WELCOME!
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.00 - 13.30</td>
<td>Telia Company, Johan Dennelind</td>
</tr>
<tr>
<td>13.30 - 14.00</td>
<td>The financials, Christian Luiga</td>
</tr>
<tr>
<td>14.00 - 14.20</td>
<td>Region Sweden introduction, Hélène Barnekow</td>
</tr>
<tr>
<td>14.20 - 14.45</td>
<td>Consumer business, Jonas Hasselberg</td>
</tr>
<tr>
<td>14.45 - 15.15</td>
<td>Coffee break</td>
</tr>
<tr>
<td>15.15 - 15.40</td>
<td>Enterprise business, Charlotta Rehman</td>
</tr>
<tr>
<td>15.40 - 16.10</td>
<td>Fiber roll-out, Anders Tillander</td>
</tr>
<tr>
<td>16.10 - 16.30</td>
<td>Transformation &amp; journey ahead, Hélène Barnekow</td>
</tr>
<tr>
<td>16.30 - 17.00</td>
<td>Closing remarks and Q&amp;A</td>
</tr>
<tr>
<td>17.00</td>
<td>Mingle</td>
</tr>
</tbody>
</table>
STEADY PROGRESS AS THE NEW GENERATION TELCO

2013 - Big changes
2014 - Stabilize & shape
2015 - Transform & perform
2016 - Transform & step up
2017 - Deliver on potential

2018
RECENT PERFORMANCE HAS BEEN SOLID

SERVICE REVENUES*
Organic y-o-y, continuing operations

EBITDA**
Organic y-o-y, continuing operations

* External service revenues ** Excluding non-recurring items
### OUR STRATEGIC AGENDA REMAINS

#### PURPOSE
Bringing the world closer – on the customer’s terms

<table>
<thead>
<tr>
<th>AMBITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have the most loyal and satisfied customers in our markets</td>
</tr>
<tr>
<td>Deliver a TSR among the top relevant European peers</td>
</tr>
<tr>
<td>A leading sustainable business supporting responsible business</td>
</tr>
<tr>
<td>and an inclusive world</td>
</tr>
<tr>
<td>Telia Company is THE place to work</td>
</tr>
</tbody>
</table>

#### STRATEGY

<table>
<thead>
<tr>
<th>STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance the core</td>
</tr>
<tr>
<td>Develop the core business in the Nordics &amp; Baltics</td>
</tr>
<tr>
<td>Explore opportunities close to the core</td>
</tr>
<tr>
<td>Investments in areas that complement and/or strengthen the core business</td>
</tr>
</tbody>
</table>

#### STRATEGIC PRIORITIES

<table>
<thead>
<tr>
<th>STRATEGIC PRIORITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value through superior network connectivity</td>
</tr>
<tr>
<td>Customer loyalty through convergence</td>
</tr>
<tr>
<td>Competitive operations</td>
</tr>
<tr>
<td>IoT</td>
</tr>
<tr>
<td>eHealth</td>
</tr>
<tr>
<td>Security</td>
</tr>
<tr>
<td>Media</td>
</tr>
</tbody>
</table>

#### FOUNDATION

<table>
<thead>
<tr>
<th>VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value based and performance oriented culture with passion for customers</td>
</tr>
<tr>
<td>A strong governance framework with best-in-class ethics and compliance</td>
</tr>
</tbody>
</table>
GOOD PROGRESS ON OUR AMBITIONS FROM LAST CMD

Accelerating investments to reduce cost and drive growth
Reversing the negative market share trend
Exploring opportunities close to the core
Focusing on portfolio management
Prudent capital management
Creating a winning culture and sustainable business
INVEST-TO-SAVE DELIVERING

ON TRACK TO REACH SEK 2 BILLION TARGET

INVEST-TO-SAVE GOALS

Reduce cost
- Scope – Sweden, Finland and Group
- Expecting to reach approximately 50 percent of run-rate target by end 2016

Improve customer experience
- Higher NPS and improved market share trend
INVEST-TO-GROW GENERATING RESULTS

FIBER ROLL-OUT IN SWEDEN
Million homes reached

- Nearly SEK 5 billion invested in fiber 2014-2015
- Fiber related service revenue growth of almost 40 percent in 2015

INVESTMENTS IN NETWORKS
4G population coverage

- 4G population coverage in Norway improved from 81% to 98% in the past year

INVESTING IN B2B

- Revenue trend in B2B reversed to slightly positive from enhanced product and service offerings
**IMPROVING MARKET SHARE AND CUSTOMER LOYALTY**

### REVENUE MARKET SHARE*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>NORDICS</strong></td>
<td>![Flag]</td>
<td>![Flag]</td>
<td>![Flag]</td>
<td>![Flag]</td>
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<tr>
<td></td>
<td>![Flag]</td>
<td>![Flag]</td>
<td>![Flag]</td>
<td>![Flag]</td>
</tr>
<tr>
<td><strong>BALTICS</strong></td>
<td>![Flag]</td>
<td>![Flag]</td>
<td>![Flag]</td>
<td>![Flag]</td>
</tr>
</tbody>
</table>

* Total market (B2C & B2B)

Source: Telia analysis

### NPS**

<table>
<thead>
<tr>
<th></th>
<th>2015-Q1</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORDICS</strong></td>
<td>![Flag]</td>
<td>![Flag]</td>
</tr>
<tr>
<td><strong>BALTICS</strong></td>
<td>![Flag]</td>
<td>![Flag]</td>
</tr>
</tbody>
</table>

**Refers to B2C**

Reversing the negative market share trend.
STEPPING UP DEVELOPMENT OF NEW OPPORTUNITIES CLOSE TO THE CORE

STRENGTHEN ECOSYSTEM OF PARTNERS

Introducing Telia Zone

Telia Zone

CoPlay

ACCELERATE

Announcing Telia “New Biz”

- Independent Unit / CEO

Development and commercialisation
- IoT
- Health
- Data analytics
- Cloud
FOCUSED BUSINESS DEVELOPMENT AGENDA

CONSOLIDATING NORDIC AND BALTIC REGION

M&A AND PARTNERING TO DRIVE CONVERGENCE

• Invest/Partner in IT services to defend and grow B2B business
• Strengthen consumer propositions in media

REDUCING PRESENCE IN EURASIA AND EXITING NON-CORE BUSINESSES
DIVESTMENTS ANNOUNCED TODAY

• Telia Company divests its 76.6 percent holding in the Spanish operator Yoigo to MÁSMÓVIL

• Total enterprise value EUR 625 million, of which Telia Company’s share corresponds to EUR 479 million

• EV/EBITDA of approximately 8.1x based on Yoigo’s 2015 results

• Subject to approval from Spanish competition authorities

• Telia Company divests its 100 percent holding in Sergel Group to Marginalen

• Enterprise value of SEK 2.1 billion

• In 2015, Sergel's EBITDA contribution, excluding non-recurring items, was SEK 206 million

• Subject to regulatory approvals
STAYING CLOSE TO OUR ASSOCIATES

- 25 percent ownership, market value of Telia Company’s holding around SEK 14 billion
- FX challenges
- Telia Company’s share of announced dividend 2016 approximately SEK 1 billion

- 38 percent ownership, market value of Telia Company’s holding around SEK 25 billion
- Solid operational performance
- Dividend accomplished 2015, but not 2016
- Heavy engagement to solve issues
- Complex and time consuming
Prudent capital management

DISCIPLINED CAPITAL MANAGEMENT

1.53x
Net debt/EBITDA
Q1 2016

26
SEK billion
total dividend
2014-2015
EXPANDED SUSTAINABILITY EFFORTS

RESPONSIBLE BUSINESS

- Remediation
- Governance and compliance
- Responsible exit from Eurasia

Creating a winning culture and sustainable business
CREATING A WINNING CULTURE

OUR PHILOSOPHY

Engaged employees lead to...  

...happy customers lead to...  

...improved financials

YOUFIRST  

50/50

HOW WE MEASURE

Purple Voice  

NPS  

TSR
ACCELERATING GLOBAL TRENDS

- 20 billion IoT enabled devices will generate 134 billion Gigabytes of data by 2020
- 50% of enterprise new IT investments is related to Cloud
- Security & network #1 concern for Enterprise investing in IoT / Cloud
- 350 billion Gigabytes of video will be streamed to mobile users in 2020

CREATING ATTRACTIVE OPPORTUNITIES

- Monetizing data explosion
- Providing secure and high performing networks
- Driving growth with IT services
- Leading player in IoT
- Leveraging media and content

PROMISING FUTURE FOR A NEW GENERATION TELCO

DIGITALIZING NORDIC & BALTIC REGION
SUMMARY

Solid performance while shaping Telia Company

Invest-to-save and invest-to-grow on track

Market share trends reversing, NPS increasing

Good progress in optimizing the portfolio

Prudent capital management

Attractive opportunities to digitalize the Nordics & Baltics
CHRISTIAN LUIGA
CFO
SOLID OPERATIONAL PERFORMANCE

**SERVICE REVENUE**

Organic y-o-y, continuing operations

-0.9

**CAPEX EXCLUDING LICENSES**

R12, continuing operations, SEK billion

14.8

**EBITDA**

Organic y-o-y, continuing operations

10.4

**FREE CASH FLOW**

R12, continuing operations, SEK billion

12.1

* * External service revenues
** Excluding non recurring items
CORE OPERATIONS ON TRACK

NORWAY

FINLAND

DENMARK

SWEDEN

BALTICS

MIXED SERVICE REVENUE AND POSITIVE EBITDA DEVELOPMENT
FOCUS ON COST AND CAPITAL MANAGEMENT

COST CONTROL
- Invest-to-save
- Continuous improvements

SECURING SOLID CASH FLOW

CAPEX
Increased levels 2015 and 2016 in line with growth strategy to come down after 2016 peak

CAPITAL EFFICIENCY
Potential for improvement going forward

“Maintain a solid balance sheet and deliver competitive dividend”
INVEST-TO-SAVE ON TRACK

**TARGET**

<table>
<thead>
<tr>
<th>Component</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual cost reduction run-rate end 2017</td>
<td>-2.0</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Accumulated CAPEX 2015-2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**COMPONENTS**

- TRANSFORMATION
- PROCUREMENT
- GENERAL EFFICIENCIES

**FINANCIALS**

- **CAPEX** Accumulated, SEK billion
  - Sweden: 0.7, 2.0
  - Finland: 0.6, 1.1
  - Common functions: 0.6, 1.1
  - Total: 2.0, 2.0

- **SAVINGS RUN-RATE** Year-end, SEK billion
  - Sweden: 0.7, 2.0
  - Finland: 0.6, 1.1
  - Common functions: 0.6, 1.1
  - Total: 0.6, 1.1, 2.0

*SEK in billion
COST SAVING INITIATIVES ACROSS THE GROUP

Resource cost, procurement activities and optimized SAC are three main drivers behind the cost decrease:

- Reduced resource costs across functions
- Reduced network and technical services costs
- Improved efficiency in sales and marketing
- Improved handset margins

TOTAL COST BASE* DEVELOPMENT
Stable FX, continuing operations excluding Spain

<table>
<thead>
<tr>
<th>Q1 2015</th>
<th>Cost saving initiatives</th>
<th>Norway synergies</th>
<th>Direct / volume</th>
<th>Market &amp; other impact</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-3.3 pp</td>
<td></td>
<td></td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

* Excluding non-recurring items
CAPEX TO PEAK IN 2016

CAPEX DEVELOPMENT
SEK billion, excluding licenses, continuing operations

- Rise in CAPEX 2015 and 2016 driven by fiber roll-out in Sweden and 4G build-out across the footprint
- Sweden fiber CAPEX to come down after 2016

2016 INDICATIVE CAPEX DISTRIBUTION
Continuing operations

- Sweden boosted by fiber in 2016
- 4G CAPEX to decline after 2016 and investment profile to evolve from coverage to capacity

* Related to SDU and MDU roll-out
POTENTIAL TO IMPROVE CAPITAL MANAGEMENT

WORKING CAPITAL
SEK million, continuing operations
Cash flow from change in working capital

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015

PASSIVE ASSETS

- Review of passive infrastructure and other assets on the strategic agenda

LIABILITY MANAGEMENT

- Alternative funding products such as sub-ordinated debt

- Vendor financing initiative
- Handset financing
- Billing cycle amendments
SOLID BALANCE SHEET AND CLEAR LEVERAGE TARGET

NET DEBT & LEVERAGE DEVELOPMENT

- Net debt reduction from divestment of Yoigo and Sergel equals to around SEK 8 billion

* Excluding non recurring items
** Rolling twelve months

GROSS DEBT

- Target solid credit rating at A-/BBB+
  - S&P: A- (outlook stable)
  - Moody’s: Baa1 (outlook stable)

- Low and stable financing costs
DIVIDEND POLICY ALIGNED WITH NEW STRUCTURE

FREE CASH FLOW
SEK billion, rolling twelve months

<table>
<thead>
<tr>
<th></th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.3</td>
<td>17.2</td>
<td>15.5</td>
<td>16.6</td>
<td>16.0</td>
<td></td>
</tr>
</tbody>
</table>

- Discontinued operations
- Dividends from associates net of taxes
- Continuing operations excl. associates
- Continuing operations and associates

New dividend policy
>80% of free cash flow

Target at least
SEK 2 dividend for 2016
CLEAR PRIORITIES FOR CAPITAL ALLOCATION

Solid balance sheet target
Net debt / EBITDA
2x +/-0.5x

Competitive dividend policy
>80% of free cash flow in continuing operations
(at least SEK 2 for 2016)

Portfolio optimization
to support strategy
OUTLOOK 2016

**EBITDA***
- In line or slightly above the level in 2015

**CAPEX**
- SEK 14-15 billion

**DIVIDEND**
- >80% of free cash flow - at least SEK 2 per share

---

* Excluding non-recurring items, in local currencies, excluding acquisitions and disposals

** Excluding license and spectrum fees, currency fluctuations may impact the reported number in Swedish krona
SUMMARY FINANCIALS

- Full year **guidance reiterated**
- **Solid financial development** in core operations
- Delivering on **invest-to-save program** and short term cost initiatives
- **CAPEX to peak** in 2016
- Solid balance sheet and **competitive dividend policy**
- **Portfolio optimization** to support strategy
HÉLÈNE BARNEKOW
HEAD OF REGION SWEDEN
WE ARE DIGITALIZING SWEDEN

17 HOUSEHOLDS PER HOUR DURING 2015

REGION SKÅNE – AN IOT JOURNEY

TELIA SENSE
OUR PRIORITIES AHEAD ARE CLEAR

1. Responsible market leader
2. Moving towards true convergence in B2C
3. Execute ICT strategy in B2B
4. 1.9 million households reached with fiber by 2018
5. Transform the business to the New Telia
6. The most customer obsessed company in Sweden
7. Drive cultural journey and competence shift
PRESENT IN ALL SEGMENTS AND LAYERS

CONSUMER BUSINESS

ENTERPRISE BUSINESS

OPERATOR AND WHOLESALE BUSINESS

INFRASTRUCTURE BUSINESS
WE ARE BUILDING ON A STRONG FOUNDATION

MARKET SHARE % AND POSITION

Telia Sweden, 2015

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Market Share</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed telephony</td>
<td>56</td>
<td>1</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>Fixed broadband</td>
<td>38</td>
<td>1</td>
</tr>
<tr>
<td>Mobile broadband</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>TV*</td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: The Swedish Post and Telecom Authority

EBITDA MARKET SHARE %

Telia Sweden

Source: Telia analysis
RECENT FINANCIAL PERFORMANCE HAS BEEN STRONG

SERVICE REVENUES & EBITDA*
Telia Sweden, reported, y-o-y in %

- External service revenues
- EBITDA*

- Stable service revenues last year
- Effective cost control driver behind improved EBITDA development

Q1 15  Q2 15  Q3 15  Q4 15  Q1 16

* Excluding non-recurring items
**SIGNIFICANT DIFFERENCE BETWEEN SEGMENTS**

**SERVICE REVENUE* GROWTH BY SEGMENT**
Telia Sweden, organic, y-o-y

- **B2C**
  - Incl. fiber installation revenues: +3.6%
  - Excl. fiber installation revenues: +1.3%
- **B2B**
  - -5.8%

- *External service revenues

**SERVICE REVENUE MIX**
Telia Sweden 2015

- **B2C**
- **B2B**
- **Other***

- *Other relates to wholesale and infrastructure business
MANAGING TRANSITION WHILE BUILDING THE NEW GENERATION TELCO

**Trend**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Share of Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH MARGIN LEGACY SERVICES</td>
<td></td>
</tr>
<tr>
<td>HIGH MARGIN CORE SERVICES</td>
<td></td>
</tr>
<tr>
<td>LOW MARGIN SERVICES CLOSE TO CORE</td>
<td></td>
</tr>
</tbody>
</table>

- Decline in legacy services expected to continue
- Different market fundamentals in B2C vs. B2B likely to remain
- Adjacent services expected to grow, but come with a lower margin

Transformation needed in order to structurally take out cost and to enable growth in core and adjacent services
JONAS HASSELBERG
HEAD OF SWEDEN CONSUMER BUSINESS
LEADING FULL SERVICE PROVIDER WITH POSITIVE MARKET SHARE DEVELOPMENT

<table>
<thead>
<tr>
<th>Service</th>
<th>2014</th>
<th>2015</th>
<th>Market Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>34%</td>
<td>34%</td>
<td>#1</td>
</tr>
<tr>
<td>Broadband</td>
<td>42%</td>
<td>43%</td>
<td>#1</td>
</tr>
<tr>
<td>TV</td>
<td>14%</td>
<td>15%</td>
<td>#3</td>
</tr>
</tbody>
</table>

Source: The Swedish Post and Telecom Authority
INCREASINGLY SATISFIED CUSTOMERS IN SWEDEN

TELIA NPS MOBILE
Twelve months rolling

# 1 in Mobile NPS*


TELIA NPS BROADBAND
Twelve months rolling

# 1 in Broadband NPS*

+ 5 p.p.

TELIA NPS TV
Twelve months rolling

# 1 in TV NPS*


* NPS = Net promoter score
POSITIVE OPERATIONAL TRENDS

POSITIVE SERVICE REVENUE GROWTH* (B2C)

INCREASING ARPU (B2C)

Q1 2016 y-o-y growth

DECREASING SARC** (B2C)

**SARC = Subscriber acquisition and retention cost

- Longer customer lifetime
- Improved channel strategy
- Lower subsidies
- Price increases (mobile, broadband and TV)

*Excluding fiber installation revenues
MONETIZATION IN PLACE ACROSS OUR PRODUCTS

**MOBILE**
Mobile package distribution postpaid*

**FIXED BROADBAND**
Broadband package distribution*

**TV**
TV package distribution*

* Excluding Telia’s fighting brand Halebop; Broadband and TV customer base including single and collective customers
# Our Strategy of Mobile Value Loading

<table>
<thead>
<tr>
<th></th>
<th>Free surf on social media</th>
<th>Roaming Nordic/Baltic</th>
<th>WiFi</th>
<th>Data roll over</th>
<th>EU surf</th>
<th>List price SEK/month*</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 GB</td>
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<td><img src="image2.png" alt="icon" /></td>
<td><img src="image3.png" alt="icon" /></td>
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<td>609</td>
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<tr>
<td>12 GB</td>
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<tr>
<td>4 GB</td>
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<td>309</td>
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<tr>
<td>0.5 GB</td>
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<td><img src="image3.png" alt="icon" /></td>
<td><img src="image4.png" alt="icon" /></td>
<td><img src="image5.png" alt="icon" /></td>
<td>229</td>
</tr>
</tbody>
</table>

* Including VAT
TV SUCCESS STORY SECURES STRONG POSITION FOR THE SHIFT TO OTT

STRONG GROWTH IN TV SUBSCRIPTIONS…
TV subscriptions (000’)

... AND STRENGTHENING OUR CORE BUSINESS…
Annualized churn (Q1 2016, %)

... AND STAND ALONE EBITDA HAS TURNED POSITIVE

CAGR
Q1 14-Q1 16
6.5%

...and 66% attachment rate with fiber

11%
Fiber BB only*

6%
Fiber BB + TV*

* Only individual subscriptions (non-collective)
WE ARE WELL ON THE WAY IN DRIVING TRUE (NON-DISCOUNTING) CONVERGENCE FOR THE CONSUMERS

Around 1/4 of customers have today both fixed broadband and mobile from Telia
ACCOMPLISHMENTS AND AMBITIONS

ACCOMPLISHMENTS SINCE CMD 2014

• Reversed market share trend both in mobile and fixed
• Happiest customers in Sweden and strong positive trend
• Successfully monetizing on increasing demand for data, across all our products
• Gained momentum in TV business

AMBITIONS FORWARD

• Continue to capitalize on fiber build out
• Leverage dual-brand strategy with Telia and Halebop to capture growth in mobile market
• Driving true (non-discounting) convergence, enhancing value to our customers across services and touch points
• Continue the transformation journey to improve speed and further strengthen customer loyalty
SHIFT IN DEMAND FROM TRADITIONAL TELCO TO IT

SHIFTING DEMAND FROM OUR CUSTOMERS…

…LEADING TO DIGITALIZATION GAINING MOMENTUM…

…CREATING GROWTH OPPORTUNITIES IN IT


>10%

~2%

IT services  Traditional Telco Services

Source: Telia analysis
MARKET LEADER BUT PRESSURE ON SERVICE REVENUES

ENTERPRISE SERVICE REVENUE DEVELOPMENT

Y-o-y

SEGMENTS WITH DIFFERENT CHARACTERISTICS, BUT EQUALLY IMPORTANT

<table>
<thead>
<tr>
<th>Segment</th>
<th># of customers</th>
<th>Characteristics</th>
<th>Market position*</th>
<th>Share of enterprise sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>LARGE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>500</td>
<td>• Large, long contracts</td>
<td>#1</td>
<td>60%</td>
</tr>
<tr>
<td>Corporate</td>
<td>200</td>
<td>• Tender driven</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid Market</td>
<td>1,000</td>
<td>• Dedicated tailored solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High demand e2e Quality of Service</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• High competition in IT and Telco</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOHO/SME</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME</td>
<td>6,300</td>
<td>• Shorter contracts</td>
<td>#1</td>
<td>40%</td>
</tr>
<tr>
<td>SoHo</td>
<td>182,000</td>
<td>• Broad mix of distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Man Business</td>
<td>310,000</td>
<td>• Automation in offerings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increasing demand for online</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High, campaign driven Telco competition</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Traditional Telco products
OPPORTUNITY TO BECOME #1 ICT SERVICE PROVIDER

Strengthen foundation

Launch value offerings

Deliver superior customer experience

Trusted ICT service provider
TURNAROUND IN SOHO/SME

REVENUE TREND REVERSED
Service revenue y-o-y growth, SoHo/SME

POSITIVE ARPU TREND
Mobile ARPU y-o-y growth, SoHo/SME

INCREASING CUSTOMER LOYALTY
NPS* SoHo/SME, indexed, 2013=100

NPS
2013-2015

*NPS= Net promoter score
SOLID EXECUTION BEHIND TURNAROUND IN SOHO/SME

LAUNCH VALUE OFFERINGS

- Trusted advisor
- Fiber
- Touchpoint
- App Market

“Injecting value in offerings to drive preference and secure premium position”

DELIVER SUPERIOR CUSTOMER EXPERIENCE

- B2B-space
- Telia shops
- Innovation lounge
- MyBusiness
- Resellers

“Improve customer experience in all touchpoints to make it simpler for customers to interact with Telia”

STRENGTHEN FOUNDATION
REVENUE DECLINE IN SEGMENT LARGE ENTERPRISE

- Strong competition put pressure on price on traditional telco services
- Both mobile and fixed products under pressure
- Customers becoming more professional buyers – decoupling procurement of traffic from other ICT services

Note: Service revenues include both Traditional Telco Services and IT Services
STRONG GROWTH IN IT COMPENSATING FOR PRESSURE ON TRADITIONAL TELCO SERVICE REVENUES

LARGE ENTERPRISE NET SALES
2013–2015, net sales

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Telco Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Equipment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR 2013-2015: +0.2%

- Current IT position established through a combination of organic development and M&A
- Ability to leverage Telia and Cygate positions has been a key driver of success to date
- Positive momentum in growing IT-business – but will take time to reach full potential

Higher margin
Higher CAPEX

Lower margin
Lower CAPEX

+5%
+19%
+22%
-8%
ICT JOURNEY UNDER WAY

Remote control machines
Boliden, Volvo CE & more

Explore new digital services
Region Kalmar

Manage digital infrastructure
Green Cargo

Develop customer meeting
Folksam

Secure underground network
featuring 5G-technology and connected mining machines

Secure & stable network, dedicated support, collaborate around e-health

Effective maintenance, faster incident management

Modern and cost effective IT-infrastructure, improved customer meeting
ACCOMPLISHMENTS AND AMBITIONS

ACCOMPLISHMENTS SINCE CMD 2014

- Successfully reversed trend in SoHo/SME
- Defended market leadership in Large
- Established a clear presence in IT through organic development and M&A
- Journey to #1 ICT-services provider under way – customers’ engagement growing to new services

AMBITIONS FORWARD

- Expand IT offering further and drive growth, organically and with partners and M&A
- Further integrate IT and Communication offerings to drive differentiation, customer relevance, and to stabilize price levels
- Continue to invest to differentiate on services and customer experience to protect premium position
- Simplify, automate processes through transformation to structurally reduce cost
ANDERS TILLANDER
HEAD OF SWEDEN OPERATOR BUSINESS
RECAP OF CAPITAL MARKET DAY 2014 AND PROGRESS

COMMUNICATED IN 2014

• Target of 1.9 million homes reached in 2018

• Estimated CAPEX of SEK 9 billion 2015-2018

• Continued improvement in business case for single dwelling units (SDU)

PROGRESS TO DATE

• On track to reach target of 1.9 million homes by 2018

• Higher CAPEX due to changed mix with a larger share of SDUs

• SDU business case further improved
STILL HIGH FIBER ROLL-OUT POTENTIAL

**SINGLE DWELLING UNITS IN SWEDEN (SDU)**

Million homes, end of year

- Homes Passed and Connected (HC)
- Homes Passed, not Connected (HP)
- No fiber

<table>
<thead>
<tr>
<th>Year</th>
<th>HC</th>
<th>HP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.5</td>
<td>0.3</td>
<td>1.2</td>
</tr>
<tr>
<td>2015</td>
<td>0.7</td>
<td>0.3</td>
<td>1.0</td>
</tr>
<tr>
<td>2016</td>
<td>1.0</td>
<td>0.4</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**MULTI DWELLING UNITS IN SWEDEN (MDU)**

Million homes, end of year

- Homes Connected (HC)
- No fiber

<table>
<thead>
<tr>
<th>Year</th>
<th>HC</th>
<th>No fiber</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.1</td>
<td>0.5</td>
<td>2.6</td>
</tr>
<tr>
<td>2015</td>
<td>2.2</td>
<td>0.4</td>
<td>2.6</td>
</tr>
<tr>
<td>2016</td>
<td>2.3</td>
<td>0.3</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Source: The Swedish Post and Telecom Authority statistics and Telia market forecast, addressable market and growth
ON TRACK TO REACH 1.9 MILLION HOMES BY 2018

- >80% of 2016 volumes already signed

### TELIA FIBER HOMES REACHED

<table>
<thead>
<tr>
<th>Plan</th>
<th>SDU connected</th>
<th>SDU passed but not connected</th>
<th>MDU connected</th>
<th>Communications operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>End 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### ADDED HOMES REACHED PER YEAR

- 2015: 200 thousand
- 2016 plan: 350 thousand
- 2017 plan: 200 thousand
- 2018 plan: 150 thousand

- >80% of 2016 volumes already signed
ROLL-OUT MIX SHIFT DUE TO STRONG SDU DEMAND

MAIN DIFFERENCE COMPARED TO PLAN PRESENTED AT CMD 2014

- **SDU** (with Telia-owned fiber)
  - High installation revenues
  - High CAPEX
  - High recurring revenues
  - High customer life time value

- **Communication operator** (Telia does not own the fiber)
  - No installation revenues
  - Low CAPEX
  - Low recurring revenues
  - Low customer life time value

- Stronger SDU demand for Telia fiber with improved business case
- Over 100,000 more SDUs expected to be connected by 2018 compared to CMD 2014 plan
- Communication operator business impacted by delayed and unclear government grants
SDU GROWTH DRIVES CAPEX AND SUPPORTS EARNINGS

**CURRENT FIBER CAPEX PLAN***

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.5</td>
</tr>
<tr>
<td>2016</td>
<td>4.0</td>
</tr>
<tr>
<td>2017</td>
<td>3.0</td>
</tr>
<tr>
<td>2018</td>
<td>1.5</td>
</tr>
</tbody>
</table>

- CAPEX 2016 included in group full-year guidance of SEK 14-15 billion
- Peak in SDU roll-out 2016

**DEVIAITON VS. CMD 2014 PLAN**

- 2015-2018 higher CAPEX due to roll-out mix change
- 2015-2018 increased EBITDA as more SDUs drive installation revenues
- Increased customer lifetime value

- Total payback on full investment case in line with or slightly better than CMD 2014

---

* CAPEX related to SDU and MDU roll-out
SDU OPERATIONAL IMPROVEMENT

NEW HOMES CONNECTED

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>24</td>
<td>36</td>
<td>55</td>
<td>29</td>
</tr>
</tbody>
</table>

* SDU community agreements

INSTALLATION FEE

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>20</td>
<td>20</td>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>

* Including VAT

INITIAL PENETRATION

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>41</td>
<td>50</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>

PAY-BACK TIME

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

* SDUs
  * Campaign (new and up-sell)

* Including VAT
TELIA IS INCREASING SHARES IN ALL FIBER LAYERS

Service provider
Applications / Customer service

- Telia
- Fiber broadband market share, refers to the B2C segment

<table>
<thead>
<tr>
<th>Telia share 2014</th>
<th>Telia share 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%*</td>
<td>30%*</td>
</tr>
</tbody>
</table>

- CAPEX low
- Margin low
- ARPU high
- > 200 players

Communication operator
Active infrastructure provider

- Telia
- ZITIUS
- SVENSKA STADSNÄT

- CAPEX low-mid
- Margin low-mid
- ARPU mid
- >100 players

<table>
<thead>
<tr>
<th>Telia share 2014</th>
<th>Telia share 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Fiber network
Passive infrastructure provider

- Skanova
- SVENSKA STADSNÄT

- CAPEX high
- Margin high
- ARPU low-mid
- > 200 players

<table>
<thead>
<tr>
<th>Telia share 2014</th>
<th>Telia share 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>33%</td>
<td>39%</td>
</tr>
</tbody>
</table>

* Fiber broadband market share, refers to the B2C segment
Source: The Swedish Post and Telecom Authority
TWO MAJOR ACTIVITIES TO CAPTURE THE REMAINING SDU MARKET

1. TARGET UP-SELL POTENTIAL

- Continue to drive up-sell within existing footprint of homes passed, increasing share of homes connected

2. TARGET REMAINING NON-FIBER SDU

- Target remaining white spots in urban areas
- Launch new fiber offering to SDUs and rural areas

Source: PTS statistics and Telia market forecast, addressable market and growth
ADDRESS MDU AND ENTERPRISE MARKET WITH TAILORED APPROACH AND LEVERAGE UP-SELL OPPORTUNITIES

MARKET: MDU IN SWEDEN

Million homes

- Win remaining white spots in “MDU Small”
- Capture “MDU Large”
- Tailored offering “Commercial properties”
- Fiber to SoHo/SME launched Q2 2016
ACCOMPLISHMENTS AND AMBITIONS

ACCOMPLISHMENTS SINCE CMD 2014

• On target to reach 1.9 million homes in 2018
• Continued market share gains
• Increased focus on SDU to capture strong demand with further improvement in business case
• Driving market growth as market leader
• Best Operator 2015 award

AMBITIONS FORWARD

• Continue to build on market momentum for SDUs
• Increase MDU market share from further penetrating the existing fiber reach and white spots
• Up-sell within existing footprint
• Increase focus on fiber to SoHo, SME and commercial properties
• 1 gig to all
HÉLÈNE BARNEKOW
HEAD OF REGION SWEDEN
STABLE FINANCIALS BUT CASH FLOW IMPACTED BY FIBER EXPANSION

SERVICE REVENUE DEVELOPMENT
SEK billion, reported

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobile</th>
<th>Telephony</th>
<th>TV</th>
<th>BB</th>
<th>Other*</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>32.0</td>
<td>0.2</td>
<td>-0.8</td>
<td>0.2</td>
<td>0.5</td>
<td>32.3</td>
</tr>
</tbody>
</table>

*Mainly fiber installation revenues

EBITDA* GROWTH
Y-o-y, organic

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 15</td>
<td>-10%</td>
</tr>
<tr>
<td>Q2 15</td>
<td>-6%</td>
</tr>
<tr>
<td>Q3 15</td>
<td>-2%</td>
</tr>
<tr>
<td>Q4 15</td>
<td>2%</td>
</tr>
<tr>
<td>Q1 16</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Excluding non recurring items

CAPEX
SEK billion, rolling twelve months

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.5</td>
</tr>
<tr>
<td>2015</td>
<td>6.2</td>
</tr>
</tbody>
</table>

EBITDA MINUS CAPEX
SEK billion, rolling twelve months

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA Minus CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>9.4</td>
</tr>
<tr>
<td>2015</td>
<td>8.1</td>
</tr>
</tbody>
</table>

*Mainly fiber installation revenues

*Excluding non recurring items
SWEDEN ON TRACK TO REACH INVEST-TO-SAVE TARGET

SAVINGS RUN-RATE
SEK billion, year-end

<table>
<thead>
<tr>
<th>Year</th>
<th>Savings Run-Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.5</td>
</tr>
<tr>
<td>2016</td>
<td>0.9</td>
</tr>
<tr>
<td>2017</td>
<td>1.3</td>
</tr>
</tbody>
</table>

COMPONENTS

- Transformation
- Procurement
- General Efficiencies
TRANSFORMATION IS OUR JOURNEY AHEAD

CREATING THE NEW TELIA

• Customer obsessed operations
• Supporting the capabilities needed for a New Gen Telco
• Enabling convergence

IMPROVING EBITDA

• Cost savings through simplification & automation
• IT renewal and simplification
• Reduced number of network platforms and sites

KEY WORDS OF CHANGE: MODERNIZE & SIMPLIFY
ENABLING CONVERGED EXPERIENCE

CONSUMER
System and process support to enable converged customer solutions

- Omni-channel experience
- Integrated partner services
- Access agnostic

ENTERPRISE
Enabling the journey to #1 trusted ICT partner

- Digital interfaces
- Flexible to partnerships
- E2E experience
TRANSFORMATION AFFECTING ALL LEVELS OF THE BUSINESS

Omni-channel customer interactions enabled by CRM and E-commerce systems

Product portfolio simplification

Core system renewal (BSS) supporting automated processes

Big data and analytics support systems

Network renewal and optimization (Inventory and OSS, site shutdown and clean-out)

Culture, governance and process simplification (Customer centricity, Competence, Operations)
WE ARE WELL ON OUR WAY: ACHIEVEMENTS TO DATE

- All ATM customers migrated and ATM platform shut down
- Target mass market system running
- 35 IT legacy systems closed
- Sales enabler launched for SME and large B2B customers
- Telia self-service app launched
- 6 network sites restored and 7 cleaned out
- Incoming calls in consumer services reduced by 16%
- > 5,000 B2B ordering codes closed
- Launched pick-up-in-store for consumer
FROM A GREAT TELCO…

…TO THE NEW GEN TELCO

+ =

#PurpleMove
SUMMARY

- **Solid performance** while shaping Telia Company
- Invest-to-save and invest-to-grow **on track**
- Market share trends reversing, **NPS increasing**
- Good progress in **optimizing the portfolio**
- **Prudent** capital management
- Attractive opportunities to **digitalize** the Nordics & Baltics
Q & A
FORWARD-LOOKING STATEMENTS

Statements made in this document 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.