

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish
TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Balance Sheet as at 31 March 2015
(All amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

ASSETS	Notes	Not Reviewed	Audited
		31 March 2015	31 December 2014
Current Assets			
Cash and Cash Equivalents	6	1.440.426.578	1.473.508.453
Financial Investments	7	564.078	200.932.718
Trade Receivables			
-Trade Receivables From Related Parties	10	18.465.692	628.622
-Trade Receivables From Non-Related Parties		1.522.179.973	1.056.706.451
Other Receivables			
-Other Receivables from Related Parties	10	7.505.738	7.505.738
-Other Receivables from Non-Related Parties	11	3.657.177.222	2.772.633.154
Derivative Financial Instruments	29	711.313.975	353.543.745
Inventories		595.375.241	452.228.491
Prepaid Expenses		200.846.675	138.866.880
Current Income Tax Assets	27	21.798.722	18.570.204
Other Current Assets		76.029.841	89.723.728
TOTAL CURRENT ASSETS		8.251.683.735	6.564.848.184
Non-Current Assets			
Financial Investments		2.999.621	2.664.861
Other Receivables			
-Other Receivables from Non-Related Parties	11	2.620.609.267	2.454.780.090
Equity Accounted Investees	4	520.991.057	525.582.579
Investment Property		92.931.179	82.560.000
Property and Equipment	12	24.869.685.985	21.335.501.851
Intangible Assets			
- Other Intangible Assets	13	182.069.748	165.458.929
- Goodwill		32.417.815	28.799.966
Prepaid Expenses		833.378.180	715.410.602
TOTAL NON-CURRENT ASSETS		29.155.082.852	25.310.758.878
TOTAL ASSETS		37.406.766.587	31.875.607.062

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	Notes	Not Reviewed	Audited
		31 March 2015	31 December 2014
LIABILITIES			
Current Liabilities			
Short-Term Portion of Long-Term Borrowings	8-14	1.585.503.521	1.421.172.095
Other Financial Liabilities	9	34.601.728	44.261.101
Trade Payables			
-Trade Payables to Related Parties	10	305.312.193	343.039.672
-Trade Payables to Non-Related Parties		1.252.597.367	1.195.561.375
Payables Related to Employee Benefits		318.339.074	296.516.690
Other Payables			
-Other Payables to Non-Related Parties		140.817.074	165.560.060
Derivative Financial Instruments	29	1.221.786.722	990.806.416
Deferred Income		49.982.412	22.095.569
Passenger Flight Liabilities	19	4.575.764.383	3.242.625.728
Current Tax Provision	27	495.623	1.860.231
Short-term Provisions			
-Provisions for Employee Benefits	15	146.141.090	133.462.891
-Other Provisions	15	37.628.032	36.593.232
Other Current Liabilities		675.219.020	611.789.688
TOTAL CURRENT LIABILITIES		10.344.188.239	8.505.344.748
Non- Current Liabilities			
Long-Term Borrowings	8-14	13.798.911.951	12.333.917.978
Trade Payables			
- Trade Payables to Non- Related Parties		4.035.960	3.472.514
Other Payables			
-Other Payables to Non-Related Parties		34.165.406	33.177.620
Deferred Income		61.106.810	32.930.871
Long-term Provisions			
-Provisions for Employee Benefits	17	299.995.242	294.422.303
Deferred Tax Liability	27	1.940.472.732	1.517.937.898
TOTAL NON- CURRENT LIABILITIES		16.138.688.101	14.215.859.184
Equity Attributable to Equity Holders of the Parent			
Share Capital	20	1.380.000.000	1.380.000.000
Inflation Adjustment on Share Capital	20	1.123.808.032	1.123.808.032
Items Those Will Never Be Reclassified to Profit or Loss			
-Actuarial Losses from Defined Pension Plans	20	(23.679.392)	(20.415.807)
Items Those Are or May Be Reclassified to Profit or Loss			
-Foreign currency translation differences	20	3.542.571.361	2.367.369.791
-Losses from Hedging	20	(204.277.655)	(428.551.847)
Restricted Profit Reserves	20	59.372.762	59.372.762
Retained Earnings	20	4.672.820.199	2.853.560.663
Net Profit for the Period	20	373.274.940	1.819.259.536
TOTAL EQUITY		10.923.890.247	9.154.403.130
TOTAL LIABILITIES AND EQUITY		37.406.766.587	31.875.607.062

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish
TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For Three Months Period Ended 31 March
(All amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		<u>Not Reviewed</u>	<u>Not Reviewed</u>
	<u>Notes</u>	<u>1 January - 31 March 2015</u>	<u>1 January - 31 March 2014</u>
PROFIT OR LOSS			
Sales Revenue	21	5.456.496.734	5.127.527.904
Cost of Sales (-)	22	(4.794.808.571)	(4.616.667.763)
GROSS PROFIT		661.688.163	510.860.141
General Administrative Expenses (-)	23	(178.835.356)	(144.297.734)
Marketing and Sales Expenses (-)	23	(658.947.889)	(592.425.372)
Other Operating Income	24	150.819.173	59.957.498
Other Operating Expenses (-)	24	(22.986.590)	(16.630.594)
OPERATING LOSS		(48.262.499)	(182.536.061)
Income from Investment Activities	25	31.644.921	27.841.084
Expenses from Investment Activities (-)	25	(290.972)	(220.225)
Share of Investments' Profit / Loss Accounted By Using The Equity Method	4	(32.792.972)	(18.348.510)
OPERATING LOSS BEFORE FINANCIAL INCOME/EXPENSE		(49.701.522)	(173.263.712)
Financial Income	26	785.004.362	50.772.535
Financial Expenses (-)	26	(143.005.542)	(180.499.739)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		592.297.298	(302.990.916)
Tax (Expense) / Income of Continuing Operations		(219.022.358)	76.650.733
Current Tax Expense	27	(491.132)	-
Deferred Tax Expense	27	(218.531.226)	76.650.733
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		373.274.940	(226.340.183)
<u>OTHER COMPREHENSIVE INCOME</u>			
To Be Reclassified To Profit or Loss		1.399.475.762	175.527.565
Currency Translation Adjustment		1.175.201.570	178.196.128
Gains/ (Losses) of Cash Flow Hedge Reserves		259.029.917	(2.200.486)
Gains/(Losses) from Cash Flow Hedge Reserves of Investment Accounted by Using the Equity Method		21.312.823	(1.135.218)
Tax (Expense)/Income of Other Comprehensive Income		(56.068.548)	667.141
Not To Be Reclassified To Profit or Loss		(3.263.585)	(2.554.120)
Actuarial Gains/(Losses) from Defined Pension Plans of Investments Accounted by Using the Equity Method		(4.079.481)	(3.192.650)
Tax Expense/(Income) of Other Comprehensive Income		815.896	638.530
OTHER COMPREHENSIVE INCOME		1.396.212.177	172.973.445
TOTAL COMPREHENSIVE INCOME		1.769.487.117	(53.366.738)
Earning / (Loss) Per Share (Kr)	28	0,27	(0,16)

Convenience Translation to English of Consolidated Financial Statements Originally Issued in Turkish

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statement of Changes in Equity

For the Three Months Period Ended 31 March 2015

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

			Accumulated Items Those Will Never Be Reclassified To Profit or Loss	Accumulated Items Those Are or May Be Reclassified To Profit or Loss			Accumulated Profit		Total Equity
	Paid-in Share Capital	Inflation Adjustment on Share Capital	Actuarial Losses from Defined Pension Plans	Currency Translation Differences	Gains/ (Losses) of Hedging	Restricted Profit Reserves	Retained Earnings	Net Profit for The Period	
As of 1 January 2015	1.380.000.000	1.123.808.032	(20.415.807)	2.367.369.791	(428.551.847)	59.372.762	2.853.560.663	1.819.259.536	9.154.403.130
Transfers	-	-	-	-	-	-	1.819.259.536	(1.819.259.536)	-
Total Comprehensive Income	-	-	(3.263.585)	1.175.201.570	224.274.192	-	-	373.274.940	1.769.487.117
As of 31 March 2015	1.380.000.000	1.123.808.032	(23.679.392)	3.542.571.361	(204.277.655)	59.372.762	4.672.820.199	373.274.940	10.923.890.247

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TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statement of Changes in Equity

For the Three Months Period Ended 31 March 2014

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

			Accumulated Items That Will Never Be Reclassified To Profit or Loss	Accumulated Items That Are or May Be Reclassified To Profit or Loss		Accumulated Profit			Total Equity
	Paid-in Share Capital	Inflation Adjustment on Share Capital	Actuarial Losses from Defined Pension Plans	Currency Translation Differences	Gains/ (Losses) of Hedging	Restricted Profit Reserves	Retained Earnings	Net Profit for The Period	
As of 1 January 2014	1.380.000.000	1.123.808.032	(12.436.923)	1.659.392.608	(101.206.786)	59.372.762	2.170.853.236	682.707.427	6.962.490.356
Transfers	-	-	-	-	-	-	682.707.427	(682.707.427)	-
Total Comprehensive Income	-	-	(2.554.120)	178.196.128	(2.668.563)	-	-	(226.340.183)	(53.366.738)
As of 31 March 2014	1.380.000.000	1.123.808.032	(14.991.043)	1.837.588.736	(103.875.349)	59.372.762	2.853.560.663	(226.340.183)	6.909.123.618

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statement of Cash Flows

For Three Months Period Ended 31 March

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

		<u>Not Reviewed</u>	<u>Not Reviewed</u>
		<u>1 January -</u>	<u>1 January -</u>
	<u>Notes</u>	<u>31 March 2015</u>	<u>31 March 2014</u>
Net Profit/(Loss)		373.274.940	(226.340.183)
Adjustments to reconcile cash flow generated from operating activities:			
Adjustments for Depreciation and Amortization	12-13	500.574.032	383.010.591
Adjustments for Provision for Employee Benefits	17	12.858.139	14.967.905
Adjustments for Provisions, Net	15	12.060.619	26.704.063
Adjustments for Interest Income	25-26	(20.916.260)	(18.073.741)
Loss on Sales of Fixed Assets	25	69.822	123.860
Share of Investments' (Profit) / Loss Accounted by Using The Equity Method	4	32.792.972	18.348.510
Adjustments for Interest Expense	26	97.039.830	86.831.694
Change in Manufacturers' Credit		(1.414.905)	7.350.796
Unrealized Foreign Exchange Translation Differences		(214.692.080)	(114.062.411)
Change in Provision for Doubtful Receivables		(14.953.649)	5.390.048
Tax Expense	27	219.022.358	(76.650.733)
Change in Fair Value of Derivative Instruments		46.955.421	(40.171.044)
Operating profit before working capital changes		1.042.671.239	67.429.355
Adjustments for Change in Trade Receivables		(329.929.200)	(305.505.444)
Adjustments for Change in Other Short and Long Term Receivables		(290.513.135)	155.068.178
Adjustments for Change in Inventories		(81.273.415)	(15.515.541)
Adjustments for Change in Short and Long Term Prepaid Expenses		(68.372.578)	(93.021.888)
Adjustments for Change in Trade Payables		(163.645.825)	(57.742.943)
Adjustments for Change in Short and Long Term Payables Related to Operations		(26.752.825)	(101.286.698)
Adjustments for Change in Passenger Flight Liabilities		871.494.406	1.027.242.206
Cash Flows Generated From Operating Activities		953.678.667	676.667.225
Payment of Retirement Pay Liabilities	17	(11.119.254)	(15.547.754)
Taxes Paid	27	(3.228.518)	(648.881)
Net Cash Generated From Operating Activities		939.330.895	660.470.590
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds From Sale of Property and Equipment and Intangible Assets		4.921.282	1.131.277
Interest Received		17.426.310	25.500.003
Purchase of Property and Equipment and Intangible Assets (*)	18-19	(374.856.358)	(204.568.055)
Prepayments For The Purchase of Aircrafts		(413.316.112)	(8.125.795)
Change in Financial Investments		209.412.228	36.893.505
Net Cash Used In Investing Activities		(556.412.650)	(149.169.065)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Financial Lease Liabilities		(325.912.371)	(237.235.753)
Change in Other Financial Liabilities and Derivative Instruments		(14.326.701)	5.866.897
Interest Paid		(75.761.048)	(73.223.415)
Net Cash Used In Financing Activities		(416.000.120)	(304.592.271)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(33.081.875)	206.709.254
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE		1.473.508.453	1.338.983.835
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1.440.426.578	1.545.693.089

(*) TL 930.619.567 portion of property and equipment and intangible assets purchases in total of TL 1.305.475.925 for the year ended 31 March 2015 was financed through finance leases. (31 December 2014: 829.484.750 TL portion of property and equipment and intangible assets purchases in total of TL 1.034.052.805 was financed through finance leases.)