

*'Airline which flies to the most countries in the world'*

# TURKISH AIRLINES



**Bloomberg Ticker:** THYAO.TI

## Overview

According to the announced results of BrandFinance, Turkish Airlines, our national flag-carrier airline of the Republic of Turkey, which was previously awarded this title in recent years, has been listed once again as “Turkey’s Most Valuable Brand” in 2018, with a value exceeding \$2.0 billion.

Besides our superior products and services, many prestigious awards, granted by the leading institutions across the aviation industry recently, increased the brand awareness of Turkish Airlines. We, at Turkish Airlines, believe that this enhanced level of recognition paves the way for our Incorporation to become a five-star airline across Europe. While taking concrete steps to achieve this, Turkish Airlines was named as the “Five-Star Global Airline” in APEX Official Airline Ratings for 2018.

The Company has grown steadily with double-digit growth rates and has transformed into one of the largest global network carriers in the world.

As of December 2018, with the world’s 4<sup>th</sup> largest flight network, Turkish Airlines flies to 306 destinations in 124 countries. This country coverage is greater than any other airline in the world.

Route Network	
Countries Served	120
# of Airports Served	310
Destination Cities	306

## Istanbul: A Natural Hub

Istanbul, as a transfer point on global routes, reduces flight time and introduces the flexibility to use a variety of aircraft of diverse capacity. Using Istanbul Ataturk Airport as a hub enables Turkish Airlines to utilize a narrow body fleet, thus providing a considerable cost advantage and

contributing to competitive superiority. Istanbul Ataturk Airport was the 4<sup>th</sup> busiest airport in Europe in 2018. According to ACI Europe Airport 2018 December Report, this ranking is likely to change in 2019 as growth at our new main hub Istanbul Airport is accelerating.

## Shareholding Structure:

Shareholder	Ownership	# of Shares
Turkey Wealth Fund (Group A)	49.12	67,788,484,857
The Republic of Turkey Ministry of Treasury and Finance Privatization Administration (Group C)		1
Open for Public (Group A)	50.88	70,211,515,142
<b>TOTAL</b>	<b>100.00</b>	<b>138,000,000,000</b>

## Fleet

As of December 2018, the number of aircraft in the Turkish Airlines fleet is 332 including 22 cargo aircraft, with an average fleet age of 8.2 years.

On March 9, 2018, in order to insure the need for wide body aircraft, the Incorporation has decided to purchase 50 firm and 10 optional aircraft, a total of 60 wide body aircraft to be delivered between 2019 and 2023. According to this, a total of 30 B787-9 aircraft, of which 25 firm and 5 optional, will be purchased from Boeing and a total of 30 A350-900 aircraft, of which 25 firm and 5 optional will be purchased from Boeing.

On March 15 and April 9, 2013, in order to insure the need for single-aisle passenger aircraft, the Incorporation had decided to purchase 92 A321 NEO and 75 B737 MAX aircraft from Airbus and Boeing. One A321 NEO aircraft and three B737-8 MAX aircraft of these order has been delivered in the third quarter of 2018. The rest of the purchase order is planned to be delivered until the end of 2023.

By the end of December 2018, the operation has been carried out by 92 double-aisle passenger aircraft, 218 singleaisle passenger aircraft and 22 cargo aircraft. Double-aisle aircraft constitute about 28 % of the total number of aircraft in fleet. Due to the effect of stage length and seat capacity, contribution of wide body aircraft to the

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production is more than 50%.

	Aircraft	Count
<b>Wide Body</b>	A330-200	18
	A330-300	37
	A340-300	4
	B777-300ER	33
	<b>Total</b>	<b>92</b>
<b>Narrow Body</b>	A319-100	7
	A320-200	19
	A321-200	68
	A321 NEO	2
	B737-900ER	15
	B737-800	82
	B737-700	1
	B737-8 MAX	7
	B737-800 WL	17
	<b>Total</b>	<b>218</b>
<b>Cargo</b>	A330-200F	10
	B777F	5
	Wet Lease	7
	<b>Total</b>	<b>22</b>
<b>Grand Total</b>	<b>332</b>	

## Company Facts for December 2018

Financial* (Consolidated)	2018	YoY Growth
<b>Revenue</b>	12,855	% 17.3
<i>Passenger</i>	10,918	% 16.1
<i>Cargo</i>	1,647	% 25.1
<i>Other</i>	290	% 21.8
<b>EBIT</b>	1,376	% 16.0
<b>EBITDA</b>	2,463	% 9.4
<b>EBITDAR</b>	3,349	% 11.0
<b>Net Profit</b>	753	% 237.7
<b>RASK (USc)</b>	6.30	% 8.4
<b>CASK (USc)</b>	6.42	% 9.3

\* USD in millions, except CASK and RASK figures

Operational	2018	2018/2017 Change
<b>Passengers(mn)</b>	75.2	9.5%
<i>Domestic</i>	32.9	9.4%
<i>International</i>	42.2	9.6%
<b>ASK (million kms)</b>	182,030	5.2%
<b>RPK (million kms)</b>	149,169	8.9%
<b>Load Factor</b>	81.9	2.8 pt
<b>Fleet</b>	332	0.9%
<b>Utilization</b>	12:12	4.1%

## Senior Management

Position	Name
CEO	Bilal Ekşi
Chief Financial Officer	Murat Şeker, PhD.
Chief Marketing Officer	Ahmet Olmuştur
Chief Flight Operations Officer	Levent Yılmaz
Chief Investment Officer	Ahmet Bolat, PhD.
Chief Commercial Officer	Mehmet Akif Konar
Chief Cargo Officer	Turhan Özen
Chief HR Officer	Abdulkerim Çay
Chief Corporate Development & IT Officer	Ali Serdar Yakut

## Employees

Position	Headcount
Pilot	5.213
Cabin	10.593
Technicians	69
Other	9.697
<b>Total</b>	<b>35.275*</b>

\*As of 31.12.2018, THY Teknik and THY Aydın Çıldır are included.

## Global Alliances and Code Share Partners

Turkish Airlines is a member of Star Alliance - the world's largest airline group. Star Alliance network offers more than 18,400 daily flights to 1,300 airports in 191 countries. Furthermore, Turkish Airlines has code share agreements with 50 airlines around the world as of December 2018.

## Awards

In 2007, Turkish Airlines was ranked as a four star airline by Skytrax and keeps its 4-star airline title until today.

In 2013, Turkish Airlines was chosen as the winner of:

- Best Airline in Europe (Skytrax)
- Best Airline in Southern Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- Airline of the Year (CAPA Aviation Awards for Excellence)
- Aircraft Tax Lease Deal of the Year Award 2013 (Airfinance Journal)

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- Aircraft Leasing Deal of the Year Award 2013 (Global Transport Finance)
- Best Asia Pacific Cargo Airline (Air Cargo News)
- Air Cargo Award of Excellence (Air Cargo World)
- Airline of the Year (APG Network Awards 2013)
- Top Airline Company in Turkey (Fortune 500 Awards 2013)
- Marketing Award of The Airline Strategy Awards 2013 (Airline Business)
- Best Food and Beverage Award (Passenger Choice Awards 2013)
- Most Innovative Kit and Premium Economy Kit awards (Travel Plus Awards 2013)
- Top-Performing Global Training Partners (IATA)

In 2014, Turkish Airlines was also chosen as the winner of:

- Best Airline in Europe (Skytrax)
- Best Airline in Southern Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- Best Business Class Lounge Dining (Skytrax)
- Best European Cargo Airline (Air Cargo News)
- Best Corporate Governance Award (Ethical Boardroom)
- Structured Finance Deal of the Year Award (Bonds & Loans)
- Tax Lease Deal of the Year 2014 (Airfinance Journal)
- Engine Deal of the Year 2014 (Airfinance Journal)
- Overall Carrier Of The Year and Combination Carrier of the Year (Payload Asia Awards 2014)
- Best Operational Excellence (Airbus Awards for Excellence)
- Most Innovative Kit and Trio Amenity Kit awards (Travel Plus Awards)

In 2015, Turkish Airlines was chosen as the winner of:

- Best Corporate Governance
- Best Airline in Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- World’s Best Business Class Lounge Dining (Skytrax)
- Tax Lease Deal of the Year 2015 (Airfinance Journal)
- Engine Deal of the Year (Airfinance Journal)

- Global Transport Finance – EETC Deal of the Year (Europe)
- “Bonds&Loans Awards - Trade&Export Finance Deal of the Year (Turkey)”
- Global Transport Finance - EETC Deal of the Year (Europe)
- Best Investor Relations in Turkey (IR Magazine)
- Trade & Export Finance Deal of the Year (Turkey) (Bonds & Loans)

In 2016, Turkish Airlines was chosen as the winner of:

- Best Airline in Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- World’s Best Business Class Lounge Dining (Skytrax)
- Best Airline in Southern Europe (Skytrax)
- Airline of the Year (Air Transport News)
- Cargo Airline of the Year (Air Transport News)
- Capital Markets Deal Of the Year (Airfinance Journal)
- Tax Lease Deal of the Year (Airfinance Journal)
- Finalist in the “Transport Finance Deal of the Year” Category (Bonds & Loans)
- Runner Up in “Trade and Export Finance Deal” Category (Bonds & Loans)
- Runner Up in “Structured Finance Deal of the Year” Category (Bonds & Loans)
- Logistics Project of the Year (Annual Success in Logistics Award)
- Sustainability Report Gold Award (LACP)
- Gold Prize (Epica Awards)
- Best International Air Cargo Company (Atlas Logistics Award)

In 2017, Turkish Airlines was chosen as the winner of:

- Best Airline in South Europe (Skytrax)
- Best Business Class Onboard Airline Catering (Skytrax)
- World’s Best Business Class Lounge (Skytrax)
- World’s Best Business Class Lounge Dining (Skytrax)
- Yilin Hava Kargo Markası (Stat Times Awards)
- Fastest Growing Cargo Carrier of the Year (South Korea)

In 2018, Turkish Airlines was chosen as the winner of:

- Five-Star Global Airline (APEX)
- Most Valuable Brand of Turkey (Brand Finance)

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- Best Air Cargo Carrier-Europe (Asian Freight Logistics and Supply Chain Awards)
- Best Green Airline (Asian Freight Logistics and Supply Chain Awards)
- Award for Sustainability Politics and Support for the Zero Waste Project (Ministry of Environment and Urbanisation)
- Best Business Class Lounge Catering
- Cargo Airline of the Year (Stat Times Awards)
- Air Cargo Carrier of the Year (World Air Cargo Awards)
- Second Best Cargo Airline of Europe (Schiphol Aviation Awards)
- The Airline that Connects Africa to the World and Flies to Most Destinations in Africa (Turkey-African Economics and Business Forum)





THY Havaalanı Gayrimenkul Yatırım ve İşletme A.Ş.	100%
Sun Express	50%
Turkish Opet	50%
Turkish Ground Services	50%
Turkish Do&Co	50%
Turkish Engine Center	49%
Goodrich Turkish Technic	40%
Turkish Cabin Interior	50%
TSI Aviation Seats	50%
Vergi İade Aracılık A.Ş.	30%
Cornea Havacılık Sistemleri San, Ve Tic, A.Ş.	80%
Air Albania	49%

\* Direct & Indirect

### Frequent Flyer Programs Miles&Smiles

Turkish Airlines' Frequent Flyer Program, Miles&Smiles, allows program members to earn miles by flying on Turkish Airlines, AnadoluJet and other Star Alliance member airlines, by staying at the program partner hotels, and from the Miles&Smiles credit card expenditures.

### Sponsorships

Clubs	
	Galatasaray
	Beşiktaş
	Trabzonspor
	Bursaspor

Recently, Turkish Airlines decided to continue its unique partnership and title-sponsorship agreement with Euroleague Basketball for seven more seasons through 2020. A centerpiece of this relationship was added in 2012 as Turkish Airlines became Founding Partner of Euroleague Basketball's corporate social responsibility programme, One Team. Also Turkish Airlines has many sponsorships with celebrities/establishments such as Turkish Football Federation National Team ve Basketball Turkish Basketball Federation National Team.

### Subsidiaries and Affiliates

Name	Participation*
Turkish Technic	100%
Aydın Çıldır Airport Man.	100%