Life with Turkcell

TURKCELL
ANNUAL REPORT **2009**

CONTENTS

OPERATIONAL AND FINANCIAL DATA SUMMARY

	2008	2009	Change %
Turkcell Turkey			
Total Subscribers (Million)	**37.0**	**35.4**	**(4.3)**
Post-paid Subscribers	7.5	9.4	25.3
Pre-paid Subscribers	29.5	26.0	(11.9)
Average Revenue per User (ARPU) Blended (TRY)	18.4	18.5	0.5
Churn Rate (%)	23.8	32.6	8.8 pp
Average Minutes of Usage (MoU) per Sub. Blended	95.9	134.3	40.0
Turkcell Group (TRY Million)			
Revenue	8,845	8,936	1.0
EBITDA	3,255	2,978	(8.5)
Net Profit	2,297	1,702	(25.9)

Note: The financial figures in this report are based on Consolidated IFRS financial statements in TRY.

OUR VISION

To ease and enrich the lives of our customers with leading communication and technological solutions.

STRATEGIC PRIORITIES

As a Leading Communication and Technology Company:

- To grow in our core mobile communication business through increased use of voice and data,
- To grow our existing international subsidiaries with a focus on long-term profitability,
- To grow in the fixed broadband business by creating synergy among Turkcell Group companies through our fiber optic infrastructure,
- To grow in the area of mobility, internet and convergence through new business opportunities,
- To grow in domestic and international markets through communications, technology and new business opportunities,
- To develop new service platforms that will enrich our relationship with our customers through our technical capabilities.

OUR VALUES

- We believe that customers come first
- We are an agile team
- We believe in open communication
- We are passionate about making a difference
- We value people

MESSAGE FROM THE CHAIRMAN

MEHMET EMİN KARAMEHMET, CHAIRMAN

THE LAUNCH OF 3G SERVICES IN JULY 2009 PROVIDED A FRESH IMPETUS TO THE MOBILE MARKET IN TURKEY. WE ARE VERY PLEASED AND PROUD OF PROVIDING THE BEST QUALITY 3G SERVICES, WHICH ARE WELL RECEIVED IN TURKEY. BASED ON OUR PERFORMANCE IN THE FIRST 6 MONTHS SINCE THE LAUNCH OF 3G, WE BELIEVE THAT THE REMARKABLE RESULTS ACHIEVED VALIDATE OUR COMMITMENT TO THIS UNIQUE TECHNOLOGICAL INNOVATION.

Despite the prolonged ripple effects of the worldwide economic downturn which gave rise to a sharp GDP contraction in Turkey, Turkcell has emerged unscathed from the crisis and concluded the year with net revenues of TRY8.9 billion, a modest 1% year-on-year increase, EBITDA of TRY3.0 billion and a net income of TRY1.7 billion.

In this challenging environment, Turkcell confronted the competitive pressure by adopting fast-track managerial steps, which helped in successfully strengthening our brand recognition in the Turkish market. As Turkey's leading communications and technology company, we demonstrated our commitment to advanced technology, introducing 3G to Turkey following exhaustive, strenuous efforts and enabled more people to experience Turkcell quality and exclusivity in the era of Mobile Number Portability. Our efforts have been instrumental in sustaining Turkcell's subscriber and revenue share.

2009: MARKED BY THE ECONOMIC CRISIS

Following the turmoil in the global markets which began in the last quarter of 2008, the global economy has at last started to show signs of positive growth since the second half of 2009, in response to the bailout measures that have been implemented. Although the recovery is expected to occur at a slow pace, a better macroeconomic and operational environment is expected in 2010. The IMF expects real economic activity to rebound and the world output growth rate to be at 4% in 2010.

In the CIS region, where Turkcell operates, the global economic crisis prompted a rapid deterioration in economic conditions. However a modest growth is expected despite the difficult market conditions in 2010.

Classified as being the world's 16th biggest economy, Turkey, which has seen GDP contraction by 4.7% in 2009, is still considered by investors as a country with superior growth potential amongst the emerging economies.

A TOUGH YEAR FOR THE TELECOMS SECTOR; TURKCELL MAINTAINS ITS LEADING POSITION

While the macroeconomic conditions presented a significant challenge for the sector, the irrational competitive behavior and the Authority's decisions to reduce mobile termination rates and to intervene in pricing in April 2009 resulted in a contraction in profitability across the sector.

Throughout 2009, our Turkish mobile operations experienced an erosion in profitability. This was mainly attributable to the fiercest-ever competition, accelerated by the launch of unlimited flat rate offers following the implementation of Mobile Number Portability, which also led to a decline in multiple SIM Card usage, decreasing the mobile line penetration rate to 88% from 92% a year ago.

INNOVATION, DIVERSITY AND SUCCESS

The launch of 3G services in July 2009 provided a fresh impetus to the mobile market in Turkey. We are very pleased and proud of providing the best quality 3G services, which are well received in Turkey. Based on our performance in the first 6 months since the launch of 3G, we believe that the remarkable results achieved validate our commitment to this unique technological innovation. We also strongly believe that the initial reactions of Turkish mobile subscribers clearly demonstrate 3G's capability to drive growth for our Company. As always, we are committed to introducing the latest technological applications in Turkey and continue to invest in innovation and technology, reflecting our belief in the future of Turkish market.

INTERNATIONAL EXPANSION REMAINS A KEY PART OF OUR STRATEGY

Growing or improving our international operations has been an important part of our strategy throughout 2009. While continued development of our current operations is a key priority, we would like to further expand and increase our presence in key emerging markets in the region, such as the CIS region, Eastern Europe, the Middle East, North Africa and the Balkans. Our international endeavors to selectively seek and evaluate new investment opportunities will continue in 2010.

CONTINUOUSLY INVESTING IN INFRASTRUCTURE

In 2009, despite the weak global economic environment, we continued to invest in our infrastructure, which clearly reflects Turkcell's strong commitment to sustaining its differentiating service quality. Our capital expenditure totaled approximately TRY2.7 billion, of which TRY2.1 billion (including the 3G license fee) was related to Turkcell's operations in Turkey.

AT TURKCELL, AWARENESS OF OUR SOCIAL RESPONSIBILITY AND CONCERN FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT OF OUR DIVERSE ACTIVITIES IS A KEY FACTOR IN ALL OUR DECISIONS. WE SUPPORT OUR COMMUNITY THROUGH THE EMPLOYMENT WE CREATE, INVESTMENT IN RESEARCH AND TECHNOLOGY, AND COOPERATION WITH UNIVERSITIES.

SOCIAL RESPONSIBILITY: A KEY PILLAR OF OUR CORPORATE PHILOSOPHY

At Turkcell, awareness of our social responsibility and concern for the social, economic and environmental impact of our diverse activities is a key factor in all our decisions. We support our community through the employment we create, investment in research and technology, and cooperation with universities. In 2009, we continued to support social initiatives such as "Snowdrops", which provides scholarships to girls from disadvantaged families, and "Bridge of Hearts", a nationwide student exchange program, in addition to our sponsorships of sports, cultural and art programs. At the same time, we have created jobs in the developing cities of Eastern Turkey with the call centers we opened in Erzurum in 2006 and in Diyarbakır in 2008, which also gained recognition from the United Nations as a model project.

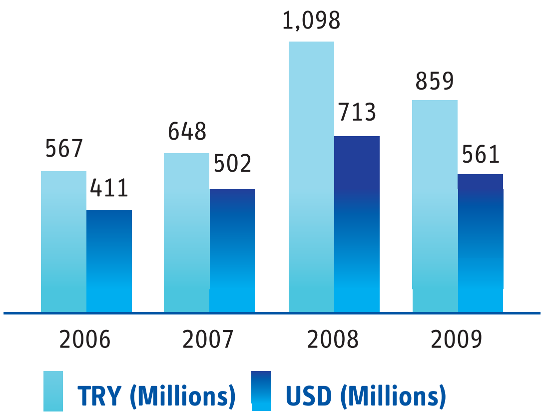
BUILDING ON OUR HIGH CORPORATE GOVERNANCE STANDARDS

Turkcell is the only Turkish company with a dual listing on the New York and Istanbul Stock Exchanges, operating in line with the best practice in both capital markets. In addition to being a model for corporate governance and investor relations in Turkey, Turkcell also stands out as the highest rated, investment grade Turkish company by the S&P in Turkey.

Managing one of the most valuable companies in terms of market capitalization in Turkey, Turkcell's Board of Directors is determined to ensure we continue to conduct all our business to the highest ethical and corporate governance standards going forward. We believe the recent award granted for our outstanding Investor Relations in Financial Disclosure Procedures demonstrates the importance we place on implementing high standards of corporate governance.

CONSISTENT DIVIDEND POLICY

Having paid a record cash dividend of TRY1,098 million to our shareholders in 2009, in March 2010 our Board of Directors decided to propose the distribution of cash dividends amounting to approximately TRY859 million (approximately USD561 million) of Turkcell's 2009 distributable net income. This represents a 50.1% dividend payout ratio.



SETTING THE STANDARDS IN MOBILE COMMUNICATIONS

Looking at our performance in 2009, I am delighted with the way all our employees responded to the operational challenges we faced and defended our market position and operational profitability through their hard work, innovation, and managerial excellence. On behalf of Turkcell's Board of Directors, I would like to take this opportunity to thank the management team for their continued efforts, vision and intelligent judgment, and our employees, retailers, suppliers and associates for making sure that Turkcell continues to set the highest standards in everything we do.

Mehmet Emin KARAMEHMET

BOARD OF DIRECTORS

1 MEHMET EMİN KARAMEHMET
CHAIRMAN OF THE BOARD - ÇUKUROVA HOLDİNG A.Ş.

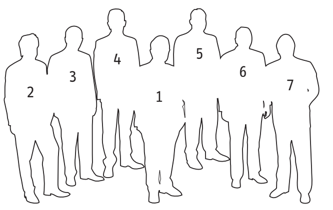
Mehmet Emin Karamehmet was appointed Chairman of the Board of Directors on September 30, 1993. He was re-appointed on May 22, 2006. He is also Chairman and a Member of the Board of Directors of Çukurova Holding Companies. Mr. Karamehmet attended Robert College in Turkey and Dover College in Kent, England.

2 AIMO ELOHOLMA
MEMBER

Aimo Eloholma was reappointed to the Board of Directors on August 22, 2007 having previously served on the Board from 2003 to 2004. He joined TeliaSonera in 1974 and he held management and executive positions in data communications, sales and marketing, business development and corporate planning, and international operations. He retired from his position at TeliaSonera at the end of 2009. Mr. Eloholma is currently the Chairman of the Board of Directors of MegaFon, Russia, and a Member of the Board of Directors of Telecom Invest, Russia. Mr. Eloholma has a Master of Science in Electrical Engineering from Helsinki University of Technology and he has also studied Economics and Business Administration.

3 MEHMET BÜLENT ERGİN
MEMBER

Mehmet Bülent Ergin was first appointed to the Turkcell Board of Directors on April 29, 2005. He was re-appointed on May 22, 2006. Previously, he worked at Hochtief AG with responsibility for the construction of the First Bosphorus Bridge and at Tekfen A.Ş. on the Iraq - Turkey pipeline project. Mr. Ergin continued his career at Çukurova Holding as a manager of Çukurova İthalat ve İhracat T.A.Ş., and Managing Director at Maysan A.Ş. and Baytur Trading S.A. Currently, Mr. Ergin is Chairman of the Board of Directors of Genel Denizcilik Nakliyatı A.Ş., Show TV, Akşam Gazetesi, Genel Enerji A.Ş. and a Member of the Board of Directors at Çukurova Holding. Mr. Ergin graduated from Robert College with a degree in Civil Engineering.



4 **OLEG MALIS**
MEMBER

Oleg Malis was appointed to the Board of Directors on May 22, 2006. He is also Senior Vice President of Altimo. Mr. Malis began working for Altimo in 2005. Between 2003 and 2005, Mr. Malis was Senior Vice President and M&A Director at Golden Telecom, a post he took after he founded Investelectrosvyaz and Corbina Telecom. Mr. Malis holds a degree in Ergonomics and Systems Engineering from Moscow State Aviation Technical University.

5 **TERO ERKKI KIVISAARI**
MEMBER

Tero Erkki Kivisaari was appointed to the Board of Directors on May 14, 2007. President of TeliaSonera business area Eurasia as of May 1, 2007. Mr. Kivisaari was previously Chief Financial Officer and Vice President of business area Eurasia. In addition, he is a Board Member of Megafon and Fintur Holdings B.V. Mr. Kivisaari has also been the CFO of SmartTrust AB and before that he held the position of Vice President of Sonera Corporation's International Operations. Mr. Kivisaari holds Master Degrees in Science and Economics.

6 **ALEXEY KHUDYAKOV**
MEMBER

Alexey Khudyakov was appointed to the Board of Directors on May 22, 2006. He is Vice President of Altimo, which he joined in 2004 from Alfa Bank, where he had worked as a Vice President managing Alfa Group's investments in Golden Telecom and Kyivstar. Mr. Khudyakov worked for the Moscow office of McKinsey & Co. from 1998 to 2002. He is a non-executive Board Member of Turkcell. He is also an Observer Member of Turkcell's Board of Directors' Audit Committee. Mr. Khudyakov was named to the Audit Committee under Rule 10A-3(b) (iv) (D) of the Securities Exchange Act of 1934. He holds an MBA from INSEAD and a master's degree in Applied Mathematics and Physics from the Moscow Institute of Physics and Technology. He also serves on the Board of Directors of Kyivstar (Ukraine).

7 **COLIN J. WILLIAMS ***
MEMBER

Colin J. Williams was appointed to the Board of Directors on May 22, 2006. He serves as a Voting Member and Chairman of the Audit Committee of Turkcell's Board of Directors. He is Chairman of Clondalkin and Chair of the Audit and Remuneration Committees of Clondalkin, a consumer and industrial packaging company. From January 2001 to December 2004, Mr. Williams served as President of SCA, North America, which is active in the packaging sector, and in personal care and paper tissue products.

He was a long-term board member and Vice Chairman of the International Corrugated Packaging Institution, the European Federation of Packaging, and the Federation of Paper Producers. Mr. Williams is the founding President of Propak Europe and was a board member of the Greater Philadelphia Chamber of Commerce between 2002 and 2004. From 1988 to 2001, Mr. Williams was the President of SCA Packaging, prior to which he served as the Managing Director of Bowater, a corrugated packaging company, for four years. From 1978 to 1984, he was first the Sales Director and then the General Manager of Chicopee in the Netherlands, a non-woven fabrics company of Johnson & Johnson. Mr. Williams holds a masters degree in physical chemistry, an MBA in finance from New York University, and an honorary doctorate from Lund University in Sweden.

Important Note: Colin J. Williams was appointed as Chairman of the Turkcell Board of Directors at a meeting of the Board on February 25, 2010. Mr. Williams has been an Independent Board Member since May 22, 2006 and the Chairman of the Audit Committee since July 21, 2006.

* The term of office of Board of Directors is three years upon selection.
Mehmet Emin Karamehmet continues to serve as a Turkcell Board Member.

MESSAGE FROM THE CEO

SÜREYYA CİLİV, CEO

TURKCELL IS WELL AWARE THAT IN THE FAST-CHANGING WORLD OF MOBILE COMMUNICATIONS, TECHNOLOGICAL SUPERIORITY CAN ONLY BE MAINTAINED BY CONSISTENT AND FORWARD-LOOKING INVESTMENT. IN 2009, TURKCELL'S CAPITAL EXPENDITURE TOTALED USD1.8 BILLION TO ESTABLISH OUR 3G NETWORK AND TO ENSURE SUPERIOR QUALITY OF OUR OVERALL NETWORKS.

In 2009, Turkcell Group recorded revenues of TRY8.9 billion, EBITDA of TRY3.0 billion and net income of TRY1.7 billion. These results represent successful execution versus competition and the impact of a challenging environment.

The severe economic contraction in our key markets, competitive and regulatory developments, goodwill impairment charges, fixed asset write-offs and legal provisions related to the Authorities' decisions had a negative impact on our financial results. Throughout the year, we responded to market challenges quickly and in line with our customers' expectations. We made further investments into technology and infrastructure, continually strengthening the positioning of Turkcell Group for the future. We believe we have achieved greater differentiation of our brand and value propositions during the year, providing our customers with increased advantages. Consequently, while the market contracted and the profitability declined severely, we have maintained our leadership position in Turkey and defended our operational profitability successfully.

CHALLENGES POSED BY THE MACROECONOMIC, COMPETITIVE AND REGULATORY ENVIRONMENT

After growing at an average of 5.9% per year between 2002 and 2008, Turkey was hit hard by the global economic downturn. In 2009, GDP contracted by 4.7%, while TRY depreciated by 21.4% on average against the USD.

Beside these challenging macroeconomic conditions, throughout the year we have seen quite an aggressive competitive environment with our competitors keenly promoting unlimited flat rate offers after the launch of Mobile Number Portability ("MNP") in November 2008. Meanwhile, we focused on building on our strong value propositions, enabling more people to experience Turkcell's quality and promoted smart phones and USB modem, netbook and notebook sales to boost mobile internet usage prior to 3G implementation.

In an irrational pricing environment driven by the flat rate offers introduced by our competitors and after the Authority's excessive MTR cut in 2009, we have seen a shift in traffic trends towards off-net calls, putting pressure on profitability across the Turkish GSM market. Coupled with weak consumer confidence, this dire situation led to a decline in multiple SIM card usage, reducing mobile line penetration to 88% from 92% over the last year.

MAINTAINING MARKET LEADERSHIP IN TURKEY DESPITE INTENSE COMPETITION

In 2009, despite these challenging market conditions we strengthened Turkcell in the face of mounting competitive pressures. In doing so, we maintained our leading position in the Turkish market with a 56% subscriber market share and sustained our share of traffic and revenue with a focus on value. Meanwhile, Turkcell remained committed to safeguarding value subscribers and boosting voice and data usage, particularly with respect to mobile internet.

Last year, despite the difficulties we faced in Turkey, we achieved our highest levels of usage since 2001, and increased our postpaid subscriber base with 1.9 million net additions through effective communication of our offers and strong sales channels. Consequently, we succeeded in limiting the impact on our EBITDA by just 3 pp, while profitability in the mobile market excluding Turkcell was down to 2% in 2009 from 18% in 2008.

PIONEERING THE INTRODUCTION OF 3G IN TURKEY

Without a doubt, the highlight of the year was the launch of 3G in July. Turkcell introduced 3G in all of Turkey's 81 provinces on July 30, and covered approximately 72% of the population as of the year-end with more than 20,000 base stations. Ahead of 3G applications we also tested 170 Mbps with Long-Term Evaluation (LTE). We are also proud of being among the first operators in the world to reach a speed of 42.2 Mbps with our 3G technology.

I am very happy to state that 3G subscribers reached 2.1 million as of December 31, 2009 while mobile data and services revenues comprised 16% of our consolidated revenues in 2009, compared to 14% in 2008 mainly driven by the soaring mobile internet revenues.

Going forward in this new 3G era, Turkcell's 3G business model is forecast to drive growth in mobile data and services revenues through accelerated utilization of mobile broadband and services.

SUPERIOR VALUE PROPOSITIONS

Throughout 2009, we continued to underline our winning value propositions in three fundamental areas: "1st in Technology, 1st in Advantages and 1st in Service."

FIRST IN TECHNOLOGY

Turkcell is well aware that in the fast-changing world of mobile communications, technological superiority can only be maintained by consistent and forward-looking investment. In 2009, Turkcell's capital expenditure totaled USD1.8 billion to establish our 3G network and to ensure superior quality of our overall networks. To date, Turkcell's consolidated capital expenditure totals USD10.8 billion in line with its vision to "ease and enrich life through communication and technology solutions". In doing so, we have become "Turkey's Turkcell".

THE ONLY TURKISH COMPANY WITH A DUAL LISTING ON BOTH THE NYSE AND ISE, TURKCELL OPERATES IN LINE WITH THE BEST-PRACTICE REGULATIONS OF CAPITAL MARKETS AND IS REGARDED AS A MODEL FOR BOTH CORPORATE GOVERNANCE AND INVESTOR RELATIONS IN TURKEY.

FIRST IN ADVANTAGES

Following the recent MTR and price cap reduction, Turkcell's services are now available at more competitive prices than ever. We will continue to implement segmented offers and tariffs, usage incentives and advantageous terminal offers bundled with user-friendly mobile services. Our high-profile, co-branded marketing campaigns with some of the strongest brands will continue to be a major strength for us.

FIRST IN SERVICE QUALITY

We have the widest distribution and customer care network of any mobile operator in Turkey, spanning 92,000 sales points. We have re-launched our retail chain under new branding, customizing more than 1,030 stores staffed with a well-trained sales force, the latest technologies and services. Overall, the best customer experience delivered through touch points and our Call Centers will remain a major benefit for our customers.

CAPITALIZING ON FUTURE GROWTH POTENTIAL

Our enthusiasm and confidence in the Turkish market remains as strong as ever; indeed, we detect considerable potential for growth, especially in our mobile broadband business. In parallel, Turkcell is heading towards becoming a fully integrated service provider by creating synergies with our subsidiary Superonline (SOL) through a full range of mobile broadband services. Superonline recorded a positive full year EBITDA for the first time ahead of our expectations in 2009. We are aiming to selectively improve the size of Superonline's network while improving synergies with Turkcell's 3G network.

EXPANSION IN INTERNATIONAL MARKETS

Our international operations in Ukraine, Kazakhistan, Moldova, Georgia, Azerbaijan and Belarus were also adversely affected by the severe macroeconomic volatility. Nevertheless, Astelit managed to increase its revenue in local currency by 19.5%, despite the 15% contraction in GDP. Likewise, Fintur maintained its market leadership across the region with a subscriber base totaling 13.6 million. The difficult market conditions may prevail in 2010. However, we are increasing management's focus on value-driven play and EBITDA performance.

Going forward, we will look selectively at new growth opportunities in our international markets, in parallel to improvements in the economic outlook.

A MODEL CORPORATE CITIZEN

The only Turkish Company with a dual listing on both the NYSE and ISE, Turkcell operates in line with the best-practice regulations of capital markets and is regarded as a model for both corporate governance and investor relations in Turkey.

With an awareness of social responsibility, Turkcell continues its sponsorship of environmental, cultural and social development projects that improve the quality of life and add value to the society and economy.

TURKEY'S LEADING COMMUNICATIONS AND TECHNOLOGY COMPANY

Although economic uncertainties in some of our markets still prevail, we are resolved to ensure Turkcell Group's continued growth by wisely utilizing the advantages of our position as Turkey's leading communications and technology company in an improving macro economic environment.

All in all, I am proud to work for Turkcell and I would like to thank all employees, customers, business partners and shareholders for their enormous efforts, dedication, firm loyalty and contribution in such a challenging year. For this reason, such irreplaceable human assets justify our enthusiasm for the future of our business.

Süreyya CİLİV

1 **SÜREYYA CİLİV**
CHIEF EXECUTIVE OFFICER

Süreyya Ciliv joined Turkcell on January 9, 2007. Between 2000 and 2007 he served in various management positions in Microsoft's Global Sales, Marketing and Service Group in the USA, having previously worked as Microsoft Turkey Country Manager from 1997 to 2000. Prior to 1997, Mr. Ciliv was the General Manager and Chairman of Novasoft Systems Inc., a company he established in Boston, USA. Mr. Ciliv earned an MBA from Harvard University in 1983 after graduating with honors in 1981 from the University of Michigan in Industrial & Operations Engineering and Computer Engineering.

2 **LALE SARAL DEVELİOĞLU**
CHIEF MARKETING OFFICER

Lale Saral Develioğlu joined Turkcell in 2003 and has held her present post as Chief Marketing Officer since June 19, 2006. Prior to this position, she was the Consumer Marketing Division Head of Turkcell. Starting her career at Unilever, Mrs. Develioğlu served as Marketing and Brand Director of Unilever across various markets for 12 years. She is a graduate of the Department of Industrial Engineering of Boğaziçi University. She also holds a master's degree in Operations Research and Management Engineering from Rensselear Polytechnic Institute, New York.

3 **SELEN KOCABAŞ**
CHIEF BUSINESS SUPPORT OFFICER

Selen Kocabaş joined Turkcell in 2003 and since May 1, 2003, she has been the Chief Business Support Officer in charge of human resources, corporate information systems, procurement and contract management, and administrative issues. Mrs. Kocabaş started her professional career as a Management Trainee at Koç Holding. She later worked as Human Resources Expert at Arçelik, then as a Human Resources Coordinator at Marshall, followed by Groupe Danone SA where she worked as Human Resources Director. Selen Kocabaş is a graduate of Economics from Istanbul University. She also obtained a master's degree in Human Resources Management from Marmara University.

4 **ORHAN GEMİCİOĞLU**
TURKCELL GROUP LEGAL COUNSEL

Orhan Gemicioğlu has served as Turkcell Group's Legal Counsel since the Company's establishment and he has been involved in all of Turkcell's major projects. He was born in Lüleburgaz, Turkey, in 1944. He completed his first degree at Istanbul University's School of Law in 1967 and, since joining the Istanbul Bar in 1970, has worked as an attorney. Mr. Gemicioğlu has provided legal counsel to many companies in various sectors. Since 1986, he has developed an expertise in telecommunications law.

MANAGEMENT TEAM

5 EMRE ŞEHSUVAROĞLU
DEPARTMENT HEAD
CORPORATE RISK MANAGEMENT

Emre Şehsuvaroğlu joined Turkcell in 2006 and has served as the Department Head in charge of Corporate Risk Management since November 13, 2006, working on such issues as compliance with the Sarbanes-Oxley Act, internal audit, corporate risk management, business continuity program management and data security. Mr. Şehsuvaroğlu started his professional career at Deloitte Independent Audit in 1993 and then served as Audit Group Director at Arkas Holding between 2003 - 2006. Mr. Şehsuvaroğlu is a graduate of Marmara University Department of Management, a Certified Accountant and a Certified Internal Auditor.

6 İLTER TERZİOĞLU
CHIEF NETWORK OPERATIONS OFFICER

İlter Terzioğlu joined Turkcell in 2003 and has served as Chief Network Operations Officer since April 1, 2006. He has worked in the communications sector since 1993 and has previously served as Assistant General Manager at Ericsson, Superonline and Show TV. He is a graduate of the Department of Econometrics at Istanbul University.

7 SERKAN OKANDAN
CHIEF FINANCIAL OFFICER

Serkan Okandan joined Turkcell in 2000. Since January 1, 2006, he has been the Chief Financial Officer of Turkcell. Prior to this appointment, he was the Financial Control and Reporting Division Head of Turkcell. Mr. Okandan started his professional career at PricewaterhouseCoopers in 1992. He then worked for DHL and Frito Lay as a Financial Controller. Serkan Okandan is a graduate in Economics from Boğaziçi University.

8 EMRE SAYIN
CHIEF CORPORATE BUSINESS OFFICER

Emre Sayın joined Turkcell as Chief Corporate Sales Officer in 2007 and has been the Chief Corporate Business Officer since December 2009. Mr. Sayın worked for Evyap Pazarlama ve Tic. A.Ş. as the Deputy Manager in Charge of Marketing between 2005 - 2006 and for Kodak A.Ş. as the General Manager from 2002 to 2005. Prior to that, he was the Deputy Marketing Officer for Microsoft Turkey from 1999 to 2002. He worked at Unilever Turkey, from 1992 to 1999 as Manager for Chain Stores, Commercial Marketing and Marketing. He graduated from Boğaziçi University in Industrial Engineering and holds a master's degree from Rutgers University.

9 İLKER KURUÖZ
CHIEF INFORMATION AND COMMUNICATION TECHNOLOGIES OFFICER

Having joined Turkcell in 2006, İlker Kuruöz has been Turkcell's Chief Information and Communication Technologies Officer since September 2009. Mr. Kuruöz started his professional career in 1994 at ABT. He then worked at NCR as a System Consultant, at Garanti Teknoloji as a Division Manager and at Accenture as a Senior Manager. Prior to his current position at Turkcell, he was the Capacity Division Head of Turkcell. İlker Kuruöz graduated from Bilkent University Computer and Informatics Engineering in 1992 and holds a master's degree from the same department.

10 CENK BAYRAKDAR
CHIEF PRODUCT AND SERVICES MANAGEMENT OFFICER

Cenk Bayrakdar joined Turkcell in 2000 and was appointed Chief Product and Services Management Officer on September 1, 2009. Starting his professional career at Arçelik, he held several managerial positions in the IT and Production teams. He then worked at Corbuss as the Business Development Coordinator between 2001 - 2002 and served as the Partnership Development Division Head of Turkcell between 2002 and 2004. Prior to his current position at Turkcell as the Chief Product and Services Management Officer, Mr. Bayrakdar acted as the Chief Information and Communication Technologies Officer. He graduated from Istanbul Technical University, Department of Electronic and Communications Engineering. He also has a master's degree in Industrial Engineering from Texas A&M University.

11 HULUSİ ACAR
CHIEF CONSUMER SALES OFFICER

Hulusi Acar joined Turkcell in 2000 and was appointed Chief Consumer Sales Officer on December 10, 2009. He graduated from Istanbul University's Business Administration department in 1995 (after graduating from Galatasaray High School) and worked in sales positions in THY and Koçtaş A.Ş. At Turkcell he worked between 2000 - 2004 as Area Sales Manager, Marmara Regional Coordinator and Turkey Sales Manager. Between March 2004 and November 2006 he was Sales and Customer Relationship Chief Executive Officer of Astelit. Prior to his current position as Chief Consumer Sales Officer, he worked as the Sales Management and Wholesale and Distribution Management Division Head.

12 EKREM YENER
CHIEF INTERNATIONAL EXPANSION OFFICER

Ekrem Yener joined Turkcell as the Chief Enterprise Group Officer in 2007 and has been responsible for International Expansion since December 2009. Between 2004 and 2007 Mr. Yener worked as the Ankara Regional Manager of Microsoft Turkey, was appointed Microsoft's Deputy General Manager in charge of Marketing, and then Deputy General Manager in charge of Business and Strategy Development. Graduating from Istanbul Technical University's Department of Metallurgical Engineering in 1982, he earned a master's degree in Materials Science from the University of California at Berkeley in 1986 and an MBA in Marketing Management from Kellogg University in 2002.

13 ÜMİT AKIN
CHIEF LEGAL AFFAIRS OFFICER

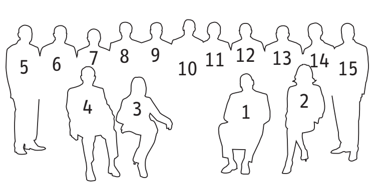
Ümit Akın joined Turkcell in 2002 and was appointed Chief Legal Affairs Officer on February 1, 2010. Prior to his current position, he was the Division Head of Turkcell's Regulatory Legal Affairs Department. Mr. Akın began his professional life in 1996 at Ankara University's Faculty of Law as a Research Assistant. He then worked as a Lawyer at Ericsson. Ümit Akın graduated from Ankara University, Faculty of Law in 1995 and holds a master's degree in Public Law. He is continuing his doctorate in the same department.

14 TAYFUN ÇATALTEPE
CHIEF CORPORATE STRATEGY AND REGULATIONS OFFICER

Tayfun Çataltepe joined Turkcell as its Chief Corporate Strategy and International Expansion Officer in 2007 and is currently the Chief Corporate Strategy & Regulation Officer. After graduating from the Electronics Engineering Department of Boğaziçi University, Mr. Çataltepe received his MSc from Michigan Technology University and his doctorate from the University of California. He worked as a Research and Development Engineer at the Bell Laboratories and then at AT&T as IP Network and Service Planning projects manager. After AT&T, he joined Aycell as Deputy General Manager in charge of Technical Operations. He then worked as the Deputy General Manager in charge of Network Operations and Regulations in Avea. From 2006 to 2007 he worked at Ernst & Young in charge of European Telecom Sector Post-merger and Acquisition Corporate Integration Services.

15 KORAY ÖZTÜRKLER
CHIEF CORPORATE AFFAIRS OFFICER

Koray Öztürkler joined Turkcell in 1998 and since April 9, 2008 he has been the Chief Corporate Affairs Officer, responsible for Turkcell's investor relations, corporate citizenship and corporate communication functions. Prior to this appointment he was the Investor Relations division head at Turkcell and before that he was the division head of International Business Development. Mr. Öztürkler started his career in the USA at Accenture Consulting. He continued his career at Yapı Kredi Bank. Mr. Öztürkler is a graduate of Johnson C. Smith University Marketing Division and he received his MBA, majoring in MIS, from Mercer University.



Note: Cenk Serdar, who joined Turkcell Group on January 1, 2005 and who was the Chief Business Development Officer, resigned as of March 13, 2009.
Orhan Gemicioğlu served as Legal Consultant to Turkcell Subsidiaries until April 1, 2010.

1 **TURKCELL TEKNOLOJİ**

SEMİH İNCEDAYI

Semih İncedayı joined Turkcell in December 2006 and took up his present post as General Manager of Turkcell Teknoloji in April 2007. He had previously held managerial positions in Borusan Telekom for two years and Telsim for four years, after working for Koç Group for ten years. Mr. İncedayı was born in Istanbul in 1965 and he graduated from Middle East Technical University in Computer Engineering in 1988 after attending Istanbul Erkek High School.

2 **ASTELIT**

TANSU YEĞEN

Tansu Yeğen was appointed Chief Executive Officer of Astelit in February 2007. Before joining Turkcell, he held several managerial positions in well-known international companies where he gained experience of the IT/Telecom business. He has garnered a number of professional awards. Before Astelit, he was CEO of Apple IMC Turkey. From 1999 to 2005, he was the Deputy General Manager of Microsoft Turkey. Prior to those posts, he held managerial positions in Hewlett Packard Turkey and Digital Equipment Turkey. Mr. Yeğen received his MBA from Marmara University and he holds an Electrical and Electronic Engineering degree from Boğaziçi University.

MANAGERS OF TURKCELL AFFILIATES

3 **SUPERONLINE**
MURAT ERKAN

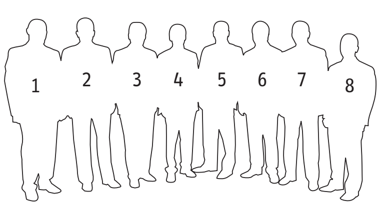
Murat Erkan joined Superonline (previously called Tellcom) in 2008 as General Manager. After starting his career at Toshiba, Mr. Erkan became an applications engineer at Biltam Engineering. He then became Turkey's first Systems Engineer at Cisco, where he also held the posts of Technology Leader System Engineering and Business Development Manager, and Regional Sales Manager for projects with Koç.net, Superonline, Doğan Online, Kablo Net, Ultra TV, Turkcell and others. Prior to joining Tellcom, he worked as the Business Unit Manager at Aneltech responsible for providing solutions to the telecoms, mobile communications, information and communications technology, defense and industrial production sectors. Mr. Erkan graduated from the Department of Electronics and Telecommunications Engineering at Yıldız Technical University in 1992.

4 **INTELTEK**
AHMET SEZER

Ahmet Sezer has served as the General Manager of Inteltek since 2004. He started his career as an engineer at Aselsan and continued at IBM Turk Ltd., 1988 - 1994. In his career as a professional manager, he worked as Assistant General Manager of Intertech A.Ş., 1994 - 1997, Group Vice President of Vestel Group of Companies, 1997 - 1998, General Manager of Vestel Consultancy and Professional Services, 1998 - 2001, and as the General Manager of Probil A.Ş., 2001 - 2004. Mr. Sezer graduated from the Department of Electronic Communications Engineering at Istanbul Technical University in 1982.

5 **GLOBAL BİLGİ**
BAHADIR PEKKAN

Bahadır Pekkan started working for Global Bilgi A.Ş., Turkey's leading call center, at the beginning of 2005, after holding managerial positions in various local and international companies. At Global Bilgi, Mr. Pekkan served as the Chief Financial Officer and then, from June 1st, 2006, as the General Manager. Born in Istanbul in 1967, Mr. Pekkan is a graduate of Saint Benoit High School and the Department of Mathematics of Boğaziçi University. He also holds masters degrees in Capital Markets & Stock Exchanges from Marmara University and in Finance-Accounting from Yeditepe University.



6 **KKTCELL**
DAĞHAN FELLAHOĞLU

Dağhan Fellahoğlu joined the Turkcell family in 2008 and, since August 1, 2008, he's been serving as the General Manager of KKTCELL. His expertise, developed from holding senior positions in local and foreign telecommunications and IT markets, rests in marketing, sales, product management and network design. Between 1996 and 2008, Mr. Fellahoğlu served in various senior management positions in Ericsson in Turkey, Sweden and, recently, in South East Asia and Singapore. He is a graduate of the Department of Electric and Electronic Engineering of Eastern Mediterranean University.

7 **BeST**
ÖZCAN ERMİŞ

Özcan Ermiş has served as the Individual Sales and Marketing Director at life:) Ukraine since 2006 and, since September 2008, he has also been serving as the General Manager of life:) Belaurs. Mr. Ermiş has managed to expand the subscriber base of life:) significantly and he is also in charge of increasing the monthly revenue per subscriber and profitability. Until 2004, he served as the Sales and Marketing Director of Vodafone Turkey, having served as the Marketing Director of Telsim until 2003. Mr. Ermiş transferred to the telecommunications sector via Rumeli Telekom in 1995, though he started his career in the automotive sector as a marketing manager in 1992. Born in 1970, Mr. Ermiş is a graduate of the Department of Mechanical Engineering of Boğaziçi University and he is a member of Group for Strategies and Marketing Group (GSMA), the Association of Mechanical Engineers of Turkey, and Boğaziçi University Alumni Association.

8 **GLOBAL TOWER**
EKREM ÖZORBEYİ

Ekrem Özorbeyi has been the General Manager of Global Tower (previously called TurkKule) since July 1, 2008. Mr. Özorbeyi started to work at Telsim as a Planning Engineer in 1995, and continued on at Netaş from 1996 to 1998. He started to work as Turkcell's Radio Network Project Coordinator in 1998 and, in 1999, he was appointed Cell Planning Unit Manager and then as Radio Network Division Head in July 2006. He completed his undergraduate degree at Yıldız Technical University between 1982 and 1986 and then completed his graduate degree at the same university. He continued his academic studies at Innsbrug University in Austria between 1992 and 1993.


Gill

first in technology

first in advantages

LIFE WITH TURKCELL STARTED WITH 3G

first in service

WE CONTINUED TO OFFER TURKEY THE LATEST TECHNOLOGIES

WE MAINTAINED OUR TECHNOLOGICAL LEADERSHIP IN 2009 WITH THE BROADEST COVERAGE, BEST VOICE QUALITY, FASTEST INTERNET AND BEST SERVICES AND DEVICES.

P3 communications

CERTIFICATE

P3 communications GmbH
Dennewartstraße 25-27, D-52068 Aachen, Germany

hereby certifies that the mobile radio network of

TURKCELL

Turkcell
Turkcell Plaza Meşrutiyet Cad. No. 71
34430 Tepebaşı / İSTANBUL

provides fastest file download transfer performance among all 3G Mobile Operators in Istanbul.

"This conclusion is based on an independent performance benchmark measurement campaign performed by P3 communications between 2010-01-13 and 2010-01-29 on a 1925 Km drive route in Istanbul. The results refer to user experienced data transfer time needed for downloading files. Measurements have been executed in UMTS only mode with devices which represent the fastest UE capability class available in operators' stores at project start."

Aachen, February 2nd 2010

Peter Seidenberg
(Managing Director)

"We are the leader in 3G internet speed"

Broadest Coverage and Superior Voice Quality

Following many years of effort on the part of Turkcell, Turkey entered the era of 3G communications on July 30, 2009. Turkcell emerged as the 3G leader by implementing 3G technology simultaneously in all of Turkey's 81 provinces, with coverage exceeding 70% in 5 months and serving our customers via 177 operators in 100 countries with 3G. At the same time, we continued to be the leader in international roaming with 639 operators in 208 countries using 2G and EDGE technology.

Turkcell had a population coverage of 99.03%, geographic coverage of 85.97%, and an EDGE coverage of 100% as of December 31, 2009, enabling us to deliver the highest quality services to Turkey's largest mobile telephone subscriber base.

We Continued to Offer the Latest Technologies to Turkey in 2009

Turkcell's 3G launch on July 30, 2009 demonstrated our technological superiority once again. Customer interest generated in our 3G products and 30 new services exceeded our expectations, is an indication of the success of the launch.

Data volume as of December 31, 2009 was 15 times higher than the previous year. This increase, which was beyond our expectations, justified our decision to pioneer 3G in the Turkish market while also proving that the market has a huge potential to develop as we go forward.

We were certified as the leader in terms of 3G internet speed by P3 Communications, an independent international ranking and audit company, as a result of tests conducted in August 2009 and February 2010 in Istanbul. The German company ranked Turkcell first in 3G mobile internet speed among all mobile operators based on tests conducted on a 2,000 km route throughout Istanbul, at important public spots and in indoor / outdoor areas in the city. Turkcell was also the first in Turkey to launch the 3G modem with 21 Mbps.

We are also working on the next generation technology of Long-Term Evolution (LTE), which is the world's fastest mobile broadband technology and the successor of 3G. Turkcell was the first to test LTE in Turkey, achieving data transfer speeds of over 170 Mbps during tests carried out in cooperation with Ericsson. This ranks as the fastest data speed in Turkey.

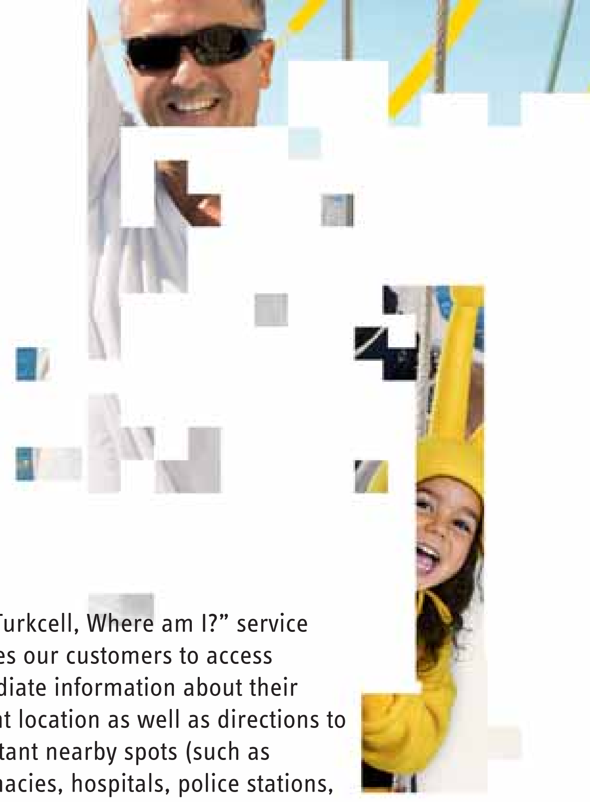
TURKCELL'S SUCCESS IN 3G CONFIRMED OUR TECHNOLOGICAL LEADERSHIP

As of March 31, 2010, there were approximately 5 million 3G-enabled devices within the Turkcell network. Turkcell 3G users made over 1 million video-calls as of December 31, 2009 and watched more than 10 million minutes of mobile TV. According to reports by GFK, a market research company, VINN was the most preferred modem in Turkey. We sold over 200,000 VINN modems and Netbooks / Notebooks by the end of 2009.

We Grew the Smart Phone Market by Offering Devices to Our Customers which Provided the Best 3G Experience

We were the first in Turkey to launch SIM embedded notebooks as well as the first to introduce Gözz and the LG GD910 Watch Phone with a video call feature. We increased mobile internet usage, offering data packages bundled with smart phones such as iPhone 3GS, BlackBerry® and White Bold™ 9000. In partnership with Mercedes, we developed the world's first and only 3G multi-modem and vehicle tracking solution.

"Turkcell's differentiation in 3G, My Video on Facebook"



WITH TURKCELL SERVICES, WE EASED AND ENRICHED THE LIVES OF OUR SUBSCRIBERS IN 2009.

İSTANBUL TRAFİĞİ ANINDA CEPTE!

"Istanbul's traffic on your mobile "

Turkcell Continued to Offer a Broad and User-friendly Product Portfolio Together with the Most Advanced Technology

Mobile Signature, Mobile Education, Mobile Health, Mobile Finance, e-Government applications and various location-based products and services ease the lives of many of our subscribers, facilitating the way they do business.

The IBB Mobile Traffic service, provided in cooperation with Istanbul Metropolitan Municipality, generated great interest in the city. During 2009, this application was also developed for iPhone users; these users alone accessed the IBB Mobile Traffic application over 6 million times.

We introduced 10 new location-based applications developed with our business partners. Some of these include Turkcell, Where am I?, Location-Based Survey, Location-Based Classified Advertising and Mobile Billboard.

The "Turkcell, Where am I?" service enables our customers to access immediate information about their current location as well as directions to important nearby spots (such as pharmacies, hospitals, police stations, movie theatres, banks, gas stations etc.) via SMS and MMS content. This service was used about 4 million times by 1.5 million users during the year.

We Continued to Offer Products and Services That Ease the Lives of our Customers

iPhone Applications

In the rapidly developing world of “mobile applications”, our unique IBB Mobile Traffic and Turkcell Super League iPhone applications took their place in the iPhone Apple Store.

With the Turkcell Super League iPhone application, Turkcell’s football fans can watch and record high resolution goal videos of their teams via the ”Goals to Your Mobile” prepared especially for iPhone.

Another application we developed for iPhone enabled users to complete any transaction related to their mobile lines with a click of a button. This reached 35,000 users while generating cost advantages for us. Approximately 6 million active users can now access our 7/24 customer services via their mobile phones, using WAP & Web Online transaction applications.

Technological Brand Partnerships

Turkcell’s brand partnerships with global brands such as Google, Facebook, Yahoo, Microsoft and strong local brands such as Mynet, Garanti, Ntvmsnbc, and Kariyer.net, were reinforced in 2009. Our presence in this area further improved with new partnerships with Yonja and GittiGidiyor.

Mobile TV

The Turkcell Mobile TV service enabled Turkcell subscribers to watch television channels and video content live on their mobile phones by streaming video technology at 3G speed without having to record them. Turkcell's football fans enjoyed the privilege of being a Turkcell subscriber by accessing the Lig TV channel, which is exclusive to Turkcell Mobile TV. Separately, the in-house iPhone Turkcell Mobile TV application enabled Turkcell iPhone users to watch 17 national channels and Lig TV live, combining the experience of watching television on their cell phone with the iPhone experience.

E-Government

This year, we added a feature that allows subscribers to complete military recruitment transactions, including roll call, deferral and other military recruitment transactions using their mobile signatures via their mobile phones.

The Turkish Patent Institute also joined this service in 2009, allowing users to make patent / useful model, trademark and industrial design applications in their own name or on behalf of the organization they work for by using their mobile signatures via the relevant website.

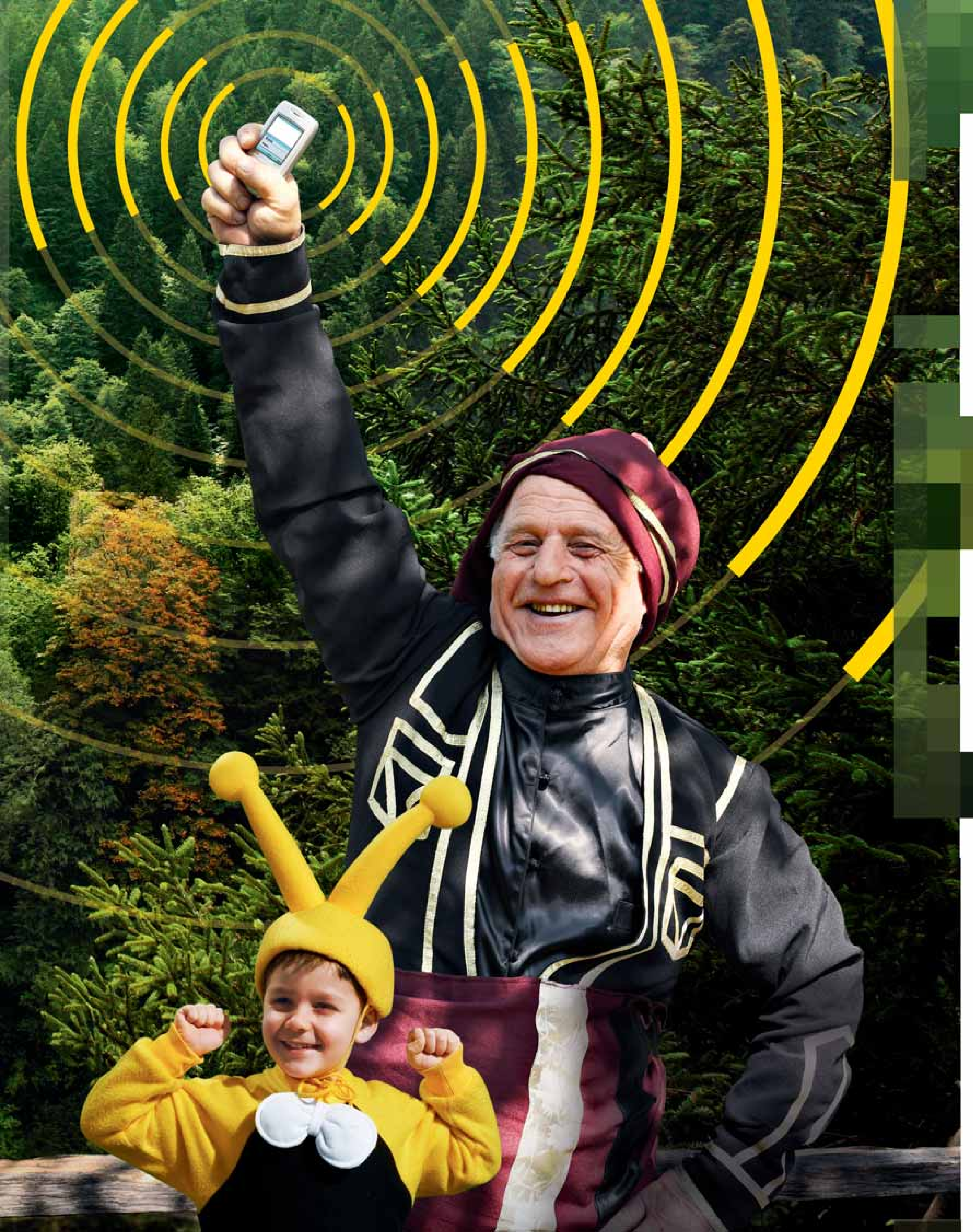
With the Mobile Damage Service, we established a reliable search platform that allows users to search for the accident history of any automobiles they may be interested in, all via a single SMS.

A Year of Rapid Growth for Turkcell Mobile Payment

The new Mobile Payment application enables Turkcell subscribers to make payments of up to TRY35 via a single SMS. Currently, over 170 member firms offer this service to their customers.

In 2009, in cooperation with Akbank and MasterCard, we made a pilot study allowing users to carry out credit card transactions using their NFC-supported phones without any physical contact. Over 600,000 Turkcell subscribers utilized Turkcell Mobile Payment to execute payments via their mobile phones.

TurkcellMobilÖdeme



first in technology

first in advantages

WE CONTINUED TO PROMOTE ADVANTAGEOUS OFFERS

first in service

THE ADVANTAGES WE OFFERED ENSURED CUSTOMER SATISFACTION

ADVANTAGEOUS TARIFFS AND CAMPAIGNS BUNDLED WITH MOBILE DEVICES ENABLED OUR SUBSCRIBERS TO SAVE ON THEIR MOBILE EXPENSES.

Advantageous Corporate and Consumer Tariffs

Consumers choose Turkcell for its service quality as well as for the benefits and advantages it provides. As Turkcell, we continue to help our customers experience the exclusivity of being a “Turkcell” subscriber. We offer corporate and individual customers campaigns that meet their needs and suit their usage habits. We continue to be the operator that benefits its subscribers the most as well as providing superior quality and coverage.

Despite the economic crisis, we gained new post-paid subscribers in 2009 with tailor-made solutions aimed at customer needs on segmented basis. This ensured that the majority of new entrants to the market chose Turkcell in 2009.

Advantageous Tariffs for the Consumer Segment

The Limon campaign launched in February enabled post-paid customers to talk to other Turkcell subscribers, home / business numbers and other operators at advantageous prices.

Alo packages enable subscribers to speak to Turkcell and fixed numbers at advantageous rates; "Super Package" went one step further by enabling post-paid customers to talk to Turkcell subscribers and fixed lines at advantageous rates day and night.

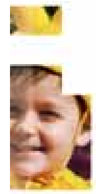
We eased the lives of our customers and increased the number of our valuable subscribers through the "Gold, Gold Plus and Platinum Packages", which meet all of the communication needs of Turkcell's customers at advantageous rates.

The "Home Zone" service launched last year enabled Turkcell's subscribers to call all mobile phones and fixed numbers at reasonable rates from the fixed line at their home.

For many years "gnçtrkcll", Turkcell's youth club, has been offering teenagers unbeatable offers and experiences. In October, we re-launched Bizbize Kampüs tariff, which is geared towards young people under 25, under a new name with special offers. We continued to offer special deals that meet the needs of teenagers through "gençTarife".

The "Super Tariff" package offered our customers the opportunity to talk to subscribers of all mobile operators. Those who bought 250 units or more could talk to subscribers of all mobile operators for 10 minutes at 2 units and they earned 2 hours of free talk.

WE GUARANTEED THE SATISFACTION OF OUR CONSUMER AND CORPORATE CUSTOMERS IN 2009 THROUGH DIFFERENTIATED VALUE PROPOSITIONS.



Advantageous Tariffs for our Corporate Customers

In 2009, we provided our corporate customers with advantageous tariffs and solutions that meet their specific needs and make a difference.

The Limon Campaign, launched in February, providing 5.000 minutes for calls to Turkcell subscribers, 5.000 minutes for calls to within company lines, and 1.000 free minutes for calls to other operators, offered corporate customers a very advantageous package for calls in all directions and helped them control their costs.

The Mega Discount tariffs launched in March provided corporate customers with a chance to call all operators at very low rates with an additional monthly fixed fee.

In April, Turkcell renewed its fixed line terminal packages that allow customers to call other mobile operators and fixed lines at low rates and offered more advantageous "Economy" packages.

Turkcell redesigned the Limon Campaign in June to allow corporate customers to continue to enjoy 5,000 intra-company minutes while raising the 600 free minutes for calls to other operators to 1,000 minutes and making the package more advantageous.

In August, the Welcome to İşTcell Campaign, designed for new corporate Turkcell lines offered customers much more advantageous rates in return for contracts.

By launching İşTcell Doctors' Club in August, the Lawyers' Club in November and Pharmacists' Club in December, we provided special offers and solutions to our customers in these professions.

3,000 within company minutes and 1,000 PSTN minutes campaign, launched in October, provided advantageous rates for calls from mobile phones to fixed lines, thus providing corporate customers with economical pricing for their communication needs.

In November, we launched the 75% Discount After 3 Minutes Campaign for calls in Europe in order to provide discounted rates to corporate customers when they travel abroad.

Attractive Device Campaigns for our Consumer and Corporate Customers

We initiated various campaigns with leading handset brands (models like BlackBerry Pearl Flip 8220, Samsung L700, Nokia 3120, Nokia E63, Nokia E71) throughout 2009. These campaigns provided our customers with advantageous device packages that enabled them to use 3G products and services and mobile internet easily.

In August, Turkcell introduced iPhone 3GS to Turkey. Our customers experienced Turkcell's quality and service exclusivity with this new product. iPhone 3GS allows our users to experience the best of 3G through the fastest mobile internet and the broadest 3G coverage offered by Turkcell.

In September, we launched the Samsung i7500 Android phone for the first time in Turkey exclusively for Turkcell subscribers. This Android-based smart phone has the most innovative features to date of any mobile device, including Google applications.

Along with the re-launch of From Office to Mobile, we offered analog and digital Fixed Cell Terminals and along with the From Office to Desktop GSM, we offered desktop GSM phones.

We introduced a 4GB mobile broadband package during the 3G launch period. The promotional campaign bundled a free VINN 3G modem for only TRY19 for the first 3 months. The “HP Compaq MiniNote 701” netbook campaign, conducted in partnership with HP, allowed users to connect to the internet at 3G speed in areas within Turkcell’s coverage through the EDGE / 3G modem embedded notebook.

TURKCELL CONTINUED TO PRESENT ITS CUSTOMERS WITH ALL TECHNOLOGICAL ADVANCES AND INNOVATIONS VIA ITS DIGITAL PLATFORMS IN 2009

Turkcell continued to employ numerous new technologies and initiated many micro sites and demos, such as micro websites with video productions, demos about our services, applications utilizing Google maps and interactive media tools in 2009. The Company’s 3G website www.meraketmiyormusun.com was visited by 1.3 million people in only 3 weeks, a record high number.

We promoted our innovative 3G products and services on the www.turkcell3g.com website.

To offer gnçtrkcll members a superior music experience, we introduced the “gnçPLAY” service in June. This service enabled customers to listen to thousands of Turkish and foreign songs free of charge and to share their playlists with millions of other gnçtrkcll members.

“The 100 Things to do When You’re Young” campaign helps young people to realize their power and take action. To this end, Turkcell created a video portal so that users can upload their own videos, watch other videos, write comments and share them on social networking sites like facebook.

As part of the campaign “Turkcell Subscribers Win”, the Company introduced the www.turkcellcity.com website that allows users to see the company’s current and complete range of discount offers for partner brands.

Turkcell invited people from around Turkey to sing their own version of the company’s soundtrack on the coverage advertorial and to post their performances on the website www.turkcellliningucu.com.

3G Activities

Turkcell began 3G marketing activities on July 6th, ahead of the main 3G launch. These started with a stand at Turkcell Kuruçeşme Arena, for which we are a sponsor, and continued until August 30, 2009 with marketing activities in the field, stands at shopping centers, press activities, 3G corners at special events, Beyoğlu Festival, and a roadshow. The stands and roadshow activities used demonstrations to inform customers about 3G, the transition to 3G, and 3G products and services.

Following the press launch at Tepebaşı Plaza on July 30th, during 30 days of field activities, we informed 17,759 people about video calls, 16,178 people about VINN, 8,388 people about Gözz, 9,024 people about mobile internet and 9,459 people about Mobile TV. We sent text messages to those who had not registered for 3G and manage to enroll 5,108 people.

WE CONTINUED TO MAKE A DIFFERENCE IN THE EYES OF OUR SUBSCRIBERS IN 2009.

A Classic: Turkcell Kuruçeşme Arena

As Turkey's leading communication and technology company, Turkcell supports quality projects in culture, the arts, sports and education through its sponsorships. For the third consecutive year, we were the main sponsor of Turkcell Kuruçeşme Arena, an open-air entertainment venue on the shores of the Bosphorus in Istanbul with a capacity of 17,000 people. During our sponsorship, around a million people have enjoyed concerts in the arena. This year, with gnçtrkcll Movie Nights, we offered Istanbul residents a unique outdoor movie theatre experience.

İŞTCELL 2009 LİDERLER KONFERANSI
17 Ekim 2009, Cumartesi
Çırağan Palace Kempinski, İstanbul

A Premier Business Event: İşTcell Leaders' Conference 2009

Professor Michael E. Porter from Harvard University was the keynote speaker at the İşTcell Leaders' Conference 2009. In previous years, Richard Branson and Jack Welch, had addressed the conference. Professor Porter, a prominent strategist, shared with the conference participants the striking results of his study about Turkey's competitive power in the third İşTcell Leaders' Conference held in Çırağan Palace in October 17, 2009.

BY OFFERING ADVANTAGEOUS DEALS ON OTHER BRANDS, TURKCELL HELPED ITS CUSTOMERS SAVE MONEY

Turkcell Subscribers are Saving Money Everywhere with Co-Branding Activities

As Turkey's leading communication and technology company, Turkcell provides its customers with special deals on their non-mobile expenses through co-branding activities. In 2008, the savings for non-mobile expenses offered to our customers amounted to TRY120 million. In 2009, during a period of declining consumer confidence and global crisis, we helped our customers save TRY209 million in non-mobile expenses, thus enhancing the advantages of being a Turkcell subscriber.

Under the title "Turkcell Subscribers Who Want a Discount, Raise your Hands", launched in March, we conducted 80 campaigns with 50 brands, enabling 6 million participants to save TRY150 million.

We provided our customers with special benefits specific to the cities and areas where they live. In 2009, we made agreements with 75 companies in 17 different cities and, with these campaigns, 85,000 customers took advantage of discounts totaling TRY1 million.

Total savings increased to TRY209 million in 2009, up 74% compared to last year, of which TRY58 million derived from gnçtrkcll co-branding offers.

We Provided Distinctive Services and Advantages with Turkcell Platinum World

We continued to provide our Platinum subscribers with distinctive services and advantages in 2009. Special Platinum services included 7/24 Special Customer Services, a Special Service Team that dealt directly with customers, Special Service Spots and exclusive access to the most advanced devices, at attractive prices. Platinum subscribers also received gifts and discounts on their preferred brands and invitations to concerts and movie premiers. These special services and benefits strengthened the loyalty of these high-value subscribers.

In Addition to the Co-Branding Activities, the Benefits Provided through Voice, Mobile Data and Service Offers with Gnçtrkcll Members Reached TRY67 Million

In 2009, we contacted 5 million gnçtrkcll members 21 million times through 11 campaigns, creating a savings of TRY58 million.

For example: a campaign in partnership with McDonald's restaurants gave gnçtrkcll members a free meal for every meal they purchased while a campaign in partnership with movie theatres gave gnçtrkcll members a free ticket for every ticket they purchased. We also distributed free minute units in Patos chips packages to gnçtrkcll members.

In addition to the benefits co-branding activities delivered to our young subscribers, Turkcell contributed to the economy by increasing consumption during a time of economic crisis. Public interest in the long-lasting gnçtrkcll continues to grow. In 2009, the number of Turkcell subscribers who benefited from the movie campaign increased by 63% while the number of subscribers taking advantage of the McDonalds campaign rose by 48% compared to the previous year.

Alongside these co-branding activities, we contacted 350,000 gnçtrkcll members regarding voice offers, saving them TRY8.5 million. We also contacted around 2 million gnçtrkcll members regarding Value Added Services that resulted in savings of TRY0.5 million.

In addition to benefits designed for its members to help save money, gnçtrkcll, Turkey's largest youth club with 14 million members, contacted with 180,000 gnçtrkcll members through 14 activities organized where gnçtrkcll members gathered.

TAILOR MADE SOLUTIONS FOR OUR CORPORATE SUBSCRIBERS RESULTED IN NEW APPLICATIONS, PROVIDING COUNTLESS BENEFITS.

In 2009, We Added New Solutions that Satisfy the Special Needs of our Corporate Customers Operating in Numerous Sectors

We initiated a "Wireless Internet Access" project for the first time for intercity bus companies involved in tourism, thus increasing customer satisfaction through innovation.

By providing hand-held computers with built-in "Turkcell GPRS Modems" to electricity distribution companies that transfer meter readings online, we speeded up the collections of our corporate customers.

We made it possible for corporate customers using our "Turkcell Team Mobile" service to track their team members over the internet on their Turkcell PDAs.

With the support of Turkcell, the General Directorate of Forestry founded "the Web-based Forest Fire Management System" to combat forest fires more effectively. This system allowed firefighting equipment to be used at the highest level of efficiency, minimized driver mistakes and accidents, prevented route violations and provided fuel savings.

Using the "Turkcell Vehicle Tracking Service", managers can check on the location of forest firefighting machinery using just a user name and password to log on at their office or any other location where they have an internet connection.

"The Remote Meter Tracking" solution enabled water distribution networks to send periodic text messages to headquarters regarding water pressure by attaching GSM modems to measurement devices. Since a sudden pressure change in an artery indicates a water leakage, in emergency cases the relevant unit is notified about this development through an alarm text sent from the GSM modem.

The "Waste Management Environment Control Center" Project in Istanbul monitors 6,000 vehicles, including street-sweepers and garbage trucks that transport 14,000 tons of household waste per day through satellites by using web-based technology.

first in service

first in technology

OUR CUSTOMERS EXPERIENCE EXCLUSIVE SERVICES

first in advantages

WE CONTINUED TO CONTRIBUTE TO THE ECONOMY AND EMPLOYMENT

IN 2009, OUR CUSTOMERS ONCE AGAIN EXPERIENCED THE EXCLUSIVITY OF BEING A TURKCELL SUBSCRIBER BY RECEIVING THE HIGHEST QUALITY CUSTOMER SERVICES AVAILABLE AND THE WIDEST DISTRIBUTION NETWORK. WE ALSO CONTRIBUTED TO THE ECONOMY AND EMPLOYMENT BY INVESTING IN TURKEY'S FUTURE.

Our Extensive Distribution Network Underscored our Commitment to Service

In 2009, our customers once again experienced the exclusivity of being a Turkcell subscriber by receiving the highest quality customer services available and the widest distribution network. We also contributed to the economy and employment by investing in Turkey's future.

We Made a Difference in 2009 by Transforming Turkcell Communication Centers into Communication Technology Stores in Order to Provide Better Customer Service

We created a common language for the customer services we deliver at Turkcell Communication Centers (TIM). We focused on how to make customers happier in all part of the stores – in the device experience areas, at the cashier and while they conduct their transaction with our advisors – by determining the needs of customers.

Turkcell launched an era of “Service Expertise” at Turkcell Communication Centers. We invested TRY125 million to renovate 1,036 TIM across Turkey in order to ease and enrich the lives of our customers. These centers were transformed into communication technology stores that serve as popular spots for all our customers’ technological needs. TIM employees received 450,000 hours of in-class training as well as via remotely accessible systems like e-learning, m-learning and alive.

The Company’s services became more versatile through the use of “Q-matic” devices to lower the stress of waiting in line and “online kiosks” aimed at saving time. We began to offer alternative service channels to our customers by diversifying the range of our services. These included an address book back-up device (a feature unique in Turkey to Turkcell), fast battery charging devices (again, unique in the world among operators) and SIM card products other than mobile phones.

Turkcell’s new TIM logo communicated this revolution to our customer, reflecting our belief that technology means making customers’ lives easier. We introduced all sorts of innovations to create value added service in TIMs, where 7,000 specialists support our customers in a service and experience focused manner. In this way, we aim to make Turkcell Communication Centers popular hangouts for all the technological needs of our customers.

“Turkcell Communication Centers (TIM)”

We deliver services to customers with a team of 50 at three Turkcell stores where customer experience and satisfaction are at the forefront. In order to provide standardization in product availability as well as procurement and exhibition practices, 53 Turkcell Distribution Centers (TDM) served 17,000 Turkcell Sales Points all over Turkey by the end of 2009. Meanwhile, pre-paid customers received services at more than 92,000 spots, including digital channels, ATMs, POS, kiosks, call centers, the internet, WAP, retail chains, text messaging, and digital televisions.

Winner of the Best Call Center Award

Global Bilgi, as Turkcell’s Call Center, was ranked the third best call center in the World in “2009 Top Ranking Performers” contest held by “contactcenterworld.com”. Global Bilgi was also ranked the best in EMEA region (Europe, Middle East and Africa) and ranked the third in EMEA region in terms of its outsourcing practices. It was also chosen as the best call center in the 2009 Istanbul Call Center Awards.

Video Call Centers

Video call centers, through which specially trained staff communicate in sign language, provided services to our hearing-impaired customers.

WE CONTRIBUTE TO THE FUTURE OF TURKEY.

TURKCELL CONTRIBUTES TO ECONOMIC GROWTH THROUGH THE JOBS IT CREATES AND THE TAXES IT PAYS

Education and Job Opportunities for Unemployed Young People

In line with our motto of “Investing in People”, we initiated a new education project in partnership with İşkur to train well-qualified human resources for the sector, providing 1,500 unemployed young people with comprehensive education opportunities. Turkcell Academy also initiated a new education project in partnership with İşkur to share its know-how and experience in technology and communication in order to train well-qualified personnel for the sector. In 2010, 154 hours of comprehensive training will be provided to 1,500 young people in retail sales, service and technology topics.

Job Opportunities at Dealers, Sales Channels and Call Centers

Since its establishment, Turkcell has conducted its business according to its tenet of “People First in a Pioneering Turkcell”. This project is designed to help unemployed young people equip themselves for the business world and thus increase their chances of employment.

Under this project pioneered by Turkcell, individuals will be selected from candidates aged 21 - 35 who live in Istanbul, Ankara, Izmir, Erzurum and Diyarbakır and who are registered at İşkur. They will be trained in partnership with universities between April - December 2010.

University academics and Turkcell Academy trainers will give 176 hours of in-class room, e-learning and on the job training in retailing, marketing, sales, service and technology to 200 individuals selected among applicants in Istanbul, Ankara and Izmir.

250 new employees will be recruited and trained for specialization in call center services as of May 2010 due to the need in the personnel in the Erzurum and Diyarbakır call centers. Companies like Innovative Key Solutions, Win and Customer Management Center, with which Global Bilgi works on an outsourcing basis, trained 1,500 individuals in partnership with İşkur in Ankara, Eskişehir and Malatya and more than 1,000 were recruited following the training.

The goal is to enter into a long-term relationship with İşkur by implementing pioneering projects that support young people with a promising future in the fields of communication and technology.

“We hosted a panel at European Business Summit”

TURKEY'S TURKCELL IS WITH YOU EVERYWHERE TO CONTRIBUTE TO THE DEVELOPMENT OF INDIVIDUALS AND SOCIETY.

TURKCELL IS DEVELOPING PROJECTS THAT ADD VALUE TO SOCIETY THROUGH ITS AWARENESS OF SOCIAL RESPONSIBILITY

Turkcell believes that the support given to individuals or to society is a contribution to Turkey. We support economic, environmental, cultural and social development that improves the quality of life and helps create a sustainable world. We initiate projects that add value to society by reaching a broad audience in line with our awareness of social responsibility.

LEADERS MET AT TURKCELL PANEL IN BRUSSELS

At a panel entitled "Opportunities Offered by the Expanding Europe: Turkey" that was hosted by Turkcell as part of the European Business Summit, held in March 2009 for the seventh time in Brussels, leaders concurred that Turkey is a land of opportunity in terms of both the uncertainty of the current global economic crisis and the EU's next wave of expansion.

Among the participants of the panel, where the main topic was the added value that Turkey's EU membership would bring, were the EU Commissioner for Enlargement, Olli Rehn, Turkey's Minister of State and Chief EU Negotiator, Egemen Bağış, Turkcell's CEO, Süreyya Ciliv, Turkey's Prime Ministry Investment Support and Promotion Agency President, Alparslan Korkmaz, and Turkish Confederation of Employers Unions President and Turkey-EU Consultative Committee Co-chairman, Tuğrul Kudatgobilik.

Çağdaş Türkiye'nin Gelecek Güvencesi

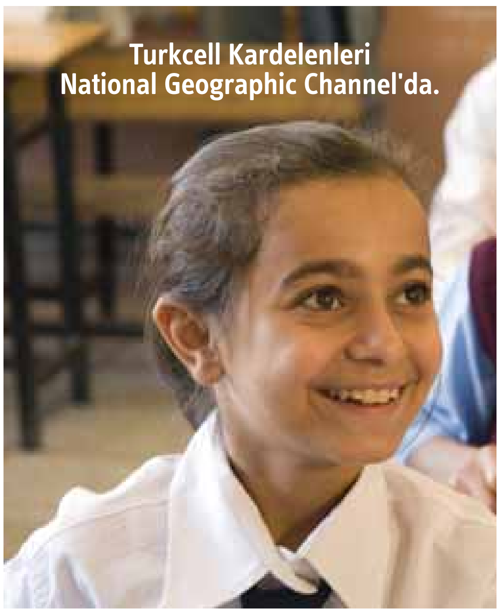

"Snowdrops"

SOCIAL RESPONSIBILITY PROJECTS CONTINUED TO CONTRIBUTE TO INDIVIDUALS AND SOCIETY

Snowdrops

"The Snowdrops" project was initiated in 2000 in cooperation with Society for Supporting Modern Life with the goal of providing equal educational opportunities to girls from disadvantaged families and who could not continue their education.

As part of this project which provides scholarships to 10,000 students every year, so far 8,666 students graduated from high school, 2,707 of them entered college and 755 of them graduated from college.



Snowdrops on National Geographic

In 2009, the Snowdrops project was filmed by the well-known documentary channel National Geographic. For the documentary, interviews were made with Snowdrop girls and their families in Istanbul, Kars, Erzurum and Mardin.

As a result, for the first time in Turkey, a social responsibility project was filmed as a documentary on National Geographic Channel.

"The Bridge of Hearts" Project, Undertaken in Partnership with the Ministry of Education, Continued to Establish Bonds of Friendship in its Second Year

Initiated in 2008 in a partnership with the Ministry of Education, the "Bridge of Hearts" project enables children from around Turkey to visit provinces outside of their regions and to establish new friendships with children living there while also discovering the natural and cultural beauties of our country.

The goal of the project is to allow thousands of students from Turkey's 81 provinces to get to know the country better and to contribute to their development as responsible individuals with high levels of self-confidence. In 2009, 10,000 students joined five-day culture tours in summer. More than 100,000 students have joined "Bridge of Hearts" tours in 2008 and 2009. In 2009 for the first time, a certain number of disabled students also joined these tours.

"Life with Turkcell Days" Starting at Universities

In November 2009, we initiated "Life with Turkcell Days" to share know-how and experience in technology and communication, to discuss about the hints of being successful in business life with young people and to inform them about the importance of the mobile world. Senior managers visited two universities to this end during 2009. During the 2009 - 2010 academic year, Turkcell will visit 30 universities in Turkey. As part of the activities organized by Turkcell Academy, senior managers informed students about the importance of the mobile world, innovations in technology and communications, and made suggestions about success in business.

Another goal of these activities is to create interactive platforms for cooperation between universities and industry, for the college students to have more information about the sectoral developments, new technologies, mobility and the success in business as well as the key issues to bear in mind while applying for a job.

Meeting Students across Turkey

At the “Life with Turkcell Days” platform, to continue in 2010, university students had the chance to get information regarding the near future of communication and technology sector, changes in our lives with the new technologies, new opportunities, collaborations and career opportunities at Turkcell.

In addition to “Life with Turkcell Days”, Turkcell sponsors the “You Are Young, You Are the Future” series of university visits in partnership with Microsoft starting from 2007. Company representatives visited 70 universities in 2009. During the year, Turkcell organized seminars at two universities entitled “Life with Turkcell” with participation from the top management. At an exhibition area named “Life with Turkcell Experiences”, Turkcell’s location-based services, telemetry applications and innovative products and services like Mobile Wallet, Mobile Payment and Health 365, were presented and the company made project presentations at these universities.

TURKCELL SUPPORTS SPORTS IN TURKEY IN ORDER TO SUPPORT ITS DEVELOPMENT, ENSURE ITS SUCCESS AND REWARD ACHIEVEMENT.

Standing Beside Turkish Sports

As Turkcell, we strengthened our faith in the values represented by sports, Turkish sportsmen and teams through our support in sports. The Company not only support Turkish sport but also contributes to the growth of the sports economy by developing new projects in cooperation with sports teams.

Turkcell Continues to Support Turkish Football

In addition to being the main sponsor of Turkish National Football team, Turkcell also signed on as the main sponsor of the Turkish Professional Football League on August 11, 2005 for five years and the league's name was changed to the "Turkcell Super League".

Turkcell has successfully supported Anatolian football clubs since 2003 and, as of 2009 -2010 season, we supported 12 Turkcell Super League teams – Ankaragücü, Antalyaspor, Bursaspor, Denizlispor, Diyarbakırspor, Eskişehirspor, Gaziantepspor, Gençlerbirliği, İstanbul Büyükşehir Belediyespor, Kasımpaşaspor, Kayserispor and Sivasspor.

In addition to sponsoring 12 Anatolian teams, the Company paid USD300,000 to the 2008 - 2009 season second-ranked team in the Turkcell Super League, USD100,000 to each of the teams that were in the first 32 teams in the UEFA cup group games, scored the highest number of goals, and sent the highest number of players to the national team. In addition, in cooperation with the Turkish Football Federation, the Turkcell Fairplay League was started in the 2008 - 2009 season to enhance the level of sportsmanship in football games.

Besides our support to football, we were again the main sponsor of Turkish National Basketball Team A in 2009 and supported the Turkish team during the European Basketball Championship in Poland.

We also gave support to tennis in 2009. After a ten-year break, the Davis Cup took place in Istanbul with Turkcell's main sponsorship. We supported Turkey's National Men's Tennis Team and helped Turkey's national tennis players to move to the upper group in Davis Cup.

We sponsored Marsel İlhan, Turkey's top ranked tennis player and at 137 in world classifications. We believe that Marsel İlhan is a role model for the young tennis players who are involved in our project, "Those Running to the Future".

Those Running to the Future

The "Those Running to the Future" project aims to develop national sportsmen and women who can represent Turkey at the Olympic Games. The project was developed in cooperation with the General Directorate of Youth and Sports and it was included in the national plan of the United Nations' project, Alliance of Civilizations. Under our project, 180 young, talented and promising sportsmen and women aged 12 - 16 were selected from 11 provinces and they were given special training.

"Those Running to the Future" Trains Champions in Six Branches

Turkcell provides the 180 young athletes sportsmen and women in the "Those Running to the Future" project with coaching in skiing in Tunceli and Hakkari, tennis in Istanbul, Ankara and Antalya, swimming in Kastamonu and Edirne, weightlifting in Konya, athletics-throwing in Adana, athletics middle-distance running in Bursa, and cycling for the visually-impaired in Tokat. The goal is to train national athletes to represent Turkey at tournaments and competitions in 2010, at 2012 London Paralympic Games and 2016 Olympic Games.

WE SUPPORT SOCIAL AND CULTURAL ACTIVITIES

Turkcell Supports the Arts

Yeşilçam Awards

Turkcell sponsors the Yeşilçam Awards in cooperation with the Beyoğlu Municipality and the Turkish Foundation of Cinema and Audio-visual Culture (TURSAK) under the patronage of the Ministry of Culture and Art under the slogan "Turkish Movies are Competing; Turkish Cinema is Profiting". Yeşilçam is a district of Beyoğlu / Istanbul where movies have traditionally been made.

All Turkish movies released during the year are automatically nominated and the winners for the Yeşilçam Awards are selected by means of a two-stage jury system.

Nominees in every category are chosen by a preliminary jury of 750 members of the National Cinema Platform, sector representatives, cinema critics, and makers of the nominated movies. The winners are then selected by a Grand Jury composed of 2,500 members.

In 2009, Yeşilçam Awards were given in the categories of "Best Film", "Best Director", "Best Scenario", "Best Director of Photography", "Best Music", "Best Actor", "Best Actress", "Best Supporting Actor", "Best Supporting Actress", "Best Young Talent", and "Turkcell First Film". In 2009, the winner of the "Best Film" category won TRY150,000 while the winner of the "Turkcell First Film" won TRY30,000.

Official Sponsor of İKSV

For the past six years, Turkcell has acted as the Festival Sponsor for the International Istanbul Film Festival organized by the Istanbul Foundation for Culture and Arts (İKSV). For the past nine years, we have also lent our support to the International Istanbul Jazz Festival as a Performance Sponsor. As the official communication sponsor of İKSV since 2005, we have been instrumental in bringing hundreds of thousands of viewers to these festivals.

!F Istanbul Festival of Independent Movies

As part of our support for Turkish cinema through various events, we have sponsored !F Istanbul Festival of Independent Movies through our gnçtrkcll brand for the last two years.

Turkcell Academy Brings Malcolm Gladwell to Turkey

Best-selling American author Malcolm Gladwell came to Turkey as the guest of "Marketing Conferences", organized as part of the Turkcell Academy Marketing Development Program on September 11, 2009.

Sociologist Malcolm Gladwell was selected as "One of the Most Impressive 100 People in the World" by Time Magazine in 2005. He offered new perspectives to, Turkcell employees and participants from the business world in his speech on "Re-inventing Innovation".

WE PROTECT THE ENVIRONMENT BY DECREASING EMISSIONS THROUGH PASSIVE COOLING AND DISTANCE LEARNING AND ACHIEVED ENERGY SAVINGS THROUGH INFORMATION TECHNOLOGY PROJECTS

We Value the Environment Because We Value Future Generations

Turkcell is meeting the environmental challenge. We have adopted environmentalism as a way of doing business and have invested in alternative energy sources and sustainable environmental practices. We have taken on the challenge of raising environmental awareness just as we did for technology. Our environmentalist policy and projects aim to increase society's environmental awareness together with that of our dealers, business partners, employees and all our stakeholders. We have applied environmental policies in our business by investing in alternative energy sources and adopting sustainable environmental practices such as waste control, environmental office applications and environmentalist services.

Turkcell's environment-related projects are carried out in four main areas. In line with our commitment to social responsibility, we adopt, support and apply environmentalist policies and take the lead, together with our employees, dealers, business partners and suppliers, in raising environmental awareness among the public.

For company operations, we use all our resources economically. We are investing in sustainable environmentalist practices and alternative energy resources. By using our technological competence to design innovative products and services, we add value to the environment and to the lives of our customers.

Our Environmental Achievements and Objectives

Energy

Turkcell has continued to establish alternative energy systems in line with our objective of maximizing use of renewable energy resources and decreasing carbon emissions. The company's base stations powered by renewable energy sources are able to reach areas that would otherwise be difficult to access and deliver our services there. We have solar- or/and wind energy-powered systems in place; we aim to reduce CO_2 emissions by using these systems.

We use passive cooling systems at our base stations to supplement air conditioners. For stations located in areas with favorable weather conditions, we apply natural cooling with external air instead of air conditioning. As a result, we save from energy that would have been excessively used by air conditioners. This project was started in 2007 at 158 locations and by the end of 2009, this number had reached 4,250. With all these practices, we achieved an emission decline of 5,584,500 kWh/year =~ 4,020 tons CO_2/year as of year-end 2009.

In order to increase energy-efficiency, we have started to use energy-saving air conditioners. By the end of 2009, we installed these inverter air-conditioners at 3,750 locations in total, recording annual savings of 3.9 million kWs and a decrease of 2,800 tons in annual CO_2 emissions.

The trial phase of our ground breaking project for the usage of wind turbines on GSM towers was completed successfully after lengthy development and field studies. Parallel to the network, we are establishing wind turbines in regions with high wind capacity.

Information Technology

Turkcell's data centers achieved energy savings of 11.4% in 2009 by consolidating servers and applying virtualization projects.

Customer Services

The move from paper pre-paid call unit sales to digital sales, which has increased as a proportion of sales from 14% to 33% in 1.5 years, has saved 45 tons of paper. Additionally, elimination of product/service promotional flyers has resulted in 42 tons of paper savings.

By packaging pre-paid top-up cards in 250-unit bundles instead of packaging them individually in plastic and by introducing perforated cards the company has achieved cardboard savings of around 10-15% and it uses 95% less oil products for plastic packaging while achieving 30% savings in packaging.

Internal Operations

Turkcell has started to apply global developments in "Green Buildings" to its own buildings. An energy audit firm assessed Turkcell's Maltepe office building, where electricity consumption is the highest, and the company has taken action based on the auditors' recommendations. A biological purification facility to recycle waste water was installed at the Turkcell Technology building in Gebze, Istanbul. Paper waste is sent for recycling and batteries are collected from company offices for disposal by local governments. All Turkcell offices have bins for plastic waste. We are conserving water by installing faucet aerators that break the flowing water into fine droplets and entrain air while maintaining wetting effectiveness.

Through distance learning methods we have achieved savings of USD1.5 million in terms of transportation costs. According to carbonfund.org, this amounts to 1.2 million kilometers and represents a saving of 422 tons of CO_2.

TURKCELL CONTINUED TO WIN AWARDS IN 2009

February

1. Turkcell's Tone & Win application wins the "Best Mobile Advertisement Award" in World's GSMA Association Awards

March

2. Turkcell won the "Best Advertising Film" award at the "Association of European Journalists' 2008 Media Oscars".

3. With Turkcell's "Chicken that Lays Tariffs" website, Turkcell was among the firms winning the bronze award in the Non-traditional Category at the "Effie Advertising Competition", organized jointly by The Turkish Association of Advertising Agencies and Turkish Advertisers Association.

4. Turkcell won the "Innovation of the Year Award" at the "Second White Gold Turkish Entrepreneurship Awards" organized by the Association of Eskişehir Entrepreneur Industrialists and Businessmen.

5. With the "Snowdrops" project, Turkcell received the Association for Support of Modern Life Award at the Magazine Journalists Association's "Success in Social Responsibility Projects Awards".

6. Capital Magazine (March 19, 2009) chose Turkcell as "the Most Admired Telecommunications Company of 2008".

7. Capital Magazine (March 19, 2009) selected Turkcell as "the Most Admired Company of 2008".

May

8. The Turkish Education Association's 2009 Support to Education Award was given to Ayşe Kulin for her support for the "Snowdrops Campaign".

9. Turkcell's Tone & Win campaign won gold award in the Best Creativity / Innovation in Mobile Marketing / Advertising category at the Mobile Advertising and Marketing Awards.

10. Permission Database won silver award in the Best Network for Delivery of Mobile Advertising / Marketing category at the Mobile Advertising and Marketing Awards.

11. The Tone & Win website was elected as the most popular website with the users' votes in the telecommunication category at the Golden Spider Awards.

12. Turkcell won the "Investor Relations and Public Disclosure" Grand award at Turkey's first "Investor Relations Awards".

- Turkcell won the first place in the "Best Corporate Governance & Public Disclosure" and "Best Annual Report" categories.
- Turkcell's Chief Financial Officer, Serkan Okandan, was elected as "the Best CFO in the Investor Relations" category.

June

13. Tone & Win won "the Best Advertising Campaign" at the MEF Awards.

14. Süreyya Ciliv, Turkcell's CEO, received the Prestigious Career Award given to successful individuals at the 28^{th} American - Turkish Relations Conference, jointly organized by the American - Turkish Council, the Turkish - American Business Council, and the Foreign Economic Relations Board in Washington.

15. Turkcell was selected as the GSM Communications Company providing the highest support on Information Technology at the Ebiko 2009 5^{th} International Information Technology Olympics.

16. European Sponsorship Awards: Business to Community Winner 2008.

17. The Public Relations Association of Turkey awarded Turkcell in the Corporate Social Responsibility Other Category for the Bridge of Hearts project at the 8th Golden Compass Public Relations Awards 2009.

18. Crystal Apple advertising awards: the "Turkcell Iılayan Adam" banner won second place.

19. Turkcell won several prizes at the Golden Spider Awards: 1^{st} place at Best Micro website for "Turkcell Super League website", 3^{rd} place at Best Micro website for "I'm Going for Quality website", and 1^{st} place at Best Telecommunications website for "Turkcell.com.tr".

July

20. At the International Business Awards (The Stevies), Turkcell Super League website was awarded with the Best Online Advertising Campaign and the SMS Search Engine service was chosen as the Best Product / Service of the Year.

21. Web Award: Hipnozor won the Grand Award for Web Development.

October

22. At the 2009 Golden Drum Awards, Turkcell won the Silver Drum in the Corporate Social Responsibility Category for the Bridge of Hearts project.

23. PR News Nonprofit PR Awards rewarded Turkcell with an award in the Internal Communication category for its volunteer work in the Life Forest Association.

24. IPZ GIA: Turkcell Iılayan Adam won 3^{rd} place for the Best Rich Media Banner Design, Turkcell Limon Banner received an honorable mention for the Best Standard Banner Design and Turkcell 3G Launch Mailing won 2^{nd} place for the Best Periodic e-Bulletin project.

November

25. In the Peryön People Management Awards, "Turkcell is Me" won the project that makes a difference award.

26. Turkcell's Süreyya Ciliv won "the Best CEO of the Year" award at one of the most prestigious events in the telecommunication sector, the WCA / World Communication Awards 2009.

27. Interactive Media Awards: Hipnozor – Best in Class.

December

28. Turkcell NTV 3G Video News Packages, prepared specially for Turkcell subscribers, won the Best Mobile Video Content award in the Best Mobile Production category at "the Mobile Excellence Awards 2009".

Investing in People and Corporate Governance

Turkcell's eco-system includes 235 business partners and 18,000 sales channels. Turkcell Group itself provides direct employment opportunities to approximately 11,000 people.

Turkcell Social Activity Group

Turkcell Social Activity Group (TSAG) organizes events for Turkcell employees under the slogan ‘The Fun Part of Work’. Every week, TSAG organizes tours, tournaments, kids’ club activities, training courses, competitions, parties, daytime events and dozens of special activities. TSAG organized more than 365 activities in 2009 alone in which more than 23,000 employees and their families participated.

Turkcell Volunteers

Turkcell Volunteers, a group composed of Turkcell employees, works with Non Governmental Organizations to indentify people and projects in need. By organizing various events within the company, Turkcell Volunteers empowers fellow employees to give their personal support to these projects.

Projects completed to date include the restoration of the Diyarbakır 75. Year Primary Boarding School, the establishment of a call center for disabled, the renovation of Yakacık Kindergarten, and of programs entitled "Will You Share Your Toys?", "Let's Keep Yukarı Tandır Village Warm", "Books to the Box and Kids to School", "Let's Make Ayvalık Greener", "Let's Keep Batman Warm", "A Sweet Peace of Mind," and "My First Vacation", “Let Every Child Have a Book”, “A Small Gift for Damal for a Warmer Winter”, “We Give Life to Tekman”, “Şırnak Fatih Primary School Play Garden”, “Garden Layout & Hobby Room for Taksim Primary School”, “Science Laboratory & Theatre Hall for Hasdal Primary School”, and “Social Area Layout for Urfa Siverek Kapıkaya Primary School”.

Turkcell Volunteers received the Excellence in Public Relations-Golden Globe Award in 2007 from the International Public Relations Association and the Honorary Award at the PR News Nonprofit PR Awards organized in the USA in 2009.

Official Turkcell Sports Teams

We support around 150 Turkcell employee athletes in basketball, cycling, bowling, soccer, carting, table tennis, volleyball, sailing, and swimming. We are proud that several of the Company’s sports teams represent Turkcell in various leagues.

Turkcell Encourages Tomorrow's Leaders

Both corporations and the present education system assign strategic importance to developing employees and talented young people who can respond new business areas created by the changes caused by globalization and market needs.

“The Turkcell Academy First Step to Professionalism” program was initiated with this purpose in mind. It is a comprehensive program to prepare successful university students with high potential for business life and to make a positive difference in their career paths.

The Turkcell Academy's Graduate Scholarship Program, which we initiated in cooperation with the Turkish IT Society, seeks to support the development of a well-qualified labor source for the sector, discover promising post-graduate students and provide them scholarships. Every year, scholarships are awarded to 100 students from 14 state universities pursuing their graduate degrees in applied sciences (electrical engineering, electronics engineering, computer engineering, industrial engineering, electronics and communication engineering) and social sciences (business administration, marketing, product management).

HUMAN RESOURCES

Our Values

We continued communication activities to promote decisions and actions that highlight our values and spread the message "Turkcell is Me". We see our values as the guiding force behind unique mindset that will increase and expand the success of Turkcell Group: We exist for our customers. We are a dynamic team. We believe in open communication. We make a difference. We value people.

Today, employees at all levels, from senior management on down, participate in this process by declaring "Turkcell is Me" and thus supporting our values-based corporate culture.

Our Employees: Our Most Valuable Asset

Guided by our philosophy of "People First in a Pioneering Turkcell", we give top priority to employee satisfaction and motivation. We monitor new technologies that will affect our company, both in Turkey and around the world, and strive to play a pioneering role in developing applications that will serve as an example internationally.

Because we have created a flexible, sensitive, and democratic business environment that supports change, we continuously make investments that add value to our Company in order to motivate our employees. Our business setting is not characterized as a "work environment" but as a "living environment" and all projects are conducted accordingly.

In 2009, 240 new employees were recruited in line with our new projects and our corporate growth. Due to the opportunities we offer, 253 employees were rotated into new jobs, assuming new roles and responsibilities that support their career development. The employee turnover rate in our company was 3.6% in 2009. There are no personnel or worker unions active nor are there collective-bargaining agreements in place at our company.

Under our approach of providing employees with additional benefits that enhance their professional and personal lives, our employees can shape their own benefits packages from a "Flex Menu" of perks according to their personal needs. The menu offers various options, including shopping checks, holiday packages, interim payments for individual retirement, and healthy living packages.

Our Individual Retirement Plan covers all employees and gives them an opportunity to invest in their futures. The plan is administered on the matching contribution model.

In addition to regular vacation, all employees receive one additional day off for their birthdays. We also provide child care support for female employees with children between the ages of two and five.

Demographics of Turkcell employees are provided in the below table:

Employee	2007	2008	2009
Male	1,854	1,798	1,728
Female	1,021	1,011	981
Average Age	32	33	33
Education Level			
Post-graduate Degree	484	500	535
University Degre	2,066	2,025	1,918
High School Graduate	316	277	248
Middle School Graduate	9	7	8
At Least One Foreign Language	2,064	1,910	1,819
Two or More Foreign Languages	799	855	789

Note: The employee totals do not include part-time employees and interns.

Turkcell Encourages Innovation

At Turkcell, we continued to use the process called “I Have a Great Idea!” that works via the Innovation Office and enables our employees to pass on original ideas that add value to the Company. We continued to reward ideas generated through “I Have a Great Idea!” program and to date Turkcell has recognized 544 employees under this scheme. Their total contribution to the company has USD225 million.

Turkcell is Turkey’s Most Admired Company

Our priority is to recruit and retain the best people. Our human-resources applications continue to develop committed employees who achieve successful results. We achieved an employee satisfaction rate of 82% in 2009.

In order to keep on being a winning team, we continue to shape and implement our human resource strategies according to our corporate culture, the employees that embody this culture and our belief in the importance of leadership.

TURKCELL ACADEMY

“University-Industry Cooperation” Adds Value to Turkcell

In today’s rapidly changing world, indisputably, development is dependent on an advanced level of education and knowledge capable of producing technology. Turkcell Academy, the Company’s corporate university, fosters university-industry cooperation. It is responsible for numerous academic studies in Turkey and abroad and supports common programs and events with universities.

TURKCELL AKADEMİ

“Turkcell Mobile Communication & Technology Development Program” and the “Turkcell Customer Focus Development Program” were developed in light of our corporate know-how and experience with the awareness that the young generation will shape the future of Turkey and technology. By sharing Turkcell’s know-how and experience with university students through these programs, we seek to develop highly qualified human resources for the rapidly developing technology and communications sector.

Turkcell Academy supports many prestigious and ground-breaking academic research initiatives and projects at leading universities in Turkey and world-renowned universities such as Harvard Business School and the Massachusetts Institute of Technology (MIT) on topics related to technology, innovation, entrepreneurship and leadership in coordination with business units. Turkcell Academy is a partner of Bahçeşehir CO-OP (Cooperative Education) and Sabancı CAP (Company Action Project) programs and carries out projects and programs together with these universities.

Turkcell Academy visits universities with its “Life with Turkcell Days” and “You Are Young You Are the Future” programs and it puts technology enthusiasts together with speakers specialized in areas such as mobile innovation and innovative technologies.

“Turkcell is Turkey’s most admired Company”

Development Solutions Contribute to the Development of Leaders, Employees, Business Partners and Our Entire Ecosystem

Turkcell Academy systematically monitors the performance and potential of Turkcell Group employees and field personnel as well as that of everyone who works in our ecosystem. By developing their competencies in line with the rapidly changing business environment and our corporate strategies, we ensure they are ready to meet the competition.

To this end, Turkcell Academy organizes development solutions entitled "Customer", "Technology" and "Leadership". These programs reached 217,468 people in the Turkcell Group ecosystem, providing them with 1,095,490 hours of training. The Academy provides leadership programs for 800 Turkcell Group managers at various levels. It also initiates technical and non-technical trainings (such as on 3G, Regulatory Laws, Leadership in Customer Experience, Product and Service, Shared Service and Sales Culture, Marketing) that raise the Group's competitiveness and improve corporate performance as well as individual performance.

Turkcell Academy Makes a Difference at the International Level

In 2008, Turkcell Academy, Turkcell Group's strategic development center, was honored with the "Exemplary Practice" award for successfully beginning a new corporate university by Corporate University Xchange, the leading provider of corporate university research, benchmarking, and advisory services for helping organizations transform corporate learning.

In 2009, Corporate University Xchange assessed Turkcell Academy as a case study. In addition to the overview of Turkcell and Turkcell Academy, the study also highlighted the Academy's success on the subject of listening to the consumer voice.

At the 11th CorpU Awards for Excellence and Innovation held in March 2010, Corporate University Xchange presented Turkcell with the "Excellence Award" for Learning Technologies.

In 2009, Turkcell Academy continued its First Step to Professionalism (PAF) Program which it initiated to enable successful and promising young talents to get a head start in their professional life. The PAF Program encompasses the internship-part-time employment-new graduate recruitment phases and aims to improve young peoples' awareness of professional life, business fields, companies and jobs while widening their perspective. The program expects that interns will complete their internship in accordance with Turkcell's corporate culture. To this end, the Academy organizes an orientation program to help new interns to adapt quickly to the Company's working environment. The program provides competency-based trainings via an e-learning platform. Turkcell seeks to offer interns part-time and full-time job opportunities according to availability of suitable positions in line with performance. In 2009, the Company offered internships to 190 students under this program.

"Corporate University Xchange presented Turkcell Academy with the "Excellence Award" for Learning Technologies"

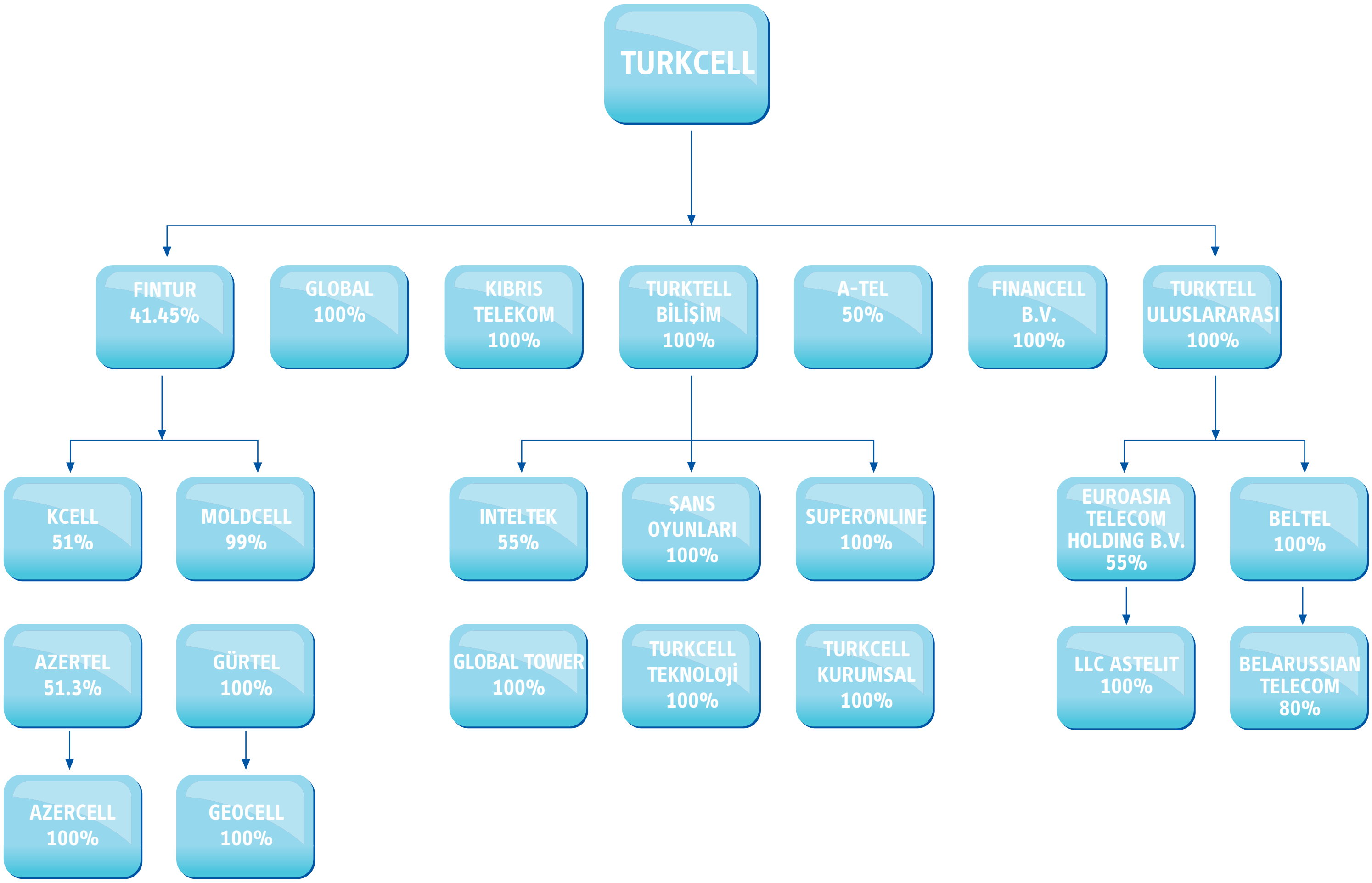
TURKCELL AKADEMİ PAF takımı

INTERNATIONAL CREDIT RATINGS

TURKCELL'S INTERNATIONAL CREDIT RATINGS AS OF APRIL 12, 2010

Moody's Local currency rating **Ba2** Foreign currency rating **Ba2** Outlook **Positive**	Moody's affirmed Turkcell's Ba2 foreign and domestic currency corporate family ratings and changed the Company's outlook from "stable" to "positive", a revision that reflects the Company's robust operational and financial performance, its profitability, its sustainable cash-flow generation capacity, and the positive momentum of its Ukrainian business interests.
FitchRatings Local currency rating **BBB-** Foreign currency rating **BBB-** Outlook **Stable**	On March 18, 2010, Fitch Ratings has affirmed Turkcell's long-term foreign and local currency Issuer Default Ratings (IDR) at "BBB-" respectively. The outlooks on both the IDRs are "Stable". Fitch Ratings claim that, the ratings reflect Turkcell's leading market share (56%) in Turkey's mobile telecoms sector despite increased competition and strong credit metrics compared with peers in the neighboring region.
Standard & Poor's ("S&P") Local currency rating **BB+** Foreign currency rating **BB+** Outlook **Positive**	S&P upgraded the outlook on Turkcell's "BB+" long-term foreign currency rating from "negative" to "stable". S&P confirmed both Turkcell's long-term foreign currency and local currency ratings as "BB+". This rating confirms Turkcell as the Turkish real sector company with the highest S&P rating. This revision primarily reflects S&P's recent upgrade of the outlook on Turkey's long-term foreign currency rating to stable, the assessment that Turkcell's operating performance in Turkey remains robust, and the view that Turkcell continues to have a strong balance sheet.

SUBSIDIARIES



Subsidiaries included in the consolidation has no shares in shareholders' equity.

Ukraine: LLC Astelit-life:)

By the beginning of February 2005, Turkcell's 55% indirect subsidiary Astelit had launched its GSM operations in Ukraine under the "life:)" brand name. Of the company's shares, 45% belong to the System Capital Management Group. Astelit covers 96% of Ukraine's population and 87% of the country's territory.

The global economic crisis hit Ukraine hard hit in 2009, pulling its GDP down by 15% and affecting the telecommunication market negatively. The devaluation of the national currency, Hryvnia by 47.7% against the US dollar in 2009, adversely affected Astelit's financial results. Astelit's dollar-based revenues declined by 20% to USD351.1 million mainly due to devaluation of the local currency against USD. However, in local currency terms, Astelit increased its 2009 revenues by 19.5% compared to 2008.

Astelit's 2009 EBITDA was USD20.2 million, although the EBITDA margin decreased by 1.7 percentage points to 5.7% from its 2008 level of 7.4% mainly due to the increased share of interconnection costs in revenues.

Despite all these challenges, Astelit's subscriber base increased to 12.2 million in 2009 from 11.2 million in 2008. The Company's 3 month active subscriber base increased by 9.9% to 7.8 million in 2009 compared to a year ago. Along with the declining revenues, the 3 month active ARPU declined by 39.3% to USD3.7. In 2009, Average Minutes of Usage (MoU) increased by 6.5% and reached 158.7 minutes. In 2009, Turkcell Group invested $216 million in Astelit.

2009 was a difficult year for Ukraine, reflecting the global macro economic crisis and ongoing political uncertainty. These challenges continue. However, we are optimistic about the Ukrainian market in the long-term and we will continue to invest in Astelit, focusing on profitability to improve its market position.

Summary Data for Astelit (Million USD)

	2008	2009	Change %
Subscribers (Million)			
Total	11.2	12.2	8.9%
Active (3 month) (1)	**7.1**	**7.8**	**9.9%**
MoU	149	158.7	6.5%
Average Revenue per User (ARPU) (USD)			
Total	3.6	2.5	(30.6%)
Active (3 month) (1)	**6.1**	**3.7**	**(39.3%)**
Revenue (UAH)	2,292.7	2,740.0	19.5%
(USD million)			
Revenue	438.7	351.1	(20.0%)
EBITDA	32.3	20.2	(37.5%)
EBITDA Margin	7.4%	5.7%	(1.7)yp
Net Loss	(326.5)	(111.8)	65.8%
CAPEX	155.8	216.0	38.6%

[1] Active subscribers are those who in the past three months made a transaction which brought revenue to the Company.

Belarus: BeST

Turkcell purchased 80% of Belarusian Telecommunications Network (BeST) for USD500 million from the State Assets Committee of the Republic of Belarus in July 2008 as part of the Company's strategy to capitalize on the emerging investment potential in neighboring countries The purchased amount is scheduled to be paid in three installments: The first payment of USD300 million was made on August 26, 2008 and the second installment of USD100 million was made on December 31, 2009. The remaining installment of USD100 million will be made on December 31, 2010. An additional payment of USD100 million falls due when BeST announces a net annual profit for the first time.

The acquisition of BeST gives Turkcell the opportunity to enter a market with considerable growth potential. Belarus' expanding economy and young and well-educated population, make it an attractive market in a region where Turkcell is keen to grow.

Turkcell will use its experience of working in the Ukrainian and Commonwealth of Independent States markets to effectively differentiate BeST, currently the third-largest operator in Belarus, in a very short time.

Best made capital expenditures of USD87.6 million in 2009 and increased its subscriber base by 500% to 1.2 million compared to 2008.

FINTUR

Turkcell holds a 41.45% stake in Fintur Holdings BV. Fintur has focused on GSM investments in growing markets with relatively low penetration rates such as Kazakhstan, Moldova, Azerbaijan and Georgia.

Fintur was able to maintain its position despite challenging macroeconomic conditions in its markets of operation,. Mainly due to exchange rate fluctuations Fintur's consolidated annual revenue declined by 12.0% to USD1.6 billion. In 2009, Fintur won 0.8 million new subscribers and increased its subscriber base to 13.6 million.

Based on the equity pick-up method, Fintur's contribution to Turkcell's net profit in 2009 was USD119.6 million. The dividend received from Fintur in 2009 was TRY118.5 million.

Azerbaijan: Azercell

Founded in 1996 as a joint venture of Azertel and the Ministry of Telecommunications of Azerbaijan, Azercell is the leader in the Azerbaijan telecommunications market. Fintur owns approximately 51% of Azercell through direct and indirect holdings. Its superior service quality, reasonable rates, pre-paid services, and the absence of a strong fixed-line infrastructure in the country have contributed to Azercell's continued growth. As of the end of 2009, Azercell leads the Azerbaijan telecommunications market with a subscriber base of 3.8 million and a market share of 58%. Azercell owns 51% of Azeronline, the leading Internet service provider (ISP) in Azerbaijan. The Company is also very competitive in the field of international roaming and has roaming agreements with 388 operators in 152 countries. Azercell is the market leader in terms of innovation, with products like Sim-Sim, Mobile Banking, DataKart, and Mobile Marketing.

Georgia: Geocell

The 2001 merger of Georgia's two GSM operators, Geocell and GT Mobile, enabled Geocell to expand its coverage area and capacity and launch pre-paid services. With the UMTS license that Geocell won in 2006, Geocell started to offer 3G technology to its subscribers. As of December 31, 2009, Fintur held a 100% interest in Geocell, which had a 46% market share and 1.9 million subscribers.

Fintur	2008	2009	Change %
Subscribers (Million)			
Kazakhstan	7.1	7.2	1.4%
Azerbaijan	3.5	3.8	8.6%
Moldova	0.6	0.7	16.7%
Georgia	1.6	1.9	18.8%
Total	**12.8**	**13.6**	**6.3%**

Kazakhstan: K'Cell

K'Cell is a partnership between Fintur and Kazaktelekom, the national telecom operator of Kazakhstan. K'Cell commenced services in 1999 after obtaining a renewable 15-year license for standard GSM network services. As at December 31, 2009, Fintur owned a 51% interest in K'Cell, which is one of the largest GSM operators in Central Asia and the leader in Kazakhstan in terms of subscriber base, growth rate, amount of investment, and range of services. As of December 31, 2009, K'Cell had a 49% market share and 7.2 million subscribers.

Moldova: MoldCell

One of three GSM operators in Moldova, MoldCell launched operations in 2000. Wholly owned by Fintur, MoldCell had a subscriber base of 700,000 as of December 31, 2009 and a market share of 28%. In 2009, MoldCell received an ISO 9001: 2008 certificate and proved that the Company's Quality Management System complies with ISO9001 standards.

Turkish Republic of Northern Cyprus: KKTCell

Established in 1999, KKTCell is a subsidiary of Turkcell and it operated under a revenue-sharing agreement with the government of the Turkish Republic of Northern Cyprus (TRNC) until the end of July 2007. In 2007, KKTCell signed an 18-year license revenue-sharing agreement for the installation and operation of a digital, cellular, or mobile telecommunication system with the TRNC Ministry of Communications & Works. This agreement replaced the Mobile Telephone System Agreement that was based on revenue-sharing. By the end of 2009, KKTCell had 360,000 subscribers and a 74% market share. KKTCell covers 100% of the population and its coverage reaches beyond the geographical borders of TRNC.

In an exciting development in 2008, KKTCell introduced 3G technology to Cyprus and began offering 3G services and products to the people of Northern Cyprus on October 14, 2008. In 2009, KKTCell introduced products and services aimed at increasing mobile broadband usage in the TRNC, including new mobile broadband packages, netbook campaigns and USB modems under the "GEZZ" brand.

2009	GDP Growth / Contraction	Depreciation against USD
Turkey	(5%)	(21%)
Ukraine	(14%)	(48%)
Belarus	(3%)	(30%)
Fintur*~	(4%)[1]	(14%)[2]

* In 2009, GDP contracted in all markets that Fintur operates except Azerbaijan and the local currencies devalued against USD.

Source:
1) World Fact Book
2) Bloomberg

DOMESTIC INVESTMENTS

Inteltek

Inteltek, under the authority of the Turkish Youth and Sports Directorate and the Spor Toto Organization, provides the infrastructure for the central betting system used for Spor Toto and İddaa games and is also responsible for risk management. Turktell owns 55% of the company; Intralot, 20%; and Intralot Iberia, 25%.

Founded on April 6, 2001, Inteltek gained legal rights to be the sole authorized entity in football betting in Turkey on behalf of Spor Toto with the launch of İddaa in April 2004. On August 28, 2008, with its best offer of 1.4%, the Company won the tender that allowed private companies to organize constant probability and paramutuel betting games based on sports competitions that are originally organized by Spor Toto. By signing a contract with Spor Toto on August 29, 2008, it gained the business rights of İddaa for the next 10 years.

On January 2010, after assessing the investment potential of neighboring countries, Inteltek signed a contract with Azerbaijan Azerimanservis, which organizes fixed-odds and pool betting in sports, to organize, operate, and develop betting games in that country. Inteltek acquired 51% controlling interest in Azerinteltek, a company to be established in Azerbaijan that it will be run for ten years.

Superonline

Tellcom İletişim Hizmetleri A.Ş., founded in 2004, merged its strength and brands with those of Turkey's leading Internet provider, Superonline Uluslararası Elektronik Bilgilendirme, Telekomünikasyon ve Haberleşme Hizmetleri A.Ş. in May 2009, to operate under the brand name "Superonline". The goal of this creative telecom operator, which is constructing its own fiber optic infrastructure, is to become a complete solution and service provider for its corporate and individual customers.

Following its establishment, Superonline obtained the license for long distance telephone services (LDTS), which allows it to provide long-distance call origination and termination for individual and corporate customers as well as wholesale voice-carrying services. The Company received its Internet service provider license in February 2005 and was granted a landline data transmission license in June 2005, and an infrastructure operating license in April 2006.

Superonline won a major infrastructure tender initiated by the Turkish Electricity Transmission Corporation (TEIAS) in January 2007 and has been granted the 10-year operational rights for a fiber-optic cable between Istanbul and Ankara. In 2007, Superonline became the first alternative operator in Turkey to carry domestic traffic. Superonline provides its customers with affordable packages for fiber Internet, the most advanced Internet-access technology in the world. With its fiber-optic-infrastructure investments completed in a relatively short time, Superonline introduced its customers to 100-megabyte Internet connections in 2007.

In 2008 and 2009, Superonline expanded its intra-city and inter-city fiber-optic network and continued investing in its transmission network via fiber optic-based access points that it established to reach end-users in residential and industrial areas.

On December 2009, Superonline won the public tender for the 15-year lease of BOTAŞ's fiber optic infrastructure, with a bid of €20.9 million and Superonline has been granted with the usage of BOTAŞ's 11,280 km of routes. These routes, which pass through 73 provinces via petroleum and natural gas pipelines, make all Turkey's regions accessible for Superonline. The Company, entering the Black Sea and Eastern Anatolia Regions for the first time, will bring fiber optic infrastructure to 38 provinces for the first time. Through this project and the other investments that are planned, Superonline will raise its fiber optic infrastructure above 23,000 kilometers. Along with the route provided by the tender, the Company will add new external links to the two existing ones. As of December 31, 2009, the infrastructure constructed by Superonline through 35 cities had reached approximately 9,500 km.

Superonline invested total of TRY259.5 million in 2009. Along with maintaining its BOTAŞ routes, in 2010 it will continue to make selective investments in fiber optic infrastructure where needed. Performing above expectations, Superonline raised revenues by 58% to TRY252 million in 2009. Similarly, it finished the year with a positive EBITDA.

Global Tower

Global Tower (former name TurkKule), which was established in 2006, became Turkey's first and only tower service provider to the wireless broadcast and communications industry in 2007. The Company, which is one of the top three in its field in Europe, began operating under the name, Global Tower on February 1, 2010. Its scope includes the construction and purchase of new towers and the maintenance and renewal of existing ones, security services, and other related activities. In line with its vision of spreading communications everywhere, the Company continued to build more towers in 2009. Global Tower plans to enlarge its service area and become one of the leading telecommunication players by establishing a profitable business model for the long-term. The Company currently provides service to the wireless broadcast and communications industry at 5,000 locations around Turkey. Global Tower, which has many solution partners, plans to expand its activities to the Commonwealth of Independent States, the Middle East, Africa and Eastern Europe.

Turkcell Teknoloji

Turkcell Teknoloji began operations in 2007 in the field of information and communications technology in the TÜBİTAK Marmara Research Center Technology Free-Zone in Gebze. The Company's network and service platform has a wide range of products and services within the categories of SIM card and terminal solutions, mobile Internet, multimedia, data management and new-generation technologies. Turkcell Teknoloji aims to work with the most talented people and increased its employee numbers to 360 in 2010.

Its highly qualified engineers are developing competitive services and products. In addition, the Company is contributing value to the country by reversing the brain drain Turkcell Teknoloji aims to change, transform and simplify people's lives through its innovative and customer-oriented approach. Products under development on in-house platforms incorporate the creative ideas of our employees. The value given to innovative and creative ideas is demonstrated by the increasing number of patents that Turkcell Teknoloji obtains each year. It is well on its way to becoming Turkey's R&D and innovation center.

Turkcell Teknoloji aims to transform new ideas into value added products through its partnerships with national R&D companies, universities and research centers. Playing an active role in international R&D programs, Turkcell Teknoloji is also working with leading R&D technology companies and universities abroad.

Turkcell Teknoloji is a member of the EU 7th Framework Program technology platforms and has participated in five projects in the EUREAKA ITEA2 R&D Incentive Program. It was awarded with an R&D grant from TÜBİTAK-TEYDEB (Office of Technology and Innovation Support Programs). At the 5th call for projects in 2010, Turkcell Teknoloji submitted four project applications and two of these are European project leaders.

With projects that reach more than 60 million users in Turkcell and the Turkcell Group of companies, Turkcell Teknoloji has the experience to transform ideas into real-life applications. Through this experience, it provides competitive products and services to its customers. Turkcell Teknoloji aims to be the best in efficiency, quality and time management with its concentration on operational perfection.

Turkcell Teknoloji also sells to international operators and contributes to Turkish software exports; it strives to create value through its ecosystem and to be one of the best worldwide.

Global Bilgi

Turkcell Global Bilgi was established in 1999 as a call center. I response to changing and increasing customer expectations, investment were made to transform Global Bilgi into a "Customer Relations Management Center". It now has the best technology system in its sector in Turkey as well as in Europe.

Turkcell Global Bilgi provides services with a desk capacity of 5,000 distributed among ten locations – eight in Turkey (in Istanbul, Izmir, Erzurum, Diyarbakır and Ankara) and two abroad (in Ukraine). Turkcell Global Bilgi, which has a very young employee profile, serves only Turkcell customers in Erzurum and Diyarbakır locations. The Erzurum Call Center, which was opened in 2006, employs 850 people, 40% of whom are female and 60% are male. With an average age of 24. 14% of employees of the Erzurum Call Center have a 4-year university degree, 17% have a 2-year associate degree, and 69% are high school graduates. Following the success and increase in business volume achieved in Erzurum, the company invested USD12.3 million to establish the Diyarbakır Call Center, which was opened in 2008. There are 600 employees in Diyarbakır, of which 61% are female, and 39% are male.

Turkcell Global Bilgi is a major employer, creating employment for 7,000 people and providing value added services to more than 40 million people in Turkey and 10 million in Ukraine.

With a 45% domestic market share, it is the leader in its sector. Since the day it was founded, it has forged new ground in the sector. It has invested TRY110 million over 10 years. It established contact with 720 million customers in 2009 and, along with 3G rapid mobile Internet technology, it answered 9,000 video calls in 4.5 months, thus providing video call center services to the hearing-impaired for the first time in Turkey. Global Bilgi has earned 22 national and international awards in the past four years due to its differentiated service approach.

MOBILE COMMUNICATIONS SECTOR

2009 OPERATIONAL AND FINANCIAL REVIEW

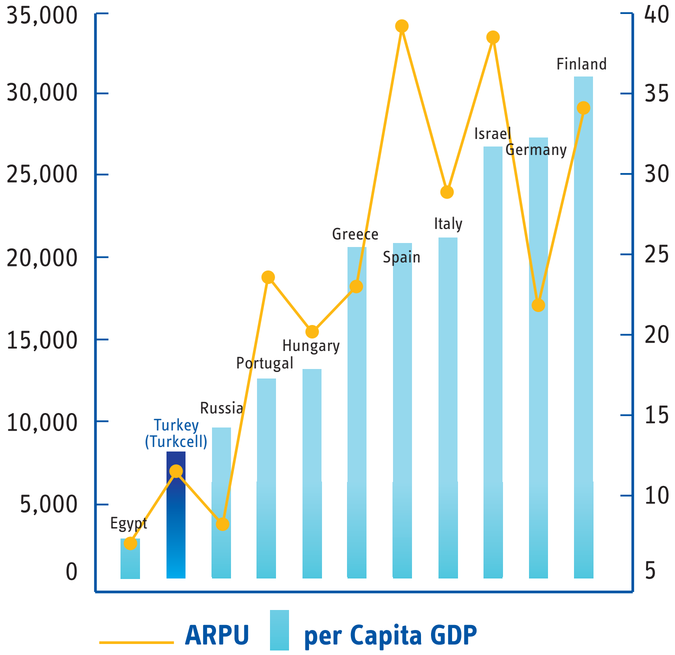
MOBILE COMMUNICATIONS SECTOR

THE TURKISH MOBILE COMMUNICATIONS SECTOR STILL HAS POTENTIAL FOR FURTHER GROWTH

While Turkey grew above the European average in recent years, the worldwide economic crisis resulted in a contraction in gross domestic product by 4.7% in 2009. Though 2010 remains uncertain, we believe that, with the end of the crisis, growth in consumer confidence and spending will result in an increase in MoU levels, thereby contributing to the rise in average revenue per user.

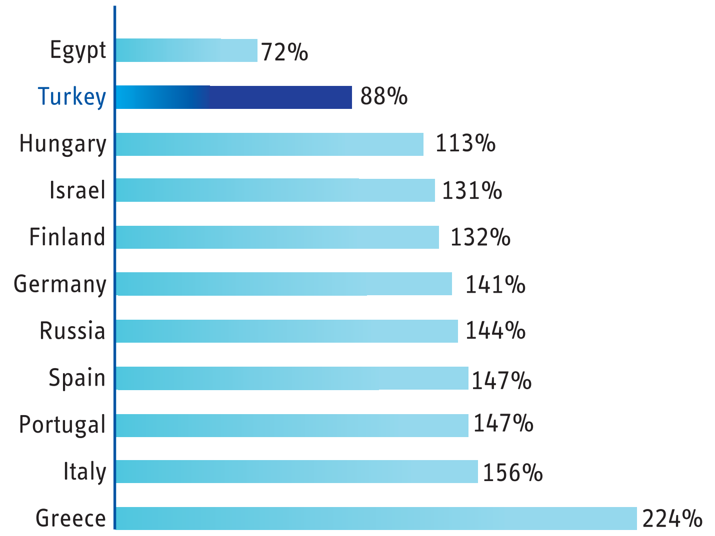
Mobile line penetration, which is approaching 130% in European countries, fell in Turkey from 92% in 2008 to 88% in 2009 due to a decline in multiple SIM card usage and the economic slowdown. On the other hand, despite the contraction in 2009, with its young and dynamic population, the Turkish market still has growth potential in the mid-term.

Per Capita GDP - Average Monthly Revenue per User – ARPU (USD)



1) ARPU as of December 31, 2009 (source: Merrill Lynch, Turkcell)
2) GDP per capita (Source: Merrill Lynch, Turkish Prime Ministry Treasury Under-Secretariat)
3) Figures for Egypt, Russia and Hungary are Merrill Lynch estimates.

Low Mobile Line Penetration Levels



Source: Merrill Lynch, Turkcell
Turkey's mobile line penetration rate is based on figures announced by the Information & Communication Technologies Authority, 4Q 2009.

In addition to voice communication, the introduction of 3G to the Turkish mobile communication market in the third quarter of 2009 heightened the importance of mobile data. Going forward, we believe that our 3G business model will widen mobile broadband penetration and that new 3G services will increase mobile data and internet usage. This will be a key component in raising mobile data and service revenues.

The high tax rate levied on mobile communication services in Turkey plays a significant role in dampening monthly Minutes of Usage. With a tax rate of about 60%, Turkey has the highest taxes in this field in the world, resulting in usage levels far below other European countries. We believe that lower taxes on mobile communication services would lead to an increase in Minutes of Usage, growth of the mobile communication sector, and higher revenues per subscriber.

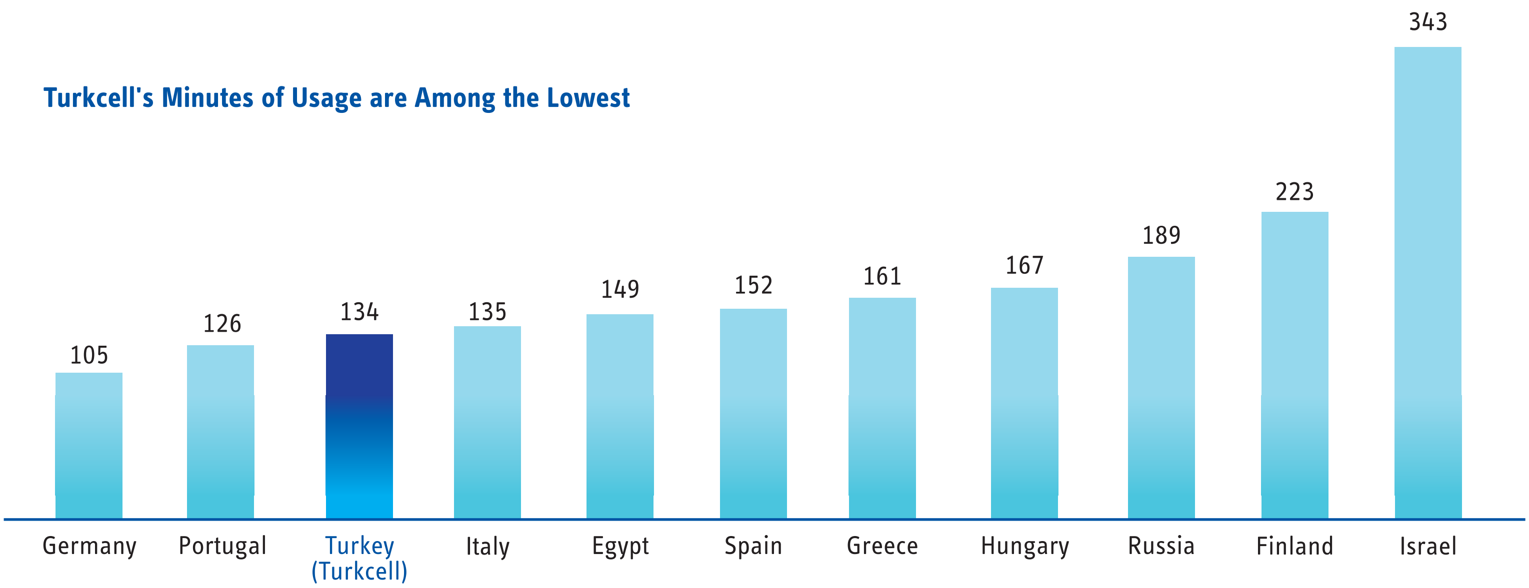
The reduction of the Special Communications Tax (SCT) in March 2009 to 5% from 25% on mobile Internet services and from 15% on fixed-line Internet services has raised expectations that other tax reductions will follow.

Telecommunications Sector in Turkey

The increased importance of operational profitability is in part due to the change in partnership structures in the Turkish telecommunications sector. This change came about with the sale of Telsim, the privatization of Türk Telekom, the sale of Telecom Italia Mobile's shares in Avea to Türk Telekom, and the purchase of Telsim by Vodafone. Mobile number portability (MNP), which was introduced to the Turkish market on November 9, 2009, led to aggressive flat rate offers that destroyed the previously rational approach to competition between operators in the Turkish market. Unlimited flat rates for calls between carriers resulted in a change in traffic movement from on-net to off-net and a decline in multiple SIM card usage. Together these factors had a detrimental effect on operational profitability in 2009 as well as a decrease in mobile line penetration. In this aggressively competitive climate, customer loyalty and satisfaction and successful management of the MNP process enabled Turkcell to maintain its leading position in subscriber, traffic, and revenue market shares.

We further strengthened our competitive position by playing a key role in the initiation of 3G in Turkey and by successfully introducing our 3G network on July 30, 2009 with the fastest mobile broadband and widest coverage in the country. From day one, we provided the best coverage and fastest 3G network in Turkey. As of December 31, 2009, our network covers approximately 71.5% of the population. In this new 3G era, we differentiated Turkcell through our superior network, attractive mobile broadband and creative mobile services. Our superior service and its network quality, together with an extensive service portfolio and the best mobile broadband offer in the market, created demand beyond our expectations and led to a strong uptake in data usage. Thanks to 3G data packages, netbook and notebook offers, and 30 new and innovative services, mobile internet usage increased six times in the five months from July 30 to December 31, 2009.

Turkcell's Minutes of Usage are Among the Lowest



Source: Merrill Lynch, Turkcell

Our mobile data and service revenues grew by 13% in 2009 and its share in consolidated revenues increased to 16% in 2009 from 14% in 2008.

We expect that our 3G business model will increase mobile broadband penetration and contribute to growth in revenues from mobile data and voice in the coming year.

Significant Regulatory Developments in 2009 are as Follows:

Authority's Price Regulations in the Sector

The Information and Communication Technologies Authority ("the ICTA"), by virtue of its directive No. 2009/DK-07/149 of March 25, 2009, reduced the maximum price cap within general and special tariff packages for calls to mobile and fixed line operators from TRY0.80/minute (including VAT and Special Communication Tax) to TRY0.64/minute. It also specified a lower limit in retail rates for Turkcell. Accordingly, it imposed the condition that the weighted average on net rate based on usage on each Turkcell tariff shall not fall below the weighted average call termination rate. Moreover, while the ICTA raised the maximum price cap for calls made to mobile and fixed-line operators on September 16, 2009 to TRY0.65/minute, with its decision dated February 11, 2010, the maximum price cap was reduced it to TRY0.40/minute. Accordingly, maximum price cap was reduced in consecutive two years, by 19% in 2009 and an additional 38% in 2010.

A Decline in Interconnection Rates

On April 10, 2009, the ICTA lowered Turkcell's interconnection rate by 28%, to TRY0.0655, effective as of May 1, 2009. According to the rates determined in 2009, the asymmetry between Turkcell and Avea declined from 23% to 18%, while that between Turkcell and Vodafone dropped from 4% to 3%. After the decrease in 2009, the ICTA further lowered Turkcell's call termination rate on mobile networks from TRY0.0655 to TRY0.0313, effective as of April 1, 2010. Following this reduction, the interconnection rates in Europe are five times higher compared to that of Turkcell.

3G Interconnection Rates

The ICTA determined the 3G call termination rates, effective as of July 30, 2009. Within this context, no change was made in Turkcell's voice call termination rates. The video call termination rates for all operators were uniformly set at TRY0.0775. While lowering the interconnection rates for voice calls as of April 1, 2010, no changes were made in interconnection rates on video calls.

Liberalization of Fixed-line Telephone Services

The long-awaited authorization for the liberalization of fixed-line telephone services began in 2009 with implementation of number allocation and fixed-line number portability. The By-Law On Authorization For Electronic Communications Sector published on May 28, 2009 determined the procedures and principles for authorization for electronic communication services, networks and infrastructures while the By-Law on Number Portability (July 2, 2009) defined the principles and procedures for implementation of number portability. The allocation of fixed-line numbers and the enactment of Fixed-line Number Portability as of September 10, 2009 were favorable developments in the liberalization of the fixed-line market, where competition is still low, although serious difficulties in implementation remain. The elimination of these difficulties is critically important for establishing competition in the fixed-line market. The implementation of regulations to ensure effective competition in the fixed-line voice and broadband market, along with market practices to encourage liberalization, is of crucial importance for the wholesale and retail segments. Turkcell believes that rapid liberalization of the Turkish market will create a fairer climate of competition and also benefit the Company in the long run.

Turkcell Remains the Market Leader

In the first quarter of 2009, operators offered unlimited fixed rate call packages for the first time in the Turkish market. These rates, along with the initiation of Mobile Number Portability, and the increasing interconnection costs involved in the move away from on-net to off-net traffic, had a negative impact on profitability. However, toward the end of the year, in an attempt to raise profitability, there were increases in the prices of monthly packages offering flat-rates to all operators and of start up packages, as well as limitations on the minute incentives of flat rate plans. The 2009 decisions of the ICTA suppressed profitability in this increasingly competitive market, resulting in the operational profitability margins of Turkcell's competitors falling to single digits. Turkcell, however, took the steps to minimize the consequences of these decisions.

Turkcell encouraged on-net usage in 2009 by offering new and attractive campaigns, while also offering flat rate packages in line with market dynamics, although on a limited basis. The Company concentrated on maintaining Average Monthly Revenue per User (ARPU) by increasing Monthly Minutes of Usage (MoU).

In the face of Mobile Number Portability (MNP), a practice that exists in few places in the world, Turkcell maintained its strong operational performance as the leading operator in the Turkish mobile market through its unique value propositions. Hence, the Company retained its pre-MNP 56% subscriber market share. Significant post-paid subscriber acquisitions and strong usage continued due to the Company's segmented offers and extensive sales network. An efficient sales network and effective communication of offers led to the highest usage level since 2001, and 1.9 million net post-paid subscriber additions.

Moreover, Turkcell remained successful in promoting the use of mobile data and services. Along with the products and services designed to increase mobile Internet usage that were in place prior to 3G, the Company succeeded in raising its mobile Internet revenue and established a 65% market share of 3G in just five months.

Going forward, mobile Internet will be an important driver for growth in Turkey. Investment in the quality of Turkcell's network will continue and will diversify, particularly with respect to revenue from data usage. While maintaining our value focus and reinforcing our strong brand name, we intend to maximize customer experience in order to strengthen customer loyalty.

2009 FINANCIAL AND OPERATIONAL ASSESSMENT

Turkcell Maintained its Market Position

The explanations below are based on developments and trends in 2009. All of Turkcell's financial results in this annual report are prepared in accordance with International Financial Reporting Standards ("IFRS") and expressed in millions of Turkish Lira (TRY) and USD on the basis of consolidated financial tables valid as of December 31, 2009.

Turkey's Gross Domestic Product (GDP) continued to contract in 2009 in a difficult macroeconomic climate. MNP, combined with unlimited flat rate offers, caused a shift in traffic towards off-net from on-net, which led to a sudden decrease in operational profitability in the Turkish mobile communications market as well as a decline in multiple SIM card usage.

Throughout the year, Turkcell's competitors aggressively promoted flat rate offers and focused on increasing subscriber acquisitions. Turkcell, on the other hand, emphasized mobile Internet and on customer retention; this strategy led to an increase in voice and data usage. At the same time, we continued to emphasize our strong value propositions through incentives directed at various subscriber groups. Demand for Turkcell's 3G services exceeded the Company's expectations from the start, due to the Company's extensive service portfolio (which pre-dates the implementation of 3G), superior coverage area, the fastest 3G network in Turkey, and sales promotions for smart phones and 3G-enabled handsets.

Not only did the company maintain its leading position with a 56% subscriber market share, Turkcell also maintained its share of call traffic and revenue in 2009, reflecting our focus on value.

Macroeconomic Climate

Turkey's GDP fell by 4.7% in 2009 while the Consumer Price Index decreased by 3.6 points to 6.5%. In 2009, the Turkish Lira and Ukrainian Hrivnia depreciated against the US dollar by 21.4% and 47.7%, respectively.

	YE 2008	YE 2009	YE 2009 - YE 2008 Change %
TRY / USD Rate			
Closing Rate	1,5123	1,5057	(0.4%)
Average Rate	1,2768	1,5495	21.4%
Inflation			
Consumer Price Index	10.1%	6.5	-
GDP Growth	0.9%	(4.7%)	-

Summary of Operational Data (Turkcell Turkey)	YE 2008	YE 2009	YE 2009 - YE 2008 Change %
Number of Total Subscribers (Million)	**37.0**	**35.4**	**(4.3%)**
Number of Post-paid Subscribers	7.5	9.4	25.3%
Number of Pre-paid Subscribers	29.5	26.0	(11.9%)
ARPU (Average Monthly Revenue per User), Blended (USD)	**14.5**	**12.0**	**(17.2%)**
ARPU, Post-paid	36.8	26.6	(27.7%)
ARPU, Pre-paid	9.1	7.5	(17.6%)
ARPU, Blended (TRY)	**18.4**	**18.5**	**0.5%**
ARPU, Post-paid	46.6	41.0	(12.0%)
ARPU, Pre-paid	11.6	11.6	0.0%
Churn Rate (%)	**23.8%**	**32.6%**	**8.8 p.p.**
MOU (Average Monthly Minutes of Usage per Subscriber), Blended	**95.9**	**134.3**	**40.0%**

Subscribers

In 2009, our continuing value focus throughout the year and efforts to increase switches from prepaid to postpaid resulted in a 25.3% increase in our post-paid subscriber base to 9.4 million, from 7.5 million a year earlier.

During the same period, our pre-paid subscriber base declined by 11.9% to 26.0 million, from 29.5 million a year earlier.

Our subscriber base in Turkey totaled 35.4 million as of December 31, 2009, down by 4.3% from 37.0 million in 2008 while the postpaid subscriber base made up 26.6% of our overall subscriber base, up from 20.2% in the same period last year.

Churn Rate

Churn refers to voluntarily and involuntarily disconnected subscribers. Our annual churn rate increased by 8.8 percentage points to 32.6% from 23.8% in 2008, mainly due to the intensifying competition in the Turkish market along with MNP implementation in November 2008. The majority of the churners were low ARPU generating pre-paid subscribers.

Monthly Minutes of Use (MoU)

MoU increased by 40.0% on an annual basis to 134.3 minutes in 2009, up from 95.9 minutes in 2008, as a result of the positive impact of our successful tariffs and communication campaigns.

Average Monthly Revenue per User (ARPU)

In 2009, TRY-based blended ARPU remained at similar levels compared to the previous year at TRY18.5, despite decreasing interconnection rates.

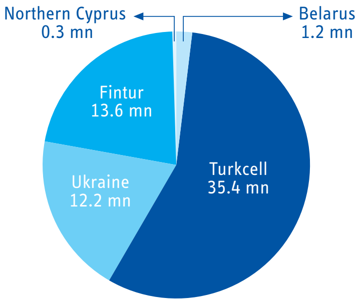
Postpaid ARPU in TRY terms decreased by 12.0% to TRY41.0 in 2009 year-on-year, mainly due to an increase in subscriptions to minute packages and data lines as well as the reimbursement due to the Telecommunications Authority's decision on maximum pricing.

Prepaid ARPU remained flat compared to a year ago at TRY11.6 in 2009, mainly due to the positive impact of our new tariffs and campaigns.

In 2009, we made an upward price adjustment of 12.7%.

With approximately 63 million subscribers, Turkcell is the 2nd largest Mobile Operator in Europe and 13th in the World

Turkcell Group Subscribers (Million)	YE 2008	YE 2009	YE 2009 - YE 2008 Change %
Turkcell	37.0	35.4	(4.3%)
Ukraine	11.2	12.2	8.9%
Fintur	12.8	13.6	6.3%
Northern Cyprus	0.3	0.3	0.0%
Belarus	0.2	1.2	500.0%
TURKCELL GROUP	**61.5**	**62.7**	**2.0%**



Turkcell Group Subscribers

We had approximately 62.7 million GSM subscribers as of December 31, 2009. This figure is calculated by taking the number of mobile subscribers in Turkcell and each of our subsidiaries and unconsolidated investees.

This figure includes the total number of GSM subscribers in Astelit, BeST, in our operations in the Turkish Republic of Northern Cyprus ("Northern Cyprus") and Fintur. In the past, when presenting our total group subscribers, we have presented this figure on a proportional basis, adjusted to reflect our ownership interest in each subsidiary. We believe that the method of calculation given above is a good indicator of our Group's reach and we intend to use this new method of calculation going forward.

Financial Summary

(Million TRY)	YE 2008	YE 2009	YE 2009 - YE 2008 Change %
Revenue	8,844.6	8,936.4	1.0%
Direct Cost of Revenues	(4,333.6)	(4,769.3)	10.1%
Depreciation and Amortization	(860.1)	(908.7)	5.7%
Administrative Expenses	(393.8)	(421.2)	7.0%
Selling and Marketing Expenses	(1,722.2)	(1,676.2)	(2.7%)
EBITDA	3,255.1	2,978.4	(8.5%)
EBITDA Margin	36.8%	33.3%	(3.5pp)
Net Finance Income / (Expense)	348.6	223.8	(35.8%)
Finance Expense	(219.5)	(287.1)	30.8%
Finance Income	568.1	510.9	(10.1%)
Share of Profit of Associates	132.5	118.8	(10.3%)
Income Tax Expense	(699.7)	(529.1)	(24.4%)
Net Income	2,297.0	1,701.6	(25.9%)

Revenue

In 2009, our revenue increased by 1.0% to TRY8,936.4 million, mainly due to growth in our Turkish mobile business. Turkcell Turkey recorded 1.9% revenue growth, reflecting the strong increase in usage, higher mobile data and services revenue and higher interconnect revenues.

In 2009, our mobile data and services revenues increased by 13% on consolidated basis.

Lower revenue contribution from Astelit and Inteltek negatively impacted total revenue growth figure. Astelit's revenues decreased by 20.0% to USD351.1 million, driven by the significant depreciation of the local currency against the US dollar. In addition, lower commission rates at Inteltek, effective from March 1st, 2009, negatively impacted group revenue growth. Inteltek's revenues decreased to TRY66.8 million in 2009, compared to TRY207.6 million in the previous year.

Direct Cost of Revenues

In 2009, direct cost of revenues including depreciation and amortization increased by 10.1% compared to the prior year. As a percentage of revenue it increased from 49.0% to 53.4% by 4.4 pp, mainly due to higher interconnection costs (3.3 pp), an increase in network-related expenses (0.8 pp) and increase in depreciation and amortization expenses (0.4 pp) as a percentage of revenues.

Selling and Marketing Expenses

Selling and marketing expenses fell on a nominal basis by 2.7% to TRY1,676 million in 2009.

Selling and marketing expenses as a percentage of revenue decreased by 0.7 pp to 18.8% mainly due to lower advertising and selling expenses, which were partially offset by the higher frequency usage fee paid for prepaid subscribers.

Administrative Expenses

General and administrative expenses as a percentage of revenue increased slightly by 0.2 percentage points to 4.7% in 2009, mainly due to higher bad debt expenses resulting from the increasing number of post-paid subscribers.

EBITDA

In 2009, nominal EBITDA decreased by 8.5% to TRY2,978.4 million, while the EBITDA margin decreased from 36.8% in 2008 to 33.3%. This was mainly due to a 4.4 pp increase in the direct cost of revenues, of which 0.5 pp is related to the provision recorded due to Turkcell's ongoing dispute regarding international voice traffic, and 0.2 pp increase in general and administrative expenses. These factors were partially offset by a 0.7 pp lower selling and marketing expenses as a percentage of revenues.

Share of Profit of Equity Accounted Investees

Our share in the net income of unconsolidated investees, consisting of the net income / (expense) impact of Fintur and A-Tel, decreased by 10.3% to TRY118.8 million for the full year, mainly due to the lower net income contribution from Fintur driven by exchange rate fluctuations.

The results of our 50%-owned subsidiary A-Tel impacted two items in our financial statements. A-Tel's revenue generated from Turkcell, amounting to TRY56.8 million in 2009, is netted out from the selling and marketing expenses in our consolidated financial statements in proportion to our ownership. The difference between the total net impact of A-Tel and the amount netted out from selling and marketing expenses amounted to TRY63.6 million in 2009 and is recorded in the "share of profit of equity accounted investees" line of our financial statements.

Net Finance Income / (Expense)

In 2009, we recorded net finance income of TRY223.8 million compared to net finance income of TRY348.6 million in 2008. Net finance income decreased by 35.8% year-on-year as a result of lower interest income due to decrease in interest rates and higher interest expenses on borrowings and provisions related interest expenses in 2009.

Income Tax Expense

For 2009, the total taxation charge decreased by 24.4% to TRY529.1 million as a result of a decrease in profit before tax. Of the total tax charge for 2009, TRY544.9 million is related to current tax charges whilst the deferred tax income totaled TRY15.8 million.

(Million TRY)	YE 2008	YE 2009	YE 2009 – YE 2008 Change %
Current Tax Expense	(714.6)	(544.9)	(23.7%)
Deferred Tax Income / (Expense)	14.9	15.8	6.0%
Income Tax Expense	(699.7)	(529.1)	(24.4%)

Net Income

In 2009, net income decreased by 25.9% to TRY1,701.6 million. In addition to lower EBITDA; legal provisions, impairment charges and fixed asset write-offs recorded in the fourth quarter and decrease in minority income from Astelit and decrease in net finance income were the main reasons behind this trend.

For the full year total impact of legal provisions, impairments and fixed asset write-offs was TRY381 million.

Consolidated Balance Sheet (Million TRY)	YE 2008	YE 2009	Change %
Current Assets	6,155	6,405	4.1%
Non-current Assets	6,046	7,629	26.2%
Total Assets	**12,201**	**14,034**	**15.0%**
Short-term Liabilities	3,183	3,458	8.6%
Long-term Liabilities	785	1,699	116.3%
Total Equity	**8,233**	**8,878**	**7.8%**
Total Liabilities and Equity	**12,201**	**14,034**	**15.0%**

Total Debt – Cash Position

Consolidated debt amounted to TRY2,276.6 million as of December 31, 2009, increasing from TRY1,188.6 million as of December 31, 2008. TRY808.0 million of this was related to Turkcell's Ukrainian operations. TRY1,586.7 million of our consolidated debt is at a floating rate and TRY1,040.2 million will mature in less than a year. During 2009, our debt/annual EBITDA ratio increased to 76.4%.

Turkcell Turkey's balance sheet contained approximately USD336 million of cash credit as of year-end 2009. Also, at the Group level, there are some loans obtained from banks. Currently, our company has no financial instrument in circulation in the capital markets.

In 2009, major cash outflows were the capital expenditures and dividend payment. In 2009, our capital expenditures totaled TRY2,664.0 million, of which TRY1,823.1 million (including the 3G license fee) was related to Turkcell Turkey, TRY325.2 million to our Ukrainian operations, TRY131.9 million to our Belarusian operations, and TRY259.5 million to Superonline. In 2009, we also paid a record cash dividend of TRY1,098 million to our shareholders.

Until the end of the 3rd quarter of 2007, our Company benefited from investment incentives. However, since these incentives have already been fully utilized, we were not able to use any in 2009.

Our Company has a significantly high net working capital and a healthy balance sheet. Turkcell has a net cash position of TRY2.4 billion as at year-end 2009. As a result of the crisis in the global markets, vendor financing turned out to be a significant tool for both vendors and purchasers. We plan to use vendor financing that spread the payables to the vendors related to our infrastructure investments over the long-term. We also manage the exchange rate - interest risks of the balance sheet by using financial tools and keeping our foreign-exchange denominated assets at optimum levels.

Forward Looking Expectations

Going forward, we see mobile internet as an important growth driver in Turkey. We will continue to invest in our network quality and to differentiate ourselves, particularly in the data business. We will keep our value focus, maximizing the customer experience to ensure loyalty while building on our strong brand name.

In 2010, the Telecommunications Authority made an excessive and unforeseen reduction in mobile termination rates and the maximum price cap levels to be effective as of April 1, 2010. We expect this decision to negatively affect the market and lead to further pressure on revenue and profitability levels for all players.

Our assessment regarding evolving competitive trends was on-going when this report was sent to on March 31, 2010. Thus we are not providing any guidance for 2010 at this stage. We will issue guidance after we gain greater insight into future market dynamics.

Consolidated Cash Flow (Million TRY)	YE 2008	YE 2009
EBITDA	3,255	2,978
LESS:		
Capex and License	(1,222)	(2,664)
Turkcell	(587)	(1,823)
Ukraine	(236)	(325)
Investment & Marketable Securities	(325)	(232)
Net Interest Income / (Expense)	445	224
Other	(184)	(596)
Net Change in Debt	5	1,119
Dividend Paid	(649)	(1,098)
Cash Generated	1,325	(269)
Cash Balance	**4,930**	**4,661**

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

	Quarter Ended December 31, 2008	Quarter Ended September 30, 2009	Quarter Ended December 31, 2009	12 months December 31, 2008	12 months December 31, 2009
Consolidated Statement of Operations Data					
Revenues					
Communication Fees	2,144.3	2,291.0	2,164.2	8,335.0	8,575.7
Commission Fees on Betting Business	65.0	10.5	23.0	224.6	66.1
Monthly Fixed Fees	18.5	15.2	16.1	82.1	66.0
Simcard Sales	10.5	9.9	6.9	35.9	35.3
Call Center Revenues and Other Revenues	93.3	41.4	50.4	167.0	193.3
Total Revenues	2,331.6	2,368.0	2,260.6	8,844.6	8,936.4
Direct Cost of Revenues	(1,179.6)	(1,246.9)	(1,321.2)	(4,333.6)	(4,769.3)
Gross Profit	1,152.0	1,121.1	939.4	4,511.0	4,167.1
Administrative Expenses	(111.6)	(100.8)	(122.0)	(393.8)	(421.2)
Selling & Marketing Expenses	(481.0)	(430.9)	(416.8)	(1,722.2)	(1,676.2)
Other Operating Income / (Expense)	19.5	10.4	(172.5)	(0.6)	(164.6)
Operating Profit Before Financing Costs	578.9	599.8	228.1	2.394,4	1.905,1
Finance Expense	(161.0)	(103.0)	(21.5)	(219.5)	(287.1)
Finance Income	89.4	101.2	129.9	568.1	510.9
Share of Profit of Equity Accounted Investees	40.2	40.5	39.3	132.5	118.8
Income Before Taxes and Minority Interest	547.5	638.5	375.8	2,875.5	2,247.7
Income Tax Expense	(207.9)	(139.9)	(117.0)	(699.7)	(529.1)
Income Before Minority Interest	339.6	498.6	258.8	2,175.8	1,718.6
Minority Interest	122.7	(1.8)	(6.0)	121.2	(17.0)
Net Income	462.3	496.8	252.8	2,297.0	1,701.6
Net Income per Share	0.210145	0.225844	0.114911	1.044141	0.773472
Other Financial Data					
Gross Margin	49%	47%	42%	51%	47%
EBITDA (*)	770.2	813.7	681.9	3,255.1	2,978.4
Capital Expenditures	486.3	433.2	637.2	1,222.2	2,664.0
Consolidated Balance Sheet Data (at period end)					
Cash and Cash Equivalents	4,929.8	3,915.9	4,660.9	4,929.8	4,660.9
Total Assets	12,201.1	13,153.0	14,034.3	12,201.1	14,034.3
Long-term Debt	196.6	830.7	1,236.4	196.6	1,236.4
Total Debt	1,188.6	1,722.4	2,276.6	1,188.6	2,276.6
Total Liabilities	3,968.7	4,605.9	5,156.4	3,968.7	5,156.4
Total Shareholders' Equity / Net Assets	8,232.4	8,547.1	8,877.9	8,232.4	8,877.9

* For further details, please refer to our consolidated financial statements and notes as at 31 December 2009 on our web site.

TURKCELL OFFICES

Office Name	Address
Tepebaşı Plaza	Asmalı Mescit Mh., Meşrutiyet Caddesi No. 71, Asmalı Mescit Beyoğlu - Istanbul
Maltepe Plaza	Turkcell, Maltepe Yeni Mh., Pamukkale Sk. No. 3, Soğanlık Mevkii, 34880 Kartal - Istanbul
Davutpaşa Plaza	Turkcell, Davutpaşa Plaza, Serçe Kale Sk. No. 2, Topkapı - Istanbul
Kartal Plaza	Turkcell, Kartal Plaza, Topselvi Dipçik Sk. No. 31, Kartal- Istanbul
Adana Plaza	Turkcell, Adana Plaza, Turhan Cemal Berikel Bulv. No. 212, Seyhan - Adana
Ankara Plaza	Turkcell, Ankara Plaza, Eskişehir Yolu 9. Km No. 264, Söğütözü - Ankara
Antalya Plaza	Turkcell, Antalya Plaza, Kızıltoprak Mah., 915 Sk. No. 3, Antalya
Bursa Plaza	Turkcell, Bursa Plaza, Organize San. Bölgesi, Kırmızı Cad. No. 4, Nilüfer - Bursa
Diyarbakır Plaza	Turkcell, Diyarbakır Plaza, Urfa Yolu 6. Km, Diyarbakır
Izmir Plaza	Turkcell, Izmir Plaza, Ankara Asfaltı No. 64, Bornova - Izmir
Samsun Plaza	Turkcell, Samsun Plaza, Mimar Sinan Mh., 60. Sokak No. 18, 55200 Atakum - Samsun
Trabzon Plaza	Mısırlı Mahallesi, Hasan Turfanda Yolu No. 1, 61240 Çukurçayır - Trabzon

Donations Made in 2009:

A total of TRY7,819,882.00 in cash donations were made to various associations, foundations and institutions; and TRY94,778.02 in donations in kind was made to schools and projects approved by the Ministry of Culture and Tourism.

OTHER INFORMATION ABOUT OUR OPERATIONS

Public Announcements from December 31, 2009 to April 12, 2010

Change in Management – January 15th, 2010

In line with Turkcell Group's vision of communication and technology leadership, Turkcell has restructured its International Expansion Functional Group. The mission of this newly created group is to determine international commercial and financial investment opportunities and provide support as appropriate for their execution.

Ekrem Yener has been appointed Chief Officer of International Expansion as of January 18, 2010.

Change in Management – January 21st, 2010

Turkcell announces that its Legal Affairs Division has been restructured to further increase efficiency and that Ümit Akın has been appointed as Turkcell's Chief Legal Affairs Officer as of February 1, 2010.

Graduating from Ankara University Law Department in 1995, Mr. Akın received a Master's degree from the Public Law Department of Ankara University's Social Sciences Institute in 1998. Ümit Akın has been working as Head of Turkcell's Regulatory Legal Affairs Division since January 2002.

Turkcell BoD Desicions – January 26th, 2010

Turkcell 's Board of Directors has decided that the Ordinary General Assembly for the year 2009 is to be held at Turkcell Plaza, Conference Room, Meşrutiyet Cad. No: 71 Tepebaşı, Istanbul on Thursday, April 29, 2010, at 3:00 pm to resolve the attached, in addition to amending Article 3 of Turkcell's Articles of Association (entitled "Purpose and Subject Matter") in accordance with Turkey's Capital Markets Board's decision No: 28/780, dated 09/09/2009.

Azerinteltek – January 29th, 2010

In the context of evaluating investment opportunities in neighboring countries, Turkcell's 55%-owned subsidiary, Inteltek İnternet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş. ("Inteltek") received authorisation from Azerbaycan Azeridmanservis Limited Company to organize, operate, manage, and develop the fixed and paramutual sports betting business in Azerbaijan. Inteltek will own 51% of a company named Azerinteltek, which will be domiciled in Azerbaijan. Azerinteltek will operate on an exclusive basis for a period of 10 years.

Reduction in Interconnection Rates – February 12nd, 2010

Turkey's Information and Communication Technologies Authority ("ICTA") has determined that the new interconnection rate for Turkcell İletişim Hizmetleri A.Ş. will be TRY0.0313, effective as of April 1, 2010. The previous interconnection rate for Turkcell was TRY0.0655.

In addition, and in the context of Mobile Electronic Communication Services Maximum Pricing Tariffs, the maximum price for Special and General Subscription Packages is reduced from TRY/min.0.65 (incl. VAT and SCT) to TRY/min.0.40 (incl. VAT and SCT), effective as of April 1, 2010.

Authority's Announcement Regarding Telecommunication Sector Data - February 23rd, 2010

On February 23rd 2010, Turkey's Information and Communication Technologies Authority ("ICTA") published detailed data on its website regarding the Turkish telecommunications sector and Turkcell's fourth quarter and 2009 year-end figures. The ICTA disclosed subscriber numbers, revenue per subscriber (ARPU), traffic data and investment figures related to Turkcell.

The auditing process for our 2009 financial results is still ongoing and Turkcell will publicly announce its audited financial results in due course within the time frame determined by applicable legislation.

Colin J. Williams's Appointment as the New Chairman of the BoD – February 25th, 2010
On February 25, 2010, Turkcell's Board of Directors appointed Mr. Colin J. Williams as the Chairman of the Board of Directors effective immediately. Mr. Williams has been an independent member of the Board of Directors at Turkcell since May 22, 2006 and has held the position of Chairman of the Audit Committe since July 21, 2006.

Commenting on his appointment as Chairman, Mr. Colin J. Williams said: "The Board is indebted to Mr. Mehmet Emin Karamehmet, who remains a Board member, for his guidance as Chairman, which has been instrumental in the development of Turkcell Group.

BoD Decision – Addition of An Item to the AGM Agenda – February 25th, 2010
Turkcell's Board of Directors decided today to include the "Submittal for the approval of the temporary election of the board members made by the Board of Directors during the previous year in order to fill the vacancies and approval thereof" on the agenda of the Annual General Assembly, which will be held on April 29, 2010 as resolved on its meeting dated January 26, 2010.

Negative Impact from Impairment Charges, Write-Offs and Legal Reserves in Q4 2009 –February 26th, 2010
Turkcell, the leading communications and technology company in Turkey, announced today, that in line with IFRS guidelines, goodwill impairment charges in Belarus, fixed asset write offs related to operations in Belarus and Turkey and legal reserves related to the Telecommunications Authority's, Tax Authority's and Competition Board's recent decisions in Turkey, have been recognized.

The total impact of these charges is expected to be approximately TRY260 million, resulting in consolidated net income of approximately TRY250 million in Q4 2009.

For Q4 2009, it is expected that Turkcell's consolidated revenue will be approximately TRY2,260 million including the impact of the one-time charges and reimbursements based on the Regulator's decisions (TRY60 million). The negative impact of these charges on EBITDA, after taking into account lower related costs, will be approximately TRY40 million.Consolidated EBITDA is expected to be approximately TRY680 million in Q4 2009.

Turkcell's Q4 2009 and full year 2009 Audited Financial results will be announced on March 10, 2010.

*All figures mentioned in the press release are preliminary and unaudited.

BoD Decisions on Dividend Proposal – March 10th, 2010
The information regarding the dividend distribution for 2009 is on page 84.

BoD Decision – Addition of An Item to the AGM Agenda – March 11th, 2010
Turkcell's Board of Directors decided today to include item 11, which is "the Determination of the Board of Directors Members' remuneration for the year 2010" on the agenda of the Annual General Assembly, which will be held on April 29, 2010 as resolved on its meeting dated January 26, 2010.

Fitch Affirms Turkcell's Rating – March 18th, 2010
International Credit Rating Agency Fitch Ratings has affirmed Turkcell's long-term foreign and local currency Issuer Default Ratings (IDR) at "BBB-" respectively. The outlooks on both the IDRs are "Stable". Fitch Ratings claim that, the ratings reflect Turkcell's leading market share (56%) in Turkey's mobile telecoms sector despite increased competition and strong credit metrics compared with peers in the neighboring region.

Facility Agreement for Financing 2G and 3G Infrastructure Investments – April 1st, 2010
Turkcell İletişim Hizmeleri A.Ş. signed a facility agreement in an amount of approximately USD296 million. The facility will be used for the financing of products and services that will be purchased from Ericsson AB and Ericsson Telekomünikasyon A.Ş. within the scope of Turkcell's 2G and 3G infrastructure investments. The facility is arranged by Credit Agricole Corporate and Investment Bank (France) Sweden Branch and Nordea Bank AB (PUBL) with partial or full-guarantee of Swedish Export Credits Guarantee Board and will be assigned to the Swedish Export Credit Corporation. The fixed interest rate bearing facility has a 5 year tenor with semiannual payments and has an expected all-in cost that will range between 3.90% and 4.15% depending on the date of utilizations.

BoD Decision – Addition of An Item to the AGM Agenda – April 12nd, 2010
On April 12, 2010 Turkcell's Board of Directors decided to amend and include a new item in the agenda of the Annual General Assembly, which will be held on Thursday April 29, 2010 at 15.00 PM in Turkcell Plaza, Konferans Salonu, Meşrutiyet Caddesi No.: 71 Tepebaşı / Istanbul. This new item is inserted in the agenda of the meeting as number 11, with the prior agenda renumbered accordingly.

For 10 years, Turkcell has been the only Turkish Company traded on the NYSE

INVESTOR RELATIONS

INVESTOR INFORMATION

Investor Information:

Shareholder Structure
As of year-end 2009, Turkcell's free float was 33.48%.

Shareholder	Value of Stake (TRY)	Share Capital (%)
Turkcell Holding A.Ş.	1,122,000,000.238	51.00%
Çukurova Holding A.Ş.	995,509.429	0.05%
Mapfre Genel Sigorta A.Ş.	1,558,452.599	0.07%
Sonera Holding B.V.	287,632,179.557	13.07%
MV Holding A.Ş.	51,021,712.590	2.32%
Others	137,199.575	0.01%
Free Float	736,654,946.012	33.48%
TOTAL	2,200,000,000.000	100.00%

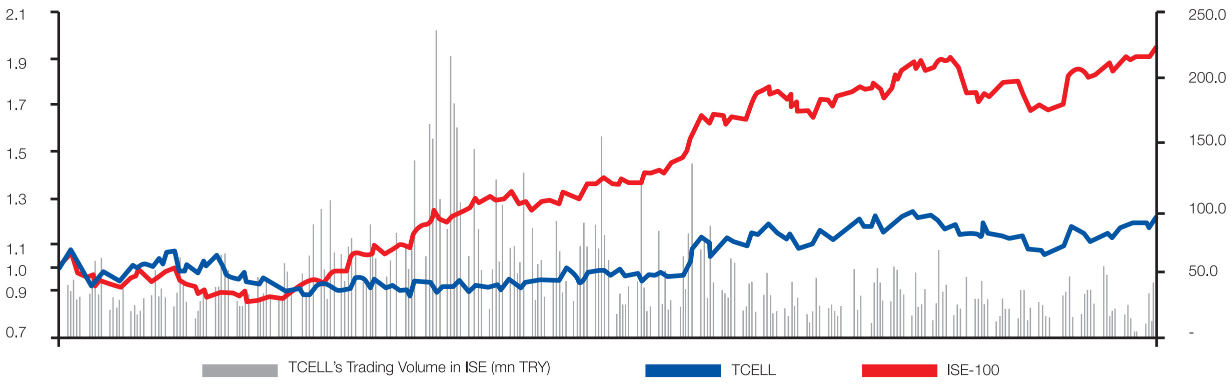
Share Performance
Turkcell shares are listed on the Istanbul Stock Exchange in the form of ordinary shares and on the New York Stock Exchange in the form of American Depositary Shares (ADS). Currently, two ADSs represent five tradable shares. Turkcell is the only Turkish company listed on the NYSE. The nominal value of Turkcell's issued share capital is TRY2,200,000,000 consisting of 2,200,000,000 shares with a nominal value of TRY1 each.

Share Performance	Symbol	Closing Price in 2009	Highest During the Year *	Lowest During the Year *
Istanbul Stock Exchange (TRY)	TCELL	10.60	10.80	7.18
New York Stock Exchange (USD)	TKC	17.49	18.65	10.46

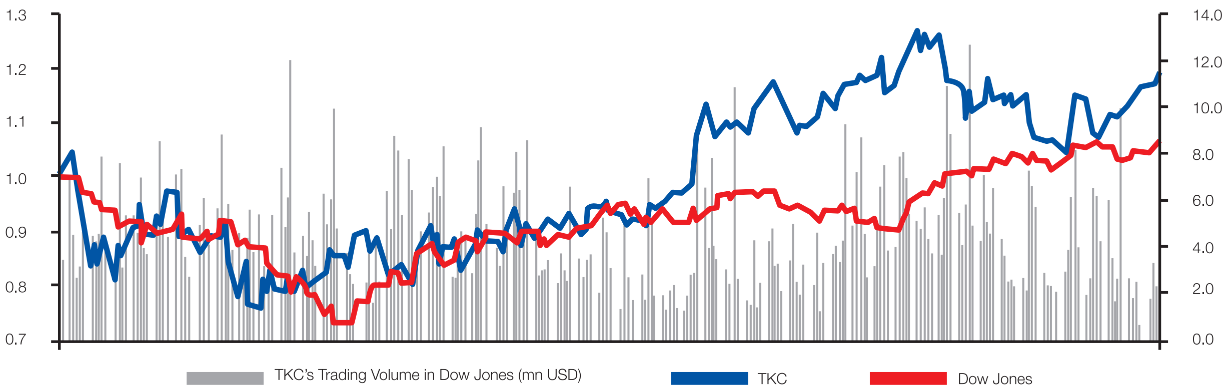
* Based on closing price

Market Value
With a market value of USD15.5 billion, Turkcell was the third Company with the highest market capitalization among all those listed on the ISE as of 31 December 2009.

Istanbul Stock Exchange Performance of Turkcell Shares in 2009



New York Stock Exchange Performance of Turkcell's American Depositary Shares (ADS) in 2009



INVESTOR INFORMATION

Investor Relations
Turkcell Investor Relations Department strives to ensure Company shares remain a favored investment tool for domestic and overseas institutional investors and shareholders in order to create value for the Company and all its stakeholders. The Department also seeks to translate the Company's superior operational performance into market value and to promote the company in the most effective way possible.

Turkcell had simultaneous initial public offerings on the Istanbul Stock Exchange (ISE) and the New York Stock Exchange (NYSE) on July 11, 2000, initially offering 10.5% of its shares to the public. Over time, free float rose to 33.48% as a result of share sales by shareholders.

Since its shares are traded on both the US and Turkish stock exchanges, Turkcell has shaped its corporate governance model in accordance with the requirements of both markets.

The Sarbanes Oxley Act of 2002 (SOA) was an important milestone for the development of corporate governance in the United States. The Securities and Exchange Commission (SEC) and the NYSE later imposed regulations parallel to this act. In 2003, responding to developments in the United States and other countries, the Capital Markets Board of Turkey (CMB) published its Corporate Governance Principles guide.

In general, these rules apply to transparency, accountability and responsibility in relation to the "good corporate governance" of companies. This issue is of great importance to Turkcell, a company that believes in the value of corporate governance to bring order and transparency to a company's functions and in generating value for investors and other stakeholders.

IR GLOBAL RANKINGS

irа'09 ::Winner:: Turkish Investor Relations Awards

Investor Relations Department Received New Awards
In May 2009, Turkcell won the "Investor Relations and Public Disclosure" Grand award at Turkey's first "Investor Relations Awards" by the London based consultancy firm Acclaro. Turkcell was nominated in 8 categories, won the first place in the Best Corporate Governance & Public Disclosure and Best Annual Report categories. Turkcell's Chief Financial Officer, Serkan Okandan, was elected as the Best CFO in the Investor Relations category.

In February 2010, with World Finance Magazine's combined 175 years of business journalism and research, our Company won the "Best Corporate Governance in Turkey" award at World Finance Magazine's first global Corporate Governance Awards in London.

On March 23, 2010, Turkcell was ranked among the top 5 and one of the most transparent companies out of 503 participated in Europe by its Financial Disclosure Procedures and received an award at the 2010 Investor Relations Global Rankings ("IRGR") Awards.

A total of 503 companies participated in this year's IRGR awards, including a number of the world's leading corporate names such as Microsoft, IBM and Procter & Gamble. All companies were categorized in 5 geographical regions. Turkcell was evaluated in the European region along with other leading corporate names such as Deutsche Telekom, Credit Suisse, Bayer and BP.

Contact Information for Investor Relations
Turkcell's financial information and Company news are available on its website or may alternatively be obtained from the Investor Relations Department:

Tel : +90 (212) 313 18 88
Fax : +90 (212) 292 93 22
E-mail : investor.relations@turkcell.com.tr
URL : http://www.turkcell.com.tr/en/investorRelations

CORPORATE GOVERNANCE

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Framework of Turkcell Corporate Governance
Turkcell believes that high standards of corporate governance are important for perpetuating successful business practices and generating long-term economic value for the company's shareholders. To that end, the Company has adopted the following guiding principles:

Responsibilities of the Turkcell Board of Directors
The business affairs of our Company are managed under the direction of the Board, which represents and is accountable to our shareholders. The responsibilities and authority of the Board consist of, but is not restricted to, the following:

- Building the vision of the Company, approving of local and international business strategies and determining short- and long-term goals;
- Approving the Company's annual budget and business plans and its revisions;
- Monitoring the strategic and financial performance of the Company and ensuring that corrective measures are carried out as necessary;
- Controlling important expenditures not included in the annual operating plan of the Company;
- Consistent with applicable regulations, overseeing the preparation of the annual report and finalizing this report for presentation at the General Assembly of shareholders;
- Consistent with applicable regulations, approving quarterly financial results, the audit report and amendments to the accounting policies previously adopted by the Company or any material change in the method or timing of reporting of the financial results.

Structure of the Board of Directors
The Board of Directors consists of at least seven members chosen for a maximum three-year term. The Board, taking into consideration the suggestions of the Corporate Governance Committee, is to review its own size and determine the most effective number for future activities. Together, the Corporate Governance Committee and the Board of Directors are, within the scope of the current structure of the Board of Directors, to reassess the skills and qualification needed for Board membership. Each Board Member should have time to devote to the activities of the Board, enhance their knowledge about the global telecommunications industry and related industries, and attend annually at least 75% of Board meetings. Each Board Member is encouraged to limit the number of other public company boards on which he or she serves and to be mindful of his or her other existing and planned future commitments, so that such other directorships and commitments do not materially interfere with his or her service as an effective and active member of the Company's Board. In addition, the Corporate Governance Committee is to develop and supervise an orientation program for new elected Board Members.

Operations of the Board of Directors
The Board of Directors should generally have at least 11 regular meetings per year at appropriate intervals to carry out their responsibilities. Additional meetings may always be convened, upon reasonable notice, to address specific needs of the Company. The first Board meeting of the year should convene within one month of the Annual General Assembly. The Chief Executive Officer should take the utmost care to ensure an equal flow of information to all Board members prior to Board of Directors meetings. It is the Chief Executive Officer's responsibility to establish a system through which the Board of Directors access to the work of the management and other employees of the company in order to provide an effective flow of information to the Board of Directors and to ensure a reasonable access to the management.

Committees of the Board of Directors
The Board of Directors has two committees, each consisting of at least two members: the Audit Committee and the Corporate Governance Committee. If necessary, experts outside the Board may be eligible to be commissioned on a committee. The Board of Directors can also establish additional committees as required or deemed appropriate. Board of Directors' members should not serve on more than two committees. Each committee serves as advisory bodies to the Board of Directors and makes recommendations to it.

At the Board of Directors meeting held on May 22, 2009, Mr. Mehmet Bülent Ergin, Mr. Oleg Malis and Mr. Aimo Eloholma were elected to the Corporate Governance Committee, and Mr. Colin J. Williams and Mr. Alexey Khudyakov to the Audit Committee.

Corporate Governance Committee
The fundamental role of the Corporate Governance Committee is to assist the Board with the development and implementation of the Company's corporate governance principles, and should present to the Board remedial proposals to that end. The committee is to establish a transparent system for the determination, evaluation and training of board member candidates. It makes recommendations to the Board, where appropriate, regarding the Company's compensation strategy both for the Board Members and the Chief Executive Officer and Chief Financial Officer and the Chief Executive Officer and Chief Financial Officer succession plan.

In the relations between the Company and its shareholders, the Committee assists the Board. To that end, it oversees the investor relations activities.

Audit Committee
In compliance with laws and regulations applying to Audit Committees, the chief duties of the Committee are:

- To assist in determining the quality and integrity of the Company's financial statements and related disclosure;
- To oversee the implementation and efficiency of the Company's accounting system;
- To pre-approve the appointment of and services to be provided by the independent audit company;
- To approve and monitor the agreement between the independent auditor and the Company;
- To oversee performance and efficiency of the independent auditing system;
- To oversee performance and efficiency of the internal auditing mechanism.

The Board of Directors is to assess the independence and qualifications of every member of the Audit Committee to ensure that he or she is qualified to be a Committee Member, and, if necessary utilize outside consultants or advisors.

Remuneration of the Board of Directors
The remuneration of the Members of the Board of Directors is to be determined by shareholders at the General Assembly. Currently plans regarding profit sharing, retirement and other similar subjects are not in effect.

The Board, upon the recommendation of the Corporate Governance Committee together with its own determinations, is to decide on a proposal to the General Assembly of Shareholders whether Board Members will be remunerated and if such is the case, the form and amount of compensation to be paid to the Board members.

Evaluation of the Board of Directors and Management, and Management Succession and Development
The Board should conduct a self-evaluation on an annual basis. The Board of Directors must determine performance targets for the Company, and therefore, the Chief Executive Officer and Chief Financial Officer each year. In line with the financial and other targets specified, the Board of Directors, with the assistance of the Corporate Governance Committee, must evaluate the performance of the Chief Executive Officer and of the Chief Financial Officer at the end of each year and, determine their remuneration. The Board of Directors, taking into consideration the recommendations of the Corporate Governance Committee and with the assistance of the Chief Executive Officer, will review and approve the plan for successions to the posts of Chief Executive Officer and the Chief Financial Officer.

Dividend Distribution Policy
Turkcell has adopted a dividend policy, which is set out in its corporate governance guidelines.

As adopted, our general dividend policy is to pay dividends to shareholders with due regard to trends in our operating performance, financial condition and other factors. Since 2004, the Board of Directors has endeavored to distribute cash dividends of at least 50% of our distributable net profits per fiscal year, although the payment of dividends remains subject to our

CORPORATE GOVERNANCE

cash flow requirements, applicable Turkish laws and the approval of, or amendment by, the Board of Directors and the General Assembly of Shareholders.

(TRY)	Cash Dividend	Bonus Share	Cash Dividend per Share
2003	118,158,605	974,639,361	0.23632
2004	250,127,565	380,247,980	0.16962
2005	509,075,181	345,112,660	0.27445
2006	567,039,784	-	0.25775
2007	648,713,951	-	0.29487
2008	1,098,193,226	-	0.49918

On March 10, 2010, our Board of Directors decided to propose distribution of cash dividends in an amount of approximately TRY859,259,101 of Turkcell's distributable net income of the current year, to be evaluated and decided upon at the Ordinary General Assembly of Shareholders to be held on April 29, 2010.

This represents a net and gross cash dividend of TRY0.3905723 per ordinary share with a nominal value of TRY1 and a 50.1% pay-out ratio.

Changes in the Articles of Association
At the Extraordinary General Assembly held on October 2, 2009, Article 3 entitled Purpose and Subject Matter of Turkcell's Articles of Association was amended in line with the arrangement dated February 28, 2008, concerning the Turkish foreign exchange legislation under the heading of "Credits" within the Decree on Protecting the Value of Turkish Currency such that we can extend credits to companies in which we have direct or indirect shareholding interest, both in Turkey and overseas, as well as to our main company and group companies, in Turkish Lira or other foreign currencies, on the condition that such extensions do not conflict with applicable laws and regulations.

Capital Markets and Corporate Governance Compliance Unit
In compliance with Article 8 of Series: IV, No.: 41 "Communiqué Regarding the Principles that apply to Public Companies" issued by the Capital Markets Board, a Capital Markets and Corporate Governance Compliance Officer was appointed in February 2009 pursuant to a Board of Directors decision and Capital Market Corporate Governance Compliance Unit was established in May 2009, for the purposes of:

- Ensuring company compliance with capital market regulations and
- Coordinating corporate governance practices of the Company.

Code of Ethics
The following is a summary of "Turkcell Common Values and Code of Ethics" (the "Code") confirmed by the management and employees of Turkcell are as below.

The Code reflects the values and principles of Turkcell and applies to all employees, officers and Board Members of Turkcell.

Conflicts of Interest
Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that are properly within the scope of Turkcell's activities, (b) using corporate property, information or position for personal gain, and (c) competing with Turkcell.

A "conflict of interest" exists when a person's private interest interferes in any way, or even appears to interfere, with the interests of Turkcell. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work for Turkcell objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as result of his or her position in Turkcell.

Conflicts of interest are prohibited as a matter of Turkcell policy. Each employee, officer or director is expected to avoid any outside activity, financial interest or relationship that may present a possible conflict of interest or appearance of a conflict. Turkcell employees, officers and directors may give presents to or receive presents from, persons, institutions and corporations with whom they have business relations only in compliance within the internally defined rules.

Protection and Proper Use of the Company Assets
Turkcell's employees should protect the Company's assets and ensure their proper use. All Turkcell assets should be used only for legitimate business purposes.

Information is one of the most critical asset categories. Employees, officers and directors should maintain the confidentiality of information entrusted to them by Turkcell or customers of Turkcell. All employees are required to comply with "Turkcell Information Security and Disclosure" policies and procedures, which is published in Turkcell's internal intranet pages.

Principles for Public Disclosure
All communications with investors, financial analysts, press and similar bodies shall be performed in accordance with the" Turkcell Disclosure Policy".

No employee other than those specifically authorized to perform this duty can make oral or written announcements on behalf of Turkcell.

Compliance with Laws, Rules and Regulations
Turkcell actively promotes compliance with all applicable laws, rules and regulations.

Working Principles
Turkcell is committed to providing a safe, secure and efficient working environment to its employees. Therefore Turkcell expects all of its employees to conduct themselves in accordance with the following principles:

- Turkcell employees must conduct themselves at all times in a professional manner. Turkcell employees may not engage in an abusive, threatening or violent manner, or otherwise behave in an aggressive or harassing manner towards customers, suppliers or fellow employees. Turkcell employees are prohibited from promoting religious or political views in the workplace.
- All Turkcell employees must not fraudulently alter official documents they issue for the performance of their duties. The employees are responsible timely and accurate preparation and delivery of reports to regulatory authorities and other similar bodies.

The full text of the Code is published in Turkcell's internal intranet pages. The Code is explained to each new Turkcell employee via the orientation program and the new employee is made to sign a contract proving that these rules shall constitute an inseparable part of the employee's condition of employment.

The Code of Conduct rules are defined, updated and published by the Ethics Committee.

Declaration of Code of Ethics Made in Compliance with the Sarbanes-Oxley Act
Section 406 of the US Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), and the rules issued by the US Securities and Exchange Commission ("SEC") there under, require an SEC reporting company to disclose whether or not it has adopted a written code of ethics applicable to the Company's senior financial officers, including the Company's principal executive officer. The following rules have been adopted by Turkcell in accordance with these provisions and are applicable to Turkcell's senior executive and financial officers.

The Chief Executive Officer, Chief Financial Officer and other executive officers and financial officers hold important roles in corporate governance. Turkcell, according to the laws and regulations applicable to the Company, has adopted the following code of ethics.

This code of ethics is designed to deter wrongdoing and to provide principles to which these officers are expected to adhere and which they are expected to advocate. It complements any other appropriate Turkcell policies or guidelines in force from time to time.

Any change to this code of ethics and any explicit or implicit waiver from it for these officers will be disclosed on this web page in accordance with applicable law and regulations. A waiver is defined as a material departure from a provision of this code and an implicit waiver means failure to take action within a reasonable period of time regarding a material departure from a provision of this code that has been made known to an executive officer of the Company.

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The Board of Directors of Turkcell declares that the Chief Executive Officer, Chief Financial Officer and other executive officers and financial officers:

1. Will act with honesty and integrity, including ethically handling actual or apparent conflicts of interest between their personal relationships or financial or commercial interests and their responsibilities to Turkcell;
2. Make full, fair, accurate, timely and understandable disclosure in all reports and documents that the Turkcell files with, or submits to, the Turkcell's capital markets regulators or otherwise makes public;
3. Comply with all governmental laws, rules and regulations applicable to Turkcell and to its relationship with its shareholders;
4. Ensure that their actions comply not only with the letter but the spirit of this code and foster a culture in which compliance with the law and Turkcell's policies is at the core of Turkcell's activities.

The Audit Committee of the Board of Directors will apply this code to specific situations. The Chief Executive Officer, Chief Financial Officer and other executive officers and financial officers will report known or suspected violations to the Audit Committee. The Audit Committee will take all appropriate action to investigate any violations reported to it. In a case where a violation has occurred, the Board of Directors will take (or authorize) any disciplinary action that it considers appropriate. This action may, in cases of severe breaches, include dismissal or the initiation of judicial proceedings.

TURKCELL CORPORATE RISK MANAGEMENT

Since its establishment in 1993, Turkcell İletişim Hizmetleri A.Ş. has been involved in alternative capital markets to fund and support changing financial structures during the process of operational growth. In the performance of its corporate obligations, Turkcell has complied with various regulations, laws and rules since 1994. The obligations are liable to change, not only according to the financial regimes of the area in which the Company is active, but according to the requests and obligations of the markets from which it is funded.

Being listed on the New York Stock Exchange, Turkcell complies with SEC regulations and the Sarbanes Oxley Law Section 404, as do all publicly traded companies in US, as well as Corporate Governance Principles since it is also listed on Istanbul Stock Exchange. Accordingly, Turkcell has formulated an internal control mechanism for itself and for the consolidated group companies which, in audit scope, are in line with Corporate Governance Principles.

Risk Management, Internal Audit, Business Continuity Management, Information Security Management, and Internal Fraud Management processes were introduced at the Corporate Risk Management Department which was established in January 2009. These strengthen the Company’s focus on corporate risk management, expand risk management practices throughout Turkcell and the Turkcell Group by developing a risk management methodology and centralize operations carried out under various Company structures that affect the success of corporate risk management.

Turkcell Corporate Risk Management Department, in compliance with the “principle of independence” and in line with CMB’s Communiqué Series: X No.:19 directly reports to the Audit Committee formed by independent members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

Independent Auditor
As per the CMB’s Communiqué (Serial: X, No.: 25) amending the Communiqué regarding the Independent Auditing Standards in Capital Markets stating that independent auditor companies can serve their client companies for, at most, seven accounting terms, KPMG’s term as Turkcell’s Independent Auditor has been completed. KPMG has been our Company’s Independent Audit Company since 1994.

In accordance with the Audit Committee’s recommendations, our Company’s Board of Directors resolved on December 18, 2009, that DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. shall be appointed as Turkcell's Independent Auditor (as referred to in Article 16 of our Company’s Articles of Association) for a period of two years regarding the audit of our Company’s consolidated financial statements and that this appointment shall be submitted for the approval of our shareholders during the first Ordinary General Assembly Meeting of our Company.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Sun Plaza, Maslak Mahallesi, Bilim Sokak No.: 5, Şişli, 34398 Istanbul, Turkey
Tel: +90 (212) 366 60 00
Fax: +90 (212) 366 61 65
www.deloitte.com.tr

Ordinary General Assembly
Pursuant to the decisions made by the Board of Directors of Turkcell İletişim Hizmetleri A.Ş. on January 26, 2010, February 25, 2010, March 10, 2010, and April 12, 2010, an Ordinary General Assembly for the year 2009 will be held to discuss the following agenda on Friday, April 29, 2010 at 15:00 at Turkcell Plaza, Conference Hall, Meşrutiyet Cad. No.: 71, Tepebaşı, Istanbul.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED APRIL 29, 2010

1. Opening and election of the Presidency Board;

2. Authorizing the Presidency Board to sign the minutes of the meeting;

3. Discussion of and decision on the amendment of article 3 of the Articles of Association of the Company, titled “Purpose and Subject-Matter”;

4. Reading the Annual Reports of the Board of Directors relating to fiscal year 2009;

5. Reading the Annual Reports of the Auditors relating to fiscal year 2009;

6. Reading the summary of the Independent Audit Firm’s report relating to fiscal year 2009;

7. Review, discussion and approval of the Balance Sheet and profits / loss statements relating to fiscal year 2009;

8. Release of the Board members from activities and operations of the Company in year 2009;

9. Release of the auditors from activities and operations of the Company in year 2009;

10. Submittal for the approval of the temporary election of the Board Members made by the Board of Directors during the previous year in order to fill the vacancies and approval thereof;

11. Removing the Board of Directors’ members and election of new members for a period of three years;

12. Determination of the Board of Directors Members’ remuneration for the year 2010;

13. Election of auditors for a period of one year and determination of their remuneration;

14. Discussion of and decision on the Board of Directors’ proposal concerning the distribution of profit for year 2009;

15. Informing the General Assembly regarding the donations made in year 2009;

16. Discussion of and approval of the election of the independent audit firm realized by the Board of Directors in accordance with the article 14 of the Regulation Concerning the Independent External Audit in Capital Markets which is published by the Capital Markets Board;

17. Decision permitting the Board Members to, directly or on behalf of others, be active in areas falling within or outside the scope of the Company’s and to participate in companies operating in the same business and to perform other acts in compliance with Articles 334 and 335 of the Turkish Commercial Code; 18. Informing the General Assembly regarding the guarantees, pledges and mortgages provided by the Company to third parties or the derived income thereof, in accordance with the Decision of the Capital Markets Board dated 09/09/2009 and numbered 28/780;

19. Wishes and hopes.

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COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES REPORT:

Turkcell believes that high standards of corporate governance are important for perpetuating successful business practices and generating long-term economic value for the Company's shareholders. Accordingly, we have paid full attention to applying the principles laid out in the Corporate Governance Principles published by the CMB. Taking into consideration relevant CMB regulations and best practices and with the aim of meeting the obligations of our Company brought by the capital market regulations and to ensure coordination in corporate governance practices, pursuant to CMB Communiqué Serial: IV, No.: 41, in 2009, we have formed a Capital Markets & Corporate Governance Compliance unit. Accordingly, the Board of Directors within the responsibilities enumerated in its Corporate Governance Guidelines, has provided the necessary oversight for preparation of this Annual Report which contains the Compliance Report.

SECTION 1
SHAREHOLDERS

1.1 Shareholders Relations Department
Representatives of the Investor and International Media Relations Department within the Turkcell organization, pursuant to existing regulations, hold regular meetings with analysts and investors to share developments in Company strategy and operations, and the market, industry and legal environment in which it operates. In addition, Turkcell management regularly holds meetings with media representatives to share publicly available information and to answer questions.

An Investor Relations Department has existed since Turkcell's initial public offering. The Investor and International Media Relations Department functions under the Executive Officer in charge of Corporate Affairs. It monitors all disclosures to the public in accordance with Turkcell's Disclosure Policy that seeks to provide information to the public in a timely, accurate, complete, understandable and equal manner. Pursuant to current regulations, the representatives of the department relay developments in the strategy and operations of Turkcell, sectors and markets in which the Company operates, and the laws and regulations with which it must comply, to analysts and investors at regularly held meetings. Detailed contact information of the Investor and International Media Relations Department can be found on our Company's website (www.turkcell.com.tr) and under the Investor Relations heading in the Annual Report.

Verbal and written questions submitted to this department are answered within the context of publicly disclosed information as quickly as possible.

The Company, in accordance with best practices, has a Disclosure Committee responsible for the Company's disclosures in accordance with applicable regulations, and a Disclosure Team charged with ensuring that material information is shared within the Company.

1.2 Use of Right of Gaining Information of the Shareholders
In order for shareholders to obtain information concerning the Company easily and without discrimination, all publicly disclosed information is available on our website (www.turkcell.com.tr) in Turkish and English in the Investor Relations section for the use by Turkish and foreign shareholders equally. In addition, all public announcements are distributed by e-mail to addresses registered in the Company's database. Inquiries, verbal or written, made to the Investor and International Media Relations Department are replied to as quickly as possible within the scope of publicly disclosed information.

Provisions for appointment of a special auditor have not been included in the Company's Articles of Association. During this reporting period, no requests for appointment of a special auditor were submitted.

Capital Markets Board - CMB
Istanbul Stock Exchange - ISE
Securities and Exchange Commission - SEC
NYSE Euronext - NYSE

1.3 Information on the General Assembly of Shareholders
The Company makes disclosures when the Board of Directors take a decision regarding the General Assembly Meeting and its agenda and in addition regarding the resolutions of the General Assembly following the General Assembly meeting. The Ordinary General Assembly met on May 8, 2009 with a quorum of 70.01%. In addition, Extraordinary General Assembly meetings were held on January 30, 2009 and October 2, 2009 with quorums of 72.85% and 71.94%, respectively. The participants of the General Assembly included shareholders and their representatives submitting blockage letters within the legal period, the Board of Directors, statutory auditors, chief executive officer, deputy executive officers, and the staff organizing the General Assembly. The invitation to attend the meeting was published in the Turkish Trade Registry Gazette and national newspapers. At the same time, invitations were issued to shareholders in foreign countries. For owners of registered shares, invitations were extended by registered letter with return receipt, as the law requires.

In accordance with the Turkish Commercial Code, applications were received from shareholders of publicly traded shares up to one week before the meeting. During the General Assembly, shareholders exercised their right to ask questions and these were answered by the executive officers. All matters advised by shareholders were duly recorded in the minutes and these minutes were registered and announced in the Bulletin of Turkish Trade Registry.

1.4 Voting Rights and Minority Rights
Pursuant to the Articles of Association of the Company, there are no privileged shares in terms of decision-making and voting rights. Apart from the independent member currently on the Board of Directors, shareholders possessing shares greater than 5% are represented, while minority shareholders are not. With regard to the Company's capital, there is no mutual participation. The CMB Communiqué concerning the right to exercise cumulative voting is optional for the Publicly Traded Companies and this voting method has not been used as yet.

1.5 Dividend Distribution Policy and Time of Dividend Distribution
We have adopted a dividend policy, which is included in our Corporate Governance Guidelines. As adopted, our general dividend policy is to pay dividends to shareholders with due regard to trends in our operating performance, financial condition and other factors. Since 2004, the Board of Directors has endeavored to distribute cash dividends of at least 50% of our distributable net profits per fiscal year, although the payment of dividends remains subject to our cash flow requirements, applicable Turkish laws and the approval of, or amendment by, the Board of Directors and the General Assembly of Shareholders. The Dividend Distribution Policy adopted by the Board of Directors is published in the annual report of the company as well as on its website (www.turkcell.com.tr) under Corporate Governance in the Investor Relations Section.

In accordance with our Articles of Association, there are no privileged shares and no privilege for dividend distribution. Dividend distributions are performed within the periods stipulated by CMB regulations.

1.6 Transfer of Shares
While there is no limitations in the Articles of Association of our Company with respect to the transfer of shares, Provisional Article 5, paragraph c, sentence 4 of the authorizing regulations relating to the Electronic Communication Sector, to which Turkcell is subject, makes states that the written approval of the Information and Communication Technologies Authority is required for “actions of gaining or transferring or movement of shares which shall result in change of control.”

SECTION 2
PUBLIC DISCLOSURE AND TRANSPARENCY

2.1 Company Disclosure Policy
The Disclosure Policy Framework Document, regarding public announcements in accordance with the domestic and international capital markets regulations to which Turkcell is subject was prepared and presented to shareholders at the Ordinary General Assembly held in 2005. Following the General Assembly, the Disclosure Policy Framework Document was published in the Investor Relations section of the Company's website, www.turkcell.com.tr, under Corporate Governance heading. Our Disclosure Policy was revised in 2009 and published on the website.

Turkcell makes public disclosures in compliance with the CMB, ISE, SEC and NYSE regulations to which it is subject. The purpose of Turkcell’s Disclosure Policy is to ensure an active and transparent communication which is complete, fair, correct, timely, clear, and cost-effectively and equally accessible for all stakeholders including shareholders, investors, employees and customers in accordance with the regulations to which the Company is subject. The responsibility to maintain and monitor this Disclosure Policy is incumbent on the Company’s Investor and International Media Relations Division.

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2.2 Public Disclosures

In 2009, Turkcell made a total of 59 public disclosures to the domestic and foreign capital markets to which it is subject. All these disclosures were made in English and Turkish. Since Turkcell shares are quoted on the New York Stock Exchange, English translations of disclosures were sent to SEC. Public Disclosures are on the Turkcell website (www.turkcell.com.tr) in the Investor Relations section.

Information provided by our Company's Disclosure Team and/or Disclosure Committee is evaluated under the coordination of the Investor and International Media Relations Division and with the compliance advice of the Capital Markets and Corporate Governance Compliance Unit in accordance with the local and the international capital market regulations to which our Company is subject. In cases in which public disclosure is required, such disclosure is to be made by the Investor and International Media Relations Division.

Furthermore, in 2009, Turkcell created a mechanism for the postponement of the public disclosure of inside information, within the framework of Article 15 of the Capital Markets Board Communiqué on Disclosure (Series: VIII, No.: 54), which regulates the postponement of public disclosure of inside information.

2.3 Corporate Website and its Contents

Turkcell's website is www.turkcell.com.tr. Information for shareholders is provided under the following headings in the Investment Relations section:

a. Market Information
b. Shareholder Structure
c. Corporate Governance
    i. Corporate Governance Guidelines
    ii. Board of Directors
    iii. Board Committees
    iv. Dividend Policy
    v. Code of Ethics
    vi. Articles of Association
    vii. Disclosure Policy
    viii. General Assembly Information
    ix. Compliance Report
d. Announcements
e. Presentations
f. Financial and Operational Data
    i. Key Financial Data
    ii. Key Financial Data TRY
    iii. Historical US GAAP Key Financial Data
    iv. Key Operational Data
    v. Debt and Credit Rating
    vi. International Operations
    vii. Investor Kit
    viii. Outlook & Strategy
g. Financial Calendar
h. Share Information
    i. Interactive Share Charts
    ii. Investment Calculator
    iii. Ticker Symbols
    iv. Analyst Coverage
i. FAQ
j. Contact Us

2.4 Announcement of Real Person Final Dominant Shareholder / Shareholders
The shareholder structure of our Company is as follows:

Shareholder	Value of Stake (TRY)	% of Share
Turkcell Holding A.Ş.	1,122,000,000.238	51.00%
Çukurova Holding A.Ş.	995,509.429	0.05%
Mapfre Genel Sigorta A.Ş.	1,558,452.599	0.07%
Sonera Holding B.V.	287,632,179.557	13.07%
MV Holding A.Ş.	51,021,712.590	2.32%
Other	137,199.575	0.01%
Publicly Traded	736,654,946.012	33.48%
TOTAL	**2,200,000,000.000**	**100.00%**

2.5 Disclosure on Insider Traders
Turkcell's Disclosure Policy contains guidelines concerning the Blackout Period Practice relating to insider trading issues. In accordance with these guidelines, employees are prohibited from selling or purchasing Turkcell securities during the blackout period. Turkcell employees with access to inside information that can affect the price of capital market instruments are restricted from selling or purchasing Turkcell securities regardless of blackout periods.

Pursuant to CMB regulations, a list of those having access to inside information is maintained, rules and regulations pertaining inside information were provided to management and employees, and regular reminders were made through e-mail and mobile training programs. Furthermore, this information is provided to every new Turkcell employee through the Orientation Program. Employees are required to sign an affirmation stating that these regulations are an indispensible part of their employment contracts.

SECTION 3
STAKEHOLDERS

3.1 Informing Stakeholders
In addition to the legislation that is currently in effect, company policies and procedures have been created to inform Company employees and stakeholders.

3.2 Participation of Stakeholders in Management
While there is no special provision concerning the participation of stakeholders in management, relevant information is shared with Turkcell's business partners, staff and other stakeholders through defined and regular meetings, such as staff communication meetings, platforms where the staff can communicate their ideas and suggestions, Supplier Day for the supply chain, Business Partner Day for the firms Turkcell works with on value-added services, and dealer meetings.

3.3 Human Resources Policy
Turkcell's priority regarding its human resources strategy is to be the most admired and most preferred company as a place of employment and as a result to recruit and retain the best personnel. We are executing innovative and pioneering human resources practices aimed at achieving this.

We believe that our leading position can be maintained by developing and motivating our highly qualified human resources. Therefore, we invest in people and focus on practices that will support our corporate values, and develop our human resources.

One of our most important priorities is to recognize talented employees and retain them for the creation of a high-performance team. Therefore, we implement a structured talent management process that involves the entire management team.

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Through the Turkcell Academy, we continually development of our employees and create alternative solutions to meet their developmental needs.

We see our employees as our internal customers and, with the goal of understanding their needs and expectations, we help them gain experiences that make a difference via our human-oriented approach which values each of them.

Turkcell Human Resources places great emphasis on maintaining the balance between employee satisfaction and corporate benefit in all of the Company's activities. To this end, a survey monitoring employee loyalty and satisfaction is conducted regularly and its results form the basis of future actions.

Turkcell reviews its processes and organizational structure on a regular and systematic basis and carries out improvements and restructuring activities to maintain its competitive and leading stance. We wholeheartedly believe that differentiation and success is to transform individual information into corporate memory and utilize that information accurately and effectively. In this context, it develops platforms that provide an environment that utilizes reliable, updated, and vital information. As a pioneering company tuned for innovation, Turkcell believes in change and differentiation and it values people. We believe that it is our priority to provide our employees with a high performance work environment. To this end, the Company will continue to engage in innovative and pioneering human resources practices.

3.4 Information about Relationships with Customers and Suppliers
Turkcell uses an approach in line with global quality standards wherever the Company has contact with and/or provides services to its customers. The Company tests all products and services with the customer's perspective in mind so as to better understand and feel customers' experiences, to determine the inefficiencies in the system, processes, and human resources, and if necessary to make timely corrective adjustments to systems or processes related to that specific experience. Turkcell also regularly measures and analyzes services and its approach throughout business channels to identify areas of improvement and to make adjustments that simplify the lives of its customers and ensure their satisfaction.

Various company procedures are in force to ensure compliance with the ISO 9001: 2000 quality certificate concerning working conditions and performance related to suppliers and customers. Additionally, relations with suppliers and customers are governed by laws and the Company's "Common values and Code of Ethics" and related regulations.

3.5 Social Responsibility
Turkcell believes that support provided to individuals and to society contributes to Turkey. As Turkey's Turkcell, to improve the quality of life of society and create a more sustainable world, we contribute to economic, environmental, cultural and social development of the country. Our highly developed sense of social responsibility we continue by reaching great variety of people to take on projects that we believe have high social value.

The Snowdrops (Kardelenler) Project started in 2000 in response to the fact that 75% of illiterate people in Turkey are women and that 20 out of every 100 women are illiterate. The project began by awarding scholarships to 5,000 female students from around Turkey who demonstrated their determination to study. The annual number of scholarships grew to 10,000 with the expansion of the program in 2007.

So far, approximately 20,000 students have been provided with Turkcell scholarships through this project. Moreover, 8,666 students have graduated from high school, 2,707 have entered university and 755 have graduated from university. Among our Snowdrops who have graduated from university are doctors, lawyers, nurses and teachers.

The Bridge of Hearts project, was carried out in partnership with the Ministry of Education and inaugurated in 2008, aims to enable tens of thousands of students from Turkey's 81 provinces to learn more about their country and raise them to be responsible, self-confident individuals. In 2009, within the scope of the then two-year old program, more than 10,000 students participated in five-day cultural tours between June 23 and July 20. Different from the preceding years, in 2009, within quota limits handicapped students were allocated places so that they, too, could participate in the tours.

Under Those Running to the Future project, carried out in conjunction with the Youth and Sports Directorate, Turkcell supported 180 talented athletes between the ages of 12 and 16 in six sports in 11 provinces. The goal of the project, conducted as part of the National Strategy of the Alliance of Civilizations, a project of the UN, is to provide special training to athletes between the ages of 12 and 16 who have the potential to be successful in individual sport categories, thereby raising successful national athletes to represent Turkey at the Olympics.

Turkcell became the sponsor of Marsel İlhan, Turkey's top tennis player who ranks 134th in the world. This successful tennis player will be a role model for young tennis players taking part in the Those Running to the Future Project.

Starting with the 2005 - 2006 season, Turkcell became the name sponsor of the Turkcell Super League for five years. Turkcell aims to raise quality and gallantry in soccer through the practices started in the 2008 - 2009 season with the partnership of the Turkish Football Federation, and believes in the importance of support to maintain the Turkish soccer teams' recent successes. Turkcell continues its support of Turkish soccer through its sponsorship of 12 Anatolian teams in the Turkcell Super League.

Furthermore, in partnership with the Turkish Sports Writers Association, Turkcell holds Turkish Sports Writers Seminars in every corner of Anatolia. Its purpose is to contribute to the professional competency of sports writers who work in Anatolia. Over 1,000 journalists and more than 2,500 university students have participated in the seminars held in 19 cities in the past three years.

Adding to its long-standing support of soccer and basketball, Turkcell began to support tennis in 2009. After a 10-year hiatus, the Davis Cup was once again held in Istanbul, this time with Turkcell as its main sponsor. By financially assisting the Men's National Tennis Team, Turkcell played a role in Turkish national players climbing to higher levels in the Davis Cup.

Turkcell not only supports sports and social responsibility projects, but also culture and the arts.

Turkcell has sponsored the International Istanbul Film Festival organized by the Istanbul Foundation for Culture and the Arts (İKSV) for six years and it has been the Entertainment Sponsor of the International Istanbul Jazz Festival for nine years. Turkcell has been the İKSV's Official Communications Sponsor since 2005, so enabling hundreds of thousands of people to appreciate the arts.

The Yeşilçam Awards were first held in 2008 under the auspices of the Turkish Ministry of Culture and Tourism. The awards, under the slogan "Turkish films are competing, Turkish cinema wins", have for the past two years been held by the Beyoğlu Municipality in partnership with the Turkish Foundation of Cinema and Audiovisual Culture with Turkcell as its main sponsor.

Turkcell continues its support of cinema through various sponsorships. For the past two years, it has sponsored the !F Istanbul Independent Films Festival under the Company's gnçtrkcll brand.

Turkcell establishes base stations to provide mobile communication services which is Turkcell's area of business. Safety tests are conducted by the manufacturer and Turkcell on the base stations built. Nevertheless, 287 lawsuits were opened between January 1, 2009 and December 31, 2009, claiming that base stations had adverse effects on the environment and health, and violated neighborhood laws. A verdict was reached in 25 of the lawsuits in 2009 claiming violation of environmental and human health and neighborhood laws. Of these, 11 were decided for and 14 against the Company.

CORPORATE GOVERNANCE

SECTION 4
BOARD OF DIRECTORS

4.1 Structure and Creation of the Board of Directors and Independent Members
Information on the Board of Directors is provided in the Investor Relations section of Turkcell's website (www.turkcell.com.tr).

The Turkcell Board of Director consisted of the following members:

Colin J. Williams	Chairman (Independent Member)
Mehmet Emin Karamehmet	Member
Mehmet Bülent Ergin	Member
Aimo Eloholma	Member
Tero Erikki Kivisaari	Member
Oleg Malis	Member
Alexey Khudyakov	Member

All the members of the Board of Directors are non-executives. Colin J. Williams, as the independent member of the Board of Directors, fulfills the criteria of the CMB Corporate Governance Principles as well as the SEC's independence criteria.

At the Ordinary General Assembly on May 8, 2009, it was resolved to give members of the Board of Directors necessary discharges and authority in accordance with articles 334 and 335 of the Turkish Commercial Code.

4.2 Qualifications of the Members of the Board of Directors
The qualifications of the members of the Board of Directors are specified in the Corporate Governance Guidelines as adopted by the Company's Board of Directors. According to this, every year, the Corporate Governance Committee, together with the Board of Directors, within the current structure of the Board, reviews the skills and specialties required for its members. Each Board Member is required to devote time to Board activities, to enhance his/her knowledge of the global telecommunications industry and related industries and to annually attend at least 75% of scheduled Board meetings. Each Board Member is encouraged to limit the number of other public company boards on which he or she serves. This will ensure that such other directorships and commitments do not materially interfere with his or her service as an effective and active member of the Company's Board. In addition, the Corporate Governance Committee develops and supervises an orientation program for newly elected members of the Board of Directors.

4.3 Vision and Strategic Objectives of the Company
The vision and strategic targets of Turkcell are on the Company's website (www.turkcell.com.tr) under "About Turkcell" and in the Annual Report.

4.4 Risk Management and Internal Control Mechanisms
Risk Management, Internal Audit, Business Continuity Management, Information Security Management, and Internal Fraud Management processes were introduced at the Corporate Risk Management Department which was established in January 2009. These strengthen the Company's focus on corporate risk management, expand risk management practices throughout Turkcell and the Turkcell Group by developing a risk management methodology and centralize operations carried out under various Company structures that affect the success of corporate risk management.

Turkcell Corporate Risk Management Department, in compliance with the "principle of independence" and in line with CMB's Communiqué Series: X No.:19 directly reports to the Audit Committee formed by independent members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer

Internal Control / Internal Audit Activities: Turkcell management is responsible for ensuring the compliance with the provisions of Article 404 of the Sarbanes Oxley Act, as promulgated by the United States Securities and Exchange Commission (the "SEC"), which are designated as corporate governance and fair disclosure laws and regulations. Thus, management is responsible for establishing and maintaining effective internal control structure in Turkcell and for the consolidated group companies that are in audit scope.

Within this framework Internal Audit is responsible to provide support for the establishment of internal control system both in Turkcell and consolidated group companies in audit scope and to evaluate and report on the effectiveness of the internal control system. The deficiencies and corrective actions taken by process owners that are taken or planned to be taken are reported to Audit Committee and management on a regular basis.

Risk Management is responsible for the following tasks: defining the risks that affect Turkcell's performance towards its goals, coordinating risk analysis tasks, sharing results with Corporate Executive Team and the Risk Management Board, and reporting on and following up on these results.

The motive behind determining risks is not to suspend business activities that create these risks but to decrease the likelihood of the risks or to decrease their possible impacts. Here, the goal is to minimize unpleasent surprises, to enable Turkcell to run seamless operations, and to provide a reasonable level of assurance to the management for Turkcell to achieve its goals.

Every department in Turkcell defines the risks it faces on a regular basis and classifies them on the basis of priority. Also, the Company prepares detailed action plans for critical risks and applies these plans. These processes are coordinated by Risk Management and are reported on a regular basis.

Turkcell formulated its Business Continuity Plans in 2000, involving its technical operations. In 2004, by broadening its scope, the Business Continuity Plan has been positioned as Business Continuity Management in such a way that encompasses all of Turkcell's business functions. The Business Continuity Plan covers several subjects, including natural disasters, terrorist attacks, loss of critical staff or information, and its effects to our dealers and suppliers.

The Business Continuity Plan aims to mitigate risks against disasters by means of geographical dispersion. By courtesy of our geographically widespread technical infrastructure, our plans to manage a disaster from a remote center have been structured.

We have the ability to keep additional capacity on main switchboards or support them with mobile switchboards.

Base station maintenance teams are positioned on a regional basis throughout the country. In case of emergency, teams have action plans to back up each other. In cases when a damaged base station cannot be operational within a certain time, a mobile base station is sent to maintain urgent coverage.

4.5 Authority and Responsibilities of the Members of the Board of Directors and Executives
The pertinent section of the Company's Articles of Association is as follows: "The Board is fully authorized to carry out the affairs of the Company and management of Company assets and the activities relating to the Company purpose and subject matter other than those that have to be solely carried out by the General Assembly".

In addition, within the context of enhancing the Company's corporate governance practices, the responsibilities and duties of the Board of Directors are examined in the Corporate Governance Guidelines adopted by the Board, and published on the Company's website (www.turkcell.com.tr) in the Investor Relations section under Corporate Governance.

CORPORATE GOVERNANCE

4.6 Activities of the Board of Directors

The Board of Directors held 11 ordinary meetings in 2009. It also met off calendar. The primary activities of the Board of Directors are contained in the Corporate Governance Guidelines adopted by the Board of Directors. An outline of them is published under "Corporate Governance Principles" on the Company's website. In addition, a Corporate Governance Secretariat has been created to coordinate information flow between the members of the Board. No Board of Director member has weighted voting rights or the power of veto.

4.7 Prohibition on Carrying out Transactions with the Company and Prohibition on Competition

Permission contained in articles 334 and 335 of the Turkish Commercial Code pertaining to the prohibition on having dealings with the Company and on competing with it have been given to the Board of Director members by the General Assembly.

4.8 Code of Ethics

Turkcell's Common Values and Code of Ethics and all regulations pertaining to them are announced to all Turkcell managers and employees. The Turkcell Code of Ethics is introduced to all new recruits through an orientation program. Employees must sign a declaration stating that this code is an inseperatable part of their employment contract.

Revisions of the Common Values and Code of Ethics are shared with Turkcell employees via internal communication channels. An outline of this code is published on the Company's website in the Investors Relations section under Corporate Governance. These rules and guidelines are complementary to other policies and rules of conduct currently published or to be published in the future by the Company.

There is an Ethics Committee structure in regards to the management of Common Values and Code of Ethics in Turkcell that is responsible for defining, reviewing, updating, developing, and determining and resolving potential violations, and reports to the Company's Audit Committee.

4.9 Number, Structure and Independence of the Committees Established on the Board of Directors

Within the Board of Directors, there is an Audit Committee and a Corporate Governance Committee. Each committee advises and makes recommendations to the Board of Directors. Each committee also has charters specifying working principles. Both the Audit Committee's and the Corporate Governance Committee's members consist of the non-executive members of the Board of Directors. Information about the committees formed on the Board of Directors is published on the Company's website (www.turkcell.com.tr) in the Investors Relations section under Corporate Governance.

4.10 Financial Rights Provided to the Board of Directors

Attendance fees are paid to the members of the Board of Directors. No loans have been granted to any Members of the Company's Board of Directors or managers nor have any other guaranties such as sureties been given.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENT AND INDEPENDENT AUDIT REPORT

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.
Yapı Kredi Plaza C Blok Kat 17
Büyükdere Caddesi
Levent 34330 İstanbul

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Fax +90 (212) 317 73 00
Internet www.kpmg.com.tr

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Turkcell İletişim Hizmetleri A.Ş.

We consent to the incorporation by reference in the registration statement (No. 333-138528) on Form F-3 of Turkcell İletişim Hizmetleri A.Ş. of our reports dated April 26, 2010 with respect to the consolidated statements of financial position of Turkcell İletişim Hizmetleri A.Ş. and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of chance in equity and consolidated statements of cash flows for each of the years in the three-year period ended December 31, 2009, and the effectiveness of internal control over financial reporting as of December 31, 2009, which reports appear in the December31, 2009 annual report on Form 20-F of Turkcell İletişim Hizmetleri A.Ş..

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

April 26, 2010
İstanbul, Türkiye

KPMG

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Turkcell İletişim Hizmetleri A.Ş.

We have audited Turkcell İletişim Hizmetleri A.Ş. and its subsidiaries' (the "Group") internal control over financial reporting as of December 31, 2009, based on criteria established in ***Internal Control-Integrated Framework***, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in ***Internal Control-Integrated Framework,*** issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Turkcell İletişim Hizmetleri A.Ş. and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated income statements, consolidated statements of comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2009, and our report dated April 26, 2010 expressed an unqualified opinion on those consolidated financial statements.

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

April 26, 2010
İstanbul, Türkiye

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Turkcell İletişim Hizmetleri A.Ş.

We have audited the accompanying consolidated statements of financial position of Turkcell İletişim Hizmetleri A.Ş. and its subsidiaries (the "Group") as of December 31, 2009 and 2008, and the related consolidated income statements, consolidated statements of comprehensive income, changes in equity and cash flows each of the years in the three- year period ended December 31, 2009. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of Fintur Holdings B.V. ("Fintur"), a 41.45% owned equity accounted investee company. The Group's investment in Fintur at December 31, 2009 and 2008 was $286 million and $207 million, respectively, and its share of profit of Fintur was $120 million, $151 million and $109 million for the years 2009, 2008 and 2007, respectively. Those consolideted financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fintur, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Turkcell İletişim Hizmetleri A.Ş. and its subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Turkcell İletişim Hizmetleri A.Ş. and its subsidiaries' internal control over financial reporting as of December 31, 2009, based on criteria established in ***Internal Control-Integrated Framework*** issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated April 26, 2010 expressed an unqualified opinion on the effectiveness of the Group's internal control over financial reporting.

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

April 26, 2010
İstanbul, Türkiye

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts.)

	Note	2009	2008
Assets			
Property, plant and equipment	12	2,652,222	2,096,070
GSM and other telecommunication operating licences	13	1,058,098	587,770
Computer software	13	595,218	530,321
Other intangible assets	13	244,665	334,804
Investments in equity accounted investees	14	383,490	313,723
Other investments	15	34,755	34,614
Due from related parties	33	21,039	45,349
Other non-current assets	16	75,120	54,007
Deferred tax assets	17	2,058	1,144
Total non-current assets		**5,066,665**	**3,997,802**
Inventories		28,205	19,457
Other investments	15	62,398	689
Due from related parties	33	108,843	64,013
Trade receivables and accrued income	18	783,752	587,385
Other current assets	19	175,417	138,788
Cash and cash equivalents	20	3,095,486	3,259,792
Total current assets		**4,254,101**	**4,070,124**
Total assets		**9,320,766**	**8,067,926**
Equity			
Share capital	21	1,636,204	1,636,204
Share premium	21	434	434
Capital contributions	21	22,772	18,202
Reserves	21	(512,095)	(706,384)
Retained earnings	21	4,712,254	4,437,071
Total equity attributable to equity holders of Turkcell İletişim Hizmetleri A.Ş.		**5,859,569**	**5,385,527**
Non-controlling interest	21	**36,632**	**58,116**
Total equity		**5,896,201**	**5,443,643**
Liabilities			
Loans and borrowings	24	821,179	130,020
Employee benefits	25	27,776	26,717
Provisions	27	5,676	4,490
Other non-current liabilities	23	154,991	227,511
Deferred tax liabilities	17	118,432	130,491
Total non-current liabilities		**1,128,054**	**519,229**
Bank overdraft	20	5,244	4,372
Loans and borrowings	24	690,780	655,909
Income taxes payable	11	93,260	126,585
Trade and other payables	28	1,038,762	964,421
Due to related parties	33	14,780	21,032
Deferred income	26	248,518	250,386
Provisions	27	205,167	82,349
Total current liabilities		**2,296,511**	**2,105,054**
Total liabilities		**3,424,565**	**2,624,283**
Total equity and liabilities		**9,320,766**	**8,067,926**

The notes on page 107 to 167 are an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the year ended 31 December

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

	Note	2009	2008	2007
Revenue	7	5,789,972	6,970,408	6,328,580
Direct cost of revenue		(3,097,097)	(3,409,013)	(3,103,427)
Gross profit		**2,692,875**	**3,561,395**	**3,225,153**
Other income		978	14,136	7,799
Selling and marketing expenses		(1,085,081)	(1,351,692)	(1,138,154)
Administrative expenses		(273,139)	(309,349)	(252,841)
Other expenses	8	(111,220)	(17,990)	(22,423)
Results from operating activities		**1,224,413**	**1,896,500**	**1,819,534**
Finance income	10	329,550	442,099	308,368
Finance costs	10	(187,514)	(136,769)	(551,142)
Net finance income / (costs)		**142,036**	**305,330**	**(242,774)**
Share of profit of equity accounted investees	14	78,448	102,990	64,906
Profit before income tax		**1,444,897**	**2,304,820**	**1,641,666**
Income tax expense	11	(340,093)	(549,758)	(322,418)
Profit for the year		**1,104,804**	**1,755,062**	**1,319,248**
Profit attributable to:				
Owners of Turkcell İletişim Hizmetleri A.Ş.		1,093,992	1,836,824	1,350,162
Non-controlling interest		10,812	(81,762)	(30,914)
Profit for the year		**1,104,804**	**1,755,062**	**1,319,248**
Basic and diluted earnings per share (in full USD)	22	0.497269	0.834920	0.613710

The notes on page 107 to 167 are an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 December

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

	2009	2008	2007
Profit for the period	1,104,804	1,755,062	1,319,248
Other comprehensive income / (expense):			
Foreign currency translation differences	53,046	(1,458,709)	811,302
Net change in fair value of available-for-sale securities	1,197	(6,385)	3,191
Income tax on other comprehensive (expense) / income	(1,091)	1,368	(525)
Other comprehensive income / (expense) for the period, net of income tax	**53,152**	**(1,463,726)**	**813,968**
Total comprehensive income for the period	**1,157,956**	**291,336**	**2,133,216**
Attributable to:			
Owners of Turkcell İletişim Hizmetleri A.Ş.	1,146,681	363,504	2,178,398
Non-controlling interest	11,275	(72,168)	(45,182)
Total comprehensive income for the period	**1,157,956**	**291,336**	**2,133,216**

The notes on page 107 to 167 are an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December

(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	Fair Value Reserve	Reserve for Minority Put Option	Translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance at 1 January 2007	1,636,204	-	434	148,273	2,815	-	(155,972)	2,394,838	4,026,592	91,375	4,117,967
Total comprehensive income											
Profit for the period	-	-	-	-	-	-	-	1,350,162	1,350,162	(30,914)	1,319,248
Other comprehensive income and expense											
Foreign currency translation differences, net of tax	-	-	-	-	-	-	825,570	-	825,570	(14,268)	811,302
Net change in fair value of available-for-sale securities, net of tax	-	-	-	-	2,666	-	-	-	2,666	-	2,666
Total other comprehensive income and expense	-	-	-	-	2,666	-	825,570	-	828,236	(14,268)	813,968
Total comprehensive income and expense	-	-	-	-	2,666	-	825,570	1,350,162	2,178,398	(45,182)	2,133,216
Increase in legal reserves	-	-	-	108,561	-	-	-	(108,561)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(411,913)	(411,913)	(45,712)	(457,625)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	137,647	137,647
Balance at 31 December 2007	**1,636,204**	**-**	**434**	**256,834**	**5,481**	**-**	**669,598**	**3,224,526**	**5,793,077**	**138,128**	**5,931,205**
Balance at 1 January 2008	1,636,204	-	434	256,834	5,481	-	669,598	3,224,526	5,793,077	138,128	5,931,205
Total comprehensive income											
Profit for the period	-	-	-	-	-	-	-	1,836,824	1,836,824	(81,762)	1,755,062
Other comprehensive income and expense											
Foreign currency translation differences, net of tax	-	-	-	-	-		(1,467,960)	-	(1,467,960)	9,594	(1,458,366)
Net change in fair value of available-for-sale securities, net of tax	-	-	-	-	(5,360)	-	-	-	(5,360)	-	(5,360)
Total other comprehensive income and expense	-	-	-	-	(5,360)	-	(1,467,960)	-	(1,473,320)	9,594	(1,463,726)
Total comprehensive income and expense	-	-	-	-	(5,360)	-	(1,467,960)	1,836,824	363,504	(72,168)	291,336
Increase in legal reserves	-	-	-	121,945	-	-	-	(121,945)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(502,334)	(502,334)	(54,639)	(556,973)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	46,795	46,795
Change in reserve for minority put option	-	-	-	-	-	(286,922)	-	-	(286,922)	-	(286,922)
Capital contribution granted	-	18,202	-	-	-	-	-	-	18,202	-	18,202
Balance at 31 December 2008	**1,636,204**	**18,202**	**434**	**378,779**	**121**	**(286,922)**	**(798,362)**	**4,437,071**	**5,385,527**	**58,116**	**5,443,643**
Balance at 1 January 2009	1,636,204	18,202	434	378,779	121	(286,922)	(798,362)	4,437,071	5,385,527	58,116	5,443,643
Total comprehensive income											
Profit for the period	-	-	-	-	-	-	-	1,093,992	1,093,992	10,812	1,104,804
Other comprehensive income and expense											
Foreign currency translation differences net of tax	-	-	-	-	-	-	51,492	-	51,492	463	51,955
Net change in fair value of available-for-sale securities, net of tax	-	-	-	-	1,197	-	-	-	1,197	-	1,197
Total other comprehensive income and expense	-	-	-	-	1,197	-	51,492	-	52,689	463	53,152
Total comprehensive income and expense	-	-	-	-	1,197	-	51,492	1,093,992	1,146,681	11,275	1,157,956
Increase in legal reserves	-	-	-	105,512	-	-	-	(105,512)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(713,297)	(713,297)	(31,083)	(744,380)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(1,676)	(1,676)
Net change in fair value of minority put option	-	-	-	-	-	36,088	-	-	36,088	-	36,088
Capital contribution granted	-	4,570	-	-	-	-	-	-	4,570	-	4,570
Balance at 31 December 2009	**1,636,204**	**22,772**	**434**	**484,291**	**1,318**	**(250,834)**	**(746,870)**	**4,712,254**	**5,859,569**	**36,632**	**5,896,201**

The notes on page 107 to 167 are an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended 31 December

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

	Note	2009	2008	2007
Cash flows from operating activities				
Profit for the period		**1,104,804**	**1,755,062**	**1,319,248**
Adjustments for:		**711,869**	**369,540**	**1,264,562**
Depreciation	12	384,257	433,942	532,915
Amortization of intangible assets	13	206,421	245,985	260,062
Impairment losses on goodwill	13	61,835		
Net finance income / (cost)	10	(254,006)	(349,219)	11,784
Income tax expense	11	340,093	549,758	322,418
Share of profit of equity accounted investees		(115,240)	(151,629)	(111,254)
(Gain) / loss on sale of property, plant and equipment		25,150	(6,931)	3,869
Amortization of transaction costs of borrowing		-	-	5,100
Translation reserve		66,325	(344,346)	137,317
Gain on sale of subsidiary			(4,727)	-
Deferred income		(2,966)	(3,293)	102,351
		1,816,673	**2,124,602**	**2,583,810**
Change in trade receivables	18	(193,981)	(145,670)	(177,819)
Change in due from related parties	33	(20,312)	2,124	26,698
Change in inventories		(8,662)	(267)	(10,128)
Change in other current assets	19	(37,099)	(27,208)	15,448
Change in other non-current assets	16	(21,272)	(10,704)	(24,782)
Change in due to related parties	33	(6,290)	(6,541)	10,302
Change in trade and other payables		180,469	66,690	15,285
Change in other current liabilities		(115,306)	206,537	67,457
Change in other non-current liabilities	23	(82,893)	52,452	(9,029)
Change in employee benefits	25	942	5,773	5,931
Change in provisions	27	123,644	29,704	23,832
		1,635,913	**2,297,492**	**2,527,005**
Interest paid		(29,497)	(25,050)	(37,024)
Income tax paid		(395,024)	(687,292)	(347,202)
Dividend received	14	83,543	89,235	13,397
Net cash from operating activities		**1,294,935**	**1,674,385**	**2,156,176**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		4,471	16,693	7,657
Proceeds from currency option contracts		10,549	14,655	17,807
Proceeds from sale of available-for-sale securities		32,015	78,542	36,698
Proceeds from sale of held-to-maturity investments		-	-	8,586
Interest received		320,697	354,211	250,423
Dividends received		-	-	18,756
Acquisition of property, plant and equipment	12	(1,044,165)	(603,568)	(564,859)
Acquisition of intangible assets	13	(723,507)	(193,219)	(206,985)
Payment of currency option contracts premium		(1,150)	(4,970)	(8,501)
Acquisition of available-for-sale securities		(83,951)	(47,549)	(119)
Acquisition of subsidiary, net of cash acquired		-	(309,967)	-
Net cash used in investing activities		**(1,485,041)**	**(695,172)**	**(440,537)**
Cash flows from financing activities				
Proceeds from issuance of loans and borrowings		1,692,866	601,000	498,666
Payment of transaction costs		(14,357)	-	(205)
Repayment of borrowings		(944,133)	(487,999)	(435,038)
Change in non-controlling interest		-	72,199	127,220
Reimbursement of borrowing cost		-	-	11,983
Proceeds from capital contribution		4,570	18,202	-
Dividends paid		(744,380)	(556,973)	(457,625)
Net cash used in financing activities		**(5,434)**	**(353,571)**	**(254,999)**
Effects of foreign exchange rate fluctuations on statement of financial position items		**30,938**	**(418,945)**	**276,837**
Net increase in cash and cash equivalents		**(164,602)**	**206,697**	**1,737,477**
Cash and cash equivalents at 1 January		**3,255,420**	**3,093,175**	**1,598,355**
Effect of exchange rate fluctuations on cash and cash equivalents		(576)	(44,452)	(242,657)
Cash and cash equivalents at 31 December		**3,090,242**	**3,255,420**	**3,093,175**

The notes on page 107 to 167 are an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended 31 December
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts.)

1. Reporting Entity

Turkcell İletişim Hizmetleri Anonim Şirketi (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, Meşrutiyet Caddesi No. 71, 34430 Tepebaşı / Istanbul. It is engaged in establishing and operating a Global System for Mobile Communications ("GSM") network in Turkey and regional states.

In April 1998, the Company signed a license agreement (the "2G License") with the Ministry of Transportation and Communications of Turkey (the "Turkish Ministry"), under which it was granted a 25-year GSM license in exchange for a license fee of US$500,000. The License permits the Company to operate as a stand-alone GSM operator and releases it from some of the operating constraints in the Revenue Sharing Agreement, which was in effect prior to the 2G License. Under the 2G License, the Company collects all of the revenue generated from the operations of its GSM network and pays the Undersecretariat of Treasury (the "Turkish Treasury") an ongoing license fee equal to 15% of its gross revenue from Turkish GSM operations. The Company continues to build and operate its GSM network and is authorized to, among other things, set its own tariffs within certain limits, charge peak and off-peak rates, offer a variety of service and pricing packages, issue invoices directly to subscribers, collect payments and deal directly with subscribers. Following the 3G tender held by the Information Technologies and Communications Authority ("ICTA") regarding the authorization for providing IMT-2000/UMTS services and infrastructure, the Company has been granted the A-Type license (the "3G License") providing the widest frequency band, at a consideration of EUR 358,000 (excluding Value Added Tax ("VAT")). Payment of the 3G license was made in cash, following the necessary approvals, on 30 April 2009.

On 25 June 2005, the Turkish government declared that GSM operators are required to pay 10% of their existing monthly ongoing license fee to the Turkish Ministry as a universal service fund contribution in accordance with Law No: 5369. As a result, starting from 30 June 2005, the Company pays 90% of the ongoing license fee to the Turkish Treasury and 10% to the Turkish Ministry as universal service fund.

In July 2000, the Company completed an initial public offering with the listing of its ordinary shares on the Istanbul Stock Exchange and American Depositary Shares, or ADSs, on the New York Stock Exchange.

As at 31 December 2009, two significant founding shareholders, Sonera Holding BV and Çukurova Group, directly and indirectly, own approximately 37.1% and 13.8%, respectively of the Company's share capital and are ultimate counterparties to a number of transactions that are discussed in the related parties footnote. On the basis of publicly available information, Alfa Group, which previously held, indirectly through Çukurova Telecom Holdings Limited and Turkcell Holding AS, 13.2% of Company's shares, has reduced its stake to 4.99% following litigation with Telenor ASA ("Telenor Group"). On the basis of publicly available information, it has been understood that Alfa Group sold 62.2% of its holdings in Alfa Telecom Turkey Limited ("ATTL") to Visor Group affiliate Nadash International Holdings Inc. ("Nadash") and Alexander Mamut's Henri Services Limited ("HSL") which now own indirectly 4.26% and 3.97%, respectively, of the Company's share capital.

The consolidated financial statements of the Company as at and for year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in one associate and one joint venture. Subsidiaries of the Company, their locations and their business are given in note 34. The Company's and each of its subsidiaries', associate's and joint venture's financial statements are prepared as at and for the year ended 31 December 2009.

2. Basis of Preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The Group's consolidated financial statements were approved by the management on 26 April 2010.

(b) Basis of measurement
The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs as issued by the IASB. They are prepared on the historical cost basis adjusted for the effects of inflation during the hyperinflationary period lasted by 31 December 2005, except that the following assets and liabilities are stated at their fair value: put option liability, derivative financial instruments and financial instruments classified as available-for-sale. The methods used to measure fair value are further discussed in note 4.

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(c) Functional and presentation currency
The consolidated financial statements are presented in US Dollars ("USD"), rounded to the nearest thousand. Moreover, all financial information expressed in Turkish Lira ("TL"), Euro ("EUR") and Swedish Krona ("SEK") have 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 East Asian Consortium BV ("Eastasia"), Beltur BV and Surtur BV is EUR. The functional currency of LLC Astelit ("Astelit"), LLC Global Bilgi ("Global LLC") and UkrTower LLC ("UkrTower") is Ukrainian Hryvnia ("HRV"). The functional currency of Belarussian Telecommunications Network ("Belarussian Telecom") and FLLC Global Bilgi ("Global FLLC") is Belarussian Roubles ("BYR").

According to the Article No: 33 of the Ministry of State, it has been decided to change the name of New Turkish Lira as Turkish Lira removing the phrase "New" which is executed on 1 January 2009 in accordance with the first item of Law No: 5083.

(d) Use of estimates and judgments
The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in notes 4 and 32 and detailed analysis with respect to accounting estimates and critical judgments of bad debts, useful lives or expected patterns of consumption of the future economic benefits embodied in depreciable assets, income taxes and revenue recognition are provided below:

Key sources of estimation uncertainty
In note 29, detailed analysis is provided for the foreign exchange exposure of the Group and risks in relation to foreign exchange movements.

Critical accounting judgments in applying the Group's accounting policies
Certain critical accounting judgments in applying the Group's accounting policies are described below:

Allowance for doubtful receivables
The impairment losses in trade and other receivables are based on management's evaluation of the volume of the receivables outstanding, historical collection trends and general economic conditions. Should economic conditions, collection trends or any specific industry trend worsen compared to management estimates, allowance for doubtful receivables recognised in consolidated financial statements may not be sufficient to cover bad debts.

Useful lives of assets
The useful economic lives of the Group's assets are determined by management at the time the asset is acquired and regularly reviewed for appropriateness. The Group defines useful life of its assets in terms of the assets' expected utility to the Group. This judgment is based on the experience of the Group with similar assets. In determining the useful life of an asset, the Group also follows technical and/or commercial obsolescence arising on changes or improvements from a change in the market. The useful lives of the licenses are based on duration of the license agreements.

The GSM license that is held by Belarussian Telecom, expires in 2018. According to the Share Purchase Agreement signed, the State Committee on Property of the Republic of Belarus committed to grant the license from the acquisition date of 26 August 2008 for a period of 10 years and such license shall be extended for an additional 10 years for an insignificant consideration. In the consolidated financial statements, amortization charge is recorded on the assumption that the license will be extended.

Commission fees

Commission fees relate to services performed in relation to betting games where the Group acts as an agent in the transaction rather than as a principal. In April 2009 the IASB issued amendments to the illustrative guidance in the appendix to IAS 18 in respect of identifying an agent versus a principal in a revenue-generating transaction. Based on this guidance; management considered the following factors in distinguishing between an agent and a principal:

• The Group does not take the responsibility for fulfillment of the games.
• The Group does not collect the proceeds from the final customer and it does not bear the credit risk.
• The Group earns a stated percentage of the total turnover.

Revenue recognition

In arrangements which include multiple elements, the Group considers the elements to be separate units of accounting in the arrangement. Total arrangement consideration relating to the bundled contract are allocated among the different units according the following criteria:

• the component has standalone value to the customer and
• the fair value of the component can be measured reliably.

The arrangement consideration is allocated to each deliverable in proportion to the fair value of the individual deliverables. If a delivered element of a transaction is not a separately identifiable component, then it is accounted for an integrated part of the remaining components of the transactions.

Income taxes

The calculation of income taxes involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through formal legal process.

As part of the process of preparing the consolidated financial statements, the Group is required to estimate the income taxes in each of the jurisdictions and countries in which they operate. This process involves estimating the actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as deferred revenue and reserves for tax and accounting purposes. The Group management assesses the likelihood that the deferred tax assets will be recovered from future taxable income, and to the extent the recovery is not considered probable the deferred asset is adjusted accordingly.

The recognition of deferred tax assets is based upon whether it is probable that future taxable profits will be available, against which the temporary differences can be utilized. Recognition, therefore, involves judgment regarding the future financial performance of the particular legal entity in which the deferred tax asset has been recognized.

(e) Changes in accounting policies

Starting from 1 January 2009, the Group has changed its accounting policies in the following areas:

(i) Presentation of financial statements

The Group applies revised IAS 1 "Presentation of Financial Statements (2007)", which became effective as at 1 January 2009. As a result, the Group presents all owner changes in equity in the Consolidated Statement of Changes in Equity, whereas all non-owner changes in equity are presented in the Consolidated Statement of Comprehensive Income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on basic and diluted earnings per share.

(ii) Determination and presentation of operating segments

As at 1 January 2009, the Group determines and presents operating segments based on the information that is internally provided to the Group management. This change in accounting policy is due to the adoption of IFRS 8 "Operating Segments". Previously, operating segments were determined and presented in accordance with IAS 14 "Segment Reporting".

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Comparative segment information has been re-casted in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on basic and diluted earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group management to make decisions about resources to be allocated to the segment and assess its performance, and for which financial information is available.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group entities.

(a) Basis of consolidation
(i) Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

Losses that exceed the non-controlling interest in the equity of a subsidiary may create a debit balance on non-controlling interests only if the minority has a binding obligation to fund the losses and is able to make an additional investment to cover the losses. Unless this is the case, the losses are attributed to the Company's majority interest within the profit for the period. If the subsidiary subsequently reports profits then these profits are allocated to the parent until the share of losses absorbed previously by the parent has been recovered.

(ii) Acquisition from entities under common control
Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are excluded from the scope of International Financial Reporting Standards No. 3 ("IFRS 3") "Business Combinations" and are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired from entities under common control are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity.

(iii) Associates and jointly controlled entities (equity accounted investees)
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities (equity accounted investees) are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. The Group's equity accounted investees as at 31 December 2009 are Fintur Holdings BV ("Fintur") and A-Tel Pazarlama ve Servis Hizmetleri A.Ş. ("A-Tel").

(iv) Transactions eliminated on consolidation

Intragroup balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Non-controlling interest

Where a put option is granted by the Group to the non-controlling interest shareholders in existing subsidiaries that provides for settlement in cash or in another financial asset, the Group recognised a liability for the present value of the estimated exercise price of the option. The interests of the non-controlling shareholders that hold such put options are derecognised when the financial liability is recognised. The corresponding interests attributable to the holder of the puttable non-controlling interests are presented as attributable to the equity holders of the parent and not as attributable to those non-controlling interest holders. The difference between the put option liability recognised and the amount of non-controlling interest holders derecognised is recorded under equity. Subsequent changes in the fair value of the put options granted to the non-controlling shareholders in existing subsidiaries are also recognised in equity, except the imputed interest on the liability is recognised in the consolidated income statement.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation of foreign currency transactions are recognised in the income statement. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised directly in equity.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD from the functional currency of the foreign operation at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates approximating to the exchange rates at the dates of the transactions.

Foreign currency differences arising on retranslation are recognized directly in the foreign currency translation reserve, as a separate component of equity. Since 1 January 2005, the Group's date of transition to IFRSs, such differences have been recognized in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payables to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the foreign currency translation reserve.

(iii) Translation from functional to presentation currency

Items included in the financial statements of each entity are measured using the currency of the primary economic environment in which the entities operate, normally under their local currencies.

The consolidated financial statements are presented in USD, which is the presentation currency of the Group. The Group uses USD as the presentation currency for the convenience of investor and analyst community.

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Assets and liabilities for each statement of financial position presented (including comparatives) are translated to USD at exchange rates at the statement of financial position date. Income and expenses for each income statement (including comparatives) are translated to USD at monthly average exchange rates.

Foreign currency differences arising on retranslation are recognised directly in a separate component of equity.

(iv) Net investment in foreign operations

Foreign currency differences arising from the translation of the net investment in foreign operations are recognized in foreign currency translation reserve. They are transferred to the income statement upon disposal of the foreign operations.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting for finance income and costs is discussed in note 3(o).

• Financial assets at fair value through profit or loss

An instrument is classified as financial asset at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

• Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Held-to-maturity financial assets are held-to-maturity investments that are measured at amortised cost using the effective interest method, less any impairment losses.

Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

• Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories.

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(j)(i)), and foreign exchange gains and losses on available-for-sale monetary items (see note 3(b)(i)), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

• Estimated exercise price of put options
Under the terms of certain agreements, the Group is committed to acquire the interests owned by non-controlling shareholders in consolidated subsidiaries, if these non-controlling interests wish to sell their share of interests.

As the Group has unconditional obligation to fulfill its liabilities under these agreements, International Accounting Standards No: 32 ("IAS 32") "Financial instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the statement of financial position for the present value of the estimated option redemption amount. The Group accounted such transactions under the anticipated acquisition method and the interests of non-controlling shareholders that hold such put option are derecognised when the financial liability is recognised. The Group accounts the difference between the amount recognised for the exercise price of the put option and the carrying amount of non-controlling interest in equity.

• Other
Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments
The Group holds derivative financial instruments to hedge its foreign currency risk exposures arising from operational, financing and investing activities. In accordance with its treasury policy, the Group engages in forward and option contracts. However, these derivatives do not qualify for hedge accounting and are accounted for as trading derivatives.

Embedded derivatives are separated from the host contract and accounted for separately if a) the economic characteristics and risks of the host contract and the embedded derivative are not closely related, b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and c) the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(d) Property, plant and equipment
(i) Recognition and measurement
Items of property, plant and equipment are stated at cost adjusted for the effects of inflation during the hyperinflationary period lasted by 31 December 2005 less accumulated depreciation (see below) and accumulated impairment losses (see note 3(j)(ii)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, if any. Borrowing costs related to the acquisition or constructions of qualifying assets are capitalized during the period.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains / losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within other income or other expenses in profit or loss.

(ii) Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced item is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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The estimated useful lives for the current and comparative periods are as follows:

Buildings	21 – 50 years
Network infrastructure	3 – 8 years
Equipment, fixtures and fittings	4 – 5 years
Motor vehicles	4 – 5 years
Central betting terminals	10 years
Leasehold improvements	5 years

Depreciation methods, useful lives and residual values are reviewed at least annually unless there is a triggering event.

(e) GSM and other telecommunication operating licences
GSM and other telecommunication operating licences that are acquired by the Group are measured at cost adjusted for the effects of inflation during the hyperinflationary period lasted by 31 December 2005 less accumulated amortization (see below).

(i) Amortization
Amortization is recognized in the profit or loss on a straight-line basis primarily by reference to the unexpired licence period. The useful lives for the GSM and other telecommunication operating licences are as follows:

GSM and other telecommunications licenses	3 – 25 years

(f) Computer Software
Computer software includes software that work as an integral part of the Group's GSM network equipment. GSM network equipment and its related software are purchased separately from third party vendors as well as the cost of internally developed software. Although the computer software is an integral part of the GSM network equipment, it can be purchased, upgraded or sold separately from the hardware, if necessary. Computer software, which is purchased from third parties is capitalized when it is capable of operating in the manner intended by management.

Computer software which is purchased from the vendors, whenever the hardware is ready for intended use, are capitalized immediately. The cost of this software is the cash paid as consideration plus installation cost. Internally developed software does not include any costs in relation to research phase.

(i) Amortization
Amortisation is recognized in the profit or loss on a straight-line basis over the estimated useful lives from the date the software is available-for-use. The useful lives for computer software are as follows:

Computer software	3 – 8 years

(g) Other intangible assets
Intangible assets that are acquired by the Group which have finite useful lives are measured at cost adjusted for the effects of inflation during the hyperinflationary period lasted by 31 December 2005 less accumulated amortization (see below) and accumulated impairment losses (see note 3(j) (ii)).

(i) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset (that is purchased from independent third parties) to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Capitalized costs generally relate to the application of development stage; any other costs incurred during the pre and post-implementation stages, such as repair, maintenance or training, are expensed as incurred.

(ii) Amortization
Amortization is recognized in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such useful lives are indefinite from the date that they are available-for-use. The estimated useful lives for the current and comparative periods are as follows:

Transmission lines	10 years
Central betting system operating right	10 years
Customer base	2 – 8 years
Brand name	10 years
Customs duty and VAT exemption right	4.4 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Goodwill
Goodwill or negative goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquire. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Subsequent measurement
Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset including goodwill, that forms part of the carrying amount of the equity accounted investees.

(h) Leased assets
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized on the Group's statement of financial position.

(i) Inventories
Inventories are measured at the lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. The cost of inventory is determined using the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. As at 31 December 2009, inventories mainly consist of simcards, scratch cards and handsets.

(j) Impairment
(i) Financial assets
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

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(ii) Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than inventories, and deferred tax 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. For goodwill, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate adjusted for the effects of tax cash outflows that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the “cash-generating unit”). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The Group’s corporate assets do not generate separate cash inflows. There is an indication that a corporate asset may be impaired, and then the recoverable amount is determined from the cash-generating unit to which corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, therefore, is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

(k) Employee benefits

(i) Retirement pay liability

In accordance with existing labor law in Turkey, the Company and its subsidiaries in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum full TL 2,427 as at 31 December 2009 (equivalent to full US$1,612 as at 31 December 2009), which is effective from 1 January 2010, per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the consolidated financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its subsidiaries in Turkey arising from the retirement of the employees.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss when they are due.

The assets of the plan are held separately from the consolidated financial statements of the Group. The Company and other consolidated companies that initiated defined contribution retirement plan are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement plan is to make the specified contributions.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts
A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract. The Company did not recognize any provision for onerous contracts as at 31 December 2009.

Site restoration
In accordance with one of the Group subsidiaries' published environmental policy and applicable legal requirements, provisions for site restoration and future dismantling costs of base stations are recognized.

(m) Revenue
Revenues are recognized as the fair value of the consideration received or receivable, net of returns, trade discounts and rebates. Communication fees include postpaid revenues from incoming and outgoing calls, additional services, prepaid revenues, interconnect revenues and roaming revenues. Communication fees are recognized at the time the services are rendered.

With respect to prepaid revenues, the Group generally collects cash in advance by selling scratch cards to distributors. In such cases, the Group does not recognize revenue until the subscribers use the telecommunications services. Deferred income is recorded under current liabilities.

The Company has revised the accounting policy, as follows: The Company offers free counters to its subscribers, and considers these free granted counters in revenue recognition recorded as deferred revenue. The Company does not have any other customer loyalty program in the scope of IFRIC 13 "Customer Loyalty Programmes".

In connection with campaigns, both postpaid and prepaid services may be bundled with handset or other goods / services and these bundled services and products involve consideration in the form of fixed fee or a fixed fee coupled with continuing payment stream. Loyalty programs for both postpaid and prepaid services may be bundled with other services. Total arrangement consideration relating to the bundled contract are allocated among the different units according the following criteria:

• the component has standalone value to the customer and
• the fair value of the component can be measured reliably.

The arrangement consideration is allocated to each deliverable in proportion to the fair value of the individual deliverables.

If a delivered element of a transaction is not a separately identifiable component, then it is accounted for as an integral part of the remaining components of the transactions.

Revenues allocated to handsets given in connection with campaigns, which is included in other revenue, is recognised when the significant risks and rewards of ownership have been transferred to the buyer, collection is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Monthly fixed fees represent a fixed amount charged to postpaid subscribers on a monthly basis without regard to the level of usage. Fixed fees are recognized on a monthly basis when billed.

Commission fees mainly comprised of net takings earned to a maximum of 1.4% of gross takings, as a head agent of fixed odds betting games starting from 1 March 2009 (between 15 March 2007 and 1 March 2009, commission rate was 7% of gross takings and 4.3% commission was recognized based on the para-mutual and fixed odds betting games operated on Central Betting System).

Commission revenues are recognized at the time all the services related with the games are fully rendered. Under the agreement signed with Spor Toto Teşkilat Müdürlüğü A.Ş. ("Spor Toto"), Inteltek İnternet Teknoloji Yatırım ve Danışmanlık A.Ş. ("Inteltek") is obliged to undertake any excess payout, which is presented on net basis with the commission fees.

Simcard sales are recognized upfront upon delivery to subscribers, net of returns, discounts and rebates. Simcard costs are also recognized upfront upon sale of the simcard to the subscriber.

Call center revenues are recognized at the time services are rendered.

The revenue recognition policy for other revenues is to recognise revenue as services are provided.

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(n) Lease payments
Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease
At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

(o) Finance income and costs
Finance income comprises interest income on funds invested (including available-for-sale financial assets), late payment interest income, interest income on contracted receivables, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, litigation late payment interest expense, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or option premium expense. Borrowing costs that are not directly attributable to the acquisition, construction of production or a qualifying asset are recognised in profit or loss using effective interest method. Foreign currency gains and losses are reported on a net basis.

(p) Transactions with related parties
A related party is essentially any party that controls or can significantly influence the financial or operating decisions of the Group to the extent that the Group may be prevented from fully pursuing its own interests. For reporting purposes, investee companies and their shareholders, non-controlling shareholders at subsidiaries, key management personnel, shareholders of the Group and the companies that the shareholders have a relationship with are considered to be related parties.

(q) Income taxes
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per share
The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is equal to basic EPS because the Group does not have any convertible notes or share options granted to employees.

(s) Operating segment
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are regularly reviewed by the Group management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group identified Turkcell, Euroasia and Belarussian Telecom as operating segments.

(t) New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are not yet effective at 31 December 2009, and have not been applied in preparing these financial statements. None of these will have an effect on the consolidated financial statements of the Group except for:

• Revised IFRS 3 “Business Combinations (2008)” incorporates the following changes that are likely to be relevant to the Group’s operations:
- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised IFRS 3, which becomes mandatory for the Group’s 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group’s 2010 consolidated financial statements.

• Amended IAS 27 “Consolidated and Separate Financial Statements (2008)” requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27 will have an impact on the 2010 consolidated financial statements.

• Amendments to IAS 7” Statement of Cash Flows” clarify that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities. These amendments are effective for annual periods beginning on or after 1 January 2010 and are not expected to have a significant effect on consolidated financial statements.

• Amendments to IAS 17 “Leases” clarify that when a lease includes both the land and building elements, an entity should determine the classification of each element based on paragraphs 7 – 13 of IAS 17, taking account of the fact that land normally has an indefinite economic life. These amendments are effective for annual periods beginning on or after 1 January 2010 and are not expected to have a significant effect on consolidated financial statements.

• Amendments to IAS 36 “Impairment of Assets” clarify that the largest unit to which goodwill should be allocated is the operating segment level as defined in IFRS 8 before applying the aggregation criteria of IFRS 8. These amendments are effective for annual periods beginning on or after 1 January 2010 and are not expected to have a significant effect on consolidated financial statements.

• IFRS 9 “Reassessment of Embedded Derivatives” is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. The standard is effective for annual periods beginning on or after 1 January 2013, although entities are permitted to adopt them earlier, prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012.

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4. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment
The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, willingly. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangible assets
The fair value of the brand acquired in the Superonline Uluslararası Elektronik Bilgilendirme Telekomünikasyon ve Haberleşme Hizmetleri A.Ş. ("Superonline") business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand being owned. The fair value of customer base acquired in the Superonline business combination are valued using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of custom duty and VAT exemption agreement in the Belarussian Telecom business combination is based on the incremental cash flows method (cost saving approach) and this was used for the valuation analysis.

The fair value of mobile telephony licenses (GSM&UMTS) in the Belarussian Telecom business combination is based on the Greenfield (build-out) method, which is estimated to be appropriate and commonly used for the valuation of licenses, and this was used for the valuation analysis.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Investments in equity and debt securities
The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price or over the counter market price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

(iv) Trade and other receivables / due from related parties
The fair values of trade and other receivables and due from related parties are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(v) Derivatives
The fair value of forward exchange contracts and option contracts are based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

(vi) Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(vii) Exercise price of financial liability related to minority share put option
The Group measures the estimated exercise price of the financial liability originating from put options granted to minorities as the present value of estimated option redemption amount. Present value of the estimated option redemption amount is based on the fair value of estimation for the company subject to the put option.

The Company has estimated a value based on multiple approaches in grant to share purchase agreement including income approach (discounted cash flows) and market approach (comparable market multiples). The average of the values determined as at 31 August 2013, which is the exercise date of the put option, is then discounted back to 31 December 2009.

5. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

• Credit risk
• Liquidity risk
• Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Audit Committee is assisted in its oversight role by Internal Audit.

The instant impact of the global turmoil across global financial markets came out to be a sharp increase in foreign currency exchange rates in Turkey in 2008. Consequently, the depreciation of TL against USD and EUR was 29.8% and 25.2%, respectively, the depreciation of HRV against USD was 52% and the depreciation of BYR against USD was 2.3% as at 31 December 2008 when compared to the exchange rates as at 31 December 2007. Subsequently, TL appreciated against USD by 0.4% and depreciated against EUR by 0.9%, HRV depreciated against USD by 3.7% and BYR depreciated against USD by 30.1% as at 31 December 2009 when compared to the exchange rates as at 31 December 2008. Please refer to note 29 for additional information on the Group's exposure to this turmoil.

Credit risk
Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group may require collateral in respect of financial assets. Also, the Group may demand letters of guarantee from third parties related to certain projects or contracts. The Group may also demand certain pledges from counterparties if necessary in return for the credit support it gives related to certain financings.

In monitoring customer credit risk, customers are grouped according to whether they are an individual or legal entity, ageing profile, maturity and existence of previous financial difficulties. Trade receivables and accrued service income are mainly related to the Group's subscribers. The Group exposure to credit risk on trade receivables is influenced mainly by the individual payment characteristics of postpaid subscribers. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables.

Investments are preferred to be in liquid securities and mostly with counterparties that have a credit rating equal or better than the Group. Some of the collection banks have credit ratings that are lower than the Group's, or they may not be rated at all, however, policies are in place to review the paid-in capital and rating of counterparties periodically to ensure credit worthiness.

Transactions involving derivatives are with counterparties with whom the Group has signed agreements and which have sound credit ratings.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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The Group establishes an allowance for doubtful receivables that represents its estimate of incurred losses in respect of receivables from subscribers. This allowance includes the specific loss component that relates to individual subscribers exposures, and adjusted for a general provision which is determined based on historical data of payment statistics. This allowance also includes specific provision for some dealers and roaming counterparties. Impairment loss as a percentage of revenues represented 1.3% of revenues for the year ended 31 December 2009. If impairment loss as a percentage of revenues increased to 1.5% of revenues, the impairment loss would have been increased by US$11,470 negatively impacting profit for the year ended 31 December 2009.

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2009, US$1,102,672 guarantees were outstanding (31 December 2008: US$859,293).

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group buys and sells derivatives in order to manage market risks. All such transactions are carried at within the guidelines set by the Group treasury management.

Currency risk
The Group is exposed to currency risk on certain revenues such as roaming revenues, purchases and certain operating costs such as roaming expenses and network related costs and resulting receivables and payables, borrowings, deferred payments related to the acquisition of Belarussian Telecom and financial liability in relation to put option for the acquisition of non-controlling shares of Belarussian Telecom that are denominated in a currency other than the respective functional currencies of Group entities, primarily TL for operations conducted in Turkey. The currencies in which these transactions are primarily denominated are EUR, USD and SEK.

Derivative financial instruments such as forward contracts and options are used to hedge exposure to fluctuations in foreign exchange rates. The Group uses forward exchange contracts to hedge its currency risk.

The Group's investments in its equity accounted investee Fintur and its subsidiaries in Ukraine and Republic of Belarus are not hedged with respect to the currency risk arising from the net assets as those net investments are considered to be long-term in nature.

Interest rate risk
The Group has not entered into any type of derivative instrument in order to hedge interest rate risk as at 31 December 2009.

6. Operating Segments

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

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

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

Information regarding the operations of each reportable segment is included below. Adjusted EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Adjusted EBITDA definition includes revenue, direct cost of revenues excluding depreciation and amortization, selling and marketing expenses and administrative expenses.

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

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	Turkcell		Euroasia		Belarussian Telecom		Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total external revenues	5,176,105	6,170,419	350,045	436,716	17,356	380	246,466	362,893	5,789,972	6,970,408
Intersegment revenue	22,784	41,944	1,033	1,977	76	2	304,118	292,303	328,011	336,226
Reportable segment adjusted EBITDA	1,819,250	2,383,940	20,150	32,330	(38,318)	(5,827)	144,989	181,671	1,946,071	2,592,114
Finance income	304,321	667,318	2,093	6,344	1,411	100	75,783	81,423	383,608	755,18
Finance cost	(162,939)	(100,710)	(54,921)	(262,917)	(12,513)	(1,250)	(32,975)	(76,006)	(263,348)	(440,883)
Depreciation and amortization	(401,075)	(530,925)	(79,874)	(100,986)	(52,749)	(8,922)	(62,363)	(41,569)	(596,061)	(682,402)
Share of profit of equity accounted investees	-	-	-	-	-	-	78,448	102,990	78,448	102,990
Capital expenditure	1,239,477	404,651	216,445	155,762	87,938	550,926	292,550	278,077	1,836,410	1,389,416
Other material non-cash items:										
Impairment on goodwill	-	-	-	-	61,835	-	-	-	61,835	-

	Turkcell		Euroasia		Belarussian Telecom		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total external revenues	6,170,419	5,728,050	436,716	254,647	380	-	362,893	345,883	6,970,408	6,328,580
Intersegment revenue	41,944	36,260	1,977	1,230	2	-	292,303	216,279	336,226	253,769
Reportable segment adjusted EBITDA	2,383,940	2,430,267	32,330	(20,496)	(5,827)	-	181,671	174,537	2,592,114	2,584,308
Finance income	667,318	264,363	6,344	2,660	100	-	81,423	62,876	755,185	329,899
Finance cost	(100,710)	(492,628)	(262,917)	(63,749)	(1,250)	-	(76,006)	(31,453)	(440,883)	(587,830)
Depreciation and amortization	(530,925)	(662,160)	(100,986)	(86,557)	(8,922)	-	(41,569)	(35,302)	(682,402)	(784,019)
Share of profit of equity accounted investees	-	-	-	-	-	-	102,990	64,906	102,990	64,906
Capital expenditure	404,651	449,429	155,762	205,963	550,926	-	278,077	137,311	1,389,416	792,703
Other material non-cash items:										
Impairment on goodwill	-	-	-	-	-	-	-	-	-	-

	Turkcell		Euroasia		Belarussian Telecom		Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Reportable segment assets	3,730,420	2,801,251	702,847	592,035	517,718	586,242	773,103	448,036	5,724,088	4,427,564
Investment in associates		-		-		-	383,490	313,723	383,490	313,723
Reportable segment liabilities	1,305,206	1,330,075	189,875	121,835	56,982	9,827	143,607	115,169	1,695,670	1,576,906

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

	2009	2008	2007
Revenues			
Total revenue for reportable segments	5,568,137	6,651,438	6,020,187
Other revenue	549,846	655,196	562,162
Elimination of inter-segment revenue	(328,011)	(336,226)	(253,769)
Consolidated revenue	**5,789,972**	**6,970,408**	**6,328,580**

	2009	2008	2007
Adjusted EBITDA			
Total adjusted EBITDA for reportable segments	1,801,082	2,410,443	2,409,771
Other adjusted EBITDA	144,989	181,671	174,537
Elimination of inter-segment adjusted EBITDA	(20,738)	(11,833)	42,827
Consolidated adjusted EBITDA	**1,925,333**	**2,580,281**	**2,627,135**
Finance income	329,550	442,099	308,368
Finance costs	(187,514)	(136,769)	(551,142)
Other income	978	14,136	7,799
Other expense	(111,220)	(17,990)	(22,423)
Share of profit of equity accounted investees	78,448	102,990	64,906
Depreciation and amortization	(590,678)	(679,927)	(792,977)
Consolidated profit before income tax	**1,444,897**	**2,304,820**	**1,641,666**

	2009	2008	2007
Finance income			
Total finance income for reportable segments	307,825	673,762	267,023
Other finance income	75,783	81,423	62,876
Elimination of inter-segment finance income	(54,058)	(313,086)	(21,531)
Consolidated finance income	**329,550**	**442,099**	**308,368**

	2009	2008	2007
Finance costs			
Total finance cost for reportable segments	230,373	364,877	556,377
Other finance cost	32,975	76,006	31,453
Elimination of inter-segment finance cost	(75,834)	(304,114)	(36,688)
Consolidated finance cost	**187,514**	**136,769**	**551,142**

	2009	2008	2007
Depreciation and amortization			
Total depreciation and amortization for reportable segments	533,698	640,833	748,717
Other depreciation and amortization	62,363	41,569	35,302
Elimination of inter-segment depreciation and amortization	(5,383)	(2,475)	8,958
Consolidated depreciation and amortisation	**590,678**	**679,927**	**792,977**

	2009	2008	2007
Capital expenditure			
Total capital expenditure for reportable segments	1,543,860	1,111,339	655,392
Other capital expenditure	292,550	278,077	137,311
Elimination of inter-segment capital expenditure	(67,136)	(24,838)	(9,590)
Consolidated capital expenditure	**1,769,274**	**1,364,578**	**783,113**

	2009	2008
Assets		
Total assets for reportable segments	4,950,985	3,979,528
Other assets	773,103	448,036
Investments in equity accounted investees	383,490	313,723
Other unallocated amounts	3,213,188	3,326,639
Consolidated total assets	**9,320,766**	**8,067,926**

	2009	2008
Liabilities		
Total liabilities for reportable segments	1,552,063	1,461,737
Other liabilities	143,607	115,169
Other unallocated amounts	1,728,895	1,047,377
Consolidated total liabilities	**3,424,565**	**2,624,283**

Geographical information

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

Revenues	2009	2008	2007
Turkey	5,348,869	6,456,165	5,990,090
Ukraine	349,676	436,716	254,647
Belarus	17,356	380	-
Turkish Republic of Northern Cyprus	74,071	77,147	83,843
	5,789,972	**6,970,408**	**6,328,580**

Non-current assets	2009	2008
Turkey	3,437,909	2,479,805
Ukraine	634,068	528,078
Belarus	507,729	582,634
Turkish Republic of Northern Cyprus	66,656	57,804
Unallocated non-current assets	420,303	349,481
	5,066,665	**3,997,802**

7. Revenue

Revenues	2009	2008	2007
Communication fees	5,557,335	6,576,857	5,976,890
Commission fees on betting business	42,652	176,237	181,296
Monthly fixed fees	42,493	65,081	54,816
Simcard sales	22,855	28,189	20,767
Call center revenues	17,426	16,604	12,925
Other revenues	107,211	107,440	81,886
	5,789,972	6,970,408	6,328,580

8. Other Expenses

Other expenses amount to US$111,220, US$17,990 and US$22,423 for years ended 31 December 2009, 2008 and 2007, respectively.

Other expenses comprises impairment on goodwill arising from the acquisition of Belarussian Telecom, Competition Authority's penalty on mobile marketing activities and penalty on special communication tax amounting to US$61,835, US$18,107 and US$14,601, respectively for the year ended 31 December 2009.

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9. Personnel Expenses

Revenues	2009	2008	2007
Wages and salaries (*)	400,880	501,327	385,192
Increase in employee benefits	7,884	8,083	8,487
Contributions to defined contribution plans	3,694	4,182	1,253
	412,458	**513,592**	**394,932**

* Wages and salaries include compulsory social security contributions.

10. Finance Income and Costs

Recognised in profit or loss:

	2009	2008	2007
Interest income on bank deposits	224,160	359,408	241,055
Late payment interest income	49,037	43,479	37,188
Interest income on contracted receivables	31,178	-	-
Premium income on option contracts	10,549	14,655	17,807
Interest income on available-for-sale financial assets	6,308	8,328	303
Net gain on disposal of available-for-sale financial assets transferred from equity	2,084	6,494	1,673
Discount interest income	1,052	5,053	1,772
Interest income on unimpaired held-to-maturity investments	-	-	890
Other interest income	5,182	4,682	7,680
Finance income	**329,550**	**442,099**	**308,368**
Litigation late payment interest expense	(97,016)	(30,501)	(15,602)
Discount interest expense on financial liabilities measured at amortised cost	(76,763)	(51,448)	(42,137)
Option premium expense	(1,150)	(4,970)	(8,501)
Net foreign exchange loss	(576)	(44,452)	(460,754)
Debt extinguishment cost	-	-	(17,549)
Other	(12,009)	(5,398)	(6,599)
Finance cost	**(187,514)**	**(136,769)**	**(551,142)**
Net finance income	**142,036**	**305,330**	**(242,774)**

Late payment interest income is interest received from subscribers who pay monthly invoices after due date specified on the invoices.

Interest income on contracted receivables is recognised over the amount related to the handset campaigns throughout the contract period.

Litigation late payment interest expense is recognised in relation to legal disputes and detailed explanations are given in note 32.

Interest expense on borrowings capitalized on fixed assets amounts to US$1,602, US$11,375 and US$11,268 for year ended 31 December 2009, 2008 and 2007, respectively.

Recognised in other comprehensive income:

	2009	2008	2007
Other comprehensive expense:			
Foreign currency translation difference	53,046	(1,458,709)	811,302
Net change in fair value of available-for-sale securities	1,197	-	4,895
Net change in fair value of available-for-sale securities transferred to profit loss	-	(6,385)	(1,704)
Income tax on other comprehensive income	(1,091)	1,368	(525)
Other comprehensive expense for the period, net of income tax	**53,152**	**(1,463,726)**	**813,968**
Total comprehensive income / (expense) for the period	**53,152**	**(1,463,726)**	**813,968**
Attributable to:			
Owners of Turkcell İletişim Hizmetleri A.Ş.	52,689	(1,473,320)	828,236
Non-controlling interest	463	9,594	(14,268)
Total comprehensive income / (expense) for the period	**53,152**	**(1,463,726)**	**813,968**

11. Income Tax Expense

	2009	2008	2007
Current tax expense			
Current period	(353,389)	(567,169)	(412,521)
	(353,389)	**(567,169)**	**(412,521)**
Deferred tax benefit			
Origination and reversal of temporary differences	9,574	14,893	56,769
Benefit of investment incentive recognized	1,892	2,518	31,369
Utilisation of previously unrecognized tax losses	1,830	-	1,965
	13,296	17,411	90,103
Total income tax expense	**(340,093)**	**(549,758)**	**(322,418)**

Income tax recognized directly in equity

2009	**Before tax**	**Tax (expense) / Benefit**	**Net of tax**
Foreign currency translation differences	53,046	(1,091)	51,955
Net change in fair value of available-for-sale securities	1,197	-	1,197
	54,243	**(1,091)**	**53,152**
2008			
Foreign currency translation differences	(1,458,709)	343	(1,458,366)
Net change in fair value of available-for-sale securities	(6,385)	1,025	(5,360)
	(1,465,094)	**1,368**	**(1,463,726)**
2007			
Foreign currency translation differences	811,302	-	811,302
Net change in fair value of available-for-sale securities	3,191	(525)	2,666
	814,493	**(525)**	**813,968**

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Reconciliation of effective tax rate

The reported income tax expense for the year ended 31 December 2009, 2008 and 2007 are different than the amounts computed by applying the statutory tax rate to profit before income tax of the Company, as shown in the following reconciliation:

		2009		**2008**		**2007**
Profit for the period		1,104,804		1,755,062		1,319,248
Total income tax expense		340,093		549,758		322,418
Profit excluding income tax		1,444,897		2,304,820		1,641,666
Income tax using the Company's domestic tax rate	20%	(288,979)	20%	(460,964)	20%	(328,333)
Effect of tax rates in foreign jurisdictions	(1)%	10,041	(1)%	17,909	-	7,960
Tax exempt income	-	1,041	-	6,178	(1)%	9,724
Non-deductible expenses	2%	(29,444)	2%	(42,206)	2%	(25,118)
Tax incentives	-	1,892	-	2,518	(2)%	31,369
Utilization of previously unrecognized tax losses	-	1,830	-	-	-	1,965
Unrecognized deferred tax assets	3%	(48,963)	4%	(83,841)	2%	(28,319)
Difference in effective tax rate of equity accounted investees	(1)%	17,602	(1)%	22,937	(1)%	14,621
Other	-	(5,113)	1%	(12,289)	-	(6,287)
Total income tax expense	**24%**	**(340,093)**	**24%**	**(549,758)**	**20%**	**(322,418)**

The income taxes payable of US$93,260 and US$126,585 as at 31 December 2009 and 2008, respectively, represents the amount of income taxes payable in respect of related taxable profit for the year ended 31 December 2009 and 2008, respectively netted off with advance tax payments.

The Turkish entities within the Group are subject to corporate tax at the rate of 20%. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns at the end of April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years. Advance tax returns are filed on a quarterly basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting tax exempt income.

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

12. Property, Plant and Equipment

Cost or deemed cost	Balance at 1 January 2008	Additions	Disposals	Transfers	Disposal of subsidiary	Acquisitions through business combinations	Effect of movements in exchange rates	Balance at 31 December 2008
Network infrastructure (All operational)	5,483,739	187,343	(56,974)	319,691	(832)	26,917	(1,322,936)	4,636,948
Land and buildings	328,272	6,839	(614)	8,285	-	2,958	(76,646)	269,094
Equipment, fixtures and fittings	357,298	8,537	(5,207)	3,240	(96)	1,072	(83,858)	280,986
Motor vehicles	17,252	1,610	(1,048)	-	-	694	(3,771)	14,737
Leasehold improvements	153,962	2,960	(462)	11,829	-	1	(35,662)	132,628
Construction in progress	308,769	407,654	-	(343,045)	-	108,871	(46,142)	436,107
Total	**6,649,292**	**614,943**	**(64,305)**	**-**	**(928)**	**140,513**	**(1,569,015)**	**5,770,500**
Accumulated Depreciation								
Network infrastructure (All operational)	3,841,990	399,217	(49,660)	-	(464)	-	(988,221)	3,202,862
Land and buildings	94,028	12,566	(143)	-	-	-	(24,151)	82,300
Equipment, fixtures and fittings	326,714	18,626	(3,681)	-	(42)	-	(80,745)	260,872
Motor vehicles	15,398	1,252	(853)	-	-	-	(3,705)	12,092
Leasehold improvements	149,267	2,281	(276)	-	-	-	(34,968)	116,304
Total	**4,427,397**	**433,942**	**(54,613)**	**-**	**(506)**	**-**	**(1,131,790)**	**3,674,430**
Total property, plant and equipment	**2,221,895**	**181,001**	**(9,692)**	**-**	**(422)**	**140,513**	**(437,225)**	**2,096,070**

Cost or deemed cost	Balance at 1 January 2009	Additions	Disposals	Transfers	Effect of movements in exchange rates	Balance at 31 December 2009
Network infrastructure (All operational)	4,636,948	219,664	(344,581)	704,608	17,901	5,234,540
Land and buildings	269,094	8,227	-	1,765	(6,342)	272,744
Equipment, fixtures and fittings	280,986	7,831	(9,777)	31,637	713	311,390
Motor vehicles	14,737	1,569	(1,067)	-	(334)	14,905
Leasehold improvements	132,628	4,232	(3,745)	1,138	490	134,743
Construction in progress	436,107	804,244	-	(739,148)	(50,153)	451,050
Total	**5,770,500**	**1,045,767**	**(359,170)**	**-**	**(37,725)**	**6,419,372**
Accumulated Depreciation						
Network infrastructure (All operational)	3,202,862	349,349	(316,821)	-	38,013	3,273,403
Land and buildings	82,300	16,518	-	-	587	99,405
Equipment, fixtures and fittings	260,872	15,243	(9,031)	-	(724)	266,360
Motor vehicles	12,092	956	(1,029)	-	8	12,027
Leasehold improvements	116,304	2,191	(3,047)	-	507	115,955
Total	**3,674,430**	**384,257**	**(329,928)**	**-**	**38,391**	**3,767,150**
Total property, plant and equipment	**2,096,070**	**661,510**	**(29,242)**	**-**	**(76,116)**	**2,652,222**

Depreciation expenses for the year ended 31 December 2009, 2008 and 2007 are US$384,257, US$433,942, and US$532,915 respectively.

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Leased assets
The Group leases equipment under a number of finance lease agreements. At the end of each of the lease period, the Group has the option to purchase the equipment at a beneficial price. As at 31 December 2009, net carrying amount of fixed assets acquired under finance leases amounted to US$65,844 (31 December 2008: US$68,050).

Property, plant and equipment under construction
Construction in progress mainly consisted of expenditures in GSM network of the Company, Astelit, Kıbrıs Mobile Telekomünikasyon Limited Şirketi ("Kıbrıs Telekom") and Belarussian Telecom and non-operational items as at 31 December 2009 and 31 December 2008.

As at 31 December 2009, a mortgage is placed on Izmir and Davutpaşa buildings amounting to US$996 and US$332, respectively (31 December 2008: US$992 and US$331, respectively).

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. As the recoverable amounts of the assets or cash-generating unit are greater than the value in use, no impairment is required.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets, cash generating units. 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 is higher than the carrying amount of cash-generating units of Astelit and A-Tel, no impairment is required.

The assumptions used in value in use calculation of Astelit and A-Tel as of 31 December 2009 are:

Astelit: A 15.7% post-tax WACC rate and a 3.0% terminal growth rate were used to extrapolate cash flows beyond the 6-year forecasts based on the business plans approved by the Board of Directors. Independent appraisal is obtained for fair value to determine recoverable amounts for Astelit. The pre-tax rate for disclosure purposes is 19.5%.

A-Tel: A 14.2% post-tax WACC rate and a 4.0% terminal growth rate were used to extrapolate cash flows beyond the 5-year forecasts based on the plans. The pre-tax rate for disclosure purposes is 16.3%.

13. Intangible Assets

In April 1998, the Company signed the License with the Turkish Ministry, under which it was granted a GSM license, which is amortized over 25 years with a carrying amount of US$404,636 as at 31 December 2009 (31 December 2008: US$433,280). The amortization period of the license will end in 2023.

On 30 April 2009, the Company signed a license agreement with ICTA which provides authorization for providing IMT-2000/UMTS services and infrastructure. The Company acquired the A type license providing the widest frequency band for a consideration of EUR 358,000 (excluding VAT). The license is effective for duration of 20 years starting from 30 April 2009. According to the agreement, operators have provided IMT-2000/UMTS services starting from 30 July 2009.

Cost	Balance at 1 January 2008	Additions	Disposals	Transfers	Disposal of subsidiary	Acquisitions through business combinations	Effect of movements in exchange rates	Balance at 31 December 2008
GSM and other telecommunication operating licenses	1,117,555	7,372	-	24,612	(52)	91,185	(254,225)	986,447
Computer software	2,072,771	1,958	(585)	158,752	(1,478)	680	(488,834)	1,743,264
Transmission lines	39,674	877	-	-	-	-	(9,120)	31,431
Central Betting system operating right	4,928	1,576	(9)	113	-	-	(1,132)	5,476
Brand name	-	-	-			4,655	-	4,655
Customer base	1,515	-	-	-	-	5,204	(349)	6,370
Customs duty and VAT exemption right	-	-	-			51,101	-	51,101
Goodwill	-	-	-	-	-	244,642	-	244,642
Other	95	1,177	(36)	-	(6)	218	270	1,718
Construction in progress	4,177	180,259	-	(183,477)	-	18,218	3,329	22,506
Total	**3,240,715**	**193,219**	**(630)**	**-**	**(1,536)**	**415,903**	**(750,061)**	**3,097,610**
Accumulated Amortization								
GSM and other telecommunication operating licenses	441,581	57,020	-	-	(38)	-	(99,886)	398,677
Computer software	1,390,791	180,044	(527)	-	(1,036)	-	(356,329)	1,212,943
Transmission lines	26,785	3,533	-	-	-	-	(6,733)	23,585
Central betting system operating right	4,576	361	(3)	-	-	-	(1,108)	3,826
Brand name	-	139	-	-	-	-	(23)	116
Customer base	1,515	194	-	-	-	-	(372)	1,337
Customs duty and VAT exemption right	-	4,628	-	-	-	-	(757)	3,871
Other	64	66	(30)	-	(2)	-	262	360
Total	**1,865,312**	**245,985**	**(560)**	**-**	**(1,076)**	**-**	**(464,946)**	**1,644,715**
Total intangible assets	**1,375,403**	**(52,766)**	**(70)**	**-**	**(460)**	**415,903**	**(285,115)**	**1,452,895**

Cost	Balance at 1 January 2009	Additions	Disposals	Transfers	Impairment	Effect of movements in exchange rates	Balance at 31 December 2009
GSM and other telecommunication operating licenses	986,447	17,027	(19,771)	508,312	-	(26,117)	1,465,898
Computer software	1,743,264	23,530	(2,319)	185,000	-	1,585	1,951,060
Transmission lines	31,431	1,350	-	-	-	408	33,189
Central betting system operating right	5,476	28	-	-	-	23	5,527
Brand name	4,655	-	-	-	-	21	4,676
Customer base	6,370	-	-	-	-	28	6,398
Customs duty and VAT exemption right	51,101	-	-	-	-	224	51,325
Goodwill	244,642	-	-	-	(61,835)	1,549	184,356
Other	1,718	1,062	-	-	-	(482)	2,298
Construction in progress	22,506	680,510	-	(693,312)	-	(4,142)	5,562
Total	**3,097,610**	**723,507**	**(22,090)**	**-**	**(61,835)**	**(26,903)**	**3,710,289**

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Accumulated Amortization Cost	Balance at 1 January 2009	Additions	Disposals	Transfers	Impairment	Effect of movements in exchange rates	Balance at 31 December 2009
GSM and other telecommunication operating licenses	398,677	50,389	(19,771)	-	-	(21,495)	407,800
Computer software	1,212,943	140,964	(1,940)	-	-	3,875	1,355,842
Transmission lines	23,585	2,301	-	-	-	154	26,040
Central betting system operating right	3,826	170	-	-	-	20	4,016
Brand name	116	458	-	-	-	10	584
Customer base	1,337	639	-	-	-	20	1,996
Customs duty and VAT exemption right	3,871	11,416	-	-	-	266	15,553
Other	360	84	-	-	-	33	477
Total	**1,644,715**	**206,421**	**(21,711)**	**-**	**-**	**(17,117)**	**1,812,308**
Total intangible assets	**1,452,895**	**517,086**	**(379)**	**-**	**(61,835)**	**(9,786)**	**1,897,981**

Amortization expenses for the year ended 31 December 2009, 2008 and 2007 are US$206,421, US$245,985 and US$260,062 respectively. The impairment losses on goodwill for the year ended 31 December 2009 is US$61,835 recognised in other expenses in the consolidated income statement.

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 are obtained for fair values to determine recoverable amounts for Belarussian Telecom and Superonline.

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

Belarussian Telecom
The aggregate carrying amount of goodwill allocated to Belarussian Telecom is US$162,645. As at 31 December 2009, goodwill arising from the acquisition of Belarussian Telecom was impaired by US$61,835 following the adverse movements in the discount rates mainly due to the economic slowdown in Belarus and adverse performance against previous plans. The impairment loss was allocated fully to goodwill and is included in other expense. Value in use was determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use was based on the following key assumptions:

Based on the increase in the market share and average revenue per user ("ARPU") levels revenues are estimated to increase on a steady way. ARPU is expected to reach to levels close to the competitors by the end of 2016. The anticipated revenue growths will lead also to increased EBITDA on the projected term. Additionally, it is estimated that gross profit margin will also improve throughout the projection period based on the ground that the share of calls to be terminated in Belarusian Telecom network will increase and transmission costs will decrease since it is planned to Belarussian Telecom will construct its own network. Selling and marketing expenses in proportion to revenue is expected to decrease to constant levels at the end of the first three years of operation, since proportion of subscriber acquisition and advertising costs is estimated to decrease.

The projection period for the purposes of goodwill impairment testing is taken as 7 years between 1 January 2010 and 31 December 2016, since, according to the business plan, Belarusian Telecom reaches a mature state in the year 2016.

Cash flows for further periods (perpetuity) were extrapolated using a constant growth rate of 3.5% which does not exceed the estimated average growth rate for the country.

A post-tax discount rate WACC of 14.1% was applied in determining the recoverable amount of the unit. The post-tax rate was adjusted considering the tax cash outflows and other future tax cash flows and discrepancies between the cost of the assets and their tax bases. The pre-tax rate for disclosure purposes is 16.6%.

Superonline
The aggregate carrying amount of goodwill allocated to Superonline is US$21,711. As the recoverable values based on the value in use of the cash generating units is estimated to be higher than carrying amount, no impairment was required for goodwill arising from the acquisition of Superonline. The calculation of the value in use was based on the following key assumptions:

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

The projection period for the purposes of goodwill impairment testing is taken as 8 years between 1 January 2010 and 31 December 2017, since, according to the Superonline's business plan, Superonline reaches a mature state in the year 2017.

Cash flows for further periods (perpetuity) were extrapolated using a constant growth rate of 2.5%. This growth rate does not exceed the long-term average growth rate for the market in which Superonline operates.

A post-tax discount rate WACC of 16.8% was applied in determining the recoverable amount of the unit. Discounting post-tax cash flows at a post-tax discount rate and discounting pre tax cash flows at pre-tax discount rate give same results, since the pre-tax discount rate is the post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows. For disclosure purposes pre-tax discount rate is 20.6%.

After the acquisition of Superonline in 2008, management merged Superonline's operations with its wholly owned subsidiary, Tellcom in May 2009. With the merger, Superonline and Tellcom seized to be separate cash generating units and merged as one cash generating unit under the brand name of Superonline. Therefore, the business plans used for the purpose of the impairment testing represents the merged entities operations.

14. Equity Accounted Investees

The Group's share of profit in its equity accounted investees for the year ended 31 December 2009, 2008 and 2007 are US$78,448, US$102,990 and US$64,906, respectively. Summary financial information for equity accounted investees adjusted for the accounting policy differences for the same events under similar circumstances and not adjusted for the percentage ownership held by the Group is as follows:

	Ownership	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities
31 December 2009							
Fintur (associate)	41.45%	423,754	1,491,371	1,915,125	250,133	804,271	1,054,404
A-Tel (joint venture) *	50.00%	46,069	196,524	242,593	6,539	39,476	46,015
		469,823	**1,687,895**	**2,157,718**	**256,672**	**843,747**	**1,100,419**
31 December 2008							
Fintur (associate)	41.45%	492,587	1,786,728	2,279,315	443,808	962,823	1,406,631
A-Tel (joint venture) *	50.00%	73,924	207,342	281,266	22,157	44,924	67,081
		566,511	**1,994,070**	**2,560,581**	**465,965**	**1,007,747**	**1,473,712**

* Figures mentioned in the above table include fair value adjustments that arose during acquisition of A-Tel.

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	Revenues	Direct cost of revenues	Profit
2009			
Fintur	1,605,022	(665,749)	310,945
A-Tel	73,897	(77,625)	(8,529)
	1,678,919	**(743,374)**	**302,416**
2008			
Fintur	1,823,095	(739,410)	364,545
A-Tel	98,129	(83,128)	1,888
	1,921,224	**(822,538)**	**366,433**
2007			
Fintur	1,486,390	(609,494)	262,850
A-Tel	92,791	(95,033)	7,058
	1,579,181	**(704,527)**	**269,908**

The Company's investment in Fintur and A-Tel amounts to US$285,597 and US$97,893 respectively as at 31 December 2009 (31 December 2008: US$207,019 and US$106,704).

During 2009, Fintur distributed a total dividend of US$200,000. The Group received its share of dividend in December 2009 at the amount of US$82,900 and decreased its investment in Fintur by US$82,900.

In April 2008, the privatization of the Republic of Azerbaijan's 35.7% ownership in Azercell Telecom B.M. ("Azercell"), a 51% owned consolidated subsidiary of Fintur, was completed. The non-controlling shareholders in Azercell acquired the 35.7% shares of Republic of Azerbaijan increasing their effective ownership in Azercell to 49%. One of the non-controlling shareholders was also granted a put option, giving the shareholder the right to sell its 42.2% stake to Fintur at fair value in certain deadlock situations regarding material decisions at the General Assembly. Fintur has initially accounted for the present value of the estimated option redemption amount as a provision and derecognized the non-controlling interest. The difference between the present value of the estimated option redemption amount and the derecognized non-controlling interest amounting to US$647,930 is accounted under equity, in accordance with the Group's accounting policy.

During December 2009 and March 2008 at the General Assembly meeting of A-Tel, it has been decided to distribute dividends and accordingly the Company reduced the carrying value of its investments in A-Tel by the dividends declared of TL 7,248 (equivalent to US$4,814 as at 31 December 2009) and TL 12,543 (equivalent to US$8,330 as at 31 December 2009) as at 31 December 2009 and 2008, respectively.

15. Other Investments

Non-current investments:

		2009		2008	
	Country of incorporation	Ownership (%)	Carrying Amount	Ownership (%)	Carrying Amount
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Aks TV")	Turkey	6.24	22,492	6.24	22,393
T Medya Yatırım Sanayi ve Ticaret A.Ş. ("T-Medya")	Turkey	10.23	12,263	10.23	12,221
			34,755		**34,614**

In 2003, the Group acquired a 6.24% interest in Aks TV and an 8.23% interest in T-Medya, media companies owned by Çukurova Group. On 27 June 2007, T-Medya took over Aslı Gazetecilik ve Matbaacılık A.Ş. and, by this restructuring, interest of the Group in T-Medya increased from 8.23% to 9.23%. As a result of the acquisition of Superonline, interest of the Group in T-Medya increased to 10.23%.

On 2 February 2010, Savings Deposit Insurance Fund ("SDIF") notified that lien was laid on "priority right to purchase back" regarding the shares of Aks TV of which 6.24% were held by Turktell Bilişim Hizmetleri A.Ş. In case that, those shares are sold to third parties other than Çukurova Group, SDIF has the right to exercise its priority right to purchase back and the purchase price will be determined within the context of the past agreements signed between previous owners and Çukurova Group.

Investment in Aks TV and T-Medya are classified as available-for-sale financial assets. However, there is not active market available-for-these equity instruments, and application of valuation techniques is impracticable. Accordingly, the Company measured these investments at cost.

Current investments:

	2009	2008
Available-for-sale government bonds, treasury bills	62,398	689

TL denominated government bonds with a carrying amount of US$62,109 are discounted as at 31 December 2009 (31 December 2008: nil). Interest bearing available-for-sale EUR denominated government bonds and treasury bills with a carrying amount of US$289 as at 31 December 2009 have stated interest rates of Euribor+1.8% and mature in 6 months to 1 year. As at 31 December 2008, interest bearing available-for-sale USD denominated and EUR denominated government bonds and treasury bills with a carrying amount of US$403 and US$286, respectively have stated interest rates of Libor+1.0% and Euribor+1.8%, respectively and mature in 1 to 2 years.

The Group's exposure to credit, currency and interest rate risks related to other investments is disclosed in note 29.

16. Other Non-current Assets

	2009	2008
Value added tax ("VAT") receivable	37,628	20,579
Prepaid expenses	22,406	17,921
Deposits and guarantees given	9,597	5,840
Prepayment for subscriber acquisition cost	2,867	7,652
Others	2,622	2,015
	75,120	**54,007**

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

17. Deferred Tax Assets and Liabilities

Unrecognised deferred tax liabilities
At 31 December 2009, a deferred tax liability of US$18,669 (31 December 2008: US$14,827) for temporary differences of US$93,345 (31 December 2008: US$74,135) related to an investment in a subsidiary was not recognised because the Company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items:

	2009	2008
Deductible temporary differences	39,186	4,841
Tax losses	140,493	125,875
Total unrecognised deferred tax assets	**179,679**	**130,716**

The deductible temporary differences do not expire under current tax legislation. Turkish tax legislation does not allow companies to file tax returns on a consolidated basis. Therefore, deferred tax assets have not been recognised in respect of these items resulting from certain consolidated subsidiaries because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

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As at 31 December 2009, expiration of tax losses is as follows:

Year Originated	Amount	Expiration Date
2005	157	2010
2006	3,297	2011
2007	12,643	2012
2008	79,969	2013
2009	36,168	2014
	132,234	

As at 31 December 2009, tax losses which will be carried indefinitely are as follows:

Year Originated	Amount
2004	21,282
2005	55,332
2006	96,965
2007	37,791
2008	217,431
2009	27,385

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities as at 31 December 2009 and 2008 are attributable to the following:

	Assets		Liabilities		Net	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Property, plant & equipment and intangible assets	84	166	(170,397)	(168,802)	(170,313)	(168,636)
Investment	-	-	(13,833)	(10,267)	(13,833)	(10,267)
Provisions	27,474	10,070	-	-	27,474	10,070
Trade and other payables	39,271	45,242	(38)	(1,003)	39,233	44,239
Other items	2,104	4,883	(1,039)	(9,642)	1,065	(4,759)
Tax credit carry forwards	-	6	-	-	-	6
Tax assets / (liabilities)	**68,933**	**60,367**	**(185,307)**	**(189,714)**	**(116,374)**	**(129,347)**
Set off of tax	(66,875)	(59,223)	66,875	59,223	-	-
Net tax assets / (liabilities)	**2,058**	**1,144**	**(118,432)**	**(130,491)**	**(116,374)**	**(129,347)**

Movement in temporary differences as at 31 December 2009 and 2008

	Balance at 1 January 2008	Recognised in profit or loss	Recognised in other comprehensive income	Acquired in business combinations	Disposal of subsidiary	Effect of movements in exchange rates	Balance at 31 December 2008
Property, plant & equipment and intangible assets	(200,730)	46,147	-	(50,989)	98	36,838	(168,636)
Investment	(7,816)	(8,133)	343	-	-	5,339	(10,267)
Provisions	12,813	367	-	-	(5)	(3,105)	10,070
Trade and other payables	54,749	3,675	-	-	-	(14,185)	44,239
Other items	10,519	(23,942)	1,025	(476)	-	8,115	(4,759)
Tax credit carry forwards	523	(703)	-	-	-	186	6
Total	**(129,942)**	**17,411**	**1,368**	**(51,465)**	**93**	**33,188**	**(129,347)**

	Balance at 1 January 2009	Recognised in profit or loss	Recognised in other comprehensive income	Acquired in business combinations	Disposal of subsidiary	Effect of movements in exchange rates	Balance at 31 December 2009
Property, plant & equipment and intangible assets	(168,636)	(907)	-	-	-	(770)	(170,313)
Investment	(10,267)	(2,353)	(1,091)	-	-	(122)	(13,833)
Provisions	10,070	16,802	-	-	-	602	27,474
Trade and other payables	44,239	(5,033)	-	-	-	27	39,233
Other items	(4,759)	4,793	-	-	-	1,031	1,065
Tax credit carry forwards	6	(6)	-	-	-	-	-
Total	**(129,347)**	**13,296**	**(1,091)**	**-**	**-**	**768**	**(116,374)**

18. Trade Receivables and Accrued Income

	2009	2008
Receivables from subscribers	392,328	298,294
Accrued service income	318,526	175,429
Accounts and checks receivable	57,867	105,822
Receivables from Türk Telekomünikasyon A.Ş. ("Türk Telekom")	15,031	7,840
	783,752	**587,385**

Trade receivables are shown net of allowance for doubtful debts amounting to US$268,157 as at 31 December 2009 (31 December 2008: US$196,637). The impairment loss recognized for the year ended 31 December 2009, 2008 and 2007 are US$75,379, US$65,678 and US$35,142, respectively.

Letters of guarantee received with respect to the accounts and checks receivable are amounted to US$164,958 and US$165,310 as at 31 December 2009 and 2008, respectively.

The accrued service income represents revenues accrued for subscriber calls (air-time) and contracted receivables related to handset campaigns, which have not been billed. Due to the volume of subscribers, there are different billing cycles; accordingly, an accrual is made at each period end to accrue revenues for rendered but not yet billed.

Receivables from Türk Telekom as at 31 December 2009 and 2008 represent net amounts that are due from Türk Telekom under the Interconnection Agreement. The Interconnection Agreement provides that Türk Telekom will pay to the Company for Türk Telekom's fixed-line subscribers' calls to GSM subscribers.

The Group's exposure to credit and currency risks and impairment losses related to trade receivables are disclosed in note 29.

19. Other Current Assets

	2009	2008
Prepaid expenses	69,559	54,899
VAT receivable	48,760	22,979
Interest income accruals	17,727	19,760
Prepayment for subscriber acquisition cost	12,527	23,822
Advances to suppliers	12,351	9,157
Receivable from personnel	2,767	3,488
Other	11,726	4,683
	175,417	**138,788**

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20. Cash and Cash Equivalents

	2009	2008
Cash in hand	157	4,567
Cheques received	1,154	599
Banks	3,093,889	3,254,582
- Demand deposits	199,764	149,149
- Time deposits	2,894,125	3,105,433
Bonds and bills	286	44
Cash and cash equivalents	**3,095,486**	**3,259,792**
Bank overdrafts	(5,244)	(4,372)
Cash and cash equivalents in the statement of cash flows	**3,090,242**	**3,255,420**

As at 31 December 2009, there was no cash and cash equivalents amount deposited in banks, that are owned and/or controlled by Çukurova Group, a significant shareholder of the Company (31 December 2008: US$50,000).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 29.

21. Capital and Reserves

Share capital
As at 31 December 2009, common stock represented 2,200,000,000 (31 December 2008: 2,200,000,000) authorized, issued and fully paid shares with a par value of TL 1 each. In accordance with the Law No. 5083 with respect to TL, on 9 May 2005, par value of each share is registered to be one TL.

In connection with the redenomination of the TL and as per the related amendments of Turkish Commercial Code, in order to increase the nominal value of the shares to TL 1, 1,000 units of shares, each having a nominal value of TL 0.001 shall be merged and each unit of share having a nominal value of TL 1 shall be issued to represent such shares. The Company is still in the process of merging 1,000 existing ordinary shares, each having a nominal value of TL 0.001 to one ordinary share having a nominal value of TL 1 each. After the share merger which appears as a provisional article in the Articles of Association to convert the value of each share with a nominal value of TL 0.001 to TL 1, all shares will have a value of TL 1. Although the merger process has not been finalized, the practical application is to state each share having a nominal value of TL 1 which is consented by Capital Markets Board of Turkey ("CMB"). Accordingly, number of shares data is adjusted for the effect of this merger.

The holders of shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

As at 31 December 2009, total number of pledged shares hold by various institutions is 137,200 (31 December 2008: 154,000).

Capital contribution
Capital contribution comprises the contributed assets and certain liabilities that the government settled on behalf of the Group that do not meet the definition of a government grant which the government is acting in its capacity as a shareholder.

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign and domestic operations from their functional currencies to presentation currency of USD.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or the asset is impaired.

Legal reserve
Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside 5% of the distributable income per statutory accounts each year. The ceiling on the first legal reserves is 20% of the paid-up capital. The reserve requirement ends when the 20% of paid-up capital level has been reached. Second legal reserves correspond to 10% of profits actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out (5% of the paid-up capital). There is no ceiling for second legal reserves and they are accumulated every year.

Reserve for minority put option liability
The reserve for minority put option liability includes the difference between the put option liability granted to the non-controlling shareholders in existing subsidiaries recognised and the amount of non-controlling interest derecognized. Subsequent changes in the fair value of the put option liability are also recognised in this reserve.

Dividends
The Company has adopted a dividend policy, which is set out in its corporate governance guidance. As adopted, the Company's general dividend policy is to pay dividends to shareholders with due regard to trends in the Company's operating performance, financial condition and other factors.

The Board of Directors intends to distribute cash dividends in an amount of not less than 50% of the Company's lower of distributable profit based on the financial statements prepared in accordance with the accounting principles accepted by the CMB or statutory records, for each fiscal year starting with profits for fiscal year 2004. However, the payment of dividends will still be subject to cash flow requirements of the Company, compliance with Turkish law and the approval of and amendment by the Board of Directors and the General Assembly of Shareholders.

On 30 March 2009, the Company's Board of Directors has proposed a dividend distribution for the year ended 31 December 2008 amounting to TL 1,098,193 (equivalent to US$713,297 and US$729,357 as at 8 May 2009 and 31 December 2009, respectively), which represented 50% of distributable income. This represents a net cash dividend of full TL 0.4991787 (equivalent to full US$0.331526 as at 31 December 2009) per share. This dividend proposal was approved at the Company's Ordinary General Assembly of Shareholders held on 8 May 2009. Dividend distribution was started on 18 May 2009 and completed as at 31 December 2009.

On 10 March 2010, the Company's Board of Directors has proposed a dividend distribution for the year ended 31 December 2009 amounting to TL 859,259 (equivalent to US$570,671 as at 31 December 2009, respectively), which represented 50% of distributable income. This represents a net cash dividend of full TL 0.3905723 (equivalent to full US$0.2593958 as at 31 December 2009) per share. This dividend proposal will be discussed at Ordinary General Assembly of Shareholders to be held on 29 April 2010.

	2010		2009		2008	
	TL	USD	TL	USD *	TL	USD *
Cash dividends	859,259	570,671	1,098,193	713,297	648,714	502,334

* USD equivalents of dividends are computed by using the Central Bank of Turkey's TL / USD exchange rate on 8 May 2009 and 25 April 2008, which are the dates that the General Assembly of Shareholders approved the dividend distribution.

22. Earnings per Share

The calculation of basic and diluted earnings per share as at 31 December 2009 were based on the profit attributable to ordinary shareholders for the year ended 31 December 2009, 2008 and 2007 of US$1,093,992, US$1,836,824 and US$1,350,162 respectively and a weighted average number of shares outstanding during the year ended 31 December 2009, 2008 and 2007 of 2,200,000,000 calculated as follows:

	2009	2008	2007
Numerator:			
Net profit for the period attributed to owners	1,093,992	1,836,824	1,350,162
Denominator:			
Weighted average number of shares	2,200,000,000	2,200,000,000	2,200,000,000
Basic and diluted earnings per share	**0.497269**	**0.834920**	**0.613710**

23. Other Non-current Liabilities

	2009	2008
Consideration payable in relation to acquisition of BeST	75,319	149,163
Financial liability in relation to put option	63,152	77,524
Deposits and guarantees taken from agents	13,951	-
Other	2,569	824
	154,991	**227,511**

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Consideration payable in relation to acquisition of Belarussian Telecom represents the present value of long-term deferred payments to the seller. Total deferred payments amount to US$200,000, of which US$100,000 will be paid on 31 December 2010. The present value of this liability amounted to US$97,605 as at 31 December 2009 is classified under trade and other payables (see note 28). Payment of an additional US$100,000 is contingent on financial performance of Belarussian Telecom, and based on management's estimations, expected to be paid during the first quarter of 2015. The present value of the contingent consideration is US$75,319 as at 31 December 2009.

Non-controlling shareholders in Belarussian Telecom were granted a put option, giving the shareholders the right to sell their entire stake to Beltel Telekomünikasyon Hizmetleri A.Ş. ("Beltel") at fair value during a specified period. The Group accounted for the present value of the estimated option redemption amount as a provision and derecognized the non-controlling interest. The Company has estimated a value based on multiple approaches including income approach (discounted cash flows) and market approach (comparable market multiples). The average of the values determined as at 31 August 2013, which is the exercise date of the put option, is then discounted to 31 December 2009.

The difference between the present value of the estimated option redemption and derecognized non-controlling interest amounting to US$17,679 has been presented as reserve for minority put option under equity.

24. 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 interest rate, foreign currency and liquidity risk and payment schedule for interest bearing loans, see note 29.

	2009	2008
Non-current liabilities		
Unsecured bank loans	793,210	107,055
Secured bank loans	25,253	17,350
Finance lease liabilities	2,716	5,615
	821,179	**130,020**
Current liabilities		
Current portion of unsecured bank loans	226,463	639,599
Unsecured bank facility	461,788	13,020
Current portion of finance lease liabilities	2,529	3,290
	690,780	**655,909**

Finance lease liabilities are payable as follows:

	2009			2008		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	2,768	239	2,529	3,819	529	3,290
Between one and five years	2,815	99	2,716	6,086	471	5,615
	5,583	**338**	**5,245**	**9,905**	**1,000**	**8,905**

Terms and conditions of outstanding loans are as follows:

				2009			2008		
	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	2012	Floating	Libor+2.3%-3.75%	491,000	487,563	Libor+2.3%	150,000	151,373
Unsecured bank loans	USD	2010	Floating	Libor+2.0%-3.5%	476,000	476,754	-	-	-
Unsecured bank loans	USD	2014	Fixed	2.24%	191,219	183,710	-	-	-
Unsecured bank loans	USD	2010	Fixed	2.80%	113,387	113,395	-	-	-
Unsecured bank loans	USD	2016	Fixed	2.81%	69,856	66,051	-	-	-
Unsecured bank loans	USD	2011	Fixed	2.80%	63,500	63,505	-	-	-
Unsecured bank loans	USD	2014	Floating	Libor+1.35%	64,589	62,162	-	-	-
Unsecured bank loans	USD	2012	Fixed	2.97%	25,958	26,236	-	-	-
Secured bank loans **	BYR	2020	Floating	RR *+2%	22,487	25,253	RR *+2%	16,583	17,350
Unsecured bank loans	BYR	2010	Floating	½ RR *	1,971	2,085	½ RR *	5,785	6,152
Unsecured bank loans	USD	2009	Floating	-	-	-	Libor+1.25%	599,500	600,631
Unsecured bank loans	USD	2009	Floating	-	-	-	Libor+0.6%	1,500	1,518
Finance lease liabilities	USD	2009-2011	Fixed	5.7%	5,583	5,245	6.9%	9,905	8,905
					1,525,550	**1,511,959**		**783,273**	**785,929**

* Refinancing rate of the National Bank of the Republic of Belarus.

** Secured by Republic of Belarus Government.

25. Employee Benefits

International Accounting Standard No. 19 (“IAS 19”) “Employee Benefits” requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. The liability for this retirement pay obligation is recorded in the accompanying consolidated financial statements at its present value using a discount rate of 5.9%.

Movement in the reserve for employee termination benefits as at 31 December 2009 and 2008 are as follows:

	2009	2008
Balance at 1 January	26,717	27,229
Provision set / reversed during the period	6,350	6,734
Payments made during the period	(5,410)	(2,235)
Unwind of discount	1,534	1,349
Effect of change in foreign exchange rate	(1,415)	(6,360)
Balance at 31 December	**27,776**	**26,717**

Obligations for contributions to defined contribution plans are recognized as an expense in the consolidated income statement as incurred. The Group incurred US$3,694, US$4,182 and US$1,253 in relation to defined contribution retirement plan for the years ended 31 December 2009, 2008 and 2007 respectively.

26. Deferred Income

Deferred income primarily consists of counters sold but not used by prepaid subscribers and it is classified as current as at 31 December 2009. The amount of deferred income is US$248,518 and US$250,386 as at 31 December 2009 and 2008, respectively.

27. Provisions

Non-current provisions:

	Legal	Site Restoration	Other	Total
Balance at 1 January 2008	-	-	-	-
Provision made during the period	-	5,369	-	5,369
Effect of change in foreign exchange rate	-	(879)	-	(879)
Balance at 31 December 2008	**-**	**4,490**	**-**	**4,490**

	Legal	Site Restoration	Other	Total
Balance at 1 January 2009	-	4,490	-	4,490
Provision made during the period	95	590	467	1,152
Effect of change in foreign exchange rate	-	34	-	34
Balance at 31 December 2009	**95**	**5,114**	**467**	**5,676**

Legal provisions are set for the probable cash outflows related to legal disputes. In note 32, under legal proceedings section, detailed explanations are given with respect to legal provisions.

Provisions for site restoration at base stations’ locations and future dismantling costs of base station equipment is set in accordance with Belarussian Telecom’s published environmental policy and applicable legal requirements.

Current provisions:

	Legal	Bonus	Total
Balance at 1 January 2008	25,894	45,240	71,134
Provision made during the period	51,380	45,610	96,990
Provisions used during the period	(20,592)	(41,662)	(62,254)
Provisions reversed during the period	(6,472)	-	(6,472)
Unwind of discount	-	(52)	(52)
Effect of change in foreign exchange rate	(5,952)	(11,045)	(16,997)
Balance at 31 December 2008	**44,258**	**38,091**	**82,349**

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	Legal	Bonus	Total
Balance at 1 January 2009	44,258	38,091	82,349
Provision made during the period	158,580	36,784	195,364
Provisions used during the period	(40,018)	(37,996)	(78,014)
Unwind of discount	-	235	235
Effect of change in foreign exchange rate	5,098	135	5,233
Balance at 31 December 2009	**167,918**	**37,249**	**205,167**

Legal provisions are set for the probable cash outflows related to legal disputes. In note 32, under legal proceedings section, detailed explanations are given with respect to legal provisions.

The bonus provision totaling to US$37,249 comprises mainly the provision for the year ended 31 December 2009 and is planned to be paid in March 2010.

28. Trade and Other Payables

The breakdown of trade and other payables as at 31 December 2009 and 2008 is as follows:

	2009	2008
Payables to other suppliers	354,057	196,645
Taxes and withholdings payable	215,375	261,962
Payables to Ericsson companies	115,980	106,256
Consideration payable in relation to acquisition of Belarussian Telecom	97,605	93,458
Selling and marketing expense accrual	62,783	77,646
Roaming expense accrual	61,783	71,149
License fee accrual	38,289	48,837
Interconnection payables	31,957	16,369
ICTA share accrual	18,543	17,799
Interconnection accrual	5,343	37,448
Deposits and guarantees taken from agents	-	8,292
Telecommunication authority payable	-	1,613
Other	37,047	26,947
	1,038,762	**964,421**

Balances due to other suppliers are arising in the ordinary course of business.

Taxes and withholdings include VAT payable, special communications tax, frequency usage fees payable to ICTA and personnel income taxes. Payables to Ericsson companies comprise due to Ericsson Turkey, Ericsson Sweden and Ericsson AB arising from fixed asset purchases, site preparation and other services.

Consideration payable in relation to acquisition of Belarussian Telecom represents present value of short-term deferred payments to the seller. Total deferred payment amounts to US$200,000, of which US$100,000 will be paid on 31 December 2010. The remaining consideration is classified under other non-current liabilities section (note 23).

Selling and marketing expense accrual is mainly resulted from services received from third parties related to marketing activities of the Group which are not yet invoiced.

In accordance with the license agreement, Turkcell pays 90% of the ongoing license fee, which equals 15% of its gross revenue, to the Turkish Treasury and 10% as universal service fund to the Turkish Ministry.

Interconnection accrual represents net balance of uninvoiced call termination services received from other operators and interconnection services rendered to other operators.

Payables to interconnection suppliers arise from voice and SMS termination services rendered by other GSM operators.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 29.

29. Financial Instruments

Credit risk

Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2009	2008
Due from related parties – non-current	33	21,039	45,349
Other non-current assets **	16	11,996	7,001
Available-for-sale financial assets	15	62,398	689
Due from related parties - current	33	108,843	64,013
Trade receivables and accrued income	18	783,752	587,385
Other current assets **	19	29,284	25,305
Cash and cash equivalents *	20	3,095,329	3,255,225
		4,112,641	**3,984,967**

* Cash on hand is excluded from cash and cash equivalents.
** Non-financial instruments such as prepaid expenses and advances given are excluded from other current assets and other non-current assets.

The maximum exposure to credit risk for trade receivables arising from sales transactions including those classified as due from related parties at the reporting date by type of customer is:

	2009	2008
Receivable from subscribers	710,747	473,662
Receivables from distributors and other operators	85,949	143,490
Other	1,312	6,753
	798,008	**623,905**

The aging of receivables as at 31 December:		
Not past due	523,638	434,614
1 - 30 days past due	43,096	30,273
1 - 3 months past due	56,025	36,691
3 - 12 months past due	124,238	68,417
1 - 5 years past due	145,358	115,362
More than 5 years past due	21,279	11,390
	2009	**2008**

Impairment losses

The movement in the allowance for impairment in respect of trade receivables as at 31 December 2009 and 2008 is as follows:

	2009	2008
Opening balance	196,637	181,746
Impairment loss recognised	75,379	65,678
Impairment loss recognised through acquisition of business combination	-	2,872
Write-off	(7,978)	(1,674)
Effect of change in foreign exchange rate	4,119	(51,985)
Closing balance	**268,157**	**196,637**

The impairment loss recognised of US$75,379 for the year ended 31 December 2009 relates to its estimate of incurred losses in respect of trade receivables.

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

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Liquidity risk
The following are the contractual maturities of financial liabilities, including estimated interest payments:

	31 December 2009							31 December 2008						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities														
Secured bank loans	25,253	(46,659)	-	-	(5,420)	(16,767)	(24,472)	17,350	(35,490)	-	-	-	(13,433)	(22,057)
Unsecured bank loans	1,481,461	(1,583,273)	(267,683)	(432,251)	(166,987)	(695,681)	(20,671)	759,674	(816,076)	(77,901)	(554,363)	(14,114)	(169,698)	-
Finance lease liabilities	5,245	(5,583)	(1,383)	(1,385)	(2,789)	(26)	-	8,905	(9,905)	(1,556)	(2,265)	(2,839)	(3,245)	-
Trade and other payables *	723,222	(728,795)	(728,795)	-	-	-	-	607,844	(618,342)	(618,342)	-	-	-	-
Bank overdraft	5,244	(5,244)	(5,244)	-	-	-	-	4,372	(4,372)	(4,372)	-	-	-	-
Due to related parties	14,780	(14,884)	(14,884)	-	-	-	-	21,032	(21,353)	(21,353)	-	-	-	-
Consideration payable in relation to acquisition of Belarussian Telecom	172,924	(200,000)	-	(100,000)	-	-	(100,000)	242,621	(300,000)	-	(100,000)	(100,000)	-	(100,000)
Financial liability in relation to put option	63,152	(75,155)	-	-	-	(75,155)	-	77,524	(110,899)	-	-	-	(110,899)	-
TOTAL	**2,491,281**	**(2,659,593)**	**(1,017,989)**	**(533,636)**	**(175,196)**	**(787,629)**	**(145,143)**	**1,739,322**	**(1,916,437)**	**(723,524)**	**(656,628)**	**(116,953)**	**(297,275)**	**(122,057)**

* Advances taken, taxes and withholding payable are excluded from trade and other payables.

Current cash debt coverage ratio as at 31 December 2009 and 2008 is as follows:

	31 December 2009	31 December 2008
Cash and cash equivalents	3,095,486	3,259,792
Current liabilities	2,296,511	2,105,054
Current cash debt coverage ratio	135%	155%

Exposure to currency risk

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

	31 December 2008		
	USD	EUR	SEK
Foreign currency denominated assets			
Due from related parties – non-current	45,349	-	-
Other non-current assets	1	-	-
Other investments	403	202	-
Due from related parties – current	15,634	804	-
Trade receivables and accrued income	28,905	9,899	10
Other current assets	1,947	933	-
Cash and cash equivalents	874,103	408,695	1,392
	966,342	**420,533**	**1,402**
Foreign currency denominated liabilities			
Loans and borrowings – non-current	(155,615)	-	-
Other non-current liabilities	(310,899)	-	-
Loans and borrowings – current	(558,174)	-	-
Trade and other payables	(264,586)	(69,877)	(3,091)
Due to related parties	(1,444)	(7,747)	-
	(1,290,718)	**(77,624)**	**(3,091)**
Net exposure	**(324,376)**	**342,909**	**(1,689)**

	31 December 2009		
	USD	EUR	SEK
Foreign currency denominated assets			
Due from related parties – non-current	20,605	-	-
Other non-current assets	1	-	-
Other investments	-	201	-
Due from related parties – current	22,295	825	-
Trade receivables and accrued income	31,121	18,605	10
Other current assets	2,372	71	-
Cash and cash equivalents	1,324,795	99,734	1
	1,401,189	**119,436**	**11**
Foreign currency denominated liabilities			
Loans and borrowings – non-current	(830,434)	-	-
Other non-current liabilities	(189,105)	-	-
Loans and borrowings – current	(514,439)	-	-
Trade and other payables	(366,279)	(65,562)	(722)
Due to related parties	(4,199)	(1,194)	-
	(1,904,456)	**(66,756)**	**(722)**
Net exposure	**(503,267)**	**52,680**	**(711)**

The following significant exchange rates are applied during the period:

	Average Rate		Reporting Date Closing Rate	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
TL / USD	1.5495	1.2768	1.5057	1.5123
TL / EUR	2.1527	1.8816	2.1603	2.1408
TL / SEK	0.2016	0.1949	0.2082	0.1945
BYR / USD	2,780.9	2,135.9	2,863.0	2,200.0
HRV / USD	7.7975	5.2672	7.9850	7.7000

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

10% strengthening of the TL, HRV, BYR against the following currencies as at 31 December 2009 and 2008 would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2009	**2008**
USD	50,327	32,438
EUR	(7,558)	(48,542)
SEK	10	22

10% weakening of the TL, HRV, BYR against the following currencies as at 31 December 2009 and 2008 would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2009	**2008**
USD	(50,327)	(32,438)
EUR	7,558	48,542
SEK	(10)	(22)

Interest rate risk
As at 31 December 2009 and 2008 the interest rate profile of the Group's interest-bearing financial instruments was:

		31 December 2009		31 December 2008	
	Note	**Effective interest rate**	**Carrying amount**	**Effective interest rate**	**Carrying amount**
Fixed rate instruments					
Time deposits	20				
USD		3.6%	1,425,695	5.7%	932,394
EUR		2.3%	146,183	6.2%	595,131
TL		10.1%	1,318,614	24.7%	1,572,390
Other		17.6%	3,633	1.7%	5,518
Available-for-sale securities	15				
Gov. bonds, treasury bills					
TL		14.8%	62,109	-	-
Finance lease obligations	24	5.7%	(5,245)	6.9%	(8,905)
Unsecured bank loans	24				
USD fixed rate loans		3.7%	(452,897)	-	-
Variable rate instruments					
Available-for-sale securities	15				
Gov. bonds, treasury bills					
USD		-	-	5.6%	403
EUR		5.1%	289	5.1%	286
Secured bank loans	24				
BYR floating rate loans		12.3%	(25,253)	11.8%	(17,350)
Unsecured bank loans	24				
USD floating rate loans		3.8%	(1,026,479)	5.6%	(753,522)
BYR floating rate loans		2.1%	(2,085)	3.0%	(6,152)

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

A change of 1% in interest rates would have increased / (decreased) equity by US$186 (31 December 2008: nil).

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates as at 31 December 2009 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis as at 31 December 2009 and 2008.

	Profit or loss		Equity	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 December 2009				
Variable rate instruments	(4,912)	4,912	-	-
Cash flow sensitivity (net)	(4,912)	4,912		
31 December 2008				
Variable rate instruments	(6,191)	6,191	3	(3)
Cash flow sensitivity (net)	(6,191)	6,191	3	(3)

Fair values
The fair values of financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

		31 December 2009		31 December 2008	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets carried at fair value					
Available-for-sale securities	15	62,398	62,398	689	689
		62,398	**62,398**	**689**	**689**
Assets carried at amortized cost					
Due from related parties – long-term	33	21,039	21,039	45,349	45,349
Other non-current assets *	16	11,996	11,996	7,001	7,001
Due from related parties – short-term	33	108,843	108,843	64,013	64,013
Trade receivables and accrued income	18	783,752	783,752	587,385	587,385
Other current assets *	19	29,284	29,284	25,305	25,305
Cash and cash equivalents	20	3,095,486	3,095,486	3,259,792	3,259,792
		4,050,400	**4,050,400**	**3,988,845**	**3,988,845**
Liabilities carried at fair value					
Put option for Best acquisition	23	(63,152)	(63,152)	(77,524)	(77,524)
		(63,152)	**(63,152)**	**(77,524)**	**(77,524)**
Liabilities carried at amortized cost					
Loans and borrowings – long-term	24	(821,179)	(821,179)	(130,020)	(130,020)
Bank overdrafts	20	(5,244)	(5,244)	(4,372)	(4,372)
Loans and borrowings – short-term	24	(690,780)	(690,780)	(655,909)	(655,909)
Trade and other payables	28	(723,222)	(723,222)	(607,844)	(607,844)
Due to related parties	33	(14,780)	(14,780)	(21,032)	(21,032)
Deferred payments	23-28	(172,924)	(172,924)	(242,621)	(242,621)
		(2,428,129)	**(2,428,129)**	**(1,661,798)**	**(1,661,798)**

* Non-financial instruments such as prepaid expenses and advances given are excluded from other current assets and other non-current assets.
** Advances taken, taxes and withholdings payable are excluded from trade and other payables.

The methods used in determining the fair values of financial instruments are discussed in note 4.

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

The different levels have been identified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market.

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	Level 1	Level 2	Level 3	Total
31 December 2009				
Available-for-sale financial assets	62,109	-	289	62,398
	62,109	**-**	**289**	**62,398**
Financial liability in relation to put option	-	-	63,152	63,152
	-	**-**	**63,152**	**63,152**

30. Operating Leases

The Company entered into various operating lease agreements. For the year ended 31 December 2009, 2008 and 2007, total rent expenses for operating leases were US$287,259, US$263,805 and US$206,543 respectively.

The Company leases out its investment property held under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	2009	2008
Less than one year	5,804	2,432
Between one and five years	19,167	10,596
More than five years	8,453	2,588
	33,424	**15,616**

31. Guarantees and Purchase Obligations

As at 31 December 2009, outstanding purchase commitments with respect to the acquisition of property, plant and equipment, inventory and purchase of sponsorship and advertisement services amount to US$245,088, of which US$79,018 belongs to the handset purchases which had to be purchased till 30 June 2009, in accordance with the agreement with the related supplier. As at 31 December 2008, outstanding purchase commitments with respect to the acquisition of property, plant and equipment, inventory and purchase of sponsorship and advertisement services amount to US$847,009.

As at 31 December 2009, the Group is contingently liable in respect of bank letters of guarantee obtained from banks given to customs authorities, private companies and other public organizations and provided financial guarantees to wholly-owned subsidiaries amounting to TL 1,986,052 (equivalent to US$1,319,023 as at 31 December 2009) (31 December 2008: TL 1,625,297 equivalent to US$1,074,719 as at 31 December 2008).

32. Contingencies

License Agreements

Turkcell:
On 27 April 1998, the Company signed the License Agreement with the Turkish Ministry. In accordance with the License Agreement, the Company was granted a 25 year GSM license for a license fee of US$500,000. The License Agreement permits the Company to operate as a stand-alone GSM operator. Under the License, the Company collects all of the revenue generated from the operations of its GSM network and pays the Turkish Treasury and Turkish Ministry an ongoing license fee and universal service fund, respectively, equal to 15% of its gross revenues from Turkish GSM operations. The Company is authorized to, among other things, set its own tariffs within certain limits, charge peak and off-peak rates, offer a variety of service and pricing packages, issue invoices directly to subscribers, collect payments and deal directly with subscribers.

In February 2002, the Company renewed its License with the ICTA, and became subject to a number of new requirements, including those regarding the build-out, operation, quality and coverage of the Company's GSM network, prohibitions on anti-competitive behavior and compliance with national and international GSM standards. Failure to meet any requirement in the renewed License, or the occurrence of extraordinary unforeseen circumstances, can also result in revocation of the renewed License, including the surrender of the GSM network without compensation, or limitation of the Company's rights thereunder, or could otherwise adversely affect the Company's regulatory status. Certain conditions of the renewed License Agreement include the following:

Coverage: The Company had to attain geographical coverage of 50% and 90% of the population of Turkey with certain exceptions within three years and five years, respectively, of the License's effective date.

Service offerings: The Company must provide certain services in addition to general GSM services, including free emergency calls and technical assistance for subscribers, free call forwarding to police and other public emergency services, receiver-optional short messages, video text access, fax capability, calling and connected number identification and restrictions, call forwarding, call waiting, call hold, multi-party and third-party conference calls, billing information and barring of a range of outgoing and incoming calls.

Service quality: In general, the Company must meet all the technical standards determined and updated by the European Telecommunications Standards Institute and Secretariat of the GSM MoU. Service quality requirements include that call blockage cannot exceed 5% and unsuccessful calls cannot exceed 2%.

Tariffs: ICTA sets the initial maximum tariffs in TL and USD. Thereafter, the revised License provides that the ICTA will adjust the maximum tariffs at most every nine months or, if necessary, more frequently. The Company is free to set its own tariffs up to the maximum tariffs.

Rights of the ICTA, Suspension and Termination

The revised License is not transferable without the approval of the ICTA. In addition, the License Agreement gives the ICTA certain monitoring rights and access to the Company's technical and financial information and allows for inspection rights, and gives certain rights to suspend operations under certain circumstances. Also, the Company is obliged to submit financial statements, contracts and investment plans to the ICTA.

The ICTA may suspend the Company's operations for a limited or an unlimited period if necessary for the purpose of public security and national defense. During period of suspension, the ICTA may operate the Company's GSM network.

The Company is entitled to any revenues collected during such period and the Licensee's term will be extended by the period of any suspension. The revised License may also be terminated upon a bankruptcy ruling against the Company or for other license violations, such as operating outside of its allocated frequency ranges, and the penalties for such violations can include fines, loss of frequency rights, revocation of the license and confiscation of the network management centre, the gateway exchanges and central subscription system, including related technical equipment, immovables and installations essential for the operation of the network.

Based on the enacted law on 3 July 2005 with respect to the regulation of privatization, gross revenue description based for the calculation of ongoing license fee and universal service fund has been changed. According to this new regulation, interest charges for late collections, and indirect taxes such as VAT, and other expenses are excluded from the description of gross revenue. Calculation of gross revenue for ongoing license fee and universal service fund according to the new regulation is effective after Danıştay's approval on 10 March 2006.

3G License

On 30 April 2009, the Company signed a license agreement with ICTA which provides authorization for providing IMT-2000/UMTS services and infrastructure. Turkcell acquired the A type license providing the widest frequency band for a consideration of EUR 358,000 (excluding VAT). The license is effective for duration of 20 years starting from 30 April 2009. According to the agreement, operators have provided IMT-2000/UMTS services starting from 30 July 2009.

In accordance with the 3G License Agreement, the Company had to cover 100% of the population within the borders of all metropolitan municipalities and borders of all cities and municipalities in three and six years, respectively. Moreover, the Company had to cover 100% of the population in all settlement areas with a population higher than 5,000 and 1,000 within eight and ten years, respectively following the effective date of the agreement.

Belarussian Telecom

Belarussian Telecom owns a license issued on 28 August 2008 for a period of 10 years and is valid till 28 August 2018. Based on the SPA dated 29 July 2008 between the State Committee on Property of the Republic of Belarus ("the seller"), Beltel and the Company, the seller granted an extention on the license to render standard GSM and UMTS services until 28 August 2018. Besides, the license shall be extended for an additional ten years and the seller shall provide relevant official documents for such evidency authorization until 31 December 2009.

Under its license, Belarussian Telecom has several coverage requirements to increase its geographical coverage gradually starting from the date of the license until 2018. However, Belarussian Telecom's period of execution in relation to coverage requirements are extended for three years starting from the acquisition date.

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Astelit

Astelit owns two GSM activity licenses, one is for GSM-900, the other is for DCS-1800. As at 31 December 2009, Astelit owns twenty five GSM-900, DCS 1800, D-AMPS and microwave Radiorelay frequency licenses which are regional or national. In addition to the above GSM licenses, Astelit owns three licenses for local fixed line phone connection with wireless access using D-AMPS standard, one license for international and long distance calls and PSTN licenses for two regions of Ukraine. Also, Astelit holds number range – two NDC codes for mobile network and local ranges for PSTN and D-AMPS licenses. Number range for PSTN licenses obtaining is in process, the range will grow.

According to licenses, Astelit should adhere to state sanitary regulations to ensure that equipment used does not injure the population by means of harmful electro-magnetic emissions. Licenses require Astelit to inform authorities about start / end of operations in three months; about changes in incorporation address in 10 days. Also, Astelit must present all the required documents for inspection by Ukrainian Telecommunications Authority at their request. The Ukrainian Telecommunications Authority may suspend the operations of Astelit for a limited or an unlimited period if necessary because of the expiration of licenses, upon mutual consent, or in case of violation of terms of radio frequencies use. If such a violation is determined, Ukrainian Telecommunications Authority notifies Astelit of provisions violated and sets deadline for recovery. If the deadline is not met, licenses may be terminated.

Inteltek

Inteltek signed a contract on 30 July 2002 which provides for the installation, support and operation of an on-line central betting system as well as maintenance and support for the provision of sport betting games. The Central Betting System Contract was scheduled to expire on 30 March 2008.

Inteltek signed another contract with Gençlik ve Spor Genel Müdürlüğü ("GSGM") on 2 October 2003 which authorized Inteltek to establish and operate a risk management center and become head agent for fixed odds betting. The Fixed Odds Betting Contract was scheduled to expire in October 2011. However, in relation to the lawsuits related to the operations of Inteltek, GSGM ceased the implementation of the Fixed Odds Betting Contract starting from March 2007. Following this annulment decision, Spor Toto and Inteltek signed a new Fixed Odds Betting Contract on 15 March 2007, with less-advantageous conditions compared to previous contract signed in 2003, which expired on 1 March 2008.

Inteltek signed a new Fixed Odds Betting Contract with Spor Toto, which took effect on 1 March 2008. At the same time, Inteltek signed a new Central Betting System Contract with Spor Toto, which took effect on 31 March 2008 as having the same conditions with the current contract and both contracts were to be valid for one year utmost until the operation started as a result of the new tender.

On 28 August 2008, Spor Toto conducted a tender which allowed private companies to organize fixed odds and paramutual betting in sports games. Inteltek gave the best offer for the tender. On 29 August 2008, Inteltek signed a contract with Spor Toto, receiving the rights to run the sport betting business for the next ten years. New commission rate, which is 1.4% of gross takings (until 1 March 2009, commission rate was 7% of gross takings), is applicable starting from March 2009.

Kıbrıs Telekom

On 27 April 2007, Kıbrıs Telekom signed the License Agreement for Installation and Operation of a Digital, Cellular, Mobile Telecommunication System ("Mobile Communication License Agreement") with the Ministry of Communications and Works of the Turkish Republic of Northern Cyprus which is effective from 1 August 2007, replacing the existing GSM-Mobile Telephony System Agreement dated 25 March 1999. In accordance with the Mobile Communication License Agreement, Kıbrıs Telekom was granted an 18 year GSM 900, GSM 1800 and IMT-2000/UMTS license for GSM 900, GSM 1800 frequencies while the usage of IMT-2000/UMTS frequency bands is subject to the fulfillment of certain conditions.

On 14 March 2008, Kıbrıs Telekom was awarded a 3G infrastructure license at a cost of US$10,000 including VAT, which was paid at the end of March 2008. Under the terms of the license, the system had to be operational by mid-October 2008.

Under the Mobile Communication License Agreement, Kıbrıs Telekom also pays the tax authorities of Turkish Republic of Northern Cyprus an ongoing license fee on monthly basis equal to 15% of gross revenues excluding accrued interest charges for the late payments, indirect taxes and accrued revenues for reporting purposes, payments made to third parties for value added services, interconnection revenues, roaming income from own subscribers after the related payment made to other operators.

Tellcom İletişim Hizmetleri A.Ş.

Tellcom İletişim Hizmetleri A.Ş. ("Tellcom") acquired Long Distance Traffic Carrying Services License, Satellite License, Infrastructure License and Internet Service Provider License.

Authorization By-Law For Telecommunication Services and Infrastructure published in Official Gazette on dated 26 August 2004 has been abrogated By-Law on Authorization for Electronic Communications Sector dated 28 May 2009. According to this abrogation, Tellcom's "License" on Fixed Authority Services, Infrastructure Operating Service, Internet Service Provision, Satellite Communication Service has been changed to "Authority" on Fixed Authority Services, Infrastructure Operating Service, Internet Service Provision, Satellite Communication Service, Cable Broadcast Service and Tellcom's "License" on Long Distance Traffic Carrying Services License has been changed to "Authority" relevant to the Fixed Telephony Services. Fixed Telephony Services Authorization is valid for 15 years and the remaining authorizations are valid for 25 years.

As of 31 December 2009, the management believes that the Company is in compliance with the above mentioned conditions and requirements in all material respects.

Interconnection Agreements

The Company has entered into interconnection agreements with a number of operators in Turkey and overseas including Türk Telekom, Telsim Mobil Telekomünikasyon Hizmetleri A.Ş. ("Telsim"), Vodafone Telekomünikasyon A.Ş. ("Vodafone"), Avea İletişim Hizmetleri A.Ş. ("Avea"), Milleni.com GMbH and Globalstar Avrasya Uydu Ses ve Data İletişim A.Ş. ("Globalstar"). The Access and Interconnection Regulation (the "Regulation") became effective when it was issued by the ICTA on 23 May 2003.

The Regulation is driven largely by a goal to improve the competitive environment. Under the Regulation, the ICTA may compel all telecommunications operators to accept another operator's request for use of and access to its network. All telecommunications operators in Turkey may be required to provide access to other operators on the same terms and qualifications provided to their shareholders, subsidiaries and affiliates.

In accordance with the Regulation, the telecommunications providers in Turkey (including Türk Telekom) were obliged to renew their interconnection agreements within two months following the issuance of the Regulation. As a result of intervention by the ICTA, the Company entered into supplemental agreements with Türk Telekom on 10 November 2003, Telsim on 21 November 2003, and Globalstar on 11 December 2003, with amended tariffs and tariff adoption procedures. The interconnection agreement with Avea (formerly TT&TIM) was last renewed on 20 January 2006. On 24 May 2006, shares of Telsim were transferred to Vodafone and a new interconnection agreement was signed between the Company and Vodafone at the end of July 2006.

On 21 February 2005, Tellcom and Milleni.com GMbH have signed an agreement to provide telecommunications services to each other whereby Milleni.com GMbH may convey calls to the Company's switch and the Company may convey calls to Milleni.com GMbH's switch, in both cases, for onward transmission to their destinations.

In addition, the ICTA has required operators holding significant market power, as well as Türk Telekom, to share certain facilities with other operators under certain conditions and to provide co-location on their premises for the equipment of other operators at a reasonable price. The ICTA has also required telecommunications operators to provide number portability, which means allowing users to keep the same phone numbers even after they switch from one network to another starting from 9 November 2008.

Under a typical interconnection agreement, each party agrees, among other things to permit the interconnection of its network with the Company's network to enable calls to be transmitted to, and received from, the GSM system operated by each party in accordance with technical specifications set out in the interconnection agreement. Typical interconnection agreements also establish understandings between the parties relating to a number of key operational areas, including call traffic management, quality and performance standards, interconnection interfaces and other technical, operational and procedural aspects of interconnection.

The Company's interconnection agreements usually provide that each party will assume responsibility for the safe operation of its own network. Each party is also typically responsible for ensuring that its network does not endanger the safety or health of employees, contractors, agents or customers of the other party or damage interfere with or cause any deterioration in the operation of the other party's network.

Interconnection agreements also specify the amount of the payments that each party will make to the other for traffic originated on one network but switched to the other. These payments vary by contract, and in some cases, may require the Company to pay the counterparty less, the same amount, or a greater amount per minute, for traffic originating on the Company's network but switching to the counterparty's network, than it receives for a similar call originating on another network and switched to the Company's network.

There are no minimum payment obligations under the interconnection agreements; however, failure to carry the counterparty's traffic may expose the Company to financial and other penalties or loss of interconnection privileges for its own traffic.

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On 16 January 2007, ICTA published "Standard Interconnection Reference Tariffs" for Türk Telekom and GSM operators. In accordance with the recommendation, the fee determined for the Company is full TL 0.140 / minute (equivalent to full US$0.093 / minute as at 31 December 2009) between 1 January 2007 and 28 February 2007.

From 1 March 2007, the fee is full TL 0.136 / minute (equivalent to full US$0.090 / minute as at 31 December 2009). These "Standard Interconnection Reference Tariffs" were not necessarily directly applicable to the Company's interconnection agreements unless explicitly stated by the ICTA at the end of the settlement procedure. However, full TL 0.136 / minute (equivalent to full US$0.090 / minute as at 31 December 2009) has been started to be applied between Türk Telekom and the Company starting from 1 March 2007.

On 1 April 2008, ICTA published "Standard Interconnection Reference Tariffs" for Türk Telekom and GSM operators. In accordance with the recommendation, the fee determined for the Company is full TL 0.091 / minute (equivalent to full US$0.060 / minute as at 31 December 2009) effective from 1 April 2008. These "Standard Interconnection Reference Tariffs" are not necessarily directly applicable to the Company's current or future interconnection agreements unless explicitly stated by the ICTA at the end of the settlement procedure. The Company has recognized interconnection revenues and cost in accordance with "Standard Interconnection Reference Tariffs" starting from 1 April 2008.

On 25 March 2009, ICTA determined new "Standard Interconnection Tariffs" for the Company as full TL 0.0655 (equivalent to full US$0.0435 as at 31 December 2009) which is effective from 1 May 2009. The Company has recognized interconnection revenues and cost in accordance with "Standard Interconnection Tariffs" starting from 1 May 2009. On 15 July 2009, ICTA determined 3G call termination fees as full TL 0.0775 (equivalent to full US$0.0515 as at 31 December 2009) which is effective from 30 July 2009.

On 10 February 2010, ICTA determined new "Standard Interconnection Tariffs" for the Company as full TL 0.0313 (equivalent to full US$0.0208 as at 31 December 2009) which will be effective from 1 April 2010.

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

Dispute on Türk Telekom Transmission Lines Leases
Effective from 1 July 2000, Türk Telekom annulled the discount of 60% that it provided to the Company based on its regular ratio, which had been provided for several years, and, at the same time, Türk Telekom started to provide a discount of 25% being subject to certain conditions. The Company filed a lawsuit against Türk Telekom for the application of the agreed 60% discount. However, on 30 July 2001, the Company had been notified that the court of appeal upheld the decision made by the commercial court allowing Türk Telekom to terminate the 60% discount. Accordingly, the Company paid and continues to pay transmission fees to Türk Telekom based on the 25% discount. Although Türk Telekom did not charge any interest on late payments at the time of such payments, the Company recorded an accrual amounting to a nominal amount of TL 3,023 (equivalent to US$2,008 as at 31 December 2009) for possible interest charges as at 31 December 2000. On 9 May 2002, Türk Telekom requested an interest amounting to a nominal amount of TL 30,068 (equivalent to US$19,969 as at 31 December 2009).

The Company did not agree with Türk Telekom's interest calculation and, accordingly, obtained an injunction from the commercial court to prevent Türk Telekom from collecting any amounts relating to this interest charge. Also, the Company initiated a lawsuit against Türk Telekom on the legality of such interest. On 25 December 2008, the Court rejected the case. The Company appealed the decision. The Supreme Court rejected the appeal. The Company will apply for the correction of the decision. Based on the management opinion, the Company accrued provision of TL 91,864 (equivalent to US$61,011 as at 31 December 2009) and the Company netted off TL 59,822 (equivalent to US$39,730 as at 31 December 2009) from the receivables from Türk Telekom as at 31 December 2009. The remaining TL 32,042 (equivalent to US$21,280 as at 31 December 2009) is set as provision in the consolidated financial statements as at and for the year ended 31 December 2009.

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

The ICTA decided that the Company has not complied with its responsibility under Turkish regulations to provide national roaming and fined the Company by nominal amount of approximately TL 21,822 (equivalent to US$14,493 as at 31 December 2009). On 7 April 2004, the Company made the related payment. On 27 May 2004, the Company filed a lawsuit. On 3 January 2005, with respect to the Council of State injunction, ICTA paid back nominal amount of TL 21,822 (equivalent to US$14,493 as at 31 December 2009). On 13 December 2005, Council of State decided the cancellation of the administrative fine but rejected the Company's request for cancellation of the regulation on procedures and policies with respect to national roaming. ICTA appealed the decision. The appeal process is still pending. Based on the management opinion, the Company has not recorded any accrual as at and for the year ended 31 December 2009.

On 27 October 2006, Telecom Italia SPA and TIM International N.V. initiated a lawsuit against the Company and Telsim claiming that the Company violated competition law since demand of roaming has not been met. Telecom Italia SPA and TIM International N.V. requested US$2,000 with respect to this claim. The Court rejected the case. Such decision has been appealed by Telecom Italia SPA and TIM International N.V. The appeal process is still pending. Based on the management opinion, the Company has not recorded any accrual as at and for the year ended 31 December 2009.

Investigation of the Competition Board

The Competition Board commenced an investigation of business dealings between the Company and the mobile phone distributors in October 1999. The Competition Board decided that the Company disrupted the competitive environment through an abuse of a dominant position in the Turkish mobile market and infringements of certain provisions of the Law on the Protection of Competition. As a result, the Company was fined a nominal amount of approximately TL 6,973 (equivalent to US$4,631 as at 31 December 2009) and was enjoined to cease these infringements. The Company initiated a lawsuit before Danıştay for the injunction and cancellation of the decision. On 15 November 2005, Danıştay cancelled the Competition Board's decision on the ground that Competition Board infringed the procedural rules governing the investigation process.

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

Based on the decision of Competition Board, Ankara Tax Office requested the Company to pay TL 6,973 (equivalent to US$4,631 as at 31 December 2009) through the payment order dated 4 August 2006. On 25 September 2006, the Company made the related payment and initiated a lawsuit for the cancellation of this payment order. The court dismissed the lawsuit, and the Company appealed this decision. On 17 March 2009, Danıştay annulled the decision of the Instant Court. Local Court decided in line with the decision of Danıştay. On 18 December 2009, the Court rejected the case and the Company appealed the decision.

The Company ceased to accrue for TL 6,973 (equivalent to US$4,631 as at 31 December 2009) on its consolidated financial statements as at and for the year ended 31 December 2009 due to the aforesaid payment on 25 September 2006.

Investigation of the ICTA on International Voice Traffic

In May 2003, the Company was informed that the ICTA had initiated an investigation against the Company claiming that the Company has violated Turkish laws by carrying some of its international voice traffic through an operator other than Türk Telekom. The Company is disputing whether Türk Telekom should be the sole carrier of international voice traffic. On 5 March 2004, ICTA fined the Company a nominal amount of approximately TL 31,731 (equivalent to US$21,074 as at 31 December 2009). The Company has initiated a lawsuit with the claim of annulment of the related processes and decisions of ICTA, however, paid the administrative fine on 9 April 2004. On 5 November 2004, Danıştay gave a decision, which is served to Turkcell, for staying of execution. With respect to that decision, ICTA paid back TL 18,000 (equivalent to US$11,955 as at 31 December 2009) on 26 January 2005 and deduct a sum of TL 13,731 (equivalent to US$9,119 as at 31 December 2009) from the December frequency usage fee payment. On 26 December 2006, Danıştay decided to accept the Company's claim and annul the decision of and the fine imposed by the ICTA. Appeal process is still pending.

On 2 March 2005, Türk Telekom notified the Company that it has damaged Türk Telekom because of the international interconnection agreement signed with Milleni.com GMbH. Accordingly, Türk Telekom requested the Company to pay nominal amount of TL 219,149 (equivalent to US$145,546 as at 31 December 2009) of principal and nominal amount of TL 178,364 (equivalent to US$118,459 as at 31 December 2009) of interest, which make a sum of nominal amount of TL 397,513 (equivalent to US$264,005 as at 31 December 2009) until 7 March 2005. In addition, Türk Telekom initiated a lawsuit against the Company with respect to the same issue requesting an amount of TL 450,931 (equivalent to US$299,483 as at 31 December 2009) of which TL 219,149 (equivalent to US$145,546 as at 31 December 2009) is principal and TL 231,782 (equivalent to US$153,936 as at 31 December 2009) is interest charged until 30 June 2005 and requesting a temporary injunction. The Court rejected the request of injunction and sent the file to expert examination. According to the expertise report, it is alleged that the loss of Türk Telekom is TL 288,400 (equivalent to US$191,539 as at 31 December 2009) or TL 279,227 (equivalent to US$185,447 as at 31 December 2009).

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The Company objected to the expertise report and stated that all the allegations and the determinations given in the report are erroneous and the report is conclusory because Türk Telekom's alleged loss is calculated not by taking the possible loss of profit into consideration but taking the whole possible lost revenues into consideration. The Court ruled to obtain a supplementary expertise report in accordance with the objection of the Company. The Company objected to the supplementary expertise report which is consistent with the previous expertise report and requested to obtain another expertise report from new experts. The Court ruled to obtain another expertise report. In June 2009, last expertise report sent to the parties is same with the previous expertise reports and the Company objected to the expertise report.

On 5 November 2009, the Court rejected the Türk Telekom's request amounting to TL 171,704 (equivalent to US$114,036 as at 31 December 2009) and accepted the request amounting to TL 279,227 (equivalent to US$185,447 as at 31 December 2009). The Company appealed the decision. Also Turk Telekom appealed the decision. Appeal process is still pending.

Management believes that the aforementioned request has no legal basis. Moreover, the Company obtained an independent opinion dates 23 October 2007 which supports the management opinion from an expert who is not designated by the Court.

However, because of the above mentioned progresses at the court case, provision is set for the principal amounting to TL 49,104 (equivalent to US$32,612 as at 31 December 2009) and accrued interest amounting to a nominal amount of TL 79,782 (equivalent to US$52,987 as at 31 December 2009) in the consolidated financial statements as at and for the year ended 31 December 2009. In deciding upon the amount of the provision taking, the Company has taken the Turkish law into consideration, not the amounts requested by Türk Telekom and reflected in the expertise report. Specifically, under Turkish Law, a person who is alleging that he has suffered a loss cannot claim the whole of his possible revenues but only the damages may only be sought in respect of lost profit. For this reason, the provision set by the Company is calculated by taking Türk Telekom's estimated loss of profit into consideration rather than the amounts requested by Türk Telekom and amounts reflected in the expertise report.

Dispute on Special Communication Taxation Regarding Prepaid Card Sales
On 18 September 2003, the Ministry of Finance issued a report stating that by applying discounts for prepaid card sales for the period between June - December 2002, the Company calculated the special communication tax on post-discounted amounts. Pursuant to this report, the Tax Office delivered to the Company a notice, asserting deficiencies in special communication tax declarations and requesting a special communication tax payment amounting to nominal amount of TL 6,992 (equivalent to US$4,644 as at 31 December 2009) and a tax penalty of nominal amount of TL 9,875 (equivalent to US$6,558 as at 31 December 2009). The tax court accepted the Company's request for cancellation of special communication tax declarations. The tax office appealed this decision. Danıştay did not accept the Tax Court decision. The Company applied for the correction of the decision. On 25 June 2007, Danıştay rejected the correction of decision.

On 28 September 2007, Local Court complied with Danıştay's decision and rejected the lawsuit for the principal tax amount and accepted the part of the case related to the tax penalty saying that the penalty was excessively applied than it was required. The Company appealed the decision. Since the settlement has been arranged between the Company and Tax Office, the Company has been waived from the lawsuit.

On 3 December 2007, Tax Office delivered a notice to the Company requesting a special communication tax payment amounting to nominal amount of TL 6,992 (equivalent to US$4,644 as at 31 December 2009), a tax penalty of a nominal amount of TL 6,992 (equivalent to US$4,644 as at 31 December 2009) and accrued interest of nominal amount of TL 16,813 (equivalent to US$11,166 as at 31 December 2009). The Company made the related payment with respect to special communication tax and tax penalty totaling to a nominal amount of TL 13,984 (equivalent to US$9,288 as at 31 December 2009) on 28 December 2007. Besides, the Company filed a lawsuit on 28 December 2007 for the cancellation of accrued interest amounting to nominal amount of TL 16,813 (equivalent to US$11,166 as at 31 December 2009). The Court rejected the Company's injunction request. The Company objected to the decision, however, the objection request was not accepted. As a result of the settlement between the Company and the Tax Office, the Company decided to withdraw its request.

The Company filed a lawsuit on 28 January 2008 for the cancellation of Tax Office decision with respect to the Company's aforementioned payment not to be deemed as a special communication tax and tax penalty. The Court rejected the Company's cancellation request. The Company objected to the decision. As a result of the settlement between the Company and the Tax Office, the Company decided to withdraw its request.

The Company filed a lawsuit on 12 February 2008 against the Tax Office for the cancellation of the payment orders issued by the Tax Office for the above mentioned tax payments and requested preliminary injunction. The Court rejected the Company's cancellation request. The Company objected to the decision. As a result of the settlement between the Company and the Tax Office, the Company decided to withdraw its request.

The Law on the Settlement Procedure and Collection of Certain Public Receivables numbered 5736 was put into force on 27 February 2008 following its approval by the Grand National Assembly General Committee. The law provides a new settlement opportunity and easy payment conditions for the tax debts of taxpayers. On 26 March 2008, the Company submitted a written application to the Tax Offices for the dispute on special communication taxation regarding prepaid card sales.

According to the settlement made with Tax Offices Coordination Settlement Commission under Ministry of Finance Revenue Administration ("Settlement Commission") on 18 November 2008, the special communication tax and penalty regarding the dispute paid by the Company amounted to TL 13,984 (equivalent to US$9,288 as at 31 December 2009) was settled at TL 2,750 (equivalent to US$1,826 as at 31 December 2009). In addition, the late payment interest in which the Company had a provision of TL 16,813 (equivalent to US$11,166 as at 31 December 2009) settled at TL 7,044 (equivalent to US$4,678 as at 31 December 2009). The Company deducted these settlement gains from its monthly special communication tax payments.

Tax Office imposed tax penalty in the total amount of TL 47,130 (equivalent to US$31,301 as at 31 December 2009) and TL 89,694 (equivalent to US$59,570 as at 31 December 2009) based on the ground that the Company had to pay special communication tax over the discounts applied to the distributors for the wholesales for the years 2003 and 2004, respectively. On 31 December 2008 and 18 December 2009, the Company initiated lawsuits before the court. The Company requested to await until the completion of settlement procedure in the lawsuit initiated on 31 December 2008. The lawsuits are still pending.

The Company management believes that the subject amount may be settled with Settlement Commission. Provision is set for the principal amounting to a nominal amount of TL 7,541 (equivalent to US$5,008 as at 31 December 2009) and accrued interest amounting to a nominal amount of TL 17,345 (equivalent to US$11,520 as at 31 December 2009) for the year 2003 and provision is set for the principal amounting to a nominal amount of TL 14,351 (equivalent to US$9,531 as at 31 December 2009) and accrued interest amounting to a nominal amount of TL 25,416 (equivalent to US$16,880 as at 31 December 2009) for the year 2004 in the consolidated financial statements as at and for the year ended 31 December 2009 in line with the settlement gains with respect to same issue in 2008.

Disputes on Annulment of Fixed Odds Betting Tender Related to Establishment and Operation of Risk Management Center Head Agency
The tender on fixed odds betting tender related to establishment and operation of risk management center head agency held by GSGM and the Fixed Odds Betting Contract dated 2 October 2003 signed as a result of the said tender between GSGM and Inteltek were challenged by Reklam Departmanı Basın Yayın Prodüksiyon Yapımcılık Danışmanlık ve Ticaret Limited Şirketi ("Reklam Departmanı") and Gtech Avrasya Teknik Hizmet ve Müşavirlik A.Ş. ("Gtech") with the claim of suspension of execution and annulment.

For the lawsuit initiated by Gtech, Council of State decided for the suspension of the tender. Following this decision, the Fixed Odds Betting Contract dated 2 October 2003 between GSGM and Inteltek was terminated by GSGM based on the said decision of Council of State and the Code numbered 5583 came into effect which allowed Spor Toto to hold a new tender and sign a new contract which would be valid until 1 March 2008. On 15 March 2007, GSGM held a new tender, at which Inteltek became the preferred bidder and reacquired the right to operate until 1 March 2008. On the other hand, Inteltek initiated two lawsuits against GSGM on the ground that the termination of the Fixed Odds Betting Contract dated 2 October 2003 was unjustified and to determine that the aforementioned contract is valid under law and is in force. The court decided to reject Inteltek's claim on 10 July 2007. Inteltek appealed the court's decision. Inteltek's appeal was rejected by the Court on 5 February 2008 and Inteltek applied for correction of decision. The Supreme Court rejected the appeal. Inteltek appealed the decision. The Supreme Court decided to approve the decision. Inteltek applied for the correction of the decision. The Court rejected the Inteltek's request.

On 27 February 2008, the Turkish parliament passed a new law that allowed Spor Toto to sign a new Fixed Odds Betting Contract with Inteltek, having the same terms and conditions with the latest contracts signed with Spor Toto and to be valid for up to one year, until operations start under the new tender which Spor Toto is allowed to hold in accordance with the same law. Inteltek signed a new Fixed Odds Betting contract with Spor Toto, which took effect on 1 March 2008.

On 28 August 2008, Spor Toto conducted a tender which allowed private companies to organize fixed odds and paramutual betting in sports games. Inteltek gave the best offer with 1.4% for the tender. On 29 August 2008, Inteltek signed a contract with Spor Toto, receiving the rights to run the sport betting business for the next ten years. New commission rate is applicable starting from March 2009.

Based on the management opinion, the Company has not recorded any accruals with respect to these matters in its consolidated financial statements as at and for the year ended 31 December 2009.

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Dispute with Spor Toto
On 9 November 2005, Spor Toto sent a notification letter to Inteltek claiming that Inteltek is obliged to pay nominal amount of TL 3,292 (equivalent to US$2,186 as at 31 December 2009) due to the difference in the reconciliation methods. Spor Toto claims that the reconciliation periods should be six-month independent periods whereas Inteltek management believes that those periods should be cumulative as stated in the agreement. Inteltek did not pay the requested amount.

Spor Toto, on behalf of GSGM initiated a lawsuit on the ground that Inteltek was responsible for the revenue which was not transferred to the Spor Toto's accounts in due time, and collection risk was belonging to Inteltek, Inteltek was responsible for the revenue in the amount of TL 1,527 (equivalent to US$1,014 as at 31 December 2009) which was not paid and not collected until the date of the lawsuit and final accounts should be resolved after every period of six-months for settlement, by accepting the periods of six-months for settlement as periods independent from each other. On 22 February 2007, the Court rejected the case and decided that the collection risk is with GSGM and Inteltek is not responsible for the uncollected amount of TL 1,527 (equivalent to US$1,014 as at 31 December 2009) and also rejected the demand that the reconciliation period should be six-month independent periods. GSGM appealed the Court's decision. Supreme Court rejected the appeal request of GSGM. Following the Supreme Court's decision, GSGM applied for the correction of the decision. GSGM's correction of decision request was rejected by the Court and the decision was finalized.

Based on the decision of Supreme Court, Inteltek reversed the previously accrued amount of TL 3,292 (equivalent to US$2,186 as at 31 December 2009) and its overdue interest accrual amount of total TL 1,894 (equivalent to US$1,258 as at 31 December 2009). Furthermore, Inteltek reclaimed TL 2,344 (equivalent to US$1,557 as at 31 December 2009) principal and TL 977 (equivalent to US$649 as at 31 December 2009) accrued interest which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21 February 2008 to collect this amount. On 3 December 2008, the Court ruled to obtain an expertise report. On 19 March 2009, the court decided in favour of Inteltek. Spor Toto appealed the decision. The appeal process is still pending. The Company has not recorded any income accruals with respect to latter lawsuit in its consolidated financial statements as at and for the year ended 31 December 2009.

Dispute on Call Termination Fee
Telsim has initiated a lawsuit claiming that the Company has not applied the reference interconnection fees determined by ICTA, and has charged interconnection fees exceeding the ceiling fees approved by ICTA and requested an injunction to be applicable starting from 1 August 2005, to cease this practice and requested a payment of its damages totaling to nominal amount of TL 26,109 (equivalent to US$17,340 as at 31 December 2009) including principal, interest and penalty on late payment. On 6 April 2006, the case was rejected. Telsim appealed this decision. On 11 December 2007, Supreme Court approved the local court decision. Telsim applied for the correction of the decision. Supreme Court rejected Telsim's request and the decision has been finalized.

There has been a disagreement between the Company and Avea with respect to interconnection fees applied between March 2005 and July 2006. Avea raised an objection on the invoices the Company had issued during the said period claiming that the Company had not applied the reference interconnection fees determined by the ICTA, and had charged interconnection fees exceeding the ceiling fees approved by ICTA. Between March 2005 and July 2006, Avea issued return invoices amounting to TL 78,030 (equivalent to US$51,823 as at 31 December 2009) which represents the amount exceeding the ceiling fees approved by ICTA and the Company booked such invoices as a reduction of revenue. The Company management believes that the Interconnection Agreement signed between the Company and Avea on 9 March 2001 should be binding with respect to tarifing instead of the reference interconnection fees determined by ICTA. A similar case with Telsim, at which Telsim was claiming that the Company should have applied the reference interconnection fees determined by the ICTA was rejected on 6 April 2006 and approved by Supreme Court on 11 December 2007. Therefore, in November 2007, the Company issued return invoices, which were issued by Avea, including taxes amounting to TL 78,030 (equivalent to US$51,823 as at 31 December 2009) and recognized revenue amounting to TL 54,566 (equivalent to US$36,240 as at 31 December 2009) in its consolidated financial statements for the year ended 31 December 2007.

Dispute with Iranian Ministry in Connection with the GSM Tender Process
The Company believes the Iranian Ministry has not properly implemented the laws and regulations passed by the Iranian Parliament in connection with the GSM tender process, which was won by the Consortium. As a result, the Company has brought a claim in Iranian courts seeking to compel the Ministry to implement the laws and regulations passed by the Iranian Parliament in connection with the GSM tender process. Such injunction order was rejected in April 2006. The Company has initiated an arbitration process against Islamic Republic of Iran for not abiding by the provisions of the Agreement on Reciprocal Promotion and Protection of Investments. The arbitration process is still pending.

Besides, related with GSM tender process, Eastasia initiated an arbitration process against IEDC claiming that IEDC violated the shareholder's agreement and seeking compensation for damages for the aforementioned breach. The arbitration process is still pending.

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

Therefore, on 22 December 2005, the Company filed a lawsuit against Turk Telekom to cease this practice and requested collection of its damages totalling to nominal amount of TL 11,970 (equivalent to $7,950 as at 31 December 2009) including principal, interest and penalty on late payment covering the period from August 2005 until October 2005. The Court ruled to obtain an expertise report. The report was in favour of the Company. The Court ruled to obtain another expertise report. Second expertise report was also in favour of the Company. Besides, the court decided to obtain a new expertise report in order to settle the conflict between the first and the second report. The lawsuit is still pending.

On 19 December 2006, the Company initiated another lawsuit against Turk Telekom claiming that Turk Telekom has not applied call termination tariffs for international calls set by ICTA for the period between November 2005 and October 2006 amounting to nominal amount of TL 23,726 (equivalent to $15,757 as at 31 December 2009) including principal, interest and penalty on late payment. The Court decided to consolidate this lawsuit with the first lawsuit dated 22 December 2005.

On 2 November 2007, the Company initiated another lawsuit against Turk Telekom claiming that Turk Telekom has not applied call termination tariffs for international calls set by ICTA for the period between November 2006 and 1 March 2007 amounting to nominal amount of TL 6,836 (equivalent to $4,540 as at 31 December 2009) including principal, interest and penalty on late payment. The Court also decided to consolidate this lawsuit with the first lawsuit dated 22 December 2005.

Dispute with Avea on SMS Interconnection Termination Fees
On 28 February 2006, Avea initiated a lawsuit against the Company claiming that although there was an agreement between the Company and Avea stating that both parties would not charge any SMS interconnection termination fees, the Company has charged SMS interconnection fees for the messages terminating on its own network and also assumed liabilities for the messages terminating on Avea's network and made interconnection payments to Avea after deducting the net balance of those SMS charges and accruals. Avea requested provisions of Interconnection Agreement regarding SMS pricing to be applied and requested collection of its losses amounting to nominal amount of TL 12,275 (equivalent to US$8,152 as at 31 December 2009) for the period between February 2005 and December 2005 with its accrued interest till payment. On 10 October 2006, the Court decided that charging SMS interconnection termination fees violates the agreement between the Company and Avea, and the Company should pay Avea's losses amounting to nominal amount of TL 12,275 (equivalent to US$8,152 as at 31 December 2009) for the period between February 2005 and December 2005 with its accrued interest till payment. The Company appealed the decision. The Supreme Court rejected the Company's request and the Company applied for the correction of the decision. Such request rejected and the decision was finalized.

The Company made the principal and interest payment for the period between February 2005 and December 2005 on 6 November 2006 in order not to be under legal action for collection and additional interest charge.

On 22 December 2006, Avea requested provisions of Interconnection Agreement regarding SMS pricing to be applied and requested collection of its losses amounting to nominal amount of TL 6,480 (equivalent to US$4,304 as at 31 December 2009) for the period between January 2006 and August 2006 with its accrued interest till payment. On 25 November 2008, the Court decided in favor of Avea. The Company has appealed the decision. The case is still pending. The Company has paid the principal of TL 6,480 (equivalent to US$4,304 as at 31 December 2009), late payment interest of TL 5,103 (equivalent to US$3,389 as at 31 December 2009) and related fees of TL 524 (equivalent to US$348 as at 31 December 2009) on 30 March 2009.

In line with the court decision stating that charging SMS interconnection termination fees violates the agreement between the Company and Avea, neither SMS interconnection revenue nor SMS interconnection expense has been recognized from February 2005 to 23 March 2007.

The Company has also applied to the ICTA to set SMS interconnection prices between the Company and Avea. On 7 March 2007, the ICTA determined the SMS termination fees between the Company and Avea effective from 23 March 2007.

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Dispute on Value Added Taxation with Respect to Roaming Services
The Tax Office claimed that the Company should have paid VAT on the invoices issued by foreign GSM operators for the international calls originated by the Company's subscribers and terminating on those foreign GSM operators' networks during the year 2000. It has been notified that, based on the calculation made by the Tax Office, the Company should pay nominal amount of TL 19,791 (equivalent to US$13,144 as at 31 December 2009) for VAT and penalty fee. Moreover, the Tax Office also claimed that the Company should have paid VAT on the invoices issued by foreign GSM operators for the international calls originated by the Company's subscribers and terminating on those foreign GSM operators' networks during the years 2001 and 2002 amounting to nominal amount of TL 15,972 (equivalent to US$10,608 as at 31 December 2009) and TL 23,863 (equivalent to US$15,848 as at 31 December 2009) for VAT and penalty fee, respectively.

Management decided not to pay such amounts and initiated judicial processes on 6 April 2006 for VAT and penalty fee for the year 2000 and on 13 July 2006 for VAT and penalty fees for the years 2001 and 2002. On 28 June 2007, the Court rejected the case. The Company appealed this decision. Danıştay accepted the Company's injunction request on 17 January 2008. Since the settlement has been arranged between the Company and Tax office, the Company has been waived from the lawsuit.

On the same subject, Tax Office issued the Company tax assessment notes; and the Company initiated lawsuits for cancellation of such notes. On 22 November 2007, the Court rejected such lawsuits and the Company appealed these decisions. Danistay rejected the Company's appeal request on the ground that the conflict was solved with settlement.

On 4 October 2007, the Company initiated a lawsuit requesting injunction and cancellation of payment requests for aforementioned VAT tax and tax penalty amounts. The injunction request of the Company has been rejected. The Company objected to the decision. Regional Administrative Court rejected the Company's objection. On 2 April 2008, the Court accepted the injunction request of cancellation of payment notices. Appeal request of the Tax office to the above mentioned decision was rejected by the Istanbul Administrative Court. The Court has decided to accept the lawsuit on 24 December 2008. However, the Tax office appealed the decision.

The Law on the Settlement Procedure and Collection of Certain Public Receivables numbered 5736 was put into force on 27 February 2008 following its approval by the Grand National Assembly General Committee. The law provides a new settlement opportunity and easy payment conditions for the tax debts of taxpayers. On 26 March 2008, the Company submitted a written application to the Tax Offices for the dispute on value added taxation with respect to roaming services.

On 18 November 2008, Settlement Commission decided the VAT, late payment interest and duty charge amounts as TL 2,000 (equivalent to $1,328 as at 31 December 2009), TL 6,381 (equivalent to $4,238 as at 31 December 2009) and TL 175 (equivalent to $116 as at 31 December 2009), respectively. TL 17,588 (equivalent to $11,681 as at 31 December 2009) portion of gain on settlement was deducted in November 2008 VAT declaration based on the payment made amounted to TL 19,588 (equivalent to $13,009 as at 31 December 2009) in October 2007 related to original VAT of the aforementioned transactions. Late payment interest and fee amounts which were TL 6,381 (equivalent to $4,238 as at 31 December 2009) and TL 175 (equivalent to $116 as at 31 December 2009), respectively were declared in November 2008 VAT declaration and paid in December 2008. On 9 February 2009, the Company initiated a lawsuit claiming that TL 6,609 (equivalent to $4,389 as at 31 December 2009) interest charges are erroneously computed and should be suspended and after cancelled accordingly. The Court rejected the Company's injunction request. The Company objected to the decision. The Court rejected the objection request of the Company. The lawsuit is still pending.

Dispute on Ongoing License Fee Based on the Amended License Agreement
Based on the law enacted on 3 July 2005 with respect to the regulation of privatization, gross revenue description used for the calculation of ongoing license fee has been changed. According to this new regulation, accrued interest charges for the late payments, taxes such as indirect taxes, and accrued revenues are excluded from the description of gross revenue. Calculation method of gross revenue for ongoing license fee stipulated in the law according to the new regulation shall be valid as of the application date of the Company with the claim of amendment of its license agreement in compliance with the said Law. In the meanwhile, the Company realized the payments including above-mentioned items between 21 July 2005 and 10 March 2006, when the amendment in license agreement was effective. On 21 April 2006, following the license agreement amended pursuant to the Law, the Company initiated a lawsuit against Turkish Treasury for the difference between the payments that were realized starting from 21 July 2005 until 10 March 2006 and the amount which will accrue in compliance with the Law totaling TL 111,316 (equivalent to US$73,930 as at 31 December 2009) including interest of TL 8,667 (equivalent to US$5,756 as at 31 December 2009). On 9 May 2007, the Court decided that the case is not under its jurisdiction and the Company appealed for this decision. The file was sent to the Supreme Court due to our appeal request. On 13 March 2008, the Supreme Court decided in line with the Local Court decision and the Company applied for the correction of the decision. The request was rejected.

Also, on 9 June 2008, the Company filed a lawsuit before Administrative Court for the difference between the aforementioned period amounting to TL 102,649 (equivalent to $68,174 as at 31 December 2009) and interest amounting to TL 68,276 (equivalent to $45,345 as at 31 December 2009) till to the date the case is filed. The Administrative Court rejected the case, and the Company appealed the decision. The ICTA also appealed the decision. The appeal process is still pending.

The above-mentioned enacted law dated 3 July 2005 also assigned ICTA for the revision of license agreement according to new regulation. However, ICTA did not finalize such revision in a timely manner. Therefore, on 5 May 2006, the Company has also initiated a lawsuit against the ICTA before Administrative Court for the delay of the revision in license agreement preventing the new regulation to become effective until 10 March 2006. By this lawsuit, the Company has requested payment totaling TL 102,649 (equivalent to US$68,174 as at 31 December 2009). On 22 March 2007, the Court decided that the case is not under its jurisdiction. On 12 March 2008, the Company decided to withdraw from its appeal against the ICTA regarding principal amounting to TL 102,649 (equivalent to US$68,174 as at 31 December 2009). On 21 March 2008, the Court decided to dismiss the case as a result of the Company's withdrawal.

Dispute on ICTA Fee Payment Based on the Amended License Agreement

Based on the 9th article of the license agreement dated 10 March 2006, the Company has been obliged to pay 0.35% of its yearly gross revenue once a year as ICTA Fee. However, in the previous license agreement, the Company was obliged to pay 0.35% of its yearly gross revenue after deducting ongoing license fee, universal service fund and other indirect taxes from the calculation base whereas in the new agreement, these aforementioned payments are not deducted from the base of the calculation. Therefore, on 12 April 2006, the Company has initiated a lawsuit for the cancellation of the 9th article of the new license agreement. On 10 March 2009, the Court rejected the case. The Company appealed the decision.

On 21 June 2006, ICTA notified the Company that the ICTA Fee for the year 2005 which had been already paid in April 2006 should have been calculated according to the new license agreement dated 10 March 2006 instead of the previous license agreement which was effective in the year 2005. Therefore, ICTA requested the Company to pay additional TL 4,011 (equivalent to $2,664 as at 31 December 2009). The Company made the payment and initiated a lawsuit for the injunction and cancellation of the aforesaid decision of ICTA. On 30 May 2007, the Court rejected the Company's injunction request. The Company objected to the decision. Ankara Regional Administrative Court rejected the objection request of the Company. On 24 July 2009, the Court decided in favor of the Company and annulled additional payment request of ICTA. The ICTA appealed the decision. Appeal process is pending. The Company received the related amount on 8 February 2010 and recorded income in the consolidated financial statements as at and for the year ended 31 December 2009. On 17 March 2010, the Company initiated a lawsuit for the accrued interest amounting to TL 3,942 (equivalent to $2,618 as at 31 December 2009).

Dispute on Receivables from Avea Regarding Call Termination Fees

Based on the 21st Article of the Access and Interconnection Regulation, the operators may retrospectively apply the final call termination fees determined by ICTA under the reconciliation procedure. Therefore, on 29 August 2006, the Company has initiated a lawsuit against Avea for the collection of its damages totaling to nominal amount of TL 32,334 (equivalent to US$21,474 as at 31 December 2009) including principal, interest and penalty on late payment covering the period from 30 June 2004 until 7 July 2006 which is the announcement date of the reference call termination fees issued by ICTA on June 2006. On 20 February 2007, the court has dismissed the case. The Company appealed the said decision. The Supreme Court approved the decision of the court. The Company has applied to the correction of the decision. On 27 February 2009, the Supreme Court affirmed the local court decision.

Dispute on Validity of the General Assembly Meeting

On 21 August 2006, Sonera Holding BV filed a lawsuit with an injunction request for the purpose of determination of the invalidity of the Company's General Assembly Meeting with an ordinary agenda including dividend distribution and appointment of members of the Board of Directors, held on 22 May 2006 and the invalidity of all resolutions taken in this meeting. The case was dismissed by the Court and Sonera Holding BV appealed the decision. Appeal request of Sonera Holding BV is rejected. Therefore, the decision of the First instance Court became final.

Dispute on Türk Telekom Transmission Tariffs

On 19 January 2007, the Company initiated a lawsuit against Türk Telekom claiming that Türk Telekom charged transmission on erroneous tariffs between 1 June 2004 and 1 July 2005. The Company requested a nominal amount of TL 8,136 (equivalent to US$5,403 as at 31 December 2009) including interest. The Court ruled to obtain expertise report. The report is given to Court and in favor of the Company. The court ruled to obtain supplementary expertise report. The case is still pending.

Dispute on Türk Telekom Interconnect Costs

On 26 April 2007, Turk Telekom initiated a lawsuit against the Company claiming that interconnect costs declared by the Company to ICTA for the determination of Standard Reference Interconnection Tariffs do not reflect the actual costs. On 19 December 2007, the Court rejected the case. Turk Telekom appealed the decision. The Supreme Court rejected the appeal request of Turk Telekom.

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Dispute on the Audit Committee Member
On 21 July 2006, Alexey Khudyakov was appointed to the audit committee as an observer member. On 26 January 2007 the CMB informed the Company that Alexey Khudyakov's current status, as an observer member on the audit committee does not satisfy the requirements under Article 25 "Committees Responsible for Auditing" of the CMB. The CMB has stated that steps must be taken urgently in order to comply with Article 25. On 21 March 2007, the Company commenced a lawsuit to suspend the execution and to annul the decision of the CMB. The court rejected the Company's suspension of execution request. The Company objected to the decision. On 15 August 2007, the Regional Ankara Administrative Court accepted the Company's objection request and suspended the said decision of CMB. However, on 18 January 2008, Ankara 14th Administrative Court rejected the case. The Company appealed the decision with an injunction request. On 9 April 2008, State of Council rejected the injunction request of the Company. The appeal process is still pending.

On 15 October 2008, the CMB decided on an administrative fine amounting to TL 12 (equivalent to $8 as at 31 December 2009) since the Company did not fulfill the decision of CMB dated 26 January 2007 and required the Company to inform its shareholders at the next General Assembly Meeting. The Company commenced a lawsuit before the court. The Court rejected the injunction request of the Company. The Company objected to the decision. The Court rejected the Company's objection. The case is still pending.

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

Investigation of ICTA on Campaigns
According to the decision of ICTA dated 15 March 2007, a pre-investigation has been decided to start regarding the campaigns in which free minutes or counters are given to the new subscribers in the introduction sets in order to determine their conformity with telecommunications legislation. ICTA decided to make an investigation on this issue. Investigation report has been notified to the Company and legal arguments of the Company have been requested. The Company submitted its legal arguments to the ICTA on 20 October 2007.

On 21 May 2008, ICTA decided that the Company damaged the subscribers' financial interests related to the campaigns in which free minutes or counters are given and requested TL 32,088 (equivalent to $21,311 as at 31 December 2009). The Company has benefited from the early payment option and deserved a 25% discount and paid TL 24,066 (equivalent to $15,983 as at 31 December 2009) on 1 August 2008. On 10 July 2008, the Company filed a lawsuit for the injunction and cancellation of the ICTA's decision. The Court rejected the Company's injunction request. The Company objected to the decision, however, the Court rejected the Company's request. On 26 March 2009, the Court rendered a decision stating that the case is not under its jurisdiction and sent the file to Danistay. However, Danistay has resent the file to the Court stating that the case is under the jurisdiction of the Administrative Court. ICTA appealed the decision of Danistay. The appeal process is still pending.

Dispute on Payment Request of Savings Deposits Insurance Fund
On 26 July 2007, Savings Deposits Insurance Fund ("SDIF") requested TL 15,149 (equivalent to $10,061 as at 31 December 2009) to be paid in one month period on the ground that the stated amount is recorded as receivable from the Company in the accounting records of Telsim, which is taken over by SDIF. On 20 September 2007, the Company filed a lawsuit for the injunction and cancellation of the SDIF's request. Danistay accepted the injunction request of the Company. SDIF objected to injunction decision of Danistay. Danistay rejected the objection of SDIF. On 19 January 2010, the Court accepted the Company's claim and cancelled the aforementioned request of SDIF. SDIF issued payment orders for the above mentioned amount and, on 19 October 2007, the Company initiated a lawsuit for the cancellation of the payment request of SDIF. On 6 February 2008, the Court accepted the Company's injunction request. SDIF objected to this decision and such objection request was also rejected by the Court. On 19 January 2010, the Court cancelled the aforementioned request.

Based on the management opinion, the Company has not recorded any accruals with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Letter from Turkish Treasury Regarding Ongoing License Fee Deduction for 2006 Sales Discounts
At the end of 2006, Tax Auditors of the Company claimed that gross revenue in the statutory accounts should include discounts granted to distributors although the Company recorded these discounts in a separate line item as sales discounts.

Starting from 2007, the Company started to deduct discounts granted to distributors from gross revenue and present them on a net basis. Accordingly, the Company decided that, it has paid excess ongoing license fee and universal service fund for the year 2006 totalling TL 51,254 (equivalent to $34,040 as at 31 December 2009). Through the letter dated 23 February 2007, the Company requested ongoing license fee amounting to TL 46,129 (equivalent to $30,636 as at 31 December 2009) and interest accrued amounting to TL 5,020 (equivalent to $3,334 as at 31 December 2009) from Turkish Treasury and universal service fund amounting to TL 5,125 (equivalent to $3,404 as at 31 December 2009) and interest accrued amounting to TL 558 (equivalent to $371 as at 31 December 2009) from Turkish Ministry to be paid in 10 days. Since

Turkish Treasury and Turkish Ministry have not made any payment, the Company started to deduct these amounts from ongoing monthly payments. As at 31 December 2007, the Company deducted TL 51,254 (equivalent to $34,040 as at 31 December 2009) from monthly ongoing license fee and universal service fund payments.

Turkish Treasury send a letter to the Company dated 17 July 2007 and objected the deduction of the discounts granted to the distributors form the ongoing license fee payments. Accordingly, the Company is asked to return TL 2,960 (equivalent to $1,966 as at 31 December 2009) that is deducted from ongoing license fee payment for May 2007. The Company has not made the related payment and continued to deduct such discounts ongoing license fee and universal service fee amount related to discounts granted to distributors for the year 2006.

Besides, the Company filed two lawsuits before ICC claiming that the Company is not obliged to pay ongoing license fee and ICTA Fee in accordance with the 8th and 9th Articles of the License, respectively, on discounts granted to distributors. The arbitration process is still pending.

Management believes that the Company has the legal right to make deductions with respect to this issue. Accordingly, the Company has not recorded any provisions with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Dispute with the Ministry of Industry and Trade
Ministry of Industry and Trade notified the Company that the Company is not informing the subscribers properly before service subscriptions and content sales and charged TL 68,201 (equivalent to US$45,295 as at 31 December 2009). On 24 August 2009, the Company initiated a lawsuit for the cancellation of the payment order and related decision of the Ministry of Industry and Trade. The Court rejected the Company's injunction request. The case is still pending.

Ministry of Industry and Trade notified the Company that the Company is continuing to charge subscription fee to subscribers who terminate their subscriptions during a period and charged TL 31,822 (equivalent to $21,134 as at 31 December 2009). On 24 August 2009, the Company initiated a lawsuit for the cancellation of the payment order and related decision of the Ministry of Industry and Trade. The Court decided that decision on injunction request of the Company is invalid. The Ministry of Industry and Trade repealed the administrative fine and delegated the issue to ICTA to evaluate the issue within the context of Electronic Communications Law numbered 5809. The Court decided not to award a decision on the ground that the administrative fine was repealed by the Ministry of Industry and Trade.

In the meanwhile, the Company applied to the Ministry of Industry and Trade to withdraw the aforementioned penalty. On 2 October 2009, Ministry of Industry and Trade informed the Company that they decided to reject the withdraw request of TL 68,201 (equivalent to $45,295 as at 31 December 2009). On 14 December 2009, the Company filed a lawsuit for the injunction and cancellation of the payment order of TL 68,201 (equivalent to $45,295 as at 31 December 2009) with respect to the decision of Ministry of Industry and Trade. The case is still pending.

Based on the management opinion, the Company has not recorded any accruals with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Dispute of Astelit with its Distributor
Astelit and one of its distributors had an agreement for the sale of Astelit's inventory to third parties. Under this agreement, the sale of products had to be performed within 30 days after delivery and proceeds from such sale had to be transferred to Astelit excluding commissions due to the distributor for performing the assignment. At a certain stage of the relationship under this agreement, the distributor began to violate its obligations for indebtedness for received, due but unpaid products.

Despite the distributor is factually a debtor under the agreement, the distributor filed an action against Astelit on recovery of HRV 106,443 (equivalent to US$13,330 as at 31 December 2009), which is allegedly the sum of advance payment for undelivered goods. In the course of court proceedings, Astelit made a counterclaim on recovery of indebtedness in the amount of HRV 35,292 (equivalent to US$4,420 as at 31 December 2009).

As a result of consideration of two claims, the Court of First Instance in Kiev dismissed the claim of the distributor and sustained the counterclaim of Astelit. Subsequently, The Kyiv Economic Court of Appeal repealed the decision of the Court of First Instance and dismissed the claim of Astelit and sustained the claim of the distributor on recovery of HRV 106,443 (equivalent to $13,330 as at 31 December 2009). The resolution of The Higher Economic Court of Ukraine dated 20 October 2009 remained unaltered the appellate court's ruling. Thereafter, Astelit management has filed a lawsuit against this conclusion in the Supreme Court of Ukraine, which is the supreme and final degree of jurisdiction against the resolution of the Higher Economic Court of Ukraine. In December 2009 the Supreme Court of Ukraine has revoked the previous court decisions and forwarded the court file to the Court of First Instance in Kiev to other judges for new legal proceedings.

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Management believe that such conclusion of the courts has no proper legal basis and does not conform to the facts of the case and evidences. Accordingly, the Company has not recorded any accruals with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Dispute on VAT and STT on Roaming Services
On 21 October 2009, based on the Tax Investigation Reports dated 2 October 2009, Presidency of Large Taxpayers Office, Audit Group Management notified the Company that VAT and SCT should be calculated on charges paid to international GSM operators for the calls initiated by the Company's subscribers abroad and collect from the subscribers. Based on this notification, the Company has been asked to provide collateral for the principal of VAT and SCT amounting to TL 258,321 (equivalent to US$171,562 as at 31 December 2009) for the period from April 2005 to July 2009, and for an interest to be calculated until the payment date. The Company provided the requested collateral within the timeframe. Besides, on 28 October 2009, the Company filed a lawsuit for the cancellation of the decision of Tax Authority requesting collateral. On 9 November 2009, Tax Offices notified that collaterals provided by the Company will not be seizured until the tax impositions become final. Therefore, the Company decided to withdraw its request. Moreover, the Company filed a legal case for the cancellation of payment request of Tax Offices on 17 November 2009. The case is still pending.

Based on the ruling dated 9 February 2005 from the Ministry of Finance, Presidency of Revenue Administration, the Company did not charge subscribers any VAT and SCT related to roaming charges paid to international GSM operators on the calls initiated abroad from April 2005 onwards. Based on the management opinion, the Company has not recorded any accruals with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Investigation on Mobile Marketing Activities
The Competition Board decided to initiate a pre-investigation in order to identify whether the Company maintains exclusive activities on mobile marketing and their appropriateness with respect to competition rules. On 23 December 2009, Competition Board decided that the Company violates competition rules in mobile marketing and fined the Company amounting to TL 36,072 (equivalent to US$23,957 as at 31 December 2009). The Company will file a legal case for the cancellation of the aforementioned decision. Should the payment made within 1 month following the legal notification, 25% discount will be applied. Based on the management opinion, the Company has recorded TL 26,298 (equivalent to US$17,466 as at 31 December 2009) with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Dispute on VAT and SCT of Shell & Turcas Petrol A.Ş.
Turkcell and Shell&Turcas Petrol A.Ş. signed an agreement on 27 November 2007 where eligible subscribers can get free counters and minutes from the Company or free oil from Shell&Turcas Petrol AS.

As a result of the tax investigation, Tax Controllers notified that VAT and special communication tax are net calculated over the free counters and minutes and imposed tax penalty of TL 2,189 (equivalent to US$1,454 as at 31 December 2009) for the VAT and TL 3,036 (equivalent to US$2,016 as at 31 December 2009) for the special communication tax. On 16 September 2009, the Company filed a lawsuit for the cancellation of the tax penalty. The case is still pending. Based on the management opinion, the Company has not recorded any accruals with respect to this matter in its consolidated financial statements as at and for the year ended 31 December 2009.

Investigation of ICTA on Invoice Amounts
On 24 June 2009, upon a complaint of a subscriber, ICTA decided to initiate an investigation on the charging applications of the Company. In November 2009, on-site investigation took place and investigation report was sent to the Company. The Company sent its statement of defence with respect to the investigation report within the legal timeframe.

Investigation of ICTA on Tariffs Above Upper Ceiling
On 15 October 2009, ICTA decided to initiate an investigation stating that the Company applied tariffs above upper ceiling announced by ICTA and violated the decision of ICTA on determining upper ceiling. On 21 December 2009, the Company initiated a lawsuit for the cancellation of ICTA's decision. The case is still pending. On-site investigation took place in January 2010 and the investigation report was sent to the Company. The Company sent its legal arguments within the timeframe.

Amount to be reimbursed to the subscribers is calculated as TL 46,228 (equivalent to US$30,702 as at 31 December 2009) and deducted from revenues in the consolidated financial statements as at and for the year ended 31 December 2009. Reimbursement to subscribers was made in January 2010.

Decisions of ICTA on Tariff Plans

On 15 November 2009, ICTA notified that the Company has changed the conditions of a tariff plan after the launch and shall reimburse overcharged amounts to the subscribers. On 1 February 2010, the Company initiated a lawsuit for the cancellation of the decision of ICTA. The case is still pending.

Amount to be reimbursed to the subscribers is calculated as TL 15,660 (equivalent to US$10,400 as at 31 December 2009) and deducted from revenues in the consolidated financial statements as at and for the year ended 31 December 2009. Reimbursement to subscribers was made in January 2010.

On 8 March 2010, ICTA informed the Company that an investigation will take place on another tariff plan.

33. Related Parties

Transactions with Key Management Personnel

Key management personnel comprise the Group's directors and key management executive officers.

As at 31 December 2009 and 2008, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers and contributes to a post-employment defined plan on their behalf. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

Total compensation provided to key management personnel is US$8,044, US$7,912 and US$12,439 for the years ended 31 December 2009, 2008 and 2007, respectively.

The Company has agreements or protocols with several of its shareholders, consolidated subsidiaries and affiliates of the shareholders.

Other related party transactions

Due from related parties – long-term	**31 December 2009**	**31 December 2008**
Digital Platform İletişim Hizmetleri A.Ş. ("Digital Platform")	15,306	40,690
Other	5,733	4,659
	21,039	**45,349**

Due from related parties – short-term	**31 December 2009**	**31 December 2008**
System Capital Management ("SCM")	63,311	-
Digital Platform	25,563	19,356
A-Tel	8,786	18,126
KVK Teknoloji Ürünleri A.Ş. ("KVK Teknoloji")	5,470	18,394
Other	5,713	8,137
	108,843	**64,013**

Due to related parties – short-term	**31 December 2009**	**31 December 2008**
Hobim Bilgi İşlem Hizmetleri A.Ş. ("Hobim")	7,069	3,752
Kyisvstar GSM JSC ("Kyivstar")	2,457	653
ADD Production Media A.Ş. ("ADD")	516	11,688
Other	4,738	4,939
	14,780	**21,032**

Substantially, all of the significant due from related party balances is from Çukurova Group companies.

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Due from Digital Platform, a company whose majority shares are owned by Çukurova Group, mainly resulted from receivables from call center revenues, financial support for borrowing repayments and advances given for current and planned sponsorships. On 23 December 2005, a "Restructuring Framework Agreement" was signed between Digital Platform and the Company. The agreement includes the restructuring of the Group's receivables from Digital Platform in exchange for sponsorship and the advertisement services that the Company will receive on Digital Platform's infrastructure. Under the agreement, Digital Platform commits to pay amounts due to the Group through 15 July 2011 along with the interest in cash and advertisement services. US$40,869 represents present value of future cash flows and services discounted using imputed interest rate. As at 31 December 2009, US$15,306 of the balance is classified as long-term due from related parties in accordance with the revised repayment schedule.

Due from SCM, non-controlling shareholder of Euroasia, resulted from the loan that SCM utilized from Financell. The maturity of the financing is 31 December 2010 at a fixed cost of 13%.

Due from A-Tel, a 50-50 joint venture of the Company and SDIF mainly, resulted from simcard and scratch card sales to this company.

Due from KVK Teknoloji, a company whose majority shares are owned by Çukurova Group, mainly resulted from simcard and scratch card sales to this company.

Due to Hobim, a company whose majority shares are owned by Çukurova Group, resulted from the invoice printing services rendered by this company.

Due to Kyivstar, whose shares are owned by one of the shareholders of the Company, mainly resulted from call termination and international traffic carriage services received.

Due to ADD, a company whose shares are owned by Çukurova Group, resulted from payables for advertisement and sponsorship services rendered by this company.

The Group's exposure to currency and liquidity risk related to due from / (due to) related parties is disclosed in note 29.

Transactions with related parties

Intragroup transactions that have been eliminated are not recognized as related party transaction in the following table:

Revenues from related parties	**2009**	**2008**	**2007**
Sales to KVK Teknoloji			
Simcard and prepaid card sales	640,312	860,711	627,148
Sales to A-Tel			
Simcard and prepaid card sales	67,558	132,594	141,188
Sales to Kyivstar			
Telecommunications services	44,195	63,581	40,165
Sales to Digital Platform			
Call center revenues and interest charges	18,766	20,281	16,797
Sales to Teliasonera International			
Telecommunications services	8,328	7,151	562
Sales to Millenicom Telekomünikasyon A.Ş. ("Millenicom")			
Telecommunications services	5,497	12,996	12,399
Sales to CJSC Ukrainian Radiosystems			
Telecommunications services	3,388	8,390	2,073

Related party expenses	**2009**	**2008**	**2007**
Charges from ADD			
Advertisement and sponsorship services	127,014	165,250	167,47
Charges from Kyivstar			
Telecommunications services	53,466	63,799	36,060
Charges from KVK Teknoloji			
Dealer activation fees and others	41,360	103,386	88,564
Charges from A-Tel (*)			
Dealer activation fees and others	36,971	49,065	45,110
Charges from Hobim			
Invoicing and archiving services	21,985	20,865	17,163
Charges from Teliasonera International			
Telecommunications services	12,261	11,300	2,829
Charges from Millenicom			
Telecommunications services	5,171	8,501	11,117
Charges from CJSC Ukrainian Radiosystems			
Telecommunications services	4,208	6,491	2,087

* Charges from A-Tel have been eliminated to the extent of the Company's interest in A-Tel for the year ended 31 December 2009, 2008 and 2007 amounting to US$36,971, US$49,065 and US$45,110, respectively.

The significant agreements are as follows:

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Agreements with KVK Teknoloji
KVK Teknoloji, incorporated on 23 October 2002, one of the Company's principal simcard distributors, is a Turkish company, which is affiliated with some of the Company's shareholders. In addition to sales of simcards and scratch cards, the Company has entered into several agreements with KVK Teknoloji, in the form of advertisement support protocols, each lasting for different periods pursuant to which KVK Teknoloji must place advertisements for the Company's services in newspapers. The objective of these agreements is to promote and increase handset sales with the Company's prepaid and postpaid brand simcards, thereby supporting the protection of the Company's market share in the prevailing market conditions. The prices of the contracts were determined according to the cost of advertising for KVK Teknoloji and the total advertisement benefit received, reflected in the Company's market share in new subscriber acquisitions. Distributors' campaign projects and market share also contributed to the budget allocation.

Agreements with A-Tel
A-Tel is involved in the marketing, selling and distributing the Company's prepaid systems. A-Tel is a 50-50 joint venture of the Company and SDIF. A-Tel acts as the only dealer of the Company for Muhabbet Kart (a prepaid card), and receives dealer activation fees and simcard subsidies for the sale of Muhabbet Kart. In addition to the sales of simcards and scratch cards through an extensive network of newspaper kiosks located throughout Turkey, the Company has entered into several agreements with A-Tel for sales campaigns and subscriber activations.

Agreements with Kyivstar
Alfa Group, a minor shareholder of the Company, holds the majority shares of Kyivstar. Astelit is receiving call termination and international traffic carriage services from Kyivstar.

Agreements with Digital Platform
Digital Platform, a direct-to-home digital television service company under the Digitürk brand name, is a subsidiary of one of the Company's principal shareholders, Çukurova Group. Digital Platform acquired the broadcasting rights for Turkish Super Football League by the tender held on 15 July 2004, until 31 May 2008 and the broadcasting rights were extended until 31 May 2010 with a new agreement dated 5 May 2005. On 23 December 2005, "Restructuring Framework Agreement" was signed between Digital Platform and the Company. The Company also has an agreement related to the corporate group SMS services that the Company offers to Digital Platform, and an agreement for call center services provided by the Company's subsidiary Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş. ("Global").

Agreements with Teliasonera International
Teliasonera International is the mobile operator provides telecommunication services in the Nordic and Baltic countries. Teliasonera International is rendering and receiving call termination and international traffic carriage services to and from the Astelit.

Agreements with Millenicom
European Telecommunications Holding AG ("ETH"), a subsidiary of Çukurova Group, holds the majority shares of Millenicom. Millenicom is rendering and receiving call termination and international traffic carriage services to and from the Company.

Agreements with CJSC Ukrainian Radiosystem
CJSC Ukrainian Radiosystems owned by Vimpelcom provides mobile communications services is rendering and receiving call termination and international traffic carriage services to and from the Astelit.

Agreements with ADD
ADD, a media planning and marketing company, is a Turkish company owned by one of the Company's principal shareholders, Çukurova Group. The Company is operating a media purchasing agreement with ADD, which is revised on 1 September 2009 and is effective until 31 August 2010. The purpose of this agreement is to benefit from the expertise and bargaining power of ADD against third parties, regarding the formation of media purchasing strategies for both postpaid and prepaid brands. Additionally, ADD is a party of the sponsorship and advertisement agreements which are integral part of "Restructuring Framework Agreement" signed between the Company and Digital Platform.

Agreements with Hobim
Hobim, one of the leading data processing and application service provider companies in Turkey, is owned by Çukurova Group. The Company has entered into invoice printing and archiving agreements with Hobim under which Hobim provides the Company with scratch card printing services, monthly invoice printing services, manages archiving of invoices and subscription documents for an indefinite period of time. Prices of the agreements are determined as per unit cost plus profit margin.

34. Group Entities

The Group's ultimate parent company is Turkcell. Subsidiaries of the Company as at 31 December 2009 and 2008 are as follows:

Subsidiaries

Name	Country of incorporation	Business	Ownership Interest 31 December 2009 (%)	Ownership Interest 31 December 2008 (%)
Kıbrıs Telekom	Turkish Republic of Northern Cyprus	Telecommunications	100	100
Global	Turkey	Customer relations management	100	100
Turktell Bilişim Servisleri A.Ş.	Turkey	Information technology, value added GSM services investments	100	100
Tellcom **	Turkey	Telecommunications	100	100
Turktell Uluslararası Yatırım Holding A.Ş.	Turkey	Telecommunications investments	100	100
Turkcell Kurumsal Satış ve Dağıtım Hizmetleri A.Ş.	Turkey	Telecommunications	100	100
Eastasia	Netherlands	Telecommunications investments	100	100
Turkcell Teknoloji Araştırma ve Geliştirme A.Ş.	Turkey	Research and Development	100	100
Global Tower Kule Hizmet ve İşletmecilik A.Ş. *	Turkey	Telecommunications infrastructure business	100	100
Şans Oyunları Yatırım Holding A.Ş.	Turkey	Betting business investments	100	100
Financell	Netherlands	Financing business	100	100
Rehberlik Hizmetleri A.Ş.	Turkey	Telecommunications	100	100
Beltur BV	Netherlands	Telecommunications investments	100	100
Surtur BV	Netherlands	Telecommunications investments	100	100
Beltel	Turkey	Telecommunications investments	100	100
Turkcell Gayrimenkul Hizmetleri A.Ş.	Turkey	Property investments	100	100
LLC Global	Ukraine	Customer relations management	100	100
FLLC Global	Republic of Belarus	Customer relations management	100	-
UkrTower	Ukraine	Telecommunications infrastructure business	100	100
Talih Kuşu Altyapı Hizmetleri A.Ş.	Turkey	Telecommunications	100	-
Corbuss Kurumsal Telekom Servis Hizmetleri A.Ş.	Turkey	GSM services	99	99
Belarussian Telecom	Republic of Belarus	Telecommunications	80	80
Inteltek	Turkey	Betting business	55	55
Euroasia	Netherlands	Telecommunications	55	55
Astelit	Ukraine	Telecommunications	55	55
Superonline **	Turkey	Telecommunications	-	100

* Corporate name has been changed from Kule Hizmet ve İşletmecilik A.Ş. to Global Tower Kule Hizmet ve İşletmecilik A.Ş. as at 31 December 2009.
** Merger of Tellcom and Superonline was completed on 1 May 2009. Operations continue under Tellcom with the "Superonline" brand name.

35. Subsequent Events

In the context of evaluating investment opportunities in neighboring countries, 55% owned subsidiary, Inteltek received authorisation from Azerbaycan Azeridmanservis Limited Company to organize, operate, manage, and develop the fixed and paramutual sports betting business in Azerbaijan. In this context, Azerinteltek QSC has been incorporated on 19 January 2010 in Azerbaijan with 51% stake of Inteltek. Azerinteltek QSC signed license agreement for the authorization of organization and operation of betting games. Under the license agreement, Azerinteltek QSC will operate on an exclusive basis for a period of 10 years.

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DEMATERIALIZATION OF THE SHARE CERTIFICATES OF THE COMPANIES THAT ARE TRADED ON THE STOCK EXCHANGE

It was decided by the Capital Markets Board (“the Board”) as per article 10/A included in the Capital Markets Act (CMA) No. 2499 to commence the dematerialization system.

As per the Temporary Article 2 of the Board’s Communiqué Series: IV No.: 28 on the “Procedures and Principles of Keeping the Records of Dematerialized Capital Market Instruments”, it is set forth that all of the share certificates of the companies that are traded in ISE shall be collectively dematerialized and the related procedures and principles are regulated in the said Communiqué.

Legal and actual dematerialization of the share certificates has commenced on November 28, 2005.

Beginning from November 28, 2005, it is prohibited for the companies listed in ISE to issue new share certificates as a result of capital increases. The new share certificates arising out of capital increases shall be transferred to the accounts of the rightful owners by registration of securities.

It is obligatory for the share certificates that are not dematerialized and that are kept physically by their rightful owners to be delivered to our Company (“Issuer”) or an authorized broker for their registration with “Central Registry Agency” that is under supervision and control of the Board until the end of December 31, 2007.

In addition, as per the Temporary Article 6 of the Capital Markets Act the financial rights attached to the share certificates, which are not dematerialized until the end of 31 December 2007, shall be monitored in a dematerialized manner at the Central Registry Agency from that day on and in case the share certificates are dematerialized, their financial rights shall be transferred to the accounts of the rightful owners. Any financial rights related to management for the share certificates that are not dematerialized after December 31, 2007 shall be exercised by Central Registry Agency until the dematerialization process of existing shares completed. Implementation principles for the aforementioned article shall be found in the letter of the Central Registry Agency dated January 30, 2008 and numbered 294.

The share certificate records of our Company shall be kept by Central Registry Agency and the issuer in electronic form, which is formed by the Central Registry Agency.

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ACCOMMODATION OF THE SHARE CAPITAL OF THE COMPANY AND NOMINAL VALUES OF THE SHARE CERTIFICATES TO THE NEW TURKISH LIRA

As per article 6 titled "Share Capital" of the Articles of Association of the Company, the Code numbered 5083 Regarding the Currency Unit of Turkish Republic Government and the Code numbered 5274 Regarding the Amendment of Turkish Commercial Code, the share capital of the Company has been made compatible with the New Turkish Lira and such resolution was approved at the Ordinary General Assembly Meeting on April 29, 2005.

Provisions regarding making nominal values of the share certificates of the Company compatible with the New Turkish Lira are regulated in the temporary article of the Company's Articles of Association and such article was approved at the Ordinary General Assembly Meeting on April 29, 2005. The temporary article reads as follows:

"As per the Code numbered 5274 Regarding the Amendment of Turkish Commercial Code, in order to increase the nominal value of the shares to 1.- (One) New Turkish Liras, 1,000 (One thousand) units of shares, each having a nominal value of 1,000.- (One thousand) Turkish Liras shall be merged and 1.- (One) unit of share having a nominal value of 1.- (One) New Turkish Liras shall be issued to represent such shares. Fraction receipt shall be issued for the shares that could not be complemented up to TRY 1. In relation to such change, the shareholders' rights arising out of their shares are reserved. Concerning such transaction, the 1st, 2nd, 3rd and 4th series of share certificates, which represent the existing share capital, shall be merged in the 5th series. In connection with the transactions of share change and merger of series, the shareholders rights arising out of their shares are reserved.

The transactions regarding the change in share certificates shall be commenced by the Board of Directors of the Company after the dematerialization of Capital Markets instruments is put into practice and within the framework of related regulations."

THE BOARD'S DIVIDEND DISTRIBUTION PROPOSAL

In accordance with the Capital Markets Board ("CMB") Communiqué Serial: IV, No.: 27 on "Principles Regarding Distribution of Dividends and Interim Dividends To Be Followed by the Publicly Held Joint Stock Corporations Subject to Capital Market Law", clauses set in the articles of association of our company and the dividend distribution policy that was adopted by our Company, pursuant to the Corporate Governance Principles by the Board of Directors resolution dated November 24, 2004 and numbered 366; the Board of Directors of our Company presents the following dividend distribution proposal, to be evaluated and determined at the Ordinary General Assembly Meeting of our Company which will be held on April 29, 2010.

1. As a result of the activities of our Company, pertaining to the period between January 1, 2009 and December 31, 2009, our Company's profit, calculated according to the consolidated financial statements, which were audited independently in accordance with the Capital Markets Board Communiqué Serial: XI numbered 29, named "Communiqué Regarding the Financial Reporting in Capital Markets" is TRY 2,249,676,225 (approximately US$ 1,467,977,961) and the commercial profit calculated according to the provisions of Turkish Commercial Code is TRY 2,905,002,344 (approximately US$ 1,895,596,962),

2. As the profit driven from the disposal of immovable assets that has been included in the commercial profit of year 2009 has been transferred to a special fund account in the following fiscal year due to 5/e article of Corporate Tax Law and, as to be in accordance with the provisions set in IAS 27 "Consolidated and Separate Financial Statements" profits and losses arisen from the transactions between companies included in consolidated financial statements are eliminated, the mentioned amount is not taken into consideration while determining the basis of dividend distribution,

3. TRY 1,716,713,549 (approximately US$ 1,120,204,600) after tax profit calculated according to the consolidated financial statements shall be taken as the basis for dividend distribution in accordance with the weekly bulletin of CMB dated 25/01/2010-29/01/2010 and numbered 2010/4 and "Guide Of Preparation Dividend Distribution Table For Year 2009" which was published by CMB on January 27, 2010.

4. As the ceiling designated in the Turkish Commercial Code (TCC) for first legal reserve has been reached by our company; no first legal reserve shall be set aside,

5. TRY 1,716,713,549 (approximately US$ 1,120,204,600) is the distributable dividend of the Company, pertaining to year 2009 and TRY 1,724,628,149 (approximately US$ 1,125,369,102) calculated by adding TRY 7,914,600 (approximately US$ 5,164,502), which is the aggregate amount of the donations made during the year, to the above mentioned amount shall be taken as the first dividend basis,

6. In accordance with the provisions declared in Capital Markets Board ("CMB") Communiqué Serial: IV, No.: 27 on "Principles Regarding Distribution of Dividends and Interim Dividends To Be Followed by the Publicly Held Joint Stock Corporations Subject to Capital Market Law", clauses set in the articles of association of our company and the dividend distribution policy that was adopted by our Company with the Board of Directors resolution dated November 24, 2004 and declared to public; TRY 344,925,630 (approximately US$ 225,073,821), which is 20% of the first dividend basis, amounting to TRY 1,724,628,149 (approximately US$ 1,125,369,102) shall be distributed as the first cash dividend and the secondary reserve amounting to TRY 74,925,910 (approximately US$ 48,891,295) shall be separated from the rest of the net distributable current year profit,

a. The total amount of TRY 859,259,101(approximately US$ 560,691,094), which shall be distributed in cash, shall be distributed from extraordinary reserves,

b. As the total amount of TRY 859,259,101 (approximately US$ 560,691,094) as mentioned hereinabove, which shall be distributed in cash, has been obtained by the investment incentive utilized within the scope of the investments made during the period prior to April 24, 2003 and investment allowance withholding has been calculated on the same amount in this regard, it shall be distributed without any withholding tax deductions,

c. In this respect, an amount of TRY 0.3905723 (approximately US$ 0.2548596), net and gross, shall be paid in cash equally, to our shareholders for each share, having a nominal value of TRY 1 (One Turkish Lira),

The aggregate net amount of cash dividend payment shall be TRY 859,259,101 (approximately US$ 560,691,094)

7. TRY 1,641,787,639 (approximately US$ 1,071,313,304) which is the remaining of the current year distributable profit after the cash dividend distribution shall be :

a. Regarded as extraordinary reserves and set aside within the Company,

b. The withholding tax deductions shall be applicable on the amount, which shall be transferred to 2010 financial year as extraordinary reserves, in case such amount shall be subject to redistribution

8. Cash dividend payment to our Company's shareholders, shall commence on 17 May 2010 and shall continue for 15 days in İstanbul Head Office, Çiftehavuzlar, İzmir and Ankara branches of Finans Yatırım Menkul Değerler A.Ş. and also in Central Registry Agency located at Süzer Plaza Askerocağı Cad. No: 15 K: 2 34367 Elmadağ - Şişli İstanbul and shall be made in exchange of the dividend share denominations for year 2009, provided that the physical shares held by the shareholders are registered by the Central Registry Agency and brokerage house authorized for keeping the shares.

THE BOARD

ABSTRACT OF AUDITOR'S REPORT TO GENERAL ASSEMBLY OF TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

Name of the Company	: TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
Headquarters	: İstanbul
Issued Share Capital	: TRY 2,200,000,000
Field of Operations	: Mobile Communication Services
Names, surnames term of duty of auditors whether they are company shareholder and/or employees	: İbrahim Alpay DEMİRTAŞ, Hamit Sedat ERATALAR : 1 (One) Year : Neither is a company shareholder or employee
Number of Board of Directors Meetings Attended, Board of Directors Meetings Held	: Hamit Sedat Eratalar attended 11 ordinary Board of Directors meetings in addition to the extraordinary Board of Directors meetings. İbrahim Alpay Demirtaş attended none. Board of Auditors meetings were held four times.
The scope of the examination performed on the partnership accounts, books and records, the dates of such examination and the conclusions drawn there from	: The quarterly examinations performed on the statutory books and records revealed that they were kept and maintained in an orderly and accurate manner.
The number of counts performed on the Treasury as Required under Article 353.Paragraph 1, Sub clause 3 o The Turkish Commercial Code and the results thereof	: The Treasury was counted four times and it was noted that actual assets and the records were in coherence.
Dates of examinations performed pursuant to Article 353 Paragraph 1, Sub clause 4 of the Turkish Commercial code and the results thereof	: The monthly examinations revealed that securities were complete and coherent with the books and records.
Complaints filed in regards to irregularities and proceedings undertaken in respect thereof	: There were no complaints filed in regards to irregularities.

We have examined the accounts and transactions of Turkcell İletişim Hizmetleri A.Ş. for the period 01.01.2009 - 31.12.2009 pursuant to Turkish Commercial Code, the Company's Articles of Association and other legislation and in accordance with the generally accepted Accounting principles and standards.

In our opinion the accompanying Balance Sheet as of December 31, 2009 reflects the actual financial position of Turkcell İletişim Hizmetleri A.Ş. where as the Income Statement for the 01.01.2009 - 31.12.2009 period fairly and accurately reflect operational results of the Company, and that the proposal for dividend distribution is in line with the pertinent law and the Company's Articles of Association.

We respectfully submit the Balance Sheet and Income Statement for approval and the release of Board of Directors.

Sincerely,

Auditor
İBRAHİM ALPAY DEMİRTAŞ

Auditor
HAMİT SEDAT ERATALAR

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