Interim Report
January – September 2011
Lars Nyberg
President and CEO

Margin improvement and strong cash flow

• Net sales SEK 26,612 million (26,873)
  – Increased 2.4 percent in local currencies

• EBITDA* SEK 9,802 million (9,756)
  – Increase of 4.0 percent in local currencies

• Earnings per share SEK 1.12 (1.33)
  – Lower income from associated companies

• Free cash flow SEK 5,106 million (3,857)
  – Increase of 32.4 percent

* Excluding non-recurring items
Net sales growth despite macro uncertainty

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

* In local currencies and excluding acquisitions

Improving margin for 12 consecutive quarters

* Excluding non-recurring items
Strong recognition of our new brand

Paving the way for increased mobile behavior

- Significantly lower data roaming tariffs within Nordic and Baltic countries launched in May
- Offer extended to other European countries in October. More countries to be added over time
- Better cost control when surfing abroad
Investing in network quality

- Nationwide frequencies on the 800 and 1,800 MHz band for the 2G and 4G networks in Sweden
- 4G roll out continues, expansion and new launches in 5 countries
- 3G capacity expansions in Sweden, Norway and Spain
- Network sharing agreement with Telenor to create Denmark’s best mobile network

Increasing ownership in core holdings

- Signed binding Memorandum of Understanding with Kazakhtelecom in September 2011
- Increasing ownership by 24% plus one share

Ownership: 51%*

Ownership: 51.3%*

Ownership: 100%*

Ownership: 94%

Ownership: 80%*

Ownership: 60%*

Ownership: 100%*

Ownership: 90%*

* For Kcell, Azercell, Geocell and Moldcell, the ownership percent indicates Fintur Holdings B.V.’s ownership in the four companies. TeliaSonera holds directly and indirectly 74% of Fintur Holdings.
Progress being made in Turkcell

• Several court decisions in our favor
  – Final award by the International Chamber of Commerce in Geneva where Cukurova was ordered to pay significant damages to TeliaSonera
  – The Court of Appeal of the Eastern Caribbean Supreme Court ruled in favor of Altimo

• Continue to work for improved corporate governance
  – Positive initial reaction to the new Turkish corporate governance rules which, if properly implemented, will resolve the deadlock in the Turkcell board by increasing the number of independent board members

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
2011 ECS – Development

ECS - Employee Commitment Score

Benchmark High (BinC) 81%: achieved by 25% of analyzed workgroups
Benchmark Low (LinC) 64%: achieved by 45% of analyzed workgroups

Source: TNS Sifo
IT-telecom studies 2008-2010

Response rate 85%

Interim Report
January – September 2011

Per-Arne Blomquist
Executive Vice President and CFO
### Financial highlights – Q3 2011

<table>
<thead>
<tr>
<th></th>
<th>Jul - Sep 2011</th>
<th>Jul - Sep 2010</th>
<th>Change %</th>
<th>Local ccy %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>26,612</td>
<td>26,873</td>
<td>-1</td>
<td>2</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>9,802</td>
<td>9,756</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation, amortization</td>
<td>-3,212</td>
<td>-3,239</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Income from associated companies</td>
<td>1,407</td>
<td>2,082</td>
<td>-32</td>
<td></td>
</tr>
<tr>
<td>Operating income*</td>
<td>7,997</td>
<td>8,599</td>
<td>-7</td>
<td>-7</td>
</tr>
<tr>
<td>EPS, SEK</td>
<td>1.12</td>
<td>1.33</td>
<td>-16</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>5,106</td>
<td>3,857</td>
<td>32</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding non-recurring items

### Financial highlights – YTD 2011

<table>
<thead>
<tr>
<th></th>
<th>Jan - Sep 2011</th>
<th>Jan - Sep 2010</th>
<th>Change %</th>
<th>Local ccy %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>77,231</td>
<td>80,128</td>
<td>-4</td>
<td>-3</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>27,723</td>
<td>27,895</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Depreciation, amortization</td>
<td>-9,570</td>
<td>-9,610</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Income from associated companies</td>
<td>4,065</td>
<td>5,681</td>
<td>-28</td>
<td></td>
</tr>
<tr>
<td>Operating income*</td>
<td>22,218</td>
<td>23,966</td>
<td>-7</td>
<td>-7</td>
</tr>
<tr>
<td>EPS, SEK</td>
<td>3.05</td>
<td>3.55</td>
<td>-14</td>
<td>-14</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>9,106</td>
<td>11,159</td>
<td>-18</td>
<td>-18</td>
</tr>
</tbody>
</table>

* Excluding non-recurring items
**Less negative impact from FX**

Reported growth in net sales

- Q1 2011: -6%
- Q2 2011: -5%
- Q3 2011: -4%
- Q4 2011: -3%
- Q1 2012: -2%
- Q2 2012: -1%
- Q3 2012: 0%
- Q4 2012: 1%

**FX impact**

- Q1 2011: -10%
- Q2 2011: -8%
- Q3 2011: -6%
- Q4 2011: -4%
- Q1 2012: -2%
- Q2 2012: 0%
- Q3 2012: 2%
- Q4 2012: 4%

**Organic growth in net sales**

- Q1 2011: 6%
- Q2 2011: 5%
- Q3 2011: 4%
- Q4 2011: 3%
- Q1 2012: 2%
- Q2 2012: 1%
- Q3 2012: 0%
- Q4 2012: -1%

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**Eurasia continues to be the growth engine**

**Net sales growth, Q3 2011**

- Mobility Services: 2.7%
- Broadband Services: -5.5%
- Eurasia: 16.6%
- TeliaSonera Group: 2.4%

**EBITDA growth, Q3 2011**

- Mobility Services: 7.6%
- Broadband Services: -5.5%
- Eurasia: 16.3%
- TeliaSonera Group: 4.0%

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*Growth in net sales and excluding acquisitions
**Excluding non-recurring items
Continued margin improvement

- EBITDA margin* reached 36.8 percent (36.3)
- Improving EBITDA margin for 12 consecutive quarters

* Excluding non-recurring items

Reduced addressable cost base

- Growth addressable cost base*
- Net sales and addressable cost base*

* In local currencies and excluding acquisitions
Lower income from associated companies

Turkcell* and MegaFon, SEK bn

<table>
<thead>
<tr>
<th></th>
<th>Q3 2010</th>
<th>Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkcell</td>
<td>2.1</td>
<td>1.4</td>
</tr>
<tr>
<td>MegaFon</td>
<td>1.4</td>
<td>1.4</td>
</tr>
</tbody>
</table>

-71%

Income from associated companies, SEK billion

<table>
<thead>
<tr>
<th></th>
<th>Q3 2010</th>
<th>One-off items**</th>
<th>FX</th>
<th>Underlying result</th>
<th>Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkcell</td>
<td>2.1</td>
<td>-0.4</td>
<td>-0.1</td>
<td>-0.2</td>
<td>1.4</td>
</tr>
</tbody>
</table>

* Turkcell is reported with one-quarter lag
** Including a goodwill impairment in Belarus and a provision regarding a fine from the Turkish Competition Board

Higher earnings from operations

Earnings per share development, SEK

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.33</td>
<td>-0.07</td>
<td>-0.12</td>
<td>-0.03</td>
<td>-0.08</td>
<td>-0.07</td>
<td>-0.06</td>
<td>-0.03</td>
<td>-0.04</td>
</tr>
</tbody>
</table>
Stable CAPEX-to-sales ratio expected

- Total CAPEX amounted to SEK 3.6 billion (2.9). CAPEX-to-sales 13.6 percent excluding license and spectrum fees

- CAPEX-to-sales for 2011 is expected to be approx. 13-14%, excl. license and spectrum fees

Strong cash flow generation

- CAPEX-to-sales for 2011 is expected to be approx. 13-14%, excl. license and spectrum fees

- Free cash flow, SEK billion

- * Excluding non-recurring items
Strong cash flow lowered net debt

Net debt and Net debt / EBITDA*

- Net debt / EBITDA ratio 1.80x
- 1.87x at the end of Q2 2011

* Excluding non-recurring items, 4 quarters rolling

Debt maturity schedule

Debt Maturing next 12 months – Sep 30, 2011

- Gross debt SEK 82.9 bn
- Net debt SEK 66.0 bn
- Net debt/EBITDA 1.80x

Debt Portfolio Maturity Schedule – 2011 and onwards
TeliaSonera pension obligations

- Telia Pension Fund established 1996
- Cash dedicated to cover the pension obligations
  - Market value of the assets approx. SEK 16.6 billion*
- Pension obligations;
  - According to Swedish law: SEK 17.1 billion
  - According to IFRS: SEK 17.8 billion
- Almost fully covered even assuming a lower discount rate, i.e. a higher pension obligation

* As of September, 2011

Conclusions from the third quarter

- Continued growth in net sales in local currencies
  - Eurasia, Spain and Mobility Sweden growth engines
- EBITDA margin continues to improve
  - Increasing margin during 12 quarters*
  - Decline in addressable cost base
- Strong free cash flow generation
  - Net debt to EBITDA within our target (1.5-2.0)

* 12 months rolling
# Outlook for 2011 – unchanged

<table>
<thead>
<tr>
<th>Target</th>
<th>9M 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

- 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

Moody’s (A3/P-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
- August 2011, debt ratings confirmed
- Outlook: Stable

Standard & Poor’s (A-/A-2)

Liquidity position TeliaSonera Group

Cash and cash equivalents, less blocked funds approx. SEK 10.4 billion

<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>Dec 2017</td>
<td>EUR 1 billion</td>
<td>EUR 1 billion</td>
</tr>
<tr>
<td>Bilateral credit facility</td>
<td>Apr 2013</td>
<td>SEK 1.4 billion</td>
<td>SEK 1.4 billion</td>
</tr>
<tr>
<td>Syndicated revolving credit facility</td>
<td>Sep 2013</td>
<td>EUR 665 million</td>
<td>EUR 665 million</td>
</tr>
</tbody>
</table>
Strong financial key ratios

<table>
<thead>
<tr>
<th></th>
<th>Sep 30, 2011</th>
<th>Dec 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity*</td>
<td>16.9</td>
<td>17.8%</td>
</tr>
<tr>
<td>Return on capital employed*</td>
<td>16.2</td>
<td>16.9%</td>
</tr>
<tr>
<td>Equity/assets ratio</td>
<td>44.5</td>
<td>48.0%</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>58.1</td>
<td>39.3%</td>
</tr>
<tr>
<td>Net Debt/EBITDA rate* multiple</td>
<td>1.80x</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>1.3</td>
<td>-1.4</td>
<td>0.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Broadband Services</td>
<td>-6.3</td>
<td>-1.0</td>
<td>0.2</td>
<td>-5.5</td>
</tr>
<tr>
<td>Eurasia</td>
<td>4.7</td>
<td>-12.1</td>
<td>0.0</td>
<td>16.8</td>
</tr>
<tr>
<td>The Group</td>
<td>-1.0</td>
<td>-2.9</td>
<td>-0.5</td>
<td>2.4</td>
</tr>
</tbody>
</table>
Statement of cash flows

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q3 2011</th>
<th>Q3 2010</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA excluding non-recurring items</td>
<td>9,802</td>
<td>9,756</td>
<td>46</td>
</tr>
<tr>
<td>Dividends received from ass companies</td>
<td>375</td>
<td>0</td>
<td>375</td>
</tr>
<tr>
<td>Interest paid (net)</td>
<td>-443</td>
<td>-218</td>
<td>-225</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-952</td>
<td>-1,780</td>
<td>828</td>
</tr>
<tr>
<td>Payment of restructuring provisions</td>
<td>-182</td>
<td>-159</td>
<td>-23</td>
</tr>
<tr>
<td>Diff between paid/recorded pensions</td>
<td>-21</td>
<td>12</td>
<td>-33</td>
</tr>
<tr>
<td>Changes in working cap and other items</td>
<td>29</td>
<td>-382</td>
<td>411</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>8,608</td>
<td>7,229</td>
<td>1,379</td>
</tr>
<tr>
<td>Cash CAPEX</td>
<td>-3,502</td>
<td>-3,372</td>
<td>-130</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>5,106</td>
<td>3,857</td>
<td>1,249</td>
</tr>
</tbody>
</table>

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.