



Interim Report

January – September 2009

Lars Nyberg
President and CEO

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Record-high profitability

- Highest earnings to date
- Revenues in local currencies unchanged
- EBITDA margin improved to 36.1 percent (34.7)
- Operating income improved 3 percent despite notably lower income from associated companies
- Free cash flow increased 62 percent



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Market trends per business area

Mobility Services

- Sweden continued to perform well
- Strong demand for mobile data and mobile broadband
- Still challenging in the Baltic countries

Broadband Services

- Strong demand for bundled offerings
- Positive impact from price increases in Sweden
- IP based services represent 35 percent of net sales

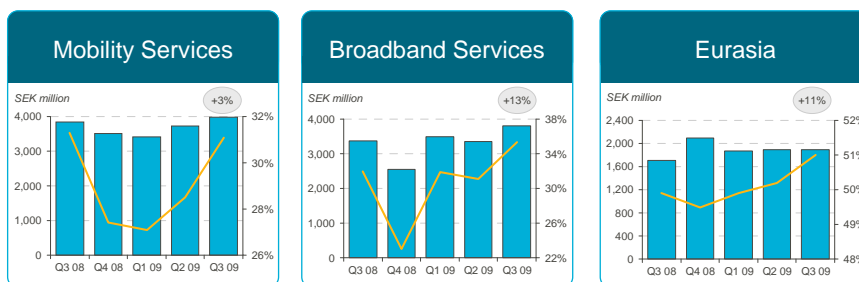
Eurasia

- Traffic minutes grew by more than 50 percent
- Customers somewhat more price sensitive
- Profitability improved from already high levels

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Delivering on cost efficiency



EBITDA, excluding non-recurring items, and EBITDA margin, excluding non-recurring items

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Increased ownership in core holdings



- Increased ownership in Eesti Telekom to 97.58 percent (60.12). Squeeze-out process initiated

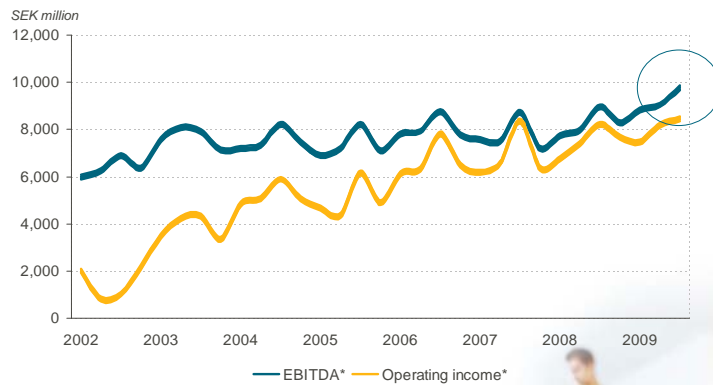
- Increased ownership in TEO LT to 68.08 percent (62.94) of votes and 64.90 percent (60.00) of capital

Continue to look for opportunities to increase ownership in core holdings

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Highest earnings to date



* Excluding non-recurring items

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Per-Arne Blomquist
Executive Vice President and CFO

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Record-high profitability

Q3 2009 in brief

- Net sales SEK 27,069 million (25,817)
 - Increase +4.8%
 - Local organic 0%
 - FX effect 3.8%
 - Acquisitions 1.0%
- EBITDA* SEK 9,763 million (8,949)
 - Increase +9.1%
 - EBITDA margin* 36.1% (34.7)
- EPS SEK 1.12 (1.06)
- Strong balance sheet
 - Net debt/EBITDA* 1.3x
- Free Cash Flow SEK 4,583 million (2,829)

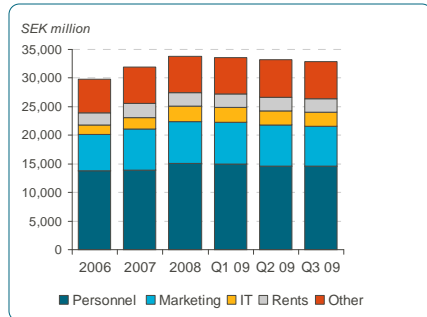
* Excluding non-recurring items

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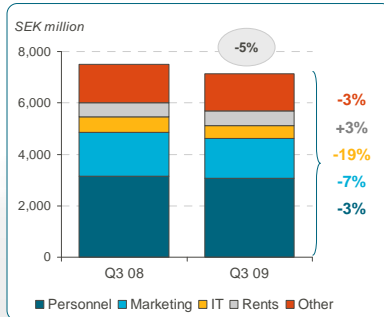


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Addressable cost base – Group



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

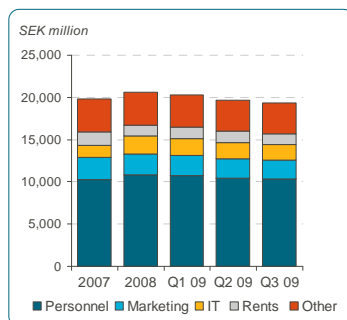


- Quarterly values, in local currencies and excluding acquisitions

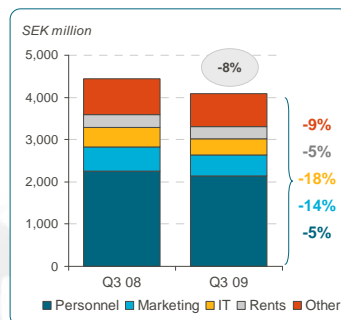
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Addressable cost base – Sweden and Finland



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

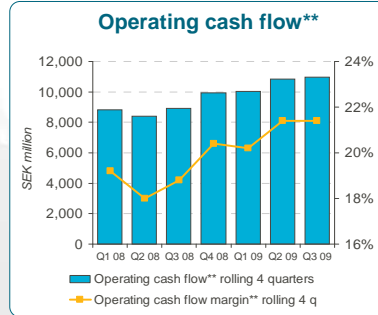
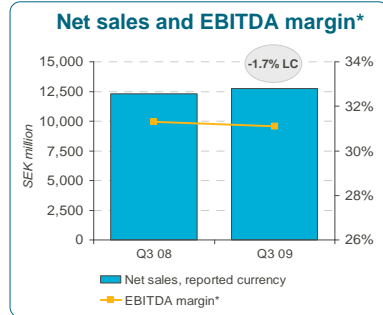


- Quarterly values, in local currencies and excluding acquisitions

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Business area – Mobility Services



- Continued revenue growth in Sweden, still challenging in the Baltics
- EBITDA margin essentially unchanged at 31.1% (31.3)
- Effects of cost savings, addressable cost base -2.5% y/y

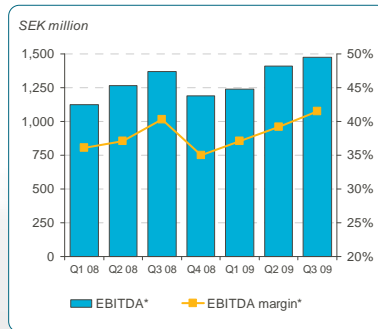
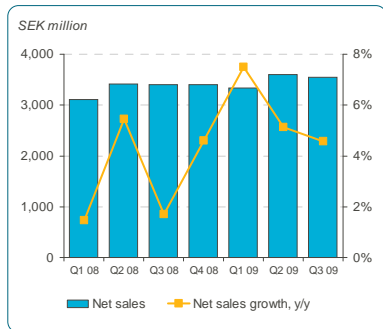
* Excluding non-recurring items

** Operating cash flow defined as EBITDA, excluding non-recurring items, minus CAPEX

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Mobility Services – Sweden



- Revenue growth (4.6% y/y) driven by mobile data and mobile broadband
- 90,000 new post-paid subscriptions in the quarter, mainly mobile broadband
- Good cost control improved the EBITDA margin to 41.5% (40.3) in Q3 2009

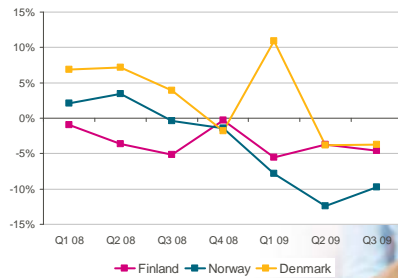
* Excluding non-recurring items

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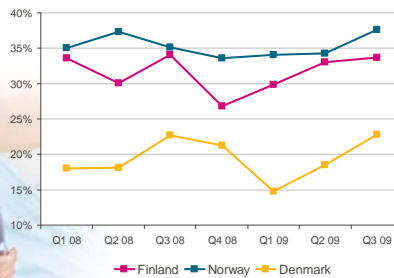
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Mobility Services – Other Nordic countries

Organic revenue growth, local currency



EBITDA* margin



- The revenue decline mainly driven by regulatory effects and the loss of a service provider agreement in Norway

- Successful cost reduction left EBITDA* margins at the same or above last year's level

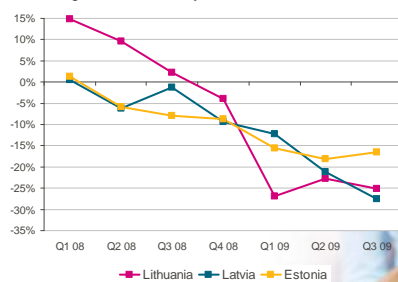
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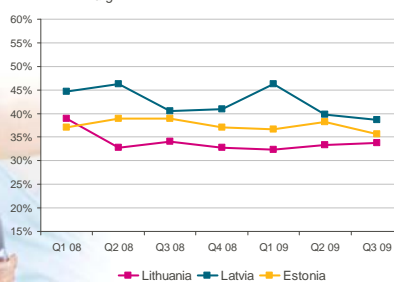
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Mobility Services – Baltic countries

Revenue growth, local currency



EBITDA* margin



- Net sales decreased due to lower sales of equipment and lower traffic revenues

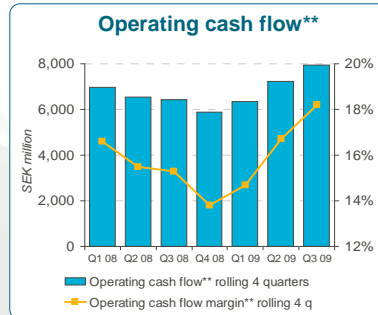
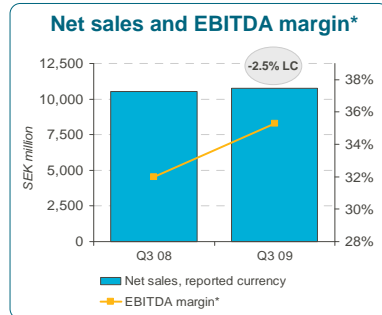
- EBITDA* margins remained largely at the same level as last year due to reduced costs

* Excluding non-recurring items

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Business area – Broadband Services



- Improvement in organic growth, partly due to price increases in Sweden
- Significant improvement in EBITDA margin, 35.3% (32.0) in Q3 2009
- Operating cash flow improved by 34% to SEK 2.8 billion (2.1) in Q3 2009

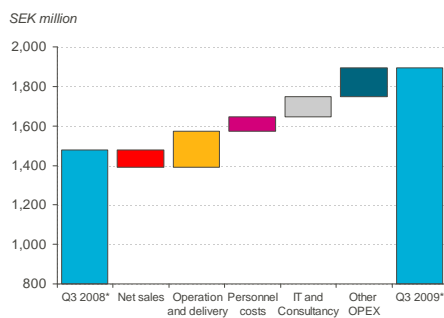
* Excluding non-recurring items

** Operating cash flow defined as EBITDA, excluding non-recurring items, minus CAPEX

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Sustainable cost savings – Broadband Sweden



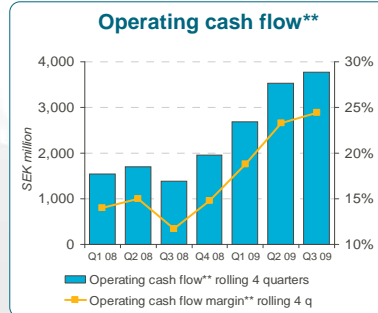
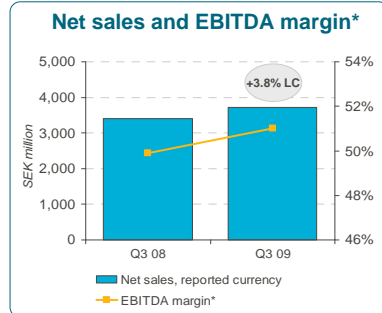
- Decrease in net sales but:
 - Growth in IP based services
 - Positive impact from price increases
- Operation and delivery
 - Subcontractors, renegotiations
 - COGS
 - Interconnect
- Personnel costs
 - Fewer employees
- IT and Consultancy
 - Reduced number of IT systems
 - Consultancy
- Other OPEX
 - More focused marketing
 - Rents, reduced number of premises
 - Better processes
 - Less travelling

* EBITDA, excluding non-recurring items

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Business area – Eurasia



- Total traffic growth of more than 50% compared to last year
- Maintained high profitability, EBITDA margin at 51.0% (49.9) in Q3 2009
- Continued improvement in operating cash flow

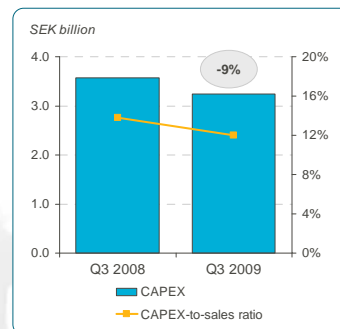
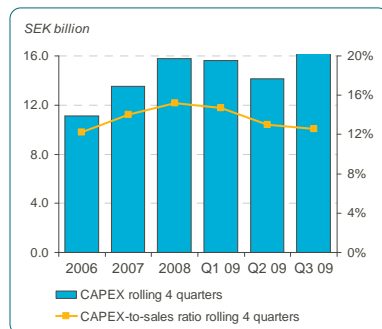
* Excluding non-recurring items

** Operating cash flow defined as EBITDA, excluding non-recurring items, minus CAPEX

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Cautious on CAPEX but still investing

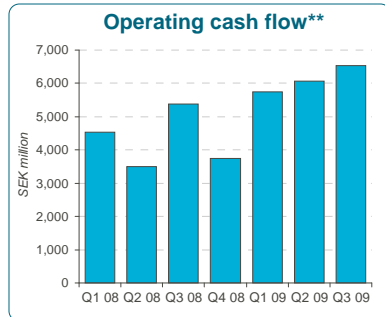


- CAPEX-to-sales still low during 2009, 11.4% (14.9)
- Strict prioritizing of projects and changed approval routines
- Tender process for 4G licenses in Finland and Denmark 2009 or early 2010

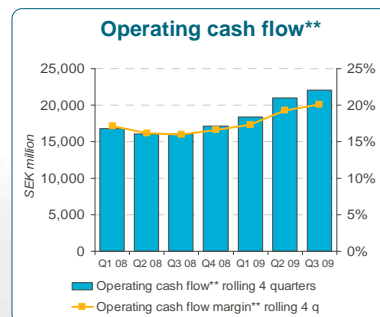
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Improvement in operating cash flow



- Quarterly operating cash flow, EBITDA* - CAPEX



- Quarterly operating cash flow (rolling 4 quarters), EBITDA* - CAPEX

* Excluding non-recurring items

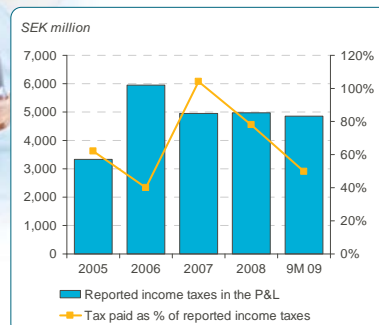
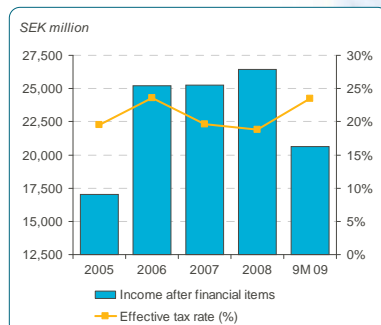
** Operating cash flow defined as EBITDA, excluding non-recurring items, minus CAPEX

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Income taxes

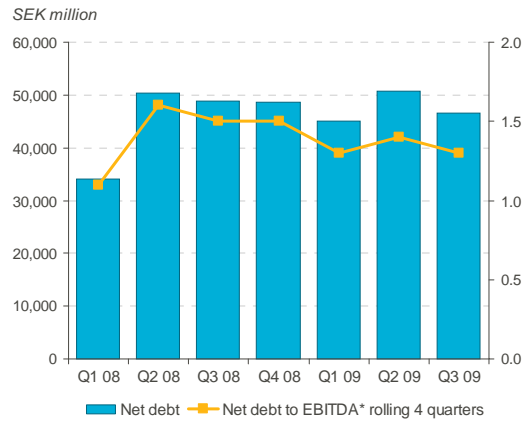
- Higher effective tax rate in Q3 2009, 24.9% (23.6)
 - Withholding taxes
 - Lower share of earnings in associated companies
- Skanova Access AB made tax depreciation on assets in 2008/2009
 - Deferred cash taxes to 2010 and later
- Cash taxes will follow reported taxes more closely from 2010



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Solid financial position



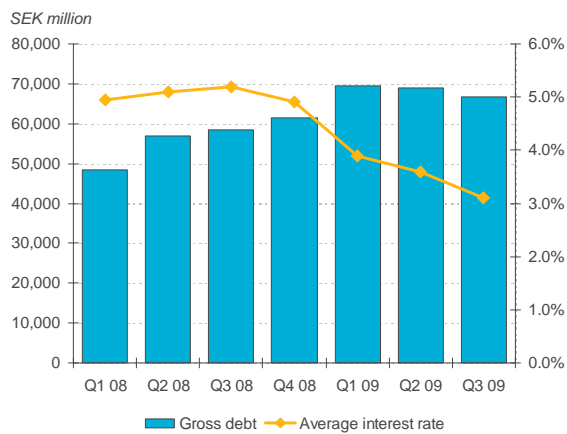
* Excluding non-recurring items

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Interest rate

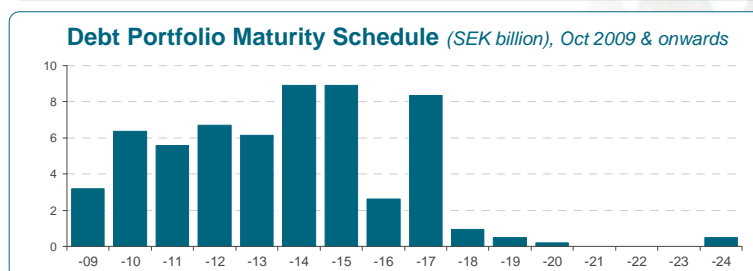


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Debt maturity schedule (excl. lease and pension liabilities)



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Strong financial key ratios

	Sep 30, 2009	Dec 31, 2008
Return on equity*	17.0%	17.2%
Return on capital employed*	17.1%	17.3%
Equity/assets ratio	51.0%	50.5%
Net debt/equity ratio	35.9%	36.5%

* Rolling 12 months

One of the best rated Telecom Operators in Europe

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Group outlook 2009 (unchanged)

	Outlook 2009	Actual 9M 2009
Net sales	In line with or slightly below the level of 2008*	0.0%
Addressable cost base	Below the SEK 33.8 billion in 2008*	-4.8%
EBITDA margin**	Exceed the margin level of 2008 (31.8%)	33.8%
CAPEX-to-sales ratio	In the range 13-14% (15.2%)	11.4%
Number of employees	Somewhat below 30,000	30,131 vs. 32,171 year-end 2008

* In local currencies and excluding acquisitions
** Excluding non-recurring items

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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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July – September 2009

SEK million	Jul – Sep 2009	Jul – Sep 2008	Change %
Net sales	27,069	25,817	5
Addressable cost base	7,511	7,510	0
EBITDA*	9,763	8,949	9
<i>EBITDA* margin %</i>	36.1	34.7	
Operating income*	8,453	8,203	3
Non-recurring items	-349	-299	
Operating income	8,104	7,904	3
Financial items	-541	-818	
Net income**	5,043	4,772	6
EPS, SEK	1.12	1.06	6
CAPEX	3,238	3,567	-9
<i>CAPEX-to-sales %</i>	12.0	13.8	
Free Cash Flow	4,583	2,829	62

* Excluding non-recurring items

** Attributable to owners of the parent company

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Appreciation of SEK vs. other currencies

Revenue growth (%) Q3 2009	Reported growth	of which currency	of which acquisitions	of which organic
Mobility Services	3.8	5.5	0.0	-1.7
Broadband Services	2.5	4.1	0.9	-2.5
Eurasia	8.9	0.1	5.0	3.8
The Group	4.8	3.8	1.0	0.0

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January – September 2009

SEK million	Jan – Sep 2009	Jan – Sep 2008	Change %
Net sales	81,751	75,489	8
Addressable cost base	25,125	24,185	4
EBITDA*	27,627	24,682	12
EBITDA* margin %	33.8	32.7	
Operating income*	24,106	22,363	8
Non-recurring items	-1,287	-1,071	
Operating income	22,819	21,292	7
Financial items	-2,188	-1,462	
Net income**	13,952	13,367	4
EPS, SEK	3.11	2.98	4
CAPEX	9,286	11,272	-18
CAPEX-to-sales %	11.4	14.9	
Free Cash Flow	12,364	6,410	93

* Excluding non-recurring items

** Attributable to owners of the parent company

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Net sales - Group & per Business area

SEK million	Jul – Sep 2009	Jul – Sep 2008	Change %
Mobility Services	12,755	12,287	4
Broadband Services	10,780	10,513	3
Eurasia	3,714	3,410	9
Other operations	1,316	1,136	16
The Group	27,069	25,817	5



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EBITDA* and margin - Group & per Business area

EBITDA* SEK million	Jul – Sep 2009	Jul – Sep 2008	Change %
Mobility Services	3,971	3,841	3
Broadband Services	3,810	3,363	13
Eurasia	1,894	1,703	11
Other operations	109	56	95
The Group	9,763	8,949	9

EBITDA* margin, %	Jul – Sep 2009	Jul – Sep 2008	Change % point
Mobility Services	31.1	31.3	0.2
Broadband Services	35.3	32.0	3.3
Eurasia	51.0	49.9	1.1
Other operations	8.3	4.9	3.4
The Group	36.1	34.7	1.4

* Excluding non-recurring items

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Statement of cash flows

<i>SEK million</i>	Jul – Sep 2009	Jul – Sep 2008
EBITDA excluding non-recurring items	9,763	8,949
Dividends received from associated companies	1,169	0
Interest paid (net)	-256	-542
Income taxes paid	-790	-1,010
Payment of restructuring provisions	-298	-61
Difference between paid/recorded pensions	-125	103
Changes in working capital and other items, net	-1,664	-1,029
Cash flow from operating activities	7,799	6,410
Cash CAPEX	-3,216	-3,581
Free cash flow	4,583	2,829
Cash flow from other investing activities	-374	-436
Cash flow before financing activities	4,209	2,393
Cash flow from financing activities	-605	-148
Change in cash & cash equivalents	3,604	2,245