

TÜRK TELEKOMÜNİKASYON A.Ş. Material Event Disclosure (General)

Summary Info

Update regarding the Notification by Undersecretariat of Treasury to Avea İletişim Hizmetleri A.Ş. on Treasury Share Payments



Material Event Disclosure General

Related Companies

Related Funds

Material Event Disclosure General	
Update Notification Flag	Evet (Yes)
Correction Notification Flag	Hayır (No)
Date Of The Previous Notification About The Same Subject	05.06.2017
Postponed Notification Flag	Hayır (No)
Announcement Content	
Explanations	

Via our Company's 01.02.2017 dated regulatory disclosure, we announced that our wholly owned subsidiary Avea İletişim Hizmetleri A.Ş. ("Avea") had received two different reports from Treasury Controllers Board alleging an underpayment of its Treasury Share regarding 2G and 3G services.

Litigation proceedings regarding international arbitration decision in favour of Avea before ICC related to 2G services are ongoing before national courts.

The lawsuits regarding the years of 2010, 2011, 2012 and 2013 in relation to previous Treasury reports on 3G services continue. At the same time, via our 05.06.2017 dated regulatory disclosure we announced that the lawsuit regarding the year 2009 in relation to 3G services was concluded in favour of Avea in the Council of State. Council of State's favourable ruling set a precedent for three more cases and lawsuits on Contribution Fee to Institution Expense, Universal Service Fee and Penalties related to the same period were concluded in favour of Avea in the Council of State. These four decisions set a precedent for the other ongoing cases.

While these developments are ongoing, a notification was sent by the Information and Communication Technologies Authority (ICTA) regarding treasury share payments announced via our 01.02.2017 dated regulatory disclosure. According to this notification, it was decided to impute TL 322,923,813.33 penalty related to 2G services (for periods including 2009, 2010, 2011 2012 and 2013) and TL 182,476,806.88 penalty related to 3G services (for periods including 2011, 2012 and 2013) to Avea with the claim of its failure in fulfilling its treasury share obligations thoroughly as per the GSM concession agreement, IMT-2000 concession agreement and related regulations.

It has been considered that the Council of State's judgments were not taken into account in the notifications. In this regard, while proceeding with legal procedures regarding the two reports announced via our 01.02.2017 dated regulatory disclosure, our Company has requested reversal of the notification until the finalisation of the legal processes on the matter by taking into account that the Council of State's precedent decisions are in favour of Avea for the year 2009.

This public disclosure is made by our Company under article 23 paragraph 7 of CMB's Material Events Communiqué numbered II-15.1, and relevant legislations.

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.