Roaming Market Dynamics:

Turkish Market Experience

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Roaming Market: Business Scope

• Country Based Market Structure (wholesale & retail)
  • Competitive Markets
  • Non-competitive Markets (monopoly / oligopoly)

• Pricing logic:
  • Standard pricing per service (MOC, MTC, SMS, GPRS, MTR, taxing, etc.)
  • Discounted pricing – achieved through agreements with roaming partners

• Competition Outcome
  • Provide better Roaming Retail offers
  • Churn/Acquisition balance
  • Optimization of cost basis
Roaming Market: Operator Positions

- Operator roaming in/out volume net position
  - Balanced Traffic Levels
  - Net Receiver Position
  - Net Sender Position

- De Facto Market Position
  - Geographic / Population Coverage
  - Spectrum Compatibility
Competitive Market Leads To:

- Decreasing retail prices
- Advantageous retail packages (Voice & SMS & Data)
- User protective tools (SMS information; data speed control and so forth)

Result:

- Decreased customer roaming complaints (7%→3%)
- Transparency
- 25% voice tariff reduction in Europe, N.America and Russia (75% of roaming traffic)

- 40% reduction in data tariff

- Discounts up to 86% in customer invoices

- More than 30% of customers starting to use packages with discounted prices
Turkish Roaming Market: Turkcell Case - Wholesale Cost Trend per service

MOC IOT Trend

DATA IOT Trend

Outbound

<table>
<thead>
<tr>
<th>Year</th>
<th>MOC IOT Trend</th>
<th>DATA IOT Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
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<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
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</tr>
</tbody>
</table>

MOC: Mobile Originating Call
IOT: Interoperator Taiff

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Turkish Roaming Market: Turkcell Case – Data Traffic Trend

Outbound Data Traffic

Data Volume

- 2011 Outbound Data Traffic
- 2010 Outbound Data Traffic

Months

1 2 3 4 5 6 7 8 9 10 11 12

%40 discount in data tariff

Data Packages (1TL/MB) (except 250 MB)

MBB* Data Packages (including 250 MB)

Tv Advertisements

Holiday Packages

*Mobile Broadband
Turkish Roaming Market: Turkcell Case – Effects of Packages on Growing Data Traffic

Total Roaming GPRS Revenues

Revenue except Packages  Revenue from Packages

Roaming GPRS Revenue from Packages

Corporate Roaming GPRS Revenue  Consumer Roaming GPRS Revenue
How Market Dynamics affect Turkcell Roaming Propositions

• Roaming market dynamics:
  o Consumers’ increasing need to use roaming services when abroad
  o Competition

lead to 2 major outcomes:

A) Enhanced customer experience:
   I. Lower prices
   II. Transparency

B) Increased usage
Thank You

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BACK - UP
## Innovative Roaming Propositions in Turkcell

<table>
<thead>
<tr>
<th>VOICE*</th>
<th>DATA*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASE TARIFFS (post, pre)</strong></td>
<td><strong>BASE TARIFF (post)</strong></td>
</tr>
<tr>
<td>Europe &amp; USA &amp; Canada: 3,9 TL/min</td>
<td>0-10 MB: 10TL/MB</td>
</tr>
<tr>
<td>Russia &amp; Ukraine: 3,9 TL/min</td>
<td>10-20 MB: 4TL/MB</td>
</tr>
<tr>
<td>Others: 7,8 – 6,3 TL/min</td>
<td>20+ MB: 2TL/MB</td>
</tr>
<tr>
<td><strong>PACKAGES (post)</strong></td>
<td><strong>BASE TARIFF (pre)</strong></td>
</tr>
<tr>
<td>15TL 30 min (daily)</td>
<td>50 KB 0,50TL</td>
</tr>
<tr>
<td>49TL 90 min (monthly)</td>
<td><strong>DAILY PACKAGE (post)</strong></td>
</tr>
<tr>
<td>19 TL 30 min (monthly)</td>
<td>19 TL 20 MB</td>
</tr>
<tr>
<td>79TL 180 min (monthly)</td>
<td>59 TL 100 MB</td>
</tr>
<tr>
<td><strong>PACKAGES (pre)</strong></td>
<td><strong>MONTHLY PACKAGES (post)</strong></td>
</tr>
<tr>
<td>9 TL 30 min (daily)</td>
<td>39 TL 30 MB</td>
</tr>
<tr>
<td>49 TL 120 min (monthly)</td>
<td>79 TL 60 MB</td>
</tr>
<tr>
<td>excess usage for all: 0,99TL/min</td>
<td>99 TL 100 MB</td>
</tr>
<tr>
<td></td>
<td>199 TL 250 MB</td>
</tr>
</tbody>
</table>

*All packages in Europe & USA & Russia & China and Northern Cyprus

1 € = 2,36 TL