

TÜRK HAVA YOLLARI A.O.
Financial Report
Consolidated
2019 - 2. 3 Monthly Notification

General Information About Financial Statements

Independent Audit Comment

Independent Audit Company	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Audit Type	Limited
Audit Result	Positive

Ara Dönem Konsolide Finansal Bilgilere İlişkin Sınırlı Denetim Raporu

Türk Hava Yolları Anonim Ortaklığı Yönetim Kurulu'na,

Giriş

Türk Hava Yolları Anonim Ortaklığı ("Şirket") ve bağlı ortaklıklarının (birlikte "Grup" olarak anılacaktır) 30 Haziran 2019 tarihli ilişikteki özet konsolide bilançosunun, aynı tarihte sona eren altı aylık hesap dönemine ait özet konsolide kar veya zarar ve diğer kapsamlı gelir tablosunun, özkaynak değişim tablosunun, nakit akış tablosunun ve diğer açıklayıcı dipnotlarının ("ara dönem özet konsolide finansal bilgiler") sınırlı denetimini yürütmüş bulunuyoruz. Grup yönetimi, söz konusu ara dönem özet konsolide finansal bilgilerin Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Muhasebe Standardı 34 "Ara Dönem Finansal Raporlama" Standardı'na ("TMS 34") uygun olarak hazırlanmasından ve sunumundan sorumludur. Sorumluluğumuz, yaptığımız sınırlı denetime dayanarak söz konusu ara dönem özet konsolide finansal bilgilere ilişkin bir sonuç bildirmektir.

Sınırlı Denetimin Kapsamı

Yaptığımız sınırlı denetim Sınırlı Bağımsız Denetim Standardı ("SBDS") 2410 "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi"ne uygun olarak yürütülmüştür. Ara dönem özet konsolide finansal bilgilere ilişkin sınırlı denetim, başta finans ve muhasebe konularından sorumlu kişiler olmak üzere ilgili kişilerin sorgulanması ve analitik prosedürler ile diğer sınırlı denetim prosedürlerinin uygulanmasından oluşur. Ara dönem özet konsolide finansal bilgilerin sınırlı denetiminin kapsamı, Bağımsız Denetim Standartları'na uygun olarak yapılan ve amacı finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem özet konsolide finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vâkıf olabileceğine ilişkin bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

Sonuç

Sınırlı denetimimize göre ilişikteki ara dönem özet konsolide finansal bilgilerin, tüm önemli yönleriyle, TMS 34 "Ara Dönem Finansal Raporlama" Standardı'na uygun olarak hazırlanmadığı kanaatine varmamıza sebep olacak herhangi bir husus dikkatimizi çekmemiştir.

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

A member of KPMG International Cooperative

Gökhan Atılğan, SMMM

Sorumlu Denetçi

8 Ağustos 2019

İstanbul, Türkiye

Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 30.06.2019	Previous Period 31.12.2018
Statement of Financial Position (Balance Sheet)			
Assets [abstract]			
CURRENT ASSETS			
Cash and cash equivalents	5	7.896	8.606
Financial Investments		2.941	2.733
Time Deposits	6	2.314	2.033
Financial Assets at Fair Value Through Profit or Loss		92	89
Financial Assets Held For Trading	6	92	89
Financial Assets at Fair Value Through Other Comprehensive Income		535	611
Financial Assets Measured At Fair Value Through Other Comprehensive Income	6	535	611
Trade Receivables		3.901	3.002
Trade Receivables Due From Related Parties	9	5	10
Trade Receivables Due From Unrelated Parties		3.896	2.992
Other Receivables		9.766	6.217
Other Receivables Due From Related Parties	9	184	18
Other Receivables Due From Unrelated Parties	10	9.582	6.199
Derivative Financial Assets		304	299
Derivative Financial Assets Held for Trading	28	204	89
Derivative Financial Assets Held for Hedging	28	100	210
Inventories		1.460	1.000
Prepayments		758	1.011
Prepayments to Unrelated Parties		758	1.011
Current Tax Assets	26	163	318
Other current assets		709	520
Other Current Assets Due From Unrelated Parties		709	520
SUB-TOTAL		27.898	23.706
Total current assets		27.898	23.706
NON-CURRENT ASSETS			
Financial Investments		481	454
Financial Assets at Fair Value Through Other Comprehensive Income		481	449
Financial Assets Measured At Fair Value Through Other Comprehensive Income	6	481	449
Other Financial Investments	6	0	5
Other Receivables		4.446	5.280
Other Receivables Due From Unrelated Parties	10	4.446	5.280
Investments accounted for using equity method	3	2.033	1.884
Investment property		0	2
Property, plant and equipment		83.406	73.219
Buildings	12	1.199	1.128
Machinery And Equipments	12	1.096	1.020
Leasehold Improvements	12	1.997	1.735
Construction in Progress	12	4.941	3.776
Operational Lease Assets	12	64.923	57.302
Other property, plant and equipment	12	9.250	8.258
Right of Use Assets	12	8.614	0
Intangible assets and goodwill		531	494
Goodwill		71	65
Other intangible assets	13	460	429
Prepayments		5.353	4.037
Prepayments to Unrelated Parties		5.353	4.037
Total non-current assets		104.864	85.370
Total assets		132.762	109.076
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current Borrowings		6.936	5.780
Current Borrowings From Unrelated Parties		6.936	5.780
Bank Loans	7	6.936	5.780
Current Portion of Non-current Borrowings		9.699	6.680

Current Portion of Non-current Borrowings from Unrelated Parties		9.699	6.680
Bank Loans	7-14	2.033	1.524
Lease Liabilities	7-14	7.666	5.156
Other Financial Liabilities		108	32
Other Miscellaneous Financial Liabilities	8	108	32
Trade Payables		5.769	5.375
Trade Payables to Related Parties	9	611	1.213
Trade Payables to Unrelated Parties		5.158	4.162
Employee Benefit Obligations		1.042	1.053
Other Payables		389	412
Other Payables to Unrelated Parties		389	412
Derivative Financial Liabilities		632	1.033
Derivative Financial Liabilities Held for trading	28	51	42
Derivative Financial Liabilities Held for Hedging	28	581	991
Deferred Income Other Than Contract Liabilities		10.004	5.507
Deferred Income Other Than Contract Liabilities from Unrelated Parties	11	10.004	5.507
Current provisions		335	287
Current provisions for employee benefits	15	258	200
Other current provisions	15	77	87
Other Current Liabilities		1.417	1.087
Other Current Liabilities to Unrelated Parties		1.417	1.087
SUB-TOTAL		36.331	27.246
Total current liabilities		36.331	27.246
NON-CURRENT LIABILITIES			
Long Term Borrowings		55.044	43.342
Long Term Borrowings From Unrelated Parties		55.044	43.342
Bank Loans	7-14	7.709	6.487
Lease Liabilities	7-14	47.335	36.855
Other Payables		192	188
Other Payables to Unrelated parties		192	188
Deferred Income Other Than Contract Liabilities		742	342
Deferred Income Other Than Contract Liabilities From Related Parties			0
Deferred Income Other Than Contract Liabilities from Unrelated Parties	11	742	342
Non-current provisions		1.083	685
Non-current provisions for employee benefits	17	768	685
Other non-current provisions		315	0
Deferred Tax Liabilities	26	6.095	5.989
Total non-current liabilities		63.156	50.546
Total liabilities		99.487	77.792
EQUITY			
Equity attributable to owners of parent		33.272	31.281
Issued capital	19	1.380	1.380
Inflation Adjustments on Capital	19	1.124	1.124
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		-225	-184
Gains (Losses) on Revaluation and Remeasurement		-225	-184
Gains (Losses) on Remeasurements of Defined Benefit Plans	19	-225	-184
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		19.905	16.651
Exchange Differences on Translation	19	19.518	16.687
Gains (Losses) on Hedge		410	1
Gains (Losses) on Cash Flow Hedges	19	410	1
Gains (Losses) on Revaluation and Reclassification		-23	-37
Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income	19	-23	-37
Restricted Reserves Appropriated From Profits		59	59
Legal Reserves	19	59	59
Prior Years' Profits or Losses	19	12.149	8.206
Current Period Net Profit Or Loss		-1.120	4.045
Non-controlling interests		3	3
Total equity		33.275	31.284
Total Liabilities and Equity		132.762	109.076

Statement of Profit or Loss and Other Comprehensive Income

Presentation Currency	1.000.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018	Current Period 3 Months 01.04.2019 - 30.06.2019	Previous Period 3 Months 01.04.2018 - 30.06.2018
Statement of Profit or Loss and Other Comprehensive Income					
PROFIT (LOSS)					
Revenue	20	33.516	24.375	18.668	13.843
Cost of sales	21	-29.603	-19.887	-16.170	-10.943
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		3.913	4.488	2.498	2.900
GROSS PROFIT (LOSS)		3.913	4.488	2.498	2.900
General Administrative Expenses	22	-815	-569	-428	-297
Marketing Expenses	22	-4.149	-2.761	-2.028	-1.457
Other Income from Operating Activities	23	564	252	268	164
Other Expenses from Operating Activities	23	-248	-329	-236	-385
PROFIT (LOSS) FROM OPERATING ACTIVITIES		-735	1.081	74	925
Investment Activity Income	24	496	160	337	80
Investment Activity Expenses	24	-447		-299	
Share of Profit (Loss) from Investments Accounted for Using Equity Method	3	56	144	139	132
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		-630	1.385	251	1.137
Finance income	25	139	178	64	177
Finance costs	25	-1.260	-1.436	-524	-801
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		-1.751	127	-209	513
Tax (Expense) Income, Continuing Operations		631	0	342	-72
Current Period Tax (Expense) Income	26	-19	-135	31	-76
Deferred Tax (Expense) Income	26	650	135	311	4
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-1.120	127	133	441
PROFIT (LOSS)		-1.120	127	133	441
Profit (loss), attributable to [abstract]					
Non-controlling Interests		0	0	0	0
Owners of Parent		-1.120	127	133	441
Earnings per share [abstract]					
Earnings per share [line items]					
Basic earnings per share					
Diluted Earnings Per Share					
OTHER COMPREHENSIVE INCOME					
Other Comprehensive Income that will not be Reclassified to Profit or Loss		-41	-15	-33	-16
Gains (Losses) on Remeasurements of Defined Benefit Plans		-51	-19	-41	-20
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		10	4	8	4
Taxes Relating to Remeasurements of Defined Benefit Plans		10	4	8	4
Other Comprehensive Income That Will Be Reclassified to Profit or Loss		3.254	4.712	4	4.444
Exchange Differences on Translation		2.831	4.067	718	3.175
Gains (Losses) on Exchange Differences on Translation		2.831	4.067	718	3.175
Other Comprehensive Income (Loss) Related with Financial Assets Measured at Fair Value through Other Comprehensive Income		18	-44	23	-46
Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income		18	-44	23	-46
Other Comprehensive Income (Loss) Related with Cash Flow Hedges		520	807	-863	1.584
Gains (Losses) on Cash Flow Hedges		520	807	-863	1.584
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss		5	53	-46	56
Gains (Losses) on Cash Flow Hedges of Associates and Joint Ventures Accounted for Using Equity Method		5	53	-46	56
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		-120	-171	172	-325
Taxes Relating to Financial Assets Measured at Fair Value through Other Comprehensive Income		-4	9	-5	9

Taxes Relating to Cash Flow Hedges		-115	-170	167	-323
Taxes Relating to Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss		-1	-10	10	-11
OTHER COMPREHENSIVE INCOME (LOSS)		3.213	4.697	-29	4.428
TOTAL COMPREHENSIVE INCOME (LOSS)		2.093	4.824	104	4.869
Total Comprehensive Income Attributable to					
Non-controlling Interests		0	0	0	0
Owners of Parent		2.093	4.824	104	4.869

Statement of cash flows (Indirect Method)

Presentation Currency	1.000.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018
Statement of cash flows (Indirect Method)			
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		7.256	5.707
Profit (Loss)		-1.120	127
Profit (Loss) from Continuing Operations		-1.120	127
Adjustments to Reconcile Profit (Loss)		5.024	3.943
Adjustments for depreciation and amortisation expense	12-13	4.135	2.189
Adjustments for provisions		194	73
Adjustments for (Reversal of) Provisions Related with Employee Benefits	15-17	157	91
Adjustments for (Reversal of) Free Provisions for Probable Risks		46	-23
Adjustments for (Reversal of) Other Provisions	15	-9	5
Adjustments for Interest (Income) Expenses		456	444
Adjustments for Interest Income	24-25	-293	-124
Adjustments for interest expense	17-25	749	568
Adjustments for unrealised foreign exchange losses (gains)		278	1.390
Adjustments for Manufacturers' Grants		1	1
Adjustments for fair value losses (gains)		85	-80
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	25	85	-80
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method		-56	-144
Adjustments for undistributed profits of associates	3	-56	-144
Adjustments for Tax (Income) Expenses	26	-631	
Adjustments for losses (gains) on disposal of non-current assets		562	70
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets	24	428	-13
Adjustments for losses (Gains) Arised from Sale of Other Non-current Assets	12	134	83
Changes in Working Capital		3.557	1.557
Adjustments for decrease (increase) in trade accounts receivable		-602	-260
Decrease (Increase) in Trade Accounts Receivables from Related Parties		5	
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties		-607	-260
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		107	-642
Decrease (Increase) in Other Unrelated Party Receivables Related with Operations	10	107	-642
Adjustments for decrease (increase) in inventories		-357	-45
Decrease (Increase) in Prepaid Expenses		-663	-599
Adjustments for increase (decrease) in trade accounts payable		-108	124
Increase (Decrease) in Trade Accounts Payables to Related Parties	9	-699	15
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties		591	109
Increase (Decrease) in Employee Benefit Liabilities		-107	-234
Adjustments for increase (decrease) in other operating payables		795	111
Increase (Decrease) in Other Operating Payables to Unrelated Parties		795	111
Increase (Decrease) in Deferred Income Other Than Contract Liabilities	11	4.603	3.006
Other Adjustments for Other Increase (Decrease) in Working Capital		-111	96
Decrease (Increase) in Other Assets Related with Operations		-111	96
Cash Flows from (used in) Operations		7.461	5.627
Payments Related with Provisions for Employee Benefits	17	-31	-29
Income taxes refund (paid)	26	-174	109
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		-5.253	-4.836
Proceeds from sales of property, plant, equipment and intangible assets		105	53

Proceeds from sales of property, plant and equipment		105	53
Purchase of Property, Plant, Equipment and Intangible Assets		-3.968	-1.973
Purchase of property, plant and equipment	12-13	-3.968	-1.973
Proceeds from sales of other long-term assets	6	21	
Purchase of other long-term assets	6		-198
Cash advances and loans made to other parties		-1.704	-2.992
Other Cash Advances and Loans Made to Other Parties		-1.704	-2.992
Dividends received			150
Interest received	24-25	293	124
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		-2.713	3.625
Proceeds from borrowings		5.748	5.972
Proceeds from Loans	7	5.748	5.972
Repayments of borrowings		-4.241	0
Loan Repayments	7	-4.241	
Payments of Lease Liabilities	7	-3.635	-1.949
Interest paid		-656	-396
Other inflows (outflows) of cash	8	71	-2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-710	4.496
Net increase (decrease) in cash and cash equivalents		-710	4.496
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		8.606	7.132
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	7.896	11.628

Footnote Reference	Equity										Non-controlling interests [member]	
	Equity attributable to owners of parent [member]											
	Issued Capital	Inflation Adjustments on Capital	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		Other Accumulated Comprehensive Income That Will Be Reclassified In Profit Or Loss				Restricted Reserves Appropriated From Profits [member]	Retained Earnings		
			Gains/Losses on Revaluation and Remeasurement [member]	Exchange Differences on Translation	Reserve Of Gains or Losses on Hedge	Gains (Losses) on Revaluation and Reclassification	Prior Years' Profits or Losses	Net Profit or Loss				
										Gains (Losses) on Remeasurements of Defined Benefit Plans		Cash Flow Hedges

Previous Period
01.01.2018 - 30.06.2018

[illegible]