



TÜRK TELEKOM GROUP 2011 Year End Results

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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this presentation includes Revenues, Direct Cost of Revenues excluding depreciation and amortization, Selling and Marketing expenses, Administrative expenses, and other operating income/(expense), but excludes translation gain/(loss), financial income, income on unconsolidated subsidiaries, gain on sale of investments, and minority interest.

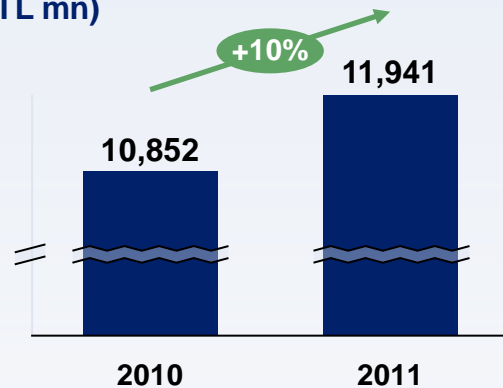


CONSOLIDATED PERFORMANCE



Consolidated Financial Summary

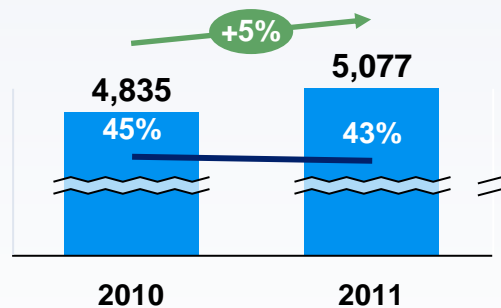
Revenues (TL mn)



- Consolidated **revenues up 10%**, finishing at the top of full year guidance range

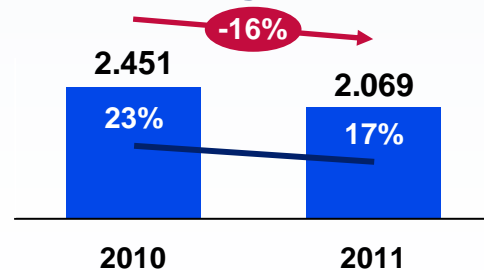
- Fixed voice revenue's slight decline of 3% more than offset by **18% growth in ADSL** and **16% growth in mobile business**

EBITDA (TL mn) & Margin



- Solid consolidated EBITDA margin** in the guidance range, EBITDA growing 5% YoY

Net Income (TL mn) & Margin

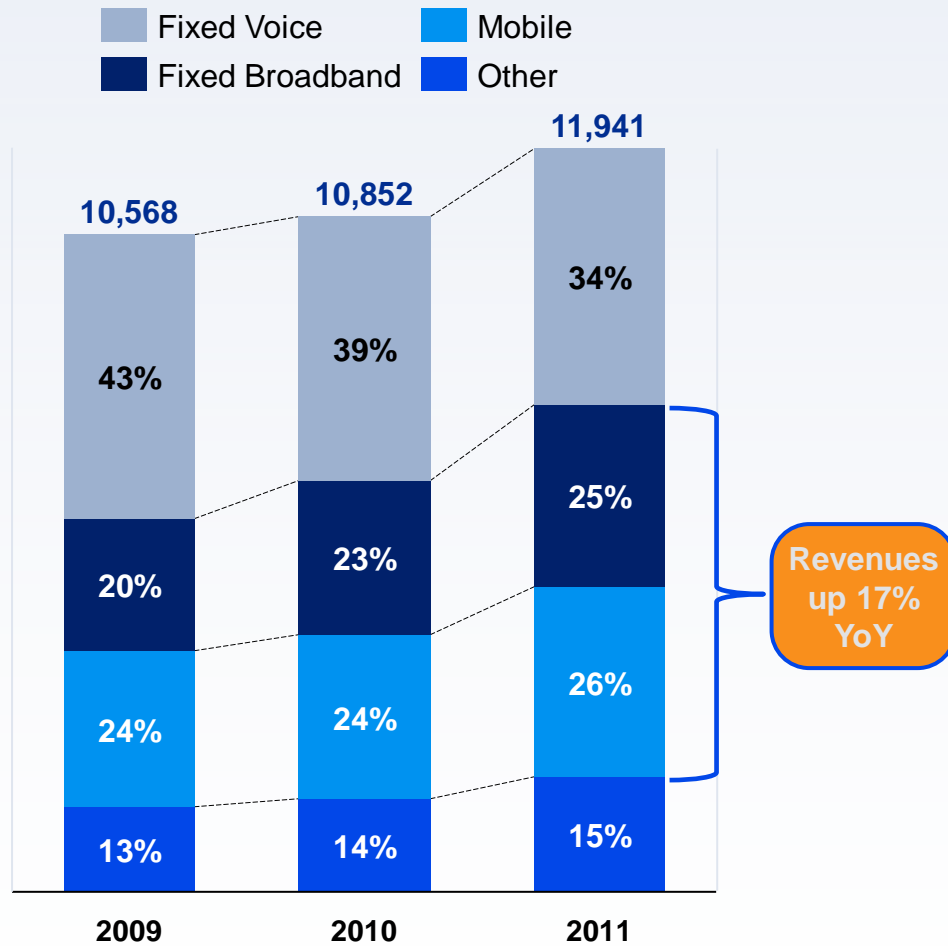


- Net Income affected by unrealized exchange rate related loss in 2011



Increased Revenue Share from High Growth Areas

Consolidated Revenue Mix (TL mn)



- As revenues grow, share of Fixed Voice in total revenues reduces
- Fixed Voice revenue share **34% in 2011** compared to 43% in 2009
- Fixed broadband and mobile revenues now produce **more than half of total revenues**, recording a **17% growth**

Note: Other Revenues include Pantel acquisition effect, which was completed in Q4 2010

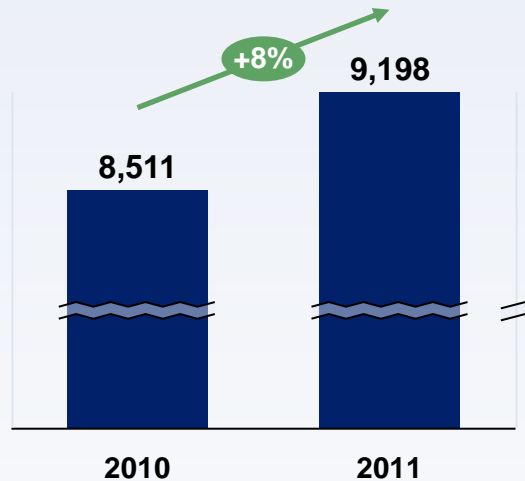


FIXED LINE



Fixed Line – Solid Growth & High Margin

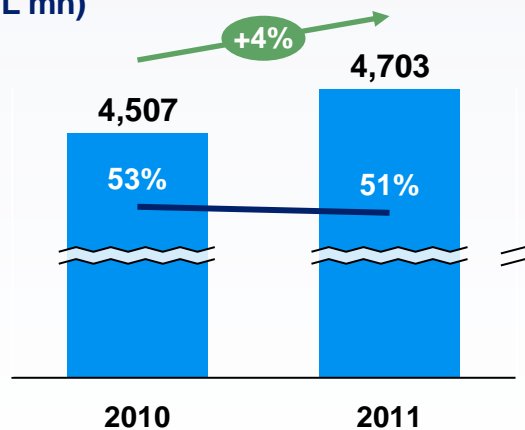
Revenues (TL mn)



- Fixed line overall **revenue growth of 8%**, driven by ADSL, other access, and acquisition of Pantel (growth excluding Pantel is 5.5%)

- Strong EBITDA** with 4% year over year growth

EBITDA¹ (TL mn)



- Personnel cost remained at 20% of revenues

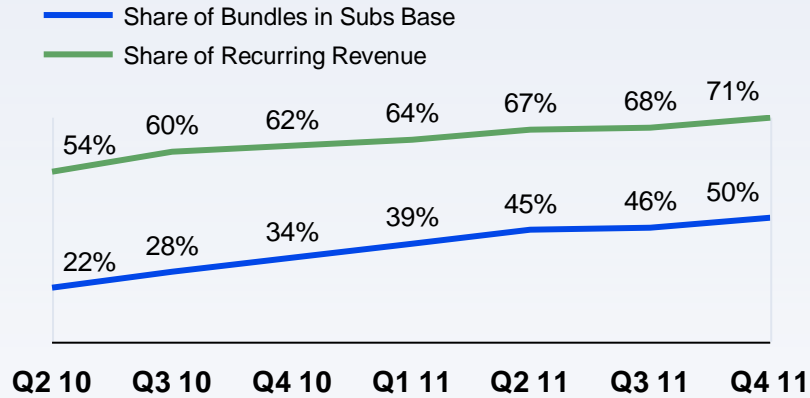
- Access lines per employee at 635 up from 624 in 2010

(1) EBITDA footnote on slide 25



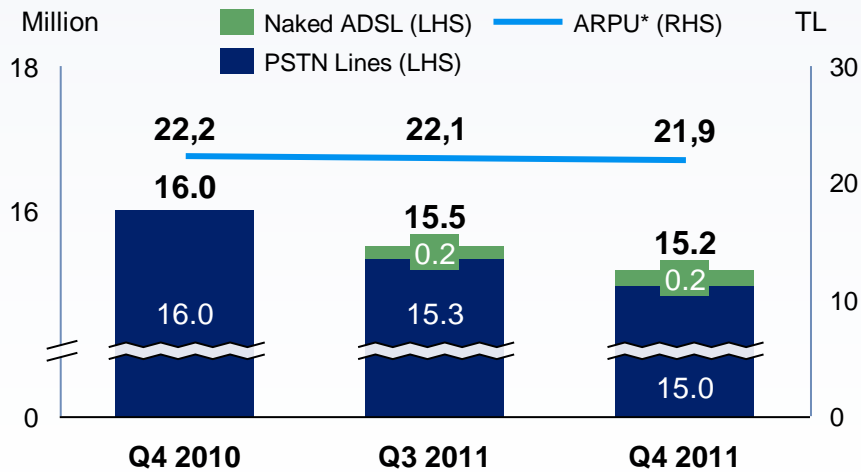
Revenue Stabilization Efforts Continue in Fixed Voice

Bundle Packages and Recurring Revenue



- Partnerships with leading brands for voice customers, offering discount benefits in various areas like travel, energy, electronics, family stores
- Bundle packages grow strongly and support the increase in fixed portion of PSTN revenue

Total Access Lines and ARPU



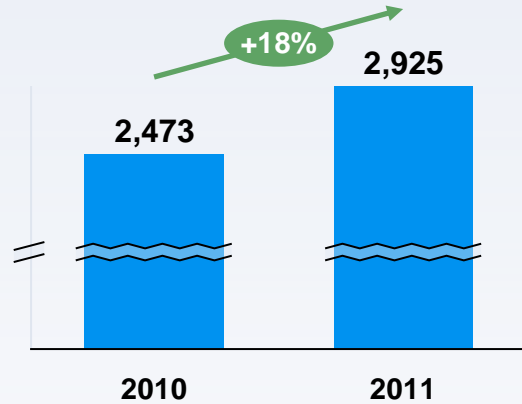
- Naked ADSL subscribers, now at 240K (an increase of 50% QoQ), mitigate PSTN line declines
- ARPU remained stable throughout 2011

* Revenue divided by average number of connections



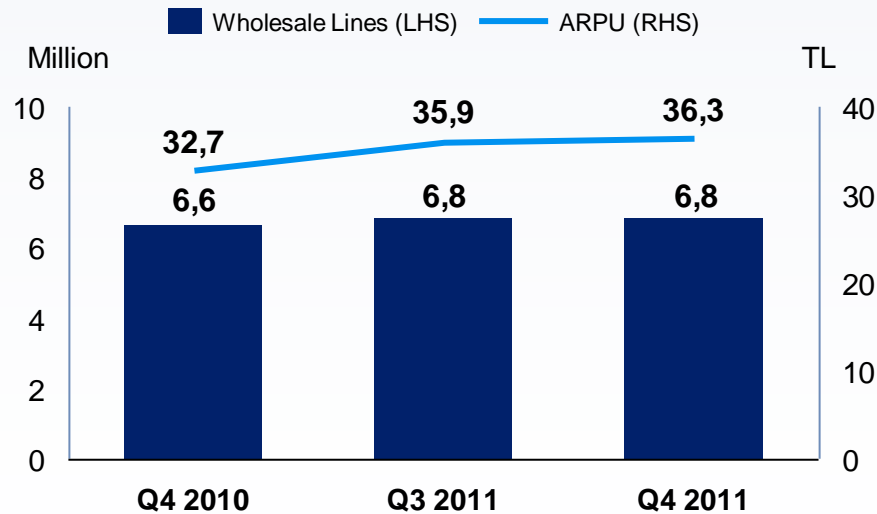
Solid revenue growth in Fixed Broadband

ADSL Revenues (TL mn)



- **TL 452 mn YoY revenue growth** in ADSL in 2011 driven by both ARPU and subscriber growth
 - **ARPU YoY increase** driven by upselling and inflationary price adjustments
 - 170K YoY increase in ADSL subscribers

ADSL Lines & ARPU



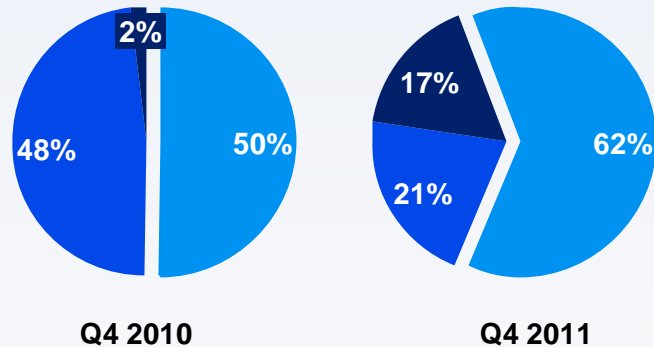
- Fixed broadband household penetration reached **40%**, still behind European average of **61%**, indicating significant potential



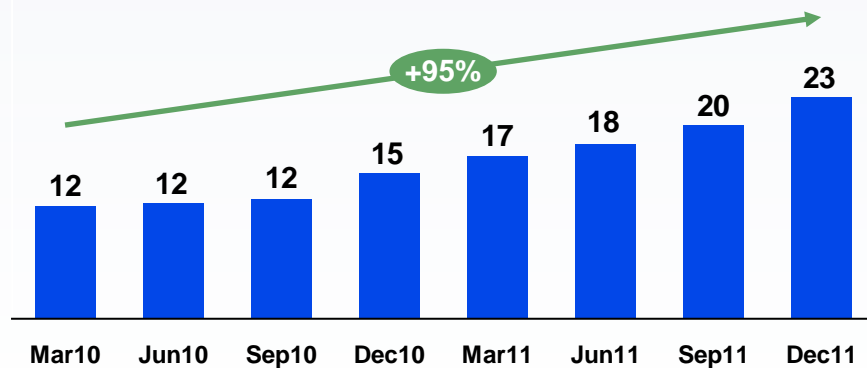
Fixed Broadband – Upselling helps ARPU growth

Capacity Breakdown

■ Limited (4GB and below)
 ■ Unlimited
■ Limited (over 4GB)



Monthly Data Usage (GB)



- Demand for higher speed and higher capacity packages remains high
 - **89% of total customers are now in “up to 8 mbps” speed packages, which grew 24% YoY**
 - **Unlimited capacity subscribers reached 62% of total, a growth of 24% YoY**
 - **Average monthly data usage reached 23 GB per month, an increase of 95% in the past 2 years**
- Upselling trends helped **ADSL ARPU reach TL 36.3, up 11% YoY**

Note: Capacity, speed and data usage are TTNET figures



Fixed Broadband – Leading Initiatives

Lokum – Pay as You Go Internet



- An entry level “Pay as You Go” internet package targeting millions of households with a PSTN line but without an internet connection
- Free landing page, TL 1 for one hour and TL 2 for one day internet connection with 1 mbps speed
- Potential boost to internet penetration
- Positive for PSTN line subscriber stickiness

Fiber Internet Connection



- Fiber broadband service brings ultra high speed for our customers
- Leveraging more than 150 thousand km fiber network

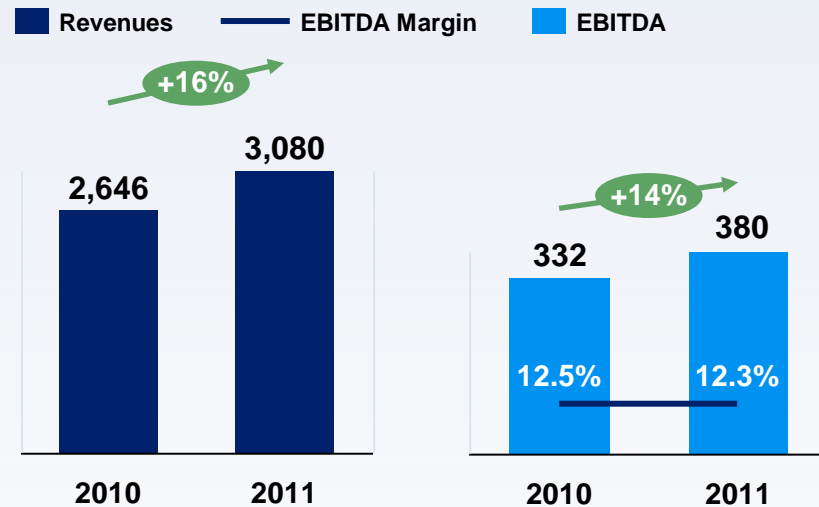


MOBILE

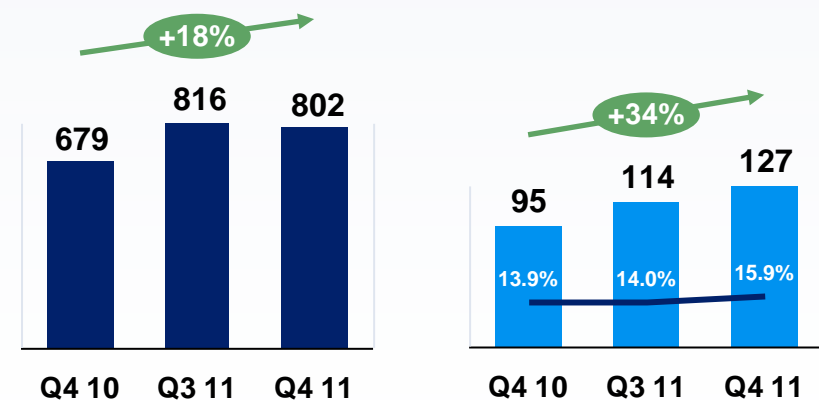


Mobile – Strong Revenues in a Challenging Market

FY 2011 Revenues & EBITDA (TL mn)



Q4 2011 Revenues & EBITDA* (TL mn)



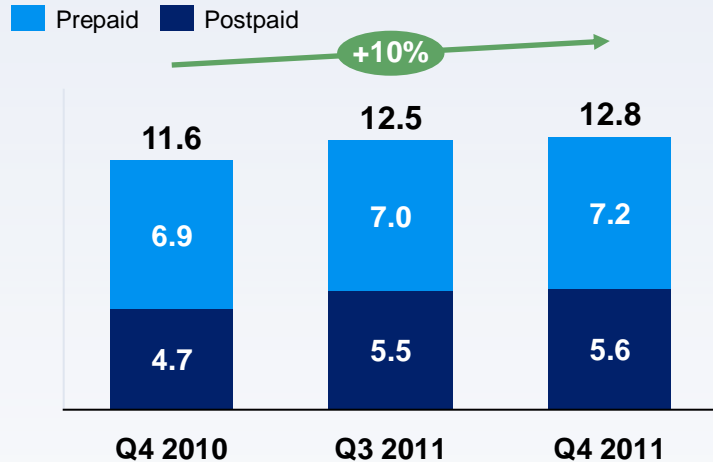
* EBITDA footnote on slide 27

- **Strong revenue growth** as a result of ongoing transformation in Avea
 - Revenues grew 16% in FY 2011 and 18% YoY in Q4 2011
- **Improved EBITDA** with focus on profitability
 - EBITDA grew 14% in FY 2011 and 34% YoY in Q4 2011



Mobile – Subscriber Composition

Avea Subscriber Composition

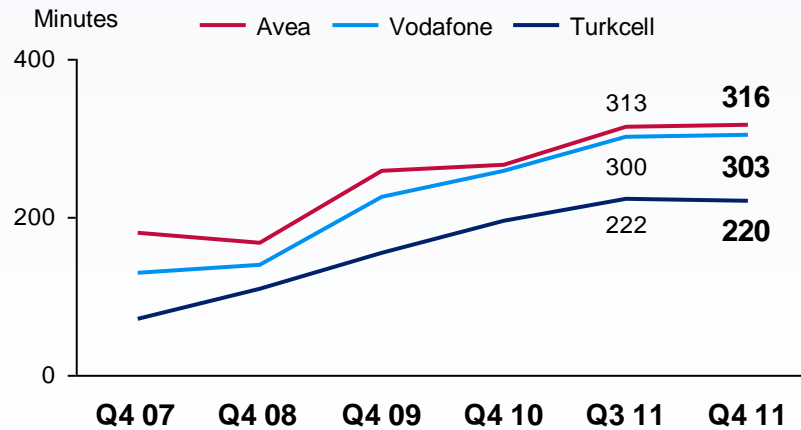


- **Subscribers increased by 236K in Q4 and 1.1 mn in 2011**

- **Post-paid subscribers grew 20% YoY compared to a 3% growth in pre-paid subscribers**

- **Number one operator in terms of net MNP gains**

Market MoU



- **MoU increased %18 YoY in Q4 11 mainly due to migration to high minute postpaid packages**

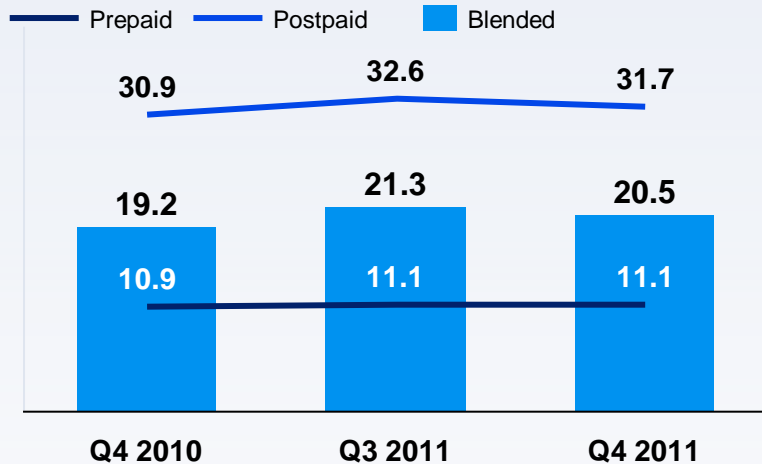
- **Consistently highest MoU in the past 5 years**

MNP: Mobile Number Portability



Mobile – Average Revenue Per User

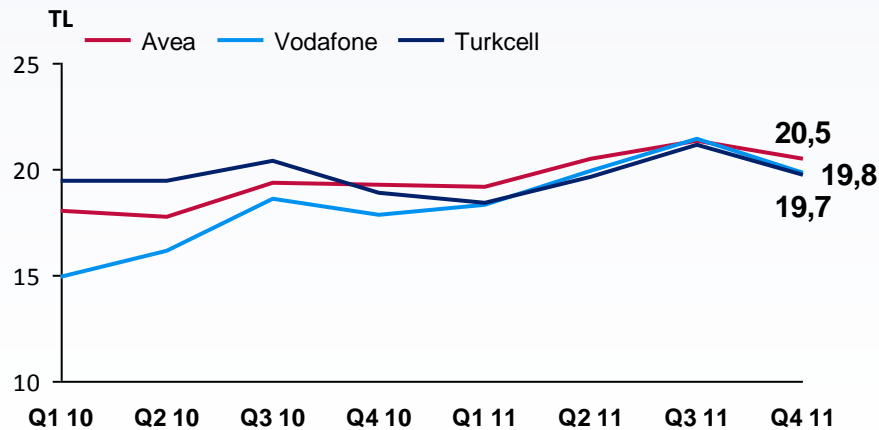
Avea ARPU (TL)



- Blended ARPU increased by 7% YoY driven by increased data usage and incoming traffic

- Increased postpaid base with new activations, as well as migration of customers to postpaid plans from prepaid ones helped YoY ARPU increase

Market Blended ARPU (TL)

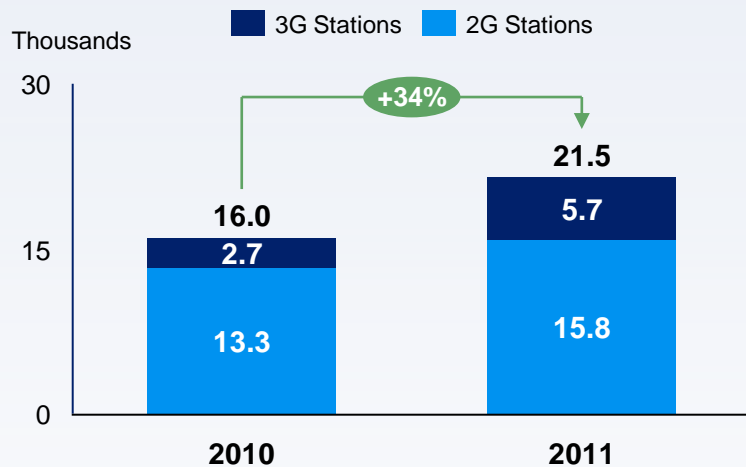


- Operator ARPU's increased and converged at around TL 21 in Q3 2011 due to seasonality, while Avea managed to keep its ARPU around the same level in Q4

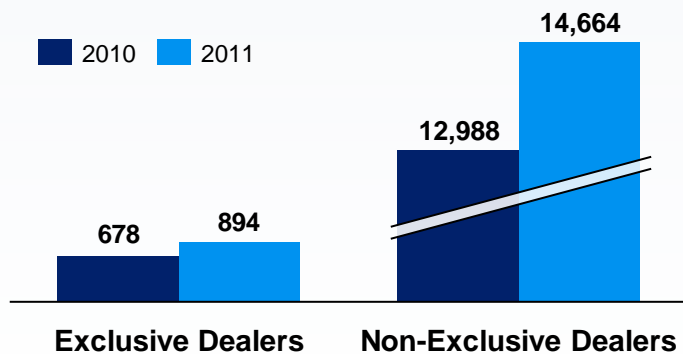


Mobile – Transformation continues

Base Stations & Coverage



Distribution Channel

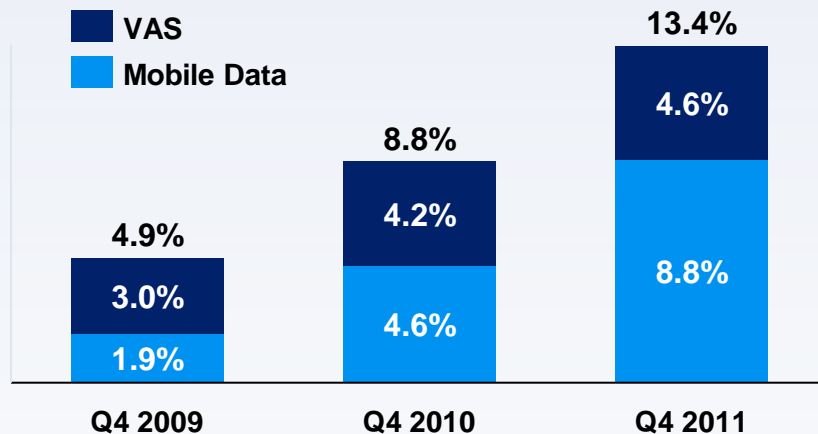


- **More than doubled the number of 3G base stations** reaching a population coverage of 79%
- **19% increase in 2G base stations**, reaching a population coverage of 98%
- Coverage and customer care initiatives launched to support brand image
- **32% increase in exclusive dealers**
- **Complete redesign of Avea shops**, enhanced customer experience
- 1,300 TT & TTNET cross sale points also sell Avea products
- Bundled offerings of fixed and mobile products in cooperation with TTNET

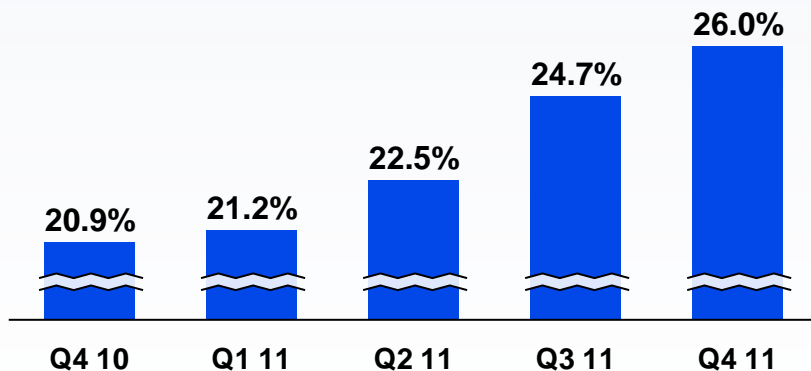


Mobile – Focus on Mobile Data

Mobile Data¹ and VAS² shares in Revenues



Share of Small Screen Data Users



- Substantial growth in mobile data revenues with 124% YoY in Q4 2011
- VAS revenues increased 27% YoY in Q4 2011
- **Smartphone and tablet campaigns** (including iPhone 4S and iPad 2) launched to increase data revenues and promote customer loyalty
- **Number of small screen³** data users accessing internet via mobile broadband, including smartphones and tablets, **grew 37%** YoY in Q4 2011
- Including SMS, total data & messaging revenues constitute 21% of service revenues

(1) Mobile data revenues consist of small & large screen and M2M revenues

(2) VAS: Value Added Services

(3) Small Screen defined as all handheld devices that access internet via mobile broadband except dongles that are used for PC's



FINANCIALS



TT Consolidated – Summary P&L Statement

TL Millions	2010 YE	2011 YE	% Change
Revenues	10.852	11.941	10%
EBITDA	4.835	5.077	5%
Margin	45%	43%	
Operating Profit	3.311	3.501	6%
Margin	31%	29%	
Financial Income/Expense	(184)	(891)	NM
FX & Hedging Gain/Loss	(87)	(785)	NM
Interest Income/Expense	(10)	(29)	NM
Other Financial Income/Expense	(87)	(78)	-10%
Tax Expense	(799)	(710)	-11%
Net Income*	2.451	2.069	-16%
Margin	23%	17%	

* After minority interest



TT Consolidated – Summary Balance Sheet

TL Millions	31.12.2010	30.12.2011
Intangible Assets ^(a)	3.517	3.540
Tangible Assets ^(b)	7.435	8.156
Other Assets ^(c)	2.929	3.499
Cash and Equivalents	1.219	979
Total Assets	15.100	16.174
Share capital	3.260	3.260
Reserves and Retained Earnings	2.915	2.509
Interest Bearing Liabilities ^(d)	4.199	5.346
Provisions for Long-term Employee Benefits	607	563
Other Liabilities ^(e)	4.119	4.496
Total Equity and Liabilities	15.100	16.174

(a) Intangible assets excluding goodwill

(b) Tangible assets include property, plant and equipment and investment property.

(c) Major items within Other Assets are Trade Receivables, Due from Related Parties, Other Current Assets and Deferred Tax Asset.

(d) Includes short-term and long-term borrowing and short-term and long-term obligations under finance leases

(e) Major items within Other Liabilities are Deferred Tax Liability, Trade Payables, Provisions, Income Tax Payable, Due to Related Parties, Other Current Liabilities, Provisions for Employee Termination Benefits and Minority Put Option Liability



TT Consolidated – Summary Cash Flow Statement

TL Millions	2010 YE	2011 YE	% Change
Cash Flow from Operating Activities	3.844	3.970	3%
Cash Flow from Investing Activities	(1.761)	(2.060)	17%
<i>CAPEX</i>	(1.805)	(2.327)	29%
<i>Other Investing Activities</i>	44	267	NM
Cash Flow from Financing Activities	(1.805)	(2.073)	15%
<i>Dividend</i>	(1.590)	(2.244)	41%
<i>Other Financing Activities</i>	(215)	171	NM
Net Change in Cash Position^(a)	278	(163)	NM

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



TT Consolidated – Summary Revenue Breakdown

TL Millions	2010 YE	2011 YE	% Change
Fixed Line	8.511	9.198	8%
Domestic PSTN	4.255	4.114	-3%
ADSL	2.473	2.925	18%
Data Services	364	443	22%
International Settlements	229	461	101%
Domestic interconnection	283	321	14%
Leased lines	486	449	-8%
Rental income from GSM operators	101	99	-2%
Other	179	245	37%
Sub - Total	8.370	9.057	8%
Construction Revenue (IFRIC 12)	141	140	0%
Mobile	2.646	3.080	16%
Eliminations	(305)	(338)	11%
Total Revenue	10.852	11.941	10%

(a) Pantel revenue (starting Q4 2010), international data services and inbound traffic terminated at Türk Telekom's international gateway.



TT Consolidated – Summary OPEX Breakdown

TL Millions	2010 YE	2011 YE	% Change
Personnel	1.844	2.068	12%
Domestic interconnection	524	618	18%
International interconnection	158	301	90%
Commercial ^(a)	1.023	1.200	17%
Maintenance and Operations	389	404	4%
Taxes & Government Fees	717	793	11%
Doubtful Receivables	91	(4)	-104%
Others	1.146	1.359	19%
Sub-Total	5.892	6.739	14%
Construction Cost (IFRIC 12)	125	124	-1%
Total OPEX	6.017	6.864	14%

(a) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and promotion



Fixed Line Business – Summary P&L Statement

TL Millions	2010 YE	2011 YE	% Change
Revenues	8.511	9.198	8%
EBITDA ^(a)	4.507	4.703	4%
Margin	53%	51%	
Operating Profit	3.615	3.729	3%
Margin	42%	41%	
CAPEX	1.263	1.498	19%
CAPEX as % of Revenue	15%	16%	

(a) Incentive expenses on voluntary retirement program had a negative impact of TL 100 million on fixed line EBITDA in 2011 (negative impact of TL 65 mn on fixed line EBITDA in Q4 2011). Doubtful receivable estimation update and campaign on collection of overdue receivables had a positive impact of TL 125 million on the fixed line EBITDA in Q4 2011.



Fixed Line Business – Summary OPEX Breakdown

TL Millions	2010 YE	2011 YE	% Change
Personnel ^(a)	1.683	1.878	12%
Domestic interconnection	118	101	-15%
International interconnection	142	286	101%
Commercial ^(b)	615	695	13%
Maintenance and Operations	282	308	9%
Taxes & Government Fees	224	234	4%
Doubtful Receivables ^(c)	15	(53)	NM
Others	800	923	15%
Sub-Total	3.879	4.370	13%
Construction Cost (IFRIC 12)	125	124	-1%
Total OPEX	4.004	4.495	12%

(a), (c) Please see the footnote on slide 25

(b) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion



Mobile Business – Summary P&L Statement

TL Millions	2010 YE	2011 YE	% Change
Revenues	2.646	3.080	16%
EBITDA ^(a)	332	380	14%
Margin	13%	12%	
Operating Profit	(301)	(224)	26%
Margin	-11%	-7%	
CAPEX	470	799	70%
CAPEX as % of Revenue	18%	26%	

(a) Reversal of prior periods' excess doubtful receivables provision due to enhanced collection performance had a positive impact of TL 31 million on the mobile business EBITDA in Q4 2011.



Mobile Business – Summary OPEX Breakdown

TL Millions	2010 YE	2011 YE	% Change
Personnel	178	201	13%
Domestic interconnection	495	606	23%
International interconnection	16	15	-7%
Commercial ^(a)	410	509	24%
Maintenance and Operations	111	100	-10%
Taxes & Government Fees	493	559	13%
Doubtful Receivables	77	50	-35%
Others	534	660	24%
Total	2.314	2.701	17%

(a) Includes Commissions, Advertising & Marketing, Subscriber Acquisition & Retention Costs and Promotion



2011 Dividend Proposal

- Board of Directors recommended dividends of TL 1.9 billion or 54 Kurus per share (Subject to General Assembly approval in May 2012)

TL Millions	2010	2011
Net Profit	2.451	2.069
Legal Reserves	207	172
Total Dividend	2.244	1.896
Payout Ratio	92%	92%
<i>Gross Dividend Per Share (TL)</i>	<i>0,64</i>	<i>0,54</i>



Debt Profile

Debt	In Currency	TL Equivalent	< 3 Months	3 Months to 1 Year	1 to 5 Years	> 5 Years
TL	758	758	758	0	0	0
USD	1.234	2.331	354	507	1.258	211
EUR	909	2.222	97	579	1.234	312
TOTAL		5.310	1.208	1.087	2.493	523

* In Millions

Average maturity of foreign currency debt is 2.3 years

Ratios	2010 YE	2011 YE
Net Debt / EBITDA	0,62	0,86
Net Debt / Assets	0,20	0,27
Debt (Total Liabilities) / Equity	1,45	1,80
Debt (Financial) / Equity	0,68	0,93
Current Ratio	0,77	0,72

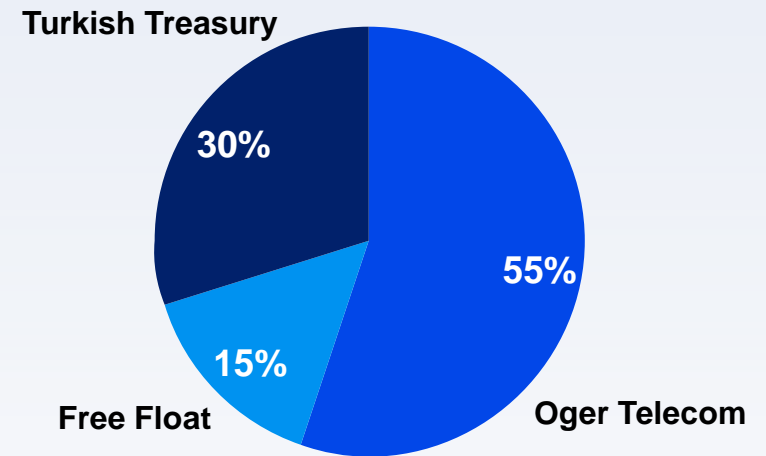


APPENDIX

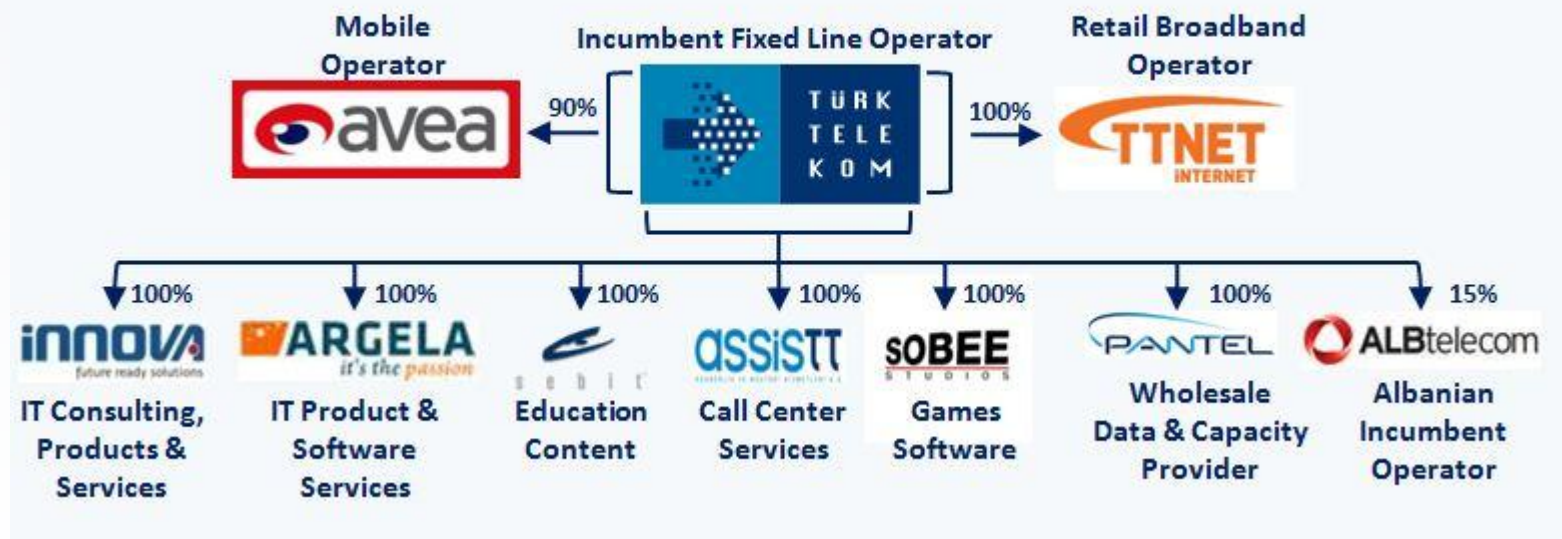


Turk Telekom Group Ownership Structure

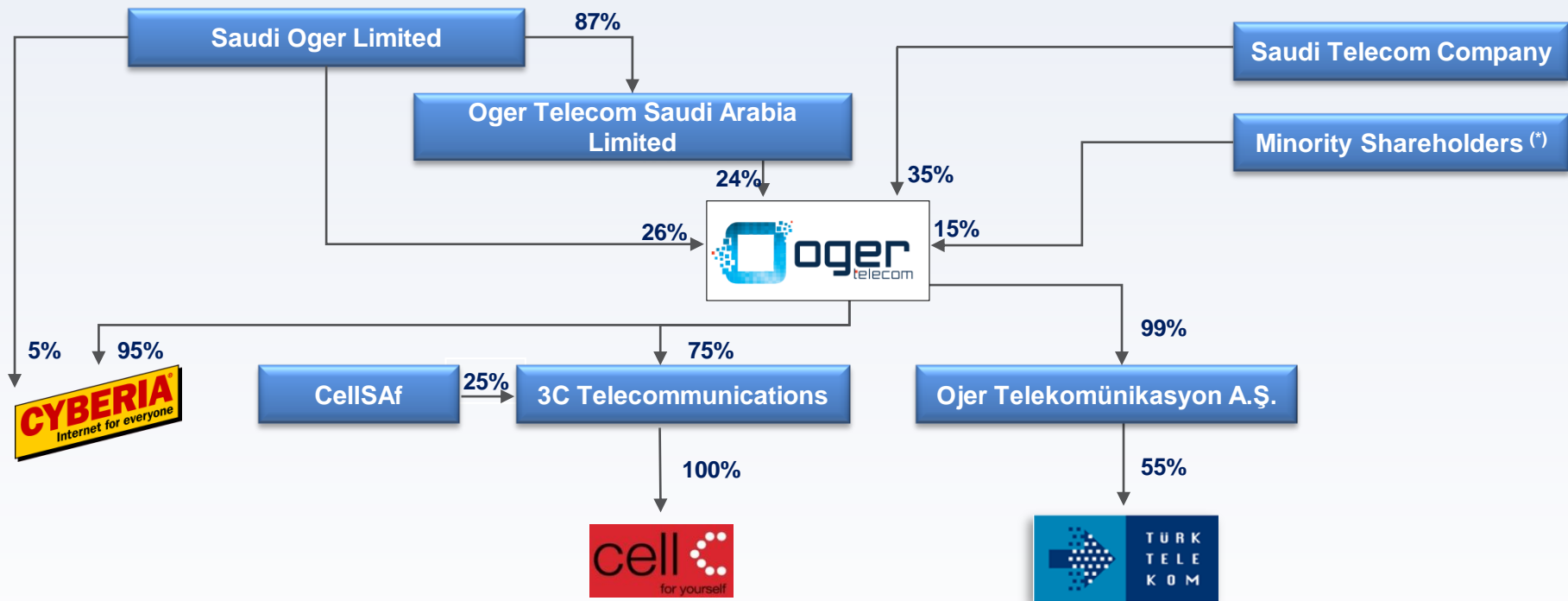
- Oger Telecom appoints 6 Board Members
- Turkish Treasury appoints 4 Board Members (1 represents Golden Share)



Group Companies



Oger Telecom Ownership Structure

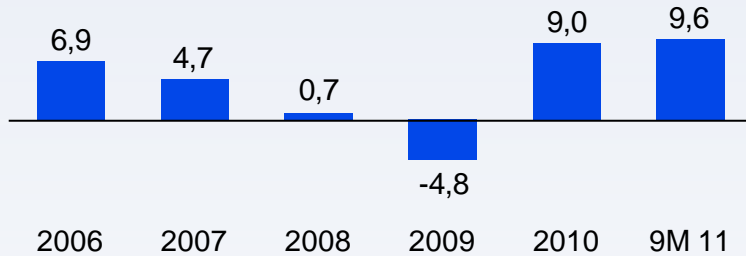


(*) Among Oger Telecom's direct and indirect minority shareholders are regional and 'blue chip' global financial investors.

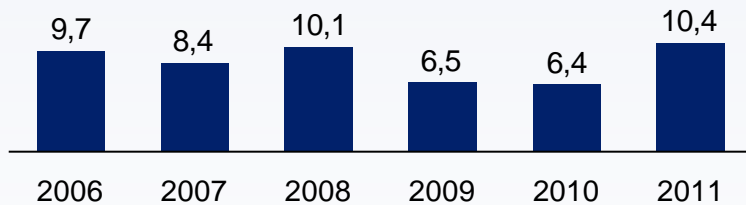


Macro Highlights

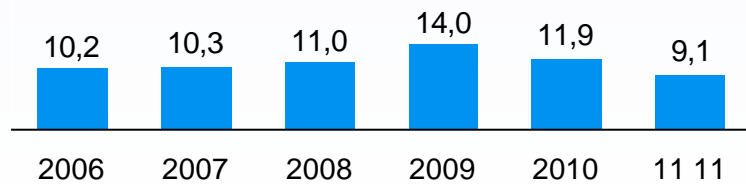
Annual Real GDP Growth Rate, % ¹



Annual CPI Inflation, % (eop) ²



Unemployment Rate, % ³



Source for 1 & 2 & 3: TURKSTAT

▪ Turkish economy grew by 8.2% y/y in 3Q 2011 (after 12.0% growth in 1Q and 8.8% growth in 2Q). As a result, the GDP growth rate during the 9-month period of the year registered as 9.6%.

▪ As suggested by leading indicators such as industrial production and capacity utilization rates, the economic activity is expected to remain robust in 4Q 2011. The GDP growth rate in 2011 is expected to exceed 8%. The Government forecasts 4% GDP growth rate in 2012.

▪ The year-end annual CPI inflation has reached 10.4% in 2011 after 6.4% annual inflation in 2010.

▪ The Central Bank expects the second round effects of the temporary price movements to remain contained and the disinflation process to accelerate, especially in the final quarter of 2012, forecasting the year-end annual inflation as 6.5%.

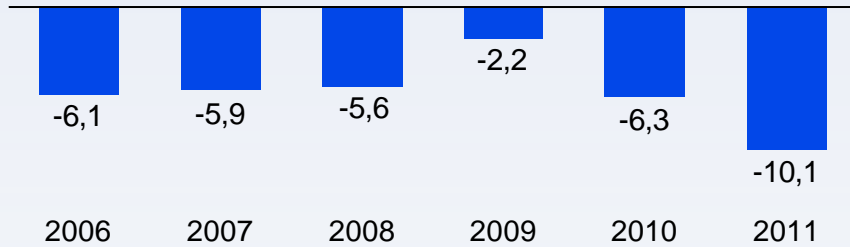
▪ As of November, the unemployment rate was 9.1% (down from 11.5% in February, 9.4% in May, and 9.2% in August).

▪ In the period ahead, moderation in domestic demand and ongoing global problems are likely to exert some upward pressure on the unemployment rate. The Government estimates the unemployment rate at 10.5% in 2011 and 10.4% in 2012.

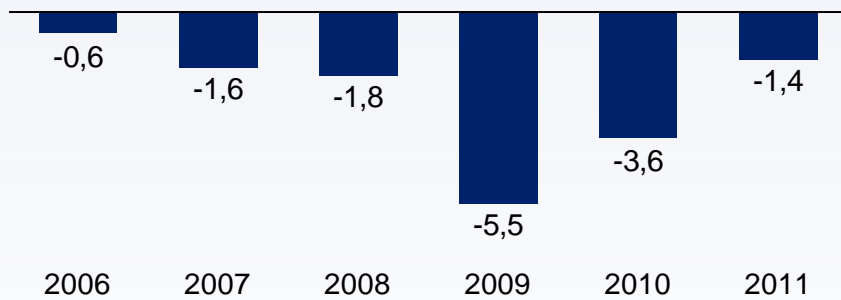


Macro Highlights (continued)

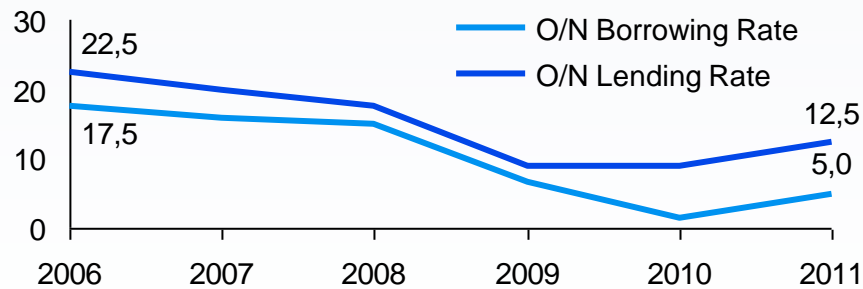
Current Account Balance, % of GDP ⁴



Central Govt. Budget Balance, % of GDP ⁵



CBT's Interest Rate Corridor, % (eop) ⁶



Source: 4: CBT, TURKSTAT
5: Ministry of Finance, TURKSTAT
6: CBT

- As of December, a current account deficit of US\$ 77.1 bn was recorded on year-to-date basis, equaling around 10% of the GDP.

- The improvement in the current account balance is expected to continue in the upcoming period. The Government projects the current account deficit as US\$ 65 bn (8% of the GDP) in 2012.

- As of December, the year-to-date budget deficit and the primary surplus registered as TL 17.4 bn (around 1.4% of the GDP) and TL 24.8 bn (around 1.9% of the GDP) respectively.

- The Government plans to maintain fiscal discipline in 2012, targeting TL 21.1 bn budget deficit (1.5% of the GDP) and TL 29.2 bn primary surplus (2.0% of the GDP).

- As of December, the policy rate (the one-week repo auction rate) was at 5.75%, while the overnight borrowing and lending rates were at 5% and 12.5% respectively.



Regulatory Actions



April

- Interconnection rate decrease in Fixed (10%) and Mobile (33%)

November

- 3G tender held
- Mobile Number Portability introduced
- New Electronic Communications Law passed

May

- About 29% reduction in MTRs
- MVNO regulation was in place

July

- 3G services started

September

- Fixed Number portability introduced

October

- Local call Liberalization

April

- About 52% reduction in MTRs
- 17% cut in double tandem FTR
- 38% decrease in GSM to GSM rate cap
- TL per minute pricing introduced

July

- TA announced Naked ADSL fee as TL 8.13
- TA postponed 20 second billing for an indefinite time

December

- Naked ADSL services started

April

- Mobile off-net price cap increased by 4%
- SMS price cap decreased by 48%

October

- BTK's fiber decision: FTTH/B will be excluded from the process of market analysis until 25% fiber market share or 5 years

January

- WLR introduced



THANK YOU...

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ir@turktelekom.com.tr - www.ttinvestorrelations.com

+90 (212) 309-9630

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