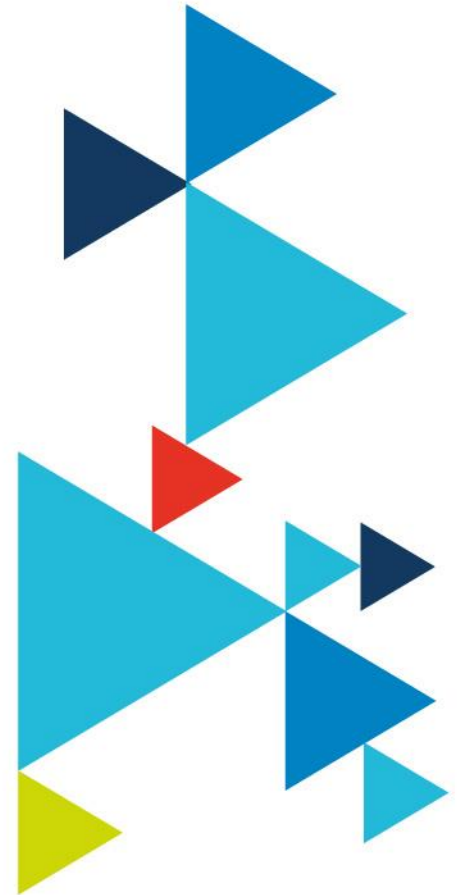


**TÜRK TELEKOM GROUP
2016 SECOND QUARTER
FINANCIAL AND OPERATIONAL
RESULTS**

July 26, 2016



ANOTHER RECORD HIGH REVENUE GROWTH

Türk Telekom Group delivered record high organic revenue growth in the second quarter of 2016. Group revenues increased by 11.8% YoY to TL 3.9bn, while consolidated revenues excluding construction revenue adjustment grew 10.3%. Group EBITDA¹ was flat YoY at TL 1.3bn, while net income for the period was TL 248mn.

Due to accelerated mobile and fiber investments in line with the LTE service launch, consolidated capex was TL 689mn with 48% YoY increase.

Türk Telekom Group completed the quarter with another set of strong operational results and achieved 450K net subscriber additions in high growth business segments namely mobile, broadband and TV which brought the total Group subscriber base to 38.3 mn.

Q2 2016 OPERATIONAL HIGHLIGHTS

- ❖ Broadband subscriber base increased by 113K QoQ out of which 109K was fiber subscribers². Total fixed broadband subscribers reached 8.3mn. H1 net additions were 310K, the highest H1 increase since IPO.
- ❖ Mobile subscribers reached 18.0mn, with a net gain of 310K in Q2 driven by the strong contribution of postpaid net additions realized at 349K.
- ❖ Mobile blended ARPU was TL 25.1 in Q2 and improved by 8% YoY driven by the rising demand for higher data packages.
- ❖ Home TV subscribers reached 544K with a quarterly net addition of 76K. Home TV subscribers almost doubled after the launch of UEFA Champions League and Europa League sports packages and DTH platform.

¹EBITDA is a non-GAAP financial measure. The EBITDA definition used in this press release includes revenues, cost of sales, selling and marketing expenses, administrative expenses, other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation and amortization expenses, financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest income/(expenses), and discount income/(expense) on receivables and payables excluding financial borrowings), income on unconsolidated subsidiaries, and minority interest.

²Fiber subscribers include FTTH/B & FTTC subscribers

Türk Telekom CEO Rami Aslan's comments on 2016 Q2 results:

Q2 2016 was a strong quarter during which Türk Telekom, once again, realized excellent revenue growth. Our topline year on year growth was 11.8% in Q2 2016, which is the highest organic year on year quarterly revenue growth since our IPO in 2008. The growth was driven by the solid performance across all segments, reaffirming our strategy of differentiation through quality, diversification and convergence.

In Q2 2016, Türk Telekom also delivered outstanding subscriber growth. Our superior product line up - whether it is the superfast broadband, mobile offerings or top quality TV content- resonates well with our customers. We delivered the best second quarter net adds in eight years, with a total number of subscribers reaching 38.3 million. The quarterly net additions were broad based with 113 thousand, 310 thousand, 76 thousand net adds in broadband, mobile and home TV, respectively. The diversification of our net additions as well as the subscriber base clearly demonstrates the strength of our position across all segments we operate in.

For the last ten years, we have been working to build a top quality infrastructure to offer the best possible experience to all our customers. As Turkey's leading telco operator, we are best positioned to harmonize fiber and LTE networks, both of which are crucial for delivering best in class telco services. Türk Telekom's ratio of "Fiber-Powered LTE" base stations more than triples the European averages. Our LTE population coverage reached c.70% in a very short time.

Türk Telekom remains at the forefront of advanced technologies in Turkey, supported by our subsidiary Argela, one of the full members of the European Telecommunications Standards Institute, a reputed union and the main organization setting the 5G standards in the world.

Our efforts are crowned with a very significant award: Türk Telekom has become "Turkey's Most Valuable Telecoms Brand" on the 2016 list published annually by Brand Finance. Achieving to entitle "Turkey's Most Valuable Telecoms Brand" for 8 consecutive years, Türk Telekom once again proved to be Turkey's "leading communication and entertainment technology company".

Our strategy and years of dedicated hard work translated into a strong platform fostering real growth. I am confident that we have the right strategy and people in place to deliver the best value for all our stakeholders. I would like to thank our employees for their invaluable contributions

Financial Highlights

| (TL mn) | Q2'15 | Q1'16 | Q2'16 | QoQ Change | YoY Change |
|--|--------------|--------------|--------------|------------|------------|
| Revenue | 3,526 | 3,801 | 3,940 | 3.7% | 11.8% |
| Revenue (exc. construction adjustment) | 3,464 | 3,761 | 3,820 | 1.6% | 10.3% |
| EBITDA | 1,320 | 1,262 | 1,322 | 4.8% | 0.1% |
| Margin | 37.4% | 33.2% | 33.6% | | |
| Depreciation and Amortisation | (532) | (658) | (695) | 5.6% | 30.6% |
| Operating Profit | 788 | 604 | 627 | 3.9% | -20.4% |
| Margin | 22.3% | 15.9% | 15.9% | | |
| Financial Income / (Expense) | (339) | (30) | (212) | 600.5% | -37.5% |
| FX & Hedging Gain / (Loss) | (308) | 76 | (88) | n.m. | -71.3% |
| Interest Income / (Expense) | (9) | (75) | (93) | 23.3% | 974.0% |
| Other Financial Income / (Expense) | (22) | (31) | (31) | -2.4% | 37.1% |
| Tax Expense | (125) | (166) | (168) | 1.1% | 33.8% |
| Net Income | 335 | 408 | 248 | -39.2% | -26.1% |
| Margin | 9.5% | 10.7% | 6.3% | | |
| CAPEX | 467 | 708 | 689 | -2.7% | 47.7% |

Revenues

Consolidated revenues increased by 11.8% YoY (up by TL 414 mn) to TL 3,940 mn in Q2'16, mainly due to 16.1% increase in mobile (up by TL 197 mn) and 11.4% increase in broadband (up by TL 106 mn). Excluding non-operational construction revenue adjustment, top line growth was 10.3% YoY (up by TL 356mn) in Q2'16.

Operating Expenses Excluding Depreciation and Amortization (OPEX)

Operating expenses increased by 18.7% YoY (up by TL 412 mn) in Q2'16, mainly due to increase in personnel expenses (up by TL 81 mn), commercial expenses (up by TL 67 mn) and bad debt provision expenses (up by TL 57 mn).

Operating Profit before Depreciation and Amortization (EBITDA)

Consolidated EBITDA at TL 1,322 mn was flat compared to the same period of last year. EBITDA margin in Q2'16 was 34%.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 30.6% YoY to TL 695 mn in Q2'16, mainly due to amortization of new spectrums.

Operating Profit

Operating profit³ was TL 627 mn in Q2'16 vs. TL 788 mn in Q2'15 mainly due to the increase in depreciation and amortization expenses.

Net Financial Income / Expense⁴

Group recorded TL 212 mn net financial expense in Q2'16 with 38% YoY decrease due to more favorable FX environment compared to the same period of last year.

Tax Expense

Tax expense realized at TL 168 mn (up by TL 42 mn YoY) in Q2 '16.

Net Income

Net income declined to TL 248 mn (TL 0.07 per share) in Q2'16 compared to TL 335 mn realized in Q2'15 mainly due to increase in depreciation and amortization and tax expenses.

Capital Expenditures (CAPEX)

Group invested TL 689 mn in Q2'16 corresponding to 48% YoY increase mainly due to accelerated mobile and fiber investments in line with LTE service launch.

³Operating profit includes revenues, cost of sales, depreciation and amortization, selling and marketing expenses, administrative expenses, other operating income/(expense), and income/(expense) from investing activities, but excludes financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest income /(expenses), and discount income/(expense) on receivables and payables), income on unconsolidated subsidiaries, and minority interest. Reported operating profit on CMB financial statements is different due to reclassification requirements of the POA/CMB since 2013 Q3 financial statements. ⁴Net financial income/(expense) includes financial income/(expense) and FX gain/(loss), interest income /(expenses), discount income/(expense) on receivables and payables excluding financial borrowings which are presented in other operating income/(expenses). Net financial income/(expense) on CMB financial statements is different due to reclassification requirements of the POA/CMB since 2013 Q3 financial statements.

Operational Highlights

| | Q2'15 | Q1'16 | Q2'16 | QoQ Change | YoY Change |
|---|-------|-------|-------|------------|------------|
| Total Access Lines (mn) ¹ | 12.9 | 12.9 | 12.9 | 0.0% | 0.0% |
| <i>Fixed Voice Subscribers (mn)</i> | 10.8 | 10.1 | 10.0 | -1.5% | -7.9% |
| <i>Naked Broadband Subscribers (mn)</i> | 2.1 | 2.8 | 3.0 | 5.7% | 40.4% |
| Fixed Voice ARPU (TL) ² | 23.3 | 23.5 | 23.7 | 0.7% | 1.5% |
| Total Broadband Subscribers (mn) | 7.7 | 8.2 | 8.3 | 1.4% | 8.2% |
| Total Fiber Subscribers ('000) | 1,252 | 1,632 | 1,742 | 6.7% | 39.1% |
| <i>FTTH/B ('000)</i> | 729 | 795 | 809 | 1.8% | 10.9% |
| <i>FTTC ('000)</i> | 523 | 838 | 933 | 11.3% | 78.4% |
| Broadband ARPU (TL) ³ | 40.2 | 41.1 | 41.5 | 0.8% | 3.1% |
| Total TV Subscribers (mn) ⁴ | 1.7 | 1.9 | 2.0 | 1.5% | 15.8% |
| <i>Tivibu Home (IPTV + DTH) Subscribers('000)</i> | 291 | 468 | 544 | 16.3% | 87.0% |
| TV ARPU (TL) | 14.0 | 21.9 | 19.0 | -13.5% | 35.6% |
| Mobile Total Subscribers (mn) | 16.7 | 17.7 | 18.0 | 1.7% | 7.7% |
| <i>Mobile Postpaid Subscribers (mn)</i> | 8.3 | 8.9 | 9.3 | 3.9% | 11.2% |
| <i>Mobile Prepaid Subscribers (mn)</i> | 8.4 | 8.8 | 8.8 | -0.5% | 4.3% |
| Mobile Blended ARPU (TL) | 23.2 | 24.0 | 25.1 | 4.7% | 8.3% |
| <i>Mobile Postpaid ARPU (TL)</i> | 31.0 | 32.1 | 33.1 | 3.1% | 6.5% |
| <i>Mobile Prepaid ARPU (TL)</i> | 14.9 | 15.4 | 16.4 | 6.4% | 9.6% |

(1) Naked DSL Lines and Fixed Voice Lines

(2) As of Q2'16, Fixed Voice ARPU is reclassified. Domestic and international fixed line incoming call interconnection revenues are included at fixed voice ARPU. The reclassification is applied retrospectively back to Q1'14

(3) As of Q2'16, TV revenues are excluded from Broadband ARPU calculation. The reclassification is applied retrospectively back to Q1'14

(4) Tivibu Home (IPTV, DTH) and Tivibu Go (Web TV+ Mobile TV +Smart TV subscribers)

Conference Call & Webcast Invitation

Date & Time: Thursday 28 July, 2016; 3:00 pm Turkish Time - EET.

Türk Telekom Group senior management chaired by Mr. Rami Aslan will present 2016 Q2 financial and operational results. The presentation will be followed by a Q&A session.

In order to participate in our investor call, you may;

1. JOIN THE CONFERENCE CALL (959406): You may choose to dial-in and listen to the conference call on your telephone. In order to participate, please register at the provided link at the end of the page. Upon registration, you can dial a number provided at the list and quote the conference ID to the operator to get connected.

You may also dial-in below numbers to join the conference call should you have no access to internet at your convenience to register.

You may test the audio via <http://event.on24.com/view/help/index.html> to check whether your system meets the minimum requirements for the webcast stream. If you have issues with the webcast, please dial into the operator assisted audio call via your telephone.

| BACK-UP NUMBERS FOR CONFERENCE CALL PARTICIPANTS | |
|--|---------------------|
| PARTICIPANTS MUST PROVIDE "959406" | |
| Description | Phone Number |
| Participant - UK: | +44 (0)20 7162 0077 |
| Participant - US: | +1 646 851 2407 |

2. JOIN THE WEBCAST: You may join our webcast by simply registering at the provided link below. Webcast will allow participants to see/download slides and listen to the streaming audio without dialing-in.

IMPORTANT NOTE: Q&A session will only be available for conference call participants. In order to ask questions during the Q&A session you should connect via telephone and join the conference call.

We recommend you to start dialing in 5-10 minutes prior to the call to ensure a timely start to the conference.

Please click the link to register:

[REGISTRATION LINK FOR CONFERENCE CALL AND WEBCAST](#)

About Türk Telekom Group

Türk Telekom, with 175 years of history, is the first integrated telecommunications company in Turkey. In 2015, Türk Telekomünikasyon A.Ş. adopted a “customer-oriented” integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of Avea İletişim Hizmetleri A.Ş. and TTNET A.Ş. intact and adhering to the rules and regulations to which they are subject. In January 2016, Türk Telekom unified its mobile, fixed voice, broadband and TV products and services under the single “Türk Telekom” brand.

As the “Multiplay Provider of Turkey,” Türk Telekom Group Companies offer a complete range of mobile, fixed voice, broadband and TV services. Türk Telekom Group Companies have a wide service network and product range in the fields of individual and corporate services. As of June 30, 2016, Türk Telekom has 12.9 million fixed access lines, 8.3 million broadband and 18.0 million mobile subscribers. Türk Telekom Group Companies provide services in all 81 cities of Turkey with 33,625 employees with the vision of introducing new technologies to Turkey and accelerating Turkey’s transformation into an information society.

Türk Telekomünikasyon A.Ş., providing PSTN and wholesale broadband services, owns 100% of mobile operator Avea İletişim Hizmetleri A.Ş., retail internet services, IPTV, satellite TV, Web TV, Mobile TV, Smart TV services provider TTNET A.Ş., TV Broadcasting and VOD services provider Net Ekran Companies, convergence technologies company Argela Yazılım ve Bilişim Teknolojileri A.Ş., IT solution provider Innova Bilişim Çözümleri A.Ş., online education software company Sebit Eğitim ve Bilgi Teknolojileri A.Ş., call center company AssisTT Rehberlik ve Müşteri Hizmetleri A.Ş., wholesale data and capacity service provider Türk Telekom International and its subsidiaries.

DISCLAIMER

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.

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There may be differences between the data provided in this press release and ICTA's market reports. These discrepancies are due differences in basis of financial reporting (standalone vs. consolidated) and differences in ARPU calculation methodologies.

The PSTN services and wholesale broadband services are provided by Türk Telekomünikasyon A.Ş., the retail internet services are provided by TTNET A.Ş. the mobile services - are provided by Avea İletişim Hizmetleri A.Ş.

Türk Telekom® brand used in this press release is the joint brand of Turk Telekom Group of companies. All group companies's legal entities remain intact.

Türk Telekom Group Consolidated Financial Statements are available on <http://www.ttinvestorrelations.com/financial-operational-information/quarterly-results.aspx>