(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 – 30 September 2009

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

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

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Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Condensed consolidated balance sheet
As at 30 September 2009
(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated)

	Notes	Current period (Unaudited) 30 September 2009	Prior period (Audited) 31 December 2008
Assets			
Current assets		**3.064.751**	2.998.480
Cash and cash equivalents	6	**856.005**	1.041.982
Trade receivables			
- Due from related parties	7	**129.538**	92.944
- Other trade receivables		**1.464.960**	1.324.986
Financial investments	15	**-**	793
Other receivables		**18.609**	67.188
Inventories		**61.372**	49.080
Other current assets		**534.267**	414.147
		3.064.751	2.991.120
Assets held for sale	9	**-**	7.360
Non-current assets		**10.169.617**	9.660.966
Other receivables		**794**	669
Financial investments		**11.840**	11.840
Investment property		**298.180**	310.654
Property, plant and equipment	9	**6.413.265**	6.277.125
Intangible assets	9	**3.140.138**	2.734.374
Goodwill	10	**49.172**	48.735
Deferred tax asset		**245.127**	272.894
Other non-current assets		**11.101**	4.675
Total assets		**13.234.368**	12.659.446

The accompanying policies and explanatory notes on pages 7 through 30 form an integral part of the consolidated financial statements.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Condensed consolidated balance sheet
As at 30 September 2009
(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated)

	Notes	Current period (Unaudited) 30 September 2009	Prior period (Audited) 31 December 2008
Liabilities			
Current liabilities		**5.735.134**	3.548.688
Financial liabilities			
- Bank borrowings	8	**3.491.086**	1.285.578
- Obligations under finance leases		**5.448**	5.233
Other financial liabilities			
- Derivative financial instruments	15	**53.756**	-
Trade payables			
- Due to related parties	7	**8.483**	21.517
- Other trade payables		**448.790**	881.319
Other payables		**33.222**	29.294
Income tax payable		**170.136**	93.882
Provisions		**232.738**	232.075
Other current liabilities	11	**1.291.475**	999.790
Non-current liabilities		**2.498.875**	3.997.151
Financial liabilities			
- Bank borrowings	8	**883.680**	2.122.904
- Obligations under finance leases		**38.008**	41.527
Other financial liabilities			
- Minority put option liability		**553.729**	586.439
- Derivative financial instruments	15	**47.934**	209.515
Other payables			
- Due to related parties	7	**325**	336
- Other payables		**9.679**	16.094
Provisions		**6.636**	5.126
Provisions for employee termination benefits		**731.896**	667.148
Deferred tax liability		**219.717**	338.504
Other non-current liabilities		**7.271**	9.558
Equity		**5.000.359**	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 (-)		**(466.030)**	(386.719)
- Fair value difference arising from acquisition of subsidiary (-)		**(294.065)**	(294.065)
- Unrealized loss on derivative financial instruments (-)		**(82.707)**	(169.957)
- Share based payment reserve		**9.528**	9.528
Currency translation reserve		**191**	(57)
Restricted reserves allocated from profits		**1.205.074**	1.231.408
Accumulated deficit	12	**(602)**	(288.991)
Net income for the period		**1.368.722**	1.752.212
Total liabilities and equity		**13.234.368**	12.659.446

The accompanying policies and explanatory notes on pages 7 through 30 form an integral part of the consolidated financial statements.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Condensed consolidated income statement
For the period ended 30 September 2009
(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated)

	Current period		Prior period	
	(Unaudited)		(Unaudited) (Restated Note 2.2)	
	1 January 2009 - 30 September 2009	**1 July 2009 - 30 September 2009**	1 January 2008 - 30 September 2008	1 July 2008 - 30 September 2008
Continuing operations				
Sales	**7.817.545**	**2.668.182**	7.592.102	2.614.674
Cost of sales (-)	**(3.703.370)**	**(1.199.522)**	(3.646.104)	(1.143.162)
Gross profit from continuing operations	**4.114.175**	**1.468.660**	3.945.998	1.471.512
Gross profit	**4.114.175**	**1.468.660**	3.945.998	1.471.512
Marketing, sales and distribution expenses (-)	**(960.018)**	**(316.513)**	(824.317)	(313.041)
General administrative expenses (-)	**(1.271.100)**	**(435.140)**	(1.055.546)	(353.729)
Research and development expenses (-)	**(23.745)**	**(6.493)**	(7.591)	276
Other operating income	**282.105**	**91.831**	164.448	54.102
Other operating expense (-)	**(84.167)**	**(17.897)**	(31.619)	(17.864)
Operating profit	**2.057.250**	**784.448**	2.191.373	841.256
Financial income	**252.082**	**75.173**	259.764	83.570
Financial expense (-)	**(599.623)**	**(187.475)**	(339.811)	(111.499)
Profit before tax from continuing operations	**1.709.709**	**672.146**	2.111.326	813.327
Tax income / expense from continuing operations				
- Current tax expense	**(564.646)**	**(170.099)**	(551.765)	(180.957)
- Deferred tax income/expense	**91.020**	**(1.929)**	85.834	19.716
Profit from continuing operations	**1.236.083**	**500.118**	1.645.395	652.086
Application of period income				
Attributable to equity holders of the parent	**1.368.722**	**547.770**	1.679.903	654.373
Minority interest	**(132.639)**	**(47.652)**	(34.508)	(2.287)
Net profit	**1.236.083**	**500.118**	1.645.395	652.086
Earnings per shares attributable to equity holders of the parent from continuing operations (in full Kuruş) (Note 4)	**0,3911**	**0,1565**	0,4800	0,1870
Earnings per diluted shares attributable to equity holders of the parent from continuing operations (in full Kuruş) (Note 4)	**0,3911**	**0,1565**	0,4800	0,1870

The accompanying policies and explanatory notes on pages 7 through 30 form an integral part of the consolidated financial statements.

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Condensed consolidated comprehensive income statement
For period ended 30 September 2009
(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated)

		Current period		Prior period	
		(Unaudited)		(Unaudited)	
	Notes	1 January 2009 - 30 September 2009	1 July 2009 - 30 September 2009	(Restated Note 2.2) 1 January 2008 - 30 September 2008	1 July 2008 - 30 September 2008
Profit for the period		**1.236.083**	**500.118**	1.645.395	652.086
Other comprehensive income:					
Net loss on derivative instruments transferred to consolidated statement of income	15	**105.106**	**(10.717)**	15.370	15.437
Change in fair value of derivative financial instruments	15	**2.609**	**(25.797)**	(26.486)	(17.033)
Exchange difference on translation of foreign operations		**248**	**248**	-	-
Other comprehensive (loss)/profit for the period, net of tax		**107.963**	**(36.266)**	(11.116)	(1.596)
Total comprehensive (loss)/profit for the period, net of tax		**1.344.046**	**463.852**	**1.634.279**	**650.490**
Appropriation of total comprehensive income:					
Attributable to equity holders of the parent		**1.456.220**	**518.307**	1.670.886	653.079
Minority interest		**(112.174)**	**(54.455)**	(36.607)	(2.589)

The accompanying policies and explanatory notes on pages 7 through 30 form an integral part of the consolidated financial statements.

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

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Condensed consolidated statement of changes in equity
for the period ended 30 September 2009
(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated)

				Other reserves								
	Paid-in share capital	Inflation adjustment to paid in capital	Restricted reserves allocated from profits	Minority put option liability reserve	Share based payment reserve	Fair value difference arising from acquisition of subsidiary	Unrealised loss on derivative financial instruments	Currency translation reserve	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	-	-	415.060	-	-	-	-	-	(415.060)	-	-	-
Minority interest before classification to minority put option liability	-	-	-	-	-	-	-	-	-	-	351.188	351.188
Share based payment reserve	-	-	-	-	9.528	-	-	-	-	-	-	9.528
Total comprehensive loss	-	-	-	-	-	-	(9.017)	-	-	-	(2.099)	(11.116)
Minority put option liability	-	-	-	(51.517)	-	-	-	-	-	-	(314.581)	(366.098)
Dividend paid (Note 12)	-	-	-	-	-	-	-	-	(2.743.605)	-	-	(2.743.605)
Net profit for the period	-	-	-	-	-	-	-	-	-	1.679.903	(34.508)	1.645.395
Balance as at 30 September 2008	3.500.000	(239.752)	1.231.408	(488.328)	9.528	(294.065)	(64.571)	-	(288.991)	1.679.903	-	5.045.132
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	-	-	262.657	-	-	-	-	-	(262.657)	-	-	-
Transfer of retained earnings to restricted reserves allocated from profits (Note 12a)	-	-	(288.991)	-	-	-	-	-	288.991	-	-	-
Minority interest before classification to minority put option liability	-	-	-	-	-	-	-	-	-	-	199.720	199.720
Total comprehensive income	-	-	-	-	-	-	87.250	248	-	-	20.465	107.963
Minority put option liability	-	-	-	(79.311)	-	-	-	-	-	-	(87.546)	(166.857)
Dividend paid (Note 12)	-	-	-	-	-	-	-	-	(1.490.157)	-	-	(1.490.157)
Net profit for the period	-	-	-	-	-	-	-	-	-	1.368.722	(132.639)	1.236.083
Balance as at 30 September 2009	**3.500.000**	**(239.752)**	**1.205.074**	**(466.030)**	**9.528**	**(294.065)**	**(82.707)**	**191**	**(602)**	**1.368.722**	**--**	**5.000.359**

The accompanying policies and explanatory notes on pages 7 through 30 form an integral part of the consolidated financial statements

Türk Telekomünikasyon Anonim Şirketi and its Subsidiaries

Condensed consolidated cash flow statement for the period ended 30 September 2009

(Currency - in Thousands of New Turkish Lira ("TL") unless otherwise indicated)

	Current period (Unaudited) 1 January 2009 - 30 September 2009	Prior period (Unaudited) (Restated Note 2.2) 1 January 2008 - 30 September 2008
Profit for the period before tax	**1.709.709**	2.111.326
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation and amortisation expense	**1.199.995**	1.220.420
Gain on sale of property, plant and equipment	**(4.672)**	(1.831)
Foreign currency exchange income / (expense), net	**(24.771)**	130.591
Interest expense / (income), net	**70.894**	(49.823)
Reversal of doubtful receivables	**(127.433)**	(55.158)
Allowance for doubtful receivables	**262.758**	202.488
Provision for employee termination benefits	**68.149**	101.444
Litigation provision / (release), net	**(3.208)**	11.469
Loss on derivative financial instruments	**1.119**	(9.017)
Unused vacation provision / (release), net	**3.871**	(50.405)
Share based Payment	**-**	9.528
Other provisions	**1.109**	566
Operating profit before working capital changes	**3.157.520**	3.621.598
Net working capital changes in:		
Trade receivables and other receivables	**(309.070)**	(241.303)
Restricted Cash	**8.878**	(37.946)
Other current assets and inventories	**(70.870)**	(76.418)
Trade payables and other payables	**(445.563)**	(249.576)
Other non-current assets	**(6.988)**	(1.813)
Other current liabilities and provisions	**92.503**	21.169
Other non-current liabilities and provisions	**(2.288)**	(3.448)
Payments of employee termination benefits	**(19.186)**	(179.814)
Income taxes paid	**(488.392)**	(583.396)
Net cash provided by operating activities	**1.916.544**	2.269.053
Investing activities		
Interest received	**144.271**	189.937
Acquisition of financial assets	**-**	(641)
Proceeds from sale of property, plant, equipment and intangible assets	**27.920**	2.443
Purchases of property, plant and equipment and intangible assets	**(1.548.512)**	(886.767)
Proceeds from sale of assets held for sale	**-**	187
Net cash used in investing activities	**(1.376.321)**	(694.841)
Cash flows from financing activities		
Proceeds from bank borrowings	**11.510.768**	4.675.444
Repayment of bank borrowings	**(10.500.210)**	(3.613.772)
Proceeds from other financial instruments	**-**	4.105
Acquisition of leased asset	**-**	4.231
Repayment of obligations under finance leases	**(3.594)**	(5.083)
Interest paid	**(234.129)**	(157.711)
Dividends paid (Note 12)	**(1.490.157)**	(2.743.605)
Net cash used in financing activities	**(717.322)**	(1.836.391)
Net decrease in cash and cash equivalents	**(177.099)**	(262.179)
Cash and cash equivalents at the beginning of the period	**616.109**	922.476
Cash and cash equivalents at the end of the period (Note 6)	**439.010**	660.297

The accompanying policies and explanatory notes on pages 7 through 30 form an integral part of the consolidated 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 October 23, 1840. On February 4, 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 April 24, 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 August 24, 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 November 14, 2005 and OTAŞ become the parent company of the Company.

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 May 15, 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 September 30, 2009 and December 31, 2008, the ultimate parent and controlling party of the Company is Saudi Oger Ltd ("Saudi Oger"), the parent company of Oger Telecom.

A concession agreement ("the Concession Agreement") was signed by the Company and the Turkish Telecommunication Authority ("TA") as of November 14, 2005. 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 February 28, 2001.

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

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

1. Corporate information (continued)

The details of the Company's subsidiaries as at 30 September 2009 and 31 December 2008 are as follows:

Name of Subsidiary	Place of incorporation and operation	Principal activity	Effective ownership of the Company %	
			30 September 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	**99,96**	-

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 30 September 2009 and 31 December 2008 is respectively 35.667 and 34.025.

Condensed consolidated financial statements were approved by the Board of Directors of the Company and authorized for issue on 20 October 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.

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

2. Basis of preparation financial statements (continued)

2.1 Basis of presentation of the consolidated financial statements (continued)

The condensed 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, effect of accounting of derivative financial instruments in accordance with IAS 39, effect of fair value accounting of minority put option liability 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 at 30 September 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 in accordance with IAS16 “Property, Plant and Equipment” was applied for acquisitions prior to 1 January 2000, derivative financial instruments and minority put option liability, which have been reflected at their fair values.

Reclassifications made to 30 June 2008, 30 September 2008 and 30 June 2009 financial tables

Certain reclassifications have been made on the condensed consolidated income statements as at 30 June 2008, 30 September 2008 and 30 June 2009. These reclassifications comprise the reclassification of TL 155.500, TL 265.665 and TL 278.781 respectively from the financial income to financial expenses regarding the accounting of unrealized foreign exchange gains and losses.

2.2 Changes in accounting policies

The acquisition of Sebit on 17 December 2007 had been accounted provisionally at 31 December 2007 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 application of IFRS 3, effects of the adjustment record in financial statements as at 30 September 2008 are summarized below:

	30 September 2008 (after the adoption of IFRS 3)	30 September 2008 (before the adoption IFRS 3)	Difference
Research and development expenses (-)	(7.591)	(7.860)	269

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements as of 30 September 2008 are consistent with those followed in the preparation of the financial statements of the prior year and for the year ended 31 December 2008, except for the adoption of new standards and IFRIC interpretations.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

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:

New standards and changes that do not have an effect on the financial position or the performance of the Group are summarized below:

IFRS 2 "Share Based Payment" (revised) – Vesting Conditions and Cancellations

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”

IAS 10 “Events after the Reporting Period”

IAS 16 “Property, Plant and Equipment”

IAS 18 “Revenue”

IAS 19 “Employee Termination Benefits”

IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance”

IAS 23 "Borrowing Costs" (revised)

IAS 27 "Consolidated and Separate Financial Statements" (revised)

IAS 28 “Investment in associates”

IAS 29 “Financial Reporting in Hyperinflationary Economies”

IAS 31 “Interest in Joint Ventures”

IAS 32 "Financial Instruments: Presentation" and IAS 1 “Presentation of Financial Statements” “Putable Financial Instruments” (revised)

IAS 36 “Impairment of Assets”

IAS 38 “Intangible Assets”

IAS 39 “Financial Instruments: Recognition and Measurement”

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

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

IAS 40 “Investment Property”

IAS 41 “Agriculture” (revised)

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 “Financial Instruments: Recognition and Measurement”

IFRIC 15 – “Agreements for the Construction of Real Estate”

IFRIC 16 – “Hedges of a Net Investment in a Foreign Operation”

New standards and interpretations that have impact on the financial position and the performance of the Group are summarized below:

IFRS 7 “Financial Instruments” (revised)

Additional explanations about measurement of realisable value and liquidity risk will be disclosed in the annual financial statements.

IFRS 8, "Operating Segments"

The Group has disclosed the information regarding operating segments in accordance with IFRS 8 for annual periods beginning on 1 January 2009.

IAS 1 “Presentation of Financial Statements” (*revised*)

Group has disclosed the revised IAS 1 by using two different statements in accordance with the compulsory reporting format of CMB.

IAS 34 “Interim Financial Reporting”:

Group has disclosed the earnings per share note in notes of consolidated financial statements.

IFRIC 13, “Customer Loyalty Programmes”

Avea is giving free prepaid minutes to subscribers according to their past consumption values. Group takes into consideration these free minutes in deferred income. There is not any other policy related with IFRIC 13 “Customer Loyalty Programmes”. Change in this interpretation does not have any effect on Group’s financial position and performance.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

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

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

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.

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.

Standards that are published as of the approval date of the financial statements but not yet effective and not early adopted by the Group before 1 January, 2010, and interpretations and amendments to published standards

Changes in IAS 39 are published in July 2008 and effective at starting date of 1 July 2009. Changes according to IAS 32, IAS 1 and IFRS 3 and changes of IAS 39 made in May 2008 also includes all changes. The Group is currently assessing the effect of the interpretation on the consolidated financial statements.

Changes in IFRS 1 are published in November 2008 and effective at starting date of 1 July 2009. Untill 3 July 2008, changes in IAS and IFRS includes changes in IAS 1.

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.

2. Basis of preparation financial statements (continued)

2.2 Changes in accounting policies (continued)

Improvements to IFRSs

In April 2009, International Accounting Standards Board made 15 changes in 12 standards. Changed standards are summarized below:

- IFRS 2: Scope of IFRS 2 and IFRS 3
- IFRS 5: Disclosure of assets held for sale and discontinued operations
- IFRS 8: Disclosure of segmental assets
- IAS 1: Classification of convertible instruments as current or non current
- IAS 7: Classification of expenses related to non accounted assets
- IAS 17: Classification of rentals of lands and buildings
- IAS 18: Determination of the treatment of the Company Principal or Agent
- IAS 36: Accounting unit in testing impairment of goodwill
- IAS 38: Additional changes in revised IFRS 3
- IAS 38: Fair value determination of intangible assets acquired business combinations
- IAS 39: Assumption of prepaid penalties related to bank loans as embedded derivative instruments
- IAS 39: Exception in scope of business combination agreements
- IAS 39: Cash flow hedge accounting
- IFRIC 9: Scope of IFRIC 9 and IFRS 3
- IFRIC 16: Revision related restrictions to company with hedge accounting instrument

2.3 Basis of consolidation

As of September 30, 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 chart of accounts as the Company.

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

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated.
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2. Basis of preparation financial statements (continued)

2.3 Basis of consolidation (continued)

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 at 30 September 2009, the minority interest in TTNet, 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) signed an "Amendment Agreement" to the "Shareholder Agreement" and the "IPO and Put Option Agreement" originally dated February 15, 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.

4. Earnings per share

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

	For the nine month period ended 30 September 2009	For the nine month period ended 30 September 2008
Weighted average number of shares outstanding during the period (in number)	**350.000.000.000**	350.000.000.000
Net profit for the period attributable to equity holders of parent	**1.368.722**	1.679.903
Earnings per share (in full kuruş)	**0,3911**	0,4800

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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- 30 September 2009	1 January- 30 September 2008	**1 January- 30 September 2009**	1 January- 30 September 2008	**1 January- 30 September 2009**	1 January- 30 September 2008	**1 January- 30 September 2009**	1 January- 30 September 2008
Revenue								
Domestic PSTN	**3.519.983**	3.960.600	**-**	-	**-**	-	**3.519.983**	3.960.600
ADSL	**1.564.808**	1.223.372	**-**	-	**-**	-	**1.564.808**	1.223.372
GSM	**-**	-	**1.849.948**	1.589.330	**-**	-	**1.849.948**	1.589.330
Data service revenue	**220.270**	169.397	**-**	-	**-**	-	**220.270**	169.397
International interconnection revenue	**148.433**	159.663	**-**	-	**-**	-	**148.433**	159.663
Domestic interconnection revenue	**173.017**	130.566	**-**	-	**-**	-	**173.017**	130.566
Leased lines	**424.532**	419.581	**-**	-	**-**	-	**424.532**	419.581
Rental income from GSM operators	**88.959**	88.607	**-**	-	**-**	-	**88.959**	88.607
Other	**58.637**	24.069	**-**	-	**-**	-	**58.637**	24.069
Discounts / returns	**(2.859)**	(1.222)	**-**	-	**-**	-	**(2.859)**	(1.222)
IFRIC12 revenue	**3.488**	6.536	**-**	-	**-**	-	**3.488**	6.536
Eliminations	**-**	-	**-**	-	**(231.671)**	(178.397)	**(231.671)**	(178.397)
	6.199.268	6.181.169	**1.849.948**	1.589.330	**(231.671)**	(178.397)	**7.817.545**	**7.592.102**
Cost of sales selling and marketing expenses and general administrative expenses and research and development expenses (excluding depreciation and amortization)	**(3.201.174)**	**(3.266.376)**	**(1.789.240)**	(1.224.344)	**232.176**	177.582	**(4.758.238)**	(4.313.138)
Depreciation and amortization	**(775.538)**	(849.892)	**(424.457)**	(370.528)	**-**	-	**(1.199.995)**	(1.220.420)
Other operating income/(expense), net	**193.482**	132.241	**5.818**	1.062	**(1.362)**	(474)	**197.938**	132.829
Operating profit / (loss)	**2.416.038**	2.197.142	**(357.931)**	(4.480)	**(857)**	(1.289)	**2.057.250**	2.191.373
Capital expenditure	**852.734**	698.122	**896.959**	271.650	**-**	-	**1.749.693**	969.772

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5. Segment reporting (continued)

	Fixed line		GSM		Eliminations		Consolidated	
	1 July-30 September 2009	1 July-30 September 2008	**1 July-30 September 2009**	1 July-30 September 2008	**1 July-30 September 2009**	1 July-30 September 2008	**1 July-30 September 2009**	1 July-30 September 2008
Revenue								
Domestic PSTN	**1.124.113**	1.347.288	**-**	-	**-**	-	**1.124.113**	1.347.288
ADSL	**543.744**	432.860	**-**	-	**-**	-	**543.744**	432.860
GSM	**-**	-	**692.828**	572.421	**-**	-	**692.828**	572.421
Data service revenue	**76.277**	60.494	**-**	-	**-**	-	**76.277**	60.494
International interconnection revenue	**44.202**	49.242	**-**	-	**-**	-	**44.202**	49.242
Domestic interconnection revenue	**67.868**	48.902	**-**	-	**-**	-	**67.868**	48.902
Leased lines	**152.025**	131.208	**-**	-	**-**	-	**152.025**	131.208
Rental income from GSM operators	**31.208**	26.497	**-**	-	**-**	-	**31.208**	26.497
Other	**19.896**	5.461	**-**	-	**-**	-	**19.896**	5.461
Discounts / returns	**(2.600)**	(1.106)	**-**	-	**-**	-	**(2.600)**	(1.106)
IFRIC12 Revenue	**69**	-	**-**	-	**-**	-	**69**	-
Eliminations	**-**	-	**-**	-	**(81.448)**	(58.593)	**(81.448)**	(58.593)
	2.056.802	2.100.846	**692.828**	572.421	**(81.448)**	(58.593)	**2.668.182**	2.614.674
Cost of sales selling and marketing expenses and general administrative expenses and research and development expenses (excluding depreciation and amortization)	**(1.020.903)**	(1.045.369)	**(684.164)**	(431.303)	**82.941**	55.753	**(1.622.126)**	(1.420.919)
Depreciation and amortization	**(188.262)**	(266.448)	**(147.280)**	(122.289)	**-**	-	**(335.542)**	(388.737)
Other operating income/(expense), net	**72.226**	34.391	**2.448**	1.260	**(740)**	587	**73.934**	36.238
Operating profit / (loss)	**919.863**	823.420	**(136.168)**	20.089	**753**	(2.253)	**784.448**	841.256
Capital expenditure	**354.474**	293.652	**237.015**	158.573	**-**	**-**	**591.489**	452.225

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5. Segment reporting (continued)

30 September 2009	Fixed line	GSM	Eliminations	Total
Total segment assets	**10.714.509**	**4.890.057**	**(2.370.198)**	**13.234.368**
Total segment liabilities	**(6.273.530)**	**(4.312.420)**	**2.351.941**(*)	**(8.234.009)**

31 December 2008	Fixed line	GSM	Eliminations	Total
Total segment assets	8.362.608	4.433.345	(136.507)	12.659.446
Total segment liabilities	(3.748.375)	(3.345.812)	(451.652)(*)	(7.545.839)

(*) Includes minority put option liability amounting to TL 553.729 (31 December 2008 – TL 586.439).

6. Cash and cash equivalents

	30 September 2009	31 December 2008
Cash on hand	**1.629**	1.305
Cash at banks – Demand deposits	**260.239**	246.452
Cash at banks – Time deposits	**590.696**	793.776
Other	**3.441**	449
	856.005	1.041.982

Time deposits of the Group as at 30 September 2009 are all short-term, maturing within one month and denominated in both foreign currencies and TL. The effective interest rates are between 4,75% - 23,50% for TL deposits and 0,05% - 8,00% for USD deposits, 0,46% - 7,50% for Euro deposits. (31 December 2008 -12,50% - 23,00% for TL 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 September 30, 2009, TL 191.691 (31 December 2008 - TL 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 September 30, 2009, a demand deposit amounting to TL 214.740 (31 December 2008 – TL 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. In addition, TL 3.380 of demand deposits (31 December 2008 – TL 3.722) arising from collections through automated teller machine (“ATM”) is not available for use at September 30, 2009.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated.
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6. Cash and cash equivalents (continued)

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

	1 January – 30 September 2009	1 January – 30 September 2008
Cash and cash equivalents	**856.005**	1.108.562
- TAFICS projects	**(191.691)**	(249.011)
- Collection protocols	**(214.740)**	(187.236)
- ATM collection	**(3.380)**	(4.200)
- Other	**(7.184)**	(7.818)
	439.010	660.297

Within the context of the Bank Account Pledge Agreement signed by Avea, 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. In addition, Avea provided an account pledge over all of its bank accounts amounting to TL 376.109 at September 30, 2009 (31 December 2008 - TL 550.480) in favor of Security Trustee (Note 8).

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 and 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 September 30, 2009 and December 31, 2008 between the Group and other related parties are disclosed below:

	30 September 2009	31 December 2008
Trade receivables due from other related parties (trade receivables, short term)		
State controlled entities	**120.798**	84.747
Cell-C Ltd. (1)	**-**	96
PTT	**3.594**	4.303
OTMSC	**70**	-
Other	**5.076**	3.798
	129.538	92.944

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7. Related party balances and transactions (continued)

	30 September 2009	31 December 2008
Trade payables due to related parties (trade payables , short term)		
State controlled entities	**6.794**	14.288
Oger Telekom Yönetim Hizmetleri Limited Şirketi (OTYH) (2)	**443**	4.457
PTT	**1.210**	1.973
Other	**36**	799
	8.483	21.517

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

Other payables to shareholders (other payables, long term)		
State controlled entities	**325**	336
	325	336

Transactions with shareholders

Dividend payment to the Treasury and OTAŞ during the period ended September 30, 2009 corresponding to the previous fiscal year amounted to TL 447.047 (30 September 2008 – TL 1.234.622) and TL 819.586 (30 September 2008 – TL 1.508.983) respectively.

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 September 30, 2009, TL 266.582 (31 September 2008 – 220.334) Treasury Share has been expensed by Avea. Furthermore, accrued Treasury Share is amounting to TL 37.492 (31 December 2008-29.238 TL) (Not 11).

Transactions with other related parties

Postage services rendered by PTT to the Group in the period ended September 30, 2009 amounted to TL 88.142 (30 September 2008 - TL 93.901) while commission for collection of invoices and other services amounted to TL 22.956 (30 September 2008 - TL 26.380).

After the foundation of the Company, an agreement was signed between the Company and 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 pays TL 35.000 per year for ten years. The parties will renegotiate the term of the agreement at the end of ten years. The transaction between 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 EUR 8.000 to support financing of CETEL.

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7. Related party balances and transactions (continued)

Compensation of key management personnel

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

	30 September 2009	30 September 2008
Short-term benefits	**23.889**	18.434
Long-term defined benefit plans	**533**	466
	24.422	18.900

Furthermore, OTMSC charged to the Company a management fee for an amount of TL 9.665 for the period ended September 30, 2009 (September 30, 2008 – TL 18.324), 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.

8. Borrowings

Bank borrowings

Bank borrowings used by the Group during the period ended September 30, 2009 amounts to TL 11.510.768 (September 30, 2008- TL 4.675.444).

The total repayment of bank borrowings during the period ended September 30, 2009 amounts to TL 10.500.210 (September 30, 2008- TL 3.613.772).

The following borrowings as of September 30, 2009 and December 31, 2008 are secured by a security package:

	30 September 2009			31 December 2008		
	USD	**EURO**	**TL equivalent**	USD	EURO	TL equivalent
Borrowings secured by security package	**701.490**	**37.227**	**1.120.032**	1.451.856	76.440	2.359.285

Before the merge of the Company's former subsidiary of Aycell Haberleşme ve Pazarlama Hizmetleri A.Ş. ("Aycell") with Aria İletişim Hizmetleri A.Ş. ("Aria", former subsidiary of İş-TIM Telekomünikasyon Hizmetleri A.Ş.), Aria was granted financing from its network suppliers in 2001 for the acquisition of its property and equipment secured with a security package created in favor of the Security Agent acting on behalf of the Senior Secured Creditors of Avea. In 2004, subsequent to merger of Aria and Aycell, the security package was revised.

8. Borrowings (continued)

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 TL 1.000.000 (equivalent to USD 674.764 as at September 30, 2009). At September 30, 2009, the total Senior Secured Financial Indebtedness of Avea amounts to approximately TL 1.120.032 (December 31, 2008 - TL 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 (December 31, 2008 - TL 550.480; December 31, 2007- TL 292.401) (Note 6).

- 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 favor 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.

In accordance with Amendment Agreement signed between Avea and the lenders on June 25, 2009, undertaking and the financial covenants (ratios) mentioned below was abolished as effective from June 30, 2009 upon Avea has paid USD 621.296 and EUR 32.972 as early payment as of 30 September 2009. Such early payment has been financed by shareholder loan obtained from Türk Telekom. Covenants of Avea are abolished and replaced with the covenants Türk Telekom level.

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

1. Financial covenants (ratios):

    a) Based on the consolidated financial statements, Debt Service Coverage Ratio should be minimum 5. (The ratio is calculated by dividing income before interest, tax, depreciation, and amortization,(‘’Türk Telekom consolidated EBITDA) to the payment liabilities in the related period excluding the principal repayments.

    b) Türk Telekom consolidated net debt to Türk Telekom consolidated EBITDA Ratio should be at maximum 2,00.

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.

8. Borrowings (continued)

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 450.000. USD 434.547 has been used as of 30 September 2009

f) Türk Telekom provides support amounting to EURO 214.000 for financing of 3G licence fee. All support has been utilized as of 30 September 2009

g) Türk Telekom provides support amounting to USD 250.000 for financing acquisition of assets under Ericsson 2G and 3G contract.

USD 58.704 has been used as of 30 September 2009

9. Tangible and intangible assets

The amount of tangible and intangible assets purchased during the nine month period ended September 30, 2009 amounts to TL 1.749.693 (September 30, 2008 – TL 894.030).

The cost of tangible and intangible assets sold during the nine month period ended September 30, 2009 amounts to TL 68.085 (September 30, 2008 – TL 4.384).

As of September 30, 2009, Avea re-assessed the sales ability for base station equipment classified as assets held for sale according to IFRS 5 and accounted such amount as Property and Equipment with a carrying value of TL 1.730 after recognizing the depreciation charge amounting to TL 5.630 as at September 30, 2009.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated.
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10. Goodwill

On March 12, 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)
Net liabilities	**(105)**	**-**	**(105)**
Acquired net liabilities (99,50%)	-	-	(105)
Goodwill, 30 September 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 have been considered as provisional fair values for the purpose of purchase price allocation.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated.
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11. Other current liabilities

	30 September 2009	31 December 2008
Taxes and dues payable	**302.707**	247.035
Expense accrual	**242.974**	121.602
Advances received (3)	**208.694**	273.853
Accrual for capital expenditures (4)	**223.677**	26.993
Deferred revenue (2)	**104.347**	103.571
Accrual for Universal Service Fund (1)	**72.809**	94.133
Accrual for the Treasury Share	**37.492**	29.238
Social security premiums payable	**35.531**	22.105
Accrual for contribution to be paid to the Information and Communication Technology Authority	**37.310**	45.564
Other payables	**11.952**	4.896
Due to personnel	**13.982**	30.800
	1.291.475	999.790

1) According to the article numbered 5369 related with “International Service Found” published on June 16, 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 act 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 the unreceived invoices for the fixed asset purchases that have been received within the agreement.

12. Dividend and accumulated deficit

a) Prior period losses amount to TL 288.991 in December 31, 2008 financial statements prepared in accordance with CMB Accounting Standards. This amount does not represent an actual loss of the Company in previous years; but it is the consequence of the fact and former obligation that the Company used the financial statements prepared in accordance with Turkish Commercial Code (TCC) and Turkish Tax Code (TTC) for the profit distribution prior to the financial year of 2008, when the Company first-time adopted the profit distribution based on CMB financials. In other words, accumulated loss amounting to TL 288.991 resulted from the accounting differences of the financial statements prepared in accordance with TTC and TCC and CMB Standards Accounting.

The Company has reclassified accumulated deficit amounting to TL 288.991 to restricted reserves allocated from profit, in accordance with the General Assembly decision dated May 11, 2009.

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12. Dividend and accumulated deficit (continued)

b) For the interim period ending September 30, 2009, the Company has committed and paid the dividend payment in cash with respect to 2008 net distributable profit after the transfer of first and legal reserves amounting to TL 1.490.157 (Kurus 0,4258 per share).

For the interim period ending September 30, 2008, the Company had committed and paid the dividend payment with respect to 2007 profit as Kurus 0,7839 per share (total dividend TL 2.743.605).

13. Commitments and contingencies

Guarantees provided

Guarantees received and given by the Group are summarized below:

		30 September 2009		31 December 2008	
		Original amount	**TL**	Original amount	TL
Guarantees received	**USD**	**199.711**	**295.972**	149.479	226.057
	TL	**509.588**	**509.588**	484.991	484.991
	EURO	**13.765**	**29.737**	94.073	201.392
	Other	**79**	**187**	-	-
			835.484		912.440
Guarantees given (*)	**USD**	**151.959**	**225.203**	153.919	232.772
	TL	**14.857**	**14.857**	58.809	58.809
	EURO	**13.254**	**28.633**	6.589	14.107
	Other	**250**	**99**	-	-
			268.792		305.688

(*) USD 151.500 of the amount (December 31, 2008 - 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;

The Company offered an incentive plan for the personnel meeting the following criteria to increase operating efficiency of the company. This plan includes the payment of all legal employee termination benefits deserved, severance pay and an additional lump sum payment equivalent to 8-month salary:

1) For the In-scope personnel that are subject to Collective Bargaining Agreement or Out-of-Scope Personnel that are not subject to a transfer to a public entity;

    a. For the personnel eligible for pension as of 18 September 2009 and apply for retirement until 18 October 2009,

    b. For the personnel eligible for pension at a date before 31 December 2009 and apply for retirement at the latest one month after this date;

13. Commitments and contingencies (continued)

2) For the In-scope personnel that are subject to Collective Bargaining Agreement and having a past service of at least 5 years for the Company; but not eligible for pension; if they apply for *resignation* before 31 December 2009

As of 30 September 2009, the Company has reflected the effect of the personnel who applied to utilize from the incentive plan but not paid yet, in the financial statements.

Furthermore, the personnel having the right for a transfer to a Public Entity including the ones determined as redundant by the Company in terms of the regional organization structure; will be communicated to the State Personnel Presidency to be transferred;

1) Until 18 October 2009 if they were eligible for pension as of 18 September 2009,

2) Within one month after they qualify for retirement if they will be eligible for pension before 31 December 2009.

Legal proceedings of Türk Telekom

In the scope of the ongoing restructuring of the personnel organization of the Company in order to achieve the number of personnel identified the contracts of the employees who are entitled for pension and who are regarded as a surplus to the Company have been terminated based on the Board of Decision. Accordingly, certain part of terminated employees have filed re-employment lawsuits against the Company. Some of the courts were finalized against the Company while the remaining cases are still ongoing. Provision has been provided in the consolidated financial statements for the ongoing cases.

According to the Network Interconnection and Cooperation Agreement, dated April 24, 2008, between the Company and Turkcell İletişim Hizmetleri AŞ (“Turkcell”), the Company claimed a rental fee including the interest charge of the defaulted invoices on May 9, 2002, amounting to TL 30.067, for the monthly leased line services rendered between the period from July 1, 2000 to December 31, 2000. Turkcell has filed a lawsuit against the Company to seek the declatory action that there is no obligation regarding the interest of default, based on the preliminary temporary injunction decision number E.2002/317 D.İş., K.2002/44 taken by Ankara 7th Civil Court, dated May 30, 2002. The Court rejected the objection of Turkcell finally at the end of 2008 and the Company began to deduct the receivable amount declared by the Court from its current account payable balance to Turkcell.

13. Commitments and contingencies (continued)

Legal proceedings of Avea

The General Directorate for Protection of Consumers and Competition audited the GSM Operators at the end of 2008 on the base of Protection of the consumers' rights law numbered 4077. The audit has been concluded in 2009 and Avea incurred a total fine of TL 54.551 due to the audit results.

An application was made on 27.08.2009 to the Ministry of Industry and Trade stating that the relevant fine is illegal and it was demanded that a decision of annulment be taken. Upon the objection of Avea, the Ministry gave a decision on 31.08.2009 for a suspension of execution concerning the relevant administrative monetary penalty to re-decide the transaction to be conducted. Since the Ministry of Industry's decision for "suspension of execution" does not repel the execution of a fine, two lawsuits were filed on 11.09.2009 demanding stay of execution and annulment of the relevant transaction, respectively. With two letters delivered to Avea on 06.10.2009, it was notified that the administrative transaction for a total fine of TL 51.335 against Avea, issued by Istanbul Governorate Provincial Directorate of Industry and Trade, would be executed; yet annulment of the administrative transaction for a fine of TL 3.216 would be proper and be repelled and that it was decided that findings of the Ministry on the relevant issue would be communicated to the Information Technologies and Communication Authority. Since the Ministry of Industry has decided for execution of the administrative transaction relevant to a fine in the amount of TL 51.335, Avea lodged a lawsuit for stay of execution and annulment of the transaction.

Even though, there is a present obligation as a result of the inspection of The General Directorate for Protection of Consumers and Competition, Avea has the right of disaffirm the liability to the third parties which are the service providers of the Value Added Services (VAS). In addition to this, a cash outflow is not probable yet. Moreover, one of the other arguments of Avea is the inaccurate and illegal base and methodology of the calculation of the relevant fine.

Consequently, the Management of Avea reassessed the possibility of cash out flow regarding the fine considering the legal ground and concluded not to account a provision in the financial statements for the period ended at September 30, 2009.

In case of termination or dissolution of the GSM License Agreement, Avea, as it has been defined in the license agreement, must alienate all of the entire technical system and its properties and equipments to the ICTA or any other party which the ICTA determines, free of charge. In accordance with the decision of the ICTA in November 2005, there must be no collateral, pledge or sort of incumbrances on the assets of Avea that may hinder the probable transfer of the technical system and its property and equipments. Avea has commercial enterprise pledge on all movable fixed assets. In accordance with the stated decision of the ICTA, Avea has not give any further pledge on its fixed assets starting from the decision date.

13. Commitments and contingencies (continued)

Legal proceedings of Avea (continued)

Avea has objected to the decision of the ICTA and the case will be prosecuted by the Council of State. Council of State rejected the suspension of execution demand. In November 2006; Avea has objected to this decision (rejection of the suspension demand) and submitted its allegations against the ICTA's assertions. The ICTA submitted its final dissertations in January 2007 by repeating the same objections that have been stated in previous statements. Due to the decision of the Management, brief for waiver from the lawsuit was submitted on March 27, 2009 to be incorporated into the file. As Avea also waived its appellate application along with the lawsuit, Chamber of Administrative Lawsuits of the Council of State stated that there was no need for a verdict of decision on the issue since the file could not be examined. The decision was delivered to Avea on June 29, 2009.

Avea has initiated a new lawsuit for the incomplete collections of interconnection, SMS receivables amounting to TL 6.480 for the period between January 2006 and August 2006. However, the court declared that the appeal process of the previous case shall be taken as "prejudicial issue" and decided to wait for the Supreme Court of Appeal's decision before announcing its judgment on this case.

As a result of court case which had been decided as "prejudicial issue" and finalised in favor of Avea on November 13, 2008, the second interconnection SMS case is concluded in favor of Avea on November 25, 2008. Upon this decision, Turkcell paid to Avea TL 11.383 (including interest amounting TL 4.939) in April 2009.

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

14. Financial risk management objectives and policies

Foreign currency position:

	30 September 2009					31 December 2008				
	TL Equivalent	**US Dollar**	**Euro**	**GBP**	**Other**	TL Equivalent	US Dollar	Euro	GBP	Other
1. Trade receivables	127.065	44.919	28.003	-	-	147.121	79.370	12.654	-	-
2a. Monetary financial assets (Cash and banks accounts included)	210.844	133.165	6.242	4	-	388.775	224.559	22.962	8	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
3. Other	40.134	25.806	875	-	-	25.235	14.840	1.285	19	-
4. Current assets (1+2+3)	378.043	203.890	35.120	4	-	561.131	318.769	36.901	27	-
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
7. Other	707	85	232	-	179	380	250	-	1	-
8. Non-current assets (5+6+7)	707	85	232	-	179	380	250	-	1	-
9. Total assets (4+8)	378.750	203.975	35.352	4	179	561.511	319.019	36.901	28	-
10. Trade payables	44.114	12.266	11.975	20	11	181.480	79.829	27.374	967	40
11. Financial liabilities	345.010	220.295	8.578	-	-	549.523	347.360	11.309	-	-
12a. Monetary other liabilities	214.858	108.956	24.693	17	-	24.075	8.025	5.577	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	603.982	341.517	45.246	37	11	755.078	435.214	44.260	967	40
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	921.688	553.062	47.239	-	-	2.374.897	1.440.199	87.728	-	-
16 a. Monetary other liabilities	932	629	-	-	-	16	11	-	-	-
16 b. Non-monetary other liabilities	-	-	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	922.620	553.691	47.239	-	-	2.374.913	1.440.210	87.728	-	-
18. Total liabilities (13+17)	1.526.602	895.208	92.485	37	11	3.129.991	1.875.424	131.988	967	40
19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)	(101.689)	(68.616)	-	-	-	(208.722)	(138.016)	-	-	-
19a. Total asset amount hedged **	-	-	-	-	-	793	524	-	-	-
19b. Total liability amount hedged ***	101.689	68.616	-	-	-	209.515	138.540	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(1.249.541)	(759.849)	(57.133)	(33)	168	(2.777.202)	(1.694.421)	(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)	(1.188.693)	(717.124)	(58.240)	(33)	(11)	(2.594.095)	(1.571.495)	(96.372)	(959)	(40)

15. Other financial investments and other financial liabilities

Cash flow hedges

Interest rate swap

Avea has 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 in 2007 and 2008. As of 28 September 2009, Avea has entered into restructuring interest hedging transaction for the critical term match of the early payment as of 30 September 2009 which has replaced the current interest hedging transaction. As of 28 September 2009, Avea has entered into interest hedging transaction restructuring the First Hedging, Overlay 1 and Overlay 2 covering the period 31 March 2009 ve 30 September 2013. Nominal amounts have been decreased and interest rates have been restructured in order to match the nominal amounts as a result of the early payment amounting to USD 621.296 ve Euro 32.972. USD and EUR denominated principal balances of MTPF have been wholly covered by this new interest rate hedging transaction.

As of 30 September 2009, notional amount that will be due till 30 September 2013 amounts to USD 701.490 and EUR 37.227.Amendment and restructuring has been desginated as cash flow hedge transaction. Avea will pay fixed and receive floating interest for the periods between 31 March 2009 and 30 September 2013. As of 30 September 2009, fair value interest rate derivatives amount to TL 101.689 (31 December 2008 – TL 209.514). As of 30 September 2009, unrealized loss has been recognized under equity reserves.For the period ended 30 September 2009, realized loss amounting to TL 105.262 TL (31 December 2008 – TL 15.370) has been classified to condense consolidated income statements.

Option contracts

Avea has not designated option contracts that have been entered within 2009 as hedge transaction and recognized realized derivative loss amounting to TL 37.248 in the condense consolidated income statements.