TURKCELL ILETISIM HIZMETLERI A S
Form 6-K
April 30, 2015

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 30, 2015

Commission File Number: 001-15092

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

Turkcell Plaza
Mesrutiyet Caddesi No. 71
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 29, 2015 announcing Turkcell's First Quarter 2015 results and Q1 2015 IFRS report.

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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 Turkcel Turkey only figures. The terms "we", "us", and "our" in this press release refer only to Turkcell Turkey, except in discussions of financial data, where such terms refer to the Group, and 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, 2015 refer to the same item as at March 31, 2014. For

further details, please refer to our consolidated financial statements and notes as at and for March 31, 2015, which can be accessed via our website in the investor relations section (www.turkcell.com.tr).

- Please note that selected financial information presented in this press release for the first and fourth quarters of 2014, and first quarter of 2015, both in TRY and US$, is based on IFRS figures.
- In the tables used in this press release totals may not foot due to rounding differences. The same applies for the calculations in the text.

IMPORTANT NOTICE

Our target is to be an integrated communication and technology services player in the region, operating a converged mobile and fixed network platform and offering a wide range of innovative products and services. We believe that it will be important to offer to our consumer and corporate customers the full range of our mobile, fixed and broadband services to meet their expectations. Consequently, we intend to refocus our marketing and sales around customer groups, presenting to each group the full scope of our relevant services in an integrated and coordinated manner. In pursuit of this goal, financial reporting of our telecommunication businesses will now be presented under two major groups: “Turkcell Turkey” and “Turkcell International”. The remaining businesses, mainly the betting businesses in Turkey and Azerbaijan, continue to be reported under “Other Subsidiaries”.

Turkcell Turkey comprises the business segments that have historically reported as “Turkcell İletişim Hizmetleri A.Ş.” and “Superonline İletişim Hizmetleri A.Ş.”, together with other Turkish telecom related businesses including “Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş.” (call center services), “Turktell Bilişim Servisleri A.Ş.” (Informati technology, value added GSM services investments), “Turkcell Teknoloji Araştırma ve Geliştirme A.Ş.” (research and development), “Kule Hizmet ve İşletmecilik A.Ş.” (telecommunications infrastructure business), “Turkcell Satış ve Dağıt Hizmetleri A.Ş.” (retail store in telecommunications), “Turkcell Interaktif Dijital Platform ve İçerik Hizmetleri A.Ş.” (radio and television broadcasting), “Global Ödeme Hizmetleri A.Ş.” (value-added GSM services), “Turkcell Gayrimenkul Hizmetleri A.Ş.” (real estate business for Turkcell Group only), and “Rehberlik Hizmetleri A.Ş.” (information services). Prior to this change, these businesses other than Turkcell İletişim Hizmetleri A.Ş. and Superonline İletişim Hizmetleri A.Ş. were reported under “Other Subsidiaries”. This new reporting thus brings together all of our Turkish telecommunications activities, including mobile services, fixed line and fixed broadband, in accordance with our strategy of offering a converged network to all of our customers.

Turkcell International comprises the business segments that have historically reported as “Euroasia Telecommunications Holdings B.V.”, “LLC Astelit” (Astelit in Ukraine) and “Belarusian Telecommunications Network”, together with our other international telecommunication operations, including “Beltur Coopertief U.A.”, “Beltel Telekomünikasyon Hizmetleri A.Ş.”, “Lifetech LLC.”, “Kıbrıs Mobile Telekomünikasyon Limited Şirketi”, “East Asi Consortium B.V.” “LLC Ukrtower”, “LLC Global Bilgi “ “Turkcell Europe GmbH” and “Fintur Holdings B.V.”(equit accounted investee).

We will begin applying this change in reporting to our first quarter presentation and press release, reflecting the new approach in both our financial and operational reporting. Accordingly, we may be introducing new key performance indicators as necessary and may phase out those that we believe are no longer relevant to an understanding of our business.

Within Turkcell Turkey, we will monitor and present our revenue performance across three separate customer segments – Consumer, Corporate and Wholesale – and will provide performance indicators measuring the use of different services (voice, data, services and other, as appropriate). This represents a change from our prior method of reporting, in which we reported the key revenue lines of mobile services in Turkey along with total fixed services revenue. Our IFRS financial statements reflect this new reporting structure and our presentation of business segments changed accordingly.

As discussed above, we are implementing significant changes to the manner in which we oversee our business and in the related financial reporting. While we are confident that this will help to improve our competitive position and results, no assurances can be given that this will be the case. Organizational changes carry inherent risks, including notably customer, distributor and employee acceptance and operational disruption. They also present challenges with respect to ensuring adequate financial reporting and internal controls over financial reporting. Furthermore, implementing such changes may require significant management time and energy, diverting resources away from other issues. While we will of course endeavor to limit and manage any such issues as and when they arise, no assurance can be given that the changes described will be effectively applied and will achieve the desired results, will not lead to further changes, and will not have adverse effects on our competitive position and financial results.

HIGHLIGHTS OF THE FIRST QUARTER OF 2015

- Turkcell Group registered its historically highest first quarter revenue of TRY2,978 million (TRY2,855 million) on 4.3% year-on-year growth

- Turkcell Group EBITDA1 rose by 4.5% to its record high first quarter level of TRY927 million (TRY887 million) as well, while the EBITDA margin was flat at 31.1% (31.1%)

- Turkcell Group EBIT2 grew by 9.2% to TRY533 million (TRY488 million)

- Turkcell Group recorded net income of TRY141 million (TRY359 million). Yet while Turkcell Turkey recorded a net income of TRY779 million (TRY557 million) on 40% year-on-year growth, Group net income was negatively impacted by the TRY656 million (TRY219 million) net loss of Turkcell International due to currency devaluation

  - Excluding the impact of foreign exchange movements, monetary gain in relation to inflationary accounting in Belarus and one-off items, Group net income would have increased by 8.6% year-on-year to TRY655 million (TRY603 million)

- Turkcell Turkey revenues, comprising consumer, corporate and wholesale revenues, in total increased by 10% to TRY2,711 million (TRY2,475 million) with an EBITDA margin of 30.7% (31.1 %)

  - Consumer segment revenues grew by 10% to TRY2,122 million (TRY1,930 million) fueled predominantly by the increase in mobile broadband revenues, but also in fixed broadband revenues
  - Corporate segment revenues rose by 9% to TRY532 million (TRY487 million), mainly due to the rise in mobile broadband revenues, as well as in fixed broadband revenues
  - Wholesale segment revenues increased by 2% to TRY71 million (TRY70 million)

- Turkcell International revenues declined by 38% to TRY193 million (TRY311 million), mainly due to devaluation of local currencies in Ukraine and Belarus against US$
- On March 25, 2015, Mr. Kaan Terzioğlu was appointed as Turkcell Chief Executive Officer, effective from April 1, 2015
- The general assembly, outstanding for the past five years, was held on March 26, 2015, and accordingly a dividend of TRY1.78 per share was distributed in April, amounting to TRY3,925 million in total

(1) EBITDA is a non-GAAP financial measure. See page 15 for the reconciliation of EBITDA to net cash from operating activities.
(2) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.
(*)For further details, please refer to our consolidated financial statements and notes as at and for March 31, 2015 which can be accessed via our web site in the investor relations section (www.turkcell.com.tr).

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COMMENTS FROM CEO, KAAN TERZIOGLU

"Turkcell Group generated record high first quarter revenue and EBITDA in the first quarter of 2015. Consolidated revenue rose 4.3% to TRY3.0 billion and EBITDA grew by 4.5% to TRY927 million. Consolidated EBIT grew by 9.2% to TRY533 million. Net income of TRY141 million was impacted by currency devaluation in the countries of our international subsidiaries.

Overall, first quarter performance was in line with our expectations, enabling us to reiterate our revenue growth guidance* at 6% - 9% for 2015. Further, we target an EBITDA margin within the 31% - 32% range.

In the first quarter of 2015 Turkcell Group witnessed a number of notable developments. The general assembly, outstanding for the past five years, was held, and accordingly a dividend of TRY1.78 per share was distributed, amounting to TRY3,925 million in total. Meanwhile, Astelit, our Ukrainian subsidiary, won that country's most efficient 3G frequency licence, confirming our long-term commitment to the country. Moreover, Astelit posted 18% top-line growth for this quarter in local currency and we believe it will strengthen its growth momentum on the back of upcoming 3G services.

In its twenty year history, Turkcell's pioneering and successful track record has earned it the appreciation of Turkey. And now, a new business model in step with changing sector dynamics has become a necessity in order to advance this success to the next level. In this regard, and starting from the first quarter of the year, we have grouped our telecommunication businesses as "Turkcell Turkey" and "Turkcell International".

Within this context, at "Turkcell Turkey", we have set a new structure for managing our mobile, fixed and TV business more effectively. We will monitor our businesses under three segments, including consumer, corporate and wholesale. And so we hereby announce our new approach, which is reflected in our reporting starting from this quarter. Our aim is to extend our innovative approach and converged services already applied in the corporate segment to the consumer segment. We believe that our converged offerings should advance customer loyalty, our competitive strength and operational efficiency, which together will underpin sustainable growth. We believe that we can strengthen our position serving integrated communication and technology services both in Turkey and in the region, on the back of our converged network platform, wide portfolio of innovative products and services, robust financial standing and successful teamwork.

We sincerely believe that we will bolster and extend Turkcell's success story to the region as we build the future together. We thank all of our stakeholders for sharing our success story with us."

(*) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2014 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

OVERVIEW OF TURKCELL TURKEY

In the first quarter, consumer business in the telecommunications market saw slightly increased competition compared to the previous quarter. On the mobile front, competition revolved around increased incentives, particularly on data as part of bundle offers at price levels similar to the previous quarter. Meanwhile, on the fixed side, multiplay services remained aggressively priced by major players. So far in April, we have observed a similar competition trend on both the mobile and fixed fronts. In this environment, we have continued to seek to facilitate our customers' lives through specialized and targeted offers matching their needs with our segmented approach. Furthermore, we have designed and communicated our strategy around clear pricing, triple play and customer care on the fixed front.

On the corporate front, for which we foresee great potential, a number of factors including geopolitical tension and its macroeconomic consequences, as well as Turkey's approaching elections, have collectively contributed to curbing the market's growth momentum for the quarter. Yet in this environment, we believe that we remained a valued partner for our corporate customers, enabling them to transform their business processes with new generation mobile and fixed technologies. In this respect, our "real-time enterprise" initiative aims to transform traditional enterprise models into innovative, mobile-centric, and real-time business processes on the following three pillars. By becoming a "mobile enterprise" with our converged offers and solutions, corporates communicate efficient "real-time marketing" to their customers. Meanwhile, our "zero-infrastructure enterprise" pillar, which leverages our strong converged network platform, provides enterprises a flexible, fast and secure IT & communication infrastructure without the burden of capital expenditure. Moreover, our machine-to-machine solutions, data center and cloud services, supported by the largest commercial sales team, sustain our leadership in mobile services, while strengthening our fixed services growth momentum.

With our differentiating value propositions served on a superior quality network, we are on track with our operational targets for the first quarter. On the mobile side, our postpaid subscribers continued to expand, by 313 thousand quarterly additions to 15.5 million, constituting 45.3% (40.5%) of total mobile subscribers. The total mobile subscriber base declined by 370 thousand, mainly on losses from price sensitive prepaid customers. In our fixed business, including ADSL and fiber, we are reaping the fruits of our investments into coverage, a unique and efficient sales force and diligent customer service. Together, we have reached 1.3 million subscribers with net quarterly ADSL additions of 39 thousand and fiber additions of 41 thousand. With 776 thousand subscribers, we maintained our leading position in the fiber segment. Moreover, our TV platform, Turkcell TV+, a catalyst of potential growth, has seen outstanding penetration, which had reached around 100 thousand subscribers in the six months since its launch alone.

On the terminal front, the number of smartphones on our network grew by 589 thousand quarterly additions to 13.2 million, corresponding to 42% penetration. This was achieved through our attractive contract offers and promotional campaigns. Meanwhile, our own-branded T-series smartphones now include the "Turbo T50", which supports triple carrier technology providing users the fastest 3G broadband speed of 63.3 Mbps on our network.

Furthermore, we continue to differentiate ourselves through innovative additions to our services. We have upgraded our BİP service, Turkey's first all access instant messaging platform, providing an enriched instant messaging experience with advanced qualifications, which has reached half a million subscribers in less than a month. Meanwhile, Turkcell Muzik, with its enhanced features, remained Turkey's biggest digital music service with the largest local content catalogue, exceeding 1 million subscribers. In short, we continue to improve our customers' lives with our differentiating value propositions.

FINANCIAL AND OPERATIONAL REVIEW OF THE FIRST QUARTER 2015

The following discussion focuses principally on the developments and trends in our business in the first quarter of 2015 in TRY terms. Selected financial information presented in this press release for the first and fourth quarters of 2014, and the first quarter of 2015, both in TRY and US$ is based on IFRS figures.

Selected financial information for the first and fourth quarters of 2014, and the first quarter of 2015, both in TRY and in US$ prepared in accordance with IFRS, and in TRY prepared in accordance with the Turkish Accounting standards, is also included at the end of this press release.

Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Q114	Q414	Q115	y/y %	q/q %
Total Revenue	2,855.2	3,103.2	2,978.2	4.3%	(4.0%)
Direct cost of revenues1	(1,742.3)	(1,972.2)	(1,828.6)	5.0%	(7.3%)
Direct cost of revenues1/revenues	(61.0%)	(63.6%)	(61.4%)	(0.4pp)	2.2pp
Depreciation and amortization	(399.6)	(450.7)	(394.3)	(1.3%)	(12.5%)
Gross Margin	39.0%	36.4%	38.6%	(0.4pp)	2.2pp
Administrative expenses	(142.1)	(146.8)	(140.8)	(0.9%)	(4.1%)
Administrative expenses/revenues	(5.0%)	(4.7%)	(4.7%)	0.3pp	-
Selling and marketing expenses	(483.1)	(517.8)	(476.3)	(1.4%)	(8.0%)
Selling and marketing expenses/revenues	(16.9%)	(16.7%)	(16.0%)	0.9pp	0.7pp
EBITDA2	887.3	917.1	926.8	4.5%	1.1%
EBITDA Margin	31.1%	29.6%	31.1%	-	1.5pp
EBIT3	487.7	466.4	532.5	9.2%	14.2%
Net finance income / (expense)	(303.3)	(176.9)	(483.4)	59.4%	173.3%
Finance expense	(551.9)	(400.1)	(735.7)	33.3%	83.9%
Finance income	248.6	223.2	252.3	1.5%	13.0%
Share of profit of associates	73.6	(6.9)	94.8	28.8%	n.m.
Other income / (expense)	(3.5)	1.4	(53.0)	n.m.	n.m.
Monetary gains / (losses)	64.5	32.3	-	n.m.	n.m.
Non-controlling interests	200.7	128.9	284.4	41.7%	120.6%
Income tax expense	(160.2)	(187.3)	(234.2)	46.2%	25.0%
Net Income	359.5	257.9	141.1	(60.8%)	(45.3%)

(1) Including depreciation and amortization expenses.
(2) EBITDA is a non-GAAP financial measure. See page 15 for the reconciliation of EBITDA to net cash from operating activities.
(3) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

Revenue grew by 4.3% year-on-year to TRY2,978 million (TRY2,855 million).

Turkcell Turkey revenues reached TRY2,711 million (TRY2,475 million) on 9.5% growth.

- Consumer and Corporate revenues in total grew by 9.8% to TRY2,654 million (TRY2,417 million)
  - Voice revenues declined by 3.5% to TRY1,432 million (TRY1,484 million)

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- Data revenues grew by 46.2% to TRY826 million (TRY565 million) driven by the increased smartphone penetration, higher user number and rise in data consumption

- Services and solutions revenues declined by 1.2% to TRY278 million (TRY281 million) mainly due to the decrease in messaging revenues

- Other revenues mainly comprising our retail and call center revenues grew by 36.3% to TRY118 million (TRY87 million)

- Wholesale revenues climbed 1.7% to TRY71 million (TRY70 million)

Turkcell International revenues declined by 38.0% to TRY193 million (TRY311 million), due mainly to devaluation of UAH against US$ in Ukraine and BYR against US$ in Belarus.

Other subsidiaries1 revenues, mainly comprising our betting business revenues, increased by 7.4% to TRY75 million (TRY70 million).

Direct cost of revenues grew by 5.0% to TRY1,829 million (TRY1,742 million), while as a percentage of revenues rising to 61.4% (61.0%). This was driven by increase in operational expenses of certain subsidiaries and other various cost items more than offsetting the decrease in interconnect costs and depreciation amortization expenses as a percentage of revenues.

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

Million TRY	Q114	Q414	Q115	y/y %	q/q %
Interconnect revenues	253.7	281.3	278.4	9.7%	(1.0%)
as a % of revenues	10.3%	10.2%	10.3%	-	0.1pp
Interconnect costs	(241.4)	(267.1)	(261.8)	8.5%	(2.0%)
as a % of revenues	(9.8%)	(9.6%)	(9.7%)	0.1pp	(0.1pp)

Administrative expenses as a percentage of revenues fell 0.3pp to 4.7% (5.0%) year-on-year due to the decline in various cost items.

Selling and marketing expenses as a percentage of revenues declined by 0.9pp to 16.0% (16.9%) year-on-year due to decrease in selling expenses (1.0pp), as opposed to the increase in other cost items (0.1pp).

EBITDA* rose by 4.5% to TRY927 million (TRY887 million) year-on-year, while the EBITDA margin was at 31.1% (31.1%). The decrease in selling and marketing expenses by 0.9pp, as well as administrative expenses by 0.3pp was offset by increase in direct cost of revenues (excluding depreciation and amortization) by 1.2pp as a percentage of revenues.

The EBITDA of Turkcell International declined by 34.2% to TRY53 million (TRY81 million) with the negative impact of local currency devaluation in Ukraine and Belarus. Meanwhile, the EBITDA of Other subsidiaries1 improved by 15.0% to TRY43 million (TRY37 million).

Net finance expense of TRY483 million (TRY303 million) was recorded in Q115, due mainly to the increase in translation losses to TRY698 million (TRY509 million).

The table below presents translation gain and loss details:

Million TRY	Q114	Q414	Q115
Turkcell Turkey	9.2	64.3	308.2
Turkcell International	(517.7)	(447.6)	(1,008.2)
Other Subsidiaries	(0.1)	0.3	1.7
Turkcell Group	(508.6)	(383.0)	(698.3)

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Share of profit of equity accounted investees comprising our share in the net income of unconsolidated investee Fintur rose by 28.8% year-on-year to TRY94.8 million (TRY73.6 million2).

(*)EBITDA is a non-GAAP financial measure. See page 15 for the reconciliation of EBITDA to net cash from operating activities.

(1)Other subsidiaries mainly comprise our betting business and interbusiness eliminations.

(2)In Q114, share of profit of equity accounted investees also included A-Tel.

Income tax expense details in Q115 are presented in the table below:

Million TRY	Q114	Q414	Q115	y/y %	q/q %
Current Tax expense	(174.0)	(170.3)	(251.9)	44.8%	47.9%
Deferred Tax Income/expense	13.8	(17.0)	17.7	28.3%	(204.1%)
Income Tax expense	(160.2)	(187.3)	(234.2)	46.2%	25.0%

Net income fell by 60.8% to TRY141 million (TRY359 million) in Q115, mainly driven by higher translation losses and income tax expense recorded along with one-off provisions booked for commercial agreements, despite the increase in EBITDA. Higher translation losses mainly originated from 49% devaluation of UAH against US$ in Ukraine and 24% devaluation of BYR against US$ in Belarus, which was partially compensated for by the translation gain originated from 13% devaluation of TRY against US$ due to our foreign currency cash position. Moreover, as the decision to end inflationary accounting in Belarus has been taken on the back of a relatively lower inflationary environment, no monetary gain was booked in Q115, which has also impacted net income.

Excluding the foreign exchange movement impacts, monetary gain impact in relation to inflationary accounting in Belarus and one-off items, Group net income would have increased by 8.6% year-on-year to TRY655 million (TRY603 million). One-off items in Q114 were mainly related to penalties and legal provisions.

Net income impacts (million TRY)	Q114
Net income excluding one-offs*	603
Translation loss	(509)
Minority share	209
Income tax impact	(1)
Monetary gain	64
One off impacts	(7)
Net income reported	359

Net income impacts (million TRY)	Q115
Net income excluding one-offs*	655
Translation loss	(698)
Minority share	293
Income tax impact	(62)
Monetary gain	-
One off impacts	(47)
Net income reported	141

(*) Net income excluding one-off impacts is a presentation of our net income, adjusted to exclude certain items that we consider to be exceptional. However, it should not be relied upon as comparable to reported net income prepared in accordance with the IFRS that we apply. Although we expect that the specific items represented in this adjustment are non-recurring, no assurance can be given that this will be the case and that we will not be affected by similar items in the future.

Total debt as of March 31, 2015 increased to TRY4,127.3 million (US$1,581.2 million) from TRY3,697.7 million (US$1,594.6 million) as of December 31, 2014 in consolidated terms. Turkcell Turkey's debt balance was TRY1,055.2 million (US$404.3 million), of which TRY574.6 million (US$220.2 million) was denominated in US$. The debt balance of Ukraine (including intra-group debt) was TRY2,228.8 million (US$853.9 million). Belarus had a debt balance of TRY1,814.6 million (US$695.2 million).

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TRY3,283.4 million (US$1,257.9 million) of our consolidated debt is at a floating rate, while TRY3,577.6 million (US$1,370.7 million) will mature within less than a year. (Please note that the figures in parentheses refer to US$ equivalents).

Cash flow analysis: Capital expenditures, including non-operational items, amounted to TRY755.5 million in Q115, of which TRY344 million was related to Turkcell Turkey, and TRY408 million to Turkcell International. The cash flow item noted as “other” included cash outflows in relation to change in corporate tax payment of Turkcell İletişim (TRY132 million), frequency usage fee payment (TRY495 million) and other items (TRY663 million), which is mainly related to net working capital.

Consolidated Cash Flow (million TRY)	Q114	Q414	Q115
EBITDA1	887.3	917.1	926.8
LESS:			
Capex and License	(340.4)	(935.3)	(755.5)
Turkcell Turkey	(315.7)	(867.5)	(343.9)
Turkcell International2	(23.0)	(67.2)	(408.4)
Other Subsidiaries3	(1.7)	(0.6)	(3.2)
Net interest Income/ (expense)	205.4	206.1	214.9
Other	(995.9)	57.8	(1,290.6)
Net Change in Debt	103.8	94.2	46.3
Cash generated	(139.8)	339.9	(858.0)
Cash balance	7,989.1	9,031.9	8,173.8

(1) EBITDA is a non-GAAP financial measurement. See page 15 for the reconciliation of EBITDA to net cash from operating activities.
(2) The impact from the movement of reporting currency (TRY) against US$ is included in this line.
(3) Other subsidiaries comprise our betting business and interbusiness eliminations.

Operational Review in Turkey

Summary of Operational data	Q114	Q414	Q115	y/y %	q/q %
Number of mobile subscribers (million)	34.8	34.6	34.3	(1.4%)	(0.9%)
Postpaid	14.1	15.2	15.5	9.9%	2.0%
Prepaid	20.7	19.4	18.7	(9.7%)	(3.6%)
Mobile ARPU (Average Monthly Revenue per User), blended (TRY)	21.0	23.0	22.7	8.1%	(1.3%)
Postpaid	36.3	38.0	36.9	1.7%	(2.9%)
Prepaid	10.8	11.6	11.3	4.6%	(2.6%)
Mobile ARPU (Average Monthly Revenue per User), blended (US$)	9.5	10.3	9.2	(3.2%)	(10.7%)
Postpaid	16.3	17.0	15.0	(8.0%)	(11.8%)
Prepaid	4.8	5.2	4.6	(4.2%)	(11.5%)
Mobile Churn (%)	7.8%	7.7%	7.7%	(0.1pp)	-
Mobile MOU (Average Monthly Minutes of usage per subs)blended	254.6	279.3	275.7	8.3%	(1.3%)
Number of Fixed subscriber (thousand)	942.1	1,191.3	1,271.6	35.0%	6.7%
Fiber	614.0	735.1	776.1	26.4%	5.6%
ADSL	328.1	456.2	495.5	51.0%	8.6%
Fixed Residential ARPU, blended (TRY)	47.2	48.1	47.1	(0.2%)	(2.1%)

Mobile Subscribers of Turkcell Turkey fell by 370 thousand to 34.3 million during the first quarter due to losses in the more price-sensitive prepaid segment with the increased competition. Meanwhile, we expanded our postpaid subscriber base by 313 thousand quarterly net additions mainly through pre to post switches. We believe that our network quality was a factor driving this growth. Consequently, the postpaid subscriber share in our total subscriber base has improved to 45.3% (40.5%).

Mobile Churn Rate refers to voluntarily and involuntarily disconnected subscribers. Our churn rate declined by 0.1pp year-on-year to 7.7% (7.8%) while remained flat compared to previous quarter.

Mobile ARPU grew by 8.1% to TRY22.7 (TRY21.0) in Q115 on the back of increased mobile broadband usage and higher postpaid customer base.

Mobile MoU rose by 8.3% to 275.7 minutes in Q115 driven by higher incentives and higher package utilization.

Fixed Subscribers of Turkcell Turkey reached 1.3 million with the growth of our fiber and ADSL customer base on the back of our investments into coverage, efficient sales force and diligent customer service. Fiber customers rose to 776 thousand with 41 thousand quarterly net additions while ADSL customers reached 496 thousand with 39 thousand quarterly increase. Meanwhile, our fiber network rose to 33.4 thousand km with home passes reaching 2.2 million.

Fixed Residential ARPU was nearly flat at TRY47.1 (TRY47.2) in Q115.

TURKCELL INTERNATIONAL

Astelit's financial performance continued to be negatively impacted by the challenging macroeconomic environment in Ukraine. In Q115, the local currency has significantly depreciated by 49% against US$ during the quarter, which has negatively impacted Astelit's contribution to Turkcell Group revenues, leading to substantial translation losses at the consolidated level.

Astelit sustained its top-line growth momentum, registering 18% revenue growth in local currency terms. Yet in Turkish Lira terms, revenues fell by 42.8% to TRY126 million (TRY220 million) and EBITDA declined by 44.4% to TRY39 million (TRY70 million) with an EBITDA margin of 31.0% (31.8%).

Astelit increased its three-month active subscribers to 10.3 million, registering 1.0 million net additions year-on-year. Blended ARPU (3-month active) rose by 5.9% to UAH34.3 (UAH32.4) driven by increased data consumption. The MoU (12-month active) declined 6.7% to 155.9 minutes (167.1 minutes) in Q115 resulting from changing consumer behavior due to tough macroeconomic conditions.

Political tension prevailing in Ukraine since early 2014, has started to settle down following the ceasefire and "global political settlement" announced at the Minsk summit in February. While the conflict areas in eastern Ukraine continue to be challenging, our operations in these regions are running without major incidents.

In the 3G licence tender Astelit won the most efficient frequency band, in terms of investment and provision of high quality services, for UAH3.4 billion (approximately US$143 million as of March 31, 2015). This investment is proof of our long-term commitment to the country where 3G can be considered an important milestone in its telecommunication sector. Having initiated pre-subscription for its 3G services, Astelit intends to launch them this summer.

Astelit*	Q114	Q414	Q115	y/y %	q/q %
Number of subscribers (million)1	12.5	13.9	13.7	9.6%	(1.4%)
Active (3 months)2	9.3	10.3	10.3	10.8%	-
MoU (minutes) (12 months)	167.1	162.8	155.9	(6.7%)	(4.2%)
ARPU (Average Monthly Revenue per User), blended (US$)	2.6	1.8	1.2	(53.8%)	(33.3%)
Active (3 months) (US$)	3.6	2.4	1.7	(52.8%)	(29.2%)
Active (3 months) (UAH)	32.4	33.3	34.3	5.9%	3.0%
Revenue (million UAH)	899.5	1,046.7	1,059.0	17.7%	1.2%
Revenue (million TRY)	220.3	167.1	126.1	(42.8%)	(24.5%)
Revenue (million US$)	99.0	74.5	51.4	(48.1%)	(31.0%)
EBITDA (million UAH)	287.7	310.4	327.5	13.8%	5.5%
EBITDA (million TRY)	70.1	49.7	39.0	(44.4%)	(21.5%)

EBITDA (million US$)3	31.5	22.2	15.9	(49.5%)	(28.4%)
EBITDA margin (UAH)	32.0%	29.7%	30.9%	(1.1pp)	1.2pp
EBITA margin (TRY)	31.8%	29.7%	31.0%	(0.8pp)	1.3pp
EBITDA margin (US$)	31.9%	29.7%	31.0%	(0.9pp)	1.3pp
Net loss (million UAH)	(2,004.9)	(2,078.7)	(5,630.0)	180.8%	170.8%
Net loss (million TRY)	(478.1)	(323.2)	(675.2)	41.2%	108.9%
Net loss (million US$)	(213.1)	(145.0)	(279.0)	30.9%	92.4%
Capex (million UAH)	75.2	327.2	3,621.6	n.m.	n.m.
Capex (million TRY)	15.0	37.7	403.2	n.m.	969.5%
Capex (million US$)	6.9	15.8	154.5	n.m.	877.8%

(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 revenue generating activity.
(*) Astelit, in which we hold a 55% stake through Euroasia, has operated in Ukraine since February 2005.

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BeST's financial performance was negatively impacted by the macroeconomic environment in Belarus. The local currency depreciating 24% against US$ during the quarter, led BeST's contribution to Turkcell Group revenues to decline and caused significant translation losses at the Group level.

In TRY terms, BeST's revenues fell 25.6% to TRY30 million (TRY40 million) while its EBITDA declined to TRY0.1 million (TRY0.9 million) with an EBITDA margin of 0.3% (2.3%). In local currency terms revenue rose by 1%.

BeST*	Q114	Q414	Q115	y/y %	q/q %
Revenue (billion BYR)	175.6	198.3	176.6	0.6%	(10.9%)
Revenue (million TRY)	40.3	40.7	30.0	(25.6%)	(26.3%)
Revenue (million US$)	18.1	18.2	12.2	(32.6%)	(33.0%)
EBITDA (billion BYR)	4.1	(6.3)	0.4	(90.2%)	(106.3%)
EBITDA (million TRY)	0.9	(1.2)	0.1	(88.9%)	(108.3%)
EBITDA (million US$)3	0.4	(0.5)	0.0	(100.0%)	(100.0%)
EBITDA margin (BYR)	2.3%	(3.2%)	0.2%	(2.1pp)	3.4pp
EBITDA margin (TRY)	2.3%	(3.0%)	0.3%	(2.0pp)	3.3pp
EBITDA margin (US$)	2.4%	(3.0%)	0.0%	(2.4pp)	3.0pp
Net loss (billion BYR)	(348.3)	(941.3)	(2,163.5)	521.2%	129.8%
Net loss (million TRY)	(78.2)	(172.2)	(378.5)	384.0%	119.8%
Net loss (million US$)	(35.5)	(73.5)	(160.5)	352.1%	118.4%
Capex (billion BYR)	29.2	85.9	20.2	(30.8%)	(76.5%)
Capex (million TRY)	6.5	15.1	3.6	(44.6%)	(76.2%)
Capex (million US$)	3.0	6.4	1.4	(53.3%)	(78.1%)

(*)BeST, in which we hold a 80% stake, has operated in Belarus since July 2008. As Inflation accounting is ended starting from Q1'15, Q1'14 and Q4'14 figures presented in the table are not inflation adjusted for comparative purposes.

Fintur's subscriber base declined by 322 thousand during the quarter, due mainly to KCell's subscriber decline of 363 thousand. Fintur's consolidated revenues fell by 10.4% mostly due to the decline in KCell and Azercell revenues. Kcell's revenue decline resulted from increased competition and lower interconnect costs, while Azercell revenues decreased mainly due to devaluation of the Azerbaijani Manat (AZN) against the US$. However, Fintur's contribution to net income rose by 15% to US$38 million (US$33 million) year-on-year due to positive foreign exchange rate effect mainly related to US$ cash balances in Azerbaijan.

Fintur*	Q114	Q414	Q115	y/y %	q/q %
Subscribers (million) 1	17.9	18.2	17.8	(0.6%)	(2.2%)
Kazakhstan	11.2	11.2	10.8	(3.6%)	(3.6%)
Azerbaijan	4.0	4.2	4.2	5.0%	-
Moldova	0.9	0.9	0.9	-	-
Georgia	1.9	1.9	1.9	-	-
Revenue (million US$)	432	423	387	(10.4%)	(8.5%)
Kazakhstan	259	248	233	(10.0%)	(6.0%)
Azerbaijan	124	127	113	(8.9%)	(11.0%)
Moldova	17	17	15	(11.8%)	(11.8%)
Georgia	31	31	25	(19.4%)	(19.4%)
Fintur’s contribution to Group’s net income	33	(3)	38	15.2%	n.m.

(1) Telia Sonera disclosed a change to the definition of prepaid mobile subscription for all countries of operations in its Q115 results announcement on April 21, 2015. Prepaid subscriptions are counted if the subscriber has been active during the last three months. In line with Telia Sonera’s reporting, we disclose Fintur operations’ subscriber numbers as three-month active. Prior periods are restated accordingly.
(*) We hold a 41.45% stake In Fintur, which has interests in Kazakhstan, Azerbaijan, Moldova and Georgia.

Turkcell Group Subscribers amounted to approximately 67.9 million as of March 31, 2015. This figure is calculated by taking the number of subscribers of Turkcell and each of our subsidiaries and unconsolidated investees. It includes the total number of mobile subscribers of Turkcell Turkey, Astelit and BeST, as well as of our operations in the Turkish Republic of Northern Cyprus (“Northern Cyprus”), Fintur.

Turkcell Group Mobile Subscribers* (million)	Q114	Q414	Q115	y/y %	q/q %
Turkcell	34.8	34.6	34.3	(1.4%)	(0.9%)
Ukraine	12.5	13.9	13.7	9.6%	(1.4%)
Fintur1	17.9	18.2	17.8	(0.6%)	(2.2%)
Northern Cyprus	0.4	0.4	0.4	-	-
Belarus	1.3	1.4	1.4	7.7%	-
Turkcell Europe2	0.4	0.4	0.3	(25.0%)	(25.0%)
TURKCELL GROUP	67.3	68.9	67.9	0.9%	(1.5%)

(*) Turkcell Group subscribers figure includes the subscriber figures of our non-consolidated subsidiaries.
(1) Telia Sonera disclosed a change to the definition of prepaid mobile subscription for all countries of operations in its Q115 results announcement on April 21, 2015. Prepaid subscriptions are counted if the subscriber has been active during the last three months. In line with Telia Sonera’s reporting, we disclose Fintur operations’ subscriber numbers as three-month active. Prior periods are restated accordingly.

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

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

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

	Q114	Q414	Q115	y/y %	q/q %
US$ / TRY rate					
Closing Rate	2.1898	2.3189	2.6102	19.2%	12.6%
Average Rate	2.2253	2.2421	2.4633	10.7%	9.9%
Consumer Price Index (Turkey)	3.6%	1.6%	3.0%	(0.6pp)	1.4pp
GDP Growth (Turkey)	4.8%	2.4%	n.a.	n.a.	n.a.
US$ / UAH rate					
Closing Rate	10.95	15.77	23.44	114.1%	48.6%
Average Rate	9.15	14.09	21.18	131.5%	50.3%
US$ / BYR rate					
Closing Rate	9,870	11,850	14,740	49.3%	24.4%
Average Rate	9,697	10,912	14,528	49.8%	33.1%

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 Group (million US$)	Q114	Q414	Q115	y/y %	q/q %
EBITDA	399.2	409.1	376.6	(5.7%)	(7.9%)
Income tax expense	(72.1)	(83.5)	(95.2)	32.0%	14.0%
Other operating income / (expense)	(2.1)	(1.3)	(3.4)	61.9%	161.5%
Financial income / (expense)	(16.2)	3.9	3.7	(122.8%)	(5.1%)
Net increase / (decrease) in assets and liabilities	(386.7)	14.9	(571.5)	47.8%	n.m.
Net cash from operating activities	(77.9)	343.1	(289.8)	272.0%	(184.5%)

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 2015 and our 4G and 3G development in Turkey and Ukraine, respectively. 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", "continue" and "guidanc 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 2014 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 an integrated communication and technology services player in Turkey. Turkcell Group has approximately 67.9 million mobile subscribers in nine countries as of March 31, 2015. Turkcell was one of the first among the global operators to have implemented HSPA+. It has announced two new HSPA+ Technologies on its 3G network to meet rising data usage. Having successfully integrated 3C-HSDPA and DC-HSUPA Technologies, it became the first mobile operator in the world to enable peak speed of 63.3 Mbps downlink while also enabled an 11.5 Mbps uplink on a 3G network. Turkcell is the first telecom operator to offer households fiber broadband connection at speeds of up to 1,000 Mbps in Turkey. As of March 2015, Turkcell's population coverage is at 99.81% in 2G and 92.01% in 3G. Turkcell Group reported a TRY3.0 billion (US$1.2 billion) revenue with total assets of TRY24.0 billion (US$9.2 billion) as of March 31, 2015. It has been listed on the NYSE and the BIST since July 2000, and is the only NYSE-listed company in Turkey. Read more at www.turkcell.com.tr

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This press release can also be viewed using the Turkcell Investor Relation app, which can be downloaded here for iOS, and here for Android mobile devices.

Appendix A – Mapping of New Revenue Breakdown of Turkcell Turkey

TRY Million		REVENUE BREAKDOWN – OLD REPORTING						
		SUPERONLINE	TURKCELL TURKEY				OTHER	
	Q115	Fixed Broadband	Voice	Mobile Broadband	Messaging	Mobile Services	SUBS	REPORTED
REVENUE BREAKDOWN - NEW REPORTING	CONSUMER & CORPORATE							2,654
	Voice	0	1,432	-	-	-	-	1,432
	Data	220	-	606	-	-	-	826
	Services & Solutions	13	-	-	136	124	5	278
	Other	11	26	-	-	-	82	118
	WHOLESALE	38	26	-	-	-	7	71
	OTHER	68	1	-	-	-	(83)	(14)
		349	1,485	606	136	124	12	2,711

Explanatory note on definitions for Turkcell Turkey:

- The revenue breakdown of "consumer and corporate" mainly comprise of the following:
  - o Voice: Outgoing, incoming and roaming revenues of our mobile subscribers.
  - o Data: mobile broadband, fixed broadband and fixed voice over IP services revenues, datacenter, cloud, hosting and satellite revenues.
  - o Services: mobile services, fixed services, and SMS revenues
  - o Other: call center revenues, sales through flagship retail stores and equipment, support and installations, simcard revenues and monthly fees.
- Wholesale revenues include mainly our carrier business, visitor roaming, mobile international incoming revenues.
- Other include consolidation eliminations.

Appendix B – Historical Group Revenues

TRY MILLION	Q1 2013	Q1 2014	Q1 2015
TURKCELL GROUP	2,688	2,855	2,978
TURKCELL TURKEY1	2,394	2,475	2,711
CONSUMER	1,915	1,930	2,122
CORPORATE	439	487	532
WHOLESALE	50	70	71
TURKCELL INTERNATIONAL	245	311	193
OTHER SUBSIDIARIES2	50	70	75

1 Turkcell Turkey revenues include eliminations
2 Other subsidiaries include betting business in Turkey and Azerbaijan and Group eliminations

TURKCELL ILETISIM HIZMETLERI A.S.
TURKISH ACCOUNTING STANDARDS SELECTED FINANCIALS (TRY Million)

	Quarter Ended March 31, 2014	Quarter Ended December 31, 2014	Year Ended December 31, 2014	Quarter Ended March 31, 2015
Consolidated Statement of Operations Data				
Revenues				
Turkcell Turkey	2,474.6	2,770.5	10,636.9	2,710.5
Consumer	1,930.3	2,170.2	8,298.5	2,122.1
Corporate	486.6	551.9	2,073.3	531.7
Other	57.7	48.4	265.1	56.7
Turkcell International	311.0	254.3	1,137.9	192.9
Other	69.6	78.4	268.8	74.8
Total revenues	2,855.2	3,103.2	12,043.6	2,978.2
Direct cost of revenues	(1,740.9)	(1,972.2)	(7,380.8)	(1,828.0)
Gross profit	1,114.3	1,131.0	4,662.8	1,150.2
Administrative expenses	(142.1)	(146.8)	(562.7)	(140.8)
Selling & marketing expenses	(483.1)	(517.8)	(1,974.6)	(476.3)
Other Operating Income / (Expense)	255.9	269.4	1,053.6	569.9
Operating profit before financing and investing costs	745.0	735.8	3,179.1	1,103.0
Income from investing activities	4.9	5.4	20.0	3.6
Expense from investing activities	(10.8)	9.3	(16.8)	(22.4)
Share of profit of equity accounted investees	73.6	(6.9)	207.3	94.8
Income before financing costs	812.7	743.6	3,389.6	1,179.0
Finance expense	(556.7)	(459.8)	(1,424.9)	(1,087.5)
Monetary gain/(loss)	64.5	32.3	205.1	-
Income before tax and non-controlling interest	320.5	316.1	2,169.8	91.5
Income tax expense	(160.6)	(187.1)	(731.1)	(234.3)
Income before non-controlling interest	159.9	129.0	1,438.7	(142.8)
Non-controlling interest	200.7	128.9	428.2	284.4
Net income	360.6	257.9	1,866.9	141.6
Net income per share	0.16	0.12	0.85	0.06
Other Financial Data				
Gross margin	39.0%	36.4%	38.7%	38.6%
EBITDA(*)	887.3	917.1	3,761.8	926.8
Capital expenditures	340.4	935.3	2,144.8	755.5
Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	7,989.1	9,031.9	9,031.9	8,173.8

Total assets	21,480.5	23,668.3	23,668.3	23,952.5
Long term debt	1,363.5	1,247.9	1,247.9	549.7
Total debt	3,515.5	3,697.7	3,697.7	4,127.3
Total liabilities	6,478.1	6,979.5	6,979.5	11,046.5
Total shareholders' equity / Net Assets	15,002.4	16,688.8	16,688.8	12,906.0

** For further details, please refer to our consolidated financial statements and notes as at 31 March 2015 on our web site.

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

	Quarter Ended March 31, 2014	Quarter Ended December 31, 2014	Year Ended December 31, 2014	Quarter Ended March 31, 2015
Consolidated Statement of Operations Data				
Revenues				
Turkcell Turkey	2,474.6	2,770.5	10,636.9	2,710.5
Consumer	1,930.3	2,170.2	8,298.5	2,122.1
Corporate	486.6	551.9	2,073.3	531.7
Other	57.7	48.4	265.1	56.7
Turkcell International	311.0	254.3	1,137.9	192.9
Other	69.6	78.4	268.8	74.8
Total revenues	2,855.2	3,103.2	12,043.6	2,978.2
Direct cost of revenues	(1,742.3)	(1,972.2)	(7,383.9)	(1,828.6)
Gross profit	1,112.9	1,131.0	4,659.7	1,149.6
Administrative expenses	(142.1)	(146.8)	(562.7)	(140.8)
Selling & marketing expenses	(483.1)	(517.8)	(1,974.6)	(476.3)
Other Operating Income / (Expense)	(3.5)	1.4	(76.3)	(53.0)
Operating profit before financing costs	484.2	467.8	2,046.1	479.5
Finance costs	(551.9)	(400.1)	(1,247.0)	(735.7)
Finance income	248.6	223.2	955.4	252.3
Monetary gain/(loss)	64.5	32.3	205.1	-
Share of profit of equity accounted investees	73.6	(6.9)	207.3	94.8
Income before taxes and minority interest	319.0	316.3	2,166.9	90.9
Income tax expense	(160.2)	(187.3)	(730.4)	(234.2)
Income before minority interest	158.8	129.0	1,436.5	(143.3)
Non-controlling interests	200.7	128.9	428.2	284.4
Net income	359.5	257.9	1,864.7	141.1
Net income per share	0.16	0.12	0.85	0.06
Other Financial Data				
Gross margin	39.0%	36.4%	38.7%	38.6%
EBITDA(*)	887.3	917.1	3,761.8	926.8
Capital expenditures	340.4	935.3	2,144.8	755.5
Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	7,989.1	9,031.9	9,031.9	8,173.8
Total assets	21,508.1	23,694.2	23,694.2	23,977.7
Long term debt	1,363.5	1,247.9	1,247.9	549.7

Total debt	3,515.5	3,697.7	3,697.7	4,127.3
Total liabilities	6,482.4	6,983.6	6,983.6	11,050.4
Total shareholders’ equity / Net Assets	15,025.6	16,710.6	16,710.6	12,927.3

** For further details, please refer to our consolidated financial statements and notes as at 31 March 2015 on our web site.

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

	Quarter Ended March 31, 2014		Quarter Ended December 31, 2014		Year Ended December 31, 2014		Quarter Ended March 31, 2015	
Consolidated Statement of Operations Data								
Revenues								
Turkcell Turkey	1,112.6		1,235.6		4,872.9		1,101.2	
Consumer	867.9		967.8		3,801.5		862.1	
Corporate	218.8		246.2		949.5		216.0	
Other	25.9		21.6		121.9		23.1	
Turkcell International	140.1		113.0		519.9		78.4	
Other	31.3		34.0		120.1		30.3	
Total revenues	1,284.0		1,382.6		5,512.9		1,209.9	
Direct cost of revenues	(783.6	)	(877.6	)	(3,375.5	)	(743.0	)
Gross profit	500.4		505.0		2,137.4		466.9	
Administrative expenses	(63.9	)	(65.2	)	(256.8	)	(57.2	)
Selling & marketing expenses	(217.1	)	(230.7	)	(903.1	)	(193.3	)
Other Operating Income / (Expense)	(1.5	)	0.6		(35.5	)	(21.1	)
Operating profit before financing costs	217.9		209.7		942.0		195.3	
Finance expense	(246.6	)	(175.4	)	(559.3	)	(310.4	)
Finance income	111.7		98.9		437.5		102.6	
Monetary gain/(loss)	29.5		12.6		88.4		-	
Share of profit of equity accounted investees	33.1		(2.7	)	96.6		38.2	
Income before taxes and minority interest	145.6		143.1		1,005.2		25.7	
Income tax expense	(72.1	)	(83.5	)	(334.6	)	(95.2	)
Income before minority interest	73.5		59.6		670.6		(69.5	)
Minority interest	89.4		57.9		194.3		117.6	
Net income	162.9		117.5		864.9		48.1	
Net income per share	0.07		0.05		0.39		0.02	
Other Financial Data								
Gross margin	39.0	%	36.5	%	38.8	%	38.6	%
EBITDA(*)	399.2		409.1		1,725.2		376.6	
Capital expenditures	155.4		394.2		924.9		289.4	
Consolidated Balance Sheet Data (at period end)								
Cash and cash equivalents	3,648.3		3,894.9		3,894.9		3,131.5	
Total assets	9,821.9		10,217.9		10,217.9		9,186.2	
Long term debt	622.7		538.1		538.1		210.6	

Total debt	1,605.4	1,594.6	1,594.6	1,581.2
Total liabilities	2,960.3	3,011.6	3,011.6	4,233.5
Total equity	6,861.6	7,206.3	7,206.3	4,952.6

* Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 11
** For further details, please refer to our consolidated financial statements and notes as at 31 March 2015 on our web site.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

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

	Note	31 March 2015	31 December 2014
Assets			
Property, plant and equipment	9	2,219,558	2,541,547
Intangible assets	10	1,056,145	1,055,411
GSM and other telecommunication operating licenses		512,352	432,140
Computer software		504,270	576,482
Other intangible assets		39,523	46,789
Investment property		5,082	5,778
Investments in equity accounted investees	11	231,736	287,869
Other non-current assets		219,431	226,651
Trade receivables		311,237	336,334
Deferred tax assets		23,464	25,475
Total non-current assets		4,066,653	4,479,065
Inventories		27,078	30,757
Other investments		2,578	8,344
Due from related parties	21	11,321	5,579
Trade receivables and accrued income	12	1,470,766	1,510,421
Other current assets	13	476,273	288,803
Cash and cash equivalents	14	3,131,497	3,894,898
Total current assets		5,119,513	5,738,802
Total assets		9,186,166	10,217,867
Equity			
Share capital		1,636,204	1,636,204
Share premium		434	434
Capital contributions		22,772	22,772
Reserves		(4,181,606)	(3,586,074)
Retained earnings		7,677,803	9,298,013
Total equity attributable to equity holders of Turkcell Iletisim Hizmetleri AS		5,155,607	7,371,349
Non-controlling interests		(202,982)	(165,068)
Total equity		4,952,625	7,206,281

Liabilities			
Loans and borrowings	17	210,606	538,128
Employee benefits		39,413	41,519
Provisions		106,431	120,051
Other non-current liabilities		132,310	133,490
Deferred tax liabilities		12,449	26,009
Total non-current liabilities		501,209	859,197
Loans and borrowings	17	1,370,729	1,056,808
Income taxes payable		91,547	66,749
Trade and other payables		767,930	891,424
Due to related parties	21	1,407,432	10,624
Deferred income		58,892	70,906
Provisions		35,802	55,878
Total current liabilities		3,732,332	2,152,389
Total liabilities		4,233,541	3,011,586
Total equity and liabilities		9,186,166	10,217,867

The notes on page 7 to 89 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 PROFIT OR LOSS

For the three months ended 31 March 2015

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

	Note	Three months ended 31 March 2015	2014
Revenue		1,209,909	1,284,021
Direct costs of revenue		(743,035)	(783,556)
Gross profit		466,874	500,465
Other income		6,952	3,891
Selling and marketing expenses		(193,293)	(217,083)
Administrative expenses		(57,232)	(63,910)
Other expenses		(27,983)	(5,491)
Results from operating activities		195,318	217,872
Finance income	7	102,563	111,714
Finance expense	7	(310,446)	(246,551)
Net finance income / (expense)		(207,883)	(134,837)
Monetary gain		-	29,447
Share of profit of equity accounted investees		38,254	33,119
Profit before income tax		25,689	145,601
Income tax expense	8	(95,230)	(72,156)
(Loss) / Profit for the period		(69,541)	73,445
Profit / (loss) attributable to:			
Owners of Turkcell Iletisim Hizmetleri AS		48,081	162,853
Non-controlling interest		(117,622)	(89,408)
(Loss) / Profit for the period		(69,541)	73,445
Basic and diluted earnings per share (in full USD)	16	0.02	0.07

The notes on page 7 to 88 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 2015

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

	Three months ended 31 March	
	2015	2014
(Loss) / Profit for the period	(69,541)	73,445
Other comprehensive income / (expense):		
Items that will not be reclassified to profit or loss:		
Foreign currency translation differences	(757,406)	(175,920)
Actuarial loss arising from employee benefits	(380)	(537)
Tax effect of actuarial loss from employee benefits	60	83
	(757,726)	(176,374)
Items that will or may be reclassified subsequently to profit or loss:		
Change in cash flow hedge reserve	210	176
Foreign currency translation differences	168,066	78,516
Share of foreign currency translation differences of the equity accounted investees	(148,320)	(18,875)
Tax effect of foreign currency translation differences	3,019	944
	22,975	60,761
Other comprehensive expense for the period, net of income tax	(734,751)	(115,613)
Total comprehensive income / (expense) for the period	(804,292)	(42,168)
Total comprehensive income / (expense) attributable to:		
Owners of Turkcell Iletisim Hizmetleri AS	(767,782)	517
Non-controlling interests	(36,510)	(42,685)
Total comprehensive (expense) for the period	(804,292)	(42,168)

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The notes on page 7 to 88 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 CHANGES IN EQUITY

For the three months ended 31 March 2015

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

	Attributable to equity holders of the Company									
	Share Capital	Capital Contribution	Share Premium	Legal Reserves	Cash Flow Hedge Reserves	Reserve for Non-Controlling Interest Put Option	Translation Reserve	Retained Earnings	Total	Non-Con Inter
Balance at 1 January 2014	1,636,204	22,772	434	537,664	(848)	(357,063)	(3,285,187)	8,435,045	6,989,021	(85,0
Total comprehensive income/(expense)										
Profit/(loss) for the period	-	-	-	-	-	-	-	162,853	162,853	(89,4
Other comprehensive income/(expense)										
Foreign currency translation differences, net of tax	-	-	-	-	-	(1,713)	(160,345)	-	(162,058)	46,72
Defined benefit plan actuarial losses	-	-	-	-	-	-		(454)	(454)	-
Change in cash flow hedge reserve	-	-	-	-	176	-		-	176	-
Total other comprehensive income/(expense)	-	-	-	-	176	(1,713)	(160,345)	(454)	(162,336)	46,72
Total comprehensive income/(expense)	-	-	-	-	176	(1,713)	(160,345)	162,399	517	(42,6
Dividend	-	-	-	-	-	-	-	-	-	(154
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	6
Balance at 31 March 2014	1,636,204	22,772	434	537,664	(672)	(358,776)	(3,445,532)	8,597,444	6,989,538	(127,
Total comprehensive										

income/(expense)										
Profit / (loss) for the period	-	-	-	-	-	-	-	702,071	702,071	(104,
Other comprehensive income/(expense)										
Foreign currency translation differences, net of tax	-	-	-	-	-	(3,669)	(350,831)	-	(354,500)	69,72
Defined benefit plan actuarial losses	-	-	-	-	-	-	-	182	182	-
Change in cash flow hedge reserve	-	-	-	-	362	-	-	-	362	-
Total other comprehensive income/(expense), net of tax	-	-	-	-	362	(3,669)	(350,831)	182	(353,956)	69,72
Total comprehensive income/(expense)	-	-	-	-	362	(3,669)	(350,831)	702,253	348,115	(35,2
Dividend	-	-	-	-	-	-	-	-	-	(3,61
Net change in fair value of minority put option	-	-	-	-	-	35,380	-	-	35,380	-
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(38
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(1,684)	(1,684)	1,684
Balance at 31 December 2014	1,636,204	22,772	434	537,664	(310)	(327,065)	(3,796,363)	9,298,013	7,371,349	(165,
Balance at 1 January 2015	1,636,204	22,772	434	537,664	(310)	(327,065)	(3,796,363)	9,298,013	7,371,349	(165,
Total comprehensive income/(expense)										
Profit/(loss) for the period	-	-	-	-	-	-	-	48,081	48,081	(117,
Other comprehensive income/(expense)										
Foreign currency translation differences, net of tax	-	-	-	-	-	(6,944)	(808,809)	-	(815,753)	81,11
Defined benefit plan actuarial	-	-	-	-	-	-	-	(320)	(320)	-

losses										
Change in cash flow hedge reserve	-	-	-	-	210	-	-	-	210	-
Total other comprehensive income/(expense)	-	-	-	-	210	(6,944)	(808,809)	(320)	(815,863)	81,11
Total comprehensive income/(expense)	-	-	-	-	210	(6,944)	(808,809)	47,761	(767,782)	(36,5
Transfer to legal reserves	-	-	-	132,068	-	-	-	(132,068)	-	-
Dividend (Note 15)	-	-	-	-	-	-	-	(1,535,903)	(1,535,903)	(1,40
Net change in fair value of minority put option	-	-	-	-	-	87,943	-	-	87,943	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2015	1,636,204	22,772	434	669,732	(100)	(246,066)	(4,605,172)	7,677,803	5,155,607	(202,

The notes on page 7 to 88 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 2015

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

		Three months 31 March	
	Note	2015	2014
Cash flows from operating activities			
Profit for the period		(69,541)	73,445
Adjustments for:			
Depreciation and impairment of fixed assets and investment property	9	109,392	127,878
Amortization of intangible assets	10	50,863	51,876
Net finance income		(90,840)	(92,342)
Income tax expense		95,230	72,156
Share of profit of equity accounted investees	11	(38,254)	(33,119)
Gain on sale of property, plant and equipment		(877)	(606)
Unrealised foreign exchange and monetary gains / losses		166,508	198,517
Allowance for trade receivables and due from related parties	18	19,233	19,145
Change in deferred income and other provisions		18,470	(9,003)
		260,184	407,947
Change in trade receivables	12	(116,759)	(79,820)
Change in due from related parties	21	(5,834)	(847)
Change in inventories		(55)	2,386
Change in other current assets	13	(167,123)	(208,401)
Change in other non-current assets		(9,988)	5,343
Change in due to related parties	21	(1,951)	7,894
Change in trade and other payables		(137,765)	(83,432)
Change in other non-current liabilities		1,958	3,569
Change in employee benefits		2,148	2,705
Change in provisions		(32,121)	(47,448)
		(207,306)	9,896
Interest paid		(5,505)	(12,474)
Income tax paid		(77,003)	(75,349)
Net cash used in operating activities		(289,814)	(77,927)
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(109,067)	(117,039)
Acquisition of intangible assets	10	(178,090)	(36,801)
Proceeds from sale of property, plant and equipment		1,384	1,215
Proceeds from currency option contracts		244	527
Payment of currency option contracts premium		-	(15)
Acquisition of financial assets		-	(9,476)
Proceeds from sale of financial asset		5,123	-
Interest received		97,928	104,880

Advances paid for acquisition for property, plant and equipment		(8,299)	-
Net cash (used in) investing activities		(190,777)	(56,709)
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings		608,945	575,486
Repayment of borrowings		(591,858)	(528,301)
Change in non-controlling interest		-	6
Dividends paid		(1,404)	(154)
Increase in cash collateral related to loans		(50,000)	-
Net cash (used in) / generated by financing activities		(34,317)	47,037
Net (decrease) in cash and cash equivalents		(514,908)	(87,599)
Cash and cash equivalents at 1 January	14	3,894,898	3,808,471
Effects of foreign exchange rate fluctuations on cash and cash equivalents		(248,493)	(72,567)
Cash and cash equivalents at 31 March	14	3,131,497	3,648,305

The notes on page 7 to 88 are an integral part of these 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 2015
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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 2015
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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 address of the Company's registered office is Turkcell Plaza, Mesrutiyet Caddesi No: 71, 34430 Tepebasi/Istanbul. It is engaged 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 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in one associate.

The consolidated financial statements of the Company as at and for the year ended 31 December 2014 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

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 2014 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 2015 and the restatement of segment information (Note 5).

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

The consolidated financial statements are presented in US Dollars ("USD" or "$"), rounded to the nearest thousand. Moreover, all financial information expressed in Turkish Lira ("TL"), Euro ("EUR") and Ukrainian Hryvnia ("UAH") and Belarusian Ruble ("BYR") has been rounded to the nearest thousand. The functional currency of the Company and its consolidated subsidiaries located in Turkey and Turkish Republic of Northern Cyprus is TL. The functional currency of Euroasia Telecommunications Holding BV ("Euroasia") and Financell BV ("Financell") is USD. The functional currency of Eastasian Consortium BV ("Eastasia"), Beltur Coöperatief UA, and Turkcell Europe is EUR. The functional currency of LLC Astelit ("Astelit"), LLC Global Bilgi ("Global LLC") and UkrTower LLC ("UkrTower") is UAH. The functional currency of Belarusian Telecommunication Network ("Belarusian Telecom") and LLC Lifetech is BYR. The functional currency of Azerinteltek QSC ("Azerinteltek") is Azerbaijan Manat.

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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 2014.

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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 2015
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

2. Basis of preparation

The Group's audited consolidated financial statements prepared as at and for the years ended 31 December 2010, 2011, 2012, 2013 and 2014 were approved by the General Assembly on 26 March 2015.

The Group's condensed interim consolidated financial statements as at and for the period ended 31 March 2015 were approved by the Board of Directors on 29 April 2015.

The Company selected the presentation form of "function of expense" for the statement of comprehensive income in accordance with IAS 1 "Presentation of Financial Statements".

3.Significant accounting policies

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.

b) New and Revised International Financial Reporting Standards

(i) Amendments to IFRSs affecting amounts reported and/or disclosures in the financial statements

None.

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

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions 1
Annual Improvements to 2010-2012 Cycle	IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24 1
Annual Improvements to 2011-2013 Cycle	IFRS 1, IFRS 3, IFRS 13, IAS 40 1

1 Effective for annual periods beginning on or after 1 July 2014.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to 2010-2012 Cycle

IFRS 2: Amends the definitions of ‘vesting condition’ and ‘market condition’ and adds definitions for ‘performance condition’ and ‘service condition’.

IFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

IFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

IFRS 13: Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

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 2015
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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 consolidated financial statements (continued)

IAS 16 and IAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

IAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011-2013 Cycle

IFRS 1: Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

IFRS 3: Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13: Clarify the scope of the portfolio exception in paragraph 52.

IAS 40: Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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

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

IFRS 9	Financial Instruments 4
IFRS 14	Regulatory Deferral Accounts 1
Amendments to IFRS 11	Accounting for Acquisition of Interests in Joint operations 1
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation 1
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants 1
IFRS 15	Revenue from Contracts with Customers 3
Amendments to IAS 27	Equity Method in Separate Financial Statements 1
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 1
Annual Improvements to 2012-2014 Cycle	IFRS 5, IFRS 7, IAS 9, IAS 34 2
Amendments to IAS 1	Disclosure Initiative 1
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception 1

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 July 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

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 2015
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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

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, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income ("FVTOCI") measurement category for certain simple debt instruments.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

IFRS 14 was issued by the IASB on 30 January 2014 and is applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016.

Amendments to IFRS 11 Accounting for Acquisition of Interests in Joint operations

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11,
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment

- introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

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 2015
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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)

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

This amendment include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of IAS 41.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts,
- Recognise revenue when the entity satisfies a performance obligation.

Amendments to IAS 27 Equity Method in Separate Financial Statements

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Annual Improvements 2012-2014 Cycle

IFRS 5: Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 9: Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

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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 (continued)

Amendments to IAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The Group evaluates the effects of these standards on the consolidated financial statements.

4. Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty

Belarus

Belarusian economy grew by 1.6% in 2014 in line with expectations. As of March 2015, market expectations for 2015 GDP signaled contraction of 2-2.5% in economy; due to lack of improvement in economic activity in Russia. National Bank of the Republic of Belarus (NBRB) devaluated BYR and raised its refinancing rate to 25% in January 2015 with worsening outlook for Russian economy which had been under pressure due to worsening Ukraine-Russia relations and declining oil prices. Tight monetary policy is still seen necessary because of weak domestic demand and worries on level of foreign exchange rate.

BYR depreciated against US Dollars by 25% through 2014 and another 24% in the first quarter of 2015. Foreign exchange reserves, which have been at their lowest level since 2011 crisis, decreased by another USD 535 thousand since 2014 year end to USD 2.3 million. Belarus was successful at repaying its USD 2.4 million foreign debt in 2014 via the loans obtained from Russia. In 2015, Belarus is required to repay more than USD 4.0 million for internal and external public liabilities.

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4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Belarus (continued)

Annual inflation in March 2015 is 16.2% the same as in December 2014. In spite of the devaluation in BYR since 2014, inflationary pressures are expected to ease over the medium term.

The three-year cumulative inflation at the end of 2011 was 153% primarily influenced by the high inflation of 109% experienced in 2011. As the cumulative inflation in the last three years exceeded 100%, Belarus was considered a hyperinflationary economy at the end of 2011. In this context, IAS 29 “Financial Reporting in Hyperinflationary Economies” was being applied by subsidiaries operating in Belarus in financial statements starting from their annual financial statements for the year ending 31 December 2011. However, decrease in inflation rate in subsequent years led the three-year cumulative rate as of the end of 2014 to decrease to 65%. Accordingly, the economy of Belarus was considered to transit out of hyperinflationary status and 2015 is determined to be appropriate to cease applying IAS 29. Therefore, subsidiaries operating in Belarus ceased applying IAS 29 in 2015.

Ukraine

The military conflict that started after the annexation of Crimea by Russia has stabilized with cease-fire agreed in February 2015 but the economic struggle still continues for Ukraine.

As of 31 December 2014, Astelit has impaired its assets in Crimea region amounting to $8,027. The risk of further annexations of Luhansk and Donetsk regions still remain as a possibility. As of 31 March 2015, the net book value of non-current assets of the Group located in Donetsk and Luhansk amounts to $9,125 and $1,477 respectively (31 December 2014: $14,437 and $2,369 respectively).

2014 GDP has contracted by 6.8%. Expectations still show recession by 5.5% for the economy in 2015. Inflation has reached 45.8% as of March 2015. 2015 year end inflation is expected at 35-40% due to rising food and energy prices and devaluation of local currency.

IMF approved aid package of USD 40 million with 4 years maturity on its meeting held on 11 March 2015. USD 17.5 million will come from IMF and the rest will be provided through aids from EU, US and international organizations like World Bank. IMF will disburse first tranche of USD 10 million in first year and the rest will be released based on quarterly reviews. The local currency has stabilized with IMF agreement and National Bank of Ukraine`s (“NBU”) restrictions on foreign exchange market. In order to comply with IMF aid agreement, NBU introduced free float foreign exchange rate regime as well. With the correction after the aid agreement, devaluation of the local currency has declined to 49% from 62% in year-end 2014 and foreign exchange rate stood at 23.44 as of 31 March 2015.

With the first tranche of IMF aid of USD 5 million, foreign exchange reserves has increased to USD 10 million from record low level of USD 5.6 million in March 2015. Ukraine aims to finalize debt restructuring negotiations with foreign creditors by end of June 2015.

In order to stop depreciation of UAH which lost 97% of its value through 2014, National Bank of Ukraine raised its refinancing rates; to 9.5% from 6.5% in 15 April 2014, to 12.5% from 9.5% in 18 July 2014, to 14% from 12.5% in November 2014, to 19.5% from 14% in 6 February 2015 and, lastly to highest policy rate in the World, 30% in 2 March 2015.

Depreciation in UAH is expected to be limited with the positive effects of IMF aid package coupled with the diplomatic negotiations with Russia and pro-Russian separatists which will support growth through decreasing risk premiums.

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4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Ukraine (continued)

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

Consequently, the subsidiaries operating within Belarus and Ukraine may subject to 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 consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries operating in Belarus and Ukraine. The future economic situation of Belarus and Ukraine might differ from the Group's expectations. As of 31 March 2015, 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.

5. Operating Segments

Starting from 2015, the Group has changed its reportable segments which are based on the dominant source and nature of the Group's risk and returns as well as the Group's new internal reporting structure. Prior year corresponding information has been also restated in the current period according to the new reportable segments.

Some of 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 has aggregated its operations under two main reportable segments in accordance with its integrated communication and technology services strategy as Turkcell Turkey and Turkcell International which represent economical integrity. Turkcell Turkey reportable segment includes the operations of Turkcell, Turkcell Superonline, Turkcell Satis ve Dagitim Hizmetleri AS, Global Bilgi Pazarlama Danisma ve Cagri Servisi Hizmetleri AS, Turktell Bilisim Servisleri AS, Turkcell Teknoloji Arastirma ve Gelistirme AS, Turkcell Interaktif Dijital Platform ve Icerik Hizmetleri AS, Kule Hizmet ve Isletmecilik AS, Rehberlik Hizmetleri Servisi AS, Global Odeme Hizmetleri AS and Turkcell Gayrimenkul Hizmetleri AS. Turkcell International reportable segment includes the operations of Kibris Telekom, Eastasia, Euroasia, Astelit, Beltur Coöperatief U.A., Beltel, Belarusian Telecom, UkrTower, Global LLC, Turkcell Europe, Lifetech LLC and Fintur Holdings BV. Other reportable segment mainly comprises from the betting businesses in Turkey and Azerbaijan.

Segment reporting of revenue has been revised to reflect the focus of the Group Management in marketing and sales around consumer and corporate customer groups.

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 Turkey		Turkcell International		Other		Intersegment Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	20
Consumer segment revenue	862,128	867,883	-	-	-	-	-	-	862,128	867,88
Corporate segment revenue	215,998	218,795	-	-	-	-	-	-	215,998	218,79
Other Turkcell Turkey revenue	23,049	25,929	-	-	-	-	-	-	23,049	25,929
Turkcell International revenue	-	-	78,357	140,120	-	-	-	-	78,357	140,12
Other revenue	-	-	-	-	32,517	34,597	-	-	32,517	34,597
Eliminations	-	-	-	-	-	-	(2,140)	(3,303)	(2,140)	(3,303
Total Revenue	1,101,175	1,112,607	78,357	140,120	32,517	34,597	(2,140)	(3,303)	1,209,909	1,284,(
Contributon to consolidated revenue*	1,099,989	1,110,188	77,405	139,249	32,515	34,584	-	-	1,209,909	1,284,(
Reportable segment adjusted EBITDA	337,692	346,229	21,567	36,294	17,268	16,674	77	29	376,604	399,22
Finance income	101,975	109,682	2,064	1,980	14,405	15,928	(15,881)	(15,876)	102,563	111,71
Finance cost	124,093	(3,278)	(451,382)	(257,777)	(6,354)	(10,247)	23,197	24,751	(310,446)	(246,5:
Monetary gain	-	-	-	29,447	-	-	-	-	-	29,447
Depreciation and amortization	(142,326)	(142,796)	(17,005)	(36,042)	(946)	(936)	22	20	(160,255)	(179,7:

Share of profit of equity accounted investees	-	-	38,254	33,119	-	-	-	-	38,254	33,119
Capital expenditure	131,750	144,172	156,479	10,524	1,213	734	(12)	-	289,430	155,43
Bad debt expense	(18,223)	(17,431)	(1,010)	(1,714)	-	-	-	-	(19,233)	(19,14

(*) "Contribution to the consolidated revenue" represents operating segments' revenues from companies other than those included in the consolidated financial statements. Group management monitors financial performance of the segments based on their separate financial statements. Contribution of operating segments on the Group's revenue is presented to give additional information to the readers of the financial statements.

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5. Operating segments (continued)

	As at 31 March 2015 and 31 December 2014									
	Turkcell Turkey		Turkcell International		Other		Intersegment Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Reportable segment assets	5,284,343	5,518,524	481,972	454,502	19,131	18,021	(2,740)	(3,491)	5,782,706	5,987,556
Investment in associates	-	-	231,736	287,869	-	-	-	-	231,736	287,869
Reportable segment liabilities	858,728	1,087,378	151,590	189,367	39,344	50,693	(2,457)	(3,183)	1,047,205	1,324,255

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5. Operating segments (continued)

	Three months ended 31 March 2015	2014
Turkcell Turkey adjusted EBITDA	337,692	346,229
Turkcell International adjusted EBITDA	21,567	36,294
Other	17,268	16,674
Intersegment eliminations	77	29
Consolidated adjusted EBITDA	376,604	399,226
Finance income	102,563	111,714
Finance costs	(310,446)	(246,551)
Monetary gain	-	29,447
Other income	6,952	3,891
Other expenses	(27,983)	(5,491)
Share of profit of equity accounted investees	38,254	33,119
Depreciation and amortization	(160,255)	(179,754)
Consolidated profit before income tax	25,689	145,601
Income tax expense	(95,230)	(72,156)
Profit for the period	(69,541)	73,445

Assets	31 March 2015	31 December 2014
Total assets for reportable segments	5,766,315	5,973,026
Other assets	19,131	18,021
Intersegment eliminations	(2,740)	(3,491)
Investments in equity accounted investees	231,736	287,869
Other unallocated assets	3,171,724	3,942,442
Consolidated total assets	9,186,166	10,217,867

Liabilities	31 March 2015	31 December 2014
Total liabilities for reportable segments	1,010,318	1,276,745
Other liabilities	39,344	50,693
Intersegment eliminations	(2,457)	(3,183)

Other unallocated liabilities	3,186,336	1,687,331
Consolidated total liabilities	4,233,541	3,011,586

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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.

	Three months ended 31 March	
Revenues	2015	2014
Turkey	1,114,323	1,123,163
Ukraine	51,825	99,354
Belarus	12,133	18,192
Turkish Republic of Northern Cyprus	12,354	14,638
Azerbaijan	18,017	21,634
Germany	1,257	7,040
	1,209,909	1,284,021

Non-current assets	31 March 2015	31 December 2014
Turkey	3,385,098	3,779,525
Ukraine	286,917	212,014
Belarus	96,296	124,565
Turkish Republic of Northern Cyprus	38,497	44,877
Azerbaijan	4,664	4,609
Germany	-	46
Unallocated non-current assets	255,181	313,429
	4,066,653	4,479,065

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 Information Technologies and Communications Authority (“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.

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7. Finance income and expense

Net finance income or cost amounts to $(207,883) and $(134,837) for the three months ended 31 March 2015 and 2014, respectively.

The foreign exchange income amounting to $147,699 and $9,167 have been presented on net basis with foreign exchange losses for the periods ended 31 March 2015 and 2014, respectively. Net foreign exchange loss is mainly attributable to the foreign exchange losses in Belarusian Telecom operating in Belarus amounting to $143,933 and $22,224 and in Astelit operating in Ukraine amounting to $270,491 and $206,778 for the periods ended 31 March 2015 and 2014, respectively.

8. Income tax expense

Effective tax rates are 371% and 50% for the three months ended 31 March 2015 and 2014, respectively.

Since it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits of Astelit and Belarusian Telecom can be utilized, no deferred tax asset is recognized on any loss incurred as a result of Ukraine and Belarus.

When these effects of unused tax losses of Astelit and Belarusian Telecom are excluded, the effective tax rates are 20% and 19% for the three months ended 31 March 2015 and 2014, respectively.

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9. Property, plant and equipment

Cost or deemed cost	Balance as at 1 January 2015	Additions	Disposals	Transfers	Impairment	Effect of movements in exchange rates	Balance as at 31 March 2015
Network infrastructure (All operational)	4,708,599	14,182	(2,744)	45,017	-	(661,701)	4,103,353
Land and buildings	222,831	487	-	75	-	(26,749)	196,644
Equipment, fixtures and fittings	243,403	708	(479)	118	-	(31,014)	212,736
Motor vehicles	15,441	-	(422)	-	-	(2,007)	13,012
Leasehold improvements	98,551	911	-	-	-	(11,513)	87,949
Construction in progress	191,556	95,396	-	(45,178)	-	(25,891)	215,883
Total	5,480,381	111,684	(3,645)	32	-	(758,875)	4,829,577
Accumulated depreciation							
Network infrastructure (All operational)	2,544,426	100,844	(2,467)	-	714	(385,561)	2,257,956
Land and buildings	99,635	1,928	-	-	-	(12,186)	89,377
Equipment, fixtures and fittings	196,688	4,693	(332)	-	-	(25,608)	175,441
Motor vehicles	12,771	360	(357)	-	-	(1,610)	11,164
Leasehold improvements	85,314	799	-	-	-	(10,032)	76,081
Total	2,938,834	108,624	(3,156)	-	714	(434,997)	2,610,019
Total property, plant and equipment	2,541,547	3,060	(489)	32	(714)	(323,878)	2,219,558

Depreciation expenses for the periods ended 31 March 2015 and 2014 are $109,338 and $127,813 respectively including impairment losses and recognized in direct cost of revenues.

The impairment losses on property, plant and equipment for the periods ended 31 March 2015 and 2014 are $714 and $2,350 respectively and recognized in depreciation expense.

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9. Property, plant and equipment (continued)

Cost or deemed cost	Balance as at 1 January 2014	Additions	Disposals	Transfers	Impairment	Acquisitions through business combinations	Effect of movements in exchange rates and hyperinflation	Balance as at 31 December 2014
Network infrastructure (All operational)	5,214,435	99,451	(363,445)	542,406	-	4,879	(789,127)	4,708,599
Land and buildings	237,132	10,968	-	35	-	-	(25,304)	222,831
Equipment, fixtures and fittings	247,806	23,012	(3,955)	1,022	-	282	(24,764)	243,403
Motor vehicles	16,441	988	(644)	91	-	-	(1,435)	15,441
Leasehold improvements	109,397	1,805	(2,770)	189	-	-	(10,070)	98,551
Construction in progress	248,083	539,916	(1,558)	(557,532)	(974)	364	(36,743)	191,556
Total	6,073,294	676,140	(372,372)	(13,789)	(974)	5,525	(887,443)	5,480,381
Accumulated depreciation								
Network infrastructure (All operational)	2,914,030	456,747	(358,689)	-	37,275	-	(504,937)	2,544,426
Land and buildings	101,857	8,315	-	-	-	-	(10,537)	99,635
Equipment, fixtures and fittings	205,910	16,304	(3,642)	-	23	-	(21,907)	196,688
Motor vehicles	12,731	1,745	(604)	-	10	-	(1,111)	12,771
Leasehold improvements	90,953	5,044	(2,312)	-	7	-	(8,378)	85,314
Total	3,325,481	488,155	(365,247)	-	37,315	-	(546,870)	2,938,834
Total property, plant and equipment	2,747,813	187,985	(7,125)	(13,789)	(38,289)	5,525	(340,573)	2,541,547

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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 in Astelit were tested as at 31 March 2015 and other long-lived assets in Turkcell Superonline and Best were tested for impairment as at 31 December 2014.

Astelit

Long-lived assets of Astelit were tested for impairment as at 31 March 2015. Independent appraisals was obtained to determine recoverable amount for Astelit. 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 March 2015, 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 26.2% post-tax discount rate in UAH for 2015 to 2020, a 25.5% post-tax discount rate in UAH for after 2020 and a 5.0% terminal growth rate were used to extrapolate cash flows beyond the 6-year forecasts based on the business plans (31 December 2014: 22.1% post-tax discount rate in USD for 2015 to 2019, 21.3% post-tax discount rate in USD for after 2019 and 2.1% terminal growth rate). The pre-tax rate in UAH for disclosure purposes was 27.6% (31 December 2014: 23.3% in USD).

Belarusian Telecom

Independent appraisal was obtained to perform impairment test for Belarusian Telecom as at 31 December 2014 and after tax impairment in the amount of $15,044 was calculated for the cash-generating unit, allocated to the fixed assets on a pro-rata basis based on the carrying amount of each asset and included in depreciation expense. Tax effect of the long-lived asset impairment of $861 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.

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10. Intangible assets (continued)

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 Turkcell Superonline as at 31 December 2014, the date of the goodwill impairment test.

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 adjusted 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.

Turkcell Superonline

As at 31 December 2014, the aggregate carrying amount of goodwill allocated to Turkcell Superonline is $14,159. 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 2014.

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10. Intangible assets (continued)

Cost	Balance at 1 January 2015	Additions	Disposals	Transfers	Effects of movements in exchange rates	Balance at 31 March 2015
GSM and other telecommunication operating licenses	1,006,866	433	(5,327)	143,523	(120,151)	1,025,344
Computer software	2,039,956	26,826	(31)	7,186	(240,688)	1,833,249
Transmission lines	27,077	-	-	-	(3,012)	24,065
Central betting system operating right	5,070	-	-	-	(565)	4,505
Indefeasible right of usage	18,169	-	-	-	(2,027)	16,142
Brand name	3,035	-	-	-	(338)	2,697
Customer base	6,693	-	-	-	(747)	5,946
Goodwill	14,159	-	-	-	(1,580)	12,579
Other	9,647	139	-	28	(1,697)	8,117
Construction in progress	1,472	150,692	-	(150,769)	(457)	938
Total	3,132,144	178,090	(5,358)	(32)	(371,262)	2,933,582
Accumulated amortization						
GSM and other telecommunication operating licenses	574,726	10,011	(5,327)	-	(66,418)	512,992
Computer software	1,463,474	39,422	(13)	-	(173,904)	1,328,979
Transmission lines	20,928	90	-	-	(2,331)	18,687
Central betting system operating right	3,789	84	-	-	(428)	3,445
Indefeasible right of usage	5,413	295	-	-	(621)	5,087
Brand name	1,897	72	-	-	(216)	1,753
Customer base	3,751	144	-	-	(427)	3,468
Other	2,755	745	-	-	(474)	3,026
Total	2,076,733	50,863	(5,340)	-	(244,819)	1,877,437
Total intangible assets	1,055,411	127,227	(18)	(32)	(126,443)	1,056,145

Amortization expenses on intangible assets other than goodwill for the three months ended 31 March 2015 and 2014 and are $50,863 and $51,876 respectively including impairment losses and are recognized in direct cost of revenues.

The impairment losses on intangible assets for the three months ended 31 March 2015 and 2014 are nil and $419 respectively and recognized in depreciation expense included 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 $10,872 for the three months ended 31 March 2015 (31 March 2014: $6,234).

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10. Intangible assets (continued)

Cost	Balance at 1 January 2014	Additions	Disposals	Transfers	Impairment	Acquisitions through business combinations	Effects of movements in exchange rates and hyperinflation	Balance at 31 December 2014
GSM and other telecommunication operating licenses	1,112,175	5,014	(529)	3,191			(112,985)	1,006,866
Computer software	1,988,791	170,770	(771)	68,787	-	67	(187,688)	2,039,956
Transmission lines	24,398	4,672	-	-	-	-	(1,993)	27,077
Central betting system operating right	5,372	261	-	-	-	-	(563)	5,070
Indefeasible right of usage (*)	18,488	1,049	(39)	-	-	-	(1,329)	18,169
Brand name	3,298	-	-	-	-	-	(263)	3,035
Customer base	6,758	-	-	-	-	501	(566)	6,693
Goodwill	15,384	-	-	-	-	-	(1,225)	14,159
Other	2,603	3,108	-	4,598	-	-	(662)	9,647
Construction in progress	1,321	63,470	-	(62,787)	-	-	(532)	1,472
Total	3,178,588	248,344	(1,339)	13,789	-	568	(307,806)	3,132,144
Accumulated amortization								
GSM and other telecommunication operating licenses	590,110	48,451	(529)	-	4,522	-	(67,828)	574,726
Computer software	1,444,651	161,988	(168)	(325)	428	-	(143,100)	1,463,474
Transmission lines	22,380	404	-	-	-	-	(1,856)	20,928
Central betting system operating right	3,892	364	-	-	-	-	(467)	3,789
Indefeasible right of usage	4,406	1,293	-	-	-	-	(286)	5,413
Brand name	1,731	322	-	-	-	-	(156)	1,897
Customer base	3,434	627	-	-	-	-	(310)	3,751
Other	1,113	1,531	-	325	-	-	(214)	2,755

Total	2,071,717	214,980	(697)	-	4,950	-	(214,217)	2,076,733
Total intangible assets	1,106,871	33,364	(642)	13,789	(4,950)	568	(93,589)	1,055,411

(*) The decrease resulted from the change in payment schedule of the indefeasible rights of use has been presented in disposals.

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10. Intangible assets (continued)

Astelit 3G License

3G License tender in Ukraine was held on 23 February 2015. Astelit submitted a bid of UAH 3,355,400 (equivalent to $143,132 as of 31 March 2015) and was awarded the first lot, which is the 1920 1935 / 2110 2125 MHz frequency band. Official notification was received from the National Commission for the State Regulation of Communications and Informatization ("NCCIR") on 2 March 2015 and the license payment was made in March 2015. The cost of 3G license has been presented in GSM and other telecommunication operating licenses as of 31 March 2015.

11. Investments in equity accounted investees

The Group's share of profit in its equity accounted investees for the three months ended 31 March 2015 and 2014 is $38,254 and $33,119, respectively.

The Company's investment in Fintur Holdings BV ("Fintur") amounts to $231,736 as at 31 March 2015 (31 December 2014: $287,869).

In the General Assembly of Shareholders' Meeting of Fintur, it has been decided on 23 July 2014 to distribute dividend amounting to $112,000. The Company reduced the carrying value of investments in Fintur by the accrued dividend of $46,424 and this amount has been collected in July 2014.

Turkcell's whole stake in A-tel has been soldto Bereket Holding A.Ş. within the context of the Share Sale Agreement signed on 27 August 2014.

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12. Trade receivables and accrued income

	31 March 2015	31 December 2014
Undue assigned contracted receivables	801,199	788,571
Receivables from subscribers	443,959	474,834
Accounts and checks receivable	93,352	90,957
Accrued income	132,256	156,059
	1,470,766	1,510,421

Trade receivables are shown net of allowance for doubtful debts amounting to $296,576 as at 31 March 2015 (31 December 2014: $313,792). The change in allowance for trade receivables and due from related parties is disclosed in Note 18.

The undue assigned contracted receivables are the remaining portion of the assigned receivables from the distributors related to the handset campaigns which will be collected from subscribers in instalments by the Company. When monthly installment is invoiced to the subscriber, related portion is transferred to “receivables from subscribers”. The Company measures the undue assigned contracted receivables at amortized cost, bears the credit risk and recognizes interest income throughout the contract period.

The accrued income represents revenue accrued for subscriber calls (air-time) 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 revenue 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 $311,204 (31 December 2014: $336,334).

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

13. Other current assets

	31 March 2015	31 December 2014
Prepaid expenses	256,191	98,667
Amounts to be received from Ministry of Transport, Maritime Affairs and Communications	66,557	75,457
Prepayment for subscriber acquisition cost	35,593	36,789
Advances to suppliers	15,241	17,608
Special communication tax to be collected from subscribers	13,219	15,474

Interest income accruals	10,933	10,226
VAT receivable	4,480	7,260
Receivables from personnel	2,001	2,263
Restricted cash	50,000	-
Other	22,058	25,059
	476,273	288,803

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13. Other current assets (continued)

Prepaid expenses mainly comprises prepaid rent expenses and frequency usage fee.

The amount to be received from the Ministry of Transport, Maritime Affairs and Communications is related with the construction and operation of mobile communication infrastructure in rural areas ("Evrensel Project") as explained in Note 20.

As at 31 March 2015, restricted cash represents the amounts deposited at a bank as guarantees in connection with the loan utilized by Astelit related to the 3G tender process as detailed in Note 17.

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 2015	31 December 2014
Cash in hand	89	106
Cheques received	30	34
Banks	3,129,454	3,892,611
- Demand deposits	216,596	247,533
- Time deposits	2,912,858	3,645,078
Bonds and bills	1,924	2,147
Cash and cash equivalents in the statement of cash flows	3,131,497	3,894,898

As at 31 March 2015, 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 2014: $0.055).

As at 31 March 2015, the average maturity of time deposits is 32 days (31 December 2014: 67 days).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 18.

15. Dividends

On 25 March 2015, the Company's Board of Directors has proposed a dividend distribution for the year ended 31 December 2010, 2011, 2012, 2013 and 2014 amounting to TL 3,925,000 (equivalent to $1,535,903 as at 26 March 2015, date of Ordinary General Assembly Meeting), which represented 42.5% of distributable income. This represents a net cash dividend of full TL 1.784091 (equivalent to full $0.70 as at 26 March 2015, date of Ordinary General

Assembly Meeting) per share. This dividend proposal was discussed and approved at the Ordinary General Assembly of Shareholders held on 26 Mart 2015. The dividend was paid in three installments on 6 April, 8 April and 13 April 2015 to the shareholders.

Due to the seizure on all receivables of Cukurova Holding AS. including its dividend receivables as detailed in Note 21, dividend payables to Çukurova Holdings AS. was paid to SDIF.

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15. Dividends (continued)

In the Ordinary General Assembly of Shareholders' Meeting of Azerinteltek held on 25 February 2014, it had been decided to distribute dividends amounting to AZN 227 (equivalent to $216 as at 31 March 2015). The dividend was paid in two installments on 19 March 2014 and 27 March 2014 to the shareholders.

In the Ordinary General Assembly of Shareholders Meeting of Azerinteltek held on 25 February 2014, it has been decided to pay dividends to the Shareholders in proportion of their shares on interim basis in advance during 2014 financial year after fulfillment of liabilities arising from the Shareholder Agreement and payment of the current debts. According to the resolution of the General Assembly Meeting of the Company, on 17 April 2014 Azerinteltek's Board of Directors has decided to distribute the dividend accrued in the first quarter of 2014 financial year amounting to AZN 3,631 (equivalent to $3,462 as at 31 March 2015). Dividend payments have been completed as at 4 August 2014.

According to the resolution of the General Assembly Meeting of Azerinteltek, Azerinteltek's Board of Directors has decided to pay the dividend accrued in the second and third quarters of 2014 financial year amounting to AZN 2,146 (equivalent to $2.046 as at 31 March 2015) on 23 October 2014. Dividend payments have been completed as at 4 November 2014.

Furthermore, according to the resolution of the General Assembly Meeting of Azerinteltek, Azerinteltek's Board of Directors has decided on 22 January 2015 to pay the dividend accrued in the fourth quarter of 2014 financial year amounting to AZN 2,258 (equivalent to $2,153 as at 31 March 2015). Dividend payments have been completed as at 28 January 2015.

16. Earnings per share

The calculations of basic and diluted earnings per share as at 31 March 2015 and 2014 were based on the profit attributable to ordinary shareholders for the three months ended 31 March 2015 and 2014 of $48,081 and $162,853 respectively and a weighted average number of shares outstanding during these interim periods of 2,200,000,000 calculated as follows:

	Three months ended 31 March	
	2015	2014
Numerator:		
Net (loss)/ profit for the period attributed to owners	48,081	162,853
Denominator:		
Weighted average number of shares	2,200,000,000	2,200,000,000
Basic and diluted earnings per share	0.02	0.07

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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 2015	31 December 2014
Non-current liabilities		
Unsecured bank loans	195,674	519,570
Secured bank loans	2,473	3,013
Finance lease liabilities	12,459	15,545
	210,606	538,128
Current liabilities		
Unsecured bank loans	833,109	707,153
Current portion of unsecured bank loans	480,300	325,997
Current portion of secured bank loans	20,798	20,980
Secured bank loans	34,946	-
Current portion of finance lease liabilities	1,476	2,316
Option contracts used for hedging	100	362
	1,370,729	1,056,808

As at 31 March 2015, the due dates of bank loans amounting to USD 111,761 whose original last repayment dates were 2018 in accordance with the repayment schedule have been amended as 20 April 2015. These bank loans are reported as unsecured current bank loans in the condensed consolidated statement of financial position as at 31 March 2015.

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17. Loans and borrowings (continued)

Terms and conditions of outstanding loans are as follows:

				31 March 2015			31 December 2014		
	Currency	Year of maturity	Interest rate type	Nominal interest rate	Face value	Carrying amount	Nominal interest rate	Face value	Carrying amount
Unsecured bank loans	USD	2015-2017	Floating	Libor+0.7%-3.1%	1,233,662	1,237,764	Libor+0.7%-3.5%	1,224,162	1,226,770
Unsecured bank loans	USD	2015-2016	Fixed	2.4%-8.0%	75,866	87,205	2.4%-8.0%	110,348	121,246
Unsecured bank loans	TL	2015-2017	Fixed	8.3%-10.5%	181,672	184,114	8.3%-10.5%	204,494	204,704
Secured bank loans*	UAH	2015	Fixed	18.5%	34,552	34,946	-	-	-
Secured bank loans**	BYR	2020	Fixed	12%-16%	2,511	3,143	12-16%	3,260	4,106
Secured bank loans***	USD	2015	Floating	Libor+3.5%	17,834	20,128	Libor+3.5%	17,834	19,887
Finance lease liabilities	EUR	2015-2024	Fixed	3.4%	16,328	13,898	3.4%	20,771	17,545
Finance lease liabilities	USD	2015-2016	Fixed	5.0%-8.0%	54	37	0.7%-8.0%	356	316
					1,562,479	1,581,235		1,581,225	1,594,574

(*) Secured by the blocked deposit amounting to USD 50,000, in connection with the loan utilized for Astelit 3G license.

(**) Secured by Republic of Belarus Government.

(***) Secured by System Capital Management Limited ("SCM").

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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 (Astelit has executed partial payments, and as of 31 March 2015, Astelit's accrued obligations under its loans to Financell and Euroasia Telecommunications Holding BV ("ETH") is equal to a total of $632,683). As a consequence of Astelit's default, cross default clauses have been triggered on five loan agreements totaling $553,886 (currently decreased to $44,425 on two loan agreements following the Company's $150,000 guarantee payment and other principal payments) and waivers were obtained for the aforementioned loans before 31 March 2015. 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 ("SCM") together with a guarantee and indemnity given by SCM. Financell has rights to initiate legal proceedings arising out of pledges and guarantee under certain conditions. In addition to the Euroasia Loan and Financell Loans, as given above, Astelit has defaulted in one SCM loan agreement ("SCM Loan") currently totaling $43,037.

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 SCM has been established in favor of the Company. Upon payment of the guaranteed amount, the Company has the right to initiate legal proceedings arising out 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 two loan agreements) currently totaling $44,425. Since waivers for the defaults on Turkcell and Financell loans ("Loans") including any future non-payments of Astelit were received on 25 July 2012, the Loans have been classified according to the maturities of their respective borrowing agreements in the statement of financial positions as of 31 March 2015 and 31 December 2014. As no waiver has been received for the SCM Loan from SCM, this loan has been classified in current liabilities. Accordingly, as a result of event of default, SCM has a right to demand immediate loan repayment although have not requested any pledges in connection with this loan.

With respect to the amounts due to Financell, on 2 February 2012, 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 limited 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.

On 22 November 2014, Turkcell Board of Directors has issued a new resolution, in order to confirm Company's intention for the continuation of Company's guarantee to Financell related with Astelit financing, for an amount up to

$373,000 principal amount which is the principal obligations of Financell as of the date of the relevant resolution, plus interest and any other costs, expenses and fees that may accrue.

In addition, to comply with the 3G tender process requirement, Astelit utilized a loan of UAH 810,000 (equivalent to $34,552 as at 31 March 2015) in January and February 2015 with cash collateral from a local bank and paid the tender guarantee amount. Astelit is in the process of obtaining consents. The cash collateral provided by Turkcell in connection with this loan is amounting to USD 50,000 and recognised in other currents assets in the financial statements as at March 31, 2015.

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18. Financial instruments

Credit risk

Impairment losses

The change in allowance for trade receivables and due from related parties as at 31 March 2015 and 31 December 2014 is as follows:

	31 March 2015	31 December 2014
Opening balance	313,826	324,017
Impairment loss recognized	19,233	71,029
Acquisition through business combination	-	1,058
Effect of change in foreign exchange rate	(36,438)	(32,818)
Amounts written-off	-	(49,460)
Closing balance	296,621	313,826

The impairment loss recognized of $19,233 for the three months ended 31 March 2015 relates to its estimate of incurred losses in respect of trade receivables and due from related parties (31March 2014: $19,145).

Trade receivables and due from related parties are reserved in an allowance account until the Group can determine that the amounts are no longer collectible. When this becomes probable the Group reverses the allowance and writes-off the receivable.

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