

BofA Merrill Lynch

Global Telecom & Media Conference
June 5, 2014

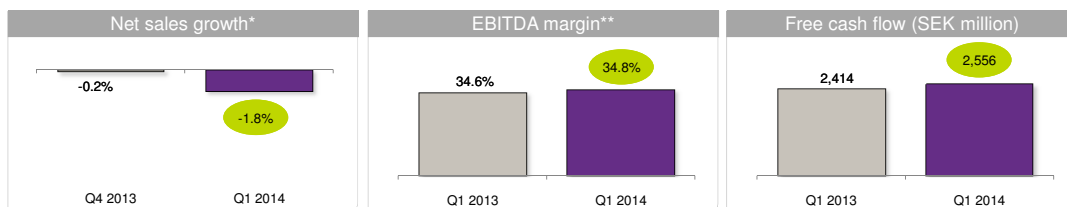
Johan Dannelind

President and CEO



Stable group performance in Q1

- Net sales growth impacted by lower equipment sales and reduced mobile interconnect rates
- EBITDA unchanged year over year in local currency
- Cash flow increased due to positive change in working capital

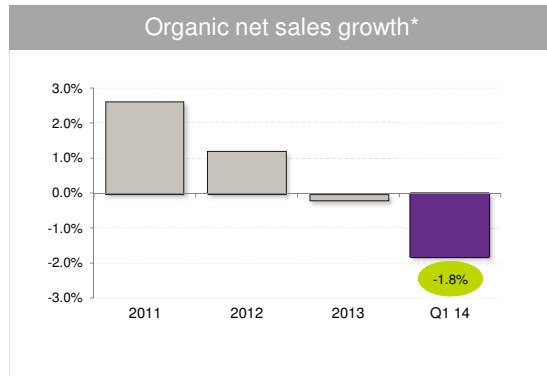


* Local organic net sales growth ** EBITDA, excluding non-recurring items

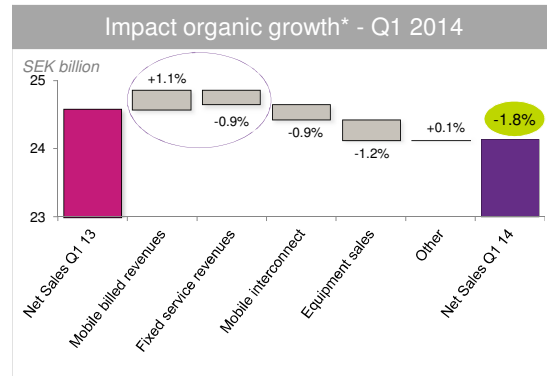
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Top-line trend is our key challenge...



- Slowing net sales growth in past years



- Stable service revenues excluding interconnect in Q1

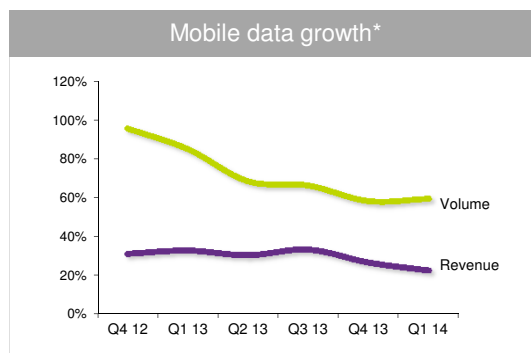
* In local currencies and excl. acquisitions and disposals

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...but data is our growth engine

Q1 2014	Volume y/y*	Revenue y/y*
Voice	+6%	-10%
Messaging	-9%	-12%
Mobile data	+60%	+23%
Billed revenues		+0.7%



- Changing customer behavior creates both challenges and opportunities

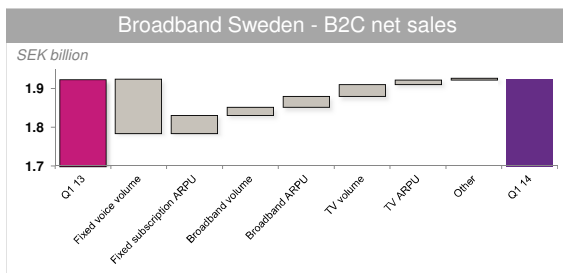
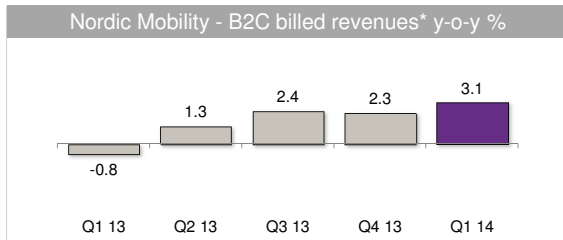
- New data centric price models designed to improve relationship between volume and revenue growth

* Mobility Services

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Data growth supports Nordic consumer business...



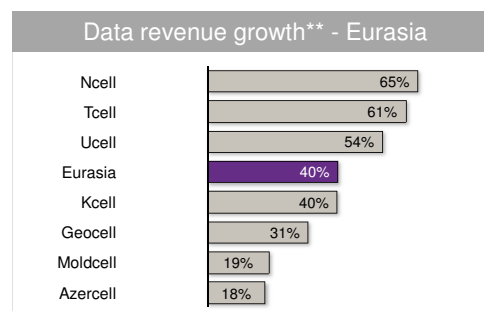
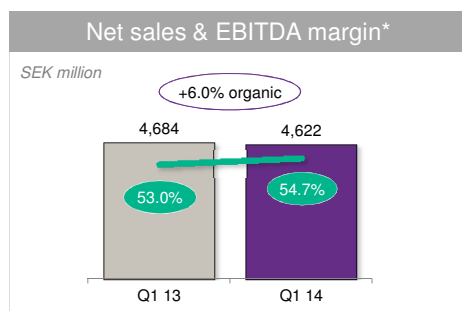
*In local currency

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- Positive billed revenue growth in all Nordic markets within consumer segment
- Data centric price models contribute positively to ARPU
- Significant investments in mobile coverage - increasing share of 4G traffic
- Continued decline in traditional fixed volumes
- Positive contribution from growth in IP-based services together with price adjustments
- Continued fiber roll-out to enable opportunities within convergence



...together with Eurasia which has further potential



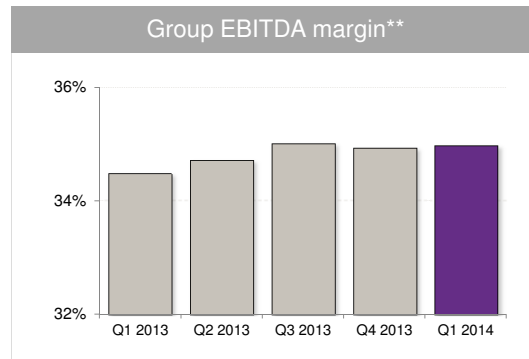
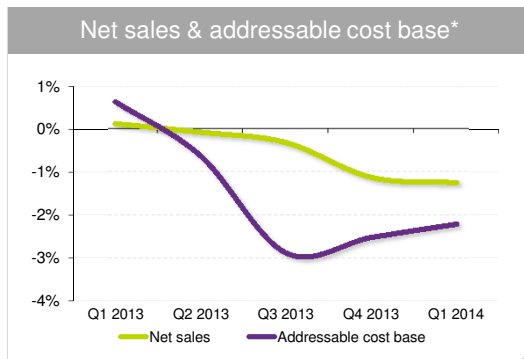
- Mobile data the main growth contributor - data 15 percent of revenues in Q1
- 4G launched in three out of seven Eurasian countries
- Strong margin performance backed by cost efficiency

* Excluding non-recurring items **In local currency

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Pressure on growth requires continued cost focus



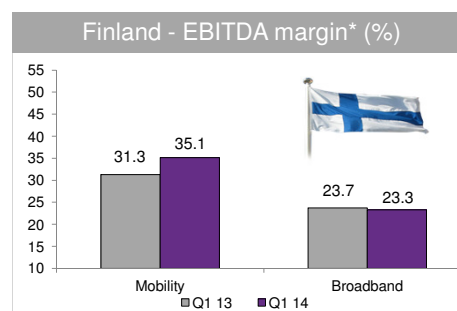
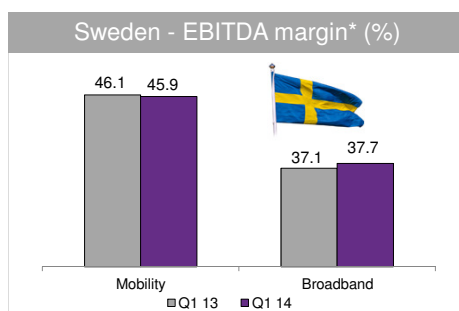
- Maintaining balance between sales and costs
- Group margins supported by savings

* 12 months rolling, stable FX rates, excluding non-recurring items **Excluding non-recurring items, 12 month rolling

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Solid development in our core home markets



- Performance in Sweden and Finland supported by improvements in B2C and cost savings
- Challenges in the B2B area

* Excluding non-recurring items

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Our core remains key in our strategy ahead

Value through superior network connectivity

Customer loyalty through convergence

Competitive operations

Invest in selective adjacencies

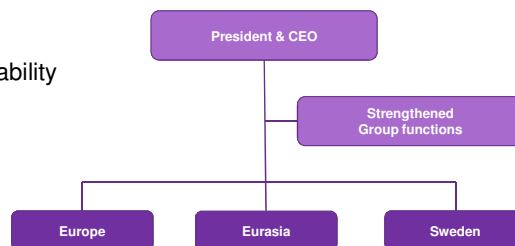
- Strengthen and develop core operations in the Nordics and Baltics
- Take Eurasia to the next level by monetizing on data
- Examine opportunities in closely related adjacent industries
- Prudent but pragmatic M&A approach - mainly targeting opportunities in current markets

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New operating model to maximize potential

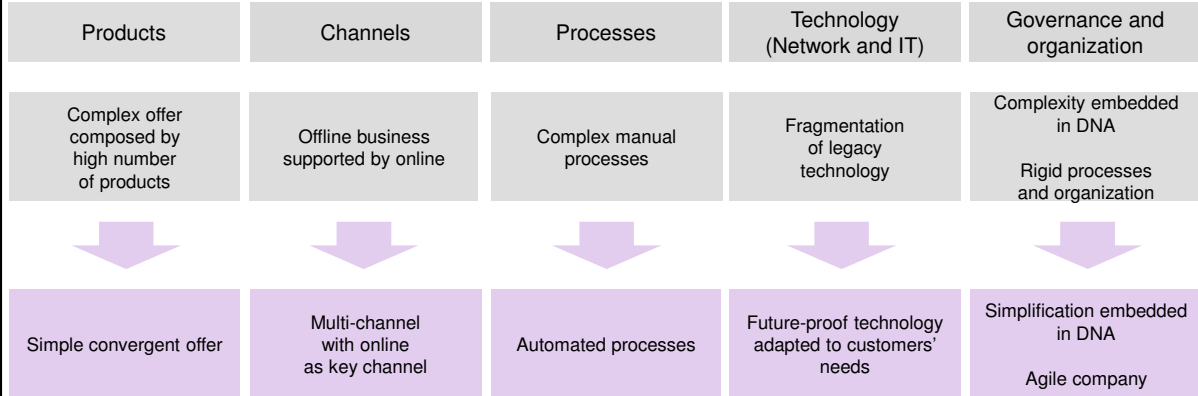
- Back to winning
- Simplify & clarify structure and accountability
- Revive innovation
- Rebuild reputation



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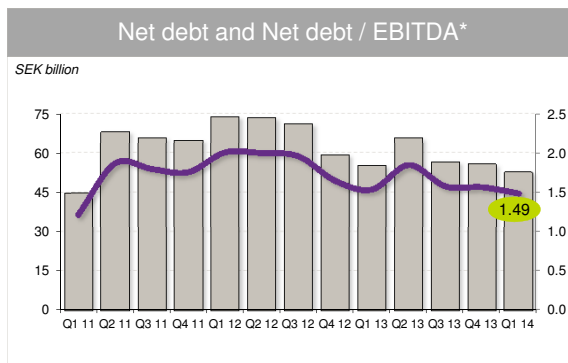
Future proofing necessary for long term cost efficiency



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Maintaining a solid capital structure



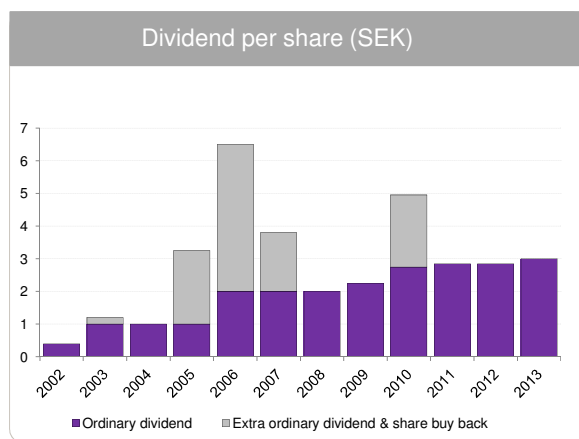
- Net debt of SEK 52.9 billion
- Net debt to EBITDA of 1.49x (1.86x adjusted for dividend paid in early Q2)
- Target range between 1.5-2.0x

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* 4 quarters rolling



Growing shareholder returns over time



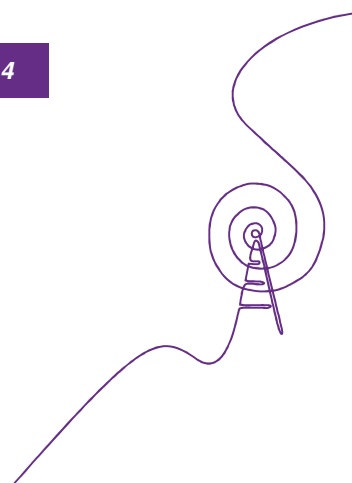
- Ordinary dividend at least 50 percent of net income
- Excess capital to be returned to shareholders
- Ordinary dividend yield currently above 6 percent

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Full year 2014 outlook

	Outlook 2014	Q1 2014
Net sales growth*	Around 2013 level (0%)	-1.8%
EBITDA margin**	Around 2013 level (35%)	34.8%
CAPEX-to-sales ratio***	Around 15%	10.8%



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

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Summary

- Stable group performance in Q1
- Top-line growth a challenge - focus on monetizing mobile data and the untapped potential in Eurasia
- Continued emphasis on cost and efficiency - solid performance in our home core markets but additional transformation needed
- New operating model in place to support strategic agenda
- Solid capital structure - competitive shareholder returns



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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.

