TURKCELL ILETISIM HIZMETLERI A S
Form 6-K
July 26, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

Report on Form 6-K dated July 26, 2012

Commission File Number: 001-15092

TURKCELL ILETISIM HIZMETLERI A.S.
(Translation of registrant's name in 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 July 25, 2012 announcing Turkcell's Second Quarter 2012 results and Q2 2012 IFRS report.

TURKCELL ILETISIM HIZMETLERI

SECOND QUARTER 2012 RESULTS

"GROWTH MOMENTUM CONTINUES"

Content

Please note that all financial data is consolidated and comprises that of Turkcell IletisimHizmetleri A.S., (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”). All non-financial data is unconsolidated and comprises Turkcell only figures. The terms “we”, “us”, and “our” in this press release refer only to the Company, except in discussions of financial data, where such terms refer to the Group, and where context otherwise requires.

In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for June 30, 2012 refer to the same item as at June 30, 2011. For further details, please refer to our consolidated financial statements and notes as at and for June 30, 2012 which can be accessed via our web site in the investor relations section (www.turkcell.com.tr).

Please note that the Information and Communication Technologies Authority in Turkey is referred to as “the Telecommunications Authority” herein.

HIGLIGHTS OF THE SECOND QUARTER OF 2012

- Turkcell Group continued its growth momentum in the second quarter of 2012, posting double-digit growth for the third consecutive quarter, as well as high single-digit EBITDA growth
  - Group revenues rose by 12.5% to TRY2,565 million (TRY2,279 million) achieving the historically highest second quarter revenue
  - Group EBITDA1 increased by 8.0% to TRY779 million (TRY721 million), while the Group EBITDA margin was at 30.4% (31.6%)
- Turkcell Turkey's revenues grew by 9% to TRY2,149 million (TRY1,975 million)
  - Turkcell Turkey registered growth in voice revenues2 of 6%, maintaining growth trend for the third consecutive quarter
  - Mobile broadband & services revenues rose 18% to TRY546 million (TRY462 million)
    - In particular, mobile broadband revenues rose 44% to TRY240 million (TRY166 million)
    - Overall, the share of mobile broadband and service revenues rose 2pp to 25% (23%)
- Revenues of subsidiaries3 grew by 37% to TRY416 million (TRY304 million), while their contribution to the top line rose to 16% (13%)
- EBITDA of subsidiaries3 improved by 55% to TRY136 million (TRY88 million), while their contribution to Group EBITDA rose to 18% (12%)
- Group net income improved to TRY534 million from a net loss of TRY21 million in the second quarter of 2011 mainly due to one-off items, mostly due to fx loss and impairment charges in Belarus. (If we exclude one-off items, net income would be TRY472 million in Q211 while YoY growth would be 13%).

(1) EBITDA is a non-GAAP financial measure. See page 12 for the reconciliation of EBITDA to net cash from operating activities.
(2) Voice revenues include outgoing, incoming, roaming and other (comprising almost 2% of Turkcell Turkey) revenues.
(3)Including eliminations.

COMMENTS FROM CEO, SUREYYA CILIV

"Turkcell Group continued its double digit growth in the second quarter following a strong start to the year. Consolidated revenues rose by 13% year-on-year to TRY 2.6 billion, while EBITDA increased by 8% to TRY 779 million and net profit reached TRY 534 million. With this outstanding quarterly performance, Turkcell Group generated its historic highest second quarter and first half revenue.

Despite intense competition in the Turkish mobile communication market, our commitment to defending the subscriber base, plus successful initiatives to increase customer satisfaction led to net additions of 192 thousand subscribers in total to reach 34.7 million. In this quarter, our postpaid base increased by 536 thousand new subscribers. Meanwhile, Turkcell Turkey has increased the pace of overall growth, posting a year-on-year growth of 9%. This was driven by voice revenue growth of 6%, and by 44% rise in mobile broadband revenues.

Our investments for the quarter in our 3G and fiber broadband infrastructures paved the way for a higher-quality and enriched communication experience. And as part of our vision of spreading mobile broadband in Turkey, we continued to change the usage habits of our subscribers together with our Turkcell branded smartphones that form an important part of our rich smartphone portfolio. Recently, we have introduced the new Turkcell MaxiPLUS5 as part of the Turkcell branded smartphone portfolio, and will soon launch the Turkcell MaxiPro5, designed for professional use.

Group companies continued to significantly support overall growth with their successful results. Turkcell Superonline, which introduced fiber broadband to Turkey, grew by 55% year-on-year. Meanwhile, our Ukraine operation managed to increase its EBITDA margin to over 30%, growing 13% in USD terms, while recording its first positive EBIT.

As Turkcell, we strive to offer the best experience, to sustain the highest overall level of satisfaction and be ever closer to our subscribers. With this vision, we will continue our efforts to carry Turkey and other markets that we operate in forward. We would like to thank all of our customers, employees, business partners and shareholders for sharing our success story with us."

OVERVIEW OF TURKCELL TURKEY

During the quarter, the total number of subscribers in the market rose by 0.4 million to 66.1 million, while mobile line penetration remained almost stable at around 88%.

The market share focused competitive environment dominated the Turkish mobile market in the second quarter of 2012, with increased all direction minutes and bundled offers. This environment triggered record high minutes of usage, due to increasing offnet usage, which in turn led to higher interconnect costs. Meanwhile, price per minute figures continued to decline. Consequently, profitability levels in the market remained under pressure.

In this environment, as Turkcell Turkey, we increased our subscriber base by 192 thousand during the quarter to 34.7 million. We achieved this through our tariff structure, simplified in the first quarter of the year, plus attractive offers and our continued focus on customer satisfaction. Meanwhile, as a result of our contracting and customer retention efforts, we registered 536 thousand net postpaid subscribers in the second quarter. In addition, we grew our blended ARPU by 5.6% with the 4.9pp rise in the share of postpaid in our subscriber mix, and the 44% rise in mobile broadband revenues on a year-on-year basis.

On the terminal front, momentum in the market has continued with the increasing share of smartphones in total handset sales, up from 34% in December 2011 to 39% in the second quarter. As Turkcell Turkey, we continued to lead the smartphone market in accordance with our vision of promoting mobile broadband usage. Accordingly, the number of smartphones in our network grew by 2 million to 4.8 million with the contribution of our wide device portfolio. In consequence, our smartphone penetration rate reached 15%, indicating the considerable potential in our subscriber base. As part of our focus on maximizing this potential, we launched our Turkcell branded T-series smartphones in November 2010, which have sold approximately half a million units since then. Recently, we added a new smartphone, Turkcell MaxiPLUS5, to our T-series, and will continue to introduce new models, including Turkcell MaxiPro5, which is designed for professionals. Overall, we expect a continued rise in the smartphone penetration of our base up to around 20% by year-end 2012.

As Turkcell Group, wesaw a solid performance in the first half. For the full year, with the success of Turkcell Turkey and subsidiaries, we believe that we may deliver better results for the Group compared to our initial guidance. Thus, we revise our guidance for the full year 2012. Assuming that market conditions do not change significantly, we now expect Group revenues in the range of TRY10,100 -10,300 million with Group EBITDA in the range of TRY3,050-3,200 million. Meanwhile, with a higher revenue expectation, we revise our guidance for operational Group capex as a percentage of revenues from 17% to around 16%.

FINANCIAL AND OPERATIONAL REVIEW OF THE SECOND QUARTER 2012

The following discussion focuses principally on the developments and trends in our business in the second quarter of 2012 in TRY terms. Selected financial information for the second quarter of 2011, and the first and second quarters of 2012, both in TRY and US$ prepared in accordance with IFRS, and in TRY prepared in accordance with the Capital Markets Board of Turkey's standards are also included at the end of this press release.

Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Q211	Q112	Q212	y/y %	q/q %
Total Revenue	2,279.2	2,381.8	2,565.1	12.5%	7.7%
Direct cost of revenues1	(1,436.3)	(1,491.3)	(1,572.3)	9.5%	5.4%
Depreciation and amortization	(381.1)	(333.1)	(343.1)	(10.0%)	3.0%
Gross Margin	37.0%	37.4%	38.7%	1.7pp	1.3pp
Administrative expenses	(102.0)	(118.1)	(122.6)	20.2%	3.8%
Selling and marketing expenses	(400.9)	(402.8)	(434.3)	8.3%	7.8%
EBITDA2	721.1	702.7	779.0	8.0%	10.9%
EBITDA Margin	31.6%	29.5%	30.4%	(1.2pp)	0.9pp
Net finance income / (expense)	(128.7)	161.8	105.0	-	(35.1%)
Finance expense	(283.9)	(58.3)	(44.5)	(84.3%)	(23.7%)
Finance income	155.2	220.1	149.5	(3.7%)	(32.1%)
Share of profit of associates	55.8	49.5	65.6	17.6%	32.5%
Other income / (expense)	(195.1)	(6.5)	3.9	-	-
Monetary gains / (losses)	-	40.5	39.3	-	(3.0%)
Non-controlling interests	12.0	4.7	7.4	(38.3%)	57.4%
Income tax expense	(105.5)	(104.8)	(122.9)	16.5%	17.3%
Net Income	(21.4)	514.8	534.2	-	3.8%

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

Revenue rose by 12.5% year-on-year to TRY2,565.1 million (TRY2,279.2 million) on the back of 9% growth in Turkcell Turkey's revenues and the 37% increased contribution of group companies:

- The increase in Turkcell Turkey's revenues was driven by 18% growth in mobile broadband & services revenues, mainly on the 44% growth in broadband revenues, together with the 6% rise in voice revenues.

- The contribution of Group companies to the top line rose to 16% (13%). Turkcell Superonline revenues climbed 54.9% to TRY162.2 million (TRY104.7 million), while Astelit's revenues grew by 13.4% to US$100.1 million (US$88.3 million).

Compared to the previous quarter, revenues grew by 7.7%, mainly due to the 10% increase in voice revenues of Turkcell Turkey together with 5% growth in the contribution of subsidiaries.

Direct cost of revenues increased by 9.5% to TRY1,572.3 million (TRY1,436.3 million), while as a percentage of revenues dropping to 61.3% (63.0%). This mainly stemmed from the decrease in depreciation and amortization

(3.4pp) as opposed to the increase in interconnection costs (1.4pp), and other cost items (0.3pp) as a percentage of revenues.

Please note that the decrease in depreciation and amortization expenses mainly relates to the one-time impact of a TRY188.1 million impairment charge relating to BeST, of which TRY 95.5 million was recorded under depreciation and amortization expenses in Q211.

Quarter-on-quarter, direct costs as a percentage of revenue declined 1.3pp to 61.3% (62.6%). This was mainly driven by decreased wages & salaries (0.8pp), depreciation and amortization (0.6pp), network related costs (0.4pp) and other cost items (0.1pp) as opposed to the increase in interconnect costs (0.6pp) as a percentage of revenues.

In Q212, Turkcell Turkey's interconnection costs rose to TRY273.5 million (TRY215.2 million) YoY increasing Turkcell Turkey's interconnection costs as a percentage of revenue by 1.8pp to 12.7% (10.9%). In the meantime, Turkcell Turkey's interconnection revenues rose 30.6% to TRY254.6 million (TRY194.9 million), driven mostly by higher incentives including all direction minutes in the market. This led to an increased share of interconnection revenues in Turkcell Turkey's revenues to 11.8% (9.9%).

Administrative expenses as a percentage of revenues increased 0.3pp to 4.8% (4.5%) in Q212, mainly due to higher bad debt expenses (0.4pp) as a percentage of revenues. Compared to the previous quarter, administrative expenses as a percentage of revenues decreased 0.2pp to 4.8% mainly driven by the decrease in bad debt expenses (0.2pp) as a percentage of revenues.

Selling and marketing expenses as a percentage of revenues fell by 0.7pp to 16.9% (17.6%) in Q212 due to the decrease in marketing expenses (0.6pp), prepaid frequency fees (0.5pp) and other items (0.1pp) as opposed to the increase in selling expenses (0.5pp). On a quarter-on-quarter basis, selling and marketing expenses as a percentage of revenues remained unchanged at 16.9%. The increase in selling expenses (0.3pp) was offset by the decrease in wages&salaries (0.2pp) and marketing expenses (0.1pp) as a percentage of revenues.

EBITDA increased 8.0% to TRY779.0 million in Q212 from TRY721.1 million in Q211, while the EBITDA margin was at 30.4% (31.6%). This mainly arose from the increase in direct cost of revenues (excluding depreciation and amortization) of 1.6pp and administrative expenses of 0.3pp as opposed to the decrease in selling and marketing expenses of 0.7pp as a percentage of revenues.

The EBITDA margin improved by 0.9pp to 30.4% compared to the previous quarter due to the decline in direct cost of revenues (excluding depreciation and amortization) of 0.7pp and administrative expenses of 0.2pp as a percentage of revenues.

Net finance income amounted to TRY105.0 million in Q212 as opposed to the net finance expense of TRY128.7 million in Q211. This was mainly due to a translation loss of TRY298 million in Q211 recorded by Group companies, of which TRY255 million was related to BeST due to the devaluation in Belarus.

Compared to the previous quarter, net finance income decreased from TRY161.8 million to TRY105.0 million. This was mainly due to a net translation loss of TRY17.5 million in Q212, as opposed to the net translation gain of TRY36.5 million in Q112.

Share of profit of equity accounted investees, comprising our share in the net income of unconsolidated investees Fintur and A-Tel, grew by 17.6% YoY to TRY65.6 million (TRY55.8 million) mainly due to the depreciation of TRY against US$ by 14.4% on average.

Compared to the previous quarter, our share in the net income of unconsolidated investees increased 32.5% to TRY65.6 million (TRY49.5 million) mainly driven by increase in profitability in Kazakhstan operation and improving revenue trend in Georgia operation.

Income tax expense amounted to TRY122.9 million in Q212 compared to the TRY105.5 million of Q211. The taxation charge rose by 17.3% compared to Q112. TRY138.1 million of the total tax charge comprised current tax charges, while deferred tax income of TRY15.2 million was recorded.

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Million TRY	Q211	Q112	Q212	y/y %	q/q %
Current Tax expense	(126.8)	(119.1)	(138.1)	8.9%	16.0%
Deferred Tax Income/expense	21.3	14.3	15.2	(28.6%)	6.3%
Income Tax expense	(105.5)	(104.8)	(122.9)	16.5%	17.3%

Net income amounted to TRY534.2 million as opposed to the net loss of TRY 21.4 million. This was mainly due to one off items below the EBITDA line, mostly arising from the impact of devaluation in Belarus (TRY255.0 million) and goodwill impairment recorded for BeST (TRY188.1 million), as well as a provision regarding the Competition Board fine (TRY68.2 million) in Q211. If we exclude one-off items in Q211, net income would be TRY472 million in Q211 while YoY growth would be 13%. Please also note that TRY68.2 million provisions in Q211 concerning the Competition Board fine were reversed in Q311 as a result of the management opinion together with the assessment of legal counsels.

Quarter-on-quarter, net income increased by 3.8% to TRY534.2 million (TRY 514.8 million), mainly driven by higher EBITDA QoQ, partially netted off with the decrease in net finance income.

Total debt as of June 30, 2012 in consolidated terms amounted to TRY3,129 million (US$1,732 million). TRY588.0 million (US$325.5 million) of this was related to Turkcell's Ukraine operations. In addition, debt related to operations in Belarus amounted to TRY745.6 million (US$ 412.7 million), and outstanding debt amount related to Turkcell Superonline was TRY608.3 million (US$ 336.7 million) as of June 30, 2012. With respect to financial statements of Euroasia (which owns 100% of Turkcell's Ukraine operations, Astelit), total outstanding debt amount was US$651.5 million which included its guaranteed loan amounting to US$150 million that Turkcell Turkey paid in Q212. TRY2,313 million (US$1,280 million) of our consolidated debt is at a floating rate, while TRY2,433 million (US$1,347 million) will mature within less than a year. Our debt/annual EBITDA ratio in TRY terms decreased to 103% in Q212. (Please note that the figures in parentheses refer to the US$ equivalents).

Cash flow analysis: Capital expenditures amounted to TRY326.9 million in Q212, of which TRY166.5 million was related to Turkcell Turkey, TRY15.4 million to Astelit, TRY109.0 million to Turkcell Superonline and TRY8.9 million to BeST. The other cash flow item mainly includes corporate tax payment. Please also note that Turkcell Turkey paid the guaranteed loan of Euroasia (55% owned subsidiary) in the amount of US$150 million in Q212.