

2013 Q1 Results

Türk Telekom Group



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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.

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Consolidated Performance

2013 Q1 Results
Türk Telekom Group

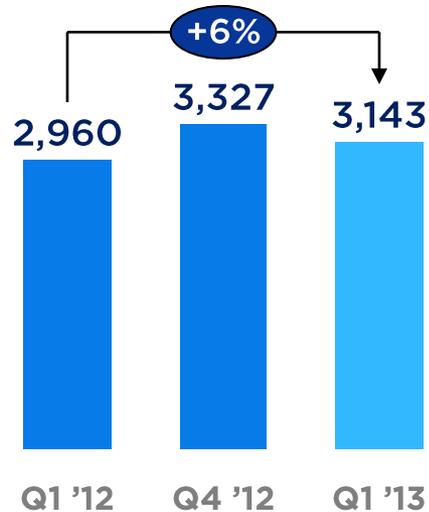
2013 First Quarter Highlights

- ❖ Strong start to the year with 6.2% YoY top-line growth
- ❖ EBITDA decline due to a one off negative effect of voluntary retirement incentive payment
- ❖ Net income decline driven by flat FX gains compared to last year's extraordinary gains
- ❖ 12% revenue growth YoY in broadband - reaccelerated broadband subscriber growth with 66K net additions in the quarter
- ❖ Solid revenue and subscriber growth in mobile business – revenues increased 17% YoY, with 240K net subscriber additions in the quarter

Consolidated Financials

(TLmn)

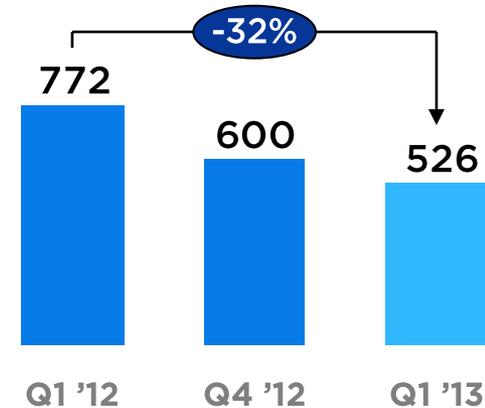
Revenue



EBITDA



Net Income

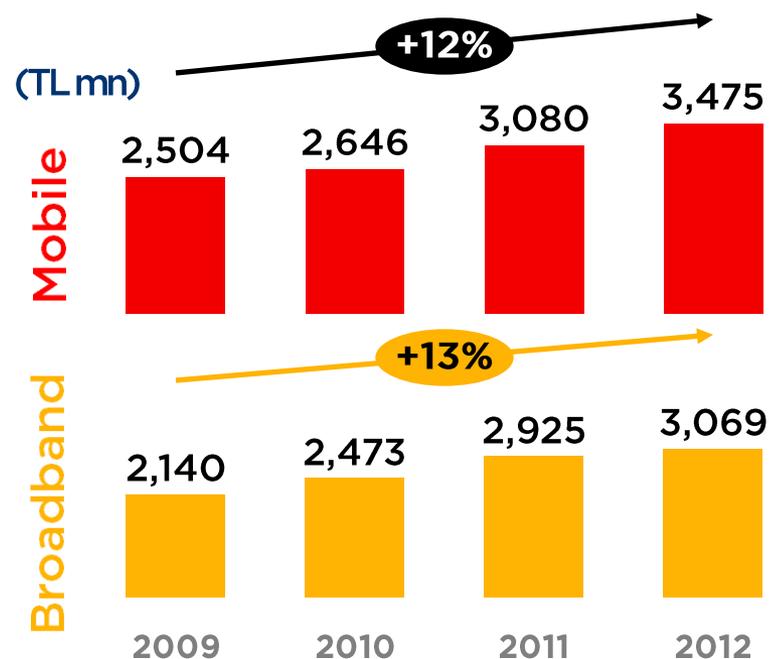


Revenue Growth Continued

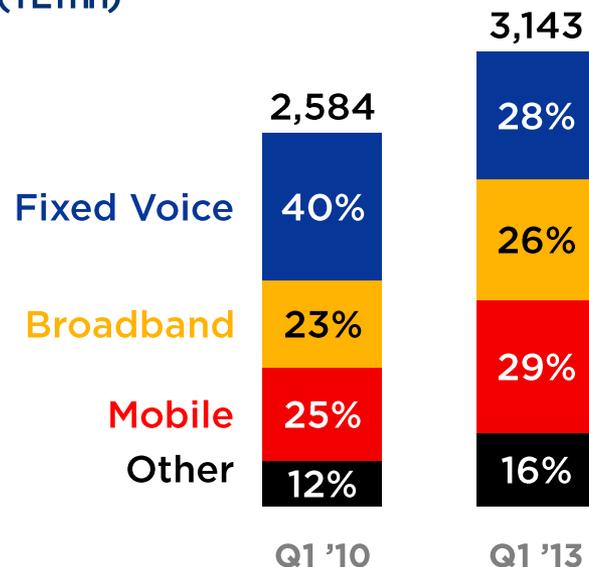
- ✦ Quarterly YoY revenue growth in line with year end guidance
- ✦ Decline in EBITDA and margin due to an exceptional personnel voluntary retirement incentive (excluding one-off impact EBITDA flat YoY)
- ✦ Net income decrease due to lack of favorable FX conditions compared to last year

Revenue Mix

Transformation Continues



Consolidated Revenues (TLmn)



Focusing on high growth businesses...

- ✦ Combined growth of 14% YoY in Mobile and Broadband businesses in Q1 2013
- ✦ Fixed voice now constitutes less than 30% of total revenues
- ✦ Mobile and Broadband make up 55% of total revenues

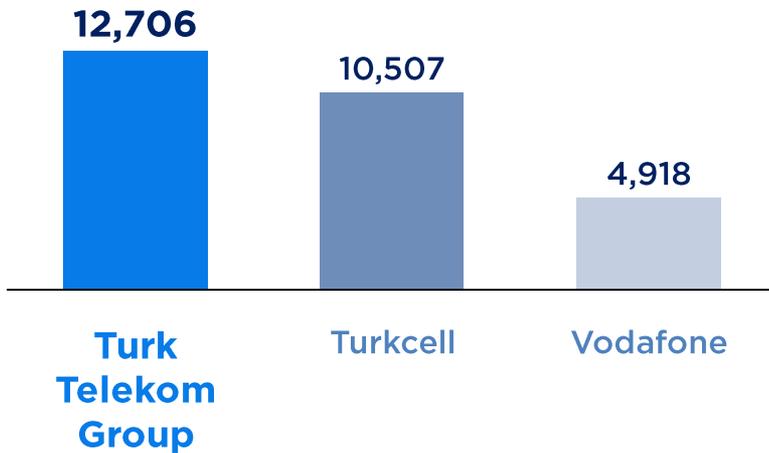
Note: Other Revenues include Pantel acquisition effect, which was completed in Q4 2010

TT: Strong Leader of the Market

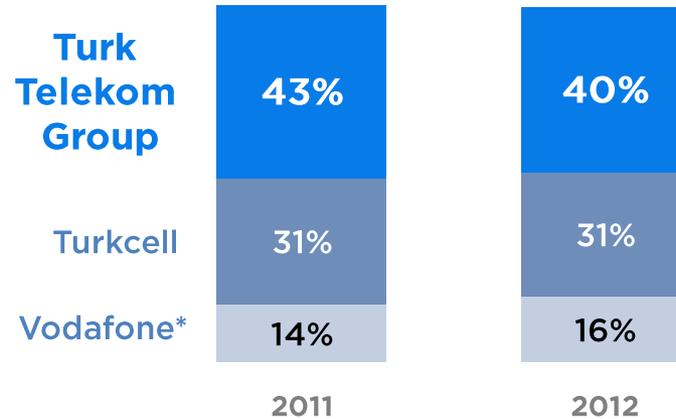
Largest and Most Profitable Operator in Turkey

Telecom Operators by Revenue

(2012, TLmn)



Telecom Operators' EBITDA Margins



- 45% of the total revenues in Turkish telecom market is generated by Turk Telekom Group
- Clear leader in profitability
- Strongest position to provide end to end wireless and wireline telecom services to both consumers and corporates

Note: Other operators' figures are from their published financials. Vodafone's EBITDA Margin figure is from their 9M 2012 financials

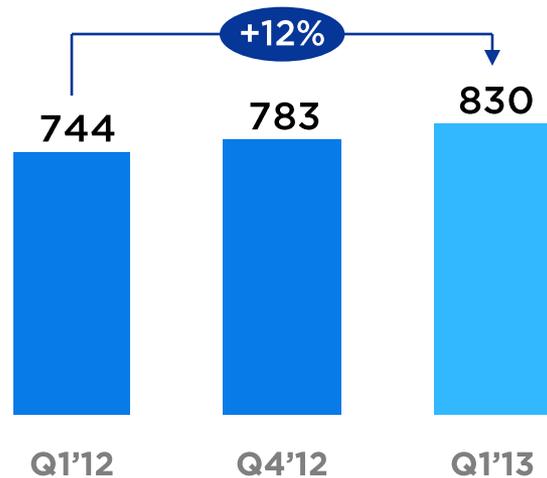
Fixed Line

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Türk Telekom Group

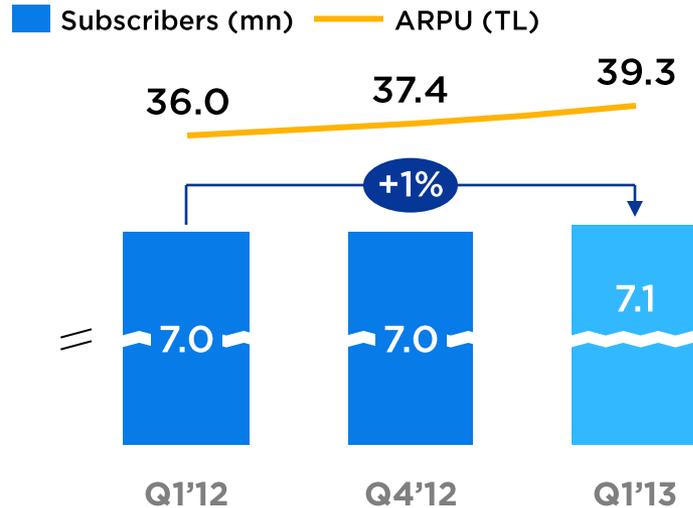
High Speed Broadband

Reaccelerating revenue and subscriber growth

Revenue (TLmn)



ARPU and Subscribers



- ❖ 12% revenue growth backed by both subscriber and ARPU increases
- ❖ Accelerated subscriber growth with 66K net additions in Q1 2013
- ❖ Excluding “phasing out” Lokum subscribers, net additions are 90K in Q1 2013
- ❖ 9% YoY ARPU increase in Q1 2013

Fiber means Turk Telekom

Availability of Fiber

Turk Telekom Fiber Network



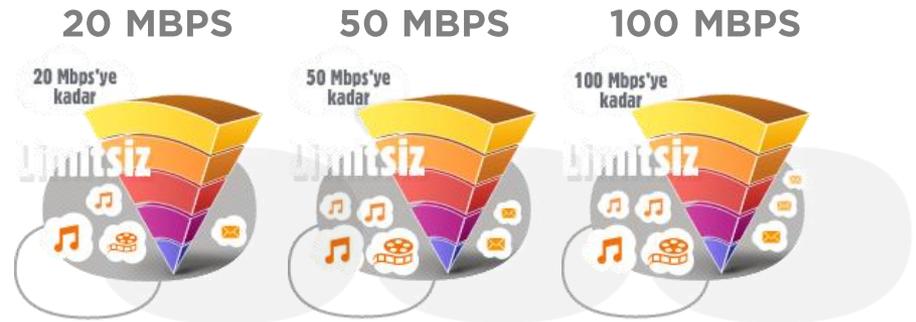
Alternative Operator



Fiber operations growing fast...

- ❖ Coverage of all 81 cities as opposed to competition's limited reach
- ❖ 169 thousand km fiber network
- ❖ 2.1 million Fiber to the Home/Building, 4.7 million Fiber to the Curb homepass
- ❖ 270 thousand subscribers

Speeds offered :



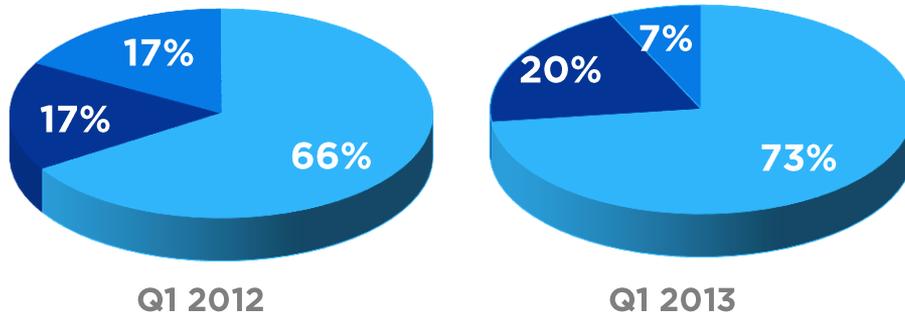
Note: Other operators' data are from their own publications

Broadband Speed and Capacity

Key to upsell customers

Capacity

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



Monthly Data Usage (GB)



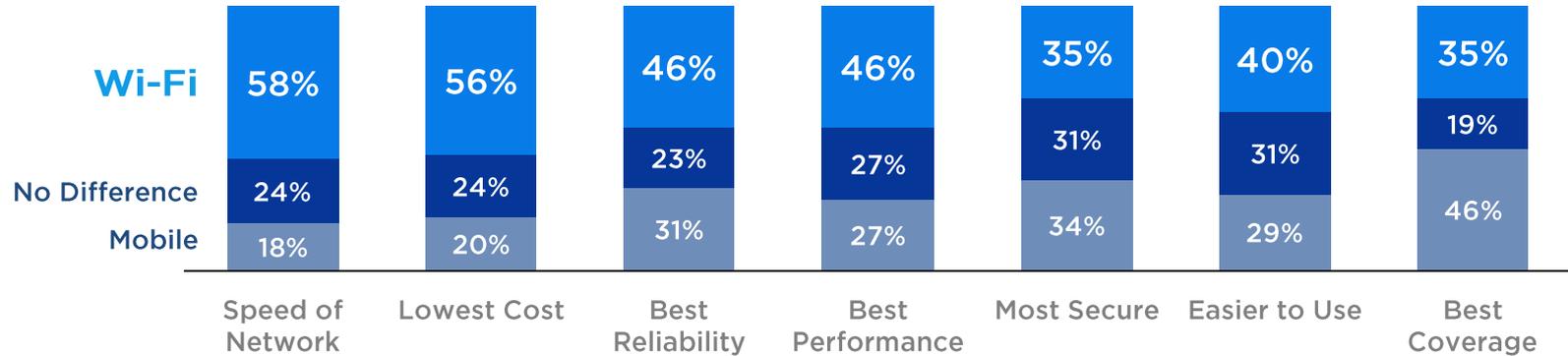
Customers want speed and capacity

- ✦ 92% of our customers are now in “up to 8 MBPS” or higher speed packages
- ✦ Unlimited quota subscribers are 73% of our total base (up from 66%)
- ✦ As speed increases, average monthly data usage of customers grows – now at 32GB

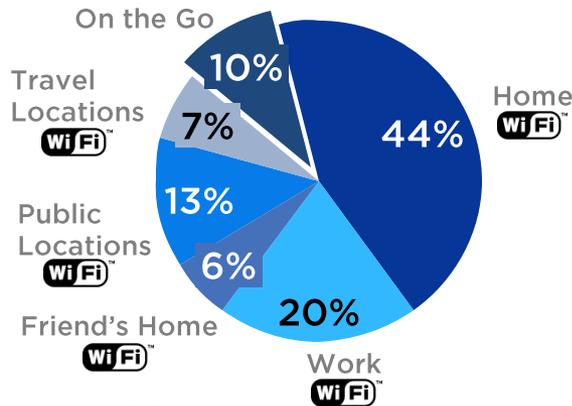
Wi-Fi

The Preferred Access Method for Mobile Devices

Preferred Network Access for Various Features

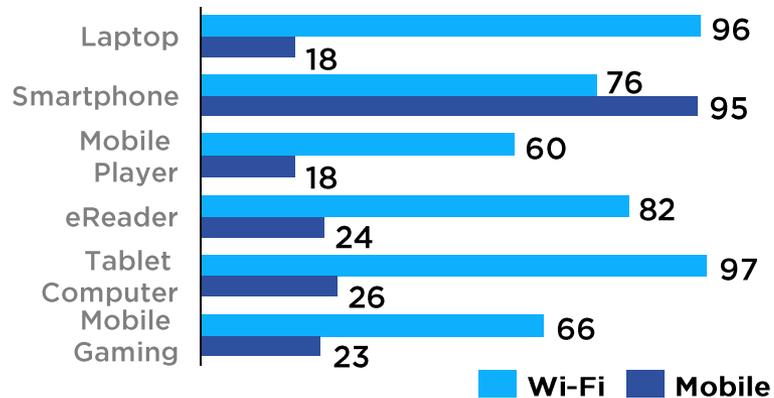


Mobile Device Usage By Location



Source: Cisco IBSG, 2012

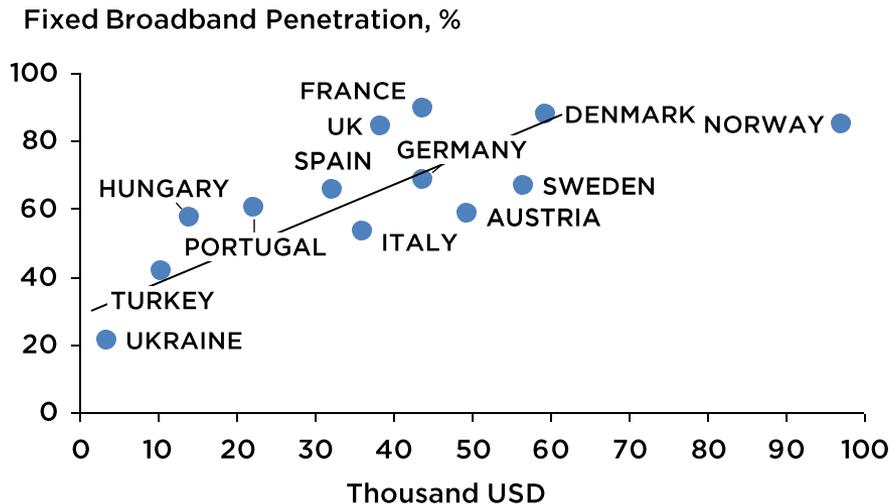
Mobile Device Network Connection Capability (%)



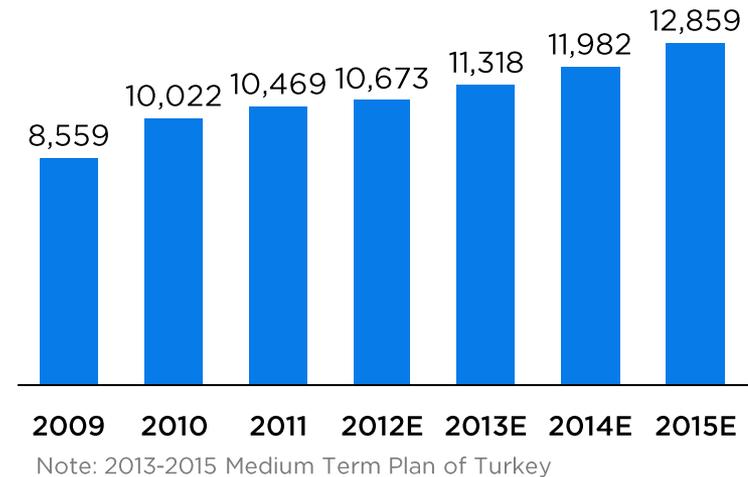
Broadband Penetration

Room for growth ...

Fixed BB penetration vs GDP per Capita¹



GDP Per Capita in Turkey² (USD)



- ✦ Broadband penetration increases in line with GDP per Capita growth
- ✦ Turkey's GDP per Capita is set to grow in the upcoming years
- ✦ Household broadband penetration is already low in Turkey with 41% compared to European levels of 61%

(1) Analysis Mason

(2) 2013-2015 Medium Term Plan of Turkey



Turkey's Leading TV Platform by Turk Telekom

- ❖ First and leading internet TV service in Turkey
- ❖ Multi-screen experience: TV | Tablet | PC | Laptop | Smartphone



- ❖ Over 1 million paying users
- ❖ Over 150 TV Channels
- ❖ Over 4,000 content archive

- ❖ Interactivity
- ❖ Catch up TV
- ❖ Pause Live TV
- ❖ On Demand Video/Music

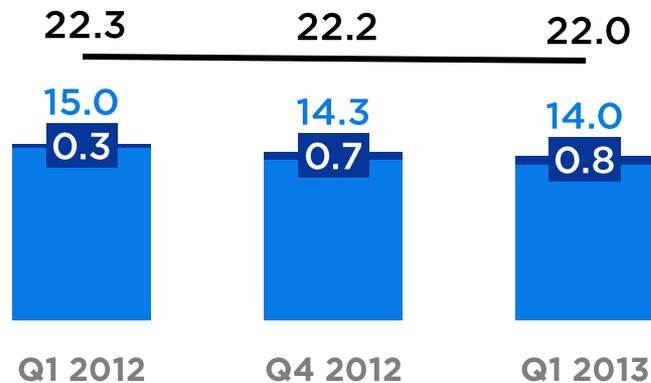
- ❖ Content agreements with global distributors
- ❖ Includes premium content like European Football Leagues

Fixed Voice

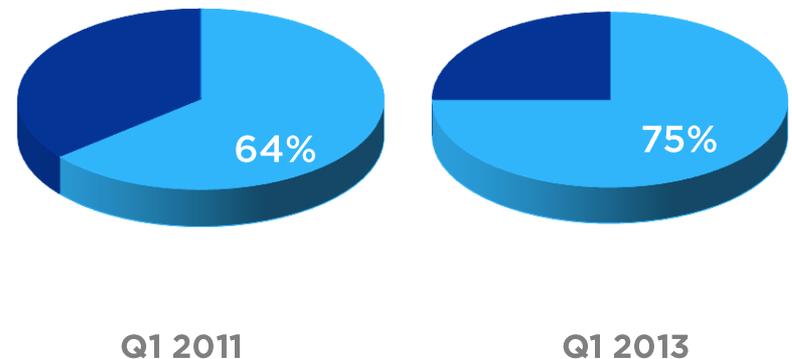
Harvesting revenues with value enhancements

Access Lines & ARPU¹

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



Recurring Revenue Share within Fixed Voice Revenues



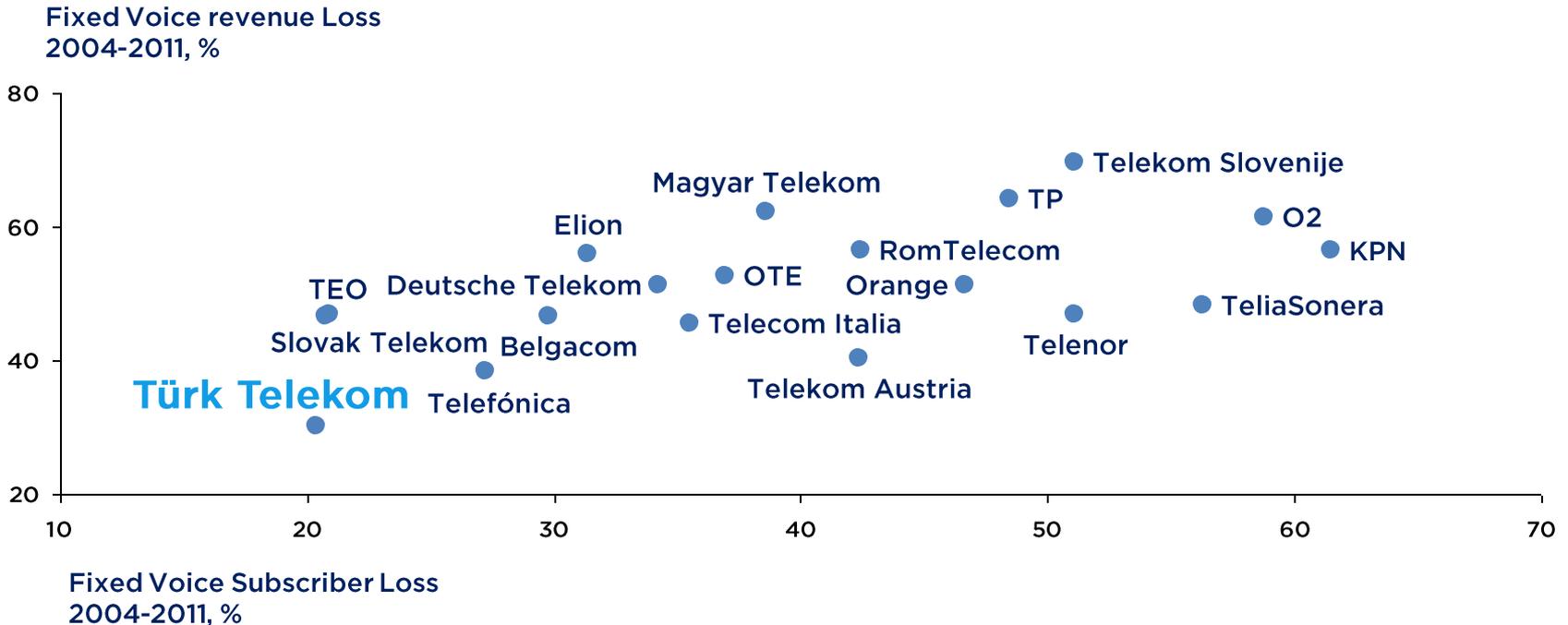
Despite strong mobile voice competition, home phone still relevant in households

- ✦ 7pm - 7am free on-net calls
- ✦ Discount benefits from leading retailers, free home insurance program
- ✦ Joint offers with group companies
- ✦ Fixed voice decline partially offset by naked broadband additions
- ✦ ARPU slightly decreased YoY mainly due to Wholesale Line Rental

(1) Revenue divided by average number of connections

Fixed Voice

Benchmarking well among fixed line incumbents ...



- ✚ Fixed voice revenues and subscriber losses are lower than many peers' around the world, indicating successful efforts of Turk Telekom to protect subscribers and revenues

Source: Turk Telekom Company Data and Analysis Mason for other operators.

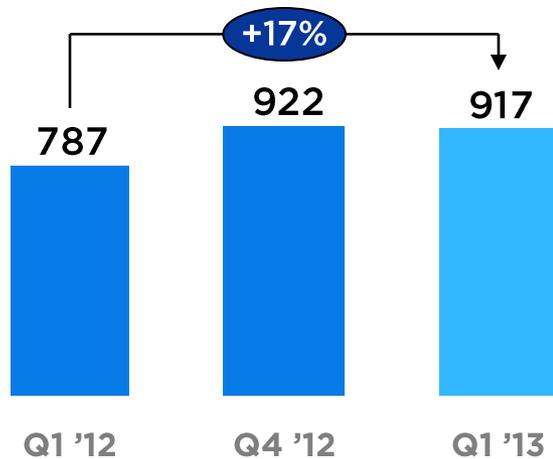
Mobile

2013 Q1 Results
Türk Telekom Group

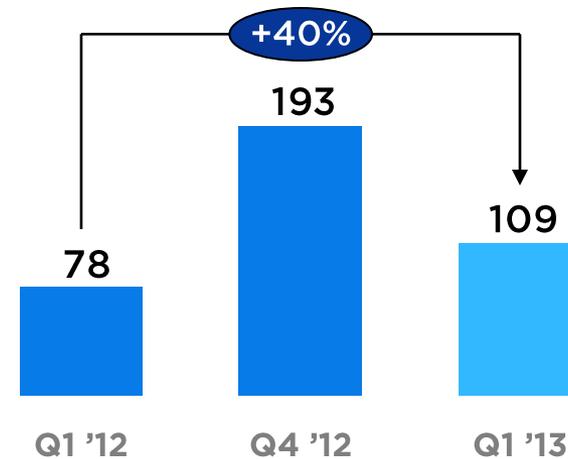
Mobile

Sustained high growth amid intensified competition

(TLmn)
Revenue



EBITDA



Strong revenue and EBITDA growth

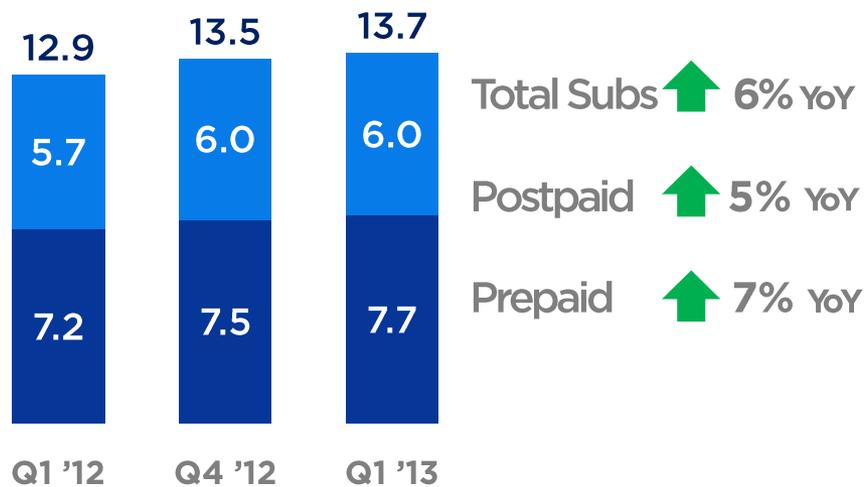
- + 12% EBITDA margin
- + Double digit revenue growth maintained despite stiffened competitive environment

Mobile Operational KPIs

Growing subscriber base with solid ARPU and MoU

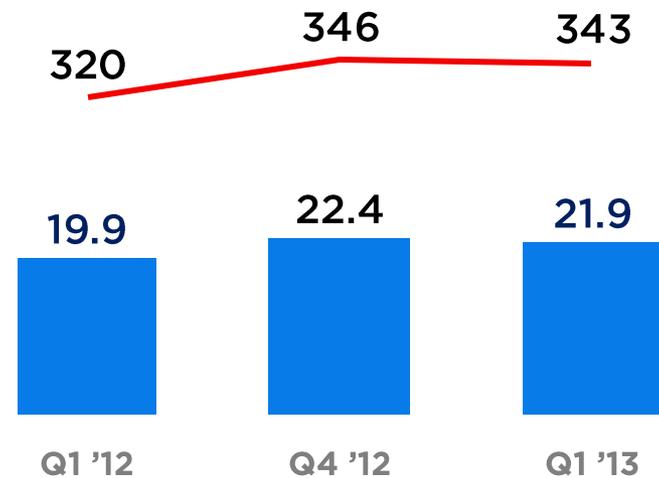
Subscribers (mn)

Postpaid Prepaid



MoU and ARPU

MoU Blended ARPU (TL)

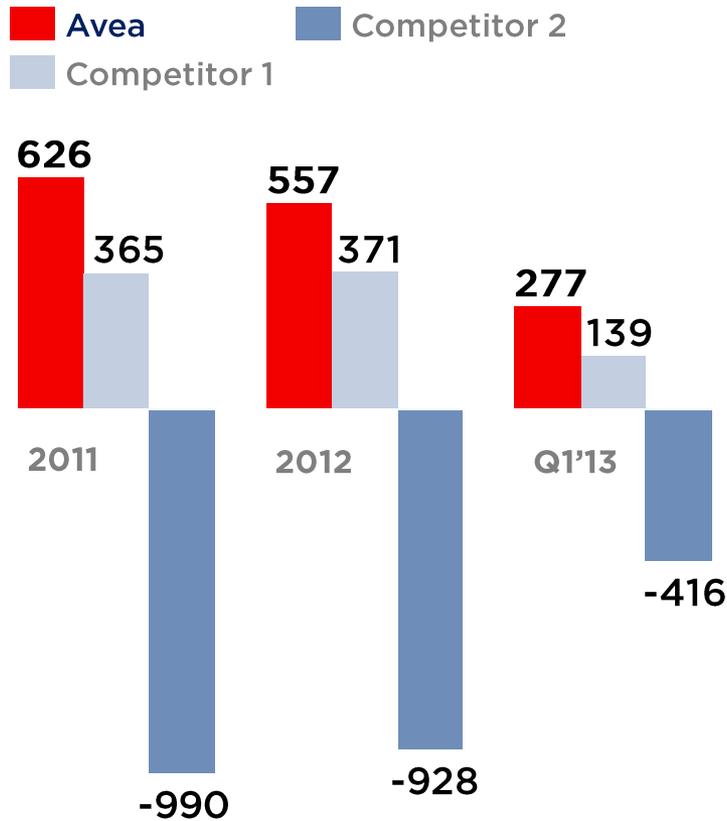


- ✦ Increased number of subscribers both in postpaid and prepaid; 240K net additions in the quarter
- ✦ Highest postpaid to total subscribers ratio in the market
- ✦ 10% YoY growth in ARPU – Highest ARPU in the market as of Q4 2012
- ✦ 7% YoY growth in MoU – Consistently the highest MoU in the market for the past 5 years

Mobile Number Portability

Avea - Preferred operator among MNP customers

MNP Subscriber Additions (thousand)



Note: Avea and Other operators' figures are from Q4 2012 ICTA report

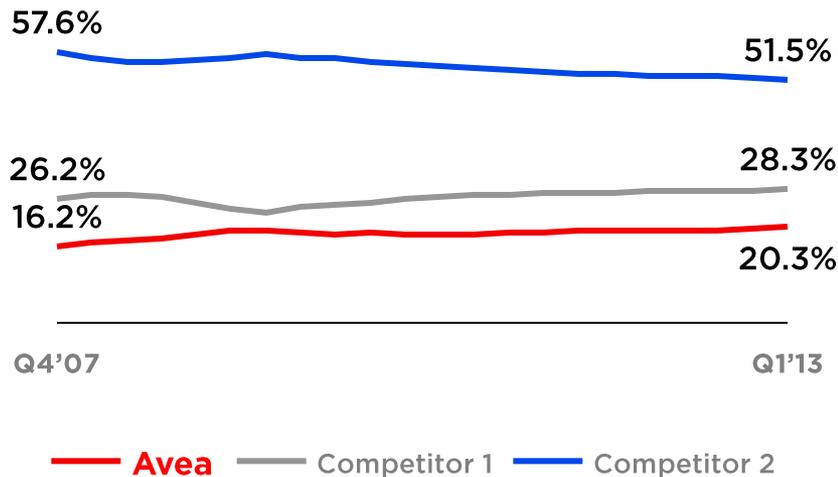
••• Avea outperformed competitors on Mobile Number Portability



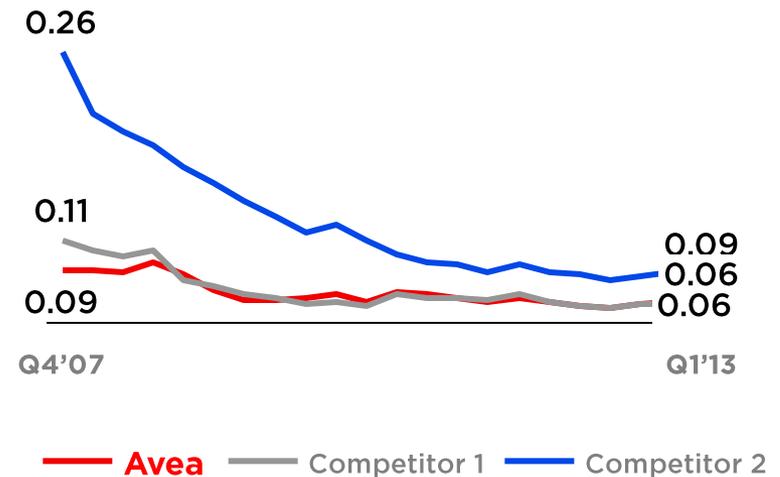
Mobile Market Outlook

Avea gains subscribers with a strict eye on profitability ...

Subscriber Market Share (%)



Revenue per Minute (TL)



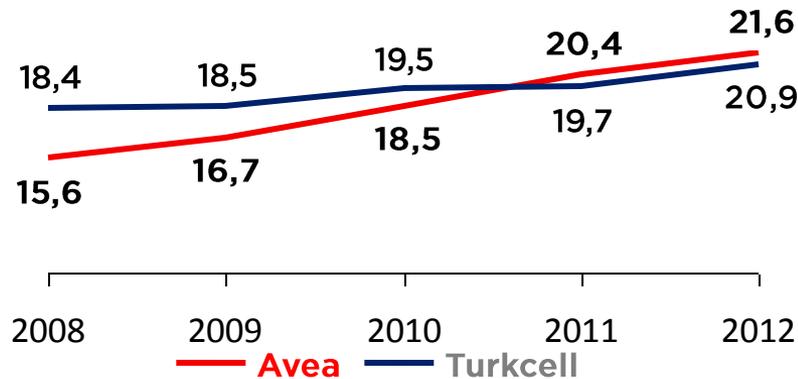
- ✦ Avea grew market share despite aggressive market conditions while keeping a strict eye on profitability
- ✦ Incumbent operator eroded 65% of its Revenue per Minute while continuing to lose market share

Note: Other operators' figures are from their own publications

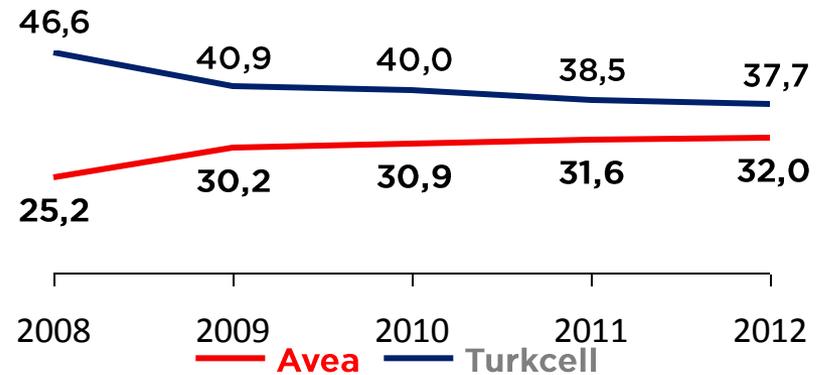
Mobile ARPU Comparison

Incumbent and challenger ...

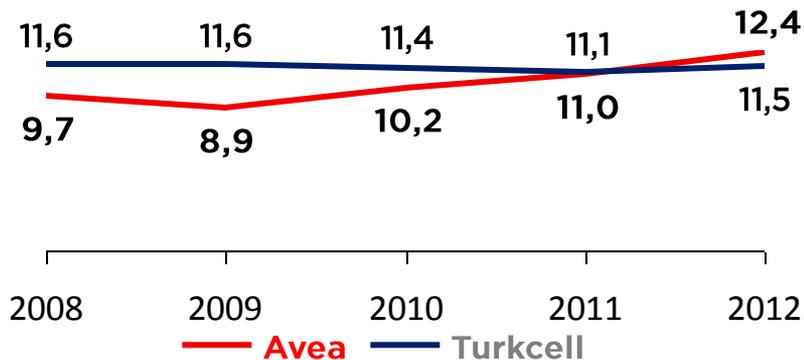
Blended ARPU (TL)



Postpaid ARPU (TL)



Prepaid ARPU (TL)



✦ Avea increased its postpaid ARPU by 27% and prepaid ARPU by 28% since 2008. Its blended ARPU went up 37% in the same period

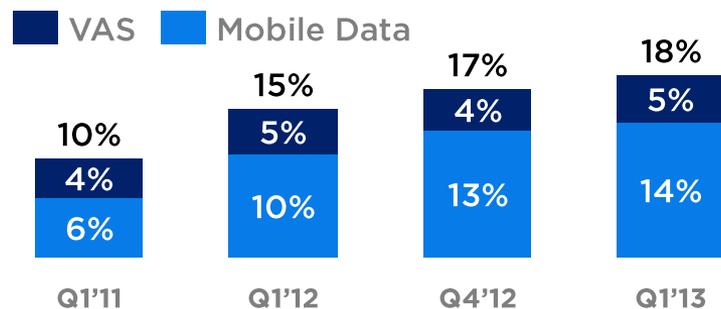
✦ Incumbent operator decreased its postpaid ARPU by 19% and prepaid ARPU by 1% in the same period

Note: Other operators' figures are from their own publications

Mobile Data

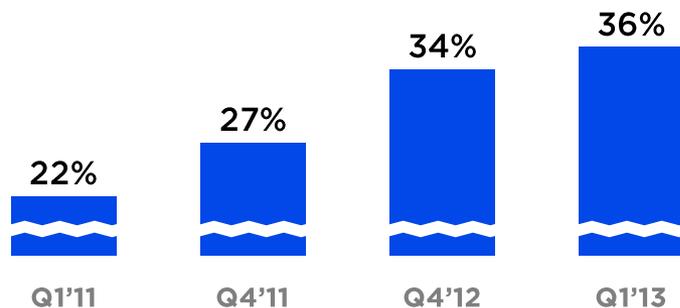
High growth maintained ...

Mobile Data¹ and VAS² shares in Revenues



SMS not included in mobile data

Avea Share of Small Screen Data Users³



(1) Mobile data revenues consist of small & large screen and M2M revenues

(2) VAS: Value Added Services

(3) 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.

Set to further boost data revenues ...

- ✦ 55% YoY increase in mobile data
- ✦ Highest YoY growth rate as of YE 2012 in the market with 79%
- ✦ Affordable smartphones offered to further grow data subscribers

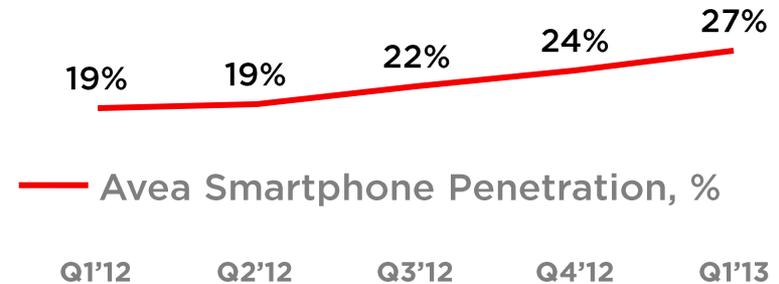
Continued growth in small screen data users and USB stick modem

- ✦ Smartphone and tablet users increased 28% YoY
- ✦ Jet Modem (USB stick) subscribers are up 20% YoY

Smartphones

Leader in penetration ...

Smartphone Penetration (Q1 2013)



Situated best to further lift smartphone penetration

- ❖ Avea inTouch - a fully functional and affordable smartphone that runs on Android
- ❖ Highest share of postpaid customers and young segment
- ❖ Innovative data & voice tariffs enabling customers to mix and match

Note: Other operators' figures are from their own publications

New Partnerships & Vertical Services

Incremental growth ...

New Partnerships



- Accessing micro segments through partnerships with retail giant and Turkish State Postal Service

Avea Mobile Health



- Preventative and informational health SMS/IVR services
- Telehealth solutions
- Telecare solutions

Avea Applications to make life easier



Avea Music



Avea Backup



Avea League



Online Transactions



Avea Legal



Avea Mobilife

Financials

2013 Q1 Results
Türk Telekom Group

Consolidated

Summary Income Statement

TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Revenues	2,960	3,327	3,143	-6%	6%
EBITDA	1,232	1,292	1,151	-11%	-7%
Margin	42%	39%	37%		
Operating Profit	817	851	712	-16%	-13%
Margin	28%	26%	23%		
Financial Income/Expense	160	(87)	(34)	61%	NM
FX & Hedging Gain/Loss	197	(24)	(3)	89%	NM
Interest Income/Expense	(15)	(28)	(8)	71%	46%
Other Financial Income/Expense	(22)	(36)	(24)	34%	-9%
Tax Expense	(233)	(165)	(161)	3%	31%
Net Income	772	600	526	-12%	-32%
Margin	26%	18%	17%		

Consolidated Summary Balance Sheet

TL Millions	31.03.2012	31.12.2012	31.03.2013
Intangible Assets ¹	3,474	4,050	4,013
Tangible Assets ²	8,197	8,347	8,179
Other Assets ³	3,637	3,850	4,135
Cash and Equivalents	1,063	961	1,429
Total Assets	16,371	17,208	17,756
Share capital	3,260	3,260	3,260
Reserves and Retained Earnings	3,167	3,195	3,691
Interest Bearing Liabilities ⁴	5,312	6,038	6,548
Provisions for Long-term Employee Benefits	583	749	620
Other Liabilities ⁵	4,049	3,966	3,637
Total Equity and Liabilities	16,371	17,208	17,756

(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) 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 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Cash Flow from Operating Activities	331	1,212	211	-83%	-36%
Cash Flow from Investing Activities	(299)	(661)	(220)	67%	27%
CAPEX	(375)	(750)	(293)	61%	22%
Other Investing Activities	76	89	73	-18%	-4%
Cash Flow from Financing Activities	86	(556)	435	NM	406%
Net Change in Cash Position ¹	118	(5)	426	NM	261%

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

Consolidated

Summary Revenue Breakdown

TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Fixed Line	2,255	2,495	2,319	-7%	3%
Domestic PSTN	990	916	883	-4%	-11%
ADSL	744	783	830	6%	12%
Data Services	133	154	165	7%	24%
International Settlements	104	132	125	-6%	20%
Domestic interconnection	77	79	78	-2%	1%
Leased lines	99	67	80	19%	-19%
Rental income from GSM operators	24	17	20	21%	-15%
Other	51	131	99	-24%	94%
Construction Revenue (IFRIC 12) ¹	33	217	40	-82%	22%
Mobile	787	922	917	-1%	17%
Elimination	(82)	(90)	(93)	-4%	-14%
Total Revenue	2,960	3,327	3,143	-6%	6%

(1) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction revenue is due to higher amount of eligible CAPEX recorded in the period

Consolidated

Summary OPEX Breakdown

TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Personnel ¹	534	552	609	10%	14%
Domestic interconnection	175	236	235	-1%	34%
International interconnection	66	103	77	-25%	17%
Commercial ²	261	287	240	-16%	-8%
Maintenance and Operations	88	124	105	-15%	18%
Taxes & Government Fees	197	218	232	6%	18%
Doubtful Receivables	27	(63)	41	NM	49%
Cost of Equipment and Technology Sales	21	48	50	3%	136%
Others	329	338	367	9%	12%
Sub-Total	1,699	1,843	1,956	6%	15%
Construction Cost (IFRIC 12) ³	29	192	35	-82%	22%
Total OPEX	1,728	2,035	1,992	-2%	15%

(1) Q1 2013 personnel expense included TL 78 mn one-off expense related to personnel incentive program initiated in the quarter.

(2) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion

(3) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction cost is due to higher amount of eligible CAPEX recorded in the period

Fixed Line

Summary Income Statement

TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Revenues	2,255	2,495	2,319	-7%	3%
EBITDA	1,152	1,101	1,041	-5%	-10%
Margin	51%	44%	45%		
Operating Profit	893	825	775	-6%	-13%
Margin	40%	33%	33%		
CAPEX	266	474	191	-60%	-28%
CAPEX as % of Revenue	12%	19%	8%		

Fixed Line

Summary OPEX Breakdown

TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Personnel ¹	484	500	554	11%	14%
Domestic interconnection	25	55	53	-5%	112%
International interconnection	63	98	71	-28%	14%
Commercial ²	142	168	125	-25%	-12%
Maintenance and Operations	60	94	75	-21%	24%
Taxes & Government Fees	56	59	53	-11%	-5%
Doubtful Receivables	17	(40)	20	NM	18%
Cost of Equipment and Technology Sales	22	57	51	-12%	133%
Others	205	210	242	15%	18%
Sub-Total	1,073	1,202	1,243	3%	16%
Construction Cost (IFRIC 12) ³	29	192	35	-82%	22%
Total OPEX	1,102	1,394	1,278	-8%	16%

(1) Q1 2013 personnel expense included TL 78 mn one-off expense related to personnel incentive program initiated in the quarter.

(2) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion

(3) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction costs is due to higher amount of eligible CAPEX recorded in the period

Mobile

Summary Income Statement

TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Revenues	787	922	917	-1%	17%
EBITDA ¹	78	193	109	-44%	40%
Margin	10%	21%	12%		
Operating Profit	(79)	26	(65)	NM	18%
Margin	-10%	3%	-7%		
CAPEX	136	340	61	-82%	-55%
CAPEX as % of Revenue	17%	37%	7%		

(1) EBITDA margin on the mobile business was positively affected by an estimation update on doubtful receivables in Q4 2012. Excluding related one-off, EBITDA margin on mobile business is 17% in Q4 2012

Mobile

Summary OPEX Breakdown

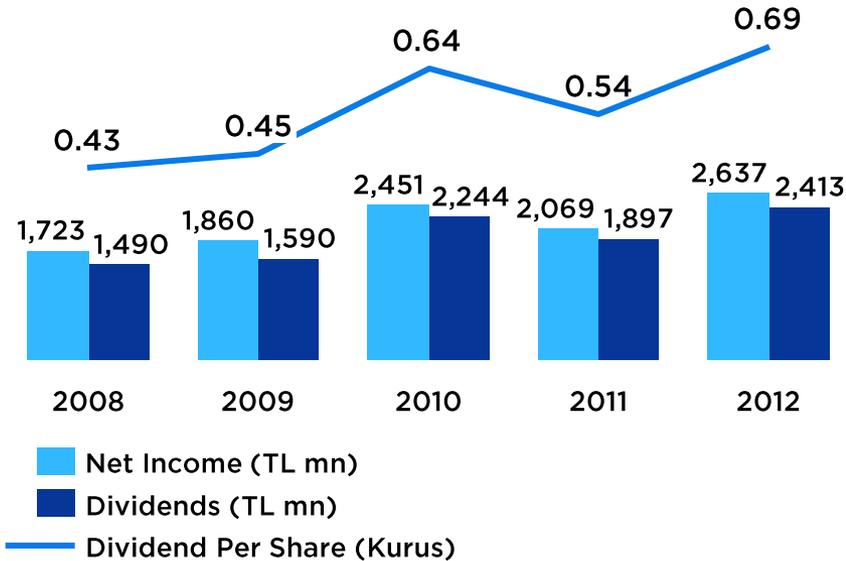
TL Millions	2012 Q1	2012 Q4	2013 Q1	QoQ % Change	YoY % Change
Personnel	53	57	58	3%	9%
Domestic interconnection	172	212	213	0%	23%
International interconnection	3	4	6	32%	71%
Commercial ¹	119	119	115	-3%	-3%
Maintenance and Operations	29	30	34	11%	17%
Taxes & Government Fees	141	159	179	12%	27%
Doubtful Receivables	11	(23)	21	NM	98%
Others ²	180	170	183	7%	1%
Total	709	728	808	11%	14%

(1) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion

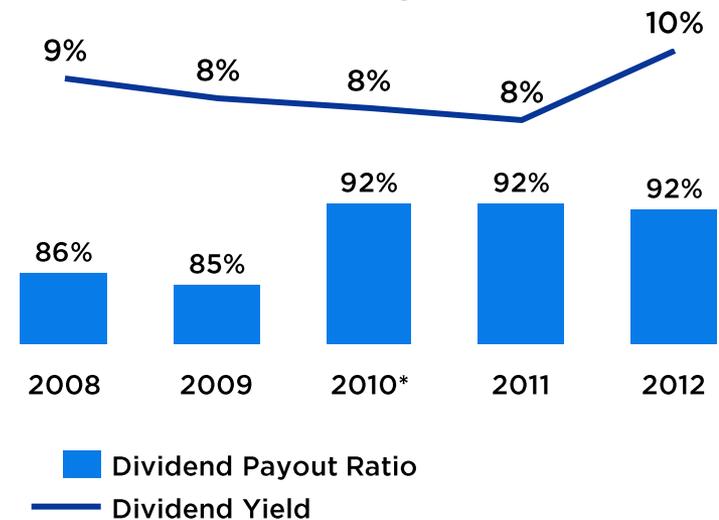
(2) Includes Rent Expense, Utilities, Leased Line Expense and other expenses

Shareholder Remuneration

Dividend Distribution



Dividend Yield & Payout Ratio



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

(*) Note: We reached the cap in the first legal reserve in 2010

Debt Profile

Debt (Millions) In Currency	TL Equivalent	<3 Month	3 Months to 1 Year	1 to 5 Years	>5 Years
TL	1,006	992	15	0	0
USD	1,546	73	651	1,556	517
EUR	1,132	112	463	1,823	226
JPY	4,955	0	0	95	0
TOTAL	6,522	1,177	1,129	3,473	744

Ratios	2012 Q1	2013 Q1
Net Debt / EBITDA	0.84	1.02
Net Debt / Assets	0.26	0.29
Debt (Total Liabilities) / Equity	1.55	1.55
Debt (Financial) / Equity	0.83	0.94
Current Ratio	0.98	1.07

✦ Average maturity of FX denominated debt is 2.3 years

✦ Comfortable Net Debt / EBITDA ratio at 1.02

Group Companies

2012 YE Results
Türk Telekom Group



Turkey's Leading IT Solutions Provider

- ❖ Provider of strategic information management systems of the Ministry of Energy and Natural Resources
- ❖ Fastest growing technology company in Turkey for the last 7 years
- ❖ Over 10 years of international experience in 28 countries
- ❖ Over 700 IT professionals & engineers
- ❖ Developer of the first mobile payment infrastructure in Turkey

Deloitte.
Technology Fast50



- Self-service applications
- Banking applications

- E-government projects
- Check-in applications



- Advanced Payment Systems
- Financial Transactions

- Loyalty Programs
- Mobile Payment Tools

Turkey's Leading Next Generation Telecom Solutions Provider

- ❖ Partner of Turkey's 4G-LTE project, ULAK, to build and develop 4G base stations in the country
- ❖ Global telecom experience with telecom operators in 15 countries
- ❖ Leading developer of smallcell technology in Turkey
- ❖ Mobile Number Portability (MNP) service provider of Avea and other leading mobile operators globally



Unique TV Experience by Argela ITV Solution

- ❖ TV, internet, social media & entertainment together
- ❖ Available on multi-screens including PC, Tablet, TV and Mobile Phones

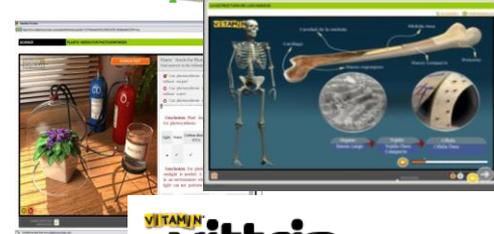


s e b i t

Global Player in e-Education

- ❖ Sebit's e-education technology available in multiple languages is used by millions of students and educators in the United States, Europe, and Asia.
- ❖ Creator of vitaminegitim.com, the biggest education portal
- ❖ Creator of Vittrin, only educational marketplace in Turkey
- ❖ 3 million monthly Unique Visitors viewing over 50 million pages
- ❖ Leading player in Turkish Government's e-education project (FATIH)
- ❖ Developer of first educational search engine in Turkey

VITAMİN



- ❖ Leading supplier of e-education solutions to state and private schools as well as consumers in Turkey
- ❖ Vbooks-new approach to mobile content and e-books on tablets

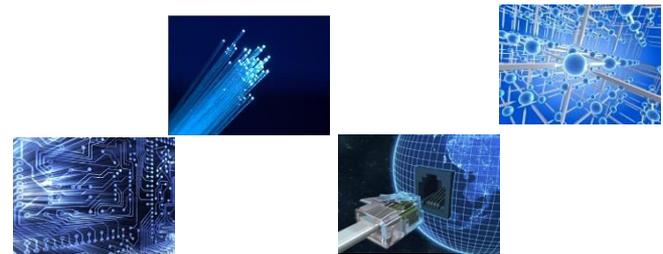
Leading Data Services Provider in Europe

- ✦ Full range of Internet/data services, infrastructure and wholesale voice in the CEE region, Turkey, Caucasus, Middle-East and beyond



- ✦ More than 50 major points of presence in Europe
 - ✦ Over 40,000 km of fiber optic network
 - ✦ Access to JADI and sea cables through TT Group
 - ✦ End-to-end managed and fully redundant network
- ✦ Vast experience in providing a wide variety of telecommunication services

- International Private Line
- IP Transit
- Managed Wavelength
- Ethernet
- Co-location
- Dark Fiber



ASSiSTT

Turkey's Leading Call Center

- ✦ Assitt provides full range contact center solutions to Turk Telekom Group and leading companies and institutions in Turkey
- ✦ Fastest growing call center with consistently increasing market share in Turkey
- ✦ Over 5.800 seat capacity
- ✦ Presence in 17 locations in 11 cities of Turkey
- ✦ Provides pro-active churn management services to Turk Telekom Group
- ✦ Manager of call center services for Turkey's Central Hospital Scheduling system in partnership with the Turkish Ministry of Health

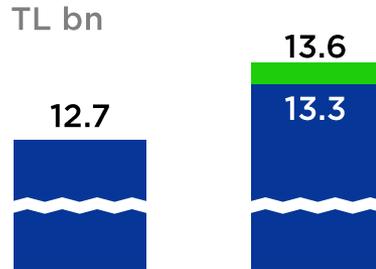


Appendix

2013 Q1 Results
Türk Telekom Group

2013 Guidance

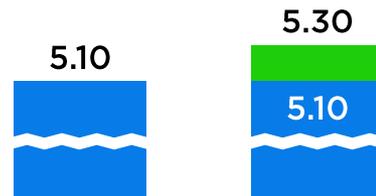
Revenue Growth of 5% - 7%



Revenue Growth Enablers

- ✦ Mobile growth
- ✦ Broadband growth
- ✦ Combined offers

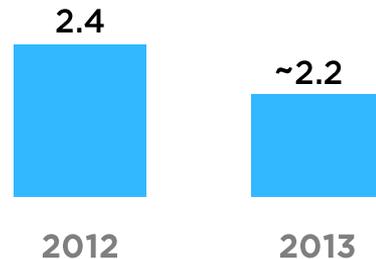
EBITDA between TL 5.1bn & TL 5.3bn



EBITDA Growth

- ✦ Focusing on absolute EBITDA
- ✦ OPEX saving initiatives

CAPEX ~ TL 2.2bn



CAPEX

- ✦ Reducing CAPEX since major CAPEX programs' peak investment levels passed

Corporate Governance at Turk Telekom

Exemplary Practices

Corporate Governance Ratings of Turk Telekom (out of 10)



Turk Telekom demonstrates exemplary practices in Corporate Governance

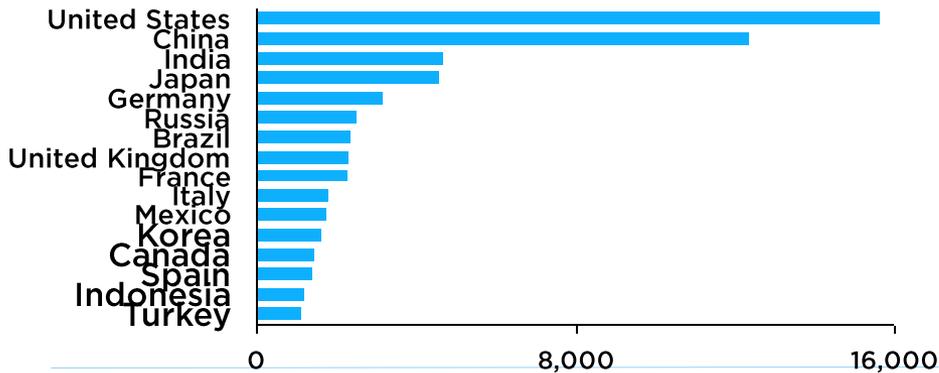
- ✦ First and only telecom company in ISE Corporate Governance Index
- ✦ Achieved 8.8 over 10 in 2012
- ✦ Compliance to Capital Market Board Corporate Governance Principles

Note: Independent Rating Study conducted by Saha Corporate Governance and Credit Rating Services Inc.

Strong Macro Environment

Large & sustainable growth economy & favorable demographics

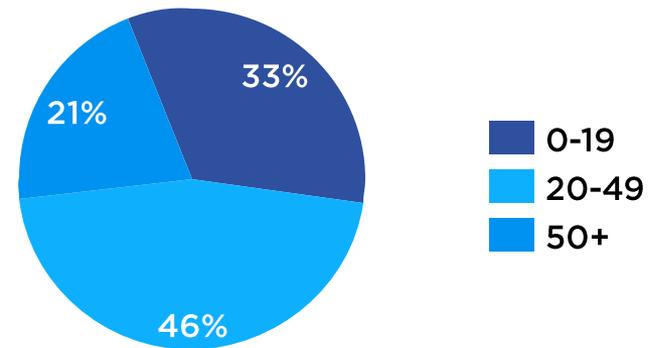
Turkey among World Economies, (GDP based on PPP, US\$ bn, 2012)¹



- World's 16th largest economy
- Europe's 6th largest economy
- Moderate and sustainable economic growth/growth prospects
- Strategic location
- Ongoing positive economic and structural development momentum

- 2nd largest European country (75.6 mn population)
- Population growth forecast of around 1.0% per annum (2013-2030)
- Young and increasingly affluent population
- GDP per capita up to US\$ 10,504 in 2012 from US\$ 7,586 in 2006

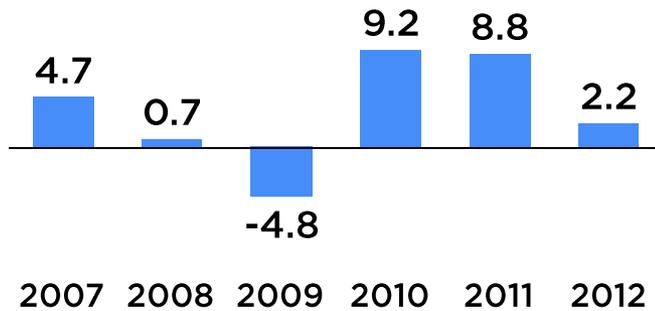
Age Group Distribution (2012)²



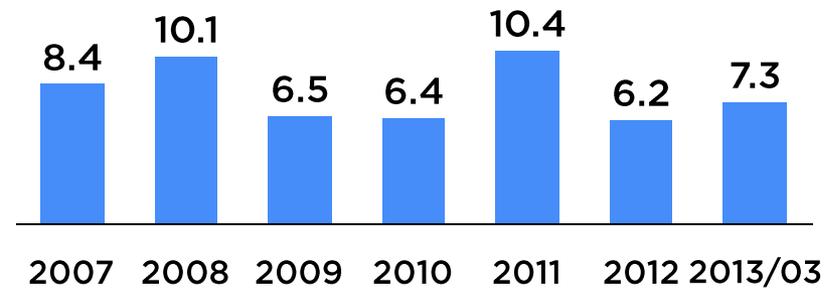
Source for 1 & 2: TURKSTAT, IMF World Economic Outlook Database

Macroeconomic Highlights - I

Annual Real GDP Growth Rate, %¹



Annual CPI Inflation, % (eop)²

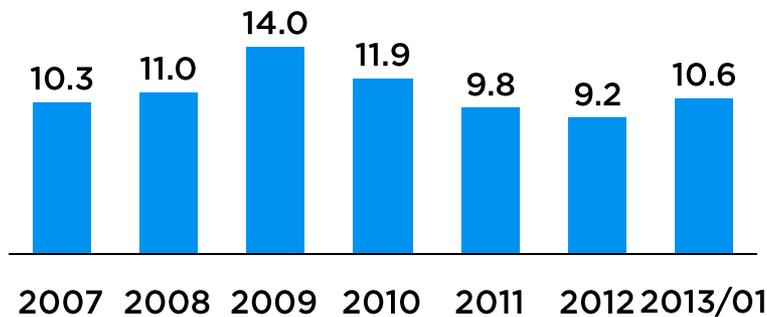


- ✦ Turkish economy grew by at a weak 1.4% y/y in 4Q, carrying the 2012 annual GDP growth rate down to 2.2%
- ✦ According to the Medium-Term Program, the Government's 2013 GDP growth rate forecast stands at 4.0%
- ✦ As of end-March, the annual CPI inflation registered as 7.3%
- ✦ According to the January Inflation Report, the Central Bank's 2013 year-end annual CPI inflation estimate stands at 5.3%

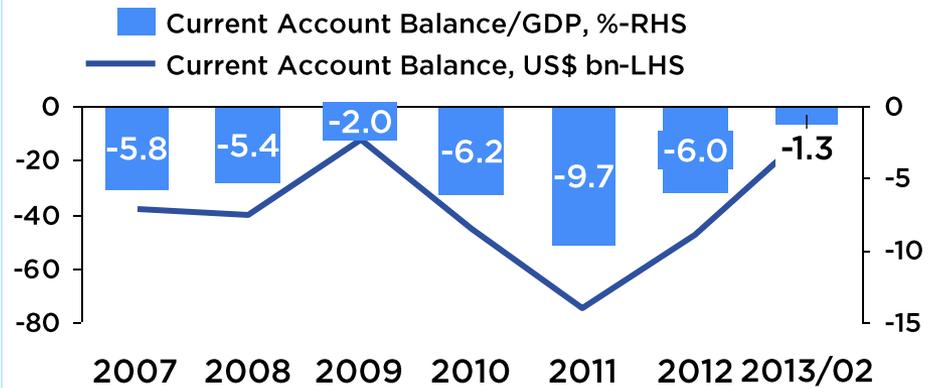
Source for 1 & 2: TURKSTAT

Macroeconomic Highlights - II

Unemployment Rate, %¹



Current Account Balance²

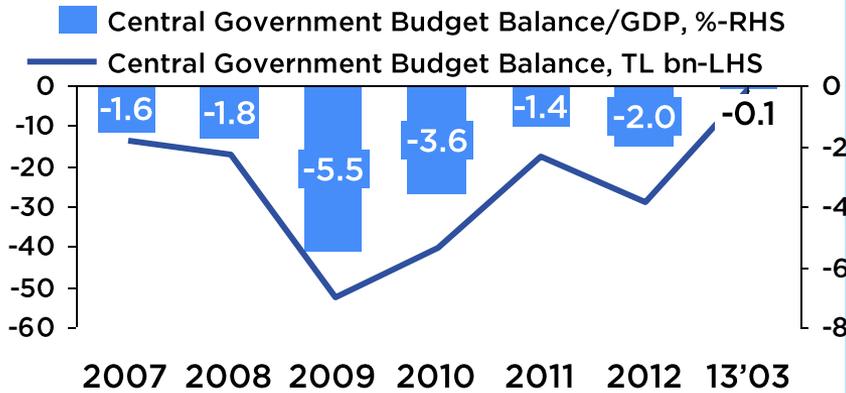


- ✦ In January, the unemployment rate was recorded at 10.6%
- ✦ According to the Medium-Term Program, the Government forecasts the unemployment rate as 8.9% in 2013
- ✦ As of February, a current account deficit of US\$ 10.9 bn was recorded on year-to-date basis, equaling around 1.3% of GDP
- ✦ According to the Medium-Term Program, the Government estimates the current account deficit as US\$ 60.7 bn (7.1% of GDP) in 2013

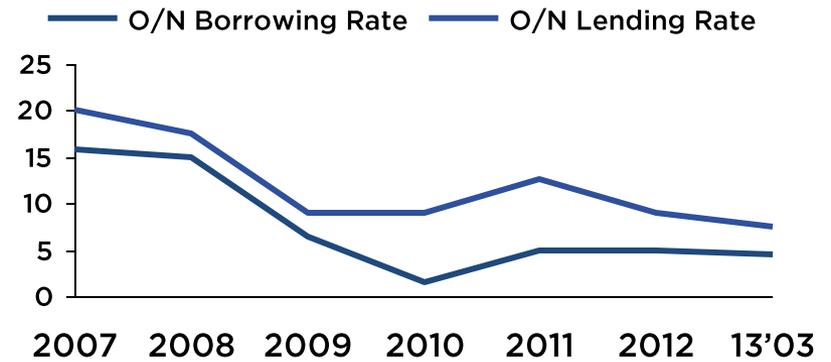
Source for 1 & 2: TURKSTAT, CBT

Macroeconomic Highlights – III

Central Government Budget Balance ¹



CBT's Interest Rate Corridor, %(eop) ²



- ❖ As of March, the year-to-date central government budget deficit registered as TL 0.9 bn (0.1% of GDP)
- ❖ According to the Medium-Term Program, the Government projects TL 33.9 bn budget deficit (2.2% of GDP) in 2013
- ❖ As of end-March, the policy rate stood at 5.5%, while the overnight borrowing and lending rates were at 4.5% and 7.5% respectively.

Source for 1 & 2: TURKSTAT, CBT, Ministry of Finance

Regulatory Actions

2008

2009

2010

2011

2012

April

- Interconnection rate decrease in Fixed (10%) and Mobile (33%)

November

- 3G tender held
- Mobile Number Portability introduced
- New Electronic Communications Law passed

May

- About 29% reduction in MTRs
- MVNO regulation was in place

July

- 3G services started

September

- Fixed Number portability introduced

October

- Local call Liberalization

April

- About 52% reduction in MTRs
- 17% cut in double tandem FTR
- 38% decrease in GSM to GSM rate cap
- TL per minute pricing introduced

July

- TA announced Naked ADSL fee as TL 8.13
- TA postponed 20 second billing for an indefinite time

December

- Naked ADSL services started

April

- Mobile off-net price cap increased by 4%
- SMS price cap decreased by 48%

October

- BTK's fiber decision: FTTH/B will be excluded from the process of market analysis until 25% fiber market share or 5 years

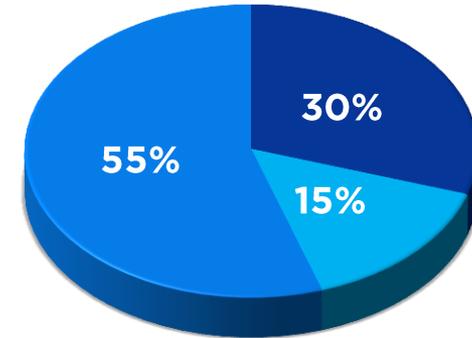
January

- WLR introduced

Türk Telekom Group

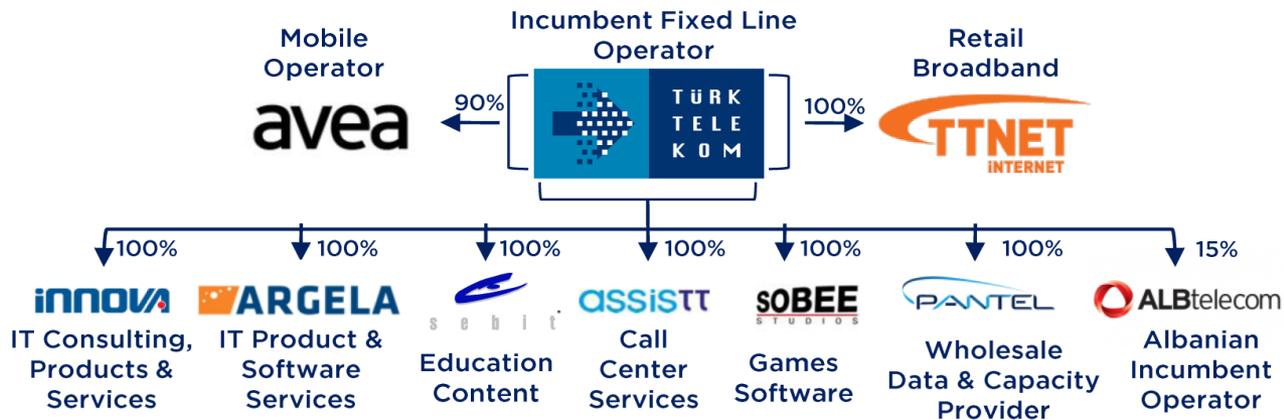
Ownership Structure

- ✦ Oger Telecom nominates 7 Board Members
- ✦ Turkish Treasury nominates 5 Board Members (1 represents Golden Share, 4 independent)



- Turkish Treasury
- Free Float*
- Oger Telecom

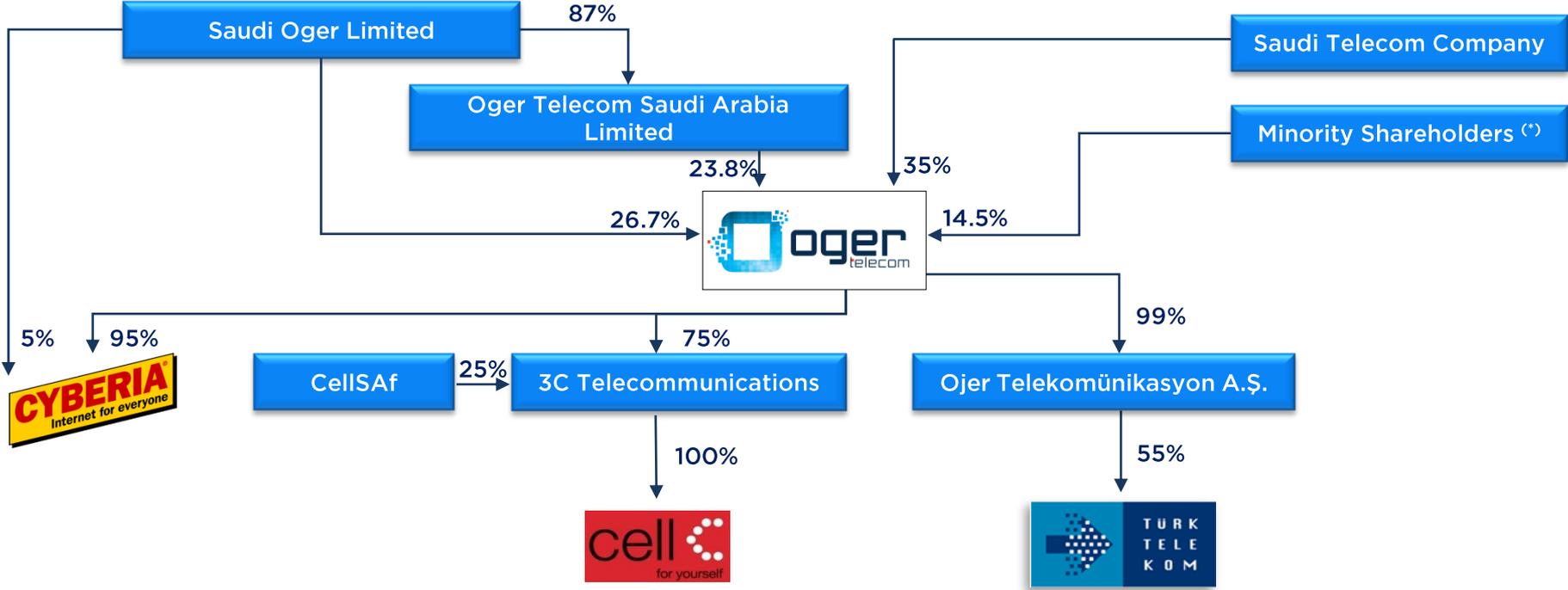
Group Structure



*Note: Turkish Treasury and Oger Telecom bought 1.68% and 0.8% additional stakes respectively, from free float.

Oger Telecom

Ownership Structure



Note: Among Oger Telecom’s direct and indirect minority shareholders are regional and ‘blue chip’ global financial investors.



THANK YOU

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