Success Factors of the Finnish Mobile Services Market

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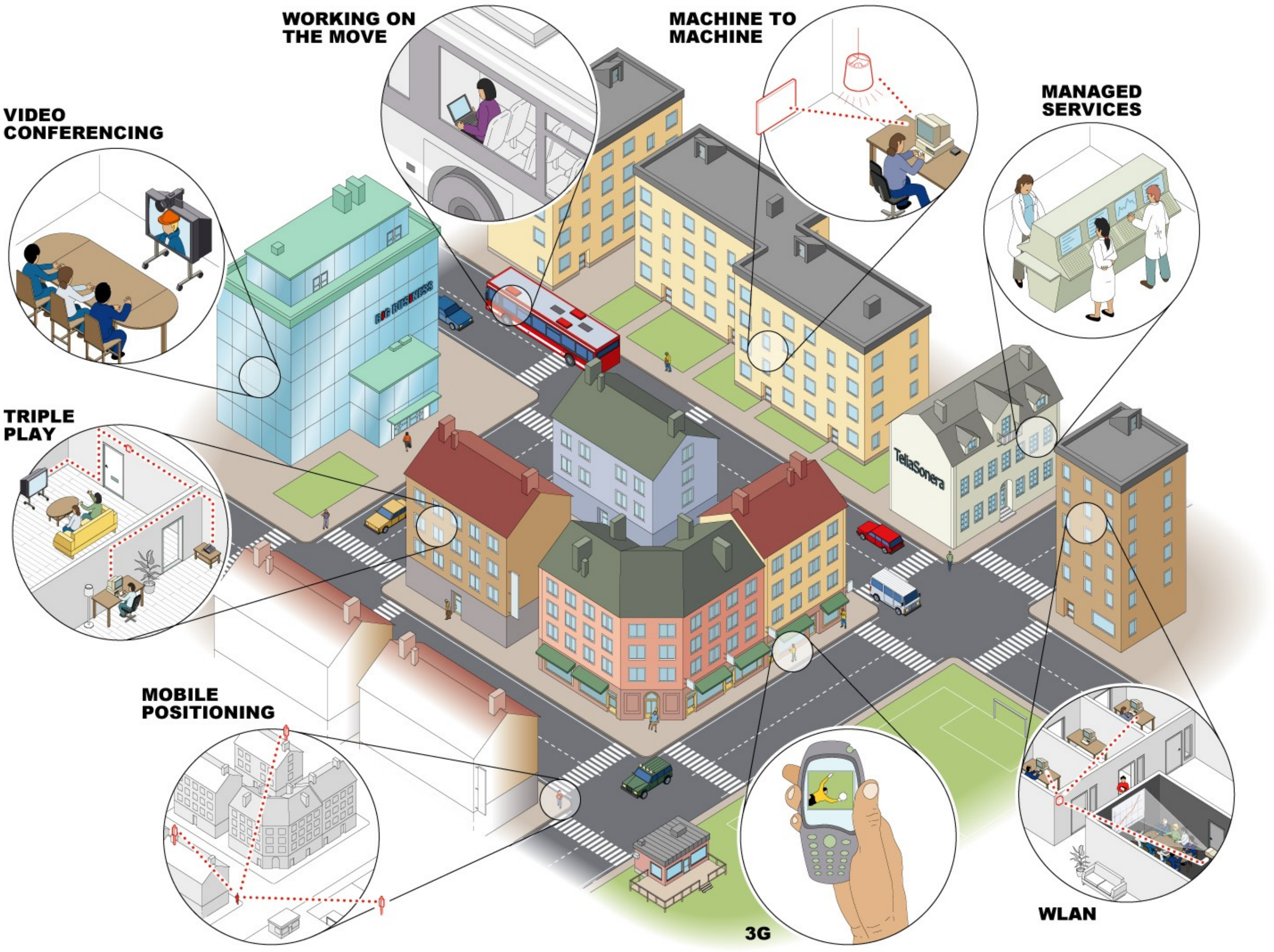
Traditional strengths of the Finnish mobile market

- Strong ecosystem
  - Operators, vendors, universities
- Regulation
  - Opening markets in a controlled way
- Unbiased customers
  - Technology-minded consumers
  - Companies utilize telecom possibilities in many ways and with an unherarchical approach

How to succeed in market change and after?

Communications keeps growing...



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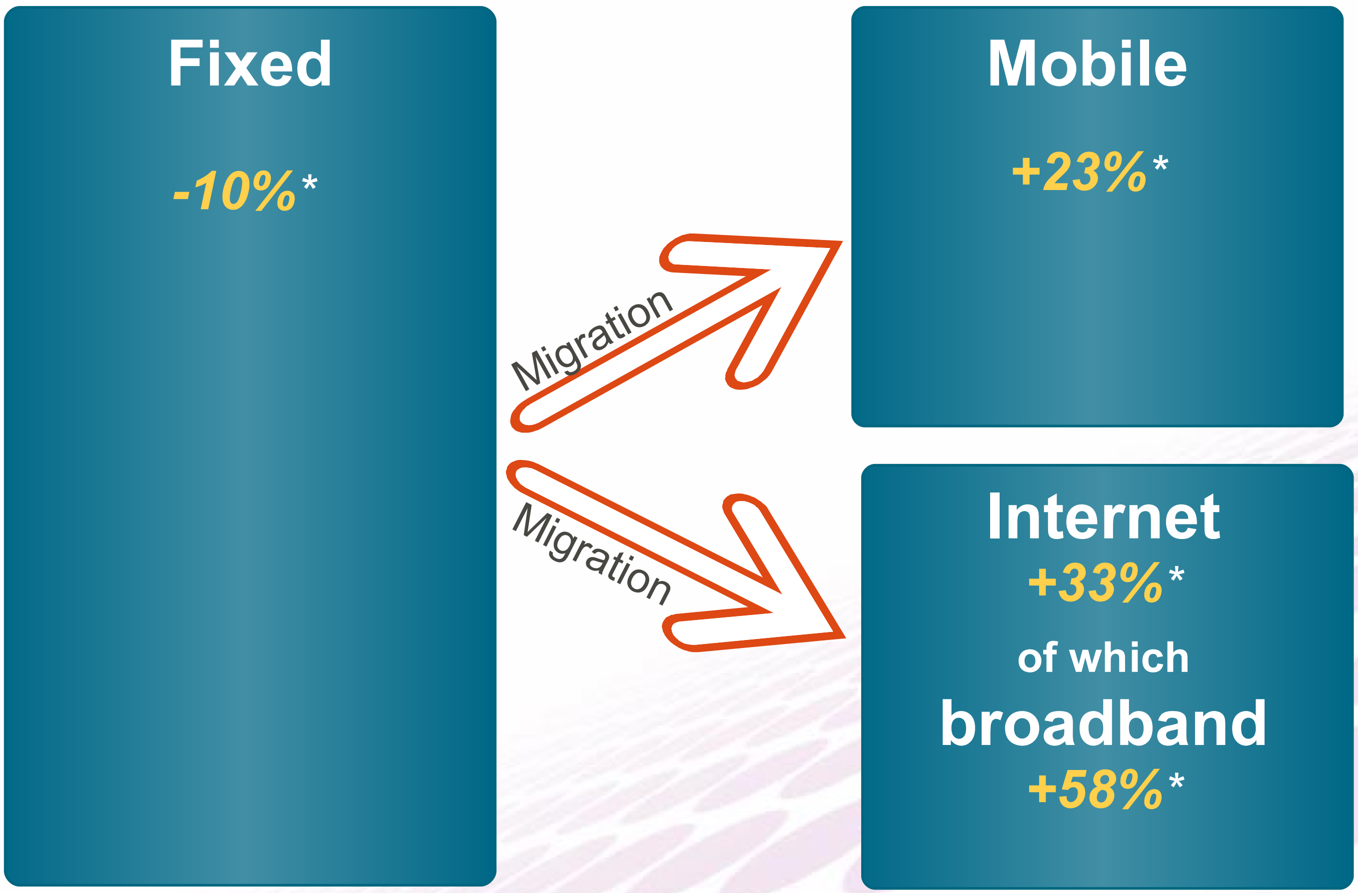
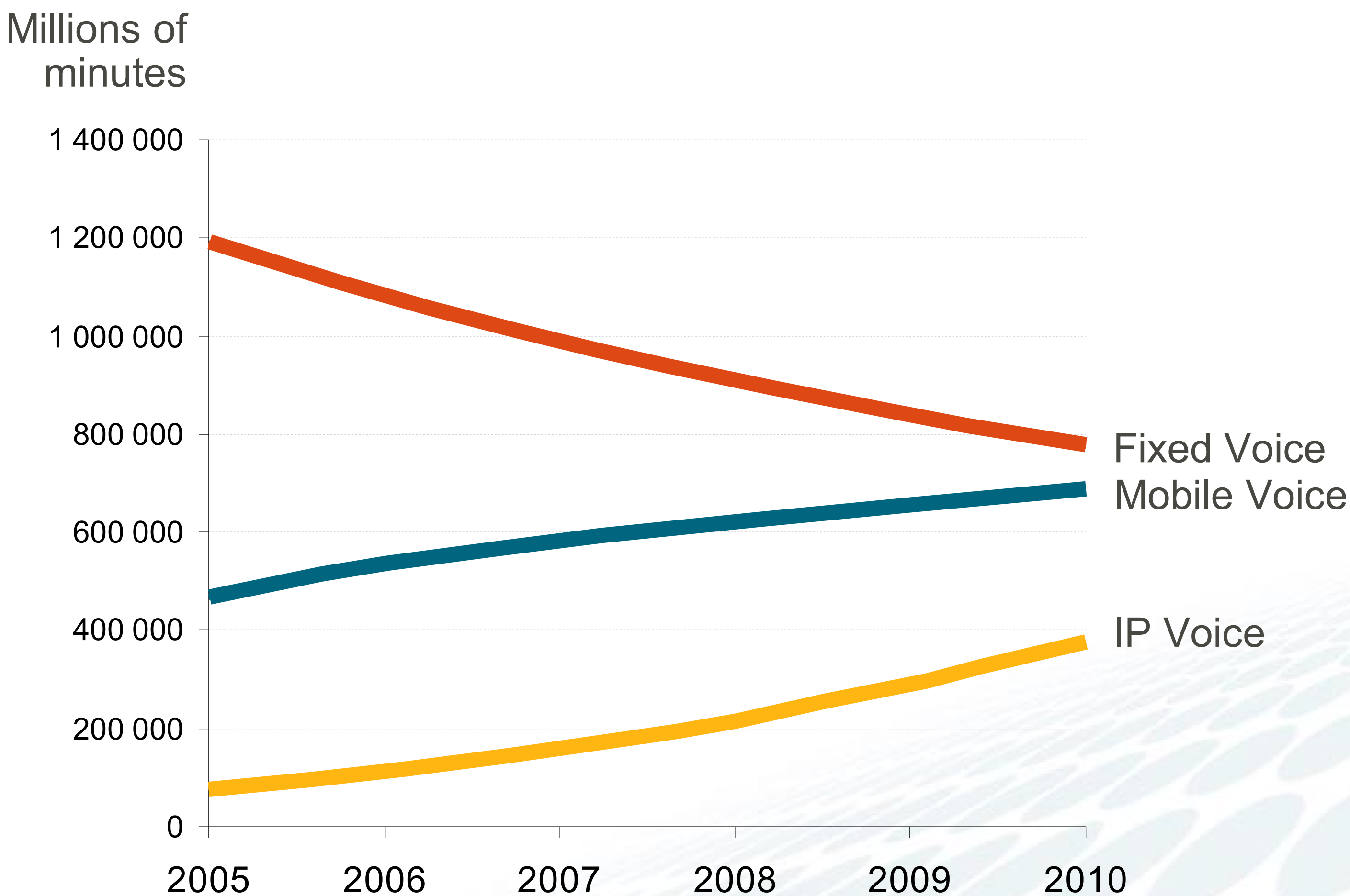
Market change shows as migration to mobile and IP-based services



*) Change in group net sales, 1-12/2003 – 1-12/2005

Major reshuffle in the “killer application”



Millions of voice minutes in Western Europe
Source: IDC database

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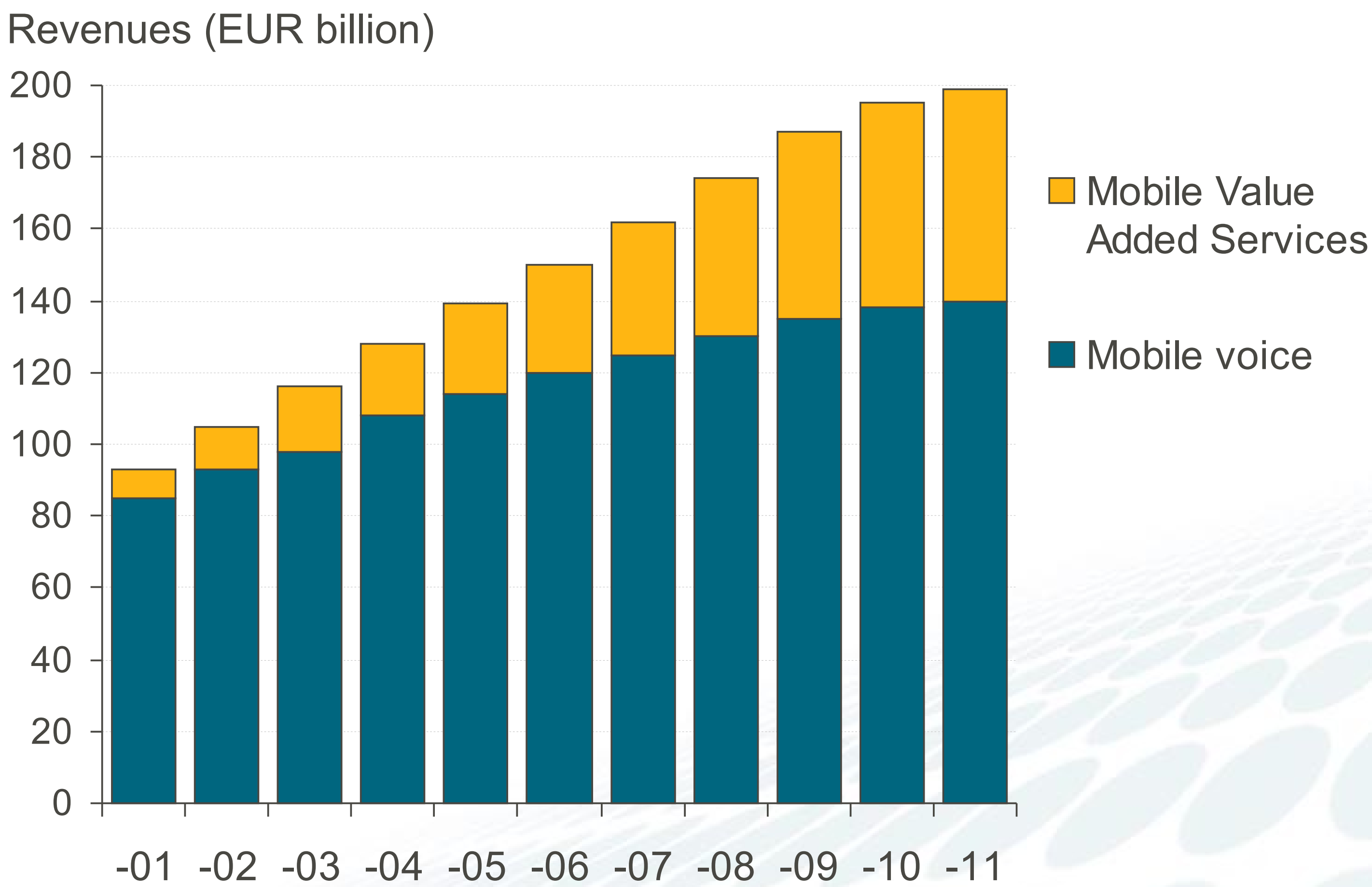
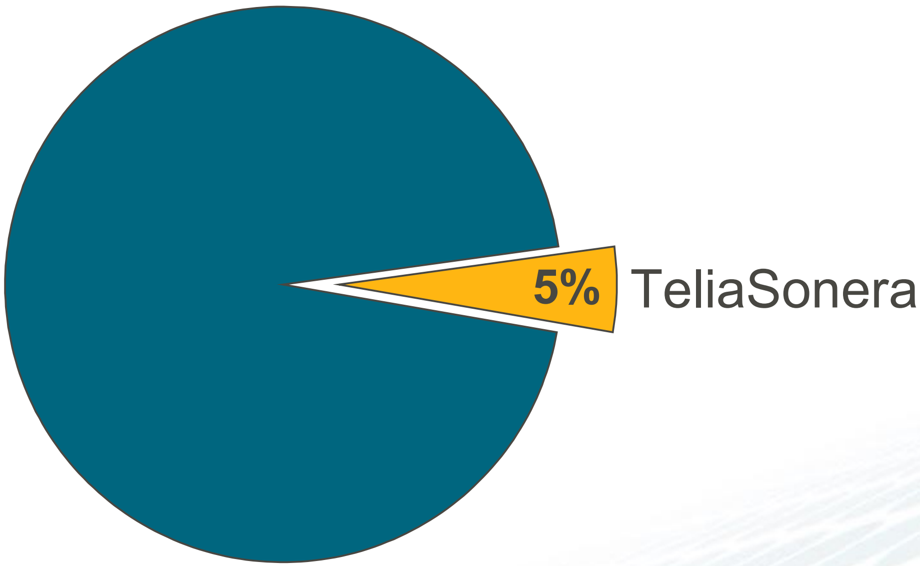
Customers want to be connected anytime anywhere



Revenues from mobile services in Western Europe
Source: Analysys Research, 2006

Enterprises struggle with complex IT and telecom solutions

Nordic/Baltic Managed Services market 2005, *SEK 190 billion*



Source: IDC, analysys, 2005

Market change to service competition

Trends

Effects

Markets

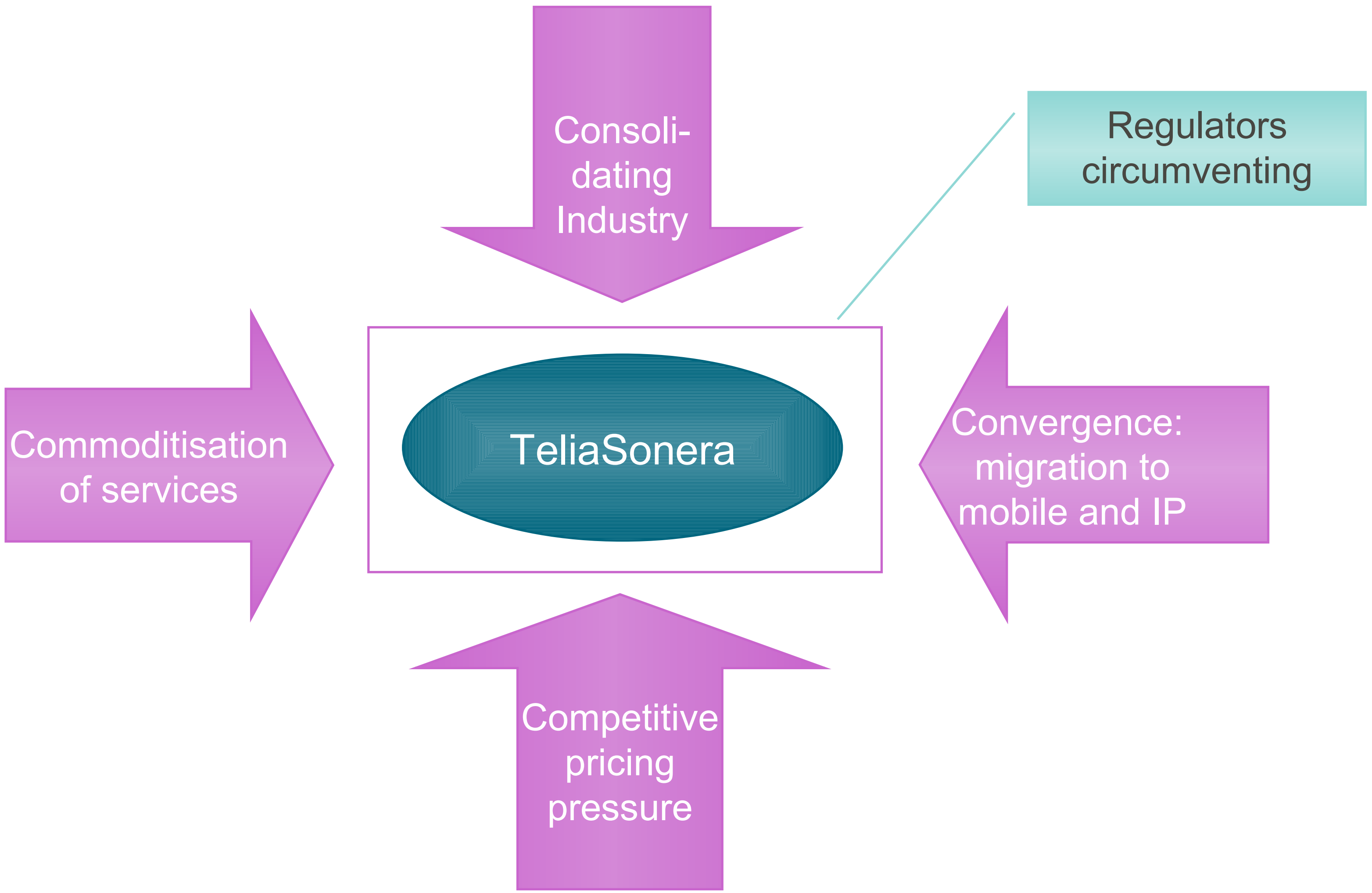
- Calmer on the mobile front
- Service operator exits
- 3G bundling
- Broadband growth continues
- Managed services and outsourcing grow

Technology

- From fixed to mobile
- From legacy to IP

- Consolidation
- Price erosion leveling off
- Smaller churn
- New pricing models, price rises
- Customer loyalty, services
- Ending low-budget subscriptions (Tele Finland, Elisa)

Four affecting forces



Mobility Services - challenges

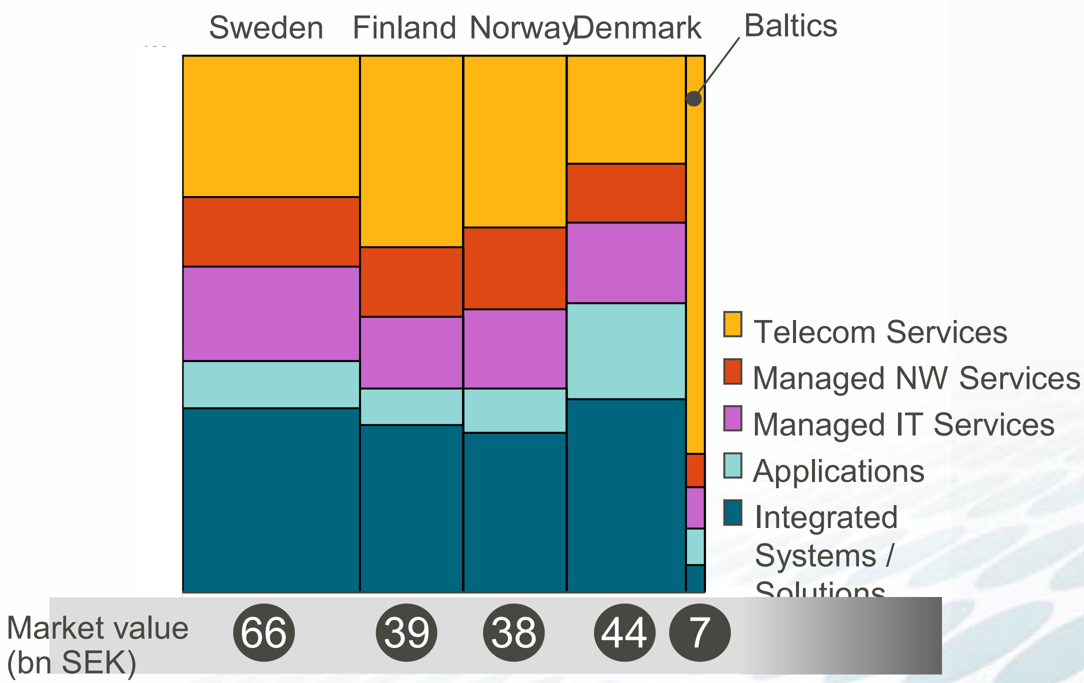
- Execution, speed and simplicity
- Migration from fixed to mobile services
- Price competitiveness, intelligent bundles, low end brands
- Bundled services, services for the urban youth segment
- Increase the usage of data services

From evolution to revolution in the enterprise world

TeliaSonera has the leading position in the fast growing enterprise market

Market

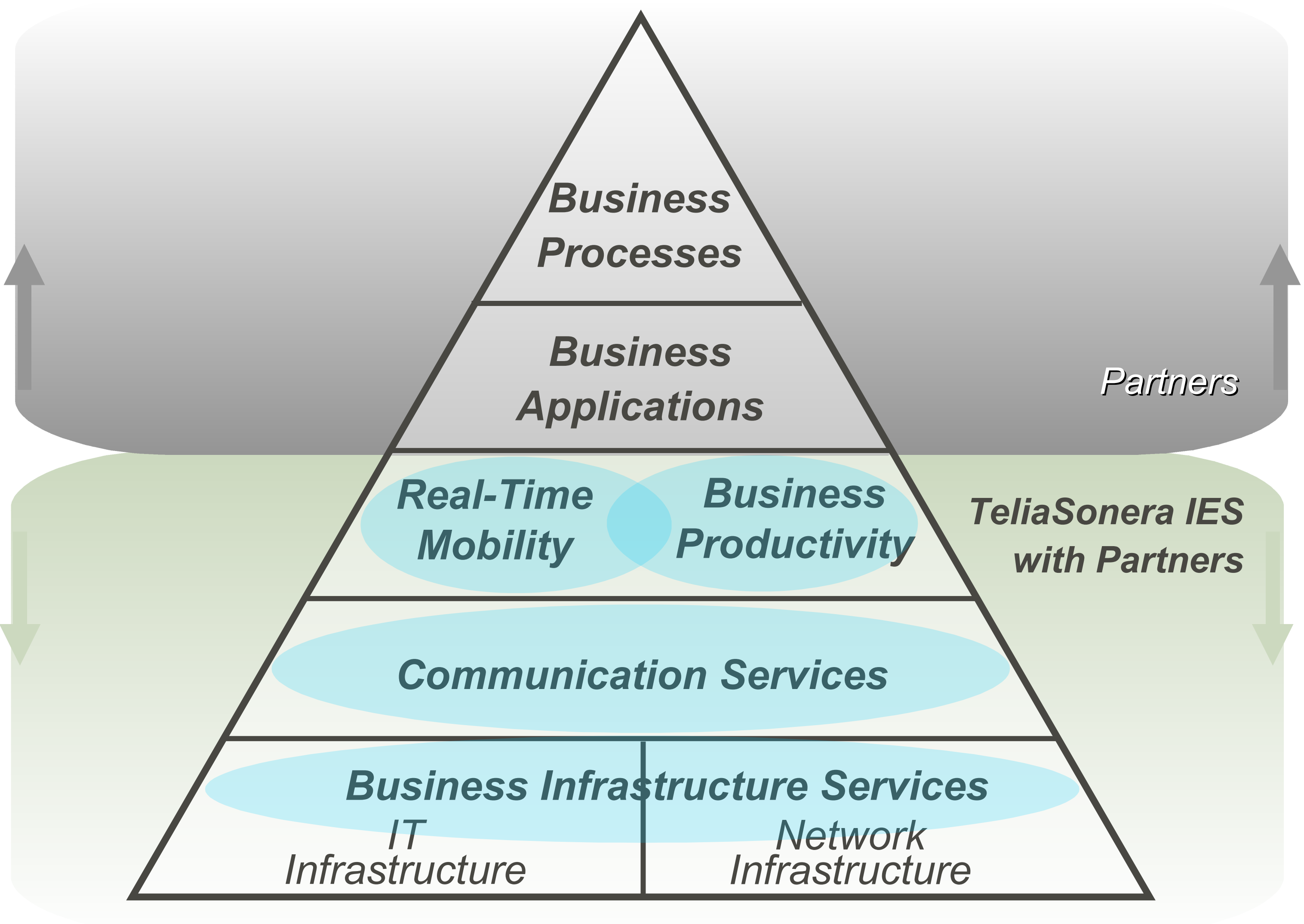
The value of the Nordic and Baltic managed services market is SEK 190 bn, 2005



Market outlook

- The overall market will grow 3–5% CAGR
- Telecom services and network services- where TeliaSonera is strong will grow slower than the overall market
- The major growth will come from Managed IT services, applications and Integrated solutions
- Outsourcing and hosting of infra-structure and applications will continue to grow
- The growth across countries looks quite even with the Baltic countries showing above average growth – especially in Managed IT Services overall

Strategic Offering Areas (1/2)



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Strategic Offering Areas (2/2)

Business Infrastructure

- Customers productivity via always-on, reliable and secure end-to-end managed solutions from user devices (desktop/laptop/mobile) via networks to services

Communication

- Customers productivity by offering multimedia communication capabilities (voice, sms, mms, im, email, presence…) to increase availability and reachability of people independent of time, place and device

Real-Time Mobility

- Customers productivity in office and on the move by providing tools, working methods and solutions to enable real-time business messaging (email, address book, calendar, presence…) and access to business information

Business Productivity

- Customers productivity by enabling business connectivity, availablity of data and interoperability between partners, systems, machines and employees
- Lead the migration to automate and renew customers key processes by intelligently automating the real-time flow of information

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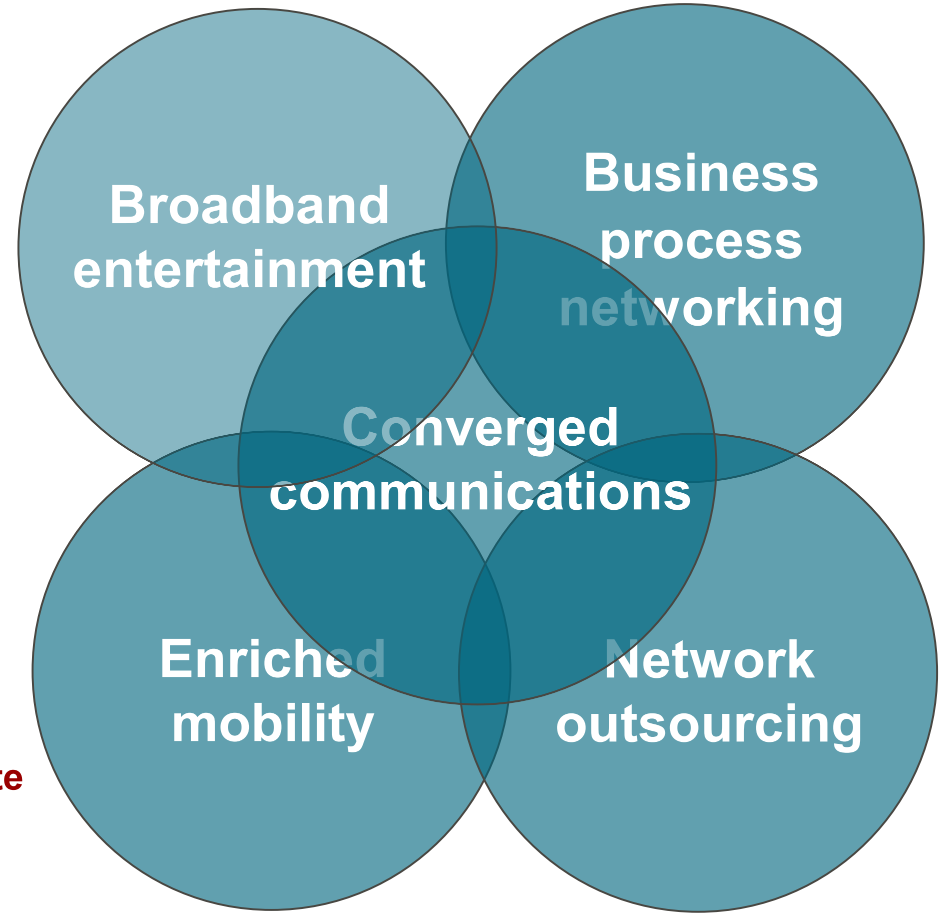
Future service areas

Bundle for experience

Transforming business with communications enabled business applications

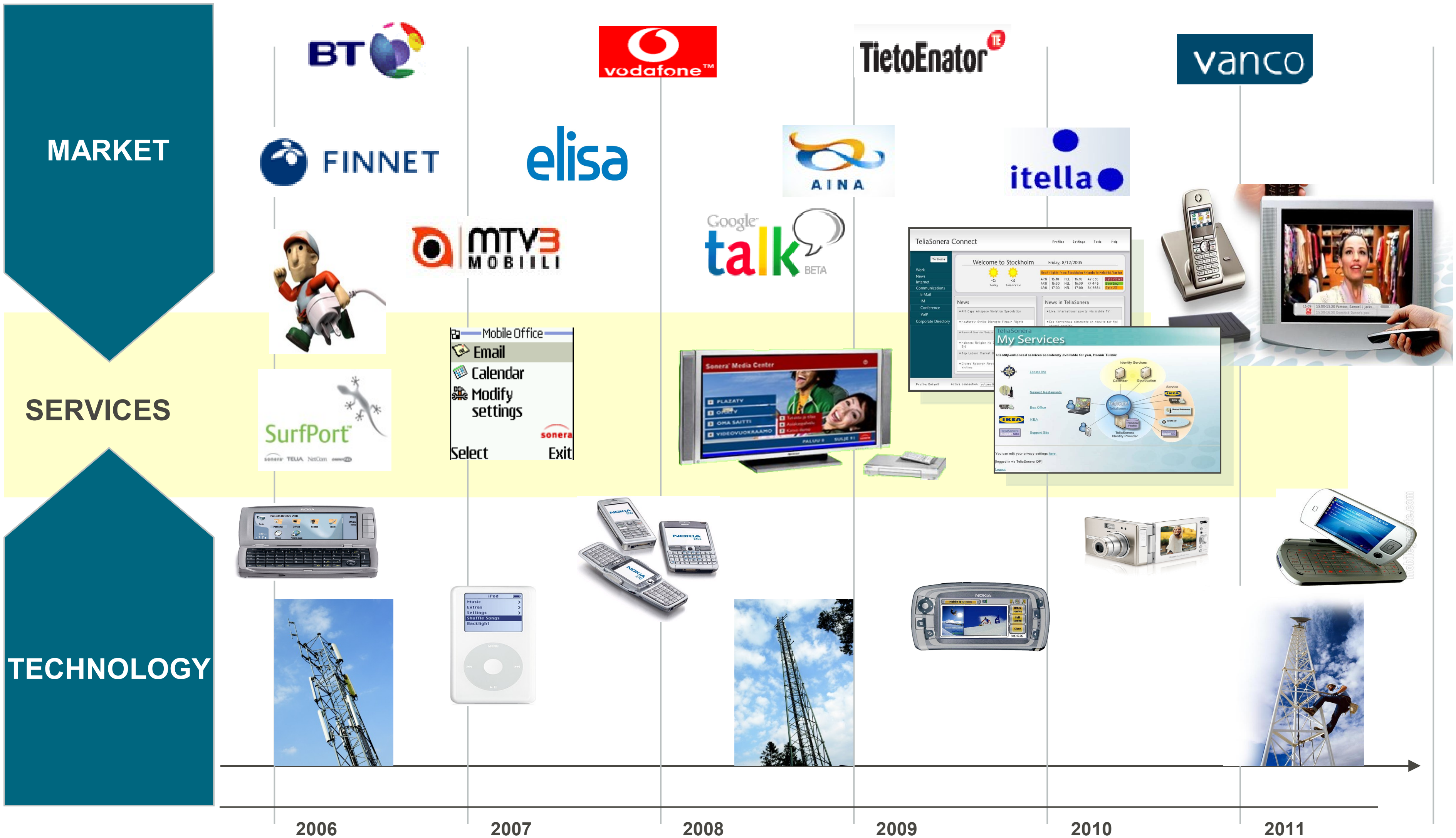


Enable versatile life and corporate mobility

Taking care of total communications for efficient business infrastructure

Enable and provide anytime, anyplace, anywhere, any device

Future roadmap



Conclusions – future strengths

- Ecosystem
  - Relevant environment and competence needs broaden to include **media content** and **system integration**
- Regulation towards a competitive factor
  - Enabling regulation to support industry change
  - General competitive regulation instead of sector-specific regulation
- Unbiased customers
  - Win the hearts of consumers with unparallelled simplicity
  - Finnish companies to show the way in utilizing productivity services

Finland has the possibility to lead the industry development

The Nordic and Baltic telecommunications leader

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