

TURKISH AIRLINES

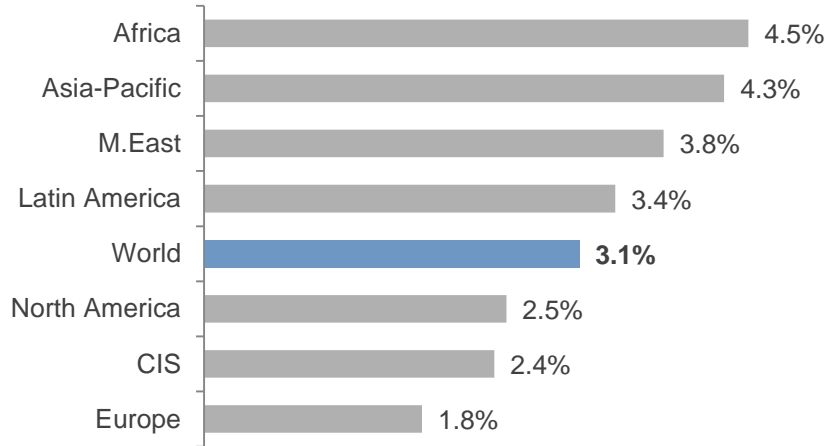


WIDEN YOUR WORLD

January 2016

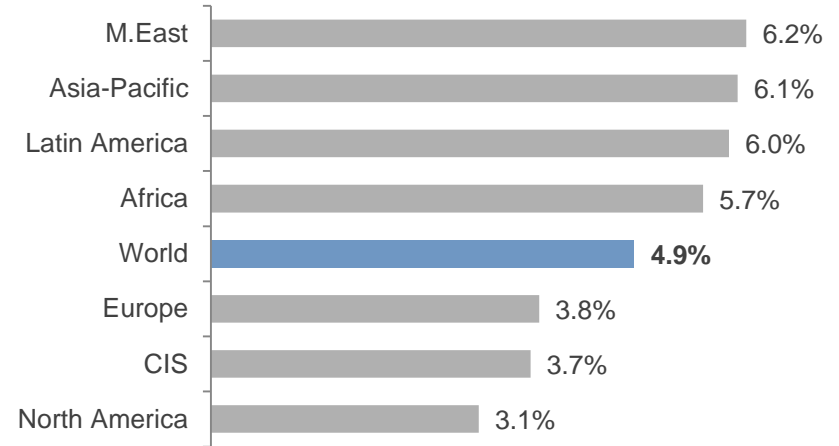
Aviation Market & Economy

Annual GDP Growth Forecast (2015-2034)



Source: Boeing Current Market Outlook

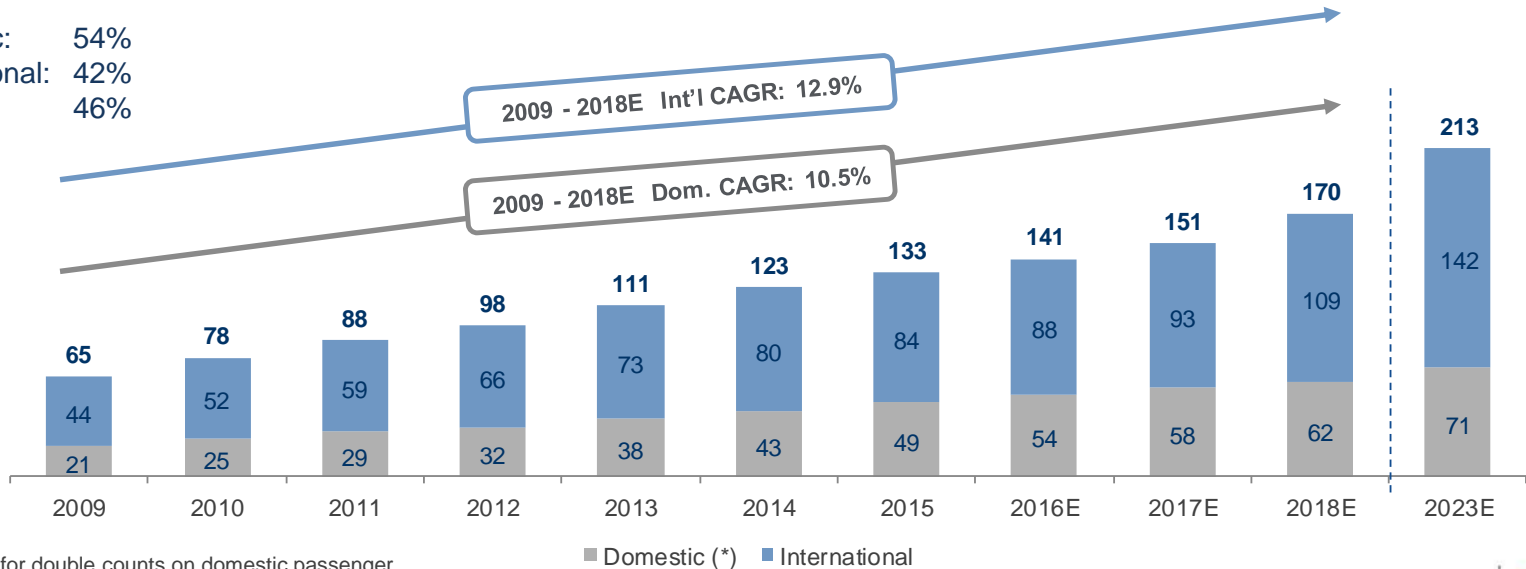
Annual RPK Growth Forecast (2015-2034)



Turkish Airlines Market Share in 2015

Domestic: 54%
International: 42%
Total : 46%

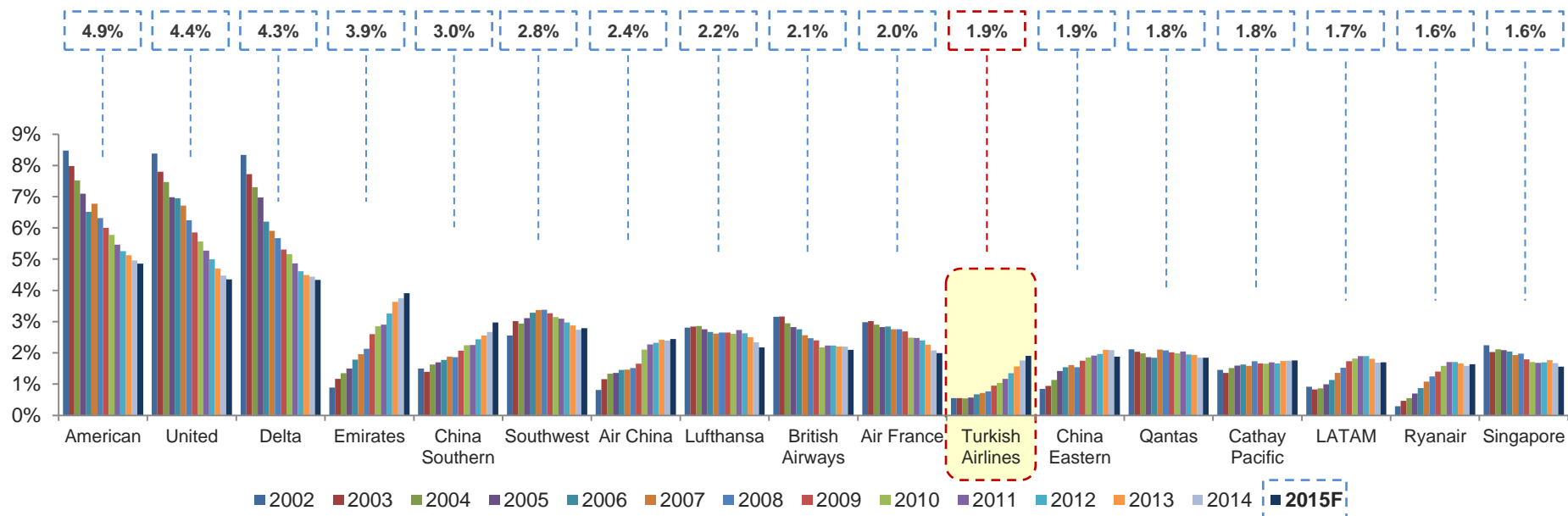
Turkey Aviation Market



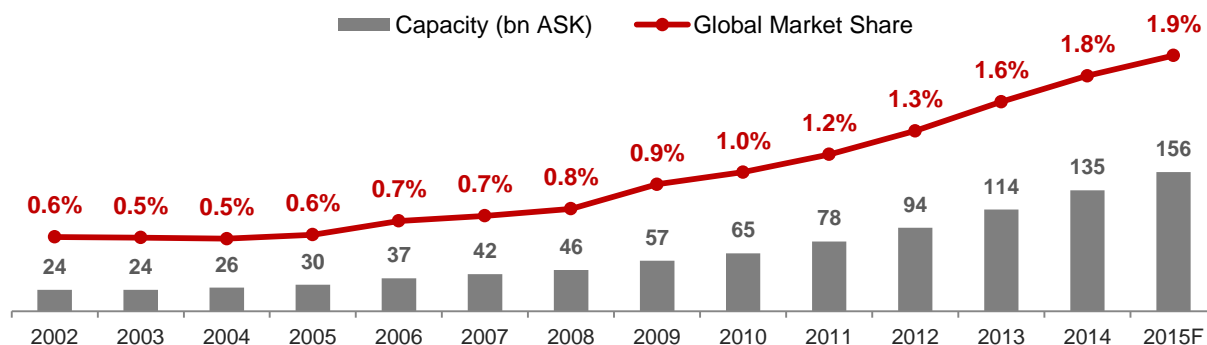
Note: Adjusted for double counts on domestic passenger
Source: General Directorate of State Airports Authority (DHMI)

Global Market Share Trends

Global Market Share Trends (in ASK)



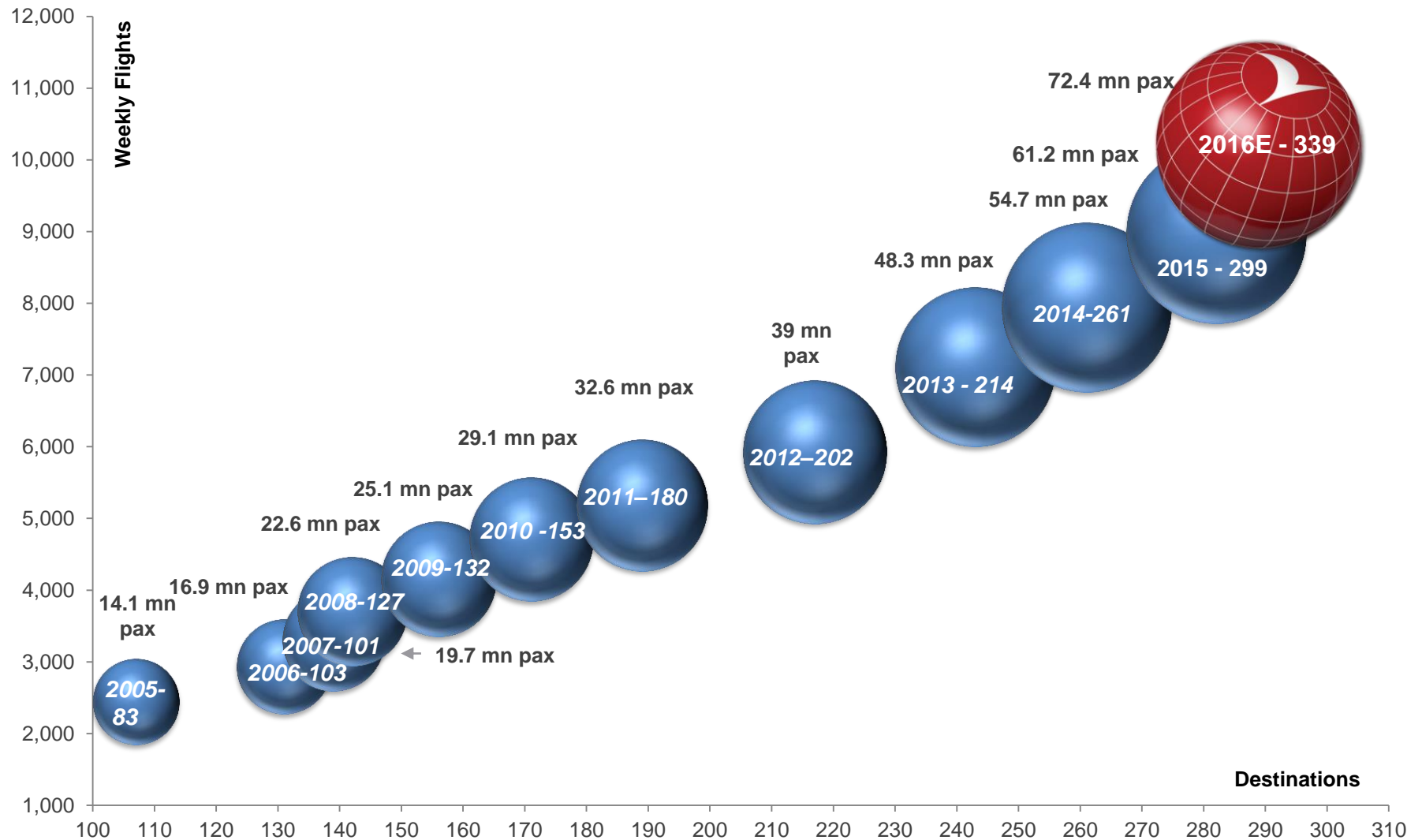
Turkish Airlines Market Share Development



Notes: For US carriers regional flights are excluded. Wholly owned subsidiaries are included in the calculation. 2015 capacities are obtained from OAG on 5 August 2015.

Source: 2002 ICAO, 2003-2014 IATA, 2015F OAG, company reports, sorted by 2015F ASK values.

Turkish Airlines Growth Story



Destinations: 235* International, 49 Domestic Lines in 113 Countries

EUROPE							
42 COUNTRIES, 107 CITIES							
Germany	368	Spain	76	Hungary	28	Moldova	7
Frankfurt	52	Barcelona	28	Budapest	28	Chisinau	7
Berlin	46	Madrid	21	Bulgaria	25	Poland	5
Munich	46	Malaga	10	Sofia	14	Warsaw	5
Stuttgart	45	Bilbao	7	Varna	11	Belarus	4
Düsseldorf	38	Valencia	7	Romania	25	Mnsk	4
Hamburg	35	Santiago de C.	3	Bucharest	21		
Cologne	28	Northern Cyprus	66	Constanta	4		
Hanover	24	Lefkosa	66	Czech Rep.	21		
Nuremberg	21	Switzerland	63	Prague	21		
Bremen	10	Zurich	28	Bosnia	18		
Friedrichshafen	7	Geneva	21	Sarajevo	18		
Leipzig	7	Basel	14	Finland	18		
Münster	5	Austria	54	Helsinki	18		
Baden-Baden	4	Vienna	40	Norway	18		
Italy	157	Salzburg	10	Oslo	18		
Milan	35	Graz	4	Albania	14		
Rome	35	Ukraine	50	Tirana	14		
Venice	25	Kiev	16	Croatia	14		
Bologna	17	Odessa	11	Zagreb	14		
Naples	14	Simferepol	7	Ireland	14		
Catania	9	Dnepropetrovsk	5	Dublin	14		
Turin	7	Kherson	4	Kosovo	14		
Genoa	5	Zaporizhja	4	Pristina	14		
Pisa	5	Lviv	3	Macedonia	14		
Bari	5	Donetsk	0	Skopje	14		
France	94	Azerbaijan	45	Serbia	14	Future Routes	
Paris	42	Baku	35	Belgrade	14		
Lyon	14	Ganja	7	Portugal	18		Azerbaijan
Nice	14	Nakhichevan	3	Lisbon	14		Lankeran
Marseille	10	Netherlands	45	Porto	4		Poland
Toulouse	7	Amsterdam	38	Malta	13		Krakow
Bordeaux	7	Rotterdam	7	Malta	13		France
United Kingdom	92	Belgium	42	Montenegro	10		Nantes
London	59	Brussels	42	Podgorica	10		Germany
Manchester	21	Denmark	42	Slovenia	10		Kassel
Birmingham	12	Copenhagen	28	Ljubljana	10		Ukraine
Russia	90	Aalborg	7	Scotland	9		Kharkiv
Moscow	42	Billund	7	Edinburg	9		Zaporizhilia
Sochi	10	Georgia	38	Estonia	7		Spain
Kazan	7	Tbilisi	28	Tallinn	7		La Coruna
St. Petersburg	7	Batumi	10	Latvia	7		Russia
Ufa	6	Greece	35	Riga	7		Makhachkala
Rostov	4	Athens	21	Lithuania	7		
Astrakhan	4	Thessaloniki	14	Vinius	7		
Ekaterinburg	4	Sweden	35	Luxemburg	7		
Novosibirsk	3	Stockholm	21	Luxembourg	7		
Stravropol	3	Gothenburg	14				

Future Routes

Azerbaijan
Lankeran
Poland
Krakow
France
Nantes
Germany
Kassel
Ukraine
Kharkiv
Zaporizhja
Spain
La Coruna
Russia
Makhachkala

AFRICA			
31 COUNTRIES, 48 CITIES			
Egypt	42	Sudan	7
Cairo	21	Khartoum	7
Alexandria	7	Uganda	7
Hurghada	7	Entebbe	7
Sharmel-Sheikh	7	Burkina Faso	6
Algeria	35	Ougadougou	6
Algiers	21	Mauritania	6
Oran	7	Nouakchott	6
Constantine	3	Senegal	6
Tlemcen	2	Dakar	6
Batna	2	Congo	5
South Africa	18	Kinshasa	5
Cape Town	7	Gabon	5
Johannesburg	7	Libreville	5
Durban	4	Niger	5
Nigeria	16	Niamey	5
Lagos	7	Cote D'Ivoire	4
Abuja	5	Abidjan	4
Kano	4	Chad	4
Cameroon	14	N'Djamena	4
Douala	7	Benin	4
Yaounde	7	Cotonou	4
Kenya	14	Eritrea	3
Mombasa	7	Asmara	3
Nairobi	7	Madagascar	3
Tanzania	14	Antananarivo	3
Dar Es Selaam	7	Mali	3
Kilimnjarjo	7	Bamako	3
Tunisia	14	Mauritius	3
Tunis	14	Port Louis	3
Djibouti	7	Mozambique	3
Djibouti	7	Maputo	3
Ethiopia	7		
Addis Ababa	7		
Ghana	7		
Accra	7		
Libya	7		
Misurata	7		
Benghazi	-		
Sebha	-		
Tripoli	-		
Morocco	7		
Casablanca	7		
Rwanda	7		
Kigali	7		
Somalia	7		
Mogadishu	7		

Future Routes

Angola
Luanda
Egypt
Aswan
Luxor
Guinea
Conarky
South Sudan
Juba

MIDDLE EAST			
13 COUNTRIES, 34 CITIES			
Saudi Arabia	97	Lebanon	21
Jeddah	28	Beirut	21
Madinah	21	UAE	18
Dammam	17	Dubai	14
Riyadh	14	Abu Dhabi	4
Yanbu	10	Jordan	17
El Qassim	4	Amman	14
Taif	3	Akabe	3
Iran	67	Qatar	14
Tehran	33	Doha	14
Mashad	7	Yemen	14
Shiraz	7	Aden	7
Tabriz	7	Sanaa	7
Isfahan	5	Bahrain	10
Kermanshah	4	Bahrain	10
Ahvaz	4	Oman	7
Israel	56	Muscat	7
Tel Aviv	56	Syria	-
Iraq	51	Aleppo	-
Baghdad	14	Damascus	-
Erbil	14		
Basra	10		
Sulaymaniyah	8		
Najaf	5	Future Routes	
Mosul	0		
Kuwait	42	Saudi Arabia	
Kuwait	42	Abha	

Future Routes

Saudi Arabia
Abha

AMERICAS			
4 COUNTRIES, 12 CITIES			
USA	68	Brazil	7
New York	21	Sao Paulo	7
Boston	7	Future Routes	
Chicago	7		
Houston	7		
Los Angeles	7		
Miami	7	Atlanta	
Washington	7	Colombia	
San Francisco	5	Bogota	
		Cuba	
Canada	9	Havana	
Toronto	6	Mexico	
Montreal	3	Mexico City	
Argentina	7	Venezuela	
Buenos Aires	7	Caracas	

Future Routes

USA
Atlanta
Colombia
Bogota
Cuba
Havana
Mexico
Mexico City
Venezuela
Caracas

FAR EAST			
22 COUNTRIES, 34 CITIES			
China	34	Bangladesh	7
Beijing	7	Dhaka	7
Guangzhou	7	Indonesia	7
Shanghai	7	Jakarta	7
Taipei	7	Maldives	7
Hong Kong	6	Male	7
Japan	21	Malaysia	7
Tokyo	14	Kuala Lumpur	7
Osaka	7	Nepal	7
Kyrgyzstan	19	Kathmandu	7
Bishkek	15	Singapore	7
Osh	4	Singapore	7
Kazakhstan	15	Sri Lanka	7
Almaty	10	Colombo	7
Astana	5	Uzbekistan	7
India	14	Tashkent	7
Mumbai	7	Vietnam	7
New Delhi	7	Ho Chi Minh	7
Pakistan	14	Tajikistan	5
Karachi	7	Dushanbe	3
Islamabad	4	Khujand	2
Lahore	3	Philippines	3
Thailand	14	Manila	3
Bangkok	14	Mongolia	3
Turkmenistan	14	Ulaanbaatar	3
Ashgabad	14		
South Korea	11		
Seoul	11		
Afghanistan	10		
Kabul	7		
Mazar-i Sharif	3		

Future Routes

Vietnam
Hanoi

DOMESTIC

49 CITIES

Routes Opened in 2015			
Ahvaz		Manila	
Abuja		Taipei	
San Francisco		Bari	
Porto		Kocaeli	
Bamako		Ordu - Giresun	
Graz		Tokat	
Baden-Baden		Uşak	
Khujand		Miami	
Maputo		Durban	
Port Louis		Antananarivo	
Bursa		Hakkari	
Zaporizhja		Siirt	

* As of 31.12.2015

Turkish Airlines reaches **76%** of all destinations at least daily

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ 196 out of 235 international destinations
- ✓ More than 40% of world-wide international traffic
- ✓ Over 60 national capitals
- ✓ All of Europe, Middle East, Central Asia and North and East Africa

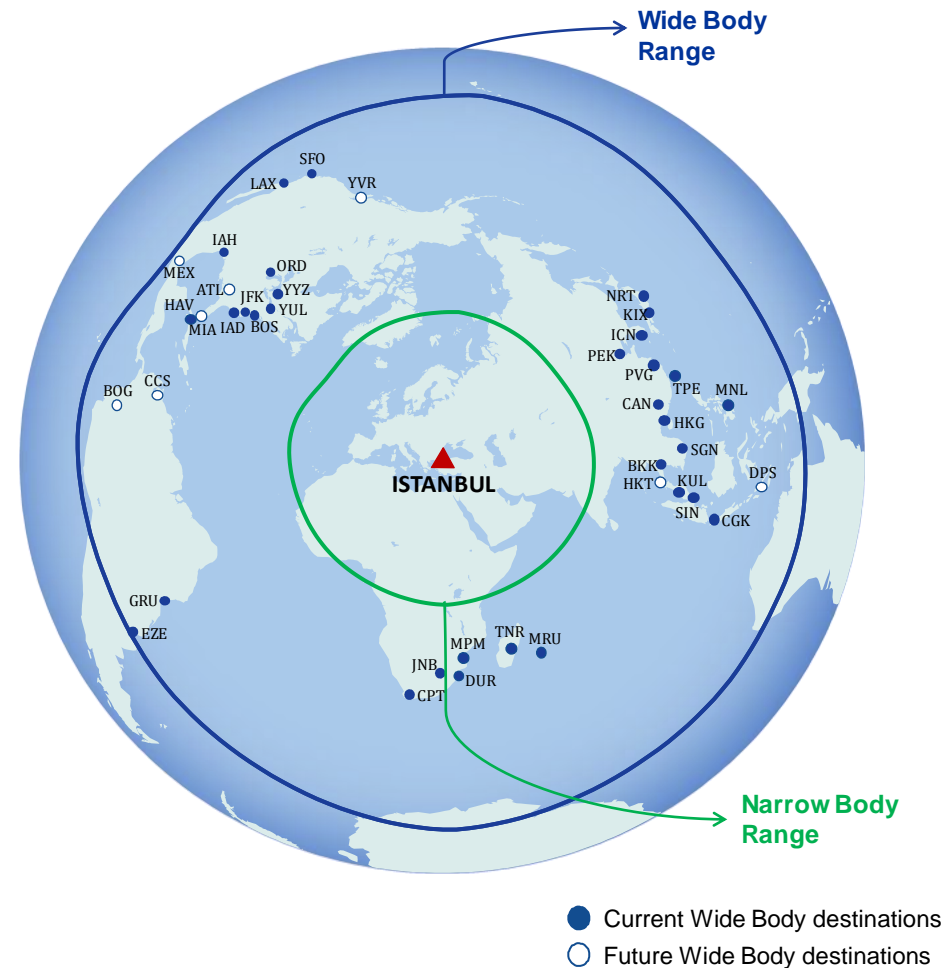
Highest Coverage of Non-Hub Cities

We fly to 42 of the Global Top 50 Hub Airports...

	Outside Top 50 Hubs	Among Top 50 Hubs	# of Total Int'l Airports	Int'l Pax Coverage (%)
THY	193	42	235	76.9%
British Airways	116	43	159	77.6%
Lufhansa	97	44	141	78.1%
Emirates	91	41	132	74.0%
Air France	84	39	123	67.1%

* Atlanta route to open in May 2016.

Source: Passenger data from IATA, route data from OAG. Retrieved on 2 November 2015.



Highest Connectivity for Europe, Africa and Middle East

Airlines Connectivity by Number of O&D Pairs (Top Three)

Europe to the World

Turkish Airlines	19,250
Lufthansa	8,550
British Airways	8,544

Middle East to the World

Turkish Airlines	8,330
Qatar Airways	2,912
Lufthansa	2,124

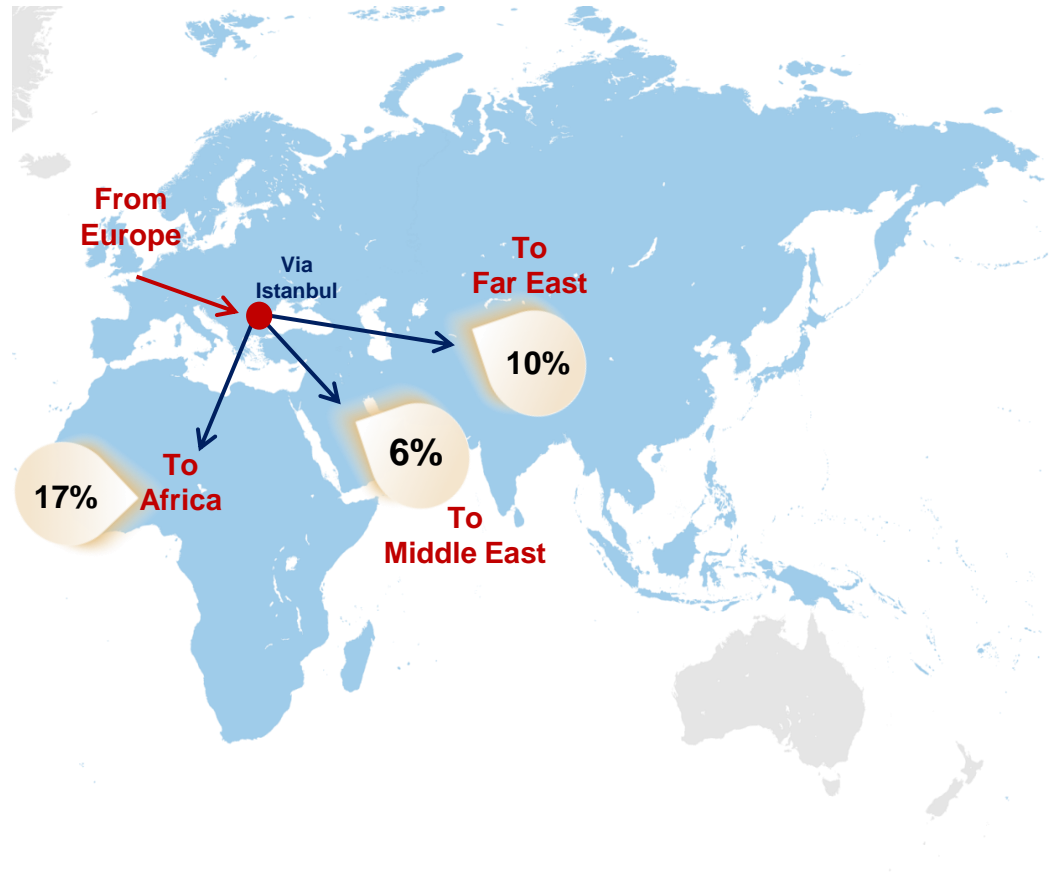
Africa to the World

Turkish Airlines	10,530
Air France	4,386
British Airways	3,006

Far East to the World

United Airlines	9,030
Turkish Airlines	8,330
Delta	5,100

Detour* Advantage

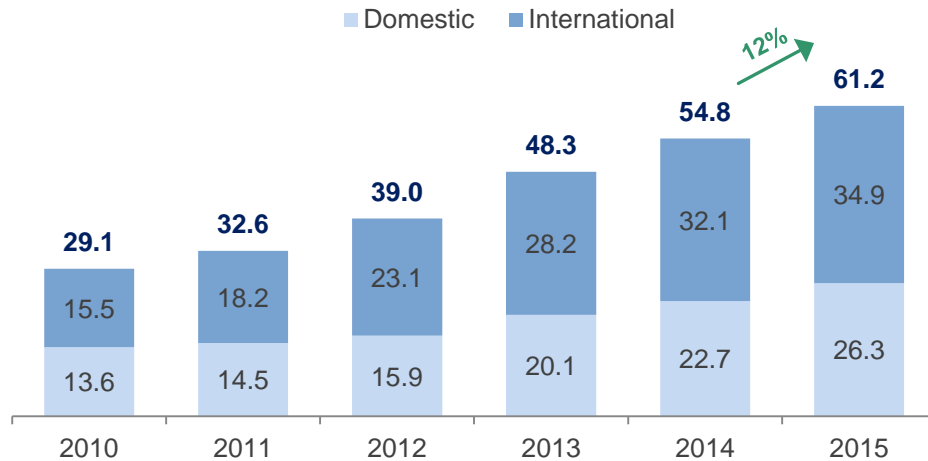


* Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities

Source: Retrieved from OAG on 2 November 2015.

Passenger Traffic (2015)

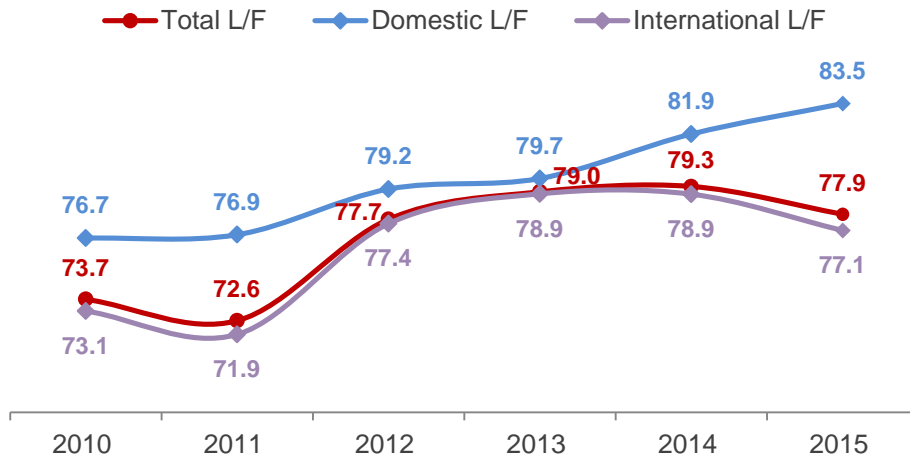
Total Passengers (mn)



THY Passenger Traffic

	2014	vs	2015
Landing		up by	9.6%
ASK		up by	13.6%
RPK		up by	11.7%
Passenger #		up by	11.8%
L/F		down by	-1.4 pt

Load Factor (L/F %)

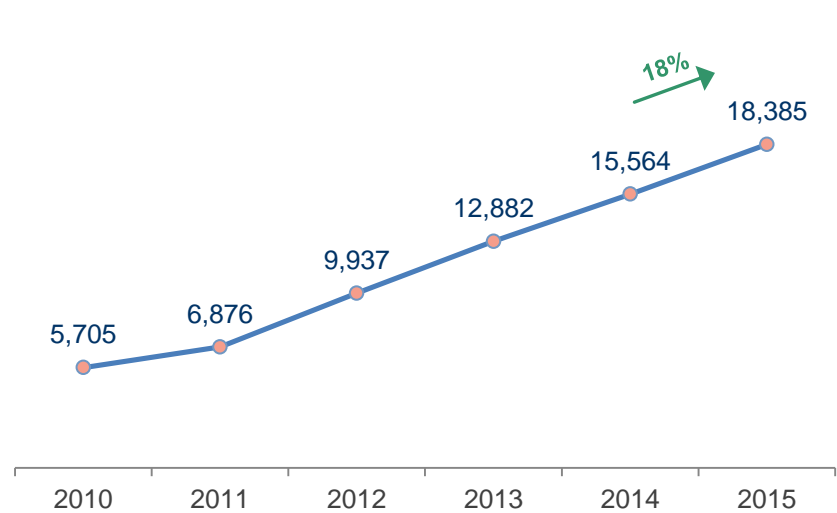


Annual Changes (%)

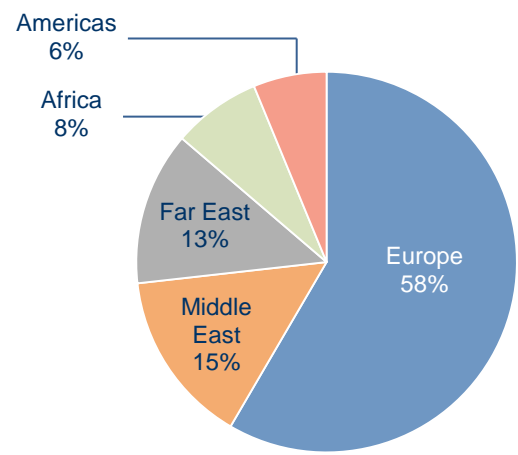
	2011	2012	2013	2014	2015
ASK	25%	18%	21%	16%	14%
RPK	23%	27%	23%	16%	12%
PAX	12%	20%	24%	14%	12%
L/F (Pt)	-1.1	5.1	1.4	0.3	-1.4

Passenger Breakdown (2015)

Int'l to Int'l Transfer Passengers ('000)

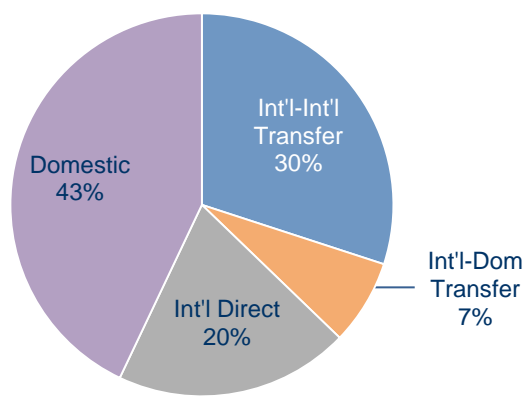


Int'l Passenger Breakdown by Geography



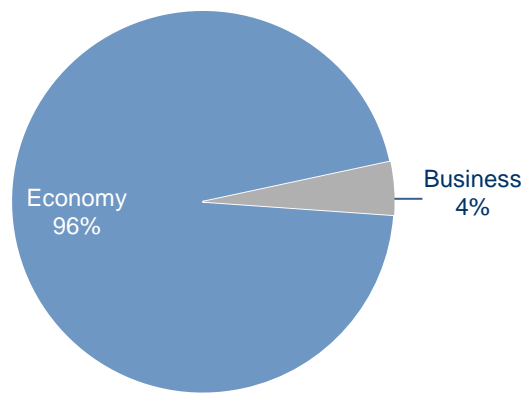
Note: Includes only scheduled passengers.

Passenger Breakdown by Transfer Type



Note: Int'l to int'l transfer passengers' share in total international passengers is 53%.

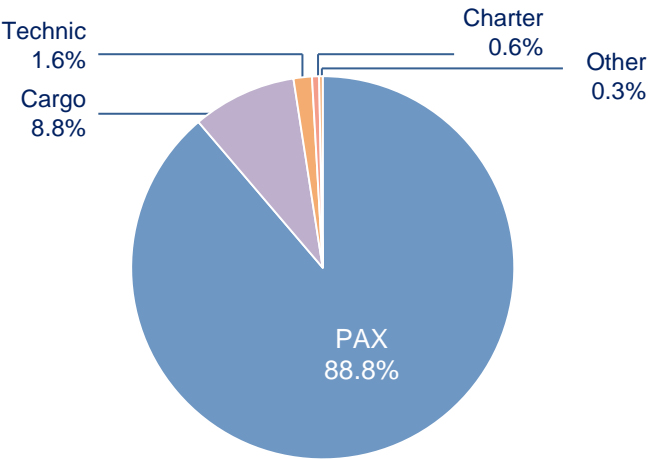
Passenger Breakdown by Cabin Class



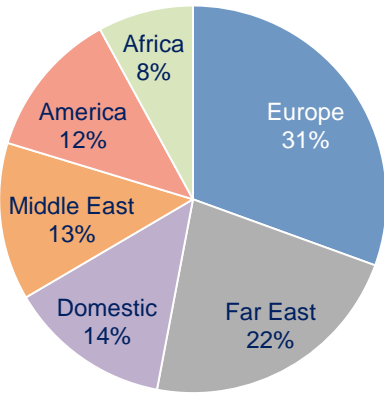
Note: Includes only scheduled passengers. Business class passengers include comfort class passengers. (0.4 %)

Increasingly Diversified Revenue (9M'15)

Revenue by Business Type

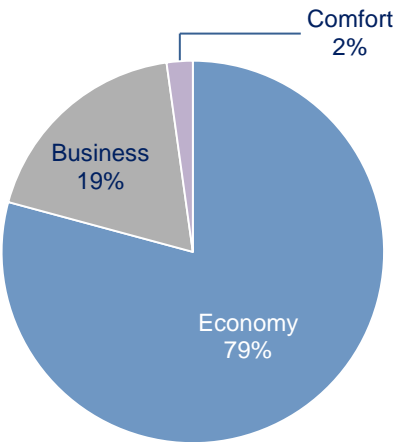


Revenue by Geography

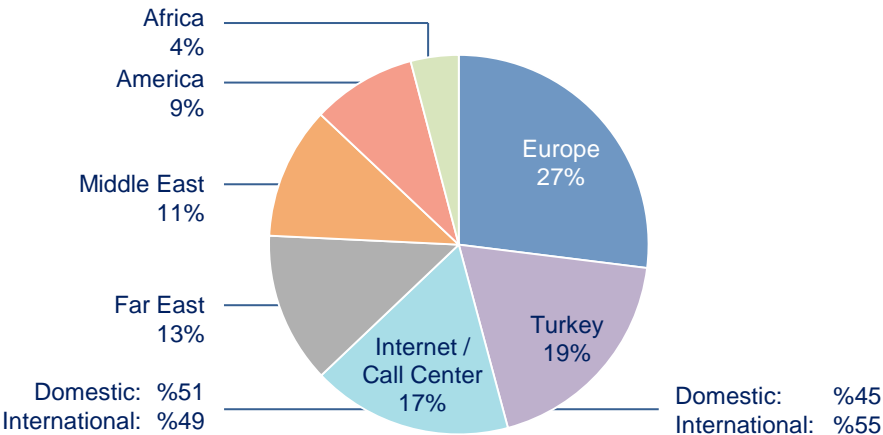


Note: Includes scheduled passenger and cargo revenue

Revenue by Passenger Class



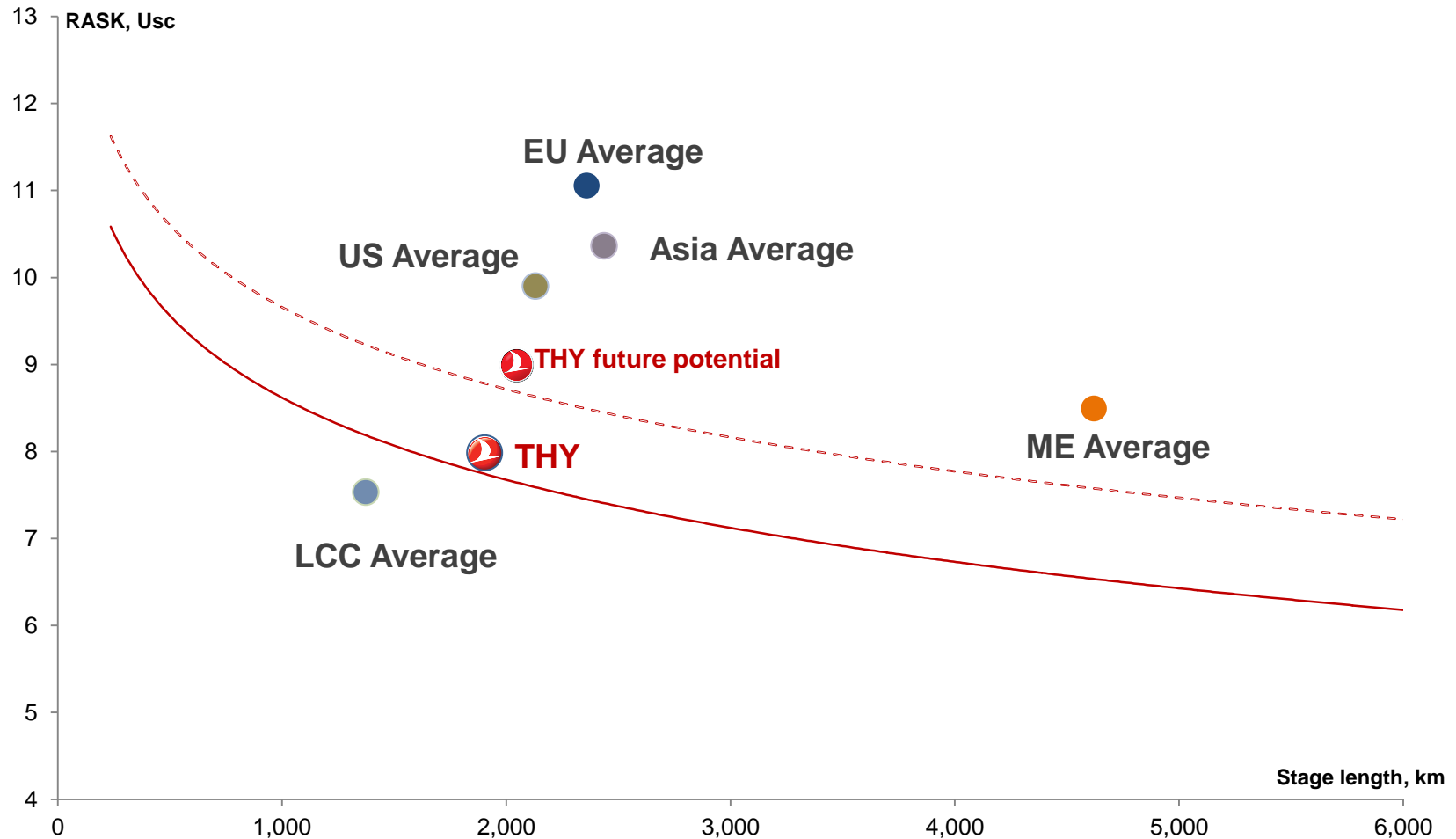
Revenue by Point of Sale



Note: Includes only scheduled passenger revenue

Unit Revenue Upside Potential

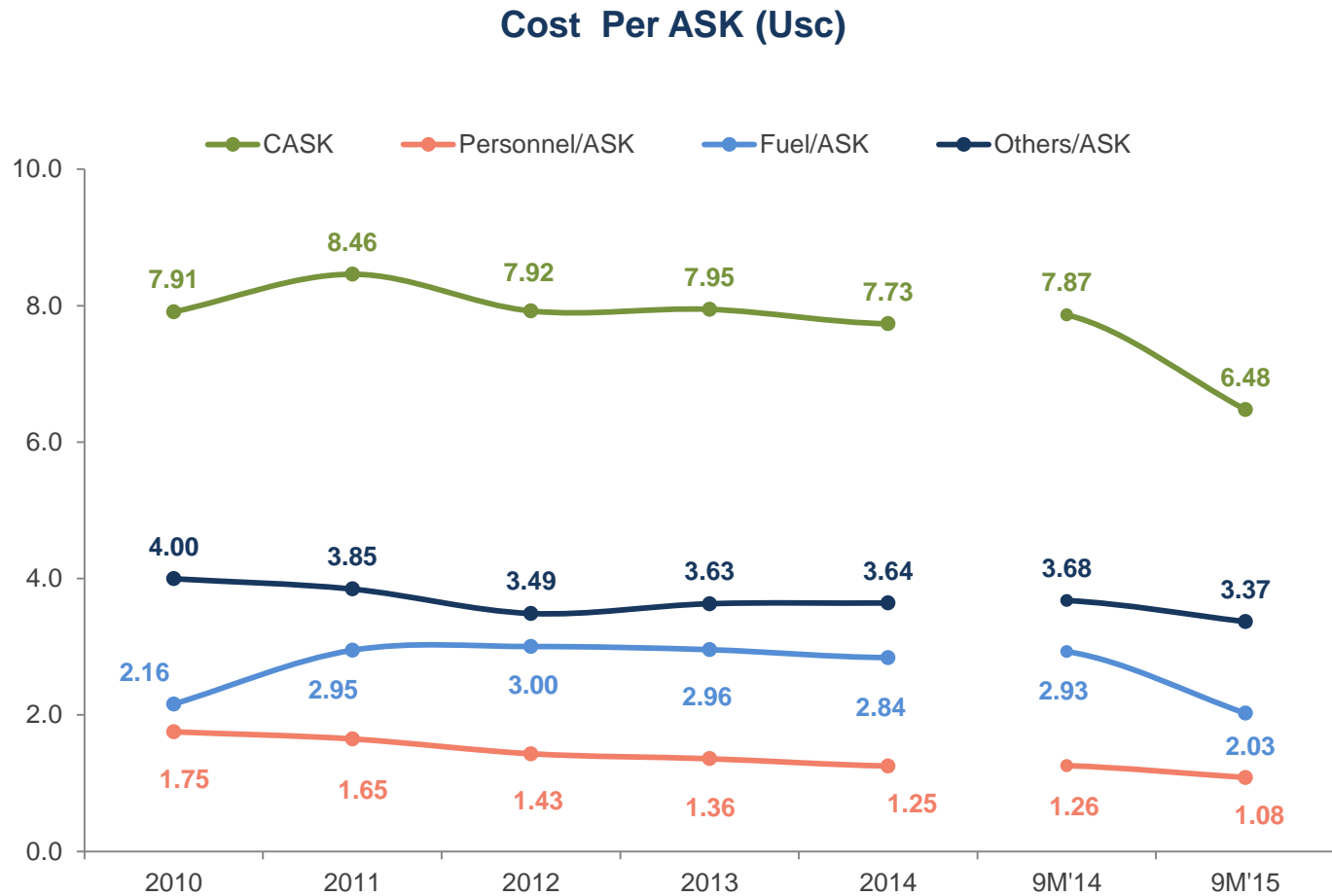
With new wide-body aircraft deliveries, business class and cargo revenue share will increase.



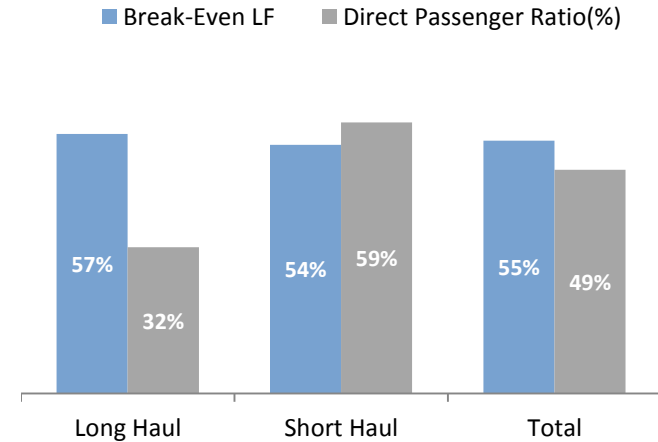
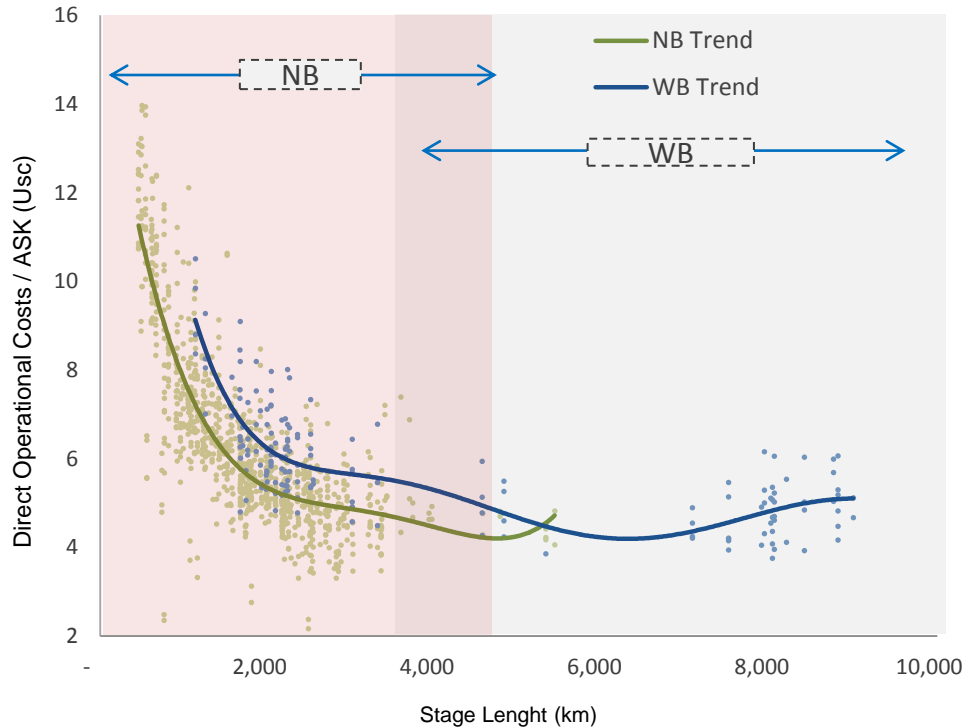
Notes: European carriers include Lufthansa, IAG, AF-KLM, SAS, Aeroflot, Alitalia. Middle Eastern carriers include Emirates and Qatar. Asian carriers include Singapore, Cathay, Japan, Air China, Thai, Qantas. US carriers include Delta, United, American, Air Canada. LCC carriers include Ryanair, easyJet, SunExpress, Pegasus, Norwegian, Southwest, Air Asia, Jet Blue.

Source: Airline Annual Reports

Steady Unit Cost Structure



Cost Efficiency and Direct Traffic Advantage



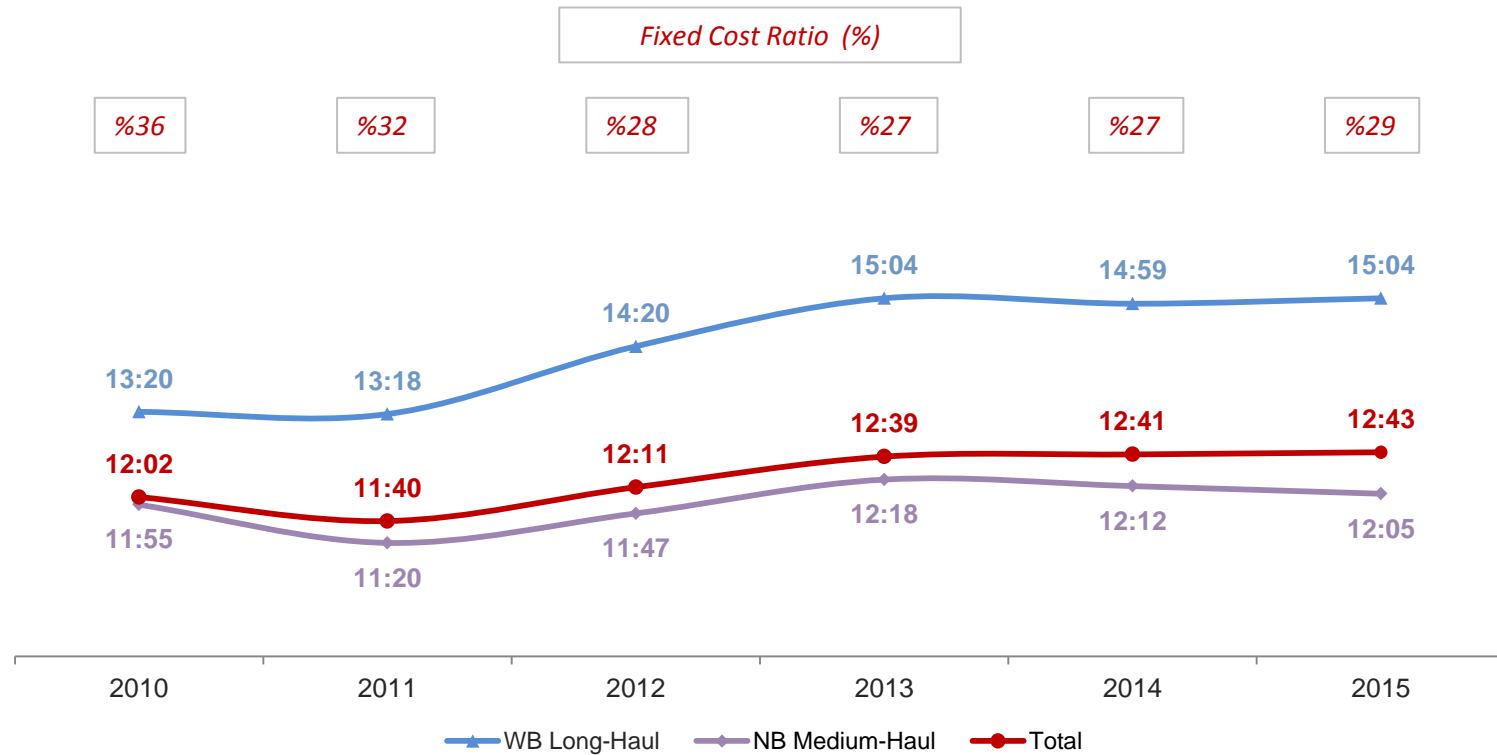
75% of all Turkish Airlines production takes place in an optimum stage length

Note: Break-even LF is calculated as the load factor enough to cover all direct operational expenses.

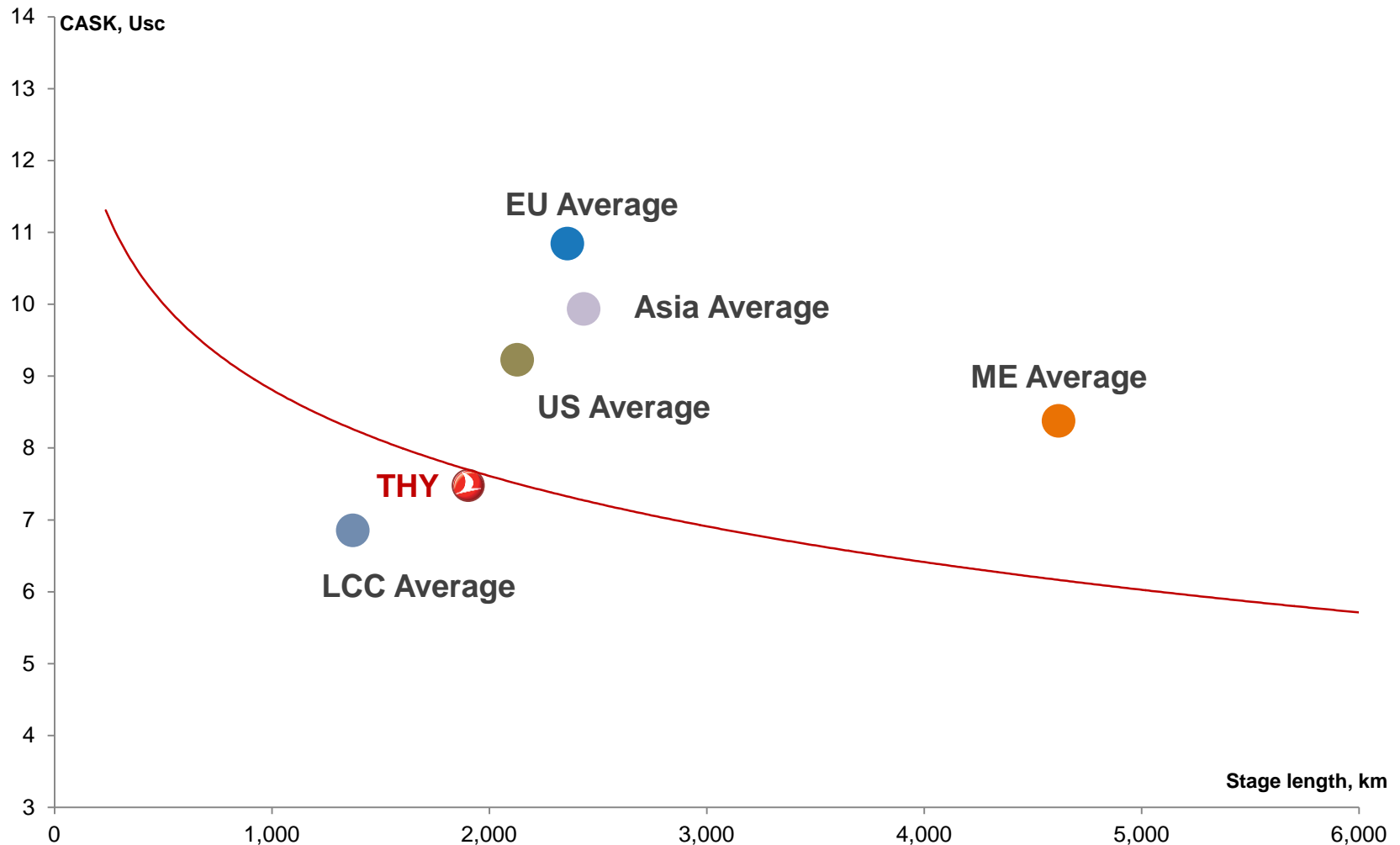
Favorable Flight Utilization Levels (hrs)

10% increase in Utilization should decrease total CASK by **3%**

2009 - 2014 Utilization Increase : %9



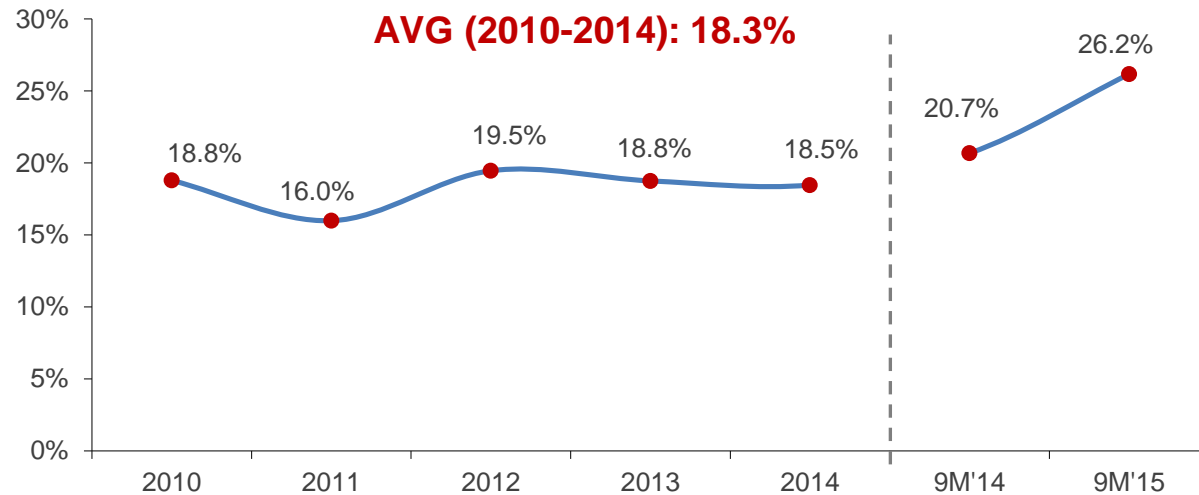
Lower Cost Base Compared to Peers



Notes: European carriers include Lufthansa, IAG, AF-KLM, SAS, Aeroflot, Alitalia. Middle Eastern carriers include Emirates and Qatar. Asian carriers include Singapore, Cathay, Japan, Air China, Thai, Qantas. US carriers include Delta, United, American, Air Canada. LCC carriers include Ryanair, easyJet, SunExpress, Pegasus, Norwegian, Southwest, Air Asia, Jet Blue.

Source: Airline Annual Reports

Management Benchmark : EBITDAR Growth

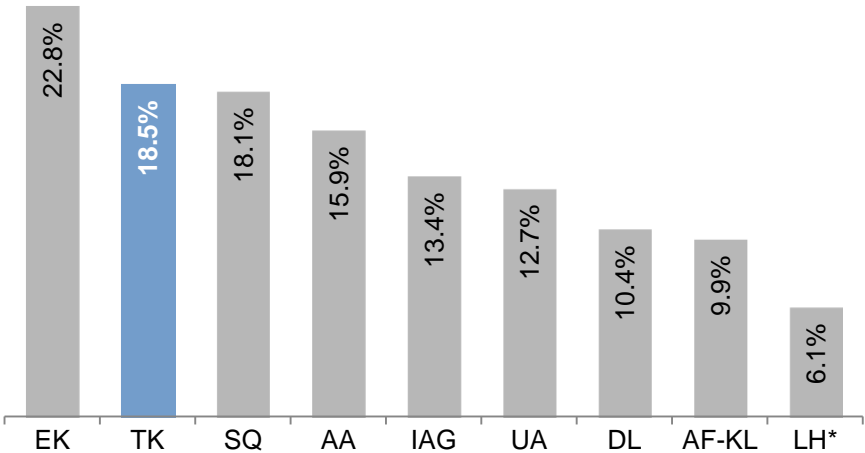


(mn USD)	2010	2011	2012	2013	2014	9M'14	9M'15	YoY Change
Revenue	5,448	7,070	8,234	9,826	11,070	8,540	8,054	-5.7%
Net Income	185	11	657	357	845	723	877	21.3%
Net Income Margin	3.4%	0.2%	8.0%	3.6%	7.6%	8.5%	10.9%	2.4 pt
EBIT	262	277	691	755	770	803	1,019	26.9%
EBIT Margin	4.8%	3.9%	8.4%	7.7%	7.0%	9.4%	12.7%	3.2 pt
EBITDAR	1,024	1,130	1,603	1,843	2,044	1,766	2,108	19.4%
EBITDAR Margin	18.8%	16.0%	19.5%	18.8%	18.5%	20.7%	26.2%	5.5 pt

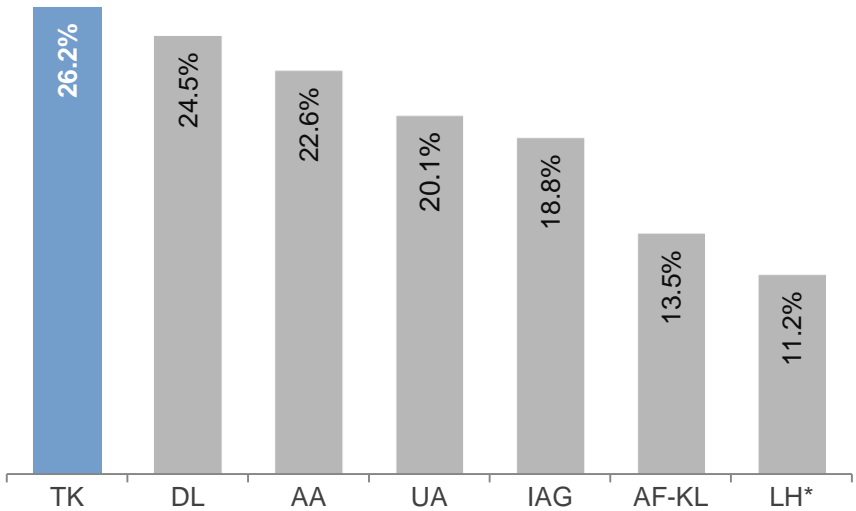
Peer Group vs Turkish Airlines Profitability

EBITDAR Margin % Comparison

2014 Annual



9M'15



* Lufthansa Passenger Airlines

Source: Calculated based on public company reports.

Current Fleet and Growth Projections

31.12.2015	Type	Total	Owned	Financial Lease	Opr./Wet Lease	Seat Capacity	Average Fleet Age	Year End Fleet*						
								2016	2017	2018	2019	2020	2021	2022
Wide Body	A330-200	20		5	15	4,702	8.3	20	18	18	16	13	13	8
	A330-300	26		25	1	7,516	2.5	31	31	31	31	31	31	31
	A340-300	4	4			1,080	17.6	4	4	4	4	4	4	4
	B777-3ER	23		23		7,883	3.0	32	35	35	34	32	32	32
	Total	73	4	53	16	21,181	5.1	87	88	88	85	80	80	75
Narrow Body	B737-900ER	15		15		2,355	2.5	15	15	15	15	15	15	15
	B737-9 MAX										5	10	10	10
	B737-800	68	25	33	10	10,940	9.7	76	70	53	53	53	53	53
	B737-700	3			3	372	9.9	1	1	1	1			
	B737-8 MAX									20	30	55	65	65
	A321 NEO									14	39	61	86	92
	A319-100	14		6	8	1,848	7.7	14	11	9	8	6	6	6
	A320-200	29		12	17	4,572	8.6	29	22	19	12	12	12	12
	A321-200	56		52	4	10,170	4.3	66	68	68	68	66	64	64
	B737-800 WL	24			24	4,536	9.3	36	40	46	43	35	33	29
	B737-700 WL	1			1	149	8.8							
	E190 WL/E195 WL	6			6	684	6.9	3						
	Total	216	25	118	73	35,626	7.4	240	227	245	274	313	344	346
Cargo	A330-200F	6		6			3.2	8	9	9	9	9	9	9
	Wet Lease	4			4		19.0	4						
	Total	10		6	4		9.5	12	9	9	9	9	9	9
GRAND TOTAL		299	29	177	93	56,807	6.9	339	324	342	368	402	433	430

*After exit-entry

Seat Capacity
Change :

16% -2% 5% 6% 7% 7% -1%

Aircraft Orderbook

		2011-2022 Aircraft Purchases													
		Delivered						To Be Delivered							
31.12.2015	Type	2011	2012	2013	2014	2015	TOTAL	2016	2017	2018	2019	2020	2021	2022	TOTAL
Wide Body	A330-300	3	3	2	6	7	21	5							5
	B777-3ER	7			4	7	18	6	3						9
	Total	10	3	2	10	14	39	11	3						14
Narrow Body	B737-900ER	2	7	1		5	15								
	B737-9 MAX										5	5			10
	B737-800	2	2	6	10		20	20							20
	B737-8 MAX									20	10	25	10		65
	A321	8	7	9		13	37	10	2						12
	A321 NEO									14	25	22	25	6	92
	A319	6					6								
	Total	18	16	16	10	18	78	30	2	34	40	52	35	6	199
Cargo	A330-200F	1	1	2		1	5	2	1						3
	Total	1	1	2		1	5	2	1						3
GRAND TOTAL		29	20	20	20	33	122	43	6	34	40	52	35	6	216

Capacity Management: Ataturk Airport Expansion and Third Airport in Istanbul



Collaborative Decision Making Project of THY-DHMI-TAV:

- New International Terminal construction to end Q1'16
- 27.000 sqm wide with 8 additional pax bridges and 32 additional check-in islands
- 17.000 sqm of additional car park space

Addition of the Military Area:

- 26 new park positions and new taxi ways have been added
- 17 more park positions increased the total capacity to 145 by 2015YE

Air Traffic Movements: With certain tower management measures 80 ATMs is achievable. (+20%)

Stats for the Third Airport

	Phase 1a&b	Final
Estimated Total Cost	€ 6.0 bn	€10.2 bn
Total Site Area	-	76.5 mn m ²
Terminal Floor Area	1.3 mn m ²	1.3 mn m ²
Number of Runways	2 + 1	6
Total Aircraft Capacity	184	396
Number of Pax Bridges	114	143
Aircraft Parking Capacity	70	253
Maximum ATM	96/144	224
Maximum PAX Capacity	90 mn ppa	150 mn ppa (up to 200 mn)
Baggage Handling System	capacity will be decided	50k baggage/hour

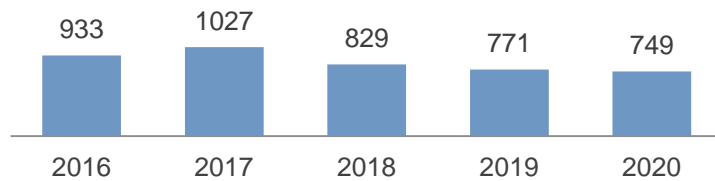
Debt Management and Aircraft Financing

As of 30.09.2015

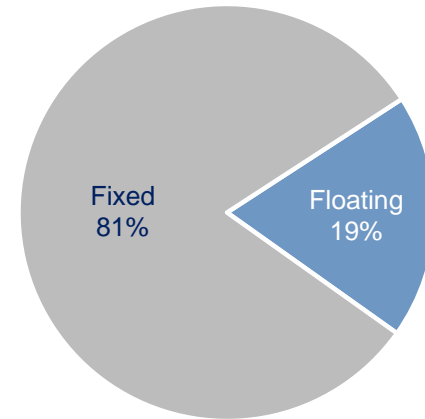
Total Debt : **8.4 bn USD**

Weighted Average Interest Rate: **3.0%**

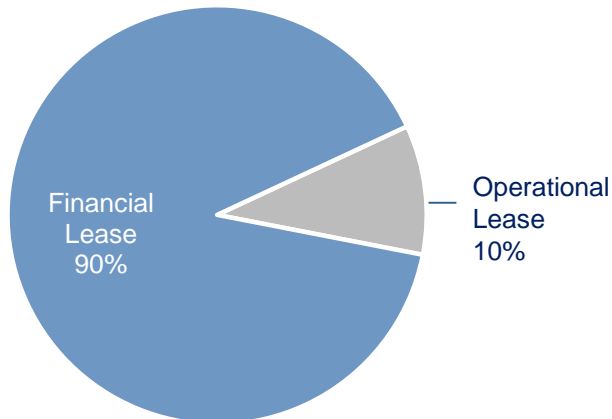
5 Year Maturity Profile (USD mn)



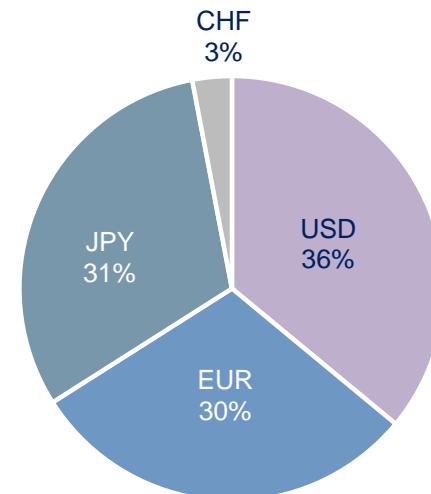
Interest Rate Type



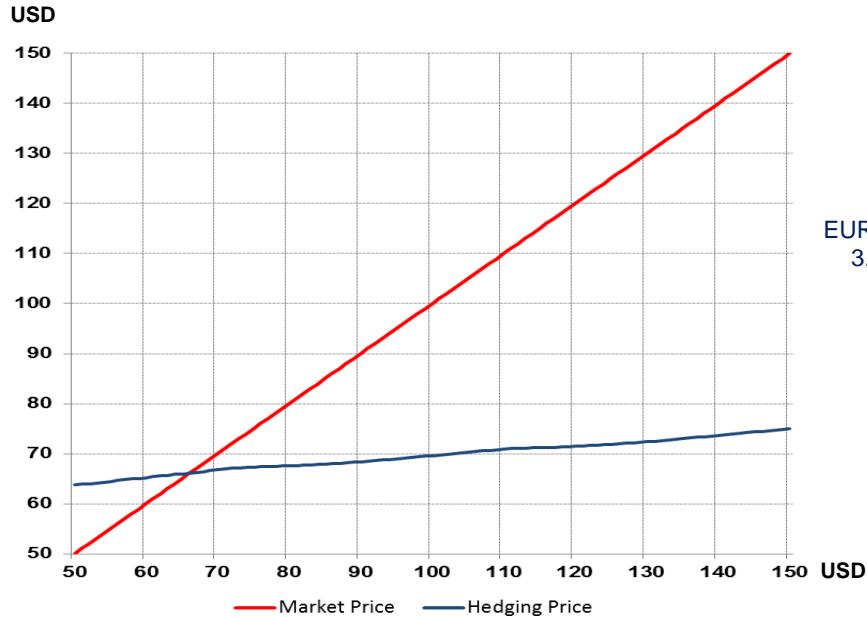
Lease Type



Currency Type



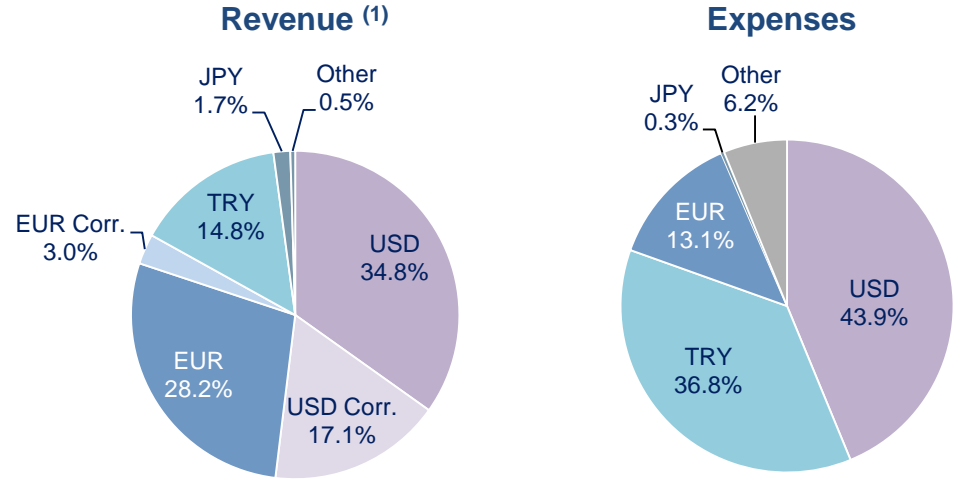
Fuel Hedging



- Around **23 mn barrels** of hedged position on ICE BRENT as of December 31, 2015.
- Current fuel hedging levels: **FY16: 40%; FY17: 14%**
- Decreasing layered hedging strategy (24 months)
- Crude oil based swaps and options
- Aim to reach 50% of budgeted consumption of the following month

(1) Currencies that have 85% correlation with USD and EUR considered as USD and EUR correlated respectively. For 3Q'15.

Currency Hedging



Current currency hedging matrix:

FY16	Hedging Levels*	Average Price
EUR/USD	20%	1.20
EUR/TRY	23%	3.30

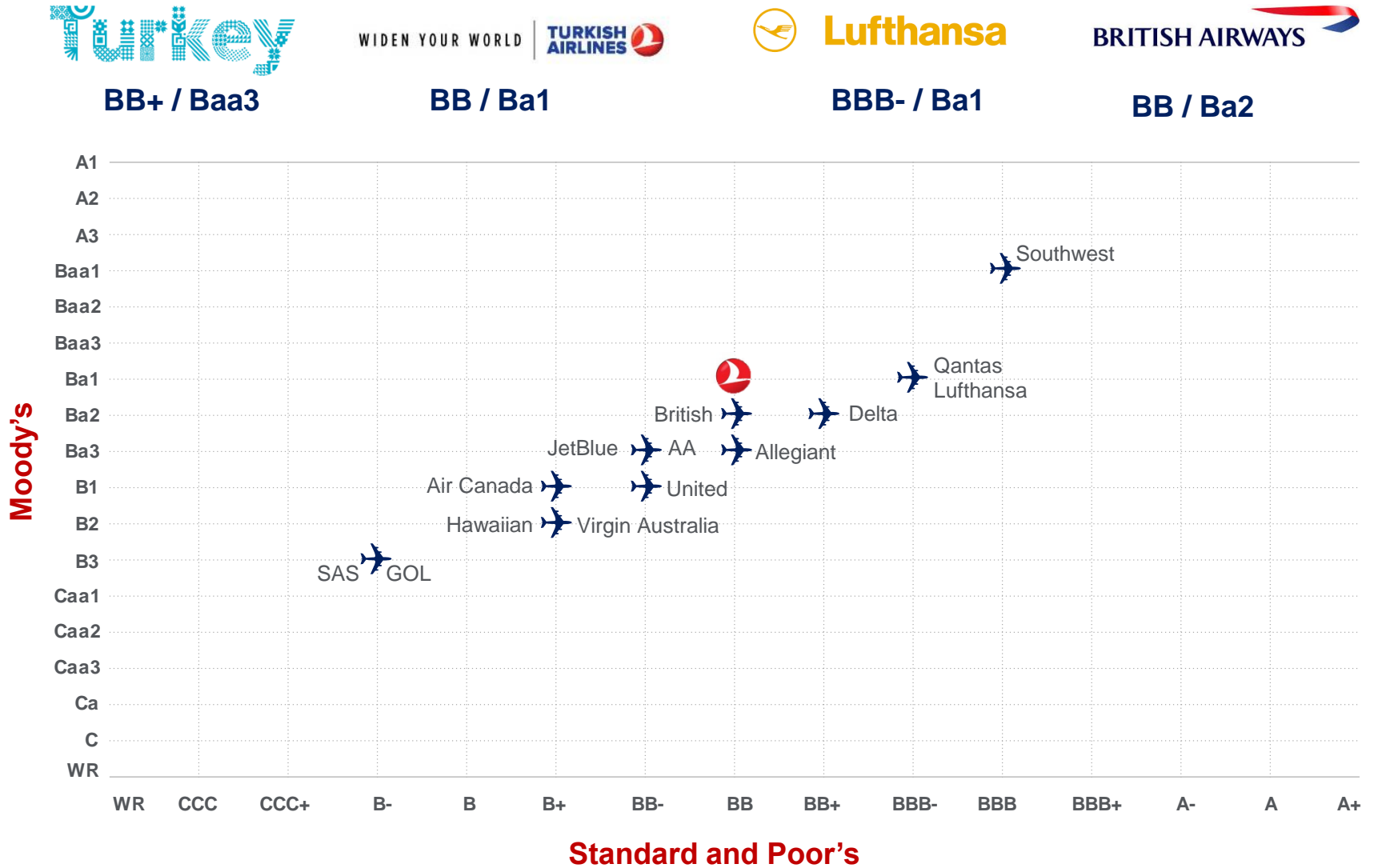
- Monthly gradually decreasing layered hedging strategy
- Sell EUR, Buy USD - TRY via forward contracts for 24 months
- Target hedge levels: 30% for TRY, 25-35% for USD

Initiatives for natural hedge:

- Sales originating from Turkey have been converted from EUR to USD
- Surcharges have been converted from EUR to USD

* Percentage of respective short positions.

Credit Rating



Note: Retrived from S&P and Moody's website on 15 January 2016.

Capacity

- 40 net fleet additions (14 WB, 24 NB aircraft)
- 21% overall capacity growth will be driven mostly by America (31%), Africa (27%) and Far East (23%) with eager growth in Europe (17%), Middle East (17%) and Domestic (11%)

	1Q'16	2Q'16	3Q'16	4Q'16
Net Fleet Additions	10	20	9	1
Capacity Change	26%	20%	19%	21%

Traffic

- Overall Load Factor to be 78%
- Passengers carried is targeted to reach 72.4 million of which 30.6 mn domestic and 40.8 mn int'l scheduled pax
- Cargo to increase 13% to 815 thousand tonnes

Cost Drivers

- 18% increase in fuel consumption
- 19% increase in average number of personnel

Financial Expectations

- Unit revenue (in USD) to decrease by 3%
- Ex-fuel unit costs (in USD) to decrease by 1.5%
- 3 billion USD Aircraft Capex
- Total Revenue to reach 12.2 billion USD
- EBITDAR margin target 20-22%

FY16 Assumptions

Average USD/TRY	3,14
Average EUR/USD	1,10
Fuel Cost (USD/Ton)	647

Thank You...

Coşkun KILIÇ, CFO

Duygu INCEÖZ, IR Manager



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WIDEN YOUR WORLD



Balance Sheet

Assets (mn USD)	2010	2011	2012	2013	2014	9M'15
Cash and Equivalents	581	934	1,028	647	722	1,156
Trade Receivables	374	405	434	538	456	485
Pre-delivery Payment (PDP) Receivables	1,042	376	267	521	990	1,058
Other Current Assets	263	426	437	419	663	728
Total Current Assets	2,259	2,140	2,166	2,125	2,831	3,427
Net Fixed Assets	4,168	5,873	7,121	8,043	9,201	11,252
of which Aircraft and Engines	3,822	5,319	6,392	7,030	8,167	9,566
Pre-delivery Payment (PDP) Receivables	108	217	655	993	650	406
Other Non-Current Assets	354	455	581	741	1,064	1,314
Total Non-Current Assets	4,629	6,545	8,357	9,777	10,915	12,972
Total Assets	6,888	8,685	10,523	11,902	13,746	16,399

Liabilities (mn USD)	2010	2011	2012	2013	2014	9M'15
Lease Obligations	2,703	4,189	4,862	5,413	5,931	7,508
Passenger Flight Liabilities	436	677	936	1,201	1,398	1,325
Accounts Payable	476	461	510	680	662	713
Other Liabilities	850	976	1,183	1,346	1,805	2,042
Total Liabilities	4,464	6,303	7,491	8,640	9,796	11,588
Total Shareholders Equity	2,424	2,382	3,032	3,262	3,950	4,811
of which Issued Capital	1,374	1,498	1,498	1,597	1,597	1,597
of which Retained Earnings	827	889	903	1,350	1,714	2,559
of which Differences from Currency Translation	2	-18	-10	-26	-47	-84
of which Net Profit for the Period	185	11	657	357	845	877
Total Liabilities & Shareholders Equity	6,888	8,685	10,523	11,902	13,746	16,399

Income Statement

(mn USD)	2010	2011	2012	2013	2014	9M'14	9M'15	YoY Change
Operating Revenue	5,448	7,070	8,234	9,826	11,070	8,540	8,054	-6%
Operating Expenses (-)	5,149	6,855	7,616	9,249	10,467	7,895	7,322	-7%
of which Fuel	1,406	2,394	2,887	3,442	3,845	2,941	2,290	-22%
of which Personnel	1,141	1,339	1,376	1,581	1,694	1,262	1,225	-3%
of which Depreciation	297	486	574	650	744	549	658	20%
of which Rent	305	252	243	448	543	431	375	-13%
Net Operating Profit / Loss	299	215	618	577	603	645	732	13%
Income From Other Operations	92	96	95	115	81	71	191	169%
Expense From Other Operations (-)	79	237	61	41	46	22	29	32%
Profit / (Loss) From Main Operations	312	73	652	651	638	694	894	29%
Income From Investment Activities (Net)	-	-	271	76	72	38	54	42%
Share of Investments' Profit / Loss	24	6	4	55	75	67	79	18%
Financial Income	47	158	49	27	443	233	427	83%
Financial Expense (-)	99	150	191	307	182	140	265	89%
Profit Before Tax	237	87	785	502	1,046	892	1,189	33%
Tax (-)	51	76	128	145	201	169	312	85%
Net Profit	185	11	657	357	845	723	877	21%

EBITDAR Calculation

3Q'14	3Q'15	YoY Change	EBITDAR (mn USD)	9M'14	9M'15	YoY Change
3,318	3,265	-2%	Sales Revenue	8,540	8,054	-6%
2,448	2,241	-8%	Cost of Sales (-)	6,856	6,276	-8%
870	1,024	18%	GROSS PROFIT / (LOSS)	1,684	1,778	6%
66	64	-3%	General Administrative Expenses (-)	201	199	-1%
267	278	4%	Marketing and Sales Expenses (-)	838	847	1%
537	682	27%	NET OPERATING PROFIT / (LOSS)	645	732	13%
18	33	83%	Other Operating Income	71	191	169%
17	13	-24%	Other Operating Expense (-)	22	29	32%
538	702	30%	Profit / (Loss) from Main Operations	694	894	29%
62	83	34%	Adjustments	109	125	15%
47	67	43%	Share of Investments' Profit / Loss Accounted by Using The Equity Method	67	79	18%
15	16	7%	Income From Government Incentives	42	46	10%
600	785	31%	EBIT	803	1,019	27%
176	215	22%	Cost of Sales_Depreciation	513	610	19%
13	16	23%	General Administrative Expenses_Depreciation	31	43	39%
2	2	0%	Marketing and Sales Expenses_Depreciation	5	5	0%
791	1,018	29%	EBITDA	1,352	1,677	24%
93	118	27%	Adjusted Operating Lease Expenses ¹	244	308	26%
64	48	-26%	Adjusted Short term Lease Expenses (Wet-lease) ²	170	123	-28%
948	1,184	25%	EBITDAR	1,766	2,108	19%
28.6%	36.3%	7.7 pt	EBITDAR MARGIN	20.7%	26.2%	5.5 pt

(*): Adjusted for A/C heavy maintenance

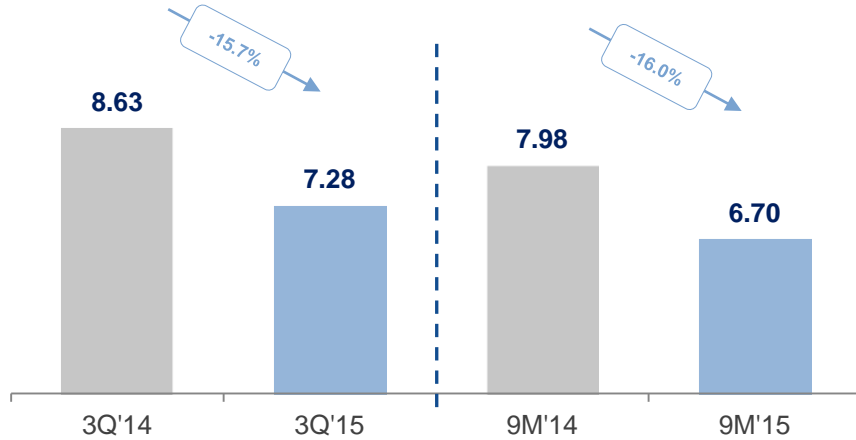
(**): Adjusted for A/C rent portion (Aprox. 55%)

Operational Expense Breakdown

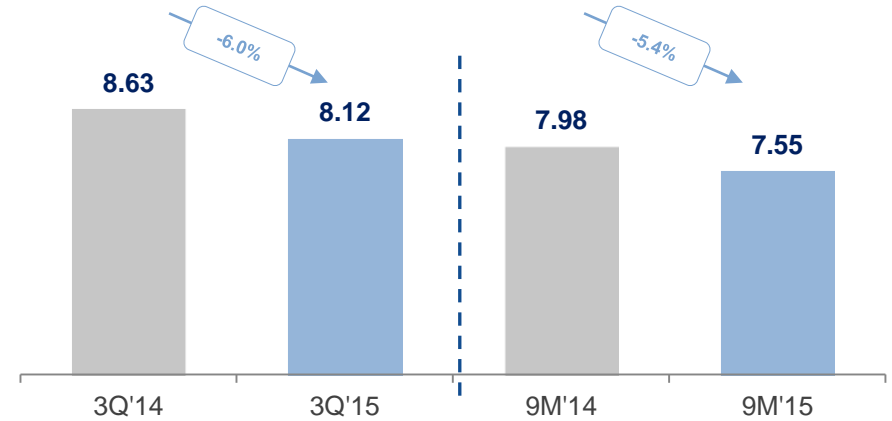
(mn USD)	9M'14	% in Total	9M'15	% in Total	YoY Change
Fuel	2,941	37.3%	2,290	31.3%	-22.1%
Personnel	1,262	16.0%	1,225	16.7%	-2.9%
Landing, Navigation & Air Traffic	716	9.1%	687	9.4%	-4.1%
Sales & Marketing	623	7.9%	648	8.9%	4.0%
Depreciation	549	7.0%	658	9.0%	19.9%
Ground Handling	468	5.9%	465	6.4%	-0.6%
Aircraft Rent	431	5.5%	375	5.1%	-13.0%
Passenger Services & Catering	419	5.3%	441	6.0%	5.3%
Maintenance	305	3.9%	339	4.6%	11.1%
General Administration	64	0.8%	63	0.9%	-1.6%
Other	117	1.5%	131	1.8%	12.0%
TOTAL	7,895	100%	7,322	100%	-7.3%
Operating Cost per ASK (USc)	7.87	-	6.48	-	-17.6%
Ex-fuel Operating Cost per ASK (Usc)	4.94	-	4.45	-	-9.8%
Fixed Costs	2,092	26.5%	2,094	28.6%	0.1%

Unit Revenue Development

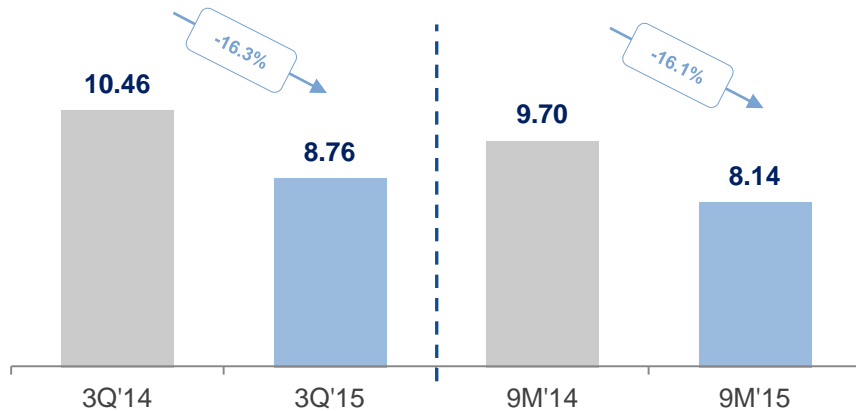
RASK (USc)



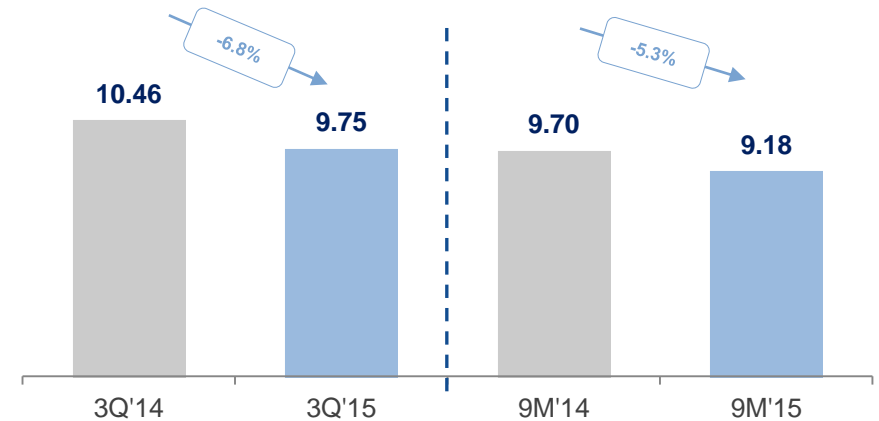
RASK ex-currency (USc)



Yield (USc)



Yield ex-currency (USc)



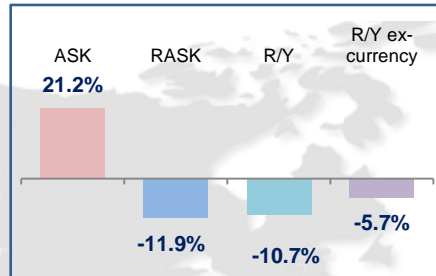
Yield (R/Y) : Passenger Revenue / RPK (Scheduled)

RASK : Passenger and Cargo Revenue / ASK* (Scheduled)

* ASK value is adjusted for cargo operations.

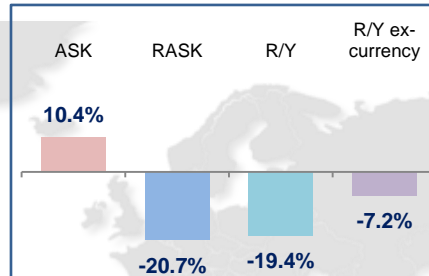
Regional Yield Development in USD (9M'14 vs 9M'15)

America



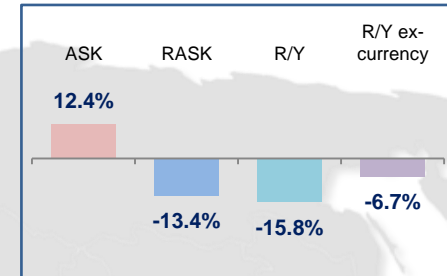
- Substantial capacity increase
- Weaker beyond traffic to/from ME
- Increased market capacity

Europe & CIS



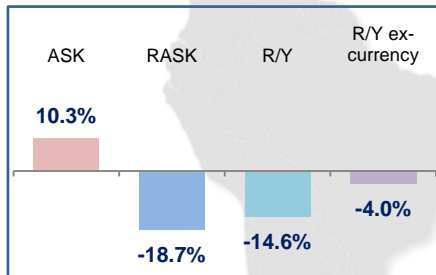
- 10 new routes inc. SAW
- Local currency depreciations (Russia, Ukraine, Belarus, Azerbaijan and weaker Eur)
- Weaker direct traffic due to currency depreciations and security concerns
- Donetsk, Simferopol suspended

Asia / Far East



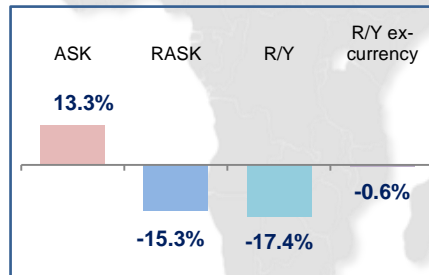
- 3 New Routes (Taipei, Manila, Hucend)
- Depreciation of local currencies
- Weaker demand from Japan, Korea, Nepal, weaker premium and corporate demand from China
- Increased market capacity

Africa



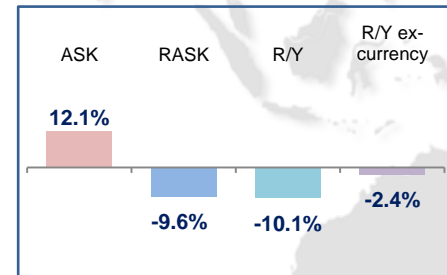
- 2 New Routes (Abuja, Mali)
- Depreciation of local currencies
- Security issues and political unrest in Nigeria, Camerun, Chad, Kenya, Tunisia, Burkina Faso
- Increased market capacity from Gulf
- Tripoli, Misrata, Benghazi suspended

Domestic



- Substantial capacity increase at SAW
- 6 new routes (Bursa, Kocaeli, Tokat, Ordu-Giresun, Uşak, Hakkari)
- Weaker transfer traffic from international lines, more local traffic (higher yield)
- Increased market capacity

Middle East



- Substantial capacity increase in 3Q
- Capacity increases at SAW
- Significant pick-up of Tel Aviv, Egypt, Iraq traffic in 3Q
- Increased market capacity
- Musul, Sana'a, Aden suspended

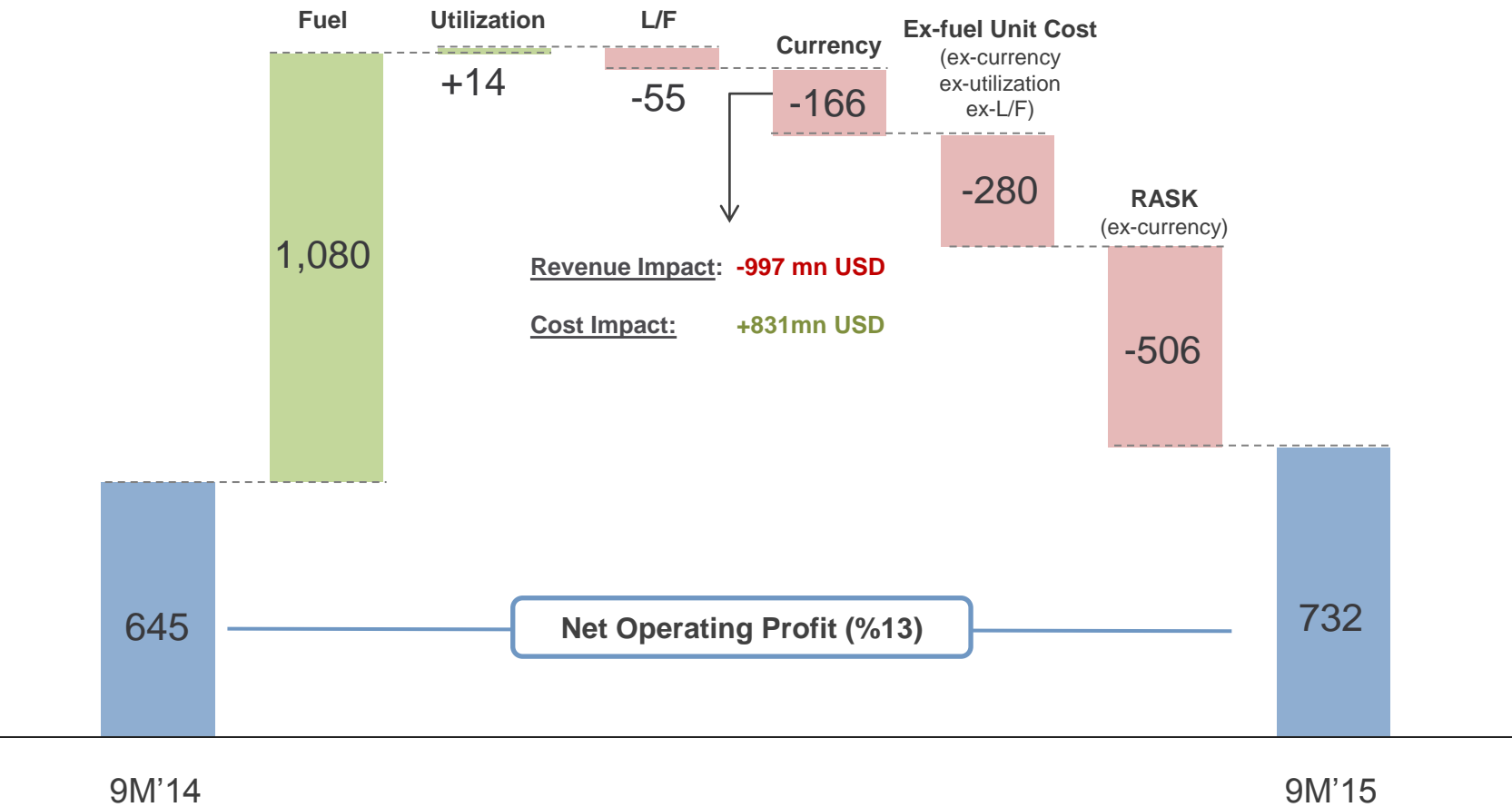
R/Y : Passenger Revenue / RPK (Scheduled)

RASK : Passenger and Cargo Revenue / ASK* (Scheduled)

* ASK value is adjusted for cargo operations.

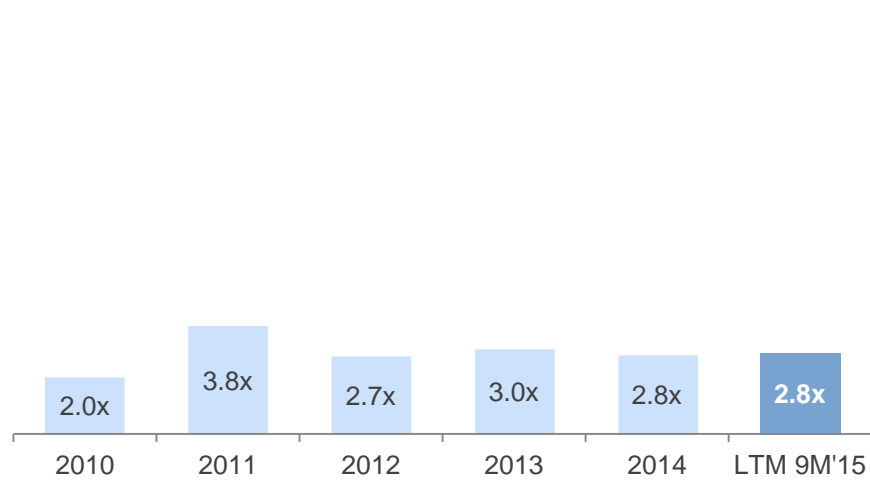
Net Operating Profit Bridge (9M'14 vs 9M'15)

(mn USD)

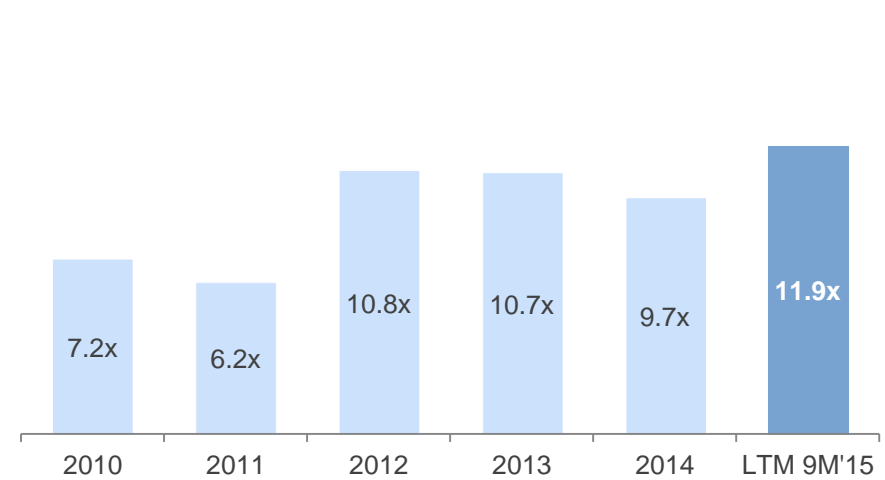


Financial Ratios (LTM 9M'15)

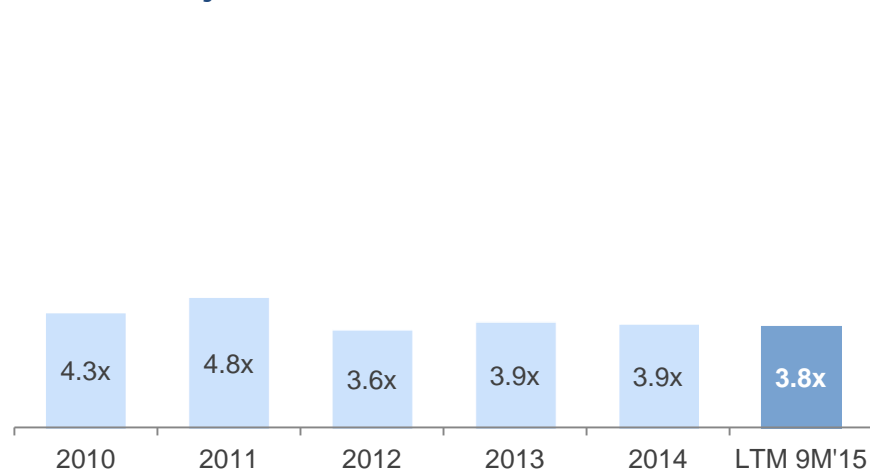
Net Debt / EBITDA



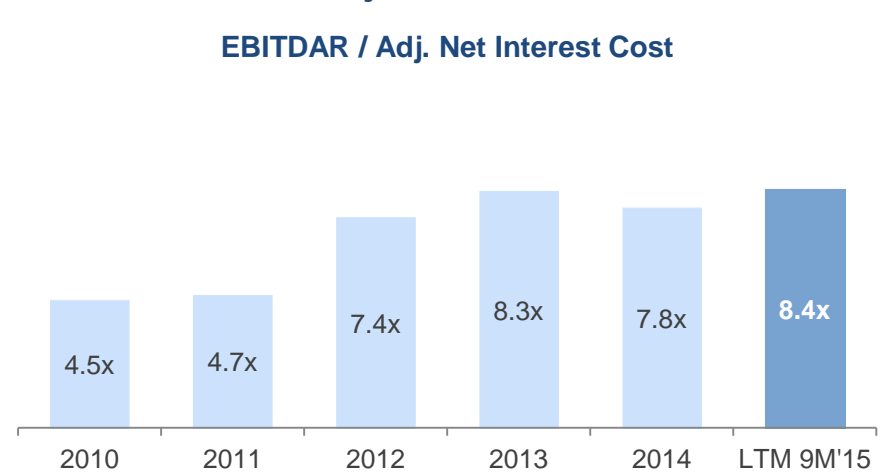
EBITDA / Net Interest Cost



Adjusted Net Debt⁽¹⁾ / EBITDAR



EBITDAR / Adjusted Net Interest Cost⁽²⁾














⁽¹⁾ Adjusted for the capitalization of operating leases including 55% of wet lease (7x)

⁽²⁾ Adjusted by the portion of financial costs within operating leases (33%)

Subsidiaries, Joint Ventures and Affiliates¹

Total Net Profit Contribution 9M'15: USD 79 mn

						
Date of Creation	2009	1989	2006	2007	2008	2008
Ownership (as of 1H'15)	 Opet 50% THY 50%	 LH 50% THY 50%	 THY 100%	 Do & Co 50% THY 50%	 Havas 50% THY 50%	 Pratt & Whitney 51% THY 49%
Business Description	Aviation Fuel	Passenger Airline	Maintenance Services	Airline Catering	Ground Services	Maintenance Services
Number of Personnel	426	3,420	5,383	5,539	9,953	269
Revenues² (9M'15)	USD 1,394 mn	USD 954 mn	USD 668 mn	USD 287 mn	USD 192 mn	USD 163 mn
Net Profit (9M'15)	USD 20 mn	USD 90 mn	USD 27 mn	USD 27 mn	USD 20 mn	USD 8 mn
Paid in Capital	USD 19 mn	USD 39 mn	USD 358 mn	USD 11 mn	USD 4 mn	USD 29 mn

(1) Material entities with more than \$10 mn revenues in 9M'15

(2) Full company revenues, not just the portion attributable to THY

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