

**TÜRK HAVA YOLLARI ANONİM  
ORTAKLIĞI AND ITS SUBSIDIARIES**

Condensed Consolidated Interim  
Financial Statements As at and For  
The Six-Month Period  
Ended 30 June 2019

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Balance Sheet as at 30 June 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

ASSETS	Notes	Reviewed	Audited
		30 June 2019	31 December 2018
<b>Non-Current Assets</b>			
Financial Investments	6	481	454
Other Receivables			
-Third Parties	10	4.446	5.280
Investments Accounted by Using Equity Method	3	2.033	1.884
Investment Property		-	2
Property and Equipment	12	83.406	73.219
Right of Use Assets	12	8.614	-
Intangible Assets			
- Other Intangible Assets	13	460	429
- Goodwill		71	65
Prepaid Expenses		5.353	4.037
<b>TOTAL NON-CURRENT ASSETS</b>		<b>104.864</b>	<b>85.370</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	5	7.896	8.606
Financial Investments	6	2.941	2.733
Trade Receivables			
-Related Parties	9	5	10
-Third Parties		3.896	2.992
Other Receivables			
-Related Parties	9	184	18
-Third Parties	10	9.582	6.199
Derivative Financial Instruments	28	304	299
Inventories		1.460	1.000
Prepaid Expenses		758	1.011
Current Income Tax Assets	26	163	318
Other Current Assets		709	520
<b>TOTAL CURRENT ASSETS</b>		<b>27.898</b>	<b>23.706</b>
<b>TOTAL ASSETS</b>		<b>132.762</b>	<b>109.076</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Balance Sheet as at 30 June 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Reviewed</b>	<b>Audited</b>
		<b>30 June 2019</b>	<b>31 December 2018</b>
<b>Equity</b>			
Share Capital	19	1.380	1.380
Inflation Adjustment on Share Capital	19	1.124	1.124
Items That Will Not Be Reclassified to Profit or Loss			
-Actuarial (Losses) on Retirement Pay Obligation	19	( 225)	( 184)
Items That Are or May Be Reclassified to Profit or Loss			
-Foreign Currency Translation Differences	19	19.518	16.687
-Fair Value Gains on Hedging Instruments Entered into for Cash Flow Hedges	19	410	1
-Gains on Remeasuring FVOCI	19	( 23)	( 37)
Restricted Profit Reserves	19	59	59
Previous Years Profit	19	12.149	8.206
Net (Loss) / Profit for the Period		( 1.120)	4.045
Equity of the Parent		33.272	31.281
Non-Controlling Interests (*)		3	3
<b>TOTAL EQUITY</b>		<b>33.275</b>	<b>31.284</b>
<b>Non- Current Liabilities</b>			
Long-Term Borrowings	7 and 14	48.162	43.342
Long Term Lease Liabilities	7 and 14	6.882	-
Other Payables			
-Third Parties		192	188
Deferred Income	11	742	342
Long-Term Provisions			
-Provisions for Employee Benefits	17	768	685
-Other Provisions		315	-
Deferred Tax Liability	26	6.095	5.989
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>63.156</b>	<b>50.546</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	6.936	5.780
Short-Term Portion of Long-Term Borrowings	7 and 14	8.156	6.680
Short Term Portion of Lease Liabilities	7 and 14	1.543	-
Other Financial Liabilities	8	108	32
Trade Payables			
-Related Parties	9	611	1.213
-Third Parties		5.158	4.162
Payables Related to Employee Benefits		1.042	1.053
Other Payables			
-Third Parties		389	412
Derivative Financial Instruments	28	632	1.033
Deferred Income	11	10.004	5.507
Short-Term Provisions			
-Provisions for Employee Benefits	15	258	200
-Other Provisions	15	77	87
Other Current Liabilities		1.417	1.087
<b>TOTAL CURRENT LIABILITIES</b>		<b>36.331</b>	<b>27.246</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>132.762</b>	<b>109.076</b>

(\*)The non-controlling share in the assets and results of subsidiaries for the year are separately classified as “non-controlling interest” in the consolidated statements of financial position and consolidated statements of profit or loss.

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Profit or Loss**  
**For the Six-Month Period Ended 30 June 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		1 January -	1 April -	1 January -	1 April -
	Notes	30 June 2019	30 June 2019	30 June 2018	30 June 2018
<b><u>PROFIT OR LOSS</u></b>					
Revenue	20	33.516	18.668	24.375	13.843
Cost of Sales (-)	21	( 29.603)	( 16.170)	( 19.887)	( 10.943)
<b>GROSS PROFIT</b>		<b>3.913</b>	<b>2.498</b>	<b>4.488</b>	<b>2.900</b>
General Administrative Expenses (-)	22	( 815)	( 428)	( 569)	( 297)
Marketing and Sales Expenses (-)	22	( 4.149)	( 2.028)	( 2.761)	( 1.457)
Other Operating Income	23	564	268	252	164
Other Operating Expenses (-)	23	( 248)	( 236)	( 329)	( 385)
<b>OPERATING (LOSS) / PROFIT BEFORE INVESTMENT ACTIVITIES</b>		<b>( 735)</b>	<b>74</b>	<b>1.081</b>	<b>925</b>
Income from Investment Activities	24	496	337	160	80
Expenses from Investment Activities	24	( 447)	( 299)	-	-
Share of Investments' Profit Accounted by Using The Equity Method	3	56	139	144	132
<b>OPERATING (LOSS) / PROFIT</b>		<b>( 630)</b>	<b>251</b>	<b>1.385</b>	<b>1.137</b>
Financial Income	25	139	64	178	177
Financial Expenses (-)	25	( 1.260)	( 524)	( 1.436)	( 801)
<b>(LOSS) / PROFIT BEFORE TAX</b>		<b>( 1.751)</b>	<b>( 209)</b>	<b>127</b>	<b>513</b>
<b>Tax Income / (Expense)</b>		<b>631</b>	<b>342</b>	<b>-</b>	<b>( 72)</b>
Current Tax Expense	26	( 19)	31	( 135)	( 76)
Deferred Tax Income / (Expense)	26	650	311	135	4
<b>NET (LOSS) / PROFIT FOR THE PERIOD</b>		<b>( 1.120)</b>	<b>133</b>	<b>127</b>	<b>441</b>

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Six-Month Period Ended 30 June 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

		<b>Reviewed</b>	<b>Not Reviewed</b>	<b>Reviewed</b>	<b>Not Reviewed</b>
		<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
<b><u>OTHER COMPREHENSIVE INCOME</u></b>	<b>Notes</b>				
<b>Items That May Be Reclassified Subsequently To Profit or Loss</b>		<b>3.254</b>	<b>4</b>	<b>4.712</b>	<b>4.444</b>
Currency Translation Adjustment		2.831	718	4.067	3.175
(Losses) / Gains on Remeasuring FVOCI		18	23	( 44)	( 46)
Related Tax of Remeasuring FVOCI		( 4)	( 5)	9	9
Fair Value Gains / (Losses) on Hedging Instruments Entered into for Cash Flow Hedges		520	( 863)	807	1.584
Fair Value Gains / (Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges		5	( 46)	53	56
Related Tax of Other Comprehensive Income		( 116)	177	( 180)	( 334)
<b>Items That Will Not Be Reclassified Subsequently To Profit or Loss</b>		<b>( 41)</b>	<b>( 33)</b>	<b>( 15)</b>	<b>( 16)</b>
Actuarial Losses on Retirement Pay Obligation		( 51)	( 41)	( 19)	( 20)
Related Tax of Other Comprehensive Income		10	8	4	4
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD</b>		<b>3.213</b>	<b>( 29)</b>	<b>4.697</b>	<b>4.428</b>
<b>TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE PERIOD</b>		<b>2.093</b>	<b>104</b>	<b>4.824</b>	<b>4.869</b>
<b>Basic (Loss) / Gain Per Share (Full US Cents)</b>	27	( 0,81)	0,10	0,09	0,32
<b>Diluted (Loss) / Gain Per Share (Full US Cents)</b>	27	( 0,81)	0,10	0,09	0,32

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Six-Month Period Ended 30 June 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss			Retained Earnings					
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Gains on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Loss for The Period	Equity Holders of the Parent	Non-controlling Interests	Total Equity
<b>As of 1 January 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(184)</b>	<b>16.687</b>	<b>1</b>	<b>(37)</b>	<b>59</b>	<b>8.206</b>	<b>4.045</b>	<b>31.281</b>	<b>3</b>	<b>31.284</b>
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	(102)	-	(102)	-	(102)
<b>As of 1 January 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(184)</b>	<b>16.687</b>	<b>1</b>	<b>(37)</b>	<b>59</b>	<b>8.104</b>	<b>4.045</b>	<b>31.179</b>	<b>3</b>	<b>31.182</b>
Transfers	-	-	-	-	-	-	-	4.045	(4.045)	-	-	-
Total comprehensive income	-	-	(41)	2.831	409	14	-	-	(1.120)	2.093	-	2.093
<b>As of 30 June 2019</b>	<b>1.380</b>	<b>1.124</b>	<b>(225)</b>	<b>19.518</b>	<b>410</b>	<b>(23)</b>	<b>59</b>	<b>12.149</b>	<b>(1.120)</b>	<b>33.272</b>	<b>3</b>	<b>33.275</b>

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Six-Month Period Ended 30 June 2019**  
(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss			Retained Earnings					Total Equity
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Gains on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Loss for The Period	Equity Holders of the Parent	Non- controlling Interests	
<b>As of 1 January 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(55)</b>	<b>9.171</b>	<b>231</b>	<b>3</b>	<b>59</b>	<b>7.619</b>	<b>639</b>	<b>20.171</b>	<b>-</b>	<b>20.171</b>
Adjustment on initial application of IFRS 15	-	-	-	-	-	-	-	(23)	-	(23)	-	(23)
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	(29)	-	(29)	-	(29)
<b>Restated As of 1 January 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(55)</b>	<b>9.171</b>	<b>231</b>	<b>3</b>	<b>59</b>	<b>7.567</b>	<b>639</b>	<b>20.119</b>	<b>-</b>	<b>20.119</b>
Transfers	-	-	-	-	-	-	-	639	(639)	-	-	-
Total comprehensive income	-	-	(15)	4.067	680	(35)	-	-	127	4.824	-	4.824
<b>As of 30 June 2018</b>	<b>1.380</b>	<b>1.124</b>	<b>(70)</b>	<b>13.238</b>	<b>911</b>	<b>(32)</b>	<b>59</b>	<b>8.206</b>	<b>127</b>	<b>24.943</b>	<b>-</b>	<b>24.943</b>

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**TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES**
**Condensed Consolidated Interim Statement of Cash Flows**
**For the Six-Month Period Ended 30 June 2019**

(All amounts are expressed in Million Turkish Lira (TRY) unless otherwise stated.)

		Reviewed	Reviewed
	Notes	30 June 2019	30 June 2018
Net (Loss) / Profit for the period		(1.120)	127
<b>Adjustments to Reconcile Profit / (Loss)</b>			
Adjustments for Depreciation and Amortisation Expense	12 and 13	4.135	2.189
Adjustments for Provisions Related with Employee Benefits	15 and 17	157	91
Adjustments for Provisions for Payables	15	(9)	5
Adjustments for Reversal of Probable Risks		46	(23)
Adjustments for Interest Income	24 and 25	(293)	(124)
Adjustments for Interest Expense	17 and 25	749	568
Adjustments For Unrealised Foreign Exchange Gains		278	1.390
Adjustments for Manufacturers' Credits	14	1	1
Adjustments for Fair Value Losses / (Gains) on Derivative Financial Instruments	25	85	(80)
Adjustments for Undistributed Profits of Associates	3	(56)	(144)
Adjustments for Tax Expense	26	(631)	-
Adjustments for Losses / (Gains) Arised From Sale of Tangible Assets	24	428	(13)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	12	134	83
<b>Operating Profit Before Changes in Working Capital</b>		<b>3.904</b>	<b>4.070</b>
Decrease in Trade Receivables from Related Parties		5	-
Increase in Trade Receivables from Non Related Parties		(607)	(260)
Decrease / (Increase) in Other Non-Related Party Receivables Related with Operations	10	107	(642)
Adjustments for Increase in Inventories		(357)	(45)
Adjustments for Increase in Prepaid Expenses		(663)	(599)
(Decrease) / Increase in Trade Payables to Related Parties	9	(699)	15
Increase in Trade Payables to Non-Related Parties		591	109
Adjustments for Decrease in Payables Due to Employee Benefits		(107)	(234)
Increase in Other Operating Payables to Non-Related Parties		795	111
Increase in Deferred Income	11	4.603	3.006
(Increase) / Decrease in Other Assets Related with Operations		(111)	96
<b>Cash Flows From Operations</b>		<b>7.461</b>	<b>5.627</b>
Payments for Provisions Related with Employee Benefits	17	(31)	(29)
Income taxes (paid) / refund	26	(174)	109
<b>Net Cash From Operating Activities</b>		<b>7.256</b>	<b>5.707</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Cash Receipts Proceed From Sales of Property, Plant and Equipment		105	53
Cash Payments From Purchasing of Property, Plant and Equipment (*)	12 and 13	(3.968)	(1.973)
Cash Receipts / (Payments) From Purchasing of Other Long-term Assets	6	21	(198)
Other Cash Advances and Loans		(1.704)	(2.992)
Dividends Received		-	150
Interest Received	24 and 25	293	124
<b>Net Cash Flows Used In Investing Activities</b>		<b>( 5.253)</b>	<b>( 4.836)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds From Loans	7	5.748	5.972
Payments of Loans		(4.241)	-
Payments of Finance Lease Liabilities	7	( 2.707)	( 1.949)
Payments of Lease Liabilities		( 928)	-
Interest Paid		( 656)	( 396)
Other Outflows of Cash	8	71	(2)
<b>Net Cash Used in Financing Activities</b>		<b>( 2.713)</b>	<b>3.625</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>( 710)</b>	<b>4.496</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>AT THE BEGINNING OF THE PERIOD</b>		<b>8.606</b>	<b>7.132</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>AT THE END OF THE PERIOD</b>	5	<b>7.896</b>	<b>11.628</b>

(\*) 3.190 TRY portion of property and equipment and intangible assets purchases in total of 7.158 TRY for the year ended 30 June 2019 was financed through finance leases. (30 June 2018: 0 TRY portion of property and equipment and intangible assets purchases in total of 1.973 TRY was financed through finance leases.)

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