

RESULTS FOR THE NINE MONTHS OF 2008

TEO LT, AB GROUP

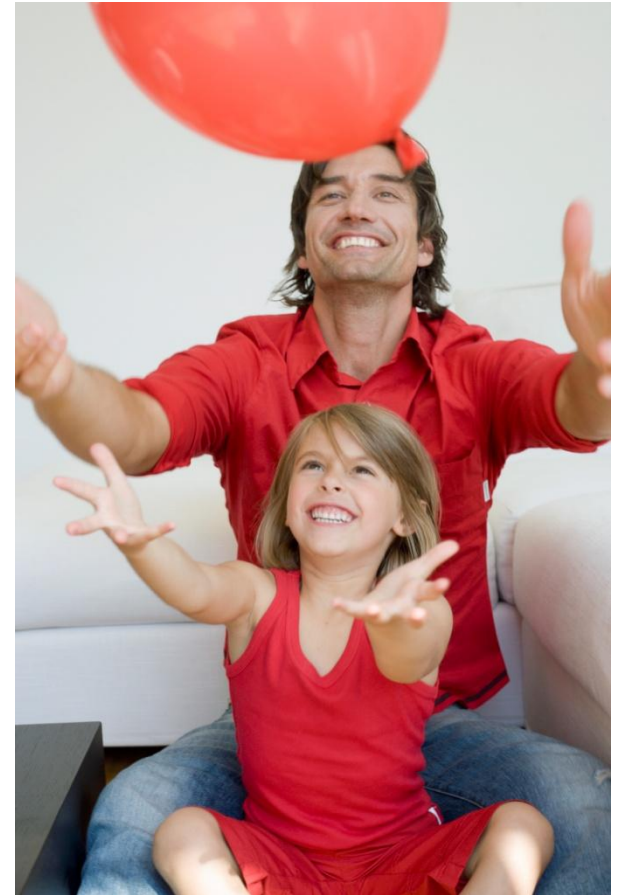
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HIGHLIGHTS OF 9 MONTHS OF 2008

- Revenue up by 5.3% (y-o-y)
- EBITDA up by 2% (y-o-y)
- Net profit up by 5.7% (y-o-y)
- Rapid growth of DVB-T service users' number
- Over the year number of broadband connections up by 23.3%
- Number of IPTV users increased by 2.4 times
- New features and new channels offered to IPTV users
- Decreased networks' interconnection tariffs



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TEO GROUP

TEO LT, AB

(voice, internet, wholesales, data communication, IT, digital TV services; Internet portal *Zebra*)

- On 15 July, TEO shareholders approved preparation of conditions for Nacionaline Skaitmenine Televizija merger into TEO
- In August, Nacionaline Skaitmenine Televizija was reorganised into joint-stock company (AB)
- On 15 October, TEO Board approved conditions for Nacionaline Skaitmenine Televizija merger into TEO

100%

UAB Intel (information, telemarketing and remote customer care services)

100%

UAB Baltic Data Center (data center and information system management services)

100%

AB Nacionalinė Skaitmeninė Televizija
(re-broadcasting of TV programs over DVB-T network)

100%

UAB Voicecom
(NMT-450 network)

100%

UAB Kompetencijos Ugdymo Centras
(training and consultancy)

100%

VšĮ TEO Sportas (women's basketball team TEO)

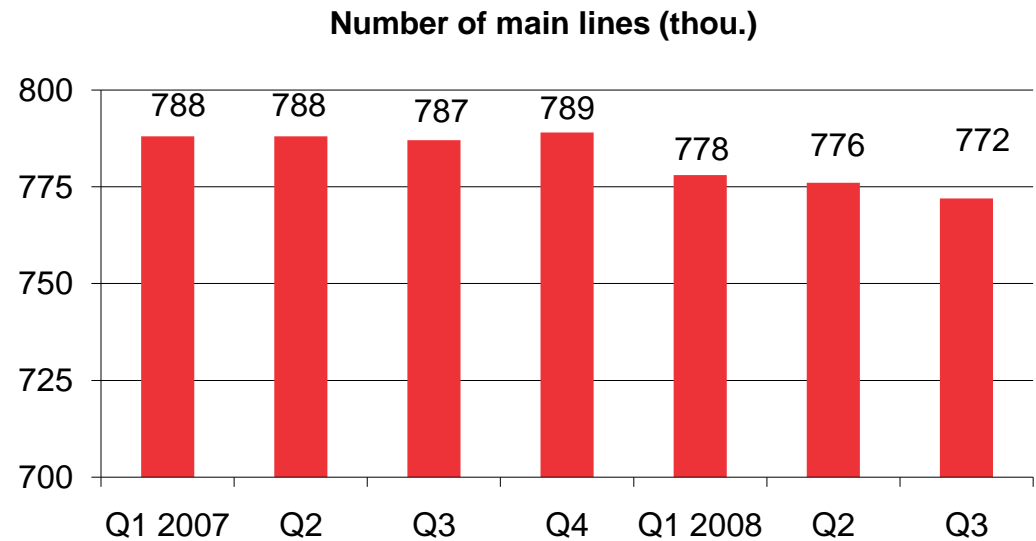
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VOICE TELEPHONY SERVICES

- In February 2008, TEO terminated provision of temporary disconnected telephone line with incoming calls service
- During January-September 2008, number of active lines increased by almost 37 thousand
- Net number of telephone lines during January-September 2008 decrease by 12.9 thousand
- In August, TEO reduced tariffs for networks' interconnection and calls to the networks of other Lithuanian operators



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INTERNET SERVICES

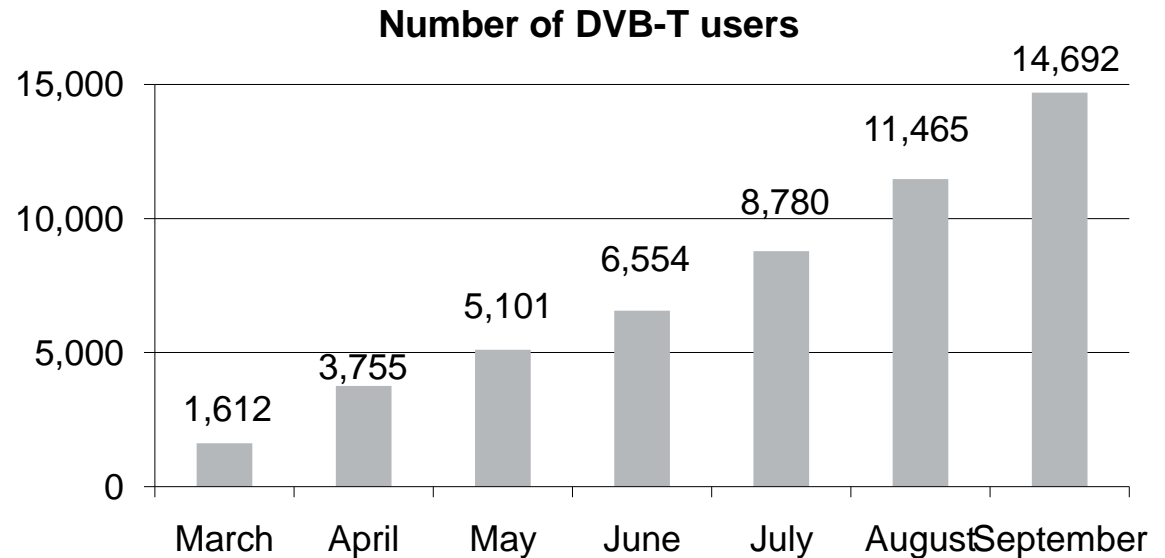
	2008-09-30	2007-09-30	Change
Number of DSL retail connections	245,686	215,935	29,751
Number of WiFi connections	21,029	8,885	12,144
Number of FTTB and FTTH connections	17,356	5,056	12,300
Number of DSL wholesale connections	2,282	2,367	(85)
Total broadband connections:	286,353	232,243	54,110
Number of WiFi hot-spots	3,934	2,760	1,174

- In July 2008, TEO presented a new look of its leisure, entertainment and communication portal ZEBRA.LT.

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DIGITAL TERRESTRIAL TELEVISION

- In March 2008, TEO Group launched digital terrestrial television (DVB-T) service *Digital GALA (Skaitmeninė GALA)*
- It offers 38 TV channels
- Service is available to 95% of Lithuanian population
- TEO operates 2 networks of DVB-T transmitters
- By 2012 DVB-T should completely substitute analogue terrestrial transmission in Lithuania

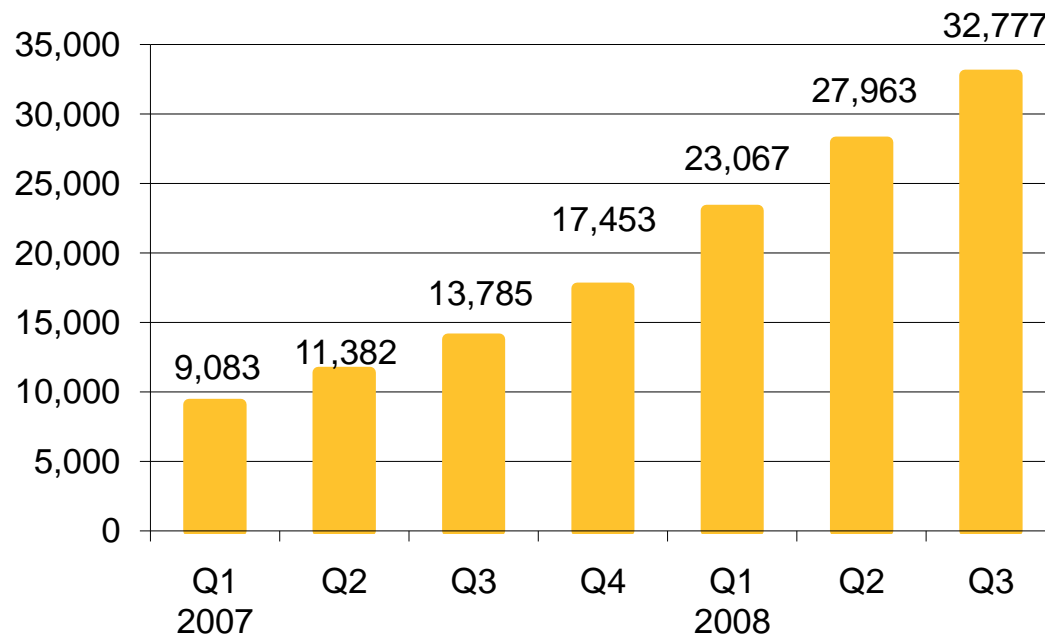


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INTERNET TELEVISION

- From July 2008 TEO offered a new additional TV channels' package for children
- In October to main TV channels' package were added FoxLife, FoxCrime and NBA TV, to news package – CNBC and to children's – KiKa
- In September launched a new feature – My TV Recordings
- In August completed *TV Mosaic* project for creation of the system's prototype for the provision and management of interactive TV services

Number of IPTV service users

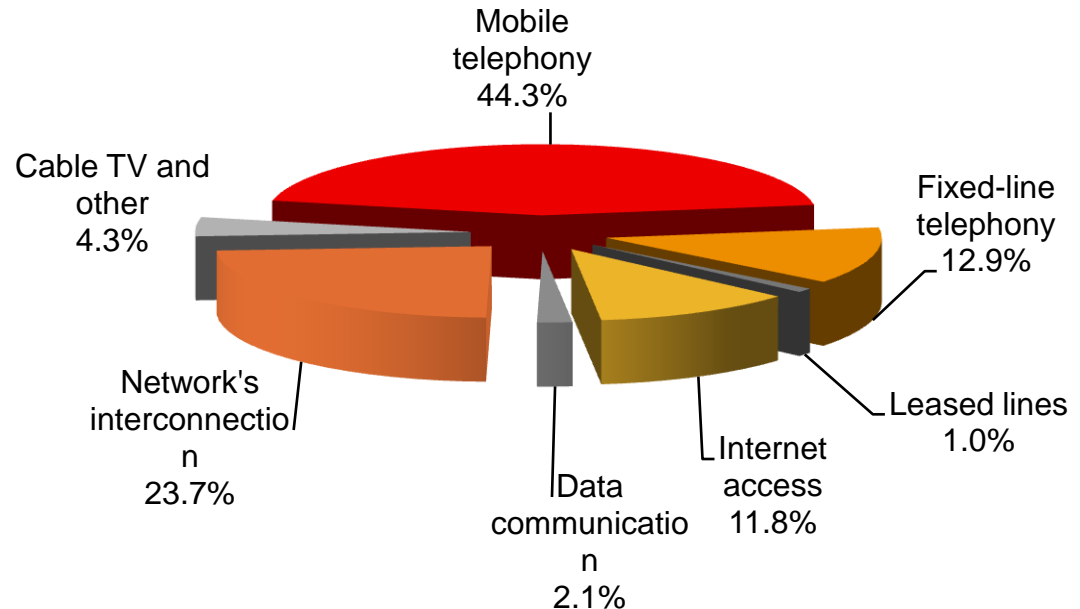


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TELECOMMUNICATION MARKET IN LITHUANIA (H1 2008)

- Total revenue: LTL 1,531 million
(2007: LTL 1,444 million)
- Growth: 6.05 % (y-o-y)
- Penetration per 100 residents:
 - fixed voice: 23.5
 - mobile voice: 147.8
 - internet: 18.8
 - broadband: 16.3
- Capital investments: LTL 195 million

Revenue breakdown by segments



Source: Report of Communications Regulatory Authority

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TEO COMPETES IN ALL AREAS EXCEPT MOBILE VOICE

Market	Market revenue for H1 2008 (mLTL)	Market growth y-o-y (%)	Number of players	Share of TEO in Q2 2008 (%)
Fixed voice	203	-2.4	50	95.5
Leased lines	14	15.0	14	48.8
Internet access	180	24.5	113	41.5
Data communication	32	18.3	16	52.9
Network interconnection	351	9.5	4+	17.3
Mobile voice	686	0.8	8	--

- Paid TV market revenue for H1 2008 was LTL 43 million
- 49 CATV, 3 IPTV and one DVB-T operator.
- TV and radio program transmission is dominated by one player. Market revenue LTL 14 million.

Source: Report of Communications Regulatory Authority

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FIXED VOICE TELEPHONY MARKET IN LITHUANIA (H1 2008)

- Total revenue: LTL 203 million
(2007: LTL 207 million)
- 50 companies are providing fixed voice services: 30 provide national and international calls, 15 only international, 5 only wholesales (transit)
- 34 companies are using IP network, 17 of them CATV networks
- Total fixed voice traffic (y-o-y): (1.6)%
- TEO market share (Q2 2008) in terms of:
 - total number of customers: 93.9%
 - total traffic: 96.4%
 - revenue from local calls: 99.3%
 - revenue from domestic long distance calls: 92.5%
 - revenue from international calls: 67.4%

Source: Report of Communications Regulatory Authority



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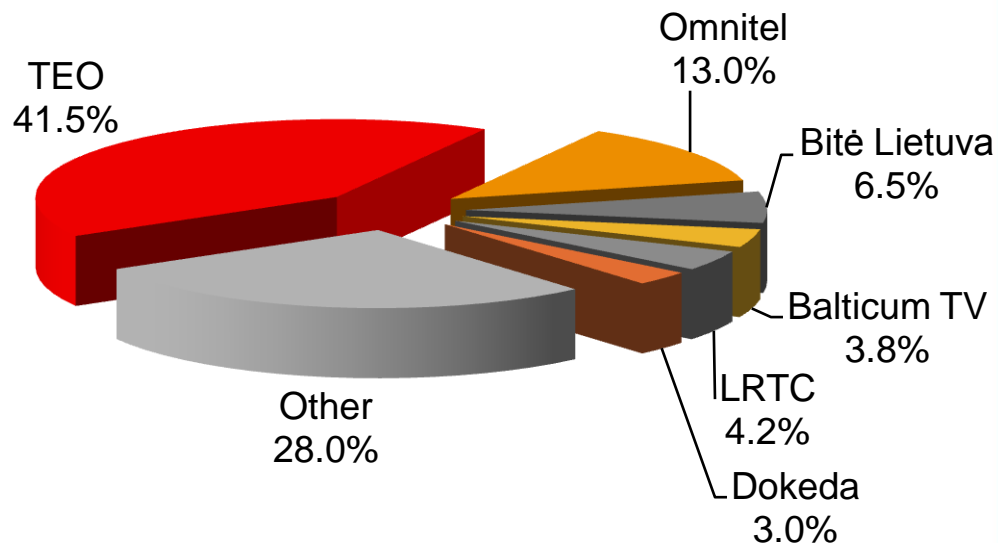
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INTERNET ACCESS MARKET IN LITHUANIA (H1 2008)

- Total revenue: LTL 180 million
(2007: LTL 145 million)
- TEO share of broadband internet market in terms of revenue: 48.1%
- 113 internet service providers
- 631 thousand internet users:
 - DSL: 244 thousand
 - fiber optics: 133 thousand
 - via CATV networks: 65 thousand
 - LAN: 47 thousand
 - via mobile network: 80 thousand
 - wireless access: 55 thousand
 - dial-up: 5 thousand
 - other: 2 thousand

Q2 2008 revenue by service providers



Source: Report of Communications Regulatory Authority

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MAJOR FINANCIAL INDICATORS

(thousand LTL)	9 months of 2008	9 months of 2007	Change
Revenue	613,200	582,330	5.3%
Operating expenses	349,292	325,226	7.4%
EBITDA	270,802	265,382	2.0%
EBITDA margin	44.2%	45.6%	
Depreciation and amortization	127,859	125,477	1.9%
Operating profit	142,943	139,905	2.2%
Operating profit margin	23.3%	24.0%	
Net profit	129,476	122,527	5.7%
Profit margin	21.1%	21.0%	
Earnings per share (LTL)	0.17	0.16	



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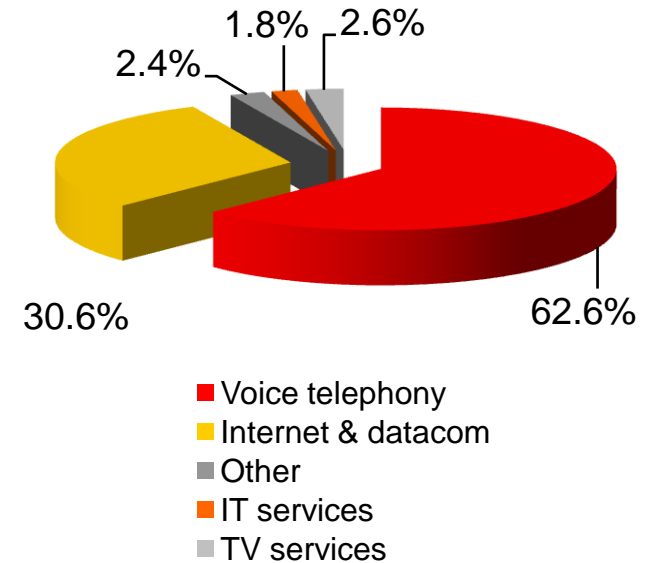
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REVENUE

(thousand LTL)	9 months of 2008	9 months of 2007	Change
Voice telephony services	383,637	394,434	(2.7)%
Internet & data communications services	187,624	154,670	21.3%
TV services	11,104	4,189	165.1%
IT services	15,911	8,888	79.0%
Other services	14,924	20,149	(25.9)%
Total:	613,200	582,330	5.3%

Breakdown of revenue for 9 months of 2008

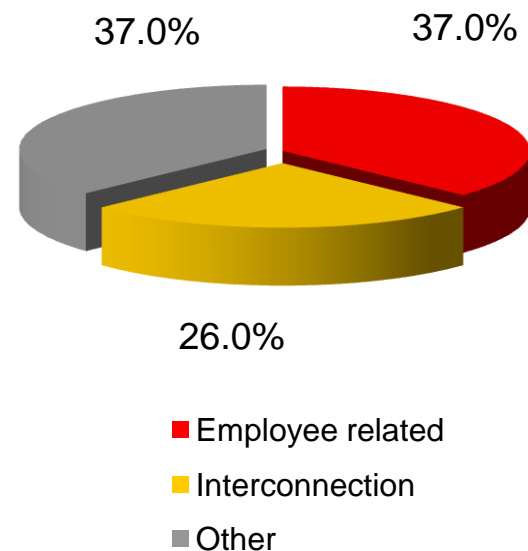


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OPERATING EXPENSES

(thousand LTL)	H1 2008	H1 2007	Change
Employee related	129,258	114,100	13.3%
Interconnection	90,682	88,244	2.8%
Other	129,352	122,882	5.3%
Total:	349,292	325,226	7.4%

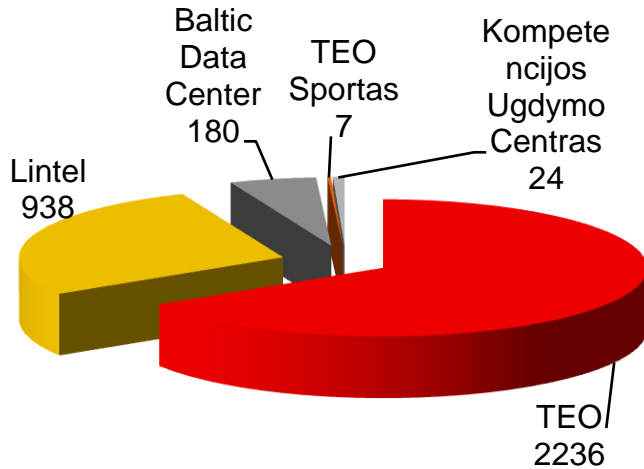
Breakdown of expenses
for 9 months of 2008



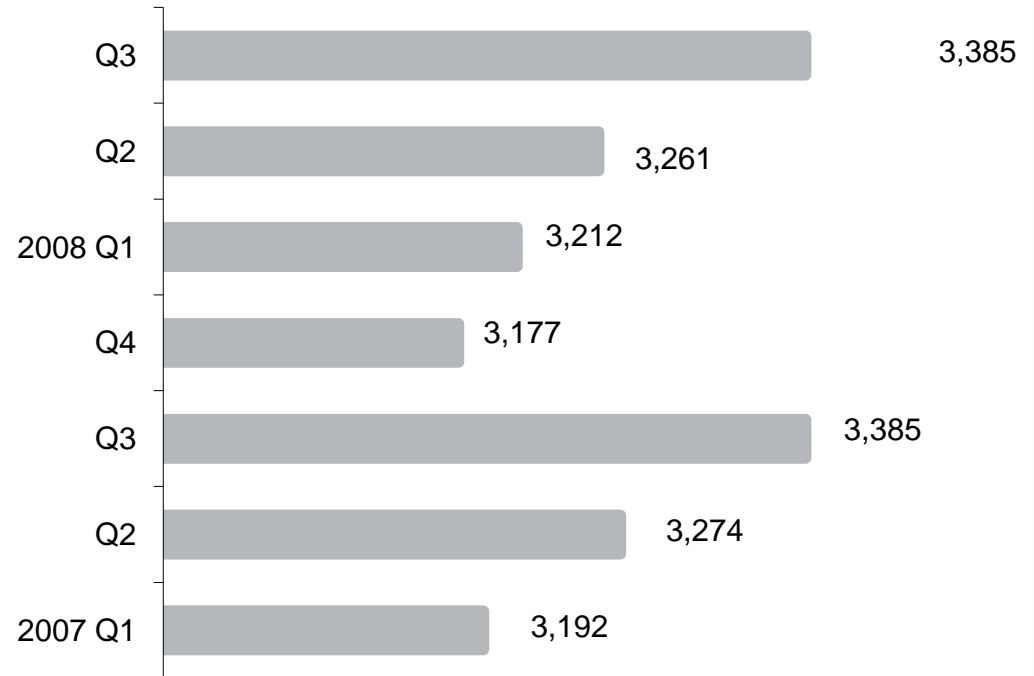
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EMPLOYEES

Breakdown of TEO Group employees



Number of TEO Group employees (headcounts)



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BALANCE SHEET

(thousand LTL)	2008-09-30	2007-12-31	Change
Total assets	1,108,111	1,205,642	(8.1)%
Cash, trading and held-to-maturity investments	303,439	380,637	(20.3)%
Equity	1,005,851	1,070,579	(6.0)%
Borrowings (financial liabilities)	7,012	7,614	(7.9)%
Net debt	(296,427)	(373,023)	
Gearing ratio	(29.5)%	(34.8)%	
ROAA	16.4%	15.7%	
ROE	16.5%	15.3%	

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CASH FLOW

(thousand LTL)	9 months of 2008	9 months of 2007
Net cash from operating activities	246,781	208,935
Net cash used in investing activities	(129,074)	(18,458)
Net cash used in financing activities	(194,805)	(202,587)
Increase in cash and cash equivalents	(77,098)	(12,110)

- In January 2008, TEO acquired UAB Nacionalinė Skaitmeninė Televizija for LTL 16.4 million
- Capital investments for January-September 2008 amounted to LTL 94.1 million
- 78.7 per cent of investment went to network, 13.4 per cent for buildings' renovation, 6.3 per cent for IT systems
- In May 2008 dividends of LTL 194 million for the year 2007 were paid out

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SHAREHOLDERS OF TEO

	Part of share capital		Part of votes
	2008-09-30	2007-12-31	2008-09-30
Amber Teleholding A/S (Denmark)	60.00%	60.00%	62.94%
Treasury stocks	4.67%	4.67%	--
State of Lithuania	1.27%	1.57%	1.33%
Other shareholders	34.06%	33.76%	35.73%

- Amber Teleholding A/S is a subsidiary of TeliaSonera AB, Sweden
- State of Lithuania, represented by State Property Fund, is giving TEO shares to the citizens of Lithuania as a compensation for realty redeemable by the State (realty seized during the Soviet times)
- Total number of shareholders: 15.1 thousand (30-09-2008)

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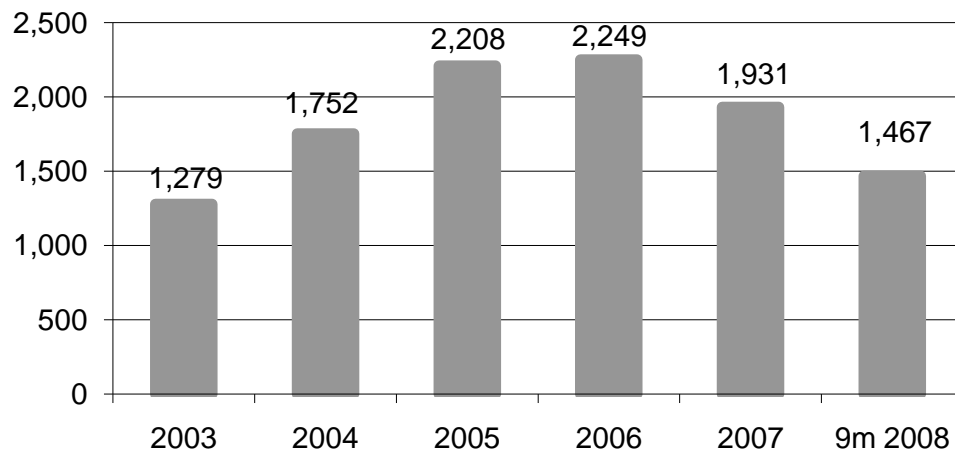
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TEO MARKET CAPITALISATION

- Shares listed on Vilnius Stock Exchange (VSE ticker: TEO1L)
- 3.88% of shares are represented by GDRs (1 GDR = 10 shares)
- GDRs are listed on London Stock Exchange (LSE ticker: TEOL).
- Share price on VSE (in LTL)
 - start of 2008: 2.38
 - year low: 1.55
 - year high: 2.38
 - end of September 2008: 1.80
- Turnover on VSE during January-September 2008: 97 million shares or LTL 200 million

Market Capitalisation at the end of period (LTL million)



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THANK YOU FOR YOUR
ATTENTION

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