Kenneth Karlberg
President
Business Area Mobility Services
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*
Business Area Mobility Services
Growth and improving margins

- Continuous volume growth in all markets with high demand for smart phones, laptops and mobile broadband
- Price pressure due to competition and regulatory interventions
- Strong demand for mobile data services with continued investments in speed and quality of networks
- Continued good customer growth in Spain - target of 1 million customers reached
2008 in brief

• Continued strong uptake of mobile broadband
  – Number of customers increased by 135%

• Sharp rise in mobile data usage
  – Data traffic volume increased by 479%

• Continued roll-out of higher speeds in the networks
  – Turbo 3G coverage in all Nordic and Baltic countries
  – Increased number of WLAN hot spots

• First 4G-licenses awarded

• Commercial launch of SurfOpen

• Surf phone take-off through iPhone 3G

• Increased price pressure through regulation of termination and roaming
Mobile broadband explosion

DATA TRAFFIC

Volume increase: + 492%

Revenue increase: + 60%

Q4 2008 vs Q4 2007
iPhone 3G fever

**iPhone**
- Launched in seven countries
- Top selling phone in TeliaSonera shops
- Enables customers to enjoy mobility services in new ways
- Functional for business customers

**iPhone customers**
- In Denmark, 73% are completely new TeliaSonera customers
- Heavy users of mobile data
- Much higher ARPU than average TeliaSonera customer
iPhone customers are heavy users of mobile data

Data from: 200812, Sweden
iPhone customers are high ARPU customers

- in many countries more than double ARPU compared to other Smartphone users
TeliaSonera Content highlights

• SurfPort continues to increase
  – +36% of unique users in Denmark during last two months

• Launch of “All-you-can-eat-music” service
  – All major music labels, incl. EMI, Universal, Warner and Sony Music
  – Accessing more than 4 million music tracks

• SurfOpen is by far the most popular function in SurfPort Sweden
  – Twice as many visitors as ring tone services
  – Proving large interest in mobile browsing

Revenues from Content continuous to increase, showing more than doubled growth 2007-2008.
Investing in speed and capacity

• Accelerating Turbo 3G roll-out
  – Almost 8 million inhabitants in Sweden have access to Turbo 3G
  – Now intense roll out of 14.4 Mbit/s

• TeliaSonera’s goal is to be one of the first operators in the world to launch 4G
  – Commercial 4G city networks in 2010, Stockholm and Oslo
  – Ericsson and Huawei chosen for the initial city networks
Mobile broadband

Seeking lower production cost per Mb through:
• Less expensive technology (base stations, switches, access networks)
• New networks (LTE/4G)
• Alternative ways of building & operating (sharing)
• Consolidation of networks

Move towards differentiated portfolio
• Bundles
• Speed
• Volume
• Flat rate & flex rate
• Combinations
Frequencies going forward

• Existing GSM licenses should be renewed to safeguard investments and innovation
• Open tender procedure only if enough new spectrum for additional license, and demand exceeds supply
• Auction with caution - lessons learned from UK and Germany in 2000
• Auctions must not maximise revenues at the expense of industry and consumers

Need for long-term frequency strategy on each market to ensure certainty for future investments
Lower prices for mobile data abroad

- European Connect
- Cheaper for customers to use mobile data in Europe from 1 April, 2008
- 50 – 70% lower prices
- Maximum daily charge product launched in October, 2008: 50 Mb for 20 Euro (SE, DK, NO)

TeliaSonera supports the Commission’s initiative to lower data roaming prices. Our customers should be able to enjoy mobility services at reasonable prices also when abroad.
Telecommunications - a healthy and vibrant industry

- TeliaSonera showed revenue growth and increased earnings during 2008
- Many useful communication tools offered enterprises and consumers
- Investments require long term and reliable regulation
- European telecom industry is based on an open architecture
A new world of competition – the race for the screen

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Primary revenue base: Transactions, Equipment, Equipment/Access, Advertisement, Access

Industry logic/driver: OS & Software, Hardware, Network, Clicks, Networks

Lower → Device openness → Higher
Continued openness essential

- Everybody expects us to deliver their calls to any network at any time to any place
- Global trend towards open and standardized technology

The successful European telecom industry is founded on openness – let’s develop that tradition!