

TELKODER 9. Olağan Genel Kurul Toplantısı-07.12.2016

Colman DEEGAN-Vodafone CEO'su

Mister Chairman, Mister Secretary, Distinguished Guests, Good Morning.

It's a great pleasure to be here and the join TELKODER annual general meeting. It's my first time and great pleasure to be here. So, Thank You.

You know the Turkish telecom market is still a great market to be involved in. It's growing very very fast. You know we have 74 million mobile connections in the overall industry. Over %90 of the population has a mobile handset, mobile device. Your broadband is growing very fast. Only 6 million connections 2008. Now over 15 million broadband connections in the country. And the usage, Murat Bey referred to the usage growth, the Turkish users are using more than any users in the rest of the globe. In fact in the Vodafone Group, The Turkish market is growing more than any other market in the whole group, in over 20 countries.

So as a second largest foreign investor in the country, now we are 10 years in the country, we are very positive about the future of the Turkish telecom market. We are very positive to be a part of that and we remain committed to that as we go forward. And we believe that turkey can be one of the most advanced digital markets not only in the region but in our group.

However, it's not all easy and we do want to continue to invest areas such as to build better infrastructure, you heard it from each of the speakers in this morning. And that is a critical aspect of what we need to do go to the next level. And now we think there are four key pillars to that. In making it possible to go to the next step;

1. The first is the need for the fiber and fiber transmission. You heard that from each of the speakers. But let me give you some perspectives. You know fiber is a critical enabler for both mobile and fixed technology. And so fiber to the based station, FTTH, and enterprise will be critical enabler for the continuing economic development of the country. So we believe working with Turk Telekom and the other operators in the industry will be important to get access to fiber infrastructure to our electronic mapping, EHABS, which will consolidate you know the countries fiber map and enable us to basically not over build, or cross build, like we discussed earlier, but build the most efficient and effective fiber network. This will then enable the path

the 5G. And we want to maintain Turkey's role is the regional leader in the whole ICT sector. And 5G will be critical enabler for that.

2. Second think is we've now moved on the regulatory holiday which ended in October. High speed broadband access infrastructure is what one on the lies the ICT industry. And there for we asked we will worked with the regulator BTK to amend the loan number 5, 8 or 9 and allow us basically to make fiber broadband investments to paid the way scale the facilitate infrastructure investments for the other operators.
3. Fiber investments and the co-investments. The co-investment is a model is worked in all over the world. The cost of rolling out fiber is very expensive and there for it's essential that operators come together and co-invest to reduce the cost which then enables for the growth for the penetration and for the development. And as we seen many markets of the world, increase fiber penetration leads the actual increase growth in GDP and economic development in the country. So there for, we believe fiber is a strategic asset. And should be treated same way as, highways, bridges, roads and we request, simple request to work with authorities to work with all parties to reduce the barriers. Especially, municipalities, we're access the ducts as quite difficult and expensive. And we asked to remove this to enable fast roll out of this cost of strategic asset. Like we have seen from other assets, another infrastructure project in the country.
4. Finally, Paul alluded to the port-transmission model and we completely agree. The current port-transmission model, while established with the best intentions, will not enable the sustainability and the future growth of the industry. While the cost increases linearly with usage. So we are happy to work with everybody and we glad to hear that on a new sustainable model that we enable us to grow and developed further and to give a better service to our customers.

So in summary, we believe that single fiber infrastructure accessible to all, at regulated price and help us the meet transmission needs for 4.5G and into 5G and need to fiber for home and business will be critical to the future development of the country. We are happy to work with all stakeholders. As Vodafone, we will work and have worked with everybody not just in

Turkey but all over the world and we will continue to do that, we'll be a strong partner with anybody who wants (seems) to worked with us on good terms. And Vodafone is committed, will remain committed to Turkey. And that is our strong commitment to here, we are very positive in spite all of these things happen in 2016. We are very very committed and positive about the prospects of Turkey and the growth prospects in to the future. It's a great market.

Thank you very much.