Capturing Future Growth

Anders Igel
President and CEO
Major reshuffle in the “killer application”

Millions of voice minutes in Western Europe
Source: IDC database
Customers want to be connected anytime anywhere

Revenues from mobile services in Western Europe
Source: Analysys Research, 2006
Customers need more bandwidth

Revenues (EUR billion)

-05 -06 -07 -08 -09 -10

Broadband access
IP based services
VOIP

Broadband revenues in Western Europe, 2001–11
Source: Strategy Analytics
Enterprises struggle with complex IT and telecom solutions

Nordic/Baltic Managed Services market 2005, SEK 190 billion

Source: IDC, analysis, 2005
Strong eastern market growth

**Mobile Penetration**

- Russia
- Turkey
- Fintur

**Number of Customers**

- Turkcell
- Megafon
- Fintur
Four important growth trends to capture

- Mobility
- Broadband
- Managed services
- Eastern growth markets
Profitable growth by business focus and reduced complexity

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From 1 January, 2007
Four business areas with full responsibility
Group Ambitions
Profitable growth by business focus and reduced complexity

Mobility
Mobility Services
Kenneth Karlberg

Broadband
Broadband Services
Anders Bruse

Managed Services
Integrated Enterprise Services
Juho Lipsanen

Eastern growth markets
Eurasia
Erdal Durukan

Group financial ambitions
• Sales SEK 100 bn in 2 years
• Maintained good profitability

Common direction remains

Value for customers
• Un-paralleled simplicity
• Best customer service
• Really useful services
• Services that really work
Meeting trends - and focusing on customers

- More customer oriented organisation
  – a structure to fit customer needs
- Faster time-to-market with new offerings
- Customers meet one company
  – Overall coordination of marketing by country managers
  – Common local websites
  – One customer service number
  – Common customer information
Converging services and bundling to support main businesses

- Convergence from mobility needs, e.g. mobile/PDA/PC
- Bundling mobile/broadband

- Convergence from home environment perspective, e.g. Internet/TV/telephony
- Bundling broadband/mobile

- Converged IT/telecom solutions

- Mobile/broadband offerings under consideration
Business focus for profitable growth

- **Mobility Services**
  - Kenneth Karlberg
  - Personal mobility services for consumer and enterprise mass markets
    - Increase usage – voice/data

- **Broadband Services**
  - Anders Bruse
  - Mass market services for connecting homes and offices and for home communications
    - Exploit triple play and migrate services

- **Integrated Enterprise Services**
  - Juho Lipsanen
  - Management of enterprise IT and telecom infrastructure
    - Build leading Nordic/Baltic market leadership in managed services

- **Eurasia**
  - Erdal Durukan
  - Exploit penetration growth
  - Enhance shareholder value

- **Eastern growth markets**
Focusing on products, services and content for profitable growth

- Mobile voice & data
- Content
- WLAN Hotspots
- Mobile over broadband
- Mobile/PC convergence
- Wireless Office

- Broadband over copper, fibre, cable
- TV
- VoIP
- Home communications services
- IP-VPN/Business internet
- Leased lines and wholesale
- Traditional telephony

- Networked IT services
- Voice & data solutions
- Systems integration
- End-to-end solutions

- Mobile voice & data
- Mobile/broadband offerings under consideration
Profitable growth through business focus and reduced complexity

- **Mobility**
  - **Services**
    - *Mobility Services*
    - *Kenneth Karlberg*
  - **Growth target**: Usage to out-run price pressure
  - **Sales SEK 40 bn**
  - **Customers 13 million**
  - **No.of employees**: approx. 7,000

- **Broadband**
  - **Services**
    - *Broadband Services*
    - *Anders Bruse*
  - **Growth target**: Over time small total growth. High broadband growth
  - **Sales SEK 39 bn**
  - **Customers 10 million**
  - **No.of employees**: approx. 16,000

- **Managed Services**
  - **Services**
    - *Integrated Enterprise Services*
    - *Juho Lipsanen*
  - **Growth target**: Significant growth over time
  - **Sales SEK 9 bn**
  - **No.of employees**: approx. 2,000

- **Eastern growth markets**
  - **Services**
    - *Eurasia*
    - *Erdal Durukan*
  - **Growth target**: High growth
  - **Sales SEK 8 bn**
  - **Customers 70 million**
  - **No.of employees**: approx. 2,000
Common functions also responsible for Group service resources

Executive Management

- **Mobility Services**
  - Kenneth Karlberg

- **Broadband Services**
  - Anders Bruse

- **Integrated Enterprise Services**
  - Juho Lipsanen

- **Eurasia**
  - Erdal Durukan

- **HR**
  - Rune Nyberg

- **CFO**
  - Kim Ignatius

- **CEO**
  - Anders Igel

- **Legal Affairs**
  - Jan Henrik Ahrnell

- **Communications**
  - Ewa Lagerqvist
One Group to create profitable growth

Boosting Growth
- Utilize cross-border competence
- Clear responsibility for growth initiatives
- Services developed closer to customers
- Faster migration to new services
- Better cross fertilization between smaller and bigger units
- International set up attractive for new talent

Improving Efficiency
- Cross-border synergies
- Full business responsibility in well defined and natural areas gives faster and easier decisions
- Process & IT support to mass market services separated from high value enterprise services
- Easier to set targets and benchmark

Business Focus + Reduced Complexity = Profitable Growth + Speed
International business areas meeting trends and meeting customers

Business Focus + Reduced Complexity = Profitable Growth + Speed

The Nordic and Baltic telecommunications leader

TeliaSonera