

## Press Release

November 12, 2009

TeliaSonera invites to a press conference in Stockholm, November 12, 2009, 10 am CET. Altimos pressconference in Moscow takes place at the same time. See below for details.

## **TeliaSonera and Altimo combine their ownership interests in MegaFon and Turkcell**

**TeliaSonera and Altimo have agreed to combine their ownership interests by contributing their respective direct and indirect interests in Turkcell and Megafon, into a new company. The new company will be established in a western jurisdiction and listed on the New York Stock Exchange.**

The purpose is to create a leading international operator, with over 90 million subscribers in Russia, Turkey and the CIS countries, and with well functioning corporate governance. The new company will focus on developing the operational excellence of Turkcell and MegaFon as well as expanding into new emerging markets.

The main advantages of establishing the new company is that the control over and liquidity of the assets will improve. This will be achieved by simplifying the shareholder structure of both Turkcell and MegaFon, listing the new company, agreeing on a long term dividend policy and paying regular dividends.

Once established, the new company will own a majority of the shares in both Turkcell and Megafon. AF Telecom, the third major shareholder in Megafon, is also invited to join the partnership. Provided AF Telecom joins, TeliaSonera and the Russian investors will have substantially similar ownership and equal influence over the new company.

None of the major shareholders will have the possibility to acquire control over the new company other than by consent of the other major shareholders. The board will include independent board members, who will be able to resolve any deadlocks, if board members nominated by one of the major shareholders have a different opinion from the board members nominated by the other major shareholders. The chairman of the new company will be elected among the independent board members.

Turkcell and Megafon are both efficient and professionally managed mobile operators and regarded as national champions. Therefore, the intention is to continue to manage them as separate operations, irrespective of the changes in their ownership structure. Turkcell and Megafon will both benefit from being part of a major international telecom group with possibilities to extract synergies and share know-how.

TeliaSonera and Altimo have agreed to collaborate and align their efforts to resolve all ongoing legal disputes between each of them and Çukurova Group to make the establishment of the new company possible. Such collaboration is expected to result in a speedy resolution of the disputes.

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Subject to their satisfactory resolution, the parties have agreed that Altimo acquires Çukurova Group's indirect shareholding in Turkcell and contributes those shares to the new company without any premium.

In order to avoid potential future conflicts, the parties have agreed that Altimo will support that TeliaSonera, being the controlling shareholder of Fintur Holdings with a right of refusal in respect of any sale of the Fintur Holdings shares, acquires 100 percent of Fintur Holdings by buying Turkcell's shares in the company at fair market value.

The agreement signed between TeliaSonera and Altimo is legally binding, but the transaction is subject to agreement on definitive documentation and regulatory approvals.

Lars Nyberg, President and CEO of TeliaSonera, said:

"I am very pleased that we have reached an agreement with Altimo to combine our efforts in resolving the legal disputes, which have been going on far too long. But the real value of the agreement is in the execution of it. The shareholder structure and control of Turkcell and Megafon will improve, as well as the liquidity of these assets. We have focused on creating a governance structure where all major parties will have good possibilities to influence, without single-handedly controlling, the management of the new telecommunications group. There is also very little risk of disruptive deadlock situations. It may take some time before we reach the end result, but the new listed company will have exciting future prospects and add value to our shareholders".

Alexei Reznikovich, CEO of Altimo, said:

"We believe that this agreement will help both parties find a way out of the lengthy Turkcell shareholder deadlock. Our companies are natural partners whose stakes in Megafon and Turkcell create control when combined together. This is a good basis for finding mutual business understanding and establishing a new global leader in mobile telecoms. The benefits of the deal are evident. We aim at creating a leading and one of the most dynamic players in the emerging markets with huge potential for further expansion. The new operator will possess broader possibilities for business development and expansion into other emerging markets bringing high quality services for subscribers and more value for all shareholders".

**Notes to editors:** The ownership of Turkcell has been subject to several legal disputes since the former controlling shareholder, Çukurova, effectively sold the same shareholding interest twice, first to TeliaSonera and then to Altimo.

TeliaSonera has received a ruling from an arbitration tribunal of the International Chamber of Commerce in Geneva, stating that the share purchase agreement is valid and that Çukurova shall deliver its indirect controlling shareholding interest in Turkcell to TeliaSonera.

Subsequent to agreeing to sell such shareholding interest to TeliaSonera, Çukurova sold a portion of its indirect controlling interest in Turkcell to Altimo and pledged a further indirect controlling interest in Turkcell in exchange of a loan, which Altimo claims Çukurova later defaulted on. As a result, Altimo has claimed in legal proceedings in the British Virgin Islands that they have validly appropriated such indirect controlling shareholding interest in Turkcell, due to the default by Çukurova.

**Altimo** specializes in telecoms investments in Russia, the CIS and Asia. Its stakes include: 44% of the voting interest in VimpelCom, one of Russia's two biggest mobile phone companies (NYSE: VIP); 25.1% of Megafon, the third largest GSM provider in Russia; 43.5% of Kyivstar, Ukraine's largest mobile phone company; and 4.99% of

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# TeliaSonera

Turkcell, Turkey's largest mobile company (NYSE: TKC). Together, Altimó's investee companies have more than 160 million mobile phone subscribers.

**Fintur Holdings** is a joint venture between TeliaSonera and Turkcell, in which TeliaSonera owns 58.55 percent and Turkcell 41.45 percent. Fintur is the major shareholder of leading mobile operations in Kazakhstan, Azerbaijan, Georgia and Moldova.

## Press Conference

Time: Thursday 12 November at 10:00 (CET)

Place: TeliaSonera's Head Office, Stureplan 8, Stockholm

Mr Lars Nyberg, President and Chief Executive Officer of TeliaSonera will participate.

Press identification card or similar is required to attend.

The press conference will be held in English and will be webcasted at [www.teliasonera.com/jr](http://www.teliasonera.com/jr).

## Possibility to listen to the press conference via telephone

You can also listen to the press conference live over the phone. However, there will be no possibility to ask questions via telephone.

Dial-in numbers: +44 (0)207 108 63 03  
+46 (0)8 506 269 30

Participants should quote: TeliaSonera

## Analyst phone conference

Time: Thursday 12 November at 14.00 (CET)

Mr Lars Nyberg, President and Chief Executive Officer of TeliaSonera will participate.

You can listen to the analyst conference over the phone and also ask questions.

Dial-in numbers: +44 (0)207 750 9950  
+46 (0)8 506 269 04

Participants should quote: TeliaSonera

You can also listen to the conference call afterwards until November 19, 2009.

**Replay number:** +46 (0)8 506 269 49, **Access code:** 237714#

TeliaSonera AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instrument Trading Act. The information was submitted for publication at 07.00 a.m. CET on November 12, 2009.

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## For further information journalists can contact:

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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.

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