Shaping a new generation telco

- SEK 2 billion investment in business transformation in the next two years
- Net savings with a yearly run rate of SEK 2 billion during 2017

- SEK 4–5 billion investment in additional growth initiatives in 2015–2016
- Primarily acceleration of Swedish fiber roll-out, new B2B offerings and data networks in Eurasia

- Target to distribute an annual dividend of at least SEK 3 per share for the fiscal years 2014 and 2015

Steady development in the third quarter

- Organic service revenues nearly unchanged - flat EBITDA* margin
- Improved earnings trend in Europe - encouraging development in Finland
- Solid profitability in Eurasia
- Further effects of our upgrade of governance and control

* Excluding non-recurring items
Stable group margin

- Organic sales growth impacted by reduced equipment sales in Spain
- EBITDA * declined by 0.9 percent in local currencies – margin unchanged

Net sales & EBITDA margin*

\[
\begin{array}{c|c|c}
 & Q3 13 & Q3 14 \\
\hline
\text{Net Sales} & 25,416 & 25,464 \\
\text{EBITDA} & 37.1\% & 37.1\% \\
\end{array}
\]

CAPEX** & CAPEX-to-sales**

\[
\begin{array}{c|c|c}
 & Q3 13 & Q3 14 \\
\hline
\text{CAPEX} & 3,641 & 3,782 \\
\text{CAPEX-to-sales} & 14.3\% & 14.9\% \\
\end{array}
\]

- Continued focus on investments to support data growth in mobile and fixed

Group service revenues almost unchanged

- Group organic service revenues declined by 0.6 percent in Q3
- Slight slowdown in Eurasia and easing pressure in Europe

Local organic service revenue growth

\[
\begin{array}{c|c|c|c}
 & Q1 14 & Q2 14 & Q3 14 \\
\hline
\text{Sweden} & & & \\
\text{Europe} & & & \\
\text{Eurasia} & & & \\
\text{Group} & & & \\
\end{array}
\]

- Positive growth in Eurasia and B2C offset by pressure in B2B

Local organic service revenue growth

\[
\begin{array}{c|c|c|c}
 & Q1 14 & Q2 14 & Q3 14 \\
\hline
\text{B2C (Sweden & Europe)} & & & \\
\text{B2B (Sweden & Europe)} & & & \\
\text{Eurasia} & & & \\
\end{array}
\]
Stable sales in Sweden

- Local organic service revenue declined by 1.2 percent, as positive growth in B2C was offset by decline in B2B
- Margin drop due to weather related costs, higher equipment sales and change in product mix

Increased profitability in Europe

- Organic sales growth impacted by low equipment sales in Spain – easing pressure on service revenue growth
- Margin supported by improvements in Finland and Spain

* Excluding non-recurring items **Excluding license and spectrum fees
Continued positive trend in Finland

**Net sales & EBITDA margin**

- **SEK million**
- **Q3 13** 3,059
- **Q3 14** 3,222

- **32.0%**
- **33.0%**

- 0.7% local organic

**External service revenue growth**

- **Q1 13** -8%
- **Q2 13** -6%
- **Q3 13** -4%
- **Q4 13** -2%
- **Q1 14** 0%
- **Q2 14** 2%
- **Q3 14** 4%

- • Profitability supported by easing top-line pressure and cost savings
- • Positive service revenue growth despite reduced mobile interconnect rates
- • Continued growth in B2C and easing pressure in B2B

* Excluding non-recurring items  **In local currency

Margin remains high in Eurasia

**Net sales & EBITDA margin**

- **SEK million**
- **Q3 13** 5,291
- **Q3 14** 5,467

- **53.9%**
- **52.9%**

- +5.4% local organic

**CAPEX** & **CAPEX-to-sales**

- **SEK million**
- **Q3 13** 1,087
- **Q3 14** 975

- **20.5%**
- **17.8%**

- • Slight slowdown in organic revenue growth
- • Positive subscriber additions in all countries
- • Focus on strengthening governance and control
- • Continued investments to support mobile data growth

* Excluding non-recurring items  **Excluding license and spectrum fees
Slower growth, improved margin in Kazakhstan

<table>
<thead>
<tr>
<th>Net sales &amp; EBITDA margin*</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK million</td>
</tr>
<tr>
<td>Q3 13</td>
</tr>
<tr>
<td>2,098</td>
</tr>
<tr>
<td>+0.5% local organic</td>
</tr>
<tr>
<td>Q3 14</td>
</tr>
<tr>
<td>1,897</td>
</tr>
</tbody>
</table>

- Service revenue growth impacted by regional price adjustments – continued high profitability
- Focus on strengthening corporate governance

Data as share of service revenues

- Data revenue growth 26 percent in Q3
- The share of data has increased to around 19 percent of service revenues

Corporate governance and sustainability actions

- Country, Institutional and Operational risk assessments performed
- Virtually all staff in Eurasia have done anti-corruption face to face training
- Implementation of Speak-Up Line, available 24/7
- First transparency report published in August
- Signed UN Global Compact call to action on anti-corruption
**Stable EBITDA in first nine-months 2014**

<table>
<thead>
<tr>
<th></th>
<th>Jan-Sep 2014</th>
<th>Jan-Sep 2013</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (SEK million)</td>
<td>74,454</td>
<td>75,311</td>
<td>-1.1</td>
</tr>
<tr>
<td>Change local organic (%)</td>
<td>-1.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA* (SEK million)</td>
<td>26,620</td>
<td>26,856</td>
<td>-0.9</td>
</tr>
<tr>
<td>Change local organic (%)</td>
<td>-0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA* Margin (%)</td>
<td>35.8</td>
<td>35.7</td>
<td>-9.5</td>
</tr>
<tr>
<td>EPS (SEK)</td>
<td>2.67</td>
<td>2.95</td>
<td>-9.5</td>
</tr>
<tr>
<td>Free cash flow (SEK million)</td>
<td>11,412</td>
<td>14,184</td>
<td>-19.5</td>
</tr>
</tbody>
</table>

* Excluding non-recurring items
Sales growth impacted by Spain

**Impact on organic sales growth** - Q3 2014

<table>
<thead>
<tr>
<th>Region</th>
<th>SEK billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Post-service</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Mobile services</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Mobile terminals</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Spain</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Eurasia</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

* In local currencies and excl. acquisitions and disposals  ** Excluding Spain

---

Mixed EBITDA development in the regions

**EBITDA*, Region Sweden**

- Q3 13: 3,840 SEK million
- Q3 14: 3,637 SEK million

- EBITDA* decline mainly explained by weather related costs and higher equipment sales

**EBITDA*, Region Europe**

- Q3 13: 2,555 SEK million
- Q3 14: 2,716 SEK million

- Profitability supported by improvements in Finland and Spain

**EBITDA*, Region Eurasia**

- Q3 13: 2,854 SEK million
- Q3 14: 2,890 SEK million

- Solid growth in Nepal and Uzbekistan
- Stabilized development in Azerbaijan

* Excluding non-recurring items
Higher profitability in Spain despite sales decline

- Equipment revenues down by two-thirds
- Service revenues declined by 4.9 percent

Spain - net sales split*

* Stable FX ** Excluding non-recurring items and gains from tower sales

EBITDA**

- Continued EBITDA** improvement
- Slight increase in subscription base

Investing in improved internet experience

- Approximately 70 percent of CAPEX in Sweden related to fiber and 4G
- Approximately 50 percent of CAPEX in Europe invested in fiber and 4G
- Continued build out of coverage and capacity in Eurasia

CAPEX* & CAPEX-to-sales*

* Excluding license and spectrum fees
Free cash flow impacted by higher cash CAPEX

Reduced net debt

* Excluding non-recurring items
EPS impacted by non-recurring items

Non recurring items include SEK -247 million related to settlement of property leases in Sweden and SEK -615 million write down in Eurasia.

2014 full-year outlook reiterated

<table>
<thead>
<tr>
<th></th>
<th>Outlook 2014</th>
<th>9M 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales*</td>
<td>Slightly below 2013 level</td>
<td>-1.7%</td>
</tr>
<tr>
<td>EBITDA margin**</td>
<td>Around 2013 level (35%)</td>
<td>35.8%</td>
</tr>
<tr>
<td>CAPEX-to-sales ratio***</td>
<td>Around 15%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

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

- The company shall target a solid investment grade long-term credit rating (A- to BBB+)
- TeliaSonera shall target to distribute an annual dividend of at least SEK 3 per share for the fiscal years 2014 and 2015
Organic revenue growth Q3 2014

<table>
<thead>
<tr>
<th>Region</th>
<th>Reported growth</th>
<th>of which currency</th>
<th>of which acquisitions and disposals</th>
<th>of which organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region Sweden</td>
<td>+1.1</td>
<td>-</td>
<td>+0.9</td>
<td>+0.2</td>
</tr>
<tr>
<td>Region Europe</td>
<td>-2.8</td>
<td>+5.0</td>
<td>+0.3</td>
<td>-8.1</td>
</tr>
<tr>
<td>Region Eurasia</td>
<td>+3.3</td>
<td>-2.1</td>
<td>-</td>
<td>+5.4</td>
</tr>
<tr>
<td>The Group</td>
<td>+0.2</td>
<td>+1.8</td>
<td>+0.4</td>
<td>-2.0</td>
</tr>
</tbody>
</table>

Statement of cash flows Q3 2014

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2013</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA excluding non-recurring items</td>
<td>9,439</td>
<td>9,419</td>
<td>+20</td>
</tr>
<tr>
<td>Dividends received from associates</td>
<td>2,003</td>
<td>2,043</td>
<td>-40</td>
</tr>
<tr>
<td>Interest paid (net)</td>
<td>-283</td>
<td>-109</td>
<td>-174</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-896</td>
<td>-836</td>
<td>-60</td>
</tr>
<tr>
<td>Payment of restructuring provisions</td>
<td>-105</td>
<td>-220</td>
<td>+115</td>
</tr>
<tr>
<td>Diff between paid/recorded pensions</td>
<td>-70</td>
<td>24</td>
<td>-94</td>
</tr>
<tr>
<td>Changes in working cap and other items</td>
<td>620</td>
<td>741</td>
<td>-121</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>10,709</td>
<td>11,062</td>
<td>-353</td>
</tr>
<tr>
<td>Cash CAPEX</td>
<td>-4,321</td>
<td>-3,754</td>
<td>-567</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>6,387</td>
<td>7,308</td>
<td>-921</td>
</tr>
</tbody>
</table>
Financial key ratios

<table>
<thead>
<tr>
<th></th>
<th>Sep 30, 2014</th>
<th>Dec 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity*</td>
<td>14.6</td>
<td>15.9</td>
</tr>
<tr>
<td>Return on capital employed*</td>
<td>14.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Equity/assets ratio</td>
<td>40.1</td>
<td>39.5</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>57.6</td>
<td>55.8</td>
</tr>
<tr>
<td>Net debt/EBITDA* ratio</td>
<td>1.68</td>
<td>1.57</td>
</tr>
<tr>
<td>Net debt/assets ratio</td>
<td>23.1</td>
<td>22.1</td>
</tr>
</tbody>
</table>

* Rolling 12 months

Debt maturity schedule

Debt per Q3 2014
- Gross debt SEK 94.0 bn
- Net debt SEK 59.3 bn
- Net debt/EBITDA 1.68
Liquidity position TeliaSonera Group

Cash and cash equivalents, less blocked funds approx. SEK 24.0 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>Revolving credit facility</td>
<td>June 2017</td>
<td>EUR 1 billion</td>
<td>EUR 1 billion</td>
</tr>
</tbody>
</table>

TeliaSonera AB credit ratings (A3/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.