TURKCELL ILETISIM HIZMETLERI A S
Form 6-K
October 24, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

Report on Form 6-K dated October 24, 2014

Commission File Number: 001-15092

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

Turkcell Plaza
Mesrutiyet Caddesi No. 71
34430 Tepebasi
Istanbul, Turkey

(Address of Principal Executive Offices)

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

Form 20-F Q Form 40-F £

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

Yes £ No Q

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

Yes £ No Q

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

Yes £ No Q

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

Enclosure: A press release dated October 23, 2014 announcing Turkcell's Third Quarter 2014 results.

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Third Quarter 2014 Results

Content

- Please note that all financial data is consolidated and comprises that of Turkcell Iletisim Hizmetleri A.S., (the "Company", or "Turkcell") and its subsidiaries and associates (together referred to as the "Group"). All non-financial data is unconsolidated and comprises Turkcell only figures. The terms "we", "us", and "our" in this press release refer only to the Company, except in discussions of financial data, where such terms refer to the Group, and where context otherwise requires.
- In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for September 30, 2014 refer to the same item as at September 30, 2013. For further details, please refer to our consolidated financial statements and notes as at and for September 30, 2014, which can be accessed on our website in the investor relations section (www.turkcell.com.tr).
- Please note that selected financial information presented in this press release for the third quarter of 2013, and the second and third quarters of 2014, both in TRY and US$, is based on IFRS figures.
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In the tables used in this press release totals may not foot due to rounding differences. The same applies for the calculations in the text.

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HIGHLIGHTS OF THE THIRD QUARTER OF 2014

- Group revenues grew by 6% to TRY3,162 million (TRY2,981 million), driven by higher growth in mobile broadband and fiber broadband revenues.

- Group EBITDA1 rose by 3% to TRY1,050 million (TRY1,016 million), while the EBITDA margin declined by 0.9pp to 33.2% (34.1%). This resulted mainly from increased sales and marketing expenses due to intense competition in the Turkish mobile market, the higher interconnect and network costs of Turkcell Turkey and increased operational expenses of certain subsidiaries.

- Group net income rose by 8% to TRY755 million (TRY699 million).

- Turkcell's mobile business in Turkey recorded revenue growth of 5% to TRY2,477 million (TRY2,365 million) with a 33.5% (34.5%) EBITDA margin.

  - Mobile broadband revenues rose by 38% to TRY530 million (TRY385 million).

  - Voice revenues2 increased by 0.7% to TRY 1,676 million (TRY1,664 million).

- Revenues of subsidiaries3 increased by 11% to TRY685 million (TRY616 million), while EBITDA rose by 11% to TRY222 million (TRY199 million), despite a lower contribution from our Ukrainian business due to further currency devaluation.

COMMENTS FROM CEO, SUREYYA CILIV

"In the third quarter, we recorded our historically highest Group revenue and EBITDA. Consolidated revenues rose 6% to TRY3.2 billion, while EBITDA grew 3% to TRY1.1 billion. Meanwhile, EBIT rose 3% to TRY647 million and net income climbed 8% to TRY755 million.

Turkcell Turkey's mobile business revenues grew by 5%, despite a tough competitive environment. This growth was driven mainly by a 38% rise in mobile broadband revenues and 7% growth in mobile services, whereas messaging declined 27% parallel to industry-wide trends. Turkcell Superonline grew by 38% year on year on the strength of our growing fiber customer base. While Astelit's revenues increased by 16% in local currency terms, they declined by 21% in TRY terms due to 62% devaluation in Ukraine. Overall, the nine-month Group performance was in line with our plans, and we maintain our full year guidance.

As the Turkcell team, our strategic focus is on providing a superior experience with more value and best-in-class service through technology, innovation, and operational excellence. In this respect, the T-50, which launched in July, with its superior quality and affordable price, ranked as the top selling smartphone in Turkey in the third quarter, and was a key contributor in reaching 37% smartphone penetration. Meanwhile, we recently launched our cutting edge TV platform Turkcell TV plus, taking the Turkcell TV service to the next level. We, therefore, continue to increase customer satisfaction through the service we provide and the synergy between our 3G network and fiber infrastructure.

We thank all of our customers, employees, business partners and shareholders for their contribution to our success."

(1) EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.
(2) Voice revenues include outgoing, incoming, roaming and other (comprising almost 1% of Turkcell Turkey) revenues.
(3) Including eliminations.
(*)For further details, please refer to our consolidated financial statements and notes as at and for September 30, 2014 which can be accessed on our web site in the investor relations section (www.turkcell.com.tr).

OVERVIEW OF TURKCELL TURKEY

The third quarter of the year was seasonally favorable with increased customer usage. Meanwhile, aggressively priced offers introduced in the first half continued to be effective throughout the quarter. The competition maintained its primary focus on acquisition offers with high data incentives, leading to increased MNP activity.

In this environment, our continued timely execution resulted in 97 thousand net additions in this quarter together with the positive impact of seasonality. Postpaid subscriber base continued to be our main focus, which expanded by 295 thousand in the third quarter, and by 793 thousand in the first nine months, mainly driven by pre-to-post switches. This focus is marked by the favorable change in our subscriber mix by 3.1pp year-on-year in favor of the postpaid base, which constitutes 42.6% of the total. The strong rise in mobile data usage increased both postpaid ARPU, and prepaid ARPU, resulting in overall 4.8% blended growth, regardless of the dilutive impact of switches.

Smartphones, a key driver of mobile broadband revenues, reached 11.9 million on our network with 923 thousand net quarterly additions, indicating 37% penetration. Our newest T-50 smartphone, the sales of which have exceeded our expectations, has contributed to the notable increase in quarterly net additions compared to the previous quarter. Our "Smartphone Festival" campaign that started in late August was also effective in this rise.

Moreover, we took our Turkcell TV service to the next level and recently launched Turkcell TV+, our cutting-edge TV platform that offers seamless multiple screen experience, 12-hour rewinding and cloud-recording, anytime, anywhere. The synergy between Turkcell's superior 3G technology and Turkcell Superonline's fiber network allows this product to be enjoyed seamlessly on any compatible device, which we believe, will boost customer satisfaction. This platform also enables Turkcell Superonline to offer triple play services.

The overall performance of Turkcell Group in the first nine months has been in line with our plans. Therefore, we maintain our full year guidance* of TRY12,000 million – TRY 12,200 million for revenues, TRY3,700 million – TRY3,800 million for EBITDA and 17% operational capex over sales.

(*) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2013 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

Third Quarter 2014 Results

FINANCIAL AND OPERATIONAL REVIEW OF THE THIRD QUARTER 2014

The following discussion focuses principally on the developments and trends in our business in the third quarter of 2014 in TRY terms. Selected financial information presented in this press release for the third quarter of 2013, and the second and third quarters of 2014, both in TRY and US$, is based on IFRS figures.

Selected financial information for the third quarter of 2013, and the second and third quarters of 2014, both in TRY and in US$ prepared in accordance with IFRS, and in TRY prepared in accordance with the Turkish Accounting Standards, are also included at the end of this press release.

Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Q313	Q214	Q314	y/y %	q/q %
Total Revenue	2,980.7	2,923.0	3,162.2	6.1%	8.2%
Direct cost of revenues1	(1,754.0)	(1,789.2)	(1,880.2)	7.2%	5.1%
Direct cost of revenues1/revenues	(58.8%)	(61.2%)	(59.5%)	(0.7pp)	1.7pp
Depreciation and amortization	(385.6)	(386.2)	(402.9)	4.5%	4.3%
Gross Margin	41.2%	38.8%	40.5%	(0.7pp)	1.7pp
Administrative expenses	(140.4)	(135.8)	(138.0)	(1.7%)	1.6%
Administrative expenses/revenues	(4.7%)	(4.6%)	(4.4%)	0.3pp	0.2pp
Selling and marketing expenses	(455.7)	(477.2)	(496.5)	9.0%	4.0%
Selling and marketing expenses/revenues	(15.3%)	(16.3%)	(15.7%)	(0.4pp)	0.6pp
EBITDA2	1,016.2	907.0	1,050.4	3.4%	15.8%
EBITDA Margin	34.1%	31.0%	33.2%	(0.9pp)	2.2pp
EBIT3	630.6	520.8	647.5	2.7%	24.3%
Net finance income / (expense)	137.5	46.6	142.0	3.3%	204.7%
Finance expense	(46.9)	(211.3)	(83.7)	78.5%	(60.4%)
Finance income	184.4	257.9	225.7	22.4%	(12.5%)
Share of profit of associates	92.9	73.8	66.8	(28.1%)	(9.5%)
Other income / (expense)	(2.2)	(92.0)	17.8	(909.1%)	(119.3%)
Monetary gains / (losses)	30.6	60.0	48.3	57.8%	(19.5%)
Non-controlling interests	(1.4)	49.6	49.0	n.m.	(1.2%)
Income tax expense	(188.9)	(166.5)	(216.4)	14.6%	30.0%
Net Income	699.1	492.3	755.0	8.0%	53.4%

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

Revenue rose by 6.1% to TRY3,162.2 million (TRY2,980.7 million), driven mainly by:

- 14.3% increase in mobile broadband and services revenues in Turkey to TRY800.8 million (TRY700.8 million), comprising 32.3% (29.6%) of mobile business revenues in Turkey.

- 37.8% growth in mobile broadband revenues to TRY530.1 million (TRY384.8 million) with increased smartphone penetration, mobile broadband users and usage amount

- 26.8% decrease in SMS revenues, which continued to be negatively impacted by the industry-wide declining trend in demand, as well as the 20% decreased SMS maximum price following the related ICTA decision in January 2014

- 6.5% rise in mobile services revenues, which is a promising growth business for Turkcell where we are committed to further growth through innovative products

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- Starting from Q314, bulk SMS and one-time password (OTP) revenues, which were recorded under mobile services revenues, have been reclassified under SMS revenues. Furthermore, IFRS adjustments on mobile broadband and services revenues, previously netted-off from mobile services revenues for presentation purposes, will be treated separately going forward. Total mobile broadband and services revenues figures did not change after this reclassification and the change of presentation. The table below presents the breakdown for SMS and mobile services revenues retrospectively, after these changes.

Million TRY	Q113	Q213	Q313	Q413	Q114	Q214	Q314
SMS revenues	206	213	216	203	172	164	158
Mobile services revenues	96	106	104	102	96	100	111

- 11.3% growth in revenues of subsidiaries to TRY685.2 million (TRY615.6 million), constituting 21.7% (20.7%) of the Group top line.

  - 38.2% growth in Turkcell Superonline revenues to TRY327.6 million (TRY237.1 million)

  - 20.9% decline in Astelit revenues to TRY193.9 million (TRY245.0 million)

Direct cost of revenues grew by 7.2% to TRY1,880.2 million (TRY1,754.0 million), while as a percentage of revenues increased to 59.5% (58.8%), driven mainly by the higher interconnect and network costs of Turkcell Turkey and increased operational expenses of certain subsidiaries.

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

Million TRY	Q313	Q214	Q314	y/y %	q/q %
Interconnect revenues	266.7	281.2	300.3	12.6%	6.8%
as a % of revenues	11.3%	12.2%	12.1%	0.8pp	(0.1pp)
Interconnect costs	(249.4)	(262.7)	(278.5)	11.7%	6.0%
as a % of revenues	(10.5%)	(11.4%)	(11.2%)	(0.7pp)	0.2pp

Administrative expenses as a percentage of revenues declined by 0.3pp to 4.4% (4.7%) year-on-year.

Selling and marketing expenses as a percentage of revenues rose by 0.4pp to 15.7% (15.3%) year-on-year due to increased selling expenses (0.4pp) and other cost items (0.3pp), as opposed to decreased marketing expenses (0.3pp).

EBITDA* increased by 3.4% to TRY1,050.4 million (TRY1,016.2 million) year-on-year, while the EBITDA margin was at 33.2% (34.1%). This was driven by the rise in direct cost of revenues (excluding depreciation and amortization) by 0.8pp, and selling and marketing expenses by 0.4pp, as opposed to the decline in administrative expenses by 0.3pp as a percentage of revenues.

The EBITDA of subsidiaries improved by 11.2% to TRY221.8 million (TRY199.4 million) driven mainly by the increased EBITDA of Turkcell Superonline.

Net finance income rose by 3.3% to TRY142.0 million (TRY137.5 million), despite the increased translation loss of TRY54.5 million (TRY27.8 million), which has been compensated for primarily by higher interest income.

Astelit recorded a translation loss of TRY125.0 million due to the devaluation of the UAH against the US$ during the quarter. Meanwhile, BeST recorded a TRY55.4 million translation loss, Turkcell Superonline recorded a TRY32.6 million translation loss and other group companies recorded a TRY8.5 million translation loss. Turkcell Turkey recorded a translation gain of TRY167.0 million.

Share of profit of equity accounted investees declined by 28.1% year-on-year to TRY66.8 million (TRY92.9 million) mainly due to a total non-cash write down of US$36 million in Fintur as a result of the ongoing assessment of its operational assets. The impact of this on our Group financials was TRY33 million on the basis of our 41.45% share of Fintur.

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

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Income tax expense details in Q314 are presented in the table below:

Million TRY	Q313	Q214	Q314	y/y %	q/q %
Current Tax expense	(195.5)	(165.6)	(199.5)	2.0%	20.5%
Deferred Tax Income/expense	6.6	(0.9)	(16.9)	(356.1%)	n.m.
Income Tax expense	(188.9)	(166.5)	(216.4)	14.6%	30.0%

Net income rose by 8.0% to TRY755.0 million (TRY699.1 million) in Q314. This was driven by increased EBITDA, higher interest income, the positive impact of TRY depreciation against USD, and the one-off positive impact of TRY24 million from the A-Tel share sale process, which we announced on August 27, 2014. On the other hand, net income was negatively impacted by the devaluation of UAH against US$ in Ukraine and BYR against US$ in Belarus, in addition to the write down of the operational assets of Fintur.

Total debt as of September 30, 2014 was at TRY3,545.0 million (US$1,555.6 million), which was at TRY3,459.9 million (US$1,629.4 million) as of June 30, 2014 in consolidated terms. The debt balance of Ukraine (including intra-group debt) was TRY1,523.7 million (US$668.6 million), while that of Belarus was TRY1,461.9 million (US$641.5 million), and of Turkcell Superonline was TRY704.9 million (US$309.3 million).

TRY3,003.8 million (US$1,318.1 million) of our consolidated debt is at a floating rate, while TRY2,443.7 million (US$1,072.3 million) will mature within less than a year. (Please note that the figures in parentheses refer to US$ equivalents).

Cash flow analysis: Capital expenditures, including non-operational items, amounted to TRY555.1 million in Q314, of which TRY363.8 million was related to Turkcell Turkey, TRY125.3 million to Turkcell Superonline, TRY36.6 million to Astelit, and TRY9.9 million to BeST. The cash flow item noted as “other” included cash inflows mainly relating to the effects of foreign exchange rate valuation fluctuations on cash and cash equivalents, a decrease in advance payment for capex, TRY92 million in dividends from Fintur and cash outflows due to corporate tax payment and the change in net working capital.

Consolidated Cash Flow (million TRY)	Q313	Q214	Q314
EBITDA1	1,016.2	907.0	1,050.4
LESS:			
Capex and License	(449.0)	(314.0)	(555.1)
Turkcell	(232.4)	(173.9)	(363.8)
Turkcell Superonline	(94.7)	(103.3)	(125.3)
Ukraine2	(56.6)	(12.0)	(36.6)
Investment & Marketable Securities	(8.4)	51.9	(6.4)
Net interest Income/ (expense)	165.3	211.2	196.5
Other	45.2	(967.2)	225.8
Net Change in Debt	(69.0)	38.9	(136.1)
Cash generated	700.3	(72.2)	775.1

Cash balance	7,703.3	7,916.9	8,692.0

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

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Operational Review in Turkey

Summary of Operational data	Q313	Q214	Q314	y/y %	q/q %
Number of total subscribers (million)	35.0	34.6	34.7	(0.9%)	0.3%
Postpaid	13.8	14.5	14.8	7.2%	2.1%
Prepaid	21.2	20.1	19.9	(6.1%)	(1.0%)
ARPU, blended (TRY)	22.7	22.1	23.8	4.8%	7.7%
Postpaid	38.5	36.8	39.4	2.3%	7.1%
Prepaid	12.3	11.8	12.4	0.8%	5.1%
ARPU (Average Monthly Revenue per User), blended (US$)	11.5	10.4	11.1	(3.5%)	6.7%
Postpaid	19.5	17.3	18.3	(6.2%)	5.8%
Prepaid	6.2	5.6	5.8	(6.5%)	3.6%
Churn (%)	6.9%	8.1%	8.2%	1.3pp	0.1pp
MoU (Average Monthly Minutes of usage per subscriber), blended	271.6	279.5	288.0	6.0%	3.0%

Subscribers of our mobile business in Turkey rose by 97 thousand in Q314, despite the prevailing tough competitive environment. Our postpaid subscriber base continued to expand, by 295 thousand, as a result of our continued focus on customer satisfaction and our efforts to switch prepaid to postpaid. The share of our postpaid subscribers in the total subscriber base increased to 42.6% (39.5%).

Churn Rate refers to voluntarily and involuntarily disconnected subscribers. Our churn rate rose to 8.2% (6.9%*) due to increased competition.

ARPU rose by 4.8% to TRY23.8 (TRY22.7) mainly on increased mobile broadband revenues and higher postpaid subscriber base. Meanwhile, postpaid and prepaid ARPU rose by 2.3% and 0.8% year-on-year, respectively, regardless of the dilutive impact of switches.

MoU increased 6.0% year-on-year to 288.0 minutes (271.6 minutes), due to higher incentives and greater package utilization.

OTHER DOMESTIC AND INTERNATIONAL OPERATIONS

Astelit, which generated 6% of Group revenues in Q314, continued to be impacted by the tough macroeconomic and political environment in Ukraine. The local currency devalued by a further 9.6% during the quarter, reaching 62.1% year-to-date. This has led to a 20.9% decline in Astelit’s revenues to TRY193.9 million (TRY245.0 million) and an 18.8% drop in EBITDA to TRY61.2 million (TRY75.4 million). However, operational performance remained solid with 15.5% growth in local currency terms year-on-year on a larger subscriber base. Further, operational profitability increased 0.8pp to 31.6% (30.8%), mainly due to revenue growth.

Astelit's three-month active subscriber base reached 10.6 million on 1.1 million quarterly additions, with the positive impact of seasonality. Blended ARPU (3-month active) increased by 4.1% to UAH37.9 (UAH36.4), the growth of which was limited by the controlled spending behavior of subscribers. The MoU (12-months active) decline of 3.4% to 168.1 minutes (174.0 minutes) resulted mainly from the change in consumer behavior as a consequence of the prevailing macroeconomic environment.

(*) Churn rate in Q313 was impacted by the ICTA decision enabling users of mobile lines without a subscription to register those lines under their names. Each subscription line registered due to this decision had to be recorded as a churn, and also as an acquisition in operators' records. Excluding the impact of this decision, the churn rate would have been 6.7% in Q313.

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With regards to the Crimea region, which accounts for 3.5% of Astelit's revenues for the nine months, in September 2014, Astelit's network experienced cut offs of its fiber optic channels due to circumstances beyond its control. Currently, Astelit has very limited coverage in this region.

Astelit has put all of its efforts into restoring the network, yet, significant challenges remain. We closely monitor the potential consequences of the political ambiguity and related counterparty risks, and meanwhile, continue to evaluate our alternatives in this region. As of 30 September 2014, the net book value of non-current assets of the Group located in the Crimea, which was annexed by the Russian Federation in March 2014, amounts to US$7.2 million.

Astelit*	Q313	Q214	Q314	y/y %	q/q %
Number of subscribers (million)1	12.2	12.7	13.6	11.5%	7.1%
Active (3 months)2	9.4	9.5	10.6	12.8%	11.6%
MoU (minutes) (12 months)	174.0	168.8	168.1	(3.4%)	(0.4%)
ARPU (Average Monthly Revenue per User), blended (US$)	3.5	2.2	2.3	(34.3%)	4.5%
Active (3 months) (US$)	4.6	3.0	3.0	(34.8%)	-
Active (3 months) (UAH)	36.4	34.1	37.9	4.1%	11.1%
Revenue (million UAH)	991.0	961.0	1,144.6	15.5%	19.1%
Revenue (million TRY)	245.0	176.9	193.9	(20.9%)	9.6%
Revenue (million US$)	124.0	83.4	90.3	(27.2%)	8.3%
EBITDA (million UAH)	305.2	277.5	361.7	18.5%	30.3%
EBITDA (million TRY)	75.4	51.1	61.2	(18.8%)	19.8%
EBITDA (million US$)3	38.2	24.1	28.5	(25.4%)	18.3%
EBITDA margin	30.8%	28.9%	31.6%	0.8pp	2.7pp
Net loss (million UAH)	(47.6)	(677.8)	(831.7)	n.m.	22.7%
Net loss (million TRY)	(11.9)	(126.6)	(139.0)	n.m.	9.8%
Net loss (million US$)	(6.0)	(59.4)	(66.8)	n.m.	12.5%
Capex (million UAH)	216.4	75.4	211.0	(2.5%)	179.8%
Capex (million TRY)	56.6	12.0	36.6	(35.3%)	205.0%
Capex (million US$)	27.1	5.9	15.2	(43.9%)	157.6%

(*) Astelit, in which we hold a 55% stake through Euroasia, has operated in Ukraine since February 2005.
(1) We may occasionally offer campaigns and tariff schemes that have an active subscriber life differing from the one that we normally use to deactivate subscribers and calculate churn.
(2) Active subscribers are those who in the past three months made a revenue generating activity.
(3) EBITDA is a non-GAAP financial measurement. See page 12 for the reconciliation of Euroasia's EBITDA to net cash from operating activities. Euroasia holds a 100% stake in Astelit.

Turkcell Superonline continued to deliver a solid financial performance, registering 38.2% revenue growth along with a 51.4% EBITDA increase. The EBITDA margin improved by 2.5pp to 27.8% (25.3%) on the back of growing scale of the business. The recent launch of Turkcell TV+, our cutting-edge TV platform, enables Turkcell Superonline to enhance its strategy through the ability to offer triple play packages.

Turkcell Superonline's total subscriber base (including ADSL subscribers) reached a total of 1.1 million, of which 686 thousand were FTTH subscribers1. Of the 69 thousand total net additions during the quarter, 33 thousand were FTTH subscribers.

Residential segment revenues grew by 54.7%, while corporate segment revenues rose by 32.4% year-on-year with increasing synergies at the Group level. Accordingly, the share of residential and corporate segment revenues in total revenues reached 66% (63%). Meanwhile, the share of non-group revenues reached 76% (74%).

Turkcell Superonline has continued to invest in its fiber network, increasing its home pass2 to 2.0 million.

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Turkcell Superonline (million TRY)*	Q313	Q214	Q314	y/y %	q/q %
Revenue	237.1	309.4	327.6	38.2%	5.9%
Residential	84.8	120.6	131.2	54.7%	8.8%
% of revenues	35.8%	39.0%	40.0%	4.2pp	1.0pp
Corporate	64.8	82.5	85.8	32.4%	4.0%
% of revenues	27.3%	26.7%	26.2%	(1.1pp)	(0.5pp)
Wholesale	87.4	106.3	110.7	26.7%	4.1%
% of revenues	36.9%	34.4%	33.8%	(3.1pp)	(0.6pp)
EBITDA 3	60.1	75.5	91.0	51.4%	20.5%
EBITDA Margin	25.3%	24.4%	27.8%	2.5pp	3.4pp
Capex	94.7	103.3	125.3	32.3%	21.3%
FTTH subscribers	520.6	652.5	685.5	31.7%	5.1%

(*)Turkcell Superonline is our wholly-owned subsidiary, providing fiber broadband.
(1) FTTH subscriber base refers to residential, corporate and wholesale fiber subscribers.
(2) Home passes figure refers to the total of home passes and office passes figures.
(3) EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.

Fintur's subscriber base increased 0.6 million during the quarter. Fintur's consolidated revenues declined by 9.1%, mainly due to the decrease in KCell's revenues on devaluation of the Kazakhstani Tenge (KZT) against the US$. Furthermore, Fintur's contribution to our net income decreased by 37.5% to US$30 million (US$48 million). The asset write-down at Fintur discussed on page 7 was a key factor behind this decrease.

Fintur	Q313	Q214	Q314	y/y %	q/q %
Subscribers (million)	21.5	20.1	20.7	(3.7%)	3.0%
Kazakhstan	14.3	12.9	13.0	(9.1%)	0.8%
Azerbaijan	4.4	4.3	4.5	2.3%	4.7%
Moldova	1.0	1.0	1.1	10.0%	10.0%
Georgia	1.8	1.9	2.0	11.1%	5.3%
Revenue (million US$)	527	468	479	(9.1%)	2.4%
Kazakhstan	319	274	271	(15.0%)	(1.1%)
Azerbaijan	149	144	154	3.4%	6.9%
Moldova	21	18	19	(9.5%)	5.6%
Georgia	38	32	34	(10.5%)	6.3%
Fintur's contribution to Group's net income	48	35	30	(37.5%)	(14.3%)

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

Turkcell Group Subscribers amounted to approximately 71.1 million as of September 30, 2014. This figure is calculated by taking the number of subscribers of Turkcell and each of our subsidiaries, and unconsolidated investees. It includes the total number of mobile subscribers of Turkcell Turkey, Astelit and BeST, as well as of our operations in the Turkish Republic of Northern Cyprus ("Northern Cyprus"), Fintur, and Turkcell Europe. Turkcell Group subscribers increased 1.6 million during the quarter.

Third Quarter 2014 Results

Turkcell Group Subscribers (million)	Q313	Q214	Q314	y/y %	q/q %
Turkcell	35.0	34.6	34.7	(0.9%)	0.3%
Ukraine	12.2	12.7	13.6	11.5%	7.1%
Fintur	21.5	20.1	20.7	(3.7%)	3.0%
Northern Cyprus	0.4	0.4	0.4	-	-
Belarus	1.2	1.3	1.3	8.3%	-
Turkcell Europe	0.4	0.4	0.4	-	-
TURKCELL GROUP	70.7	69.5	71.1	0.6%	2.3%

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

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

	Q313	Q214	Q314	y/y %	q/q %
US$ / TRY rate					
Closing Rate	2.0342	2.1234	2.2789	12.0%	7.3%
Average Rate	1.9782	2.1221	2.1505	8.7%	1.3%
Consumer Price Index (Turkey)	1.0%	2.1%	0.7%	(0.3pp)	(1.4pp)
GDP Growth (Turkey)	4.2%	2.1%	-	-	-
US$ / UAH rate					
Closing Rate	7.99	11.82	12.95	62.1%	9.6%
Average Rate	7.99	11.52	12.70	58.9%	10.2%
US$ / BYR rate					
Closing Rate	9,080	10,200	10,580	16.5%	3.7%
Average Rate	8,935	10,035	10,377	16.1%	3.4%

Third Quarter 2014 Results

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

Turkcell (million US$)	Q313	Q214	Q314	y/y %	q/q %
EBITDA	514.0	427.8	489.1	(4.8%)	14.3%
Income tax expense	(95.4)	(78.5)	(100.5)	5.3%	28.0%
Other operating income / (expense)	(12.1)	(45.1)	8.2	(167.8%)	(118.2%)
Financial income / (expense)	250.9	28.4	1.7	(99.3%)	(94.0%)
Net increase / (decrease) in assets and liabilities	(226.8)	(169.2)	(25.3)	(88.8%)	(85.0%)
Net cash from operating activities	430.6	163.4	373.2	(13.3%)	128.4%

Turkcell Superonline (million TRY)	Q313	Q214	Q314	y/y %	q/q %
EBITDA	60.1	75.5	91.0	51.4%	20.5%
Income tax expense	0.9	(7.9)	(1.0)	(211.1%)	(87.3%)
Other operating income / (expense)	(2.9)	1.7	0.1	(103.4%)	(94.1%)
Financial income / (expense)	(18.9)	5.0	(6.8)	(64.0%)	(236.0%)
Net increase / (decrease) in assets and liabilities	17.9	15.7	12.7	(29.1%)	(19.1%)
Net cash from operating activities	57.1	90.0	96.0	68.1%	6.7%

Euroasia (million US$)	Q313	Q214	Q314	y/y %	q/q %
EBITDA	38.2	24.1	28.5	(25.4%)	18.3%
Other operating income / (expense)	0.2	(0.5)	0.2	-	(140.0%)
Financial income / (expense)	(12.6)	(13.8)	(14.0)	11.1%	1.4%
Net increase / (decrease) in assets and liabilities	17.7	7.7	(4.5)	(125.4%)	(158.4%)
Net cash from operating activities	43.5	17.5	10.2	(76.6%)	(41.7%)

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FORWARD-LOOKING STATEMENTS: This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995. This includes, in particular, our targets for revenue, EBITDA and capex in 2014. More generally, all statements other than statements of historical facts included in this press release, including, without limitation, certain statements regarding our operations, financial position and business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as, among others, “will,” “expect,” “intend,” “estimate,” “believe “continue” and “guidance”.

Although Turkcell believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Annual Report on Form 20-F for 2013 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. We undertake no duty to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

ABOUT TURKCELL: Turkcell is the leading communications and technology company in Turkey, with 34.7 million subscribers as of September 30, 2014. Turkcell is a leading regional player with its approximately 71.1 million subscribers in nine countries as of September 30, 2014. It has become one of the first among the global operators to have implemented HSPA+. It has achieved up to 43.2 Mbps speed using the Dual Carrier technology, and is continuously working to provide the latest technology to its customers. Turkcell Superonline, a wholly owned subsidiary of Turkcell, is the first telecom operator to offer households fiber broadband connection at speeds of up to 1,000 Mbps in Turkey. As of September 2014, Turkcell’s population coverage is at 99.62% in 2G and 88.09% in 3G. Turkcell reported a TRY3.2 billion (US$1.5 billion) revenue with total assets of TRY22.7 billion (US$10.0 billion) as of September 30, 2014. It has been listed on the NYSE and the BIST since July 2000, and is the only NYSE-listed company in Turkey. Read more at www.turkcell.com.tr

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

	Quarter Ended September 30, 2013	Quarter Ended June 30, 2014	Quarter Ended September 30, 2014	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2014
Consolidated Statement of Operations Data					
Revenues					
Communication fees	2,681.8	2,551.8	2,757.5	7,697.5	7,805.3
Commission fees on betting business	52.1	67.1	69.1	157.3	212.4
Monthly fixed fees	18.2	14.4	10.0	57.7	41.1
Simcard sales	8.9	7.0	11.9	22.6	25.4
Call center revenues and other revenues	219.7	282.7	313.7	589.2	856.2
Total revenues	2,980.7	2,923.0	3,162.2	8,524.3	8,940.4
Direct cost of revenues	-1,754.5	-1,788.7	-1,879.0	-5,210.0	-5,408.6
Gross profit	1,226.2	1,134.3	1,283.2	3,314.3	3,531.8
Administrative expenses	-140.4	-135.8	-138.0	-398.3	-415.9
Selling & marketing expenses	-455.7	-477.2	-496.5	-1,333.2	-1,456.8
Other Operating Income / (Expense)	262.5	104.3	424.0	872.6	784.2
Operating profit before financing and investing costs	892.6	625.6	1,072.7	2,455.4	2,443.3
Income from investing activities	6.1	8.0	1.7	21.3	14.6
Expense from investing activities	-10.2	-5.1	-10.2	-42.8	-26.1
Share of profit of equity accounted investees	92.9	73.8	66.8	221.5	214.2
Income before financing costs	981.4	702.3	1,131.0	2,655.4	2,646.0
Finance expense	-123.1	-152.8	-255.6	-468.3	-965.1
Monetary gain/(loss)	30.6	60.0	48.3	104.4	172.8
Income before tax and non-controlling interest	888.9	609.5	923.7	2,291.5	1,853.7
Income tax expense	-188.9	-166.4	-217.0	-472.4	-544.0
Income before non-controlling interest	700.0	443.1	706.7	1,819.1	1,309.7
Non-controlling interest	-1.4	49.6	49.0	4.5	299.3
Net income	698.6	492.7	755.7	1,823.6	1,609.0

Net income per share	0.32	0.22	0.34	0.83	0.73
Other Financial Data					
Gross margin	41.1 %	38.8 %	40.6 %	38.9 %	39.5 %
EBITDA(*)	1,016.2	907.0	1,050.4	2,693.0	2,844.7
Capital expenditures	449.0	314.0	555.1	1,003.8	1,209.5
Consolidated Balance Sheet Data (at period end)					
Cash and cash equivalents	7,703.3	7,916.9	8,692.0	7,703.3	8,692.0
Total assets	20,433.4	21,740.1	22,673.4	20,433.4	22,673.4
Long term debt	1,437.5	1,111.6	1,101.3	1,437.5	1,101.3
Total debt	3,205.4	3,459.9	3,545.0	3,205.4	3,545.0
Total liabilities	6,028.5	6,217.6	6,472.5	6,028.5	6,472.5
Total shareholders' equity / Net Assets	14,404.9	15,522.5	16,200.9	14,404.9	16,200.9

** For further details, please refer to our consolidated financial statements and notes as at 30 September 2014 on our web site.

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

	Quarter Ended September 30, 2013	Quarter Ended June 30, 2014	Quarter Ended September 30, 2014	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2014
Consolidated Statement of Operations Data					
Revenues					
Communication fees	2,681.8	2,551.8	2,757.5	7,697.5	7,805.3
Commission fees on betting business	52.1	67.1	69.1	157.3	212.4
Monthly fixed fees	18.2	14.4	10.0	57.7	41.1
Simcard sales	8.9	7.0	11.9	22.6	25.4
Call center revenues and other revenues	219.7	282.7	313.7	589.2	856.2
Total revenues	2,980.7	2,923.0	3,162.2	8,524.3	8,940.4
Direct cost of revenues	-1,754.0	-1,789.2	-1,880.2	-5,212.6	-5,411.7
Gross profit	1,226.7	1,133.8	1,282.0	3,311.7	3,528.7
Administrative expenses	-140.4	-135.8	-138.0	-398.3	-415.9
Selling & marketing expenses	-455.7	-477.2	-496.5	-1,333.2	-1,456.8
Other Operating Income / (Expense)	-2.2	-92.0	17.8	-23.3	-77.7
Operating profit before financing costs	628.4	428.8	665.3	1,556.9	1,578.3
Finance costs	-46.9	-211.3	-83.7	-114.9	-846.9
Finance income	184.4	257.9	225.7	520.5	732.2
Monetary gain/(loss)	30.6	60.0	48.3	104.4	172.8
Share of profit of equity accounted investees	92.9	73.8	66.8	221.5	214.2
Income before taxes and minority interest	889.4	609.2	922.4	2,288.4	1,850.6
Income tax expense	-188.9	-166.5	-216.4	-471.9	-543.1
Income before minority interest	700.5	442.7	706.0	1,816.5	1,307.5
Non-controlling interests	-1.4	49.6	49.0	4.5	299.3
Net income	699.1	492.3	755.0	1,821.0	1,606.8
Net income per share	0.32	0.22	0.34	0.83	0.73
Other Financial Data					
Gross margin	41.2 %	38.8 %	40.5 %	38.9 %	39.5 %
EBITDA(*)	1,016.2	907.0	1,050.4	2,693.0	2,844.7
Capital expenditures	449.0	314.0	555.1	1,003.8	1,209.5
Consolidated Balance Sheet Data (at period end)					
Cash and cash equivalents	7,703.3	7,916.9	8,692.0	7,703.3	8,692.0
Total assets	20,464.7	21,767.2	22,699.3	20,464.7	22,699.3

Long term debt	1,437.5	1,111.6	1,101.3	1,437.5	1,101.3
Total debt	3,205.4	3,459.9	3,545.0	3,205.4	3,545.0
Total liabilities	6,033.7	6,221.8	6,476.3	6,033.7	6,476.3
Total shareholders' equity / Net Assets	14,431.0	15,545.4	16,223.0	14,431.0	16,223.0

** For further details, please refer to our consolidated financial statements and notes as at 30 September 2014 on our web site.

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

	Quarter Ended September 30, 2013	Quarter Ended June 30, 2014	Quarter Ended September 30, 2014	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2014
Consolidated Statement of Operations Data					
Revenues					
Communication fees	1,355.2	1,203.5	1,280.6	4,117.0	3,606.6
Commission fees on betting business	26.2	31.5	32.1	84.4	97.9
Monthly fixed fees	9.2	6.8	4.6	31.0	18.9
Simcard sales	4.4	3.3	5.6	12.0	11.8
Call center revenues and other revenues	110.4	133.6	144.7	313.4	395.1
Total revenues	1,505.4	1,378.7	1,467.6	4,557.8	4,130.3
Direct cost of revenues	-884.2	-843.9	-870.4	-2,787.7	-2,497.9
Gross profit	621.2	534.8	597.2	1,770.1	1,632.4
Administrative expenses	-70.6	-64.1	-63.6	-212.5	-191.6
Selling & marketing expenses	-230.2	-225.0	-230.3	-713.4	-672.4
Other Operating Income / (Expense)	-1.2	-43.3	8.7	-12.3	-36.1
Operating profit before financing costs	319.2	202.4	312.0	831.9	732.3
Finance costs	-20.2	-99.7	-37.6	-56.4	-383.9
Finance income	92.2	121.1	105.8	278.1	338.6
Monetary gain/(loss)	13.0	29.2	17.1	51.3	75.8
Share of profit of equity accounted investees	47.3	34.8	31.4	118.0	99.3
Income before taxes and minority interest	451.5	287.8	428.7	1,222.9	862.1
Income tax expense	-95.4	-78.5	-100.5	-251.3	-251.1
Income before minority interest	356.1	209.3	328.2	971.6	611.0
Non-controlling interests	-0.7	23.2	23.8	2.6	136.4
Net income	355.4	232.5	352.0	974.2	747.4
Net income per share	0.16	0.11	0.16	0.44	0.34
Other Financial Data					
Gross margin	41.3 %	38.8 %	40.7 %	38.8 %	39.5 %
EBITDA(*)	514.0	427.8	489.1	1,437.6	1,316.1
Capital expenditures	205.3	152.8	222.5	493.5	530.7
Consolidated Balance Sheet Data (at period end)					
Cash and cash equivalents	3,786.9	3,728.4	3,814.1	3,786.9	3,814.1
Total assets	10,060.3	10,251.1	9,960.6	10,060.3	9,960.6

Long term debt	706.7	523.5	483.3	706.7	483.3
Total debt	1,575.7	1,629.4	1,555.6	1,575.7	1,555.6
Total liabilities	2,966.1	2,930.1	2,841.8	2,966.1	2,841.8
Total equity	7,094.2	7,321.0	7,118.8	7,094.2	7,118.8

* Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 11
** For further details, please refer to our consolidated financial statements and notes as at 30 September 2014 on our web site.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

	Note	30 September 2014	31 December 2013
Assets			
Property, plant and equipment	10	2,486,137	2,747,813
Intangible assets	11	1,002,392	1,106,871
GSM and other telecommunication operating licenses		455,990	522,065
Computer software		503,870	544,140
Other intangible assets		42,532	40,666
Investment properties		6,976	7,639
Investments in equity accounted investees	12	249,879	250,959
Other investments		-	3,851
Other non-current assets		192,925	117,968
Trade receivables	13	297,024	247,823
Deferred tax assets		30,791	34,333
Total non-current assets		4,266,124	4,517,257
Inventories		29,289	32,845
Other investments		16,857	27,028
Due from related parties	22	11,995	10,012
Trade receivables and accrued income	13	1,466,910	1,294,636
Other current assets	14	355,336	282,152
Cash and cash equivalents	15	3,814,120	3,808,708
Total current assets		5,694,507	5,455,381
Total assets		9,960,631	9,972,638
Equity			
Share capital		1,636,204	1,636,204
Share premium		434	434
Capital contributions		22,772	22,772
Reserves		(3,574,769)	(3,105,434)
Retained earnings		9,182,301	8,435,045

Total equity attributable to equity holders of Turkcell Iletisim Hizmetleri AS		7,266,942	6,989,021
Non-controlling interests		(148,145)	(85,055)
Total equity		7,118,797	6,903,966
Liabilities			
Loans and borrowings	18	483,254	716,150
Employee benefits		39,916	38,709
Provisions		125,766	135,524
Other non-current liabilities		139,527	127,669
Deferred tax liabilities		22,941	30,751
Total non-current liabilities		811,404	1,048,803
Bank overdraft	15	-	237
Loans and borrowings	18	1,072,847	846,245
Income taxes payable		82,187	65,074
Trade and other payables		735,527	891,515
Due to related parties	22	18,803	42,278
Deferred income		76,400	92,221
Provisions		44,666	82,299
Total current liabilities		2,030,430	2,019,869
Total liabilities		2,841,834	3,068,672
Total equity and liabilities		9,960,631	9,972,638

The notes on page 7 to 90 are an integral part of these condensed interim consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

	Note	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Three months ended 30 September 2014	Three months ended 30 September 2013
Revenue		4,130,301	4,557,817	1,467,643	1,505,458
Direct costs of revenue		(2,497,895)	(2,787,691)	(870,385)	(884,221)
Gross profit		1,632,406	1,770,126	597,258	621,237
Other income		19,759	11,405	12,508	3,273
Selling and marketing expenses		(672,366)	(713,444)	(230,232)	(230,209)
Administrative expenses		(191,620)	(212,546)	(63,609)	(70,646)
Other expenses		(55,906)	(23,606)	(3,990)	(4,387)
Results from operating activities		732,273	831,935	311,935	319,268
Finance income	7	338,600	278,095	105,744	92,278
Finance costs	7	(383,873)	(56,373)	(37,605)	(20,197)
Net finance income / (expense)		(45,273)	221,722	68,139	72,081
Monetary gain		75,817	51,309	17,167	12,984
Share of profit of equity accounted investees	12	99,304	117,965	31,443	47,234
Profit before income tax		862,121	1,222,931	428,684	451,567
Income tax expense	8	(251,146)	(251,351)	(100,505)	(95,461)
Profit for the period		610,975	971,580	328,179	356,106
Profit / (loss) attributable to:					
Owners of Turkcell Iletisim Hizmetleri AS		747,399	974,203	351,964	355,394
Non-controlling interest		(136,424)	(2,623)	(23,785)	712
Profit for the period		610,975	971,580	328,179	356,106
Basic and diluted earnings per share (in full USD)	17	0.34	0.44	0.16	0.16

The notes on page 7 to 90 are an integral part of these condensed interim consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

	Nine months ended		Three months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Profit for the period	610,975	971,580	328,179	356,106
Other comprehensive income / (expense):				
Items that will not be reclassified to profit or loss:				
Foreign currency translation differences	(475,168)	(964,362)	(511,133)	(399,626)
Actuarial gain / (loss) arising from employee benefits	(182)	(73)	123	(60)
Tax effect of actuarial gain/ (loss) from employee benefits	39	14	(13)	11
	(475,311)	(964,421)	(511,023)	(399,675)
Items that will or may be reclassified subsequently to profit or loss:				
Change in cash flow hedge reserve	541	262	216	95
Foreign currency translation differences	94,515	(89,064)	(33,424)	(25,339)
Share of foreign currency translation differences of the equity accounted investees	(14,174)	15,761	14,602	5,574
Tax effect of foreign currency translation differences	709	(789)	(730)	(279)
	81,591	(73,830)	(19,336)	(19,949)
Other comprehensive income / (expense) for the period, net of income tax	(393,720)	(1,038,251)	(530,359)	(419,624)
Total comprehensive income / (expense) for the period	217,255	(66,671)	(202,180)	(63,518)
Total comprehensive income / (expense) attributable to:				
Owners of Turkcell Iletisim Hizmetleri AS	277,921	(58,913)	(192,284)	(62,101)

Non-controlling interests	(60,666)	(7,758)	(9,896)	(1,417)
Total comprehensive income / (expense) for the period	217,255	(66,671)	(202,180)	(63,518)

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The notes on page 7 to 90 are an integral part of these condensed interim consolidated financial statements.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

	Attributable to equity holders of the Company									
	Share Capital	Capital Contribution	Share Premium	Legal Reserves	Cash Flow Hedge Reserves	Reserve for Non-Controlling Interest Put Option	Translation Reserve	Retained Earnings	Total	Non- Intere
Balance at 1 January 2013	1,636,204	22,772	434	534,962	(1,319)	(258,695)	(1,903,058)	7,207,563	7,238,863	(78,
Total comprehensive income/(expense)										
Profit/(loss) for the period	-	-	-	-	-	-	-	974,203	974,203	(2,6
Other comprehensive income/(expense)										
Foreign currency translation differences, net of tax	-	-	-	-	-	(10,011)	(1,023,308)	-	(1,033,319)	(5,1
Defined benefit plan actuarial loss, net of tax	-	-	-	-	-	-	-	(59)	(59)	-
Change in cash flow hedge reserve	-	-	-	-	262	-	-	-	262	-
Total other comprehensive income/(expense)	-	-	-	-	262	(10,011)	(1,023,308)	(59)	(1,033,116)	(5,1
Total comprehensive income/(expense)	-	-	-	-	262	(10,011)	(1,023,308)	974,144	(58,913)	(7,7

Change in non-controlling interests	-	-	-	-	-	-	-	-	-	745
Balance at 30 September 2013	1,636,204	22,772	434	534,962	(1,057)	(268,706)	(2,926,366)	8,181,707	7,179,950	(85,7
Total comprehensive income/(expense)										
Profit for the period	-	-	-	-	-	-	-	253,985	253,985	3,89
Other comprehensive income/(expense)										
Foreign currency translation differences, net of tax	-	-	-	-	-	(3,326)	(358,821)	-	(362,147)	(2,0
Defined benefit plan actuarial gains, net of tax	-	-	-	-	-	-	-	2,055	2,055	-
Change in cash flow hedge reserve	-	-	-	-	209	-	-	-	209	-
Total other comprehensive income/(expense), net of tax	-	-	-	-	209	(3,326)	(358,821)	2,055	(359,883)	(2,0
Total comprehensive income/(expense)	-	-	-	-	209	(3,326)	(358,821)	256,040	(105,898)	1,87
Transfers from legal reserves	-	-	-	2,702	-	-	-	(2,702)	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(490
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(711
Change in reserve for non-controlling interest put option	-	-	-	-	-	(85,031)	-	-	(85,031)	-
Balance at 31 December 2013	1,636,204	22,772	434	537,664	(848)	(357,063)	(3,285,187)	8,435,045	6,989,021	(85,0
Balance at 1 January 2014	1,636,204	22,772	434	537,664	(848)	(357,063)	(3,285,187)	8,435,045	6,989,021	(85,0
Total comprehensive income/(expense)										
Profit/(loss) for the period	-	-	-	-	-	-	-	747,399	747,399	(136
Other comprehensive income/(expense)										

Foreign currency translation differences, net of tax	-	-	-	-	-	(4,290)	(465,586)	-	(469,876)	75,7
Defined benefit plan actuarial loss, net of tax	-	-	-	-	-	-	-	(143)	(143)	-
Change in cash flow hedge reserve	-	-	-	-	541	-	-	-	541	-
Total other comprehensive income/(expense)	-	-	-	-	541	(4,290)	(465,586)	(143)	(469,478)	75,7
Total comprehensive income/(expense)	-	-	-	-	541	(4,290)	(465,586)	747,256	277,921	(60,
Dividend paid (Note 16)	-	-	-	-	-	-	-	-	-	(2,4
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	6
Balance at 30 September 2014	1,636,204	22,772	434	537,664	(307)	(361,353)	(3,750,773)	9,182,301	7,266,942	(148

The notes on page 7 to 90 are an integral part of these condensed interim consolidated financial statements.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

		Nine months ended 30 September	
	Note	2014	2013
Cash flows from operating activities			
Profit for the period		610,975	971,580
Adjustments for:			
Depreciation and impairment of fixed assets and investment property	10	387,113	422,603
Amortization of intangible assets	11	160,600	170,901
Net finance income		(304,236)	(253,114)
Income tax expense		251,146	251,351
Share of profit of equity accounted investees	12	(108,140)	(117,965)
Gain on sale of property, plant and equipment		(2,906)	(4,593)
Unrealized foreign exchange and monetary gains / losses		211,443	(208,316)
Allowance for trade receivables and due from related parties	19	54,014	56,478
Negative goodwill		(952)	(96)
Deferred income		(7,594)	9,297
Impairment losses on other non-current investments		-	14,937
Reversal of provision for equity accounted investees		(8,835)	-
Loss on sale of A-Tel		416	-
		1,243,044	1,313,063
Change in trade receivables	13	(351,740)	(341,121)
Change in due from related parties	22	(2,403)	(6,413)
Change in inventories		1,473	12,572
Change in other current assets	14	(90,512)	(82,708)
Change in other non-current assets		7,709	(7,081)
Change in due to related parties	22	11,121	(4,591)
Change in trade and other payables		(114,634)	(92,349)
Change in other non-current liabilities		6,666	15,569
Change in employee benefits		3,484	3,127
Change in provisions		(34,176)	(21,308)
		680,032	788,760
Interest paid		(33,516)	(46,180)

Income tax paid		(231,964)	(238,680)
Dividends received		44,103	41,347
Net cash used in operating activities		458,655	545,247
Cash flows from investing activities			
Acquisition of property, plant and equipment	10	(410,716)	(366,480)
Acquisition of intangible assets	11	(118,049)	(122,187)
Proceeds from sale of property, plant and equipment		8,538	6,165
Proceeds from currency option contracts		1,274	484
Payment of currency option contracts premium		(15)	(106)
Change in financial assets		12,812	(9,739)
Acquisition of subsidiaries, net of cash acquired		(12,747)	(309)
Proceeds from sale of A-Tel		275	-
Interest received		327,164	264,435
Advances paid for acquisition of property, plant and equipment		(87,787)	-
Net cash (used in) investing activities		(279,251)	(227,737)
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings		1,239,483	576,520
Repayment of borrowings		(1,236,626)	(689,822)
Change in non-controlling interest		6	745
Dividends paid		(2,430)	-
Net cash generated by / (used in) financing activities		433	(112,557)
Net (decrease) in cash and cash equivalents		179,837	204,953
Cash and cash equivalents at 1 January	15	3,808,471	3,926,215
Effects of foreign exchange rate fluctuations on cash and cash equivalents		(174,188)	(344,316)
Cash and cash equivalents at 30 September	15	3,814,120	3,786,852

The notes on page 7 to 90 are an integral part of these condensed interim consolidated financial statements.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

Notes to the consolidated financial statements

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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1. Reporting entity

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

The condensed interim consolidated financial statements of the Company as at and for the nine months ended 30 September 2014 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in one associate and one joint venture.

The consolidated financial statements of the Company as at and for the year ended 31 December 2013 are available upon request from the Company's registered office at Turkcell Plaza, Mesrutiyet Caddesi No: 71, 34430 Tepebasi / Istanbul or at www.turkcell.com.tr.

2. Basis of preparation

The same accounting policies, presentation and methods of computation have been followed in these condensed interim consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements as at and for the year ended 31 December 2013 other than the adoption of the following new standards or amendments to the standards which are effective for the annual periods on or after 1 January 2014.

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

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

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

(The Group's audited consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 were approved by the Audit Committee and the Board of Directors (Board Resolution dated 23 February 2011 and numbered 797, dated 22 February 2012 and numbered 908, dated 21 February 2013 and numbered 1019 and dated 19 February 2014 and numbered 1106, respectively). However, consolidated financial statements prepared as at and for the year ended 31 December 2010 were not approved by the General Assemblies on 21 April 2011, 11 August 2011 and 12 October 2011. The General Assemblies on 29 June 2012, 22 May 2013, 24 June 2013 and 29 May 2014 could not convene since the quorum required had not been reached and the consolidated financial statements prepared as at and for the year ended 31 December 2010, 2011, 2012 and 2013 could not be presented for approval.)

2. Basis of preparation (continued)

The Group's condensed interim consolidated financial statements as at and for the period ended 30 September 2014 were approved by the Board of Directors on 23 October 2014.

3. Significant accounting policies

a) Comparative information and revision of prior period financial statements

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

b) New and Revised International Financial Reporting Standards

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

None.

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

Amendments to IFRS 10, 11, IAS 27	Investment Entities1
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities1
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets1
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting1
IFRIC 21	Levies1

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

Amendments to IFRS 10, 11, IAS 27 Investment Entities

This amendment with the additional provisions of IFRS 10 provide "investment entities" (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

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

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of IFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of IAS 36 have been changed.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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3. Significant accounting policies (continued)

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

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

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment to IAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

IFRIC 21 Levies

IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

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

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

IFRS 9	Financial Instruments
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions 1
Annual Improvements to 2010-2012 Cycle	IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24 1
Annual Improvements to 2011-2013 Cycle	IFRS 1, IFRS 3, IFRS 13, IAS 40 1
IFRS 14	Regulatory Deferral Accounts 2
Amendments to IFRS 11	Accounting for Acquisition of Interests in Joint operations 2
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation 2

Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants 2
IFRS 15	Revenue from Contracts with Customers 4
Amendments to IAS 27	Equity Method in Separate Financial Statements 2
Amendments to IAS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 2
Annual Improvements to 2012-2014 Cycle	IFRS 5, IFRS 7, IAS 9, IAS 34 3

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 July 2016.
4 Effective for annual periods beginning on or after 1 January 2017.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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3. Significant accounting policies (continued)

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

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

IFRS 9 Financial Instruments

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

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

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

Annual Improvements to 2010 - 2012 Cycle

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

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

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

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

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

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

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

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3. Significant accounting policies (continued)

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

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

Annual Improvements to 2011 - 2013 Cycle

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

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

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

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

IFRS 14 Regulatory Deferral Accounts

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

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

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

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

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

- disclose the information required by IFRS 3 and other IFRSs for business combinations.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine months ended 30 September 2014
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3. Significant accounting policies (continued)

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

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

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

This amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

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

IFRS 15 Revenue from Contracts with Customers

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

The five steps in the model are as follows:

- Identify the contract with the customer,

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

Amendments to IAS 27 Equity Method in Separate Financial Statements

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

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3. Significant accounting policies (continued)

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

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

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

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

Annual Improvements 2012-2014 Cycle

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

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

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

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

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

4. Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty
Belarus
Following severe balance of payments crisis in 2011, the economic data indicates that the Belarusian economy stabilized. This reflected the authorities' tightening of economic policies in late 2011 that was successful in reducing

inflation and stabilizing the foreign exchange market. However, Belarusian economy grew only 1.5% in 2012 as the authorities failed to capitalize on improved competitiveness after the sharp currency depreciation in 2011. In 2013, the Belarusian economy could not achieve the desired growth level too and growth rate remained at 0.9%. In the first quarter of 2014, the economy has continued to grow moderately and has grown 0.7%.

On the positive side, inflation fell sharply from over 100% at the end of 2011 to almost 16.5% in 2013. National Bank of the Republic Belarus ("NBRB") gradually decreased the refinancing rate by 6.5 percentage points during 2013, from 30% to 23.5% per annum. Rate cut cycle continued in 2014 and refinancing rate was decreased by 0.5 percentage points to 20.0% in August 2014. This was the fourth rate cut this year, bringing the total amount of easing to 10 percentage points since the beginning of 2013. As of September 2014, the inflation rate stood at 20.1% for the last twelve months. Inflationary pressure remains elevated.

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

Key sources of estimation uncertainty (continued)

Belarus (continued)

NBRB has stabilized foreign exchange market with the help of a "managed float" exchange policy. There has been continuous upward movement in BYR/USD exchange rate in 2014. The total value of depreciation in BYR against USD has exceeded 10% as of 30 September 2014.

As the cumulative inflation in the last three years exceeded 100% as of 31 December 2011, Belarus was considered as a hyperinflationary economy. In this context, IAS 29 is applied by subsidiaries operating in Belarus in financial statements starting from their annual financial statements for the year ending 31 December 2011.

Although downside economic risks have been reduced, macroeconomic stability is still fragile. External vulnerability is still a concern and next year's financing picture remains challenging due to heavy debt redemption schedule and strong domestic demand keeping current account deficit wide. Given Belarus record low level of foreign currency reserves coupled with the high debt repayments and the current account deficit, these factors create devalutionary and inflationary pressure.

Ukraine

Ukraine continues to struggle economically while the political uncertainty with Russia continues. Even though the latest International Monetary Fund ("IMF") aid package and approximately EUR 1 million financial aid from EU have resulted in an increase in FX reserves, the economy continues to remain fragile due to increasing tensions with Russia and pro-Russian activists in eastern side of Ukraine, increasing taxes and gas prices. Annual growth as of 2014 second quarter end came in to -4.6% while the latest IMF forecasts for 2014 and 2015 GDP growth to be at (6.5)% and (1)% respectively. Inflation as of 2014 September end was revealed at 17.5% where again the latest IMF forecasts give 2014 and 2015 as 19% and 9% respectively.

The National Bank of Ukraine ("NBU") began implementing a free float regime for the UAH as of February 2014 in order to stop its foreign exchange reserves eroding further from their recent record low levels of USD 15 million. This low level of foreign exchange reserves implies a higher vulnerability to shocks and greater risks to market expectations. Upon beginning to free float, the UAH depreciated to record high levels of 14.40 and as of 30 September 2014 stands at 12.95. The UAH has lost 62% of its value in the first three quarters of 2014. In order to stem further loss in the currency, the NBU hiked its policy rate from 6.5% to 9.5% on 15 April 2014 and from 9.5% to 12.5% on 18 July 2014, the largest rate hike Ukraine has seen since the Russian moratorium in 1998. In addition to these, when the conditions of the IMF deal and political tensions with Russia are also factored in, negative growth, higher inflation and further depreciation of the currency may be expected.

The latest situation as of 30 September 2014 between Ukraine and Russia is that major cities in the eastern region of Ukraine such as Donetsk and Luhansk continue to demand separation similar to the one held in Crimea which eventually resulted in the peninsula's annexation by Russia. Presidential elections will be held on 26 October 2014 in Ukraine. Both the U.S. and E.U. continue to support Ukraine against Russia and increased trade relations especially with the EU are being discussed despite Russian opposition.

The potential consequences of the political ambiguity and related counterparty risks are being closely monitored.

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

Key sources of estimation uncertainty (continued)

Ukraine (continued)

As of 30 September 2014, the net book value of non-current assets of the Group located in the Crimea which was annexed by the Russian Federation in March 2014, Donetsk and Luhansk amounts to $7,151, $18,761 and $2,837, respectively.

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

Consequently, the subsidiaries operating within Belarus and Ukraine may subject to the risks, i.e. foreign currency and interest rate risks related to borrowings and the subscriber's purchasing power and liquidity and increase in corporate and personal insolvencies, that may not necessarily be observable in other markets. The accompanying condensed interim consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries operating in Belarus and Ukraine. The future economic situation of Belarus and Ukraine might differ from the Group's expectations. As of 30 September 2014, the Group's management believes that their approach is appropriate in taking all the necessary measures to support the sustainability of these subsidiaries' businesses in the current circumstances.

5. Operating Segments

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

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

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

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

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

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5. Operating segments (continued)

	Nine months ended 30 September									
	Turkcell		Euroasia		Belarusian Telecom		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	20
Total external revenues	3,204,937	3,662,741	270,628	333,280	53,220	51,923	601,516	509,873	4,130,301	4,55
Intersegment revenue	21,534	23,322	2,030	2,313	81	65	352,148	327,194	375,793	352,
Reportable segment adjusted EBITDA	1,019,870	1,154,127	84,131	101,966	867	809	225,396	200,744	1,330,264	1,45
Finance income	311,405	263,107	942	2,340	3,422	4,023	59,772	42,746	375,541	312,
Finance cost	60,213	52,796	(360,707)	(46,880)	(97,939)	(66,429)	(49,673)	(70,260)	(448,106)	(130
Monetary gain	-	-	-	-	75,658	51,246	159	63	75,817	51,3
Depreciation and amortization	(347,575)	(370,210)	(64,111)	(89,084)	(23,811)	(28,288)	(129,533)	(123,618)	(565,030)	(611
Share of profit of equity accounted investees	-	-	-	-	-	-	99,304	117,965	99,304	