TeliaSonera acquires Tele2 Norway

July 7, 2014

Johan Dennelind

President and CEO

TeliaSonera

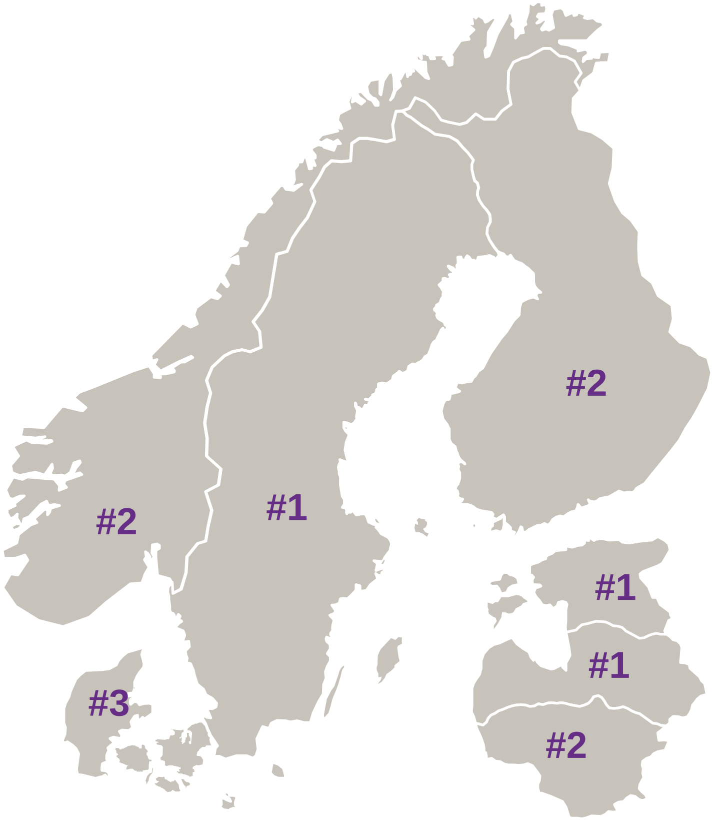
Transaction highlights

- TeliaSonera acquires Tele2 Norway for SEK 5.1 billion on a cash an debt free basis
- Strengthens TeliaSonera’s #2 mobile position in Norway
- Based on 2013 results, purchase price implies EV/Sales of ~1.2x and EV/EBITDA of ~5.5x, including expected cost synergies
- Subject to approval from the Norwegian Competition Authorities
- Expected closing in Q1 2015 at the latest

A deal in line with group strategy

- Strengthen and develop our core operations in the Nordics and Baltics
- Secure a prudent but pragmatic M&A approach - mainly target consolidation opportunities in current markets
- Enhance value through superior network connectivity and competitive operations

TeliaSonera – Mobile market positions



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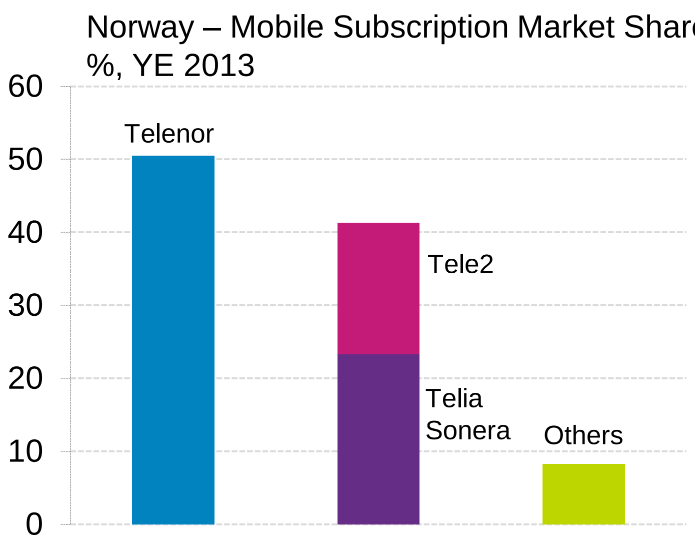
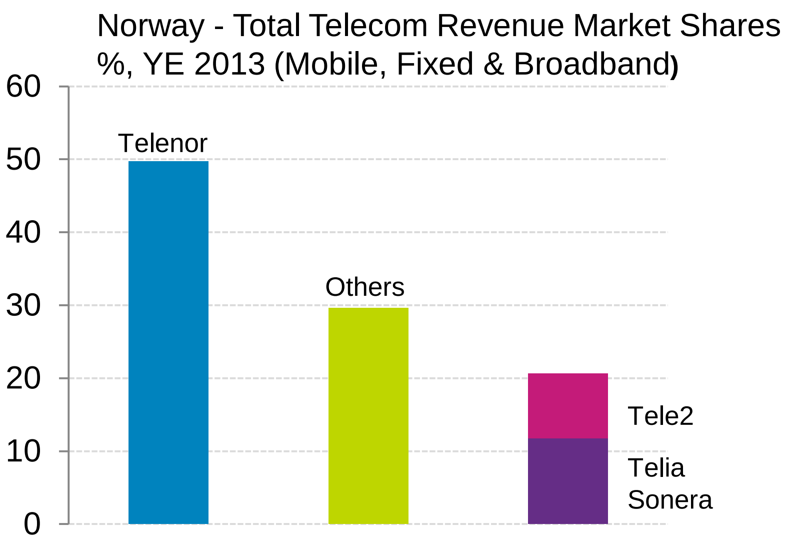
Strengthens TeliaSonera's #2 position in Norway

- TeliaSonera's mobile market share to increase to around 40 percent from 23 percent
- Creates a stronger competitor to the dominant incumbent



Source: NPT



Source: NPT

More powerful offer to the Norwegian customers

- Enables higher quality and wider coverage of mobile internet services
- Acceleration of 4G roll-out in order to reach 98 percent population coverage by 2016
- Continued selection of premium and low price alternatives – strong portfolio of brands that will be optimized

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Significant synergies expected

- Annual cost synergies of at least SEK 800 million from 2016
- Savings mainly related to transfer of Tele2's traffic to TeliaSonera's network

*FY 2013**	**TeliaSonera Norway**	**Tele2 Norway**
Net sales, SEK million	7,056	4,132
EBITDA, SEK million	2,144	121
EBITDA Margin, %	*30.4*	*2.9*
Mobile subscriptions, 000	1,612	1,119
Mobile market share, %	23	18
Fixed subscriptions, 000	-	63

Sources: Company reports and NPT

** In a combined pro forma entity for 2013, sales of approximately SEK 700 million would be eliminated, of which around SEK 375 million related to Tele2's national roaming agreement with TeliaSonera*

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Business integration to occur in 2015

- Integration costs of SEK 250-450 million, mainly in 2015
- Additional CAPEX of SEK 350 million to handle increased traffic, primarily in 2015
- Acceleration of 4G expansion will bring forward CAPEX of SEK 300 million over the two-year period 2015-2016

Transaction Summary

Value	- SEK 5.1 billion on a cash and debt free basis - Implies EV/Sales ~1.2x and EV/EBITDA, including synergies, ~5.5x, based on FY 2013 financials
Financial effects	- Estimated to be neutral to group EPS in 2015 and accretive in 2016
Strategic criteria	- Strengthen and develop core operations in the Nordic and Baltic region
Financing	- Existing funds and credit facilities
Conditions	- Subject to approval from Norwegian Competition Authorities
Time table	- Expected closing in Q1 2015 at the latest

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Q&A

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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