**Press Release**
**March 5, 2018**

# Telia Company agrees to divest its interest in Azercell

**Fintur Holdings B.V. (Fintur), jointly owned by Telia Company and Turkcell, has agreed to sell its 51.3 percent holding in Azertel, sole shareholder of the Azeri telecommunications operator Azercell, to Azintelecom, a company wholly owned by the Republic of Azerbaijan.**

"It is satisfying that we are able to announce a joint agreement with Turkcell to sell Azercell in Azerbaijan. This is the fourth divestment in our effort to, over time, leave Eurasia and focus on the Nordic and Baltic regions within the framework of our New Generation Telco strategy. I would like to thank Azercell's employees for their outstanding contributions and wish them all the best in the company's next phase," says Johan Dennelind, President and CEO of Telia Company.

Fintur divests its 51.3 percent holding in Azertel Telekommunikasyon Yatirim Diş Ticaret A.Ş (Azertel) to Azerbaijan International Telecom LLC (Azintelecom), wholly-owned company by the Republic of Azerbaijan. Fintur is owned jointly by Telia Company (58.55 percent) and Turkcell (41.45 percent).

Azertel is sole shareholder of the leading Azeri mobile operator Azercell LLC (Azercell). The agreed price for Fintur's 51.3 percent in Azertel is EUR 222 million, which implies an equity value of EUR 432 million for 100 percent of Azercell and an enterprise value of EUR 197 million on a cash and debt free basis. The price corresponds to an EV/EBITDA multiple of 2.1x based on 2017.

In addition to the impairment of SEK 2.6 billion recognized in December 2017, accumulated foreign exchange losses of SEK 3.0 billion will be reclassified to net income from discontinued operations, but will have no material effect on group equity. The transaction is on a pro forma basis estimated to increase net debt to EBITDA by approximately 0.1x. The final amounts are subject to changes in carrying values and foreign exchange rates.

Prior to signing the transaction, Telia Company completed strict compliance and purchaser due diligence and is satisfied that all relevant checks and controls have been carried out with satisfactory results. Azintelecom is a buyer in line with Telia Company's requirements as it is a company wholly-owned by the sovereign state of Azerbaijan.

The transaction is not subject to any conditions, such as regulatory or competition approvals, and has been completed.

**Analyst and media telephone conference today at 13.00 a.m. CET**

Telia Company invites you to a conference call with Telia Company's President and CEO Johan Dennelind and CFO Christian Luiga.

Dial-in number: +44 (0) 2071 928000
Access code: 8847509

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We're Telia Company, the New Generation Telco. Our approximately 20,000 talented colleagues serve millions of customers every day in one of the world's most connected regions. With a strong connectivity base, we're the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we're set to change the industry and bring the world even closer for our customers. Read more at www.teliacompany.com.

You can also listen to the conference call afterwards until March 10, 2018

Replay number: +44 (0)1452550000
Access code: 8847509

**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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