

TURKISH AIRLINES

1Q'19 Results Summary

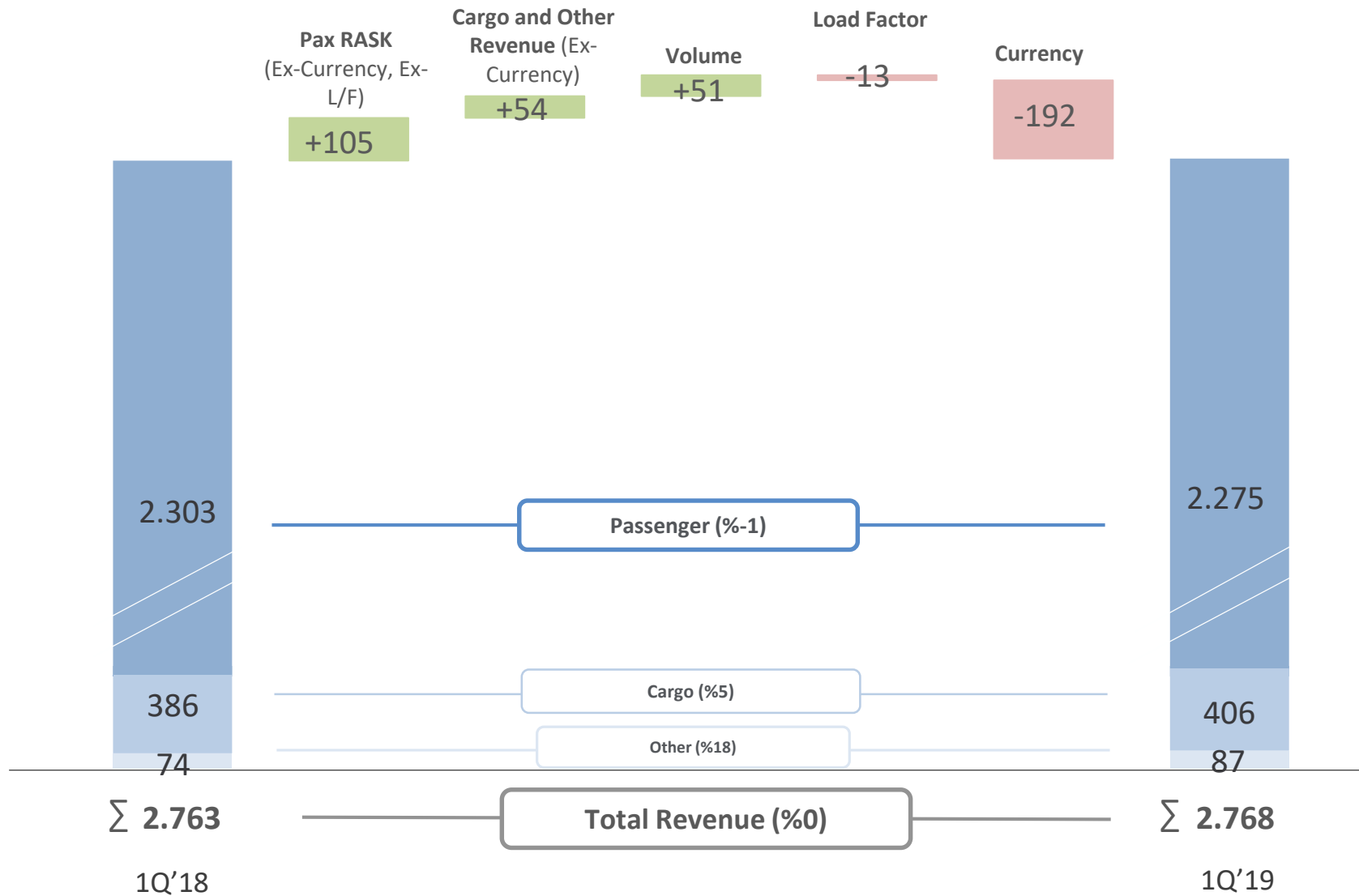


Key Financial Data

2017	2018	Change	(USD mn)	1Q'18	1Q'19	Change
10.958	12.855	17,3%	Revenue	2.763	2.768	0,2%
9.403	10.918	16,1%	Passenger Revenue	2.303	2.275	-1,2%
1.317	1.647	25,1%	Cargo Revenue	386	406	5,2%
794	1.169	47,2%	Net Operating Profit / Loss	3	-203	-
1.022	1.191	16,5%	Profit From Main Operations	41	-150	-
223	753	237,7%	Net Income	-86	-229	-
2,0%	5,9%	3,8 pt	Net Income Margin	-3,1%	-8,3%	-5,2 pt
3.017	3.349	11,0%	EBITDAR	528	358	-32,1%
27,5%	26,0%	-1,5 pt	EBITDAR Margin	19,1%	12,9%	-6,2 pt

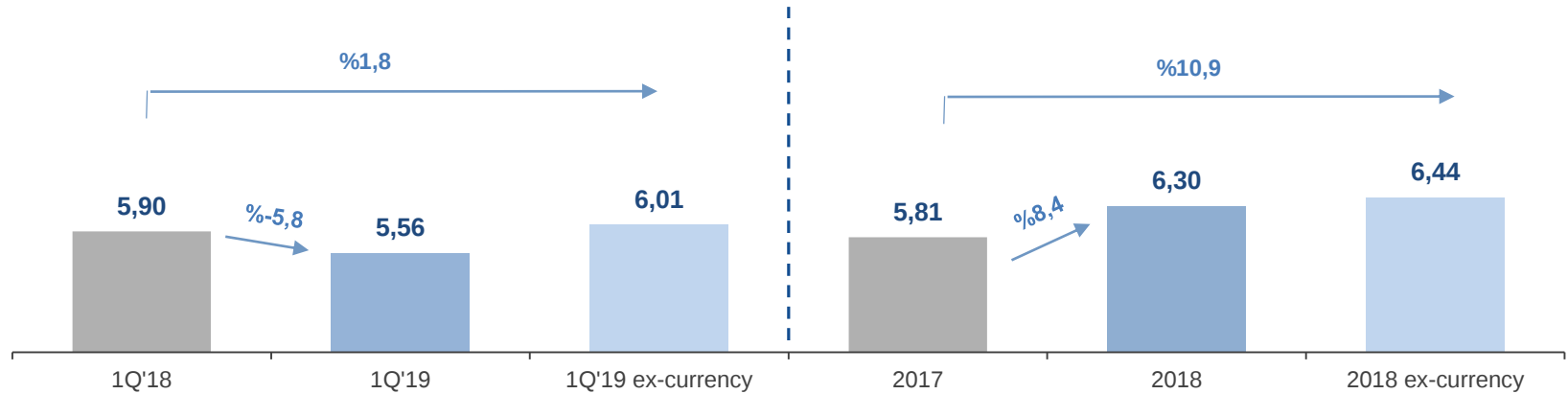
Revenue Development (1Q'18 vs 1Q'19)

(mn USD)

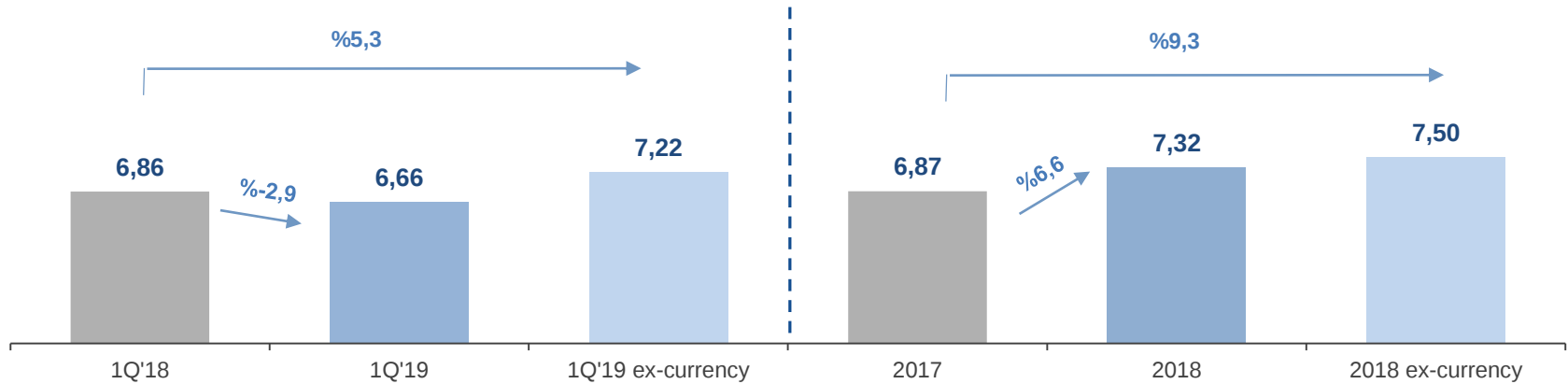


Unit Revenue Development

RASK (USc)



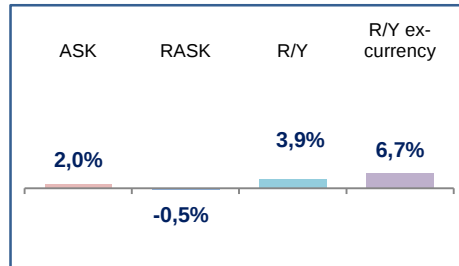
R/Y (USc)



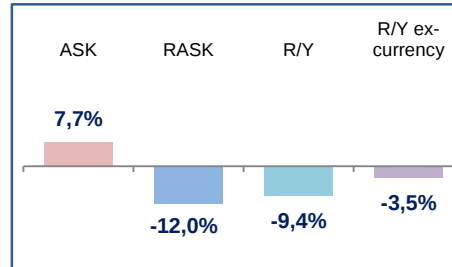
R/Y: Revenue Yield : Passenger Revenue / RPK (Scheduled and Unscheduled)
 RASK: Passenger and Cargo Revenue / ASK* (Scheduled and Unscheduled)
 *ASK value is adjusted for cargo operations.

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

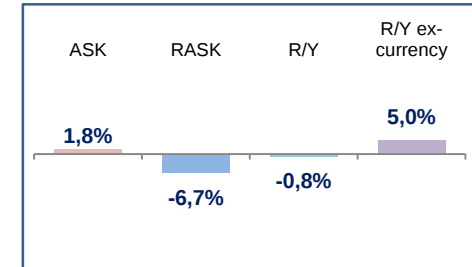
America



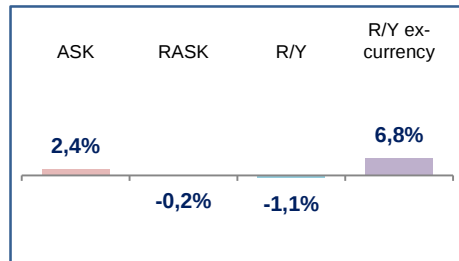
Europe



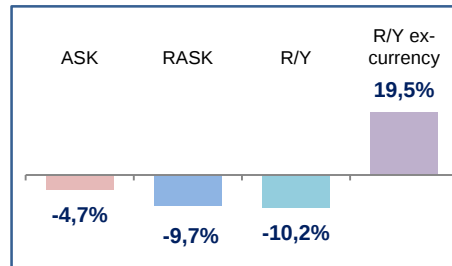
Asia / Far East



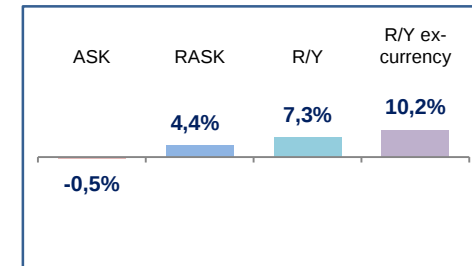
Africa



Domestic

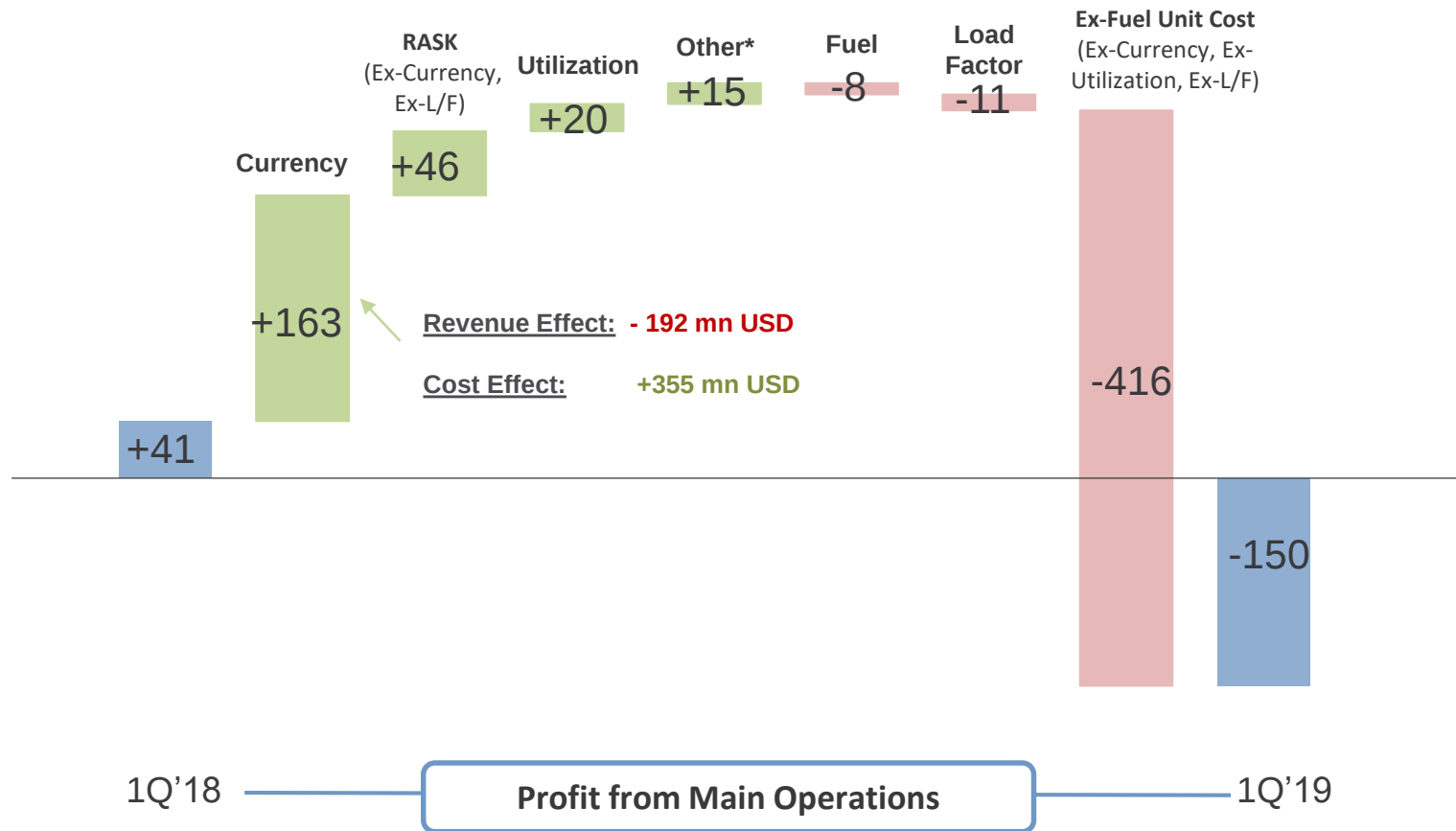


Middle East



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

(mn USD)



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

Operational Expense Breakdown

2017	2018	Change	(mn USD)	1Q'18	1Q'19	Change
2.866	3.768	31,5%	Fuel	804	855	6,3%
1.761	1.772	0,6%	Personnel	452	517	14,4%
1.593	1.682	5,6%	Aircraft Ownership	419	434	3,6%
978	1.056	8,0%	Airports & Air Navigation	248	245	-1,2%
841	986	17,2%	Sales & Marketing	265	310	17,0%
656	733	11,7%	Ground Handling	175	189	8,0%
510	560	9,8%	Passenger Services & Catering	145	141	-2,8%
645	804	24,7%	Maintenance	170	192	12,9%
314	325	3,5%	Other ¹	82	88	7,3%
10.164	11.686	15,0%	TOTAL	2.760	2.971	7,6%

ASK Growth: 5,2%

ASK Growth: 2,2%

¹Includes General Administration and Other Cost of Sales.

CASK Breakdown

2017	2018	Change	(USc)	1Q'18	1Q'19	Change
1,66	2,07	25,0%	Fuel	1,93	2,00	4,0%
1,02	0,97	-4,3%	Personnel	1,08	1,21	11,9%
0,92	0,92	0,4%	Aircraft Ownership	1,00	1,02	1,3%
0,57	0,58	2,7%	Airports & Air Navigation	0,59	0,57	-3,4%
0,49	0,54	11,5%	Sales & Marketing	0,64	0,73	14,4%
0,38	0,40	6,2%	Ground Handling	0,42	0,44	5,6%
0,29	0,31	4,4%	Passenger Services & Catering	0,35	0,33	-4,9%
0,37	0,44	18,5%	Maintenance	0,41	0,45	10,5%
0,18	0,18	-1,6%	Other	0,20	0,21	5,0%
5,87	6,42	9,3%	TOTAL	6,62	6,97	5,3%

Ex-Fuel CASK : **3,2%**

Ex-Fuel CASK : **5,8%**

Selected KPI's

2017	2018	Change		1Q'18	1Q'19	Change
591	714	20,7%	Fuel Price (Usd/ton)	667	676	1,3%
3,29	3,31	0,6%	Fuel Consumption (lt) per 100 ASK2	3,31	3,28	-0,9%
1.171	1.174	0,3%	Aircraft Ownership Cost per BH	1.257	1.261	0,3%
474	561	18,4%	Maintenance Cost per BH	510	558	9,4%
1.397	1.484	6,2%	Handling Cost per Landing	1.547	1.675	8,3%
1.184	1.219	2,9%	Airports & Air Navigation Cost per km Flown	1.241	1.186	-4,5%
7,43	7,45	0,3%	Passenger Services & Catering Cost per Pax	8,65	8,42	-2,7%
7,7%	7,7%	-0,0 pt	Sales & Marketing Cost / Total Revenue	9,6%	11,2%	1,6 pt

EBITDAR Calculation

2017	2018	Change	EBITDAR (mn USD)	1Q'18	1Q'19	Change
10.958	12.855	17,3%	Sales Revenue	2.763	2.768	0,2%
8.762	10.136	15,7%	Cost of Sales (-)	2.347	2.504	6,7%
2.196	2.719	23,8%	GROSS PROFIT / (LOSS)	416	264	-36,5%
275	260	-5,5%	General Administrative Expenses (-)	71	72	1,4%
1.127	1.290	14,5%	Marketing and Sales Expenses (-)	342	395	15,5%
794	1.169	47,2%	NET OPERATING PROFIT / (LOSS)	3	-203	-
264	165	-37,5%	Other Operating Income	48	61	27,1%
36	143	297,2%	Other Operating Expense (-)	10	8	-20,0%
1.022	1.191	16,5%	Profit / (Loss) from Main Operations	41	-150	-
164	185	12,8%	Adjustments	19	-2	-
102	123	20,6%	Share of Investments' Profit / Loss Accounted by Using The Equity Method	3	-15	-
62	62	0,0%	Income From Government Incentives	16	13	-18,8%
1.186	1.376	16,0%	EBIT	60	-152	-
1.066	1.087	2,0%	Depreciation	269	360	33,8%
2.252	2.463	9,4%	EBITDA	329	208	-36,8%
654	743	13,7%	Adjusted Operating Lease Expenses ¹	163	115	-29,3%
112	142	27,6%	Adjusted Short term Lease Expenses (Wet-lease) ²	36	35	-1,5%
3.017	3.349	11,0%	EBITDAR	528	358	-32,1%
27,5%	26,0%	-1,49	EBITDAR MARGIN	19,1%	12,9%	-6,15

Notes:

- For 1Q'19 Turkish Technic's contribution to EBITDAR through consolidation is 70 mn USD, compared to 61 mn in 1Q'18.
- For 1Q'19 adjustments for heavy maintenance of operational lease expenses is 115 mn USD compared to 163 mn USD in 1Q'18.

¹ Adjusted for A/C heavy maintenance

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

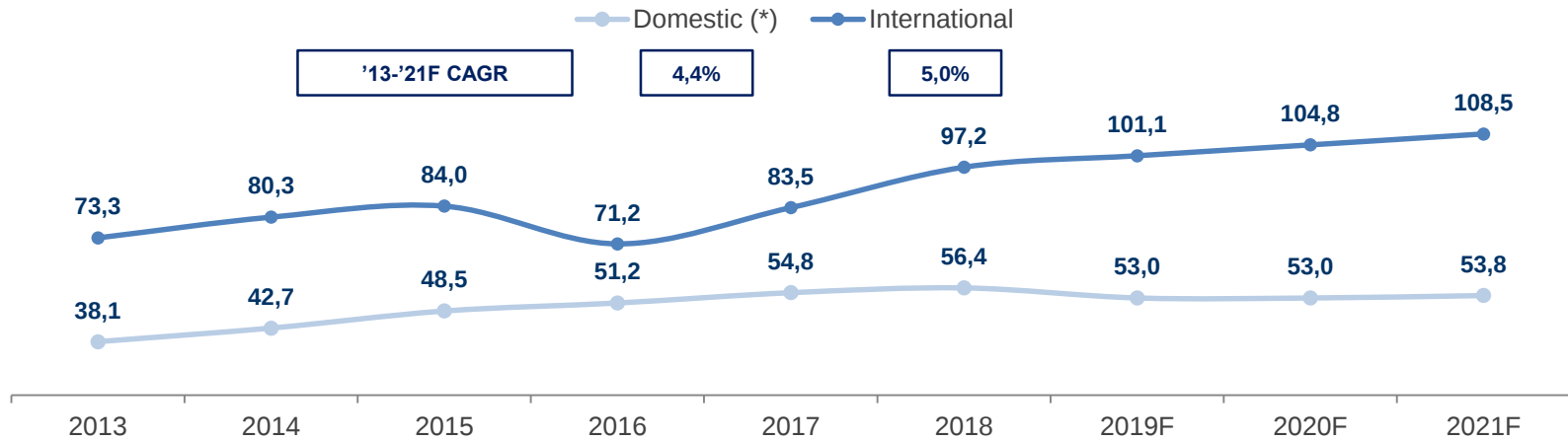
TURKISH AIRLINES

1Q'19 Results



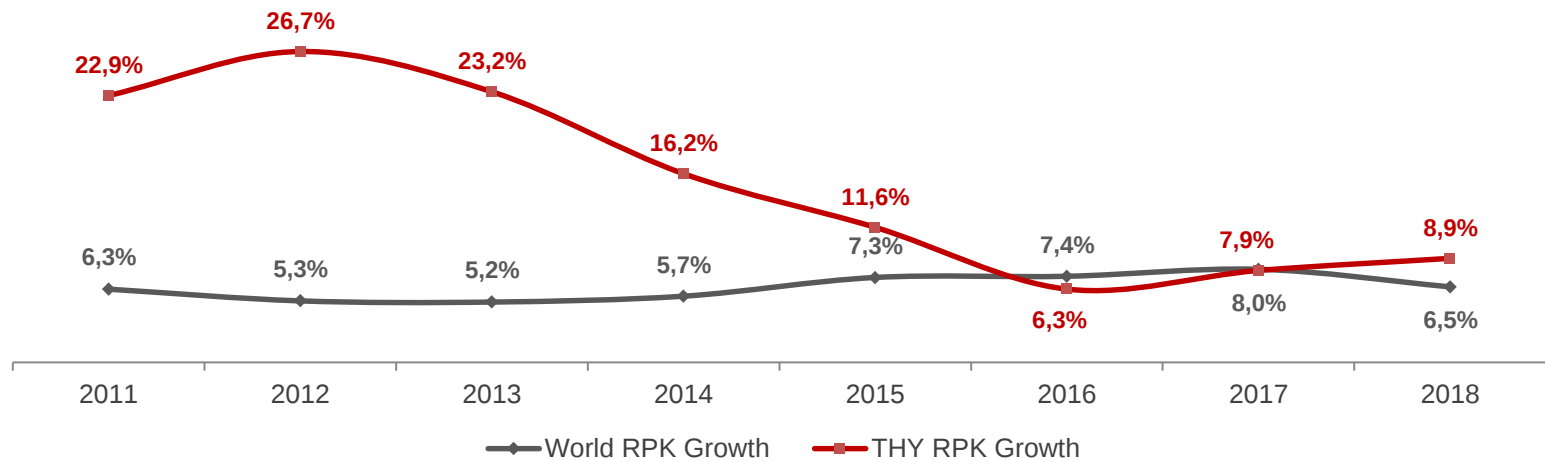
Aviation Sector & Economy

Turkish Market Growth (mn passengers)



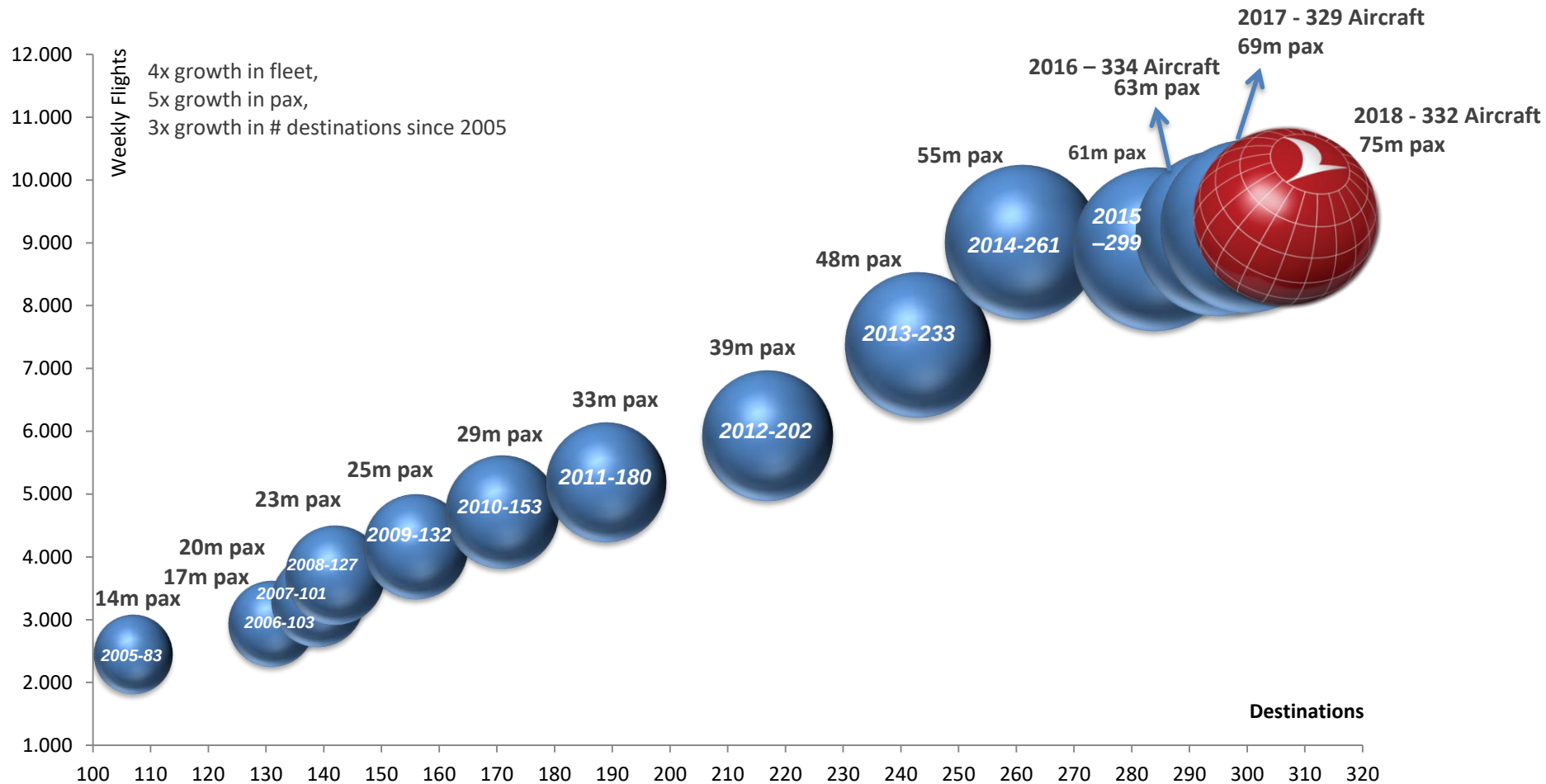
Source: General Directorate of State Airports Authority (DHMI) – May 2019
 (*)Adjusted for double count on Domestic Pax

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

Future Routes

Azerbaijan
Lankeran
Donetsk
Krakow
France
Nantes
Strasbourg
Spain
La Coruna
Russia
Makhachkala
Italia
Palermo
Finland
Rovaniemi

AFRICA	
37 COUNTRIES, 56 CITIES	
Egypt	Gabon
Cairo	Libreville
Alexandria	Mali
Hurghada	Bamako
Sharmel-Sheikh	Burkina Faso
Algeria	Ougadougou
Algiers	Cote D'Ivoire
Oran	Abidjan
Constantine	Chad
Tlemcen	N'Djamena
Batna	Benin
South Africa	Cotonou
Johannesburg	Prague
Cape Town	Conakry
Durban	Mozambique
Nigeria	Maputo
Lagos	Niger
Abuja	Niamey
Kano	Eritrea
Cameroon	Asmara
Douala	Madagascar
Yaounde	Antananarivo
Kenya	Mauritius
Mombasa	Port Louis
Nairobi	Seychelles
Tanzania	Seychelles
Dar Es Selaam	Libya
Kilimnjar	Misurata
Zanzibar	Benghazi
Tunisia	Sebha
Tunis	Tripoli
Djibouti	Sierra Leone
Djibouti	Freetown
Ethiopia	Comoros
Addis Ababa	Moroni
Ghana	Gambia
Accra	Banjul
Morocco	Zambia
Casablanca	Lusaka
Marrakech	
Rwanda	
Kigali	
Somalia	Angola
Mogadishu	Luanda
Sudan	Egypt
Khartoum	Aswan
Uganda	Luxor
Entebbe	South Sudan
Mauritania	Juba
Nouakchott	Sudan
Senegal	Port Sudan
Dakar	Republic of the Congo
Congo	Point-Noire
Kinshasa	Nigeria
	Port Harcourt

Future Routes

MIDDLE EAST	
13 COUNTRIES, 34 CITIES	
Saudi Arabia	UAE
Jeddah	Dubai
Madinah	Abu Dhabi
Riyadh	Lebanon
Dammam	Beirut
Yanbu	Jordan
El Qassim	Amman
Taif	Akabe
Iran	Qatar
Tehran	Doha
Mashad	Bahrain
Shiraz	Bahrain
Tabriz	Oman
Isfahan	Muscat
Kermanshah	Syria
Ahvaz	Aleppo
Israel	Damascus
Tel Aviv	Yemen
Iraq	Aden
Erbil	Sanaa
Baghdad	
Basra	
Sulaymaniyah	
Najaf	
Mosul	
Kuwait	
Kuwait	

Future Routes

Saudi Arabia
Abha
UAE
Sharjah

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	
Toronto	
Montreal	
Argentina	
Buenos Aires	
Brazil	
Sao Paulo	
Columbia	
Bogota	

Future Routes

Mexico
Mexico City
Cancun
USA
Newark

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	
Kabul	
Mazar-i Sharif	
Vietnam	
Ho Chi Minh	
Hanoi	

Future Routes

Indonesia
Denpasar

DOMESTIC

49 CITIES

Future Routes

Zonguldak

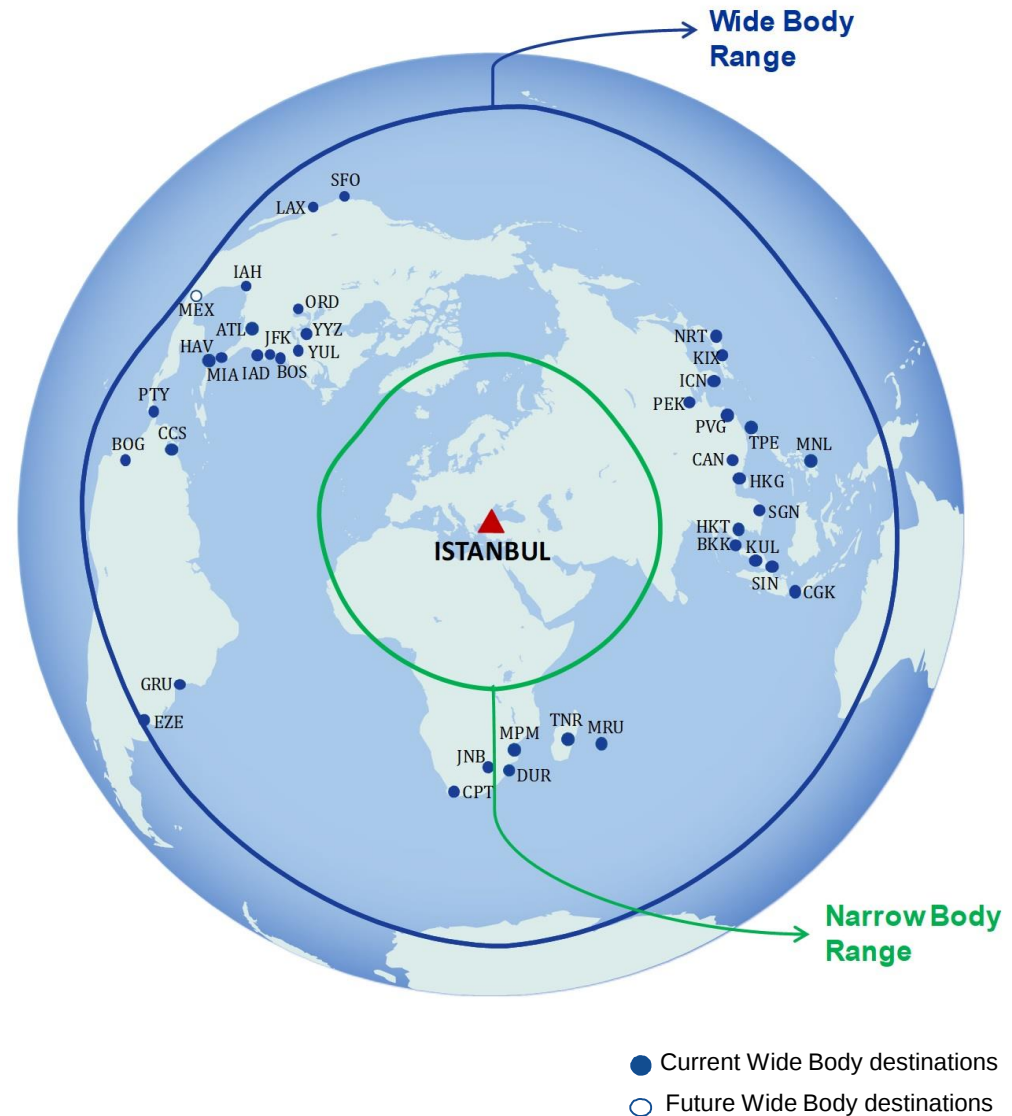
*As of 31.03.2019

Istanbul's Geographical Advantage - A Natural Hub

Narrow Body Range Capability to and from Istanbul

(with full passenger payload)

- ✓ 201 out of 257 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 Connectivity for Europe, Africa and Middle East

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

Europe to the World

Turkish Airlines	22,356
British Airways	9,588
Lufthansa	8,004

Middle East to the World

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

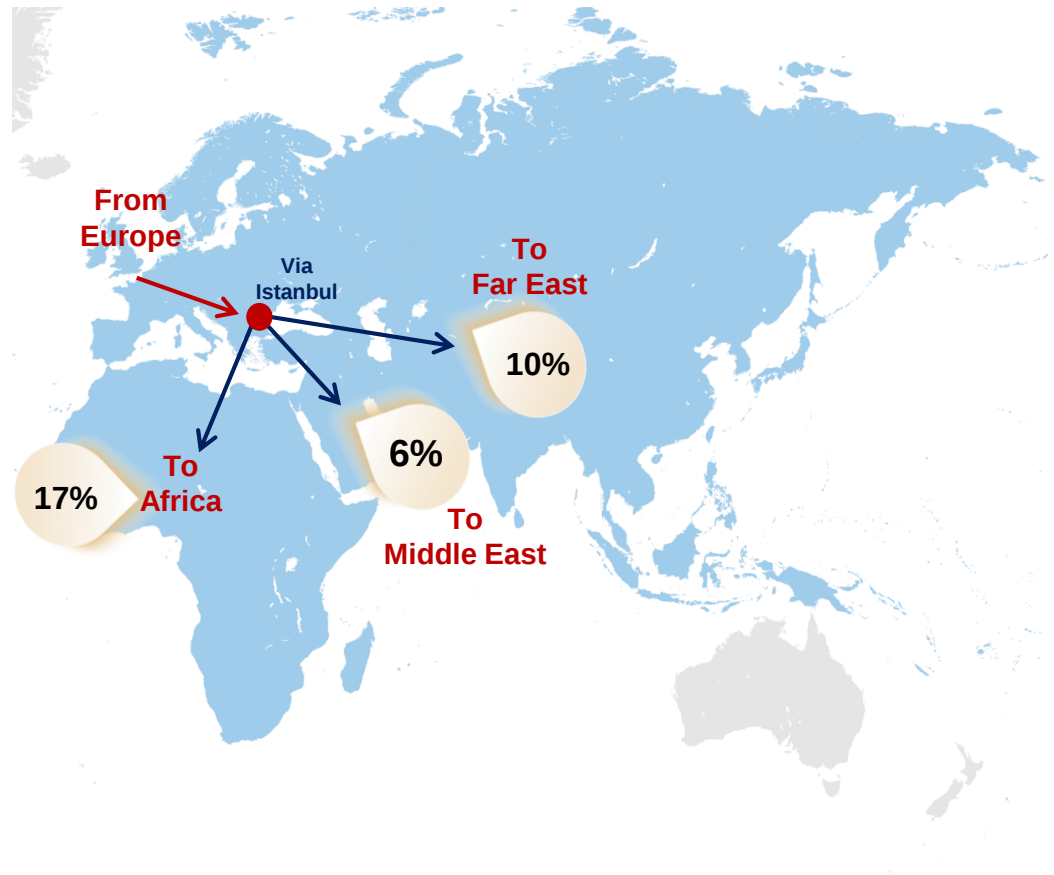
Africa to the World

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

Far East to the World

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

Detour* Advantage

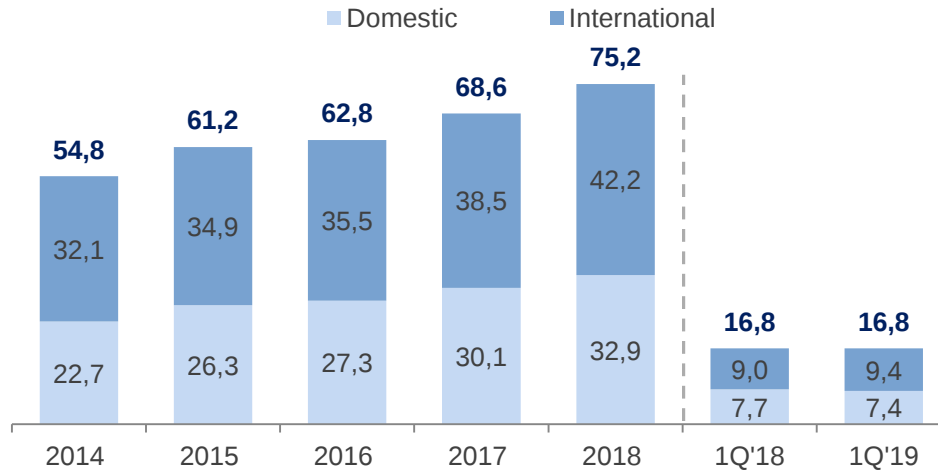


*Detour: Increase in the flight distance compared to a non-stop flight. Forecasted by using 6,000 arrival-departure cities

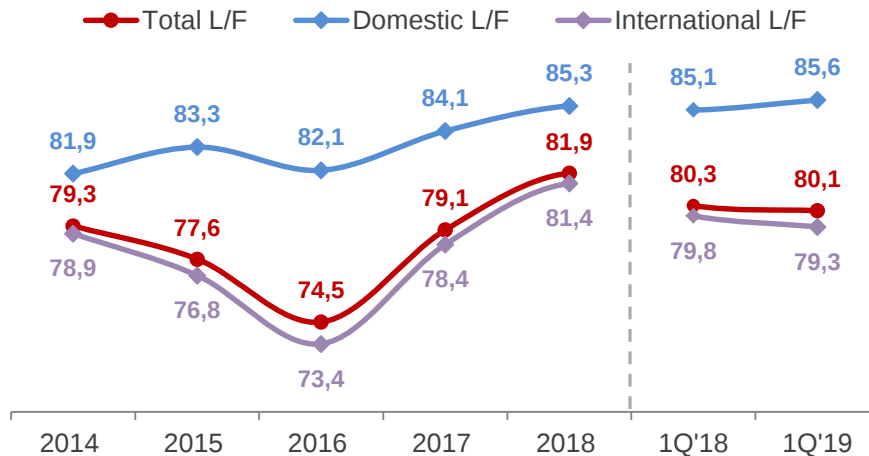
Source: Retrieved from OAG. As of 31.12.2017.

Passenger Traffic

Total Passengers (mn)



Load Factor (L/F %)



Passenger Traffic

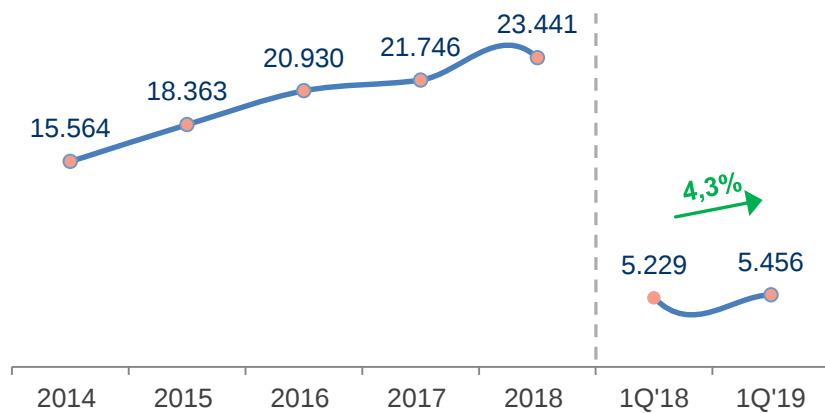
THY Passenger Traffic		
1Q'18	vs	1Q'19
Landing	down by	-0,3%
ASK	up by	2,2%
RPK	up by	1,7%
Passenger #	down by	-0,1%
L/F	down by	-0,3 pt

Annual Changes (%)

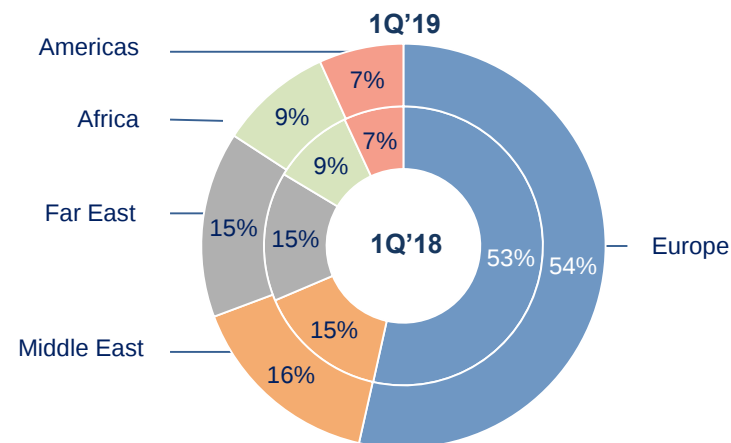
	ANNUAL CHANGES (%)				
	2014	2015	2016	2017	2018
ASK	16%	14%	11%	2%	5%
RPK	16,2%	11,6%	6,4%	7,9%	8,9%
PAX	14%	12%	3%	9%	10%
L/F (Point)	0,3	-1,7	-3,1	4,6	2,8

Passenger Breakdown

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

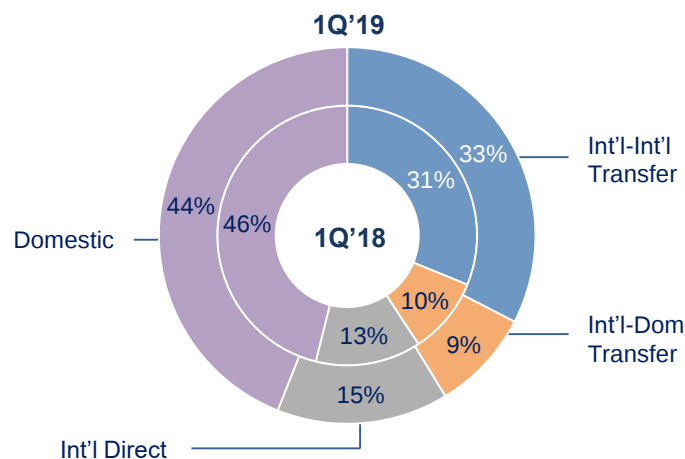


Int'l Passenger Breakdown by Geography



Note: Includes only scheduled passengers.

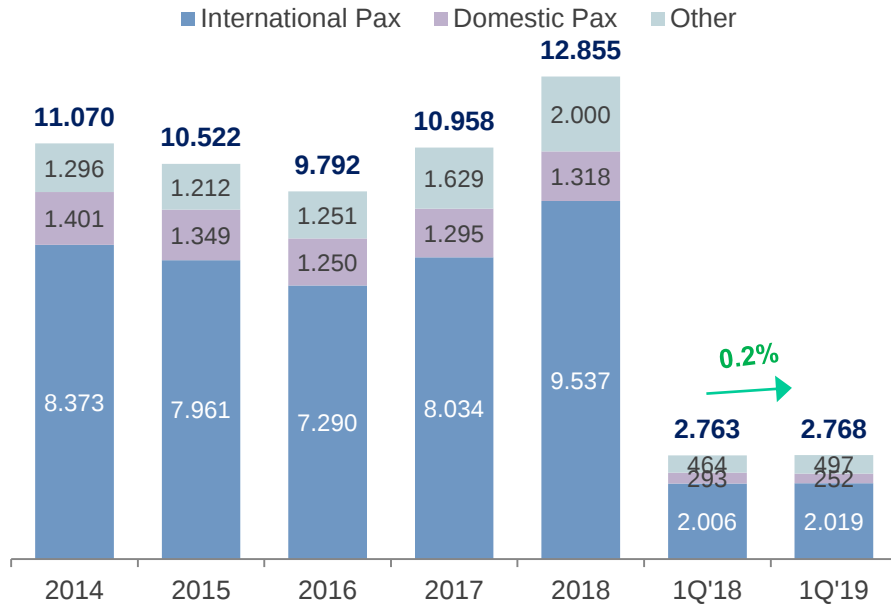
Passenger Breakdown by Transfer Type



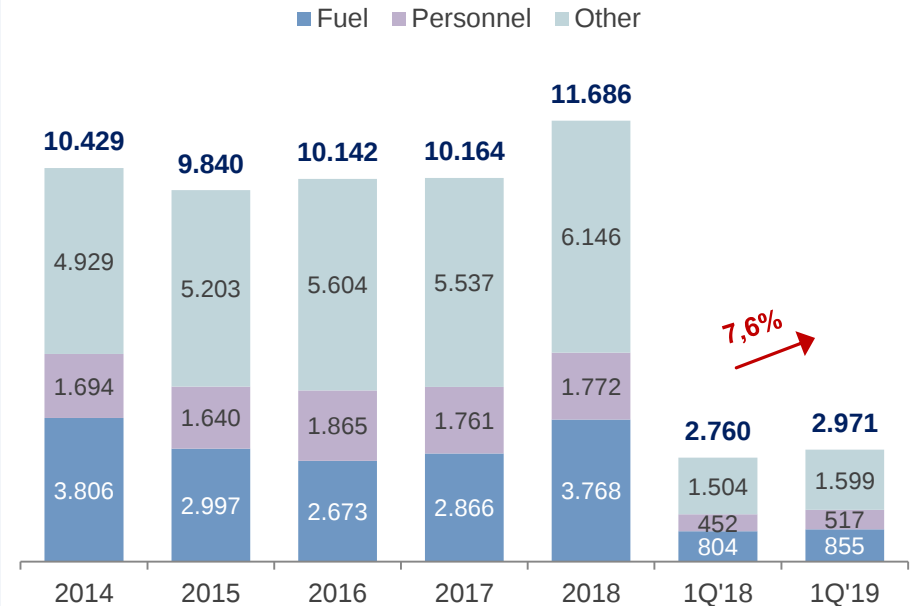
Note: Int'l to int'l transfer passengers' share in total international passengers is 58%.

Total Revenue and Expenses

Revenues (mn USD)



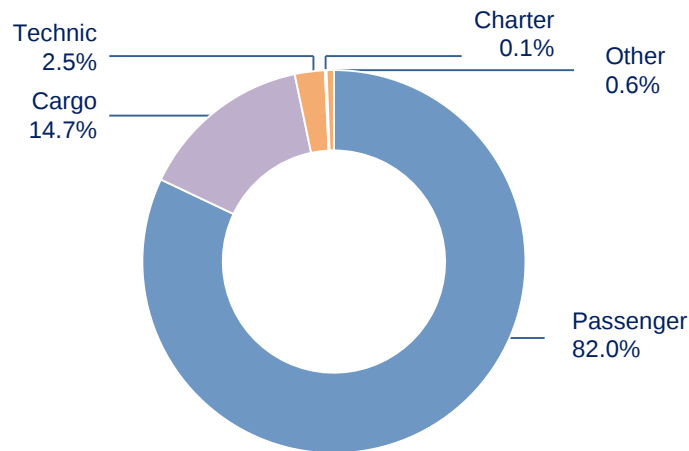
Expenses (mn USD)



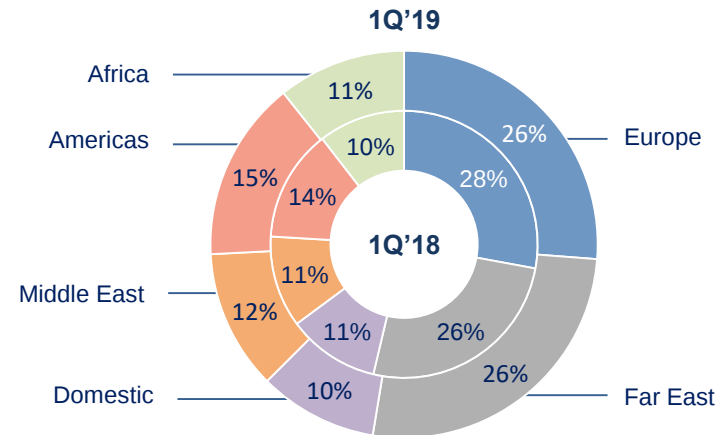
Note: International and domestic pax revenue indicates scheduled pax revenue.
Other revenue includes cargo, charter and other revenue.

Revenue Breakdown (1Q'19)

Revenue by Business Type

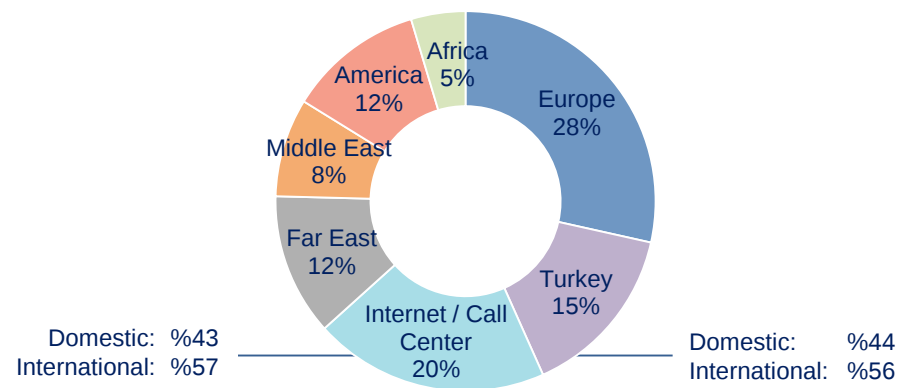


Revenue by Geography



Note: Includes total passenger and cargo revenue

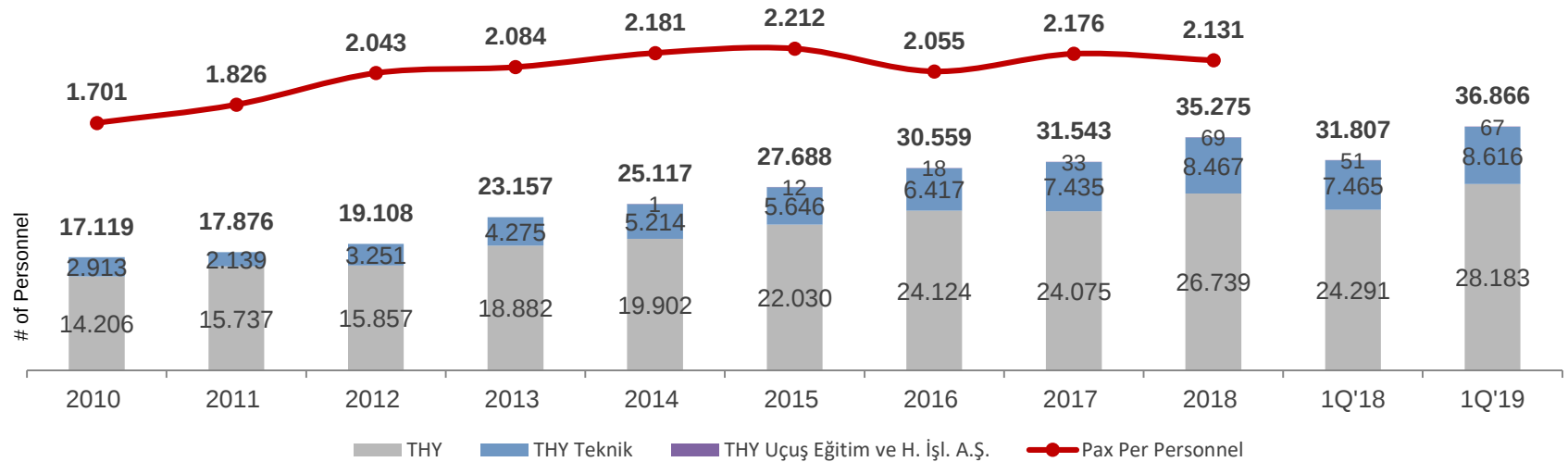
Revenue by Point of Sale



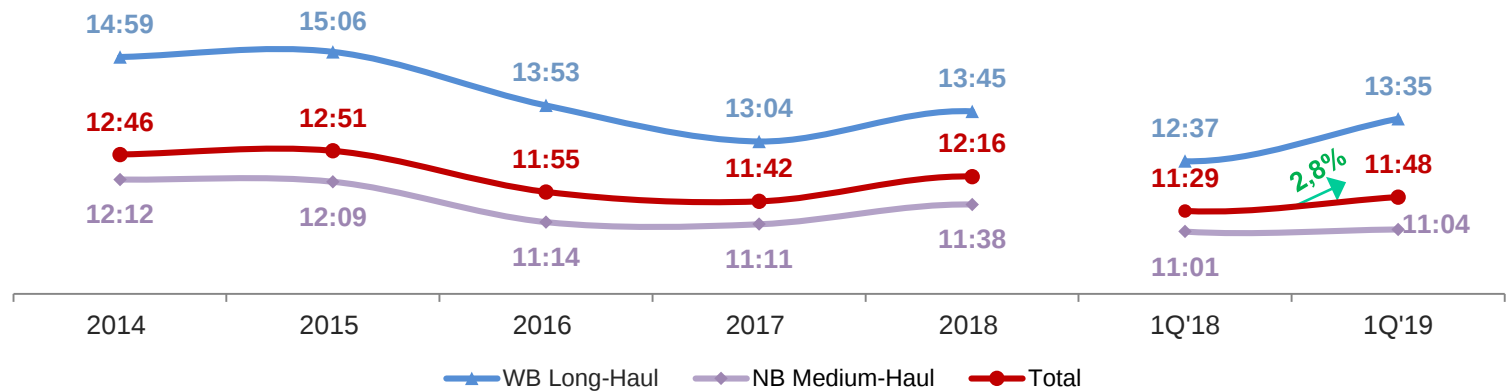
Note: Includes only scheduled passenger revenue

Operating Efficiency

Personnel Efficiency

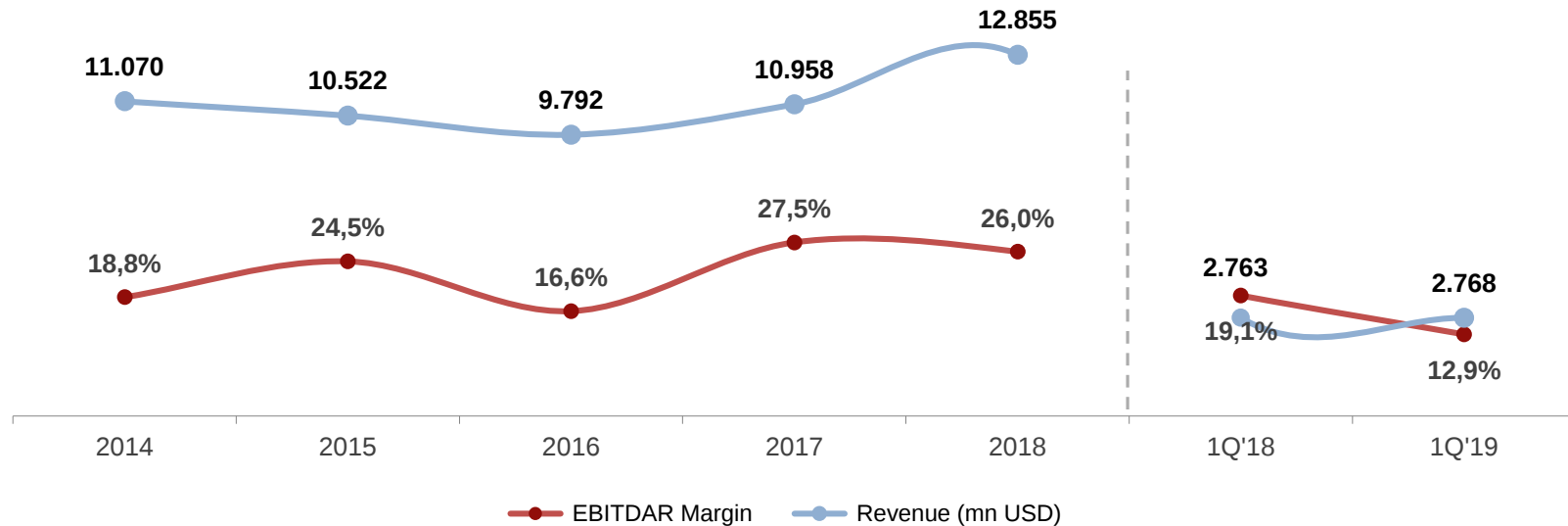


Average Daily Flight Utilization (hrs)



EBITDAR Margin

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



(mn USD)	2014	2015	2016	2017	2018	1Q'18	1Q'19	YoY Change
Revenue (mn USD)	11.070	10.522	9.792	10.958	12.855	2.763	2.768	0,2%
EBITDAR	2.085	2.580	1.628	3.017	3.349	528	358	-32,1%
EBITDAR Margin	18,8%	24,5%	16,6%	27,5%	26,0%	19,1%	12,9%	-0,3 pt

31.03.2019	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	11,1	18	13	13	8	5
	A330-300	37		29	8	10.807	5,2	39	39	37	36	29
	A340-300	1	1			270	19,1					
	B777-3ER	33		27	6	11.670	5,4	33	33	33	32	30
	A350-900								5	9	17	25
	B787-9							6	15	21	25	25
	Total	89	6	56	27	27.427	6,6	96	105	113	118	114
Narrow Body	B737-900ER	15		15		2.355	5,8	15	15	15	15	15
	B737-9 MAX	1		1		169	0,1	5	10	10	10	10
	B737-800	80	28	37	15	13.072	10,1	75	75	75	75	73
	B737-700	1			1	124	13,1	1				
	B737-8 MAX	11		11		1.661	0,3	19	38	53	65	65
	A321 NEO	5		5		910	0,2	17	39	59	77	92
	A319-100	6		6		792	7,9	6	6	6	6	6
	A320-200	18	5	7	6	2.868	12,1	16	12	12	12	12
	A321-200	68	4	58	6	12.360	6,8	68	66	64	64	64
	A320-200 WL											
	B737-800 WL	19			19	3.591	14,0	19	13	11	7	5
	Total	224	37	140	47	37.902	8,5	241	274	305	331	342
Cargo	A330-200F	10	1	9			5,4	10	10	10	10	10
	B777F	5		5			0,8	6	8	8	8	8
	Wet Lease	8			8		22,7	5				
	Total	23	1	14	8		10,4	21	18	18	18	18
GRAND TOTAL		336	44	210	82	65.329	8,1	358	397	436	467	474
Year End Seat Capacity :								69.850	78.577	84.859	91.481	93.152
Seat Capacity Change :								7%	12%	8%	8%	2%

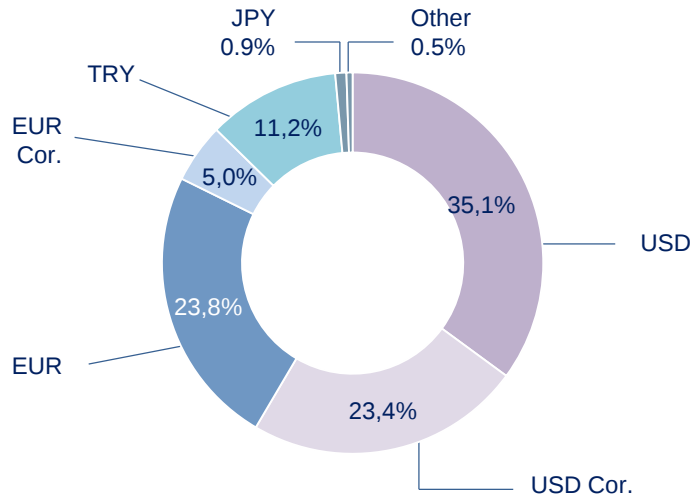
*After exit-entry

Fleet Development

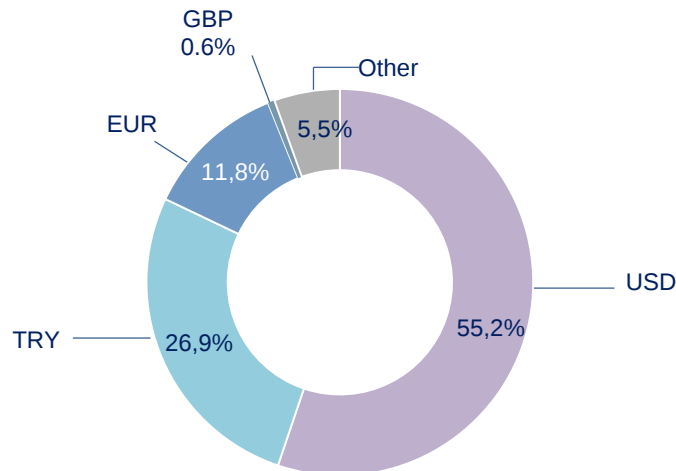
31.03.2019	Type	TOTAL DELIVERIES					
		2019	2020	2021	2022	2023	TOTAL
Wide Body	A350-900		5	4	8	8	25
	B787-9	6	9	6	4		25
	Total	6	14	10	12	8	50
Narrow Body	B737-9 MAX	5	5				10
	B737-8 MAX	12	19	15	12		58
	A321 NEO	15	22	20	18	15	90
	Total	32	46	35	30	15	158
Cargo	B777F	1	2				3
	Total	1	2				3
GRAND TOTAL		39	62	45	42	23	211

Hedging Currency Risk (1Q'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

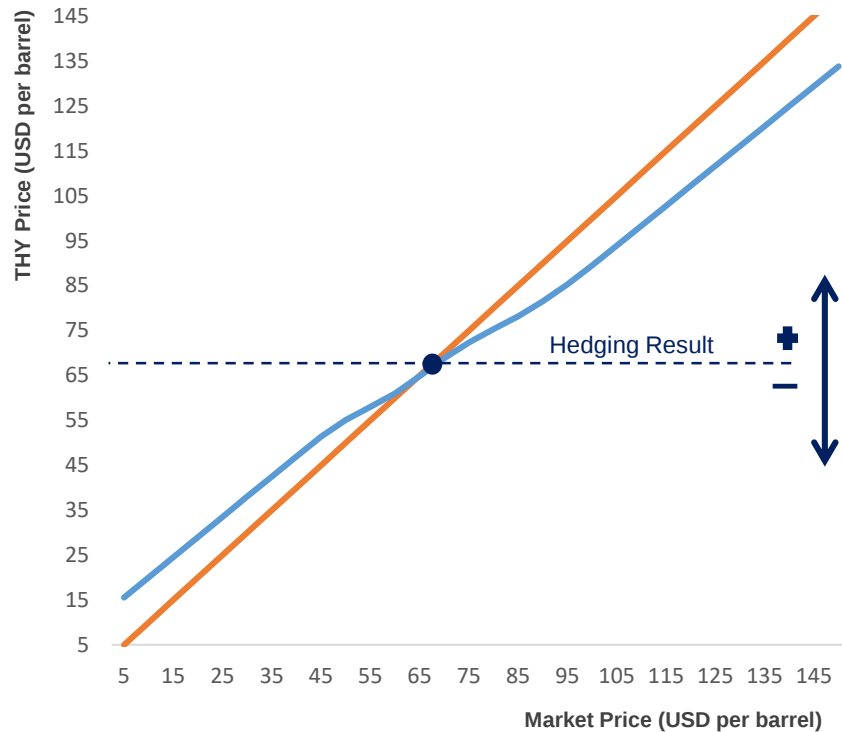
2018	Hedging Levels
EUR/USD	25%
EUR/TRY	31%

2019	Hedging Levels
EUR/USD	14%
EUR/TRY	21%

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

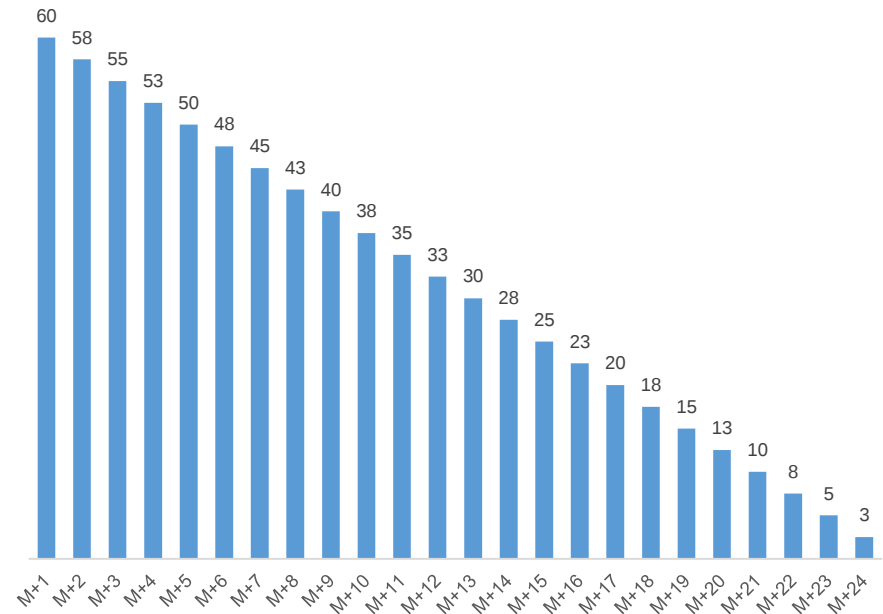
Hedging Fuel Price Risk

Effect of Hedging on the Fuel Price



- Around **21 mn barrels** of hedged position on ICE BRENT as of Dec 31, 2018
- Current fuel hedging levels:
FY19: **47%**
FY20: **12%**

Fuel Hedging Policy (%)



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

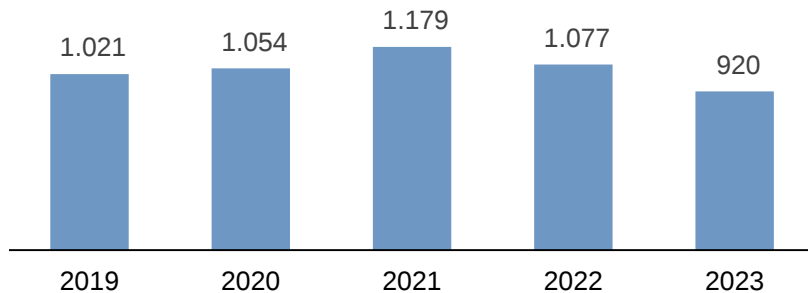
Aircraft Financing and Debt Management

As of 31.03.2019

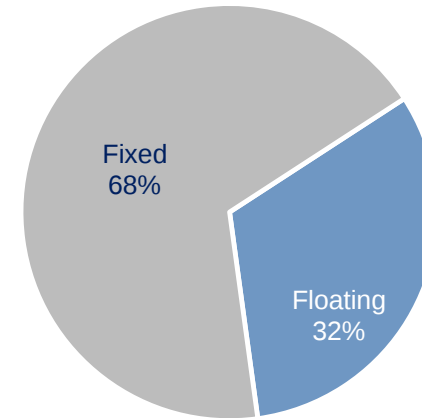
Total Financial Lease Liabilities: **8.1 bn USD**

Operational Leases: **1.6 bn USD**

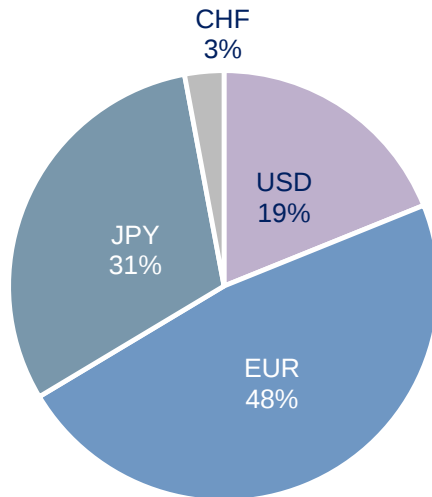
5 Year Maturity Profile (USD mn)



Weighted Average Interest Rate: **2.61%**



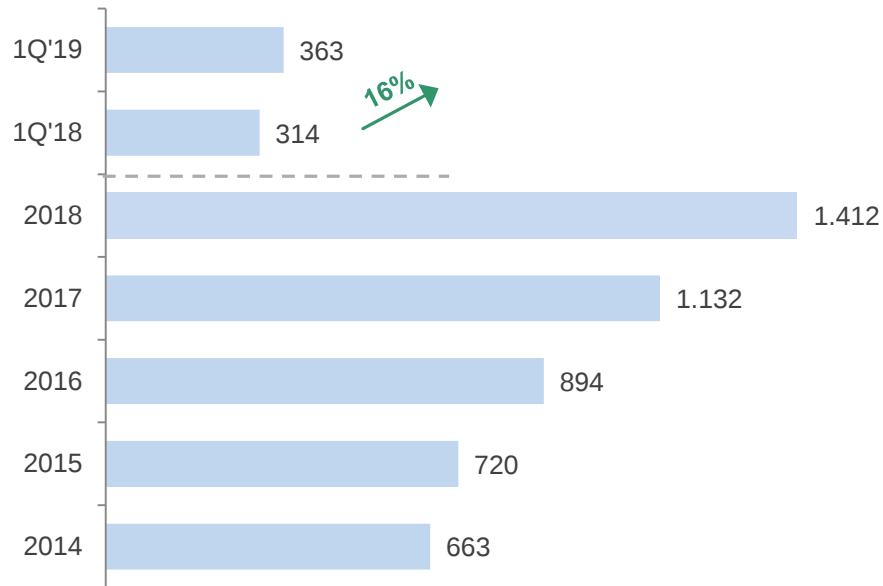
Currency Breakdown of Financial Lease Liabilities



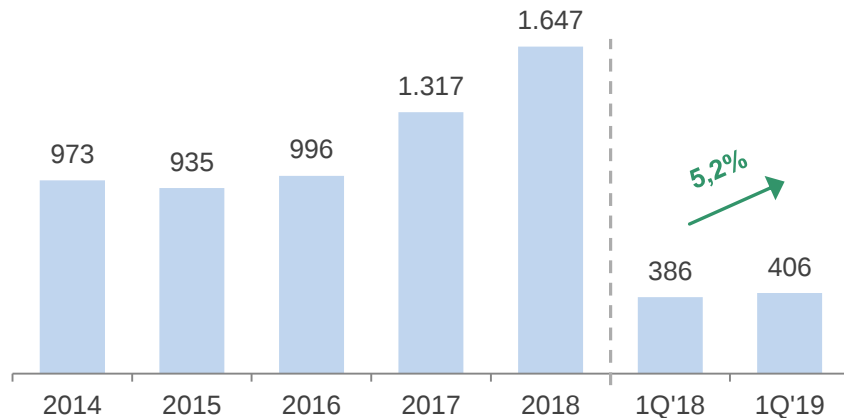
(mn USD)	31.03.2019 Total Debt	Maturity	Yearly Debt Service
USD	1.533	10-12 Years	262
EUR	3.856	10-12 Years	473
JPY	2.487	10-11 Years	285
CHF	239	12 Years	30
Total	8.115		1.050

Cargo Operations

Cargo Tonnage Carried ('000 Ton)

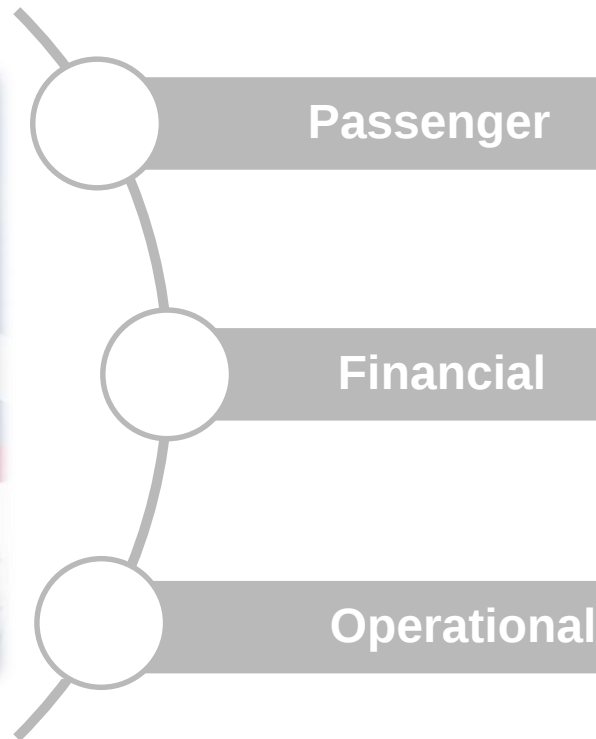


Cargo Revenue Evolution (mn USD)



- Turkish Cargo serves 85 destinations with 23 freighters besides 306 destinations with 313 passenger aircraft as of March, 31 2019.
- Turkish Cargo global market share in revenue has increased from 0.6% in 2009 to 2.4% in 2017.
- In 2018, while World FTK grew by 3,5%, Turkish Cargo FTK grew by 25% compared to previous year.

Source: IATA Economic Performance of the Airline Industry Reports



	2019E
Domestic (mn.)	33
International (mn.)	47
Total (mn.)	80
Revenue (USD bn.)	14,1
EBITDAR	%22-%24
L/F	%81-%82
ASK increase	7% - %8
Cargo/Mail carried (mn./ton)	1.45
CASK (ex-fuel) increase	%3 - %5
Avg. Fuel Cost (USD/ton)	715

Balance Sheet

Assets (mn USD)	2014	2015	2016	2017	2018	31.03.2019
Cash and Equivalents (inc. Financial assets)	722	962	1.815	2.086	2.155	2.109
Trade Receivables	456	361	379	592	570	677
Pre-delivery Payment (PDP) Receivables	990	1.139	596	117	809	1.045
Other Current Assets	663	684	811	836	971	991
Total Current Assets	2.831	3.146	3.601	3.631	4.505	4.822
Net Fixed Assets	9.201	11.415	13.476	13.002	13.918	14.296
of which Aircraft and Engines	8.167	10.177	12.134	11.683	12.127	12.391
Right of Use Assets	-	-	-	-	-	1.561
Pre-delivery Payment (PDP) Receivables	650	392	207	247	505	422
Other Non-Current Assets	1.064	1.430	1.207	1.317	1.804	3.389
Total Non-Current Assets	10.915	13.237	14.890	14.566	16.227	18.107
Total Assets	13.746	16.383	18.491	18.197	20.732	22.929

Liabilities (mn USD)	2014	2015	2016	2017	2018	31.03.2019
Lease Obligations	5.931	7.399	8.886	8.322	9.509	11.279
Passenger Flight Liabilities	1.398	1.091	785	1.000	1.002	1.474
Accounts Payable	662	671	616	855	1.022	968
Other Liabilities	1.805	2.380	3.117	2.674	3.254	3.317
Total Liabilities	9.796	11.541	13.404	12.851	14.787	17.038
Total Shareholders Equity	3.950	4.842	5.087	5.346	5.945	5.891
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	-229
Total Liabilities & Shareholders Equity	13.746	16.383	18.491	18.197	20.732	22.929

Income Statement

(mn USD)	2014	2015	2016	2017	2018	1Q'18	1Q'19	YoY Change
Operating Revenue	11.070	10.522	9.792	10.958	12.855	2.763	2.768	0%
Operating Expenses (-)	10.429	9.840	10.142	10.164	11.686	2.760	2.971	7,6%
of which Fuel	3.806	2.997	2.673	2.866	3.768	804	855	6%
of which Personnel	1.694	1.640	1.865	1.761	1.772	452	517	14%
of which Depreciation	743	924	1.148	1.066	1.087	269	360	34%
of which Rent	543	496	496	527	595	150	74	-51%
Net Operating Profit / Loss	641	682	-350	794	1.169	3	-203	-
Income From Other Operations	80	244	145	264	165	48	61	27%
Expense From Other Operations (-)	45	31	86	36	143	10	8	-20%
Profit / Loss From Main Operations	676	895	-291	1.022	1.191	41	-150	-
Income From Investment Activities (Net)	72	101	117	177	99	21	3	-86%
Share of Investments' Profit / Loss	75	80	44	102	123	3	-15	-
Financial Income	419	532	300	56	129	11	19	73%
Financial Expense (-)	196	201	229	1.078	588	183	140	-23%
Profit Before Tax	1.046	1.407	-59	279	954	-107	-283	-
Tax (-)	201	338	18	56	201	-21	-54	-
Net Profit	845	1.069	-77	223	753	-86	-229	-

Operational Expense Breakdown

(mn USD)	1Q'18	% in Total	1Q'19	% in Total	Change 18/17
Fuel	804	29,1%	855	28,8%	6,3%
Personnel	452	16,4%	517	17,4%	14,4%
Landing, Navigation & Air Traffic	248	9,0%	245	8,2%	-1,2%
Landing and navigation	118	4,3%	122	4,1%	3,4%
Air Traffic Control	130	4,7%	123	4,1%	-5,4%
Sales & Marketing	265	9,6%	310	10,4%	17,0%
Commissions and Incentives	104	3,8%	142	4,8%	36,5%
Reservation System	68	2,5%	73	2,5%	7,4%
Advertising	52	1,9%	47	1,6%	-9,6%
Other	41	1,5%	48	1,6%	17,1%
Depreciation	269	9,7%	360	12,1%	33,8%
Ground Handling	175	6,3%	189	6,4%	8,0%
Aircraft Rent	150	5,4%	74	2,5%	-50,7%
Operational Lease	85	3,1%	10	0,3%	-88,2%
Wet Lease	65	2,4%	64	2,2%	-1,5%
Passenger Services & Catering	145	5,3%	141	4,7%	-2,8%
Maintenance	170	6,2%	192	6,5%	12,9%
General Administration	30	1,1%	26	0,9%	-13,3%
Other	52	1,9%	62	2,1%	19,2%
TOTAL	2.760	100%	2.971	100%	7,6%
Operating Cost per ASK (USc)	6,62	-	6,97	-	5,3%
Ex-fuel Operating Cost per ASK (USc)	4,66	-	4,93	-	5,7%
Fixed Costs	807	29,2%	903	30,4%	11,8%

Subsidiaries & Affiliates

Turkish Airlines Group 31.03.2019		Revenue (mn USD)	Net Profit (mn USD)	Number of Personnel	Partnership Structure
1	Turkish Airlines	2.768	-95	28.183*	%49 Turkey Wealth Fund - %51 Open to Public
2	Turkish Opet Aviation Fuels	468	11	447	%50 THY - %50 Opet
4	Sun Express (Turkey & Germany Consolidated)	195	-39	4.292	%50 THY - %50 Lufthansa
3	Turkish Technic	318	35	8.616	% 100 THY
5	Turkish Do&Co	72	5	5.694	%50 THY - %50 Do&Co
6	Pratt Whitney THY Turkish Engine Center (TEC)	89	-13	389	%51 PW - %49 THY Teknik
7	Turkish Ground Services (TGS)	70	3	15.179	%50 THY - %50 Havaş
8	Turkish Cabin Interior Systems (TCI)	4	1	210	%50 THY & THY Teknik - %50 TAI
9	Goodrich Turkish Technic Service Center	7	1	45	%60 TSA Rina - %40 THY Teknik
10	TSI Aviation Seats	10	-	108	%50 THY & THY Teknik - %50 Assan Hanil
11	THY Uçuş Eğitim ve Havalimanı İşletme A.Ş.	3	-	67	%100 THY
12	Tax Free Zone (Tax Refund)	-	-	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	-	-	53	%49 THY - %41 MDN Investment - %10 Albcontrol

Subsidiaries & Affiliates



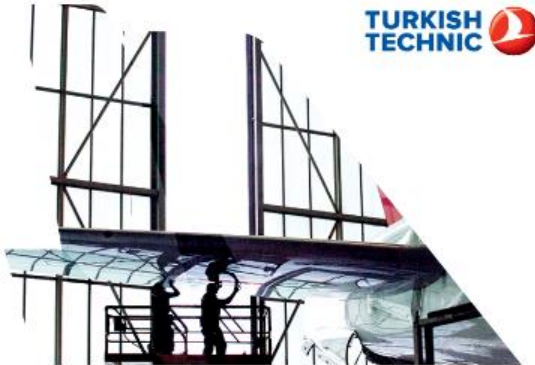
Business Model	Charter + Scheduled
Destinations	73
Fleet	62
Seat Capacity	12.565
# of Passengers	1.435.224
Load Factor (1Q'19)	84,9%
Revenues (1Q'19) mn. USD	195
Net Income (1Q'19) mn. USD	-39

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.
- › 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

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