TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Consolidated Balance Sheet as at 31 March 2017
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Audited
ASSETS	**31 March 2017**	**31 December 2016**
Current Assets		
Cash and Cash Equivalents	5.584	5.159
Financial Investments	841	1.228
Trade Receivables		
-Trade Receivables From Related Parties	3	-
-Trade Receivables From Non-Related Parties	1.939	1.334
Other Receivables		
-Other Receivables from Related Parties	9	9
-Other Receivables from Non-Related Parties	2.464	2.968
Derivative Financial Instruments	461	694
Inventories	814	763
Prepaid Expenses	437	346
Current Income Tax Assets	67	79
Other Current Assets	195	93
TOTAL CURRENT ASSETS	**12.814**	**12.673**
Non-Current Assets		
Financial Investments	171	165
Other Receivables		
-Other Receivables from Non-Related Parties	1.972	1.815
Investments Accounted by Using Equity Method	885	869
Investment Property	2	2
Property and Equipment	49.294	47.422
Intangible Assets		
- Other Intangible Assets	251	259
- Goodwill	45	44
Prepaid Expenses	1.769	1.825
TOTAL NON-CURRENT ASSETS	**54.389**	**52.401**
TOTAL ASSETS	**67.203**	**65.074**

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Consolidated Balance Sheet as at 31 March 2017
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Audited
LIABILITIES	**31 March 2017**	**31 December 2016**
Current Liabilities		
Short Term Borrowings	5.099	4.776
Short-Term Portion of Long-Term Borrowings	3.986	3.746
Other Financial Liabilities	71	13
Trade Payables		
-Trade Payables to Related Parties	432	455
-Trade Payables to Non-Related Parties	1.918	1.714
Payables Related to Employee Benefits	482	504
Other Payables		
-Other Payables to Non-Related Parties	321	326
Derivative Financial Instruments	506	514
Deferred Income	4.057	2.803
Current Tax Provision	40	8
Short-Term Provisions		
-Provisions for Employee Benefits	164	155
-Other Provisions	66	60
Other Current Liabilities	744	758
TOTAL CURRENT LIABILITIES	**17.886**	**15.832**
Non- Current Liabilities		
Long-Term Borrowings	28.786	27.526
Other Payables		
-Other Payables to Non-Related Parties	50	39
Deferred Income	14	20
Long-Term Provisions		
-Provisions for Employee Benefits	390	397
Deferred Tax Liability	3.092	3.361
TOTAL NON- CURRENT LIABILITIES	**32.332**	**31.343**
Equity		
Share Capital	1.380	1.380
Inflation Adjustment on Share Capital	1.124	1.124
Items That Will Not Be Reclassified to Profit or Loss		
-Actuarial (Losses) on Retirement Pay Obligation	(41)	(37)
Items That Are or May Be Reclassified to Profit or Loss		
-Foreign Currency Translation Differences	8.355	7.685
-Fair Value (Losses) on Hedging Instruments Entered into for Cash Flow Hedges	(90)	69
Restricted Profit Reserves	59	59
Previous Years Profit	7.619	7.666
Net (Loss) / Profit for the Period	(1.421)	(47)
TOTAL EQUITY	**16.985**	**17.899**
TOTAL LIABILITIES AND EQUITY	**67.203**	**65.074**

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 March 2017
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Not Reviewed
PROFIT OR LOSS	**1 January - 31 March 2017**	**1 January - 31 March 2016**
Sales Revenue	7.310	6.431
Cost of Sales (-)	(6.907)	(6.084)
GROSS PROFIT	**403**	**347**
General Administrative Expenses (-)	(256)	(240)
Marketing and Sales Expenses (-)	(948)	(930)
Other Operating Income	172	215
Other Operating Expenses (-)	(35)	(22)
OPERATING LOSS BEFORE INVESTMENT ACTIVITIES	**(664)**	**(630)**
Income from Investment Activities	100	62
Share of Investments' (Loss) Accounted by Using The Equity Method	(9)	(71)
OPERATING LOSS	**(573)**	**(639)**
Financial Income	55	45
Financial Expenses (-)	(1.198)	(981)
LOSS BEFORE TAX	**(1.716)**	**(1.575)**
Tax Income	**295**	**337**
Current Tax Expense	(41)	(28)
Deferred Tax Income	336	365
LOSS FOR THE PERIOD	**(1.421)**	**(1.238)**
OTHER COMPREHENSIVE INCOME		
Items That May Be Reclassified Subsequently To Profit or Loss	**511**	**(149)**
Currency Translation Adjustment	670	(319)
Fair Value (Losses) / Gains on Hedging Instruments Entered into for Cash Flow Hedges	(188)	206
Fair Value (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	(11)	7
Income / (Expense) Tax Relating Items That May Be Reclassified Subsequently to Profit or Loss	40	(43)
Items That Will Not Be Reclassified Subsequently To Profit or Loss	**(4)**	**1**
Actuarial Gains on Retirement Pay Obligation	(5)	1
Income Tax Relating Items That Will Not Be Reclassified Subsequently to Profit	1	-
OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD	**507**	**(148)**
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	**(914)**	**(1.386)**
Basic Loss Per Share (Full US Cents)	(1,03)	(0,90)

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2017
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss			Retained Earnings		
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Gains/ (Losses) on Hedging Instruments Entered Into For Cash Flow Hedges	Restricted Profit Reserves	Previous Years Profit	Net (Loss) for The Period	Total Equity
As of 31 December 2016	**1.380**	**1.124**	**(37)**	**7.685**	**69**	**59**	**7.666**	**(47)**	**17.899**
Transfers	-	-	-	-	-	-	(47)	47	-
Total comprehensive income	-	-	(4)	670	(159)	-	-	(1.421)	(914)
As of 31 March 2017	**1.380**	**1.124**	**(41)**	**8.355**	**(90)**	**59**	**7.619**	**(1.421)**	**16.985**

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2016
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss			Retained Earnings		
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Gains/ (Losses) on Hedging Instruments Entered Into For Cash Flow Hedges	Restricted Profit Reserves	Previous Years Profit	Net Profit for The Period	Total Equity
As of 31 December 2015	**1.380**	**1.124**	**(23)**	**4.836**	**(952)**	**59**	**4.673**	**2.993**	**14.090**
Transfers	-	-	-	-	-	-	2.993	(2.993)	-
Total comprehensive income	-	-	1	(319)	170	-	-	(1.238)	(1.386)
As of 31 March 2016	**1.380**	**1.124**	**(22)**	**4.517**	**(782)**	**59**	**7.666**	**(1.238)**	**12.704**

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Consolidated Statement of Cash Flows
For the Year Ended 31 March 2017
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Not Reviewed
	1 January - 31 March 2017	1 January - 31 March 2016
Profit (loss)	(1.421)	(1.238)
Adjustments to Reconcile Profit (Loss)		
Adjustments for Depreciation and Amortisation Expense	950	792
Adjustments for Provisions Related with Employee Benefits	11	35
Adjustments for (Reversal of) Provisions for Payables	6	(2)
Adjustments for Free Provisions for Probable Risks	(9)	(4)
Adjustments for Interest Income	(66)	(50)
Adjustments for Interest Expense	185	146
Adjustments For Unrealised Foreign Exchange Losses / (Gains)	745	807
Adjustments for Manufacturers' Credits	2	4
Adjustments for Fair Value Losses on Derivative Financial Instruments	43	26
Adjustments for Undistributed Profits of Associates	9	71
Adjustments for Tax Income	(295)	(337)
Adjustments for Gains Arised From Sale of Tangible Assets	(4)	-
Adjustments for Losses Arised from Sale of Other Non-Current Assets	16	14
Changes in Working Capital	**172**	**264**
Increase in Trade Receivables from Non-Related Parties	(571)	(360)
Decrease in Other Non-Related Party Receivables Related with Operations	119	267
Adjustments for (Increase) / Decrease in Inventories	(25)	4
Adjustments for Decrease /(Increase) in Prepaid Expenses	39	(146)
Decrease in Trade Payables to Related Parties	(39)	(79)
Increase in Trade Payables to Non-Related Parties	148	6
Adjustments for (Decrease) / Increase in Payables Due to Employee Benefits	(40)	201
(Decrease) / Increase in Other Operating Payables to Non-Related Parties	(6)	21
Increase in Deferred Income	1.129	454
Increase in Other Assets Related with Operations	(97)	(24)
Cash Flows From (Used in) Operations	**829**	**608**
Payments for Provisions Related with Employee Benefits	(21)	(10)
Income taxes refund (paid)	12	7
Net Cash From (Used in) Operating Activities	**820**	**605**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed from sales of property, plant and equipment	15	-
Cash Payments From Purchasing of property, plant and equipment (*)	(734)	(691)
Cash Receipts From Sales of Other Long-Term Assets	429	98
Other Cash Advances and Loans	401	747
Dividends Received		
Interest Received	62	48
Net Cash Flows From Investing Activities	**173**	**202**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from Loans	322	350
Payments of finance lease liabilities	(841)	(579)
Interest Paid	(107)	(91)
Other Inflows of Cash	58	18
Net Cash Flows From Financing Activities	**(568)**	**(302)**
Net Change in Cash and Cash Equivalents	**425**	**505**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5.159**	**2.617**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5.584**	**3.122**