Press Release
September 30, 2011

Cukurova ordered to pay damages of USD 932 million to TeliaSonera

An arbitration tribunal of the International Chamber of Commerce (ICC) has issued its final award related to a dispute concerning the 2005 Turkcell Holding share purchase agreement between TeliaSonera and Cukurova. The tribunal orders Cukurova to pay damages to TeliaSonera in an amount of USD 932 million, plus interest.

The arbitration tribunal has earlier issued partial awards. The first award was issued in January 2007, stating that a binding share purchase agreement between TeliaSonera and Cukurova was concluded and ordering Cukurova to close the transaction. In a second partial award, issued in July 2009, the arbitration tribunal further stated that Cukurova must deliver all the remaining shares in Turkcell Holding to TeliaSonera for a cash consideration of USD 3.1 billion.

Under the rules of the ICC, which Cukurova has agreed to be bound by, the parties undertake to carry out any award without delay and shall be deemed to have waived their right to any form of recourse.

Cukurova has in no way acted or showed any interest in acting in accordance with its obligations under any of the earlier partial awards. TeliaSonera therefore turned to the arbitration tribunal and requested the tribunal to award damages.

The arbitration tribunal of the ICC has now ordered Cukurova to pay damages to TeliaSonera in an amount of USD 932 million. In addition, the amount awarded shall bear interest from 30 June 2007 until full payment by Cukurova, at the highest rate paid by the Turkish State Banks for one year term deposit accounts in USD.

“The damages and compound interest which have been awarded represent a significant amount of money. Given Cukurova’s total disregard of previous arbitration awards, we will take immediate action to recover damages in countries where Cukurova has assets,” says Cecilia Edström, Senior Vice President and Head of Group Communications.

“In November 2009, we agreed with Altimo to collaborate and align our efforts to resolve all ongoing legal disputes between each of us and Cukurova. The final ICC award and the recent decision by the Court of Appeal of the Eastern Caribbean Supreme Court in favour of Altimo are important steps in the right direction. We will now join forces to implement the award and seek for a speedy resolution of a conflict which has affected Turkcell far too long,” says Cecilia Edström, Senior Vice President and Head of Group Communications.

Background information
TeliaSonera is a founding member and the biggest shareholder in Turkcell. In March 2005, an agreement was announced in which Cukurova agreed to sell all its remaining shares in Turkcell Holding to TeliaSonera for a cash consideration of USD 3.1 billion, which would have increased TeliaSonera’s effective ownership in Turkcell to 64.3 percent. The final award which has now been issued results from an arbitration proceeding in Geneva that TeliaSonera commenced in May 2005 after Cukurova withdrew from the transaction.

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Forward-Looking Statements
Statements made in the press release relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of TeliaSonera.