

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Balance Sheet as at 31 March 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

ASSETS	Notes	Not Reviewed	Audited
		31 March 2019	31 December 2018
<b>Non-Current Assets</b>			
Financial Investments	6	448	454
Other Receivables			
-Third Parties	10	4.818	5.280
Investments Accounted by Using Equity Method	3	1.911	1.884
Investment Property		2	2
Property and Equipment	12	80.466	73.219
Right of Use Assets	12	8.783	-
Intangible Assets			
- Other Intangible Assets	13	452	429
- Goodwill		70	65
Prepaid Expenses		4.963	4.037
<b>TOTAL NON-CURRENT ASSETS</b>		<b>101.913</b>	<b>85.370</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	5	10.221	8.606
Financial Investments	6	1.652	2.733
Trade Receivables			
-Related Parties	9	4	10
-Third Parties		3.806	2.992
Other Receivables			
-Related Parties	9	177	18
-Third Parties	10	7.692	6.199
Derivative Financial Instruments	28	374	299
Inventories		1.210	1.000
Prepaid Expenses		813	1.011
Current Income Tax Assets	26	242	318
Other Current Assets		950	520
<b>TOTAL CURRENT ASSETS</b>		<b>27.141</b>	<b>23.706</b>
<b>TOTAL ASSETS</b>		<b>129.054</b>	<b>109.076</b>

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<b>LIABILITIES</b>	<b>Notes</b>	<b>Not Reviewed</b>	<b>Audited</b>
		<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Equity</b>			
Share Capital	19	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	19	( 192)	( 184)
Items That Are or May Be Reclassified to Profit or Loss			
-Foreign Currency Translation Differences	19	18.800	16.687
-Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	19	1.142	1
-Losses on Remeasuring FVOCI	19	( 41)	( 37)
Restricted Profit Reserves	19	59	59
Previous Years Profit	19	12.149	8.206
Net (Loss) / Profit for the Period		( 1.253)	4.045
Equity of the Parent		33.168	31.281
Non-Controlling Interests (*)		3	3
<b>TOTAL EQUITY</b>		<b>33.171</b>	<b>31.284</b>
<b>Non- Current Liabilities</b>			
Long-Term Borrowings	7 and 14	47.318	43.342
Long Term Lease Liabilities		7.015	-
Other Payables			
-Third Parties		196	188
Deferred Income	11	308	315
Long-Term Provisions			
-Provisions for Employee Benefits	17	696	685
Deferred Tax Liability	26	6.441	5.989
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>61.974</b>	<b>50.519</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	6.690	5.780
Short-Term Portion of Long-Term Borrowings	7 and 14	7.596	6.680
Short Term Portion of Lease Liabilities	14	1.552	-
Other Financial Liabilities	8	9	32
Trade Payables			
-Related Parties	9	960	1.213
-Third Parties		4.484	4.162
Payables Related to Employee Benefits		1.133	1.053
Other Payables			
-Third Parties		456	412
Derivative Financial Instruments	28	595	1.033
Deferred Income	11	8.579	5.534
Short-Term Provisions			
-Provisions for Employee Benefits	15	218	200
-Other Provisions	15	70	87
Other Current Liabilities		1.567	1.087
<b>TOTAL CURRENT LIABILITIES</b>		<b>33.909</b>	<b>27.273</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>129.054</b>	<b>109.076</b>

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

**Condensed Consolidated Interim Statement of Profit or Loss**

**For the Three-Month Period Ended 31 March 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>31 March 2019</u>	<u>31 March 2018</u>
<b>PROFIT OR LOSS</b>			
Revenue	20	14.848	10.532
Cost of Sales (-)	21	( 13.433)	( 8.944)
<b>GROSS PROFIT</b>		<b>1.415</b>	<b>1.588</b>
General Administrative Expenses (-)	22	( 387)	( 272)
Marketing and Sales Expenses (-)	22	( 2.121)	( 1.304)
Other Operating Income	23	327	181
Other Operating Expenses (-)	23	( 43)	( 37)
<b>OPERATING (LOSS) / PROFIT BEFORE INVESTMENT ACTIVITIES</b>		<b>( 809)</b>	<b>156</b>
Income from Investment Activities	24	159	80
Expenses from Investment Activities	24	( 148)	-
Share of Investments' Profit Accounted by Using The Equity Method	3	( 83)	12
<b>OPERATING (LOSS) / PROFIT</b>		<b>( 881)</b>	<b>248</b>
Financial Income	25	101	43
Financial Expenses (-)	25	( 762)	( 677)
<b>LOSS BEFORE TAX</b>		<b>( 1.542)</b>	<b>( 386)</b>
<b>Tax Expense</b>		<b>289</b>	<b>72</b>
Current Tax Expense	26	( 50)	( 59)
Deferred Tax Income	26	339	131
<b>NET LOSS FOR THE PERIOD</b>		<b>( 1.253)</b>	<b>( 314)</b>
<b><u>OTHER COMPREHENSIVE INCOME</u></b>			
<b>Items That May Be Reclassified Subsequently To Profit or Loss</b>		<b>3.250</b>	<b>268</b>
Currency Translation Adjustment		2.113	892
(Losses) / Gains on Remeasuring FVOCI		( 5)	2
Related Tax of Remeasuring FVOCI		1	-
Fair Value Gains / (Losses) on Hedging Instruments Entered into for Cash Flow Hedges		1.383	( 777)
Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges		51	( 3)
Related Tax of Other Comprehensive Income		( 293)	154
<b>Items That Will Not Be Reclassified Subsequently To Profit or Loss</b>		<b>( 8)</b>	<b>1</b>
Actuarial Gains on Retirement Pay Obligation		( 10)	1
Related Tax of Other Comprehensive Income		2	-
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD</b>		<b>3.242</b>	<b>269</b>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>		<b>1.989</b>	<b>( 45)</b>
Basic Loss Per Share (Full US Cents)	27	( 0,91)	( 0,23)
Diluted Loss Per Share (Full US Cents)	27	( 0,91)	( 0,23)

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Three-Month Period Ended 31 March 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	Losses on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Loss 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	-	-	(8)	2.113	1.141	(4)	-	-	(1.253)	1.989	-	1.989
<b>As of 31 March 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(192)</b>	<b>18.800</b>	<b>1.142</b>	<b>(41)</b>	<b>59</b>	<b>12.149</b>	<b>(1.253)</b>	<b>33.168</b>	<b>3</b>	<b>33.171</b>

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Three-Month Period Ended 31 March 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					
	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 Profit for The Year	Equity Holders of the Parent	Non-controlling Interests	Total Equity
<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	-	-	1	892	(626)	2	-	-	(314)	(45)	-	(45)
<b>As of 31 March 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(54)</b>	<b>10.063</b>	<b>(395)</b>	<b>5</b>	<b>59</b>	<b>8.206</b>	<b>(314)</b>	<b>20.074</b>	<b>-</b>	<b>20.074</b>

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

**Condensed Consolidated Interim Statement of Cash Flows**

**For the Three-Month Period Ended 31 March 2019**

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

		Not Reviewed	Not Reviewed
	Notes	31 March 2019	31 March 2018
Net Loss for the period		(1.253)	(314)
<b>Adjustments to Reconcile Profit / (Loss)</b>			
Adjustments for Depreciation and Amortisation Expense	12 and 13	1.923	1.025
Adjustments for Provisions Related with Employee Benefits	15 and 17	34	42
Adjustments for Provisions for Payables	15	(16)	3
Adjustments for Reversal of Probable Risks		3	(8)
Adjustments for Interest Income	24 and 25	(162)	(55)
Adjustments for Interest Expense	17 and 25	428	258
Adjustments For Unrealised Foreign Exchange Losses		(16)	397
Adjustments for Manufacturers' Credits	14	-	1
Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments	25	111	42
Adjustments for Undistributed Profits of Associates	3	83	(12)
Adjustments for Tax Income	26	(289)	(72)
Adjustments for Gains Arised From Sale of Tangible Assets	24	141	(8)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	12	54	35
<b>Operating Profit Before Changes in Working Capital</b>		<b>1.041</b>	<b>1.334</b>
Increase in Trade Receivables from Non Related Parties		(570)	(449)
(Increase)/ Decrease in Other Non-Related Party Receivables Related with Operations	10	464	(197)
Adjustments for Decrease in Inventories		(134)	(53)
Adjustments for Increase in Prepaid Expenses		(432)	(420)
Increase in Trade Payables to Related Parties	9	(322)	(15)
Increase in Trade Payables to Non-Related Parties		30	37
Adjustments for Decrease in Payables Due to Employee Benefits		6	(140)
(Decrease) / Increase in Other Operating Payables to Non-Related Parties		10	6
Increase in Deferred Income	11	2.725	1.882
Increase in Other Assets Related with Operations		(358)	76
<b>Cash Flows From Operations</b>		<b>2.460</b>	<b>2.061</b>
Payments for Provisions Related with Employee Benefits	17	(19)	(20)
Income taxes paid	26	(46)	13
<b>Net Cash From Operating Activities</b>		<b>2.395</b>	<b>2.054</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>			
Cash Outflow Arising From Capital Increase in Investments		(15)	-
Cash Receipts Proceed From Sales of Property, Plant and Equipment		43	44
Cash Payments From Purchasing of Property, Plant and Equipment (*)	12 and 13	(1.909)	(790)
Cash Payments From Purchasing of Other Long-term Assets	6	1.218	449
Other Cash Advances and Loans		(824)	(1.157)
Interest Received	24 and 25	162	55
<b>Net Cash Flows / (Used In) Investing Activities</b>		<b>(1.325)</b>	<b>(1.399)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds From Loans	7	3.548	1.749
Payments of Loans		(1.613)	(901)
Payments of Finance Lease Liabilities	7	(1.214)	(910)
Payments of Lease Liabilities		112	-
Interest Paid		(264)	(187)
Other (Outflows) / Inflows of Cash	8	(24)	(38)
<b>Net Cash Used in Financing Activities</b>		<b>545</b>	<b>(287)</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>1.615</b>	<b>368</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>AT THE BEGINNING OF THE PERIOD</b>		<b>8.606</b>	<b>7.132</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>AT THE END OF THE PERIOD</b>	5	<b>10.221</b>	<b>7.500</b>

(\*) 1.867 TRY portion of property and equipment and intangible assets purchases in total of 3.776 TRY for the year ended 31 March 2019 was financed through finance leases. (31 March 2018: 0 TRY portion of property and equipment and intangible assets purchases in total of 790 TRY was financed through finance leases.)