

Türk Telekom

Investor Presentation

2019 Q4

Türk Telekom



Notice

The information contained herein has been prepared by Türk Telekomünikasyon A.Ş. (the Company) in connection with the operations of Türk Telekom Group companies. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice.

The Company relies on the information gathered from the reliable sources however does not guarantee completeness and accuracy of such information.

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except to the extent required by law, we assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information contained in this presentation may be required to be confirmed, completed and amended. Therefore, no declaration or commitment has been given or implied on the name of the Company or its shareholders, directors, employers or other third persons depending on the authenticity, completeness and accuracy of the information.

None of the Company nor any of its shareholders, directors or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. The PSTN services and wholesale broadband services are provided by Türk Telekomünikasyon A.Ş., the retail internet services are provided by TTNET A.Ş. and the mobile services – are provided by TT Mobil İletişim Hizmetleri A.Ş. Türk Telekom® brand used in this presentation is the joint brand of Turk Telekom Group companies. All group companies legal entities remain intact. There may be differences between the data provided in this presentation and ICTA's market reports. These discrepancies are due differences in basis of financial reporting (standalone vs. consolidated) and differences in ARPU calculation methodologies.

Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, amortization and impairment expenses, financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Türk Telekom Highlights



**Leading
COMPANY IN TURKEY**

Offering
**Integrated telecom
services**



Most valuable
**telco brand for
11 CONSECUTIVE
YEARS**



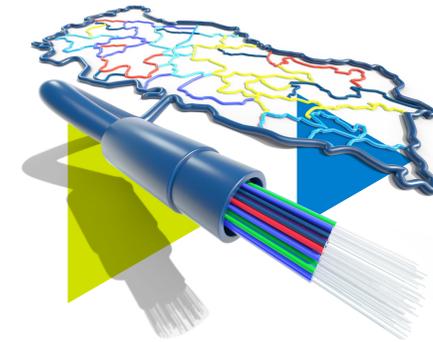
2nd player
in TV market



45%
**fiber connected
LTE Base Stations**



92%
LTE
Population Coverage



304K km
fiber network in
81 cities



21.9 mn
Fiber Homepass*

*Homepass includes FTTC & FTTH/B

Strategy

GROWTH

EFFICIENCY

CORE TELCO OPERATIONS

- ▶ Increase the access lines and strengthen the footprint at households
- ▶ Strengthen the preferred infrastructure provider position for fixed & mobile on wholesale operations
- ▶ Get fair market share in mobile
- ▶ Increase corporate service revenues by increasing the segment penetration

- ▶ Improvement in operational expenses with strict cost control
- ▶ Disciplined investment spending
- ▶ Organizational transformation
- ▶ Competitive customer experience

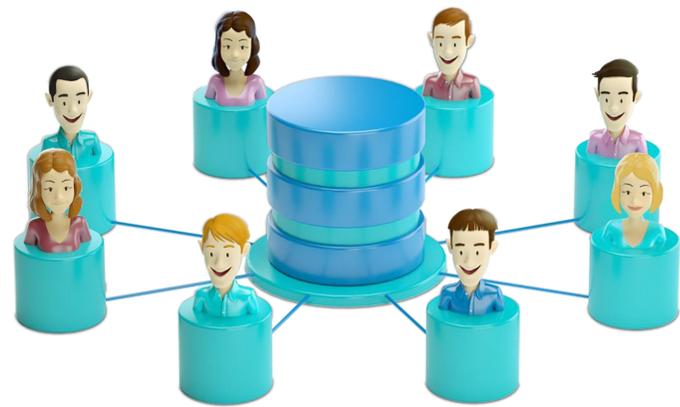
NON-CORE TELCO OPERATIONS

- ▶ Gaining share from new revenue areas for sustainable growth
- ▶ Create value from opportunistic ventures on top of core
- ▶ Create value via subsidiaries

- ▶ Convert business and internal processes with internal digitalization
- ▶ Transform technologically for getting prepared for 5G era

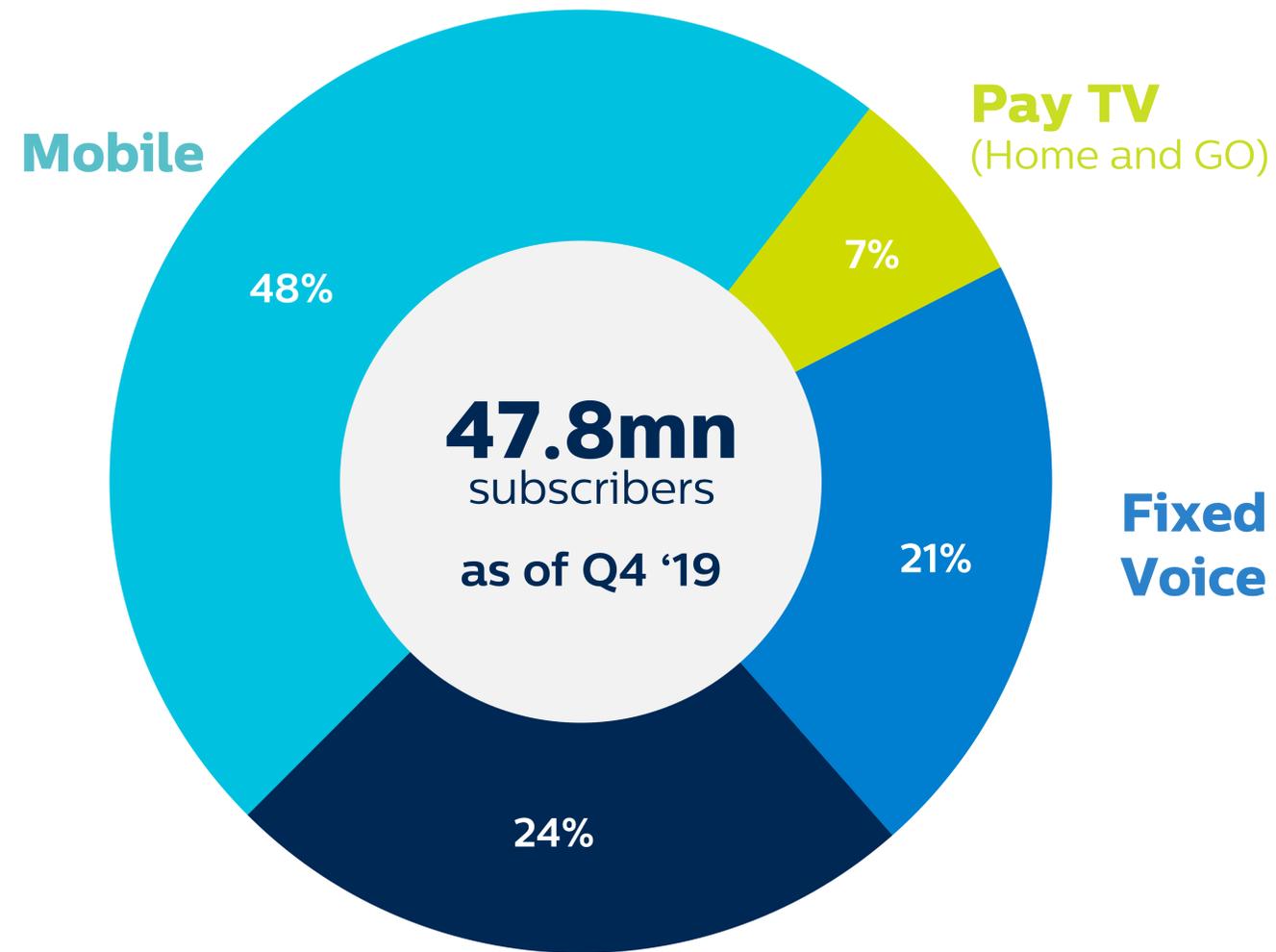
Strongest Position in Multiplay Offers

79% of customers consented for sharing of their info among our group companies



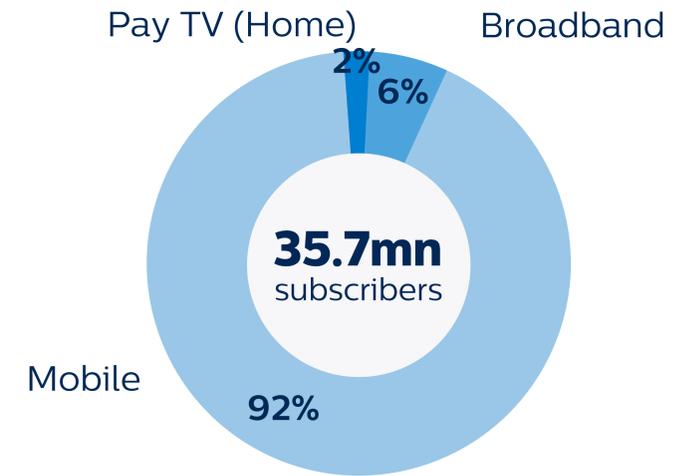
3.2ppt YoY increase in multi product ownership to **63%***

*Among constant customer sub-universe that provided consent last year

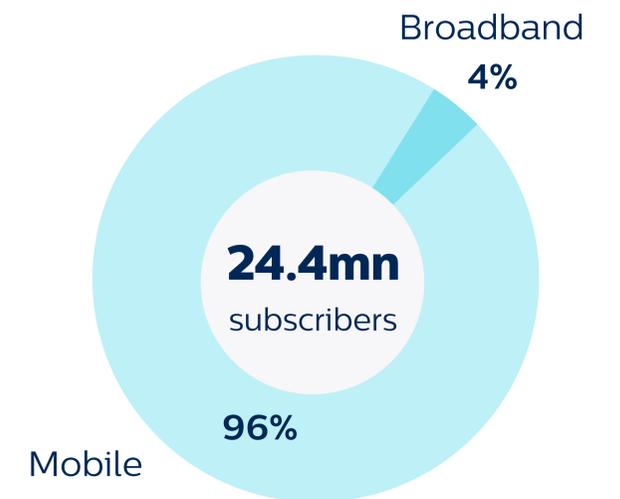


Broadband

Türk Telekom



Turkcell



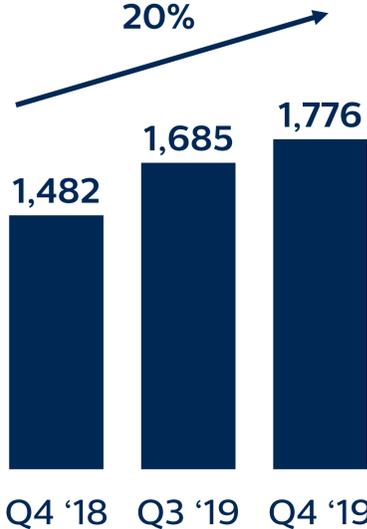
Vodafone

Turkcell and Vodafone data are from their own publications as of Q4'19.

Focused on High Growth Areas

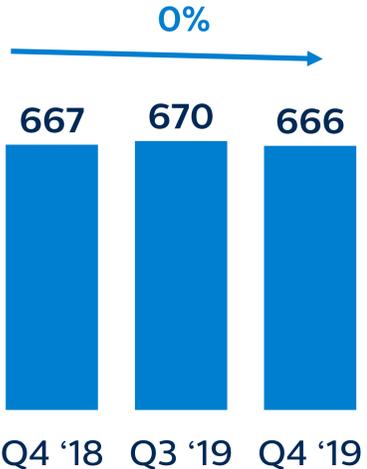
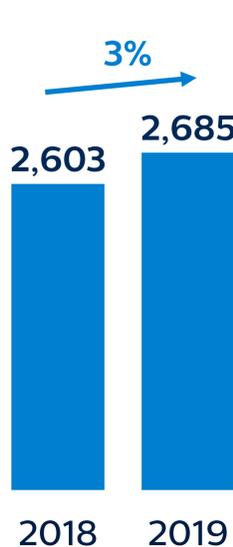
Fixed Broadband

(TL mn)



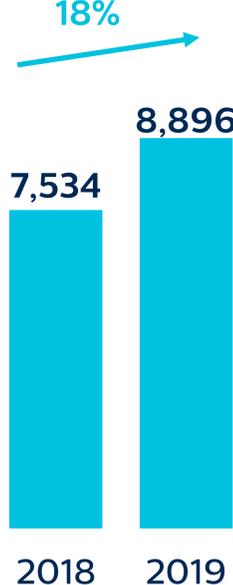
Fixed Voice

(TL mn)



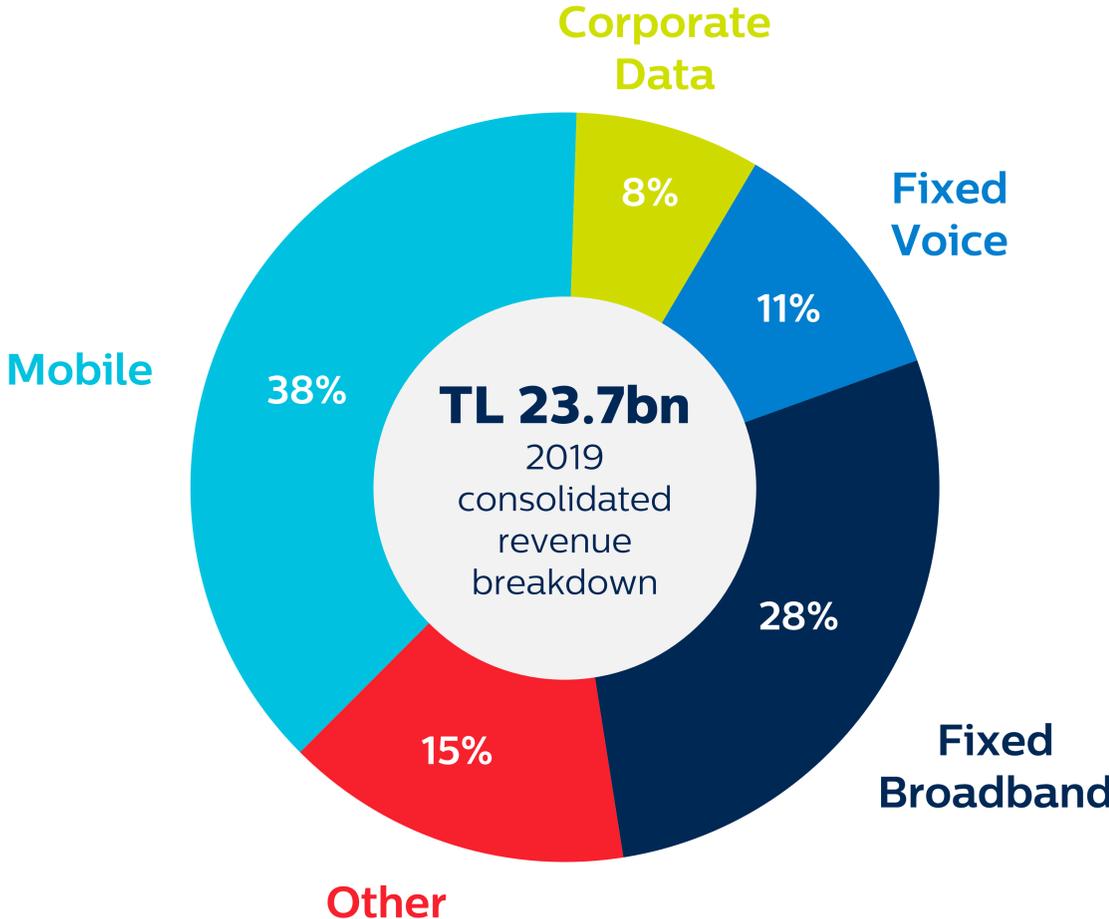
Mobile

(TL mn)



Corporate Data

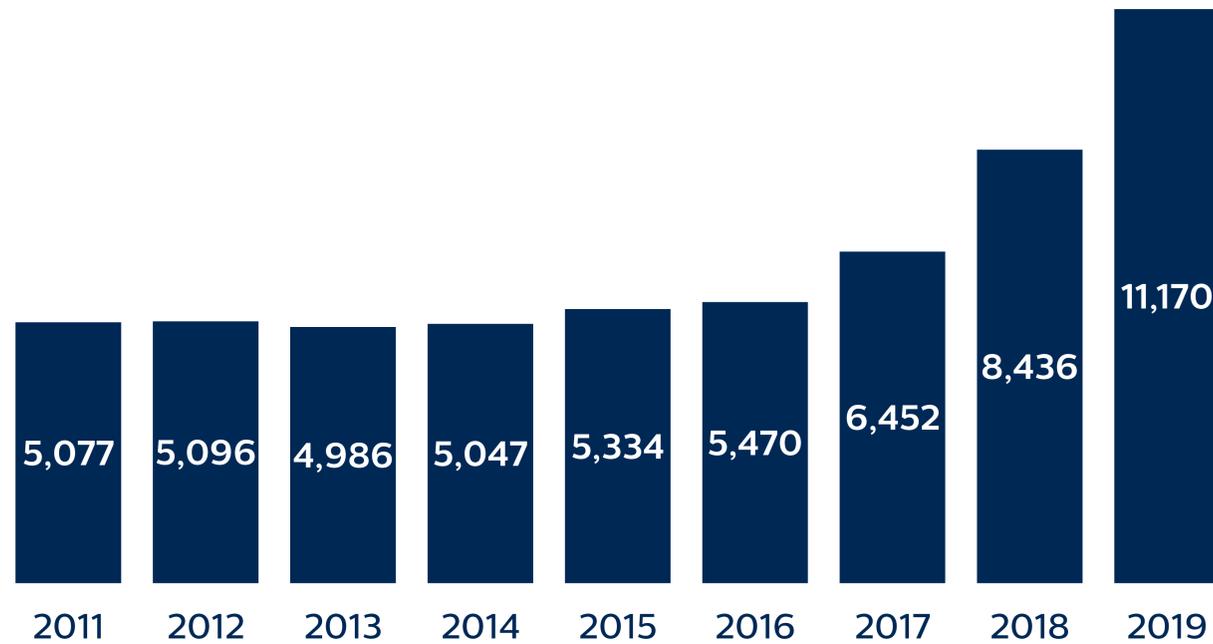
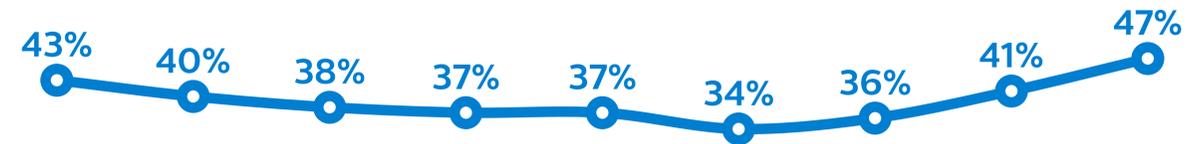
(TL mn)



Turnaround in EBITDA Margin

Consolidated

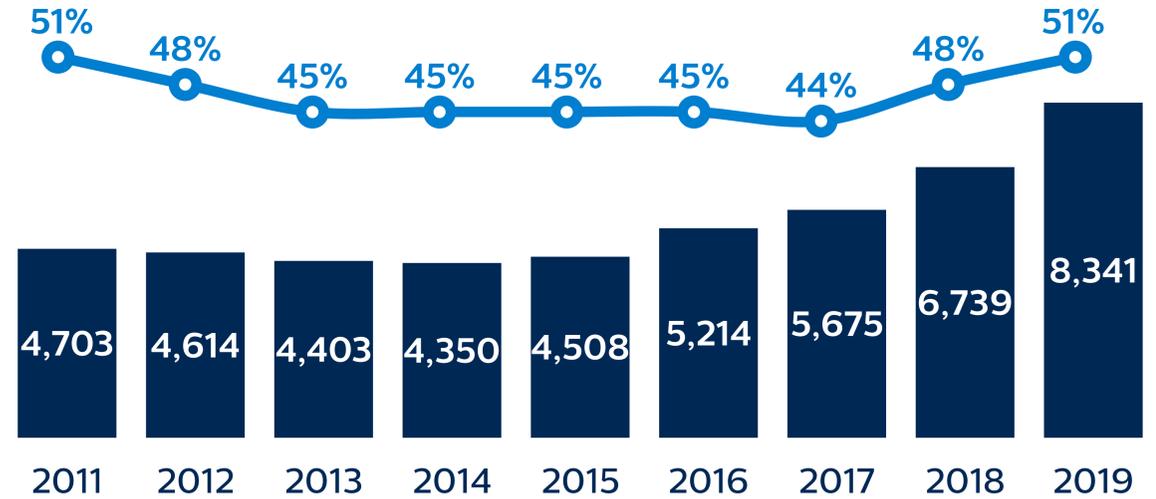
■ EBITDA (TL mn) ● EBITDA Margin



Türk Telekom adopted IFRS 15 and IFRS 16 accounting standards starting from 1 January 2018 and 1 January 2019, respectively. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

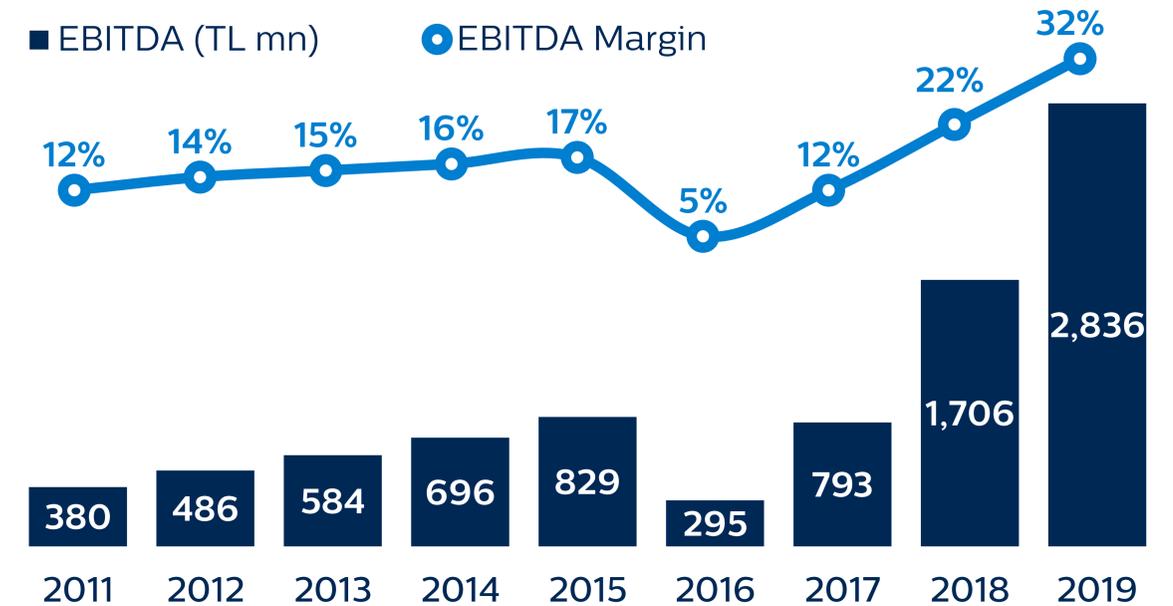
Fixed Segment

■ EBITDA (TL mn) ● EBITDA Margin



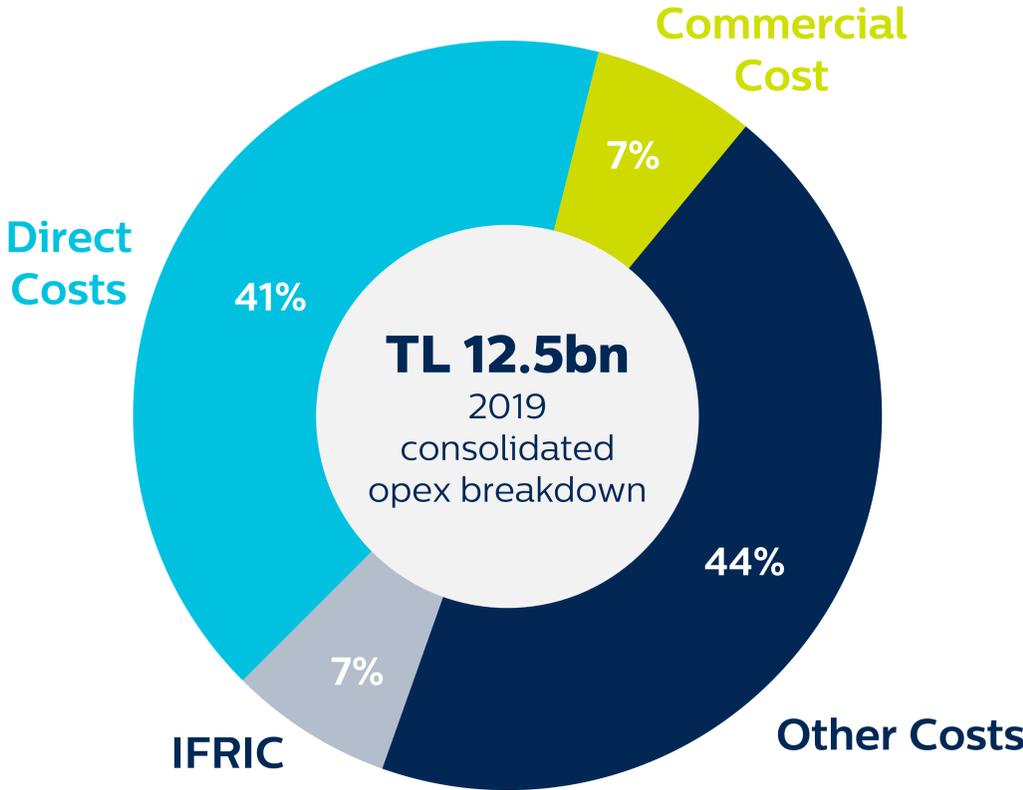
Mobile Segment

■ EBITDA (TL mn) ● EBITDA Margin

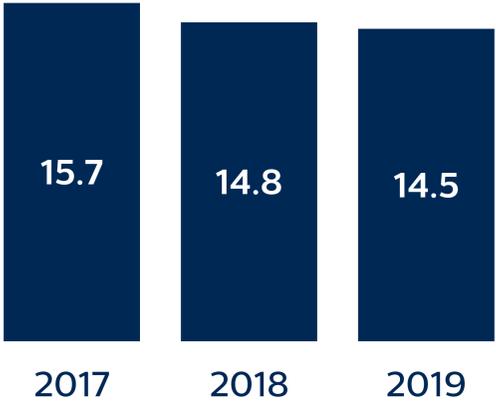


Includes TT Ödeme ve Elektronik Para Hizmetleri A.Ş.

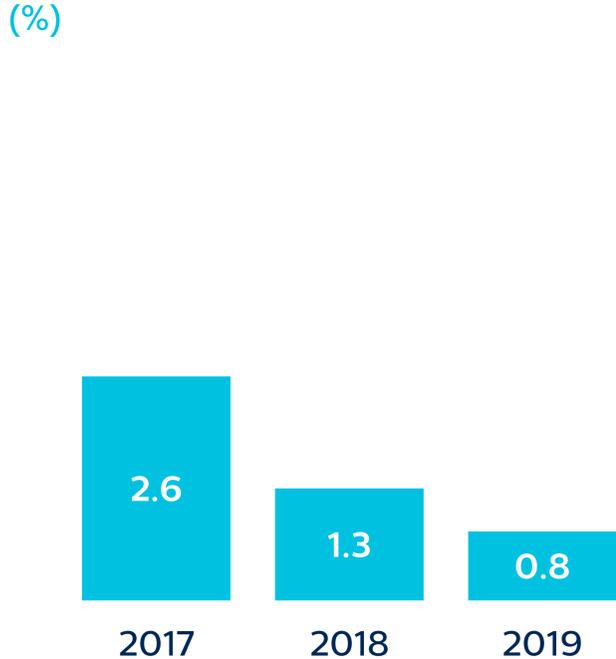
Focus on Efficiency



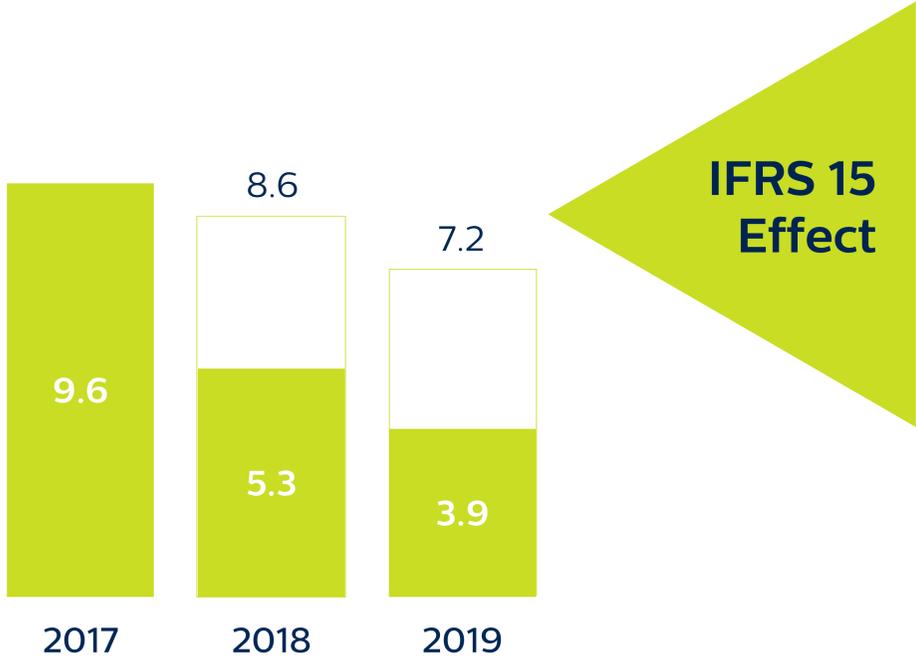
Personnel Expense to Sales (%)



Provision for Doubtful Receivables to Sales (%)



Commercial Cost to Sales (%)



Türk Telekom adopted IFRS 15 and IFRS 16 accounting standards starting from 1 January 2018 and 1 January 2019, respectively. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

Net Subscriber Additions

Broadband **39k** **458k**
Q4 '19 2019
exc. one-offs: 140K exc. one-offs: 559K



47.8mn
total
subscribers

Mobile **186k** **1.4mn**
Q4 '19 2019
exc. one-offs: 356K exc. one-offs: 1.9mn

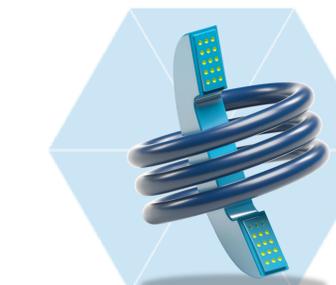


1.8mn
net additions*
in 2019

Fixed Voice **24k** **96k**
Q4 '19 2019
exc. one-offs: 53K exc. one-offs: 125K



2.4mn
net additions*
in 2019
exc. one-offs



*Includes Tivibu

Financial Performance

(TL mn)	2018	2019	Growth (YoY)	2018 Q4	2019 Q4	Growth (YoY)
Revenue	20,431	23,657	15.8%	5,398	6,284	16.4%
Revenue (exc. IFRIC12) ¹	19,660	22,634	15.1%	5,220	5,990	14.8%
EBITDA	8,436	11,170	32.4%	2,229	2,828	26.9%
EBITDA Margin	41.3%	47.2%		41.3%	45.0%	
Operating Profit	4,701	6,424	36.7%	1,244	1,600	28.6%
Net Income	(1,391)	2,407	n.m.	2,215	545	(75.4)%
CAPEX	4,087	4,940	20.9%	1,451	2,149	48.2%

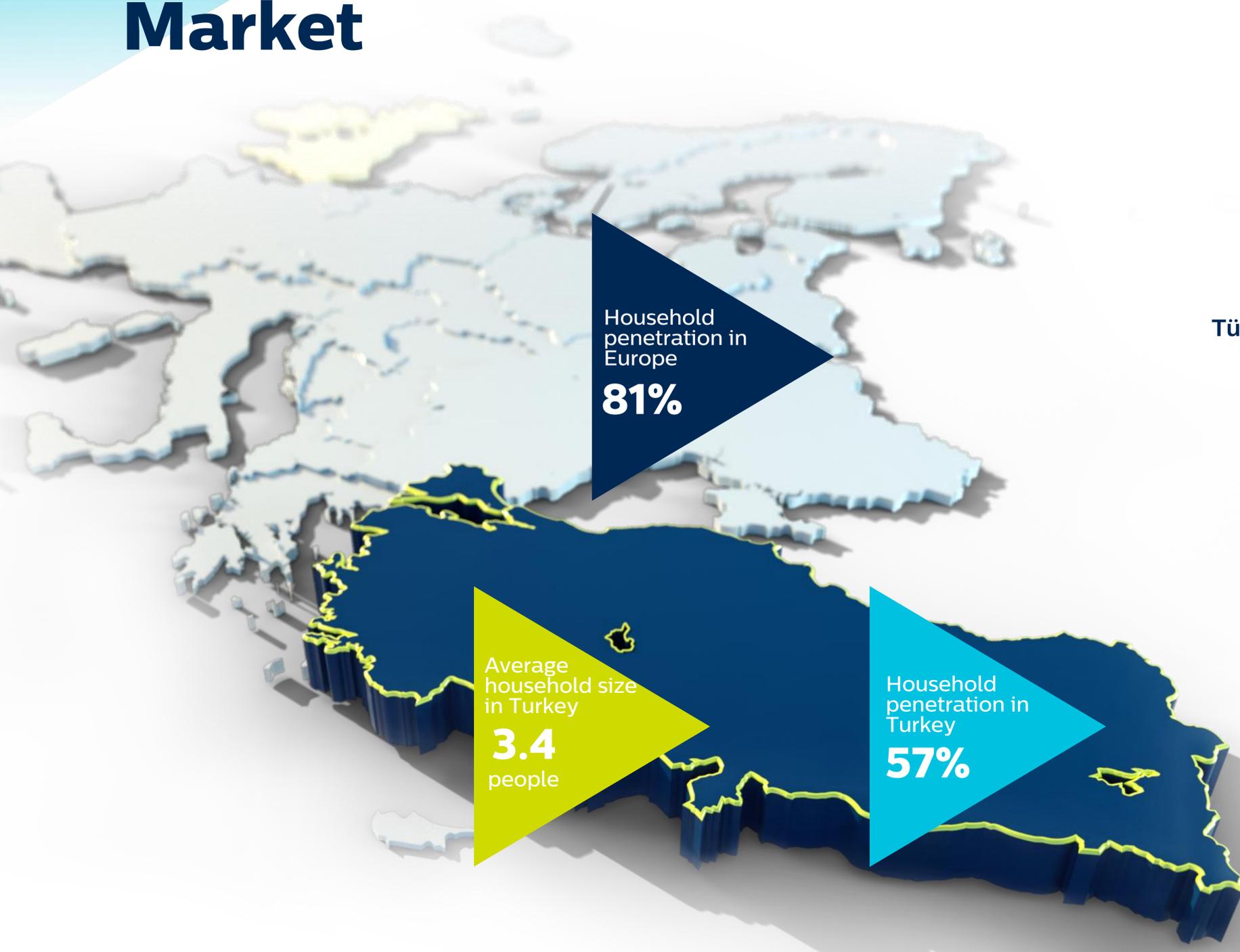
(1) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to fixed line infrastructure, such as the upgrade from copper to fiber based network

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

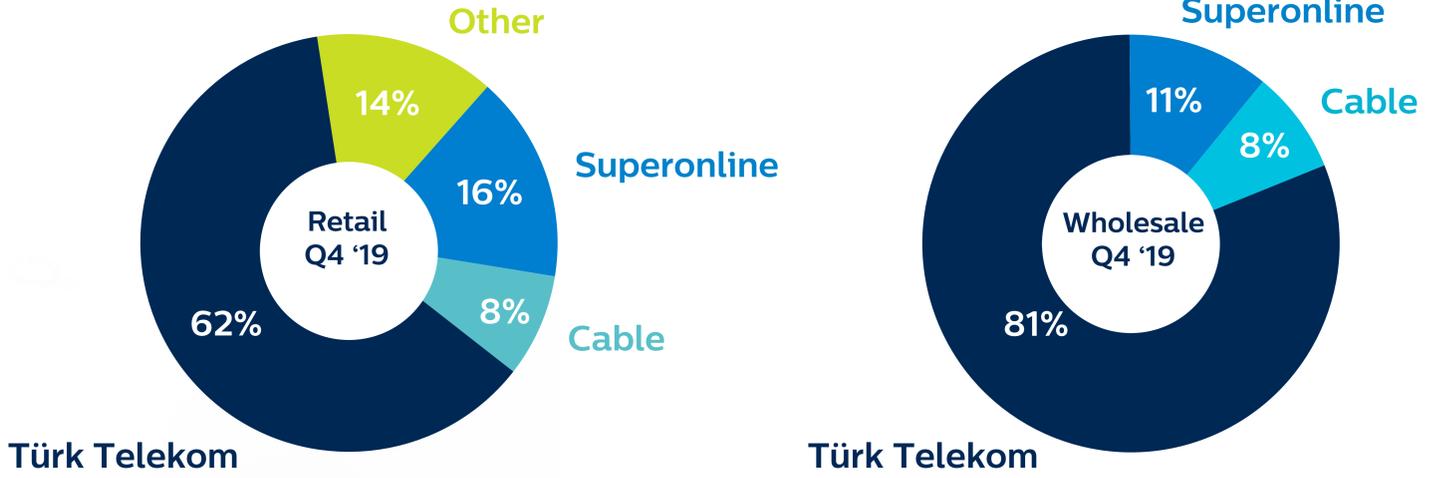


Business Lines

Fixed Broadband Market



Subscriber Market Share



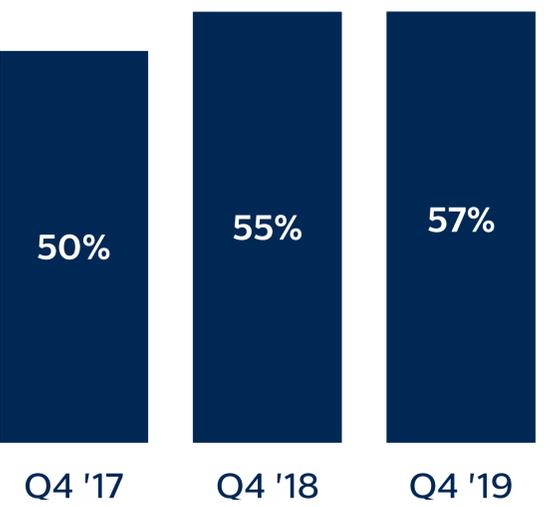
Source: Other operators' data are from ICTA

Subscribers & Avg. Monthly Data Usage



Source: ICTA

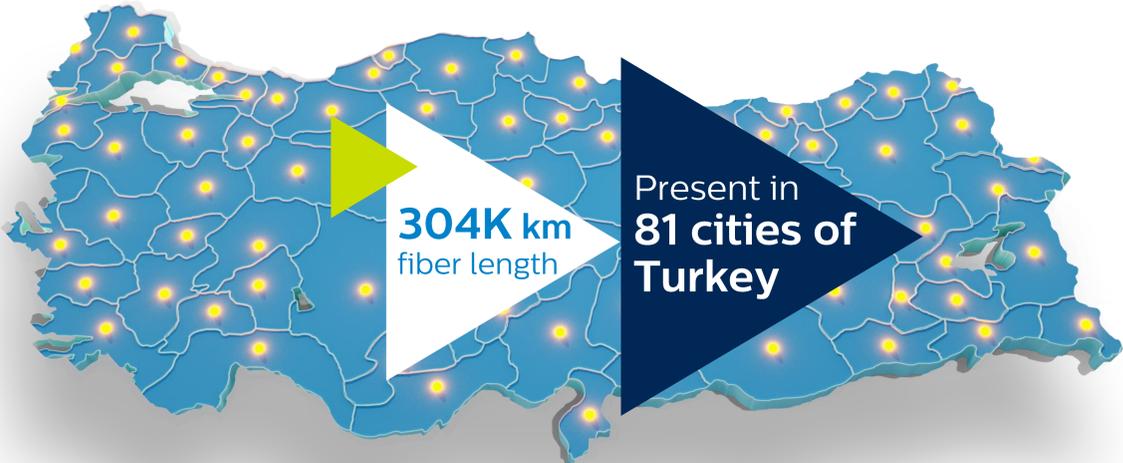
Household Penetration



Source: Analysys Mason, Q4'19 CEE&WE Telecom Matrix, TR data is from ICTA, Q4'19 Market Report
European countries include Austria, Denmark, Finland, Italy, Bulgaria, Estonia and Romania

Extensive Fiber Network

Türk Telekom Fiber Network



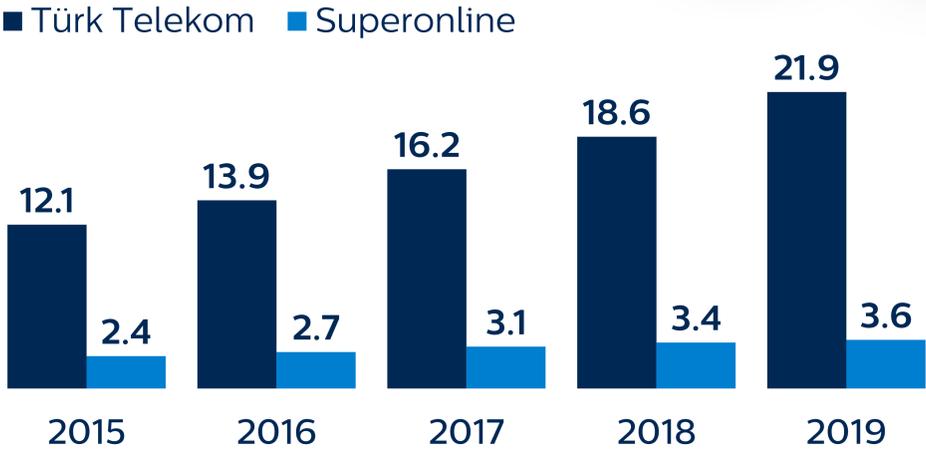
Superonline Fiber Network



- ▶ Presence in 21 cities of Turkey
- ▶ 45K km fiber length
- ▶ Wholesale customer of Türk Telekom

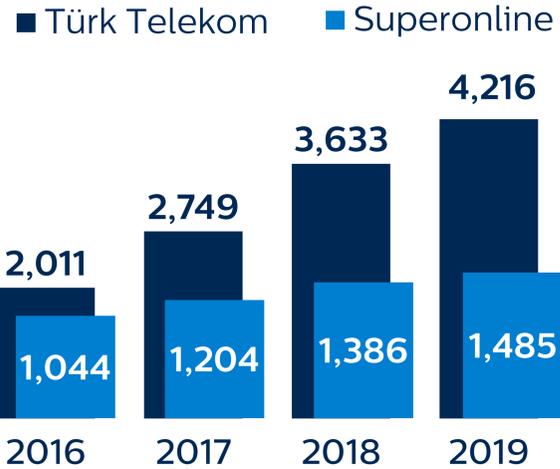
Based on Turkcell's own publications as of Q4'19

Fiber Homepass (mn)

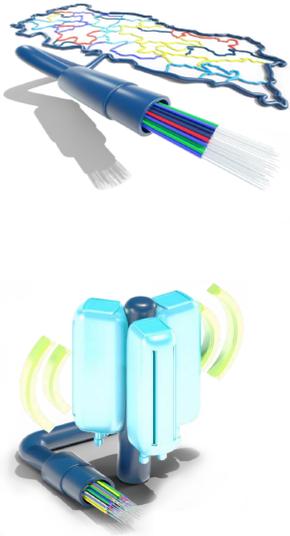


Fiber homepass includes FTTH/B & FTTC
21.9mn homepass consists 6.3mn FTTH/B and 15.6mn FTTC

Fiber Subscribers (thousands)



Fiber subscribers include FTTH/B & FTTC subscribers

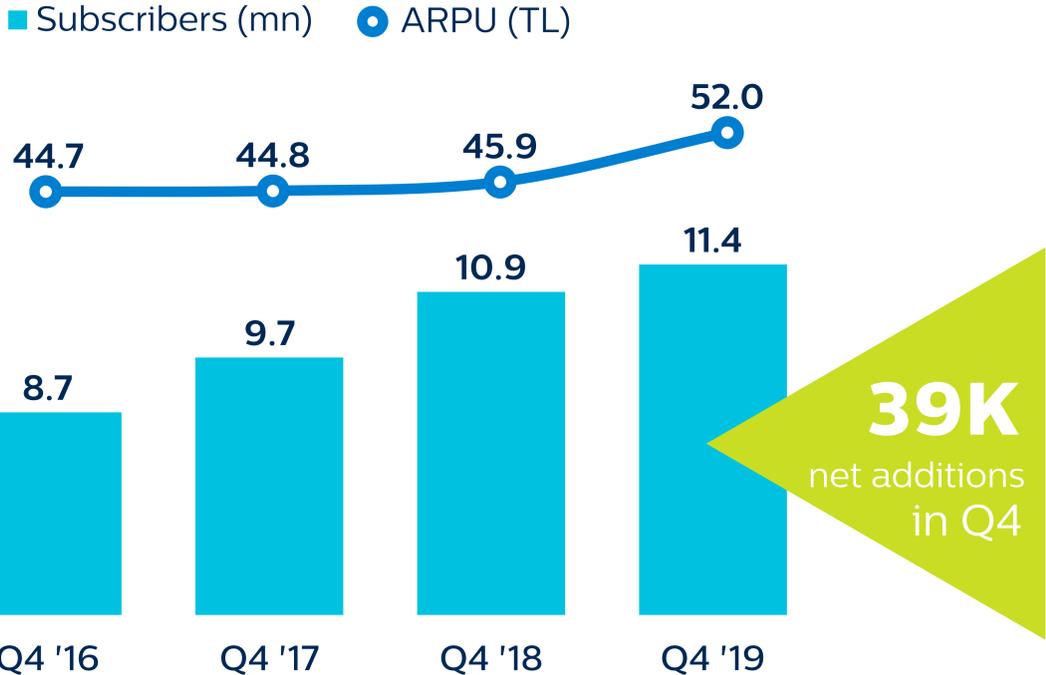


- ▶ Unrivalled fiber network
- ▶ Strong prospects for monetization
- ▶ Best placed to benefit from move towards higher connection speeds
- ▶ Well-equipped to support 5G/small-cell deployment

Fixed Broadband Performance

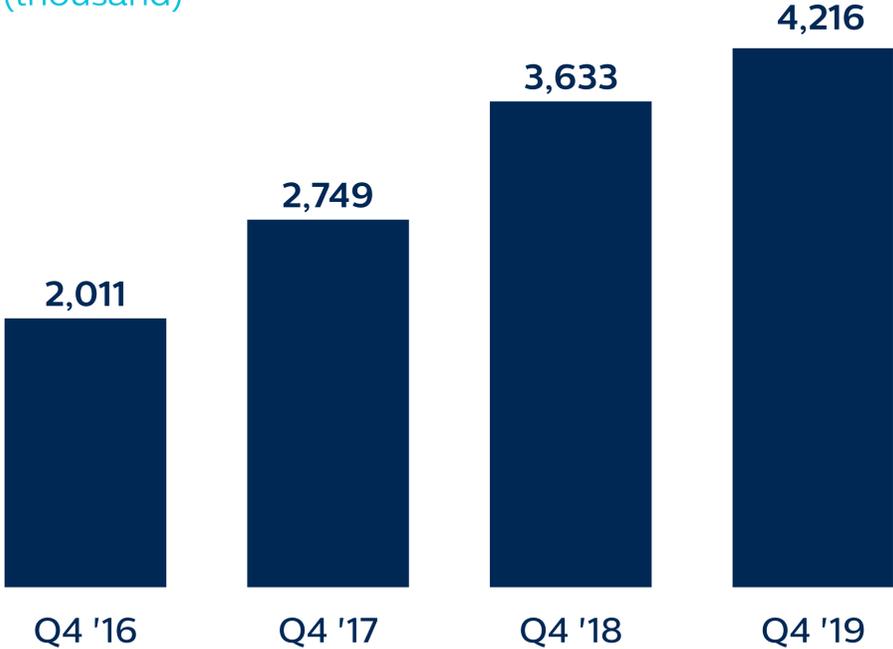


ARPU & Subscribers



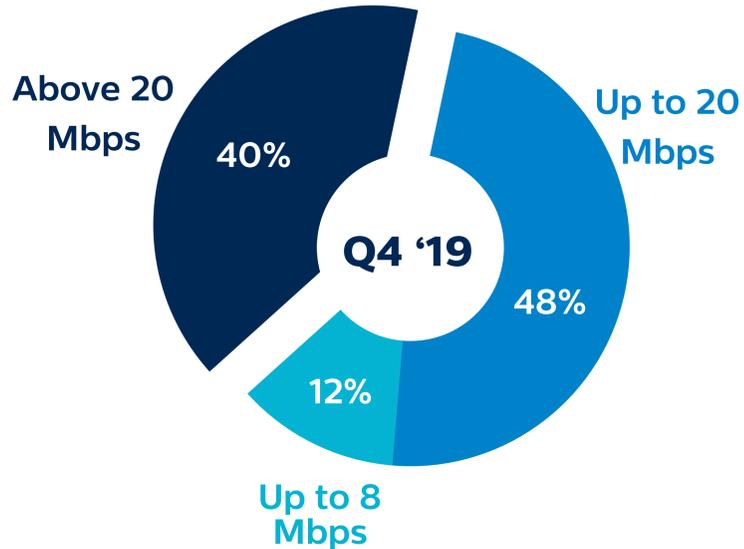
Fiber Subscribers

(thousand)



Speed Breakdown

(% of Subscribers)



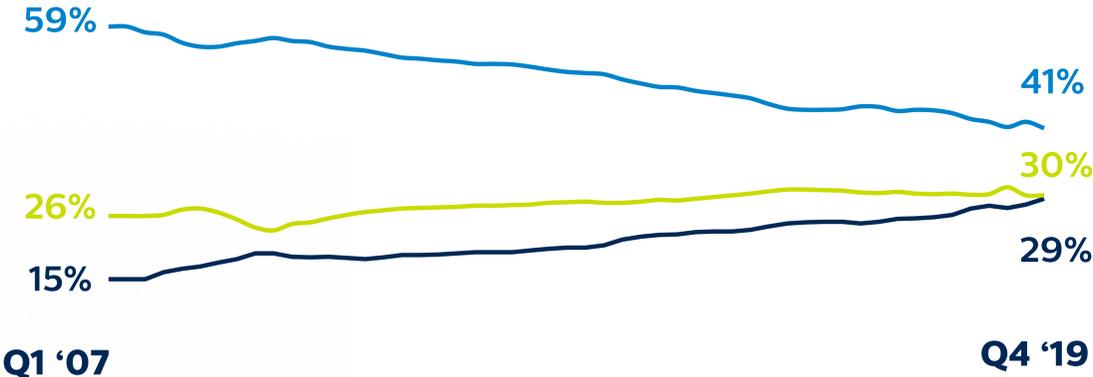
Excluding subscribers for penetration campaigns
All figures are based on Türk Telekom's retail subscribers

Mobile Market



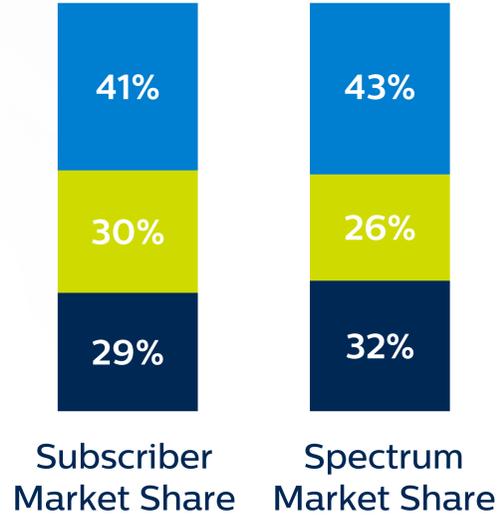
Subscriber Market Share

-Türk Telekom -Vodafone -Turkcell



Subscriber vs. Spectrum Market Share

■ Türk Telekom ■ Vodafone ■ Turkcell

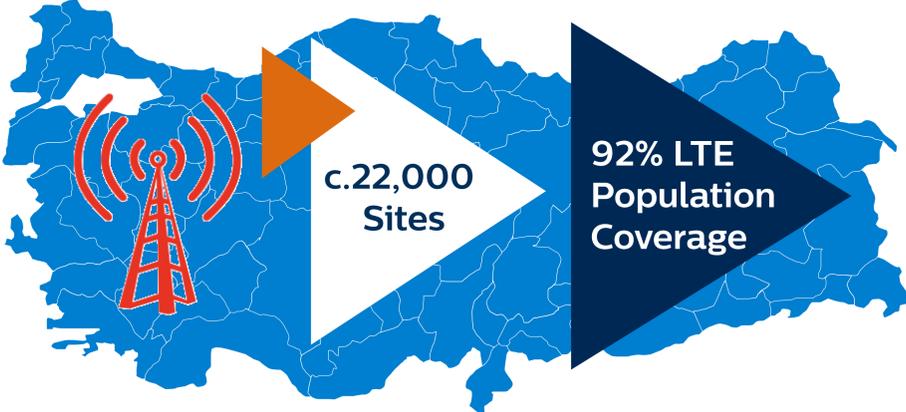


Source: ICTA, Q4 '19 Market Report
 European countries include: Finland, Denmark, Greece, Austria, Sweden, Portugal, Switzerland, Italy, Germany, Norway, Belgium, United Kingdom, Netherlands, Spain, France

Other operators' data are from their own publications as of Q4 '19

Mobile Network

Extensive Network Coverage



Superior Spectrum Allocation



97% coverage

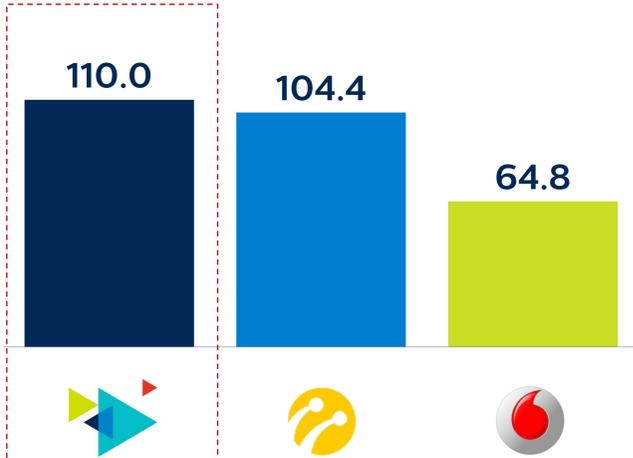


92% coverage



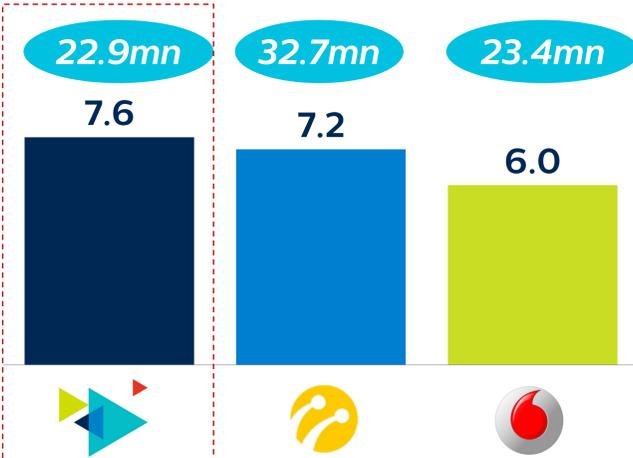
Getting ready for 5G
via ongoing studies by Argela and TT on RAN slicing, NFV and SDN

Highest Share of 1,800 MHz and Below Frequencies



Highest Spectrum Capacity Per Subscriber

(Hz/Subscriber)

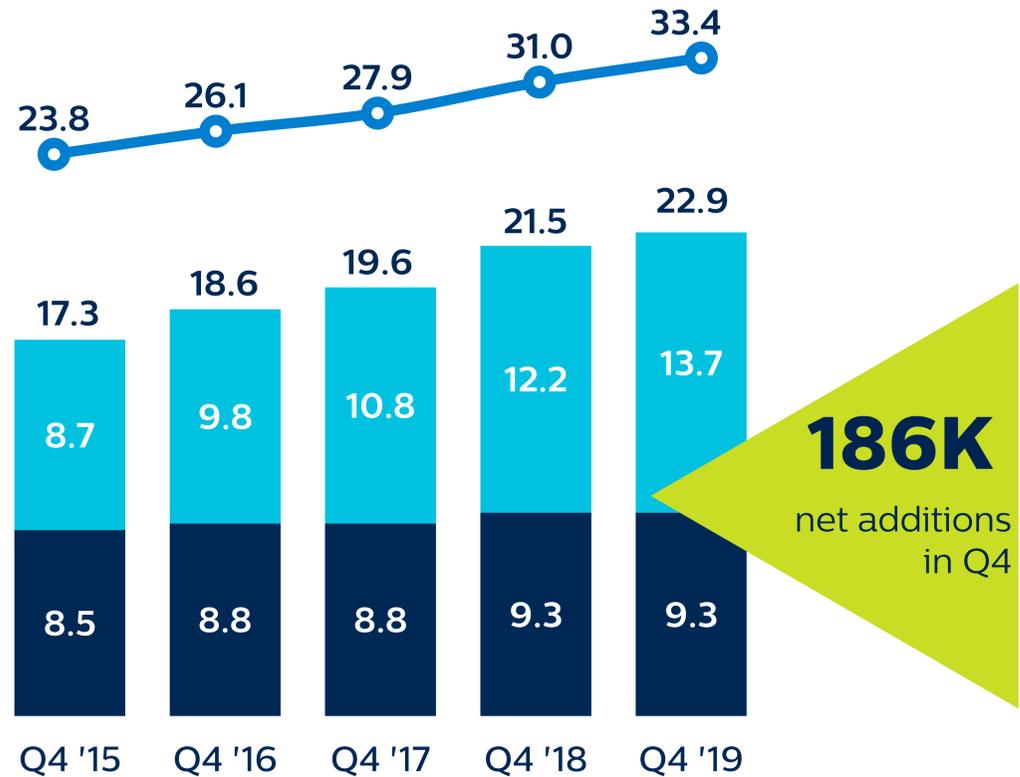


Turkcell and Vodafone data are from their own publications
As of Q4'19.

Mobile Performance

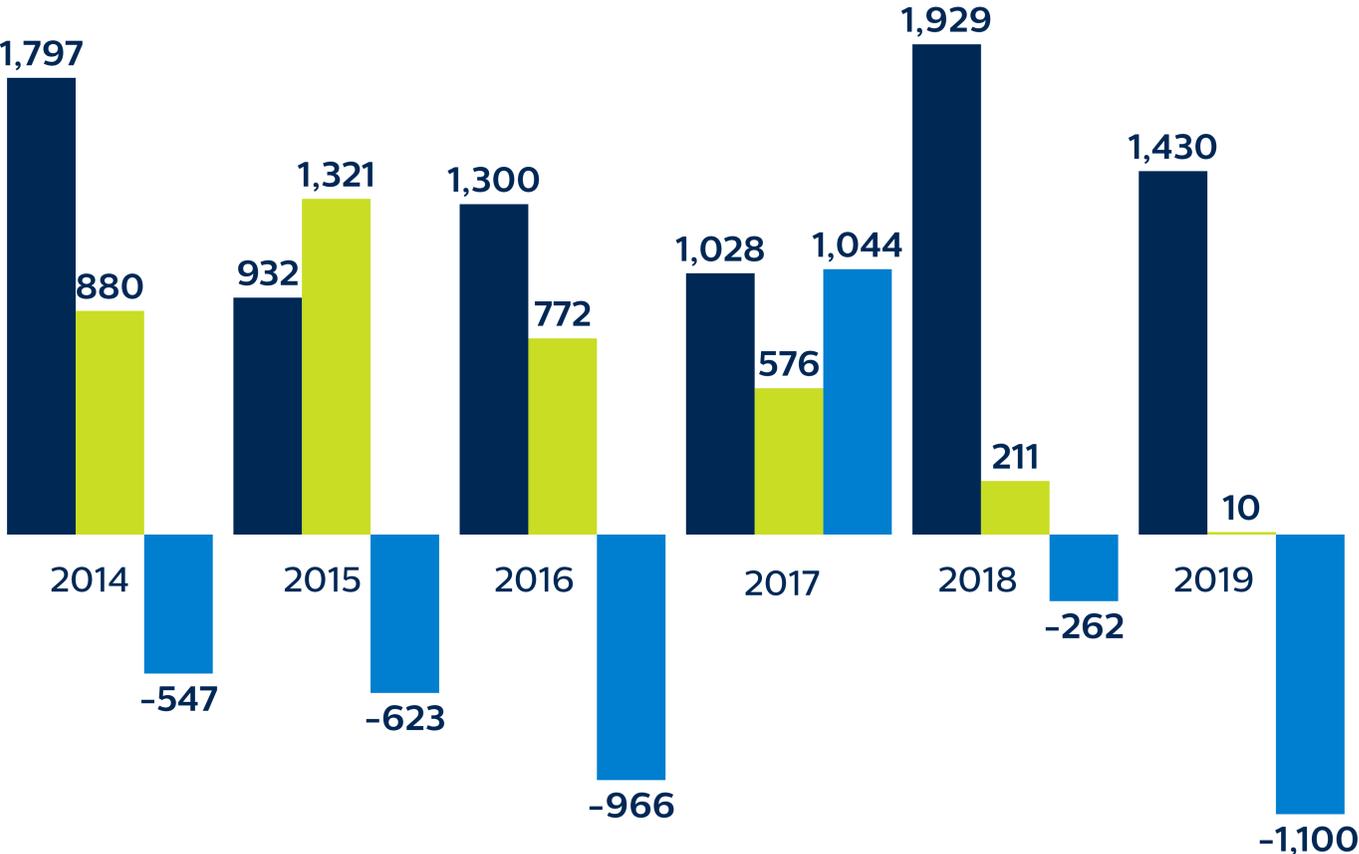
Growing ARPU & Subscriber Base

● Blended ARPU (TL)
 ■ Prepaid (mn) ■ Postpaid (mn)



Net Subscriber Additions (thousand)

■ Türk Telekom ■ Vodafone ■ Turkcell

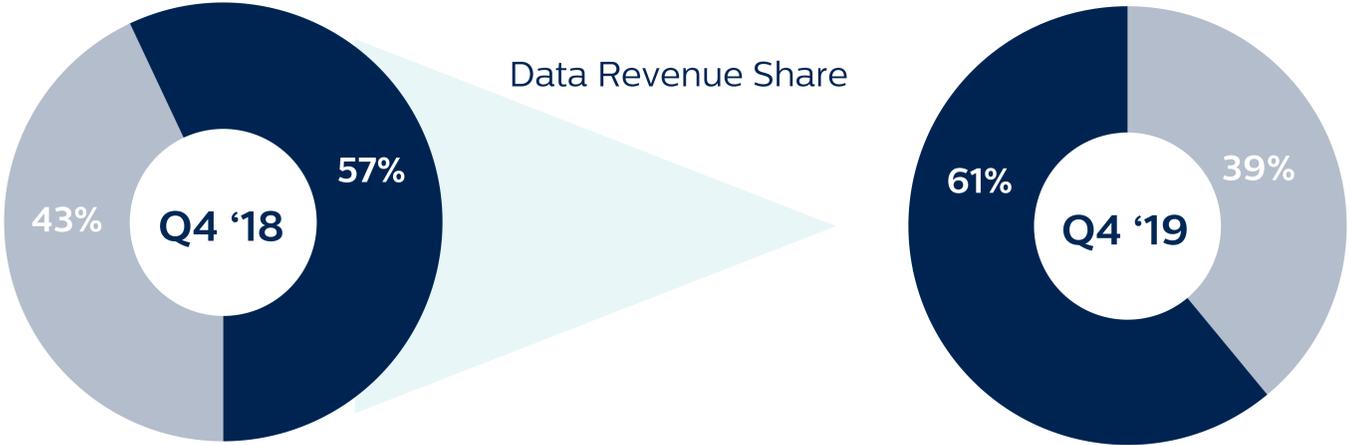


Other operators' data are from their own publications.
 Note: For 2019, Turkcell's net subscriber addition/loss number is calculated using the subscriber numbers in its Press Release.

Mobile Data

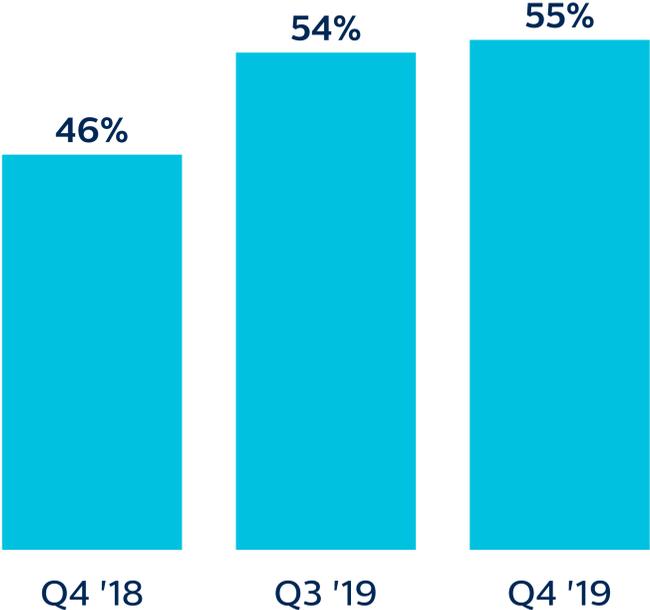
Data Revenue

(Mobile service revenue share)

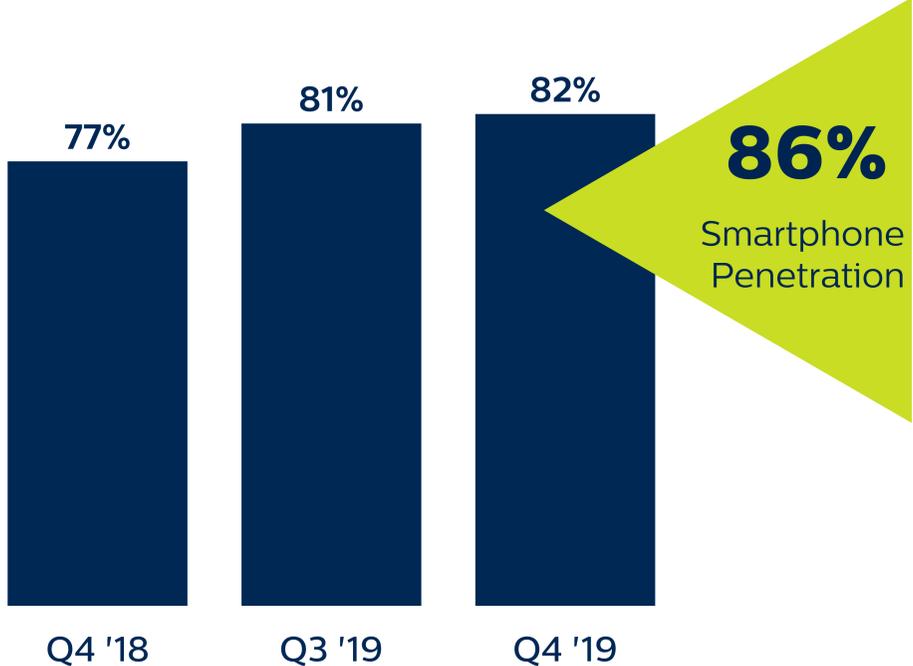


LTE Users*

(Total subscriber share)

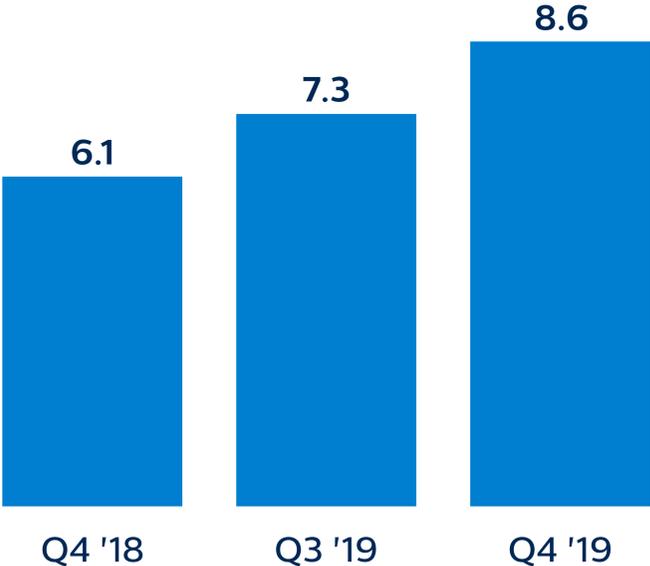


LTE Compatible Smartphone**



Avg. Monthly Mobile Data Usage

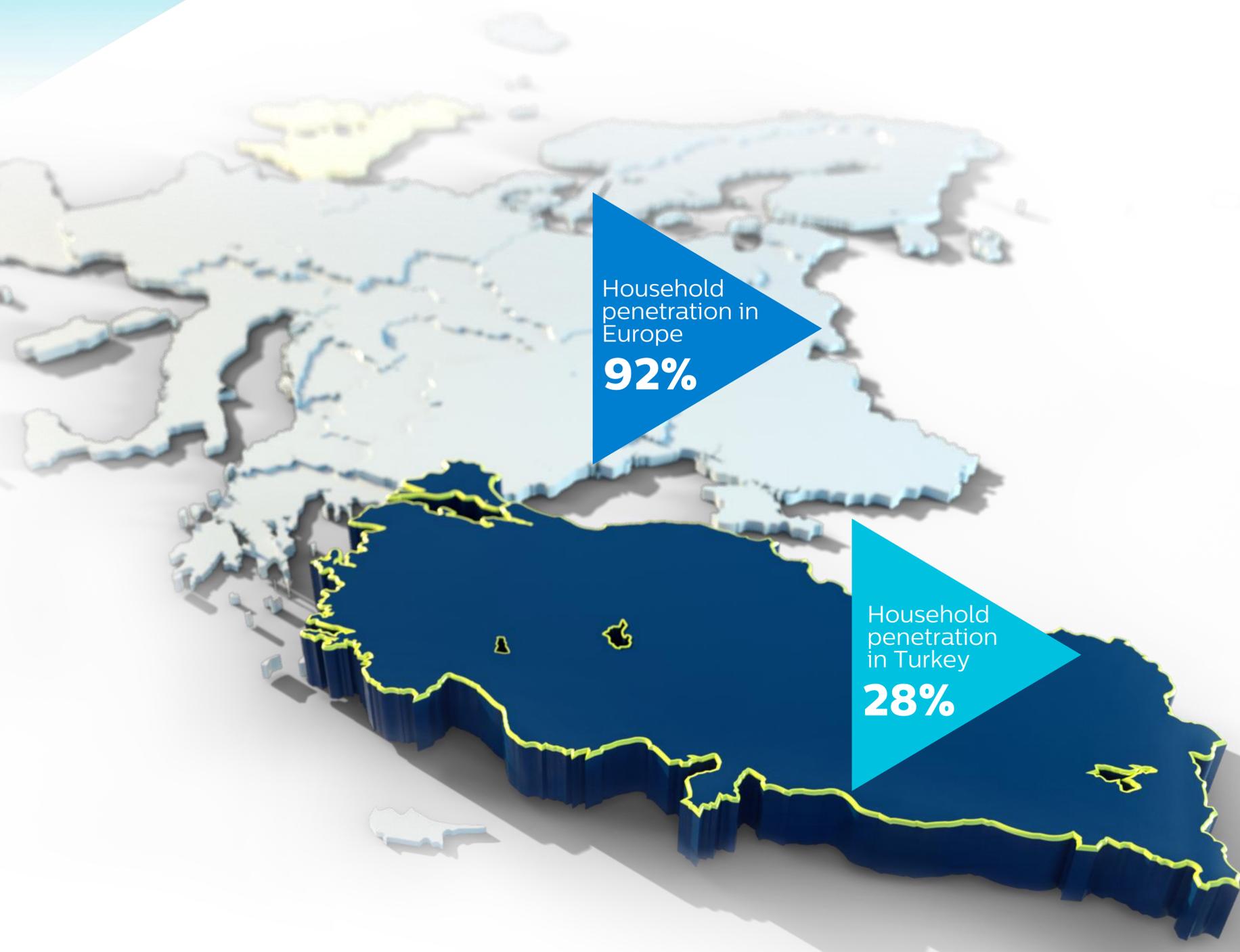
(GB per LTE user)



*Subscribers who
1) registered for LTE
2) have LTE compatible device and simcard

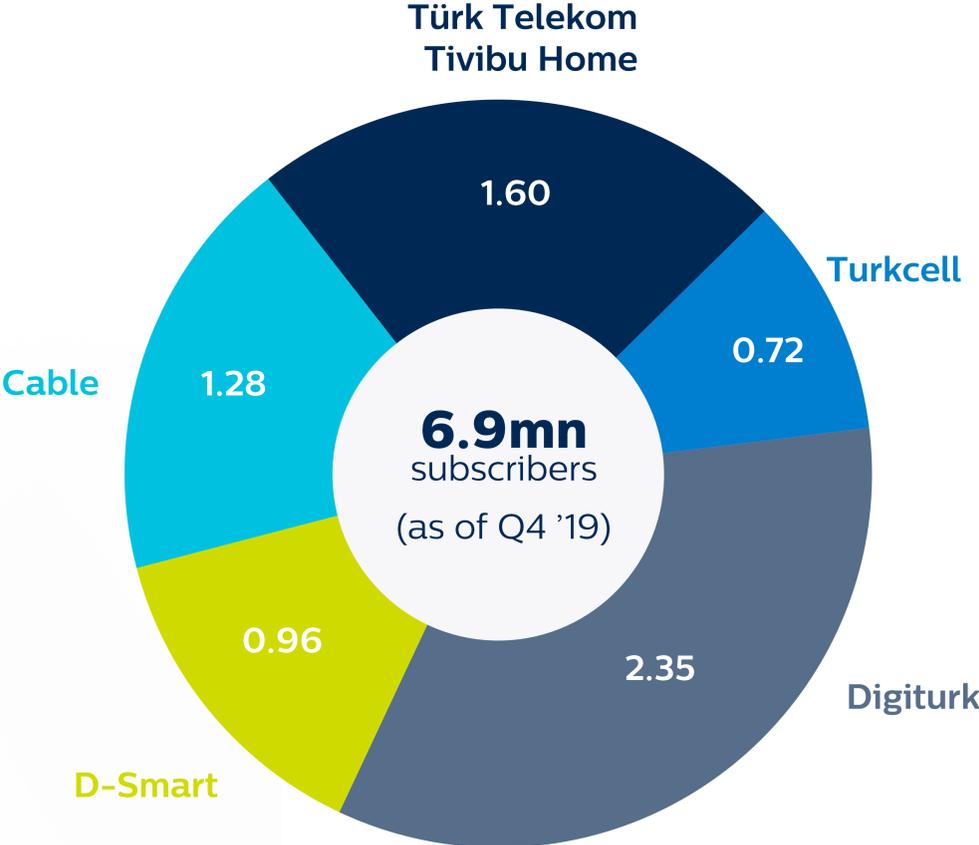
** Among smartphone users

Pay TV Market



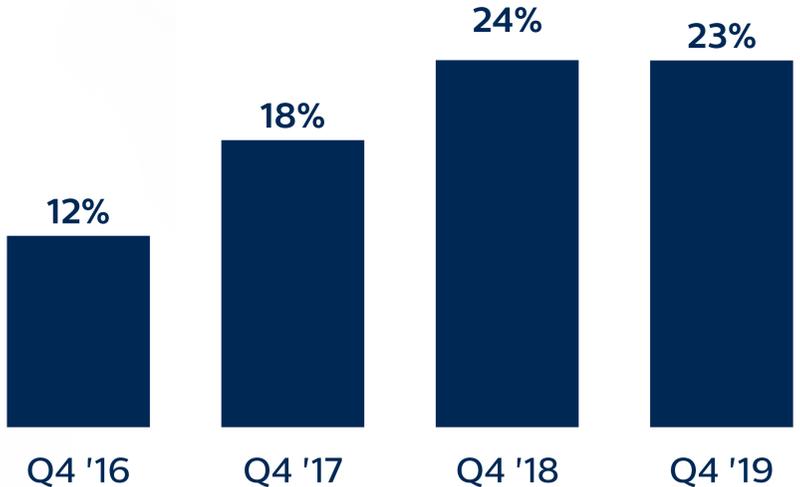
Source: Analysys Mason, Pay-TV quarterly Metrics, Q4 '19 Report
European countries include Denmark, France, Ireland, Italy, Portugal, Sweden, UK and Estonia
TR Data is calculated from ICTA Q4 '19

Subscribers (mn)



Source: ICTA

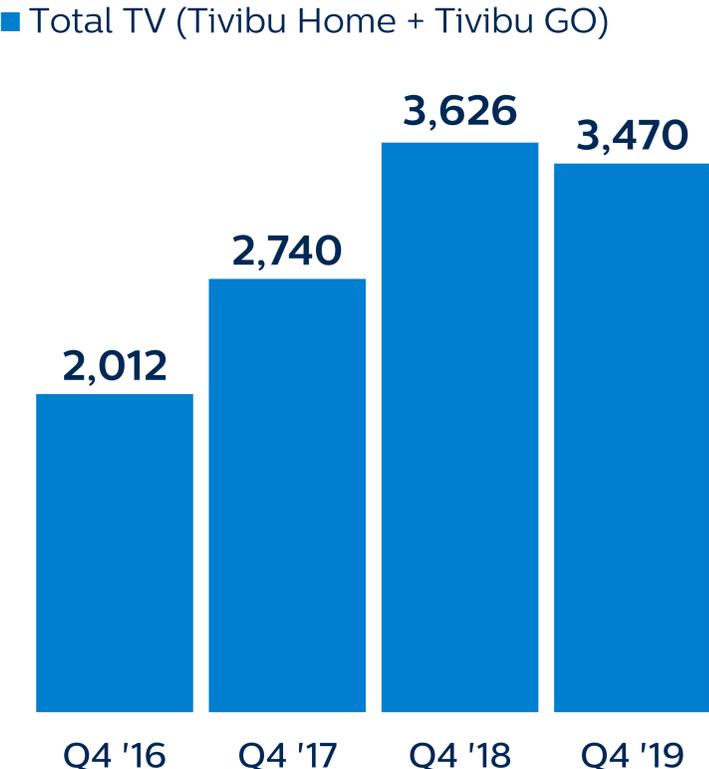
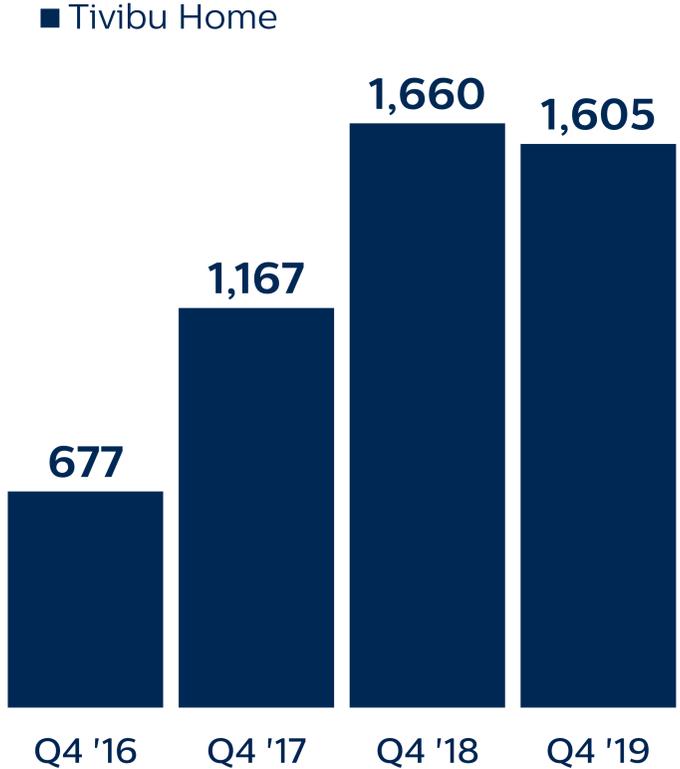
Tivibu Home Subscriber Market Share



Source: ICTA

TV Performance

Subscribers (thousand)



Wireless Homes



Platform

IPTV + DTH + Web TV + Smart TV

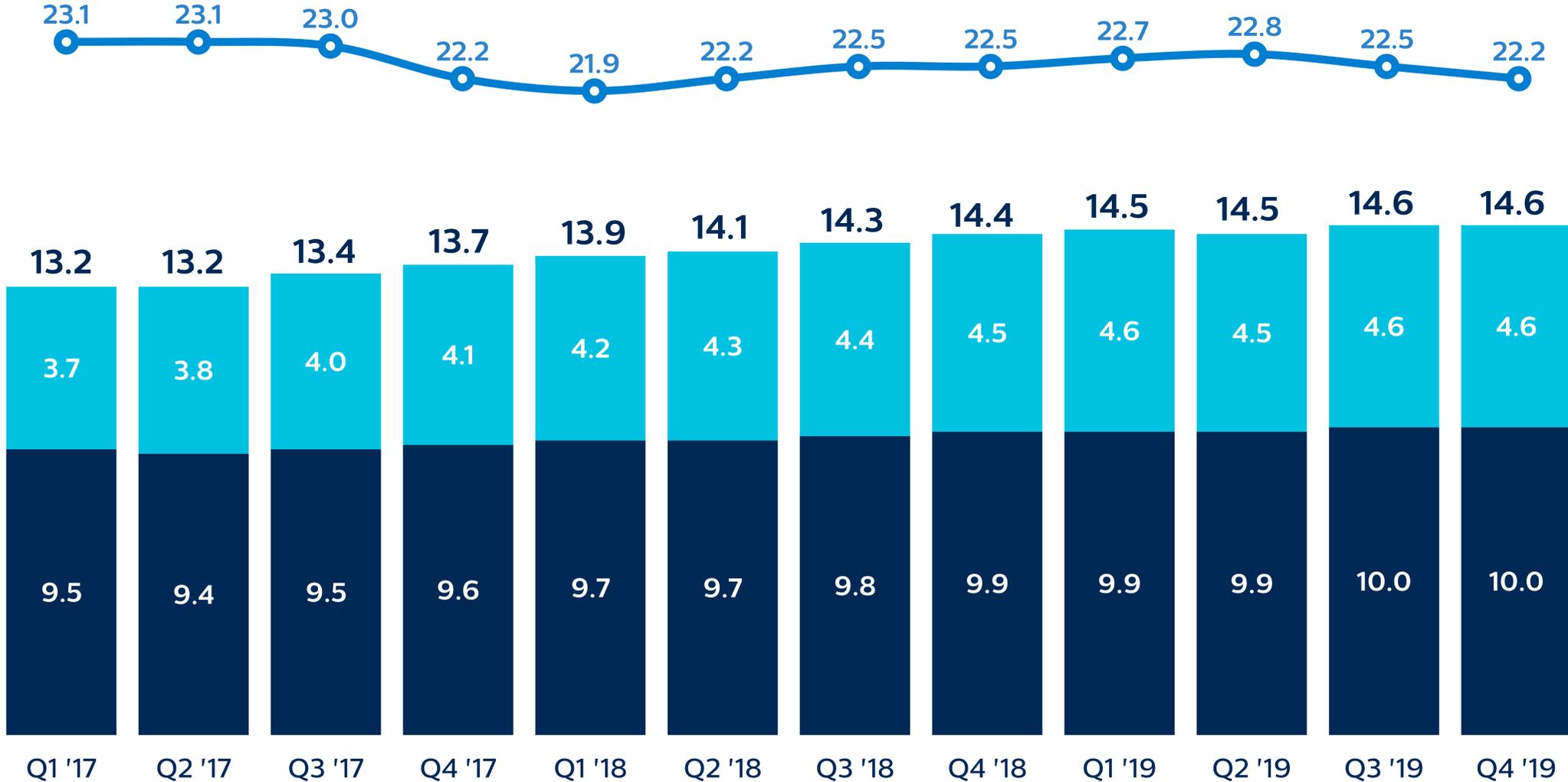
Content

- ▶ Turkish Basketball Super League
- ▶ NBA
- ▶ English Premier League
- ▶ 3 Inhouse Sports Channels
- ▶ Kids & Documentary Channels
- ▶ 3000+ on demand assets

Fixed Voice Performance

Access Lines and ARPU

- Fixed Voice (mn)
- Naked Broadband (mn)
- Fixed Voice ARPU (TL)



Investing in Future



Preparations for 5G with pilot 5G test networks

Work to manage the 5G network with AI technology

First Industry 4.0 5G test in Turkey



Working on transformation of network ahead of 5G



Working with Argela for SDN& NFV based cybersecurity solutions

Turkey's largest Cyber Security Services Center in Ankara with wide portfolio of end-to-end solutions



Leading largest smart city projects in Turkey



Focus on network sharing projects in mobile and fixed for asset efficiency



Best in class cloud computing solutions



Esenyurt Data Center with 10K sqm area

Digital Transformation

Technology

Custom solutions by using both internal and subsidiary resources for serving both Turk Telekom and 3rd parties



Marketing

Diverse portfolio addressing the consumer segment with 200+ value added services and mobile applications



Branding & Comm.

Utilization of internal products for external sale

Segmented digital advertises

PROGRAMATİK

Sales

Diversification towards virtual channels

Easy, quick, secure online payment



Direct Carrier Billing



Web-sites / Applications

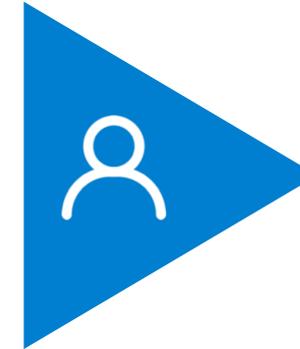
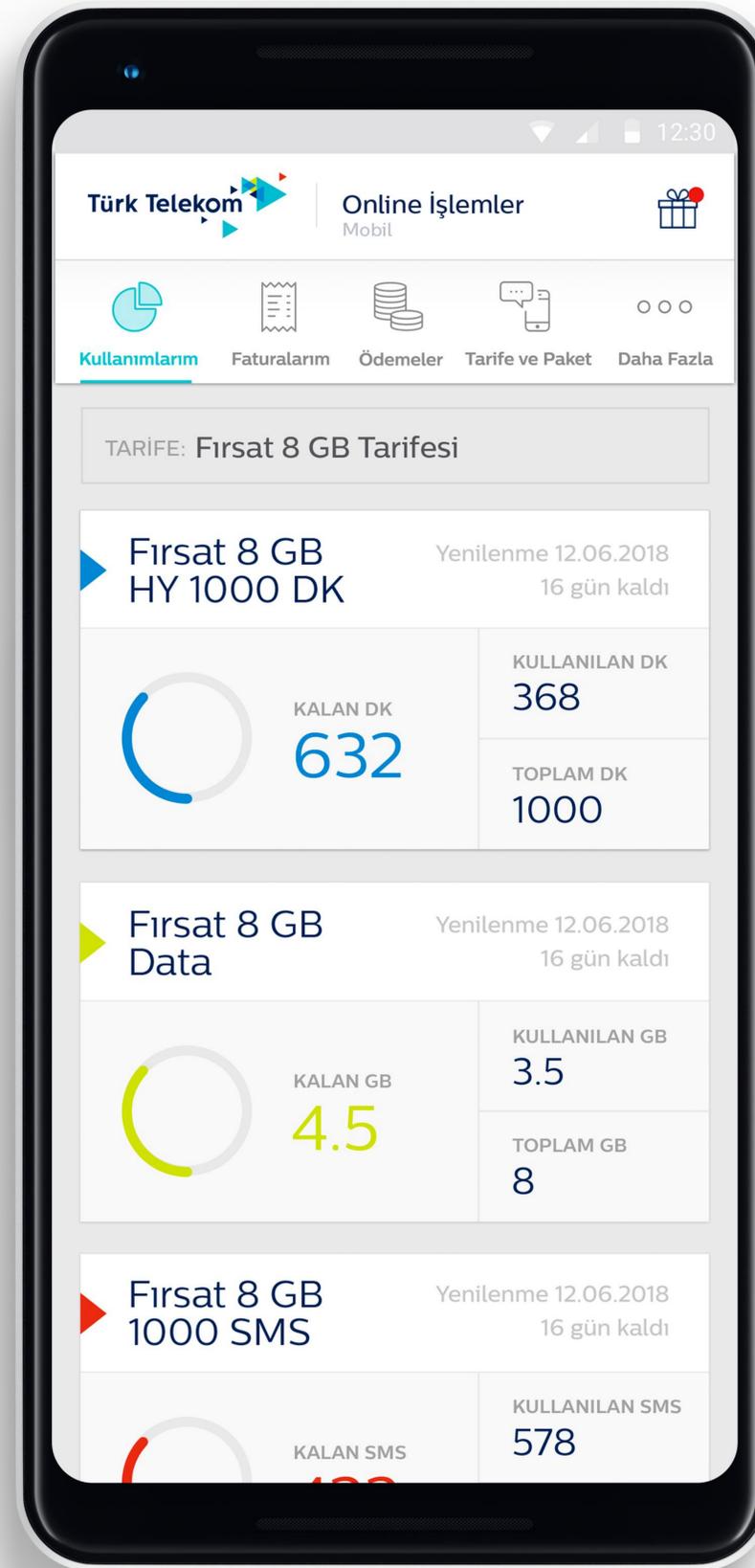
Customer Services

Improved customer services via online channels



Account Management Jetfix

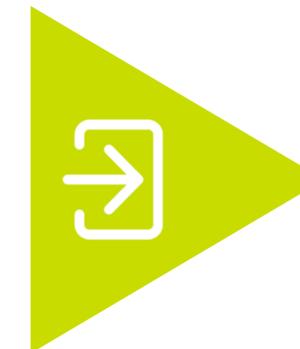
Online Transaction



17.8 mn
unique users

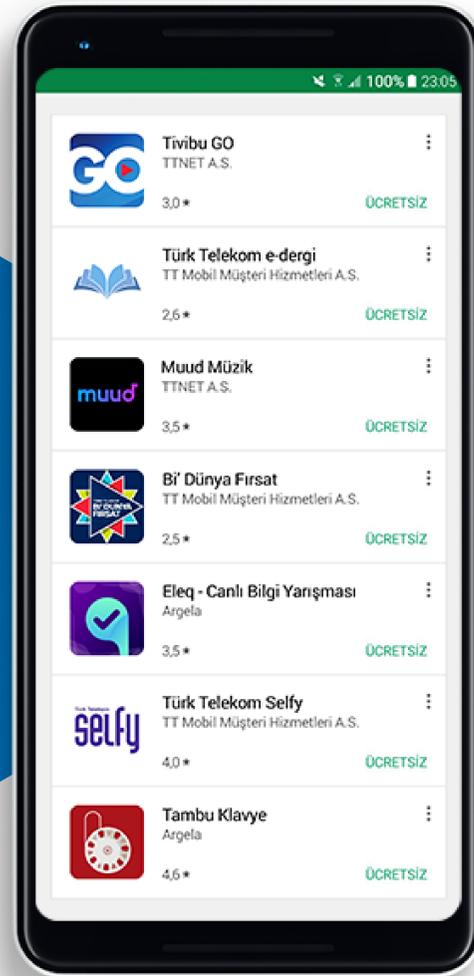


36 mn
downloads as of Q4 '19



86%
penetration among our
smartphone users

Digital Service Portfolio



Turk Telekom has 30+ mobile applications, and 200+ value added services.



Turkey's New Generation TV Platform: Tivibu GO Launch: 2010

Türk Telekom's TV platform which provides national and exclusive linear channels, VoDs, and catchup programs in HD quality



Turkey's Enriched Digital Music Platform: Türk Telekom Music Launch: 2008

Turkey's most preferred digital music platform to listen and download millions of songs and watch videos



Turkey's Leader Digital Gaming Platform: Playstore Launch:2011

Turkey's first and leader digital gaming, e-pin, console games and pysical gaming accessory sales platform



Turk Telekom's Education Platform: Turk Telekom Academy Launch: 2018

Education platform for Turk Telekom employees has been relaunched and now available to all Turk Telekom internet subscribers



Turkey's First Interactive Education Platform Launch: 2008

Turkey's biggest online education platforms: Vitamin for pre-school to high grades students, Raunt for universiy preparation



Turkey's Mobile and Live Trivia Game: Eleq Launch:2018



Turkey's first smart and hyperlocal digital keyboard Launch: 2017

Turkey's first local and customized smart digital keyboard



Turkey's Most Comprehensive Online Reading Platform:E-Dergi Launch: 2017

Turkey's online magazine and newspaper reading platform with advantageous campaigns for Turk Telekom mobile users



Turkey's Most Comprehensive Security Platform: TT Security Launch: 2009

Turkey's most comprehensive and secure anti-virus and family protection service



Turkey's Widest Wifi Broadband Network: TT WiFi Launch: 2006

Turkey's widest WiFi hotspot coverage and services for Turkish Airlines flights



Turkey's Advantageous Integrated Cloud Platform: Dijital Depo Launch: 2018

Türk Telekom's operator free new cloud storage application Digital Depo enables users to safely store photos, videos, music and all files with user - friendly design



Group Companies

The logo for ARGELA, featuring the word "ARGELA" in a bold, blue, sans-serif font. To the left of the text is a stylized orange and white graphic element consisting of a square with a circle inside, and a horizontal line extending to the right.

5G and beyond next generation telco technologies R&D company

- ProgRAN and vRAN: SDN (Software Defined Networks) based RAN solutions for LTE and 5G with 31 patent applications
- NPM/CEM: Network Performance Monitoring and Customer Experience Management solutions used by telecom operators in Turkey and in the world
- ULAK: Turkey's first and only LTE base station development project
- SEBA: Broadband Access technology for fixed networks
- Commercialization of R&D activities
- Member of ONF and ONAP via US based subsidiary NETSIA
- Leading role in Türk Telekom Network Transformation Project

The logo for innova, featuring the word "innova" in a bold, blue, sans-serif font. The letter 'i' is lowercase and has a red dot. The letter 'v' is lowercase and has a red dot. The letter 'a' is lowercase and has a red dot.

Leading system integrator & solution provider in Turkey

- System Integration Solutions
- Smart City and Smart Store Solutions
- Health Campuses
- Fintech Solutions
- IoT Platform and Solutions
- SAP Consultancy Services
- Business Applications (Document Management, Law Process Management)
- CRM and Business Intelligence
- Self Service and Automation Solutions
- Managed Services

The logo for Türk Telekom International, featuring the text "Türk Telekom" in a bold, blue, sans-serif font, with "International" in a smaller, blue, sans-serif font below it. To the right of the text is a colorful graphic element consisting of several overlapping triangles in yellow, blue, and red.

International arm of the Group in wholesale data, voice and roaming services

- Over 45K km fiber network in CEE, Turkey, the Middle East and the Caucasus
- More than 114 major POPs in Europe, ME and Asia
- Unique Solutions
 - AMEERS: New path connecting WE to ME
 - SEA-ME-WE-5: Submarine cable system connecting Europe to Africa, ME and Asia

The logo for ASSiSTT, featuring the word "ASSiSTT" in a blue, lowercase, sans-serif font. The logo is centered within a white triangle that points to the right. The background of the slide is a dark blue gradient with a pattern of lighter blue triangles.

Leader customer service solutions company

- Beyond traditional call center services, solutions such as sales and marketing, social media management, e-mailing and payroll
- Serving largest private and public institutions with around 12 thousand employees

The logo for Sebit, featuring the word "sebit" in a lowercase, sans-serif font. The logo is centered within a white triangle that points to the right. The background of the slide is a light blue gradient with a pattern of darker blue triangles.

Leading and largest edtech company in Turkey

- E-educational products, covering all grades from Pre-School to High School
- Leading and innovative e-Education products: Raunt, Sebit VCloud and Vitamin
- Content and platform provider for the national e-Education transformation project (FATIH)

The logo for Türk Telekom Ventures, featuring the text "TÜRK TELEKOM VENTURES" in a bold, uppercase, sans-serif font. The logo is centered within a white triangle that points to the right. The background of the slide is a dark blue gradient with a pattern of lighter blue triangles.

Corporate venture capital company

- Focus on investing in early stage and scale-up companies primarily in healthcare, energy and education verticals, as well as opportunistic horizontals
- First deal on healthcare vertical: Doctor Turkey
- Second deal on education vertical: MentalUP
- Third deal on energy vertical: Eltemtek

The logo for Türk Telekom ödeme hizmetleri, featuring the text "Türk Telekom ödeme hizmetleri" in a bold, uppercase, sans-serif font. The logo is centered within a white triangle that points to the right. The background of the slide is a dark blue gradient with a pattern of lighter blue triangles.

Payment services company

- Electronic Money License from BRSA
- Strong position in Direct Carrier Billing (DCB)
- Expansion plans in other payment related services & products (Digital Wallets, Money Transfers, Tax/Bill payments, E-Money)



Financials

Income Statement

(TL mn)	2018	2019	YoY Change	Q4 '18	Q4 '19	YoY Change
Revenues	20,431	23,657	15.8%	5,398	6,284	16.4%
EBITDA	8,436	11,170	32.4%	2,229	2,828	26.9%
Margin	41.3%	47.2%		41.3%	45.0%	
Operating Profit	4,701	6,424	36.7%	1,244	1,600	28.6%
Margin	23.0%	27.2%		23.0%	25.5%	
Financial Inc. / (Exp.)	(6,723)	(3,689)	(45.1)%	1,413	(939)	n.m.
FX & Hedging Gain / (Loss)	(5,982)	(1,439)	(75.9)%	1,736	(366)	n.m.
Interest Inc./ (Exp.)	(659)	(1,919)	191.3%	(216)	(542)	150.8%
Other Financial Inc./ (Exp.)	(82)	(331)	302.6%	(107)	(30)	(71.9)%
Tax Expense	631	(328)	n.m.	(442)	(117)	(73.6)%
Net Income	(1,391)	2,407	n.m.	2,215	545	(75.4)%
Margin	n.m.	10.2%		41.0%	8.7%	

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

Balance Sheet

(TL mn)	31.12.2018	30.09.2019	31.12.2019
Total Assets	36,199	38,293	39,909
Cash and Cash Equivalents	4,495	4,767	4,946
Tangible Assets ¹	14,274	14,058	14,727
Intangible Assets	9,783	9,772	10,328
Other Assets ²	7,647	9,696	9,908
Total Equities and Liabilities	36,199	38,293	39,909
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	4,193	5,725	6,183
Interest Bearing Liabilities ³	19,921	20,584	20,783
Other Liabilities ⁴	8,823	8,724	9,683

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

(1) Tangible assets include property, plant and equipment and investment property

(2) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset, right of use, tax assets and other current assets.

(3) Includes short-term and long-term borrowings and lease obligations

(4) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities and provisions for employee termination benefits

Cash Flow Statement

(TL mn)	2018	2019	YoY Change	Q4 '18	Q4 '19	YoY Change
Operating Cash Flow	7,589	11,183	47.4%	1,956	4,018	105.4%
Investing Cash Flow	(4,126)	(4,807)	16.5%	(1,524)	(2,118)	38.9%
CAPEX	(4,065)	(4,946)	21.7%	(1,565)	(2,205)	40.9%
Other Investing Activities	(61)	139	n.m.	41	87	115.5%
Financing Cash Flow ¹	(3,253)	(5,856)	80.0%	(2,205)	(1,678)	(23.9)%
Net Change in Cash Position ²	210	520	147.4%	(1,773)	222	n.m.

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

(1) Includes currency translation differences

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

Revenue Breakdown

(TL mn)	2018	2019	YoY Change	Q4 '18	Q4 '19	YoY Change
Fixed Voice	2,603	2,685	3.2%	667	666	(0.2)%
Broadband	5,533	6,625	19.7%	1,482	1,776	19.9%
Mobile	7,534	8,896	18.1%	1,938	2,312	19.3%
TV	306	348	14.0%	81	93	14.1%
Corporate Data	1,690	1,822	7.8%	437	477	9.3%
International Revenues	926	1,098	18.5%	248	275	11.1%
Other ¹	1,155	1,249	8.1%	389	411	5.8%
IFRIC-12	771	1,023	32.7%	178	294	64.6%
Eliminations	(88)	(89)	1.6%	(22)	(20)	(7.6)%
Total Revenue	20,431	23,657	15.8%	5,398	6,284	16.4%

(1) Includes ICT companies, device sales, domestic interconnection and other

Opex Breakdown

(TL mn)	2018	2019	YoY Change	Q4 '18	Q4 '19	YoY Change
Direct Costs	4,716	5,168	9.6%	1,256	1,390	10.7%
Interconnection	1,780	1,938	8.8%	456	485	6.4%
Tax	1,842	2,167	17.6%	485	572	17.9%
Provisions for Doubtful Receivables	268	193	(28.2)%	38	46	19.7%
Cost of Equipment and Technology Sales	519	511	(1.6)%	195	197	1.3%
Other Direct Costs	307	360	17.6%	82	90	10.6%
Commercial Costs	1,087	932	(14.3)%	253	277	9.2%
Other Costs	5,509	5,482	(0.5)%	1,502	1,529	1.8%
Network & Technology	1,920	1,707	(11.1)%	537	431	(19.8)%
Personnel	3,015	3,429	13.7%	793	953	20.1%
Other	574	346	(39.7)%	171	145	(15.1)%
Sub Total	11,313	11,582	2.4%	3,011	3,196	6.1%
IFRIC-12	683	905	32.6%	158	260	64.6%
Total OPEX	11,995	12,487	4.1%	3,169	3,456	9.1%

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

Debt Profile

Net Debt

■ Net Debt (TL bn) ● Net Debt/EBITDA



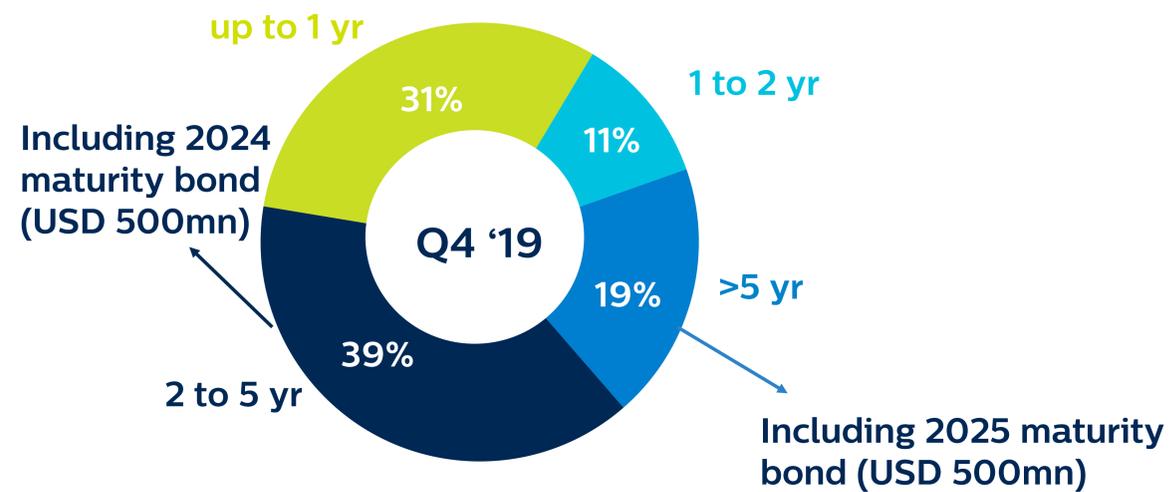
Note: Net Debt calculation includes MTM from FX to TRY Currency Swaps
Net Debt/EBITDA calculation excludes extraordinary claims EBITDA calculation

Low debt ratio among peers



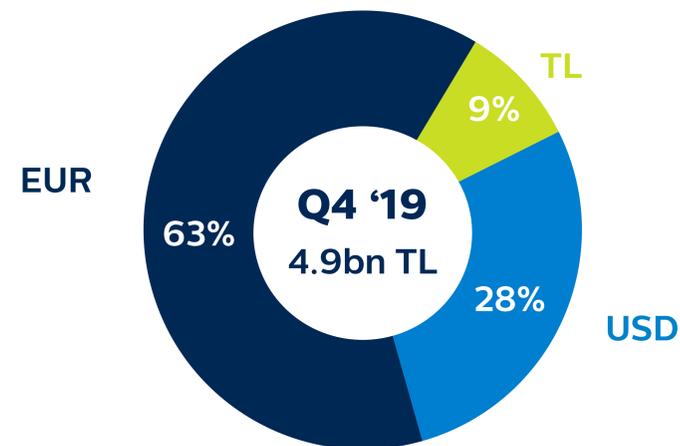
Source: Bloomberg
Türk Telekom's ratio is based on Q4'19 financials; other's based on their latest data

Maturity Profile

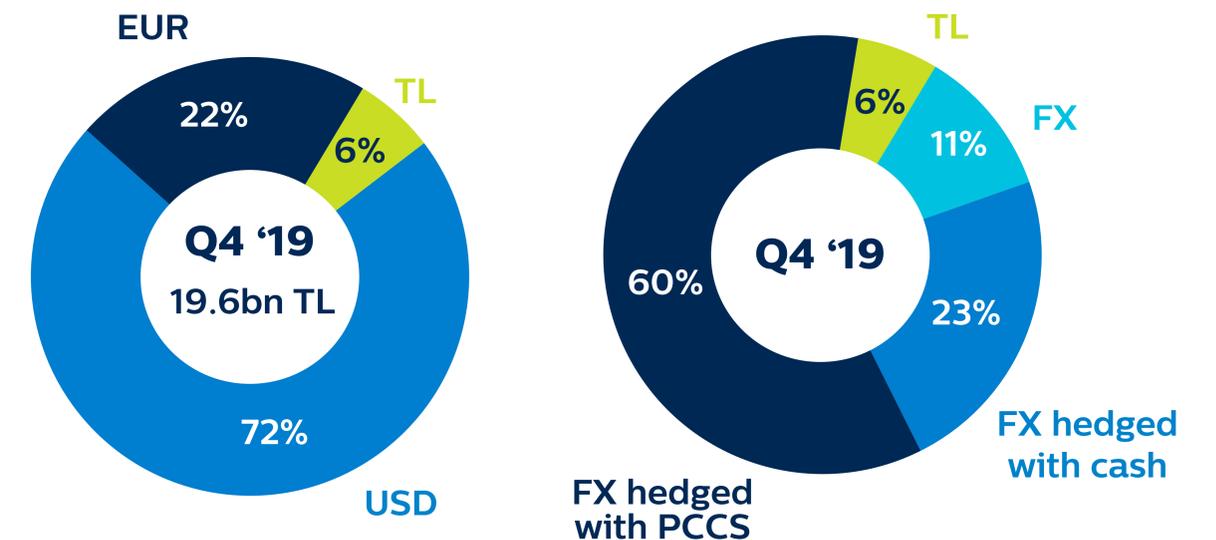


All loans are senior unsecured

Cash FX Breakdown



Gross Debt FX Breakdown



Debt Profile

Prudent Balance Sheet Management

- ▶ FX Risks reduced via Participating Cross Currency Swaps (PCCS), FX based cash and higher utilization of TL based financing
- ▶ Hedge in both principal and interests of designated debt instruments
- ▶ Diversified funding terms of instruments (bonds, ECAs, commercial loans, and IFIs) and geography
- ▶ Significant improvement in cash flow generation with normalized Capex cycle and increasing EBITDA

Corporate Credit Ratings

Fitch Ratings

Long Term Rating: BB-
Outlook Stable

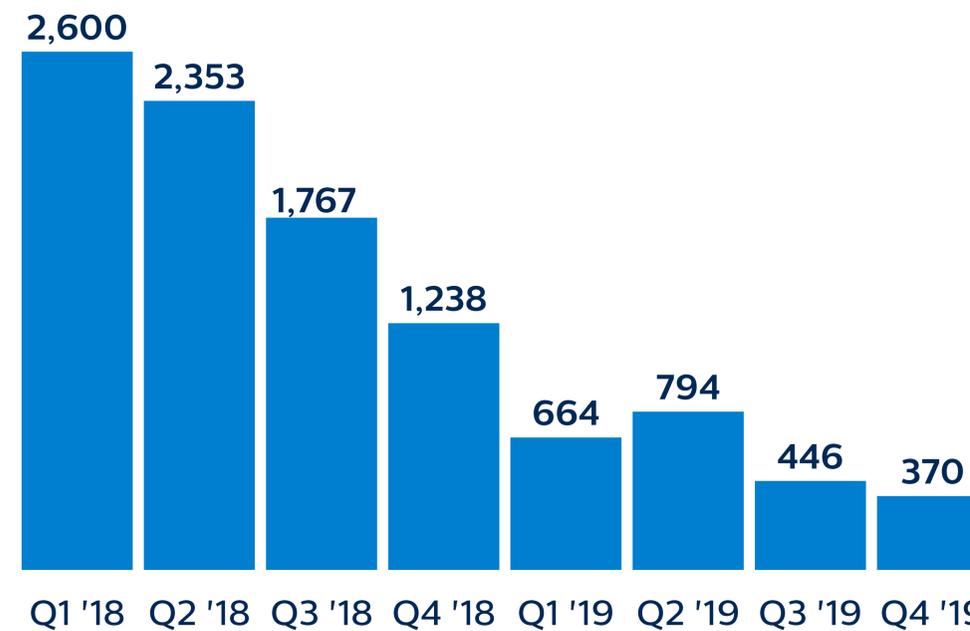
S&P Global Ratings

Long Term Rating: BB-
Outlook Stable

Stand-alone Credit Profile (SACP):
bbb-

Net FX Exposure *

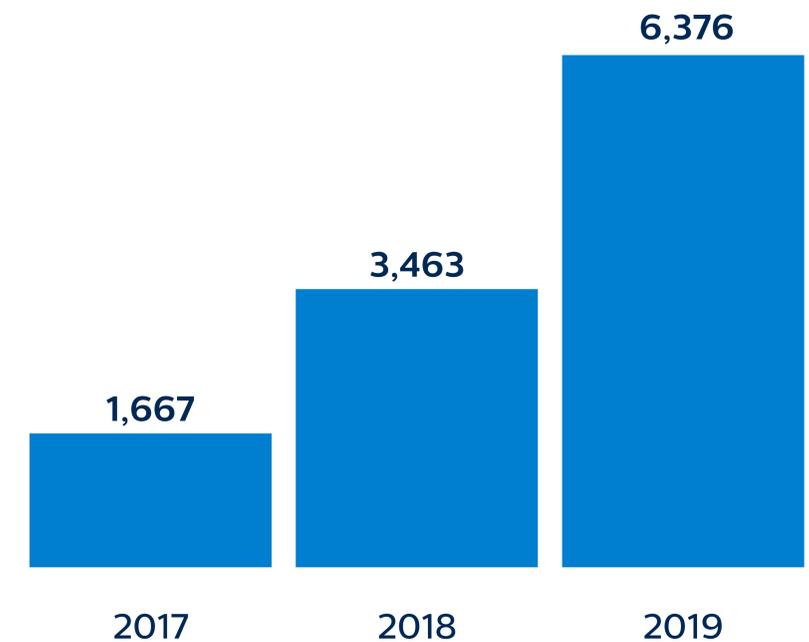
(USD mn equivalent)



*Net FX exposure is calculated as FX based financial debt less FX hedge position less FX based cash and cash equivalents. Debt calculation excludes lease obligations.

Increasing Cash Flow*

(TL mn)



*Unlevered cash flow is defined as net cash provided by operating and investing activities from operations.

Operational Highlights

	Q4 '18	Q3 '19	Q4 '19	QoQ Change	YoY Change
Total Access Line (mn)	14.4	14.6	14.6	0.1%	0.9%
Fixed Voice Lines ¹ (mn)	9.9	10.0	10.0	0.2%	1.0%
Naked DSL Lines (mn)	4.5	4.6	4.6	(0.3)%	0.7%
Fixed Voice ARPU (TL)	22.5	22.5	22.2	(1.4)%	(1.5)%
Broadband Total Subscribers (mn)	10.9	11.3	11.4	0.3%	4.2%
FTTH/B Subscribers ('000)	1,356	1,557	1,645	5.7%	21.3%
FTTC Subscribers ('000)	2,276	2,472	2,571	4.0%	12.9%
Broadband ARPU (TL)	45.9	50.1	52.0	3.8%	13.4%
Total Tivibu Subscribers² (mn)	3.6	3.6	3.5	(2.5)%	(4.3)%
Tivibu Home Subscribers ³ ('mn)	1.7	1.6	1.6	(2.2)%	(3.3)%
Tivibu ARPU (TL)	15.1	16.5	18.0	9.4%	18.9%
Mobile Total Subscribers (mn)	21.5	22.8	22.9	0.8%	6.6%
Mobile Postpaid Subscribers (mn)	12.2	13.5	13.7	1.3%	11.9%
Mobile Prepaid Subscribers (mn)	9.3	9.2	9.3	0.2%	(0.3)%
Mobile Blended ARPU (TL)	31.0	34.7	33.4	(3.7)%	7.7%
Mobile Postpaid ARPU (TL)	39.5	42.9	42.7	(0.3)%	8.1%
Mobile Prepaid ARPU (TL)	19.2	21.4	18.9	(11.3)%	(1.6)%

(1) Includes PSTN and WLR Lines

(2) Includes IPTV, DTH, and Tivibu GO subscribers

(3) Includes IPTV and DTH subscribers

Guidance

TL mn	2019 YE	2020 Guidance
Revenue (exc. IFRIC 12) ¹	22,634	Around 14% growth
EBITDA	11,170	Around TL 12.4 bn
CAPEX	4,940	Around TL 5.8 bn

(1) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure such as the upgrade from copper to fiber based network

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

IFRS 16 Adoption Reconciliation

(TL mn)	Q4 '19	IFRS 16 Impact	Q4 '19 w/o adoption of IFRS 16
Revenues	6,284		6,284
EBITDA	2,828	206	2,623
Margin	45.0%		41.7%
Operating Profit	1,600	45	1,555
Margin	25.5%		24.7%
Financial Inc. / (Exp.)	(939)	(55)	(884)
FX & Hedging Gain / (Loss)	(366)	(8)	(359)
Interest Inc./ (Exp.)	(542)	(47)	(495)
Other Financial Inc./ (Exp.)	(30)		(30)
Tax Expense	(117)		(116)
Net Income	545	(11)	555
Margin	8.7%		8.8%

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

IFRS 16 Adoption Reconciliation

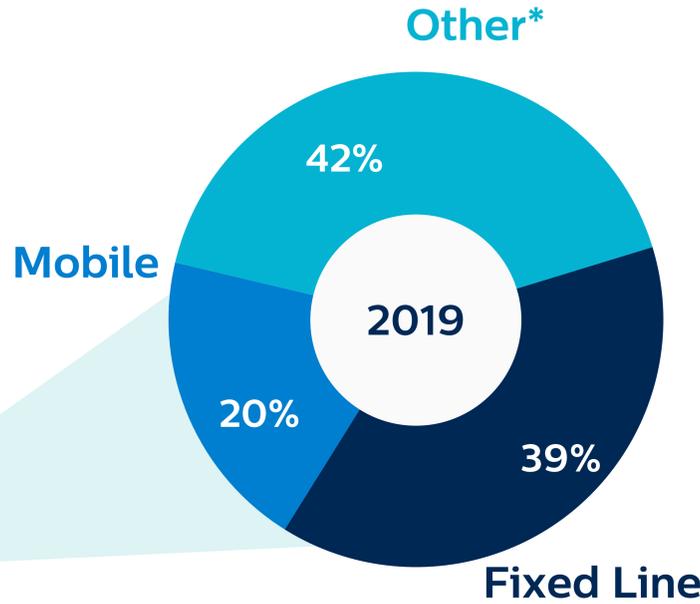
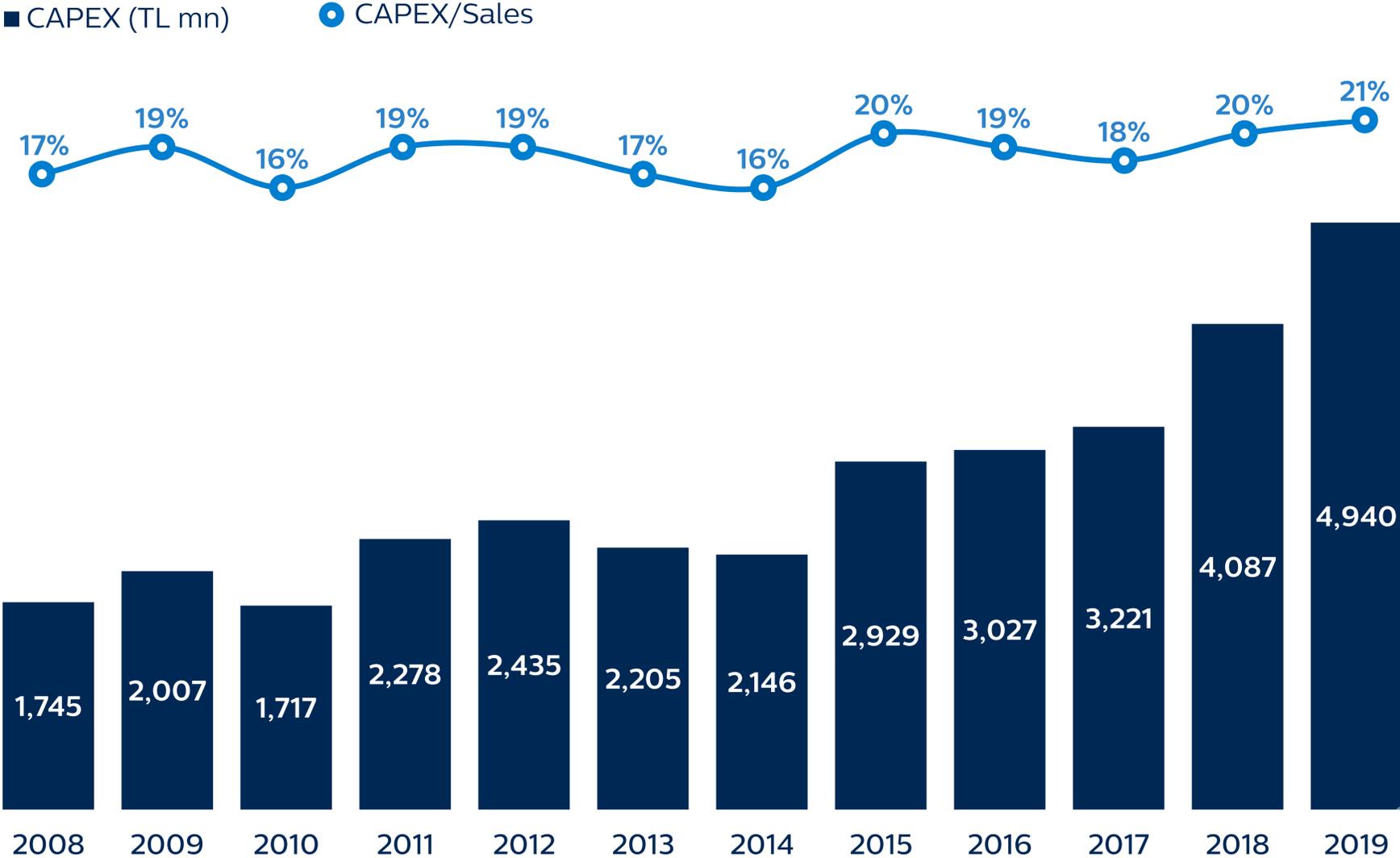
(TL mn)	31.12.2019	IFRS 16 Impact	31.12.2019 w/o adoption of IFRS 16
Total Assets	39,909	1,078	38,831
Cash and Cash Equivalents	4,946		4,946
Tangible Assets	14,727		14,727
Intangible Assets	10,328		10,328
Rights of Use Assets	1,366	1,366	0
Other Assets	8,543	(287)	8,830
Total Equities and Liabilities	39,909	1,078	38,831
Share Capital	3,260		3,260
Reserves, Retained Earnings and Other Equity Items	6,183	(61)	6,244
Interest Bearing Liabilities	20,783	1,138	19,645
Other Liabilities	9,683	1	9,682

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

CAPEX

▶ Major Capex areas are fiber network roll-out in fixed line, network investments in mobile and IT transformation projects

Capex* & Capex / Sales



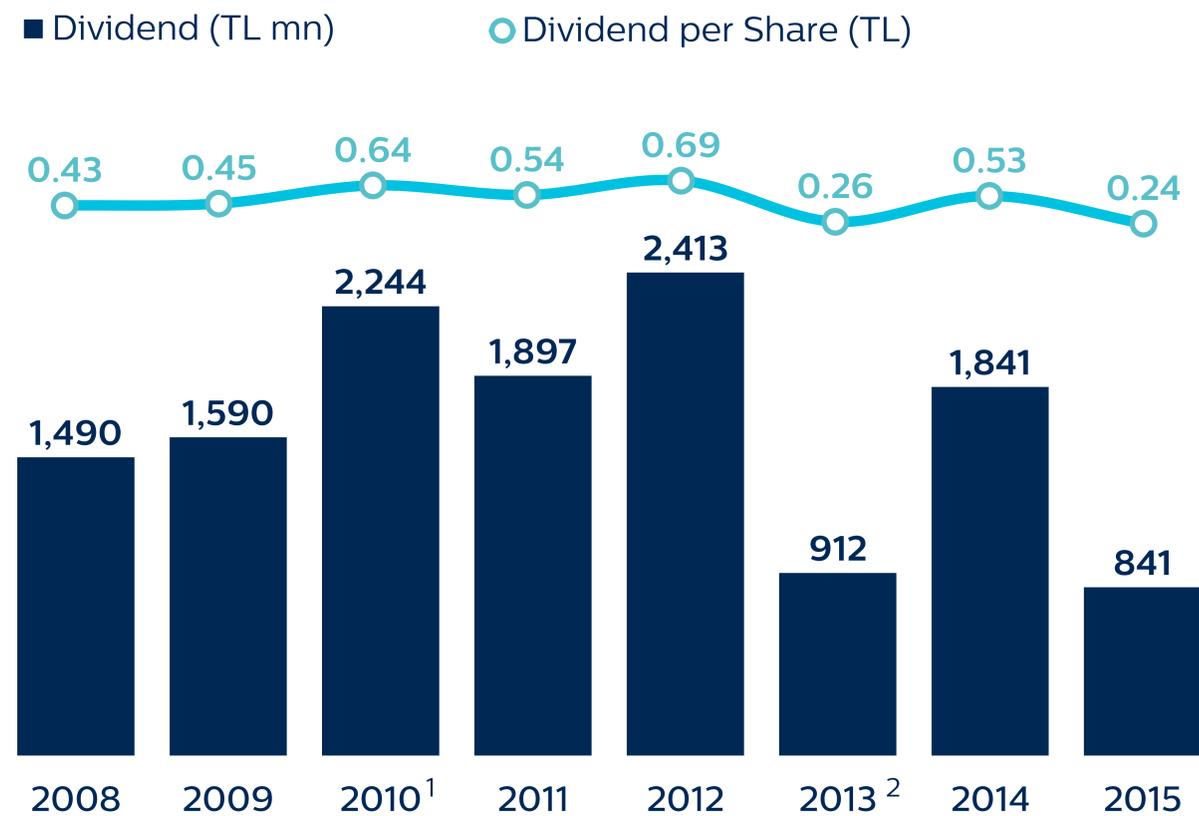
* Capex figures exclude license fees

* Other Capex includes IT related capex, Capex for subsidiaries, Capex for new revenue streams, IFRS 15 capitalization and other

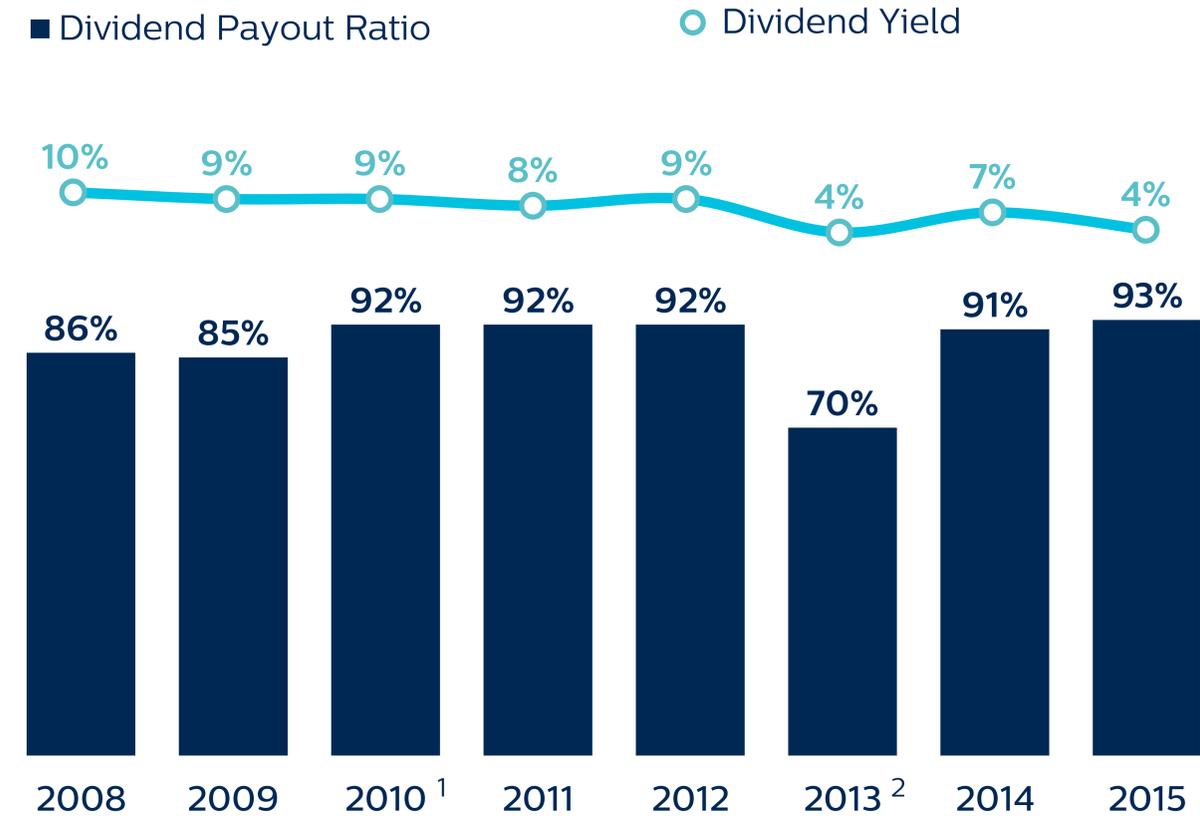
Shareholder Remuneration

▶ Dividend policy is to distribute the maximum amount of distributable profit subject to relevant articles of the Company's Articles of Association

Dividend Distribution



Dividend Yield & Payout Ratio



1) The cap in the first legal reserve was reached in 2010

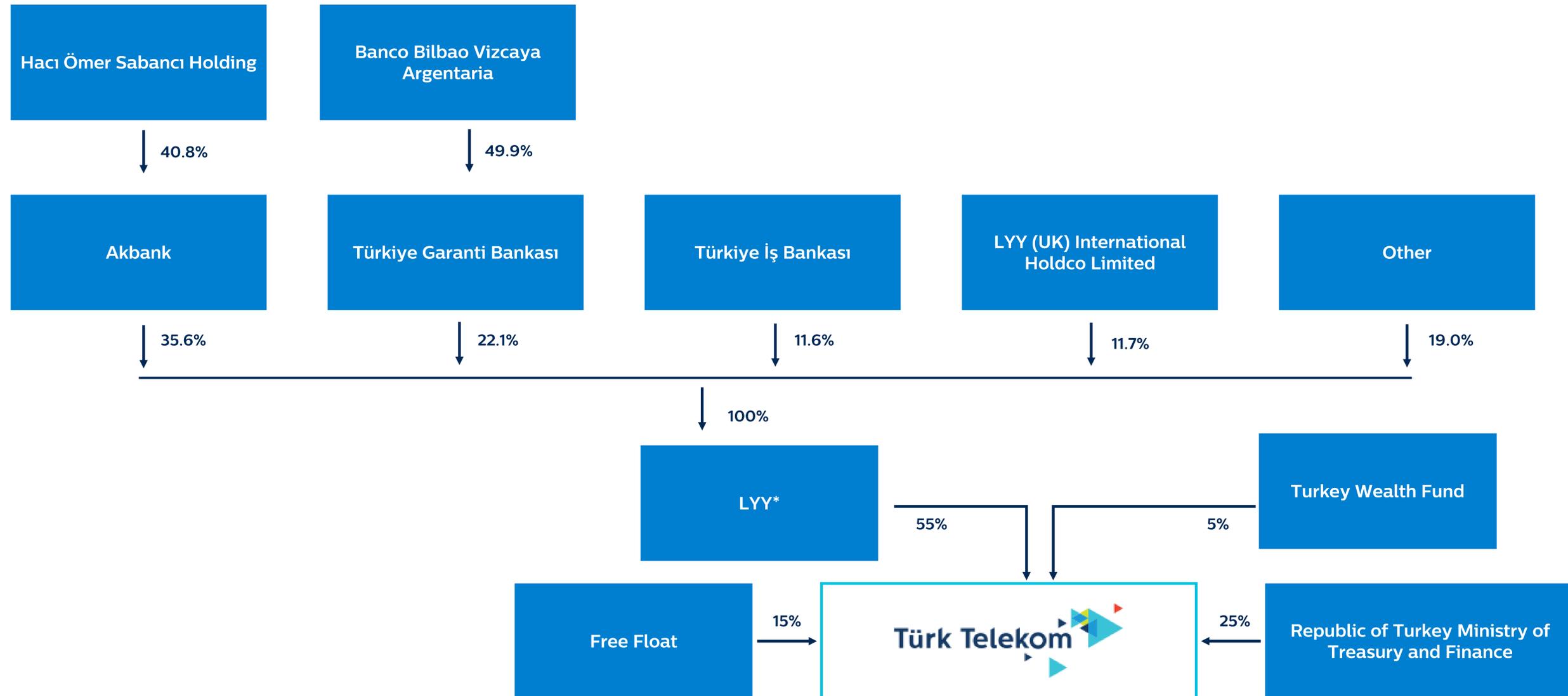
2) 2013 dividend payout ratio was revised to 70% with BoD decision to prepare for any potential transaction for implementation of integration of the group

Note: Based on General Assembly Decision, no dividends distributed for the activity years 2016 & 2017 & 2018.



Appendix

Shareholder Structure

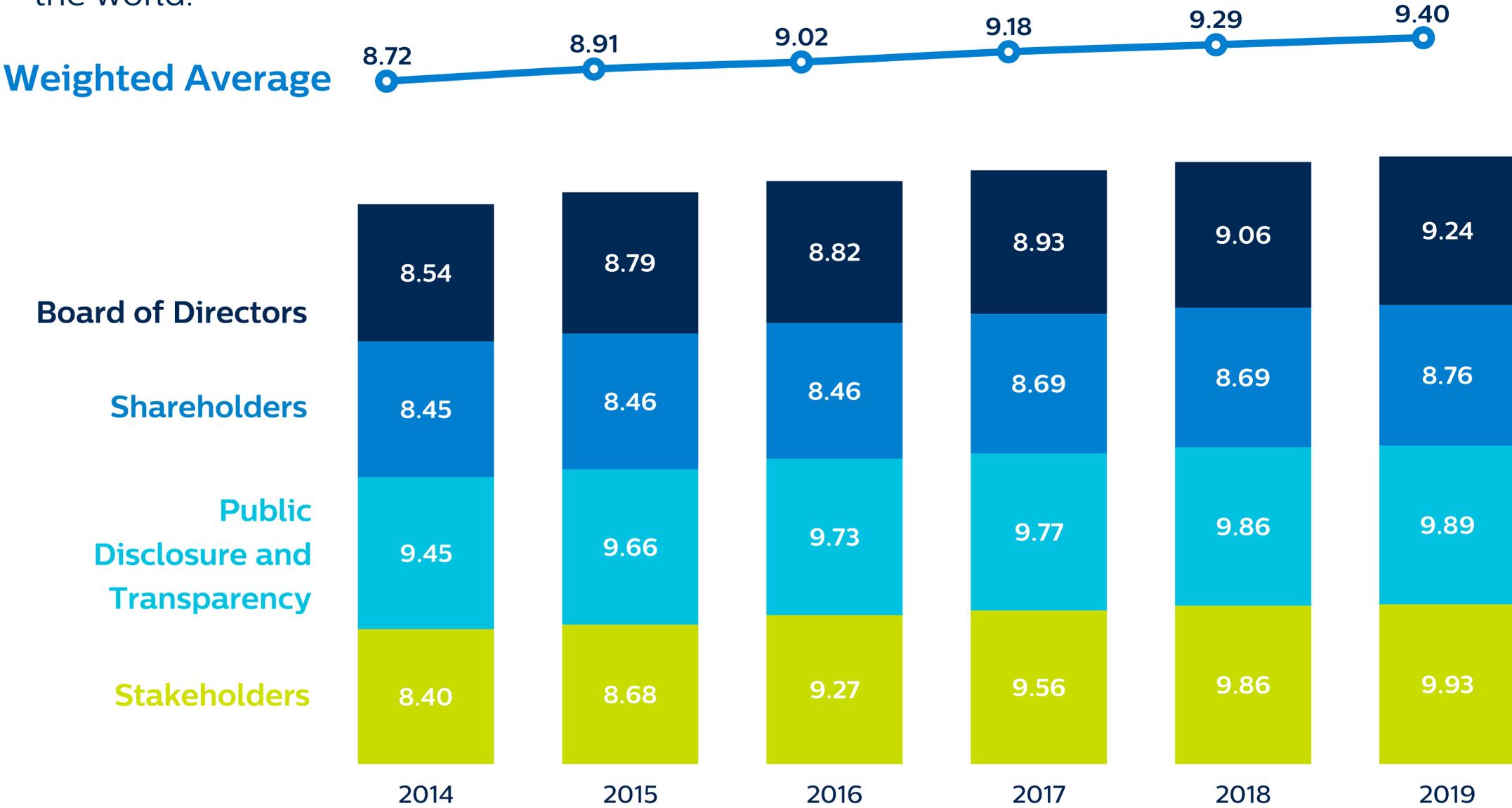


Note: Turkey Wealth Fund has 1.68% share in free float

*LYY Telekomünikasyon A.Ş.

Corporate Governance

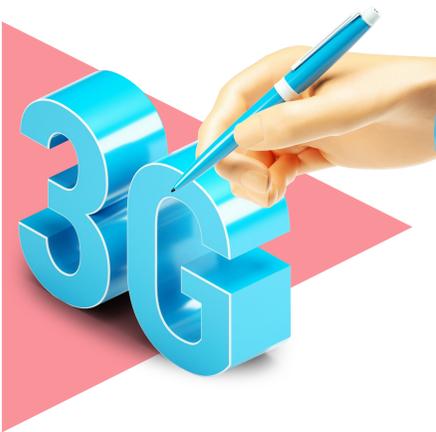
- ▶ Türk Telekom is member of BIST Sustainability Index since creation with its long lasting emphasis on Environmental, Social and Governance policies and exemplary practices
- ▶ The only telecom company qualified to be included in the BIST Corporate Governance Index since 2009
- ▶ Türk Telekom is a member of FTSE4GOOD Index Series
- ▶ Türk Telekom, which has carried out exemplary projects in the field of sustainability, became a member of the UN Global Compact platform, which is the largest corporate sustainability initiative in the world.



Regulatory Actions

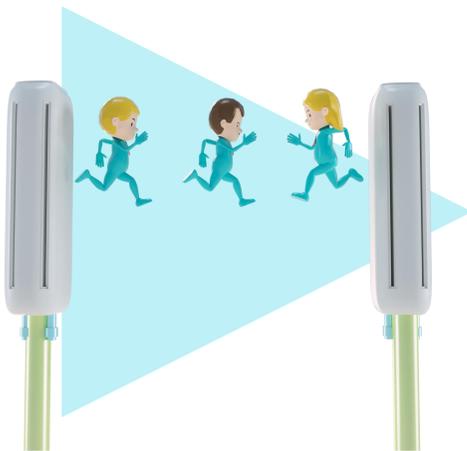
2008

- ▶ **April**
 - Interconnection rate decrease in Fixed (10%) and Mobile (33%)
- ▶ **November**
 - 3G tender held
 - Mobile Number Portability introduced
 - New Electronic Communications Law passed



2009

- ▶ **January**
 - About 50%-55% reduction in MTRs on SMS
- ▶ **March**
 - Reduction in SCT rate (25% to 5%) on internet services
- ▶ **April**
 - On-net price floor for TCELL
- ▶ **May**
 - About 29% reduction in MTRs
 - MVNO regulation in place
- ▶ **July**
 - 3G service launch
- ▶ **September**
 - Fixed number portability introduced
 - Local call liberalization



2010

- ▶ **April**
 - About 52% reduction in MTRs
 - 17% cut in double tandem FTR
 - 38% decrease in GSM to GSM retail price cap
 - TL per minute pricing introduced
- ▶ **December**
 - Naked DSL services started



2011

- ▶ **April**
 - Mobile off-net price cap was increased by 4%
 - SMS price cap was decreased by 48%
- ▶ **September**
 - Deregulation on MTRs on international calls and liberalization on their pricing
- ▶ **October**
 - ICTA's fiber decision: FTTH/B will be excluded from the market analysis process until 25% fiber market share or for 5 years



2012

- ▶ **January**
 - WLR was introduced
- ▶ **November**
 - Deregulation on FTRs on international calls and liberalization on their pricing

2013

- ▶ **March**
 - Mobile on-net price floor for TCELL formulated by Mobile Termination Rate 1.7x
- ▶ **April**
 - 75% reduction in MTRs on SMS
- ▶ **July**
 - 20% reduction in MTRs
- ▶ **September**
 - Duct Sharing officially started



2014

- ▶ **July**
 - Calls over fixed line infrastructure was deregulated. Accordingly, Türk Telekom is no longer designated as having SMP (significant market power) in fixed voice market

2015

- ▶ **August**
 - LTE tender was held



2016

- ▶ **April**
 - LTE Service Launch
- ▶ **August**
 - Mobile on-net price floor regulation for TCELL was lifted
- ▶ **October**
 - The deadline to shift Port Transmission Model

2018

- ▶ **January**
 - SCT rates for mobile voice, fixed voice, mobile data, and fixed data was unified at 7.5%



2019

- ▶ **January**
 - Fair usage quota was lifted

History

Separation from Post Office

Türk Telekom separated from the Post Office

1995

Aycell Merger with Aria

Aycell merged with İŞ-TİM's Aria and officially named "Avea İletişim Hizmetleri A.Ş."

2004

Avea Share Transaction

Acquisition of İŞ-TİM's 40.55% stake in Avea, raising total stake in Avea to 81.12%

2006

Invitel Acquisition

Acquired Pantel (rebranded as Türk Telekom International), the leading wholesale capacity and data services provider in Central and Eastern Europe to complement its international carrier business and infrastructure

2010

Bond Issuance

Türk Telekom issued USD 1bn bond in tranches, at USD 500mn each, with a maturity of 5 and 10 years

2014

Brand Unification

Türk Telekom unified mobile, fixed voice, fixed broadband and TV brands under single "Türk Telekom" brand, while keeping Türk Telekomünikasyon A.Ş., TTNET A.Ş., and Avea İletişim Hizmetleri A.Ş. legal entities intact

2016

Bond Issuance

Türk Telekom successfully completed its 500 million Dollar bond offering of 6-year maturity

2019

2001

Aycell Established

Türk Telekom's GSM operator, Aycell established (Aycell later named as AVEA after merging with Aria 2004)

2005

Privatization

Privatized through a 55% stake sale to Oger Telecom

2008

Public Offering

IPO with a listing on the Istanbul Stock Exchange and the sale of 15% stake owned by the Treasury to the public

2013

Integration Project Initiated

Integration project for a customer oriented organization

2015

Avea Share Transaction

Avea share transfer transactions were completed and Türk Telekom has become the sole owner of Avea İletişim Hizmetleri A.Ş.

2018

Establishment of CVC Company

The Corporate Venture Capital Company was established under "TT Ventures Proje Geliştirme A.Ş." name

Shareholder Change

55% shares of Türk Telekom was transferred to LYY Telekomünikasyon A.Ş. (LYY) from OTAS

Türk Telekom Investor Relations

▶ investorrelations@turktelekom.com.tr

▶ ttinvestorrelations.com

▶ +90 212 309 96 30

▶ twitter.com/ttkomir

