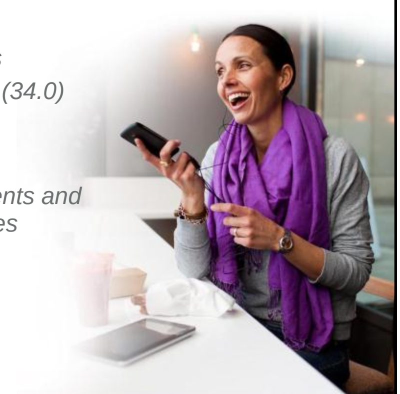
Interim Report
January – June 2011

Lars Nyberg
President and CEO

TeliaSonera

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*

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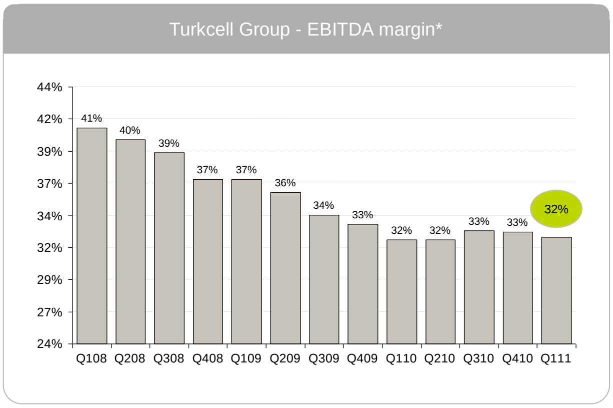
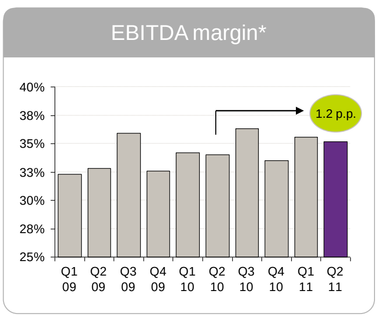
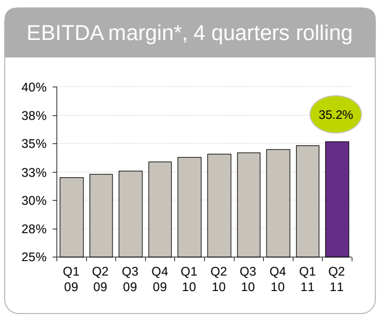
Declining margin in Turkcell



* 4 quarters rolling

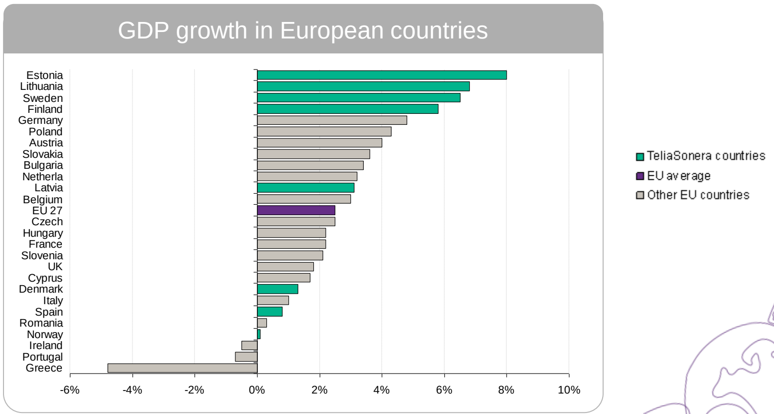
Continued margin improvement





* Excluding non-recurring items

Good exposure in current macro environment



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

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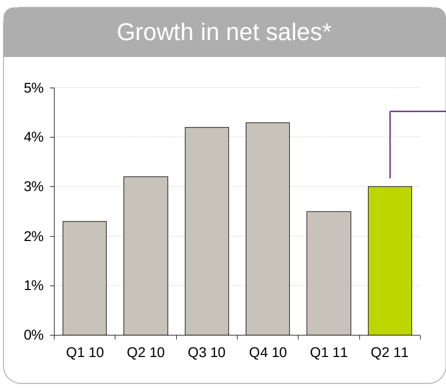
Improvement in net sales growth



Main growth drivers

- Mobility Sweden
- Kcell in Kazakhstan
- Ncell in Nepal
- Yoigo in Spain

* In local currencies and excluding acquisitions

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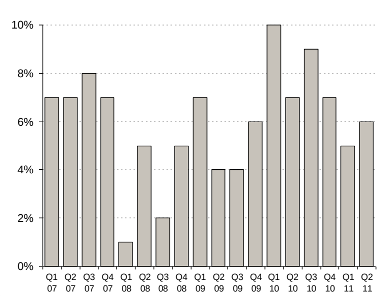
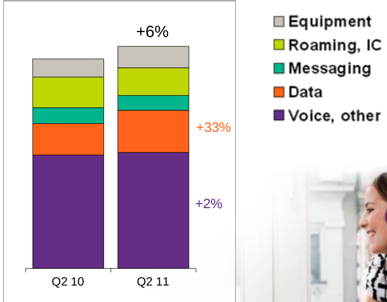
18 quarters of growth in Mobility Sweden

Growth in net sales

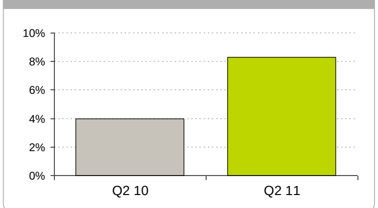


Net sales split

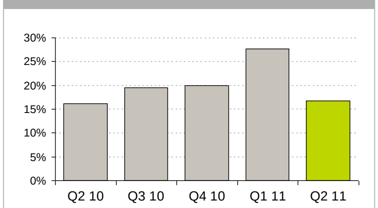


Kcell taking the lead in 3G in Kazakhstan

Mobile data as % of net sales



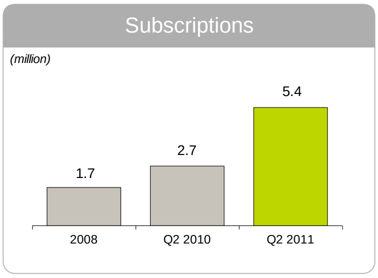
Growth in net sales*

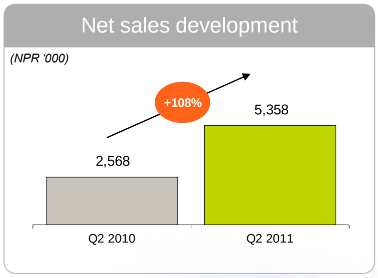


* In local currency

- Best network coverage
- Launched 1,000 3G sites
- More than 80% EDGE/3G coverage
- 4 million data users

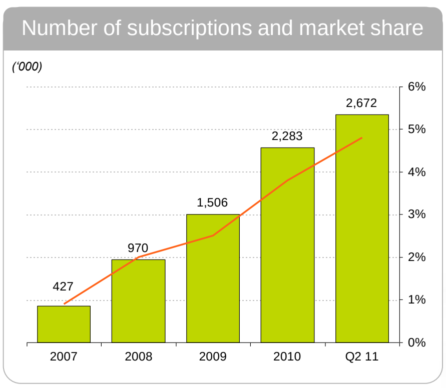
Ncell became GSM market leader in Nepal





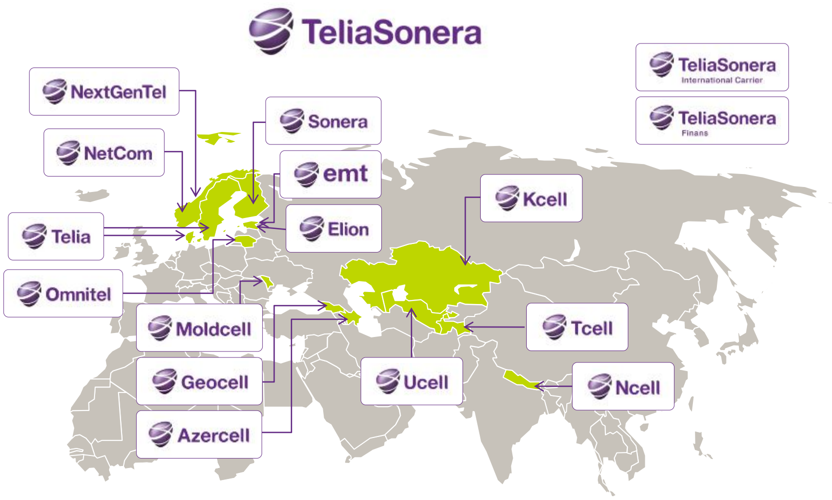

Ncell clinches
No 1 spot from Nepal Telecom

Continued strong growth for Yoigo in Spain

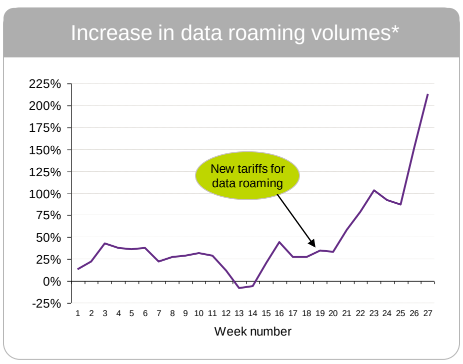


- Market share close to 5%
- Revenue growth of 43% in Q2
- Acquisition of 1,800 MHz license

Our new common brand identity

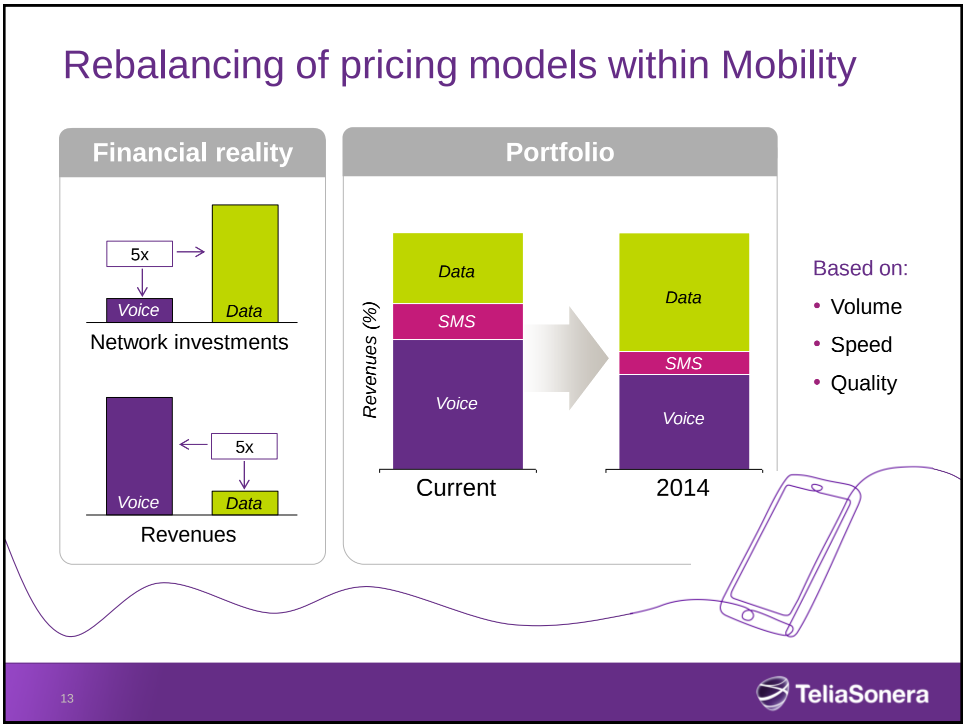


Lower data roaming prices a business opportunity



- 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
5x
Voice
Data
Network investments
Voice
5x
Data
Revenues
Portfolio
Revenues (%)
Data
SMS
Voice
Current
Data
SMS
Voice
2014
Based on:
• Volume
• Speed
• Quality
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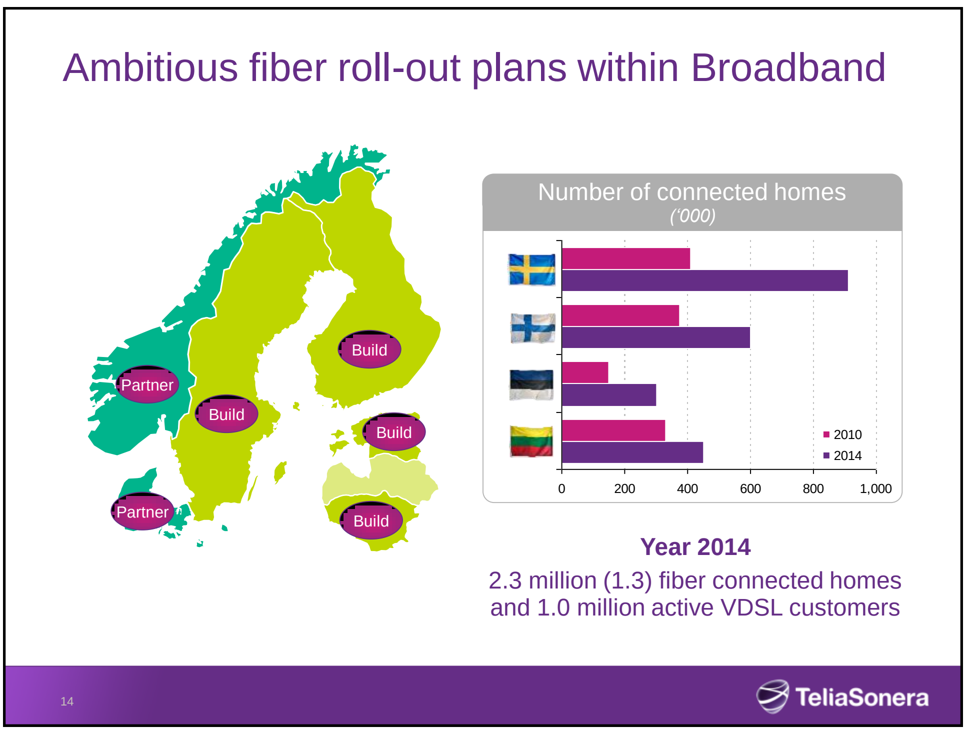
Ambitious fiber roll-out plans within Broadband
Partner
Build
Build
Build
Partner
Build
Number of connected homes
('000)
2010
2014
0
200
400
600
800
1,000
Year 2014
2.3 million (1.3) fiber connected homes
and 1.0 million active VDSL customers
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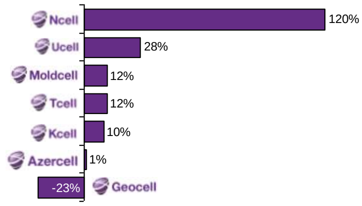
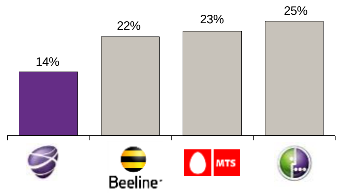
Voice growth and data opportunity in Eurasia

Growth in voice revenues



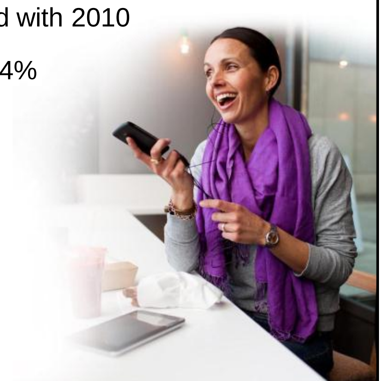
VAS as a % of total revenues



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*

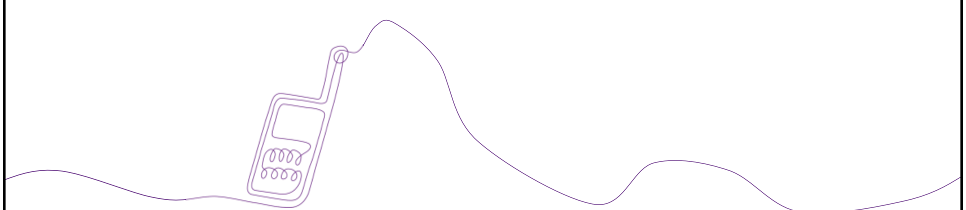
Interim Report
January – June 2011

Per-Arne Blomquist
Executive Vice President and CFO

TeliaSonera

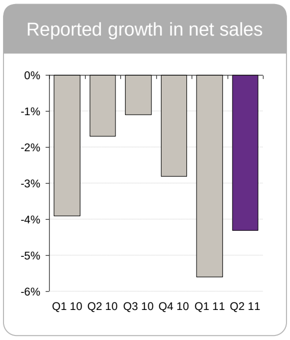
Financial highlights – Q2 2011

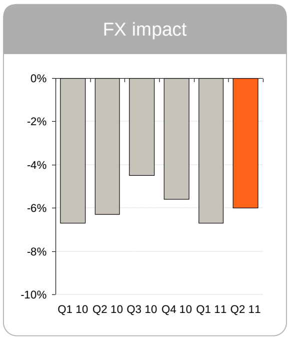
SEK million	Apr - Jun 2011	Apr - Jun 2010	*Change %*	*Local ccy %*
Net sales	25,894	27,065	*-4*	*3*
EBITDA*	**9,109**	**9,194**	***-1***	***6***
Depreciation, amortization	-3,170	-3,272	*-3*	
Income from associated companies	1,030	1,994	*-48*	
Operating income*	6,974	7,923	*-12*	
EPS, SEK	**0.89**	**1.17**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

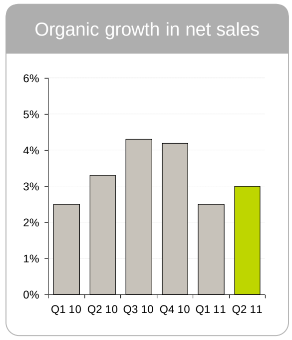


** Excluding non-recurring items*

Negative impact from currency movements

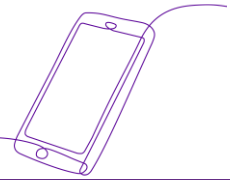




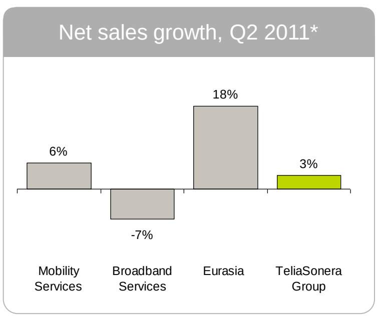


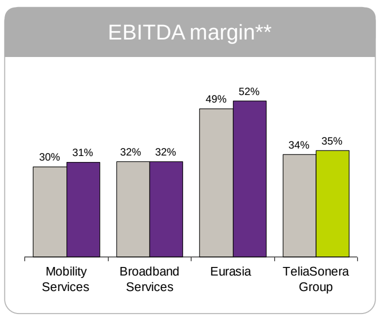
	Q2 2010	*Q3 2010*	*Q4 2010*	*Q1 2011*	*Q2 2011*
EUR/SEK	9.64	9.38	9.22	8.87	9.01
NOK/SEK	1.22	1.18	1.14	1.13	1.15
DKK/SEK	1.30	1.26	1.24	1.19	1.21
KZT/SEK	0.05	0.05	0.05	0.04	0.04

Average rates



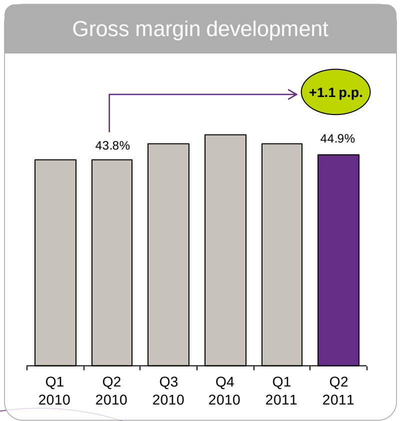
All BAs show stable or improved margins





** 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

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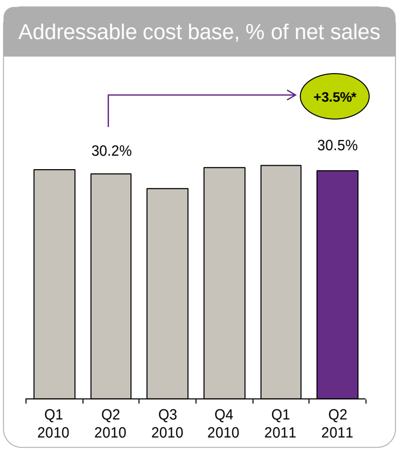
Addressable cost base stable as % of net sales



In local currencies and excluding acquisitions

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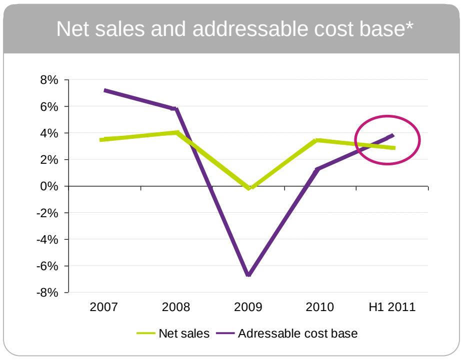
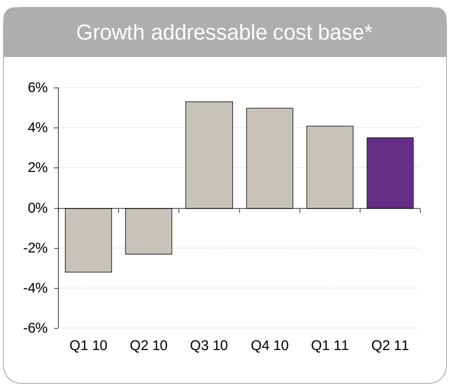
Need to restore sales and cost balance



- 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

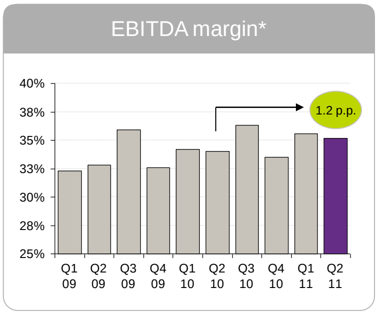


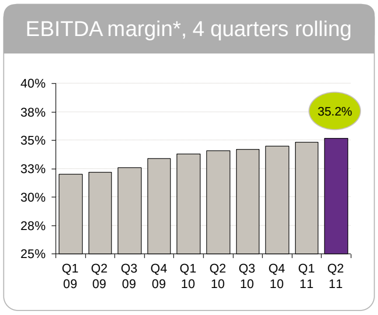
Efficiency measures initiated**

- 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

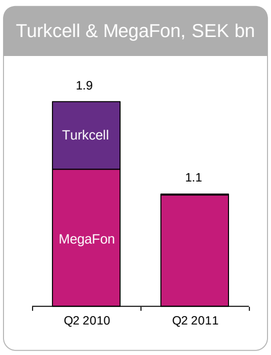


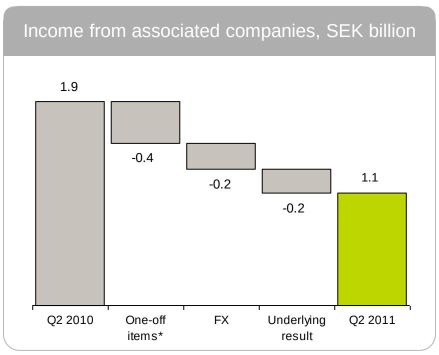


- Highest EBITDA margin in a second quarter since 2006
- Improving EBITDA margin trend during 11 quarters

** Excluding non-recurring items*

Lower income from associated companies

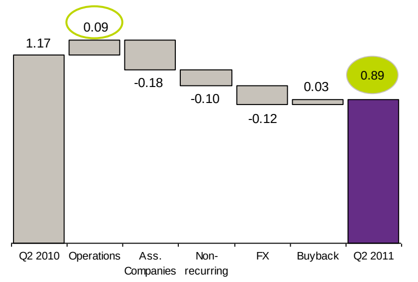




** Loss in Turkcell's Belarusian subsidiary as a result of the devaluation of the country's currency as well as inventory write-down in MegaFon in Russia*

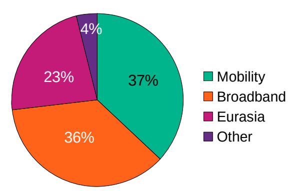
Underlying increase in earnings per share

Earnings per share development, SEK

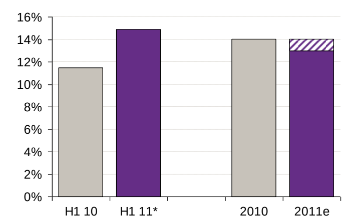


Stable CAPEX-to-sales ratio expected

CAPEX split Q2 2011*



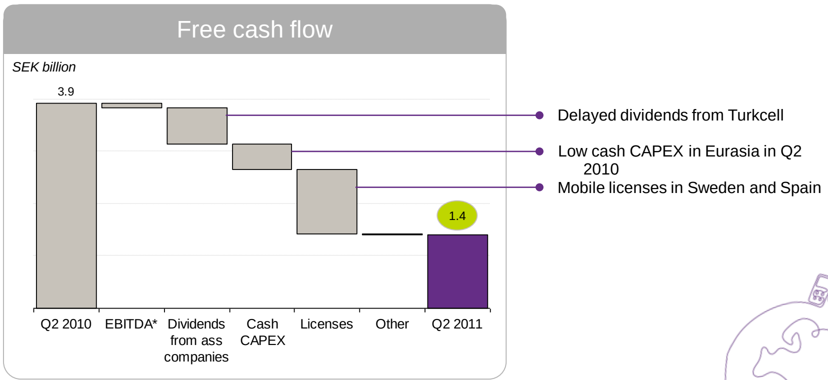
CAPEX-to-sales ratio



- 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



* Excluding non-recurring items

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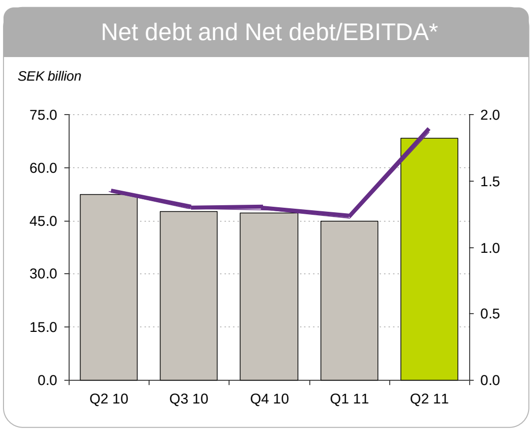
Net debt to EBITDA within our target



- 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

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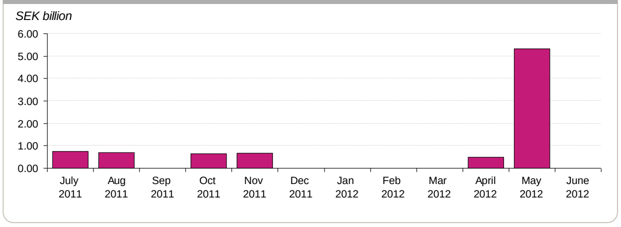
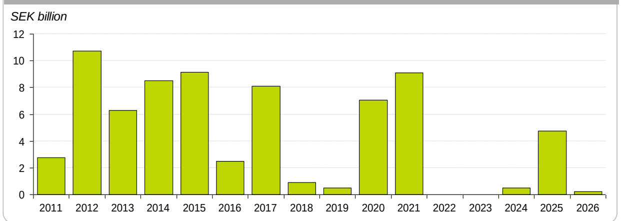
Debt maturity schedule

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

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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*

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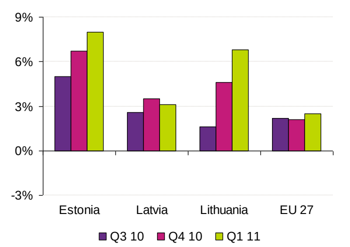
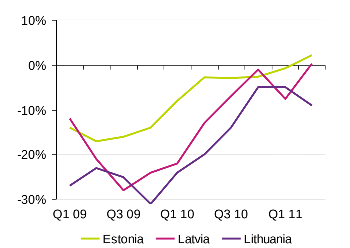
Strong GDP recovery in the Baltics

GDP development, % change**



Net sales growth* - Baltic countries



- 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*

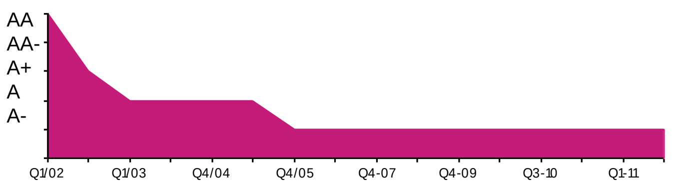
Outlook for 2011 – unchanged

	Target	H1 2011
Growth in Net sales*	Around 3%	*2.8%*
Addressable cost base*	Growth in cost base below the growth in net sales	*3.8%*
EBITDA margin**	Improved compared with 2010 (34.5%)	*35.4%*
CAPEX-to-sales ratio***	13-14%	*12.3%*

** 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

Committed bank lines	Maturity	Size	Amount undrawn
Syndicated revolving credit facility	December 2017	EUR 1 billion	EUR 1 billion
Bilateral credit facility	April 2013	SEK 1.4 billion	SEK 1.4 billion

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

June 30, 2011

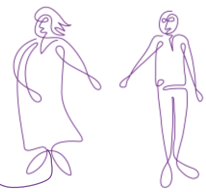
Strong financial key ratios

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

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

Organic revenue growth

Revenue growth (%) Q2 2011	Reported growth	*of which currency*	*of which disposals*	*of which organic*
Mobility Services	**0.9**	*-4.8*	-	*5.7*
Broadband Services	**-9.4**	*-2.7*	-	*-6.7*
Eurasia	**-1.1**	*-19.5*	-	*18.4*
The Group	**-4.3**	*-6.0*	*-1.3*	*3.0*



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Statement of cash flows

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

** 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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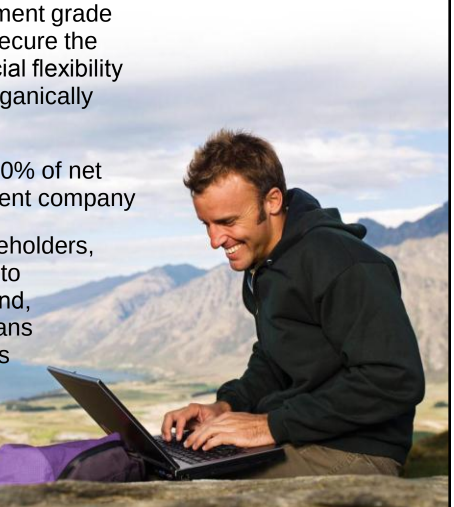
Dividend policy

- 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% 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.