TURKCELL ILETISIM HIZMETLERI A S
Form 6-K
April 18, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated April 18, 2013

Commission File Number: 001-15092

TURKCELL ILETISIM HIZMETLERI A.S.
(Translation of registrant's name in English)

Turkcell Plaza
Mesrutiyet Caddesi No. 153
34430 Tepebasi
Istanbul, Turkey

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Q Form 40-F £

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes £ No Q

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes £ No Q

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes £ No Q

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-__________

Enclosure: A press release dated April 17, 2013 announcing Turkcell's First Quarter 2013 results and Q1 2013 IFRS report.

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First Quarter 2013 Results

Content

- Please note that all financial data is consolidated and comprises that of Turkcell Iletisim Hizmetleri A.S., (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”). All non-financial data is unconsolidated and comprises Turkcell only figures. The terms “we”, “us”, and “our” in this press release refer only to the Company, except in discussions of financial data, where such terms refer to the Group, and where context otherwise requires.
- 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 March 31, 2013 refer to the same item as at March 31, 2012. For further details, please refer to our consolidated financial statements and notes as at and for March 31, 2013 which can be accessed via our web site in the investor relations section (www.turkcell.com.tr).
- In the tables used in this press release totals may not foot due to rounding differences.

HIGLIGHTS OF THE FIRST QUARTER OF 2013

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First Quarter 2013 Results

- Turkcell Group sustained its growth momentum, registering double-digit revenue and EBITDA growth year-on-year
  - Group revenues rose by 13% to TRY2,688 million (TRY2,382 million)
  - Group EBITDA1 increased by 15% to TRY808 million (TRY703 million), while Group EBITDA margin improved 0.5pp to 30.0% (29.5%)
- Turkcell Turkey grew by 11% posting revenues of TRY2,201 million (TRY1,984 million):
  - Voice revenues2 increased by 9% to TRY1,585 million (TRY1,455 million)
  - Mobile broadband & services revenues rose by 16% to TRY616 million (TRY529 million), and as a percentage of revenues climbed 1pp to 28% (27%)
    - § Mobile broadband revenues rose by 39% to TRY319 million (TRY229 million)
  - Turkcell Turkey's EBITDA increased by 11% to TRY647 million (TRY581 million), while EBITDA margin was at 29.4%
- Subsidiaries maintained their growth momentum, while increasing operational profitability
  - Revenues of subsidiaries3 grew by 23% to TRY488 million (TRY398 million)
  - EBITDA of subsidiaries3 improved by 33% to TRY161 million (TRY121 million)
- Turkcell Group net income increased by 10% to TRY566 million (TRY515 million)

COMMENTS FROM CEO, SUREYYA CILIV

In the first quarter of 2013, Turkcell Group sustained its double-digit growth momentum achieved in 2012. Consolidated revenues grew by 13% to TRY2.7 billion, and EBITDA reached TRY808 million on 15% growth, while net income rose to TRY566 million.

Turkcell Turkey registered an 11% rise in revenue stemming from 9% growth in the voice and 39% rise in mobile broadband business, along with increasing smartphone penetration. Turkcell Superonline, increasing the minimum fiber broadband speed in Turkey to 25Mbps, grew by 40%, while increasing its EBITDA margin to 27%. Meanwhile, our Ukraine operation increased its revenues by 9% in US$ terms to post an EBITDA margin of 28%, reflecting the successful implementation of its regional growth strategy.

Competition in the Turkish mobile market continued in 2013 at an accelerated pace. In this environment, we believe that creating value for our customers through innovative solutions is worth more than the incremental gain of price discounts. Accordingly, we have continued to focus on innovation and operational excellence for superior customer experience so that our customers continue to see Turkcell as the only choice. On the strength of this vision, Turkcell has been voted “The Most Admired Company of Turkey” for the sixth consecutive quarter.

We thank all of our customers, employees, business partners and shareholders, who together underpin the ongoing success of Turkcell.

(1) EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.
(2) Voice revenues include outgoing, incoming, roaming and other (comprising almost 2% of Turkcell Turkey) revenues.
(3) Including eliminations.

OVERVIEW OF TURKCELL TURKEY

In the first quarter of 2013, competition in the Turkish mobile market accelerated further. While we witnessed upward price movements in the second half of last year, the lower pricing environment prevailed as signaled mainly by the sub-brand offers of one of our competitors, starting in late 2012. The competitors overall continued to pursue market share gains by further decreasing the prices of mobile number portability ("MNP") offers in a climate where prices were already low. As a result of this approach of acquiring customers from other operators, the MNP market expanded significantly, which we believe for some time has limited market growth through new subscriptions, and also pressured profitability. Consequently, there has been no major change in mobile line penetration, which remained at around the 90% level.

As Turkcell Turkey, we have continued to focus on innovation and operational excellence to deliver a superior customer experience and create value for our customers, as opposed to offering the incremental gain of price discounts. Indeed, our approach has expanded the postpaid subscriber base by 285 thousand quarterly net additions to 13.5 million, generating 66% of our revenues. Overall, our total subscriber base decreased by 268 thousand to 34.9 million, driven by losses in the prepaid segment.

Growth momentum in the smartphone market continued, where we maintained our leadership with the contribution of our T-series and other affordable devices. The number of smartphones on our network reached 6.9 million with 0.7 million quarterly additions, whereby penetration reached 22%. Meanwhile, the "Turkcell Tablet" further widened access to mobile broadband, offering a superior customer experience in the growing tablet market. We also promoted speed-based and shared data plans to further improve customer experience, thereby highlighting our profitable growth strategy and superior network capabilities.

On the regulatory front, an Information and Communication Technologies Authority (ICTA) board resolution dated March 13, 2013, raised the lower limit to be applied on our on-net voice tariffs to 0.0535 TRY/min (previously set at 0.0313 TRY/min), effective as of July 2013. The ICTA also set a lower limit of 0.0291 TRY/SMS on our on-net SMS tariffs. However, regarding these SMS tariffs, the ICTA, with a further decision dated April 12, 2013, revised the lower limit to 0.0073 TRY/SMS, effective as of July 2013. In addition, the ICTA decreased the SMS termination rates for all operators, and accordingly, Turkcell's SMS termination rate decreased from 0.0170 TRY/SMS to 0.0043 TRY/SMS. However, certain points regarding the implementation of these decisions remain unclear at the date of this press release. In any case, our understanding at this time is that these decisions are very likely to have an adverse impact on our overall business in 2013. Upon obtaining further clarification regarding these points, we will evaluate and communicate the resulting material impact, if any, on our 2013 outlook.

As Turkcell Turkey, our business operations are based on providing excellent service and best customer experience by developing cutting edge technologies. We have achieved this on the strength of our innovative approach and substantial, ongoing investment in the technology and service arena. Our leadership of these efforts has clearly triggered other investments in Turkey, thus helping to develop local businesses, while contributing to the lives of our people, and our economy. Consequently, Turkey is now the number one country in the world in terms population coverage, and one of the leading providers of the highest speed broadband access through mobile and fiber technologies. Therefore, in light of this, we believe that in the long run, the ICTA will introduce the necessary rules and regulations to support equal access to products and services, as well as investments and a fair competitive environment.

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First Quarter 2013 Results

FINANCIAL AND OPERATIONAL REVIEW OF THE FIRST QUARTER 2013

The following discussion focuses principally on the developments and trends in our business in the first quarter of 2013 in TRY terms. Selected financial information for the first and fourth quarters of 2012, and the first quarter of 2013, both in TRY and US$ prepared in accordance with IFRS and in TRY prepared in accordance with the Capital Markets Board of Turkey's standards are also included at the end of this press release.

Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Q112	Q412	Q113	y/y %	q/q %
Total Revenue	2,381.8	2,807.3	2,688.4	12.9%	(4.2%)
Direct cost of revenues1	(1,491.3)	(1,760.1)	(1,687.3)	13.1%	(4.1%)
Direct cost of revenues1/revenues	(62.6%)	(62.7%)	(62.8%)	(0.2pp)	(0.1pp)
Depreciation and amortization	(333.1)	(395.5)	(360.4)	8.2%	(8.9%)
Gross Margin	37.4%	37.3%	37.2%	(0.2pp)	(0.1pp)
Administrative expenses	(118.1)	(125.9)	(128.9)	9.1%	2.4%
Administrative expenses/revenues	(5.0%)	(4.5%)	(4.8%)	0.2pp	(0.3pp)
Selling and marketing expenses	(402.8)	(469.0)	(425.0)	5.5%	(9.4%)
Selling and marketing expenses/revenues	(16.9%)	(16.7%)	(15.8%)	1.1pp	0.9pp
EBITDA2	702.7	847.8	807.6	14.9%	(4.7%)
EBITDA Margin	29.5%	30.2%	30.0%	0.5pp	(0.2pp)
Net finance income / (expense)	161.8	79.4	129.3	(20.1%)	62.8%
Finance expense	(58.3)	(79.5)	(37.4)	(35.8%)	(53.0%)
Finance income	220.1	158.9	166.7	(24.3%)	4.9%
Share of profit of associates	49.5	42.5	68.6	38.6%	61.4%
Other income / (expense)	(6.5)	(23.9)	(0.3)	(95.4%)	(98.7%)
Monetary gains / (losses)	40.5	42.6	53.5	32.1%	25.6%
Non-controlling interests	4.7	3.2	4.4	(6.4%)	37.5%
Income tax expense	(104.8)	(136.9)	(137.1)	30.8%	0.1%
Net Income	514.8	459.2	565.6	9.9%	23.2%

(1) Including depreciation and amortization expenses.
(2) EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.

Revenue grew by 13% year-on-year to TRY2,688.4 million (TRY2,381.8 million) mainly due to an 11% increase in Turkcell Turkey's revenues and a 23% rise in the contribution of subsidiaries.

- Turkcell Turkey posted voice revenue growth of 9% to TRY1,585 million (TRY1,455 million), while mobile broadband and services revenues grew by 16% to TRY616 million (TRY529 million).

- Mobile broadband revenues reached TRY319 million (TRY229 million) on solid growth of 39%.
- Mobile broadband and services revenues constituted 28% (27%) of Turkcell Turkey revenues.

- The contribution of subsidiaries to the topline increased to 18% (17%). In particular, Turkcell Superonline grew its revenues by 40% to TRY203 million (TRY145 million), while Astelit's revenues rose by 9% to US$99 million (US$91 million).

Compared to the previous quarter, revenues fell by 4%, mainly due to the lower voice revenues of Turkcell Turkey and a lower contribution from group companies, driven mainly by seasonality.

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Direct cost of revenues grew by 13.1% to TRY1,687.3 million (TRY1,491.3 million), while as a percentage of revenues rising to 62.8% (62.6%) on a consolidated basis. This was driven mainly by the increase in interconnect costs (1.3pp) and other cost items (0.1pp), as opposed to the decrease in network related costs (0.6pp) and depreciation&amortization (0.6pp).

On September, 26th 2012, the ICTA took the decision enabling users of mobile lines without subscription to register those lines under their names at no charge until October 1st, 2013. Taxes and other fees relevant to the registration process should be compensated by the user's own mobile operator. The decision also grants former holders of those mobile lines the right to appeal the registration process until October 1st, 2014. Direct cost of revenues included tax expense of TRY16 million in relation to the registration of such GSM lines in Q113. We expect a similar impact in the following quarters until October 1st, 2013.

Compared to the previous quarter, direct costs as a percentage of revenues rose by 0.1pp to 62.8% (62.7%), mainly due to increased wages&salaries (0.3pp) and other cost items (0.5pp), as opposed to the decrease in depreciation&amortization (0.7pp).

The table below presents the interconnect revenues and costs of Turkcell Turkey:

Million TRY	Q112	Q412	Q113	y/y %	q/q %
Interconnect revenues	221.1	314.1	305.6	38.2%	(2.7%)
as a % of revenues	11.1%	13.7%	13.9%	2.8pp	0.2pp
Interconnect costs	(235.0)	(308.6)	(299.4)	27.4%	(3.0%)
as a % of revenues	(11.8%)	(13.5%)	(13.6%)	(1.8pp)	(0.1pp)

Administrative expenses as a percentage of revenues declined 0.2pp to 4.8% (5.0%) in Q113. This was driven mainly by the decrease in various cost items. Compared to the previous quarter, administrative expenses as a percentage of revenues rose by 0.3pp, driven by increased legal follow up expenses (0.2pp) and other cost items (0.1pp).

Selling and marketing expenses as a percentage of revenues decreased 1.1pp to 15.8% (16.9%) in Q113 due to the decline in selling expenses (0.9pp) and marketing expenses (0.5pp), as opposed to the rise in other cost items (0.3pp). On a quarter-on-quarter basis, selling and marketing expenses as a percentage of revenues decreased by 0.9pp to 15.8% from 16.7% in Q412, mainly due to lower marketing expenses (0.6pp) and, selling expenses (0.4pp) as opposed to the rise in the frequency usage fee (0.1pp).

EBITDA rose by 14.9% to TRY807.6 million (TRY702.7 million) in Q113, while the EBITDA margin increased to 30.0% (29.5%). The 0.8pp increase in direct cost of revenues (excluding depreciation and amortization) as a percentage of revenues was offset by a 1.1pp decrease in selling and marketing expenses, and 0.2pp fall in administrative expenses.

EBITDA margin declined by 0.2pp compared to the previous quarter due to the increase in direct cost of revenues (excluding depreciation and amortization) by 0.8pp and rise in administrative expenses of 0.3pp, which was offset by the 0.9pp decrease in selling and marketing expenses.

The contribution of subsidiaries to Group EBITDA improved by 33% to TRY161 million (TRY121 million) with the improved EBITDA of Turkcell Superonline and Astelit in Q113 year-on-year. Please also note that in the first quarter of 2013, we achieved positive EBITDA in our Belarusian operations. Compared to the previous quarter, subsidiaries contribution to Group EBITDA rose by 10%.

Net finance income decreased to TRY129.3 million in Q113 compared to TRY161.8 million in Q112 due to the decline in interest income resulting from lower interest rates, as well as a translation loss of TRY1 million as opposed to the translation gain of TRY37 million of Q112.

Compared to the previous quarter, net finance income increased from TRY79.4 million to TRY129.3 million. In Q412, we incurred higher interest charges related to legal disputes.

(*)EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.

First Quarter 2013 Results

Share of profit of equity accounted investees comprising our share in the net income of unconsolidated investees Fintur and A-Tel, rose by 38.6% year-on-year to TRY68.6 million (TRY49.5 million) mainly due to the increase in Fintur's net income. Compared to the previous quarter, our share in the net income of unconsolidated investees increased 61.4 % to TRY68.6 million (TRY42.5 million) driven mainly by the increase in Fintur's net income.

Income tax expense stood at TRY137.1 million in Q113 on an increase of 30.8% compared to the Q112. The taxation charge rose 0.1% compared to Q412. Of the total tax charge, TRY138.7 million comprised the current tax charges, while TRY1.6 million of deferred tax was recorded.

Million TRY	Q112	Q412	Q113	y/y %	q/q %
Current Tax expense	(119.1)	(172.3)	(138.7)	16.5%	(19.5%)
Deferred Tax Income/expense	14.3	35.4	1.6	(88.8%)	(95.5%)
Income Tax expense	(104.8)	(136.9)	(137.1)	30.8%	0.1%

Net income rose by 9.9% to TRY565.6 million in Q113 (TRY514.8 million) driven by higher EBITDA of TRY807.6 million (TRY702.7 million), as opposed to the decrease in net finance income to TRY129.3 million (TRY161.8 million) and the increase in depreciation and amortization expenses to TRY360.4 million (TRY333.1 million).

Net income increased by 23.2% to TRY565.6 million (TRY 459.2 million), mainly due to higher net finance income of TRY129.3 (TRY79.4 million) and lower depreciation and amortization expenses of TRY360.4 million (TRY395.5 million), as opposed to the lower EBITDA of TRY807.6 million (TRY847.8 million).

Total debt as of March 31, 2013, stood at TRY3,015 million (US$1,667 million) in consolidated terms. The debt balance of Ukraine was TRY1,256 million (US$694 million), Belarus was TRY911 million (US$504 million) and Turkcell Superonline was TRY568 million (US$314 million).

TRY2,113 million (US$1,168 million) of our consolidated debt is at a floating rate, while TRY1,613 million (US$892 million) will mature within less than a year. As of March 31, 2013, our debt/annual EBITDA ratio in TRY terms decreased to 90%. (Please note that the figures in parentheses refer to US$ equivalents).

Cash flow analysis: Capital expenditures including non-operational items amounted to TRY199.5 million in Q113, of which TRY117.1 million was related to Turkcell Turkey, TRY6.1 million to Astelit, TRY59.2 million to Turkcell Superonline and TRY7.6 million to BeST. The other cash flow item mainly related to change in working capital, corporate tax payment and frequency usage fee payment.

Consolidated Cash Flow (million TRY)	Q112	Q412	Q113
EBITDA1	702.7	847.8	807.6
LESS:			
Capex and License	(252.9)	(713.4)	(199.5)
Turkcell	(160.0)	(399.8)	(117.1)
Ukraine2	(9.3)	(60.6)	(6.1)
Investment & Marketable Securities	1,585.8	(32.6)	(2.4)
Net interest Income/ (expense)	125.3	85.5	129.9

Other	(905.6)	391.2	(1,063.2)
Net Change in Debt	53.8	(90.4)	(60.4)
Cash generated	1,309.1	488.1	(388.0)
Cash balance	6,047.5	6,998.9	6,610.9

(1) EBITDA is a non-GAAP financial measurement. See page 12 for the reconciliation of EBITDA to net cash from operating activities.
(2) The appreciation of reporting currency (TRY) against US$ is included in this line.

First Quarter 2013 Results

Operational Review in Turkey

Summary of Operational data	Q112	Q412	Q113	y/y %	q/q %
Number of total subscribers (million)	34.5	35.1	34.9	1.2%	(0.6%)
Postpaid	12.0	13.2	13.5	12.5%	2.3%
Prepaid	22.5	21.9	21.4	(4.9%)	(2.3%)
ARPU, blended (TRY)	19.2	21.7	21.0	9.4%	(3.2%)
Postpaid	36.5	38.1	36.4	(0.3%)	(4.5%)
Prepaid	10.1	12.1	11.5	13.9%	(5.0%)
ARPU (Average Monthly Revenue per User), blended (US$)	10.7	12.2	11.7	9.3%	(4.1%)
Postpaid	20.4	21.3	20.4	-	(4.2%)
Prepaid	5.7	6.8	6.4	12.3%	(5.9%)
Churn (%)	7.8%	7.2%	8.5%	0.7pp	1.3pp
MOU (Average Monthly Minutes of usage per subscriber), blended	221.5	244.1	238.8	7.8%	(2.2%)

Subscribers of Turkcell Turkey decreased by 268 thousand to 34.9 million, driven mainly by losses in the prepaid segment. Meanwhile, with our continued focus on value creation through innovative solutions, we have expanded our postpaid subscriber base by 285 thousand to 13.5 million on a quarterly basis. Consequently, our postpaid subscriber share in the total subscriber base has further improved to 38.6% (34.8%).

Churn Rate refers to voluntarily and involuntarily disconnected subscribers. Our churn rate increased to 8.5% in Q113 from 7.8% a year ago, driven mainly by the ICTA decision discussed under the direct cost of revenues section (page 6). Each GSM line registered due to this decision had to be recorded as a churn and also as an acquisition in operators' records. Excluding the impact of this decision, our churn rate would have been standing at 7.9%, a similar rate compared to the previous year.

MoU increased 7.8% to 238.8 minutes year-on-year driven by higher incentives and higher package utilizations.

ARPU in TRY terms increased 9.4% to TRY21.0 year-on-year with the rise in the share of postpaid subscribers, higher voice and mobile data usage. Postpaid ARPU fell by a slight 0.3% to TRY36.4 (TRY36.5), driven mainly by the dilutive impact of switches from the prepaid segment. Meanwhile, prepaid ARPU increased from TRY10.1 in Q112 to TRY11.5 in Q113, due to upward price movements seen in the last quarter of 2012, as well as to higher package penetration and increased data usage.

OTHER DOMESTIC AND INTERNATIONAL OPERATIONS

Astelit maintained its solid financial performance in Q113 registering revenue growth of 9% to US$99.2 million (US$91.4 million) accompanied by double-digit EBITDA growth of 12.4% to US$28.0 million (US$24.9 million). Revenue growth was driven mainly by subscriber base growth, along with increase in mobile data and other value-added services revenue. Meanwhile, operational profitability improved by 1.0pp to 28.2% (27.2%). Compared to the previous quarter revenues decreased by 3.7% mainly driven by seasonality.

Astelit increased its registered subscribers by 1.2 million to 11.1 million year-on-year. Three month active subscribers increased by 1.1 million to 8.2 million (7.1 million) year-on-year with the contribution of the regional growth strategy, targeting new subscriber acquisitions.

ARPU decreased by 4.7% to US$4.1 (US$4.3) in Q113, driven mainly by price competition in the market, especially in voice offers. On the other hand, MOU decreased to 185.4 minutes (195.6 minutes) due to lower usage of new subscribers.

Astelit	Q112	Q412	Q113	y/y %	q/q %
Number of subscribers (million)1	9.9	11.1	11.1	12.1%	-
Active (3 months)2	7.1	8.0	8.2	15.5%	2.5%
MOU (minutes)	195.6	184.5	185.4	(5.2%)	0.5%
ARPU (Average Monthly Revenue per User), blended (US$)	3.1	3.1	3.0	(3.2%)	(3.2%)
Active (3 months)	4.3	4.3	4.1	(4.7%)	(4.7%)
Revenue (million UAH)	729.9	823.4	792.5	8.6%	(3.8%)
Revenue (million US$)	91.4	103.0	99.2	8.5%	(3.7%)
EBITDA (million US$)3	24.9	27.6	28.0	12.4%	1.4%
EBITDA margin	27.2%	26.8%	28.2%	1.0pp	1.4pp
Net loss (million US$)	(15.7)	(18.5)	(14.9)	(5.1%)	(19.5%)
Capex (million US$)	5.3	34.1	3.4	(35.8%)	(90.0%)

(1) 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.
(2) Active subscribers are those who in the past three months made a transaction which brought revenue to the Company.
(3) EBITDA is a non-GAAP financial measurement. See page 12 for the reconciliation of Euroasia's EBITDA to net cash from operating activities. Euroasia holds a 100% stake in Astelit.
(*) Astelit, in which we hold a 55% stake through Euroasia, has operated in Ukraine since February 2005.

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First Quarter 2013 Results

Turkcell Superonline maintained its solid performance in the first quarter of 2013 registering revenue growth of 40.2% and a nominal EBITDA increase of 91.1%. EBITDA margin improved 7.2pp to 27.3% stimulated by more profitable data revenues.

Turkcell Superonline continued investments in its fiber network, reaching approximately 1.4 million home passes in Q113, while fiber subscribers rose by 51.7% to 464 thousand. In 2013, we will continue to focus on increasing our incity coverage and improving our take-up rate.

In Q113, residential segment revenues grew by 68.9%, driven mainly by increased FTTX subscriber number. The corporate segment registered 26.1% growth on rising synergies achieved at the Group level, and the integrated solutions offered in consequence. The share of the residential and corporate segment increased to 62.3% (59.3%), while the share of non-group revenues increased to 74% (69%).

Turkcell Superonline (million TRY)	Q112	Q412	Q113	y/y %	q/q %
Revenue	145.0	190.3	203.3	40.2%	6.8%
Residential	42.7	65.7	72.1	68.9%	9.7%
Corporate	43.3	51.4	54.6	26.1%	6.2%
Wholesale	58.9	73.2	76.6	30.1%	4.6%
EBITDA 1	29.1	39.2	55.6	91.1%	41.8%
EBITDA Margin	20.1%	20.6%	27.3%	7.2pp	6.7pp
Capex	63.7	159.6	59.2	(7.1%)	(62.9%)

(1)EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.
(*)Turkcell Superonline is our wholly-owned subsidiary, providing fiber broadband.

Fintur continued to improve its market position in Q113, adding approximately 2.8 million net subscribers year-on-year, thereby increasing its total subscriber base to 21.4 million, driven mainly by growth in Kazakhstan. Fintur's consolidated revenue increased by 1.3% year-on-year to US$473 million (US$467 million) in Q113, while revenues decreased by 12.6% quarter-on-quarter from US$541 million in Q412 mainly due to the impact of seasonality.

We account for our investment in Fintur using the equity method. Fintur's contribution to net income increased from TRY54.6 million to TRY68.9 million, while its contribution in US$ terms increased from US$30.3 million to US$38.4 million in Q113. Fintur's contribution to Turkcell's net income was US$27 million in Q412.

Fintur	Q112	Q412	Q113	y/y %	q/q %
Subscribers (million)	18.6	21.2	21.4	15.1%	0.9%
Kazakhstan	11.2	13.5	13.8	23.2%	2.2%
Azerbaijan	4.2	4.4	4.4	4.8%	-
Moldova	1.1	1.3	1.3	18.2%	-
Georgia	2.1	2.1	1.9	(9.5%)	(9.5%)
Revenue (million US$)	467	541	473	1.3%	(12.6%)

Kazakhstan	280	331	286	2.1%	(13.6%)
Azerbaijan	137	151	136	(0.7%)	(9.9%)
Moldova	17	21	18	5.9%	(14.3%)
Georgia	33	38	33	-	(13.2%)
Other1	-	-	-	-	-
Fintur’s contribution to Group’s net income	30	27	38	26.7%	40.7%

1) Includes intersegment eliminations
(*) We hold a 41.45% stake In Fintur which has interests in Kazakhstan, Azerbaijan, Moldova, and Georgia.

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First Quarter 2013 Results

Turkcell Group Subscribers amounted to approximately 69.2 million as of March 31, 2013. This figure is calculated by taking the number of subscribers in Turkcell and each of our subsidiaries and unconsolidated investees. It includes the total number of mobile subscribers in Turkcell Turkey, Astelit and BeST, as well as in our operations in the Turkish Republic of Northern Cyprus ("Northern Cyprus"), Fintur and Turkcell Europe. Turkcell Group subscribers rose by 3.9 million year-on-year, due to Fintur's increased subscriber base, and the contribution of Astelit. Please note that BeST's subscribers base declined by 0.7 million year-on-year in line with BeST's churn policy and value focus approach.

Turkcell Group Subscribers (million)	Q112	Q412	Q113	y/y %	q/q %
Turkcell	34.5	35.1	34.9	1.2%	(0.6%)
Ukraine	9.9	11.1	11.1	12.1%	0.0%
Fintur	18.6	21.2	21.4	15.1%	0.9%
Northern Cyprus	0.4	0.4	0.4	-	-
Belarus	1.7	1.1	1.0	(41.2%)	(9.1%)
Turkcell Europe	0.2	0.3	0.4	100.0%	33.3%
TURKCELL GROUP	65.3	69.2	69.2	6.0%	-

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

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

	Q112	Q412	Q113	y/y %	q/q %
TRY / US$ rate					
Closing Rate	1.7729	1.7826	1.8087	2.0%	1.5%
Average Rate	1.7871	1.7854	1.7865	0.0%	0.1%
Consumer Price Index (Turkey)	1.5%	2.7%	2.6%	1.1pp	(0.1pp)
GDP Growth (Turkey)	3.2%	1.4%	n.a.	n.a.	n.a.
UAH/ US$ rate					
Closing Rate	7.99	7.99	7.99	-	-
Average Rate	7.99	7.99	7.99	-	-
BYR/ US$ rate					
Closing Rate	8.020	8.570	8.670	8.1%	1.2%
Average Rate	8.208	8.548	8.627	5.1%	0.9%

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First Quarter 2013 Results

RECONCILIATION OF NON-GAAP FINANCIAL MEASUREMENTS: We believe that EBITDA is a measurement commonly used by companies, analysts and investors in the telecommunications industry that enhances the understanding of our cash generation ability and liquidity position, and assists in the evaluation of our capacity to meet our financial obligations. We also use EBITDA as an internal measurement tool, and accordingly, we believe that its presentation provides useful and relevant information to analysts and investors. Our EBITDA definition includes Revenue, Direct Cost of Revenue excluding depreciation and amortization, Selling and Marketing expenses and Administrative expenses, but excludes translation gain/(loss), finance income, share of profit of equity accounted investees, gain on sale of investments, income/(loss) from related parties, minority interest and other income/(expense). EBITDA is not a measure of financial performance under IFRS, and should not be construed as a substitute for net earnings (loss) as a measure of performance, or cash flow from operations as a measure of liquidity. The following table provides a reconciliation of EBITDA, which is a non-GAAP financial measurement, to net cash from operating activities, which we believe is the most directly comparable financial measurement calculated and presented in accordance with IFRS.

Turkcell (million US$)	Q112	Q412	Q113	y/y %	q/q %
EBITDA	393.1	474.8	452.1	15.0%	(4.8%)
Income tax expense	(58.7)	(76.6)	(76.7)	30.7%	0.1%
Other operating income / (expense)	(4.9)	25.0	(0.6)	(87.8%)	-
Financial income	3.8	(2.6)	4.3	13.2%	-
Financial expense	(33.0)	(44.3)	(20.6)	(37.6%)	(53.5%)
Net increase / (decrease) in assets and liabilities	(404.5)	274.0	(540.8)	33.7%	-
Net cash from operating activities	(104.2)	650.3	(182.3)	75.0%	-

Turkcell Superonline (million TRY)	Q112	Q412	Q113	y/y %	q/q %
EBITDA	29.1	39.2	55.6	91.1%	41.8%
Income tax expense	-	-	(0.4)	-	-
Other operating income / (expense)	0.1	2.4	0.5	400.0%	(79.2%)
Financial income	40.1	(0.3)	1.7	(95.8%)	-
Financial expense	(41.0)	(14.6)	(16.1)	(60.7%)	10.3%
Net increase / (decrease) in assets and liabilities	(35.4)	(37.7)	(84.8)	139.5%	124.9%
Net cash from operating activities	(7.1)	(11.0)	(43.5)	512.7%	295.5%

Euroasia (million US$)	Q112	Q412	Q113	y/y %	q/q %
EBITDA	24.9	27.6	28.0	12.4%	1.4%
Other operating income / (expense)	0.2	0.5	0.9	350.0%	80.0%
Financial income	0.2	1.2	1.3	550.0%	8.3%

Financial expense	(12.1)	(16.1)	(15.4)	27.3%	(4.3%)
Net increase / (decrease) in assets and liabilities	15.8	45.7	(13.6)	-	-
Net cash from operating activities	29.0	58.9	1.2	(95.9%)	(98.0%)

First Quarter 2013 Results

FORWARD-LOOKING STATEMENTS: 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 and capex in 2013. More generally, all statements other than statements of historical facts included in this press release, including, without limitation, certain statements regarding 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" or "continue."
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 2012 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.

ABOUT TURKCELL: Turkcell is the leading communications and technology company in Turkey, with 34.9 million subscribers as of March 31, 2013. Turkcell is a leading regional player, with market leadership in five of the nine countries in which it operates with its approximately 69.2 million subscribers as of March 31, 2013. It has become one of the first among the global operators to have implemented HSPA+. It has achieved up to 43.2 Mbps speed using the Dual Carrier technology, and is continuously working to provide the latest technology to its customers, e.g. 84 Mbps in the near future. Turkcell Superonline, a wholly owned subsidiary of Turkcell, is the one and only telecom operator to offer households fiber broadband connection at speeds of up to 1,000 Mbps in Turkey. As of February 28, 2013, Turkcell population coverage is at 99.19% in 2G and 84.26% in 3G. Turkcell reported a TRY2.7 billion (US$1.5 billion) revenue with total assets of TRY18.9 billion (US$10.4 billion) as of March 31, 2013. It has been listed on the NYSE and the ISE since July 2000, and is the only NYSE-listed company in Turkey. Read more at www.turkcell.com.tr

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TURKCELL ILETISIM HIZMETLERI A.S.
CMB SELECTED FINANCIALS (TRY Million)

	Quarter Ended March 31, 2012	Quarter Ended December 31, 2012	12 Months Ended December 31, 2012	3 Months Ended March 31, 2013
Consolidated Statement of Operations Data				
Revenues				
Communication fees	2,180.9	2,534.5	9,626.7	2,430.6
Commission fees and revenue on betting business	35.2	63.0	159.1	54.3
Monthly fixed fees	24.5	21.7	90.7	20.2
Simcard sales	6.1	6.4	32.9	6.4
Call center revenues and other revenues	135.1	181.7	597.6	176.9
Total revenues	2,381.8	2,807.3	10,507.0	2,688.4
Direct cost of revenues	(1,489.8)	(1,759.5)	(6,482.1)	(1,685.7)
Gross profit	892.0	1,047.8	4,024.9	1,002.7
Administrative expenses	(118.1)	(125.9)	(484.2)	(128.9)
Selling & marketing expenses	(402.8)	(469.0)	(1,705.7)	(425.0)
Other Operating Income / (Expense)	(6.5)	(23.6)	(105.3)	(0.3)
Operating profit before financing costs	364.6	429.3	1,729.7	448.5
Finance costs	(58.3)	(79.5)	(224.2)	(37.4)
Finance income	220.1	158.9	691.7	166.7
Monetary gain	40.5	42.6	169.9	53.5
Share of profit of equity accounted investees	49.5	42.5	218.5	68.6
Income before taxes and minority interest	616.4	593.8	2,585.6	699.9
Income tax expense	(105.6)	(136.8)	(523.6)	(137.4)
Income before minority interest	510.8	457.0	2,062.0	562.5
Non-controlling interests	4.7	3.2	21.0	4.4
Net income	515.5	460.2	2,083.0	566.9
Net income per share	0.23	0.21	0.95	0.26
Other Financial Data				
Gross margin	37.5%	37.3%	38.3%	37.3%
EBITDA(*)	702.7	847.8	3,241.5	807.6
Capital expenditures	252.9	713.4	1,738.8	199.5
Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	6,047.5	6,998.9	6,998.9	6,610.9
Total assets	17,119.0	18,653.0	18,653.0	18,829.8
Long term debt	769.8	1,103.8	1,103.8	1,401.5

Total debt	3,359.3	3,039.6	3,039.6	3,014.6
Total liabilities	5,825.9	5,918.1	5,918.1	5,573.2
Total shareholders’ equity / Net Assets	11,293.1	12,734.9	12,734.9	13,256.6

** For further details, please refer to our consolidated financial statements and notes as at 31 March 2013 on our web site.

TURKCELL ILETISIM HIZMETLERI A.S.
IFRS SELECTED FINANCIALS (TRY Million)

	Quarter Ended March 31, 2012	Quarter Ended December 31, 2012	12 Months Ended December 31, 2012	3 Months Ended March 31, 2013
Consolidated Statement of Operations Data				
Revenues				
Communication fees	2,180.9	2,534.5	9,626.7	2,430.6
Commission fees and revenue on betting business	35.2	63.0	159.1	54.3
Monthly fixed fees	24.5	21.7	90.7	20.2
Simcard sales	6.1	6.4	32.9	6.4
Call center revenues and other revenues	135.1	181.7	597.6	176.9
Total revenues	2,381.8	2,807.3	10,507.0	2,688.4
Direct cost of revenues	(1,491.3)	(1,760.1)	(6,487.3)	(1,687.3)
Gross profit	890.5	1,047.2	4,019.7	1,001.1
Administrative expenses	(118.1)	(125.9)	(484.2)	(128.9)
Selling & marketing expenses	(402.8)	(469.0)	(1,705.7)	(425.0)
Other Operating Income / (Expense)	(6.5)	(23.9)	(105.2)	(0.3)
Operating profit before financing costs	363.1	428.4	1,724.6	446.9
Finance costs	(58.3)	(79.5)	(224.2)	(37.4)
Finance income	220.1	158.9	691.7	166.7
Monetary gain	40.5	42.6	169.9	53.5
Share of profit of equity accounted investees	49.5	42.5	218.5	68.6
Income before taxes and minority interest	614.9	592.9	2,580.5	698.3
Income tax expense	(104.8)	(136.9)	(522.5)	(137.1)
Income before minority interest	510.1	456.0	2,058.0	561.2
Non-controlling interests	4.7	3.2	21.0	4.4
Net income	514.8	459.2	2,079.0	565.6
Net income per share	0.23	0.21	0.95	0.26
Other Financial Data				
Gross margin	37.4%	37.3%	38.3%	37.2%
EBITDA(*)	702.7	847.8	3,241.5	807.6
Capital expenditures	252.9	713.4	1,738.8	199.5
Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	6,047.5	6,998.9	6,998.9	6,610.9
Total assets	17,157.1	18,687.4	18,687.4	18,862.5
Long term debt	769.8	1,103.8	1,103.8	1,401.5

Total debt	3,359.3	3,039.6	3,039.6	3,014.6
Total liabilities	5,832.0	5,923.7	5,923.7	5,578.5
Total shareholders’ equity / Net Assets	11,325.1	12,763.7	12,763.7	13,284.0

** For further details, please refer to our consolidated financial statements and notes as at 31 March 2013 on our web site.

TURKCELL ILETISIM HIZMETLERI A.S.
IFRS SELECTED FINANCIALS (US$ MILLION)

	Quarter Ended March 31, 2012	Quarter Ended December 31, 2012	12 Months Ended December 31, 2012	3 Months Ended March 31, 2013
Consolidated Statement of Operations Data				
Revenues				
Communication fees	1,220.9	1,419.6	5,374.0	1,360.3
Commission fees and revenue on betting business	19.7	35.3	89.0	30.4
Monthly fixed fees	13.7	12.1	50.6	11.3
Simcard sales	3.4	3.6	18.3	3.6
Call center revenues and other revenues	75.6	101.9	333.9	98.9
Total revenues	1,333.3	1,572.5	5,865.8	1,504.5
Direct cost of revenues	(835.0)	(986.1)	(3,622.3)	(944.2)
Gross profit	498.3	586.4	2,243.5	560.3
Administrative expenses	(66.2)	(70.5)	(270.5)	(72.1)
Selling & marketing expenses	(225.8)	(262.8)	(953.2)	(237.7)
Other Operating Income / (Expense)	(3.6)	(13.4)	(58.8)	(0.2)
Operating profit before financing costs	202.7	239.7	961.0	250.3
Finance costs	(33.0)	(44.4)	(125.5)	(20.8)
Finance income	123.6	88.7	386.1	93.3
Monetary gain	22.9	24.0	95.3	29.6
Share of profit of equity accounted investees	27.5	23.7	121.7	38.3
Income before taxes and minority interest	343.7	331.7	1,438.6	390.7
Income tax expense	(58.7)	(76.6)	(291.5)	(76.7)
Income before minority interest	285.0	255.1	1,147.1	314.0
Non-controlling interests	2.6	1.8	11.7	2.5
Net income	287.6	256.9	1,158.8	316.5
Net income per share	0.13	0.12	0.53	0.14
Other Financial Data				
Gross margin	37.4%	37.3%	38.2%	37.2%
EBITDA(*)	393.1	474.8	1,808.4	452.1
Capital expenditures	142.7	401.0	975.5	110.3
Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	3,411.1	3,926.2	3,926.2	3,655.0
Total assets	9,677.4	10,483.2	10,483.2	10,428.8
Long term debt	434.2	619.2	619.2	774.9

Total debt	1,894.8	1,705.2	1,705.2	1,666.7
Total liabilities	3,289.5	3,323.1	3,323.1	3,084.3
Total equity	6,387.9	7,160.1	7,160.1	7,344.5

* Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 12
** For further details, please refer to our consolidated financial statements and notes as at 31 March 2013 on our web site.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and
31 December 2011 could not be presented for approval.)

	Note	31 March 2013	31 December 2012
Assets			
Property, plant and equipment	9	2,964,904	3,061,199
Intangible assets	10	1,257,648	1,296,117
GSM and other telecommunication operating licenses		657,278	678,694
Computer software		553,450	568,447
Other intangible assets		46,920	48,976
Investments in equity accounted investees	11	293,641	256,931
Other investments		29,519	29,069
Due from related parties	21	2,262	-
Other non-current assets		131,852	125,299
Trade receivables	12	257,443	216,149
Deferred tax assets		14,476	14,823
Total non-current assets		4,951,745	4,999,587
Inventories		44,562	48,903
Other investments		22,316	22,205
Due from related parties	21	9,931	7,414
Trade receivables and accrued income	12	1,280,408	1,209,007
Other current assets	13	464,779	269,905
Cash and cash equivalents	14	3,655,045	3,926,215
Total current assets		5,477,041	5,483,649
Total assets		10,428,786	10,483,236
Equity			
Share capital		1,636,204	1,636,204
Share premium		434	434
Capital contributions		22,772	22,772
Reserves		(1,758,045)	(1,628,110)
Retained earnings		7,524,111	7,207,563

Total equity attributable to equity holders of Turkcell Iletisim Hizmetleri AS		7,425,476	7,238,863
Non-controlling interests		(80,955)	(78,719)
Total equity		7,344,521	7,160,144
Liabilities			
Loans and borrowings	17	774,874	619,196
Employee benefits		43,288	41,452
Provisions		149,321	148,894
Other non-current liabilities		114,777	117,888
Deferred tax liabilities		43,685	44,169
Total non-current liabilities		1,125,945	971,599
Bank overdraft	14	3	-
Loans and borrowings	17	893,356	1,087,447
Income taxes payable		74,381	76,533
Trade and other payables		804,326	953,601
Due to related parties	21	49,833	55,614
Deferred income		88,094	91,166
Provisions		48,327	87,132
Total current liabilities		1,958,320	2,351,493
Total liabilities		3,084,265	3,323,092
Total equity and liabilities		10,428,786	10,483,236

The notes on page 7 to 79 are an integral part of these condensed interim consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three months ended 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.)

		Three months ended 31 March	
	Note	2013	2012
Revenue		1,504,525	1,333,299
Direct costs of revenue		(944,255)	(834,979)
Gross profit		560,270	498,320
Other income		4,108	3,367
Selling and marketing expenses		(237,704)	(225,777)
Administrative expenses		(72,141)	(66,152)
Other expenses		(4,249)	(7,031)
Results from operating activities		250,284	202,727
Finance income	7	93,353	123,584
Finance costs	7	(20,816)	(32,950)
Net finance income		72,537	90,634
Monetary gain		29,586	22,844
Share of profit of equity accounted investees	11	38,298	27,482
Profit before income tax		390,705	343,687
Income tax expense	8	(76,704)	(58,736)
Profit for the period		314,001	284,951
Profit attributable to:			
Owners of Turkcell Iletisim Hizmetleri AS		316,498	287,579
Non-controlling interest		(2,497)	(2,628)
Profit for the period		314,001	284,951
Basic and diluted earnings per share (in full USD)	16	0.14	0.13

The notes on page 7 to 79 are an integral part of these condensed interim consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three months ended 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.)

	Three months ended 31 March 2013	2012
Profit for the period	314,001	284,951
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss:		
Actuarial gain arising from employee benefits	64	-
Tax effect of actuarial gain from employee benefits	(14)	-
	50	-
Items that will or may be reclassified subsequently to profit or loss:		
Change in cash flow hedge reserve	(50)	(277)
Foreign currency translation differences	(132,814)	382,080
Share of foreign currency translation differences of the equity accounted investees	2,502	(12,134)
Tax effect of foreign currency translation differences	(125)	1,660
	(130,487)	371,329
Other comprehensive income/(expense) for the period, net of income tax	(130,437)	371,329
Total comprehensive income for the period	183,564	656,280
Total comprehensive income/(expense) attributable to:		
Owners of Turkcell Iletisim Hizmetleri AS	186,613	656,938
Non-controlling interest	(3,049)	(658)
Total comprehensive income for the period	183,564	656,280

The notes on page 7 to 79 are an integral part of these condensed interim consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.)

	Attributable to equity holders of the Company							
	Share Capital	Capital Contribution	Share Premium	Legal Reserves	Fair Value Reserve	Cash Flow Hedge Reserves	Reserve for Non-Controlling Interest Put Option	Tra R
Balance at 1 January 2012	1,636,204	22,772	434	533,939	-	(459)	(242,217)	(2,
Total comprehensive income								
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income/(expense)								
Foreign currency translation differences, net of tax	-	-	-	-	-	-	4,335	365
Change in cash flow hedge reserve	-	-	-	-	-	(277)	-	-
Total other comprehensive income/(expense)	-	-	-	-	-	(277)	4,335	365
Total comprehensive income/(expense)	-	-	-	-	-	(277)	4,335	365
Change in non-controlling interests	-	-	-	-	-	-	-	-
Balance at 31 March 2012	1,636,204	22,772	434	533,939	-	(736)	(237,882)	(1,
Total comprehensive income								
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income/(expense)								
Foreign currency translation differences, net of tax	-	-	-	-	-	-	(384)	(56
Defined benefit plan actuarial losses	-	-	-	-	-	-	-	-
Change in cash flow hedge reserve	-	-	-	-	-	(583)	-	-
Total other comprehensive income/(expense), net of tax	-	-	-	-	-	(583)	(384)	(56
Total comprehensive income/(expense)	-	-	-	-	-	(583)	(384)	(56
Transfers from legal reserves	-	-	-	1,023	-	-	-	-
Dividend paid (Note 15)	-	-	-	-	-	-	-	-
Change in non-controlling interest	-	-	-	-	-	-	-	-
Change in reserve for non-controlling interest put option	-	-	-	-	-	-	(20,429)	-
Balance at 31 December 2012	1,636,204	22,772	434	534,962	-	(1,319)	(258,695)	(1,
Balance at 1 January 2013	1,636,204	22,772	434	534,962	-	(1,319)	(258,695)	(1,
Total comprehensive income								

Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income/(expense)								
Foreign currency translation differences, net of tax	-	-	-	-	-	-	(1,168)	(12
Defined benefit plan actuarial gains	-	-	-	-	-	-	-	-
Change in cash flow hedge reserve	-	-	-	-	-	(50)	-	-
Total other comprehensive income/(expense)	-	-	-	-	-	(50)	(1,168)	(12
Total comprehensive income/(expense)	-	-	-	-	-	(50)	(1,168)	(12
Change in non-controlling interests	-	-	-	-	-	-	-	-
Balance at 31 March 2013	1,636,204	22,772	434	534,962	-	(1,369)	(259,863)	(2,0

The notes on page 7 to 79 are an integral part of these condensed interim consolidated financial statements.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.)

		Three months 31 March	
	Note	2013	2012
Cash flows from operating activities			
Profit for the period		314,001	284,951
Adjustments for:			
Depreciation and impairment of fixed assets	9	143,835	133,135
Amortization of intangible assets	10	57,851	53,551
Net finance income		(76,941)	(82,833)
Income tax expense		76,704	58,736
Share of profit of equity accounted investees	11	(38,298)	(33,371)
Gain on sale of property, plant and equipment		(430)	(1,325)
Unrealised foreign exchange gain/loss on operating assets		(47,022)	(41,469)
Provision for impairment of trade receivables and due from related parties	18	16,734	14,339
Deferred income		(1,757)	(26,768)
		444,677	358,946
Change in trade receivables	12	(145,861)	(86,420)
Change in due from related parties	21	(4,853)	10,091
Change in inventories		3,635	(4,154)
Change in other current assets	13	(210,444)	(186,666)
Change in other non-current assets		2,048	(1,418)
Change in due to related parties	21	(4,992)	1,244
Change in trade and other payables		(213,383)	(122,615)
Change in other current liabilities		73,578	(13,244)
Change in other non-current liabilities		383	6,032
Change in employee benefits		2,498	2,321
Change in provisions		(38,151)	(21,184)
		(90,865)	(57,067)
Interest paid		(17,439)	(13,773)
Income tax paid		(74,026)	(72,761)
Dividends received		-	39,378
Net cash used in operating activities		(182,330)	(104,223)

Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(73,756)	(105,017)
Acquisition of intangible assets	10	(34,066)	(35,591)
Proceeds from sale of property, plant and equipment		1,366	2,899
Proceeds from currency option contracts		355	758
Payment of currency option contracts premium		(84)	(8)
Proceeds from sale of financial assets		-	891,892
Acquisition of financial assets		(1,226)	-
Interest received		90,654	103,242
Net cash (used in)/generated by investing activities		(16,757)	858,175
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings		477,527	117,176
Repayment of borrowings		(512,195)	(85,878)
Change in non-controlling interest		813	51
Net cash (used in)/generated by financing activities		(33,855)	31,349
Net (decrease)/increase in cash and cash equivalents		(232,942)	785,301
Cash and cash equivalents at 1 January	14	3,926,215	2,507,445
Effects of foreign exchange rate fluctuations on cash and cash equivalents		(38,231)	108,076
Cash and cash equivalents at 31 March	14	3,655,042	3,400,822

The notes on page 7 to 79 are an integral part of these condensed interim consolidated financial statements.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the three months ended 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.)

Notes to the condensed interim consolidated financial statements

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the three months ended 31 March 2013
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.)

1. Reporting entity

Turkcell Iletisim Hizmetleri Anonim Sirketi (the "Company") was incorporated in Turkey on 5 October 1993 and commenced its operations in 1994. The Company primarily is involved in establishing and operating a Global System for Mobile Communications ("GSM") network in Turkey and regional states.

The condensed interim consolidated financial statements of the Company as at and for the three months ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in one associate and one joint venture.

The consolidated financial statements of the Company as at and for the year ended 31 December 2012 are available upon request from the Company's registered office at Turkcell Plaza, Mesrutiyet Caddesi No: 71, 34430 Tepebasi / Istanbul or at www.turkcell.com.tr.

2. Basis of preparation

(a) Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797 and dated 22 February 2012 and numbered 908, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010 and 31 December 2011 could not be presented for approval.

The Group's condensed interim consolidated financial statements as at and for the period ended 31 March 2013 were approved by the Board of Directors on 17 April 2013.

(b)Basis of measurement

The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs as issued by the IASB. They are prepared on the historical cost basis adjusted for the effects of inflation during the hyperinflationary periods in accordance with International Accounting Standard No. 29. (“Financial Reporting in Hyperinflationary Economies”) (“IAS 29”), where applicable, except that the following assets and liabilities are stated at their fair value: put option liability, derivative financial instruments and financial instruments classified as available-for-sale. Hyperinflationary period lasted by 31 December 2005 in Turkey and commenced on 1 January 2011 in Belarus. In the financial statements of subsidiaries operating in Belarus, restatement adjustments have been made to compensate the effect of changes in the general purchasing power of the Belarusian Ruble in accordance with IAS 29. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date.

(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

2.Basis of preparation (continued)

(b) Basis of measurement (continued)

The comparative amounts relating to the subsidiaries operating in Belarus in the 2012 consolidated financial statements are not restated. The translation effect of Belarusian Ruble ("BYR") denominated equity accounts determined upon the application of inflation accounting to USD is accounted under translation reserve in the condensed interim consolidated financial statements as at 31 March 2013.

3. Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed interim consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements as at and for the year ended 31 December 2012 other than the adoption of the following new standards or amendments to the standards which are effective for the annual periods on or after 1 January 2013.

Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IAS 1	Clarification of the Requirements for Comparative Information
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guide
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IFRSs	
IAS 16 and IAS 32	Annual Improvements to IFRSs 2009/2011 Cycle except for the amendment to IAS 1
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The effects of the new standards or amendments to the standards adopted are explained in Note 3b.

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(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

3. Significant accounting policies (continued)

a) Comparative information and revision of prior period financial statements

The condensed interim consolidated financial statements of the Group have been prepared with the prior periods on a comparable basis in order to give consistent information about the financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, the financial statements of the prior periods are also reclassified in line with the related changes.

The Group early adopted the 2011 amendment for International Accounting Standard No. 19 ("IAS 19") "Employee Benefits" which basically requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order to reflect any change in the liability recognized in the consolidated statement of financial position starting from 31 December 2012. As the amendments to IAS 19 require retrospective application, the Group management evaluated the monetary impact of this accounting policy change on the condensed interim consolidated financial statements as at 31 March 2012, and concluded that the net after tax impact is not significant. In this context, the condensed interim consolidated financial statements as at 31 March 2012 are not recast.

b) New and Revised International Financial Reporting Standards

(i) Amendments to IFRSs affecting amounts reported in the condensed interim consolidated financial statements

None.

(ii)New and Revised IFRSs applied with no material effect on the condensed interim consolidated financial statements

Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IAS 1	Clarification of the Requirements for Comparative Information
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 11	Consolidated Financial Statements, Joint Arrangements and

and IFRS 12	Disclosures of Interests in Other Entities: Transition Guide
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IFRSs	
IAS 16 and IAS 32	Annual Improvements to IFRSs 2009/2011 Cycle except for the amendment to IAS 1
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

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3. Significant accounting policies (continued)

b) New and Revised International Financial Reporting Standards (continued)

(ii) New and Revised IFRSs applied with no material effect on the condensed interim consolidated financial statements (continued)

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 "Presentation of Items of Other Comprehensive Income" are effective for the annual periods beginning on or after 1 July 2012. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "statement of income" is renamed as the "statement of profit or loss". The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments can be applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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3. Significant accounting policies (continued)

b) New and Revised International Financial Reporting Standards (continued)

(ii) New and Revised IFRSs applied with no material effect on the condensed interim consolidated financial statements (continued)

Amendments to IAS 1 Presentation of Financial Statements

(as part of the Annual Improvements to IFRSs 2009/2011 Cycle issued in May 2012)

The amendments to IAS 1 as part of the Annual Improvements to IFRSs 2009/2011 Cycle are effective for the annual periods beginning on or after 1 January 2013. IAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to IAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC - 12 Consolidation - Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC - 13 Jointly Controlled Entities - Non-monetary Contributions by Venturers will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

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3. Significant accounting policies (continued)

b) New and Revised International Financial Reporting Standards (continued)

(ii) New and Revised IFRSs applied with no material effect on the condensed interim consolidated financial statements (continued)

New and revised Standards on consolidation, joint arrangements, associates and disclosures (continued)

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these IFRSs for the first time.

The application of these five standards did not have significant impact on amounts reported in the condensed interim consolidated financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The application of the new Standard did not have significant impact on the condensed interim consolidated financial statements.

Amendments to IFRS 7 Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

Amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013. These amendments should be applied retrospectively to the all financial statements presented.

Annual Improvements to IFRSs 2009/2011 Cycle issued in May 2012

The Annual Improvements to IFRSs 2009/2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. The Amendments to IFRSs include:

- Amendments to IAS 16 Property, Plant and Equipment; and
- Amendments to IAS 32 Financial Instruments: Presentation.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. Significant accounting policies (continued)

b) New and Revised International Financial Reporting Standards (continued)

(ii) New and Revised IFRSs applied with no material effect on the condensed interim consolidated financial statements (continued)

Annual Improvements to IFRSs 2009/2011 Cycle issued in May 2012 (continued)

Amendments to IAS 16

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The amendments to IAS 16 did not have a significant effect on the Group's consolidated financial statements.

Amendments to IAS 32

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes. The amendments to IAS 32 did not have a significant effect on the Group's condensed interim consolidated financial statements.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs). Under the Interpretation, the costs from this waste removal activity (stripping) which provide improved access to ore is recognized as a non-current asset (stripping activity asset) when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with IAS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

IFRIC 20 is effective for annual periods beginning on or after 1 January 2013. Specific transitional provisions are provided to entities that apply IFRIC 20 for the first time. However, IFRIC 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented. The Group management anticipates that IFRIC 20 will have no effect to the Group's financial statements as the Group does not engage in such activities.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the three months ended 31 March 2013
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3. Significant accounting policies (continued)

b) New and Revised International Financial Reporting Standards (continued)

(iii) New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments1
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures1
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilitie2

1 Effective for annual periods beginning on or after 1 January 2015.
2 Effective for annual periods beginning on or after 1 January 2014.

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

• With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

3. Significant accounting policies (continued)

b) New and Revised International Financial Reporting Standards (continued)

(iii) New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 Financial Instruments (continued)

IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application. The amendments modify the existing comparative transition disclosures in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures". Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 "Financial Instruments: Recognition and Measurement" to IFRS 9 depending on the entity's date of adoption and whether the entity chooses to restate prior periods.

The Group management anticipates that the application of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

The Group management anticipates that the application of these amendments to IAS 32 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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4. Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty

Following severe balance of payments crisis in 2011, the economic data indicates that the Belarusian economy stabilized. This reflected the authorities' tightening of economic policies in late 2011 that was successful in reducing inflation and stabilizing the foreign exchange market. However, Belarusian economy grew only 1.5% in 2012 as the authorities failed to capitalize on improved competitiveness after the sharp currency depreciation in 2011. On the positive side, inflation fell sharply from over 100% at the end of 2011 to almost 22% in 2012. During 2012, National Bank of the Republic Belarus ("NBRB") has been gradually decreased the refinance rate by 15 percentage points during 2012, from 45% to 30% per annum. As of March 2013, the inflation rate stood at 22.2% for the last twelve months. After the slight inflation slowdown in February 2013, NBRB decided to decrease the refinancing rate by 1.5 percentage points to 28.5% in March 2013, the first decrease in the rates since September 2012. The decrease in rates were suspended in September 2012 as the further decreases could increase currency demand and pose a threat to macroeconomic stability. NBRB has stabilized foreign exchange market with the help of a "managed float" exchange policy. As the cumulative inflation in the last three years exceeded 100%, Belarus was considered a hyperinflationary economy. In this context, IAS 29 "Reporting in Hyperinflationary Economies" is applied by subsidiaries operating in Belarus in financial statements starting from their annual financial statements for the year ending 31 December 2011.

Although downside economic risks have been reduced, macroeconomic stability is still fragile. Given Belarus' limited currency reserves coupled with the high debt repayments due this year and the negative current account balance, these factors create inflationary and devaluation pressure. The softer monetary policy may be premature and may result in deterioration of Belarus' macroeconomic stability. Lower rates stimulate credit and economic activity, but they also stimulate imports and make BYR deposits less attractive, which may result in a higher demand for currency. Therefore, economic uncertainties are likely to continue in the foreseeable future.

Current and potential future political and economic changes in Belarus could have an adverse effect on the subsidiaries operating in this country. The economic stability of Belarus depends on the economic measures that will be taken by the government and the outcomes of the legal, administrative and political processes in the country. These processes are beyond the control of the subsidiaries established in the country.

Consequently, the subsidiaries operating within Belarus may subject to the risks, i.e. foreign currency and interest rate risks related to borrowings and the subscriber's purchasing power and liquidity and increase in corporate and personal insolvencies, that may not necessarily be observable in other markets. The accompanying condensed interim consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries operating in Belarus. The future economic situation of Belarus might differ from the Group's expectations. As of 31 March 2013, the Group's management believes that their approach is appropriate in taking all the necessary measures to support the sustainability of these subsidiaries' businesses in the current circumstances.

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5. Operating Segments

The Group has three reportable segments, as described below, which are based on the dominant source and nature of the Group's risk and returns as well as the Group's internal reporting structure. These strategic segments offer the same types of services, however they are managed separately because they operate in different geographical locations and are affected by different economic conditions.

The Group comprises the following main operating segments: Turkcell, Euroasia and Belarusian Telecom, all of which are GSM operators in their countries.

Other operations mainly include companies operating in telecommunication and betting businesses and companies provide internet and broadband services, call center and value added services.

Information regarding the operations of each reportable segment is included below. Adjusted EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Adjusted EBITDA definition includes revenue, direct cost of revenues excluding depreciation and amortization, selling and marketing expenses and administrative expenses. Adjusted EBITDA is not a financial measure defined by IFRS as a measurement of financial performance and may not be comparable to other similarly-titled indicators used by other companies.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

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5. Operating segments (continued)

	Three months ended 31 March									
	Turkcell		Euroasia		Belarusian Telecom		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	20
Total external revenues	1,224,854	1,106,914	98,035	90,261	14,944	10,665	166,692	125,459	1,504,525	1,333,29
Intersegment revenue	6,972	3,803	1,116	1,112	21	15	107,204	99,463	115,313	104,393
Reportable segment adjusted EBITDA	362,116	325,231	27,996	24,855	36	(2,887)	69,273	53,440	459,421	400,639
Finance income	85,934	65,229	1,272	17	1,760	21,617	18,358	49,129	107,324	135,992
Finance cost	5,213	(10,856)	(14,894)	(12,074)	(17,528)	(12,713)	(16,138)	(13,844)	(43,347)	(49,487
Monetary gain	-	-	-	-	29,586	22,844	-	-	29,586	22,844
Depreciation and amortization	(127,659)	(124,456)	(30,233)	(28,693)	(8,205)	(6,275)	(41,388)	(31,216)	(207,485)	(190,64
Share of profit of equity accounted investees	-	-	-	-	-	-	38,298	27,482	38,298	27,482
Capital expenditure	71,513	98,892	3,395	5,395	4,215	2,221	39,260	44,986	118,383	151,494
Bad debt expense	(15,363)	(12,951)	(132)	(28)	174	(416)	(1,413)	(944)	(16,734)	(14,339

	As at 31 March 2013 and 31 December 2012									
	Turkcell		Euroasia		Belarusian Telecom		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	20
Reportable segment assets	4,292,648	4,105,790	475,649	500,935	211,428	208,377	1,423,321	1,406,554	6,403,046	6,221,6
Investment in associates	-	-	-	-	-	-	293,641	256,931	293,641	256,93
Reportable segment liabilities	894,813	993,200	90,291	116,222	66,731	82,625	247,656	305,177	1,299,491	1,497,2

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5. Operating segments (continued)

Reconciliations of reportable segment revenues, adjusted EBITDA, assets and liabilities and other material items:

	Three months ended 31 March	
	2013	2012
Revenues		
Total revenue for reportable segments	1,345,942	1,212,770
Other revenue	273,896	224,922
Elimination of inter-segment revenue	(115,313)	(104,393)
Consolidated revenue	1,504,525	1,333,299

	Three months ended 31 March	
	2013	2012
Adjusted EBITDA		
Total adjusted EBITDA for reportable segments	390,148	347,199
Other adjusted EBITDA	69,273	53,440
Elimination of inter-segment adjusted EBITDA	(7,310)	(7,562)
Consolidated adjusted EBITDA	452,111	393,077
Finance income	93,353	123,584
Finance costs	(20,816)	(32,950)
Monetary gain	29,586	22,844
Other income	4,108	3,367
Other expenses	(4,249)	(7,031)
Share of profit of equity accounted investees	38,298	27,482
Depreciation and amortization	(201,686)	(186,686)
Consolidated profit before income tax	390,705	343,687

	Three months ended 31 March	
	2013	2012
Finance income		
Total finance income for reportable segments	88,966	86,863
Other finance income	18,358	49,129

Elimination of inter-segment finance income	(13,971)	(12,408)
Consolidated finance income	93,353	123,584

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5. Operating segments (continued)

	Three months ended 31 March	
	2013	2012
Finance costs		
Total finance cost for reportable segments	27,209	35,643
Other finance cost	16,138	13,844
Elimination of inter-segment finance cost	(22,531)	(16,537)
Consolidated finance cost	20,816	32,950

	Three months ended 31 March	
	2013	2012
Depreciation and amortization		
Total depreciation and amortization for reportable segments	166,097	159,424
Other depreciation and amortization	41,388	31,216
Elimination of inter-segment depreciation and amortization	(5,799)	(3,954)
Consolidated depreciation and amortisation	201,686	186,686

	Three months ended 31 March	
	2013	2012
Capital expenditure		
Total capital expenditure for reportable segments	79,123	106,508
Other capital expenditure	39,260	44,986
Elimination of inter-segment capital expenditure	(8,085)	(8,828)
Consolidated capital expenditure	110,298	142,666

	31 March 2013	31 December 2012
Assets		
Total assets for reportable segments	4,979,725	4,815,102
Other assets	1,423,321	1,406,554
Investments in equity accounted investees	293,641	256,931
Other unallocated amounts	3,732,099	4,004,649

Consolidated total assets	10,428,786	10,483,236

	31 March 2013	31 December 2012
Liabilities		
Total liabilities for reportable segments	1,051,835	1,192,047
Other liabilities	247,656	305,177
Other unallocated amounts	1,784,774	1,825,868
Consolidated total liabilities	3,084,265	3,323,092

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5. Operating Segments (continued)

Geographical information

In presenting the information on the basis of geographical segments, segment revenue is based on the geographical location of operations and segment assets are based on the geographical location of the assets.

Revenues	Three months ended 31 March 2013	2012
Turkey	1,352,709	1,204,687
Ukraine	99,342	91,215
Belarus	14,944	10,665
Turkish Republic of Northern Cyprus	16,442	15,116
Azerbaijan	16,201	7,191
Germany	4,887	4,425
	1,504,525	1,333,299

	31 March 2013	31 December 2012
Non-current assets		
Turkey	3,888,086	3,945,280
Ukraine	485,676	511,480
Belarus	181,695	180,072
Turkish Republic of Northern Cyprus	50,712	53,300
Azerbaijan	4,734	4,919
Germany	4,848	5,367
Unallocated non-current assets	335,994	299,169
	4,951,745	4,999,587

6. Seasonality of operations

The Turkish mobile communications market is affected by seasonal peaks and troughs. Historically, the effects of seasonality on mobile communications usage had positively influenced the Company's results in the second and third quarters of the fiscal year and negatively influenced the results in the first and fourth quarters of the fiscal year. Recently, however, due to changing market dynamics, such as the ICTA's intervention in tariffs and increasing competition in the Turkish telecommunications market, the effects of seasonality on the Company's subscribers' mobile communications usage has decreased. Local and religious holidays in Turkey also affect the Company's operational results.

7. Finance income and costs

Net finance income or cost amounts to $72,537 and $90,634 for the three months ended 31 March 2013 and 2012, respectively. Net finance income for the three months ended 31 March 2013 and 2012 is mainly attributable to the interest income on bank deposits.

8. Income tax expense

Effective tax rates are 20% and 17% for the three months ended 31 March 2013 and 2012, respectively.

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9. Property, plant and equipment

Cost or deemed cost	Balance as at 1January2012	Additions	Disposals	Transfers	Impairment	Effect of movements in exchange rates and hyperinflation	Balance as at 31December2012
Network infrastructure (All operational)	5,103,751	93,886	(261,471)	605,789	-	294,668	5,836,623
Land and buildings	244,711	5,568	(453)	3,572	-	14,330	267,728
Equipment, fixtures and fittings	241,724	20,530	(2,671)	146	-	13,707	273,436
Motor vehicles	15,533	1,988	(679)	-	-	1,073	17,915
Leasehold improvements	114,872	2,021	(177)	136	-	6,809	123,661
Construction in progress	226,317	647,792	(1,650)	(598,450)	(6,278)	13,392	281,123
Total	5,946,908	771,785	(267,101)	11,193	(6,278)	343,979	6,800,486
Accumulated depreciation							
Network infrastructure (All operational)	2,823,456	498,182	(256,855)	6,533	32,901	172,427	3,276,644
Land and buildings	96,439	9,285	(53)	-	-	5,867	111,538
Equipment, fixtures and fittings	209,837	10,397	(2,553)	-	-	14,015	231,696

Motor vehicles	11,058	1,920	(505)	-	-	813	13,286
Leasehold improvements	96,518	3,825	(132)	-	-	5,912	106,123
Total	3,237,308	523,609	(260,098)	6,533	32,901	199,034	3,739,287
Total property, plant and Equipment	2,709,600	248,176	(7,003)	4,660	(39,179)	144,945	3,061,199

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9. Property, plant and equipment (continued)

Cost or deemed cost	Balance as at 1January2013	Additions	Disposals	Transfers	Impairment	Effect of movements in exchange rates and hyperinflation	Balance as at 31March 2013
Network infrastructure (All operational)	5,836,623	12,611	(7,696)	93,176	-	(50,195)	5,884,519
Land and buildings	267,728	1,756	-	115	-	(3,473)	266,126
Equipment, fixtures and fittings	273,436	1,624	(946)	66	-	(3,460)	270,720
Motor vehicles	17,915	451	(195)	-	-	(87)	18,084
Leasehold improvements	123,661	86	(35)	-	-	(1,623)	122,089
Construction in progress	281,123	60,735	-	(93,404)	(100)	667	249,021
Total	6,800,486	77,263	(8,872)	(47)	(100)	(58,171)	6,810,559
Accumulated depreciation							
Network infrastructure (All operational)	3,276,644	135,098	(7,042)	-	1,259	(23,065)	3,382,894
Land and buildings	111,538	2,485	-	-	-	(1,389)	112,634
Equipment, fixtures and fittings	231,696	3,226	(900)	-	163	(3,336)	230,849
Motor vehicles	13,286	524	(173)	-	-	(79)	13,558

Leasehold improvements	106,123	980	(35)	-	-	(1,348)	105,720
Total	3,739,287	142,313	(8,150)	-	1,422	(29,217)	3,845,655
Total property, plant and Equipment	3,061,199	(65,050)	(722)	(47)	(1,522)	(28,954)	2,964,904

Depreciation expenses for the three months ended 31 March 2013 and 2012 are $143,835 and $133,135 respectively including impairment losses and recognized in direct cost of revenues.

The impairment losses on property, plant and equipment for the three months ended 31 March 2013 and 2012 are $1,522 and $8,898 respectively and recognized in depreciation expense.

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10.Intangible assets

Impairment testing for long-lived assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Long-lived assets were tested for impairment as at 31 December 2012. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets, cash generating units. As at 31 December 2012, impairment test for long-lived assets of Astelit is made on the assumption that Astelit is the cash generating unit.

As the recoverable amounts based on the value in use of cash generating units was higher than the carrying amount of cash-generating units of Astelit, no impairment was recognized. The assumptions used in value in use calculation of Astelit were:

A 14.9% post-tax WACC rate for 2013 to 2017, a 14.8% post-tax WACC rate for after 2017 and 2.5% terminal growth rate were used to extrapolate cash flows beyond the 5-year forecasts based on the business plans. Independent appraisal was obtained for fair value to determine recoverable amounts for Astelit. The pre-tax rate for disclosure purposes was 14.90%.

Impairment testing for cash-generating unit containing goodwill

Goodwill allocated to cash generating units and carrying values of all cash generating units are annually tested for impairment. The recoverable amounts (that is, higher of value in use and fair value less cost to sell) are normally determined on the basis of value in use, applying discounted cash flow calculation. Independent appraisals were obtained for fair values to determine recoverable amounts for Belarusian Telecom and Turkcell Superonline as at 31 December 2012.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in EBITDA, calculated as results from operating activities before depreciation and amortization and other income/(expenses), timing and quantum of future capital expenditure, long term growth rates, and the selection of discount rates to reflect the risks involved.

Belarusian Telecom

As at 31 December 2012, impairment test was performed for Belarusian Telecom and after tax impairment at the amount of $5,075 was calculated for the cash-generating unit, allocated to the fixed assets of the cash-generating unit on a pro-rata basis based on the carrying amount of each asset in the cash-generating unit and included in depreciation expense. Tax effect of the long-lived asset impairment of $1,720 is included in deferred taxation benefit.

Value in use was determined by discounting the expected future cash flows to be generated by the cash-generating unit and the terminal value. The calculation of the value in use was based on the following key assumptions:

The projection period for the purposes of impairment testing was taken as 5 years between 1 January 2013 and 31 December 2017. Cash flows for further periods (perpetuity) were extrapolated using a constant growth rate of 3.0% which does not exceed the estimated average growth rate for Belarus.

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10. Intangible assets (continued)

Impairment testing for cash-generating unit containing goodwill (continued)

Belarusian Telecom (continued)

A 16.7% post-tax WACC rate for 2013 to 2017, a 16.5% post-tax WACC rate for after 2017 were applied in determining the recoverable amount of the cash-generating unit. The post-tax rate was adjusted considering the tax cash outflows and other future tax cash flows and discrepancies between the cost of the assets and their tax bases. The pre-tax rate for disclosure purposes was 18.32%

Turkcell Superonline

As at 31 December 2012, the aggregate carrying amount of goodwill allocated to Turkcell Superonline is $18,419 including $80 goodwill as a result of Global Iletisim acquisition and merger. As the recoverable value based on the value in use of the cash generating units was estimated to be higher than carrying amount, no impairment was required for goodwill arising from the acquisition of Superonline as at 31 December 2012. The calculation of the value in use was based on the following key assumptions:

Values assigned to EBITDA for the periods forecasted include the expected synergies to be achieved from operating as a part of the Group. Values assigned to this key assumption reflect past experience except for efficiency improvements and synergies. Management believes that any reasonably possible change in the key assumptions on which Superonline recoverable amount is based would not cause Superonline's carrying amount to exceed its recoverable amount.

The projection period for the purposes of goodwill impairment testing was taken as 7 years between 1 January 2013 and 31 December 2019.

Cash flows for further periods (perpetuity) were extrapolated using a constant growth rate of 3.1%. This growth rate does not exceed the long-term average growth rate for the market in which Superonline operates.

A 14.6% post-tax WACC rate for 2013 to 2016, a 14.3% post-tax WACC rate for after 2016 were applied in determining the recoverable amount of the cash-generating unit. Discounting post-tax cash flows at a post-tax discount rate and discounting pre-tax cash flows at pre-tax discount rate gave same results, since the pre-tax discount rate is the post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows. For disclosure purposes pre-tax discount rate is 16.1%.

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10. Intangible assets (continued)

Cost	Balance at 1January2012	Additions	Disposals	Transfers	Impairment	Effects of movements in exchange rates and hyperinflation	Balance at 31 December 2012
GSM and other telecommunication operating licenses	1,193,025	1,260	(3,386)	3,510	-	76,865	1,271,274
Computer software	1,817,545	41,949	(186)	147,613	-	106,424	2,113,345
Transmission lines	26,861	134	-	-	-	1,574	28,569
Central betting system operating right	5,024	642	-	-	-	300	5,966
Indefeasible right of usage	18,441	-	-	-	-	1,100	19,541
Brand name	3,727	-	-	-	-	222	3,949
Customer base	7,511	-	-	-	-	448	7,959
Customs duty and VAT exemption right	46,747	-	(55,052)	-	-	8,305	-
Goodwill	17,378	-	-	-	-	1,041	18,419
Other	2,490	-	-	-	-	256	2,746
Construction in progress	-	164,055	-	(162,316)	-	-	1,739
Total	3,138,749	208,040	(58,624)	(11,193)	-	196,535	3,473,507
Accumulated amortization							
GSM and other telecommunication operating licenses	501,130	57,501	(3,386)	-	1,064	36,271	592,580

Computer software	1,314,571	156,601	(109)	(6,533)	1,359	79,009	1,544,898
Transmission lines	23,497	1,032	-	-	-	1,352	25,881
Central betting system operating right	3,401	295	-	-	-	293	3,989
Indefeasible right of usage	2,348	1,297	-	-	-	140	3,785
Brand name	1,211	393	-	-	-	74	1,678
Customer base	2,660	634	-	-	-	161	3,455
Customs duty and VAT exemption right	42,710	2,199	(55,052)	-	3,282	6,861	-
Other	913	187	-	-	-	24	1,124
Total	1,892,441	220,139	(58,547)	(6,533)	5,705	124,185	2,177,390
Total intangible assets	1,246,308	(12,099)	(77)	(4,660)	(5,705)	72,350	1,296,117

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10.Intangible assets (continued)

Cost	Balance at 1 January 2013	Additions	Disposals	Transfers	Impairment	Acquisitions through business combinations	Effects of movements in exchange rates and hyperinflation	Balance at 31 March 2013
GSM and other telecommunication operating licenses	1,271,274	59	-	-	-	-	(7,886)	1,263,447
Computer software	2,113,345	24,395	(263)	10,159	-	-	(27,760)	2,119,876
Transmission lines	28,569	42	-	-	-	-	(127)	28,484
Central betting system operating right	5,966	290	-	-	-	-	(368)	5,888
Indefeasible right of usage	19,541	-	-	-	-	-	(282)	19,259
Brand name	3,949	-	-	-	-	-	(57)	3,892
Customer base	7,959	-	-	-	-	-	(114)	7,845
Goodwill	18,419	-	-	-	-	-	(266)	18,153
Other	2,746	-	-	-	-	-	15	2,761
Construction in progress	1,739	9,280	-	(10,112)	-	-	-	907
Total	3,473,507	34,066	(263)	47	-	-	(36,845)	3,470,512
Accumulated amortization								
GSM and other telecommunication operating licenses	592,580	14,223	-	-	-	-	(634)	606,169
Computer software	1,544,898	42,609	(49)	-	-	-	(21,032)	1,566,426
Transmission lines	25,881	279	-	-	-	-	(396)	25,764
	3,989	89	-	-	-	-	(117)	3,961

Central betting system operating right								
Indefeasible right of usage	3,785	325	-	-	-	-	(57)	4,053
Brand name	1,678	99	-	-	-	-	(25)	1,752
Customer base	3,455	180	-	-	-	-	(52)	3,583
Other	1,124	47	-	-	-		(15)	1,156
Total	2,177,390	57,851	(49)	-	-	-	(22,328)	2,212,864
Total intangible assets	1,296,117	(23,785)	(214)	47	-	-	(14,517)	1,257,648

Amortization expenses on intangible assets other than goodwill for the three months ended 31 March 2013 and 2012 are $57,851 and $53,551 respectively including impairment losses and recognized in direct cost of revenues.

Computer software includes internally generated capitalized software development costs that meet the definition of an intangible asset. The amount of internally generated capitalized cost is $8,535 for the three months ended 31 March 2013 (31 March 2012: $8,012).

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11. Investments in equity accounted investees

The Group's share of profit in its equity accounted investees for the years ended 31 March 2013 and 2012 are $38,298 and $27,482, respectively.

The Company's investment in Fintur Holdings BV ("Fintur") and A-Tel amounts to $267,621 and $26,020 respectively as at 31 March 2013 (31 December 2012: $230,374 and $26,557).

In 2012, Fintur has decided to distribute dividend amounting to $598,000. The Company reduced the carrying value of investments in Fintur by the cash collected dividend of $247,871.

During November 2012 at the General Assembly meeting of A-Tel, it has been decided to distribute dividends amounting to TL 13,904 (equivalent to $7,687 as at 31 March 2013). The Company reduced the carrying value of its investments in A-Tel by its dividend portion of TL 6,952 (equivalent to $3,844 as at 31 March 2013) as at 31 December 2012.

Since the service provider and distribution agreement with A-Tel was annulled via notification dated 31 January 2012 which was effective from 1 August 2012, the carrying amount of A-Tel in the consolidated financial statements is decreased to the Company's share on the net assets of A-Tel as at 31 December 2012 and an impairment loss of $40,250 is recognized in other expenses in the consolidated statement of comprehensive income for the year ended 31 December 2012. Additionally based on the management opinion, the Company accrued a provision before tax effect amounting to $19,299 in the consolidated statement of comprehensive income for the year ended 31 December 2012.

Furthermore Saving Deposit Insurance Fund ("SDIF"), holding 50% shares of A-Tel, filed a lawsuit as detailed in Note 20 "Dispute on termination of agreements with A-Tel". Lawsuit is still pending.

12. Trade receivables and accrued income

	31 March 2013	31 December 2012
Accrued service income	692,622	638,687
Receivables from subscribers	501,012	484,294
Accounts and checks receivable	86,774	86,026

	1,280,408	1,209,007

Trade receivables are shown net of allowance for doubtful debts amounting to $403,150 as at 31 March 2013 (31 December 2012: $388,744). The impairment loss recognized for the three months ended 31 March 2013 and 2012 are $20,805 and $14,339, respectively.

Letters of guarantee received with respect to the accounts and checks receivable are amounted to $71,987 and $76,469 as at 31 March 2013 and 31 December 2012, respectively.

The accrued service income represents revenues accrued for subscriber calls (air-time) and contracted receivables related to handset campaigns, which have not been billed and will be billed within one year. Due to the volume of subscribers, there are different billing cycles; accordingly, an accrual is made at each period end to accrue revenues for rendered but not yet billed. Contracted receivables related to handset campaigns, which will be invoiced after one year is presented under non-current trade receivables amounting to $257,443 (31 December 2012: $216,149).

The Group's exposure to currency risks and impairment losses related to trade receivables are disclosed in Note 18.

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13. Other current assets

	31 March 2013	31 December 2012
Prepaid expenses	310,507	100,600
Restricted cash	54,333	55,078
Prepayment for subscriber acquisition cost	18,753	20,662
Special communication tax to be collected from subscribers	17,341	18,423
Advances to suppliers	14,466	13,078
Interest income accruals	10,377	12,269
VAT receivable	8,116	6,944
Credit card receivables for contracted campaigns	7,118	9,309
Receivables from personnel	3,102	3,194
Receivables from Tax Office	235	10,187
Other	20,431	20,161
	464,779	269,905

Prepaid expenses mainly comprises prepaid rent expense and frequency usage fees for prepaid subscribers paid which will be partially charged to prepaid subscribers on a monthly basis throughout the year.

As at 31 March 2013, restricted cash mainly represents amounts deposited at banks as guarantees in connection with dispute with the Competition Board regarding business practices with the distributors as detailed in Note 20 and the loan utilized by Azerinteltek which will mature in 9 months.

Subscriber acquisition costs are subsidies paid to dealers for engaging a fixed term contract with the subscriber that require a minimum consideration.

14.Cash and cash equivalents

	31 March 2013	31 December 2012
Cash in hand	150	148
Cheques received	6	380

Banks	3,653,241	3,924,203
-Demand deposits	246,962	245,551
-Time deposits	3,406,279	3,678,652
Bonds and bills	1,648	1,484
Cash and cash equivalents	3,655,045	3,926,215
Bank overdrafts	(3)	-
Cash and cash equivalents in the statement of cash flows	3,655,042	3,926,215

As at 31 March 2013, cash and cash equivalents deposited in banks that are owned and/or controlled by Cukurova Group, a significant shareholder of the Company is amounting to $0.055 (31 December 2012: $0.055).

As at 31 March 2013, the average maturity of time deposits is 49 days (31 December 2012: 81 days). The Group's exposure to currency risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 18.

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15. Dividends

On 23 March 2011, the Company's Board of Directors has proposed a dividend distribution for the year ended 31 December 2010 amounting to TL 1,328,697 (equivalent to $734,614 as at 31 March 2013), which represented 75% of distributable income. This represents a net cash dividend of full TL 0.6039532 (equivalent to full $0.33 as at 31 March 2013) per share. This dividend proposal was discussed but not approved at the Ordinary General Assembly of Shareholders held on 21 April 2011 and the Extraordinary General Assemblies of Shareholders held on 11 August 2011 and 12 October 2011. The General Assembly on 29 June 2012 could not convene since the quorum required had not been reached and the dividend proposal could not be presented for approval.

In the Ordinary General Assemblies of Shareholders Meeting of Inteltek Internet Teknoloji Yatirim ve Danismanlik AS ("Inteltek") held on 4 April 2012, it has been decided to distribute dividends amounting to TL 34,061 (equivalent to $18,832 as at 31 March 2013). The dividend was paid on 3 May 2012.

16. Earnings per share

The calculations of basic and diluted earnings per share as at 31 March 2013 were based on the profit attributable to ordinary shareholders for the three months ended 31 March 2013 and 2012 of $316,498 and $287,579 respectively and a weighted average number of shares outstanding during the three months ended 31 March 2013 and 2012 of 2,200,000,000 calculated as follows:

	Three months ended 31 March	
	2013	2012
Numerator:		
Net profit for the period attributed to owners	316,498	287,579
Denominator:		
Weighted average number of shares	2,200,000,000	2,200,000,000
Basic and diluted earnings per share	0.14	0.13

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17. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to foreign currency for interest bearing loans, see Note 18.

	31 March 2013	31 December 2012
Non-current liabilities		
Unsecured bank loans	753,716	595,763
Secured bank loans	5,654	5,937
Finance lease liabilities	15,504	17,496
	774,874	619,196
Current liabilities		
Current portion of unsecured bank loans	351,360	645,830
Unsecured bank facility	516,608	414,903
Current portion of secured bank loans	18,490	18,783
Secured bank facility	3,626	3,514
Current portion of finance lease liabilities	1,747	2,940
Option contracts used for hedging	1,525	1,477
	893,356	1,087,447

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17. Loans and borrowings (continued)

Terms and conditions of outstanding loans are as follows:

				31 March 2013			31 December 2012		
	Currency	Year of maturity	Interest rate type	Nominal interest rate	Face value	Carrying amount	Nominal interest rate	Face value	Carryi amou
Unsecured bank loans	USD	2013-2018	Floating	Libor+1.35%-3.5%	1,148,528	1,151,363	Libor+1.35%-3.75%	953,897	955,0
Unsecured bank loans	USD	2013-2016	Fixed	2.24%-8.0%	287,535	288,594	2.24%-8.0%	596,238	598,4
Unsecured bank loans	TL	2014-2015	Fixed	8.3%-10.0%	180,903	181,727	8.75%-10%	102,210	103,0
Secured bank loans*	EUR	2013	Floating	Libor+3.465%	15,385	16,834	Libor+3.465%	15,820	17,0
Secured bank loans**	BYR	2020	Fixed	12%-16%	5,755	7,310	12%-16%	6,010	7,6
Secured bank loans	USD	2013	Fixed	4.3%	3,500	3,505	4.3%	3,500	3,5
Secured bank loans	UAH	2013	Fixed	23.0%	121	121	-	-	
Finance lease liabilities	EUR	2013-2024	Fixed	3.35%	19,741	16,277	3.35%	22,577	18,4

Finance lease liabilities	USD	2013-2015	Fixed	0.68%-4.64%	1,028	974	0.68%-7.3%	2,047	1,9
Finance lease liabilities	TL	2013-2014	Fixed	-	-	-	10.24%	63	
					1,662,496	1,666,705		1,702,362	1,705,1

(*) Secured by System Capital Management Limited (SCM).
(**) Secured by Republic of Belarus Government.

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17. Loans and borrowings (continued)

As of 1 February 2012, Astelit had debt repayments related to Euroasia Loan in the amount of $150,165 and to Financell Loans in the amount of $172,799. Since June 2011, Astelit has not met the payment obligations, which were waived until 1 February 2012. Since that date, the Board of Directors of the Company has not acted to approve or reached a consensus for the extension of repayment dates. As a result, Astelit was unable to meet its repayment obligations in relation to Euroasia and Financell Loans totaling $322,964 and defaulted on its loan agreements (As of 31 March 2013, Astelit's accrued obligations under its loans to Financell and Euroasia Telecommunications Holding BV ("ETH") has reached a total of $644,865). As a consequence of Astelit's default, cross default clauses have been triggered on five loan agreements totaling $553,886 (currently decreased to $267,623 on three loan agreements following the Company's $150,000 guarantee payment and other principle payments) and waivers were obtained for the aforementioned loans before 31 March 2013. In the context of guarantees, Financell has pledges on shares and all assets of Astelit including bank accounts. Additionally, Financell has a second priority pledge on Euroasia shares held by System Capital Management Limited together with a guarantee and indemnity given by System Capital Management Limited. Financell has rights to commence enforcement of pledges and guarantee under certain conditions.

In the same vein, Euroasia, a Group company that is a 100% shareholder of Astelit, which had previously borrowed $150,000 to finance Astelit, also defaulted on its loan on 30 March 2012. As a guarantor, the Company paid $150,000 to related banks on 6 April 2012. In relation to the guarantee agreement, a first priority pledge on Euroasia shares held by System Capital Management Limited has been established in favor of the Company. Upon payment of the guaranteed amount, the Company has the right to commence enforcement of this pledge on the Euroasia shares under certain conditions. As a consequence of Euroasia's default, cross default clauses have been triggered on four loan agreements (the same ones referenced above, currently decreased to three loan agreements) currently totaling $267,623. Since waivers for these defaults including any future non-payments of Astelit were received on 25 July 2012, these borrowings are classified according to maturities of borrowing agreements in the statement of financial positions as of 31 March 2013 and 31 December 2012.

With respect to the amounts due to Financell, the Board of Directors of the Company decided to extend a guarantee to Financell in order to perform its obligations with respect to the loans granted by the banks for providing Group financing. The guarantee will be up to $410,650 principal amount plus interest and any other costs, expenses and fees that may accrue. This guarantee includes currently unmet debt repayments under the loan agreements signed between Astelit and Financell, and of the loans that Financell granted to Astelit which have not yet fallen due.

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18. Financial instruments

The movement in the allowance for impairment in respect of trade receivables and due from related parties as at 31 March 2013 and 31 December 2012 is as follows:

	31 March 2013	31 December 2012
Opening balance	392,852	327,435
Impairment loss recognized	16,734	62,431
Write-off	(1,242)	(15,857)
Effect of change in foreign exchange rate	(5,162)	18,843
Closing balance	403,182	392,852

The impairment loss recognized of $16,734 for the three months ended 31 March 2013 relates to its estimate of incurred losses in respect of trade receivables and due from related parties (31March 2012: $14,339).

The allowance accounts in respect of trade receivables and due from related parties is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable and is written off against the trade receivables and due from related parties directly.

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18. Financial instruments (continued)

Exposure to currency risk

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	31 December 2012	
	USD	EUR
Foreign currency denominated assets		
Due from related parties-current	2,161	99
Trade receivables and accrued income	21,972	36,643
Other current assets	9,468	1,814
Cash and cash equivalents	1,039,442	1,174
	1,073,043	39,730
Foreign currency denominated liabilities		
Loans and borrowings-non current	(522,323)	(15,327)
Other non-current liabilities	(90,986)	-
Loans and borrowings-current	(727,659)	(13,778)
Trade and other payables	(154,054)	(19,963)
Due to related parties	(717)	(198)
	(1,495,739)	(49,266)
Net exposure	(422,696)	(9,536)

	31 March 2013	
	USD	EUR
Foreign currency denominated assets		
Due from related parties-current	1,976	595
Trade receivables and accrued income	21,475	47,250
Other current assets	9,891	2,405
Cash and cash equivalents	947,104	1,004
	980,446	51,254
Foreign currency denominated liabilities		
Loans and borrowings-non current	(609,184)	(13,933)

Other non-current liabilities	(88,519)	-
Loans and borrowings-current	(831,407)	(13,465)
Trade and other payables	(109,890)	(10,677)
Due to related parties	(802)	(275)
	(1,639,802)	(38,350)
Net exposure	(659,356)	12,904

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18. Financial instruments (continued)

Exposure to currency risk (continued)

The following significant exchange rates are applied during the period:

	Average Rate		Closing Rate	
	31 March 2013	31 March 2012	31 March 2013	31 December 2012
USD/TL	1.7865	1.7871	1.8087	1.7826
EUR/TL	2.3595	2.3650	2.3189	2.3517
USD/BYR	8,626.7	8,208.3	8,670.0	8,570.0
USD/HRV	7.9930	7.9882	7.9930	7.9930

Sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies. The analysis excludes net foreign currency investments.

10% strengthening of the TL, HRV, BYR against the following currencies as at 31 March 2013 and 31 December 2012 would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2013	2012
USD	65,936	42,270
EUR	(1,654)	1,258

10% weakening of the TL, HRV, BYR against the following currencies as at 31 March 2013 and 31 December 2012 would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2013	2012
USD	(65,936)	(42,270)
EUR	1,654	(1,258)

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18. Financial instruments (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method:

The different levels have been identified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market.

	Level 1	Level 2	Level 3	Total
31 March 2013				
Financial Liabilities				
Option contracts used for hedging	-	1,525	-	1,525
	-	1,525	-	1,525

	Level 1	Level 2	Level 3	Total
31 December 2012				
Financial Liabilities				
Option contracts used for hedging	-	1,477	-	1,477
	-	1,477	-	1,477

19.Guarantees and purchase obligations

As at 31 March 2013, outstanding purchase commitments with respect to the acquisition of property, plant and equipment, inventory and purchase of sponsorship and advertisement services amount to $341,270 (31 December 2012: $385,045). Payments for these commitments are going to be made in a 3-year period.

As at 31 March 2013, the Group is contingently liable in respect of bank letters of guarantee obtained from banks given to customs authorities, private companies and other public organizations and provided financial guarantees to subsidiaries totaling to TL 2,828,562 (equivalent to $1,563,865 as at 31 March 2013) (31 December 2012: TL 2,854,366 equivalent to $1,601,238 as at 31 December 2012).

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20. Commitments and Contingencies

Legal Proceedings

The Group is involved in various claims and legal actions arising in the ordinary course of business described below.

Dispute with Turk Telekom with respect to call termination fees

Upon application of Turk Telekom, the ICTA has set temporary (and after final) call termination fees for calls to be applied between Turk Telekom and the Company starting from 10 August 2005. However, Turk Telekom did not apply these termination fees for the international calls.

Therefore, on 22 December 2005, the Company filed a lawsuit against Turk Telekom to cease this practice and requested collection of its damages amounting to TL 11,274 (equivalent to $6,233 as at 31 March 2013) with overdue interest amounting TL 521 (equivalent to $288 as at 31 March 2013) and late payment fee amounting TL 175 (equivalent to $97 as at 31 March 2013) totaling to TL 11,970 (equivalent to $6,618 as at 31 March 2013) covering the period from August 2005 until October 2005. Expert reports and supplementary expert reports which are obtained for the lawsuit, affirm justification of the Company.

On 19 December 2006, the Company initiated another lawsuit against Turk Telekom claiming that Turk Telekom has not applied call termination tariffs for international calls set by ICTA for the period between November 2005 and October 2006 amounting to TL 23,726 (equivalent to $13,118 as at 31 March 2013) including principal, interest and penalty on late payment. The Court decided to consolidate this lawsuit with the first lawsuit dated 22 December 2005.

On 2 November 2007, the Company initiated another lawsuit against Turk Telekom claiming that Turk Telekom has not applied call termination tariffs for international calls set by ICTA for the period between November 2006 and February 2007 amounting to TL 6,836 (equivalent to $3,780 as at 31 March 2013) including principal, interest and penalty on late payment. The Court also decided to consolidate this lawsuit with the first lawsuit dated 22 December 2005.

On 28 September 2011, the Court decided in favor of the Company for all consolidated cases. The Court decided that Turk Telekom should pay to the Company in total TL 42,597 (equivalent to $23,551 as at 31 March 2013) plus VAT and Special Communication Tax ("SCT") composed of principle amounting to TL 36,502 (equivalent to $20,181 as at

31 March 2013), interest and penalty amounting to TL 6,095 (equivalent to $3,370 as at 31 March 2013). The Court also decided that Turk Telekom should pay interest, penalty, VAT and SCT calculated for the principal from date of case to the payment date. Turk Telekom appealed the decision. The Company replied this appeal request. Appeal process is still pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on Turk Telekom transmission lines leases

Effective from 1 July 2000, Turk Telekom annulled the discount of 60% that it provided to the Company based on its regular ratio, which had been provided for several years, and, at the same time, Turk Telekom started to provide a discount of 25% being subject to certain conditions. The Company filed a lawsuit against Turk Telekom for the application of the agreed 60% discount. However, on 30 July 2001, the Company had been notified that the court of appeal upheld the decision made by the commercial court allowing Turk Telekom to terminate the 60% discount. Differences in the total nominal rent for the concerned period amounting to TL 29,125 (equivalent to $16,103 as at 31 March 2013) have been accrued by Turk Telekom and deducted from the receivables of the Company. Accordingly, the Company paid and continues to pay transmission fees to Turk Telekom based on the 25% discount. Although Turk Telekom did not charge any interest on late payments at the time of such payments, the Company recorded an accrual amounting to a nominal amount of TL 3,023 (equivalent to $1,671 as at 31 March 2013) for possible interest charges as at 31 December 2000. On 9 May 2002, Turk Telekom requested an interest amounting to a nominal amount of TL 30,068 (equivalent to $16,624 as at 31 March 2013).

The Company did not agree with Turk Telekom's interest calculation and, accordingly, obtained an injunction from the commercial court to prevent Turk Telekom from collecting any amounts relating to this interest charge. Also, the Company initiated a lawsuit against Turk Telekom on the legality of such interest. On 25 December 2008, the Court rejected the case. The Company appealed the decision. The Supreme Court rejected the appeal. The Company applied for the correction of the decision. The Supreme Court rejected the correction of the decision request and the decision is finalized.

Based on the management opinion, the Company accrued provision of TL 91,864 (equivalent to $50,790 as at 31 March 2013) and the Company netted off the whole amount from the receivables from Turk Telekom as at 31 March 2013.

Additionally, a lawsuit was commenced against Turk Telekom on 28 October 2010 to collect the receivable amounting to principal of TL 23,378 (equivalent to $12,925 as at 31 March 2013), overdue interest of TL 3,092 (equivalent to $1,710 as at 31 March 2013) and delay fee of TL 1,925 (equivalent to $1,064 as at 31 March 2013), with the contractual default interest until payment date on the ground that the above mentioned exercise is contrary to the term of the contract which is effective for the year 2000, Turk Telekom has already collected the whole amount which is subjected to the related court decision as of31 October 2009 and Turk Telekom collected additional receivable. The Court decided to obtain an expert report. The expert committee submitted their report to the Court. The expert report is in favor of the Company. The Company increased its claim from Turk Telekom by TL 2,100 (equivalent to $1,161 as at 31 March 2013). The Court decided to obtain a supplementary expert report from the same expert committee. The supplementary expert report supports the Company's arguments. The Court decided to obtain another supplementary expert report from the same expert committee. The lawsuit is still pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute regarding the fine applied by the Competition Board

The Competition Board commenced an investigation of business dealings between the Company and the mobile phone distributors in October 1999. The Competition Board decided that the Company disrupted the competitive environment through an abuse of a dominant position in the Turkish mobile market and infringements of certain provisions of the Law on the Protection of Competition. As a result, the Company was fined a nominal amount of approximately TL 6,973 (equivalent to $3,855 as at 31 March 2013) and was enjoined to cease these infringements. The Company initiated a lawsuit before Council of State for the injunction and cancellation of the decision. On 15 November 2005, the Court cancelled the Competition Board's decision.

After the cancellation of the Competition Board's decision, the Competition Board has given the same decision again on 29 December 2005. On 10 March 2006, the Company initiated a lawsuit before Council of State for the injunction and cancellation of the Competition Board's decision dated 29 December 2005. On 13 May 2008, Council of State dismissed the lawsuit. The Company appealed the decision. Appeal process is still pending.

Based on the decision of Competition Board, Ankara Tax Office requested the Company to pay TL 6,973 (equivalent to $3,855 as at 31 March 2013) through the payment order dated 4 August 2006. On 25 September 2006, the Company made the related payment and initiated a lawsuit for the cancellation of this payment order. The Court dismissed the lawsuit, and the Company appealed this decision. On 17 March 2009, Council of State reversed the judgment of the Local Court. Local Court decided in line with the decision of Council of State. On 18 December 2009, the Court rejected the case and the Company also appealed this decision. Council of State reversed the judgment of the Instance Court. Local Court decided in line with the decision of Council of State. On 15 June 2011, the Court rejected the case again.

The Company also appealed this decision. Council of State accepted the Company's stay of order requests at appeal phase. Council of State reversed the judgment of the Instance Court again. Lawsuit is still pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31

December 2012: None).

Dispute regarding the fine applied by the Competition Board regarding mobile marketing activities

The Competition Board decided to initiate an investigation in order to identify whether the Company maintains exclusive activities on mobile marketing and their appropriateness with respect to competition rules. On 23 December 2009, Competition Board decided that the Company violates competition rules in GSM and mobile marketing services and fined the Company amounting to TL 36,072 (equivalent to $19,944 as at 31 March 2013). The payment was made within 1 month following the notification of the decision of the Competition Board. Therefore, 25% discount was applied and TL 27,054 (equivalent to $14,958 as at 31 March 2013) is paid as the monetary fine on 25 May 2010. The Company filed a legal case on 25 June 2010 for the stay of execution and cancellation of the aforementioned decision. The Court rejected the Company's stay of execution request. The Company objected to the decision. The objection was rejected. The lawsuit is still pending.

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute regarding the fine applied by the Competition Board regarding mobile marketing activities (continued)

Avea, depending on the Competition Board decision, initiated a lawsuit against the Company claiming a compensation from the Company for its damages amounting to TL 1,000 (equivalent to $553 as at 31 March 2013), with reservation of further claims, on the ground that the Company violated the competition. During the judgment, Avea increased its request of material compensation to TL 5,000 (equivalent to $2,764 as at 31 March 2013) and in addition requested TL 1,000 (equivalent to $553 as at 31 March 2013) for non-pecuniary damages. The Court decided to separate these requests and to reject the lawsuits demanding compensation and moral damages. Avea appealed the case. The Company has submitted its response to appeal. Appeal process is still pending.

Based on the management opinion, the probability of an outflow of resources embodying economic benefits to settle the obligation is uncertain, thus, no provision is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on National Roaming Agreement

The Company conducted roaming negotiations in 2001 with Is-Tim Telekomunikasyon Hizmetleri AS ("Is-Tim") which was a GSM operator, performing since March 2001. On 19 October 2001, upon unsuccessful negotiations, ICTA granted time for the Company until 15 November 2001 to sign the roaming agreement with the determined conditions and requested parties to come to an agreement until 15 November 2001. The Company initiated a lawsuit on the ground that ICTA has no power of intervention; its proposals are impossible from technical aspects and unacceptable from economic reasons. Council of State gave a decision on non-necessity of a new decision on the ground that action which is subjected to the lawsuit is cancelled by another state council decision. This decision was appealed by ICTA. Council of State, Plenary Session of the Chamber for Administrative Divisions decided to approve the court decision.

In a letter dated 14 March 2002, the ICTA subjected Is-Tim's request for national roaming to the condition that it is reasonable, economically proportional and technically possible. Nevertheless, the ICTA declared that the Company is under an obligation to enter a national roaming agreement with Is-Tim within a 30 day period. The Company initiated a lawsuit against ICTA. On 14 March 2006, Council of State decided to cancel the process dated 14 March 2002 but rejected the Company's request for cancellation of the regulation on procedures and policies with respect to national roaming. ICTA appealed the decision. Plenary Session of Administrative Law Divisions of the Council of State has decided to approve the decision of the Council of State.

The ICTA decided that the Company has not complied with its responsibility under Turkish regulations to provide national roaming and fined the Company by nominal amount of approximately TL 21,822 (equivalent to $12,065 as at 31 March 2013). On 7 April 2004, the Company made the related payment with its accrued interest. On 27 May 2004, the Company filed a lawsuit. On 3 January 2005, with respect to the Council of State's injunction, ICTA paid back nominal amount of TL 21,822 (equivalent to $12,065 as at 31 March 2013).

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

On 13 December 2005, Council of State decided the cancellation of the administrative fine but rejected the Company's request for cancellation of the regulation on procedures and policies with respect to national roaming. ICTA appealed the decision. Plenary Session of Administrative Law Divisions of the Council of State has decided to approve the decision of the Council of State. On 22 July 2010, the Company initiated a lawsuit against ICTA for the compensation of TL 7,111 (equivalent to $3,932 as at 31 March 2013) and accrued interest for the total amount of the damage of the Company between the period when the Company made the payment and ICTA returned the same amount to the Company as the result of the stay of execution decision. The Court partially accepted the lawsuit and decided that ICTA should pay TL 6,505 (equivalent to $3,597 as at 31 March 2013) to the Company with the accrued interest. On 15 April 2013, ICTA paid TL 6,505 (equivalent to $3,597 as at 31 March 2013) with its accrued interest amounting to TL 1,596 (equivalent to $882 as at 31 March 2013) to the Company.

Although payment was received from ICTA, the Court decision is not finalized. Therefore, it is not virtually certain that an inflow of economic benefits will arise, and no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute regarding of the fine applied by ICTA on pricing applications of the Company

On 7 April 2010, ICTA decided to impose administrative fine to the Company amounting to TL 4,008 (equivalent to $2,216 as at 31 March 2013) for misinforming the Authority and TL 374 (equivalent to $207 as at 31 March 2013) for making some subscribers suffer. The payment was made within 1 month following the notification of the decision of the ICTA. Therefore, 25% discount was applied and TL 3,287 (equivalent to $1,817 as at 31 March 2013) is paid in total as the administrative fine on 9 June 2010. The Company filed two lawsuits on 22 September 2010 for the stay of execution and cancellation of the aforementioned decision. The Court rejected the Company's stay of execution requests and the Company objected to the decisions but the objections are rejected. On 28 April 2011, the Court rejected the cases. The Company appealed the decisions. Council of State rejected the Company's stay of execution requests at appeal phase. Appeal processes are pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no contingent asset is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December

2012: None).

Dispute regarding the fine applied by ICTA on tariffs above upper limits

On 21 April 2010, ICTA decided to impose administrative fine to the Company amounting to TL 53,467 (equivalent to $29,561 as at 31 March 2013) by claiming that the Company applied tariffs above the upper limits of GSM-GSM in GSM Upper Limits Table approved by ICTA on 25 March 2009. The payment was made within 1 month following the notification of the decision of the ICTA. Therefore, 25% discount was applied and TL 40,100 (equivalent to $22,171 as at 31 March 2013) is paid as the administrative fine on 3 June 2010. The Company filed a lawsuit on 28 June 2010, for the cancellation of the aforementioned decision. The Court overruled the stay of execution claim, the Company objected to the decision and the Court accepted this objection and decided for the stay of the execution. Accordingly, ICTA paid back TL 40,100 (equivalent to $22,171 as at 31 March 2013) on 27 January 2011. On 3 May 2011, the Court rejected the case. Council of State rejected the Company's stay of order request at appeal phase. Appeal process is pending. The Company appealed the decision and paid back TL 40,100 (equivalent to $22,171 as at 31 March 2013) to ICTA on 6 October 2011.

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute regarding the fine applied by ICTA on tariffs above upper limits (continued)

Amount to be reimbursed to the subscribers was calculated as TL 46,228 (equivalent to $25,559 as at 31 March 2013) and deducted from revenues in the consolidated financial statements as at and for the year ended 31 December 2009. Reimbursement to subscribers was made in January 2010.

ICTA notified the Company on 23 November 2011, to pay the amount of TL 13,367 (equivalent to $7,390 as at 31 March 2013) which is the unpaid portion arising from the 25% cash discount of the administrative fine amounting to TL 53,467 (equivalent to $29,561 as at 31 March 2013) that was imposed for applying tariffs above the upper limits. The Company filed a lawsuit on 23 December 2011 for stay of execution and for the annulment of this process. The Court accepted the request of the Company for stay of execution. ICTA objected to the decision but the objection is rejected. The Court decided in favor of the Company.

On 20 February 2012, payment order has been sent to the Company by the Tax Office. On 24 February 2012, the Company filed a lawsuit for cancellation of the payment order. The Court accepted the request of the Company for stay of execution. The Tax Office objected to the decision but the objection is rejected. The Court decided in favor of the Company. The Tax Office appealed the decision and the Company replied this request.

Based on the management opinion, the probability of an outflow of resources embodying economic benefits to settle the additional request regarding unpaid portion arising from the 25% discount of the administrative fine is uncertain, thus, no provision is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on deposits at banks

The Company, in 2001, initiated an enforcement proceeding to collect receivables arising from deposits in a bank. The bank has been objected to the enforcement proceeding and the Company filed a lawsuit for the cancellation of the objection. The Court decided in favor of the Company on 1 March 2005. The bank appealed the decision and the Company replied the same. On 3 April 2006, Supreme Court of Appeals decided the reversal of the Court’s decision in favor of the defendant. The Court abided by the decision of the Supreme Court of Appeals. The lawsuit is pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no contingent asset is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on Special Communication Taxation regarding prepaid card sales

Tax Office imposed tax penalty, including actual tax and penalty for loss of tax, in the total amount of TL 133,617 (equivalent to $73,875 as at 31 March 2013) and TL 139,101 (equivalent to $76,907 as at 31 March 2013) based on the ground that the Company had to pay special communication tax over the discounts applied to the distributors for the wholesales for the years 2005 and 2006, respectively. The Company initiated lawsuits for the cancellation of assessments and penalties mentioned above.

20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on Special Communication Taxation regarding prepaid card sales (continued)

On 28 February 2011, Tax Amnesty Law has been approved by the President of Republic of Turkey. The Company applied to the Ministry of Finance related to the Tax Amnesty Law on 27 April 2011. According to Tax Amnesty Law, special communication tax and penalty was calculated as TL 26,723 (equivalent to $14,775 as at 31 March 2013) and TL 27,820 (equivalent to $15,381 as at 31 March 2013) for the years 2005 and 2006, respectively. In addition, late payment interest was calculated as TL 11,164 (equivalent to $6,172 as at 31 March 2013) and TL 8,900 (equivalent to $4,921 as at 31 March 2013) for the years 2005 and 2006, respectively. The aforementioned amounts were paid on 30 June 2011. The Company applied to the Tax Court to withdraw from the lawsuits according to Tax Amnesty Law due to the aforementioned payment. The courts decided that it is not necessary to declare a judgment on merits for the lawsuit.

On 24 June 2011, Tax Office imposed tax penalty, including actual tax and penalty for loss of tax, in the total amount of TL 11,238 (equivalent to $6,213 as at 31 March 2013) based on the ground that the Company had to pay special communication tax over the discounts applied to the distributors for the wholesales for the period of January-February 2007. The Company applied to the Ministry of Finance on 13 July 2011 in order to benefit from the Tax Amnesty. According to Tax Amnesty Law, special communication tax and interest was calculated as TL 2,248 (equivalent to $1,243 as at 31 March 2013) and TL 842 (equivalent to $466 as at 31 March 2013) respectively. The aforementioned amounts were paid on 29 July 2011.

Carrying international voice traffic

In May 2003, the Company was informed that the ICTA had initiated an investigation against the Company claiming that the Company has violated Turkish laws by carrying some of its international voice traffic through an operator other than Turk Telekom. The Company is disputing whether Turk Telekom should be the sole carrier of international voice traffic. On 5 March 2004, ICTA fined the Company a nominal amount of approximately TL 31,731 (equivalent to $17,544 as at 31 March 2013).

The Company has initiated a lawsuit with the claim of annulment of the related processes and decisions of ICTA, however, paid the administrative fine on 9 April 2004. On 5 November 2004, Council of State gave a decision, which is served to the Company, for stay of execution. With respect to that decision, ICTA paid back TL 18,000 (equivalent to $9,952 as at 31 March 2013) on 26 January 2005 and deduct a sum of TL 13,731 (equivalent to $7,592 as at 31 March 2013) from the December frequency usage fee payment. On 26 December 2006, Council of State decided to accept the Company's claim and annul the decision of and the fine imposed by the ICTA. ICTA appealed the decision. The decision has been approved by the Council of State, Plenary Session of the Chamber for Administrative Divisions. ICTA applied for the correction of the decision. On 6 June 2012, the Company initiated a lawsuit against ICTA for the amount of TL 5,783 (equivalent to $3,197 as at 31 March 2013) for its damages occurred between the period when the Company made the payment and collected back. The lawsuit is still pending.

Turk Telekom initiated a lawsuit against the Company with respect to the same issue requesting an amount of TL 450,931 (equivalent to $249,312 as at 31 March 2013) of which TL 219,149 (equivalent to $121,164 as at 31 March 2013) is principal and TL 231,782 (equivalent to $128,148 as at 31 March 2013) is interest charged until 30 June 2005 and requesting a temporary injunction.

20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Carrying international voice traffic (continued)

Considering the progresses at the court case, provision is set for the principal amounting to TL 53,160 (equivalent to $29,391 as at 31 March 2013) and accrued interest amounting to a nominal amount of TL 95,331 (equivalent to $52,707 as at 31 March 2013) in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013.

In deciding upon the amount of the provision taking, the Company has taken the Turkish law into consideration, not the amounts requested by Turk Telekom and reflected in the expert report. Specifically, under Turkish Law, a person who is alleging that he has suffered a loss cannot claim the whole of his possible revenues but only the damages may only be sought in respect of lost profit. For this reason, the provision set by the Company is calculated by taking Turk Telekom's estimated loss of profit into consideration rather than the amounts requested by Turk Telekom and amounts reflected in the expert report. Moreover, the Company obtained an independent opinion dated 23 October 2007 which supports the management opinion from an expert who is not designated by the Court.

On 5 November 2009, the Court rejected the Turk Telekom's request amounting to TL 171,704 (equivalent to $94,932 as at 31 March 2013) and accepted the request amounting to TL 279,227 (equivalent to $154,380 as at 31 March 2013). The Company appealed the decision. Also, Turk Telekom appealed the decision. The Court of Cassation cancelled the decision. The Company and Turk Telekom applied for the correction of the decision. Supreme Court decided to reject both sides' correction of the decision requests. The Court of First Instance decided to comply with the Supreme Court's ruining decision and decided to order a new expert examination. The lawsuit is still pending.

Disputes with Spor Toto

On 9 November 2005, Spor Toto sent a notification letter to Inteltek claiming that Inteltek is obliged to pay nominal amount of TL 3,292 (equivalent to $1,820 as at 31 March 2013) due to the difference in the reconciliation methods. Spor Toto claims that the reconciliation periods should be six-month independent periods whereas Inteltek management believes that those periods should be cumulative as stated in the agreement. Inteltek has not paid the requested amount.

Spor Toto, on behalf of GDYS, initiated a declaratory lawsuit against Inteltek. On 22 February 2007, the Court rejected the case and decided that the collection risk is with GDYS and Inteltek is not responsible for the uncollected amount of TL 1,527 (equivalent to $844 as at 31 March 2013) and also rejected the demand that the reconciliation period should be six-month independent periods. GDYS appealed the Court's decision. Supreme Court of Appeals rejected the appeal request of GDYS. Following the Supreme Court of Appeals' decision, GDYS applied for the correction of the decision. GDYS's correction of decision request was rejected by the Supreme Court of Appeals and the decision was finalized.

20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Disputes with Spor Toto (continued)

Based on the decision of Supreme Court, Inteltek reversed the previously accrued principal amount of TL 3,292 (equivalent to $1,820 as at 31 March 2013) and its overdue interest accrual amount of TL 1,894 (equivalent to $1,047 as at 31 March 2013) in September 2007. Furthermore, Inteltek reclaimed TL 2,345 (equivalent to $1,297 as at 31 March 2013) principal and TL 966 (equivalent to $534 as at 31 Marchr 2013) accrued interest which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21 February 2008 to collect this amount. On 19 March 2009, the Court decided in favor of Inteltek. Spor Toto appealed the decision. The Supreme Court of Appeals ruled to reverse the judgment of the local court. Inteltek applied for the correction of the decision. The Supreme Court of Appeals rejected the correction of the decision process and the file has been returned to the Court. The Court decided to resist on the former decision on 29 June 2011. Spor Toto appealed the decision. The General Assembly of the Civil Supreme Court of Appeals decided to accept the resistance decision of the Court of First Instance and sent the case to the 13th Civil Chamber of the Supreme Court of Appeals in order to consider Spor Toto's other appeal arguments. 13th Civil Chamber of the Supreme Court of Appeals resent the lawsuit file to the local court for completing the deficiency. The local court made up the deficiency and sent back the lawsuit file to the 13th Civil Chamber of the Supreme Court of Appeals. The Supreme Court of Appeals decided to uphold the decision of the court of first instance. Spor Toto applied for correction of decision. Inteltek requested the receivable from Spor Toto and Spor Toto paid the amount subject to the lawsuit. The reply brief against Spor Toto's correction request is submitted. The Supreme Court of Appeals rejected the correction of decision request and the decision is finalized.

Principal amounting to TL 2,345 (equivalent to $1,297 as at 31 March 2013) and accrued interest amounting to TL 3,376 (equivalent to $1,867 as at 31 March 2013) was recognized as income in the consolidated financial statements as at and for the period ended 31 December 2012.

Dispute on over assessment following the settlement on VAT fine pertaining to International Roaming Agreements

On 9 February 2009, the Company initiated a lawsuit claiming cancellation of interest charges amounting TL 6,609 (equivalent to $3,654 as at 31 March 2013) which are erroneously calculated after settlement with the Tax Office regarding the VAT and tax penalties accrued due to roaming agreement for years 2000, 2001 and 2002. The Court rejected the Company's injunction request. The Company objected to the decision. The Court rejected the objection of the Company. The court dismissed the case. Subsequently the Company appealed the case. The appeal process is pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on Iranian GSM tender process

The Company has initiated an arbitration case against Islamic Republic of Iran for not abiding by the provisions of the Agreement on Reciprocal Promotion and Protection of Investments and demanded its sustained loss, on 11 January 2008 at the arbitration court which is established pursuant to the UNCITRAL arbitration rules. The oral hearing was held between 11 February 2013 and 22 February 2013. The arbitration process is still pending.

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on Turk Telekom transmission tariffs

On 19 January 2007, the Company initiated a lawsuit against Turk Telekom claiming that Turk Telekom charged transmission on erroneous tariffs between 1 June 2004 and 1 July 2005. The Company requested a nominal amount of TL 8,137 (equivalent to $4,499 as at 31 March 2013) including interest. The expert report given to Court is in favor of the Company. The Court ruled to obtain supplementary expert report. Supplementary expert report is also in favor of the Company. The Court ruled to obtain a new expert report. The expert report is in favor of the Company. The case is still pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on the decision of CMB regarding audit committee member

On 15 October 2008, the CMB decided on an administrative fine amounting to TL 12 (equivalent to $7 as at 31 March 2013) since the Company did not fulfill the decision of CMB dated 26 January 2007 and required the Company to inform its shareholders at the next General Assembly Meeting. The Company commenced a lawsuit before the Administrative Court. The Court rejected the Company's stay of execution request and the Company's objection to this decision has been rejected. On 27 May 2011, the Court rejected the case. The Company appealed the decision. Council of State rejected the injunction request of the First Instance Court's decision. Council of State rejected the stay of execution request of the Company. The appeal process is still pending.

Dispute on mobile number portability

On 29 March 2007, the Company initiated a lawsuit against the ICTA claiming stay of order for and the annulment of the Regulation on Mobile Number Portability issued by the ICTA on 1 February 2007 on the ground that vested rights of the Company arising out the concession agreement were violated by the said regulation. On 1 June 2009, the Court rejected the case. The Company appealed the decision. The appeal process is still pending.

Dispute on Turk Telekom interconnection costs

On 8 April 2009, Turk Telekom initiated a lawsuit for damages against the Company claiming that the Company is violating the legislation by applying higher call termination fees to operators than the fees applied to the Company's subscribers for on-net calls and requesting for the time being TL 10 (equivalent to $6 as at 31 March 2013) with its accrued interest starting from 2001 and TL 10 (equivalent to $6 as at 31 March 2013) with its accrued interest starting from the lawsuit date for the sustained loss as a result of decreasing traffic volume of Turk Telekom and subscriber lost derived from this action. On 6 April 2011, the Court decided to reject the case. Turk Telekom appealed the decision. The Company replied the appeal request. The appeal process is still pending.

On 22 August 2011, Turk Telekom initiated a lawsuit on the ground that on-net tariffs of the Company are under the interconnection fees notwithstanding ICTA's decision regarding, on-net tariffs of the Company cannot be under the interconnection fees which are applied by the Company to other operators and requested TL 1,000 (equivalent to $553 as at 31 March 2013) monetary compensation by reserving its right for surpluses. The court decided to obtain an expert report. Expert report supports the Company's arguments.

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on Turk Telekom interconnection costs (continued)

The Court decided to obtain a supplementary report from the same committee. Also the supplementary expert report supports the Company's arguments. The lawsuit is pending.

Based on the management opinion, the probability of an outflow of resources embodying economic benefits to settle the obligation is uncertain, thus, no provision is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on Avea interconnection costs

On 4 November 2010, Avea initiated a lawsuit on the ground that on-net tariffs of the Company are under the interconnection fees notwithstanding ICTA's decision regarding, on-net tariffs of the Company cannot be under the interconnection fees which are applied by the Company to other operators and requested TL 1,000 (equivalent to $553 as at 31 March 2013) monetary compensation by reserving its right for surpluses. During the judgment, Avea increased its request to TL 47,000 (equivalent to $25,986 as at 31 March 2013). The Court decided to appoint an expert committee for examination of the file. The expert committee submitted its completed expert report to the Court, which is in favor of the Company. The Court decided to have an additional expert report. The additional expert report submitted by the committee is against the Company. The Court decided to obtain another expert report from a new expert committee. The lawsuit is pending.

On 25 April 2011, Avea initiated another lawsuit with the same grounds mentioned above claiming compensation for its losses between November 2009 and January 2010. Avea claimed TL 40,000 (equivalent to $22,115 as at 31 March 2013) for its material compensation by reserving its rights for surpluses. The Court decided to appoint an expert committee for examination of the file. The expert committee submitted its report, which is in favor of the Company. The Court decided to consolidate this lawsuit with the first lawsuit initiated by Avea on 4 November 2010.

Based on the management opinion, the probability of an outflow of resources embodying economic benefits to settle the obligation is uncertain, thus, no provision is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on campaigns

On 21 May 2008, ICTA decided that the Company damaged the subscribers' financial interests related to the campaigns in which free minutes or counters are given and requested TL 32,088 (equivalent to $17,741 as at 31 March 2013). On 10 July 2008, the Company filed a lawsuit for the injunction and cancellation of the ICTA's decision. However, the Company benefited from the early payment option with a 25% early payment discount and paid TL 24,066 (equivalent to $13,306 as at 31 March 2013) on 1 August 2008. On 10 November 2010, the Court decided to reject the case. The Company appealed the decision. The State of Council rejected the injunction request of the First Instance Court's decision. The appeal process is still pending.

Since it is not virtually certain that an inflow of economic benefits will arise, no asset or related income is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on payment request of Savings Deposits Insurance Fund

On 26 July 2007, Savings Deposits Insurance Fund ("SDIF") requested TL 15,149 (equivalent to $8,376 as at 31 March 2013) to be paid in one month period on the ground that the stated amount is recorded as receivable from the Company in the accounting records of Telsim, which is taken over by SDIF. On 20 September 2007, the Company filed a lawsuit for the injunction and cancellation of the SDIF's request. Council of State accepted the injunction request of the Company. On 19 January 2010, the Court accepted the Company's claim and cancelled the aforementioned request of SDIF. SDIF appealed the decision. Appeal process is still pending.

SDIF issued payment orders for the aforementioned amount and, on 19 October 2007, the Company initiated a lawsuit for the cancellation of the payment request of SDIF. On 29 March 2010, the Court decided on the cancellation of the payment order. SDIF appealed such decision. The appeal process is pending.

Based on the management opinion, the probability of an outflow of resources embodying economic benefits to settle the obligation is uncertain, thus, no provision is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

Dispute on the discounts which are paid over the treasury share and ICTA fee

At the end of 2006, Tax Auditors of the Company claimed that gross revenue in the statutory accounts should include discounts granted to distributors although the Company recorded these discounts in a separate line item as sales discounts.

Starting from 1 January 2007, the Company started to deduct discounts granted to distributors from gross revenue and present them on a net basis. Accordingly, the Company decided that, it has paid excess treasury share and universal service fund for the year 2006 totaling TL 51,254 (equivalent to $28,337 as at 31 March 2013).

Through the letter dated 23 February 2007, the Company requested treasury share amounting to TL 46,129 (equivalent to $25,504 as at 31 March 2013) and interest accrued amounting to TL 5,020 (equivalent to $2,775 as at

31 March 2013) from Turkish Treasury and universal service fund amounting to TL 5,125 (equivalent to $2,834 as at 31 March 2013) and interest accrued amounting to TL 558 (equivalent to $309 as at 31 March 2013) from Turkish Ministry to be paid in 10 days. Since Turkish Treasury and Turkish Ministry have not made any payment, the Company started to deduct these amounts from ongoing monthly payments. As at 31 December 2007, the Company deducted TL 51,254 (equivalent to $28,337 as at 31 March 2013) from monthly treasury share and universal service fund payments.

Turkish Treasury sent a letter to the Company dated 17 July 2007 and objected the deduction of the discounts granted to the distributors from the treasury share payments. Accordingly, the Company is asked to return TL 2,960 (equivalent to $1,637 as at 31 March 2013) that is deducted from treasury share payment for May 2007. The Company has not made the related payment and continued to deduct such discounts treasury share and universal service fee amount related to discounts granted to distributors for the year 2006.

Management believes that the Company has the legal right to make deductions with respect to this issue. Accordingly, the Company has not recorded any provisions with respect to this matter in its condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on the discounts which are paid over the treasury share and ICTA fee (continued)

The Company filed two lawsuits before ICC claiming that the Company is not obliged to pay treasury share and ICTA Fee in accordance with the 8th and 9th Articles of the Concession Agreement, respectively, on discounts granted to distributors. On the both lawsuits, ICC has decided in favor of the Company. As stated in both of the Final Awards, the Company is not under obligation of paying Treasury Share and the Contribution to the expenses of Authority pursuant to Article of 8 and 9 of the Concession Agreement dated 10 March 2006. ICTA filed lawsuits for cancellation of these Final Awards. In both lawsuits, the Court decided in favor of the Company. ICTA appealed the decisions. The Company replied appeal requests. The Court of Cassation reversed the decisions of the First Instance Court. The Company has applied for the correction of the decision. The Court of Cassation rejected the request for correction of the decision of the Company. On the hearing dated 28 November 2012, the Local Court decided to accept the lawsuit in accordance with the reversal decision of The Court of Cassation. Full decisions are notified to the Company. The Company appealed the decisions.

Dispute on payments of additional treasury share payment for the period between 1 June 2004 and 9 March 2006

Turkish Treasury, through a letter which is based on the Report of the Treasury Controller's Board following the examinations covering the period between 1 June 2004 and 9 March 2006, requested additional treasury share payment regarding the mentioned period. The Company initiated a lawsuit before ICC on 18 December 2009 in order to obtain a declaratory judgment on the Company is not obliged to pay TL 3,320 (equivalent to $1,836 as at 31 March 2013) of the requested amount and treasury share over the exchange differences arising from roaming revenue. The arbitral tribunal partially accepted the Company's claims and decided that the Company is not obliged to pay TL 885 (equivalent to $489 as at 31 March 2013). The Company applied to arbitral tribunal for correction and interpretation of the award. The arbitral tribunal rejected this application. ICTA filed a lawsuit for cancellation of the in favor parts of the Final Award. Subsequently the Company filed a lawsuit for cancellation of the disadvantageous part of the Final Award. In the lawsuit initiated by the ICTA, the court decided to obtain an expert report. Both of the lawsuits are still pending.

ICTA, through a letter dated 14 May 2010 which is based on the Report of the Treasury Controller's Board following the examinations covering the period between 1 June 2004 to 9 March 2006, requested additional treasury share payment of TL 4,909 (equivalent to $2,714 as at 31 March 2013) together with the penalty of TL 12,171 (equivalent to $6,729 as at 31 March 2013) on the ground that the treasury share and treasury share over the exchange differences arising from roaming revenue are not paid entirely.

On 26 May 2010, the Company, in order to provide the suspension of the payment, requested a preliminary injunction from the Civil Court of First Instance based on the grounds that the payment of additional treasury share payment of TL 4,909 (equivalent to $2,714 as at 31 March 2013) together with the penalty of TL 12,171 (equivalent to $6,729 as at 31 March 2013) is a pending case before ICC Arbitration Court. The Civil Court of First Instance accepted the Company's request. ICTA raised an objection to the preliminary injunction and this objection has been rejected.

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on payments of additional treasury share payment for the period between 1 June 2004 and 9 March 2006 (continued)

The Company filed a lawsuit before ICC on 27 January 2012 claiming the contradiction to law of the penalty of TL 12,171 (equivalent to $6,729 as at 31 March 2013) calculated over allegedly unpaid TL 4,909 (equivalent to $2,714 as at 31 March 2013) treasury share. The lawsuit is still pending.

ICTA, through a letter dated 19 October 2010 which is based on the Report of the Treasury Controller's Board following the examinations covering the period between 10 March 2006 and 31 December 2008, requested treasury share of TL 72,527 (equivalent to $40,099 as at 31 March 2013) and conventional penalty of TL 205,594 (equivalent to $113,669 as at 31 March 2013). The Company paid TL 1,535 (equivalent to $849 as at 31 March 2013) of the aforementioned amount.

On 13 December 2010, the Company, in order to provide the suspension of the payment, requested a preliminary injunction from the Civil Court of First Instance based on the grounds that the payment of treasury share of TL 70,992 (equivalent to $39,250 as at 31 March 2013) and conventional penalty of TL 205,594 (equivalent to $113,669 as at 31 March 2013) is a pending case before ICC Arbitration Court. The Court accepted the Company's request. ICTA's objection against the decision has been rejected.

Based on the management opinion, the probability of an outflow of resources embodying economic benefits to settle the obligation is uncertain, thus, no provision is recognized in the condensed interim consolidated financial statements as at and for the period ended 31 March 2013 (31 December 2012: None).

The Company filed a lawsuit before ICC on 12 January 2011 regarding the allegedly underpaid treasury share payments over certain revenue items as discussed in the Treasury Controller's Report dated 30 May 2010, and corresponding purported penalty in amount of TL 205,594 (equivalent to $113,669 as at 31 March 2013). The Company requested the Arbitral Tribunal to award that TL 68,365 (equivalent to $37,798 as at 31 March 2013) of the total amount requested in the Treasury Controller's Report has either been paid or is the subject matter of other arbitration cases. The Company further requested the Tribunal to declare that the request for treasury share payment of the remaining TL 4,163 (equivalent to $2,302 as at 31 March 2013) is unfounded, together with a declaration that the Company should not be obliged to make treasury share payment over certain revenue items as discussed in the Treasury Controller's Report. Finally, the Company requested the Tribunal to award that it is not obliged to pay the requested penalty and declare that penalty cannot be accrued where the basis of the penalty request is disputed. On 18 March 2013, the Tribunal awarded that the Company is not obliged to pay TL 1,351 (equivalent to $747 as at 31 March 2013) of the remaining amount requested by the Treasury (the Company's relief sought for treasury share payment of TL 2,812 (equivalent to $1,555 as at 31 March 2013) requested over SIM card and equipment sales abroad was rejected), declared that the Company is not obliged to pay penalty in amount of TL 205,594 (equivalent to $113,669 as at 31 March 2013); but dismissed (without prejudice) the requests for declaration that the Company should not be obliged to make treasury share payment over certain revenue items as discussed in the Treasury Controller's Report, and that penalty cannot be accrued where the basis of the penalty request is disputed.

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20. Commitments and Contingencies (continued)

Legal Proceedings (continued)

Dispute on treasury share amounts which are absorbed due to retrospective board decisions taken by ICTA

In consequence of collection of treasury share from the Company without considering its payments to the other operators and some subscribers due to the retrospective procedure amendments of ICTA on both interconnection fees and some tariffs; the Company commenced a lawsuit on 5 August 2010 before ICC on the ground that treasury share which collected from diminishing returns are unlawful and deductions committed by the Company between the years 2006 - 2010 from the treasury share are rightful and claimed payment of TL 1,600 (equivalent to $885 as at 31 March 2013) and its interest to the overpayment amount which is paid under the name of treasury share, against ICTA due to its administrative act leading to this case and against Turkish Undersecretariat of Treasury and Turkish Ministry of Transport, Maritime Affairs, and Communications due to making benefit from aforementioned amount.

ICC decided partially in favor of the Company in March 2012 and ordered that deductions committed by the Company between the years 2006 - 2010 from the Treasury Share are rightful, and ICTA should refund TL 1,371 (equivalent to $758 as at 31 March 2013) paid by the Company in this respect as Treasury Share and ICTA fee and reject the Company's claim to refund TL 273 (equivalent to $151 as at 31 March 2013) paid as ICTA fee between 2006 - 2008. ICTA, Undersecretariat of Treasury and the Ministry of Transport, Maritime Affairs, and Communications filed a lawsuit for cancellation of the Final Award. The lawsuit initiated by ICTA has been consolidated by the court with the lawsuit initiated by Undersecretariat of Treasury and the Ministry of Transport, Maritime Affairs, and Communications. The court rejected both lawsuits. ICTA and Undersecretariat o