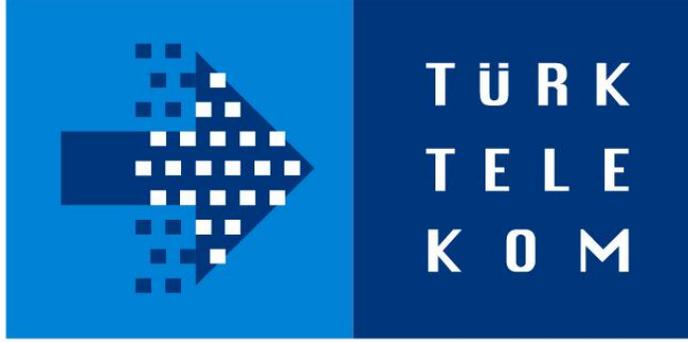


TÜRK TELEKOMÜNİKASYON A.Ş.



INTERIM ACTIVITY REPORT AS OF 31 MARCH 2011
BASED ON SERIAL:XI NO:29 COMMUNIQUÉ OF CAPITAL MARKET BOARD



19 APRIL 2010

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1. OVERVIEW OF TÜRK TELEKOM

Türk Telekomünikasyon A.Ş. (“Türk Telekom”) with its subsidiaries, provides a wide range of communications services from PSTN to mobile, broadband to value-added services for customers in Turkey.

Türk Telekom is the leading fixed-line operator that provides value-added services beside voice and data services for its corporate and retail customers through its extensive fixed-line telecommunications network, which covers almost 100% of the population.

Turkey had 16 million PSTN access lines in service as of 2010 year end and this number decreased to 15.8 million in the first quarter of 2011. Türk Telekom’s PSTN access line capacity is approximately 21.2 million.

Türk Telekom offers wholesale infrastructure services for ISPs besides being broadband internet provider having the widest sales network in Turkey, through its wholly owned subsidiary TNet.

91% of the wholesale broadband internet access in Turkey was through ADSL. The remaining 9% is attributable to 3G operators. The number of ADSL subscribers increased from 6.62 million as of 2010 year end to 6.72 million as of March 31, 2011.

Türk Telekom, having 81,37% shares of Avea, the third largest mobile operator in Turkey, provides a range of mobile communications services, including pre-paid, post-paid and value-added voice services.

Avea has been founded in 2004 as a result of the merger of Aycell and Aria brands. Thanks to its performance, from its foundation to the first quarter of 2011 its subscriber base rose from 4.8 million to 11.8 million.

Moreover, Türk Telekom operates IT consulting services, telecommunications product and software services and education content businesses through its wholly owned subsidiaries Innova, Sobee, Argela and Sebit. Türk Telekom also operates CRM systems, directory services and call centers through its wholly owned subsidiary AssisTT. Finally Pantel International, data and wholesale capacity provider, joined to Türk Telekom Group in 2010. In addition to these, Türk Telekom has 20% shares of CETEL that holds 76% shares of Altelecom, incumbent fixed line operator in Albania.

In addition to providing quick, economic and high quality services everywhere and every time for its customers, Türk Telekom supports various education projects, sports, arts and environment sensibility related activities as part of its sense of social responsibility.

2. CORPORATE STRUCTURE

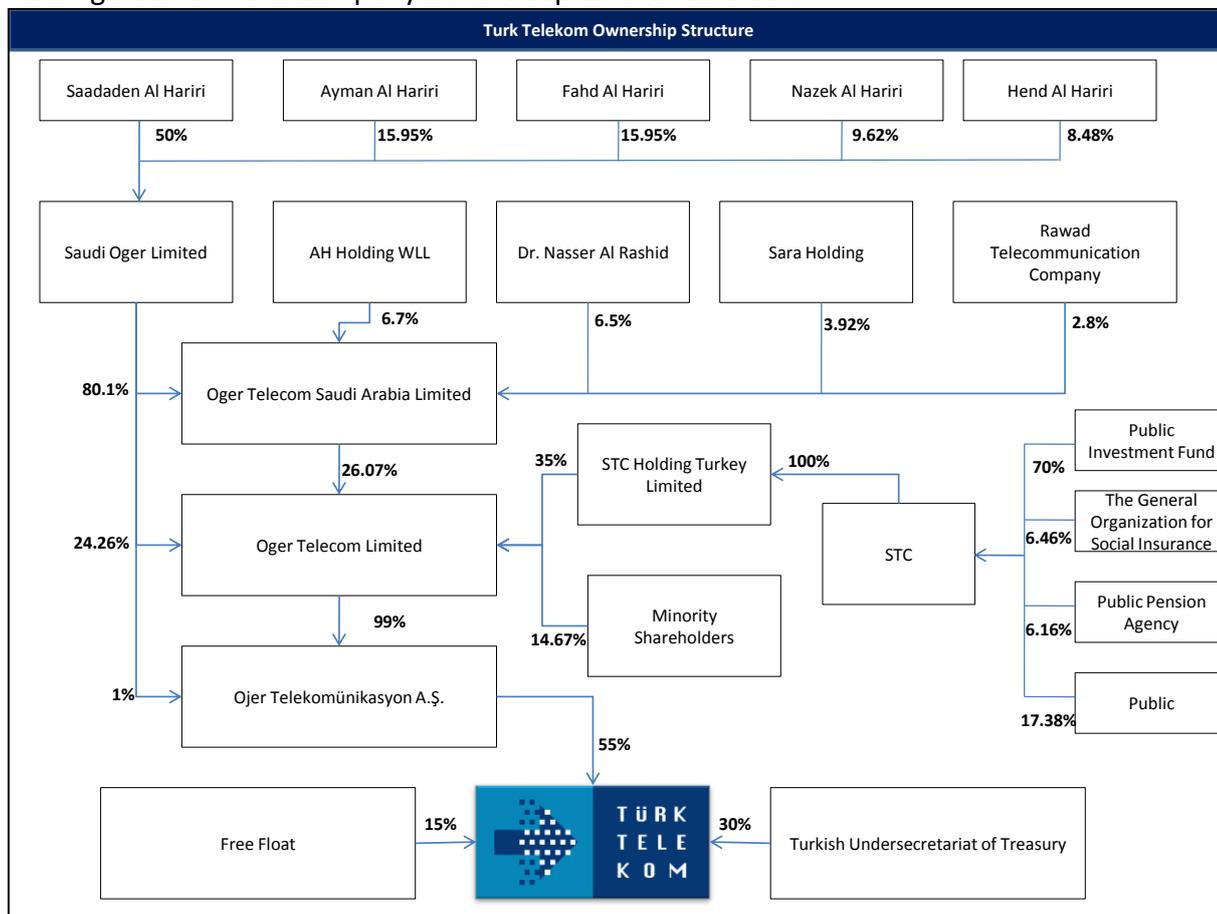
• Ownership Structure

Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	T.R. Undersecretariat of Treasury	971,249,999.99	30
C		0.01	
D		78,750,000.00	
D	Free float	525,000,000.00	15
Total		3,500,000,000.00	100

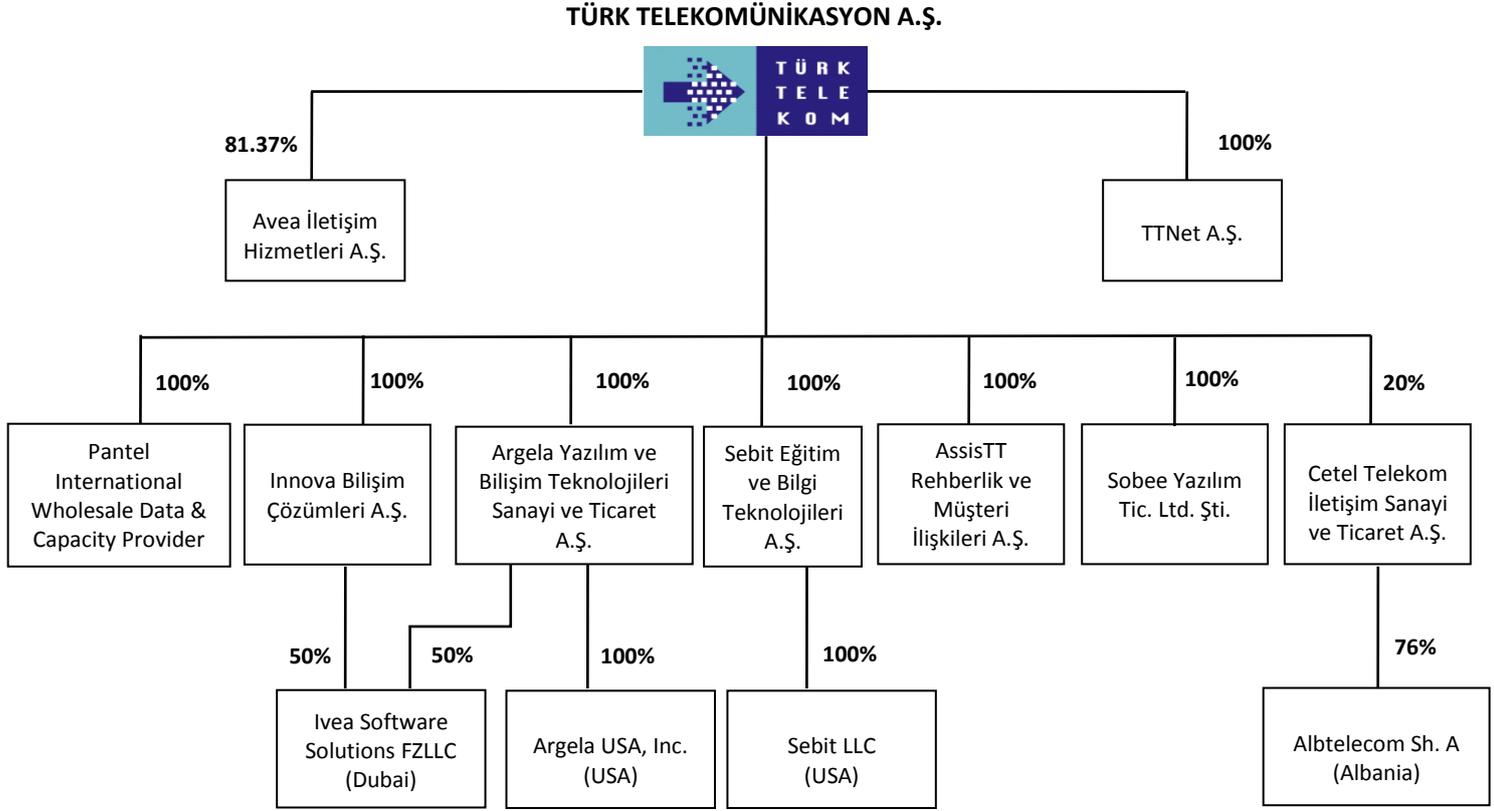
The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is required under the Telephone Law and provides that, in order to protect Turkey's national interests relating to national security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

- Any proposed amendments to the Articles of Association;
- The transfer of any of the Company's registered shares (i.e., the Class A shares) which would result in a change in management control;
- The registration of any transfer of the Company's registered shares in the shareholder ledger.

As publicly disclosed in the Public Offering Prospectus, the real and legal persons directly or indirectly holding a stake in the Company's share capital are listed below:



- Subsidiaries



- Management and Organization

Board of Directors

Mohammed Hariri
İbrahim Şahin
Hakam Kanafani
Dr. Paul (Boulos H.B.) Doany
Abdullah Tivnikli
Ghassan Hasbani
Saad Zafer M. Al Kahtani

Chairman of the Board of Directors
Deputy Chairman of the Board of Directors
Member of the Board of Directors
Member of the Board of Directors
Member of the Board of Directors
Member of the Board of Directors
Member of the Board of Directors

Statutory Audit Board

Efkan Ala
Prof. Dr. Aydın Gülan
Lütfi Aydın

Member of the Statutory Audit Board
Member of the Statutory Audit Board
Member of the Statutory Audit Board

Executive Committee

Mohammed Hariri
İbrahim Şahin
Abdullah Tivnikli
Hakam Kanafani
Saad Zafer M. Al Kahtani

Chairman of the Executive Committee
Vice Chairman of the Executive Committee
Member of the Executive Committee
Member of the Executive Committee
Member of the Executive Committee

Audit Committee

Ghassan Hasbani
Dr. Paul (Boulos H.B.) Doany

Chairman of the Audit Committee
Member of the Audit Committee

Senior Management

Hakam Kanafani
Kamil Gökhan Bozkurt
Celalettin Dinçer
Mustafa Uysal
Mehmet Candan Toros
Şükrü Kutlu
Dr. Mehmet Kömürcü
Dr. Ramazan Demir
Erem Demircan
Haktan Kılıç
Dr. Nazif Burca
Memet Atalay
Timur Ceylan

Türk Telekom Group CEO
CEO
VP Sales
Group CFO / Acting VP Finance
VP International Sales and Wholesale
VP Human Resources Support and Regulations
VP Legal
VP Strategy and Business Development
VP Marketing and Internal Communications
Deputy VP Customer Relations
Head of Internal Audit
Acting VP Operations
VP Technology

3. MEETINGS OF THE BOARD OF DIRECTORS

In the period of this report, meetings of the Board of Directors were held on 10.01.2011, 08.02.2011 and 28.03.2011.

- With the resolution no.1 at the meeting held on January 10, 2011 in accordance with Article 330/2 of the Turkish Commercial Code

According to Capital Markets Board Communiqué Serial:VIII No:61 on Principles Regarding the Submission of Electronically Signed Information, Documents and Disclosures to the Public Disclosure Platform (KAP) and ISE Public Disclosure Platform Qualified Electronic Certificate Management Procedures, it has been decided that;

a) Below listed Certificate Users shall be assigned as our Company's Certificate Managers, in accordance with our Company's circular of signature.

b) Certificate Managers shall be responsible for

- preparing the notifications that our Company is required to disclose according to Capital Markets Board and ISE regulations,
- making changes in Public Disclosure Platform system about our Company's certificate users that are responsible for submitting public disclosures, if there are any required changes in title and/or signature authority definitions,
- cancelling or suspending authorizations of certificate managers or certificate users, if required.

c) Application to Operating Directorship of ISE Public Disclosure Platform with required information and documents shall be made in order for the required definition of our certificate managers on the Public Disclosure Platform system

d) Application to Operating Directorship of ISE Public Disclosure Platform shall be made with required information and documents in case of changes in certificate manager/s.

- With the resolution no.10 at the meeting held on February 8, 2011

The below resolution has been resolved by the Board of Directors of Türk Telekomünikasyon A.Ş., in accordance with Article 330/2 of the Turkish Commercial Code on the above mentioned date:

Due to the resignation of our Company's Board Member, Mr. Samir Asaad O. Matbouli, who was in duty in representation of our shareholder Ojer Telekomünikasyon A.Ş., Mr. Ghassan Hasbani, shall be appointed as Board Member for the remaining term of duty of the Board of Directors in representation of the same shareholder, in accordance with Article 315 of the Commercial Code and such appointment shall be submitted to the approval of the shareholders in the next General Assembly meeting;

All authorities of the resigned Mr. Samir Asaad O. Matbouli with respect to the representation of the Company shall be cancelled and revoked.

- With the resolution no.11 at the meeting held on February 8, 2011

It has been resolved that our Company's consolidated financial statements regarding the period between 01.01.2010 - 31.12.2010 which was prepared as per the International Financial Reporting Standards under the Turkish Capital Board Communiqué Serial XI No: 29, and was approved by the Independent Auditors is approved.

- With the resolution no.12 at the meeting held on February 8, 2011

It has been resolved that our Company's 2010 Ordinary General Assembly shall convene on 25 April 2011, the Agenda along with the relevant information and document which will be submitted to the shareholders shall be announced in due of time.

- With the resolution no.13 at the meeting held on February 8, 2011

It is decided to recommend to distribute the 100% of the remaining profit of 2010 as cash dividend after first and second legal reserves are set aside which is 2,243,960,909 TL to the General Assembly to be held on April 25, 2011. This amount corresponds to 0.6411316 Kurus (%64.11316) gross cash dividend per each share worth for 1 Kurus nominally.

The details of the proposal to General Assembly are the following,

It is resolved for the decision of our Company's General Assembly to be held on April 25,2011;

1. Our company's net profit of the fiscal year 2010 according to the independently audited consolidated financials prepared in accordance with "CMB Communique About Financial Reporting in Capital Markets Serial: XI No:29" is 2,450,857,000 TL and according to the Turkish Commercial Code clauses and Tax Procedure Law is 2,957,704,161 TL,

2. According to the CMB Communique Serial IV No: 27, the profit after tax amount of 2,450,857,000 TL is the base amount for dividend distribution,

3. Although it is obligatory to set aside first legal reserves until the reserve amount reaches 20% of the paid in capital in accordance with Article 466 of Turkish Commercial Code, as the cap for first legal reserves has been reached in the previous years it is decided not to set aside any first legal reserves for 2010,

4. According to the consolidated financial tables, 2,469,282,630 TL shall be the base for first dividend which is reached with adding the donations made in 2010 of 18,425,630 TL to 2,450,857,000 TL distributable profit of 2010.

5. It is decided to distribute 20% of 2,469,282,630 TL (first dividend base), 493,856,526 TL as cash first dividend, in accordance with "CMB Communique Serial IV No: 27" . The second legal reserve of 206,896,091 TL shall be set aside and the remaining 1,750,104,383 TL shall be distributed as cash second dividend.

a. Total cash dividend amount to be distributed of 2,243,960,909 TL shall be covered by current period net profit

b. Accordingly 0.6411316 Kurus (%64.11316) gross cash dividend per each share worth for 1 Kurus nominally shall be distributed to our shareholders and total gross cash dividend distribution amount shall be 2,243,960,909 TL.

6. The distribution of the cash dividends to our shareholders shall begin on May 30, 2011, at Merkezi Kayıt Kuruluşu A.Ş. Süzer Plaza Askerocağı Caddesi No:15 Kat:2 34367 Elmadağ-Şişli İstanbul.

- With the resolution no.15 at the meeting held on February 8, 2011

Upon the resignation of Mr. Samir Asaad O Matbouli from his duty as the Chairman of the Audit Committee, Mr. Ghassan Hasbani is appointed as the Chairman of the Audit Committee.

- With the resolution no.19 at the meeting held on March 28, 2011

It has been resolved that our Company's Ordinary General Assembly Meeting for the year 2010 shall be held in Türk Telekomünikasyon A.Ş. HQ The Culture Centre, Turgut Özal Bulvarı 06103 Aydınlıkevler, Ankara on 25.04.2011 at 2 pm in order to discuss the following agenda items.

1. Opening and Election of the Chairmanship Committee;
2. Authorizing the Chairmanship Committee to sign the minutes of the General Assembly Meeting, and the List of Attendees;
3. Reading the Board of Directors annual report for the year 2010;
4. Reading the Statutory Board of Auditors annual report for the year 2010;
5. Reading the summary reports of the Independent Audit Company for the year 2010;
6. Reading, discussing and approving the balance sheet and profit/loss accounts for the year 2010;
7. Temporary appointments made by the Board of Directors to the Board of Directors for the positions became vacant because of resignations shall be submitted to the approval of the General Assembly as per Article 10 of the Articles of Association of our Company and Article 315 of the Turkish Trade Law and under the same conditions in order to be valid as of the appointment date; and the membership of the elected members shall be approved as of the appointment date for the remaining office of the Board of Directors;
8. Temporary appointment made by the Statutory Board of Auditors to the Statutory Board of Auditors for the position became vacant because of resignations shall be submitted to the approval of the General Assembly as per Article 351 of the Turkish Trade Law and under the same conditions; and the membership of the elected members shall be approved as of the appointment date for the remaining office of the Statutory Board of Auditors;
9. Releasing the Board Directors for operations and transactions of our Company during 2010;
10. Releasing the Statutory Board Auditors for operations and transactions of our Company during 2010;
11. Discussing and resolving on the proposal of the Board of Directors about distribution of the profit generated in 2010;
12. Resolving on signing an agreement with Güney Bağımsız Denetim ve SMMM A.Ş., the independent audit company with which our Company is currently working, for the purpose of auditing our Company's operations and accounts for the year 2011, as per Article 14 of the Regulation on Independent External Audit in Capital Markets published by the Capital Market Board and Article 17/A of the Articles of Association of our Company;
13. Defining the salaries of the Board Directors and Statutory Board Auditors;

14. Informing the Shareholders about the dividend distribution under the Corporate Governance Principles;
15. Reading the written explanations of the Independent Audit Company about the compliance of the financial statements and other reports with the standards, the accuracy and precision of the information, and that the independence of the audit company is not affected in any way in relation to the services it delivers to our Company or its subsidiaries, under the Corporate Governance Principles;
16. Informing the General Assembly about donations and aids made during 2010;
17. Informing the General Assembly about transactions made during 2010 with associated parties and their valuations as per Article 5 of the Communiqué Serial IV No. 41 of the Capital Market Board and about the implementation of IFRIC 12;
18. Discussing and voting for authorizing the Board of Directors or person(s) designated by the Board of Directors for company acquisitions to be made by our Company or its subsidiaries during 2011 up to 300 million Euro which will be separately valid for each acquisition;
19. Discussing and voting for authorizing the Board of Directors to establish Special Purpose Vehicle(s) when required for above mentioned acquisitions;
20. Informing the General Assembly about the guarantees, pledges and mortgages given by our Company in favour of third parties, and about revenues or interests generated, under Decision 28/780 dated 09.09.2009 of the Capital Market Board;
21. Resolving on giving permission to the Board Directors to carry out works within or out of the scope of the Company's operations on their own behalf or on behalf of others or to be a partner to companies who does such works, and to carry out other transactions, as per Article 334 and 335 of the Turkish Trade Law;
22. Comments and closing.
 - With the resolution no.20 at the meeting held on April 4, 2011

It was resolved that Türk Telekomünikasyon A.Ş. 2010 Annual Report shall be approved.

4. PERSONNEL MOVEMENTS

Consolidated headcount as of 2010 year end and first quarter of 2011 are 34,138 and 35,061 respectively.

5. FINANCIAL RISK MANAGEMENT

Main financial instruments of the Company are bank credits, open credits, cash and short term deposits. They are being used with the aim of increasing the use of funds for the operations. The risks stemming from these instruments are liquidity risk, foreign exchange risk, interest risk, and credit risk.

6. MATERIAL ISSUES IN THE PERIOD

- **The Labour Contract Negotiations**

The labour contract negotiations between our company and the Union started on Friday, 11 March 2011 at 11.00 in Ankara Headquarters of our Company.

7. MATERIAL ISSUES AFTER THE END OF PERIOD

- **Utilization of Long Term Loan**

Our company signed a club loan agreement with ING Bank, Raiffeisen Bank, HSBC, BNP Paribas and WestLB. The self-arranged loan facility has been coordinated by WestLB and it was raised for the purpose of financing the acquisition of Invitel International (rebranded as Pantel), with below details;

Principal amount: EUR 196 mn

Interest rate: Euribor+%2.80 p.a.

Maturity: 7 years (including 2 years of grace period)

Interest payment period: Every 6 months after utilization

Principal repayment: Every 6 months after grace period in equal installments

- **Settlement of Collective Labor Agreement**

Collective Labor Agreement negotiations between Türk Telekom and Haber-İş Union for the 9th Period, which have been held since March 11, 2011, covering 16,687 of our employees, were concluded with a settlement and the collective labor agreement was signed on April 18, 2011. This Collective Labor Agreement will be effective for 2 years, between March 1, 2011 – February 28, 2013.

According to the settlement, which will cover our unionized employees, wage increases for the 1st, 2nd, 3rd and 4th 6-month periods will be 3.75%, 3.5%, 2.5% and 2.5% respectively. If CPI in 3rd and 4th 6-month period exceeds 2.5%, 100% of the difference will be compensated in the next period's wages.

In addition, it is approved that a wage increase between TL 150 – TL 200 will be applied on equal basis for the first 6-month period, to our 3,118 employees who work in various positions, depending on their place of duty. For the first 6-month period, these employees will not get the normal wage increase that is determined in the settlement. However, for the remaining three 6-month periods, they will get a wage increase that is determined in the settlement.

8. SUMMARY FINANCIAL RESULTS

• Summary Türk Telekom Consolidated Balance Sheet as of 2011 Q1 and 2010 YE

<i>TL million</i>	2011 Q11	2010 YE
Intangible Assets	3,466	3,517
Tangible Assets	7,129	7,161
Other Assets	3,434	3,203
Cash and equivalents	1,133	1,219
Total Assets	15,162	15,100
Share capital	3,260	3,260
Other Reserves and Currency Translation Reserve	(1,138)	(1,112)
Reserves and retained earnings	4,026	1,575
Interest Bearing Liabilities	3,756	4,200
Provisions for long-term employee benefits	615	607
Other Liabilities	4,034	4,119
Net Income	609	2,451
Total Equity And Liabilities	15,162	15,100

- **Summary Türk Telekom Consolidated Income Statement as of 2011 Q1 and 2010 Q1**

<i>TL million</i>	2011 Q1	2010 Q1
Revenues	2,887	2,584
<i>Change</i>	12%	
EBITDA	1,277	1,064
<i>Margin</i>	44%	41%
Operating Profit	873	689
<i>Margin</i>	30%	27%
Profit Before Tax	752	698
<i>Margin</i>	26%	27%
Tax Expense	-181	-194
Minorities	38	43
Profit/(Loss) For The Year	609	546
<i>Margin</i>	21%	21%