

# TURKCELL İLETİŞİM HİZMETLERİ A.Ş. Non-current Financial Asset Sale

## Summary Info

Announcement Regarding the Transfer of Our Shares in Fintur Holdings B.V.

## Non-Current Financial Asset Sale

Related Companies ☐

Related Funds ☐

Non-Current Financial Asset Sale	
Update Notification Flag	Evet (Yes)
Correction Notification Flag	Hayır (No)
Date Of The Previous Notification About The Same Subject	17.09.2015, 25.11.2016, 26.02.2016, 26.01.2018, 05.03.2018, 20.03.2018, 12.12.2018
Postponed Notification Flag	Evet (Yes)
Announcement Content	
Board Decision Date for Sale	11/12/2018
Were Majority of Independent Board Members' Approved the Board Decision for Sale?	Yes
Title of Non-current Financial Asset Sold	Fintur Holdings B.V. ("Fintur")
Field of Activity of Non-current Financial Asset Sold	Telecommunication investments
Capital of Non-current Financial Asset Sold	US\$ 538,118,000
Date on which the Transaction was/will be Completed	Transfer of shares will be completed following the completion of transfer of Fintur's subsidiary Kcell JSC and obtainment of other regulatory approvals.
Sales Conditions	Peşin (Cash)
Nominal Value of Shares Sold	US\$ 223,049,911
Sales Price Per Share	Will be finalized on the closing date.
Total Sales Value	Will be finalized on the closing date.
Ratio of Shares Sold to Capital of Non-current Financial Asset (%)	41.45%
Total Ratio of Shares Owned in Capital of Non-current Financial Asset After Sales Transaction (%)	0%
Total Voting Right Ratio Owned in Non-current Financial Asset After Sales Transaction (%)	0%
Ratio of Non-current Financial Asset Sold to Total Assets in Latest Disclosed Financial Statements of Company (%)	4.2%
Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%)	Will be finalized on the closing date.
Effects on Company Operations	The parent-subsiidiary relationship will cease. Sale transaction is expected to strengthen Turkcell's financing structure.
Profit / Loss Arised After Transaction	Subject to the FX rates and balance sheet position on the closing date, the contribution of this transaction to Turkcell's profitability is expected to be approximately TRY 850 million.

How will Sales Profit be Used if Exists?	-
Board Decision Date for Use of Sales Profit if Exists	There is no decision taken for this matter.
Title/ Name-Surname of Counter Party Bought	Sonera Holding B.V.
Is Counter Party a Related Party According to CMB Regulations?	Evet (Yes)
Relation with Counter Party if any	The other shareholder of Fintur with 58.55% stake and subsidiary of one of Turkcell's shareholders
Agreement Signing Date if Exists	12/12/2018
Value Determination Method of Non-current Financial Asset	Determined by negotiations taking into account financials of Fintur and market conditions.
Did Valuation Report be Prepared?	Düzenlenmedi (Not Prepared)
Reason for not Preparing Valuation Report if it was not Prepared	The sale transaction was executed in accordance with shareholders' agreement.
Date and Number of Valuation Report	-
Title of Valuation Company Prepared Report	-
Value Determined in Valuation Report if Exists	-
Reasons if Transaction wasn't/will not be performed in Accordance with Valuation Report	-
<b>Explanations</b>	

Binding agreement with respect to the transfer of our shares in our 41.45% owned subsidiary Fintur Holdings B.V. ("Fintur") to Sonera Holding B.V., the other shareholder of Fintur, has been signed on December 12, 2018.

The transfer of shares is expected to be completed following the transfer of Fintur's subsidiary Kcell JSC to Kazakhtelecom as disclosed per our announcement dated December 12, 2018, and obtaining of other regulatory approvals. The final value of the transaction will be finalized following the respective adjustments. Based on the calculation over Fintur's financials as of November 30, 2018, the value of the transaction is anticipated to be approximately EUR 350 million.

Turkcell CEO Kaan Terzioğlu stated the following: "Today, we announce an important milestone towards our Company's focus on digital services and strong balance sheet strategies. We have been working for over one year on the divestment of Fintur, in which we are a minority shareholder. This morning as a first step, Fintur sold Kcell. Following that, as Turkcell we signed a binding agreement with respect to the transfer of our shares in our 41.45% owned subsidiary Fintur to our partner Telia for approximately EUR 350 million. We anticipate that the cash proceeds from this transaction, which is expected to be completed in January 2019, will lower our Net Debt/EBITDA ratio below 1.5 times and our limited short FX position will turn into a long position. Subject to the FX rates and balance sheet position on the closing date, the contribution of this transaction to Turkcell's profitability is expected to be approximately TRY 850 million. We will continue our investments in accordance with our digital services and growth focus with the proceeds generated through this transaction. In addition to our brand, technology, digital services portfolio and our human capital, our stronger than ever balance sheet will support our vision to become the global digital operator."

The sale transaction was executed in accordance with the decision of our Board of Directors of our Company which convened on December 11, 2018 with the participation of all of the independent members. The decision was resolved with the unanimous votes of the members.

The disclosure of this Board of Directors decision was postponed until the signing of the sale agreement with the underlying reason that such disclosure at negotiations stage might have misled the investors and adversely impacted the legal rights and interests of our Company. According to the 5th and 6th articles of the Capital Markets Board's "Communiqué Regarding Common Terms On Material Transactions And Right To Exit" with the number II-23.1, this sale transaction does not fall within the category of "Material Transaction" defined therein.

*\*Relevant calculations are as follows:*

*a) The ratio of carrying value of the financial asset subject to the sale transaction to total assets as per the latest publicly disclosed financial statements (financial statements for the period ended as of 30 September 2018): 4.2% with a carrying value of TRY 1,928,649 thousand and total assets of TRY 45,404,096 thousand.*

*b) The ratio of transaction value to the market value calculated by taking daily adjusted weighted average price of shares over the previous 6-month period prior to date of the Board of Directors' decision: The market value by taking the adjusted weighted average price of shares over the previous 6-month period prior to the Board of Directors' decision dated December 11, 2018 is TRY 26,256,218 thousand and the anticipated transaction value is TRY 2,130,800 thousand translated into TRY with EUR/TRY indicative rate as of December 11, 2018. Accordingly, the ratio is 8.0%.*

*c) The contribution of the asset that is to be transferred or leased or created a right in rem to the total revenue and the ratio of this amount to the total sales as per the financial statements as at 31 December 2017. The revenue contribution is TRY 0 and the total sales is TRY 17,632,064 thousand. Accordingly, the ratio is 0%.*

We proclaim that our above disclosure is in conformity with the principles set down in "Material Events Communiqué" of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we're personally liable for the disclosures.