

FINANCIAL DATA

> January – March 2010

OPERATIONAL DATA

> January – March 2010



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Speakers



Temel KOTİL, Ph.D. **CEO, Turkish Airlines**

- › Started his Turkish Airlines career in March 2003 as Executive Vice President (Technical) and was appointed as CEO in April 2005
- › Ph.D. in Mechanical Engineering University of Michigan, USA
- › M.Sc. in Mechanical Engineering University of Michigan, USA
- › M.Sc. in Aerospace Engineering University of Michigan, USA
- › B.Sc. in Aerospace Engineering, Istanbul Technical University, Istanbul
- › Board Member of IATA, Turkish Airlines Inc, Turkish Airlines Technical Inc.
- › Chairman of the Board of Sun Express Inc.

Speakers

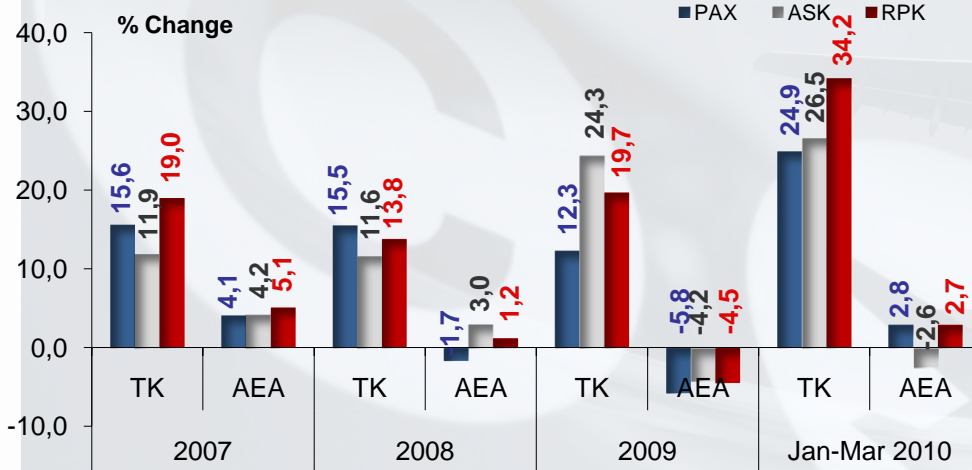


COŞKUN KILIÇ, CFO, Turkish Airlines

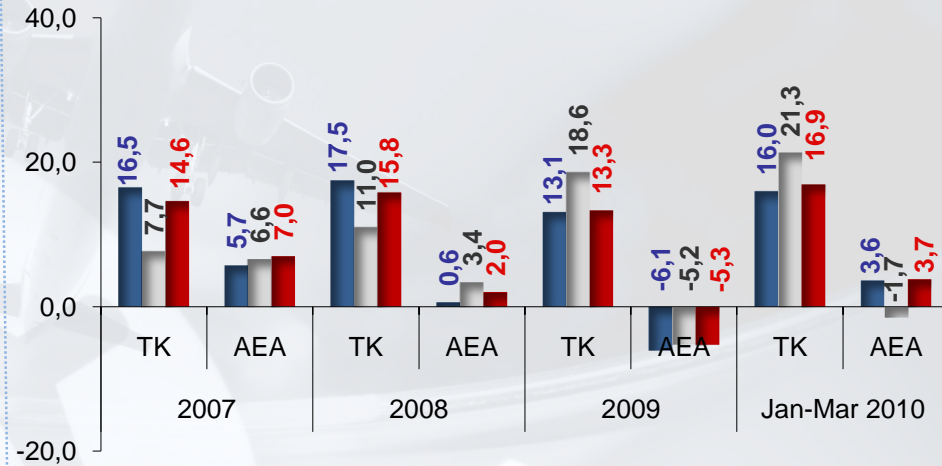
- › CFO as of March 2006
- › M.Sc. in Finance, Urbana Champaign Illinois University, USA
- › M.A. Economics, Ankara University
- › Certified Public Accountant
- › Board Member of Sun Express
- › Board Member of THY Opet Havacılık Yakıtları A.S.
- › Auditor of THY Technic A.S.

THY vs AEA

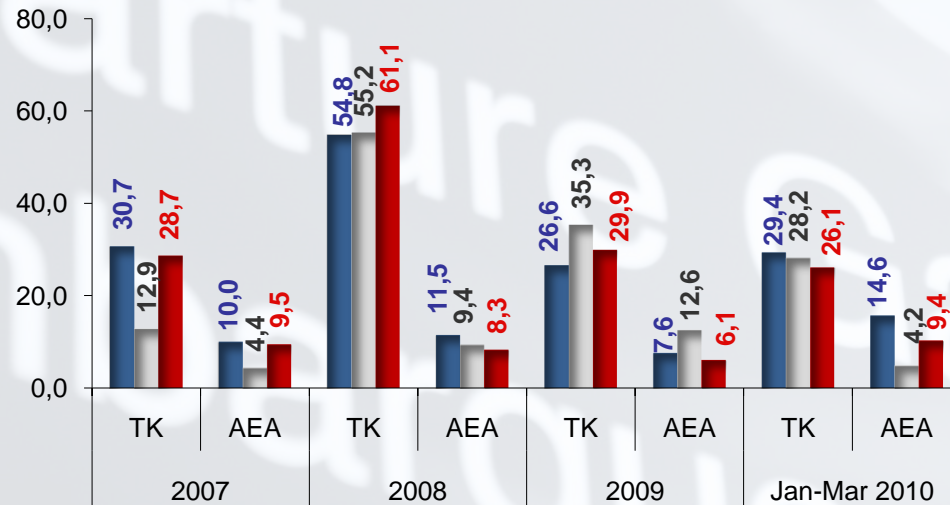
Total



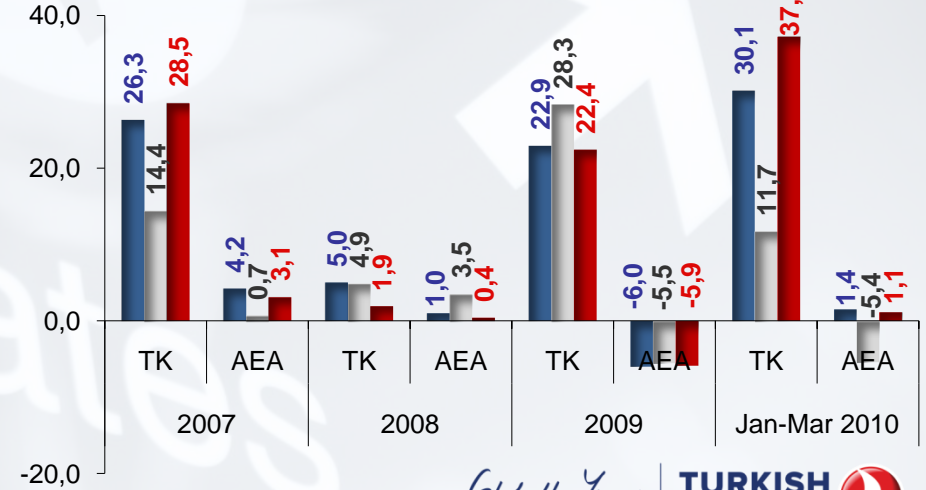
Europe



Middle East



Far East



Source: AEA

GlobalFlyers



Destinations: 121* International Lines

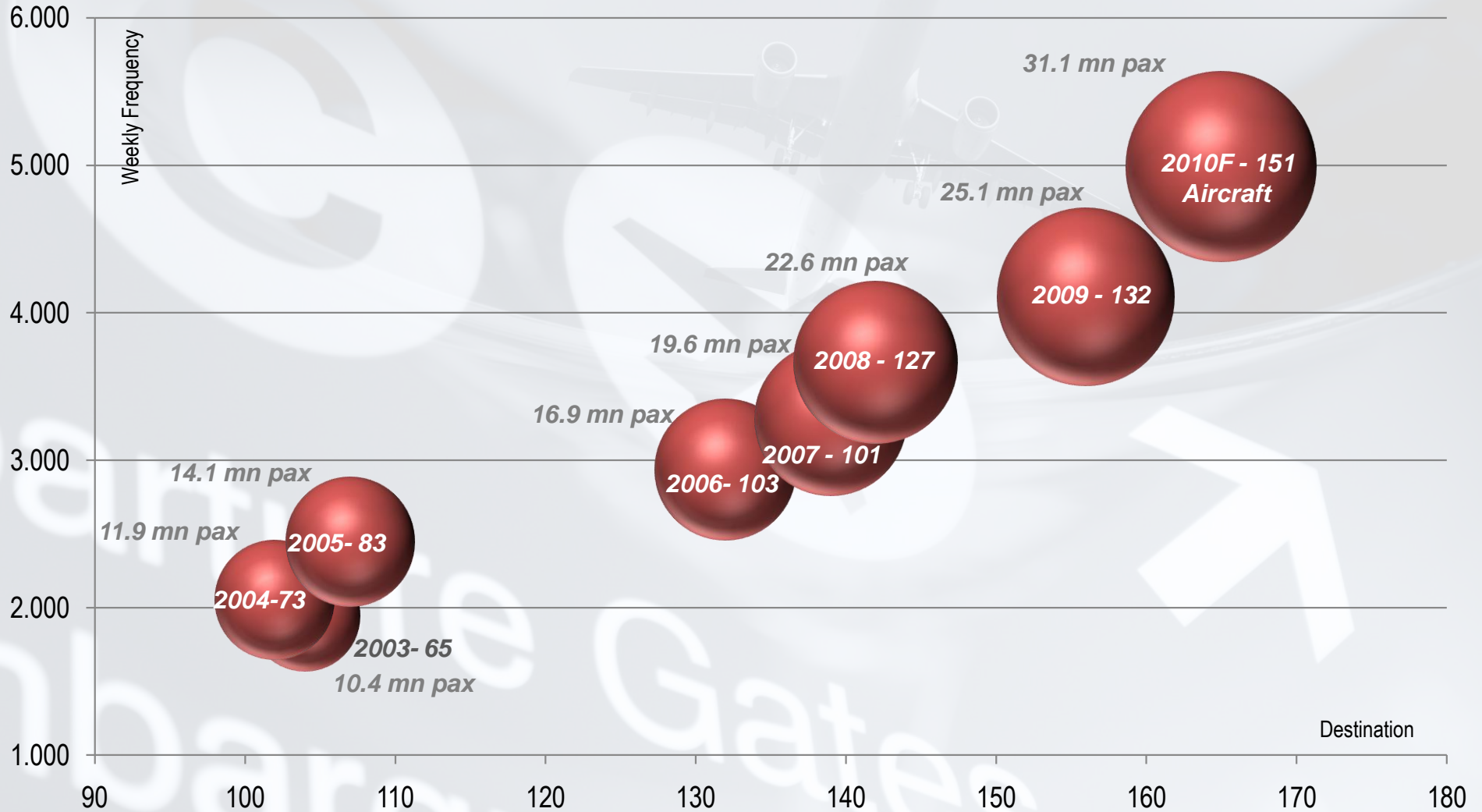
AMERICAS (3)		EUROPE (67)					FAR EAST (18)	
CHICAGO		GERMANY (9)		UKRAINE (6)	U.K. (3)	FRANCE (3)		
NEW YORK		BERLIN	ODESSA	LONDON	PARIS	ALMATY	KARACHI	
SAO PAULO		STUTTGART	KIEV	MANCHESTER	NICE	ASKGABAD	MUMBAI	
WASHINGTON D.C.		DUSSELDORF	SIMFEROPOL	BIRMINGHAM	LYON	ASTANA	NEW DELHI	
LOS ANGELES		FRANKFURT	DONETSK			BANGKOK	SHANGHAI	
CANADA (1)		HAMBURG	DNEPROPETROVSK	SWITZERLAND (3)		ITALY (4)		
TORONTO		HANNOVER	LVOV	BASEL	MILAN	BEIJING	SEOUL	
AFRICA (13)		COLOGNE		ZURICH	ROME	BISHKEK	SINGAPORE	
ADISABABA	LAGOS	MUNICH	SPAIN (2)		VENICE	DUSHANBE	TASHKENT	
ALGIERS	NAIROBI	NUREMBERG	BARCELONA	GENEVA	BOLOGNA	HONG KONG	TOKYO	
BENGHAZI	TRIPOLI		MADRID			JAKARTA	OSAKA	
CAIRO	TUNUS	RUSSIA (7)					HO-CHI-MINH	
CAPETOWN	ACCRA	MOSCOW						
CASABLANCA	ALEXANDRIA	ROSTOV						
DAKAR	DAR ES SALAAM	KAZAN						
KHARTOUM	ORAN	ST.PETERSBURG						
JOHANNESBURG		YEKATERINBURG						
		UFA						
		SOCHI*						
		NOVOSIBIRSK						
			OTHERS (30)					
		AMSTERDAM	BUCHAREST	HELSINKI	PRAG	STOCKHOLM	NAXCIVAN	
		ATHENS	BUDAPEST	LEFKOSE	RIGA	TBILISI	PODGORICA	
		BAKU	CHISINAOU	LISBON	PRISTINA	TIRANA		
		BATUMI	COPENHAGEN	LJUBLIANA	SARAJEVO	VIENNA		
		BELGRAD	DUBLIN	MINSK	SKOPJE	ZAGREB		
		BRUSSELS	GOTEBORG	OSLO	SOFIA	WARSAW		

* As of May, 2010
Planning for 2010

Destinations: 37 Domestic Lines

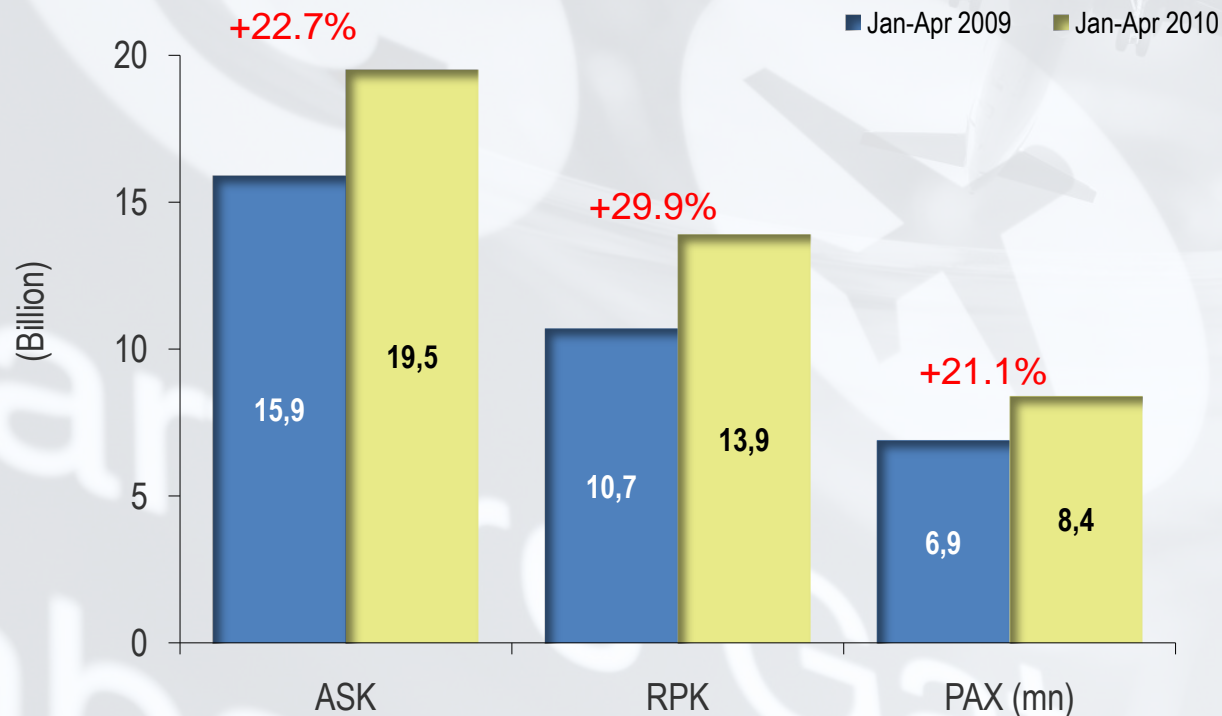


Network Mapping



Passenger Traffic- January-April

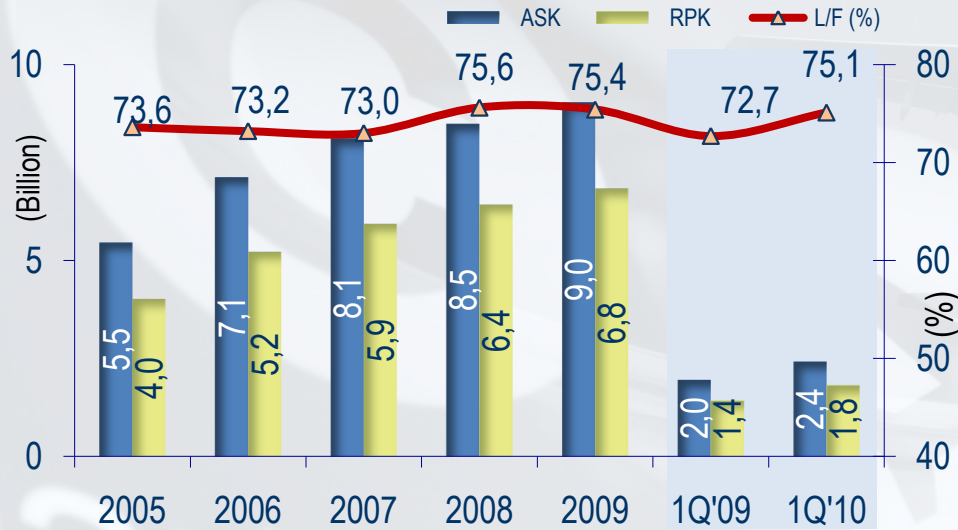
Capacity-Traffic-Passenger Development



- › During Jan-Apr 2010, Load Factor increased by 3.9 pt to 71%
- › As of April 2010, int-to-int transit passengers increased by 29.6%
- › International business passengers increased by 32% compared to Jan-Apr 2009.

Passenger Traffic

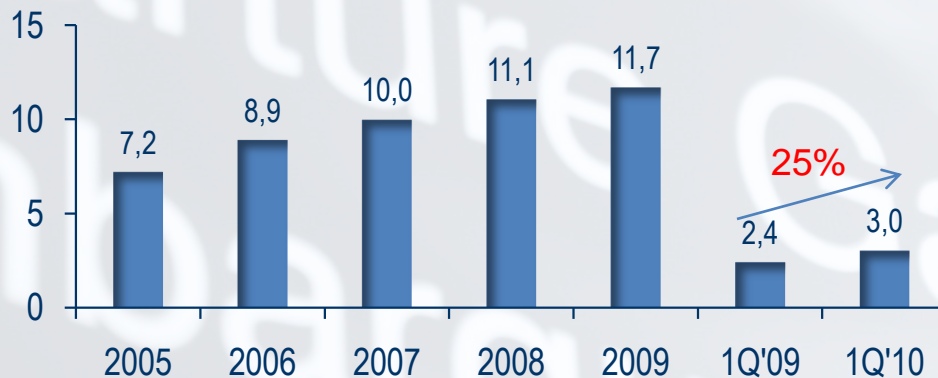
Domestic



International



Domestic Passengers (mn)



International Passengers (mn)



GlobalFlyers



Passenger Traffic

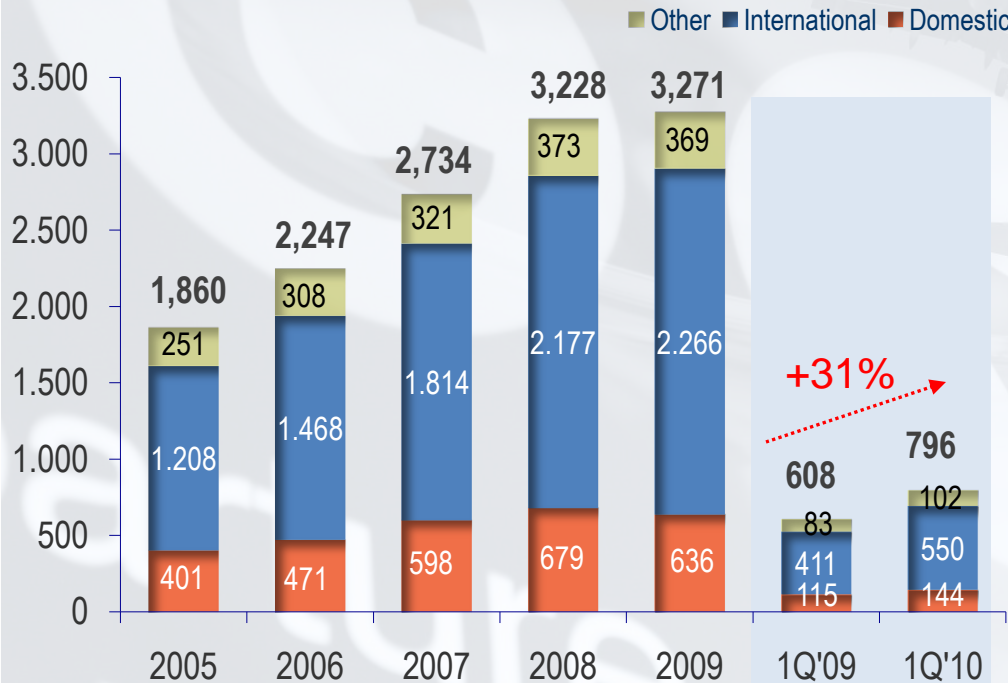
Capacity-Traffic Development Load Factor %



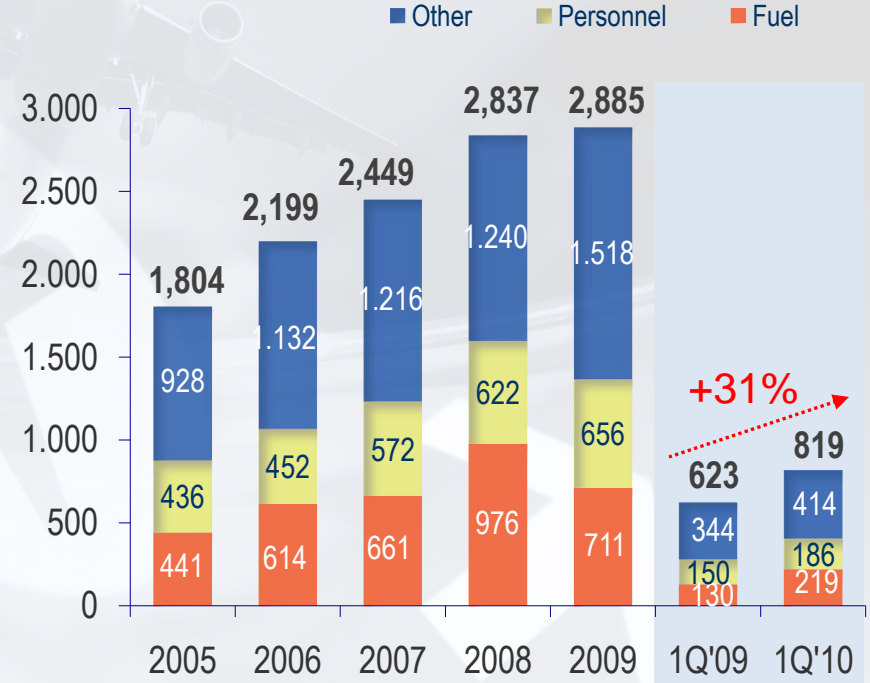
THY Passenger Traffic 1Q 2009 vs 1Q 2010	
Landing	up by 21.2%
ASK	up by 26.9%
RPK	up by 35.0%
Passenger # ('000)	up by 25.5%
L/F	up by 4.2 points

Revenues and Expenses

Total Revenues (Mn€)



Total Expenses (Mn€)

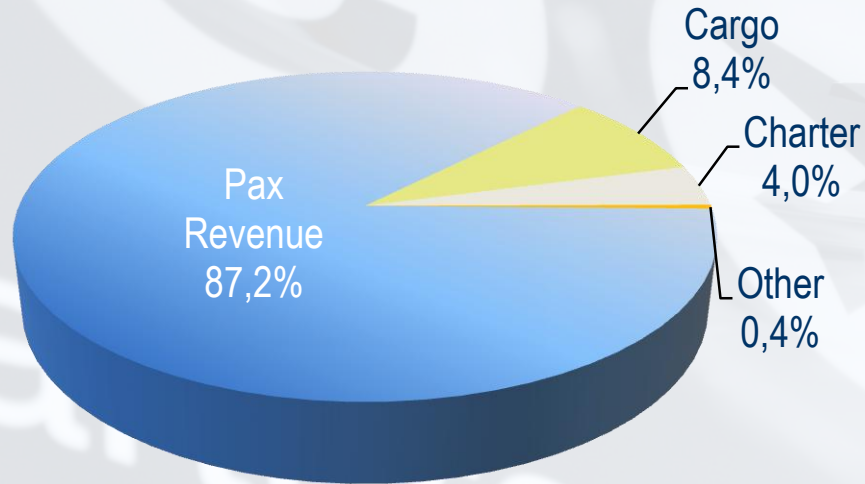


Source: Financial statements released under Turkish CMB standards, converted to € Euro using average exchange rates

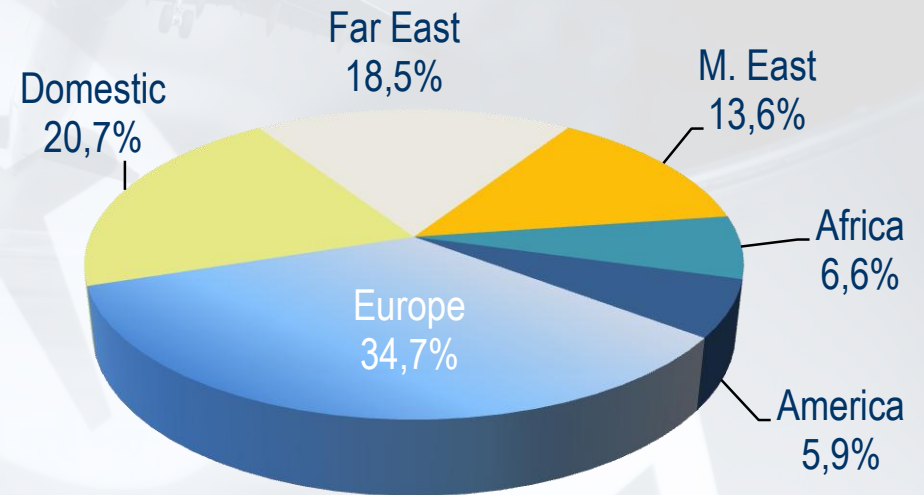
Able to Sustain Revenue Growth While Increasing Capacity

Revenues- (1Q'10)

Revenues Split



Passenger Revenues Split by Geography

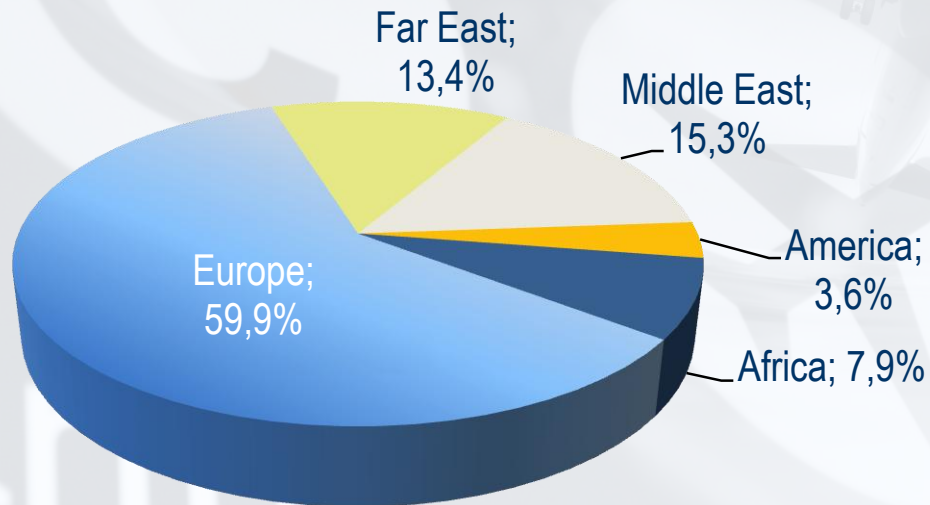


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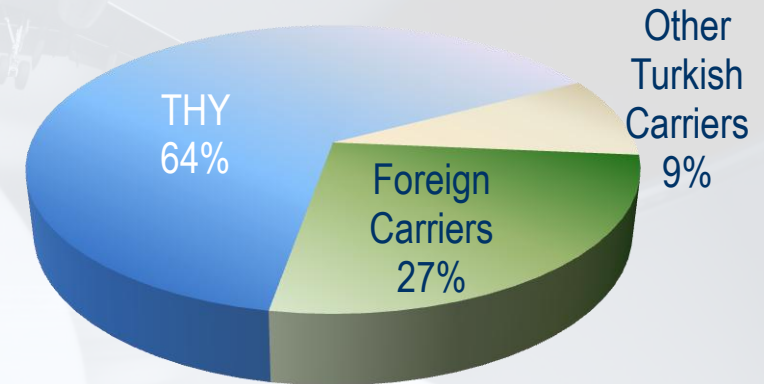
Passenger Revenue from Middle East and Africa regions is increasing

Passenger Breakdown- (1Q'10)

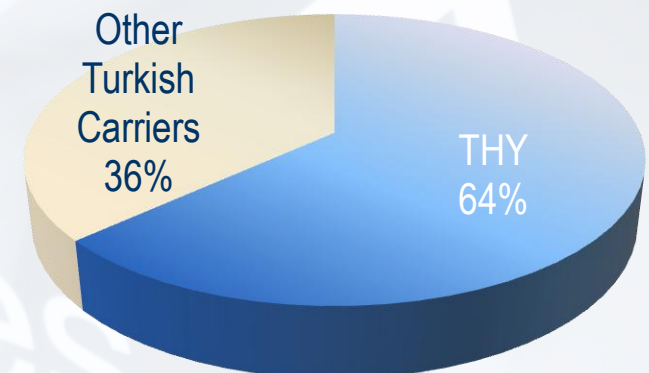
Int'l. Traffic Breakdown by Geography



Market Shares International



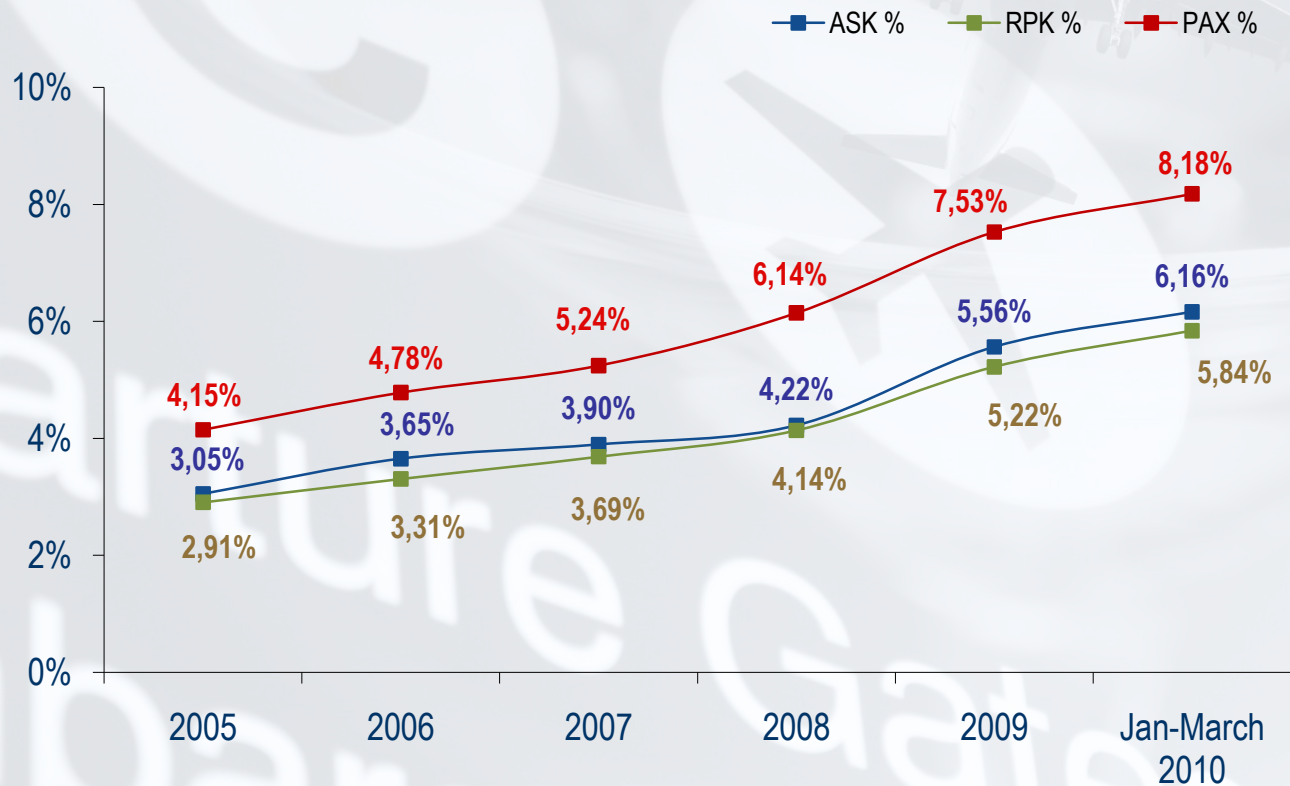
Domestic



Increasing Market Share in International Traffic

Market Share

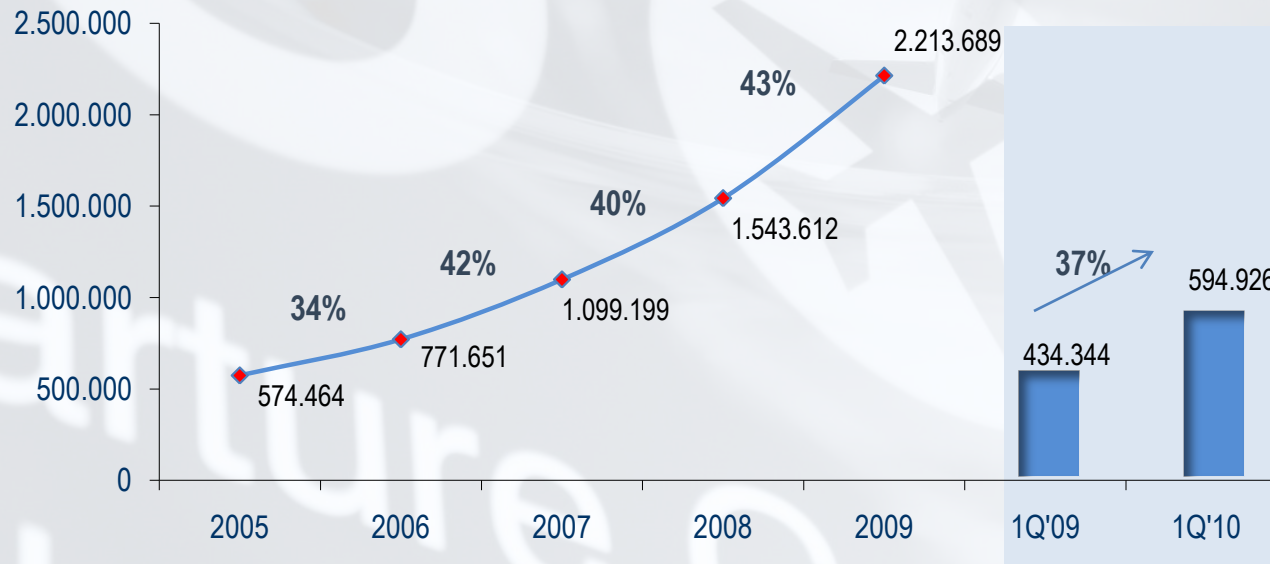
THY Market Share Among AEA Airlines (January-December)



THY ranks fourth in passenger market share, sixth in ASK and RPK market share among AEA member airlines

Transit Passengers

Int'l to Int'l Transit Passengers* (2005 – 2009)



*One-way

- › THY carried total of 1.155.152 transit passengers in the first quarter of 2010, with an increase of 24% compared to the same period of 2009.
- › Total transit passengers accounted for 19% of the passenger traffic.
- › Int'l to int'l transit passengers' share in total transit passengers is 52%. During first quarter of 2010, int't to int'l passengers increased by 37% reaching to 594.926

Significant increase in Int'l to Int'l Transit Passengers

Fleet Development

Fleet as of March 2010

	Type	Total	Owned	Financial Lease	Operational Lease	Seat Capacity	Fleet Age
Wide Body 15%	A330-200	7		5	2	1.812	3,8
	A340	9	7		2	2.446	13,4
	B777-3ER	4			4	1.248	2,6
	Total	20	7	5	8	5.506	7,9
Narrow Body 82%	B737-800	51		38	13	8.407	6,7
	B737-700	9			9	1.266	3,6
	B737-400	3			3	466	18,1
	A320	22		12	10	3.512	3,2
	A321	21		15	6	4.017	4,0
	A319	4			4	528	4,1
	Total	110	0	65	45	18.196	5,8
Cargo	A310	4	3				21,8
TOTAL		134*	10	70	54	23.702	6,3
	%		7%	52%	40%	-	-

- › As of March 2010, total fleet reached to 134, with an average age of 6,3 years.
- › Seat capacity increased by 3% in the first quarter of 2010 compared to the same period of 2009.



* 3 wet-lease aircraft is not included.

Fleet Development

Fleet Additions of 105 Aircraft							
	Type	2010	2011	2012	2013	2014	TOTAL
Wide Body	B777-3ER	5	7	-	-	-	12
	A330-300	4	3	3	-	-	10
	Total	9	10	3	0	0	22
Narrow Body	B737-900ER	-	2	4	2	2	10
	B737-800	-	2	5	2	1	10
	B737-700	-	-	-	-	-	0
	B737-400	-	-	-	-	-	0
	A321-200	-	8	6	-	-	14
	A319-100	-	6	-	-	-	6
	Total	0	18	15	4	3	40
TOTAL		9	28	18	4	3	62
Optional	A319/A321						10
	B737-800/900ER						15
	Total						25
Cargo	A330-200F	1	1	-	-	-	2
TOTAL		10	29	18	4	3	89

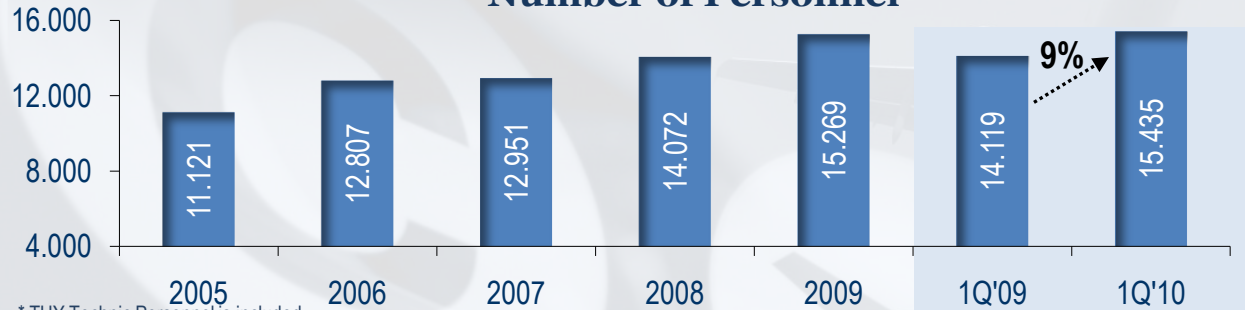
- › According to the Fleet Plan for 2009-2023, decision was made to purchase total of 105 aircraft:
- › WB Long-Haul: 25 firm/10 optional = 35
 - › 12/ B777-300ER and 10/A330 ordered, 13 left to be decided.
- › NB Medium-Haul: 50 firm/20 optional = 70
 - › Firm order of; 14/A321-200; 6/A319-100; 10/ B737-800 and 10/ B737-900 ER
 - › Optional order of 10 A319/A321 and 15/ B737-800/900ER. 5 left to be decided.
- › Total PDP payment will be approximately around 1.66 bn\$ for the firm orders.

Year End* Fleet & Seat Capacity After Additions & Exits					
	2010	2011	2012	2013	2014
Fleet*	151	173	184	184	181
Seat Capacity	27.592	31.696	33.916	34.126	33.734

* Includes operational lease aircraft which are not included in the Fleet Plan of 105 aircraft.

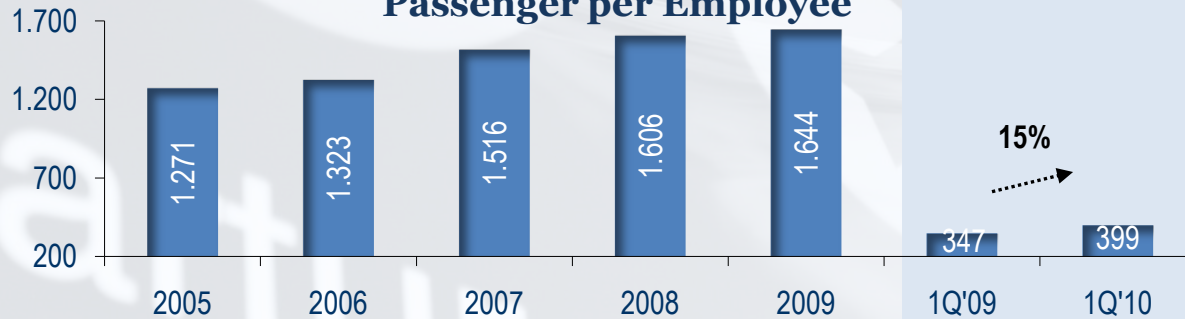
Operating Efficiency

Number of Personnel*

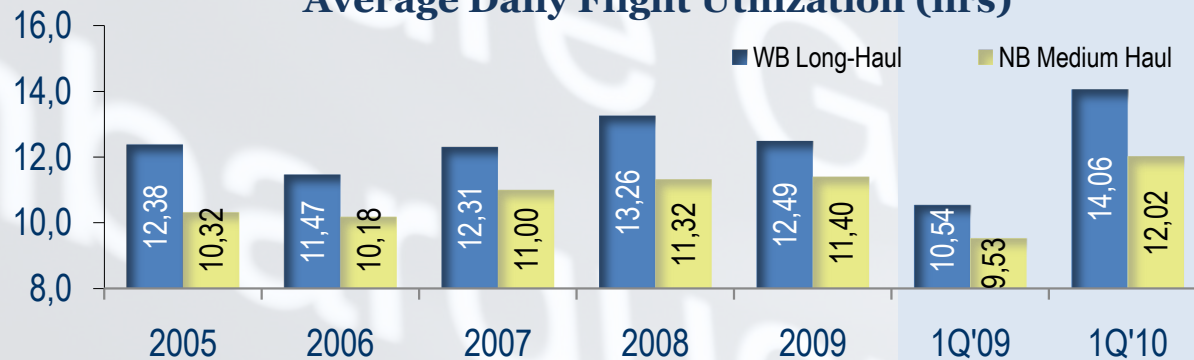


* THY Technic Personnel is included.

Passenger per Employee



Average Daily Flight Utilization (hrs)



- › THY enjoys high personnel efficiency compared to its competitors.
- › Personnel cost of THY per ASK was only €1.28 cents for the first quarter of 2010.
- › Aircraft utilization has been rising in recent years due to better fleet composition and a more dynamic scheduling process. As of first quarter 2010, the utilization increase in wide body and narrow body aircraft was 29% and 22%, respectively.

Personnel efficiency is the key driven while increasing fleet size

GlobalFlyer



Operating Expenses

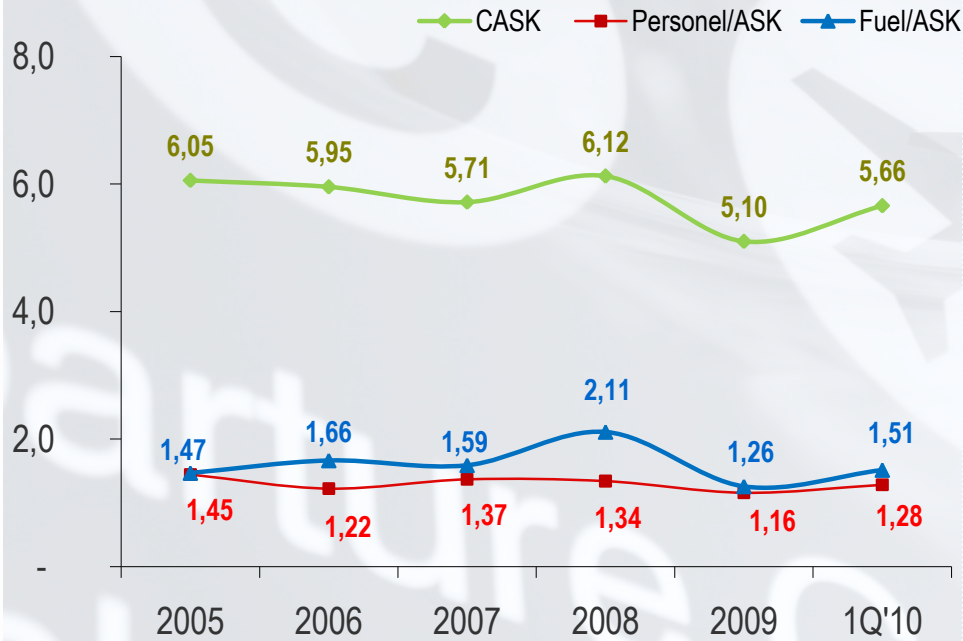
Total Expenses

(€ Mn)	1Q'09	% in Total	1Q'10	% in Total	10'/09 %
Fuel	130	21%	219	27%	69%
Personnel	150	24%	186	23%	24%
Sales and Marketing	51	8%	72	9%	41%
Rents	62	10%	69	8%	11%
Landing	54	9%	67	8%	25%
Ground handling	39	6%	51	6%	30%
Passenger Catering	34	5%	44	5%	32%
Depreciation	43	7%	44	5%	1%
Maintenance	42	7%	40	5%	-6%
Others	8	1%	14	2%	87%
General Administration	5	1%	9	1%	77%
Insurance	6	1%	4	0%	-27%
TOTAL	623		819		31%
Op.Cost per ASK (€)	5,47		5,66		3%

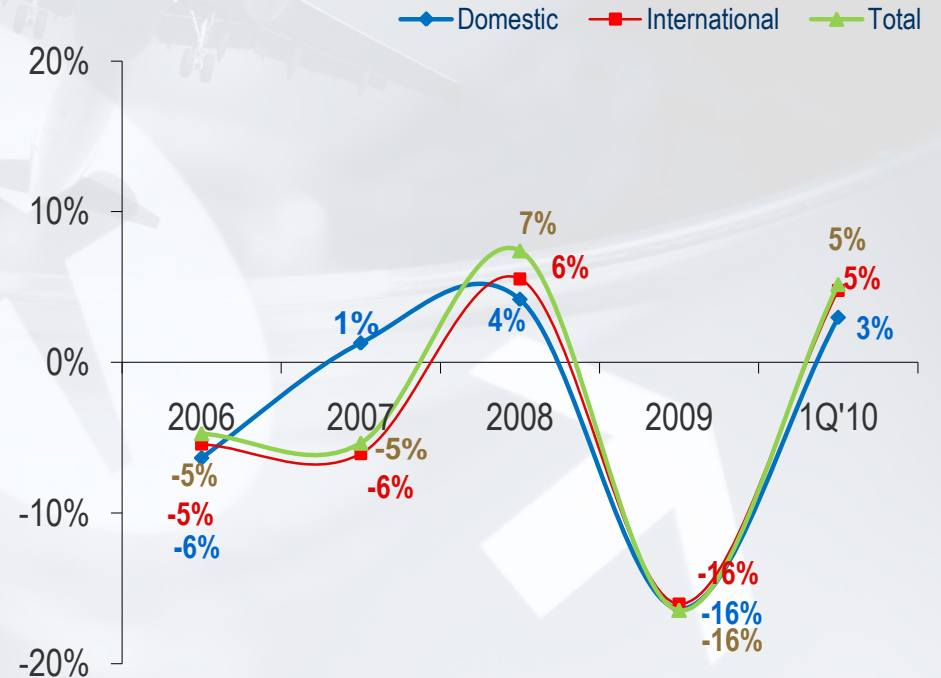
Total expenses increased by 31%, mainly due to increasing fuel costs.

Operating Expenses-Unit Cost

Cost Per ASK (€ cent)



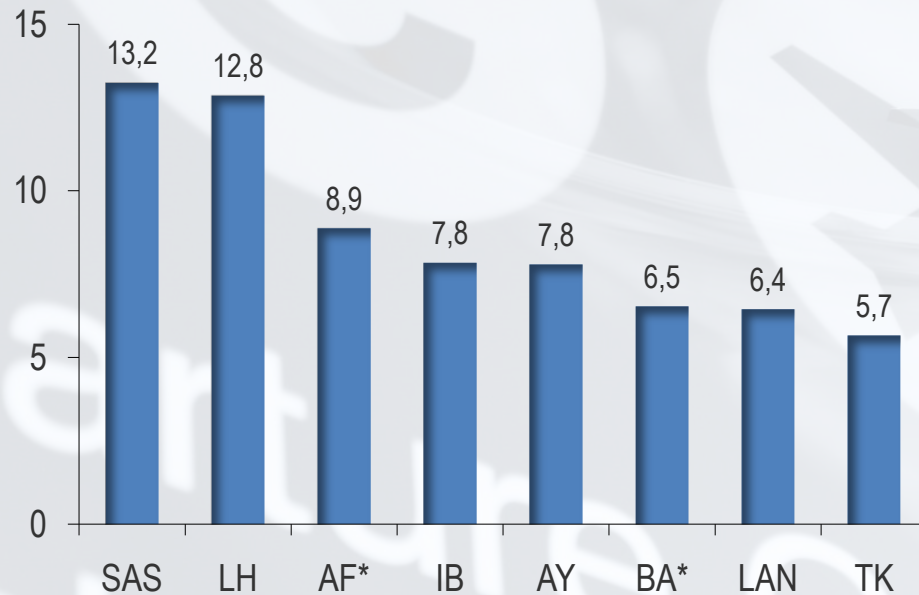
Change in CASK(€ cent)



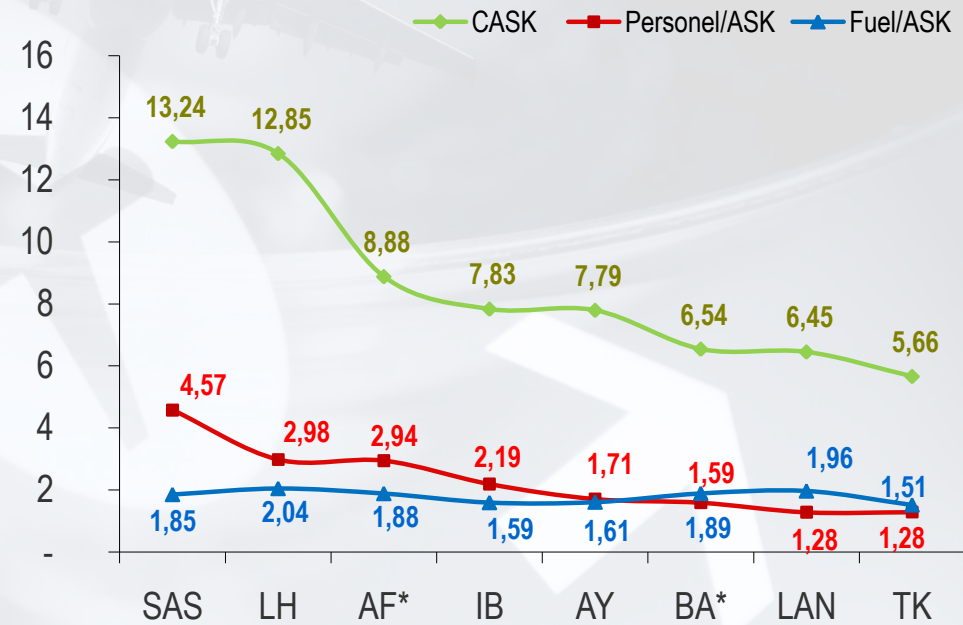
Source: Financial statements released under Turkish CMB standards, converted to € Euro using average exchange rates

Peer Group vs THY

Operating Costs per ASK (€ Cent)-1Q'10



Cost Per ASK (€ Cent)-1Q'10

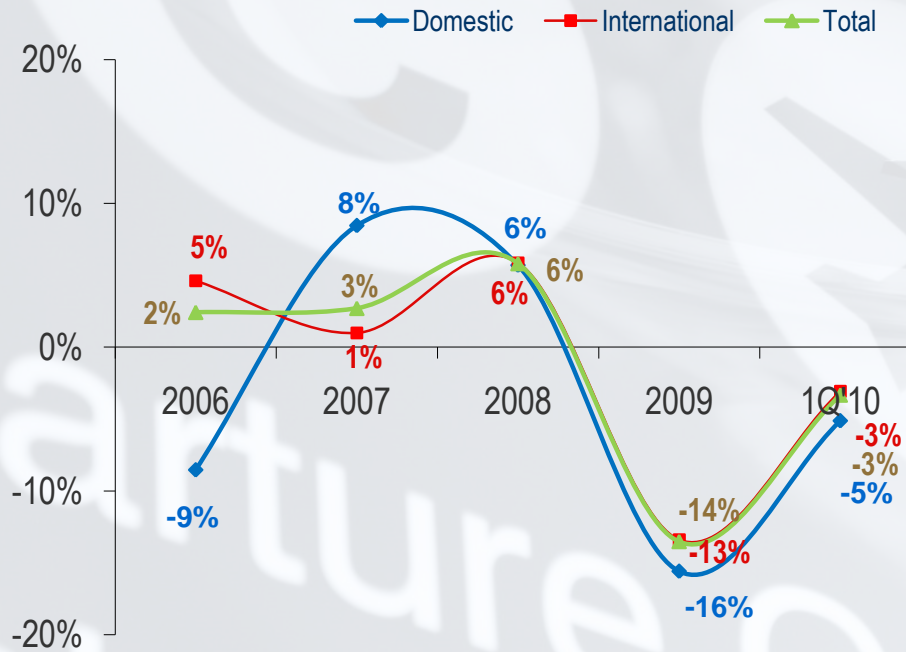


*April'09-March '10 Full Year Results

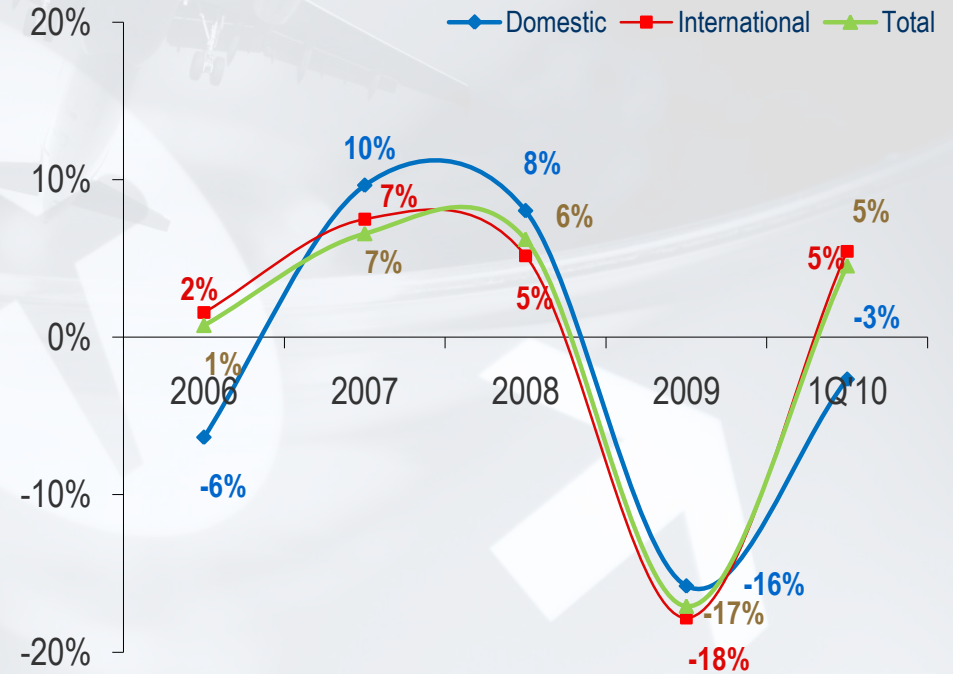
THY is the most cost efficient among its European Peers

Financial Highlights

Change in R/Y (€ cent)



Change in RASK (€ cent)



Source: Financial statements released under Turkish CMB standards, converted to € Euro using average exchange rates

EBITDAR Margin

EBITDAR Margin %



› Increase in fuel costs had a negative impact on EBITDAR.

* CAGR= Compounded Average Growth Rate

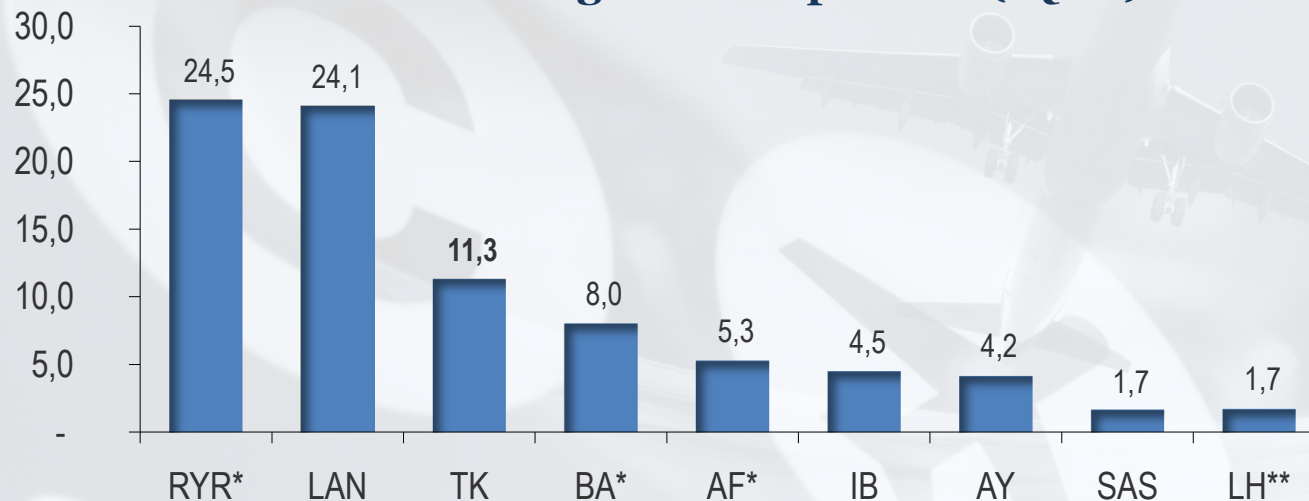
(€ Euro Mn)	2005	2006	2007	2008	2009	1Q'09	1Q'10	10'09 %
Revenue	1.860	2.247	2.734	3.228	3.271	608	796	31%
Net Income	83	99	149	598	260	72	58	-20%
Net Income Margin (%)	4,4	4,4	5,5	18,5	7,9	11,9	7,2	-4.6 pt
EBIT	56	48	285	391	387	-15	-23	48%
EBIT Margin (%)	3,0	2,1	10,4	12,1	11,8	-2,5	-2,9	-0.3 pt
EBITDA	235	235	490	541	548	28	21	-25%
EBITDA Margin (%)	12,6	10,5	17,9	16,8	16,8	4,6	2,6	-2.0 pt
EBITDAR	320	366	678	727	802	90	90	0%
EBITDAR Margin (%)	17,2	16,3	24,8	22,5	24,5	14,9	11,3	-3.6 pt

GlobalFlyers

TURKISH AIRLINES 

Peer Group vs THY

EBITDAR Margin % Comparison (1Q'10)



- › While peer group posted losses in 1Q'10, THY recorded profit of 58 mn. €
- › Compared to its competitors, THY has a higher EBITDAR margin.

* April '09-March '10 Full Year Results

** EBITDA Margin

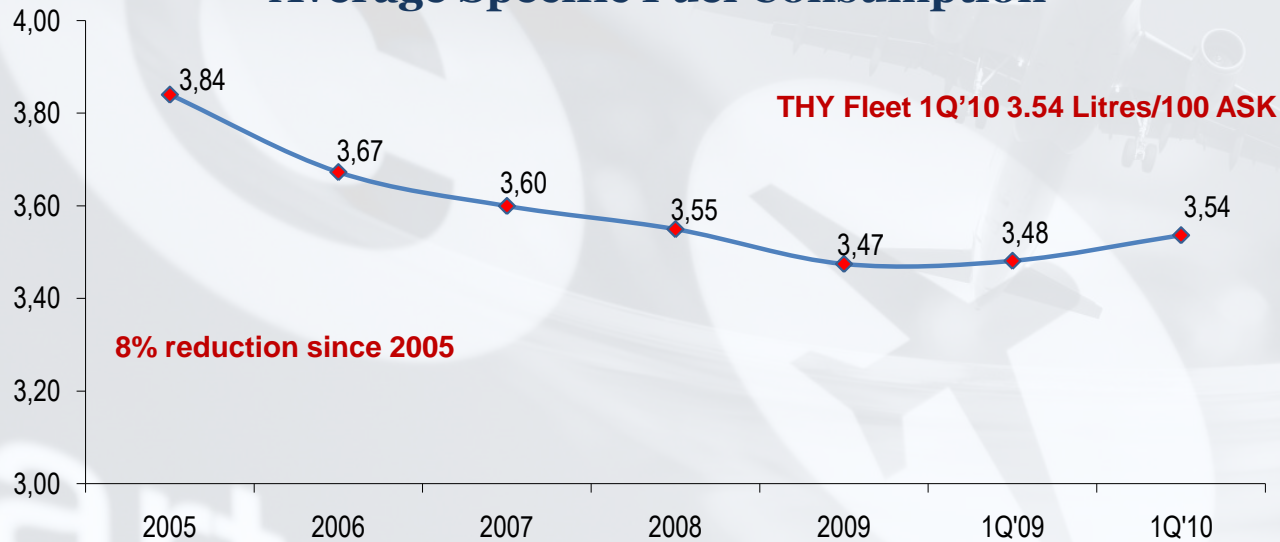
(€ Euro Mn)	TK	LH	SAS	IB	AY	LAN
Revenue	796	5.758	974	1.049	482	765
Expense	818	6.719	1.053	1.125	511	660
Net Income	58	-298	-73	-52	-22	65
EBIT	-23	-306	-78	-76	-26	106
EBIT Margin (%)	-2,8%	-5,3%	-8,0%	-7,2%	-5,5%	13,8%
EBITDA	21	99	-31	-33	2	167
EBITDA Margin (%)	2,6%	1,7%	-3,2%	-3,2%	0,4%	21,8%
EBITDAR	90	-	16	47	20	184
EBITDAR Margin (%)	11,3%	-	1,7%	4,5%	4,2%	24,1%

GlobalFlyYears

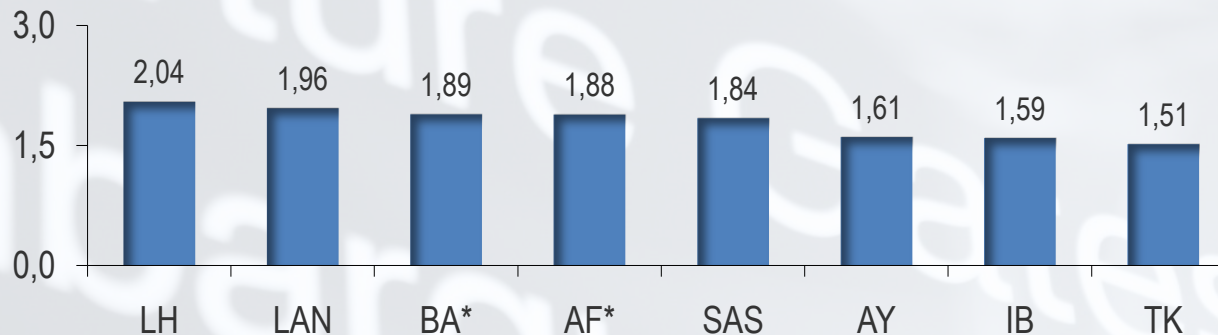
TURKISH AIRLINES 

Fuel

Average Specific Fuel Consumption



Fuel Cost Per ASK (€ Cent)-1Q'10



* April'09-March '10 Full Year Results

Source: Company annual reports & websites.

- › THY's fuel expense per ASK is lower on the average compared to its peer group.
- › Due to fleet expansion, the fleet average age will be lower which in return will increase THY's fuel efficiency.
- › As of 1Q' 2010, with the help of its' young fleet and Fuel Saving Program which started in April 2008, THY saved 2.846 tons of fuel and reduced CO2 Emission by 8.966 tons.

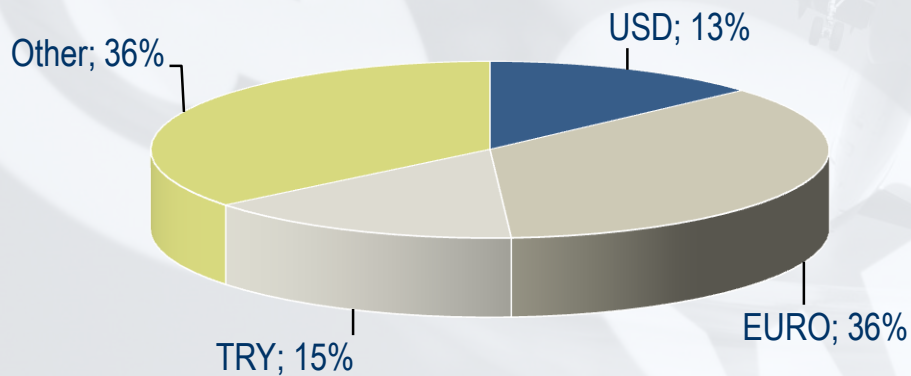
Fleet expansion will reduce fuel cost as well as fleet age

GlobalFlyers

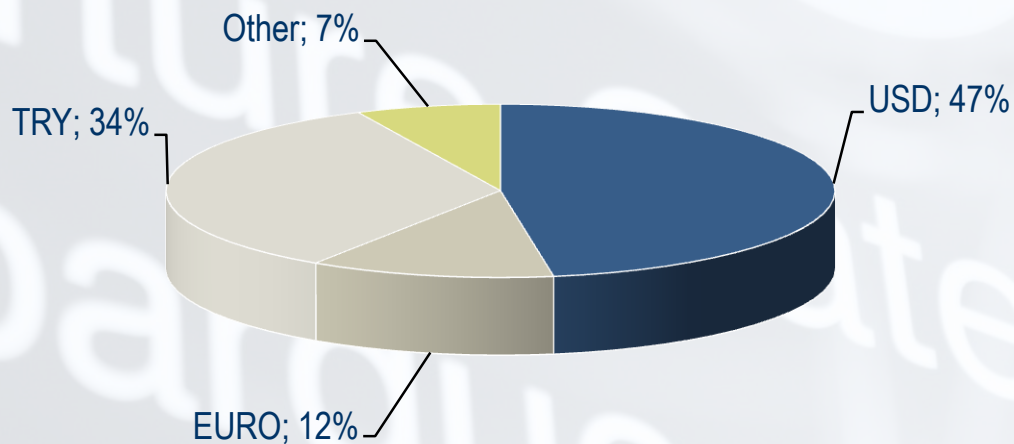


Currency Breakdown

Revenue by Currency (1Q'10)



Expenses by Currency (1Q'10)



› THY's income is diversified among the major currencies.

Currency exposure risk is minimized due to efficient cash management

Sector Comparison

RANK	COMPANY	SCORE DATE	08 REVENUE \$ mn	TOTAL SCORE	LIQUIDITY	FINANCIAL HEALTH	EARNINGS PERF.	FUEL MGT.	ASSET MGT.
1	Singapore Airlines Ltd	Dec 08	11.825	75	81	87	28	46	33
2	Deutsche Lufthansa AG	Dec 08	35.807	65	86	56	22	51	31
3	Malaysian Airlines System Berhad	Dec 08	4.352	63	73	65	35	29	50
4	Türk Hava Yolları A.O.	Dec 08	3.982	62	62	84	33	31	46
5	Qantas Airways Ltd	Dec 08	14.562	59	85	36	47	30	36
6	Lan Airlines SA	Dec 08	4.534	55	36	66	65	28	99
7	Air New Zealand Ltd	Dec 08	3.203	51	70	52	21	18	41
8	Aer Lingus Group PLC	Dec 08	1.893	51	64	52	1	11	22
9	Iberia Lineas Aereas De Espana SA	Dec 08	7.281	49	83	38	2	21	19
10	Finnair OYJ	Dec 08	3.157	43	71	33	2	17	30
11	Hawaiian Holdings Inc.	Dec 08	1.211	42	37	44	64	15	69
12	Air France-KLM	Mar 09	31.823	35	63	26	1	32	25
13	All Nippon Airways Co Ltd Ana	Mar 09	14.102	35	50	37	33	36	37
14	Alaska Air Group Inc	Dec 08	3.620	35	64	31	6	11	31
15	Japan Airlines Corp	Mar 09	19.758	29	59	29	10	30	23
16	Continental Airlines Inc	Dec 08	15.241	28	45	35	21	28	44
17	British Airways PLC	Mar 09	12.196	28	61	21	1	15	13
18	Cathay Pasific Airways Ltd	Dec 08	11.185	24	67	22	1	9	4
19	TAM SA	Dec 08	4.107	22	33	39	1	8	48
20	Austrian Airlines	Dec 08	3.292	20	53	15	18	7	12
21	Sas Ab.Stockholm	Dec 08	6.743	19	45	37	1	12	15
22	Delta Air Lines	Dec 08	22.697	18	44	20	20	11	1
23	Thai Airways International	Dec 08	5.775	16	31	15	28	9	20
24	AMR Corp.	Dec 08	23.766	15	46	15	7	16	17
25	Air Canada	Dec 08	9.000	14	30	22	7	12	21
26	Asiana Airline Inc.	Dec 08	3.609	7	10	15	26	9	28
27	Korean Air Lines Co.Ltd	Dec 08	8.357	6	24	13	1	4	10
28	Air China Ltd	Dec 08	7.760	5	29	2	7	4	25
29	China Southern Airlines Co Ltd	Dec 08	8.104	2	25	1	8	5	17
30	US Airways Group Inc.	Dec 08	12.118	1	22	15	1	12	31
31	UAL Corp	Dec 08	20.194	1	28	6	1	1	1
32	China Eastern Airlires Corp. Ltd.	Dec 08	6.130	1	30	1	12	1	1

THY ranked No.2 in the financial health* category

* Representing a measure of an airline's overall financial strength based on assessments of solvency, current ratio, fixed-charge coverage, mix of debt and equity capital, operating income margin and debt service cover.

Company Overview

- › Blessed by its prime location,
 - › Turkey only 3hrs flight from 50 different countries
 - › Increased focus on transit flights since 2002
 - › Increased focus on Business Class passengers since 2006
- › Official sponsor of FC Barcelona, Manchester United Football Club & Maroussi Basketball Club,
- › Won award for the Best Airline in Southern Europe and World's Best Economy Class Onboard Catering at the 2010 World Airline Awards,
- › Member of Star Alliance,
- › Ranks # 4 among AEA members, by passengers carried,
- › Included in MSCI Indices as of November 2009,
- › Substantial cost advantage over competitors.

TURKISH AIRLINES



TC-JPA

THANK YOU

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AIRBUS A320

TC-JPA

Cargo Transportation

TURKISH CARGO

› Turkish Cargo

- › Leading cargo carrier in total export and import cargo in Turkey.
- › Operates 22 destinations with its 4 A310-300 freighters besides 158 destinations with 137 passenger aircraft.
- › During 1Q'10 posted revenue was 67 million Euro, carried cargo was 74,070 tons.



Cargo Revenue

Cargo Revenue (€ Mn)



- › Cargo revenue has increased by 60% in the first quarter of 2010 compared to the same period of 2009.

**Plans to Enlarge Freighter Fleet
Aiming Higher Cargo Revenues**

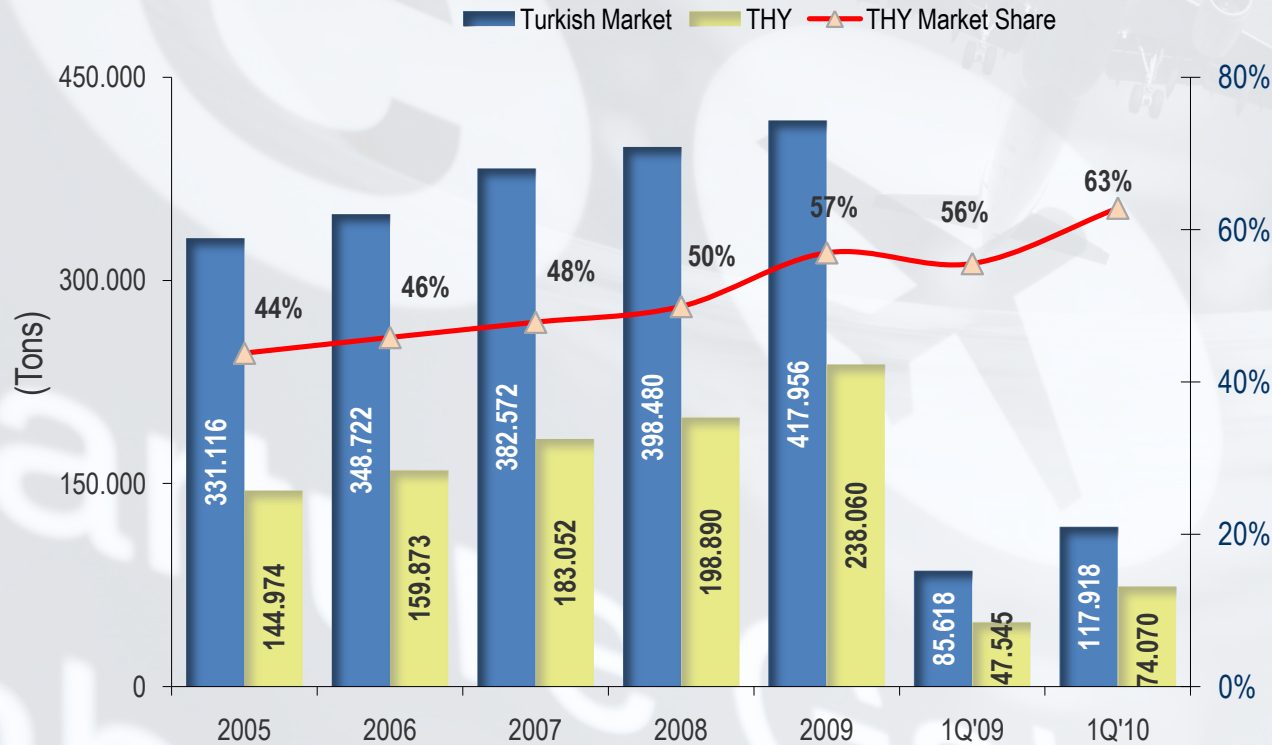
Cargo Transportation

THY - Cargo



- › Cargo carried in international lines is increasing over the last two years. As of first quarter 2010, 87% of carried cargo was from the international segment.
- › As of first quarter 2010, THY has carried total of 74.070 tons cargo, indicating 56% increase compared to the same period of 2009.

Turkish Cargo vs THY



- › THY, having 57% market share in Turkish cargo market by the end of 2009, has increased its market share to 63% by the end of first quarter 2010.
- › According to the Fleet Plan, decision made to purchase 2 Airbus cargo aircraft A330-200F, which will be received in the year 2010 and 2011.

THY Academy

› THY ACADEMY(To be Established)

- › One of the most outstanding training centers in the aviation industry.
- › Has been applying ISO 9001 Quality Management System since 1998.
- › Gives training services about 10.000 people each year with its trainers, specialized in their areas.
- › Addresses the training needs of cargo and passenger agents, universities and other airlines besides Turkish Airlines.

› Gives training at the areas which are given below:

- Technic: including Airbus, Boeing and RJ70/100 trainings
- Reservation
- Ticketing
- Cargo Operations
- Passenger Services
- Ground Handling
- Computer
- Personal Development and Quality



THY Academy

› THY Flight Training

- › Turkey's sole flight training center, certified by Type Rating Training Organization (TRTO) offers training in line with the standards of JAR-FCL.
- › THY not only address airlines within co-partnerships, but also other airlines.
- › Turkish Airlines Flight Training Center offers:
 - › **Cockpit Crew Training**
 - › **Cabin Crew Training**
 - › **Simulators**
 - › 4 full flight simulators for RJ-100, B737-400, B737-800 and A320s aircraft
 - › A340 "Business class", B737 "Economy Class" Cabin Service Trainer(CST)B737/A310/A340 Cabin Emergency Evacuation Trainer(CEET)
 - › **Ground Training**
 - › **Turkish Flight Academy**

**3 new simulators (Boeing 777-300ER - A320-A330/340)
will be in service as of 2010**

› Turkish Flight Academy

- › Founded on November 2004 as a result of a need for new flight personnel for THY.
- › Started training with 16 pilot candidates on May 2006. So far, 66 students have graduated from the Academy and started flying at Turkish Airlines.
- › Currently 51 pilot candidates are given training at the Academy.
- › Giving 210 hours flight training and 1200 hours ground training.



Balance Sheet

Assets (in € Mn)	2005	2006	2007	2008	2009	1Q'10
Cash and Equivalents	304	197	281	236	507	290
Net Trade Receivables	121	135	144	163	206	279
Other Current Assets	95	241	445	825	582	970
Total Current Assets	520	573	870	1.224	1.296	1.538
Net Fixed Assets	1.657	1.667	1.891	2.362	2.227	2.368
Other Long Term Assets	224	155	117	110	445	393
Total Long Term Assets	1.882	1.822	2.008	2.471	2.672	2.761
Total Assets	2.402	2.395	2.878	3.695	3.968	4.299
Liabilities (in € Mn)	2005	2006	2007	2008	2009	1Q'10
Short Term Lease Obligations	113	118	132	196	191	194
Accounts Payable	161	172	213	203	260	269
Passenger Flight Liabilities	149	174	222	228	272	375
Other Current Liabilities	332	113	127	146	180	228
Total Current Liabilities	755	577	694	773	902	1.066
Long Term Lease Obligations	540	780	918	1.307	1.192	1.191
Retirement Pay Provision	72	63	77	67	70	75
Other Long Term Liabilities	249	106	109	154	208	232
Total Long Term Liabilities	861	949	1.104	1.528	1.471	1.498
Share Capital	110	95	103	82	405	426
Restatement Effect	1.180	1.010	1.017	781	520	548
Restricted Profit Reserves	5	4	36	0	11	11
Differences from Currency Translation	0	0	0	2	2	2
Cash Flow Hedge Fund	0	0	0	0	-1	-2
Retained Earnings	-596	-336	-230	0	399	658
Net Profit For the Year	87	97	155	530	259	58
Total Shareholders Equity	786	869	1.081	1.395	1.595	1.735
Total Liabilities & Shareholders Equity	2.402	2.395	2.878	3.695	3.968	4.299

In converting the TRY reported results to EURO, year-end EURO exchange rates were used

GlobalFlyers



Income Statement

Income Statement (in Euro mn)	2005	2006	2007	2008	2009	1Q'09	1Q'10	10/09 %
Operating Revenues	1.860	2.247	2.734	3.228	3.271	608	796	31%
Operating Expenses	-1.804	-2.199	-2.449	-2.837	-2.885	-623	-819	31%
Operating Profit	56	48	285	391	387	-15	-23	48%
Income From Other Operations	255	153	127	30	42	46	66	44%
Loss From Other Operations	-166	-34	-6	-111	-93	-4	-8	129%
Income Before Financial Income/(Expense)	145	167	407	310	337	27	35	31%
Income/Loss due From Asset Valuation			9	2	6	-5	-12	124%
Financial Income			174	753	80	229	72	-68%
Financial Expense	-36	-62	-380	-376	-80	-124	-21	-83%
Income Before Taxation	109	105	209	688	343	127	75	-41%
Taxation	-26	-6	-59	-90	-83	-55	-18	-68%
Net Income	83	99	149	598	260	72	58	-20%

In converting the TRY reported results to EURO, the period average EURO exchange rates were used

Subsidiary & Affiliates

Subsidiaries	Owned	Capital (Mn. €)	Revenue (Mn. €)	Net Income (Mn. €)
THY Technic	100%	154.9	66.5	2.3
THY Do&Co	50%	14.6	34.4	1.8
Sun Express	50%	20.7	67.0	-21.4
Air Bosnia	49%	9.6	2.3	-1.2
THY Opet	50%	5.4		
TGS	50%	5.8	12.5	0.7

* As of March 31, 2010

Subsidiaries & Affiliates

TURKISH TECHNIC A.S.

› THY Technic A.S.(Consolidated)

- › Owned 100% by THY.
- › During the first quarter of 2010, posted revenues and net income was 66.5 mn€ and 2.3 mn€ respectively.
- › Provides maintenance services to more than 100 customers, including international airlines such as Lufthansa, KLM, BA and Alitalia as well as domestic airlines.
- › Main goal is to become one of the biggest MRO Center in the region.

HABOM (Maintenance Repair & Overhaul Center) Project

- › HABOM Project will be launched by THY Technic.
- › Under HABOM, the plan is to increase the airframe maintenance capacity to approximately 400 aircraft per annum.
- › Total investment for the project is around 400 mn\$
- › Expected to generate around 6.5 bn\$ revenue from 2012 to 2022.



THY will be developing its technical service and maintenance business through the HABOM Project

Subsidiaries & Affiliates

TURKISH ENGINE CENTER

› Turkish Engine Center

- › In 2008, THY Technic and Pratt & Whitney signed a joint venture to establish a new company, Turkish Engine Center.
- › Owned 51% - 49% by Pratt&Whitney and THY Technic, respectively.
- › Established to provide engine maintenance, repair and overhaul (MRO) services to customers located in Turkey, surrounding regions and worldwide.
- › The new environmentally efficient CFM56® and V2500 engine overhaul facility is planned to be comprised of approximately 25,000 sq. meters located at the Sabiha Gokcen International Airport.



Subsidiaries & Affiliates

THY DO&CO CATERING A.S.

- › **THY Do & Co Catering A.S. (Equity Pick-up)**
 - › Owned 50% - %50 by THY and Do & Co Restaurants & Catering A.G.
 - › Since 2007, operating nine gourmet kitchens all over Turkey: Istanbul (Atatürk and Sabiha Gökçen), Ankara, Antalya, Izmir, Bodrum, Trabzon, Dalaman and Adana. Over 60 national and international airlines are catered from these locations.
 - › During the first quarter of 2010, posted revenues and net income was 34.4 mn€ and 1.8 mn€ respectively.



Subsidiaries & Affiliates

› TGS Ground Handling Inc. (Equity Pick-up)

- › Registered on August 28th, 2008 to Commerce Registry.



› JP`B&H Airlines`d.o.o.Sarajevo (Equity Pick-up)

- › Owned 49% by THY.
- › Founded in 1994 as Bosnia Herzegovina's national airline under the name Air Bosnia.
- › During the first quarter of 2010, posted revenues and loss was 2.3 mn€ and 1.2 mn€, respectively.

Subsidiaries & Affiliates

SUN EXPRESS

› Sun Express A.S. (Equity Pick-up)

- › Founded in October 1989 as a subsidiary company of Lufthansa and Turkish Airlines.
- › Owned 50% - 50% by THY and Lufthansa, respectively.
- › Market leader in charter flights between Germany and Turkey.
- › Flies to/from 21 airports in Germany, 19 in Turkey and 15 in other countries.
- › Fleet consisted of 21 aircraft; 18 B737& 3 B757 aircraft with total seat capacity of 4,044 as of March 2010.
- › Will add 6 brand new Boeing 737-800s to its fleet until the end of 2010.
- › Carried 1,315,251 passengers in Q1 2010, by achieving load factor of 71.3%.
- › As of March 2010, number of personnel:1,367
- › During the first quarter of 2010, posted revenues and net loss was 67 mn€ and 31.1 mn€ respectively.



Subsidiaries & Affiliates

THY OPET HAVACILIK YAKITLARI A.S.

- › **THY Opet Havacılık Yakıtları A.S**
 - › In terms of investment on jet fuel supply; Turkish Airlines established a jet fuel supply company together with local oil retailer OPET on the 18th of September 2009.
 - › Owned 50% - %50 by THY and OPET.
 - › The business activity of the established company is to supply jet fuel to any type of aircraft.



Safety & Quality

In civil aviation, safety and quality supports each other and quality systems aim to maintain develop safety as a whole.

Safety, as it would commonly be well appreciated and generally accepted, is the key concept to consider for operations. Thus, Turkish Airlines is determined to keep and develop highest safety standards. Accepting and implementing the standards dictated by the aviation authorities and manufacturers as the baseline, Turkish Airlines strives to attain safer operational conditions in respect to continuous development processes and appreciates this concept as a “must.”

› **Flight Safety:**

The following have been implemented and monitored by utilizing the quality system of Turkish Airlines;

- Adoption of Safety Management System approach
- Implementation of Flight Data Monitoring (FDM) system
- Manage and assess the risk of flight operations
- Publications to flourish a widespread culture for operational safety

The Flight Safety Department that has direct access to the Accountable Manager is in charge of the management and oversight of the flight safety. It also implements the Flight Data Monitoring System, makes informal Line Observations and investigates the occurrences and reports (mandatory/voluntary) to promote flight safety.

› **Quality System:**

In accordance with JAR OPS 1, starting with the date of 1999, the Quality Assurance and Flight Safety Department, has been inaugurated. Based on the requirement JAR OPS 1.035, Turkish Airlines established a quality system dedicated “to ensure safe operational practices and airworthy aeroplanes”. Our company is an IOSA operator since 2005. Nowadays, we are preparing ourselves to implement ICAO’s Safety Management System and Security Management System.

In addition to the aviation sector standards, Turkish Airlines adopted generic standards for quality, such as ISO 9001 Quality Management System, 14001 Environmental Management System, OHSAS 18001 Occupational Health and Safety Management System, ISO 27001 Data Security Management System and ISO 10002 Customer Satisfaction Management System. As a result, Turkish Airlines’ quality system is an integrated approach covering standards for aviation and generic systems.

Quality Assurance Directorate which is also reporting directly to Accountable Manager is in charge of the implementation and oversight of the quality system. The departments within this directorate are; Flight Operations, Ground Operations, Technic, Cabin, Flight Training, Quality Management and Improvement. Turkish Airlines has a quality assurance program which consists of all planned and unplanned audits that ensures all operational activities to be carried out according to all aviation requirements, standards and procedures. It has also a continuous process that brings forward solutions and suggestions on potential non-conformities in the context of preventive action.

Due to its vast operation network, Turkish Airlines is in close contact with numerous Civil Aviation Authorities and subject to their audits. These audits, as well as giving the opportunity to the auditors to evaluate the current situation, provide the necessary feedback for Turkish Airlines continuous safer operations.

In addition to above all, having all requirements fulfilled and systems in place with regards to Turkish Civil Aviation Law, Turkish Airlines has the AOC (Air Operator Certificate) approved by Turkish Civil Aviation Administration (CAA).