

Press Release
December 3, 2014

TeliaSonera and Telenor to combine their operations in Denmark

TeliaSonera and Telenor have entered into an agreement to merge their Danish operations into a new joint venture where the parties will own 50 percent each. The new joint venture will create a robust mobile operator who is able to increase investments in networks to the benefit of our customers.

"We are making a necessary and natural move by forming a joint venture with Telenor building on the network partnership we already have with them. By joining forces we can secure investments in Denmark, to the benefit not only of our customers but to the Danish society as a whole," says Robert Andersson, EVP and Head of Region Europe in TeliaSonera.

The new company will have a combined number of mobile subscriptions of around 3.5 million. With a combined mobile subscriber market share of approximately 40 percent, revenues of more than DKK 9 billion and a significant synergy potential, the transaction creates a robust operator.

The need for consolidation in the Danish telecom market has been apparent for a while as operators face continued pressure on revenues and profitability, limiting the room for investments and innovation. Telenor and TeliaSonera have since 2012 cooperated in Denmark through their joint mobile network. The parties now agreed that an independent joint venture is the strategically preferred route to capture synergies and to create value.

"Competition in Denmark is intense and we face continued pressure on revenue growth and profitability, making consolidation inevitable. By combining the assets and customer bases of Telenor and TeliaSonera in Denmark, the joint venture will become a robust operator. We will be able to offer our customers a high-quality network with outstanding connectivity and the best customer experience in Denmark," says Kjell Morten Johnsen, EVP and Head of Telenor Region Europe.

Efficiency gains

The merger of the two operations aims for annual efficiency gains of at least DKK 800 million, with full effect from 2019. The largest areas of synergies are envisaged for distribution, sales and marketing and call centers, administrative costs, network and IT. Integration costs are expected to total DKK 800 million during 2015-2017.

Benefits for customers

The combination of TeliaSonera and Telenor, two companies willing to invest and considered as technology leaders in telecommunications, will also bring substantial benefits to customers in Denmark. It will provide a larger distribution network as well as the best network connectivity in terms of coverage and performance. In addition, the merger will put the joint venture into a better position to invest in attractive and user-friendly services. Combining the fixed networks and services of the two companies will create an even better broadband provider for Danish consumers and businesses.

Governance structure

The Board of the new joint venture company will have a balanced representation from Telenor and TeliaSonera. The board will have seven members, of which each party shall appoint three. The Chair of the Board shall be appointed unanimously by the parties.

The recruitment process to find a CEO for this joint venture will commence and the two companies are confident in finding the right candidate for this job in due course.

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 operates 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 Stockholm and NASDAQ Helsinki. Read more at www.teliasonera.com.

Valuation

Telenor and TeliaSonera have agreed that the enterprise values of their respective operations are fairly equal and hence the agreement is based on equal ownership. Differences in net debt and changes in working capital from signing to closing will be settled in cash.

Timeline

Telenor and TeliaSonera have agreed upon the key transaction terms. The transaction requires approval from the EU Commission. The parties expect EU clearance and closing of the transaction during 2015. The operations remain separate and operate independently up to the closing of the transaction.

Analyst and media telephone conference at 09.00 am CET

TeliaSonera and Telenor invite you to a conference call with TeliaSonera's CFO Christian Luiga and Telenor's CFO Richard Olav Aa.

Dial-in number: +44 (0) 2071 928000

Access code: 44826589

You can also listen to the conference call afterwards until December 8, 2014.

Replay number: +44 (0) 1452 55 00 00

Access code: 44826589

Press conference in Denmark at 11.30 am CET

TeliaSonera and Telenor invites you to a press conference with Robert Andersson, EVP and Head of Region Europe in TeliaSonera, and Kjell Morten Johnsen, EVP and Head of Telenor Region Europe.

Place: Radisson Blu, Amager Boulevard 70, Copenhagen

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 December 3, 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.

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