

WIDEN YOUR
WORLD

TURKISH
AIRLINES 

2Q'19 RESULTS SUMMARY

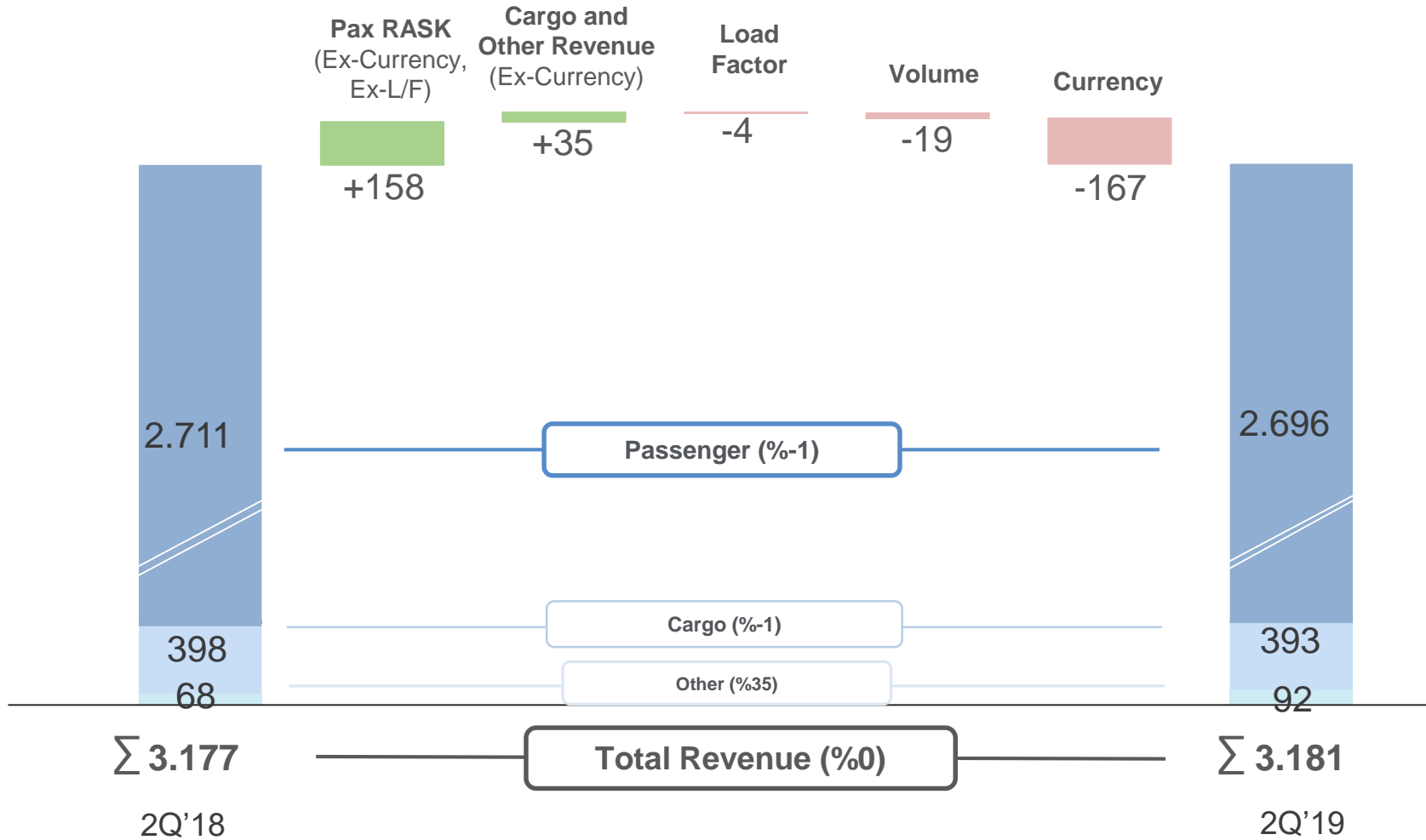


Key Financial Data

2Q'18	2Q'19	Change	(USD mn)	1H'18	1H'19	Change	IFRS16 Impact
3.177	3.181	0,1%	Revenue	5.940	5.949	0,2%	-
2.711	2.696	-0,6%	Passenger Revenue	5.014	4.971	-0,9%	-
398	393	-1,3%	Cargo Revenue	784	799	1,9%	-
267	10	-96,3%	Net Operating Profit / Loss	270	-193	-	+12
217	15	-93,1%	Profit From Main Operations	258	-135	-	+12
127	26	-79,5%	Net Income	41	-203	-	-12
4,0%	0,8%	-3,2 pt	Net Income Margin	0,7%	-3,4%	-4,1 pt	-
750	561	-25,2%	EBITDAR	1.278	919	-28,0%	+7
23,6%	17,6%	-6,0 pt	EBITDAR Margin	21,5%	15,5%	-6,1 pt	-

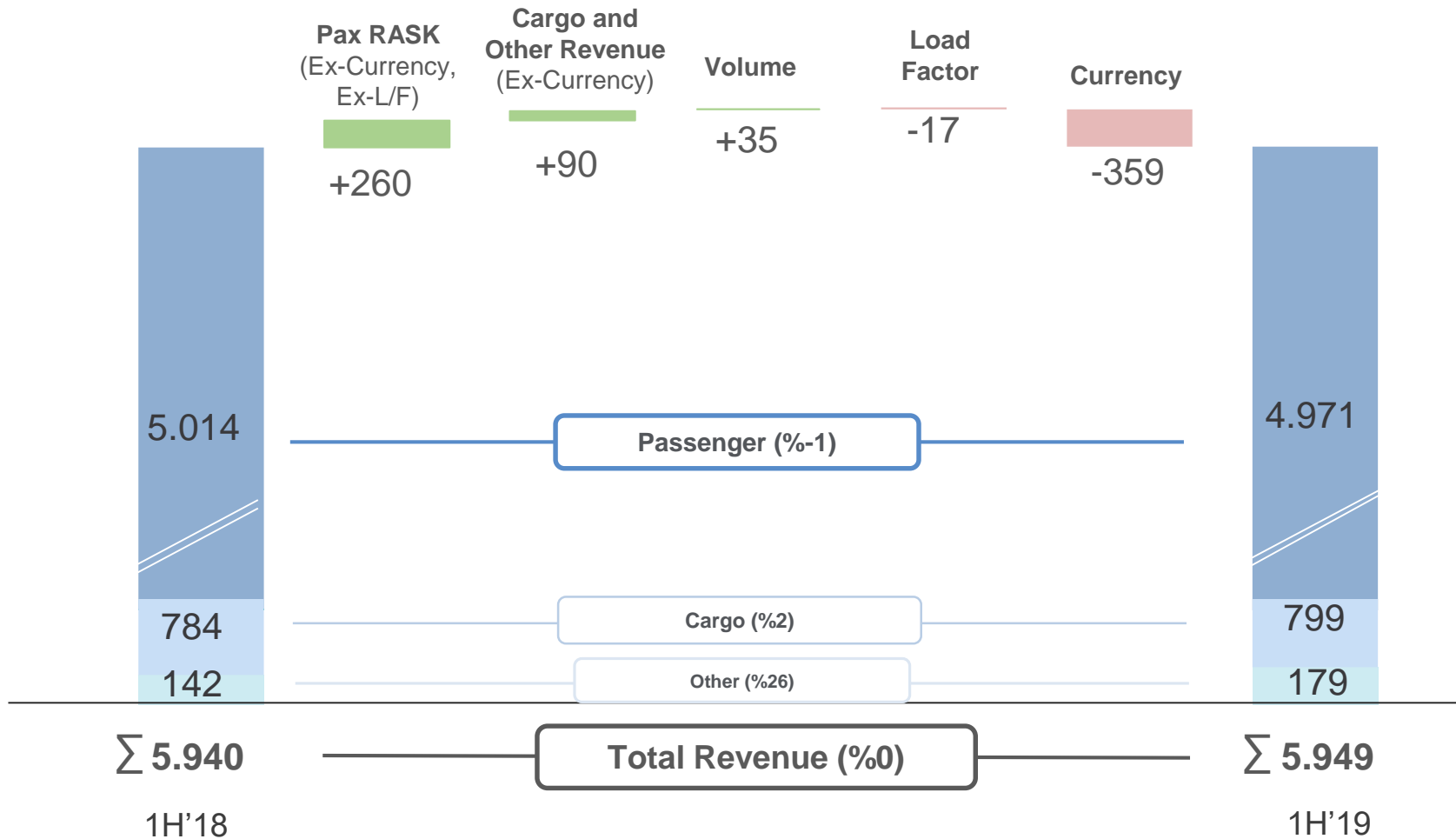
Revenue Development (2Q'18 vs 2Q'19)

(mn USD)



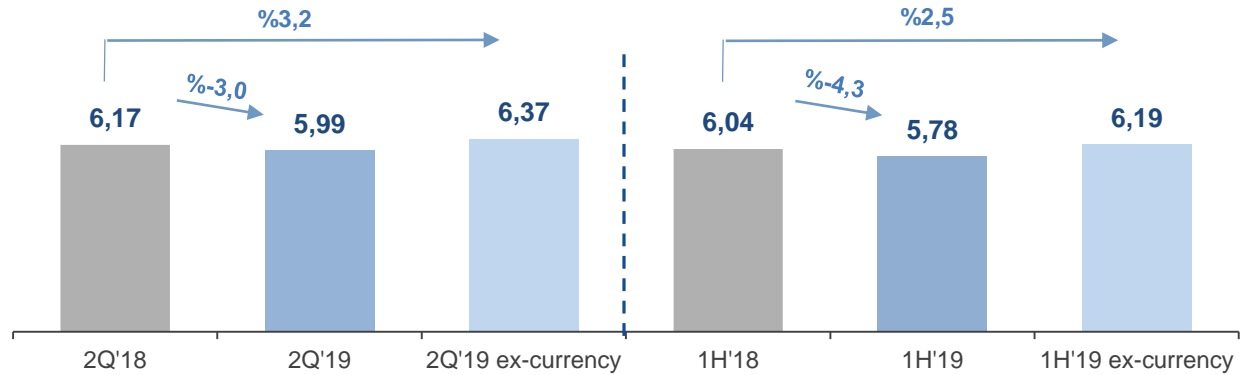
Revenue Development (1H'18 vs 1H'19)

(mn USD)

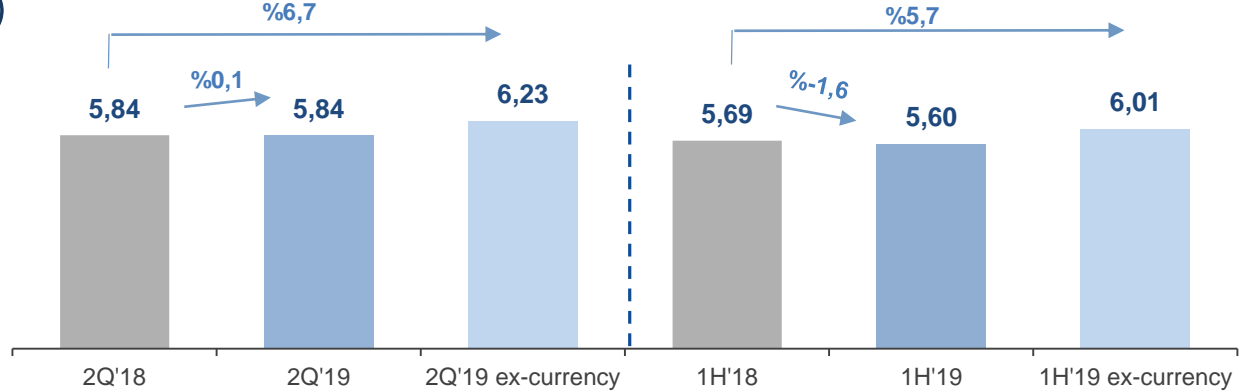


Unit Revenue Development

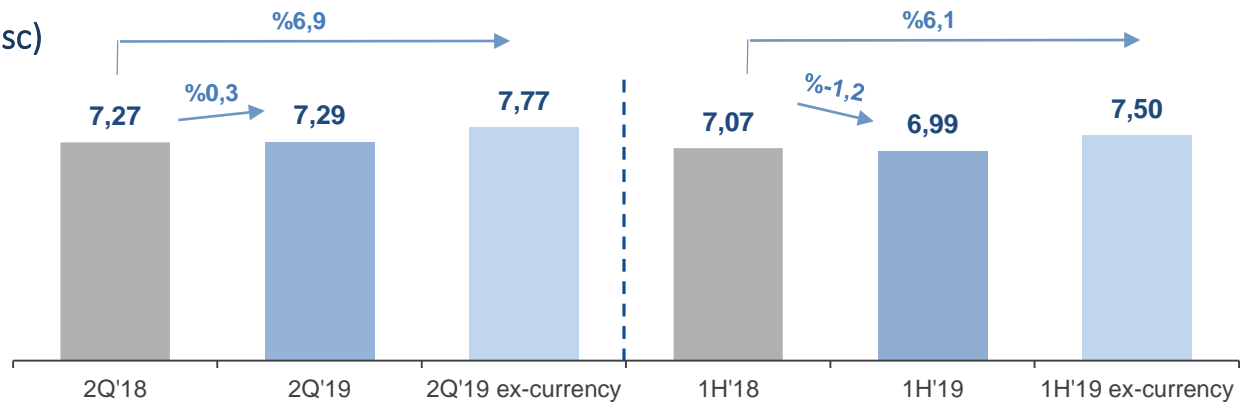
RASK (USc)



Passenger RASK (USc)



Revenue Yield (R/Y) (USc)



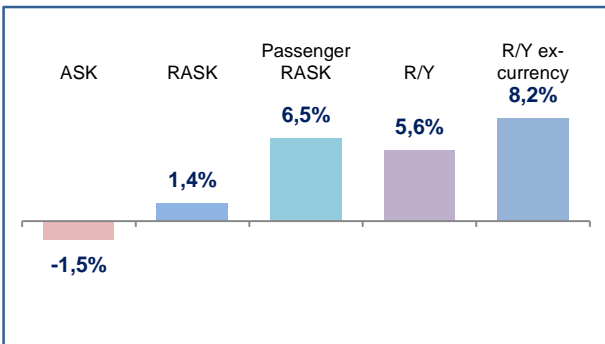
Revenue Yield (R/Y) Total Passenger Revenue / RPK

Passenger RASK: Total Passenger Revenue / ASK

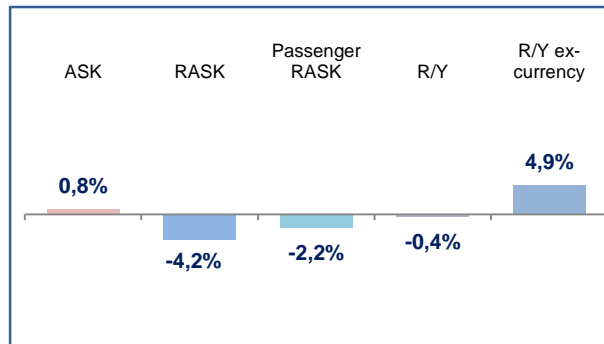
RASK: Total Passenger and Cargo Revenue / ASK* *ASK value is adjusted for cargo operations adding Cargo Available Ton Km.

Regional Yield Development in USD (2Q'18 vs 2Q'19)

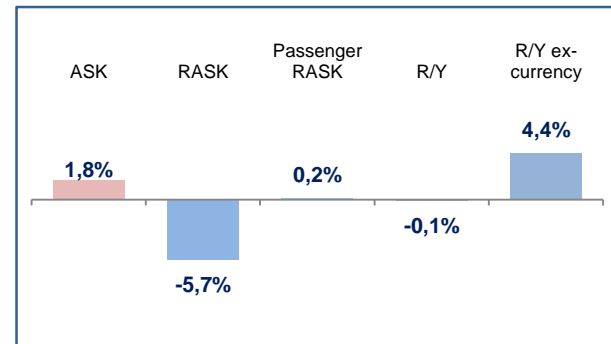
America



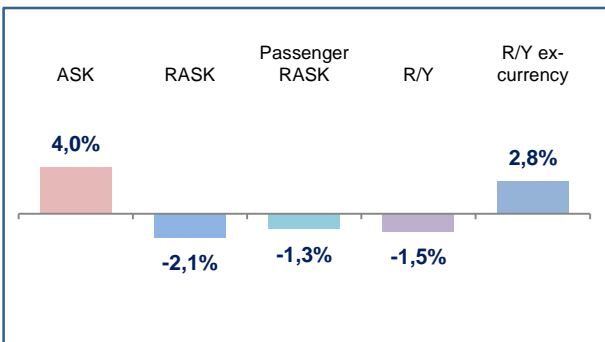
Europe



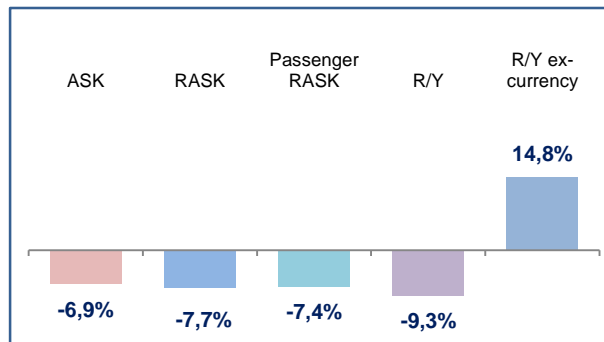
Asia / Far East



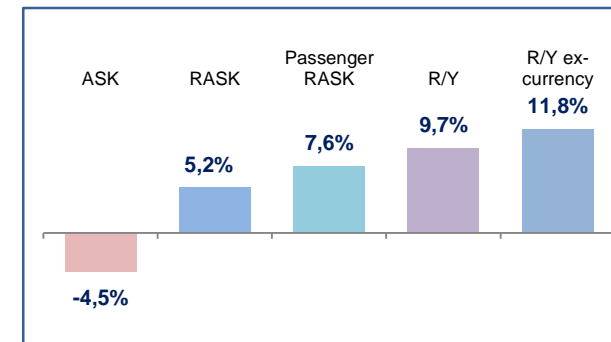
Africa



Domestic

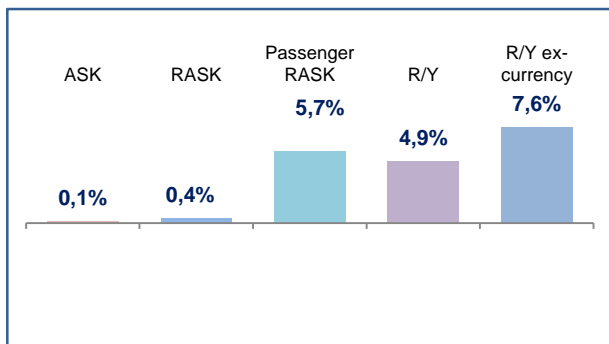


Middle East

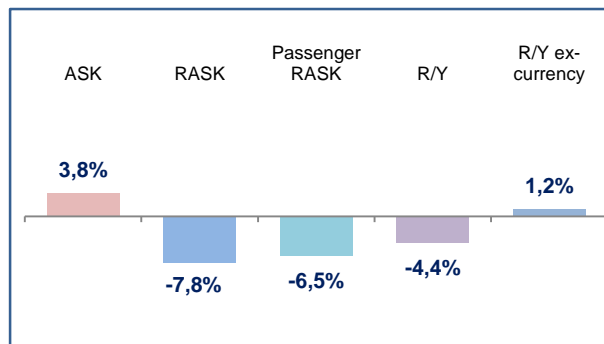


Regional Yield Development in USD (1H'18 vs 1H'19)

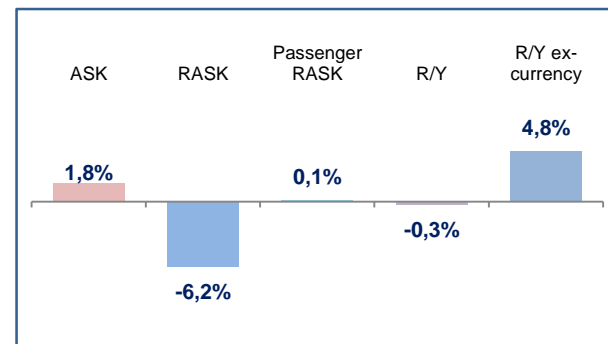
America



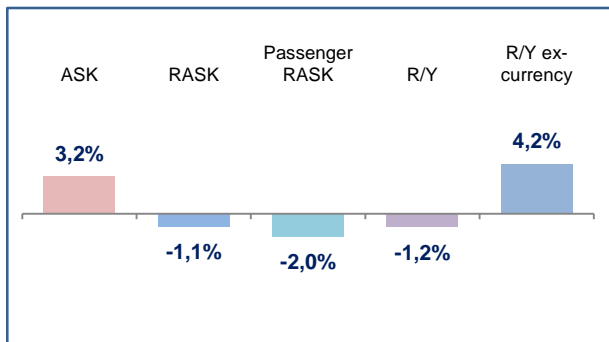
Europe



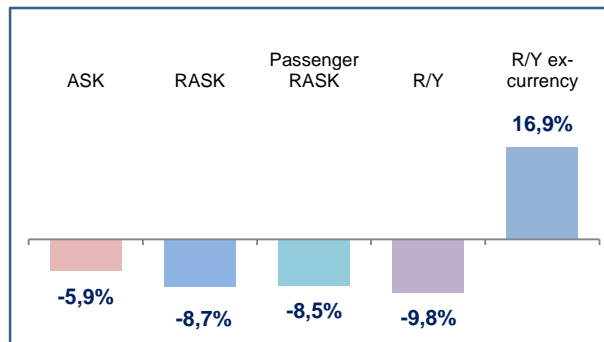
Asia / Far East



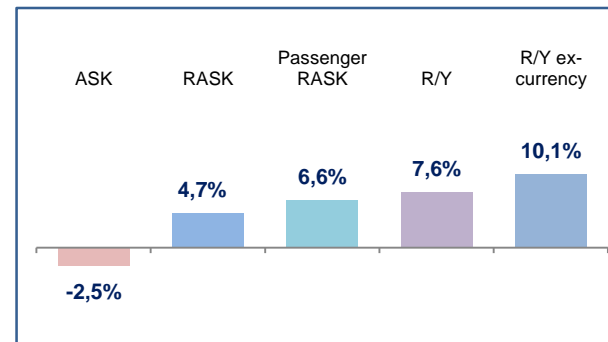
Africa



Domestic

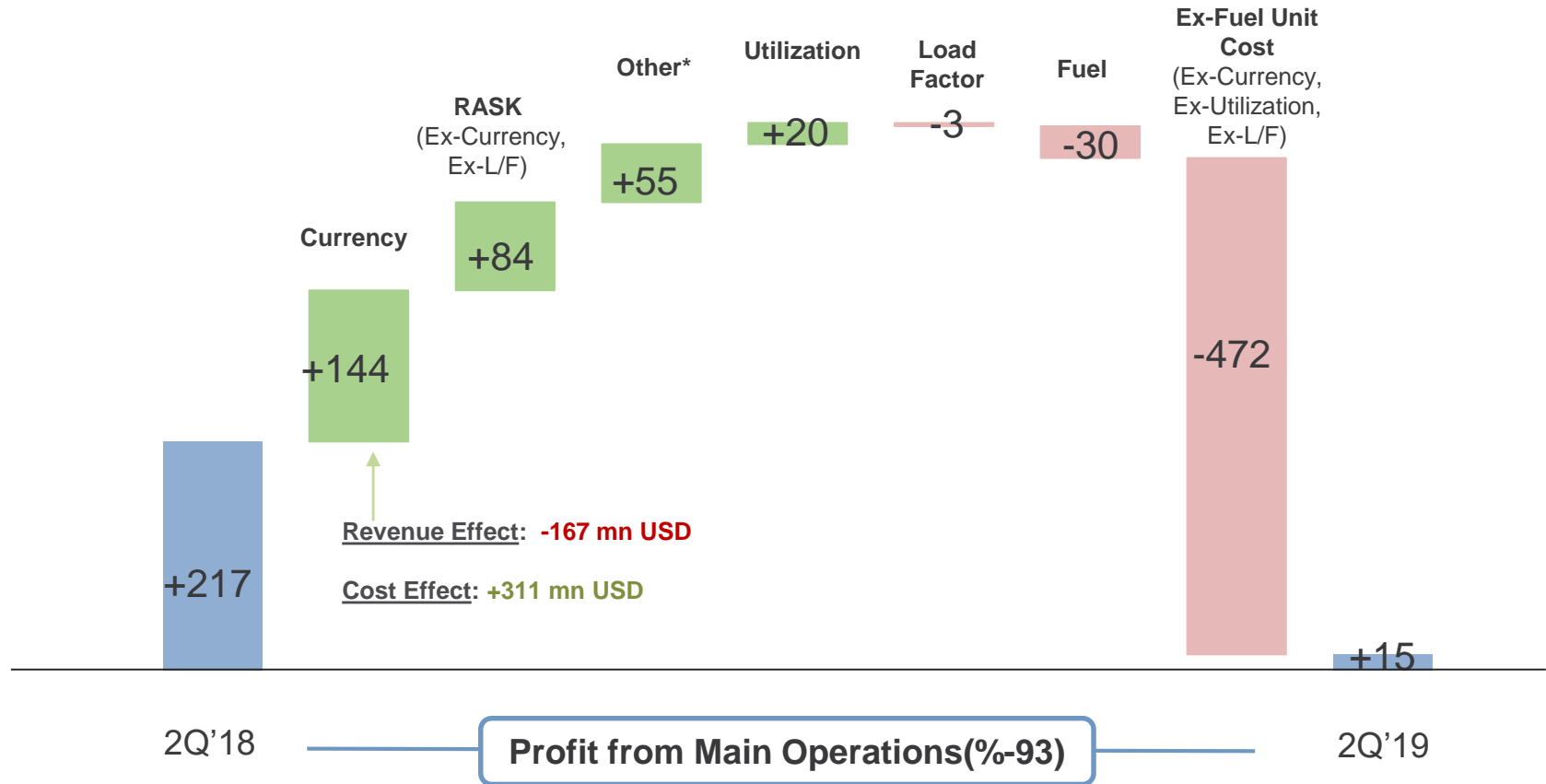


Middle East



Profit From Main Operations Bridge (2Q'18 vs 2Q'19)

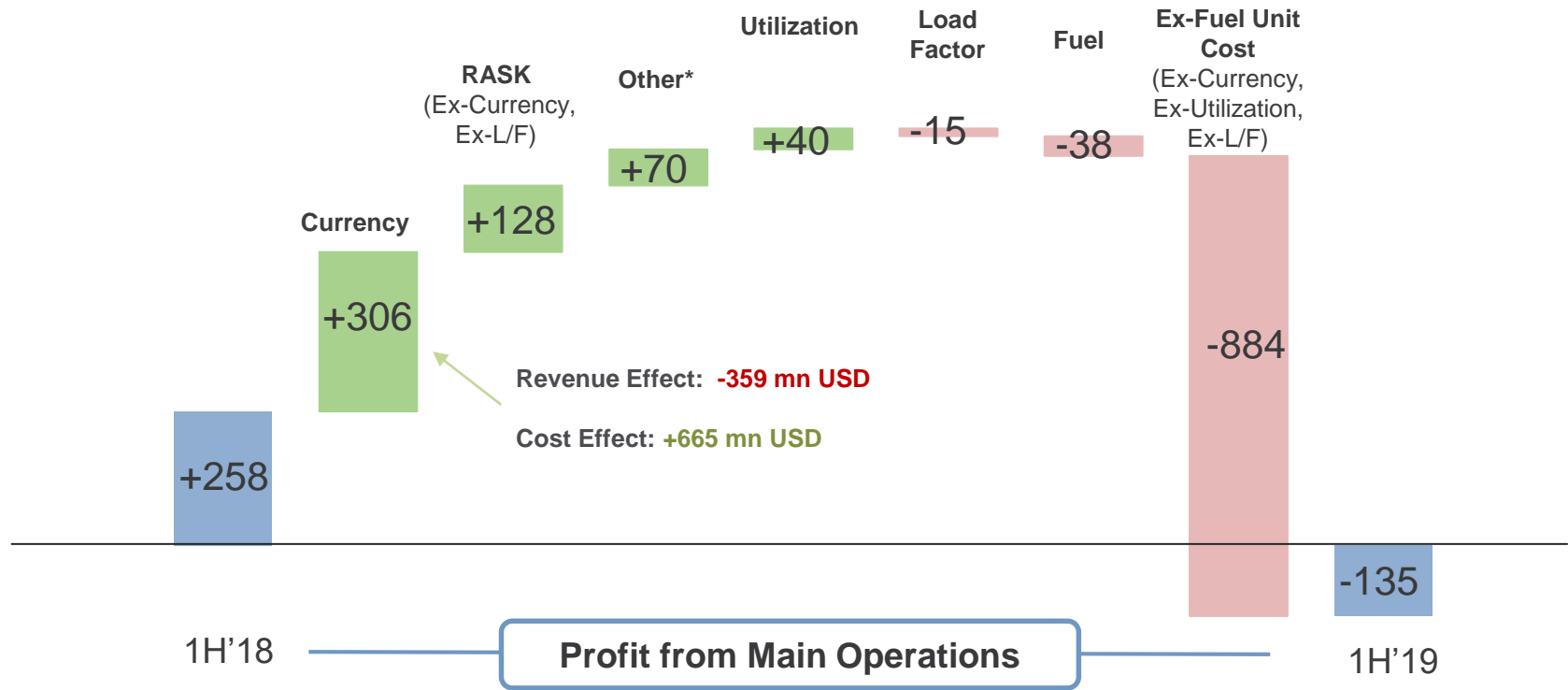
(mn USD)



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

Profit From Main Operations Bridge (1H'18 vs 1H'19)

(mn USD)



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

Operational Expense Breakdown

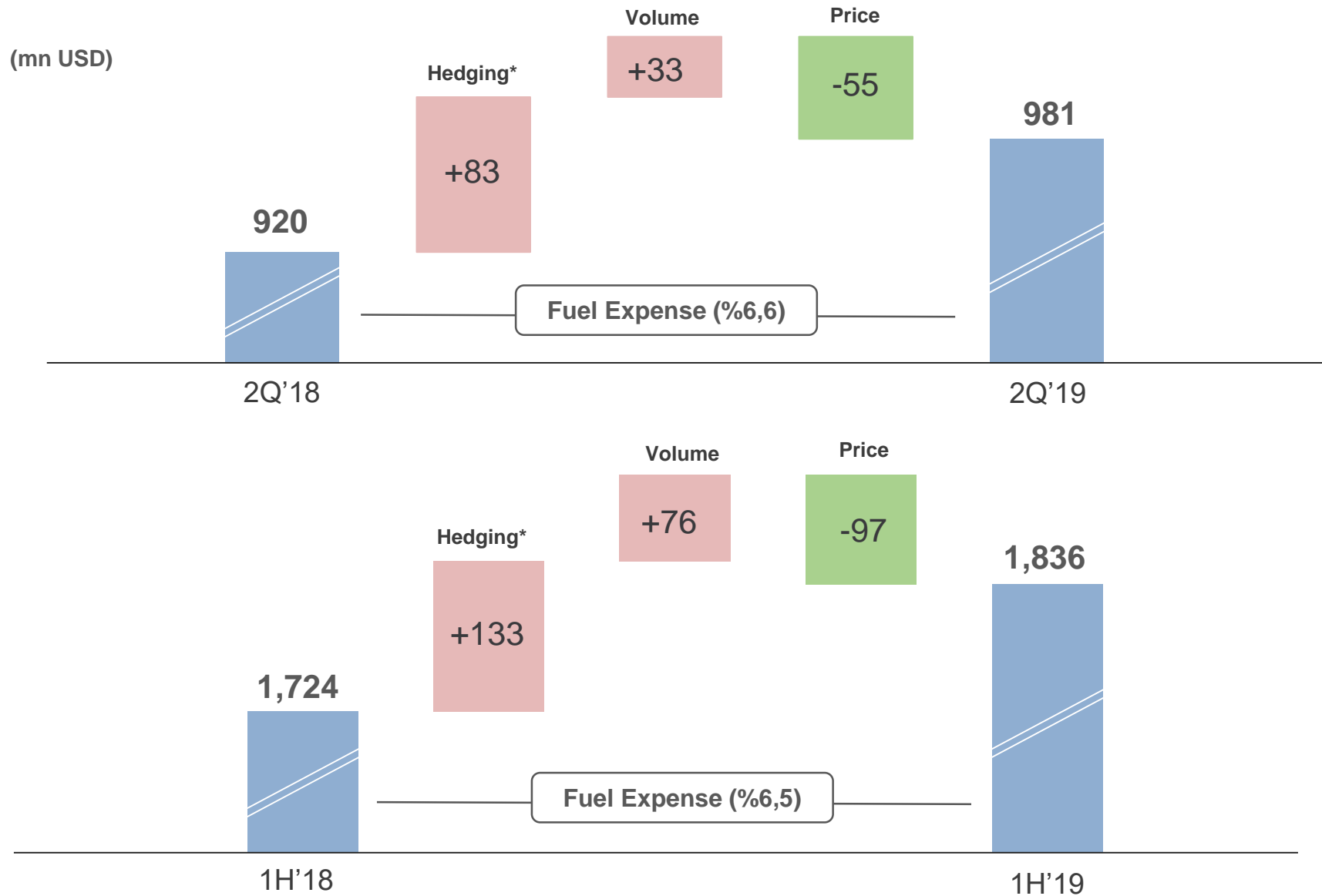
2Q'18	2Q'19	Change	(mn USD)	1H'18	1H'19	Change
920	981	6,6%	Fuel	1.724	1.836	6,5%
441	526	19,3%	Personnel	893	1.041	16,6%
406	461	13,5%	Aircraft Ownership	825	895	8,5%
274	303	10,6%	Airports & Air Navigation	522	548	5,0%
262	265	1,1%	Sales & Marketing	527	575	9,1%
191	202	5,8%	Ground Handling	366	391	6,8%
135	157	16,3%	Passenger Services & Catering	280	298	6,4%
197	192	-2,5%	Maintenance	367	384	4,6%
84	86	2,4%	Other¹	166	174	4,8%
2.910	3.173	9,0%	TOTAL	5.670	6.142	8,3%

ASK Growth: **-0,6%**

ASK Growth: **0,7%**

¹Includes General Administration and Other Cost of Sales.

Fuel Expense Breakdown



*Hedge gain in 2019 decreased significantly compared to 2018.

CASK Breakdown

2Q'18	2Q'19	Change	(USc)	1H'18	1H'19	Change
1,98	2,13	7,3%	Fuel	1,96	2,07	5,7%
0,95	1,14	20,0%	Personnel	1,01	1,17	15,7%
0,87	1,00	14,3%	Aircraft Ownership	0,94	1,01	7,7%
0,59	0,66	11,3%	Airports & Air Navigation	0,59	0,62	4,2%
0,56	0,57	1,8%	Sales & Marketing	0,60	0,65	8,3%
0,41	0,44	6,4%	Ground Handling	0,42	0,44	6,1%
0,29	0,34	17,0%	Passenger Services & Catering	0,32	0,34	5,7%
0,42	0,42	-1,9%	Maintenance	0,42	0,43	3,9%
0,18	0,19	3,0%	Other	0,19	0,20	4,1%
6,27	6,88	9,7%	TOTAL	6,43	6,92	7,5%

Ex-Fuel CASK: **10,8%**

Ex-Fuel CASK: **8,3%**

Ex-Fuel CASK (incl. ATK)*: **7,0%**

Ex-Fuel CASK (incl. ATK)*: **4,6%**

*ASK value is adjusted for cargo operations adding Available Cargo Ton Km.

Note: ASK value is adjusted to indicate effect of cargo because cargo expenses has reasonable share in our total expenses.

Selected KPI's

2Q'18	2Q'19	Change		1H'18	1H'19	Change
695	718	3,3%	Fuel Price (Usd/ton)	682	698	2,4%
3,29	3,30	0,2%	Fuel Consumption (lt) per 100 ASK2	3,30	3,29	-0,3%
1.127	1.243	10,3%	Aircraft Ownership Cost per BH	1.190	1.251	5,2%
547	518	-5,4%	Maintenance Cost per BH	529	537	1,4%
1.513	1.653	9,2%	Handling Cost per Landing	1.529	1.664	8,8%
1.250	1.363	9,0%	Airports & Air Navigation Cost per km Flown	1.246	1.277	2,5%
7,11	8,54	20,1%	Passenger Services & Catering Cost per Pax	7,83	8,48	8,3%
8,2%	8,3%	0,1 pt	Sales & Marketing Cost / Total Revenue	8,9%	9,7%	0,8 pt

EBITDAR Calculation

2Q'18	2Q'19	Change	EBITDAR (mn USD)	1H'18	1H'19	Change	IFRS16 Impact
3.177	3.181	0,1%	Sales Revenue	5.940	5.949	0,2%	-
2.506	2.753	9,9%	Cost of Sales (-)	4.853	5.257	8,3%	-
671	428	-36,2%	GROSS PROFIT / (LOSS)	1.087	692	-36,3%	-
69	73	5,8%	General Administrative Expenses (-)	140	145	3,6%	-
335	345	3,0%	Marketing and Sales Expenses (-)	677	740	9,3%	-
267	10	-96,3%	NET OPERATING PROFIT / (LOSS)	270	-193	-	+12
40	45	12,5%	Other Operating Income	65	100	53,8%	-
90	40	-55,6%	Other Operating Expense (-)	77	42	-45,5%	-
217	15	-93,1%	Profit / (Loss) from Main Operations	258	-135	-	+12
43	54	25,6%	Adjustments	62	52	-16,1%	
29	23	-20,7%	Share of Investments' Profit / Loss Accounted by Using The Equity Method	32	8	-75,0%	-
14	31	121,4%	Income From Government Incentives	30	44	46,7%	-
260	69	-73,5%	EBIT	320	-83	-	+12
267	376	40,8%	Depreciation	536	736	37,3%	+155
527	445	-15,6%	EBITDA	856	653	-23,7%	+167
192	74	-61,3%	Adjusted Operating Lease Expenses ¹	355	189	-46,6%	-160
31	42	33,3%	Adjusted Short term Lease Expenses (Wet-lease) ²	67	77	14,8%	-
750	561	-25,2%	EBITDAR	1.278	919	-28,0%	+7
23,6%	17,6%	-5,97	EBITDAR MARGIN	21,5%	15,5%	-6,06	-

Notes:

- For 1H'19 Turkish Technic's contribution to EBITDAR through consolidation is 150 mn USD, compared to 112 mn in 1H'18.
- For 1H'19 adjustments for heavy maintenance of operational lease expenses is 188 mn USD compared to 170 mn USD in 1H'18.

¹ Adjusted for A/C heavy maintenance

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

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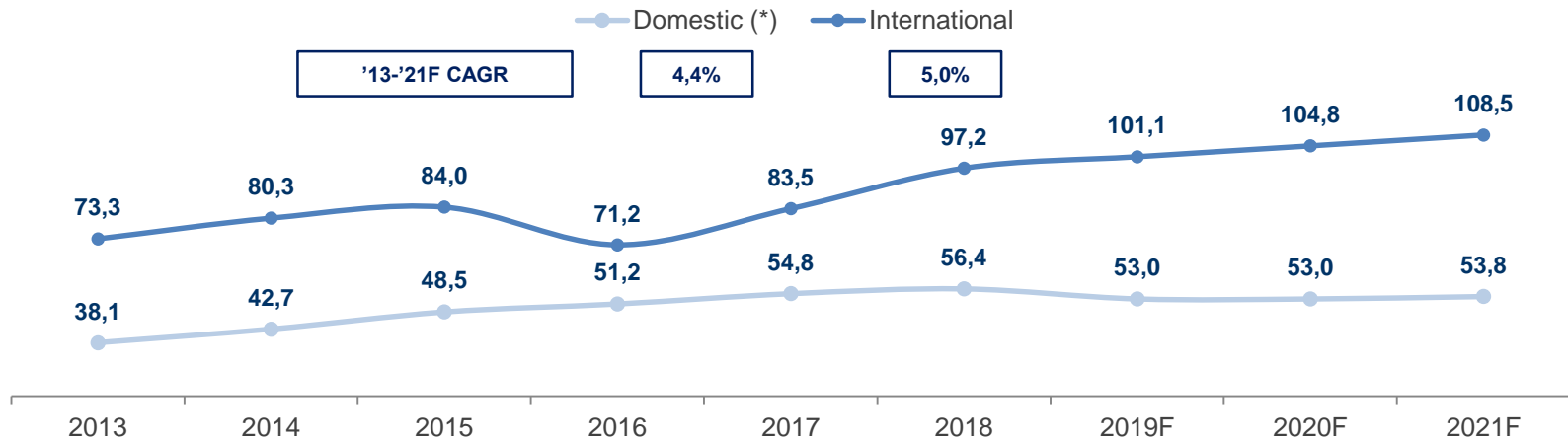


2Q'19 RESULTS



Aviation Sector & Economy

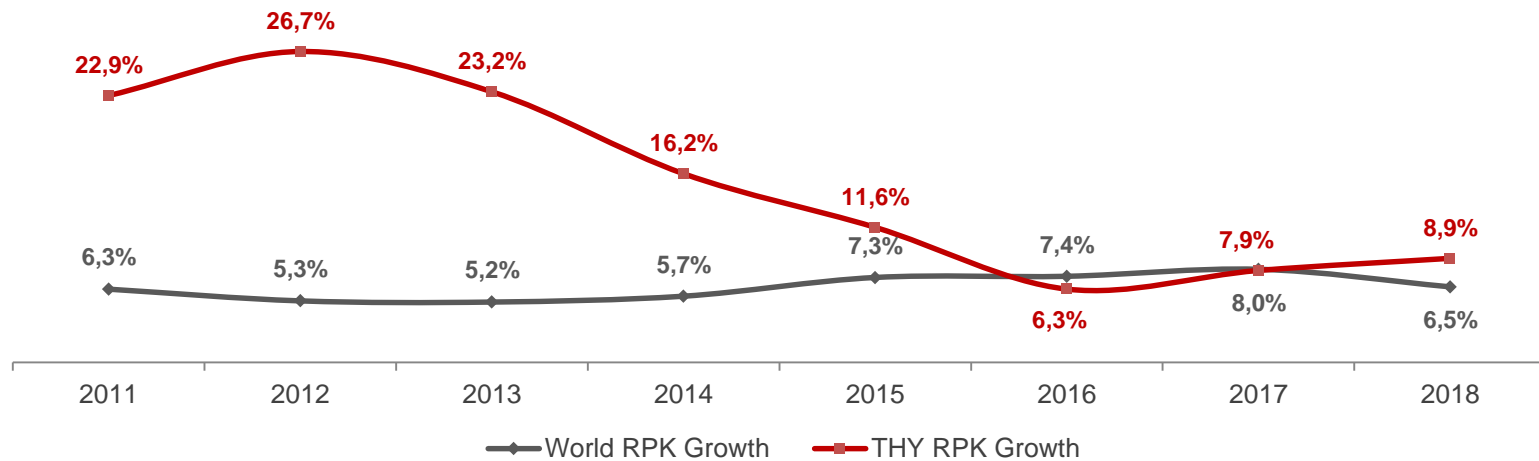
Turkish Market Growth (mn passengers)



Source: General Directorate of State Airports Authority (DHMI) – April 2019

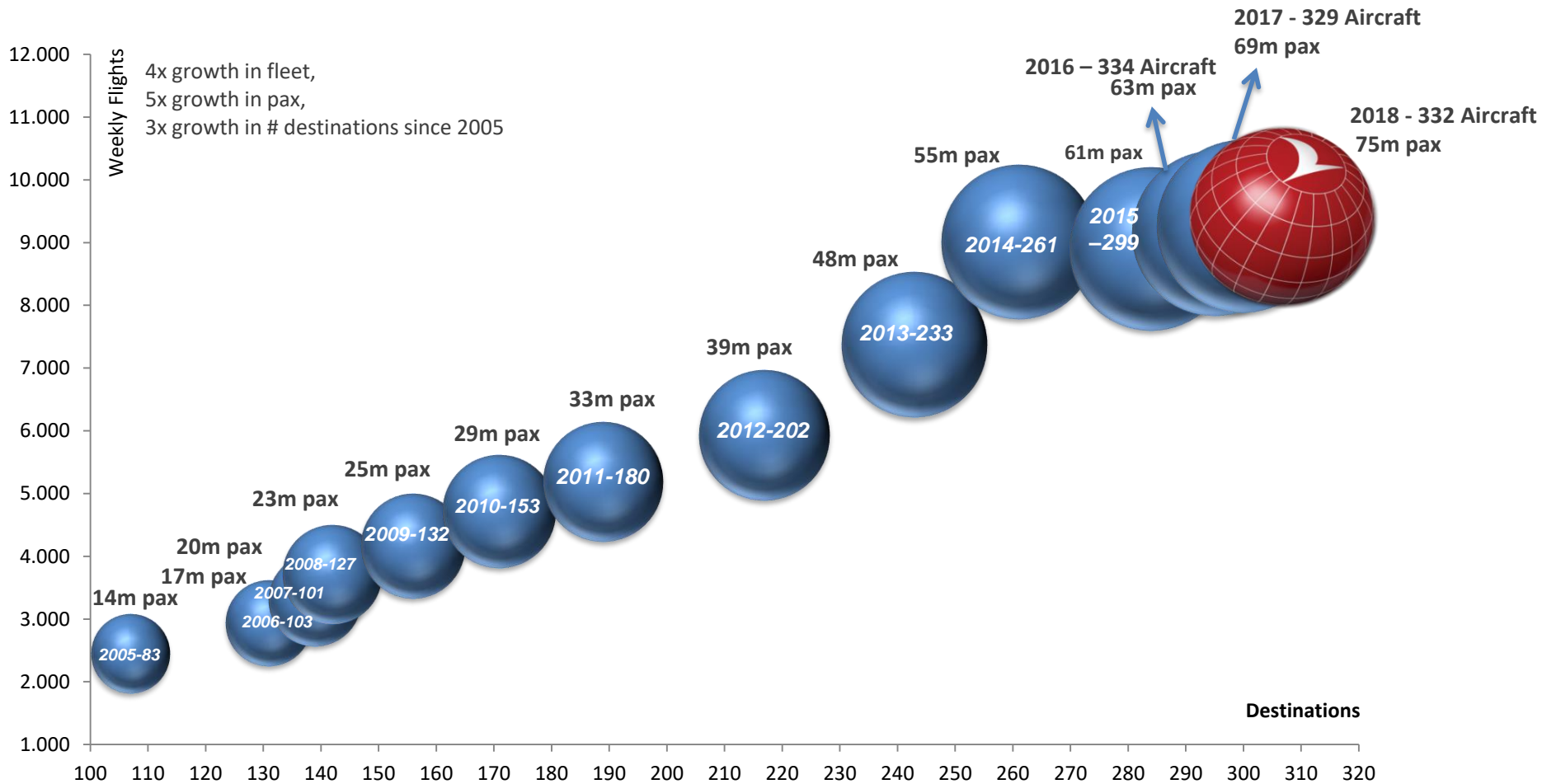
(*)Adjusted for double count on Domestic Pax

Annual RPK Growth (%)



Source: IATA

Turkish Airlines Historical Growth



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

We Fly to 124 Countries

EUROPE

43 COUNTRIES, 115 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	Zaporijya	Albania	Future Routes
France	Lviv	Tirana	Azerbaijan
Paris	Simferopol	Ireland	Lankaran
Lyon	Donetsk	Dublin	Poland
Nice	Austria	Kosovo	Krakow
Marseille	Vienna	Pristina	France
Toulouse	Salzburg	Macedonia	Nantes
Bordeaux	Graz	Skopje	Spain
Strasbourg	Northern Cyprus	Serbia	La Coruna
UK	Lefkosa	Belgrade	Russia
London	Azerbaijan	Malta	Makhachkala
Manchester	Ganja	Malta	Italia
Birmingham	Nakhichevan	Slovenia	Palermo
Spain	Netherlands	Ljubljana	Finland
Barcelona	Amsterdam	Montenegro	Rovaniemi
Madrid	Rotterdam	Podgorica	
Malaga	Greece	Scotland	
Valencia	Athens	Edinburgh	
Bilbao	Thessaloniki	Estonia	
	Sweden	Tallinn	
	Stockholm	Latvia	
	Gothenburg	Riga	
	Denmark	Lithuania	
	Copenhagen	Vilnius	
	Aalborg	Luxemburg	
	Billund	Luxembourg	
	Georgia		
	Tbilisi		
	Batumi		

AFRICA

37 COUNTRIES, 57 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	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
Kilimienjaro	Misurata
Zanzibar	Benghazi
Tunisia	Sebha
Tunis	Trípoli
Djibouti	Sierra Leone
Djibouti	Freetown
Ethiopia	Comoros
Addis Ababa	Moroni
Ghana	Gambia
Accra	Banjul
Morocco	Zambia
Casablanca	Lusaka
Marrakech	Nigeria
Rwanda	Port Harcourt
Kigali	
Somalia	
Mogadishu	Future Routes
Sudan	Angola
Khartoum	Luanda
Uganda	Egypt
Entebbe	Aswan
Mauritania	Luxor
Nouakchott	South Sudan
Senegal	Juba
	Sudan
Congo	Port Sudan
Kinshasa	Republic of the Congo
	Point-Noire

MIDDLE EAST

13 COUNTRIES, 35 CITIES

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

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	
Montreal	Mexico
Argentina	Mexico City
Buenos Aires	Cancun
Brazil	USA
Sao Paulo	Newark
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	
Mazar-i Sharif	Indonesia
Vietnam	Denpasar
Ho Chi Minh	
Hanoi	

DOMESTIC

50 CITIES

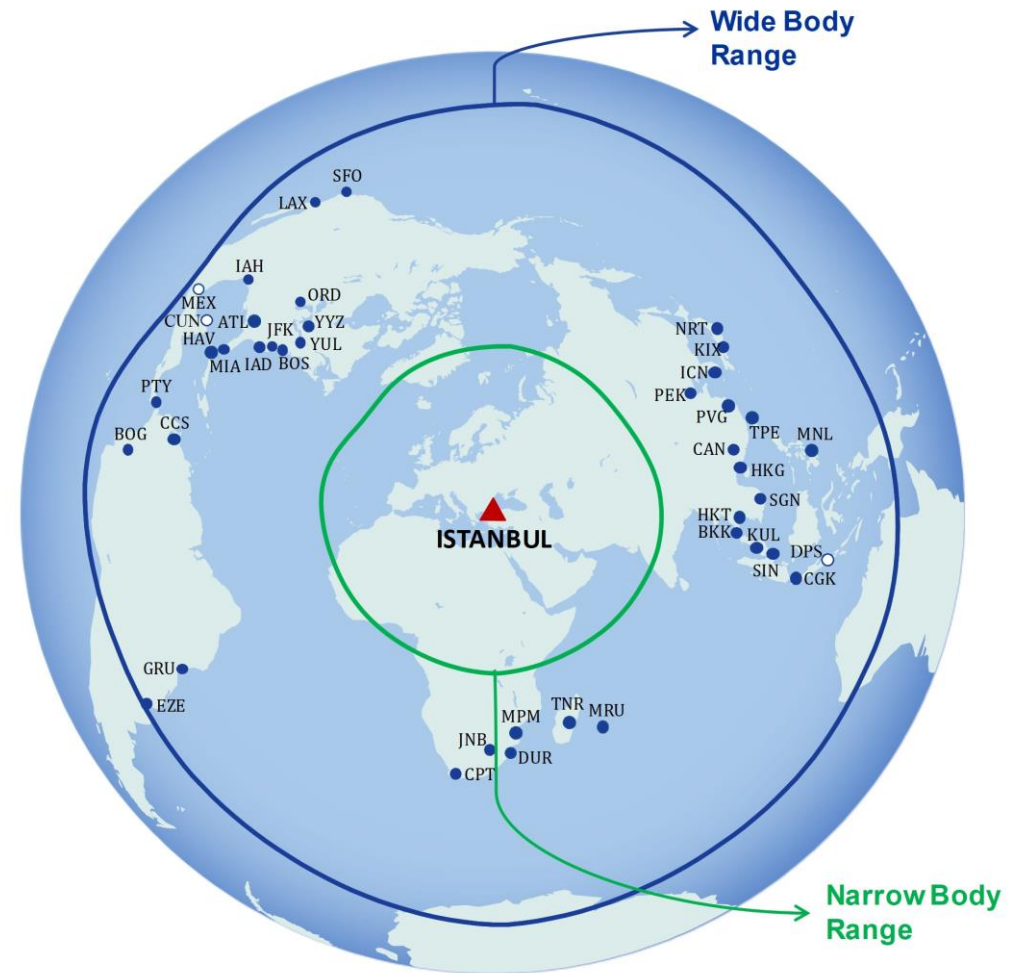
*As of 30.06.2019

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ 205 out of 261 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	16,509
British Airways	12,096
Lufthansa	9,720

Middle East to the World

Turkish Airlines	8,136
Qatar Airways	2,304
British Airways	1,120

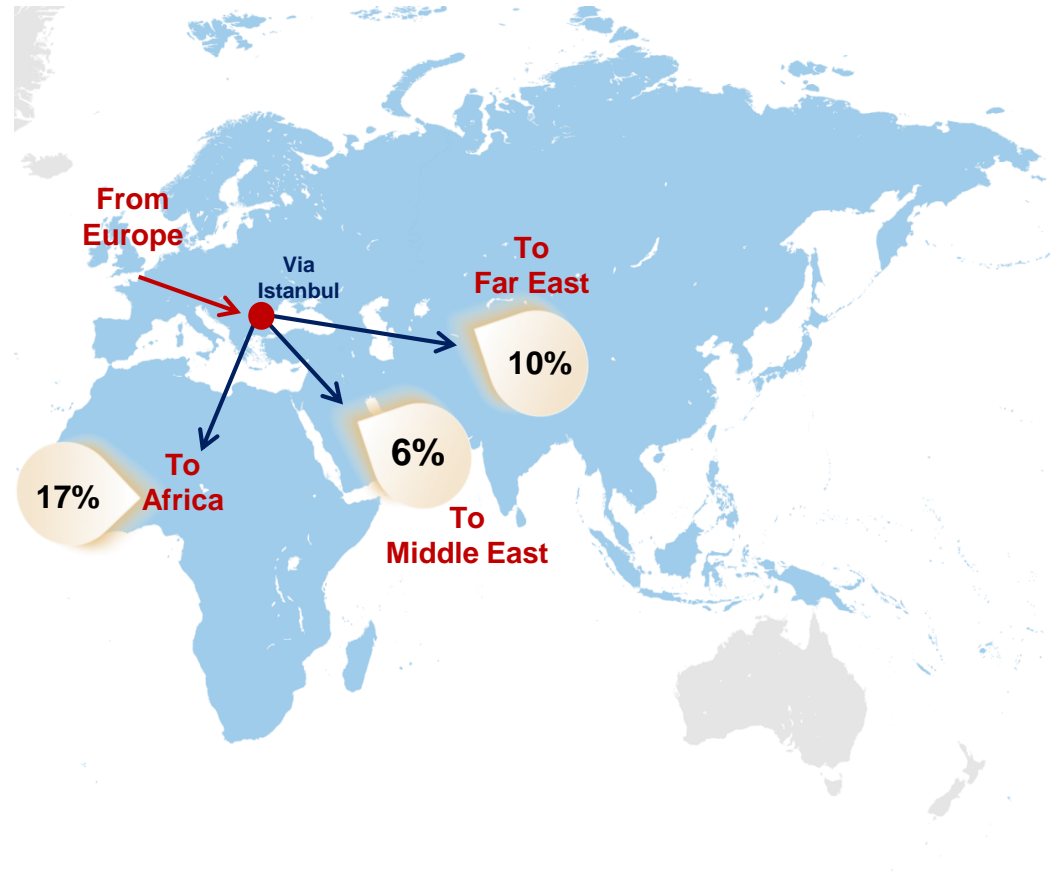
Africa to the World

Turkish Airlines	11,685
Air France	5,328
British Airways	3,485

Far East to the World

United Airlines	8,694
Turkish Airlines	8,325
Air China	5,724

Detour* Advantage

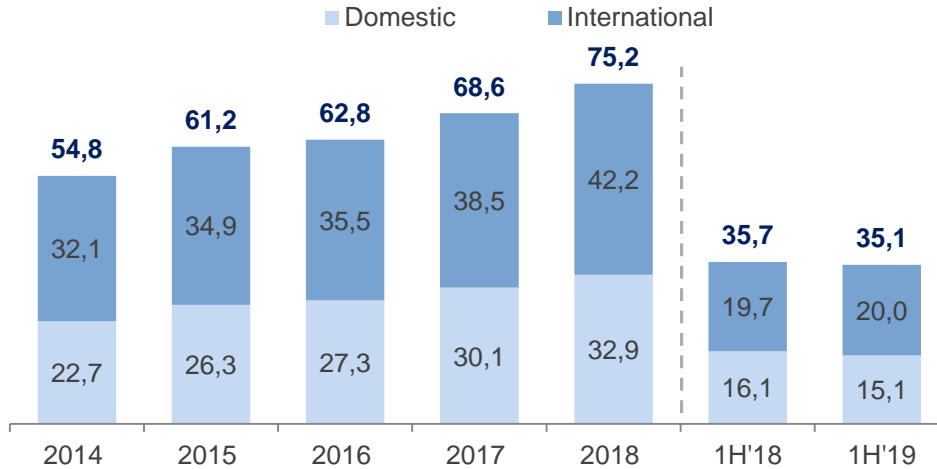


*Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities

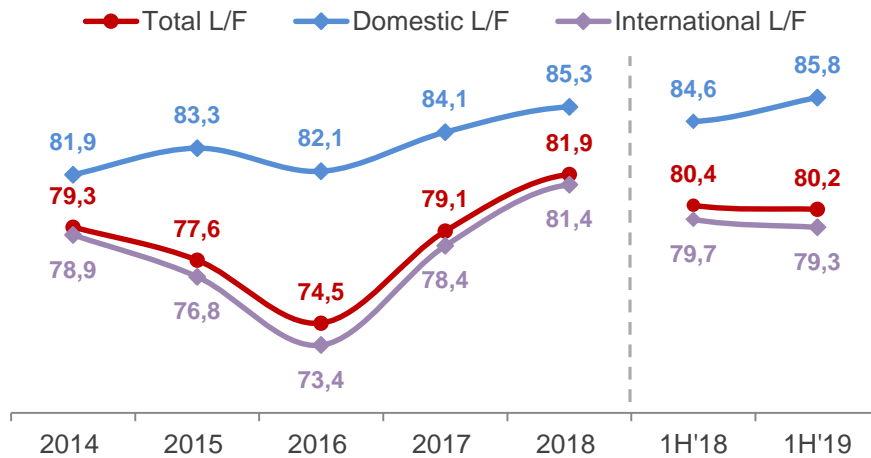
Source: Retrieved from OAG. As of 24.06.2019.

Passenger Traffic

Total Passengers (mn)



Load Factor (L/F %)



Passenger Traffic

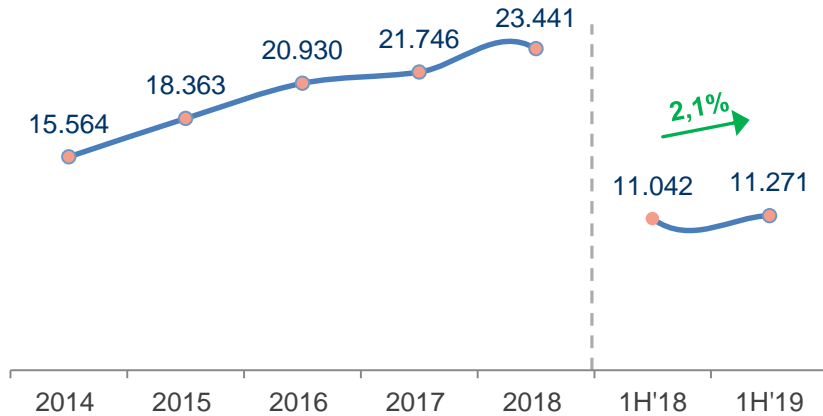
THY Passenger Traffic		
1H'18	vs	1H'19
Landing	down by	-1,8%
ASK	up by	0,7%
RPK	up by	0,4%
Passenger #	down by	-1,7%
L/F	down by	-0,2 pt

Annual Changes (%)

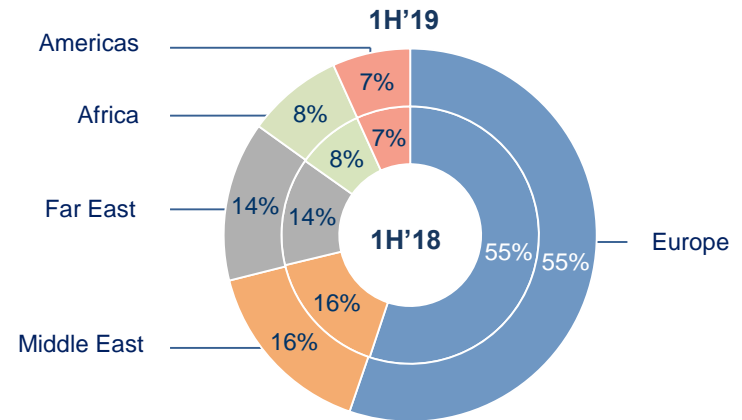
	ANNUAL CHANGES (%)				
	2014	2015	2016	2017	2018
ASK	16%	14%	11%	2%	5%
RPK	16,2%	11,6%	6,4%	7,9%	8,9%
PAX	14%	12%	3%	9%	10%
L/F (Point)	0,3	-1,7	-3,1	4,6	2,8

Passenger Breakdown

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

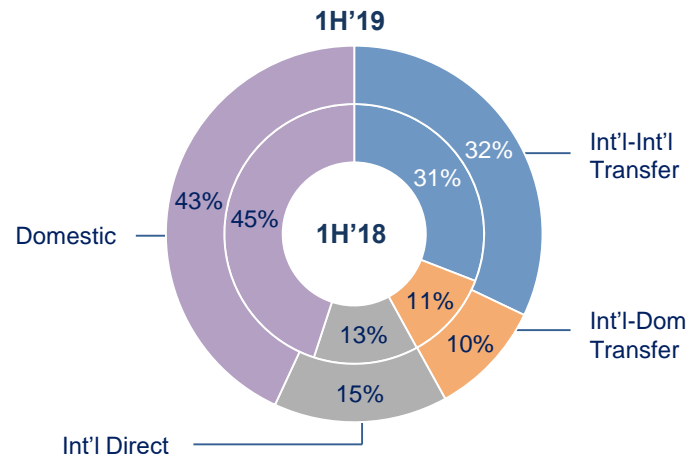


Int'l Passenger Breakdown by Geography



Note: Includes only scheduled passengers.

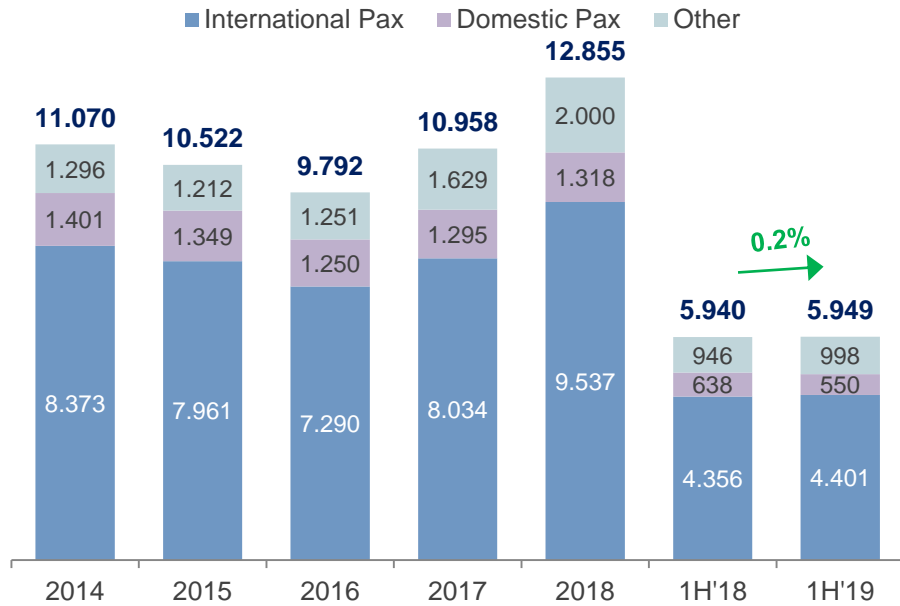
Passenger Breakdown by Transfer Type



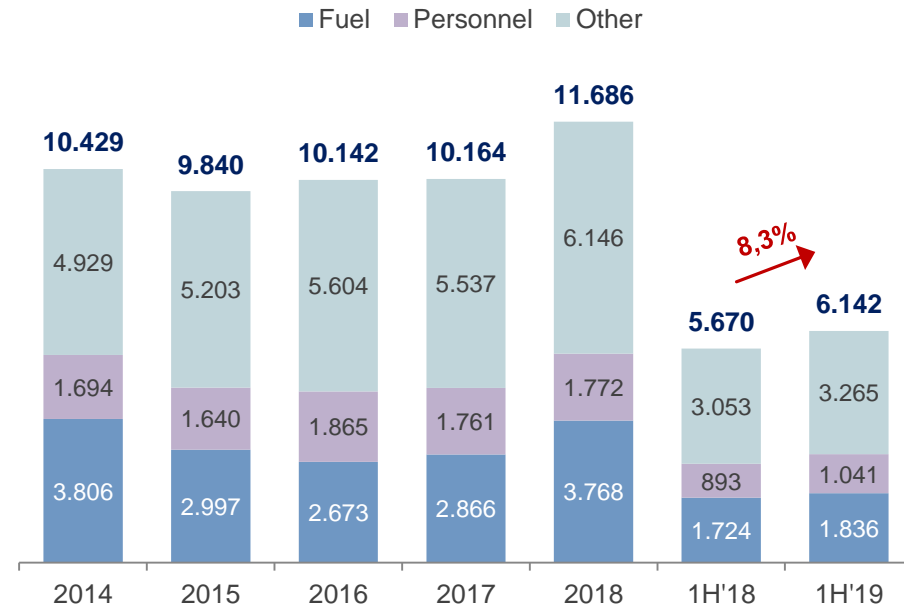
Note: Int'l to int'l transfer passengers' share in total international passengers is 56%.

Total Revenue and Expenses

Revenues (mn USD)



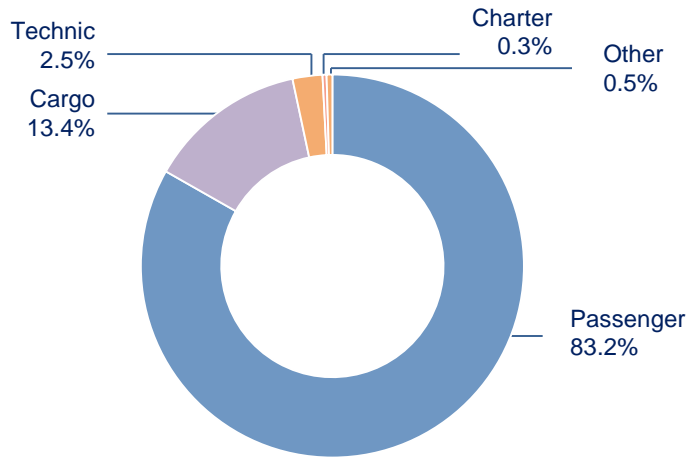
Expenses (mn USD)



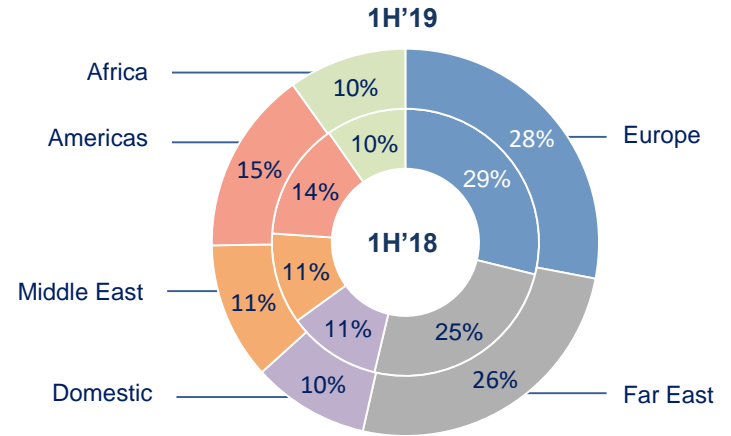
Note: International and domestic pax revenue indicates scheduled pax revenue.
Other revenue includes cargo, charter and other revenue.

Revenue Breakdown (1H'19)

Revenue by Business Type

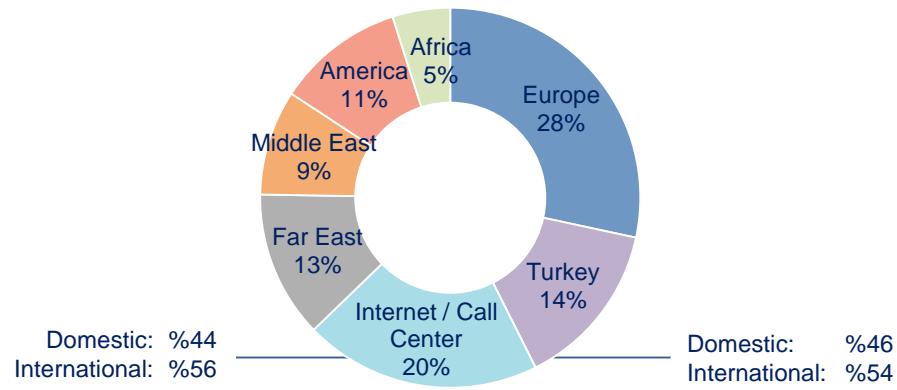


Revenue by Geography



Note: Includes total passenger and cargo revenue

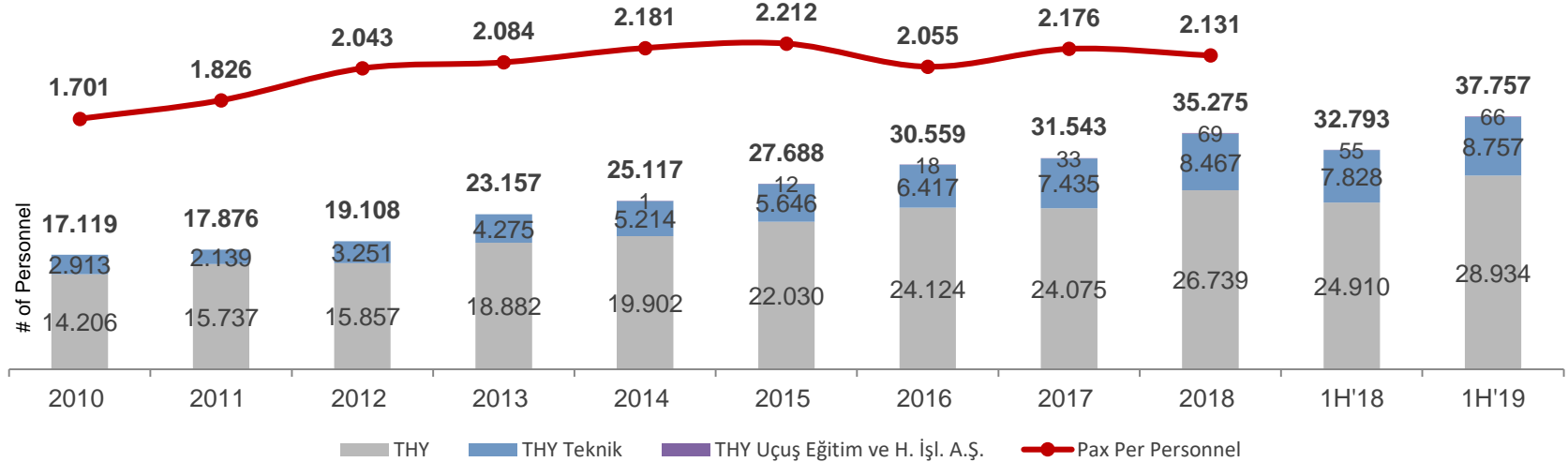
Revenue by Point of Sale



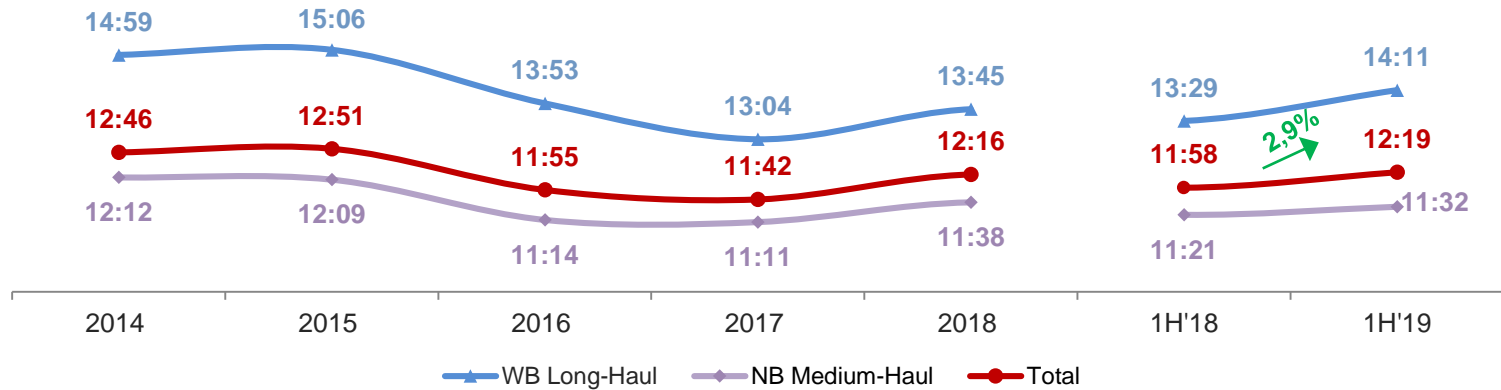
Note: Includes only scheduled passenger revenue

Operating Efficiency

Personnel Efficiency

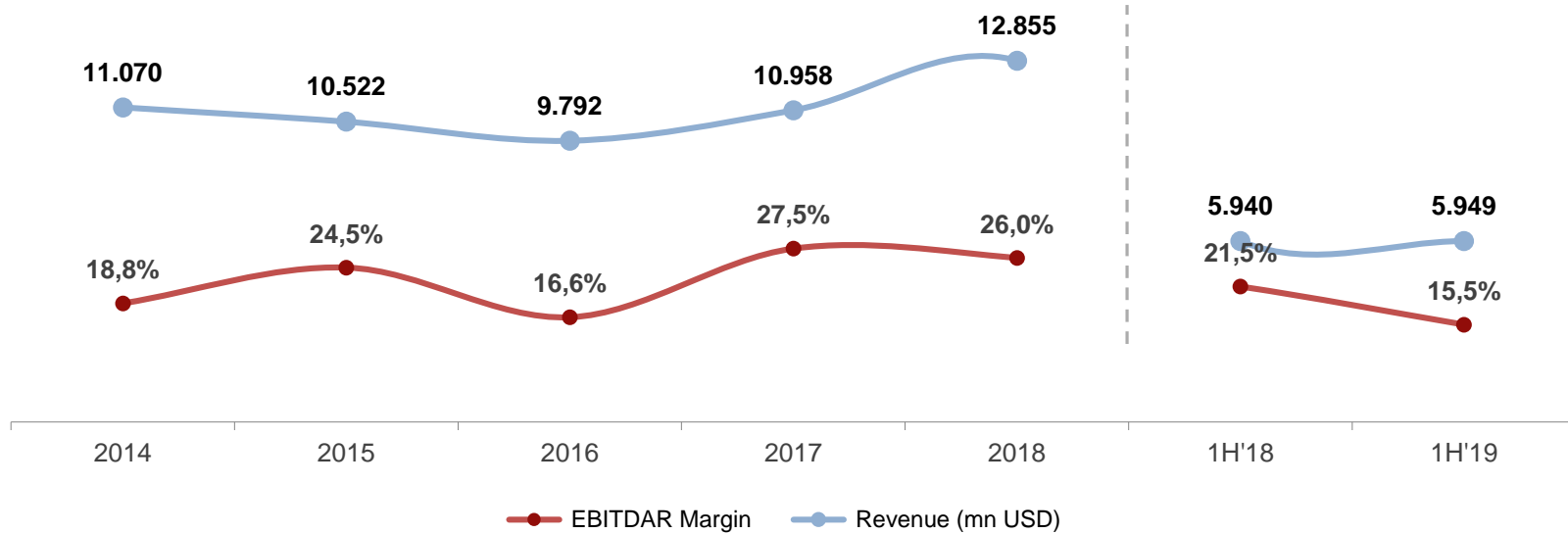


Average Daily Flight Utilization (hrs)



EBITDAR Margin

Avg. EBITDAR Margin (2014-2018): 23%



(mn USD)	2014	2015	2016	2017	2018	1H'18	1H'19	YoY Change
Revenue (mn USD)	11.070	10.522	9.792	10.958	12.855	5.940	5.949	0,2%
EBITDAR	2.085	2.580	1.628	3.017	3.349	1.278	919	-28,0%
EBITDAR Margin	18,8%	24,5%	16,6%	27,5%	26,0%	21,5%	15,5%	-0,3 pt

30.06.2019	Type	Total	Owned	Financial Lease	Opr./Wet Lease	Seat Capacity	Average Fleet Age	Year End Fleet*					
								2019	2020	2021	2022	2023	
Wide Body	A330-200	18	5		13	4.680	11,4	18	13	13	8	5	
	A330-300	39		29	10	11.481	5,5	40	40	37	36	29	
	A340-300												
	B777-3ER	33		27	6	11.670	5,7	33	33	33	32	30	
	A350-900								5	9	17	25	
	B787-9	1		1		300	0,0	6	15	21	25	25	
	Total	91	5	57	29	27831	6,7	97	106	113	118	114	
Narrow Body	B737-900ER	15		15		2.355	6,2	15	15	15	15	15	
	B737-9 MAX	1		1		169	0,4	5	10	10	10	10	
	B737-800	78	26	37	15	12.694	10,1	76	75	75	75	73	
	B737-700	1			1	124	13,4	1					
	B737-8 MAX	11		11		1.661	0,6	19	38	53	65	65	
	A321 NEO	7		7		1.274	0,4	15	39	59	77	92	
	A319-100	6		6		792	8,2	6	6	6	6	6	
	A320-200	17	5	7	5	2.718	12,3	15	12	12	12	12	
	A321-200	68	5	57	6	12.360	7,1	68	66	64	64	64	
	A320-200 WL												
B737-800 WL	20			20	3.780	15,2	19	13	11	7	5		
Total	224	36	141	47	37.927	8,7	239	274	305	331	342		
Cargo	A330-200F	10	1	9			5,7	10	10	10	10	10	
	B777F	5		5			1,1	6	8	8	8	8	
	Wet Lease	8			8		23,0	5					
	Total	23	1	14	8		10,7	21	18	18	18	18	
GRAND TOTAL	338	42	212	84	65.758	8,3	357	398	436	467	474		
								Year End Seat Capacity :	70.012	79.124	86.496	92.560	93.408
								Seat Capacity Change :	8%	13%	9%	7%	1%

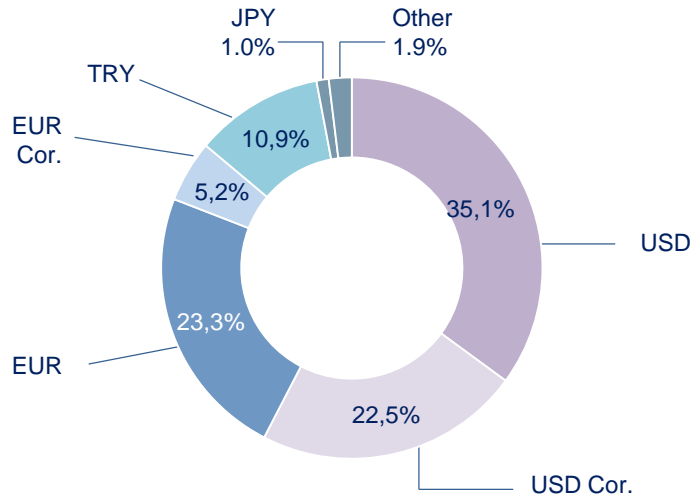
*After exit-entry

Fleet Development

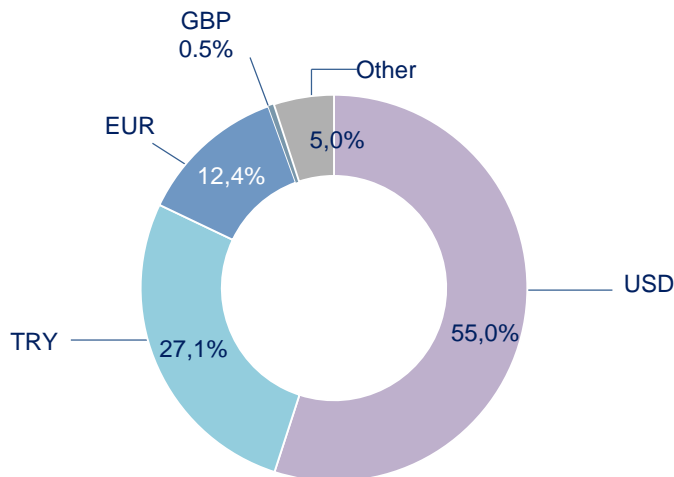
		TOTAL DELIVERIES					
30.06.2019	Type	2019	2020	2021	2022	2023	TOTAL
Wide Body	A350-900		5	4	8	8	25
	B787-9	6	9	6	4		25
	Total	6	14	10	12	8	50
Narrow Body	B737-9 MAX	5	5				10
	B737-8 MAX	12	19	15	12		58
	A321 NEO	13	24	20	18	15	90
	Total	30	48	35	30	15	158
Cargo	B777F	1	2				3
	Total	1	2				3
GRAND TOTAL		37	64	45	42	23	211

Hedging Currency Risk (1H'19)

Revenue by Currency⁽¹⁾



Expenses by Currency



Hedging Currency Risk

Hedging Policy

EUR/TRY

- Maximum Tenor: 18 months
- Maximum Hedge Ratio: %50
- Instrument: Forward

EUR/USD

- Maximum Tenor: 24 months
- Maximum Hedge Ratio: %60
- Instrument: Forward, 2-way Collar, 3-way Collar or 4-way Collar

Current Currency Hedging Matrix

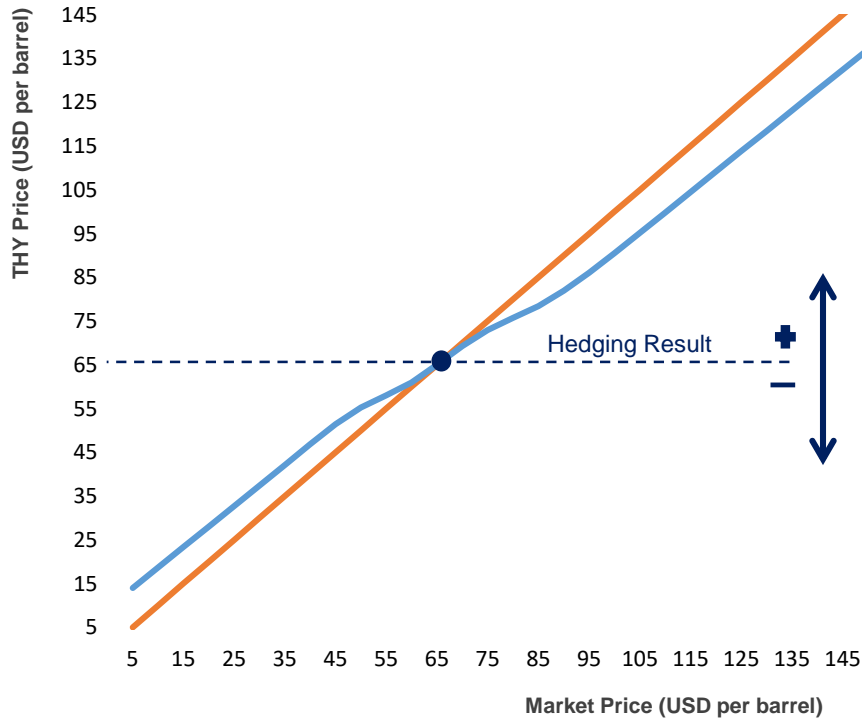
2018	Hedging Levels
EUR/USD	25%
EUR/TRY	31%

2019	Hedging Levels
EUR/USD	14%
EUR/TRY	19%

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

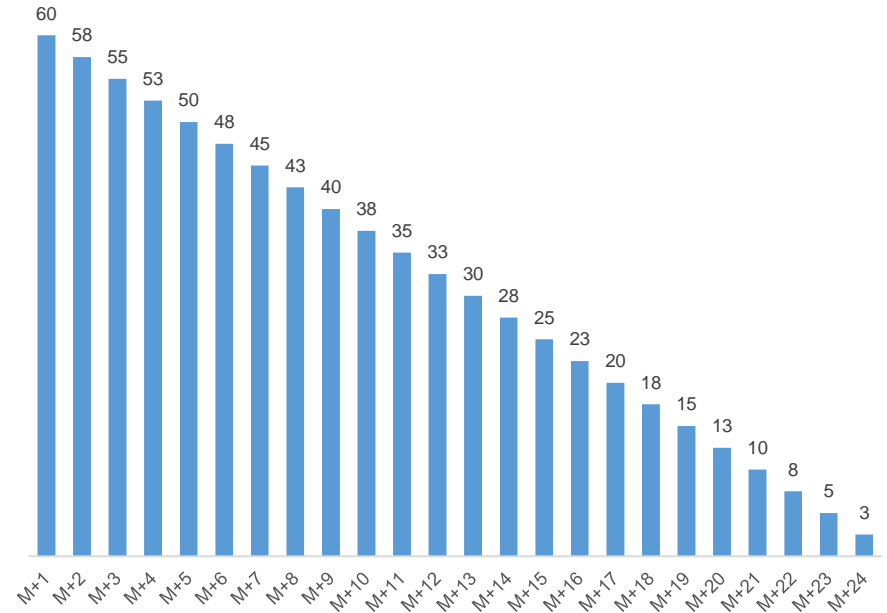
Hedging Fuel Price Risk

Effect of Hedging on the Fuel Price



- Current fuel hedging levels:
FY19: 54%
FY20: 21%

Fuel Hedging Policy (%)



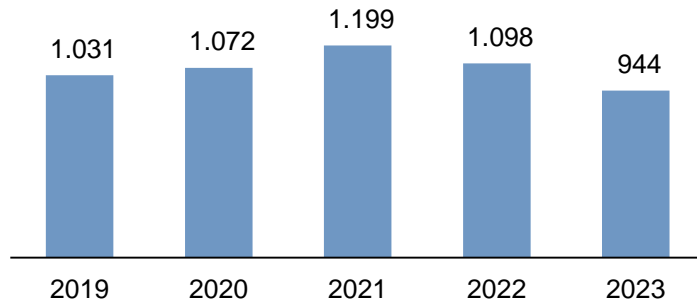
- Decreasing layered hedging strategy
- Crude oil based swaps and options
- Maximum hedge ratio 60% of following months.

Aircraft Financing and Debt Management

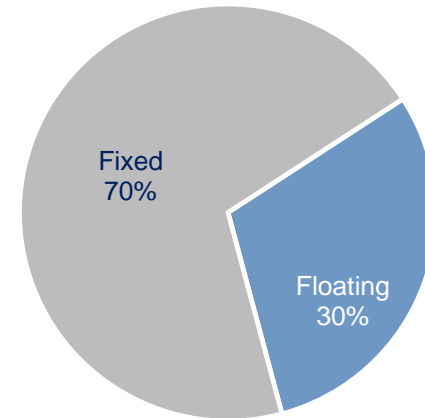
As of 30.06.2019

Total Financial Lease Liabilities: **8.1 bn USD**
Operating Leases: **1.5 bn USD**

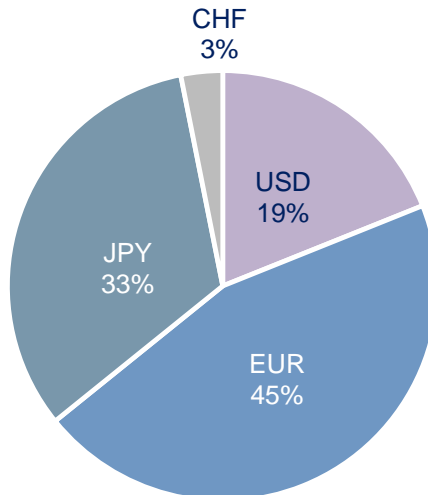
5 Year Maturity Profile (USD mn)



Weighted Average Interest Rate*: **2.56%**



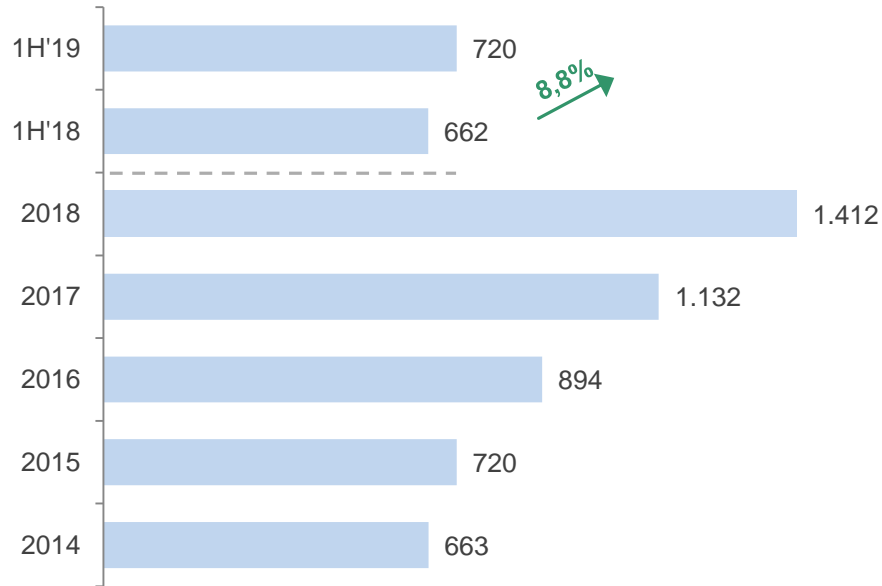
Currency Breakdown of Financial Lease Liabilities



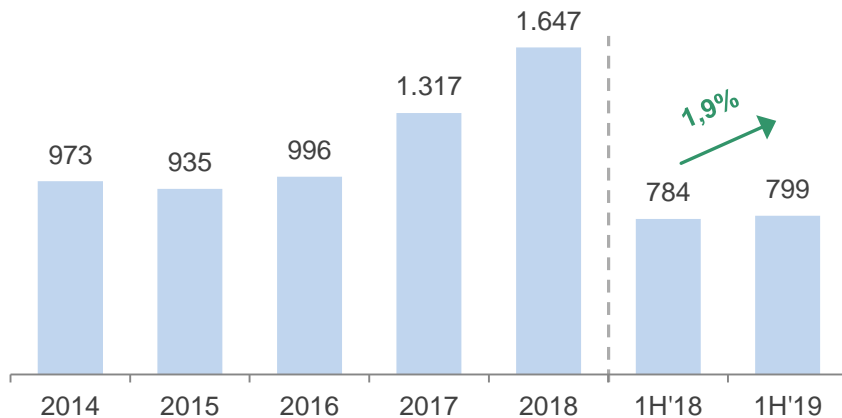
*Post-Hedge Interest Rate breakdown.

Cargo Operations

Cargo Tonnage Carried ('000 Ton)

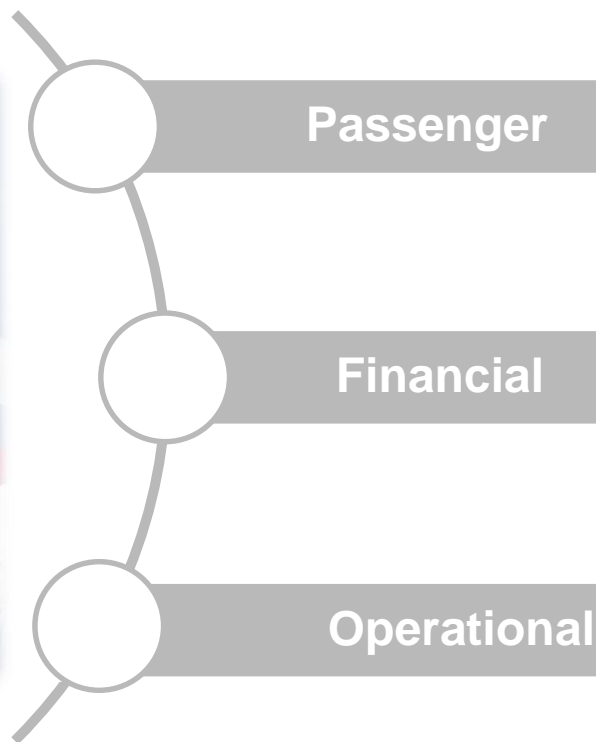


Cargo Revenue Evolution (mn USD)



- Turkish Cargo serves 87 destinations with 23 freighters besides 311 destinations with 315 passenger aircraft as of June, 30 2019.
- Turkish Cargo global market share in revenue has increased from 0.6% in 2009 to 2.7% in 2018.
- In First Half 2019, while World FTK decreased by 3,6%, Turkish Cargo FTK grew by 11,6% compared to previous year.

Source: IATA Economic Performance of the Airline Industry Reports



	2019E
Domestic (mn.)	31
International (mn.)	45
Total (mn.)	76
Revenue (USD bn.)	13,4
EBITDAR	%22-%23
L/F	%81-%82
ASK increase	4%
Cargo/Mail carried (mn./ton)	1.5
CASK (ex-fuel) increase	%7 - %9
Avg. Fuel Cost (USD/ton)	690

Balance Sheet

Assets (mn USD)	2014	2015	2016	2017	2018	30.06.2019
Cash and Equivalents	722	962	1.815	2.086	2.155	1.883
Trade Receivables	456	361	379	592	570	677
Pre-delivery Payment (PDP) Receivables	990	1.139	596	117	809	1.325
Other Current Assets	663	684	811	836	971	962
Total Current Assets	2.831	3.146	3.601	3.631	4.505	4.847
Net Fixed Assets	9.201	11.415	13.476	13.002	13.918	14.493
of which Aircraft and Engines	8.167	10.177	12.134	11.683	12.127	12.503
Right of Use Assets	-	-	-	-	-	1.497
Pre-delivery Payment (PDP) Receivables	650	392	207	247	505	291
Other Non-Current Assets	1.064	1.430	1.207	1.317	1.804	3.437
Total Non-Current Assets	10.915	13.237	14.890	14.566	16.227	18.221
Total Assets	13.746	16.383	18.491	18.197	20.732	23.068

Liabilities (mn USD)	2014	2015	2016	2017	2018	30.06.2019
Lease Obligations	5.931	7.399	8.886	8.322	9.509	11.250
Passenger Flight Liabilities	1.398	1.091	785	1.000	1.002	1.682
Accounts Payable	662	671	616	855	1.022	1.002
Other Liabilities	1.805	2.380	3.117	2.674	3.254	3.351
Total Liabilities	9.796	11.541	13.404	12.851	14.787	17.285
Total Shareholders Equity	3.950	4.842	5.087	5.346	5.945	5.783
of which Issued Capital	1.597	1.597	1.597	1.597	1.597	1.597
of which Retained Earnings	1.714	2.559	3.628	3.551	3.760	4.495
of which Differences from Currency Translation	-47	-84	-106	-108	-160	-170
of which Net Profit for the Period	845	1.069	-77	223	753	-203
Total Liabilities & Shareholders Equity	13.746	16.383	18.491	18.197	20.732	23.068

Income Statement

(mn USD)	2014	2015	2016	2017	2018	1H'18	1H'19	YoY Change
Operating Revenue	11.070	10.522	9.792	10.958	12.855	5.940	5.949	0%
Operating Expenses (-)	10.429	9.840	10.142	10.164	11.686	5.670	6.142	8,3%
of which Fuel	3.806	2.997	2.673	2.866	3.768	1.724	1.836	6%
of which Personnel	1.694	1.640	1.865	1.761	1.772	893	1.041	17%
of which Depreciation	743	924	1.148	1.066	1.087	536	736	37%
of which Rent	543	496	496	527	595	289	159	-45%
Net Operating Profit / Loss	641	682	-350	794	1.169	270	-193	-
Income From Other Operations	80	244	145	264	165	65	100	54%
Expense From Other Operations (-)	45	31	86	36	143	77	42	-45%
Profit / Loss From Main Operations	676	895	-291	1.022	1.191	258	-135	-
Income From Investment Activities (Net)	72	101	117	177	99	40	8	-80%
Share of Investments' Profit / Loss	75	80	44	102	123	32	8	-75%
Financial Income	419	532	300	56	129	45	26	-42%
Financial Expense (-)	196	201	229	1.078	588	335	223	-33%
Profit Before Tax	1.046	1.407	-59	279	954	40	-316	-
Tax (-)	201	338	18	56	201	-1	-113	-
Net Profit	845	1.069	-77	223	753	41	-203	-

Operational Expense Breakdown

(mn USD)	1H'18	% in Total	1H'19	% in Total	Change 19/18
Fuel	1.724	30,4%	1.836	29,9%	6,5%
Personnel	893	15,7%	1.041	16,9%	16,6%
Landing, Navigation & Air Traffic	522	9,2%	548	8,9%	5,0%
Landing and navigation	252	4,4%	285	4,6%	13,1%
Air Traffic Control	270	4,8%	263	4,3%	-2,6%
Sales & Marketing	527	9,3%	575	9,4%	9,1%
Commissions and Incentives	221	3,9%	258	4,2%	16,7%
Reservation System	141	2,5%	144	2,3%	2,1%
Advertising	89	1,6%	88	1,4%	-1,1%
Other	76	1,3%	85	1,4%	11,8%
Depreciation	536	9,5%	736	12,0%	37,3%
Ground Handling	366	6,5%	391	6,4%	6,8%
Aircraft Rent	289	5,1%	159	2,6%	-45,0%
Operational Lease	167	2,9%	19	0,3%	-88,6%
Wet Lease	122	2,2%	140	2,3%	14,8%
Passenger Services & Catering	280	4,9%	298	4,9%	6,4%
Maintenance	367	6,5%	384	6,3%	4,6%
General Administration	62	1,1%	53	0,9%	-14,5%
Other	104	1,8%	121	2,0%	16,3%
TOTAL	5.670	100%	6.142	100%	8,3%
Operating Cost per ASK (Usc)	6,43	-	6,92	-	7,5%
Ex-fuel Operating Cost per ASK (Usc)	4,48	-	4,85	-	8,3%
Fixed Costs	1.588	28,0%	1.792	29,2%	12,8%

Subsidiaries & Affiliates

Turkish Airlines Group 30.06.2019		Revenue (mn USD)	Net Profit (mn USD)	Number of Personnel	Partnership Structure
1	Turkish Airlines	5.949	-203	28.934*	%49 Turkey Wealth Fund - %51 Open to Public
2	Turkish Opet Aviation Fuels	635	21	482	%50 THY - %50 Opet
4	Sun Express (Turkey & Germany Consolidated)	555	-28	4.430	%50 THY - %50 Lufthansa
3	Turkish Technic	634	59	8.757	% 100 THY
5	Turkish Do&Co	163	12	6.080	%50 THY - %50 Do&Co
6	Pratt Whitney THY Turkish Engine Center (TEC)	218	-13	388	%51 PW - %49 THY Teknik
7	Turkish Ground Services (TGS)	166	17	16.604	%50 THY - %50 Havaş
8	Turkish Cabin Interior Systems (TCI)	7	-	214	%50 THY & THY Teknik - %50 TAI
9	Goodrich Turkish Technic Service Center	13	2	53	%60 TSA Rina - %40 THY Teknik
10	TSI Aviation Seats	17	3	120	%50 THY & THY Teknik - %50 Assan Hanil
11	THY Uçuş Eğitim ve Havalimanı İşletme A.Ş.	6	-	66	%100 THY
12	Tax Free Zone (Tax Refund)	1	-	19	%30 THY - %45 Maslak Oto - %25 VK Holding
13	THY Havaalanı Gayrimenkul Yatırım ve İşletme A.Ş.	-	-	-	% 100 THY
14	THY Uluslararası Yatırım ve Taşımacılık A.Ş.	-	-	-	%100 THY
15	Cornea Havacılık Sistemleri San. Ve Tic. A.Ş.	-	-	1	%80 THY Teknik %20 Havelsan
16	Air Albania	-	-	45	%49 THY - %41 MDN Investment - %10 Albcontrol
17	We World Express Ltd.	-	-	4	%49 THY - %45 ZTO - %10 Pal Air

Subsidiaries & Affiliates



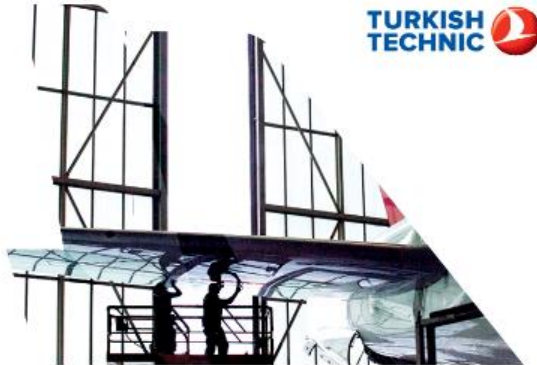
Business Model	Charter + Scheduled
Destinations	223
Fleet	83
Seat Capacity	16.426
# of Passengers	3.973.159
Load Factor (1H'19)	81,5%
Revenues (1H'19) mn. USD	555
Net Income (1H'19) mn. USD	-28

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

Market leader in charter flights between Germany and Turkey.

32 confirmed Boeing next generation narrow body aircraft order to be delivered between 2019 and 2024, 5 of which will be delivered in 2019.

*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 8,000 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.

Subsidiaries & Affiliates



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.



GOODRICH TURKISH TECHNIC

- › 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 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 3.7 million 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

THANK YOU..



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