

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 30 September 2018
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Audited
ASSETS	30 September 2018	31 December 2017
Current Assets		
Cash and Cash Equivalents	16.343	7.132
Financial Investments	-	736
Trade Receivables		
-Trade Receivables From Related Parties	3	-
-Trade Receivables From Non-Related Parties	3.926	2.233
Other Receivables		
-Other Receivables from Related Parties	18	-
-Other Receivables from Non-Related Parties	7.362	1.204
Derivative Financial Instruments	1.368	767
Inventories	997	728
Prepaid Expenses	1.119	450
Current Income Tax Assets	170	120
Other Current Assets	395	329
TOTAL CURRENT ASSETS	31.701	13.699
Non-Current Assets		
Financial Investments	1.107	193
Other Receivables		
-Other Receivables from Non-Related Parties	4.185	2.336
Investments Accounted by Using Equity Method	2.167	1.209
Investment Property	2	2
Property and Equipment	79.200	49.040
Intangible Assets		
- Other Intangible Assets	387	249
- Goodwill	74	47
Prepaid Expenses	4.161	1.872
TOTAL NON-CURRENT ASSETS	91.283	54.948
TOTAL ASSETS	122.984	68.647

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 30 September 2018
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Audited
	30 September 2018	31 December 2017
LIABILITIES		
Current Liabilities		
Short Term Borrowings	6.652	2.807
Short-Term Portion of Long-Term Borrowings	6.592	3.707
Other Financial Liabilities	82	61
Trade Payables		
-Trade Payables to Related Parties	1.191	635
-Trade Payables to Non-Related Parties	4.718	2.594
Payables Related to Employee Benefits	707	755
Other Payables		
-Other Payables to Related Parties	-	25
-Other Payables to Non-Related Parties	370	245
Derivative Financial Instruments	1.023	481
Deferred Income	7.000	3.831
Current Tax Provision	171	47
Short-Term Provisions		
-Provisions for Employee Benefits	307	155
-Other Provisions	83	82
Other Current Liabilities	1.155	784
TOTAL CURRENT LIABILITIES	30.051	16.209
Non- Current Liabilities		
Long-Term Borrowings	47.988	27.684
Other Payables		
-Other Payables to Non-Related Parties	396	314
Deferred Income	317	159
Long-Term Provisions		
-Provisions for Employee Benefits	546	482
Deferred Tax Liability	7.047	3.628
TOTAL NON-CURRENT LIABILITIES	56.294	32.267
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	(92)	(55)
Items That Are or May Be Reclassified to Profit or Loss		
-Foreign Currency Translation Differences	20.948	9.171
-Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	1.028	231
-Gains on Remeasuring FVOCI	(97)	3
Restricted Profit Reserves	59	59
Previous Years Profit	8.206	7.619
Net Profit for the Period	4.083	639
TOTAL EQUITY	36.639	20.171
TOTAL LIABILITIES AND EQUITY	122.984	68.647

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income For the Nine-Month Period Ended 30 September 2018
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
	1 January -	1 July -	1 January -	1 July -
PROFIT OR LOSS	30 September 2018	30 September 2018	30 September 2017	30 September 2017
Revenue	46.367	21.992	29.332	12.658
Cost of Sales (-)	(34.764)	(14.877)	(22.693)	(8.270)
GROSS PROFIT	11.603	7.115	6.639	4.388
General Administrative Expenses (-)	(927)	(358)	(734)	(228)
Marketing and Sales Expenses (-)	(4.560)	(1.799)	(3.057)	(1.042)
Other Operating Income	528	273	597	226
Other Operating Expenses (-)	(695)	(363)	(106)	(44)
OPERATING PROFIT BEFORE	5.949	4.868	3.339	3.300
INVESTMENT ACTIVITIES				
Income from Investment Activities	884	724	554	166
Expenses from Investment Activities	(4)	(4)	(5)	-
Share of Investments' Profit Accounted by Using The Equity Method	686	542	370	292
OPERATING PROFIT	7.515	6.130	4.258	3.758
Financial Income	317	205	149	36
Financial Expenses (-)	(2.871)	(1.501)	(3.437)	(820)
PROFIT BEFORE TAX	4.961	4.834	970	2.974
Tax Expense	(878)	(878)	(147)	(536)
Current Tax Expense	(254)	(119)	(140)	(54)
Deferred Tax Income	(624)	(759)	(7)	(482)
NET PROFIT FOR THE PERIOD	4.083	3.956	823	2.438

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Profit or Loss and
Other Comprehensive Income For the Nine-Month Period Ended 30 September 2018
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	<u>Not Reviewed</u>	<u>Not Reviewed</u>	<u>Not Reviewed</u>	<u>Not Reviewed</u>
	<u>1 January -</u>	<u>1 July -</u>	<u>1 January -</u>	<u>1 July -</u>
<i>OTHER COMPREHENSIVE INCOME</i>	<u>30 September 2018</u>	<u>30 September 2018</u>	<u>30 September 2017</u>	<u>30 September 2017</u>
Items That May Be Reclassified Subsequently To Profit or Loss	12.474	7.762	142	293
Currency Translation Adjustment	11.777	7.710	301	259
(Losses) / Gains on Remeasuring FVOCI	(125)	(81)	4	1
Related Tax of Remeasuring FVOCI	25	16	(1)	(1)
Fair Value Gains / (Losses) on Hedging Instruments				
Entered into for Cash Flow Hedges	939	132	(168)	38
Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method				
Entered into for Cash Flow Hedges	58	5	(35)	4
Related Tax of Other Comprehensive Income	(200)	(20)	41	(8)
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(37)	(22)	2	-
Actuarial (Losses)/Gains on Retirement Pay Obligation	(46)	(27)	3	-
Related Tax of Other Comprehensive Income	9	5	(1)	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	12.437	7.740	144	293
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16.520	11.696	967	2.731
Basic Gain Per Share (Full US Cents)	2,96	2,87	0,60	1,77
Diluted Gain Per Share (Full US Cents)	2,96	2,87	0,60	1,77

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2018
(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 on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit		Net Profit for The Period
As of 1 January 2018	1.380	1.124	(55)	9.171	231	3	59	7.619	639	20.171
Adjustment on initial application of IFRS 15	-	-	-	-	-	-	-	(23)	-	(23)
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	(29)	-	(29)
Restated As of 1 January 2018	1.380	1.124	(55)	9.171	231	3	59	7.567	639	20.119
Transfers	-	-	-	-	-	-	-	639	(639)	-
Total comprehensive income	-	-	(37)	11.777	797	(100)	-	-	4.083	16.520
As of 30 September 2018	1.380	1.124	(92)	20.948	1.028	(97)	59	8.206	4.083	36.639

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2018
(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	Gains on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit		Net (Loss) for The Period
As of 1 January 2017	1.380	1.124	(37)	7.685	69	-	59	7.666	(47)	17.899
Transfers	-	-	-	-	-	-	-	(47)	47	-
Total comprehensive income	-	-	2	301	(162)	3	-	-	823	967
As of 30 September 2017	1.380	1.124	(35)	7.986	(93)	3	59	7.619	823	18.866

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Nine-Month Period Ended 30 September 2018

(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	Not Reviewed	Not Reviewed
	1 January -	1 January -
	30 September 2018	30 September 2017
Net Profit for the period	4.083	823
Adjustments to Reconcile Profit / (Loss)		
Adjustments for Depreciation and Amortisation Expense	3.713	2.725
Adjustments for Provisions Related with Employee Benefits	120	77
Adjustments for Provisions for Payables	(1)	12
Adjustments for Reversal of Probable Risks	(14)	(22)
Adjustments for Interest Income	(309)	(327)
Adjustments for Interest Expense	949	570
Adjustments For Unrealised Foreign Exchange Losses	4.606	2.000
Adjustments for Manufacturers' Credits	3	7
Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments	(38)	66
Adjustments for Undistributed Profits of Associates	(686)	(370)
Adjustments for Tax Income	878	147
Adjustments for Gains Arised From Sale of Tangible Assets	(17)	(166)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	107	49
Operating Profit Before Changes in Working Capital	13.394	5.591
Increase in Trade Receivables from Non Related Parties	(294)	(693)
Increase in Other Non-Related Party Receivables Related with Operations	(1.006)	(118)
Adjustments for Decrease in Inventories	122	16
Adjustments for (Increase) in Prepaid Expenses	(1.223)	(34)
Increase in Trade Payables to Related Parties	140	58
Increase in Trade Payables to Non-Related Parties	460	727
Adjustments for Decrease in Payables Due to Employee Benefits	(378)	(8)
(Decrease) / Increase in Other Operating Payables to Non-Related Parties	(124)	120
Increase in Deferred Income	684	1.028
Decrease / (Increase) in Other Assets Related with Operations	164	(189)
Cash Flows From Operations	11.939	6.498
Payments for Provisions Related with Employee Benefits	(41)	(40)
Income taxes paid	(180)	(12)
Net Cash From Operating Activities	11.718	6.446
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed From Sales of Property, Plant and Equipment	65	3.375
Cash Payments From Purchasing of Property, Plant and Equipment (*)	(3.094)	(1.978)
Cash Payments From Purchasing of Other Long-term Assets	(16)	(13)
Other Cash Advances and Loans	(3.761)	1.300
Dividends Received	(150)	63
Interest Received	309	313
Net Cash Flows / (Used In) Investing Activities	(6.647)	3.060
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	7.756	65
Payments of Finance Lease Liabilities	(3.018)	(5.744)
Interest Paid	(587)	(356)
Other (Outflows) / Inflows of Cash	(11)	49
Net Cash Used in Financing Activities	4.140	(5.986)
Net Change in Cash and Cash Equivalents	9.211	3.520
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	7.132	5.159
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	16.343	8.679

(*) 1.781 TRY portion of property and equipment and intangible assets purchases in total of 4.875 TRY for the year ended 30 September 2018 was financed through finance leases. (30 September 2017: 1.384 TRY portion of property and equipment and intangible assets purchases in total of 3.362 TRY was financed through finance leases.)