TeliaSonera enters new high-growth emerging markets

Spice Nepal in Nepal
Applifone in Cambodia

Lars Nyberg, President and CEO
TeliaSonera Eurasia

• Top priority to grow in Eurasia
• Acquisition opportunities
  – Population
  – Mobile penetration
  – Economic growth
  – Cultural fit
  – Utilization of management experience and resources
  – Co-operation with strong local partners
  – Business case and purchase price
• Act as a local player
• Strong corporate governance and risk management
Strategic rationale

Strengthens position in high-growth emerging markets

• Adding two new markets
• Attractive opportunity to leverage TeliaSonera’s management and operational expertise
• Strong business case
TeliaSonera enters new high-growth emerging markets

**Spice Nepal** in Nepal
**Applifone** in Cambodia

**Tero Kivisaari**
President, TeliaSonera Eurasia
Strategic rationale

Attractive growth opportunity

• Offers attractively priced opportunity to enter two new high-growth emerging markets

• Young and fast growing populations, increases TeliaSonera’s Eurasian population footprint to 110* million from 67 million
  – Nepal 28.4 million
  – Cambodia 14.6 million

• Material growth prospects**
  – High GDP growth countries: Nepal 5%, Cambodia 9%
  – Mobile penetration in Nepal 13%, Cambodia 21%
  – Fixed line penetration around 5% => wireless attractive

* Excl. population of countries where TeliaSonera has minority shareholdings: Russia 141 million, Turkey 71 million, Ukraine 46 million and Afghanistan 32 million
** Source: Global Insight, Mobile World
Mobile markets in the countries

Nepal

Mobile market consists of 2 GSM and 2 CDMA operators

<table>
<thead>
<tr>
<th>Operator</th>
<th>Market share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spice Nepal (GSM)</td>
<td>41</td>
</tr>
<tr>
<td>NTC (GSM+CDMA)</td>
<td>54</td>
</tr>
<tr>
<td>UTL (CDMA)</td>
<td>5</td>
</tr>
</tbody>
</table>

Cambodia

Mobile market consists of 5 GSM

<table>
<thead>
<tr>
<th>Operator</th>
<th>Market share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobitel</td>
<td>63</td>
</tr>
<tr>
<td>Applifone 3</td>
<td>15</td>
</tr>
<tr>
<td>TMIC</td>
<td>18</td>
</tr>
<tr>
<td>Cadcomms 1</td>
<td>15</td>
</tr>
<tr>
<td>CamShin</td>
<td>18</td>
</tr>
</tbody>
</table>
Ownership structure

Control through 51% share in TeliaSonera Asia Holding B.V. - creates an attractive platform for further expansion

- A strong local partner – intangible benefits from partnering with Visor Group
- Allows consolidation
• TeliaSonera will acquire 51% of TeliaSonera Asia Holding B.V.
• TeliaSonera’s total cash consideration approx. SEK 3.2 billion, corresponding to 51% of the total equity value of TeliaSonera Asia Holding B.V.
• TeliaSonera expects to consolidate as of October 1, 2008

* Synergy Nepal Ltd, our local Nepalese partner, owns 20% of Spice Nepal
The acquisition underlines TeliaSonera’s strategy

• Grow in Eurasia (organically and through acquisitions)
• Strengthens position in high-growth emerging markets
  – Adding two new markets
  – Attractive growth opportunity to leverage TeliaSonera’s management and operational expertise
• Control through 51% share in TeliaSonera Asia Holding B.V.
  – Creates an attractive platform for further expansion
Appendix
Attractive opportunity for expansion in the region

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Acquired Interest</th>
<th>Standard</th>
<th>Subscriptions Aug 2008</th>
<th>Est. market share</th>
<th>Market position</th>
<th>Revenues USD million</th>
<th>EBITDA USD million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>FY 2007 H1 2008</td>
<td>FY 2007 H1 2008</td>
</tr>
<tr>
<td>Spice Nepal</td>
<td>Nepal</td>
<td>51% of 80%</td>
<td>GSM 900/1800 3G</td>
<td>1,600,000</td>
<td>41%</td>
<td>#2</td>
<td>41.1 34.1</td>
<td>19 18.2</td>
</tr>
<tr>
<td>Applifone</td>
<td>Cambodia</td>
<td>51% of 100%</td>
<td>GSM 1800 3G</td>
<td>97,500</td>
<td>3%</td>
<td>#4</td>
<td>Start up 0.9</td>
<td>n/m n/m</td>
</tr>
</tbody>
</table>

* Excluding non-recurring items
Spice Nepal
Attractive competitive dynamics in Nepal

- 80% owned by TeliaSonera Asia Holding B.V.
- 2 GSM operators - Spice Nepal and the incumbent NTC
- Launched in September 2005 as the first privately owned GSM operator in the country
- Brand: Mero Mobile

- Spice Nepal is a strong second operator and well positioned to become market leader
  - Strong management
  - Over 40% market share achieved within 18 months from launch
  - 1.6 million subscriptions as of August 2008
  - Adding around 100,000 new mobile subscriptions per month
  - ARPU at USD 4-5 level, typical in the region
  - EBITDA*-margin >50%
  - GSM 900/1800 and 3G licenses
  - Main brand strength - accessibility through its well developed distribution network

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Nepal - country overview

- Population (m): 28.4 (2.1% growth)
- GDP/Capita PPP (US$): 1,630
- GDP growth forecast: 5%
- Inflation: 6%
- Mobile penetration: 13%
- Fixed penetration: 5%
- Total mobile subs (m): 3.8
- Remittances are estimated as 20-50% of GDP

* Excluding non-recurring items
Applifone in Cambodia
A promising start-up

- 100% owned by TeliaSonera Asia Holding B.V.
- 3 established mobile operators and 2 start-ups in the country
- Launched in October 2007
- Brand: Star-Cell

Applifone is the fourth operator in the country
- Start-up
- 25% population coverage; Phnom Penh city and suburbs, Siem Riep city and suburbs, the National Road #6 (Phnom Penh – Siem Riep), Sihanoukville, Battambang, Samlot and Poipet are covered
- 97,500 subscriptions as of August 2008
- ARPU at USD 5-8 level
- GSM 1800 and 3G licenses

Cambodia - country overview

- Population (m): 14.6
  (1.7% growth)
- GDP/Capita PPP (US$): 2,920
- GDP growth forecast: 9%
- Inflation: 6%
- Mobile penetration: 21%
- Fixed penetration: 1%
- Total mobile subs (m): 3.1
Mobile market dynamics in Nepal and Cambodia

Nepal

Major mobile operator subscription growth ('000)

CAGR: 115%

Source: The Mobile World
Note: CAGR has been calculated between June 2003 and June 2008

Cambodia

Major mobile operator subscription growth ('000)

CAGR: 41%

Source: The Mobile World
Note: CAGR has been calculated between June 2003 and June 2008
## Country overview

<table>
<thead>
<tr>
<th>Country</th>
<th>Nepal</th>
<th>Cambodia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (m):</td>
<td>28.4</td>
<td>14.6</td>
</tr>
<tr>
<td>Area:</td>
<td>147,181 km(^2)</td>
<td>181,040 km(^2)</td>
</tr>
<tr>
<td>Land Boundaries:</td>
<td>China, India</td>
<td>Laos, Thailand, Vietnam</td>
</tr>
<tr>
<td>Capital:</td>
<td>Kathmandu</td>
<td>Phnom Penh</td>
</tr>
<tr>
<td>President:</td>
<td>Ram Baran Yadav</td>
<td>King Norodom Sihanomi</td>
</tr>
<tr>
<td>Form of Government:</td>
<td>Democratic republic</td>
<td>Multiparty democracy under a constitutional monarchy</td>
</tr>
<tr>
<td>Currency:</td>
<td>Rupee (1$=64 NPR)</td>
<td>Riel (1$=4 KHR)</td>
</tr>
</tbody>
</table>

Source: Global Insight, CIA World Factbook
## Demographics

<table>
<thead>
<tr>
<th>Country</th>
<th>Nepal</th>
<th>Cambodia</th>
</tr>
</thead>
</table>
| **Age Distribution:** | 0-14 years: 38.3%  
15-64 years: 57.9%  
≥65 years: 3.8% | 0-14 years: 34%  
15-64 years: 62.4%  
≥65 years: 3.6% |
| **Gender Distribution (male/female):** | 1.056 | 0.953 |
| **Ethnic Distribution:** | Chhettri 15.5%, Brahman-Hill 12.5%, Magar 7%, Tharu 6.6%, Tamang 5.5%, Newar 5.4%, Muslim 4.2%, Kami 3.9%, Yadav 3.9%, other 32.7% | Khmer 90%, Vietnamese 5%, Chinese 1%, other 4% |
| **Religions:** | Hindu 80.6%, Buddhist 10.7%, Muslim 4.2%, Kirant 3.6%, other 0.9% | Theravada Buddhist 95%, other 5% |
| **Working Population:** | 53% | 82% |

*Source: CIA World Factbook, International Labour Organization*
## Economic indicators

<table>
<thead>
<tr>
<th>Country</th>
<th>Nepal</th>
<th>Cambodia</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (PPP), billion:</td>
<td>USD 29.04</td>
<td>USD 25.79</td>
</tr>
<tr>
<td>GDP/capita (PPP):</td>
<td>USD 1,630</td>
<td>USD 2,920</td>
</tr>
<tr>
<td>Inflation:</td>
<td>4.8%</td>
<td>4.4%</td>
</tr>
<tr>
<td>GDP by sector:</td>
<td>agriculture: 38%</td>
<td>agriculture: 31%</td>
</tr>
<tr>
<td></td>
<td>industry: 20%</td>
<td>industry: 26%</td>
</tr>
<tr>
<td></td>
<td>services: 42%</td>
<td>services: 43%</td>
</tr>
<tr>
<td>Income inequality index*</td>
<td>47.2</td>
<td>41.7</td>
</tr>
<tr>
<td>Mobile Service Revenues/GDP</td>
<td>1.6%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

* Gini index (higher value indicates higher income inequality), average value for international sample is ~41
Source: CIA World Factbook, Global insight
Partnership with Visor Group

Kazakhstan-based investment and advisory firm established in 2001 with significant regional investment expertise and assets under management

- Consists of international professionals with strong relationships with the emerging market investment community, domestic and international clients, and all major international investment banks
- Track record also includes successful investment banking transactions i.e. in Kazakhstan, Kyrgyzstan, Uzbekistan, Russia and Belarus
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.