Strong results despite intense competition

2005
• 7% sales growth
• SEK 20 billion income from operations
• More than SEK 15 billion free cash flow
• SEK 5.6 + 10.1 billion dividend

2006
• Continued sales growth
• Improved profits
• Strong cash flow
Strong achievements
- Leading market position confirmed

- 2.7 + 14.8 million new customers
- Significant volume growth in mobile and broadband
- Many new services and offerings
- Mobile margins maintained in Sweden despite price pressure
- Strong growth in International mobile – close to 30% of group profits
Achievements in Mobile

Sweden
- 17% volume increase, 144,000 new customers
- Sales and margins maintained despite price pressure

Finland
- 200,000 new customers – Highest since 2003
- Huge price decrease - margin dropped

Norway
- 390,000 new customers from Chess acquisition
- Strong sales and margin increase

Denmark
- 1.2 million customers and doubling of sales after successful integration of Orange

Baltics
- 719,000 new customers. Strong sales increase but slight margin decline

International
- 56% sales growth at 55% margins in Eurasia
- 14.8 million new customers in Russia, Turkey, Ukraine
- SEK 5.6 billion income from operations
Achievements in Fixed

Sweden

• 180,000 reduction in fixed voice customers in total market but Telia lost only 61,000
• 850,000 fixed voice subscriptions transformed to wholesale full year but only 85,000 in Q4 - major part already used other operators
• 184,000 new broadband customers full year
  - Record high intake in Q4
• Total sales and margin declined

Finland

• Sales and margin maintained

Denmark

• Sales and margin improved

Baltics

• Strong customer intake in broadband
• Turnaround in Lithuania
• Total sales and margin improved
Higher level of market activities

Examples of new services and offerings launched

**Mobile**

- Connect data services
- SurfPort - entertainment and information
- Mobile TV
- Mobile push email
- Mobile over broadband
- Wireless family
- Youth profile services
- Loyalty programs
- Flat rate offers
- Nordic price plan

*Always Best Connected*
Higher level of market activities

Examples of new services and offerings launched

Fixed

• IPTV
• Competitive IP-VPN
• Managed Services
• Photo storage
• Flat rate offers and bundles
• Nordic price plans
Dual opportunities

Home markets

International Mobile

Create growth – Keep profitability

Exploit growth – Enhance value

Based on strengths in the regions, complementary acquisitions can be considered

Mature markets?
100% mobile penetration

Strong growth markets

Sales
Earnings
Customers
Group outlook 2006

2005 provides a good platform for development in 2006

- Group net sales expected to grow
- Results before tax expected to grow
- CAPEX to Sales ratio - somewhat higher than for 2005
- Free cash flow expected to remain strong

Home markets
- Continued migration from fixed voice to mobile and IP
- Continued strong competition in all product areas
- Significant mobile and broadband volume growth

International Mobile
- Income from International Mobile expected to grow

Changes in the competitive landscape, currency fluctuations and political uncertainties, including tax and regulatory conditions may impact the reported figures

February 10, 2006
Outlook – Home markets

Sweden

• Continued decline in fixed voice sales. Mobile and broadband continued significant volume growth. Prices will be under pressure. Still 2006, total sales are expected to decline
• The ongoing restructuring program will affect positively but not offset the impact on EBITDA excl. non-recurring items

Finland

• Short term, average price decreases due to historical price changes
• New possibility to subsidize 3G mobile terminals may accelerate mobile use. Subsidies at moderate levels allowing profitable growth
• Streamlining initiatives in 2005 lowers annual costs in 2006
• Additional initiatives taken and turn around program launched to restore profitability
Outlook – Home markets

**Norway**
- Increased sales through continued organic growth and consolidation of Chess
- Margin impacted by lower margin level of Chess and synergies from Chess transaction, mainly related to increased utilization of NetCom’s network. Before implementation costs the transaction result in annual EBITDA improvement of about SEK 0.8 bn from mid 2006

**Denmark**
- Continued sales growth
- Increased volumes and internal efficiency improvements will impact profitability positively

**Baltic countries**
- Mobile operations - Increased competition and price pressure affecting margins. For some part compensated by continued mobile volume growth
- Fixed operations - Decline in fixed voice sales to be offset by continued broadband growth
Outlook – International mobile

Eurasian operations
• Continued strong sales growth
• Tougher competitive environment estimated to impact sales and margins

TeliaSonera’s view 2006
• Well positioned to meet the new challenges in the markets
• In light of the prevailing uncertainties regarding ownership issues in Turkcell, TeliaSonera reiterates its commitment to the Turkish market and its interest and ambition to increase the ownership should an opportunity arise

Turkcell
• Well positioned to meet the new challenges in the market

Megafon
• Well positioned to meet the new challenges in the market
• In light of the prevailing uncertainties regarding ownership issues in MegaFon, TeliaSonera reiterates its commitment to the Russian market and its interest and ambition to increase the ownership should an opportunity arise
### Key financials - Income Statement and Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>FY 2005</th>
<th>FY 2004</th>
<th>Q4 2005</th>
<th>Q4 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>87,661</td>
<td>81,937</td>
<td>22,876</td>
<td>21,252</td>
</tr>
<tr>
<td><strong>EBITDA excl. non-recurring items</strong></td>
<td>29,411</td>
<td>30,196</td>
<td>7,098</td>
<td>7,457</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>33.6</td>
<td>36.9</td>
<td>31.0</td>
<td>35.1</td>
</tr>
<tr>
<td><strong>Operating income excl. non-recurring items</strong></td>
<td>20,107</td>
<td>20,859</td>
<td>4,890</td>
<td>5,076</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>22.9</td>
<td>25.5</td>
<td>21.4</td>
<td>23.9</td>
</tr>
<tr>
<td><strong>Net income, attributable to parent co. s/h</strong></td>
<td>11,697</td>
<td>12,964</td>
<td>2,734</td>
<td>2,091</td>
</tr>
<tr>
<td><strong>Earnings per share(^1) (SEK)</strong></td>
<td>2.56</td>
<td>2.77</td>
<td>0.61</td>
<td>0.45</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>11,583</td>
<td>10,331</td>
<td>3,091</td>
<td>3,349</td>
</tr>
<tr>
<td><strong>In relation to net sales (%)</strong></td>
<td>13.2</td>
<td>12.6</td>
<td>13.5</td>
<td>15.8</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>15,594</td>
<td>14,118</td>
<td>3,191</td>
<td>3,265</td>
</tr>
<tr>
<td><strong>Free cash flow per share (SEK)</strong></td>
<td>3.41</td>
<td>3.02</td>
<td>0.71</td>
<td>0.70</td>
</tr>
<tr>
<td><strong>Free cash flow(^2)/market capitalization (%)</strong></td>
<td>8.1</td>
<td>7.6</td>
<td>6.7</td>
<td>7.0</td>
</tr>
</tbody>
</table>

1) EPS is calculated on reported net income less minority interest divided with number of shares.
2) Annualized
2005 Net sales +7%

- Good organic growth in all operations
- Acquisition of Orange in Denmark
- Customer base and usage increased
- Acquisition of Chess
- Mainly due to substantially reduced mobile price levels
- Falling mobile wholesales
- Mainly due to decreased fixed voice sales
- Strong customer growth, +2.3 million during the year
- Continued mobile growth
- Turnaround in fixed communications
- Consolidation of Eesti Telekom

Acquisitions and divestitures +5.9% and FX +1.2%
2005 Operating income

SEK million

- Increased customer base and usage
- Acquisition of Chess

Very good sales and earnings growth in International Mobile operations

Mainly due to consolidation of Eesti Telekom

Mainly restructuring costs in Sweden

- Net sales SEK -1,959 million
- Increased marketing and other volume-related expenses
- “One-offs” impacted negatively approx. SEK -300 million
- Net sales SEK -1,488 million, partly offset by restructuring effects
- Cost related to storm approx. SEK 0.5 billion
- Increased marketing and 3G expenses

Operating income excl. non-recurring 2004

<table>
<thead>
<tr>
<th>Country</th>
<th>Operating income excl. non-recurring 2004</th>
<th>Non-recurring 2005</th>
<th>Operating income 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>20,859</td>
<td>-1,182</td>
<td>20,107</td>
</tr>
<tr>
<td>Finland</td>
<td>-2,881</td>
<td>+528</td>
<td>-2,558</td>
</tr>
<tr>
<td>Norway</td>
<td>+528</td>
<td>+400</td>
<td>17,549</td>
</tr>
<tr>
<td>Denmark</td>
<td>-7</td>
<td>+1,010</td>
<td></td>
</tr>
<tr>
<td>Baltic countries</td>
<td></td>
<td>+1,253</td>
<td></td>
</tr>
<tr>
<td>Eurasia</td>
<td></td>
<td>+127</td>
<td></td>
</tr>
<tr>
<td>Russia &amp; Turkey</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltic countries</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CAPEX 2005

Sweden
- Capacity expansion due to volume growth
- Investments in EDGE
- Expansion of GSM coverage

Finland
- CAPEX decreased Y-o-Y

Norway
- Investments in EDGE and 3G
- Renewal of the GSM license

Denmark
- Expansion of coverage and capacity
- Roll-out of EDGE functionality

Baltic countries
- Consolidation of Eesti Telekom
- Investments in EDGE and capacity

Eurasia
- Customer growth and network roll-out

CAPEX to sales 2006 expected to be somewhat higher than for 2005
Chess consolidated

- Chess acquired for approx. SEK 2.2 billion, current ownership 100%
- Consolidated as of November 7, 2005
- 390,000 additional mobile customers
- Expected annual synergies, before implementation costs, from mid-2006
  - To EBITDA about SEK +0.8 billion
  - To pre-tax cash flow over SEK +0.7 billion
  - Mainly related to increased utilization of NetCom’s network
- Integration proceeding according to plan

The Chess acquisitions has strengthened TeliaSonera’s number two position in Norway
# Competitive Cost Level programs

## Sweden

**est. to reduce annual costs by SEK 4-5 billion as of 2008**

- Program proceeding as planned
  - Already realized cost savings approx. SEK 800 million in 2005
  - Est. annual savings effect SEK 1.6 billion as of 2006 from measures taken 2005
  - Employees and hired personnel in operative units decreased 15% 2005 (1,362 employees in transition of approx. 3,000)
- Half of the around SEK 5 billion implementation costs provided for in 2005

## Finland

**est. to reduce annual costs by SEK 3 billion as of 2008**

- Streamlining efforts initiated 2005 est. to lower annual costs SEK 1 billion as of 2006
  - Already realized cost savings of approx. SEK 250 million in 2005
- Q4 2005, additional initiatives taken and turnaround program launched to ensure future growth and restore profitability
- Additional target to reduce annual costs by SEK 2 billion as of 2008
  - Implementation costs SEK 1-1.5 billion and CAPEX about SEK 0.5 billion

## Norway

- Efficiency program and new organization launched in Q4 2005
- Annual cost savings approx. SEK 60 million as of 2006, with marginal impact in 2005
- Implementation cost provided for in 2005 (SEK 42 million)

## Denmark

- Integration of fixed and mobile operations announced in Q4 2005
- Annual cost savings approx. SEK 110 million as of 2006
- Implementation cost approx. SEK 110 million of which SEK 54 million provided for in 2005
Strong financial position and cash flow generation

Ordinary dividend and capital distributions proposed to the AGM in April 2006
- Ordinary dividend of SEK 1.25 per share, totaling SEK 5.6 billion
- Extraordinary dividend of SEK 2.25 per share, totaling SEK 10.1 billion

One of the highest yielding shares in the industry
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 TeliaSonera.
Nordic and Baltic leader in telecommunications

TeliaSonera