



**Fourth Quarter and Full Year 2008**  
February 26, 2009



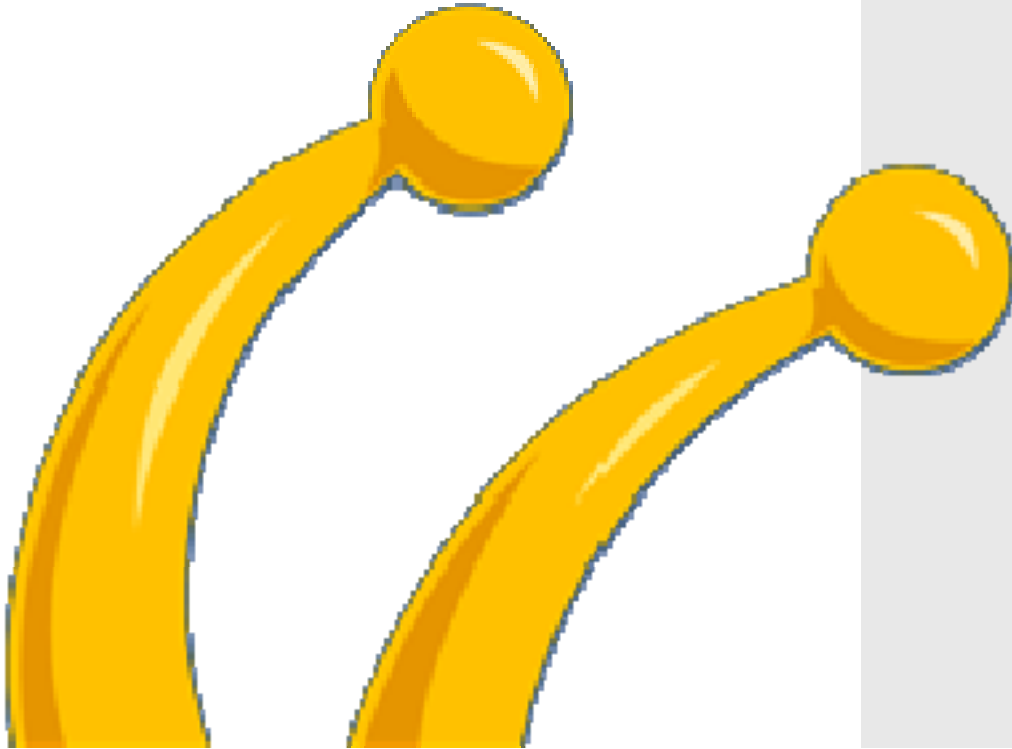
## Notice

*This presentation may contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially due to factors discussed in this presentation, in our press release, in the Risk Factors section of Turkcell's most recent Form 20-F or in other reports and filings with the US Securities and Exchange Commission. We undertake no duty to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.*

***Please note that all financial data are consolidated whereas non-financial data are unconsolidated unless otherwise specified.***

# **Business Overview**

**Süreyya Ciliv  
CEO**





## Turkcell Group: Ensured solid growth in 2008

Turkcell Group		YoY growth		
Consolidated \$ million	<u>2007</u>	<u>2008</u>	<u>\$ Growth</u>	<u>TRY<sup>1</sup> Growth</u>
Revenue	6,329	6,970	10%	8%
EBITDA <sup>2</sup>	2,627	2,580	(2%)	(4%)
EBITDA Margin <sup>2</sup>	41.5%	37.0%	(4.5) pp	(4.7) pp
Net Income	1,350	1,837	36%	33%
Net Income Margin	21.3%	26.4%	5.1 pp	4.8 pp
Group Subscribers <sup>3</sup> (million)	<b>55</b>	<b>62</b>	13% increase	

- ✓ Solid results despite challenging operational environment
- ✓ Added more than 6 million subscribers in total
- ✓ 5.1 pp increase in Net Income margin
- ✓ Outstanding cash generation ability
- ✓ Encouraging contribution from international operations
- ✓ Continued to invest to deliver best quality

<sup>1</sup> Changes in TRY figures in this slide are calculated based on IFRS TRY figures

<sup>2</sup> EBITDA is a non-GAAP financial measure. See pages 13-14 of our press release for the reconciliation of EBITDA to net cash from operating activities

<sup>3</sup> Number of subscribers of Turkcell in Turkey and each of our subsidiaries, including the full number of subscribers of Fintur subsidiaries. Please refer to the note on Group Subscribers in our press release on page 14.



# Turkcell Group: Leader in the region

2nd\* in Europe -  
37 mn  
subscribers

**TURKCELL**  
Maintained leader  
position

11.2 mn  
Subscribers  
7% EBITDA  
margin

**life:)**  
First positive full year  
EBITDA recorded

life:) brand  
launched

**BeST**  
Started network rollout  
and rebranding  
activities

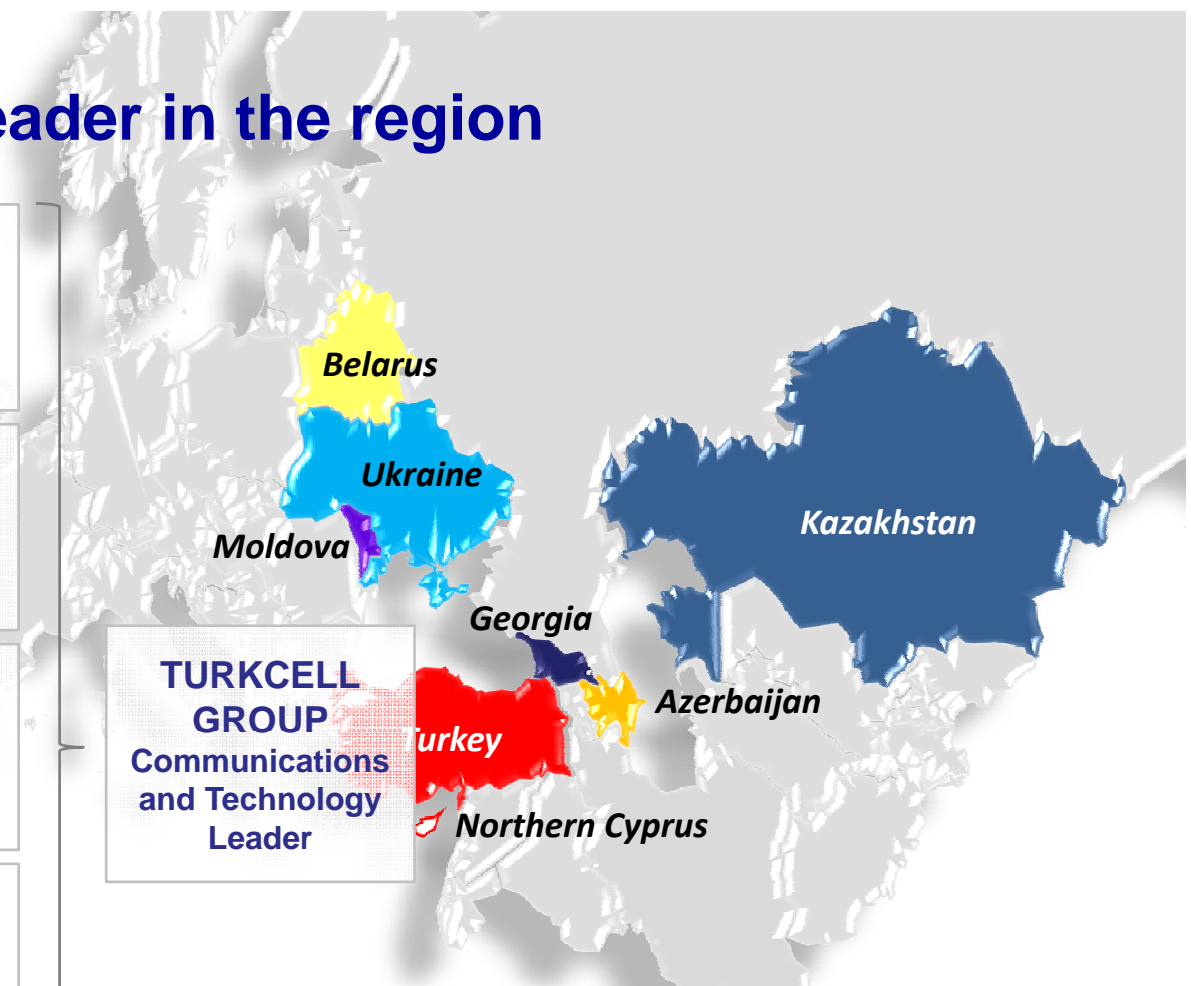
Creating  
synergies with  
Turkcell

**TELLCOM**  
Business is on track

12.8 mn  
subscribers  
in markets with  
relatively low  
penetration

**FINTUR**  
Increased contribution  
to net income  
Paid dividend for the  
first time

**TURKCELL  
GROUP**  
Communications  
and Technology  
Leader



**62 million subscribers\*\* in 8  
countries**

\*2nd in Europe as of September 30, 2008 number

\*\*Number of subscribers of Turkcell in Turkey and each of our subsidiaries, including the full number of subscribers of Fintur subsidiaries. Please refer to the note on Group Subscribers in our press release on page 14



## Turkcell Turkey: Track record of solid execution... ...continued in 2008

- ✓ Clearly superior value propositions
- ✓ Consistent communication of winning value propositions through every channel
- ✓ Redesigned channel structure for non exclusive dealers
- ✓ Fine-tuned Contact Center's service levels
- ✓ Reconfirmed Turkcell benefits during MNP
- ✓ Increased focus on premium customers
- ✓ Stimulated usage growth acrosss all segments
- ✓ Increased focus on VAS

*WON vs.  
Competition*

*DROVE  
Satisfaction  
& Loyalty*

*GREW  
Business*



# Turkcell Turkey: Winning value propositions

- 1** By far the best coverage and highest quality network
- 2** Most advantageous pricing for the largest community
- 3** Widest and best quality customer service
- 4** Most diversified and user-friendly services
- 5** Turkcell customers win everywhere
- 6** Turkcell contributes to Turkey's Growth

- ✓ 15,100 BTSs
- ✓ 99% coverage
- ✓ Highest network quality and association by all customer segments.

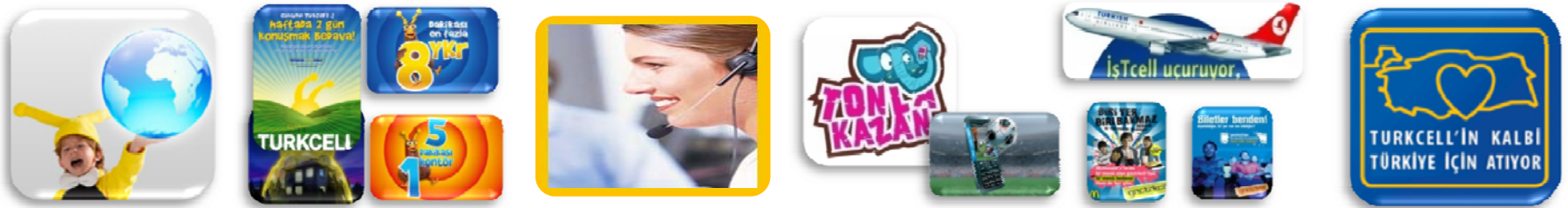
- ✓ Best On-Net advantages
- ✓ Incentives and new tariffs boosting usage
- ✓ Addressing micro segments

- ✓ Redesigned channel structure for non exclusive channel
- ✓ Well trained sales force
- ✓ Segmented & personalized customer service

- ✓ Traffic service (IBB)
- ✓ Goals on mobile (Goller Cepte)
- ✓ Mobile Signature
- ✓ Mobile Internet
- ✓ Tone & Win (Tonla Kazan)

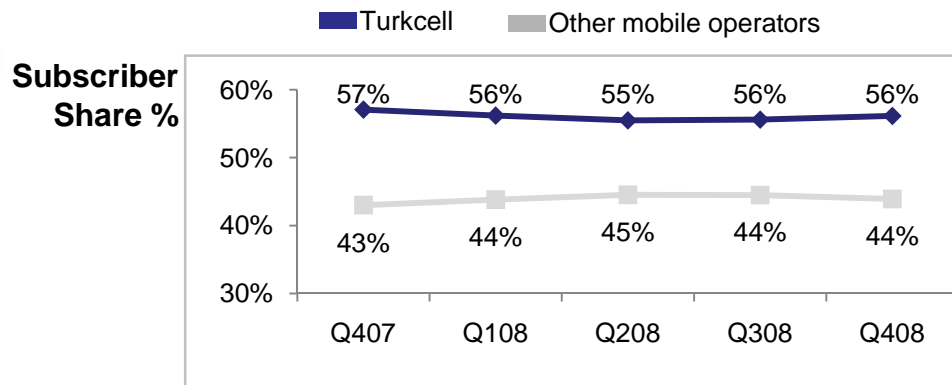
- ✓ Unique cobranded offers with communities ; gnctrkcll and IsTcell
- ✓ Reached 6 million customers, passing TRY120 million benefit

- ✓ Macroeconomic growth
- ✓ Technological development
- ✓ Individuals' & society's well-being
- ✓ International representation

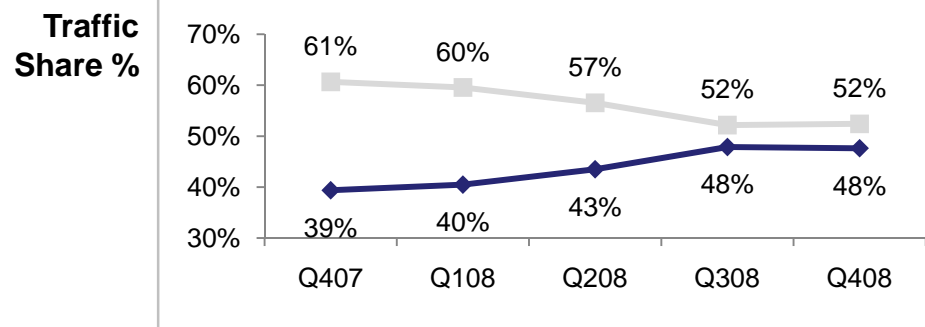




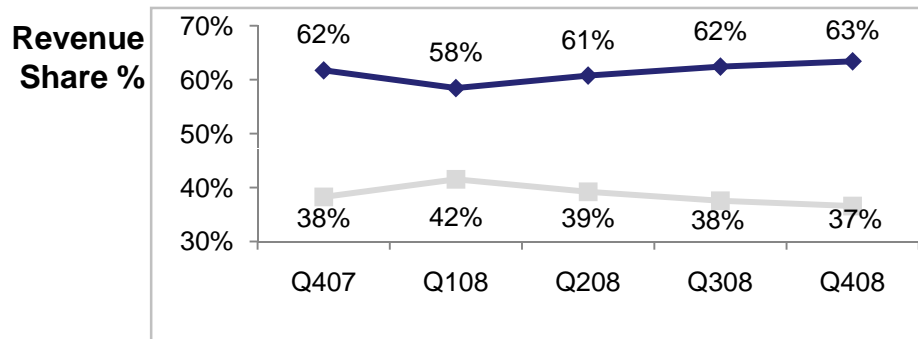
# Turkcell Turkey: Maintained leader position...



Subscriber market share sustained for the last four consecutive quarters...



Traffic share increased through effective pricing and perception management...



Able to turn usage into revenue...

...despite increasingly competitive market dynamics

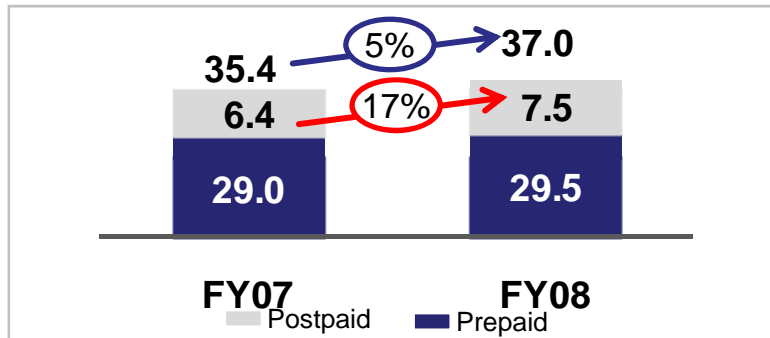
Source: Revenue, traffic and subscriber shares are based on our best estimations, operators' and ITCA announcements





# Turkcell Turkey: Strong operational KPIs

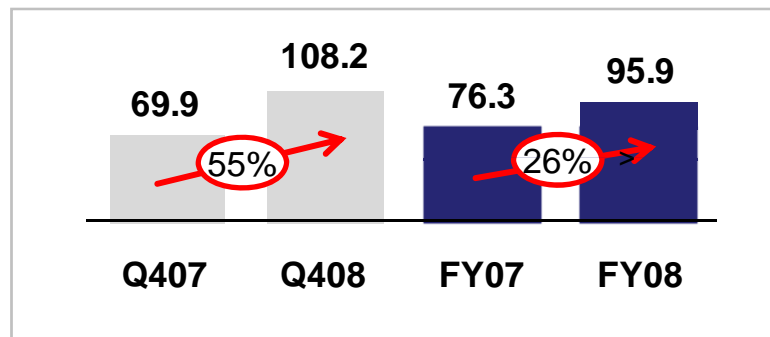
Subscribers  
(million)



✓ 1.6 million net subscribers added in 2008, 651K net subscribers in Q4

- Postpaid base grew by 17%
- Ensured net gains in MNP; no major change in market dynamics as foreseen
- Churn rate was kept under control during MNP hype (FY07:19.9%; FY08: 23.8%)

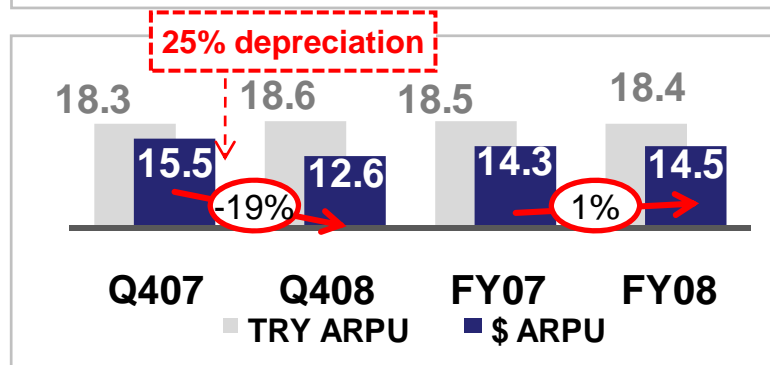
MoU  
(minutes)



✓ MoU increased by 26% YoY with

- Appropriate balance of pricing & incentives
- Effective market communication of offers

Blended  
ARPU



✓ Similar levels of TRY ARPU maintained despite

- 33% decrease in interconnect rates
- Dilutive impact of prepaid subscribers



## Turkcell Turkey: Aim to maintain leadership in 2009



- ✓ Enhanced value propositions
- ✓ Technology leadership
- ✓ 3G Implementation and offers
- ✓ Distribution channel capabilities



- ✓ Better customer experience through;
  - Simplicity, personalization, interactivity
- ✓ Keep premium focus
- ✓ Increase stickiness through services



- ✓ MoU Growth
- ✓ VAS focus
- ✓ Smart phones / Internet Devices
- ✓ Cost control & efficiency



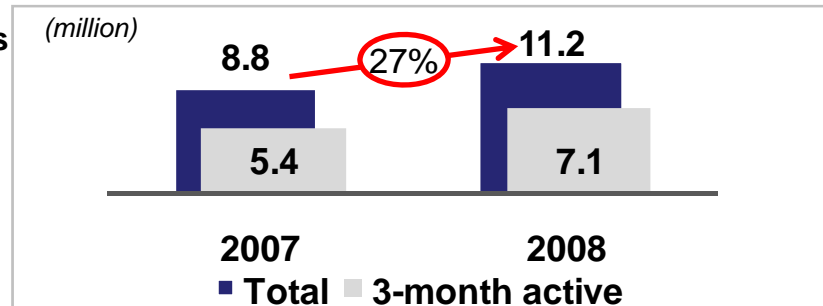
# Ukraine: Significant improvement in market position

## Financial Highlights

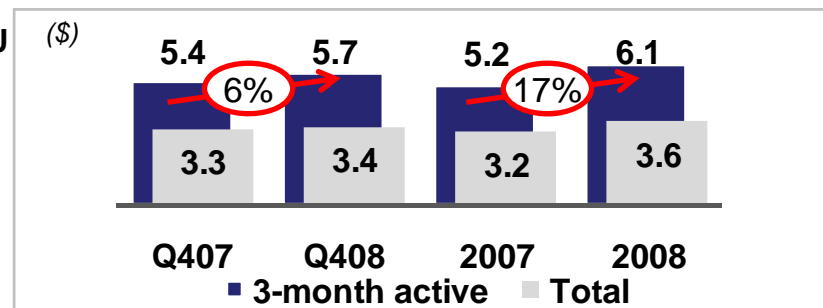
\$ million	Q407	Q408	% Chg	FY07	FY08	% Chg
Revenue	82.3	110.7	35%	255.9	438.7	71%
EBITDA	2.7	15.3	467%	(20.5)	32.3	(258%)
EBITDA Margin %	3.3%	13.8%	10.5 pp	(8.0%)	7.4%	15.4 pp
Net Income /(loss)	(34.8)	(251.2)	622%	(167.7)	(326.5)	95%

- ✓ 71% YoY revenue growth
- ✓ First positive full year EBITDA recorded
- ✓ Severe macroeconomic & political challenges to continue
- ✓ Leader in net additions in 2008; market share improved to 20%
- ✓ 3 month active subscriber base constitutes 63% of total base

## Subscribers



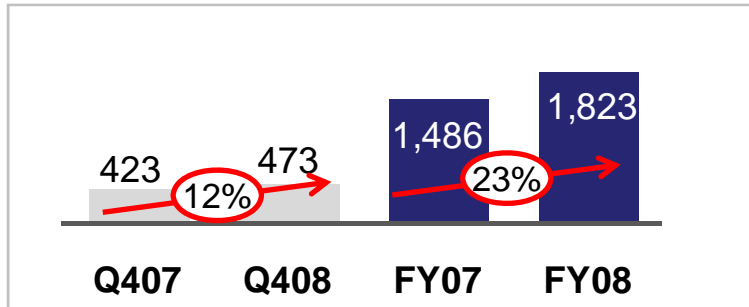
## ARPU



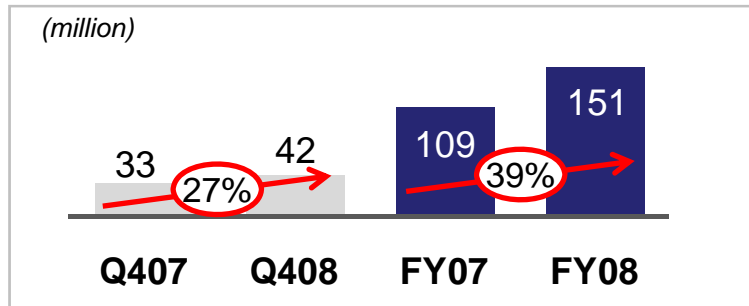


# Fintur: Strengthening market positions and growth

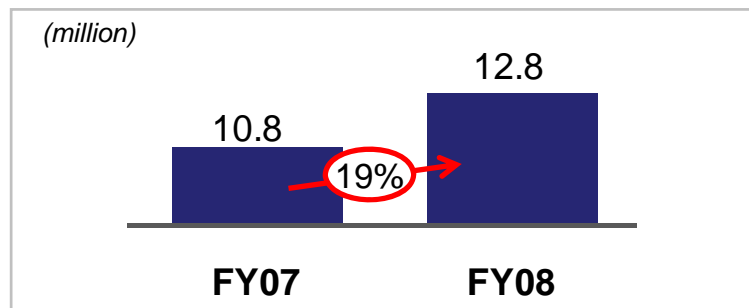
Consolidated Revenue



Contribution to Net Income



Subscribers



- ✓ Total subscribers reached 12.8 million with strong 19% YoY growth
- ✓ 23% YoY top-line growth achieved in 2008
  - In nominal terms, main contributors were Kazakhstan and Azerbaijan
- ✓ Strong contribution to our bottom line
- ✓ Strong presence in CIS
  - Market leader in Kazakhstan, Azerbaijan and Georgia





## Turkcell Group Focus

- ✓ **Grow core business through wireless data and increased usage**
- ✓ **Growth in international subsidiaries**
  - Revenue and EBITDA focus: Ukraine & Belarus
  - Long term growth and profitability
- ✓ **Growth in fixed broadband**
  - Turkcell – Tellcom synergies
  - Fiber deployment
  - Convergence
- ✓ **Explore new business opportunities**
  - Mobility, Internet, Convergence
  - Explore new international expansion opportunities; Macedonia
  - National Lottery

### Outlook for 2009

- ✓ Revenue growth
- ✓ Pressure on margins
- ✓ Increased Investments
  - Turkey including local subsidiaries \$1,300 million
  - International markets approx. \$300 million

NOTICE:

Please note that all financial data are consolidated whereas non-financial data are unconsolidated unless otherwise specified.

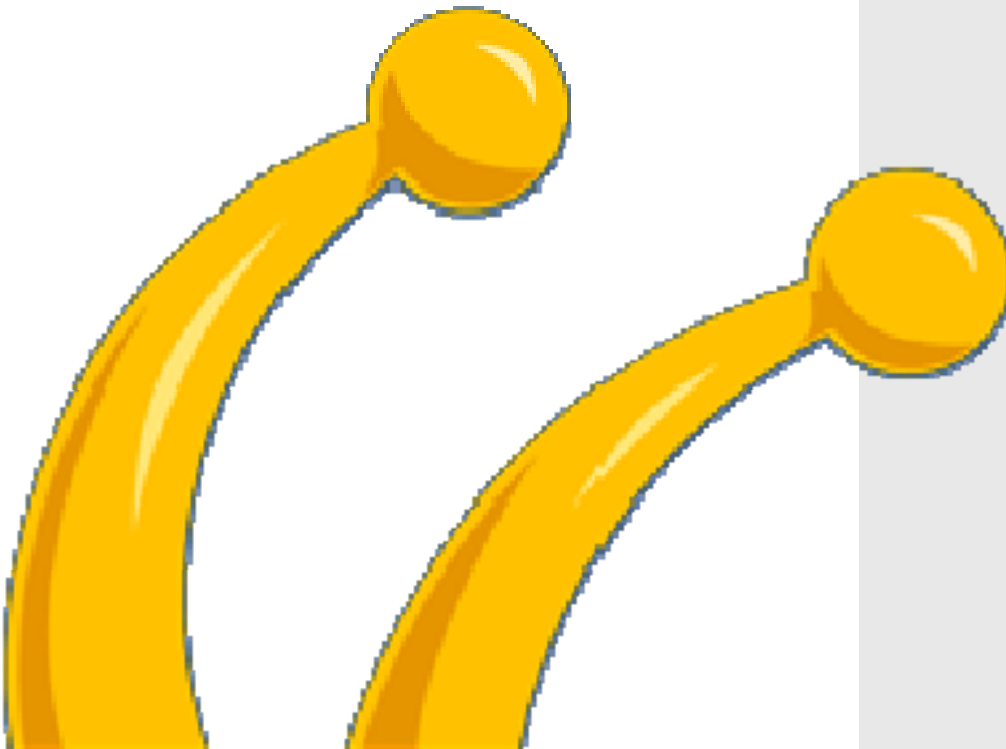
EBITDA is a non-GAAP financial measure. Please refer to the press release for the reconciliation of EBITDA to net cash from operating activities.

All non-financial data are unconsolidated, prepared in accordance with IFRS and expressed in US\$.

The figures used in this presentation are rounded while percentage changes are calculated based on the figures disclosed in the Q4 & YE 2008 result announcement press release.

# Key Figures

**Serkan Okandan**  
**CFO**

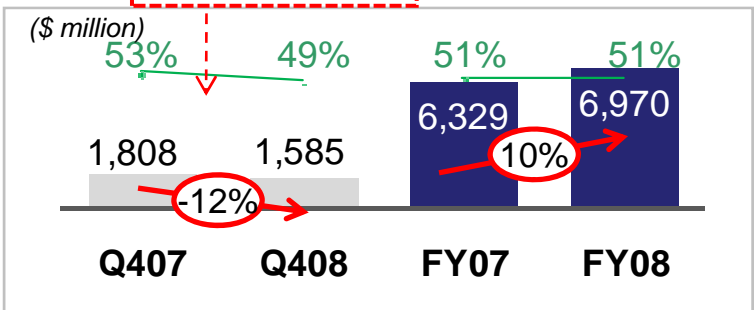




# Impressive bottom-line growth

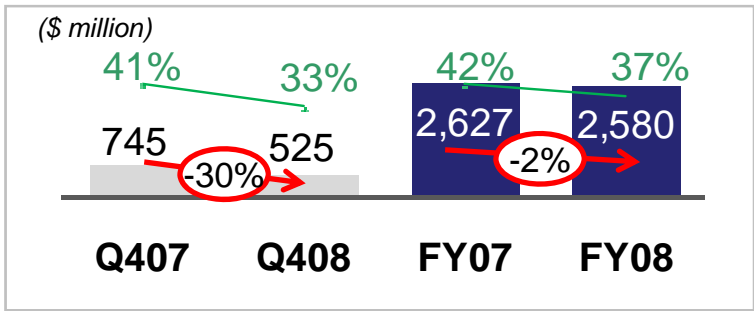
25% depreciation

■ Revenue  
— Gross Profit Margin (\*)



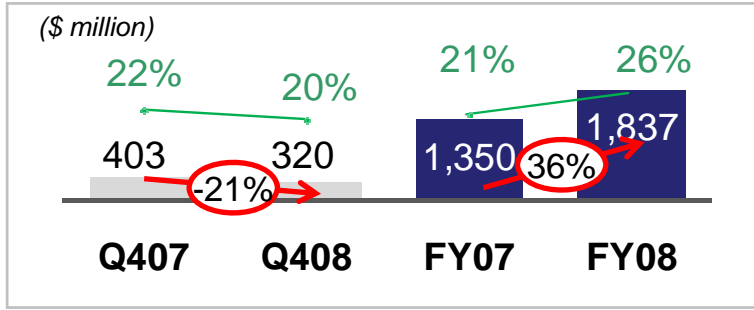
✓ Revenue- 10% YoY increase with subscriber growth and strong usage supported by increased contribution of group companies

■ EBITDA  
— EBITDA Margin



✓ EBITDA- decreased by 2% in an increasingly competitive environment

■ Net Income  
— Net Income Margin



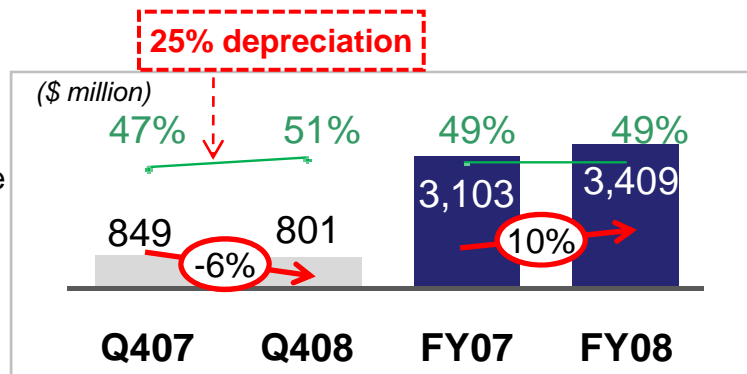
✓ Net Income- 36% YoY increase  
- Higher interest income due to strong cash position  
- Significantly lower translation loss

\* Depreciation and amortization is included

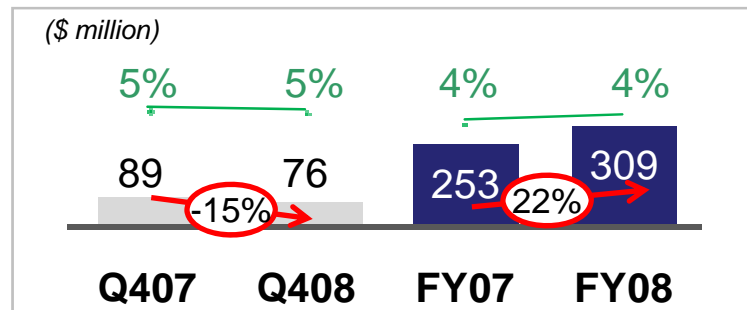


# Continue to manage cost base

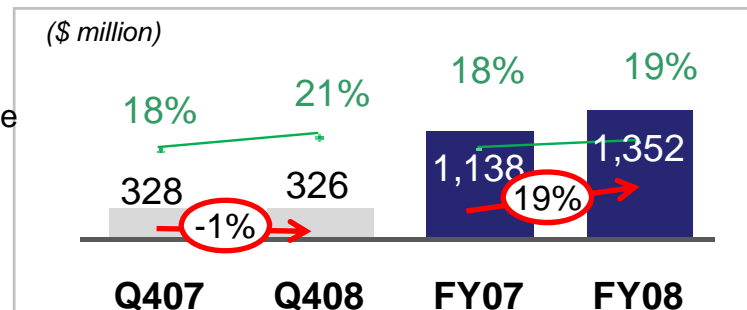
■ Direct cost of revenues\*  
— % of Revenue



■ Adm. expenses  
— % of Revenue



■ S&M expenses  
— % of Revenue



✓ Direct cost of revenues as % of revenue remained flat

- with lower depreciation and amortization as a percentage of revenues

✓ 22% increase in G&A expenses driven by increase in bad debt expense

✓ 19% increase in S&M expenses stemming from

- Higher acquisitions
- Sales channel restructuring
- Higher prepaid frequency usage fee

\* Depreciation and amortization is included





# Solid liquidity position

## Summary Balance Sheet (\$ million)

	<u>2007</u>	<u>2008</u>
Cash & Cash Equivalents	3,095	3,260
Total Assets	8,469	8,068
Total Debt	760	786
Net Debt	(2,335)	(2,474)
Total Equity	5,931	5,444
Debt/Annualized EBITDA	28.9%	30.5%

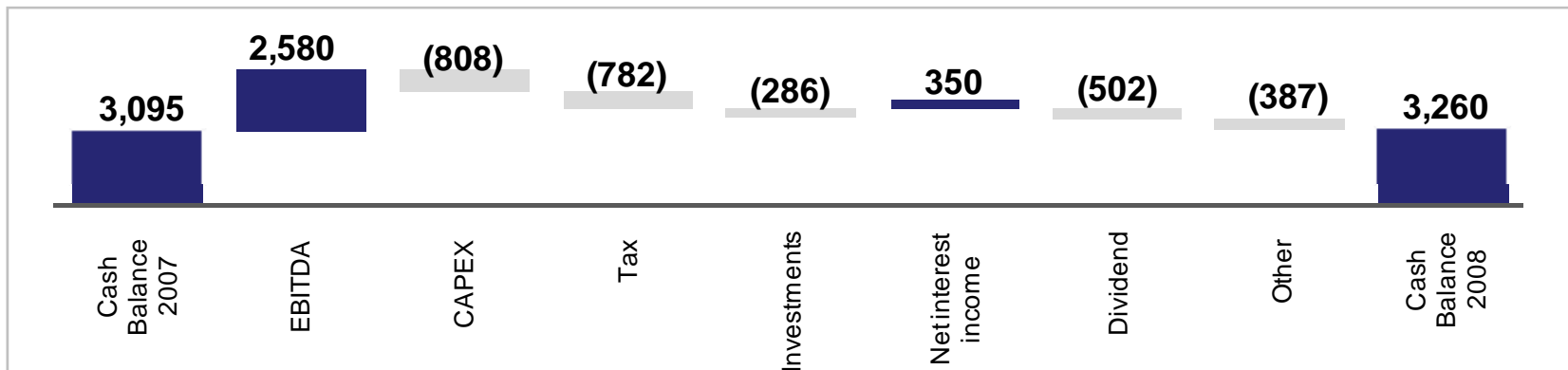


**\$3.3 billion cash balance in 2008**

### 2009 potential cash outflows:

- ✓ Increased operational CAPEX in Turkey (app. \$1,300 million)
- ✓ App. \$300 million for international subsidiaries
- ✓ Investments in potential international acquisitions

## Consolidated Cash Flow (\$ million)





## Appendix



**Summary Income Statement as per CMB\* Financials (TRY million)**

	<u>Q407</u>	<u>Q408</u>	<u>Q4 08- Q407 % change</u>	<u>FY07</u>	<u>FY08</u>	<u>FY 08- FY 07 % change</u>
<b>Revenue</b>	2,142	2,332	9%	8,187	8,845	8%
<b>Direct Cost of Revenues**</b>	(999)	(1,176)	18%	(3,992)	(4,315)	8%
<b>S&amp;M</b>	(389)	(481)	24%	(1,472)	(1,722)	17%
<b>G&amp;A</b>	(106)	(112)	6%	(325)	(394)	21%
<b>EBITDA</b>	883	770	(13%)	3,395	3,255	(4%)
<b>EBITDA Margin</b>	41%	33%	(8 pp)	41%	37%	(4 pp)
<b>Net Income</b>	481	465	(3%)	1,759	2,313	32%

\* Capital Markets Board of Turkey

\*\* Depreciation and amortization is included



## Consolidated Cash Flow (\$ million)

<u>Consolidated Cash Flow</u> <u>(\$ million)</u>	<u>Q407</u>	<u>Q408</u>	<u>Q4 08-</u> <u>Q407 %</u> <u>change</u>	<u>FY07</u>	<u>FY08</u>	<u>FY 08-</u> <u>FY 07 %</u> <u>change</u>
EBITDA	745	525	(30%)	2,627	2,580	(2%)
LESS:						
Capex and Licence	(274)	(211)	(23%)	(783)	(808)	3%
Turkcell	(144)	(111)	(23%)	(444)	(388)	(13%)
Ukraine	(77)	5	(107%)	(206)	(156)	(24%)
Investment & Marketable Securities	-	47	-	27	(286)	(1,154%)
Net Interest Income/Expense	67	75	11%	218	350	60%
Other	32	(370)	(1,260%)	(245)	(1,281)	424%
Net Change in Debt	11	38	256%	64	112	74%
Dividend paid by Turkcell	-	-	-	(412)	(502)	22%
Cash Generated	581	103	(82%)	1,497	165	(89%)
Cash Balance	3,095	3,260	5%	3,095	3,260	5%



## Consolidated Balance Sheet (\$ million)

	<u>FY 07</u>	<u>FY 08</u>	<u>FY 08 – FY 07</u> <u>% Chg.</u>
Cash & Bank	3,095	3,260	5 %
<b>CURRENT ASSETS</b>	<b>4,050</b>	<b>4,070</b>	<b>0%</b>
Fixed Assets, Net	3,597	3,549	(1%)
Other Long Term Assets	822	449	(45%)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,420</b>	<b>3,998</b>	<b>(10%)</b>
<b>TOTAL ASSETS</b>	<b>8,469</b>	<b>8,068</b>	<b>(5%)</b>
S/T Debt	620	656	6%
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,238</b>	<b>2,105</b>	<b>(6%)</b>
L / T Debt	140	130	(7%)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>300</b>	<b>519</b>	<b>73%</b>
<b>MINORITY INTEREST</b>	<b>138</b>	<b>58</b>	<b>58%</b>
Share Capital	1,636	1,636	0%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,931</b>	<b>5,386</b>	<b>(9%)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,469</b>	<b>8,068</b>	<b>(5%)</b>



THANK YOU . . .

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