

Press Release

October 11, 2004

TeliaSonera Finland and Vattenfall conclude a strategic total service agreement on automatic metering of electricity consumption

TeliaSonera Finland and Vattenfall Oy have concluded a financially significant long-term agreement on extensive co-operation. TeliaSonera provides Vattenfall with a new solution for metering electricity consumption, enabling automatic, customer-specific meter reading. The total value of the agreement is about EUR 100 million. The agreement strengthens TeliaSonera's position as a provider of total management solutions for power industry.

The total service agreement between Vattenfall and Sonera covers the delivery, installation and maintenance of new, intelligent electricity meters, a GSM-modem-based automatic meter reading service and new functionalities related to the service entity.

The co-operation agreement opens a significant new business for TeliaSonera. The aim of TeliaSonera is to strengthen its position as a provider of total management services in selected industrial sectors. In management services, different remote management solutions that can be automated with machine-to-machine (M2M) communications are becoming increasingly more general.

"Our view is that automated remote management solutions will become more and more general in the business processes of different industries and open new prospects of growth. TeliaSonera Finland is a forerunner in M2M services and in their application to processes in different sectors so as to form comprehensive customer solutions. Power industry is one of the sectors that TeliaSonera focuses on, and it is also one of our strong M2M-application areas. One of the applications is the automatic meter-reading solution now supplied to Vattenfall. In fact, the co-operation agreement with Vattenfall is the first step in this important line of business. The solution serves as a model in respect of various industries, and we have committed ourselves to long-term development of the service," says Anni Vepsäläinen, President of TeliaSonera Finland.

Vattenfall gains major strategic and financial benefits from TeliaSonera's total service. For example, the revamp enables accurate monitoring of customer specific consumption data, switch-over to an invoicing system based on the actual consumption, and improvement of customer service and fault management.

"Thanks to intelligent metering we can provide our customers with quicker service in agreement matters, an option of monitoring consumption data even hour-by-hour, and increasingly simpler, accurate invoicing," says Lauri Virkkunen, General Manager of Vattenfall.

Using TeliaSonera's metering system, Vattenfall obtains more accurate information on the state of the electricity network. The information enables more focused development and maintenance of the network, thereby improving the efficiency of network management.

"An intelligent meter has a memory and, if needed, it can supply accurate data on power failures to our data systems. This allows us to further develop our customer service in cases of power failure," Virkkunen continues. Further, the metering solution also informs Vattenfall of any damage in the device itself.

TeliaSonera is the leading telecommunications company in the Nordic and Baltic regions. At the end of December 2003 TeliaSonera had 11,957,000 mobile customers (37,610,000 incl associated companies) and 8,061,000 fixed customers (9,160,000 incl associated companies) and 1,631,000 internet customers (1,691,000 incl associated companies). Outside the home markets TeliaSonera has extensive interests in the growth markets in Russia, Turkey and Eurasia. TeliaSonera is listed on the Stockholm Exchange and the Helsinki Exchanges. Pro forma net sales January-December 2003 amounted to SEK 81.7 billion (EUR 9.01 billion). The number of employees was 26,694.

The new metering system also significantly advances the operation of the electricity market. On account of accurate consumption data, Vattenfall has a better chance to compete in electricity trade, as the planning and implementation of the company's own energy acquisition can be based on accurate consumption data instead of estimates.

TeliaSonera's system is a further step in the process where 30,000 remote readable meters were installed in apartment buildings for Vattenfall's customers. The installation of new, intelligent electricity meters for Vattenfall's customers will start in spring 2005.

INVITATION TO PRESS CONFERENCE, OCT 11 AT 12.00 (Finnish time)

Representatives of the media are warmly welcome to attend the press conference we organize on the matter today, on October 11, starting at 12 noon. Address: TeliaSonera Finland, Elimäenkatu 5, Auditorium, Helsinki.

Vattenfall

Vattenfall has 360,000 customers in Finland and a market share of about 12%. In 2003, Vattenfall's net sales amounted to EUR 375 million, and the number of employees was about 550. Vattenfall sells, produces and distributes energy to about 6 million customers in Europe. Vattenfall aims to become the leading power company in Europe. Further information: www.vattenfall.fi

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Forward-Looking Statements

Statements made in the press release 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.