

Press Release
September 30, 2014

Shaping a new generation telco – new savings and growth initiatives combined with changed dividend policy

Today TeliaSonera will take the stage for the 2014 Capital Markets Day. The presentation focuses on transforming TeliaSonera to reach the full potential, including new growth and savings initiatives. The existing dividend policy is replaced by a target to distribute an annual dividend of at least SEK 3 per share for the fiscal years 2014 and 2015.

“Today we announce that TeliaSonera will invest to grow in our core business in the Nordics and Baltics, in taking Eurasia to the next level on the back of increased demand for mobile internet, and in areas that complement and strengthens our core business. In addition we will invest to save, increasing simplicity and thereby increase our overall competitiveness. These initiatives aim to defend or increase our market shares and reach sustainable cost savings, without compromising on dividend to shareholders,” said Johan Dannelind, president and CEO of TeliaSonera.

Continuous capex in TeliaSonera’s core operations is expected to be around 15 percent of service revenues the next two years. In addition, TeliaSonera will invest total accumulated capex of up to SEK 6–7 billion in 2015–2016 in two main areas:

- 1) In order to increase competitiveness and reduce cost, accumulated capex of SEK 2 billion will be spent on business transformation in 2015–2016 to reach net savings with a yearly run rate of SEK 2 billion during 2017.
- 2) Accumulated capex of up to SEK 4–5 billion will be spent on additional grow initiatives in 2015–2016, primarily accelerating the fiber roll-out in Sweden, new B2B offerings, as well as upgrading data networks in Eurasia. In Sweden, the aim is to increase the number of households reached by TeliaSonera’s fiber services from 1.1 million to 1.9 million between 2014 and 2018.

The board of directors have decided that the dividend policy is replaced by a target to distribute an annual dividend of at least SEK 3 per share for the fiscal years 2014 and 2015. The company shall continue to target a solid investment grade long-term credit rating (A- to BBB+). The board of directors final dividend proposal will be announced in the Year-end Report 2014 which will be released on January 29, 2015.

TeliaSonera reiterates its guidance for the full year 2014: “Net sales in local currencies, excluding acquisitions and disposals, are expected to be slightly below the level in 2013. Currency fluctuations may have a material impact on reported figures in Swedish krona. The EBITDA margin, excluding non-recurring items, is expected to be around the same level as in 2013. The CAPEX-to-sales ratio is expected to be approximately 15 percent, excluding license and spectrum fees.”

TeliaSonera AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instrument Trading Act. The information was submitted for publication at 08:00 a.m. CET on September 30, 2014.

For more information, please contact the TeliaSonera press office +46 771 77 58 30, press@teliasonera.com, visit our [Newsroom](#) or follow us on Twitter [@TLSN Media](#).

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.

TeliaSonera provides network access and telecommunication services in the Nordic and Baltic countries, the emerging markets of Eurasia, including Russia and Turkey, and in Spain. TeliaSonera helps people and companies communicate in an easy, efficient and environmentally friendly way. Our ambition is to be number one or two in all our markets, providing the best customer experience, high quality networks and cost efficient operations. TeliaSonera is also a leading wholesale provider who owns and operate one of the world’s most extensive fiber backbones. In 2013, net sales amounted to SEK 101.7 billion, EBITDA to SEK 35.6 billion and earnings per share to SEK 3.46. The TeliaSonera share is listed on NASDAQ OMX Stockholm and NASDAQ OMX Helsinki. Read more at www.teliasonera.com.