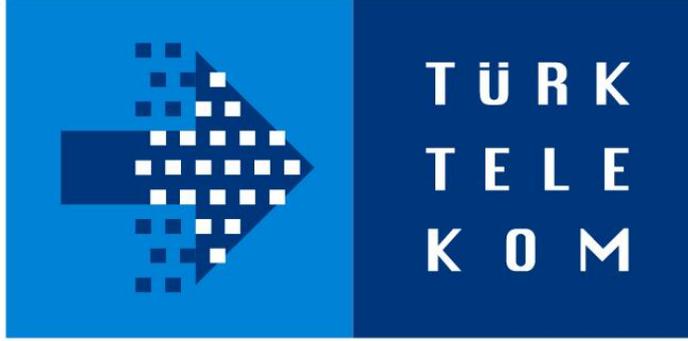


TÜRK TELEKOMÜNİKASYON A.Ş.



INTERIM ACTIVITY REPORT AS OF 30.09.2014
BASED ON NO:II-14.1 COMMUNIQUÉ OF CAPITAL MARKETS
BOARD



OCTOBER 22, 2014

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1. OVERVIEW OF TÜRK TELEKOM

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

Total access lines in service were 13.7 million as of 2013 year end and this number decreased to 13.3 million in the third quarter of 2014.

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

23% of broadband internet access in Turkey is through fixed broadband as of 2014 second quarter. The remaining 77% is attributable to mobile operators¹. The number of fixed broadband subscribers of Türk Telekom was 7.3 million as of 2013 year end and increased to 7.5 million as of September 30, 2014.

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

Avea has been founded in 2004 as a result of the merger of Aycell and Aria brands. Thanks to its performance, from its foundation to the third quarter of 2014 its subscriber base rose from 4.8 million to 16.2 million.

In addition to fixed line and mobile voice and data services, Türk Telekom operates IT consulting services, telecommunications product and software services and education businesses through its wholly owned subsidiaries Innova, Argela and Sebit. Türk Telekom also operates CRM systems, directory services and call centers through its wholly owned subsidiary AssisTT. Finally Türk Telekom International (with their old names respectively Invitel and Pantel), data and wholesale capacity provider, joined to Türk Telekom Group in 2010. In addition to these, Türk Telekom has 20% shares of CETEL that holds 76% shares of Albtelecom, incumbent fixed line operator in Albania.

Türk Telekom supports various education projects, sports, arts and environmentally sensible activities as part of its social responsibility program.

¹Source: 2nd Quarter Sector Report of Turkish Information and Communications Technologies Authority

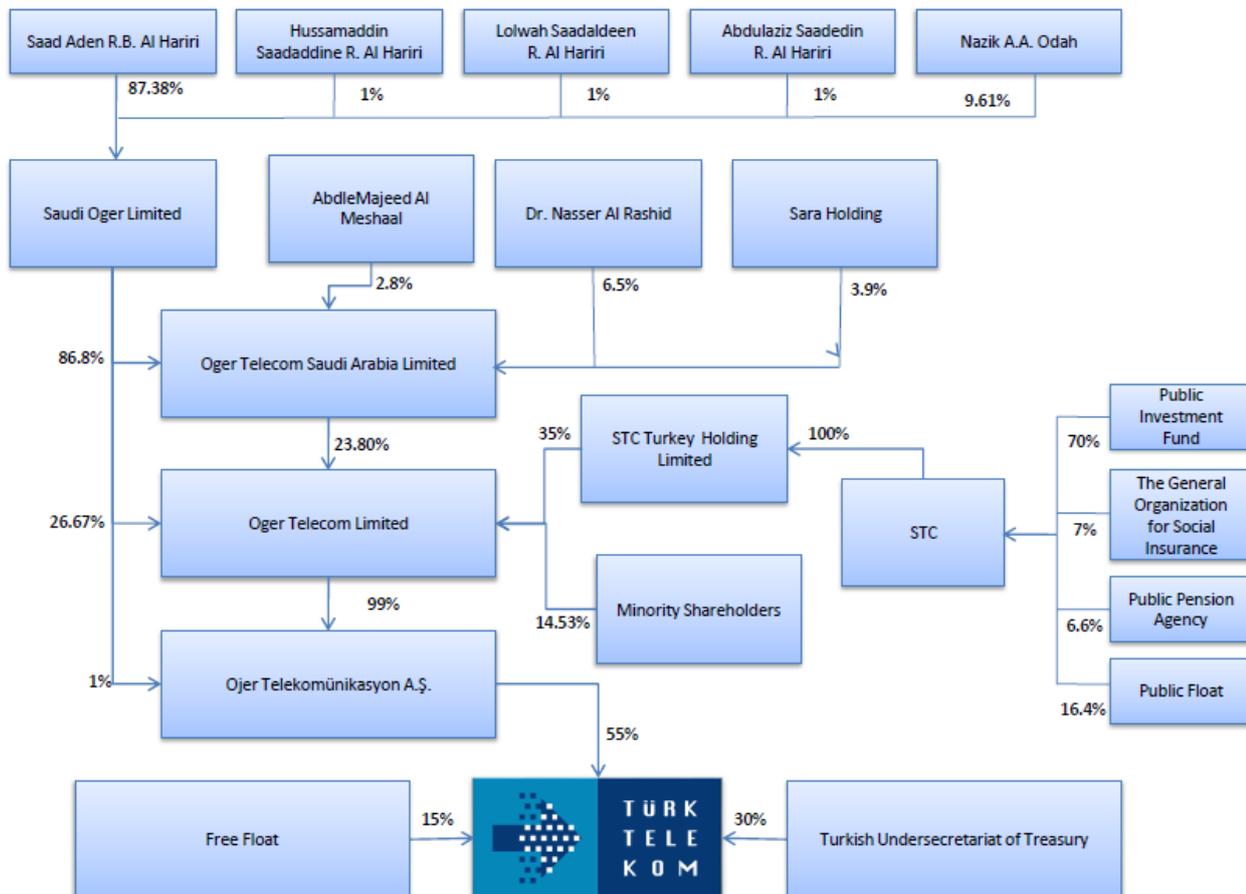
2. CORPORATE STRUCTURE

• Ownership Structure

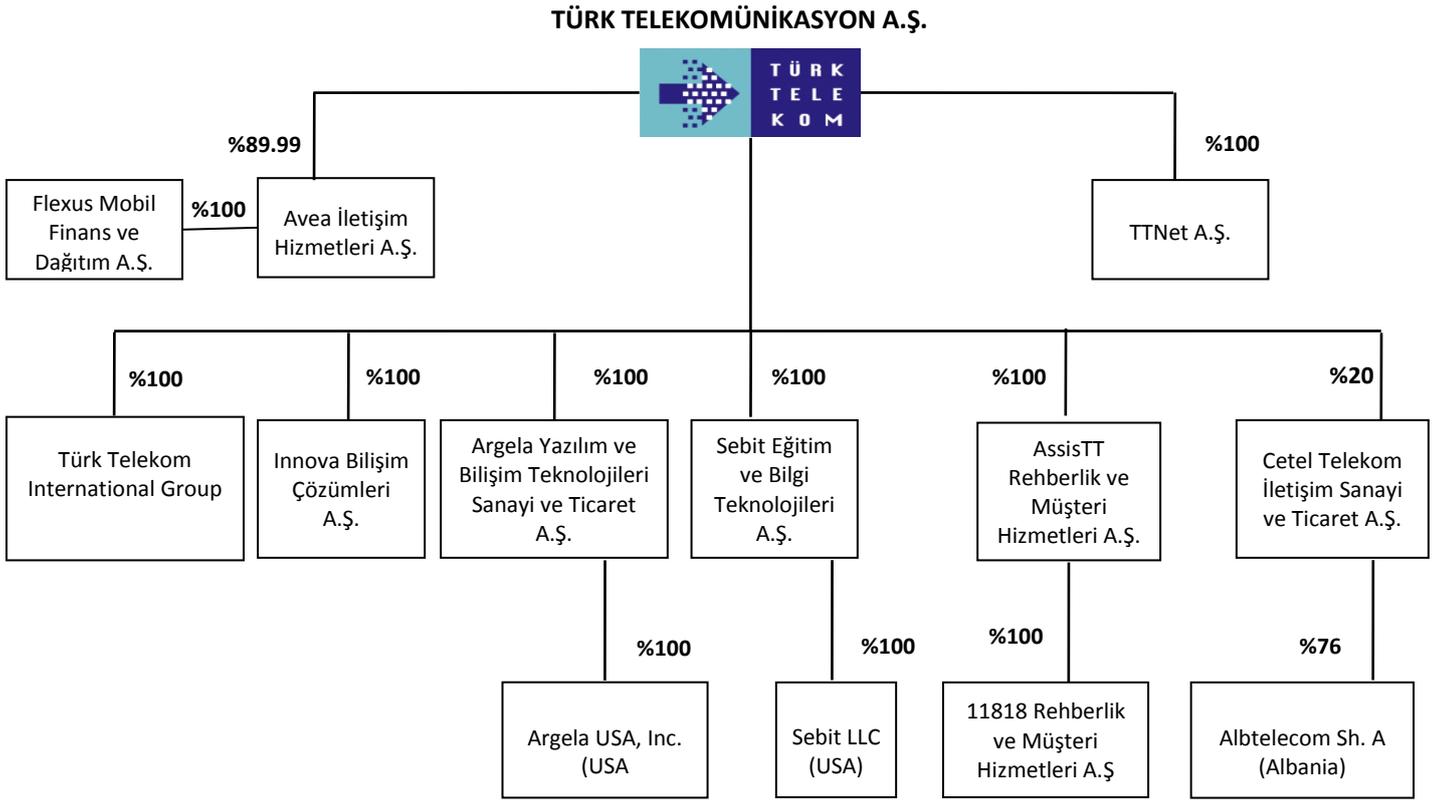
Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	T.R. Undersecretariat of Treasury	1,049,999,999.99	30
C	T.R. Undersecretariat of Treasury	0.01	
D	Free float	525,000,000.00	15
Total		3,500,000,000.00	100

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

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



- Management and Organization

Board of Directors

Mohammed Hariri
 Feridun Bilgin
 Hakam Kanafani
 Rami Aslan
 Abdullah Tivnikli
 Cenk Serdar
 Mazen Abou Chakra
 Khaled Biyari
 Fahri Kasırğa
 İbrahim Eren
 Yiğit Bulut

Chairman of the Board
 Vice Chairman of the Board
 Member of the Board of Directors
 CEO - 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
 Independent Member of the Board of Directors
 Independent Member of the Board of Directors
 Independent Member of the Board of Directors

Statutory Audit Board

Lütfi Aydın
 Mehmet Habib Soluk
 Süleyman Karaman

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

Senior Management

Rami Aslan
 Erkan Akdemir
 Mehmet Ali Akarca
 Kaan Aktan
 Bahattin Aydın

Board Member and CEO, Türk Telekom
 CEO, Avea
 Chief Corporate Commercial Officer
 Chief Finance Officer, Acting CEO, TTNET
 VP of Human Resources

Hüseyin Balcı	Chief Consumer Sales Officer
Necdet Mert Başar	Chief Consumer Marketing Officer, Fixed Line
Kadir Boysan	Chief Bus. Partnerships and Bus. Development Officer, Avea
Dr. Nazif Burca	Head of Internal Audit
Doğın Coşgun	Chief Legal Officer, Avea
Dr. Ramazan Demir	VP of Regulation, Türk Telekom
Hakan Dursun	VP of Strategy and Business Development
Fırat Yaman Er	VP of Business Planning
Metin Erhan	VP of Procurement
Değın Ertürk	Chief Marketing Officer, Avea
Abdurrahman Güvenliođlu	VP of Support Services
Tevfik Fikret Karaman	VP of Field Management, Türk Telekom
Murat Kırkgöz	VP of Finance, Türk Telekom
Orçun Onat	Chief Customer Care Officer, Consumer Business
Kaan Sümer	Chief Financial Officer, Avea
Dr. Coşkun Şahin	VP of Technology
Cemil Yıldırım	Chief Administrative Affairs Officer, Avea

3. SIGNIFICANT BOARD RESOLUTIONS

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

4. PERSONNEL MOVEMENTS

Consolidated headcount as of 2013 year end and third quarter of 2014 are 34,478 and 33,910 respectively.

5. FINANCIAL RISK MANAGEMENT

Main financial instruments of the Company are forward market transactions, bank loans and cash and short-term deposits. They are being used with the aim of raising funds for the Group's operations and hedging interest rate risk. The risks stemming from these instruments are liquidity risk, foreign exchange risk, interest rate risk, and credit risk.

6. MATERIAL ISSUES DURING THE PERIOD

As we have disclosed on July 24, 2014,

Standard & Poor's Ratings Services (S&P) concluded its CreditWatch with positive implications and raised its long term foreign currency corporate credit rating of our company to 'BBB-' (investment grade) from 'BB+'. The outlook is negative mirroring that of the sovereign. S&P also raised the rating of our company's long term foreign currency senior unsecured debt rating to 'BBB-' from 'BB+'.

The rating assigned by S&P to our company is now one notch above the sovereign rating. Our company already has an investment grade rating (BBB-) from Fitch Ratings.

As we have disclosed on September 5, 2014,

As a result of an investigation, ICTA has decided that our subsidiary TINET A.Ş. should pay TL 30,466,076.38 TL administrative fine and should refund TL 111,881,694.85 to its customers

who were churned involuntarily. A provision has been booked regarding the refund in the previous quarters, therefore net income is not expected to be affected. Legal procedure regarding the fine will be determined separately and announced to public later on.

As we have disclosed on September 15, 2014,

Our company completed the second phase of integration process designed around sustainable growth strategy with customer oriented approach. This strategy sets Türk Telekom apart from the competition as the Group will be able to effectively offer a "one stop shop" that truly fulfills all the customers' needs and requirements.

In the scope of phase two, sales and customer care functions were integrated and new organizational changes were announced while keeping legal entities of Türk Telekom, TTNET and Avea as they are, and in full compliance with the governing legislations.

The following positions are established and redefined at TTNET;

- Chief Consumer Sales Officer in charge of mobile and fixed consumer sales operations,
- Chief Consumer Customer Care Officer in charge of mobile and fixed consumer customer care services,
- Chief Corporate Commercial Officer in charge of corporate marketing, corporate sales and corporate customer care functions.

In relation to the restructuring;

Hüseyin Balcı, in the capacity of TTNET Chief Consumer Sales Officer, will lead all fixed and mobile consumer sales functions.

Orçun Onat, in the capacity of TTNET Chief Consumer Customer Care Officer, will lead the management of all fixed and mobile consumer customer care services.

Mehmet Ali Akarca, in the capacity of TTNET Chief Corporate Commercial Officer, will lead all fixed and mobile corporate marketing, corporate sales and corporate customer care functions.

TTNET General Manager Abdullah Orkun Kaya has resigned; TTNET CFO Kaan Aktan, in addition to his current roles and responsibilities, will assume the roles and responsibilities of the General Manager while the new organizational structure foreseen for TTNET in the overall integration program is being implemented.

Şahin Şen has resigned his post as TTNET's Chief Technology Officer. Coşkun Şahin, in addition to Türk Telekom and Avea Technology, Network and Operations organizations which he leads in the capacity of Türk Telekom Technology VP, shall be responsible also for TTNET Technology organization.

Cemil Yıldırım, Avea Chief Administrative Affairs Officer, shall report to Türk Telekom Support Services VP.

Legal VP Ahmet Bülter has resigned his post and new replacement will be announced shortly.

TTNET Chief Consumer Sales Officer Ali Yılmaz has resigned his post.

Ali Yılmaz and Ahmet Bülter will continue to serve the Group in advisory capacity.

Ramazan Demir shall be appointed as Türk Telekom Regulation VP.

7. MATERIAL ISSUES AFTER THE END OF THE PERIOD

As we have disclosed on October 13, 2014,

Our Company's Independent Board Member, İbrahim Şahin has resigned from board membership.

As we have disclosed on October 21, 2014,

As we announced by the regulatory disclosure dated September 5, 2014, Information and Communication Technologies Authority had decided with the resolution dated 23.07.2014 and number 2014/DK-SDD/389 that our subsidiary TNET A.Ş. should pay TL 30,466,076.42 administrative fine for customers who were churned involuntarily. As a result of the investigation, the fine was paid as TL 22,803,020.53 today by benefitting from early payment discount, preserving our litigation rights. It was also decided to open a lawsuit as soon as possible to suspend and cancel the execution of aforementioned decision.

8. SUMMARY FINANCIAL RESULTS

• Summary Türk Telekom Consolidated Balance Sheet as of 2014 Q3 and 2013YE

TL million	2014 Q3	2013 YE
Intangible Assets(*)	4,534	4,585
Tangible Assets and Investment Property	8,016	8,350
Other Assets	4,550	4,246
Cash and equivalents	2,089	1,005
Total Assets	19,189	18,245
Share capital	3,260	3,260
Reserves and retained earnings	2,569	2,178
Interest Bearing Liabilities	8,935	8,334
Provisions for long-term employee benefits	674	585
Other Liabilities	2,247	2,585
Net Income	1,504	1,303
Total Equity & Liabilities	19,189	18,245

(*) Includes goodwill.

• Summary Türk Telekom Consolidated Income Statement for the periods of 2014 Q3 and 2013 Q3

TL million	2014 Q3	2013 Q3
Revenues	3,512	3,365
EBITDA	1,362	1,305
<i>Margin</i>	39%	39%
Operating Profit*	869	864
<i>Margin</i>	25%	26%
Profit Before Tax	417	310

<i>Margin</i>	12%	9%
Tax Expense	-106	-81
Minorities	8	7
Profit/(Loss) For The Period	319	236
<i>Margin</i>	9%	7%

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