

STOCKHOLM, Sweden--([BUSINESS WIRE](#))--Regulatory News:

Third quarter summary

- Net sales in local currencies, excluding acquisitions and disposals, were stable. In reported currency, net sales decreased 1.8 percent to SEK 25,381 million (25,842).
- The addressable cost base in local currencies, excluding acquisitions and disposals, decreased 3.9 percent. In reported currency, the addressable cost base decreased 5.4 percent to SEK 6,760 million (7,146).
- EBITDA, excluding non-recurring items, increased 3.8 percent in local currencies, excluding acquisitions and disposals. In reported currency, EBITDA, excluding non-recurring items, increased 1.5 percent to SEK 9,419 million (9,283). The EBITDA margin, excluding non-recurring items, increased to 37.1 percent (35.9).
- Operating income, excluding non-recurring items, increased 12.3 percent to SEK 7,721 million (6,878). Operating income increased 5.4 percent to SEK 7,130 million (6,762).
- Net income attributable to owners of the parent company increased 15.1 percent to SEK 4,641 million (4,032).
- Earnings per share increased to SEK 1.07 (0.93).
- Free cash flow was SEK 7,308 million (3,825), mainly explained by dividends from MegaFon net of taxes of SEK 1,940 million (0) and positive changes in working capital.
- Group outlook for 2013 is unchanged.

Nine-month summary

- Net sales in local currencies, excluding acquisitions and disposals, decreased 0.2 percent. In reported currency, net sales decreased 3.4 percent to SEK 75,197 million (77,829).
- Net income attributable to owners of the parent company decreased 1.7 percent to SEK 12,780 million (13,007) and earnings per share to SEK 2.95 (3.00).
- Free cash flow was SEK 14,184 million (20,806). Free cash flow excluding dividends from MegaFon net of taxes was SEK 12,244 million (9,080).

Comments by Johan Dannelind,

President and CEO

“In the third quarter, organic revenues stayed flat and margins improved further compared to the corresponding period last year. Revenues continued to be impacted by difficult economic environment in our markets and lower regulated mobile termination rates, while profitability was supported by a further reduction in the cost base.

Demand for mobile data remains strong and our new data centric pricing models continue to gain traction across Scandinavia. It is particularly encouraging to report positive billed revenue growth in all three markets where these price plans have been introduced, reinforcing our view that we are on the right track.

The rapid development of our industry continues and legacy is being replaced with new technologies and business models. We maintain an active role in this migration by expanding high speed internet via fiber and 4G. Our ambition is to offer the best customer experience through high-quality networks and it is vital for our investment decisions that we can rely upon a transparent and predictable regulatory framework.

My initial observations as new CEO are that TeliaSonera has a solid asset base with a diversified product portfolio, attractive footprint, strong brands and competent people. The mix of mature and emerging markets give us a robust foundation. However, in recent years our position has weakened in too many of our markets and it is essential to strengthen our competitiveness going forward. In a fast changing environment we have to understand our customers' requirements and further develop a company culture that encourages agility and innovation.

In order to compete effectively and to support long term profitability, it is crucial to have an efficient organization and an appropriate cost base. We have to reduce complexity to enable an effective way of working, accelerate decision making and ensure our employees stay skilled and motivated.

It is obvious that managing our business in a sustainable way is vital to our reputation and future success. We need to further develop and strengthen our governance as well as secure common values within the group. It is important for all our stakeholders that we act responsibly and we also want to make sure our partners through the whole value chain of TeliaSonera behave in a similar responsible way. By this we can create a sustainable company presence in all our markets.

Since I took over as CEO, some measures to strengthen governance have been taken. A new compliance function has been established with direct reporting line to me. Furthermore, a new CEO office function will support the Eurasia review the board has initiated, as well as leading the program for TeliaSonera's journey ahead. In addition, a new group function for Strategy, Mergers & Acquisitions and Innovation will enable a holistic view on TeliaSonera's future development.

The next phase of our journey has just begun and based on the performance for the first nine months we reiterate our full year 2013 outlook."

TeliaSonera AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 07:00 CET on October 17, 2013.

Full report in English: <http://mb.cision.com/Main/40/9482982/172234.pdf>

Financial and operational data Q3 2013: <http://mb.cision.com/Public/40/9482982/8d2b28e1e078895d.xlsx>

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