

## Press Release

September 12, 2005

### TeliaSonera to appeal unlawful PTS decision

**TeliaSonera Sweden will appeal the decision by the Swedish National Post and Telecom Agency (PTS) to regulate connections to the public telephone network which gives the agency the right to set the prices and other terms. In TeliaSonera Sweden's opinion, the decision by the PTS has no legal basis since there are a number of operators offering different services for telephony connections in stiff competition with one another.**

According to TeliaSonera Sweden, the PTS has misinterpreted the law in its decision. The intention of legislators is that telecom services, which are connected, for example, to the public telephone network, are to be supplied by the market without the interference of the PTS. The law allows the agency to intervene only when the market does not function.

"We have to know if Sweden's Act on Electronic Communication applies and if this is a case of over-regulation or not," says Marie Ehrling, head of TeliaSonera Sweden. "The decision by the PTS indicates that they are not applying the law in accordance with the decision made by the Riksdag (Swedish parliament). In a market with cut-throat competition, where a number of operators are fighting for customers with different networks and offerings, the market is functioning, in which case, normal competition law should be applied and not the Act on Electronic Communication. TeliaSonera Sweden is continuing to offer its customers functional services at good prices in both densely and sparsely populated areas of Sweden."

TeliaSonera Sweden is currently investing SEK 1 billion to build out its mobile network, which has been rated the best in Sweden. Within three years, the network will cover 90 percent of the country's area and also offer data speeds that are much higher than the speeds noted by the PTS in its decision. TeliaSonera Sweden's broadband service is also available to 90 percent of Sweden's households and companies. In addition, four more networks are being built that will provide access to a considerable number of Sweden's households.

"Customers are benefiting from the tough competitive climate in Sweden and the diversity of operators and services. Over-regulation and poorly substantiated decisions can jeopardize the entire industry's willingness to invest in new infrastructure. In the long term, this might eliminate the number of market players, resulting in less competition and poorer services and service," says Marie Ehrling.

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TeliaSonera is the leading telecommunications company in the Nordic and Baltic regions. At the end of December 2004 TeliaSonera had mobile customers (51,359,000 incl. associated companies) and 8,312,000 fixed telephony customers (8,943,000 incl. associated companies). Outside the home markets TeliaSonera has extensive interests in markets in Russia, Turkey and Eurasia. TeliaSonera is listed on the Stockholm Exchange and the Helsinki Exchanges. Pro forma net sales December 2004 amounted to SEK 81.9 billion (EUR 9.08 billion). The number of employees was 29,082.

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