

TURKISH AIRLINES

1Q'18 Results Summary

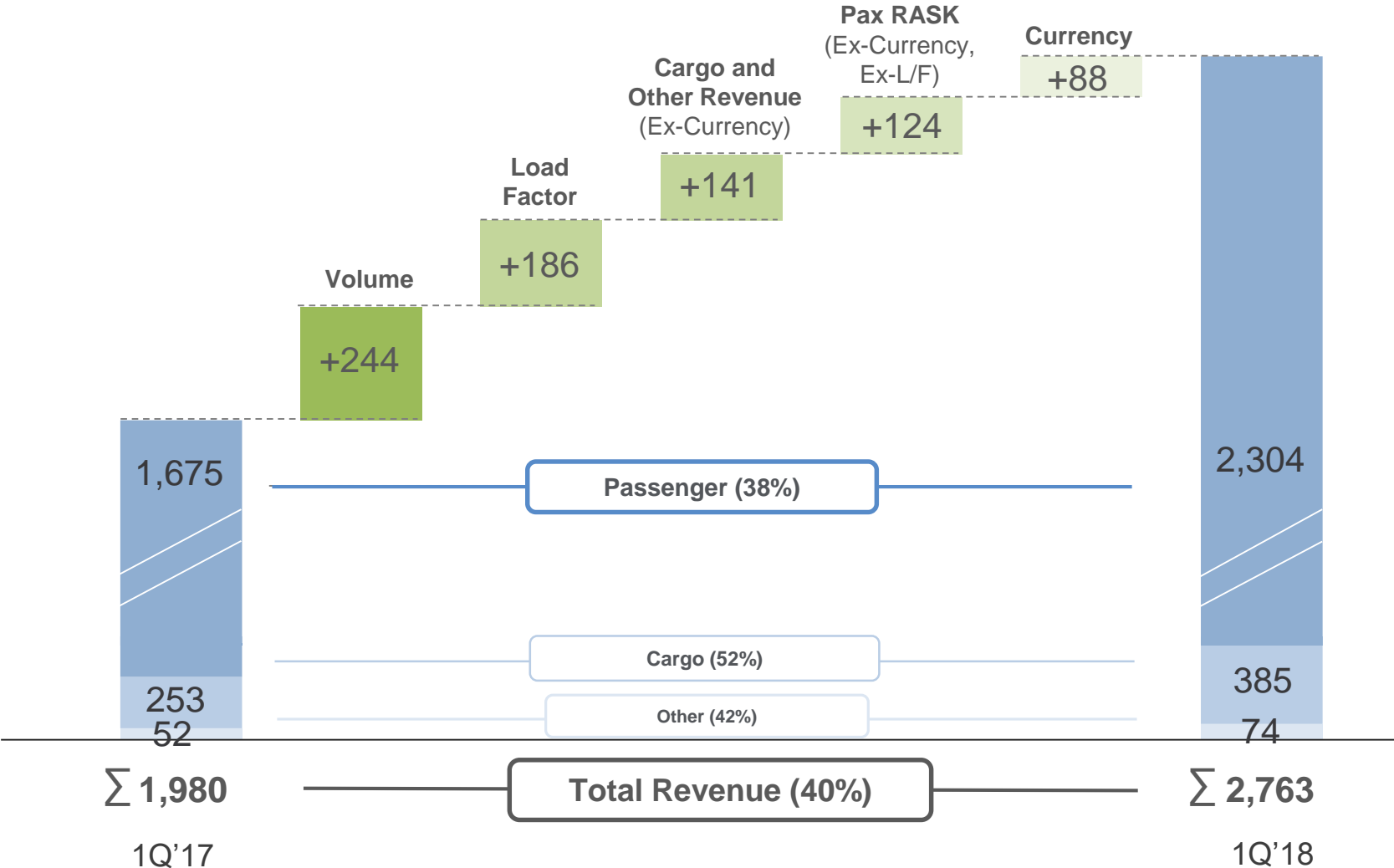


Key Financial Data

2016	2017	Change	(USD mn)	1Q'17	1Q'18	Change
9.792	10.958	11,9%	Revenue	1.980	2.763	39,5%
8.590	9.403	9,5%	Passenger Revenue	1.675	2.304	37,6%
996	1.317	32,2%	Cargo Revenue	253	385	52,2%
-350	794	-	Net Operating Profit / Loss	-209	3	-
-291	1.022	-	Profit From Main Operations	-172	41	-
-77	223	-	Net Income	-373	-86	-
-0,8%	2,0%	2,8 pt	Net Income Margin	-18,8%	-3,1%	15,7 pt
1.628	3.016	85,3%	EBITDAR	263	528	100,4%
16,6%	27,5%	10,9 pt	EBITDAR Margin	13,3%	19,1%	5,8 pt

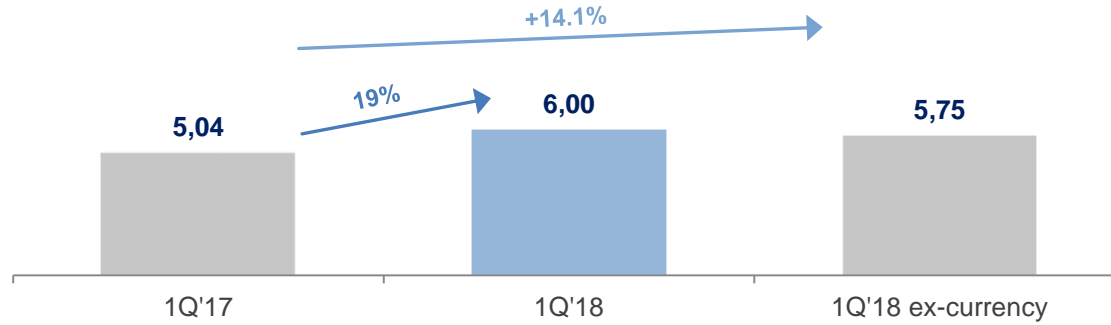
Revenue Development (1Q'17 vs 1Q'18)

(mn USD)

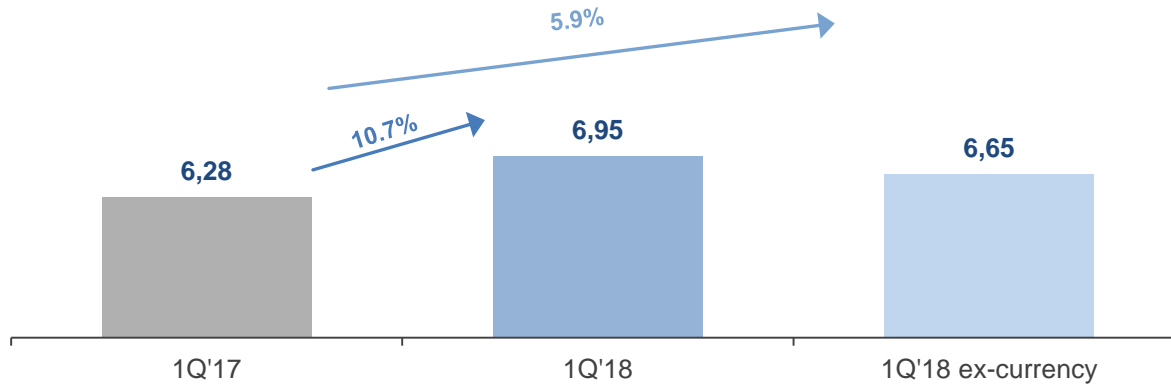


Unit Revenue Development

RASK (USc)

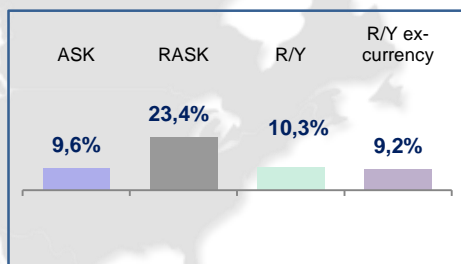


R/Y (Usc)

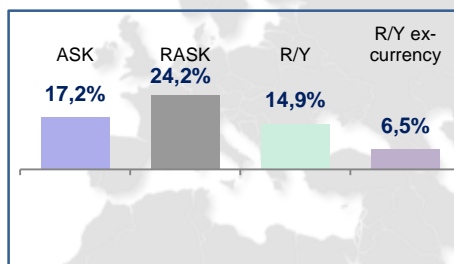


Regional Yield Development in USD (1Q'18 vs 1Q'17)

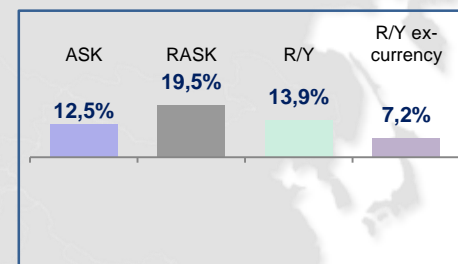
America



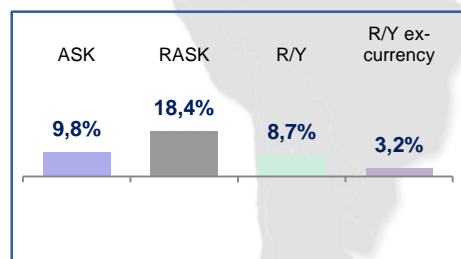
Europe



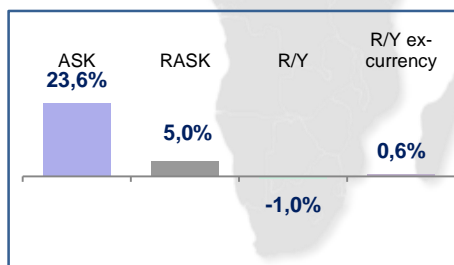
Asia / Far East



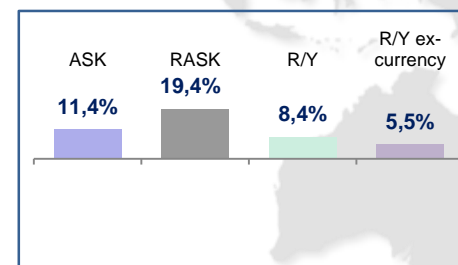
Africa



Domestic



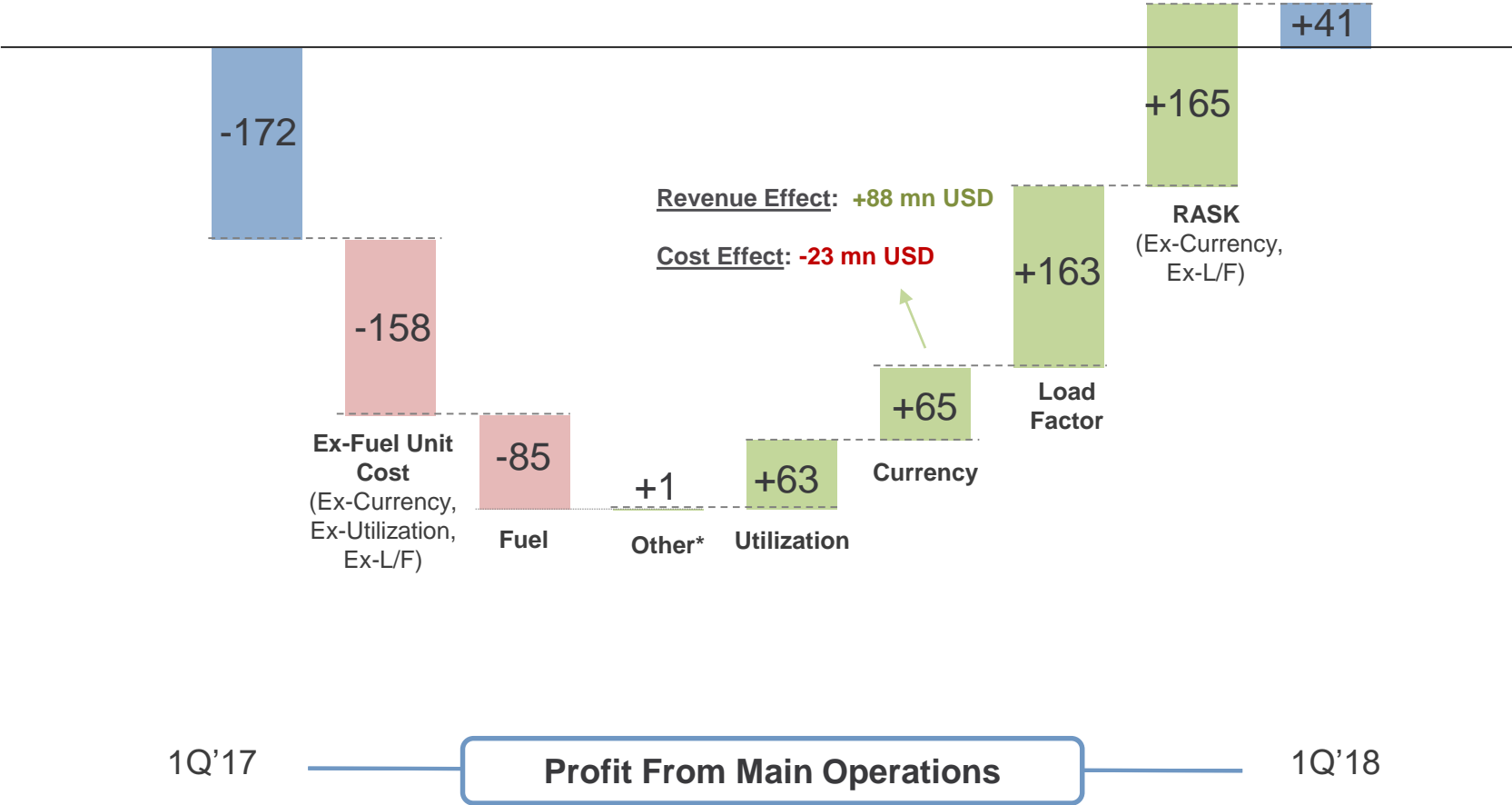
Middle East



R/Y : Yield : Passenger Revenue / RPK (Scheduled)
 RASK : Passenger and Cargo Revenue / ASK* (Scheduled)
 * ASK value is adjusted for cargo operations.

Profit From Main Operations Bridge (1Q'17 vs 1Q'18)

(mn USD)



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

Operational Expense Breakdown

2016	2017	Change	(mn USD)	1Q'17	1Q'18	Change
2.673	2.866	7,2%	Fuel	591	804	36,0%
1.865	1.761	-5,6%	Personnel	387	452	16,8%
1.644	1.593	-3,1%	Aircraft Ownership	368	419	13,9%
952	978	2,7%	Airports & Air Navigation	195	248	27,2%
884	841	-4,9%	Sales & Marketing	193	265	37,3%
645	656	1,7%	Ground Handling	135	175	29,6%
582	510	-12,4%	Passenger Services & Catering	114	145	27,2%
590	645	9,3%	Maintenance	133	170	27,8%
307	314	2,3%	Other	73	82	12,3%
10.142	10.164	0,2%	TOTAL	2.189	2.760	26,1%

ASK Growth: 1,6%

ASK Growth: %14,6

Notes:

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

CASK Breakdown

2016	2017	Change	(USc)	1Q'17	1Q'18	Change
1,57	1,66	5,6%	Fuel	1,62	1,93	18,8%
1,09	1,02	-7,0%	Personnel	1,06	1,08	2,0%
0,96	0,92	-4,6%	Aircraft Ownership	1,01	1,00	-0,6%
0,56	0,57	1,2%	Airports & Air Navigation	0,54	0,59	11,0%
0,52	0,49	-6,3%	Sales & Marketing	0,53	0,64	19,9%
0,38	0,38	0,1%	Ground Handling	0,37	0,42	13,2%
0,34	0,29	-13,7%	Passenger Services & Catering	0,31	0,35	11,0%
0,35	0,37	7,6%	Maintenance	0,37	0,41	11,6%
0,18	0,18	0,7%	Other	0,20	0,20	-1,9%
5,95	5,87	-1,3%	TOTAL	6,01	6,62	10,1%

Selected KPI's

2016	2017	Change		1Q'17	1Q'18	Change
570	591	3,8%	Fuel Price (Usd/ton)	589	659	11,8%
3,29	3,28	-0,4%	Fuel Consumption (lt) per 100 ASK2	3,29	3,41	3,9%
1.209	1.171	-3,2%	Aircraft Ownership Cost per BH	1.265	1.258	-0,6%
434	474	9,2%	Maintenance Cost per BH	457	510	11,6%
1.389	1.397	0,6%	Handling Cost per Landing	1.384	1.547	11,7%
1.036	1.052	1,5%	Airports & Air Navigation Cost per km Flown	1.103	1.241	12,5%
9,27	7,43	-19,8%	Passenger Services & Catering Cost per Pax	8,74	8,66	-1,0%
9,0%	7,7%	-1,4 pt	Sales & Marketing Cost / Total Revenue	9,7%	9,6%	-0,2 pt

EBITDAR Calculation

2016	2017	Change	EBITDAR (mn USD)	1Q'17	1Q'18	Change
9.792	10.958	12%	Sales Revenue	1.980	2.763	39,5%
8.656	8.762	1%	Cost of Sales (-)	1.863	2.347	26,0%
1.136	2.196	93%	GROSS PROFIT / (LOSS)	117	416	255,6%
315	275	-13%	General Administrative Expenses (-)	69	71	2,9%
1.171	1.127	-4%	Marketing and Sales Expenses (-)	257	342	33,1%
-350	794	-	NET OPERATING PROFIT / (LOSS)	-209	3	-
145	264	82%	Other Operating Income	47	48	2,1%
86	36	-58%	Other Operating Expense (-)	10	10	0,0%
-291	1.022	-	Profit / (Loss) from Main Operations	-172	41	-
124	164	32%	Adjustments	16	19	18,8%
44	102	132%	Share of Investments' Profit / Loss Accounted by Using The Equity Method	-2	3	-
80	62	-23%	Income From Government Incentives	18	16	-11,1%
-167	1.186	-	EBIT	-156	60	-
1.148	1.066	-7%	Depreciation	257	269	4,7%
981	2.252	130%	EBITDA	101	329	225,7%
508	652	28%	Adjusted Operating Lease Expenses ¹	140	163	16,6%
139	112	-19%	Adjusted Short term Lease Expenses (Wet-lease) ²	23	36	58,5%
1.628	3.016	85%	EBITDAR	263	528	100,4%
16,6%	27,5%	10,9 pt	EBITDAR MARGIN	13,3%	19,1%	5,80

¹ Adjusted for A/C heavy maintenance

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

Notes:

- For 1Q'18 Turkish Technic's contribution to EBITDAR through consolidation is 48 mn USD, compared to 35 mn in 1Q'17.
- For 1Q'18 adjustments for heavy maintenance of operational lease expenses were 78 mn USD compared to 70 mn USD in 1Q'17.

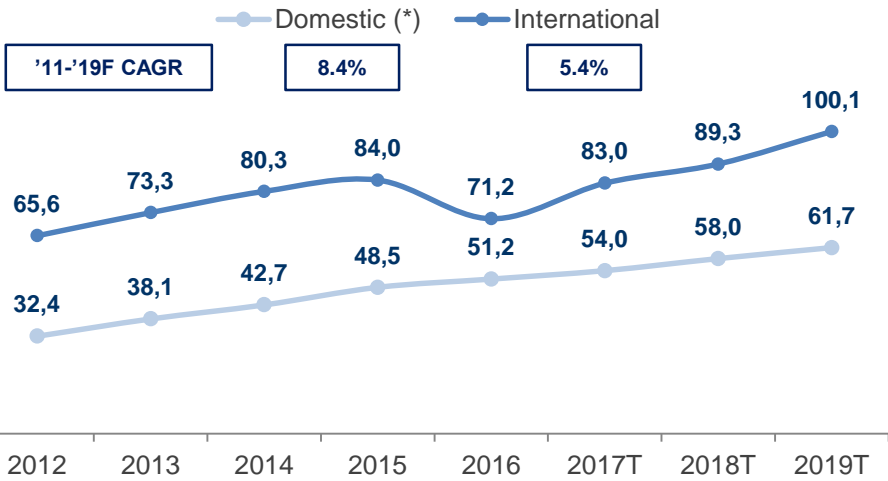
TURKISH AIRLINES

1Q'18 Results



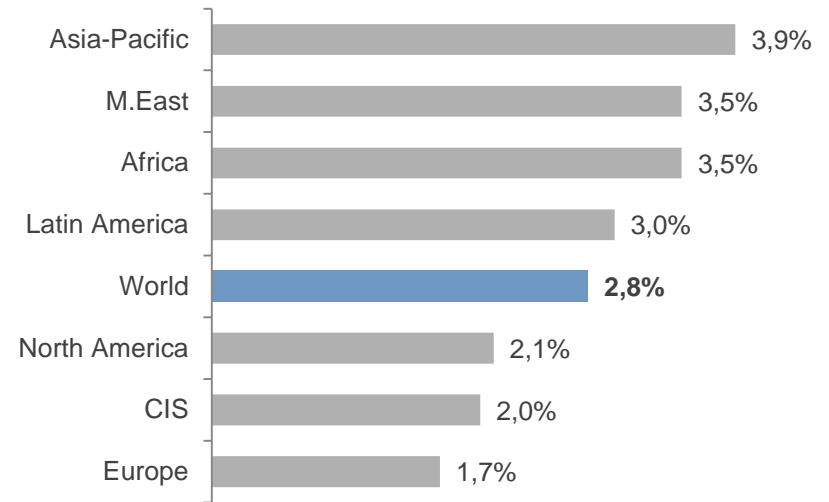
Aviation Sector & Economy

Turkish Market Growth (mn passengers)

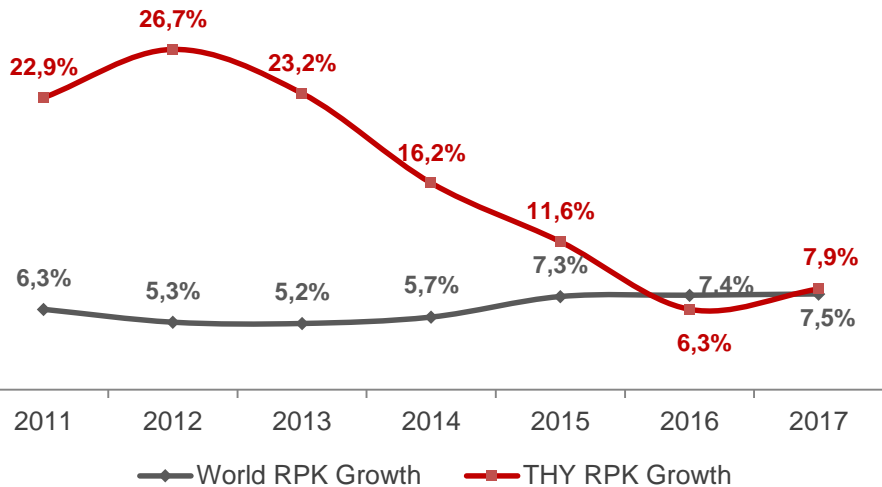


Source: General Directorate of State Airports Authority (DHMI)
 (*): Adjusted for double count on Domestic Pax

Annual GDP Growth Forecast (2017-2036)

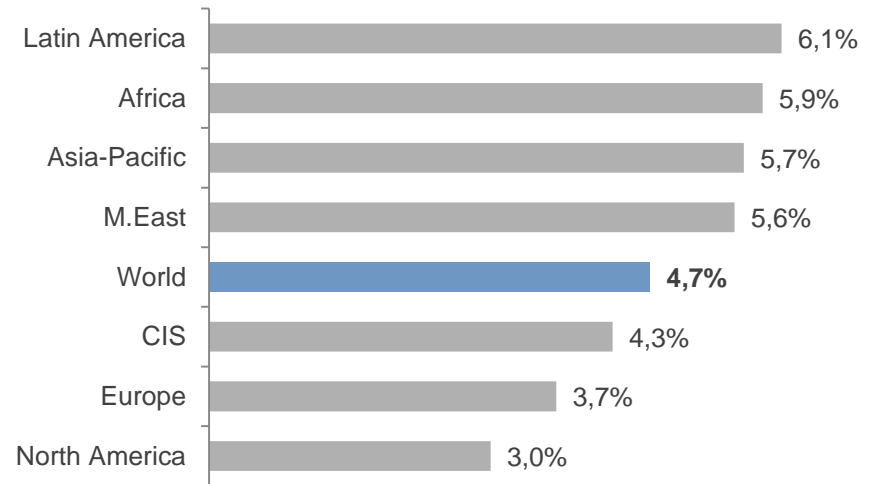


Annual RPK Growth (%)



Source: IATA

Annual RPK Growth Forecast (2017-2036)

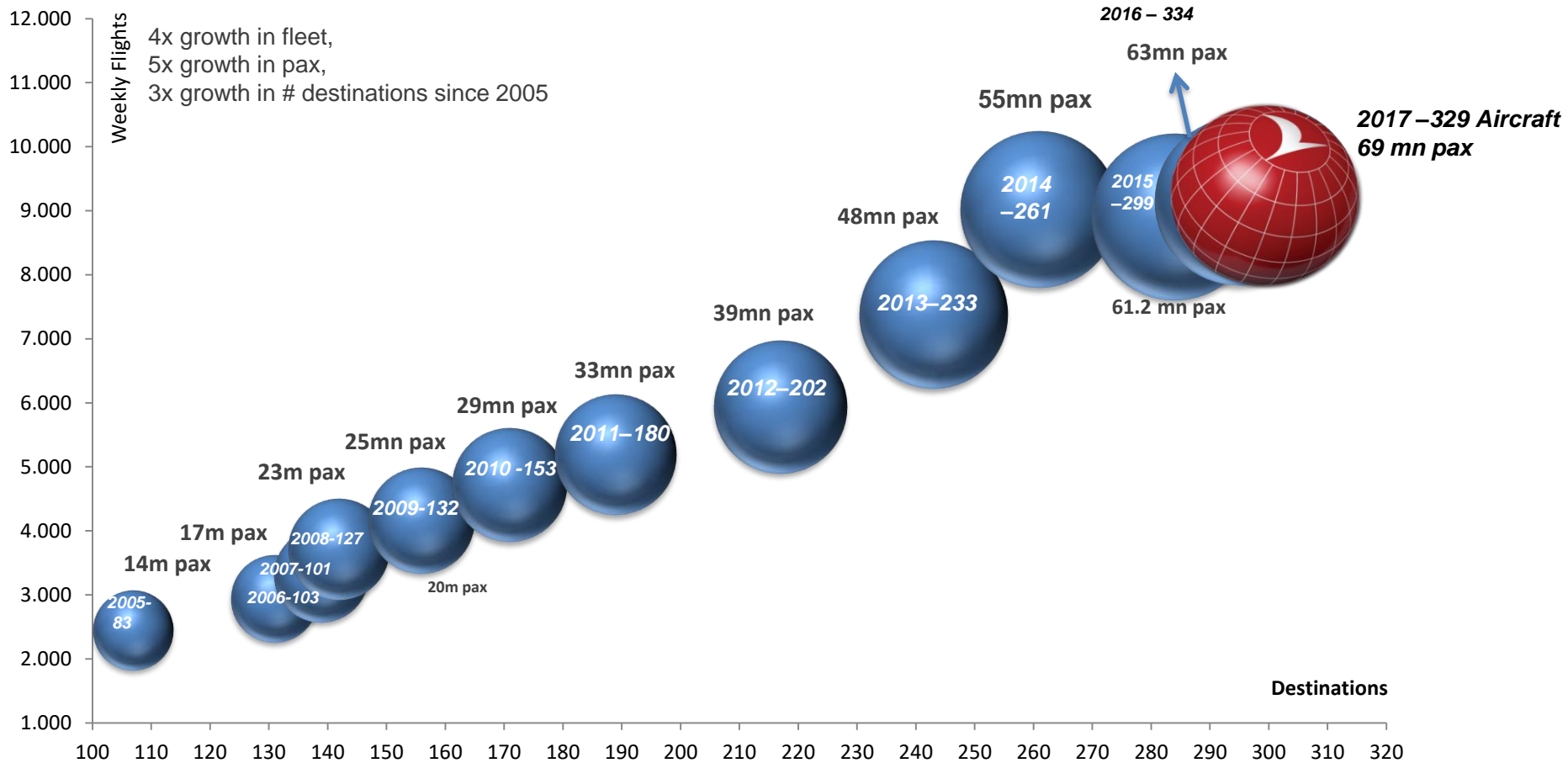


Source: Boeing Current Market Outlook

WIDEN YOUR WORLD



Turkish Airlines Historical Growth



* As of 31.03.2018.

Note: Diameters of the bubbles are proportional to the number of passengers carried.

We Fly To 121 Countries

EUROPE			
43 COUNTRIES, 114 CITIES			
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	Voronezh	Czech Rep.	
Leipzig	Samara	Prague	
Münster	Krasnodor	Croatia	
Baden-Baden	Switzerland	Zagreb	
Italy	Zurich	Dubrovnik	
Milan	Geneva	Portugal	
Rome	Basel	Lisbon	
Venice	Ukraine	Porto	
Bologna	Kiev	Bosnia	
Naples	Odessa	Sarajevo	
Catania	Ivano-Frankivsk	Finland	
Turin	Dnepropetrovsk	Helsinki	
Pisa	Kharkiv	Norway	
Bari	Kherson	Oslo	
Genoa	Zaporizhja	Albania	Future Routes
France	Lviv	Tirana	Azerbaijan
Paris	Simferopol	Ireland	Lankeran
Lyon	Donetsk	Dublin	Poland
Nice	Austria	Kosovo	Krakow
Marseille	Vienna	Pristina	France
Toulouse	Salzburg	Macedonia	Nantes
Bordeaux	Graz	Skopje	Spain
UK	Northern Cyprus	Serbia	La Coruna
London	Lefkosa	Belgrade	Russia
Manchester	Azerbaijan	Malta	Makhachkala
Birmingham	Baku	Malta	Italia
Spain	Ganja	Slovenia	Palermo
Barcelona	Nakhichevan	Ljubljana	
Madrid	Netherlands	Montenegro	
Malaga	Amsterdam	Podgorica	
Valencia	Rotterdam	Scotland	
Bilbao	Greece	Edinburgh	
	Athens	Estonia	
	Thessaloniki	Tallinn	
	Sweden	Latvia	
	Stockholm	Riga	
	Gothenburg	Lithuania	
	Denmark	Vilnius	
	Copenhagen	Luxemburg	
	Aalborg	Luxembourg	
	Billund		
	Georgia		
	Tbilisi		
	Batumi		

AFRICA	
34 COUNTRIES, 52 CITIES	
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	Prague
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
Tunis	Tripoli
Djibouti	Sierra Leone
Djibouti	Freetown
Ethiopia	
Addis Ababa	
Ghana	
Accra	
Morocco	
Casablanca	Future Routes
Rwanda	Angola
Kigali	Luanda
Somalia	Egypt
Mogadishu	Aswan
Sudan	Luxor
Khartoum	South Sudan
Uganda	Juba
Entebbe	Comoros
Mauritania	Moroni
Nouakchott	
Senegal	
Dakar	
Congo	
Kinshasa	

MIDDLE EAST	
13 COUNTRIES, 34 CITIES	
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	
Mosul	Future Routes
Kuwait	Saudi Arabia
Kuwait	Abha

AMERICAS	
8 COUNTRIES, 17 CITIES	
USA	Panama
New York	Panama
Los Angeles	Cuba
Washington	Havana
Boston	Venezuela
Chicago	Caracas
Houston	
Miami	
Atlanta	
San Francisco	
Canada	Future Routes
Toronto	Mexico
Montreal	Mexico City
Argentina	
Buenos Aires	
Brazil	
Sao Paulo	
Columbia	
Bogota	

FAR EAST	
22 COUNTRIES, 37 CITIES	
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	Samarkand
Kazakhstan	Philippines
Almaty	Manila
Astana	Tajikistan
Japan	Dushanbe
Tokyo	Khujand
Osaka	Nepal
India	Kathmandu
Mumbai	Mongolia
New Delhi	Ulaanbaatar
Thailand	
Phuket	
Bangkok	
Turkmenistan	
Ashgabat	
Malaysia	
Kuala Lumpur	
South Korea	
Seoul	
Afghanistan	Future Routes
Kabul	Indonesia
Mazar-i Sharif	Denpasar
Vietnam	
Ho Chi Minh	
Hanoi	

DOMESTIC	
49 CITIES	

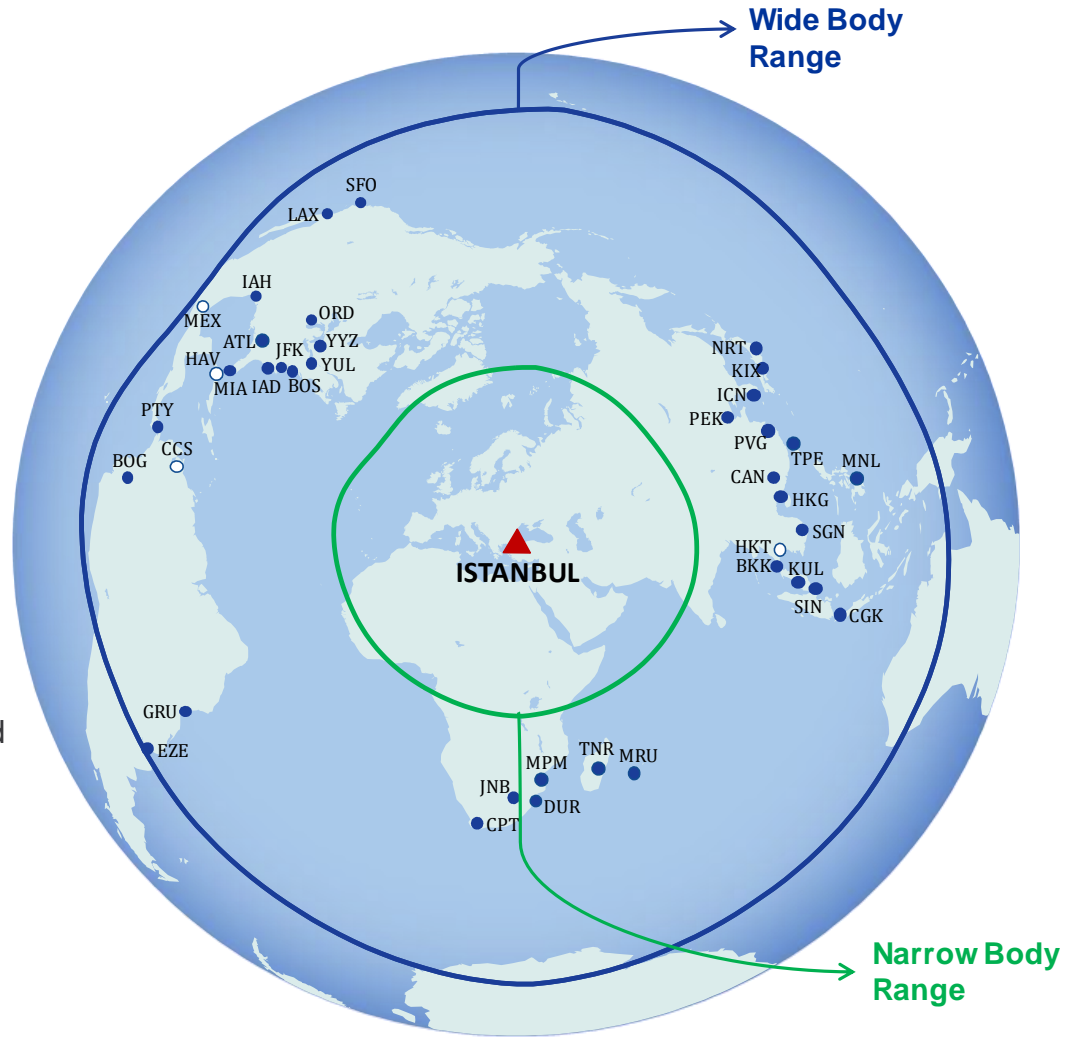
* As of 31.03.2018

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ 201 out of 251 international destinations
- ✓ 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	22,356
British Airways	9,588
Lufthansa	8,004

Middle East to the World

Turkish Airlines	9,044
British Airways	2,208
Qatar Airways	1,980

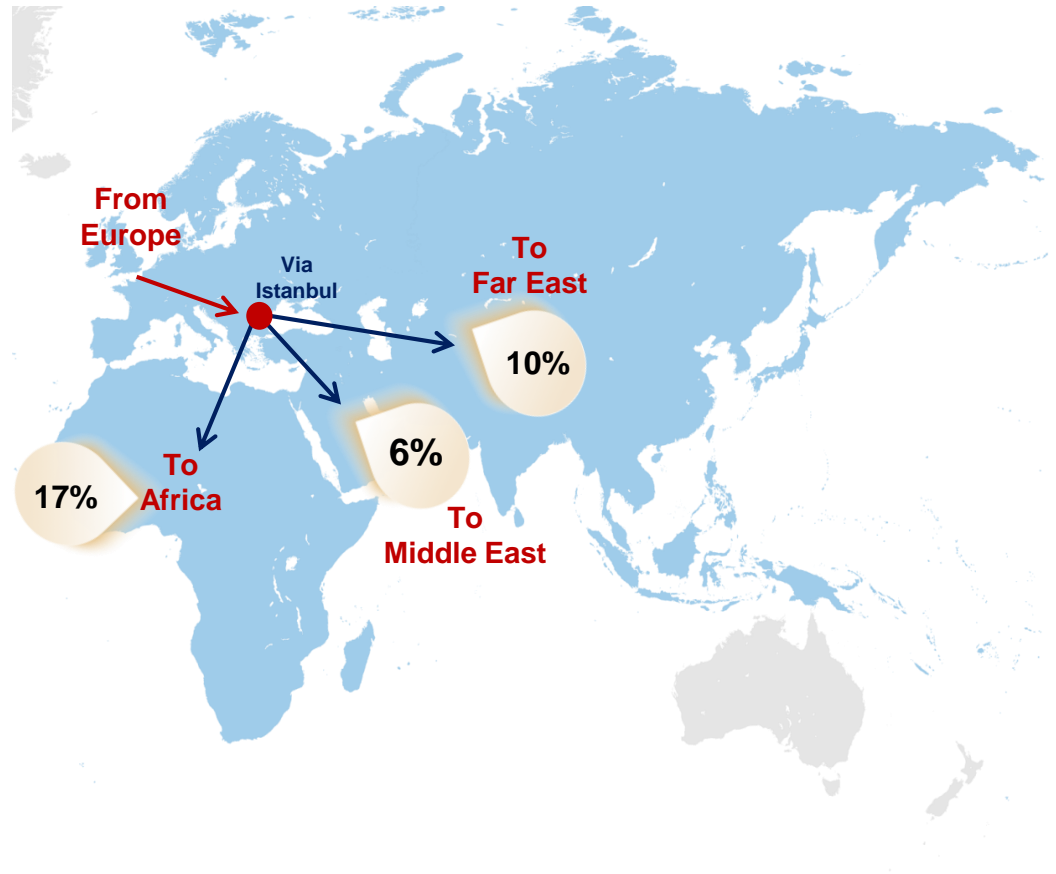
Africa to the World

Turkish Airlines	12,699
Air France	4,585
British Airways	3,043

Far East to the World

Turkish Airlines	9,504
United Airlines	8,700
Air China	5,115

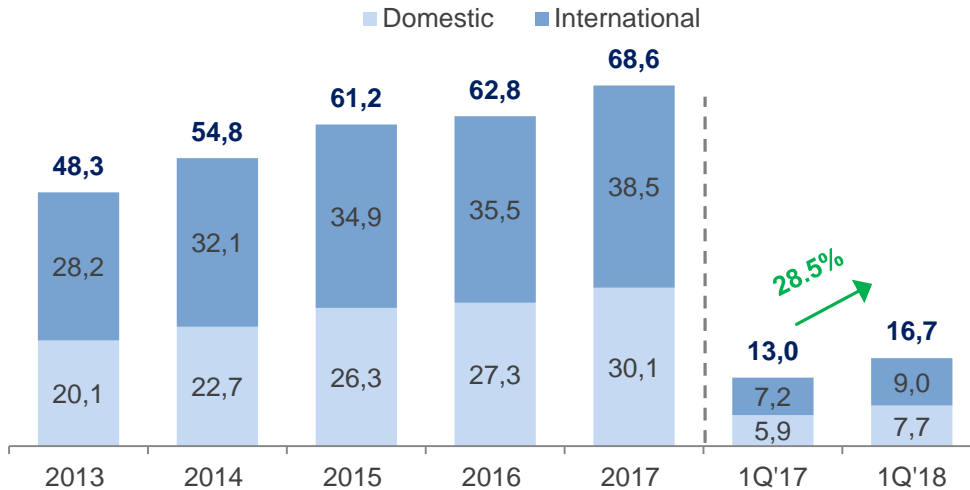
Detour* Advantage



* Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities
Source: Retrieved from OAG. As of 31.12.2017.

Passenger Traffic

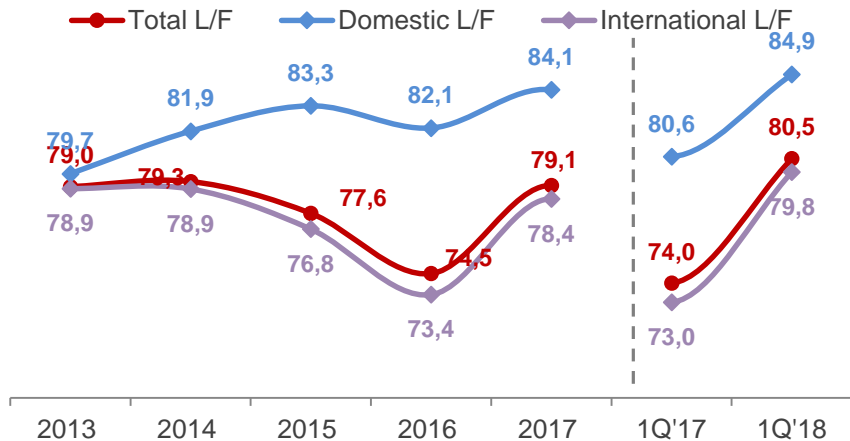
Total Passengers (mn)



Passenger Traffic

1Q'17	vs	1Q'18
Landing	up by	16,0%
ASK	up by	14,6%
RPK	up by	24,6%
Passenger #	up by	28,5%
L/F	up by	6,5 pt

Load Factor (L/F %)

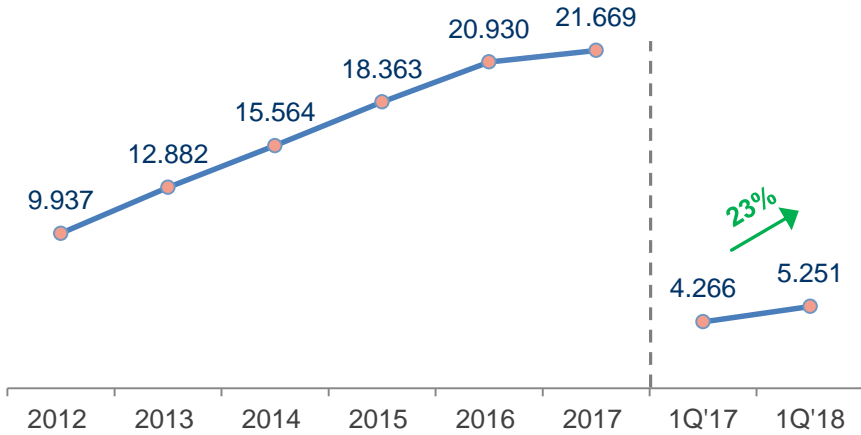


Annual Changes (%)

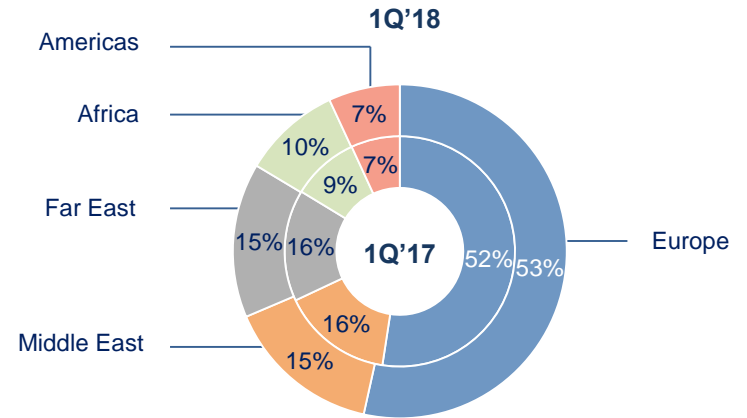
	2012	2013	2014	2015	2016	2017
ASK	48%	21%	16%	14%	11%	2%
RPK	55,7%	23,2%	16,2%	11,6%	6,4%	7,9%
PAX	34%	24%	14%	12%	3%	9%
L/F (Point)	4,0	1,4	0,3	-1,7	-3,1	4,6

Passenger Breakdown

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

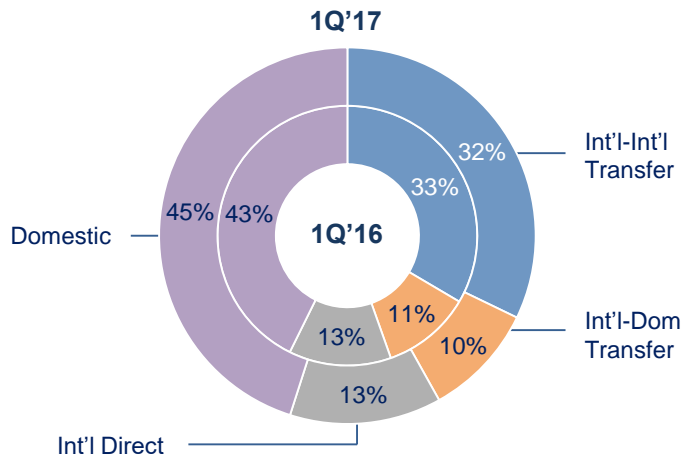


Int'l Passenger Breakdown by Geography



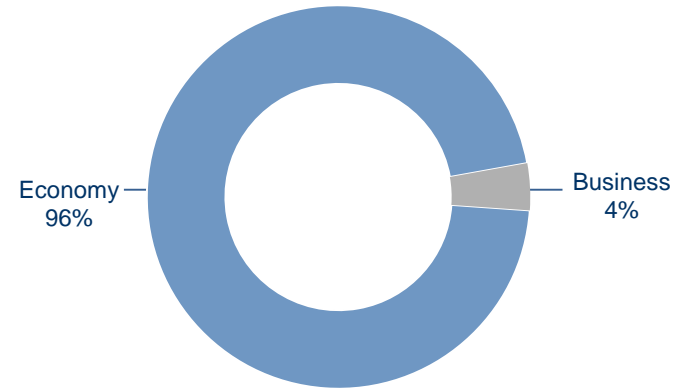
Note: Includes only scheduled passengers.

Passenger Breakdown by Transfer Type



Note: Int'l to int'l transfer passengers' share in total international passengers is 58%.

1Q'18 Passenger Breakdown by Cabin Class

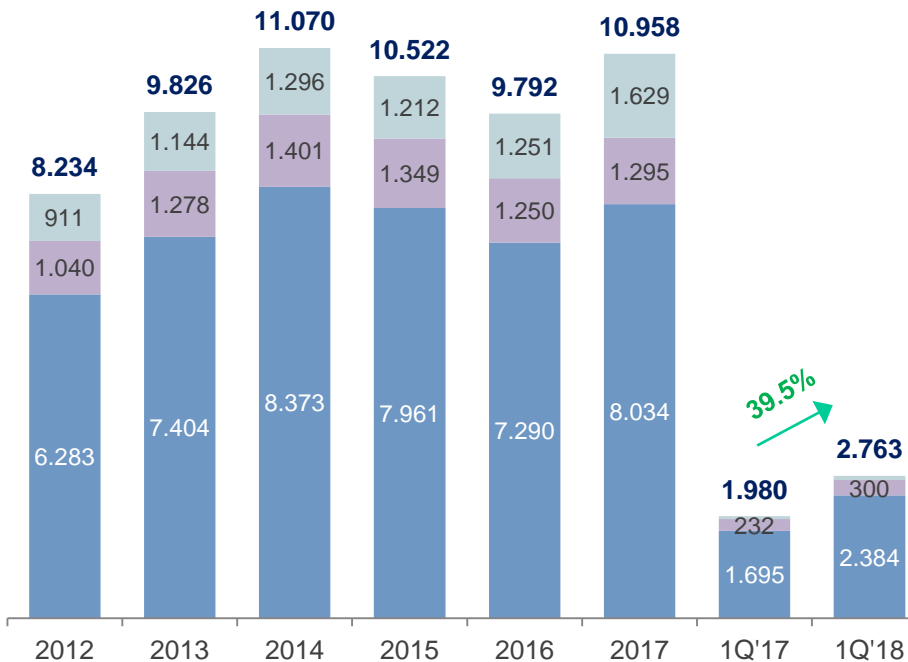


Note: Includes only scheduled passengers.

Total Revenue and Expenses

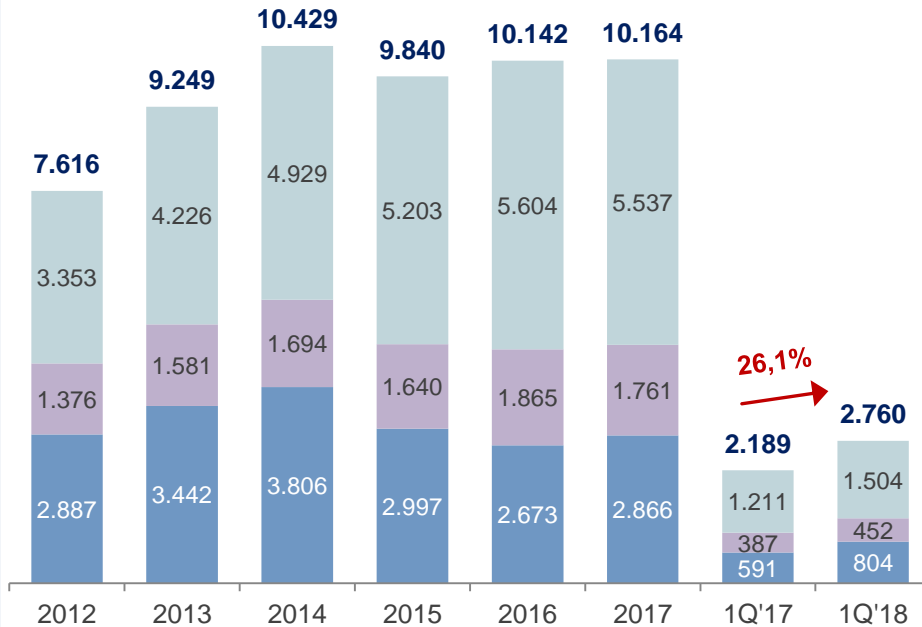
Revenues (mn USD)

■ International Pax ■ Domestic Pax ■ Other



Expenses (mn USD)

■ Fuel ■ Personnel ■ Other

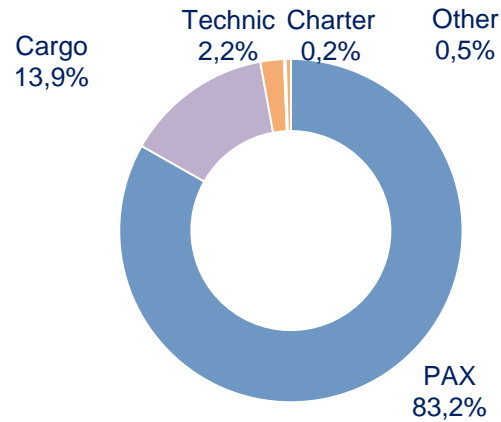


Note: Int and domestic pax revenue indicates scheduled pax revenue.

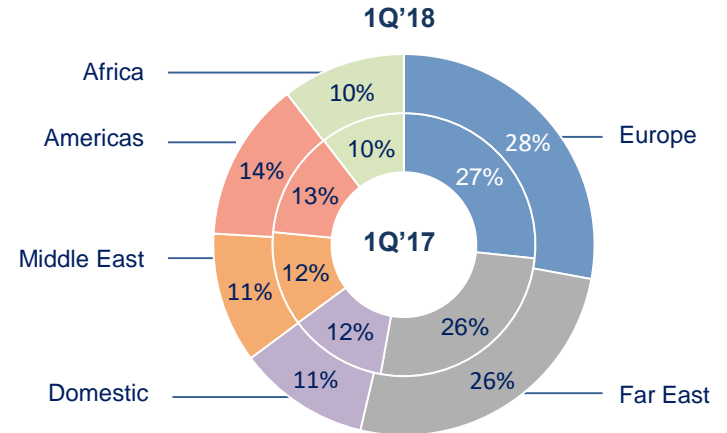
Other revenue includes cargo, charter and other revenue.

Revenue Breakdown (1Q'18)

Revenue by Business Type

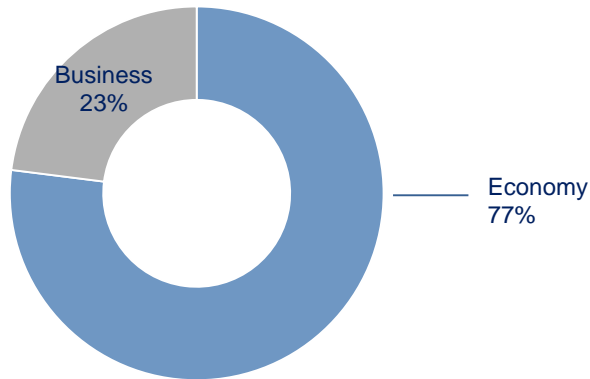


Revenue by Geography

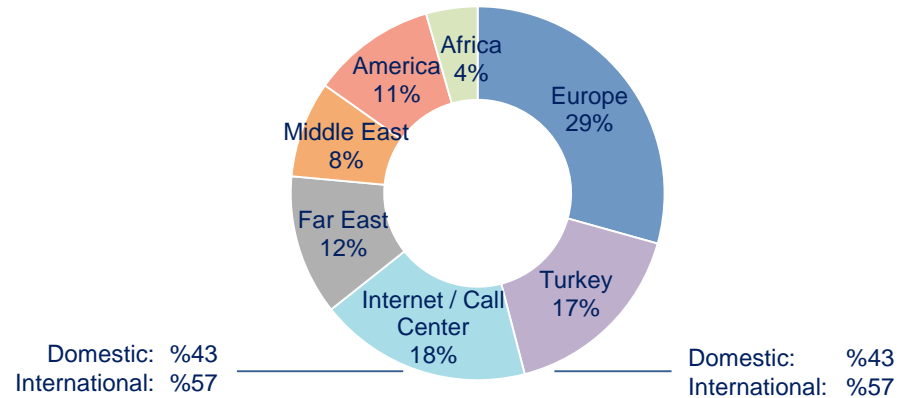


Note: Includes total passenger and cargo revenue

Revenue by Passenger Class



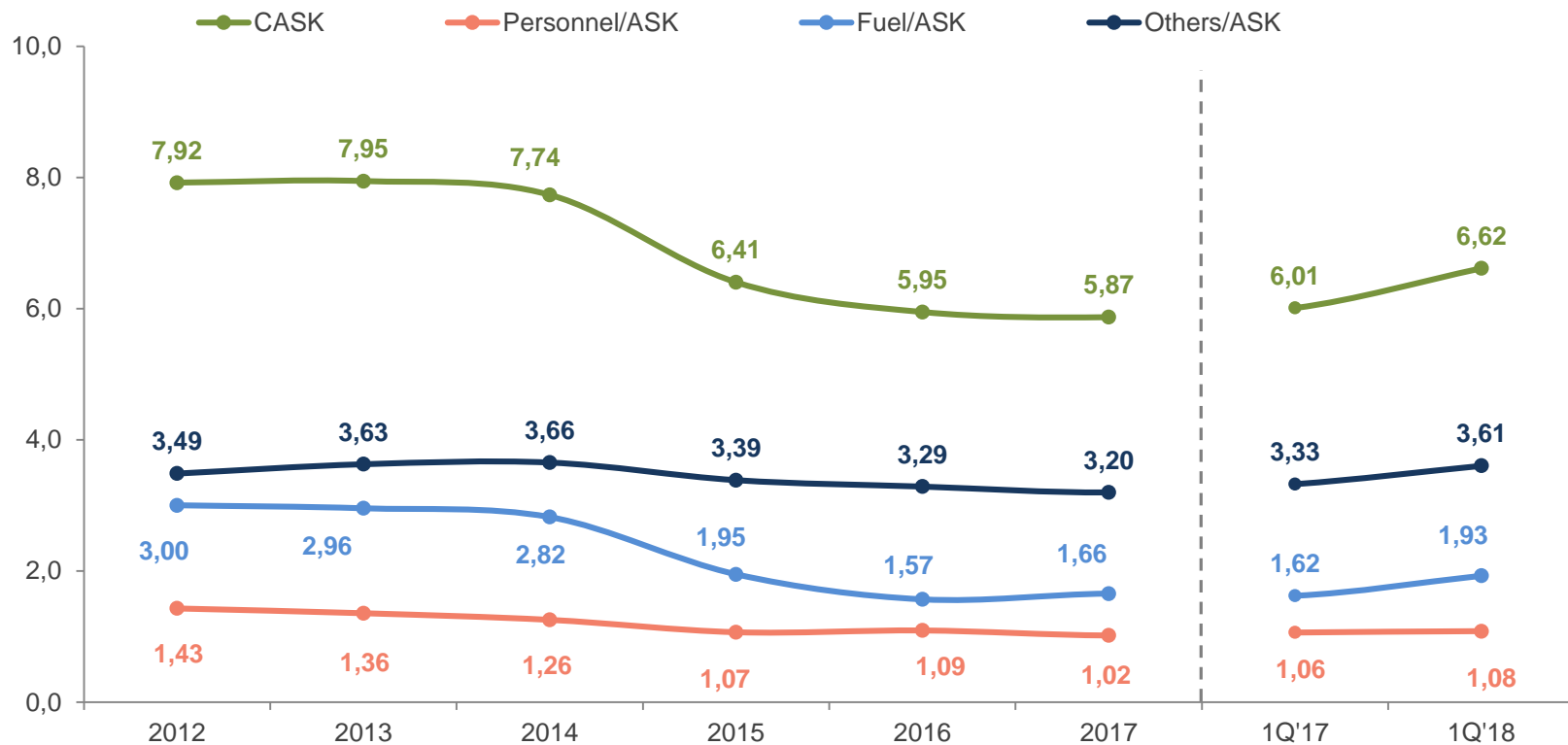
Revenue by Point of Sale



Note: Includes only scheduled passenger revenue

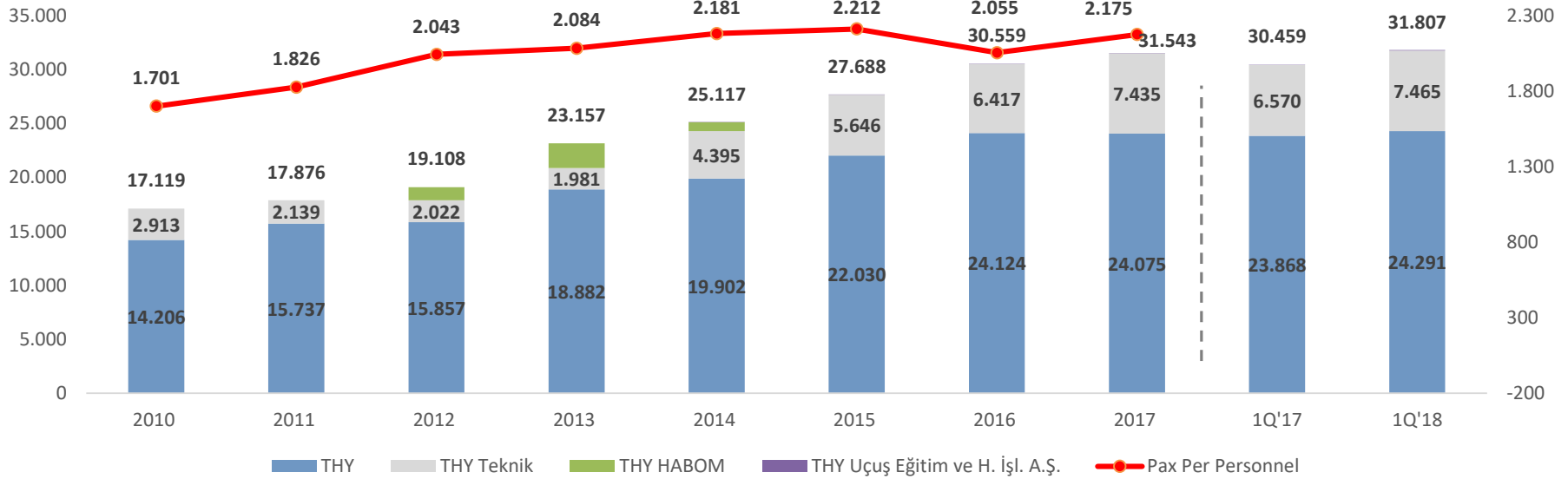
Unit Operating Costs

Cost Per ASK (Usc)

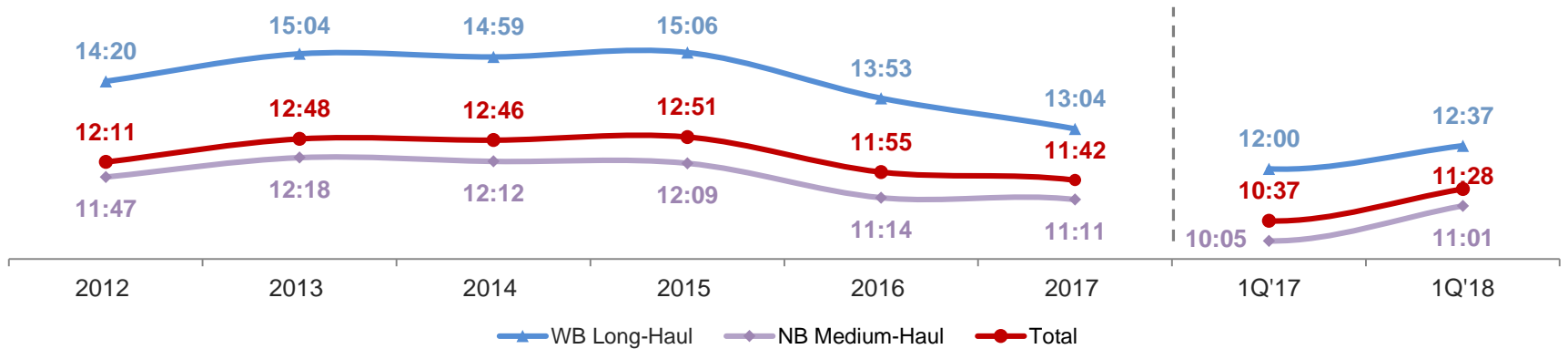


Operating Efficiency

Personnel Efficiency

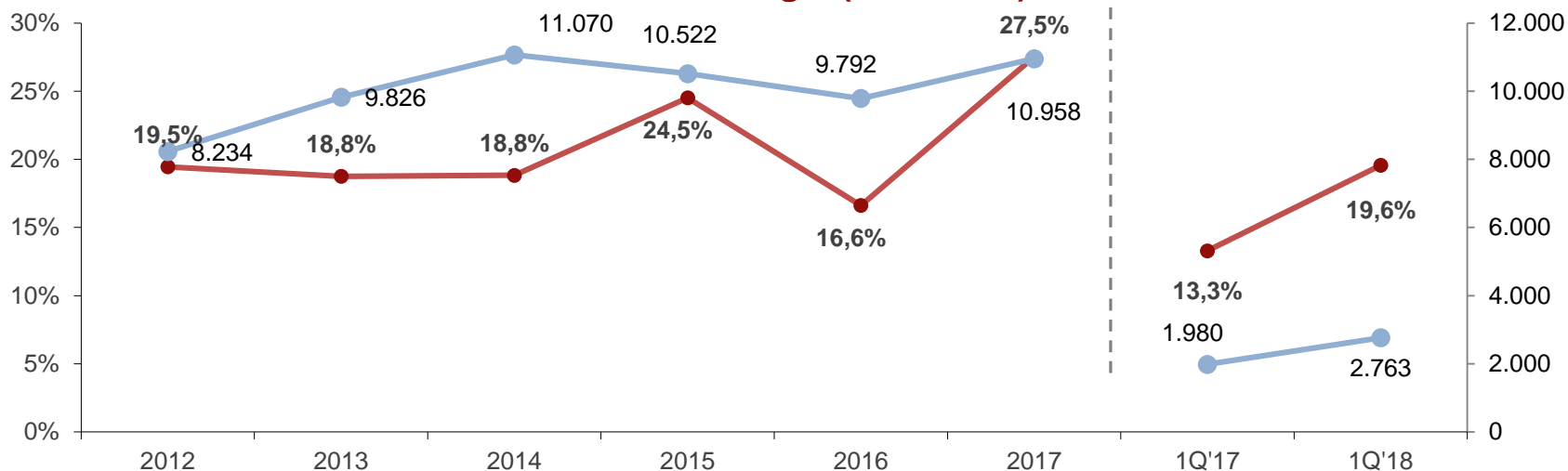


Average Daily Flight Utilization (hrs)



EBITDAR Margin

AVG EBITDAR Margin (2012-2017): 21%



(mn USD)	2012	2013	2014	2015	2016	2017	1Q'17	1Q'18	YoY Change
Revenue	8.234	9.826	11.070	10.522	9.792	10.958	1.980	2.763	39,5%
EBIT	691	755	808	1.039	-167	1.186	-156	60	-
EBIT Margin	8,4%	7,7%	7,3%	9,9%	-1,7%	10,8%	-7,9%	2,2%	10,1 pt
EBITDA	1.265	1.405	1.551	1.963	981	2.252	101	329	225,7%
EBITDA Margin	15,4%	14,3%	14,0%	18,7%	10,0%	20,6%	5,1%	11,9%	6,8 pt
EBITDAR	1.603	1.843	2.085	2.580	1.628	3.016	263	528	100,4%
EBITDAR Margin	19,5%	18,8%	18,8%	24,5%	16,6%	27,5%	13,3%	19,1%	5,8 pt
Net Income	657	357	845	1.069	-77	223	-373	-86	-
Net Income Margin	8,0%	3,6%	7,6%	10,2%	-0,8%	2,0%	-18,8%	-3,1%	15,7 pt

Fleet

31.03.2018	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	16	2	3	11	4.122	10,5	16	18	16	13	13	8	5
	A330-300	37		29	8	10.807	4,2	37	37	37	37	37	36	29
	A340-300	4	4			1.332	20,0	4	4	4	4	4	4	4
	B777-3ER	33		27	6	11.670	4,4	33	33	32	30	30	30	30
	A350-900									5	9	17	25	
	B787-9									6	15	21	25	25
	Total	90	6	59	25	27.931	6,1	90	92	95	104	114	120	118
Narrow Body	B737-900ER	15		15		2.355	4,8	15	15	15	15	15	15	15
	B737-9 MAX									5	10	10	10	10
	B737-800	87	25	42	20	14.227	9,7	88	82	82	80	80	80	78
	B737-700	1			1	124	12,1	1	1	1				
	B737-8 MAX								7	19	38	53	65	65
	A321 NEO								3	21	39	59	77	92
	A319-100	7		6	1	924	7,4	7	7	6	6	6	6	6
	A320-200	22	5	7	10	3.504	11,1	24	19	12	12	12	12	12
	A321-200	68		62	6	12.360	5,8	68	68	68	66	64	64	64
	A320-200 WL													
	B737-800 WL	19			19	3.591	12,3	20	17	14	8	6	2	
Total	219	30	132	57	37.085	8,5	223	219	243	274	305	331	342	
Cargo	A330-200F	9		9			4,3	9	10	10	10	10	10	10
	B777F	2		2			0,3	2	5	5	5	5	5	5
	Wet Lease	7			7		22,7	5	2					
	Total	18		11	7		11,0	16	17	15	15	15	15	15
GRAND TOTAL	327	36	202	89	65.016	8,0	329	328	353	393	434	466	475	
Year End Seat Capacity :								65.688	65.545	70.552	78.458	86.901	93.517	95.293
Seat Capacity Change :								0%	0%	8%	11%	11%	8%	2%

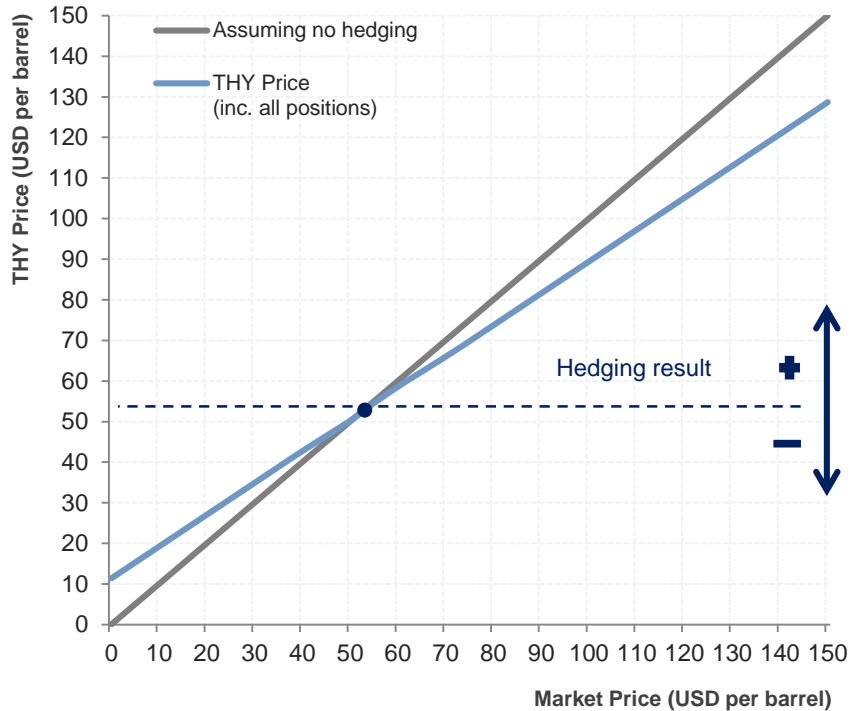
*After exit-entry

Fleet Development

		2011-2023 Aircraft Purchases														
		Delivered								To Be Delivered						
Type		2011	2012	2013	2014	2015	2016	2017	TOTAL	2018	2019	2020	2021	2022	2023	TOTAL
Wide Body	A350-900											5	4	8	8	25
	B787-9										6	9	6	4		25
	A330-300	3	3	2	6	7	5		26							
	B777-3ER	7			4	7	6	1	25							
	Total	10	3	2	10	14	11	1	51		6	14	10	12	8	50
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	3						3
	Total	1	1	2		1	2	3	10	3						3
GRAND TOTAL		29	20	20	20	33	43	4	169	13	41	56	45	42	23	220
YEAR END FLEET		180	202	233	261	299	334	329		328	353	393	434	466	475	

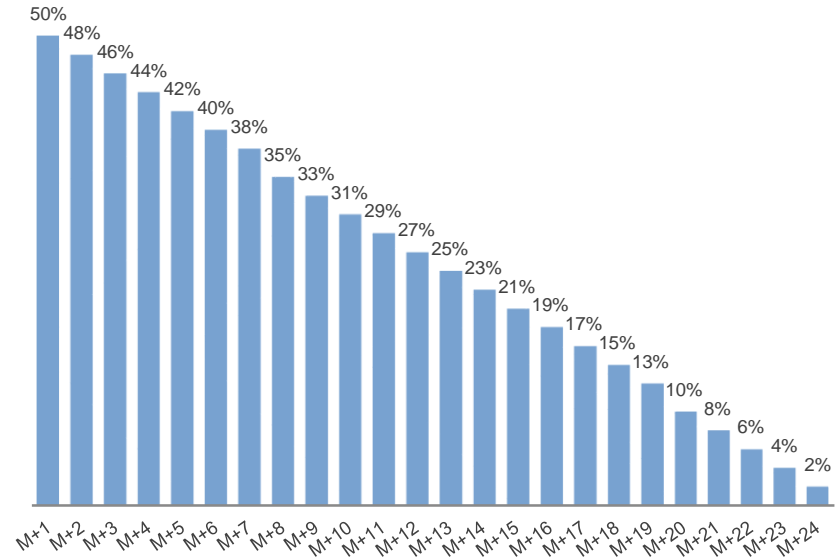
Hedging Fuel Price Risk

Effect of Hedging on the Fuel Price



- Around **5 mn barrels** of hedged position on ICE BRENT in 1Q'18.
- Current fuel hedging levels: **FY18: 47% (15 mn barrel)**
FY19: 20% (7,5 mn barrel)

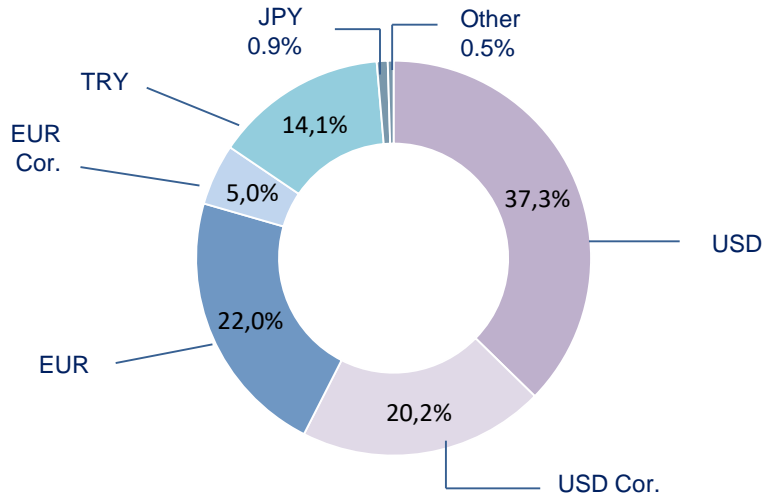
Fuel Hedging Policy



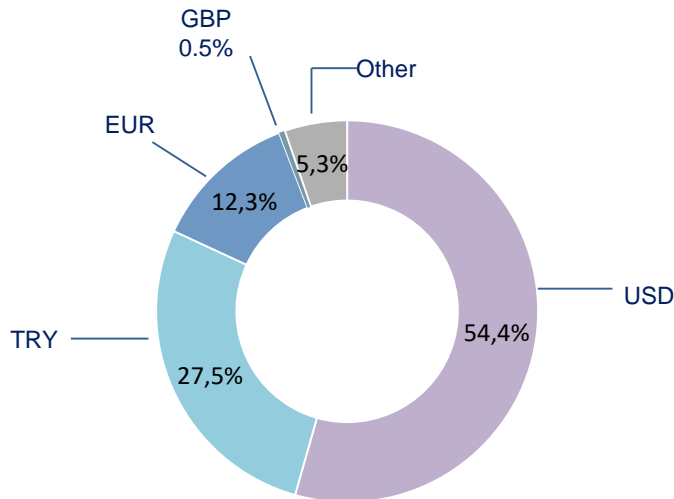
- **Active Surcharge Policy:** 50% of fuel cost is reflected to ticket prices
- Decreasing layered hedging strategy (24 months)
- Crude oil based swaps and options
- Aim to reach 50% of following months budgeted consumption

Hedging Currency Risk (1Q'18)

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:

2018	Hedging Levels*	Average Price
EUR/USD	20%	1.2213
EUR/TRY	25%	4.5530

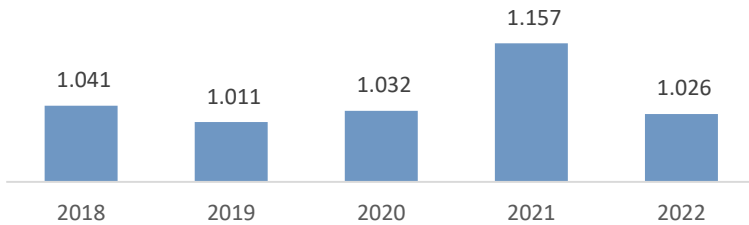
* Percentage of respective short positions. As of 31 March 2018.

Aircraft Financing and Debt Management

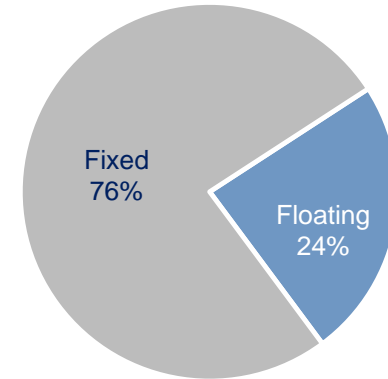
As of 31.03.2018

Total Financial Lease Liabilities: **8,3 bn USD**
Operational Leases: **1,8 bn USD**

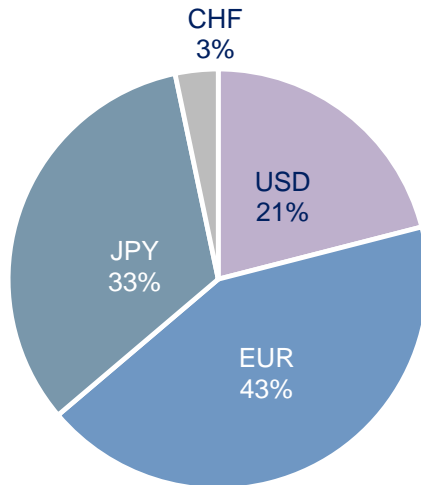
5 Year Maturity Profile (USD mn)



Weighted Average Interest Rate: **2.94%**



Currency Breakdown of Financial Lease Liabilities

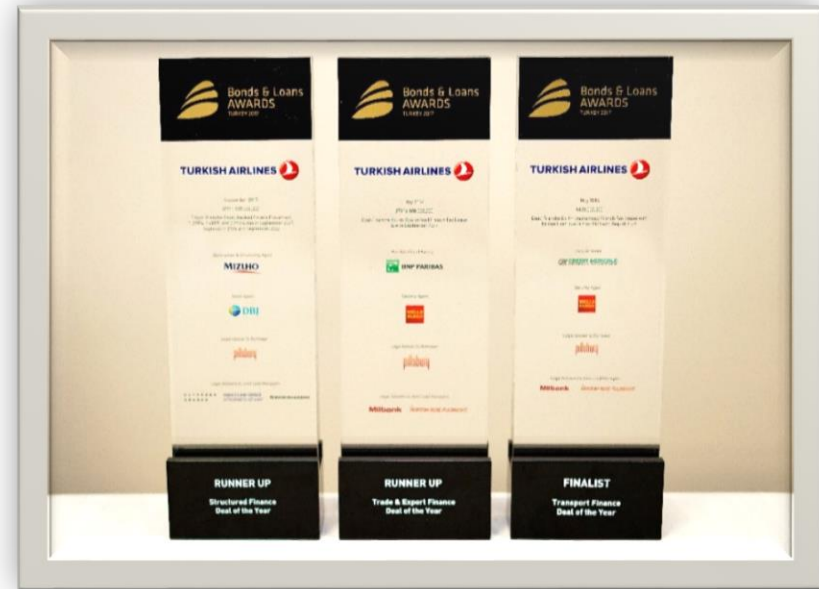


(mn USD)	31.03.2018 Total Debt	Maturity	Yearly Debt Service
USD	1.737	10-12 Years	288
EUR	3.537	10-12 Years	454
JPY	2.723	10-11 Years	271
CHF	269	12 Years	31
Total	8.267		1.044

Recent Awards

2017 Turkish Cargo Awards:

- › Air Cargo Carrier of the Year (Gana Shippers Awards)
- › Fastest Growing Cargo Carrier Awards (South Korea)



2017 Skytrax Awards:

- › Best Airline in Southern Europe
- › World's Best Business Class Lounge
- › Best Business Class Lounge Dining
- › Best Business Class On-Board Catering

2017 Global Transport Finance Awards:

- › Unique deal of the year



Balance Sheet

Assets (mn USD)	2012	2013	2014	2015	2016	2017	31.03.2018
Cash and Equivalents	1.028	647	722	962	1.815	2.086	1.949
Trade Receivables	434	538	456	361	379	592	710
Pre-delivery Payment (PDP) Receivables	267	521	990	1.139	596	117	330
Other Current Assets	437	419	663	684	811	836	868
Total Current Assets	2.166	2.125	2.831	3.146	3.601	3.631	3.857
Net Fixed Assets	7.121	8.043	9.201	11.415	13.476	13.002	12.922
of which Aircraft and Engines	6.392	7.030	8.167	10.177	12.134	11.683	11.555
Pre-delivery Payment (PDP) Receivables	655	993	650	392	207	247	300
Other Non-Current Assets	581	741	1.064	1.430	1.207	1.317	1.440
Total Non-Current Assets	8.357	9.777	10.915	13.237	14.890	14.566	14.662
Total Assets	10.523	11.902	13.746	16.383	18.491	18.197	18.519

Liabilities (mn USD)	2012	2013	2014	2015	2016	2017	31.03.2018
Lease Obligations	4.862	5.413	5.931	7.399	8.886	8.322	8.338
Passenger Flight Liabilities	936	1.201	1.398	1.091	785	1.000	1.465
Accounts Payable	510	680	662	671	616	855	861
Other Liabilities	1.183	1.346	1.805	2.380	3.117	2.674	2.769
Total Liabilities	7.491	8.640	9.796	11.541	13.404	12.851	13.433
Total Shareholders Equity	3.032	3.262	3.950	4.842	5.087	5.346	5.086
of which Issued Capital	1.498	1.597	1.597	1.597	1.597	1.597	1.597
of which Retained Earnings	903	1.350	1.714	2.559	3.628	3.551	3.760
of which Differences from Currency Translation	-10	-26	-47	-84	-106	-108	-107
of which Net Profit for the Period	657	357	845	1.069	-77	223	-86
Total Liabilities & Shareholders Equity	10.523	11.902	13.746	16.383	18.491	18.197	18.519

Income Statement

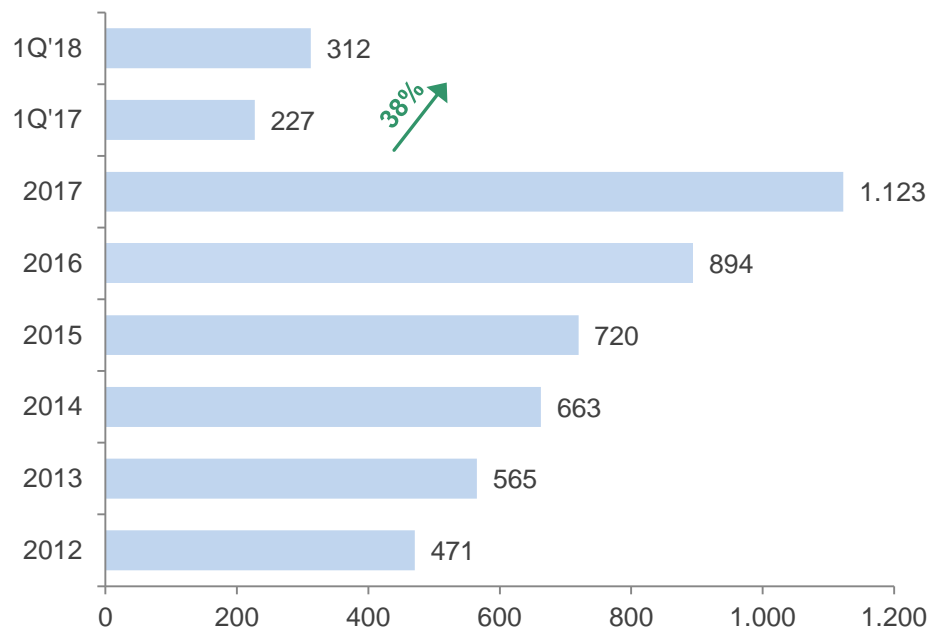
(mn USD)	2012	2013	2014	2015	2016	2017	1Q'17	1Q'18	YoY Change
Operating Revenue	8.234	9.826	11.070	10.522	9.792	10.958	1.980	2.763	40%
Operating Expenses (-)	7.616	9.249	10.429	9.840	10.142	10.164	2.189	2.760	26,1%
of which Fuel	2.887	3.442	3.806	2.997	2.673	2.866	591	804	36%
of which Personnel	1.376	1.581	1.694	1.640	1.865	1.761	387	452	17%
of which Depreciation	574	650	743	924	1.148	1.066	257	269	5%
of which Rent	243	448	543	111	496	527	111	150	35%
Net Operating Profit / Loss	618	577	641	682	-350	794	-209	3	-
Income From Other Operations	95	115	80	244	145	264	47	48	2%
Expense From Other Operations (-)	61	41	45	31	86	36	10	10	0%
Profit / Loss From Main Operations	652	651	676	895	-291	1.022	-172	41	-
Income From Investment Activities (Net)	271	76	72	101	117	177	27	21	-22%
Share of Investments' Profit / Loss	4	55	75	80	44	102	-2	3	-
Financial Income	49	27	419	532	300	56	15	11	-27%
Financial Expense (-)	191	307	196	201	229	1.078	322	183	-43%
Profit Before Tax	785	502	1.046	1.407	-59	279	-454	-107	-
Tax (-)	128	145	201	338	18	56	-81	-21	-
Net Profit	657	357	845	1.069	-77	223	-373	-86	-

Operational Expense Breakdown

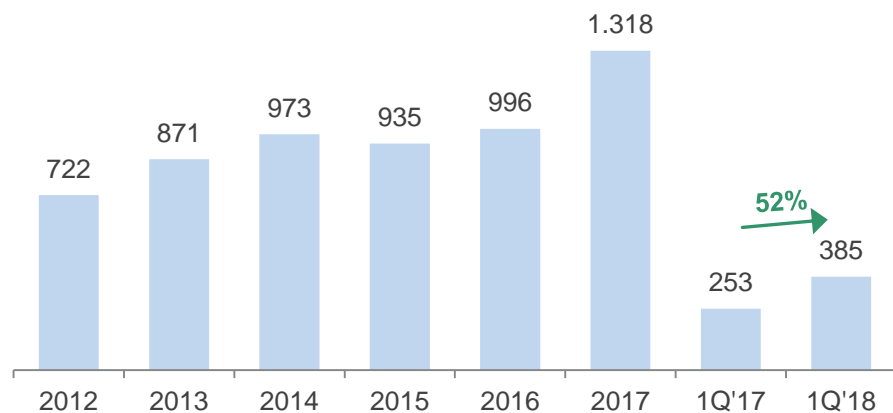
(mn USD)	1Q'17	% in Total	1Q'18	% in Total	Change 18/17
Fuel	591	27,0%	804	29,1%	36,0%
Personnel	387	17,7%	452	16,4%	16,8%
Landing, Navigation & Air Traffic	195	8,9%	248	9,0%	27,2%
Landing and navigation	92	4,2%	118	4,3%	28,3%
Air Traffic Control	103	4,7%	130	4,7%	26,2%
Sales & Marketing	193	8,8%	265	9,6%	37,3%
Commissions and Incentives	71	3,2%	104	3,8%	46,5%
Reservation System	54	2,5%	68	2,5%	25,9%
Advertising	32	1,5%	52	1,9%	62,5%
Other	36	1,6%	41	1,5%	13,9%
Depreciation	257	11,7%	269	9,7%	4,7%
Ground Handling	135	6,2%	175	6,3%	29,6%
Aircraft Rent	111	5,1%	150	5,4%	35,1%
Operational Lease	70	3,2%	85	3,1%	21,4%
Wet Lease	41	1,9%	65	2,4%	58,5%
Passenger Services & Catering	114	5,2%	145	5,3%	27,2%
Maintenance	133	6,1%	170	6,2%	27,8%
General Administration	28	1,3%	30	1,1%	7,1%
Other	45	2,1%	52	1,9%	15,6%
TOTAL	2.189	100%	2.760	100%	26,1%
Operating Cost per ASK (USc)	6,01	-	6,62	-	10,1%
Ex-fuel Operating Cost per ASK (Usc)	4,39	-	4,69	-	6,8%
Fixed Costs	699	31,0%	806	29,1%	15,3%

Cargo Operations

Cargo Tonnage Carried ('000 Ton)



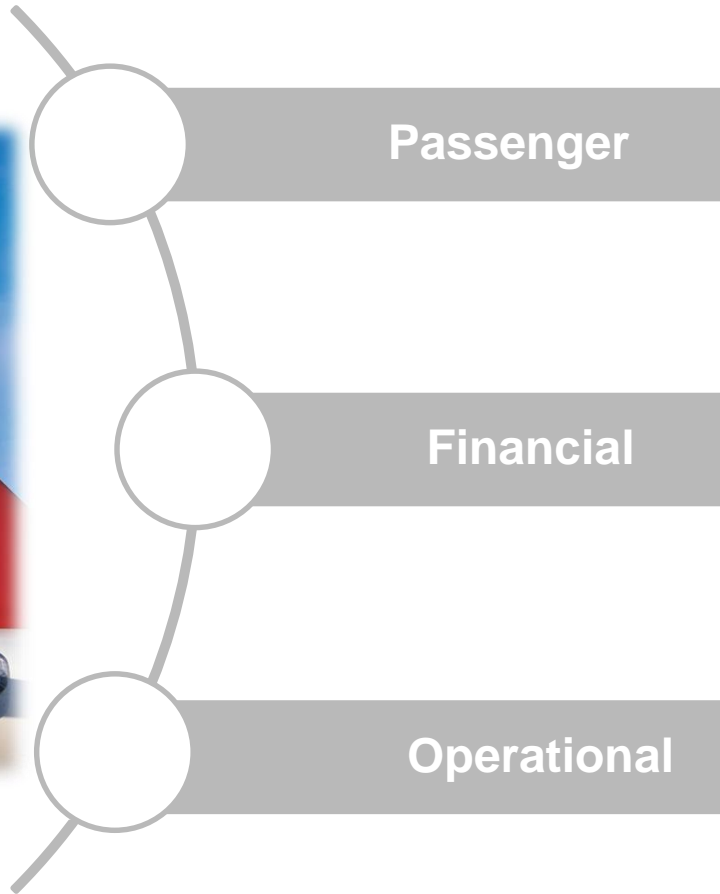
Cargo Revenue Evolution (mn USD)



- Turkish Cargo serves **73 destinations** with 18 freighters besides 300 destinations with 319 passenger aircraft as of March,31 2018.
- Turkish Cargo global market share in revenue has increased from 0.6% in 2009 to 2.4% in 2017.
- In 2017, while World FTK grew by 9%, Turkish Cargo FTK grew by 26% compared to previous year.

Recent Awards

- Air Cargo Carrier of the Year (Gana Shippers Awards)
- Fastest Growing Cargo Carrier Awards (South Korea)
- 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)



Domestic (mn.)	33
International (mn.)	41
Total (mn.)	74

Revenue* (USD bn.)	11,8
EBITDAR	%23 - %24

L/F	%79 - %80
ASK increase	5% - %6
Cargo/Mail carried (mn./ton)	1.3
CASK (ex-fuel) increase	%3 - %5
Aver. Fuel Cost (USD/ton)	633

*Unconsolidated Revenue is disclosed for 2018 Guidance.

Subsidiaries & Affiliates

Turkish Airlines Group 31.03.2018		Revenue (mn USD)	Net Profit (mn USD)	Number of Personnel	Partnership Structure
1	Turkish Airlines	2.763	-86	24.291	%49 Turkey Wealth Fund - %51 Open to Public
2	Turkish Opet Aviation Fuels	478	12	457	%50 THY - %50 Opet
4	Sun Express (Turkey & Germany Consolidated)	232	-25	4.093	%50 THY - %50 Lufthansa
3	Turkish Technic	291	41	7.465	% 100 THY
5	Turkish Do&Co	71	6	4092	%50 THY - %50 Do&Co
6	Pratt Whitney THY Turkish Engine Center (TEC)	149	12	339	%51 PW - %49 THY Teknik
7	Turkish Ground Services (TGS)	66	2	10.706	%50 THY - %50 Havaş
8	Turkish Cabin Interior Systems (TCI)	1	-1	163	%50 THY & THY Teknik - %50 TAI
9	Goodrich Turkish Technic Service Center	5	-	42	%60 TSA Rina - %40 THY Teknik
10	TSI Aviation Seats	1	-1	88	%50 THY & THY Teknik - %50 Assan Hanil
11	THY Uçuş Eğitim ve Havalimanı İşletme A.Ş.	-	-	51	%100 THY
12	Tax Free Zone (Tax Refund)	-	-	21	%30 THY - %45 Maslak Oto - %25 VK Holding
13	THY Havaalanı Gayrimenkul Yatırım ve İşletme A.Ş.	-	-	-	% 100 THY

* THY A.O. Personnel

Subsidiaries & Affiliates



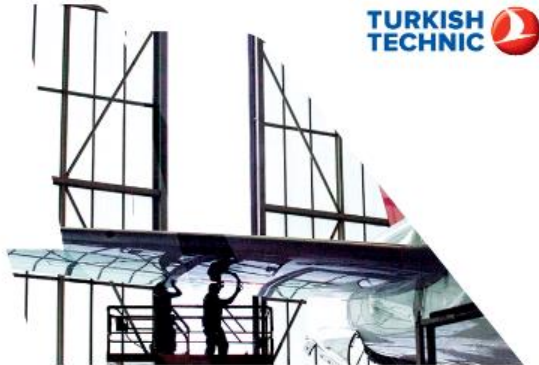
Business Model	Charter + Scheduled
Destinations	157
Fleet	68
Seat Capacity	13.699
# of Passengers	1.560.982
Load Factor (1Q18)	83,8%
Revenues (1Q18)	232 mn USD
Net Income (1Q18)	-25 mn USD

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 2024. 18 of those aircraft were delivered until now.

* Based on consolidated amounts of SunExpress Turkey and Germany



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 7,000 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.



Pratt Whitney THY 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.



TURKISH AIRLINES
INVESTOR RELATIONS

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