activities for public offering was continuing.

As we have disclosed on March 29, 2013

It has been announced that under the warranty of Sweden Eximbank EKN; a 150 million long term loan agreement was signed between Türk Telekom, BNP Pribas, ING and JP Morgan with a maturity of 9 years, interest rate of LIBOR + 0,795% in order to finance procurement of Ericsson within long term financing strategy of Türk Telekom and its affiliates.

7. MATERIAL ISSUES AFTER THE END OF PERIOD

As we have disclosed on April 1, 2013,

It has been announced that Türk Telekom Board Member, Jameel Abdullah A. Al Molhem who was nominated by A Group shareholders, has resigned from his position.

As we have disclosed on April 8, 2013,

Can Esen who has been serving as Vice President of Legal Affairs by proxy was appointed as Vice President of Legal Affairs.

8. SUMMARY FINANCIAL RESULTS

- Summary Türk Telekom Consolidated Balance Sheet as of 2013 Q1 and 2012YE

TL million	2013 Q1	2012 YE
Intangible Assets	4,013	4,050
Tangible Assets	8,179	8,347
Other Assets	4,135	3,850
Cash and equivalents	1,429	961
Total Assets	17,756	17,208
Share capital	3,260	3,260
Other Reserves and Currency Translation Reserve	-1,427	-1,397
Reserves and retained earnings	4,591	1,954
Interest Bearing Liabilities	6,548	6,038
Provisions for long-term employee benefits	620	749
Other Liabilities	3,638	3,967
Net Income	526	2,637
Total Equity & Liabilities	17,756	17,208

- Summary Türk Telekom Consolidated Income Statement as of 2013 Q1 and 2012 Q1

TL million	2013 Q1	2012 Q1	Change
Revenues	3,143	2,960	6%
EBITDA	1,151	1,232	-7%
<i>Margin</i>	37%	42%	
Operating Profit	712	817	-13%
<i>Margin</i>	23%	28%	
Profit Before Tax	677	978	-31%
<i>Margin</i>	22%	32%	
Tax Expense	-161	-233	
Minorities	10	26	
Profit/(Loss) For The Period	526	772	-32%
<i>Margin</i>	17%	26%	