

*'Airline which flies to the most countries in the world'*

# TURKISH AIRLINES



**Bloomberg Ticker:** THYAO.TI

## Overview

Turkish Airlines, the flag carrier airline of the Republic of Turkey, is the only 4 Star airline in all categories in Europe and ranks the *"Best Airline in Europe"* for the sixth consecutive year. In 2017, Turkish Airlines is ranked the best in four different categories of Skytrax Awards.

The Company has grown steadily with double-digit growth rates and has transformed into one of the largest global network carriers in the world.

As of December 2017, with the world's 4<sup>th</sup> largest flight network, Turkish Airlines flies to 300 destinations in 120 countries. This country coverage is greater than any other airline in the world.

Route Network	
Countries Served	120
# of Airports Served	303
Destination Cities	300

## Istanbul: A Natural Hub

Istanbul, as a transfer point on global routes, reduces flight time and introduces the flexibility to use a variety of aircraft of diverse capacity. Using Istanbul Ataturk Airport as a hub enables Turkish Airlines to utilize a narrow body fleet, thus providing a considerable cost advantage and contributing to competitive superiority. Istanbul Ataturk Airport was the 5<sup>th</sup> busiest airport in Europe in 2017. According to ACI Europe Airport 2017 December Report, this ranking is likely to change in 2018 as growth at Ataturk Airport is accelerating.

## Shareholding Structure:

Shareholder	Ownership	# of Shares
Sovereign Wealth Fund of Turkey (Group A)	49.12	67,788,484,857
The Republic of Turkey Prime Ministry Privatization Administration (Group C)		1
Open for Public (Group A)	50.88	70,211,515,142
<b>TOTAL</b>	<b>100.00</b>	<b>138,000,000,000</b>

## Fleet

As of December 2017, the number of aircraft in the Turkish Airlines fleet is 329 including 16 cargo aircraft, with an average fleet age of 7.7 years.

In 2013, the Incorporation ordered 117 aircraft from Airbus and 95 aircraft from Boeing which will all be delivered until 2023. With these additions, Turkish Airlines fleet will reach a total of 424 aircraft.

	Aircraft	Count
<b>Wide Body</b>	A330-200	16
	A330-300	37
	A340-300	4
	B777-300ER	33
	<b>Total</b>	<b>90</b>
<b>Narrow Body</b>	A319-100	7
	A320-200	24
	A321-200	68
	B737-900ER	15
	B737-800	88
	B737-700	1
	B737-700 WL	20
<b>Total</b>	<b>223</b>	
<b>Cargo</b>	A330-200F	9
	B777F	2
	Wet Lease	5
	<b>Total</b>	<b>16</b>
<b>Grand Total</b>		<b>329</b>

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## Senior Management

Position	Name
CEO	Bilal Ekşi
Chief Financial Officer	Murat Şeker, PhD.
Chief Marketing Officer	Ahmet Olmuşur
Chief Flight Operations Officer	Levent Yılmaz
Chief Investment Officer	Ahmet Bolat, PhD.
Chief Commercial Officer	Mehmet Akif Konar
Chief Cargo Officer	Turhan Özen
Chief HR Officer	Abdulkerim Çay
Chief Corporate Development & IT Officer	Ali Serdar Yakut

## Employees

Position	Headcount
Pilot	4.509
Cabin	9.798
Technicians	71
Other	9.697
<b>Total</b>	<b>31.543*</b>

\*As of 31.12.2017, THY Teknik and THY Aydın Çıldır are included.

## Company Facts for December 2017

Financial* (Consolidated)	2017	YoY Growth
<b>Revenue</b>	10,958	% 11.9
Passenger	9,403	% 9.5
Cargo	1,317	% 32.2
Other	238	% 15.5
<b>EBIT</b>	1,186	-
<b>EBITDA</b>	2,252	% 129.6
<b>EBITDAR</b>	3,106	% 85.3
<b>Net Profit</b>	223	-
<b>RASK (USc)</b>	5.95	% 9.8
<b>CASK (USc)</b>	5.87	-% 1.3

\* USD in millions, except CASK and RASK figures

Operational	2017	2017/2016 Change
<b>Passengers(mn)</b>	68.6	9.3%
Domestic	30.1	10.4%
International	38.5	8.4%
<b>ASK (million kms)</b>	173,073	1.6%
<b>RPK (million kms)</b>	126,947	7.9%
<b>Load Factor</b>	79.1	4.7 pt
<b>Fleet</b>	329	-1.5%
<b>Utilization</b>	11:43	-1.5%

## Global Alliances and Code Share Partners

Turkish Airlines is a member of Star Alliance - the world's largest airline group. Star Alliance network offers more than 18,400 daily flights to 1,300 airports in 191 countries. Furthermore, Turkish Airlines has code share agreements with 50 airlines around the world as of December 2017.

## Awards

In 2007, Turkish Airlines was ranked as a four star airline by Skytrax and keeps its 4-star airline title until today.

In 2013, Turkish Airlines was chosen as the winner of:

- Best Airline in Europe (Skytrax)
- Best Airline in Southern Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- Airline of the Year (CAPA Aviation Awards for Excellence)
- Aircraft Tax Lease Deal of the Year Award 2013 (Airfinance Journal)
- Aircraft Leasing Deal of the Year Award 2013 (Global Transport Finance)
- Best Asia Pacific Cargo Airline (Air Cargo News)
- Air Cargo Award of Excellence (Air Cargo World)
- Airline of the Year (APG Network Awards 2013)
- Top Airline Company in Turkey (Fortune 500 Awards 2013)
- Marketing Award of The Airline Strategy Awards 2013 (Airline Business)
- Best Food and Beverage Award (Passenger Choice Awards 2013)
- Most Innovative Kit and Premium Economy Kit awards (Travel Plus Awards 2013)
- Top-Performing Global Training Partners (IATA)

In 2014, Turkish Airlines was also chosen as the winner of:

- Best Airline in Europe (Skytrax)
- Best Airline in Southern Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- Best Business Class Lounge Dining (Skytrax)
- Best European Cargo Airline (Air Cargo News)
- Best Corporate Governance Award (Ethical Boardroom)

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- Structured Finance Deal of the Year Award (Bonds & Loans)
- Tax Lease Deal of the Year 2014 (Airfinance Journal)
- Engine Deal of the Year 2014 (Airfinance Journal)
- Overall Carrier Of The Year and Combination Carrier of the Year (Payload Asia Awards 2014)
- Best Operational Excellence (Airbus Awards for Excellence)
- Most Innovative Kit and Trio Amenity Kit awards (Travel Plus Awards)

In 2015, Turkish Airlines was chosen as the winner of:

- Best Corporate Governance
- Best Airline in Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- World's Best Business Class Lounge Dining (Skytrax)
- Tax Lease Deal of the Year 2015 (Airfinance Journal)
- Engine Deal of the Year (Airfinance Journal)
- Global Transport Finance – EETC Deal of the Year (Europe)
- "Bonds&Loans Awards - Trade&Export Finance Deal of the Year (Turkey)"
- Global Transport Finance - EETC Deal of the Year (Europe)
- Best Investor Relations in Turkey (IR Magazine)
- Trade & Export Finance Deal of the Year (Turkey) (Bonds & Loans)

In 2016, Turkish Airlines was chosen as the winner of:

- Best Airline in Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- World's Best Business Class Lounge Dining (Skytrax)
- Best Airline in Southern Europe (Skytrax)
- Airline of the Year (Air Transport News)
- Cargo Airline of the Year (Air Transport News)
- Capital Markets Deal Of the Year (Airfinance Journal)
- Tax Lease Deal of the Year (Airfinance Journal)
- Finalist in the "Transport Finance Deal of the Year" Category (Bonds & Loans)
- Runner Up in "Trade and Export Finance Deal" Category (Bonds & Loans)
- Runner Up in "Structured Finance Deal of the Year" Category (Bonds & Loans)

- Logistics Project of the Year (Annual Success in Logistics Award)
- Sustainability Report Gold Award (LACP)
- Gold Prize (Epica Awards)
- Best International Air Cargo Company (Atlas Logistics Award)





In 2017, Turkish Airlines was chosen as the winner of:

- Best Airline in South Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- World's Best Business Class Lounge (Skytrax)
- World's Best Business Class Lounge Dining (Skytrax)
- Air Cargo Carrier of the Year (Gana Shippers Awards)
- Fastest Growing Cargo Carrier of the Year (South Korea)

### Frequent Flyer Programs **Miles&Smiles**

Turkish Airlines' Frequent Flyer Program, Miles&Smiles, allows program members to earn miles by flying on Turkish Airlines, AnadoluJet and other Star Alliance member airlines, by staying at the program partner hotels, and from the Miles&Smiles credit card expenditures.

### Sponsorships

Clubs	
	Galatasaray
	Beşiktaş
	Trabzonspor
	Bursaspor

Recently, Turkish Airlines decided to continue its unique partnership and title-sponsorship agreement with Euroleague Basketball for seven more seasons through 2020. A centerpiece of this relationship was added in 2012 as Turkish Airlines became Founding Partner of Euroleague Basketball's corporate social responsibility programme, One Team. Also Turkish Airlines has many sponsorships with celebrities/establishments such as Turkish Football Federation National Team ve Basketball Turkish Basketball Federation National Team.

### Subsidiaries and Affiliates

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Name	Participation*
Turkish Technic	100%
Aydın ıldır Airport Man.	100%
THY Havaalanı Gayrimenkul Yatırım ve İşletme A.Ş.	100%
Sun Express	50%
Turkish Opet	50%
Turkish Ground Services	50%
Turkish Do&Co	50%
Turkish Engine Center	49%
Goodrich Turkish Technic	40%
Turkish Cabin Interior	50%
TSI Aviation Seats	50%
Vergi İade Aracılık A.Ş.	30%

\* Direct & Indirect