

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

Summary Info

Announcement Regarding the Completion of 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	Hayır (No)
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	02.04.2019
Sales Conditions	Peşin (Cash)
Nominal Value of Shares Sold	US\$ 223,049,911
Sales Price Per Share	TRY 9.96
Total Sales Value	TRY 2,229,594,570
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 (%)	4.0%
Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%)	10.5%
Effects on Company Operations	The parent-subsidiary relationship will cease. Sale transaction is expected to strengthen Turkcell's financing structure.
Profit / Loss Arised After Transaction	As the conditions precedent required for the share transfer have been completed in March, the profit generated from the transaction is calculated over FX rate as of March 31, 2019 and is equivalent of TRY 772.4 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?	Düzenlendi (Prepared)
Reason for not Preparing Valuation Report if it was not Prepared	-
Date and Number of Valuation Report	17 January 2019
Title of Valuation Company Prepared Report	Ernst Young Kurumsal Finansman Danışmanlık A.Ş.
Value Determined in Valuation Report if Exists	EUR 340.9 million
Reasons if Transaction wasn't/will not be performed in Accordance with Valuation Report	-
Explanations	

With reference to our announcement dated December 12, 2018, the transfer of our shares in Fintur Holdings B.V. ("Fintur"), in which we hold 41.45% stake, to Sonera Holding B.V., the other shareholder of Fintur, has been completed on April 2, 2019. The final value of the transaction is realized as EUR 352.9 million. As the conditions precedent required for the share transfer have been completed in March, TRY 772.4 million profit generated from the transaction is anticipated to be reflected in our 2019 first quarter financial statements.

Turkcell CEO Murat Erkan stated the following: "Today, we are proud to have completed the transaction, which is an important strategic milestone in our Company's history. The transfer of our minority shares in Fintur to our partner, a transaction we have been working on over one year, has been completed for EUR 353 million. This transaction confirms our "Asset Light" strategy as well as our strategy to own physical assets in Turkey and drive international expansion via digital assets.

In the meantime, with this transaction through which we generated a cash inflow of nearly TRY 2.2 billion, our liquidity and balance sheet ratios strengthened further and FX position turned into a long position. We will use the proceeds from this transaction in investments which will enrich the value we offer to our customers and strengthen our technology. We will continue to focus on sustainable and profitable growth, our digital operator vision in accordance with our strategy of creating value for our employees and all stakeholders through our customer oriented approach and innovative technology solutions.

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 31 December 2018): 4.0% with a carrying value of TRY 1,720,305 thousand and total assets of TRY 42,765,275 thousand.

b) The ratio of transaction value to the market value calculated by taking the average of 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 average of 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 realized transaction value is TRY 2,229,595 thousand translated into TRY with EUR/TRY indicative rate as of March 31, 2019. Accordingly, the ratio is 8.5%.

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 2018: The revenue contribution is TRY 0 and the sales as per the latest annual financial statements is TRY 21,292,475 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.