

Türk Telekom Group

Q1  
Results  
2014



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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.

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# Consolidated Performance



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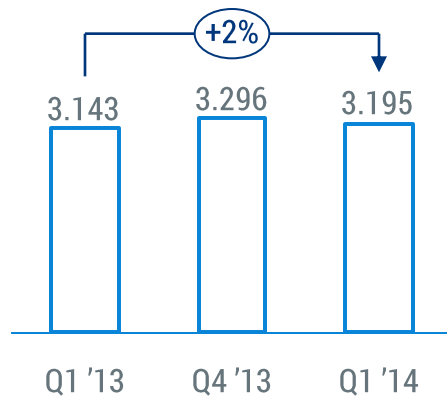


# 2014 First Quarter Highlights

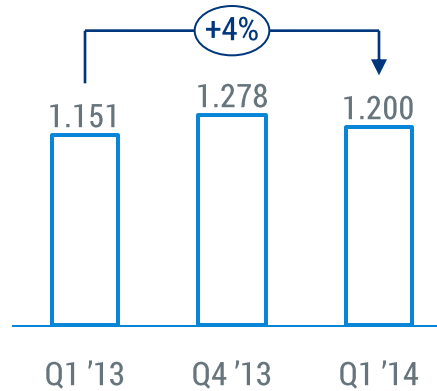
- /// Consolidated revenues grew **2% YoY** (4% excluding the MTR cut effect)
- /// **4% YoY** revenue growth in mobile (14% excluding the MTR cut effect) backed by **757K** net subscriber additions – highest in the past 6 years
- /// **8% YoY** growth in broadband revenues driven by **69K** net subscriber additions and ARPU uplift
- /// **4% YoY** EBITDA growth
- /// Net income decreased **27% YoY** while up **48% QoQ**

# Consolidated Financials

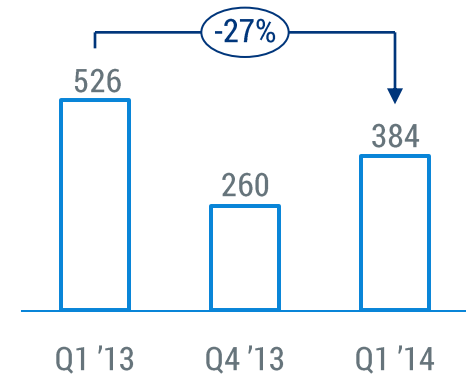
Revenue (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

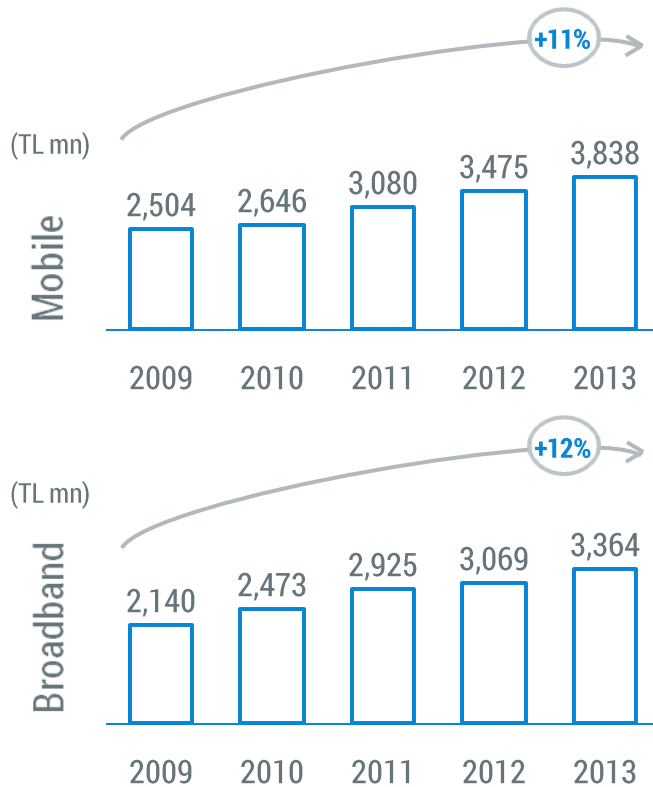


## Revenue continues growing, accompanied by EBITDA increase

- /// Excluding MTR cut, revenue growth is 4%
- /// 4% EBITDA growth, supported by efficiency initiatives
- /// 48% QoQ increase and 27% YoY decrease in net income mainly due to FX rates

# Revenue Mix

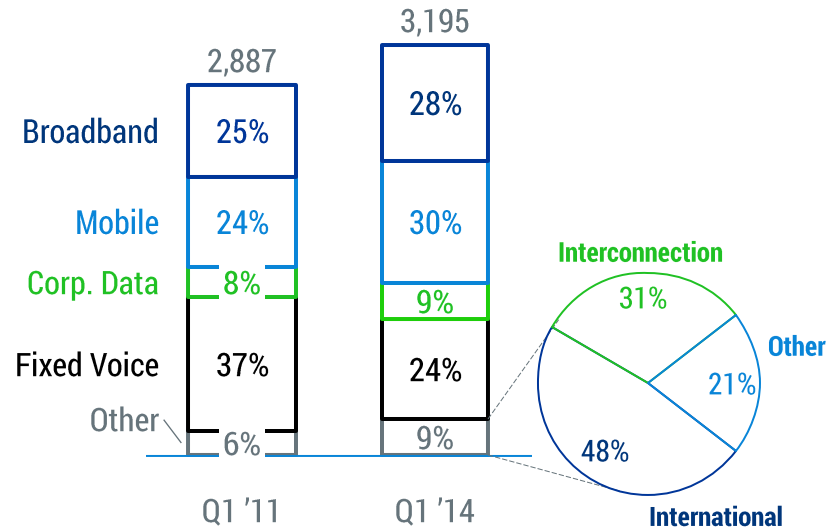
## Focus on High Growth Areas



67% of the revenues come from high growth areas

- /// Broadband and mobile grew at double digit rates on average in the last five years
- /// Strong growth in corporate data revenues with 17% YoY in Q1 '14
- /// Fixed voice share at 24% of total revenues, third largest revenue source

### Consolidated Revenues



# Fixed Line



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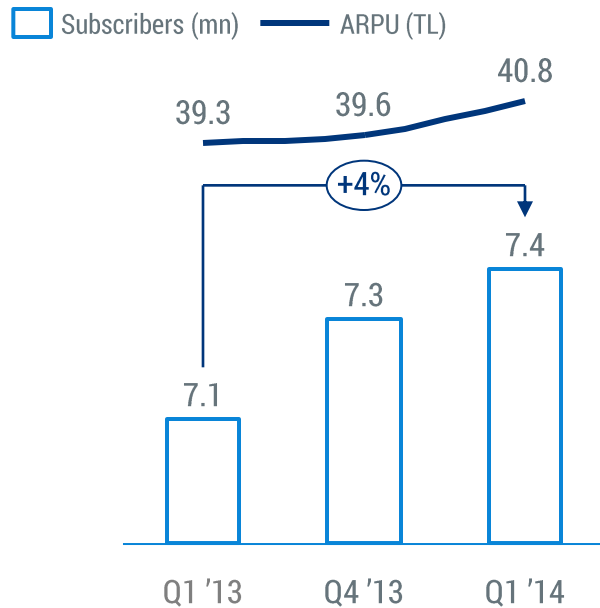
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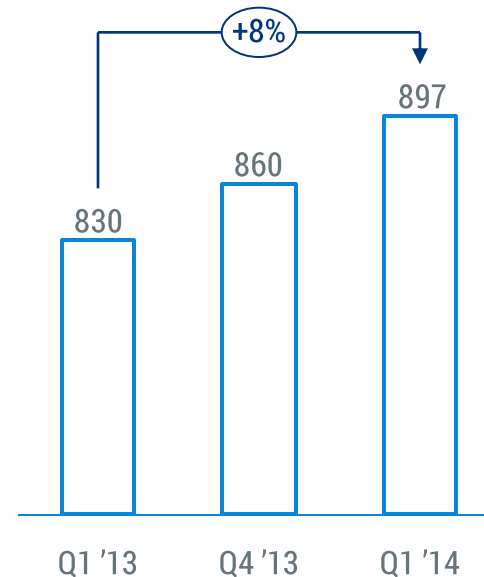
# High Speed Broadband Net additions and ARPU growth continues

- /// 69K net additions in Q1 '14
- /// 8% YoY revenue growth backed by ARPU and subscriber increase
- /// 4% YoY ARPU growth in Q1 '14
- /// Fiber subscriber ratio within total base is 9% as of Q1 '14 up from 4% a year ago

## Broadband ARPU and Subscribers



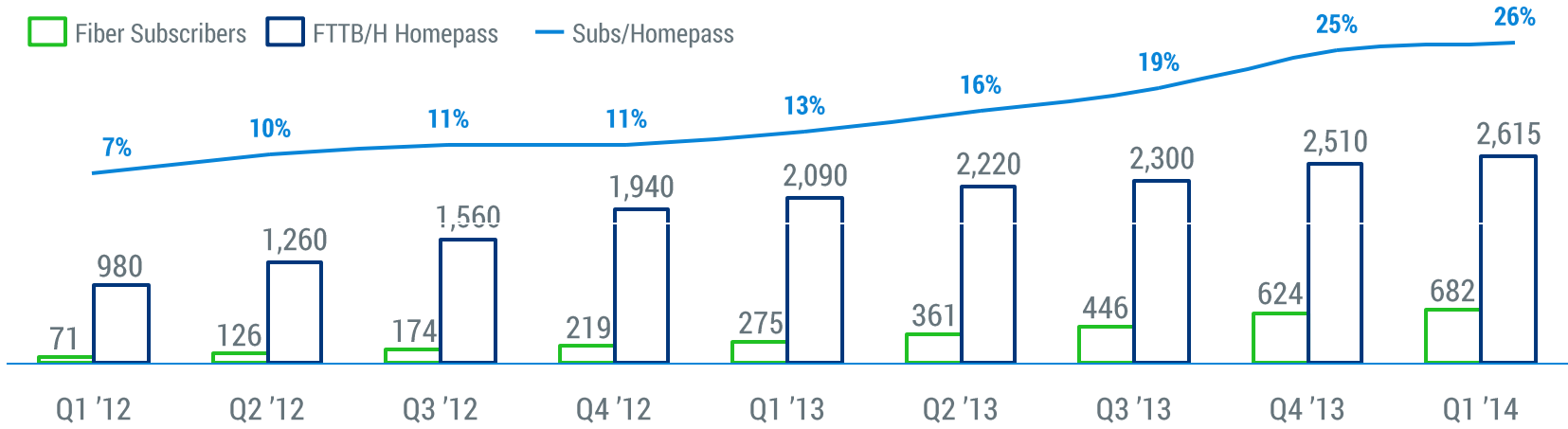
## Broadband Revenue (TL mn)



# Fiber Transformation Market Leader

- //// Fiber subs additions faster than homepass expansion  
– resulting with a 26% subs/homepass ratio
- //// 58K fiber net additions in Q1 '14
- //// Fiber coverage available in all cities

## Growing Fiber Subscribers (thousand)



## Turk Telekom Fiber Network



## Alternative Operator



Note: Other operator's data are from their own publications

# TTNET

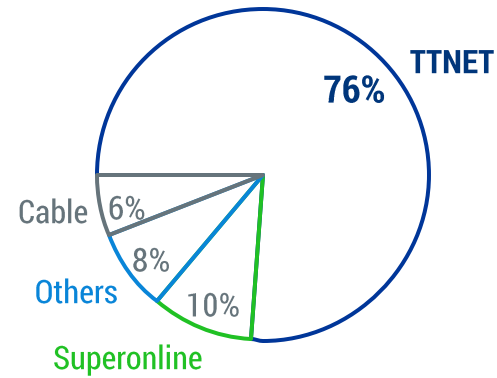
## Retail Broadband Leader

### Differentiating Offers from TTNET



- /// Powerful brand with premium broadband products and high service quality
- /// Differentiating value added service offers
- /// Leading multi-play provider with broadband, voice, TV, and mobile
- /// First and leading internet TV service in Turkey
- /// First online shopping platform via visual media

### Retail Broadband Market<sup>1</sup> (as of 2013)

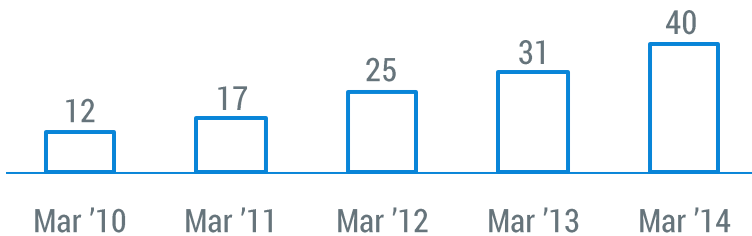


(1) Source : ICTA

# Broadband Upsell

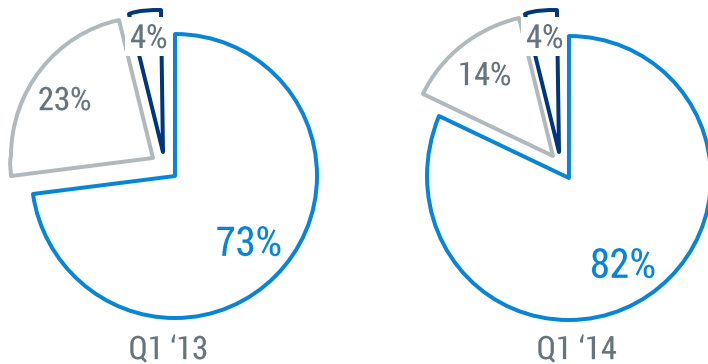
## Appetite for speed and capacity

Average Monthly Data Usage, Gigabytes



Capacity, % of Subscribers

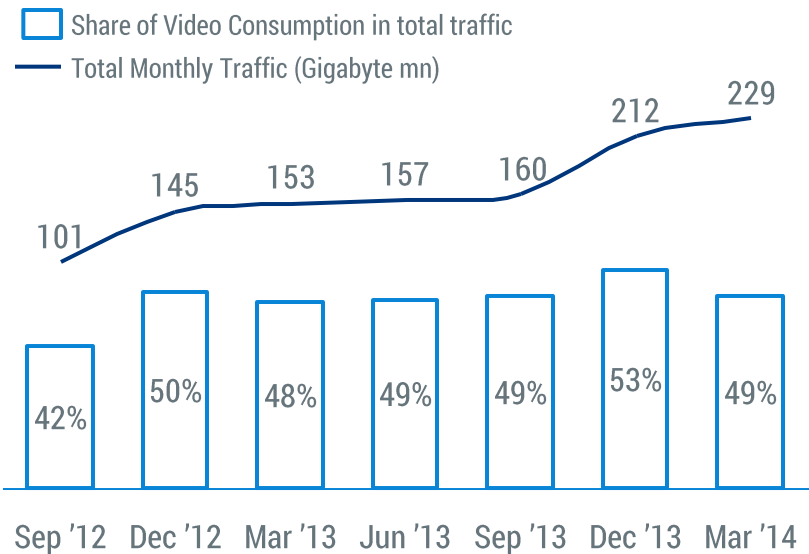
■ Unlimited 
 ■ Limited (4GB and above) 
 ■ Limited (below 4GB)



Strong trend towards unlimited capacity and higher speed packages

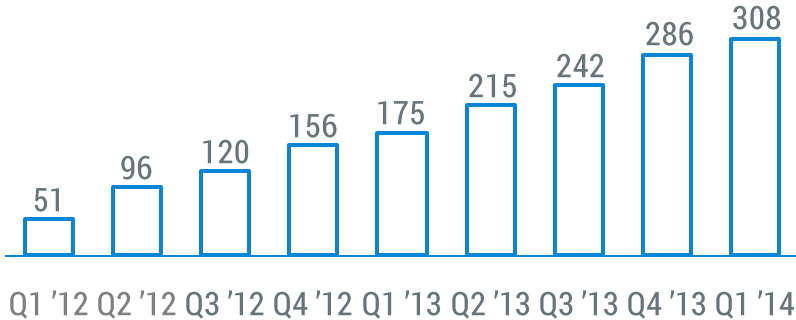
- /// 13% of our customers are now in fibernet/hipernet packages (24 MBPS or higher speeds)
- /// Increasing monthly data usage mainly driven by video consumption

Video Consumption by TTNET Subscribers, % of Total Traffic

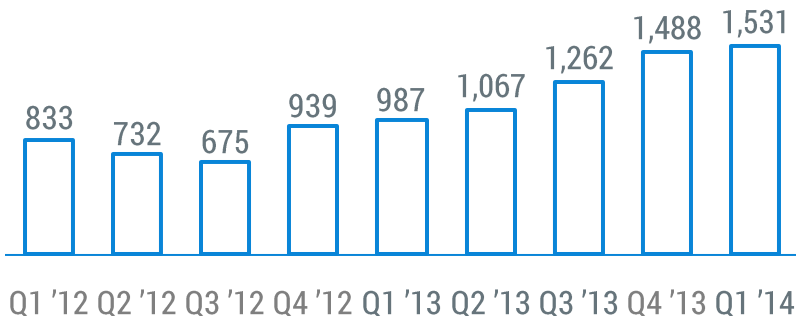


# Tivibu IPTV and webTV growth continues

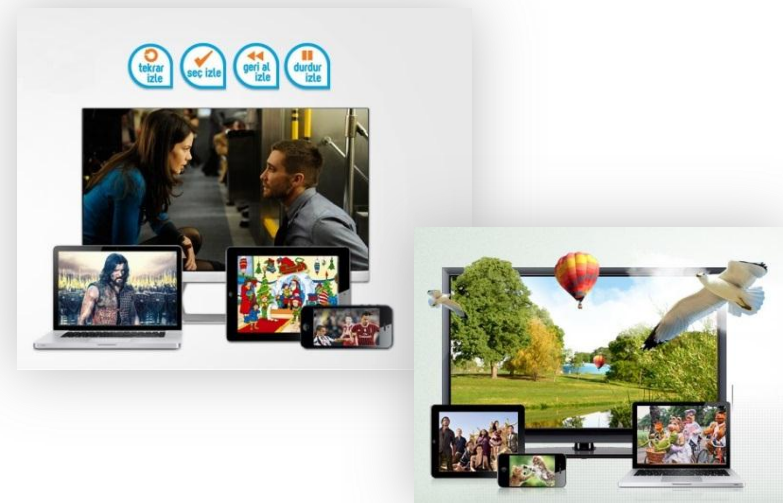
Tivibu Home Subscribers (thousand)



Tivibu Web Subscribers (thousand)



- /// First and leading internet TV and only IPTV service in Turkey
- /// Multi-screen experience: TV | Tablet | PC | Laptop | Smartphone
- /// Over 180 TV Channels with premium content (movies, shows, sports) and over 4,500 content archive
- /// 1.9 million total subscribers in Tivibu Web, Home (IPTV), Mobile and Smart TV



# Broadband Penetration Macroeconomic trends point to penetration growth

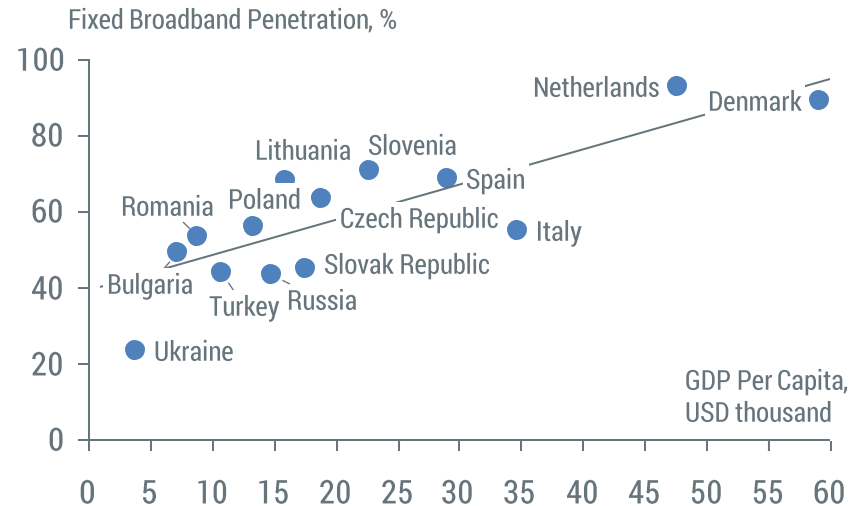
- /// Turkey's GDP per capita is set to grow in the upcoming years
- /// Broadband penetration increases in line with GDP per capita growth
- /// Household broadband penetration is already low in Turkey with 42% compared to European levels with 66%

GDP Per Capita in Turkey<sup>1</sup> (USD thousand)



(1) Turkstat, 2014-2016 Medium Term Program; Republic of Turkey Ministry of Finance  
 (2) Analysis Mason, 2013YE; IMF

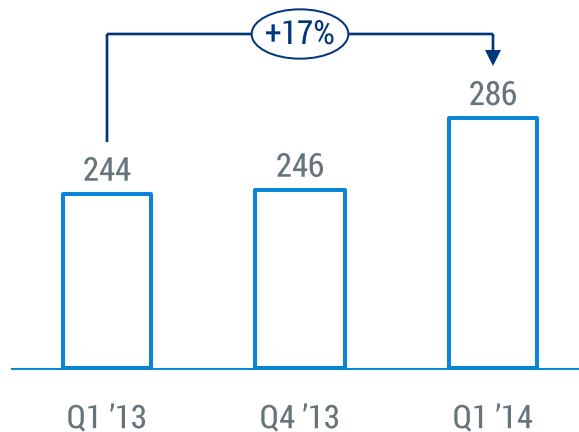
Fixed BB Penetration vs GDP Per Capita<sup>2</sup>



# Corporate Data Supports fixed line growth

- /// 12% of total fixed line revenues are generated from corporate data business in Q1 '14
- /// Growing share as double digit growth continues

Corporate Data Revenue (TL mn)



## Cloud Services

Turk Telekom, a member of Cloud Security Alliance, offers various options under Cloud Services such as BuluTT Göz, BuluTT Konferans, BuluTT Ölçüm, BuluTT Akademi, BuluTT Radyoloji, BuluTT e-posta



## Metroethernet

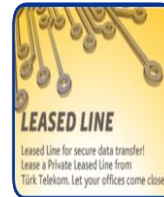
It is a flexible, cost-efficient technology scalable between 5Mbps and 1Gbps, which allows all kinds of data flow



## TT VPN

TT VPN provides fast and safe connection end to end, from multiple points to multiple points

With TT VPN, customer's offices all around Turkey can be united while fast and safe data transfer via virtual network is enabled



## Leased Line

It is a data line uniquely reserved for customer's usage, which performs the constant and continuous data transfer on the physical layer from point to point between two ends

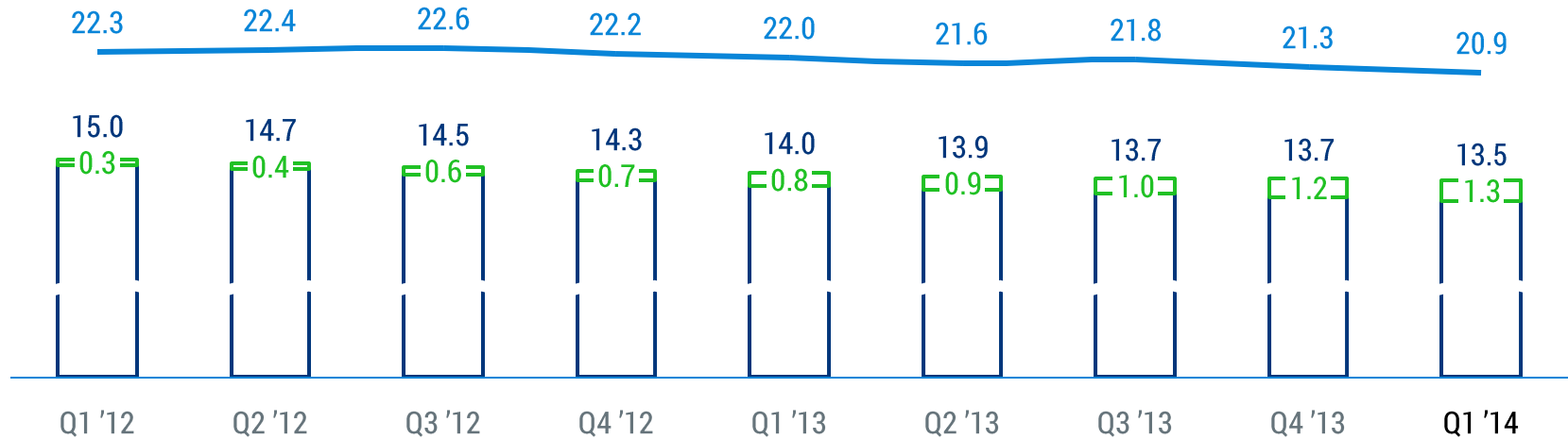
# Fixed Voice Defending access lines

## Efforts to stabilize fixed voice revenues

- /// Continued offers of traditional “minute” benefits and non-traditional third-party value offers
- /// Innovative smart home phone, the TT E4 – targeting customer retention
- /// 78% of fixed voice revenues is recurring
- /// Fixed voice line decline offset by naked broadband
- /// Revenues declined 12% YoY in Q1'14

### Access Lines & ARPU

█ Naked Broadband (mn)    — Fixed Voice ARPU (TL)  
 Fixed Voice (mn)

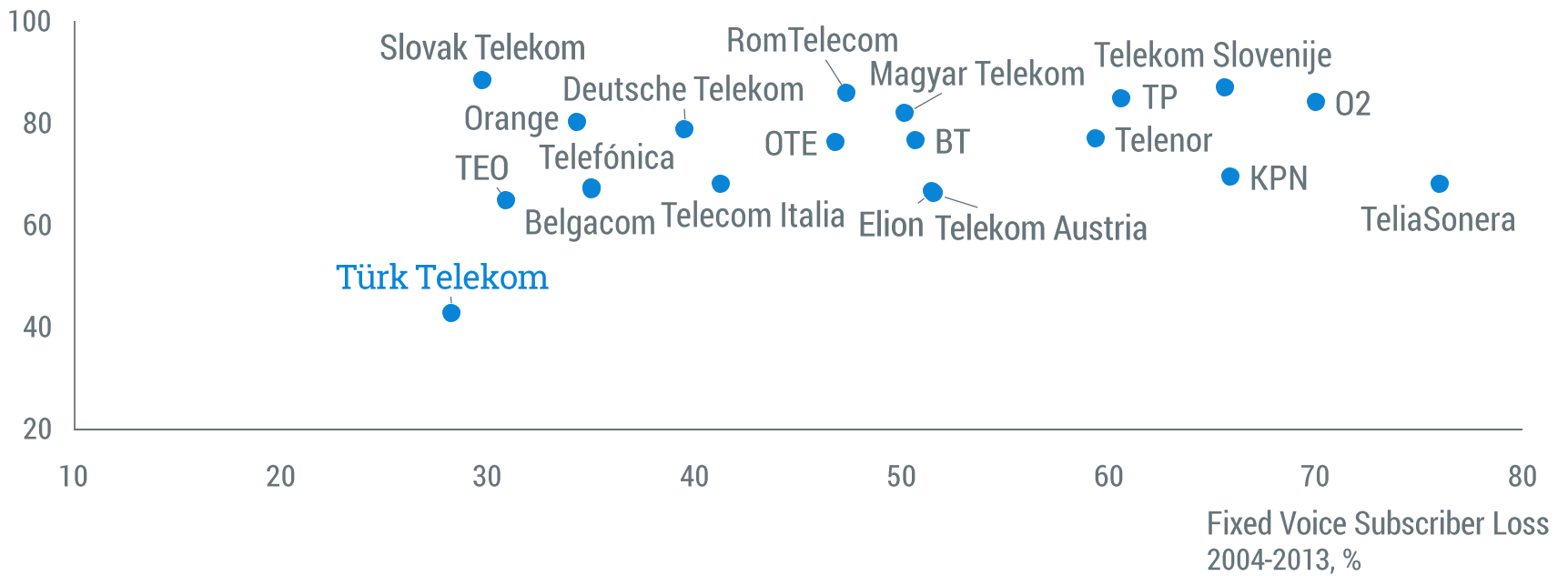




# Fixed Voice Benchmarking well among fixed line incumbents

Fixed voice revenues and subscriber losses are lower than many peers' around the world, indicating successful efforts by Turk Telekom to protect subscribers and revenues

Fixed Voice Revenue Loss  
2004-2013, %



Source: Turk Telekom Company Data and Analysis Mason for other operators

# Mobile

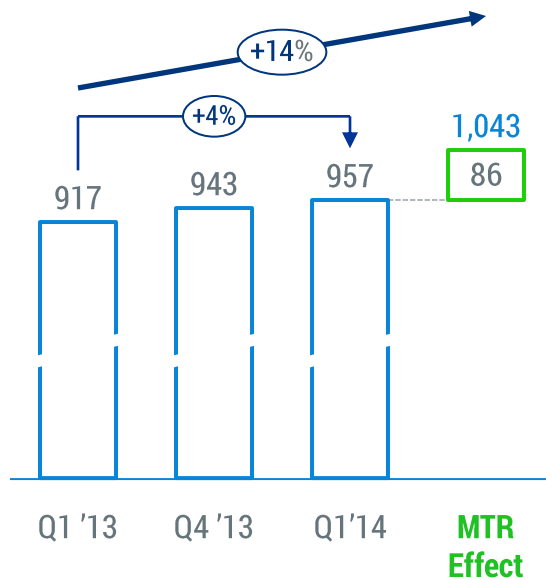


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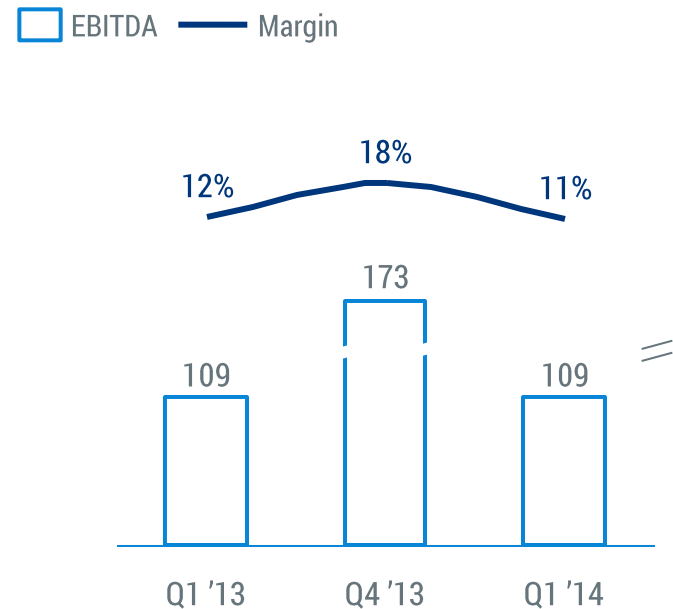
# Mobile Topline growth driven by strong net subscriber gain

Revenue (TL mn)



- /// Double digit revenue growth excluding MTR cut effective as of July 1<sup>st</sup>, 2013
- /// EBITDA stable despite continued stiff competition in the market

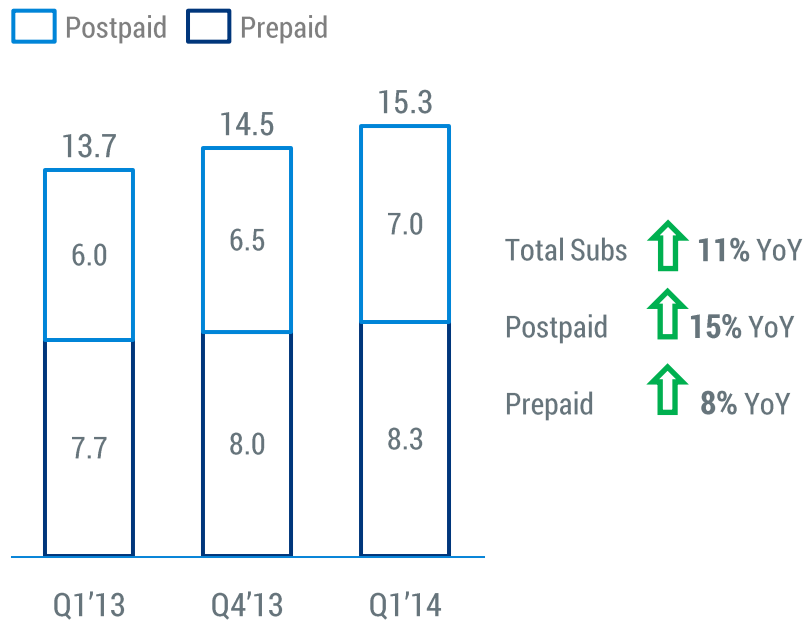
EBITDA (TL mn) & Margin



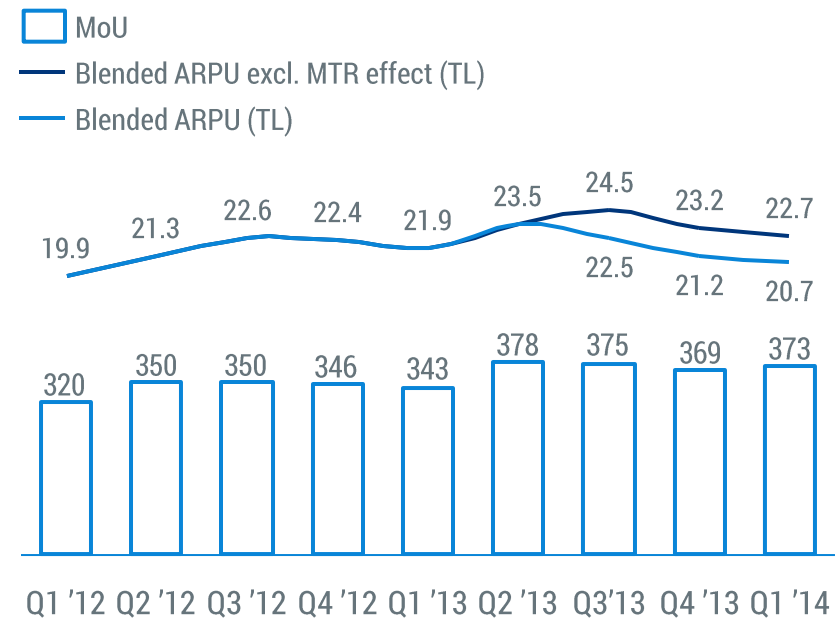
# Mobile Remarkable net additions driven by postpaid

- 757K net additions in the quarter driven predominantly by postpaid subscribers
- Postpaid ratio, highest in the market as of Q1 '14, increased to 45%
- ARPU increased 4% YoY excluding MTR cut effect

## Subscribers (mn)



## MoU and ARPU

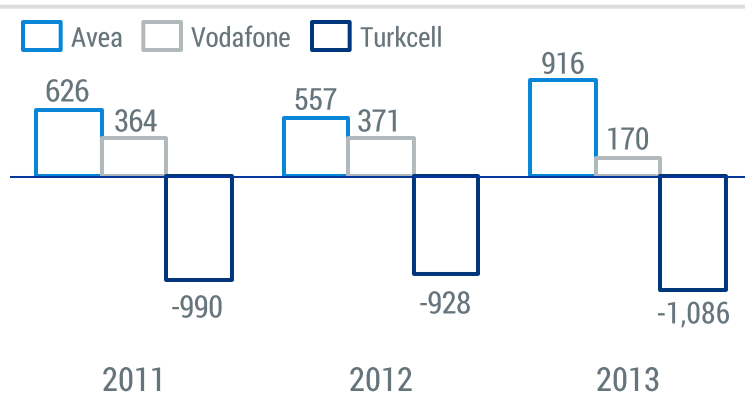


# Subscriber Growth

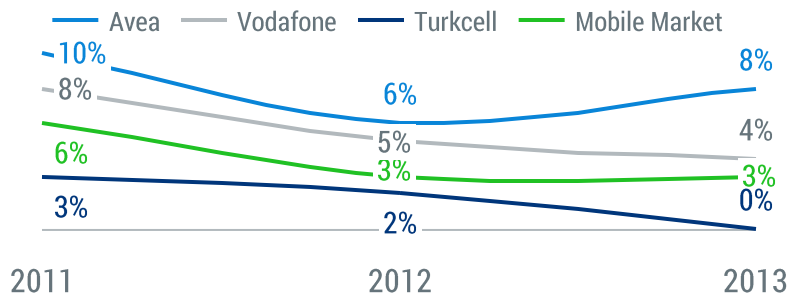
## Avea – Most Preferred Operator

- /// Subscribers overwhelmingly prefer Avea after trying other operators
- /// Avea added over 1 million net subscribers in 2013, maintaining its leadership on growth rates
- /// ~700K subscribers additions in MNP in Q1 '14

MNP Subscriber Additions (thousand)

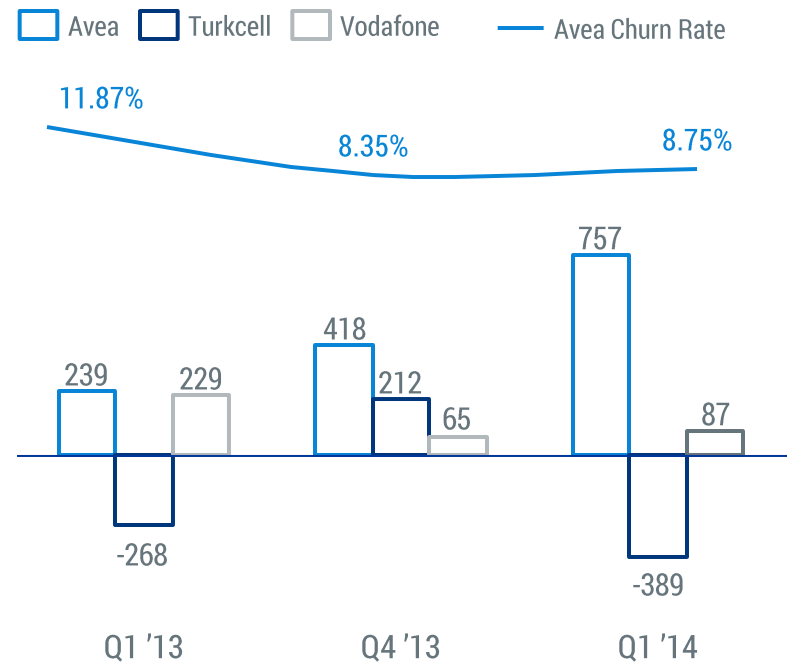


Subscriber Growth Rates



Source: ICTA & Company Data

Net Additions (thousand) & Churn Rate

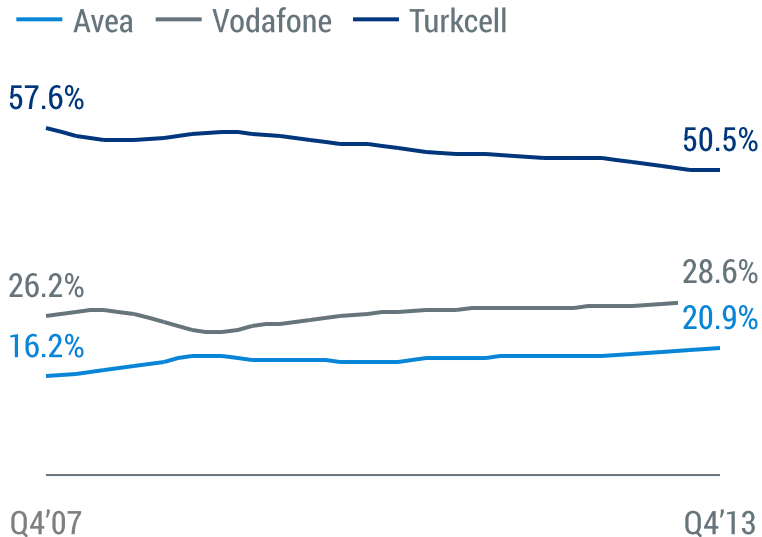


# Mobile Market Outlook

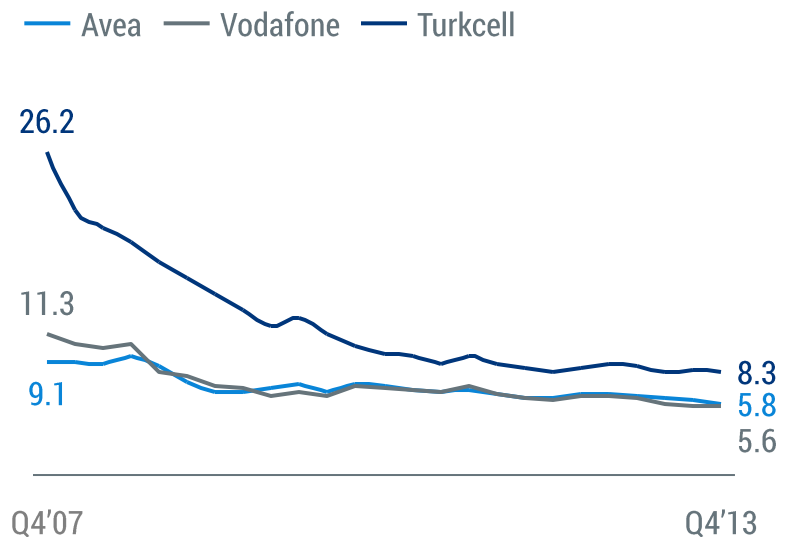
## Avea gains subscribers with a strict eye on profitability...

- /// Avea's market share grew despite aggressive market conditions while keeping a strict eye on profitability
- /// Incumbent operator eroded 68% of its Revenue per Minute while continuing to lose market share

Subscriber Market Share (%)



Revenue per Minute (kurus)

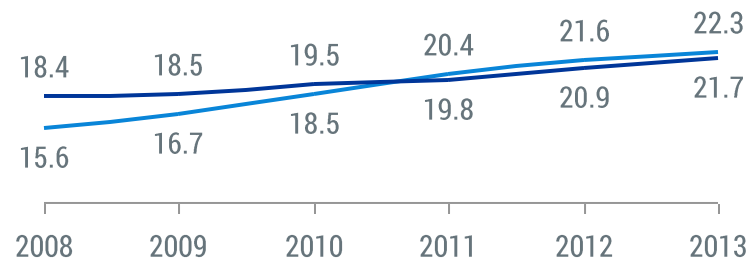


# Mobile ARPU Comparison

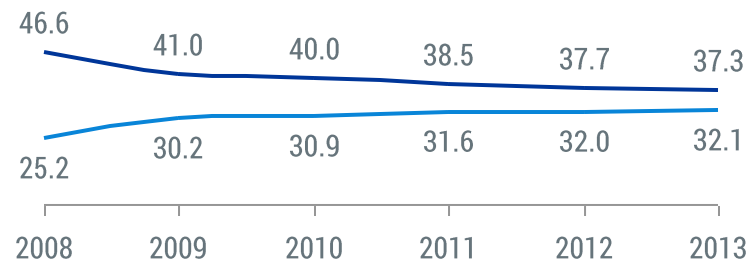
## Incumbent and Challenger

- /// Avea increased its postpaid ARPU by 27% and prepaid ARPU by 39% since 2008. Its blended ARPU went up 43% in the same period
- /// Incumbent operator decreased its postpaid ARPU by 20% and prepaid ARPU increased by 2% in the same period

### Blended ARPU (TL)



### Postpaid ARPU (TL)



### Prepaid ARPU (TL)

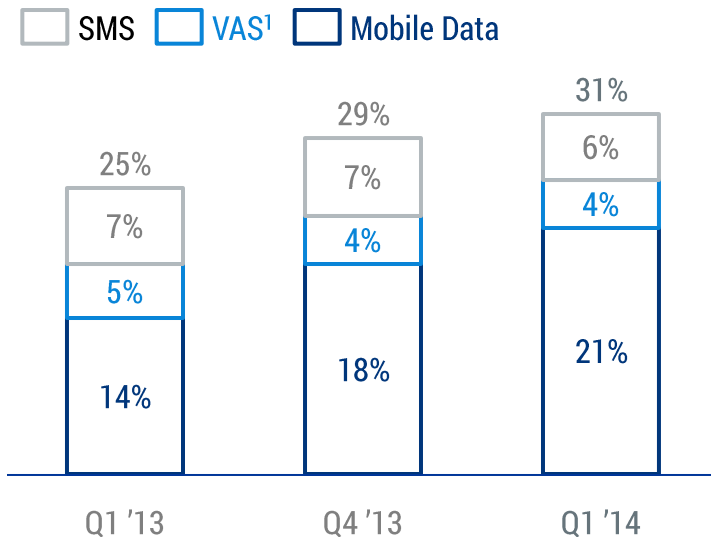


— Avea — Turkcell

# Mobile Data

## Strong trend in data revenue growth

### Mobile Data, SMS & VAS Shares in Service Revenues



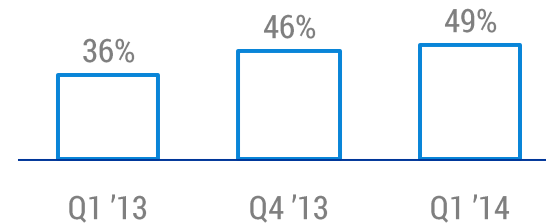
(1) VAS: Value Added Services

(2) Small Screen defined as all handheld devices that access internet via mobile broadband except dongles that are used for PC's. Small screen % = Small screen users/Total Avea base excluding large screen users.

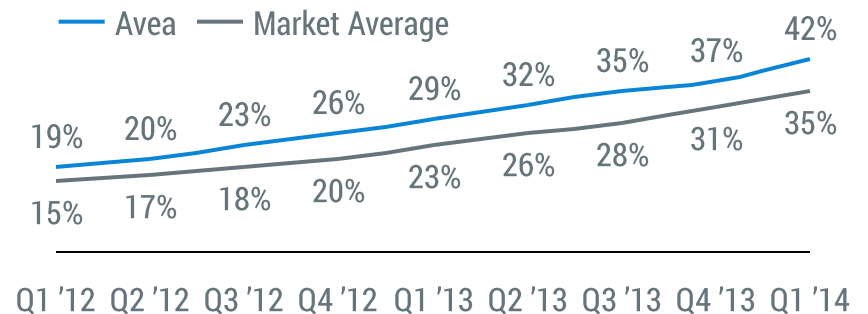
### Data revenue resumed its fast growth

- /// 65% YoY and 19% QoQ increase in mobile data revenues
- /// Strong leadership in smartphone penetration

### Share of Small Screen Data Users<sup>2</sup>



### Smartphone Penetration





# New Segments & Continued Partnerships

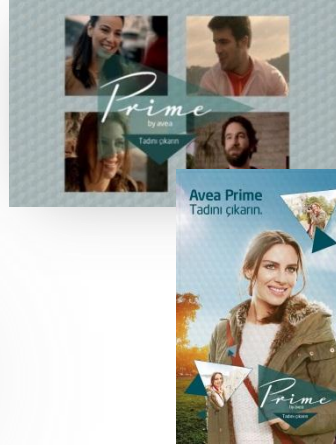
## Focus on new areas

### New Offer for Youth Segment



Woops was launched in Q4 '13 as the youth sub brand to maximize market share in the youth market in which Avea historically holds a strong position

### New Offer for Premium Segment



Avea Prime was launched as the sub brand for high value customers providing advantageous tariff options together with a rich set of upscale non GSM benefits

### Partnerships



Accessing micro segments through partnerships with retail giants and State Postal Service

# Financials



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# Consolidated Summary Income Statement

TL Millions	2013 Q1	2013 Q4	2014 Q1	QoQ % Change	YoY % Change
Revenues	3,143	3,296	3,195	-3%	2%
EBITDA	1,151	1,278	1,200	-6%	4%
Margin	37%	39%	38%		
Operating Profit	712	820	723	-12%	2%
Margin	23%	25%	23%		
Financial Income/(Expense)	(34)	(468)	(246)	47%	n.m.
FX Hedging Gain/(Loss)	(3)	(405)	(187)	54%	n.m.
Interest Income/(Expense)	(8)	(29)	(38)	-32%	n.m.
Other Financial Income/(Expense)	(24)	(33)	(20)	40%	n.m.
Tax Expense	(161)	(102)	(107)	-5%	33%
Net Income	526	260	384	48%	-27%
Margin	17%	8%	12%		

Note: USD/TRY: 2.1898; EUR/TRY:3.0070 was used in calculating financial expense

# Consolidated Summary Balance Sheet

TL Millions

31.03.2013

31.12. 2013

31.03.2014

<b>Total Assets</b>	<b>17,756</b>	<b>18,245</b>	<b>18,750</b>
Intangible Assets <sup>1</sup>	4,013	4,536	4,468
Tangible Assets <sup>2</sup>	8,179	8,350	8,207
Other Assets <sup>3</sup>	4,135	4,294	4,557
Cash and Equivalents	1,429	1,064	1,518
<b>Total Equity and Liabilities</b>	<b>17,756</b>	<b>18,245</b>	<b>18,750</b>
Share Capital	3,260	3,260	3,260
Reserves and Retained Earnings	3,691	2,067	2,408
Interest Bearing Liabilities <sup>4</sup>	6,548	8,334	8,658
Provisions for Employee Termination Benefits <sup>5</sup>	620	585	606
Other Liabilities <sup>6</sup>	3,637	3,998	3,817

(1) Intangible assets excluding goodwill

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

(3) Major items within other assets are trade receivables, Due from related parties, other current assets and deferred tax asset

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

(5) Includes employee retirement pay liability provision

(6) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities, and minority put option liability

# Consolidated Summary Cash Flow Statement

TL Millions	2013 Q1	2013 Q4	2014 Q1	QoQ % Change	YoY % Change
Cash Flow from Operating Activities	247	1,289	562	-56%	127%
Cash Flow from Investing Activities	(263)	(728)	(117)	84%	56%
CAPEX	(293)	(888)	(256)	71%	13%
Other Investing Activities	30	161	139	-14%	364%
Cash Flow from Financing Activities <sup>1</sup>	442	(589)	51	n.m.	-89%
Net Change in Cash Position <sup>2</sup>	426	(27)	496	n.m.	16%

(1) Includes FX gain/loss on balance sheet items at the beginning of the period

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

# Consolidated Summary Revenue Breakdown

TL Millions	2013 Q1	2013 Q4	2014 Q1	QoQ % Change	YoY % Change
<b>Fixed Line</b>	<b>2,319</b>	<b>2,462</b>	<b>2,346</b>	<b>-5%</b>	<b>1%</b>
Domestic PSTN	883	804	776	-4%	-12%
Broadband	830	860	897	4%	8%
Corporate Data <sup>1</sup>	244	246	286	16%	17%
International Revenue	125	133	133	0%	7%
Domestic interconnection	78	87	87	0%	13%
Rental income from GSM operators	20	21	20	-8%	-2%
Other <sup>2</sup>	99	178	137	-23%	39%
Construction Revenue (IFRIC 12)	40	132	10	-93%	-76%
<b>Mobile</b>	<b>917</b>	<b>943</b>	<b>957</b>	<b>1%</b>	<b>4%</b>
Eliminations	(93)	(109)	(108)	1%	-16%
<b>Total Revenue</b>	<b>3,143</b>	<b>3,296</b>	<b>3,195</b>	<b>-3%</b>	<b>2%</b>

(1) Includes leased line and data services

(2) Includes ICT companies, device sales, others

# Consolidated Summary OPEX Breakdown

TL Millions	2013 Q1	2013 Q4	2014 Q1	QoQ % Change	YoY % Change
Personnel <sup>1</sup>	609	504	657	31%	8%
Domestic Interconnection	235	190	199	5%	-15%
International Interconnection	77	109	67	-39%	-13%
Commercial <sup>2</sup>	240	272	256	-6%	6%
Maintenance and Operations	105	151	132	-13%	26%
Taxes and Government Fees	232	235	250	7%	8%
Doubtful Receivables	41	(2)	30	n.m.	-28%
Cost of Equipment and Technology Sales	50	58	74	27%	48%
Others <sup>3</sup>	367	384	322	-16%	-12%
<b>Sub Total</b>	<b>1,956</b>	<b>1,901</b>	<b>1,986</b>	<b>5%</b>	<b>2%</b>
Construction Cost (IFRIC 12)	35	117	8	-93%	-76%
<b>Total OPEX</b>	<b>1,992</b>	<b>2,017</b>	<b>1,995</b>	<b>-1%</b>	<b>0%</b>

(1) Q1 2013 personnel expense included TL 78mn one-off expense related to personnel incentive program initiated in the quarter

(2) Includes commissions, advertising & marketing, subscriber acquisition & retention costs and promotion

(3) Others includes rent, utilities, outsourced services, bill distribution and others

# Fixed Line Summary Income Statement

TL Millions	2013 Q1	2013 Q4	2014 Q1	QoQ % Change	YoY % Change
Revenues	2,319	2,462	2,346	-5%	1%
EBITDA	1,041	1,108	1,093	-1%	5%
Margin	45%	45%	47%		
Operating Profit	775	840	811	-3%	5%
Margin	33%	34%	35%		
CAPEX	191	560	152	-73%	-20%
CAPEX as % of Revenue	8%	23%	6%		



# Mobile

## Summary Income Statement

TL Millions	2013 Q1	2013 Q4	2014 Q1	QoQ % Change	YoY % Change
Revenues	917	943	957	1%	4%
EBITDA	109	173	109	-37%	0%
Margin	12%	18%	11%		
Operating Profit	(65)	(18)	(84)	-381%	-30%
Margin	-7%	-2%	-9%		
CAPEX	61	281	124	-56%	105%
CAPEX as % of Revenue	7%	30%	13%		

# Debt Profile

Debt (Millions)	In Currency	TL Equivalent	<3 Month	3 Months to 1 Year	1 to 5 Year	>5 Years
TL	411	411	384	27	0	0
USD	2,177	4,767	116	918	2,780	952
EUR	1,113	3,348	191	1,100	1,731	326
JPY	4,981	106	0	71	36	0
<b>TOTAL</b>		<b>8,633</b>	<b>692</b>	<b>2,117</b>	<b>4,547</b>	<b>1,278</b>

## Ratios

	Q1 '13	Q4 '13	Q1 '14
Net Debt / EBITDA	1.0	1.5	1.4
Net Debt / Assets	0.3	0.4	0.4
Debt (Total Liabilities) / Equity	1.6	2.4	2.3
Debt (Financial) / Equity	0.9	1.6	1.5
Current Ratio	1.1	1.0	0.9

/// Comfortable Net Debt to EBITDA level compared to industry averages

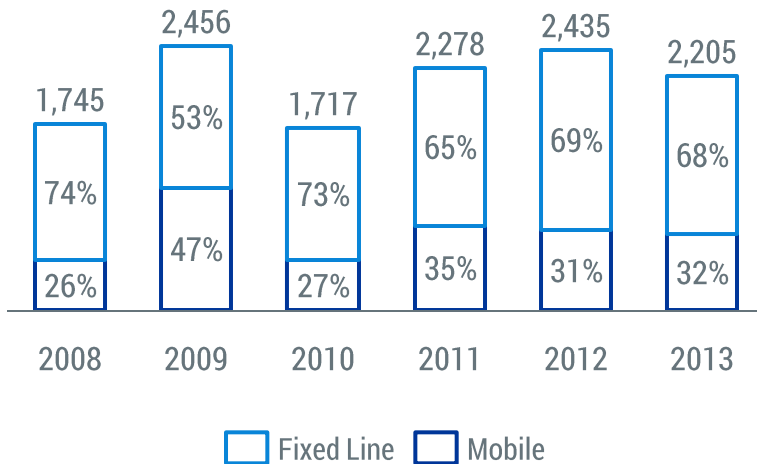
/// Average maturity of FX denominated debt is 2.7 years

# CAPEX

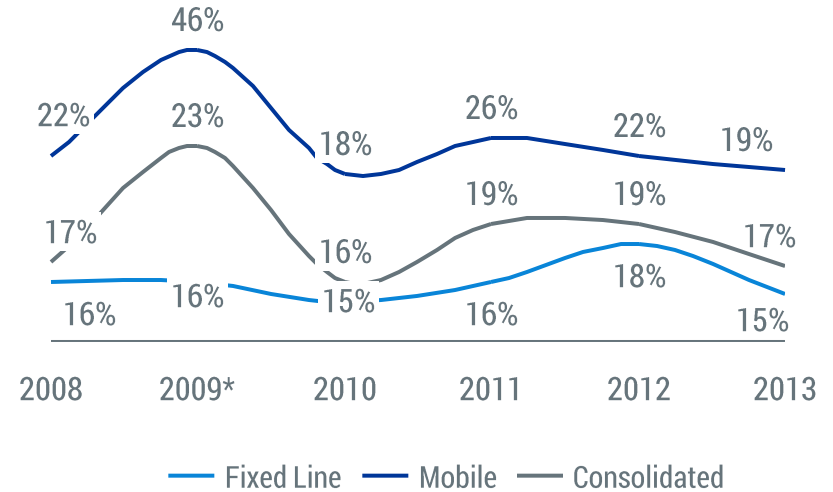
## Declining CAPEX to Sales ratio

- Major CAPEX areas are fiber network roll-out in fixed line and network investments in mobile
- Turk Telekom's length of total fiber in Turkey is 182K kilometers in Q1 '14
- Avea has 27K base stations in its network with a population coverage of 84% for 3G, in 2013

CAPEX Breakdown (TL mn)



CAPEX to Sales (%)

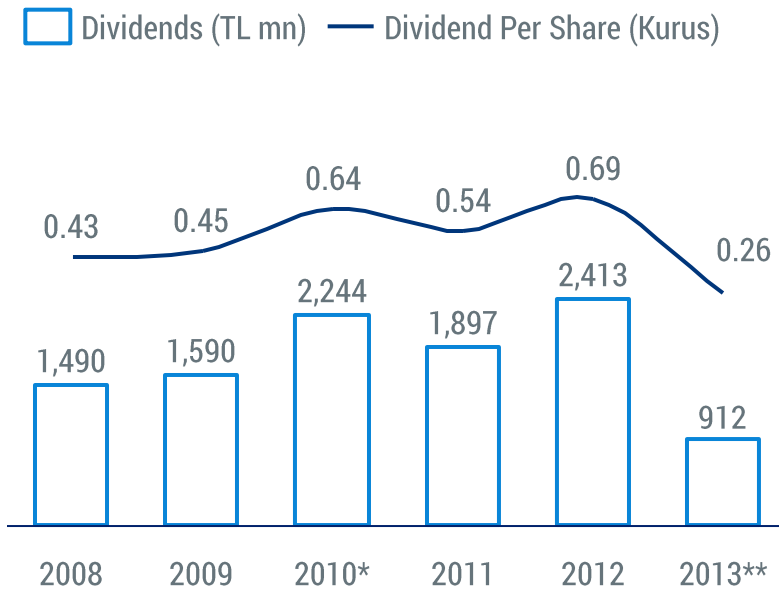


\*3G License Fee effect in mobile

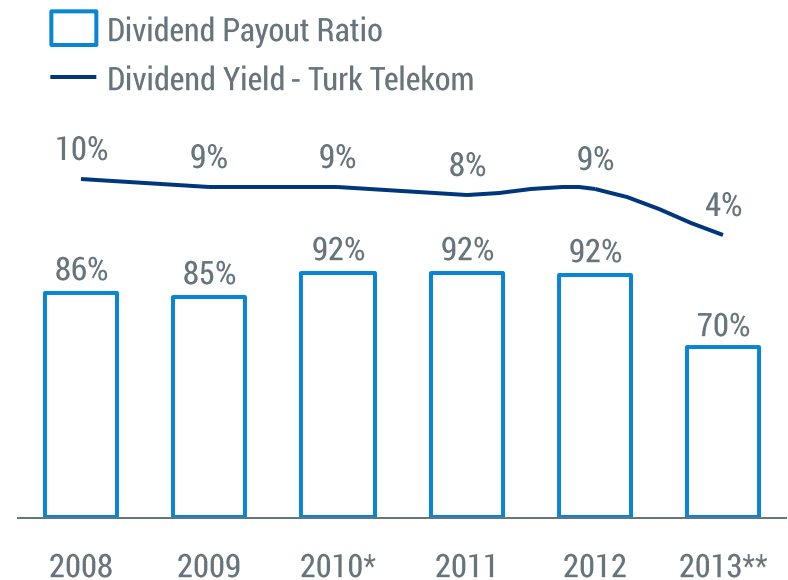
# Shareholder Remuneration

- /// Dividend policy of maximum payout as defined in the Articles of Association
- /// 2013 dividend payout ratio was revised to 70% with BoD decision to prepare for any potential transaction for implementation of full integration of the group

## Dividend Distribution



## Dividend Yield & Payout Ratio



\* We reached the cap in the first legal reserve in 2010

\*\* 2013 dividend is recommended by the Board of Directors and it is subject to General Assembly approval

# Group Companies



Q1  
Results  
2014

A horizontal bar with blue diagonal hatching, positioned below the text '2014'. The hatching consists of several parallel lines slanted at approximately 45 degrees.

# Turk Telekom International Bridging Continents



## Datamena Partnership



/// Turk Telekom International (TTI) signed a partnership agreement with UAE based data carrier platform Datamena which will enable TTI to strengthen its presence into the Middle East and beyond.

/// TASIM project aims to provide the longest fiber optic network between Western Europe & East Asia

## TASIM Project



- /// Responsible for international voice and data operations of the Group providing seamless connectivity throughout a unique geographical coverage in 20 countries
- /// Over 40,000 km of fiber optic network
- /// Almost 70 major POPs from Asia to US
- /// Awarded as **Best Central & Eastern European Wholesale Carrier in 2013**, ranking above 150 global candidates by Global Carrier Magazine



TTI's network map as of 2013YE



# Innovating Through IT

## International Experience



- /// Fastest growing Turkish IT company for 8 consecutive years in Deloitte Fast50 List
- /// End-to-end IT solutions using nested applications of constantly developing technologies within an international context in 28 countries

## Sports Innova

- /// Newest brand of Innova
- /// IT Infrastructure of international sports organizations
- /// IT Solutions for game management



## Kiosk Innova

- /// Online Banking
- /// Advanced Payment and Collection Solutions
- /// Digital Signage and Way finding

## Payflex Innova

- /// Secure and innovative solutions for mobile payments and E-invoices
- /// Cloud based collection systems through Turk Telekom data center

# ASSiSTT

## More Than a Call Center



- /// Fastest growing call center company in Turkey with consistently increasing market share
- /// Presence in 18 locations in 16 cities of Turkey
- /// Over 6.000 seat capacity.
- /// Over 120 millions of calls responded per year



- /// Call center solutions for Turk Telekom Group, various public institutions and other leading companies in Turkey
- /// Going beyond a traditional call center as a strategic partner by producing sales and marketing oriented data
- /// Contributing employment in impoverished areas of Turkey by creating jobs for thousands of people





s e b i t<sup>®</sup>

# 25 Years of E-education Experience

adaptive ™  
curriculum

- /// Adaptive curriculum; an e-education support preferred by numerous schools worldwide
- /// Designed for grades 5-12, Adaptive Curriculum's web-based education solutions are used by more than 3 million students in US, Europe and Asia
- /// Awarded as Best Virtual Learning Solution in 2013 with the world-famous «CODiE» prize given by the Software and Information Industry Association in US

/// The biggest education technologies company in Turkey through its well-known, unique Vitamin product

/// Developer of first and only educational market place and search engine in Turkey

/// Piloting educational transformation in government's e-education project (FATiH)

/// Group synergy by adding Sebit's Vitamins to TTNET broadband services





# A Global Provider of Next Generation Telecom Solutions

- /// International experience in providing a wide variety of telecom solutions in CIS, Middle East, Africa, USA, LATAM, Balkans and Eastern Europe
- /// Key Solutions and Products: ITV, Small Cell solutions, Network Performance Monitor, Intelligent Network Services and Applications, Targeted Advertising, Software Defined Networks Suite and Service Enablers

- /// Argela is a part of Turkey's first 4G-LTE technology development project «ULAK» supported by Turkey's Undersecretariat for Defense Industries
- /// Ulak is important for being Turkey's only national 4G-LTE structure project



## Network Performance Monitor

- /// Network Performance Monitor (NPM) is vendor-independent, probe based, signaling intelligence and signaling operations support platform for wireline and wireless operators services
- /// NPM has been one of the most preferred solutions of Argela, and sold in many regions such as CIS, Turkey and Latin America

# Appendix



Q1  
Results  
2014

A decorative horizontal bar with blue diagonal hatching, positioned below the text '2014'.

# 2014 Guidance

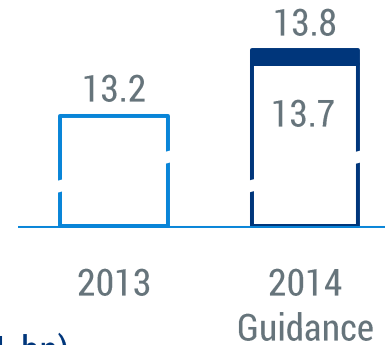
Continued profitable growth with optimum CAPEX

Revenue : 4% to 5% growth

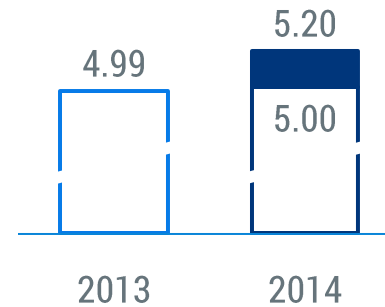
EBITDA : TL 5 bn - TL 5.2 bn

CAPEX : Around TL 2.1 bn

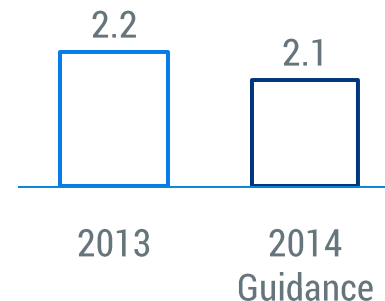
Revenue (TL bn)



EBITDA (TL bn)



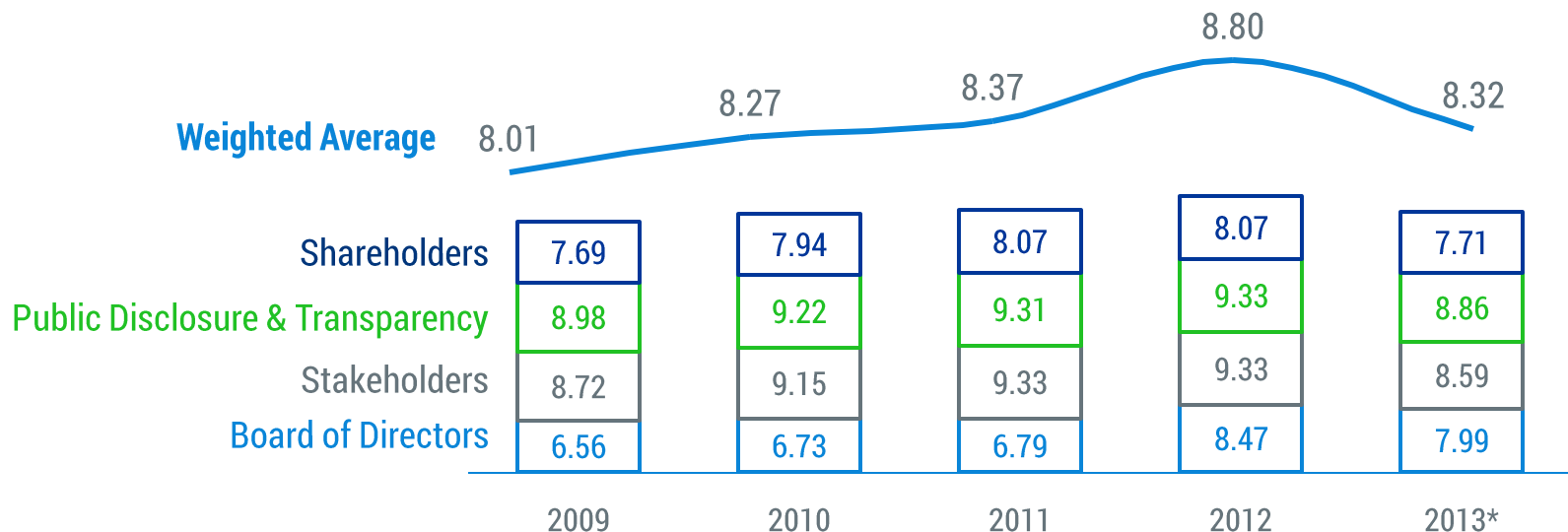
CAPEX (TL bn)



# Corporate Governance at Turk Telekom

## Demonstrates exemplary practices

- First and only telecom company in Borsa Istanbul Corporate Governance Index
- Achieved 8.32 over 10 in 2013
- Compliance to Capital Market Board Corporate Governance Principles



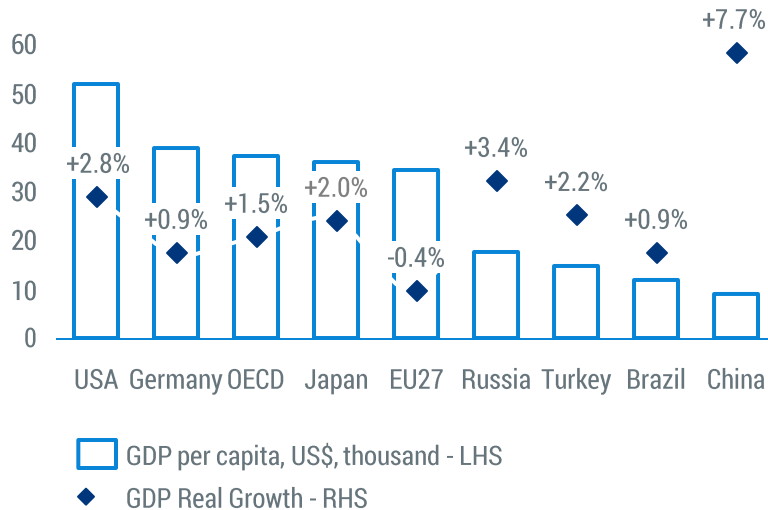
\*The decline in ratings in 2013 is a result of rating methodology change by CMB rather than any deterioration in the Company's corporate governance practices. 2013 weighted average rating with the old methodology would have been 8.8

# Macro Outlook - I

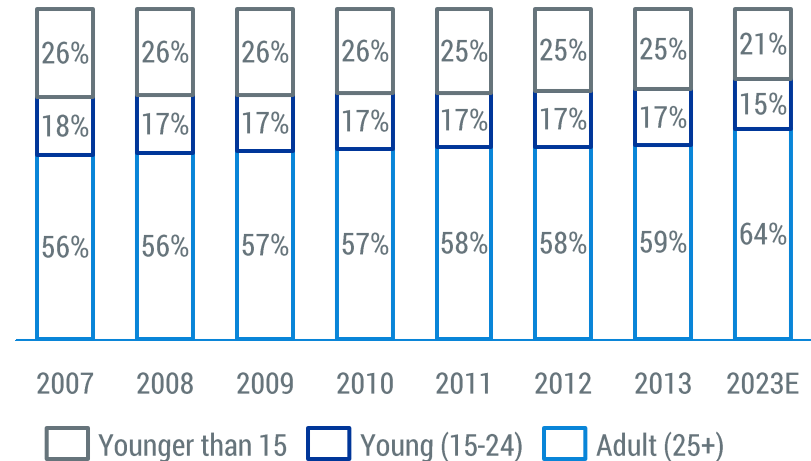
## Favorable Population and GDP dynamics

- World's 16th largest economy<sup>1</sup>
- Moderate and sustainable economic growth/growth prospects
- 2nd most populated country in Europe (76.7 mn)<sup>2</sup>
- Young and increasingly affluent population
- GDP per capita up from US\$ 4,565 in 2003 to US\$ 10,782 in 2013<sup>3</sup>

### GDP, GDP Per Capita, 2012<sup>4</sup>



### Proportion of Age Groups in Population, 2013<sup>5</sup>



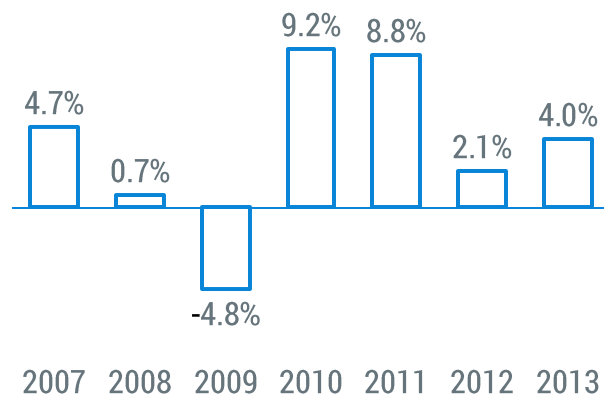
(1) GDP based on purchasing-power-parity (PPP) share of world total (Percent); IMF World Economic Outlook, October 2013,  
 (2) (3) & (5) Turkstat, (4) OECD, IMF World Economic Outlook, October 2013, Eurostat

# Macro Outlook - II

## Growth and Industrial Production

- /// 2013 GDP growth in Turkey was 4%
- /// IMF expects 3.7% GDP growth in 2014
- /// Medium Term Program aims 4.0% and 5.0% growth for 2014 and 2015
- /// Strong production indicators and high potential for growth gives competitive advantage against its peers

### Annual Real GDP Growth Rate<sup>1</sup>



### Industrial Production (IP) Index<sup>2</sup>



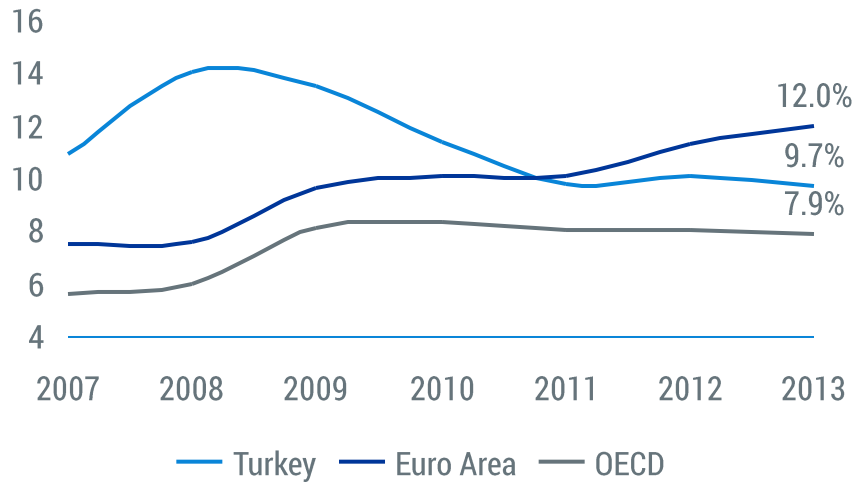
(1) & (2) Turkstat

# Macro Outlook - III

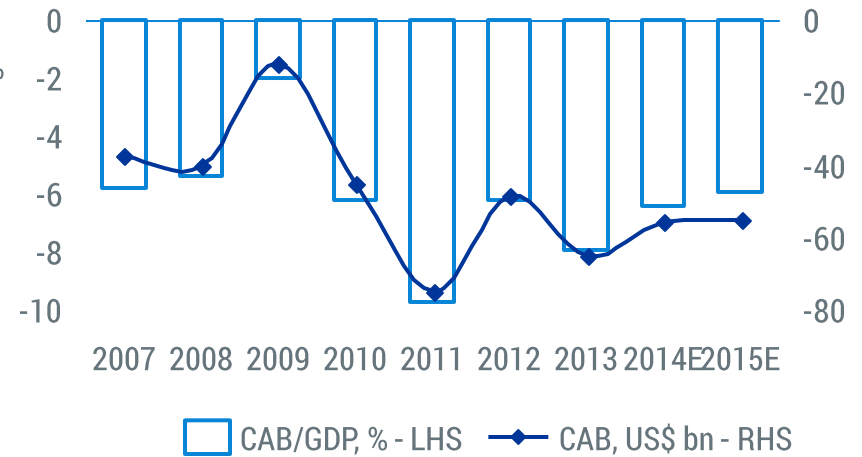
## Unemployment and Current Account Balance

- Fast recovery in the unemployment rate and favorable readings compared to the euro area
- The unemployment rate in Turkey was recorded as 9.7% in 2013
- Current account deficit continues to decrease at a moderate pace

### Unemployment<sup>1</sup>



### Current Account Balance<sup>2</sup>



(1) Turkstat, Eurostat, Turkstat  
 (2) CBT, Turkstat, Medium Term Program

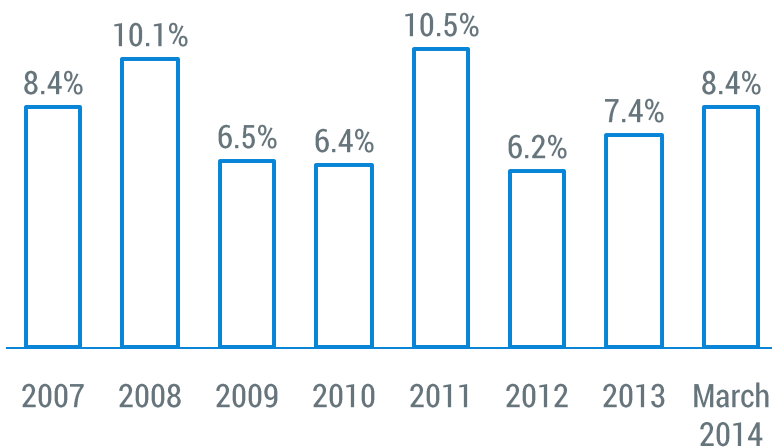


# Macro Outlook - IV

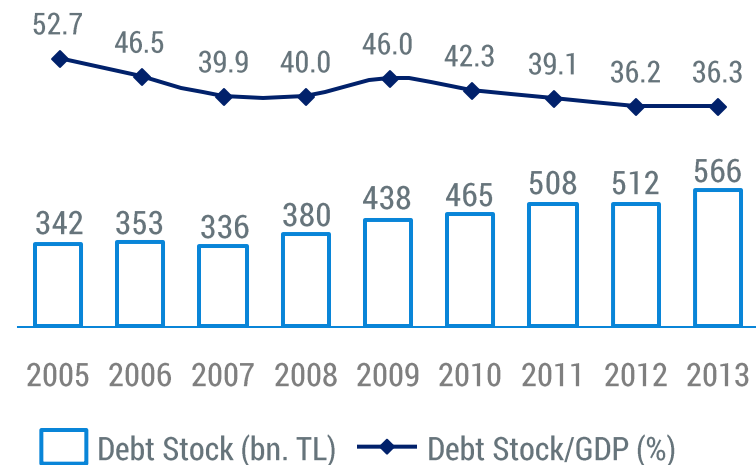
## Public Debt and Inflation

- /// Inflation decreased from double digit numbers and continues to decrease at a moderate pace
- /// Government targets to decrease the inflation to 5% in the medium-term
- /// Gross Debt/GDP ratio outperforms the Maastricht criteria of 60% by registering as 36.3% as of 2013.

Annual CPI Inflation<sup>1</sup>

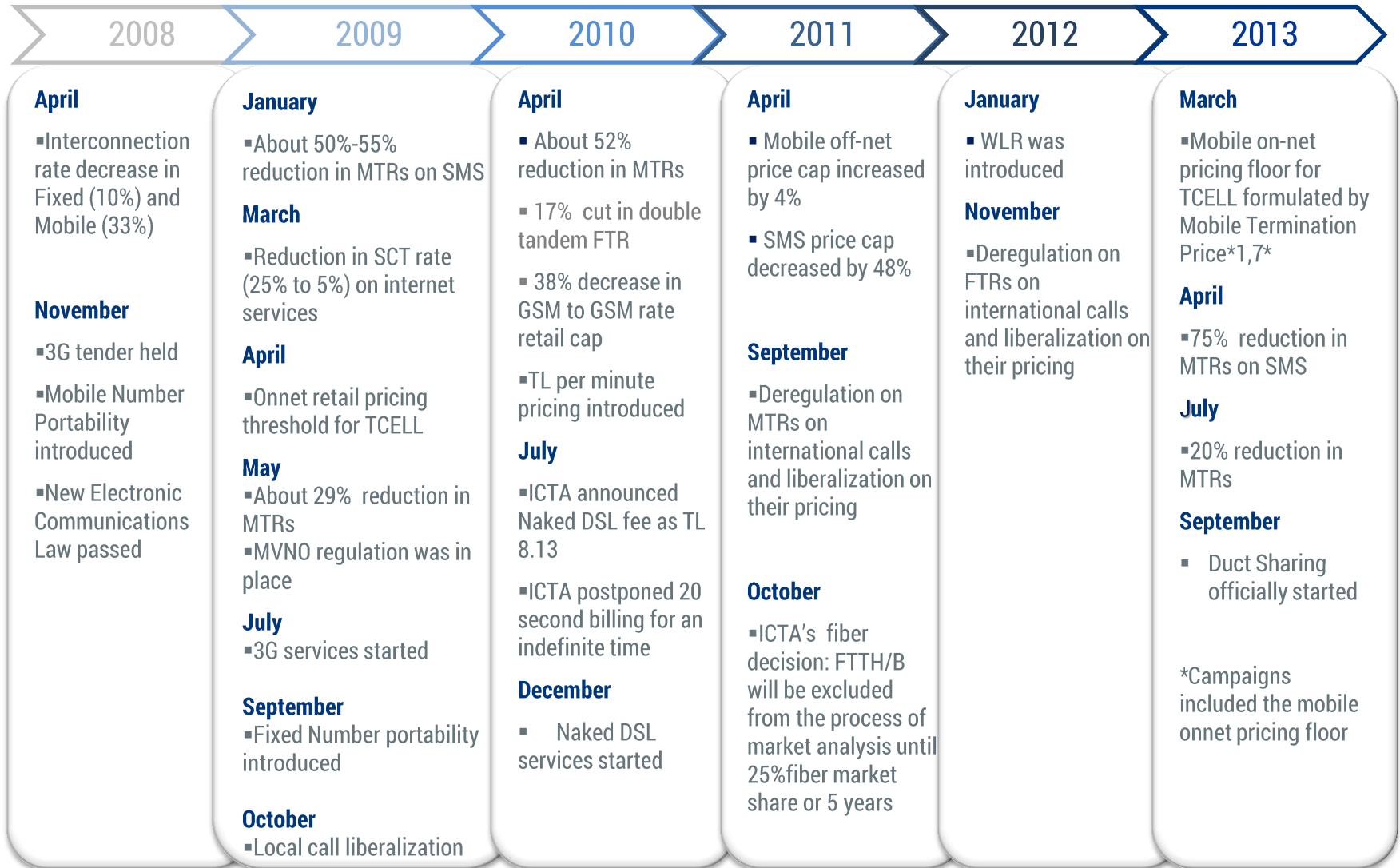


Debt Stock<sup>2</sup>

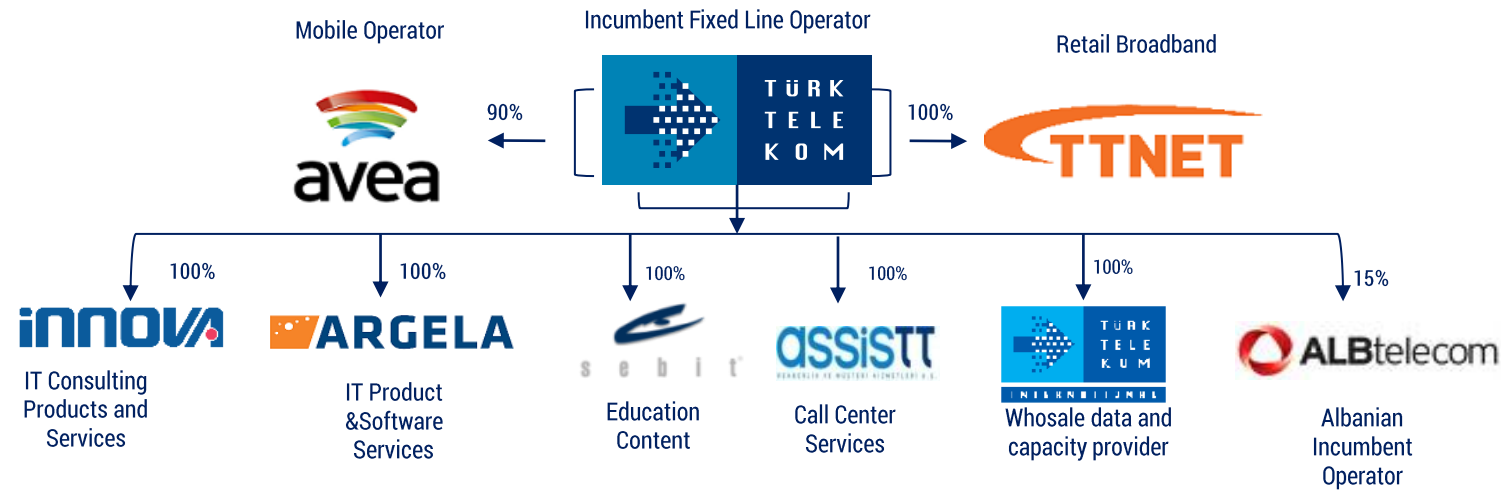
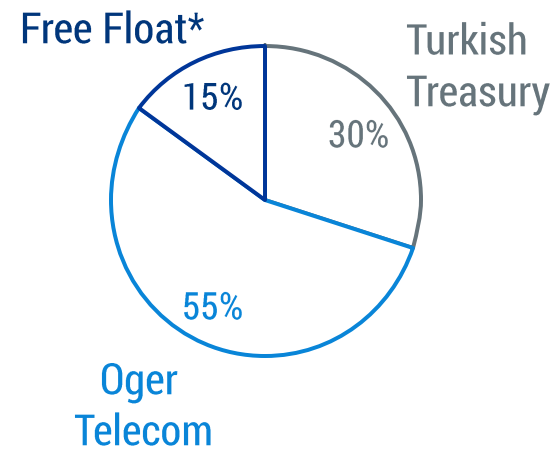


(1) Turkstat, (2) General Government European Union Defined Debt Stock; Turkish Treasury

# Regulatory Actions

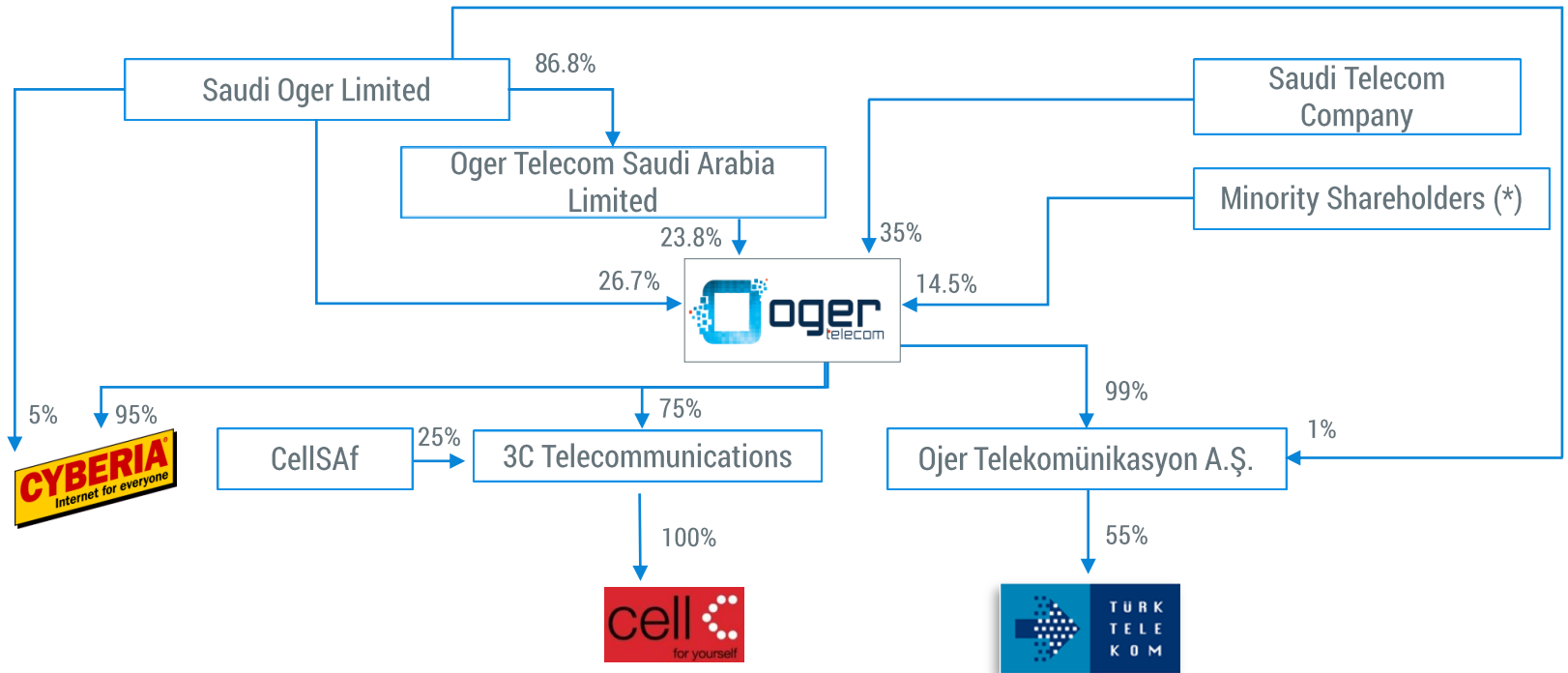


# Turk Telekom Group Ownership and Group Structure



Note: Turkish Treasury and Oger Telecom bought 1.68% and 0.8% additional stakes respectively, from free float.

# Oger Telecom Ownership Structure



Note: Among Oger Telecom's direct and indirect minority shareholders are regional and 'blue chip' global financial investors.

THANK YOU



Turk Telekom  
Investor Relations

[ir@turktelekom.com.tr](mailto:ir@turktelekom.com.tr) - [www.ttinvestorrelations.com](http://www.ttinvestorrelations.com) - [www.twitter.com/ttkomir](https://www.twitter.com/ttkomir) - +90(212) 309 96 30