TURKCELL ILETISIM HIZMETLERI A S
Form 6-K
May 07, 2010

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

May 7, 2010

Commission File Number 001-15092

TURKCELL ILETISIM HIZMETLERI A.S.
(Translation of registrant’s name into English)

Turkcell Plaza
Mesrutiyet Caddesi No. 153
34430 Tepebasi
Istanbul, Turkey
(Address of Principal Executive Offices)

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

Form 20-F x Form 40-F o

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 o No x

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 o No x

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 o No x

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 May 5, 2010 announcing Turkcell's First Quarter 2010 results.

PRESS RELEASE

First Quarter 2010 Results

TURKCELL ILETISIM HIZMETLERI A.S.
FIRST QUARTER 2010 RESULTS

Maintaining Market Leader Position
Despite Challenges

Istanbul, Turkey, May 5, 2010 – Turkcell (NYSE:TKC, ISE:TCELL), the leading communications and technology company in Turkey, today announced results for the first quarter ended March 31, 2010. All financial results in this press release are unaudited and prepared in accordance with International Financial Reporting Standards ("IFRS") and expressed in TRY and US$.

Please note that all financial data is consolidated and comprises Turkcell Iletisim Hizmetleri A.S., (the "Company", or "Turkcell") and its subsidiaries and its associates (together referred to as the "Group"). All non-financial data is unconsolidated and comprises Turkcell only. 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.

First Quarter 2010 Results

Highlights of the quarter

- Group revenue grew by 6.9% to TRY2,249 million (TRY2,103 million) compared to the same period in 2009, driven by Turkcell Turkey and by subsidiaries' contribution except for Inteltek.

a. Turkcell Turkey grew its revenues by 7.6% to TRY2,016.3 million (TRY1,873.1 million), reflecting growing usage, increasing contribution from mobile data and higher interconnect revenue. Blended average revenue per user ("ARPU") increased by 13.5% to TRY19.4 (TRY17.1) compared to Q1 2009.

b. Turkcell's Superonline business continued to grow, increasing revenues by 61.8 % to TRY71 million (TRY43.9 million) and improving its EBITDA margin.

c. Group revenues were negatively impacted by Inteltek, revenues of which decreased by 73.4 % to TRY11.0 million (TRY41 million) on the back of lower commission rates under its new contract.

- Group EBITDA* declined by 8.1% to TRY711.3 million (TRY773. 6 million), while the EBITDA margin was 31.6%, representing a 5.2 percentage point decrease year-on-year mainly due to increasing interconnection costs.

- Group net income decreased by 25.8 % year-on-year to TRY417.6 (TRY562. 6 million)

- Turkcell's Annual General Meeting has approved the distribution of TRY859.3 million (approximately $573.5 million as of April 29, 2010) as cash dividends representing a net and gross cash dividend of TRY0.39 (approximately US$0.26 as of April 29, 2010) per ordinary share and approximately TRY0.98 (approximately $0.65 as of April 29, 2010) per ADR.

*EBITDA is a non-GAAP financial measure. See pages 12-13 for the reconciliation of EBITDA to net cash from operating activities.
**In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for March 31, 2010 refer to the same item as at March 31, 2009. For further details, please refer to our consolidated financial statements and notes as at and for March 31, 2009 which can be accessed via our web site in the investor relations section (www.turkcell.com.tr).
**Please note that the Communication and Technologies Authority in Turkey is referred to as "the Telecommunications Authority" herein.

Comments from the CEO, Sureyya Ciliv

In the first quarter of 2010, Turkcell Group revenues increased to TRY2.25 billion with EBITDA of TRY711.3 million and net income of TRY417.6 million. Turkcell Group achieved revenue growth of 7 % driven by our strong performance in the Turkish mobile market and a gradual macroeconomic recovery in our key markets.

In the Turkish market, we have adapted to critical changes mainly characterized by lower interconnection rates and maximum price cap levels and have also prepared for the transition to TRY-based pricing from counter based pricing for our prepaid subscribers, all of which came into effect as of April 1, 2010. We believe that we have ensured a smooth and transparent transition through these changes by redesigning our tariffs and offers with an emphasis on achieving an optimum balance between our revenue growth and customer expectations.

In Turkey, despite market challenges, our market leader position remains unchanged and we remain as confident as ever to continue to lead the mobile market. For this purpose, we will continue to undertake major investments in our 3G and fixed fiber backbone networks in 2010. We believe these investments are vital to continue to win against competition and create future value for our shareholders.

As always, our people remain central to our continued success. I would like to thank all of our customers, employees, business partners, and shareholders for their continued support.

OVERVIEW OF THE QUARTER

Following a very difficult year, the competitive environment in the Turkish mobile market remained challenging in the first quarter of 2010. Despite some recovery in macroeconomic conditions, mobile line penetration in the first quarter fell to 84%, down from 87% in the previous quarter, mainly due to a drop in multiple SIM card usage, which has decreased to 14% from 19% since the implementation of Mobile Number Portability. We expect the declining trend in multiple SIM card usage to continue and mobile line penetration to decrease to around 80% by the year end despite the increase in data SIM cards. However, we do not anticipate any major changes in market composition in 2010.

In February 2010, the Telecommunications Authority (“the Authority”) ruled to decrease Mobile Termination Rates (“MTRs”) and maximum price levels for telecommunication services in the Turkish market, effective from April 1, 2010. The exact impact of the Authority’s most recent decisions on pricing and traffic trends going forward is at present difficult to assess. However, in terms of market conditions, we have seen signs of more rational competitive behavior with some limitations to usage incentives and price adjustments during 1Q 2010. We expect this trend to continue going forward.

In a competitive environment where the focus of all operators is on valuable and postpaid subscribers, we maintained our market leadership by consistently focusing on our unique value propositions. During this period, we continued to focus on mobile data and services business by encouraging mobile data usage with attractive offers and differentiating Turkcell with 12 total applications for our subscribers which are intended to ease and enrich their lives. Similarly, during the transition from a unit to a TRY-based system, we redesigned our offers by consistently providing our subscribers with transparent and attractive tariffs. Throughout this quarter, we also maintained our value focus, while promoting mobile data and services usage across all segments. At the same time, thanks to our superior 3G offering in Turkey, our data revenues grew by 69.6% to TRY 92.1 million, leading to an increase in the share of mobile data and services revenues in Turkcell Turkey’s revenues by 2.7 pp to 19%. On a consolidated basis, our mobile data and services revenues reached TRY414 million while the portion of our consolidated mobile data and services revenues increased to 18.4% of our consolidated revenues compared to 15.7% in the first quarter of last year.

Going forward, we remain determined to capitalize on the considerable growth potential in mobile data, which we believe will have a positive impact on overall market growth in Turkey. As usual, Turkcell will continue to emphasize value and profitability by pursuing a differentiation and diversity focused business model rather than focusing solely on voice.

First Quarter 2010 Results

Overview of the Macroeconomic Environment

	Q109	Q409	Q110	y/y % chg	q/q % chg
TRY / $ rate					
Closing Rate	1.6880	1.5057	1.5215	(9.9 %)	1.0 %
Average Rate	1.6407	1.4863	1.5109	(7.9 %)	1.7 %
INFLATION					
Consumer Price Index	1.0 %	4.3 %	3.9 %	2.9 pp	(0.4 pp)
GDP Growth	(13.8 %)	6.0 %	n/a		
UAH/ $					
Closing Rate	7,700	7,985	7,925	2.9 %	(0.8 %)
Average Rate	7,700	7,993	7,982	3.7 %	(0.1 %)

Despite the 9% year-on-year TRY appreciation against the US dollar during the first quarter, the trend compared to the previous quarter was slightly negative with the TRY depreciating by 1.7%. In the fourth quarter of 2009, GDP grew by 6.0%. In the first quarter of 2010 the Ukrainian Hrvinia devalued by 2.9% year-on-year against the US dollar.

Financial and Operational Review of the First Quarter 2010

The following discussion focuses principally on the developments and trends in our business in the first quarter of 2010 in TRY terms. Selected financial information for the first quarter of 2009, fourth quarter of 2009 and first quarter of 2010 is also included at the end of this press release.

For your convenience, selected financial information in US dollars and in TRY prepared in accordance with IFRS, and in TRY prepared in accordance with the Capital Markets Board of Turkey's standards is also included at the end of this press release.

Financial Review

(million TRY) Profit & Loss Statement	Q109	Q409	Quarter Q110	y/y % chg	q/q % chg
Total Revenue	2,103.4	2,260.6	2,249	6.9 %	(0.5 %)
Direct cost of revenue	(1,033.6)	(1,321.2)	(1,278)	23.6 %	(3.3 %)
Depreciation and amortization	(193.8)	(281.3)	(255.9)	32.0 %	(9.0 %)
Gross Margin	50.9 %	41.6 %	43.2 %	(7.7 pp)	1.6 pp
Administrative expenses	(98.2)	(122.0)	(124)	26.3 %	1.6 %
	(391.8)	(416.8)	(392)	0.1 %	(6.0 %)

Selling and marketing expenses										
EBITDA*	773.6		681.9		711		(8.1	%)	4.3	%
EBITDA Margin	36.8	%	30.2	%	31.6	%	(5.2 pp)		1.4 pp	
Net financial income / expense)	177.4		108.4		66.1		(62.7	%)	(39.0	%)
Financial expense	(55.5	)	(21.5	)	(50.2	)	(9.5	%)	133.5	%
Financial income	232.9		129.9		116.3		(50.1	%)	(10.5	%)
Share of profit of associates	15.1		39.3		46.1		205.3	%	17.3	%
Income tax expense	(196.9	)	(117.0	)	(126.7	)	(35.7	%)	8.3	%
Net Income	562.7		252.8		417.6		(25.8	%)	65.2	%

* EBITDA is a non-GAAP financial measure. See pages 12-13 for the reconciliation of EBITDA to net cash from operating activities.

First Quarter 2010 Results

Revenue: Turkcell's consolidated revenues grew by 6.9% year-on-year to TRY2,249 million as a result of higher mobile voice usage and a strong performance in the mobile data and services business in Turkey as well as higher interconnect revenues due to increase in off-net traffic. Superonline's business which increased its revenues by 62.0% to TRY71.2 million (TRY43.9 million) and Best in Belarus contributed positively by increasing its revenues to TRY15.8 mn (TRY1.8 million). However, the contribution from our betting business Inteltek declined significantly as a result of the lower commission rates under its new contract. Inteltek's revenue during the first quarter of 2010 declined by 73.4% to TRY11.0 million compared to the same period last year.

In the first quarter of 2010, Turkcell Turkey's interconnect revenues increased by 2.8 pp and constituted 11.0% of Turkcell Turkey's total revenues compared to a year ago, while its share in consolidated group revenues increased by 2.6 pp to 9.8%.

Quarter-on-quarter, Turkcell Group revenue decreased by 0.5%, mainly due to the lower subscriber base and lower contribution from consolidated subsidiaries.

In 2010, we expect a moderate growth in our consolidated TRY revenues.

Direct cost of revenues: Direct cost of revenues including depreciation and amortization increased by 23.6% to TRY1,278 million, representing 56.8% of total revenues compared to 49.1% in the first quarter of 2009. This was mainly due to higher interconnect costs (4.9 percentage points) related to increasing off-net usage, depreciation and amortization expenses (2.2 percentage points), an increase in fixed network expenses (0.4 pp) and other expenses (0.2 percentage points).

Compared to the previous quarter, gross profit margin increased by 1.6 pp as a result of a decrease in interconnect costs by 0.3 pp due to decrease in off-net traffic, network expenses by 0.6 pp and depreciation expenses by 1.2 pp, while wages and salaries increased by 0.3 pp.

In the first quarter of 2010, Turkcell Turkey's interconnect cost increased by 5.6 pp and represented 10.8% of Turkcell Turkey's total revenues compared to a year ago, while its share in consolidated group revenues increased by 5.1 pp to 9.7%.

Selling and marketing expenses: Selling and marketing expenses as a percentage of total revenues decreased by 1.2 percentage points to 17.4% in the first quarter of 2010 due to higher revenue base.

Compared to the previous quarter, selling and marketing expenses decreased by 6.0% and declined by 1.0 percentage points as a percentage of revenue due to lower marketing expenses, frequency usage fee payments, and commissions paid to dealers.

Administrative expenses: General and administrative expenses as a percentage of revenue increased by 0.8 percentage points year-on-year to 5.5% mainly due to higher bad debt expenses, which increased along with the increasing number of postpaid subscribers and promotional handset campaigns following the 3G rollout and MNP impact.

Compared to the fourth quarter of 2009, general and administrative expenses increased by 2.0%, up by 0.1 percentage points as a proportion of revenues.

First Quarter 2010 Results

EBITDA1: Nominal EBITDA declined by 8.1% to TRY711.3 million and the EBITDA margin by 5.2 percentage points to 31.6% compared to the same period of last year. This was mainly due to an increase in interconnection cost by TRY119.4 million (4.9 percentage points) on the back of higher off-net traffic, bad debt expenses (0.6 percentage points), fixed network expenses (0.4 percentage points), wages and salaries (0.5 percentage points), despite lower frequency usage fees (0.7 percentage points) due to a decrease in the prepaid subscriber base and selling expenses (0.7 percentage points).

Turkcell Group EBITDA margin improved by 1.4 percentage points compared to the fourth quarter of 2009 reflecting lower interconnection costs and fixed network expenses as well as sales and marketing expenses.

In 2010, we expect a moderate growth in our consolidated EBITDA in TRY terms.

Share of profit of equity accounted investees: In the first quarter of 2010, our share in net income of unconsolidated investees, consisting of the net income/(expense) impact of Fintur and A-Tel, increased by 205% to TRY46 million mainly due to the improved performance of Fintur's operation in Kazakhstan and foreign exchange rate impact.

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 TRY11.8 million, is netted off from the selling and marketing expenses in our consolidated financial statements. The difference between the total net impact of A-Tel and the amount netted off from selling and marketing expenses amounted to TRY9.3 million and is recorded in the 'share of profit of equity accounted investees' line of our financial statements.

Net finance income/(expense): We recorded net financial income of TRY66.1 million compared to TRY177.4 million in the same quarter of 2009 mainly reflecting the decline in interest received from deposits mainly due to a decrease in interest rates, a TRY8.5 million translation loss as opposed to a TRY78.1 million gain recorded last year, and despite the effect of a one-time interest expense recorded in Q1 2009 due to a dispute regarding transmission lines.

Income tax expense: The total taxation charge decreased to TRY126.7 million from TRY196.9 million in the same quarter of last year primarily due to lower operational profit and financial income. The taxation charge in the fourth quarter of 2009 was TRY117.0 million.

Of the total tax charge, TRY66.3 million was related to current tax charges and a deferred tax expense of TRY60.4 million was realized during the quarter.

(million TRY)	Q109	Q409	Q110	y/y % chg	q/q % chg
Current tax expense	(137.4)	(133.5)	(66.3)	(51.7%)	(50.3)
Deferred Tax income / (expense)	(59.5)	16.5	(60.4)	1.5%	n.m.
Income Tax expense	(196.9)	(117.0)	(126.7)	35.7%	8.3%

1 EBITDA is a non-GAAP financial measure. See pages 12-13 for the reconciliation of EBITDA to net cash from operating activities.

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First Quarter 2010 Results

Net income: Net income declined by 25.8% year-on-year to TRY417.6 million and net income margin by 8.2 percentage points to 18.6% mainly due to a decrease in EBITDA, translation loss recorded, increase in depreciation and amortization expenses as well as TRY42.2 million of litigation provisions recorded during the quarter due to the Authority's recent administrative fine announced on April 28, 2010 regarding maximum pricing and some marketing campaigns, while Fintur's contribution increased by 90% to TRY55 million (TRY29 million).

The quarter-on-quarter increase of 65.2% in net income was mainly due to the effect of litigation provisions, fixed asset write-offs, and the impairment charges registered in the last quarter of 2009 despite the negative impact of TRY42.2 million of litigation provisions recorded during the quarter due to the Authority's recent administrative fine announced on April 28, 2010 regarding maximum pricing and some marketing campaigns.

Total Debt: Consolidated debt amounted to TRY2,297.9 million as of March 31, 2009. TRY910.3 million of this was related to Turkcell's Ukrainian operations. TRY1,591.1 million of our consolidated debt is at a floating rate and TRY1,023.3 million will mature in less than a year. As of March 31, 2010 our debt/annual EBITDA ratio is 78.8%.

Consolidated Cash Flow (million TRY)	Q109	Q409	Q110
EBITDA*	774	682	711
LESS:			
Capex and License	(425)	(637)	(367)
Turkcell	(307)	(269)	(180)
Ukraine**	(71)	(163)	(41)
Investment & Marketable Securities	(127)	(151)	42
Net Interest Income/Expense	99	45	75
Other	(443)	288	(705)
Net Change in Debt	(8)	518	(36)
Cash Generated	(130)	745	(280)
Cash Balance	4,799	4,661	4,381

(*) EBITDA is a non-GAAP financial measure. See pages 12-13 for the reconciliation of EBITDA to net cash from operating activities.
(**)The devaluation of local currency against USD is included in this line.

Cash Flow Analysis: Capital expenditures in the first quarter of 2010 amounted to TRY 366.6 million, of which TRY 180 million was related to Turkcell Turkey, TRY 41.3 million to our Ukrainian operations, TRY 74.4 million to Superonline and TRY54.7 million to Belarusian operations.

We plan to spend up to $1.5 billion in 2010 in Turkey and for our international subsidiaries of which approximately $650 million for Turkcell Turkey, $340 million for Superonline, and $400 million for international subsidiaries.

Dividend Distribution
On April 29, 2010, the Turkcell Board of Directors' dividend distribution proposal was approved at the Ordinary General Assembly of Shareholders. The distribution of cash

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First Quarter 2010 Results

dividends is in an amount of approximately TRY859.3 million (approximately $573.5 million as of April 29, 2010).

This corresponds to 50.1% of Turkcell's distributable net income of 2009 and represents a net and gross cash dividend of TRY0.39 (approximately $0.26 as of April 29, 2010) per ordinary share with a nominal value of TRY1 and approximately TRY0.98 (approximately $0.65 as of April 29, 2010) per ADR. (Dollar figures are calculated based on Turkish Central Bank's TRY/$ exchange rate of 1.4984 for April 29, 2010)

Operational Review

Summary of Operational Data	Q109	Q409	Q110	y/y % chg	q/q % chg
Number of total subscribers (million)	36.4	35.4	34.3	(5.8%)	(3.1%)
Number of postpaid subscribers (million)	7.8	9.4	9.3	19.2%	(1.1%)
Number of prepaid subscribers (million)	28.6	26.0	24.9	(12.9%)	(4.2%)
ARPU (Average Monthly Revenue per User), blended (US$)	10.4	12.5	12.8	23.1%	2.4%
ARPU, postpaid (US$)	25.3	26.3	26.5	4.7%	0.8%
ARPU, prepaid (US$)	6.5	7.7	7.7	18.5%	-
ARPU, blended (TRY)	17.1	18.6	19.4	13.5%	4.3%
ARPU, postpaid (TRY)	41.4	39.0	40.4	(2.4%)	3.6%
ARPU, prepaid (TRY)	10.6	11.5	11.6	9.4%	0.9%
Churn (%)	8.2%	9.7%	11.1%	2.9pp	1.4pp
MOU (Average Monthly Minutes of usage per subscriber), blended	107.0	153.6	153.3	43.3%	(0.2%)

Subscribers: As of March 31, 2010, our subscriber base totaled 34.3 million (36.4 million). The composition of the subscriber base improved in favor of the postpaid to 27.1% (21.4%), in line with our value focus.

In the first quarter of 2010, we focused on retaining valuable and postpaid subscribers. During this quarter, we lost 1.1 million subscribers the majority of which were prepaid subscribers. The main reason for the contraction in the postpaid subscriber base by 70,000 and in the prepaid subscriber base by 1 million was the increase in port-outs following the implementation of mobile number portability, and a contraction in the overall market.

During 2010, we expect slow paced growth in our post-paid subscriber base compared to 2009 and our pre-paid subscriber base to contract further.

Churn Rate: Churn refers to voluntarily and involuntarily disconnected subscribers. In the first quarter of 2010, our churn rate increased to 11.1% from 8.2% a year ago mainly due to the challenging competitive environment.

MoU: Our blended minutes of usage per subscriber ("MoU") increased to 153.3 minutes, up by 43.1% compared to the first quarter of last year. In addition to improvement in consumer sentiment and effective communication of our successful campaigns and tariffs aimed at all segments, we sustained solid MoU growth in the first quarter of 2010.

In 2010, we anticipate MoU to increase at a slower rate as our incentives and loyalty programs continue in a cost sensitive manner.

ARPU: Blended average revenue per user ("ARPU") in TRY terms increased by 13.5% to TRY19.4 compared to the same quarter in 2009 due to the positive impact of mobile data and higher MoU. In 2010, we expect ARPU to increase in TRY terms.

Post-paid ARPU in TRY terms was TRY40.4 with a 2.4% year-on-year decrease, mainly due to an increase in subscriptions to minute packages and data lines and the dilutive impact of pre-paid subscribers switched to the post-paid segment.

Pre-paid ARPU in TRY terms increased by 9.4% to TRY11.6 in the first quarter of 2010, mainly due to the effects of the attractive tariffs and campaigns.

Regulatory Environment

In February 2010 the Authority revised termination rates for the Turkish market effective as of April 1, 2010 and reduced Turkcell's Mobile Termination Rates ("MTR") by 52% to TRY0.0313 down from TRY0.0655, following the 28% reduction in 2009. Recent rates announced by the Authority maintained the asymmetry between the mobile operators. The asymmetry between Turkcell and Avea remained unchanged at 18% and between Turkcell and Vodafone at 3%.

Additionally, the Authority reduced maximum prices for all mobile operators in February 2010 down to TRY0.40/min (VAT&SCT included), effective as of April 1, 2010.

We believe that some of the Authority's decisions constitute interference with our retail pricing and may be in conflict with our license agreement and infringes competition rules. We therefore filed two lawsuits in the Highest Administrative Court in April 2010.

Separately, on April 28, 2010, the Authority announced on its website that it has fined Turkcell in the amount of TRY 53,467,062 for the alleged non-compliance with the "GSM Maximum Tariff Schedule" dated March 25, 2009. As per a separate decree dated April 7, 2010, the Authority has also fined Turkcell in the amount of TRY4,008,026 with regards to a subscriber complaint and in the amount of TRY374,152 with regards to a subscriber dissatisfaction resulting from a technical problem in a tariff. Turkcell will evaluate and take the necessary legal steps regarding these administrative fines, which total TRY57,849,240. As per the decrees published and in line with IFRS guidelines we set aside TRY42.2 million of legal reserves in our first quarter 2010 financials.

Turkcell Group Subscribers

We have approximately 62.0 million mobile subscribers as of March 31, 2010. 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 mobile subscribers at Astelit, BeST, in our operations in the Turkish Republic of Northern Cyprus ("Northern Cyprus") and Fintur.

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Turkcell Group Subscribers (million)	Q109	Q409	Q110	y/y % chg	q/q % chg
Turkcell	36.4	35.4	34.3	(5.8%)	(3.1%)
Ukraine	11.5	12.2	11.9	3.5%	(2.5%)
Fintur	12.8	13.6	14.1	10.2%	3.7%
Northern Cyprus	0.3	0.3	0.3		
Belarus	0.4	1.2	1.4	250.0%	16.7%
TURKCELL GROUP	61.4	62.7	62.0	1.0%	(1.1%)

International Operations

Astelit

Astelit, in which we hold a 55% stake through Euroasia, has operated in Ukraine since February 2005 under the brand "life:)".

- Astelit's revenue increased by 4.9% to $83.0 million compared to the first quarter of 2009. In local currency terms, revenues in the first quarter increased by 8.9% year on year.

- In the first quarter Astelit's increased focus on value resulted in higher operational profitability compared to a year ago. The main drivers of this increase were the tariff redesigns, focusing on profitability per subscriber and cost cutting measures.

- Astelit recorded EBITDA of $5.8 million in the first quarter of 2010. The EBITDA margin increased by 2.4 percentage points to 7.0%, from 4.6% in the same period of last year, mainly due to the decreasing share of interconnection costs as a percentage of revenue and lower selling and marketing expenses.

- Astelit's subscribers declined to 11.9 million compared to 12.2 million at the end of 2009 due to redesigning of tariffs with an interconnect cost sensitive approach and pursuing a more value focused strategy in the market. The 3 month active subscriber base was flat at 8.0 million.

- The 3 month active ARPU remained flat year on year. MoU decreased slightly by 1.1% to 156.2 minutes.

Summary Data for Astelit	Q109	Q409	Quarter Q110	y/y % chg	q/q % chg
Number of subscribers (million)					
Total	11.5	12.2	11.9	3.5%	(2.5%)
Active (3 months)[1]	8.0	7.8	8.0		2.6%

MoU (minutes)	157.9	158.2	156.2	(1.1%)	(1.3%)

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Average Revenue per User (ARPU) in US$					
Total	2.3	2.6	2.3	-	(11.5%)
Active (3 months)	3.5	4.0	3.5	-	(12.5%)
Revenue (UAH)	609	742	663	8.9%	(10.6%)
Revenue (US$)	79.1	92.8	83.0	4.9%	(10.6%)
EBITDA[2] (US$)	3.6	6.9	5.8	61.1%	(15.9%)
EBITDA margin	4.6%	7.4%	7.0%	2.4%	(0.4%)
Net Loss (US$)	(24.4)	(25.2)	(26.5)	8.6%	5.2%
Capex (US$)	42.2	106.8	27.1	(35.8%)	(74.6%)

1 Active subscribers are those who in the past three months made a transaction which brought revenue to the Company.
2 EBITDA is a non-GAAP financial measure. See page 12-13 for the reconciliation of Euroasia's EBITDA to net cash from operating activities. Euroasia holds 100 % stake in Astelit.

Fintur

Turkcell holds a 41.45% stake in Fintur and through Fintur has interests in Mobile operations in Kazakhstan, Azerbaijan, Moldova, and Georgia.

In the first quarter of 2010, Fintur generally maintained its market positions and added approximately 0.5 million net new subscribers with its total subscriber base reaching 14.1 million. Fintur's consolidated revenue increased slightly by 1.4% year on year to $378.4 million in.

We account for our investment in Fintur using the equity method. Fintur's contribution to net income increased to TRY55.4 million in the first quarter of 2010 from TRY29.0 a year ago mainly due to foreign exchange rate impact.

FINTUR			Quarter		
	Q109	Q409	Q110	y/y % chg	q/q % chg
Subscriber (million)					
Kazakhstan	7.1	7.2	7.5	5.6%	4.2%
Azerbaijan	3.6	3.8	4.0	11.1%	5.3%
Moldova	0.6	0.7	0.7	16.7%	-
Georgia	1.6	1.9	1.9	18.8%	-
TOTAL	12.8	13.6	14.1	10.2%	3.7%
Revenue (US$ million)					
Kazakhstan	198.2	231.2	208.0	4.9%	(10.0%)
Azerbaijan	119.4	127.3	117.0	(2.0%)	(8.1%)
Moldova	14.5	16.8	13.8	(4.8%)	(17.9%)
Georgia	40.7	44.8	39.1	(3.9%)	(12.7%)
Other*			0.5	-	
TOTAL	372.8	420.1	378.4	1.5%	(9.9%)

(*)includes intersegment eliminations

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Reconciliation of Non-GAAP Financial Measures

We believe that EBITDA is a measure commonly used by companies, analysts and investors in the telecommunications industry, which 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 the presentation of EBITDA provides useful and relevant information to analysts and investors.

Beginning from the 2006 fiscal year, we have revised the definition of EBITDA which we use and we report EBITDA using this new definition starting from the first quarter of 2006 results announcement to provide a new measure to reflect solely cash flow from operations.

The EBITDA definition used in our previous press releases and announcements had included Revenue, Direct Cost of Revenue excluding depreciation and amortization, Selling and Marketing expenses, Administrative expenses, translation gain/(loss), financial income, share of profit of equity accounted investees, gain on sale of investments, income/(loss) from related parties, minority interest and other income/(expense). Our new EBITDA definition includes Revenue, Direct Cost of Revenue excluding depreciation and amortization, Selling and Marketing expenses and Administrative expenses, but excludes translation gain/(loss), financial 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 measure, to net cash from operating activities, which we believe is the most directly comparable financial measure calculated and presented in accordance with IFRS.

TURKCELL US$ million	Q109	Q409	Q110	y/y % chg	q/q % chg
EBITDA	472.2	459.1	470.7	(0.3%)	2.5%
Income Tax Expense	(120.1)	(78.7)	(83.9)	(30.1%)	6.6%
Other operating income/(expense)	1.2	(90.6)	(26.5)	(2,308,3%)	(70.8%)
Financial income	1.8	(3.9)	3.5	94.4%	(189.7%)
Financial expense	(32.9)	(60.0)	(26.1)	(20.7%)	(56.5%)
Net increase/(decrease) in assets and liabilities	(286.7)	178.7	(373.3)	30.2%	(308.9%)
Net cash from operating activities	35,6	404.6	(35.6)	(200.3%)	(108.8%)

First Quarter 2010 Results

EUROASIA (Astelit) US$ million	Q109	Q409	Q110	y/y % chg	q/q % chg
EBITDA	3.6	6.9	5.86	1.1%	(15.9%)
Other operating income/(expense)	0.9	(0.4)		n.m.	n.m.
Financial income	0.6	0.8	0.2	(66.7%)	(75.0%)
Financial expense	(11.7)	(13.9)	(14.3)	22.2%	2.9%
Net increase/(decrease) in assets and liabilities	16.1	18.6	26.3	63.4%	41.4%
Net cash from operating activities	9.5	12.0	18.0	89.5%	50.0%

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. 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, “may,” “will,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “b “continue.” In particular, this document contains forward looking statements regarding our expectations for competition in the Turkish mobile market and our 2010 revenues, EBITDA, subscriber levels, MOU and ARPU. These assumptions include (I) our assessment of the cost structures and marketing strategies of our competitors, (II) that the Telecommunications Authority does not impose further limitations on our tariffs and interconnection pricing and that other regulatory actions do not infringe upon our business, (III) that our customers continue to respond positively to our data and value added services, (IV) that we are able to continue to retain and attract high value customers with these and other services, (V) that the Superonline and non-Turkish mobile businesses continue to grow at projected rates and within projected financing expectations, (VI) that the Turkish economy and the other economies in which we operate continue their recoveries and are not subject to further shocks or crises, and that relevant currency exchange rates remain stable.

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. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. 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 2007 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.

www.turkcell.com.tr

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First Quarter 2010 Results

ABOUT TURKCELL

Turkcell is the leading communications and technology company in Turkey with 34.3 million postpaid and prepaid customers and a market share of approximately 56% as of March 31, 2010 (Source: Our estimations, operators' and Authority's announcements). Turkcell provides high quality data and voice services to approximately 70% of the Turkish population with its 3G and EDGE technology supported network. Turkcell reported TRY 2.2 billion ($1.5 billion) net revenue for the period ended March 31, 2010 and its total assets reached TRY 14.3 billion ($9.3 billion) as of March 31, 2010. Turkcell is the only Turkish operator among the global operators to have implemented HSDPA+ and has become one of the first operators in the world to reach to 42.2 Mbps speed with its 3G network, as of March 5th 2010. Turkcell is a leading regional player and has interests in international mobile operations in Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Northern Cyprus and Ukraine which, together with its Turkish operations, had approximately 62 million subscribers as of March 31, 2010. Turkcell has been listed on the NYSE and the ISE since July 2000 and is the only NYSE-listed company in Turkey and is among the top 15% companies listed on NYSE by its size. 51.00% of Turkcell's share capital is held by Turkcell Holding, 0.05% by Cukurova Group, 13.07% by Sonera Holding, 2.32% by M.V. Group and 0.08% by others while the remaining 33.48% is free float. Read more at http://www.turkcell.com.tr/en

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First Quarter 2010 Results

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

	Quarter Ended March 31, 2009		Quarter Ended December 31, 2009		12 months December 31, 2009		Quarter Ended March 31, 2010	
Consolidated Statement of Operations Data								
Revenues								
Communication fees	1,976.3		2,164.2		8,575.7		2,157.7	
Commission fees on betting business	41.4		23.0		66.1		10.8	
Monthly fixed fees	18.3		16.1		66.0		19.0	
Simcard sales	8.0		6.9		35.3		7.0	
Call center revenues and other revenues	59.4		50.4		193.3		54.5	
Total revenues	2,103.4		2,260.6		8,936.4		2,249.0	
Direct cost of revenues	(1,033.6	)	(1,321.2	)	(4,769.3	)	(1,277.5	)
Gross profit	1,069.8		939.4		4,167.1		971.5	
Administrative expenses	(98.2	)	(122.0	)	(421.2	)	(124.4	)
Selling & marketing expenses	(391.8	)	(416.8	)	(1,676.2	)	(391.7	)
Other Operating Income / (Expense)	2.1		(172.5	)	(164.6	)	(40.3	)
Operating profit before financing costs	581.9		228.1		1,905.1		415.1	
Finance costs	(55.5	)	(21.5	)	(287.1	)	(50.2	)
Finance income	232.9		129.9		510.9		116.3	
Share of profit of equity accounted investees	15.1		39.3		118.8		46.1	
Income before taxes and minority interest	774.4		375.8		2,247.7		527.3	
Income tax expense	(196.9	)	(117.0	)	(529.1	)	(126.7	)
Income before minority interest	577.5		258.8		1,718.6		400.6	
Non-controlling interests	(14.8	)	(6.0	)	(17.0	)	17.0	
Net income	562.7		252.8		1,701.6		417.6	
Net income per share	0.255773		0.114909		0.773455		0.189818	
Other Financial Data								
Gross margin	51	%	42	%	47	%	43	%
EBITDA(*)	773.6		681.9		2,978.4		711.3	
Capital expenditures	425.3		637.2		2,664.0		366.6	

Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	4,799.3	4,660.9	4,660.9	4,380.6
Total assets	12,916.5	14,034.3	14,034.3	14,192.6
Long term debt	289.1	1,236.4	1,236.4	1,274.6
Total debt	1,311.3	2,276.6	2,276.6	2,297.9
Total liabilities	4,047.3	5,156.4	5,156.4	4,914.6
Total shareholders' equity / Net Assets	8,869.2	8,877.9	8,877.9	9,278.0

* Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 12-13
** For further details, please refer to our consolidated financial statements and notes as at 31 March 2010 on our web site.

First Quarter 2010 Results

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

	Quarter Ended March 31, 2009	Quarter Ended December 31, 2009	12 months December 31, 2009	Quarter Ended March 31, 2010
Consolidated Statement of Operations Data				
Revenues				
Communication fees	1,205.4	1,456.1	5,557.3	1,427.9
Commission fees on betting business	25.3	15.6	42.7	7.1
Monthly fixed fees	11.2	10.8	42.5	12.5
Simcard sales	4.9	4.7	22.9	4.6
Call center revenues and other revenues	36.3	33.9	124.6	36.1
Total revenues	1,283.1	1,521.1	5,790.0	1,488.2
Direct cost of revenues	(630.7)	(888.7)	(3,097.1)	(845.2)
Gross profit	652.4	632.4	2,692.9	643.0
Administrative expenses	(59.9)	(82.0)	(273.1)	(82.3)
Selling & marketing expenses	(238.7)	(280.4)	(1,085.1)	(259.2)
Other Operating Income / (Expense)	1.4	(115.6)	(110.3)	(26.4)
Operating profit before financing costs	355.2	154.4	1,224.4	275.1
Finance costs	(33.6)	(14.4)	(187.5)	(33.3)
Finance income	142.1	87.4	329.6	77.1
Share of profit of equity accounted investees	9.6	26.4	78.4	30.5
Income before taxes and minority interest	473.3	253.8	1,444.9	349.4
Income tax expense	(120.1)	(78.7)	(340.1)	(83.9)
Income before minority interest	353.2	175.1	1,104.8	265.5
Non-controlling interests	(9.0)	(4.0)	(10.8)	11.2
Net income	344.2	171.1	1,094.0	276.7
Net income per share	0.156465	0.077754	0.497269	0.125794
Other Financial Data				
Gross margin	51%	42%	47%	43%
EBITDA(*)	472.2	459.1	1,925.4	470.7
Capital expenditures	252.0	401.7	1,769.3	240.9

Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	2,843.2	3,095.5	3,095.5	2,879.1
Total assets	7,651.9	9,320.8	9,320.8	9,328.0
Long term debt	171.3	821.2	821.2	837.7
Total debt	776.9	1,512.0	1,512.0	1,510.3
Total liabilities	2,397.7	3,424.6	3,424.6	3,230.1
Total equity	5,254.2	5,896.2	5,896.2	6,097.9

* Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 12-13
** For further details, please refer to our consolidated financial statements and notes as at 31 March 2010 on our web site.

First Quarter 2010 Results

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

	Quarter Ended March 31, 2009	Quarter Ended December 31, 2009	12 months December 31, 2009	Quarter Ended March 31, 2010
Consolidated Statement of Operations Data				
Revenues				
Communication fees	1,976.3	2,164.2	8,575.7	2,157.7
Commission fees on betting business	41.4	23.0	66.1	10.8
Monthly fixed fees	18.3	16.1	66.0	19.0
Simcard sales	8.0	6.9	35.3	7.0
Call center revenues and other revenues	59.4	50.4	193.3	54.4
Total revenues	2,103.4	2,260.6	8,936.4	2,248.9
Direct cost of revenues	(1,029.3)	(1,316.1)	(4,752.6)	(1,274.7)
Gross profit	1,074.1	944.5	4,183.8	974.2
Administrative expenses	(98.2)	(122.0)	(421.2)	(124.4)
Selling & marketing expenses	(391.8)	(416.8)	(1,676.2)	(391.7)
Other Operating Income / (Expense)	2.4	(170.3)	(162.3)	(40.2)
Operating profit before financing costs	586.5	235.4	1,924.1	417.9
Finance costs	(55.5)	(21.5)	(287.1)	(50.2)
Finance income	232.9	129.9	510.9	116.3
Share of profit of equity accounted investees	15.1	39.3	118.8	46.1
Income before taxes and minority interest	779.0	383.1	2,266.7	530.1
Income tax expense	(198.1)	(118.4)	(533.0)	(127.3)
Income before minority interest	580.9	264.7	1,733.7	402.8
Non-controlling interests	(14.8)	(5.9)	(17.0)	17.0
Net income	566.1	258.8	1,716.7	419.8
Net income per share	0.257310	0.117634	0.780325	0.190847
Other Financial Data				
Gross margin	51%	42%	47%	43%
EBITDA	773.6	681.9	2,978.9	711.3
Capital expenditures	425.3	637.2	2,664.0	366.6

Consolidated Balance Sheet Data (at period end)				
Cash and cash equivalents	4,799.3	4,660.9	4,660.9	4,380.6
Total assets	12,846.7	13,978.9	13,978.9	14,139.9
Long term debt	289.1	1,236.4	1,236.4	1,274.6
Total debt	1,311.3	2,276.6	2,276.6	2,297.9
Total liabilities	4,034.8	5,146.7	5,146.7	4,905.5
Total shareholders' equity / Net Assets	8,811.9	8,832.2	8,832.2	9,234.4

** For further details, please refer to our consolidated financial statements and notes as at 31 March 2010 on our web site.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2010
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

	Note	31 March 2010	31 December 2009
Assets			
Property, plant and equipment	12	2,675,287	2,652,222
GSM and other telecommunication operating licences	13	1,031,898	1,058,098
Computer software	13	603,690	595,218
Other intangible assets	13	260,062	244,665
Investments in equity accounted investees	14	419,948	383,490
Other investments	15	34,394	34,755
Due from related parties	33	14,554	21,039
Other non-current assets	16	99,095	75,120
Deferred tax assets	17	2,663	2,058
Total non-current assets		5,141,591	5,066,665
Inventories		25,108	28,205
Other investments	15	37,623	62,398
Due from related parties	33	100,182	108,843
Trade receivables and accrued income	18	806,704	783,752
Other current assets	19	337,685	175,417
Cash and cash equivalents	20	2,879,121	3,095,486
Total current assets		4,186,423	4,254,101
Total assets		9,328,014	9,320,766
Equity			
Share capital	21	1,636,204	1,636,204
Share premium	21	434	434
Capital contributions	21	22,772	22,772
Reserves	21	(575,291)	(512,095)
Retained earnings	21	4,989,000	4,712,254
Total equity attributable to equity holders of Turkcell Iletisim Hizmetleri AS		6,073,119	5,859,569
Non-controlling interests	21	24,785	36,632
Total equity		6,097,904	5,896,201
Liabilities			
Loans and borrowings	24	837,726	821,179
Employee benefits	25	29,794	27,776
Provisions	27	6,697	5,676
Trade payables		1,182	-

Other non-current liabilities	23	158,505	154,991
Deferred tax liabilities	17	157,299	118,432
Total non-current liabilities		1,191,203	1,128,054
Bank overdraft	20	6,329	5,244
Loans and borrowings	24	672,555	690,780
Income taxes payable	11	46,142	93,260
Trade and other payables	28	915,829	1,038,762
Due to related parties	33	16,321	14,780
Deferred income	26	194,449	248,518
Provisions	27	187,282	205,167
Total current liabilities		2,038,907	2,296,511
Total liabilities		3,230,110	3,424,565
Total equity and liabilities		9,328,014	9,320,766

The notes on page 7 to 96 are an integral part of these consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
For the three months ended 31 March 2010
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

	Note	Three months ended 31 March 2010	2009
Revenue	7	1,488,182	1,283,105
Direct cost of revenue		(845,209)	(630,655)
Gross profit		642,973	652,450
Other income		6,242	4,786
Selling and marketing expenses		(259,231)	(238,674)
Administrative expenses		(82,295)	(59,862)
Other expenses	8	(32,570)	(3,469)
Results from operating activities		275,119	355,231
Finance income	10	77,054	142,130
Finance costs	10	(33,340)	(33,610)
Net finance income/ (costs)		43,714	108,520
Share of profit of equity accounted investees	14	30,494	9,634
Profit before income tax		349,327	473,385
Income tax expense	11	(83,866)	(120,139)
Profit for the period		265,461	353,246
Profit attributable to:			
Owners of Turkcell Iletisim Hizmetleri AS		276,746	344,223
Non-controlling interests		(11,285)	9,023
Profit for the period		265,461	353,246
Basic and diluted earnings per share (in full USD)	22	0.125794	0.156465

The notes on page 7 to 96 are an integral part of these consolidated financial statements.

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TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2010
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

	Three months ended 31 March	
	2010	2009
Profit for the period	265,461	353,246
Other comprehensive income/(expense):		
Foreign currency translation differences	(62,556)	(538,390)
Net change in fair value of available-for-sale securities	(816)	657
Income tax on other comprehensive (expense)/income	91	(486)
Other comprehensive income/(expense) for the period, net of income tax	(63,281)	(538,219)
Total comprehensive income for the period	202,180	
Attributable to:		
Owners of Turkcell Iletisim Hizmetleri AS	213,550	(193,760)
Non-controlling interests	(11,370)	8,787
Total comprehensive income for the period	202,180	(184,973)

The notes on page 7 to 96 are an integral part of these consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2010
(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-controlli Interes
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
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	344,223	344,223	9,023
Other comprehensive income and expense										
Foreign currency translation differences, net of tax	-	-	-	-	-	-	(538,640)	-	(538,640)	(236
Net change in fair value of available-for-sale securities, net of tax	-	-	-	-	657	-	-	-	657	-
Total other comprehensive income and expense	-	-	-	-	657	-	(538,640)	-	(537,983)	(236
Total comprehensive income and expense	-	-	-	-	657	-	(538,640)	344,223	(193,760)	8,787
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(6,096
Capital contribution granted	-	1,695	-	-	-	-	-	-	1,695	-
Balance at 31 March 2009	1,636,204	19,897	434	378,779	778	(286,922)	(1,337,002)	4,781,294	5,193,462	60,807

Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	749,769	749,769	1,789
Other comprehensive income and expense										
Foreign currency translation differences, net of tax	-	-	-	-	-	-	590,132	-	590,132	700
Net change in fair value of available-for-sale securities, net of tax	-	-	-	-	540	-	-	-	540	-
Total other comprehensive income and expense	-	-	-	-	540	-	590,132	-	590,672	700
Total comprehensive income and expense	-	-	-	-	540	-	590,132	749,769	1,340,441	2,489
Increase in legal reserves	-	-	-	105,512	-	-	-	(105,512)	-	
Dividends paid	-	-	-	-	-	-	-	(713,297)	(713,297)	(31,08
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	4,418
Change in reserve for minority put option	-	-	-	-	-	36,088	-	-	36,088	-
Capital contribution granted	-	2,875	-	-	-	-	-	-	2,875	-
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
Balance at 1 January 2010	1,636,204	22,772	434	484,291	1,318	(250,834)	(746,870)	4,712,254	5,859,569	36,632
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	276,746	276,746	(11,28
Other comprehensive										

income and expense										
Foreign currency translation differences, net of tax	-	-	-	-	-	-	(62,380)	-	(62,380)	(85
Net change in fair value of available-for-sale securities, net of tax	-	-	-	-	(816)	-	-	-	(816)	-
Total other comprehensive income and expense	-	-	-	-	(816)	-	(62,380)	-	(63,196)	(85
Total comprehensive income and expense	-	-	-	-	(816)	-	(62,380)	276,746	213,550	(11,37
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(477
Balance at 31 March 2010	1,636,204	22,772	434	484,291	502	(250,834)	(809,250)	4,989,000	6,073,119	24,785

The notes on page 7 to 96 are an integral part of these consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2010
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

		Three months 31 March	
	Note	2010	2009
Cash flows from operating activities			
Profit for the period		265,461	353,246
Adjustments for:		131,444	44,452
Depreciation	12	111,440	70,898
Amortization of intangible assets	13	57,814	47,393
Net finance income/(cost)	10	(49,079)	(130,751)
Income tax expense	11	83,866	120,139
Share of profit of equity accounted investees		(38,152)	(18,011)
(Gain)/loss on sale of property, plant and equipment		(72)	(154)
Translation reserve		17,115	(29,832)
Deferred income		(51,488)	(15,230)
		396,905	397,698
Change in trade receivables	18	(57,869)	(11,275)
Change in due from related parties	33	14,210	32,540
Change in inventories		2,804	(5,035)
Change in other current assets	19	(169,346)	(199,668)
Change in other non-current assets	16	(24,125)	(213)
Change in due to related parties	33	1,638	(11,455)
Change in trade and other payables		(82,888)	22,658
Change in other current liabilities		(32,562)	(88,739)
Change in other non-current liabilities	23	(767)	39,055
Change in employee benefits	25	2,306	(2,115)
Change in provisions	27	12,368	(17,474)
		62,674	155,977
Interest paid		(13,559)	(8,107)
Income tax paid		(84,728)	(112,317)
Net cash from operating activities		(35,613)	35,553
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		848	1,299
Proceeds from currency option contracts		5,562	1,621
Proceeds from sale of available-for-sale securities		27,860	-
Interest received		70,043	94,215
Acquisition of property, plant and equipment	12	(165,427)	(207,868)
Acquisition of intangible assets	13	(73,064)	(44,112)

Payment of currency option contracts premium	(3,895)	-
Acquisition of available-for-sale securities	-	(76,426)
Net cash used in investing activities	(138,073)	(231,271)
Cash flows from financing activities		
Proceeds from issuance of loans and borrowings	165,508	3,415
Repayment of borrowings	(169,816)	(7,500)
Change in non-controlling interest	(476)	-
Proceeds from capital contribution	-	1,695
Net cash used in financing activities	(4,784)	(2,390)
Effects of foreign exchange rate fluctuations on statement of financial position items	(38,980)	(218,240)
Net increase in cash and cash equivalents	(217,450)	(416,348)
Cash and cash equivalents at 1 January	3,090,242	3,255,420
Cash and cash equivalents at 31 March	2,872,892	2,839,072

The notes on page 7 to 96 are an integral part of these consolidated financial statements.

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the three months ended 31 March 2010
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

Notes to the consolidated interim financial statements

TURKCELL ILETISIM HIZMETLERI AS AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the three months ended 31 March 2010
(Amounts expressed in thousands of US Dollars unless otherwise indicated except share amounts)

1. Reporting entity

Turkcell Iletisim Hizmetleri Anonim Sirketi (the "Company") was incorporated in Turkey on 5 October 1993 and commenced its operations in 1994. The address of the Company's registered office is Turkcell Plaza, Mesrutiyet Caddesi No. 71, 34430 Tepebasi/Istanbul. It is engaged in establishing and operating a Global System for Mobile Communications ("GSM") network in Turkey and regional states.

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 $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 March 2010, two significant founding shareholders, Sonera Holding BV and Cukurova 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 Cukurova 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 interim financial statements of the Company as at and for the three months ended 31 March 2010 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 interim financial statements are prepared as at and for the three months ended 31 March 2010.

2. Basis of preparation

(a) Statement of compliance

The consolidated interim 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 interim financial statements were approved by the Board of Directors on 5 May 2010.

Authority for restatement and approval of consolidated financial statements belongs to the same Board. Consolidated financial statements are approved by the Board of Directors by the recommendation of Audit Committee of the Company. Moreover, annual consolidated financial statements are also approved by the General Assembly.

(b) Basis of measurement

The accompanying consolidated interim 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.

(c) Functional and presentation currency

The consolidated interim 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"). The functional currency of Azerinteltek QSC ("AzerInteltek") is Azerbaijan Manat.

(d) Use of estimates and judgments

The preparation of interim financial statements in conformity with International Accounting Standards No.34 (IAS 34) "Interim Financial Reporting" ("IAS 34") 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 estim