



TURKCELL İLETİŞİM HİZMETLERİ

FOURTH QUARTER AND FULL YEAR

2019 RESULTS

“VALUE FOCUS

DRIVES PROFITABLE GROWTH”

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- Please note that all financial data is consolidated and comprises that of Turkcell İletişim Hizmetleri A.Ş. (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”), unless otherwise stated.
- We have three reporting segments:
 - “Turkcell Turkey” which comprises all of our telecom related businesses in Turkey (as used in our previous releases in periods prior to Q115, this term covered only the mobile businesses). All non-financial data presented in this press release is unconsolidated and comprises Turkcell Turkey only figures, unless otherwise stated. The terms “we”, “us”, and “our” in this press release refer only to Turkcell Turkey, except in discussions of financial data, where such terms refer to the Group, and except where context otherwise requires.
 - “Turkcell International” which comprises all of our telecom related businesses outside of Turkey.
 - “Other subsidiaries” which is mainly comprised of our information and entertainment services, call center business revenues, financial services revenues, energy business revenues and inter-business eliminations. Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş., our subsidiary responsible for payment services, was previously reported under Turkcell Turkey but with effect from the first quarter of 2019 is now included in “Other Subsidiaries”. We made this change due to the fact that its non-group revenues, which are not telco related, and consumer finance business related revenues now comprise the majority of its total revenues. All figures presented in this document for prior periods have been restated to reflect this change.
- In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for December 31, 2019 refer to the same item as at December 31, 2018. For further details, please refer to our consolidated financial statements and notes as at and for December 31, 2019, which can be accessed via our website in the investor relations section (www.turkcell.com.tr).
- Selected financial information presented in this press release for the fourth quarter and for the full year of 2018 and 2019 is based on IFRS figures in TRY terms unless otherwise stated.
- In accordance with our strategic approach and IFRS requirements, Fintur is classified as ‘held for sale’ and reported as discontinued operations as of October 2016. On December 12, 2018, Turkcell signed a binding agreement and on April 2, 2019 completed the transfer of its shares in Fintur to Sonera Holding B.V., the majority shareholder of Fintur.
- In the tables used in this press release totals may not foot due to rounding differences. The same applies to the calculations in the text.
- Year-on-year and quarter-on-quarter percentage comparisons appearing in this press release reflect mathematical calculation.

FINANCIAL HIGHLIGHTS

TRY million	Q418	Q419	y/y%	FY18	FY19	y/y%
Revenue	5,626	6,684	18.8%	21,292	25,137	18.1%
EBITDA ¹	2,239	2,754	23.0%	8,788	10,426	18.6%
EBITDA Margin (%)	39.8%	41.2%	1.4pp	41.3%	41.5%	0.2pp
EBIT ²	952	1,349	41.7%	4,500	5,380	19.6%
EBIT Margin (%)	16.9%	20.2%	3.3pp	21.1%	21.4%	0.3pp
Net Income	864	756	(12.5%)	2,021	3,246	60.6%

FULL YEAR HIGHLIGHTS

- Solid financial performance:
 - Revenues up 18% on the back of the strong ARPU performance of Turkcell Turkey
 - EBITDA up 19% leading to an EBITDA margin of 41.5%; EBIT up 20% resulting in an EBIT margin of 21.4%
 - Record high net income on 61% growth driven by solid operational performance, prudent financial risk management and Fintur sale
 - TRY1.01 billion dividends distributed
 - Leverage at 1.0x on 0.4x year-on-year improvement
- Operational momentum continued:
 - Mobile postpaid subscriber net additions of 1.5 million in 2019, the highest print of the past decade
 - Superbox³ subscribers at 323 thousand, on 290 thousand annual net additions
- Strong free cash flow⁴ generation of TRY2.4 billion; this rises to TRY4.6 billion including Fintur sale proceeds
- 2020 guidance⁵; revenue growth target of 13% - 16%, EBITDA margin target of 39% - 42%, EBIT margin target of 18% - 21% and operational capex over sales ratio⁶ target of 16% - 18%

FOURTH QUARTER HIGHLIGHTS

- Remarkable financial performance achieved:
 - Group revenues up 19% on record high Turkcell Turkey ARPU performance
 - EBITDA up 23% resulting in an EBITDA margin of 41.2%; EBIT up 42% leading to an EBIT margin of 20.2%
 - Group net income at TRY756 million including one-off negative impact of TRY199 million
- Solid operational performance continued:
 - Record high quarterly mobile postpaid customer net additions of 984 thousand; 62% postpaid share
 - Record high mobile ARPU⁷ and residential fiber ARPU growth of 22.7% and 21.0%, respectively
 - Average monthly data usage of 4.5G subscribers at 10.8 GB in Q419
 - Multiplay with TV subscriber ratio⁸ at 53.3% on 4.7pp year-on-year rise

(1) EBITDA is a non-GAAP financial measure. See page 15 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

(2) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

(3) Superbox subscribers are included in mobile subscribers.

(4) Free cash flow calculation includes EBITDA and the following items as per IFRS cash flow statement; acquisition of property, plant and equipment, acquisition of intangible assets, change in operating assets/liabilities, payment of lease liabilities and income tax paid

(5) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2018 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

(6) Excluding license fee

(7) Excluding M2M

(8) Multiplay subscribers with TV: Fiber internet + IPTV users & fiber internet + IPTV + fixed voice users

For further details, please refer to our consolidated financial statements and notes as at and for December 31, 2019 which can be accessed via our website in the investor relations section (www.turkcell.com.tr).

COMMENTS BY MURAT ERKAN, CEO

As Turkcell Group, we end another year of delivering solutions that add value to our customers' lives. This continues to support our vision of providing superior digital services for a better future. Thanks to our infrastructure investments that enable us to offer the latest technologies, we continued to play a leading role in the digital transformation of Turkey, and of other countries in which we operate. As 2019 was our 25th anniversary, it held special importance for us. In the quarter century behind us, we have achieved countless successes, while having pioneered numerous innovations. And in the upcoming period, we will continue our customer-oriented strategy with the responsibility that comes with these achievements, and that encourages us to achieve our goals.

We are the leader among integrated telecom sector players in Turkey.

2019 was a year of global uncertainties and cost increases due to trade wars and geopolitical tension, and yet one where a macroeconomic rebalancing occurred in our domestic market. The steps we took to strengthen the bond with our customers produced strong operational and financial results. Thanks to our actions in strategic focus areas determined by our customer orientation and effective balance sheet management, we achieved strong financial results and met our targets. In 2019, Turkcell Group consolidated revenues increased by 18.1% year-on-year, reaching TRY25.1 billion. Consolidated EBITDA¹ rose by 18.6% to TRY10.4 billion and the EBITDA margin was at 41.5%. Our EBIT² margin was 21.4%. Net income rose yearly by 61% to a record-high TRY3.2 billion. Our operational capital expenditures³ to sales ratio was 18%. With these results, we are proud to be the leader in Turkey in both total turnover and growth, as well as in net profit among integrated telecom sector players.

We increased the number of postpaid subscribers by a record level.

In 2019, where we comprehensively renewed our customer approach, we registered a net total of 1.5 million mobile postpaid subscriber additions, the highest level of the past decade. We have strengthened our customer base with this increase in the postpaid base that generates triple the ARPU of the prepaid subscriber base. Excluding the impact of mandatory line closings for all telecom operators, our total mobile subscriber base rose by 0.7 million this year. The analysis of big data and use of AI with our advanced analytical capabilities enable us to make the right offer to the right customer at the right time. In our telecom business, which we manage with a micro-segment approach, we can diversify our offers and extend dynamic pricing. Leveraging these capabilities, we registered record high mobile blended ARPU⁴ growth of 22.7% year-on-year in Q419, which is crucial for sustainable growth.

With the increased 4.5G user and smart phone penetration, and the use of our innovative digital services, average mobile data consumption continued its uptrend this year. Average mobile data usage was 9 GB in the fourth quarter up 53%, while the internet usage of our 4.5G subscribers reached 10.8 GB. Thanks to the increasing use of data and digital services, the preference of packages offering higher benefits and the rise in postpaid subscribers, we recorded nearly double the mobile ARPU growth of our competitors.

Our strong infrastructure underpins the unique services that meet the needs of our customers.

Thanks to our wide frequency bands and investments, we are among the few operators worldwide to provide the fastest 4.5G service with 1.2 Gbps speed. Superbox⁵, which offers fiber-speed home internet service over this robust mobile infrastructure, is among our stand-out innovative products of the year. Superbox, Turkey's first and most wide-spread FWA product, has reached 323 thousand subscribers. This technology, set to become widespread with 5G networks worldwide, also confirmed the readiness of our strong infrastructure for the 5G era. Moreover, with our strong fiber infrastructure, we are one of the few operators worldwide to offer 10 Gbps speed. As of the end of 2019, our fiber subscribers had reached 1.5 million, while IPTV subscribers had reached approximately 720 thousand. In fiber residential ARPU, record growth of 21% in the last quarter resulted from our offers renewed at the start of the year plus the demand for packages offering more capacity, and the impact of rising IPTV users.

We generated 1 billion TL revenue from digital services on a stand-alone basis.

Our digital services, one of our strategic focus areas, allow us to provide solutions that enrich our customers' lives. And while these services contribute to higher ARPU, they also strengthen customer loyalty.

BiP, fizy, TV+, Dergilik and lifebox were the most preferred Turkcell applications this year. We have recently added an "emergency button" to our locally-developed communication and life platform BiP, which registers average daily traffic of 274 million messages. This function offers the ability to automatically send location and a message to predetermined contacts in an emergency. We began to use AI-enabled personalized content on our Dergilik, fizy and TV+ platforms, while also entering into advertising collaborations. Stand-alone digital service revenues that we aim to increase 2.5 times over the next 3 years scaled TRY1 billion in 2019.

We are the sole supplier for our corporate customers for end-to-end digital transformation.

We support the digital transformation of private sector and public institutions with our digital business solutions, another strategic focus area. Capable of providing tailor-made solutions, we offer services ranging from cloud technologies, data center services and cyber security to information technologies, and the Internet of Things, thereby supporting digitalization and differentiation. Thanks to our extensive sales network, strong partner ecosystem and superior infrastructure, we rank among the top three IT solution providers in Turkey, and aim to lead the market within 3 years.

We have conducted over 1,000 projects in which we analyzed the digital transformation needs of our customers operating in various sectors, offering the right solution and service. In this context, in 2019 we inaugurated the fifth city hospital where we established integrated information system infrastructure.

Given the importance of data in digital age, and with the conviction that Turkey's data should remain in Turkey, we continue to increase our data storage and processing capacity. On a datacenter investment of approximately 1 billion TL to date, we own a total of 33,500 sqm of white space at eight locations, including Turkey's largest data center.

Paycell is accepted at 7 thousand points of sale.

We continue to improve the capabilities of Paycell, our techfin payment platform, expanding both customer base and merchant number. Thanks to multiple services and solutions in different verticals, access to Turkcell's extensive sales network, strong customer base and technology expertise, we see strong growth potential for Paycell, especially in an environment with attractive dynamics and supportive regulation. Paycell makes life easier for our customers by offering direct carrier billing, money transfer, payment services and wallet, plus cash top-up for the Turkcell prepaid line and the public transportation card IstanbulKart as well as Paycell card. We also provide merchants a QR based payment alternative and mobile POS solutions. As of end-2019, the Paycell has approximately 4.5 million active users, with Paycell accepted as a means of payment at 7 thousand points. While Paycell cards reached 2.4 million, the number of credit cards registered on the application has exceeded 4.4 million.

Our preparation for 5G continues at full speed.

A key issue of the coming period is the transition to 5G. Given the speed and capacity increase it offers, we believe that 5G technology, the infrastructure of Industry 4.0, will lead to a rapid transformation across all sectors, playing a vital role in Turkey's digital transformation. As Turkcell, we continue our preparations for the transition to 5G without let up in pace, realizing industry firsts. In this context, in the speed test conducted on the 3.5GHz band allocated for testing purposes, in August we recorded the world's highest speed of 2.283 Gbps on the 5G pilot network with a commercial 5G handset.

We are aware that joint infrastructure will play a vital role in the transition to 5G, ensuring the efficient use of national resources to the benefit of all participants. We continue related efforts accordingly. In this context, with the infrastructure sharing agreements signed with Turksat and Vodafone Turkey, we share our fiber infrastructure and offer fixed internet services to more households. We also participate in initiatives to develop local 5G technologies.

We attach importance to sustainability and introduce pioneering initiatives.

Our efforts to offer customers environmentally friendly and sustainable product alternatives continue to receive global recognition. We are one of the founding members of the CFO Taskforce initiative created by the United

Nations Global Compact. We are proud to take part in efforts to develop corporate finance models and tools in step with the United Nations Sustainable Development Goals. While producing the technologies of the future, we will maintain our focus on sustainability across all our digital products and services, corporate collaborations and processes. In addition, we support the electronic waste recycling campaign, launched as a sustainability initiative, with resulting revenues funding local education.

We announced our three-year goals in November.

Confidence based on positive macroeconomic developments, our stronger organization and pursuit of our strategic priorities, we disclosed our targets for the 2020-2022 period to all our stakeholders at meetings in London and in Istanbul. In this three-year period, we target⁶ 13% - 16% revenue growth (CAGR), 39% - 42% EBITDA margin and an 18% - 21% EBIT margin. We expect an operational capex³ to sales ratio of 16% - 18%. We confirm these goals for 2020. We continue to work at full strength to create value for all our stakeholders to achieve these goals and more.

Our innovative services and solutions will continue to bring value to our customers.

The year of 2019 was one of success in many areas, as we continued to bring value to our customers' lives through innovation and quality services. In 2020, with our innovative approach and leading position, we target sustainable and profitable growth.

We thank all our colleagues for the part they have played in our success, along with our Board of Directors for their unyielding trust and support. We also express our gratitude to our customers and business partners, who have remained with us throughout our success story.

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(2) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

(3) Excluding license fee

(4) Excluding M2M

(5) Superbox subscribers are included in mobile subscribers

(6) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2018 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

FINANCIAL AND OPERATIONAL REVIEW
Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Revenue	5,626.3	6,683.8	18.8%	21,292.5	25,137.1	18.1%
Cost of revenue ¹	(2,607.5)	(3,206.3)	23.0%	(9,858.0)	(12,036.9)	22.1%
Cost of revenue¹/Revenue	(46.3%)	(48.0%)	(1.7pp)	(46.3%)	(47.9%)	(1.6pp)
Gross Margin¹	53.7%	52.0%	(1.7pp)	53.7%	52.1%	(1.6pp)
Administrative expenses	(198.2)	(217.4)	9.7%	(673.4)	(779.8)	15.8%
Administrative expenses/Revenue	(3.5%)	(3.3%)	0.2pp	(3.2%)	(3.1%)	0.1pp
Selling and marketing expenses	(500.7)	(384.9)	(23.1%)	(1,626.7)	(1,555.2)	(4.4%)
Selling and marketing expenses/Revenue	(8.9%)	(5.8%)	3.1pp	(7.6%)	(6.2%)	1.4pp
Net impairment losses on financial and contract assets	(81.0)	(121.3)	49.8%	(346.4)	(338.9)	(2.2%)
EBITDA²	2,239.0	2,753.8	23.0%	8,788.0	10,426.4	18.6%
EBITDA Margin	39.8%	41.2%	1.4pp	41.3%	41.5%	0.2pp
Depreciation and amortization	(1,287.0)	(1,404.9)	9.2%	(4,288.0)	(5,046.6)	17.7%
EBIT³	952.0	1,348.9	41.7%	4,500.0	5,379.9	19.6%
EBIT Margin	16.9%	20.2%	3.3pp	21.1%	21.4%	0.3pp
Net finance income / (costs)	(18.5)	(214.3)	n.m	(1,687.0)	(1,727.7)	2.4%
Finance income ⁴	(1,361.0)	44.9	n.m	1,677.1	297.5	(82.3%)
Finance costs ⁴	1,342.5	(259.2)	(119.3%)	(3,364.1)	(2,025.1)	(39.8%)
Other income / (expense)	46.5	(128.2)	(375.7%)	(140.1)	(346.6)	147.4%
Non-controlling interests	(77.7)	2.0	n.m	(156.3)	(30.2)	(80.7%)
Share of profit of equity accounted investees	0.3	(19.1)	n.m	(0.1)	(15.7)	n.m
Income tax expense	(38.7)	(233.7)	503.9%	(495.5)	(785.6)	58.5%
Discontinued operations	-	-	-	-	772.4	n.a
Net Income	863.9	755.6	(12.5%)	2,021.1	3,246.5	60.6%

(1) Excluding depreciation and amortization expenses.

(2) EBITDA is a non-GAAP financial measure. See page 15 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

(3) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

(4) Fair value loss and interest expense regarding derivative instruments and the respective fair value gain and interest income regarding derivative instruments are represented on a net basis. Starting from Q219, interest income on financial assets and interest expenses for financial liabilities, both measured at amortized cost, are represented on a net basis. Historical periods were restated to reflect this change.

Revenue of the Group grew 18.8% year-on-year in Q419 driven mainly by the strong ARPU performance of Turkcell Turkey, supported by upsell efforts, increased data usage as well as larger postpaid subscriber base. This solid performance is a result of our microsegment layered approach enabled by strong data analytics capabilities.

Turkcell Turkey revenues, comprising 86% of Group revenues, rose 20.9% to TRY5,741 million (TRY4,747 million).

- Consumer business grew by 21.8% on the back of solid ARPU performance driven by increased data consumption, rising postpaid subscribers and upsell efforts.
- Corporate revenues rose by 29.4% supported by the solid performance of digital business solution that grew 32% year-on-year.
 - Standalone digital services revenues from consumer and corporate businesses were TRY275 million in Q419.
- Wholesale revenues rose 39.5% to TRY305 million (TRY219 million) on the back of increased carrier traffic and the positive impact of currency movements.

Turkcell International revenues, at 8% of Group revenues, rose 33.0% to TRY561 million (TRY422 million), mainly with the continued ARPU growth of lifecell and positive impact of currency movements.

Other subsidiaries' revenues, comprising 6% of Group revenues, which includes information and entertainment services, call center revenues, revenues from financial services and energy business revenues were at TRY382 million (TRY457 million).

- We completed the sale of our shares in Azerinteltek, our sports betting business in Azerbaijan, as of January 11, 2019. We received the transfer of proceeds on December 27, 2018 and transferred control of the subsidiary. We did not report any revenues in 2019 in relation to Azerinteltek operations.
- Our contract with Spor Toto to carry out sports betting operations in Turkey has ended as of August 28, 2019.
- Our consumer finance company's revenues were at TRY201 million (TRY247 million) in Q419. Revenues were impacted by the decline in the consumer loan portfolio, from TRY4.2 billion as of Q418 to TRY2.4 billion as of Q419, due mainly to the installment limitation on consumer loans for telecom devices.

For the full year, Turkcell Group revenues rose by 18.1%.

Turkcell Turkey revenues grew by 18.8% to TRY21,487 million (TRY18,093 million).

- Consumer business grew by 17.0% driven by strong ARPU performance.
- Corporate revenues rose by 32.4% supported by digital business solutions revenue growth of 44%.
 - Standalone digital services revenues from consumer and corporate businesses reached TRY1 billion in FY19.
- Wholesale revenues grew by 26.0% to TRY1,154 million (TRY916 million).

Turkcell International revenues rose by 37.5% to TRY2,003 million (TRY1,457 million).

Other subsidiaries' revenues were at TRY1,647 million (TRY1,743 million).

Cost of revenue (excluding depreciation and amortization) increased to 48.0% (46.3%) as a percentage of revenues in Q419. This was driven mainly by increased cost of goods sold (3.5pp), despite the decline in cost of revenue of financial services (0.9pp) and other cost items (0.9pp) as a percentage of revenues.

For the full year, cost of revenue (excluding depreciation and amortization) increased to 47.9% (46.3%) as a percentage of revenues. This was due mainly to the rise in cost of goods sold (3.0pp) and other cost items (0.1pp), despite the decline in cost of revenue of financial services (0.8pp) and interconnection costs (0.7pp) as a percentage of revenues.

Administrative Expenses were at 3.3% (3.5%) as a percentage of revenues in Q419. For the full year, administrative expenses were at 3.1% (3.2%) as a percentage of revenues.

Selling and Marketing Expenses decreased to 5.8% (8.9%) as a percentage of revenues in Q419. This was driven by the decline in selling expenses (2.3pp) and marketing expenses (0.8pp) as a percentage of revenues.

For the full year, selling and marketing expenses declined to 6.2% (7.6%) as a percentage of revenues driven by the decline in selling expenses (1.2pp) and other cost items (0.2pp).

Net impairment losses on financial and contract assets was at 1.8% (1.4%) as a percentage of revenues in Q419. For the full year, net impairment losses on financial and contract assets was at 1.3% (1.6%) as a percentage of revenues.

EBITDA¹ rose by 23.0% year-on-year in Q419 leading to an EBITDA margin of 41.2% (39.8%) driven mainly by effective cost management.

- Turkcell Turkey's EBITDA rose by 33.2% to TRY2,360 million (TRY1,771 million) leading to an EBITDA margin of 41.1% (37.3%) in Q419.
- Turkcell International EBITDA² was at TRY244 million (TRY247 million) leading to an EBITDA margin of 43.5% (58.5%) in Q419.
- The EBITDA of other subsidiaries stood at TRY150 million (TRY221 million) in Q419.

(1) EBITDA is a non-GAAP financial measure. See page 15 for the explanation of how we calculate adjusted EBITDA and its reconciliation to net income.

(2) We started to capitalize the frequency usage fees of lifecell in Q418 in accordance with IFRS16. The change was implemented retrospectively for 2018; impact regarding previous quarters of 2018 was booked in Q418. We started to capitalize the frequency usage fees of BeST in Q219 in accordance with IFRS16. These changes positively impacted Turkcell International EBITDA.

For the full year, EBITDA grew by 18.6% resulting in an EBITDA margin of 41.5% (41.3%)

- Turkcell Turkey's EBITDA rose by 18.7% to TRY8,789 million (TRY7,404 million) with an EBITDA margin 40.9% (40.9%).
- Turkcell International EBITDA rose by 47.5% to TRY904 million (TRY613 million) with an EBITDA margin of 45.1% (42.1%).
- The EBITDA of other subsidiaries was at TRY733 million (TRY771 million).

Depreciation and amortization expenses increased 9.2% in Q419. For the full year depreciation and amortization expenses increased 17.7%.

Net finance expense increased to TRY214 million (TRY18 million) in Q419. Interest income on bank deposits declined compared to Q418. Excluding the impact of net swap interest expense, our net FX gain was TRY95.6 million in Q418, when TRY appreciated while we carried a short FX position, yet our net FX gain was TRY17.7 million in Q419, when TRY depreciated while we carried a long FX position.

Our net finance expense has improved significantly from TRY521.2 million in Q319. In the previous quarters of 2019, we incurred negative mark to market losses from derivative instruments due to sharply falling interest rates. In Q419, we incurred a net positive impact from FX movements, normalizing our total net finance expense.

For the full year net finance expense increased to TRY1,728 million (TRY1,687 million). This was due mainly to lower interest income on bank deposits and higher interest expenses resulting from borrowings and lease obligations, despite lower foreign exchange losses after hedging.

Please note that the Group started to apply hedge accounting as of July 1, 2018 for existing participating cross currency swap and cross currency swap transactions, in accordance with the IFRS 9 hedge accounting requirement. Please see the IFRS report for details.

See Appendix A for the details of net foreign exchange gain and loss.

Income tax expense increased to TRY234 million (TRY39 million) in Q419 mainly due to deferred tax income incurred in Q418. For the full year income tax expense increased 58.5%. Please see Appendix A for details.

Net income of the Group was at TRY756 million (TRY864 million) in Q419. Stronger operational performance compared to the previous year's fourth quarter was offset by the changes in net finance expense as well as the low base of tax expense in Q418. Please also note that Q419 net income was negatively impacted by one-off TRY199 million settlement with the tax authority.

For the full year, group net income rose 60.6% to an all-time high level of TRY3,246 million. This was driven mainly by a solid operational performance, lower net foreign exchange losses after hedging and the contribution of the Fintur sale, despite the lower interest income on bank deposits and higher interest expenses resulting from borrowings and lease obligations.

Total cash & debt: Consolidated cash as of December 31, 2019 declined to TRY10,239 million from TRY10,975 million as of September 30, 2019, due mainly to the dividend payment as well as debt repayments. Excluding FX swap transactions for TRY borrowing, 81% of our cash is in US\$, 12% in EUR and 7% in TRY.

Consolidated debt as of December 31, 2019 declined to TRY20,306 million from TRY20,675 million as of September 30, 2019, mainly on the back of debt repayments despite the negative impact of FX movements. Please note that TRY1,533 million of our consolidated debt is comprised of lease obligations.

Consolidated debt breakdown excluding lease obligations:

- Turkcell Turkey's debt was at TRY15,994 million, of which TRY9,096 million (US\$1,531 million) was denominated in US\$, TRY5,425 million (EUR816 million) in EUR, TRY201 million (CNY237 million) in CNY and the remaining TRY1,272 million in TRY.
- Our consumer finance company had a debt balance of TRY1,733million, of which TRY1,194 million (US\$201 million) was denominated in US\$, and TRY214 million (EUR32 million) in EUR with the remaining TRY325 million in TRY.
- The debt balance of lifecell was TRY1,044 million, all denominated in UAH.

TRY735 million of lease obligations is denominated in TRY, TRY19 million (US\$3 million) in US\$, TRY163 million (EUR24 million) in EUR and the remaining balance in other local currencies (please note that the figures in parentheses refer to US\$ or EUR equivalents).

TRY10,117 million of our consolidated debt is set at a floating rate. Excluding consumer finance business borrowings, TRY6,206 million of consolidated debt will mature within less than a year.

Net debt as of December 31, 2019 was at TRY10,067 million with a net debt to EBITDA ratio of 0.97 times. Excluding consumer finance company consumer loans, our telco only debt was at TRY7,658 million with a leverage of 0.77 times.

Turkcell Group has a long FX position of US\$115 million as at the end of the year. *(Please note that this figure takes advance payments and hedging into account, but excludes FX swap transactions for TRY borrowing. Derivatives (VIOP) and forward transactions are included).*

Capital expenditures: Capital expenditures, including non-operational items, amounted to TRY2,445 million in Q419. For the full year, capital expenditures including non-operational items were at TRY7,225 million.

For Q419 and the full year, operational capital expenditures (excluding license fees) at the Group level were at 25.4% and 18.0% of total revenues, respectively.

Capital expenditures (million TRY)	Quarter		Year	
	Q418	Q419	FY18	FY19
Operational Capex	1,448.6	1,696.0	3,943.1	4,525.1
License and Related Costs	1.7	0.1	414.1	1.8
Non-operational Capex <i>(Including IFRS15 & IFRS16)</i>	784.3	749.2	3,286.9	2,697.8
Total Capex¹	2,234.6	2,445.4	7,644.0	7,224.7

(1) Breakdown of capex for Q418 has been restated

Operational Review of Turkcell Turkey

Summary of Operational Data	Quarter			Year		
	Q418	Q419	y/y %	FY18	FY19	y/y %
Number of subscribers (million)	36.7	35.7	(2.7%)	36.7	35.7	(2.7%)
Mobile Postpaid (million)	18.8	20.4	8.5%	18.8	20.4	8.5%
Mobile M2M (million)	2.4	2.6	8.3%	2.4	2.6	8.3%
Mobile Prepaid (million)	14.9	12.4	(16.8%)	14.9	12.4	(16.8%)
Fiber (thousand)	1,385.6	1,484.7	7.2%	1,385.6	1,484.7	7.2%
ADSL (thousand)	905.6	719.1	(20.6%)	905.6	719.1	(20.6%)
Superbox (thousand) ¹	33.5	323.2	864.8%	33.5	323.2	864.8%
Cable(thousand)	-	49.2	n.a	-	49.2	n.a
IPTV (thousand)	613.4	719.7	17.3%	613.4	719.7	17.3%
Churn (%)²						
Mobile Churn (%) ³	2.9%	4.5%	1.6pp	2.1%	2.7%	0.6pp
Fixed Churn (%)	2.2%	2.3%	0.1pp	1.8%	2.1%	0.3pp
ARPU (Average Monthly Revenue per User) (TRY)						
Mobile ARPU, blended	35.0	42.8	22.3%	33.9	39.8	17.4%
Mobile ARPU, blended (excluding M2M)	37.4	45.9	22.7%	36.2	42.6	17.7%
Postpaid	49.5	59.6	20.4%	48.2	56.4	17.0%
Postpaid (excluding M2M)	56.4	67.7	20.0%	54.9	64.1	16.8%
Prepaid	17.4	18.8	8.0%	16.9	18.3	8.3%
Fixed Residential ARPU, blended	56.6	68.0	20.1%	55.7	64.5	15.8%
Residential Fiber ARPU	58.2	70.4	21.0%	57.0	67.0	17.5%
Average mobile data usage per user (GB/user)	5.9	9.0	52.5%	5.2	7.4	42.3%
Mobile MoU (Avg. Monthly Minutes of usage per subs) blended	356.4	431.4	21.0%	359.5	415.3	15.5%

(1) Superbox subscribers are included in mobile subscribers.

(2) Presentation of churn figures has been changed to demonstrate average monthly churn figures for the respective quarters.

(3) In Q117, our churn policy was revised to extend from 9 months to 12 months (the period at the end of which we disconnect prepaid subscribers who have not topped up above TRY10). Additionally, under our revised policy, prepaid customers who last topped up before March will be disconnected at the latest by year-end. As a regulatory requirement, we started to disconnect prepaid lines in accordance with new ICTA regulation, which requires deactivation of prepaid lines which lack residency documents by the 6th month of subscription.

Our mobile subscriber base was at 32.7 million as at the year end. Our postpaid subscriber base expanded by 1.5 million net annual additions in FY19, the highest of the past 10 years. Accordingly, postpaid subscribers, whose ARPU generation on average is more than three times that of prepaid subscribers, reached 62.2% (55.7%) of the subscriber base. We were able to achieve this sound performance on the back of our microsegment layered approach and regional offers enabled by our strong data analytics capabilities. Meanwhile, our prepaid customers declined by 2.6 million in FY19, due mainly to 1.9 million disconnections in accordance with the new ICTA regulation that requires deactivation of prepaid lines which lack residency documents by the 6th month of subscription, and deactivation of 580 thousand inactive prepaid customers in line with our churn policy. In Q419, we registered record high quarterly postpaid subscriber net additions of 984 thousand.

On the fixed front, our fiber subscriber base grew by 29 thousand quarterly and 99 thousand annual net additions. Our fixed wireless access product, Superbox, continued its growth momentum expanding its customer base on 106 thousand quarterly and 290 thousand annual net additions. Meanwhile, our cable subscribers had reached 49 thousand by year end. IPTV customers numbered 720 thousand on 36 thousand quarterly and 106 thousand annual net additions. The average monthly mobile churn rate was at 4.5% and 2.7% in Q419 and FY19, respectively. Excluding the impact of regulatory disconnections and deactivation of inactive prepaid lines in line with our churn policy, our average monthly churn rate would have been 2.1% in Q419. Average monthly fixed churn rate was 2.3% in Q419 and 2.1% for the full year.

We recorded all time high mobile ARPU (excluding M2M) growth of 22.7% year-on-year in Q419 driven mainly by a favorable customer mix, upsell efforts, increased data consumption and price adjustments. Mobile ARPU (excluding M2M) grew 17.7% for the full year.

Meanwhile, we also registered record high residential fiber ARPU growth of 21.0% in Q419 year-on-year, mainly on upsell performance, price adjustments as well as with higher revenue generating subscriber acquisitions. Multiplay subscribers with TV⁴, reaching 53.3% of total residential fiber subscribers, also helped strong ARPU performance. Fiber residential ARPU grew by 17.5% for the full year.

Average monthly mobile data usage per user increased 52.5% in Q419 year-on-year and 42.3% for the full year, driven by the increasing data consumption of 4.5G users and increased digital services usage. Accordingly, the average mobile data usage of 4.5G users reached 10.8 GB in Q419.

The number of 4.5G compatible smartphones on our network was at 19.2 million comprising 87% of the smartphones on our network. Excluding the impact of regulatory disconnections, 4.5G compatible smartphones on our network would have reached nearly 20.2 million by year end.

(4) Multiplay subscribers with TV: Fiber internet + IPTV users & fiber internet + IPTV + fixed voice users

TURKCELL INTERNATIONAL

lifecell ¹ Financial Data	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Revenue (million UAH)	1,417.0	1,557.9	9.9%	5,268.5	5,983.8	13.6%
EBITDA (million UAH)	1,083.5	818.6	(24.4%)	2,762.2	3,243.4	17.4%
EBITDA margin (%)	76.5%	52.5%	(24.0pp)	52.4%	54.2%	1.8pp
Net income / (loss) (million UAH)	(730.1)	(215.0)	(70.6%)	(1,300.7)	(1,113.6)	(14.4%)
Capex (million UAH)	2,694.9	639.9	(76.3%)	7,767.0	1,895.3	(75.6%)
Revenue (million TRY)	273.3	369.4	35.2%	924.0	1,315.8	42.4%
EBITDA (million TRY)	205.9	194.2	(5.7%)	489.4	711.6	45.4%
EBITDA margin (%)	75.3%	52.6%	(22.7pp)	53.0%	54.1%	1.1pp
Net income / (loss) (million TRY)	(126.3)	(50.8)	(59.8%)	(220.2)	(243.3)	10.5%

(1) Since July 10, 2015, we hold a 100% stake in lifecell.

lifecell (Ukraine) revenues rose 9.9% year-on-year in Q419 in local currency terms, driven mainly by growing mobile data revenues with the increasing data consumption of subscribers. EBITDA in local currency terms was UAH818.6 million, which led to an EBITDA margin of 52.5%. Please also note that lifecell began to capitalize its radio frequency usage costs in Q418 in accordance with IFRS16, and that the overall impact including the retrospective adjustments for previous quarters of 2018, was booked in Q418. lifecell revenues in TRY terms grew 35.2% year-on-year in Q419, positively impacted by currency movements, and with an EBITDA margin of 52.6%.

For the full year, lifecell revenues in local currency terms rose 13.6%, while EBITDA increased 17.4%, which led to an EBITDA margin of 54.2% on 1.8pp improvement. In TRY terms, lifecell registered revenue growth of 42.4% with an EBITDA margin of 54.1%.

lifecell Operational Data	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Number of subscribers (million) ³	9.9	8.9	(10.1%)	9.9	8.9	(10.1%)
Active (3 months) ⁴	7.3	7.4	1.4%	7.3	7.4	1.4%
MOU (minutes) (12 months)	148.6	157.0	5.7%	144.9	149.0	2.8%
ARPU (Average Monthly Revenue per User), blended (UAH)	47.2	58.3	23.5%	42.8	54.0	26.2%
Active (3 months) (UAH)	63.1	73.3	16.2%	57.3	71.8	25.3%

(3) We may occasionally offer campaigns and tariff schemes that have an active subscriber life differing from the one that we normally use to deactivate subscribers and calculate churn.

(4) Active subscribers are those who in the past three months made a revenue generating activity.

Three-month active subscriber base of lifecell rose to 7.4 million in 4Q19 mainly on the attractive offers and customer retention focus. lifecell registered 3-month active ARPU growth of 16.2% year-on-year in Q419, driven mainly by upsell efforts and the rise in data consumption of subscribers. lifecell continued its focus on high ARPU generating customers, leveraging the quality of its 4.5G and 3G networks, as well as its wide portfolio of digital services that contribute ARPU growth.

The penetration of 4.5G users in lifecell's customer base continued to increase, supporting data and digital services usage growth. Accordingly, 4.5G users had reached 50% of total mobile data users as at the end of the year. Meanwhile, average data consumption per user rose by 46%, driven mainly by the higher data usage of 4.5G users. lifecell sustained its leadership of the Ukrainian market in smartphone penetration, which had reached 80% as at the end of Q419. Moreover, lifecell and other telecom operators in the country signed a memorandum with the government in October with the aim of providing LTE services to rural areas, and national and international roads over the 900 MHz frequency band.

lifecell pursued efforts to increase the usage of its digital services among its customer base by introducing attractive offers and expanding its portfolio with new digital services. In Q419 lifecell introduced the BiP virtual number service enabling customers to use their numbers abroad without a SIM card and a lifestyle portal.

BeST ¹	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Number of subscribers (million)	1.6	1.5	(6.3%)	1.6	1.5	(6.3%)
Active (3 months)	1.2	1.1	(8.3%)	1.2	1.1	(8.3%)
Revenue (million BYN)	32.9	33.9	3.0%	124.9	135.0	8.1%
EBITDA (million BYN)	12.7	7.4	(41.7%)	27.9	35.5	27.2%
EBITDA margin (%)	38.6%	21.7%	(16.9pp)	22.3%	26.3%	4.0pp
Net loss (million BYN)	(8.3)	(8.0)	(3.6%)	(37.0)	(33.3)	(10.0%)
Capex (million BYN)	18.3	7.2	(60.7%)	56.6	49.9	(11.8%)
Revenue (million TRY)	83.8	93.8	11.9%	292.9	365.0	24.6%
EBITDA (million TRY)	31.3	20.3	(35.1%)	66.1	96.4	45.8%
EBITDA margin (%)	37.4%	21.7%	(15.7pp)	22.6%	26.4%	3.8pp
Net loss (million TRY)	(21.3)	(22.1)	3.8%	(86.0)	(89.8)	4.4%

(1) BeST, in which we hold an 80% stake, has operated in Belarus since July 2008.

BeST revenues grew 3.0% year-on-year in Q419 in local currency terms, driven mainly by the rise in mobile data revenues with increased number and consumption of data users. Digital services revenues also contributed to revenue growth. BeST's EBITDA was at BYN7.4 million in Q419 with an EBITDA margin of 21.7%. BeST revenues in TRY terms rose 11.9% year-on-year in Q419, while the EBITDA margin stood at 21.7%.

For the full year, revenues in local currency terms increased by 8.1% to BNY135.0 million with an EBITDA margin of 26.3%. In TRY terms, BeST achieved revenue growth of 24.6% and EBITDA growth of 45.8% with an EBITDA margin of 26.4%.

Offering 4G services in all six regions of Belarus, BeST continued to increase the penetration of 4G users within its customer base in Q419. Accordingly, 4G users reached 55% of 3-month active users, which supported the rise in data and digital services consumption. In Q419 average data consumption of subscribers rose 42% on the back of higher data consumption of 4G users. Meanwhile, BeST pursued its efforts to increase the use of its digital services. Games, fizy and TV+ applications have been the most popular digital services among users, while digital tariff PLAY, which offers 7 digital services within a single package, continued to increase its attractiveness. As a result of these efforts, those subscribers using at least one digital service comprised 28% of the 3-month active subscriber base.

Kuzey Kıbrıs Turkcell ² (million TRY)	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Number of subscribers (million)	0.5	0.5	-	0.5	0.5	-
Revenue	45.8	67.1	46.5%	180.1	222.3	23.4%
EBITDA	11.6	21.2	82.8%	58.8	78.5	33.5%
EBITDA margin (%)	25.3%	31.6%	6.3pp	32.6%	35.3%	2.7pp
Net income	8.9	12.4	39.3%	32.9	41.8	27.1%
Capex	23.3	23.9	2.6%	65.5	58.6	(10.5%)

(2) Kuzey Kıbrıs Turkcell, in which we hold a 100% stake, has operated in Northern Cyprus since 1999

Kuzey Kıbrıs Turkcell revenues grew by 46.5% year-on-year in Q419, driven mainly by the rise in mobile broadband consumption and handset sales, as well as the positive contribution of the growing fixed broadband business. The EBITDA of Kuzey Kıbrıs Turkcell rose 82.8% leading to an EBITDA margin of 31.6%.

For the full year, Kuzey Kıbrıs registered revenue growth of 23.4% and EBITDA growth 33.5%, which resulted in an EBITDA margin of 35.3%.

Fintur: In accordance with our strategic approach and IFRS requirements, Fintur is classified as ‘held for sale’ and reported as discontinued operations as of October 2016.

On December 12, 2018, Turkcell signed a binding agreement and on April 2, 2019 completed the transfer of its shares in Fintur to Sonera Holding B.V., the majority shareholder of Fintur. The final value of the transaction was EUR352.9 million. As the conditions precedent required for the share transfer were completed within Q119, TRY772 million profit generated from the transaction was reflected in the Q119 financial statements.

We booked a provision of TRY60 million in Q219 for the recognition of liability in relation to the Kcell Share Purchase Agreement regarding the past Kcell transaction and performed the respective payment in Q319.

Turkcell Group Subscribers

Turkcell Group subscribers amounted to approximately 46.7 million as of December 31, 2019. This figure is calculated by taking the number of subscribers of Turkcell Turkey and each of our subsidiaries. It includes the total number of mobile, fiber, ADSL, cable and IPTV subscribers of Turkcell Turkey, and the mobile subscribers of lifecell and BeST, as well as those of Kuzey Kıbrıs Turkcell and lifecell Europe.

Turkcell Group Subscribers	Q418	Q319	Q419	y/y%	q/q%
Mobile Postpaid (million)	18.8	19.4	20.4	8.5%	5.2%
Mobile Prepaid (million)	14.9	15.0	12.4	(16.8%)	(17.3%)
Fiber (thousand)	1,385.6	1,455.7	1,484.7	7.2%	2.0%
ADSL (thousand)	905.6	758.9	719.1	(20.6%)	(5.2%)
Superbox (thousand) ¹	33.5	217.4	323.2	864.8%	48.7%
Cable (thousand)	-	33.0	49.2	n.a	49.1%
IPTV (thousand)	613.4	683.4	719.7	17.3%	5.3%
Turkcell Turkey subscribers (million)²	36.7	37.3	35.7	(2.7%)	(4.3%)
lifecell (Ukraine)	9.9	9.0	8.9	(10.1%)	(1.1%)
BeST (Belarus)	1.6	1.5	1.5	(6.3%)	-
Kuzey Kıbrıs Turkcell	0.5	0.5	0.5	-	-
lifecell Europe ³	0.2	0.2	0.2	-	-
Turkcell Group Subscribers (million)	48.9	48.5	46.7	(4.5%)	(3.7%)

(1) Superbox subscribers are included in mobile subscribers.

(2) Subscribers to more than one service are counted separately for each service.

(3) The “wholesale traffic purchase” agreement, signed between Turkcell Europe GmbH operating in Germany and Deutsche Telekom for five years in 2010, had been modified to reflect the shift in business model to a “marketing partnership”. The new agreement between Turkcell and a subsidiary of Deutsche Telekom was signed on August 27, 2014. The transfer of Turkcell Europe operations to Deutsche Telekom’s subsidiary was completed on January 15, 2015. Subscribers are still included in the Turkcell Group Subscriber figure. Turkcell Europe was rebranded as lifecell Europe on January 15, 2018.

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

The foreign exchange rates used in our financial reporting, along with certain macroeconomic indicators, are set out below.

	Quarter					Year		
	Q418	Q319	Q419	y/y%	q/q%	FY18	FY19	y/y%
GDP Growth (Turkey)	(2.8%)	0.9%	n.a	n.a	n.a	2.8%	n.a	n.a
Consumer Price Index (Turkey) (yoy)	20.3%	9.3%	11.8%	(8.5pp)	2.5pp	20.3%	11.8%	(8.5pp)
US\$ / TRY rate								
Closing Rate	5.2609	5.6591	5.9402	12.9%	5.0%	5.2609	5.9402	12.9%
Average Rate	5.4369	5.6973	5.7588	5.9%	1.1%	4.7577	5.6604	19.0%
EUR / TRY rate								
Closing Rate	6.0280	6.1836	6.6506	10.3%	7.6%	6.0280	6.6506	10.3%
Average Rate	6.2121	6.3389	6.3706	2.6%	0.5%	5.5977	6.3340	13.2%
US\$ / UAH rate								
Closing Rate	27.69	24.08	23.69	(14.4%)	(1.6%)	27.69	23.69	(14.4%)
Average Rate	28.18	25.15	24.31	(13.7%)	(3.3%)	27.32	25.90	(5.2%)
US\$ / BYN rate								
Closing Rate	2.1598	2.0743	2.1036	(2.6%)	1.4%	2.1598	2.1036	(2.6%)
Average Rate	2.1307	2.0639	2.0840	(2.2%)	1.0%	2.0338	2.0979	3.2%

RECONCILIATION OF NON-GAAP FINANCIAL MEASUREMENTS: We believe Adjusted EBITDA, among other measures, facilitates performance comparisons from period to period and management decision making. It also facilitates performance comparisons from company to company. Adjusted EBITDA as a performance measure eliminates potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact of changes in effective tax rates on periods or companies) and the age and book depreciation of tangible assets (affecting relative depreciation expense). We also present Adjusted EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties in evaluating the performance of other mobile operators in the telecommunications industry in Europe, many of which present Adjusted EBITDA when reporting their results.

Our Adjusted EBITDA definition includes Revenue, Cost of Revenue excluding depreciation and amortization, Selling and Marketing expenses, Administrative expenses and Net impairment losses on financial and contract assets, but excludes translation gain/(loss), finance income, finance expense, share of profit of equity accounted investees, gain on sale of investments, minority interest and other income/(expense).

Nevertheless, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of our results of operations, as reported under IFRS. The following table provides a reconciliation of Adjusted EBITDA, as calculated using financial data prepared in accordance with IFRS as issued by the IASB, to net profit, which we believe is the most directly comparable financial measure calculated and presented in accordance with IFRS as issued by the IASB.

Turkcell Group (million TRY)	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Adjusted EBITDA	2,239.0	2,753.8	23.0%	8,788.0	10,426.4	18.6%
Depreciation and amortization	(1,287.0)	(1,404.9)	9.2%	(4,288.0)	(5,046.6)	17.7%
EBIT	952.0	1,348.9	41.7%	4,500.0	5,379.9	19.6%
Finance income	(1,361.0)	44.9	n.m	1,677.1	297.5	(82.3%)
Finance costs	1,342.5	(259.2)	(119.3%)	(3,364.1)	(2,025.1)	(39.8%)
Other income / (expense)	46.5	(128.2)	(375.7%)	(140.1)	(346.6)	147.4%
Share of profit of equity accounted investees	0.3	(19.1)	n.m	(0.1)	(15.7)	n.m
Consolidated profit from continued operations before income tax & minority interest	980.3	987.3	0.7%	2,672.8	3,289.9	23.1%
Income tax expense	(38.7)	(233.7)	503.9%	(495.5)	(785.6)	58.5%
Consolidated profit from continued operations before minority interest	941.6	753.6	(20.0%)	2,177.3	2,504.3	15.0%
Discontinued operations	-	-	-	-	772.4	n.a
Consolidated profit before minority interest	941.6	753.6	(20.0%)	2,177.3	3,276.7	50.5%

NOTICE: *This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995. This includes, in particular, our targets for revenue, EBITDA, EBIT and capex for 2020. More generally, all statements other than statements of historical facts included in this press release, including, without limitation, certain statements regarding the launch of new businesses, our operations, financial position and business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as, among others, "will," "expect," "intend," "estimate," "believe," "continue" and "guidance".*

Although Turkcell believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Annual Report on Form 20-F for 2018 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The Company makes no representation as to the accuracy or completeness of the information contained in this press release, which remains subject to verification, completion and change. No responsibility or liability is or will be accepted by the Company or any of its subsidiaries, board members, officers, employees or agents as to or in relation to the accuracy or completeness of the information contained in this press release or any other written or oral information made available to any interested party or its advisers.

ABOUT TURKCELL: *Turkcell is a digital operator headquartered in Turkey, serving its customers with its unique portfolio of digital services along with voice, messaging, data and IPTV services on its mobile and fixed networks. Turkcell Group companies operate in 5 countries – Turkey, Ukraine, Belarus, Northern Cyprus, Germany. Turkcell launched LTE services in its home country on April 1st, 2016, employing LTE-Advanced and 3 carrier aggregation technologies in 81 cities. Turkcell offers up to 10 Gbps fiber internet speed with its FTTH services. Turkcell Group reported TRY25.1 billion revenue in FY19 with total assets of TRY45.7 billion as of December 31, 2019. It has been listed on the NYSE and the BIST since July 2000, and is the only NYSE-listed company in Turkey. Read more at www.turkcell.com.tr.*

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Appendix A – Tables
Table: Net foreign exchange gain and loss details

Million TRY	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Turkcell Turkey	1,030.1	(338.5)	(132.9%)	(1,816.0)	(799.2)	(56.0%)
Turkcell International	5.7	(15.3)	(368.4%)	(117.9)	(49.9)	(57.7%)
Other Subsidiaries	434.3	(78.6)	(118.1%)	(761.1)	(190.5)	(75.0%)
Net FX loss before hedging	1,470.1	(432.4)	(129.4%)	(2,695.0)	(1,039.6)	(61.4%)
Swap interest income/(expense) ¹	(177.4)	(144.7)	(18.4%)	(496.3)	(659.5)	32.9%
Fair value gain on derivative financial instruments ¹	(1,374.6)	450.1	(132.7%)	1,719.6	570.2	(66.8%)
Net FX gain / (loss) after hedging	(81.8)	(127.0)	55.3%	(1,471.7)	(1,128.9)	(23.3%)

(1) Swap interest income / (expense) which was included in fair value gain on derivative financial instruments line in previous quarters has been presented separately.

Table: Income tax expense details

Million TRY	Quarter			Year		
	Q418	Q419	y/y%	FY18	FY19	y/y%
Current tax expense	(114.9)	(62.5)	(45.6%)	(655.0)	(570.5)	(12.9%)
Deferred tax income / (expense)	76.2	(171.2)	(324.7%)	159.5	(215.1)	(234.9%)
Income Tax expense	(38.7)	(233.7)	503.9%	(495.5)	(785.6)	58.5%

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
IFRS SELECTED FINANCIALS (TRY Million)

	Quarter Ended Dec 31, 2018	Quarter Ended Sep 30, 2019	Quarter Ended Dec 31, 2019	Year Ended Dec 31, 2018	Year Ended Dec 31, 2019
Consolidated Statement of Operations Data					
Turkcell Turkey	4,747.5	5,652.4	5,740.7	18,092.6	21,487.2
Turkcell International	421.9	525.0	561.0	1,457.0	2,002.8
Other	457.0	409.5	382.1	1,742.9	1,647.2
Total revenues	5,626.3	6,586.9	6,683.8	21,292.5	25,137.1
Direct cost of revenues	(3,894.5)	(4,279.6)	(4,611.2)	(14,146.0)	(17,083.5)
Gross profit	1,731.8	2,307.3	2,072.5	7,146.5	8,053.7
Administrative expenses	(198.2)	(186.8)	(217.4)	(673.4)	(779.8)
Selling & marketing expenses	(500.7)	(353.8)	(384.9)	(1,626.7)	(1,555.2)
Other Operating Income / (Expense)	46.5	(92.8)	(128.2)	(140.1)	(346.6)
Net impairment losses on financial and contract assets	(81.0)	(125.7)	(121.3)	(346.4)	(338.9)
Operating profit before financing costs	998.5	1,548.2	1,220.8	4,359.9	5,033.3
Finance costs	1,342.5	(439.1)	(259.2)	(3,364.1)	(2,025.1)
Finance income	(1,361.0)	(82.2)	44.9	1,677.1	297.5
Share of profit of equity accounted investees	0.3	1.6	(19.1)	(0.1)	(15.7)
Income before tax and non-controlling interest	980.3	1,028.6	987.3	2,672.8	3,289.9
Income tax expense	(38.7)	(229.2)	(233.7)	(495.5)	(785.6)
Income from continuing operations before non-controlling interest	941.6	799.4	753.6	2,177.3	2,504.3
Discontinued operations	-	-	-	-	772.4
Non-controlling interests	(77.7)	1.9	2.0	(156.3)	(30.2)
Net income	863.9	801.3	755.6	2,021.1	3,246.5
Net income per share	0.39	0.37	0.34	0.93	1.49

Other Financial Data

Gross margin	30.8%	35.0%	31.0%	33.6%	32.0%
EBITDA(*)	2,239.0	2,838.7	2,753.8	8,788.0	10,426.4
Total Capex	2,234.6	1,618.8	2,445.4	7,644.0	7,224.7
Operational capex	1,448.6	989.5	1,696.0	3,943.1	4,525.1
Licence and related costs	1.7	0.4	0.1	414.1	1.8
Non-operational Capex	784.3	628.9	749.2	3,286.9	2,697.8

Consolidated Balance Sheet Data (at period end)

Cash and cash equivalents	7,419.2	10,975.4	10,238.7	7,419.2	10,238.7
Total assets	42,765.3	45,515.0	45,715.0	42,765.3	45,715.0
Long term debt	13,119.6	12,903.9	12,677.4	13,119.6	12,677.4
Total debt	20,155.5	20,675.2	20,305.7	20,155.5	20,305.7
Total liabilities	26,711.7	28,084.2	27,632.0	26,711.7	27,632.0
Total shareholders' equity / Net Assets	16,053.6	17,430.8	18,082.9	16,053.6	18,082.9

(*) Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 15

For further details, please refer to our consolidated financial statements and notes as at 31 December 2019 on our web site

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
TURKISH ACCOUNTING STANDARDS SELECTED FINANCIALS (TRY Million)

Quarter Ended	Quarter Ended	Quarter Ended	Year Ended	Year Ended
Dec 31,	Sep 30,	Dec 31,	Dec 31,	Dec 31,
2018	2019	2019	2018	2019

Consolidated Statement of Operations Data

Turkcell Turkey	4,747.5	5,652.4	5,740.7	18,092.6	21,487.2
Turkcell International	421.9	525.0	561.0	1,457.0	2,002.8
Other	457.0	409.5	382.1	1,742.9	1,647.2
Total revenues	5,626.3	6,586.9	6,683.8	21,292.5	25,137.1
Direct cost of revenues	(3,894.5)	(4,279.6)	(4,611.2)	(14,146.0)	(17,083.5)
Gross profit	1,731.8	2,307.3	2,072.5	7,146.5	8,053.7
Administrative expenses	(198.2)	(186.8)	(217.4)	(673.4)	(779.8)
Selling & marketing expenses	(500.7)	(353.8)	(384.9)	(1,626.7)	(1,555.2)
Other Operating Income / (Expense)	(500.8)	(163.7)	465.9	1,392.4	877.7
Operating profit before financing and investing costs	532.1	1,602.9	1,936.1	6,238.8	6,596.4
Net impairment losses on financial and contract assets	(81.0)	(125.7)	(121.3)	(346.4)	(338.9)
Income from investing activities	212.9	9.9	54.2	238.8	102.8
Expense from investing activities	58.1	(19.8)	42.2	(118.9)	(44.1)
Share of profit of equity accounted investees	0.3	1.6	(19.1)	(0.1)	(15.7)
Income before financing costs	722.5	1,468.9	1,892.1	6,012.2	6,300.6
Finance income	(1,533.0)	(96.5)	1.0	1,280.3	106.6
Finance expense	1,790.8	(343.9)	(905.8)	(4,619.7)	(3,117.3)
Income from continuing operations before tax and non-controlling interest	980.3	1,028.6	987.3	2,672.8	3,289.9
Income tax expense from continuing operations	(38.7)	(229.2)	(233.7)	(495.5)	(785.6)
Income from continuing operations before non-controlling interest	941.6	799.4	753.6	2,177.3	2,504.3
Discontinued operations	-	-	-	-	772.4
Income before non-controlling interest	941.6	799.4	753.6	2,177.3	3,276.7
Non-controlling interest	(77.7)	1.9	2.0	(156.3)	(30.2)
Net income	863.9	801.3	755.6	2,021.1	3,246.5
Net income per share	0.39	0.37	0.34	0.93	1.49

Other Financial Data

Gross margin	30.8%	35.0%	31.0%	33.6%	32.0%
EBITDA(*)	2,239.0	2,838.7	2,753.8	8,788.0	10,426.4
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Licence and related costs	1.7	0.4	0.1	414.1	1.8
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Consolidated Balance Sheet Data (at period end)

Cash and cash equivalents	7,419.2	10,975.4	10,238.7	7,419.2	10,238.7
Total assets	42,765.3	45,515.0	45,715.0	42,765.3	45,715.0
Long term debt	13,119.6	12,903.9	12,677.4	13,119.6	12,677.4
Total debt	20,155.5	20,675.2	20,305.7	20,155.5	20,305.7
Total liabilities	26,711.7	28,084.2	27,632.0	26,711.7	27,632.0
Total shareholders' equity / Net Assets	16,053.6	17,430.8	18,082.9	16,053.6	18,082.9