Press Release
May 4, 2017

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Please see the important notice at the end of this announcement.

Result of placing of ordinary shares in Turkcell

Further to the announcement released on May 3 2017 regarding a proposed placing of shares sale in Turkcell Iletism Hizmetleri A.S. (Turkcell) to institutional investors by way of an accelerated bookbuilding process (the "Placing"), Telia Company now reports the result of this placing.

Through the placing, Sonera Holding B.V., a wholly owned subsidiary of Telia Company, has agreed to sell an aggregate of 155 million ordinary shares in Turkcell at a price of TRY11.45 per ordinary share, raising gross proceeds of TRY1,775 million (equivalent to approximately SEK 4,426 million) with pro forma positive effect on our net debt to ebitda by 0.15x.

“Disciplined capital allocation is of outmost importance in managing Telia Company. We are focused on ensuring that as much of our capital works at the core of our strategy and for an optimal balance sheet to ensure attractive shareholder returns, now and over time,” says Johan Dennelind, President and CEO Telia Company.

Following the completion of the placing and the sale, Telia Company will own 31.0 percent of the issued share capital of Turkcell, that includes a 7.0 percent direct stake and a 24.0 percent indirect stake. After the placing, Telia Company will continue to be the largest shareholder in Turkcell in economic terms.

“Our direct stake in Turkcell is deemed to have no impact or influence on the strategic solution to the Turkcell Holding deadlock. We continue to work relentlessly to find solutions to our shareholding in Turkcell to restore corporate governance and reinstate an attractive capital management policy for the company,” says Johan Dennelind.

In connection with the placing, Telia has agreed not to sell any ordinary shares in Turkcell which are not sold in the placing for a period of 90 days after completion of the placing (subject to waiver by the Joint Bookrunners and certain customary exceptions). Furthermore, Telia has no current expectation that Turkcell Holdings will sell its shares in Turkcell.

The proceeds of the placing are payable in cash on usual settlement terms.

Merrill Lynch International ("BofA Merrill Lynch"), Citigroup Global Markets Limited (“Citi”) and UBS Limited ("UBS") are acting as joint bookrunners in connection with the placing.

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on May 4 2017.

For more information, please contact our press office +46 771 77 58 30, visit our Newsroom or follow us on Twitter @Teliacompany .

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 Telia Company.

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In member states of the European Economic Area ("EEA") (each, a "Relevant Member State"), this announcement and any offer if made subsequently is directed only at persons who are "qualified investors" within the meaning of the Prospectus Directive ("Qualified Investors"). For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. In the United Kingdom, this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"), and any investment activity to which it relates will only be engaged in with such relevant persons and it should not be relied on by anyone other than such persons. Persons in the United Kingdom who are not relevant persons and persons in other Relevant Member States who are not Qualified Investors should not take any action on the basis of this announcement and should not act or rely on it. In the Netherlands, this announcement and any offer if made subsequently is directed exclusively at qualified investors (gekwalificeerde beleggers) within the meaning of the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

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No prospectus or offering document has been or will be prepared in connection with the Offering. Any investment decision in connection with the Offering must be made on the basis of publicly available information. Such information has not been independently verified. The information contained in this announcement is for background purposes only and does not purport to be full or complete.

Each of the Joint Bookrunners and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

In connection with the Offering, the Joint Bookrunners and any of their affiliates may take up a portion of the shares referred to herein as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of Turkcell or related investments in connection with the Offering or otherwise. In addition, the Joint Bookrunners and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Joint Bookrunners and any of their affiliates may from time to time acquire, hold or dispose of shares. Accordingly, references to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Joint Bookrunners and any of their affiliates acting in such capacity. None of the Joint Bookrunners intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Telia Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. Forward-looking statements speak only as of the date they are made.