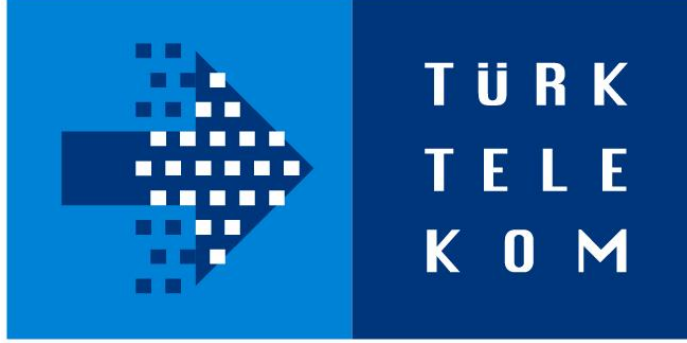


TÜRK TELEKOMÜNİKASYON A.Ş.



**INTERIM ACTIVITY REPORT AS OF 31.03.2015
BASED ON NO:II-14.1 COMMUNIQUÉ OF CAPITAL MARKETS
BOARD**



APRIL 21, 2015

CONTENTS

- 1. OVERVIEW OF TURK TELEKOM**
- 2. CORPORATE STRUCTURE**
- 3. SIGNIFICANT BOARD RESOLUTIONS**
- 4. PERSONNEL MOVEMENTS**
- 5. FINANCIAL RISK MANAGEMENT**
- 6. MATERIAL ISSUES DURING THE PERIOD**
- 7. MATERIAL ISSUES AFTER THE END OF THE PERIOD**
- 8. SUMMARY FINANCIAL RESULTS**

1. OVERVIEW OF TÜRK TELEKOM

Türk Telekomünikasyon A.Ş. (“Türk Telekom”) with its subsidiaries, provides its customers with complete range of fixed line, mobile, data, and internet services as well as innovative convergence technologies through its extensive fixed-line telecommunications network, which covers almost 100% of the population.

Number of total access lines in service declined to 13 million in first of quarter of 2015 from 13.2 million at the end of 2014. This number was 13.5 million in the first quarter of 2014. 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.

22% of broadband internet access in Turkey is through fixed broadband as of 2014 year-end. The remaining 78% is attributable to mobile operators¹. The number of fixed broadband subscribers of Türk Telekom increased to 7.6 million in the first of quarter of 2015 from 7.4 million in the same quarter of 2014.

Türk Telekom, having 89.99% shares of Avea, the third largest mobile operator in Turkey, provides mobile communications services, including traditional and value added voice services, international roaming services, messaging and data services (using SMS, GPRS, EDGE and 3G technologies).

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 2015 its subscriber base rose from 4.8 million to 16.6 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 businesses through its wholly owned subsidiaries Innova, Argela and Sebit. Türk Telekom also operates CRM systems, directory services and call centers through its wholly owned subsidiary AssisTT. Finally Türk Telekom International (with their old names respectively Invitel and Pantel), 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 Albtelcom, 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: 2014 4th Quarter Sector Report of Turkish Information and Communications Technologies Authority

2. CORPORATE STRUCTURE

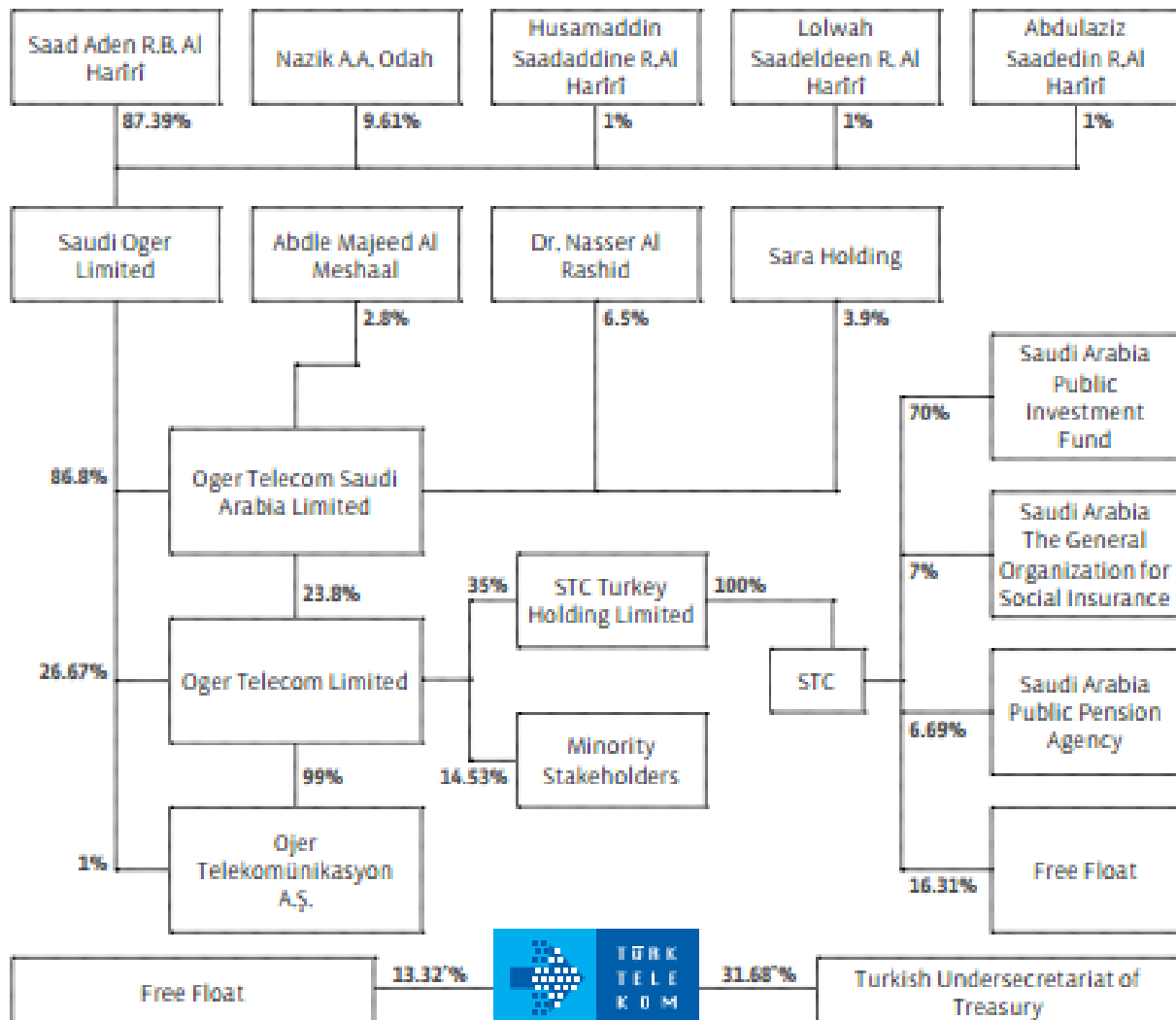
• Ownership Structure

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

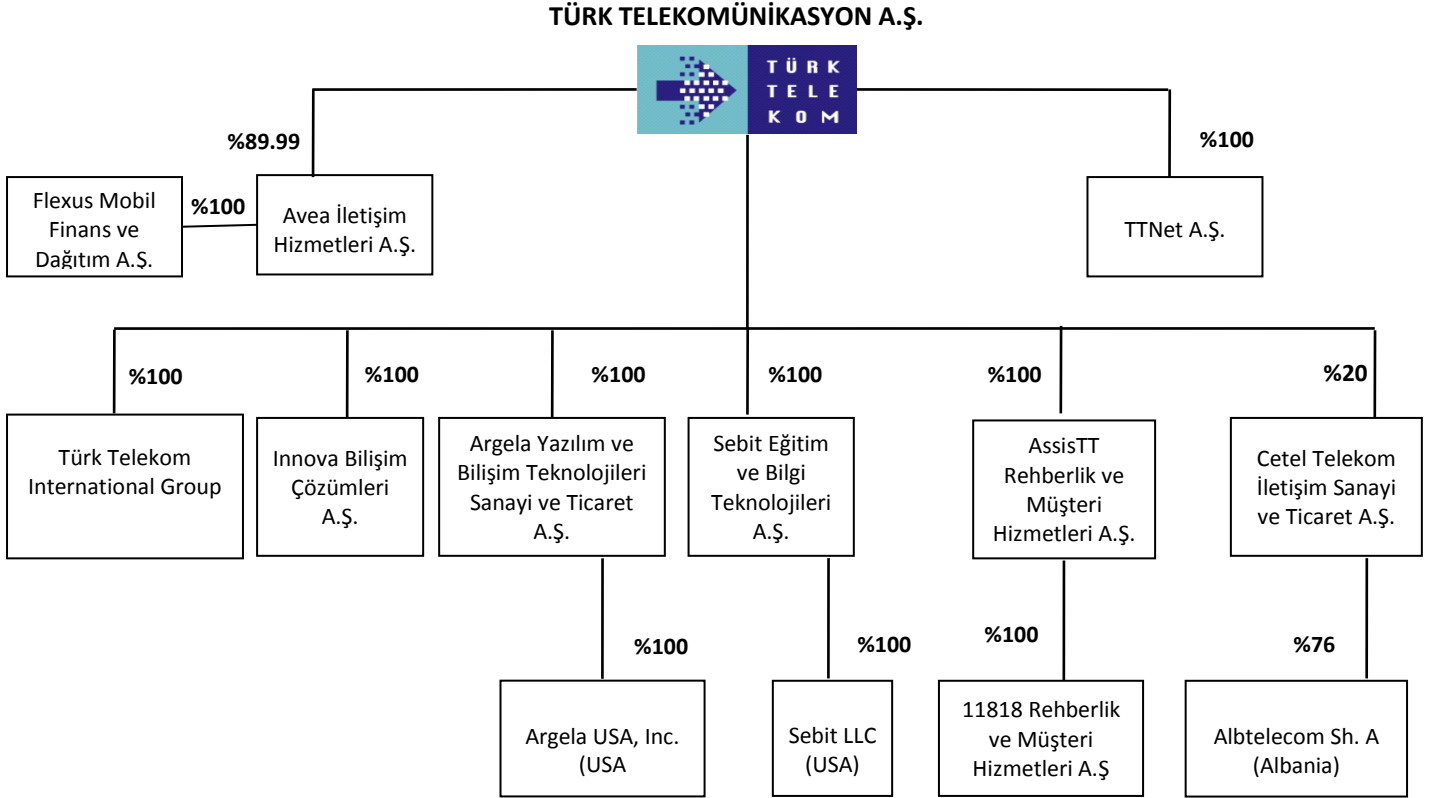
The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is required under the Telephone Law and provides that, in order to protect Turkey's national interests relating to national security 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.

Natural and legal persons owing share from our Company's capital are stated below:



- Subsidiaries and financial investments



- Management and Organization

Board of Directors

Mohammed Hariri	Chairman of the Board of Directors
Abdullah Tivnikli	Member of the Board of Directors
Cenk Serdar	Member of the Board of Directors
Hakam Kanafani	Member of the Board of Directors
Khaled Biyari	Member of the Board of Directors
Mazen Abou Chakra	Member of the Board of Directors
Rami Aslan	CEO and Member of the Board of Directors
Talat Aydın	Member of the Board of Directors
Fahri Kasırğa	Independent Member of the Board of Directors
İbrahim Eren	Independent Member of the Board of Directors
Kemal Madenoğlu	Independent Member and Vice Chairman of the Board of Directors
Yiğit Bulut	Independent Member of the Board of Directors

Statutory Audit Board

Lütfi Aydın	Member of the Statutory Audit Board
Mehmet Habib Soluk	Member of the Statutory Audit Board
Mustafa Koç	Member of the Statutory Audit Board

Senior Management

Rami Aslan	CEO and Member of Board of Directors
Erkan Akdemir	CEO, Avea
	CEO of the Consumer Business Unit, TNET
Mehmet Ali Akarca	CEO of the Corporate Business Unit, TNET
Kaan Aktan	Chief Consumer Finance Officer, TNET
Bahattin Aydın	Chief Human Resources Officer
Hüseyin Balcı	Chief Consumer Sales Officer, TNET

Necdet Mert Başar	Chief Corporate Marketing Officer, TTNET
Kadir Boysan	Chief Corporate Sales Officer, TTNET
Dr. Nazif Burca	Head of Internal Audit
Doğan Coşgun	Chief Legal Officer, Avea
Dr. Ramazan Demir	Chief Regulation Officer
Çağrı Dönmez	Chief TV Officer, TTNET
Hakan Dursun	Chief Strategy and Business Development Officer
Fırat Yaman Er	Chief Business Planning Officer
Metin Erhan	Chief Procurement and Vendor Management Officer
Dehşan Ertürk	Chief Consumer Marketing Officer, TTNET
Abdurrahman Güvenlioğlu	Chief Support Services Officer
Nimet Güventepe	Chief Corporate Customer Care Officer, TTNET
Tevfik Fikret Karaman	Chief Field Management Officer, Türk Telekom
Murat Kırkgöz	Chief Financial Officer
Orçun Onat	Chief Consumer Care Officer, TTNET
Kaan Sümer	Chief Corporate Financial Officer, TTNET
Dr. Coşkun Şahin	Chief Technology Officer
Cemil Yıldırım	Chief Administrative Affairs Officer, Avea

3. SIGNIFICANT BOARD RESOLUTIONS

Significant Board Resolutions taken during the period are presented under Material Issues During the Period section.

4. PERSONNEL MOVEMENTS

Consolidated headcount as of the first quarter of 2015 and the last quarter of 2014 are 33,313 and 34,389 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 3, 2015,

The Board of Directors of our Company has resolved to appoint İbrahim Eren, Independent Member of the Board, as Chairman of the Audit Committee and Yiğit Bulut, Independent Member of the Board, as member of the Audit Committee.

As we have disclosed on February 5, 2015,

The distributable income after allocating for the legal reserves from Net Income After Tax is calculated as TL 1,840,853,475.81 and gross cash dividend per each share worth for 1 TL nominally is 52.5958 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. Please follow the link below for board resolution for dividend recommendation, dividend distribution table and dividend per share table.

<http://www.tinvestorrelations.com/financial-operational-information/dividend-information.aspx>

As we have disclosed on February 5, 2015,

Press release regarding 2014 Year End Results is attached. Investor presentation including more detailed information will be published on (www.tinvestorrelations.com) tomorrow. Please follow the link below for press release.

<http://www.tinvestorrelations.com/financial-operational-information/quarterly-results.aspx>

As we have disclosed on February 6, 2015,

Under normal circumstances, our guidance for 2015 is as below:

- * Consolidated revenue growth (excluding IFRIC 12 construction revenues) to be 5% to 7% over 2014
- * Consolidated EBITDA to be between TL 5.1 billion and TL 5.2 billion
- * Consolidated CAPEX (excluding the potential spectrum licence fees) to be around TL 2.3 billion

As we have disclosed on February 10, 2015,

Our Statutory Audit Board member Süleyman Karaman has resigned.

As we have disclosed on February 20, 2015,

Our Company's Board of Directors has resolved that Kemal Madenoğlu shall be appointed as an Independent board member, in the capacity of real person board member, to the vacant board member position for the remaining term of office of the Board of Directors in accordance with Article 363 of Turkish Commercial Code as to be submitted to the approval of the General Assembly of our Company at the first upcoming General Assembly Meeting to be held.

Kemal MADENOĞLU

(1964) Born in Seydişehir, Konya. He received his Bachelor's Degree in 1988 in Sociology Department of Faculty of Science and Letters, Middle East Technical University (METU). In 1989, he started to work as Assistant Expert at Social Planning Department of State Planning Organization. Between the years 1992 and 1994, he studied for his Master Degree on Sociology at the University of Colorado in the US. In 1995, he was appointed as a Planning Expert. From February 2003 to June 2009, he served as Director General for Social Sectors and Coordination. Between June 2009 and June 2011, he served as Undersecretary of State Planning Organization. In June 2011, he was appointed as Undersecretary of the Ministry of Development. Alongside this job, since 2009, he has been working as the Chairman of the Board of Trustees of Kyrgyzstan-Turkey Manas University and as the Coordinator of Istanbul Financial Center. He was the coordinator of 2010 Turkey Report of the United Nations Millennium Development Goals. In 2010, he supported the works of Deputy Prime Minister Ali Babacan at the UN High Level Panel on Global Sustainability, which was established by the UN Secretary-General. He coordinated the preparation process and the Turkey Report of RIO+20, United Nations Conference on Sustainable Development held in 2012 in Rio de Janeiro, Brazil participated by the Turkish President Mr. Recep Tayyip ERDOĞAN. He represented Turkey in

the works concerning 2013-2014 Sustainable Development Goals run by the UN. On 17 October 2014, he was appointed as the Undersecretary of the Turkish Prime Ministry. He can speak English and he is married with three children.

As we have disclosed on March 2, 2015,

Conclusion of the Related Party Report prepared by our Board of Directors are as follows;

Common and recurring sale and purchase transactions between TTNET A.Ş. and our Company exceeded the 10% of the gross sales revenue or asset size in 2014 and projected to exceed in 2015. These transactions are considered to be made on arm's length basis by taking into consideration the negative discrimination on TTNET A.Ş. and role of regulatory authority on pricing. Apart from those there are no sale or purchases exceeding the threshold with the related parties and is not projected to be done in 2015.

There is no non-recurring related party transaction that has reached or is projected to reach or has exceeded the threshold as 5% of gross sales revenue, total assets or average of the adjusted daily weighted average market capitalization for 6 months prior to the related Board Resolution date.

As we have disclosed on March 6, 2015,

Our Vice Chairman of Board, Feridun Bilgin has resigned.

The Ordinary General Assembly of our Company shall convene at the address of Türk Telekomünikasyon A.Ş. Headquarters, Turgut Özal Bulvarı 06103 Aydınlikevler Ankara, at 10:30 a.m., on 31st of March, 2015. Please follow the link below for Agenda, Proxy sample and Information Set.

<http://www.ttinvestorrelations.com/corporate-governance/general-assembly-meeting.aspx>

Annual Report is available on www.kap.gov.tr and www.ttinvestorrelations.com websites

As we have disclosed on March 10, 2015,

Our Company's Board of Directors has resolved that Talat Aydın shall be appointed as board member, in the capacity of real person board member, to the vacant board member position for the remaining term of office of the Board of Directors in accordance with Article 363 of Turkish Commercial Code as to be submitted to the approval of the General Assembly of our Company at the first upcoming General Assembly Meeting to be held.

Our Company's Board of Directors has resolved that Kemal Madenoğlu shall be appointed as vice chairman of the board.

Talat AYDIN (1961)

Born in Erzincan. After graduating from Technical High School, Mechanics Department in Erzincan, he has graduated from Mechanical Engineering Department of Erciyes University and obtained his masters degree in Engineering in Gazi University. After working as Engineer and Senior Engineer in public sector, worked as an auditor in Prime Ministry High Audit Board between April 2001 – April 2003. Served as Director General of Land Transportation between May 2003 – July 2009 and Deputy Undersecretary of Ministry of Transportation between August 2009 and October 2011. He has been serving as Undersecretary of Minister, since the

establishment of the Ministry of Transportation, Maritime Affairs and Communications on November 1, 2011. He speaks English and married with 3 children.

As we have disclosed on March 19, 2015,

TTNET Chief TV Officer position has been established under Consumer Business Unit and Çağrı Dönmez is appointed as TTNET Chief TV Officer. Mr. Dönmez graduated from Bogazici University Department of Computer Engineering in 1997, has a Master's degree from University of Iowa – Henry B. Tippie College of Business MBA, MIS and Finance. Mr. Dönmez has started his career as a consultant then worked in Akbank and joined Türk Telekom Group from Digiturk where he left as Chief Marketing Officer after 8 years in various management positions in the company.

As we have disclosed on March 26, 2015,

The collective bargaining agreement negotiations between our company and Türkiye Haber-İş Union will begin on April 15, 2015 at 14.00 p.m., at our company's headquarters in Ankara.

As we have disclosed on March 27, 2015,

Nimet Güventepe is appointed as TTNET Chief Corporate Customer Care Officer. She will be leading the corporate customer care functions of Türk Telekom, Avea and TTNET.

Nimet Güventepe graduated from City and Regional Planning department of the Middle East Technical University in 1996, and has a MBA degree from İstanbul Bilgi University. Mrs. Güventepe has started her career as Account Manager in Akbank then worked in Kapital Factoring as Portfolio Manager and Region Manager. She joined Türk Telekom Group in 2003 as Sales Manager in Aycell iletişim Hizmetleri, and during the integration period of Aycell and Aria she took several important roles in designing sales and customer care processes. After being in various management positions in consumer and corporate sales organization of Avea, since 2014 Mrs. Güventepe has been working as Chief Sales Marketing and Customer Management Officer at AssisTT Rehberlik Hizmetleri A.Ş.

As we have disclosed on March 31, 2015,

2014 General Assembly Meeting was held. Please follow the link below for the Minutes and Attendee List (in Turkish).

<http://www.ttinvestorrelations.com/corporate-governance/general-assembly-meeting.aspx>

7. MATERIAL ISSUES AFTER THE END OF THE PERIOD

As we have disclosed on April 3, 2015,

Our company signed two loan agreements with China Development Bank Corporation in order to finance our company's and subsidiaries purchases from Chinese vendors.

Total amount is USD 200 million, maturity is nine years including a grace period of two years, annual interest rate is Libor + 2.85%.

8. SUMMARY FINANCIAL RESULTS

• Summary Türk Telekom Consolidated Balance Sheet as of 2015 Q1 and 2014 YE

TL million	2015 Q1	2014 YE
Intangible Assets(*)	4,720	4,789
Tangible Assets and Investment Property	8,058	8,194
Other Assets	4,888	4,356
Cash and equivalents	3,008	2,538
Total Assets	20,673	19,878
Share capital	3,260	3,260
Reserves and retained earnings	1,109	1,036
Interest Bearing Liabilities	9,967	8,877
Provisions for long-term employee benefits	572	556
Other Liabilities	5,738	4,141
Net Income	27	2,007
Total Equity & Liabilities	20,673	19,878

(*) Includes goodwill.

• Summary Türk Telekom Consolidated Income Statement for the periods of 2015 Q1 and 2014 Q1

TL million	2015 Q1	2014 Q1
Revenues	3,434	3,195
EBITDA	1,329	1,200
<i>Margin</i>	39%	38%
Operating Profit*	805	723
<i>Margin</i>	23%	23%
Profit Before Tax	68	478
<i>Margin</i>	2%	15%
Tax Expense	-63	-107
Minorities	22	14
Profit/(Loss) For The Period	27	384
<i>Margin</i>	1%	12%

*Operating profit includes revenues, cost of sales, depreciation and amortization, selling and marketing expenses, administrative expenses, other operating income/(expense), and income/(expense) from investing activities, but excludes financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest income /(expenses), and discount income/(expense) on receivables and payables), income on unconsolidated subsidiaries, and minority interest. Reported operating profit on CMB financial statements is different due to reclassification requirements of the POA/CMB since 2013 Q3 financial statements. Further explanations are available on notes 2.1 and 5 on financial statements.