

TURKISH AIRLINES INC.
CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006
(All amounts expressed in New Turkish Lira (YTL) unless otherwise stated.)

ASSETS	Not Audited 30 September 2007	Audited 31 December 2006
Current Assets	1.297.237.651	852.035.107
Cash and Cash Equivalents	768.819.033	365.057.959
Marketable Securities (net)	-	-
Accounts Receivable (net)	340.443.800	271.755.418
Financial Lease Receivables (net)	-	-
Due from Related Parties (net)	1.279.437	22.967.266
Other Receivables (net)	8.357.695	8.611.835
Biological Assets (net)	-	-
Inventories (net)	109.814.800	135.643.567
Receivables from Construction Contracts in Progress (net)	-	-
Deferred Tax Assets	-	-
Other Current Assets	68.522.886	47.999.062
Non-Current Assets	3.757.044.006	3.741.767.286
Accounts Receivable (net)	4.569.726	6.439.102
Financial Lease Receivables (net)	-	-
Due from Related Parties (net)	14.417.408	14.812.000
Other Receivables (net)	1.902.950	1.971.731
Financial Assets (net)	44.518.243	29.327.501
Positive / Negative Goodwill (net)	-	-
Investment Property	-	-
Tangible Assets (net)	3.526.502.042	3.503.076.666
Intangible Assets (net)	9.487.402	7.508.620
Deferred Tax Assets	135.871.607	158.971.576
Other Non-current Assets	19.774.628	19.660.090
Total Assets	5.054.281.657	4.593.802.393

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(All amounts expressed in New Turkish Lira (YTL) unless otherwise stated.)

	Not Audited	Audited
Note	30 September 2007	31 December 2006
LIABILITIES		
Short Term Liabilities	1.350.679.488	1.068.505.356
Bank Borrowings (net)	-	-
Short-term Portion of Long-term Bank Borrowings (net)	3.892.337	4.481.158
Financial Lease Obligations (net)	218.563.149	218.720.799
Other Financial Liabilities (net)	1.864.715	373.497
Accounts Payable (net)	376.095.896	318.114.700
Due to Related Parties (net)	25.301.725	14.869.046
Advances Received	68.378.969	45.665.631
Billings on Construction Contracts in Progress (net)	-	-
Provisions for Liabilities	164.407.635	29.321.077
Deferred Tax Liabilities	-	-
Other Liabilities (net)	492.175.062	436.959.448
Long Term Liabilities	1.900.927.638	1.915.578.585
Bank Borrowings (net)	28.526.844	36.401.442
Financial Lease Obligations (net)	1.470.827.156	1.443.932.862
Other Financial Liabilities (net)	-	-
Accounts Payable (net)	7.748.746	8.988.621
Due to Related Parties (net)	-	-
Advances Received	-	-
Provisions for Liabilities	138.899.987	117.304.910
Deferred Tax Liabilities	254.924.905	308.950.750
Other Liabilities (net)	-	-
MINORITY INTERESTS	-	-
SHAREHOLDERS' EQUITY	1.802.674.531	1.609.718.452
Share Capital	175.000.000	175.000.000
Adjustment to Share Capital	-	-
Capital Reserves	1.918.083.196	1.919.321.052
- Share Premium	181.185	181.185
- Share Premium of Cancelled Shares	-	-
- Revaluation Surplus on Tangible Assets	49.179.160	49.179.160
- Financial Assets Fair Value Reserve	(3.934.338)	(2.696.482)
- Restatement Effect on Shareholders' Equity	1.872.657.189	1.872.657.189
Profit Reserves	8.223.909	8.223.909
- Legal Reserves	417.011	417.011
- Statutory Reserves	-	-
- Extraordinary Reserves	7.806.889	7.806.889
- Special Funds	9	9
- Associate Shares and Gain on Sale of Investment Property to be added to Capital	-	-
- Foreign Currency Translation Differences	-	-
Net Profit for the Year	194.193.935	181.381.671
Accumulated Losses	(492.826.509)	(674.208.180)
Total Liabilities and Shareholders' Equity	5.054.281.657	4.593.802.393

TURKISH AIRLINES INC.
CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIODS ENDED
30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006
(All amounts expressed in New Turkish Lira (YTL) unless otherwise stated.)

	Not Audited 01 January- 30 September 2007	Not Audited 01 July- 30 September 2007	Not Audited 01 January- 30 September 2006	Not Audited 01 July- 30 September 2006
MAIN OPERATING REVENUES				
Sales Revenues (net)	3.384.103.341	1.366.573.505	2.807.890.951	1.266.756.157
Cost of Sales (-)	(2.557.156.975)	(940.590.529)	(2.395.177.178)	(959.006.962)
Service Revenues (net)	-	-	-	-
Other Revenues from Main Operations /Interest +Dividend+Rent (net)	183.157.994	74.089.512	144.954.836	57.707.662
GROSS OPERATING PROFIT	1.010.104.360	500.072.488	557.668.609	365.456.857
Operating Expenses (-)	(591.761.236)	(207.225.726)	(526.245.533)	(206.363.494)
NET OPERATING PROFIT /(LOSS)	418.343.124	292.846.762	31.423.076	159.093.363
Income from Other Operations	83.885.791	33.797.307	400.604.017	(127.994.971)
Losses from Other Operations (-)	(382.041.696)	(252.638.949)	(49.365.593)	(21.130.905)
Financial Income (Expenses)	152.346.443	82.080.423	(193.233.857)	78.068.325
OPERATING PROFIT /(LOSS)	272.533.662	156.085.543	189.427.643	88.035.812
Net Monetary Gain / (Loss)	-	-	-	-
MINORITY INTEREST	272.533.662	156.085.543	189.427.643	88.035.812
PROFIT/ (LOSS) BEFORE TAXATION	(78.339.727)	(51.162.183)	(61.887.744)	2.252.192
Taxes				
NET PROFIT / (LOSS) FOR THE YEAR	0,111	0,060	0,073	0,052

MAIN OPERATING REVENUES

Main operating revenues comprised the following:

	01 January - 30 September 2007	01 July- 30 September 2007	01 January - 30 September 2006	01 July- 30 September 2006
Scheduled flights				
- Passenger	3.150.119.551	1.288.335.809	2.576.298.384	1.180.518.956
- Cargo and mail	<u>233.983.790</u>	<u>78.237.696</u>	<u>231.592.567</u>	<u>86.237.201</u>
Non-scheduled flights	3.384.103.341	1.366.573.505	2.807.890.951	1.266.756.157
Other revenues	43.747.852	24.462.080	34.715.851	18.315.063
Total revenues	<u>139.417.614</u>	<u>49.631.356</u>	<u>110.250.440</u>	<u>39.397.431</u>
Less: Discounts and sales returns	3.567.268.807	1.440.666.941	2.952.857.242	1.324.468.651
Net Sales	<u>(7.472)</u>	<u>(3.924)</u>	<u>(11.455)</u>	<u>(4.832)</u>
Cost of Sales (-)	3.567.261.335	1.440.663.017	2.952.845.787	1.324.463.819
Scheduled flights	<u>(2.557.156.975)</u>	<u>(940.590.529)</u>	<u>(2.395.177.178)</u>	<u>(959.006.962)</u>
Gross Operating Profit	<u>1.010.104.360</u>	<u>500.072.488</u>	<u>557.668.609</u>	<u>365.456.857</u>

Geographical details of revenue from the scheduled flights is as follows:

	01 January - 30 September 2007	01 July- 30 September 2007	01 January - 30 September 2006	01 July- 30 September 2006
- Europe	1.386.463.044	581.590.558	1.220.408.994	592.143.778
- Far East	619.497.870	240.315.478	475.067.439	198.909.510
- Middle East	314.775.380	111.984.043	229.746.134	79.076.221
- North America	163.192.429	72.380.769	150.683.374	73.093.824
- North Africa	75.336.320	28.242.097	68.515.076	27.596.962
- Middle Africa	13.363.495	5.269.737	6.203.846	4.776.204
- West Africa	11.233.381	5.768.954	1.493.113	1.493.113
- South Africa	<u>1.375.687</u>	<u>1.375.687</u>	-	-
	<u>2.585.237.606</u>	<u>1.046.927.323</u>	<u>2.152.117.976</u>	<u>977.089.612</u>
Domestic	<u>798.865.735</u>	<u>319.646.182</u>	<u>655.772.975</u>	<u>289.666.545</u>
Total revenue from the scheduled flights	<u><u>3.384.103.341</u></u>	<u><u>1.366.573.505</u></u>	<u><u>2.807.890.951</u></u>	<u><u>1.266.756.157</u></u>