A united TeliaSonera shows strong profitability

- **Net sales SEK 25,894 million** (27,065)
  - Increased 3.0 percent in local currencies

- **EBITDA* SEK 9,109 million** (9,194)
  - Increase of 6.5 percent in local currencies
  - EBITDA margin improved to 35.2 percent (34.0)

- **Earnings per share SEK 0.89** (1.17)
  - Negatively impacted by currency movements and weaker income from associated companies

* Excluding non-recurring items
Declining margin in Turkcell

* 4 quarters rolling

Continued margin improvement

* Excluding non-recurring items
Good exposure in current macro environment

GDP growth in European countries

- Estres
- Lithuania
- Sweden
- Finland
- Germany
- Austria
- Netherlands
- Latvia
- Estonia
- Luxembourg
- Czech Republic
- Hungary
- France
- Slovakia
- Slovenia
- Greece
- Portugal
- Spain
- Denmark
- Italy
- Belgium
- Latvia
- Netherlands
- Bulgaria
- Slovakia
- Austria
- Poland
- Lithuania
- Finland
- Sweden
- Lithuania
- Greece

Source: Eurostat. Data from Q1 2011, percentage change compared with the same quarter last year.

Improvement in net sales growth

Growth in net sales*

- Main growth drivers
  - Mobility Sweden
  - Kcell in Kazakhstan
  - Ncell in Nepal
  - Yoigo in Spain

* In local currencies and excluding acquisitions
18 quarters of growth in Mobility Sweden

Kcell taking the lead in 3G in Kazakhstan

- Best network coverage
- Launched 1,000 3G sites
- More than 80% EDGE/3G coverage
- 4 million data users
Ncell became GSM market leader in Nepal

<table>
<thead>
<tr>
<th>Subscriptions</th>
<th>Net sales development</th>
</tr>
</thead>
<tbody>
<tr>
<td>(million)</td>
<td>(NPR '000)</td>
</tr>
<tr>
<td>2008</td>
<td>1.7</td>
</tr>
<tr>
<td>Q2 2010</td>
<td>2.7</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>5.4</td>
</tr>
<tr>
<td>Q2 2010</td>
<td>2,568</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>5,358</td>
</tr>
</tbody>
</table>

Continued strong growth for Yoigo in Spain

- Market share close to 5%
- Revenue growth of 43% in Q2
- Acquisition of 1,800 MHz license
Our new common brand identity

Lower data roaming prices a business opportunity

- Lowered price of data roaming in the Nordic and Baltic markets by 90 percent in May, 2011
- New tariffs well below the price caps that the European Commission has set for July 2012

* Mobility Services. Change in data roaming volumes year-over-year within the Nordic and Baltic countries
Rebalancing of pricing models within Mobility

Financial reality

Network investments

Revenues

Voice

Data

5x

Voice

Data

5x

Portfolio

Revenues (%)

Current

2014

Based on:

- Volume
- Speed
- Quality

Revenues (%)

Portfolio

Based on:

- Volume
- Speed
- Quality

Ambitious fiber roll-out plans within Broadband

Year 2014

2.3 million (1.3) fiber connected homes and 1.0 million active VDSL customers
Voice growth and data opportunity in Eurasia

Growth in voice revenues

<table>
<thead>
<tr>
<th>Operator</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ncell</td>
<td>130%</td>
</tr>
<tr>
<td>Ucell</td>
<td>38%</td>
</tr>
<tr>
<td>Moldcell</td>
<td>12%</td>
</tr>
<tr>
<td>ToCell</td>
<td>12%</td>
</tr>
<tr>
<td>Kcell</td>
<td>10%</td>
</tr>
<tr>
<td>Azeritel</td>
<td>1%</td>
</tr>
<tr>
<td>Geotel</td>
<td>-23%</td>
</tr>
</tbody>
</table>

VAS as a % of total revenues

<table>
<thead>
<tr>
<th>Operator</th>
<th>VAS %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beeline</td>
<td>14%</td>
</tr>
<tr>
<td>MTS</td>
<td>22%</td>
</tr>
<tr>
<td>Vee</td>
<td>29%</td>
</tr>
<tr>
<td>Viteq</td>
<td>25%</td>
</tr>
</tbody>
</table>

Sources: AC&M Consulting, data from Russia Q1 2011

Looking ahead

- Outlook for 2011 unchanged
  - Growth in net sales* expected to be around 3%
  - EBITDA margin** to improve compared with 2010
  - CAPEX-to-sales*** ratio between 13-14%

* In local currencies and excluding acquisitions
** Excluding non-recurring items
*** Excluding license and spectrum fees
Interim Report
January – June 2011

Per-Arne Blomquist
Executive Vice President and CFO

Financial highlights – Q2 2011

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Apr - Jun 2011</th>
<th>Apr - Jun 2010</th>
<th>Change %</th>
<th>Local ccy %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>25,894</td>
<td>27,065</td>
<td>-4</td>
<td>3</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>9,109</td>
<td>9,194</td>
<td>-1</td>
<td>6</td>
</tr>
<tr>
<td>Depreciation, amortization</td>
<td>-3,170</td>
<td>-3,272</td>
<td>-3</td>
<td></td>
</tr>
<tr>
<td>Income from associated companies</td>
<td>1,030</td>
<td>1,994</td>
<td>-48</td>
<td></td>
</tr>
<tr>
<td>Operating income*</td>
<td>6,974</td>
<td>7,923</td>
<td>-12</td>
<td></td>
</tr>
<tr>
<td>EPS, SEK</td>
<td>0.89</td>
<td>1.17</td>
<td>-24</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>1,413</td>
<td>3,930</td>
<td>-64</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding non-recurring items
Negative impact from currency movements

-6%
-5%
-4%
-3%
-2%
-1%
0%
Q1 10 Q2 10 Q3 10 Q4 10 Q1 11 Q2 11

Reported growth in net sales

FX impact

Organic growth in net sales

FX impact

EUR/SEK 9.04 9.38 9.22 8.87 9.01
NOK/SEK 1.22 1.18 1.14 1.13 1.15
DKK/SEK 1.30 1.26 1.24 1.19 1.21
KZT/SEK 0.05 0.05 0.05 0.04 0.04

Average rates

All BAs show stable or improved margins

Net sales growth, Q2 2011*

Mobility Services 6%
Broadband Services -7%
Eurasia 16%
TeliaSonera Group 3%

EBITDA margin**

Mobility Services 30%
Broadband Services 31%
Eurasia 32%
TeliaSonera Group 35%

* Growth in net sales and excluding acquisitions
** Excluding non-recurring items, Q2 2011 compared with Q2 2010
Improvement in gross margin

Main areas of improvement
- Cross functional cost reduction through multimarket operations
- Platform rationalization in Broadband
- Economies of scale in Eurasia

Addressable cost base stable as % of net sales

* In local currencies and excluding acquisitions
Need to restore sales and cost balance

- Growth in net sales in line with outlook for 2011
- Continued efficiency measures in Sweden and Finland**
- Multimarket operations and cross border activities

* In local currencies and excluding acquisitions
** As announced in February 2011

Visible effects of efficiency measures in H2

Efficiency measures initiated**
- Total reduction of around 550 employees in Sweden
- Total reduction of around 170 employees in Finland
- Visible effects in H2 2011

* In local currencies and excluding acquisitions
** As announced in February, 2011
Solid improvement in EBITDA margin

EBITDA margin*  
- Q1 09: 25%  
- Q2 09: 28%  
- Q3 09: 30%  
- Q4 09: 33%  
- Q1 10: 35%  
- Q2 10: 38%  
- Q3 10: 40%  
- Q4 10: 40%  
- Q1 11: 35.2%

- Highest EBITDA margin in a second quarter since 2006
- Improving EBITDA margin trend during 11 quarters

* Excluding non-recurring items

Lower income from associated companies

Turkcell & MegaFon, SEK bn
- Q2 2010: 1.1  
- Q2 2011: 1.9

Income from associated companies, SEK billion
- Q2 2010: 1.9
- One-off items*: -0.4  
- FX: -0.2  
- Underlying result: -0.2  
- Q2 2011: 1.1

* Loss in Turkcell’s Belarusian subsidiary as a result of the devaluation of the country’s currency as well as inventory write-down in MegaFon in Russia
Underlying increase in earnings per share

Earnings per share development, SEK

<table>
<thead>
<tr>
<th>Q2 2010</th>
<th>Operations</th>
<th>Ass. Companies</th>
<th>Non-recurring</th>
<th>FX</th>
<th>Buyback</th>
<th>Q2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.17</td>
<td>0.09</td>
<td>-0.18</td>
<td>-0.10</td>
<td>-0.12</td>
<td>0.03</td>
<td>2.09</td>
</tr>
</tbody>
</table>

Stable CAPEX-to-sales ratio expected

CAPEX split Q2 2011*

- Mobility 37%
- Broadband 36%
- Eurasia 4%
- Other 4%

CAPEX-to-sales ratio

- H1 10: 16%
- H1 11*: 14%
- 2010: 14%
- 2011e: 15%

- Total CAPEX amounted to SEK 3.8 billion (4.1). CAPEX-to-sales 13.4 percent excluding license and spectrum fees
- CAPEX-to-sales for 2011 is expected to be approx. 13-14%, excl. license and spectrum fees

* 12.3% excl. license and spectrum fees
Licenses and dividends lowered FCF

Free cash flow

<table>
<thead>
<tr>
<th>SEK billion</th>
<th>Q2 2010</th>
<th>EBITDA*</th>
<th>Dividends from ass. companies</th>
<th>Cash</th>
<th>Licenses</th>
<th>Other</th>
<th>Q2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.9</td>
</tr>
</tbody>
</table>

- Delayed dividends from Turkcell
- Low cash CAPEX in Eurasia in Q2 2010
- Mobile licenses in Sweden and Spain

* Excluding non-recurring items

Net debt to EBITDA within our target

Net debt and Net debt/EBITDA*

<table>
<thead>
<tr>
<th>SEK billion</th>
<th>Q2 10</th>
<th>Q3 10</th>
<th>Q4 10</th>
<th>Q1 11</th>
<th>Q2 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

- Dividend of SEK 12.3 billion paid in Q2 2011
- Payment for the repurchased shares, SEK 9.9 billion, also paid in Q2 2011
- Medium-term target of Net debt/EBITDA of 1.5-2.0x

* Excluding non-recurring items, 4 quarters rolling
Debt maturity schedule

Debt Maturing next 12 months – June 30, 2011

Debt Portfolio Maturity Schedule – 2011 and onwards

Debt Q2 2011

- Gross debt SEK 75.3 bn
- Net debt SEK 68.4 bn
- Net debt/EBITDA 1.87

Conclusions from the second quarter

- Improving trend in net sales growth
  - 18 quarters of growth in Mobility Sweden
  - Ncell the GSM market leader
  - Yoigo reaching 5% market share
- EBITDA margin continues to improve
  - Increasing trend during 11 quarters*
  - Effects from efficiency measures visible in H2 2011
- Exposure to markets with highest GDP growth

* 12 months rolling
Strong GDP recovery in the Baltics

- Baltic countries showing among the highest GDP growth in Europe in Q1 2011
- Estonia and Latvia reported positive growth for the first time since early 2008

* In local currencies and excluding acquisitions
** Source: Eurostat

Outlook for 2011 – unchanged

<table>
<thead>
<tr>
<th>Target</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in Net sales*</td>
<td>Around 3%</td>
</tr>
<tr>
<td>Addressable cost base*</td>
<td>Growth in cost base below the growth in net sales</td>
</tr>
<tr>
<td>EBITDA margin**</td>
<td>Improved compared with 2010 (34.5%)</td>
</tr>
<tr>
<td>CAPEX-to-sales ratio***</td>
<td>13-14%</td>
</tr>
</tbody>
</table>

* In local currencies and excluding acquisitions
** Excluding non-recurring items
*** Excluding license and spectrum fees
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
- Feb 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
- July 2011, unofficially confirmed
- Outlook: Stable
Liquidity position TeliaSonera Group

<table>
<thead>
<tr>
<th>Committed bank lines</th>
<th>Maturity</th>
<th>Size</th>
<th>Amount undrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated revolving credit facility</td>
<td>December 2017</td>
<td>EUR 1 billion</td>
<td>EUR 1 billion</td>
</tr>
<tr>
<td>Bilateral credit facility</td>
<td>April 2013</td>
<td>SEK 1.4 billion</td>
<td>SEK 1.4 billion</td>
</tr>
</tbody>
</table>

Cash and cash equivalents, less blocked funds approx. SEK 2.1 billion

Strong financial key ratios

<table>
<thead>
<tr>
<th></th>
<th>Jun 30, 2011</th>
<th>Dec 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity*</td>
<td>17.5</td>
<td>17.8%</td>
</tr>
<tr>
<td>Return on capital employed*</td>
<td>16.6</td>
<td>16.9%</td>
</tr>
<tr>
<td>Equity/assets ratio</td>
<td>46.1</td>
<td>48.0%</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>61.6</td>
<td>39.3%</td>
</tr>
<tr>
<td>Net Debt/EBITDA rate* multiple</td>
<td>1.87x</td>
<td>1.28x</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Revenue growth (%)</th>
<th>Reported growth</th>
<th>of which currency</th>
<th>of which disposals</th>
<th>of which organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility Services</td>
<td>0.9</td>
<td>-4.8</td>
<td>-</td>
<td>5.7</td>
</tr>
<tr>
<td>Broadband Services</td>
<td>-9.4</td>
<td>-2.7</td>
<td>-</td>
<td>-6.7</td>
</tr>
<tr>
<td>Eurasia</td>
<td>-1.1</td>
<td>-19.5</td>
<td>-</td>
<td>18.4</td>
</tr>
<tr>
<td>The Group</td>
<td>-4.3</td>
<td>-6.0</td>
<td>-1.3</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Statement of cash flows

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q2 2011</th>
<th>Q2 2010</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA excluding non-recurring items</td>
<td>9,109</td>
<td>9,194</td>
<td>-85</td>
</tr>
<tr>
<td>Dividends received from ass companies</td>
<td>120</td>
<td>827</td>
<td>-707</td>
</tr>
<tr>
<td>Interest paid (net)</td>
<td>-91</td>
<td>-114</td>
<td>23</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-1,172</td>
<td>-1,150</td>
<td>-22</td>
</tr>
<tr>
<td>Payment of restructuring provisions</td>
<td>-195</td>
<td>-277</td>
<td>82</td>
</tr>
<tr>
<td>Diff between paid/recorded pensions</td>
<td>-360</td>
<td>-342</td>
<td>-18</td>
</tr>
<tr>
<td>Changes in working cap and other items</td>
<td>-1,217</td>
<td>-1,145</td>
<td>-72</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>6,194</td>
<td>6,993</td>
<td>-799</td>
</tr>
<tr>
<td>Cash CAPEX</td>
<td>-4,781</td>
<td>-3,063</td>
<td>-1,718</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>1,413</td>
<td>3,930</td>
<td>-2,517</td>
</tr>
</tbody>
</table>

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

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.