

TeliaSonera January-September 2005

Nine-month Period

- Net sales increased to SEK 64,785 million (60,685).
- Net income totaled SEK 10,352 million (11,855) and earnings per share were SEK 1.95 (2.33).
- Free cash flow increased to SEK 12,403 million (10,853).

Third Quarter

- Strong customer growth year on year:
 - 0.9 million new customers in the Nordic and Baltic operations.
 - 2 million new customers in Eurasia and 14.8 million new customers in MegaFon and Turkcell.
- Net sales increased 8.5 percent to SEK 22,229 million (20,496).
- Operating income, excluding non-recurring items, improved to SEK 6,162 million (5,898).
 - Swedish margin maintained in competitive market.
 - The EBITDA margin decreased to 37.0 percent (40.1) due to the fall in earnings in Finland.
 - Strong sales and earnings growth in Norway, Denmark and the Baltic operations.
 - Very strong sales and earnings growth in Eurasia, Russia and Turkey.
- Distribution of approximately SEK 10 billion to shareholders through an extraordinary dividend to be proposed to the Annual General Meeting in April, 2006.

Financial Highlights

SEK in millions, except per share data	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	22,229	20,496	64,785	60,685
EBITDA ¹⁾ excl. non-recurring items ²⁾	8,224	8,212	22,313	22,739
Operating income	5,642	6,660	13,527	17,493
Operating income excl. non-recurring items	6,162	5,898	15,217	15,783
Net income ³⁾	4,367	4,739	10,352	11,855
Earnings per share (SEK)	0.84	0.92	1.95	2.33

1) Please refer to page 14 for definitions.

2) Non-recurring items; see table on page 19.

3) In accordance with International Financial Reporting Standards net income includes net income attributable to minority interests in subsidiaries.

Comments from Anders Igel, President and CEO

“The third quarter results were strong with a sales increase of 8.5 percent and a 4.5 percent increase in the income from our operations.”

“17.7 million new customers in total, including Russia and Turkey, as well as good progress in the restructuring program in Sweden is visible in the results.”

Capital distribution to shareholders

TeliaSonera has communicated that it is planning to distribute SEK 30 billion to its shareholders in addition to ordinary dividends during the period 2005-2007. As a first step, approximately SEK 10 billion of this SEK 30 billion was distributed earlier this year by repurchasing shares through a public offer with tradable rights.

The Board of Directors will, as a second step, recommend that the Annual General Meeting in April 2006 decide on a distribution of approximately SEK 10 billion. As method for distribution, an extraordinary dividend in addition to the ordinary dividend will be proposed.

Due to amendments in International Financial Reporting Standards a clarification of the ordinary dividend policy is made. The dividend policy is to distribute 30-50 percent of net income excluding minority interests in subsidiaries, i.e. net income attributable to shareholders of the parent company (see page 15).

Outlook

The strong volume growth in mobile communications is expected to continue but price pressure will limit sales growth in the home markets. In Sweden, decline in sales of traditional fixed services will partly be compensated by sales of other services. In Eurasia the strong sales growth is expected to continue.

Group EBITDA margin excluding non-recurring items for the full year 2005 is expected to be approximately 34 percent.

Due to the increase in the number of customers, CAPEX to sales for 2005 is expected to be somewhat higher than for 2004.

The ongoing restructuring programs are expected to result in a new focused service portfolio and a reduction of the annual costs by SEK 5-6 billion in the latter part of the three year transition period. Total non-recurring costs for the restructuring programs are estimated at approximately SEK 5 billion. The restructuring costs for the fourth quarter of 2005 are expected to be approximately at the same level as for the third quarter 2005.

Review of the Group, Third Quarter 2005

Net sales increased 8.5 percent to SEK 22,229 million. Acquisitions had a positive effect by 6.8 percent and exchange rate fluctuations by 1.6 percent. Net sales increased in all markets except for Sweden and Finland, where sales decreased because of overall lower price levels and continued volume decline in fixed voice.

The customer base increased 31 percent year on year. At the end of the quarter, TeliaSonera had 27 million customers in majority-owned operations and 48 million customers in associated companies.

Operating income excluding non-recurring items improved to SEK 6,162 million (5,898) due to earnings growth in most of the operations, especially Eurasia and the associated companies MegaFon and Turkcell. In Finland, earnings decreased due to heavy price erosion. Sweden also reported a slight decrease in earnings, but the margin was maintained due to strong mobile volume growth and efficiency measures.

Non-recurring items totaled SEK -520 million (762) and were mainly attributable to provisions for restructuring costs in Sweden.

EBITDA margin (excluding non-recurring items) decreased to 37.0 percent (40.1) due to the decline in earnings in Finland.

Financial items improved to SEK -118 million (-675). The comparable quarter was affected by provisions of SEK -498 million.

Tax expenses decreased to SEK 1,157 million (1,246). The effective tax rate was unchanged.

Net income decreased to SEK 4,367 million (4,739) and earnings per share were SEK 0.84 (0.92).

CAPEX was SEK 2,530 million (2,599). In relation to sales, CAPEX decreased to 11.4 percent (12.7). The majority of the investments were made in Sweden, Eurasia, Finland and the Baltic operations.

Free cash flow dropped to SEK 4,088 million (5,068), as a result of increased working capital, larger tax payments and a shift in the dividend payment schedule from associated companies.

The equity/assets ratio increased from 60.0 to 64.8 percent during the quarter.

Net debt increased from SEK 4,363 million to SEK 9,449 million, primarily because of the cash payment for repurchased shares on July 4, 2005.

Strong mobile volume growth and efficiency measures sustained the margin in Sweden

- In mobile communications, volume growth continued to be strong (12 percent), which almost offset the effect of the lower price levels.
- The number of mobile customers increased by 57,000 during the third quarter and by 5 percent year on year.

SEK in millions, except margins, ARPU and number of customers	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	9,575	10,066	29,156	30,152
EBITDA excl. non-recurring items	4,114	4,343	11,611	12,586
Margin (%)	43.0	43.1	39.8	41.7
Operating income	2,495	3,169	6,781	9,675
Operating income excl. non-recurring items	3,006	3,173	8,304	9,100
<i>Mobile communications</i>				
Net sales	3,128	3,182	9,077	9,059
EBITDA excl. non-recurring items	1,455	1,505	3,865	3,903
Margin (%)	46.5	47.3	42.6	43.1
CAPEX	187	161	650	457
ARPU (SEK)	216	234	214	230
Number of customers, end of period (thousands)	4,372	4,160	4,372	4,160
<i>Fixed communications</i>				
Net sales	6,447	6,884	20,079	21,093
EBITDA excl. non-recurring items	2,659	2,838	7,746	8,683
Margin (%)	41.2	41.2	38.6	41.2
CAPEX	715	836	2,374	2,347
Number of customers, end of period (thousands)	6,568	7,450	6,568	7,450

- Churn was 11 percent (9).
- The number of mobile traffic minutes per customer and month rose by 7 percent, but ARPU declined due to price pressure.
- Use of mobile data services increased as a result of the increased range of content services via the mobile Internet portal SurfPort, for example Mobile TV, mobile data services such as Telia Connect and Telia Connect Pro and attractive bundled offers. However, the mobile data traffic has so far only had a marginal impact on sales.
- CAPEX in mobile communications was higher due to capacity expansion as a result of volume growth, investments in EDGE intending to quadruple the speed for mobile data services in the GSM network and ongoing expansion of the GSM network's geographical coverage from 70 to 90 percent. The associated company Svenska UMTS-nät AB has invested SEK 3.1 billion in the 3G infrastructure in Sweden to date.

- In fixed communications, sales and earnings dropped because of lower price levels, wholesale sales of subscriptions to other operators and the migration from fixed to mobile. The EBITDA margin could, however, be maintained through lower costs. Costs from the storm in January affected earnings negatively by SEK 20 million.
- The total number of fixed voice retail subscriptions amounted to 5,198,000 (6,173,000). The decline is mainly related to customers of other operators that have moved their subscriptions from Telia, which sells the subscriptions on a wholesale basis to the operators, and to some extent related to migration to mobile and Internet based services.
- Demand for broadband continued to increase. The number of broadband customers increased by 34,000 to 633,000 in the third quarter. The customer growth year on year was 34 percent. Price cuts, the introduction of firewalls and virus protection as standard in the broadband subscription and attractive bundled offers that also included fixed voice contributed to the increase.
- The restructuring of the Swedish operations to secure future growth and competitiveness is progressing according to plan. In the third quarter, an additional 121 employees accepted the early retirement offer and an additional 339 were transferred to the redeployment unit. By the end of the third quarter, 746 employees had accepted the early retirement offer and 579 employees had been transferred to the redeployment unit.
- Measures implemented up to the end of the third quarter are expected to result in an annual savings effect of SEK 1.2 billion as of 2006.
- In the third quarter, a provision of SEK 511 million was made for redundancies and was reported as a non-recurring item. Redundancy provisions made up to the end of the third quarter totaled SEK 1,523 million. In the fourth quarter, additional provisions are expected to be at approximately the same level as in the third quarter.

Strong mobile customer growth in Finland

- In mobile communications, the volume growth was strong, but heavy price erosion and increased costs for sales and marketing and other volume-related expenses burdened sales and earnings. Saunalahti's withdrawal from Sonera's network also had a negative impact.
- Sonera has during 2005 gradually regained customers by renewing the service portfolio, actively working with customer loyalty programs and acquiring the customer base in ACN. The number of end customers today is at approximately the same level as before the introduction of number portability in 2003.
- Year on year, the number of end customers increased 9 percent. During the third quarter, the customer increase was 48,000.
- The number of traffic minutes per customer and month rose 8 percent.

- The share of non-voice services increased to 14 percent (11) of mobile sales.

SEK in millions, except margins, ARPU and number of customers	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	4,049	4,524	12,308	13,707
EBITDA excl. non-recurring items	1,105	1,886	2,860	5,293
Margin (%)	27.3	41.7	23.2	38.6
Operating income	270	1,041	343	2,763
Operating income excl. non-recurring items	274	1,049	452	2,776
<i>Mobile communications</i>				
Net sales	2,466	2,986	7,614	8,919
EBITDA excl. non-recurring items	607	1,409	1,642	3,947
Margin (%)	24.6	47.2	21.6	44.3
CAPEX	104	246	561	754
ARPU (EUR)	29.4	38.2	30.6	38.2
Number of customers, end of period (thousands)	2,464	2,264	2,464	2,264
<i>Fixed communications</i>				
Net sales	1,583	1,538	4,694	4,788
EBITDA excl. non-recurring items	498	477	1,218	1,346
Margin (%)	31.5	31.0	25.9	28.1
CAPEX	245	246	827	883
Number of customers, end of period (thousands)	1,079	1,098	1,079	1,098

- Churn was 24 percent (22).
- A new subscription offer, Sonera Netto, was launched in the quarter. SurfPort, TeliaSonera's mobile Internet portal for the home markets, was also introduced in Finland.
- In fixed communications, sales increased 3 percent and EBITDA and the margin improved due to increased sales of broadband, data and managed IT services and copper access to other operators. The migration from fixed voice to mobile continued.
- The number of broadband customers increased by 19,000 to 321,000 in the third quarter. Year on year, the increase was 50 percent. Broadband services for 12 and 24 Mbps were launched in selected areas.
- The cost efficiency measures that have been initiated thus far will decrease annual costs by SEK 1 billion, reaching full effect during 2006.
- Due to the prevailing market conditions additional measures are needed to strengthen profitability and to defend asset values. A turn-around program is reviewed by the new President of TeliaSonera Finland, Mr. Juho Lipsanen.

Increasing share of postpaid customers drives volume growth in Norway

- Net sales rose year on year due to increased usage per customer and a growing number of postpaid customers. In local currency, net sales improved 10 percent.
- Earnings improved but the EBITDA margin remained unchanged due to price pressure and increased sales and marketing costs.
- NetCom's business segment initiative is successful. The total customer base increased 2 percent year on year, while the number of postpaid customers increased 8 percent. The requirements for mandatory registration, among other things, caused the number of prepaid card customers to decrease by 45,000 during the third quarter. The number of postpaid customers increased by 22,000.

SEK in millions, except margins, ARPU and number of customers	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
<i>Mobile communications</i>				
Net sales	1,991	1,674	5,385	4,687
EBITDA excl. non-recurring items	657	558	1,910	1,540
Margin (%)	33.0	33.3	35.5	32.9
Operating income	363	325	1,196	926
Operating income excl. non-recurring items	445	367	1,318	968
CAPEX	132	179	615	406
ARPU (NOK)	353	350	333	342
Number of customers, end of period (thousands)	1,277	1,249	1,277	1,249

- The number of traffic minutes per customer and month increased 12 percent and ARPU improved.
- Churn increased to 19 percent (16).
- Trådlös Familie was launched. The service is aimed at families with a maximum of six users and offers free calls within the user group in Norway. The market response has been very good.
- On August 29, TeliaSonera signed a final share purchase agreement to acquire 91.2 percent of Vollvik Gruppen in Norway, which owns 100 percent of the mobile service provider Chess/Sense. The Norwegian Competition Authority is currently examining the transaction and is expected to make a decision in mid-November. The authority's approval is a prerequisite for closing the transaction.
- The Norwegian Post and Telecommunication Authority has decided to reduce mobile interconnect fees for NetCom and Telenor. The new fees will be implemented in two steps, the first starting from November 1, 2005 and the second from July 1, 2006. The decision will impact NetCom's annual earnings negatively by approximately NOK 225 million. NetCom will appeal the decision.

- An efficiency program affecting 60-80 employees was launched. The annual cost savings are estimated at approximately NOK 50 million as of 2006. The implementation cost is estimated at NOK 30-40 million. A provision for this, reported as a non-recurring item, will be made in the fourth quarter.

Improved performance in all Danish operations

- Good organic growth in all operations and synergy effects within mobile led to strong earnings improvement. The Danish operations reported positive operating income in the third quarter.
- In mobile communications, the acquisition of Orange substantially increased net sales. The sales growth year on year was 155 percent, of which 13 percent organic growth. During the third quarter, the total customer base decreased by 1,000 customers but the share of post-paid customers continued to increase.

SEK in millions, except margins, ARPU and number of customers	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	1,868	992	5,262	2,908
EBITDA excl. non-recurring items	293	76	635	213
Margin (%)	15.7	7.7	12.1	7.3
Operating income	13	-59	-226	-198
Operating income excl. non-recurring items	14	-59	-196	-198
<i>Mobile communications</i>				
Net sales	1,287	504	3,633	1,442
EBITDA excl. non-recurring items	169	8	314	27
Margin (%)	13.1	1.6	8.6	1.9
CAPEX	136	81	541	141
ARPU (DKK)	255	270	248	260
Number of customers, end of period (thousands)	1,118	462	1,118	462
<i>Fixed communications</i>				
Net sales	581	488	1,629	1,466
EBITDA excl. non-recurring items	124	68	321	186
Margin (%)	21.3	13.9	19.7	12.7
CAPEX	33	44	106	112
Number of customers, end of period (thousands)	553	501	553	501

- The integration has been successful and is to a large extent completed. Telia now operates only one network, and more than 600,000 former Orange customers were moved during the quarter into the new, common mobile network, which covers 96 percent of the population.
- Increased CAPEX due to the network's geographical extension and increased capacity.
- The test and evaluation of UMA (Unlicensed Mobile Access) continued. UMA makes it possible to use mobile telephones over broadband at home and, therefore, reduce costs. The plan is to launch UMA-based services in 2006.

- In fixed communications, net sales and earnings improved due to increased demand for wholesale services, IP/VPN services and broadband. The launch of DataNet – IP/VPN solutions based on the most current technology, MPLS – strengthened Telia's competitiveness on the Danish corporate market and a number of contracts were signed.
- Telia was the first operator in Denmark to launch flat rate services for international calls – Telia Altid Udland and Telia Fritid Udland.
- To further improve cost efficiency in Denmark, Telia Mobile and Telia Networks will be integrated. The integration is expected to reduce annual costs by approximately SEK 110 million as of 2006 and result in a reduction of approximately 110 full-time positions. The implementation cost is estimated at around SEK 100 million, of which a provision of approximately SEK 60 million will be made in the fourth quarter and reported as a non-recurring item.

Strong mobile and broadband growth in the Baltics

SEK in millions, except margins and number of customers	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	2,416	1,502	6,840	4,373
EBITDA excl. non-recurring items	1,152	767	3,284	2,148
Margin (%)	47.7	51.1	48.0	49.1
Income from associated companies	65	166	175	346
Operating income	692	589	1,871	1,442
Operating income excl. non-recurring items	692	589	1,871	1,442
<i>Mobile communications</i>				
Net sales	1,707	1,094	4,729	3,109
of which Lithuania	609	542	1,697	1,587
of which Latvia	615	552	1,692	1,522
of which Estonia	483	–	1,340	–
EBITDA excl. non-recurring items	783	549	2,191	1,524
Margin (%), Lithuania	41.5	45.6	43.2	44.5
Margin (%), Latvia	51.1	54.7	51.5	53.7
Margin (%), Estonia	44.7	–	43.8	–
CAPEX	189	100	453	348
Number of customers, end of period (thousands)	3,052	2,397	3,052	2,397
<i>Fixed communications</i>				
Net sales	860	470	2,541	1,428
of which Lithuania	492	470	1,448	1,428
of which Estonia	368	–	1,093	–
EBITDA excl. non-recurring items	375	222	1,106	679
Margin (%), Lithuania	50.0	47.2	49.5	47.5
Margin (%), Estonia	35.1	–	35.6	–
CAPEX	90	60	245	120
Number of customers, end of period (thousands)				
in subsidiaries	1,411	1,414	1,411	1,414
in associated companies	681	665	681	665

- In mobile communications, net sales improved due to the consolidation of the Estonian mobile operator EMT and strong customer growth in all three mobile operations.
- Despite intense competition the number of mobile customers increased by 145,000 during the third quarter. Year on year the increase was almost 30 percent.
- Lower price levels and increased customer acquisition costs caused the EBITDA margin to decrease in LMT and Omnitel. In EMT, the margin increased slightly.
- CAPEX increased due to the consolidation of EMT, investments in EDGE technology and capacity expansion in the GSM networks on all three markets.
- Omnitel upgraded the mobile Internet portal Omni SurfPort with new functions and services, among them mobile TV, resulting in a strong increase in the mobile data volume. LMT launched a new service aimed at first graders, "First year at school," with 50 percent lower subscription fees and call tariffs within LMT's network.
- In fixed communications, net sales increased due to the consolidation of the fixed network operator Elion in Estonia and strong Internet and broadband growth mainly in Lietuvos Telekomas but also in Elion.
- During the third quarter, the total number of broadband customers in the fixed network operations increased by 36,000 to 239,000. Year on year, the broadband customer growth was 74 percent.
- The margin increased in Elion due to cost savings and in Lietuvos Telekomas because of increased sales and reduced costs for marketing and personnel.
- Increased CAPEX in fixed communications due to the consolidation of Elion.
- During the third quarter, Telekomas launched VPN Access over the Internet and Elion started to offer digital TV.
- In the associated company Lattelekom, sales were at the same level. Lower depreciation increased TeliaSonera's income from Lattelekom to SEK 66 million (55).
- There is an ongoing discussion between TeliaSonera and the Latvian government regarding ownership issues in LMT and Lattelekom.

Continued strong sales and earnings growth in International Mobile

- The majority-owned operations in Eurasia, Fintur (74 percent holding) and the associated companies MegaFon in Russia and Turkcell in Turkey reported continued strong development, which led to the strong improvement of operating income in International Mobile.
- The international mobile operations, especially in Eurasia and Russia, are in a build-up phase with network rollout and introduction of new services. Due to the companies' strong earnings trend, the expansion can largely be financed with their own funds, which has given them a strong financial position.

SEK in millions, except margins and number of customers	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	1,817	1,153	4,417	2,933
EBITDA excl. non-recurring items	1,025	693	2,447	1,708
Margin (%)	56.4	60.1	55.4	58.2
Income from associated companies	1,062	396	2,092	1,202
of which Russia	390	271	893	499
of which Turkey	672	125	1,199	703
Operating income	1,873	955	3,994	2,535
Operating income excl. non-recurring items	1,873	955	3,994	2,535
CAPEX	629	586	1,886	1,237
Number of customers, end of period (thousands)				
Eurasia	5,504	3,459	5,504	3,459
Russia	20,991	11,487	20,991	11,487
Turkey	25,600	20,900	25,600	20,900

Eurasia

- In the Eurasian operations (Azercell in Azerbaijan, Geocell in Georgia, K'cell in Kazakhstan and Moldcell in Moldova), net sales climbed 58 percent year on year. K'cell, the largest of the four mobile operators, generated 54 percent of Fintur's net sales, while Azercell, Geocell and Moldcell represented 31 percent, 11 percent and 4 percent, respectively.
- The number of customers climbed by more than 2 million to 5.5 million year on year. During the third quarter, the increase was 862,000. Customer growth was largest in K'cell, which represented 70 percent of the growth.
- Penetration reached 26 percent in Eurasia compared to 16 percent in the comparable quarter.
- EBITDA improved by almost 50 percent due to strong net sales growth, but the EBITDA margin decreased slightly because of increasing costs in K'cell for sales and marketing as a result of intensifying competition and regional expansion.
- Increased CAPEX mainly due to network investments in K'cell and Azercell.

Russia

- MegaFon (associated company, 43.8 percent holding) reported strong sales and earnings growth, which resulted in an increase in TeliaSonera's income from MegaFon year on year.
- The number of customers climbed by 9.5 million to 21 million year on year. During the third quarter, the customer growth was 2.7 million and MegaFon improved its revenue market share.
- In the third quarter, MegaFon launched mobile services in two additional regions and now operates in 75 of the 89 federal regions in Russia.

Turkey

- Turkcell (associated company, 37.3 percent holding reported with a one-quarter lag) reported a strong increase in both net sales and earnings, partially due to large provisions in the comparative quarter. The increased earnings together with the positive effects of fluctuations in exchange rates and inflation adjustments increased TeliaSonera's income from Turkcell substantially year on year.
- The number of customers increased by 4.7 million to 25.6 million year on year. In the quarter, customer growth was 1.3 million. Turkcell also had over 0.6 million customers in its mobile operations in Ukraine.
- TeliaSonera believes that Cukurova has breached an agreement entered into in March 2005 pursuant to which Cukurova agreed to sell its Turkcell Holding shares, and thereby, control of Turkcell, to TeliaSonera.
- Furthermore, TeliaSonera believes that Cukurova has breached commitments it made to TeliaSonera in a Shareholders' Agreement relating to Turkcell Holding. The breach relates to TeliaSonera's right of first refusal regarding the shareholding interests Cukurova intends to transfer to the Russian Alfa Group.
- TeliaSonera has commenced two arbitrations, in Geneva and Vienna, before the International Court of Arbitration to vindicate its contractual rights pertaining to the March agreement and the Turkcell Holding Shareholders' Agreement.

Other operations *)

- In TeliaSonera Holding, net sales decreased due to divestitures. EBITDA improved to SEK 21 million (12) year on year.
- Operating income excluding non-recurring items declined to SEK 31 million (67) but earnings improved if capital gains in the comparable quarter are excluded.
- In the third quarter, additional shareholdings were divested, generating a capital gain of SEK 22 million (reported in financial net) and a cash inflow of SEK 29 million.

SEK in millions	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	1,252	1,369	3,564	4,135
of which International Carrier	1,070	1,009	3,026	2,962
EBITDA excl. non-recurring items	46	27	142	-20
of which International Carrier	25	15	110	16
Income from associated companies	15	807	0	1,049
Operating income	111	783	144	1,070
Operating income excl. non-recurring items	20	-45	30	-133
CAPEX	57	61	142	176

*) Include TeliaSonera Holding and TeliaSonera International Carrier

- As of July 1, 2005, the role of TeliaSonera International Carrier was redefined as a common operations unit supporting TeliaSonera's business in the Nordic and Baltic home markets. While all net sales from international carrier activities continue to be reported under Other operations, the operating income from activities that support the home markets is allocated back to the profit centers. The remaining result, which represents the profitability of the capacity network outside the home markets, continues to be reported under Other operations.

Stockholm, October 25, 2005

Anders Igel
President and CEO

Auditors' Review Report

We have reviewed this interim report in accordance with the recommendation issued by FAR. A review is limited to primarily enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements for interim reports in the Swedish Securities Exchange Act, the Annual Accounts Act and IAS 34.

Stockholm, October 25, 2005

PricewaterhouseCoopers AB

Göran Tidström
Authorized Public Accountant
Auditor in charge

Håkan Malmström
Authorized Public Accountant

Financial Information

Year-end Report, January–December 2005	February 10, 2006
Interim Report January–March 2006	April 25, 2006
Shareholders' information meeting, Helsinki	April 26, 2006
Annual General Meeting, Stockholm	April 27, 2006
Interim Report January–June 2006	July 28, 2006
Interim Report January–September 2006	October 31, 2006
Year-end Report January–December 2006	February 13, 2007

Questions regarding content in the reports:

TeliaSonera AB
Investor Relations
SE-106 63 Stockholm, Sweden
Tel. +46 8 504 550 00
Fax +46 8 611 46 42
www.teliaSonera.com/ir

Ordering of individual hard copies of the reports:

Tel. +46 372 851 42
Fax +46 372 843 56
www.teliaSonera.com/ir

Definitions

EBITDA: An abbreviation of "Earnings Before Interest, Tax, Depreciation and Amortization." Equals operating income before depreciation, amortization and write-downs and before income from associated companies.

ARPU: Average monthly revenue per user.

Churn: The number of post-paid customers that have left the company expressed as a percentage of the average number of post-paid customers.

Condensed Consolidated Income Statements

SEK in millions, except per share data and number of shares	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Net sales	22,229	20,496	64,785	60,685
Costs of production	-11,619	-10,561	-34,354	-31,247
Gross income	10,610	9,935	30,431	29,438
Selling, admin., and R&D expenses	-5,715	-4,930	-17,429	-15,427
Other operating revenues and expenses, net	-375	286	-1,712	847
Income from associated companies	1,122	1,369	2,237	2,635
Operating income	5,642	6,660	13,527	17,493
Net financial revenues and expenses	-118	-675	-385	-1,124
Income after financial items	5,524	5,985	13,142	16,369
Income taxes	-1,157	-1,246	-2,790	-4,514
Net income	4,367	4,739	10,352	11,855
Attributable to:				
Shareholders of the parent co.	3,763	4,320	8,963	10,873
Minority interests in subsidiaries	604	419	1,389	982
Shareholders' basic and diluted earnings per share (SEK)	0.84	0.92	1.95	2.33
Number of shares (thousands)				
Outstanding at period-end	4,490,457	4,675,232	4,490,457	4,675,232
Weighted average, basic and diluted	4,490,457	4,675,232	4,602,134	4,675,232
Number of treasury shares (thousands)				
At period-end	184,775	–	184,775	–
Weighted average	184,775	–	73,098	–
EBITDA	7,787	8,297	20,765	23,826
EBITDA excl. non-recurring items	8,224	8,212	22,313	22,739
Depreciation, amortization and write-downs	-3,266	-3,006	-9,474	-8,968
Operating income excl. non-recurring items	6,162	5,898	15,217	15,783

Condensed Consolidated Balance Sheets

SEK in millions	Sep 30, 2005	Dec 31, 2004 *)
Assets		
Goodwill and other intangible assets	71,826	69,534
Property, plant and equipment	48,496	47,212
Investments in associates, deferred tax assets and other financial assets	38,946	35,353
<i>Total non-current assets</i>	<i>159,268</i>	<i>152,099</i>
Inventories	659	655
Trade receivables, current tax assets and other receivables	18,966	20,732
Interest-bearing receivables	1,181	1,241
Cash and cash equivalents	16,936	17,245
<i>Total current assets</i>	<i>37,742</i>	<i>39,873</i>
Total assets	197,010	191,972
Equity and liabilities		
Shareholders' equity	123,731	121,133
Minority interests	7,894	6,934
<i>Total equity</i>	<i>131,625</i>	<i>128,067</i>
Long-term loans	20,631	12,942
Deferred tax liabilities, other long-term provisions	12,990	13,402
Other long-term liabilities	2,239	2,450
<i>Total non-current liabilities</i>	<i>35,860</i>	<i>28,794</i>
Short-term loans	6,218	11,733
Trade payables, current tax liabilities, short-term provisions and other current liabilities	23,307	23,378
<i>Total current liabilities</i>	<i>29,525</i>	<i>35,111</i>
Total equity and liabilities	197,010	191,972

*) Restated to reflect finalized purchase price allocations (see Q1 report, page 18).

Condensed Consolidated Cash Flow Statements

SEK in millions	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Cash flow before change in working capital	7,017	7,784	20,734	18,982
Change in working capital	-667	-111	37	-1,079
Cash flow from operating activities	6,350	7,673	20,771	17,903
Intangible and tangible fixed assets acquired (cash CAPEX)	-2,262	-2,605	-8,368	-7,050
Free cash flow	4,088	5,068	12,403	10,853
Cash flow from other investing activities	481	92	2,228	6,846
Total cash flow from investing activities	-1,781	-2,513	-6,140	-204
Cash flow before financing activities	4,569	5,160	14,631	17,699
Cash flow from financing activities	-13,244	-978	-15,232	-11,968
Cash flow for the period	-8,675	4,182	-601	5,731
Cash and cash equivalents, opening balance	25,640	13,669	17,245	12,069
Cash flow for the period	-8,675	4,182	-601	5,731
Exchange rate differences	-29	-70	292	-19
Cash and cash equivalents, closing balance	16,936	17,781	16,936	17,781

Condensed Consolidated Statements of Changes in Equity

SEK in millions	Sep 30, 2005			Dec 31, 2004 ^{*)}		
	Share-holders' equity	Minority interests	Total equity	Share-holders' equity	Minority interests	Total equity
Opening balance	121,133	6,934	128,067	112,393	3,441	115,834
Transactions with non-related parties	—	-12	-12	-12	968	956
Exchange rate differences	8,560	585	9,145	-2,233	-164	-2,397
Inflation adjustments	881	—	881	1,452	—	1,452
Revaluing fair values of net assets in business combinations	—	—	—	1,098	1,857	2,955
Reporting financial instruments at fair value	5	—	5	146	—	146
Net income recognized directly in equity	9,446	573	10,019	451	2,661	3,112
Treasury shares	-10,201	—	-10,201	—	—	—
Dividend	-5,610	-1,002	-6,612	-4,675	-468	-5,143
Net income	8,963	1,389	10,352	12,964	1,300	14,264
Closing balance	123,731	7,894	131,625	121,133	6,934	128,067

^{*)} Restated to reflect finalized purchase price allocations (see Q1 report, page 18).

Basis for Preparation

General. As in the annual accounts for 2004, TeliaSonera's consolidated financial statements as of and for the three-month and nine-month periods ended September 30, 2005, have been prepared in accordance with International Financial Reporting Standards (IFRS) and, given the nature of TeliaSonera's transactions, with accounting standards adopted for use in the European Union (endorsed IFRS). The parent company TeliaSonera AB's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's standard RR 32 "Accounting for Legal Entities" and statements issued by its Emerging Issues Task Force. This report has been prepared in accordance with IAS 34 "Interim Financial Reporting."

New accounting standards (not yet EU endorsed). On August 18, 2005, IFRS 7 "Financial Instruments: Disclosures", an amendment on capital disclosures to IAS 1 "Presentation of Financial Statements" and limited amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 4 "Insurance Contracts" were issued. IFRS 7 adds certain new disclosure requirements and compiles all financial instruments disclosure requirements into one standard. Henceforth, IAS 32 deals only with financial instruments presentation matters. The amendments to IAS 39 and IFRS 4 are intended to ensure that issuers of financial guarantee contracts include the resulting liabilities in their balance sheet. IFRS 7 and the

amendment to IAS 1 will be effective for annual periods beginning on or after January 1, 2007. Earlier application is encouraged, and if pre-adopting IFRS 7 some relief is given with respect to comparative prior period disclosures. The amendments to IAS 39 and IFRS 4 must be applied for annual periods beginning on or after January 1, 2006. Earlier application is encouraged. As regards the amendments to IAS 39 and IFRS 4, TeliaSonera in accordance with IAS 37 already recognizes financial guarantees at the best estimate of the expenditure required to settle the obligations. If the outflow of resources is not probable, the guarantees have been disclosed as contingent liabilities.

On September 1, 2005, IFRIC 6 "Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment" was published, giving guidance on which date that is the triggering event for recognizing liabilities for waste management costs. IFRIC 6 is effective for financial periods beginning on or after December 1, 2005. Earlier application is encouraged. Adoption of IFRIC 6 will not have a material effect on TeliaSonera's consolidated financial statements.

For additional information, see corresponding sections in the Q2 and Q1 2005 Interim Reports and in the 2004 Annual Report.

Non-Recurring Items

SEK in millions	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
Within EBITDA	-438	84	-1,549	1,087
Restructuring charges, synergy implementation costs, etc.:				
Sweden	-511	-4	-1,523	-18
Finland	-5	-8	-110	-13
Denmark mobile	-1	–	-30	–
International Carrier	92	–	82	2
Other	-13	-11	-22	-13
Certain pension-related items:				
Sweden	–	–	–	593
Capital gains:				
Telia Finans, Sonera Zed	–	107	54	536
Within Depreciation, amortization and write-downs	-82	-67	-122	-122
Write-downs, accelerated depreciation:				
International Carrier	–	-24	–	-79
Norway	-82	-43	-122	-43
Within Income from associates	–	745	-19	745
Capital gains/losses, provisions and other				
Telefos	–	745	–	745
Infonet Services	–	–	-19	–
Within Financial net	–	-498	–	-609
Write-downs, provisions:				
Xfera (3G Spain)	–	-498	–	-609
Total	-520	264	-1,690	1,101

Deferred Taxes

SEK in millions	Sep 30, 2005	Dec 31, 2004 *)
Deferred tax assets	12,114	12,381
Deferred tax liabilities	-7,704	-7,906
Net deferred tax assets (+)/liabilities (-)	4,410	4,475

*) Restated to reflect finalized purchase price allocations (see Q1 report, page 18).

Related Party Transactions

MegaFon. As of September 30, 2005, TeliaSonera had interest-bearing claims on its associated company OAO MegaFon of SEK 362 million.

Telefos. As of September 30, 2005, TeliaSonera had interest-bearing claims of SEK 86 million on its associated company Telefos AB. In the three-month period and the nine-month period ended September 30, 2005, TeliaSonera purchased services and products from Telefos worth SEK 393 million and SEK 1,587 million, respectively, mostly referring to network construction.

Investments

SEK in millions	Jul-Sep 2005	Jul-Sep 2004	Jan-Sep 2005	Jan-Sep 2004
CAPEX	2,530	2,599	8,492	6,982
Intangible assets	204	217	745	509
Property, plant and equipment	2,326	2,382	7,747	6,473
Acquisitions	5	476	102	827
Goodwill and fair value adjustments	8	372	58	548
Shares and participations	-3	104	44	279
Total	2,535	3,075	8,594	7,809

Net Debt

SEK in millions	Sep 30, 2005	Dec 31, 2004
Long-term and short-term loans	26,849	24,675
Less short-term investments, cash and bank	-17,400	-17,613
Net debt	9,449	7,062

Loan Financing

The underlying cash-flow generation was positive during the third quarter of 2005. On July 4, SEK 10,163 million was however paid out to the shareholders in TeliaSonera AB in relation to the share-buy back program carried out during the second quarter, which led to an increase in net debt.

In September, a TeliaSonera AB EUR 300 million bond was repaid.

In the fourth quarter, no major debt amortizations are scheduled. If the Norwegian Competition Authority approves the Chess/Sense acquisition, payment is expected to take place during the fourth quarter.

Financial Key Ratios

	Sep 30, 2005	Dec 31, 2004 *)
Return on equity (% , rolling 12 months)	9.5	11.6
Return on capital employed (% , rolling 12 months)	10.7	13.9
Equity/assets ratio (%)	64.8	63.8
Net debt/equity ratio (%)	7.4	5.8
Shareholders' equity per share (SEK)	27.55	25.91

*) Restated to reflect finalized purchase price allocations (see Q1 report, page 18) and changes in IAS 27.

Collateral Pledged and Contingent Liabilities

Collateral pledged at period-end totaled SEK 1,766 million, mainly referring to blocked funds in bank accounts for Ipse 2000 S.p.A.'s future license payments and pledges of shares in Svenska UMTS-nät AB. Contingent liabilities totaled SEK 2,485 million, of which SEK 572 million related to performance guarantees on behalf of Xfera Móviles S.A. and SEK 1,411 million to credit guarantees on behalf of Svenska UMTS-nät. Under certain third-party agreements, the credit guarantees on behalf of Svenska UMTS-nät are capped at SEK 2,650 million.

Contractual Obligations

Contractual obligations at period-end totaled SEK 3,060 million, of which SEK 1,893 million referred to committed capital contributions to Xfera and SEK 810 million to contracted build out of TeliaSonera's mobile networks in Norway and fixed networks in Sweden.

Parent Company

Net sales for the nine-month period were SEK 16,072 million (16,061), of which SEK 12,170 million (12,584) was billed to subsidiaries. Earnings before appropriations and taxes increased to SEK 5,895 million (5,136), due to increased group contributions from subsidiaries. Earnings after appropriations and taxes were SEK 3,625 million (3,868).

Total investments for the nine-month period amounted to SEK 3,144 million (5,651), including SEK 2,015 million (1,961) in property, plant and equipment, primarily fixed-line installations. Other investments totaling SEK 1,129 million (3,690) were primarily attributable to acquisitions of and capital infusions in subsidiaries and associated companies. Of the capital infusions to subsidiaries, SEK 645 million (9) was provided through debt conversion.

Financial Information/“Underlying” Measures of Results of Operations

This interim report includes information on “underlying” measures of TeliaSonera’s results of operations, such as “EBITDA excluding non-recurring items” and “Operating income excluding non-recurring items.” EBITDA equals operating income before depreciation, amortization and write-downs, excluding income from associated companies. Non-recurring items include write-downs, capital gains/losses, restructuring/phase-out of operations and personnel redundancy costs. TeliaSonera’s management uses operating income excluding non-recurring items as the principal measure for monitoring profitability in internal reporting. Management believes that, besides operating income, EBITDA excluding non-recurring items and operating income excluding non-recurring items are also measures commonly reported and widely used by analysts, investors and other interested parties in the telecommunications industry. Accordingly, these “underlying” measures are presented to enhance the understanding of TeliaSonera’s historical operating performance.

These “underlying” measures, however, should not be considered as alternatives to operating income as indicators of our operating performance. Similarly, EBITDA excluding non-recurring items should not be considered as an alternative to cash flows from operating activities as a measure of liquidity. EBITDA excluding non-recurring items and operating income excluding non-recurring items are not measures of consolidated financial performance under IFRS or U.S. GAAP and may not be comparable to other similarly titled measures for other companies. These “underlying” measures are not meant to be predictive of potential future results.

Forward-Looking Statements

This interim report contains statements concerning, among other things, TeliaSonera’s financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent TeliaSonera’s future expectations. TeliaSonera believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement, including TeliaSonera’s market position, growth in the telecommunications industry in Europe, the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of TeliaSonera and the telecommunications industry in general. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, TeliaSonera undertakes no obligation to update any of them in light of new information or future events.