

PROSPECTUS



TELIASONERA AB (publ)

(incorporated as a company with limited liability in Sweden)

€12,000,000,000

Euro Medium Term Note Programme

Under this €12,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Teliasonera AB (publ) (the "**Issuer**" or "**Teliasonera**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €12,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**") to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this base prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes, as defined below) issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in final terms (the "**Final Terms**") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus will be valid for a period of 12 months from the date hereof.

The Programme provides that Notes may be listed and/or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes of each Tranche (except Notes which are to be cleared through the Swedish Central Securities Depository & Clearing Organisation, Euroclear Sweden AB and which are in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) ("**Swedish Registered Notes**" and "**Euroclear Sweden**" respectively)) will initially be represented by either a temporary global Note or, if so specified in the applicable Final Terms, a permanent global Note, which will be deposited on the issue date thereof with a common depository, or common safekeeper, as the case may be, on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), and/or any other agreed clearance system. A temporary global Note will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined under "*Form of the Notes*"), all as further described in "*Form of the Notes*" below. The Swedish Registered Notes of each Tranche will be issued in uncertificated and dematerialised book entry form as more fully described in "*Form of the Notes*" below.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Prospectus or a new Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer has been rated A- for long term borrowings and A-2 for short-term borrowings by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") and A3 for long term borrowings and P-2 for short-term borrowings by Moody's Investors Service España, S.A ("**Moody's**"). The Programme has been rated (P)A3 by Moody's and A- by Standard & Poor's. Each of Moody's and Standard & Poor's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA**").

Regulation"). As such each of Moody's and Standard & Poor's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's and Standard & Poor's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger
Deutsche Bank

Dealers

Barclays
BofA Merrill Lynch
Crédit Agricole CIB
Goldman Sachs International
SEB

BNP PARIBAS
Citigroup
Deutsche Bank
ING
The Royal Bank of Scotland

The date of this Prospectus is 7 May 2014

IMPORTANT INFORMATION

*This Prospectus comprises a base prospectus for the purposes of Article 5.4 of European Council Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**").*

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, inter alia, the documents deemed incorporated herein by reference when deciding whether or not to purchase any Notes.

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations

and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom and Japan (see "Subscription and Sale" below).

*This Prospectus has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.*

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;*
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;*
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;*
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and*
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale" below).*

All references in this document to "U.S. dollars" refer to the currency of the United States of America, those to "Swedish Kronor", "SwKr" and "SEK" refer to the currency of Sweden, those to "Sterling" and "£" refer to pounds sterling, those to "NOK" refer to the currency of the Kingdom of Norway and those to "EUR", "€" and "euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

TABLE OF CONTENTS

Overview of the Programme	7
Risk Factors	13
General Description of the Programme	26
Documents Incorporated by Reference	27
Form of the Notes	29
Form of Final Terms	31
Terms and Conditions of the Notes.....	42
Use of Proceeds.....	72
Teliasonera AB (publ).....	73
Taxation	87
Subscription and Sale.....	91
General Information.....	94

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplement to the Prospectus or a new Prospectus will be published.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" below shall have the same meanings in this overview.

Issuer:..... TeliaSonera AB (publ), a telecommunications company incorporated in Sweden

Description:..... Euro Medium Term Note Programme

Arranger:..... Deutsche Bank AG, London Branch

Dealers: Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Limited
Crédit Agricole Corporate and Investment Bank
Deutsche Bank AG, London Branch
Goldman Sachs International
ING Bank N.V.
Merrill Lynch International
Skandinaviska Enskilda Banken AB (publ)
The Royal Bank of Scotland plc

and any other Dealers appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes, in each case, in accordance with the Programme Agreement.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of a particular Series of Notes and certain market risks.

Certain Restrictions:..... Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*", below) including the following restrictions applicable at the date of this Prospectus.

Notes with a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in any other currency, see "*Subscription and Sale*" below.

Under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, which implements the Prospectus Directive, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such Act and do not need to be approved by the CSSF.

Issuing and Principal Paying Agent:	Citibank, N.A., London Branch (for Notes other than Swedish Registered Notes).
Programme Size:	€12,000,000,000 (or its equivalent in other currencies calculated as described under " <i>General Description of the Programme</i> ") outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. See also " <i>Notes with a maturity of less than one year</i> " above.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with

prevailing market conditions.

Form of Notes:

Each Tranche of Notes (except Swedish Registered Notes) will initially be represented by a temporary global Note (or if so specified in the applicable Final Terms, a permanent global Note) which will be deposited on the relevant Issue Date with, in the case of global Notes which are not intended to be issued in new global note ("NGN") form (as specified in the applicable Final Terms) a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system or, in the case of global Notes which are intended to be issued in NGN form, a common safekeeper for Euroclear and Clearstream, Luxembourg. A temporary global Note will be exchangeable, upon request, as described therein for either a permanent global Note or definitive Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations.

The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes upon the occurrence of an Exchange Event, as described in "*Form of the Notes*" below.

Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form. See "*Form of the Notes*" below.

Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

Fixed Rate Notes:.....

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption.

Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the

relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or

- (ii) on the basis of the reference rate set out in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, each of which, if relevant, will be specified in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest other than in the case of late payment.

Redemption: The applicable Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity, or for taxation reasons or following an Event of Default), or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Notes with a maturity of less than one year*" above) and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes will be made

without deduction for or on account of withholding taxes imposed within Sweden, subject as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross Default: The terms of the Notes will contain a cross-default provision as further described in Condition 9.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves and equally with all other outstanding unsecured and unsubordinated obligations (if any) of the Issuer, except as mandatorily preferred by law.

Rating: Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) will be disclosed in the Final Terms.

The Programme has been rated as follows:

Moody's Investors Service España, S.A. ("**Moody's**"): (P)A3Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"): A-Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Approval, Listing and Admission to Trading: Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes) issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes (other than Swedish Registered Notes) may be listed and/or admitted to trading, as the case may be, on

other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

No application has been made to list the Swedish Registered Notes on the Luxembourg Stock Exchange or any other stock exchange.

Governing Law:

The Notes (other than the Swedish Registered Notes) and any non-contractual obligations arising out of or in connection with the Notes (other than the Swedish Registered Notes) will be governed by, and construed in accordance with, English law. The Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes will be governed by, and construed in accordance with, Swedish law.

Selling Restrictions:

There are selling restrictions in relation to the United States, the European Economic Area, the United Kingdom and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*" below.

RISK FACTORS

In purchasing Notes, investors assume the risk that TeliaSonera may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in TeliaSonera becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as TeliaSonera may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside TeliaSonera's control. TeliaSonera has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Factors that may affect TeliaSonera's ability to fulfil its obligations under Notes issued under the Programme

TeliaSonera operates in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry. As a result, TeliaSonera is subject to a variety of risks and uncertainties. TeliaSonera has defined risk as anything that could have a material adverse effect on the achievement of TeliaSonera's goals. Risks can be threats, uncertainties or lost opportunities relating to TeliaSonera's current or future operations or activities. Set forth below is a description of some of the factors that may affect its business, brand perception, financial position and results of operations.

Risks related to industry and market conditions

World economy changes

Changes in the global financial markets and the world economy are difficult to predict. TeliaSonera strives to have a strong balance sheet and operates in a relatively non-cyclical or late-cyclical industry. However, a severe or long-term downturn in the economy would have an impact on TeliaSonera's customers and may have a negative impact on its growth and results of operations through reduced telecom spending.

The maturity schedule of TeliaSonera's loan portfolio is aimed to be evenly distributed over several years, and refinancing is expected to be made by using uncommitted open-market debt financing programmes and bank loans, alongside the company's free cash flow. In addition, TeliaSonera has committed bank credit lines that are deemed to be sufficient and may be utilised if the open-market refinancing conditions are poor. However, TeliaSonera's cost of funding might be higher should there be changes in the global financial markets or the world economy.

Competition and price pressure

TeliaSonera is subject to substantial and historically increasing competition and price pressure. Competition from a variety of sources, including current market participants, new entrants and new products and services, may adversely affect TeliaSonera's results of operations. Competition has from time to time led to increasing customer churn, decreasing customer bases and to declines in the prices TeliaSonera charges for its products and services, and may have similar effects in the future.

Transition to new business models in the telecom industry may lead to structural changes and different competitive dynamics. Failure to anticipate and respond to industry dynamics, and to drive a change agenda to meet mature and developing demands in the marketplace, may affect TeliaSonera's customer relationships, service offerings and position in the value chain, and adversely impact its results of operations.

Regulation

TeliaSonera operates in a highly regulated industry. The regulations to which TeliaSonera is subject impose significant limits on its flexibility to manage its business. In a number of countries, TeliaSonera entities have been designated as a party with significant market power in one or several telecom submarkets. As a result, TeliaSonera is required to provide certain services on regulated terms and prices, which may differ from the terms on which it would otherwise have provided those services. Effects from regulatory intervention may be both retroactive and prospective.

Changes in legislation, regulation or government policy affecting TeliaSonera's business activities, as well as decisions by regulatory authorities or courts, including granting, amending or revoking of licences to TeliaSonera or other parties, could adversely affect TeliaSonera's business and results of operations.

Emerging markets

TeliaSonera has made significant investments in telecom operators in Kazakhstan, Azerbaijan, Uzbekistan, Tajikistan, Georgia, Moldova, Nepal, Russia and Turkey. Historically, the political, economic, legal and regulatory systems in these countries have been less predictable than in countries with more mature institutional structures. The political situation in each of the emerging market countries may remain unpredictable, and markets in which TeliaSonera operates may become unstable, even to the extent that TeliaSonera has to exit a country or a specific operation within a country. Another implication may be unexpected or unpredictable litigation cases.

Other risks associated with operating in emerging market countries include foreign exchange restrictions, which could effectively prevent TeliaSonera from repatriating cash, e.g. by receiving dividends and repayment of loans, or from selling its investments. One example of this is TeliaSonera's operation in Uzbekistan, in which the group has a net exposure of approximately SEK 7 billion, including group companies' receivables totalling approximately SEK 5 billion and cash and cash equivalent balances of approximately SEK 1 billion. Another risk is the potential establishment of foreign ownership restrictions or other potential actions against entities with foreign ownership, formally or informally.

Such negative political or legal developments or weakening of the economies or currencies in these markets might have a significant negative effect on TeliaSonera's results of operations and financial position.

TeliaSonera will not enter into countries that are sanctioned for investments by the United Nations or the European Union, but may enter into countries with shifting political stability, provided that the business can be conducted in a responsible and financially sound way. During the project appraisal and due diligence process, a risk evaluation is performed to secure that the business to be acquired or market to be entered into will evolve in accordance with TeliaSonera's sustainability principles.

Risks related to TeliaSonera's operations and strategic activities

Impairment losses and restructuring charges

Factors generally affecting the telecom markets, and changes in the economic, regulatory, business or political environment, as well as TeliaSonera's ongoing review and refinement of its business plans, could adversely affect its financial position and results of operations. TeliaSonera could be required to recognise impairment losses with respect to assets if management's expectation of future cash flows attributable to these assets change, including but not limited to goodwill and fair value adjustments that TeliaSonera has recorded in connection with acquisitions that it has made or may make in the future.

TeliaSonera has undertaken a number of restructuring and streamlining initiatives, mainly affecting the Nordic operations, which have resulted in substantial restructuring and streamlining charges.

TeliaSonera also has significant deferred tax assets resulting from earlier recorded impairment losses and restructuring charges. Significant adverse changes in the economic, regulatory, business or political environment, as well as in TeliaSonera's business plans, could also result in TeliaSonera not being able to use these tax assets in full to reduce its tax obligations in the future, and would consequently lead to an additional tax charge when such tax asset is derecognised.

In addition to affecting TeliaSonera's results of operations, such impairment losses and restructuring charges may adversely affect TeliaSonera's ability to pay dividends. Any significant write-down of intangible or other assets would have the effect of reducing, or possibly eliminating, TeliaSonera's dividend capacity.

Investments in networks, licences, new technology and start-up operations

TeliaSonera has made substantial investments in networks and telecom and frequency licences, and also expects to invest substantial amounts over the next several years in the upgrading and expansion of networks. Normally, TeliaSonera also has to pay fees to acquire new licences or to renew or maintain the existing licences. In order to attract new customers, TeliaSonera has previously also engaged in start-up operations, such as Xfera Móviles S.A. (Yoigo) in Spain and Ncell Pvt. Ltd. in Nepal, and may continue to do so, which require substantial investments and expenditure in the build-up phase.

The success of these investments will depend on a variety of factors beyond TeliaSonera's control, including the cost of acquiring, renewing or maintaining licences, the cost of new technology, the availability of new and attractive services, the costs associated with providing these services, the timing of their introduction, the market demand and prices for such services, and competition. A failure to realise the benefits expected from these investments may adversely affect TeliaSonera's results of operations.

Acquisitions, strategic alliances and business combinations

TeliaSonera is constantly reviewing its asset portfolio in line with the strategy of increasing ownership in core holdings. Over the years, TeliaSonera has made a number of targeted acquisitions in accordance with its strategy. TeliaSonera may continue to expand and grow its business through business combinations, strategic alliances, etc. The efficient integration of these acquisitions and the realisation of related cost and revenue synergies, as well as the positive development of the acquired operations, are significant for the results of operations both in the long and short term. In case TeliaSonera will fail in integrating or managing any acquired company or strategic alliance, there is a risk that management's attention will be diverted away from other business concerns. In addition, any

potential acquisition could negatively affect TeliaSonera's financial position and its credit ratings or, if made using TeliaSonera shares, dilute the existing shareholders.

Shareholder matters in partly owned subsidiaries

TeliaSonera conducts some of its activities, particularly outside of the Nordic region, through subsidiaries in which TeliaSonera does not have a 100 per cent. ownership. Under the governing documents for certain of these entities, the holders of non-controlling interests have protective rights in matters such as approval of dividends, changes in the ownership structure and other shareholder-related matters. One example where TeliaSonera is dependent on a minority owner is Fintur Holdings B.V. (Fintur's minority shareholder is Turkcell), which owns the operations in Kazakhstan, Azerbaijan, Georgia and Moldova. As a result, actions outside TeliaSonera's control and adverse to its interests may affect TeliaSonera's position to act as planned in these partly owned subsidiaries.

Customer service and network quality

In addition to cost efficiency in all operations, TeliaSonera's areas of focus include high-quality service to its customers and high-quality networks. TeliaSonera's ambition to create a world-class service company requires a major change of processes, attitude and focus in many parts of the company. High-quality networks and services are also fundamental to customer perception and TeliaSonera's success going forward. Failure to reach or maintain such high levels might have an adverse impact on TeliaSonera's business.

Supply chain

TeliaSonera is reliant upon a limited number of suppliers to manufacture and supply network equipment and related software as well as terminals, to allow TeliaSonera to develop its networks and to offer its services on a commercial basis. TeliaSonera cannot be certain that it will be able to obtain network equipment or terminals from alternative suppliers on a timely basis if the existing suppliers are unable to satisfy TeliaSonera's requirements. In addition, like its competitors, TeliaSonera currently outsources many of its key support services, including network construction and maintenance, in most of its operations. The limited number of suppliers of these services, and the terms of TeliaSonera's arrangements with current and future suppliers, may adversely affect TeliaSonera, including by restricting its operational flexibility.

In connection with signing supplier contracts for delivery of terminals, TeliaSonera may also grant the supplier a guarantee to sell a certain number of each terminal model to its customers. Should the customer demand for a terminal model under such a guarantee turn out to be smaller than anticipated, TeliaSonera's results of operations may be adversely affected.

Ability to recruit and retain skilled personnel

To remain competitive and implement its strategy, and to adapt to changing technologies, TeliaSonera will need to recruit, retain, and where necessary retrain highly skilled employees with particular expertise. In particular, competition is intense for qualified telecommunications and information technology personnel. To a considerable extent, TeliaSonera's ability to recruit and retain skilled personnel for growth business areas and new technologies will depend on its ability to offer competitive remuneration packages. If TeliaSonera fails to recruit or retrain necessary highly skilled employees, its ability to develop high growth business areas and new business areas or remain competitive in the traditional business areas may be limited.

Risks related to associated companies and joint operations

Limited influence in associated companies and joint operations

TeliaSonera conducts some of its activities, particularly outside of the Nordic region, through associated companies in which TeliaSonera does not have a controlling interest, such as OAO MegaFon in Russia, Turkcell İletişim Hizmetleri A.S. in Turkey and Lattelecom SIA in Latvia. As a result, TeliaSonera has limited influence over the conduct of these businesses.

Under the governing documents for certain of these entities, TeliaSonera's partners have control over or share control of key matters such as the approval of business plans and budgets, and decisions as to the timing and amount of cash distributions. The risk of actions outside TeliaSonera's or its associated companies' control and adverse to TeliaSonera's interests, or disagreement or deadlock, is inherent in associated companies and jointly controlled entities. One example of this is the current deadlock at the board level of Turkcell.

Further, TeliaSonera might not be able to assure that the associated companies apply the same sustainability principles, increasing the risk for wrongdoings and reputational and financial losses. TeliaSonera strives to use its board presence and active ownership practices to promote the implementation of its sustainability principles.

Variations in the financial performance of these associated companies have an impact on TeliaSonera's results of operations also in the short term.

As part of its strategy, TeliaSonera may increase its shareholdings in some of its associated companies. The implementation of such strategy, however, may be difficult due to a variety of factors, including factors beyond TeliaSonera's control, such as willingness on the part of other existing shareholders to dispose or accept dilution of their shareholdings and, in the event TeliaSonera gains greater control, its ability to successfully manage the relevant businesses.

In Sweden, TeliaSonera has entered into a cooperation arrangement with Tele2 to build and operate a UMTS network through a 50 per cent. owned joint operation, Svenska UMTS-nät AB, which has rights to a Swedish UMTS licence. In Denmark, TeliaSonera has entered into a similar agreement with Telenor to build and operate a common radio access network through a 50 per cent. owned joint operation, TT-Netværket P/S. TeliaSonera has made significant financial investments in these operations. As they are jointly controlled, there is a risk that the partners may disagree on important matters, including the funding of the operations. This risk may be magnified because TeliaSonera and Tele2 and Telenor, respectively, are significant competitors. A disagreement or deadlock regarding these operations or a breach by one of the parties of the material provisions of the cooperation arrangements could have a negative effect on TeliaSonera.

Risks related to ethics and sustainability

Human rights – network integrity and data security

Issues related to human rights pose a high risk to the telecom industry. The main risks include: complicity in human rights violations due to failure to uphold customer privacy and network integrity; excessive governmental requests to the detriment of privacy and freedom of expression; and the risk that telecom services could be used in the sexual exploitation of children.

TeliaSonera is managing significant network and data volumes and therefore strives to ensure network integrity and data security and protect customers' personal data. TeliaSonera will only provide personal data to authorities to the extent required by law or with the customer's permission. To ensure privacy, TeliaSonera aims to protect assets such as personnel, customers, information, IT

infrastructure, internal and public networks as well as office buildings and technical facilities. TeliaSonera implements measures to prevent and detect the disclosure of sensitive information to unauthorised parties. TeliaSonera takes measures to detect and promptly respond to security incidents.

TeliaSonera maintains a zero acceptance policy towards criminal activities and fraud. While TeliaSonera through appropriate measures avoids failure in its work to secure network integrity and data security, external or internal factors may negatively impact security and cause negative effects on customers' perception on how TeliaSonera handles these matters, possibly leading to an adverse impact on TeliaSonera's business and results of operations.

Corruption and unethical business practices

Some of the countries in which TeliaSonera operates are ranked as having high levels of corruption according to Transparency International's corruption perception index. Transparency International has also stated that corruption particularly poses a high risk to the telecom industry due to the likelihood of illegitimate financial transactions or inappropriate political contributions or bribes paid in connection with licence negotiations. Corruption or perception of corruption or unethical business practices may damage customers' or other stakeholders' perception of TeliaSonera and negatively impact TeliaSonera's business operations and its brand.

Review of Eurasian transactions

The Board of Directors announced on 18 April 2013, that it had assigned the international law firm Norton Rose Fulbright ("NRF") to review transactions and agreements made in Eurasia by TeliaSonera in the past few years. At TeliaSonera's annual general meeting on 2 April 2014, Marie Ehrling, the Chairman of the Board, presented the outcome of the review, the scope and the methodology as well as the measures taken as a consequence of the review. Based on the outcome of NRF's review, it has been determined that TeliaSonera has conducted its business in Eurasia in a manner that was inconsistent with sound business practice and TeliaSonera's ethical requirements. It cannot even be ruled out that certain conduct has been in violation of the law, something that will ultimately be decided by the judiciary.

For advice on implications under Swedish legislation, the Board assigned two Swedish law firms. In consultation with the law firms, TeliaSonera has promptly taken steps, and will continue to take steps, in its business operations as well as in its governance structure and with its personnel, which reflect concerns arising from the review. In addition to the NRF review, the Swedish Prosecution Authority's investigation with respect to Uzbekistan is ongoing and TeliaSonera continues to cooperate with and provide assistance to the Prosecutor.

As TeliaSonera will carry on assessing its positions in the Eurasian jurisdictions, there is a risk that future actions taken by the company as a consequence of either the NRF review, the Swedish Prosecution Authority's investigation, or TeliaSonera's own successive improvements to its ethical standards and procedures may adversely impact the results of operations and financial position in TeliaSonera's operations in the Eurasian jurisdictions.

Another risk is presented by the Swedish Prosecution Authority's notification, at the beginning of 2013 within the investigation of TeliaSonera's transactions in Uzbekistan, that the Swedish Prosecution Authority is separately investigating the possibility of seeking a corporate fine against TeliaSonera, which under the Swedish Criminal Act can be levied up to a maximum amount of SEK 10 million, and forfeiture of any proceeds to TeliaSonera resulting from the alleged crimes. The Swedish Prosecution Authority may take similar actions with respect to transactions made or agreements entered into by TeliaSonera relating to operations in its other Eurasian markets.

In March 2014, TeliaSonera has been informed that the U.S. Department of Justice (“**DOJ**”) has an ongoing investigation regarding TeliaSonera’s transactions in Uzbekistan. The DOJ has sent a request for documents to TeliaSonera. In addition, TeliaSonera has received a request from the U.S. Securities and Exchange Commission (“**SEC**”) to submit documents and information related to Uzbekistan.

Actions taken, or to be taken, by the police, prosecution or regulatory authorities in Sweden, the United States or any other jurisdictions against TeliaSonera’s operations or transactions, or against third parties, whether they be Swedish or non-Swedish individuals or legal entities, might directly or indirectly harm TeliaSonera’s business, results of operations, financial position or brand reputation.

Supply chain

TeliaSonera needs to ensure that ethical business practices, environmental targets, human rights and labour laws are all fully respected by its suppliers. Failure or perception of failure of TeliaSonera's suppliers to adhere to ethical business practices, environmental targets, human rights and labour laws may damage customers' or other stakeholders' perception of TeliaSonera and negatively impact TeliaSonera’s business operations and its brand.

Cases of emergency, climate change and environment

Emergencies, energy shortages and fluctuating energy prices are risks that, if eventuating, may cause a major negative financial impact on TeliaSonera’s business. As a consequence of climate change, extreme weather conditions such as storms, heavy rainfalls and snow storms may prevent TeliaSonera from keeping its networks running for the customers.

Weather conditions and increasing regulation and taxation related to climate change may affect oil pricing and the availability of electricity, which may incur additional costs or lost revenues for TeliaSonera.

Health and safety

Concerns have been expressed that the electromagnetic fields from mobile handsets and base stations, which serve as the platform for transmitting radio signals, may pose health risks and interfere with the operation of electronic equipment. Actual or perceived risks of mobile handsets or base stations and related publicity or litigation could reduce the growth rate, customer base or average usage per customer of TeliaSonera’s mobile communications services, may result in restrictions on the location and operation of base stations, or could subject TeliaSonera to claims for damages, any of which could have a negative impact on its business, financial position and results of operations.

Labour laws

According to TeliaSonera's risk assessment, the Eurasia region is considered to have the highest risks related to freedom of association and collective bargaining, as well as forced and compulsory labour. In these countries freedom of association and collective bargaining may be restricted by national governments. If a country has ratified the Core Conventions of the International Labour Organization (“**ILO Core Conventions**”), this at least signifies a public commitment to respect labour rights, such as freedom of association and collective bargaining. Yet this is not a guarantee that these rights will be fully realised.

Countries with low levels of human development are impoverished and have low education standards. This increases the risk of various rights violations, particularly when it comes to child labour. Nepal is the only country with a low level of human development where TeliaSonera is currently operating.

TeliaSonera complies with the United Nations' Human Rights Declaration and the ILO Core Conventions. This means, for example, guaranteeing the labour rights defined in the ILO Core Conventions for every TeliaSonera employee, wherever he or she works.

Risks related to actions by the largest shareholders

The Swedish State holds 37.3 per cent. and the Finnish State holds 10.1 per cent. of TeliaSonera's outstanding shares. Accordingly, the Swedish State, acting alone, and the Swedish State and the Finnish State, if they should choose to act together, may have the power to influence any matters submitted for a vote of shareholders. The interests of the Swedish State and the Finnish State in deciding these matters could be different from the interests of TeliaSonera's other shareholders.

Financial risk management

TeliaSonera is exposed to financial risks such as credit risk, liquidity risk, currency risk, interest rate risk, financing risk and pension obligation risk. Financial risk management is centralised in the Group Treasury unit. Failure to effectively manage and hedge these financial risks could have a negative impact on TeliaSonera's financial position and results of operations.

The credit risk with respect to TeliaSonera's trade receivables is diversified geographically and among a large number of customers, both private individuals and companies in various industries. Bad debt expense in relation to consolidated net sales was 0.7 per cent. in 2013 (0.6 per cent. in 2012).

TeliaSonera manages the liquidity risk by depositing its surplus liquidity in banks or investing it in short-term interest-bearing instruments with good credit ratings. In addition to available cash, TeliaSonera has committed revolving credit facilities and overdraft facilities. In total, the available unutilised amount under committed facilities was approximately SEK 10.3 billion at year end 2013.

TeliaSonera's operational currency transaction exposure is not significant. TeliaSonera's conversion exposure, however, is significant and is expected to continue to grow due to the ongoing expansion of business operations outside Sweden. TeliaSonera does not normally hedge its conversion exposure. At year end 2013, the conversion exposure amounted to SEK 155 billion (SEK 170 billion at year end 2012). Weakening of the Swedish Kronor by ten percentage points against all currencies in which TeliaSonera has conversion exposure would have had a positive impact of SEK 10.7 billion on TeliaSonera group's equity as of 31 December 2013.

TeliaSonera manages interest rate risk by aiming to balance the estimated running cost of borrowing and the risk of significant negative impact on earnings, should there be a sudden, major change in interest rates. TeliaSonera's policy is that the duration of interest of the debt portfolio should be from three years to seven years.

By having most of its borrowings with a longer maturity than the duration of interest, TeliaSonera is able to obtain the desired interest rate risk without having to assume a high financing risk. In order to further reduce the financing risk, TeliaSonera aims to spread loan maturity dates over a longer period. TeliaSonera currently enjoys a strong credit rating with the rating agencies Moody's and Standard & Poor's.

Pension obligation risk

TeliaSonera has a significant amount of pension obligations, with a net present value of SEK 22.2 billion as of 31 December 2013 (SEK 25.7 billion at year end 2012). TeliaSonera maintains pension funds to secure these obligations, with plan assets amounting to SEK 22.3 billion based on market values at year end 2013 (SEK 21.0 billion at year end 2012). The actuarial calculation of pension obligations is based on three principal assumptions: discount rate, annual adjustments to pensions

(inflation rate) and longevity. The sensitivity of the pension obligations to changes in the principal assumptions is as follows:

	Change in assumption (p.p.)	Impact on pension obligations (SEK in millions)
Discount rate	+0.50 / -0.50	-1,827 / +1,980
Annual adjustments to pensions	+0.50 / -0.50	+2,061 / -1,841
Longevity	+1 year	+904

Financial reporting risks

The reporting of TeliaSonera's results of business operations and financial condition is based on internal and external financial reporting, which has to be timely, reliable, correct, and complete. Internal control over this reporting is an integral part of TeliaSonera's corporate governance. It includes methods and procedures to safeguard the group's assets, ensure and control the reliability and correctness of financial reporting in accordance with applicable legislation and guidelines, improve operational efficiency and control the level of risk in the business operations.

The management of financial reporting risks is described in more detail in TeliaSonera's corporate governance statement. The corporate governance statement, including the description of internal controls, forms part of the official annual report and has been examined by the external auditors.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Risks applicable to all Notes

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider the reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the

Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

Meetings

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, for a transitional period, the end of which is dependent upon the conclusion of certain other agreements relating to information exchange with certain non-EU countries, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect, of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the “**ICSDs**”), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) will affect the amount of any payment received by the ICSDs (see “*Taxation – Foreign Account Tax Compliance Act*” below). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies,

unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency subject as set out herein. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and (except in the case of Swedish Registered Notes) will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as completed by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" below. In the case of Swedish Registered Notes, the applicable terms thereof are those set out in the Terms and Conditions of the Notes appearing in this Prospectus as completed by the applicable Final Terms.

This Prospectus will only be valid for listing Notes on the Luxembourg Stock Exchange in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €12,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and
- (b) the euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Prospectus:

(a) Financial Statements for the Financial Year ended 31 December 2012

the audited consolidated annual financial statements of the Issuer and auditors report for the financial year ended 31 December 2012 which appear on pages 47 to 106 and 129 to 130 of the annual report for the year ended 31 December 2012, including the information set out at the following pages in particular:

Consolidated Statements of Comprehensive Income.....	47
Consolidated Statements of Financial Position.....	48
Consolidated Statements of Cash Flows.....	49
Consolidated Statements of Changes in Equity	50
Notes to Consolidated Financial Statements.....	51-106
Audit Report	129

(b) Financial Statements for the Financial Year ended 31 December 2013

the audited consolidated annual financial statements of the Issuer and auditors report for the financial year ended 31 December 2013 which appear on pages 54 to 115 and 139 to 140 of the annual report for the year ended 31 December 2013 (the “**Annual Report**”) including the information set out at the following pages in particular:

Consolidated Statements of Comprehensive Income.....	54
Consolidated Statements of Financial Position.....	55
Consolidated Statements of Cash Flows.....	56
Consolidated Statements of Changes in Equity	57
Notes to Consolidated Financial Statements.....	58-115
Audit Report	139-140

The information incorporated by reference that is not included in the cross-reference lists above is considered to be additional information that is not required by the relevant annexes of Commission Regulation (EC) No 809/2004 of 29 April 2004.

(c) The following unaudited interim financial statements and sections of the Issuer’s Interim Report for the three months ended 31 March 2014:

Condensed Consolidated Statements of Comprehensive Income	17
Condensed Consolidated Statements of Financial Position	18
Condensed Consolidated Statements of Cash Flows	18
Condensed Consolidated Statements of Changes in Equity	19
Basis of Preparation	19-20

(d) the terms and conditions contained in the prospectus dated 27 May 2003 on pages 19 to 33 inclusive;

(e) the terms and conditions contained in the prospectus dated 30 June 2004 on pages 21 to 39 inclusive;

- (f) the terms and conditions contained in the prospectus dated 3 May 2006 on page 32 to 50 inclusive;
- (g) the terms and conditions contained in the prospectus dated 27 April 2007 on pages 31 to 50 inclusive;
- (h) the terms and conditions contained in the prospectus dated 30 April 2008 on pages 32 to 51 inclusive;
- (i) the terms and conditions contained in the prospectus dated 6 May 2009 on pages 33 to 52;
- (j) the terms and conditions contained in the prospectus dated 6 May 2010 on pages 33 to 52;
- (k) the terms and conditions contained in the prospectus dated 6 May 2011 on pages 34 to 54 inclusive;
- (l) the terms and conditions contained in the prospectus dated 3 May 2012 on pages 47 to 76 inclusive; and
- (m) the terms and conditions contained in the prospectus dated 26 April 2013 on pages 40 to 69 inclusive.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus. Following the publication of this Prospectus a supplement to the Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) and can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes (except Swedish Registered Notes) will initially be represented by a temporary global Note (or, if so specified in the applicable Final Terms, a permanent global Note) without interest coupons or talons, which, in either case, will:

- (i) if the global Notes are intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); and
- (ii) if the global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "*Form of the Notes*" to Euroclear, Clearstream, Luxembourg and/or Euroclear Sweden shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

On and after the date (the "**Exchange Date**") which is the later of (i) 40 days after the date on which any temporary global Note is issued, and (ii) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue) (the "**Distribution Compliance Period**"), interests in such temporary global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a permanent global Note of the same Series or (ii) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification, exchange of the temporary global Note for an interest in a permanent global Note or for definitive Notes is improperly withheld or refused. Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Payments of principal and interest (if any) on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the permanent global Note is not intended to be issued in NGN form) without any requirement for certification. The applicable Final Terms will specify that a permanent

global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described therein. A Permanent Global Note representing Notes having denominations consisting of a minimum Specified Denomination and integral multiples of a smaller amount there above may only be exchanged for definitive Notes upon an Exchange Event.

"**Exchange Event**" means (i) an Event of Default has occurred and is continuing, or (ii) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all global Notes, definitive Notes, interest coupons and talons with a maturity of more than one year:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

Each Tranche of Swedish Registered Notes will be issued in uncertificated and dematerialised registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479). The holder of a Swedish Registered Note will be the person evidenced as such by a book entry in the records of Euroclear Sweden. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Registered Note.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in "*Terms and Conditions of the Notes — Events of Default*". In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void at 8.00 pm (London time) on such day. At the same time, holders of interests in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 26 April 2013 executed by the Issuer.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

TELIASONERA AB (publ)
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €12,000,000,000
Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 7 May 2014 [and the supplement[s] to it dated *[date]* [and *[date]*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date".]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated [27 May 2003 / 30 June 2004 / 3 May 2006 / 27 April 2007 / 30 April 2008 / 6 May 2009 / 6 May 2010 / 6 May 2011 / 3 May 2012 / 26 April 2013] which are incorporated by reference in the Prospectus dated 7 May 2014. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated 7 May 2014 [and the supplement[s] to it dated *[date]* [and *[date]*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Prospectus**") including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the 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.

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing Final Terms.]

1. (i) Series Number: []
- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [] below, which is expected to occur on or about [*date*]][Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
- Series: []
- Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5. (i) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (i) Issue Date: []
- (ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]
7. Maturity Date: [Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [*specify*]]

8. Interest Basis: [[] per cent. Fixed Rate]
[[[] month [LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
9. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount
10. Change of Interest Basis: [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there*][Not Applicable]
11. Put/Call Options: [Investor Put]
[Issuer Call]
[Change of Control Put]
(further particulars specified below)
12. [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[s] of Interest: [] per cent. per annum payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []]
[Not Applicable]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (vi) Determination Date(s): [[] in each year] [Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue

date or maturity date in the case of a long or short first or last coupon)

14. Floating Rate Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
 - Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []

(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
 - Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)

- (viii) Margin(s): [+/–] [] per cent. per annum
- (ix) Minimum Interest Rate: [] per cent. per annum
- (x) Maximum Interest Rate: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30/360 (ISDA)]
(see Condition 4 for alternatives)

15. Zero Coupon Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: []
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]
- [Conditions 6(e) and 6(h) apply]*

PROVISIONS RELATING TO REDEMPTION

16. Notice periods for Condition 6(b):

Minimum period: [] [30] days
Maximum period: [] [60] days

17. Issuer Call:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount] [Sterling Make-Whole Redemption Amount] [Non-Sterling Make-Whole Redemption Amount]
- (iii) Reference Bond: [[]/FA Selected Bond/Not Applicable]
- (iv) Quotation Time: []
- (v) Redemption Margin: [[] per cent./Not Applicable]

- (vi) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (vii) Notice periods: Minimum period: [] [15] days
Maximum period: [] [30] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

18. Investor Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice periods: Minimum period: [] [15] days
Maximum period: [] [30] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

19. Change of Control Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Put Date: []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Put Period: []

20. Final Redemption Amount: [] per Calculation Amount

21. Early Redemption Amount payable on [] per Calculation Amount redemption for taxation reasons or on event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:

(a) Form: [Uncertificated and dematerialised registered form] (*for Swedish Registered Notes*)

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].] (*This option is suitable for TEFRA D*)

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.] (*This option is suitable for TEFRA D*)

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event] (*This option is suitable for TEFRA C*)

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

(b) New Global Note: [Yes][No]

(This sub-paragraph is not applicable to Swedish Registered Notes)

23. Additional Financial Centre(s):

[Not Applicable/give details]

(This item is not applicable to Swedish Registered Notes. Note that this item relates to the date and place of payment, and not Interest Period end dates, to which item 14(iii) relates)

24. Talons for future Coupons to be attached to Definitive Notes:

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27

coupon payments are still to be made/No]

[THIRD PARTY INFORMATION

[[] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____
Duly authorised

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Luxembourg Stock Exchange's regulated market, the London Stock Exchange's regulated market or the regulated market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority or the Official List of the Luxembourg Stock Exchange)] with effect from [].]

[Not Applicable].

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[Each of [defined terms] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**").]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. — Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER

Reasons for the offer: [General corporate purposes/[]]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

7. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)/Euroclear Sweden AB, Sweden. Euroclear Sweden identification number: []. The Issuer shall be entitled to obtain information from the register maintained by Euroclear Sweden [for the purposes of performing its obligation under the Swedish Registered Notes]]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of additional Paying Agent(s) (if any): []

(vi) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.

(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the

future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: []
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The following terms and conditions will be applicable to each Swedish Registered Note. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each temporary global Note, permanent global Note and definitive Note. Reference should be made to "Form of Final Terms" above for the form of the Final Terms which specifies certain capitalised terms as defined in the following Terms and Conditions.

The following is the text of the Conditions of the Notes, save for the paragraphs in italics, which shall not form part of the Conditions of the Notes:

This Note is one of a Series (as defined below) of Notes issued by TeliaSonera AB (publ) (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a global Note;
- (iii) any global Note; and
- (iv) Notes cleared through the Swedish Central Securities Depository & Clearing Organisation, Euroclear Sweden AB, which are in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) ("**Swedish Registered Notes**" and "**Euroclear Sweden**" respectively).

Except in the case of Swedish Registered Notes, the Notes (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (the "**Agency Agreement**") dated 26 April 2013, and made among the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms which are (except in the case of Swedish Registered Notes) attached to or endorsed on this Note which supplement these Terms and Conditions. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which is (except in the case of Swedish Registered Notes) herein attached to or endorsed on this Note.

Any reference to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note and in relation to Swedish Registered Notes, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of any Coupons, and shall, unless the context otherwise requires, include any holders of the Talons. Swedish Registered Notes are in dematerialised form and, for the avoidance of doubt, any references in these Terms and Conditions to Coupons and Talons shall not apply to Swedish Registered Notes.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders (other than the holders of Swedish Registered Notes) are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 26 April 2013, and made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and as to its identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (other than the holders of Swedish Registered Notes) and the applicable Final Terms which are applicable to them.

The holders of Swedish Registered Notes should refer to "General Information — Documents Available" in the Prospectus.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, "**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form, Denomination and Title

The Notes are in bearer form or, in the case of Swedish Registered Notes, in uncertificated and dematerialised book entry form, as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive will have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

Notes, other than Swedish Registered Notes, will initially be represented either by a temporary global Note which will be exchangeable in accordance with its terms for either a permanent global Note or Notes in definitive form, or by a permanent global Note which will be exchangeable in accordance with its terms for Notes in definitive form, as specified in the applicable Final Terms. Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form and no global or definitive Notes will be issued in respect thereof, and these Terms and Conditions shall be construed accordingly.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes (except Swedish Registered Notes) and Coupons will pass by delivery. The Issuer, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

The holder of a Swedish Registered Note will be the person evidenced as such by a book entry in the records of Euroclear Sweden. Title to the Swedish Registered Notes will pass by registration in the register between the direct or indirect accountholders at Euroclear Sweden in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) and/or any other legislation, rules and regulations applicable to such transfers from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant Swedish Registered Note.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or is a Swedish Registered Note, each person (other than Euroclear or Clearstream, Luxembourg or Euroclear Sweden (as defined below)) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of the registers maintained by Euroclear Sweden, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or Euroclear Sweden, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being Swedish Registered Notes) with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note, and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall

be construed accordingly. Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be. Swedish Registered Notes will be transferable only in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479) and applicable Swedish law and the rules and procedures for the time being of Euroclear Sweden.

References to Euroclear, Clearstream, Luxembourg and/or Euroclear Sweden shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

2. Status of the Notes

The Notes and the relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and equally with all other outstanding unsecured and unsubordinated obligations of the Issuer except as mandatorily preferred by law.

3. Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not create or have outstanding any mortgage, lien (other than solely by operation of law), pledge or other charge upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Public Debt of any Person or any obligation of any Person under any guarantee of or indemnity in respect of any Public Debt of any other Person without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other security for the Notes except as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this Condition, "**outstanding**", in the case of Notes other than Swedish Registered Notes, has the meaning given to it in the Agency Agreement.

"**Public Debt**" means indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter, or other established securities market and which:

- (a) has an initial life exceeding 2 years; or
- (b)
 - (i) by its terms is payable, or may be required to be paid, in or by reference to any currency other than Swedish Kronor; or
 - (ii) by its terms is payable, or may be required to be paid, in or by reference to Swedish Kronor where more than 50 per cent. in aggregate principal amount of such indebtedness is initially offered outside the Kingdom of Sweden.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state, agency of a state or other entity, whether or not having separate legal personality.

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Conditions, "**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

- (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding, or in the case of Swedish Registered Notes, and including) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Conditions:

"Determination Period" means the period from (and including or, in the case of Swedish Registered Notes, but excluding) a Determination Date to (but excluding or, in the case of Swedish Registered Notes, and including) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Terms and Conditions "**Interest Period**" means the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date.

If a business day convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), (i) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions and (ii) "**Euro-zone**" means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty.

(B) ***Screen Rate Determination for Floating Rate Notes***

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent (or, in the case of Swedish Registered Notes, the Calculation Agent). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the case of Notes other than Swedish Registered Notes, the Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. In the case of Swedish Registered Notes, such provisions will be as set out in the applicable Final Terms.

(iii) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes other than Floating Rate Notes which are Swedish Registered Notes, and the Calculation Agent, in the case of Floating Rate Notes which are Swedish Registered Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent or, in the case of Floating Rate Notes which are Swedish Registered Notes, the Calculation Agent, will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount outstanding of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/Actual ISDA**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y¹" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y²" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M¹" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M²" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D¹" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D¹ will be 30; and

"D²" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D¹ is greater than 29, in which case D² will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y¹" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y²" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M¹" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M²" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D¹" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D¹ will be 30; and

"D²" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D² will be 30;

- (vi) if "**30/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"Y¹" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y²" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M¹" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M²" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D¹" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D¹ will be 30; and

"D²" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D² will be 30.

- (v) *Notification of Rate of Interest and Interest Amounts*

The Agent or, in the case of Swedish Registered Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be

amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

For the avoidance of doubt, in respect of Notes admitted to trading on the Luxembourg Stock Exchange, the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date, and any amendments thereto, will be notified to the Luxembourg Stock Exchange no later than the first day of the Interest Period.

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Accrual of Interest***

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event in respect of Notes other than Swedish Registered Notes, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13.

In such event in respect of Swedish Registered Notes, interest will continue to accrue until the date the holders of the Swedish Registered Notes receive the full amount of such payments.

5. Payments

(a) ***Method of Payment***

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and

- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7. References to "**Specified Currency**" will include any successor currency under applicable law.

(b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of

any Paying Agent. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made either on such global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of this Note will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of principal and interest in respect of Swedish Registered Notes will be made to the persons registered as Noteholders in the register maintained by Euroclear Sweden on the fifth Stockholm Business Day (or such other day which may become customary on the Swedish bond market, which in respect of Swedish Registered Notes denominated in Swedish Kronor is expected to be the third Stockholm Business Day) prior to the Interest Payment Date or the Maturity Date, as the case may be, and in accordance with the rules and procedures applied by Euroclear Sweden from time to time.

As used herein, "**Stockholm Business Day**" means a day on which commercial banks and foreign exchange markets are open for business in Stockholm.

(c) ***Payment Day***

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) ***Payment Date for Swedish Registered Notes***

If the date for payment of any amount in respect of Swedish Registered Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "**Payment Day**" means any day which (subject to Condition 8) is a day on which commercial banks are open for general business in Stockholm.

(e) ***Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

6. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) Redemption for Tax Reasons

Subject to Condition 6(f), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms notice to the Agent (or, in the case of Swedish Registered Notes, Euroclear Sweden) and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent (or, in the case of Swedish Registered Notes, to Euroclear Sweden) to make available at its specified office to the Noteholders (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including) the date of redemption.

(c) ***Redemption at the Option of the Issuer ("Issuer Call")***

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the Final Terms or:

- (i) if "**Sterling Make-Whole Redemption Amount**" is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer by the Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Financial Adviser; or
- (ii) if "**Non-Sterling Make-Whole Redemption Amount**" is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 6(c):

"**FA Selected Bond**" means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

"**Financial Adviser**" means a financial adviser selected by the Issuer;

"**Gross Redemption Yield**" means, in respect of a security, the gross redemption yield for such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper Formulae for Calculating Gilt Prices from Yields page 5, Section One: Price/Yield Formulae Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date (published 08/06/1998 and updated on 15/01/2002 and 16/03/2005 (as amended and supplemented from time to time)) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Issuer may approve;

"Redemption Margin" shall be as set out in the applicable Final Terms;

"Reference Bond" shall be as set out in the applicable Final Terms or shall be the FA Selected Bond;

"Reference Bond Price" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"Reference Bond Rate" means, with respect to any date of redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"Reference Date" will be set out in the relevant notice of redemption;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Agent by such Reference Government Bond Dealer; and

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Agent, shall (in the absence of negligence, wilful default or bad faith) be binding on the Issuer, the Agent, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a global Note, and in accordance with the rules of Euroclear Sweden in the case of Swedish Registered Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by

the Issuer to the Noteholders in accordance with Condition 13 at least 5 days prior to the Selection Date.

(d) *Redemption at the Option of the Noteholders ("Investor Put")*

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (or, in the case of Swedish Registered Notes, the Issuing Agent) at any time during normal business hours of such Paying Agent (or the Issuing Agent) falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (or the Issuing Agent) (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

In the case of Swedish Registered Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant Swedish Registered Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer until the Optional Redemption Date by said Issuing Agent.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9. In the case of Swedish Registered Notes, the right to require redemption of such Notes in accordance with this Condition 6(d) must be exercised in accordance with the rules and procedures of Euroclear Sweden and if there is any inconsistency between the foregoing and the rules and procedures of Euroclear Sweden, the rules and procedures of Euroclear Sweden shall prevail.

(e) *Redemption at the option of the Noteholders ("Change of Control Put")*

(1) A "**Put Event**" will be deemed to occur if:

(i) any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force on the date of the applicable Final Terms) or any person or persons acting on behalf of such person(s) (the "**Relevant Person**") at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer (each, a "**Change of Control**"), provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of

the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer; and

- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from either of Moody's Investor Services Limited ("**Moody's**") and/or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and/or any of their respective successors or any other rating agency (each a "**Substitute Rating Agency**") of equivalent international standing specified by the Issuer (each, a "**rating agency**"),
 - (A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any rating agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to investment grade credit ratings by such rating agency; or
 - (B) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any rating agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such rating agency; or
 - (C) no credit rating, and no credit rating from another rating agency and no rating agency assigns within the Change of Control Period an investment grade credit rating to the Notes,

provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then sub-paragraph (A) will apply; and

- (iii) in making the relevant decision(s) referred to above, each relevant rating agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement. Upon receipt by the Issuer of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 13.

If the rating designations employed by either of Moody's or S&P are changed from those which are described in paragraph (ii) of the definition of "*Put Event*" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(e) shall be read accordingly.

- (2) If a Put Event occurs, each Noteholder shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at the Optional Redemption Amount. Such option shall operate as set out below.

- (3) Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(e).
- (4) To exercise the option to require the redemption or purchase of a Note under this Condition 6(e) the Noteholder must deliver such Note, at the specified office of any Paying Agent, at any time during normal business hours of the relevant Paying Agent falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Change of Control Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto, failing which the relevant Paying Agent will require payment of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 10) at any time after such payment, but before the expiry of the period of five years from the Relevant Date (as defined in Condition 7) in respect of such Coupon, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made either (i) on the date which is seven days after the expiration of the Put Period (the "**Put Date**") by transfer to the bank account (if any) specified in the relevant Change of Control Put Notice; or (ii) if no such bank account is so specified, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, pending redemption or purchase of the relevant Notes non-transferable receipts issued pursuant to this Condition 6(e) shall be treated as if they were Notes. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(e), the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem, at its option, the remaining Notes as a whole at the Optional Redemption Amount.

- (5) In these Conditions:

"Change of Control Period" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period during which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a rating agency, such period not to exceed 60 days after the public announcement of such consideration); and

"Relevant Potential Change of Control Announcement" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (f) ***Early Redemption Amounts***

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including or, in the case of Swedish Registered Notes, but excluding) the Issue Date of the first Tranche of the Notes to (but excluding or, in the case of Swedish Registered Notes, and including) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(g) Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. Any Swedish Registered Notes purchased may be held, resold or cancelled.

"**Subsidiary**" means any entity which is a subsidiary within the meaning of the Swedish Companies Act (1975).

(h) Cancellation

All Notes which are redeemed will, subject to paragraph (g) above forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (g) above (together with all unmatured Coupons cancelled therewith) shall be

forwarded to the Agent (or, in the case of Swedish Registered Notes, the relevant Issuing Agent (as defined in Condition 11(b))) and cannot be reissued or resold.

(i) ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which, in respect of Notes other than Swedish Registered Notes, is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

In such event in respect of Swedish Registered Notes, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date the holders of the Swedish Registered Notes receive the full amount of such payment.

7. Taxation

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with Sweden other than the mere holding of such Note or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent (or, in the case of Swedish Registered Notes, the holders of the Swedish Registered Notes) on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. Prescription

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

In the case of Swedish Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Swedish Registered Notes shall be void unless made within 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor and thereafter any principal or interest payable in respect of such Swedish Registered Notes shall be forfeited and revert to the Issuer.

9. Events of Default

If any one or more of the following events (each an "**Event of Default**") shall occur:

- (i) if default is made for a period of 14 days or more in the payment of any interest or principal due in respect of the Notes; or
- (ii) if there is a failure in the performance of any obligation under the Notes other than an obligation to make payment of principal or interest which continues for more than 30 days after written notification requiring such failure to be remedied shall have been given to the Issuer by a Noteholder; or
- (iii) if except for the purpose of a reconstruction or an amalgamation upon which the continuing corporation effectively assumes the entire assets and liabilities of the Issuer or the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders:
 - (a) an order is made (and not discharged or stayed within a period of 60 days) or an effective resolution is passed for winding-up the Issuer; or
 - (b) the Issuer ceases to carry on business; or
- (iv) if an administrative or other receiver is appointed of the whole or substantially the whole of the assets of the Issuer and is not removed, paid out or discharged within 60 days or, following such 60 day period, the appointment is not being disputed in good faith; or

- (v) if the Issuer is unable to pay its debts generally or makes a general assignment for the benefit of its creditors; or
- (vi) (A) if any Indebtedness for Borrowed Money (as defined below) of the Issuer, amounting in aggregate to not less than €50,000,000 or its equivalent in other currencies, becomes due and repayable prematurely by reason of an event of default (however described) and remains unpaid; or
- (B) if default is made by the Issuer in making any payment due, amounting in aggregate to not less than €50,000,000 or its equivalent in other currencies, in respect of Indebtedness for Borrowed Money on the due date for that payment (as extended by any applicable grace period),

where the failure to pay is not being contested in good faith and continues unremedied for more than 14 days after written notification requesting such failure to be remedied shall have been given to the Issuer by a Noteholder,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent (or, in the case of Swedish Registered Notes, of the relevant Issuing Agent), effective upon the date of receipt thereof by the Agent (or, in the case of Swedish Registered Notes, the relevant Issuing Agent), declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

"Indebtedness for Borrowed Money" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

In the case of Swedish Registered Notes, the date of repayment will be such later date on which the relevant Notes have been transferred to the account designated by the relevant Issuing Agent and blocked for further transfer by said Issuing Agent.

10. Replacement of Notes Coupons and Talons

Should any Note Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent (or at the office of any Paying Agent) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. Agent and Paying Agents

(a) Notes other than Swedish Registered Notes

The following shall apply only to Notes other than Swedish Registered Notes.

The names of the initial Agent and the other initial Paying Agent and their initial specified offices are set out below.

If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) there will at all times be an Agent; and
- (ii) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office outside Sweden in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (iii) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

(b) *Swedish Registered Notes*

The following shall apply only to Swedish Registered Notes.

In relation to Swedish Registered Notes, the Issuer will, in accordance with the Swedish Financial Instrument Accounts Act (SFS 1998:1479), appoint (i) Euroclear Sweden as the central securities depository, and (ii) an issuing agent (the "**Issuing Agent**"). The Issuing Agent will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of Euroclear Sweden or the Issuing Agent, provided that the Issuer will appoint another central securities depository or Issuing Agent, each of them to be duly authorised under the Swedish Financial Instrument Accounts Act (SFS 1998:1479). The central securities depository and the Issuing Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders.

12. Exchange of Talons

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. Notices

All notices regarding the Notes shall be published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market, and listed on the

Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, *www.bourse.lu*. It is expected that any such publication in a newspaper will be made in the *Financial Times* or any other daily newspaper in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper or where published in such newspapers on different dates, the last date of such first publication.

All notices to holders of Swedish Registered Notes will be valid if mailed to their registered addresses appearing on the register of Euroclear Sweden. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed. No Swedish Registered Notes shall be listed on the Luxembourg Stock Exchange.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on stock exchanges, the rules of such stock exchanges (or any other relevant authority) permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, in addition to such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of Notes (other than Swedish Registered Notes) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes (other than Swedish Registered Notes) are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Notices to be given by any holder of Swedish Registered Notes shall be in writing and lodged with the relevant Issuing Agent.

14. Meetings of Noteholders, Modification and Waiver

(a) *Notes other than Swedish Registered Notes*

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of

principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, or Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

(b) *Swedish Registered Notes*

Euroclear Sweden and the Issuer may agree, without the consent of the Noteholders, to:

- (i) any modification of the Swedish Registered Notes which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Swedish Registered Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. Substitution

In the case of Notes other than Swedish Registered Notes, the Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons such company (the "**Substitute**") in the manner specified in the Agency Agreement, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. Such

substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

- (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (ii) in the event that all the assets and liabilities of TeliaSonera AB (publ) are not assumed by the Substitute, the obligations of the Substitute under the Deed Poll, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by TeliaSonera AB (publ) by means of the Deed Poll;
- (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substitute and if applicable, of TeliaSonera AB (publ) have been taken, fulfilled and done and are in full force and effect;
- (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (v) each stock exchange which has the Notes listed thereon shall have confirmed that, following the proposed substitution of the Substitute, the Notes would continue to be listed on such stock exchange;
- (vi) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 16 and the other matters specified in the Deed Poll; and
- (vii) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 9, shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Condition 9(iii)-9(vi) inclusive shall be deemed to apply in addition to the guarantor in the event that a guarantee is required in terms of (ii) above.

In the case of Swedish Registered Notes, any substitution provisions will be set out in the applicable Final Terms.

17. Rights of Third Parties

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

18. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes (other than Swedish Registered Notes) and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes) and the Coupons are governed by, and shall be construed in accordance with, English law.

Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes are governed by, and shall be construed in accordance with, Swedish law.

The Issuer agrees, for the exclusive benefit of the Paying Agents, the Noteholders (other than the holders of Swedish Registered Notes), and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes), the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes) and/or the Coupons), and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes) and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes (other than Swedish Registered Notes) and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

To the extent permitted by law, nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer appoints TeliaSonera International Carrier UK Limited at its office at 95 Cromwell Road, London SW7 4DL as its agent for service of process, and undertakes that, in the event of TeliaSonera International Carrier UK Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or as may otherwise be disclosed in the Final Terms.

TELIASONERA AB (PUBL)

Overview

The Issuer's legal and commercial name is TeliaSonera AB (publ) ("**TeliaSonera**"). The Issuer was incorporated in and under the laws of Sweden on 24 January 1966 as a public limited liability company, registered in Sweden with registration number 556103-4249. The registered office of the Issuer is at Stureplan 8, SE-106 63 Stockholm, Sweden with telephone number +46 8 504 55000.

TeliaSonera was created as a result of Telia AB ("**Telia**") acquiring Sonera Corporation ("**Sonera**") in December 2002 (the "**Merger**"). The Merger brought together two of the leading telecommunications companies in the Nordic region to form the leading telecommunications group in the Nordic and Baltic region.¹ TeliaSonera is also a leading provider of mobile services in Eurasia, including holdings in leading mobile operators in Russia and Turkey. TeliaSonera also provides mobile services in Spain.

For the year ended 31 December 2013, net sales of TeliaSonera and its subsidiaries (the "**Group**") amounted to SEK 101.7 billion and the Group had 26,013 employees at year end 2013.

During 2013, the Group's operating income decreased to SEK 24,462 million (compared to SEK 28,400 million in 2012). EBITDA excluding non-recurring items decreased to SEK 35,584 million (SEK 36,171 million in 2012) and the EBITDA margin increased to 35.0 per cent. (34.5 per cent. in 2012). Net income decreased to SEK 16,767 million (SEK 21,168 million in 2012) and CAPEX increased to SEK 16,332 million (SEK 15,685 million in 2012). Free cash flow decreased to SEK 16,310 million for the year 2012 (SEK 23,740 million in 2012).

On 31 December 2013, the Group's net debt (which amounts to net interest-bearing liabilities less derivatives recognised as financial assets and hedging long-term and short-term borrowings less short-term investments and cash at bank) was SEK 55,774 million (SEK 59,444 million in 2012) and the equity/assets ratio was 39.5 per cent. (38.2 per cent. in 2012).

In the table below, the calculation of percentages in the "Percentage (%) of outstanding shares" column is based upon the number of TeliaSonera shares outstanding on 31 December 2013:

Shareholder	Number of shares/votes	Percentage (%) of outstanding shares
Swedish State.....	1,614,513,748	37.3
Finnish State.....	437,123,642	10.1
Capital Group Funds.....	153,677,692	3.5
Other shareholders.....	2,124,769,699	49.1
Total shares outstanding.....	4,330,084,781	100.0

The shares of TeliaSonera are listed on Nasdaq OMX Stockholm and Nasdaq OMX Helsinki. TeliaSonera voluntarily terminated the listing of the company's American Depositary Shares (ADS) on Nasdaq on 6 August 2004, in light of the low trading level and high costs.

In June 2007, TeliaSonera also terminated the registration of its shares under the U.S. Securities and Exchange Act of 1934.

¹ Statements in this section relating to TeliaSonera's competitive position in the geographical markets in which it operates are based upon estimates by TeliaSonera with respect to number of subscriptions and/or revenues generated for each geographical market except for subsidiaries in Eurasia where it is based on interconnect traffic.

Mission, Vision and Strategy²

Mission – to provide network access and telecommunication services

TeliaSonera's mission is to help people and companies communicate in an easy, efficient and environmentally-friendly way by providing network access and telecommunication services. Our focus is to deliver a first-rate customer experience, while ensuring the quality of our networks and maintaining a cost efficient structure. TeliaSonera is an international group with a global strategy, but wherever we operate we act as a local company.

Vision – to contribute to a world with better opportunities

TeliaSonera is a world-class service company, recognised as an industry leader. We are proud pioneers of the telecom industry, a position we have gained by being innovative, reliable and customer-friendly. Wherever we operate, we act in a responsible way, based on a firm set of values and business principles. Our services form a major part of people's daily lives – for business, education and pleasure.

Strategy – offerings based on deep understanding

Widespread access to reliable communication services has become pivotal in our daily lives both at home and at work. Since the arrival of smartphones and tablets, we rely increasingly on digital transmission for social and business communication. New pricing models have contributed to making communication services effective, transparent and personal. We expect this trend to increase and evolve in the coming years. TeliaSonera's strategy is to deliver tailored products and services to best meet the core requirements of our diverse customer segments. We provide solutions formed by our in-depth understanding of our customers' present and future needs. We create shareholder value by delivering services in a cost-effective and sustainable manner, which leads to improved profitability and strong cash flow.

Three major challenges

Our customers' behaviour has been affected by the rapid digitalisation of data within our society. Usage has become more dynamic and enhanced by videos, moving images, interactive entertainment and social networks. With consideration to this development, we believe our industry faces three main imminent challenges:

1. Continued rebalancing of data pricing to follow current business models
2. Fixed-mobile convergence and bundling of services
3. Development of value-added services linked to our core business, e.g. cloud storage and virtual meetings

Our customers depend on us to prioritise our commitment to be their access provider – it is our primary role. Additionally, we pledge to add value through applications that relate to network access to reduce churn and increase data transfer speed and capacity.

An industry leader

Corporations and customers value quality, flexible B2B product portfolios, outstanding customer care and early implementation. Mobile internet has revolutionised the business landscape.

² References in this section “Mission, Vision and Strategy” to “we” or “our” are to the Issuer.

We at TeliaSonera understand our customers' needs, which include:

- High-quality networks – Our services are reliable in terms of coverage, speed and up-time.
- World-class customer experience – We strive to provide easy to use services with a “touch and feel” experience.
- Business-to-business (B2B) product portfolios – We assure customer needs are met with integrated business solutions.
- Early implementation – We get new technology and services to customers faster.
- Competitive pricing – We exploit the potential of economies of scale.

Our unified brand

People trust a brand they know. The unified brand further strengthens our position on the international scene by manifesting TeliaSonera's unique combination of international reach and local connection.

We aim to be seen as the most attractive brand in our industry in each market, providing the best customer experience. We also aim to be viewed as smart, innovative and local, wherever we operate.

Capital management

TeliaSonera's capital structure and dividend policy is decided by its Board of Directors. TeliaSonera shall target a solid investment grade long-term credit rating (A- to BBB+) to secure the company's strategically important financial flexibility for investments in future growth, both organically and by acquisitions. The ordinary dividend shall be at least 50 per cent. of net income attributable to owners of the parent company. In addition, excess capital shall be returned to shareholders, after the Board of Directors has taken into consideration the company's cash at hand, cash flow projections and investment plans in a medium-term perspective, as well as capital market conditions.

Organisational structure

TeliaSonera is an international group, providing telecommunication services in the Nordic and Baltic countries, the emerging markets of Eurasia, including Russia and Turkey, and in Spain.

Up to 31 March 2014, TeliaSonera was organised in three international business areas focusing on growth opportunities: Mobility Services, Broadband Services and Eurasia.

At the end of 2013, TeliaSonera had 72.5 million subscriptions in the consolidated operations and 116.5 million subscriptions in the associated companies. Total sales amounted to SEK 101,700 million and operating income excluding non-recurring items amounted to SEK 28,534 million. A large part of Group earnings comes from TeliaSonera's operations in Eurasia, and represented around 48.1 per cent. of the Group's operating income excluding non-recurring items in 2013.

Business area: Mobility Services

Business area Mobility Services provided communication services to the consumer and enterprise mass markets. Services included mobile voice and data for phones, mobile broadband, mobile content, data access through WLAN Hotspots and Wireless Office. The business area comprised operations in Sweden, Finland, Norway, Denmark, Lithuania, Latvia, Estonia and Spain.

Business area: Broadband Services

Business area Broadband Services provided mass-market services for connecting homes and offices. Services included broadband over copper, fibre and cable, IPTV, voice over internet, home communications services, IP-VPN/Business internet, leased lines and traditional telephony. The business area operated the group-common core network, including the data network of the international carrier business. The business area comprised operations in Sweden, Finland, Denmark, Lithuania, Latvia (49 per cent. ownership), Estonia and international carrier operations.

Business area: Eurasia

Business area Eurasia comprised mobile operations managed in Kazakhstan, Azerbaijan, Uzbekistan, Tajikistan, Georgia, Moldova and Nepal. The business area also included TeliaSonera's shareholding in Russian MegaFon (25.2 per cent. ownership) and Turkish Turkcell (38.0 per cent.). The main strategy was to create shareholder value by increasing mobile penetration and introducing value-added services in each respective country.

Other operations

Reporting segment Other operations comprised Other Business Services, TeliaSonera Holding and Group functions. Other Business Services was responsible for sales of managed-services solutions to business customers in the Nordic countries.

The following table sets forth TeliaSonera's net sales by segment for the year ended 31 December 2013:

	<i>Net sales</i>
Segment	(SEK in millions)
Mobility Services	48,873
Broadband Services	33,510
Eurasia	20,414
Other operations.....	3,556
Eliminations	(4,653)
TOTAL	101,700

New operating model

In December 2013, TeliaSonera announced a change in its operating model, which was launched on 1 April 2014. Pursuant to this new operating model, the countries where TeliaSonera operates are the leading dimension and the current business area layer has been removed from the organization. For management purposes, TeliaSonera Group is currently divided into Regions, Group Support Functions and Group Staff Functions (each as defined below).

The Group companies that are located within certain geographical areas are grouped into three “**Regions**”: Region Sweden, Region Europe and Region Eurasia.

“**Group Support Functions**” refer to Group Technology and Group Commercial.



















“**Group Staff Functions**” refer to Group Finance, Group Communications, Group Legal Affairs, Group Human Resources and Group Corporate Development.

TeliaSonera will report according to the new structure as of the second quarter of 2014.

Markets and brands

The following table sets forth TeliaSonera's operations per country for the year ended 31 December 2013:

Subsidiaries

Country	Trademark	Ownership ¹	Consolidated share ²	Service	Market position	Market share ³
Sweden						
 Telia	Telia, Halebop	100%	100%	Mobile	1	39%
	Telia	100%	100%	Broadband	1	39%
 halebop	Telia	100%	100%	Fixed Voice incl. VoIP	1	62%
	Telia	100%	100%	TV	3	14%
Finland						
 Sonera	Sonera, TeleFinland	100%	100%	Mobile	2	34%
	Sonera	100%	100%	Broadband	2	31%
 tele finland	Sonera	100%	100%	Fixed Voice	2	23%
	Sonera	100%	100%	TV	2	21%
Norway						
 NetCom	NetCom, Chess	100%	100%	Mobile	2	23%
 Chess						
Denmark						
 Telia	Telia, Call me, DLG Tele ⁴	100%	100%, 50% ⁴	Mobile	3	18%
 Call me	Telia, DLG Tele ⁴	100%	100%, 50% ⁴	Broadband	5	5%
 dlg	Telia, Call me, DLG Tele ⁴	100%	100%, 50% ⁴	Fixed Voice incl. VoIP	2	7%
	Telia	100%	100%	TV	>5	<5%
Kazakhstan						
 Kcell	 Kcell, Activ	61.9%	61.9%	Mobile	1	46%
Azerbaijan						
 Azercell	Azercell	38.1%	69.5%	Mobile	1	51%
Uzbekistan						
 Ucell	Ucell	94.0%	100%	Mobile	2	44%
Tajikistan						
 Tcell	Tcell	60.0%	60.0%	Mobile	1	37%
Georgia						
 Geocell	Geocell, Lailai	74.3%	74.3%	Mobile	2	35%
 სადასოფლო						
Moldova						
 Moldcell	Moldcell	74.3%	74.3%	Mobile	2	30%
Nepal						
 Ncell	Ncell	60.4%	80.4%	Mobile	1	56%

Associated companies

Country	Trademark	Ownership ¹	Consolidated share ²	Service	Market position	Market share ³
Latvia						
lattelecom	Lattelecom	49.0%	49.0%	Broadband	1	55%
	Lattelecom	49.0%	49.0%	Fixed Voice incl. VoIP	1	94%
	Lattelecom	49.0%	49.0%	TV	1	35%
Russia						
MEGAFON	MegaFon	25.2%	27.2%	Mobile	2	28%
Turkey						
TURKCELL	Turkcell	38.0%	38.0%	Mobile	1	51%

¹ Ownership is defined as direct and indirect ownership, i.e. effective ownership.

² Consolidated share includes commitments to acquire non-controlling interests (NCI put options).

³ In Broadband and Fixed Voice, TeliaSonera's market share estimate is based on the share of revenues where data is available, and number of subscriptions where no data is available. In Mobile, the market share is based on the number of subscriptions except for subsidiaries in Eurasia where it is based on interconnect traffic. For TV, market share is based on the number of pay-TV subscriptions of cable TV, satellite TV, terrestrial TV and IPTV. For Russia, market share is based on information from ACM Consulting. For Turkey, market share is based on information from ICTA.

⁴ TeliaSonera owns 50 percent of DLG Tele and controls the company via agreements.

Regulation

European Union

As Member States of the European Union (the "EU"), Sweden, Finland, Denmark, Lithuania, Latvia and Estonia are required to follow EU regulations and enact domestic legislation to give effect to EU directives. Norway is under similar obligations as a party to the European Economic Area Agreement.

In 2009, the European Parliament and the Council adopted a revised regulatory framework for electronic communications networks and services (the "**EU Communications Framework**"), which applies to the types of telecommunications services that TeliaSonera offers. The framework aims at enabling citizens, wherever they live and wherever they travel in the EU, to benefit from better and cheaper communication services, whether they use mobile phones, fast broadband internet connections or cable TV.

National regulatory authorities ("**NRAs**"), including those in the countries in which TeliaSonera operates, are expected to undertake a market analysis on the basis of markets listed in so-called Relevant Market Recommendations established by the European Commission (the "**Commission Recommendations**"). The present Recommendation of December 2007 comprises 7 markets that the NRAs must analyse. NRAs then determine and designate companies having significant market power ("**SMP**") within those markets. They can also impose or maintain *ex ante* sector-specific obligations when *ex post* remedies of competition law are not adequate to meet the market problems identified. Possible obligations could include *inter alia* transparency, accounting separation, network access and price control. If a market is found to be effectively competitive, existing obligations should,

according to the regulatory framework, be withdrawn. The revised EU telecoms rules *inter alia* give the European Commission the power to oversee regulatory remedies proposed by national regulators (e.g. on the conditions of access to the network of an SMP operator; or on fixed or mobile termination rates). The objective is to avoid inconsistent regulation that could distort competition in the single telecoms market. The Commission is currently working on the (second) review of the Recommendation.

EU directives included in the EU Communications Framework also cover areas such as authorisation of networks and services, access and interconnection (including local loop access), universal service, and privacy and security issues. There are also special directives on electronic commerce, privacy, payment services and on a number of other areas of relevance to TeliaSonera's operations. The regulatory regimes in each of the aforesaid countries in which TeliaSonera operates are generally based on the requirements of the EU Communications Framework and other directives.

In 2006, the European Parliament and the Council adopted a directive on data retention which was to be implemented by Member States by September 2007. The main objective of the directive was to harmonise Member States' laws concerning data retention obligations by requiring all 28 Member States to impose similar obligations on the operators. The directive has been widely criticised and the Commission is in the process of reviewing the directive in consultation with the police and the judiciary, industry, data protection authorities, and civil society. In this review the Commission will have to note that in April 2014 the European Court of Justice declared the directive, in its current form, to be invalid due to serious interference with the fundamental rights to respect for private life and to the protection of personal data.

In 2007, the European Parliament and the Council adopted roaming regulation which introduced price caps on both wholesale and retail voice calls, data roaming and SMS, decreasing annually until 2016 (possibly also later). The current regulation, which will be in force until 2022, also includes a mandatory obligation for mobile network operators to provide wholesale roaming access to alternative roaming providers. In addition, from March 2014, mobile network operators are required to sell the alternative roaming provider's roaming services de-coupled from any domestic mobile subscription or service. TeliaSonera has implemented the necessary technical measures for the de-coupling, but as European Parliament voted in April 2014 as part of the "Telecom Single Market regulation" to end roaming fees altogether, it is uncertain if the market for alternative providers will form at all. The final outcome of the new roaming articles will be decided in co-decision process with the European Parliament, Council, and Commission. Member States will form their views on the topic during summer 2014.

In January 2012 the Commission proposed a General Data Protection Regulation which was supported by the European Parliament on March 2014. The objective of the regulation is to ensure Europeans more control over their personal data, and make it easier for businesses to operate and innovate in the EU's Single Market under harmonised set of rules. The heads of states committed to a "timely" adoption of the regulation at European Council summit on October 2013. There are many open issues to be solved, but the Council is expected to find common ground with the Parliament by the end of 2014.Implementation of EU Communications Framework

Sweden

In Sweden, the Act on Electronic Communication implements the legislation relating to the EU Communications Framework. In 2005, the Swedish NRA published final SMP decisions on the retail markets for access to the public telephone network and on the market for wholesale terminating segments of leased lines. In these markets the NRA imposed obligations on TeliaSonera. On the retail markets for telephone services and the wholesale market for access to mobile networks, TeliaSonera was not found to have SMP status, and hence no obligations were imposed.

In 2006, the Swedish NRA published final SMP decisions on the wholesale markets for international roaming and for trunk segments of leased lines. In these markets TeliaSonera was not found to have SMP status, and hence no obligations were imposed. In summary, since 2004 TeliaSonera has been found to have SMP status in nine markets. In 2008, the NRA started a second round of SMP analyses of these markets based on the current Commission Recommendation on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation. In 2009, the NRA published revised decisions on the markets for interconnection in the fixed network and on the retail market for access to the public telephone network (market 4, 5 and 7) in 2010, revised decisions on the wholesale markets for network infrastructure access, for broadband access and for interconnection in mobile networks (markets 4, 5 and 7) and, in 2013, revised decision on the wholesale terminating segments of leased lines (market 6). In 2011, the NRA started a third round of analyses of the markets based on the current Recommendation. Final decisions for markets 1-3 and 7 were published in 2013. Final decisions for remaining markets are scheduled for 2014. TeliaSonera has currently SMP status on all these seven markets.

Finland

In Finland, TeliaSonera is subject to the Communications Market Act, and related regulations, decrees and administrative decisions, which implement the EU Communications Framework. Based on the current Commission Recommendation on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation, TeliaSonera and its competitors are subject to obligations in the following markets. The Finnish NRA has issued SMP decisions on the following markets: call termination on individual fixed networks, wholesale unbundled access, wholesale terminating segments of leased lines, wholesale broadband access and voice call termination on individual mobile networks.

The markets for fixed call origination and fixed call termination were analysed by the Finnish NRA during year 2013. The fixed origination market was deregulated from the beginning of 2014. The fixed termination market is still subject to SMP remedies, after the EU Commission veto to the Ficora deregulation proposal. The mobile termination market is currently being analysed by the Ficora. The wholesale unbundled access markets and wholesale broadband access markets have been analysed based on the current Commission Recommendation. In December 2012, the Finnish NRA introduced price cap regulation for access to copper and fibre networks in TeliaSonera's traditional operating areas. TeliaSonera has appealed the decision to the Supreme Administrative Court, where the case is currently pending. The price levels of price caps are expected to be set by a separate Ficora decision during the third quarter of 2014. Currently the access prices must be cost oriented.

Markets for access and call origination on public mobile networks, wholesale national market for international roaming, wholesale trunk segments of leased lines, transit in the fixed network, retail international telephone services and retail national telephone services have been found competitive.

The Finnish Parliament is currently handling the Government bill for Information Society Code. This legislative project integrates key provisions that apply to communications industry under one Act, Information Society Code. The proposal not only integrates the current legislation, but also amends the rules in several areas of legislation, including eg. privacy, consumer protection and SMP regulation.

Other

In Denmark, TeliaSonera is designated an SMP operator in the wholesale markets of fixed and mobile termination and subject to price regulation. TeliaSonera has also been designated SMP operator in the wholesale market of SMS termination and is price regulated on SMS termination.

In Norway, NetCom has been designated an SMP operator in the market for mobile termination.

In Estonia, Latvia and Lithuania, TeliaSonera's companies have been found to have SMP status both in fixed and mobile markets.

Implementation of pricing restrictions such as fixed or cost-based pricing or other obligations imposed by the relevant NRAs on TeliaSonera in any of the jurisdictions it operates might have an adverse effect on its business, financial condition and results of operations.

Competition Laws

TeliaSonera is subject to the competition laws of the countries in which it operates, local competition laws and rules and EU competition laws. Companies breaching the competition rules may be forced to pay damages that can be substantial.

The European Union

The EU competition rules set out in the EC Treaty and EU legislation are binding on EU Member States and are therefore applicable to TeliaSonera's operations in the EU. If those rules are breached, the European Commission may impose fines of up to ten per cent of a company's revenues on a consolidated basis in the preceding financial year. The EU competition rules are applicable to restrictions on competition which may have an appreciable effect on trade between Member States.

So long as the Kingdom of Sweden exercises a significant influence over TeliaSonera, the European Commission could bring proceedings against TeliaSonera directly, or bring proceedings against the Kingdom of Sweden, to ensure that TeliaSonera complies with EU competition rules. This means that TeliaSonera might face two different proceedings, the latter of which it could not directly influence and to which it would not be a party.

Given that the Swedish State and the Finnish State hold 37.3 per cent and 10.1 per cent of TeliaSonera's outstanding shares, respectively, there is always a risk that TeliaSonera's competitors might allege that TeliaSonera's transactions with the Finnish State or the Swedish State involve an element of state aid, or that the European Commission may launch a formal investigation of such a transaction on its own initiative. The European Commission has the power to order suspension of aid payments and require the recovery of aid already granted, including accrued interest. These rules do not apply when a state contributes capital in circumstances that would be acceptable to a private investor operating under normal market economy conditions.

Sweden

The Swedish Competition Authority is empowered to issue injunctions, and to enjoin a party to discontinue immediately practices that are not permitted under the Competition Act. The Swedish Competition Authority and the Swedish NRA cooperate to facilitate investigations of anti-competitive behaviour in the telecommunications services sector.

Finland

The Finnish Competition and Consumer Authority is empowered to issue injunctions, and to enjoin a party to discontinue immediately practices that are not permitted under the Act on Competition Restrictions.

International Obligations

Over 70 member countries of the World Trade Organisation have entered into a Basic Telecommunications Agreement ("**BTA**") to provide market access to some or all of their basic telecommunications services. The BTA took effect in February 1998. Signatories under the BTA

have made commitments to provide "market access", requiring them to refrain from imposing certain quotas or other quantitative restrictions in specified telecommunications services sectors, and to provide "national treatment" by ensuring that foreign telecommunications service suppliers are accorded the same treatment as national service suppliers. In addition, a number of signatories, including Sweden and Finland, have agreed to abide by certain pro-competitive principles set forth in a reference paper relating to the prevention of anti-competitive behaviour, interconnection, universal service, transparency of licensing criteria, independence of the regulator and non-discriminatory allocation of scarce resources.

Sustainability, ethics and compliance

TeliaSonera strives for sustainability throughout the value chain, and aims to be fully accountable to the stakeholders. The term sustainability is used as an umbrella term covering all efforts to realise economic as well as environmental and social sustainability through responsible business operations.

TeliaSonera's sustainability work involves ensuring environmental and social sustainability along the supply chain, taking care of the well-being of the employees, reducing its own carbon footprint and those of the customers, respecting human rights, complying with ethical business practices in all markets, improving the protection of customer privacy and protecting children online.

In 2013, the follow-up of sustainability-related risks and opportunities as well as compliance with ethical and sustainability-related requirements were discussed within the Board's newly established Sustainability and Ethics Committee. TeliaSonera aims to ensure that the sustainability management practices are constantly updated on present and future issues and developments, and that the stakeholders can play a proactive role. To enforce compliance with ethical and legal requirements an Ethics and Compliance Office was established.

The Chief Ethics and Compliance Officer reports to the CEO. The Ethics and Compliance Office is responsible for ensuring that there is a systematic and consistent approach towards managing sustainability related ethical and legal requirements, risks and opportunities.

Code of ethics and conduct

The TeliaSonera Code of Ethics and Conduct (the "**Code**") serves as an overall policy document for guiding the behaviour of the employees. The Code defines how TeliaSonera's employees should interact with different stakeholders, including customers, business partners, competitors, co-workers, shareholders, governments and regulatory bodies, as well as local communities wherever TeliaSonera operates. The policy document covers all entities in which TeliaSonera holds more than a 50 per cent. ownership and is available in 21 languages.

To enforce the implementation efforts, increase the understanding and to further ensure full compliance with the Code, a related e-learning tool has been rolled-out. The training tool focuses on anti-corruption and human rights. Further work to expand the understanding of TeliaSonera's ethical standards and values has also been undertaken by the Ethics and Compliance Office.

Policies on anti-corruption and supply chain conduct

TeliaSonera has a clear position against corruption. The group Anti-Corruption Policy and related guiding principles are implemented through an anti-corruption programme. The Ethics and Compliance Office is responsible for the programme execution.

To ensure sustainability in the supply chain, the TeliaSonera's supplier code (the "**Supplier Code**") defines the conduct expected from suppliers in relation to protecting human and labour rights, promoting occupational health and safety, environmental management and ethical business practices.

The conduct rules are mandatory to major suppliers. Implementation of the Supplier Code is applicable for all entities in which TeliaSonera has management responsibility. To implement the Supplier Code, targeted training has been held by Group Procurement specialists.

Sustainability reporting

TeliaSonera annually reports its sustainability performance in the Sustainability Report (the "**Sustainability Report**"), which is reviewed by the external auditors. TeliaSonera applies the Global Reporting Initiative guidelines for reporting on sustainability including the telecommunications sector supplement pilot. The report is intended to respond to internal and external stakeholders' requests for information and increased transparency regarding the sustainability work. Internally, TeliaSonera uses the Sustainability Report to collect, highlight and share information about best practices across the Group.

Whistle-blower process

The Board of Directors has established a process which enables employees and others to anonymously report violations in accounting, reporting or internal controls, as well as non-compliance with the TeliaSonera Code of Ethics and Conduct and some other Group policies, a so called whistle-blower system. In 2013, a project was initiated to implement an external hotline to replace the current whistle-blower system. The hotline will be maintained by an accredited external service provider to guarantee confidentiality and professionalism.

Group Staff Function Corporate Development

The newly created Group Staff Function Corporate Development will take over responsibility for mergers and acquisitions in order to further strengthen internal controls by separating the elements of execution and control. Concurrently, a merger and acquisitions manual containing instructions and outlining a clear process for conducting acquisitions has been adopted.

Board of Directors

TeliaSonera's Board of Directors has eight ordinary members and three employee representatives and, as such, union appointees. The current members of TeliaSonera's Board of Directors, elected at the Annual General Meeting held on 2 April 2014, are as follows:

Marie Ehrling (Born 1955)

Chair of the Board. Elected to the Board of Directors in 2013. She is Chair of the Remuneration Committee of TeliaSonera and was Chair of the Sustainability and Ethics Committee of TeliaSonera until 1 September 2013. Ms. Ehrling was President of TeliaSonera's Swedish operations between 2002 and 2006. Prior to that she was employed by SAS AB from 1982 to 2002. At present, Ms. Ehrling has several board assignments. She is Vice-Chair of Nordea Bank AB and serves as member of the boards of Securitas AB, Axel Johnson AB and Schibsted ASA, among others. Marie Ehrling holds a BSc in Business and Economics.

Shares in TeliaSonera: 15,000

Olli-Pekka Kallasvuo (Born 1953)

Vice-Chair of the Board. Elected to the Board of Directors in 2012. He is a member of the Remuneration Committee of TeliaSonera. Mr. Kallasvuo was CEO and board member of Nokia Oyj from 2006 to 2010. Previously, he held various executive positions at Nokia, including COO, CFO, Head of Mobile Phones Division and Head of Nokia Americas. Mr. Kallasvuo is currently Vice-Chair

of SRV Group Plc. and is also a board member of Aperios Partners Ltd, Zenterio AB, Cleantech Industries Global N.V. and Foundation for Economic Education. Mr. Kallasvuo holds a Master of Law and an honorary doctorate.

Shares in TeliaSonera: 35,896

Mats Jansson (Born 1951)

Elected to the Board of Directors in 2013. He is a member of the Remuneration Committee of TeliaSonera. Mr. Jansson was the CEO of SAS AB between 2007 and 2010 and prior to that was the CEO of Axel Johnson AB from 2005 to 2006 and served as Chair of the Board and CEO of Axfood AB from 2000 to 2005. Currently, Mr. Jansson is Chair of the Board of Delhaize Group and senior advisor of JP Morgan and Prime. Mr. Jansson has studied economic history, geography and sociology.

Shares in TeliaSonera: 4,500

Mikko Kosonen (Born 1957)

Elected to the Board of Directors in 2013. Since 1 September 2013, he has been Chair of the Sustainability and Ethics Committee of TeliaSonera. Mr. Kosonen has been since 2008 the president of the Finnish Innovation Fund Sitra. Prior to that, he held several leading positions at Nokia between 1984 and 2007, where his final role was that of Senior Vice President, Strategy and Business Infrastructure. He is a member of the boards of Fifth Element Oy, Technology Academy Finland and Foundation for Economic Education. Mr. Kosonen holds a doctorate in Economics and International Business.

Shares in TeliaSonera: 0

Nina Linander (Born 1959)

Elected to the Board of Directors in 2013. She is Chair of the Audit Committee of TeliaSonera. Ms. Linander is a former partner at Stanton Chase International between 2006 and 2012 and prior to that at SVP and Head of Treasury at Electrolux AB from 2001 to 2005. Nina Linander is currently a board member of Specialfastigheter AB and Awapatent AB, among others. Ms. Linander holds a BSc in Economics and a MBA (IMD).

Shares in TeliaSonera: 5,700

Martin Lorentzon (Born 1969)

Elected to the Board of Directors in 2013. He is a member of the Audit Committee and the Sustainability and Ethics Committee, respectively, of TeliaSonera. Mr. Lorentzon is founder and Chair of the Board of Spotify AB. He was also founder of TradeDoubler AB where he also served as a board member. Mr. Lorentzon holds a Master of Science in Engineering.

Shares in TeliaSonera: 229,500³

Per-Arne Sandström (Born 1947)

Elected to the Board of Directors in 2010. He is a member of the Audit Committee of TeliaSonera. Mr. Sandström has been deputy CEO and Chief Operating Officer of Telefonaktiebolaget L M Ericsson and has held a number of managerial positions in Ericsson Group. He is a board member of SAAB AB. Mr. Sandström studied engineering.

³ Shares held by companies controlled by Mr. Lorentzon.

Shares in TeliaSonera: 400

Kersti Strandqvist (Born 1963)

Elected to the Board of Directors in 2013. She is a member of the Sustainability and Ethics Committee of TeliaSonera. Ms. Strandqvist had been Head of Corporate Sustainability since 2010 and a member of the Group Management of SCA AB. Prior to that she served in several different managerial positions including R&D and as business area director within the SCA Group from 1997 to 2010. Ms. Strandqvist holds a Master of Science in Chemical Engineering and Licentiate of Technology.

Shares in TeliaSonera: 4,280

For the purposes hereof, the business address of each Director is TeliaSonera AB, Stureplan 8, SE-106 63 Stockholm, Sweden.

TeliaSonera is not aware of any actual or potential conflicts of interest between the duties at TeliaSonera of the persons listed above and their private interests or duties.

Investigations in relation to investments in Uzbekistan and review of transactions in Eurasia

In September 2012, serious allegations were directed at TeliaSonera in relation to the company's investments in Uzbekistan. On 26 September 2012, the Swedish Public Prosecutor, Gunnar Stetler, informed TeliaSonera that he was conducting an investigation into TeliaSonera's investment in a telecommunication operator business in Uzbekistan. On 3 October 2012, the Board of Directors of TeliaSonera assigned the law firm Mannheimer Swartling, led by its Chairman Biörn Riese, to investigate whether TeliaSonera's investment in a 3G licence, frequencies and number blocks in Uzbekistan in 2007 involved corruption or money laundering. Later, the investigation was expanded to include the recent investments in connection with TeliaSonera's operations in Uzbekistan. Following the report presented by Biörn Riese on 1 February 2013, the Board of Directors concluded that Mannheimer Swartling has not found any substance to the allegations that TeliaSonera committed bribery or participated in money laundering in connection with its investments in Uzbekistan.

In March 2014, TeliaSonera has been informed that the U.S. Department of Justice (“**DOJ**”) has an ongoing investigation regarding TeliaSonera's transactions in Uzbekistan. The DOJ has sent a request for documents to TeliaSonera. In addition, TeliaSonera has received a request from the U.S. Securities and Exchange Commission (SEC) to submit documents and information related to Uzbekistan.

The Dutch Public Prosecutor's Office (the “**DPPO**”) has also launched an investigation into the bribery and money-laundering allegations, visiting the offices of, and requesting documents from, two of TeliaSonera's Netherlands-based holding companies, TeliaSonera UTA Holding BV and TeliaSonera Uzbek Telecom Holding BV. These holding companies handle TeliaSonera's Ucell operation in Uzbekistan. The DPPO has requested collateral from TeliaSonera (in the amount of between EUR 10 and 20 million) for any financial claims which may be decided against its local holding companies.

On 18 April 2013, the board of directors launched a review of transactions in Eurasia, led by the international law firm Norton Rose Fulbright. At TeliaSonera's annual general meeting on April 2, 2014, Marie Ehrling, the Chairman of the board, presented the outcome of the review, the scope and the methodology as well as the measures taken as consequence of the review. Based on the outcome of Norton Rose Fulbright's review, it has been determined that TeliaSonera has conducted its business in Eurasia in a manner that was inconsistent with sound business practice and TeliaSonera's ethical

requirements. It cannot even be ruled out that certain conduct has been in violation of the law, something that will ultimately be decided by the judiciary.

As a consequence of this review, TeliaSonera has taken appropriate measures in order to reduce its risk exposure and conduct of business going forward, including the following:

- Agreements with business partners have been renegotiated and in some cases terminated.
- Agreements with an external advisor who since 2007 worked closely with the former management regarding certain transactions in Eurasia have been terminated.
- Changes in the Group Management have been implemented. As a consequence thereof, several people have had to leave the company.
- A number of changes have been made in terms of risk assessment, internal control, management and board involvement and the establishment of a compliance programme. Work to develop leadership and culture of the company is ongoing.
- TeliaSonera continues its full cooperation with the Swedish Public Prosecutor, who since previously is conducting an investigation into TeliaSonera's investment in Uzbekistan. Material from NRF's review has been handed over to the Swedish prosecutor.
- TeliaSonera is also cooperating with foreign governmental authorities investigating matters in the Eurasia region.

TAXATION

The Kingdom of Sweden

The following summary outlines Swedish tax consequences to holders of Notes who are not residents of the Kingdom of Sweden for income tax purposes. Purchasers are urged to consult their professional advisers as to the tax consequences of holding or transferring Notes.

Under Swedish law as presently in effect, payments of any principal or interest to the holder of any Note will not be subject to Swedish income tax, provided that such holder is (1) not resident in Sweden, (2) does not carry on trade or business in Sweden where the payments of principal or interest are attributable to a permanent establishment or (3) is an estate which is liable to pay tax in Sweden.

A person is resident in Sweden if he (a) has his principal home in Sweden or (b) has his habitual abode in Sweden (which normally means he is continuously present in Sweden for a period of more than six months) or (c) earlier has been having his principal home in Sweden and after having moved abroad continues to have an essential connection with Sweden (for example is engaged in trade or business in Sweden).

Swedish law does not impose a withholding tax on payments of principal or interest to the holder of any Note except on payments to a holder who is either an individual with tax residency in Sweden or an estate of a deceased individual resident in Sweden at the time of his death. The intermediary of the payment is obliged to notify holders of Notes outside Sweden and the Swedish tax authorities of payments exceeding SEK 150,000 made to holders who are private individuals, an estate or a legal entity.

Under Swedish law, capital gains on the disposal of Notes will not be subject to Swedish income tax provided that the holder is not tax resident in Sweden, holds the Notes as assets involved in a trade or business in Sweden or is a Swedish estate. There is no net wealth tax in Sweden.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a foreign financial institution, or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The U.S. Treasury has announced that it is actively engaged in a dialogue with Sweden towards concluding an IGA.

The Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, for a transitional period, the end of which is dependent upon the conclusion of certain other agreements relating to information exchange with certain non-EU countries, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

Luxembourg Taxation

The following summary is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and

prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 as amended (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent fiscal authority of Luxembourg, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 35 per cent.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident in Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, "**Programme Agreement**") dated 7 May 2014 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **"offer of Notes to the public"** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression **"Prospectus Directive"** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the 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.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer and any other Dealer shall have any responsibility therefor.

None of the Issuer and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment and updates of the Programme and the issue of Notes thereunder have been duly authorised by resolutions of the Board of Directors of the Issuer dated 8 May 2003, 23 April 2007, 24 April 2007, 3 December 2009, 18 April 2011, 18 April 2012, 18 April 2013 and 22 April 2014. The increase of the amount of the Programme from €11,000,000,000 to €12,000,000,000 has been duly authorised by the resolution of the Board of Directors of the Issuer dated 22 April 2014.

Approval of the Prospectus and (other than Swedish Registered Notes) Listing on the Official List of the Luxembourg Stock Exchange and Admission to Trading of Notes on the regulated market of the Luxembourg Stock Exchange

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes) issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive").

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available (free of charge) from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the consolidated and unconsolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2013 and 2012, in each case together with the audit reports prepared in connection therewith;
- (iii) the most recently published audited annual financial statements of the Issuer and the Group and the most recently published unaudited interim financial statements of the Group (the Group currently issues interim reports three times a year in respect of the following financial periods, 1 January to 31 March, 1 January to 30 June and 1 January to 30 September; the Issuer does not publish unconsolidated interim reports) and the most recently published audited annual unconsolidated financial statements of the Issuer where applicable, together with the audit reports prepared in connection therewith;
- (iv) the Programme Agreement, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Coupons, the Talons and the Deed of Covenant;
- (v) a copy of this Prospectus;
- (vi) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note (other than a Swedish Registered Note) which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent

as to its holding and identity) and any other documents incorporated herein or therein by reference; and

- (vii) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market (other than Swedish Registered Notes) subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

So long as Swedish Registered Notes are capable of being issued under the Programme, copies of such documents as are required by Euroclear Sweden to be made available, will be made available in accordance with the rules of Euroclear Sweden.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. If the Notes are to clear through an additional or alternative clearing system (including Euroclear Sweden) the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 March 2014 and there has been no material adverse change in the prospects of the Issuer since 31 December 2013.

Legal and administrative proceedings

In its normal course of business, TeliaSonera is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial law issues and matters relating to telecommunications regulations and competition law. In particular, TeliaSonera is involved in numerous proceedings related to interconnect fees, which affects future revenues. Except for the proceedings described below and under "*Investigations in relation to investments in Uzbekistan and review of transactions in Eurasia*" on page 85, TeliaSonera or its subsidiaries are not and have not been involved in any legal, arbitration or governmental proceedings in the 12 months preceding the date of this Prospectus which management believes could have a material adverse effect on TeliaSonera's business, financial condition or results of operations.

During the second half of 2001, a number of operators filed complaints against TeliaSonera with the Swedish Competition Authority (the "**Competition Authority**"). The Competition Authority initiated an investigation regarding TeliaSonera's pricing of ADSL services. The complaints suggest that the difference between TeliaSonera's wholesale prices and retail prices is too small to effectively enable competition in the retail market. In December 2004, the Competition Authority sued TeliaSonera at the Stockholm District Court, claiming that TeliaSonera had abused its dominant position. The Competition Authority demanded a fine of SEK 144 million. In December 2011, the Stockholm District Court decided in accordance with the Competition Authority's demands. After TeliaSonera's appeal, the market court decided in April 2013 to change the district court's ruling and ordered TeliaSonera to pay a fine of SEK 35 million. Following the Competition Authority's lawsuit, Tele2 has in April 2005, and Spray Network in June 2006, respectively, claimed substantial damages from TeliaSonera due to the alleged abuse of dominant market position. TeliaSonera has vigorously contested Tele2's and Spray Network's claims. The actions for damages are ongoing.

TeliaSonera is currently involved in court cases with PrimavConstrucoes e Comercio, former shareholder of the Brazilian mobile operator Tess, relating to such shareholder's disposal of its investment in Tess as well as certain call options and subscription rights in Tess. Whilst TeliaSonera has sold its holding in Tess, it has entered into certain guarantees to compensate the buyer for certain losses in connection with the above-mentioned court cases. TeliaSonera has vigorously contested all claims in connection with the disputes. On 13 September 2013, the court of first instance in Sao Paulo-SP decided to dismiss all the pleadings made in the law suit and related proceedings, terminating the case. On 4 October 2013, Primav filed an appeal to the State Appellate Court against this decision.

In September 2013, Tele2 initiated an arbitral proceeding against TeliaSonera relating to TeliaSonera's construction of a UMTS network using 900 MHz frequencies. Tele2 claims that TeliaSonera's roll-out of the network constitutes a breach of the agreement package regarding the parties, jointly owned network company, Svenska UMTS nät AB ("**SUNAB**"). TeliaSonera's opinion is that the new network falls outside of the scope of the cooperation in SUNAB. TeliaSonera has vigorously contested Tele2's claims.

In 2013, certain subscribers of AO Kcell, TeliaSonera's subsidiary in Kazakhstan, complained about having been charged for voicemail services provided by Kcell without having signed up for the services. The Kazakh Agency of Competition Protection ("**ACP**") made an investigation and fined Kcell for KZT 10.9 billion. Kcell considered the amount of the fine to be excessive as it was calculated from total voice revenues, rather than from the specific revenues in question, and therefore Kcell filed a petition to the Administrative Court, which in December 2013 required the ACP to reconsider the amount of the fine. Kcell provided the ACP with information on revenues from the "Always Available" services for 2012 and 2013. However, due to lack of clarity in the legislation, the amount of a potential fine is subject to varying interpretations by the ACP, including the methodology of calculation and a wide range of application time periods. Therefore, Kcell management believes that it is not possible to reliably estimate the amount of a potential fine. Kcell expects to receive a new order from the ACP with the revised amount of the fine. Additionally, Kcell disagrees with the alleged violation and will challenge the position of the ACP in court. No provision has been recorded as of 31 December 2013.

Further, the ACP in September 2013 initiated an investigation on alleged violations by Kcell of the anti-monopoly law in respect of the "Daytime Unlimited" tariff plan. In January 2014, the ACP finalised the investigation and claimed abuse of dominant market position by Kcell leading to violation of customer rights, and fined Kcell for KZT 16.1 billion based on total voice revenue. Kcell does not agree with the allegations and will apply to the court to limit the fine to be based on the Kazakh Code of Administrative Offence Article 147 (part 3). However, due to different interpretations of the potential fine calculation methodology and the wide range of time scopes that the ACP may apply for its calculations, Kcell management believes that the outcome and amount of the fine is uncertain. Moreover, Kcell disagrees with the alleged violation and will challenge the position of the ACP in court. Therefore, no provision has been recorded as of 31 December 2013.

Auditors

Up to the Annual General Meeting on 2 April 2014, the auditor of TeliaSonera was PricewaterhouseCoopers AB, a member of the Swedish professional body FAR/SRS, with business address at Torsgatan 21, SE-11397 Stockholm, Sweden. PricewaterhouseCoopers AB audited TeliaSonera's accounts in accordance with IFRS for each of the two financial years ended 31 December 2013 and 31 December 2012.

The audit report for the financial year ended 31 December 2013 (the "**Auditor's Report**") stated that, because of the matters described in the "Basis for Disclaimer of Opinion" section in the Auditor's Report reproduced below, the auditors were not able to obtain sufficient appropriate audit evidence to

provide a basis for a recommendation as to whether one of the Managing Directors should, or should not, be discharged from liability for the 2013 financial year (the “**Disclaimer of Opinion**” reproduced below).

Basis for Disclaimer of Opinion

As disclosed in the Annual Report (Board of Directors’ Report, Corporate Governance Report and Note C34 to the Consolidated Financial Statements), the Board has engaged a law firm to undertake an examination of transactions in Eurasia. This examination has not yet been completed, and the company has presented the material to the Swedish Prosecution Authority.

The examination has given rise to a number of complex issues as regards both management measures and the potential risk of damage to the company. Based on the information available to date, it is not possible to assess such potential damage, nor whether – should damage arise – it has been caused, intentionally or negligently, through management measures undertaken by the Managing Director. However, it cannot be ruled out that the continuing examination, or an investigation by the Prosecutor, could result in the conclusion that this has been the case.

Disclaimer of Opinion

Due to the circumstances stated in the “Basis for Disclaimer of Opinion” section, we are unable to recommend whether the Managing Director, Lars Nyberg, should, or should not, be discharged from liability for the financial year.

At the Annual General Meeting on 2 April 2014, Deloitte AB, a member of the Swedish professional body FAR/SRS, was elected as TeliaSonera’s auditor.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Some of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

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