

Investor Presentation

2019 Q1



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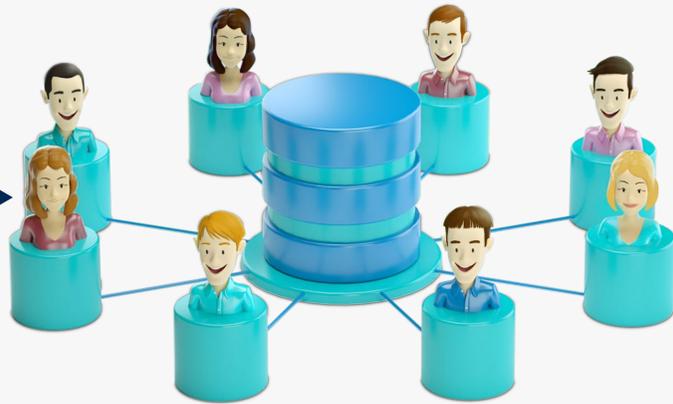
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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses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

Net Subscriber Additions

74%

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



3.9ppt

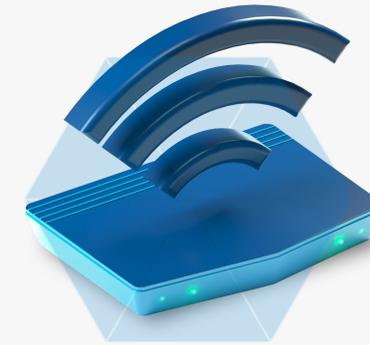
YoY increase in multi product ownership to **63%***

*Among constant customer sub_universe that provided consent last year

Broadband

131k
Q1 '19

974k
LTM



46.7mn
total subscribers

Mobile

575k
Q1 '19

2.2mn
LTM



737K
net additions*
in Q1

Home TV

21k
Q1 '19

405k
LTM

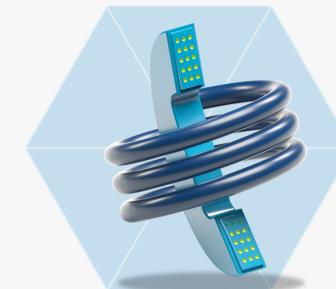


4.1 mn
net additions*
in LTM

Fixed Voice

-3k
Q1 '19

255k
LTM



*Includes Tivibu GO

Financial Performance

(TL mn)	2018 Q1	2018 Q4	2019 Q1	Growth (QoQ)	Growth (YoY)
Revenue	4,686	5,398	5,403	0.1%	15.3%
Revenue (exc. IFRIC12) ¹	4,545	5,220	5,304	1.6%	16.7%
EBITDA	1,972	2,229	2,655	19.1%	34.7%
EBITDA Margin	42.1%	41.3%	49.1%		
Operating Profit	1,094	1,244	1,491	19.9%	36.4%
Net Income	110	2,215	310	(86.0)%	183.0%
Adjusted Net Income²	815	856	952	11.2%	16.8%
CAPEX	581	1,451	637	(56.1)%	9.8%

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

(2) Adjusted net income excludes the net impact of FX & FX hedging gain/loss (after tax) during respective period.

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

Fixed Broadband Performance



ARPU & Subscribers

■ Subscribers (mn) ● ARPU (TL)



Around 70%

of the Q1 '19 FBB net adds came via Internet Bizden campaign

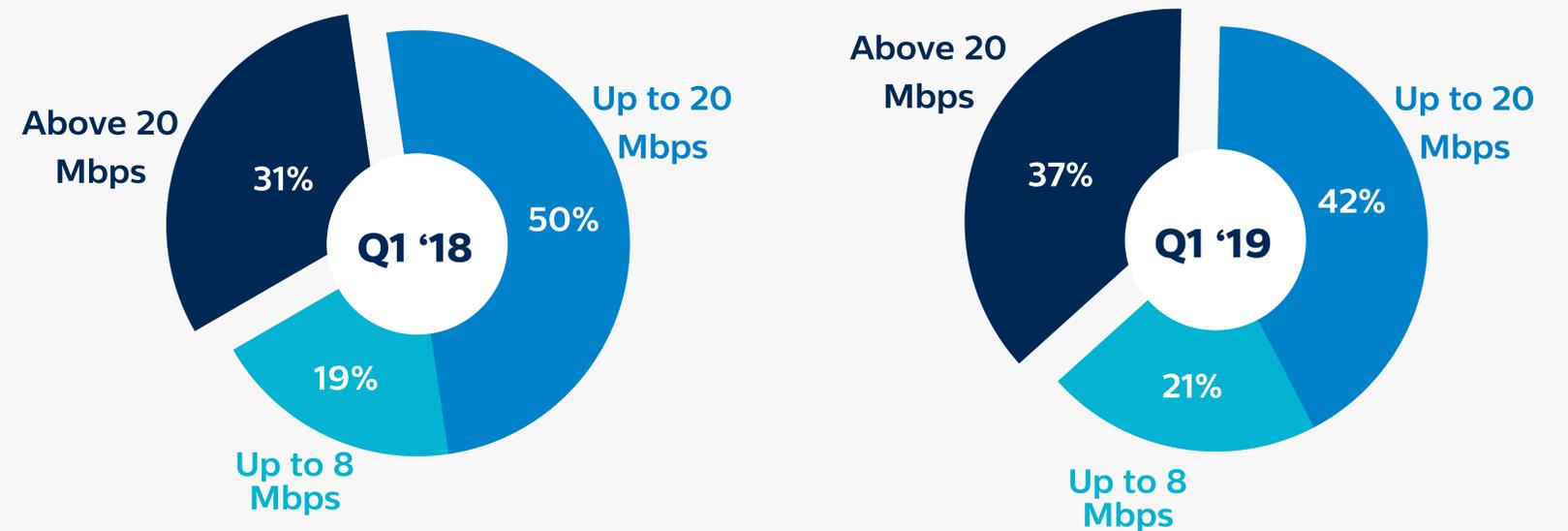
Fiber Subscribers

(thousand)



Speed Breakdown

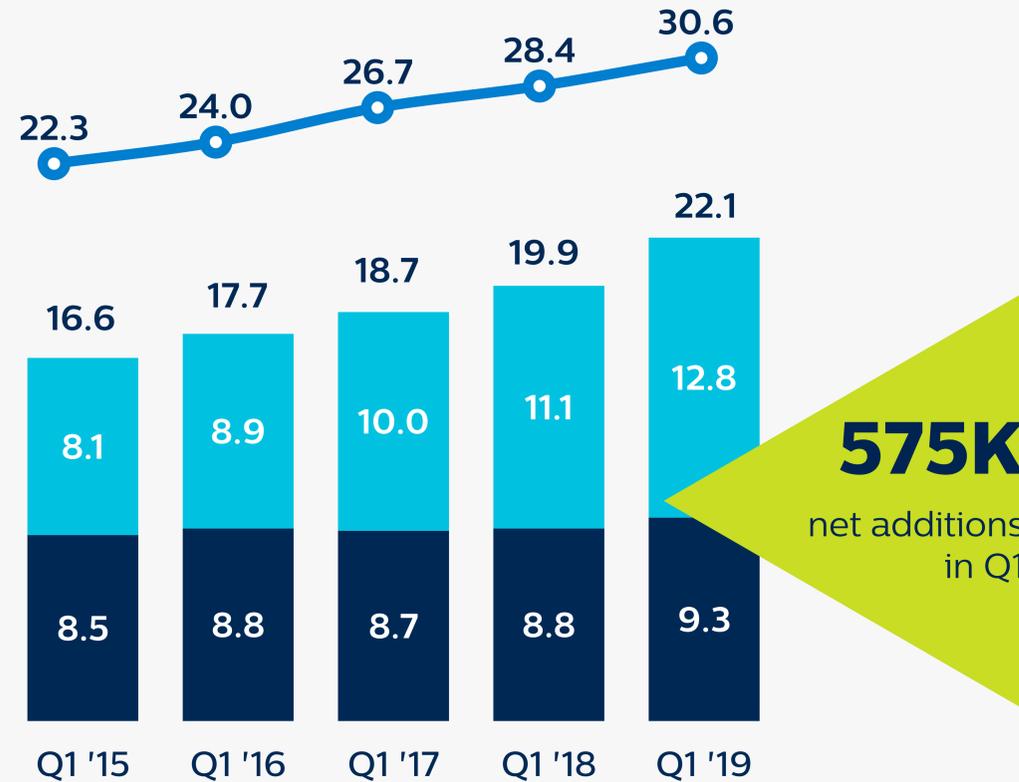
(% of Subscribers)



Mobile Performance

Growing ARPU & Subscriber Base

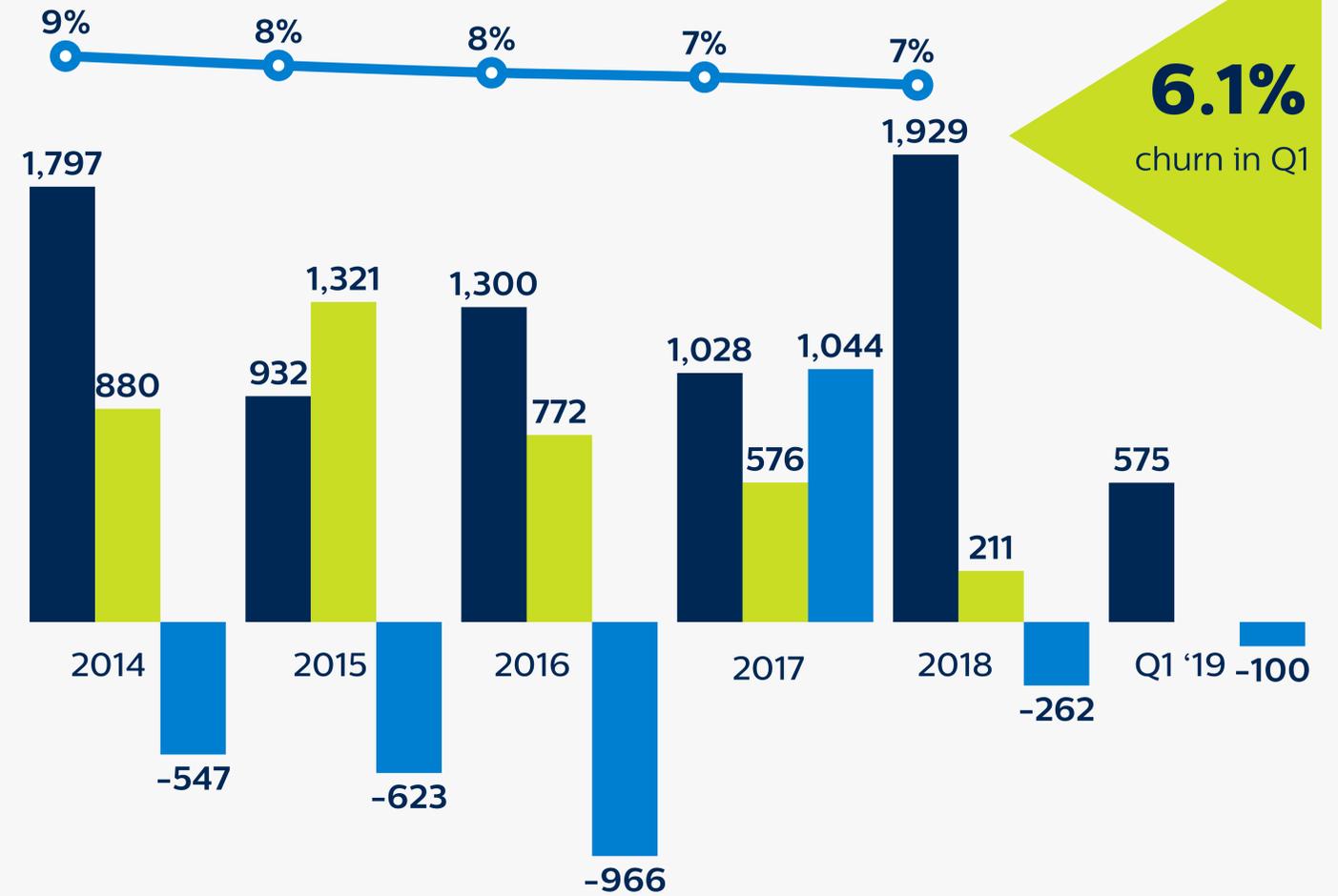
- Blended ARPU (TL)
- Prepaid (mn) ■ Postpaid (mn)



Net Subscriber Additions

(thousand)

- Türk Telekom ■ Vodafone ■ Turkcell
- Average Quarterly Churn Rate



Other operators' data are from their own publications.

Mobile Data

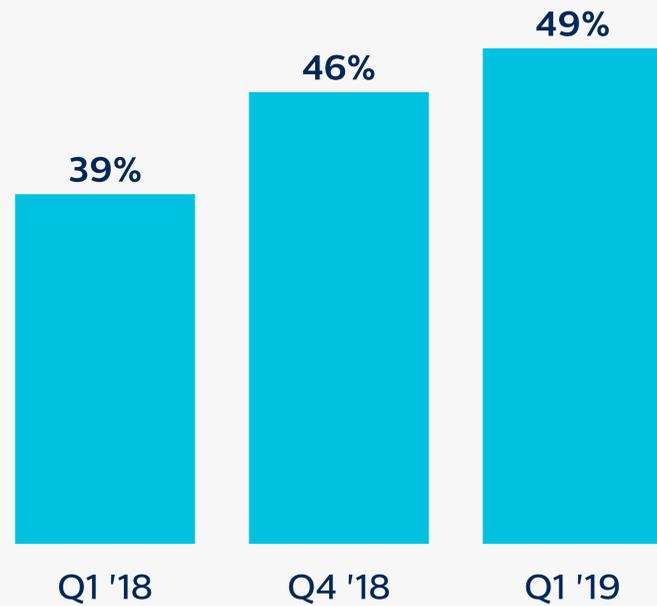
Data Revenue

(Mobile service revenue share)

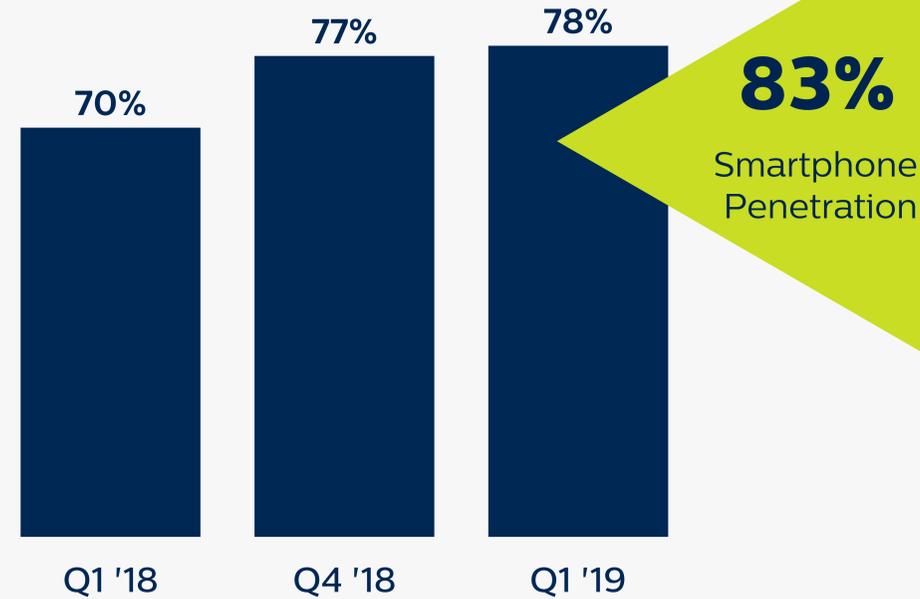


LTE Users*

(Total subscriber share)

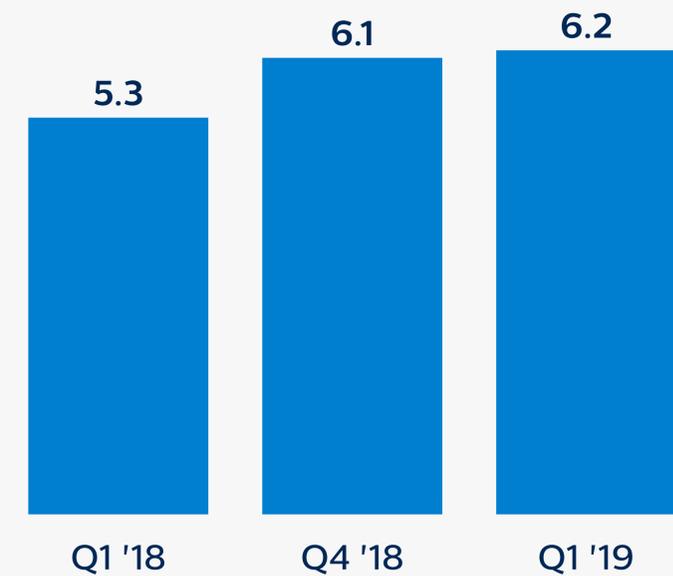


LTE Compatible Smartphone**



Avg. Monthly Mobile Data Usage

(GB per LTE user)



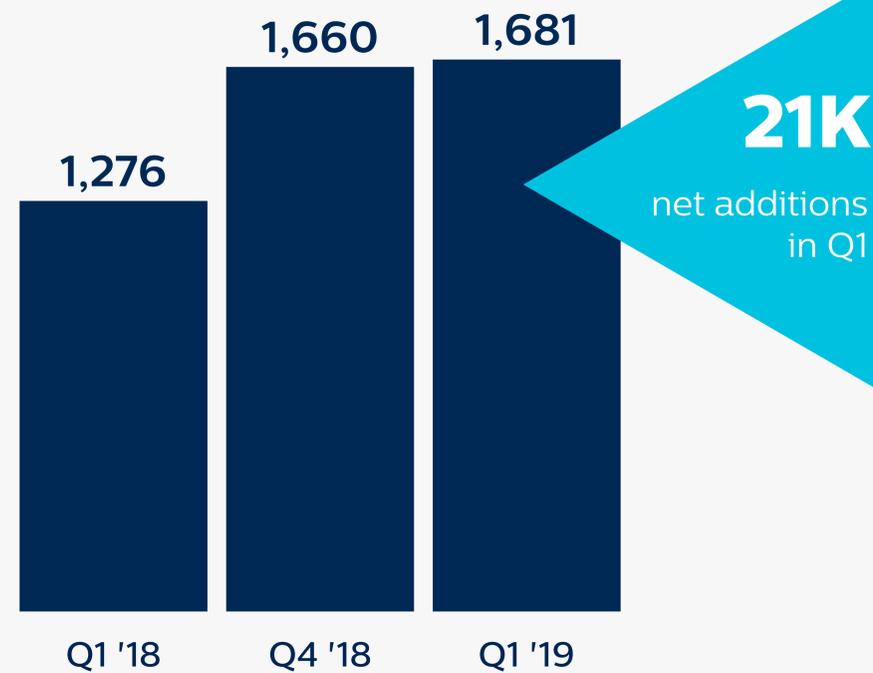
*Subscribers who
1) registered for LTE
2) have LTE compatible device and simcard

** Among smartphone users

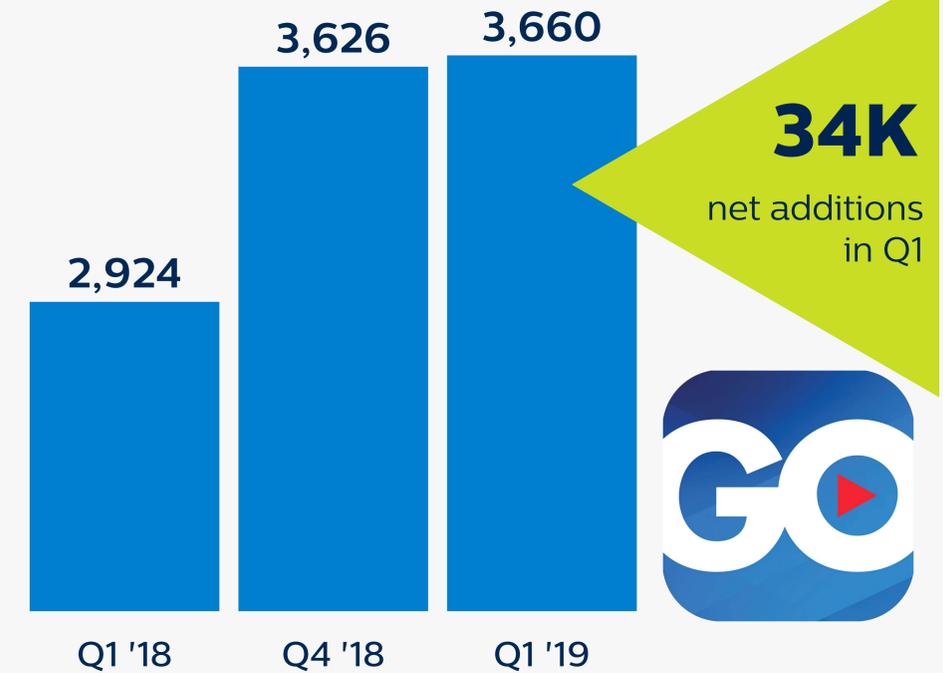
TV Performance

Subscribers (thousand)

■ Tivibu Home



■ Total TV (Tivibu Home + Tivibu GO)



Wireless Homes



Platform

IPTV + DTH + Web TV + Smart TV

Content

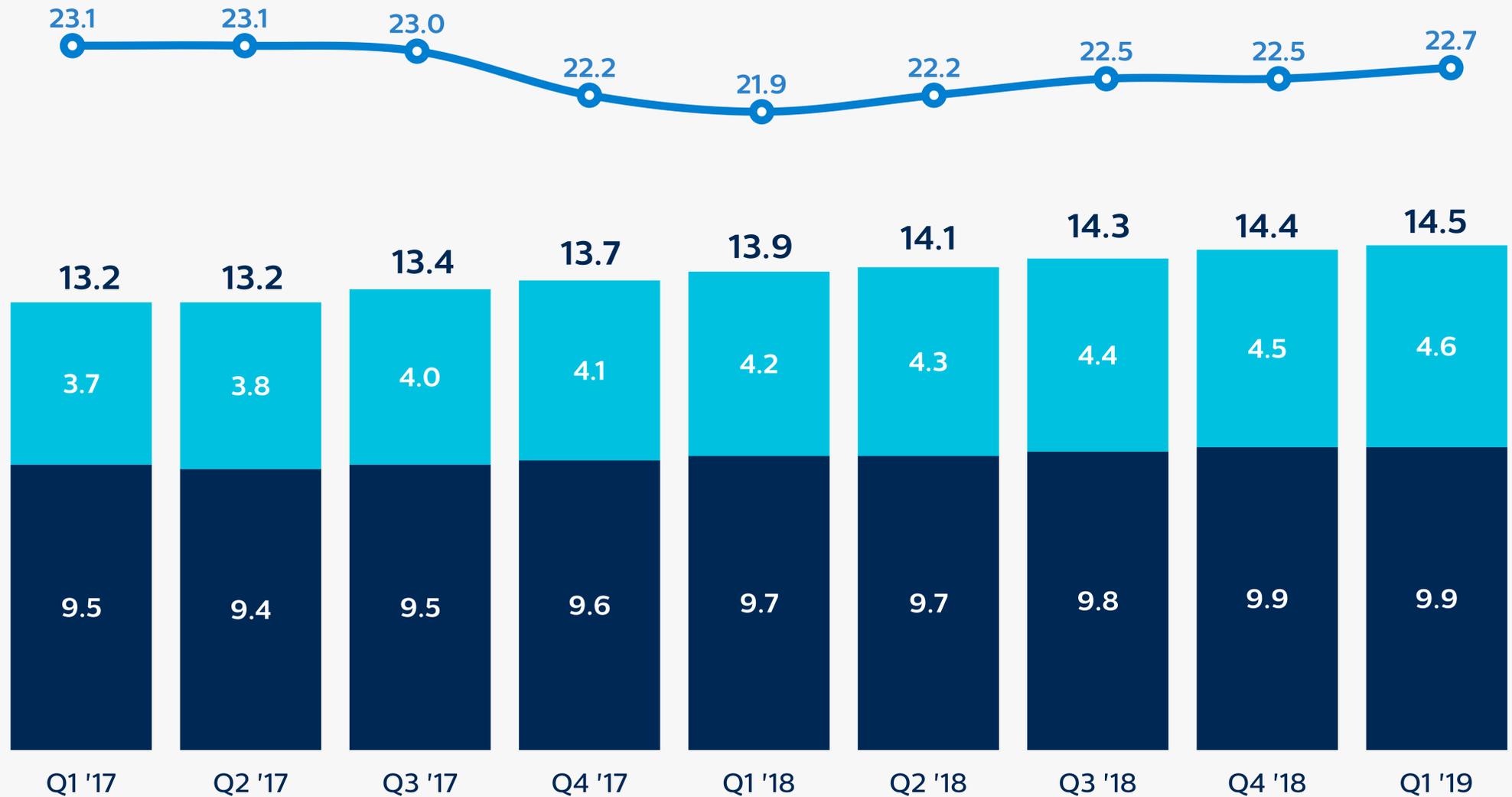
- ▶ Turkish Basketball Super League
- ▶ NBA
- ▶ English Premier League

- ▶ 3 Sports Inhouse Channels
- ▶ Kids & Documentary Channels
- ▶ 6000+ on demand assets

Fixed Voice Performance

Access Lines and ARPU

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

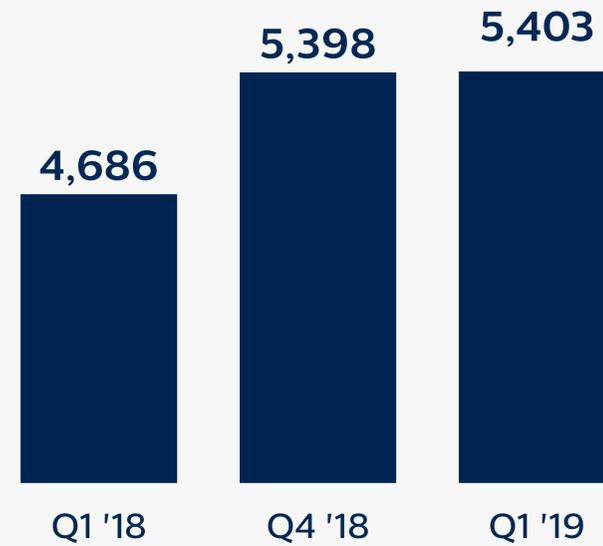


Financials

Financial Performance

Revenue

(TL mn)



EBITDA & Operating Profit

(TL mn)

■ EBITDA ■ Operating Profit



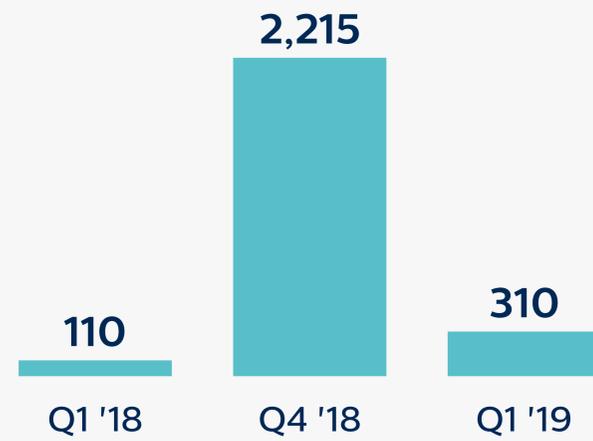
Adjusted Net Income*

(TL mn)



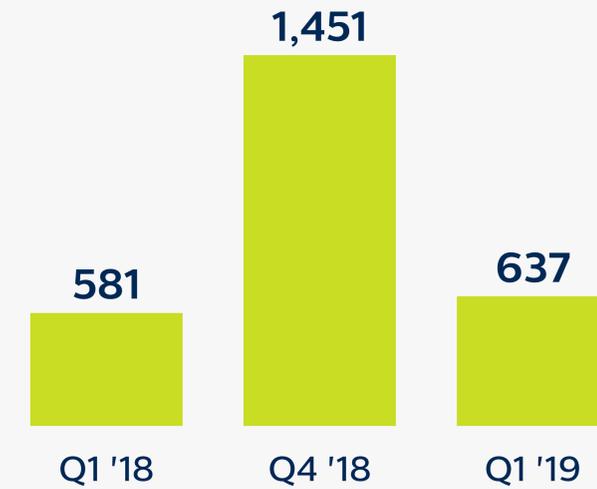
Net Income

(TL mn)



Capex

(TL mn)

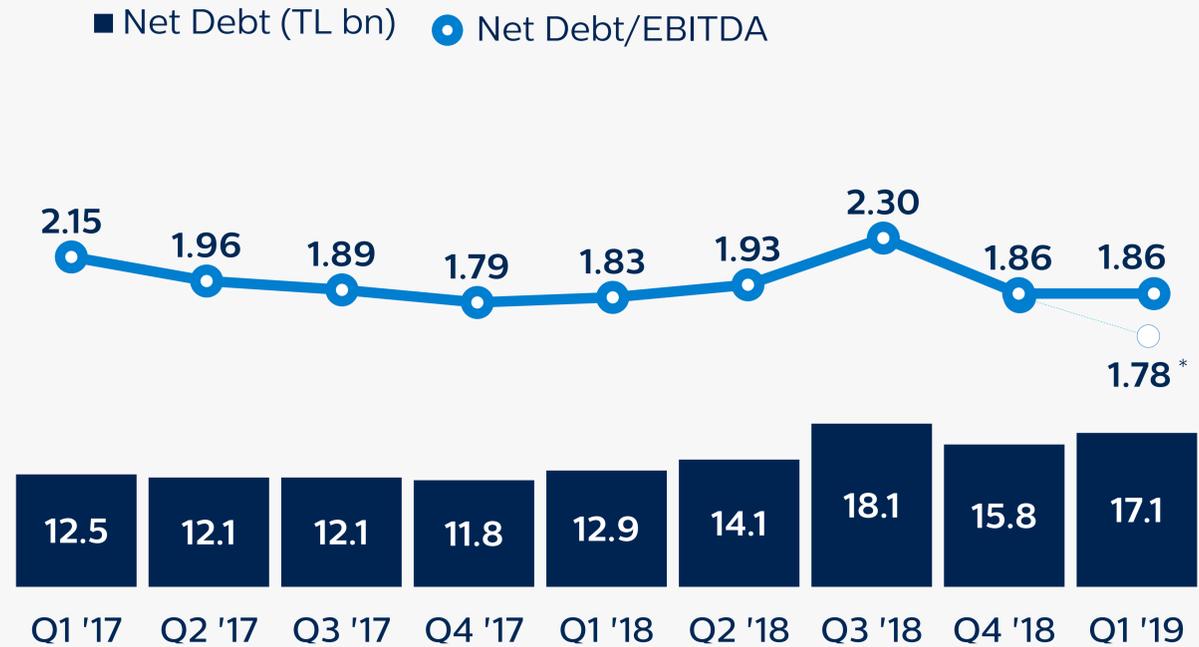


*Adjusted net income excludes the net impact of FX & FX hedging gain/loss (after tax) during respective period.

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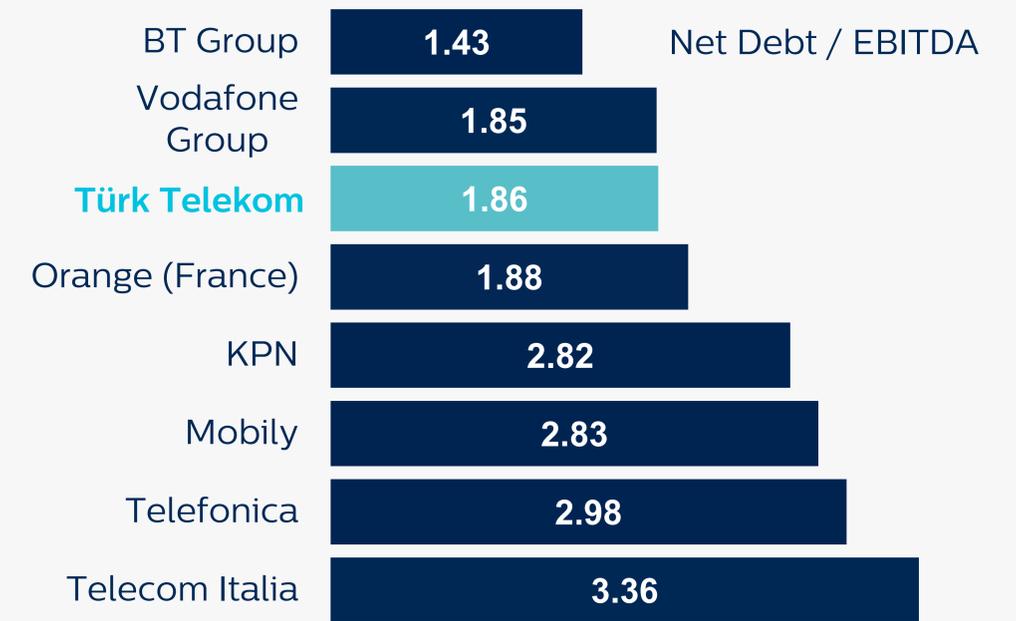
Debt Profile

Net Debt



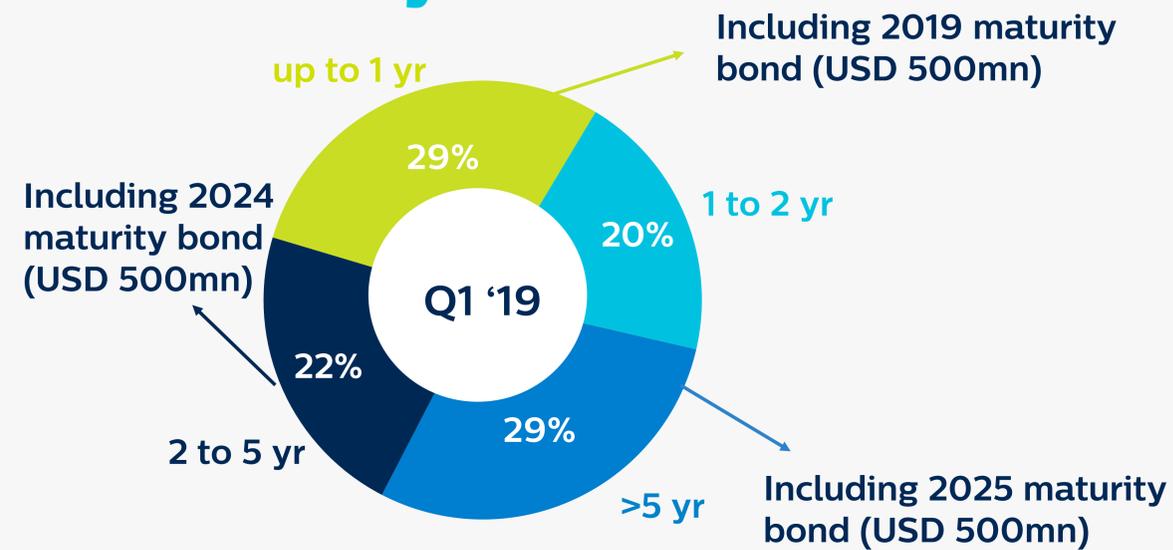
Note: Net Debt calculation includes MTM from FX to TRY Currency Swaps
 Net Debt/EBITDA calculation excludes extraordinary claims EBITDA calculation
 *Excluding IFRS 16 accounting impacts.

Low debt ratio among peers



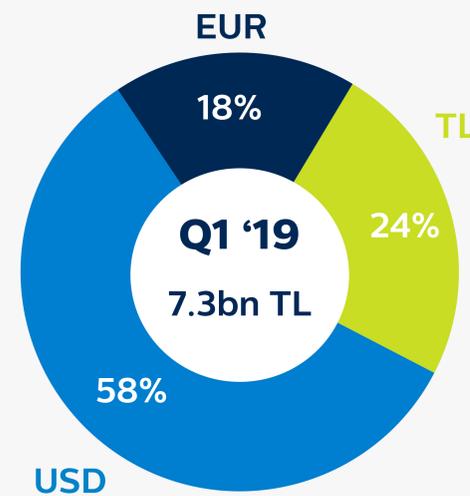
Source: Bloomberg
 *Türk Telekom's ratio is based on Q1 '19 financials; other's based on their latest data

Maturity Profile

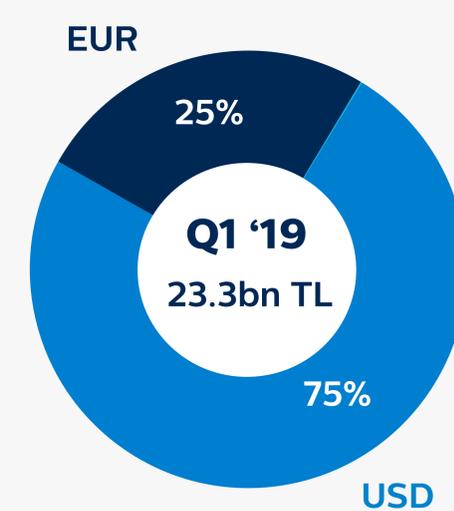


All loans are senior unsecured

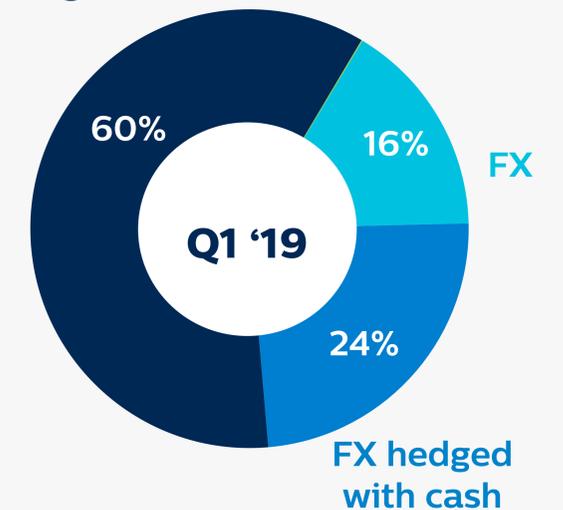
Cash FX Breakdown



Gross Debt FX Breakdown



FX hedged with PCCS



Debt Profile

Prudent Balance Sheet Management

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

Corporate Credit Ratings

Fitch Ratings

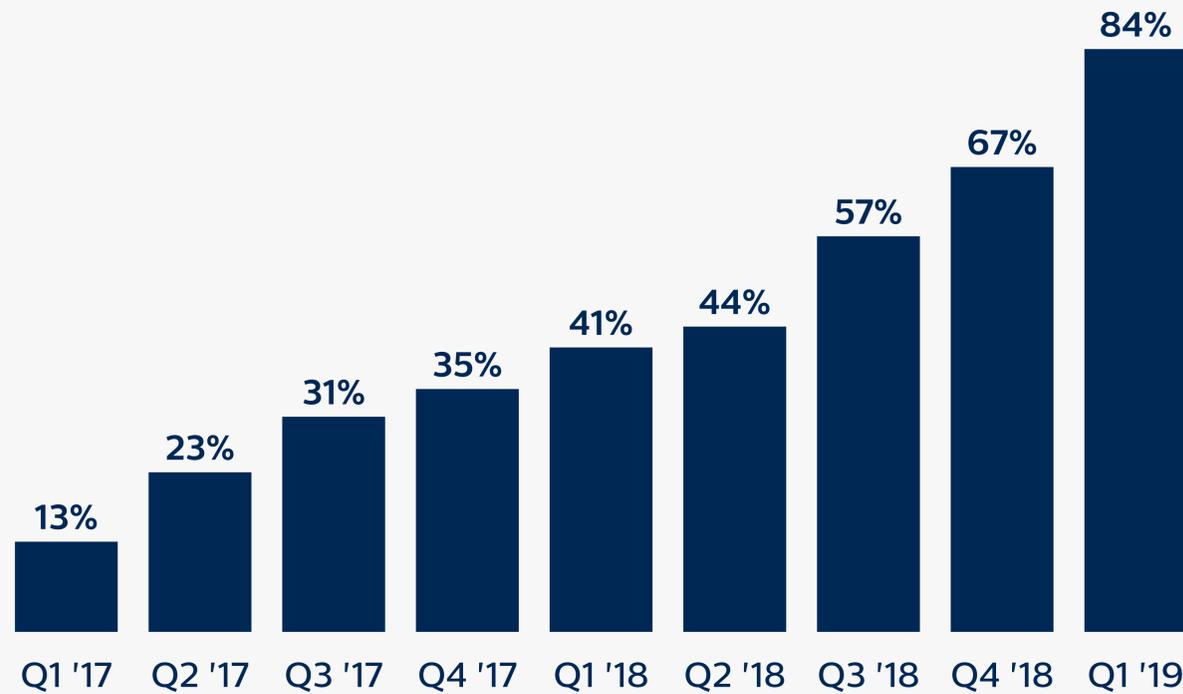
Long Term Rating: BB+
Outlook Negative

S&P Global Ratings

Long Term Rating: BB-
Outlook Stable

Stand-alone Credit Profile (SACP):
bbb-

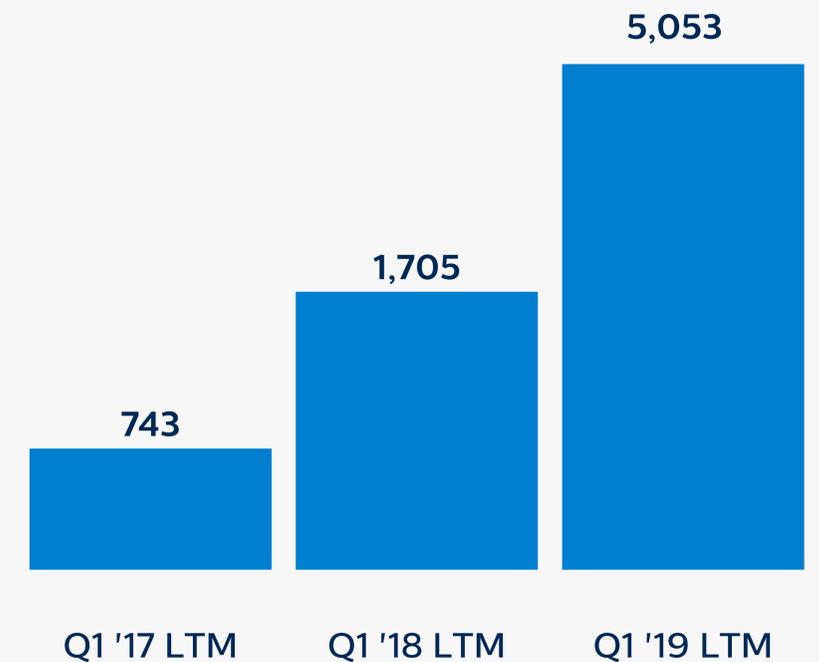
Hedge Ratio*



*Hedge Ratio is defined as the ratio of hedged FX based debt plus FX based cash over gross FX debt. Debt calculation excludes lease obligations

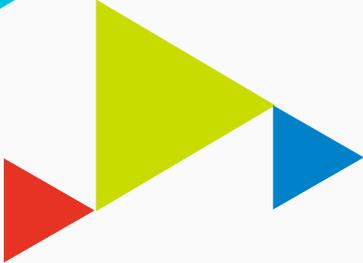
Increasing Cash Flow*

(TL mn)



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

Guidance



TL mn	2018 YE	2019 Guidance
Revenue (exc. IFRIC 12) ¹	19,660	15% - 16% growth
EBITDA*	8,436	TL 10.0 to 10.2 bn
CAPEX**	4,087	TL 4.6 bn to 4.8 bn

* Includes IFRS 16 impact on EBITDA (TL 650-700 million).

** Does not include gross additions to right of use assets (TL 850- 900 million) which is netted of by gross additions to leasing liability arising from IFRS 16.

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

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

Appendix

Income Statement

(TL mn)	Q1 '18	Q4 '18	Q1 '19	QoQ Change	YoY Change
Revenues	4,686	5,398	5,403	0.1%	15.3%
EBITDA	1,972	2,229	2,655	19.1%	34.7%
Margin	42.1%	41.3%	49.1%		
Operating Profit	1,094	1,244	1,491	19.9%	36.4%
Margin	23.3%	23.0%	27.6%		
Financial Inc. / (Exp.) ¹	(919)	1,413	(1,276)	n.m.	38.8%
FX & Hedging Gain / (Loss)	(879)	1,736	(825)	n.m.	(6.1)%
Interest Inc./ (Exp.)	(86)	(216)	(370)	71.3%	332.8%
Other Financial Inc./ (Exp.)	46	(107)	(81)	(24.9)%	n.m.
Tax Expense ¹	(65)	(442)	95	n.m.	n.m.
Net Income ¹	110	2,215	310	(86.0)%	183.0%
Margin	2.3%	41.0%	5.7%		

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

(1) Bills, bonds and notes issued that were measured amortized cost at Q1 and Q2 2018 are measured at fair value as of Q3 '18. Consequently, the changes were reflected to 2018 Q1 and 2018 Q2 financial statements. For further details please see 2018 Q3 financial statements and footnotes.

Balance Sheet

(TL mn)	31.03.2018	31.12.2018	31.03.2019
Total Assets	29,930	36,199	40,573
Cash and Equivalents	3,979	4,495	7,350
Intangible Assets	9,308	9,783	9,684
Tangible Assets ¹	8,964	14,274	14,052
Other Assets ^{2&5}	7,680	7,647	9,488
Total Equities and Liabilities	29,930	36,199	40,573
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items ⁵	1,730	4,193	4,632
Interest Bearing Liabilities ^{3&5}	17,467	19,921	24,456
Other Liabilities ⁴	7,473	8,823	8,225

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

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

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

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

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

(5) Bills, bonds and notes issued that were measured amortized cost at Q1 and Q2 2018 are measured at fair value as of Q3 '18. Consequently, the changes were reflected to 2018 Q1 and 2018 Q2 financial statements. For further details please see 2018 Q3 financial statements and footnotes.

IFRS 16 Adoption Reconciliation

(TL mn)	Q1 '19	IFRS 16 Impact	Q1 '19 w/o adoption of IFRS 16
Revenues	5,403		5,403
EBITDA	2,655	175	2,481
Margin	49.1%		45.9%
Operating Profit	1,491	25	1,467
Margin	27.6%		27.1%
Financial Inc. / (Exp.)	(1,276)	(47)	(1,229)
FX & Hedging Gain / (Loss)	(825)	(4)	(822)
Interest Inc./ (Exp.)	(370)	(43)	(327)
Other Financial Inc./ (Exp.)	(81)		(81)
Tax Expense	95	1	93
Net Income	310	(21)	331
Margin	5.7%		6.1%

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

IFRS 16 Adoption Reconciliation

(TL mn)	31.03.2019	IFRS 16 Impact	31.03.2019 w/o adoption of IFRS 16
Total Assets	40,573	1,089	39,484
Cash and Equivalents	7,350		7,350
Intangible Assets	9,684		9,684
Tangible Assets	14,052		14,052
Trade Receivable	5,621		5,621
Rights of Use Assets	1,338	1,338	0
Other Assets	2,529	(249)	2,778
Total Equities and Liabilities	40,573	1,089	39,484
Share Capital	3,260		3,260
Reserves, Retained Earnings and Other Equity Items	4,632	(21)	4,653
Interest Bearing Liabilities	24,456	1,111	23,345
Other Liabilities	8,225	(1)	8,226

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

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