

2013 Q2 Results

Türk Telekom Group



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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

2013 Q2 Results
Türk Telekom Group

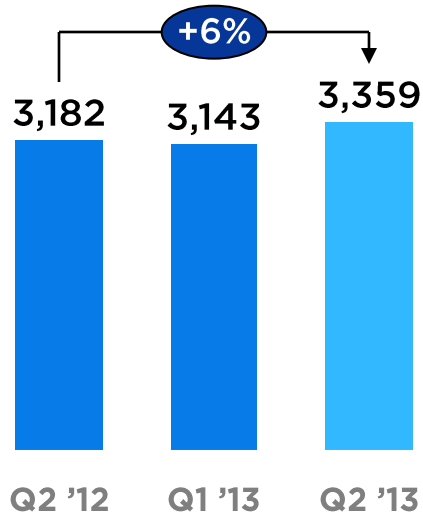
2013 Second Quarter Highlights

- ✦ Continued consolidated revenue increase with 6% YoY
- ✦ Growth in fixed line business, led by broadband and corporate data
- ✦ 9% YoY revenue growth in broadband with ARPU and subscriber increase
- ✦ Solid revenue and subscriber growth in mobile business – revenues increased 17% YoY with 161k net subscriber additions in the quarter
- ✦ Slight decline in YoY EBITDA, still on track for YE guidance
- ✦ Net income decline driven by depreciation of TL

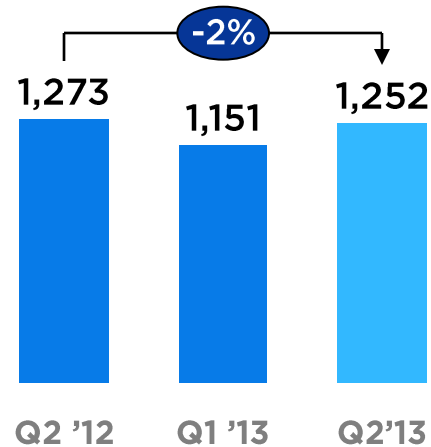
Consolidated Financials

(TLmn)

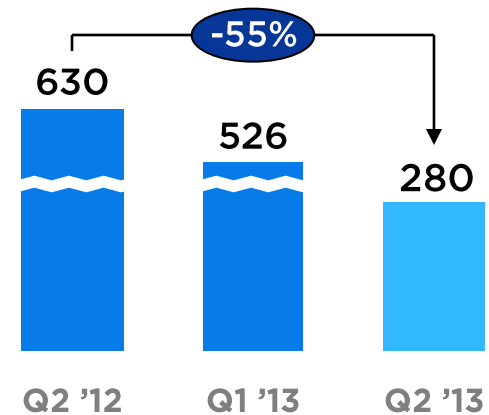
Revenue



EBITDA



Net Income

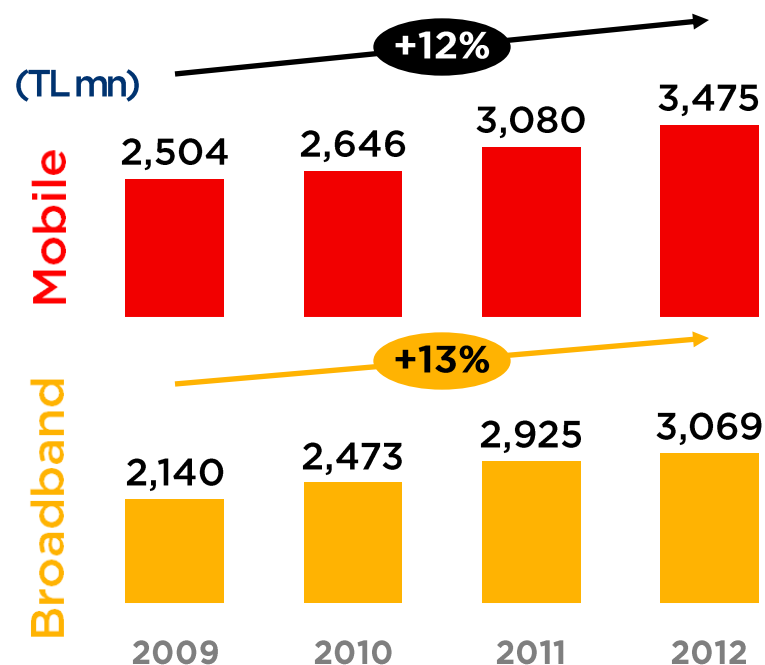


Sustained Revenue Growth

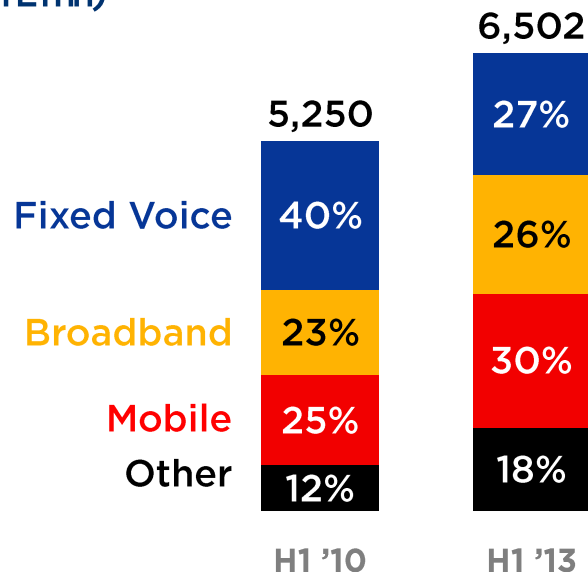
- ❖ Top line grew on track with the year end guidance
- ❖ Slight decline in EBITDA
- ❖ Net income decrease driven by TL depreciation against USD and EUR

Revenue Mix

Shifting towards high growth businesses



Consolidated Revenues (TLmn)



Transforming the revenue mix with less reliance on fixed voice

- ✦ Fixed voice share is now 27% of total revenues in H1 2013
- ✦ 56% of total revenues come from mobile and broadband
- ✦ Mobile and broadband businesses together grew 14% YoY in Q2 2013

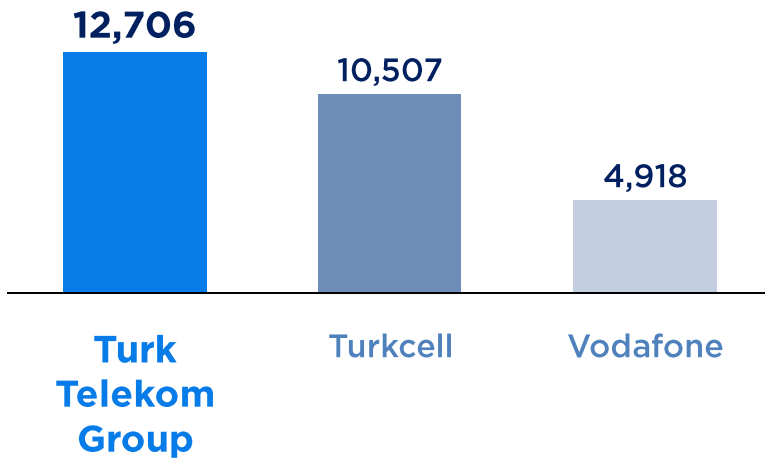
Note: Other Revenues include Pantel acquisition effect, which was completed in Q4 2010

TT: Strong Leader of the Market

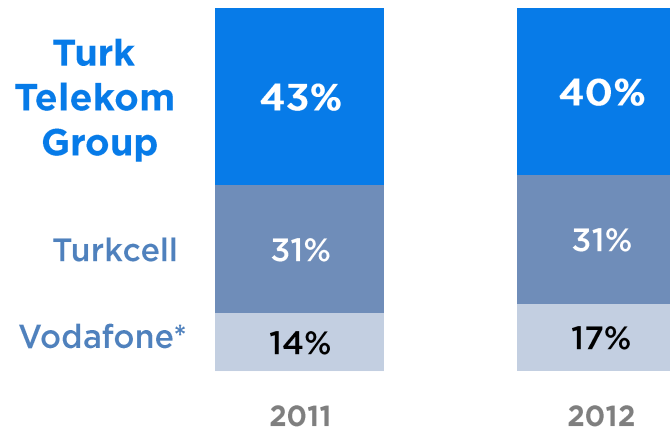
Largest and Most Profitable Operator in Turkey

Telecom Operators by Revenue

(2012, TL mn)



Telecom Operators' EBITDA Margins



- 45% of the total revenues in Turkish telecom market is generated by Turk Telekom Group
- Clear leader in profitability
- Strongest position to provide end to end wireless and wireline telecom services to both consumers and corporates

Note: Other operators' figures are from their published financials. Vodafone's EBITDA Margin figure is from their 2012 financials

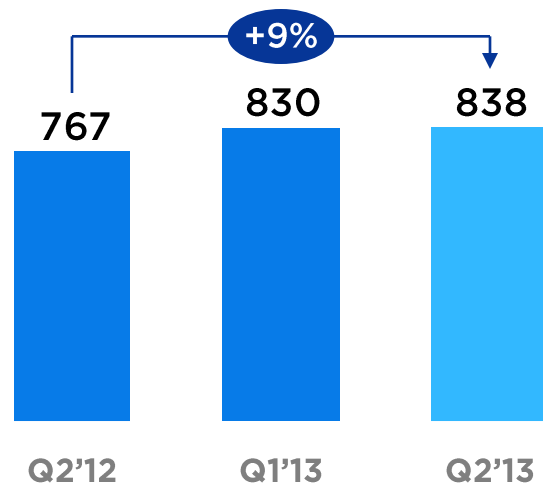
Fixed Line

2013 Q2 Results
Türk Telekom Group

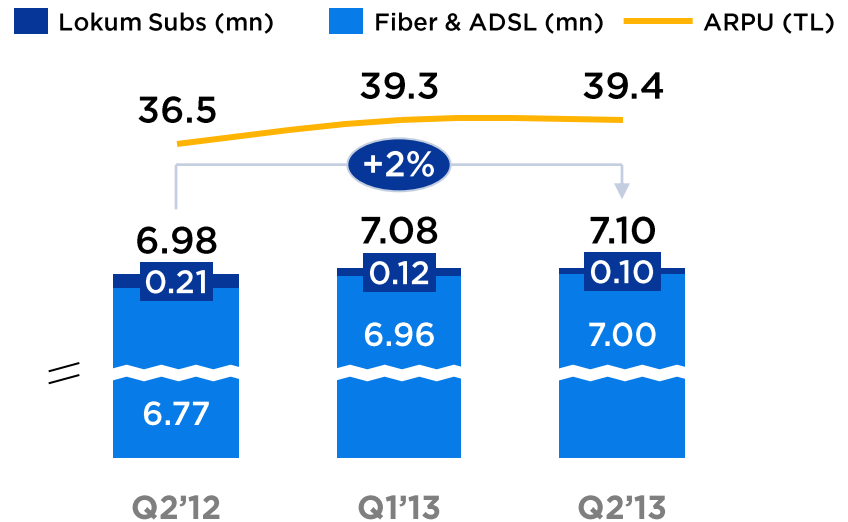
High Speed Broadband

Continued revenue and subscriber growth

Revenue (TL mn)



ARPU and Subscribers



- ❖ 9% revenue growth backed by ARPU and subscriber increase
- ❖ Subscriber growth continued with 17K net additions in Q2 2013
- ❖ Excluding “phasing out” Lokum subscribers, net additions are 34K in Q2 2013
- ❖ 8% YoY ARPU increase in Q2 2013

Fiber means Turk Telekom

Availability of Fiber

Turk Telekom Fiber Network



Alternative Operator

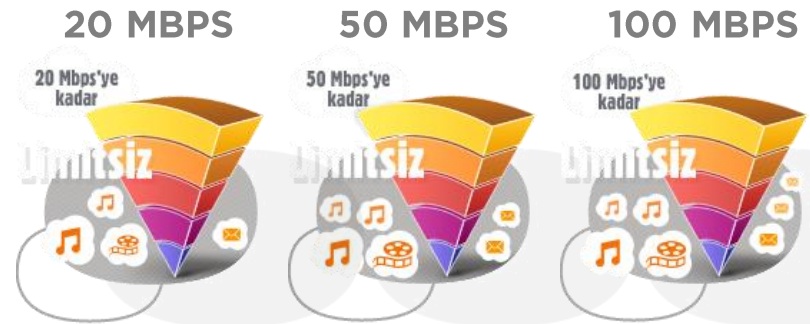


Accelerated Fiber Subscribers

- Coverage of all 81 cities as opposed to competitor's limited reach
- 171 thousand km fiber network
- 2.2 million Fiber to the Home/Building, 5.1 million Fiber to the Curb homepass
- 360K subscribers - up ~90K in Q2 2013

Note: Other operators' data are from their own publications

Speeds offered :

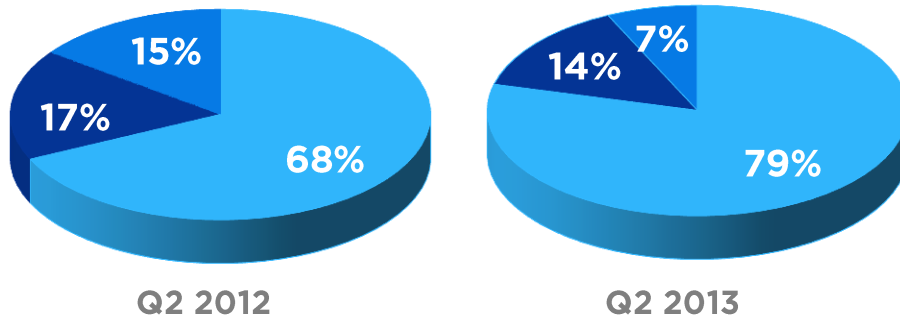


Broadband Speed and Capacity

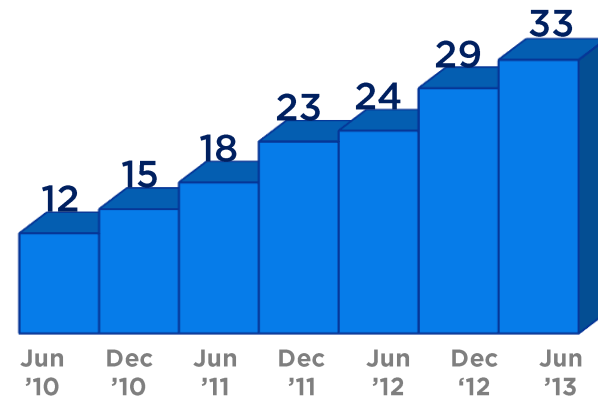
Unwavering demand leads to upsell

Capacity

- Unlimited
- Limited (Over 4 GB)
- Limited (4 GB and below)



Monthly Data Usage (GB)



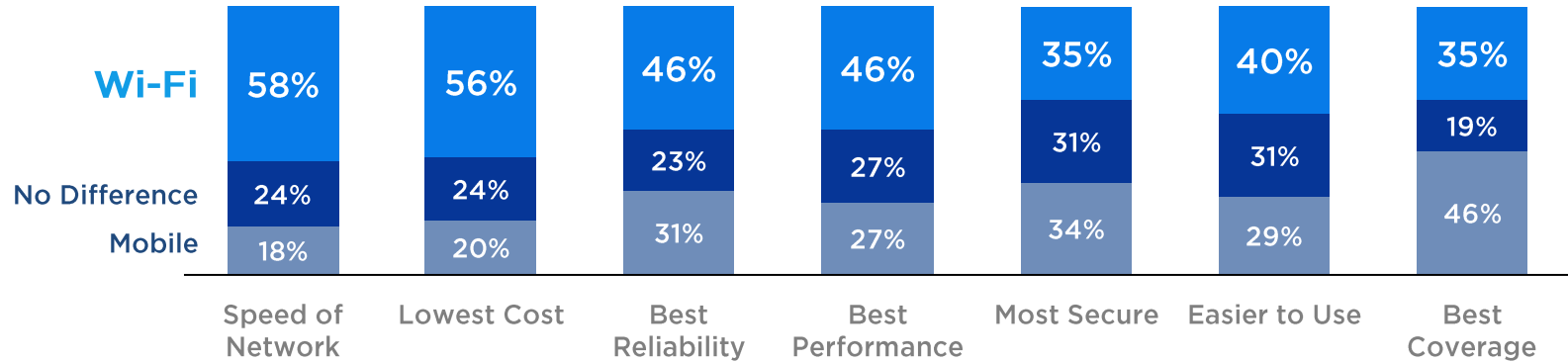
Customers want speed and capacity

- ✦ 93% of our customers are now in “up to 8 MBPS” or higher speed packages
- ✦ Unlimited quota subscribers are 79% of our total base (up from 68%)
- ✦ As speed increases, average monthly data usage of customers grows – now at 33GB

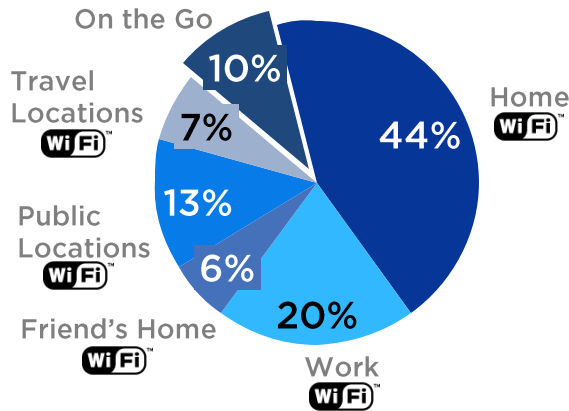
Wi-Fi

The Preferred Access Method for Mobile Devices

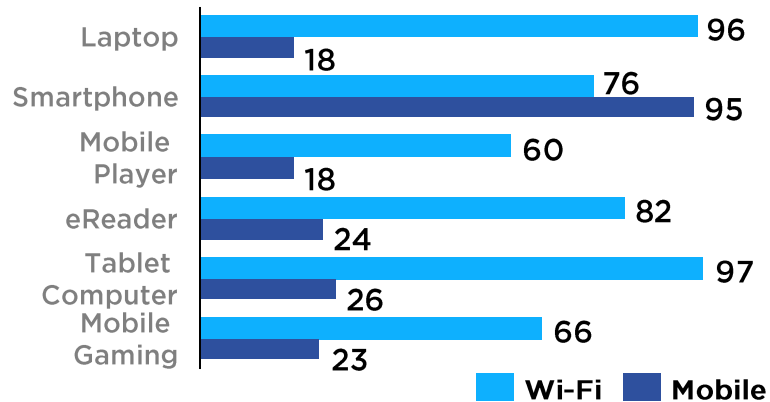
Preferred Network Access for Various Features



Mobile Device Usage By Location



Mobile Device Network Connection Capability (%)

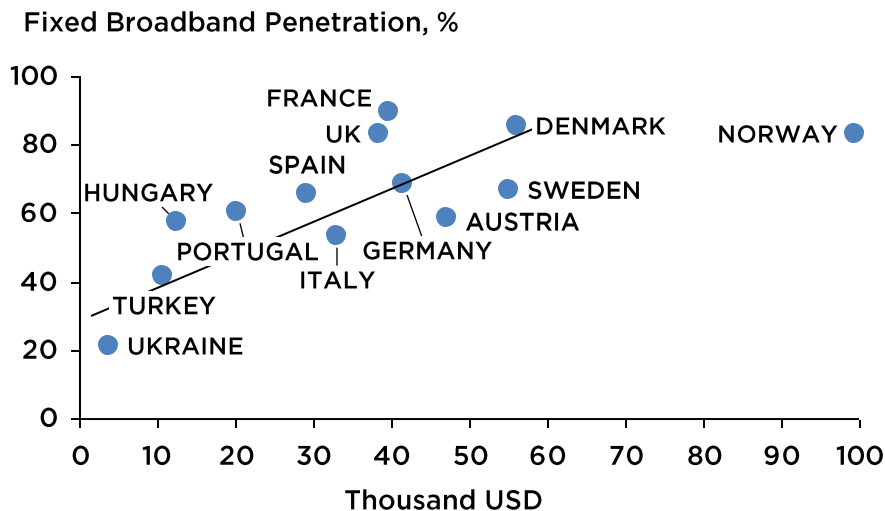


Source: Cisco IBSG, 2012

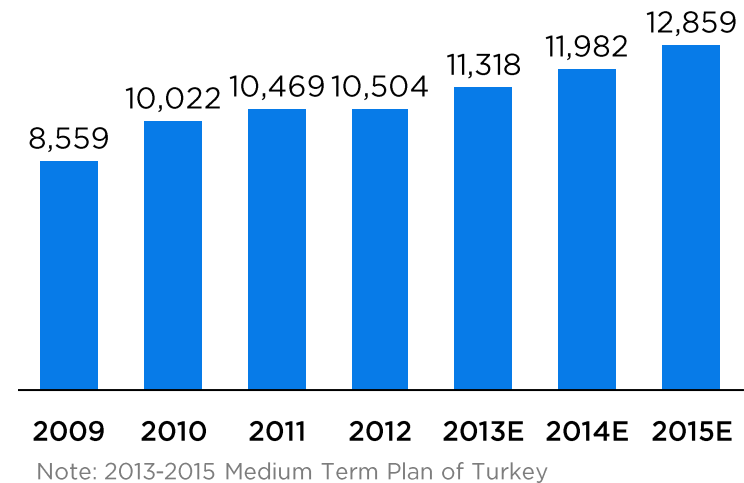
Broadband Penetration

Room for growth ...

Fixed BB penetration vs GDP per Capita¹



GDP Per Capita in Turkey² (USD)



- ✦ Broadband penetration increases in line with GDP per Capita growth
- ✦ Turkey's GDP per Capita is set to grow in the upcoming years
- ✦ Household broadband penetration is already low in Turkey with 42% compared to European levels of 61%

(1) Analysis Mason

(2) 2013-2015 Medium Term Plan of Turkey



Turkey's Leading TV Platform by Turk Telekom

- ❖ First and leading internet TV service in Turkey
- ❖ Multi-screen experience: TV | Tablet | PC | Laptop | Smartphone



- ❖ 1.3 million paying users
- ❖ Over 150 TV Channels
- ❖ Over 4,000 content archive
- ❖ Interactivity
- ❖ Catch up TV
- ❖ Pause Live TV
- ❖ On Demand Video/Music

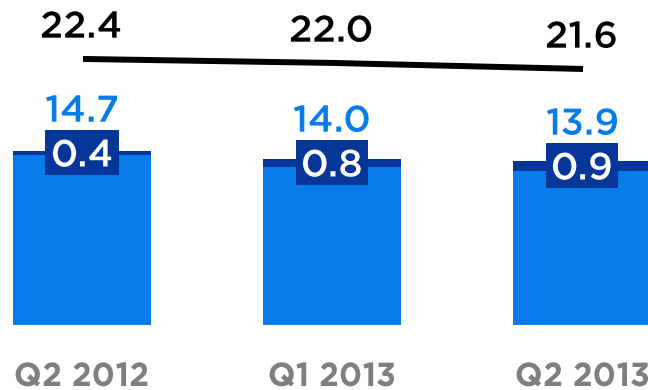
- ❖ Content agreements with global distributors
- ❖ Includes premium content like European Football Leagues

Fixed Voice

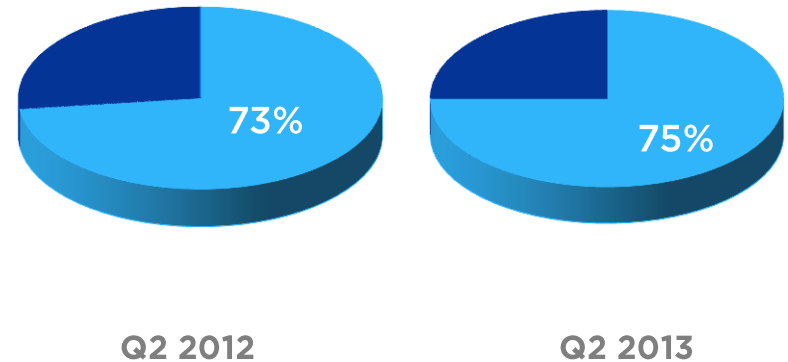
Defending revenues despite challenges

Access Lines & ARPU¹

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



Recurring Revenue Share within Fixed Voice Revenues



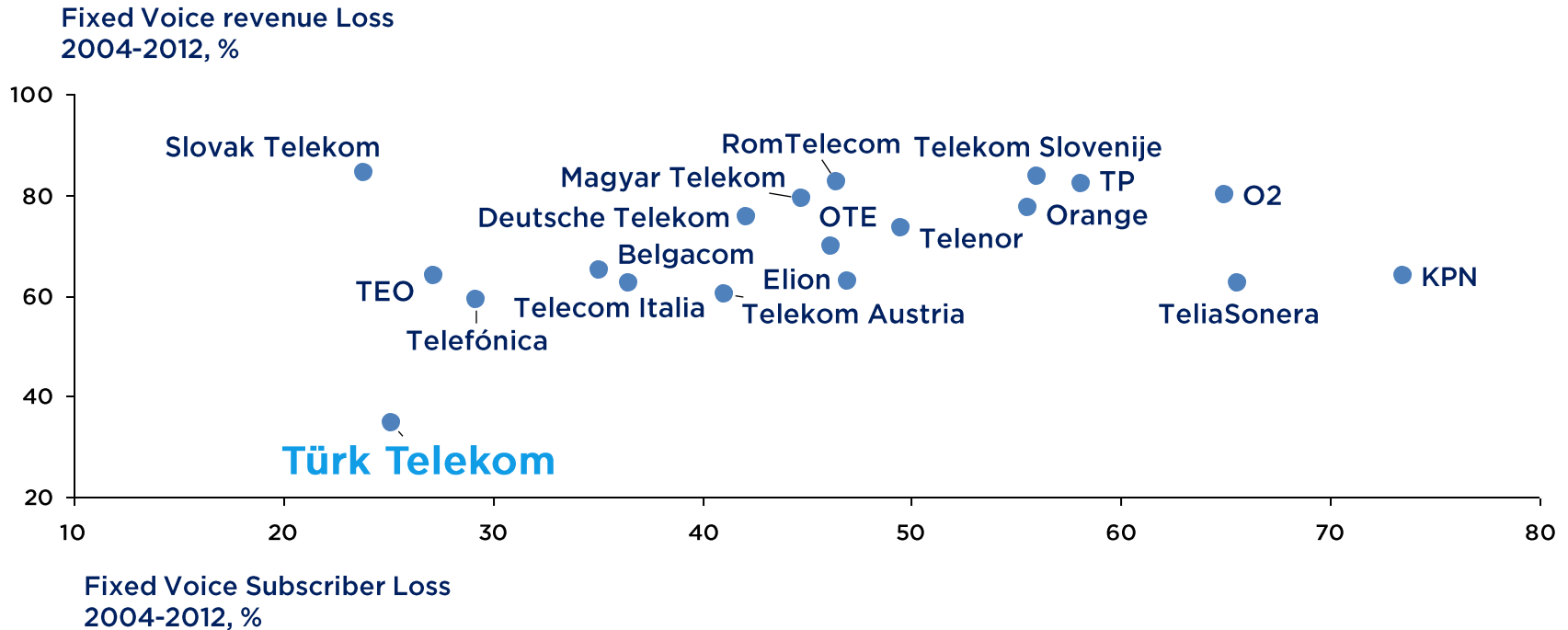
Offers to keep home phone relevant helps slow down decline...

- ✦ Free minutes to mobile directions from 7 p.m to 7 a.m.
- ✦ Discount benefits from leading retailers
- ✦ Joint offers with group companies
- ✦ Fixed voice decline partially offset by naked broadband additions
- ✦ ARPU slightly decreased YoY mainly due to Wholesale Line Rental

(1) Revenue divided by average number of connections

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

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

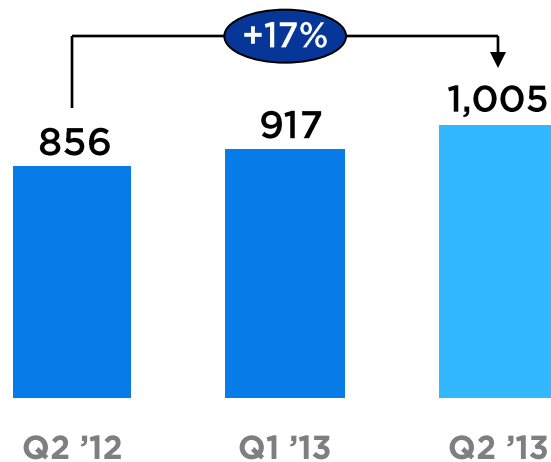
Mobile

2013 Q2 Results
Türk Telekom Group

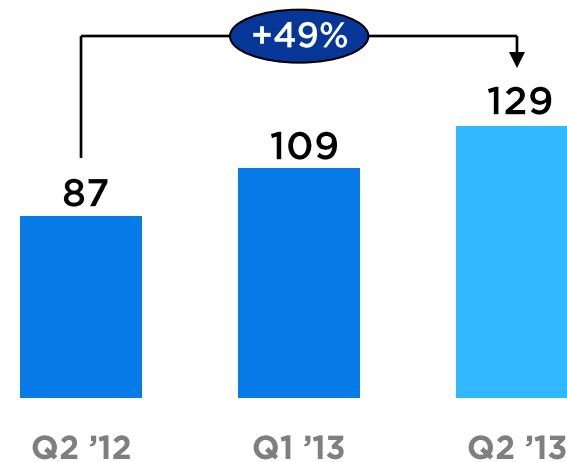
Mobile

Progress continues in all market conditions

(TLmn)
Revenue



EBITDA



High growth in revenues and EBITDA

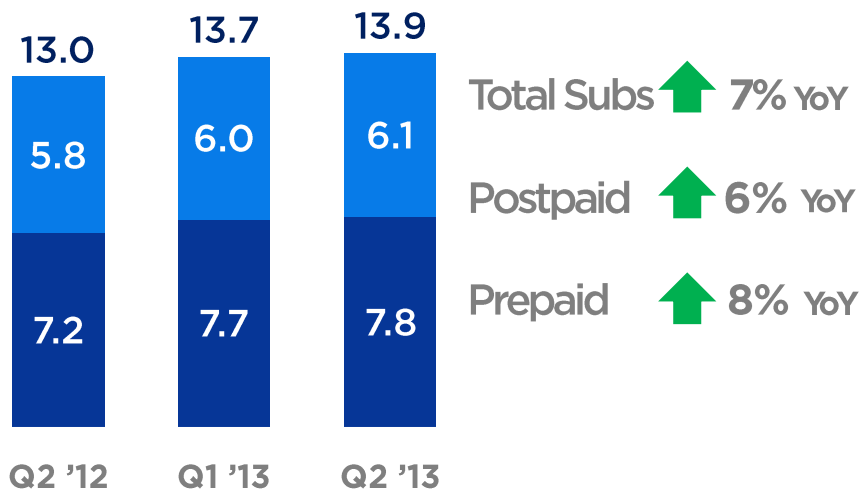
- + 13% EBITDA margin. EBITDA up 49% YoY.
- + Revenues 17% up YoY second quarter in a row. High teens growth maintained.

Mobile Operational KPIs

Uninterrupted subs growth, record MOU, higher ARPU

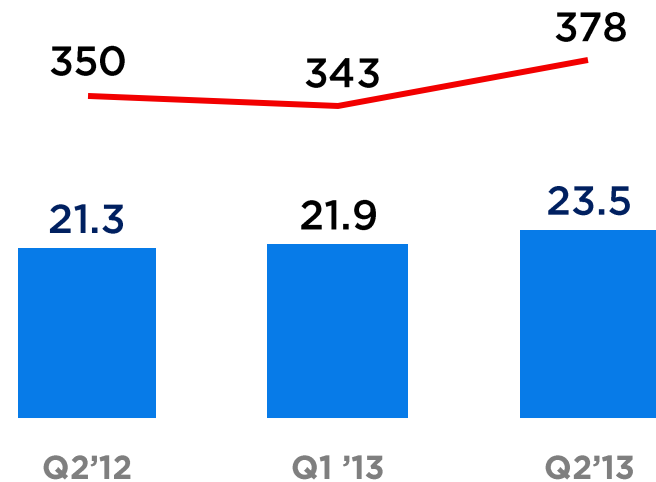
Subscribers (mn)

Postpaid Prepaid



MoU and ARPU

MoU Blended ARPU (TL)



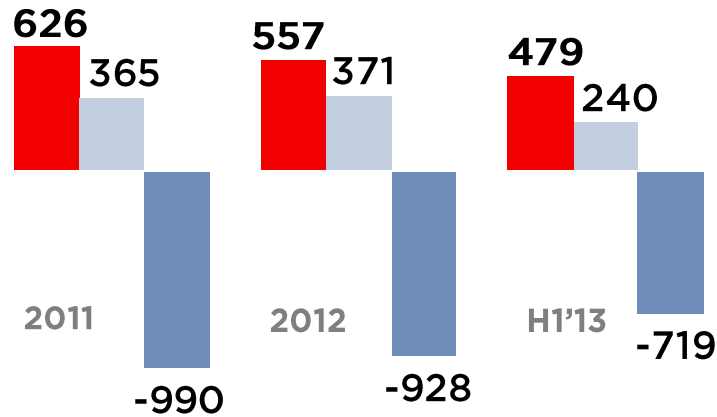
- ✦ Postpaid and prepaid subscriber growth; 161K net additions in the quarter
- ✦ Highest postpaid to total subscribers ratio in the market
- ✦ 10% YoY growth in ARPU - Highest ARPU in the market as of Q1 2013
- ✦ 8% YoY growth in MoU - Consistently the highest MoU in the market for the past 5 years

Mobile Number Portability

Avea - Preferred operator among MNP customers

MNP Subscriber Additions (thousand)

■ Avea ■ Competitor 1 ■ Competitor 2



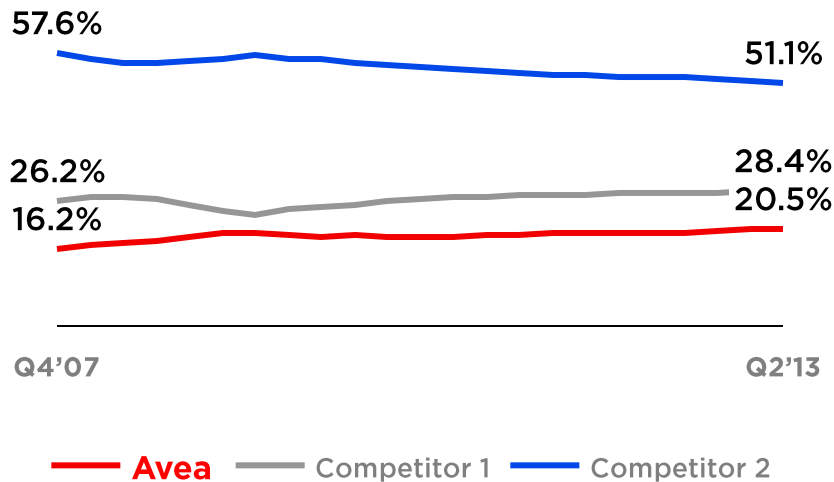
➤ Avea continues to outperform competitors in Mobile Number Portability gains



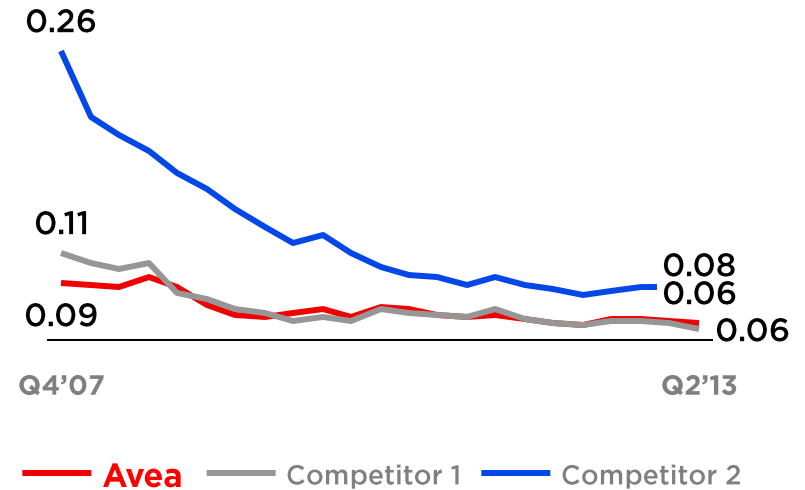
Mobile Market Outlook

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

Subscriber Market Share (%)



Revenue per Minute (TL)



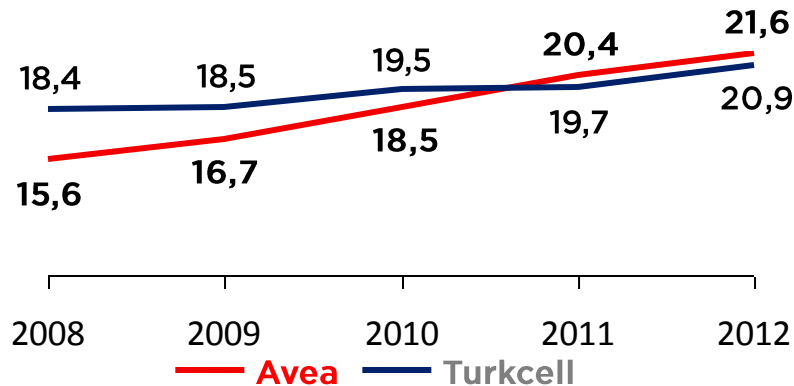
- ✦ Avea grew market share despite aggressive market conditions while keeping a strict eye on profitability
- ✦ Incumbent operator eroded 68% of its Revenue per Minute while continuing to lose market share

Note: Other operators' figures are from their own publications

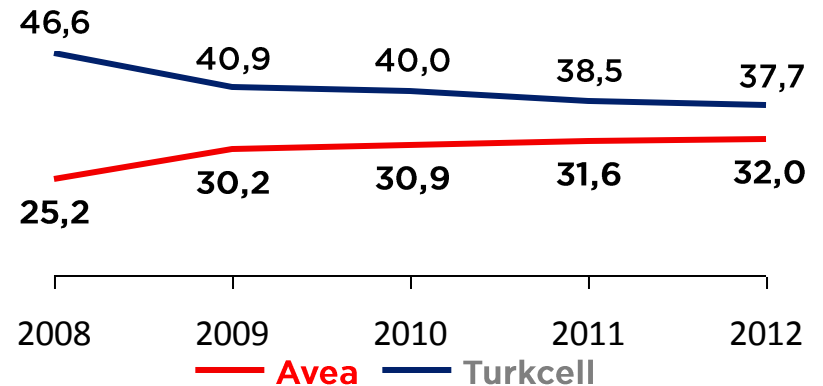
Mobile ARPU Comparison

Incumbent and challenger ...

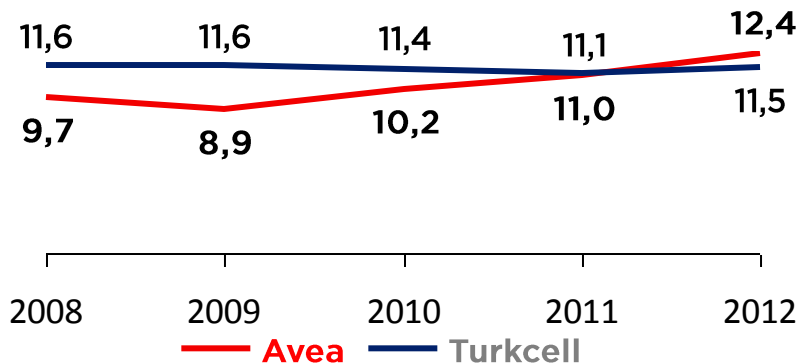
Blended ARPU (TL)



Postpaid ARPU (TL)



Prepaid ARPU (TL)



✚ Avea increased its postpaid ARPU by 27% and prepaid ARPU by 28% since 2008. Its blended ARPU went up 37% in the same period

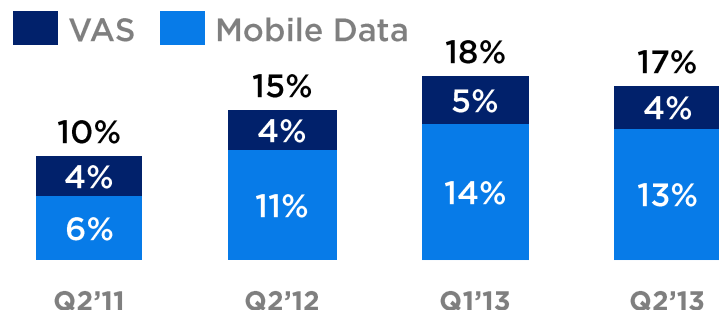
✚ Incumbent operator decreased its postpaid ARPU by 19% and prepaid ARPU by 1% in the same period

Note: Other operators' figures are from their own publications

Mobile Data

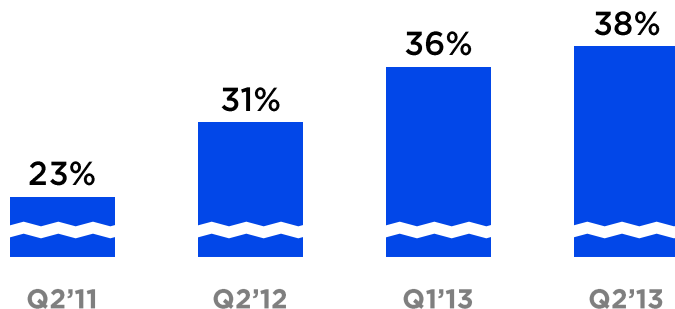
High growth continues...

Mobile Data¹ and VAS² shares in Revenues



SMS not included in mobile data

Avea Share of Small Screen Data Users³



(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. Small screen % = Small screen users/Total Avea base excluding large screen users.

Set to further boost data revenues ...

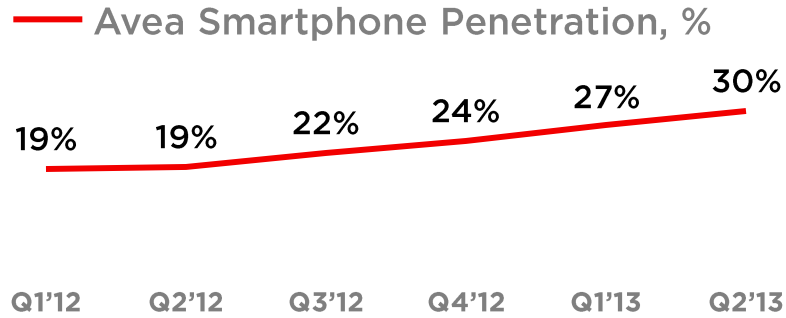
- ✦ 42% YoY increase in mobile data
- ✦ Non-SMS mobile data makes up 17% of total service revenues
- ✦ Affordable smartphones offered to further grow data subscribers

Continued growth in small screen data users and USB stick modem

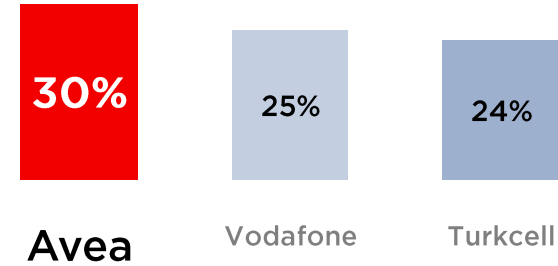
- ✦ Smartphone and tablet users increased 34% YoY
- ✦ Jet Modem (USB stick) subscribers are up 13% YoY

Smartphones

Leader in penetration ...



Smartphone Penetration as of Q2 2013



Utilizing advantages to sustain leadership position in smartphones

- ❖ Avea inTouch Android smartphone - Second version in stores building on the success of the original inTouch
- ❖ Highest share of postpaid customers and youth segment
- ❖ Innovative data & voice tariffs enabling customers to mix and match

Note: Other operators' figures are from their own publications

New Partnerships & Vertical Services

Incremental growth ...

Alternative Channels Through Partnerships



- Accessing micro segments through partnerships with retail giant and Turkish State Postal Service

Avea Mobile Health



- Preventative and informational health SMS/IVR services
- Telehealth solutions
- Telecare solutions

Avea Applications to make life easier



Avea Music



Avea Backup



Avea League



Online Transactions



Avea Legal



Avea Mobilife

Financials

2013 Q2 Results
Türk Telekom Group

Consolidated

Summary Income Statement

TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Revenues	3,182	3,143	3,359	7%	6%
EBITDA	1,273	1,151	1,252	9%	-2%
Margin	40%	37%	37%		
Operating Profit	840	712	811	14%	-3%
Margin	26%	23%	24%		
Financial Income/Expense	(21)	(34)	(445)	<i>NM</i>	<i>NM</i>
FX & Hedging Gain/Loss	37	(3)	(411)	<i>NM</i>	<i>NM</i>
Interest Income/Expense	(21)	(8)	(13)	62%	39%
Other Financial Income/Expense	(36)	(24)	(21)	12%	43%
Tax Expense	(199)	(161)	(96)	40%	52%
Net Income	630	526	280	-47%	-55%
Margin	20%	17%	8%		

Consolidated

Summary Balance Sheet

TL Millions	30.06.2012	31.03.2013	30.06.2013
Intangible Assets ¹	3,597	4,013	4,096
Tangible Assets ²	8,263	8,179	8,178
Other Assets ³	3,668	4,135	4,324
Cash and Equivalents	930	1,429	973
Total Assets	16,458	17,756	17,571
Share capital	3,260	3,260	3,260
Reserves and Retained Earnings	1,826	3,691	1,599
Interest Bearing Liabilities ⁴	6,830	6,548	8,390
Provisions for Long-term Employee Benefits	645	620	607
Other Liabilities ⁵	3,897	3,637	3,715
Total Equity and Liabilities	16,458	17,756	17,571

(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) 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

Consolidated

Summary Cash Flow Statement

TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Cash Flow from Operating Activities	858	211	1,066	NM	24%
Cash Flow from Investing Activities	(554)	(220)	(374)	-70%	33%
CAPEX	(658)	(293)	(479)	-64%	27%
Other Investing Activities	104	73	106	-45%	2%
Cash Flow from Financing Activities ¹	(434)	435	(1,036)	NM	-139%
Net Change in Cash Position ²	(131)	426	(344)	NM	-163%

(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	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Fixed Line	2,408	2,319	2,455	6%	2%
Domestic PSTN	974	883	849	-4%	-13%
Broadband	767	830	838	1%	9%
Data Services	134	165	179	9%	33%
International Settlements	102	125	127	2%	25%
Domestic interconnection	73	78	94	21%	28%
Leased lines	93	80	76	-4%	-18%
Rental income from GSM operator	24	20	20	1%	-14%
Other	64	99	138	39%	114%
Construction Revenue (IFRIC 12) ¹	177	40	133	233%	-25%
Mobile	856	917	1,005	10%	17%
Elimination	(82)	(93)	(101)	-8%	-23%
Total Revenue	3,182	3,143	3,359	7%	6%

(1) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction revenue is due to higher amount of eligible CAPEX recorded in the period

Consolidated

Summary OPEX Breakdown

TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Personnel ¹	512	609	546	-10%	7%
Domestic interconnection	201	235	266	13%	33%
International interconnection	71	77	82	6%	15%
Commercial ²	265	240	255	6%	-4%
Maintenance and Operations	105	105	125	20%	20%
Taxes & Government Fees	207	232	247	7%	19%
Doubtful Receivables	(8)	41	38	-6%	NM
Cost of Equipment and Technology Sales	26	50	58	16%	123%
Others	375	367	371	1%	-1%
Sub-Total	1,753	1,956	1,989	2%	13%
Construction Cost (IFRIC 12) ³	157	35	118	233%	-25%
Total OPEX	1,910	1,992	2,107	6%	10%

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

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

(3) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction cost is due to higher amount of eligible CAPEX recorded in the period

Fixed Line

Summary Income Statement

TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Revenues	2,408	2,319	2,455	6%	2%
EBITDA	1,186	1,041	1,122	8%	-5%
Margin	49%	45%	46%		
Operating Profit	911	775	856	10%	-6%
Margin	38%	33%	35%		
CAPEX	524	191	360	89%	-31%
CAPEX as % of Revenue	22%	8%	15%		

Fixed Line

Summary OPEX Breakdown

TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Personnel ¹	455	554	492	-11%	8%
Domestic interconnection	26	53	61	16%	134%
International interconnection	67	71	77	8%	13%
Commercial ²	137	125	129	3%	-6%
Maintenance and Operations	81	75	88	18%	8%
Taxes & Government Fees	57	53	54	2%	-6%
Doubtful Receivables	(19)	20	20	3%	NM
Cost of Equipment and Technology Sales	26	51	60	17%	131%
Others	234	242	235	-3%	0%
Sub-Total	1,065	1,243	1,215	-2%	14%
Construction Cost (IFRIC 12) ³	157	35	118	233%	-25%
Total OPEX	1,222	1,278	1,333	4%	9%

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

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

(3) According to IFRIC (International Financial Reporting Interpretations Committee) Interpretation 12. Large increase in construction costs is due to higher amount of eligible CAPEX recorded in the period

Mobile

Summary Income Statement

TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Revenues	856	917	1,005	10%	17%
EBITDA ¹	87	109	129	18%	49%
Margin	10%	12%	13%		
Operating Profit	(70)	(65)	(46)	29%	35%
Margin	-8%	-7%	-5%		
CAPEX	134	61	113	86%	-16%
CAPEX as % of Revenue	16%	7%	11%		

Mobile

Summary OPEX Breakdown

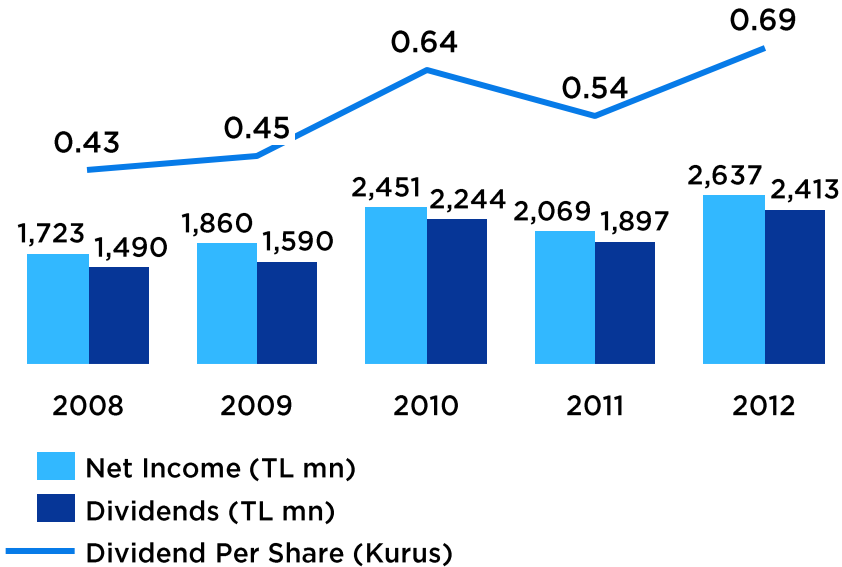
TL Millions	2012 Q2	2013 Q1	2013 Q2	QoQ % Change	YoY % Change
Personnel	61	58	60	4%	-1%
Domestic interconnection	196	213	241	13%	23%
International interconnection	4	6	5	-3%	37%
Commercial ¹	128	115	127	10%	-1%
Maintenance and Operations	26	34	36	6%	38%
Taxes & Government Fees	150	179	193	8%	29%
Doubtful Receivables	11	21	18	-15%	68%
Others ²	192	183	194	6%	1%
Total	769	808	876	8%	14%

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

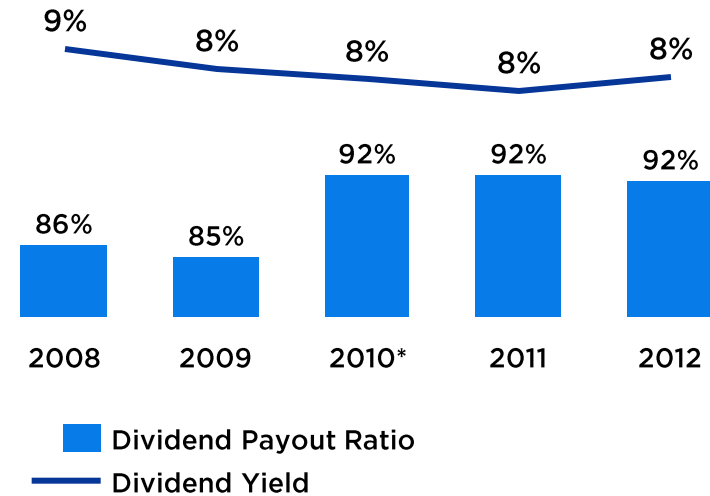
(2) Includes Rent Expense, Utilities, Leased Line Expense and other expenses

Shareholder Remuneration

Dividend Distribution



Dividend Yield & Payout Ratio



- ✦ Consistently the highest dividends in ISE since IPO, with top ranking payout ratio
- ✦ Solid dividend policy of maximum payout as defined in the Articles of Association

(*) Note: We reached the cap in the first legal reserve in 2010

Debt Profile

Debt (Millions)	In Currency	TL Equivalent	<3 Month	3 Months to 1 Year	1 to 5 Years	>5 Years
TL	1,416	1,416	1,401	15	0	0
USD	2,018	3,885	162	636	2,527	561
EUR	1,180	2,967	103	529	2,130	205
JPY	4,956	96	0	0	96	0
TOTAL		8,363	1,665	1,180	4,752	766

Ratios	2012 Q2	2013Q2
Net Debt / EBITDA	1.17	1.48
Net Debt / Assets	0.36	0.42
Debt (Total Liabilities) / Equity	2.24	2.62
Debt (Financial) / Equity	1.34	1.73
Current Ratio	0.72	0.89

✦ Average maturity of FX denominated debt is 2.2 years

✦ Comfortable Net Debt / EBITDA ratio at 1.48

Group Companies

2013 2Q Results
Türk Telekom Group

Turkey's Leading IT Company



Innova

- . Fastest growing IT company in Turkey for the last 7 years
- . A team of almost 700 IT professionals
- . Over 10 years of international experience in 28 countries



Kiosk Innova

- . Advanced Payment and Collection Solutions
- . Online Banking Solutions
- . Digital Signage
- . Wayfinding
- . Top-up Solutions



Payflex Innova

- . Secure and innovative solutions for mobile payments
- . Cloud based collection systems over Turk Telekom data center
- . Loyalty solutions



ESIS Project

Strategic Management and Statistics Systems Innova developed for Ministry of Energy and Natural Resources in Turkey, is among the biggest e-transformation and IT projects

Türk Telekom International

Increasing Presence in Euroasia



- ❖ Pantel's brand and logo changed into Türk Telekom International; a new approach to Group synergy with a new brand and a new management
- ❖ International arm of the Group; handling all sales&marketing operations for wholesale voice and providing all international data services within a unique geographical coverage from Europe & Russia to Middle East
- ❖ Over 40,000 km of fiber optic network
- ❖ More than 50 major POPs in Europe
- ❖ POPs in Asia and USA





A Global Provider of Next Generation Telecom Solutions

- International experience in providing a wide variety of telecom solutions in CIS, Middle East, Africa, LATAM, Balkans and Eastern Europe
- Partner of Turkey's first 4G-LTE project to build and develop 4G base stations in the country
- Leading developer of iTV and small cell technologies in Turkey

ARGELA iTV



- A unique experience that brings TV, internet, social media and entertainment together
- Available on PC, tablet, TV and mobile phones

ARGELA Small Cell Solutions



- Providing coverage for hard to reach areas
- A unique solution for mobile operators to avoid data capacity problems





s e b i t

A Global Player in E-education



Sebit

- . The biggest education technologies company in Turkey
- . A multinational e-education solution provider with operations in the US, Europe, Middle East and Asia
- . 25 years of experience in online education technologies



Sebit Turkey

- . Vitamin; e-education solutions to state&private schools as well as consumers
- . Vitaminegitim.com; the biggest education portal in Turkey
- . Vittrin; only educational marketplace in Turkey
- . Egitim.com; first educational search engine in Turkey




Sebit International

- . Adaptive Curriculum; e-education support for numerous schools in the US
- . Vitamin Malaysia; implemented in schools nationwide in Malasia
- . Vitamin Arabic; delivered by Saudi Telecom to broadband subscribers

ASSISTT

Turkey's Leading Call Center

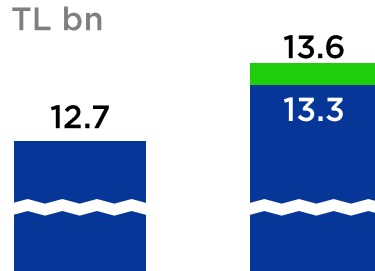
- ❖ More than a traditional call center with sales and marketing functions for its customers
 - ❖ Fastest growing call center with consistently increasing market share in Turkey
 - ❖ Presence in 18 locations in 12 cities of Turkey
 - ❖ Over 5,888 seat capacity
 - ❖ Call center solutions for Turk Telekom Group and other leading companies and institutions in Turkey
 - ❖ Partner of Turkish Ministry of Health for Turkey's Central Hospital Scheduling system call center services
- 
- ❖ Before and after sales support
 - ❖ Customer relationship management (CRM)
 - ❖ Reseller channel assessments
 - ❖ Voice Response Applications (IVR)
 - ❖ Reviews and reports of customer complaints

Appendix

2013 Q2 Results
Türk Telekom Group

2013 Guidance

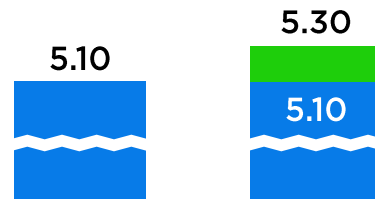
Revenue Growth of 5% - 7%



Revenue Growth Enablers

- ✦ Mobile growth
- ✦ Broadband growth
- ✦ Combined offers

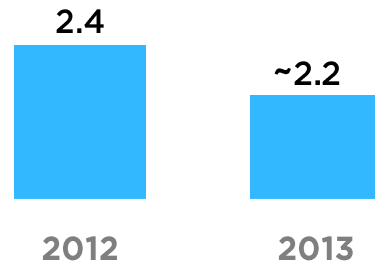
EBITDA between TL 5.1bn & TL 5.3bn



EBITDA Growth

- ✦ Focusing on absolute EBITDA
- ✦ OPEX saving initiatives

CAPEX ~ TL 2.2bn



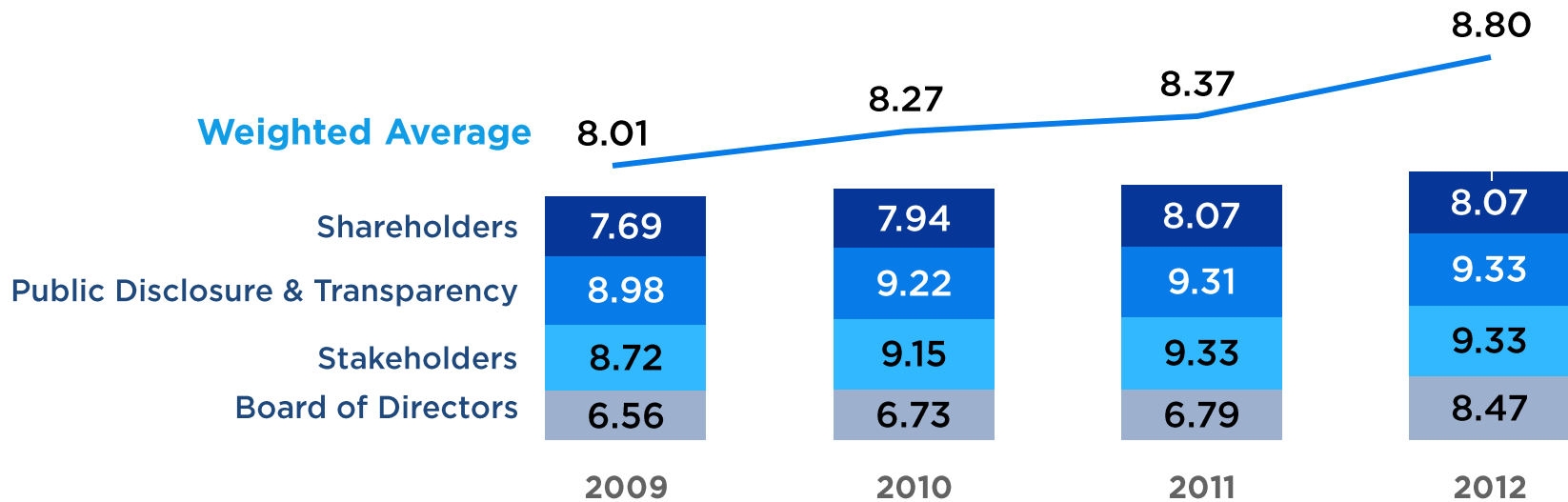
CAPEX

- ✦ Reducing CAPEX since major CAPEX programs' peak investment levels passed

Corporate Governance at Turk Telekom

Exemplary Practices

Corporate Governance Ratings of Turk Telekom (out of 10)



Turk Telekom demonstrates exemplary practices in Corporate Governance

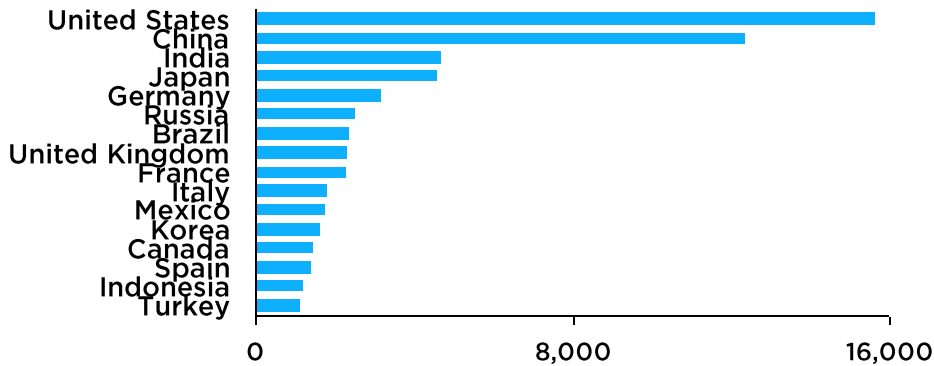
- ✦ First and only telecom company in ISE Corporate Governance Index
- ✦ Achieved 8.8 over 10 in 2012
- ✦ Compliance to Capital Market Board Corporate Governance Principles

Note: Independent Rating Study conducted by Saha Corporate Governance and Credit Rating Services Inc.

Strong Macro Environment

Large & sustainable growth economy & favorable demographics

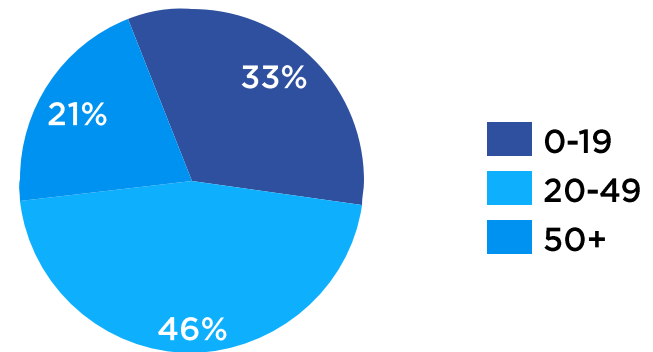
Turkey among World Economies, (GDP based on PPP, US\$ bn, 2012)¹



- World's 16th largest economy
- Europe's 6th largest economy
- Moderate and sustainable economic growth/growth prospects
- Strategic location
- Ongoing positive economic and structural development momentum

- 2nd largest European country (75.6 mn population)
- Population growth forecast of around 1.0% per annum (2013-2030)
- Young and increasingly affluent population
- GDP per capita up from us\$ 3,492 to US\$ 10,504 in 2012

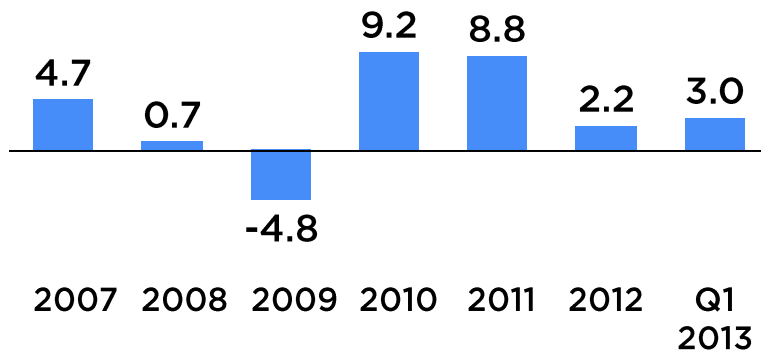
Age Group Distribution (2012)²



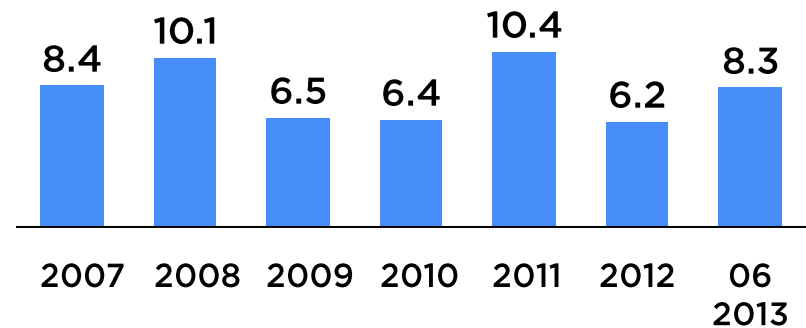
Source for 1 & 2: TURKSTAT, IMF World Economic Outlook Database

Macroeconomic Highlights - I

Annual Real GDP Growth Rate, %¹



Annual CPI Inflation, % (eop)²

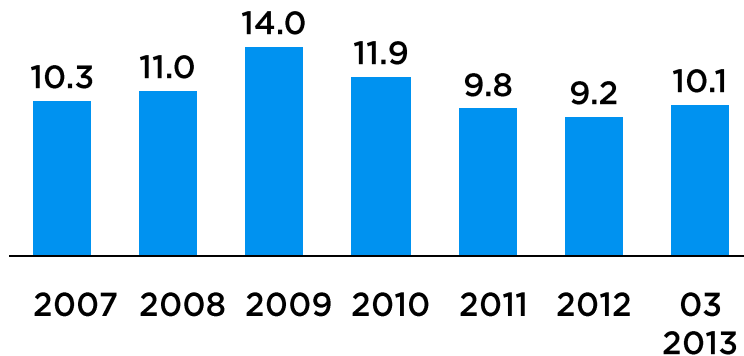


- ✦ The Turkish economy grew by 3% y/y in 1Q 2013, after the 1.4% growth in 4Q 2012,
- ✦ According to the Medium-Term Program, the Government's 2013 GDP growth rate forecast stands at 4.0%
- ✦ As of end-June, the annual CPI inflation registered as 8.3%
- ✦ According to the Inflation Report - II, the Central Bank's 2013 year-end annual CPI inflation estimate stands at 5.3%

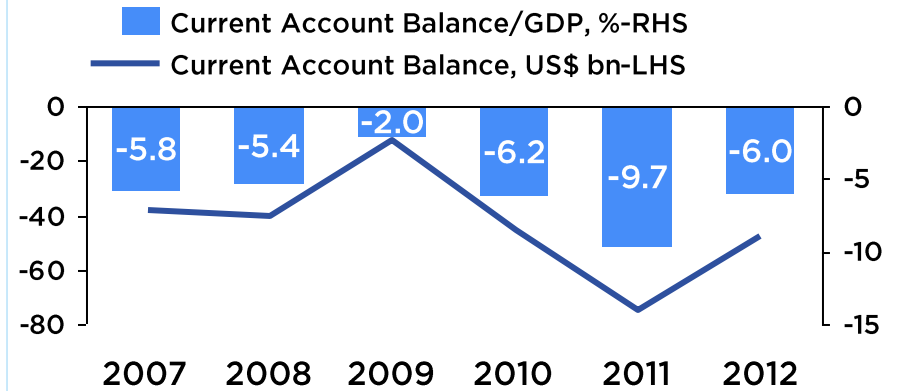
Source for 1 & 2: TURKSTAT

Macroeconomic Highlights - II

Unemployment Rate, %¹



Current Account Balance²

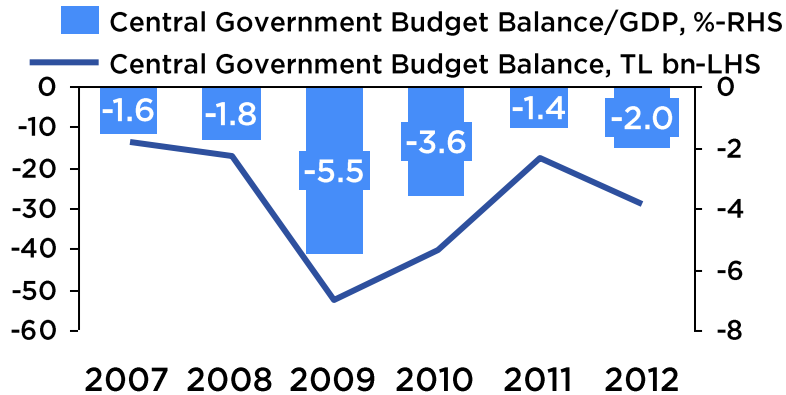


- ✦ Unemployment rate eased further down to 9.3% in April from 10.1% in March
- ✦ According to the Medium-Term Program, the Government forecasts the unemployment rate as 8.9% in 2013
- ✦ The current account deficit registered as US\$ 7.5 bn. in May mainly owing to the high trade deficit. Year-to-date current account deficit registered as US\$ 31.9 bn.
- ✦ According to the Medium-Term Program, the Government estimates the current account deficit as US\$ 60.7 bn (7.1% of GDP) in 2013

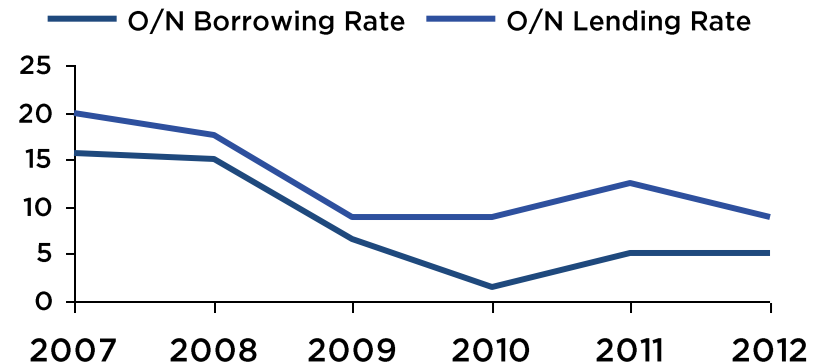
Source for 1 & 2: TURKSTAT, CBT

Macroeconomic Highlights – III

Central Government Budget Balance ¹



CBT's Interest Rate Corridor, %(eop) ²



- ✦ During the first 5-month period of the year, budget deficit and primary surplus registered as TL 4.2 bn. and TL 26.0 bn.
- ✦ According to the Medium-Term Program, the Government projects TL 33.9 bn budget deficit (2.2% of GDP) in 2013
- ✦ As of end-June, the policy rate stood at 4.5%, while the overnight borrowing and lending rates were at 3.5% and 6.5% respectively.

Source for 1 & 2: TURKSTAT, CBT, Ministry of Finance

Regulatory Actions

2008

2009

2010

2011

2012

2013

April

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

November

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

January

- About 50%-55% reduction in MTRs on SMS

March

- Reduction in SCT rate (25% to 5%) on internet services

April

- Onnet retail pricing threshold for TCELL

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 retail cap
- TL per minute pricing introduced

July

- ICTA announced Naked DSL fee as TL 8.13

- ICTA postponed 20 second billing for an indefinite time

December

- Naked DSL services started

April

- Mobile off-net price cap increased by 4%
- SMS price cap 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 process of market analysis until 25% fiber market share or 5 years

January

- WLR introduced

November

- Deregulation on FTRs on international calls and liberalization on their pricing

March

- Mobile on-net pricing cap for TCELL formulated by Mobile Termination Price*1,7

April

- 75% reduction in MTRs on SMS

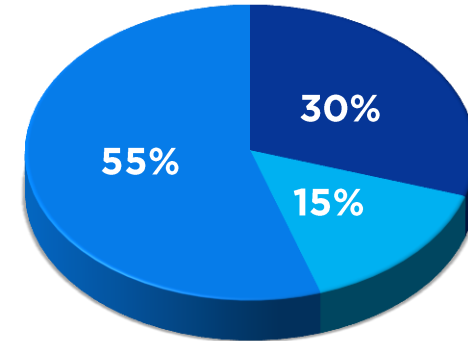
June

- 20% reduction in MTRs

Türk Telekom Group

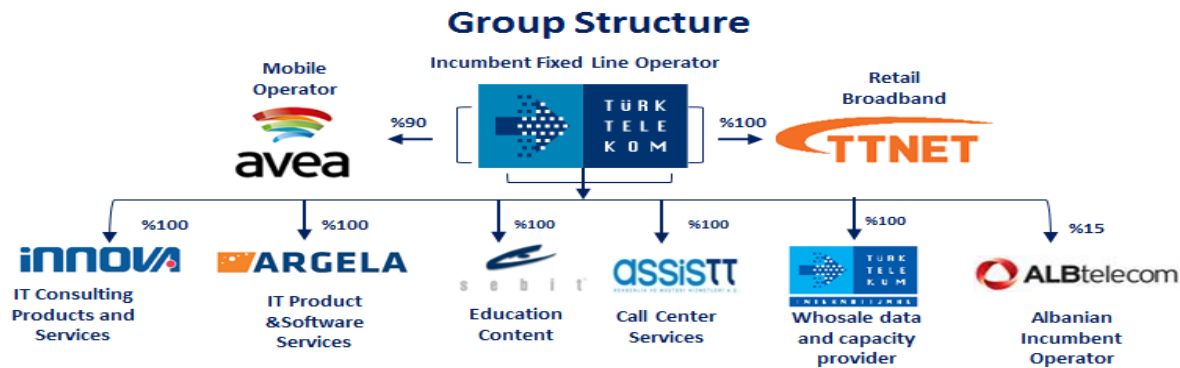
Ownership Structure

- ✦ Ojer Telekomünikasyon A.Ş. nominates 7 Board Members
- ✦ Turkish Treasury nominates 5 Board Members (1 represents Golden Share, 4 independent)



- Turkish Treasury
- Free Float*
- Ojer Telekomünikasyon A.Ş.

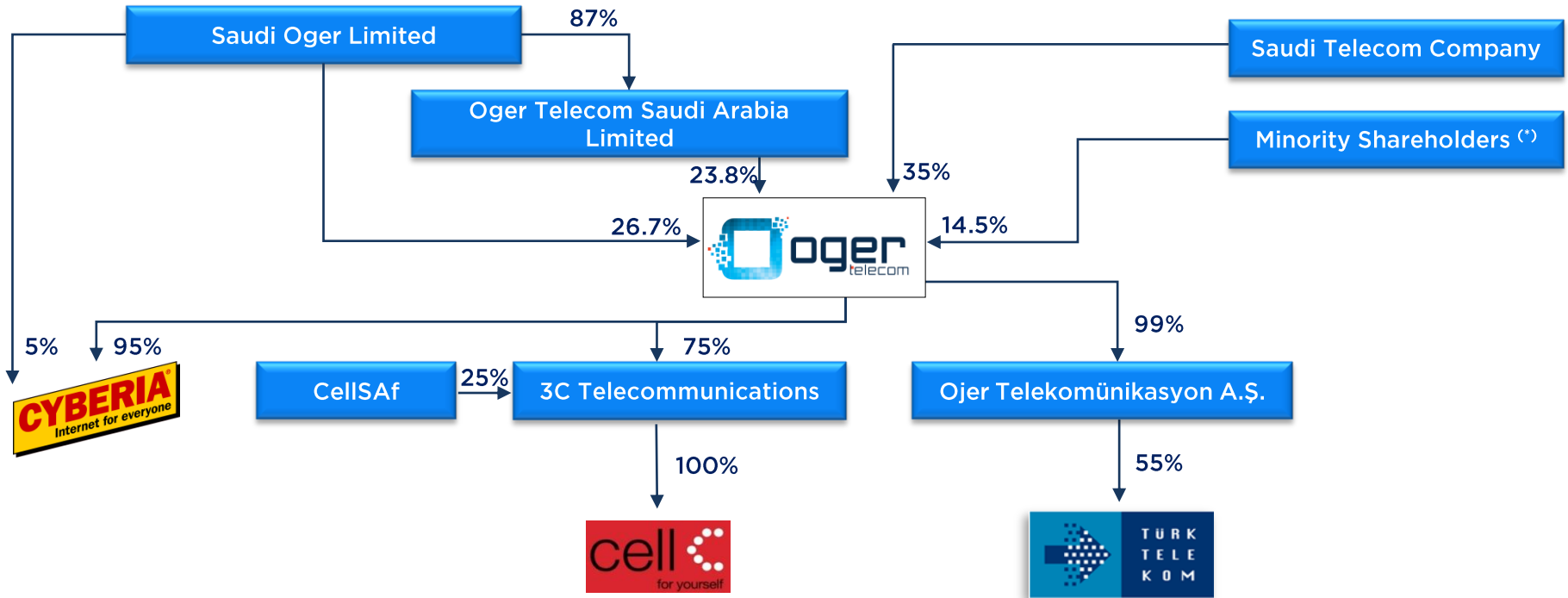
Group Structure



*Note: Turkish Treasury and Ojer 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

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