

**TÜRK HAVA YOLLARI ANONİM  
ORTAKLIĐI AND ITS SUBSIDIARIES**

Condensed Consolidated Interim  
Financial Statements As at and For  
The Nine-Month Period  
Ended 30 September 2019

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Balance Sheet as at 30 September 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

ASSETS	Notes	Not Reviewed	Audited
		30 September 2019	31 December 2018
<b>Non-Current Assets</b>			
Financial Investments	6	500	454
Other Receivables			
-Third Parties	10	6.800	5.280
Investments Accounted by Using Equity Method	3	2.087	1.884
Investment Property		-	2
Property and Equipment	12	87.436	73.219
Right of Use Assets	12	8.190	-
Intangible Assets			
- Other Intangible Assets	13	452	429
- Goodwill		70	65
Prepaid Expenses		5.050	4.037
<b>TOTAL NON-CURRENT ASSETS</b>		<b>110.585</b>	<b>85.370</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	5	10.123	8.606
Financial Investments	6	626	2.733
Trade Receivables			
-Related Parties	9	23	10
-Third Parties		3.649	2.992
Other Receivables			
-Related Parties	9	255	18
-Third Parties	10	6.330	6.199
Derivative Financial Instruments	28	492	299
Inventories		1.589	1.000
Prepaid Expenses		935	1.011
Current Income Tax Assets	26	213	318
Other Current Assets		683	520
<b>TOTAL CURRENT ASSETS</b>		<b>24.918</b>	<b>23.706</b>
<b>TOTAL ASSETS</b>		<b>135.503</b>	<b>109.076</b>

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

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Balance Sheet as at 30 September 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Reviewed</b>	<b>Audited</b>
		<b>30 June 2019</b>	<b>31 December 2018</b>
<b>Equity</b>			
Share Capital	19	1.380	1.380
Inflation Adjustment on Share Capital	19	1.124	1.124
Items That Will Not Be Reclassified to Profit or Loss			
-Actuarial (Losses) on Retirement Pay Obligation	19	( 220)	( 184)
Items That Are or May Be Reclassified to Profit or Loss			
-Foreign Currency Translation Differences	19	18.959	16.687
-Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	19	1.480	1
-Gains on Remeasuring FVOCI	19	7	( 37)
Restricted Profit Reserves	19	59	59
Previous Years Profit	19	12.149	8.206
Net Profit for the Period		2.587	4.045
Equity of the Parent		37.525	31.281
Non-Controlling Interests (*)		3	3
<b>TOTAL EQUITY</b>		<b>37.528</b>	<b>31.284</b>
<b>Non- Current Liabilities</b>			
Long-Term Borrowings	7 and 14	48.830	43.342
Long Term Lease Liabilities	7 and 14	6.637	-
Other Payables			
-Third Parties		177	188
Deferred Income	11	698	342
Long-Term Provisions			
-Provisions for Employee Benefits	17	785	685
-Other Provisions		229	-
Deferred Tax Liability	26	7.042	5.989
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>64.398</b>	<b>50.546</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	6.547	5.780
Short-Term Portion of Long-Term Borrowings	7 and 14	8.304	6.680
Short Term Portion of Lease Liabilities	7 and 14	1.407	-
Other Financial Liabilities	8	141	32
Trade Payables			
-Related Parties	9	545	1.213
-Third Parties		5.324	4.162
Payables Related to Employee Benefits		1.205	1.053
Other Payables			
-Third Parties		416	412
Derivative Financial Instruments	28	759	1.033
Deferred Income	11	7.002	5.507
Short-Term Provisions			
-Provisions for Employee Benefits	15	262	200
-Other Provisions	15	77	87
Other Current Liabilities		1.588	1.087
<b>TOTAL CURRENT LIABILITIES</b>		<b>33.577</b>	<b>27.246</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>135.503</b>	<b>109.076</b>

(\*)The non-controlling share in the assets and results of subsidiaries for the year are separately classified as “non-controlling interest” in the consolidated statements of financial position and consolidated statements of profit or loss.

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

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Profit or Loss**  
**For the Nine-Month Period Ended 30 September 2019**  
(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 -
<b><u>PROFIT OR LOSS</u></b>	<b>Notes</b>	<b>30 September 2019</b>	<b>30 September 2019</b>	<b>30 September 2018</b>	<b>30 September 2018</b>
Revenue	20	56.151	22.635	46.367	21.992
Cost of Sales (-)	21	( 46.118)	( 16.515)	( 34.764)	( 14.877)
<b>GROSS PROFIT</b>		<b>10.033</b>	<b>6.120</b>	<b>11.603</b>	<b>7.115</b>
General Administrative Expenses (-)	22	( 1.252)	( 437)	( 927)	( 358)
Marketing and Sales Expenses (-)	22	( 6.210)	( 2.061)	( 4.560)	( 1.799)
Other Operating Income	23	802	259	528	259
Other Operating Expenses (-)	23	( 294)	( 67)	( 695)	( 349)
<b>OPERATING (LOSS) / PROFIT BEFORE INVESTMENT ACTIVITIES</b>		<b>3.079</b>	<b>3.814</b>	<b>5.949</b>	<b>4.868</b>
Income from Investment Activities	24	660	164	884	724
Expenses from Investment Activities	24	( 447)	-	( 4)	( 4)
Share of Investments' Profit Accounted by Using The Equity Method	3	461	405	686	542
<b>OPERATING (LOSS) / PROFIT</b>		<b>3.753</b>	<b>4.383</b>	<b>7.515</b>	<b>6.130</b>
Financial Income	25	316	570	317	205
Financial Expenses (-)	25	( 1.301)	( 434)	( 2.871)	( 1.501)
<b>(LOSS) / PROFIT BEFORE TAX</b>		<b>2.768</b>	<b>4.519</b>	<b>4.961</b>	<b>4.834</b>
<b>Tax Income / (Expense)</b>		<b>( 181)</b>	<b>( 812)</b>	<b>( 878)</b>	<b>( 878)</b>
Current Tax Income / (Expense)	26	-	19	( 254)	( 119)
Deferred Tax Expense	26	( 181)	( 831)	( 624)	( 759)
<b>NET (LOSS) / PROFIT FOR THE PERIOD</b>		<b>2.587</b>	<b>3.707</b>	<b>4.083</b>	<b>3.956</b>

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

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Nine-Month Period Ended 30 September 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

		Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
	Notes	1 January - 30 September 2019	1 July - 30 September 2019	1 January - 30 September 2018	1 July - 30 September 2018
<b><u>OTHER COMPREHENSIVE INCOME</u></b>					
<b>Items That May Be Reclassified Subsequently To Profit or Loss</b>					
Currency Translation Adjustment		3.795	541	12.474	7.762
Gains / (Losses) on Remeasuring FVOCI		2.272	( 559)	11.777	7.710
Related Tax of Remeasuring FVOCI		56	38	( 125)	( 81)
Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges		( 12)	( 8)	25	16
Fair Value Gains Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges		1.829	1.309	939	132
Related Tax of Other Comprehensive Expense		32	27	58	5
<b>Items That Will Not Be Reclassified Subsequently To Profit or Loss</b>					
Actuarial (Losses) / Gains on Retirement Pay Obligation		( 36)	5	( 37)	( 22)
Related Tax of Other Comprehensive Income / (Expense)		( 45)	6	( 46)	( 27)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>					
		<b>3.759</b>	<b>546</b>	<b>12.437</b>	<b>7.740</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>					
		<b>6.346</b>	<b>4.253</b>	<b>16.520</b>	<b>11.696</b>
Basic Gain Per Share (Full US Cents)	27	1,87	2,69	2,96	2,87
Diluted Gain Per Share (Full US Cents)	27	1,87	2,69	2,96	2,87

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Nine-Month Period Ended 30 September 2019**  
(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		Equity Holders of the Parent	Non- controlling Interests	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
<b>As of 1 January 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(184)</b>	<b>16.687</b>	<b>1</b>	<b>(37)</b>	<b>59</b>	<b>8.206</b>	<b>4.045</b>	<b>31.281</b>	<b>3</b>	<b>31.284</b>
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	(102)	-	(102)	-	(102)
<b>As of 1 January 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(184)</b>	<b>16.687</b>	<b>1</b>	<b>(37)</b>	<b>59</b>	<b>8.104</b>	<b>4.045</b>	<b>31.179</b>	<b>3</b>	<b>31.182</b>
Transfers	-	-	-	-	-	-	-	4.045	(4.045)	-	-	-
Total comprehensive income	-	-	(36)	2.272	1.479	44	-	-	2.587	6.346	-	6.346
<b>As of 30 September 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(220)</b>	<b>18.959</b>	<b>1.480</b>	<b>7</b>	<b>59</b>	<b>12.149</b>	<b>2.587</b>	<b>37.525</b>	<b>3</b>	<b>37.528</b>

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Nine-Month Period Ended 30 September 2019**  
(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			Non-controlling Interests	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	Equity Holders of the Parent		
<b>As of 1 January 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(55)</b>	<b>9.171</b>	<b>231</b>	<b>3</b>	<b>59</b>	<b>7.619</b>	<b>639</b>	<b>20.171</b>	<b>-</b>	<b>20.171</b>
Adjustment on initial application of IFRS 15	-	-	-	-	-	-	-	(23)	-	(23)	-	(23)
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	(29)	-	(29)	-	(29)
<b>Restated As of 1 January 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(55)</b>	<b>9.171</b>	<b>231</b>	<b>3</b>	<b>59</b>	<b>7.567</b>	<b>639</b>	<b>20.119</b>	<b>-</b>	<b>20.119</b>
Transfers	-	-	-	-	-	-	-	639	(639)	-	-	-
Total comprehensive income	-	-	(37)	11.777	797	(100)	-	-	4.083	16.520	-	16.520
<b>As of 30 September 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(92)</b>	<b>20.948</b>	<b>1.028</b>	<b>(97)</b>	<b>59</b>	<b>8.206</b>	<b>4.083</b>	<b>36.639</b>	<b>-</b>	<b>36.639</b>

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**

**Condensed Consolidated Interim Statement of Cash Flows**

**For the Nine-Month Period Ended 30 September 2019**

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

		<u>Not Reviewed</u>	<u>Not Reviewed</u>
	<u>Notes</u>	<u>30 September 2019</u>	<u>30 September 2018</u>
Net Profit for the period		2.587	4.083
<b>Adjustments to Reconcile Profit / (Loss)</b>			
Adjustments for Depreciation and Amortisation Expense	12 and 13	6.330	3.713
Adjustment for Fair Value of Investment Property		2	-
Adjustments for Provisions Related with Employee Benefits	15 and 17	157	120
Adjustments for Provisions for Payables	15	(10)	(1)
Adjustments for Reversal of Probable Risks		44	(14)
Adjustments for Interest Income	24 and 25	(424)	(309)
Adjustments for Interest Expense	17 and 25	1.135	949
Adjustments For Unrealised Foreign Exchange Gains		(316)	4.606
Adjustments for Manufacturers' Credits	14	1	3
Adjustments for Fair Value Losses / (Gains) on Derivative Financial Instruments	25	(72)	(38)
Adjustments for Undistributed Profits of Associates	3	(461)	(686)
Adjustments for Tax Expense	26	181	878
Adjustments for Losses / (Gains) Arised From Sale of Tangible Assets	24	422	(17)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	12	163	107
<b>Operating Profit Before Changes in Working Capital</b>		<b>9.739</b>	<b>13.394</b>
Decrease in Trade Receivables from Related Parties		(12)	-
Increase in Trade Receivables from Non Related Parties		(429)	(294)
Decrease / (Increase) in Other Non-Related Party Receivables Related with Operations	10	452	(1.006)
Adjustments for (Increase)/ Decrease in Inventories		(511)	122
Adjustments for Increase in Prepaid Expenses		(639)	(1.223)
(Decrease) / Increase in Trade Payables to Related Parties	9	(756)	140
Increase in Trade Payables to Non-Related Parties		843	460
Adjustments for Decrease in Payables Due to Employee Benefits		72	(378)
Increase in Other Operating Payables to Non-Related Parties		807	(124)
Increase in Deferred Income	11	1.871	684
(Increase) / Decrease in Other Assets Related with Operations		(100)	164
<b>Cash Flows From Operations</b>		<b>11.337</b>	<b>11.939</b>
Payments for Provisions Related with Employee Benefits	17	(43)	(41)
Income taxes (paid) / refund	26	(105)	(180)
<b>Net Cash From Operating Activities</b>		<b>11.189</b>	<b>11.718</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Cash Receipts Proceed From Sales of Property, Plant and Equipment		115	65
Cash Payments From Purchasing of Property, Plant and Equipment (*)	12 and 13	(6.790)	(3.094)
Cash Receipts / (Payments) From Purchasing of Other Long-term Assets	6	2.258	(16)
Other Cash Advances and Loans		(1.365)	(3.761)
Dividends Received		240	(150)
Interest Received	24 and 25	374	309
<b>Net Cash Flows Used In Investing Activities</b>		<b>( 5.168)</b>	<b>( 6.647)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds From Loans	7	8.355	7.756
Payments of Loans		(6.584)	-
Payments of Finance Lease Liabilities	7	( 4.016)	( 3.018)
Payments of Lease Liabilities		( 1.436)	-
Interest Paid		( 929)	( 587)
Other Outflows of Cash	8	106	(11)
<b>Net Cash Used in Financing Activities</b>		<b>( 4.504)</b>	<b>4.140</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>1.517</b>	<b>9.211</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>8.606</b>	<b>7.132</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<b>10.123</b>	<b>16.343</b>

(\*) 7.545 TRY portion of property and equipment and intangible assets purchases in total of 14.335 TRY for the year ended 30 September 2019 was financed through finance leases. (30 September 2018: 1.781 TRY portion of property and equipment and intangible assets purchases in total of 4.875 TRY was financed through finance leases.)

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