

FINANCIAL DATA

› January – June 2009

OPERATIONAL DATA

› January – June 2009



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Speakers



*Dr. Temel KOTİL,
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 Members of IATA, Turkish Airlines Inc, Turkish Airlines Technical Inc. and Sun Express Inc.

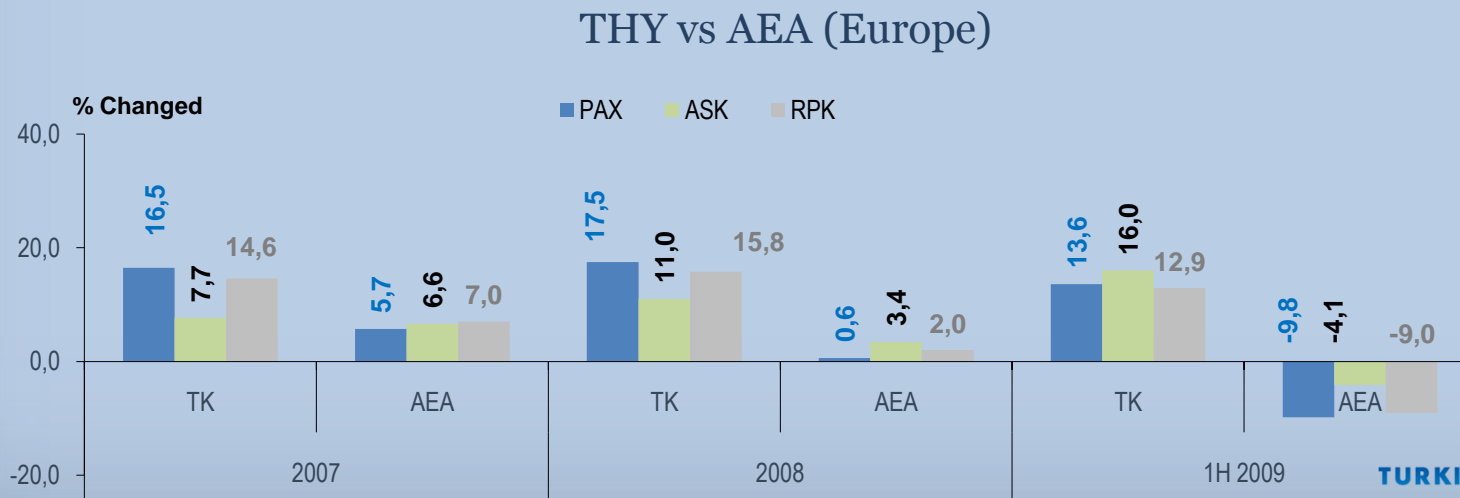
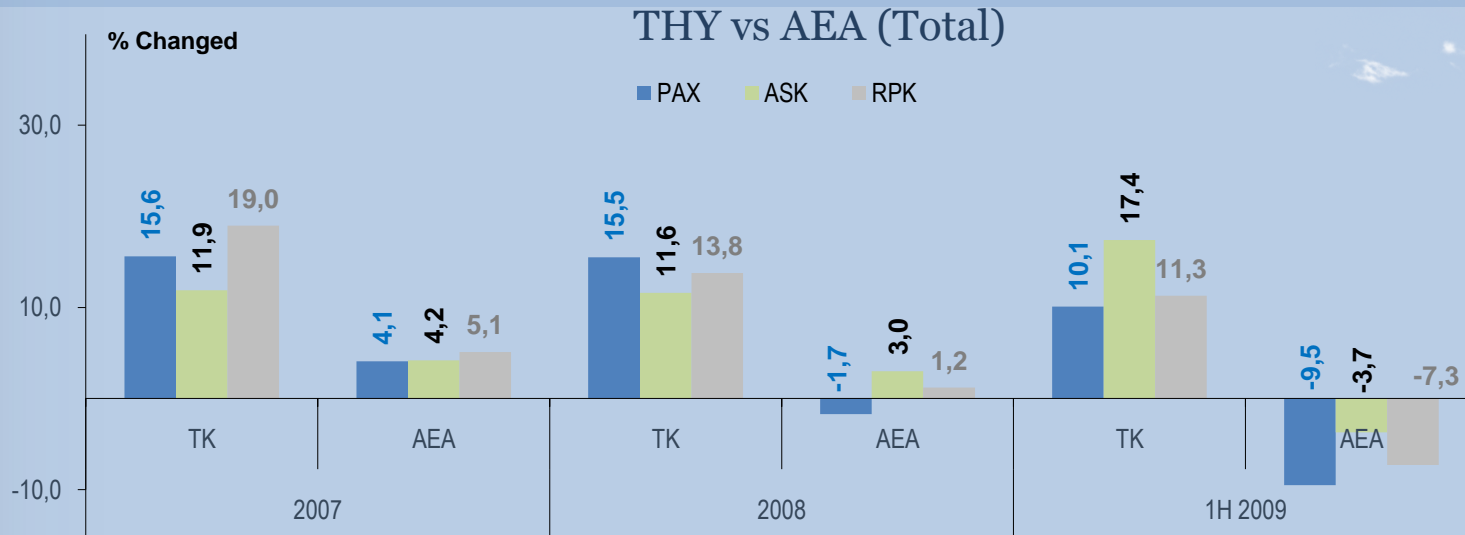
Speakers



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

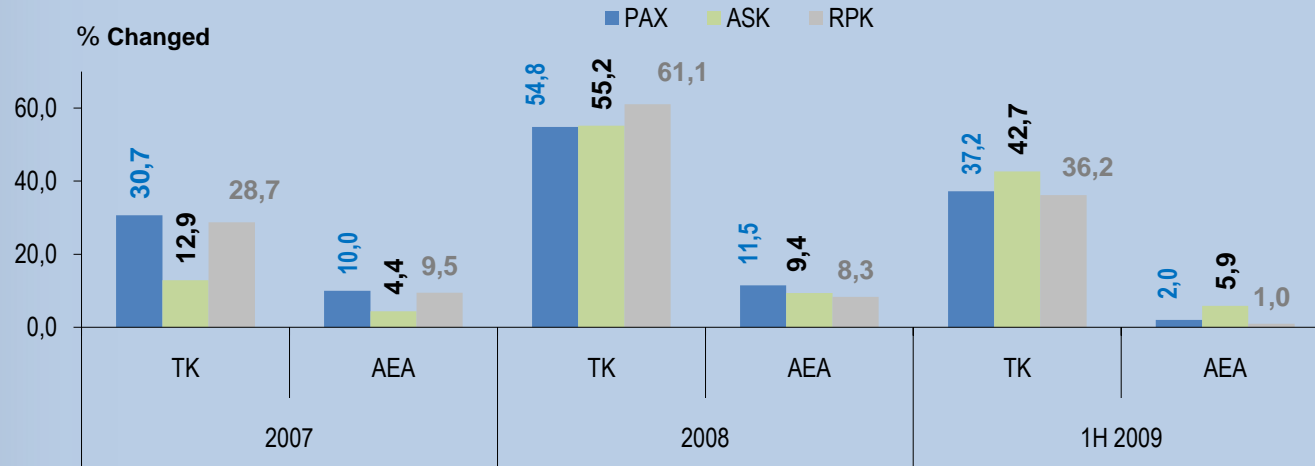
THY vs AEA



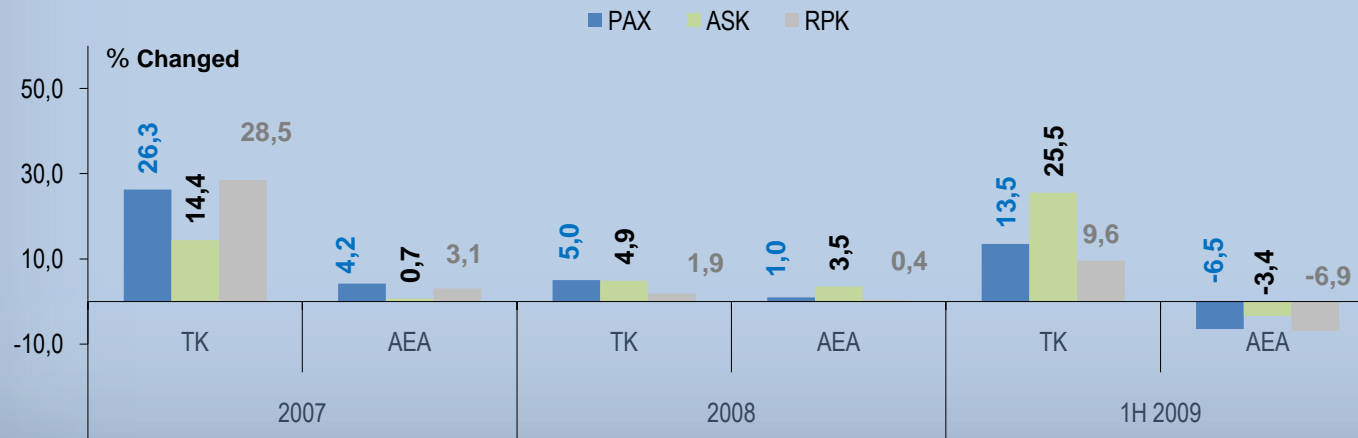
THY vs AEA



THY vs AEA (Middle East)



THY vs AEA (Far East)



Middle East, Far East and Africa routes are expected to grow higher than average during the years 2009-2010, where THY has been successful in growing faster than AEA....



Company Overview

Destinations

119 International Lines

AMERICAS (3)

CHICAGO
NEW YORK
SAO PAULO

CANADA (1)

TORONTO

NORTH AFRICA (7)

ALGIERS
CAIRO
CASABLANCA
KHARTOUM
TRIPOLI
TUNUS
BENGHAZI

MID- AFRICA (4)

ADISABABA
LAGOS
NAIROBI
DAKAR

SOUTH AFRICA (2)

JOHANNESBURG
CAPETOWN

EUROPE (65)

GERMANY(9)

BERLIN
STUTT GART
DUSELDORF
FRANKFURT
HAMBURG
HANNOVER
COLOGNE
MUNICH
NUREMBERG

RUSSIA(6)

MOSCOW
ROSTOV
KAZAN
ST.PETERSBURG
YEKATERINBURG
UFA

UKRAINE(6)

ODESSA
KIEV
SIMFEROPOL
DONETSK
DNEPROPETROVSK
LVOV
BARCELONA
MADRID

SPAIN(2)

U.K.(3)

LONDON
MANCHESTER
BIRMINGHAM
BASEL
ZURICH
GENEVA

OTHERS (30)

AMSTERDAM
ATHENS
BAKU
BATUMI
BELGRADE
BRUSSELS
BUCHAREST
BUDAPEST
CHISINAU
COPENHAGEN
DUBLIN
GOTHENBURG
HELSINKI
LEFKOSA
LISBON
LJUBLJANA
MINSK
OSLO
PRAG
RIGA
PRISTINA
SARAJEVO
SKOPJE
SOFIA
STOCKHOLM
TBILISI
TIRANA
VIENNA
ZAGREB
WARSAW

FRANCE(3)

PARIS
NICE
LYON

ITALY(3)

MILAN
ROME
VENICE

FAR EAST (18)

ALMATY
ASKGABAD
ASTANA
BANGKOK
BEIJING
BISHKEK
DUSHANBE
HONG KONG
JAKARTA
KARACHI
MUMBAI
NEW DELHI
SHANGHAI
SEOUL
SINGAPORE
TASHKENT
TOKYO
OSAKA

MIDDLE EAST (19)

ABU DHABI
ALEPPO
AMMAN
BAGHDAD
BAHRAIN
BEIRUT
DAMASCUS
DOHA
DUBAI
JEDDAH
KUWAIT
MASHAD
MADINAH
MUSCAT
RIYADH
SANAA
TABRIZ
TEHRAN
TEL AVIV

TURKISH AIRLINES



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Company Overview

> Destinations

36 Domestic Lines

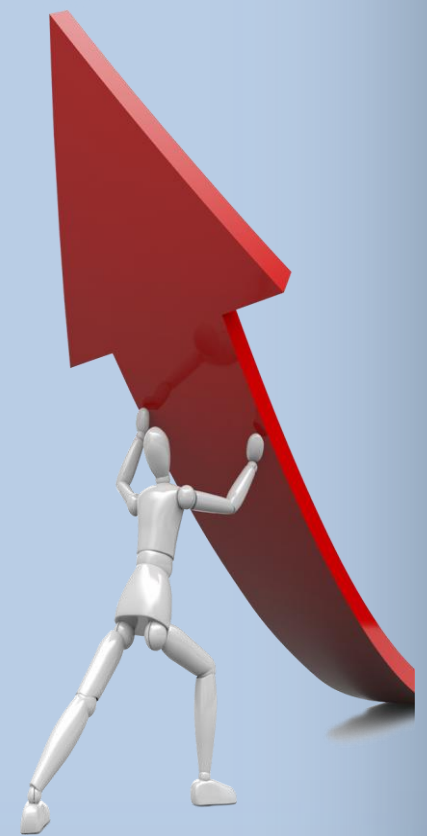


Airline Sector in Turkey



› Passenger Traffic Growth

	Passengers	ASK	RPK
'05 vs '08	59.8%	55.4%	60.7%
Jan-Jun			
'08 vs '09	9.1%	19.1%	11.2%



Airline Sector in Turkey



› Passenger Traffic

THY Passenger Traffic Domestic	2005	2006	2007	2008	1H'08	1H'09	08 vs 09
Landings	65,448	78,910	87,162	92,593	43.706	45.142	3.3%
ASK (million)	5,457	7,123	8,117	8,488	4.043	4.162	3.0%
RPK (million)	4,016	5,213	5,924	6,417	3.000	3.126	4.2%
Passenger # ('000)	7,197	8,906	9,984	11,063	5.140	5.380	4.7%
L/F %	73.6	73.2	73.0	75.6	74.2	75.1	0.9pt
THY Passenger Traffic Int'l	2005	2006	2007	2008	1H'08	1H'09	08 vs 09
Landings	61,689	73,626	81,737	96,735	44.607	53.029	18.9%
ASK (million)	24,348	29,811	33,502	37,855	17.231	21.166	22.8%
RPK (million)	17,301	20,170	24,327	27,848	12.533	14.143	12.8%
Passenger # ('000)	6,937	8,041	9,652	11,534	5.158	5.857	13.5%
L/F %	71.1	67.7	72.6	73.6	72.8	66.8	-6.0pt
THY Passenger Traffic Total	2005	2006	2007	2008	1H'08	1H'09	08 vs 09
Landings	127,137	152,536	168,899	189,328	88.313	98.171	11.2%
ASK (million)	29,805	36,934	41,619	46,343	21.273	25.328	19.1%
RPK (million)	21,317	25,383	30,251	34,265	15.533	17.269	11.2%
Passenger # ('000)	14,134	16,946	19,636	22,597	10.298	11.237	9.1%
L/F %	71.5	68.7	72.7	73.9	73.0	68.2	-4.8 pt

Total Passenger Traffic

January- June
2008 vs 2009

Landing	: up by 11%
ASK	: up by 19%
RPK	: up by 11%
Passenger	: up by 9%
L/F	: down by 4.8 points

Significant Growth in
Operational Data

TURKISH AIRLINES 

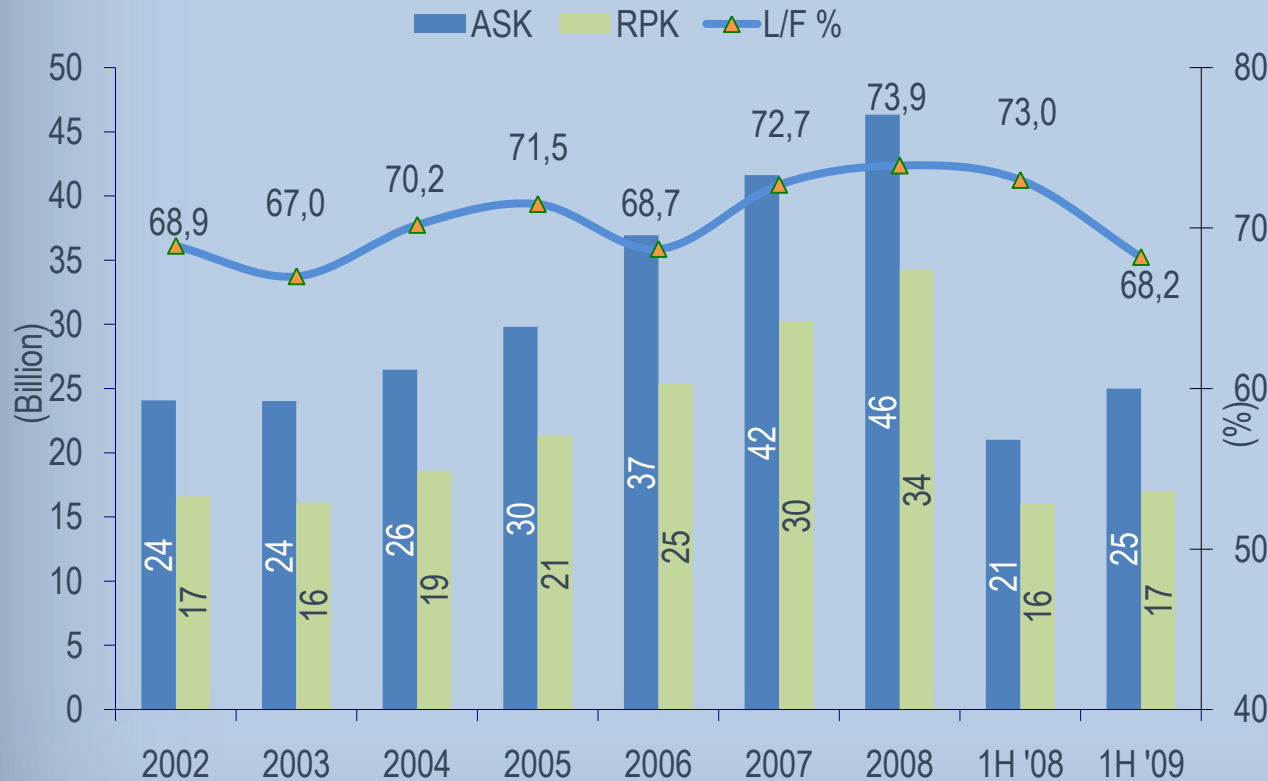
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Company Overview



› Passenger Traffic

Capacity-Traffic Development Load Factor %



- › In 2009, capacity on domestic routes increased by 3% , traffic increased by 4.2%, load factor increased by 0.9 pt to 75.1. Anadolu Jet's L/F was 80.4%.
- › On international routes; capacity increased by 22.8%, traffic increased by 12.8%, while load factor decreased by 6.0 pt to 66.8%. AnadoluJet's L/F was 67.1%
- › Total capacity increased by 19.1% while traffic increased by 11.2%. Load factor was 68.2 % (-4.8pt).



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Financial Highlights



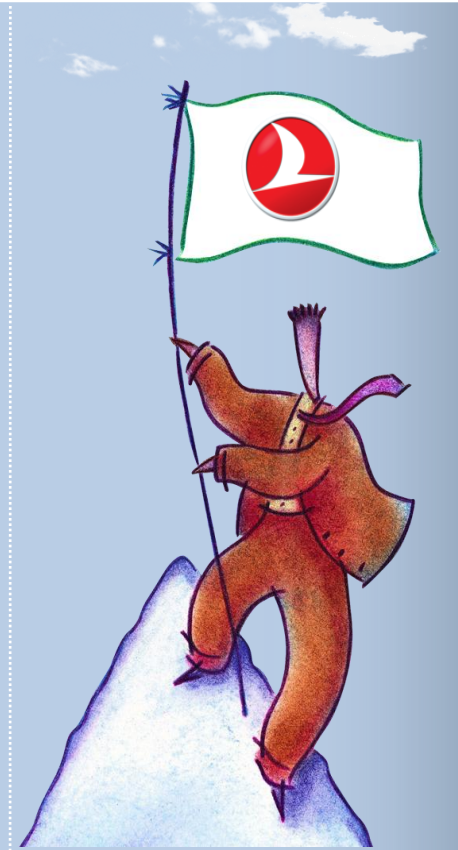
› Revenues

Total Revenues (Mn€)



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

Able to Sustain Revenue Growth While Increasing Capacity



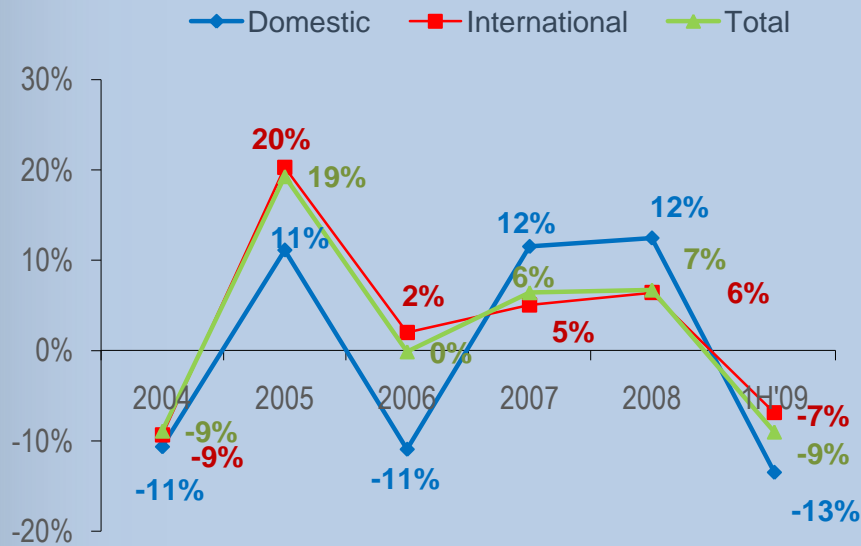
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Financial Highlights

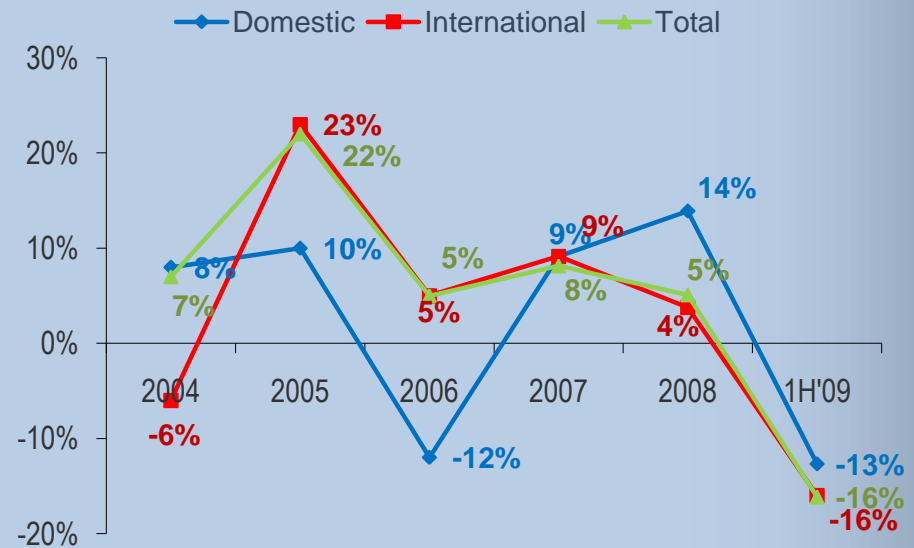


› Revenues

Change In R/Y (€)



Change In RASK (€)



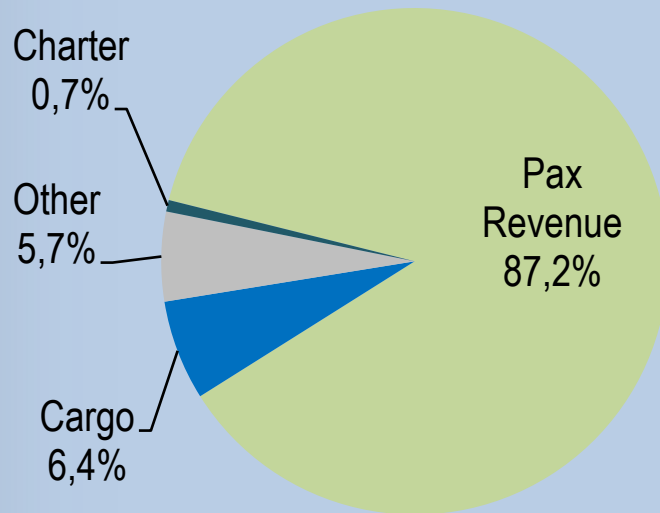
Source: Financial statements released under Turkish CMB standards, converted to € Euro using average exchange rates

Financial Highlights

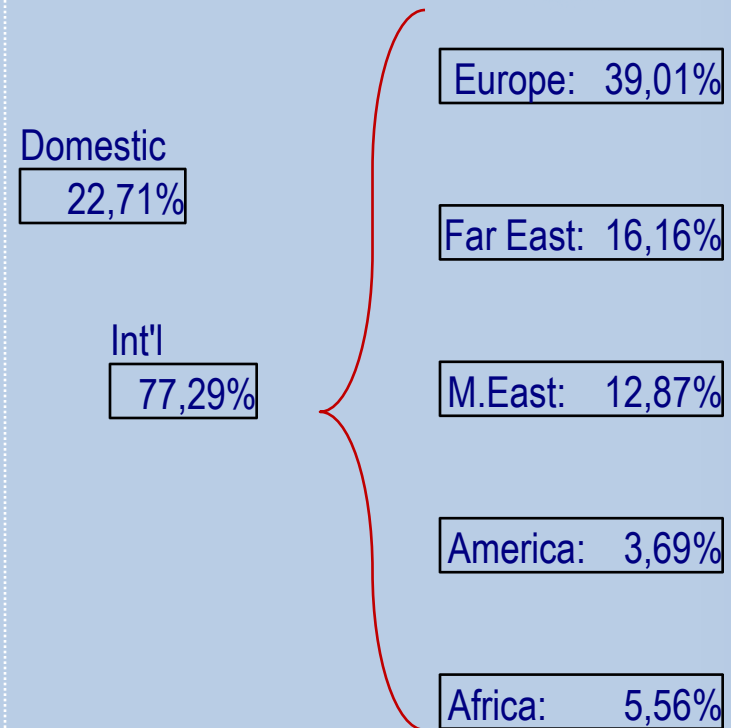


› Revenues

Revenues Split (1H'09)



Passenger Revenues Split by Geography



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

Breakdown of Passenger Revenue Constant Over the Years



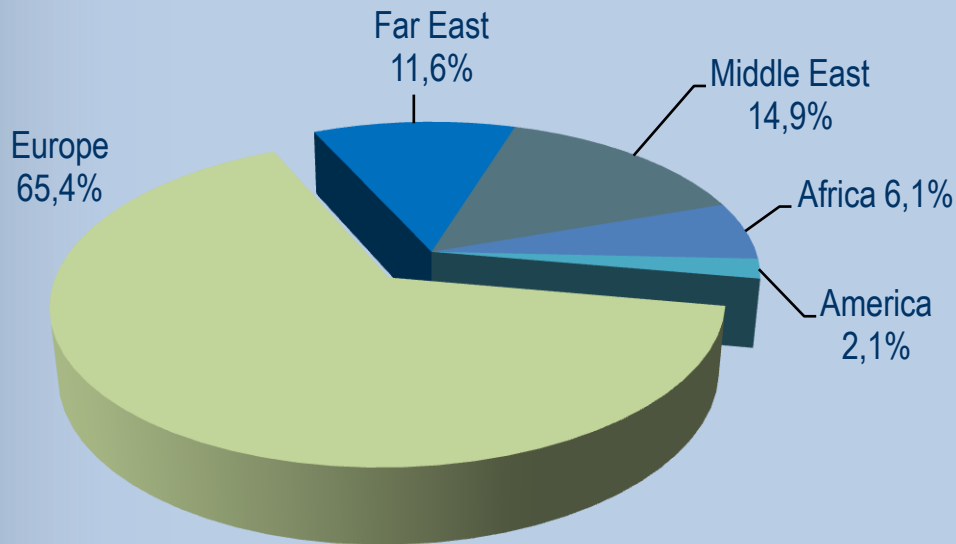
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Company Overview



Passenger Breakdown

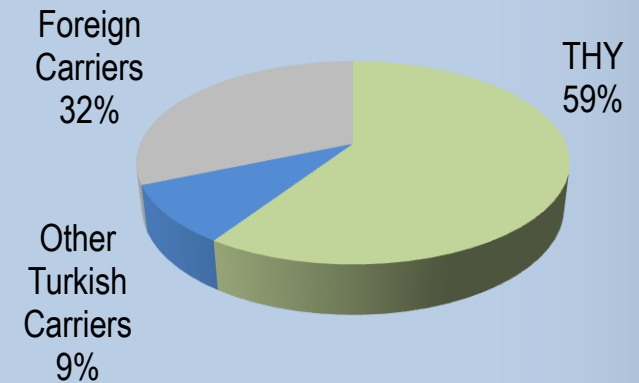
Int'l. Traffic Breakdown by Geography (1H 2009)



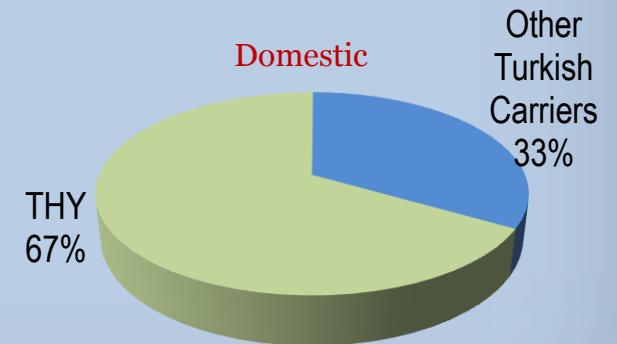
Stable Market Share in International Traffic

Market Shares (1H 2009)

International



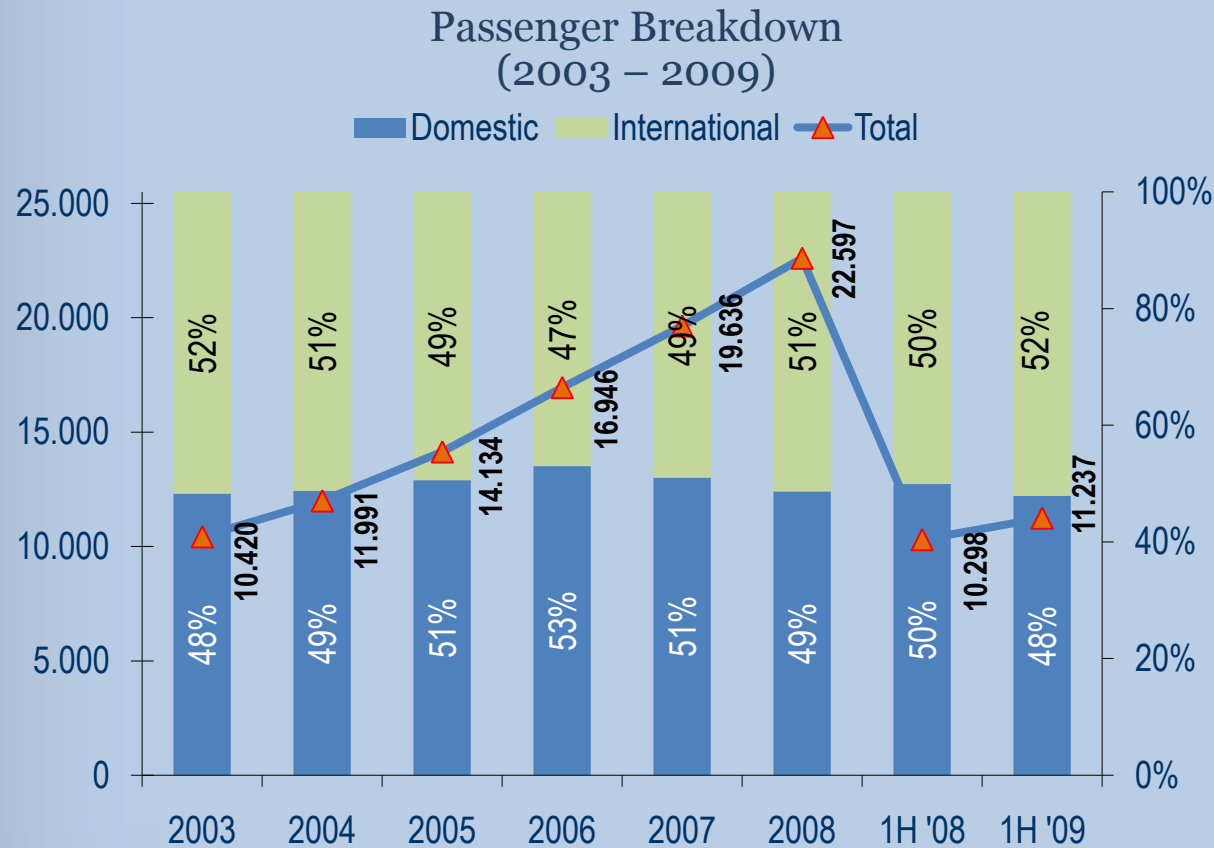
Domestic



Company Overview



› Passenger Breakdown



Balanced Breakdown Between Domestic and International Traffic

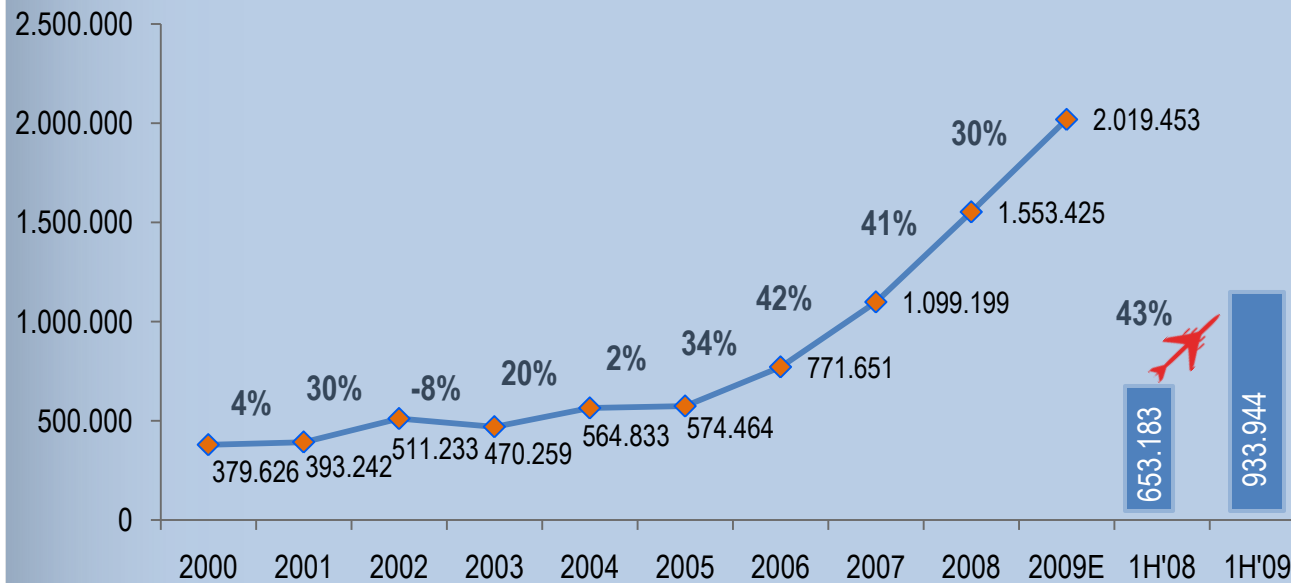
- › THY carried 11.2 million passengers in 1H 2009, with an increase of 9% compared to the same period of 2008.
- › Domestic and International passenger breakdown consistent over the years.
- › Haj and charter passengers each accounted for 2% of the passenger traffic.

Company Overview



› Transit Passengers

Int'l to Int'l Transit Passengers
(2000 – 2009)



- › THY carried total of 2.133.593 transit passengers in Jan-Jun'09, with an increase of 24% compared to the same period of 2008.
- › Total transit passengers accounted for 19% of the passenger traffic.
- › Int'l to int'l transit passengers' share in total transit passengers is 44%. During Jan-Jun'09, int't to int'l passengers increased by %43 reaching to 933,944.

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



Company Overview



> Fleet Development

Fleet as of June 2009

	Type	Total	Owned	Financial Lease	Operational Lease	Seat Capacity	Fleet Age
WB Long Haul	A330-200	7	-	5	2	1,812	3.06
	A340	9	7	-	2	2,447	12.65
	B777-3ER	3	-	-	3	936	1.86
	Total	19	7	5	7	5,195	7.41
NB Medium Haul	B737-800	51	-	38	13	8,407	5.94
	B737-700	4	-	-	4	596	2.54
	B737-400	6	-	-	6	1,126	19.49
	A320-200	22	-	12	10	3,512	2.49
	A321-200	20	-	14	6	3,807	3.45
	Total	103	-	64	39	17,448	5.38
Regional	A319-100	4	-	-	4	528	3.36
Cargo	A310	4	3	-	1	-	21.02
TOTAL		130	10	69	51	23,171	6.09
	%		8%	52%	39%	-	-

- > At the end of 1H 2009, total fleet reached to 130, with an average age of 6,1 years.
- > During 2009, annual lease payments expected to be approximately around \$522 million.
- > 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 7/A330 ordered as of June 2009. 16 left to be decided
 - > Approximately 900 Mn\$ PDP payment will be made in 2009
 - > NB Medium-Haul: 50 firm/20 optional = 70

Fleet Additions

Seat Capacity After Additions&Exits

Type	2010	2011		2010	2011
B777-3ER	5	7			
A330	3	4	Seat Capacity	26.556	28.163
Total	8	11			

Seat capacity increased by 28.1% in 1H'09 compared to the same period of 2008.

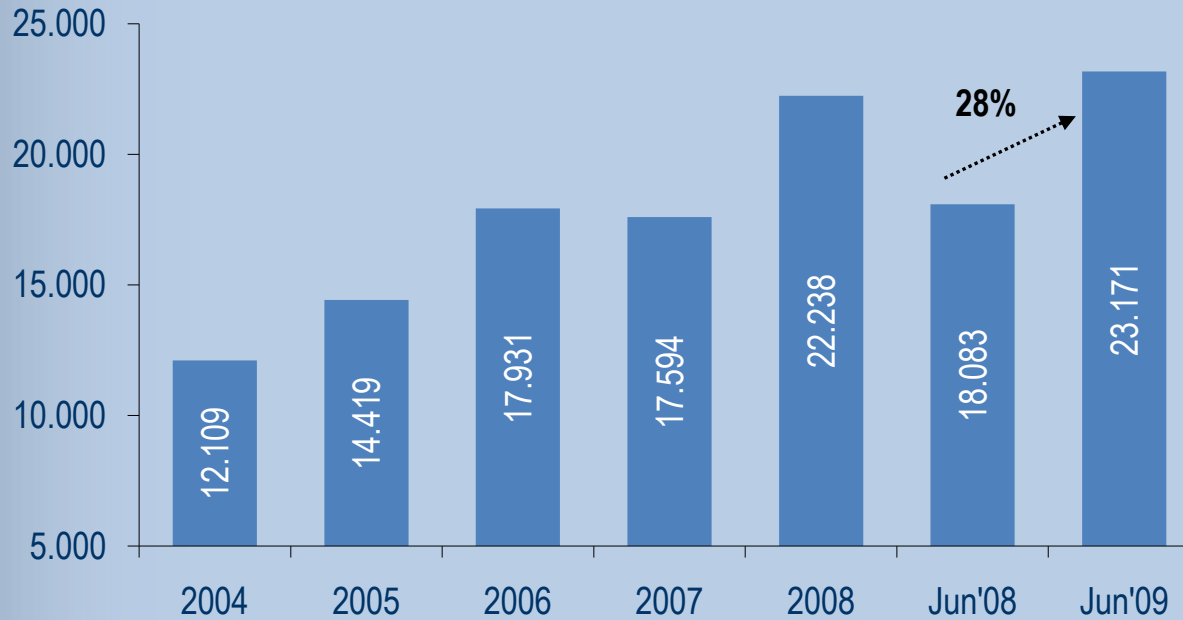


Company Overview



> Fleet Development

Seat Capacity



- > Since 2004, seat capacity has increased by 91% in 2009.
- > At the end of 1H 2009, total seat capacity reached to 23.171.

Strong capacity growth and better flight utilization



Company Overview

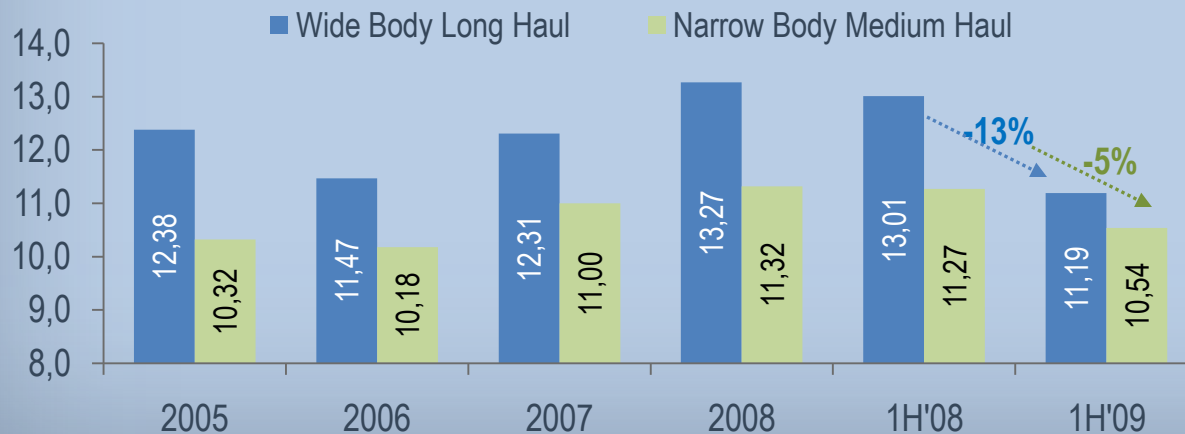


› Fleet Development

Average Daily Flight Utilization (hrs)



Average Daily Flight Utilization (hrs)



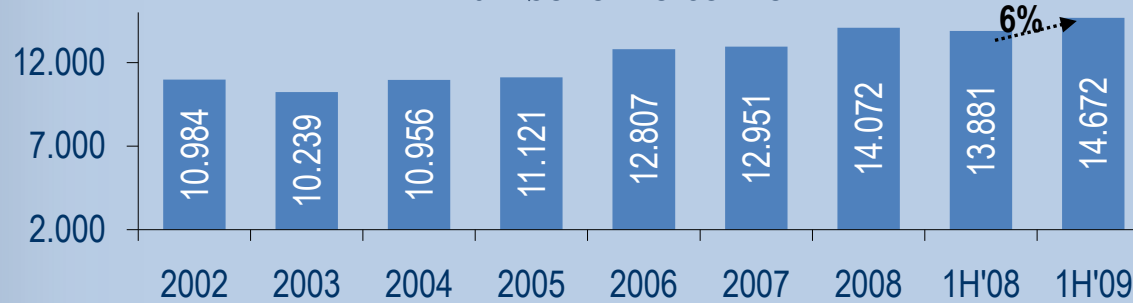
- › Aircraft utilization has been rising due to better fleet composition and a more dynamic scheduling process. However for 1H'09 due to rapid capacity increase, the utilization has decreased.
- › While average daily flight utilization decreased by 13% in WB Long Haul aircraft, in NB Medium Haul aircraft the utilization decreased by 5% to 10:54.

Company Overview

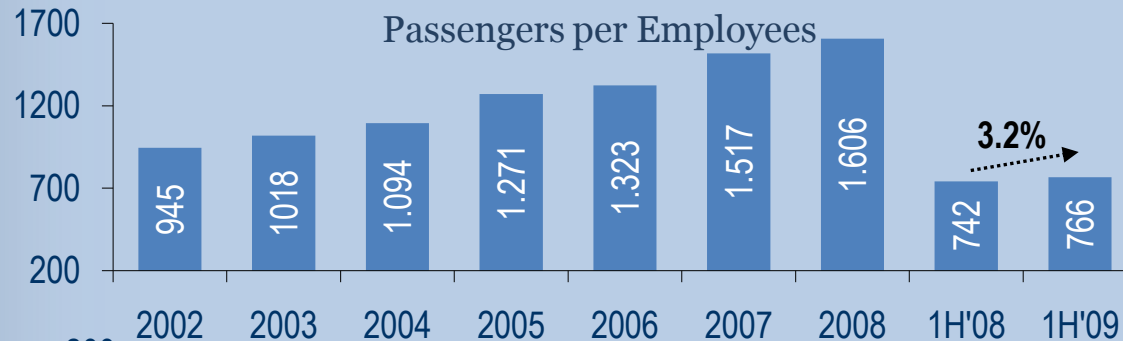


› Operating Efficiency

Number of Personnel



Passengers per Employees



Employees per Aircraft



- › THY enjoys high personnel efficiency compared to its competitors.
- › Personnel cost of THY per ASK was only €1.2 cents for 1H2009
- › 113 employees per aircraft and 766 passengers per employee for the 1H '09.

Personnel efficiency is the key driven while increasing fleet size



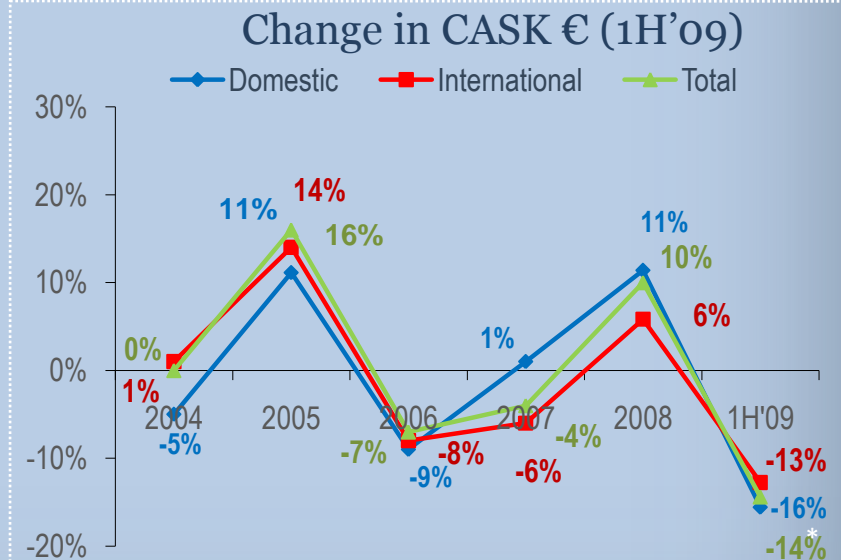
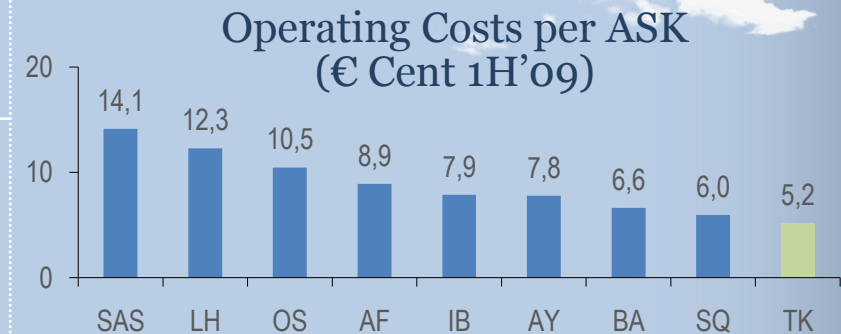
Financial Highlights



› Operating Expenses

Operating Expenses (€ Euro Mn)					
(€ Mn)	1H'08	% in Total	1H'09	% in Total	09/'08 %
Personnel	295	23%	316	24%	7%
Fuel	447	34%	288	22%	-36%
Rents	55	4%	103	8%	89%
Maintenance	60	5%	81	6%	34%
Insurance	6	0%	11	1%	74%
Depreciation	98	7%	92	7%	-5%
Landing	93	7%	120	9%	29%
Ground handling	66	5%	83	6%	26%
Passenger Catering	63	5%	75	6%	18%
Sales and Marketing	96	7%	117	9%	22%
General Administration	8	1%	12	1%	47%
Others	19	1%	15	1%	-20%
TOTAL	1.306		1.313		1%
Op.Cost per ASK (€)	6,14		5,18		-16%*

*The difference is due to monthly exchange and period-end exchange rate



Total Expenses stayed almost the same due to decrease in Fuel Expense



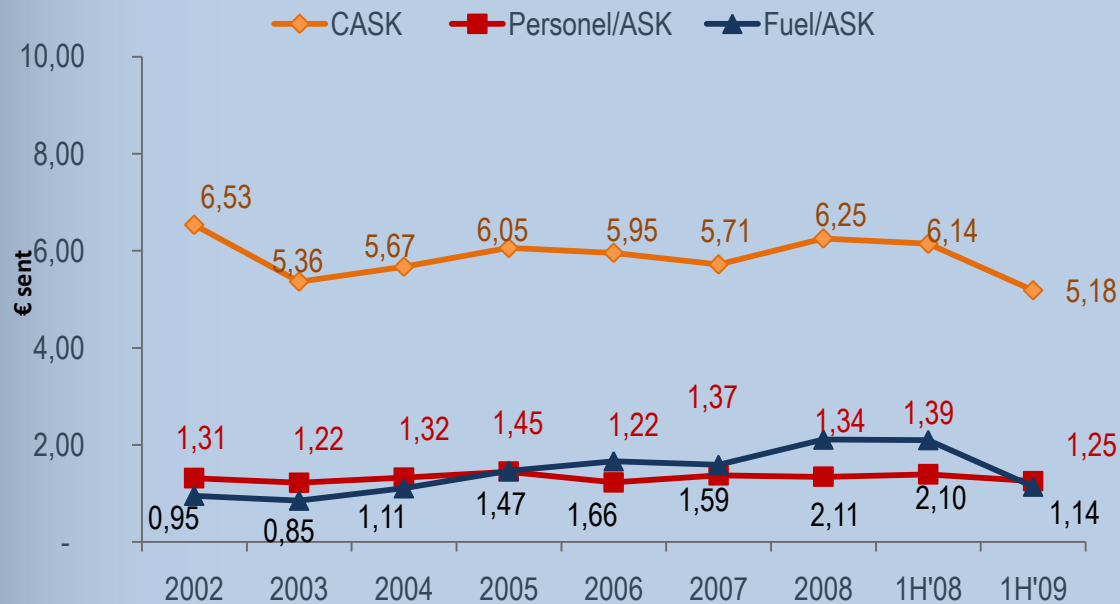
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Historical Highlights



› Operating Expenses

€ Cost Per ASK (2002-1H'09)



%in Total Operating Expenses

January- June

2008 vs 2009

Fuel Expenses : down by 12 points to 22%

Personel Expenses : up by 1 point to 24%

Portion of fuel expenses decreased significantly



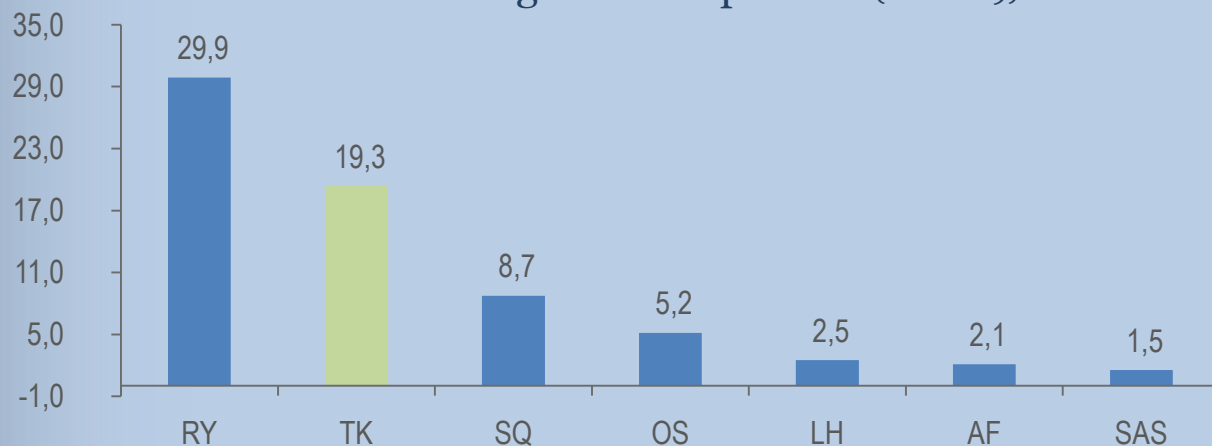
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Financial Highlights



› EBITDAR

EBITDAR margin % Comparison (1H 2009)

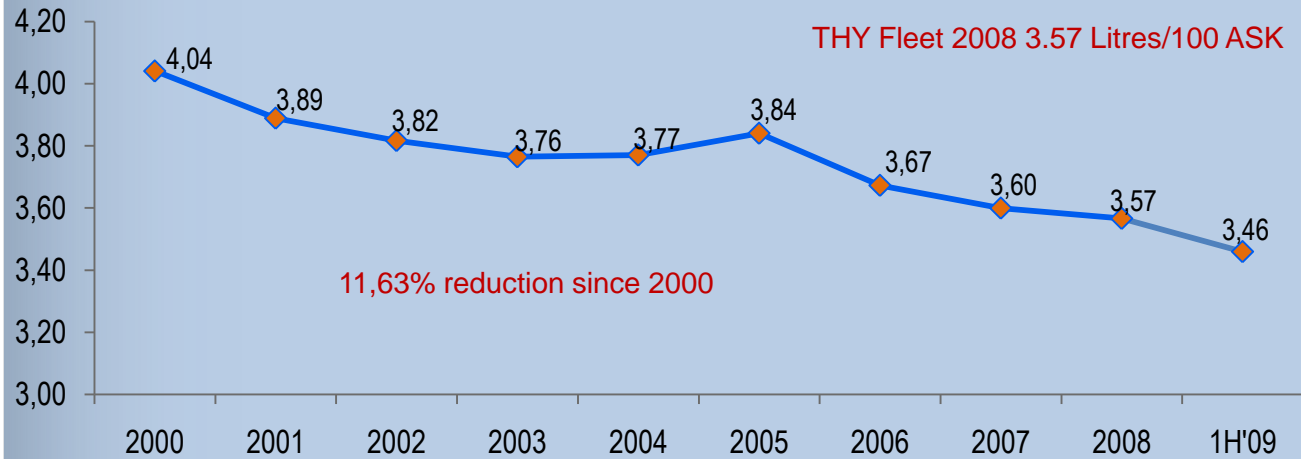


› Cost cutting policies had a positive impact on operating expenses.

(€ Euro Mn)	2004	2005	2006	2007	2008	1H '08	1H '09	09/'08 %
Revenue	1.581	1.860	2.247	2.734	3.228	1.386	1.386	0%
EBIT	81	56	48	285	334	79	73	-9%
EBIT Margin (%)	5,1	3,0	2,1	10,4	10,3	5,7	5,3	-0.43 pt
EBITDA	251	235	235	490	541	177	165	-7%
EBITDA Margin (%)	15,9	12,6	10,5	17,9	16,8	12,8	11,9	-0.87 pt
EBITDAR	315	320	366	678	723	232	268	16%
EBITDAR Margin (%)	19,9	17,2	16,3	24,8	22,4	16,7	19,3	2.6 pt
Net Income	61	83	99	149	598	131	48	-64%

› Fuel

Average Specific Fuel Consumption



- › Turkish Airlines' 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.

Per ASK Fuel Cost (€ Cent) 1H 2009

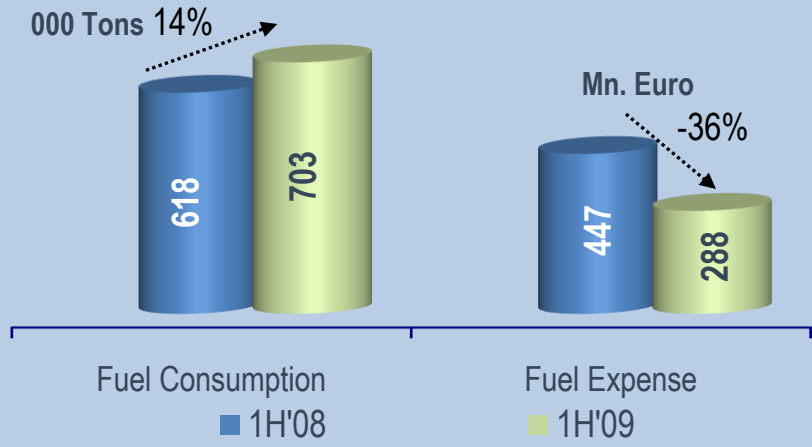


Fleet expansion will reduce fuel cost as well as fleet age

Source: Company annual reports & websites.

> Fuel

Fuel Consumption/Fuel Expense



- > During 1H'09, fuel consumption increased by 14%, despite a 17% increase in kilometers flown.
- > In 1H'09, fuel expenses decreased by 36%. As a result of this, fuel share in total operating costs of THY dropped from 34% in 1H'08 to 22% in 1H'09.
- > Turkish Airlines Fuel Saving Program started in April 2008 with the collaboration of IATA Green Team.

THY FUEL SAVING PROGRAM

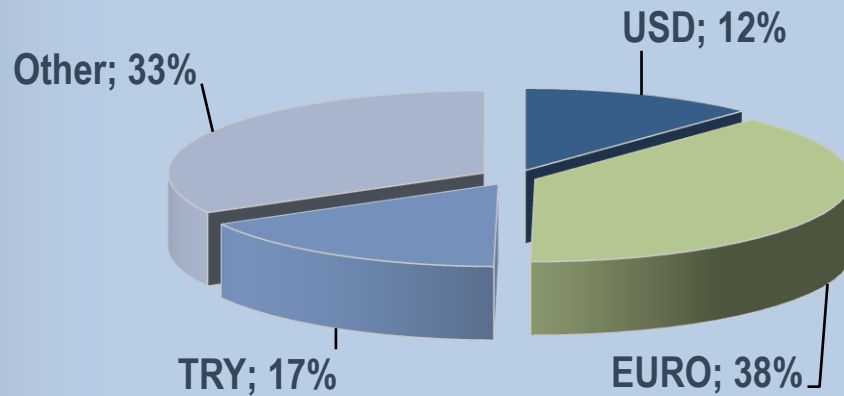
As a result of the implementation of fuel saving initiatives; we have realized the below figures:

	June 2009	Jan-June 2009
Fuel Savings achieved in kg.	10.892.850	70.537.691
Monetary Savings	\$6.983.515	57.460.531
CO2 Emission Reduction achieved in kg.	34.312.478	222.193.728

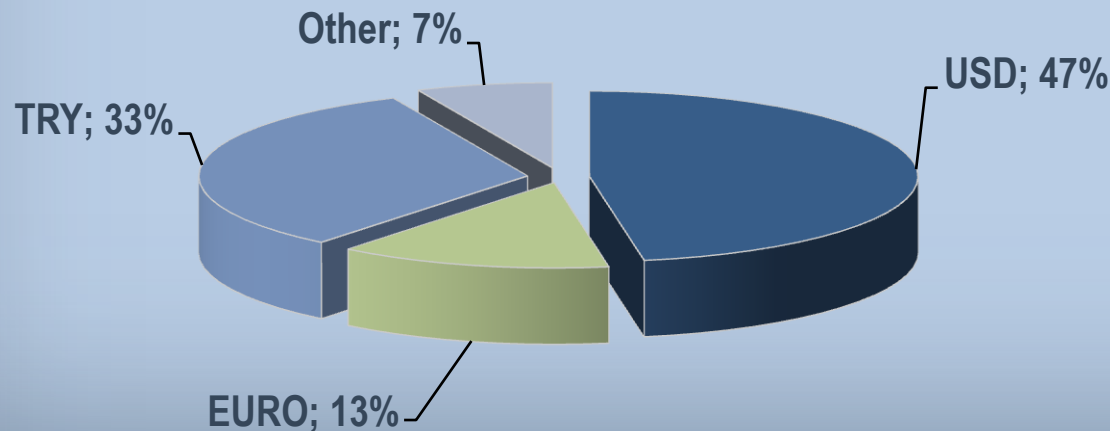
Young fleet helps to keep fuel consumption down and improves fuel efficiency

> Currency Breakdown

Income by Currency (1H 2009)



Expenses by Currency (1H 2009)



- > THY's income is diversified among the major currencies.
- > Due to its currency basket THY is very flexible on fx position.
- > Although USD income is lower than USD expenses THY is able to cover its USD expenses from Euro income due to strong Euro against USD.

Diversified revenue & expense base and agility in pricing currency

Company Overview



› Highlights

- › 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
 - › Market leader in Turkey with a strong brand recognition
 - › Member of Star Alliance
- › Substantial cost advantage over rivals
 - › Labor costs only 1.2€ per ASK (Austrian: 2.16€, Lufthansa :3.03€, SAS: 5.5€, Iberia: 2.1€)
 - › Profitable with room for further cost reductions

› Top Performing Companies

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 Airliies 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.

THANK YOU

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Investor Relations Department

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› Cargo Transportation

TURKISH CARGO

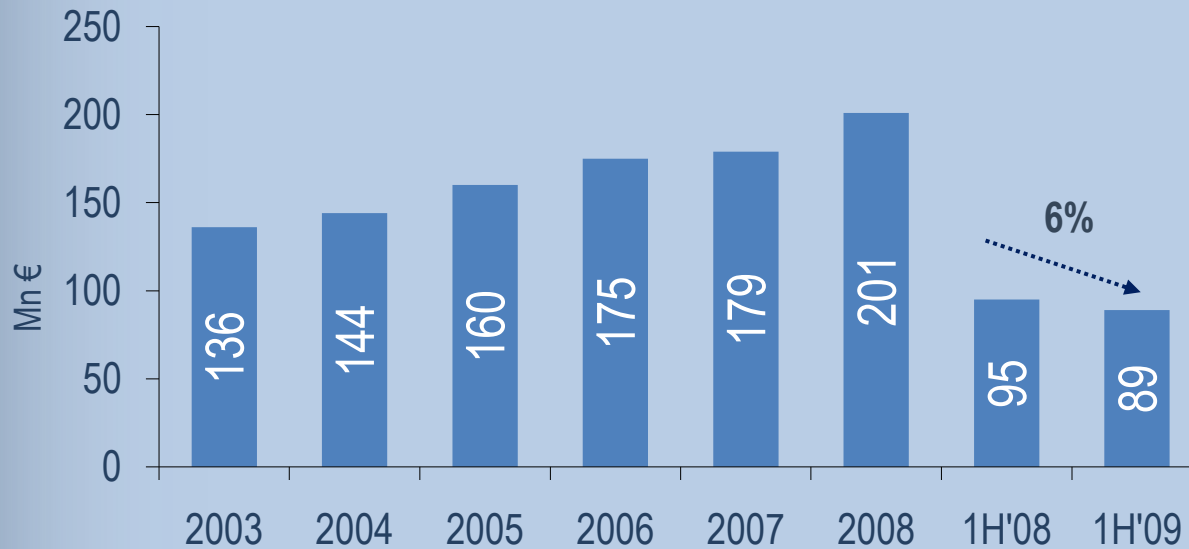
› Turkish Cargo

- › Leading cargo carrier in total export and import cargo in Turkey.
- › Operates 21 destinations with its 4 A310-300 freighters besides 155 destinations with 130 passenger aircraft.
- › During the 1H'09 posted revenue was 88.5 million Euro, carried cargo was 101,784 tons.
- › While Association of European Airlines member companies decreased by an average of 13%, Turkish Cargo grew by 15% during the 1H'09.



› Cargo Transportation

Cargo Revenue (€ Mn)

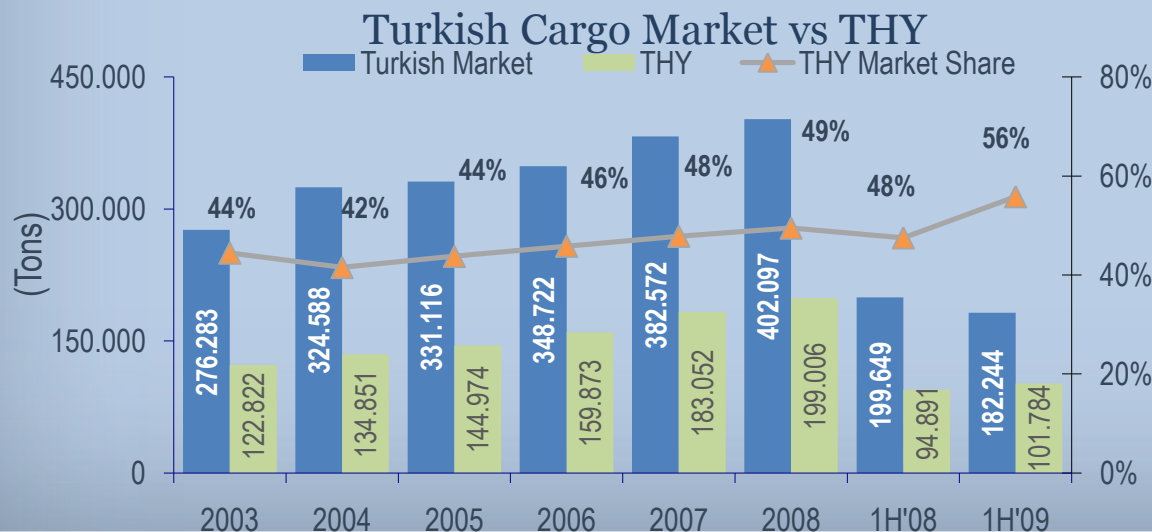
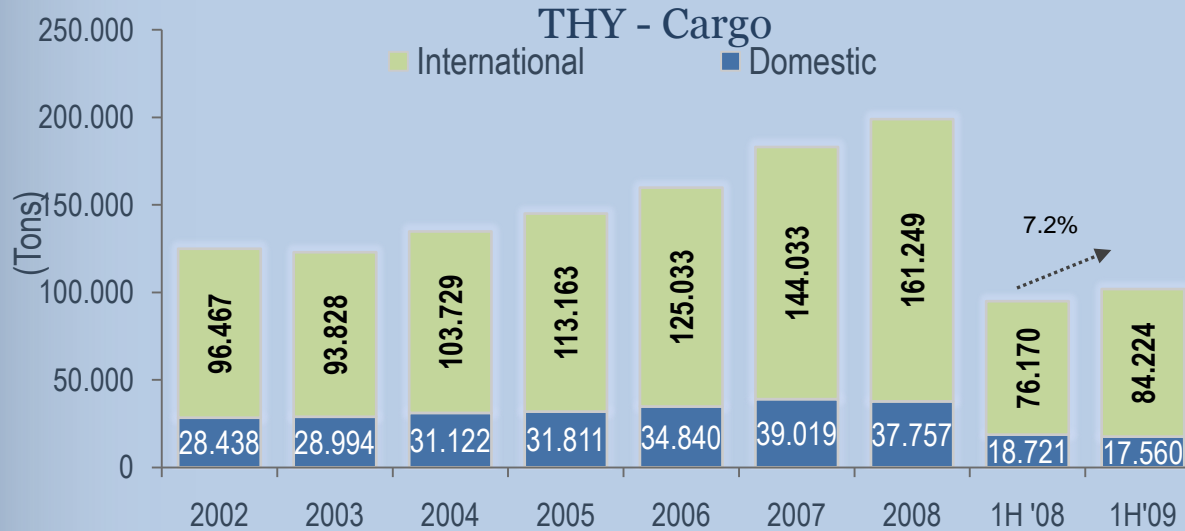


- › Cargo revenue has increased by 12% in 2008 compared to 2007. However, for the first half 2009, it has decreased by 6% compared to the same period of 2008.

Plans to Enlarge Freighter Fleet
Aiming Higher Cargo Revenues

Source: Company

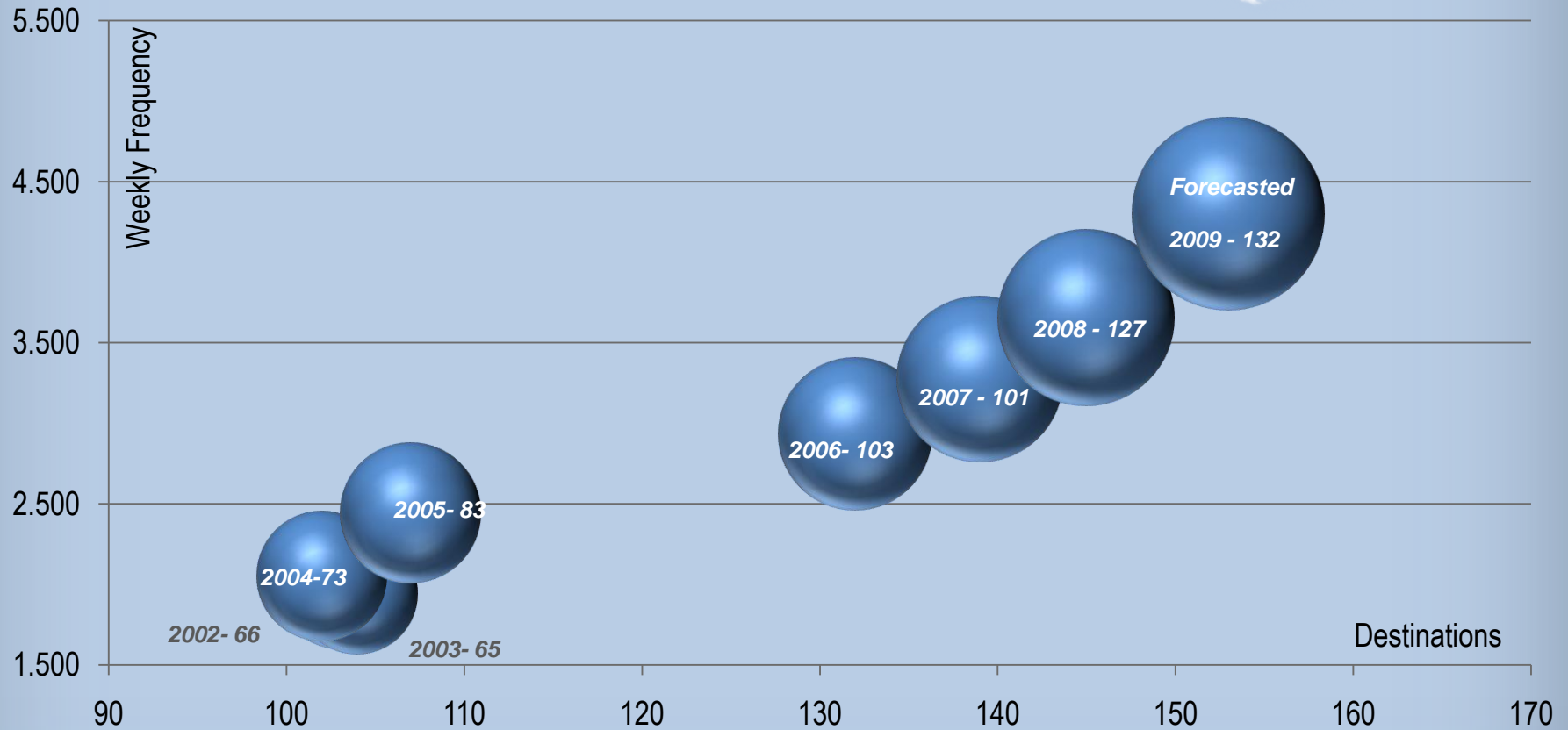
› Cargo Transportation



- › Domestic and international breakdown is consistent over the years.
- › As of January - June 2009 THY has carried total of 101.784 tons cargo, indicating 7% increase compared to the same period of 2008.
- › THY increased its market share in Turkish cargo market from 48% to 56% during 1H2009.

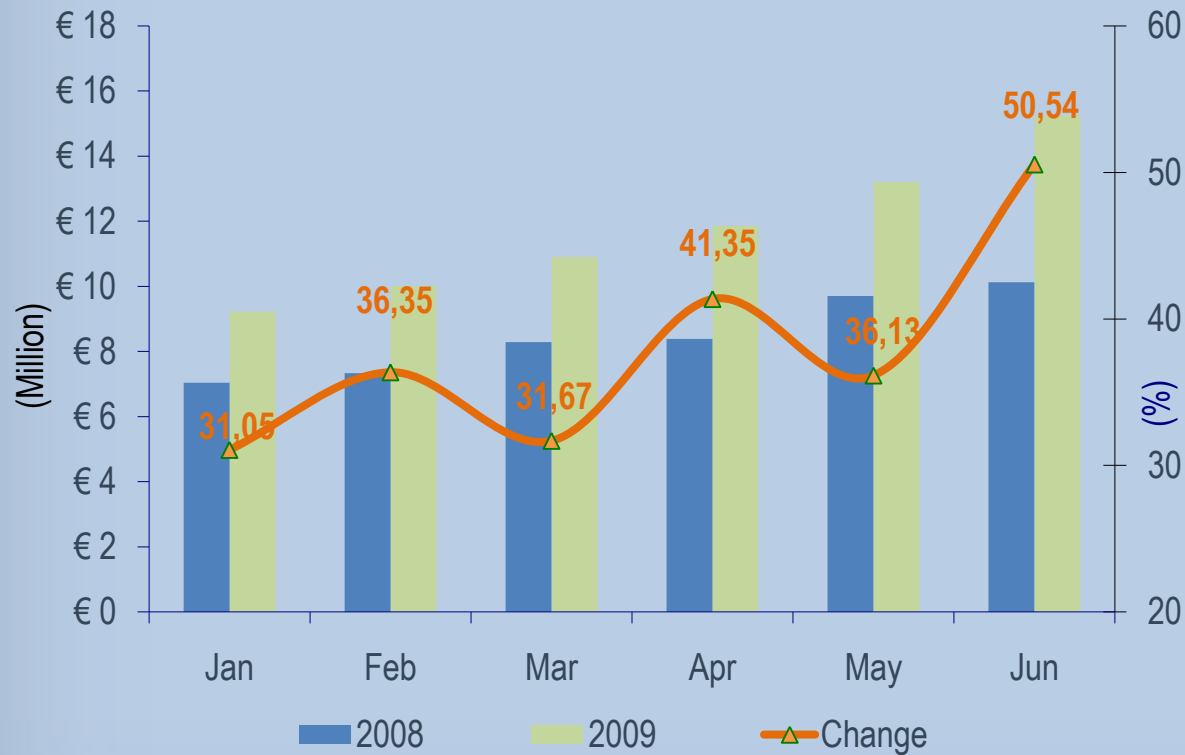
Source: Company

› Network Mapping



› Web Sales

Web Sales Improvement(%)



› Internet sales increased by %38 in 1H 2009 compared to the same period of 2008.

› Assets & Liabilities

Assets (in € Mn)	2003	2004	2005	2006	2007	2008	1H '08	1H '09	09/'08
Cash and Equivalents	430	200	304	197	281	236	633	510	-19%
Net Trade Receivables	77	87	121	135	144	163	238	240	1%
Other Current Assets	64	84	95	241	445	807	206	607	194%
Total Current Assets	572	371	520	573	870	1.205	1.077	1.357	26%
Due from Related Parties (Long Term)	34	0	0	8	2	0	0	0	
Net Fixed Assets	1.286	1.208	1.657	1.667	1.891	2.359	1.967	2.312	18%
Other Long Term Assets	30	35	224	147	115	113	111	230	106%
Total Long Term Assets	1.351	1.243	1.882	1.822	2.008	2.471	2.078	2.541	22%
Total Assets	1.922	1.614	2.402	2.395	2.878	3.677	3.155	3.899	24%
Liabilities (in € Mn)	2003	2004	2005	2006	2007	2008	1H '08	1H '09	09/'08
Short Term Lease Obligations	159	111	113	118	132	180	139	182	31%
Accounts Payable	117	104	161	172	213	203	234	236	1%
Passenger Flight Liabilities	73	101	149	174	222	206	303	368	21%
Other Current Liabilities	128	79	332	113	127	165	135	209	55%
Total Current Liabilities	478	395	755	577	694	754	811	996	23%
Long Term Lease Obligations	784	524	540	780	918	1.307	1.014	1.265	25%
Retirement Pay Provision	51	55	72	63	77	67	73	68	-7%
Other Long Term Liabilities	35	32	249	106	109	154	137	179	30%
Total Long Term Liabilities	870	611	861	949	1.104	1.528	1.224	1.511	24%
Share Capital	100	96	110	95	102	82	91	408	349%
Restatement Effect	997	1.025	1.180	1.010	1.017	781	897	523	-42%
Share Premium	1	0	0	0	1	0	0	0	
Reserves	81	5	5	4	36	0	0	11	
Foreign Currency Translation Differences	0	0	0	0	0	2	0	2	
Hedging Reserves	0	0	0	0	0	0	0	-1	
Accumulated Loss /Income	-603	-576	-596	-336	-230	0	0	401	
Net Profit For the Year	0	59	87	97	155	530	132	47	-64%
Total Shareholders Equity	575	608	786	869	1.081	1.395	1.121	1.392	24%
Total Liabilities & Shareholders Equity	1.922	1.614	2.402	2.395	2.878	3.677	3.155	3.899	24%

> Income Statement

Income Statement (in Euro mn)

	2003	2004	2005	2006	2007	2008	1H'08	1H'09	09/08 %
Operating Revenues	1.686	1.581	1.860	2.247	2.734	3.228	1.386	1.386	0%
Operating Expenses	-1.467	-1.501	-1.804	-2.199	-2.449	-2.894	-1.306	-1.313	1%
Operating Profit	219	81	56	48	285	334	79	73	-9%
Income From Other Operations	61	210	255	153	127	30	91	27	-71%
Loss From Other Operations	-7	-141	-166	-34	-6	-54	-2	-52	2479%
Income Before Financial Income/(Expense)	273	150	145	167	407	310	168	47	-72%
Income/Loss due From Asset Valuation					9	2	-6	-1	-77%
Financial Income	175				174	753	115	90	-21%
Financial Expense		-24	-36	-62	-380	-376	-113	-39	-65%
Monetary Gain/(Loss)	-254	-64							
Income Before Taxation	194	62	109	105	209	688	165	97	-41%
Taxation	-50	-2	-26	-6	-59	-90	-34	-50	45%
Net Income	144	61	83	99	149	598	131	48	-64%

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

› Subsidiary & Affiliates

Subsidiaries

- › THY Technic A.S.(Consolidated)
- › THY Do & Co Catering A.S. (Equity Pick-up)
- › TGS Ground Handling Inc. (Equity Pick-up)
- › JP`B&H Airlines`d.o.o.Sarajevo (Equity Pick-up)
- › Sun Express A.S. (Equity Pick-up)
- › THY Academy (to be Established)
 - › THY Flight Training

› Subsidiary & Affiliates

TURKISH TECHNIC

› THY Technic A.S.(Consolidated)

- › Owned 100% by THY.
- › During the 1H'09 posted revenues and net income was 162€mn and 19€mn respectively.
- › Provides maintenance services to more than 10 international airlines including 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 will be launched by THY Technic.
- › Under HABOM, the plan is to increase the airframe maintenance capacity to approximately 400 aircraft per annum.
- › Expect over 500 mn\$ revenue by 2016 from HABOM Project.



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

› Subsidiary & Affiliates

THY Do&Co Catering A.S.

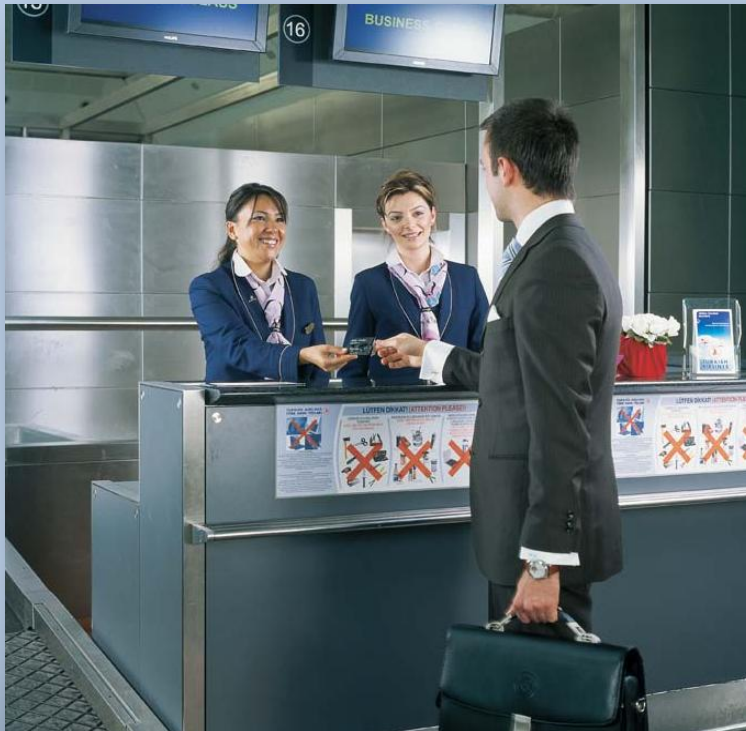
- › **THY Do & Co Catering A.S. (Equity Pick-up)**
 - › Owned 50% - %50 by THY and Do & Co Restaurants & Catering A.G.
 - › Since 2007, operating nine gourmet kitchens all over Turkey: Istanbul (Atatürk and Sabiha Gökçen), Ankara, Antalya, Izmir, Bodrum, Trabzon, Dalaman and Adana. Over 60 national and international airlines are catered from these locations.
 - › During the 1H'09 posted revenues and net income was 52.3 mn€ and 2 mn€ respectively.



› Subsidiary & 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 Bosna.
- › During the 1H'09 posted revenues and loss was 3.7 mn€ and 2 mn€, respectively.

› Subsidiary & 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.
- › Fleet consisted of 19 aircraft; 16 B737& 3 B757 aircraft with total seat capacity of 3,696 as of June 2009.
- › Carried 2,382,804 passengers in 1H '09, by achieving load factor of 76.8%.
- › As of June 2009, number of personnel:1,213
- › During the 1H'09 posted revenues and net loss was 179.9mn€ and 1.4 mn€ respectively.



› Subsidiary & Affiliates

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:

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



› FLIGHT TRAINING

› 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**

2 new simulators (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.
- › Giving 210 hours flight training and 1200 hours ground training.
- › Currently 52 students are being trained and are expected to graduate in Fall 2009.



› Safety & Quality

› Safety:

As it is very well known and appreciated “Safety” is the key concept to be adopted for existence. THY is determined to operate with the highest operational standards. Accepting and implementing the standards dictated by the aviation authorities and manufacturers as the baseline, THY strives to attain safer operation conditions in respect to continuous development process and appreciates it as a must. Within the frame of this efforts, adoption of Safety Management System approach, implementation of Flight Data Monitoring (FDM) system, trainings provided in risk assessed flight subjects and publications to flourish a widespread safety culture can be mentioned. The Flight Safety Department that has direct access to the Accountable Manager is in charge of the management and oversight of the system’s safety. In addition to its audits, it also implements the Flight Data Monitoring System, makes informal Line Observations and investigates the occurrences and reports (mandatory/voluntary) to promote safety.

In this context, it must be emphasized that THY is qualified as an IOSA Operator after the IATA Operational Safety Audit as of April 07, 2006. The expiry date of renewed IOSA operatorship is October 2009. In addition to the IOSA audit, due to its vast operation network, THY is in active contact with numerous Civil Aviation Authorities and subject to their audits. These audits, as well as providing the opportunity to the auditors to evaluate the current situation, input the required feedback for THY’s safer operation from thereupon.

› Quality:

Turkish Airlines adopted TS-EN ISO 9001:2000 Quality Management System (QMS) in 2006. Quality Assurance Directorate which is also connected 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. Each department implements scheduled and unscheduled operational audits annually to acquire the condition information. The QMS is in a development stage progressing into Integrated Management System. TS-EN ISO 14001:2004 – Environmental Management System and OHSAS 18001- Occupational Health and Safety System are planned to be integrated by mid of 2009.

In addition to above, 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).