

TURKISH AIRLINES

4Q'15 Results Summary



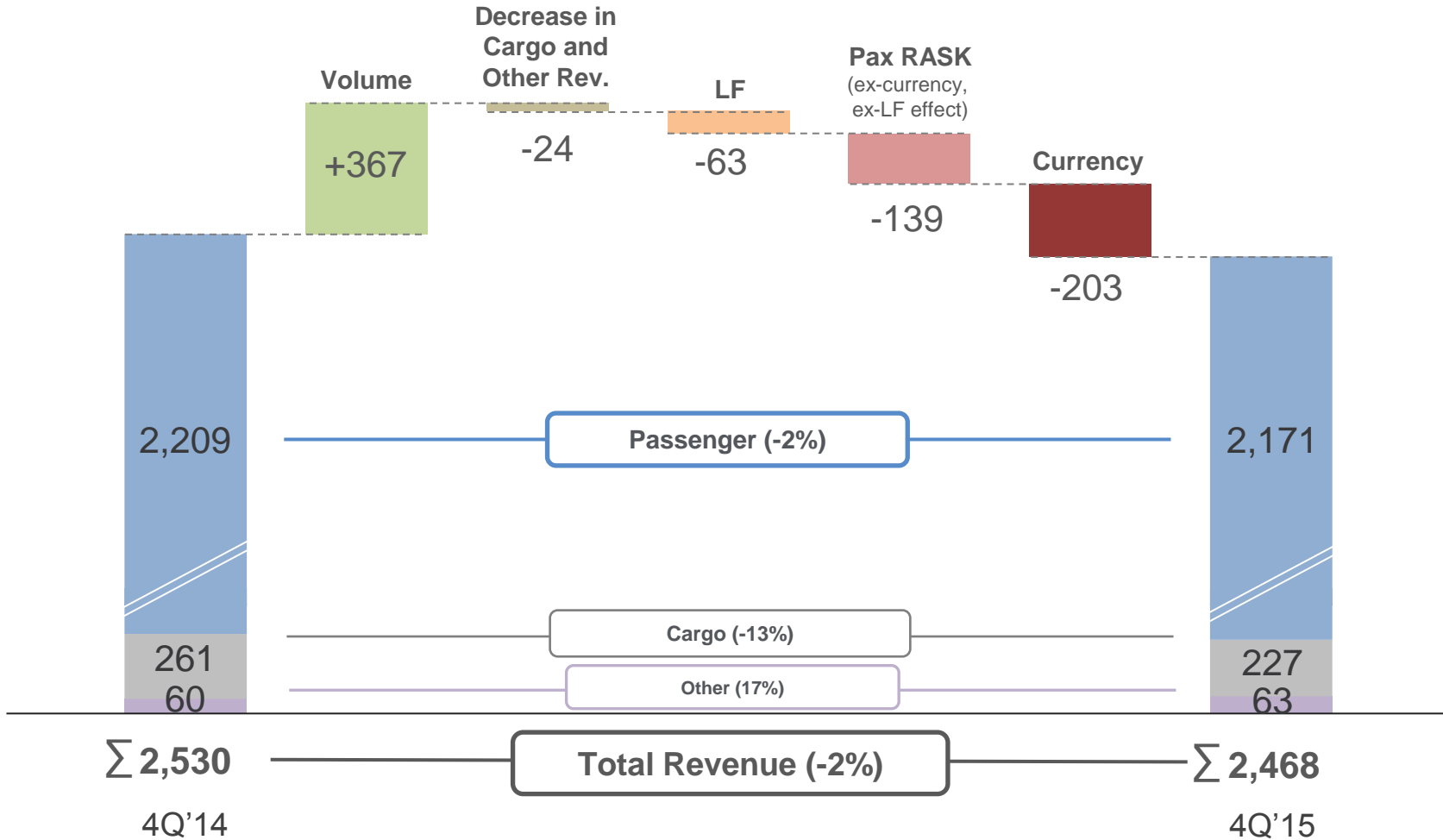
Key Financial Data

4Q'14	4Q'15	Change	(USD mn)	2014	2015	Change
2,530	2,468	-2.5%	Revenue	11,070	10,522	-5.0%
2,209	2,171	-1.7%	Passenger Revenue	9,858	9,368	-5.0%
-4	-50	-	Net Operating Profit	641	682	6.4%
-18	1	-	Profit From Main Operations	676	895	32.4%
122	192	57.4%	Net Income	845	1,069	26.5%
4.8%	7.8%	3.0 pt	Net Income Margin	7.6%	10.2%	2.5 pt
319	472	48.1%	EBITDAR	2,085	2,580	23.8%
12.6%	19.1%	6.5 pt	EBITDAR Margin	18.8%	24.5%	5.7 pt

(USD mn)	2014	2015	Change
Net Debt	4,199	5,489	30.7%
Total Assets	13,746	16,383	19.2%

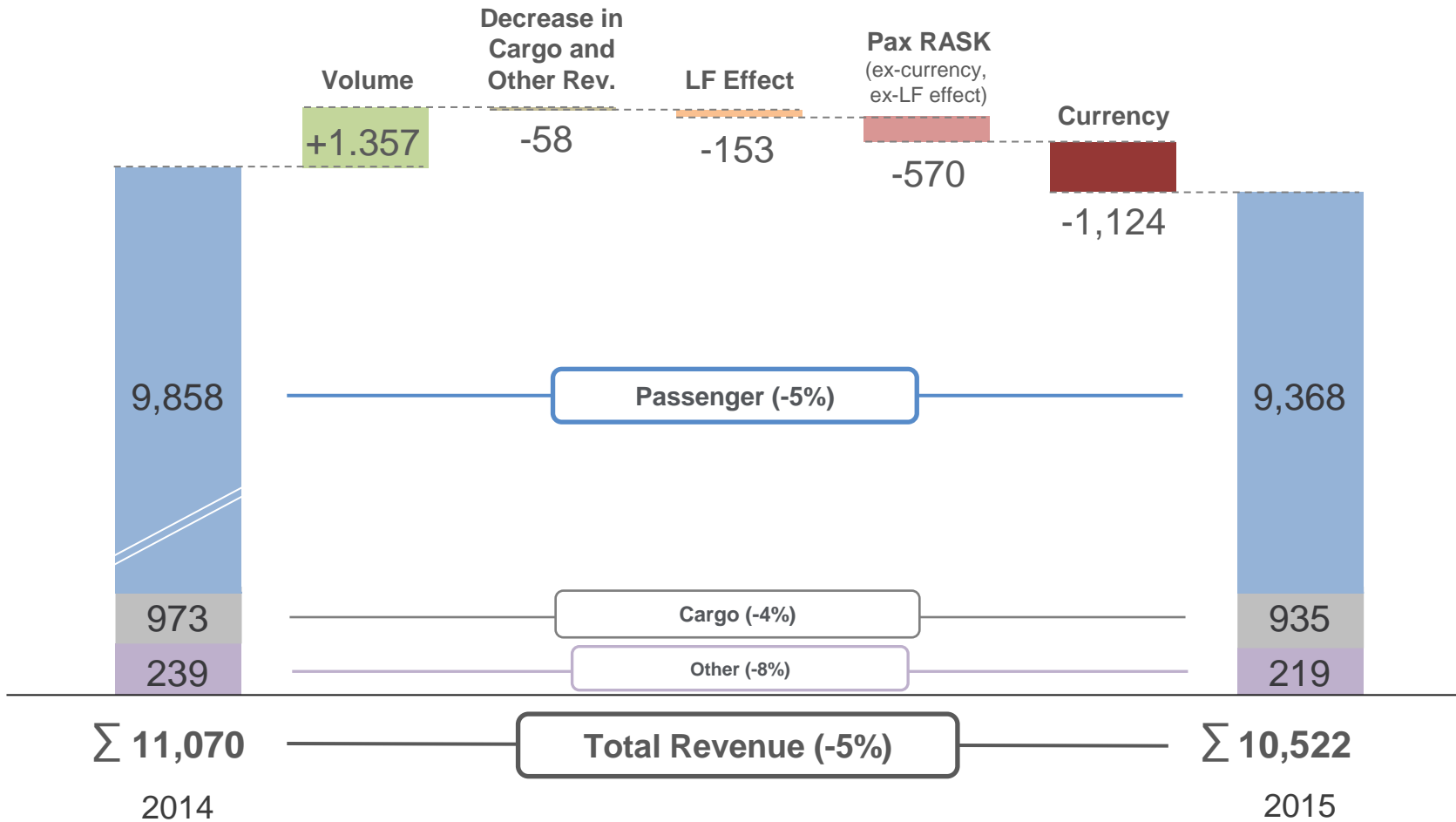
Revenue Development (4Q'14 vs 4Q'15)

(mn USD)



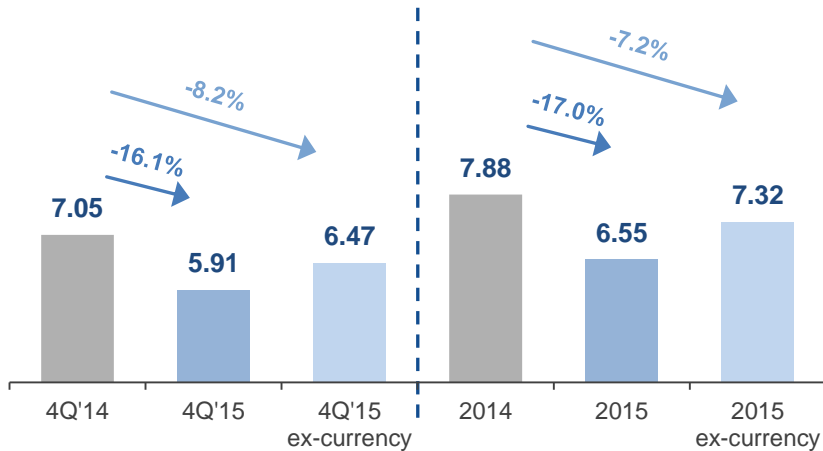
Revenue Development (2014 vs 2015)

(mn USD)

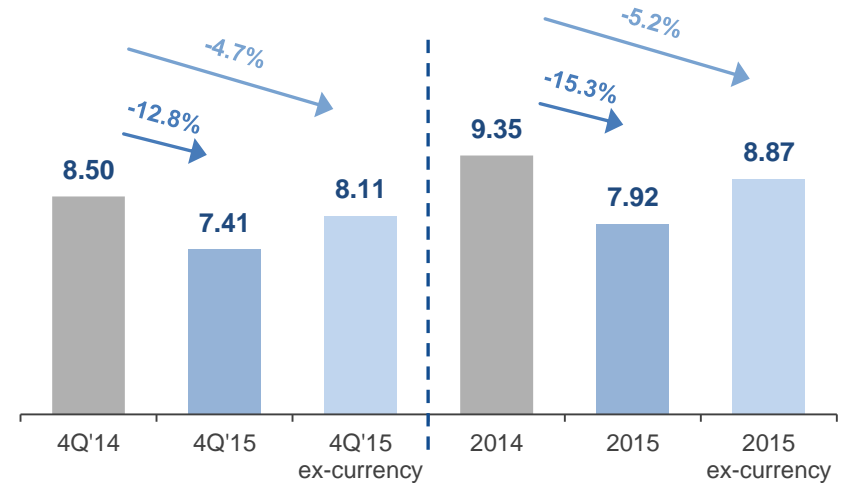


Unit Revenue Development

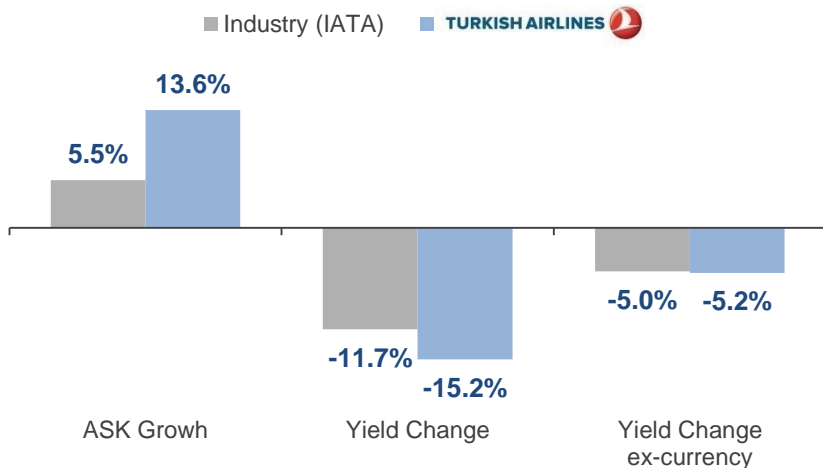
RASK (USc)



R/Y (USc)



Industry Comparison



- Lower fuel prices resulted in increased capacity supply, which lead to lower yields industry-wide
- Excluding currency impact, Turkish Airlines unit revenue decline was parallel to the industry despite **2.5x** capacity growth in 2015

Yield (R/Y): Passenger Revenue / RPK (Scheduled); RASK: Passenger and Cargo Revenue / ASK* (Scheduled-cargo adj.)

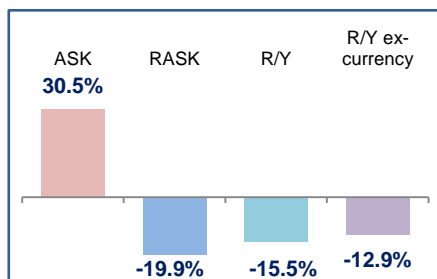
Source: IATA Industry Economic Performance (2015), Airlines Financial Monitor (Jan 2015).

WIDEN YOUR WORLD

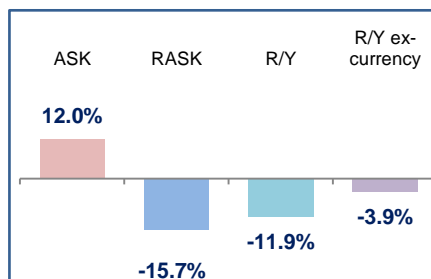


Regional Yield Development in USD (4Q'15 vs 4Q'14)

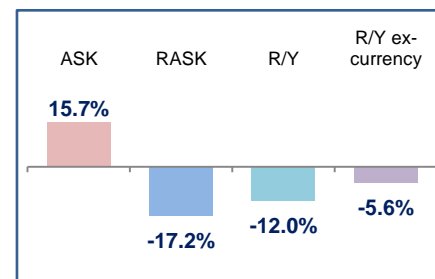
America



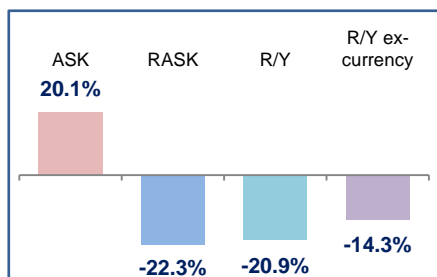
Europe & CIS



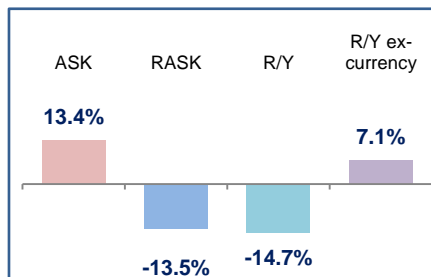
Asia / Far East



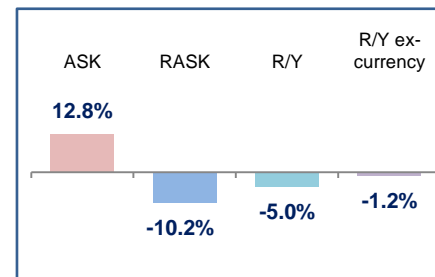
Africa



Domestic



Middle East



Trading Highlights for 4Q'15

- 16% systemwide capacity growth, highest in US and Africa
- Geopolitic risks and security concerns have pressured direct traffic into Turkey. Group cancellations from Europe, Russia, Japan and China were compensated by transfer traffic
- Weaker demand from Russia and Russia dependent economies, from oil producer countries and from regions with local currency depreciations
- Increased market capacity driven mostly by gulf, regional and local carriers

Trading Outlook for 1Q'16

Capacity growth:

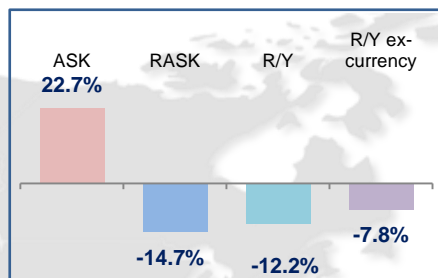
- Capacity growth plan of 26% in 1Q'16 yoy, may stay short due to weather cancellations and smaller aircraft for Russia routes

Forward booking trends indicate:

- 4Q'15 demand and trading environment unchanged
- Yield pressures in constant currency to continue
- Increased focus on international transfer and Turkey originated traffic

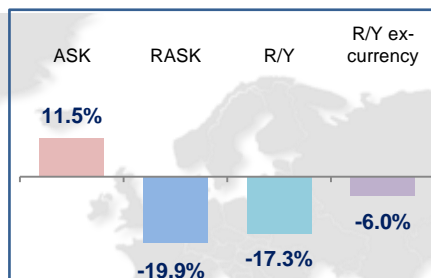
Regional Yield Development in USD (2015 vs 2014)

America



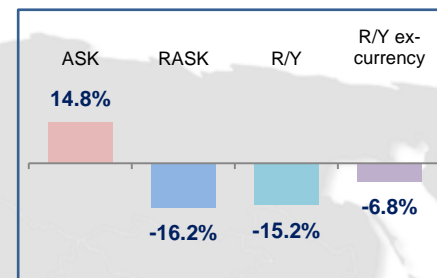
- 2 New Routes (San Francisco, Miami), capacity increases to NY and Chicago
- Increased market capacity
- Weaker direct traffic to Turkey, increased transfer traffic (lower yield)
- Depreciation of local currencies (Canada, South America)

Europe & CIS



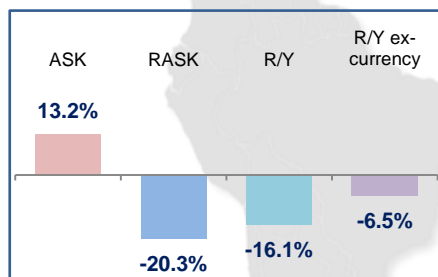
- 11 new routes inc. SAW
- Increased market capacity
- Depreciation of local currencies and Eur
- Weaker direct traffic to Turkey, increased transfer traffic (lower yield)
- Russia–Turkey market down 22% in 4Q
- Donetsk, Simferopol suspended, but pick-up on Ukraine routes in 4Q

Asia / Far East



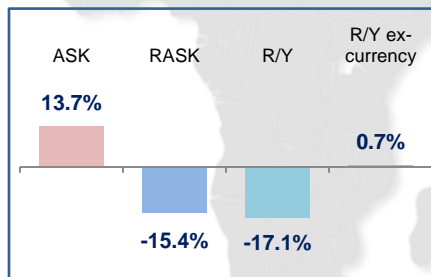
- 3 New Routes (Taipei, Manila, Hucend)
- Increased market capacity
- Depreciation of local currencies
- Weaker demand from Russia related Central Asia economies
- Weaker premium and corporate traffic from China
- Weaker direct traffic to Turkey

Africa



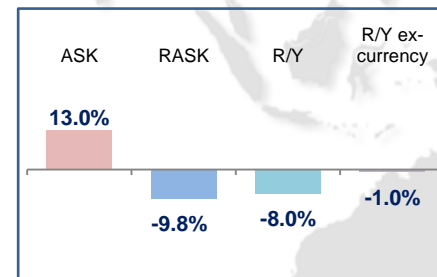
- 6 New Routes (Abuja, Bamako, Maputo, Durban, Antananarivo, Mauritius)
- Depreciation of local currencies
- Security issues and political unrest in Nigeria, Camerun, Chad, Kenya, Tunisia, Burkina Faso in 2015. Kenya and Nigeria traffic bounced back in 4Q'15.
- Increased market capacity from Gulf, but exits also occurred in some markets.
- Tripoli, Misrata, Benghazi suspended

Domestic



- Substantial capacity increase at SAW
- 6 new routes (Bursa, Kocaeli, Tokat, Ordu-Giresun, Uşak, Hakkari, Siirt)
- Weaker transfer traffic from international routes, compensated by increased local traffic
- Hakkari suspended

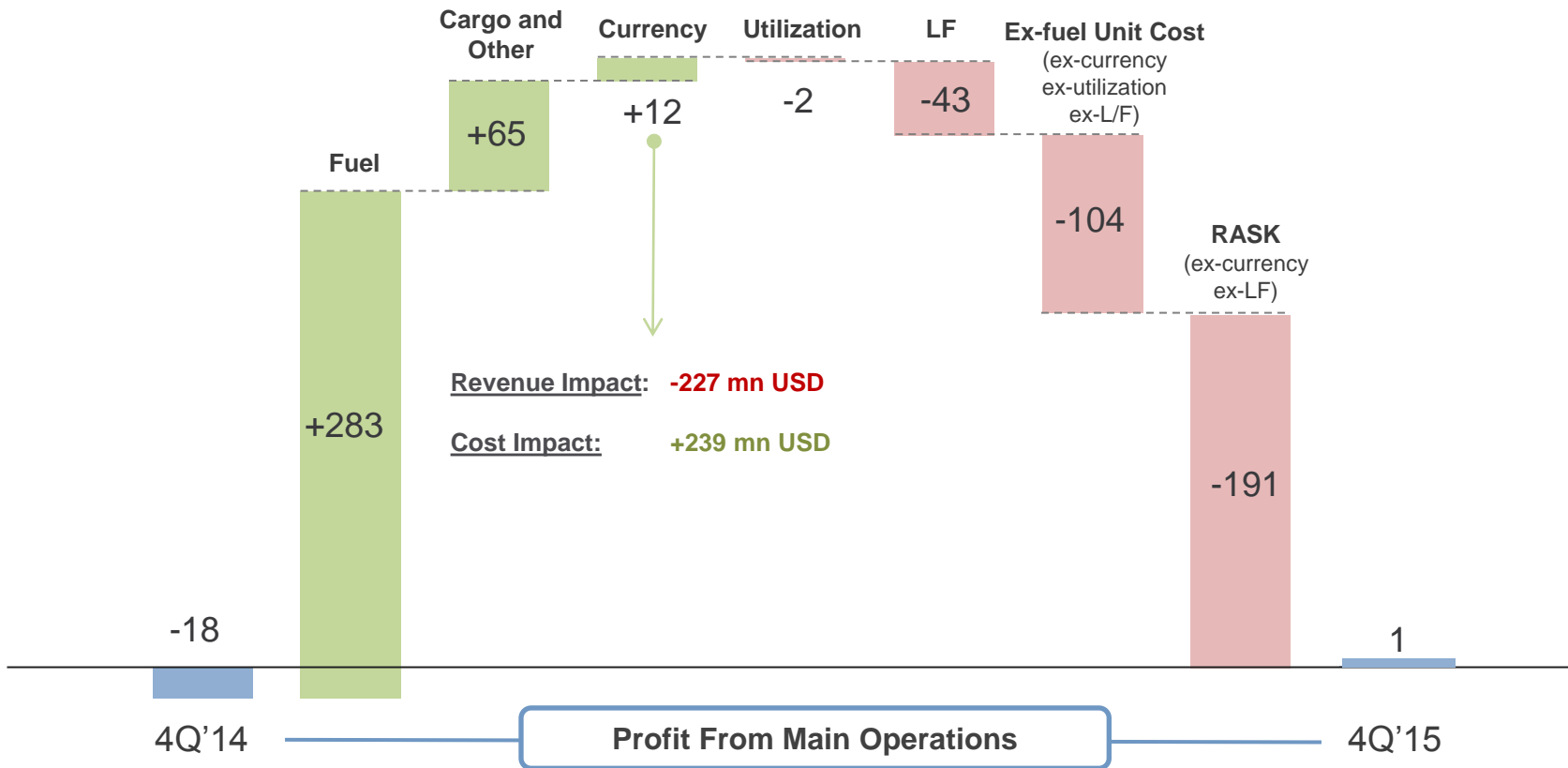
Middle East



- New routes at SAW and capacity increases at IST
- Significant pick-up of Tel Aviv, Egypt, Iraq traffic in 3Q
- Increased market capacity
- Musul, Sana'a, Aden suspended

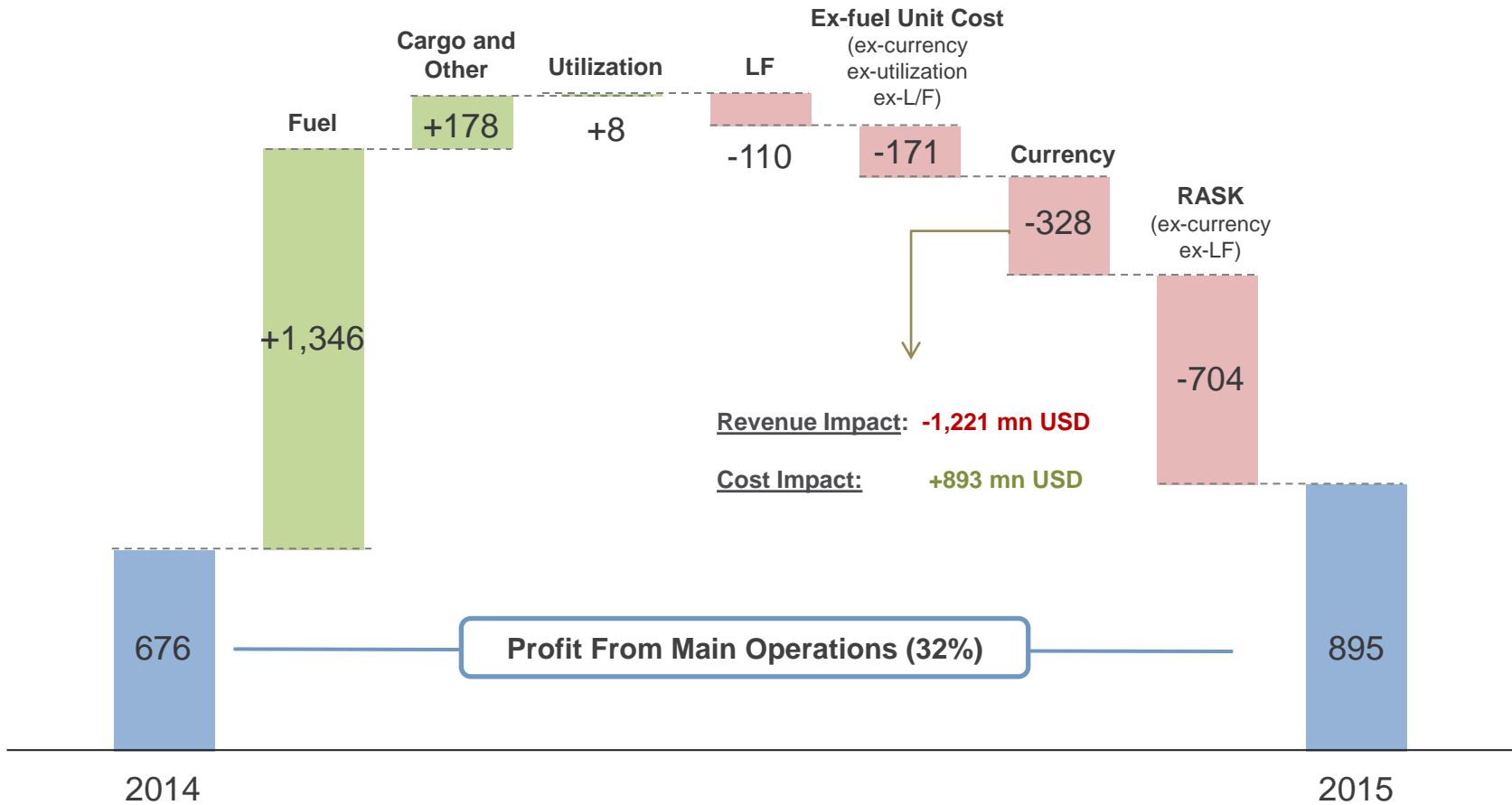
Operational Profit Bridge (4Q'14 vs 4Q'15)

(mn USD)



Operational Profit Bridge (2014 vs 2015)

(mn USD)



Operational Expense Breakdown

4Q'14	4Q'15	Change	(mn USD)	2014	2015	Change
865	707	-18.3%	Fuel	3,806	2,997	-21.3%
432	415	-3.9%	Personnel	1,694	1,640	-3.2%
306	387	26.5%	Aircraft Ownership ⁽¹⁾	1,286	1,420	10.4%
226	229	1.3%	Airports & Air Navigation	942	916	-2.8%
216	235	8.8%	Sales & Marketing	839	883	5.2%
159	154	-3.1%	Ground Handling	627	619	-1.3%
139	144	3.6%	Passenger Services & Catering	558	585	4.8%
111	177	59.5%	Maintenance ⁽²⁾	417	516	23.7%
25	28	12.0%	General Administration	89	91	2.2%
55	42	-23.6%	Other Cost of Sales	171	173	1.2%
2,534	2,518	-0.6%	TOTAL	10,429	9,840	-5.6%

ASK Growth: **16.0%**

ASK Growth: **13.6%**

Notes:

- (1) Increase in aircraft ownership is mainly related to increased aircraft depreciation resulting from the increase of wide body aircraft in the mix. In 4Q, there is an additional 20 mn USD of depreciation for maintenance resulting from decreasing depreciation life of some heavy maintenance from 6 years to 4 years.
- (2) Increase in maintenance in 4Q includes 25 mn USD of aircraft return maintenance, 15 mn USD costs relating to previous terms (maintenance reserve being short) and unit cost increase.

CASK Breakdown

4Q'14	4Q'15	Change	(USc)	2014	2015	Change
2.54	1.79	-29.5%	Fuel	2.82	1.96	-30.7%
1.27	1.05	-17.2%	Personnel	1.26	1.07	-14.8%
0.90	0.98	9.0%	Aircraft Ownership	0.95	0.93	-2.8%
0.66	0.58	-12.7%	Airports & Air Navigation	0.70	0.60	-14.4%
0.63	0.59	-6.2%	Sales & Marketing	0.62	0.58	-7.4%
0.47	0.39	-16.5%	Ground Handling	0.47	0.40	-13.1%
0.41	0.36	-10.7%	Passenger Services & Catering	0.41	0.38	-7.8%
0.33	0.45	37.5%	Maintenance	0.31	0.34	8.9%
0.07	0.07	-3.5%	General Administration	0.07	0.06	-10.0%
0.16	0.11	-34.2%	Other Cost of Sales	0.13	0.11	-11.0%
7.44	6.37	-14.3%	TOTAL	7.74	6.42	-17.0%

CASK ex-currency change: **-6.7%**

CASK ex-currency change: **-9.6%**

Ex-fuel CASK ex-currency change: **+5.4%**

(1)

Ex-fuel CASK ex-currency change: **+2.6%**

(1) Increase in Ex-Fuel CASK results from 4% increase in personnel, 3% increase in sales&marketing, 9% increase in catering for the full year 2015 which all reflect inflation on these items. Depreciation and maintenance results have been explained in previous page. All other items have declining unit costs in ex-currency terms.

Selected KPI's

4Q'14	4Q'15	Change		2014	2015	Change
900	649	-27.9%	Fuel Price (Usd/ton)	1,001	701	-29.9%
3.53	3.45	-2.3%	Fuel Consumption (lt) per 100 ASK	3.52	3.49	-1.1%
1,049	1,172	11.6%	Aircraft Ownership Cost per BH	1,103	1,096	-0.6%
381	536	40.8%	Maintenance Cost per BH	358	398	11.3%
1,567	1,376	-12.2%	Handling Cost per Landing	1,516	1,367	-9.9%
1,139	1,039	-8.8%	Airports & Air Navigation Cost per km Flown	1,190	1,059	-11.0%
10.43	9.74	-6.6%	Passenger Services & Catering Cost per Pax	10.18	9.55	-6.2%
9.8%	10.7%	1.0 pt	Sales & Marketing Cost / Passenger Revenue	8.5%	9.4%	0.9 pt

EBITDAR Calculation

4Q'14	4Q'15	Change	EBITDAR (mn USD)	2014	2015	Change
2,530	2,468	-2%	Sales Revenue	11,070	10,522	-5%
2,174	2,144	-1%	Cost of Sales (-)	9,030	8,420	-7%
356	324	-9%	GROSS PROFIT	2,040	2,102	3%
72	73	1%	General Administrative Expenses (-)	273	272	0%
288	301	5%	Marketing and Sales Expenses (-)	1,126	1,148	2%
-4	-50	-	NET OPERATING PROFIT	641	682	6%
9	53	489%	Other Operating Income	80	244	205%
23	2	-91%	Other Operating Expense (-)	45	31	-31%
-18	1	-	Profit from Main Operations	676	895	32%
23	19	-17%	Adjustments	132	144	9%
8	1	-88%	Share of Investments' Profit Accounted by Using The Equity Method	75	80	7%
15	18	20%	Income From Government Incentives	57	64	12%
5	20	300%	EBIT	808	1,039	29%
194	266	37%	Depreciation	743	924	24%
199	286	44%	EBITDA	1,551	1,963	27%
89	152	71%	Adjusted Operating Lease Expenses*	333	461	38%
31	34	9%	Adjusted Wet-lease Expenses**	201	157	-22%
319	472	48%	EBITDAR	2,085	2,580	24%
12.6%	19.1%	6.5 pt	EBITDAR MARGIN	18.8%	24.5%	5.7 pt

(*): Adjusted for A/C heavy maintenance

(**): Adjusted for A/C rent portion (Aprox. 55%)

Notes:

- (1) For the FY 2015 Turkish Technic's contribution to EBITDAR through consolidation is 315 mn USD, compared to 185 mn in FY2014.
- (2) For 4Q'15 adjustments for heavy maintenance of operational lease expenses were 92 mn USD compared to 33 mn USD in 4Q'14.

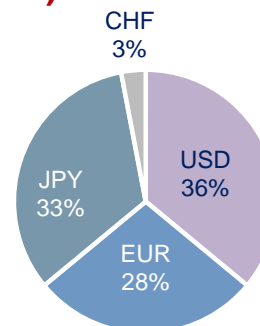
Currency Gains and Hedging Results on P&L

USD (in Million)	31.12.2015	
Net Operational Profit	682	
Other Operational Income/Expense		213
of which FX Gains from operating items (1)		108
Income from Investment Activities (Net)		101
Share of Subsidiaries Profit/Loss		80
Operating Profit	1,076	
FX Gains from Financing Activities (2)		283
FX Gains on Currency Hedging (3)		144
Interest Income		19
Interest Expense		-158
Other Financial Income/Expense		43
of which Fair value losses of derivative inst.(4)		-14
Profit Before Tax	1,407	
Tax		-338
Net Profit	1,069	

1) Fx Gains from Operational Activities

FX gains rise from operational balance sheet items such as trade receivables, payables or TRY liabilities to government most of which are realised gains.

2) Fx Gains from Financing Activities



FX gains rise from depreciation of EUR (\$264 mn), JPY (\$13 mn) and CHF (\$6mn) against USD, hence lowering USD debt levels.

3) Currency Hedging Results

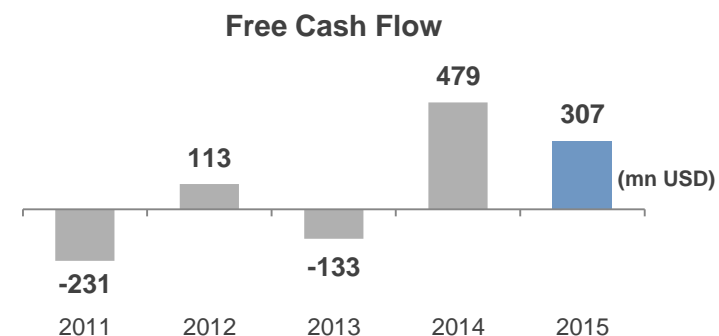
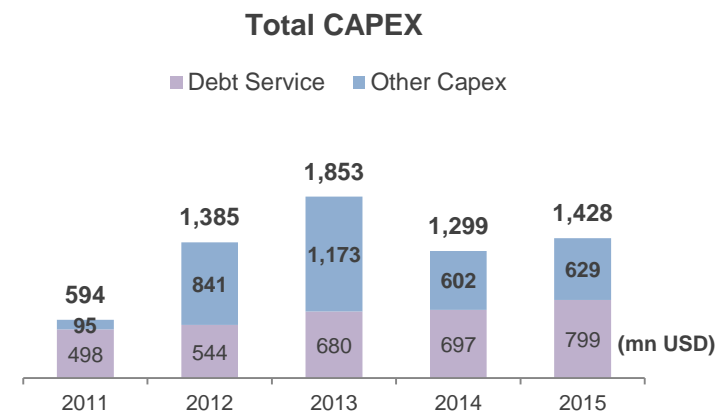
- Hedging short position on USD and TRY for 24 Months
- Target hedge levels: 30% for TRY, 25-35% for USD

4) Fair Value Losses on Hedging Contracts

Fair value gains/losses of hedging contracts are reflected to the balance sheet. Only ineffective portion of hedges (determined each quarter through an effectiveness test) are reflected to P&L. This item may fluctuate every quarter, but will normalise around this level.

Free Cash Flow Generation (2015)

(mn USD)	2015	Change
EBITDA	1,963	412
CAPEX	1,428	129
Payments for Fixed Assets	738	267
Net PDP for the Purchase of Aircrafts	-109	-240
Debt Service	799	102
Repayment of Financial Lease Liabilities	678	134
Interest Paid	121	-32
Change in Net Working Capital ⁽¹⁾	224	451
Current Tax Expense ⁽²⁾	4	4
Free Cash Flow	307	-172



Notes:

(1) Net Working Capital = Trade Receivables + Inventories - Trade Payables - Passenger flight liabilities

(2) Current Tax Expense item represents realized cash taxes; does not include the "deferred tax charge" in the P&L statement

TURKISH AIRLINES

2015 Results

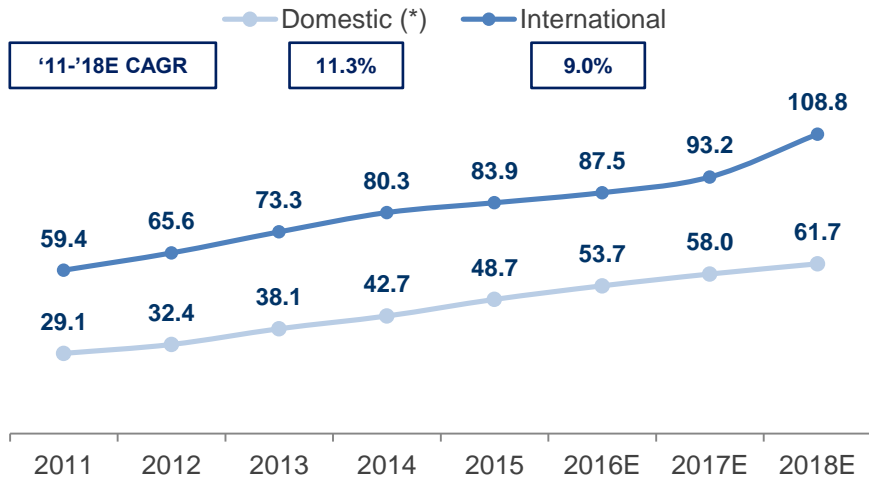


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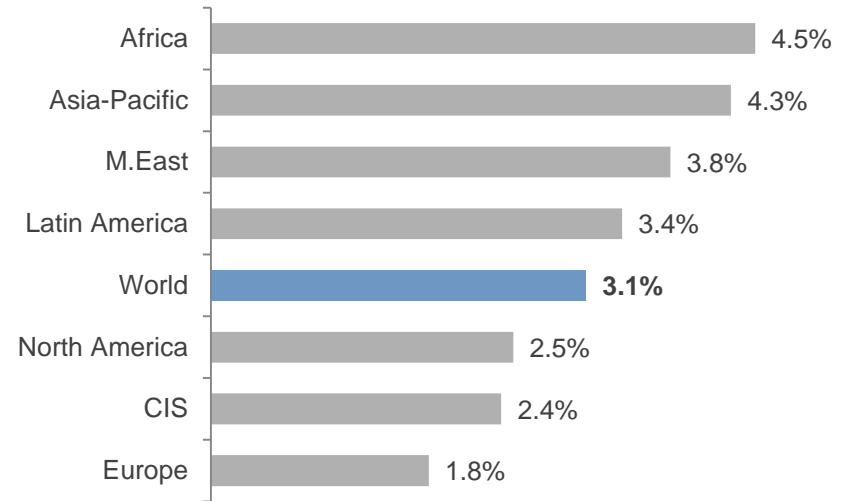
Aviation Market & Economy

Turkish Market Growth (mn pasengers)

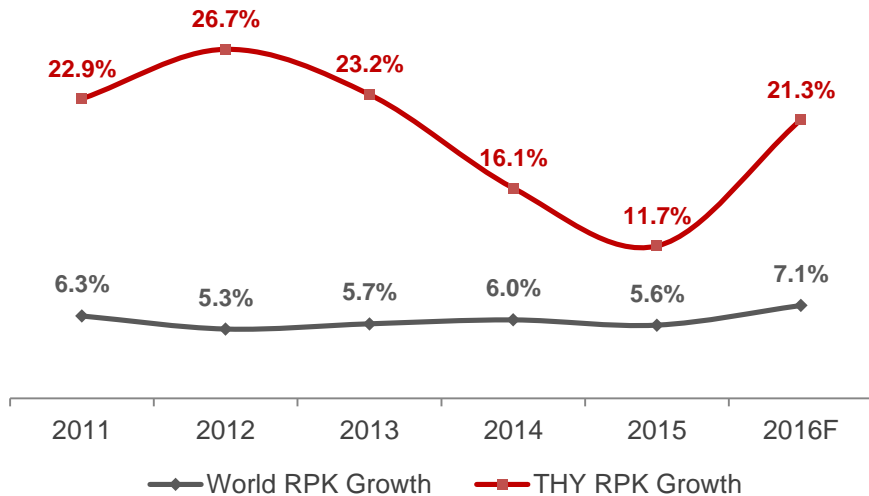


Source: General Directorate of State Airports Authority (DHMI)
 (*): Adjusted for double count on Domestic Pax

Annual GDP Growth Forecast (2015-2034)

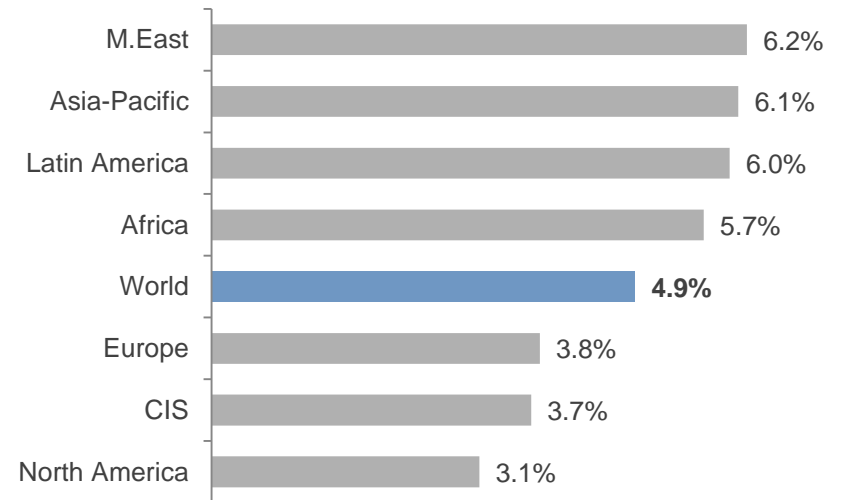


Annual RPK Growth (%)



Source: IATA

Annual RPK Growth Forecast (2015-2034)

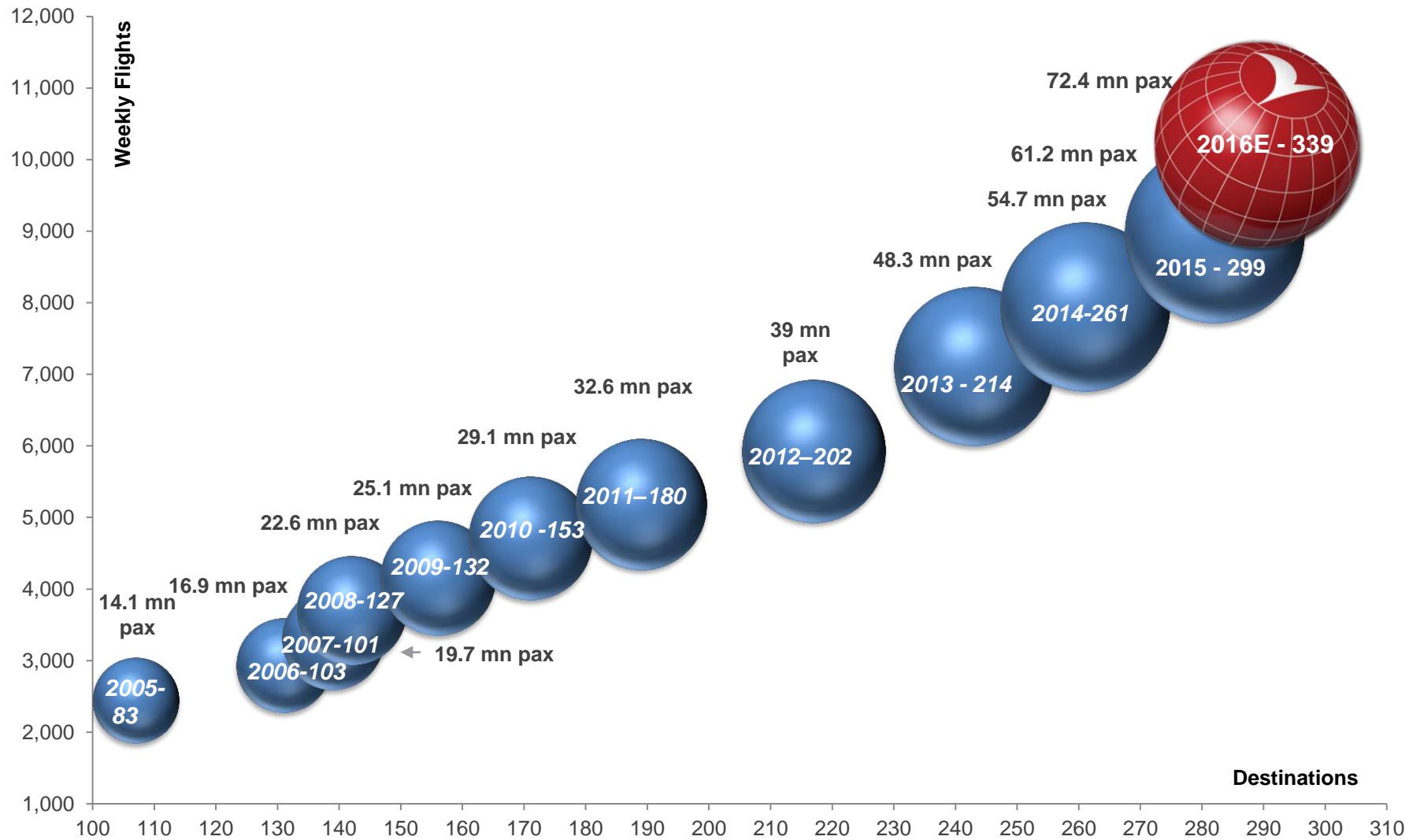


Source: Boeing Current Market Outlook

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Turkish Airlines Diagonal Growth



Destinations: 235* International, 49 Domestic Lines in 113 Countries

EUROPE

42 COUNTRIES, 107 CITIES

Germany	368	Spain	76	Hungary	28	Moldova	7
Frankfurt	52	Barcelona	28	Budapest	28	Chisinau	7
Berlin	46	Madrid	21	Bulgaria	25	Poland	5
Munich	46	Malaga	10	Sofia	14	Warsaw	5
Stuttgart	45	Bilbao	7	Varna	11	Belarus	4
Düsseldorf	38	Valencia	7	Romania	25	Minsk	4
Hamburg	35	Santiago de C.	3	Bucharest	21		
Cologne	28	Northern Cyprus	66	Constanta	4		
Hanover	24	Lefkosa	66	Czech Rep.	21		
Nuremberg	21	Switzerland	63	Prague	21		
Bremen	10	Zurich	28	Bosnia	18		
Friedrichshafen	7	Geneva	21	Sarajevo	18		
Leipzig	7	Basel	14	Finland	18		
Münster	5	Austria	54	Helsinki	18		
Baden-Baden	4	Vienna	40	Norway	18		
Italy	157	Salzburg	10	Oslo	18		
Milan	35	Graz	4	Albania	14		
Rome	35	Ukraine	50	Tirana	14		
Venice	25	Kiev	16	Croatia	14		
Bologna	17	Odessa	11	Zagreb	14		
Naples	14	Simferopol	7	Ireland	14		
Catania	9	Dnepropetrovsk	5	Dublin	14		
Turin	7	Kherson	4	Kosovo	14		
Genoa	5	Zaporijya	4	Pristina	14		
Pisa	5	Lviv	3	Macedonia	14		
Bari	5	Donetsk	0	Skopje	14		
France	94	Azerbaijan	45	Serbia	14	Future Routes	
Paris	42	Baku	35	Belgrade	14		
Lyon	14	Ganja	7	Portugal	18	Azerbaijan	
Nice	14	Nakhichevan	3	Lisbon	14	Lankaran	
Marseille	10	Netherlands	45	Porto	4	Poland	
Toulouse	7	Amsterdam	38	Malta	13	Krakow	
Bordeaux	7	Rotterdam	7	Malta	13	France	
UK	92	Belgium	42	Montenegro	10	Nantes	
London	59	Brussels	42	Podgorica	10	Germany	
Manchester	21	Denmark	42	Slovenia	10	Kassel	
Birmingham	12	Copenhagen	28	Ljubljana	10	Ukraine	
Russia	90	Aalborg	7	Scotland	9	Kharkiv	
Moscow	42	Billund	7	Edinburg	9	Ivna-Frankivsk	
Sochi	10	Georgia	38	Estonia	7	Spain	
Kazan	7	Tbilisi	28	Tallinn	7	La Coruna	
St. Petersburg	7	Batumi	10	Latvia	7	Russia	
Ufa	6	Greece	35	Riga	7	Makhachkala	
Rostov	4	Athens	21	Lithuania	7	Croatia	
Astrakhan	4	Thessaloniki	14	Vilnius	7	Dubrovnik	
Ekaterinburg	4	Sweden	35	Luxemburg	7	Slovakia	
Novosibirsk	3	Stockholm	21	Luxemburg	7	Kosice	
Strawopol	3	Gothenburg	14				

AFRICA

31 COUNTRIES, 48 CITIES

Egypt	42	Sudan	7
Cairo	21	Khartoum	7
Alexandria	7	Uganda	7
Hurghada	7	Entebbe	7
Sharmel-Sheikh	7	Burkina Faso	6
Algeria	35	Ougadougou	6
Algiers	21	Mauritania	6
Oran	7	Nouakchott	6
Constantine	3	Senegal	6
Tlemcen	2	Dakar	6
Batna	2	Congo	5
South Africa	18	Kinshasa	5
Cape Town	7	Gabon	5
Johannesburg	7	Libreville	5
Durban	4	Niger	5
Nigeria	16	Niamey	5
Lagos	7	Cote D'Ivoire	4
Abuja	5	Abidjan	4
Kano	4	Chad	4
Cameroon	14	N'Djamena	4
Douala	7	Benin	4
Yaounde	7	Cotonou	4
Kenya	14	Eritrea	3
Mombasa	7	Asmara	3
Nairobi	7	Madagascar	3
Tanzania	14	Antananarivo	3
Dar Es Selaam	7	Mali	3
Kilimenjaro	7	Bamako	3
Tunisia	14	Mauritius	3
Tunis	14	Port Louis	3
Djibouti	7	Mozambique	3
Djibouti	7	Maputo	3
Ethiopia	7		
Addis Ababa	7	Future Routes	
Ghana	7		
Accra	7	Angola	
Libya	7	Luanda	
Misurata	7	Egypt	
Benghazi	-	Aswan	
Sebha	-	Luxor	
Tripoli	-	Guinea	
Morocco	7	Conakry	
Casablanca	7	South Sudan	
Rwanda	7	Juba	
Kigali	7		
Somalia	7		
Mogadishu	7		

MIDDLE EAST

13 COUNTRIES, 34 CITIES

Saudi Arabia	97	Lebanon	21
Jeddah	28	Beirut	21
Madinah	21	UAE	18
Dammam	17	Dubai	14
Riyadh	14	Abu Dhabi	4
Yanbu	10	Jordan	17
El Qassim	4	Amman	14
Taif	3	Akabe	3
Iran	67	Qatar	14
Tehran	33	Doha	14
Mashad	7	Yemen	14
Shiraz	7	Aden	7
Tabriz	7	Sanaa	7
Isfahan	5	Bahrain	10
Kermanshah	4	Bahrain	10
Ahvaz	4	Oman	7
Israel	56	Muscat	7
Tel Aviv	56	Syria	-
Iraq	51	Aleppo	-
Baghdad	14	Damascus	-
Erbil	14		
Basra	10		
Sulaymaniyah	8		
Najaf	5	Future Routes	
Mosul	0		
Kuwait	42	Saudi Arabia	
Kuwait	42	Abha	

AMERICAS

4 COUNTRIES, 12 CITIES

USA	68	Brazil	7
New York	21	Sao Paulo	7
Boston	7	Future Routes	
Chicago	7		
Houston	7	USA	
Los Angeles	7	Atlanta	
Miami	7	Colombia	
Washington	7	Bogota	
San Francisco	5	Cuba	
Canada	9	Havana	
Toronto	6	Mexico	
Montreal	3	Mexico City	
Argentina	7	Venezuela	
Buenos Aires	7	Caracas	
		Panama	
		Panama	

FAR EAST

22 COUNTRIES, 34 CITIES

China	34	Bangladesh	7
Beijing	7	Dhaka	7
Guangzhou	7	Indonesia	7
Shanghai	7	Jakarta	7
Taipei	7	Maldives	7
Hong Kong	6	Male	7
Japan	21	Malaysia	7
Tokyo	14	Kuala Lumpur	7
Osaka	7	Nepal	7
Kyrgyzstan	19	Kathmandu	7
Bishkek	15	Singapore	7
Osh	4	Singapore	7
Kazakhstan	15	Sri Lanka	7
Almaty	10	Colombo	7
Astana	5	Uzbekistan	7
India	14	Tashkent	7
Mumbai	7	Vietnam	7
New Delhi	7	Ho Chi Minh	7
Pakistan	14	Tajikistan	5
Karachi	7	Dushanbe	3
Islamabad	4	Khujand	2
Lahore	3	Philippines	3
Thailand	14	Manila	3
Bangkok	14	Mongolia	3
Turkmenistan	14	Ulaanbaatar	3
Ashgabad	14		
South Korea	11	Future Routes	
Seoul	11		
Afghanistan	10	Vietnam	
Kabul	7	Hanoi	
Mazar-i Sharif	3		

DOMESTIC

49 CITIES

Routes Opened in 2015

Ahvaz	Manila
Abuja	Taipei
San Francisco	Bari
Porto	Kocaeli
Bamako	Ordu - Giresun
Graz	Tokat
Baden-Baden	Uşak
Khujand	Miami
Maputo	Durban
Port Louis	Antananarivo
Bursa	Hakkari
Zaporijya	Siirt

* As of 31.12.2015

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ 196 out of 235 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

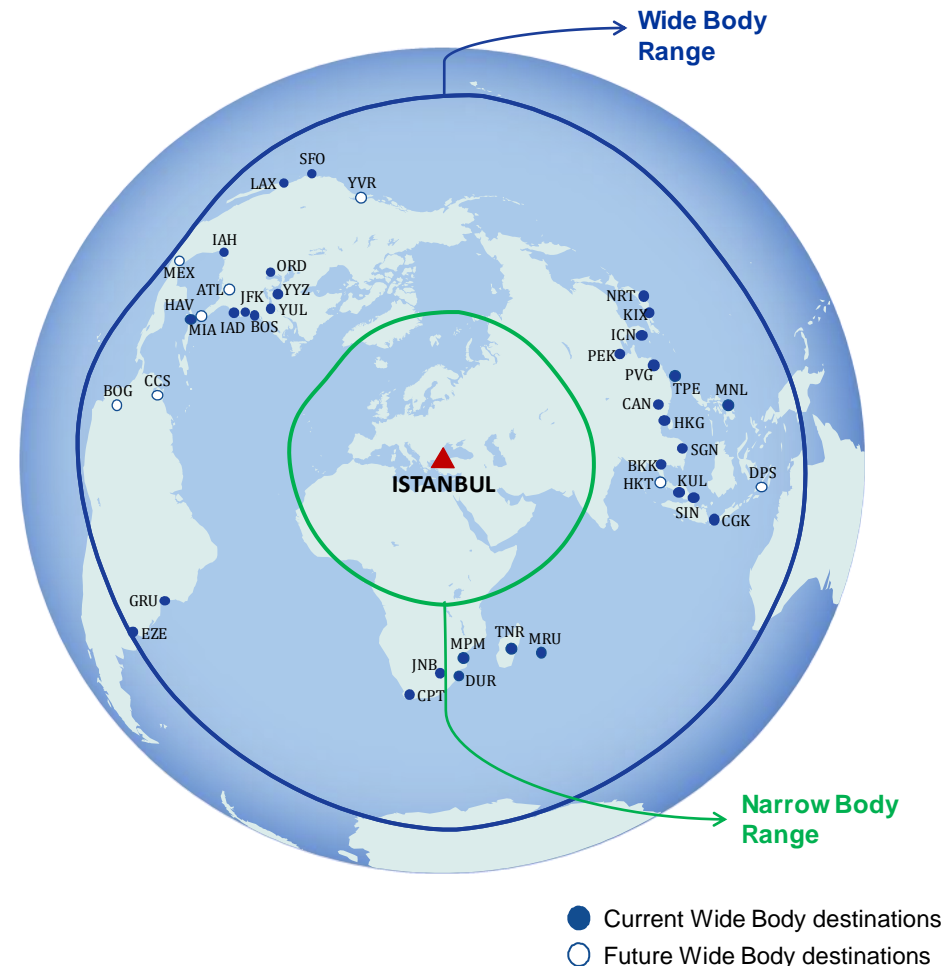
Highest Coverage of Non-Hub Cities

We fly to 42 of the Global Top 50 Hub Airports...

	Outside Top 50 Hubs	Among Top 50 Hubs	# of Total Int'l Airports	Int'l Pax Coverage (%)
THY	193	42	235	76.9%
British Airways	116	43	159	77.6%
Lufhansa	97	44	141	78.1%
Emirates	91	41	132	74.0%
Air France	84	39	123	67.1%

* Atlanta route to open in May 2016.

Source: Passenger data from IATA, route data from OAG. Retrieved on 2 November 2015.



Highest Connectivity for Europe, Africa and Middle East

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

Europe to the World

Turkish Airlines	19,250
Lufthansa	8,550
British Airways	8,544

Middle East to the World

Turkish Airlines	8,330
Qatar Airways	2,912
Lufthansa	2,124

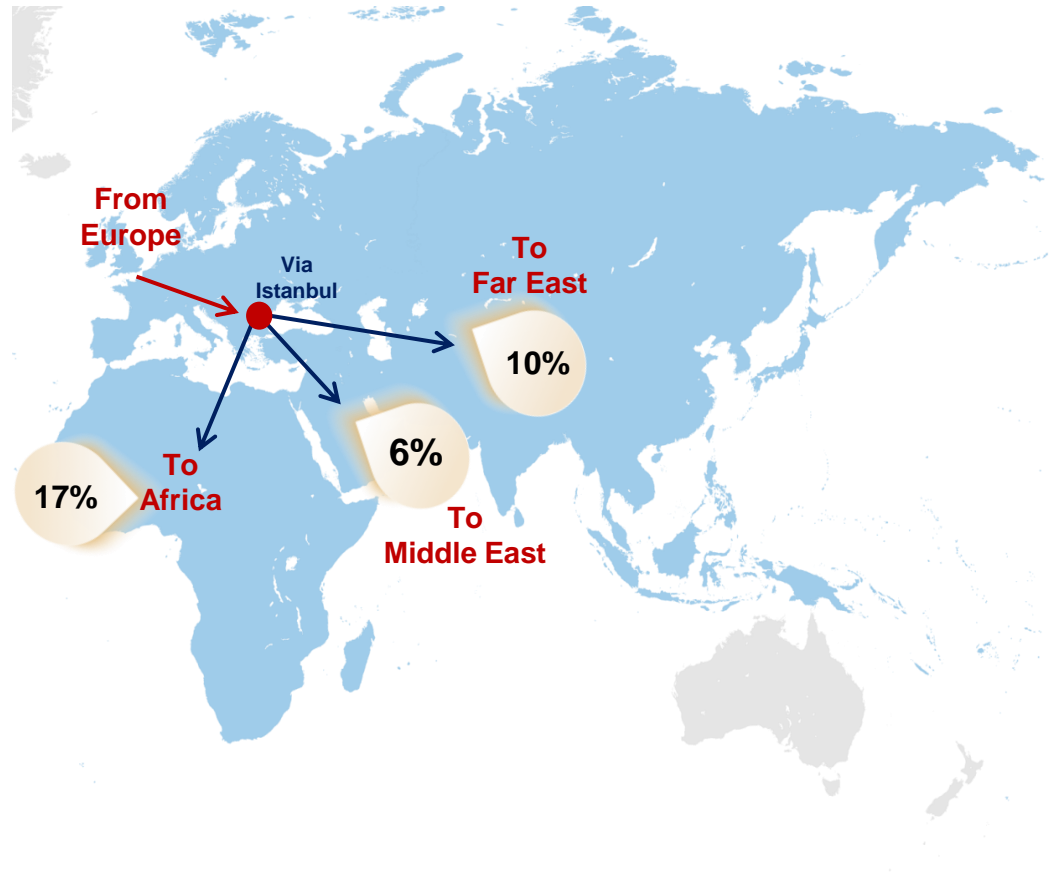
Africa to the World

Turkish Airlines	10,530
Air France	4,386
British Airways	3,006

Far East to the World

United Airlines	9,030
Turkish Airlines	8,330
Delta	5,100

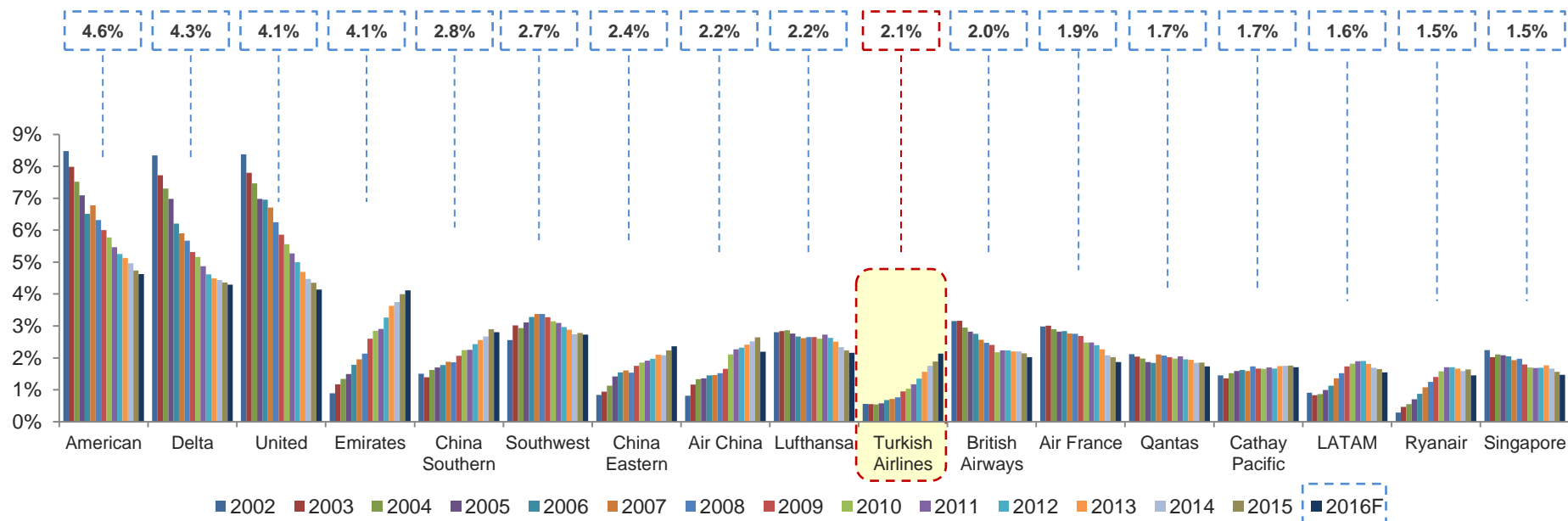
Detour* Advantage



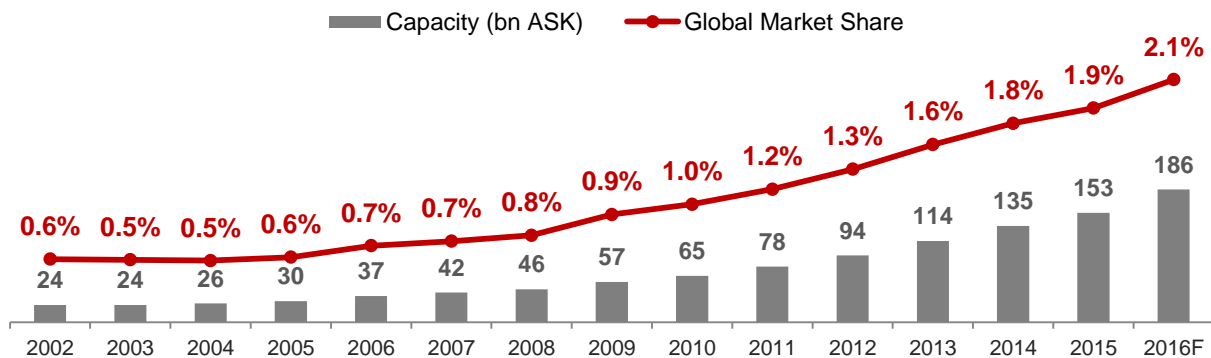
* Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities
Source: Retrieved from OAG on 2 November 2015.

About to become the 10th Largest Airline in the World

Global Market Share Trends (in ASK)



Turkish Airlines Market Share Development

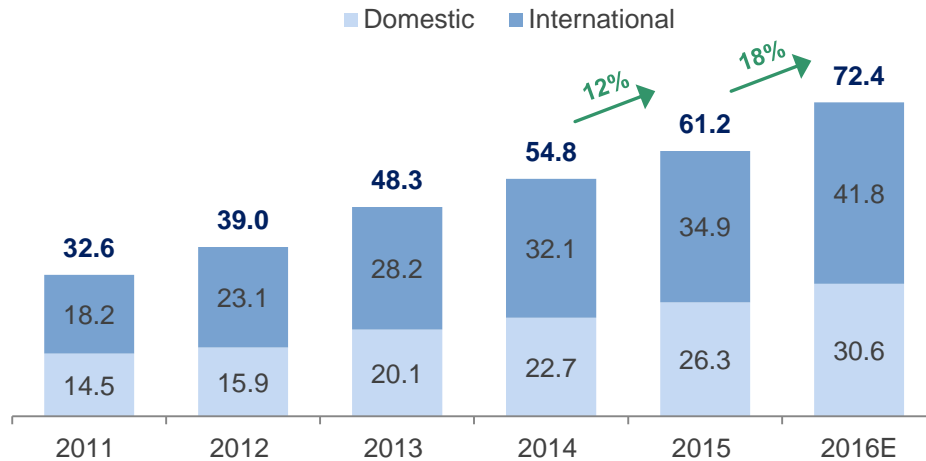


Notes: For US carriers regional flights are excluded. Wholly owned subsidiaries are included in the calculation. 2016 capacities are obtained from OAG on 12 February 2016. Lufthansa figures include Lufthansa Passenger Airline and germanwings.

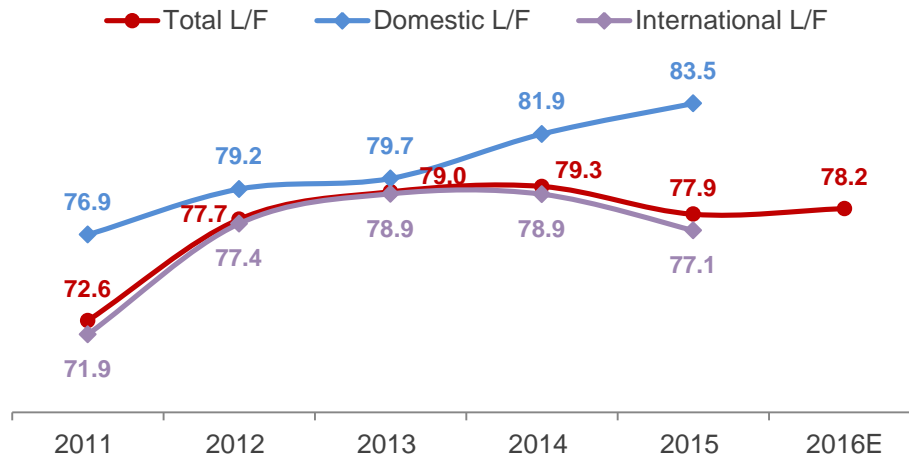
Source: 2002 ICAO, 2003-2015 IATA, 2016F OAG, company reports, ATW, AEA, sorted by 2016F ASK values.

Passenger Traffic

Total Passengers (mn)



Load Factor (L/F %)



THY Passenger Traffic

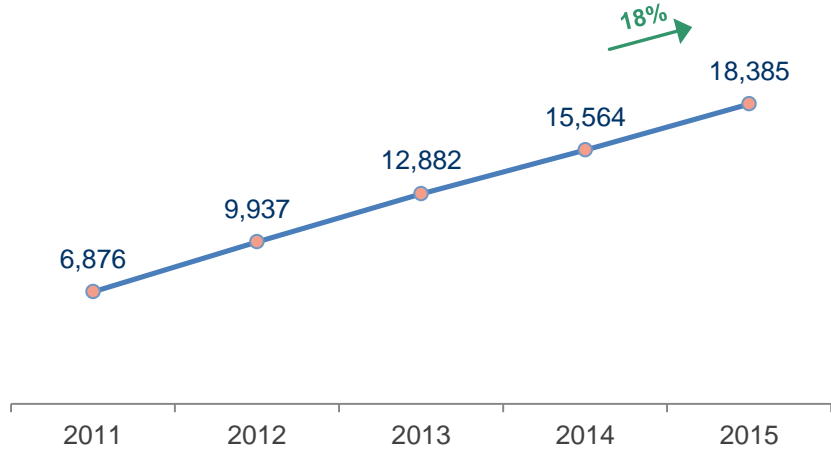
	2014	vs	2015
Landing		up by	9.6%
ASK		up by	13.6%
RPK		up by	11.7%
Passenger #		up by	11.8%
L/F		down by	-1.4 pt

Annual Changes (%)

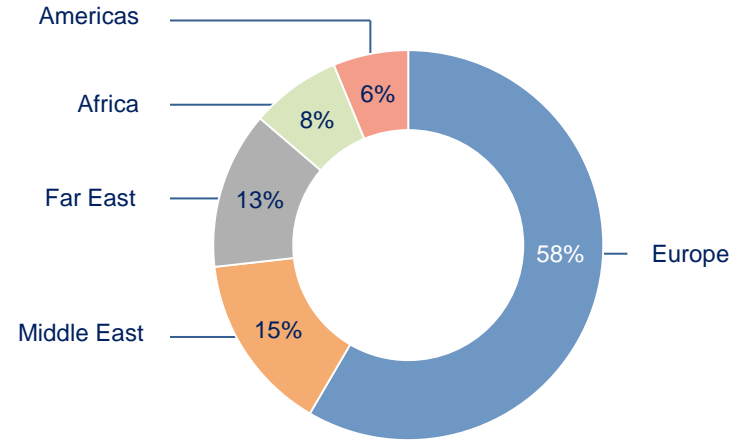
	2011	2012	2013	2014	2015	2016E
ASK	25%	18%	21%	16%	14%	22%
RPK	23%	27%	23%	16%	12%	22%
PAX	12%	20%	24%	14%	12%	18%
L/F (pt)	-1.1	+5.1	+1.4	+0.3	-1.4	+0.3

Passenger Breakdown (2015)

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

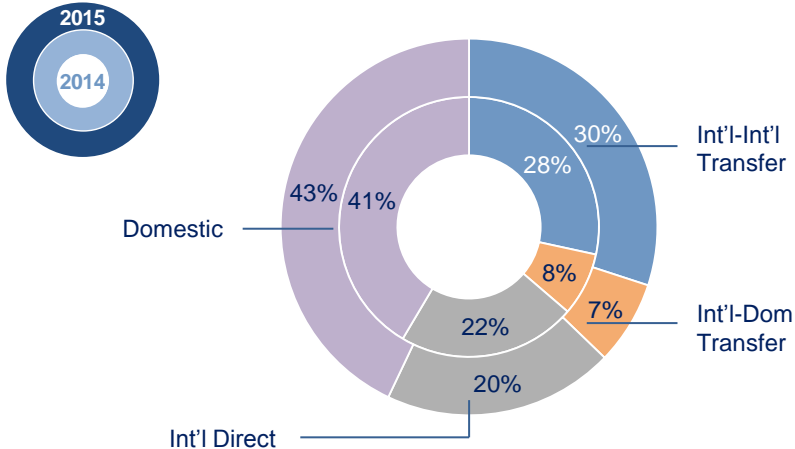


Int'l Passenger Breakdown by Geography



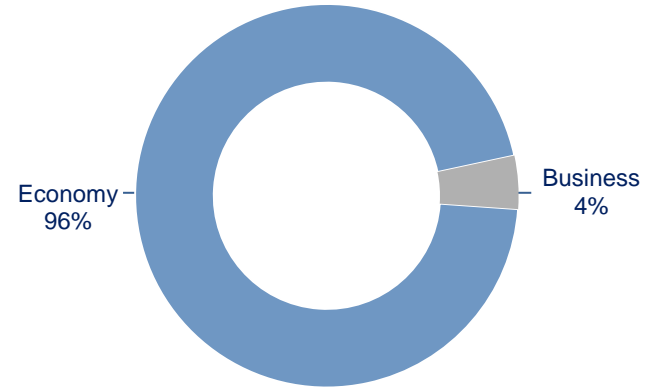
Note: Includes only scheduled passengers.

Passenger Breakdown by Transfer Type



Note: Int'l to int'l transfer passengers' share in total international passengers is 53%.

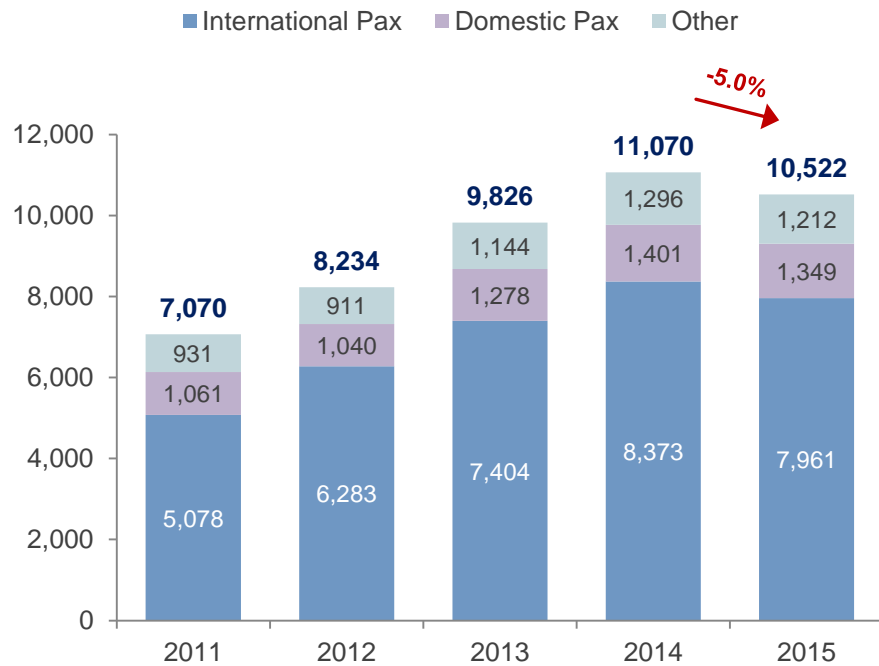
Passenger Breakdown by Cabin Class



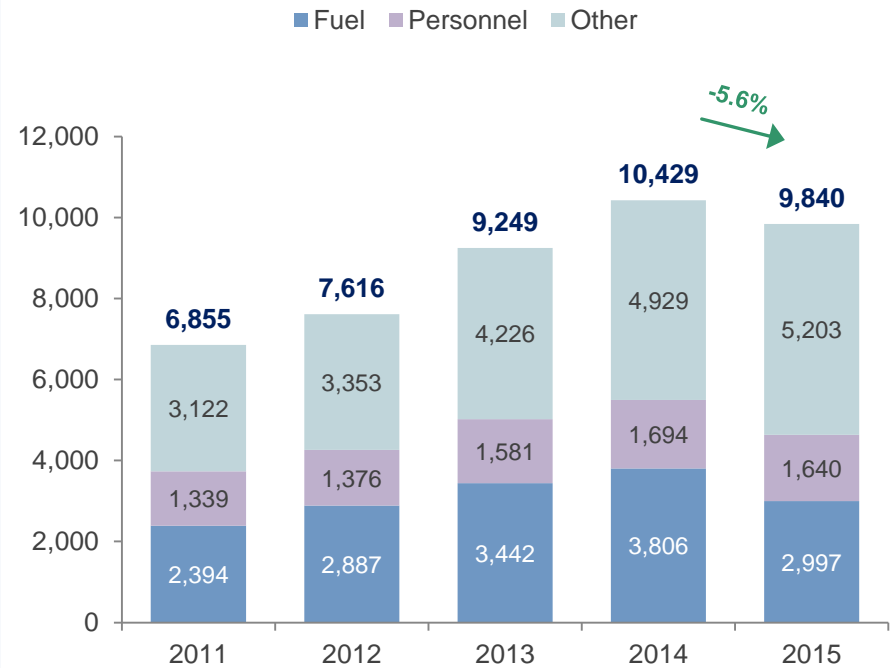
Note: Includes only scheduled passengers. Business class passengers include comfort class passengers. (0.4 %)

Total Revenue and Expenses

Revenues (mn USD)



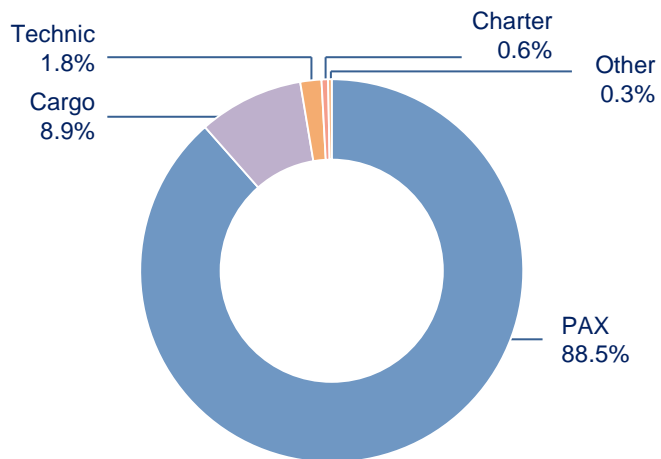
Expenses (mn USD)



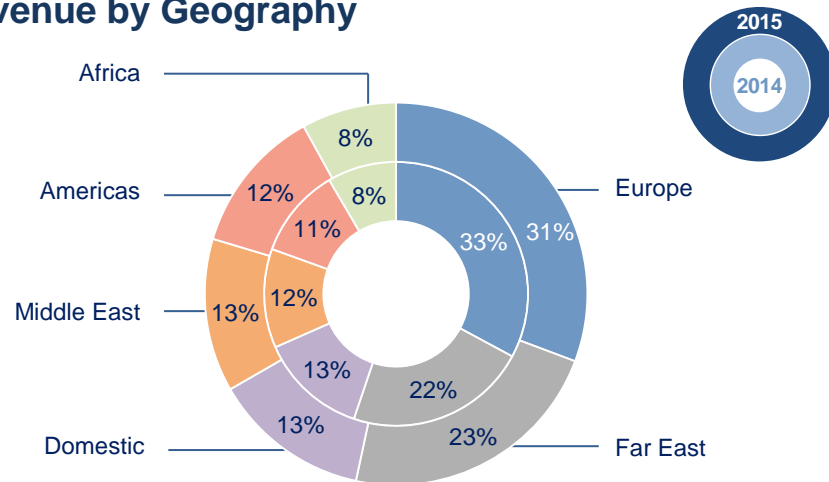
Note: Other revenue includes cargo, charter and other revenue

Revenue Breakdown (2015)

Revenue by Business Type

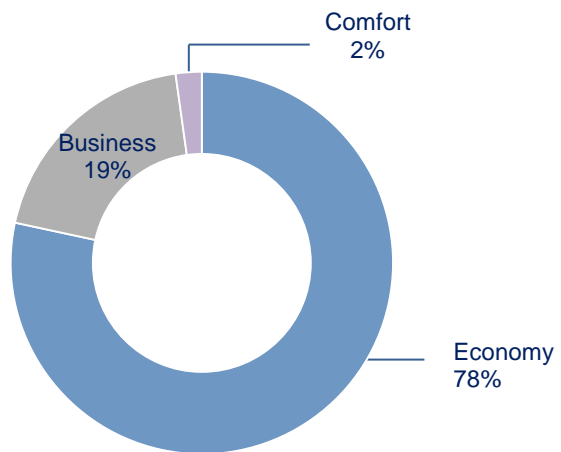


Revenue by Geography

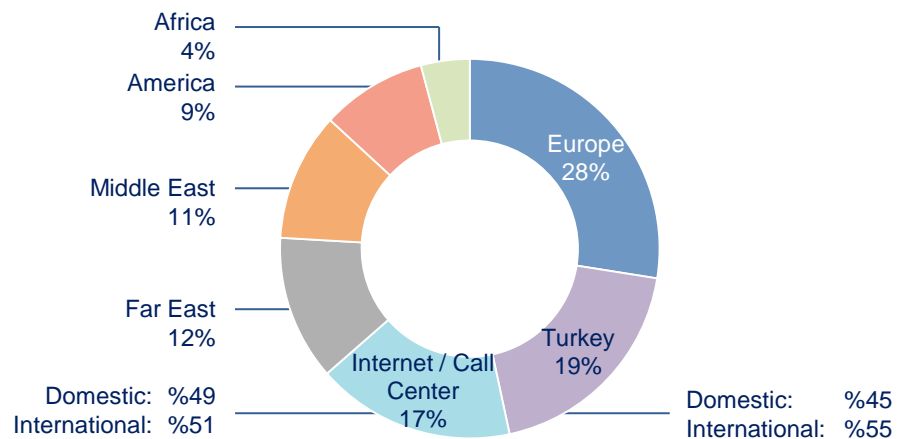


Note: Includes scheduled passenger and cargo revenue

Revenue by Passenger Class



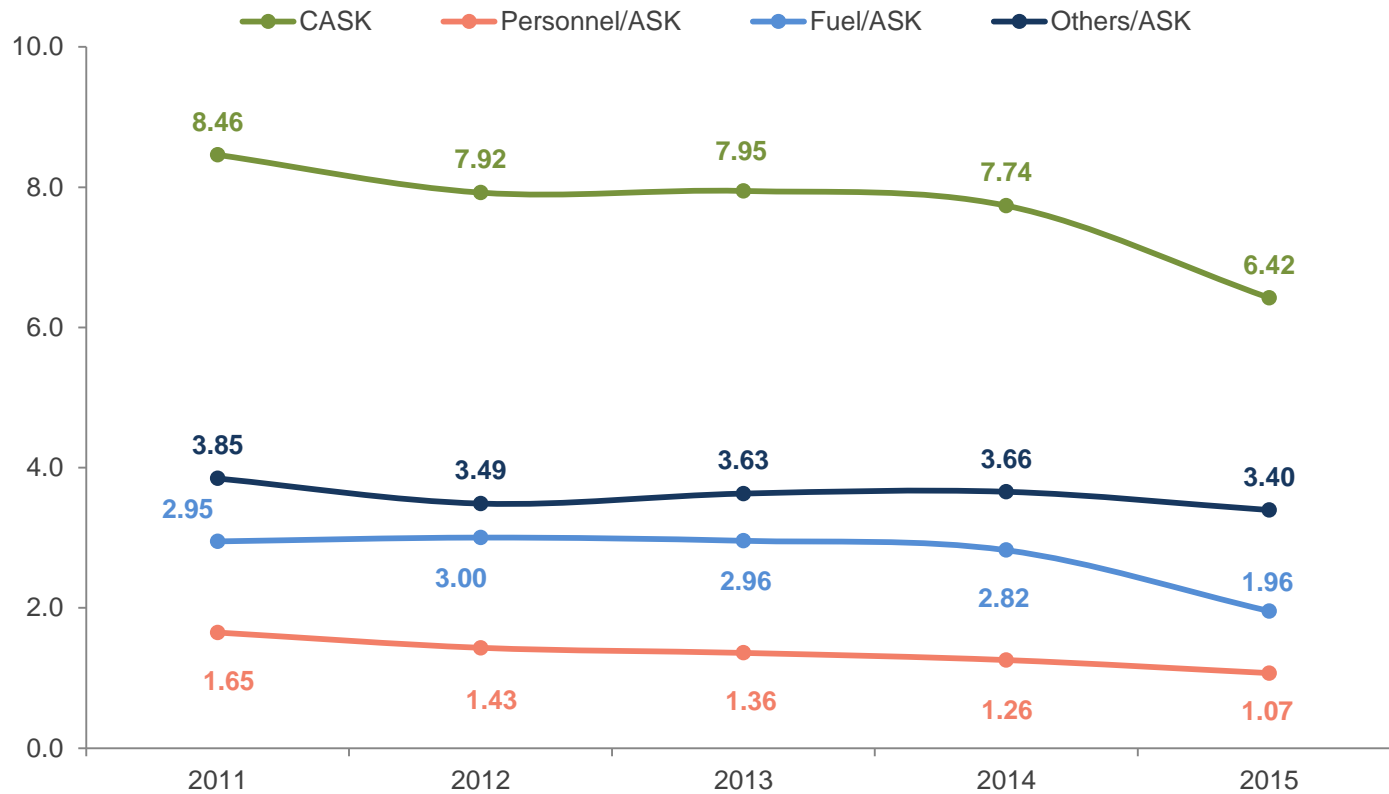
Revenue by Point of Sale



Note: Includes only scheduled passenger revenue

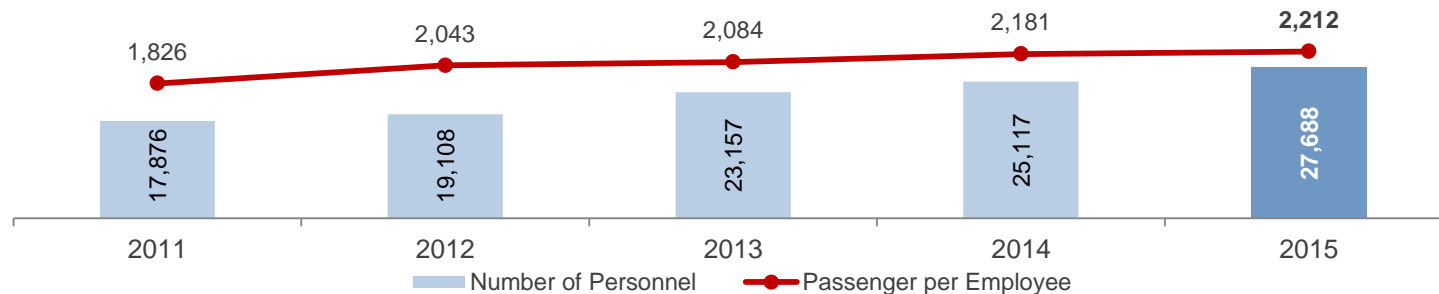
Unit Operating Costs

Cost Per ASK (Usc)



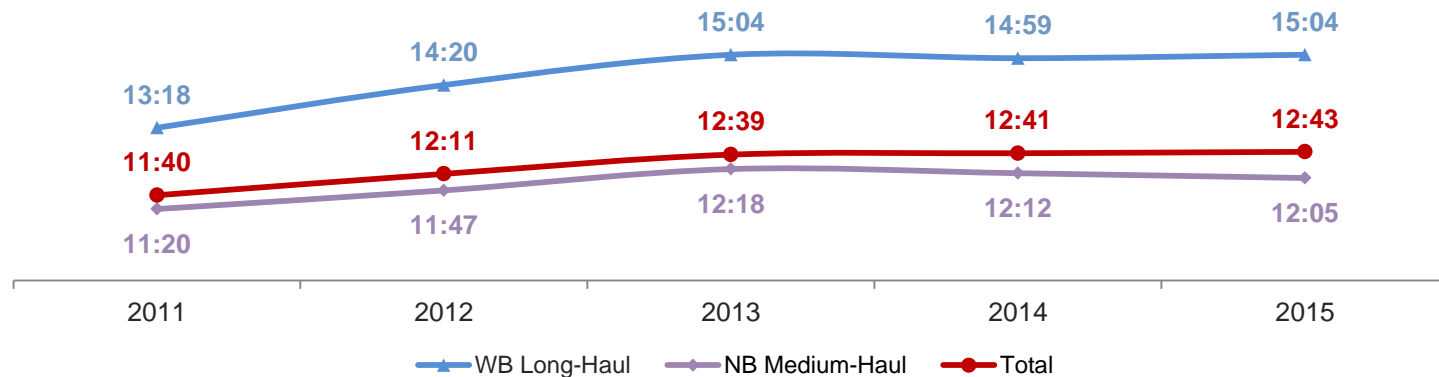
Operating Efficiency

Personnel Efficiency

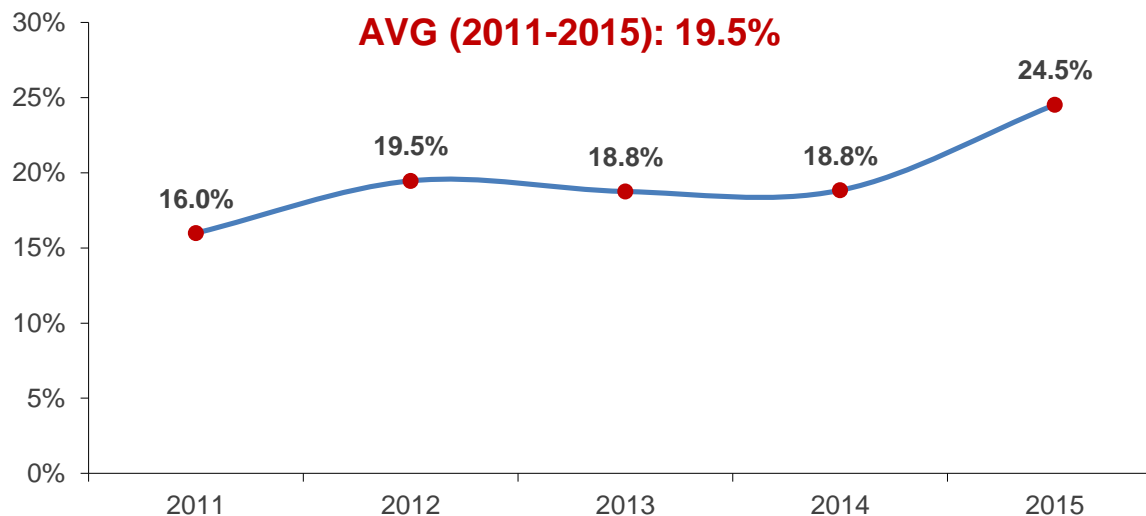


* THY Technic, THY Habom and THY Aydın Çıldır Personnel is included.

Average Daily Flight Utilization (hrs)



EBITDAR Margin

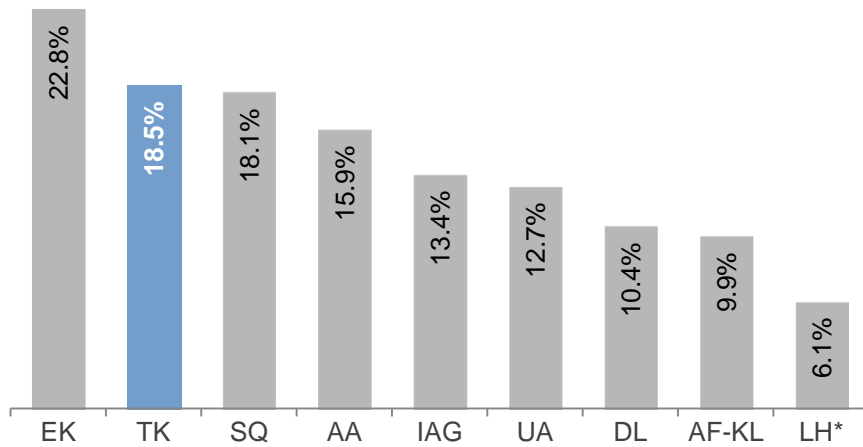


(mn USD)	2011	2012	2013	2014	2015	YoY Change
Revenue	7,070	8,234	9,826	11,070	10,522	-5.0%
Net Income	11	657	357	845	1,069	26.5%
Net Income Margin	0.2%	8.0%	3.6%	7.6%	10.2%	2.5 pt
EBIT	277	691	755	808	1,039	28.6%
EBIT Margin	3.9%	8.4%	7.7%	7.3%	9.9%	2.6 pt
EBITDAR	1,130	1,603	1,843	2,085	2,580	23.8%
EBITDAR Margin	16.0%	19.5%	18.8%	18.8%	24.5%	5.7 pt

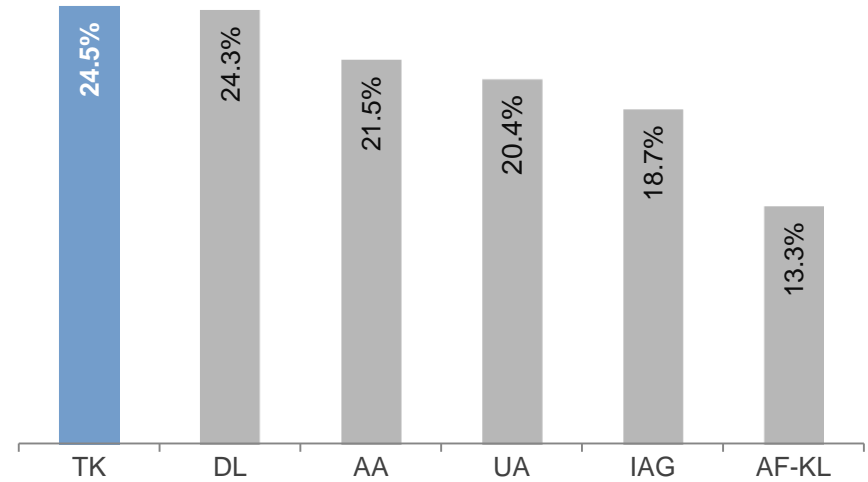
Peer Group vs Turkish Airlines Profitability

EBITDAR Margin % Comparison

2014 Annual



2015

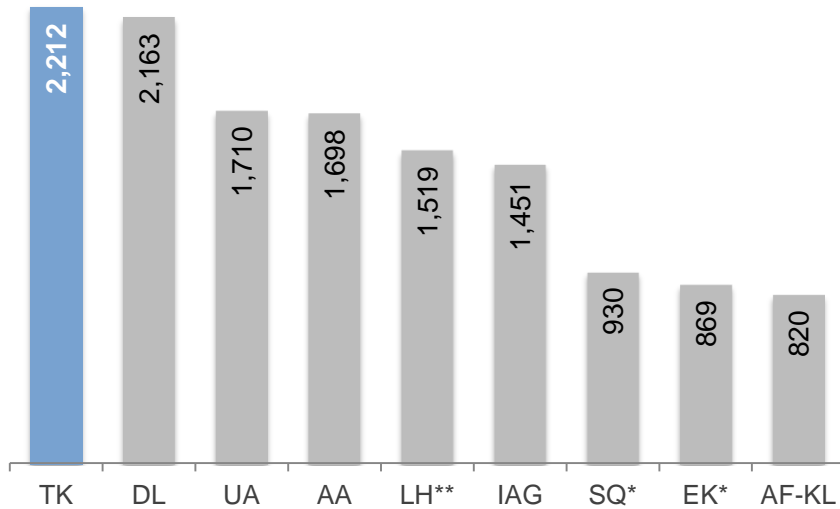


* Lufthansa Passenger Airlines FY15 results yet to be published.

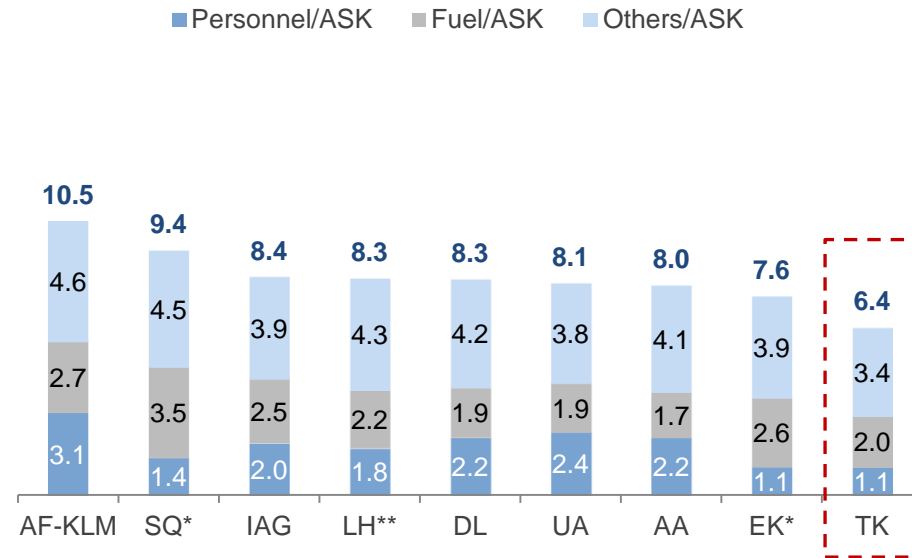
Source: Calculated based on public company reports.

Peer Group vs Turkish Airlines Efficiency

PAX Per Personnel (2015)



Cost Per ASK (Usc) 2015



* FY14 Results

** Lufthansa Passenger Airlines

Source: Calculated based on public company reports.

Current Fleet

31.12.2015	Type	Total	Owned	Financial Lease	Opr./Wet Lease	Seat Capacity	Average Fleet Age	Year End Fleet*						
								2016	2017	2018	2019	2020	2021	2022
Wide Body	A330-200	20		5	15	4,702	8.3	20	18	18	16	13	13	8
	A330-300	26		25	1	7,516	2.5	31	38	38	38	38	38	38
	A340-300	4	4			1,080	17.6	4	4	4	4	4	4	4
	B777-3ER	23		23		7,883	3.0	32	35	35	34	32	32	32
	Total	73	4	53	16	21,181	5.1	87	95	95	92	87	87	82
Narrow Body	B737-900ER	15		15		2,355	2.5	15	15	15	15	15	15	15
	B737-9 MAX									5	10	10	10	
	B737-800	68	25	33	10	10,940	9.7	76	70	53	53	53	53	53
	B737-700	3			3	372	9.9	1	1	1	1			
	B737-8 MAX									20	30	55	65	65
	A321 NEO									14	39	61	86	92
	A319-100	14		6	8	1,848	7.7	14	11	9	8	6	6	6
	A320-200	29		12	17	4,572	8.6	29	22	19	12	12	12	12
	A321-200	56		52	4	10,170	4.3	66	68	68	68	66	64	64
	B737-800 WL	24			24	4,536	9.3	36	40	46	43	35	33	29
	B737-700 WL	1			1	149	8.8							
	E190 WL/E195 WL	6			6	684	6.9	3						
	Total	216	25	118	73	35,626	7.4	240	227	245	274	313	344	346
Cargo	A330-200F	6		6			3.2	8	9	9	9	9	9	9
	Wet Lease	4			4		19.0	4						
	Total	10		6	4		9.5	12	9	9	9	9	9	9
GRAND TOTAL	299	29	177	93	56,807	6.9	339	331	349	375	409	440	437	

*After exit-entry

Seat Capacity Change :

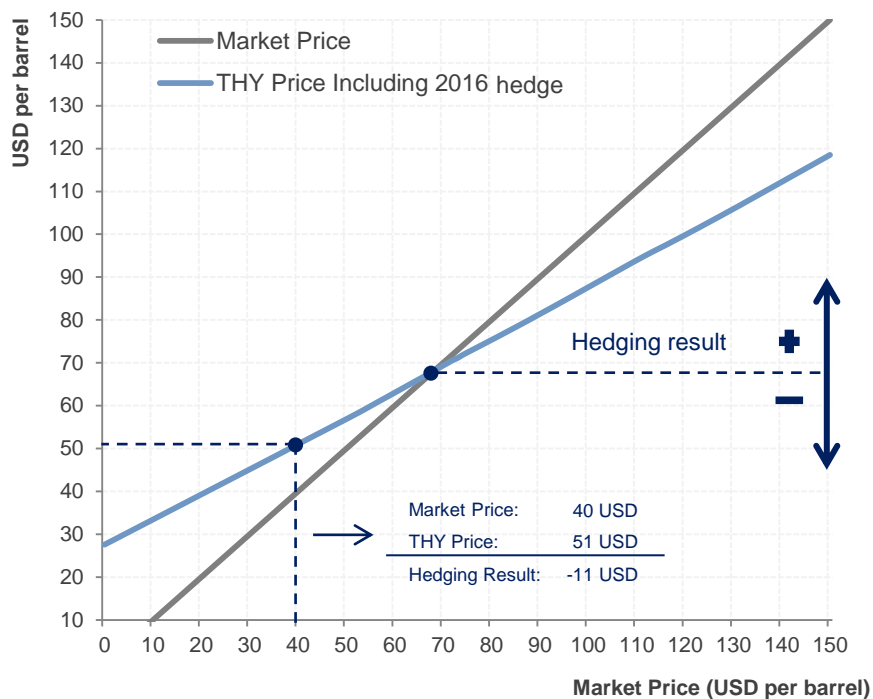
16% 1% 5% 6% 7% 7% -1%

Fleet Development

		2011-2022 Aircraft Purchases													
		Delivered						To Be Delivered							
31.12.2015	Type	2011	2012	2013	2014	2015	TOTAL	2016	2017	2018	2019	2020	2021	2022	TOTAL
Wide Body	A330-300	3	3	2	6	7	21	5							5
	B777-3ER	7			4	7	18	6	3						9
	Total	10	3	2	10	14	39	11	3						14
Narrow Body	B737-900ER	2	7	1		5	15								
	B737-9 MAX										5	5			10
	B737-800	2	2	6	10		20	20							20
	B737-8 MAX									20	10	25	10		65
	A321	8	7	9		13	37	10	2						12
	A321 NEO									14	25	22	25	6	92
	A319	6					6								
	Total	18	16	16	10	18	78	30	2	34	40	52	35	6	199
Cargo	A330-200F	1	1	2		1	5	2	1						3
	Total	1	1	2		1	5	2	1						3
GRAND TOTAL		29	20	20	20	33	122	43	6	34	40	52	35	6	216

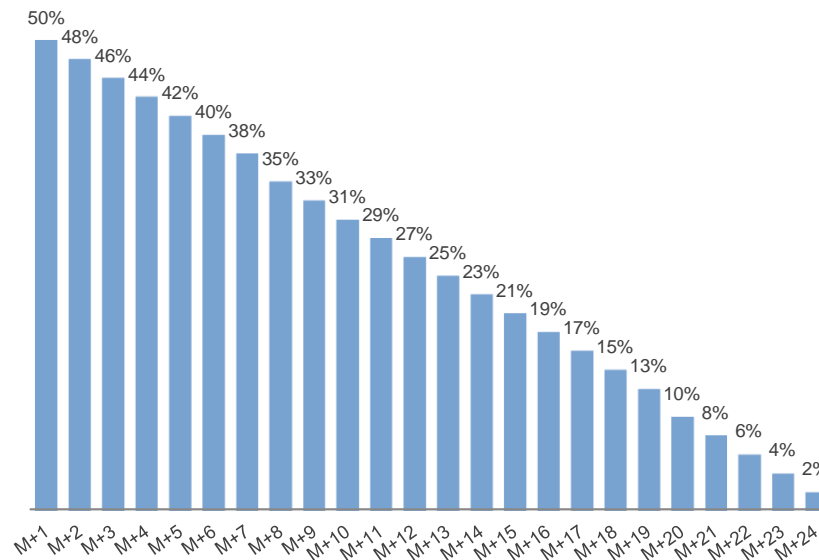
Hedging Fuel Price Risk

Effect of Hedging on the Fuel Price



- Around **23 mn barrels** of hedged position on ICE BRENT as of December 31, 2015.
- Current fuel hedging levels: **FY16: 40%; FY17: 14%**

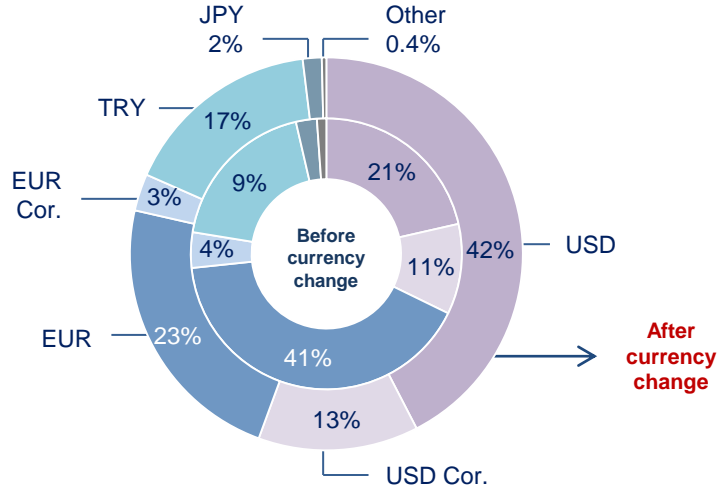
Fuel Hedging Policy



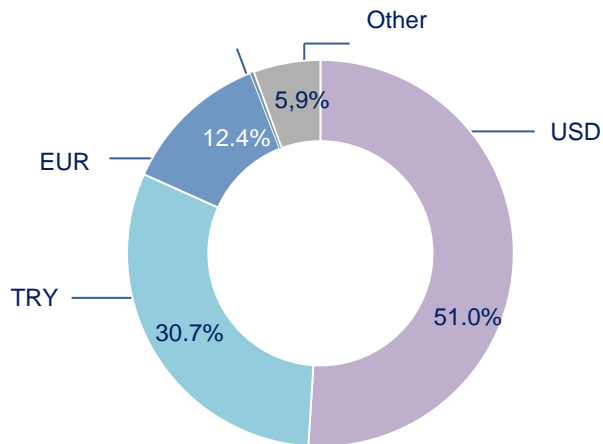
- **Active Surcharge Policy:** 50% of fuel cost is reflected to ticket prices
- Decreasing layered hedging strategy (24 months)
- Crude oil based swaps and options
- Aim to reach 50% of following months budgeted consumption

Hedging Currency Risk

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
- Sell EUR, Buy USD and TRY via forward contracts
- Each contract for 24-month period
- Target hedge levels: 30% for TRY, 25-35% for USD
- Flexible hedge strategy with respect to conditions

Initiatives for natural hedge:

- Sales originating from Turkey have been converted from EUR to USD
- Surcharges have been converted from EUR to USD

Current currency hedging matrix:

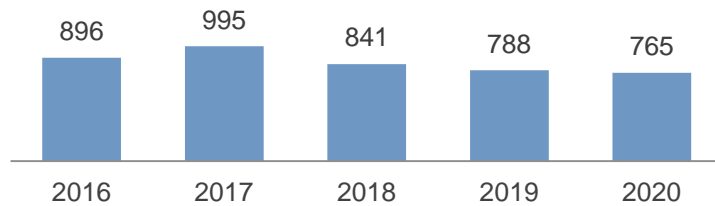
FY16	Hedging Levels*	Average Price
EUR/USD	20%	1.20
EUR/TRY	23%	3.30

* Percentage of respective short positions. As of 31 December 2015.

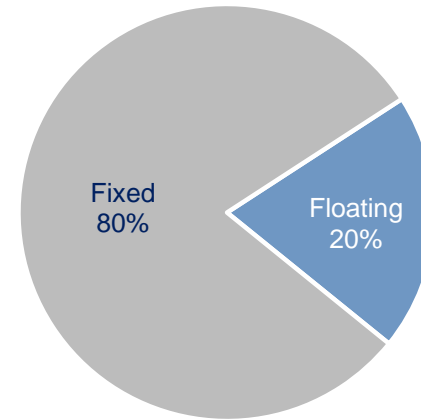
Debt Management and Aircraft Financing

As of 31.12.2015
Total Debt : **8.2 bn USD**
Weighted Average Interest Rate: **3.1%**

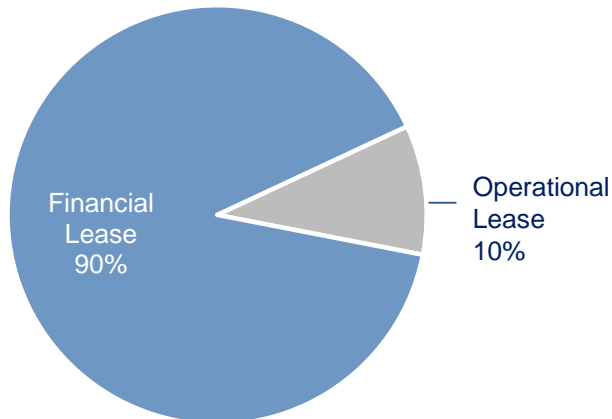
5 Year Maturity Profile (USD mn)



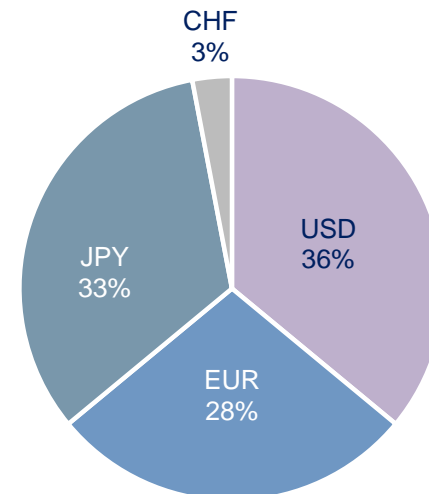
Interest Rate Type



Lease Type



Currency Type



Credit Rating



BB+ / Baa3

WIDEN YOUR WORLD



BB / Ba1



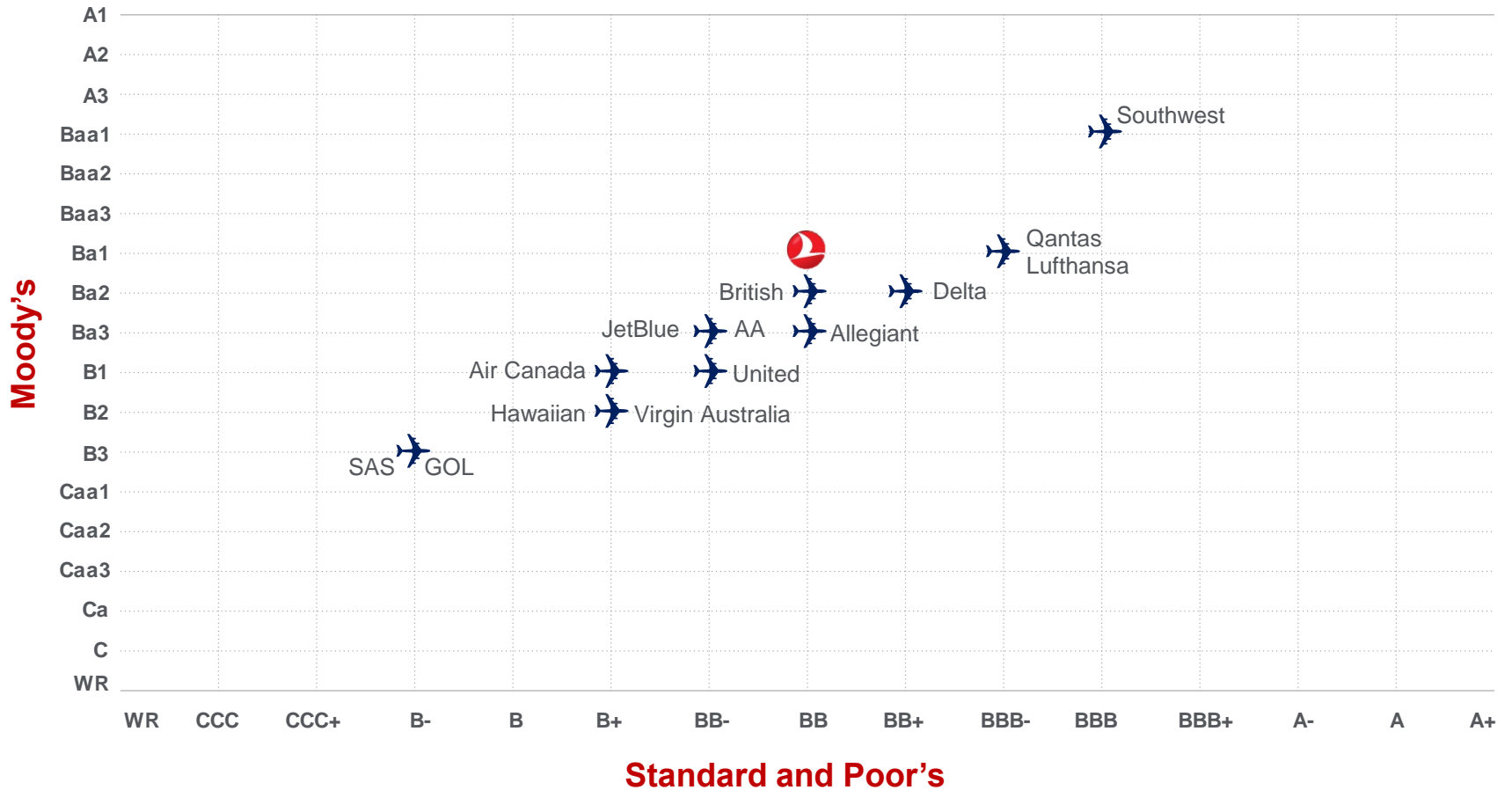
Lufthansa

BBB- / Ba1

BRITISH AIRWAYS



BB / Ba2



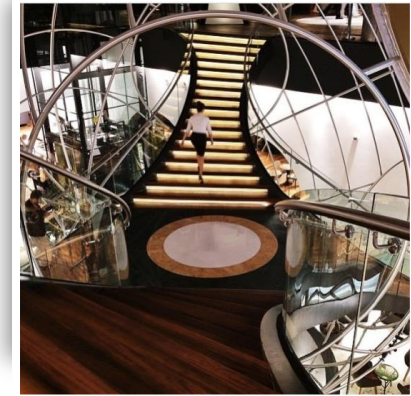
Note: Retrieved from S&P and Moody's website on 15 January 2016.



The Best Airline in Europe in the last 5 years

Winner of 4 awards at the 2015 Skytrax World Airline Awards:

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



Winner of
Best Corporate
Governance Award
in Europe in 2015



Best Investor Relations
in Turkey in 2015



2015 Financing Awards

Airfinance Journal - Tax Lease Deal of the Year

Airfinance Journal - Engine Deal of the Year

Bonds&Loans Awards - Trade&Export Finance Deal of the Year (Turkey)

Global Transport Finance - EETC Deal of the Year (Europe)

TURKISH AIRLINES
INVESTOR RELATIONS



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**TURKISH
AIRLINES**



Balance Sheet

Assets (mn USD)	2011	2012	2013	2014	2015
Cash and Equivalents	934	1,028	647	722	962
Trade Receivables	405	434	538	456	361
Pre-delivery Payment (PDP) Receivables	376	267	521	990	1,139
Other Current Assets	426	437	419	663	684
Total Current Assets	2,140	2,166	2,125	2,831	3,146
Net Fixed Assets	5,873	7,121	8,043	9,201	11,415
of which Aircraft and Engines	5,319	6,392	7,030	8,167	9,566
Pre-delivery Payment (PDP) Receivables	217	655	993	650	392
Other Non-Current Assets	455	581	741	1,064	1,430
Total Non-Current Assets	6,545	8,357	9,777	10,915	13,237
Total Assets	8,685	10,523	11,902	13,746	16,383

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

Income Statement

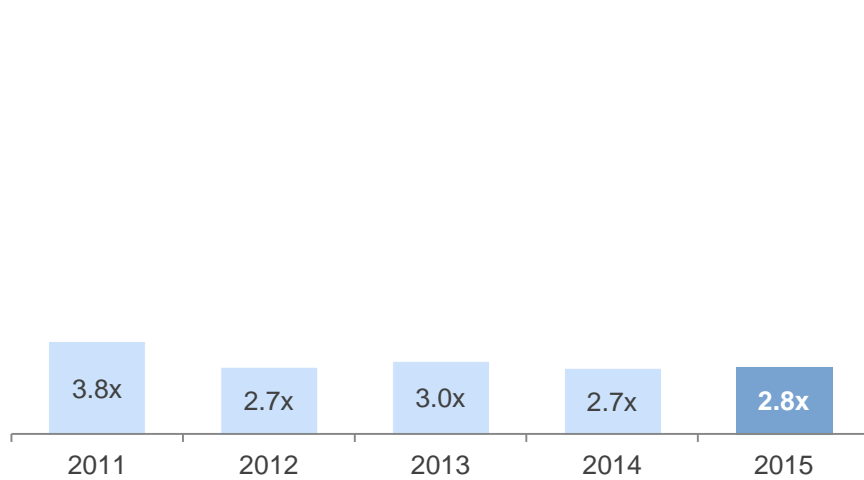
(mn USD)	2011	2012	2013	2014	2015	YoY Change
Operating Revenue	7,070	8,234	9,826	11,070	10,522	-5%
Operating Expenses (-)	6,855	7,616	9,249	10,429	9,840	-6%
of which Fuel	2,394	2,887	3,442	3,806	2,997	-21%
of which Personnel	1,339	1,376	1,581	1,694	1,640	-3%
of which Depreciation	486	574	650	743	924	24%
of which Rent	252	243	448	543	496	-9%
Net Operating Profit	215	618	577	641	682	6%
Income From Other Operations	96	95	115	80	244	205%
Expense From Other Operations (-)	237	61	41	45	31	-31%
Profit From Main Operations	73	652	651	676	895	32%
Income From Investment Activities (Net)	-	271	76	72	101	40%
Share of Investments' Profit	6	4	55	75	80	7%
Financial Income	158	49	27	419	532	27%
Financial Expense (-)	150	191	307	196	201	3%
Profit Before Tax	87	785	502	1,046	1,407	35%
Tax (-)	76	128	145	201	338	68%
Net Profit	11	657	357	845	1,069	27%

Operational Expense Breakdown

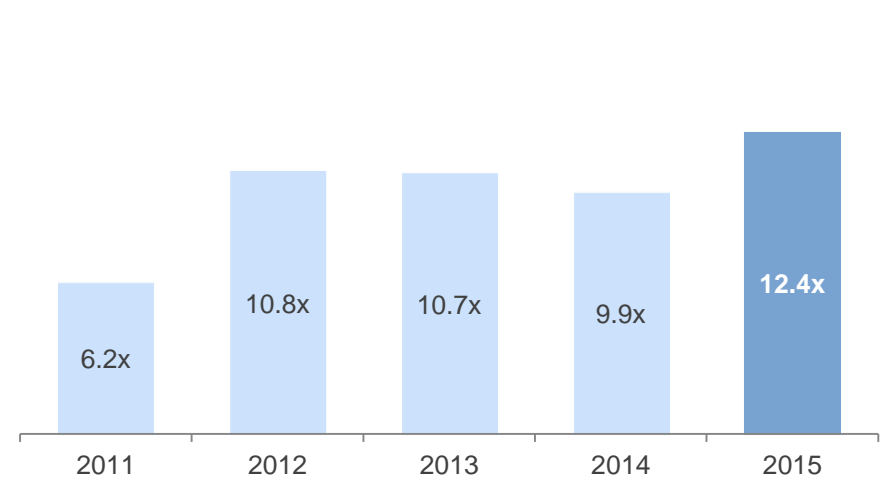
(mn USD)	2014	% in Total	2015	% in Total	YoY Change
Fuel	3,806	36.5%	2,997	30.5%	-21.3%
Personnel	1,694	16.2%	1,640	16.7%	-3.2%
Landing, Navigation & Air Traffic	942	9.0%	916	9.3%	-2.8%
Landing and navigation	408	3.9%	410	4.2%	0.5%
Air Traffic Control	534	5.1%	506	5.1%	-5.2%
Sales & Marketing	839	8.0%	883	9.0%	5.2%
Commissions and Incentives	356	3.4%	346	3.5%	-2.8%
Reservation System	214	2.1%	215	2.2%	0.5%
Advertising	168	1.6%	204	2.1%	21.4%
Other	101	1.0%	118	1.2%	16.8%
Depreciation	743	7.1%	924	9.4%	24.4%
Ground Handling	627	6.0%	619	6.3%	-1.3%
Aircraft Rent	543	5.2%	496	5.0%	-8.7%
Operational Lease	178	1.7%	211	2.1%	18.5%
Wet Lease	365	3.5%	285	2.9%	-21.9%
Passenger Services & Catering	558	5.4%	585	5.9%	4.8%
Maintenance	417	4.0%	516	5.2%	23.7%
General Administration	89	0.9%	91	0.9%	2.2%
Other	171	1.6%	173	1.8%	1.2%
TOTAL	10,429	100%	9,840	100%	-5.6%
Operating Cost per ASK (USc)	7.74	-	6.42	-	-17.0%
Ex-fuel Operating Cost per ASK (Usc)	4.91	-	4.47	-	-9.1%
Fixed Costs	2,826	27.1%	2,932	29.8%	3.8%

Financial Ratios

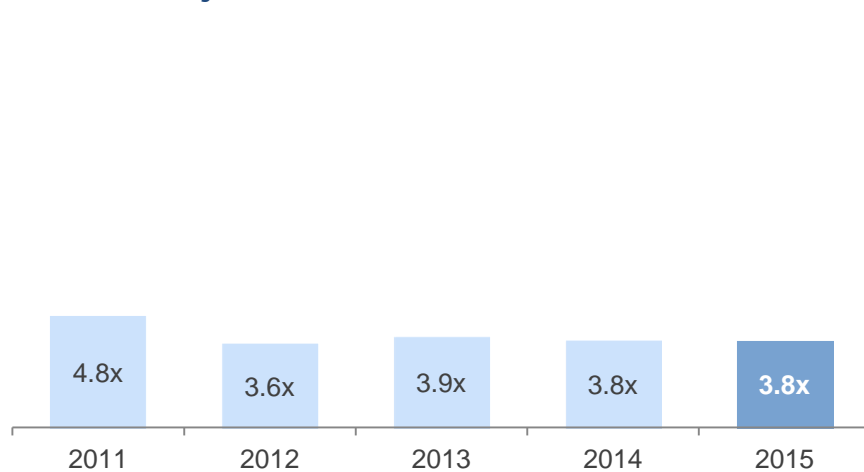
Net Debt / EBITDA



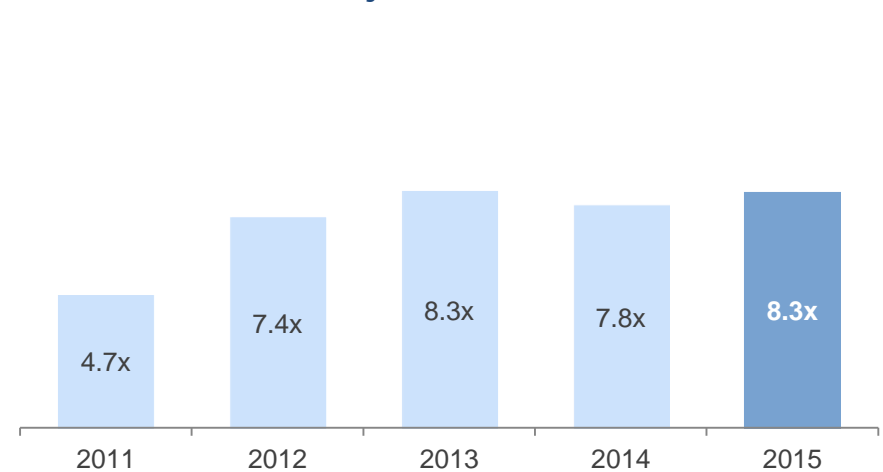
EBITDA / Net Interest Cost



Adjusted Net Debt⁽¹⁾ / EBITDAR



EBITDAR / Adjusted Net Interest Cost⁽²⁾

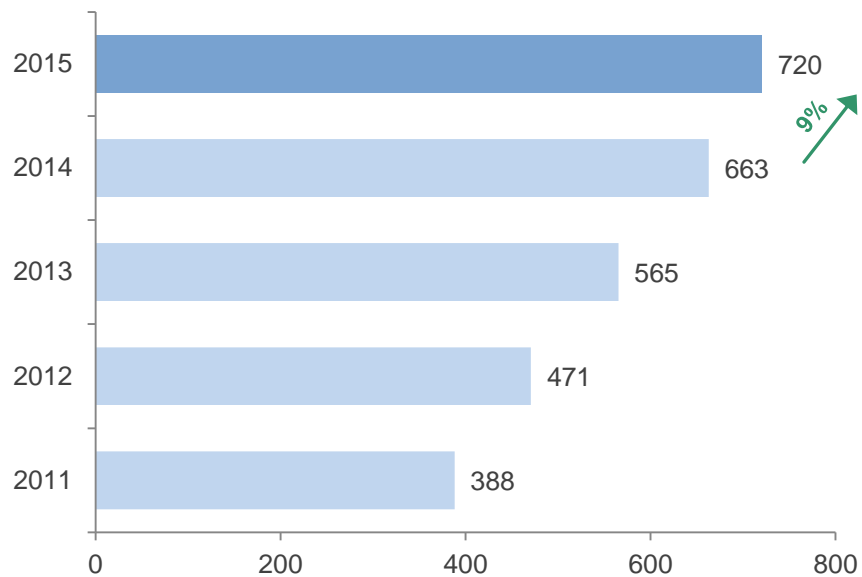


⁽¹⁾ Adjusted for the capitalization of operating leases including 55% of wet lease (7x)

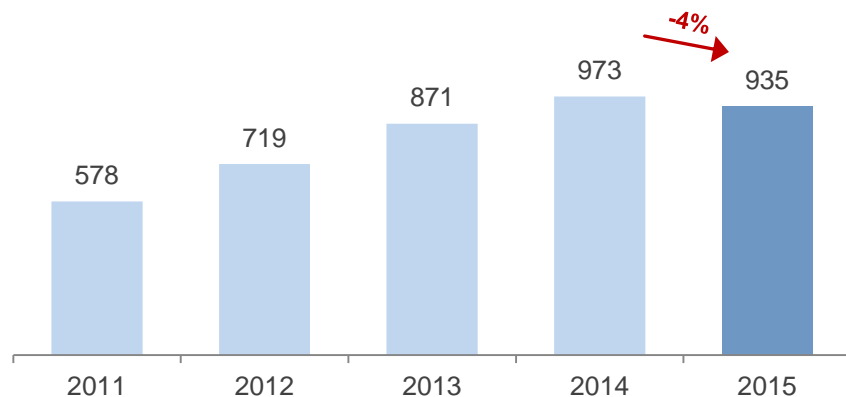
⁽²⁾ Adjusted by the portion of financial costs within operating leases (33%)

Cargo Transportation

Cargo Tonnage Carried ('000 Ton)



Cargo Revenue Evolution (mn USD)



- Turkish Cargo serves 55 destinations with 10 freighters besides 284 destinations with 299 passenger aircraft.
- Turkish Cargo global market share in revenue has increased from 0.6% in 2009 to 1.8% in 2015.
- In 2014, while World FTK grew by 4.5%, Turkish Cargo FTK grew by 17.6% compared to previous year.
- New Cargo Terminal was opened at the end of 2014. The facility has 1.2 million tons of cargo capacity and 43,000 m² closed warehouse area.
- COMIS Project was completed and sales, accounting and operations modules were upgraded with the new generation iCargo system in 3Q'15.

Recent Awards

- Overall Carrier of the Year, Combination Carrier of the Year Winner - Payload Asia (2014)
- Best European Cargo Airline – Air Cargo News (2014)
- India Cargo Airline of the Year (2014)
- Best Asia Pacific Cargo Airline (2013)
- International Air Cargo Winner (2013)

Subsidiaries & Affiliates

Turkish Airlines Group 2015		Revenue (mn USD)	Net Profit (mn USD)	% of Sales to Turkish Airlines	Number of Personnel	Paid in Capital (mn USD)	Partnership Structure
1	Turkish Airlines	10,522	1,069	-	22,030	1,597	%49 ÖİB - %51 Open to Public
2	Turkish Opet Aviation Fuels	1,825	26	85%	426	17	%50 THY - %50 Opet
3	Sun Express (Turkey & Germany Consolidated)	1,226	72	20%	3,504	36	%50 THY - %50 Lufthansa
4	THY Turkish Technic	950	63	80%	5,646	569	% 100 THY
5	THY Turkish Do&Co	377	34	90%	5,111	10	%50 THY - %50 Do&Co
6	Turkish Ground Services	257	25	83%	9,654	4	%50 THY - %50 Havaş
7	Pratt Whitney THY Turkish Engine Center (TEC)	240	10	77%	268	27	%51 PW - %49 THY Teknik
8	Goodrich Turkish Airlines Technical Service Center	10	1	70%	31	1	%60 TSA Rina - %40 THY Teknik
9	Turkish Cabin Interior Systems Industries, Inc.	9	-8	100%	153	19	%50 THY & THY Teknik - %50 TAI
10	Aircraft Seat Manufacturing Industry & Trade, Inc.	7	1	100%	40	0	%50 THY & THY Teknik - %50 Assan Hanil
11	THY Aydın Çıldır Airport Management, Inc.	1	0	100%	12	17	%100 THY
12	Turbine Technical Gas Turbines Maintenance & Repair, Inc.	1	-	0%	10	6	%50 THY Teknik - %50 Zorlu O&M
13	Tax Free Zone, Inc. (Tax Refund)	-	-	-	11	0.3	%30 THY - %45 Maslak Oto - %25 VK Holding

* THY A.O. Personnel

Subsidiaries & Affiliates

Turkish Technic

- › Owned 100% by THY.
- › Provides maintenance services to more than 100 customers, including international airlines such as Lufthansa, KLM, BA and Alitalia as well as domestic airlines.
- › Besides the facility at Ataturk Airport, a new world-class facility, HABOM, located at Sabiha Gökçen International Airport was launched by the end of June'14 with an investment of USD 550 million to increase technical maintenance and repair capacity and capability available to both Turkish Airlines and 3rd party customers.
- › HABOM's location makes it a convenient MRO option for 39% of the world's civilian aircraft and has 55 countries lying within a 3.5 hour flying radius. HABOM facilities, when fully operational, will have 7,000 personnel and is expected to produce annual revenue of USD 1.5 billion.
- › Turkish Airlines has a total MRO capacity to provide simultaneous maintenance, repair and overhaul services for 30 narrow body aircraft and 10 wide body aircraft in a closed area capacity of 576,000 m².
- › On January 2015, HABOM was awarded LEED (Leadership in Energy and Environmental Design) Gold Certificate by U.S. Green Building Council for its sustainable building design.



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. The seats are built using 100% Turkish products and Turkish production.
- › The first aircraft equipped with the new seats is a Turkish Airlines B737-800. The seats will initially be used on the B737-800s of Turkish Airlines fleet and then be 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 THY Technic Service Center

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

Turkish Engine Center

- › 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.
- › The business activity of the established company is to supply jet fuel to any type of aircraft.
- › Started supplying jet fuel to THY for all domestic airports as of July 1st 2011.



Turkish Do&Co

- › 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.
- › Turkish Airlines won the “Best Business Class Catering” award at the 2013 Skytrax World Airline Awards and “World's Best Economy Class Onboard Catering” award at the 2010 Skytrax Awards with Turkish Do&Co.



TGS Ground Services

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

Subsidiaries & Affiliates



Date of Establishment

Business Model

Destinations

Fleet

Seat Capacity

of Passengers

Load Factor (2015)

Revenues (2015)

Net Income (2015)

SunExpress Turkey

1989

Charter + Scheduled

22 in Germany, 14 in Turkey, 44 other

29 B737-800 + 25 operated for THY

10,166

6.7 million

87.3 %

897 mn USD

73 mn USD

SunExpress Germany

2011

Charter + Scheduled

11 in Germany, 14 in Turkey, 4 in Egypt, 5 in Spain/Canary Islands and 10 other

11 B737-800

2,079

2.0 million

85.4 %

349 mn USD

-1 mn USD

SunExpress Consolidated

Charter + Scheduled

106

65

12,245

8.7 million

85.4 %

1,228 mn USD

72 mn USD

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

Market leader in charter flights between Germany and Turkey.

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

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