

Investor Relations

September 2017

Türk Telekom



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Note: EBITDA is a non-GAAP financial measure. In this presentation, EBITDA represents revenue less cost of sales and other operating expenses plus other operating income/ (expense) plus income/(expense) from investing activities but excluding financial income/ (expense) presented in other operating income/(expense) (i.e., foreign exchange gain/ (loss), interest income / (expense) and discount income/(expense) on receivables and payables excluding financial borrowings), depreciation, amortization and impairment, income on unconsolidated subsidiaries and minority interest.

Türk Telekom Highlights



**Leading
COMPANY
IN TURKEY**

Offering
**Integrated telecom
services**



Most valuable
telco brand for

9 CONSECUTIVE
YEARS



Serving
39.6mn
SUBSCRIBERS



CAPEX
TL27bn
since privatization
(2005)



77%

LTE
Population
Coverage



98%

Fixed line
**household
coverage**



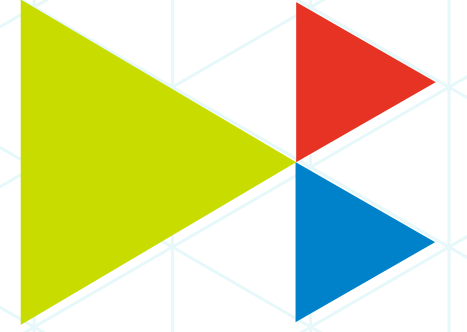
241K km
fiber network in
81 cities



15.0mn
**FIBER
HOMEPASS***

*Homepass includes FTTC & FTTH/B

Turkey's Pioneer Convergence Player



**Integrated
Distribution Channels
(One Stop Shop)**



**Integrated
Business Lines**



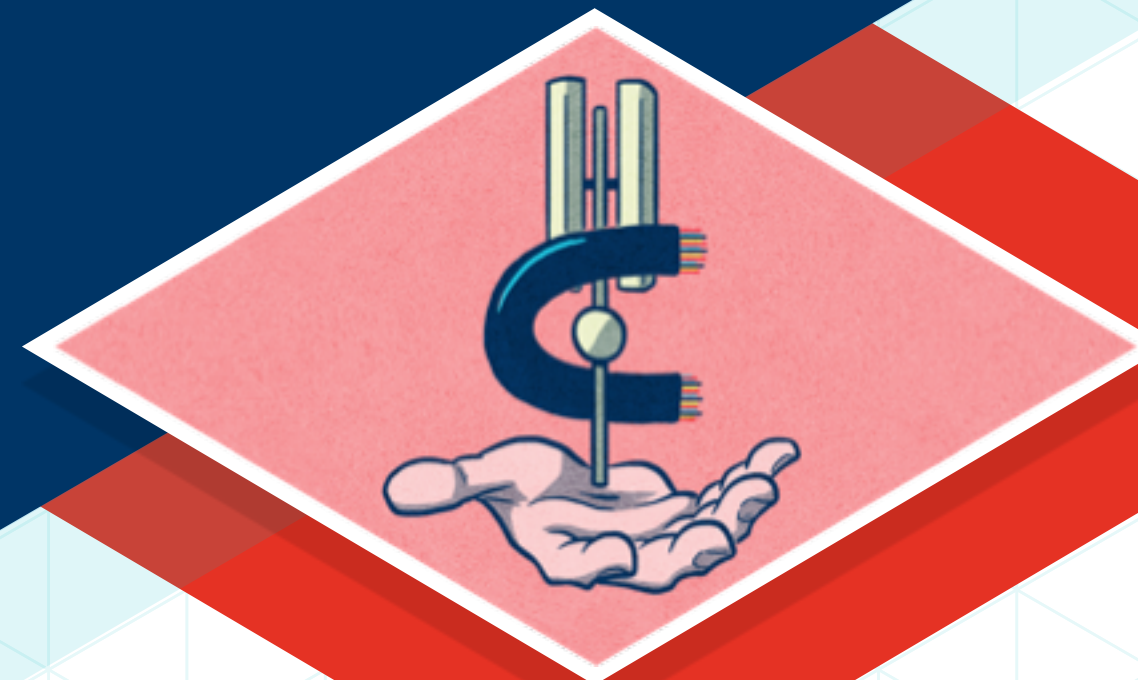
Türk Telekom

Unified Brand

**Joint Customer
Database***



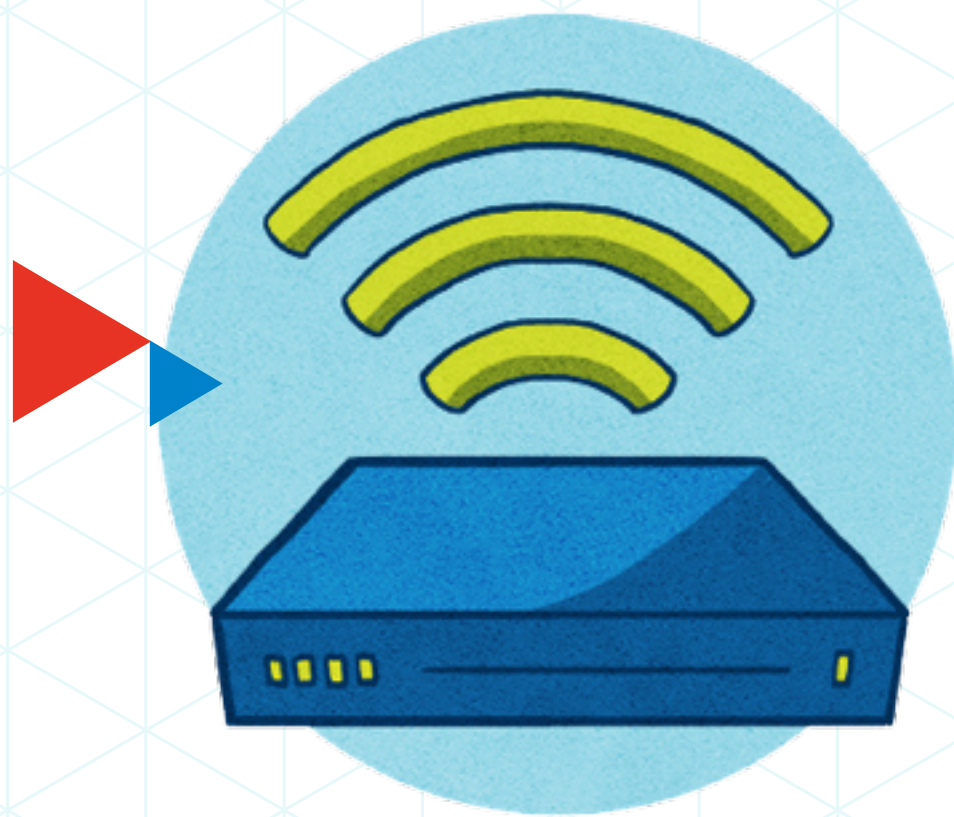
**Joint Fixed & Mobile
Network Management**



* Subject to consent of the customers

Operational Highlights

Strong net subscriber gains



Broadband

188K

Q2 '17

787K

LTM



Mobile

50K

Q2 '17

720K

LTM



Home TV

121K

Q2 '17

350K

LTM

Financial Performance

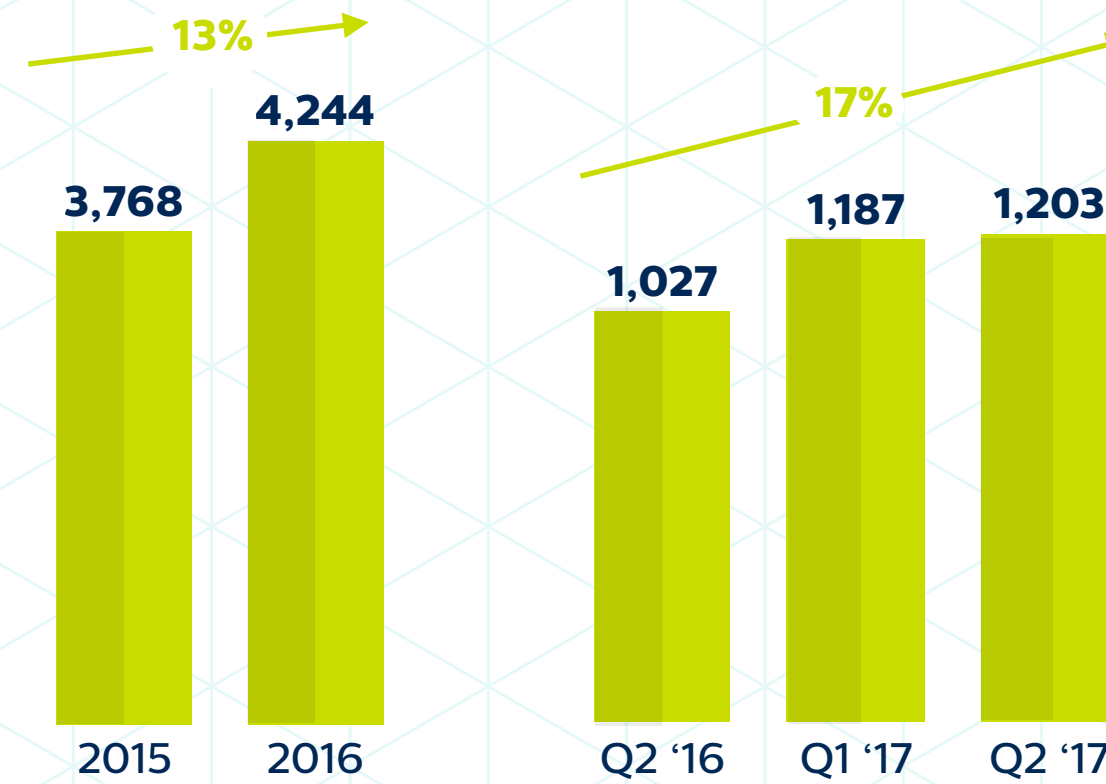
(TL mn)	2016 Q2	2017 Q1	2017 Q2	Growth (YoY)	Growth (QoQ)
Revenue	3,940	4,307	4,501	14.2%	4.5%
Revenue (exc. construction adj) ¹	3,820	4,138	4,292	12.3%	3.7%
EBITDA	1,322	1,528	1,712	29.5%	12.1%
EBITDA Margin	33.6%	35.5%	38.0%		
Net Income	248	66	890	259.2%	1,255.0%
CAPEX ²	689	400	545	(21.0%)	36.0%

(1) Construction accounting adjustment is a non-operational revenue line booked in conjunction with upgrades to fixed line infrastructure, such as the upgrade from copper to fiber based network

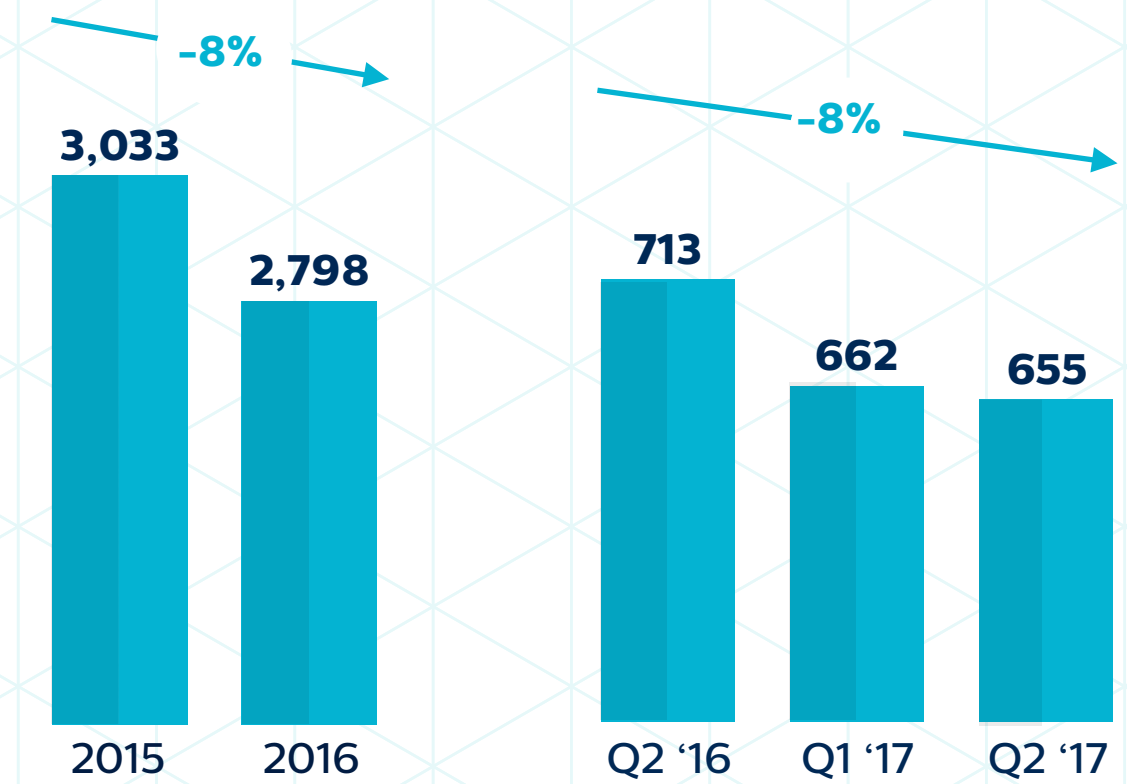
(2) Excluding license fees

Focused on High Growth Areas

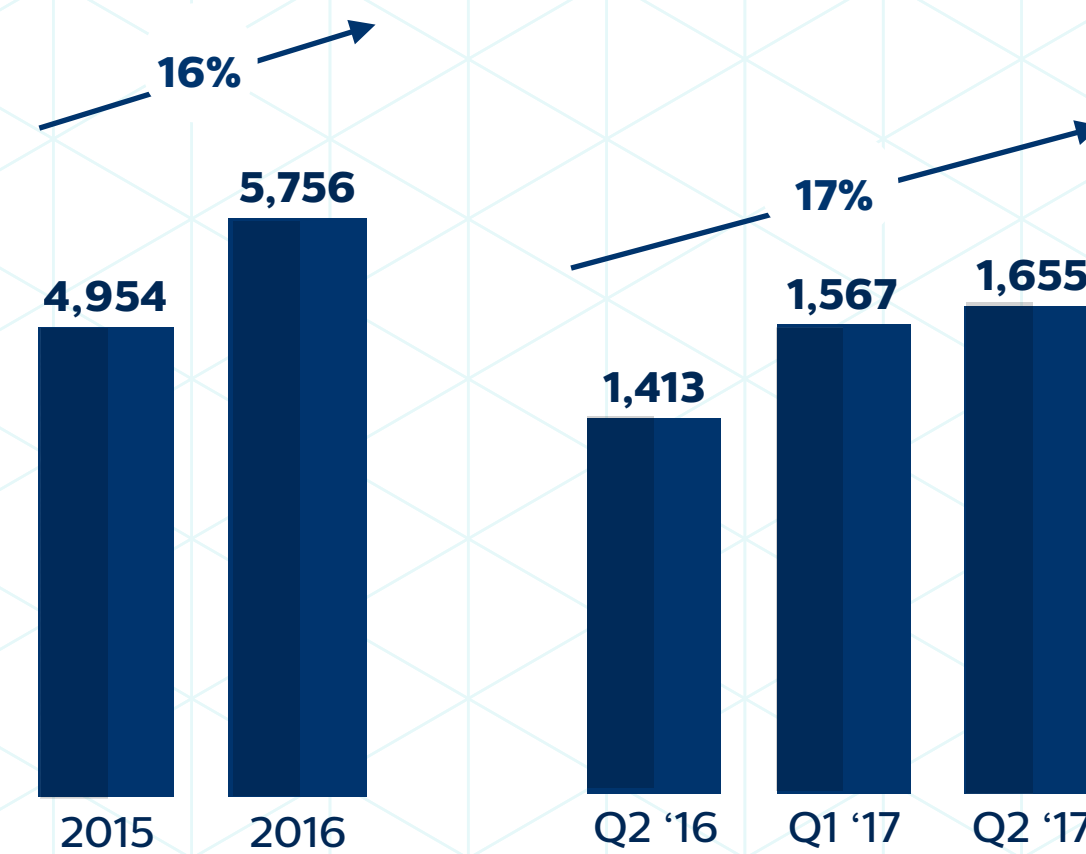
Fixed Broadband (TL mn)



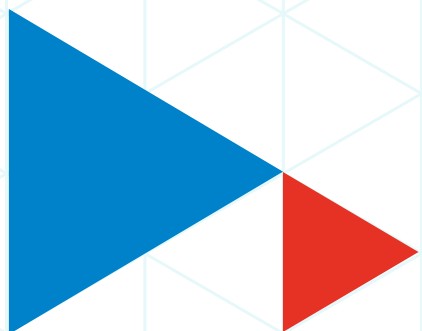
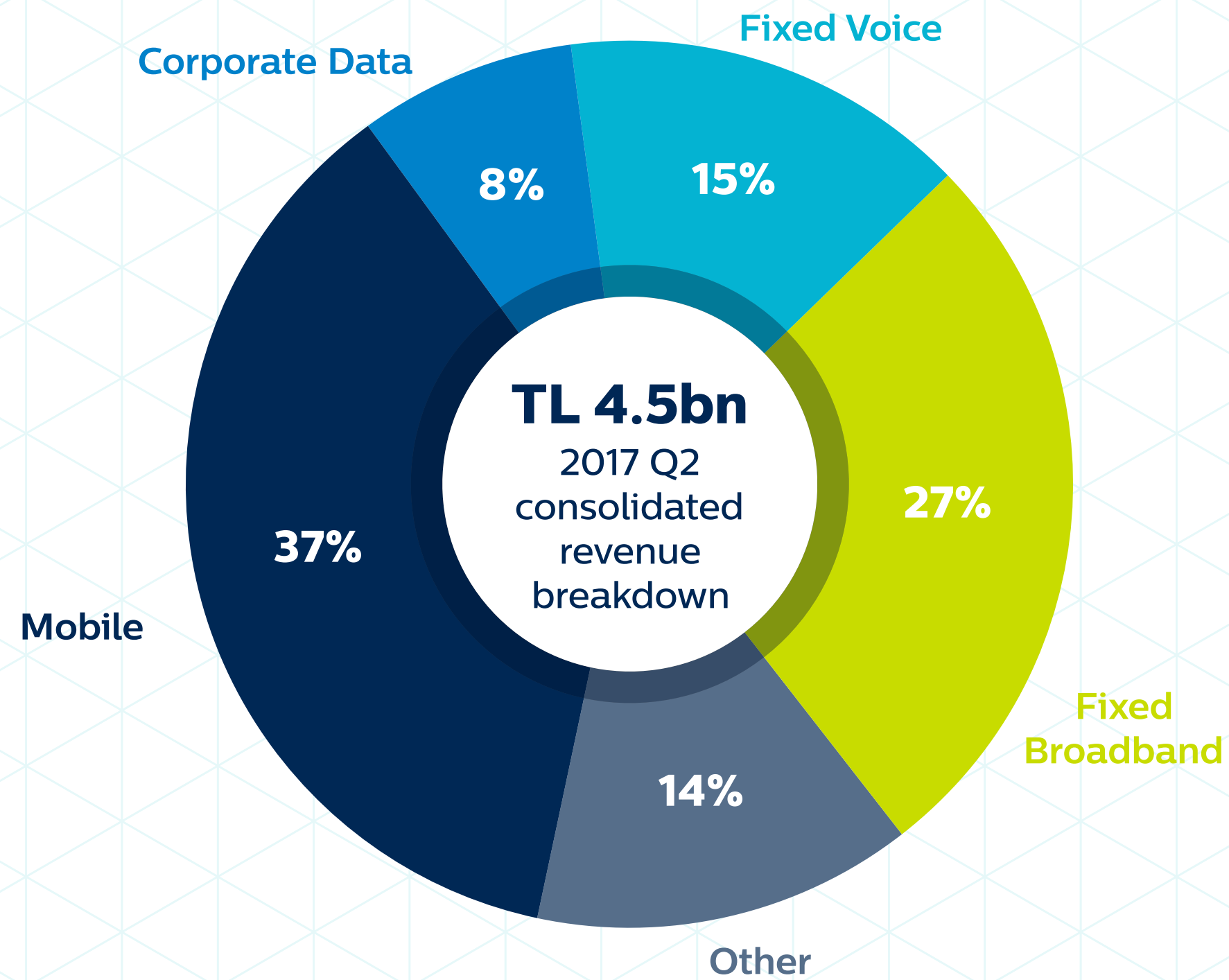
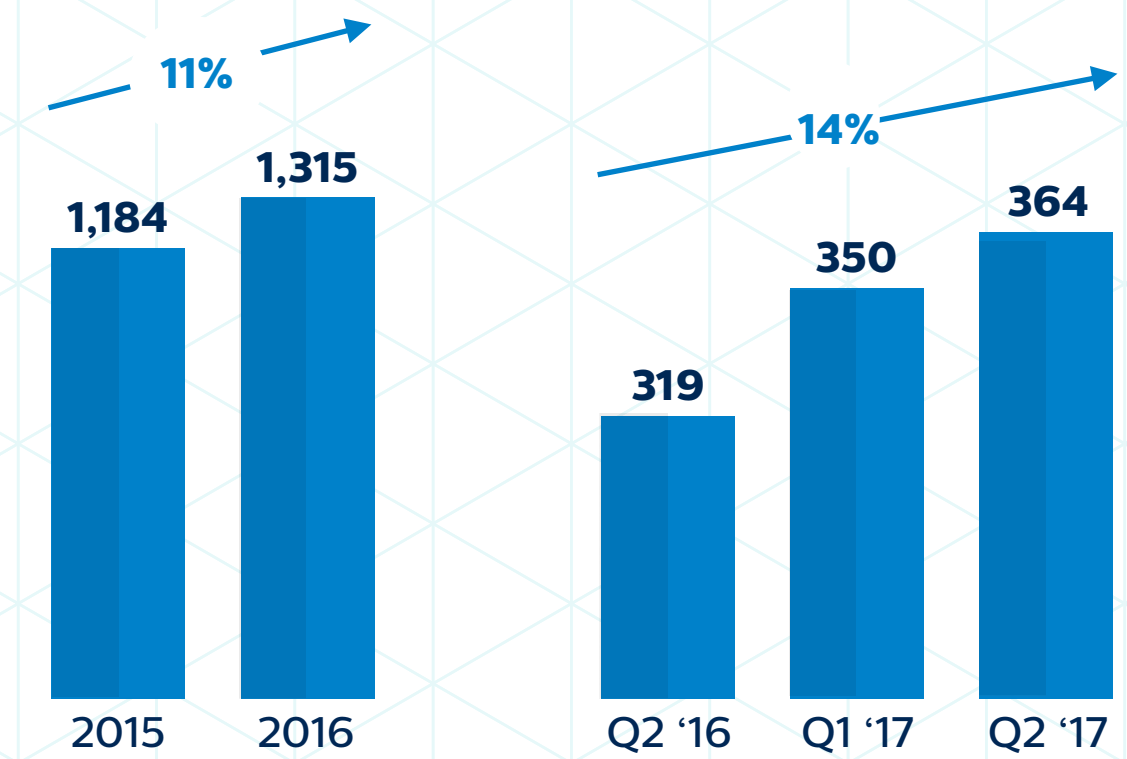
Fixed Voice (TL mn)



Mobile (TL mn)



Corporate Data (TL mn)



Strongest Position in Multiplay Offers

Unique position in convergence

Robust ARPU Generation

Q2 '17 ARPU

Mobile

Broadband

Pay TV

Fixed Voice

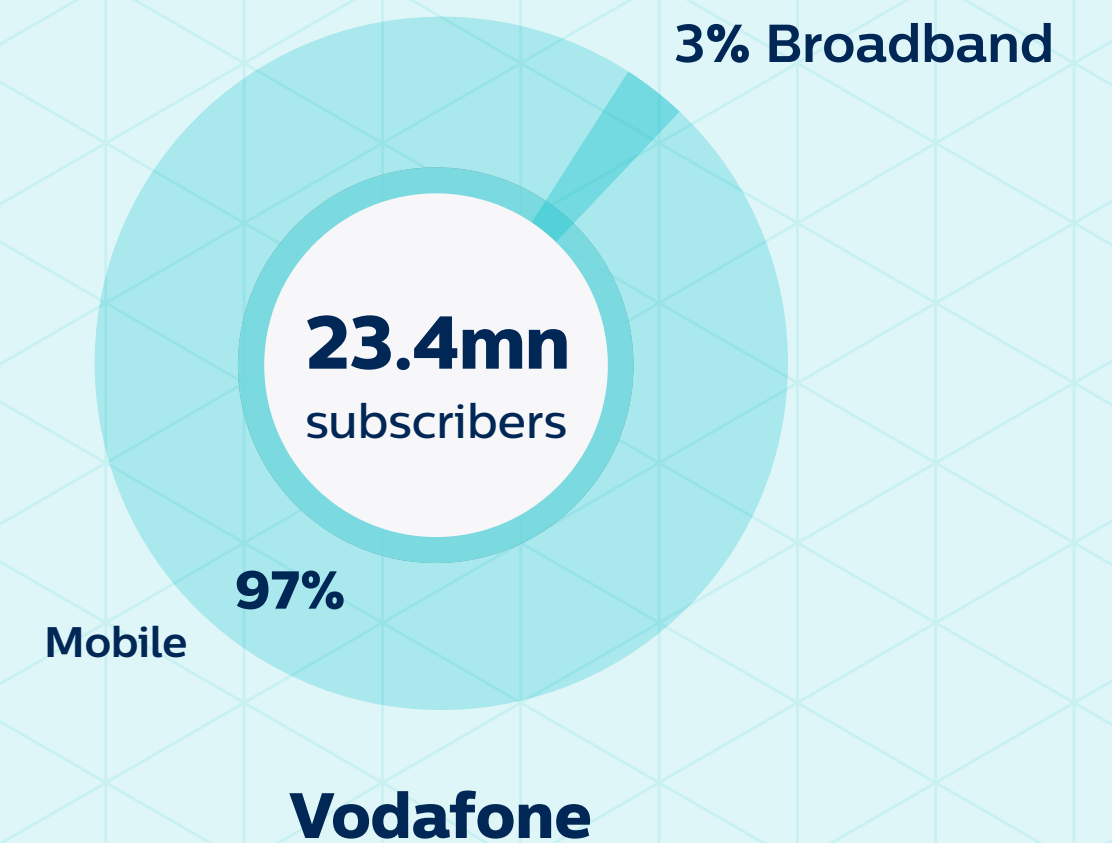
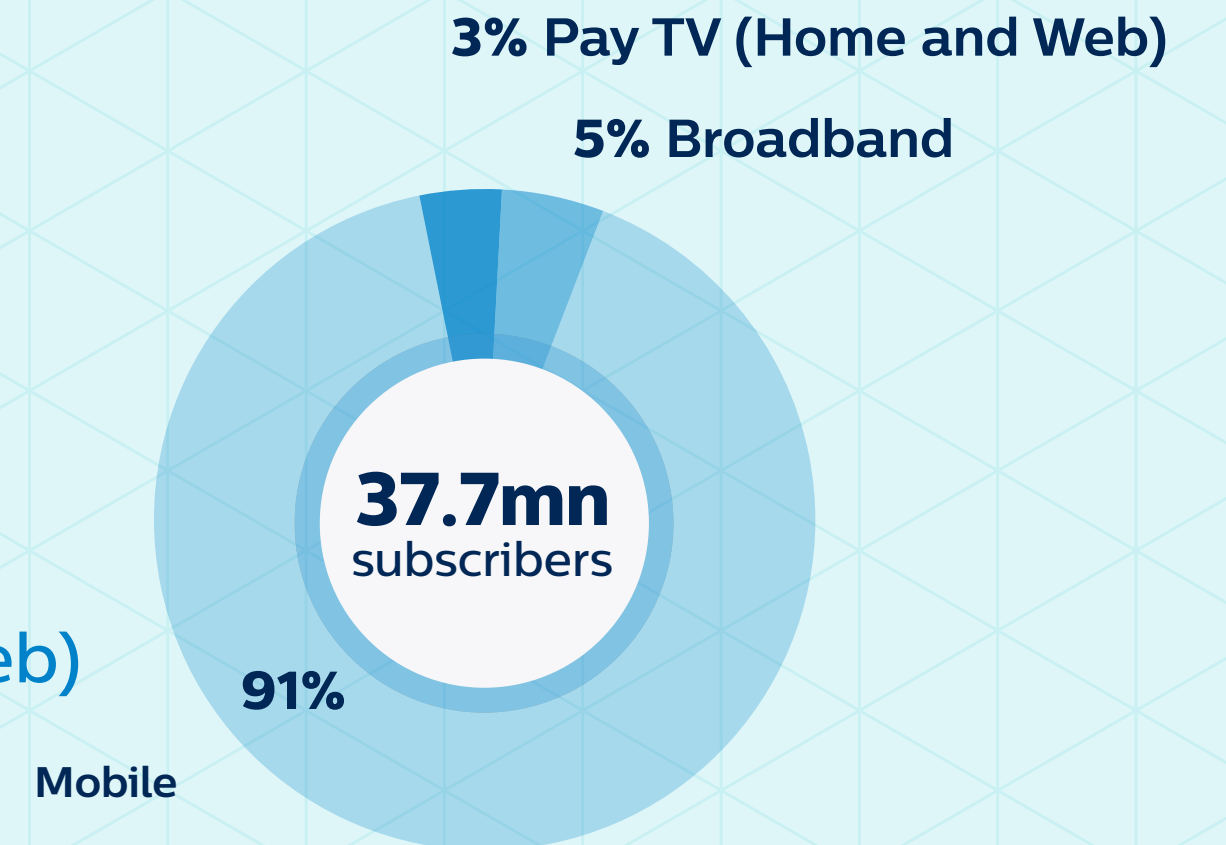
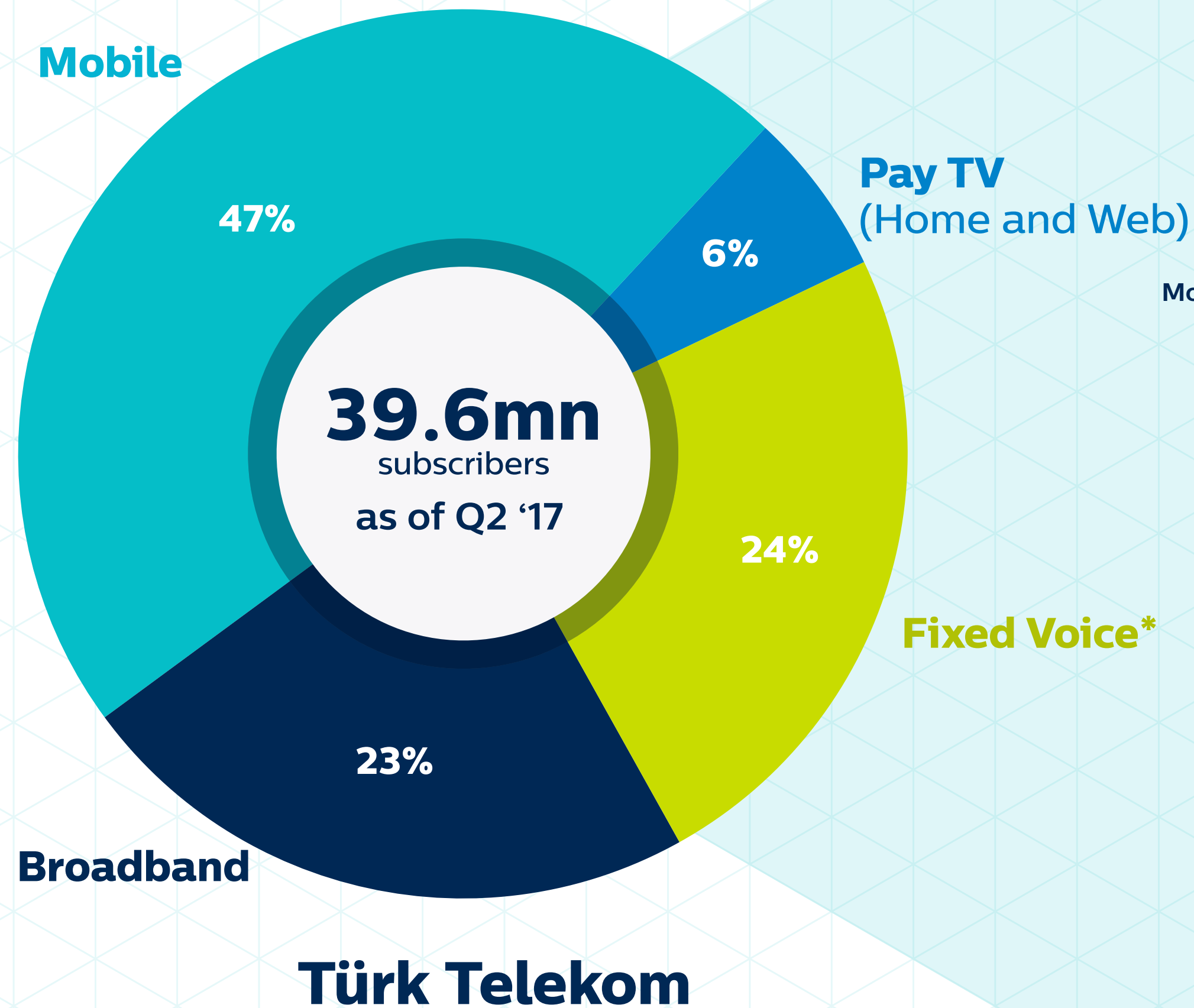
Türk Telekom

TL 28.2

TL 44.6

TL 17.4

TL 23.1



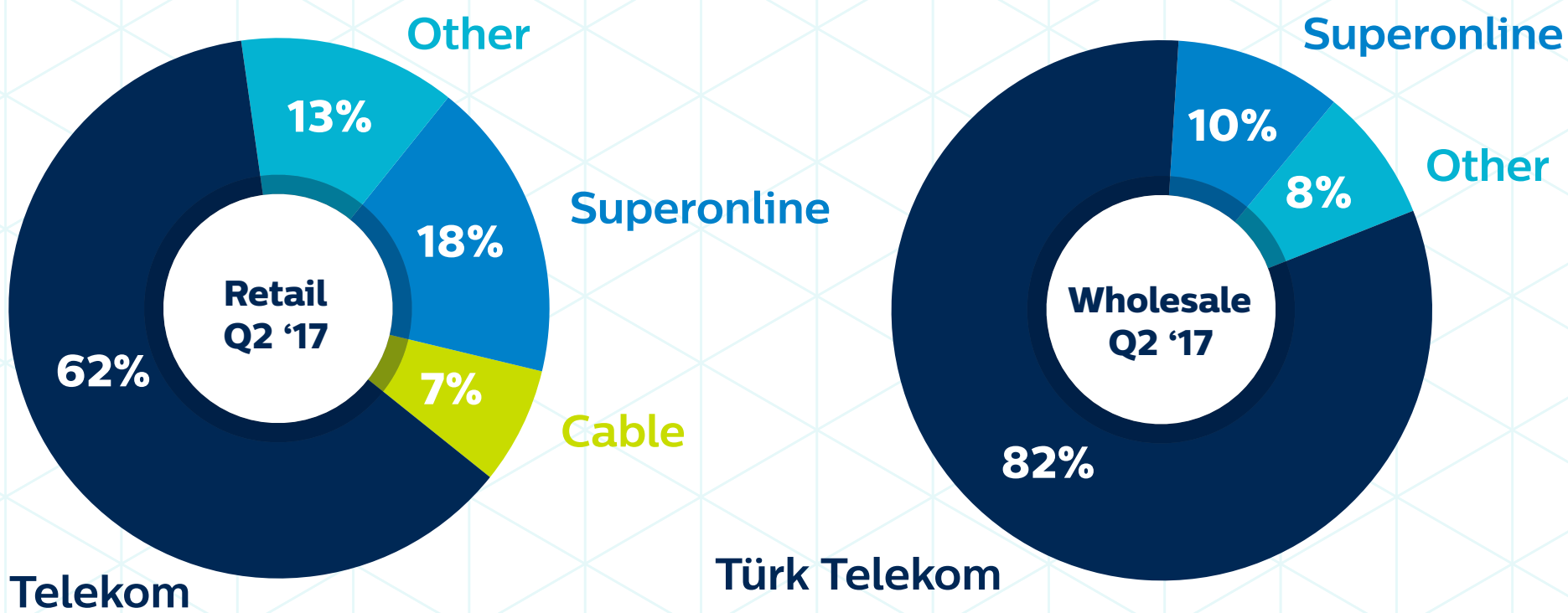
Other operators' data are from their own publications as of Q2'17
*VOIP is not included.

Business Lines



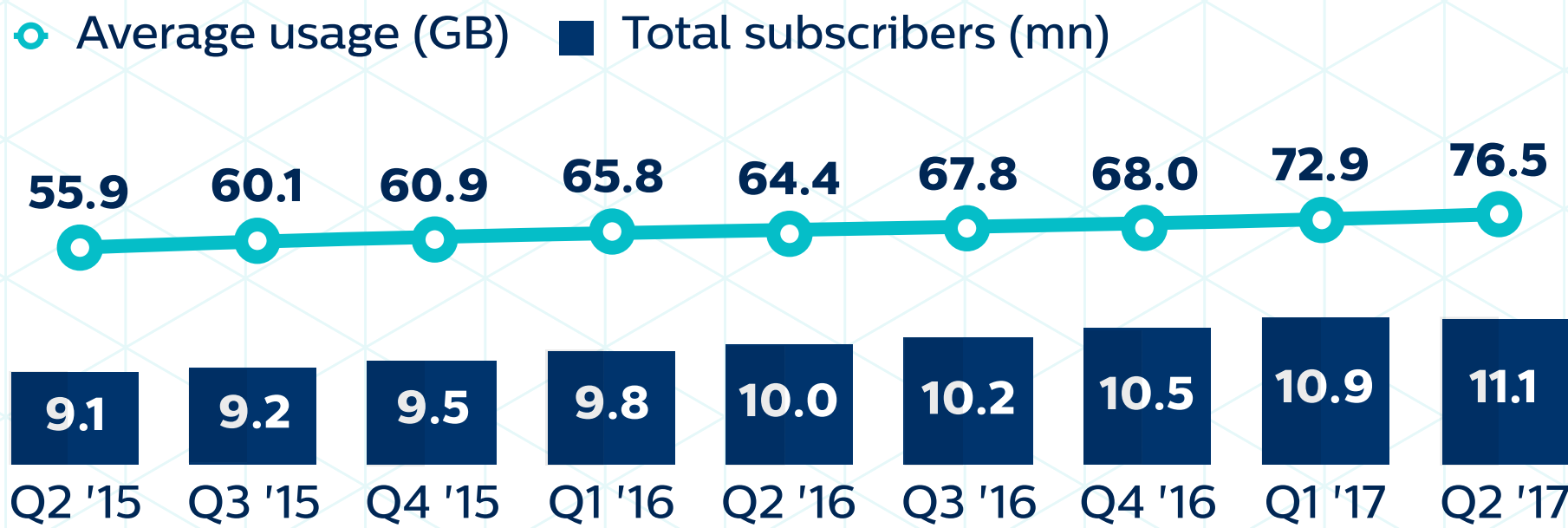
Fixed Broadband Market

Subscriber Market Share

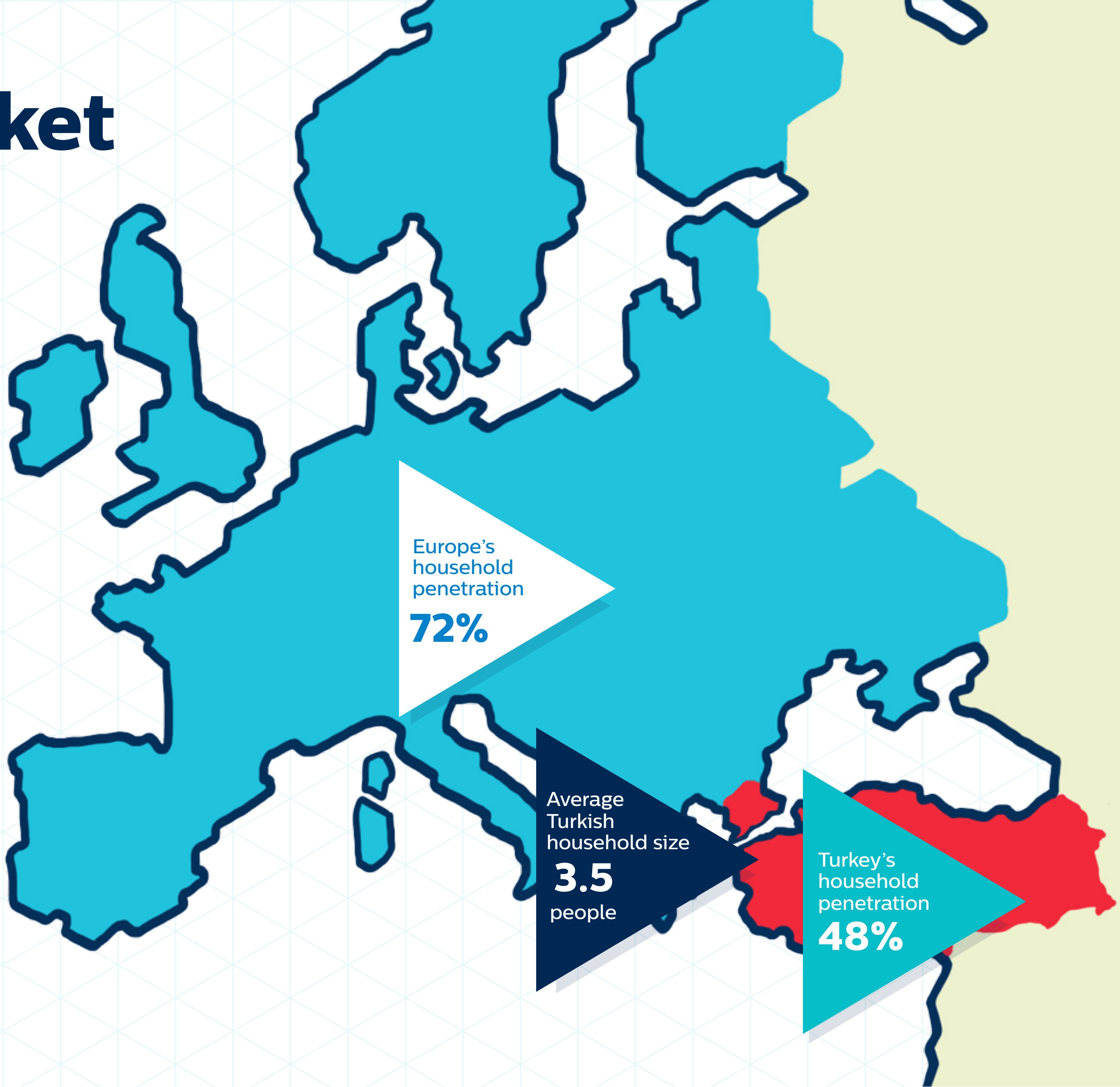


Source: Other operators' data are from ICTA Q2 '17 report

Subscribers & Avg. Monthly Data Usage



Source: ICTA Q2 '17 report



Source: Analysys Mason, Q1 '17 CEE&WE Telecom Matrix, TR data is from ICTA, Q2 '17 Market Report
European countries include DK, ES, BG, FI, IT, AT, RO

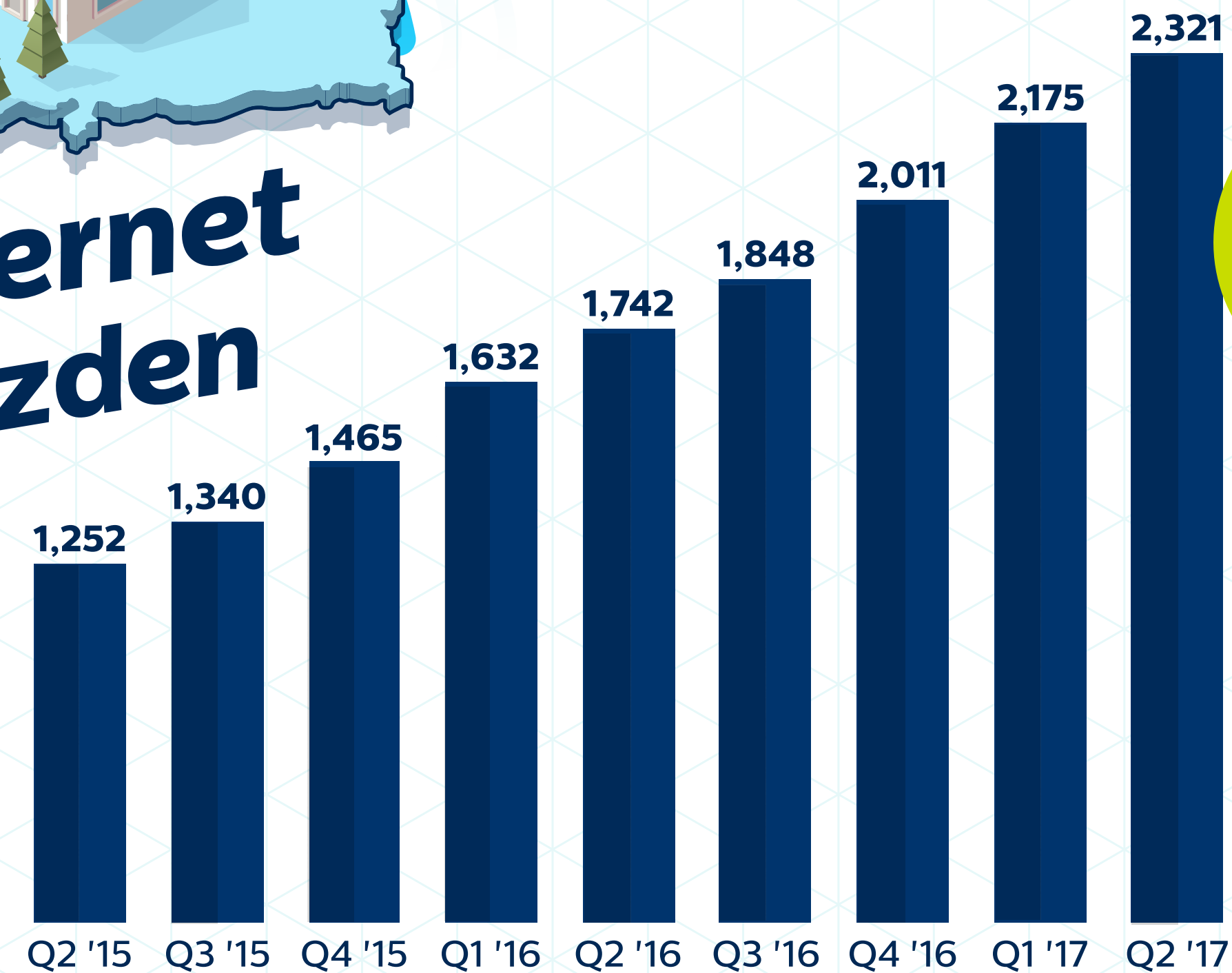
Fixed Broadband Performance

ARPU & Subscribers

○ ARPU (TL) ■ Subscribers (mn)



Internet Bizden



Fiber Subscribers

(thousand)

145k
net
additions
in Q2

FTTH/B

40%

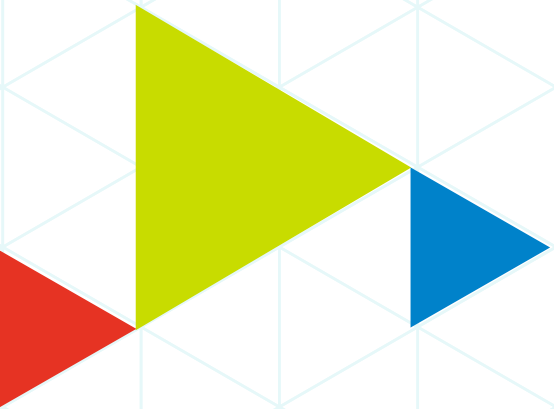
60%

FTTC

FTTH/B & FTTC tariffs have same prices for a given speed/quota



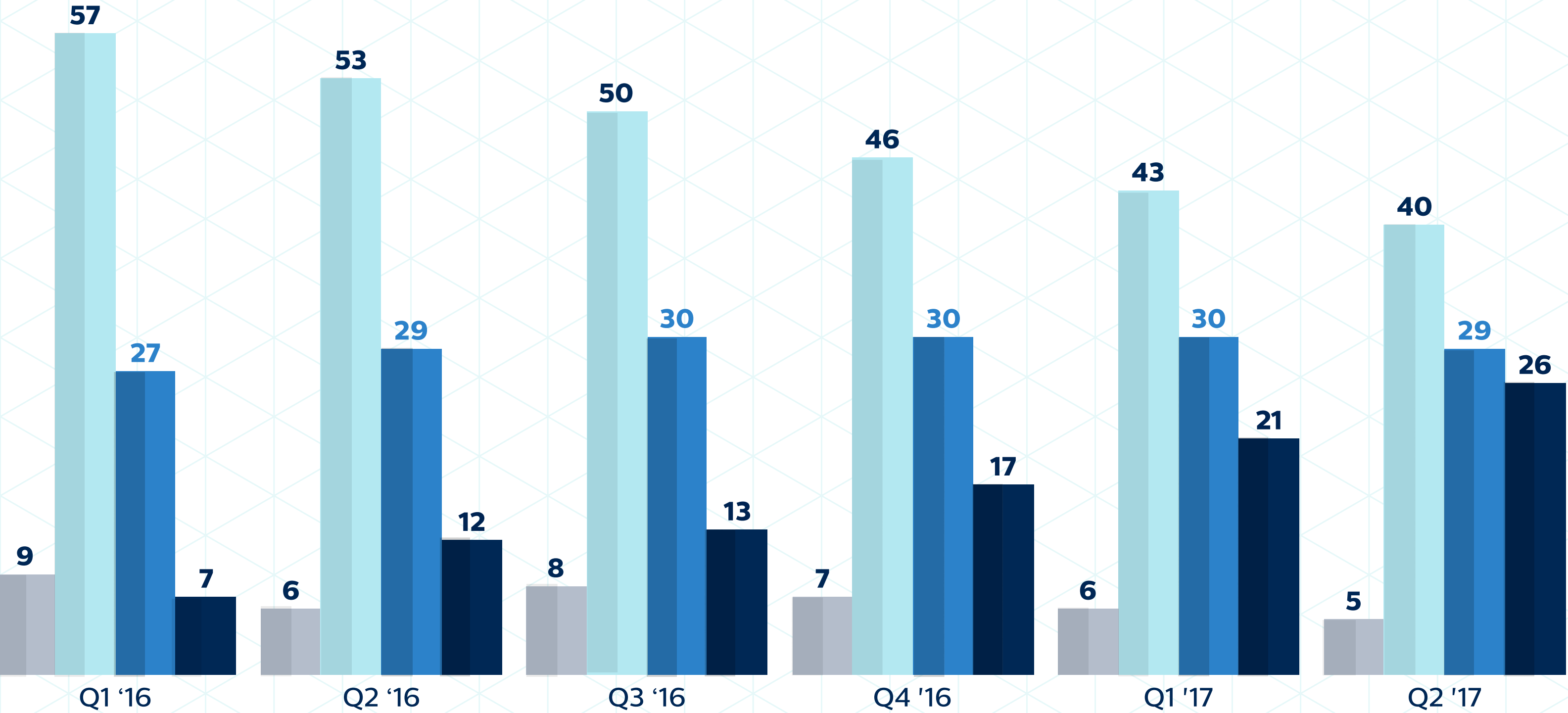
Upselling Dynamics in Fixed Broadband



Capacity Breakdown

(% of Subscribers)

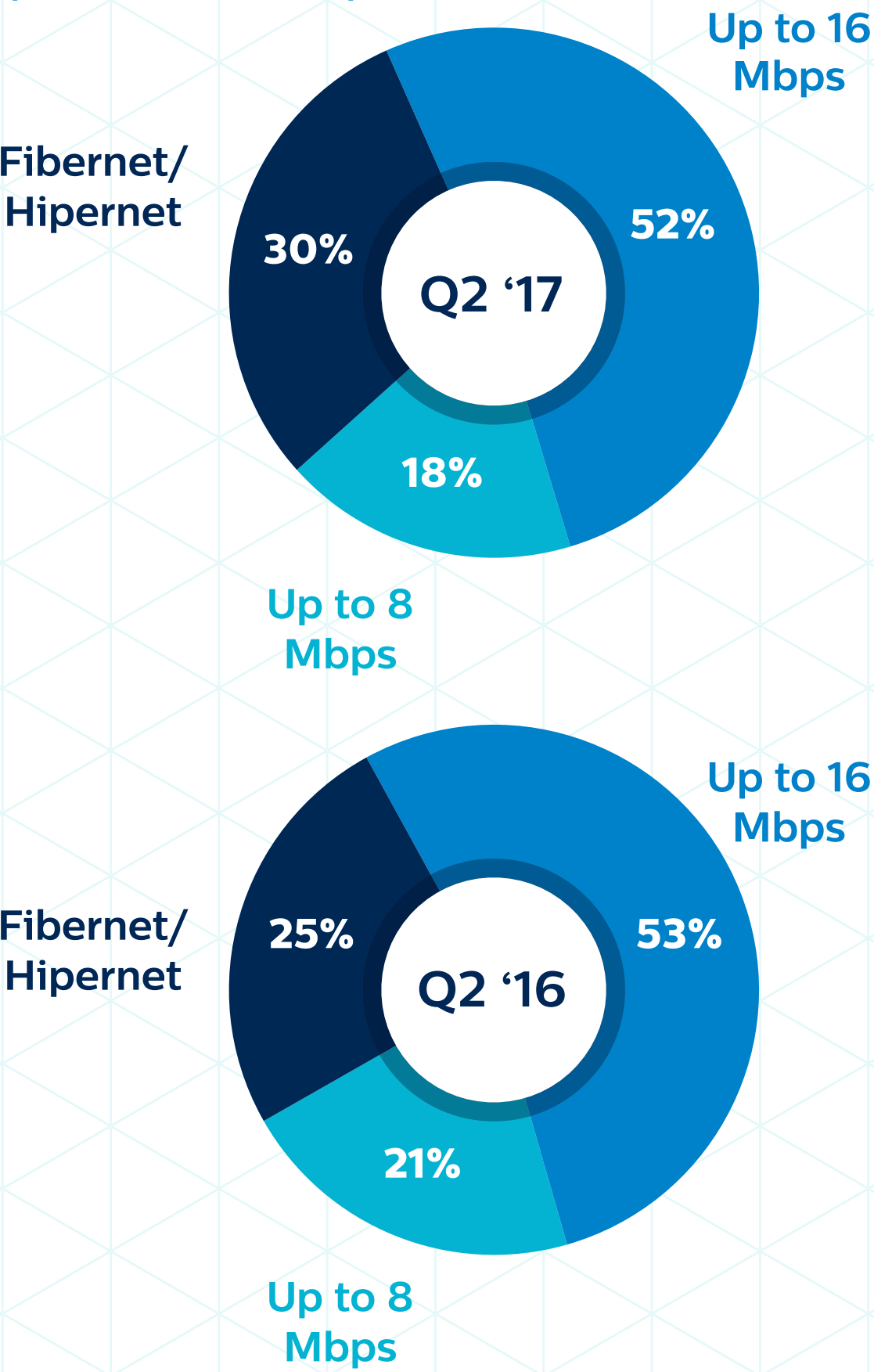
■ 25 GB & Below ■ 25 to 50 GB ■ 50 to 75GB ■ Above 75 GB



All figures are based on Türk Telekom's retails subscribers

Speed Breakdown

(% of Subscribers)



Nationwide Fiber

Türk Telekom Fiber Network



Superonline Fiber Network



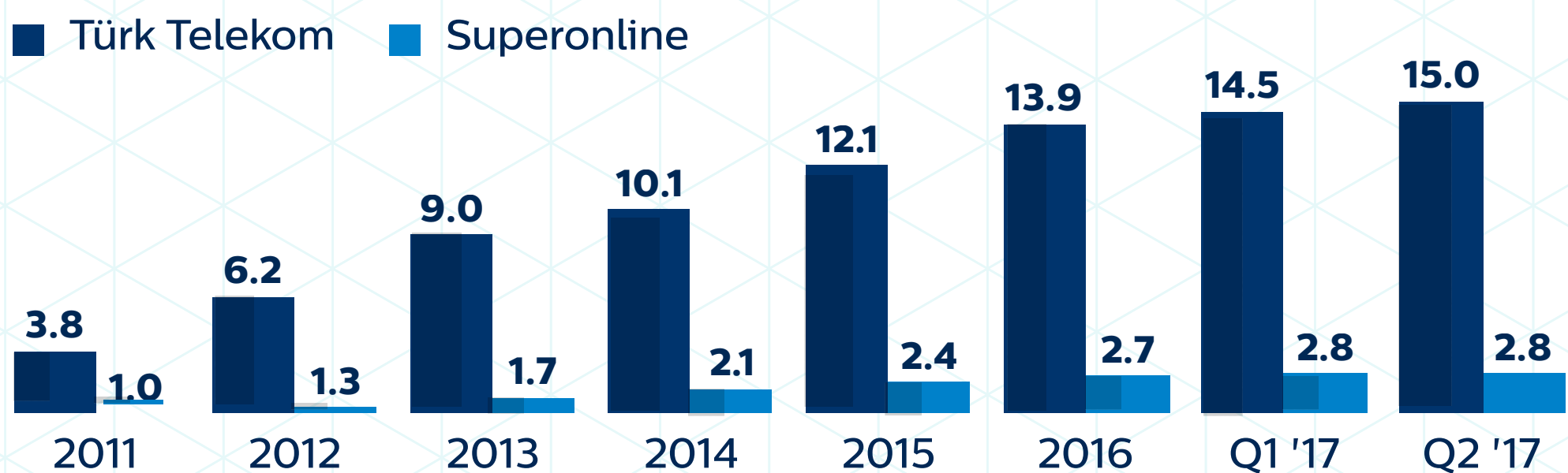
38.5K km fiber length

Wholesale customer of Türk Telekom

Based on Turkcell's own publications as of Q2 '17

Fiber Homepass

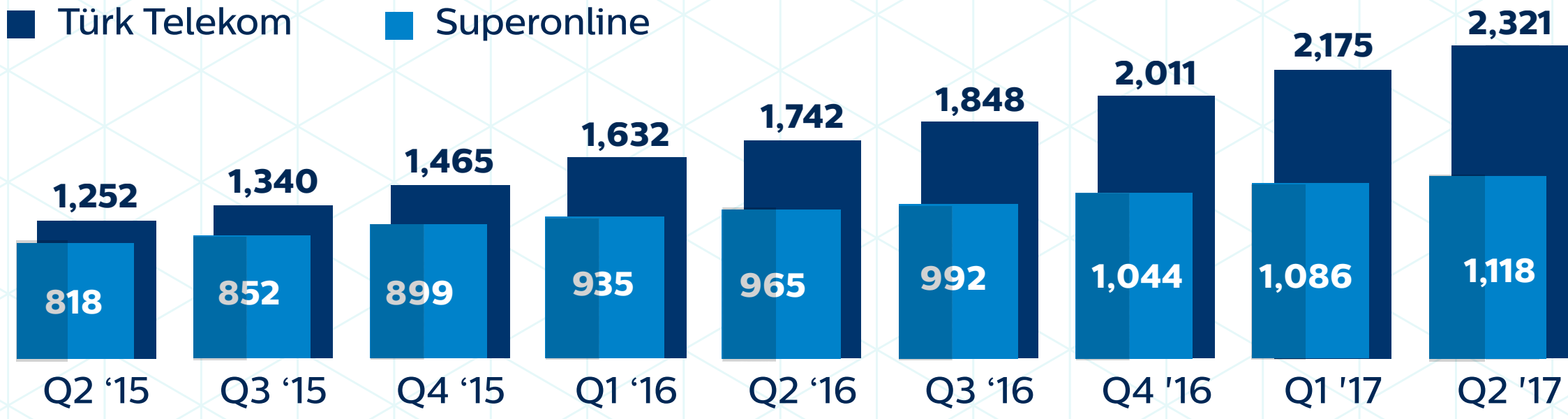
(mn)



Fiber homepass includes FTTH/B & FTTC

Fiber Subscribers

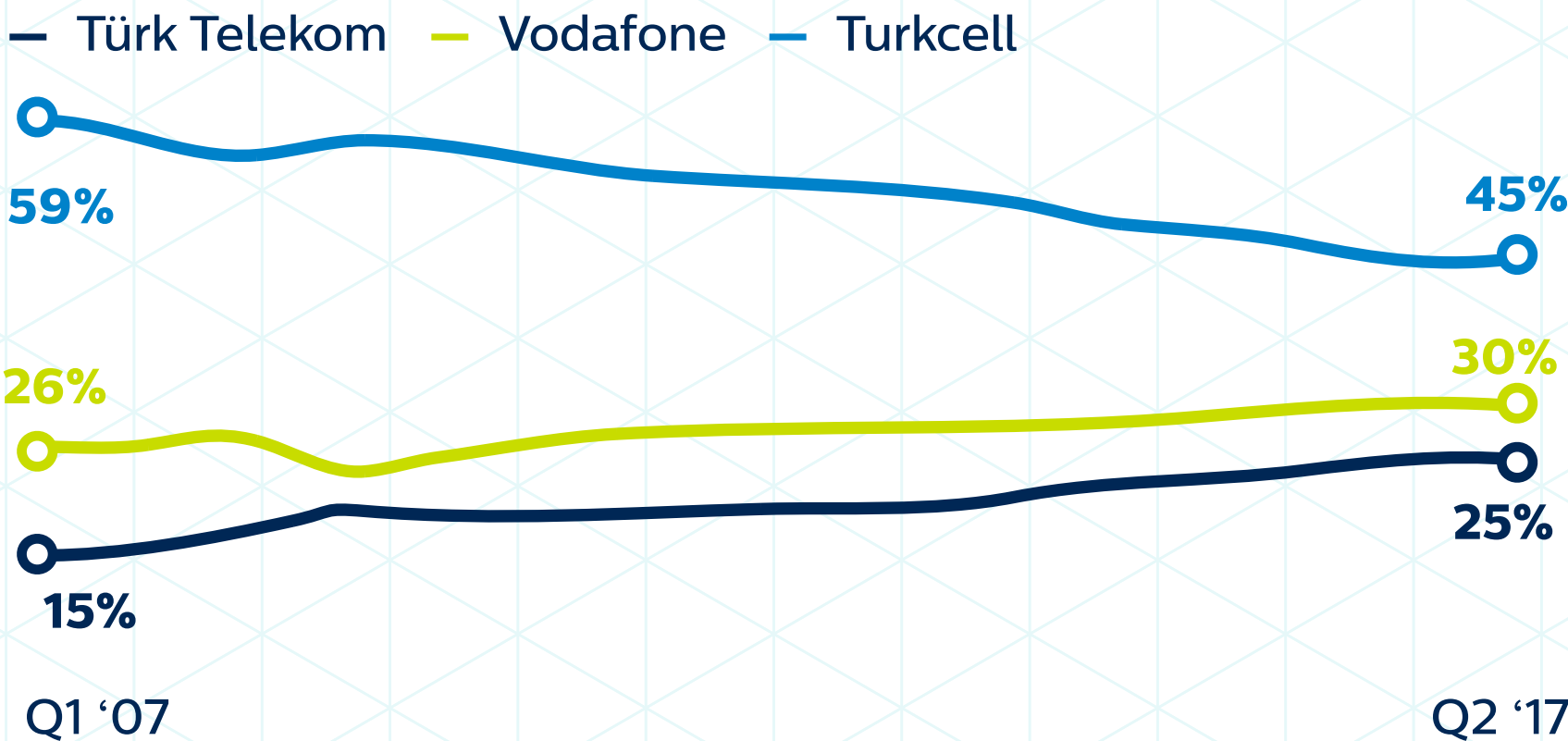
(thousand)



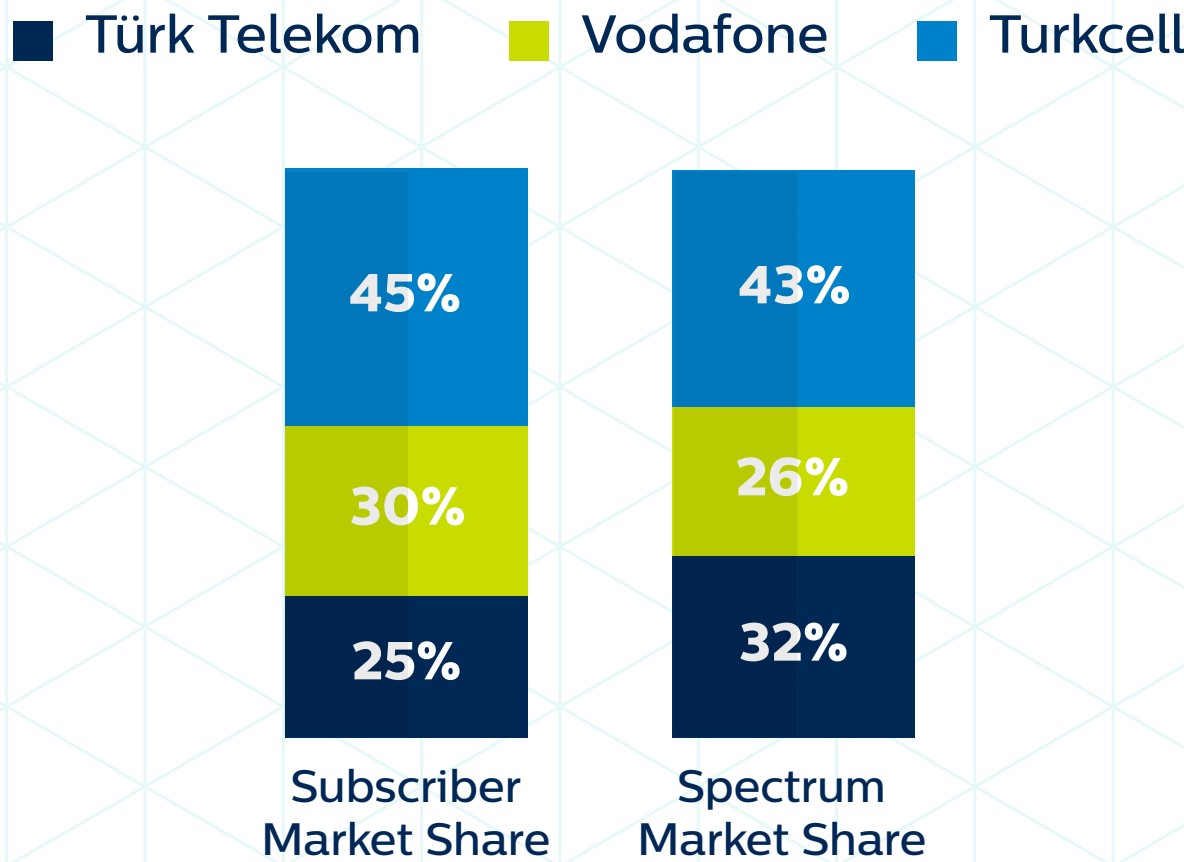
Fiber subscribers include FTTH/B & FTTC subscribers

Mobile Market

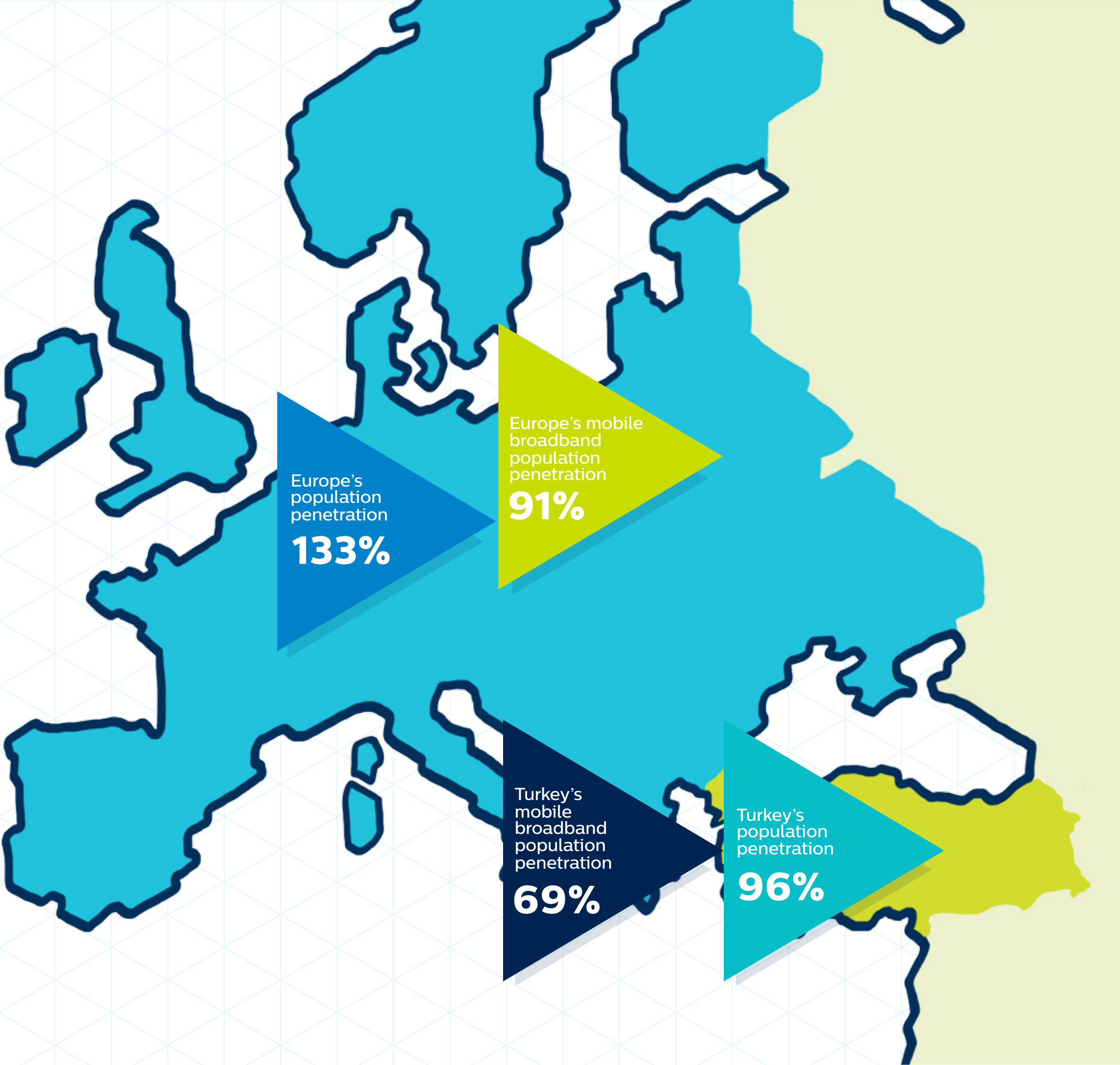
Subscriber Market Share



Subscriber vs. Spectrum Market Share



Other operators' data are from their own publications as of Q2 '17

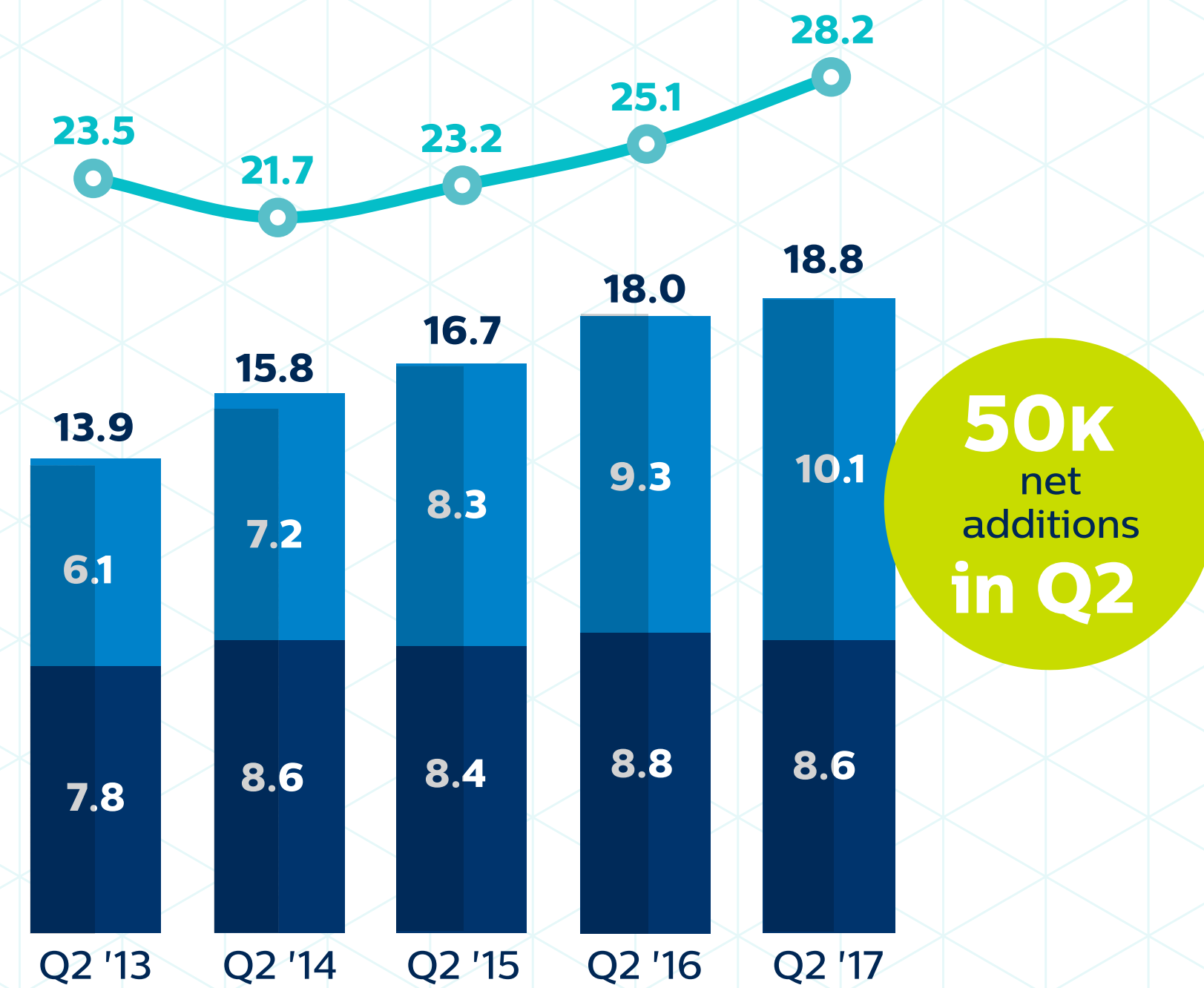


Source: ICTA, Q2 '17 Market Report
European countries include: FIN, DEN, GRE, AUS, SWE, POR, SWI, IT, GER, NOR, BEL, UK, NL, SP, FR

Mobile Performance

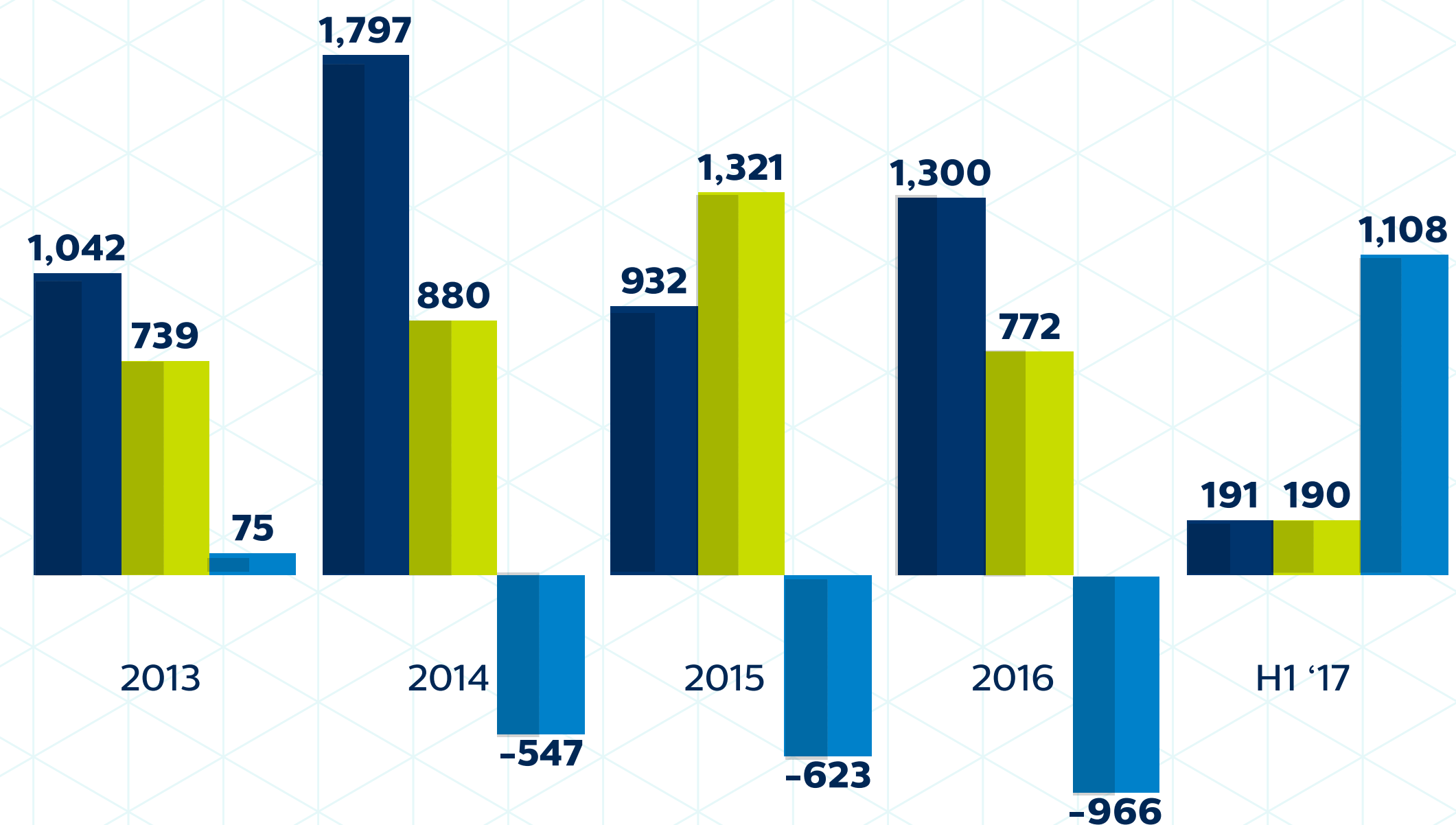
Growing ARPU & Subscribers

○ Blended ARPU (TL)
■ Prepaid (mn) ■ Postpaid (mn)



Net Subscriber Addition

■ Türk Telekom ■ Vodafone ■ Turkcell



Other operators' data are from their own publications.



LTE Key Metrics

77%
LTE population
coverage

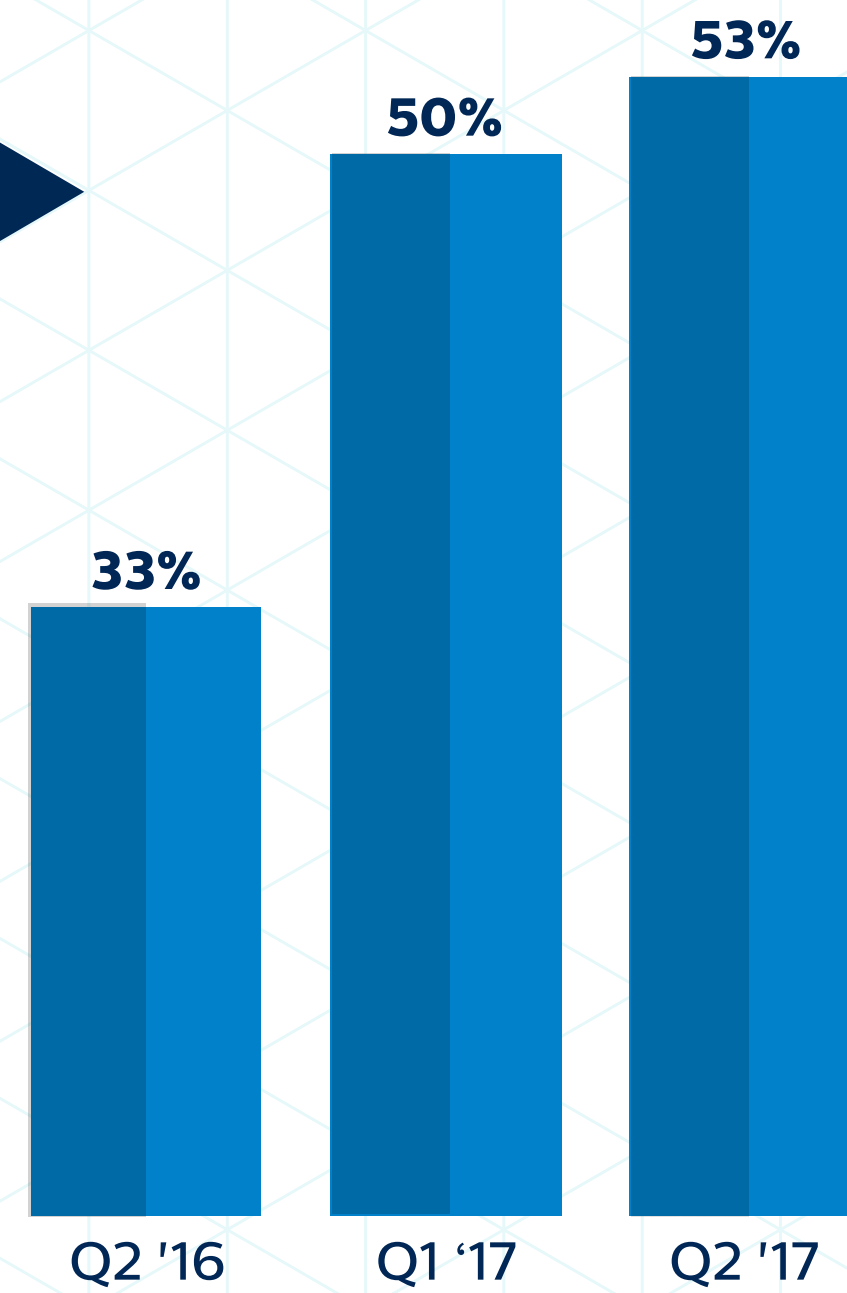
60%
of smartphone
users on LTE devices

above **60%**
of LTE base stations
fiber-connected

Monetizing Data

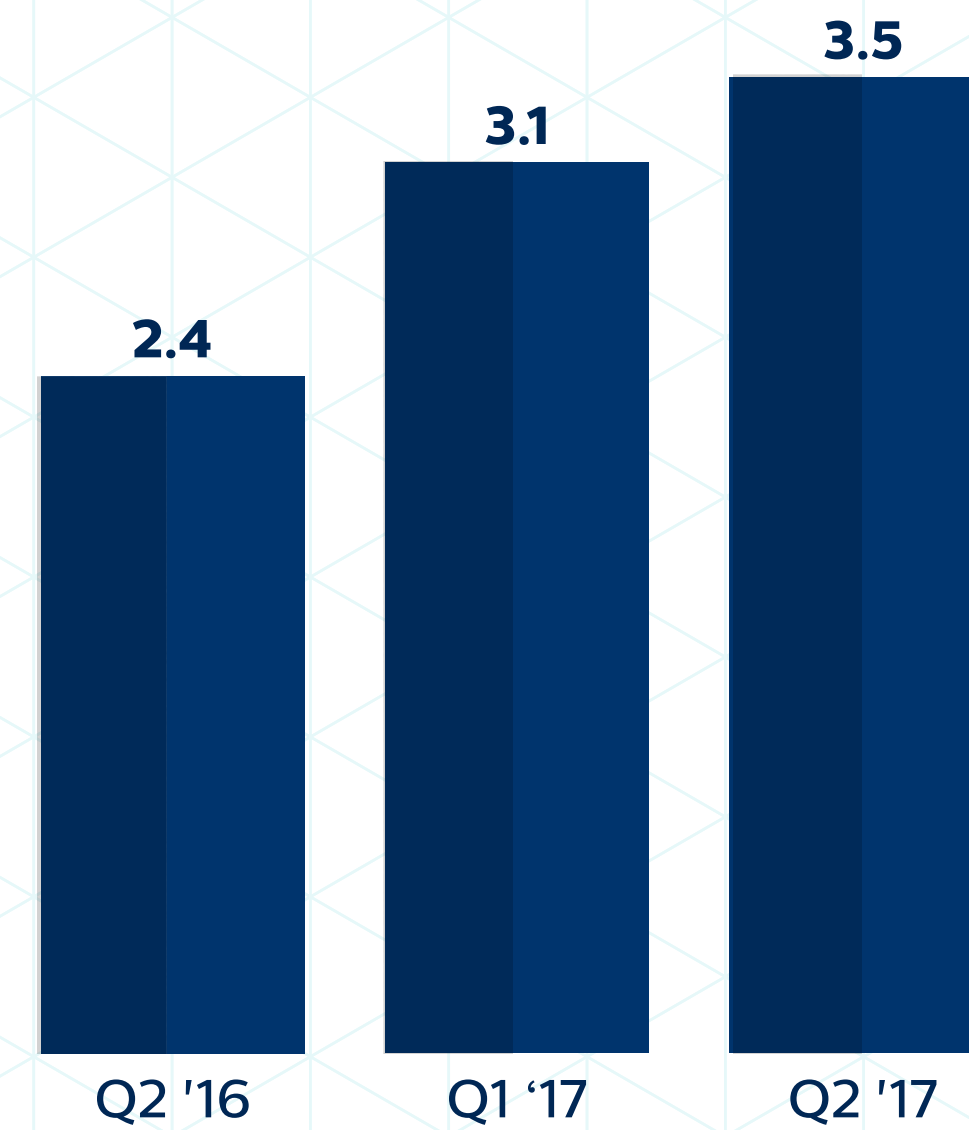
Data Revenue

(Service revenue shares)



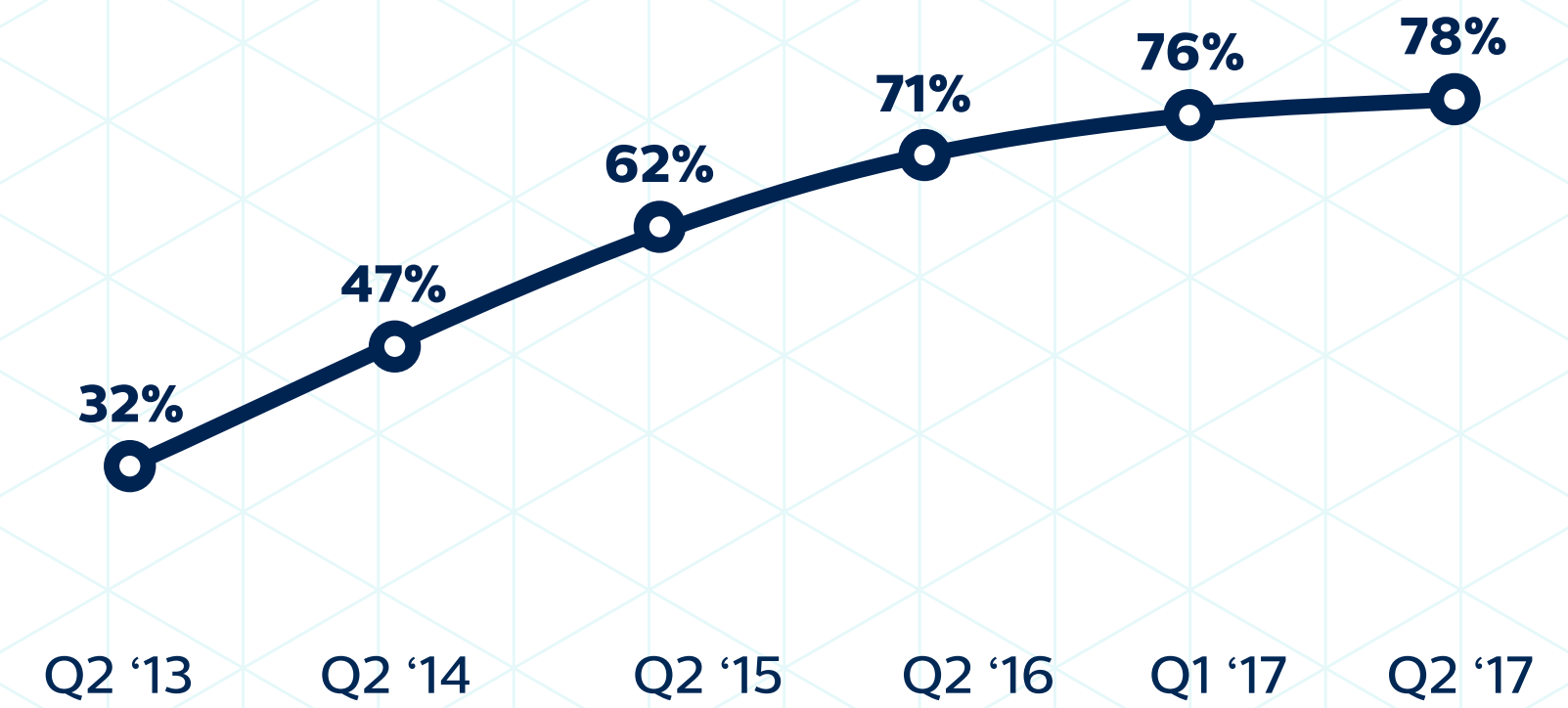
Avg. Monthly Mobile Data Usage

(GB per user¹)

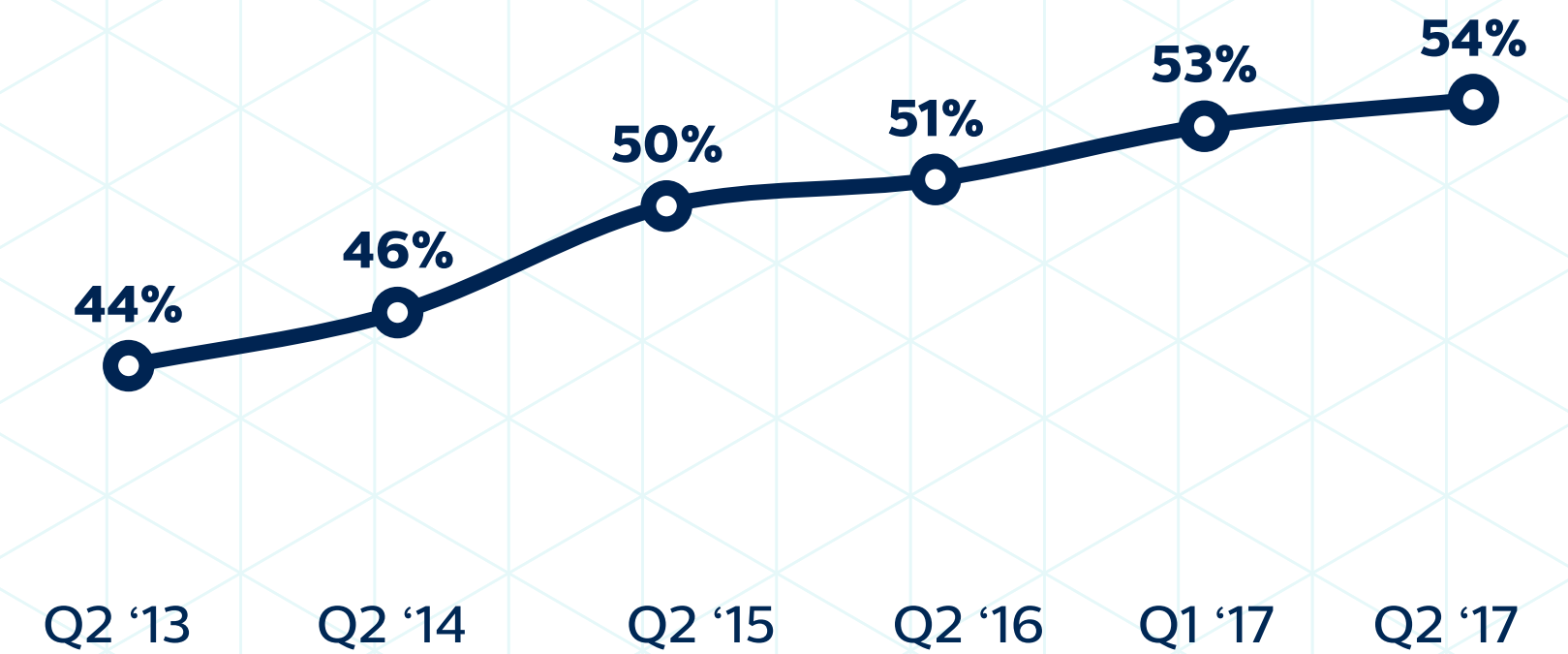


(1) Türk Telekom smartphone users

Smartphone Penetration



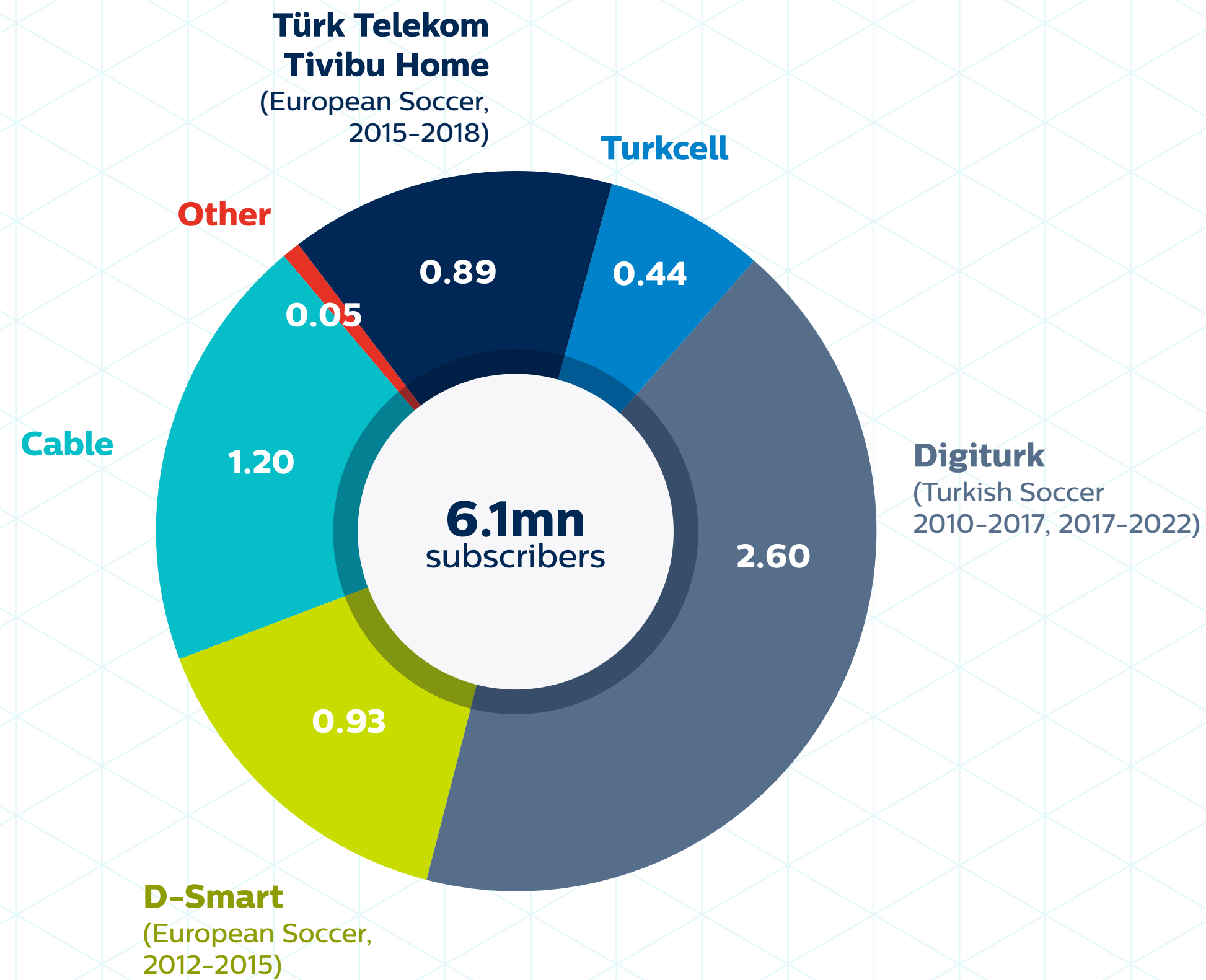
Postpaid Ratio



Pay TV Market

Subscribers

(mn)



Source: ICTA Q2 '17 report



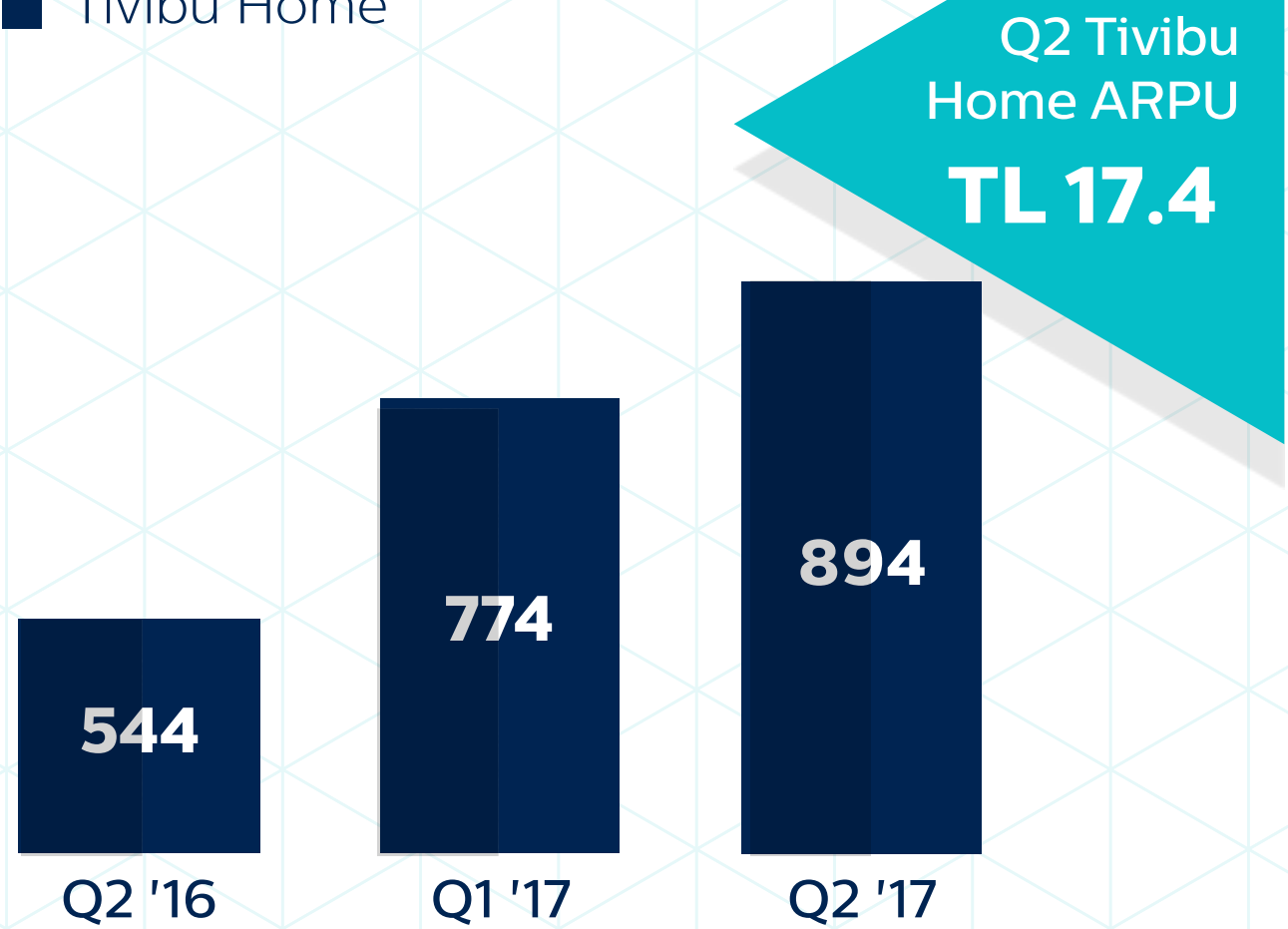
Source: Analysys Mason, Pay-TV quarterly Metrics, Q1 '17 Report
European countries include FR, DE, IE, IT, PT, ES, UK, SWE

TV Performance

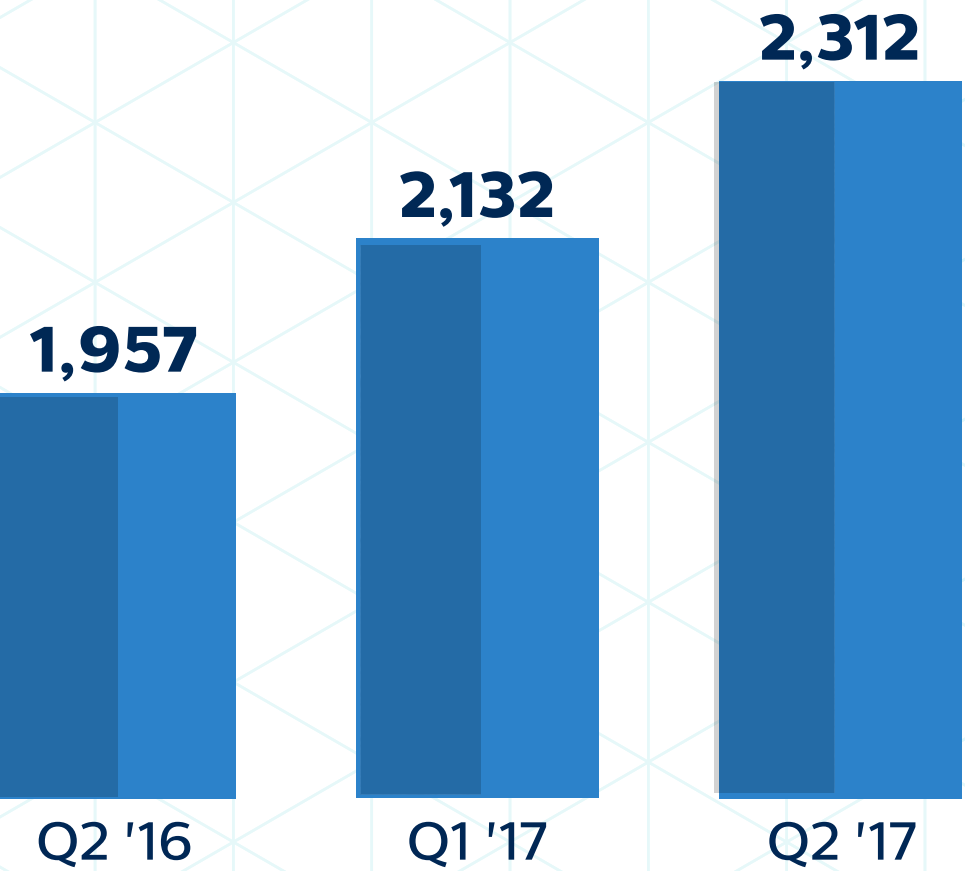
Türk Telekom Tivibu

Subscribers (thousand)

■ Tivibu Home



■ Total TV (inc. Tivibu Home)



121K net additions in Q2'17
in Tivibu Home



Technology



Exclusive Content

Türk Telekom

IPTV + DTH

- ▶ Champions League
- ▶ UEFA Europe League

Turkcell

IPTV

English Premier League

Digiturk

DTH

Turkish Soccer League

D-Smart

DTH

None

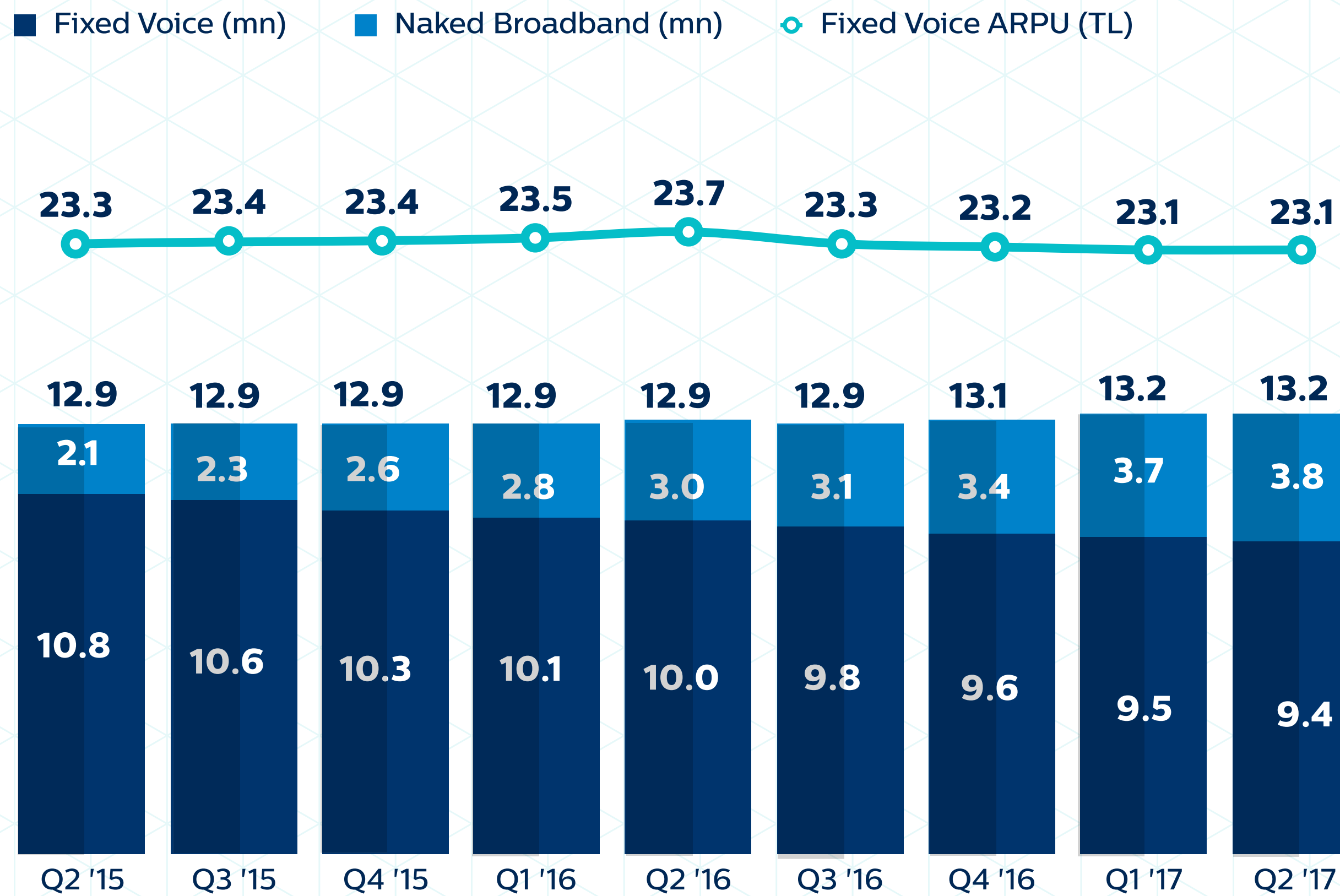
Cable

Cable

None

Fixed Voice

Access Lines and ARPU





Financials

Summary Income Statement

(TL mn)	2016 6M	2017 6M	YoY Change	Q2 '16	Q2 '17	YoY Change
Revenues	7741	8,808	13.8%	3,940	4,501	14.2%
EBITDA	2,584	3,240	25.4%	1,322	1,712	29.5%
Margin	33.4%	36.8%		33.6%	38.0%	
Operating Profit	1,231	1,747	41.9%	627	939	49.9%
Margin	16%	20%		15.9%	20.9%	
Financial Income / (Expense)	(242)	(374)	54.5%	(212)	249	n.m.
FX & Hedging Gain / (Loss)	(168)	(161)	(4.3%)	(88)	339	n.m.
Interest Income/(Expense)	(12)	(170)	1,303.0%	(93)	(85)	(8.6%)
Other Financial Income/ (Expense)	(62)	(43)	(30.5%)	(31)	(6)	(81.8%)
Tax Expense	(333)	(417)	25.2%	(168)	(298)	78.1%
Net Income	655	955	45.8%	248	890	259.2%
Margin	8.5%	10.8%		6.3%	19.8%	

Note: FX Rates used in financial income/expense calculation are as follows: **June -17:** USD/TL: 3.5071; EUR/TL: 4.0030

Summary Balance Sheet



(TL mn)	30.06.2016	31.03.2017	30.06.2017
Total Assets	26,626	26,702	25,733
Intangible Assets ¹	8,076	8,480	8,252
Tangible Assets ²	8,752	8,313	8,358
Other Assets ³	6,583	7,273	7,000
Cash and Equivalents	3,214	2,636	2,123
Total Equities and Liabilities	26,626	26,702	25,733
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	1,395	211	1,084
Interest Bearing Liabilities ⁴	13,722	15,594	14,754
Provisions for Employee Termination Benefits	601	637	651
Other Liabilities ⁵	7,648	7,000	5,983

(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, prepaid expenses, 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, employee benefit obligations, deferred revenue, other current liabilities, and minority put option liability



Summary Cash Flow Statement



(TL mn)	2016 6M	2017 6M	YoY Change	Q2 '16	Q2 '17	YoY Change
Operating Cash Flow	1,376	1,930	40.2%	880	1,500	70.5%
Investing Cash Flow	(1,973)	(2,033)	3.0%	(1,513)	(1,417)	(6.3%)
CAPEX	(1,995)	(1,892)	(5.1%)	(1,526)	(1,450)	(5.0%)
Other Investing Activites	22	(141)	n.m.	13	32	149.6%
Financing Cash Flow ¹	926	(765)	n.m.	(824)	(581)	(29.5%)
Net Change in Cash Position ²	329	(868)	n.m.	(1,458)	(498)	(65.8%)

(1)Includes currency translation differences

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



Summary Revenue Breakdown



(TL mn)	2016 6M	2017 6M	YoY Change	Q2 '16	Q2 '17	YoY Change
Fixed Voice	1,435	1,318	(8.2%)	713	655	(8.1%)
Broadband	2,026	2,390	18.0%	1,027	1,203	17.2%
TV	83	108	29.9%	42	57	36.2%
Mobile	2,745	3,222	17.4%	1,413	1,655	17.1%
Corporate Data ¹	639	714	11.7%	319	364	14.1%
International Revenue	237	281	18.4%	118	146	23.5%
Domestic Interconnection	9	6	(32.6%)	4	3	(29.3%)
Rental income from GSM Operators	38	42	12.1%	19	20	7.7%
Other ²	415	391	(5.9%)	186	209	12.6%
Construction Adjustment (IFRIC-12)	160	378	136.9%	120	209	74.0%
Eliminations	(46)	(43)	(7.2%)	(22)	(23)	1.4%
Total Revenue	7,741	8,808	13.8%	3,940	4,501	14.2%

(1) Includes leased line and data services

(2) Includes ICT companies, device sales, other

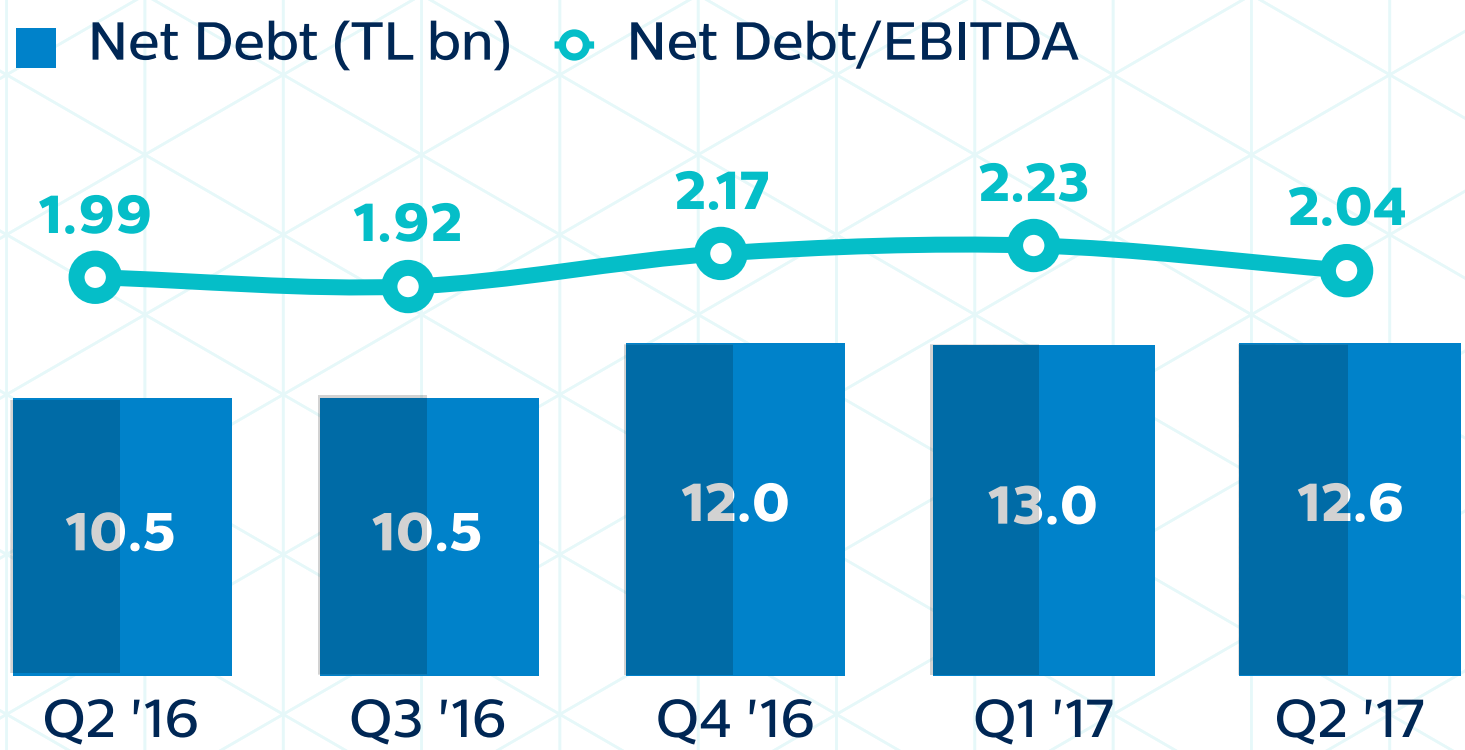
Summary OPEX Breakdown

(TL mn)	2016 6M	2017 6M	YoY Change	Q2 '16	Q2 '17	YoY Change
Direct Costs	1,713	1,894	10.5%	863	978	13.3%
Interconnection	641	716	11.6%	327	368	12.2%
Tax	552	634	14.8%	286	326	13.9%
Provisions for Doubtful Receivables	182	222	22.0%	94	109	16.0%
Cost of Equipment and Technology Sales	204	178	(13.2%)	87	99	13.8%
Other Direct Costs	133	144	8.2%	68	76	11.6%
Commercial Costs	857	820	(4.3%)	404	430	6.3%
Other Costs	2,446	2,519	3.0%	1,244	1,197	(3.9%)
Network & Technology	757	869	14.9%	395	431	9.1%
Personnel	1,363	1,389	1.9%	675	655	(2.8%)
Other	325	261	(19.8%)	175	110	(37.0%)
Sub Total	5,016	5,233	4.3%	2,512	2,604	3.7%
Construction Cost Adjustment (IFRIC - 12)	141	335	136.8%	106	184	73.6%
Total OPEX	5,157	5,568	8.0%	2,618	2,789	6.5%

Note: Please find the reclassifications as of 31 March 2017 related to operational expenses on our website in Summary Financial Operational Information xls.

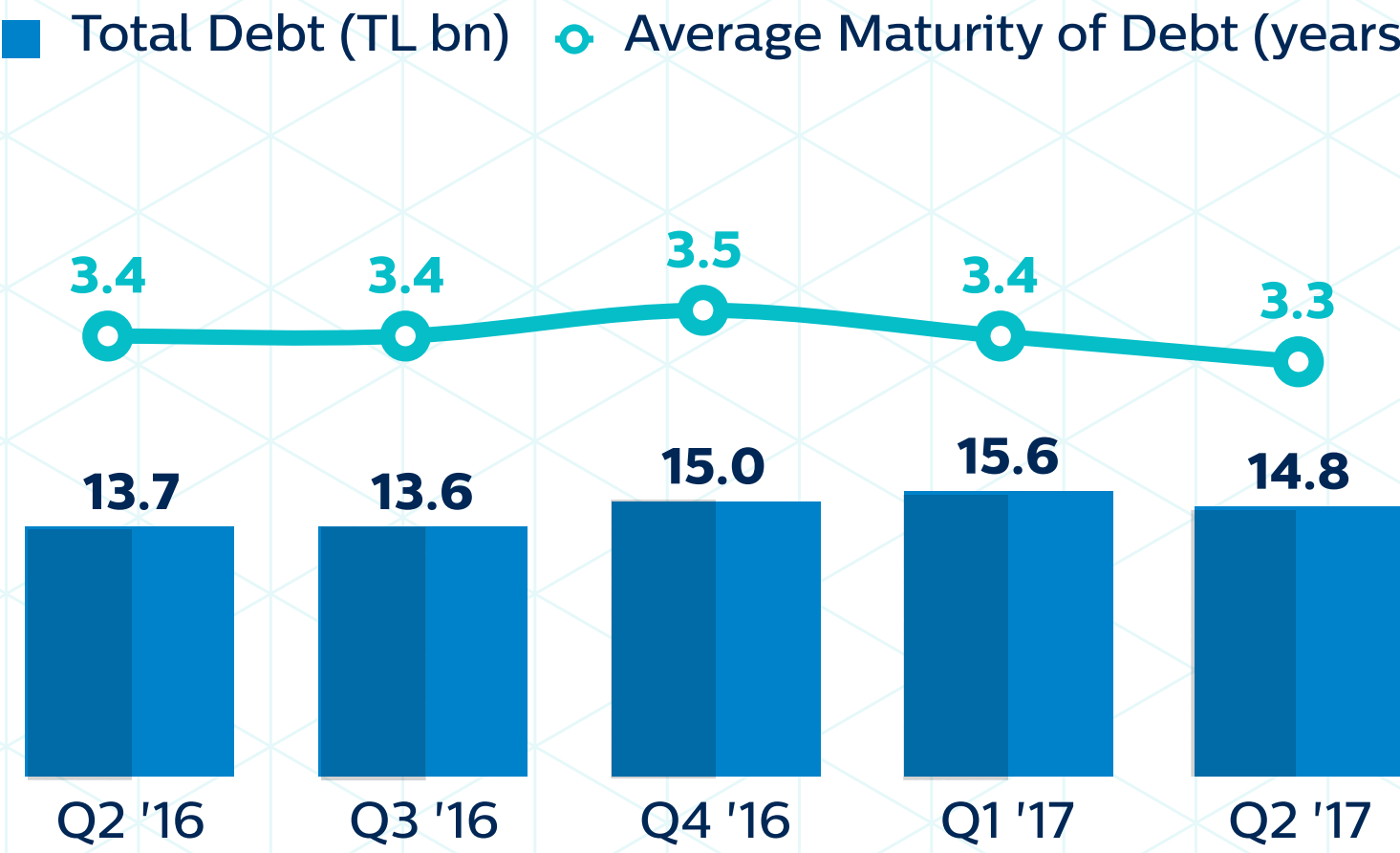
Debt Profile

Net Debt

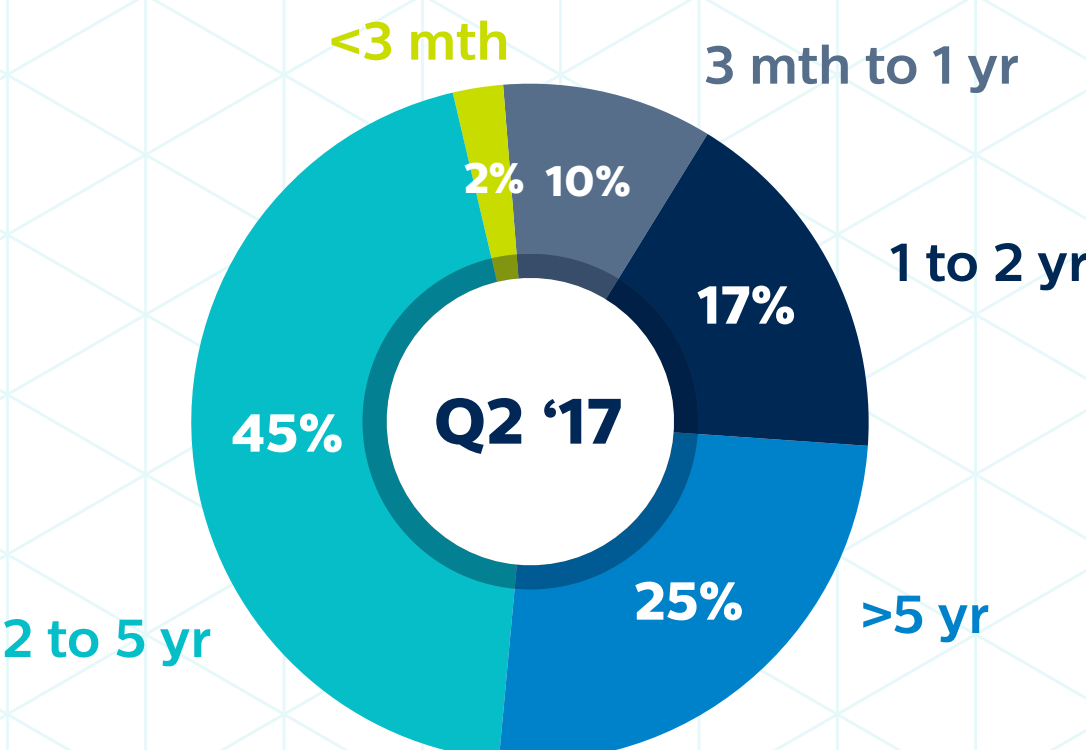


Note: In Q4 '16, Q1 '17 and Q2 '17 Net Debt/EBITDA calculation excludes extraordinary claims.

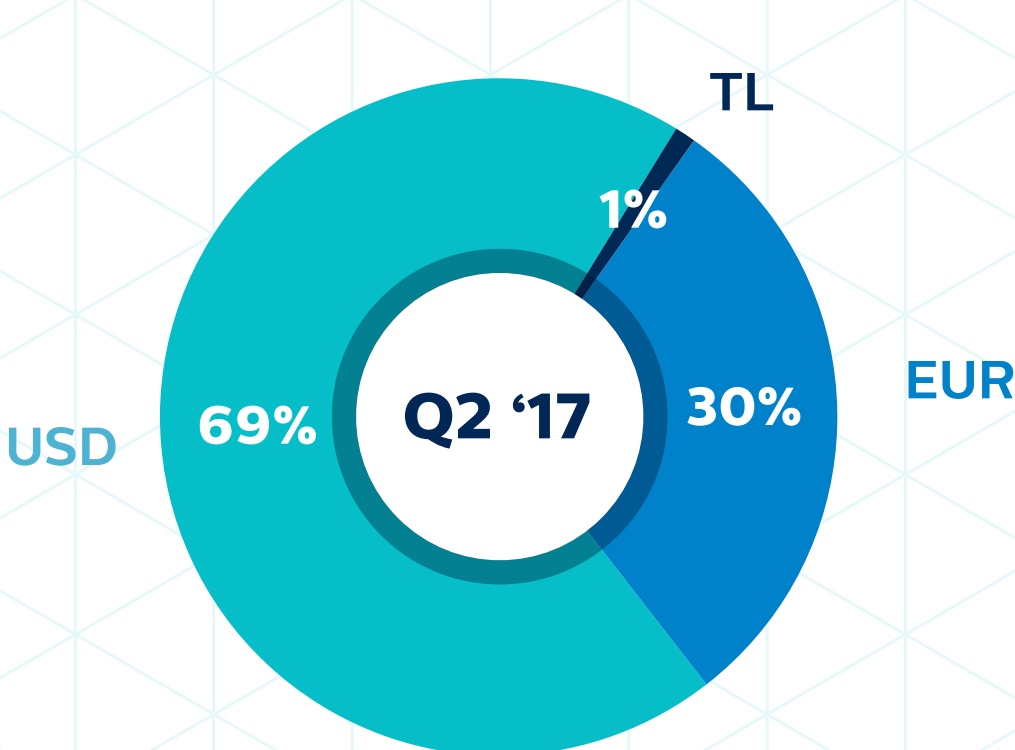
Average Maturity of Debt



Maturity Profile

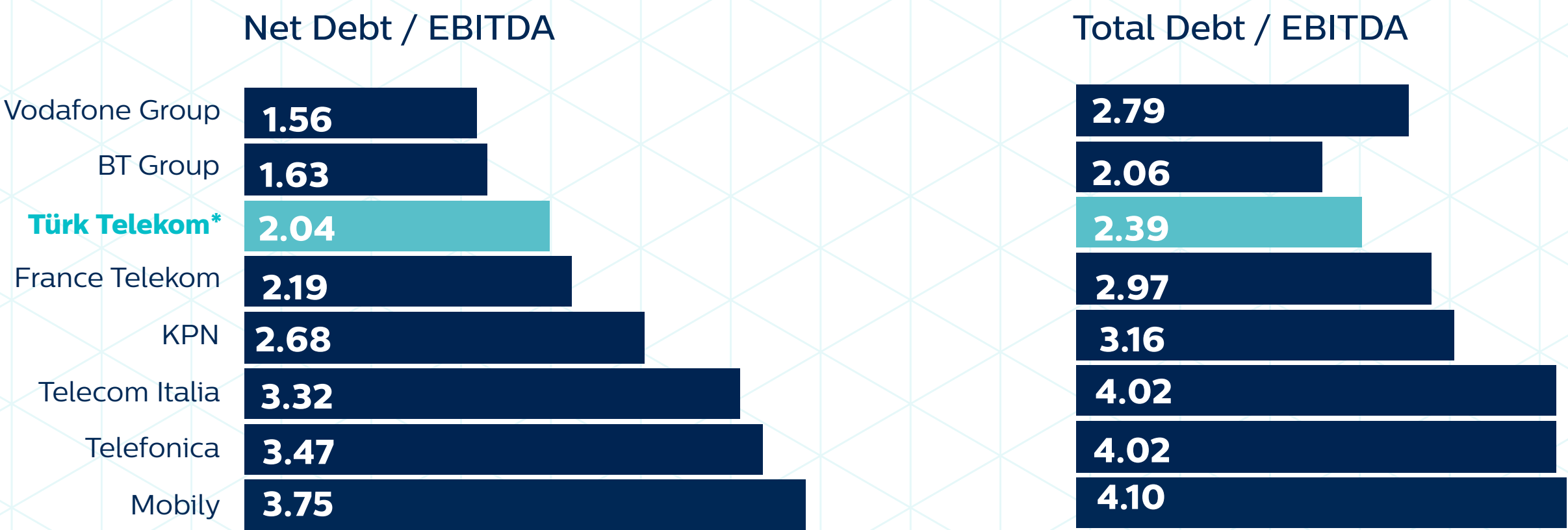


Debt Breakdown



Note: Hedging activities are available on financial footnotes

Low debt burden compared to peers



Source: Bloomberg

Operational Highlights



	2016 Q2	2017 Q1	2017 Q2	YoY Change	QoQ Change
Total Access Line (mn)	12.9	13.2	13.2	2.4%	0.6%
Fixed Voice Lines ¹ (mn)	10.0	9.5	9.4	(5.3%)	(0.7%)
Naked DSL Lines (mn)	3.0	3.7	3.8	28.5%	3.9%
Fixed Voice ARPU (TL)	23.7	23.1	23.1	(2.4%)	0.1%
Broadband Total Subscribers (mn)	8.3	8.9	9.1	9.5%	2.1%
FTTH/B Subscribers ('000)	809	902	931	15.1%	3.2%
FTTC Subscribers ('000)	933	1,273	1,389	49.0%	9.2%
Broadband ARPU (TL)	41.5	45.0	44.6	7.5%	(0.9%)
Total Tivibu Subscribers² (mn)	2.0	2.1	2.3	18.1%	8.4%
Tivibu Home Subscribers ³ ('000)	544	774	894	64.4%	15.6%
Tivibu Home ARPU (TL)	19.0	17.9	17.4	(8.3%)	(3.0%)
Mobile Total Subscribers (mn)	18.0	18.7	18.8	4.0%	0.3%
Mobile Postpaid Subscribers (mn)	9.3	10.0	10.1	9.5%	1.5%
Mobile Prepaid Subscribers (mn)	8.8	8.7	8.6	(1.8%)	(1.2%)
Mobile Blended ARPU (TL)	25.1	26.7	28.2	12.2%	5.5%
Mobile Postpaid ARPU (TL)	33.1	35.0	36.6	10.7%	4.5%
Mobile Prepaid ARPU (TL)	16.4	16.9	17.9	9.2%	5.7%

(1) Includes PSTN and WLR Lines

(2) Includes IPTV, DTH, and Tivibu Go (Web TV + Smart TV) subscribers

(3) Includes IPTV and DTH subscribers

Guidance

TL mn	2016 YE	2017 Previous Guidance	2017 Revised Guidance
Revenue (exc. construction adjustment) ¹	15,696	8% to 9% growth	10% to 11% growth
EBITDA	5,470	TL 5.8 to 6.0bn	TL 6.3 to 6.4bn
CAPEX²	3,027	~TL 3bn	~TL 3.3bn

(1) Construction accounting adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure, such as the upgrade from copper to fiber based network

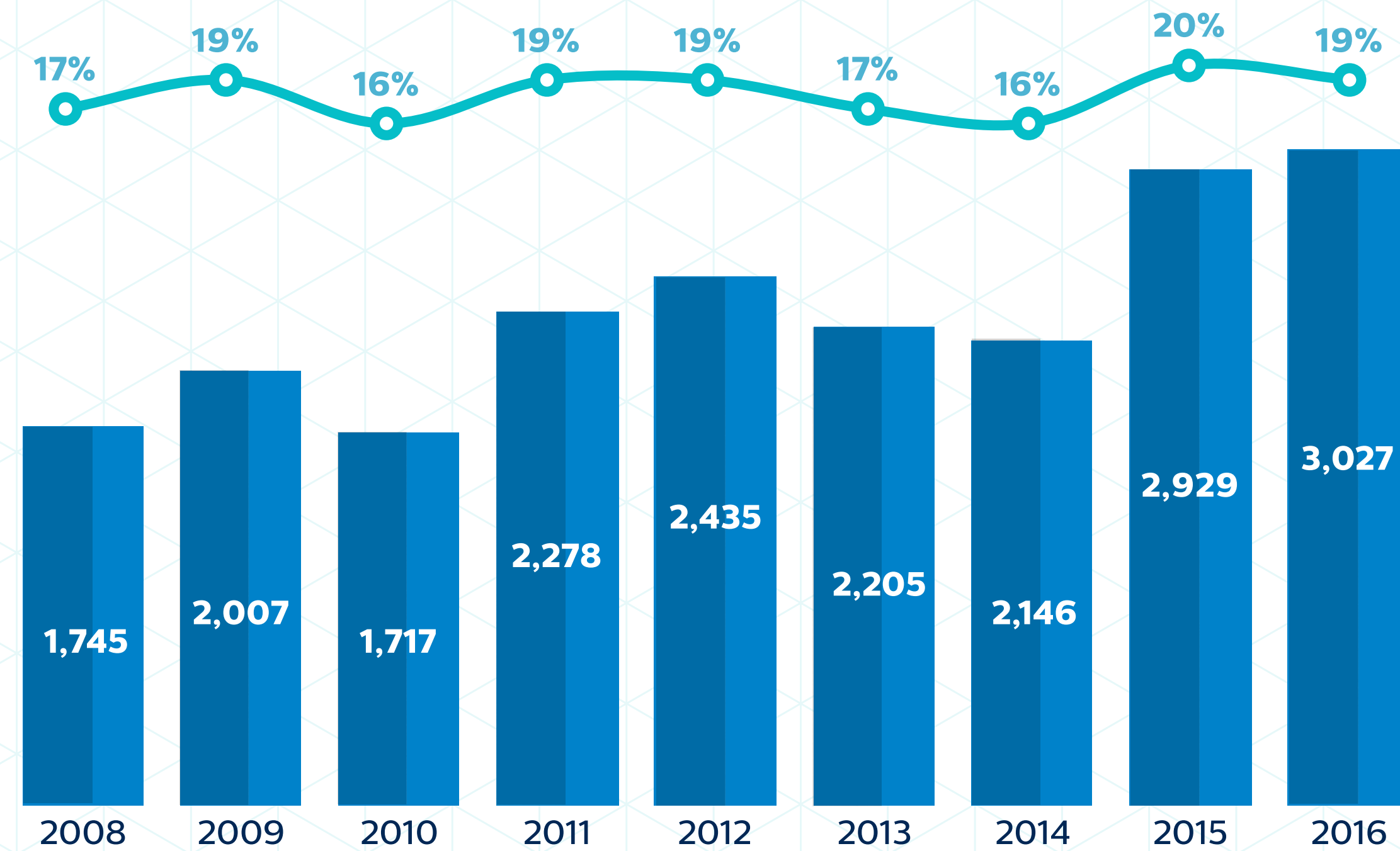
(2) Excluding license fees

Capex

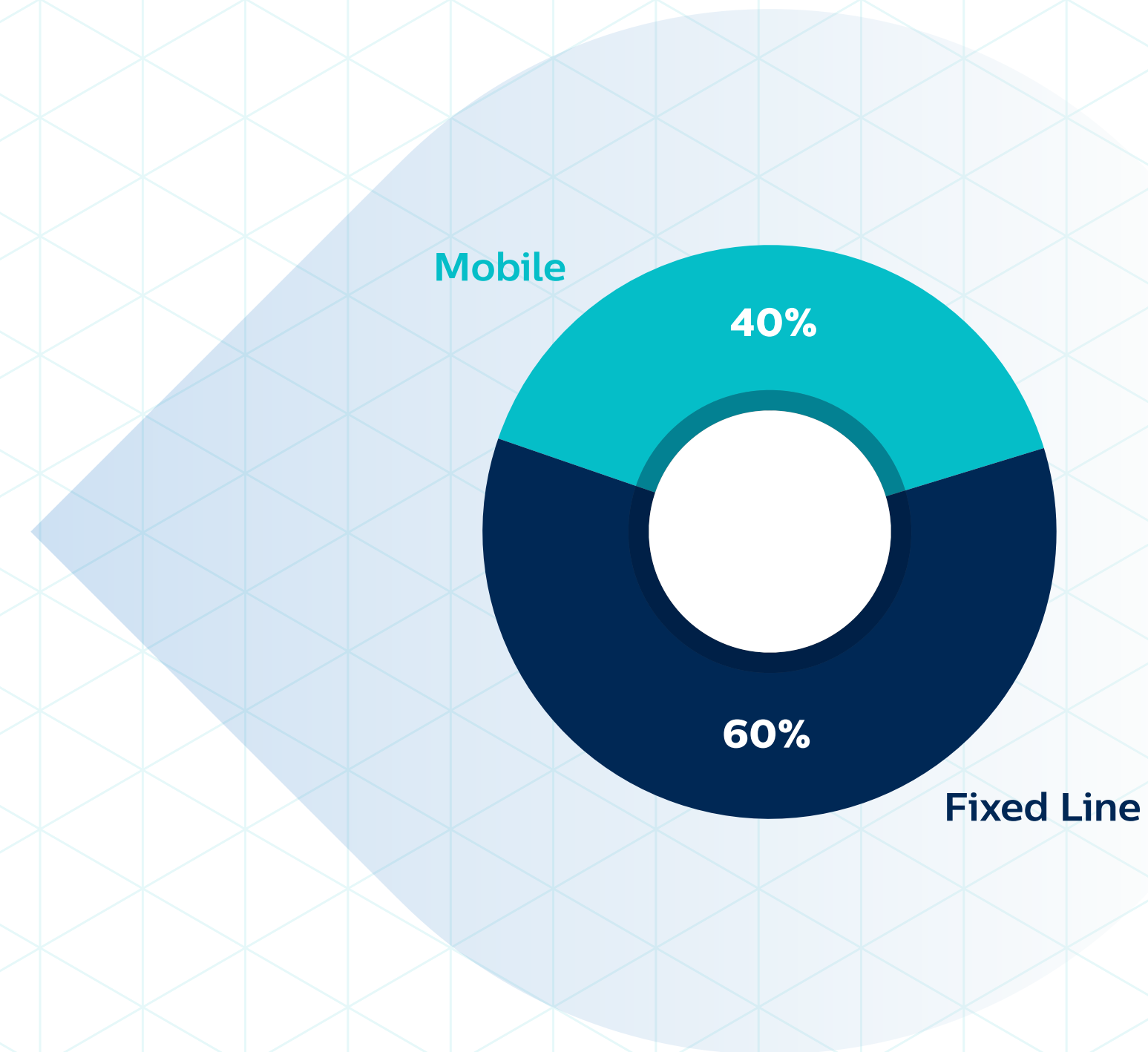
- ▶ Major Capex areas are fiber network roll-out in fixed line and network investments in mobile
- ▶ Türk Telekom's length of total fiber in Turkey is **241K kilometers** as of Q2 '17

Capex* & Capex / Sales

■ CAPEX (TL mn) ● CAPEX/Sales



* Capex figures exclude license fees



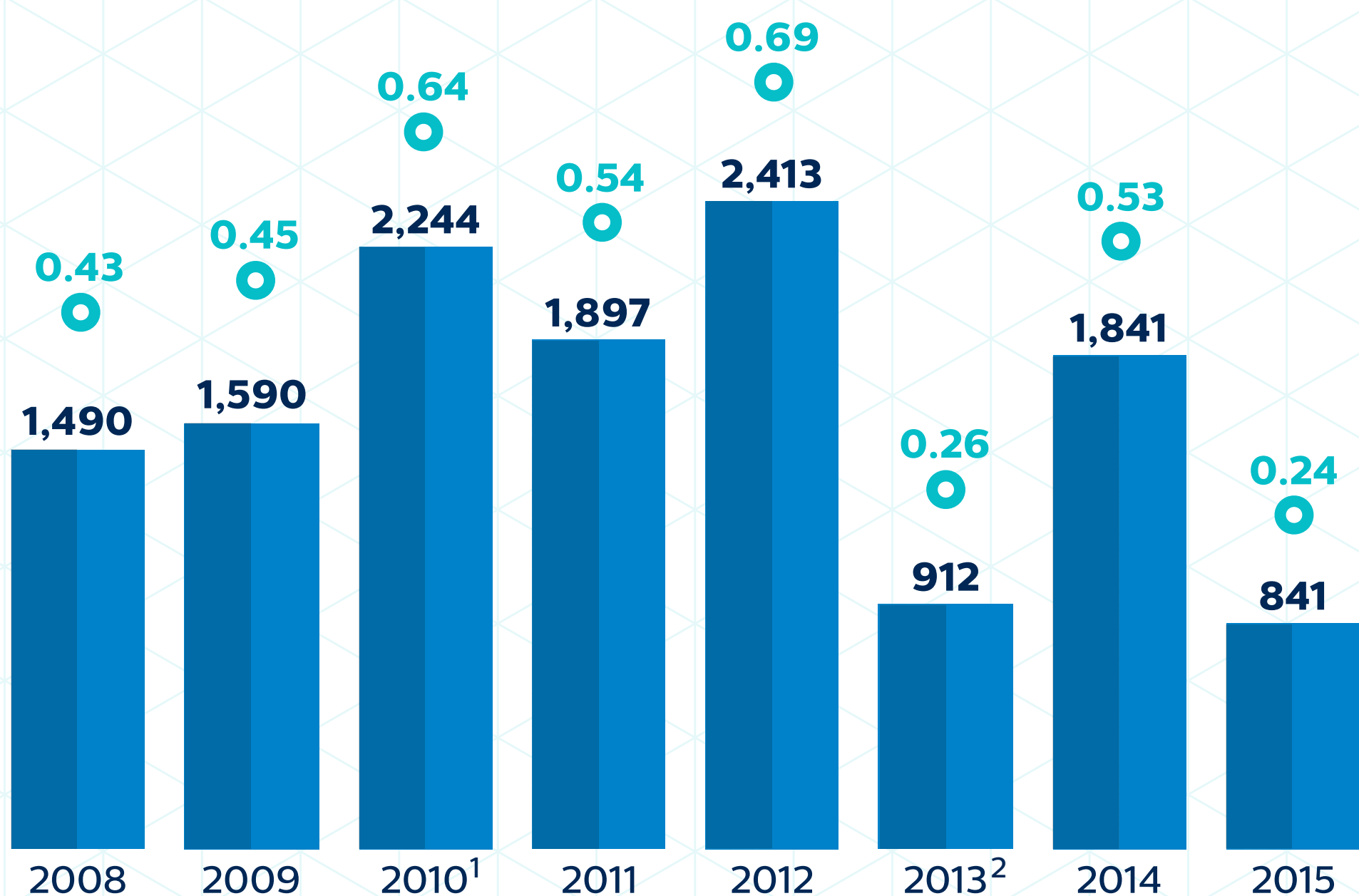
Shareholder Remuneration



Dividend policy is to distribute the maximum amount of distributable profit subject to relevant articles of the Company's Articles of Association

Dividend Distribution

■ Dividend (TL mn)



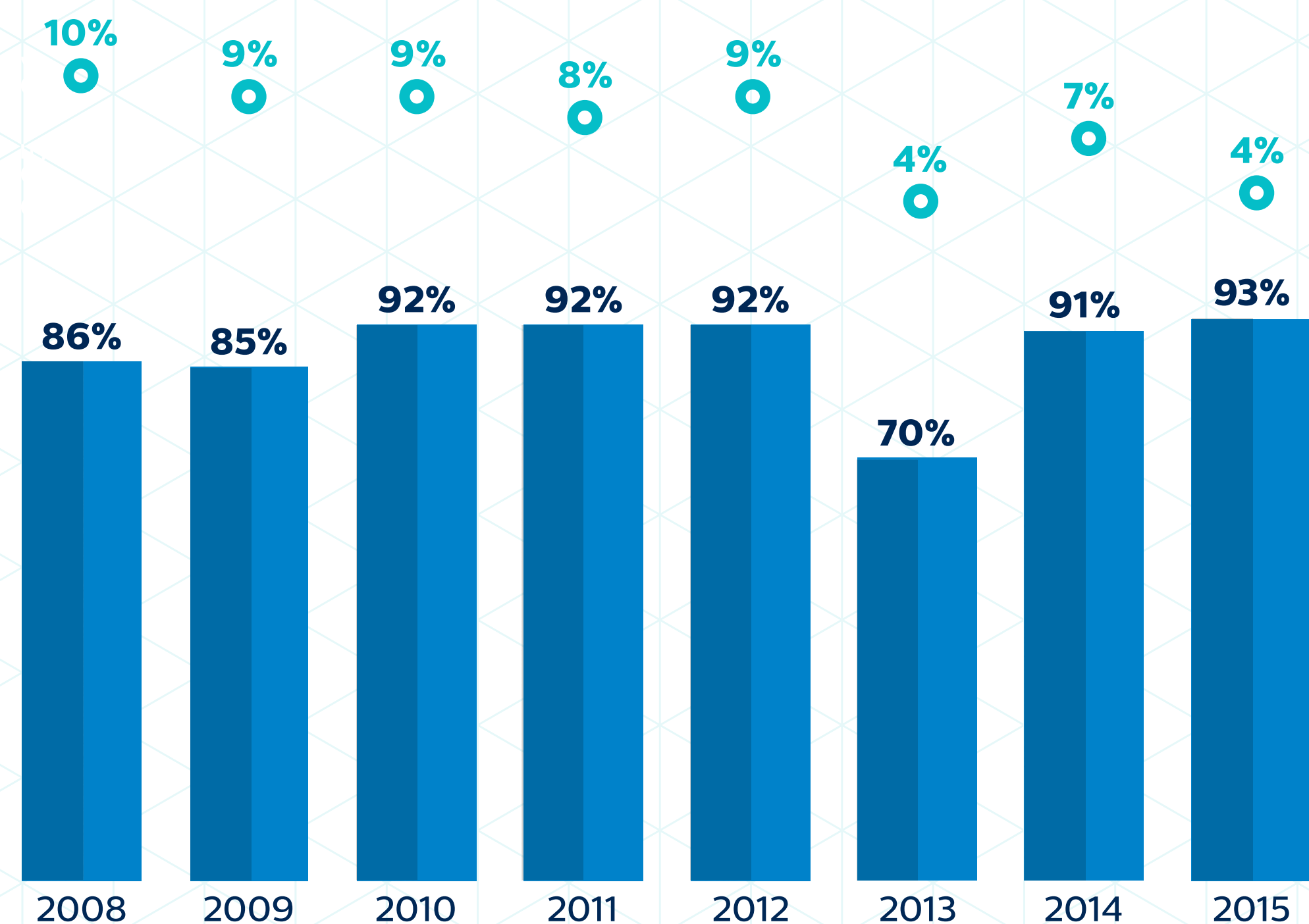
1) The cap in the first legal reserve was reached in 2010

2) 2013 dividend payout ratio was revised to 70% with BoD decision to prepare for any potential transaction for implementation of integration of the group

Note: No dividend shall be distributed for the activity year 2016 according to General Assembly Decision

Dividend Yield & Payout Ratio

■ Dividend Payout Ratio ○ Dividend Yield



Group Companies

Türk Telekom
INTERNATIONAL

A full range of international data infrastructure, internet, and wholesale voice services
Operating in over 40 countries.
Over 40,000 km of own fiber optic network

ARGELA

R&D innovation company focusing on the next generation telecommunication technologies
Partner of Turkey's only national 4G-LTE/5G base station development project "ULAK"
Developing consumer & corporate product innovations to serve both Turk Telekom and other operators

innova

Leading software developer and system integrator
ICT consulting, design, application development, integration and support services.
End-to-end solutions in Healthcare Campus Projects

Türk Telekom

aSSiSTT

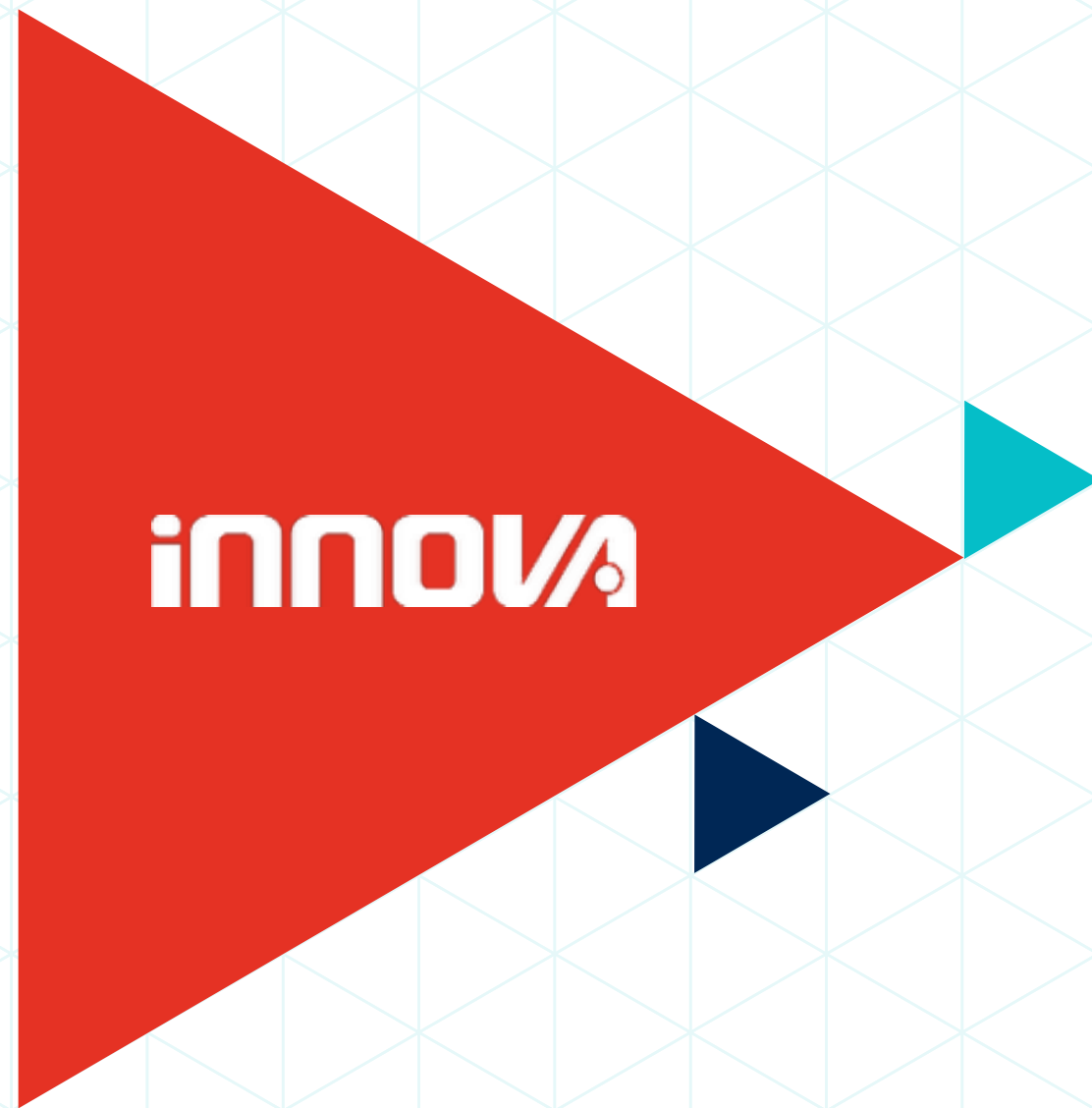
Strategic partner for leading private enterprises and public institutions providing call center services as well as value added services for their sales and marketing activities

s e b i t

Largest educational technologies with 29 years of R&D experience
interactive E-Education products: Raunt, Vitamin
Providing content and platform to E-Education Transformation project (FATİH)

While Türk Telekom unified mobile, fixed voice, fixed broadband and TV brands under single "Türk Telekom" brand, TTNET A.Ş., and Avea İletişim Hizmetleri A.Ş. legal entities remain intact

Group Companies



Innova

- ▶ Leading software developer and integrator in Turkey, providing turnkey innovative software solutions and services including ICT consulting, design, application development, integration, and support services to several sectors ranging from telecommunication to finance, and from healthcare to retail
- ▶ Innova offers both customized/developed products and off-the-shelf solutions of leading global business partners (SAP, HP, Cisco, IBM, Huawei, Microsoft, etc.)
- ▶ Strong contributor of the development and implementation of large-scale projects such as **Smart City** and **Health Campus** projects especially through its system integration capabilities and a partner for third parties like **Turkish Airlines**, **Municipality of Istanbul**, **Teknosa**.
- ▶ Delivering end-to-end solutions in **Healthcare Campus Projects** in Mersin and Bilkent: Providing equipment, application development and services including data center preparation, hospital information management system (HIMS) implementation and integration, and selection and training of personnel
- ▶ Innova patented solutions: **PayFlex**: loyalty, payment and collections technologies and **Kiosk**: self- service and automation solutions including kiosk and digital signage

Group Companies



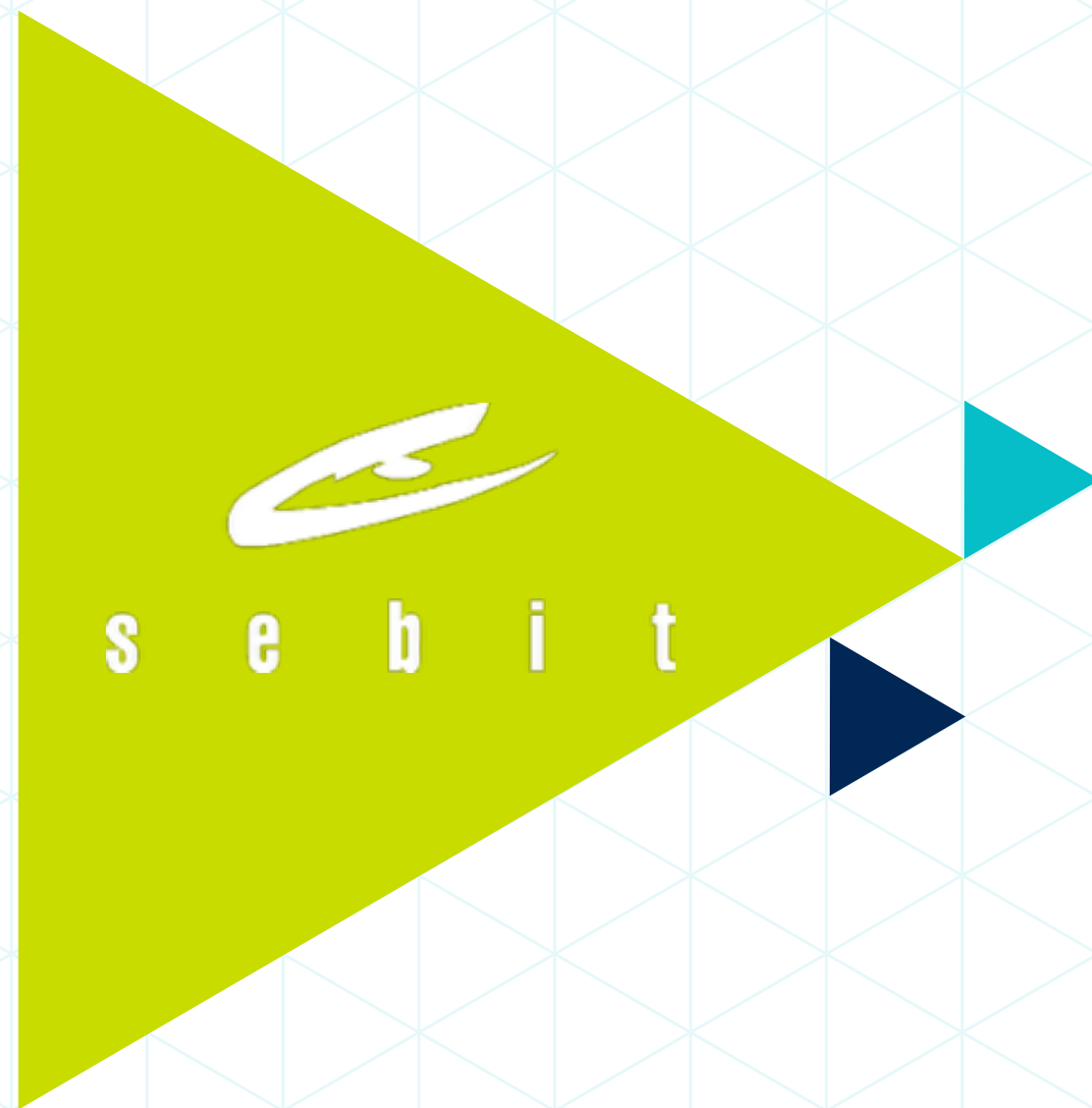
Argela

- ▶ R&D and innovation company focusing on the next-generation telecommunications technologies field and developing intellectual property for 5G enabling technologies
- ▶ **5G Center of Excellence:** the only test platform in Turkey that will serve to develop national 5G Technologies and national cyber security and communication infrastructure

Leading projects;

- ▶ **ProgRAN;** fully programmable, software defined networking (SDN)-based Radio Access Network solution for LTE and 5G developed by Argela. The company submitted **28 patent applications** so far under the project
- ▶ **Partner of Turkey's first and only 4G-LTE/5G base station development project "ULAK",** which will make national production of the next generation mobile communications infrastructures possible
- ▶ **MILAT Project;** which will enable cybersecurity and cyber defense mechanisms to enhance public security
- ▶ Developing consumer&corporate product innovations such as Keyboard and Wirofon to serve both Turk Telekom and other operators

Group Companies



Sebit

- ▶ Leading and largest educational technologies company with 29 years of R&D experience
- ▶ Contributing to the educational transformation in Turkey, with **IT Supported Interactive Education vision**
- ▶ Popular education products developed by Sebit;
 - ▶ **Raunt:** personalized university exam preparation platform
 - ▶ **Vitamin:** online educational support service, providing comprehensive educational solutions for all students and teachers, from pre-school to high school grades
- ▶ Providing content and platform to national **E-Education Transformation Project (FATİH)**



Group Companies



Assistt

- ▶ Strategic partner for leading private enterprises and large public institutions providing traditional call center services as well as value added services for their sales and marketing activities
- ▶ Call center for MHRS9, the ninth phase of the “Turkish Ministry of Health Centralized Hospital Appointment System” project, viewed as one of the largest call center projects
- ▶ Contributor to Turkey’s economic development serving in 19 cities and 25 centers throughout Turkey with more than 10 thousand employees
- ▶ Ranked first in the category of “Best Contact Center” in the Contact Center World Awards 2016, one of the most prestigious award in call center sector

Group Companies



Türk Telekom International

- ▶ Providing a full range of international data infrastructure, internet, and wholesale voice services
- ▶ Operating in over 40 countries across Central and Eastern Europe, Turkey, the Middle East and the Caucasus
- ▶ Contributing to Turkey's goal of becoming a telecoms bridge and data hub between Europe and Asia thanks to its own +40K fiber optic network and its solid partnerships with major players in telecommunications industry
- ▶ A full consortium member of **SEA-ME-WE-5**, the new undersea cable system that will connect 17 countries in Europe, Middle East and Asia



Appendix



Türk Telekom's Digital Service Portfolio

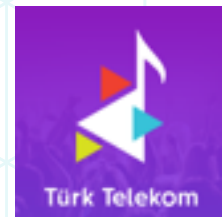


Turkey's Most Preferred Value Added Services



Turkey's New Generation TV Platform: **Tivibu GO** Launch: 2010

Türk Telekom's TV platform with national and exclusive channels, VoDs, and catchup programs in HD quality



Turkey's Most Loved Digital Music Platform: **Türk Telekom Music** Launch: 2008

Turkey's most preferred and loved digital music platform with millions of Turkish and foreign songs to download and to listen in HD quality, and numerous videos



Turkey's Leader Digital Gaming Platform: **Playstore** Launch: 2011

Turkey's first and leader digital game platform and e-pin sales platform



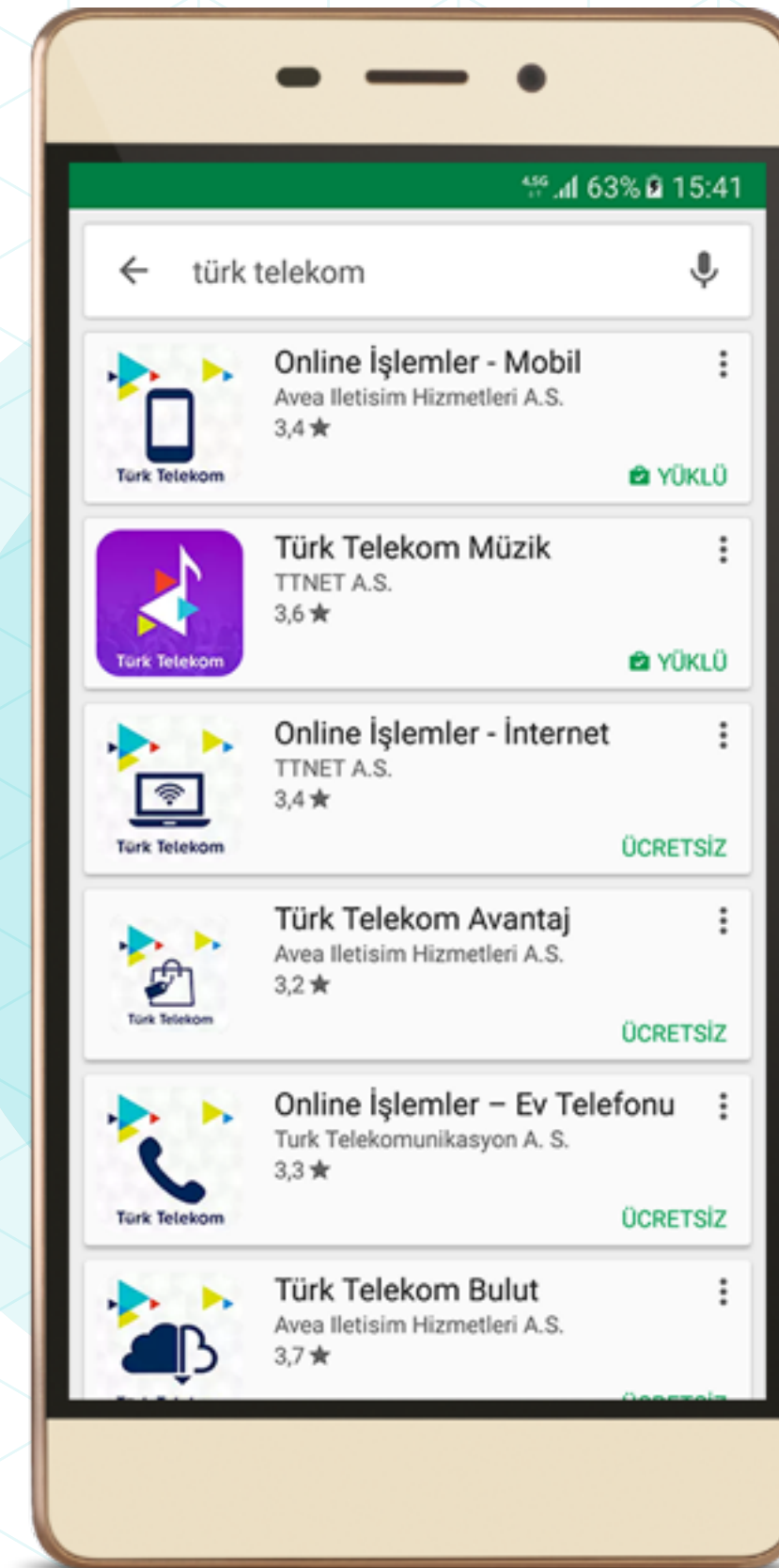
Turkey's First Interactive Education Platform Launch: 2008

Turkey's biggest online education platforms: Vitamin for pre-school to high grades students, Raunt for uni preparation, ProG for professionals



Turkey's Widest Wifi Broadband Network: **TT WiFi** Launch: 2006

Turkey's widest broadband network by covering 5K WiFi hotspot points and giving service more 2.5K Turkish Airlines flights



Türk Telekom Mobile Payment Service; Mobile Payment is a service that enables Türk Telekom mobile customers to pay easily, quickly and securely via mobile phones.

Turkey's Domestic OTT Messaging Platform: **Wirofon** Launch: 2008

Türk Telekom's HD videocall, OTT messaging and VoIP platform which enables operator independent usage of Turk Telekom PSTN minutes on mobile devices.



Turkey's Real-Time Integrated Sport Platform: **Tivibuspor** Launch: 2010

Türk Telekom's sport platform presents sport news, videos, UEFA matches and instant match video delivery



Turkey's Online Technology Magazine Platform: **TT Mobile Magazine** Launch: 2013

Turkey's online magazine with a wide selection of technology tips, special devices and mobile application researches



Turkey's Most Comprehensive Security Platform: **TT Security** Launch: 2009

Turkey's most comprehensive and secure anti-virus and family protection service



Turk Telekom's Advantageous Cloud Solution: **Netdisk** Launch: 2010

Türk Telekom's cloud storage solution exclusive for Türk Telekom broadband subscribers



Türk Telekom has **40+ mobile applications**, and **200+ value added services**. In near future will launch **"Selfy & Prime"** applications to support segments' digital strategies, **"Life is Simple with Internet"** application to increase internet literacy and **Launcher** application to provide exclusive TT branded smartphone usage.

Corporate Credit Rating

Investment grade from Fitch and S&P



Fitch Ratings **BBB- Rating**

Negative Outlook

Fixed-mobile and pay-TV convergent service offering is built on the company's leading fixed line position

Broadband subscribers and ARPU continue to grow, helped by increasing demand for high-speed connectivity

Improved mobile service capability, helped by spectrum bought in the 2015 auction



S&P Global Ratings **BBB- Rating**

Negative Outlook

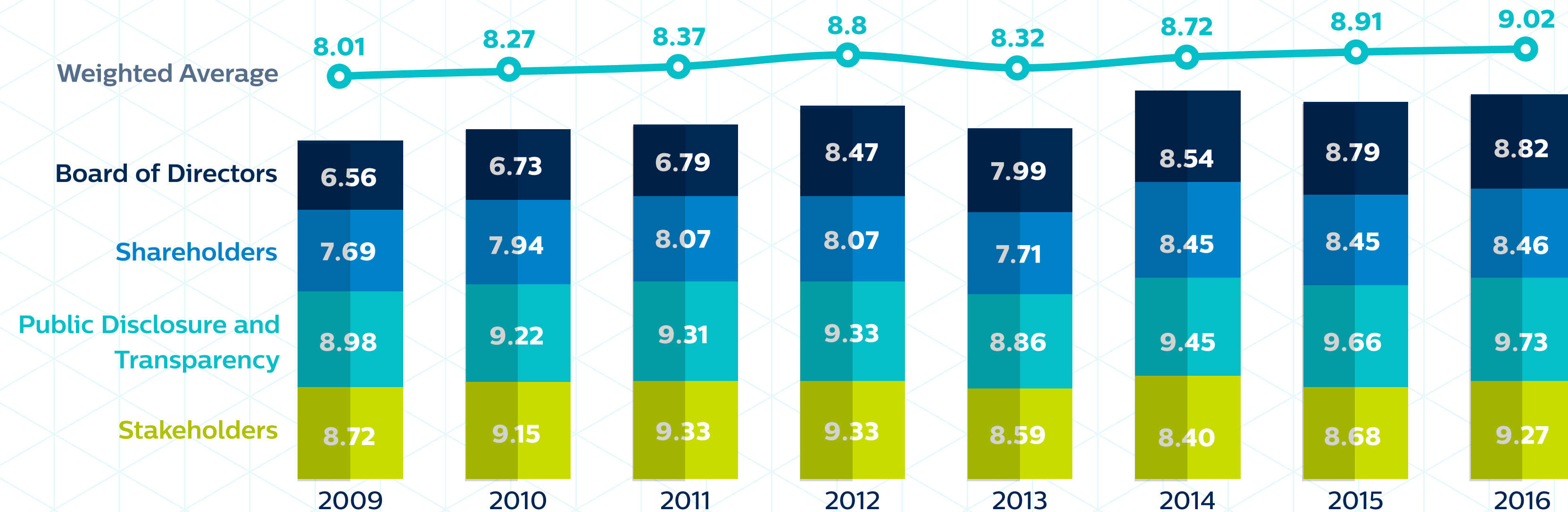
Strong leadership position in domestic fixed-line business

Good growth prospects, solid profitability

Corporate Governance and Sustainability

Demonstrates exemplary practices

- ▶ Türk Telekom was qualified to be included in the BIST Sustainability Index since its creation with its long lasting emphasis on Environmental, Social and Governance policies and exemplary practices
- ▶ Türk Telekom is the only telecom company qualified to be included in the BIST Corporate Governance Index since 2009



*The decline in ratings in 2013 is a result of rating methodology change by CMB rather than any deterioration in the Company's corporate governance practices. 2013 weighted average rating with the old methodology would have been 8.8

Organization Chart



CEO CXO Coordinator Director



AGM Director

Turkey at a Glance



	2010	2011	2012	2013	2014	2015	2016	2017E	2018E
GDP (USD bn)	732	774	786	823	799	862	857	756	815
GDP per Capita (USD)	10,003	10,428	10,459	10,822	10,395	9,177	10,807	9,529	10,164
Real GDP Growth	9.2%	8.8%	2.1%	4.2%	3.0%	6.1%	2.9%	4.4%	5.0%
CPI (year-end)	6.4%	10.5%	6.2%	7.4%	8.2%	8.8%	8.5%	6.5%	5.0%
Unemployment (12m avg.)	11.1%	9.1%	8.4%	9.0%	9.9%	10.3%	10.9%	10.2%	10.1%
Population (mn)	73.7	74.7	75.6	76.7	77.7	78.7	79.8	79.4	80.2

Source: TURKSAT, CBT, 2017-2019 Medium Term Program, Republic of Turkey Ministry of Finance

Regulatory Actions

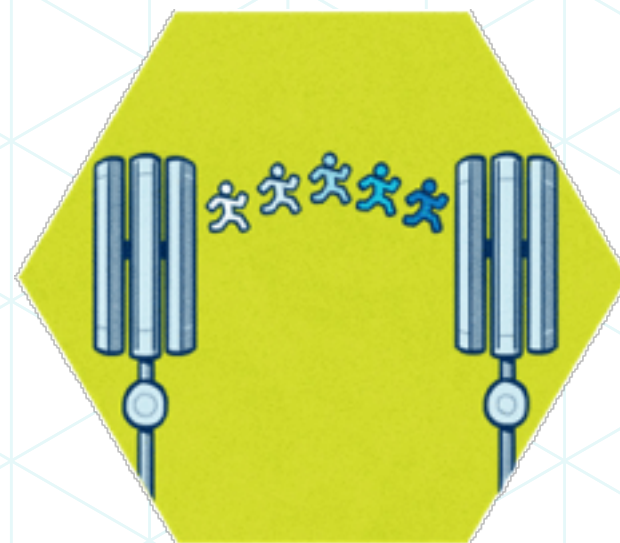
- **April**
 - Interconnection rate decrease in Fixed (10%) and Mobile (33%)
- **November**
 - 3G tender held
 - Mobile Number Portability introduced
 - New Electronic Communications Law passed



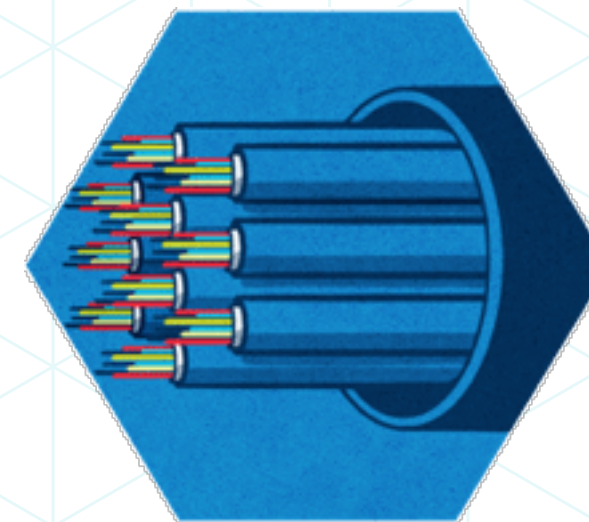
2009

- **January**
 - About 50%-55% reduction in MTRs on SMS
- **March**
 - Reduction in SCT rate (25% to 5%) on internet services
- **April**
 - On-net price floor for TCELL
- **May**
 - About 29% reduction in MTRs
 - MVNO regulation in place
- **July**
 - 3G service launch
- **September**
 - Fixed number portability introduced
 - Local call liberalization

2008



- **April**
 - About 52% reduction in MTRs
 - 17% cut in double tandem FTR
 - 38% decrease in GSM to GSM retail price cap
 - TL per minute pricing introduced
- **December**
 - Naked DSL services started



2011

- **April**
 - Mobile off-net price cap was increased by 4%
 - SMS price cap was decreased by 48%
- **September**
 - Deregulation on MTRs on international calls and liberalization on their pricing
- **October**
 - ICTA's fiber decision: FTTH/B will be excluded from the market analysis process until 25% fiber market share or for 5 years



2010

- **January**
 - WLR was introduced
- **November**
 - Deregulation on FTRs on international calls and liberalization on their pricing

2012



2013

- **March**
 - Mobile on-net price floor for TCELL formulated by Mobile Termination Rate 1.7x
- **April**
 - 75% reduction in MTRs on SMS
- **July**
 - 20% reduction in MTRs
- **September**
 - Duct Sharing officially started

- **July**
 - Calls over fixed line infrastructure was deregulated. Accordingly, Türk Telekom is no longer designated as having SMP (significant market power) in fixed voice market

2014



2015

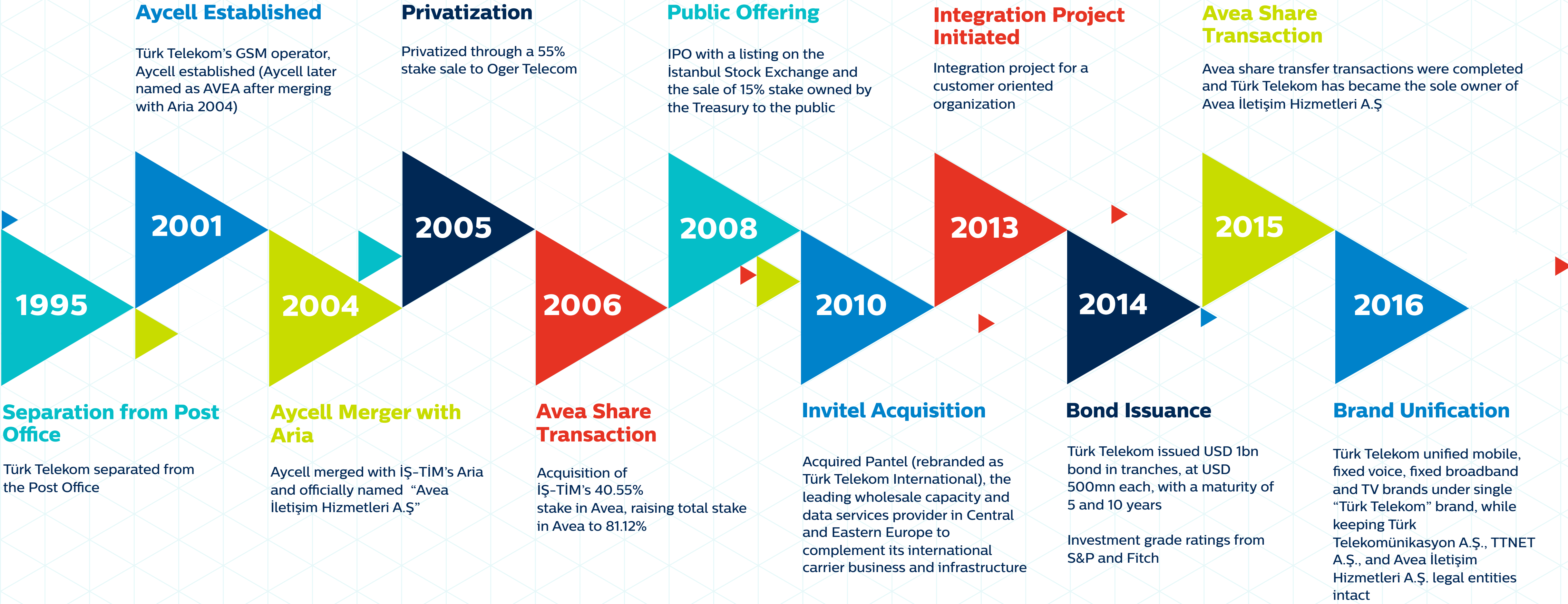
- **August**
 - LTE tender was held



2016

- **April**
 - LTE Service Launch
- **August**
 - Mobile on-net price floor regulation for TCELL was lifted
- **October**
 - The deadline to shift Port Transmission Model

Telekom History



Notes

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Thank you



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