

Press Release
September 21, 2017

Telia Company reaches a global settlement with the authorities regarding Uzbekistan investigation

Telia Company today announces that a global settlement has been reached with the U.S. Department of Justice (DOJ), Securities and Exchange Commission (SEC) and the Dutch Public Prosecution Service (Openbaar Ministerie, OM) relating to previously disclosed investigations regarding historical transactions in Uzbekistan. Telia Company has agreed to a total financial sanction of USD 965 million. The global resolution brings an end to all known corruption related investigations or inquiries into Telia Company.

“Today’s settlement brings an end to an unfortunate chapter in Telia Company’s history. Since 2013 the new board and management have worked diligently and responsibly to understand what went wrong, to remedy what has been broken and to regain trust from all our stakeholders. We have come a long way to establish a more sustainable company with a strong focus on governance and compliance but it is a never-ending journey as we aspire to embed this into our culture making sure that all employees understand the importance of doing the right thing all the time. The resolution and related financial sanction that we announce today is a painful reminder of what happens if we don’t”, says Telia Company’s President and CEO Johan Dannelind.

The U.S. and Dutch authorities conclude that Telia Company’s conduct was in violation of the FCPA (Foreign Corrupt Practices Act) and Dutch legislation and that corrupt payments of approximately USD 330 million were made by the company.

As part of the settlements, Telia Company will pay fines and disgorgements to the SEC, DOJ and OM in an aggregate amount of USD 965 million. In addition, Telia Company’s subsidiary in Uzbekistan, Coscom LLC, has entered a guilty plea with the DOJ. The total fine has been determined to be USD 548 million which is paid in equal parts to the DOJ and OM. In addition, the financial gain has been calculated to be USD 457 million and the equivalent amount will be disgorged except for USD 40 million which is part of the amount to be paid as a forfeiture to the DOJ. This SEC disgorgement amount will be offset by up to USD 208.5 million against any disgorgement obtained by the Swedish Prosecutor or Dutch authorities.

Since receiving the initial resolution proposal from the U.S. and Dutch authorities in September last year, Telia Company has engaged in constructive discussions with each authority and this has resulted in a resolution that is in the best interests of the Company.

Telia Company’s cooperation in the investigation and its extensive remedial measures, including terminating all individuals involved in the misconduct; creating a new and robust compliance function throughout the company; implementing a comprehensive anti-corruption program and overhauling the Company’s corporate governance structure has been recognized by the authorities. Telia Company received an aggregate discount of 25% off of the bottom of the otherwise-applicable U.S. Sentencing Guidelines fine range. Based on the Company’s remediation and the state of its compliance program, the authorities determined that an

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independent compliance monitor was unnecessary. Telia Company will continue to cooperate with the authorities and has committed to continuing to enhance its compliance program and internal controls.

Telia Company was informed in March 2014 that U.S. and Dutch authorities were investigating its historical transactions in Uzbekistan and its dealings with Takilant Ltd – Telia Company’s local partner when the Company entered Uzbekistan in 2007. Since 2012, a Swedish prosecutor has separately investigated the transactions as well. Telia Company has continuously cooperated fully with and supported the investigations.

“Telia Company is pleased to be able to bring closure to what has been a very serious and difficult process. The company has done everything in its power to take responsibility for actions in connection to the entrance into Uzbekistan ten years ago and the subsequent transactions involving Takilant. Our ambition throughout the entire process has been to be as transparent as possible and to establish a trustful co-operation with the authorities in question. We have accounted for our solid sustainability work and the major cultural changes that have taken place within the Company during the last few years which have been important factors enabling us to have a constructive dialogue and for the outcome of the settlement. These changes within the company are also a very important platform for shaping the new Telia Company,” says Marie Ehrling, Chair of the Board of Telia Company.

The settlement announced today relates to the question of the Company’s responsibility for its previous wrongdoings, not if there may be individuals that have a liability for related events. The Swedish prosecutor’s investigation into individuals is still ongoing and the Company may be subject to disgorgement proceedings resulting from that investigation. Telia Company continuously considers all possibilities to protect the rights and interests of the Company.

Analyst telephone conference September 21, at 20.45 CET in English

With Marie Ehrling, Chair of the Board, Johan Denzelind, President and CEO of Telia Company, Christian Luiga, CFO, and Jonas Bengtsson, Group General Counsel.

Presentation material will be available ahead of the conference call at www.teliacompany.com

Dial-in number: +44 (0) 1452 555 566, 0800 694 0257
Access code: 90176607

You can also listen to the conference call afterwards.
Replay number: +44 (0) 1452 550 000
Access code: 90176607

Press Meeting September 22, at 10.00 CET in Swedish

Place: Telia Company’s Head Office, Stjärntorget 1, Solna
Marie Ehrling, Chair of the Board of Telia Company, Johan Denzelind, President and CEO, and Jonas Bengtsson, Group General Counsel, will participate.

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 20:00 CET on September 21 2017.

For more information, please contact our press office +46 771 77 58 30, visit our [Newsroom](#) or follow us on Twitter [@Teliacompany](#).

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**Forward-Looking Statements**

Statements made in the press release relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Telia Company.

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