Capital Markets Day
2007
Grand Hôtel, Stockholm, May 15-16
Anders Igel
President and Chief Executive Officer
Market trends

Mobile

Broadband

Managed Services

Fixed Voice

Traditional Datacom
Enhancing shareholder value

- Developing the operations in the home markets
- Developing the investment in Spain
- Creating value related to the eastern positions
SEK 100,000,000,000
Maintained good profitability
Business area Mobility Services
Business area Broadband Services
Business area Integrated Enterprise Services
Business area Eurasia
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**
Kim Ignatius
Executive Vice President
and Chief Financial Officer
Business area Mobility Services
Net sales & trends

Net sales Q1/07 SEK 10.4 billion

Total outgoing minutes Q1/07 (Q1/06), million
- Sweden 1,528 (1,209) +26%
- Finland 1,358 (1,513) -10%
- Norway 711 (606) +17%
- Denmark 432 (388) +11%
- Baltics 1,002 (899) +11%

Average revenue per minute Q1/07 (Q1/06)*
- Sweden SEK 1.09 (1.53)
- Finland EUR 0.093 (0.081)
- Norway NOK 1.28 (1.52)
- Denmark DKK 0.91 (0.95)
- Lithuania LTL 0.30 (0.29)
- Latvia LVL 0.084 (0.092)
- Estonia EEK 1.85 (2.10)

Market share Q1/07 - volume
- Sweden 47% (of revenue)
- Finland 41%
- Norway 33%
- Denmark 21%
- Baltics 44%

Interconnect and roaming tariffs declining in all markets

* (Outgoing voice traffic revenues + subscription fees)/ total outgoing minutes
Business area Broadband Services

Net sales & trends

Net sales Q1/07 SEK 10.2 billion

Broadband ARPU Q1/07 (Q1/06)
- Sweden: SEK 297 (339)
- Finland: EUR 26 (24)
- Norway: NOK 364 (n/a)
- Denmark: DKK 214 (241)
- Baltics: SEK 159 (207)

Wholesale within Broadband Services consists of 60% wholesale and 40% international carrier

Fixed voice Sweden (Q1/07)
- Traffic
- Value added
- Subscription
- Wholesale traffic
- Wholesale PSTN subs
- Other

- Continued loss of PSTN subscribers
  - Partly compensated by wholesale
  - Migration to VoIP, mobile and other technical solutions
- Telia callers relatively stable – migration to VoIP mostly from wholesale subscriptions or pre-select customers
- Wholesale subscription customer base stable

Business area Broadband Services includes broadband, traditional telecom, wholesale and international carrier businesses
Fixed voice trend in Sweden

**Price erosion approximately ~ 5%**

**Changing customer base**
- 4.5 million fixed voice PSTN/Centrex/ISDN subscriptions (decreasing ~10% p.a.)
  - of which 3.6 million PSTN-subscriptions (decreasing ~10% p.a.)
  - of which 3.0 million callers with Telia (decreasing ~2% p.a.)
- 1.0 million wholesale PSTN-subscriptions (flattening)
  - Migration out from PSTN fixed voice (~5%)

- Change in user patterns and migration to mobile and IP based services together with changing customer base impact volumes
  - Outgoing traffic decreasing by ~5% p.a.

**Fixed voice net sales decreasing by ~10% p.a.**
Business area Integrated Enterprise Services

Net sales & trends

Net sales Q1/07 SEK 3.3 billion

Internal sales flows - New structure

- **Mobility Services**
  - Mainly mobile interconnect
  - Mobile services

- **Broadband Services**
  - Mainly fixed interconnect and transmission capacity
  - Fixed voice, Internet and data services

- **Integrated Enterprise Services**
  - Mainly server capacity and workplace solutions

**Regions**
- Sweden
- Finland
- Norway
- Denmark
- Baltics

**Services**
- Mobile
- Fixed
- Managed services
- Other
Business area Eurasia

Operating income Q1/07
SEK 2.3 billion

Fintur
- TeliaSonera has invested in total approx. SEK 3.1 bn
- Fintur companies have paid in total approx. SEK 2.6 bn in dividends, of which SEK 1.3 bn to minority shareholders
- No shareholder loans or TeliaSonera guaranteed loans
- Valuation range (100%)** SEK 11-39 bn

Russia
- TeliaSonera has invested in total approx. SEK 1.2 bn
- Cash flow positive during FY 2006
- No dividends paid so far
- Shareholder loans approx. SEK 0.3 bn
- Valuation range (100%)** SEK 57-94 bn

Turkey
- TeliaSonera has invested in total approx. SEK 3.3 bn
- Received in IPO approx. SEK 6.3 bn
- Dividends paid in total approx. SEK 2.1 bn
- No shareholder loans or TeliaSonera guaranteed loans
- Current market capitalization (100%) approx. SEK 90 bn

Effect on Net income* Q1/07
SEK 1.7 billion

* Excl. minority interests in subsidiaries in Fintur

** Source: Analyst reports 2007
## Operating expenses – TeliaSonera Group

<table>
<thead>
<tr>
<th></th>
<th>Q1 2007</th>
<th>Q1 2006</th>
<th>Q1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods purchased (^1)</td>
<td>4,115</td>
<td>3,592</td>
<td>3,176</td>
</tr>
<tr>
<td>Interconnect &amp; roaming</td>
<td>3,398</td>
<td>3,400</td>
<td>2,935</td>
</tr>
<tr>
<td>Other network expenses (^2)</td>
<td>761</td>
<td>627</td>
<td>587</td>
</tr>
<tr>
<td>Personnel expenses (^3)</td>
<td>3,339</td>
<td>3,092</td>
<td>3,373</td>
</tr>
<tr>
<td>Marketing expenses (^4)</td>
<td>1,433</td>
<td>1,380</td>
<td>1,405</td>
</tr>
<tr>
<td>Other</td>
<td>2,414</td>
<td>2,168</td>
<td>2,473</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,460</strong></td>
<td><strong>14,259</strong></td>
<td><strong>13,949</strong></td>
</tr>
</tbody>
</table>

**Comments (Q1 2007 vs Q1 2006):**

- Increased cost for goods purchased
  - IPTV initiative
  - Storm and weather related costs
  - Re-classification leases, BB Estonia
  - Costs in acquired businesses
  - Spain
- Interconnect and roaming costs flat despite volume growth of approx. 16% in outgoing mobile traffic
- Increased cost for other network expenses due to 3G network costs in Sweden
- Increased personnel expenses
  - Cost related to acquisitions
  - Increase in wages
  - Increased no. of staff in growth areas
  - Understated personnel exp. in Sweden Q1 2006
  - Result of CCL actions in 2006
- Marketing expenses overall relatively flat
  - Increases in Eurasia and acquisitions partly offset by temporary decreases in e.g. Finland
- Increase in other expenses mainly driven by acquired businesses

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\(^1\) Including customer premises equipment, materials and subcontractors.  
\(^2\) Including network capacity.  
\(^3\) Including salaries and remuneration, employer’s social security contributions, capitalized work by employees, pension expenses and other personnel expenses.  
\(^4\) Including advertising expenses, sales commission and other marketing expenses.
Cost efficiency programs

- Responsibilities of the ongoing programs in Sweden and Finland are divided between respective business areas
  - Measures to be implemented during the rest of 2007 are estimated to give annual gross savings effect of approx. SEK 2.3 billion with full effect as of 2008
  - Restructuring costs estimated at about SEK 1.5 billion (non-recurring) for the rest of 2007

Restructuring measures to be implemented in **Sweden** during rest of 2007 are estimated to give an annual gross savings effect of approx. **SEK 1.4 billion** as of 2008

Turnaround measures to be implemented in **Finland** during rest of 2007 are estimated to give an annual gross savings effect of approx. **SEK 0.9 billion** as of 2008

- A total of approx. SEK 7.2 billion in annual gross savings expected as of 2008, compared to the set target of SEK 7-8 billion

Due to the necessary profound reengineering, mainly in the Swedish and Finnish legacy businesses, further efficiency measures in addition to the ongoing programs will be taken
### EBITDA less CAPEX by business area

<table>
<thead>
<tr>
<th></th>
<th>Q1 2007</th>
<th>FY 2006</th>
<th>FY 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobility Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,479</td>
<td>13,427</td>
<td>12,173</td>
</tr>
<tr>
<td>CAPEX</td>
<td>764</td>
<td>3,252</td>
<td>3,897</td>
</tr>
<tr>
<td>Net</td>
<td>2,715</td>
<td>10,175</td>
<td>8,276</td>
</tr>
<tr>
<td><strong>Broadband Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,863</td>
<td>12,783</td>
<td>12,273</td>
</tr>
<tr>
<td>CAPEX</td>
<td>1,023</td>
<td>4,605</td>
<td>4,584</td>
</tr>
<tr>
<td>Net</td>
<td>1,840</td>
<td>8,178</td>
<td>7,689</td>
</tr>
<tr>
<td><strong>Integrated Enterprise Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>34</td>
<td>82</td>
<td>-157</td>
</tr>
<tr>
<td>CAPEX</td>
<td>67</td>
<td>324</td>
<td>373</td>
</tr>
<tr>
<td>Net</td>
<td>-33</td>
<td>-242</td>
<td>-530</td>
</tr>
<tr>
<td><strong>Eurasia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,146</td>
<td>4,759</td>
<td>3,474</td>
</tr>
<tr>
<td>CAPEX</td>
<td>431</td>
<td>2,699</td>
<td>2,449</td>
</tr>
<tr>
<td>Net</td>
<td>715</td>
<td>2,060</td>
<td>1,025</td>
</tr>
</tbody>
</table>

### Comments (Q1 2007)
- Spain was 23% of total CAPEX in Q1 in Mobility Services
- Fixed voice in Sweden (including fixed voice wholesale) represented close to 30% of Group free cash flow in 2006
- Eurasia
  - All operations self-financed
  - Fintur cash flow not fully controlled by TeliaSonera
<table>
<thead>
<tr>
<th><strong>SEK million</strong></th>
<th>Q1 2007</th>
<th>Q1 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA excluding non-recurring items</td>
<td>7,583</td>
<td>7,816</td>
</tr>
<tr>
<td>Dividends received from associated companies</td>
<td>530</td>
<td>663</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-1,900</td>
<td>-840</td>
</tr>
<tr>
<td>Payment of restructuring provisions</td>
<td>-113</td>
<td>-262</td>
</tr>
<tr>
<td>Difference between paid/recorded pensions</td>
<td>243</td>
<td>82</td>
</tr>
<tr>
<td>Changes in working capital and other items, net</td>
<td>-1,447</td>
<td>-645</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>4,896</td>
<td>6,814</td>
</tr>
<tr>
<td>Cash CAPEX</td>
<td>-2,367</td>
<td>-1,971</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>2,529</td>
<td>4,843</td>
</tr>
<tr>
<td>Cash flow from other investing activities</td>
<td>-186</td>
<td>229</td>
</tr>
<tr>
<td>Cash flow before financing activities</td>
<td>2,343</td>
<td>5,072</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>11,995</td>
<td>-4,293</td>
</tr>
<tr>
<td>Net cash flow for the period</td>
<td>14,338</td>
<td>779</td>
</tr>
</tbody>
</table>
Credit statistics – TeliaSonera Group

<table>
<thead>
<tr>
<th></th>
<th>Pro forma post-dividend payment</th>
<th>FY 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross debt(^1)</strong></td>
<td>47.1</td>
<td>27.7</td>
</tr>
<tr>
<td><strong>Cash &amp; liquidity(^1)</strong></td>
<td>5.4</td>
<td>11.7</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>41.7</td>
<td>16.0</td>
</tr>
</tbody>
</table>

**Moody’s**
- Adjusted net debt\(^2\): 57.3, 31.6
- Adj. retained cash flow\(^3\): 18.9, 22.6
- Adj. RCF / Adj. net debt: 33%, 72%
- If XOD included: Neg, 8%
- FCF\(^4\) / Adj. net debt: 11%, 30%

**S&P’s**
- Adjusted net debt\(^5\): 53.8, 28.1
- Adjusted EBITDA\(^6\): 27.6, 27.6
- Adj. net debt / EBITDA: 1.95x, 1.02x

Moody’s (A2 / P-1)
- January 8, 2003, lowered long-term debt rating to A2
- November 1, 2006, Outlook changed to Negative
- Short-term debt rating is at Prime-1
- **Outlook:** Negative
- Annual rating review during H1 2007

Standard & Poor’s (A- / A-2)
- February 5, 2003, lowered long-term debt rating to A
- October 28, 2005, lowered long-term debt rating to A- and short-term debt rating to A-2
- **Outlook:** Stable
- Annual rating review during H1 2007

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(1) Gross Debt (incl. Xfera commitments) / Cash & Liquidity incl. STI > 3 months excl. Blocked funds (SEK 1 Bn) and excl. Available Unutilised Revolving Credit Facility Volume (EUR 1 billion)
(2) Gross Debt - Cash & Liquidity + Pensions (2.6) + Contractual Obligations etc (2.4) + Operating Lease Adj. (10.6) (Moody’s)
(3) Cash Flow from Operating Activities (25.6) + Operating Lease Adjustment (1.4) - Dividend Payment (common & minority) (8.1) (Moody’s)
(4) Cash Flow from Operating Activities (25.6) - CAPEX (11.3) – Dividend Payments (common & minority) (8.1) (Moody’s)
(5) Gross Debt - Cash & Liquidity + Pensions (2.6) + Contractual Obligations (2.4) + Operating Lease Adjustment (S&P’s approach 7.1)
(6) EBITDA ex N-rec. Adj. for Deduction of EBITDA-contribution from Int’l Mobile (-4.8) & add Operating Lease effect (S&P’s approach +0.5)
Dividend policy

• TeliaSonera’s dividend policy is to distribute 30%-50% of net income attributable to shareholders of the parent company.

• In addition to the ordinary annual dividend, the Board of Directors intends to propose an annual additional distribution to shareholders:
  – The additional distribution will be reviewed annually taking into consideration cash flow and its projections as well as investment plans.
  – Based on the current assessment, the additional distributions would be on the same level as the current one of approximately SEK 10 billion.
### Strong financial key ratios

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2007</th>
<th>Dec 31, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on equity</strong></td>
<td>16.3%</td>
<td>17.2%</td>
</tr>
<tr>
<td><strong>Return on capital employed</strong></td>
<td>18.6%</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

*Rolling 12 months

<table>
<thead>
<tr>
<th></th>
<th>Pro forma post-dividend payment</th>
<th>Mar 31, 2007</th>
<th>Dec 31, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity/asset ratio</strong></td>
<td>54%</td>
<td>48.9%</td>
<td>49.9%</td>
</tr>
<tr>
<td><strong>Net debt/equity ratio</strong></td>
<td>39%</td>
<td>12.1%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

### High yielding share
Outlook – unchanged from Q1 2007

Net Sales
expected to continue to grow, reaching the target of approx. SEK 100 billion during 2008 with maintained good profitability

Efficiency Measures
to be implemented during the rest of 2007 from the ongoing programs in Sweden and Finland are estimated to give an annual gross savings effect of approximately SEK 2.3 billion as of 2008. The restructuring cost for the rest of 2007 is estimated at about SEK 1.5 billion to be reported as non-recurring items

Net Income
for 2007 is estimated to be somewhat higher than in 2006, excluding the positive one-off items of approx. SEK 1.7 billion in 2006

CAPEX-to-Sales
expected to grow in 2007 due to increased investments in broadband and mobile capacity
Service convergence - anywhere anytime

The whole world in your hand

Source: Ericsson, Consumers & Enterprise Lab and TeliaSonera
Nordic and Baltic leadership

Total mobile subscriptions
13,513,000

Norway (NetCom, Chess)
Mobile subscriptions 1,624,000

Sweden (Telia)
Mobile subscriptions 4,662,000

Denmark (Telia)
Mobile subscriptions 1,139,000

Finland (Sonera)
Mobile subscriptions 2,365,000

Estonia (EMT)
Mobile subscriptions 763,000

Latvia (LMT)
Mobile subscriptions 813,000

Lithuania (Omnitel)
Mobile subscriptions 2,046,000

Spain (Yoigo)
Mobile subscriptions 101,000

Subscriptions, March 31, 2007
Competition drives market development

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Denmark</th>
<th>Finland</th>
<th>Norway</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network operators</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>No of launched MVNO/SP</td>
<td>27</td>
<td>25</td>
<td>10</td>
<td>21</td>
<td>1</td>
<td>7</td>
<td>4</td>
<td>3**</td>
</tr>
<tr>
<td>Market share of MVNO/SP</td>
<td>2%*</td>
<td>12%*</td>
<td>2%*</td>
<td>19%</td>
<td>&lt;1%</td>
<td>&lt;10%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Population, million</td>
<td>9.1</td>
<td>5.4</td>
<td>5.3</td>
<td>4.6</td>
<td>1.3</td>
<td>2.3</td>
<td>3.4</td>
<td>44.1</td>
</tr>
</tbody>
</table>

Source: Competition & regulation in the Nordic mobile markets, September 2006, NPT, FICORA, PTS, NITA, PTA, Eurostat

** in operation May, 2007

- Fierce competition in the mobile operations
- High penetration
- High growth potential in voice – fixed to mobile migration
- Growing interest for mobile data services and content
- 3G networks established in all markets and new technologies are gradually introduced

* Excluding MNO’s vertically integrated MVNO/SPs
Encouraging mobile behavior

Business area Mobility Services offers wireless communication services that enrich, simplify and create value for the customer
Focus areas for sustainable growth

• Migrate from fixed to mobile services
• Be price competitive by introducing intelligent bundles and using low end brands
• Push and develop usage of mobile data and content
• Increase focus on services attracting urban youth segment
• Increase volume of MVNO/SP traffic
• Establish a stronger position in distribution channels
• Increase scale by acquisitions
Targets for profitable growth

• Maintain current sales growth, measured in local currency
• Maintain good profitability
• Cost efficiency – best in class
• Best customer experience in
  – Simplicity
  – Useful services
  – Customer service
• Lead the migration to mobile and Internet based services
Basic requirements for growth

- Higher access speeds
- Development of devices
- Everything goes IP
- Content
Initiatives for higher access speeds

**Turbo 3G**
- Already commercial in Estonia (April 2006), Lithuania (June 2006), Latvia (Oct 2006) and Norway (April 2007)
- Commercial opening in Finland in May 2007
- Test launched in Sweden in April 2007
  - Available for all Telia customers with HSPA enabled mobiles or laptops with PC-cards (Telia Connect)

**WLAN**
- Strong market leader in Sweden, Finland and Lithuania
- Second best coverage in Norway and Denmark
- More than 1,300 hot spots (Nordic and Baltic)
- WiMAX - useful as a complement to other existing technologies

**EDGE**
- Full roll out completed in Sweden during 2007
- Full country coverage in Denmark
- Extensive roll out in Norway in 2006
- Roll out in Finland
- Coverage in all Baltic countries
Choice between competing technologies and technology trends

• Fixed to mobile migration
• Mobile data speed
• Coverage

UMA  SIP  WIMAX
UMTS  WLAN  EDGE  HSPA
Rapid market roll out of content services

- Mobile TV (client)
- Music Shop
- Music Subscription
- SurfPort
- MSN Messaging (client)
- Mobile Gaming
- User Generated Content

Continued content development
Leading the migration to mobile and Internet based services

Combines the best of mobile, fixed and broadband telephony in one solution

Launched by Telia in Denmark and planned for more markets this year
Spain - simplicity, efficiency and low cost

- Streamlined organization with outsourced functions
- Good reception in Spain
- Brand awareness was 78% at the end of March
- More than 50% of the sales through the web channel

- Total financing need – less than SEK 9 bn
- Operation expected to be cash flow positive and earnings accretive within five years

- Regulator’s proposed resolution on termination prices clearly exceeds Yoigo’s goal to maintain an interconnect premium of ~40%
Investments for speed and coverage

• Establishing in Spain
• 3G/HSDPA roll out in all countries*
  – Denmark
  – Lithuania
  – Finland
  – Estonia
  – Latvia
• EDGE coverage roll out in Sweden
• Swedish and Norwegian coverage programs
• Layered architecture in Sweden

CAPEX-to-sales ratio in 2007 is expected to grow compared to 2006

* SUNAB holds the Swedish 3G CAPEX
Our mobile low cost brands

- **NORWAY**
  - Chess

- **DENMARK**
  - debitel

- **SWEDEN**
  - halebop

- **SPAIN**
  - yoigo

- **FINLAND**
  - tele

- **ESTONIA**
  - diil

- **LATVIA**
  - Oks

- **LITHUANIA**
  - Elta
Governance to reach profitable growth target

- Each business unit is measured on its own result
- Targets reflect overall targets of TeliaSonera Group
- Monthly business unit review
  - Activity and investment decisions
  - Activities based on current market situation to balance profitability and growth
- Cross border activities decided by the business area management
Cross border activities for lower costs

- Sourcing, for example network equipment and handsets
- Roaming
- Billing platform
- Implementing new technology, e.g. multimedia SIM cards, turbo 3G, mobile Internet services
- Common development and implementation of product/service concepts, for example SurfPort, HomeFree, HomeRun, Wireless Family and Wireless office
- Business support
  - Finland supporting Lithuania on 3G tuning
  - Sweden giving support to Spain on fraud system
Regulatory intervention impact on business

• **International roaming**
  - TeliaSonera is in favor of reducing international roaming prices, believing that this will improve customer trust in the industry and lead to higher usage rates, and has been one of the driving operators to lower roaming tariffs between operators
  - Regulation of international roaming prices within the European Union will happen - both on wholesale and retail prices
  - TeliaSonera is opposed to any regulatory intervention
  - Total sales in the home markets related to roaming are less than 5% of the Group total net sales

• **Mobile interconnect prices - Nordic countries**
  - Glide path towards symmetric and lower prices in all the Nordic countries
Positive mobile usage trend

- **Minutes**
  - Mobile minutes of use: Average per month and customer (Group)
  - Q1, Q2, Q3, Q4 (2005, 2006, 2007)

- **%**
  - Non voice percentage of ARPU (Group)
  - Q1, Q2, Q3, Q4 (2005, 2006, 2007)

- **SEK**
  - Average revenue per minute*
    - (Group)
    - Q1, Q2, Q3, Q4 (2005, 2006, 2007)

* (Outgoing voice traffic revenues + subscription fees)/ total outgoing minutes
Successful acquisition track record
- scale and distribution

**In Finland**
- ACN customer base
- Päämies kauppiaat

**In the Baltic countries**
- Omnitel in Lithuania
- Increased ownership in Eesti Telekom
- DT Mobile SIA in Latvia
- Serenda Investment OÜ (Rate.ee) in Estonia (51%)

**In Norway**
- Chess/Sense
- ComHouse (33%)

**In Denmark**
- Orange
- YesIHotspots
- Shops from Telekeaden
- debitel

**In Spain**
- Xfera (76.6%)
Juho Lipsanen
President business area
Integrated Enterprise Services

The Nordic and Baltic telecommunications leader

TeliaSonera
Enterprises struggle with complex IT and telecom solutions – They demand

- Migration
  - Migrate existing systems and services to IP-based solutions

- Reliable partner
  - Increased dependency on internal networks
  - Service Level Agreement (SLA) for all applications and equipment operated on the network
  - Selective outsourcing

- End-to-end management
  - Cross border
  - Across product areas
  - Between different infrastructures

- Seamless services
  - Quality defined services

- Cost efficiency
  - Established processes for implementation, operations and change management

- Well defined processes
  - Established processes for implementation, operations and change management
Window of opportunity

Business scope expansion: Increase our share of wallet

Base telco

Geographical market expansion in Nordics
Targeted market scope

Adding hardware sales, leasing and M2M opportunities the total market is estimated at approx. SEK 260 billion.

Annual market growth
- Telecom Services - less than 2% annually
- Managed NW Services approx. 5%
- Managed IT Services - more than 10%
- Complementary acquisitions to build critical mass
- Winning major new procurements

Total market value approx. SEK 200 billion

<table>
<thead>
<tr>
<th>Market value (SEK billion)</th>
<th>Sweden</th>
<th>Finland</th>
<th>Norway</th>
<th>Denmark</th>
<th>Baltics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66</td>
<td>39</td>
<td>38</td>
<td>44</td>
<td>7</td>
</tr>
</tbody>
</table>
New market situation, customer demands and fierce competition
Building the foundation for future growth

**Scope**
- Management of enterprise IT and telecom infrastructure

**In focus**
- Industrialize solutions
- Grow the business
- Improve efficiency
- Complementary acquisitions

**Target**
- Build leading Nordic and Baltic IT/IP and telecom systems integrator
- Significant growth over time
- Improved profitability
Services portfolio

Managed IT Services
- Consultation
- Systems integration and migration to IP solutions
- Security solutions
- Managed Servers
- Managed work stations/devices

Managed Network Services
- Service desk (single point of contact)
- End-to-end management (service guarantees)
- Local Area Network
- Wide Area Network

Telecom Services
- Contact Center Management
- Voice, Data, e-mail, PABX

TeliaSonera
Service areas based on customer segmentation

Adapted
- Sell more to existing customers
- Single point of contact
- Unified offerings

Modular
- Cherry-picking
- Package offerings

Service Integration
- 1net4you
- IP-platform for service integration

SME
- Highly standardized package offerings
- Low cost distribution channels

TeliaSonera
Strongly improve customer perception

• Increase internal knowledge on customers perception
• Thorough evaluation of “lost deals”
• Single point of contact
• Marketing activities to build relationships
• Smoothing internal processes
• Common billing

“…We are pleased to have concluded an agreement with TeliaSonera. The agreement guarantees us good availability, flexible functionality and cost-efficiency…”
Our customers

### Adapted Solutions
*Nordic Global Accounts, named 350 customers*

### Modular Solutions
*Focus in three industry segments, approx. 400 customers*
- Consulting, Transport, Service production
- 5 modules

### Systems Integration
*(Cygate AB and Dimension Data Sverige AB)*
- Systems integration for Adapted and Modular customers

### SME Packages
*Over 2 million potential customers in Scandinavia*
Marketing and sales

Adapted solutions and Systems integration
- Larger demanding customers
- Relationship selling

Modular standard solutions
- Broader market
- Sales force

Standard packages solutions
- SME segment
- Distribution channels
The Triple Growth approach

- Sell more to increase top line
- Fix the foundation to ensure future growth and customer satisfaction
- Build new markets to capture more growth
Sales split – Q1 2007 vs Q1 2006

• Flat sales development
• Only 4% of sales from outside Sweden and Finland
• 60% of sales from mass market services
• Share of Integrated Enterprise Services and equipment sales has increased

<table>
<thead>
<tr>
<th>Change y-o-y</th>
<th>Q1 2006</th>
<th>Q1 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility Services</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Broadband Services</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>Integrated Enterprise Services</td>
<td>+11%</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td>+65%</td>
</tr>
<tr>
<td></td>
<td>3,250</td>
<td>3,259</td>
</tr>
</tbody>
</table>

SEK million
Operating expenditures split

OPEX Q1/07
SEK 3,226 million

- Main cost items are mass market services bought from business areas Mobility Services and Broadband Services (58% of total costs)
- Growth in equipment sales (mainly low margin) – increases the share of equipment related costs
- Personnel costs just below 20% of total costs
Growth and efficiency go hand in hand

Net sales – significant growth over time
- Entering Norway, Denmark and the Baltic countries
- Increasing share of wallet in Finland and Sweden
- Entering SME-market with packages
- Costs for building the foundation
- Complementary acquisitions in home markets

Meet the efficiency of peer group
- Lean administration
- Harmonized offerings, processes and systems
- Reduction of production sites
- Increased professional services
- Efficiency measures will be taken
Critical success factors

• Market positioning and customer perception
  – Building credibility in the new market space
  – Tackling new competition

• Ability to attract and retain SME’s

• Strong service integration and delivery capabilities
  – End-to-end efficient processes

• Competence and commercial approach
  – Speed to market
  – Bringing new applications (Software as a service)
  – Reduced delivery times
  – Entry into Norway, Denmark and Baltic countries

• Innovation in business models

• Partnership and complementary acquisitions
  – Establish a leading position in critical areas of IT services by acquiring IT service capability and knowledge
  – Systems integration
  – On-demand services
Business priorities 2007-2008

**Business priorities – Integrated Enterprise Services 1.0**
- Service reach – a Nordic and Baltic approach
- Business scope expansion, offering and business model
- Cost, efficiency and quality

**Business priorities – Integrated Enterprise Services 2.0**
- Preferred and top of mind partner in the Managed Services market
- Create differentiation and sustainable market advantage
- Cost, efficiency and quality

**Drive growth and market position - 2008**

**Build the foundation - 2007**
Building the foundation for future growth

In focus

**Industrialize solutions**
- Cross-border offerings
- Cross-border customer service

**Grow the business**
- Geographical expansion
- Increase our share of wallet

**Improve efficiency**
- Unified working processes

**Complementary acquisitions**
Top of mind company and preferred partner

**Why?**
- Changed customer needs

**Where?**
- Increase our share of wallet
- Geographical expansion

**What?**
- From products sale to services sale
- ROI business

**How?**
- Change the way we work and serve our customers

**Target**
- Top of mind company integrating telecom and IT/IP services
Anders Bruse
President business area
Broadband Services
<table>
<thead>
<tr>
<th>Country</th>
<th>Broadband Subscriptions</th>
<th>Cable TV Subscriptions</th>
<th>Fixed Subscriptions</th>
<th>TV Subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>175,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>971,000</td>
<td></td>
<td>4.5 million</td>
<td>100,000</td>
</tr>
<tr>
<td>Denmark</td>
<td>166,000</td>
<td></td>
<td>209,000</td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
<td>788,000</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>427,000</td>
<td>176,000</td>
<td>562,000</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>148,000</td>
<td>366,000</td>
<td>32,000</td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>116,000</td>
<td></td>
<td>608,000</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>148,000</td>
<td></td>
<td>366,000</td>
<td></td>
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<tr>
<td>Latvia</td>
<td>116,000</td>
<td></td>
<td>608,000</td>
<td></td>
</tr>
</tbody>
</table>

Total subscriptions: 9,590,000

*Broadband only
Leading the migration

Traditional services

- Dial up
- Fixed telephony
- Legacy Datacom
- Analog TV
- Single product

Services with strong future...

- Broadband
- VoIP
- Fiber
- IPTV
- Bundled and customized solutions
- Surf and e-mail
- Digital Home
Total market expected to grow

**Nordic Baltic total market**

- **Total market**: +1%–2%
- **TV + BB**: +10%–15%
- **Fixed Telephony**: -5%–10%

**Swedish household spending**

- **Swedish household spending on fixed, Internet and TV increasing**: +1%–2%

Source: NRA's, external analyst estimations, Statistics Sweden
Number 1 or 2 in Triple Play in all markets

• Broadband penetration will reach 100% of households
  – Increase market share

• Up-sell in bandwidth

• Aggressive TV roll out

• Vertical bundle of VoIP and TV-services to improve ARPU
  – New services – Digital Home

• Achieving growth with maintained good profitability requires profound re-engineering, mainly in Swedish and Finnish legacy businesses
Leading player in IPTV

Current market status

- 100,000 IPTV customers in Sweden
- Cable TV in Denmark and Finland
- Elion first with HDTV in Estonia
- IPTV offered in Norway, Latvia and Lithuania
- IPTV launch in Finland planned

Simple broadcast

On-demand multicast

Interactive multi-content
Broadband ARPU – not only access

ARPU increase by securing broadband base and expanding relationship through several services centered around broadband.
Migration of mass market broadband services - B2B

- More than 100,000 shops and sales points have PSTN lines for credit card payments
- Migration to chip-based credit cards to reduce the risk of fraud drives the market’s willingness to change
- Telia Retailnet is developed in cooperation with the card payment business and the retail business
- The service offers secure channels for card transactions, alarm, and access to the Internet
Growth with improved profitability in Wholesale

**Strong foundation**
- Largest IP carrier in Europe
- Europe's largest host for online games
- Leading mobile data roaming network globally
- Fastest growing voice trading in Europe
- Largest wholesale provider in the Nordics

**Market development leads to profitable growth**
- Ongoing convergence generates new high-margin business opportunities
- Enhancing Europe's first media contribution network
- Building world’s largest mobile roaming network
- Outgrowing voice market with 20%
This is business area Broadband Services

- Mass market services for **connecting homes and offices** and for **home communications**
- Converging services and bundling to support main businesses - exploit triple play

**Business lines**
- Broadband over copper, fiber, cable
- TV
- VoIP
- Home communications services
- IP-VPN/business Internet
- Traditional telephony
- Wholesale incl. international carrier business

**Targets for profitable development**
- Moderate sales growth, with high broadband sales growth
- Maintain good profitability
- Cost efficiency – best in class
- Migrate from legacy services

Efficiency measures, in addition to ongoing restructuring programs, will be taken - mainly focusing on Swedish and Finnish legacy operations
Profound re-engineering needed

- Technical migration to new platforms
- Focus new business
- Freeze legacy
- Lean processes
- Quick wins
Modernising networks supports migration

Network modernisation necessary to support service demands

Combining technologies gives best economics

Investment largely financed by decreased need for re-investments in old technology

Future access network - a combination of various technical solutions
Our Next Generation Network

Services
- TV
- VoIP
- Internet
- Etc

Network
- IP network

Access
- CableTV
- Copper
- Fiber
- Radio
- Mobile

Key Technology Challenges
- Continued Broadband growth
  - Fiber attack
  - xDSL
- VoIP and IMS implementation
  - Large scale
  - New services
- Network readiness for massive IPTV deployment

Efficient Process Support
- Automatization
- Self Service
- Low cost
CAPEX is focused to support migration

<table>
<thead>
<tr>
<th>Country</th>
<th>Focus</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>TV Penetration growth Broadband reach</td>
<td>Now Ongoing Ongoing</td>
</tr>
<tr>
<td>Finland</td>
<td>Fiber attack in large cities</td>
<td>Now</td>
</tr>
<tr>
<td>Denmark</td>
<td>Enlarged ADSL2+ footprint, penetration growth</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Norway</td>
<td>Enlarged ADSL2+ footprint, penetration growth</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

CAPEX-to-sales ratio in 2007 is expected to grow compared to 2006
Competition and Equal Access in Sweden

- TeliaSonera fulfills Equal Access in the Swedish market
- Improved wholesale product portfolio
- All wholesale customers get Equal Access to TeliaSonera’s copper network
- Wholesale and retail business responsibility and profit are clearly divided
- Improved routines, improved wholesale customer relations
- Equal Access secured by independent controller

- Swedish regulator PTS proposes functional separation (February 15, 2007)
- Assignment to PTS to propose terms for improvements, to be reported mid-June
- TeliaSonera active in ongoing dialogue with PTS and competitors
- Ongoing improvement of routines and relations
Huge opportunities but not without challenges

Fixed
- Voice
- Analog
- AXE
- ISDN
- ADSL
- Fiber

TV
- Voice
- Analog
- Digital
- Data
- TV

Mobile
- Voice
- NMT/GSM
- GPRS
- 3G
- Turbo 3G

Service convergence emerges from every core technology
Tero Kivisaari
President business area
Eurasia
Eurasian market - still growth potential

**Turkcell (Turkey)**
- GDP growth: 5.2%
- Population (m): 75.0
- Penetration: 71%
- Subs (m): 32.2
- Effective ownership: 37.3%

**life :) (Ukraine)**
- GDP growth (04-05): 7.0%
- Population (m): 46.8
- Penetration: 111%
- Subs (m): 5.8
- Effective ownership: 20.5%

**MegaFon (Russia)**
- GDP growth: 6.6%
- Population (m): 145
- Penetration: 107%
- Subs (m): 31.1
- Effective ownership: 43.8%

**TT Mobile (Tajikistan)**
- GDP growth: 7.0%
- Population (m): 7.3
- Penetration: 12%
- Subs (m): 0.1
- Effective ownership: 33%

**Kcell (Kazakhstan)**
- GDP growth: 8.5%
- Population (m): 15.4
- Penetration: 46%
- Subs (m): 3.9
- Effective ownership: 37.7%

**Azercell (Azerbaijan)**
- GDP growth: 32.5%
- Population (m): 8.2
- Penetration: 40%
- Subs (m): 2.5
- Effective ownership: 38.0%

**Geocell (Georgia)**
- GDP growth: 8.8%
- Population (m): 4.9
- Penetration: 44%
- Subs (m): 1.1
- Effective ownership: 61.6%

**Moldcell (Moldova)**
- GDP growth: 4.6%
- Population (m): 3.5
- Penetration: 31%
- Subs (m): 0.5
- Effective ownership: 74.0%

*All figures as of March 31, 2007. Effective ownership % represents TeliaSonera’s direct and indirect share in each company.
Source: Fintur, Turkcell & MegaFon Press Releases, ACM Estimates, CIA World Fact Book*
Strategy Eurasia

• To be the leading Eurasian mobile operator
• Create shareholder value by considering all possible value enhancing alternatives
• Combine eastern positions to create stronger platform for growth
• Evaluate new acquisition opportunities
• Continue the profitable growth within the current footprint
Business area Eurasia - subscription growth

Continued strong subscription growth in all markets

CAGR = 39%
Currently business area Eurasia contributes 38% of the TeliaSonera EBIT. The share will continue to increase in the future years.
Eurasian market - intensified competition

Voxtel #1
Orange #2
Moldcell #3
Moldtelecom

Turkcell #1
Vodafone #2
Vodafone #3
Avea
Oger Telecom

Azercell #1
Bakcell #2
Azerfon #3

Kyivstar #1
Telenor & Alfa
UMC #2
MTS

Astelit #3
URS #4
VimpelCom

Kcell
Kar Tel
VimpelCom #3

MTS
VimpelCom

Babilon Mobile #1
Indigo/Somoncom #2
TT Mobile #3
VimpelCom #4

TeliaSonera
Fintur – TeliaSonera’s current position

- TeliaSonera foresees significant growth potential in its operations in Fintur, as there is still room for penetration growth. The infrastructure for fixed communication is weak, which increases the demand for mobile services. The countries have rapidly growing economies.

- Fintur revenues and subscriptions increased with a CAGR of 46% during the last three years. Fintur’s EBIT increased 62% during the same period.

- Fintur is a significant investor in Eurasia and plays an important role in society as an infrastructure builder, employer and tax payer.
Fintur markets - competition & regulation update

**Moldova**
- Incumbent fixed-line operator Moldtelecom launched mobile services based on CDMA 2000 technology in February
- A 3rd GSM operator will enter the market during Q2
- Orange has increased its share in Voxtel. A re-branding process is ongoing
- 3G licenses are expected to be issued during 2007, but the process has been continuously delayed

**Kazakhstan**
- VimpelCom continues to heavily promote its “Beeline” brand
- A 3rd operator, NEO Telecom, was launched by Kazakhtelecom in February offering fixed price to all directions
- There has been continuous pressure on mobile operators to reduce tariffs
- Kcell has shifted to 10-sec interval charging for interconnection with Beeline and Kazakhtelecom. International traffic is carried over Kazakhtelecom only

**Georgia**
- VimpelCom entered the market at the end of March and offered as a part of its launch a campaign on net calls for 0.02 GEL (1 US cent) per minute
- Georgia is a 3G market with Geocell and Magticom providing 3G services

**Azerbaijan**
- Azerfon launched services in March with over 80% population coverage through national roaming with Bakcell. Their tariffs are roughly 10% lower than Azercell
- The Authorities have principally approved Azercell's privatization and the process is ready to start
- In Azerbaijan 3G licenses are expected to be issued during 2007, but there is still uncertainty about the timing
Fintur – summary market information

**Fintur ARPU in USD**

-02 - 06

-02 - 06

**Fintur MoU in minutes**

-02 - 06

-02 - 06

**Penetration in Fintur Countries %**

-02 - 06

**Fintur VAS Net sales ratio %**

-02 - 06
Fintur - governance

- Consistent policies and procedures are in place
- Solid internal control environment in place
- Fraud prevention activities

- Company-wide principles and values such as Code of Ethics and Conduct
  - Aims to set out the ethical standards which the Fintur Holdings will support and be guided by in the conduct of its business
  - The Code is the evidence of management’s commitment to ethical values
Fintur key issues

- Acquisitions in the region
- Supporting the privatizations of Azercell and Kcell
- Defend and increase market share in the existing operations
- Maintain good profitability
- Maintain good ROI through reduction of network equipment prices in the existing operations
- Maintain good local relations and continue to be a good corporate citizen
Turkcell - TeliaSonera’s current position

• TeliaSonera foresees significant growth potential in its operations in Turkey. The main sources of growth are Turkcell’s international operations, increasing VAS revenues and continuous mobile market growth in Turkey.

• TeliaSonera’s income increased with a CAGR of 48% during the last three years. Subscription base increased 25% during the same period.

In March 2005, TeliaSonera had agreed with the Cukurova Group to acquire a 27% stake in Turkcell and increase its ownership stake to 64.3%. Cukurova Group later walked away from the agreement and transferred 13.22% of the Turkcell shares to Alfa Group under a 3.3 BUSD financing agreement. TeliaSonera has commenced two arbitration processes, in Geneva and Vienna. A Geneva court ruled in favor of TeliaSonera. The Vienna arbitration is ongoing. The ownership of Turkcell is presently unsolved.
Turkcell – summary market information

- **Turkcell ARPU in USD**
- **Turkcell MoU in minutes**
- **Penetration in Turkey %**
- **Turkcell VAS Net sales ratio %**

![Graphs showing Turkcell's ARPU, MoU, Penetration, and VAS Net sales ratio from 2002 to 2006.](image)
MegaFon - TeliaSonera’s current position

• TeliaSonera foresees continued growth potential in its operations in Russia

• TeliaSonera’s income from MegaFon increased with a CAGR of 76% during the last three years. Subscription base increased 69% during the same period

• Russia has a growing national economy and improving consumer purchasing power. The mobile revenue as share of GDP is still low (< 2%) compared to comparable countries

• The operational performance of MegaFon has been excellent
  – MegaFon as the challenger operator has grown faster than its main competitors. In 2006, MegaFon managed to increase its revenue market share of the big three by 3%-points to 29%
  – MegaFon’s EBITDA-margin has constantly improved
  – Despite of the significant CAPEX, the cash flow generation is strong
MegaFon – summary market information

MegaFon ARPU in USD

MegaFon MoU in minutes

Penetration in Russia %

MegaFon VAS Net sales ratio %
Business area Eurasia - actions

• Acquisitions in the region
• Still room for penetration and subscription growth
• Improve the market position in Russia
• Sustain leading market positions in Turkey and in the Fintur countries
• Strong cost control and cost benchmarking to maintain high efficiency
• Reducing the network investment unit costs in all portfolio companies
• Utilize cross experience of portfolio companies
• Aggressive push to increase VAS revenues
• Introduction of 3G but cautious approach to 3G investments
Simplicity makes everything possible!
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.
Anders Igel
President and CEO

President and CEO of TeliaSonera since 2002.

Mr. Igel previously served as CEO of Esselte AB and as Executive Vice President of Telefonaktiebolaget LM Ericsson. While at Ericsson, Mr. Igel was, over the course of his career, Head of Infocom Systems, Head of Ericsson’s Public Networks business area, the Head of Ericsson UK and an operations executive for Ericsson in the Middle East, Southeast Asia and Latin America.

Mr. Igel left Ericsson to become CEO of Esselte in 1999. Born 1951.
Mr. Ignatius was appointed Executive Vice President and CFO of Sonera in 2000.

Prior to joining Sonera, Mr. Ignatius was CFO and a member of the executive board of Tamro Corporation. Mr. Ignatius has also held various management positions at Amer Group Plc. Born 1956.
Kenneth Karlberg
President business area Mobility Services

Mr. Karlberg has been employed by TeliaSonera since 1987.

Mr. Karlberg has held several executive positions in TeliaSonera, including Executive Vice President of Telia and head of the Telia Mobile business area. Born 1954.
Mr. Lipsanen has been employed by TeliaSonera since 2005. 

Mr. Lipsanen was previously President and CEO of Alma Media Corporation. He has held several management positions at ABB Ltd Switzerland and ABB Finland, including President of ABB New Ventures Ltd and CFO of Automation Segment. Born 1961.
Mr. Bruse has been employed by TeliaSonera since 1989 and has served in a number of senior positions.

Prior to his time at TeliaSonera he was employed by, amongst others, Ericsson and Vattenfall AB. Born 1954.
Mr. Kivisaari was previously CFO and Vice President of the business area Eurasia.

He served as CFO of Fintur Holdings B.V. from 2003. Mr. Kivisaari has also been the CFO of SmartTrust AB. Before that, Mr. Kivisaari held the position of Vice President of Sonera Group’s International Operations. He has served as an associate professor of finance at the Helsinki School of Economics. Born 1972.
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