

A photograph of a family jumping on a sandy dune. In the foreground, a young girl in a light green jacket and light-colored pants is jumping with her arms outstretched and a joyful expression. Behind her, the legs and feet of two other people are visible as they jump. The background shows a clear blue sky with some clouds and green coastal vegetation on the left.

Interim Report

January - June 2009

Lars Nyberg
President and CEO

Strong performance driven by cost savings

Q2 2009 in brief

- Net sales SEK 27,478 million (25,274)
 - Increase +8.7%
 - Local organic -0.7%
 - FX effect +8.3%
 - Acquisitions +1.1%
- EBITDA* SEK 9,043 million (7,978)
 - Increase +13.3%
 - EBITDA margin* 32.9% (31.6)
- EPS SEK 1.00 (0.92)
- Strong balance sheet
 - Net debt/EBITDA* 1.4x
- Free Cash Flow SEK 3,499 million (2,471)

* Excluding non-recurring items

Market trends per business area

Eurasia

- Organic growth improved compared to first quarter
- High profitability maintained
- More than 20 million subscriptions

Mobility Services

- Impact from economic downturn visible
- Strong mobile data growth in Sweden
- Focus on defending margins

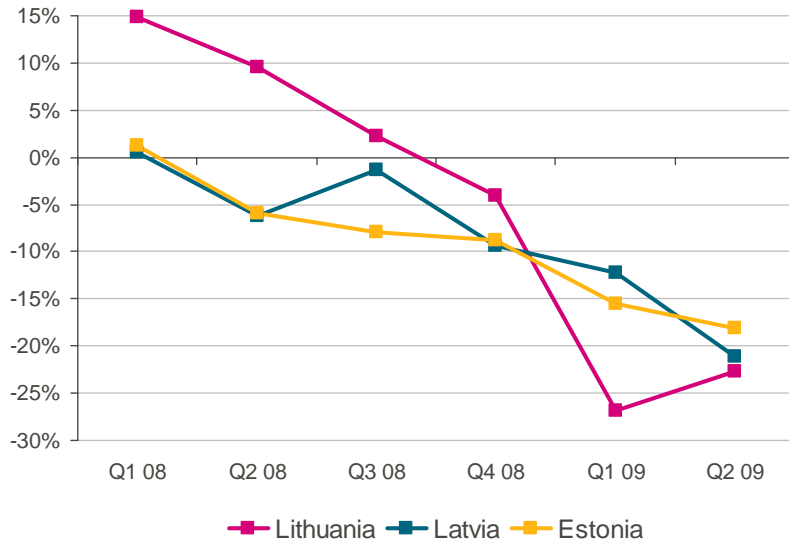
Broadband Services

- Impact from economic downturn limited
- Increasing demand for IP-based services
- IPTV revenues tripled

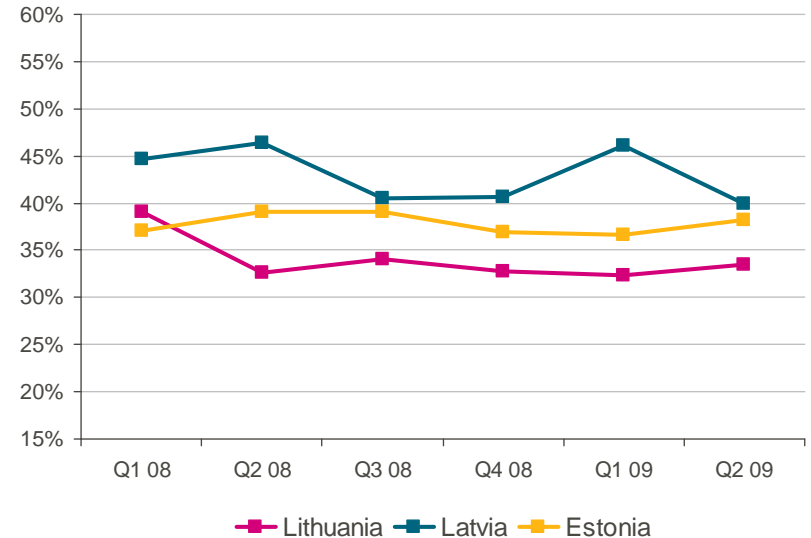


Defending margins despite weak macro trends

Mobile revenue growth, local currency



Mobile EBITDA* margin

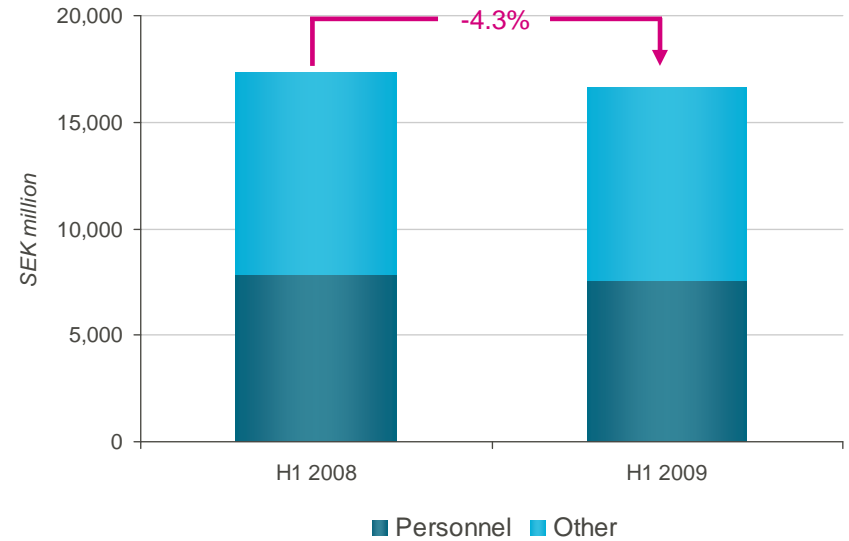
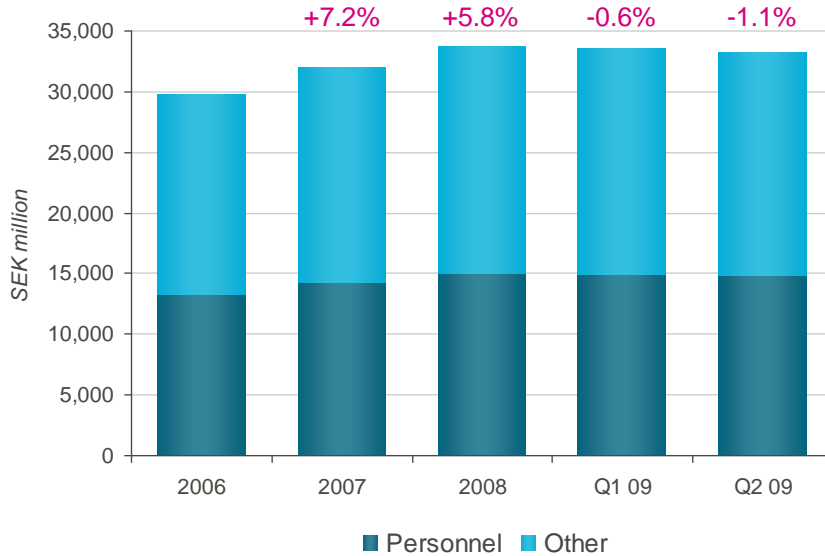


- In the Baltic countries, mobile net sales decreased by approximately 20 percent

- EBITDA* margins remained largely at the same level as last year due to reduced costs

* Excluding non-recurring items

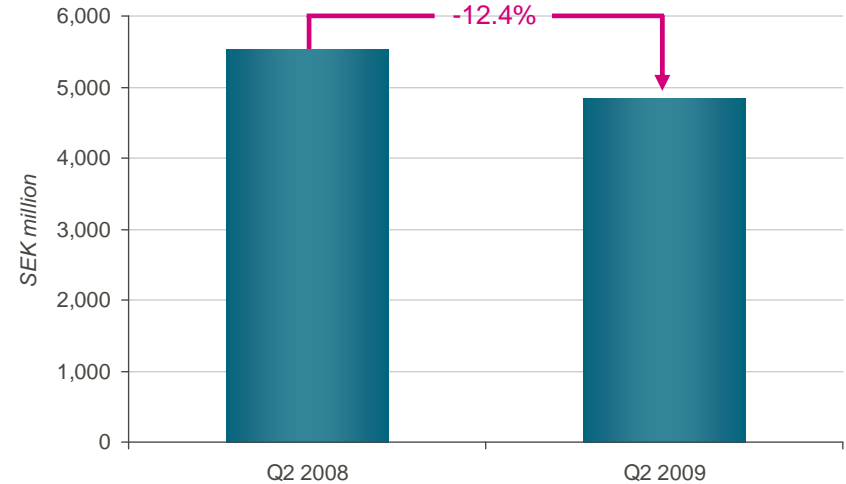
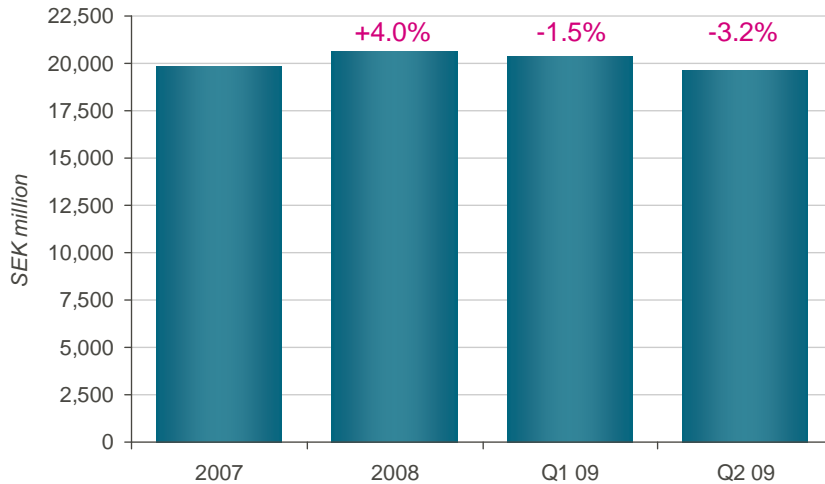
OPEX development – Group



- Rolling 4 quarter values, in local currencies and excluding acquisitions

- Quarterly values, in local currencies and excluding acquisitions

OPEX development – Sweden and Finland



- Rolling 4 quarter values, in local currencies and excluding acquisitions

- Quarterly values, in local currencies and excluding acquisitions

Group outlook 2009 (revised)

- Net sales in local currencies and excluding acquisitions are expected to be in line with or slightly below the level of 2008.
- We expect the addressable cost base in 2009 to be below the SEK 33.8 billion in 2008, in local currencies and excluding acquisitions.
- The EBITDA margin 2009 is expected to exceed the level of 2008, excluding non-recurring items.
- The CAPEX-to-sales ratio is expected to be in the range of 13-14 percent in 2009.





Interim Report

January - June 2009

Per-Arne Blomquist
Executive Vice President and CFO

Strong second quarter

<i>SEK million</i>	Apr – Jun 2009	Apr – Jun 2008	<i>Change</i> %
Net sales	27,478	25,274	9
EBITDA*	9,043	7,978	13
<i>EBITDA* margin</i>	32.9%	31.6%	
Operating income*	8,176	7,410	10
Non-recurring items	-712	-592	
Operating income	7,464	6,818	9
Financial items	-788	-631	
Net income**	4,469	4,130	8
EPS, SEK	1.00	0.92	9
CAPEX	2,974	4,475	-34
<i>CAPEX-to-sales</i>	10.8%	17.7%	
Free Cash Flow	3,499	2,471	42

* Excluding non-recurring items

** Attributable to owners of the parent company

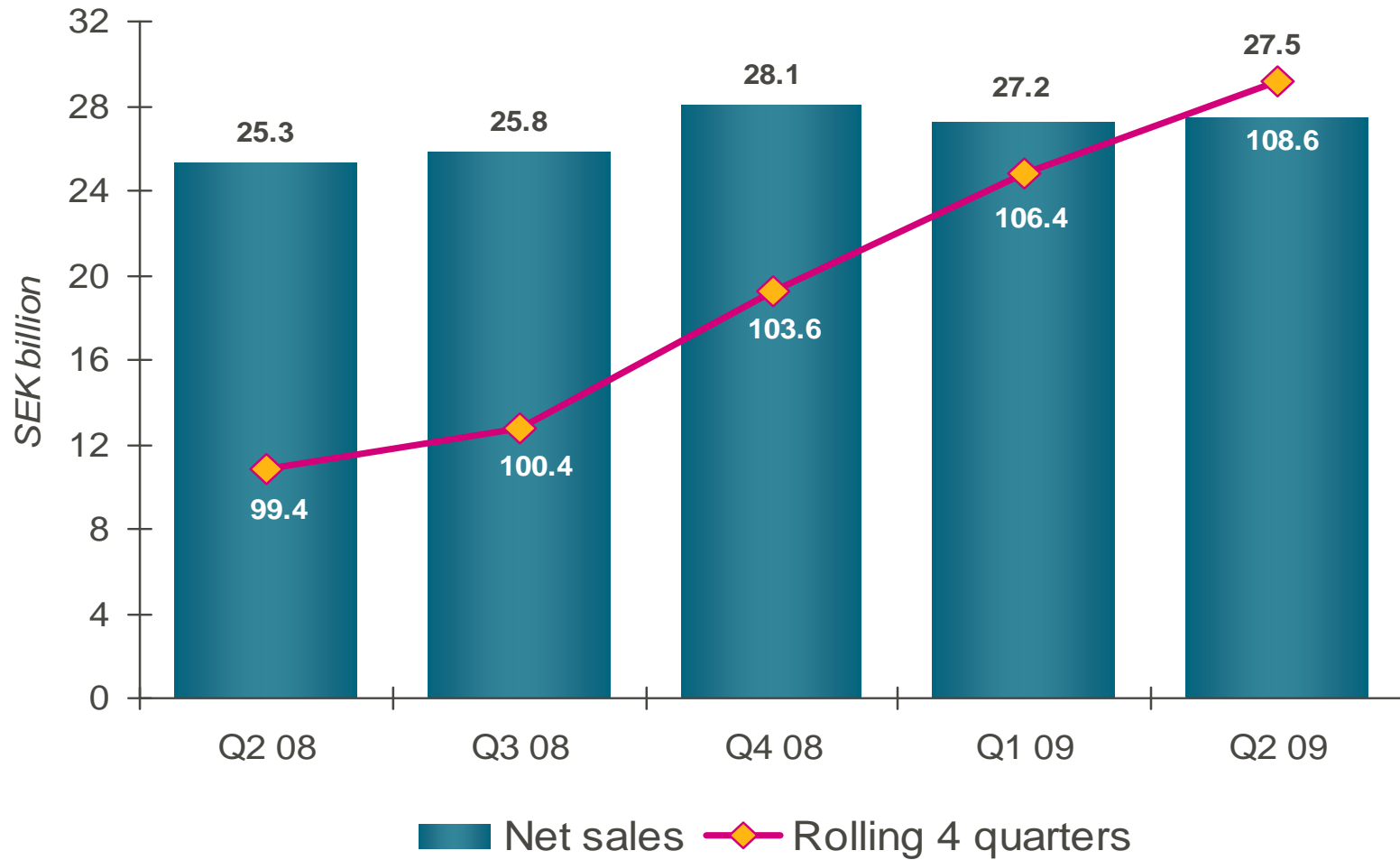
Strong first half

<i>SEK million</i>	Jan – Jun 2009	Jan – Jun 2008	<i>Change</i> %
Net sales	54,682	49,672	10
EBITDA*	17,864	15,733	14
<i>EBITDA* margin</i>	32.7%	31.7%	
Operating income*	15,653	14,160	11
Non-recurring items	-938	-772	
Operating income	14,715	13,388	10
Financial items	-1,647	-644	
Net income**	8,909	8,595	4
EPS, SEK	1.98	1.91	4
CAPEX	6,048	7,705	-22
<i>CAPEX-to-sales</i>	11.1%	15.5%	
Free Cash Flow	7,781	3,581	117

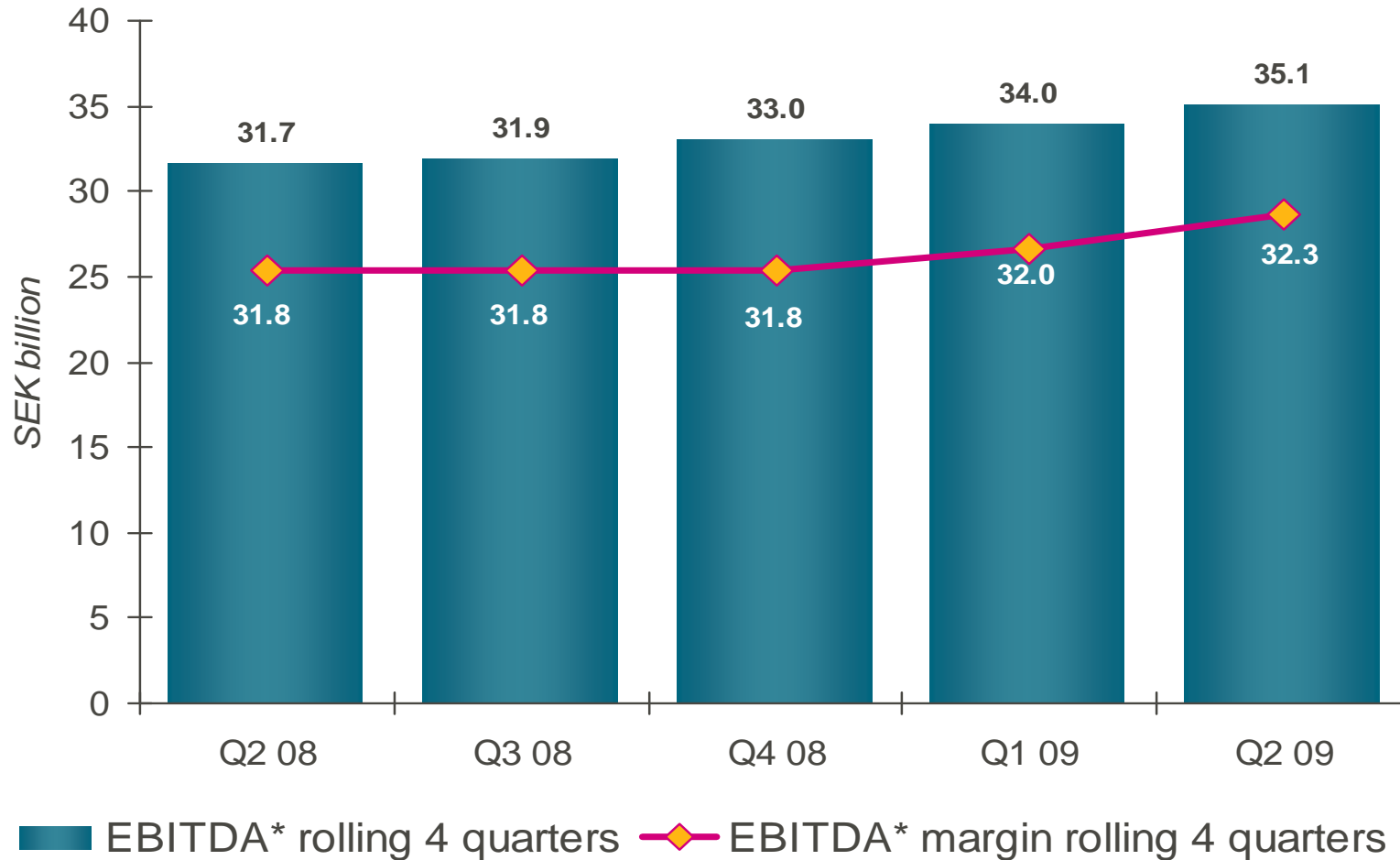
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** Attributable to owners of the parent company

Net sales trend – Group

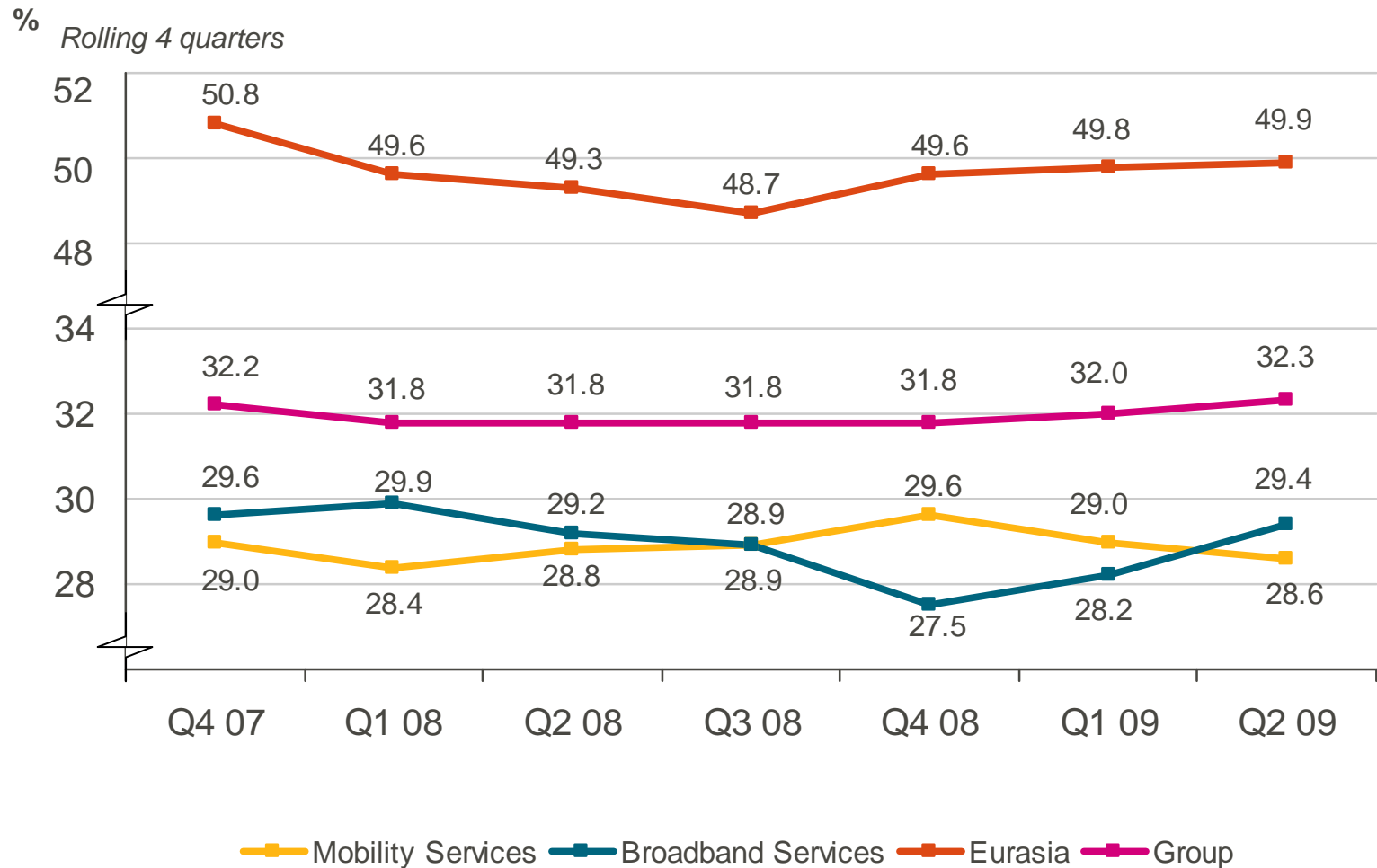


EBITDA margin* trend – Group



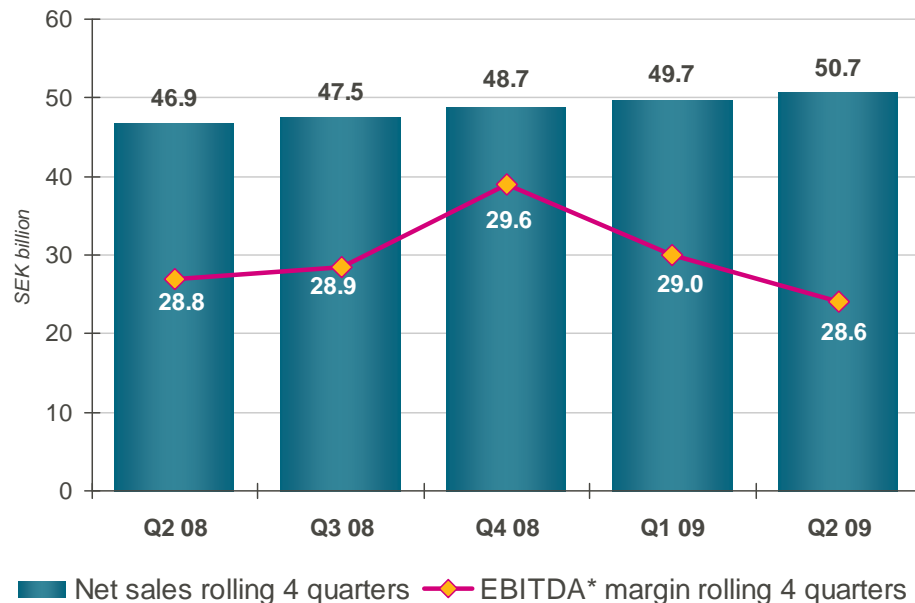
* Excluding non-recurring items

EBITDA margin trend (excluding non-recurring items)



Mobility Services

Continued strong mobile data growth



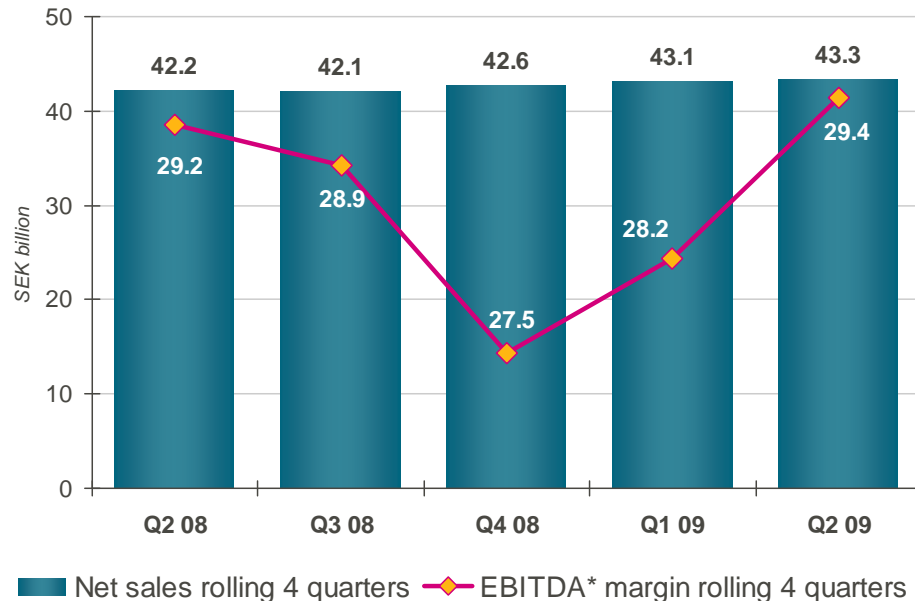
- The economic downturn visible in most countries in terms of lower equipment sales, reduced roaming and usage
- Strong performance continued in Sweden, revenues grew 5.1 percent
- In the Baltics, net sales in local currencies decreased approximately 20 percent
- In Norway, net sales in local currency decreased mainly as a result of lower interconnect and the loss of a national roaming agreement
- Addressable costs in local currencies and excluding acquisitions decreased 0.9 percent compared to last year

Net sales in local currencies decreased 1.4 percent during Q2 2009

* Excluding non-recurring items

Broadband Services

Significant profitability improvement



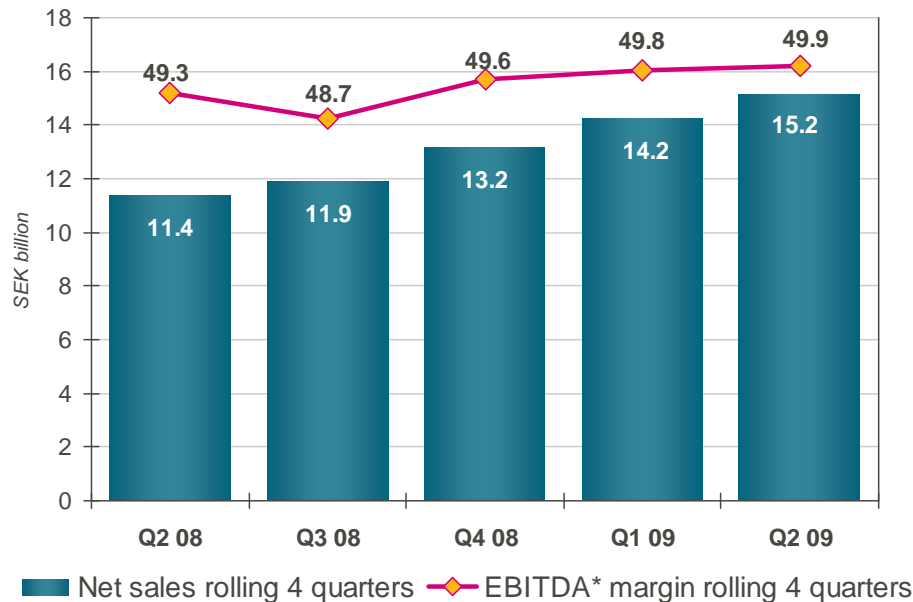
- Margins improved considerably from the second quarter last year due to efficiency measures
- Addressable costs in local currencies and excluding acquisitions decreased 14.8 percent compared to last year
- Sales of IP-based services increased 19.7 percent in reported currency and represents one third of net sales
- The price increases in fixed telephony in Sweden had a modest impact in the second quarter
- The loss of fixed-voice subscriptions was somewhat higher than in previous quarters

Net sales in local currencies decreased 4.7 percent during Q2 2009

* Excluding non-recurring items

Eurasia

High profitability maintained

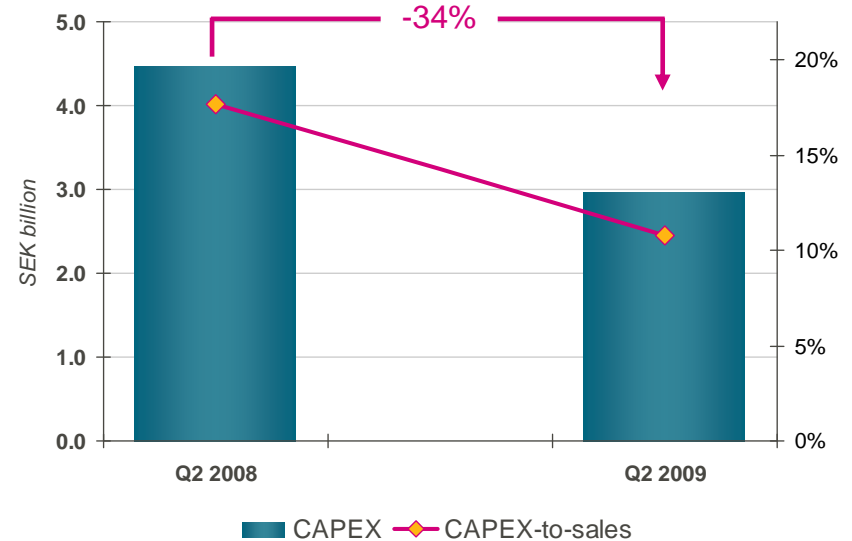
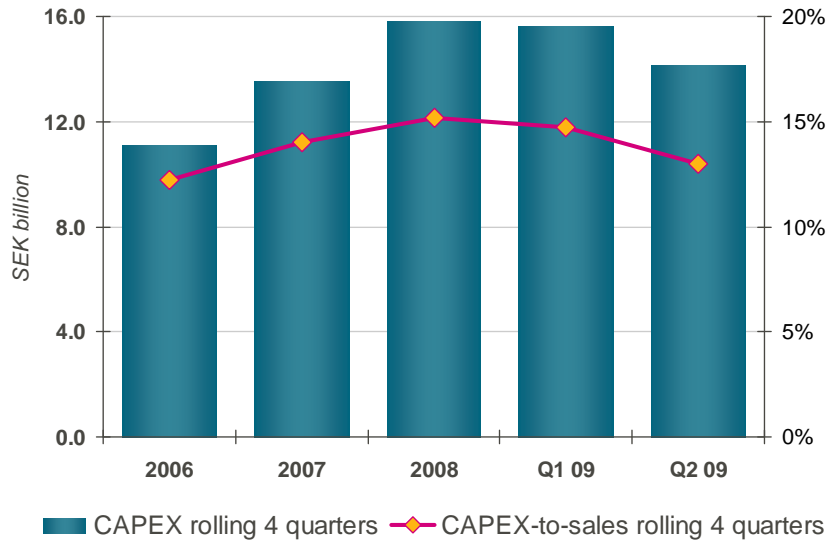


- Reached 20 million subscriptions in our majority owned operations
- Maintained market leadership in Kazakhstan, Azerbaijan, Tajikistan and Georgia, and maintained positions in all other markets
- Organic revenue growth improved somewhat compared to the first quarter
- EBITDA* margin increased to 50.2 percent (49.8) in the second quarter, driven by balanced growth approach and cost control

Net sales in local currencies increased 8.6 percent during Q2 2009

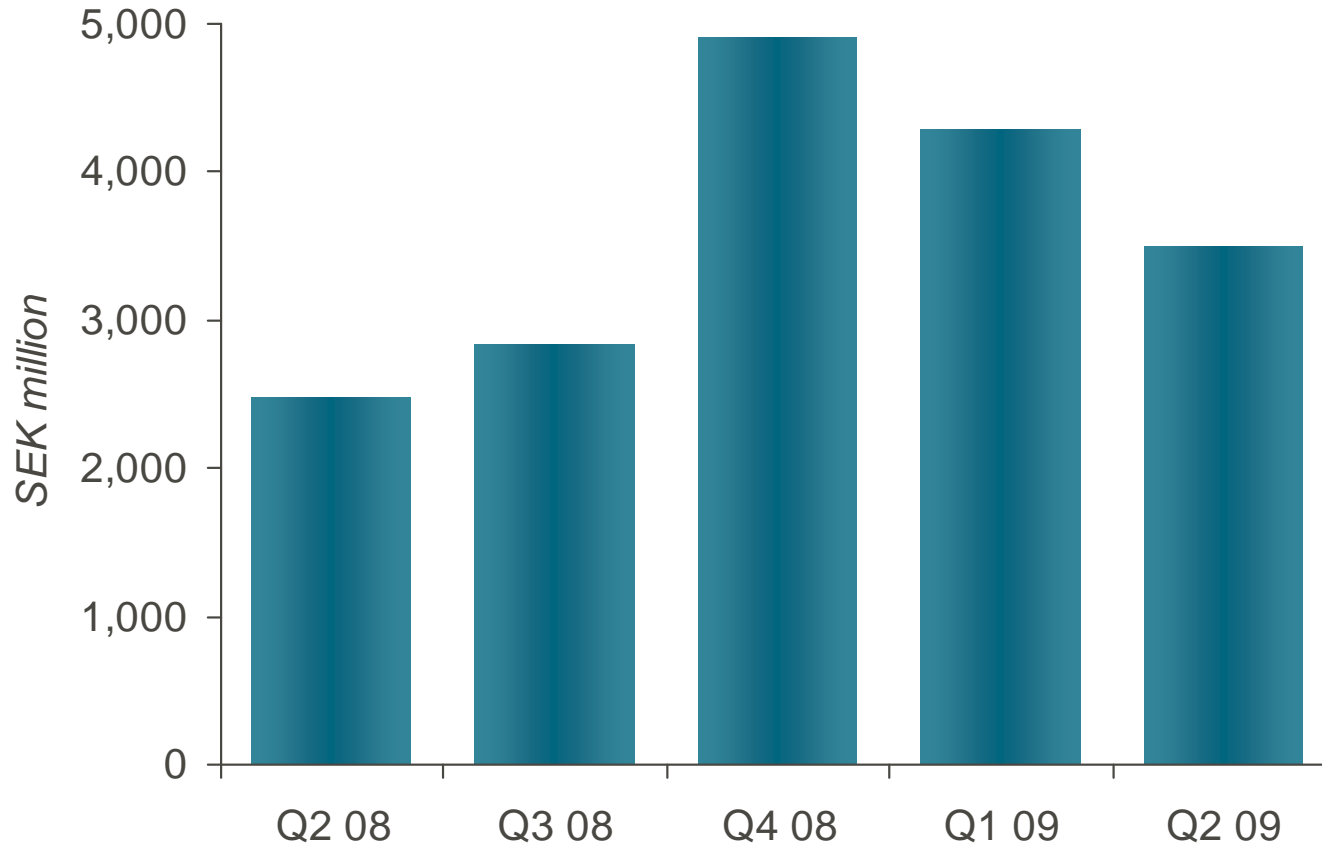
* Excluding non-recurring items

CAPEX trend – Group



In local currencies CAPEX decreased
38.5 percent Q2 2009 vs Q2 2008

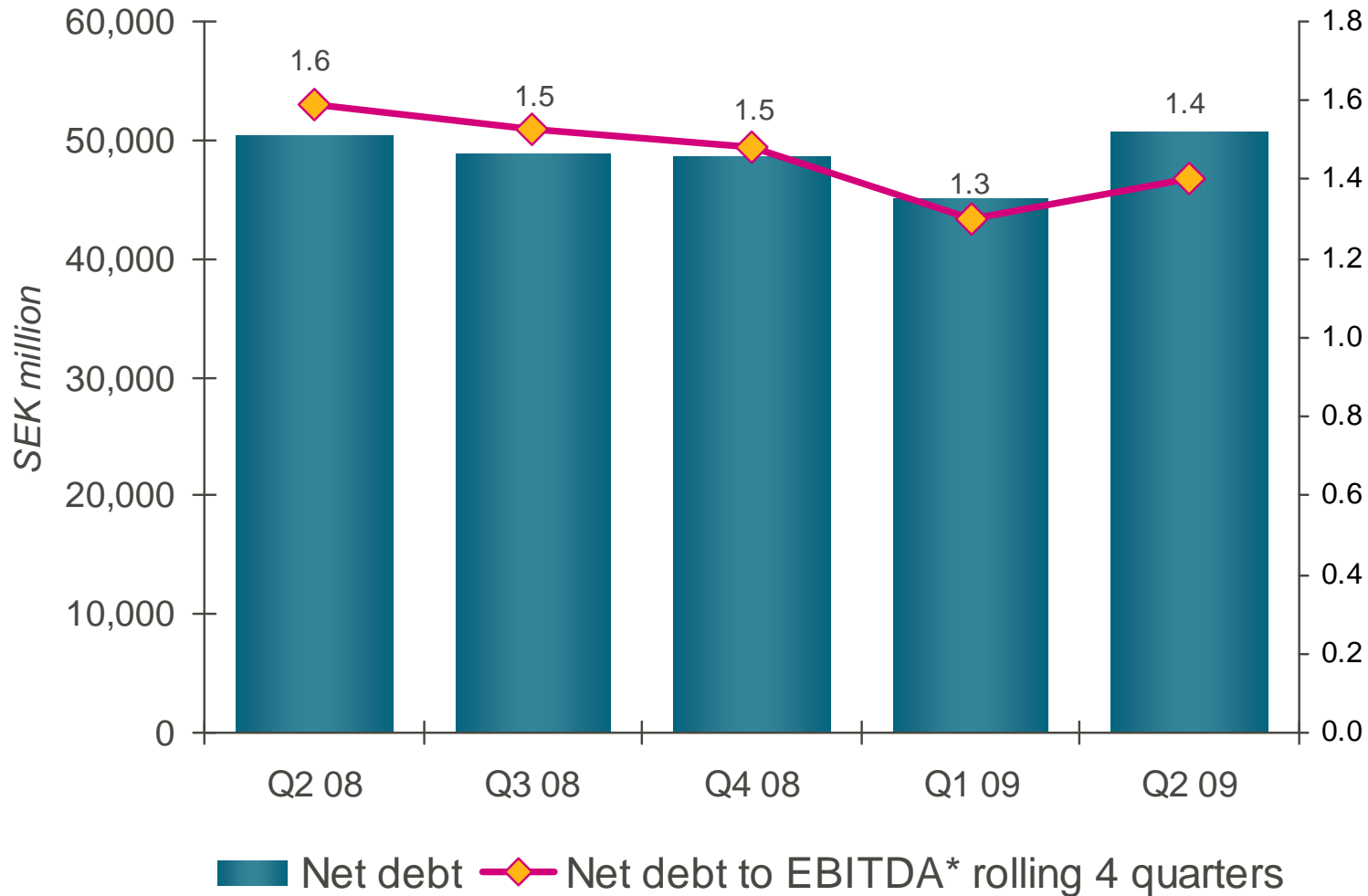
Free cash flow – Group



Free cash flow was SEK 3.5 billion (2.5), mainly due to:

- Higher EBITDA
- Lower CAPEX

Group financial profile



* Excluding non-recurring items

Strong financial key ratios

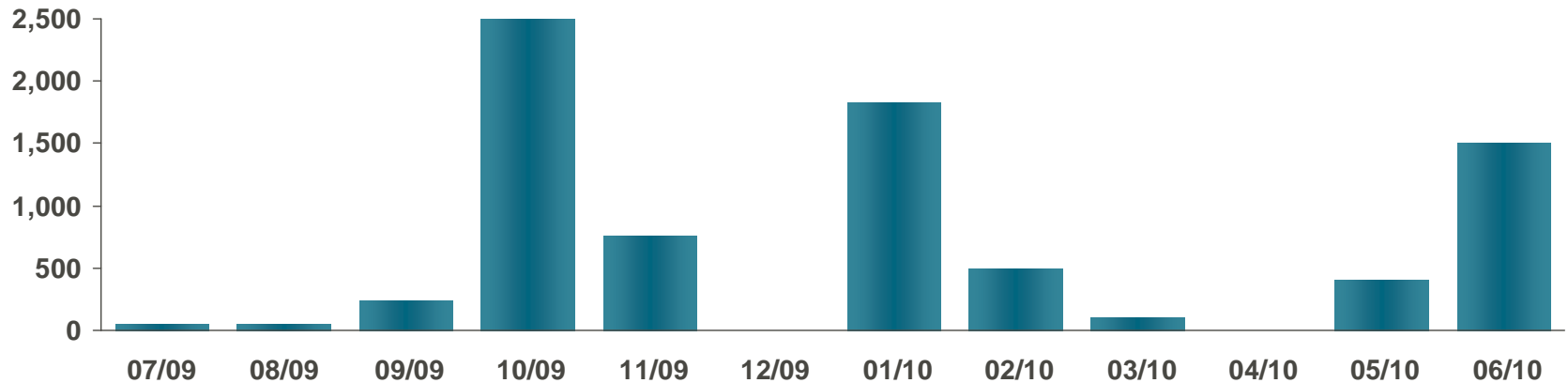
	Jun 30, 2009	Dec 31, 2008
Return on equity*	17.0%	17.2%
Return on capital employed*	16.8%	17.3%
Equity/assets ratio	51.8%	50.5%
Net debt/equity ratio	37.1%	36.5%

* Rolling 12 months

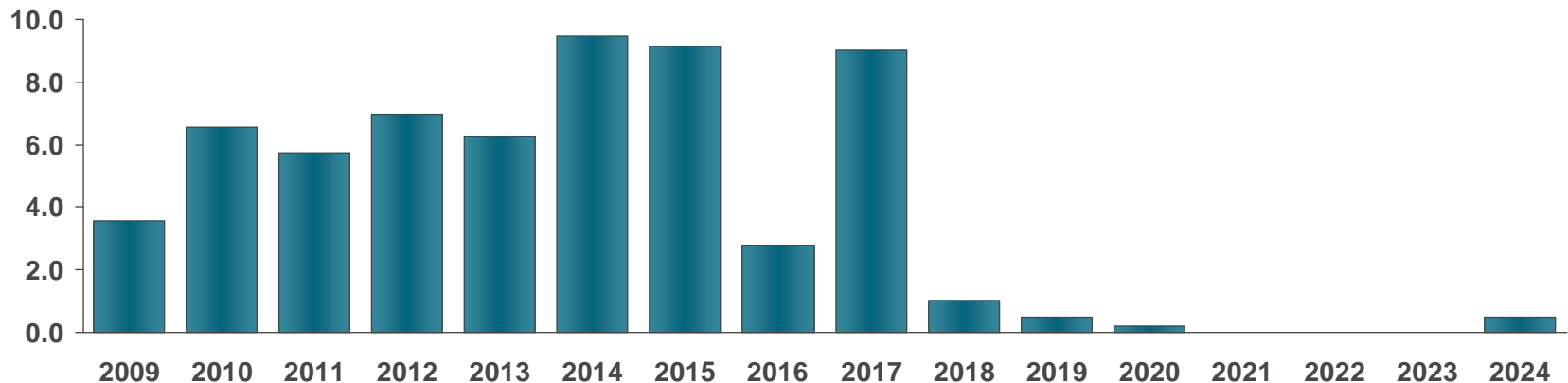
One of the best rated Telecom Operators in Europe

Debt maturity schedule (excl. lease and pension liabilities)

Debt Maturing next 12 months (SEK million), *June 30, 2009*



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



Group outlook 2009 (revised)

	Outlook 2009	Actual H1 2009
Net sales	In line with or slightly below the level of 2008*	-0.1 percent
Addressable cost base	Below the SEK 33.8 billion of 2008*	-4.3 percent
EBITDA margin**	Exceed the margin level of 2008 (31.8 percent)	32.7 percent
CAPEX-to-sales ratio	In the range of 13-14 percent (15.2 percent)	11.1 percent
Number of employees	Around 30,000	30,918 vs 32,171 year-end 2008

* In local currencies and excluding acquisitions

** Excluding non-recurring items

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Interim Report

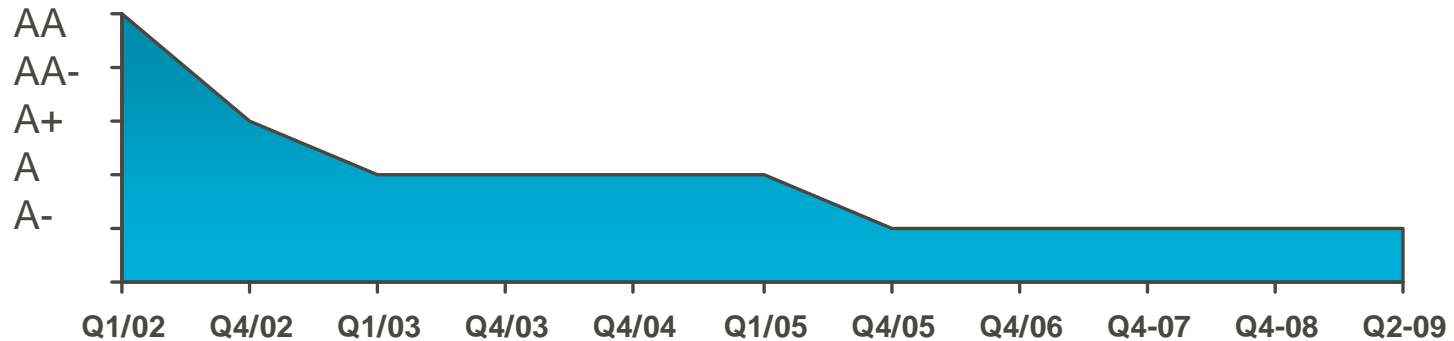
January - June 2009

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.

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
- November 1, 2006, outlook changed to Negative
- October 30, 2007, lowered long- and short-term debt rating to **A3** and P-2 respectively
- February 12, 2009, debt ratings confirmed
- **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
- July 13, 2009, 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 approximately SEK 9 billion

Committed bank lines	Maturity	Size	Amount undrawn
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 1.4 billion

June 30, 2009

Credit statistics - Group Year-end 2008

TeliaSonera estimates

<i>TS Reported (SEK billion)</i>	2008
Gross Debt	65.8
Cash & Liquidity ¹⁾	11.8
Derivative Adjustment	4.3
Net Debt	49.7
Moody's	
Adjusted Net Debt ²⁾	83
Adjusted Retained Cash Flow ³⁾	20.6
Adjusted (RCF/Net Debt)	25%
S&P	
Adjusted Net Debt ⁴⁾	65
Adjusted EBITDA ⁵⁾	32
Adjusted (Net Debt/EBITDA)	2X

TeliaSonera estimates

- 1) Cash and cash equivalents incl. STI < 3 months
- 2) Net debt + pensions (5) + non-standard adj. etc. (11) + operating lease adj. (13) + No deduction of positive Debt derivatives. (4)
- 3) Cash flow before change in working cap (28.5) + operating lease adj. (1.7) - aligned & unusual FFO (0.3) - ordinary dividend payment (common & minority) (10) (Moody's approach)
- 4) Net debt + adj. incl. pensions, credit guarantees & blocked funds (8) + operating lease adj. (7) (S&P's approach)
- 5) Op income before D&A (40.8) - Associates (9.1) + operating lease effect etc. (+0.3) (S&P's approach)

Net sales - Group & per Business area

<i>SEK million</i>	Apr – Jun 2009	Apr – Jun 2008	<i>Change %</i>
Mobility Services	13,030	12,071	8
Broadband Services	10,740	10,557	2
Eurasia	3,786	2,858	32
Other operations	1,331	1,190	12
The Group	27,478	25,274	9

EBITDA* and margin - Group & per Business area

<i>EBITDA*</i> <i>SEK million</i>	Apr – Jun 2009	Apr – Jun 2008	<i>Change</i> <i>%</i>
Mobility Services	3,720	3,663	2
Broadband Services	3,345	2,741	22
Eurasia	1,900	1,422	34
Other operations	45	144	-69
The Group	9,043	7,978	13

<i>EBITDA* margin, %</i>	Apr – Jun 2009	Apr – Jun 2008	<i>Change</i> <i>% point</i>
Mobility Services	28.5	30.3	-1.8
Broadband Services	31.1	26.0	5.1
Eurasia	50.2	49.8	0.4
Other operations	3.4	12.1	-8.7
The Group	32.9	31.6	1.3

* Excluding non-recurring items

Statement of cash flows

<i>SEK million</i>	Apr – Jun 2009	Apr – Jun 2008
EBITDA excluding non-recurring items	9,043	7,978
Dividends received from associated companies	984	674
Interest paid (net)	-364	-344
Income taxes paid	-722	-949
Payment of restructuring provisions	-303	-99
Difference between paid/recorded pensions	-93	-132
Changes in working capital and other items, net	-2,115	-63
Cash flow from operating activities	6,430	7,065
Cash CAPEX	-2,931	-4,594
Free cash flow	3,499	2,471
Cash flow from other investing activities	-110	392
Cash flow before financing activities	3,389	2,863
Cash flow from financing activities	-8,263	-10,467
Change in cash & cash equivalents	-4,847	-7,604