

TeliaSonera

January - March 2011

Lars Nyberg
President and CEO



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Strong margin improvement

- Net sales SEK 24,725 million (26,190)
 - Increased 2.5 percent in local currencies
- EBITDA* SEK 8,812 million (8,945)
 - Increase of 5.3 percent in local currencies
 - EBITDA margin improved to 35.6 percent (34.2)
- Earnings per share SEK 1.04 (1.05)

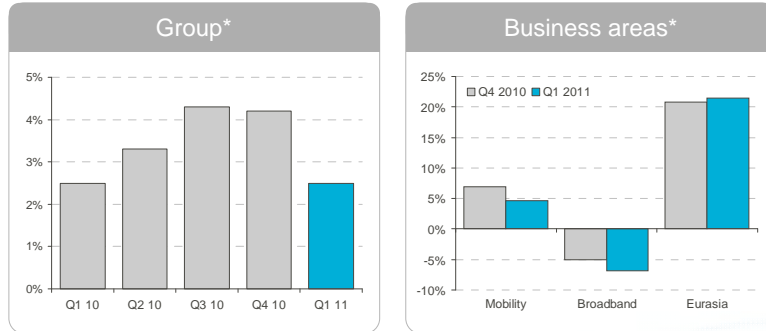


* Excluding non-recurring items

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Net sales growth of 2.5 percent



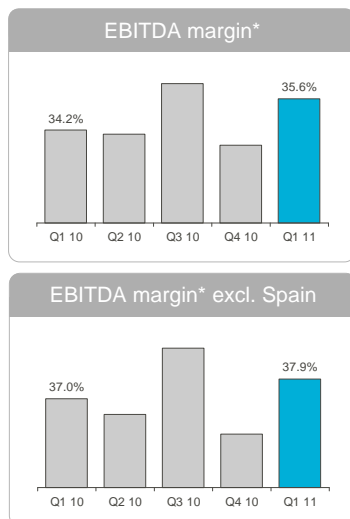
- Regulatory effects, less growth in handset sales and somewhat lower service revenues in Mobility Services
- Challenging revenue trend in International Carrier in Broadband Services
- Continued strong subscription growth, mainly in Nepal, Uzbekistan and Kazakhstan in Eurasia

* Net sales growth, in local currencies and excluding acquisitions

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Strong margin development



- EBITDA margin excluding Spain increased to 37.9% (37.0)
- Margin improvement driven by Swedish mobile and Eurasia



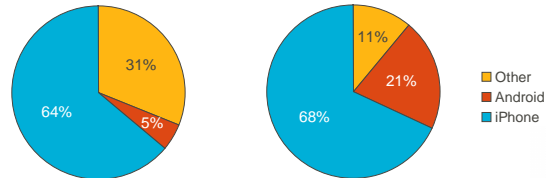
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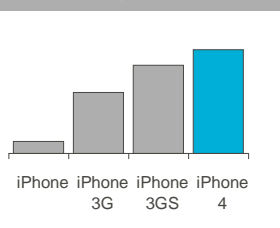
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Android gaining momentum

Total data usage by Operating system – Jan 2010 vs. Jan 2011



Data usage – MB/user



- ~20x increase in Android phones last 12 months
- 8 out of 10 best selling phone models now Android
- Almost 10x more data usage with iPhone 4 vs. the first iPhone model

* In Sweden

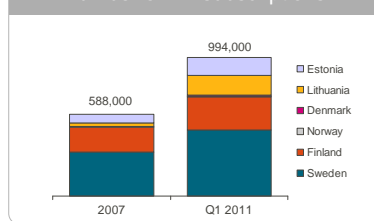


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Reaching 1 million TV subscriptions

Number of TV subscriptions



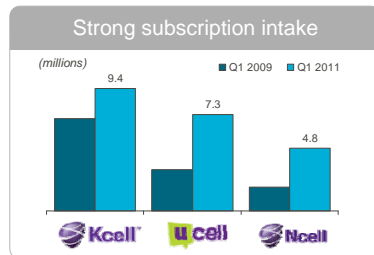
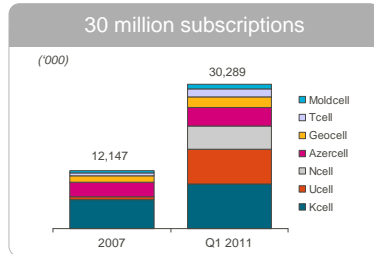
- 1 million TV subscriptions by April
- Selective investments in fiber and VDSL2 to expand footprint
- Positive trend in net adds in Finland



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More than 30 million subscriptions in Eurasia



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Investing to meet our customers' demand

- Commercial 4G services available in all Nordic countries and in Estonia
- We successfully acquired a license in the 800 MHz frequency band in Sweden
- In Sweden, around 800,000 broadband connections will be upgraded with VDSL2
- Roll-out of 3G services in Eurasia continues. 3G license acquired in Kazakhstan and data traffic more than doubled compared to first quarter last year



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Improving corporate governance in Turkcell

- The Board of Turkcell is in a deadlock
- The Chairman of the Board is not independent and impartial and has been blocking vital decisions
- Teliasonera has taken legal action to protect its shareholder rights and have the Chairman removed
- Teliasonera will aim to increase the number of independent board members in line with CMB and SEC requirements

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Outlook for 2011 - revised

Growth in Net sales*	➡	Around 3%
Addressable cost base*	➡	Growth in cost base below the growth in net sales
EBITDA margin**	➡	Improved compared with 2010 (34.7%)
CAPEX-to-sales ratio***	➡	13-14%

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

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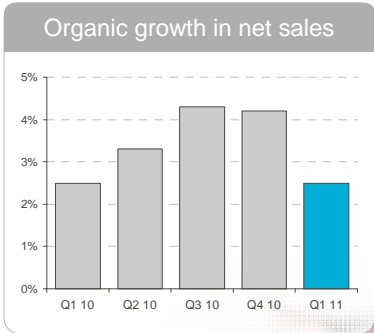
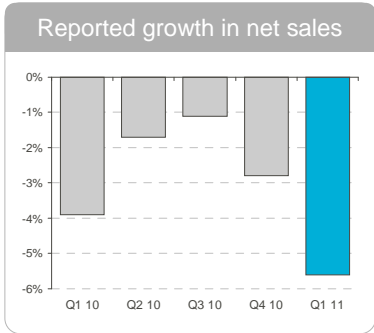
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Significant impact from currency movements



- EUR/SEK: 8.87* (9.96)
- USD/SEK: 6.49* (7.20)

* Q1 2011

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Financial highlights – Q1 2011

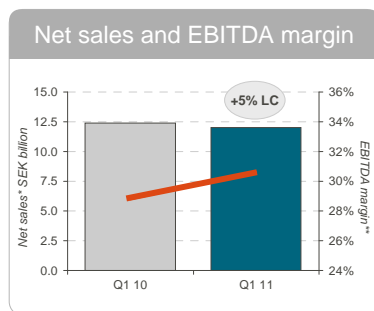
SEK million	Jan – Mar 2011	Jan – Mar 2010	Change %	Local ccy %
Net sales	24,725	26,190	-6	2.5
EBITDA*	8,812	8,945	-4	5.3
Depreciation, amortization	-3,207	-3,103	3	
Income from associated companies	1,628	1,601	3	
Operating income*	7,247	7,444	-3	
EPS, SEK	1.04	1.05	-1	
Free Cash Flow	2,587	3,372	-23	

* Excluding non-recurring items

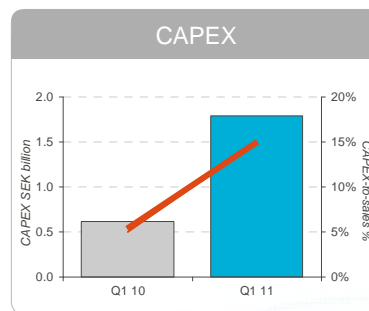
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Business area – Mobility Services



- Net sales* increased in Sweden, Finland, Norway and Spain



- Includes SEK 854 million for a license in the 800 MHz frequency band in Sweden

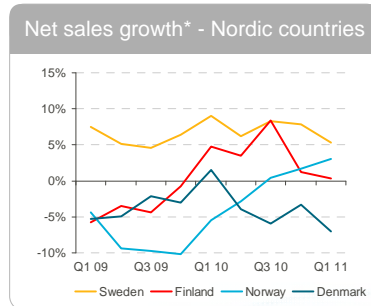
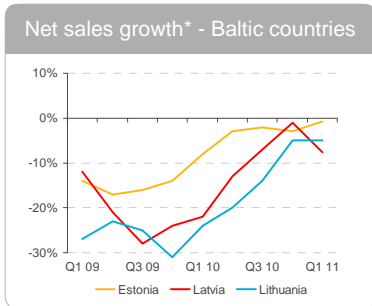
* In local currencies and excluding acquisitions

** Excluding non-recurring items

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Still awaiting a recovery in the Baltics



- Trends in net sales have stabilized, mainly due to higher equipment sales

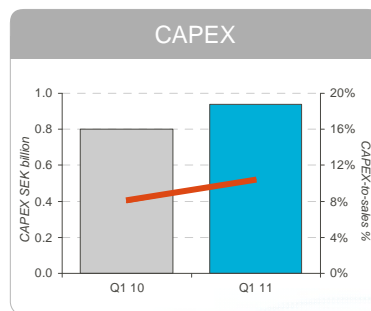
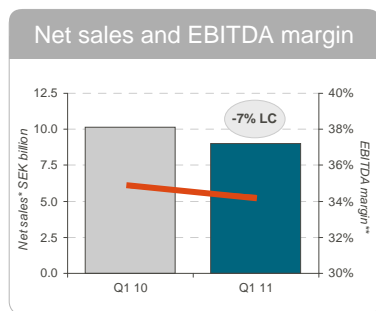
- Growth negatively impacted by regulatory effects, less handset sales and somewhat lower service revenues

* In local currencies and excluding acquisitions

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Business area – Broadband Services



- Challenging revenue trend within International Carrier

- Selective roll-out of fiber in Sweden and Finland

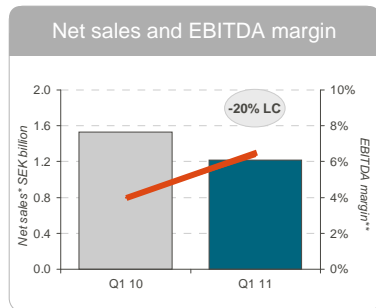
* In local currencies and excluding acquisitions

** Excluding non-recurring items

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Margin improvement in International Carrier



- Net sales declined by 20% but EBITDA* margin improved to 6.3% (4.0)

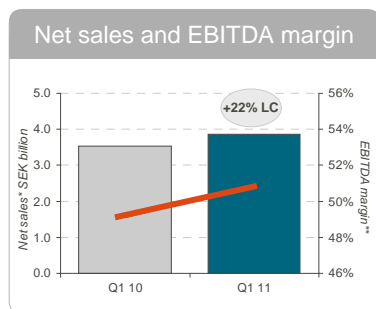
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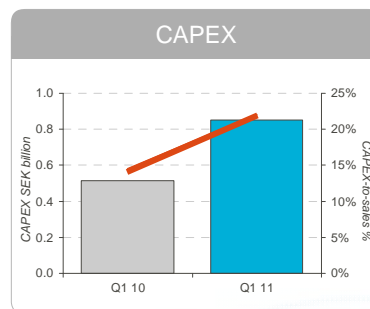
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Business area – Eurasia



- Continued strong growth in net sales in Nepal, Uzbekistan and Kazakhstan

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

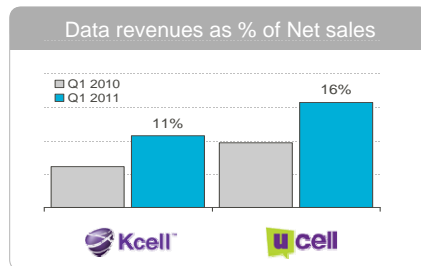
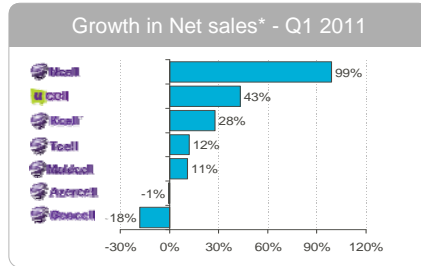


- Continued network roll-out in Uzbekistan and Nepal. Launch of 3G in Kazakhstan in December 2010

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Data revenues increasing in Eurasia

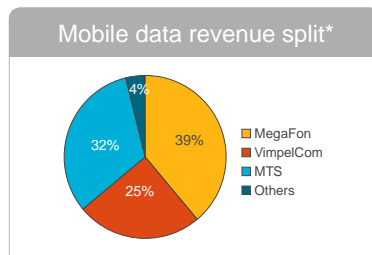
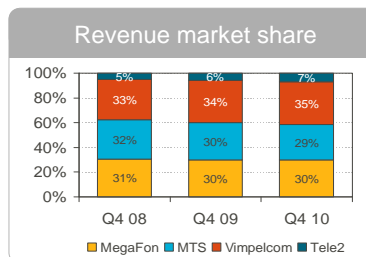
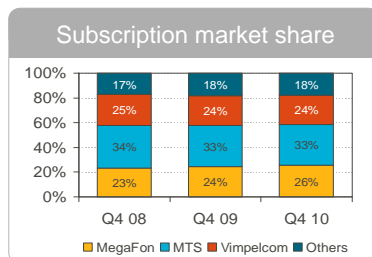


* In local currencies and excluding acquisitions

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MegaFon the leader in mobile data in Russia



- Number two in terms of both subscriptions and revenues
- Almost 40 percent market share in mobile data revenues

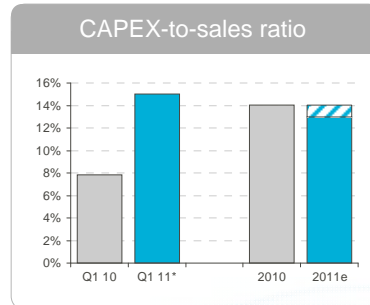
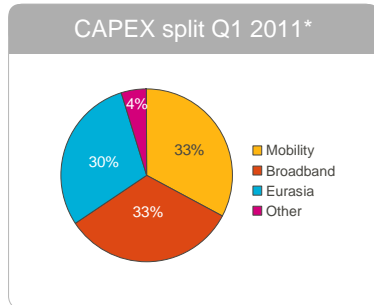


* Company data, AC&M Consulting, Q4 2010

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Stable CAPEX-to-sales ratio expected



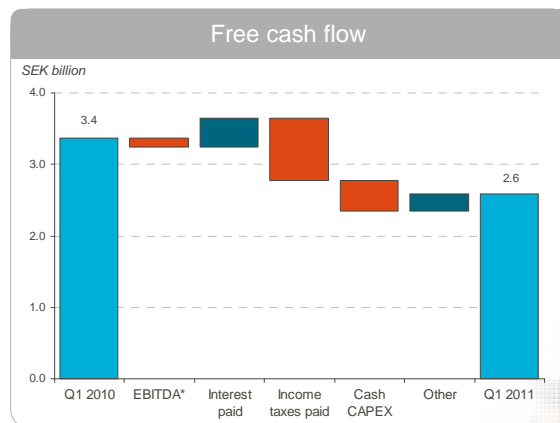
- Total CAPEX amounted to SEK 3.7 billion (2.0)
- CAPEX-to-sales for 2011 is expected to be approx. 13-14%, excl. license and spectrum fees

* 11.2% excl. license and spectrum fees. The acquisition of a 800 MHz license in Sweden will impact cash flow in Q2 2011

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FCF reduced by higher paid taxes and CAPEX

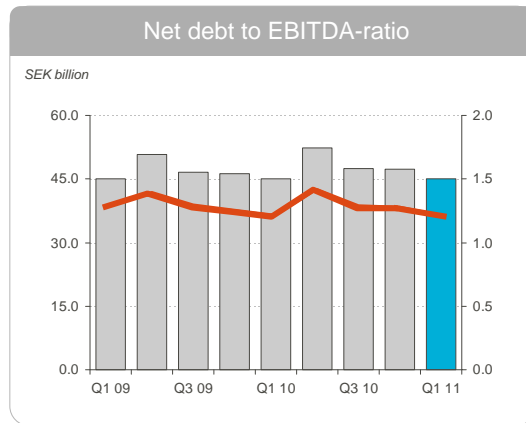


* Excluding non-recurring items

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Stable Net debt to EBITDA



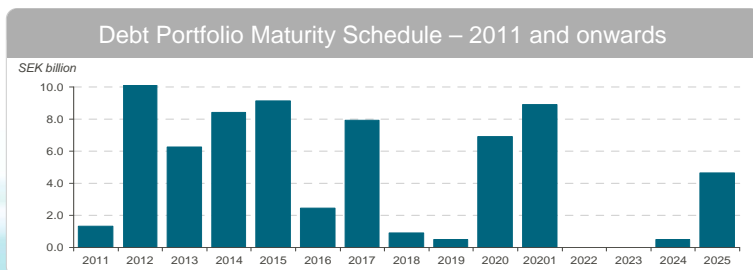
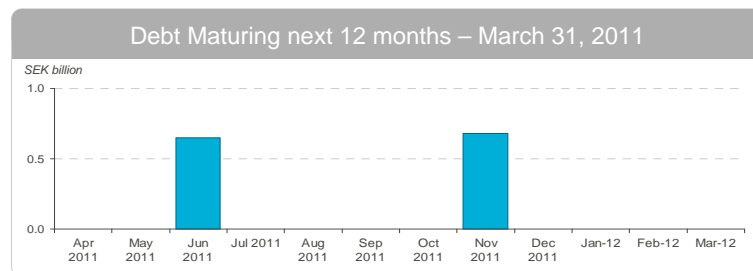
- Dividend of SEK 12.3 billion paid in Q2 2011
- Payment for the repurchase program, SEK 9.9 billion, also paid in Q2 2011



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Debt maturity schedule



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Looking ahead

- Growth in net sales* expected to be around 3%
- Growth in addressable cost base below the growth in net sales
- EBITDA margin** to improve compared with 2010 (34.7%)
- CAPEX-to-sales*** ratio between 13-14%

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



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Q&A



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Strong financial key ratios

	Mar 31, 2011	Dec 31, 2010
Return on equity*	19.0%	17.8%
Return on capital employed*	17.7%	16.9%
Equity/assets ratio	42.2%	48.0%
Net debt/equity ratio	41.6%	39.3%
Net Debt/EBITDA rate* multiple	1.22x	1.28x

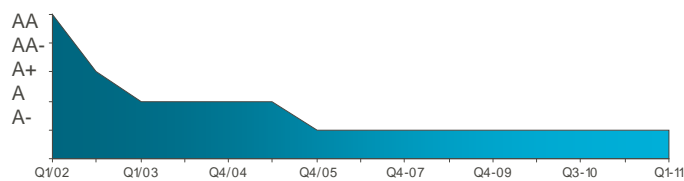
* Rolling 12 months, EBITDA excl. non-recurring items

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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 2011, 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
- March 2011, debt ratings confirmed
- **Outlook: Stable**

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Organic revenue growth

Revenue growth (%) Q1 2011	Reported growth	of which currency	of which disposals	of which organic
Mobility Services	-2.9	-7.5	-	4.6
Broadband Services	-10.8	-4.0	-	-6.8
Eurasia	9.2	-12.4	-	21.6
The Group	-5.6	-6.7	-1.4	2.5

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Net sales - Group and by Business area

SEK million	Jan - Mar 2011	Jan - Mar 2010	Change %
Mobility Services	12,023	12,381	-3
Broadband Services	9,026	10,123	-11
Eurasia	3,863	3,536	9
Other operations	921	1,350	-32
The Group	24,725	26,190	-6

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EBITDA* - Group and by Business area

EBITDA* SEK million	Jan - Mar 2011	Jan - Mar 2010	Change %
Mobility Services	3,680	3,561	3
Broadband Services	3,094	3,522	-12
Eurasia	1,968	1,735	13
Other operations	68	130	-48
The Group	8,812	8,945	-1

EBITDA* margin, %	Jan - Mar 2011	Jan - Mar 2010	Change % point
Mobility Services	30.6	28.8	1.8
Broadband Services	34.3	34.8	-0.5
Eurasia	50.9	49.1	1.8
Other operations	7.4	9.6	-2.2
The Group	35.6	34.2	1.4

* Excluding non-recurring items

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Statement of cash flows

SEK million	Q1 2011	Q1 2010	Diff
EBITDA excluding non-recurring items	8,812	8,945	-133
Dividends received from ass companies	0	0	-
Interest paid (net)	-651	-1,062	411
Income taxes paid	-2,024	-1,149	-875
Payment of restructuring provisions	-125	-262	137
Diff between paid/recorded pensions	-28	-19	-9
Changes in working cap and other items	-882	-994	112
Cash flow from operating activities	5,102	5,459	-357
Cash CAPEX	-2,515	-2,087	-428
Free cash flow	2,587	3,372	-785

* As of Q1 2010, cash flows from settlement of foreign exchange derivative contracts used for economic hedges of cash pool balances are reported within financing activities (previously reported within operating activities). Previous periods have been restated.

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Dividend policy

- The company shall target a solid investment grade long-term credit rating (A- to BBB+) to secure the company's strategically important financial flexibility for investments in future growth, both organically and by acquisitions.
- The ordinary dividend shall be at least 50 percent of net income attributable to owners of the parent company.
- Excess capital shall be returned to shareholders, after the Board of Directors has taken into consideration the company's cash at hand, cash flow projections and investment plans in a medium term perspective, as well as capital market conditions.



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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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