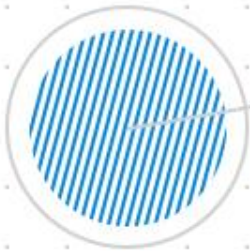


Türk Telekom Group

YE

Results

2013



Notice

The information contained herein has been prepared by Türk Telekom (the Company). The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice.

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except to the extent required by law, we assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to

subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

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.

Content

04

Consolidated Performance

20

Financials

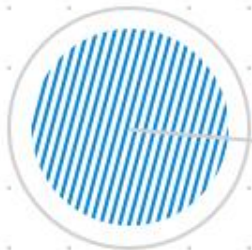
08

Fixed Line Business
Performance

15

Mobile Business Performance

Consolidated Performance



YE
Results
2013

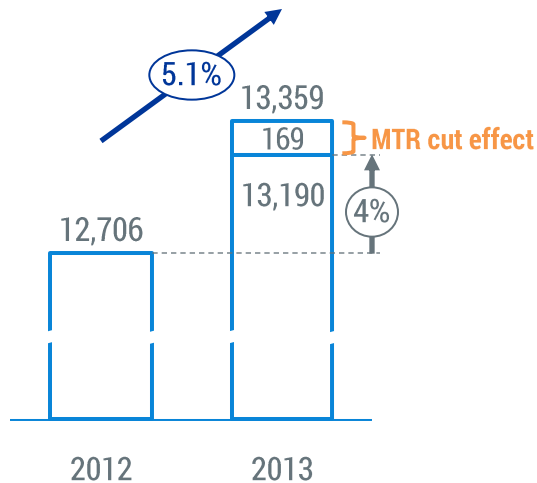


2013 Year End Highlights

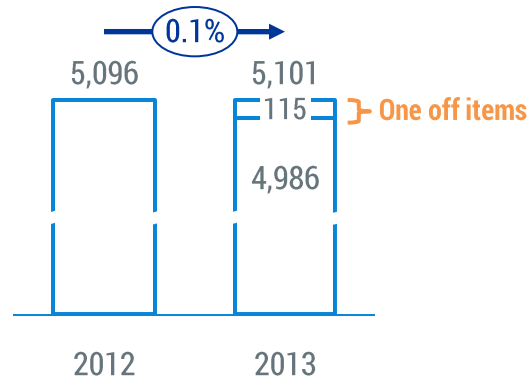
- /// Consolidated revenues up **5.1% YoY** excluding MTR cut effect
- /// Fixed line business revenues grew **2% YoY** led by broadband, corporate data and ICT businesses
- /// Double digit growth in broadband revenues driven by solid **300 thousand subscriber net adds** and ARPU uplift
- /// Strong revenue growth in mobile despite the MTR cut backed by **over 1 million net subscriber additions**
- /// Net income affected by TL depreciation against USD and EUR

Consolidated Financials

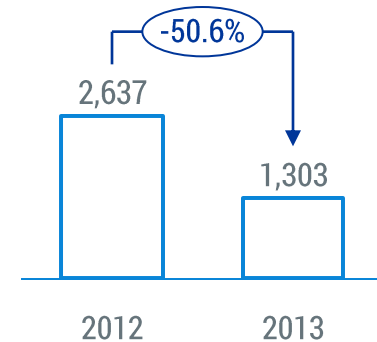
Revenue (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



Topline growth continues despite MTR cut

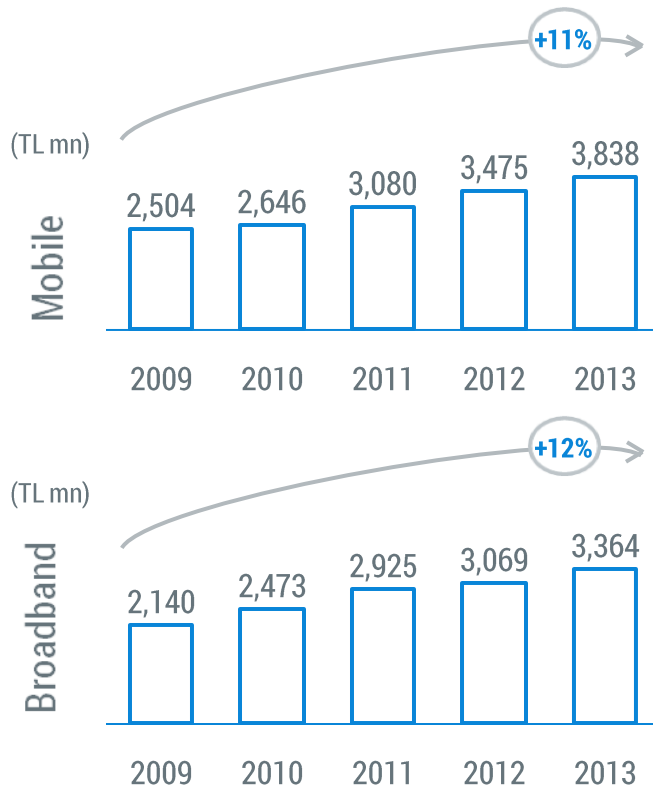
- /// 5.1% YoY top line growth excluding MTR cut
- /// EBITDA flat YoY excluding one-off items
- /// Negative effect of TL depreciation against EUR and USD on net income

One off effects on EBITDA

- /// TL 70mn exceptional personnel early retirement incentive program costs which resulted with a 10% lower employee base in fixed line business
- /// TL 45mn extraordinary charges related to regulatory penalties and provisions in Q4

Revenue Mix

Focus on High Growth Areas

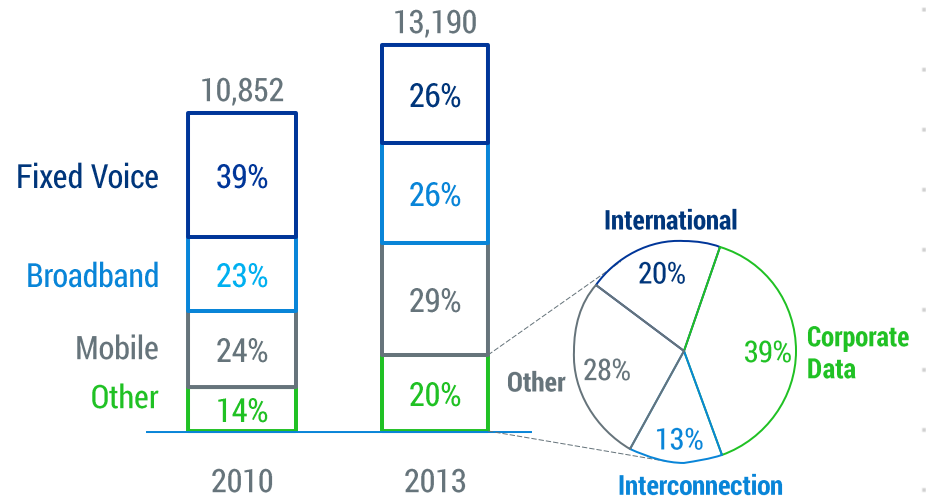


Note: The increase in other revenues between 2010-2013 includes the acquisition of TT International (formerly Pantel) which was completed in Q4 '10

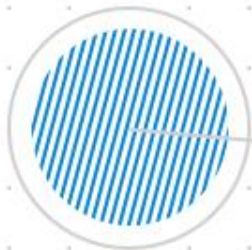
Broadband revenues set to surpass fixed voice

- Fixed voice share at 26% of total revenues, soon to be third largest revenue source
- 55% of total revenues come from mobile and broadband businesses, with 10% combined growth rate YoY
- EBITDA contribution of high growth businesses is increasing

Consolidated Revenues



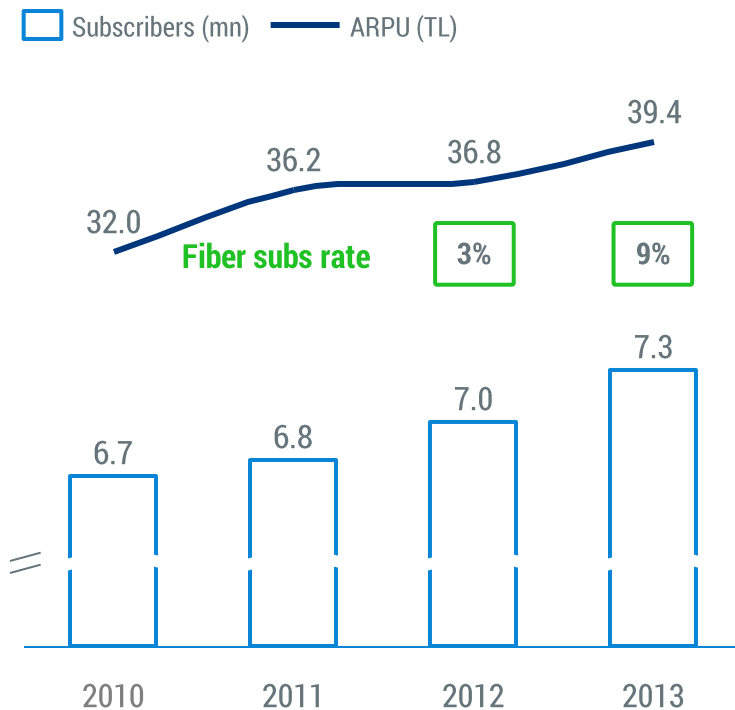
Fixed Line



YE
Results
2013
////

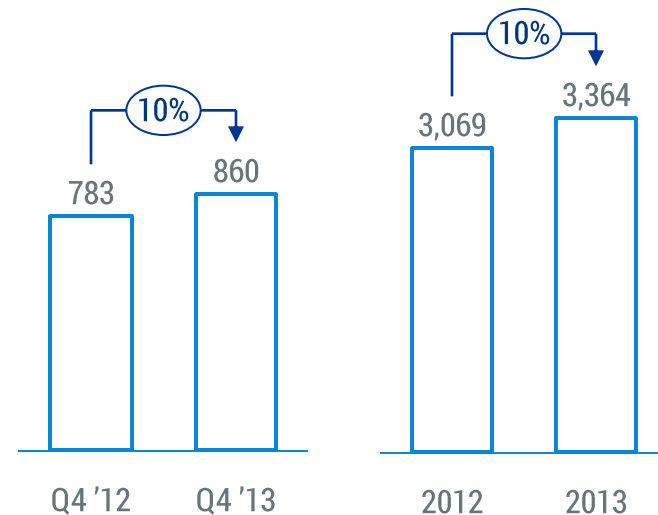
High Speed Broadband Accelerated Subs and ARPU Growth

Broadband ARPU and Subscribers



- /// 138K net additions in Q4 '13 – the highest net additions since 2009 excluding Lokum launch
- /// 300K net additions in 2013
- /// 10% YoY revenue growth backed by ARPU and subscriber increase
- /// 7.1% YoY ARPU growth in 2013

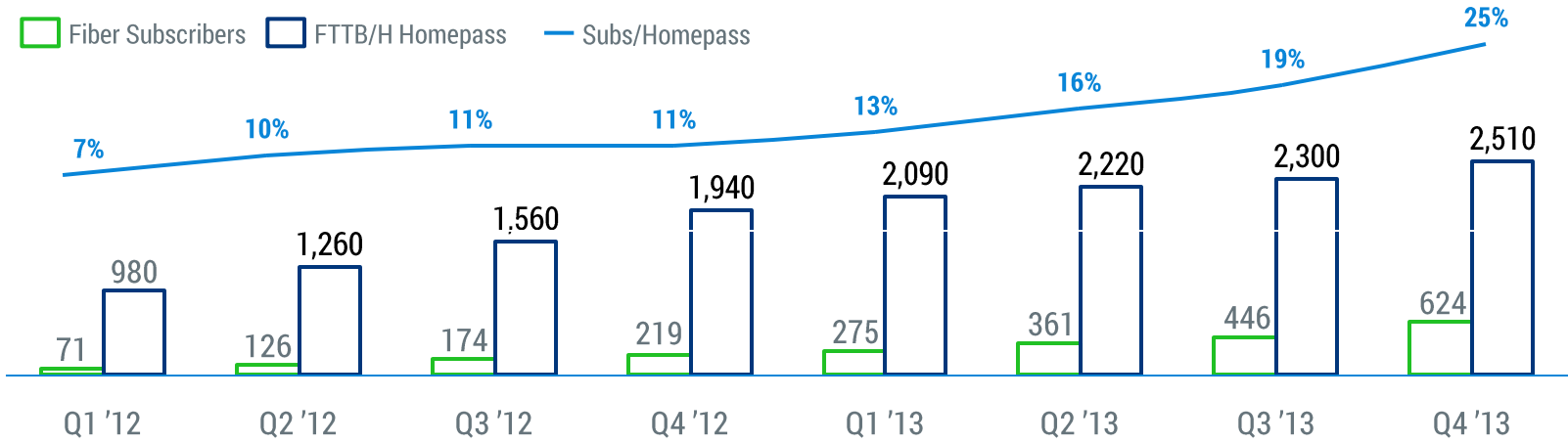
Broadband Revenue (TL mn)



Fiber Transformation Robust outlook

- /// Fiber subs additions faster than homepass expansion – resulting with a 25% subs/homepass ratio
- /// 178K fiber net additions in Q4 '13
- /// Coverage of all cities with 182K km of fiber network

Growing Fiber Subscribers (thousand)



Turk Telekom Fiber Network



Alternative Operator

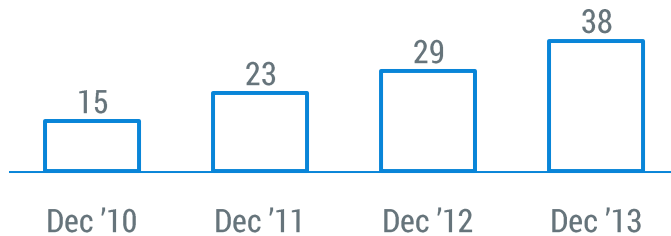


Note: Other operator's data are from their own publications

Broadband Upsell

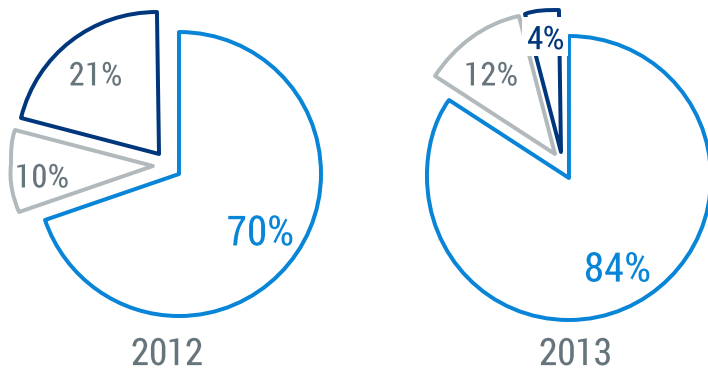
Appetite for speed and capacity

Average Monthly Data Usage, Gigabytes



Capacity, % of Subscribers

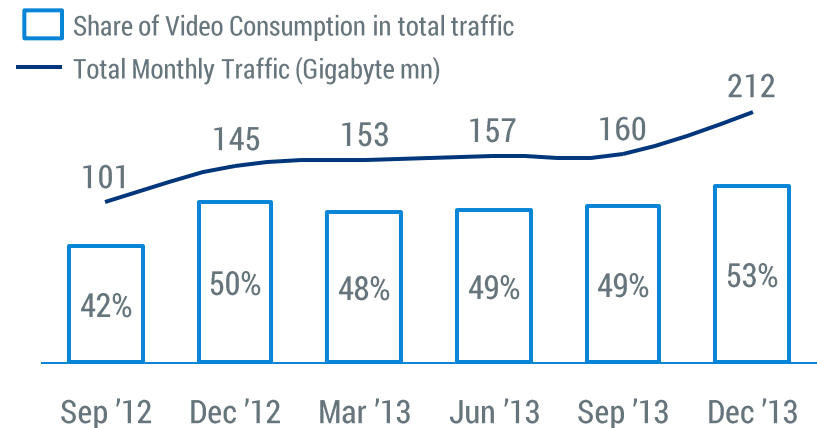
■ Unlimited
 ■ Limited (Over 4 GB)
 ■ Limited (4GB and below)



Strong trend towards unlimited capacity and higher speed packages

- /// 89% of our customers are now in “up to 8 MBPS” or higher speed packages
- /// Unlimited quota subscribers are 84% of our total base (up from 70% a year ago)
- /// Increasing monthly data usage - at 38GB – mainly driven by video consumption

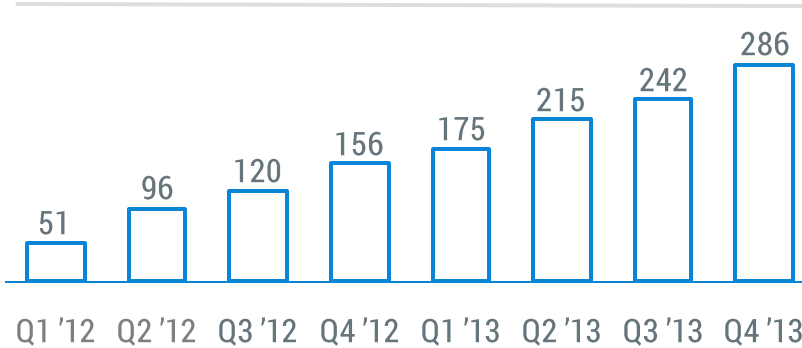
Video Consumption by TNET Subscribers, % of Total Traffic



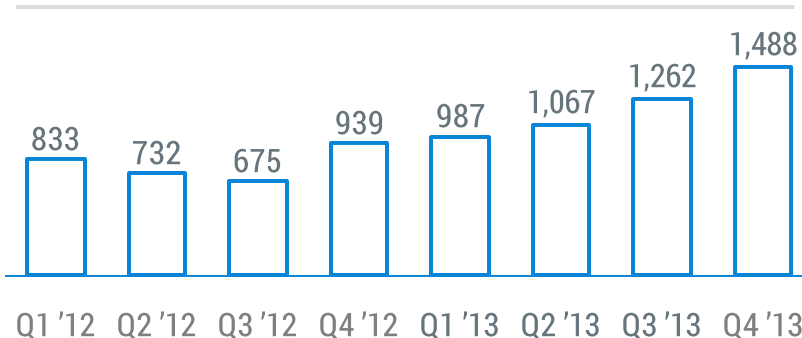
Tivibu

Growing IP, mobile, and web TV platform

IP TV Subscribers (thousand)



Web TV Subscribers (thousand)



- /// First and leading internet TV and only IPTV service in Turkey
- /// Multi-screen experience: TV | Tablet | PC | Laptop | Smartphone
- /// Over 170 TV Channels with premium content (movies, shows, sports) and over 4,500 content archive
- /// 1.8 million total subscribers in Tivibu Web, Home (IPTV), and Mobile

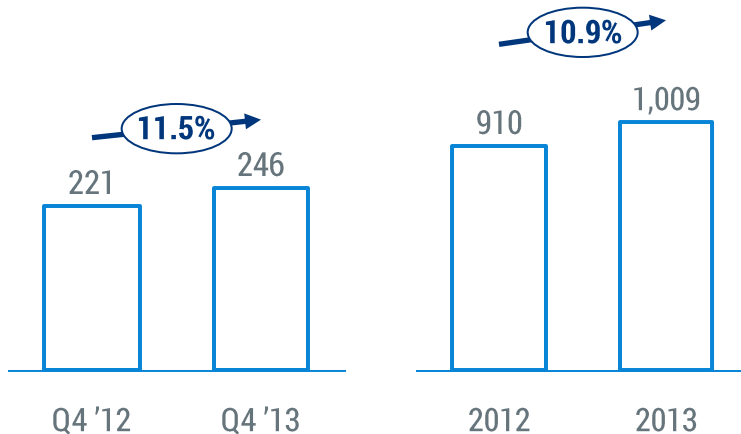


Corporate Data Supports fixed line growth

/// 10% of total fixed line revenues are generated from corporate data business in 2013

/// Growing share as double digit growth continues

Corporate Data Revenue (TL mn)



Cloud Services

Turk Telekom, a member of Cloud Security Alliance, offers various options under Cloud Services such as BuluTTGöz, BuluTTKonferans, BuluTT Ölçüm, BuluTT Akademi, BuluTT Radyoloji, BuluTT e-posta



Metroethernet

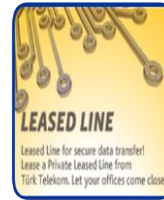
It is a flexible, cost-efficient technology scalable between 5Mbps and 1Gbps, which allows all kinds of data flow



TT VPN

TT VPN provides fast and safe connection end to end, from multiple points to multiple points

With TT VPN, customer's offices all around Turkey can be united while fast and safe data transfer via virtual network is enabled



Leased Line

It is a data line reserved for uniquely reserved for customer's usage, which performs the constant and continuous data transfer on the physical layer from point to point between two ends

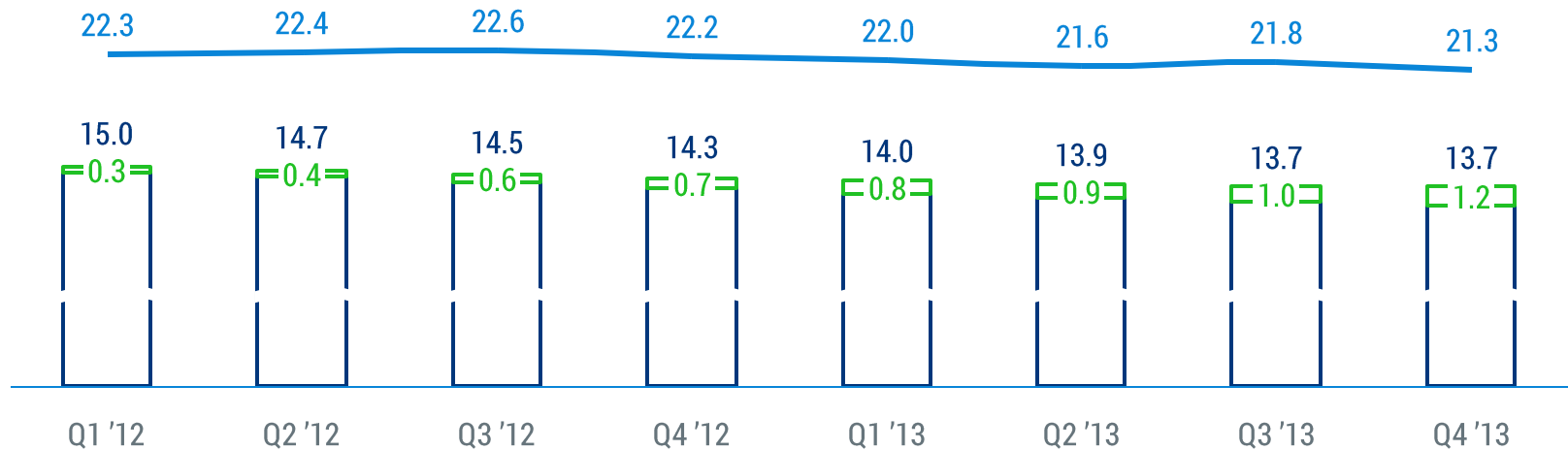
Fixed Voice Decelerated access line loss

Continued defense of fixed voice revenues

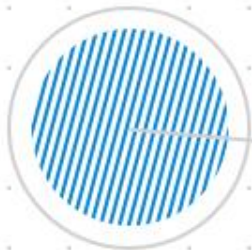
- /// Lowest QoQ access line loss since IPO
- /// Offset fixed voice line decline with naked broadband product
- /// Continued offers of traditional “minute” benefits and non-traditional third-party value offers
- /// Introduced an innovative Android home phone, the TT E4 – targeting customer retention
- /// 78% of fixed voice revenues is recurring

Access Lines & ARPU

█ Naked Broadband (mn) — Fixed Voice ARPU (TL)
 Fixed Voice (mn)



Mobile



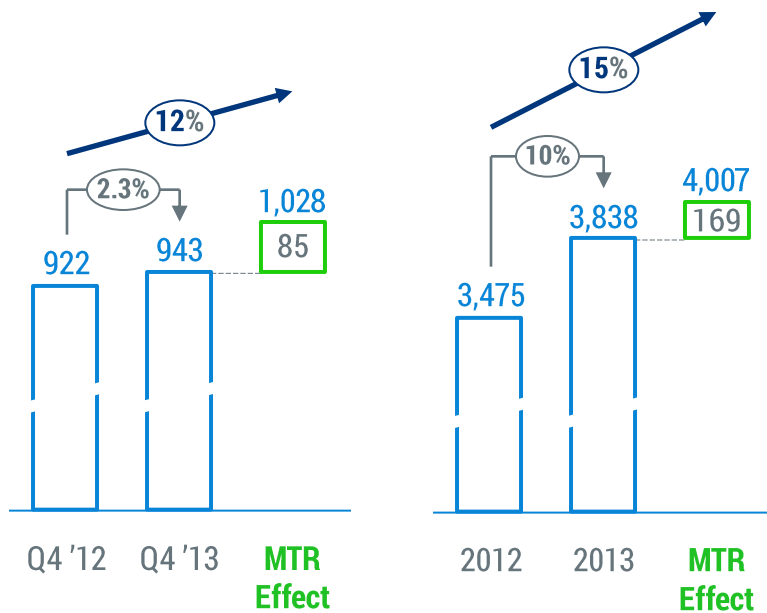
YE
Results
2013



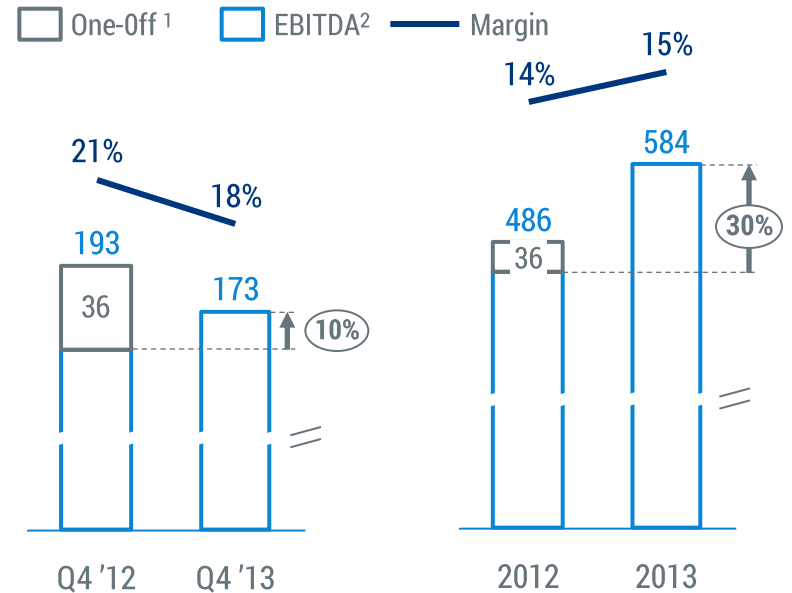
Mobile Strong topline growth, improving profitability

- /// Double digit revenue growth excluding MTR cut effective in the second half of the year
- /// EBITDA growth and margin improvement despite continued intense competition

Revenue (TL mn)



EBITDA (TL mn) & Margin

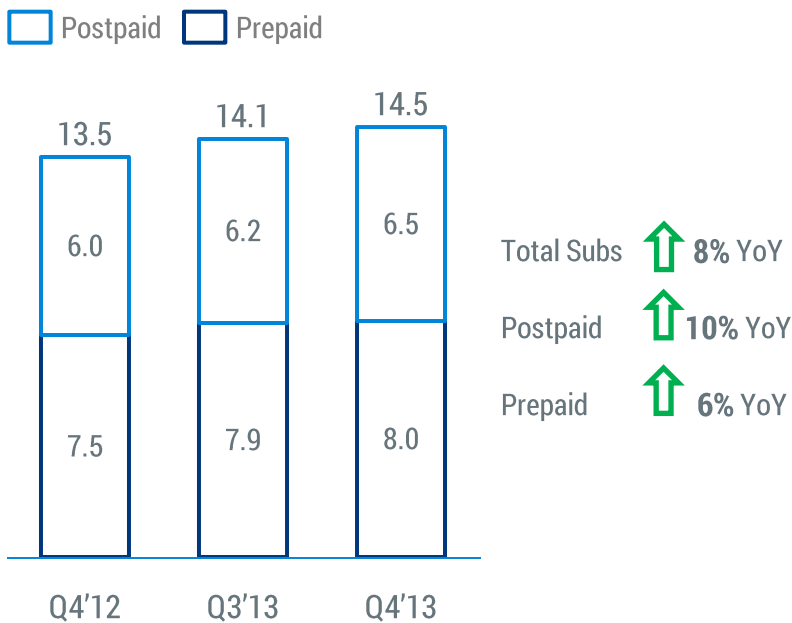


(1) One-Off : Bad debt calculation change in Q4' 12

(2) EBITDA margin for Q4'12 and 2012 would be 17% and 13% respectively excluding one-off effect in Q4'12

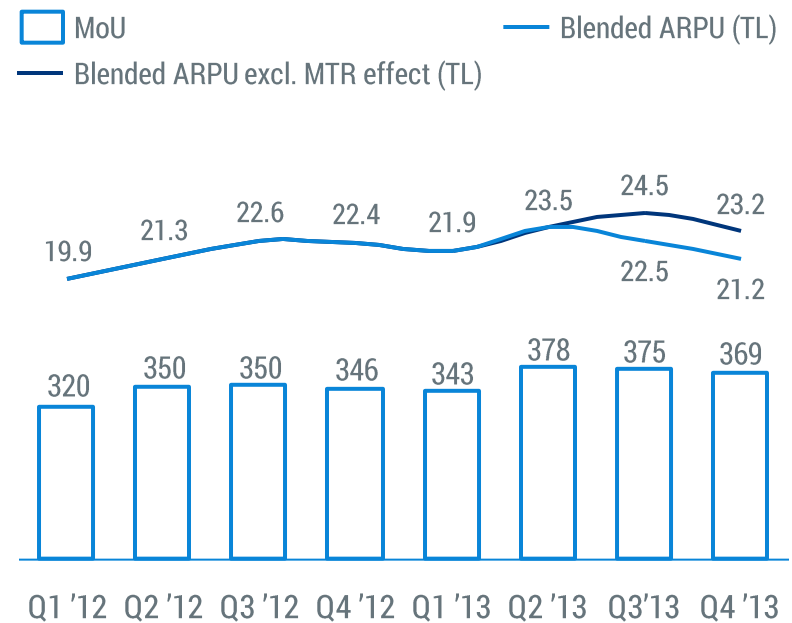
Mobile Subscriber additions driven by postpaid

Subscribers (mn)



- /// 418K net additions in the quarter driven predominantly by postpaid subscribers
- /// Postpaid ratio, highest in the market as of Q3 '13, increased to 45% in Q4 '13
- /// ARPU affected by MTR cuts effective in the second half of 2013

MoU and ARPU

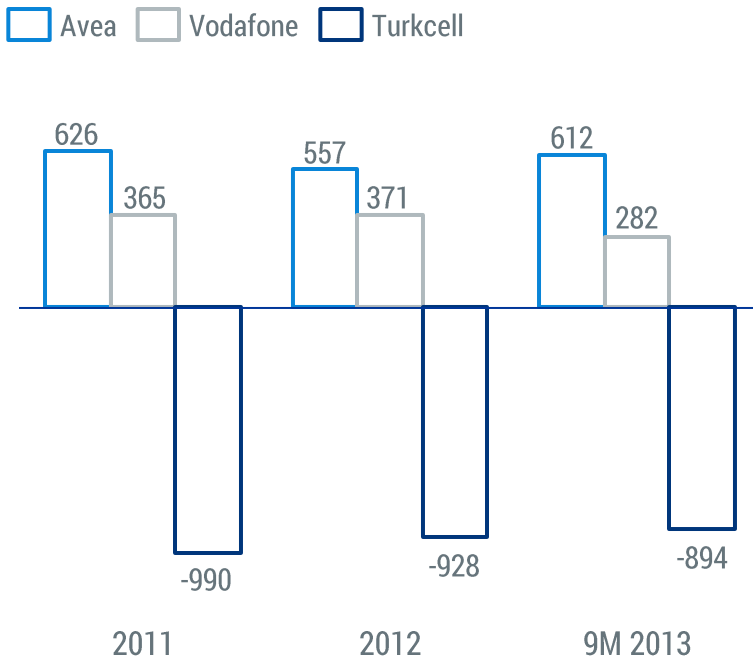


Mobile Number Portability

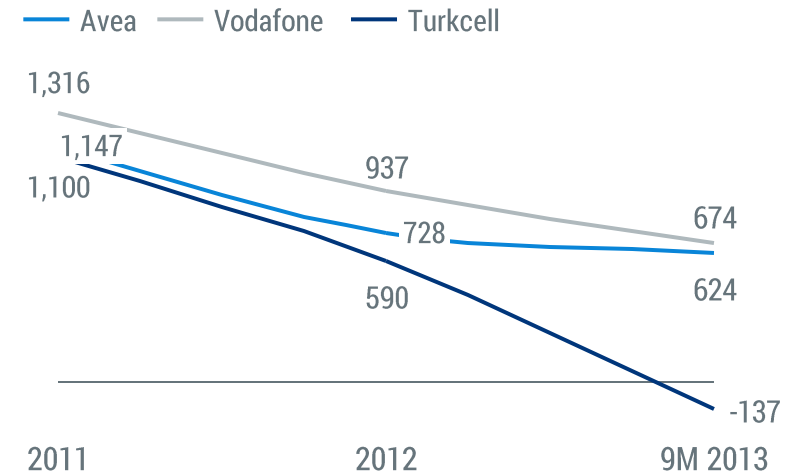
Avea - Preferred Operator in MNP

- Subscribers overwhelmingly prefer Avea after trying other operators
- During full year 2013, Avea gained 916K customers from other players in the market
- Net addition trends also favorable for Avea. In 2013, Avea added over 1 million net subscribers

MNP Subscriber Additions (thousand)



Net Additions (thousand)



Source: ICTA & Company Data

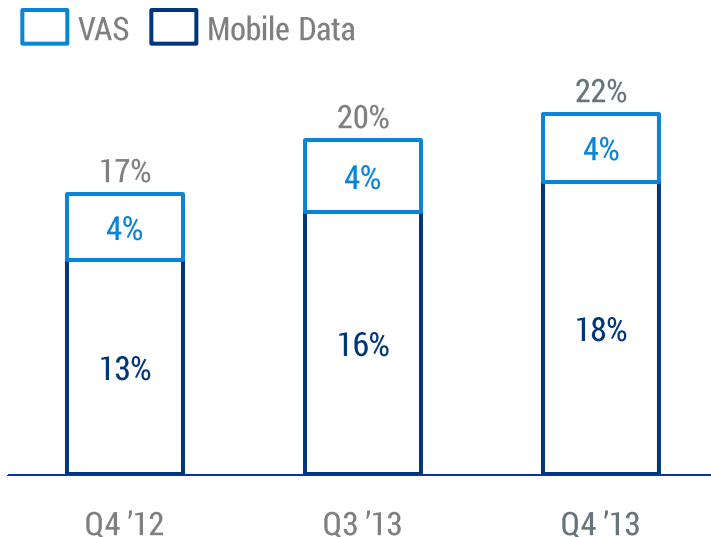
Mobile Data

Strong trend in data revenue growth

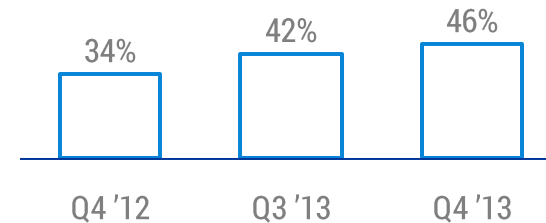
Data revenue resumed its fast growth

- /// 50% YoY and 12% QoQ increase in mobile data
- /// Non-SMS mobile data makes up 22% of total service revenues
- /// Highest postpaid subs ratio and leadership in smartphone penetration support high growth as of 3Q '13

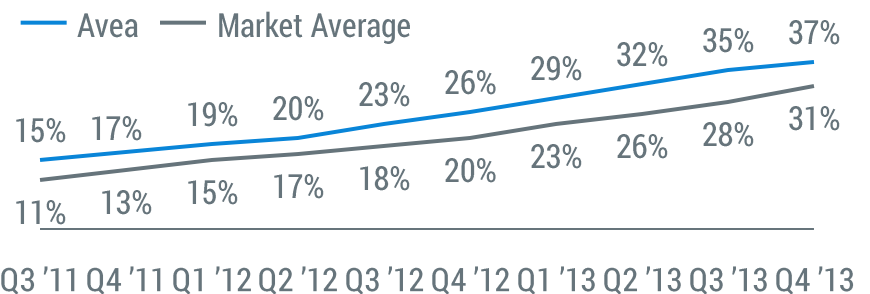
Mobile Data and VAS¹ shares in Revenues



Share of Small Screen Data Users²



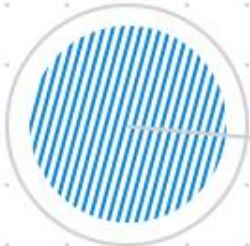
Smartphone Penetration



(1) VAS: Value Added Services

(2) 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 Avea base excluding large screen users.

Financials



YE

Results

2013



Consolidated Summary Income Statement

TL Millions	2012	2013	YoY % Change
Revenues	12,706	13,190	4%
EBITDA	5,096	4,986	-2%
Margin	40%	38%	
Operating Profit	3,400	3,207	-6%
Margin	27%	24%	
Financial Income/(Expense)	(33)	(1,500)	n.m.
FX&Hedging Gain/(Loss)	191	(1,316)	n.m.
Interest Income/(Expense)	(108)	(77)	28%
Other Financial Income/(Expense)	(117)	(107)	8%
Tax Expense	(773)	(439)	43%
Net Income	2,637	1,303	-51%
Margin	21%	10%	

Consolidated Summary Balance Sheet

TL Millions	2012	2013	YoY % Change
Total Assets	17,208	18,245	6%
Intangible Assets ¹	4,050	4,536	12%
Tangible Assets ²	8,347	8,350	0%
Other Assets ³	3,850	4,294	12%
Cash and Equivalents	961	1,064	11%
Total Equity and Liabilities	17,208	18,245	6%
Share Capital	3,260	3,260	0%
Reserves and Retained Earnings	3,195	2,067	-35%
Interest Bearing Liabilities ⁴	6,038	8,334	38%
Provisions for Employee Termination Benefits ⁵	750	585	-22%
Other Liabilities ⁶	3,965	3,998	1%

(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) Includes employee retirement pay liability provision

(6) 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	2012	2013	YoY % Change
Cash Flow from Operating Activities	3,739	3,884	4%
Cash Flow from Investing Activities	(2,176)	(1,986)	9%
CAPEX	(2,348)	(2,293)	2%
Other Investing Activities	172	307	79%
Cash Flow from Financing Activities ¹	(1,343)	(1,648)	-23%
Net Change in Cash Position ²	220	250	14%

(1) Includes FX gain/loss on balance sheet items at the beginning of the period

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

Consolidated Summary Revenue Breakdown

TL Millions	2012	2013	YoY % Change
Fixed Line	9,578	9,768	2%
Domestic PSTN	3,837	3,376	-12%
Broadband	3,069	3,364	10%
Corporate Data ¹	910	1,009	11%
International Revenue	464	533	15%
Domestic interconnection	309	350	13%
Rental income from GSM operators	88	83	-5%
Other ²	330	590	79%
Construction Revenue (IFRIC 12)	572	463	-19%
Mobile	3,475	3,838	10%
Eliminations	(347)	(416)	-20%
Total Revenue	12,706	13,190	4%

(1) Includes leased line and data services

(2) Includes ICT companies, device sales, other

Consolidated Summary OPEX Breakdown

TL Millions	2012	2013	YoY % Change
Personnel	2,099	2,193	4%
Domestic Interconnection	839	882	5%
International Interconnection	328	363	11%
Commercial ¹	1,052	1,000	-5%
Maintenance and Operations	434	507	17%
Taxes and Government Fees	833	956	15%
Doubtful Receivables	14	126	806%
Cost of Equipment and Technology Sales	124	279	126%
Other ²	1,382	1,487	8%
Sub Total	7,104	7,794	10%
Construction Cost (IFRIC 12)	506	409	-19%
Total OPEX	7,610	8,204	8%

(1) Includes commissions, advertising & marketing, subscriber acquisition & retention costs and promotion

(2) Includes rent, utilities, outsourced services, bill distribution and others

Debt Profile

Debt (Millions)	In Currency	TL Equivalent	<3 Month	3 Months to 1 Year	1 to 5 Year	>5 Years
TL	55	55	38	17	0	0
USD	2,142	4,571	331	571	2,791	878
EUR	1,219	3,579	330	930	2,004	316
JPY	4,972	101	0	34	67	0
TOTAL		8,306	700	1,552	4,862	1,194

Ratios

	2012	2013
Net Debt / EBITDA	1.00	1.46
Net Debt / Assets	0.30	0.40
Debt (Total Liabilities) / Equity	1.67	2.42
Debt (Financial) / Equity	0.94	1.56
Current Ratio	1.04	0.96

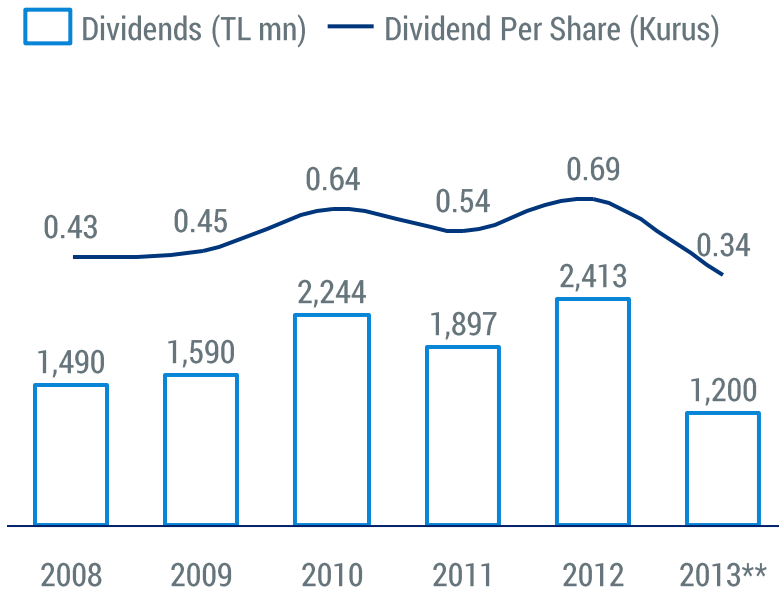
/// Comfortable Net Debt to EBITDA level compared to industry averages

/// Average maturity of FX denominated debt is 2.7 years

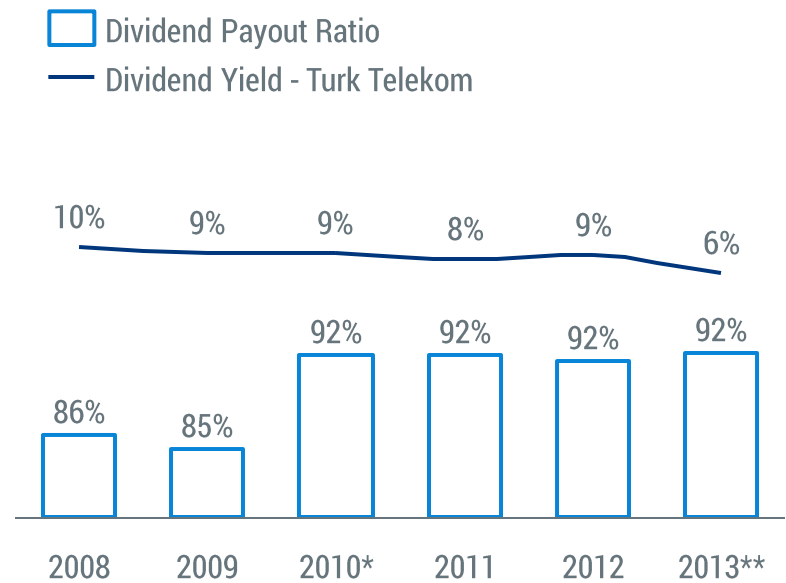
Shareholder Remuneration

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

Dividend Distribution



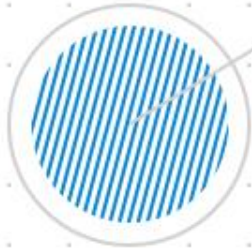
Dividend Yield & Payout Ratio



* We reached the cap in the first legal reserve in 2010

** 2013 dividend is recommended by the Board of Directors and it is subject to General Assembly approval

THANK YOU



Turk Telekom
Investor Relations

ir@turktelekom.com.tr – www.ttinvestorrelations.com - www.twitter.com/ttkomir - +90(212) 309 96 30

