

Investor Presentation

2018 Q4



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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, amortization and impairment expenses, financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Türk Telekom Highlights



**Leading
COMPANY IN TURKEY**

Offering
**Integrated telecom
services**



Most valuable
telco brand for
**10 CONSECUTIVE
YEARS**



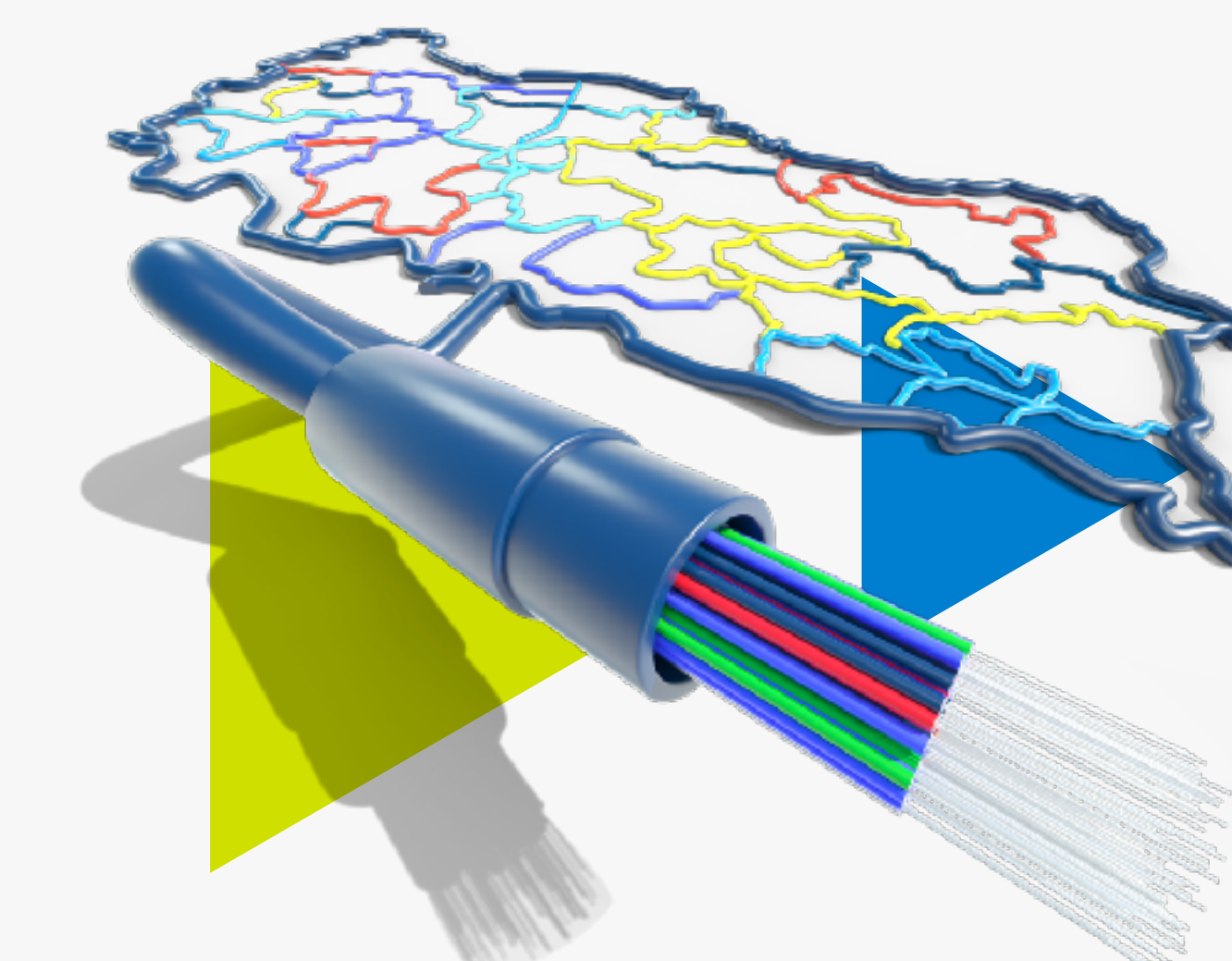
2nd player
in TV market



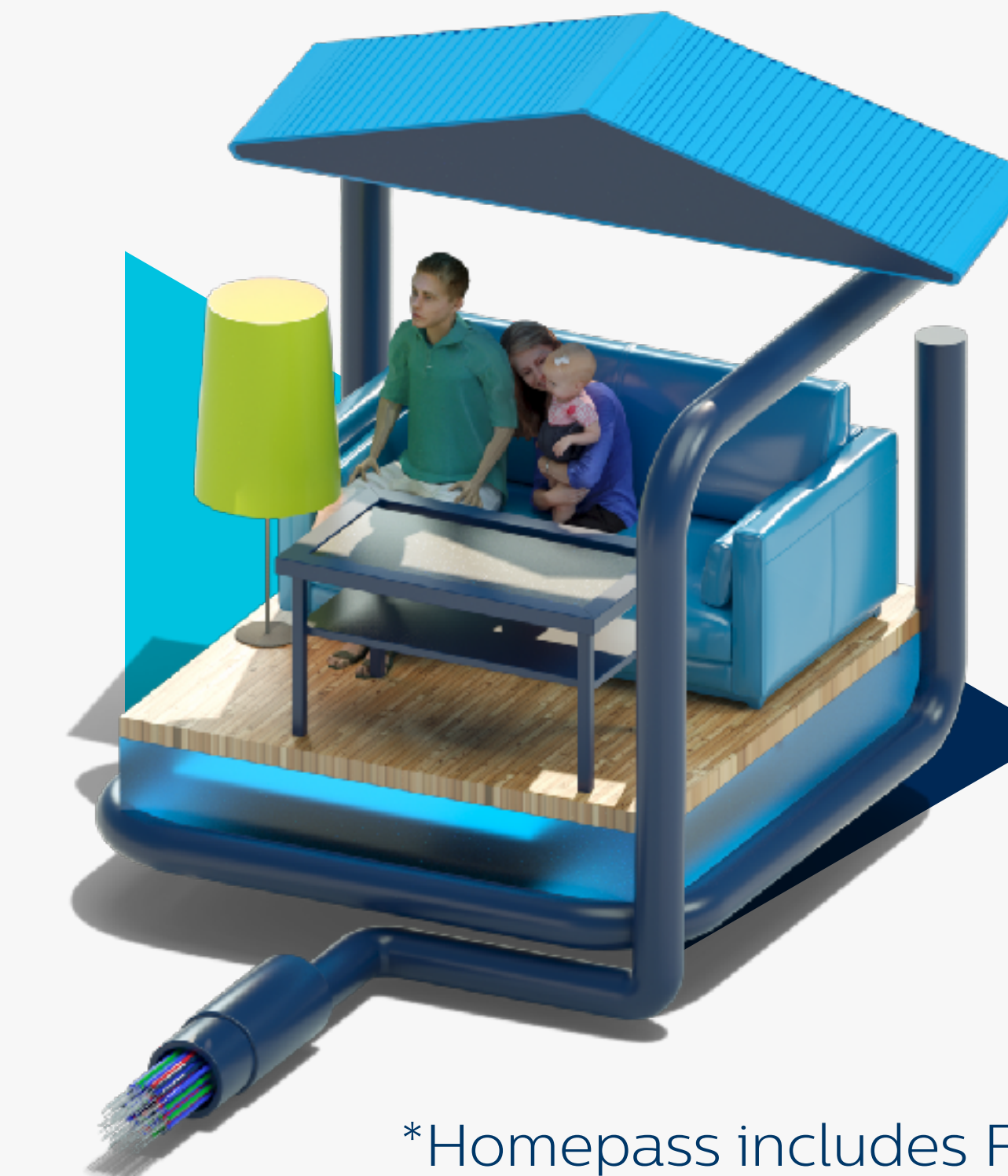
~50%
fiber connected
LTE Base Stations



91%
LTE
Population Coverage



282K km
fiber network in
81 cities



18.6mn
Fiber Homepass*

*Homepass includes FTTC & FTTH/B



Serving
46.0mn
Subscribers

Strategy

► GROWTH

Increase HH reach and subscriber base

- ▶ FBB penetration drive & upsell focus, partnership with electricity companies
- ▶ Mobile market share growth
- ▶ Increase TV reach, Grow wireless HH reach
- ▶ Synergy offers & cross sell
- ▶ Focus on verticals: Health, education, energy, and security

Value creation on top of core

- ▶ Large scale ICT projects such as smart cities, health campuses
- ▶ Consumer focused digitalization (Muud, e-dergi, Tambu, Tivibu Go) and enterprise digital transformation
- ▶ Enhanced value creation via subsidiaries; Innova (large scale ICT Projects), Argela (R&D and Innovation Center, Sebit (e-education)
- ▶ Capital Venture Company Initiative: Türk Telekom Ventures

► EFFICIENCY

- ▶ Simple & effective portfolio
- ▶ Go-to-market and customer care effectiveness
- ▶ Utilization of online and alternative channels
- ▶ Strict cost control
- ▶ Rigorous CAPEX management and asset efficiency
- ▶ Streamlined organization
- ▶ Lean technology - Commercialization of SDN and NFV

► Customer Experience Program: EMPATHY



Strategic Highlights



8.3 mn
DOWNLOADS
as of December

Online İşlemler

24 mn
DOWNLOADS

as of December

63%

penetration
among our
smartphone users



Fixed Broadband Penetration Increase



Almost half

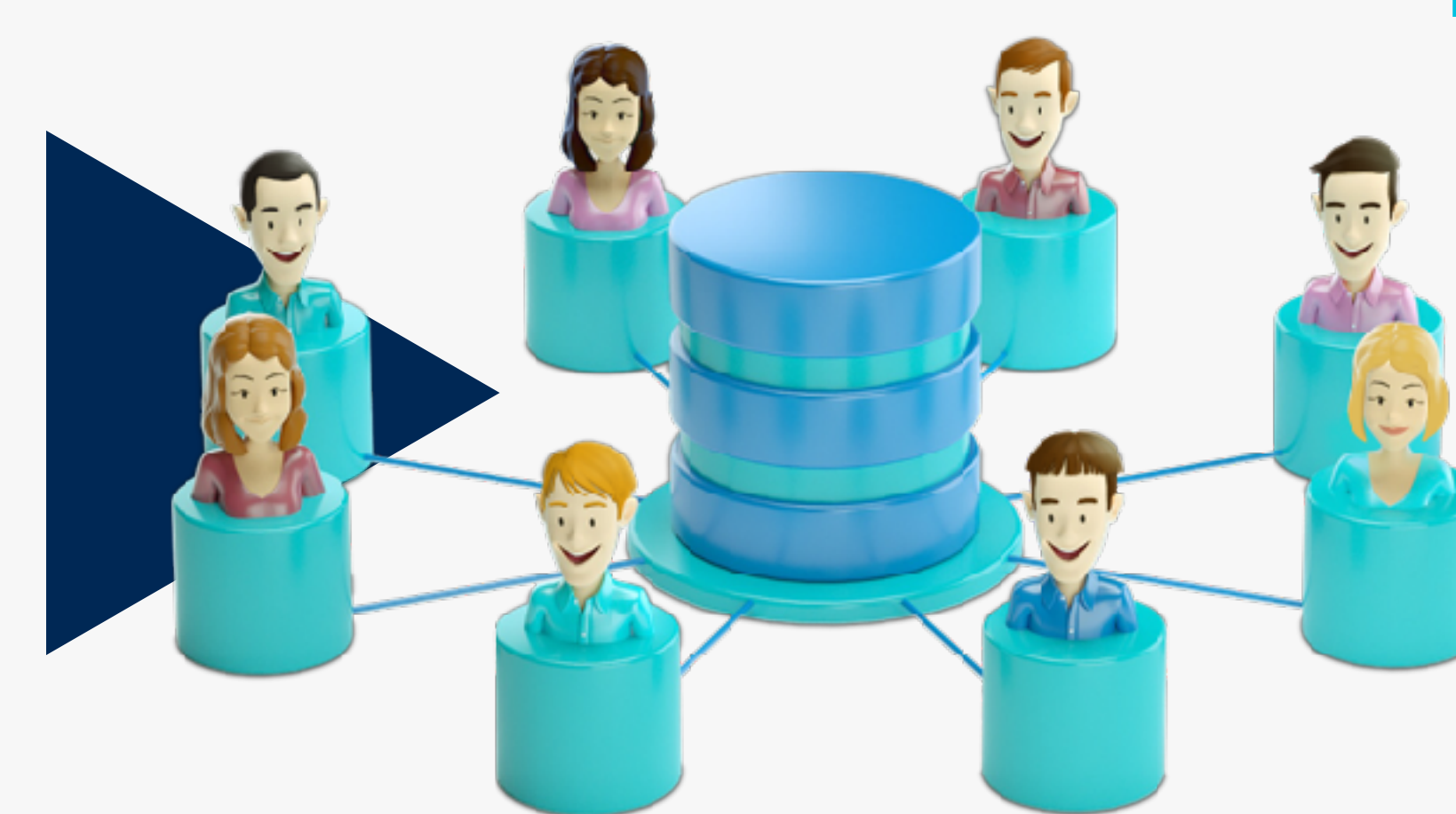
of the 2018 FBB net
adds
came via
İnternet Bizden

Cyber Security Center



Türk Telekom integrated its Corporate Security Services in Ankara under the largest Cyber Security Services

Customer Database



72%

of customers consented
for sharing of their info
among our group
companies

4.7ppt

YoY increase in multi
product ownership to

63%*

*Among constant customer sub_universe that provided consent last year

Infrastructure Rental



Pilot Project with
Vodafone on Leasing
of Fixed Electronic
Communication
Infrastructure was
completed

Net Subscriber Additions

4.3mn
net additions*
in 2018

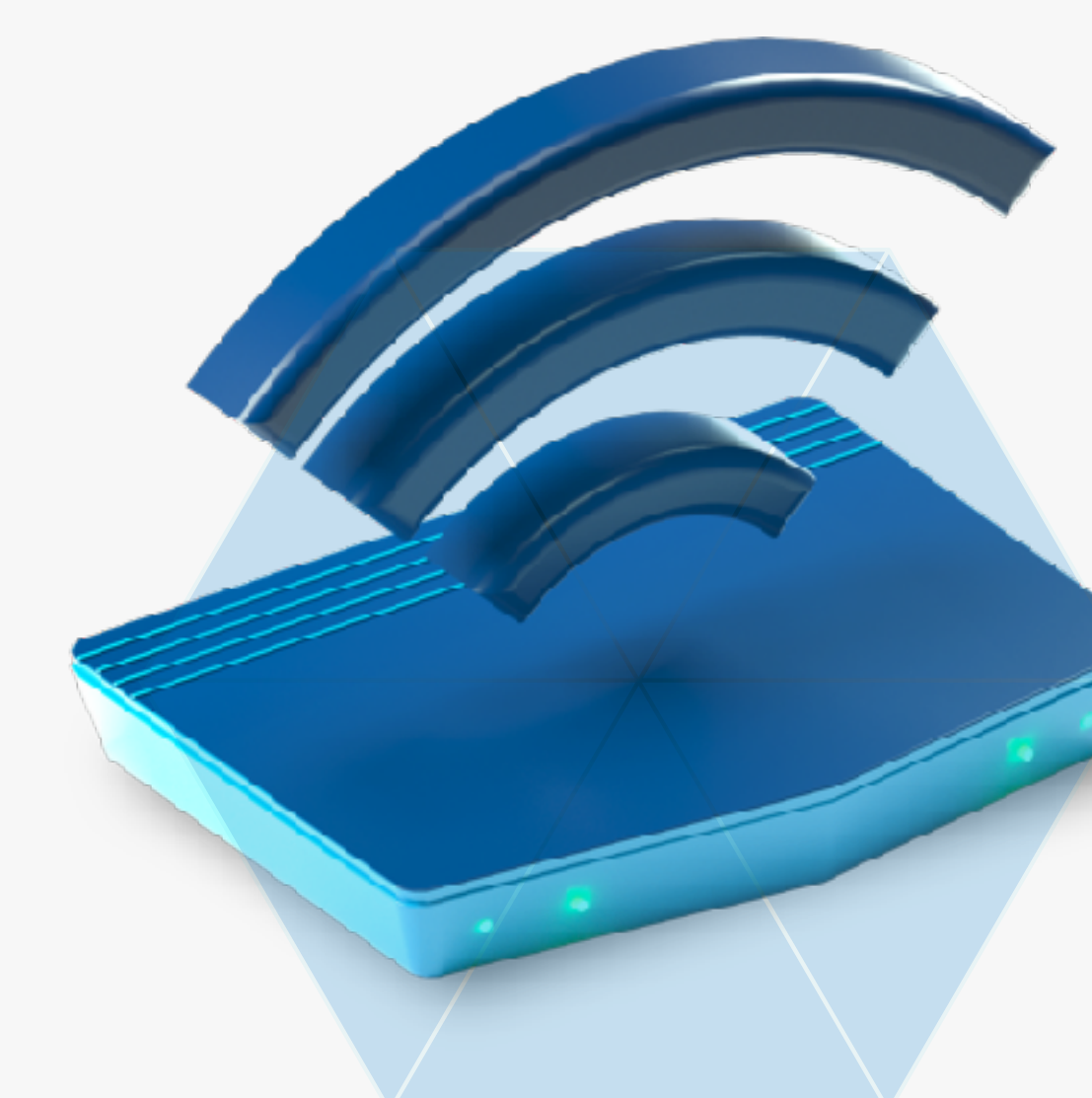
1.2mn
net additions*
in Q4

*Includes Tivibu Go

Broadband

308k
Q4 '18

1.2mn
2018



46.0mn
total
subscribers

Mobile

718k
Q4 '18

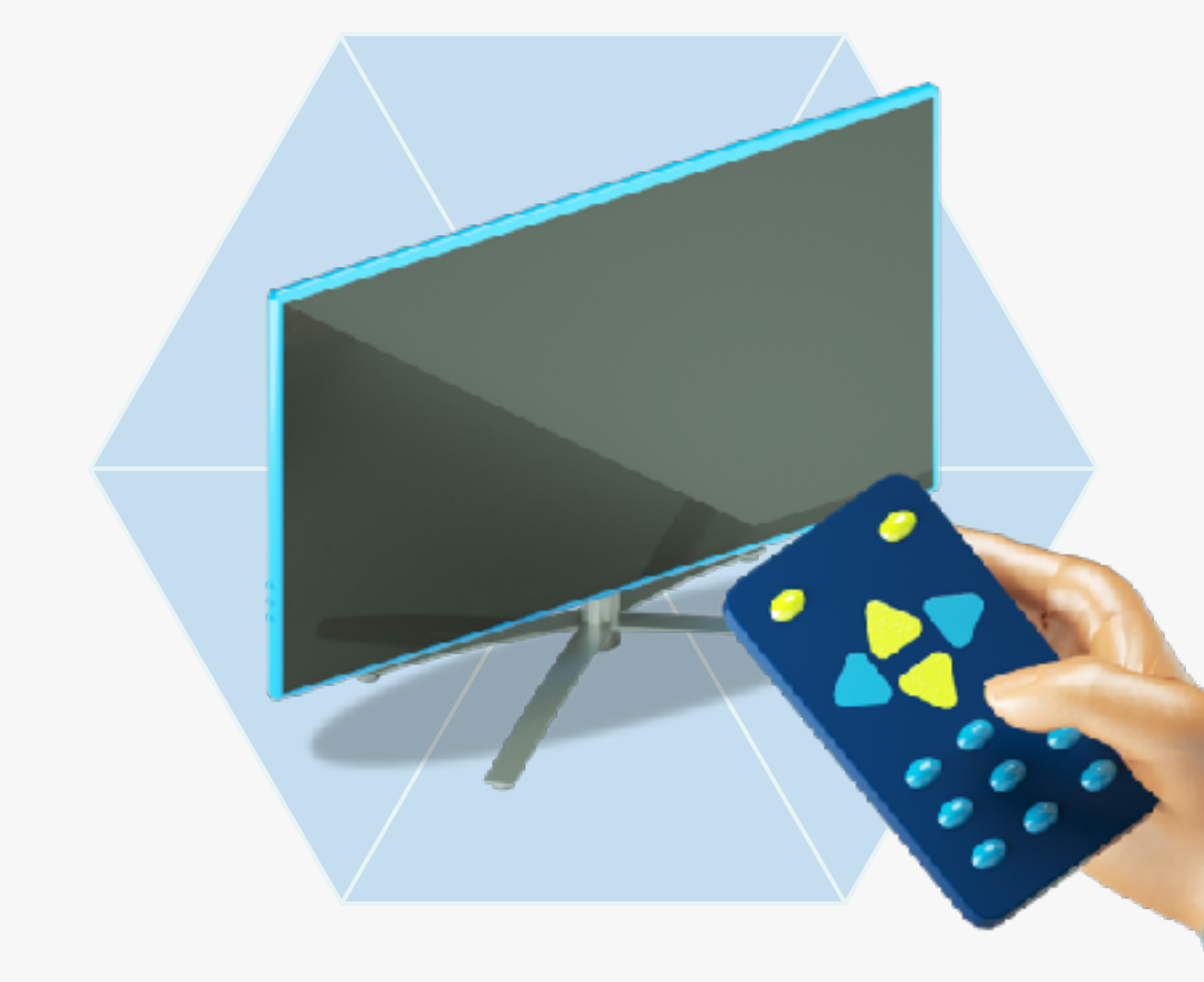
1.9mn
2018



Home TV

59k
Q4 '18

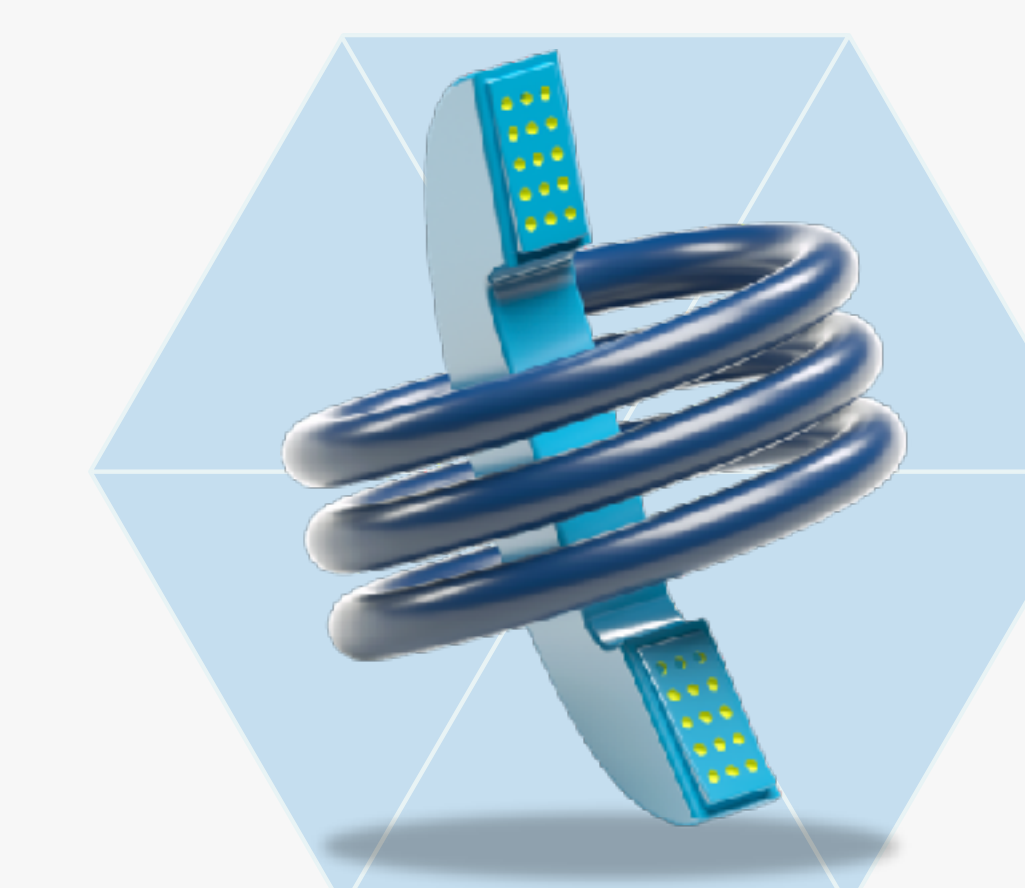
492k
2018



Fixed Voice

108k
Q4 '18

338k
2018



Financial Performance

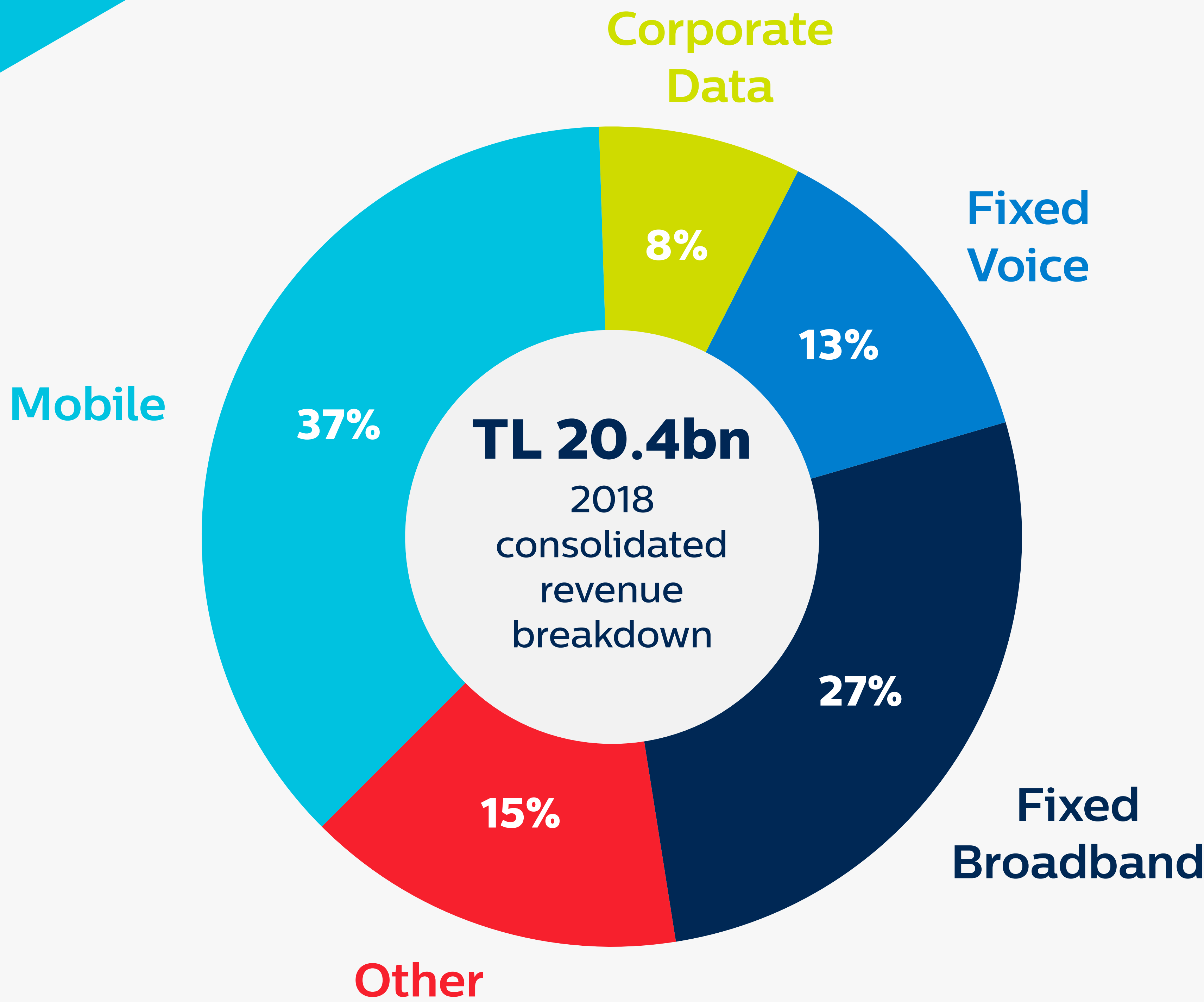
| (TL mn) | 2017 | 2018 | Growth (YoY) | 2017 Q4 | 2018 Q4 | Growth (YoY) |
|-------------------------------------|--------|---------|--------------|---------|---------|--------------|
| Revenue | 18,140 | 20,431 | 12.6% | 4,800 | 5,398 | 12.5% |
| Revenue (exc. IFRIC12) ¹ | 17,435 | 19,660 | 12.8% | 4,586 | 5,220 | 13.8% |
| EBITDA | 6,452 | 8,436 | 30.7% | 1,525 | 2,229 | 46.2% |
| EBITDA Margin | 35.6% | 41.3% | | 31.8% | 41.3% | |
| Operating Profit | 3,433 | 4,701 | 36.9% | 713 | 1,244 | 74.5% |
| Net Income | 1,136 | (1,391) | n.m. | (113) | 2,215 | n.m. |
| Adjusted Net Income ² | 2,416 | 3,354 | 38.8% | 636 | 856 | 34.6% |
| CAPEX | 3,221 | 4,087 | 26.9% | 1,722 | 1,451 | (15.8%) |

(1) IFRIC 12 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

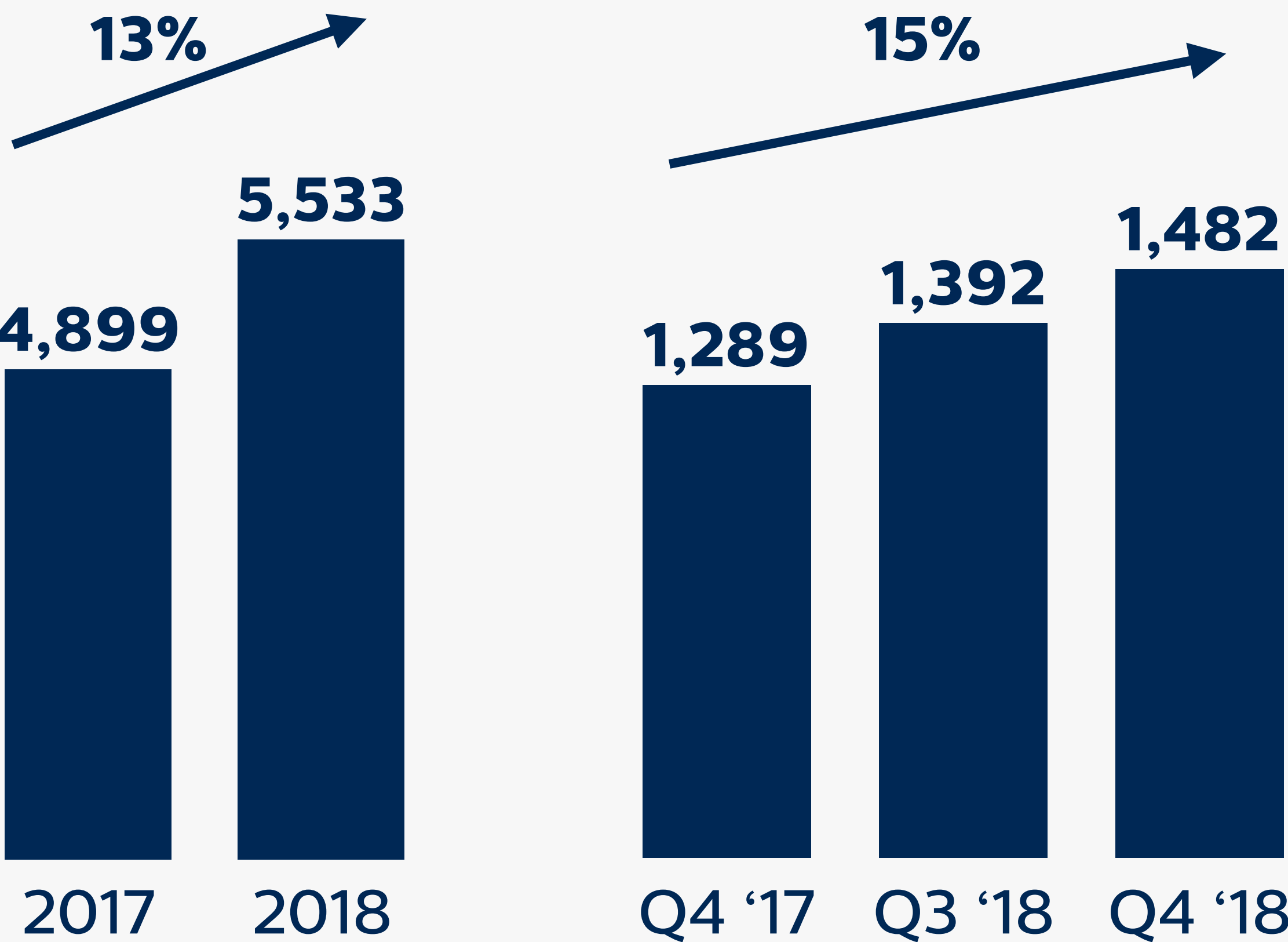
(2) Adjusted net income excludes the net impact of FX & FX hedging gain/loss (after tax) during respective period.

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

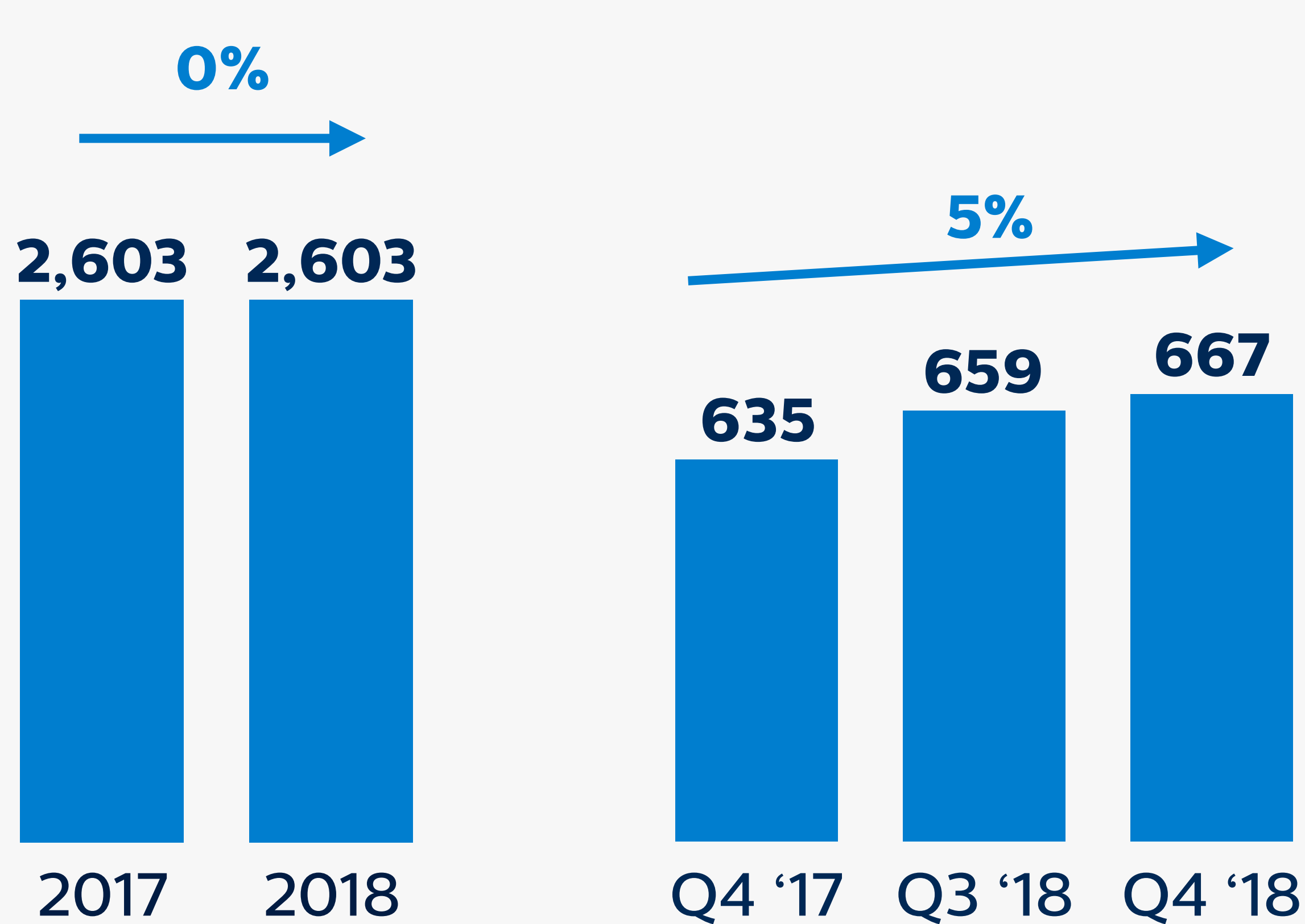
Focused on High Growth Areas



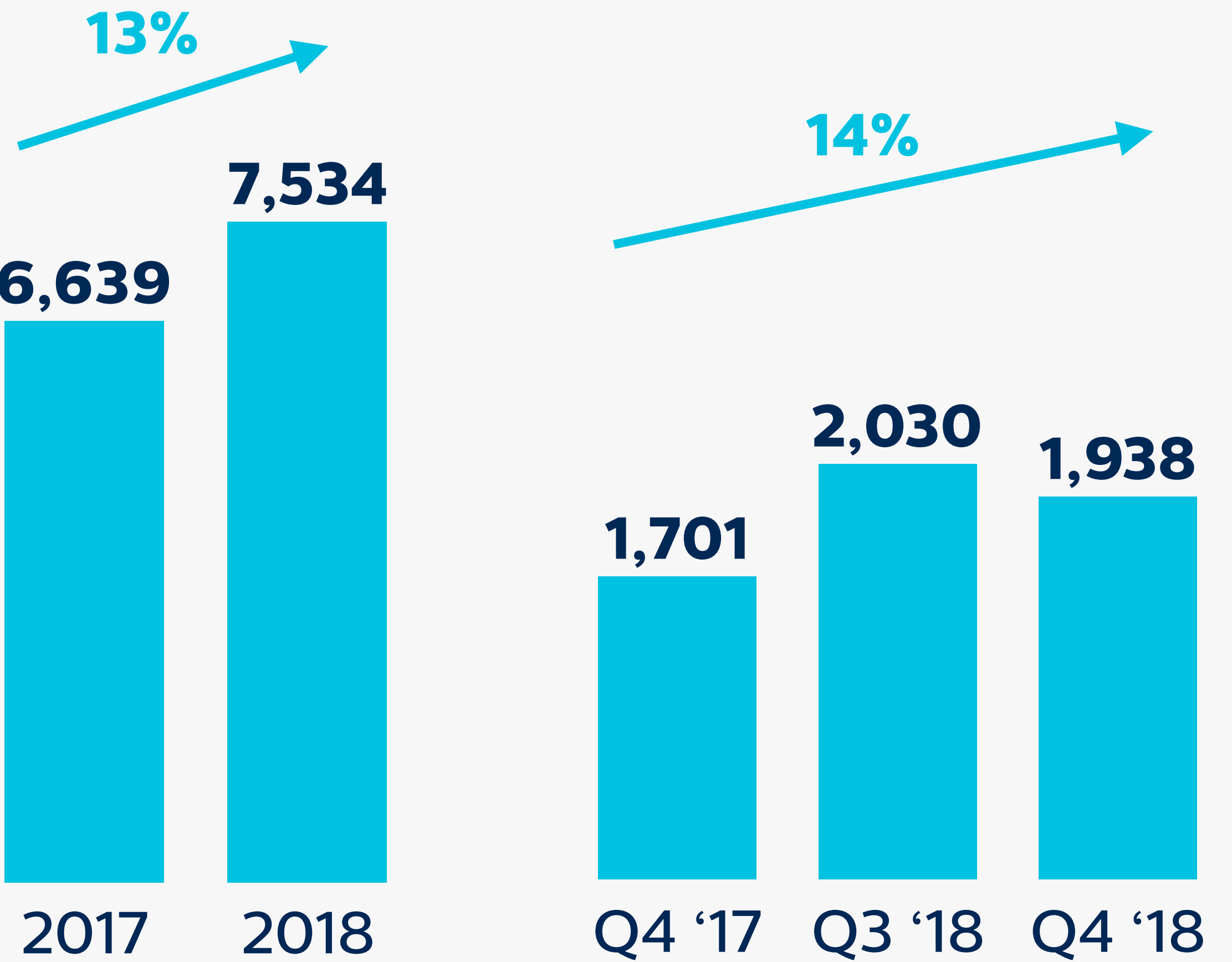
Fixed Broadband
(TL mn)



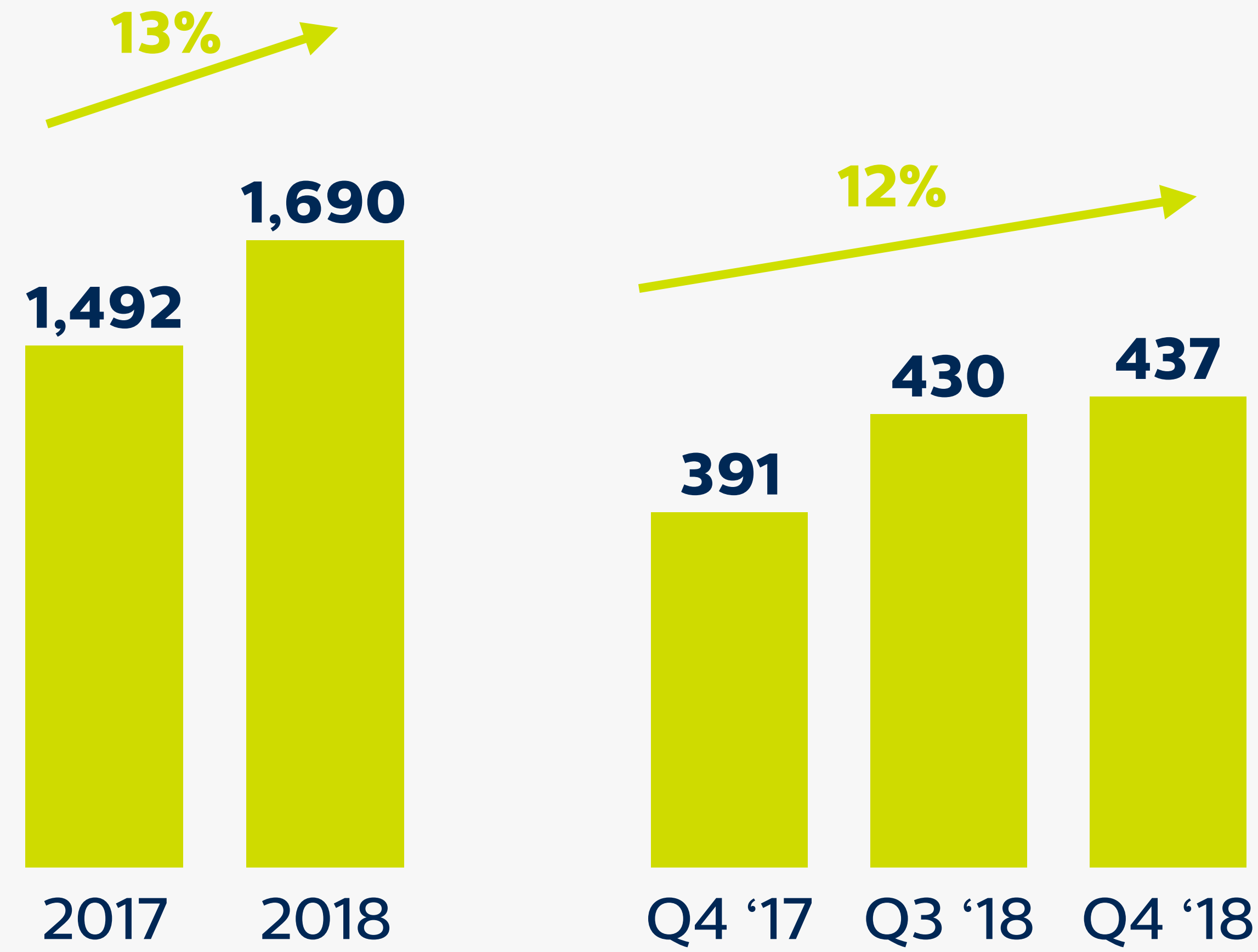
Fixed Voice
(TL mn)



Mobile
(TL mn)



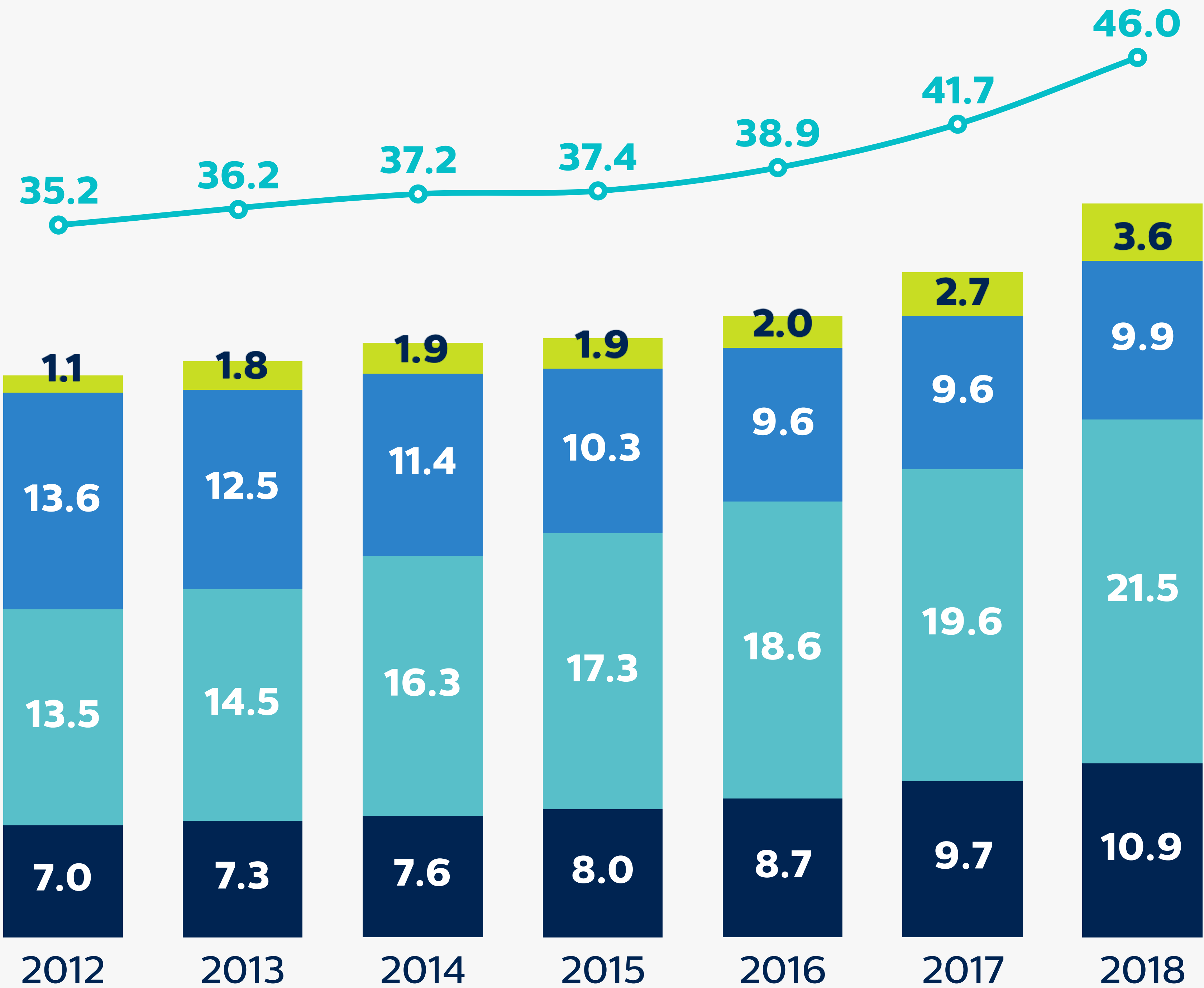
Corporate Data
(TL mn)



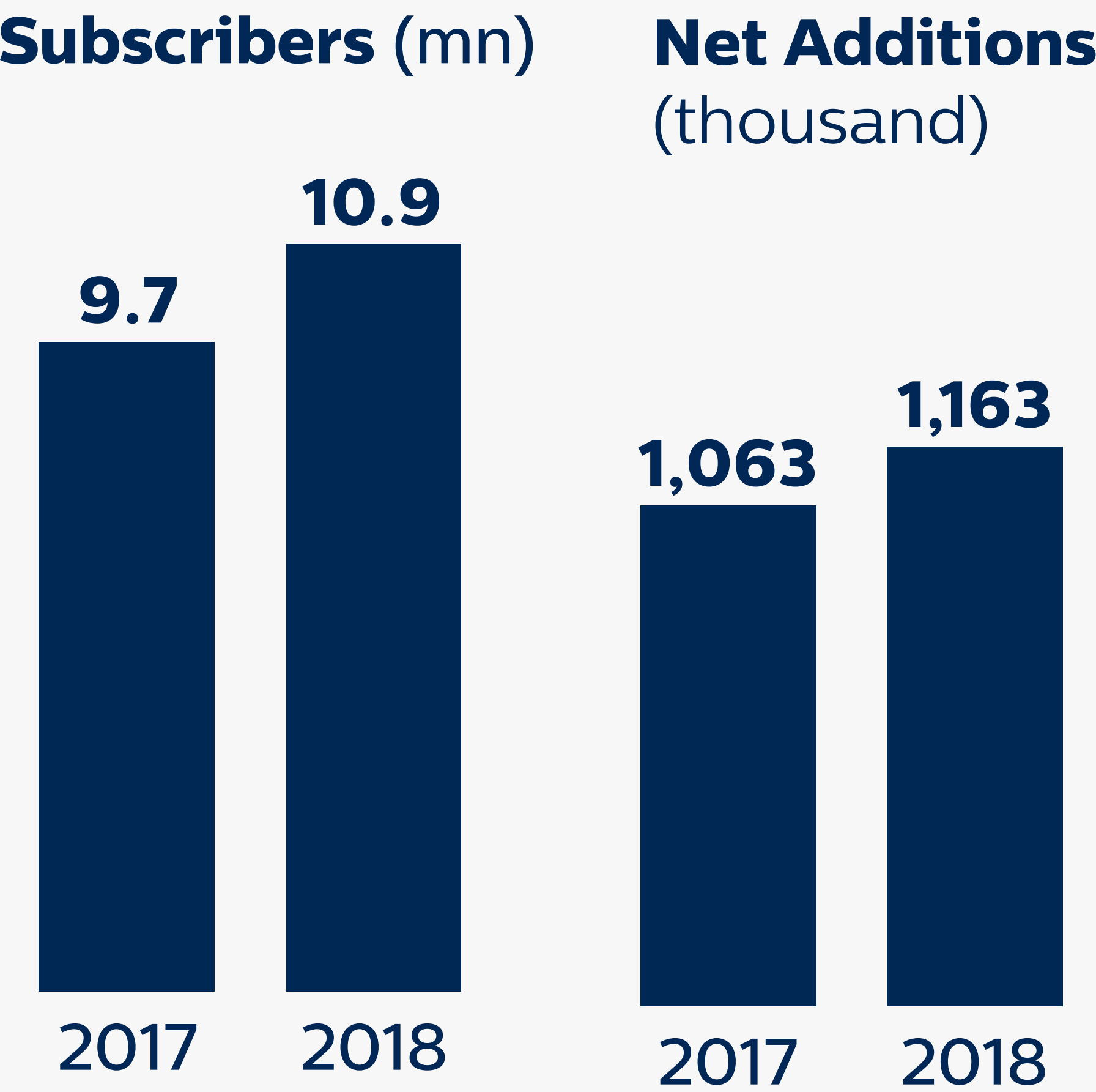
Accelerated Net Additions

Subscriber Breakdown (mn)

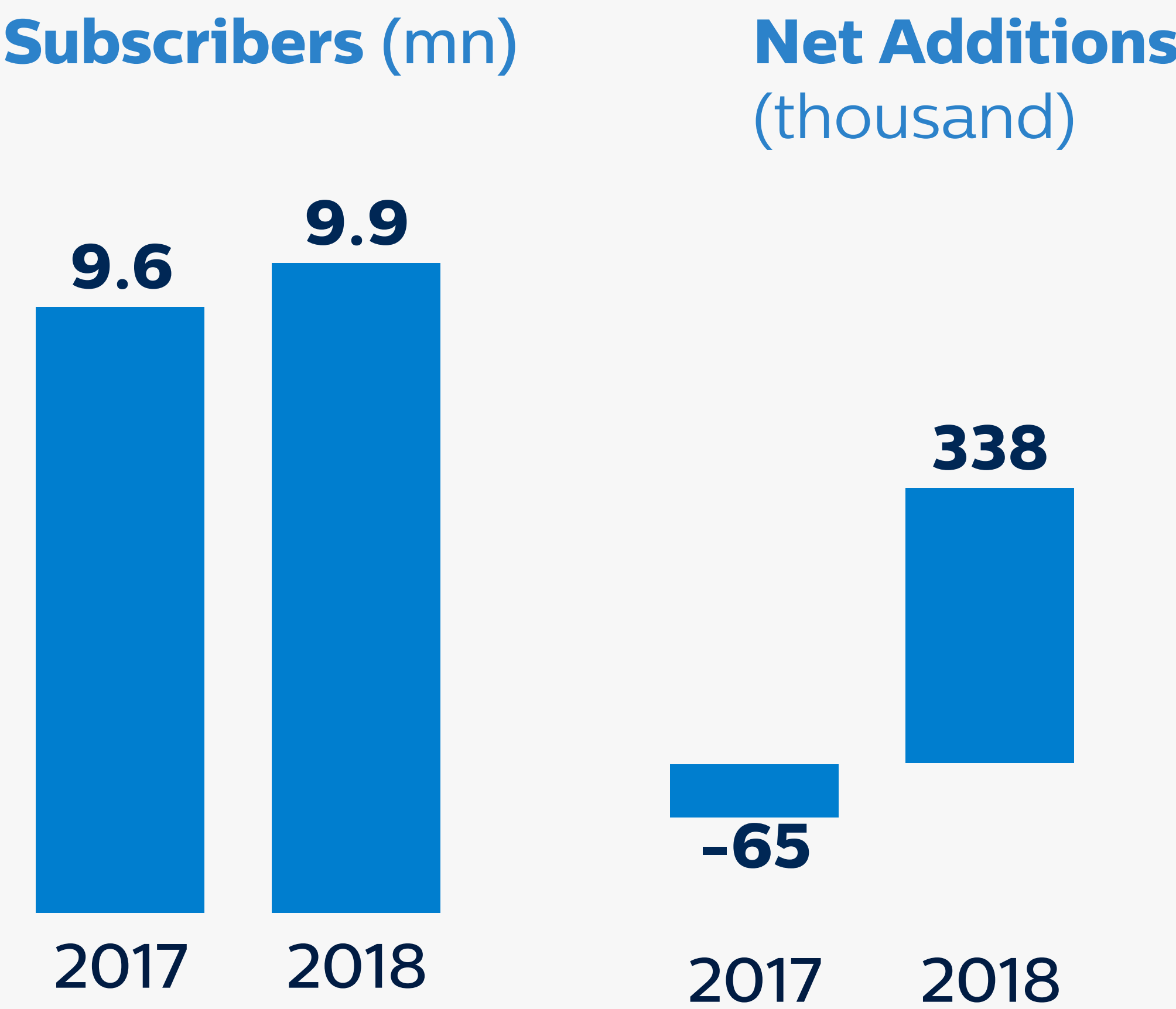
■ Fixed Broadband ■ Mobile ■ Fixed Voice ■ TV
○ Total Subscriber



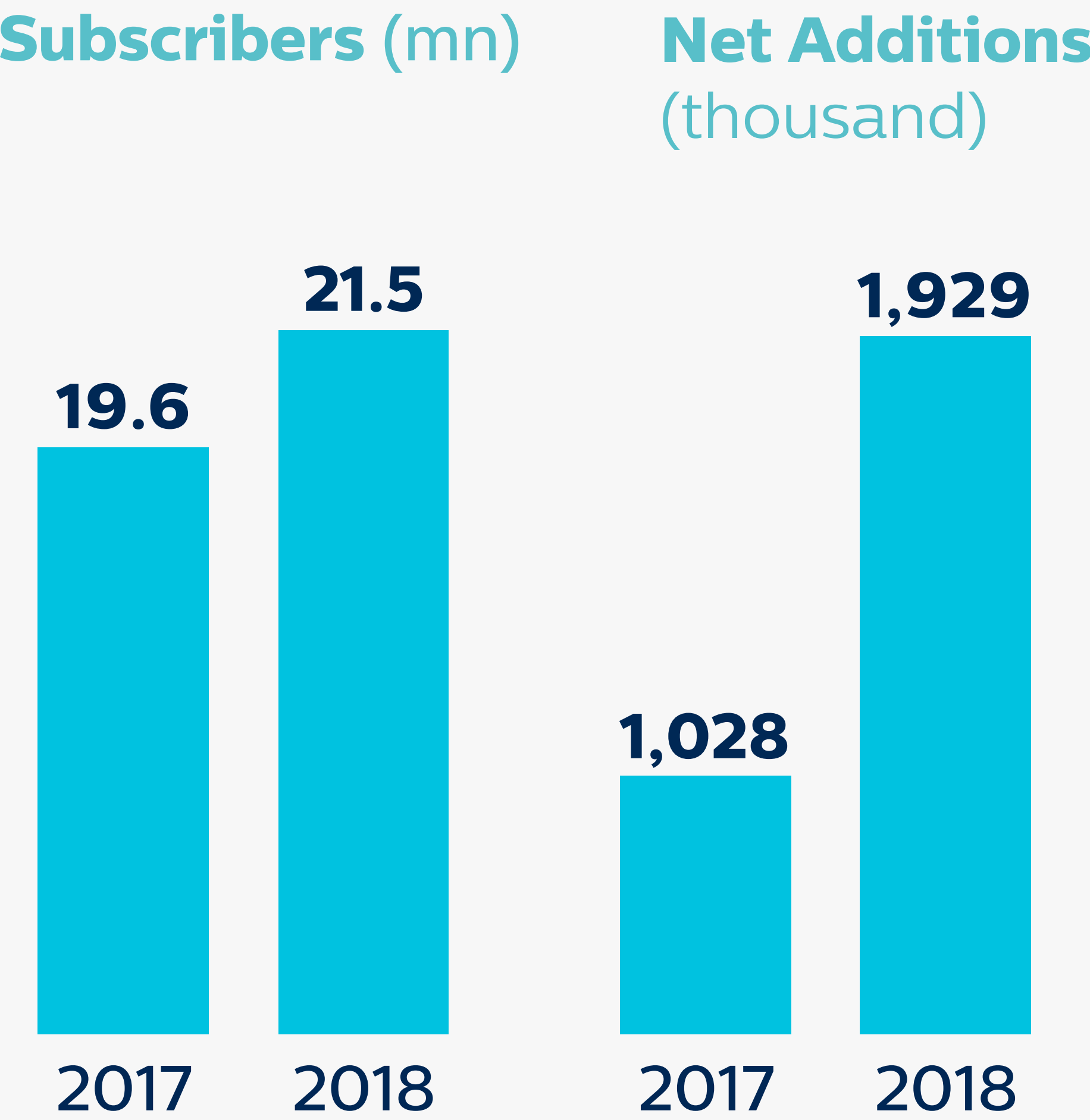
Fixed Broadband



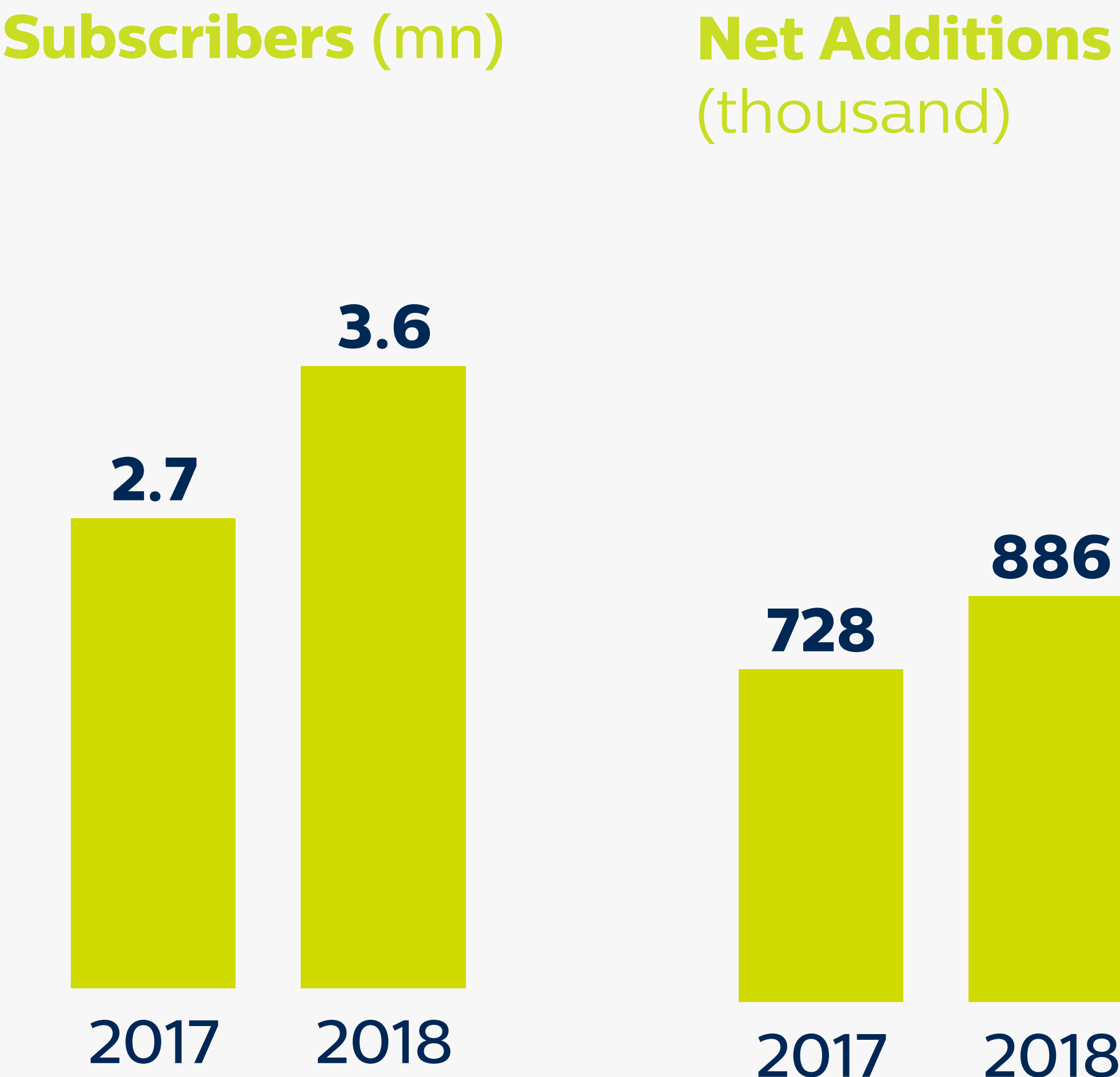
Fixed Voice



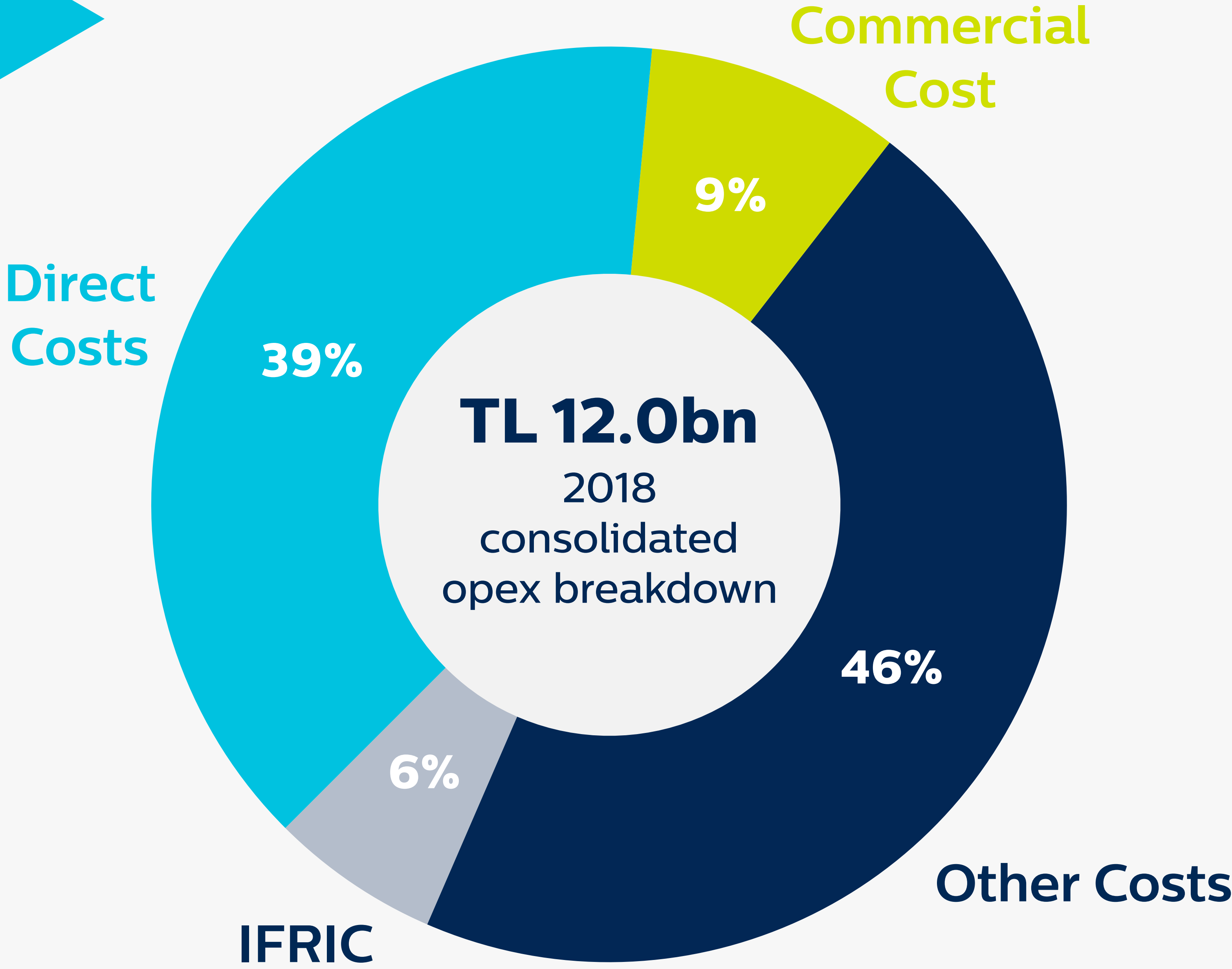
Mobile



TV

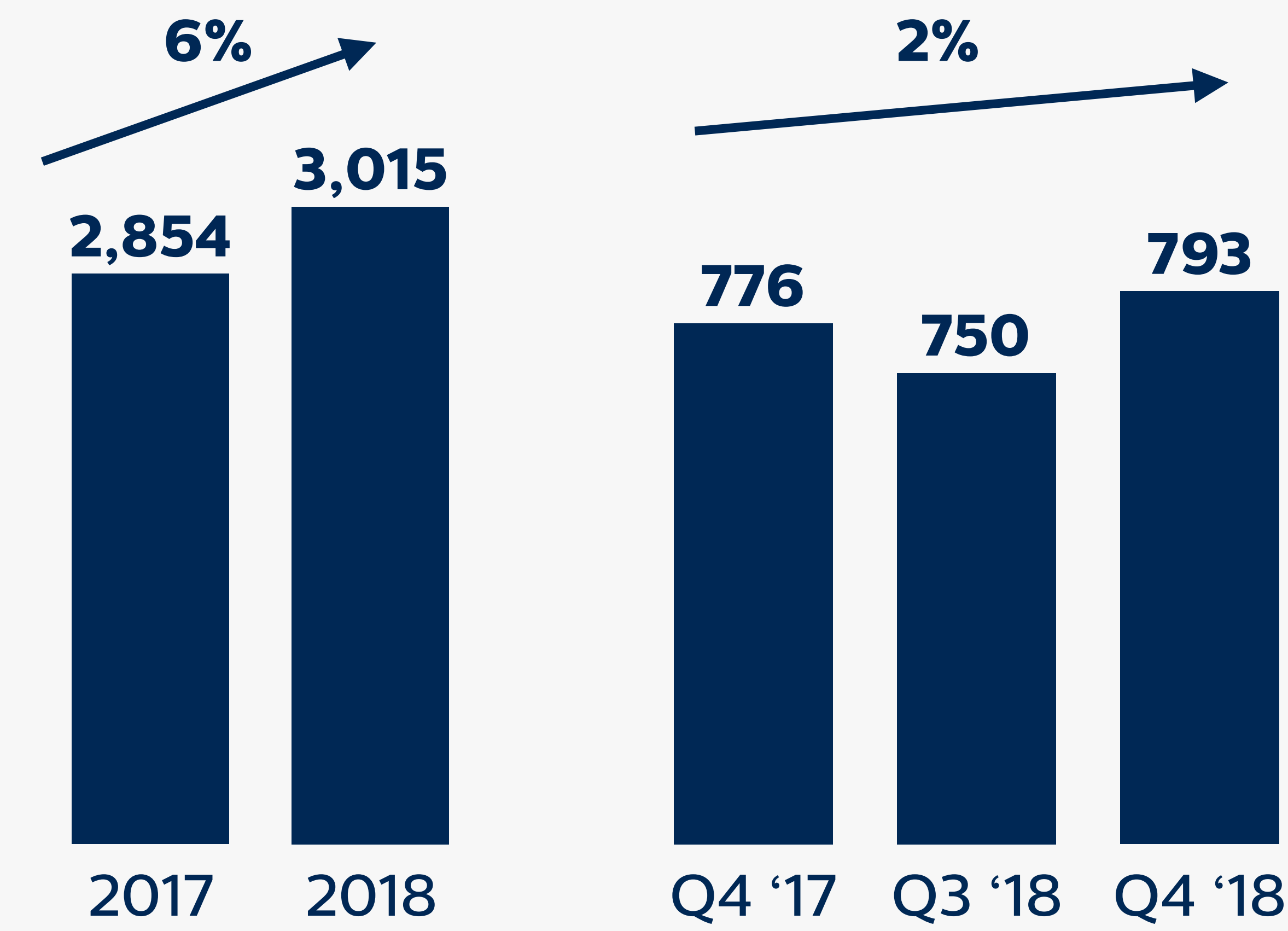


Focus on Efficiency



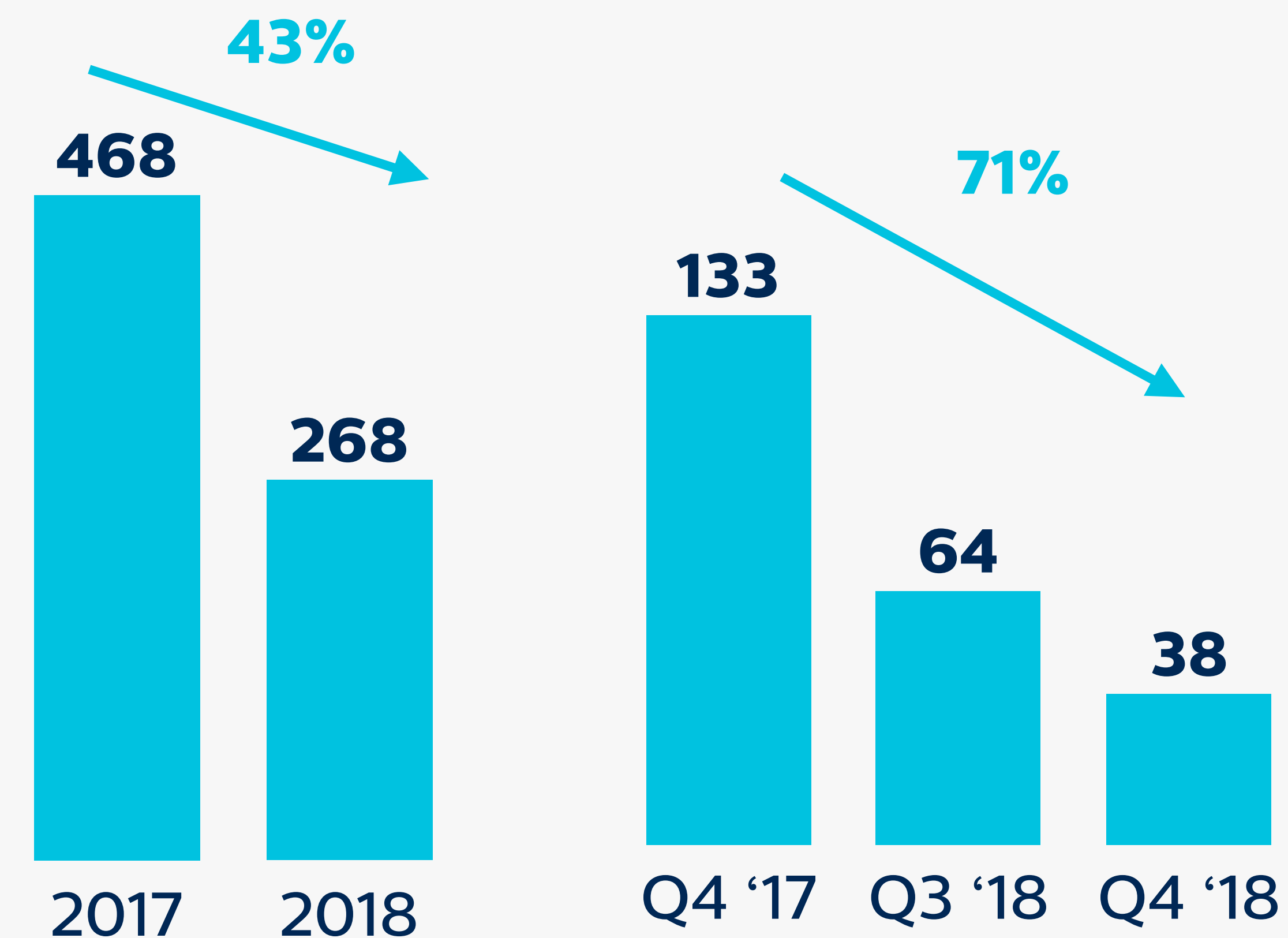
Personnel Expense

(TL mn)



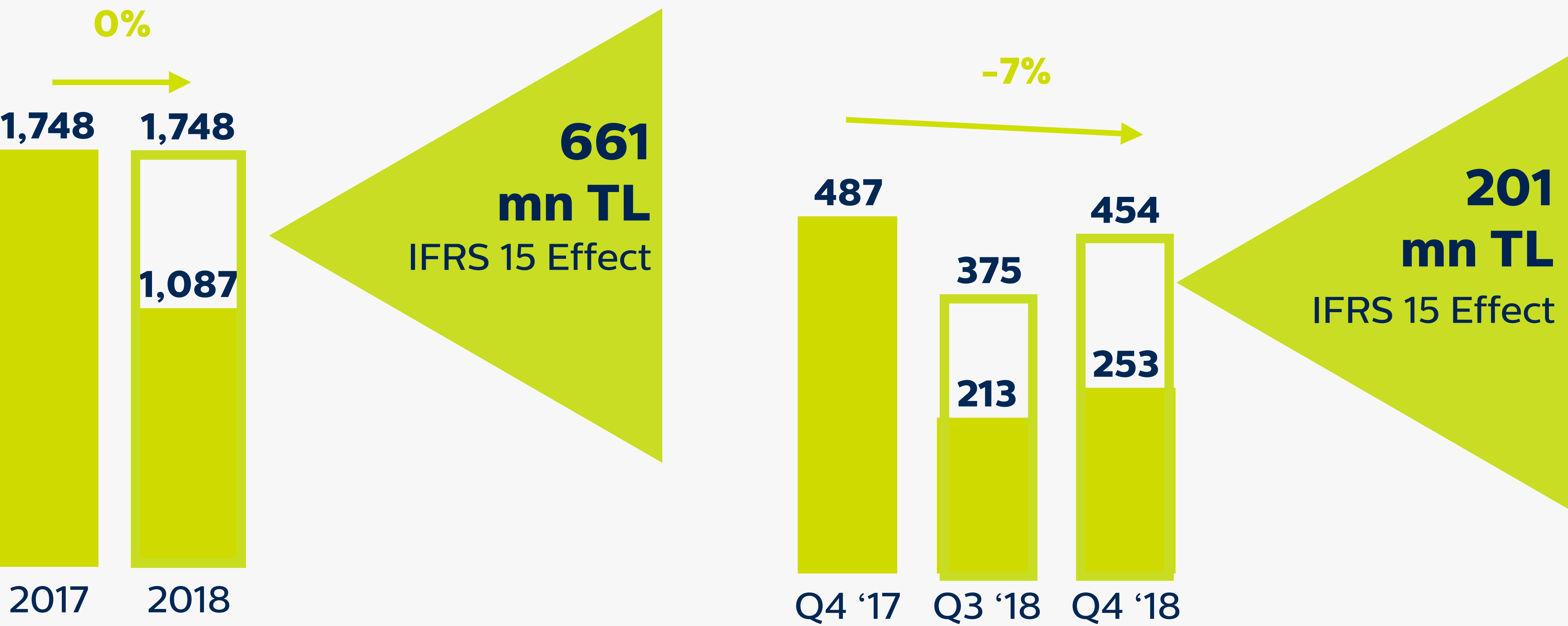
Provision for Doubtful Receivables

(TL mn)



Commercial Cost

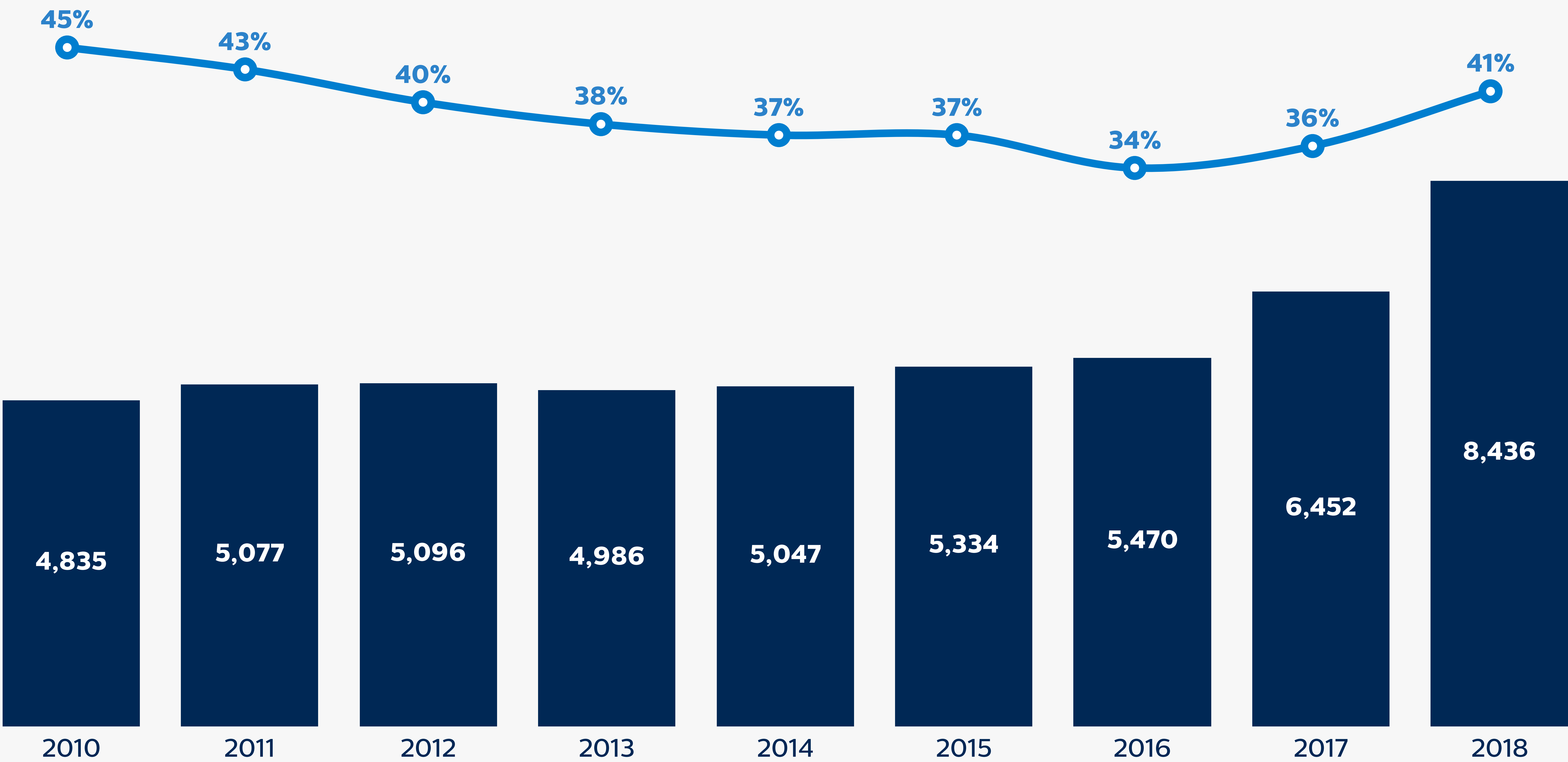
(TL mn)



Turnaround in EBITDA Margin

EBITDA & EBITDA Margin

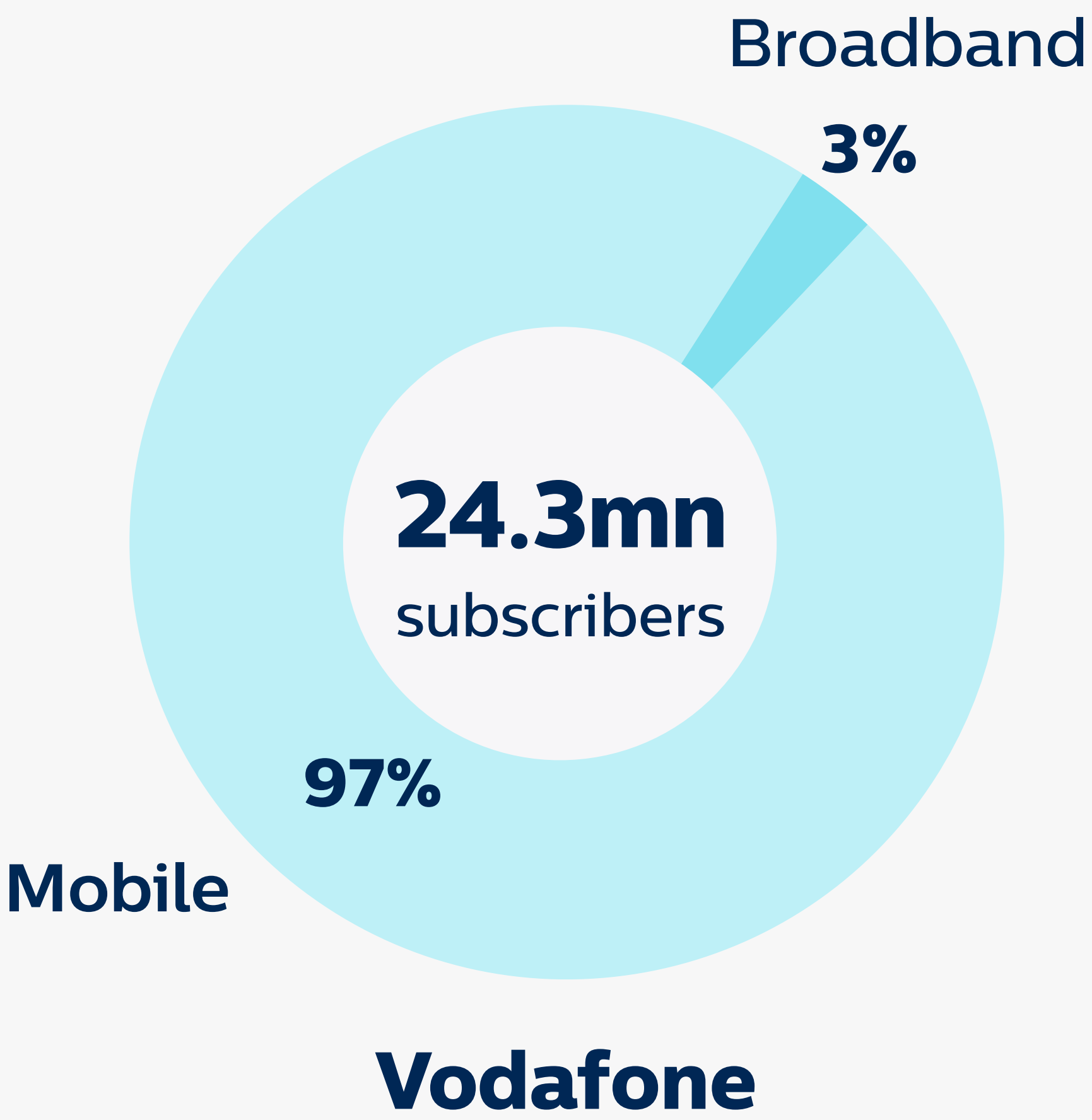
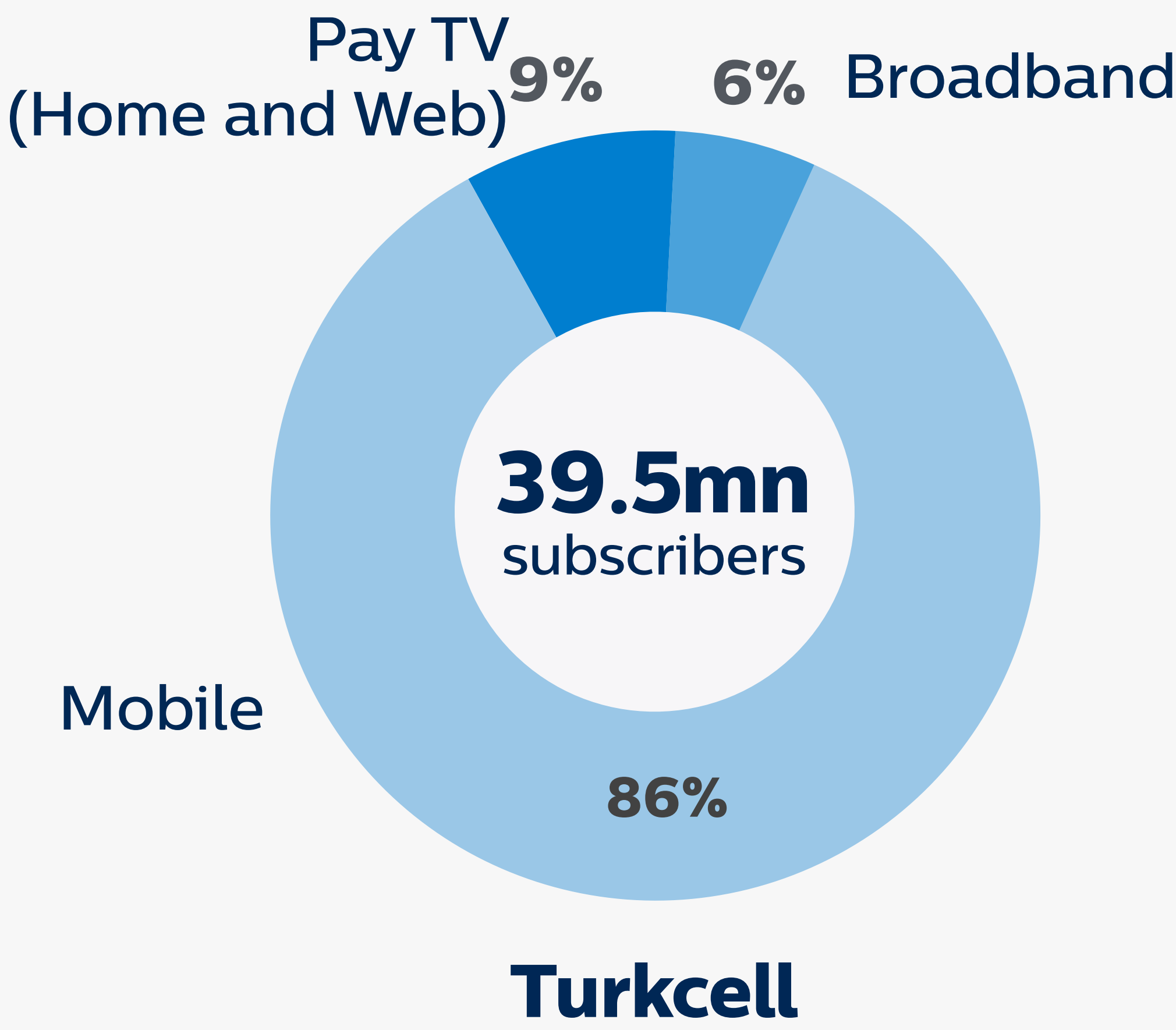
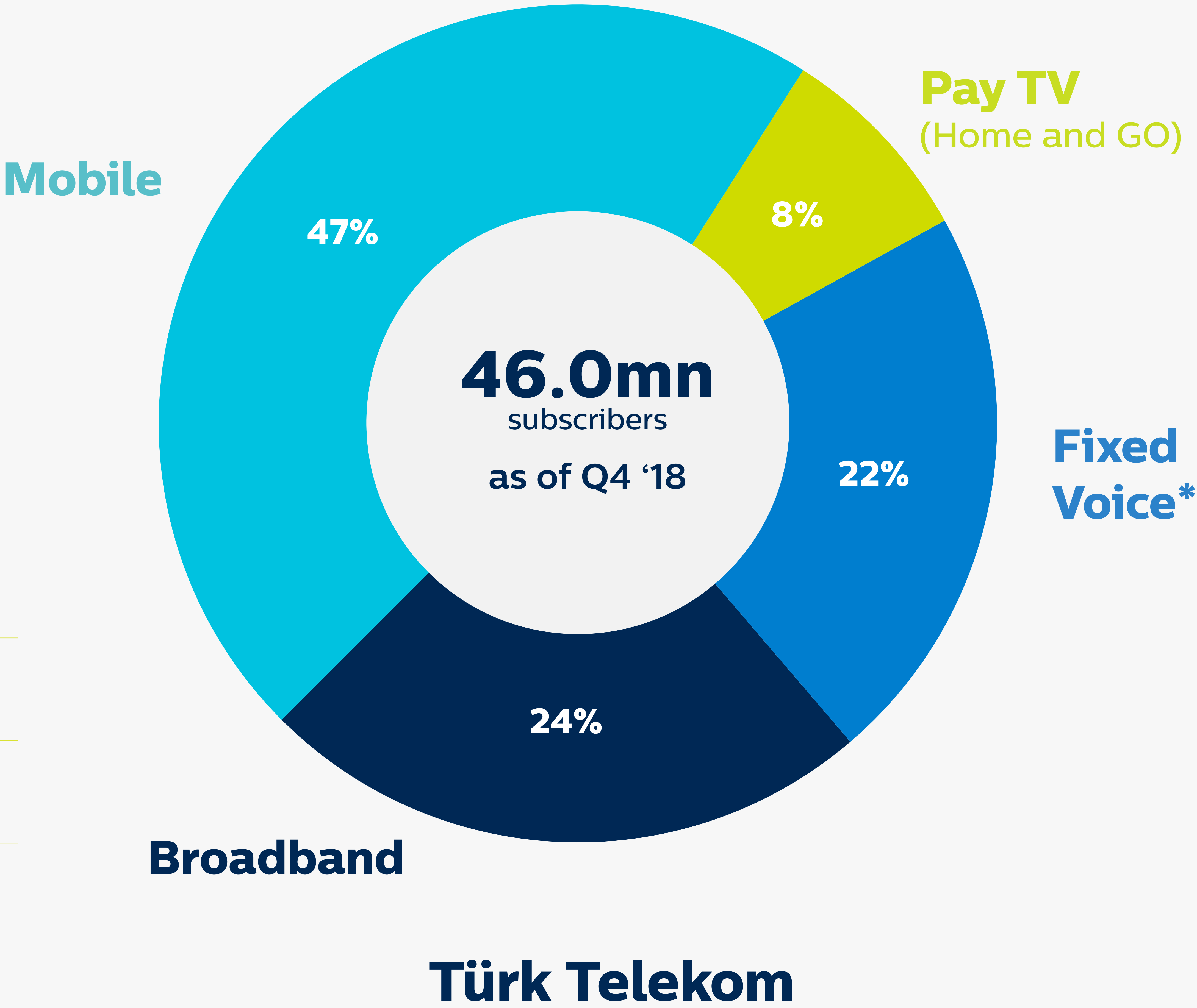
■ EBITDA (TL mn) ○ EBITDA Margin



Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

Strongest Position in Multiplay Offers

| ARPU Generation (Q4 '18) | |
|--------------------------|---------|
| Mobile | TL 31.0 |
| Broadband | TL 45.9 |
| Pay TV | TL 15.1 |
| Fixed Voice | TL 22.5 |

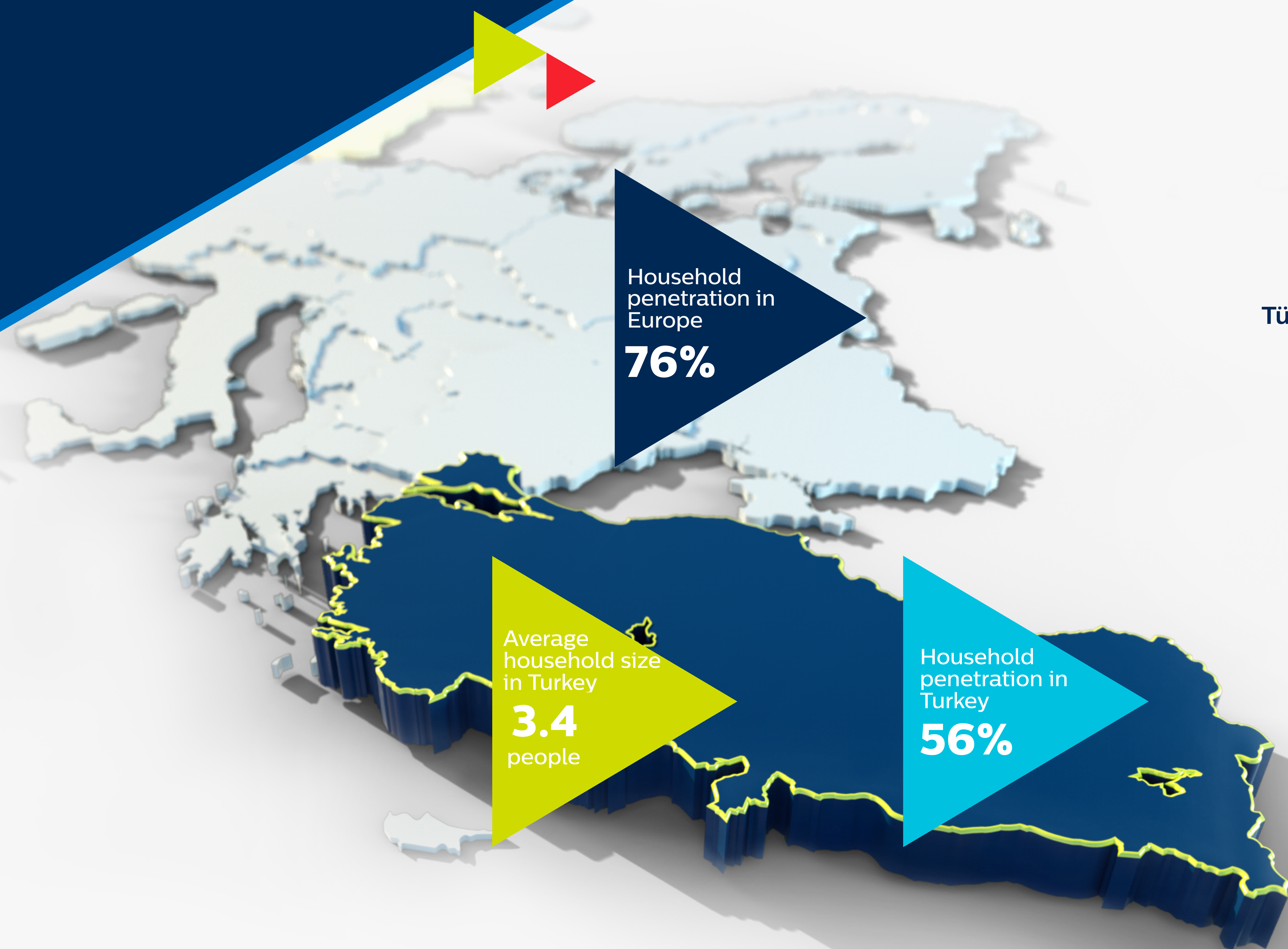


Turkcell and Vodafone data are from their own publications as of Q4 '18.
* VOIP is not included.

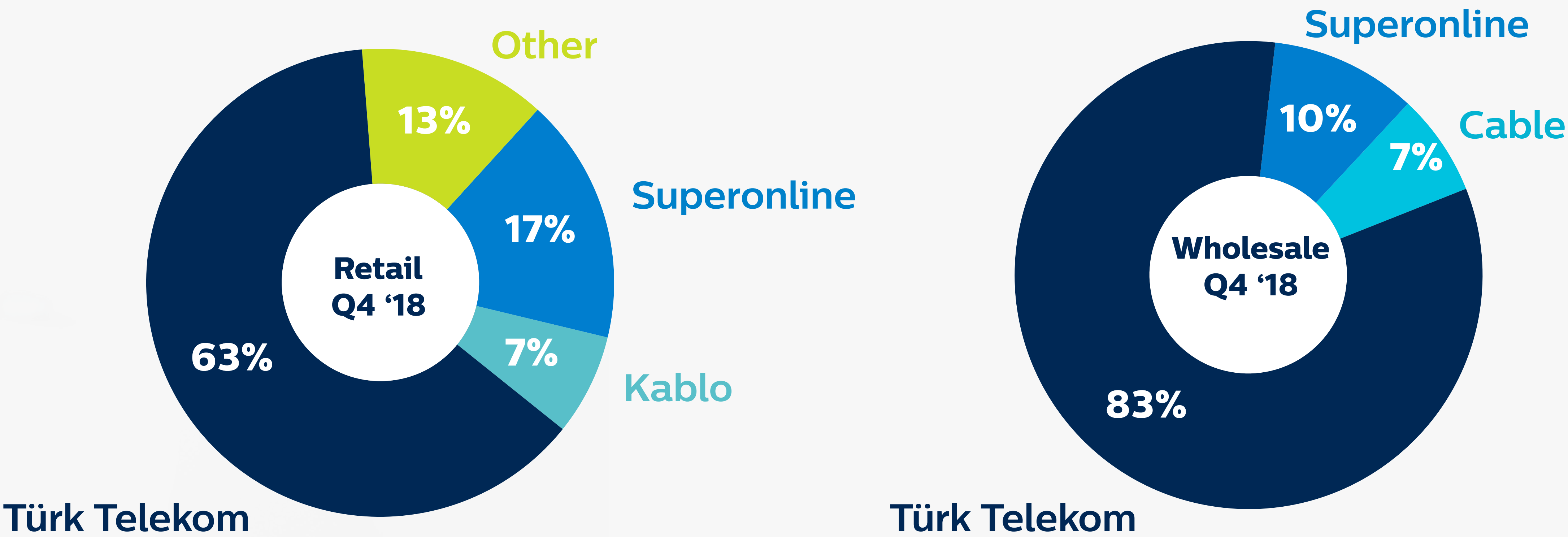
Business Lines



Fixed Broadband Market

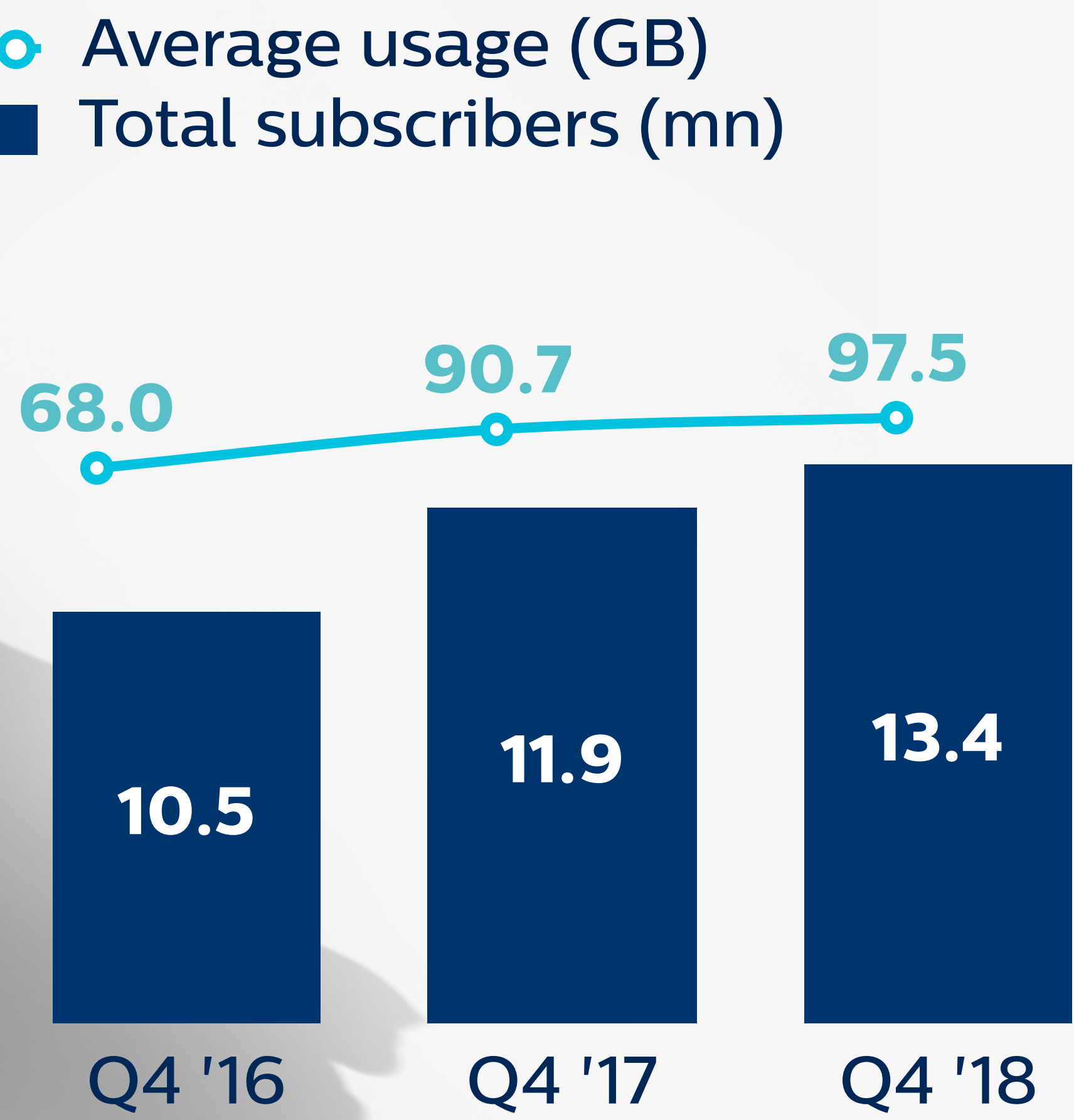


Subscriber Market Share



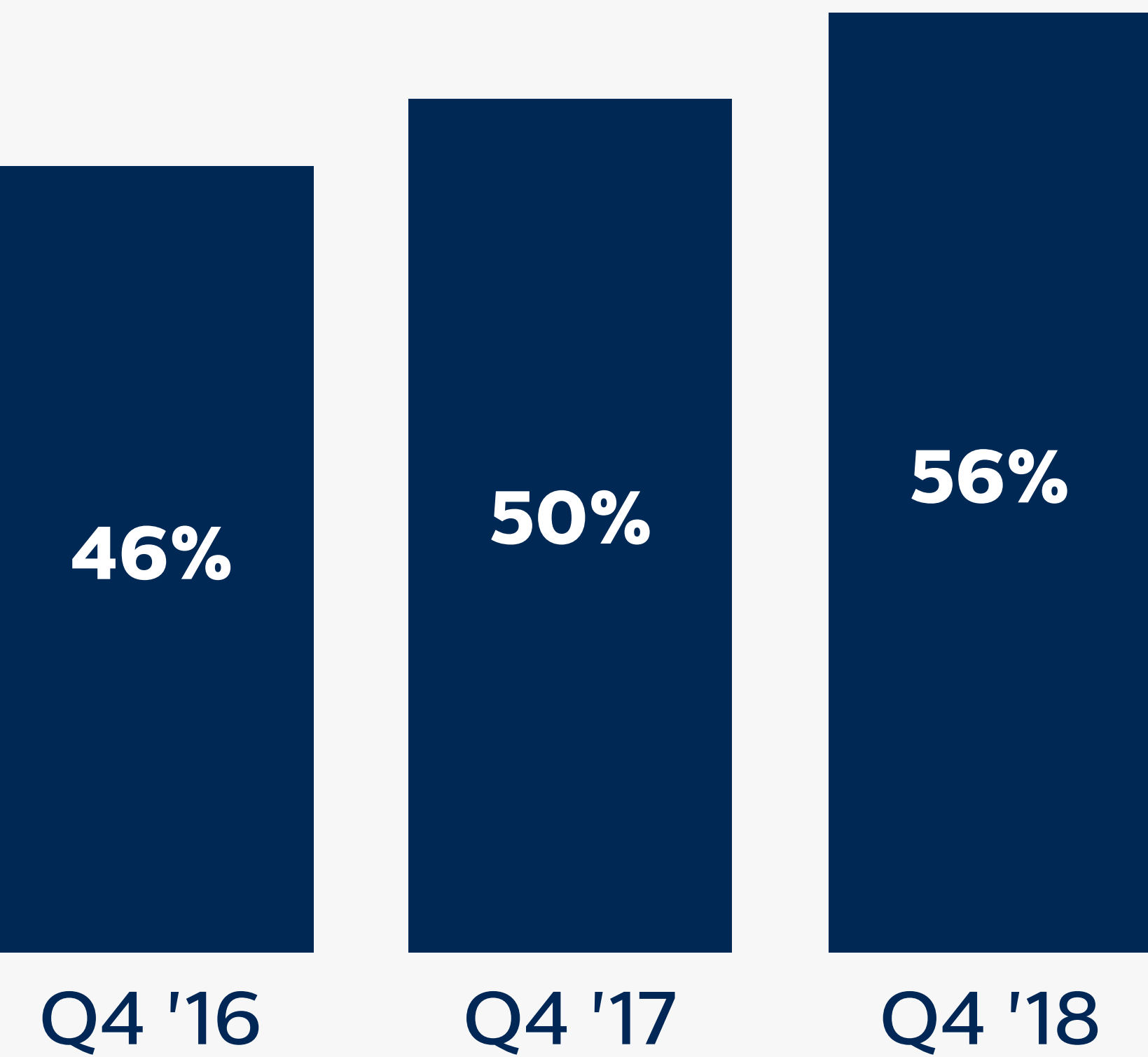
Source: Other operators' data are from ICTA Q4 '18 report

Subscribers & Avg. Monthly Data Usage



Source: ICTA Q4 '18 report

Household Penetration

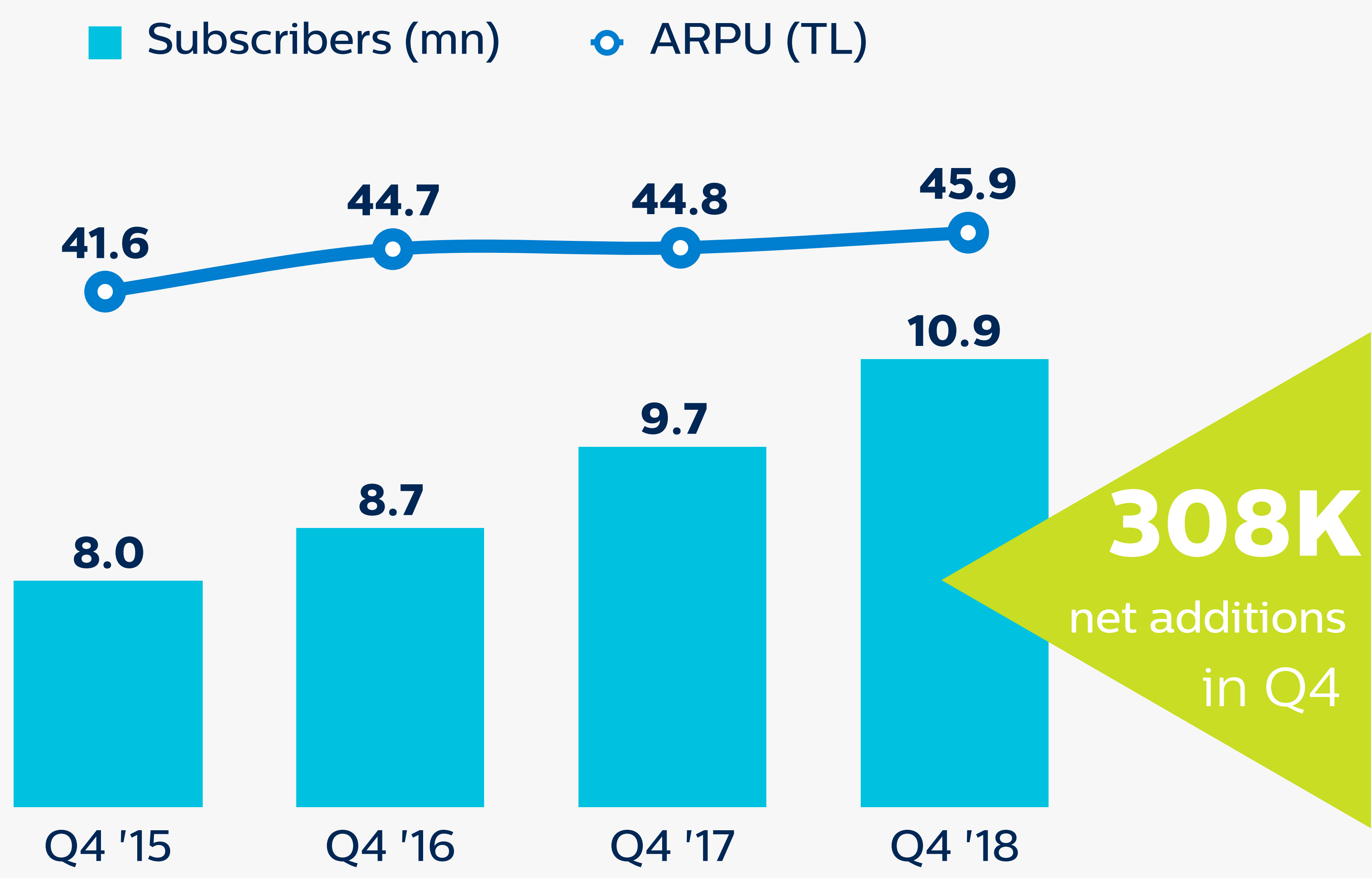


Source: Analysys Mason, Q3'18 CEE&WE Telecom Matrix, TR data is from ICTA, Q4'18 Market Report
European countries include Austria, Denmark, Finland, Italy, Bulgaria, Estonia and Romania

Fixed Broadband Performance



ARPU & Subscribers

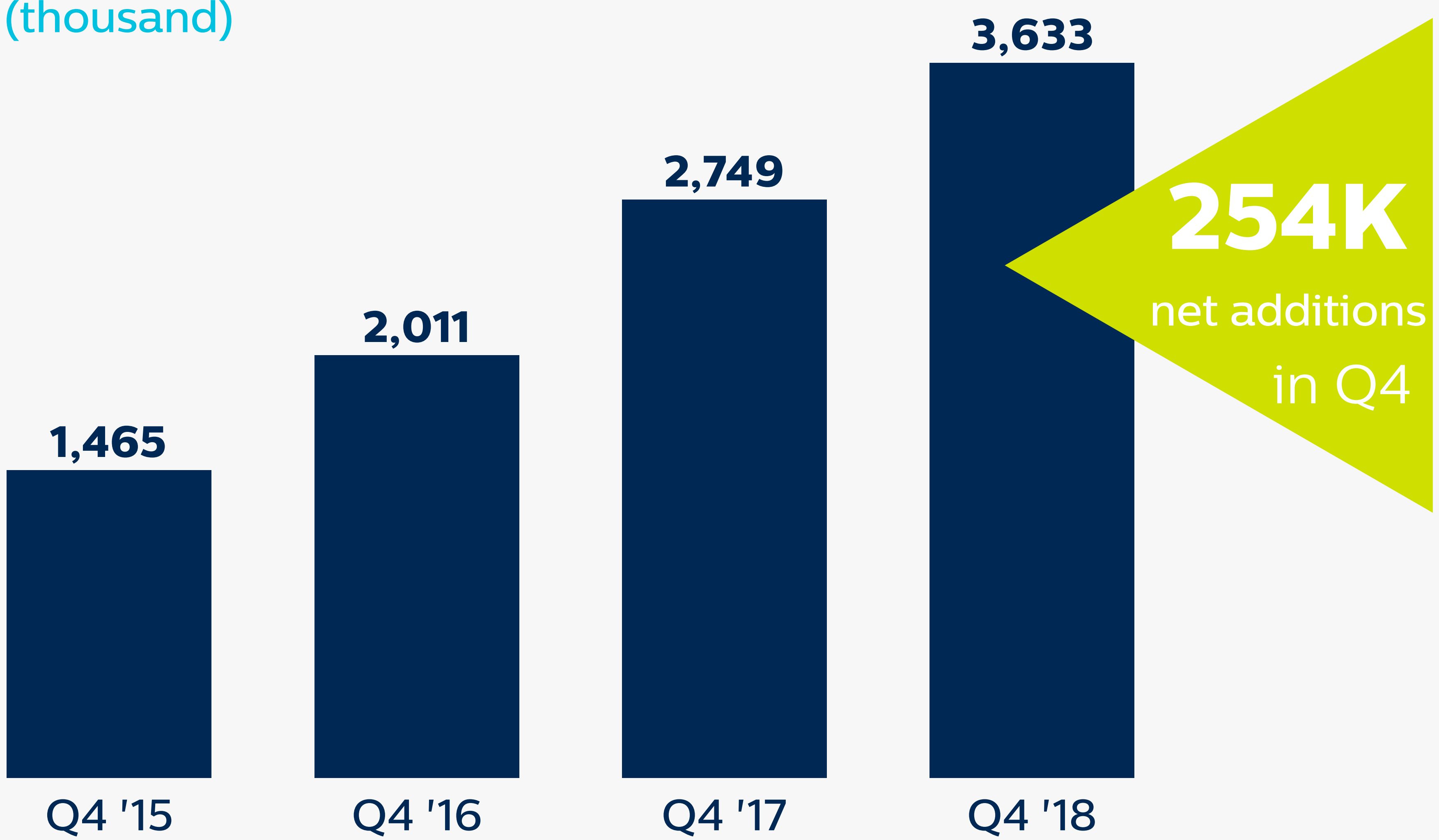


Almost half

of the 2018 FBB net adds came via Internet Bizden campaign

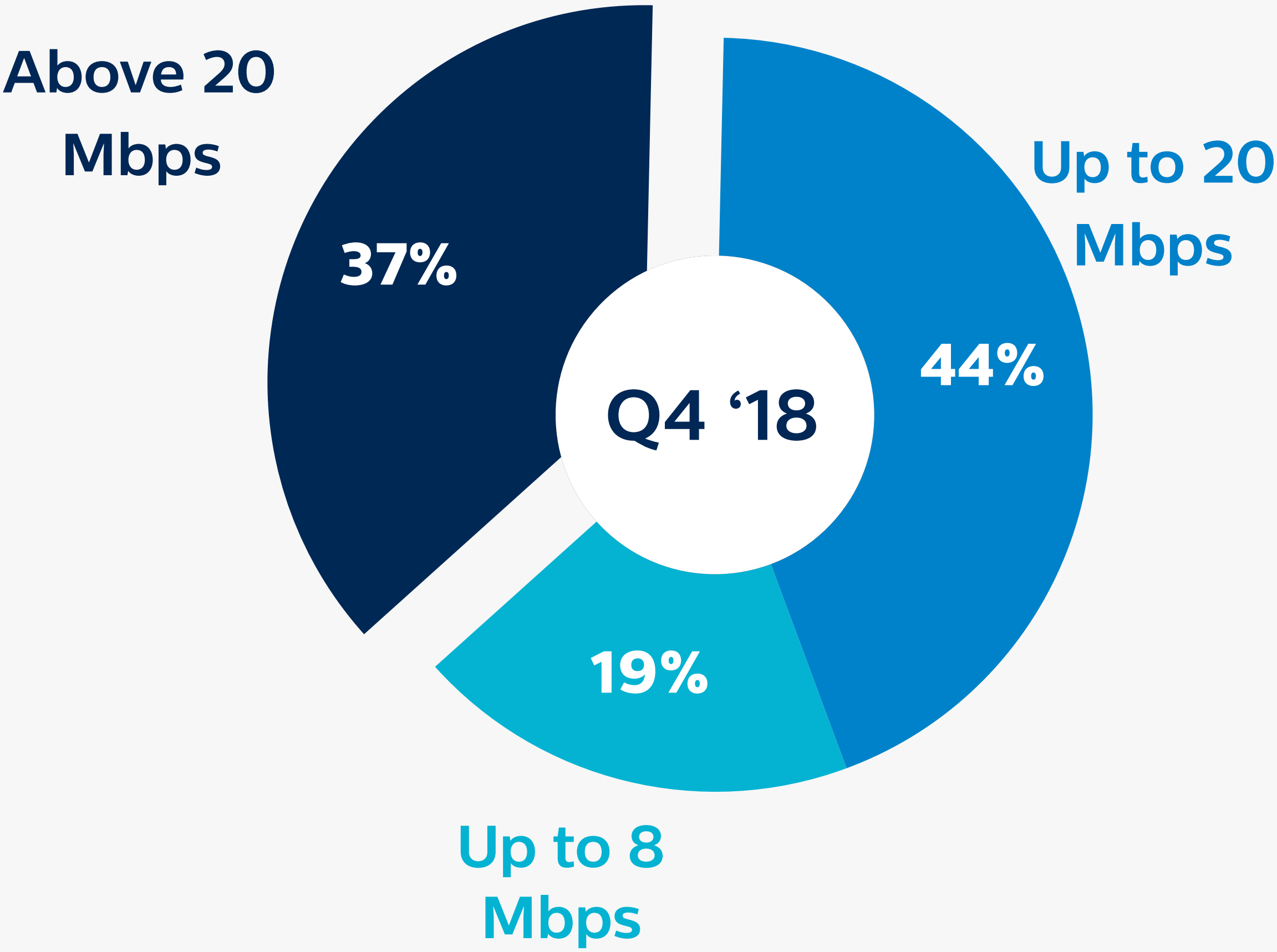
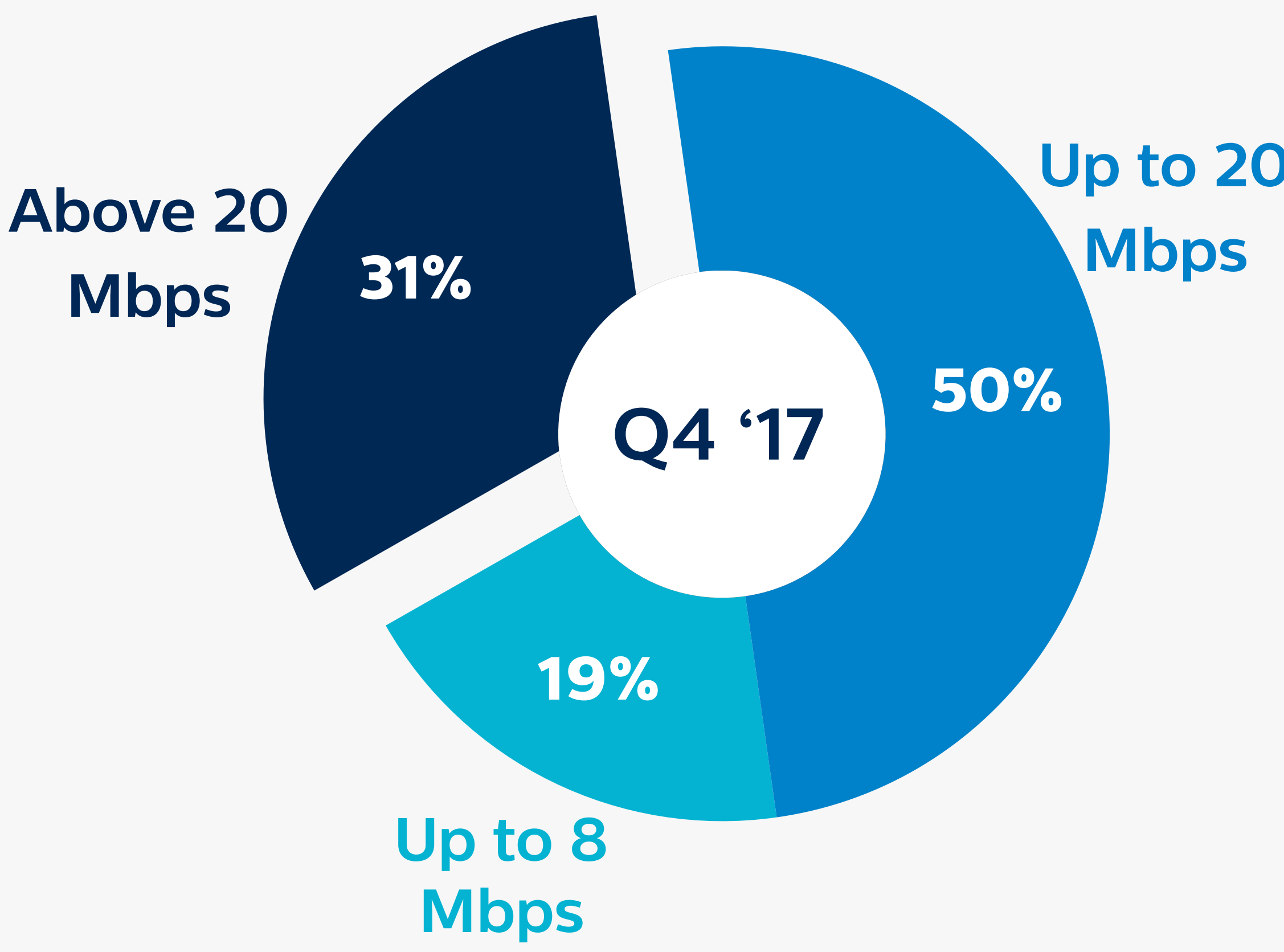
Fiber Subscribers

(thousand)



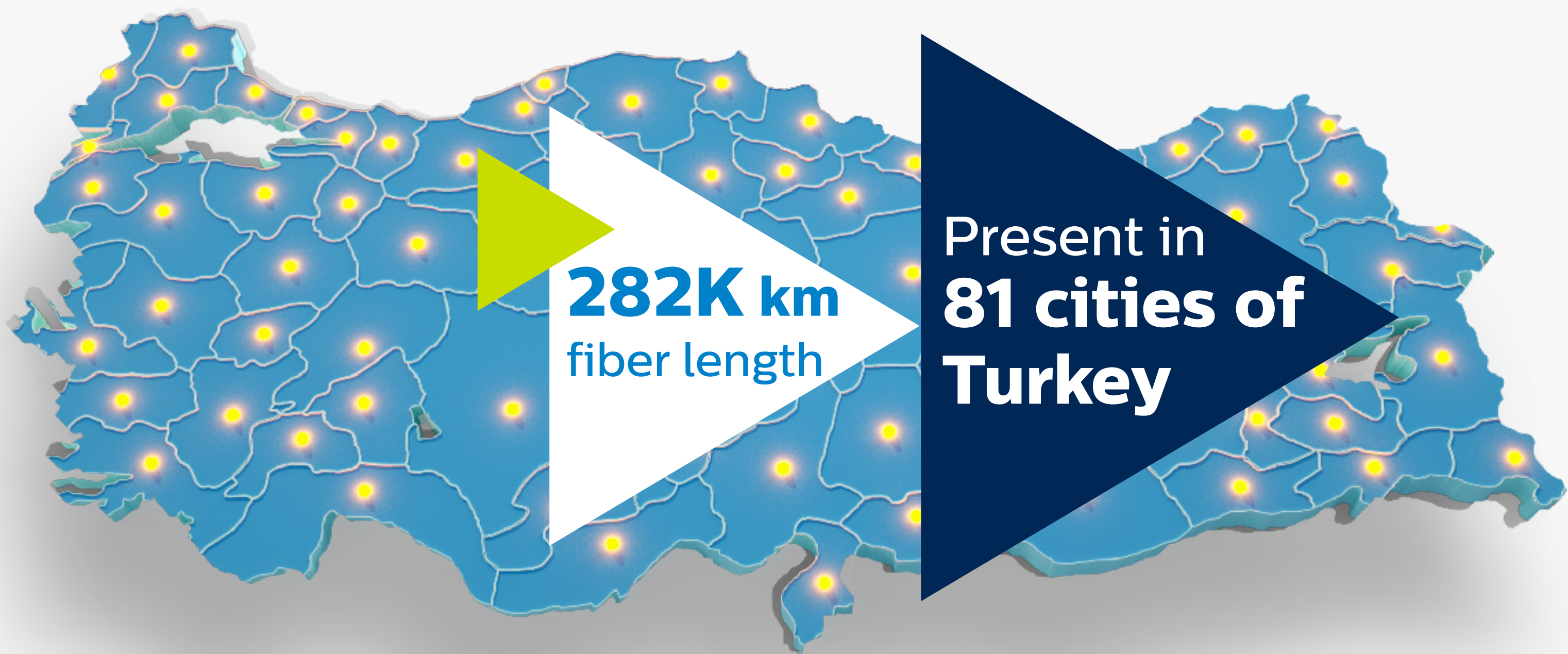
Speed Breakdown

(% of Subscribers)



Nationwide Fiber

Türk Telekom Fiber Network



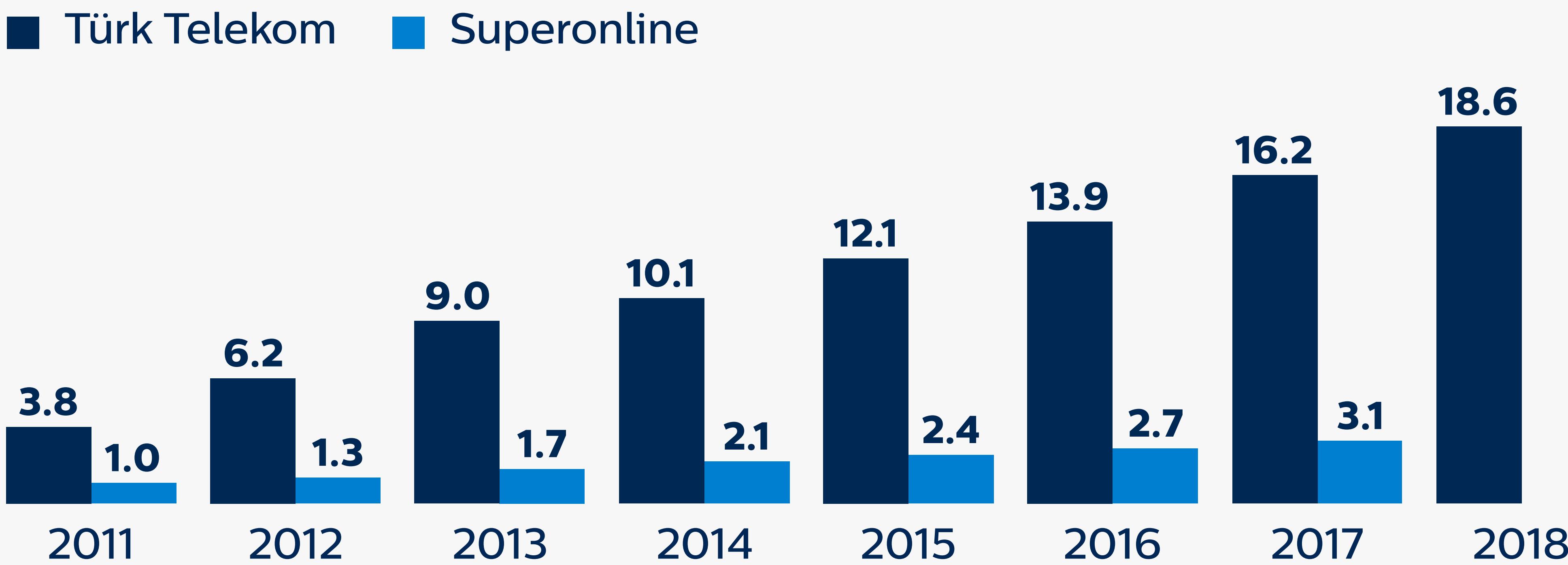
Superonline Fiber Network



- Presence in 20 cities of Turkey
- 42.6K km fiber length
- Wholesale customer of Türk Telekom

Based on Turkcell's own publications as of December 2018

Fiber Homepass (mn)



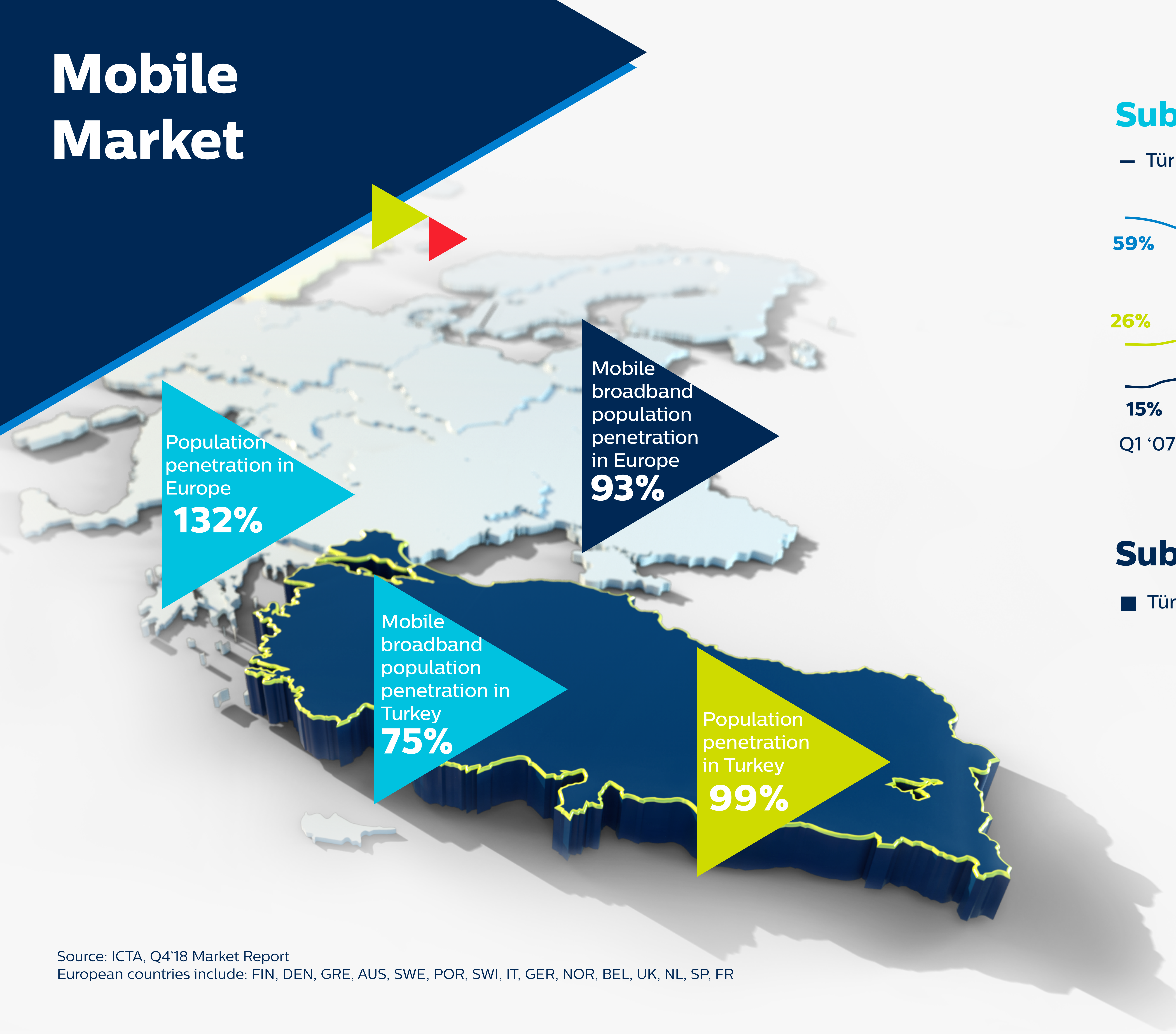
Fiber homepass includes FTTH/B & FTTC
18.6mn homepass consists 5.2mn FTTH/B and 13.4mn FTTC

Fiber Subscribers (thousands)



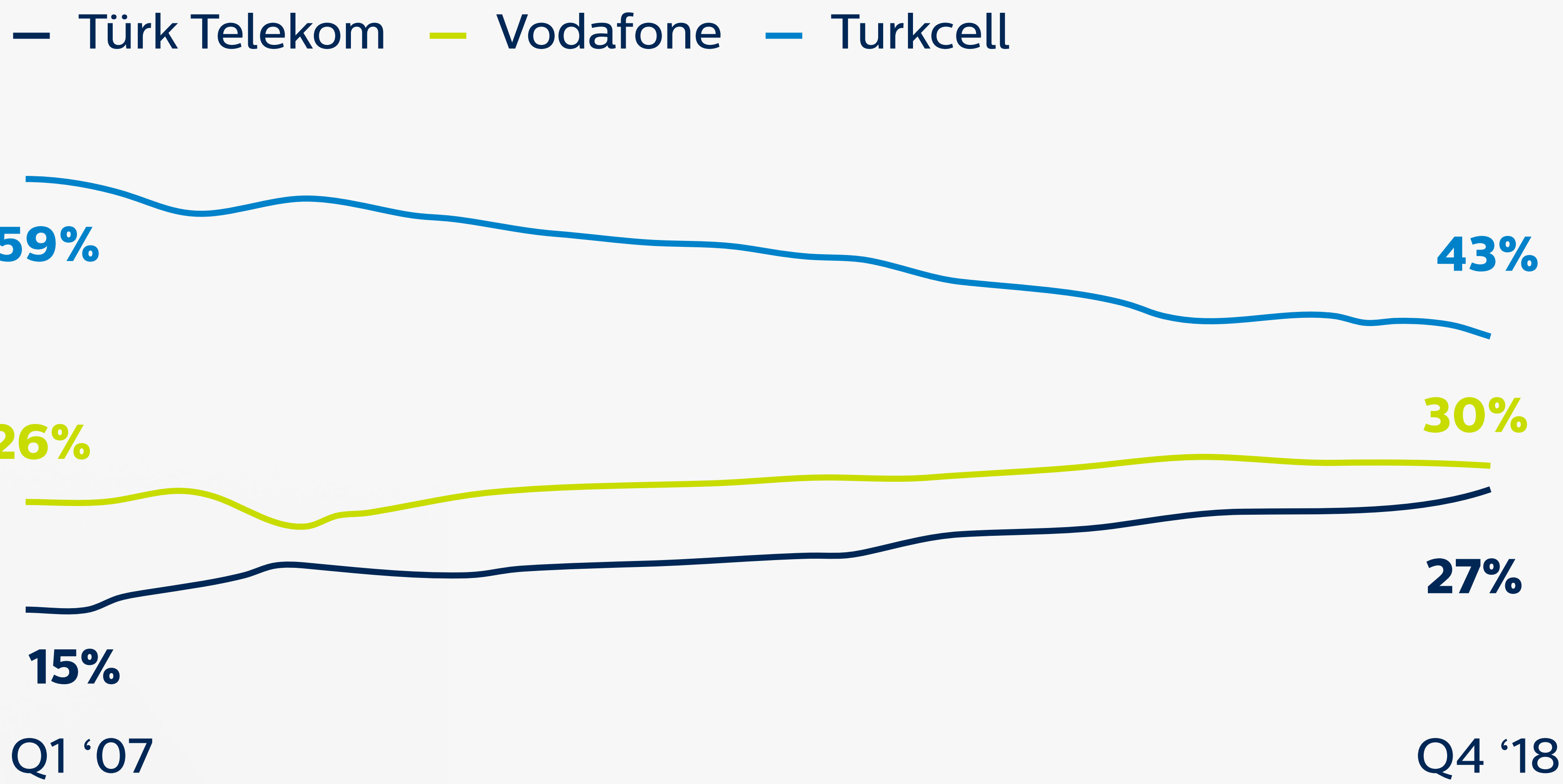
Fiber subscribers include FTTH/B & FTTC subscribers

Mobile Market

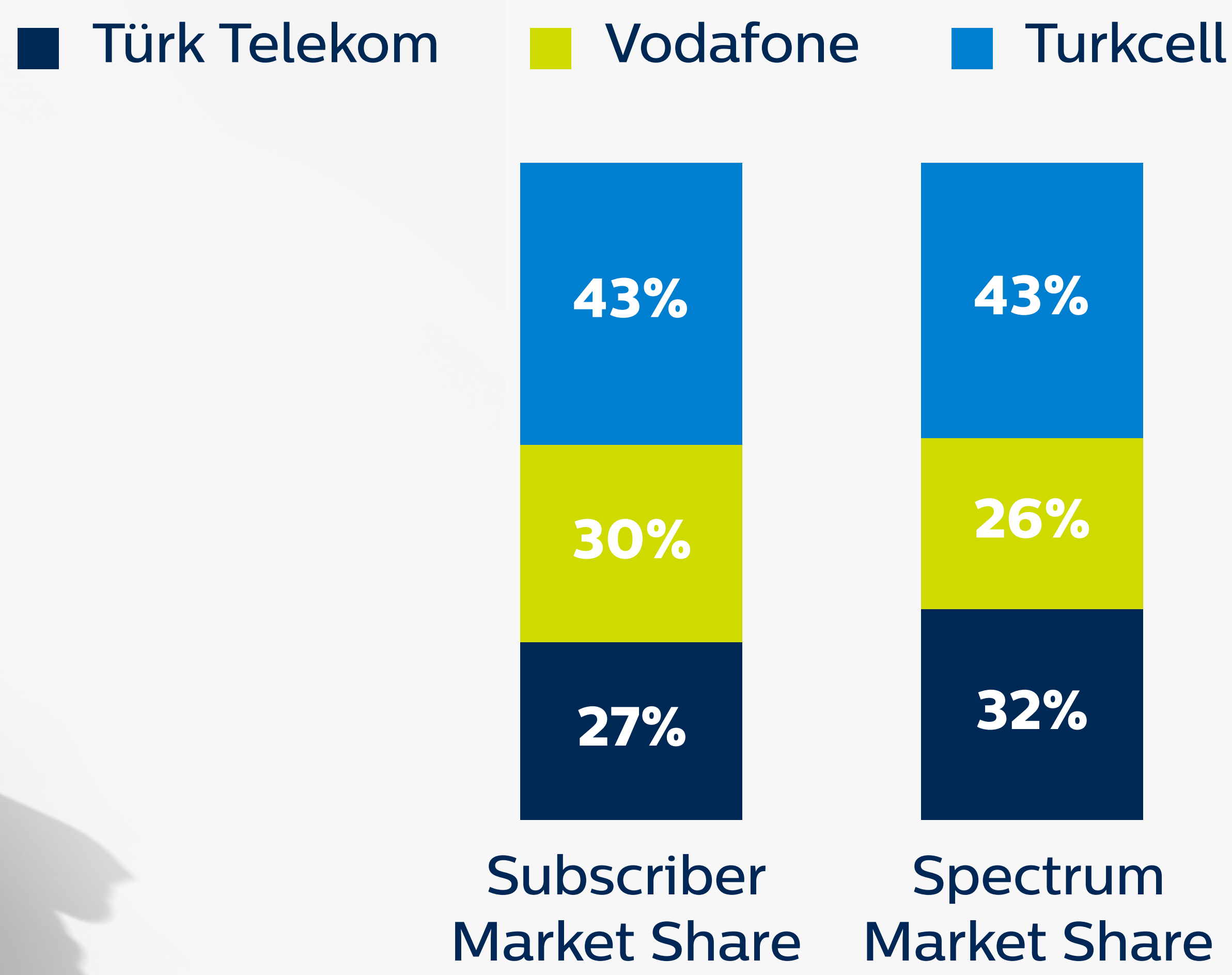


Source: ICTA, Q4'18 Market Report
European countries include: FIN, DEN, GRE, AUS, SWE, POR, SWI, IT, GER, NOR, BEL, UK, NL, SP, FR

Subscriber Market Share



Subscriber vs. Spectrum Market Share

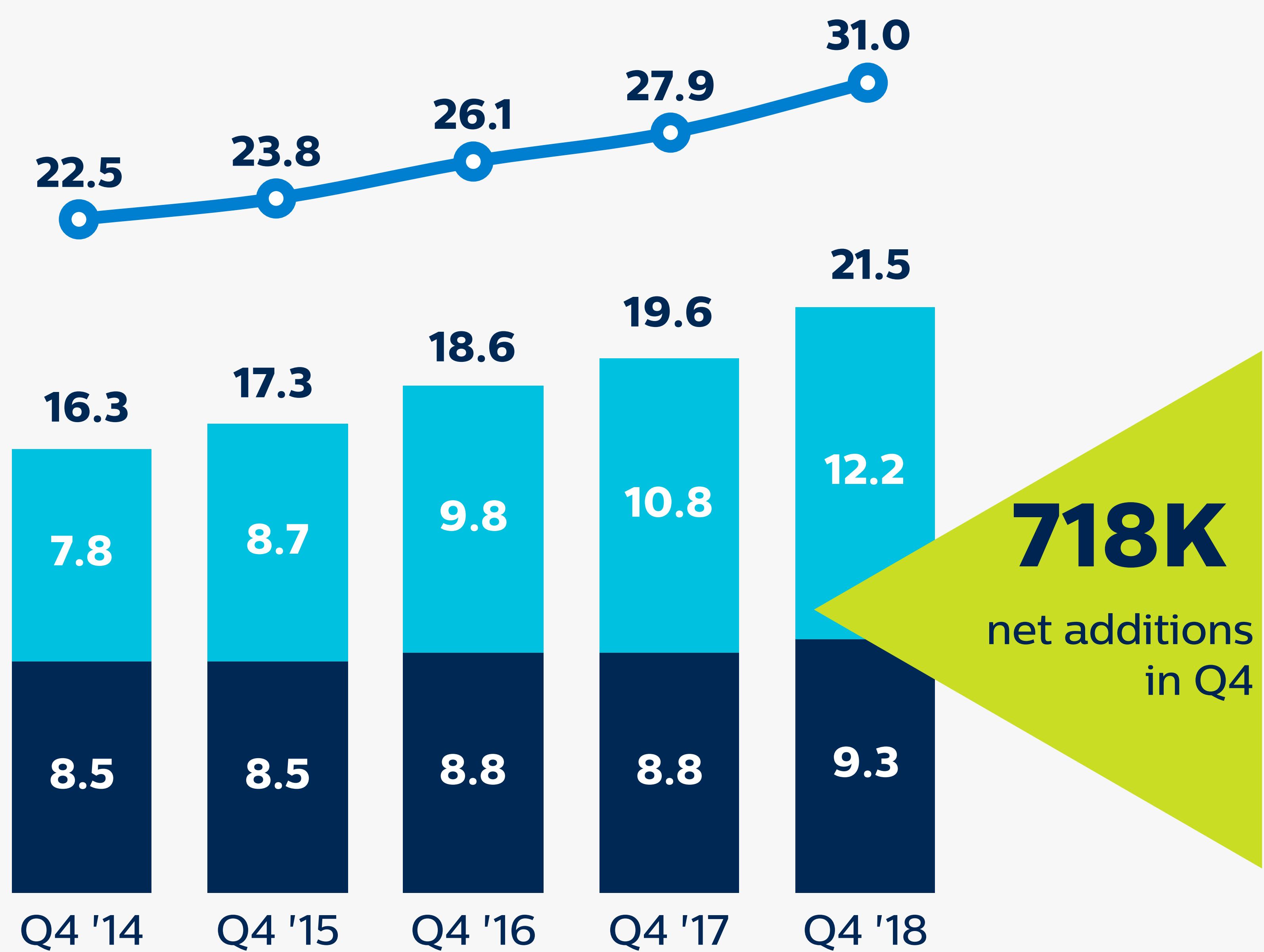


Other operators' data are from their own publications as of Q4 '18

Mobile Performance

Growing ARPU & Subscribers

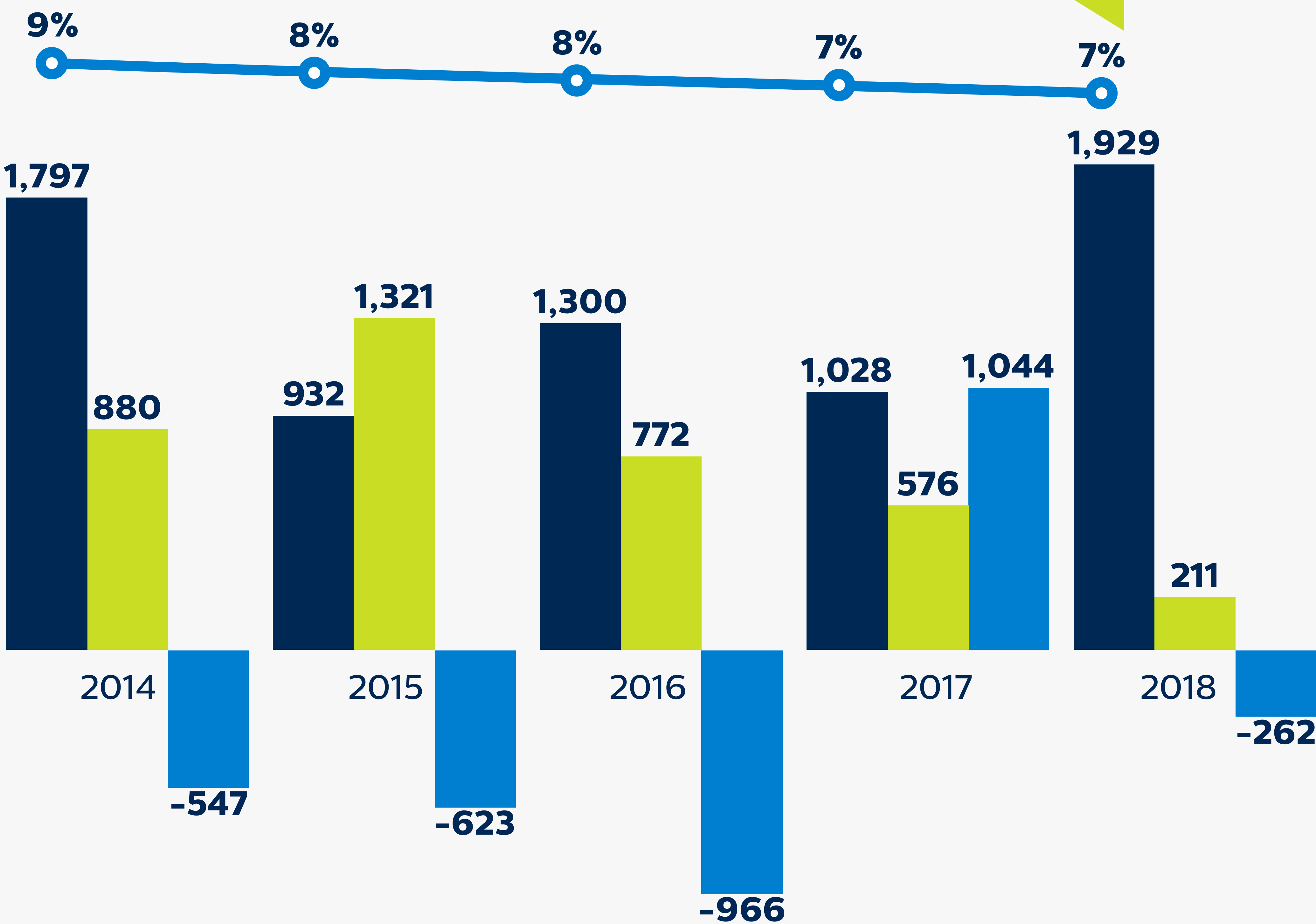
- Blended ARPU (TL)
- Prepaid (mn) ■ Postpaid (mn)



Net Subscriber Additions

(thousand)

- Türk Telekom ■ Vodafone ■ Turkcell
- Average Quarterly Churn Rate

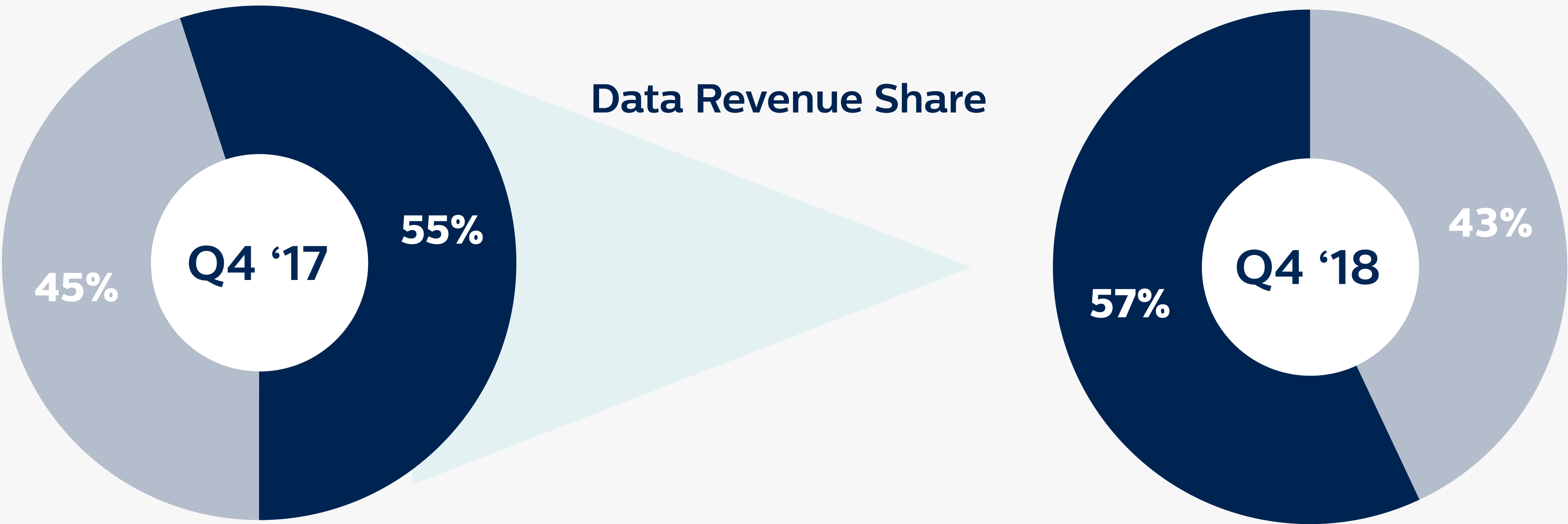


Other operators' data are from their own publications.

Mobile Data

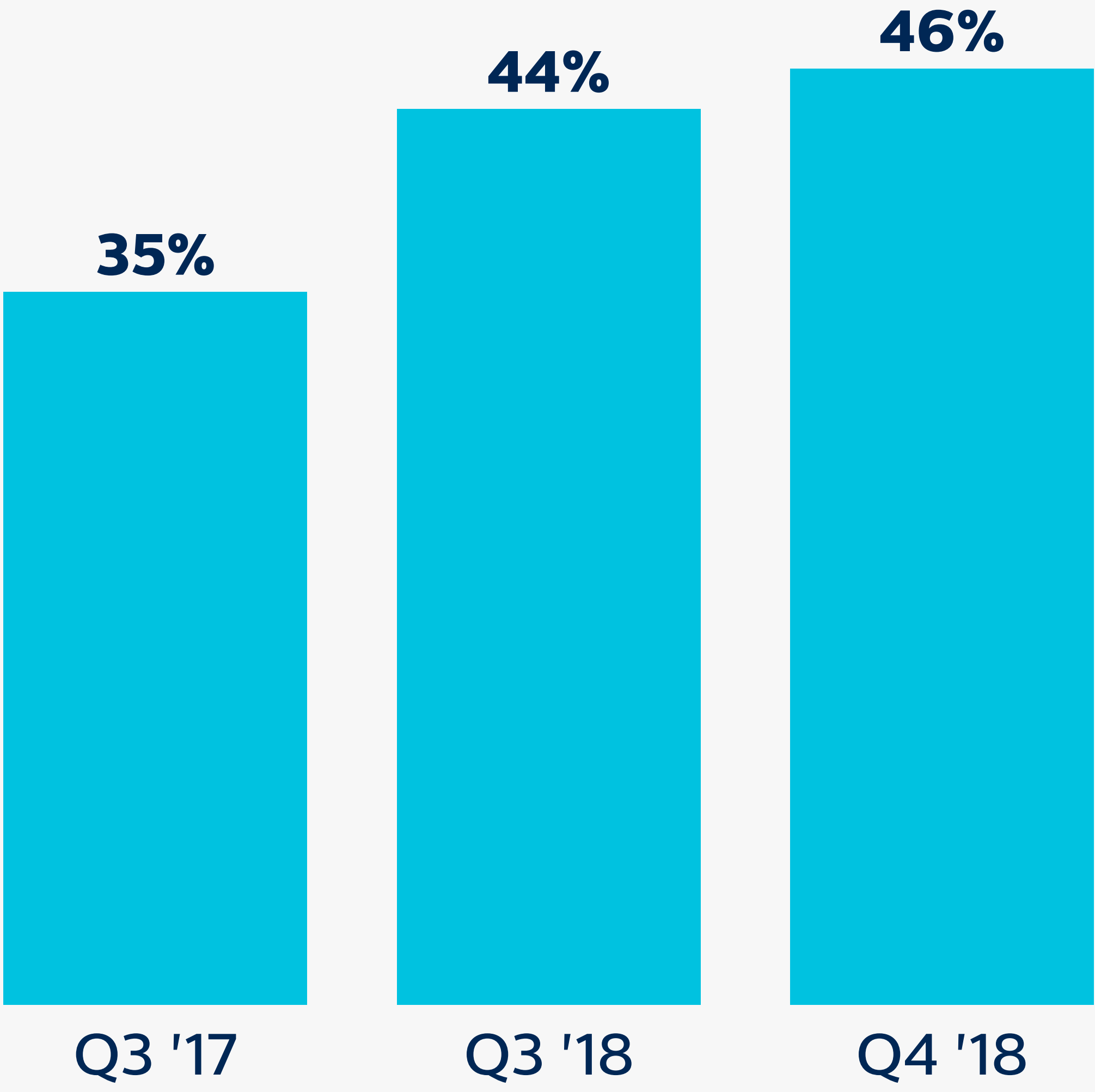
Data Revenue

(Mobile service revenue share)

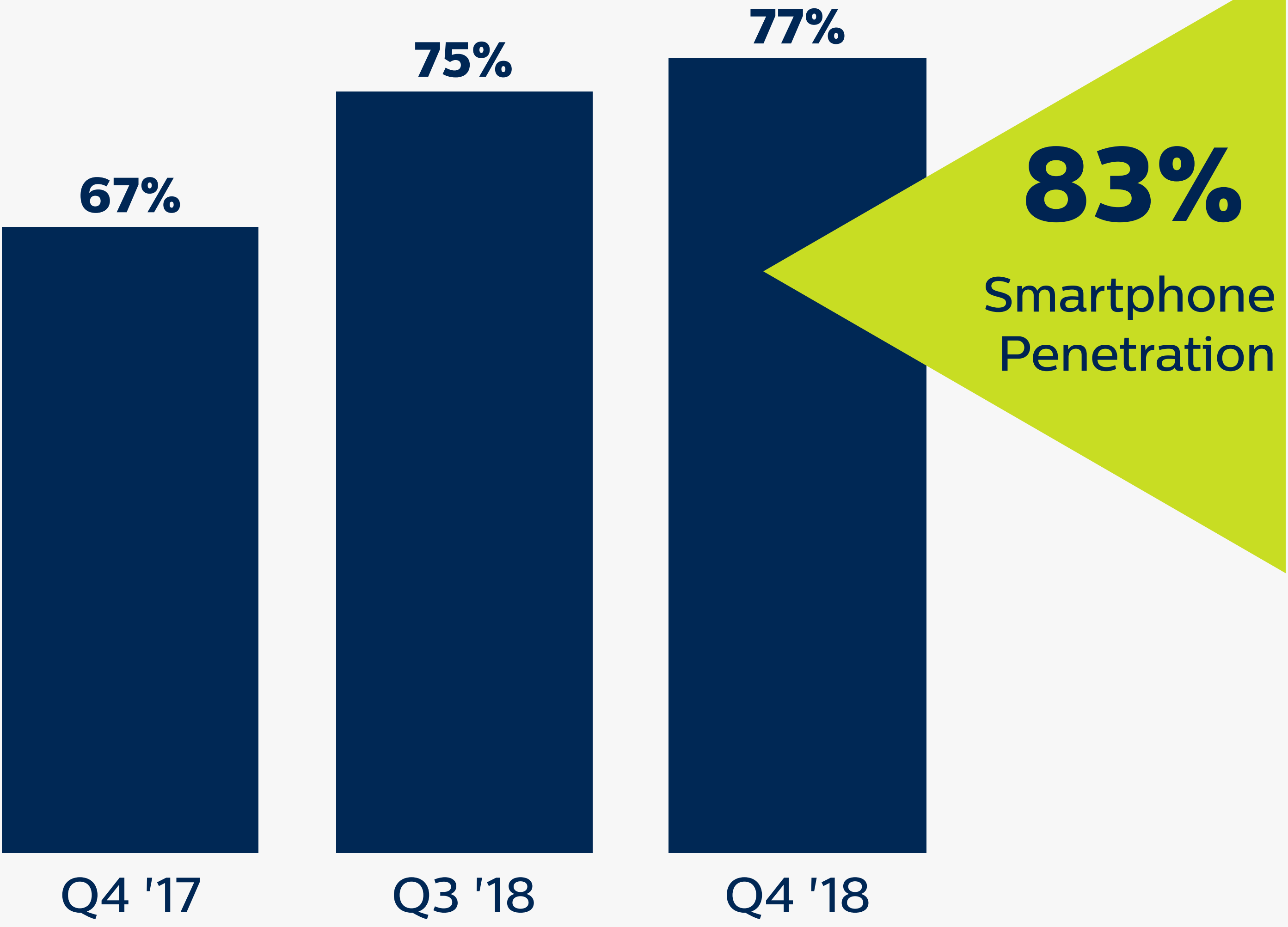


LTE Users*

(Total subscriber share)

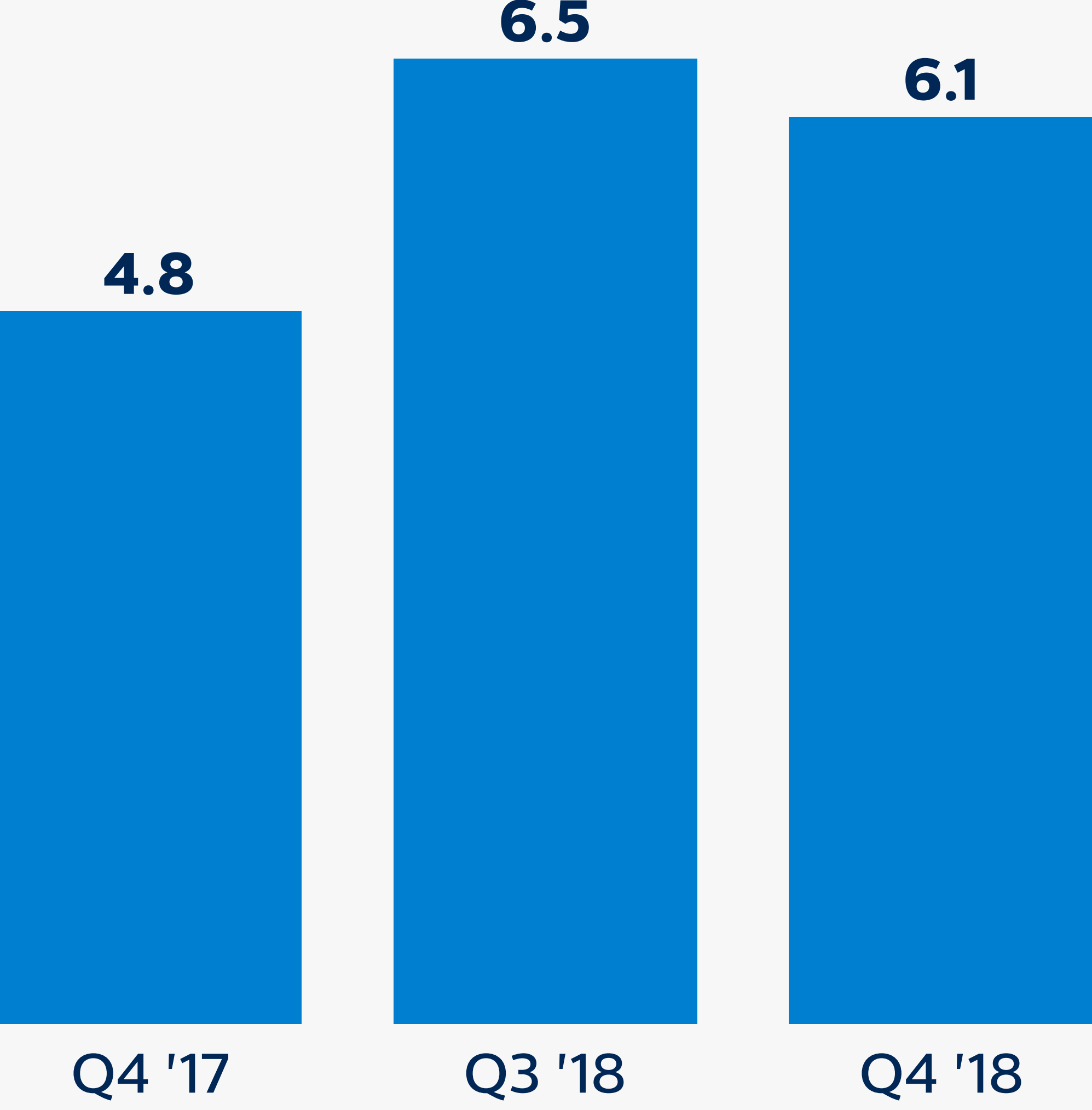


LTE Compatible Smartphone**



Avg. Monthly Mobile Data Usage

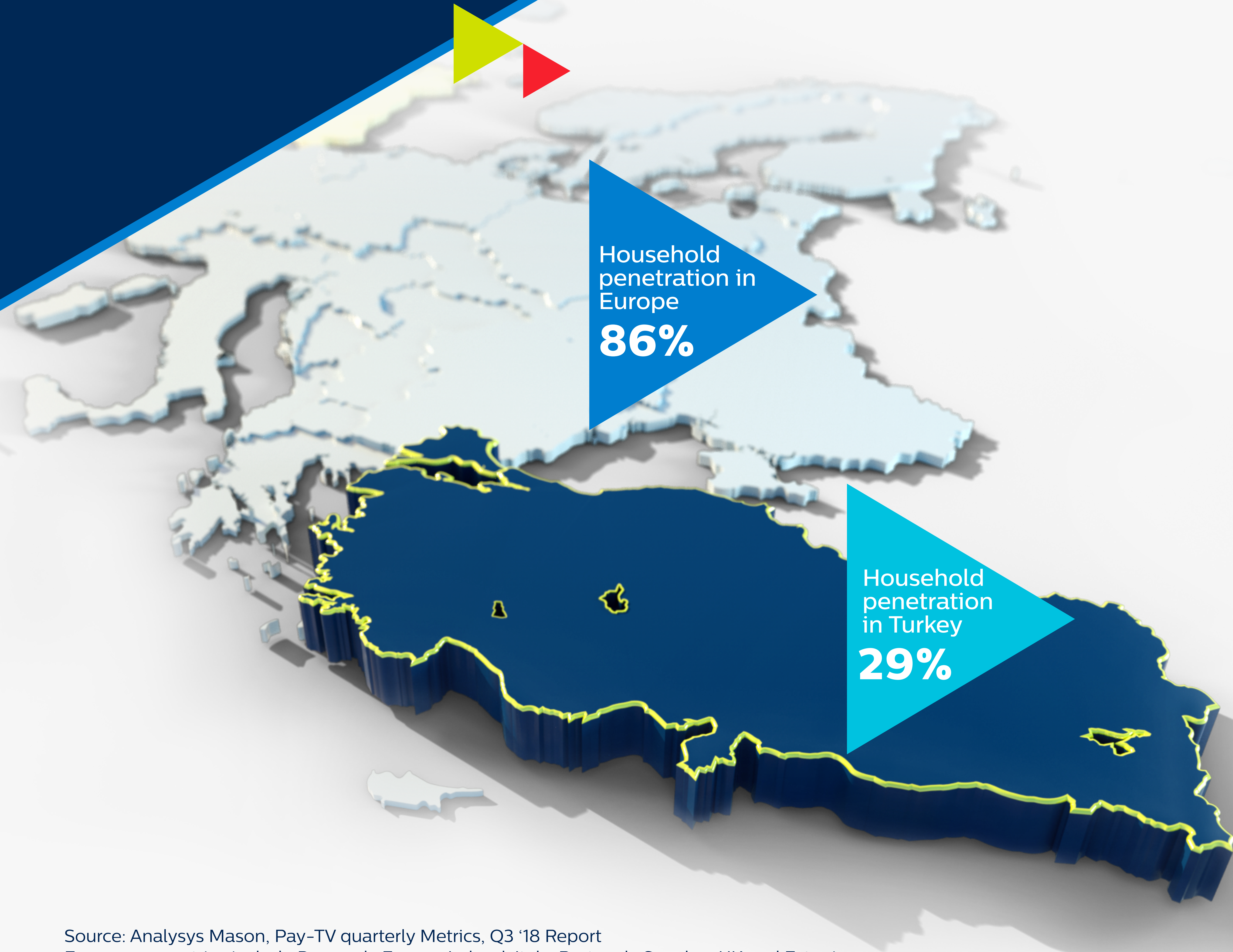
(GB per LTE user)



*Subscribers who
1) registered for LTE
2) have LTE compatible device and simcard

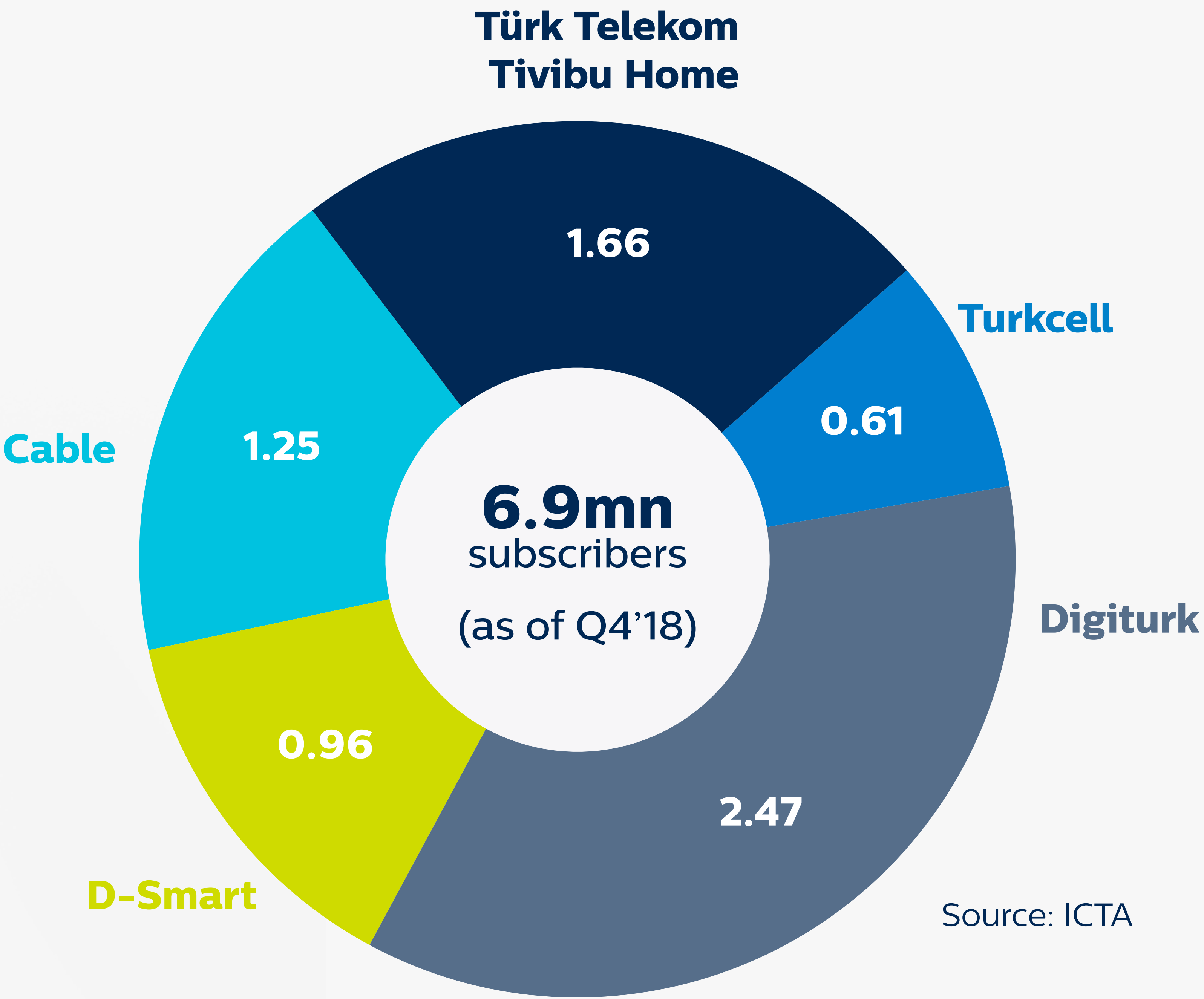
**Among smartphone users

Pay TV Market

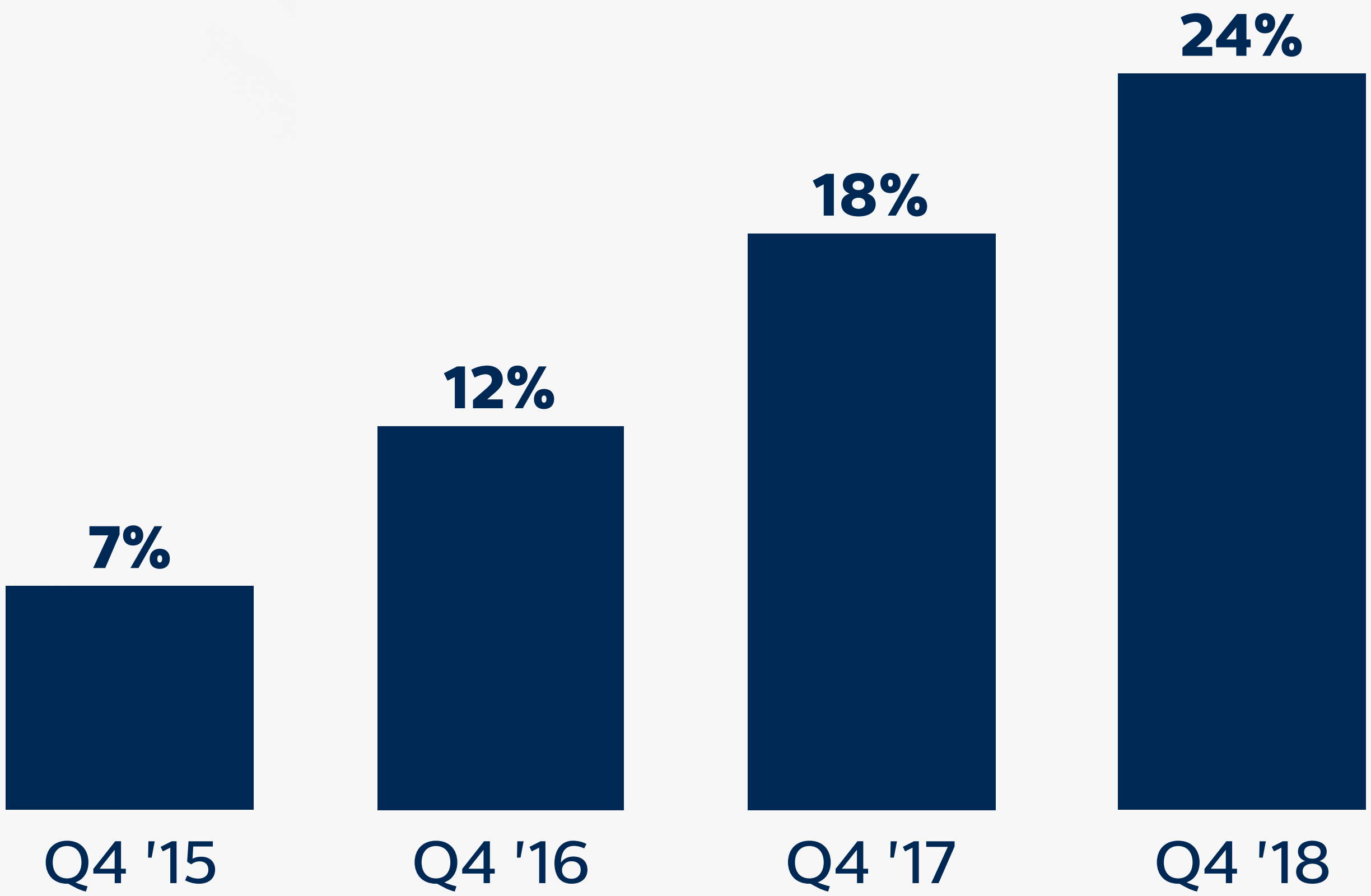


Source: Analysys Mason, Pay-TV quarterly Metrics, Q3 '18 Report
European countries include Denmark, France, Ireland, Italy, Portugal , Sweden ,UK and Estonia
TR Data is calculated from ICTA Q4 '18

Subscribers (mn)



Tivibu Home Subscriber Market Share

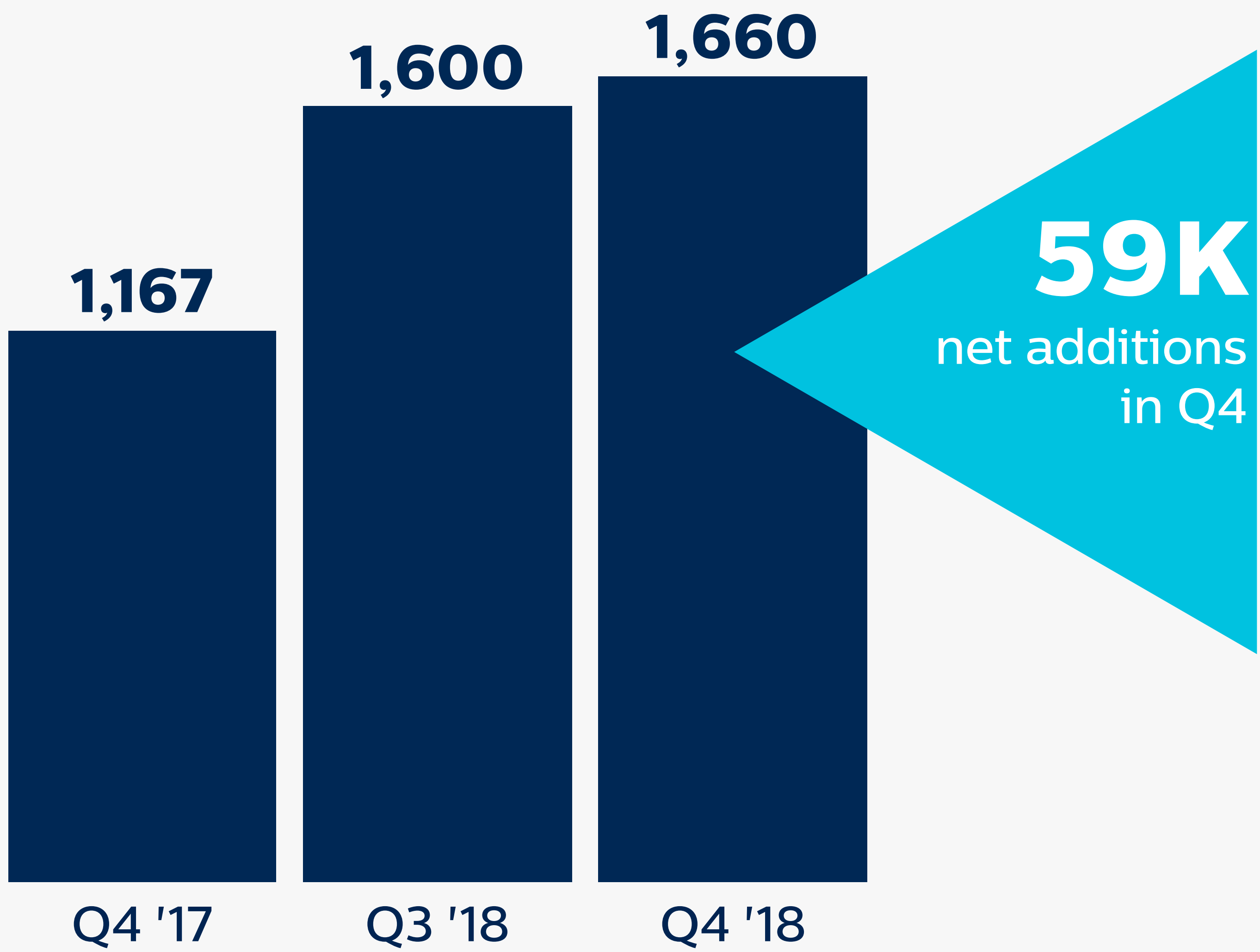


Source: ICTA

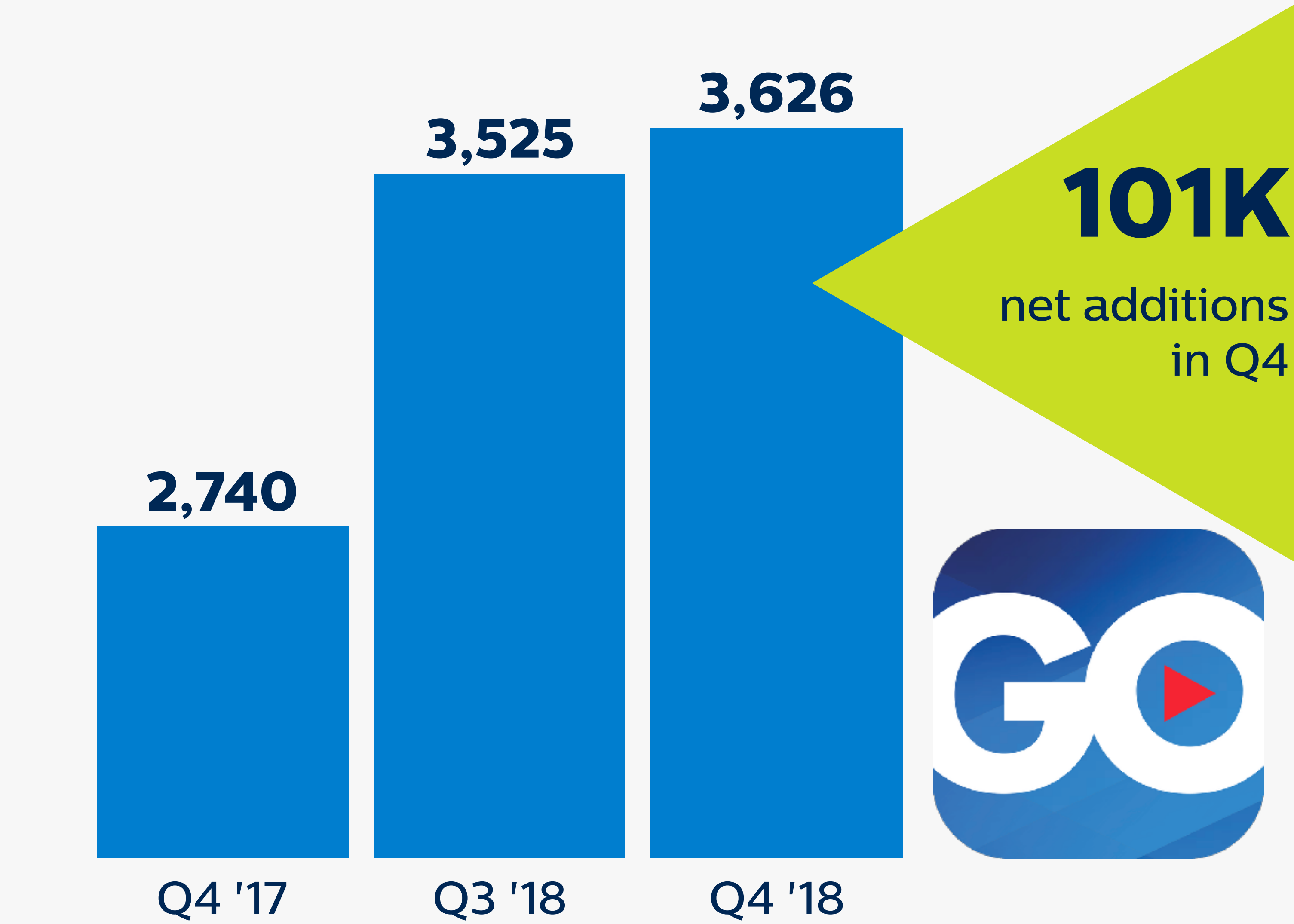
TV Performance

Subscribers (thousand)

■ Tivibu Home



■ Total TV (Tivibu Home + Tivibu GO)



Wireless Homes

86% of Q4 '18 DTH gross adds came via mobile synergy offers



Platform

IPTV + DTH + Web TV + Smart TV

Content

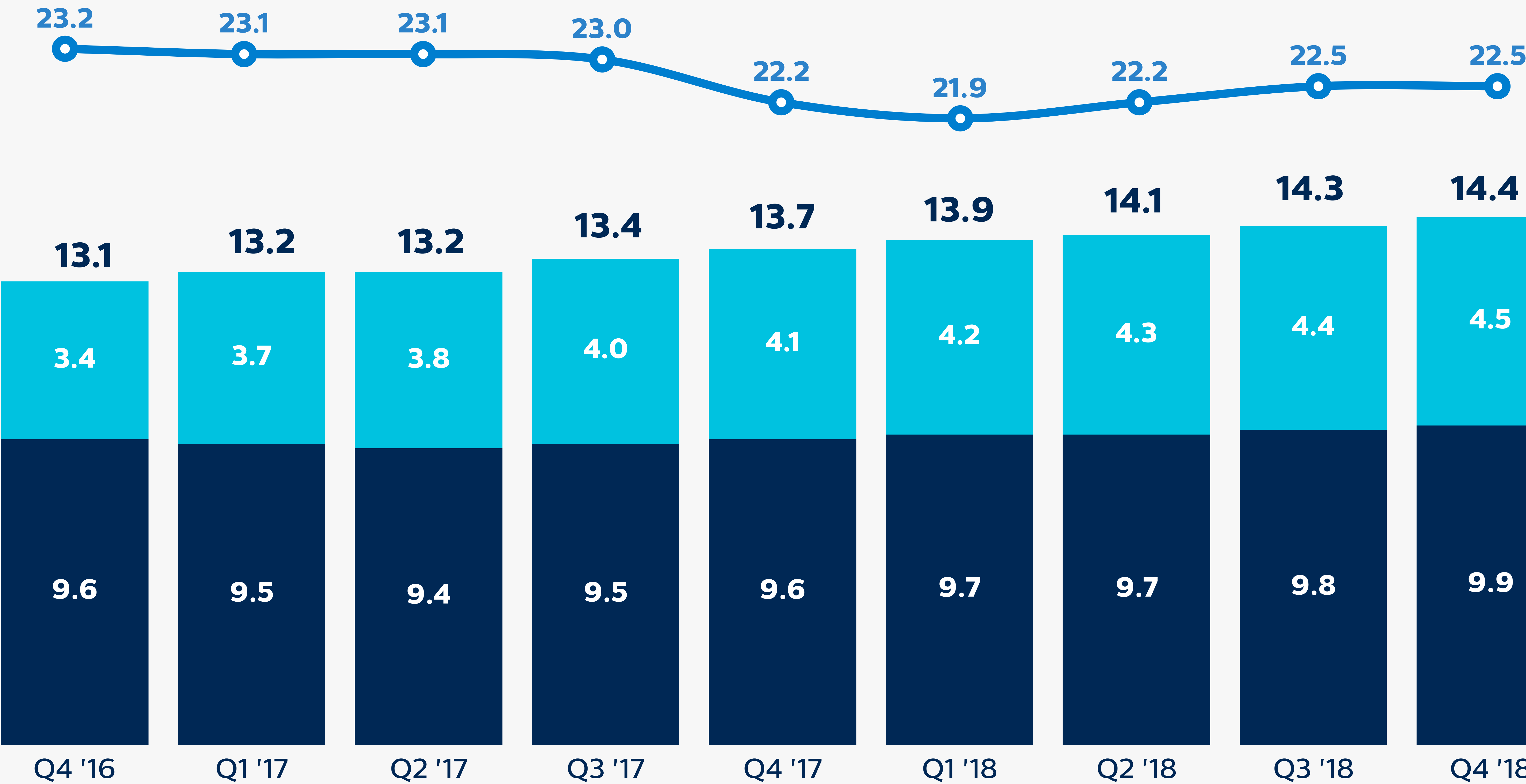
- ▶ Turkish Basketball Super League
- ▶ NBA
- ▶ English Premier League

- ▶ 3 Sports Inhouse Channels
- ▶ Kids & Documentary Channels
- ▶ 6000+ on demand assets

Fixed Voice Performance

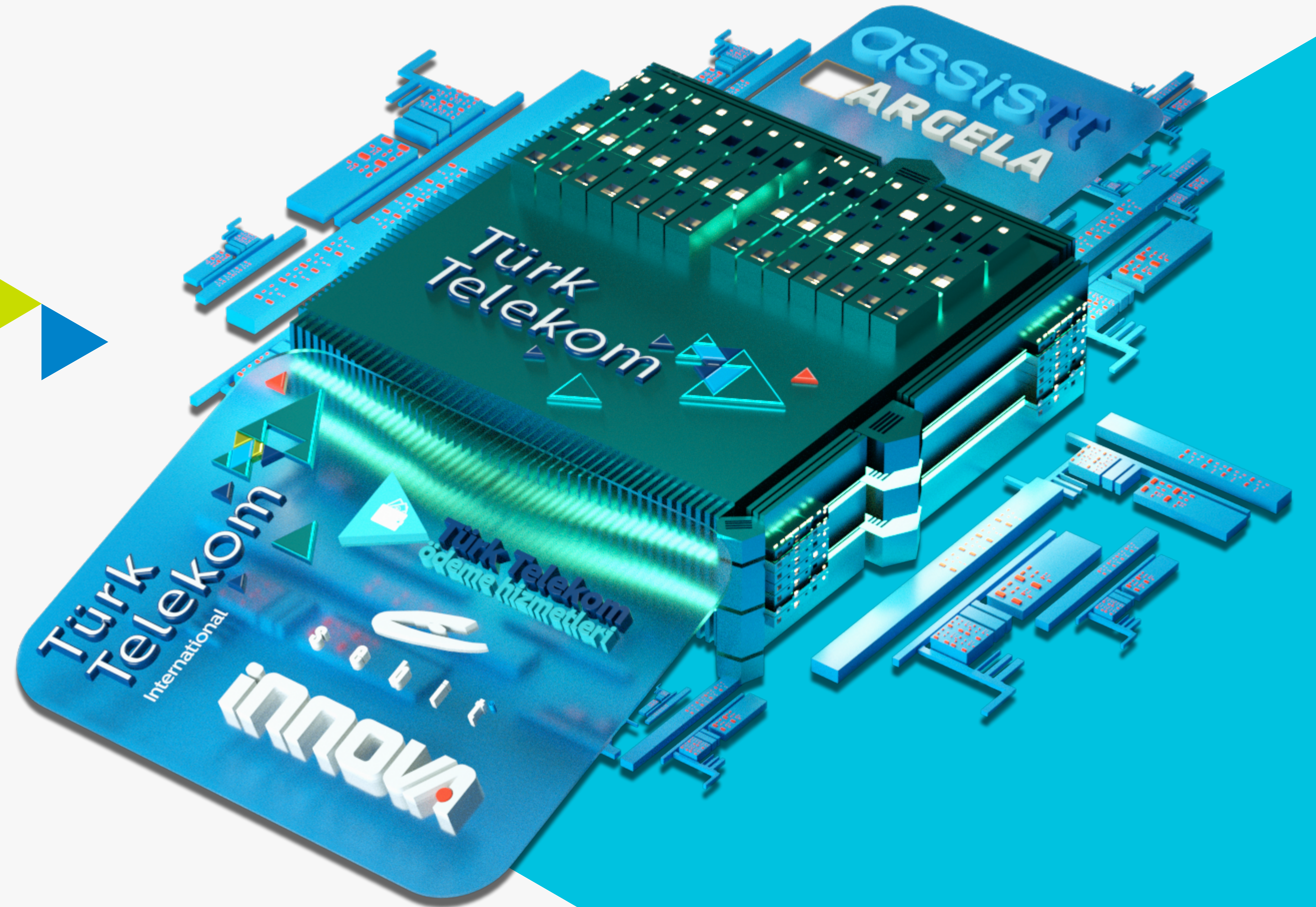
Access Lines and ARPU

■ Fixed Voice (mn) ■ Naked Broadband (mn)
○ Fixed Voice ARPU (TL)



108K
net additions
in Fixed
Voice in Q4

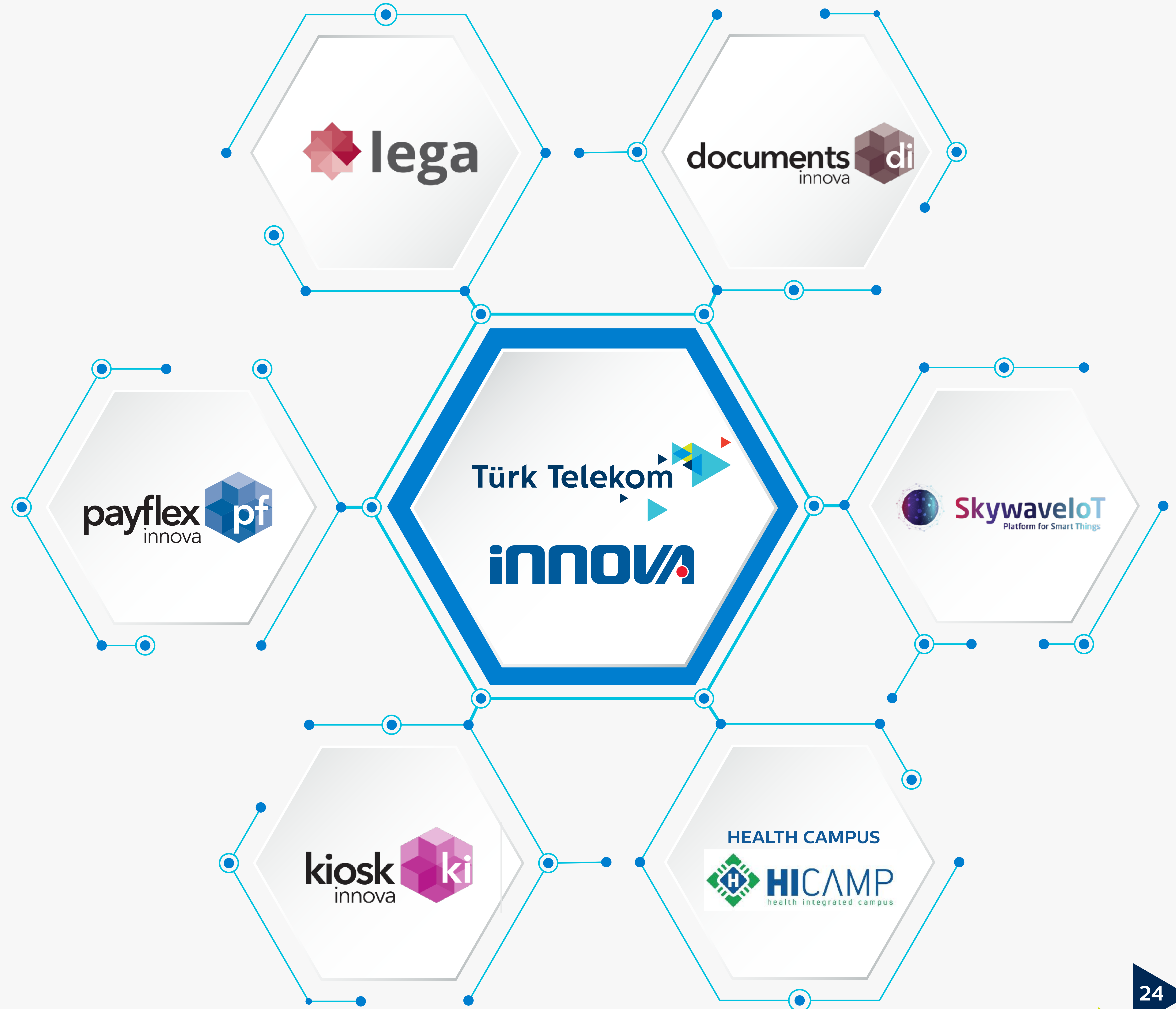
Group Companies





Leading system integrator & solution provider in Turkey

- System Integration – Large Scale Projects
- Smart Cities and Smart Stores
- Health Campuses
- Fintech Solutions
- IoT Platform and Solutions
- SAP Consultancy Services
- Business Applications (Document Management, Law Process Management)
- CRM and Business Intelligence
- Self Service and Automation Solutions
- Managed Services





Next generation telco technologies R&D company

- ProgRAN: SDN based RAN solutions for LTE and 5G with 26 patent applications
- ULAK: Turkey's first and only LTE base station development project
- MILAT: SDN & NFV based cybersecurity& cyberdefence solutions
- From pure R&D to commercialization
- Member of ONF and ONAP via US based subsidiary NETSIA
- Leading role of Türk Telekom Network Transformation Project





Leading and largest edtech company in Turkey

- E-educational products, covering all Grades from Pre-School to High School
- Leading and innovative e-Education products: Raunt, Sebit VCloud and Vitamin
- Content and platform provider for the national e-Education transformation project (FATİH)





Leader customer service solutions company

- Beyond traditional call center services, solutions such as sales and marketing, social media management, e-mailing and payroll
- Serving largest private and public institutions with around 13 thousand employees



International arm of the Group in wholesale data, voice and roaming services

- Over 45K km fiber network in CEE, Turkey, the Middle East and the Caucasus
- More than 70 major POPs in Europe, ME and Asia
- Unique Solutions
 - AMEERS: New path connecting WE to ME
 - SEA-ME-WE-5: Submarine cable system connecting Europe to Africa, ME and Asia



Payment services company

- Payment services license from the Banking Regulation and Supervision Agency (BRSA)
- Strong position in Direct Carrier Billing (DCB)
- Expansion plans in other payment related services & products (Digital Wallets, Carrier-Billing, Money Transfers, Tax/Bill payments, E-money)

Tambu 2.0

Upgraded Version of Keyboard app



Hyper local animated stickers to
express yourself
1st in Turkey

Web search engine

Translation in more than
100 language

Personalized dictionary for
frequently used text
shortcuts



8.3mn
downloads*



Exclusive GIFs for Tambu



Eating and drinking venue
search



Speech to Text



Share location in all platforms



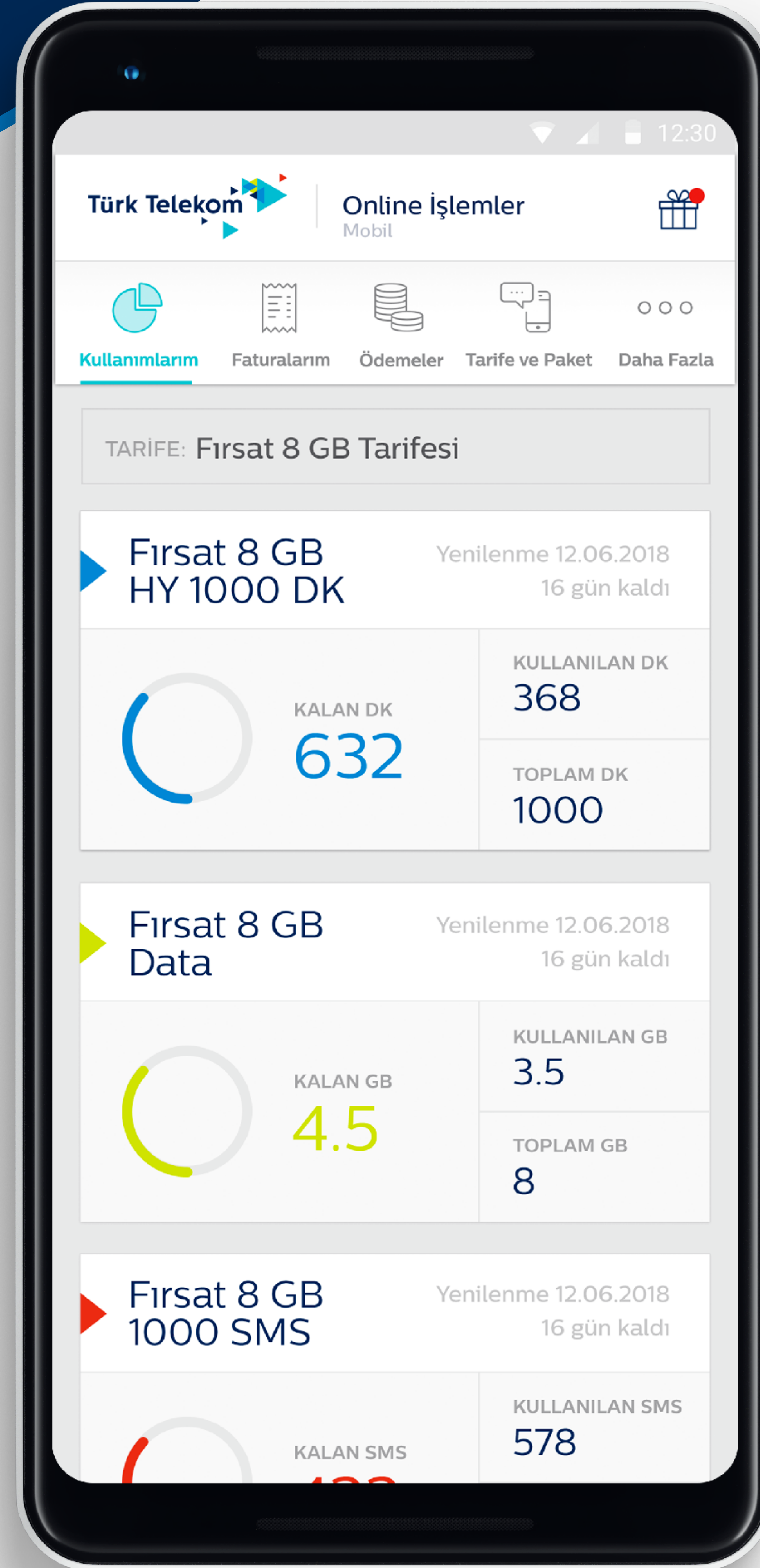
Customizable themes;
personalized background and
colors



Rich set of proverbs to
discover, learn and share

* As of December 2018

Online Transaction Application



12.4 mn
unique user



24 mn
downloads as of Q4'18



63%
penetration among our
smartphone users

Financials



Income Statement

| (TL mn) | 2017 | 2018 | YoY Change | Q4 '17 | Q4 '18 | YoY Change |
|--------------------------------------|---------|---------|------------|---------|--------|------------|
| Revenues | 18,140 | 20,431 | 12.6% | 4,800 | 5,398 | 12.5% |
| EBITDA | 6,452 | 8,436 | 30.7% | 1,525 | 2,229 | 46.2% |
| Margin | 35.6% | 41.3% | | 31.8% | 41.3% | |
| Operating Profit | 3,433 | 4,701 | 36.9% | 713 | 1,244 | 74.5% |
| Margin | 18.9% | 23.0% | | 14.8% | 23.0% | |
| Financial Inc. / (Exp.) ¹ | (1,954) | (6,723) | 244.0% | (1,061) | 1,413 | n.m. |
| FX & Hedging Gain / (Loss) | (1,454) | (5,982) | 311.3% | (886) | 1,736 | n.m. |
| Interest Inc./ (Exp.) | (340) | (659) | 93.8% | (91) | (216) | 136.8% |
| Other Financial Inc./ (Exp.) | (160) | (82) | (48.7%) | (84) | (107) | 27.9% |
| Tax Expense ¹ | (343) | 631 | n.m. | 235 | (442) | n.m. |
| Net Income ¹ | 1,136 | (1,391) | n.m. | (113) | 2,215 | n.m. |
| Margin | 6.3% | n.m. | | n.m. | 41.0% | |

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

(1) Bills, bonds and notes issued that were measured amortized cost at Q1 and Q2 2018 are measured at fair value as of Q3 '18. Consequently, the changes were reflected to 2018 Q1 and 2018 Q2 financial statements. For further details please see 2018 Q3 financial statements and footnotes.

Balance Sheet

| (TL mn) | 31.12.2017 | 30.09.2018 | 31.12.2018 |
|---|---------------|---------------|---------------|
| Total Assets | 29,149 | 38,945 | 36,199 |
| Cash and Equivalents | 4,100 | 6,187 | 4,495 |
| Intangible Assets | 8,482 | 9,679 | 9,783 |
| Tangible Assets ¹ | 9,138 | 14,147 | 14,274 |
| Other Assets ^{2&5} | 7,428 | 8,931 | 7,647 |
| Total Equities and Liabilities | 29,149 | 38,945 | 36,199 |
| Share Capital | 3,260 | 3,260 | 3,260 |
| Reserves, Retained Earnings and Other Equity Items ⁵ | 1,295 | 2,262 | 4,193 |
| Interest Bearing Liabilities ^{3&5} | 16,492 | 24,713 | 19,921 |
| Other Liabilities ⁴ | 8,102 | 8,709 | 8,823 |

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

(1) Tangible assets include property, plant and equipment and investment property

(2) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset and other current assets.

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

(4) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due related parties, other current liabilities, provisions for employee termination benefits

(5) Bills, bonds and notes issued that were measured amortized cost at Q1 and Q2 2018 are measured at fair value as of Q3 '18. Consequently, the changes were reflected to 2018 Q1 and 2018 Q2 financial statements. For further details please see 2018 Q3 financial statements and footnotes.

Cash Flow Statement

| (TL mn) | 2017 | 2018 | YoY Change | Q4 '17 | Q4 '18 | YoY Change |
|--|---------|---------|------------|---------|---------|------------|
| Operating Cash Flow | 5,944 | 7,589 | 27.7% | 3,063 | 1,956 | (36.1%) |
| Investing Cash Flow | (4,278) | (4,126) | (3.5%) | (1,674) | (1,524) | (9.0%) |
| CAPEX | (4,224) | (4,065) | (3.7%) | (1,713) | (1,565) | (8.6%) |
| Other Investing Activites | (54) | (61) | 12.3% | 39 | 41 | 4.9% |
| Financing Cash Flow ¹ | (595) | (3,253) | 446.9% | (12) | (2,205) | n.m. |
| Net Change in Cash Position ² | 1,072 | 210 | (80.4%) | 1,376 | (1,773) | (228.9%) |

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

(1) Includes currency translation differences
(2) Blocked deposits are included in operating activities rather than net cash position

Revenue Breakdown

| (TL mn) | 2017 | 2018 | YoY Change | Q4 ‘17 | Q4 ‘18 | YoY Change |
|-----------------------------|--------|--------|------------|--------|--------|------------|
| Fixed Voice | 2,603 | 2,603 | (0.0%) | 635 | 667 | 5.0% |
| Broadband | 4,899 | 5,533 | 12.9% | 1,289 | 1,482 | 14.9% |
| TV | 228 | 306 | 34.0% | 62 | 81 | 31.0% |
| Mobile | 6,639 | 7,534 | 13.5% | 1,701 | 1,938 | 14.0% |
| Corporate Data ¹ | 1,492 | 1,690 | 13.3% | 391 | 437 | 11.7% |
| International Revenues | 639 | 926 | 44.9% | 170 | 248 | 45.9% |
| Other ² | 1,021 | 1,155 | 13.1% | 359 | 389 | 8.4% |
| IFRIC-12 | 704 | 771 | 9.5% | 214 | 178 | (16.5%) |
| Eliminations | (87) | (88) | 1.2% | (21) | (22) | 1.9% |
| Total Revenue | 18,140 | 20,431 | 12.6% | 4,800 | 5,398 | 12.5% |

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

(1) Includes leased line and data services
(2) Includes ICT companies, device sales, domestic interconnection, rental income from GSM operators and other

OPEX Breakdown

| (TL mn) | 2017 | 2018 | YoY Change | Q4 '17 | Q4 '18 | YoY Change |
|--|--------|--------|------------|--------|--------|------------|
| Direct Costs | 4,075 | 4,716 | 15.7% | 1,141 | 1,256 | 10.1% |
| Interconnection | 1,519 | 1,780 | 17.2% | 381 | 456 | 19.6% |
| Tax | 1,313 | 1,842 | 40.3% | 343 | 485 | 41.4% |
| Provisions for Doubtful Receivables | 468 | 268 | (42.7%) | 133 | 38 | (71.1%) |
| Cost of Equipment and Technology Sales | 493 | 519 | 5.2% | 211 | 195 | (7.6%) |
| Other Direct Costs | 282 | 307 | 8.6% | 73 | 82 | 11.5% |
| Commercial Costs | 1,748 | 1,087 | (37.8%) | 487 | 253 | (48.0%) |
| Other Costs | 5,241 | 5,509 | 5.1% | 1,458 | 1,502 | 3.0% |
| Network & Technology | 1,764 | 1,920 | 8.9% | 454 | 537 | 18.4% |
| Personnel | 2,854 | 3,015 | 5.6% | 776 | 793 | 2.3% |
| Other | 623 | 574 | (7.9%) | 228 | 171 | (25.0%) |
| Sub Total | 11,064 | 11,313 | 2.2% | 3,086 | 3,011 | (2.4%) |
| IFRIC-12 | 623 | 683 | 9.5% | 189 | 158 | (16.5%) |
| Total OPEX | 11,688 | 11,995 | 2.6% | 3,275 | 3,169 | (3.2%) |

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

As of Q1 '18, frequency fees with direct link to sales are reported under tax expense. Previously, such frequency fees were reported under Network and Technology expense since there were no direct link to sales.

Debt Profile

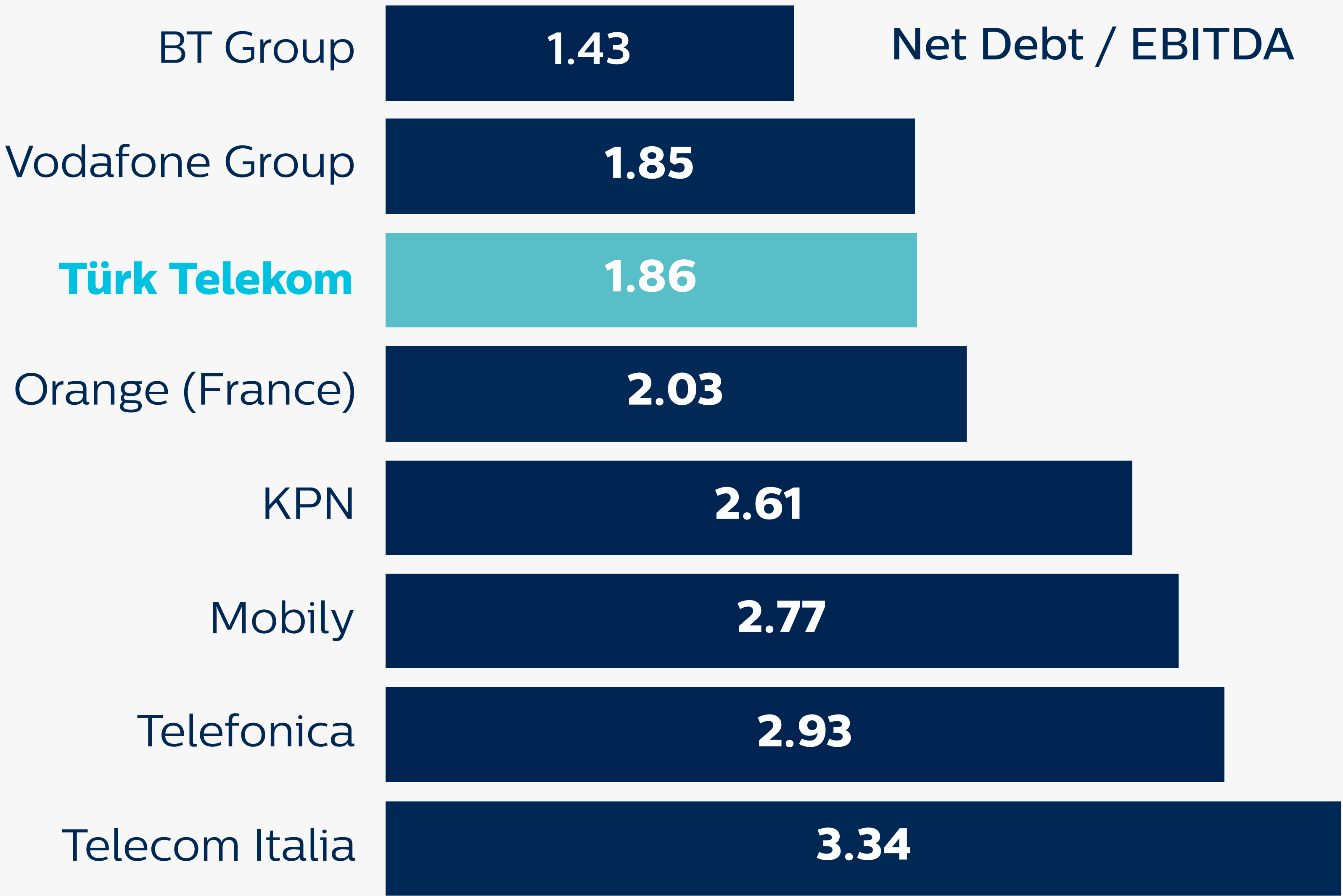
Net Debt

■ Net Debt (TL bn) ○ Net Debt/EBITDA



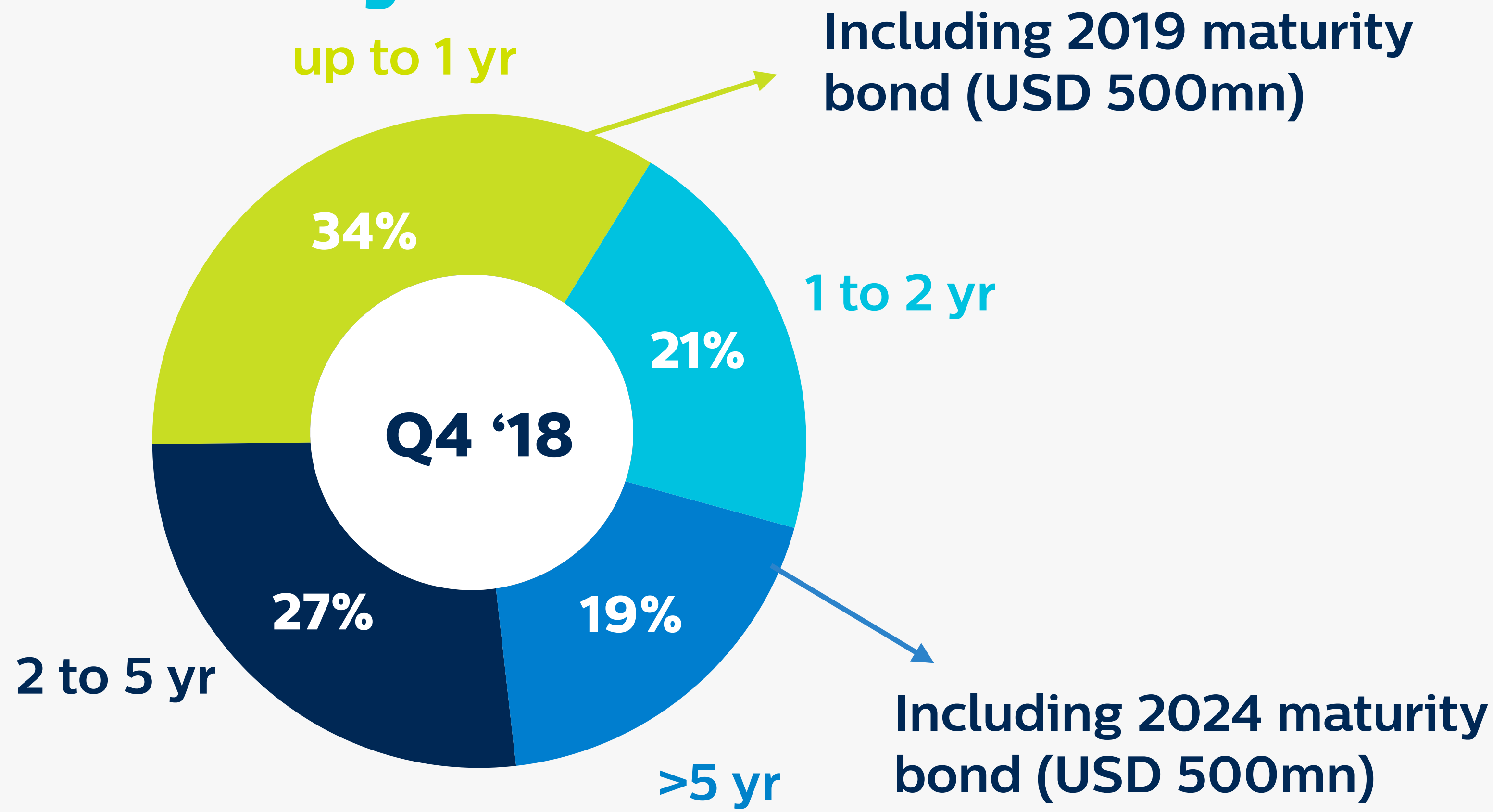
Note: Net Debt calculation includes MTM from FX to TRY Currency Swaps
Net Debt/EBITDA calculation excludes extraordinary claims EBITDA calculation

Low debt ratio among peers



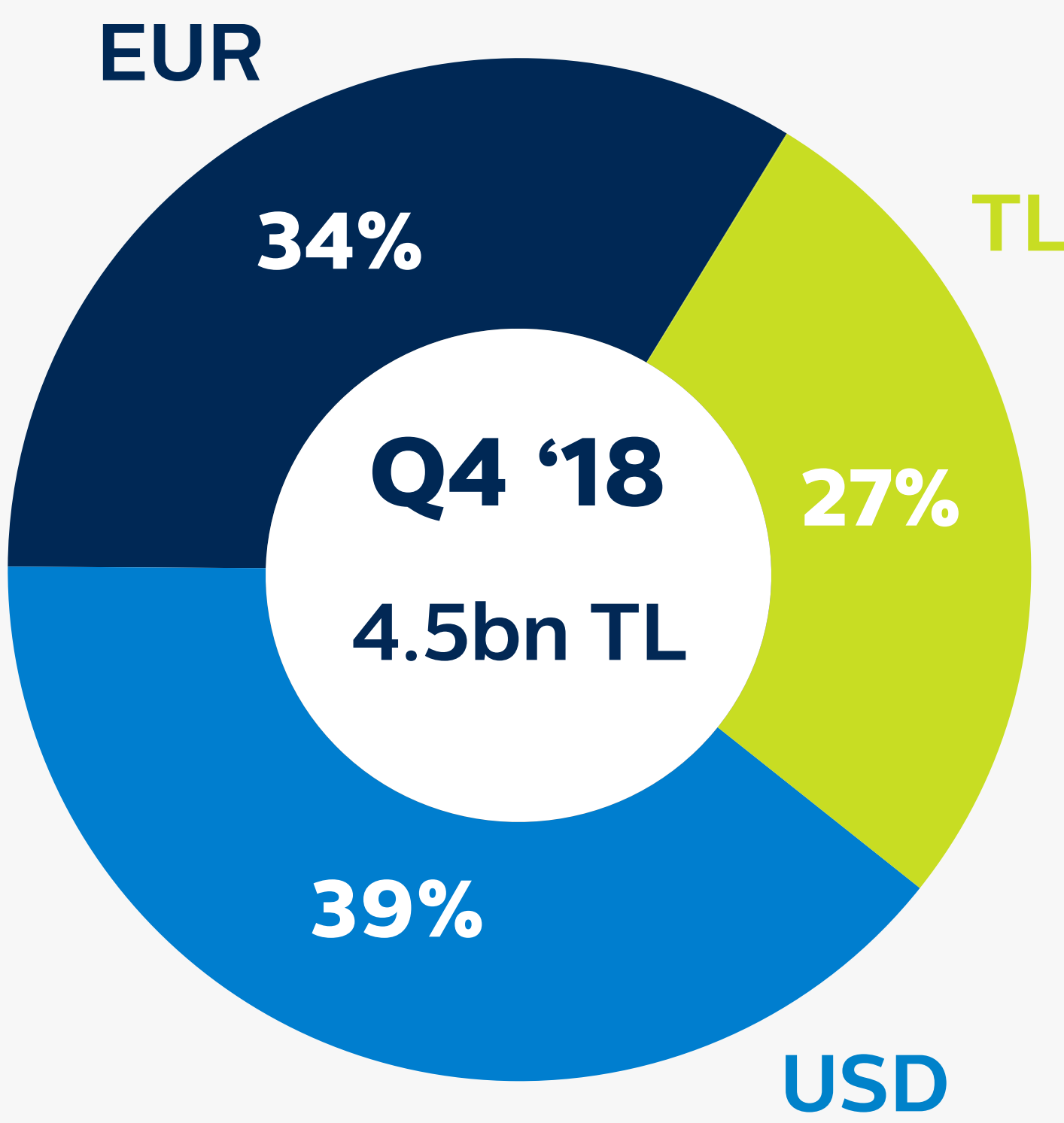
Source: Bloomberg
*ürk Telekom's ratio is based on Q4 '18 financials; other's based on their latest data

Maturity Profile

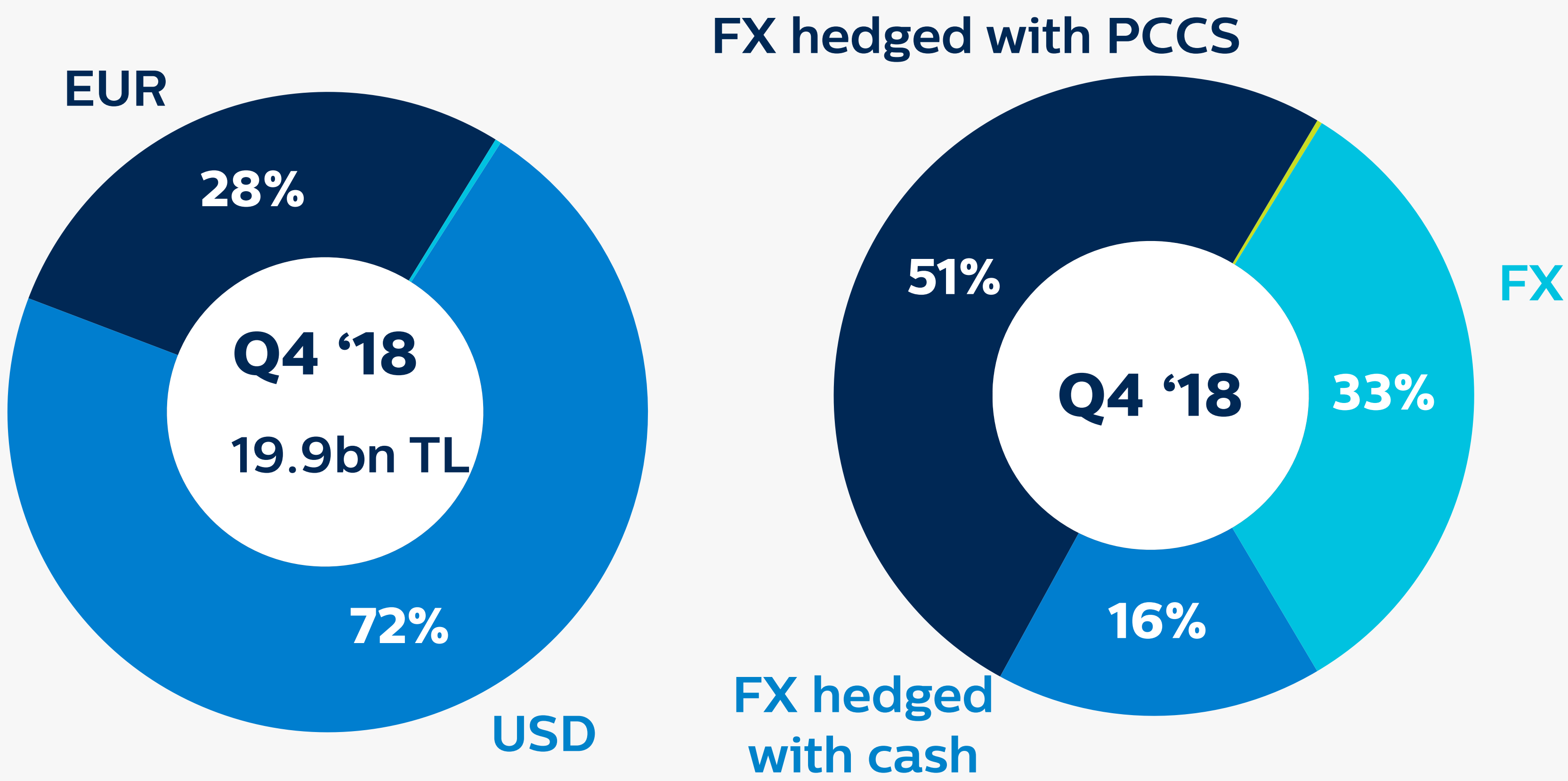


All loans are senior unsecured

Cash FX Breakdown



Gross Debt FX Breakdown



Debt Profile

Prudent Balance Sheet Management

- ▶ FX Risks managed via Participating Cross Currency Swaps (PCCS), and FX based cash
- ▶ Hedge in both principal and coupons of designated debt instruments
- ▶ Protection level of existing hedges strengthened during the quarter
- ▶ Diversified funding terms of instruments (bonds, ECAs, commercial loans, and IFIs) and geography
- ▶ Significant improvement in cash flow generation with normalized Capex cycle and increasing EBITDA

Corporate Credit Ratings

Fitch Ratings

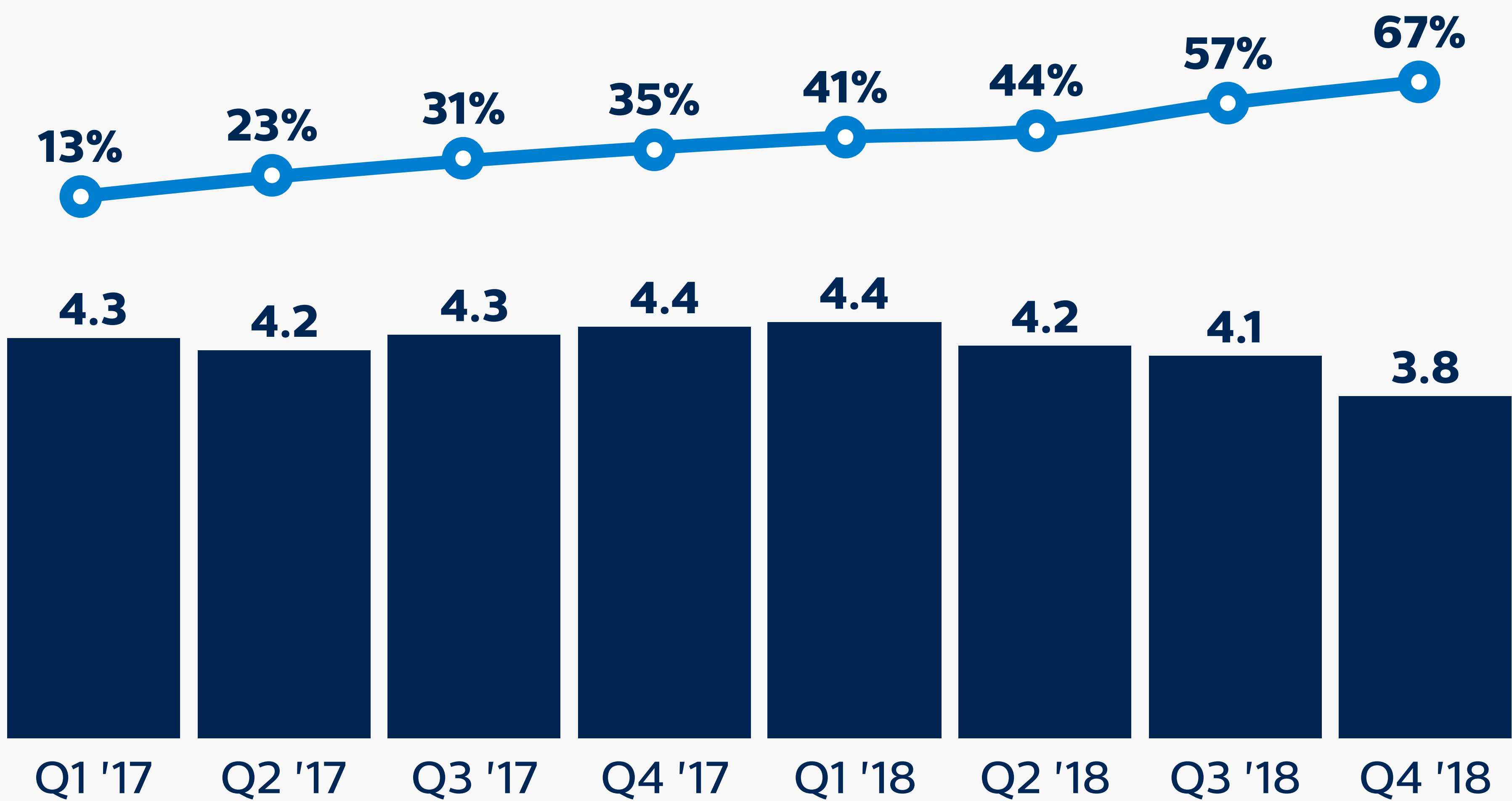
BB+ Negative Outlook

S&P Global Ratings

BB- Stable Outlook

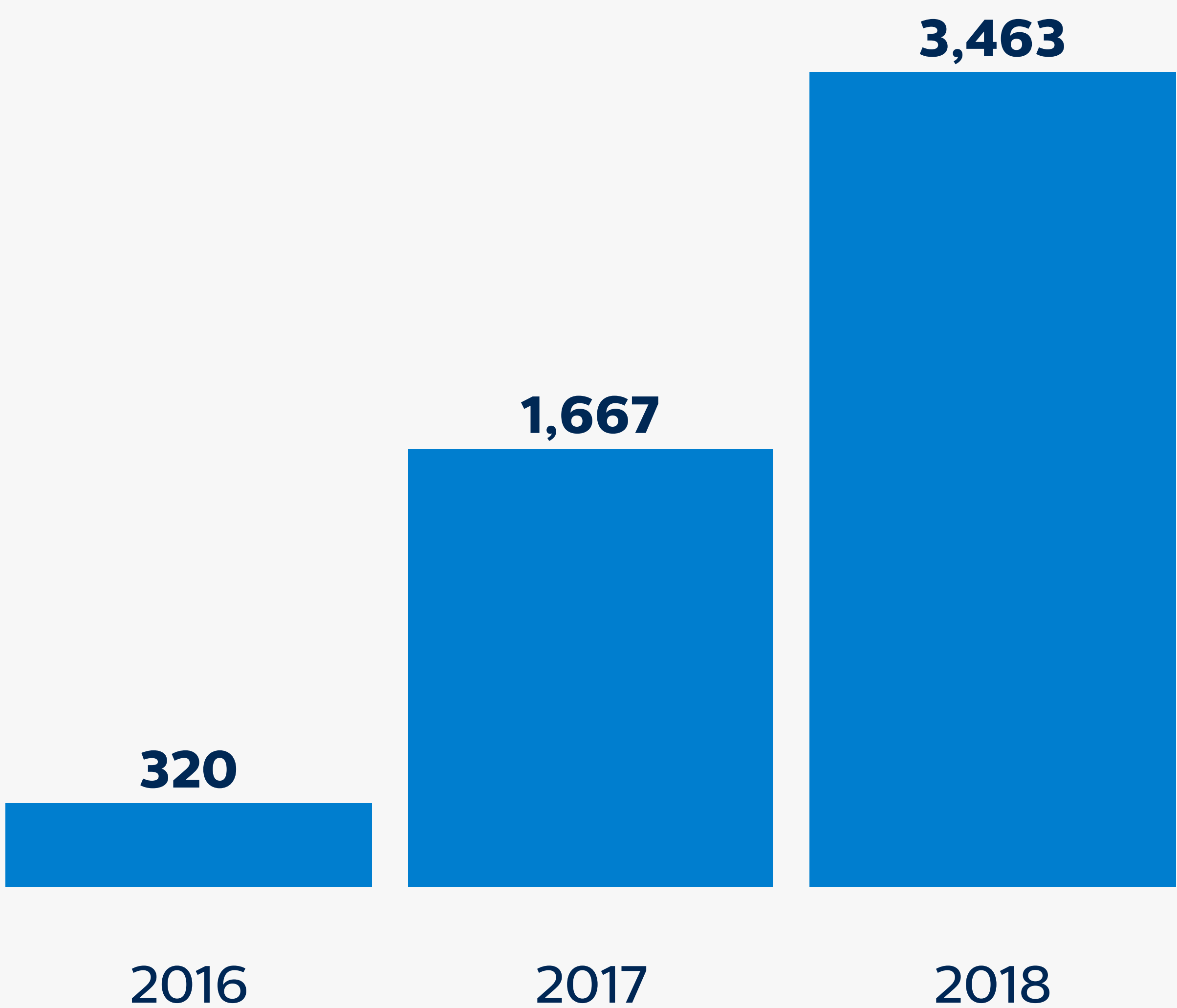
Hedge Ratio

■ Gross FX Debt (bn USD) ● Hedge Ratio



Increasing Cash Flow*

(TL mn)



*Unlevered cash flow is defined as net cash provided by operating and investing activities from operations.

Operational Highlights

| | Q4 '17 | Q3 '18 | Q4 '18 | YoY Change | QoQ Change |
|--|--------|--------|--------|------------|------------|
| Total Access Line (mn) | 13.7 | 14.3 | 14.4 | 5.6% | 1.4% |
| Fixed Voice Lines ¹ (mn) | 9.6 | 9.8 | 9.9 | 3.5% | 1.1% |
| Naked DSL Lines (mn) | 4.1 | 4.4 | 4.5 | 10.5% | 2.0% |
| Fixed Voice ARPU (TL) | 22.2 | 22.5 | 22.5 | 1.4% | 0.1% |
| Broadband Total Subscribers (mn) | 9.7 | 10.6 | 10.9 | 11.9% | 2.9% |
| FTTH/B Subscribers ('000) | 1,065 | 1,258 | 1,356 | 27.4% | 7.8% |
| FTTC Subscribers ('000) | 1,684 | 2,121 | 2,276 | 35.2% | 7.3% |
| Broadband ARPU (TL) | 44.8 | 44.4 | 45.9 | 2.3% | 3.3% |
| Total Tivibu Subscribers ² (mn) | 2.7 | 3.5 | 3.6 | 32.3% | 2.9% |
| Tivibu Home Subscribers ³ ('mn) | 1.2 | 1.6 | 1.7 | 42.2% | 3.7% |
| Tivibu Home ARPU (TL) | 16.4 | 14.9 | 15.1 | (7.5%) | 1.3% |
| Mobile Total Subscribers (mn) | 19.6 | 20.8 | 21.5 | 9.8% | 3.5% |
| Mobile Postpaid Subscribers (mn) | 10.8 | 11.8 | 12.2 | 13.1% | 4.1% |
| Mobile Prepaid Subscribers (mn) | 8.8 | 9.0 | 9.3 | 5.8% | 2.6% |
| Mobile Blended ARPU (TL) | 27.9 | 31.8 | 31.0 | 11.1% | (2.4%) |
| Mobile Postpaid ARPU (TL) | 35.7 | 39.6 | 39.5 | 10.7% | (0.3%) |
| Mobile Prepaid ARPU (TL) | 18.0 | 20.1 | 19.2 | 6.7% | (4.1%) |

(1) Includes PSTN and WLR Lines
(2) Includes IPTV, DTH, and Tivibu GO subscribers
(3) Includes IPTV and DTH subscribers

Guidance

| TL mn | 2018 YE | 2019 Guidance |
|---|---------|---------------------|
| Revenue (exc. IFRIC 12) ¹ | 19,660 | 15% - 16% growth |
| EBITDA | 8,436 | TL 10.0 to 10.2 bn |
| CAPEX | 4,087 | TL 4.6 bn to 4.8 bn |
| IFRS 16 adjusted | | TL 5.5 bn to 5.7 bn |

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. EBITDA guidance includes IFRS 16 impact (TL 650 - 700 mn).

(1) IFRIC 12 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

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

IFRS 15 Adoption Reconciliation

| (TL mn) | Q4 '18 | IFRS 15 Impact | Q4 '18 w/o adoption of IFRS 15 |
|------------------------------|--------|----------------|--------------------------------|
| Revenues | 5,398 | (17) | 5,415 |
| EBITDA | 2,229 | 184 | 2,046 |
| Margin | 41.3% | | 37.8% |
| Operating Profit | 1,244 | 58 | 1,186 |
| Margin | 23.0% | | 21.9% |
| Financial Inc. / (Exp.) | 1,413 | (5) | 1,418 |
| FX & Hedging Gain / (Loss) | 1,736 | | 1,736 |
| Interest Inc./ (Exp.) | (216) | | (216) |
| Other Financial Inc./ (Exp.) | (107) | (5) | (102) |
| Tax Expense | (442) | (4) | (439) |
| Net Income | 2,215 | 50 | 2,165 |
| Margin | 41.0% | | 40.0% |

Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

IFRS 15 Adoption Reconciliation

| (TL mn) | 31.12.2018 | IFRS 15 Impact | 31.12.2018 w/o adoption of IFRS 15 |
|--|------------|----------------|------------------------------------|
| Total Assets | 36,199 | 1,020 | 35,179 |
| Cash and Equivalents | 4,495 | | 4,495 |
| Intangible Assets | 9,783 | 1,024 | 8,759 |
| Tangible Assets | 14,274 | | 14,274 |
| Other Assets | 7,647 | (4) | 7,651 |
| Total Equities and Liabilities | 36,199 | 1,020 | 35,179 |
| Share Capital | 3,260 | | 3,260 |
| Reserves, Retained Earnings and Other Equity Items | 4,193 | 665 | 3,528 |
| Interest Bearing Liabilities | 19,921 | | 19,921 |
| Other Liabilities | 8,823 | 355 | 8,468 |

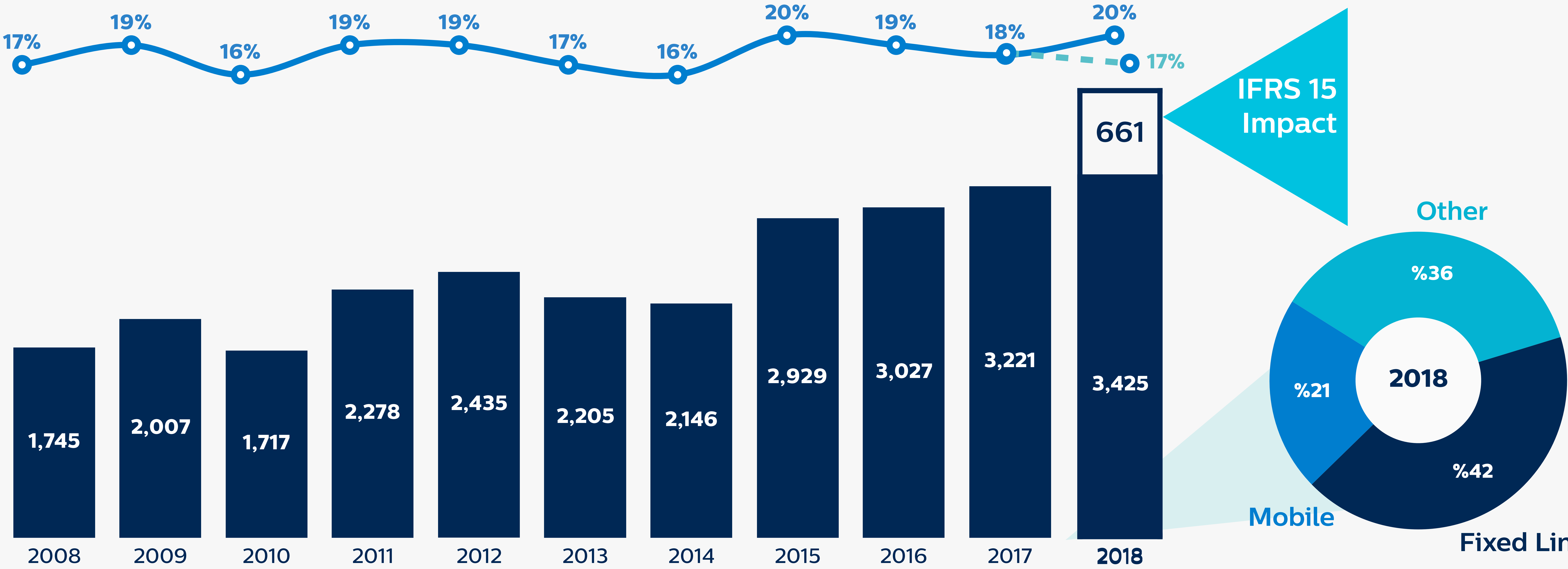
Türk Telekom adopted IFRS 15 and IFRS 9 accounting standards starting from 1 January 2018. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

Capex

Major Capex areas are fiber network roll-out in fixed line, network investments in mobile and IT transformation projects

Capex* & Capex / Sales

■ CAPEX (TL mn) ○ CAPEX/Sales



* Capex figures exclude license fees

* Other Capex includes IT related capex, Capex for subsidiaries, Capex for new revenue streams and other

Shareholder Remuneration

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

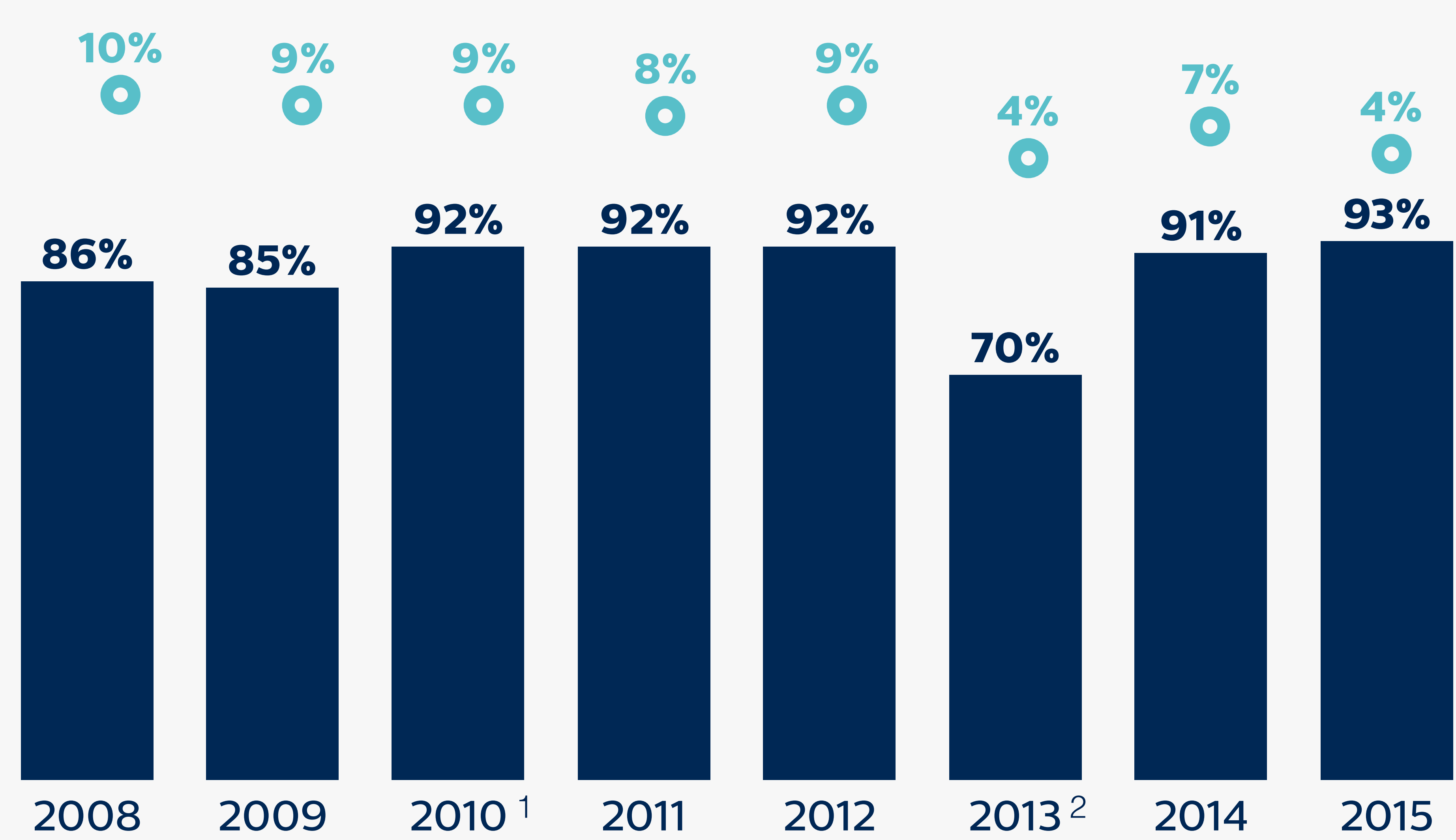
Dividend Distribution

■ Dividend (TL mn) ● Dividend per Share (TL)



Dividend Yield & Payout Ratio

■ Dividend Payout Ratio ● Dividend Yield



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: Based on General Assembly Decision, no dividends distributed for the activity years 2016 & 2017

Digital Transformation

Technology

Custom solutions by using both internal and subsidiary resources for serving both Turk Telekom and 3rd parties

Türk Telekom

innova

ARGELA

s e b i t

Marketing

Diverse portfolio addressing the consumer segment with 200+ value added services and mobile applications



Tambu



Tivibu Go



Türk Telekom Music

Branding & Comm.

Utilization of internal products for external sale

Segmented digital advertises

PROGRAMATİK

Sales

Diversification towards virtual channels

Easy, quick, secure online payment



Direct Carrier Billing



Web-sites / Applications

Customer Services

Improved customer services via online channels



Account Management

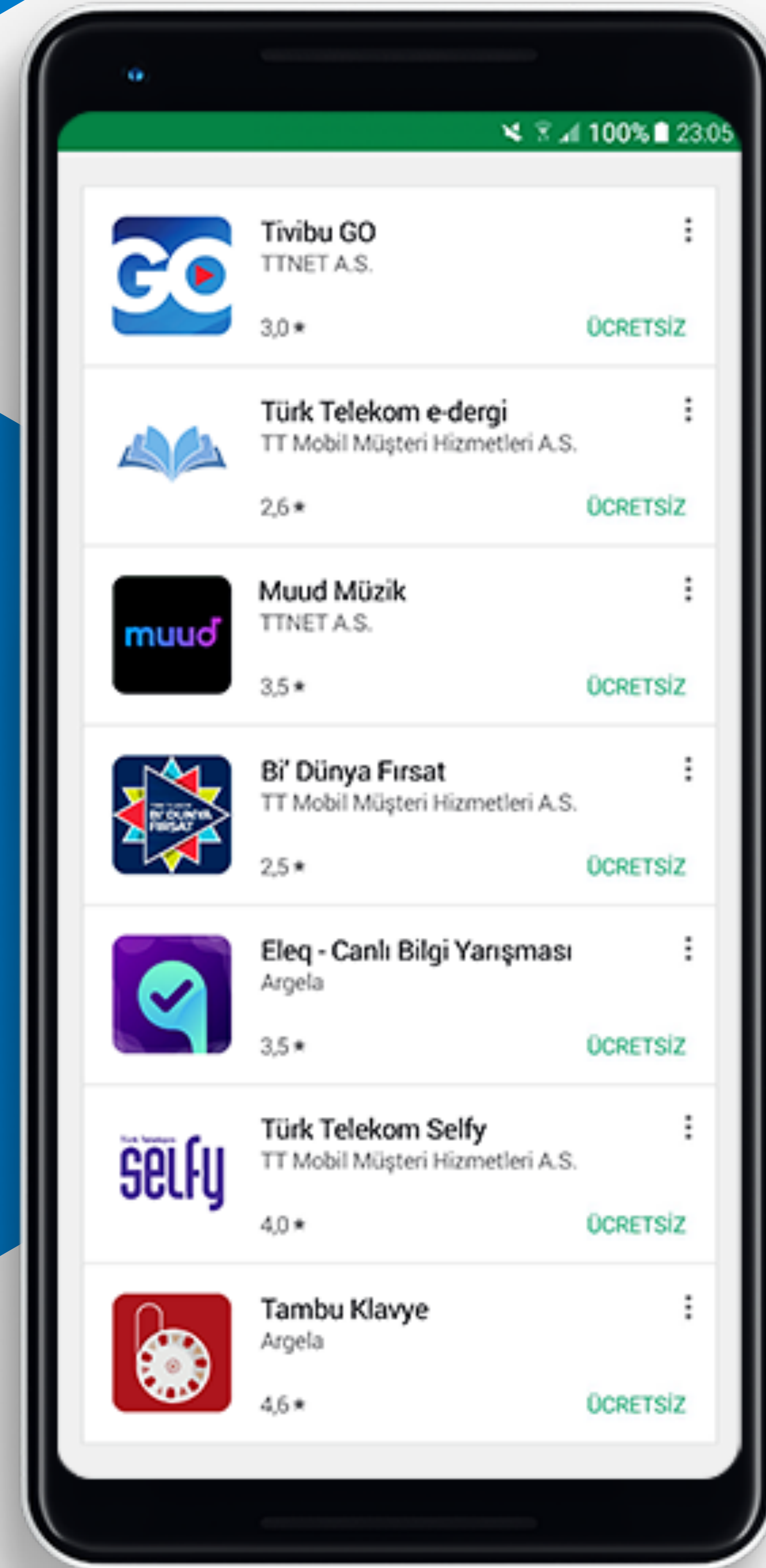


Jetfix

Appendix



Digital Service Portfolio



Turk Telekom has 30+ mobile applications, and 200+ value added services.



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

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



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

Turkey's most preferred digital music platform to listen and download millions of songs and watch videos



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

Turkey's first and leader digital gaming, e-pin, console games and pysical gaming accessory sales platform



Turk Telekom's Education Platform: **Turk Telekom Academy** Launch: 2018

Education platform for Turk Telekom employees has been relaunched and now available to all Turk Telekom internet subscribers



Turkey's First Interactive Education Platform Launch: 2008

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



Turkey's Mobile and Live Trivia Game: **Eleq** Launch: 2018



Turkey's first smart and hyperlocal digital keyboard Launch: 2017

Turkey's first local and customized smart digital keyboard



Turkey's Most Comprehensive Online Reading Platform: **E-Dergi** Launch: 2017

Turkey's online magazine and newspaper reading platform with advantageous campaigns for Turk Telekom mobile users



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

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



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

Turkey's widest WiFi hotspot coverage and services for Turkish Airlines flights

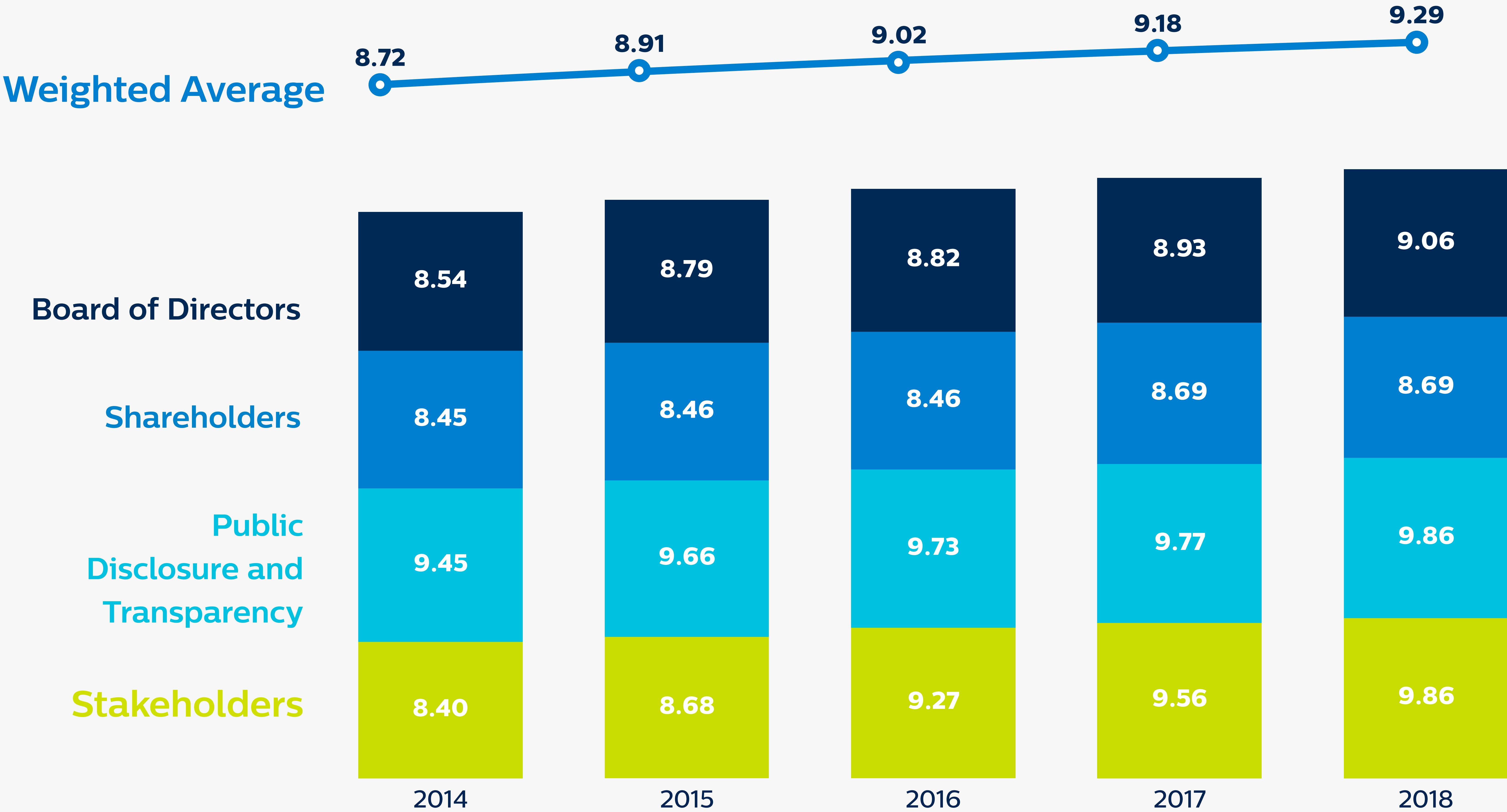


Turkey's Advantageous Integrated Cloud Platform: **Dijital Depo** Launch: 2018

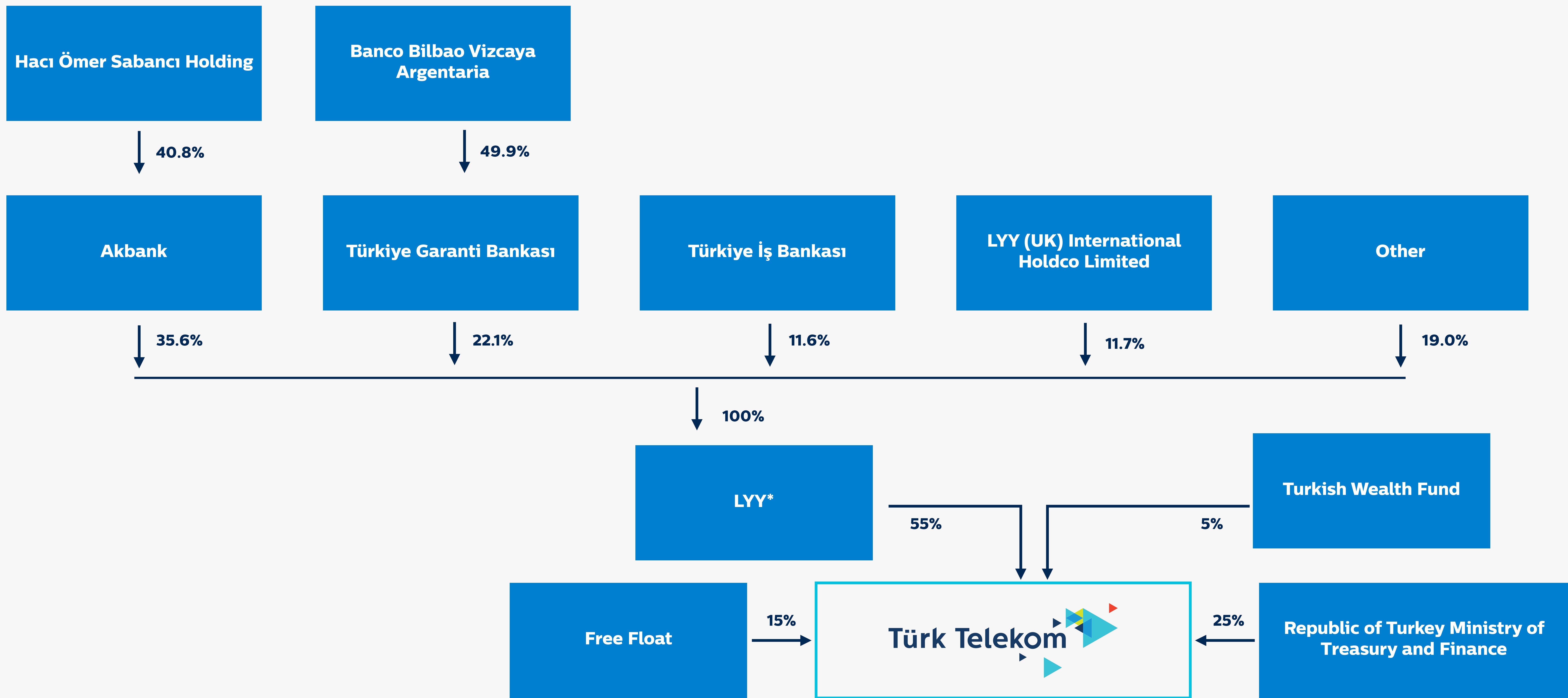
Türk Telekom's operator free new cloud storage application Digital Depo enables users to safely store photos, videos, music and all files with user - friendly design

Corporate Governance

- ▶ Türk Telekom is member of BIST Sustainability Index since creation with its long lasting emphasis on Environmental, Social and Governance policies and exemplary practices
- ▶ The only telecom company qualified to be included in the BIST Corporate Governance Index since 2009
- ▶ Türk Telekom is a member of FTSE4GOOD Index Series



Shareholder Structure



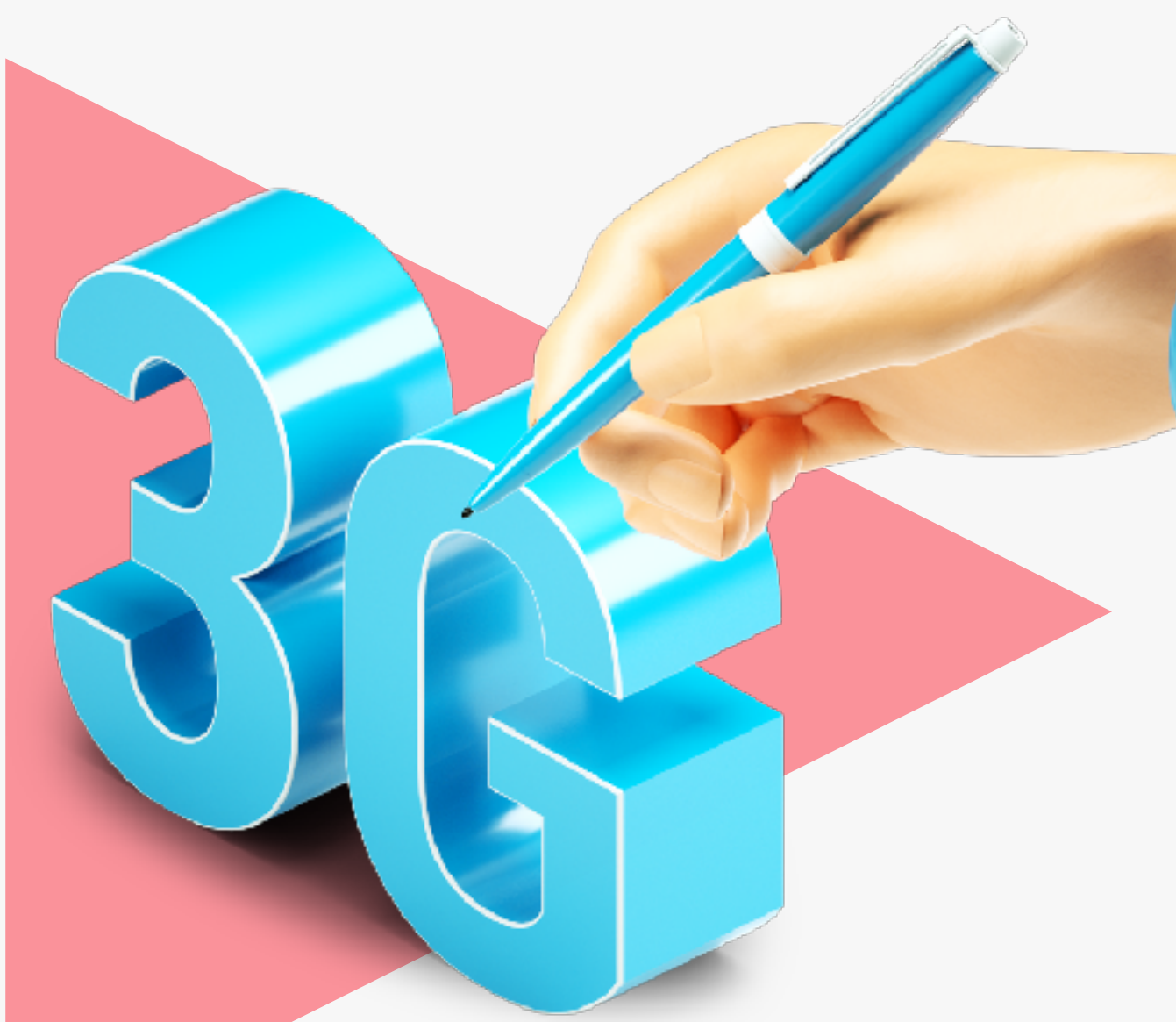
Note: Turkish Wealth Fund has 1.68% share in free float

*Levent Yapılandırma Yönetimi A.Ş.

Regulatory Actions

2008

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



2009

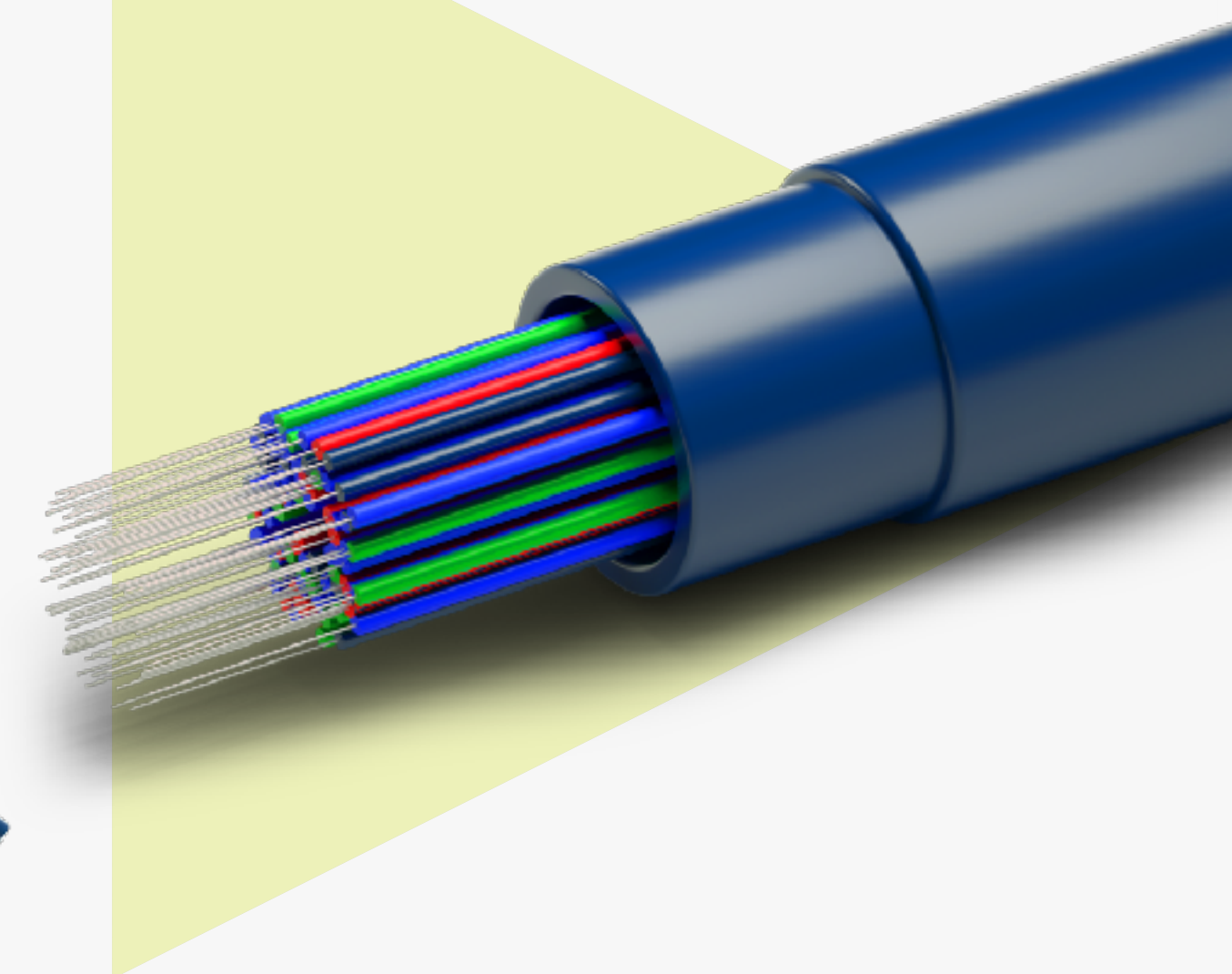
- ▶ **January**
 - About 50%-55% reduction in MTRs on SMS
- ▶ **March**
 - Reduction in SCT rate (25% to 5%) on internet services
- ▶ **April**
 - On-net price floor for TCELL
- ▶ **May**
 - About 29% reduction in MTRs
 - MVNO regulation in place
- ▶ **July**
 - 3G service launch
- ▶ **September**
 -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

2010

- ▶ **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



2012

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



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



2014

- ▶ **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

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

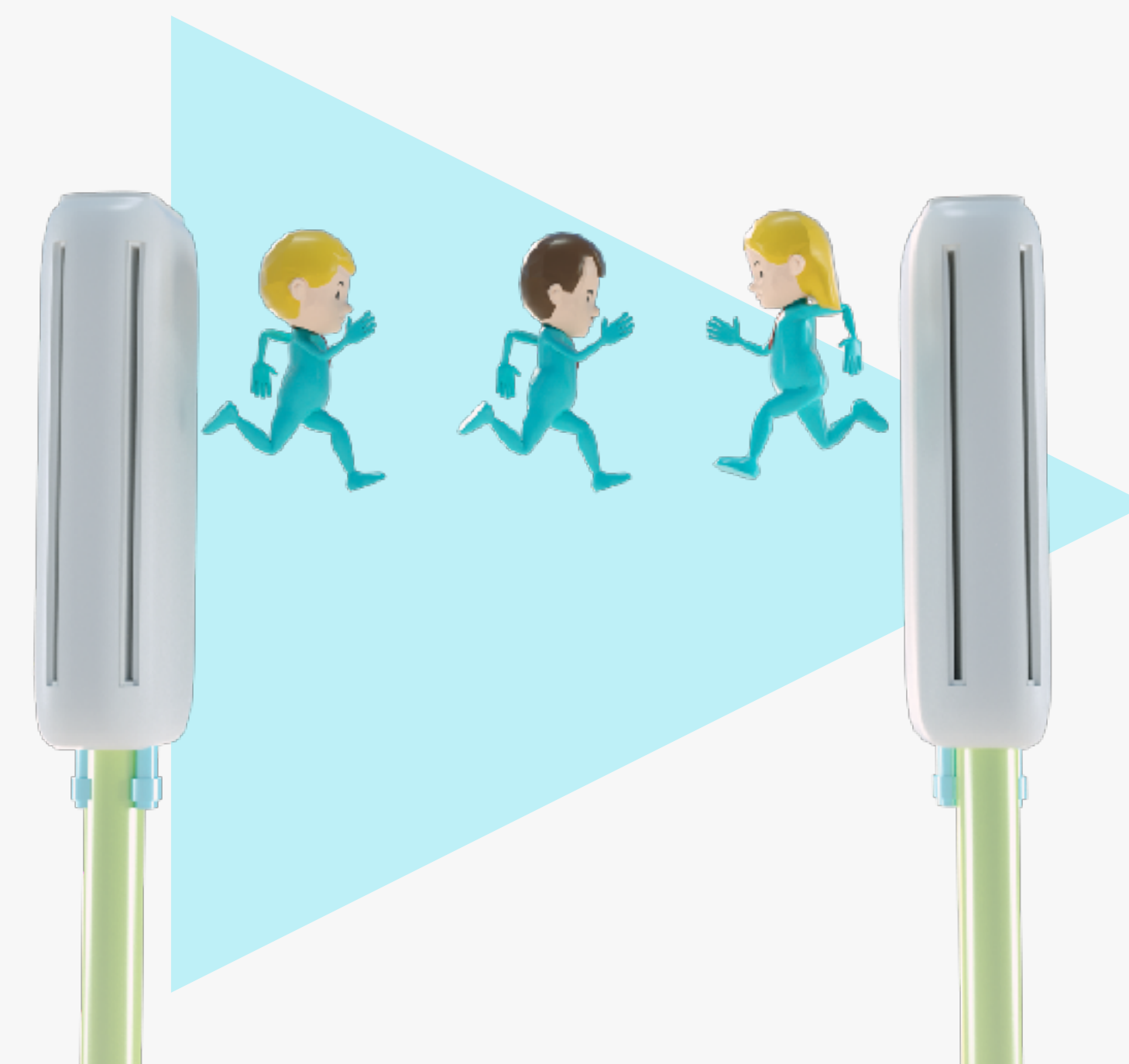
2018

- ▶ **January**
 - SCT rates for mobile voice, fixed voice, mobile data, and fixed data was unified at 7.5%



2019

- ▶ **January**
 - Fair usage quota was lifted



Separation from Post Office

Türk Telekom separated from the Post Office

1995

Aycell Merger with Aria

Aycell merged with İŞ-TİM's Aria and officially named "Avea İletişim Hizmetleri A.Ş."

2004

Avea Share Transaction

Acquisition of İŞ-TİM's 40.55% stake in Avea, raising total stake in Avea to 81.12%

2006

Invitel Acquisition

Acquired Pantel (rebranded as Türk Telekom International), the leading wholesale capacity and data services provider in Central and Eastern Europe to complement its international carrier business and infrastructure

2010

Bond Issuance

Türk Telekom issued USD 1bn bond in tranches, at USD 500mn each, with a maturity of 5 and 10 years

Investment grade ratings from S&P and Fitch

2014

Brand Unification

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

2016

Shareholder Change

55% shares of Türk Telekom was transferred to Levent Yapılandırma Yönetimi (LYY) from OTAS

2019

2001

Aycell Established

Türk Telekom's GSM operator, Aycell established (Aycell later named as AVEA after merging with Aria 2004)

2005

Privatization

Privatized through a 55% stake sale to Oger Telecom

2008

Public Offering

IPO with a listing on the Istanbul Stock Exchange and the sale of 15% stake owned by the Treasury to the public

2013

Integration Project Initiated

Integration project for a customer oriented organization

2015

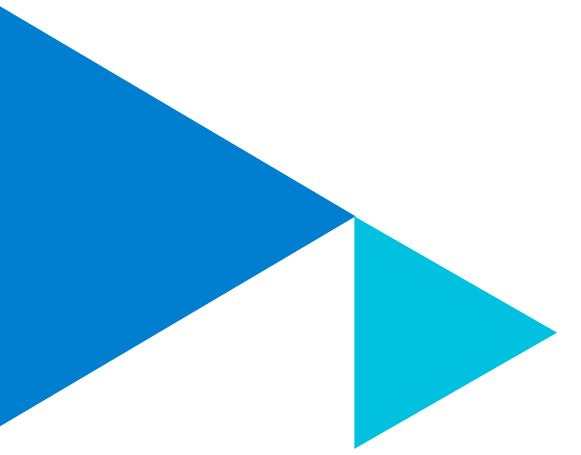
Avea Share Transaction

Avea share transfer transactions were completed and Türk Telekom has become the sole owner of Avea İletişim Hizmetleri A.Ş.

2018

Establishment of CVC Company

The Corporate Venture Capital Company was established under "TT Ventures Proje Geliştirme A.Ş." name



Türk Telekom Investor Relations

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