

**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.)

<b>ASSETS</b>	<b>Not Audited</b> <b>30 September 2007</b>	<b>Audited</b> <b>31 December 2006</b>
<b>Current Assets</b>	<b>1.297.237.651</b>	<b>852.035.107</b>
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
<b>Non-Current Assets</b>	<b>3.757.044.006</b>	<b>3.741.767.286</b>
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
<b>Total Assets</b>	<b>5.054.281.657</b>	<b>4.593.802.393</b>

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	Not Audited	Audited
Note	30 September 2007	31 December 2006
<b>LIABILITIES</b>		
<b>Short Term Liabilities</b>	<b>1.350.679.488</b>	<b>1.068.505.356</b>
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
<b>Long Term Liabilities</b>	<b>1.900.927.638</b>	<b>1.915.578.585</b>
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)	-	-
<b>MINORITY INTERESTS</b>	<b>-</b>	<b>-</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>1.802.674.531</b>	<b>1.609.718.452</b>
<b>Share Capital</b>	<b>175.000.000</b>	<b>175.000.000</b>
<b>Adjustment to Share Capital</b>	<b>-</b>	<b>-</b>
<b>Capital Reserves</b>	<b>1.918.083.196</b>	<b>1.919.321.052</b>
- 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
<b>Profit Reserves</b>	<b>8.223.909</b>	<b>8.223.909</b>
- 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	-	-
<b>Net Profit for the Year</b>	<b>194.193.935</b>	<b>181.381.671</b>
<b>Accumulated Losses</b>	<b>(492.826.509)</b>	<b>(674.208.180)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5.054.281.657</b>	<b>4.593.802.393</b>

**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.)

	<b>Not Audited</b> 01 January- 30 September 2007	<b>Not Audited</b> 01 July- 30 September 2007	<b>Not Audited</b> 01 January- 30 September 2006	<b>Not Audited</b> 01 July- 30 September 2006
<b>MAIN OPERATING REVENUES</b>				
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
<b>GROSS OPERATING PROFIT</b>	<b>1.010.104.360</b>	<b>500.072.488</b>	<b>557.668.609</b>	<b>365.456.857</b>
Operating Expenses (-)	(591.761.236)	(207.225.726)	(526.245.533)	(206.363.494)
<b>NET OPERATING PROFIT /(LOSS)</b>	<b>418.343.124</b>	<b>292.846.762</b>	<b>31.423.076</b>	<b>159.093.363</b>
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
<b>OPERATING PROFIT /(LOSS)</b>	<b>272.533.662</b>	<b>156.085.543</b>	<b>189.427.643</b>	<b>88.035.812</b>
Net Monetary Gain / (Loss)	-	-	-	-
<b>MINORITY INTEREST</b>	<b>272.533.662</b>	<b>156.085.543</b>	<b>189.427.643</b>	<b>88.035.812</b>
<b>PROFIT/ (LOSS) BEFORE TAXATION</b>	<b>(78.339.727)</b>	<b>(51.162.183)</b>	<b>(61.887.744)</b>	<b>2.252.192</b>
Taxes				
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>	<b>0,111</b>	<b>0,060</b>	<b>0,073</b>	<b>0,052</b>

## MAIN OPERATING REVENUES

Main operating revenues comprised the following:

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

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

	<b>01 January - 30 September 2007</b>	<b>01 July- 30 September 2007</b>	<b>01 January - 30 September 2006</b>	<b>01 July- 30 September 2006</b>
- 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	1.375.687	1.375.687	-	-
	<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	<b><u>3.384.103.341</u></b>	<b><u>1.366.573.505</u></b>	<b><u>2.807.890.951</u></b>	<b><u>1.266.756.157</u></b>