

Year-end Report 2008

Lars Nyberg
President and CEO

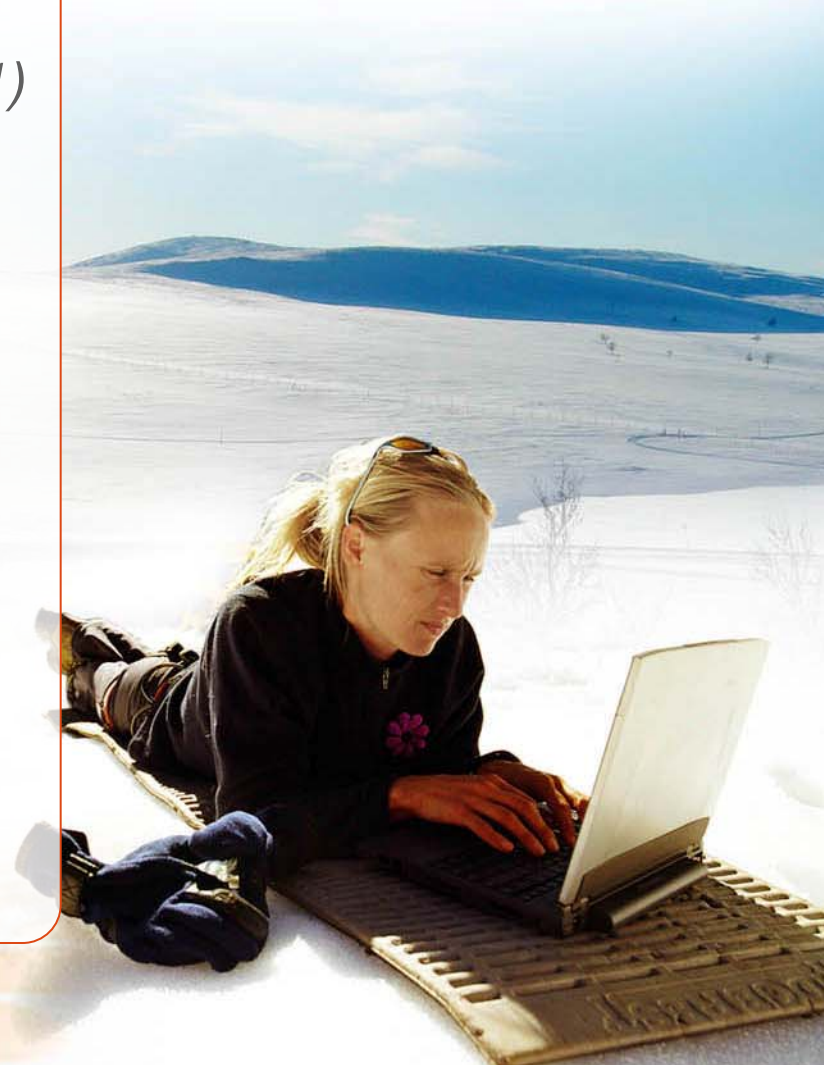


Record high fourth-quarter and full-year earnings

Q4 2008 in brief

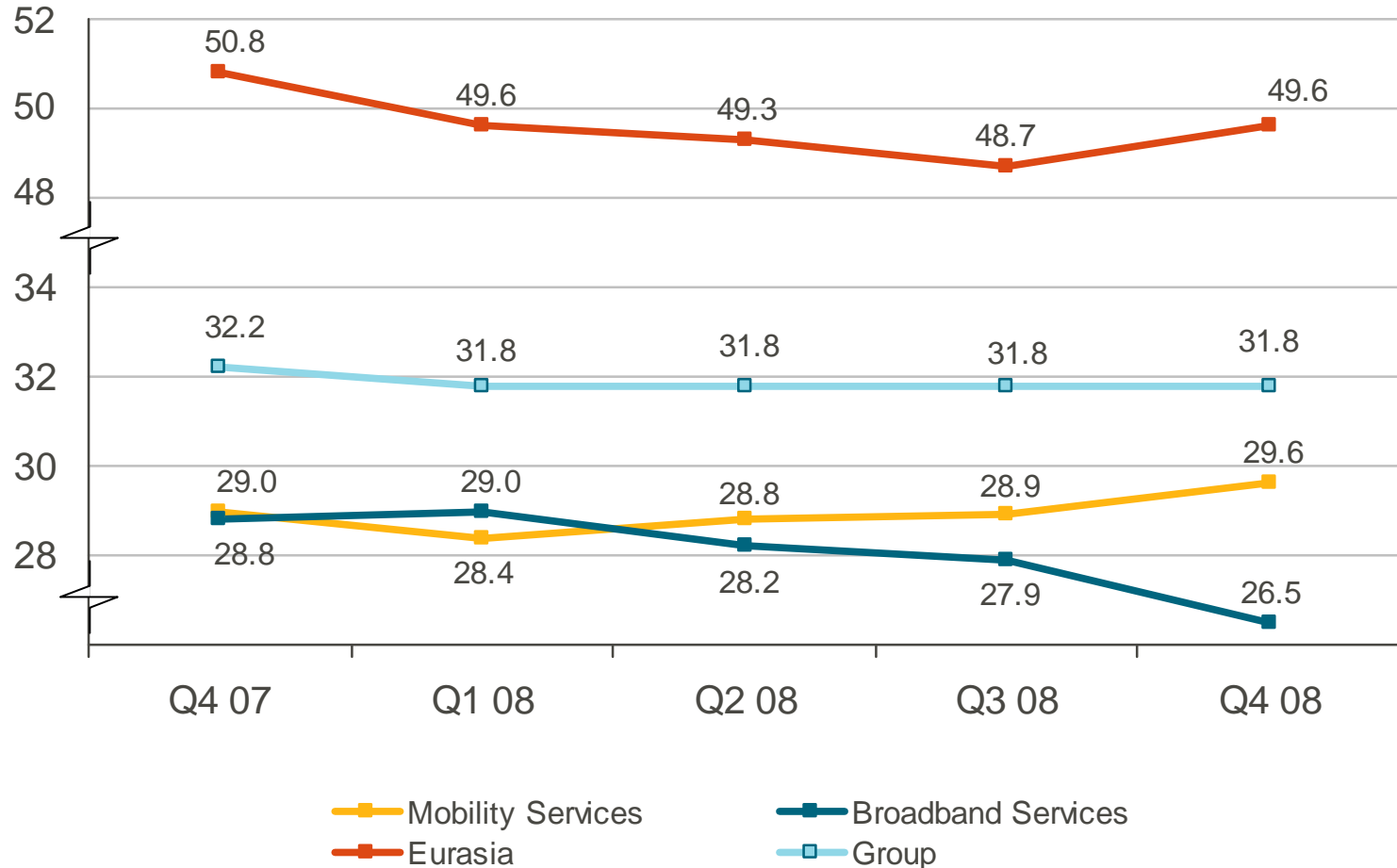
- Net sales SEK 28,096 million (24,921)
 - Increase +12.7%
 - Organic growth +4.5% (in local currency)
 - FX effect +6.7%
 - Acquisitions +1.5%
- EBITDA* SEK 8,272 million (7,208)
 - Increase +14.8%
 - EBITDA margin* 29.4% (28.9)
- EPS SEK 1.26 (0.99)
- 134.8 million subscriptions
 - 43.4 in majority-owned operations
 - 91.4 in associated companies

* Excl. non-recurring items



EBITDA margin trend (excl. non-recurring items)

% Rolling 4 quarters



Outlook compared with outcome

	Guidance	Reported 2008 (2007)
Net sales	Stable growth	7.5% (5.8%)
EBITDA-margin excl. non-recurring items	Maintained	31.8% (32.2%)
Net income	Somewhat higher excl. the positive one-off items*	SEK 19,011 million (17,674)
CAPEX	Around SEK 15 billion	SEK 15,795 million (13,531)

* January-December 2008 includes approximately SEK 1,520 million (2,036) positive one-off items

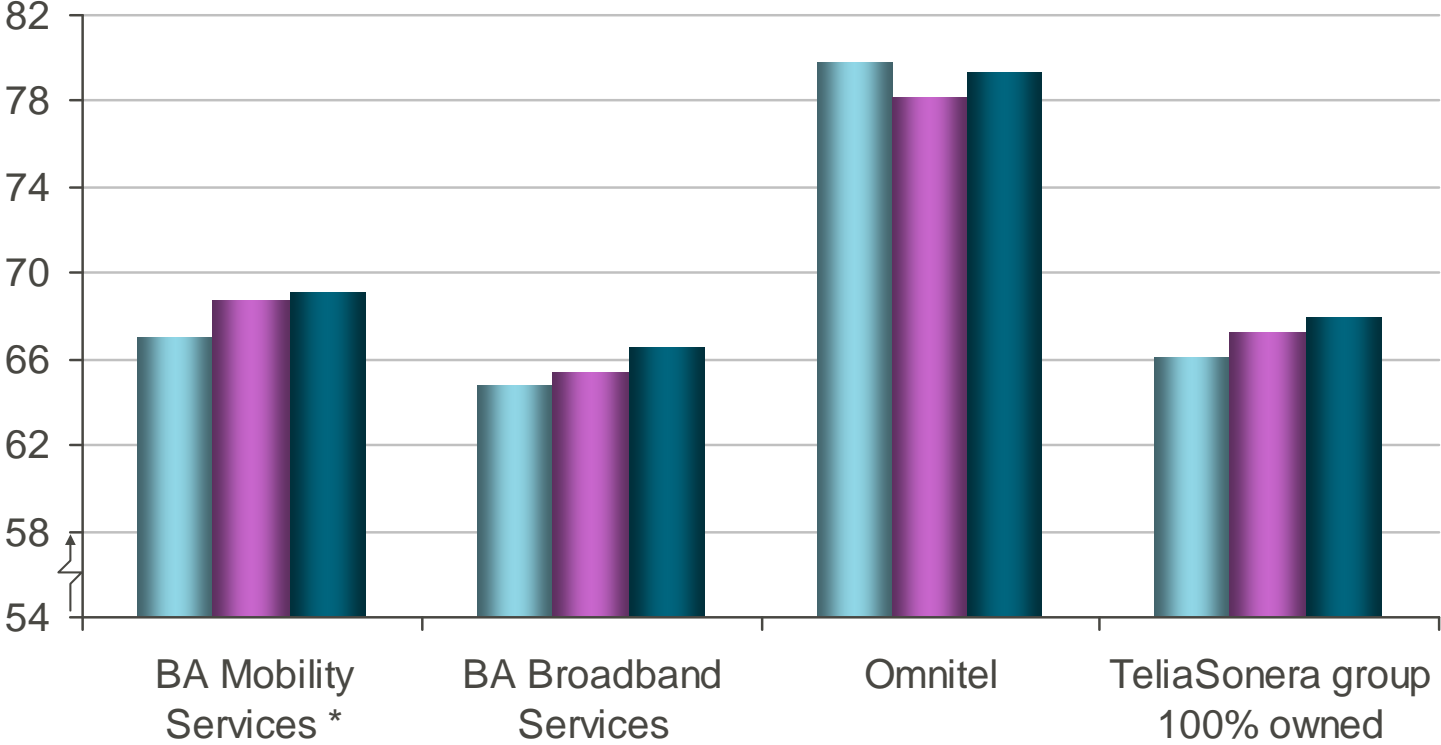


Focus areas

- World class service company
 - European Performance Satisfaction Index (EPSI) improved in most our Nordic and Baltic businesses
- Migration from traditional fixed-voice services
 - Increased sales of IP based services
- New B2B sales approach
 - Organization established
- Growth in Eurasia
 - Strong organic growth and acquisitions in Cambodia and Nepal
- Cost efficiency
 - Focus on net savings
- Quality in networks
 - Improvements under way



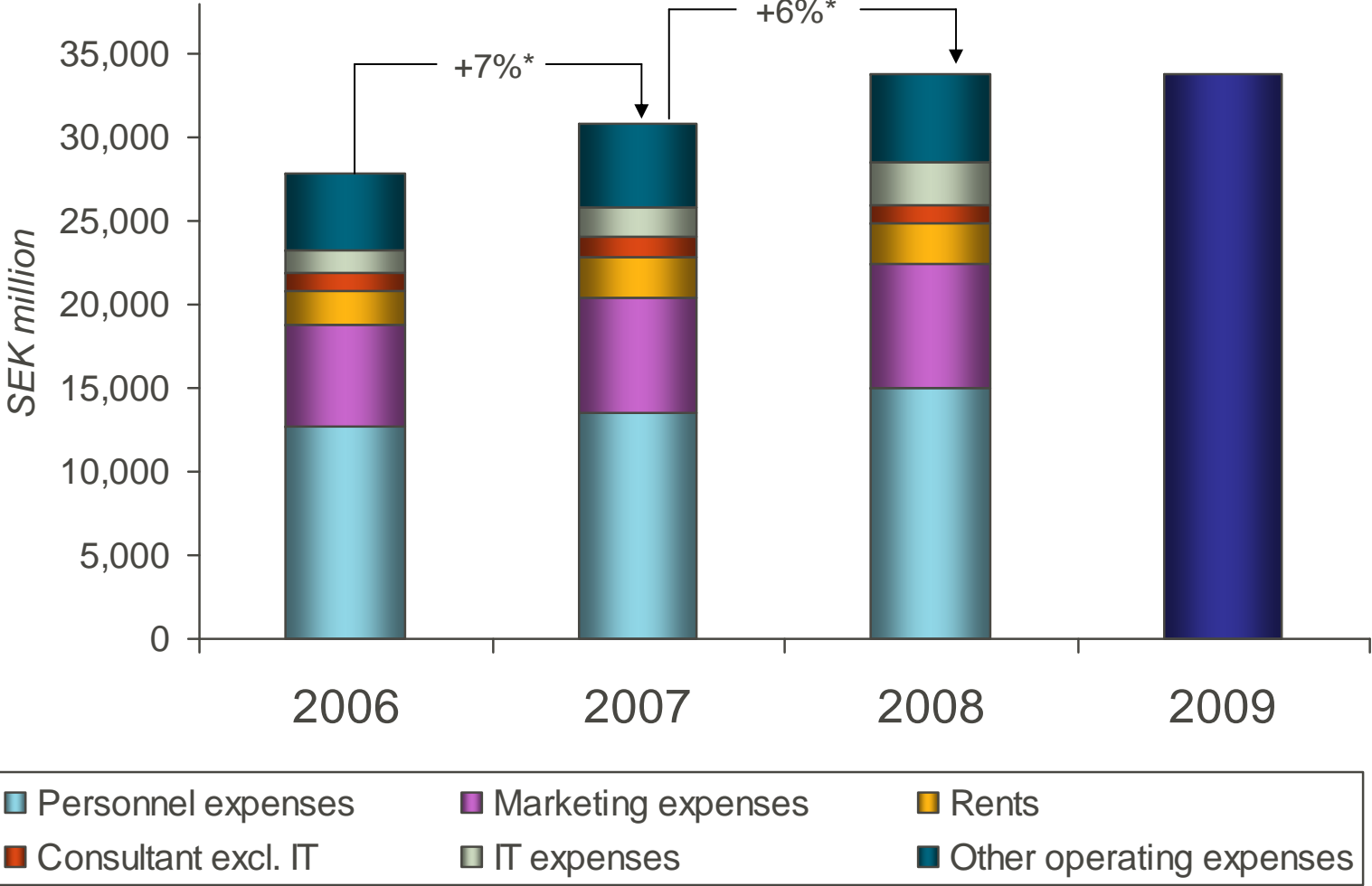
Customer satisfaction index (EPSI)



* Wholly-owned subsidiaries



Addressable cost base to remain unchanged in 2009



* Excluding FX effect and acquisitions

Macroeconomic environment

- The global economy was weak in the fourth quarter but we experienced no material effect on our business.
- This trend continues in the Nordic countries. Lower terminal sales in the Baltics, but limited effects on usage.
- Somewhat slower growth than expected in January in some of the Eurasian markets, but too early to draw any conclusions from one month.
- Volatile FX markets. TeliaSonera's business naturally hedged. Equity positions and dividends subject to translation effects.

Group Outlook for 2009

- Net sales in local currencies and excluding acquisitions are expected to increase in 2009 compared to 2008. Currency fluctuations may to an increasing extent influence the reported figures in Swedish krona.
- TeliaSonera will continue to invest in future growth and in the quality of networks and services, although the intention is to keep the addressable cost base for 2009 unchanged compared to 2008 (SEK 33.8 billion in 2008). The ambition for 2009 is to maintain the EBITDA-margin level of 2008, excluding non-recurring items.
- Capital expenditures will be driven by continued investments in broadband and mobile capacity as well as in network expansion in our acquired operations. The CAPEX-to-sales ratio is expected to be somewhat lower in 2009 than in 2008.



Year-end Report 2008

Per-Arne Blomquist

Executive Vice President and CFO

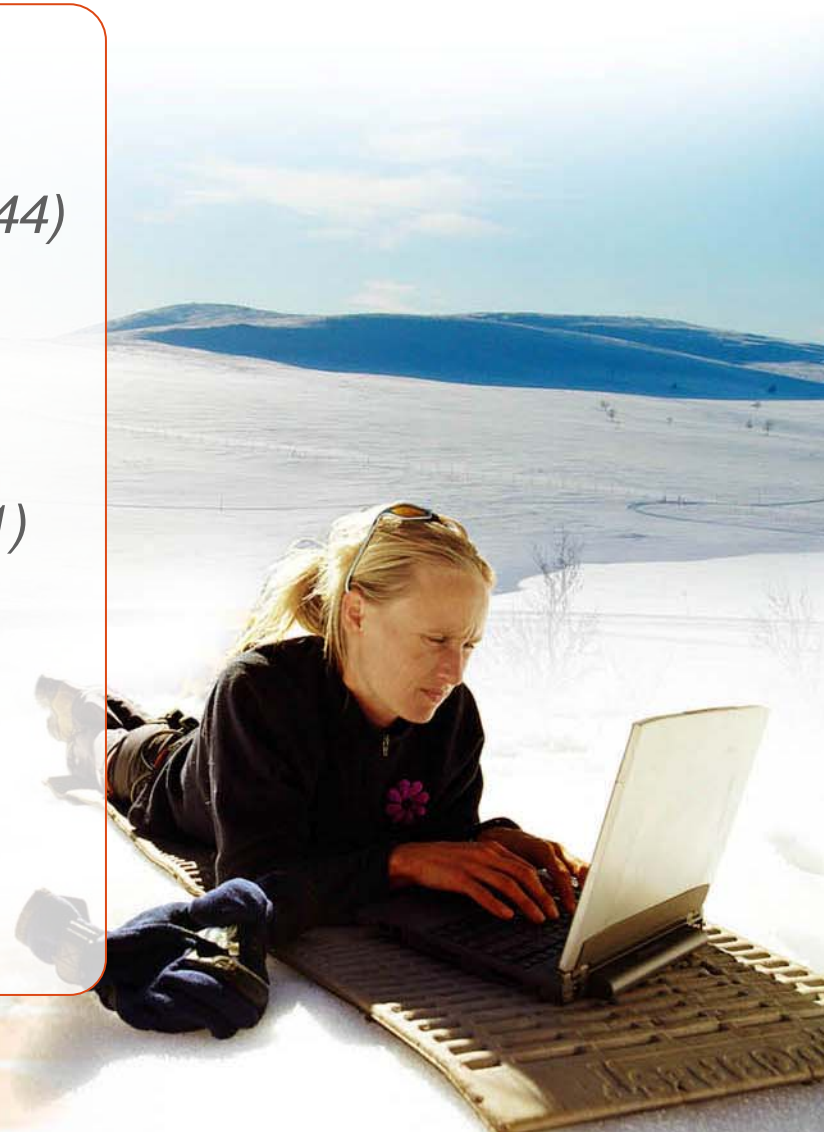


Record full-year earnings

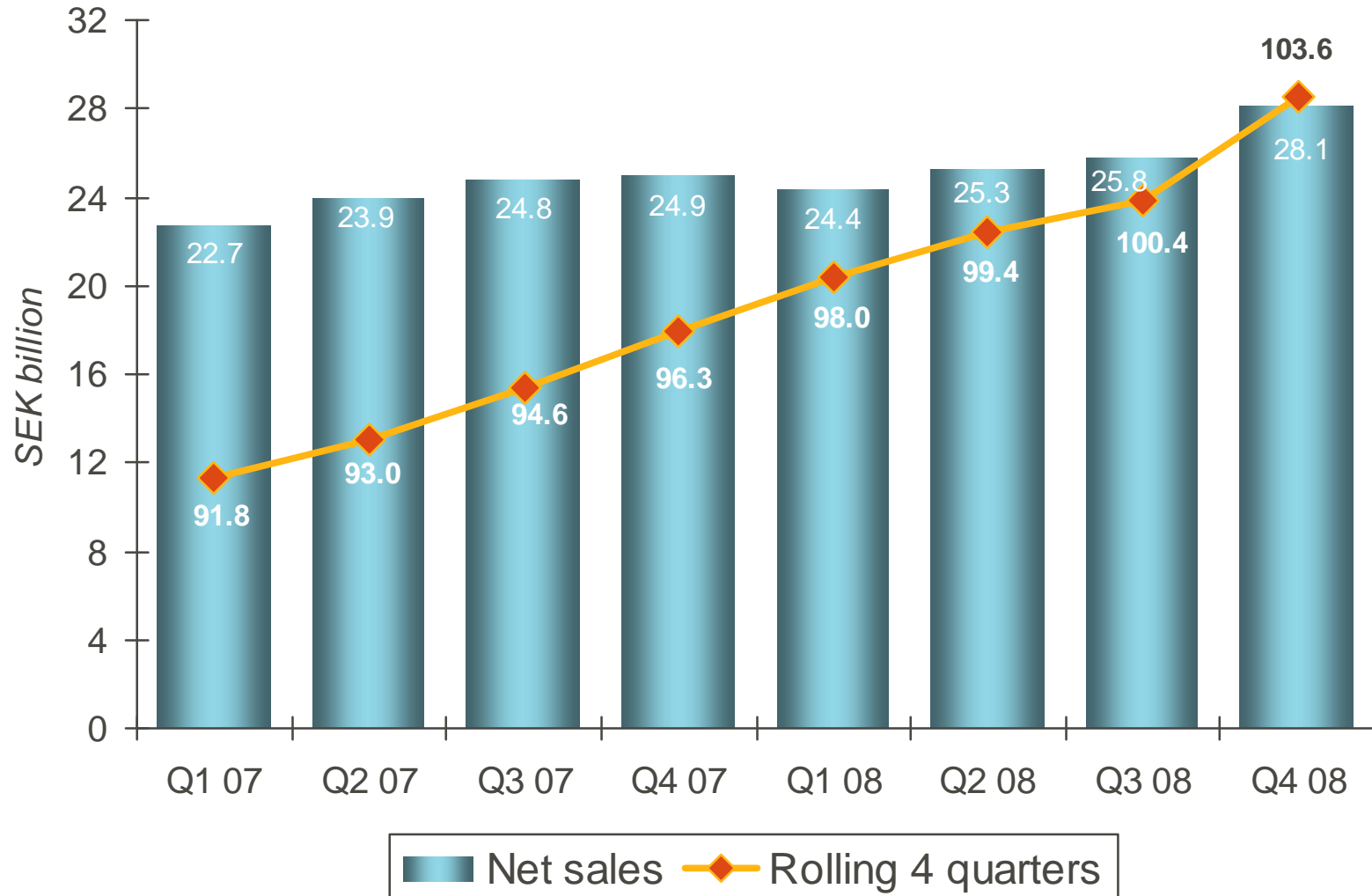
Full year 2008 in brief

- Net sales SEK 103,585 million (96,344)
 - Increase +7.5%
 - Organic growth +3.9% (in local currency)
 - FX effect +2.1%
 - Acquisitions +1.5%
- EBITDA* SEK 32,954 million (31,021)
 - Increase +6.2%
 - EBITDA margin* 31.8% (32.2)
- EPS SEK 4.23 (3.94)
- Strong balance sheet
 - Net debt/EBITDA 1.5x

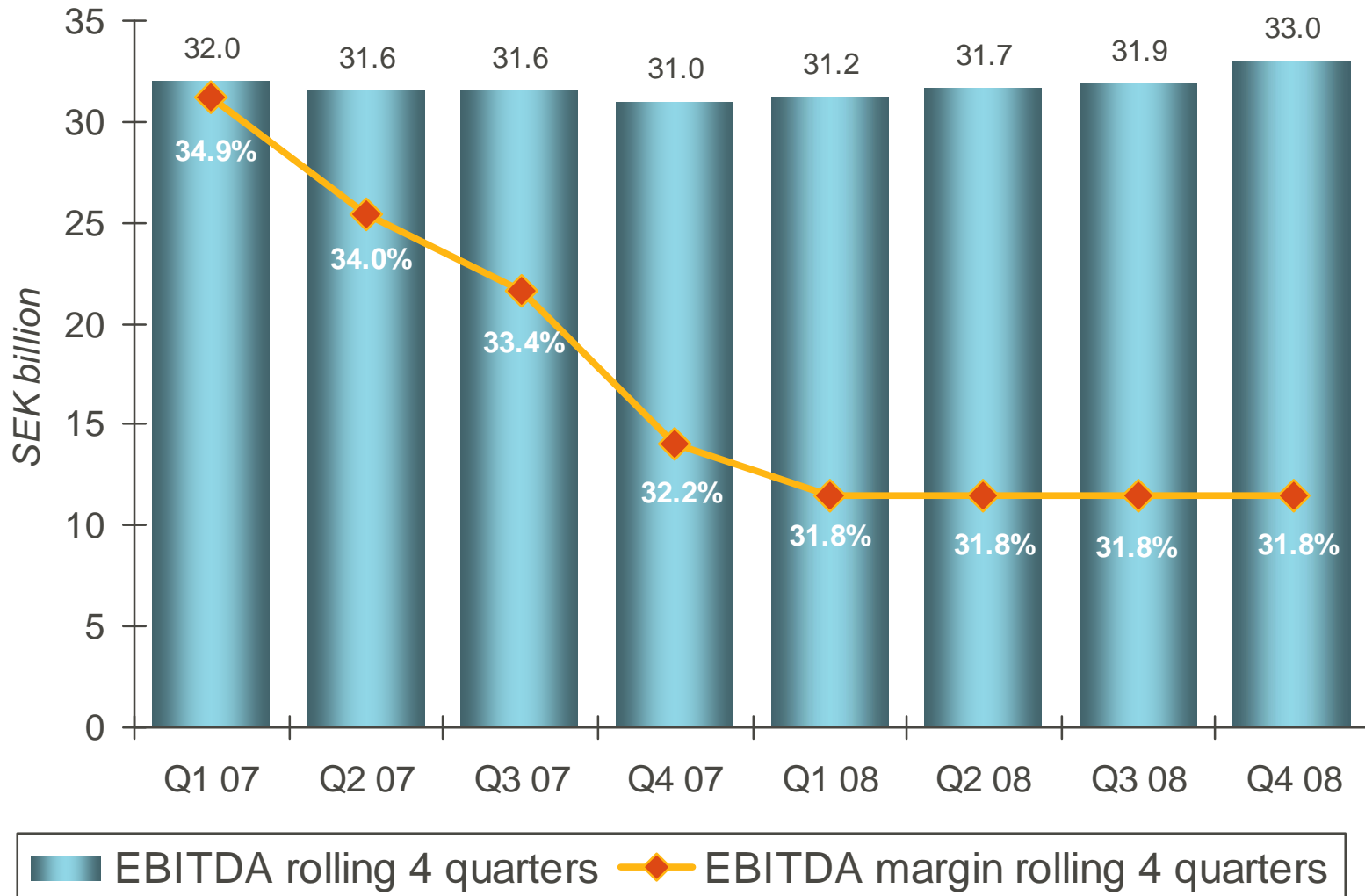
* Excl. non-recurring items



Net sales trend - Group



EBITDA margin trend (excl. non-recurring items) Group



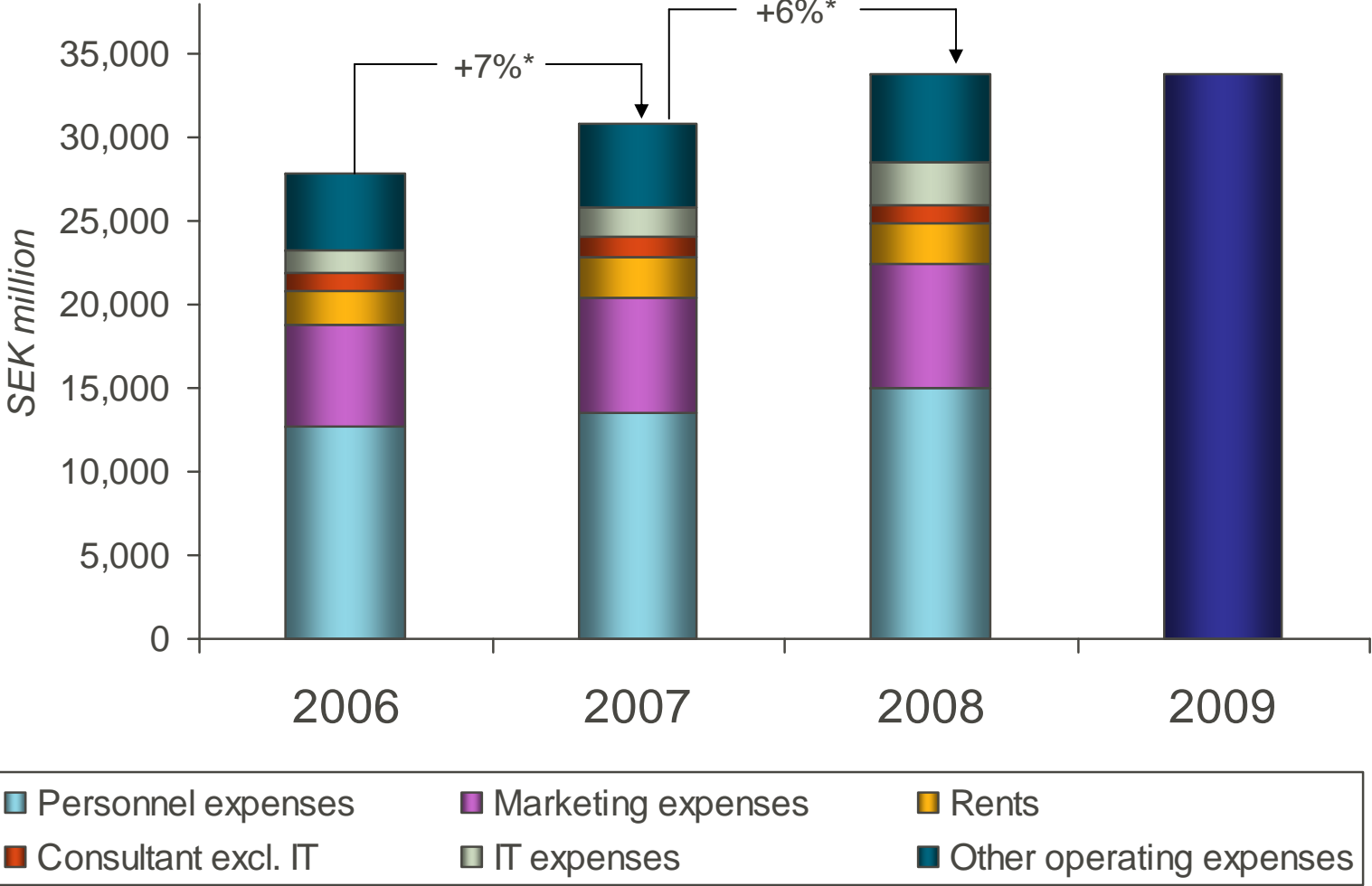
EBITDA* and margin* YTD - Group & per Business area

<i>EBITDA*</i> <i>SEK million</i>	FY 2008	FY 2007	Change %
Mobility Services	14,399	13,084	10.1
Broadband Services	11,922	12,821	-7.0
Eurasia	6,553	5,255	24.7
Other operations	116	-161	
The Group	32,954	31,021	6.2

<i>EBITDA* margin,</i> <i>%</i>	FY 2008	FY 2007	Change % point
Mobility Services	29.6	29.0	0.6
Broadband Services	26.5	28.8	-2.3
Eurasia	49.6	50.8	-1.2
Other operations	4.6	-	
The Group	31.8	32.2	-0.4

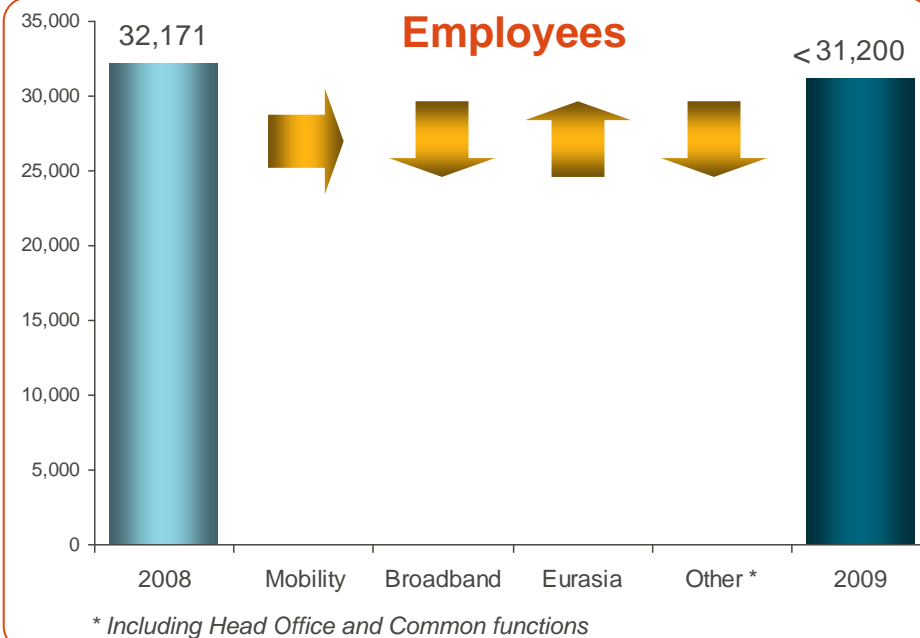
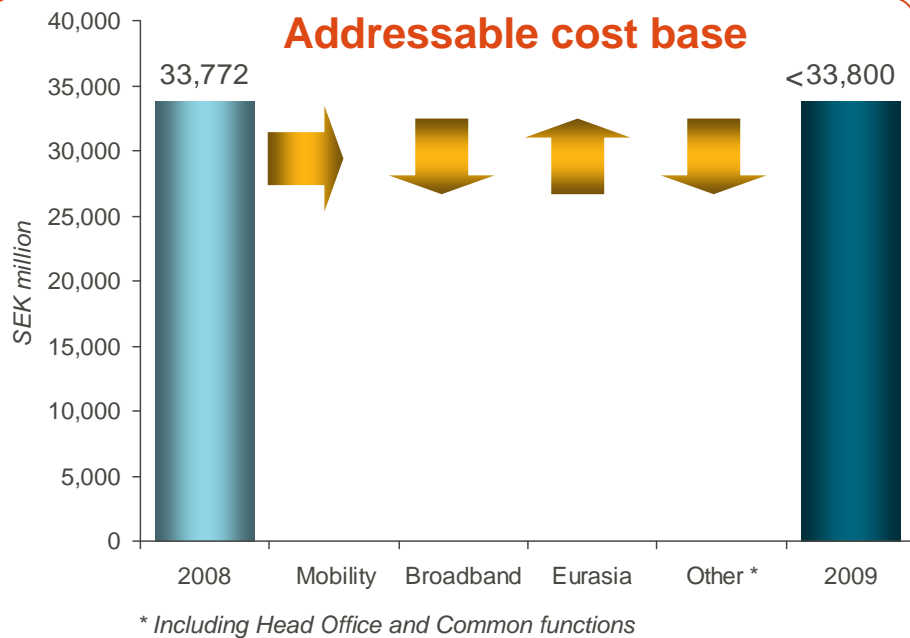
* *Excl. non-recurring items*

Addressable cost base to remain unchanged in 2009



* Excluding FX effect and acquisitions

Addressable cost base to remain unchanged in 2009



- Addressable cost base to remain unchanged, SEK 33,800 million in 2009
- Cost base to decline in Broadband and Other while higher in Eurasia
- Number of employees will be lower than 31,200 year-end 2009

Strong financial key ratios

	Dec 31, 2008	Dec 31, 2007
Return on equity*	17.2%	18.6%
Return on capital employed*	17.3%	19.4%
Equity/assets ratio	50.5%	50.3%
Net debt/equity ratio	36.5%	31.3%

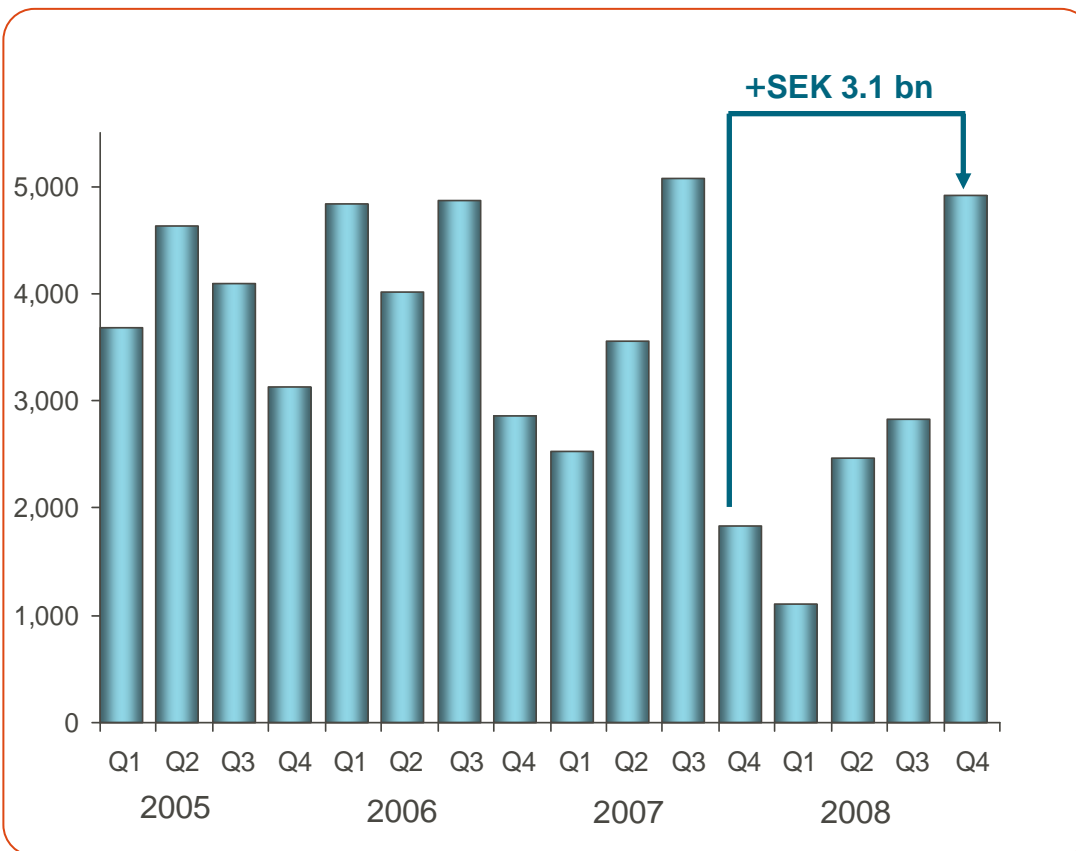
* Rolling 12 months

One of the best rated Telecom Operators in Europe

Strong free cash flow generation

Free cash flow increased to SEK 4.9 bn (1.8) mainly due to

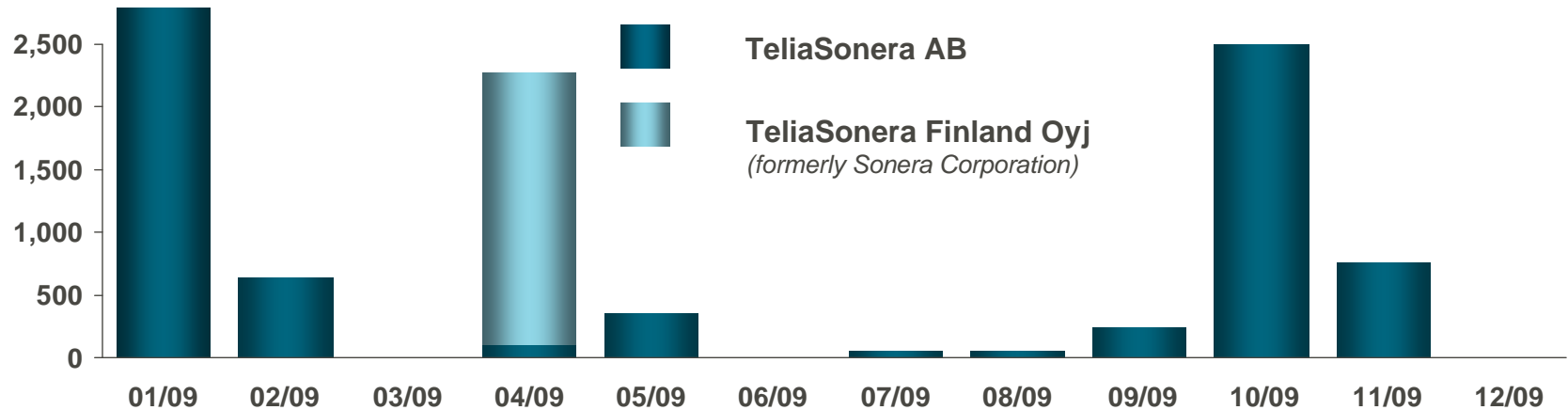
- Improved EBITDA, SEK 1.1 bn
- Lower income taxes, SEK 1.0 bn
- Timing of Turkcell Holding's dividend payment, SEK 0.7 bn



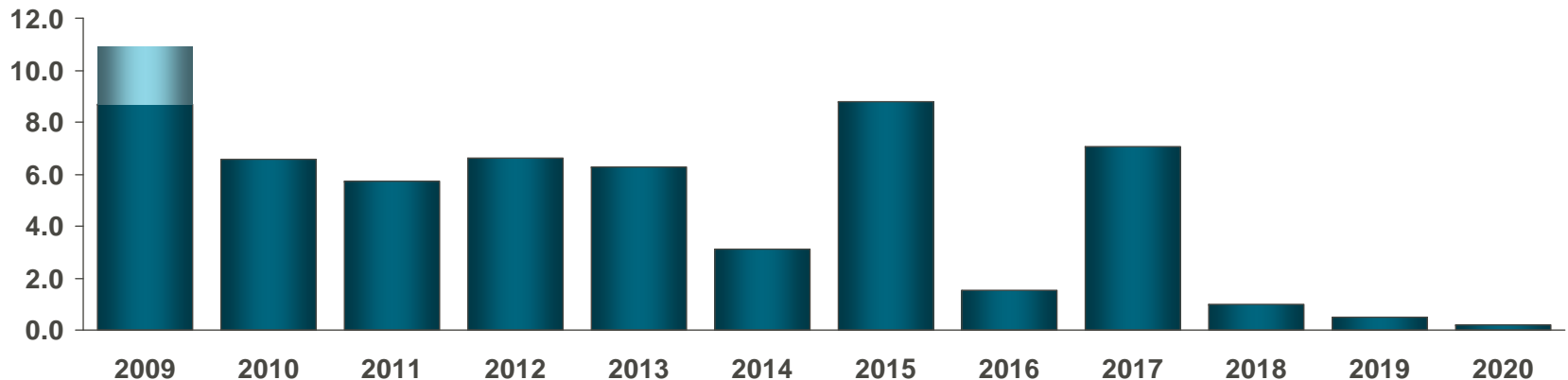
Debt maturity schedule (excl. lease and pension liabilities)

Debt Maturing next 12 months (SEK million)

December 31, 2008



Debt Portfolio Maturity Schedule (SEK billion), Jan 2009 & onwards



Proposed dividend and capital structure

- Proposed ordinary dividend SEK 1.80 per share (1.80)
- Proposal for authorization to the AGM to repurchase a maximum of 10 percent of the total number of outstanding shares as an additional instrument to adjust the capital structure. To date, no plans are made to exercise the proposed authorization.

Year-end Report 2008



Appendix

Statement of cash flows Q4 and FY 2008

<i>SEK million</i>	FY 2008	FY 2007	Oct - Dec 2008	Oct - Dec 2007
EBITDA excluding non-recurring items	32,954	31,021	8,272	7,208
Dividends received from associated companies	1,410	2,684	736	-
Interest paid (net)	-1,784	-886	-381	-304
Income taxes paid	-3,892	-5,142	-554	-1,506
Payment of restructuring provisions	-397	-381	-140	-98
Difference between paid/recorded pensions	-640	-225	-256	-148
Changes in working capital and other items, net	-565	-542	1,716	1,180
Cash flow from operating activities	27,086	26,529	9,393	6,332
Cash CAPEX	-15,758	-13,525	-4,475	-4,493
Free cash flow	11,328	13,004	4,918	1,839
Cash flow from other investing activities	-3,876	-2,180	-3,926	-242
Cash flow before financing activities	7,452	10,824	992	1,597
Cash flow from financing activities	-4,359	-14,726	1,336	491
Change in cash & cash equivalents	3,093	-3,902	2,328	2,088

Record high fourth-quarter and full-year earnings

<i>SEK million</i>	Oct - Dec 2008	Oct - Dec 2007	<i>Change %</i>	FY 2008	FY 2007	<i>Change %</i>
Net sales	28,096	24,921	13	103,585	96,344	8
EBITDA*	8,272	7,208	15	32,954	31,021	6
<i>EBITDA* margin</i>	29.4%	28.9%		31.8%	32.2%	
Operating income*	7,678	6,358	21	30,041	27,478	9
Non-recurring items	-322	-300	7	-1,393	-1,323	5
Operating income	7,356	6,058	21	28,648	26,155	10
Financial items	-775	-289	168	-2,237	-904	147
Net income**	5,644	4,467	26	19,011	17,674	8
EPS, SEK	1.26	0.99	27	4.23	3.94	7
CAPEX	4,523	4,537	0	15,795	13,531	17
<i>CAPEX-to-sales</i>	16.1%	18.2%		15.2%	14.0%	
Free Cash Flow	4,918	1,839	167	11,328	13,004	-13

* Excluding non-recurring items

** Attributable to shareholders of the parent company

Net sales Q4 and YTD - Group and per Business area

<i>SEK million</i>	Q4 2008	Q4 2007	Change %	FY 2008	FY 2007	Change %
Mobility Services	12,796	11,588	10.4	48,673	45,115	7.9
Broadband Services	11,768	11,209	5.0	44,943	44,478	1.0
Eurasia	4,219	2,911	44.9	13,204	10,338	27.7
Other operations	770	671	14.8	2,538	2,049	23.9
The Group	28,096	24,921	12.7	103,585	96,344	7.5

EBITDA* and margin* Q4 and YTD - Group & per Business area

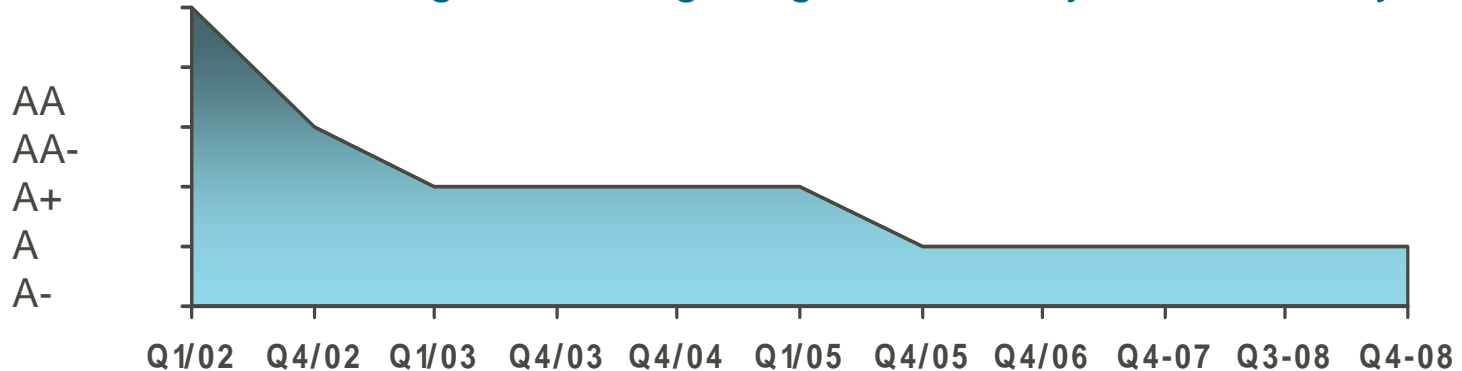
<i>EBITDA*</i> <i>SEK million</i>	Q4 2008	Q4 2007	Change %	FY 2008	FY 2007	Change %
Mobility Services	3,507	2,824	24.2	14,399	13,084	10.1
Broadband Services	2,627	3,107	-15.4	11,922	12,821	-7.0
Eurasia	2,089	1,327	57.4	6,553	5,255	24.7
Other operations	60	-78		116	-161	
The Group	8,272	7,208	14.8	32,954	31,021	6.2

<i>EBITDA* margin,</i> <i>%</i>	Q4 2008	Q4 2007	Change % point	FY 2008	FY 2007	Change % point
Mobility Services	27.4	24.4	3.0	29.6	29.0	0.6
Broadband Services	22.3	27.7	-5.4	26.5	28.8	-2.3
Eurasia	49.5	45.6	3.9	49.6	50.8	-1.2
Other operations	7.8	-		4.6	-	
The Group	29.4	28.9	0.5	31.8	32.2	-0.4

* Excl. non-recurring items

TeliaSonera AB credit ratings (A3/A-)

TeliaSonera AB long-term ratings migration history 2002-to-today



Moody's (A3/P-2)

- January 8, 2003, lowered long-term debt rating to A2
- Nov 1, 2006, outlook changed to Negative
- Oct 30, 2007, lowered long- and short-term debt rating to **A3** and P-2 respectively
- **Outlook: Stable**

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
- September 29, 2008, debt ratings confirmed
- **Outlook: Stable**

One of the best rated Telecom Operators in Europe

Liquidity position, TeliaSonera Group

Cash and cash equivalents, less blocked funds approx. SEK 11 billion

<u>Committed bank lines</u>	<u>Maturity</u>	<u>Size</u>	<u>Amount undrawn</u>
Bilateral credit facility	Sep 2010	SEK 2 billion	SEK 2 billion
Syndicated revolving credit facility	Dec 2011	EUR 1 billion	EUR 1 billion
Bilateral credit facility	Apr 2013	SEK 1.4 billion	SEK 0

December 31, 2008

Credit statistics – TeliaSonera Group

TeliaSonera estimates

<i>SEK billion</i>	2008 ^(A)	2007
Gross Debt	61.5	43.6
Cash & Liquidity ¹⁾	11.2	6.7
Net Debt	50.3	36.9

Moody's		
Adjusted Net Debt ²⁾	77.3	55.6
Adjusted Retained Cash Flow ³⁾	19.3	19.1
Adjusted (RCF/Net Debt)	25%	34%

S&P		
Adjusted Net Debt ⁴⁾	64.3	49.2
Adjusted EBITDA ⁵⁾	33.3	31.4
Adjusted (Net Debt/EBITDA)	1.9X	1.6X

(A) *TeliaSonera estimates*

- 1) Cash and cash equivalents excl. blocked funds (1.6) and excl. available unutilized committed revolving credit facilities (13)
- 2) Net debt + pensions (5) + non-standard adj. etc. (9) + operating lease adj. (13) (TS estimate of Moody's approach)
- 3) Cash flow before change in working cap (28.5) + operating lease adj. (1.7) - aligned & unusual FFO (0.9) - ordinary dividend payment (common & minority) (10) (TS estimate of Moody's approach)
- 4) Net debt + adj. incl. pensions & credit guarantees (7) + operating lease adj. (7) (TS estimate of S&P's approach)
- 5) EBITDA, excl. non-recurring, adj. for operating lease effect etc. (+0.3) (TS estimate of S&P's approach)

TeliaSonera pensions obligations

- TeliaSonera uses defined benefit pension plans for most employees in Sweden, Finland & Norway
- TeliaSonera pension funds are funding vehicles for those pension obligations, the remainder recorded on the balance sheet, covered via credit guarantees
- Rating agencies would typically define our “pension gap” to be approximately SEK 5 billion

<i>SEK billion</i>	2008	2007
Present value of pension obligation	22.8	20.8
Fair value of plan assets	18.1	19.3
Pension obligations less plan assets	4.7	1.5
Booked Pension Liability(+)/ Receivable(-)	-0.3	0.2
”Pension gap”	5.0	1.3

TeliaSonera pensions obligations *(cont'd)*

Main reasons for the increase in the estimated “pension gap” by some SEK 3.7 billion (vs. YE 2007)

- Decrease of discount rate for pension obligations: impact SEK 1 billion (Pension liabilities increased)
- Negative overall returns on assets: impact SEK 2.6 billion (Realized negative approx. SEK 1.6 billion vs. expected positive return SEK 1 billion)

TeliaSonera Group assumptions regarding pensions

	YE 2008	YE 2007
Discount rate	4.2%	4.6%
Expected return on Plan Assets (Net)	4.7%	5.1%
Expected salary increase	3.2%	3.2%

TeliaSonera pensions obligations *(cont'd)*

TeliaSonera Group pension related risks

- Reduction of the discount rate for pension obligations by 100 bps from a level of 4.2%, would imply an increase in TeliaSonera Group pension liabilities, all else equal, by some SEK 3.9 billion
- The expected impact on fixed income Plan Assets, for the same change in overall interest rates, would imply an increase in value, all else equal, by some SEK 1 billion
- “Net impact” thus SEK 2.9 billion
(other Plan Assets assumed yielding a zero return)
- “Exogenous risks” include e.g. change in Life Expectancy

TeliaSonera's funding strategy

- Liquidity position, as of December 31, 2008
 - Cash and cash equivalents, less blocked funds approx. SEK 11 billion
 - Available unutilized amount of committed bank credit lines approx. SEK 13 billion
- Primary means of external borrowing
 - EMTN (€7 billion) ¹⁾
 - Swedish FTN (SEK 12 billion) ²⁾
 - ECP (€1 billion) ³⁾
- TeliaSonera's intention is to continue to refinance the outstanding Sonera ("TSF") debt as well as any new financing required
- Expected total (EMTN) funding in 2009
 - Approx. EUR 600 million (equivalent)

1) Approx. €4.7 billion utilized of the EMTN

2) Approx. SEK 4.6 billion utilized of the FTN (in the form of CP's)

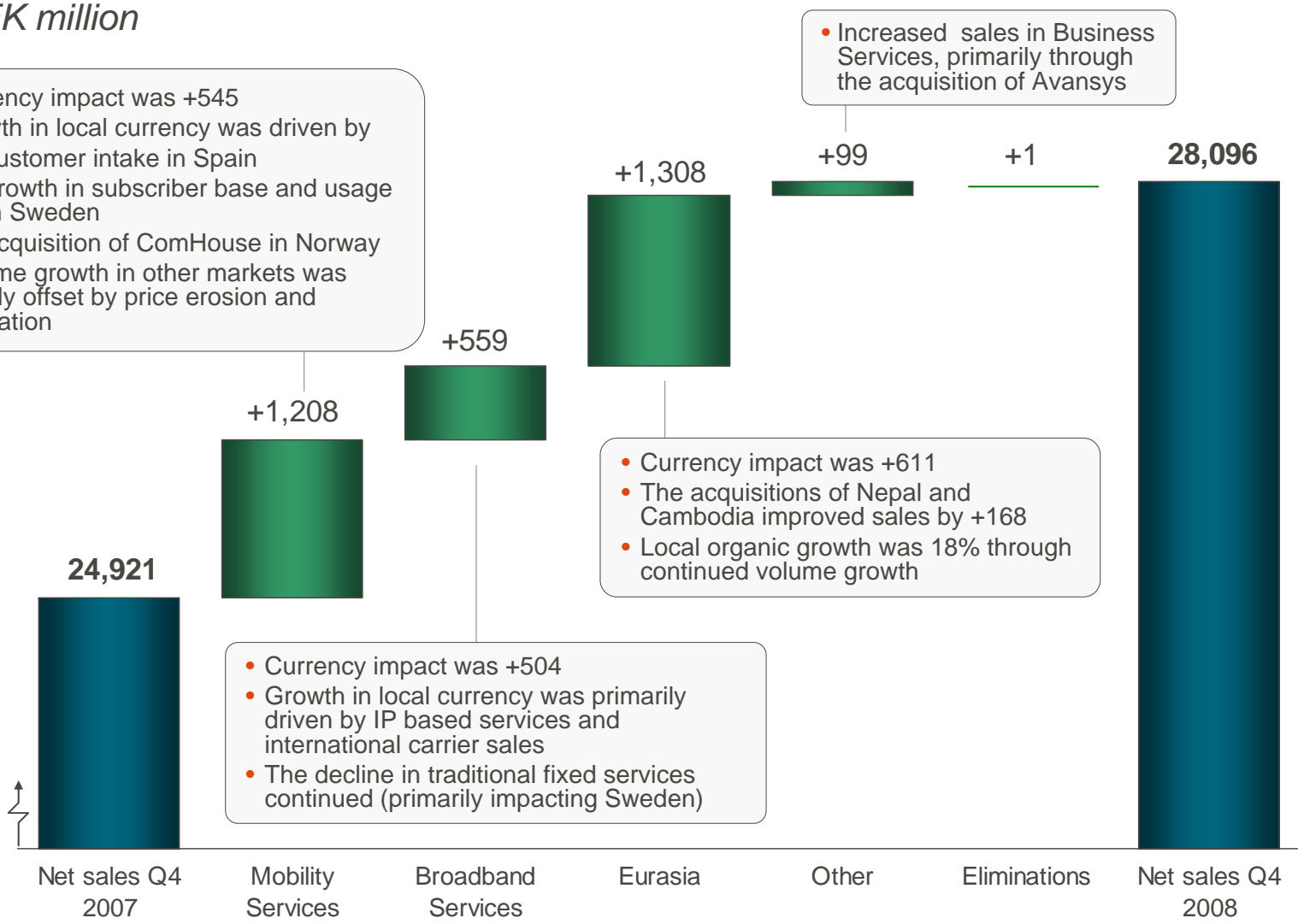
3) ECP programme presently unutilized

Q4 2008 Net Sales +12.7%

SEK million

- Currency impact was +545
- Growth in local currency was driven by
 - customer intake in Spain
 - growth in subscriber base and usage in Sweden
 - acquisition of ComHouse in Norway
- Volume growth in other markets was largely offset by price erosion and regulation

- Increased sales in Business Services, primarily through the acquisition of Avansys



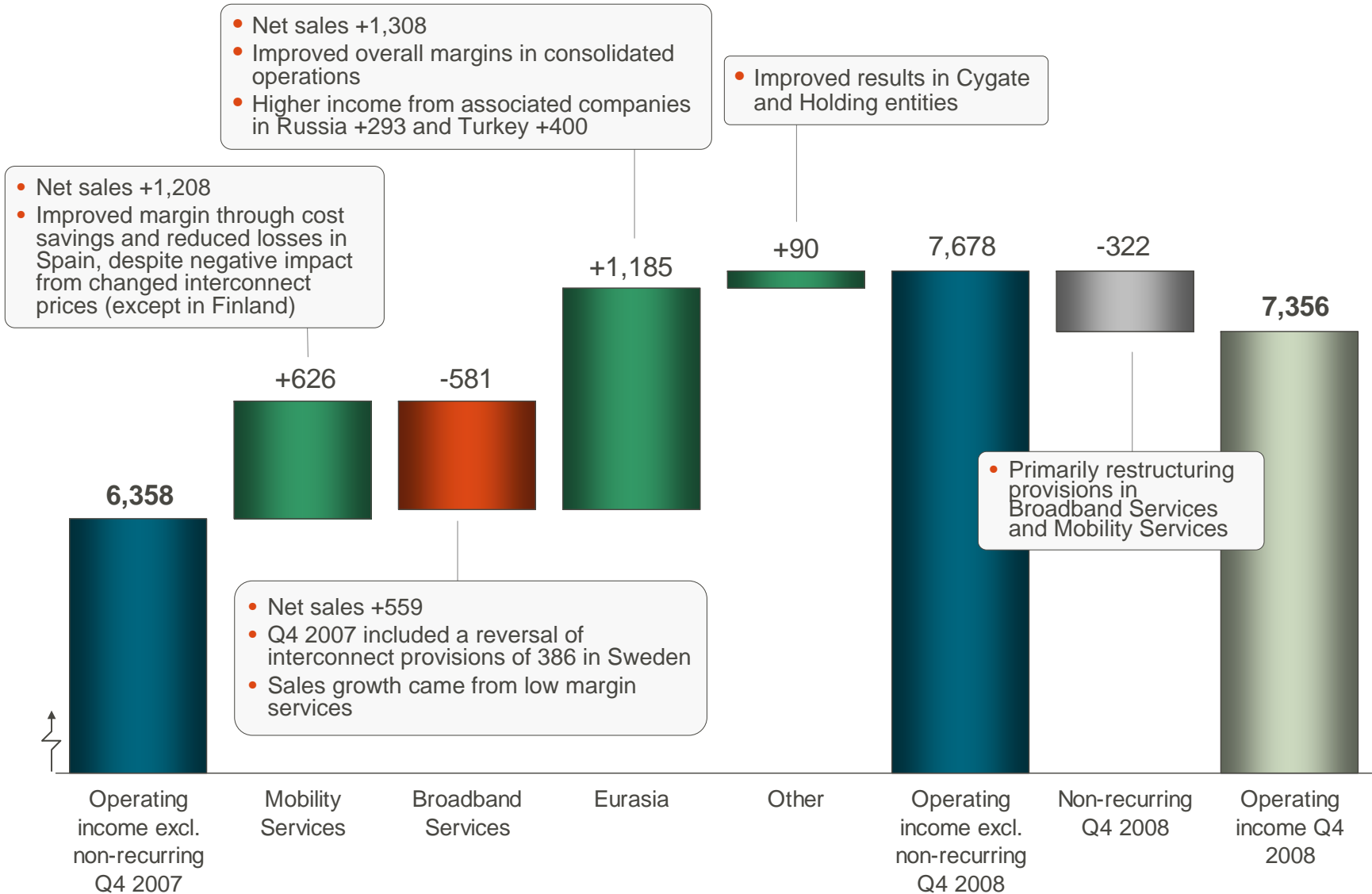
- Currency impact was +504
- Growth in local currency was primarily driven by IP based services and international carrier sales
- The decline in traditional fixed services continued (primarily impacting Sweden)

- Currency impact was +611
- The acquisitions of Nepal and Cambodia improved sales by +168
- Local organic growth was 18% through continued volume growth

Acquisitions +1.5% and FX +6.7%

Q4 2008 Operating Income Year-on-Year

SEK million

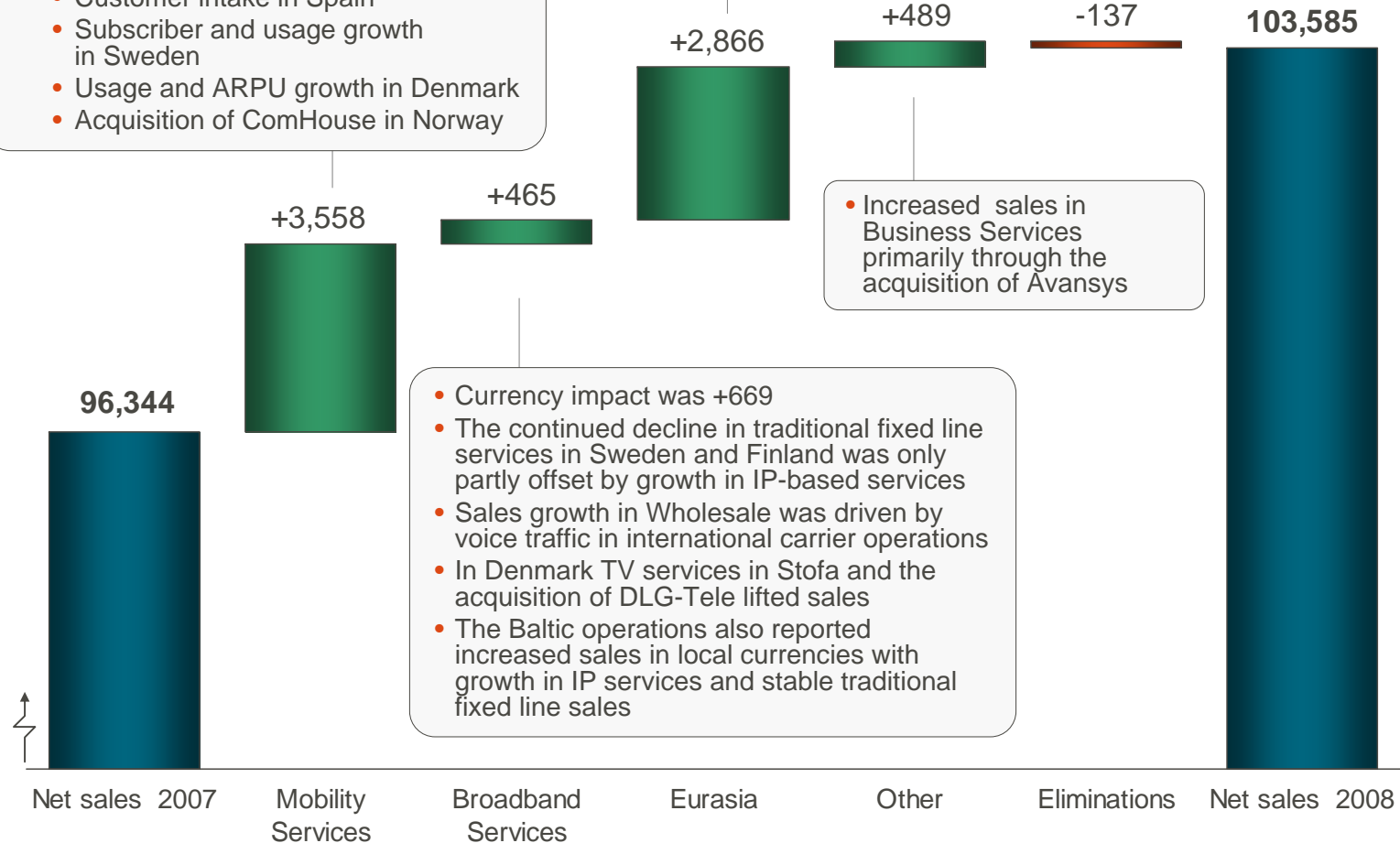


2008 Net Sales +7.5%

SEK million

- Currency impact was +1,065. Growth in local currency was driven by:
 - Customer intake in Spain
 - Subscriber and usage growth in Sweden
 - Usage and ARPU growth in Denmark
 - Acquisition of ComHouse in Norway

- Currency impact was +243
- Acquisitions in Tajikistan, Uzbekistan, Nepal and Cambodia contributed to growth
- All markets continued to show growth in volumes and net sales, organic growth in local currencies was 20%



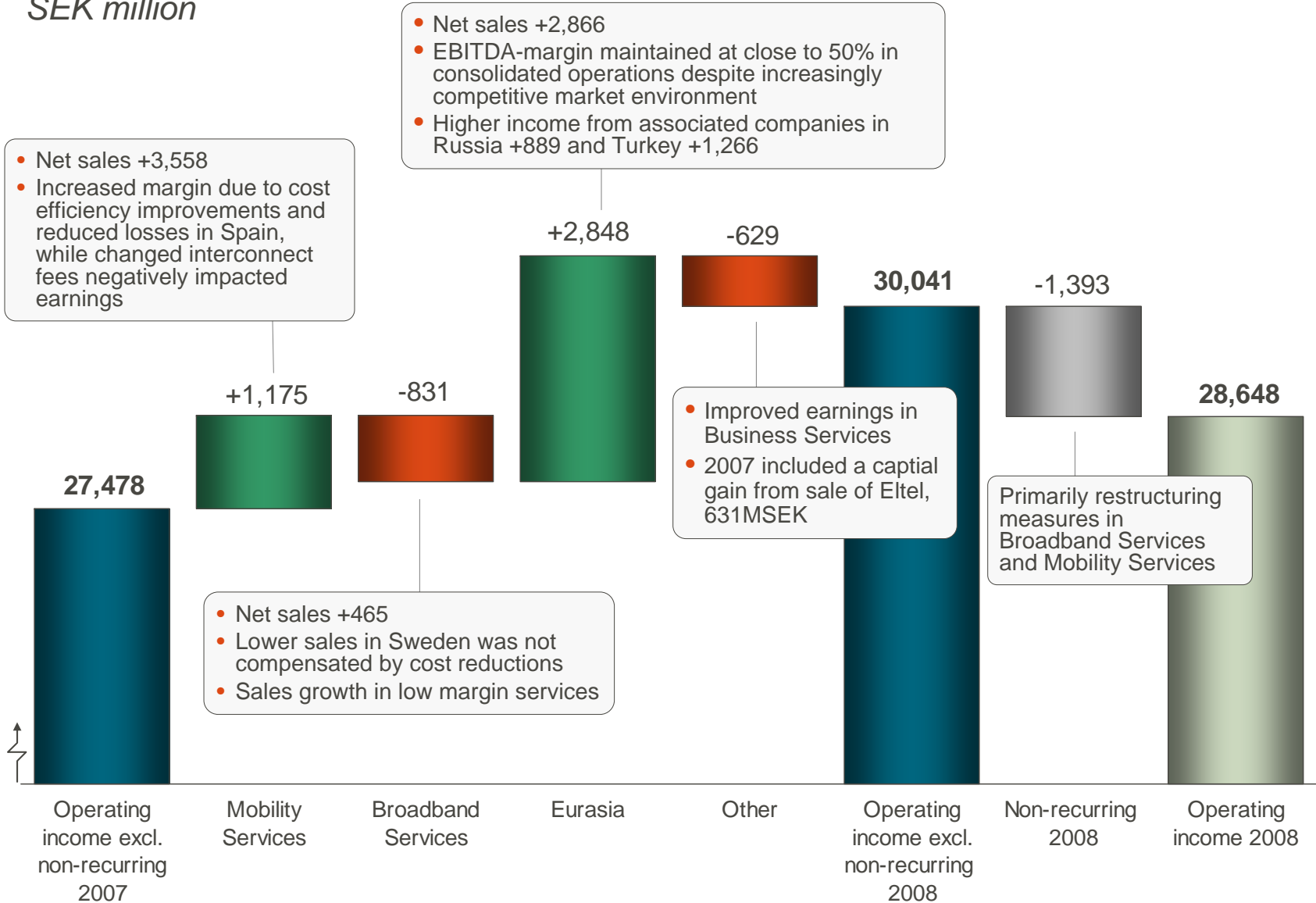
- Increased sales in Business Services primarily through the acquisition of Avansys

- Currency impact was +669
- The continued decline in traditional fixed line services in Sweden and Finland was only partly offset by growth in IP-based services
- Sales growth in Wholesale was driven by voice traffic in international carrier operations
- In Denmark TV services in Stofa and the acquisition of DLG-Tele lifted sales
- The Baltic operations also reported increased sales in local currencies with growth in IP services and stable traditional fixed line sales

Acquisitions +1.5% and FX 2.1%

2008 Operating Income Year-on-Year

SEK million



FX rates

Currency	Average 2008	Change vs 2007	Closing 2008	Change vs 2007	Average Q4 2008	Change vs 2007
Denmark / Krone	1,29	3,9%	1,47	15,5%	1,37	10,2%
Estonia / Kroon	0,61	4,0%	0,70	15,4%	0,65	10,1%
EMU/ Euro	9,62	4,0%	10,94	15,4%	10,24	10,1%
Britain / Pound	12,08	-10,7%	11,25	-12,8%	12,21	-7,0%
Georgia / Lari	4,43	9,7%	4,62	14,8%	5,02	26,9%
Kazakhstan / Tenge	0,05	-0,2%	0,06	20,5%	0,06	22,3%
Lithuania / Litas	2,79	4,0%	3,17	15,7%	2,97	10,2%
Latvia / Lat	13,68	3,6%	15,48	13,8%	14,44	8,8%
Moldova / Leu	0,64	15,0%	0,76	32,1%	0,76	33,7%
Norway / Krone	1,17	1,4%	1,10	-7,1%	1,15	-2,9%
Russia / Rouble	0,26	0,1%	0,26	-0,1%	0,28	9,4%
Tajikistan / Somoni	1,92	3,4%	2,23	20,7%	2,28	23,0%
Turkey / Lira	5,07	-2,1%	5,11	-7,3%	5,06	-6,0%
Ukraine / Hryvnia	1,26	-5,7%	1,01	-20,8%	1,28	0,9%
United States / Dollar	6,60	-2,4%	7,75	19,9%	7,78	21,3%
Uzbekistan / Sum	0,0050	-0,2%	0,0056	12,6%	0,0058	15,1%

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.

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