BACKGROUND TO THE PRIVATIZATION PROCESS

- Government is likely to proceed with the privatization during this year. The ministry of economic development is waiting a proposal from Fintur with regards to the process.

- According to information Fintur currently has, their valuation (Austrian Omni corporation and government's experts) of the Company is between 400 and 550 MUSD. Fintur's valuation for the company is between 600 and 700 MUSD.

- Azertel has the right of first refusal in the privatization process and hence can acquire 100% of Azercell.

- Both Fintur and Cenay Group would like to remove/liquidate Azertel from the ownership chain as the current structure is tax inefficient and not optimal from the corporate governance perspective.

- Settlement of the year 1999 capital increase dispute (reconfirmation of Fintur's 51% stake) with the minister of the economic development will be part of the process.

- Ownership percentages after the privatization are subject to negotiations.