(Convenience translation of a report and financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi

Interim condensed consolidated financial statements for the period between 1 January - 31 March 2009

(Convenience translation of a report and financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Table of contents

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Consolidated balance sheet
As at 31 March 2009
(Currency - in Thousands of Turkish Lira ("TRY"))

	Notes	Current period 31 March 2009	(Audited) Prior period 31 December 2008
Assets			
Current assets		**3.059.447**	2.998.480
Cash and cash equivalents	6	**927.189**	1.041.982
Trade receivables			
- Trade receivables from related parties	7	**120.872**	92.944
- Other trade receivables		**1.382.638**	1.324.986
Financial investments	16	**19.470**	793
Other receivables		**76.314**	67.188
Inventories		**45.523**	49.080
Other current assets		**480.081**	414.147
		3.052.087	2.991.120
Assets held for sale		**7.360**	7.360
Non-current assets		**9.448.206**	9.660.966
Other receivables		**687**	669
Financial investments		**11.840**	11.840
Investment properties		**306.498**	310.654
Property, plant and equipment	9	**6.124.159**	6.277.125
Intangible assets	9	**2.694.511**	2.734.374
Goodwill	10	**49.172**	48.735
Deferred tax asset		**258.044**	272.894
Other non-current assets		**3.295**	4.675
Total assets		**12.507.653**	12.659.446

The accompanying policies and explanatory notes on pages 7 through 33 form an integral part of the financial statements.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Consolidated balance sheet
As at 31 March 2009
(Currency - in Thousands of Turkish Lira ("TRY"))

	Notes	Current period 31 March 2009	(Audited) Prior period 31 December 2008
Liabilities			
Current liabilities		**3.181.697**	**3.548.688**
Financial liabilities			
- Bank borrowings	8	**930.562**	1.285.578
- Obligations under finance leases		**5.469**	5.233
Other financial liabilities			
- Derivative financial instruments	16	**61.260**	-
Trade payables			
- Trade payables to related parties	7	**12.655**	21.517
- Other trade payables		**440.182**	881.319
- Other payables		**29.037**	29.294
Income tax payable		**200.948**	93.882
Provisions		**296.812**	232.075
Other current liabilities	11	**1.204.772**	999.790
Non-current liabilities		**4.004.868**	**3.997.151**
Financial liabilities			
- Bank borrowings	8	**2.228.183**	2.122.904
- Obligations under finance leases		**42.135**	41.527
Other financial liabilities			
- Minority put option liability		**586.439**	586.439
- Derivative financial instruments	16	**161.068**	209.515
Other payables			
- Other payables to related parties	7	**325**	336
- Other payables		**13.563**	16.094
Provisions		**5.629**	5.126
Provisions for employee termination benefits		**689.198**	667.148
Deferred tax liability		**269.551**	338.504
Other non-current liabilities		**8.777**	9.558
Equity		**5.321.088**	**5.113.607**
Equity attributable to parent			
Paid-in share capital		**3.500.000**	3.500.000
Inflation adjustments to paid in capital (-)		**(239.752)**	(239.752)
Other reserves			
- Minority put option liability reserve (-)		**(460.009)**	(386.719)
- Fair value difference arising from acquisition of subsidiary (-)		**(294.065)**	(294.065)
- Unrealized loss on derivative financial instruments (-)		**(180.350)**	(169.957)
- Share based payment reserve	15	**9.528**	9.528
Translation gain/(loss)		**8**	(57)
Restricted reserves allocated from profits		**1.231.922**	1.231.408
Retained earnings/(accumulated deficit)		**1.462.707**	(288.991)
Net profit for the period/year		**291.099**	1.752.212
Total liabilities and equity		**12.507.653**	12.659.446

The accompanying policies and explanatory notes on pages 7 through 33 form an integral part of the financial statements.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Consolidated income statement
For the three-month period ended 31 March 2009
(Currency - in Thousands of Turkish Lira ("TRY") unless otherwise indicated)

	Notes	1 January 2009- 31 March 2009	(Restated (Note 2.2)) 1 January 2008 - 31 March 2008
Continuing operations			
Revenue	5	**2.507.718**	2.423.338
Cost of sales (-)		**(1.162.006)**	(1.229.735)
Gross profit		**1.345.712**	1.193.603
Marketing, sales and distribution expenses (-)		**(309.225)**	(258.716)
General administrative expenses (-)		**(408.721)**	(318.264)
Research and development expenses (-)		**(6.633)**	(3.619)
Other operating income		**98.570**	57.558
Other operating expense (-)		**(56.196)**	(5.083)
Operating profit		**663.507**	665.479
Financial income		**162.921**	129.305
Financial expense (-)		**(458.658)**	(291.464)
Profit before tax from continuing operations		**367.770**	503.320
Tax expense from continuing operations			
- Tax expense for the period		**(201.644)**	(207.651)
- Deferred tax income		**54.102**	59.068
Net profit		**220.228**	354.737
Attributable to equity holders of the parent		**291.099**	398.233
Minority interest		**(70.871)**	(43.496)
Earnings per shares attributable to equity holders of the parent from continuing operations (in full Kuruş) (4)		**0.0832**	0.1138
Earnings per diluted attributable to equity holders of the parent from continuing operations (in full Kuruş) (4)		**0.0832**	0.1138

The accompanying policies and explanatory notes on pages 7 through 33 form an integral part of the financial statements.

(Convenience translation of a report and financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Consolidated statement of changes in equity
for the three-month period ended 31 March 2009
(Currency - in Thousands of Turkish Lira ("TRY"))

				Other reserves								
	Paid-in share capital	Inflation adjustments to paid in capital	Restricted reserves allocated from profits	Minority put option liability reserve	Share based payment reserve (Note 15)	Fair value difference arising from acquisition of subsidiary	Unrealised loss on derivative financial instruments	Translation gain /(loss)	Retained earnings/ (accumulated deficit)	Net profit for the period	Minority interest	Total equity
Balance as at 1 January 2008	3.500.000	(239.752)	816.348	(436.811)	--	(294.065)	(55.554)	--	322.810	2.546.864	--	6.159.840
Transfer to retained earnings	--	--	--	--	--	--	--	--	2.546.864	(2.546.864)	--	--
Transfer to restricted reserves allocated from profits	--	--	143	--	--	--	--	--	(143)	--	--	--
Minority interest before classification to minority put option liability	--	--	--	--	--	--	--	--	--	--	351.189	351.189
Share based payment reserve (Not 15)	--	--	--	--	--	--	--	--		--	--	--
Unrealised loss on derivative financial instruments	--	--	--	--	--	--	(45.920)	--	--	--	(10.687)	(56.607)
Minority put option liability	--	--	--	(126.581)	--	--	--	--	--	--	(297.006)	(423.587)
Net profit for the period	--	--	--	--	--	--	--	--	--	398.233	(43.496)	354.737
Balance as at 31 March 2008	3.500.000	(239.752)	816.491	(563.392)	--	(294.065)	(101.474)	--	2.869.531	398.233	--	6.385.572
Balance as at 1 January 2009	3.500.000	(239.752)	1.231.408	(386.719)	9.528	(294.065)	(169.957)	(57)	(288.991)	1.752.212	--	5.113.607
Transfer to retained earnings	--	--	--	--	--	--	--	--	**1.752.212**	**(1.752.212)**	--	--
Transfer to restricted reserves allocated from profits	--	--	**514**	--	--	--	--	--	**(514)**	--	--	--
Minority interest before classification to minority put option liability	--	--	--	--	--	--	--	--	--	--	**199.720**	**199.720**
Classification of minority interest to minority put option liability	--	--	--	--	--	--	--	--	--	--	**(126.430)**	**(126.430)**
Share based payment reserve (Note 15)	--	--	--	--	--	--	--	--		--	--	--
Unrealised loss on derivative financial instruments	--	--	--	--	--	--	**(10.393)**	--	--	--	**(2.419)**	**(12.812)**
Minority put option liability	--	--	--	**(73.290)**	--	--	--	--	--	--	--	**(73.290)**
Translation gain and loss	--	--	--	--	--	--	--	**65**	--	--	--	**65**
Net profit for the period	--	--	--	--	--	--	--	--	--	**291.099**	**(70.871)**	**220.228**
Balance as at 31 March 2009	**3.500.000**	**(239.752)**	**1.231.922**	**(460.009)**	**9.528**	**(294.065)**	**(180.350)**	**8**	**1.462.707**	**291.099**	--	**5.321.088**

The accompanying policies and explanatory notes on pages 7 through 33 form an integral part of the financial statements

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Consolidated cash flow statement
for the three-month period ended 31 March 2009
(Currency - in Thousands of New Turkish Lira ("TRY"))

	Current period 1 January 2008 - 31 March 2009	Restatement (Note 2.2) Prior period 1 January 2008 - 31 March 2008
Profit for the period before tax	**367.770**	503.320
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation and amortisation expense	**423.927**	415.807
Gain on sale of property, plant and equipment	**(1.400)**	(569)
IFRIC 12 adjustment	**(153)**	-
Foreign currency exchange (income) / expense, net	**300.974**	231.587
Interest income and (expense), net	**15.390**	(34.013)
Reversal of doubtful receivables	**(83.235)**	(23.588)
Allowance for doubtful receivables	**108.326**	64.948
Provision for employee termination benefits	**27.709**	33.837
Curtailment and settlement gain	**2.083**	2.084
Litigation provision / (release), net	**50.527**	(3.105)
Loss on derivative financial instruments	**(18.676)**	(3.414)
Unused vacation provision / (release), net	**14.210**	1.365
Other provisions	**503**	19.640
Operating profit before working capital changes	**1.207.955**	1.207.899
Net working capital changes in:		
Trade receivables and other receivables	**(109.498)**	(16.284)
Other current assets and inventories	**(72.676)**	(107.656)
Trade payables and other payables	**(449.999)**	(273.696)
Other non-current assets	**927**	(213)
Other current liabilities and provisions	**178.359**	164.499
Other non-current liabilities and provisions	**(794)**	(4.093)
Payments of employee termination benefits	**(7.742)**	(4.196)
Restricted cash	**(4.187)**	7.523
Income taxes paid	**(94.580)**	(217.780)
Net cash provided by operating activities	**647.765**	756.003
Investing activities		
Interest received	**52.827**	74.819
Acquisition of financial assets	**-**	(5.188)
Proceeds from sale of property, plant, equipment and intangible assets	**2.051**	37.737
Purchases of property, plant and equipment, investment property and intangible assets (Note 9)	**(203.614)**	(198.113)
Proceeds from sale of assets held for sale	**-**	94
Net cash used in investing activities	**(148.736)**	(90.651)
Cash flows from financing activities		
Proceeds from bank borrowings (Note 8)	**4.087.912**	138.459
Repayment of bank borrowings (Note 8)	**(4.575.127)**	(12.277)
Repayment of obligations under finance leases	**(1.244)**	(1.699)
Interest paid	**(129.549)**	(80.991)
Dividends paid		
Net cash used in financing activities	**(618.008)**	43.492
Net decrease in cash and cash equivalents	**(118.979)**	708.844
Cash and cash equivalents at the beginning of the period (Note 6)	**616.109**	922.473
Cash and cash equivalents at the end of the period (Note 6)	**497.130**	1.631.317

The accompanying policies and explanatory notes on pages 7 through 33 form an integral part of the financial statements.

1. Corporate organization and activities

Türk Telekomünikasyon Anonim Şirketi ("Türk Telekom" or "the Company") is a joint stock company incorporated in Turkey. The Company has its history in the Posthane-i Amirane (Department of Post Office) which was originally established as a Ministry on 23 October 1840. On 4 February 1924, under the Telephone and Telegraph Law No. 406, the authorization to install and operate telephone networks throughout Turkey was given to the General Directorate of Post, Telegraph and Telephone ("PTT"). The Company was founded on 24 April 1995 as a result of the split of the telecommunication and postal services formerly carried out by the PTT. All of the personnel, assets and obligations of the PTT pertaining to telecommunication services were transferred to the Company, the shares of which were fully owned by the Prime Ministry Undersecretariat of Treasury ("the Treasury").

On 24 August 2005, Ojer Telekomünikasyon A.Ş. ("OTAŞ"), entered into a Share Sale Agreement with the Turkey's Privatization Authority for the purchase of a 55% stake in the Company. A Shareholders Agreement and a Share Pledge Agreement for the block sale of the Company were signed on 14 November 2005.

According to the permission of the Capital Market Board ("CMB") numbered 22/256, out of TL 3.500.000 nominal amount of capital, 15% of the Company's shares owned by the Treasury corresponding to a nominal amount of TL 525.000 has been issued to the public through an initial public offering with the permission of Directorate of Istanbul Stock Exchange on 15 May 2008.

Oger Telecom Limited (Oger Telecom) owns 99% of the shares of OTAŞ, which in turn owns 55% of the Company. Oger Telecom is an entity incorporated in August 2005 as a limited liability company under the laws of the Dubai International Financial Centre.

As at 31 March 2009 and 31 December 2008, the ultimate parent and controlling party of the Company is Saudi Oger Ltd ("Saudi Oger"), because of its controlling ownership in Oger Telecom.

A concession agreement ("the Concession Agreement") was signed by the Company and the Turkish Telecommunication Authority ("TA") as of 14 November 2005 (Note 26). The Concession Agreement covers the provision of all kinds of telecommunication services, establishment of necessary telecommunications facilities and the use of such facilities by other licensed operators and the marketing and supply of telecommunication services. The term of the Concession Agreement is 25 years starting from 28 February 2001.

(Currency - in Thousands of Turkish Lira ("TRY") unless otherwise indicated.
All other currencies are also expressed in thousands)

1. Corporate information (continued)

On 12 March 2009, the Company acquired 99,5% shares and voting rights of Sobee Yazılım Ticaret Limited Şirketi, ("Sebit"), which is incorporated in Turkey.

The details of the Company's subsidiaries as at 31 March 2009 and 31 December 2008 are as follows:

Name of Subsidiary	Place of incorporation and operation	Principal activity	Effective ownership of the Company %	
			31 March 2009	31 December 2008
TTNet Anonim Şirketi ("TTNet")	Turkey	Internet Service Provider	**99,96**	99,96
Avea İletişim Hizmetleri A.Ş.("Avea")	Turkey	GSM Operator	**81,12**	81,12
Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret Anonim Şirketi ("Argela")	Turkey	Telecommunications Solutions	**99,96**	99,96
Innova Bilişim Çözümleri Anonim Şirketi ("Innova")	Turkey	Telecommunications Solutions	**99,96**	99,96
Assistt Rehberlik ve Müşteri Hizmetleri Anonim Şirketi ("AssisTT")	Turkey	Call Centre and Customer Relations	**99,96**	99,96
Sebit Eğitim ve Bilgi Teknolojileri A.ş. ("Sebit")	Turkey	Web Based Learning	**99,96**	99,96
Argela - USA. Inc.	USA	Telecommunication Solutions	**99,96**	99,96
Sebit LLC	USA	Web Based Learning	**99,96**	99,96
IVEA Software Solutions FZ-LLC ("IVEA")	UAE	Telecommunication Solutions	**99,96**	99,96
SOBEE Yazılım Ticaret Limited Şirketi ("SOBEE")	Turkey	Software Solutions	**99,50**	-

Hereinafter, Türk Telekom and its subsidiaries together will be referred to as "the Group".

The Group's principal activities include the provision of local, national, international and mobile telecommunication services, internet products and services, as well as call centre and customer relationship management, technology and information management.

The Company's registered office address is Turgut Özal Bulvarı, 06103 Aydınlıkevler, Ankara.

The number of personnel of the Group as at 31 Mart 2009 and 31 December 2008 is respectively 35.445 and 34.025.

Consolidated financial statements were approved by the Board of Directors of the Company and authorized for issue on 20 April 2009. The general assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

2. Basis of preparation financial statements

The main accounting policies used for preparing the Group's consolidated financial statements are stated below:

2.1 Basis of presentation of the consolidated financial statements

Excluding the subsidiaries incorporated outside of Turkey, the Group maintains its books of account and prepares its statutory financial statements in Turkish lira ("TL") in accordance with Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts ("UCA") issued by the Ministry of Finance.

In accordance with law numbered 5083, the currency unit of the Republic of Turkey has been determined as New Turkish Lira ("TL") and the sub unit of the New Turkish Lira has been determined as New Kurus ("YKR). As of 1 January 2009, the Council of Ministers empowered to remove the expression of "New" used in the "New Turkish Lira" and the "New Kurus". Consequently, the financial statements have been prepared in TL and presented in thousand TL accordingly.

The consolidated financial statements and disclosures have been prepared in accordance with the format that must be applied according to the communiqué numbered XI-29 announced by the CMB (hereinafter will be referred to as "the CMB Accounting Standards") on 9 April 2008.

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Accounting Standards of the CMB and are presented in TL. Such adjustments mainly comprise accounting for deferred taxation, provision for doubtful receivables, accounting for the depreciation charge of property, plant and equipment according to lower of useful life and concession periods, accounting for expense accruals, accounting of tangible and intangible assets in accordance with International Financial Reporting Interpretations Committee ("IFRIC") 12, effects of application for long-term employee benefits according to International Accounting Standards ("IAS") 19, accounting for provisions and the effects of application of IFRS 3 "Business Combinations".

As of 31 March 2009 and 31 December 2008, the consolidated financial statements have been prepared on the historical cost basis except with respect to the Company's property, plant and equipment and investment property for which the deemed cost method was applied for acquisitions prior to 1 January 2000, derivative financial instruments and minority put option, which have been reflected at their fair values.

2.2 Changes in accounting policies

Adoption of new and revised international financial reporting standards

The new standards which are effective as of 1 January 2009 and changes and interpretations of current standards are as follows :

IFRIC 11, "Group and Treasury Share Transactions", is effective for annual periods beginning on or after 1 March 2007 and requires arrangements whereby an employee is granted options to buy equity shares, to be accounted for as equity-settled schemes by an entity even if the entity chooses or is required to buy those equity shares from another party, or the shareholders of the entity provide the equity instruments granted. This Interpretation applies to the way the Group's subsidiaries account, in their individual financial statements, for options granted to their employees to buy equity shares of the Company. This interpretation is not valid for the Group.

IFRIC 12, "Service Concession Arrangements", outlines an approach to account for contractual obligations undertaken and rights received by service concession operators in service concession arrangements. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and/or an intangible asset.

Accordingly, the Company adopted IFRIC 12 by restating its financial statements as at 1 January 2007, from the earliest period, based on the provisional article of IFRIC 12.

In the application of IFRIC 12, the Company has first determined the property, plant and equipment in the scope of IFRIC 12. In accordance with IFRIC 12, the property, plant and equipment owned by the Company as of the date of the service concession agreement is considered out the scope of IFRIC 12. Land and buildings, network and other devices, vehicles, furniture and fixtures and construction in progress (together will be referred to as network equipment) purchased after the concession agreement are determined to be in the scope of IFRIC 12.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

Adoption of new and revised international financial reporting standards (continued)

In accordance with the provisional article of IFRIC 12, the Company has determined property, plant and equipment to be in the scope of IFRIC 12 and has reclassified the net book value of these property, plant and equipment at 1 January 2007 to intangible assets. The amount reclassified is TL 425.118 and began to be amortized during the Concession Agreement.

As at 1 January 2007, the Company determined the property, plant and equipment which is owned before Concession Agreement to be out the scope of IFRIC 12 and accounted for any repair, maintenance and replacements related with these assets in accordance with IAS 16. The replacement costs related with network equipments amounting to TL 425.118 which has been reclassified to the intangible assets as of 1 January 2007 were expensed in the related period unless there are contractual replacements as required by the Concession Agreement. For the contractual replacements, provision is provided as of the date the replacement is foreseen.

Any new network equipment investment is accounted in accordance with IFRIC 12. In case these investments give an additional right to the Company to charge to the users, the Company recognizes an additional intangible assets in exchange for construction services, and accordingly recognizes and measures revenue in accordance with IAS 18 “Revenue” and IAS 11 “Construction Contracts”. The cost of construction is expensed as incurred. An amount is determined by adding the profit margin applied in the market for the construction services in the same quality to the construction costs and this amount is reflected to consolidated financial statements as income and intangible assets.

2. Basis of preparation financial statements (continued)

2.1 Changes in accounting policies (continued)

Adoption of new and revised international financial reporting standards (continued)

The acquisition of Sebit on 17 December 2007 has been accounted provisionally at 31 March 2008 subject to change in accordance with IFRS 3. The Purchase Price Allocation (PPA) accounting for Sebit has been finalized as of 31 December 2008 and the assets, liabilities and contingent liabilities determined based on IFRS 3 have been recorded based on their fair values at the date of acquisition. As a result of final PPA, fair value difference amounting to TL 2.011 has been reflected in the consolidated income statement.

IFRIC 14, "IAS 19 – Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", (effective for annual periods beginning on or after 1 January 2008) provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 "Employee Benefits". It also explains how this limit, also referred to as the "asset ceiling test", may be influenced by a minimum funding requirement and aims to standardize current practice. The Group expects that this Interpretation will have no impact on its financial position or performance as all defined benefit schemes are currently in deficit and none of the plans are funded.

Standards that are published as of the approval date of the financial statements but not yet effective and not early adopted by the Group and interpretations and amendments to published standards

IFRIC 13, "Customer Loyalty Programmes", (effective for annual periods beginning on or after 1 July 2008) requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. Currently, Avea offers free counters to its existing customers based on their past consumption value. The Group considers these free granted counters in revenue recognition recorded as deferred revenue. The Group does not have any other customer loyalty program under the scope of IFRIC 13.

IFRIC 15 – "Agreements for the Construction of Real Estate", (issued on 3 July 2008 and is effective for annual periods beginning on or after 1 January 2009 and must be applied retrospectively) addresses the divergence in construction of real estate accounting treatment whether under the scope of IAS 11 and IAS 18 or not and clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. This interpretation is not valid for the Group.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures and Classification of Financial Assets" (Revised) (Effective for annual periods beginning on or after 1 June 2008). The amendment to IAS 39 issued on 31 October 2008 permits entities to reclassify their financial assets (except for derivative financial instruments and financial instruments designated on initial recognition as at fair value through profit or loss) as assets available for sale or assets held-to-maturity under certain conditions. This amendment also permits entities to reclassify financial assets available for sale and financial assets designated on initial recognition as at fair value through profit or loss as loan or receivable where the financial asset meets the definition of a loan or receivable and the entity has the intent and ability to hold it for the foreseeable future. The amendment is effective beginning from 1 July 2008 and reclassifications made before this date are not permitted. The amendment has no impact on the financial position or performance of the Group.

IFRIC 16 – "Hedges of a Net Investment in a Foreign Operation", (issued on 3 July 2008 and is effective for annual periods beginning on or after 1 October 2008 and must be applied retrospectively). IFRIC provides guidance on the below three items: Presentation currency used in the preparation of financial statements is not a rationale for the hedge accounting application. Therefore, the parent company can qualify the foreign exchange differences arises from the currency used in the financial statements and used in foreign operations as hedging from financial risk. Hedging instruments can be held by an entity or entities in the group.

The Management of the Group does not expect the implication of the above interpretation to have a significant impact on the Group's consolidated financial statement.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009) : IAS 1 has been revised in order to improve the benefits of presented financial statements. Main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group has decided to apply the change in IAS 1 for annual periods beginning on 1 January 2009 at annual consolidated financial statements.

IFRS 8, "Operating Segments", (effective for annual periods beginning on or after 1 January 2009) replaces IAS 14 'Segment Reporting' and adopts a management-based approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group has reflected the information regarding operating segments in accordance with IFRS 8 for annual periods beginning on 1 January 2009.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

Amendment to IAS 23 "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009) eliminates the benchmark treatment of expensing all borrowing costs in the case of qualifying assets to the income statement. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalized on qualifying assets with a commencement date after 1 January 2009. The Group expects that this amendment will have no impact on the financial statements.

Amendments to IFRS 2 "Share Based Payment" – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarify two issues: The definition of ‘vesting condition’, introducing the term ‘non-vesting condition’ for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled either by the Group or the counterparty. It is expected that IFRS 2 will not have an impact on the Group’s financial statements.

Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 “Presentation of Financial Statements” “Putable Financial Instruments” (effective for annual periods beginning on or after 1 January 2009) requires certain putable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to putable instruments classified as equity.

Revisions to IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009): A revised version of IFRS 3 and an amended version of IAS 27 were issued by IASB on 10 January 2008. Revised IFRS 3 (IFRS 3R) introduces a number of changes in the accounting for business combinations, which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). Amended IAS 27 (IAS 27R) requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. This amendment must be retrospectively and prospectively.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements: Both revisions will be effective for financial years beginning on or after 1 January 2009. The amendments to IFRS 1 allows an entity to determine the ‘cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statement. The new requirements will not have any effect on the Group’s financial statements.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

IFRIC 17 "Distributions of Non-cash Assets to Owners" (effective for annual periods beginning on or after 1 July 2009 and must be applied prospectively). The interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. The Group is currently assessing the effect of the interpretation on the consolidated financial statements.

IFRIC 18 "*Transfers of Assets from Customers"* (effective for annual periods beginning on or after 1 July 2009). The standard provides guidance on how to account for items of property, plant and equipment or cash for the acquisition or construction of such items received from customers. The Group is currently assessing the effect of the interpretation on the consolidated financial statements.

IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items": These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after 1 January 2009. The amendment addresses (1) the designation of a one-sided risk in a hedged item, and (2) the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

Improvements to IFRSs

In May 2008, the International Accounting Standard Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The Group has not early adopted the following amendments and does not expect these amendments to impact the consolidated financial statements of the Group significantly.

- *IAS 1 "Presentation of Financial Statements":* Assets and liabilities classified as held for trading are not automatically classified as current in the balance sheet.

- *IAS 16 "Property, Plant and Equipment":* Replace the term "net selling price" with "fair value less costs to sell".

- *IAS 23 "Borrowing Costs":* The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

- *IAS 28 "Investment in associates":* If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. In terms of impairment analysis, an investment in associate is assessed as a single cash generating unit.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

Improvements to IFRSs (continued)

- *IAS 31 "Interest in Joint Ventures":* If a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

- *IAS 36 "Impairment of Assets":* When discounted cash flows are used to estimate "fair value less cost to sell" additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate "value in use".

- *IAS 38 "Intangible Assets":* Expenditure on advertising and promotional activities is recognized as an expense when the Group either has the right to access the goods or has received the service.

- *IFRS 7 "Financial Instruments": Disclosures:* Removal of the implementation guidance contained previously in IFRS 7 indicating that total interest income could be presented as a component of net finance costs.

- *IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors":* When determining accounting policies, the obligation of a relevant implementation guidance is an indispensable part of IFRS.

- *IAS 10 "Events after the Reporting Period":* Dividends declared after the reporting period are not recognized as a liability.

- *IAS 16 "Property, Plant and Equipment":* If property, plant and equipment held for rental are sold after the rental period, they are classified into inventories as asset held for sale at the rental period they cease to be rented and are held for sale.

- *IAS 18 "Revenue":* Aligning IAS 18 guidance on transaction costs related to originating a financial asset with the definition of transaction costs as included in IAS 39.

- *IAS 19 "Employee Benefits":* Revises the definition of past service costs, return on plan assets and short and long-term employee benefits. Plan amendments reduce benefits for future services and are recognized as a curtailment. Remove the IAS 19 reference to the recognition of contingent liabilities in order to achieve consistency with IAS 37.

- *IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance":* The benefit of a loan with a below-market rate of interest received from a government should be quantified by imputing interest in accordance with IAS 39. The difference between the received and deducted amount is treated as a government grant. In addition, the revised terms should be in conformity with terms in other IFRSs.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

Improvements to IFRSs (continued)

- *IAS 27 "Consolidated and Separate Financial Statements":* A parent entity shall measure investments in subsidiaries at fair value in accordance with IAS 39 when classified as held for sale.

- *IAS 29 "Financial Reporting in Hyperinflationary Economies":* Amendment to reflect the fact that in historical cost financial statements, some assets and liabilities may be measured at current values (e.g. property, plant and equipment measured at fair value). The revised terms should be in conformity with terms in other IFRSs.

- *IAS 34 "Interim Financial Reporting":* If an entity is within the scope of IAS 33, basic and diluted earnings per share must be disclosed in interim financial statements

- *IAS 39 "Financial Instruments: Recognition and Measurement":* Changes in the position of derivative instruments do not constitute a reclassification and consequently, financial instruments may be reclassified into or out of the classification of at fair value through profit or loss. The IAS 39 reference to the need to designate hedging instruments at the segment level has been removed from IAS 39. On cessation of fair value hedge accounting, the use of a revised effective interest rate is needed.

- *IAS 40 "Investment Property":* Property under construction or development for future use is classified as investment property. If the fair value cannot be calculated reliably, the continuing construction is carried at cost, until the fair value can be calculated or the construction is completed. In addition, IAS 40 terminology has been aligned with respect to voluntary changes in accounting policies with such terminology used in IAS 8.

- *IAS 41 "Agriculture":* The reference to the requirement to use the pre-tax market discount rate to determine fair value has been removed. The inability to consider "additional biological transformation" in IAS 41 when calculating fair value using discounted cash flows has been removed. The term "point-of-sale costs" has been replaced with the term "costs to sell".

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:* If an entity will lose control of a subsidiary as part of a sale plan, then it would classify such subsidiary's assets and liabilities as held for sale.

2. Basis of preparation financial statements (continued)

2.3 Basis of consolidation

As of 31 March 2009, the consolidated financial statements include the financial results of Türk Telekom, TTNet, Avea, Innova, Argela, AssisTT, Sebit, Argela - USA Inc, IVEA, Sebit LLC and SOBEE. Control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a subsidiary’s share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The results of subsidiaries acquired during the year are included in the consolidated statements of income from the effective date of acquisition as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared for the same reporting year as the Company.

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated.

Minority interest in the net assets of consolidated subsidiaries is identified separately from the Group’s equity therein. Minority interest consists of the amount of those interests at the date of the original acquisition and the minority’s share of changes in equity since the date of the acquisition. Losses applicable to the minority in excess of the minority’s interest in the subsidiary’s equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. As of 31 March 2009, the minority interest in Innova, Argela, AssisTT, Sebit, Argela USA Inc., IVEA , Sebit LLC and SOBEE have not been presented separately in the consolidated financial statements due to their immateriality.

On 15 September 2006, the Company, Türkiye İş Bankası A.Ş. (İş Bank) and the companies controlled by İş Bank (altogether will be referred as İş Bank Group) and other Avea shareholders signed an “Amendment Agreement” to the “Shareholder Agreement” and the “IPO and Put Option Agreement” originally dated 15 February 2004. In accordance with the Amendment Agreement, the Company has granted a put option to İş Bank Group, the minority shareholder in Avea, on the shares owned by İş Bank Group. In order to reflect the minority put option liability in the consolidated financial statements, the minority interest, which is being presented separately within equity, is reclassified as minority put option liability at each reporting date after appropriation to the minority interest of its share of recognized income and expense for the year. The value of the minority interest reclassified as minority put option liability, is re-measured to the fair value of the put option calculated at each reporting date, and the effect of the re-measurement is reflected in equity, based on the Group’s policy on the accounting for the acquisition of minority interest.

3. Seasonal changes in the operations

The operations of the Group have no significant change according to season.

(Currency - in Thousands of Turkish Lira ("TRY") unless otherwise indicated.
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4. Earnings per share

The calculation of the earnings per share attributable to the equity holders of the parent is as follows:

	For the three month period ended 31 March 2009	For the three month period ended 31 March 2008
Weighted average number of shares outstanding during the period (number)	**350.000.000.000**	350.000.000.000
Net profit for the period attributable to equity holders of parent	**291.099**	398.233
Earnings per share (in full New Kuruş)	**0.0832**	0.1138

(*) According to the amendment in the Articles of Association decided in the General Assembly dated 30 April 2008 number of shares have been changed from 3.500.000.000.000 to 350.000.000.000 whereas nominal value per shares has been changed from 0,1 New Kuruş to 1 New Kuruş. In order to provide consistency within current period, number of shares for the prior period is disclosed by the weighted average number of shares occured after amendment of the article of association.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries
Condensed notes to consolidated financial statements
As at 31 March 2009
(Currency - in thousands of Turkish Lira ("TRY") unless otherwise indicated.
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5. Segment reporting

The Group has two segments: Fixed line and GSM services. Fixed line services are provided by Türk Telekom and TTNET and GSM services by Avea. The segment results and condensed balance sheet lines are presented below:

	Fixed line		**GSM**		**Eliminations**		**Consolidated**	
	1 January-31 March 2009	1 January-31 March 2008	**1 January-31 March 2009**	1 January-31 March 2008	**1 January-31 March 2009**	1 January-31 March 2008	**1 January-31 March 2009**	1 January-31 March 2008
Total revenue	**2.043.126**	2.005.394	**532.373**	482.113	**(67.781)**	(64.169)	**2.507.718**	2.423.338
Net operating segment profit (loss)	**758.780**	695.057	**(95.273)**	(29.578)	**-**	-	**663.507**	665.479
Depreciation and amortization expenses	**(289.798)**	(290.133)	**(134.129)**	(125.254)	**-**	-	**423.927**	(415.387)
Capital expenditures	**(163.216)**	(150.441)	**(64.374)**	(47.672)	**-**	-	**227.590**	(198.113)

	Fixed line		**GSM**		**Eliminations**		**Consolidated**	
	31 March 2009	31 December 2008	**31 March 2009**	31 December 2008	**31 March 2009**	31 December 2008	**31 March 2009**	31 December 2008
Total segment assets	**8.534.631**	8.362.608	**4.322.646 (**)**	4.433.345 (**)	**(349.624)**	(136.507)	**12.507.653**	12.659.446
Total segment liabilities	**(3.326.103)**	(3.478.375)	**(3.623.292)**	(3.345.812)	**(237.170) (*)**	(451.652) (*)	**(7.186.565)**	(7.545.839)

(*) Includes minority put option liability amounting to TL 586,439 (2007 – TL 788,000).
(**) Includes goodwill amounting to TL 29,695 (2007 – TL 29,695).

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6. Cash and cash equivalents

	31 March 2009	31 December 2008
Cash on hand	**1.525**	1.305
Cash at banks – Demand deposits	**190.433**	246.452
Cash at banks – Time deposits	**735.152**	793.776
Other	**79**	449
	927.189	1.041.982

Time deposits of the Group as at 31 March 2009 are all short-term, maturing within one month and denominated in both foreign currencies and TRY. The effective interest rates are between 8.00% - 14.00% for TRY deposits and 1.75% - 2.25% for USD deposits, 2.00%-2.50% for Euro deposits. (31 December 2008 -12.50% - 23.00% for TRY deposits, 0.15 % - 8.00% for USD deposits and 2.21% – 7.50% for Euro deposits). Time deposits held in foreign currencies are disclosed in Note 14.

As at 31 March 2009, TRY 261.814 (31 December 2008 - TRY 258.092) included in time deposits represents advances received from the Turkish Armed Forces related to the Turkish Armed Forces Integrated Communication Systems (TAFICS) projects. The interest income from these time deposits are added to the advances received and are not reflected in the consolidated income statement as per agreement between parties (Note 11). These time deposits are restricted and can only be used for payments related to TAFICS projects.

As at 31 March 2009, a demand deposit amounting to TRY 160.288 (31 December 2008 – TRY 155.794) is also restricted due to collection protocols signed with banks for receipts from the subscribers, under which proceeds are made available to the Group a certain number of days after the cash is collected. An also TRY 1.947 of demand deposits (31 December 2008 – TRY 3.722) arising from collections through automated teller machine (“ATM”) is not available for use at 31 March 2009.

Cash and cash equivalents included in the cash flow statement are as follows:

	1 January - 31 March 2009	1 January - 31 March 2008
Cash and cash equivalents	**927.189**	2.034.113
- TAFICS projects	**(261.814)**	(238.857)
- collection protocols	**(160.288)**	(152.008)
- ATM collection	**(1.947)**	(4.194)
- Other	**(6.010)**	(7.137)
	497.130	1.631.317

Within the context of the Bank Account Pledge Agreement signed by Avea, Avea provided an account pledge over all of its bank accounts amounting to TRY 451.660 at 31 March 2009 (31 December 2008 - TRY 550.480) in favour of Security Trustee (Note 8). Avea is required to pledge any new bank account as they are opened and also to inform the Security Trustee on a monthly basis about such new accounts as well as the closed accounts.

(Currency - in thousands of Turkish Lira ("TRY") unless otherwise indicated.
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7. Related party balances and transactions

All intra-group transactions and balances including intra-group unrealised profits and losses are eliminated in the consolidated statement of income for consolidation purposes and are not disclosed in this note. Sales of goods or services to related parties were made at the Group's usual list prices. The amounts outstanding are unsecured and will be settled in cash.

Details of balances as at 31 March 2009 and 31 December 2008 between the Group and other related parties are disclosed below:

	31 March 2009	31 December 2008
Trade receivables from other related parties (trade receivables, short term)		
State controlled entities	**111.368**	84.747
Cell-C Ltd. (1)	**-**	96
PTT	**3.446**	4.303
Other	**6.058**	3.798
	120.872	92.944

	31 March 2009	31 December 2008
Trade payables to related parties (trade payables , short term)		
State controlled entities	**5.227**	14.288
Oger Telekom Yönetim Hizmetleri Limited Şirketi (OTYH) (2)	**5.119**	4.457
PTT	**1.576**	1.973
Other	**733**	799
	12.655	21.517

(1) a subsidiary of Oger Telecom
(2) a subsidiary of Oger Telecom

	31 March 2009	31 December 2008
Other payables to shareholders (other payables, long term)		
State controlled entities	**325**	336
	325	336

(Currency - in thousands of Turkish Lira ("TRY") unless otherwise indicated.
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7. Related party balances and transactions (continued)

Transactions with shareholders

Avea is required under the terms of the Avea's concession agreement, to pay a share to the Treasury of 15% (the Treasury Share) of its monthly gross revenue. As of 31 March 2009, Treasury Share is TRY 30.324 (31 December 2008: TRY 29.238).

Transactions with Other Related Parties

Postage services rendered by PTT to the Group in the period ended 31 March 2009 amounted to TRY 30.062 (31 March 2008 - TRY 25.717) while commission for collection of invoices and other services amounted to TRY 7.594 (31 March 2008 - TRY 7.213).

After the foundation of the Company, an agreement was signed between the Company and the PTT in 1997 to grant free use of buildings occupied by both parties for 49 years. In 2005, an amendment made to the agreement provided that the Company pay TRY 35.000 per year for ten years (for the spaces owned by the Group but occupied by the PTT or vice versa). The parties will renegotiate the term of the agreement at the end of ten years. The transaction between the PTT and the Company is not an arms' length transaction and has therefore been reflected on net cash basis rather than gross basis measured at fair value in the interim consolidated financial statements.

Guarantees provided to related parties

The guarantees given by the Company for the long-term financing of Avea are explained in Note 8.

Company guaranteed 8.000 EUR to support financing of CETEL.

Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

	31 March 2009	31 March 2009
Short-term benefits	**9.030**	3.113
Long-term defined benefit plans	**187**	90
	9.217	3.203

Furthermore, OTMSC charged to the Company a management fee for an amount of TRY 8.350 for the period ended 31 March 2009 (31 March 2008 – TRY 4.740), based on a three years contract between OTMSC and the Company. OTMSC 's ultimate parent company is Saudi Oger. Major portion of these payments are related with the certain key management salaries.

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8. Borrowings

Bank borrowings

Bank borrowings used by the Group during the period ended 31 March 2009 amounts to TRY 4.087.912.

The total repayment of bank borrowings during the period ended 31 March 2009 amounts to TRY 4.575.127.

The following borrowings as of 31 March 2009 and 31 December 2008 are secured by a security package:

	31 March 2009			31 December 2008		
	USD	**EURO**	**TRY equivalent**	USD	EURO	TRY equivalent
Borrowings secured by security package	**1.387.322**	**73.320**	**2.504.995**	1.451.856	76.440	2.359.285

In 2007, the Group has restructured the Avea's short-term debt with a long-term financing package (Multi Tranche Project Finance ("MTPF")). For this financing, existing security package has been updated and extended and Türk Telekom has provided certain guarantees for the loans obtained by Avea.

Accordingly, the revised security package consists of:

- Commercial Enterprise Pledge on all movable fixed assets of commercial enterprise of İş-TIM and the trade name of Avea, (excluding the movable fixed assets of commercial enterprise of Aycell). The Commercial Enterprise Pledge secures the Senior Secured Financial Indebtedness of Avea up to a maximum amount of TRY 1.000.000 (equivalent to USD 592.417 as at 31 March 2009). At 31 March 2009, the total Senior Secured Financial Indebtedness of Avea amounts to approximately TRY 2.504.995 (31 December 2008 - TRY 2.359.285).

- Account pledges on all the bank accounts of Avea, which do not restrict operational usage of the accounts in the normal course of business (31 March 2009 - TRY 451.660; 31 December 2008- TRY 550.480 (Note 6)).

In addition to Commercial Enterprise Pledge, there are certain other conditions:

1. Financial covenants (ratios):

   a) Debt Service Coverage Ratio of Avea should be minimum 1.1 for the first reporting period starting from September 2008. (The ratio is calculated by dividing cash inflows from operations in the last four periods to the principal and interest payments related with financing activities.) Exceptionally, Debt Service Coverage Ratio of Avea should be minimum 1.0 and payments fair purchases of property from financing activities should be deducted from cash provided by operating activities.

   b) Net Debt to EBITDA Ratio of Avea should be maximum 5.0 and maintain certain levels as set out in the Finance Documents thereafter.

8. Borrowings (continued)

2. General undertakings, among others, are:

   a) License agreement (Avea's Concession Agreement) must be maintained in full force and effect.

   b) To keep Avea's business unaffected from any sale or disposal of any assets, there is an annual limitation of USD 10.000 for selling, leasing or disposing of its assets, with some exceptions determined in the Finance Documents.

   c) Avea created security over its assets in favour of the lenders as collateral that should not be diluted with new securities created over the same assets.

   d) Assignment of Receivables: The material contracts entered into by Avea that results in a revenue or cost to Avea over USD 20.000 per annum are assigned as security in favour of the Lenders as part of Security Package. In case of an event of default, Avea counterparties under material contracts will perform any of their obligations towards Lenders in the same conditions as they were valid to Avea during the normal course of business.

The Company also supports the long-term financing of Avea in the form of:

   a) USD 300.000 “Contingent Equity Support” to be drawn when cash generated by Avea is insufficient to pay its debt service,

   b) USD 500.000 “Corporate Guarantee” to be called in an event of default,

   c) Pledging shares it owns in Avea,

   d) Assignment of Receivables: As a condition to the facilities being made available to Avea, the Company is obliged to assign its rights, titles, interests and benefits in, to and under its receivables and the claims arising from Subordinated Loan Agreements made towards Avea and in respect of each condemnation event, in favour of the Security Trustee as a continuing security for the fulfilment of the secured obligations.

   e) Company also provides extra support on demand of Avea due to operational or financial shortage,amounting to USD 150,000.

   f) Türk Telekom provides support amounting to Eur 214,000 for financing of 3G licence fee.

As of 31 March 2009, the Management of the Group has reviewed the financial covenants and general undertakings of Avea and concluded that there is no default on the above conditions except the purchase of property, plant and equipment. AVEA, on February 2009 provided a disclaimer from banks to avoid default.

9. Tangible and Intangible Assets

The amount of tangible and intangible assets purchased during the three month period ended 31 March 2009 amounts to TRY 227.590 (31 March 2008 – TRY 198.113).

The cost of tangible and intangible assets sold during the three month period ended 31 March 2009 amounts to TRY 13.537 (31 March 2008 – TRY 37.169).

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10. Goodwill

On 12 March 2009, the Company acquired 99.50% of the issued share capital of SOBEE for a consideration of USD 200, all paid in cash. This transaction has been provisionally accounted for using the purchase method of accounting. The assets acquired in the transaction and the goodwill arising, are as follows:

Net assets acquired	Carrying amount at the acquisition date	Provisional fair value adjustments	Provisional fair value
Cash and cash equivalents	**1**	**-**	**1**
Trade receivables, net	**13**	**-**	**13**
Other current and non current assets	**17**	**-**	**17**
Property, plant and equipment	**71**	**-**	**71**
Intangible assets	**1**	**-**	**1**
Trade payables	**(17)**	**-**	**(17)**
Other payables, expense accruals and provisions	**(191)**	**-**	**(191)**
	(105)	**-**	**(105)**
Acquired net assets (%99.50)	**-**	**-**	**(105)**
Goodwill, 31 March 2009	**-**	**-**	**437**
Total consideration			**332**
Net cash out flow arising on acquisition			
Cash consideration paid	**-**	**-**	**(332)**
Cash and cash equivalent required	**-**	**-**	**1**
Total consideration			**(331)**

The carrying values for property, plant and equipment and for intangible assets of SOBEE in its statutory financial statements as of 12 March 2009 have been considered as provisional fair values for the purpose of purchase price allocation since the fair valuation studies were not comlete as of the approval date of the financial statements. This provisional accounting will be finalized within 12 months of the acquisition date.

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11. Other current liabilities

	31 March 2009	31 December 2008
Due to personnel	**43.360**	30.800
Taxes and dues payable	**267.503**	247.035
Social security premiums payable	**29.248**	22.105
Expense accrual	**221.512**	121.602
Accrual for capital expenditures (4)	**50.817**	26.993
Accrual for contribution to be paid to the Information and Communication Technology Authority	**54.243**	45.564
Accrual for the Treasury Share	**30.324**	29.238
Accrual for Universal Service Fund (1)	**118.071**	94.133
Deferred revenue (2)	**98.580**	103.571
Advances received (3)	**285.547**	273.853
Other payables	**5.565**	4.896
	1.204.772	999.790

1) According to the article numbered 5369 related with “International Service Found” published on 16 June 2005, Türk Telekom and TTNet will contribute 1% of their net revenues of each year to the Ministry of Transportation as Universal Service Fund. The contribution is payable by the end of April of the following year.

2) Deferred revenue is composed of the invoiced but unconsumed minutes’ sales value.

3) Advances received include the amounts received from Turkish Armed Forces for TAFICS projects. The Group acts as an intermediary for TAFICS projects and implements the payments made to the contractors from the advances received and provides support in project management. The amount of expenditures made related with the projects is deducted from the advances received at the time expenditures are incurred. The unused amount of advances received is kept in time deposits and the related interest income is also credited to the advances according to the agreement between the parties (Note 6).

4) Capital expenditure accruals represent fixed asset purchases that will be invoiced at the delivery of the fixed assets within the agreement.

12. Dividend

Board of Directors have recommended to the Shareholders General Assembly to distribute cash dividend of TL 1.490.156 (Kr 0,4258 per share) to its stockholders. This amount corresponds the 100% of the total distributable profit for the year ended 2008 after the deduction of legal reserves amount from the net profit.

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13. Commitments and contingencies

Guarantees provided

Guaantees received and given by the Group are summarized below:

		31 March 2009		31 December 2008	
		Original amount	**TL**	Original amount	TL
Guarantees received	USD	**172.455**	**291.104**	149.479	226.057
	TL	**506.837**	**506.837**	484.991	484.991
	EUR	**93.147**	**207.327**	94.073	201.392
	Other	**72**	**171**	-	-
			1.005.349		912.440
Guarantees given (*)	USD	**152.594**	**257.579**	153.919	232.772
	TL	**61.415**	**61.415**	58.809	58.809
	EUR	**6.780**	**15.090**	6.589	14.107
	Other	**-**	**-**	-	-
			334.084		305.688

(*) USD 151,500 of the amount (2007 - USD 151,500) is related with a performance bond provided to the ICTA with respect to the Avea Concession Agreement.

Changes in Group's commitments and contingencies are summarized below;

In the interest of restructuring the personnel structure, Board of Directors has decided to dismiss some of the personnel based on, retirement rights and needs of the Company. In this manner, legal cases have been opened against the Company. These cases are still ongoing and related provision is set on the consolidated financial statements.

The Company has requested the total amount arising from infastructure services lease fees for the period 1 July 2000 through 31 December 2000 from Turkcell İletişim Hizmetleri A.Ş. Turkcell has filed a law suit against the Company to seek the declatory action that there is no obligation regarding the interest of default. However the court dismissed the action against the Company. According to this court decision, interest of default receivables from Turkcell arising from infastructure services lease fees have become overdue and the Group has initiated the necessary procedures to collect these receivables, reversed the provision booked in the financial statements and recognized the interest income in the accompanying consolidated financial statements.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries
Condensed notes to consolidated financial statements
As at 31 March 2009

**(Currency - in thousands of Turkish Lira ("TRY") unless otherwise indicated.
All other currencies are also expressed in thousands)**

14. Financial risk management objectives and policies

Foreign currency position:

	31 March 2009					31 December 2008				
	TL Equivalent	US Dollar	Euro	GBP	Other	TL Equivalent	US Dollar	Euro	GBP	Other
1. Trade receivables	**171.340**	**69.307**	**24.418**	**-**	**-**	147.121	79.370	12.654	-	-
2a. Monetary financial assets (Cash and banks accounts included)	**266.653**	**151.166**	**5.156**	**4**	**-**	388.775	224.559	22.962	8	-
2b. Non-monetary financial assets	**57.097**	**33.401**	**322**	**-**	**-**	-	-	-	-	-
3. Other	**-**	**-**	**-**	**-**	**-**	25.235	14.840	1.285	19	-
4. Current assets (1+2+3)	**495.090**	**253.874**	**29.896**	**4**	**-**	561.131	318.768	36.901	27	-
5. Trade receivables	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
6a. Monetary financial assets	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
6b. Non-monetary financial assets	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
7. Other	**640**	**239**	**71**	**-**	**172**	380	250	-	1	-
8. Non-current assets (5+6+7)	**640**	**239**	**71**	**-**	**172**	380	250	-	1	-
9. Total assets (4+8)	**495.730**	**254.113**	**29.967**	**4**	**172**	561.511	319.018	36.901	28	-
10. Trade payables	**73.300**	**19.670**	**17.225**	**732**	**17**	181.480	79.829	27.374	967	40
11. Financial liabilities	**574.847**	**327.513**	**9.887**	**-**	**-**	549.523	347.360	11.309	-	-
12a. Monetary other liabilities	**43.492**	**14.319**	**8.681**	**-**	**-**	24.075	8.025	5.577	-	-
12b. Non-monetary other liabilities	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
13. Short-term liabilities (10+11+12)	**691.639**	**361.502**	**35.793**	**732**	**17**	755.078	435.214	44.260	967	40
14. Trade payables	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
15. Financial liabilities	**2.271.381**	**1.234.278**	**84.428**	**-**	**-**	2.374.897	1.440.199	87.728	-	-
16 a. Monetary other liabilities	**-**	**-**	**-**	**-**	**-**	16	11	-	-	-
16 b. Non-monetary other liabilities	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
17. Long-term liabilities (14+15+16)	**2.271.381**	**1.234.278**	**84.428**	**-**	**-**	2.374.913	1.446.210	87.728	-	-
18. Total liabilities (13+17)	**2.963.020**	**1.595.780**	**120.221**	**732**	**17**	3.129.991	1.881.424	131.988	967	40
19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)	**(202.858)**	**(120.177)**	**-**	**-**	**-**	(208.722)	(138.016)	-	-	-
19a. Total asset amount hedged **	**19.470**	**11.534**	**-**	**-**	**-**	793	524	-	-	-
19b. Total liability amount hedged ***	**222.328**	**131.711**	**-**	**-**	**-**	209.515	138.540	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	**(2.670.148)**	**(1.461.844)**	**(90.254)**	**-**	**(727)**	(2.777.202)	(1.700.422)	(95.087)	(939)	(40)
21. Net asset/(liability) position of foreign currency monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(2.525.027)**	**(1.375.307)**	**(90.647)**	**-**	**(727)**	(2.385.373)	(1.439.479)	(96.372)	(959)	(40)
	-	**-**	**-**	**-**	**-**	-	-	-	-	-

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15. Share based payment

According to the Turkish Council of Ministers decision dated 12 December 2007, which was published in the Turkish Official Gazette on 26 December 2007, 52,500,000,000 shares of Turk Telekom owned by the Treasury, the minority shareholder of Türk Telekom, has been sold as of May 15, 2008, through an initial public offering ("IPO") (such shares correspondence to corresponding to 15% Türk Telekom's shares).During the IPO 12,299,160,300 of such shares have been allocated to the employees of Türk Telekom, PTT and small investors together with 5.220.503.000 shares allocated to domestic investors with high purchasing power with discounted price varying according to the payment terms and application date (compared to the price applied to the other corporate investors for the remaining shares of 34.980.335.900. The discounts provided to Türk Telekom employees have been considered as within the scope of IFRS 2 ("Share Based Payment") by the management of Türk Telekom considering the fact that Türk Telekom receives services from its employees. The Group has reflected the fair value of the discounts provided to Türk Telekom employees, amounting to TL 9.528, as an expense in the consolidated income statement for year ended 31 December 2008 and credited the same amount into the equity as a share based payment reserve.

The market price during the IPO	TL 4,60
The average price applied to the employees of Turk Telekom	TL 4.2937
The number of shares sold to Türk Telekom's employees (lot)	31.104.948
Expense reflected to the consolidated income statement	TL 9.528

The management of Türk Telekom decided that the discounts provided to PTT's employees, small investors and domestic investors with high purchasing power are not within the scope of IFRS 2 by considering the fact that

a) Türk Telekom has not received any benefits (goods and services) in exchange for the discounts provided these groups to and

(b) the Treasury provided these discounts not as a party acting as a shareholder of Türk Telekom but rather as a State Authority in order to increase the number of small investors as it has been done in all other privatization enhanced through an IPO.

The fair value of the discounts provided to these groups amounts to approximately TL 34.000.

16. Derivative financial instruments

Cash flow hedges

Interest rate swap

Avea entered into three separate interest rate hedging transactions as the First Hedge, Overlay 1 and Overlay 2 to control its exposure to interest rate risk of expected future cash outflows in relation to its floating rate debt. Although the three structures are separate deals, the Overlay 1 is built on the First Hedge, and the Overlay 2 is built on the Overlay 1, in order the offset various legs of the previous one.

First Hedge: Avea has executed the First Hedge with different banks on July 11, 18 and 24, 2007 to cover the period commencing on September 28, 2007 and ending on September 30, 2012. Hedged item in relation to First Hedge will be applicable on 75% of each of the interest payments of the MTPF loans that are to be made on March 31 and September 30 of each year, throughout the term of the hedging instrument. As of March 31, 2008 the total outstanding notional amount is USD 1.118.188 which will be amortized till 30 September 2012.

For the First Hedge, the transacted interest rate hedge is designated as a cash-flow hedge. Avea will:

- For the September 28, 2007 – September 30, 2009 period: Pay a fixed rate under the interest rate hedge and in return will receive a floating interest rate, and
- For the September 30, 2009 –September 30, 2012 period: Pay structured capped rate and receive a floating interest rate

Overlay 1: Avea entered into a new hedging structure as Overlay 1 on September 26, 2008 which will cover the period commencing on March 31, 2008 and ending on September 30, 2015. The First Hedge will remain in place, and the Overlay 1 will be applicable on;

i) 55% of the notional amount of First Hedge ("Part 1 Notional") in order to restructure the First Hedge and
ii) 40% of the notional amount of the floating part of the MTPF loans ("Part 2 Notional") based on the scheduled repayments as per the MTPF agreements which was not hedged before.

As of March 31, 2008 the total outstanding notional amount is USD 611.415 for Part 1 Notional which will be amortized till September 30, 2012 and USD 147.160 for Part 2 Notional which will be amortized till September 30, 2015.

For the Overlay 1: The transacted interest rate hedge is designated as a cash-flow hedge. Avea will:

- For March 31, 2008 - September 30, 2009 period: Pay a structured capped interest rate under the interest rate hedge and in return will receive a fixed interest rate for Part 1 Notional; plus pay a structured capped rate and receive a floating rate for the Part 2 Notional,
- For September 30, 2009 - September 30, 2012 period: Pay a structured capped rate and receive another structured capped rate for Part 1 Notional; plus pay a structured capped rate and receive a floating rate for Part 2 Notional,
- For September 30, 2012 - September 30, 2015 period: Pay a structured capped rate and receive a floating rate for Part 2 Notional.

16. Derivative financial instruments (cont'd)

Cash flow hedges (cont'd)

Interest rate swap (cont'd)

Overlay 2: Avea entered into a new hedging structure as Overlay 2 on December 1, 2008 which will cover the period commencing on September 30, 2008 and ending on March 31, 2010. The First Hedge and Overlay 1 will remain in place, and the Overlay 2 will be applicable on the total notional amount of Overlay 1 between the periods September 30, 2008 and March 31, 2010. As of March 31, 2009 the total outstanding notional amount is USD 785.575 which will be amortizing till March 31, 2010.

For the Overlay 2: The transacted interest rate hedge is designated as a cash-flow hedge. Avea will:

- For September 30,2008 –March 31, 2010 period: Pay a fixed rate under the interest rate hedge and in return will receive a structured capped interest rate.

Fair value of the interest rate swap at March 31, 2009 is TL 222,328 (December 31, 2008 - TL 209.515). The interest rate swaps have been assessed to be highly effective hedge and as at December 31, 2008 an unrealized loss of TRY 222.328 was included in statement of comprehensive income in respect of these contracts. For the year ending December 31, 2008 net loss for interest swap amounting to TRY 6.445 (December 31, 2008 – 15.370) is reclassified from statement of comprehensive income and included in the income statement.

Currency option contracts

The Company entered into foreign currency option and forward transactions for which the total current outstanding notional amount is USD 120.000 and which will mature in the following six months period.

The Company does not designate option contracts for hedge accounting. Accordingly, at March 31, 2009 a cumulative net unrealized gain of TRY 5.869 (fair value of the derivatives at inception date) is included in income statement.

The Company has entered into a new forward contract for foreign currency transactions ending on 24 September 2009 and having a face value of USD 975,000.

17. Events after the balance sheet date

Board of Directors have recommended to the Shareholders General Assembly to distribute cash dividend of TL 1,490,156 (Kr 0,4258 per share) to its stockholders. This amount corresponds the 100% of the total distributable profit for the year ended 2008 after the deduction of legal reserves amount from the net profit.

IMT-2000/UMTS service and infrastructure bid ;
After the consent of the IMT-2000/UMTS bid by the council of state, drafts of the 3G license agreements will be finalized and presented to the Information and Communication Technology Authority for approval. After the approval of the draft agreement, winners of the bid will be invited to the ICTA, within 7 business days, to sign the license agreement. And thus the agreement will be effective onwards. In accordance with the agreement, operators will begin to provide services 3 months after signing.

According to the agreement between the Group and Haber-İş labor union;

In scope of this agreement, that will be effective through 1 March 2009 – 28 February 2011, personnel expenses will be increased by 3% for the first half, 3,5% for the second half, 2,5% for the third half and 2,5% for the fourth half. In addition, if the inflation rates within the third and fourth half exceeds the rate of 2,5%, 75% of the excess rate will be added to the personnel wages.

In order to hedge the 3G license payment, on 3 April 2009, 6 April 2009 and 8 April 2009, forward transactions amounting to Euro 60,000 has been performed having a maturity of 4 May 2009.With this transaction, 60.000 Euro is purchased against TL 128.418 corresponding to the rates of 2,1613, 2,1405 and 2,1191 respectively.