Interim Report
April-June 2015
Johan Dennelind,
President & CEO

Summary Q2 2015

SERVICE REVENUE GROWTH
Reported +5.6%
Organic -1.3%

EBITDA* GROWTH
Reported +4.0%
Organic -4.0%

FREE CASH FLOW
SEK 6.3 billion
+156%

* Excluding non-recurring items
Strengthened competitive position in Norway

- Mobile market share around 40 percent
- Superior 4G network position
- Organic service revenue growth 3 percent
- Target 98 percent 4G population coverage by end 2016

Faster and better integration - raised synergy target

- Service revenues supported by Tele2 acquisition
- Consumer segment driving organic service revenue growth

* External service revenues  **Excluding non-recurring items
Improved earnings trend in Sweden

- Service revenues declined organically by 1 percent, stable trend vs Q1.
- Mobile and fiber support growth in consumer, while price pressure remains within enterprise.
- Optimizing market investments behind improved trend.
- Profitability still burdened by continued decline in fixed telephony.

Managing a challenging environment in Eurasia

- Revenues and earnings impacted by intensified competition and macro weakness in most parts of the region.
- Higher uncertainty for the second half of the year.
- The service revenue decline in Moldova is entirely explained by one-off adjustments.

* External service revenues **Excluding non-recurring items
Major efforts made in Nepal following the earthquake

• Ncell provided customers with free services post the earthquake
• Heroic efforts from Ncell employees to get network up and running - most part is now back in operation
• TeliaSonera and Ncell have donated and committed funds to support the rebuilding of Nepal
• Solid operational performance despite tough conditions

Intensified competition in Kazakhstan

• Ongoing price war with highly aggressive bundled offerings
• Kcell remains market leader with EBITDA margin above 50 percent
• Kcell launched new competitive nationwide all-net tariff plan “Hello Kazakhstan” in June
Executing on our strategic agenda

**ENHANCE THE CORE**
- Develop the core business in the Nordics & Baltics
- Take Eurasia to the next level

**CONNECTIVITY**
**CONVERGENCE**
**COMPETITIVE OPERATIONS**

**EXPLORE OPPORTUNITIES CLOSE TO THE CORE**
Invest in areas that complement and/or strengthen the core business

**IOT**
**E-HEALTH**
**MUSIC**
**SECURITY**
**FINANCIAL**
**TV**
**SERVICES**

**OPERATIONS**

Innovation key to differentiate and drive core business

- Enhanced Spotify partnership to improve skills in media distribution, customer insights and data analytics
- Strengthened B2B offerings thanks to Soundtrack Your Brand
- Partnership within accessories to differentiate and attract customers

4G smartphone penetration and mobile data volume:
- 4G smartphone penetration: 22%
- Mobile data volume growth**: 15%
- 4G smartphone penetration: 52%
- Mobile data volume growth**: 43%
Transformation pace beginning to pick up

- Approximately SEK 300 million invested in H1, to be further stepped-up during H2
- Good progress with increasing online share of sales, IT systems and product portfolio transformation still in early stage
- Targets will be achieved stepwise

<table>
<thead>
<tr>
<th>Area</th>
<th>Status</th>
<th>Targets 2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer products and offerings</td>
<td>4%</td>
<td>80%</td>
</tr>
<tr>
<td>Fewer IT systems</td>
<td>1%</td>
<td>50%</td>
</tr>
<tr>
<td>Share of services and sales online</td>
<td>24%</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Fewer products and offerings</td>
<td>4%</td>
<td>80%</td>
</tr>
<tr>
<td>Fewer IT systems</td>
<td>1%</td>
<td>80%</td>
</tr>
<tr>
<td>Share of services and sales online</td>
<td>15%</td>
<td>&gt;50%</td>
</tr>
</tbody>
</table>

Interim Report
April-June 2015
Christian Luiga,
Senior Vice President & CFO
Summary Q2 2015

<table>
<thead>
<tr>
<th></th>
<th>Apr-Jun 2015</th>
<th>Apr-Jun 2014</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (SEK million)</td>
<td>27,115</td>
<td>24,985</td>
<td>+8.5</td>
</tr>
<tr>
<td>Change local organic (%)</td>
<td>+1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenues (SEK million)</td>
<td>23,645</td>
<td>22,384</td>
<td>+5.6</td>
</tr>
<tr>
<td>Change local organic (%)</td>
<td>-1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA* (SEK million)</td>
<td>9,190</td>
<td>8,836</td>
<td>+4.0</td>
</tr>
<tr>
<td>Change local organic (%)</td>
<td>-4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA* Margin (%)</td>
<td>33.9</td>
<td>35.4</td>
<td></td>
</tr>
<tr>
<td>EPS (SEK)</td>
<td>0.75</td>
<td>0.82</td>
<td>-8.1</td>
</tr>
<tr>
<td>Free cash flow (SEK million)</td>
<td>6,307</td>
<td>2,469</td>
<td>+155.5</td>
</tr>
</tbody>
</table>

* Excluding non-recurring items

FX and M&A support revenue growth in the quarter

- Reported service revenue growth boosted by currency tailwind and Tele2 Norway acquisition
- The Swedish krona weakened against the majority of key currencies y-o-y, with the Russian ruble as the main exception

* External service revenues ** Q2 FX average
Continued high growth in equipment sales

- Continued high demand for mobile handsets
- Mobile billed revenues increased in Sweden and Finland, supported by consumer segment, but declined in Eurasia

* in local currencies, excluding acquisitions and disposals  ** Growth year-on-year in reported currency

Reported EBITDA growth supported by M&A and FX

- Synergies from Tele2 Norway acquisition almost compensate for organic EBITDA decline

* Excluding non-recurring items
Investing in superior connectivity

- Higher CAPEX in line with invest-to-save and invest-to-growth initiatives
- Expanding mobile coverage across our footprint
- Solid fiber orders in Sweden - more than 50,000 new single-family homes to be connected in 2015

CAPEX*, SEK million

<table>
<thead>
<tr>
<th>Region</th>
<th>Q2 14</th>
<th>Q2 15</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region Sweden</td>
<td>1,577</td>
<td>1,410</td>
<td></td>
</tr>
<tr>
<td>Region Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region Eurasia</td>
<td></td>
<td></td>
<td>903</td>
</tr>
<tr>
<td>Group</td>
<td>4,596</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excluding license and spectrum fees

>90% 50%

SDU fiber roll-out in Sweden to increase 50% in 2015

Strong free cash flow boosted by Turkcell dividend

- Turkcell dividend of SEK 4.7 billion net of tax received in Q2
- Higher CAPEX according to plan

Free cash flow H1, SEK billion

<table>
<thead>
<tr>
<th>H1 14</th>
<th>H1 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends received</td>
<td>+5.0</td>
</tr>
<tr>
<td>Interest paid</td>
<td>+0.6</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>+0.4</td>
</tr>
<tr>
<td>Restructuring provisions</td>
<td>+0.0</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>+0.2</td>
</tr>
<tr>
<td>Cash CAPEX</td>
<td>-0.1</td>
</tr>
<tr>
<td>Other</td>
<td>-2.0</td>
</tr>
<tr>
<td>H1 15</td>
<td>9.2</td>
</tr>
</tbody>
</table>

* Excluding non-recurring items
Minor change in net debt year on year

- Net debt fairly stable despite increased CAPEX and M&A activities
- Net Debt/EBITDA 1.91x (1.90x end Q2 2014)

Full year outlook reiterated, but increased uncertainty related to performance in Eurasia

- **EBITDA*** Around 2014 level
- **CAPEX** Around SEK 17 billion
- **DIVIDEND** Target at least SEK 3 per share

* Excluding non-recurring items, in local currencies, excluding acquisitions and disposals
** Excluding license and spectrum fees, currency fluctuations may impact the reported number in Swedish krona
### Financial key ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Jun 30, 2015</th>
<th>Dec 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity*</td>
<td>14.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Return on capital employed*</td>
<td>11.5</td>
<td>12.2</td>
</tr>
<tr>
<td>Equity/assets ratio</td>
<td>39.0</td>
<td>38.0</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>66.5</td>
<td>57.4</td>
</tr>
<tr>
<td>Net debt/EBITDA** ratio</td>
<td>1.91</td>
<td>1.68</td>
</tr>
<tr>
<td>Net debt/assets ratio</td>
<td>25.9</td>
<td>21.8</td>
</tr>
</tbody>
</table>

* Rolling 12 months  ** Rolling 12 months, excluding non-recurring items
EPS impacted by lower contribution from associates

Q2 Earnings per share

- 0.08
- 0.07
+ 0.08
+ 0.03
+ 0.01
- 0.01

- Lower associated contribution from MegaFon and Turkcell

Gross debt SEK 98.4 billion
Net debt SEK 68.5 billion
Net debt/EBITDA 1.91x
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 year 2015

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.