

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Balance Sheet as at 31 December 2018**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	<b>Audited</b>	<b>Audited</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	8.606	7.132
Financial Investments	2.733	736
Trade Receivables		
-Related Parties	10	6
-Third Parties	2.992	2.227
Other Receivables		
-Related Parties	18	-
-Third Parties	6.199	1.204
Derivative Financial Instruments	299	767
Inventories	1.000	728
Prepaid Expenses	1.011	450
Current Income Tax Assets	318	120
Other Current Assets	520	329
<b>TOTAL CURRENT ASSETS</b>	<b>23.706</b>	<b>13.699</b>
<b>Non-Current Assets</b>		
Financial Investments	454	193
Other Receivables		
-Third Parties	5.280	2.336
Investments Accounted by Using Equity Method	1.884	1.209
Investment Property	2	2
Property and Equipment	73.219	49.040
Intangible Assets		
- Other Intangible Assets	429	249
- Goodwill	65	47
Prepaid Expenses	4.037	1.872
<b>TOTAL NON-CURRENT ASSETS</b>	<b>85.370</b>	<b>54.948</b>
<b>TOTAL ASSETS</b>	<b>109.076</b>	<b>68.647</b>

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	<b>Audited</b>	<b>Audited</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Short Term Borrowings	5.780	2.807
Short-Term Portion of Long-Term Borrowings	6.680	3.707
Other Financial Liabilities	32	61
Trade Payables		
-Related Parties	1.213	635
-Third Parties	4.162	2.594
Payables Related to Employee Benefits	1.053	755
Other Payables		
-Related Parties	-	25
-Third Parties	412	245
Derivative Financial Instruments	1.033	481
Deferred Income	5.534	3.831
Current Tax Provision	-	47
Short-Term Provisions		
-Provisions for Employee Benefits	200	155
-Other Provisions	87	82
Other Current Liabilities	1.087	784
<b>TOTAL CURRENT LIABILITIES</b>	<b>27.273</b>	<b>16.209</b>
<b>Non- Current Liabilities</b>		
Long-Term Borrowings	43.342	27.684
Other Payables		
-Third Parties	188	314
Deferred Income	315	159
Long-Term Provisions		
-Provisions for Employee Benefits	685	482
Deferred Tax Liability	5.989	3.628
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>50.519</b>	<b>32.267</b>
<b>Equity</b>		
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	( 184)	( 55)
Items That Are or May Be Reclassified to		
Profit or Loss		
-Foreign Currency Translation Differences	16.687	9.171
-Fair Value Gains on Hedging Instruments		
Entered into for Cash Flow Hedges	1	231
-Gains on Remeasuring FVOCI	( 37)	3
Restricted Profit Reserves	59	59
Previous Years Profit	8.206	7.619
Net Profit for the Year	4.045	639
Equity of the Parent	<b>31.281</b>	<b>20.171</b>
Non-Controlling Interests	3	-
<b>TOTAL EQUITY</b>	<b>31.284</b>	<b>20.171</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>109.076</b>	<b>68.647</b>

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Profit or Loss and**  
**Other Comprehensive Income For the Year Ended 31 December 2018**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

	<b>Audited</b>	<b>Audited</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
<b><u>PROFIT OR LOSS</u></b>		
Revenue	62.853	39.779
Cost of Sales (-)	( 49.284)	( 31.943)
<b>GROSS PROFIT</b>	<b>13.569</b>	<b>7.836</b>
General Administrative Expenses (-)	( 1.238)	( 1.002)
Marketing and Sales Expenses (-)	( 6.185)	( 4.101)
Other Operating Income	808	961
Other Operating Expenses (-)	( 762)	( 126)
<b>OPERATING PROFIT BEFORE INVESTMENT ACTIVITIES</b>	<b>6.192</b>	<b>3.568</b>
Income from Investment Activities	493	640
Expenses from Investment Activities	( 7)	( 5)
Share of Investments' Profit Accounted by Using The Equity Method	656	357
<b>OPERATING PROFIT</b>	<b>7.334</b>	<b>4.560</b>
Financial Income	753	204
Financial Expenses (-)	( 2.853)	( 3.951)
<b>PROFIT BEFORE TAX</b>	<b>5.234</b>	<b>813</b>
<b>Tax Expense</b>	<b>( 1.189)</b>	<b>( 174)</b>
Current Tax Expense	( 182)	( 179)
Deferred Tax Expense	( 1.007)	5
<b>NET PROFIT FOR THE YEAR</b>	<b>4.045</b>	<b>639</b>
<b><u>OTHER COMPREHENSIVE INCOME</u></b>		
<b>Items That May Be Reclassified Subsequently To Profit or Loss</b>	<b>7.246</b>	<b>1.651</b>
Currency Translation Adjustment	7.516	1.486
(Losses) / Gains on Remeasuring FVOCI	( 50)	4
Related Tax of Remeasuring FVOCI	10	( 1)
Fair Value (Losses) / Gains on Hedging Instruments Entered into for Cash Flow Hedges	( 326)	250
Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	8	( 41)
Related Tax of Other Comprehensive Income	88	( 47)
<b>Items That Will Not Be Reclassified Subsequently To Profit or Loss</b>	<b>( 129)</b>	<b>( 18)</b>
Actuarial Gains on Retirement Pay Obligation	( 161)	( 23)
Related Tax of Other Comprehensive Income	32	5
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>7.117</b>	<b>1.633</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>11.162</b>	<b>2.272</b>
<b>Basic Gain Per Share (Full US Cents)</b>	<b>2,93</b>	<b>0,46</b>
<b>Diluted Gain Per Share (Full US Cents)</b>	<b>2,93</b>	<b>0,46</b>

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Year Ended 31 December 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		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 Year
<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)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	3	3
Total comprehensive income	-	-	(129)	7.516	(230)	(40)	-	-	4.045	11.162	-	11.162
<b>As of 31 December 2018</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>

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Year Ended 31 December 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
			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 Year	
	Share Capital	Inflation Adjustment on Share Capital								
<b>As of 1 January 2017</b>	<b>1.380</b>	<b>1.124</b>	<b>(37)</b>	<b>7.685</b>	<b>69</b>	<b>-</b>	<b>59</b>	<b>7.666</b>	<b>(47)</b>	<b>17.899</b>
Transfers	-	-	-	-	-	-	-	(47)	47	-
Total comprehensive income	-	-	(18)	1.486	162	3	-	-	639	2.272
<b>As of 31 December 2017</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>

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

**Condensed Consolidated Interim Statement of Cash Flows**

**For the Year Ended 31 December 2018**

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

	<b>Audited</b>	<b>Audited</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
Net Profit for the year	4.045	639
<b>Adjustments to Reconcile Profit / (Loss)</b>		
Adjustments for Depreciation and Amortisation Expense	5.254	3.893
Adjustments for Provisions Related with Employee Benefits	113	74
Adjustments for Provisions for Payables	4	22
Adjustments for Reversal of Probable Risks	(27)	(4)
Adjustments for Interest Income	(640)	(407)
Adjustments for Interest Expense	1.284	808
Adjustments For Unrealised Foreign Exchange Losses	1.763	2.917
Adjustments for Manufacturers' Credits	5	9
Adjustments for Fair Value (Gains) / Losses on Derivative Financial Instruments	(265)	157
Adjustments for Undistributed Profits of Associates	(656)	(357)
Adjustments for Tax Expense	1.189	174
Adjustments for Gains Arised From Sale of Tangible Assets	(25)	(171)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	140	113
<b>Operating Profit Before Changes in Working Capital</b>	<b>12.184</b>	<b>7.867</b>
Increase/(Decrease) in Trade Receivables from Non Related Parties	103	(776)
Increase in Other Non-Related Party Receivables Related with Operations	(1.384)	(37)
Adjustments for Decrease in Inventories	14	87
Adjustments for (Increase)/ Decrease in Prepaid Expenses	(1.661)	5
Increase in Trade Payables to Related Parties	301	143
Increase in Trade Payables to Non-Related Parties	499	731
Adjustments for Increase in Payables Due to Employee Benefits	-	208
(Decrease) / Increase in Other Operating Payables to Non-Related Parties	(197)	186
Increase in Deferred Income	255	904
(Decrease)/Increase in Other Assets Related with Operations	4	(215)
<b>Cash Flows From Operations</b>	<b>10.118</b>	<b>9.103</b>
Payments for Provisions Related with Employee Benefits	(50)	(50)
Income taxes paid	(455)	(41)
<b>Net Cash From Operating Activities</b>	<b>9.613</b>	<b>9.012</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Cash Receipts Proceed From Sales of Property, Plant and Equipment	75	3.426
Cash Payments From Purchasing of Property, Plant and Equipment (*)	(5.400)	(3.020)
Cash Payments From Purchasing of Other Long-term Assets	(1.828)	533
Other Cash Advances and Loans	(4.664)	1.602
Dividends Received	150	73
Interest Received	640	407
<b>Net Cash Flows / (Used In) Investing Activities</b>	<b>( 11.027)</b>	<b>3.021</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds From Loans	14.634	7.844
Payments of Loans	(6.271)	(10.646)
Payments of Finance Lease Liabilities	( 4.384)	(6.565)
Interest Paid	( 1.042)	(738)
Other (Outflows) / Inflows of Cash	(49)	45
<b>Net Cash Used in Financing Activities</b>	<b>2.888</b>	<b>( 10.060)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>1.474</b>	<b>1.973</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>7.132</b>	<b>5.159</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>8.606</b>	<b>7.132</b>

(\*) 4.541 TRY portion of property and equipment and intangible assets purchases in total of 9.941 TRY for the year ended 31 December 2018 was financed through finance leases. (31 December 2017: 2.476 TRY portion of property and equipment and intangible assets purchases in total of 5.496 TRY was financed through finance leases.)