

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 30 June 2016
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

ASSETS	Reviewed	Audited
	30 June 2016	31 December 2015
Current Assets		
Cash and Cash Equivalents	3.014	2.617
Financial Investments	191	180
Trade Receivables		
-Trade Receivables From Related Parties	-	1
-Trade Receivables From Non-Related Parties	1.626	1.051
Other Receivables		
-Other Receivables from Related Parties	7	7
-Other Receivables from Non-Related Parties	3.084	4.019
Derivative Financial Instruments	407	290
Inventories	669	628
Prepaid Expenses	305	215
Current Income Tax Assets	31	35
Other Current Assets	95	105
TOTAL CURRENT ASSETS	9.429	9.148
Non-Current Assets		
Financial Investments	91	3
Other Receivables		
-Other Receivables from Non-Related Parties	1.748	3.078
Investments Accounted by Using Equity Method	659	715
Investment Property	2	2
Property and Equipment	38.745	33.191
Intangible Assets		
- Other Intangible Assets	236	258
- Goodwill	36	36
Prepaid Expenses	1.470	1.207
TOTAL NON-CURRENT ASSETS	42.987	38.490
TOTAL ASSETS	52.416	47.638

The accompanying notes are an integral part of these condensed consolidated financial statements.

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	Reviewed	Audited
	30 June 2016	31 December 2015
LIABILITIES		
Current Liabilities		
Short Term Borrowings	723	727
Short-Term Portion of Long-Term Borrowings	2.768	2.218
Other Financial Liabilities	18	44
Trade Payables		
-Trade Payables to Related Parties	390	383
-Trade Payables to Non-Related Parties	1.708	1.566
Payables Related to Employee Benefits	422	351
Other Payables		
-Other Payables to Non-Related Parties	219	245
Derivative Financial Instruments	753	1.650
Deferred Income	4.344	3.209
Current Tax Provision	13	29
Short-Term Provisions		
-Provisions for Employee Benefits	186	150
-Other Provisions	39	44
Other Current Liabilities	618	632
TOTAL CURRENT LIABILITIES	12.201	11.248
Non- Current Liabilities		
Long-Term Borrowings	24.716	19.294
Other Payables		
-Other Payables to Non-Related Parties	32	34
Deferred Income	31	46
Long-Term Provisions		
-Provisions for Employee Benefits	381	348
Deferred Tax Liability	2.203	2.578
TOTAL NON- CURRENT LIABILITIES	27.363	22.300
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	(18)	(23)
Items That Are or May Be Reclassified to		
Profit or Loss		
-Foreign Currency Translation Differences	4.783	4.836
-Fair Value (Losses) on Hedging Instruments		
Entered into for Cash Flow Hedges	(248)	(952)
Restricted Profit Reserves	59	59
Previous Years Profit	7.666	4.673
Net (Loss) / Profit for the Period	(1.894)	2.993
TOTAL EQUITY	12.852	14.090
TOTAL LIABILITIES AND EQUITY	52.416	47.638

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TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income For the Six-Month Period Ended 30 June 2016
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Reviewed	Not Reviewed	Reviewed	Not Reviewed
	1 January - 30 June 2016	1 April - 30 June 2016	1 January - 30 June 2015	1 April - 30 June 2015
PROFIT OR LOSS				
Sales Revenue	13.508	7.077	12.302	6.845
Cost of Sales (-)	(12.518)	(6.434)	(10.361)	(5.657)
GROSS PROFIT	990	643	1.941	1.188
General Administrative Expenses (-)	(481)	(241)	(345)	(166)
Marketing and Sales Expenses (-)	(1.933)	(1.003)	(1.463)	(804)
Other Operating Income	234	22	426	276
Other Operating Expenses (-)	(16)	3	(42)	(20)
OPERATING (LOSS)/PROFIT BEFORE INVESTMENT ACTIVITIES	(1.206)	(576)	517	474
Income from Investment Activities	164	102	87	55
Expenses from Investment Activities	(59)	(59)	(1)	-
Share of Investments' (Loss) / Profit Accounted by Using The Equity Method	(8)	63	34	67
OPERATING (LOSS)/PROFIT	(1.109)	(470)	637	596
Financial Income	218	173	1.096	407
Financial Expenses (-)	(1.500)	(519)	(277)	(139)
(LOSS)/PROFIT BEFORE TAX	(2.391)	(816)	1.456	864
Tax Income / (Expense)	497	160	(421)	(203)
Current Tax Expense	(41)	(13)	-	-
Deferred Tax Income / (Expense)	538	173	(421)	(203)
(LOSS)/ PROFIT FOR THE PERIOD	(1.894)	(656)	1.035	661

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TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income For the Six-Month Period Ended 30 June 2016
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	<u>Reviewed</u>	<u>Not Reviewed</u>	<u>Reviewed</u>	<u>Not Reviewed</u>
	<u>1 January - 30 June 2016</u>	<u>1 April - 30 June 2016</u>	<u>1 January - 30 June 2015</u>	<u>1 April - 30 June 2015</u>
<u>OTHER COMPREHENSIVE INCOME</u>				
Items That May Be Reclassified Subsequently To Profit or Loss				
Currency Translation Adjustment	651	800	1.811	410
Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	(53)	266	1.515	339
Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	876	670	359	100
Income Tax Relating Items That May Be Reclassified Subsequently to Profit or Loss	4	(3)	11	(11)
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(176)	(133)	(74)	(18)
Actuarial Gains on Retirement Pay Obligation	5	4	(7)	(3)
Income Tax Relating Items That Will Not Be Reclassified Subsequently to Profit or Loss	6	5	(8)	(3)
	(1)	(1)	1	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	656	804	1.804	407
TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE PERIOD	(1.238)	148	2.839	1.068
Basic (Loss) / Earning Per Share	(1,37)	(0,48)	0,75	0,48

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TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 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		Total Equity
	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	
As of 1 January 2016	1.380	1.124	(23)	4.836	(952)	59	4.673	2.993	14.090
Transfers	-	-	-	-	-	-	2.993	(2.993)	-
Total comprehensive income /(loss)	-	-	5	(53)	704	-	-	(1.894)	(1.238)
As of 30 June 2016	1.380	1.124	(18)	4.783	(248)	59	7.666	(1.894)	12.852

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TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income For the Six-Month Period Ended 30 June 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			Total Equity
	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	
As of 1 January 2015	1.380	1.124	(20)	2.367	(429)	59	2.854	1.819	9.154
Transfers	-	-	-	-	-	-	1.819	(1.819)	-
Total comprehensive income /(loss)	-	-	(7)	1.515	296	-	-	1.035	2.839
As of 30 June 2015	1.380	1.124	(27)	3.882	(133)	59	4.673	1.035	11.993

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TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2016
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Reviewed	Reviewed
	1 January- 30 June 2016	1 January- 30 June 2015
Profit (loss)	(1.894)	1.035
Adjustments to Reconcile Profit (Loss)		
Adjustments for Depreciation and Amortisation Expense	1.623	1.092
Adjustments for (Reversal of) Provisions Related with Employee Benefits	77	58
Adjustments for (Reversal of) Provisions for Payables	(5)	8
Adjustments for Free Provisions for Probable Risks	(6)	-
Adjustments for Interest Income	(132)	(33)
Adjustments for Interest Expense	270	202
Adjustments For Unrealised Foreign Exchange Losses (Gains)	1.202	(149)
Adjustments for Manufacturers' Credits	4	(6)
Adjustments for Fair Value Losses on Derivative Financial Instruments	(134)	28
Adjustments for Undistributed Profits of Associates	8	(34)
Adjustments for Tax (Income) Expenses	(497)	421
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets	59	(1)
Adjustments for Losses (Gains) Arised from Sale of Other Non-Current Assets	39	-
Changes in Working Capital	614	2.621
(Increase) in Trade Receivables from Related Parties	1	(1)
(Increase) in Trade Receivables from Non-Related Parties	(585)	(254)
Decrease (Increase) in Other Non-Related Party Receivables Related with Operations	830	(231)
Adjustments for Decrease (Increase) in Inventories	(44)	(172)
Adjustments for Decrease (Increase) in Prepaid Expenses	(363)	(206)
Increase (Decrease) in Trade Payables to Related Parties	7	(56)
Increase (Decrease) in Trade Payables to Non-Related Parties	153	103
Adjustments for Increase (Decrease) in Payables Due to Employee Benefits	73	(41)
Increase (Decrease) in Other Operating Payables to Non-Related Parties	(27)	(15)
Increase (Decrease) in Deferred Income	1.134	1.275
Decrease (Increase) in Other Assets Related with Operations	9	(10)
Cash Flows From (Used in) Operations	1.802	3.013
Payments for Provisions Related with Employee Benefits	(15)	(13)
Income taxes refund (paid)	4	3
Net Cash From (Used in) Operating Activities	1.791	3.003
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed from sales of property, plant and equipment	5	54
Cash Payments From Purchasing of property, plant and equipment*	(1.910)	(936)
Cash Payments From Purchasing of Other Long-Term Assets	(100)	(368)
Other Cash Advances and Loans	1.494	254
Dividends Received	66	73
Interest Received	95	29
Net Cash Flows From Investing Activities	(350)	(894)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from Loans	365	-
Payments of finance lease liabilities	(1.205)	(724)
Interest Paid	(178)	(173)
Other Inflows (Outflows) of Cash	(26)	(33)
Net Cash Flows From Financing Activities	(1.044)	(930)
Net Change in Cash and Cash Equivalents	397	1.179
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	2.617	1.474
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	3.014	2.653

(*) 5.559 TL portion of property and equipment and intangible assets purchases in total of 7.469 TL for the period ended 30 June 2016 was financed through finance leases. (30 June 2015: 3.848 TL portion of property and equipment and intangible assets purchases in total of 4.784 TL was financed through finance leases.)

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