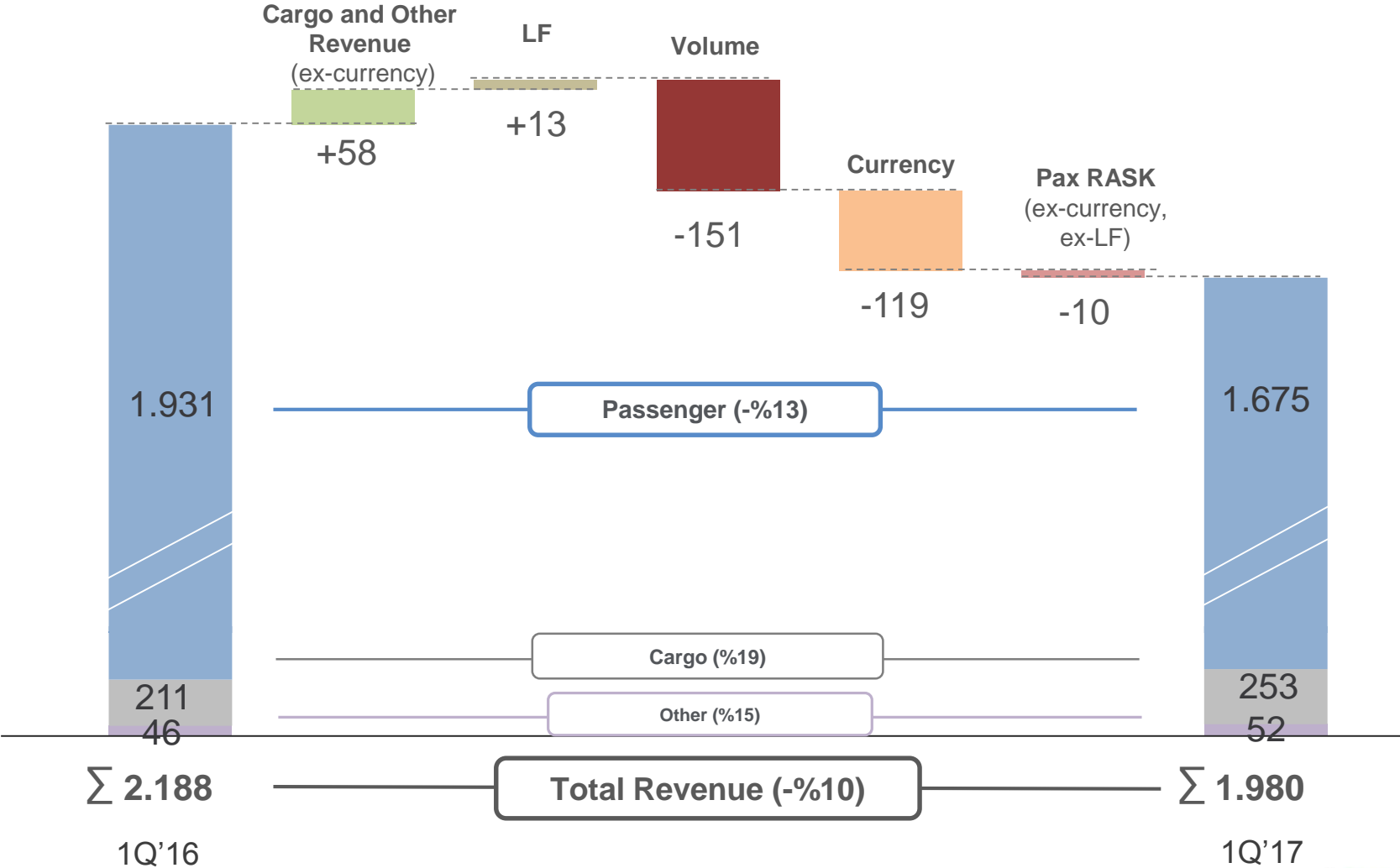


Key Financial Data

2015	2016	Change	(USD mn)	1Q'16	1Q'17	Change
10,522	9,792	-6.9%	Revenue	2,188	1,980	-9.5%
9,368	8,590	-8.3%	Passenger Revenue	1,931	1,675	-13.3%
935	996	6.5%	Cargo Revenue	211	253	19.9%
682	-350	-	Net Operating Profit / Loss	-280	-209	-
895	-291	-	Profit / Loss From Main Operations	-214	-172	-
1,069	-77	-	Net Income	-421	-373	-
10.2%	-0.8%	-10.9 pt	Net Income Margin	-19.2%	-18.8%	0.4 pt
2,580	1,628	-36.9%	EBITDAR	215	263	22.2%
24.5%	16.6%	-7.9 pt	EBITDAR Margin	9.8%	13.3%	3.4 pt

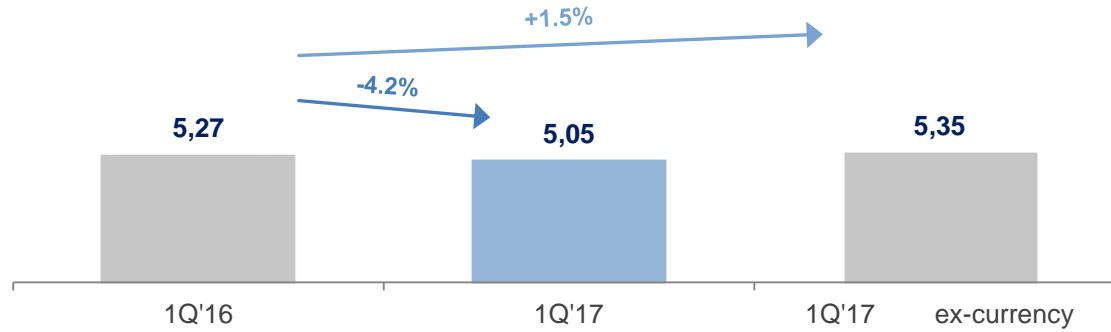
Revenue Development (1Q'16 vs 1Q'17)

(mn USD)

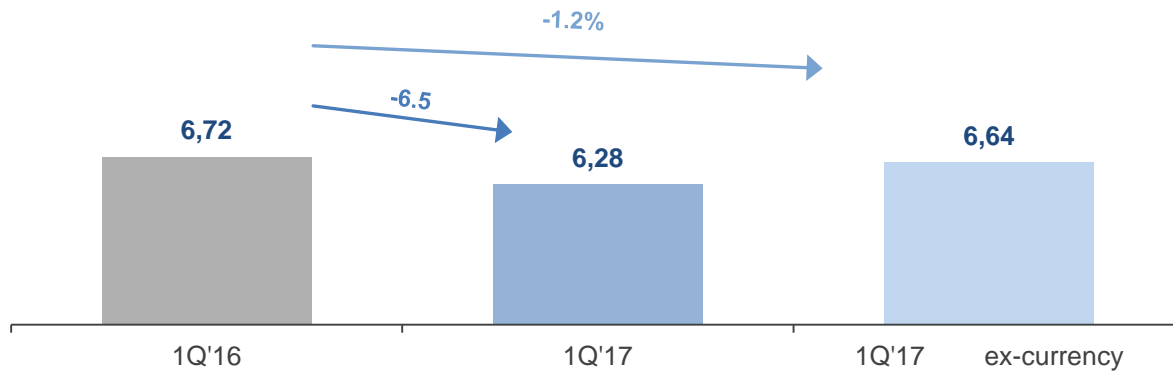


Unit Revenue Development

RASK (USc)

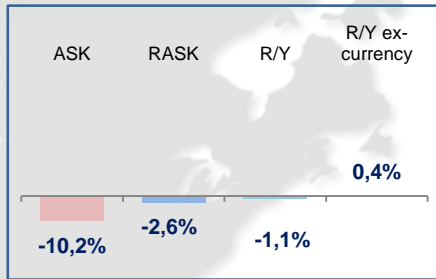


R/Y (Usc)

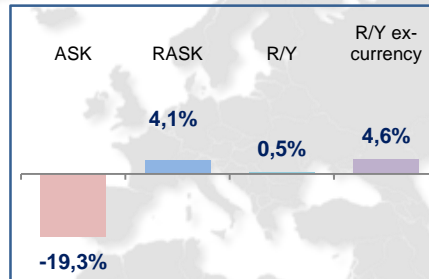


Regional Yield Development in USD (1Q'17 vs 1Q'16)

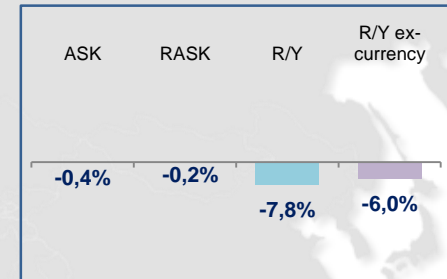
America



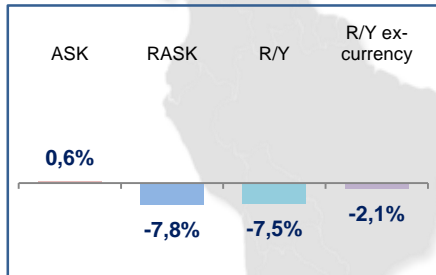
Europe



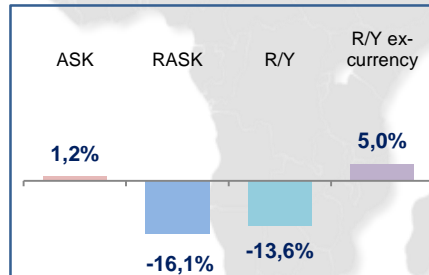
Asia / Far East



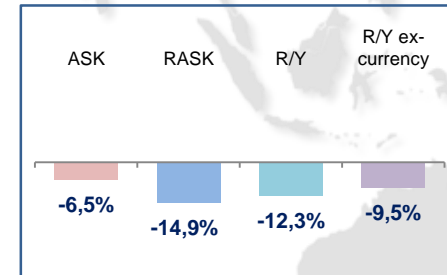
Africa



Domestic

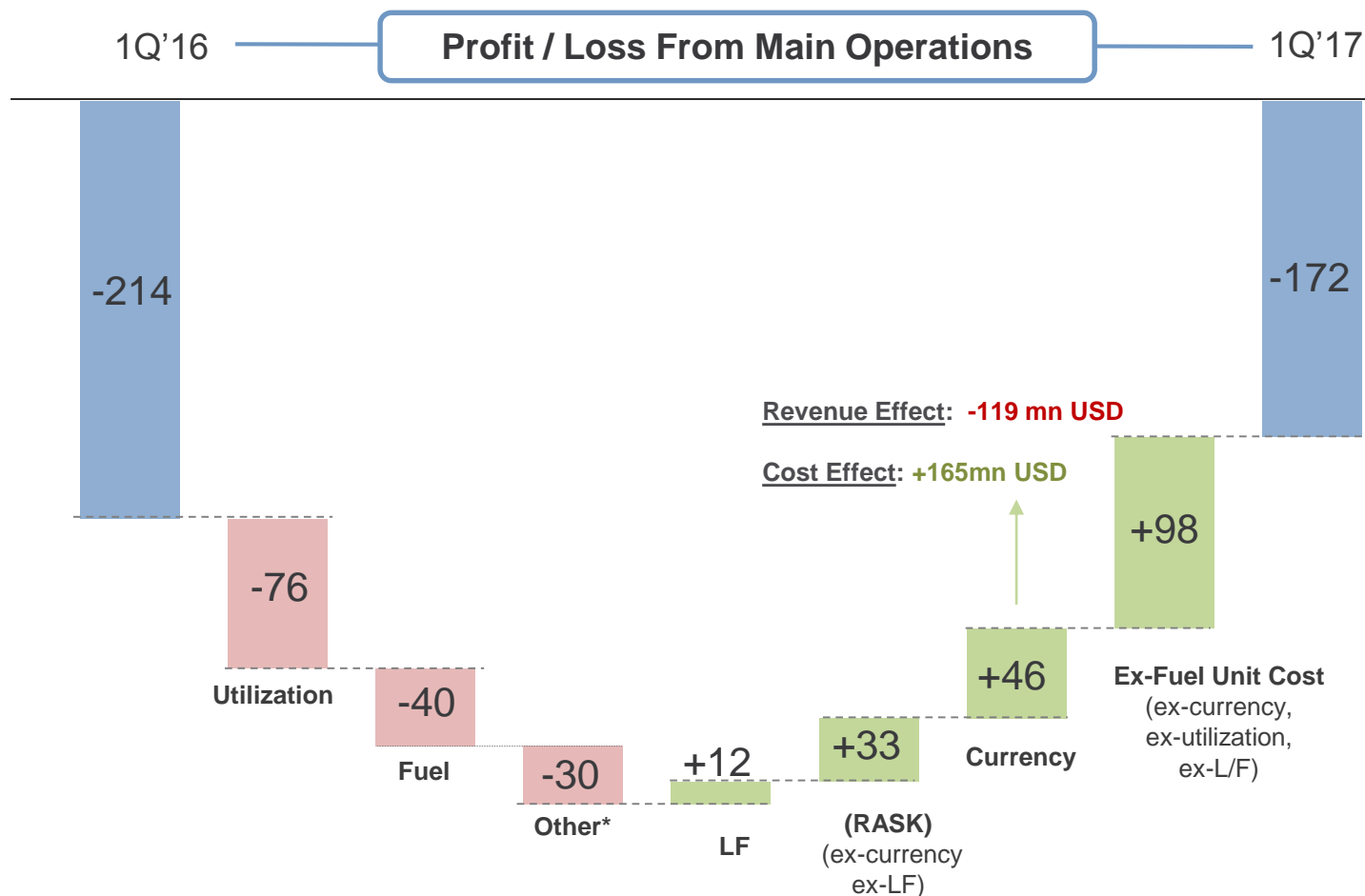


Middle East



Profit From Main Operations Bridge (1Q'16 vs 1Q'17)

(mn USD)



* Includes other operating income, other operating expense and FX gains/losses from operational activities

Operational Expense Breakdown

2015	2016	Change	(mn USD)	1Q'16	1Q'17	Change
2,997	2,673	-10.8%	Fuel	604	591	-2,2%
1,640	1,865	13.7%	Personnel	493	387	-21,5%
1,420	1,644	15.8%	Aircraft Ownership	394	368	-6,6%
916	952	3.9%	Airports & Air Navigation	224	195	-12,9%
883	884	0.1%	Sales & Marketing	241	193	-19,9%
619	645	4.2%	Ground Handling	154	135	-12,3%
585	582	-0.5%	Passenger Services & Catering	142	114	-19,7%
516	590	14.3%	Maintenance	143	133	-7,0%
264	307	16.3%	Other¹	73	73	0,0%
9,840	10,142	3.1%	TOTAL	2.468	2.189	-11,3%

ASK Growth: **10.7%**

ASK Growth: **-7:8 %**

Notes:

(1) Includes General Administration and Other Cost of Sales.

CASK Breakdown

2015	2016	Change	(USc)	1Q'16	1Q'17	Change
1.95	1.57	-19.4%	Fuel	1.53	1.63	6.2%
1.07	1.10	2.7%	Personnel	1.25	1.07	-14.8%
0.92	0.97	4.6%	Aircraft Ownership	1.00	1.01	1.3%
0.60	0.56	-6.1%	Airports & Air Navigation	0.57	0.54	-5.6%
0.57	0.52	-9.6%	Sales & Marketing	0.61	0.53	-13.1%
0.40	0.38	-5.9%	Ground Handling	0.39	0.37	-4.9%
0.38	0.34	-10.1%	Passenger Services & Catering	0.36	0.31	-12.9%
0.34	0.35	3.3%	Maintenance	0.36	0.37	0.9%
0.17	0.18	5.0%	Other²	0.19	0.20	8.5%
6.41	5.96	-6.9%	TOTAL	6.26	6.02	-3.8%

Selected KPI's

2015	2016	Change		1Q'16	1Q'17	Change
701	570	-18.8%	Fuel Price (Usd/ton)	549	589	7.2%
3.48	3.45	-0.8%	Fuel Consumption (lt) per 100 ASK	3.49	3.45	-1.0%
1,096	1,209	10.3%	Aircraft Ownership Cost per BH	1,213	1,265	4.3%
398	434	8.9%	Maintenance Cost per BH	440	457	3.8%
1,367	1,390	1.7%	Handling Cost per Landing	1,428	1,385	-3.0%
1,060	1,037	-2.2%	Airports & Air Navigation Cost per km Flown	1,033	975	-5.6%
9.55	9.27	-2.9%	Passenger Services & Catering Cost per Pax	10.02	8.74	-12.7%
8.4%	9.0%	0.6 pt	Sales & Marketing Cost / Total Revenue	11.0%	9.7%	-1.3 pt

EBITDAR Calculation

2015	2016	Change	EBITDAR (mn USD)	1Q'16	1Q'17	Change
10,522	9,792	-7%	Sales Revenue	2,188	1,980	-10%
8,420	8,656	3%	Cost of Sales (-)	2,069	1,863	-10%
2,102	1,136	-46%	GROSS PROFIT / (LOSS)	119	117	-2%
272	315	16%	General Administrative Expenses (-)	82	69	-16%
1,148	1,171	2%	Marketing and Sales Expenses (-)	317	257	-19%
682	-350	-	NET OPERATING PROFIT / (LOSS)	-280	-209	-
244	145	-41%	Other Operating Income	74	47	-36%
31	86	177%	Other Operating Expense (-)	8	10	25%
895	-291	-	Profit / (Loss) from Main Operations	-214	-172	-
144	124	-14%	Adjustments	-6	16	-
80	44	-45%	Share of Investments' Profit / Loss Accounted by Using The Equity Method	-24	-2	-
64	80	25%	Income From Government Incentives	18	18	0%
1,039	-167	-	EBIT	-220	-156	-
924	1,148	24%	Depreciation	270	257	-5%
1,963	981	-50%	EBITDA	50	101	102%
461	508	10%	Adjusted Operating Lease Expenses ¹	127	140	10%
157	139	-12%	Adjusted Short term Lease Expenses (Wet-lease) ²	38	23	-41%
2,580	1,628	-37%	EBITDAR	215	263	22%
24.5%	16.6%	-7.9 pt	EBITDAR MARGIN	9.8%	13.3%	3.4 pt

¹ Adjusted for A/C heavy maintenance

² Adjusted for A/C Rent and heavy maintenance portion (approx. 55%)

Notes:

- For 1Q'17 Turkish Technic's contribution to EBITDAR through consolidation is 35 mn USD, compared to 45 mn in 1Q'16.
- For 1Q'17 adjustments for heavy maintenance of operational lease expenses were 70 mn USD compared to 72 mn USD in 1Q'16.



Europe's Best Airline

A STAR ALLIANCE MEMBER

TURKISH AIRLINES

1Q'17 Results

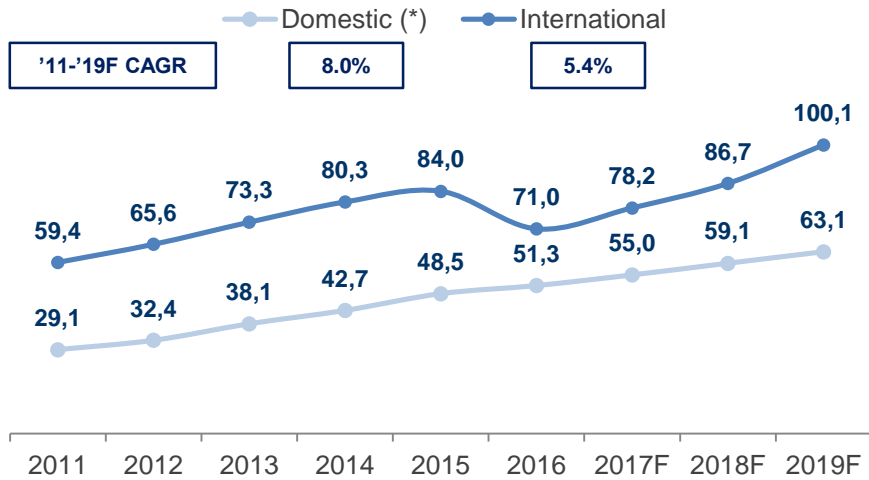


WIDEN YOUR
WORLD



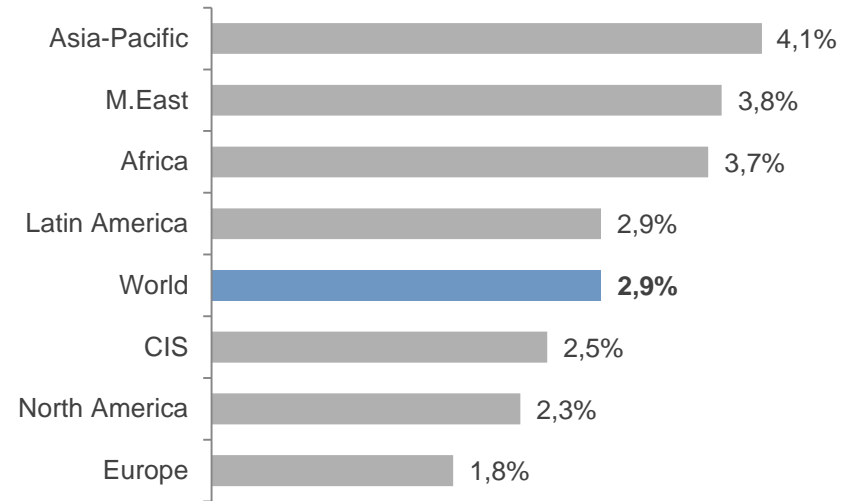
Aviation Market & Economy

Turkish Market Growth (mn passengers)

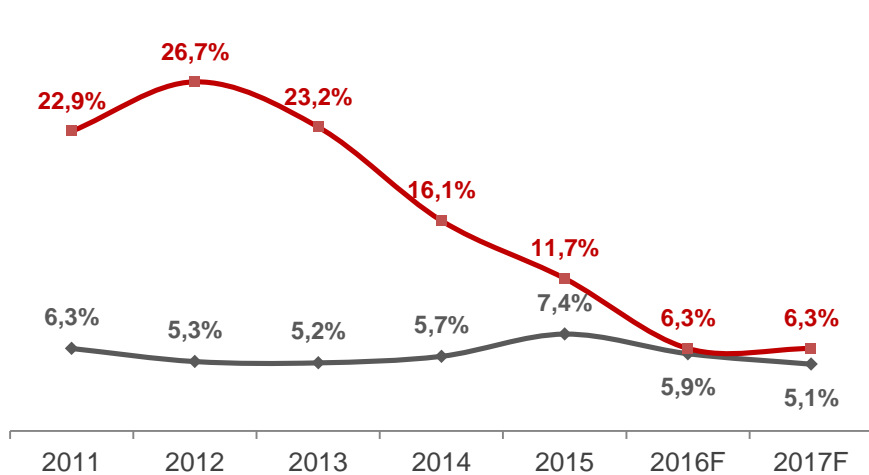


Source: General Directorate of State Airports Authority (DHMI)
 (*): Adjusted for double count on Domestic Pax

Annual GDP Growth Forecast (2016-2035)

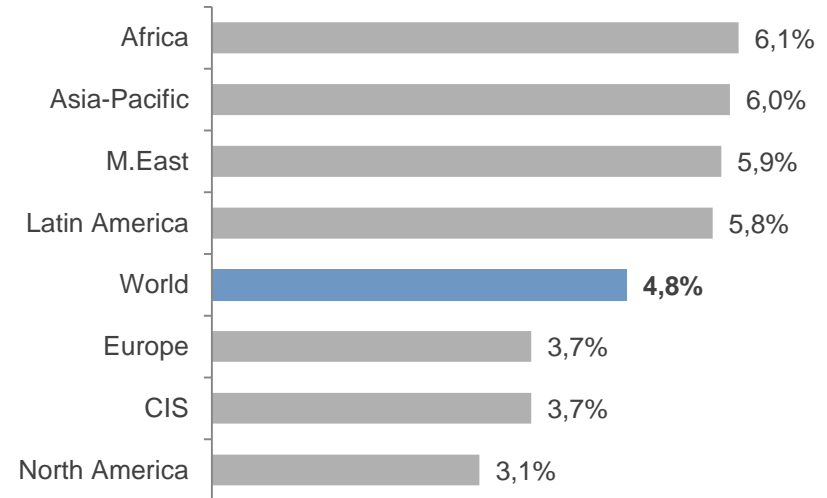


Annual RPK Growth (%)



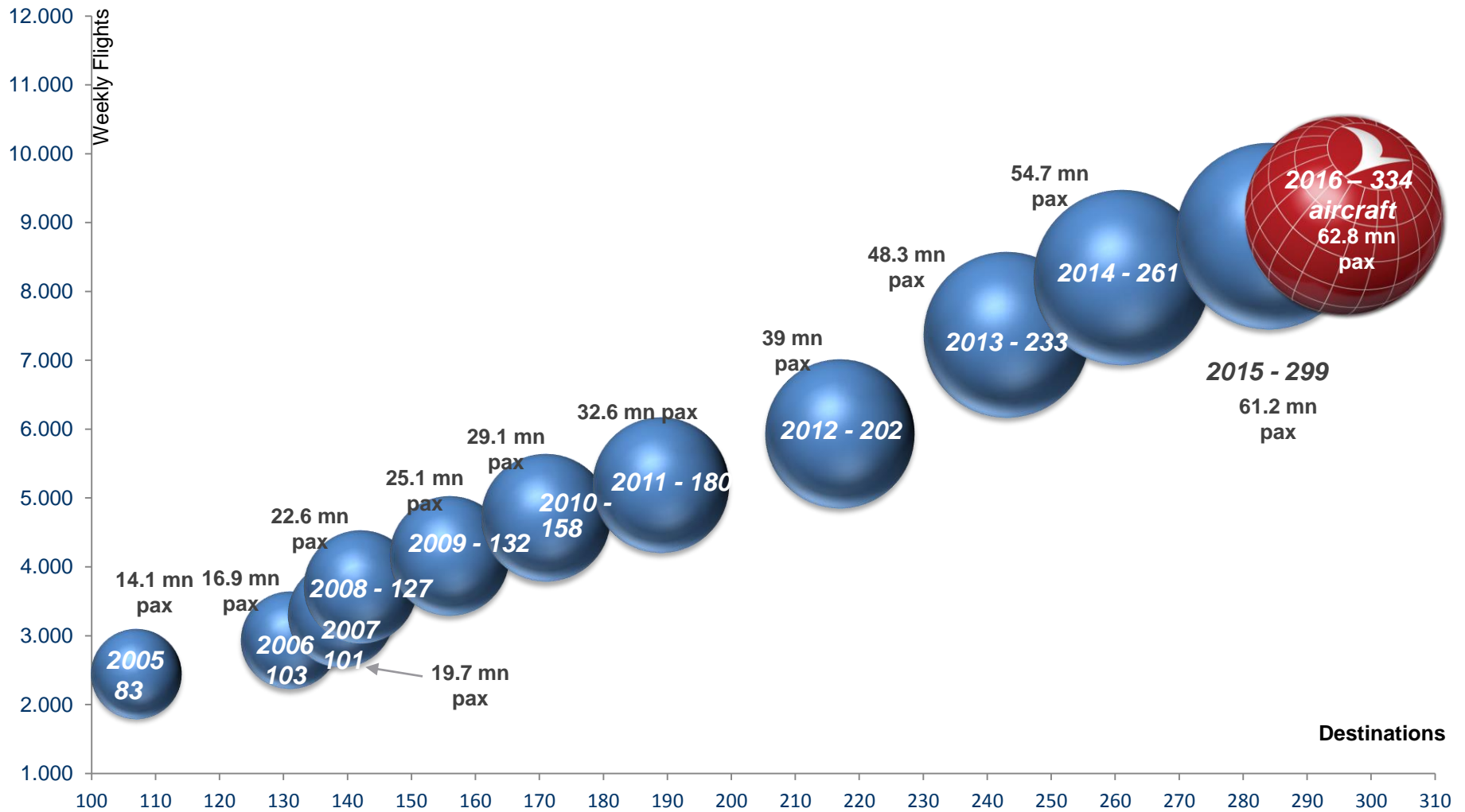
Source: IATA

Annual RPK Growth Forecast (2016-2035)



Source: Boeing Current Market Outlook

Turkish Airlines Diagonal Growth



* Diameters of the bubbles are proportional to the number of passengers carried.

We Fly To 120 Countries

EUROPE			
43 COUNTRIES			
Germany	Russia	Belgium	Moldova
Munich	Moscow	Brussels	Chisinau
Frankfurt	Sochi	Bulgaria	Poland
Berlin	St. Petersburg	Sofia	Warsaw
Stuttgart	Kazan	Varna	Belarus
Düsseldorf	Rostov	Romania	Minsk
Cologne	Ekaterinburg	Bucharest	Slovakia
Hamburg	Ufa	Cluj	Kosice
Hanover	Astrakhan	Constanta	
Nuremberg	Novosibirsk	Hungary	
Bremen	Stravropol	Budapest	
Friedrichshafen	Switzerland	Czech Rep.	Routes Opened
Leipzig	Zurich	Prague	Kharkiv
Münster	Geneva	Croatia	
Baden-Baden	Basel	Zagreb	
Italy	Ukraine	Dubrovnik	
Milan	Kiev	Portugal	
Rome	Odessa	Lisbon	
Venice	Ivano-Frankivsk	Porto	
Bologna	Dnepropetrovsk	Bosnia	
Naples	Kharkiv	Sarajevo	
Catania	Kherson	Finland	
Turin	Zaporijya	Helsinki	
Pisa	Lviv	Norway	
Bari	Simferopol	Oslo	Future Routes
Genoa	Donetsk	Albania	Azerbaijan
France	Austria	Tirana	Lankeran
Paris	Vienna	Ireland	Poland
Lyon	Salzburg	Dublin	Krakow
Nice	Graz	Kosovo	France
Marseille	Northern Cyprus	Pristina	Nantes
Toulouse	Lefkosa	Macedonia	Spain
Bordeaux	Azerbaijan	Skopje	La Coruna
UK	Baku	Serbia	Russia
London	Ganja	Belgrade	Makhachkala
Manchester	Nakhichevan	Malta	Voronezh
Birmingham	Netherlands	Malta	Samara
Spain	Amsterdam	Slovenia	
Barcelona	Rotterdam	Ljubljana	
Madrid	Greece	Montenegro	
Malaga	Athens	Podgorica	
Valencia	Thessaloniki	Scotland	
Bilbao	Sweden	Edinburgh	
	Stockholm	Estonia	
	Gothenburg	Tallinn	
	Denmark	Latvia	
	Copenhagen	Riga	
	Aalborg	Lithuania	
	Billund	Vilnius	
	Georgia	Luxemburg	
	Tbilisi	Luxembourg	
	Batumi		

AFRICA	
33 COUNTRIES	
Egypt	Gabon
Cairo	Libreville
Alexandria	Mali
Hurghada	Bamako
Sharmel-Sheikh	Burkina Faso
Algeria	Ougadougou
Algiers	Cote D'Ivoire
Oran	Abidjan
Constantine	Chad
Tlemcen	NDjamena
Batna	Benin
South Africa	Cotonou
Johannesburg	Guinea
Cape Town	Conakry
Durban	Mozambique
Nigeria	Maputo
Lagos	Niger
Abuja	Niamey
Kano	Eritrea
Cameroon	Asmara
Douala	Madagascar
Yaounde	Antananarivo
Kenya	Mauritius
Mombasa	Port Louis
Nairobi	Seychelles
Tanzania	Seychelles
Dar Es Salaam	Libya
Kilimenjaro	Misurata
Zanzibar	Benghazi
Tunisia	Sebha
Tripoli	Tripoli
Djibouti	
Djibouti	
Ethiopia	Routes Opened
Addis Ababa	Conakry
Ghana	
Accra	
Morocco	Future Routes
Casablanca	Angola
Rwanda	Luanda
Kigali	Egypt
Somalia	Aswan
Mogadishu	Luxor
Sudan	South Sudan
Khartoum	Juba
Uganda	
Entebbe	
Mauritania	
Nouakchott	
Senegal	
Dakar	
Congo	
Kinshasa	

MIDDLE EAST	
13 COUNTRIES	
Saudi Arabia	UAE
Jeddah	Dubai
Madinah	Abu Dhabi
Riyadh	Lebanon
Dammam	Beirut
Yanbu	Jordan
El Qassim	Amman
Taif	Akabe
Iran	Qatar
Tehran	Doha
Mashad	Bahrain
Shiraz	Bahrain
Tabriz	Oman
Isfahan	Muscat
Kermanshah	Syria
Ahvaz	Aleppo
Israel	Damascus
Tel Aviv	Yemen
Iraq	Aden
Erbil	Sanaa
Baghdad	
Basra	
Sulaymaniyah	
Najaf	Future Routes
Mosul	Saudi Arabia
Kuwait	Abha
Kuwait	

AMERICAS	
8 COUNTRIES	
USA	Panama
New York	Panama
Los Angeles	Cuba
Washington	Havana
Boston	Venezuela
Chicago	Caracas
Houston	
Miami	
Atlanta	Routes Opened
San Francisco	
Canada	
Toronto	
Montreal	
Argentina	
Buenos Aires	Future Routes
Brazil	Mexico
Sao Paulo	Mexico City
Columbia	
Bogota	

FAR EAST	
22 COUNTRIES	
China	Bangladesh
Beijing	Dhaka
Guangzhou	Indonesia
Shanghai	Jakarta
Taipei	Maldives
Hong Kong	Male
Pakistan	Singapore
Karachi	Singapore
Islamabad	Sri Lanka
Lahore	Colombo
Kyrgyzstan	Uzbekistan
Bishkek	Tashkent
Osh	Philippines
Kazakhstan	Manila
Almaty	Tajikistan
Astana	Dushanbe
Japan	Khujand
Tokyo	Nepal
Osaka	Kathmandu
India	Mongolia
Mumbai	Ulaanbaatar
New Delhi	
Thailand	
Bangkok	
Turkmenistan	
Ashgabat	Routes Opened
Malaysia	
Kuala Lumpur	
South Korea	
Seoul	
Afghanistan	Future Routes
Kabul	Thailand
Mazar-i Sharif	Phuket
Vietnam	Indonesia
Ho Chi Minh	Denpasar
Hanoi	

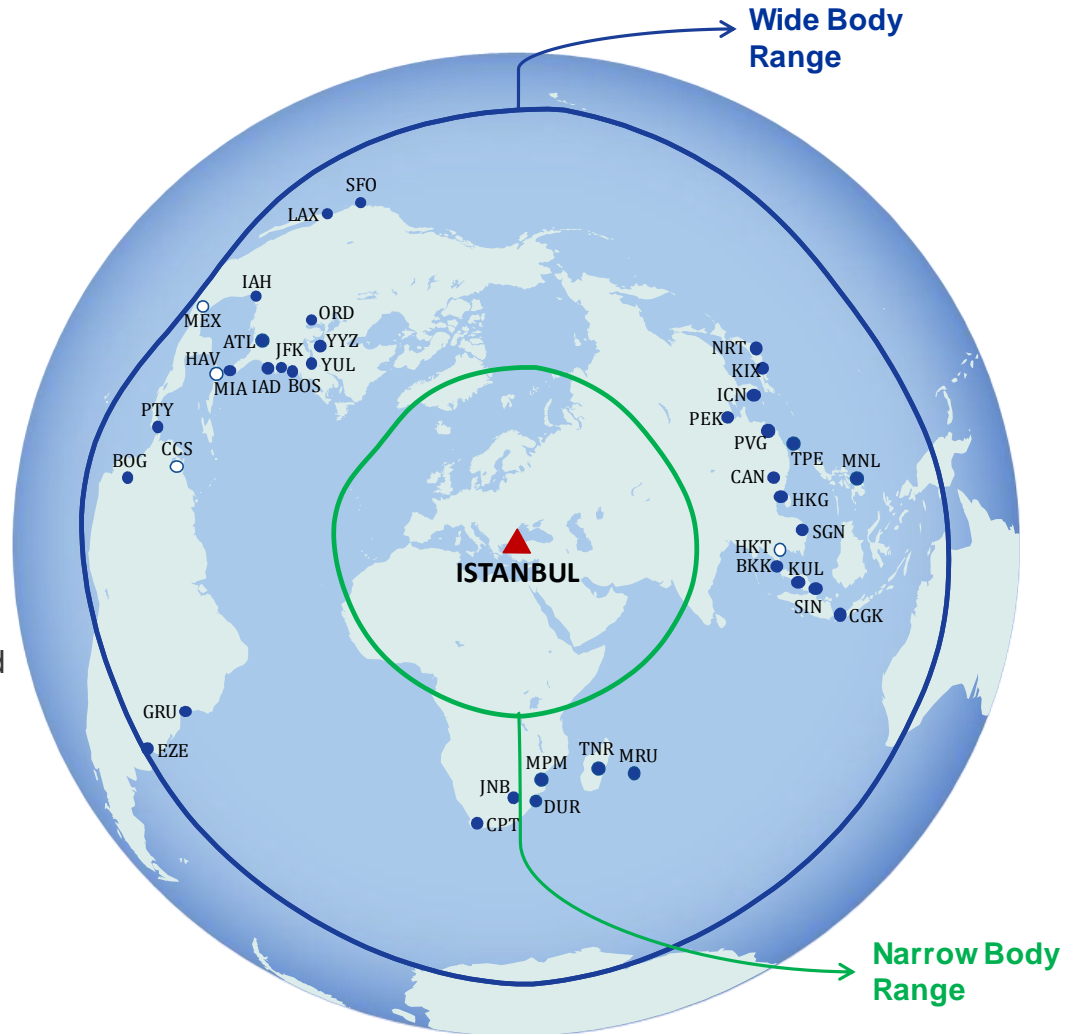
* As of 31.03.2017.

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ More than 40% of world-wide international traffic
- ✓ Over 60 national capitals
- ✓ All of Europe, Middle East, Central Asia and North and East Africa



- Current Wide Body destinations
- Future Wide Body destinations

Highest Connectivity for Europe, Africa and Middle East

Airlines Connectivity by Number of O&D Pairs (Top Three)

Europe to the World

Turkish Airlines	20,096
British Airways	10,710
Lufthansa	8,658

Middle East to the World

Turkish Airlines	8,534
Qatar Airways	3,132
British Airways	2,178

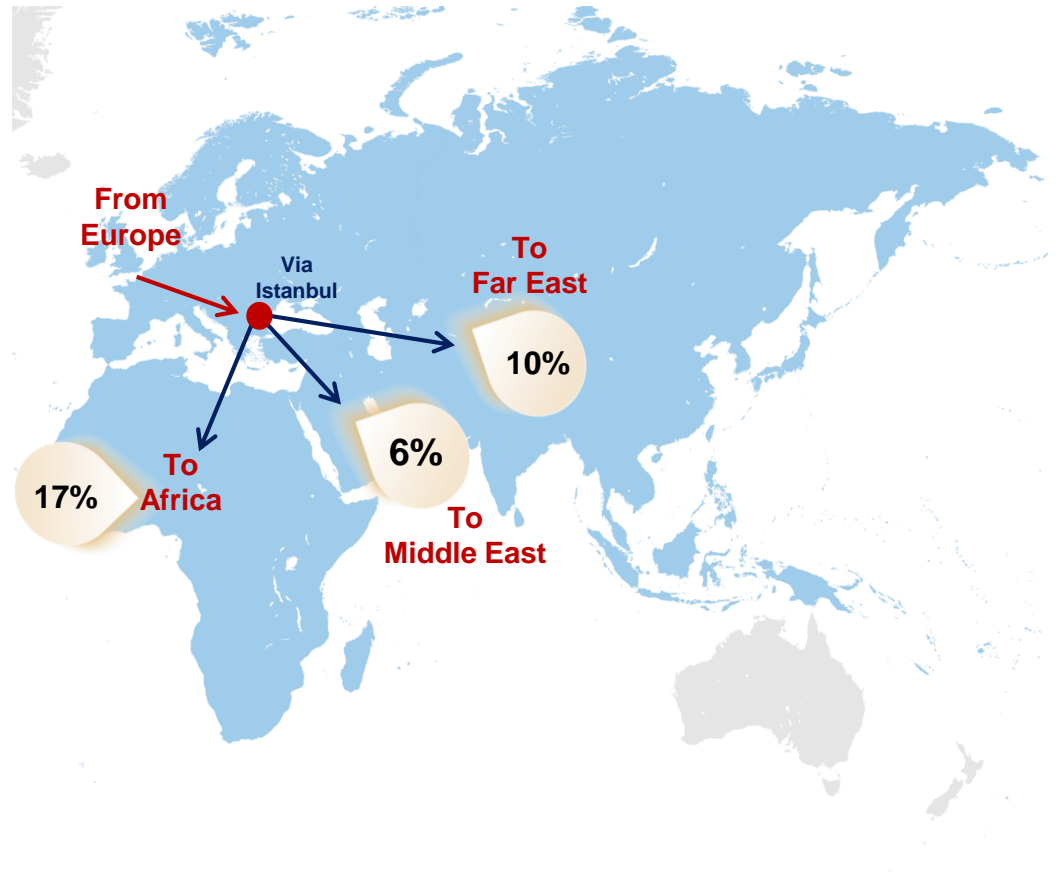
Africa to the World

Turkish Airlines	11,376
Air France	4,488
British Airways	3,264

Far East to the World

United Airlines	9,176
Turkish Airlines	8,534
Delta	5,236

Detour* Advantage

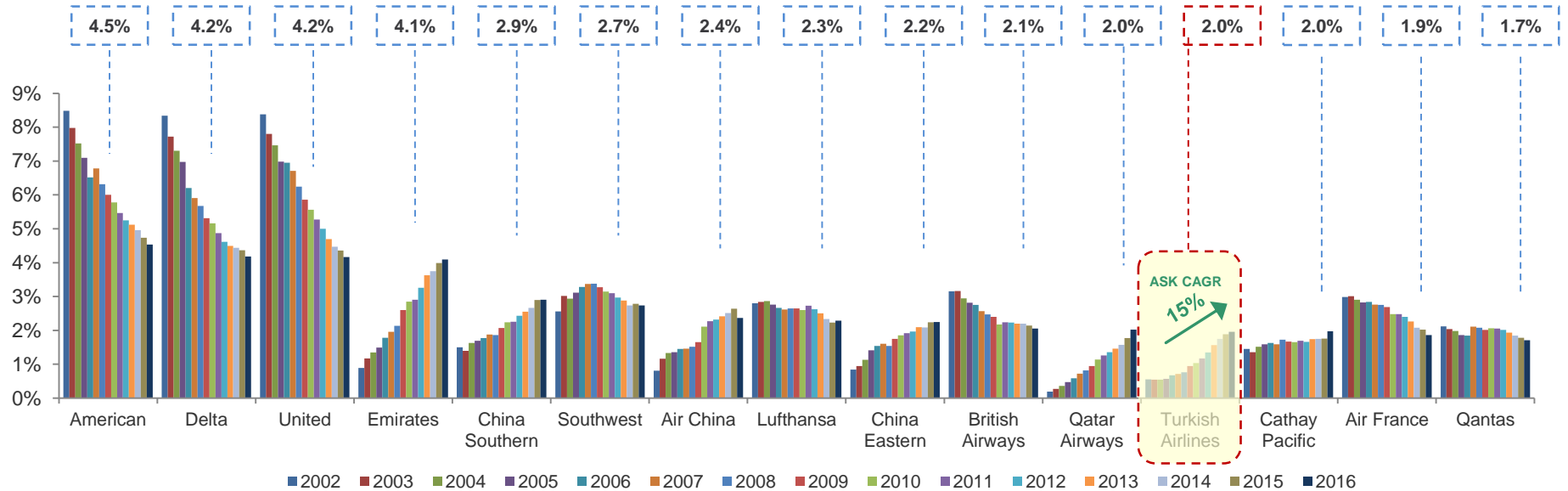


* Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities

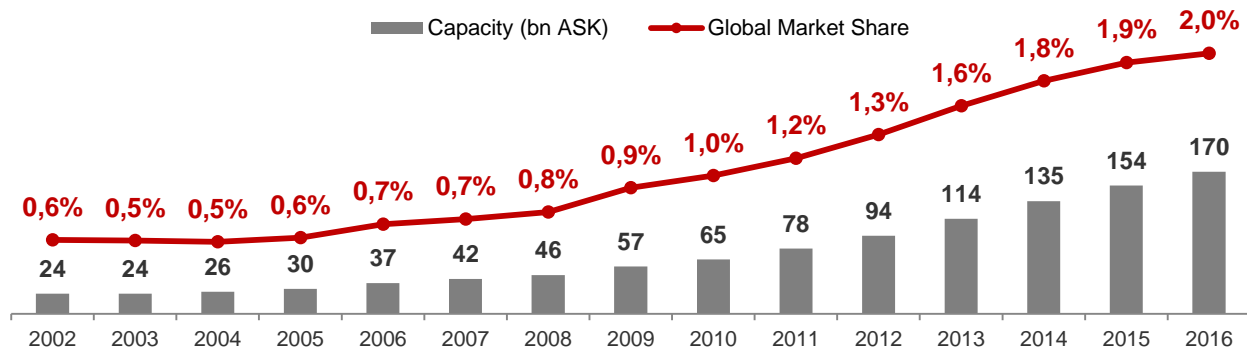
Source: Retrieved from OAG.

Global Market Share Development

Global Market Share Trends (in ASK)



Turkish Airlines Market Share Development

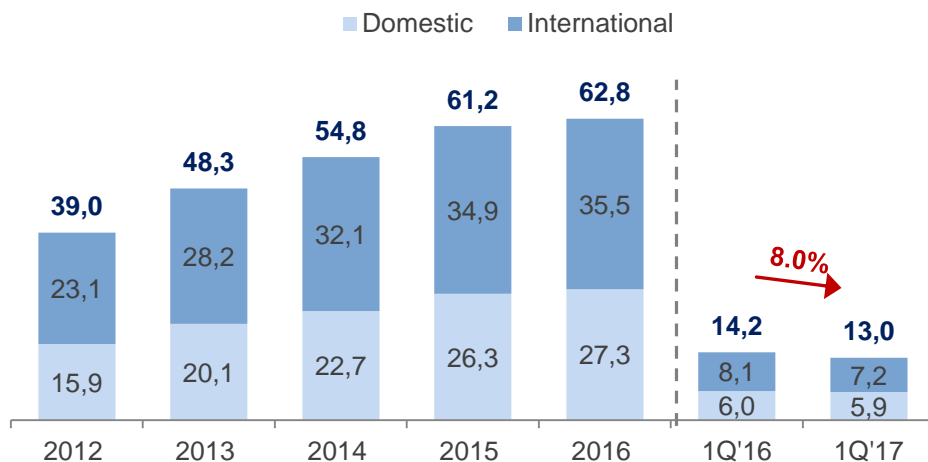


Notes: For US carriers regional flights are excluded. Wholly owned subsidiaries are included in the calculation same as IATA reports. 2016 capacities are obtained from OAG. Lufthansa figures include Lufthansa Passenger Airline and Eurowings. Turkish Airlines' capacity data is realized.

Source: 2002 ICAO, 2003-2015 IATA, 2016F OAG, company reports, ATW, AEA, sorted by 2016 ASK values.

Passenger Traffic

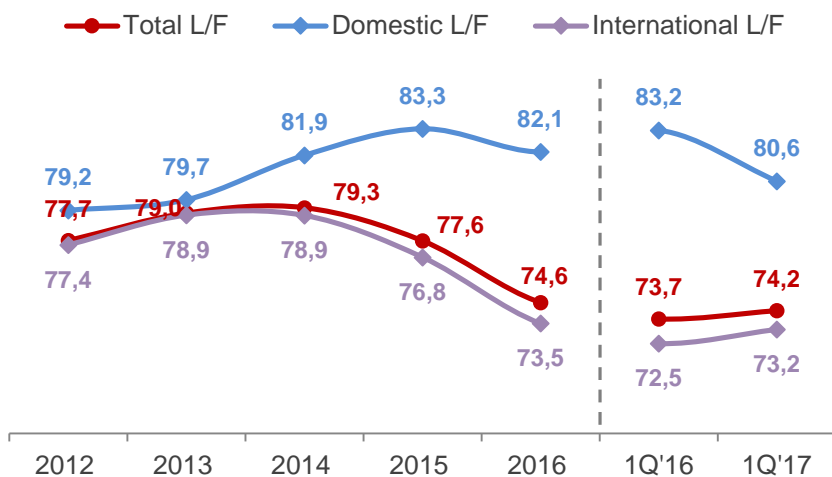
Total Passengers (mn)



Passenger Traffic

	1Q'16	vs	1Q'17
Landing		down by	-9.6%
ASK		down by	-7.8%
RPK		down by	-7.3%
Passenger #		down by	-8.0%
L/F		up by	0.4 pt

Load Factor (L/F %)

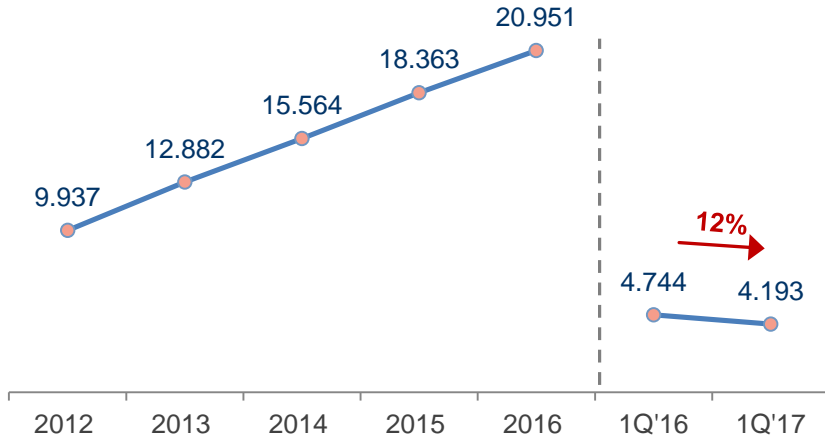


Annual Changes (%)

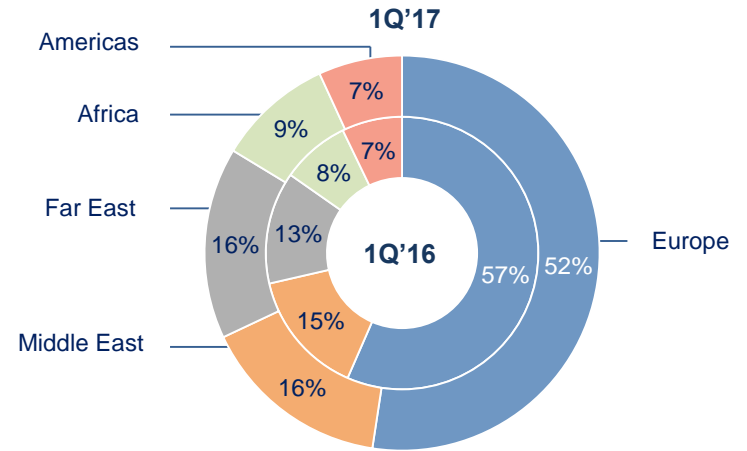
	2011	2012	2013	2014	2015	2016
ASK	25%	18%	21%	16%	14%	10.7%
RPK	22.9%	26.7%	23.2%	16.2%	11.6%	6.3%
PAX	12%	20%	24%	14%	12%	2.5%
L/F (Pt)	-1.1	5.1	1.4	0.3	-1.7	-3.1

Passenger Breakdown

Int'l to Int'l Transfer Passengers ('000)

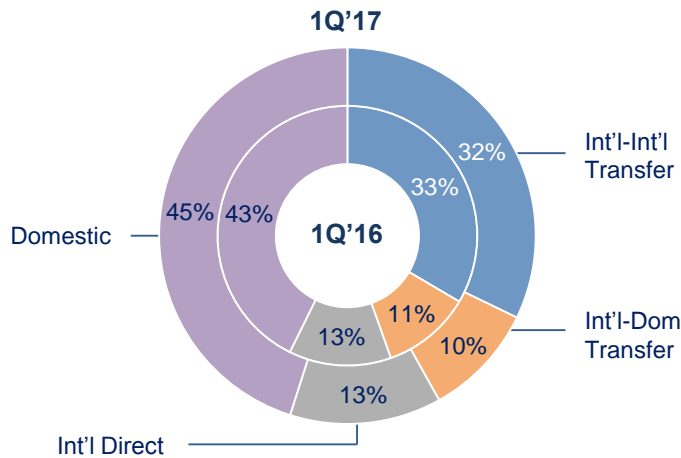


Int'l Passenger Breakdown by Geography



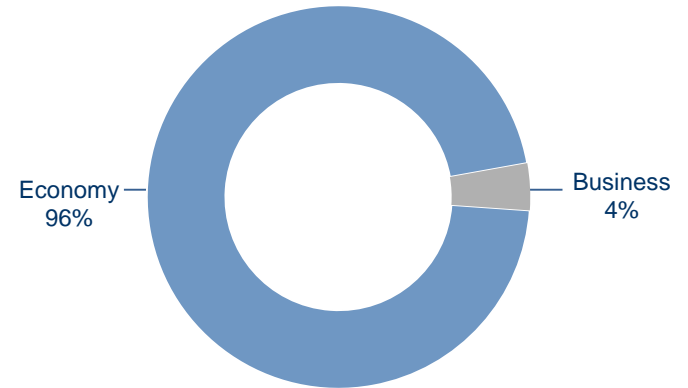
Note: Includes only scheduled passengers.

Passenger Breakdown by Transfer Type



Note: Int'l to int'l transfer passengers' share in total international passengers is 59%.

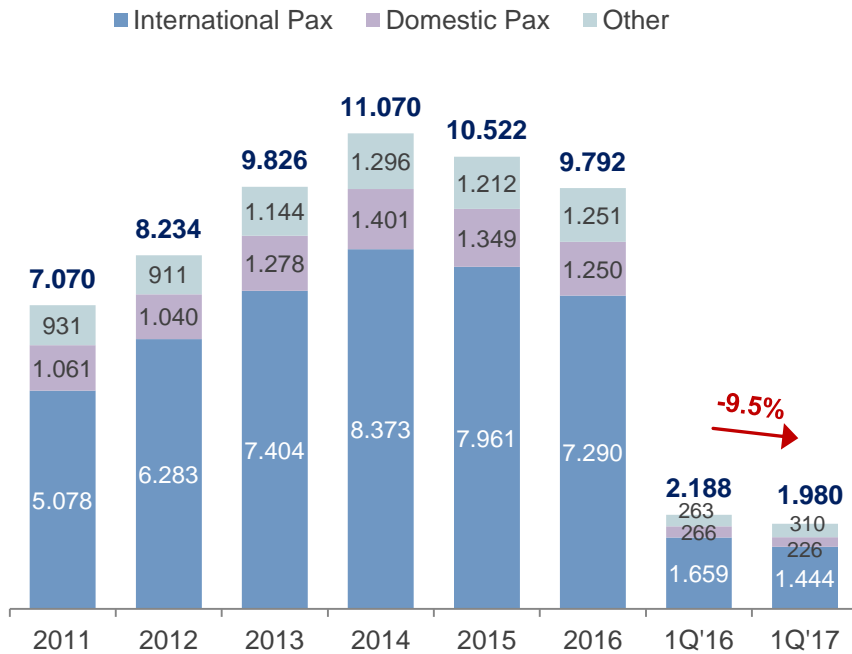
1Q'17 Passenger Breakdown by Cabin Class



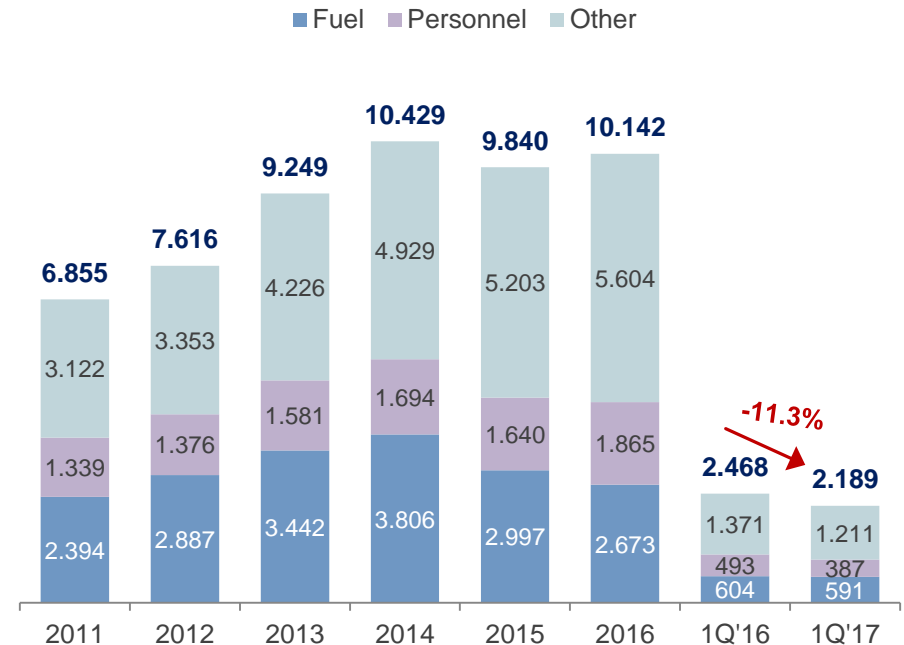
Note: Includes only scheduled passengers.

Total Revenue and Expenses

Revenues (mn USD)



Expenses (mn USD)

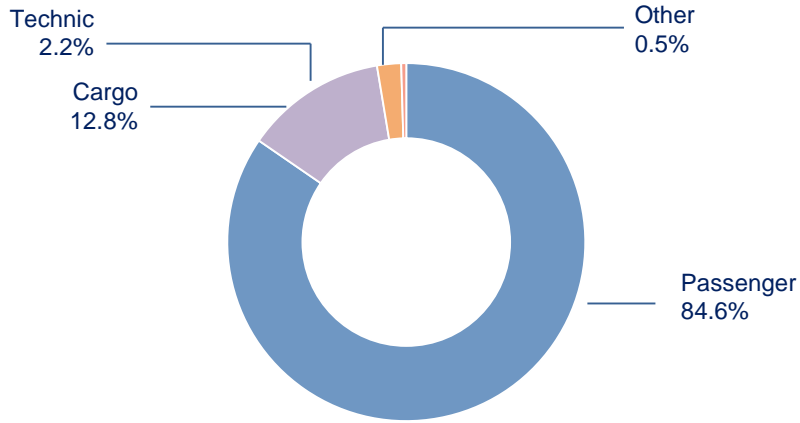


Note: Int and domestic pax revenue indicates scheduled pax revenue.

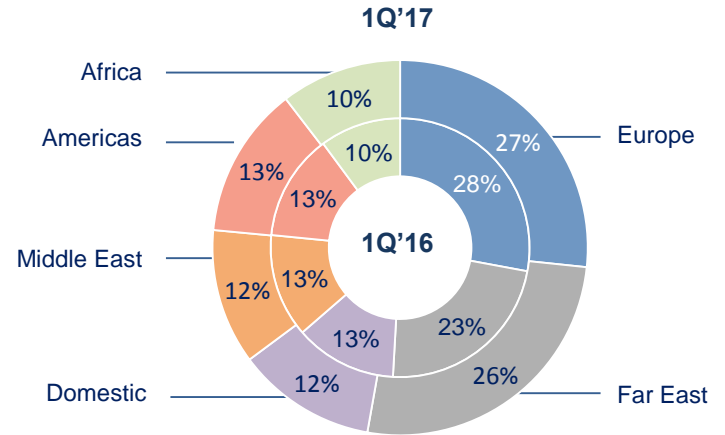
Other revenue includes cargo, charter and other revenue.

Revenue Breakdown (1Q'17)

Revenue by Business Type

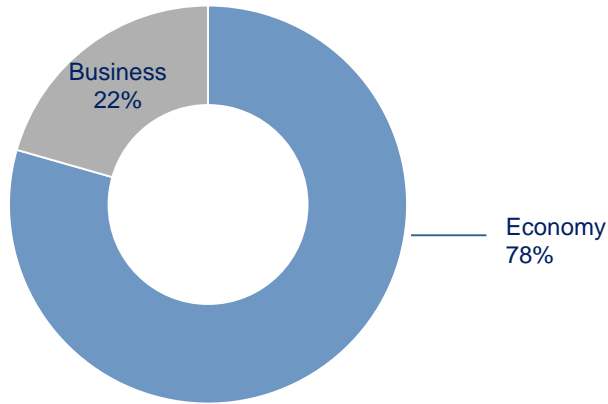


Revenue by Geography

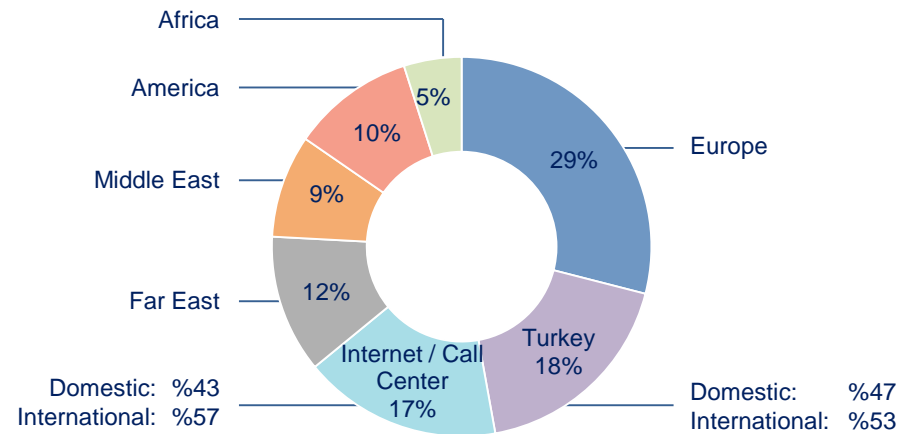


Note: Includes total passenger and cargo revenue

Revenue by Passenger Class



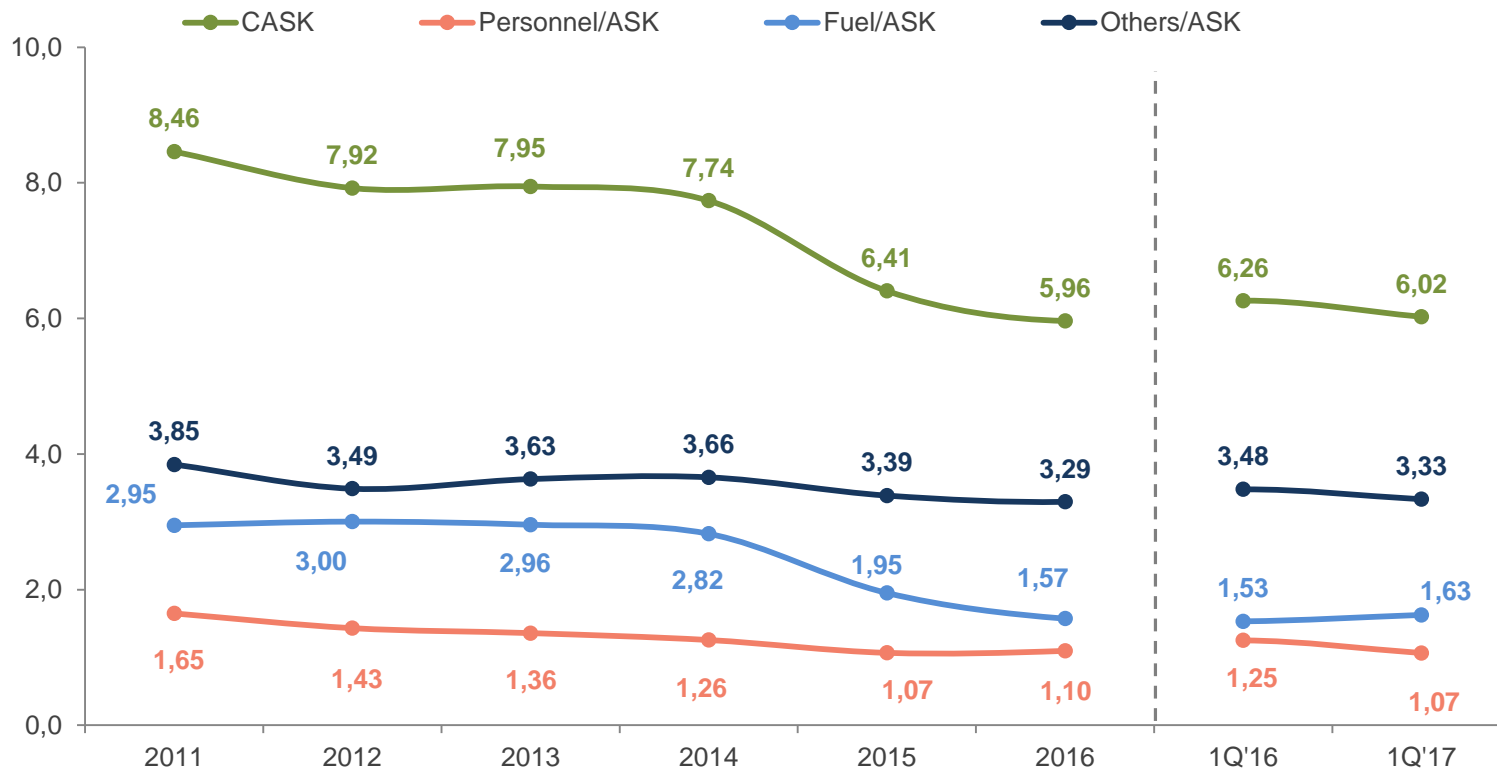
Revenue by Point of Sale



Note: Includes only scheduled passenger revenue

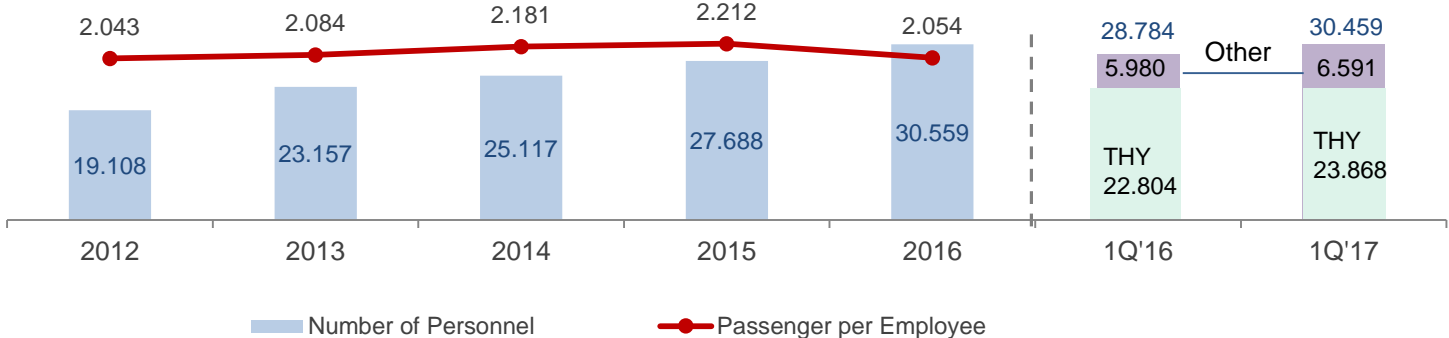
Unit Operating Costs

Cost Per ASK (Usc)



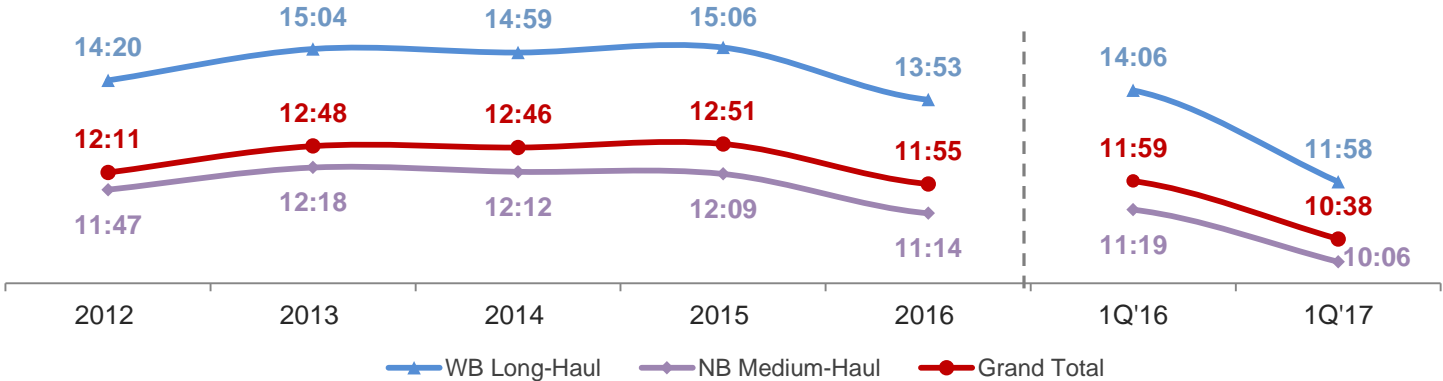
Operating Efficiency

Personnel Efficiency

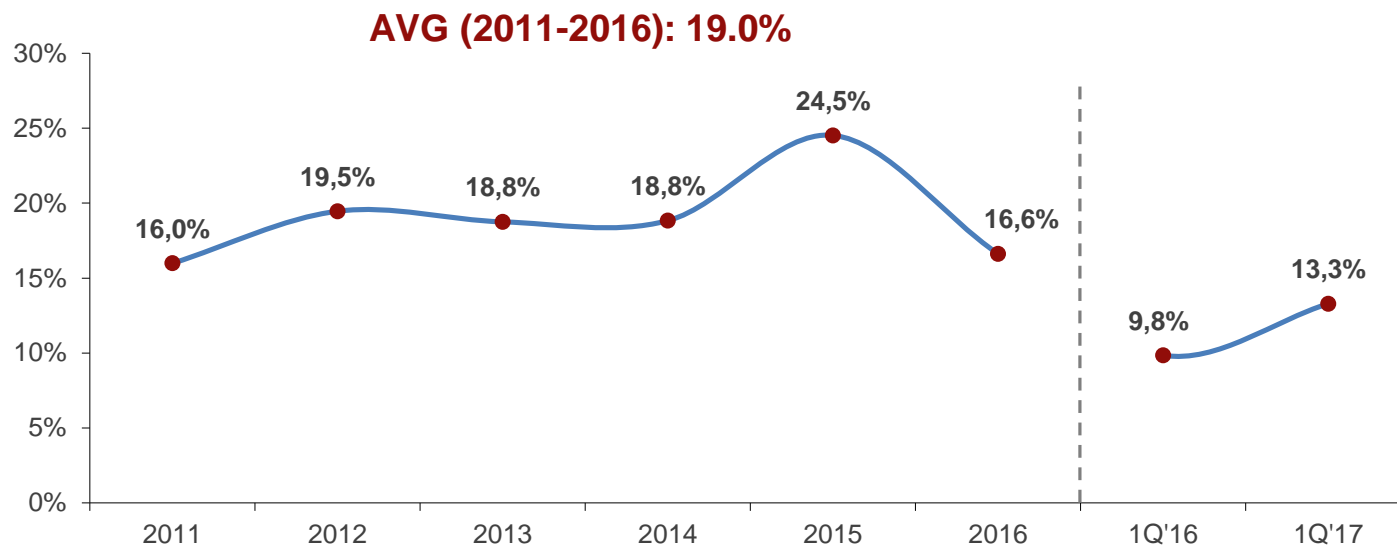


Note: Total includes Turkish Technic and THY Aydın Çıldır Personel

Average Daily Flight Utilization (hrs)



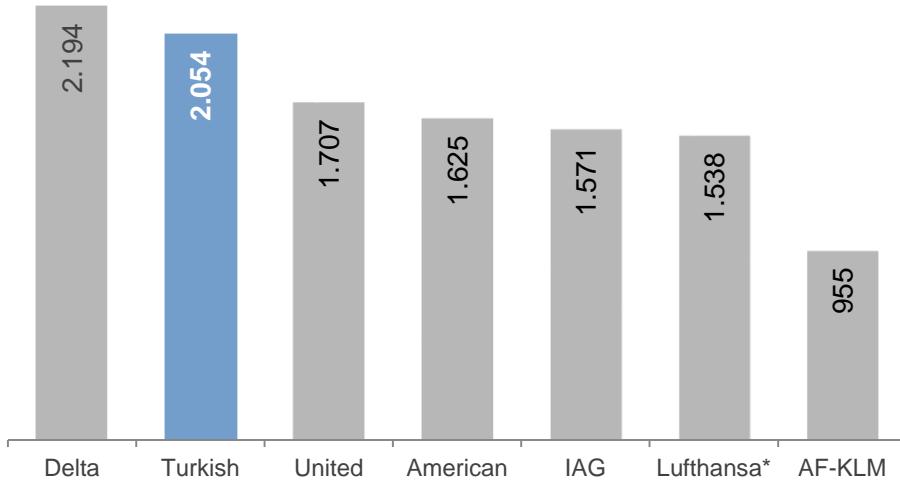
EBITDAR Margin



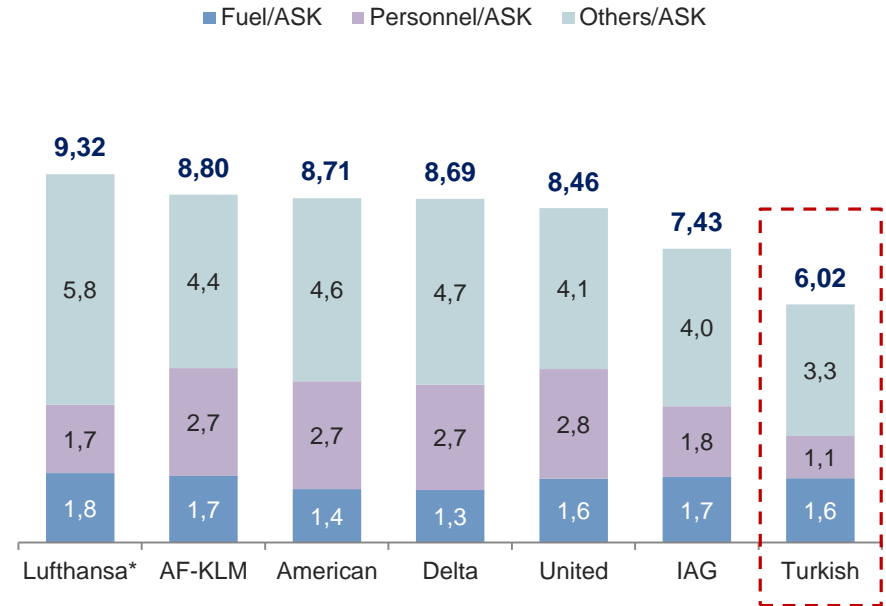
(mn USD)	2011	2012	2013	2014	2015	2016	1Q'16	1Q'17	YoY Change
Revenue	7,070	8,234	9,826	11,070	10,522	9,792	2,188	1,980	-9.5%
EBIT	277	691	755	808	1,039	-167	-220	-156	-
EBIT Margin	3.9%	8.4%	7.7%	7.3%	9.9%	-1.7%	-10.1%	-7.9%	2.2 pt
EBITDA	763	1,265	1,405	1,551	1,963	981	50	101	102.0%
EBITDA Margin	10.8%	15.4%	14.3%	14.0%	18.7%	10.0%	2.29%	5.10%	2.8 pt
EBITDAR	1,130	1,603	1,843	2,085	2,580	1,628	215	263	22.2%
EBITDAR Margin	16.0%	19.5%	18.8%	18.8%	24.5%	16.6%	9.8%	13.3%	3.4 pt
Net Income	11	657	357	845	1,069	-77	-421	-373	-
Net Income Margin	0.2%	8.0%	3.6%	7.6%	10.2%	-0.8%	-19.2%	-18.8%	0.4 pt

Peer Group vs Turkish Airlines Efficiency

PAX Per Personnel (2016)



Cost Per ASK (1Q'17) - USc



* Lufthansa Passenger Airline Group.

Source: Calculated based on public company reports.

Fleet

31.03.2017	Type	Total	Owned	Financial Lease	Opr./Wet Lease	Seat Capacity	Average Fleet Age	Year End Fleet*						
								2017	2018	2019	2020	2021	2022	2023
Wide Body	A330-200	20		5	15	5,074	9.5	18	20	18	15	15	10	7
	A330-300	34		29	5	9,587	3.1	37	37	37	37	37	36	29
	A340-300	4	4			1,161	18.7	4	4	4	4	4	4	4
	B777-3ER	32		29	3	11,297	3.3	33	33	32	30	30	30	30
	Total	90	4	63	23	27,119	5.3	92	94	91	86	86	80	70
Narrow Body	B737-900ER	15		15		2,355	3.6	15	15	15	15	15	15	15
	B737-9 MAX								5	10	10	10	10	
	B737-800	88	25	53	10	14,224	8.5	87	80	80	80	80	80	80
	B737-700	1			1	124	10.9	1	1	1				
	B737-8 MAX								7	19	38	53	65	65
	A321 NEO								3	21	39	59	77	92
	A319-100	11		6	5	1,452	8.5	7	7	6	6	6	6	6
	A320-200	29		12	17	4,572	9.7	22	19	12	12	12	12	12
	A321-200	68		62	6	12,360	4.7	68	68	68	66	64	64	64
	A320-200 WL													
	B737-800 WL	22			22	4,158	10.6	21	19	16	10	8	4	
	Total	234	25	148	61	39,245	7.4	221	219	243	276	307	333	344
Cargo	A330-200F	9		9			3.5	9	9	9	9	9	9	9
	B777F							2	2	2	2	2	2	2
	Wet Lease	4			4		25.6	1						
	Total	13		9	4		10.3	12	11	11	11	11	11	11
GRAND TOTAL	337	29	220	88	66,364	7.0	325	324	345	373	404	424	425	
Seat Capacity Change :								0%	0%	5%	6%	7%	4%	-1%

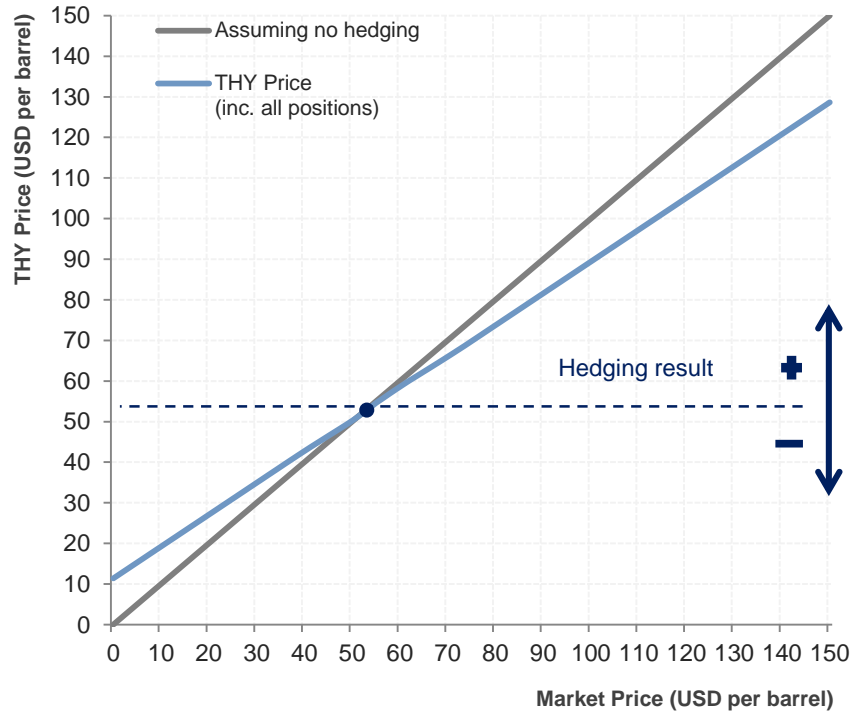
*After exit-entry

Fleet Development

31.03.2017		2011-2023 Aircraft Purchases															
		Delivered								To Be Delivered							
		Type	2011	2012	2013	2014	2015	2016	2017	TOTAL	2017	2018	2019	2020	2021	2022	2023
Wide Body	A330-300	3	3	2	6	7	5		26								
	B777-3ER	7			4	7	6		24	1							1
	Total	10	3	2	10	14	11		50	1							1
Narrow Body	B737-900ER	2	7	1		5			15								
	B737-9 MAX										5	5					10
	B737-800	2	2	6	10		20		40								
	B737-8 MAX										7	12	19	15	12		65
	A321	8	7	9		13	10		47								
	A321 NEO										3	18	18	20	18	15	92
	A319	6							6								
	Total	18	16	16	10	18	30		108		10	35	42	35	30	15	167
Cargo	A330-200F	1	1	2		1	2	1	8								
	B777F									2							2
	Total	1	1	2		1	2	1	8	2							2
GRAND TOTAL		29	20	20	20	33	43	1	166	3	10	35	42	35	30	15	170

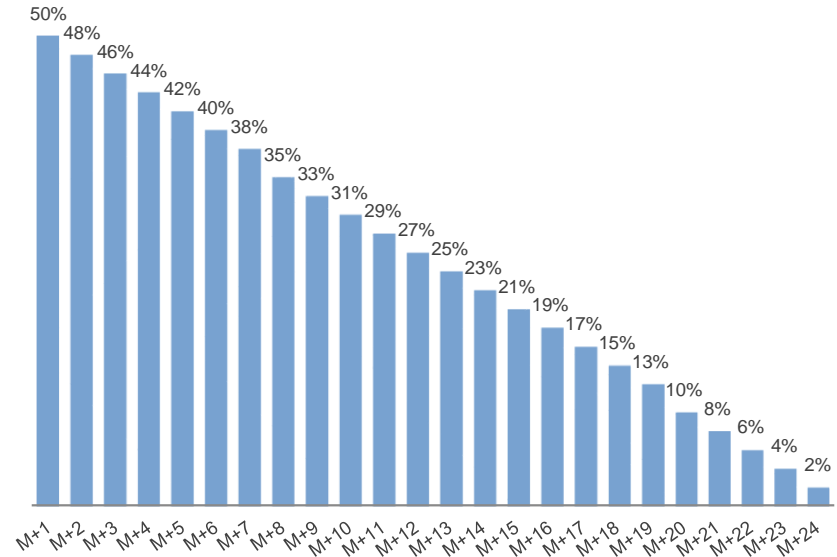
Hedging Fuel Price Risk

Effect of Hedging on the Fuel Price



- Around **5 mn barrels** of hedged position on ICE BRENT as of March 31, 2017.
- Current fuel hedging levels: **FY17: 49% (18.7 mn barrel)**
FY18: 22% (10 mn barrel)

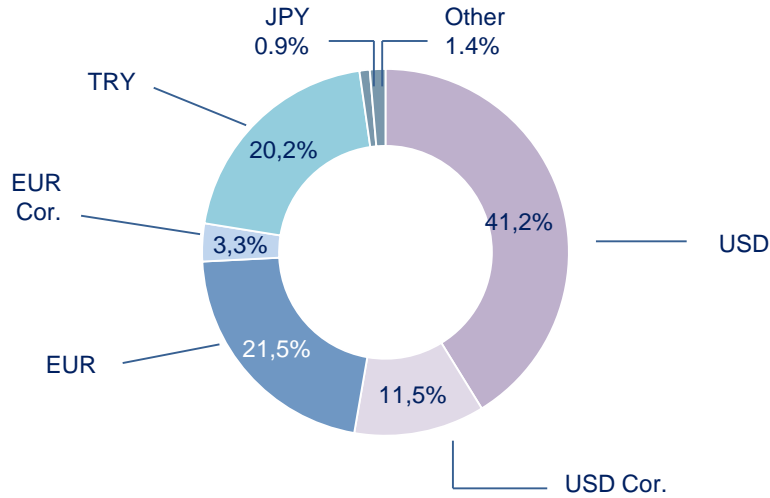
Fuel Hedging Policy



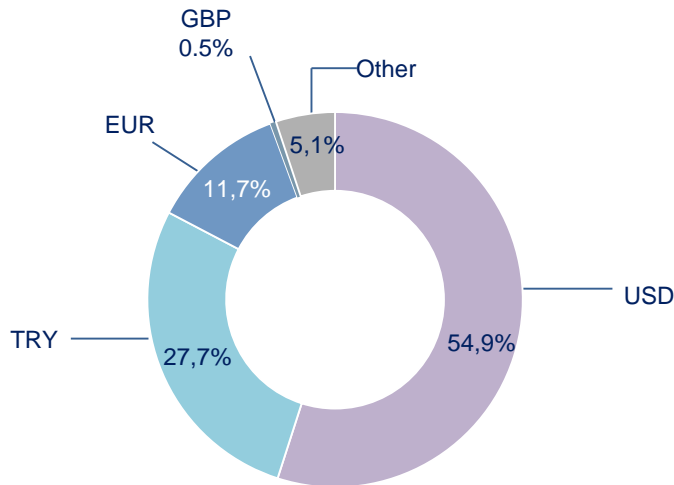
- **Active Surcharge Policy:** 50% of fuel cost is reflected to ticket prices
- Decreasing layered hedging strategy (24 months)
- Crude oil based swaps and options
- Aim to reach 50% of following months budgeted consumption

Hedging Currency Risk (1Q'17)

Revenue by Currency⁽¹⁾



Expenses by Currency



⁽¹⁾ Currencies that have 85% correlation with USD and EUR considered as USD and EUR correlated respectively.

Hedging Currency Risk

Hedging Policy

- Monthly gradually decreasing layered hedging strategy
- Each contract for 24-month period
- Target hedge levels: 30% for TRY, 25-35% for USD
- Flexible hedge strategy with respect to conditions

Current currency hedging matrix:

2017	Hedging Levels*	Average Price
EUR/USD	21%	1.09
EUR/TRY	25%	3.79

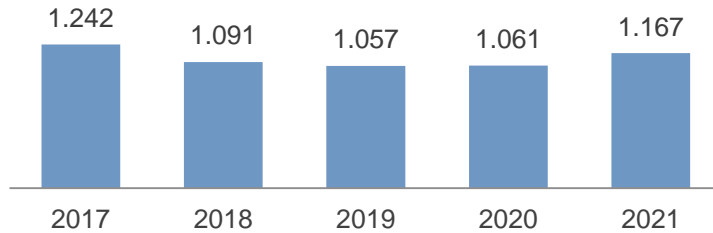
* Percentage of respective short positions. As of 31 March 2017.

Aircraft Financing and Debt Management

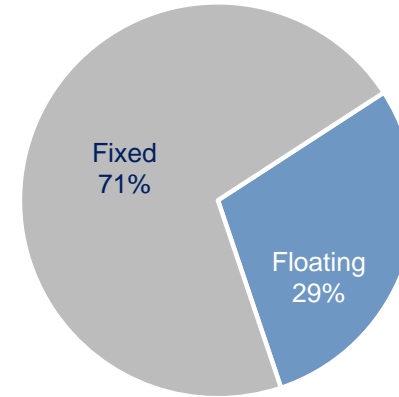
As of 31.03.2017

Total Financial Lease Liabilities: **9,1 bn USD**
Operational Leases: **1 bn USD**

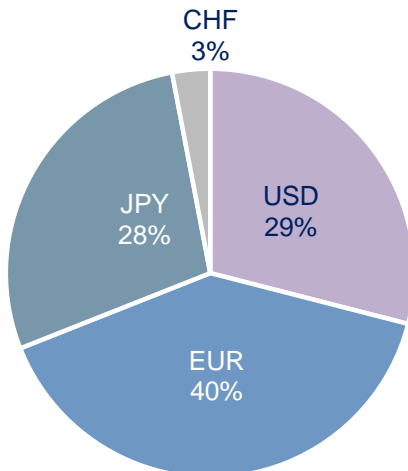
5 Year Maturity Profile (USD mn)



Weighted Average Interest Rate: **2.52%**



Currency Breakdown of Financial Lease Liabilities

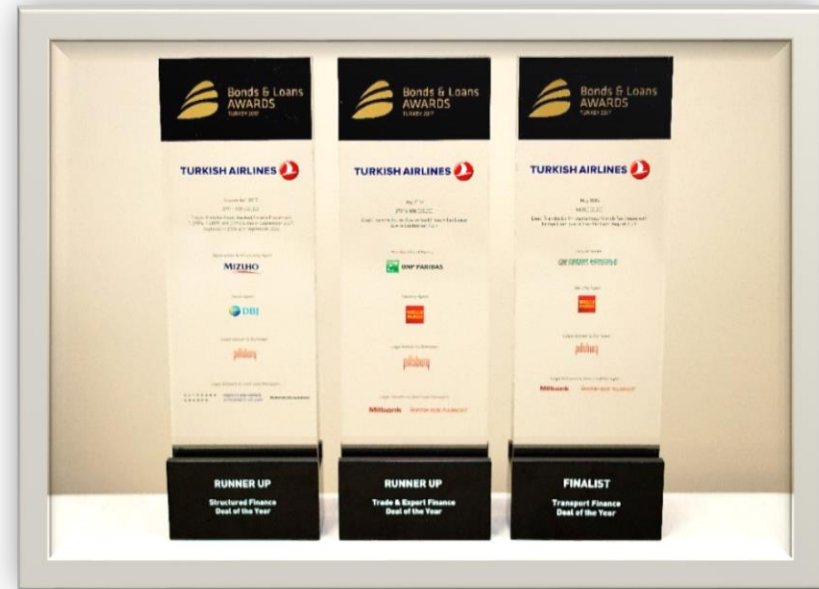


(mn USD)	31.03.2017 Total FL Debt	Maturity	Yearly Debt Service
USD	1,880	10-12 Years	329
EUR	4,047	10-12 Years	506
JPY	2,880	10-11 Years	257
CHF	287	12 Years	31
Total	9,094		1,123

Recent Awards

Winner of 3 awards at the 2016 Bonds&Loans Awards:

- › Transport Finance Deal of the Year
- › Trade and Export Finance Deal of the Year
- › Structured Finance Deal of the Year



2016 Skytrax Awards:

- › Best Airline in Europe for the 6th year in a row
- › Best Airline in Southern Europe
- › Best Business Class Dining Lounge
- › Best Business Class On-Board Catering



TURKISH AIRLINES
INVESTOR RELATIONS

THANK YOU..

Did you check out our IR application?* ...

Tel: +90 (212) 463-6363 x-13630 e-mail: ir@thy.com

* The application is accessible via Apple Store and Google Play with the searching word "Turkish Airlines".

Balance Sheet

Assets (mn USD)	2011	2012	2013	2014	2015	2016	1Q'17
Cash and Equivalents	934	1,028	647	722	962	1,815	1,766
Trade Receivables	405	434	538	456	361	379	534
Pre-delivery Payment (PDP) Receivables	376	267	521	990	1,139	596	487
Other Current Assets	426	437	419	663	684	811	738
Total Current Assets	2,140	2,166	2,125	2,831	3,146	3,601	3,525
Net Fixed Assets	5,873	7,121	8,043	9,201	11,415	13,476	13,547
of which Aircraft and Engines	5,319	6,392	7,030	8,167	10,177	12,134	12,206
Pre-delivery Payment (PDP) Receivables	217	655	993	650	392	207	207
Other Non-Current Assets	455	581	741	1,064	1,430	1,207	1,194
Total Non-Current Assets	6,545	8,357	9,777	10,915	13,237	14,890	14,948
Total Assets	8,685	10,523	11,902	13,746	16,383	18,491	18,473

Liabilities (mn USD)	2011	2012	2013	2014	2015	2016	1Q'17
Lease Obligations	4,189	4,862	5,413	5,931	7,399	8,886	9,006
Passenger Flight Liabilities	677	936	1,201	1,398	1,091	785	1,102
Accounts Payable	461	510	680	662	671	616	646
Other Liabilities	976	1,183	1,346	1,805	2,380	3,117	3,048
Total Liabilities	6,303	7,491	8,640	9,796	11,541	13,404	13,802
Total Shareholders Equity	2,382	3,032	3,262	3,950	4,842	5,087	4,671
of which Issued Capital	1,498	1,498	1,597	1,597	1,597	1,597	1,597
of which Retained Earnings	889	903	1,350	1,714	2,559	3,628	3,551
of which Differences from Currency Translation	-18	-10	-26	-47	-84	-106	-104
of which Net Profit for the Period	11	657	357	845	1,069	-77	-373
Total Liabilities & Shareholders Equity	8,685	10,523	11,902	13,746	16,383	18,491	18,473

Income Statement

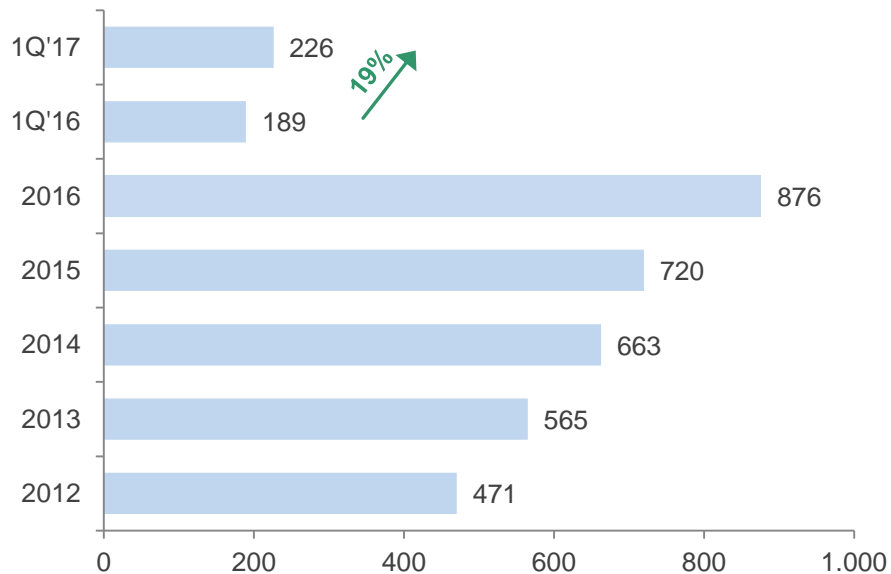
(mn USD)	2011	2012	2013	2014	2015	2016	1Q'16	1Q'17	YoY Change
Operating Revenue	7,070	8,234	9,826	11,070	10,522	9,792	2,188	1,980	-10%
Operating Expenses (-)	6,855	7,616	9,249	10,429	9,840	10,142	2,468	2,189	-11%
of which Fuel	2,394	2,887	3,442	3,806	2,997	2,673	604	591	-2%
of which Personnel	1,339	1,376	1,581	1,694	1,640	1,865	493	387	-22%
of which Depreciation	486	574	650	743	924	1,148	270	257	-5%
of which Rent	252	243	448	543	496	496	124	111	-10%
Net Operating Profit / Loss	215	618	577	641	682	-350	-280	-209	-
Income From Other Operations	96	95	115	80	244	145	74	47	-36%
Expense From Other Operations (-)	237	61	41	45	31	86	8	10	25%
Profit / Loss From Main Operations	73	652	651	676	895	-291	-214	-172	-
Income From Investment Activities (Net)	-	271	76	72	101	117	21	27	29%
Share of Investments' Profit / Loss	6	4	55	75	80	44	-24	-2	-
Financial Income	158	49	27	419	532	300	16	15	-6%
Financial Expense (-)	150	191	307	196	201	229	335	322	-4%
Profit Before Tax	87	785	502	1,046	1,407	-59	-536	-454	-
Tax (-)	76	128	145	201	338	18	-115	-81	-
Net Profit	11	657	357	845	1,069	-77	-421	-373	-

Operational Expense Breakdown

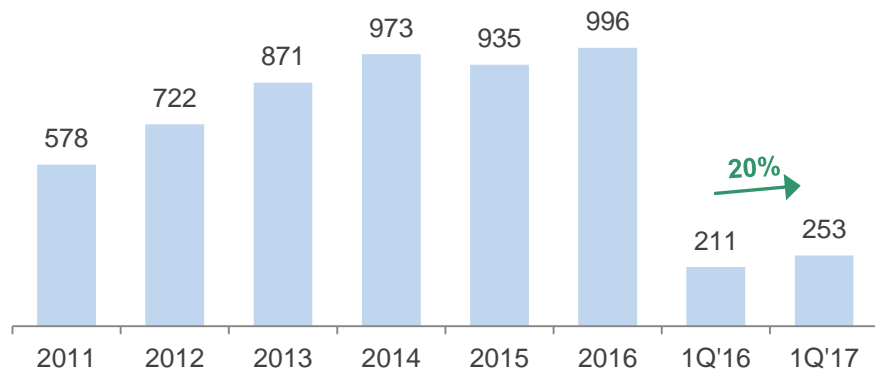
(mn USD)	1Q'16	% in Total	1Q'17	% in Total	YoY Change
Fuel	604	24.5%	591	27.0%	-2.2%
Personnel	493	20.0%	387	17.7%	-21.5%
Landing, Navigation & Air Traffic	224	9.1%	195	8.9%	-12.9%
Landing and navigation	103	4.2%	92	4.2%	-10.7%
Air Traffic Control	121	4.9%	103	4.7%	-14.9%
Sales & Marketing	241	9.8%	193	8.8%	-19.9%
Commissions and Incentives	85	3.4%	71	3.2%	-16.5%
Reservation System	64	2.6%	54	2.5%	-15.6%
Advertising	53	2.1%	32	1.5%	-39.6%
Other	39	1.6%	36	1.6%	-7.7%
Depreciation	270	10.9%	257	11.7%	-4.8%
Ground Handling	154	6.2%	135	6.2%	-12.3%
Aircraft Rent	124	5.0%	111	5.1%	-10.5%
Operational Lease	55	2.2%	70	3.2%	27.3%
Wet Lease	69	2.8%	41	1.9%	-40.6%
Passenger Services & Catering	142	5.8%	114	5.2%	-19.7%
Maintenance	143	5.8%	133	6.1%	-7.0%
General Administration	26	1.1%	28	1.3%	7.7%
Other	47	1.9%	45	2.1%	-4.3%
TOTAL	2,468	100%	2,189	100%	-11.3%
Operating Cost per ASK (USc)	6.26	-	6.02	-	-3.8%
Ex-fuel Operating Cost per ASK (USc)	4.73	-	4.40	-	-7.0%
Fixed Costs	821	33.3%	678	31.0%	-17.4%

Cargo Operations

Cargo Tonnage Carried ('000 Ton)



Cargo Revenue Evolution (mn USD)



- Turkish Cargo serves with 13 freighters with 324 passenger aircraft.
- Turkish Cargo global market share in revenue has increased from 0.6% in 2009 to 2.1% in 2016.
- In 2016, while World FTK grew by 3%, Turkish Cargo FTK grew by 4% compared to previous year.
- New Cargo Terminal, which was opened at the end of 2014, has 1.2 million tons of cargo capacity and 43,000 m² closed warehouse area.

Recent Awards

- Fastest Growing International Cargo Airline of the Year- Air Cargo Africa (2017)
- Logistics Project of the Year with our COMIS project – Annual Success in Logistics Awards (2016)
- Best International Air Cargo Company – Atlas Logistics Award (2016)
- Cargo Airline of the Year Award – ATN (2016)
- Overall Carrier of the Year, Combination Carrier of the Year Winner - Payload Asia (2014)
- Best European Cargo Airline – Air Cargo News (2014)
- International Air Cargo Winner (2013)

Subsidiaries & Affiliates

Turkish Airlines Group 1Q'17		Revenue (mn USD)	Net Profit (mn USD)	Number of Personnel	Partnership Structure
1	Turkish Airlines	1.980,0	-373	23.868*	%49 Turkey Wealth Fund - %51 Open to Public
2	Turkish Opet Aviation Fuels	331,0	23	445	%50 THY - %50 Opet
3	Sun Express (Turkey & Germany Consolidated)	161,8	-37,7	3.859	%50 THY - %50 Lufthansa
4	Turkish Technic	233,1	30	6.570	% 100 THY
5	Turkish Do&Co	63,0	5	3.609	%50 THY - %50 Do&Co
6	Turkish Engine Center (TEC)	99,1	4,6	331	%51 PW - %49 THY Teknik
7	Turkish Ground Services (TGS)	51,2	1,3	9.471	%50 THY - %50 Havaş
8	Turkish Cabin Interior Systems (TCI)	1,5	-0,7	133	%50 THY - %5 THY Teknik - %50 TAI
9	Goodrich Turkish Technic Service Center	3,5	0,4	34	%60 Goodrich - %40 THY Teknik
10	TSI Aviation Seats	2,2	-0,5	75	%50 THY - %5 THY Teknik - %50 Assan Hanil
11	Aydın Çıldır Airport Services	0,7	-0,0	21	%100 THY
12	Tax Free Zone (Tax Refund)	0,2	0,1	19	%30 THY - %45 Maslak Oto - %25 VK Holding

* THY A.O. Personnel

Subsidiaries & Affiliates



Date of Establishment

Business Model

Destinations

Fleet

Seat Capacity

of Passengers

Load Factor (1Q'17)

Revenues (1Q'17)

Net Income (1Q'17)

SunExpress Turkey
1989
Charter + Scheduled
15 in Germany, 18 in Turkey, 6 other
28 B737-800 + 22 operated for THY
9,450
1.1 million
80.9 %
106 mn USD
-24 mn USD

SunExpress Germany
2011
Charter + Scheduled
8 in Germany, 3 in Egypt, 3 in Spain/Canary Islands and 2 other
11 Narrow Body + 6 Wide Body
3,939
201 thousand
88.5 %
60 mn USD
-14 mn USD

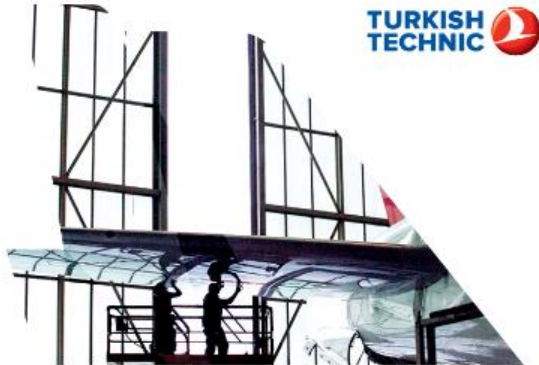
SunExpress Consolidated
Charter + Scheduled
43
67
13,389
1.3 million
82.9 %
162 mn USD*
-38 mn USD

50% - 50% subsidiary company of Lufthansa and Turkish Airlines.

Market leader in charter flights between Germany and Turkey.

50 confirmed Boeing next generation narrow body aircraft order to be delivered between 2015 and 2021. 14 of those aircraft were delivered until now.

* SunExpress total revenue may differ than its subsidiaries' revenue sum due to consolidation.



Turkish Technic

- › Turkish Technic Inc. is fully owned by Turkish Airlines.
- › Provides maintenance, repair, overhaul (MRO) services and pooling, engineering and Part 21 services to customers worldwide, including all domestic airlines and international airlines such as Air Arabia, Citilink, SpiceJet, Ariana Afghan Airlines.
- › Facilities are located at Istanbul Ataturk International Airport (4 hangar), a new world-class facility at Istanbul Sabiha Gökçen International Airport (2 hangar), Ankara Esenboga Airport (1 hangar) and Aydın Çıldır Airport.
- › The official opening of the new world-class facility was on June 2014 with an investment of USD 550 million, doubling maintenance, repair and overhaul capacity. Turkish Technic's unique location makes it a convenient MRO provider for around 40% of the world's civilian aircraft within a 3.5 hour flying radius reach of 55 countries.
- › On January 2015, facility has been awarded LEED (Leadership in Energy and Environmental Design) Gold Certificate by U.S. Green Building Council for its sustainable building design.
- › Turkish Technic has a tremendous MRO capacity to provide maintenance, repair and overhaul services to 30 narrow body aircraft and 10 wide body aircraft with over 6,000 skilled personnel.



Turkish Cabin Interior Systems

- › TCI is a joint venture of Turkish Airlines and TAI (Turkish Aerospace Industries).
- › Located in Turkish Technic's Sabiha Gökçen Airport Facility and produces Aircraft Galleys.
- › The company is a certified supplier of Boeing and is in the Global Offerable List for B-737 Galleys.



Turkish Seat Industries (TSI)

- › Formed in 2011, stakes of 50%, 45%, and 5% are respectively held by Assan Hanil Group, Turkish Airlines and Turkish Technic.
- › The company was set up to design and manufacture airline seats and to make, modify, market and sell spare parts to Turkish Airlines and other international airline companies. Whole production takes place in Turkey and 2016 deliveries for third parties completed assuring superior customer satisfaction.
- › The first aircraft equipped with the new seats is a Turkish Airlines B737-800. The seats were initially used on the B737-800s of Turkish Airlines fleet and then were installed on the Airbus single-aisle fleet of A319s, A320s and A321s.
- › The company, which commenced its operations in 2014, has an annual seat production capacity of 10 thousand. By 2024, it is planned to increase seat production capacity to 50 thousand.



GOODRICH TURKISH TECHNIC

Goodrich Turkish Technic Service Center

- › Provides repair, overhaul and modification services for Nacelle, Thrust Reverser and its components for Turkish Airlines and other customers from Turkish domestic and International markets.
- › The company is located in Turkish Technic's HABOM facility.



Turkish Engine Center (TEC)

- › Provides engine maintenance, repair and overhaul (MRO) services to customers located in Turkey, surrounding regions and worldwide.
- › The environmentally efficient engine overhaul facility has total usage area of 100,000 m² located at the Sabiha Gokcen International Airport.

Subsidiaries & Affiliates



Turkish OPET

- › In terms of investment on jet fuel supply Turkish Airlines established a jet fuel supply company together with local oil retailer OPET on September 2009.
- › Today, the Company has the largest integrated jet fuel facility in Turkey and has fuel servicing capability at all domestic airports across Turkey.
- › In 2016, the Company maintained its market leader position with jet fuel sales of over 3.7million cubic meters.



Turkish Do&Co

- › Established in 2007, Turkish Do&Co operates in 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.
- › Turkish Do&Co has significantly improved the quality of catering service offered by Turkish Airlines on board, bringing many international awards to our Company.



Turkish Ground Services

- › Owned 50% - 50% by THY and Havaş Havaalanları Yer Hizmetleri A.Ş.
- › Provides ground services to Turkish Airlines and other customers since the beginning of 2010 and currently operates at eight major airports in Turkey: Istanbul (Ataturk and Sabiha Gokcen), Izmir, Ankara, Antalya, Adana, Bodrum, Dalaman.

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