

RESULTS FOR THE TWELVE MONTHS OF 2008

TEO LT, AB GROUP

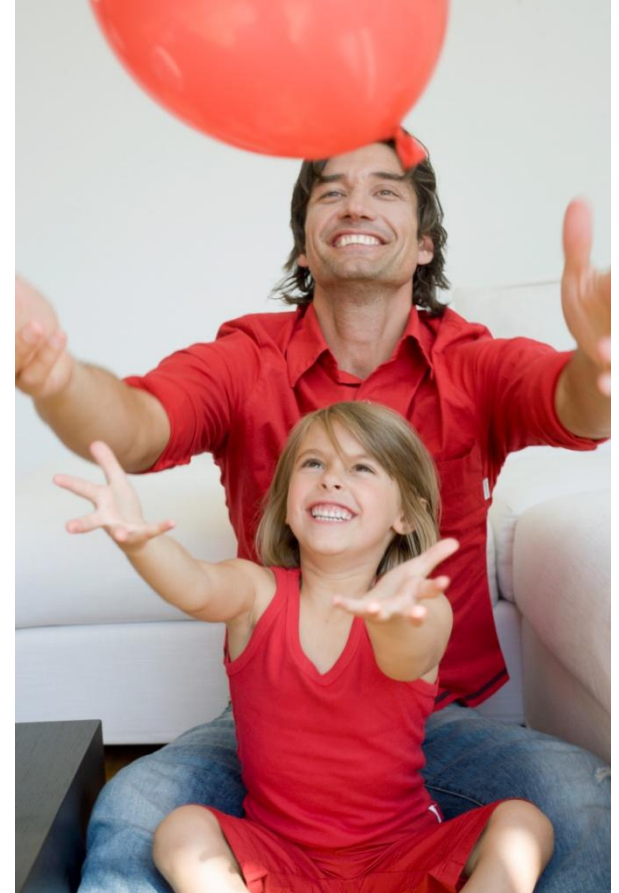
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HIGHLIGHTS OF 12 MONTHS OF 2008

- Revenue up by LTL 33 million or 4.1% (y-o-y)
- Operating expenses up by LTL 35 million or 7.8% (y-o-y)
- EBITDA declined by LTL 3 million or 0.9% (y-o-y)
- Net profit eased by LTL 3 million or 1.8% (y-o-y)
- Record growth of DVB-T service users' number
- Rapid growth of fiber optic (FTTH) connections
- Number of IPTV users increased by 2.3 times
- New features and new channels offered to IPTV users
- Decreased networks' interconnection tariffs
- Capital investments amounted to LTL 180 million



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TEO GROUP

TEO LT, AB

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

- In December 2008, AB Nacionaline Skaitmenine Televizija was merged into TEO LT, AB
- In December 2008, TEO sold its stake in UAB Voicecom (NMT-450 licence) and acquired UAB Verslo Investicijos

100%

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

100%

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

100%

UAB Kompetencijos Ugdymo Centras (training and consultancy)

100%

UAB Verslo Investicijos (dormant company)

100%

VšĮ TEO Sportas (women's basketball team TEO)

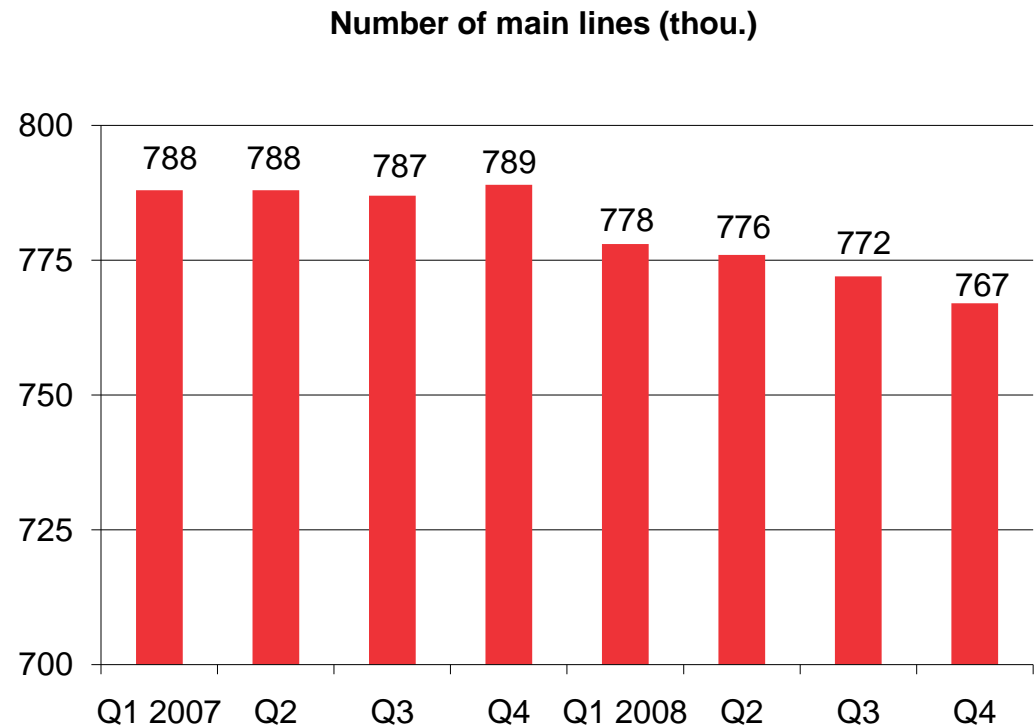
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VOICE TELEPHONY SERVICES

- Net number of telephone lines during 2008 decrease by 21.1 thousand
- In February 2008, TEO terminated provision of temporary disconnected telephone line with incoming calls service
- From February 2008, number of active lines increased by almost 35 thousand
- In August, TEO reduced tariffs for networks' interconnection and calls to the networks of other Lithuanian operators



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INTERNET SERVICES

	2008-12-31	2007-12-31	Change
Number of DSL retail connections	248,553	229,145	19,408
Number of FTTB and FTTH connections	23,947	7,432	16,515
Number of WiFi connections	23,052	19,612	3,440
Number of DSL wholesale connections	2,217	2,363	(146)
Number of leased line and fiber optic connections	311	267	44
Total broadband connections:	298,080	258,819	39,261
Number of WiFi hot-spots	4,203	3,182	1,021

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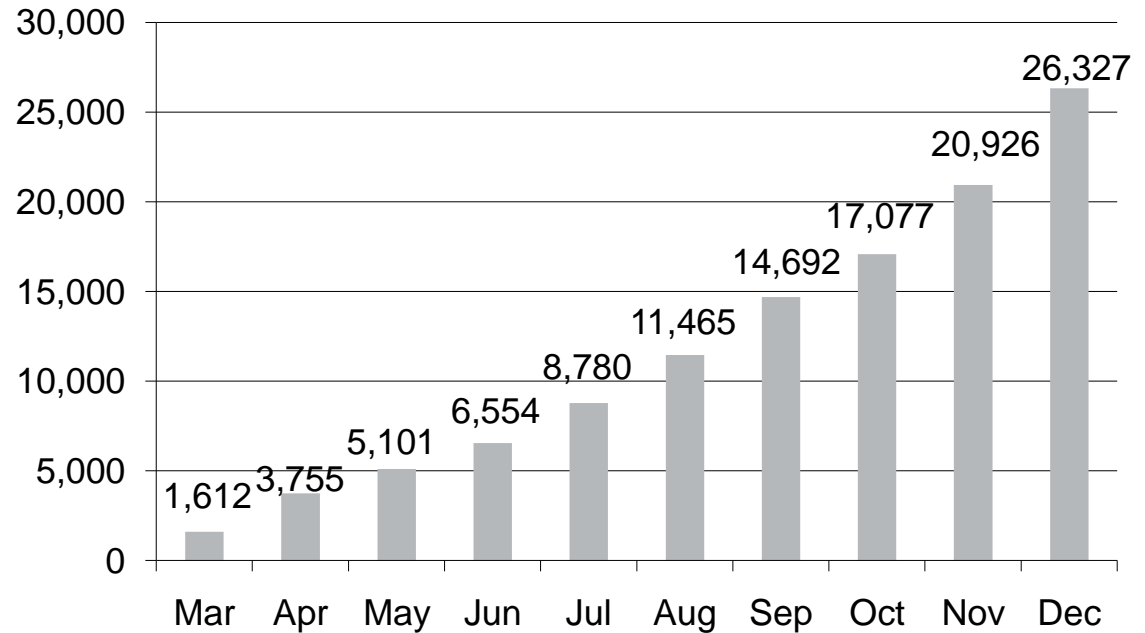
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DIGITAL TERRESTRIAL TELEVISION

- Digital terrestrial television (DVB-T) service *Digital GALA* (*Skaitmeninė GALA*) was launched in March 2008
- 38 TV channels for LTL 29 per month
- Service is available almost all over the Lithuania
- TEO operates 2 networks of DVB-T transmitters
- On 29 October 2012 Lithuania will switch from analogue to digital TV broadcasting

Number of DVB-T users

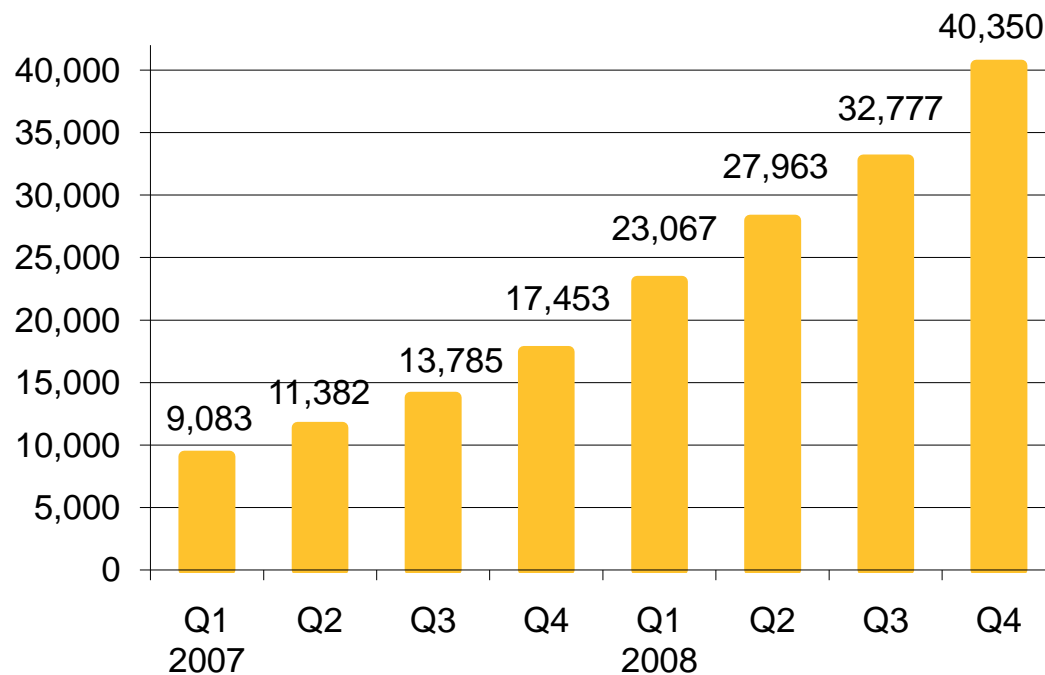


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INTERNET TELEVISION

- Launched in October 2006 as GALA, in 2008 was renamed into *Interactive GALA* (*Interaktyvioji GALA*)
- More than 70 TV channels in main and additional packages
- In October to main package were added FoxLife, FoxCrime and NBA TV, to news package – CNBC and to children’s – KiKa
- In November launched a new feature – *GALA Karaoke*

Number of IPTV service users



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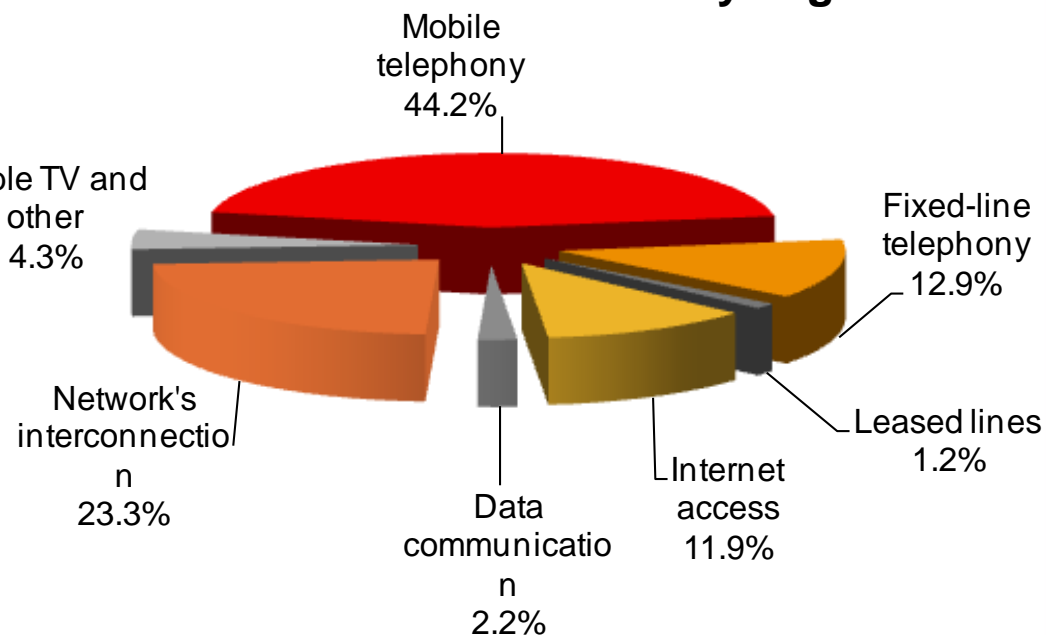
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TELECOMMUNICATION MARKET IN LITHUANIA (9 MONTHS OF 2008)

- Total revenue: LTL 2,332 million
(2007: LTL 2,214 million)
- Growth: 5.32 % (y-o-y)
- Penetration per 100 residents:
 - fixed voice: 23.5
 - mobile voice: 149.4
 - internet: 20.0
 - broadband: 16.9
- Capital investments: LTL 285 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 9 months of 2008 (mLTL)	Market growth y-o-y (%)	Number of players	Share of TEO in Q3 2008 (%)
Fixed voice	300	(2.8)	47	95.5
Leased lines	29	48.6	13	53.7
Internet access	277	22.7	113	41.7
Data communication	52	27.6	15	61.9
Network interconnection	543	8.7	4+	15.6
Mobile voice	1,031	(1.1)	9	--

- Paid TV market revenue for 9 months of 2008 – LTL 66 million
- 48 CATV, 3 IPTV and 2 DVB-T operators
- TV and radio program transmission is dominated by one player. Market revenue LTL 21 million.

Source: Report of Communications Regulatory Authority

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FIXED VOICE TELEPHONY MARKET IN LITHUANIA (9 MONTHS OF 2008)

- Total revenue: LTL 300 million
(2007: LTL 309 million)
- 47 companies are providing fixed voice services: 28 provide national and international calls, 14 only international, 5 only wholesales (transit)
- 31 companies are using IP network, 17 of them CATV networks
- Number of alternative operators subscribers: 52.8 thousand or 6.4% of total subscribers' number
- TEO market share (Q3 2008) in terms of:
 - total number of customers: 93.6%
 - total traffic: 96.0%
 - revenue from local calls: 99.4%
 - revenue from domestic long distance calls: 89.2%
 - revenue from international calls: 77.8%

Source: Report of Communications Regulatory Authority



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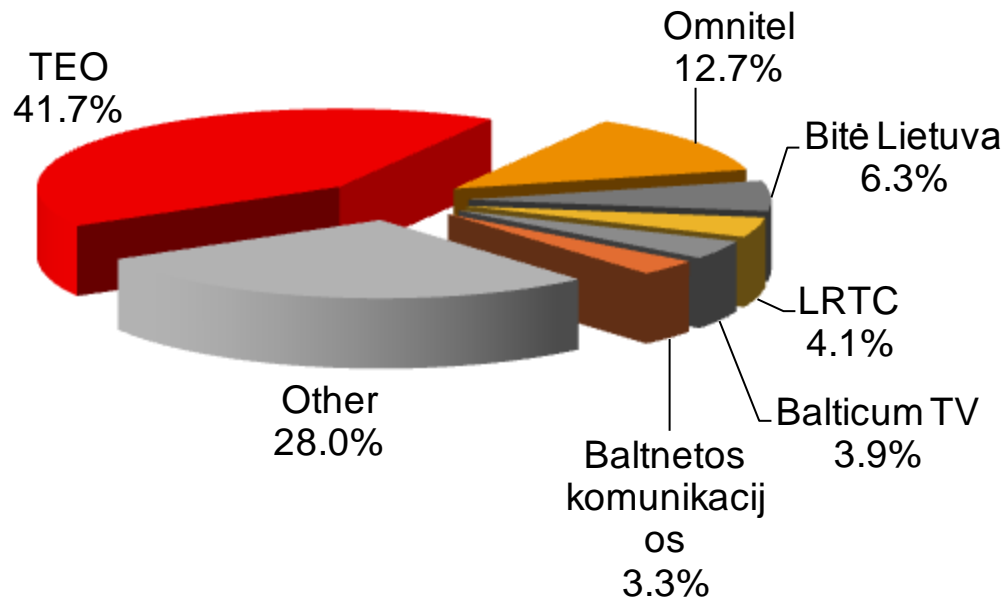
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INTERNET ACCESS MARKET IN LITHUANIA (9 MONTHS OF 2008)

- Total revenue: LTL 277 million
(2007: LTL 226 million)
- TEO share of broadband internet market in terms of revenue: 48.2%
- 113 internet service providers
- 672 thousand internet users:
 - DSL: 249 thousand
 - fiber optics: 142 thousand
 - via mobile network: 100 thousand
 - via CATV networks: 66 thousand
 - wireless access: 60 thousand
 - LAN: 48 thousand
 - dial-up: 4 thousand
 - other: 3 thousand

Q3 2008 revenue by service providers



Source: Report of Communications Regulatory Authority

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MAJOR FINANCIAL INDICATORS

(thousand LTL)	12 months of 2008	12 months of 2007	Change
Revenue	826,267	793,450	4.1
Operating expenses	487,076	451,662	7.8
EBITDA	349,071	352,164	(0.9)
EBITDA margin	42.2%	44.4%	
Depreciation and amortization	166,833	166,696	0.1
Operating profit	182,238	185,466	(1.7)
Operating profit margin	22.1%	23.4%	
Net profit	159,908	162,830	(1.8)
Profit margin	19.4%	20.5%	
Earnings per share (LTL)	0.206	0.210	



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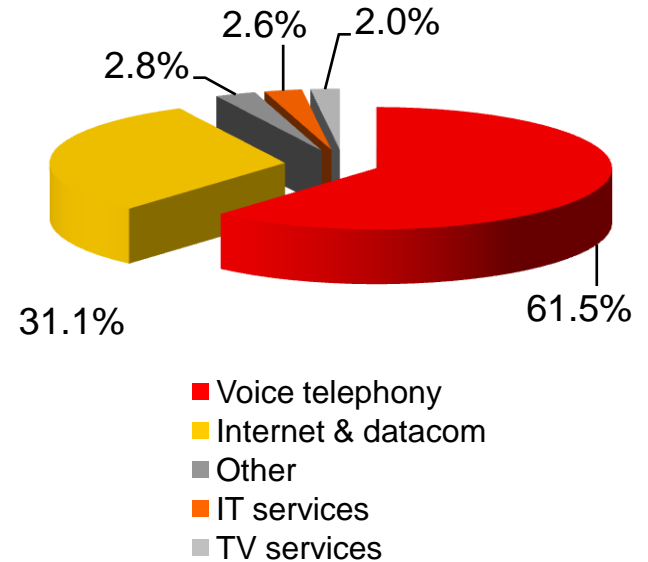
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REVENUE

(thousand LTL)	12 months of 2008	12 months of 2007	Change
Voice telephony services	508,510	528,326	(3.8)
Internet & data communications services	256,662	214,027	19.9
TV services	16,457	8,368	96.7
IT services	21,282	14,050	51.5
Other services	23,356	28,679	(18.6)
Total:	826,267	793,450	4.1

Breakdown of revenue for 12 months of 2008



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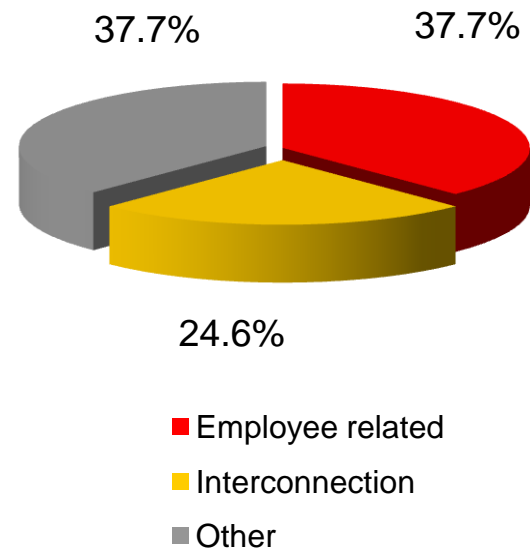
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OPERATING EXPENSES

(thousand LTL)	12 months of 2008	12 months of 2007	Change
Employee related	183,382	160,564	14.2
Interconnection	119,997	119,460	0.4
Other	183,697	171,638	7.0
Total:	487,076	451,662	7.8

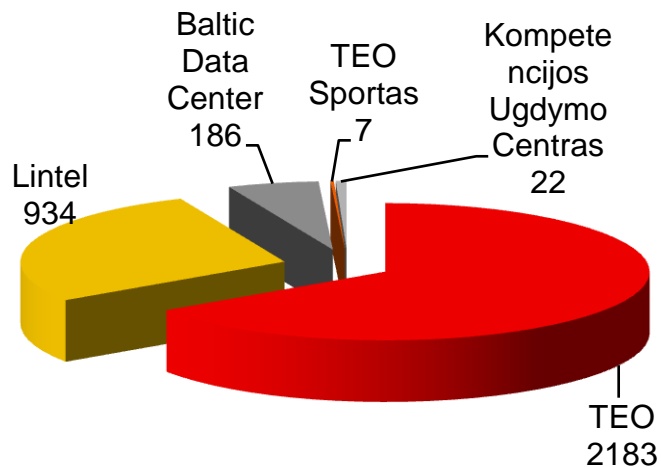
Breakdown of expenses for 12 months of 2008



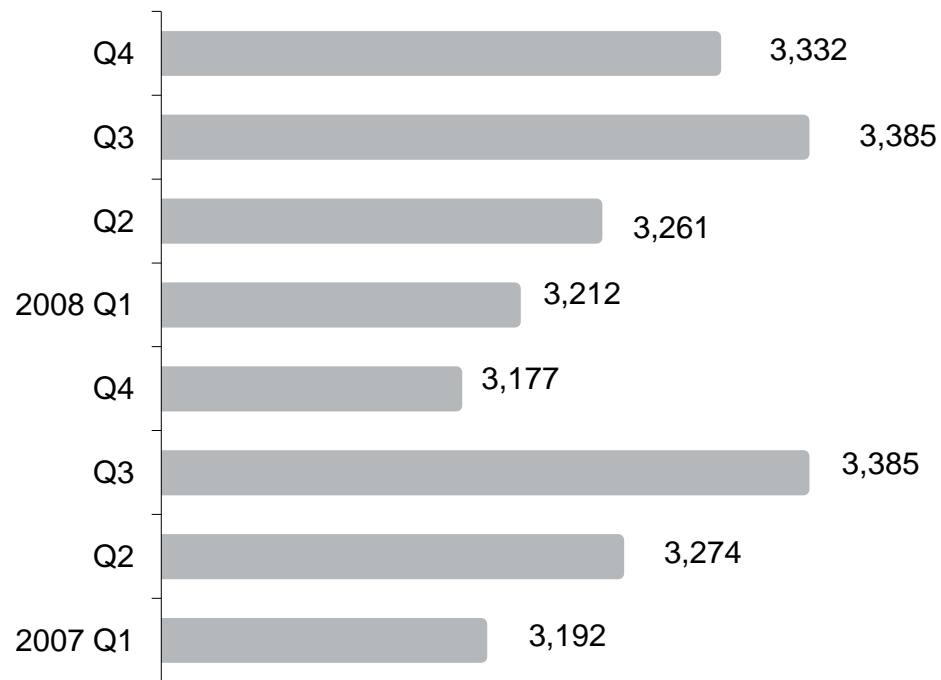
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EMPLOYEES

Breakdown of TEO Group employees



Number of TEO Group employees (headcounts)



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BALANCE SHEET

(thousand LTL)	2008-12-31	2007-12-31	Change
Total assets	1,182,623	1,205,642	(1.9)%
Cash, trading and held-to-maturity investments	322,193	380,637	(15.4)%
Equity	1,036,230	1,070,579	(3.2)%
Borrowings (financial liabilities)	6,808	7,614	(10.6)%
Net debt	(315,385)	(373,023)	
Gearing ratio	(30,4)%	(34.8)%	
ROAA	16.0%	15.7%	
ROE	15.7%	15.3%	

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CASH FLOW

(thousand LTL)	12 months of 2008	12 months of 2007
Net cash from operating activities	315,964	293,834
Net cash used in investing activities	(200,407)	(94,124)
Net cash used in financing activities	(195,009)	(202,941)
Increase in cash and cash equivalents	(79,452)	(3,231)

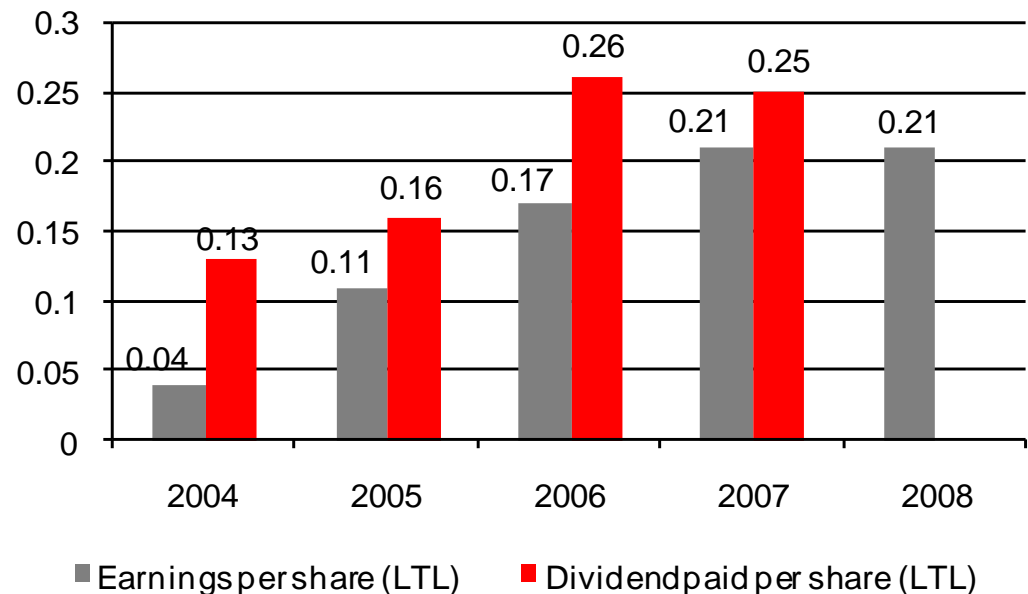
- In January 2008, TEO acquired Nacionalinė Skaitmeninė Televizija for LTL 16.4 million
- Capital investments during 2008 amounted to LTL 180.4 million
- 70% of investments went to network, 14% for IT systems, 11% for buildings' renovation, 4% for transport and 1% for other investments
- In May 2008 dividends of LTL 194 million for the year 2007 were paid out

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DIVIDEND PAYOUT

- Following the Lithuanian Law on Company dividends should be paid from the Parent company's retained earnings
- TEO LT, AB retained earnings 2008: LTL 185 million
- Consolidated TEO Group retained earnings 2008: LTL 260 million
- In March 2009 the Board should approved audited financial results for the year 2008 and present a profit allocation proposal to the Annual General Meeting of Shareholders

Earnings and Dividends per Share



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SHAREHOLDERS OF TEO

	Part of share capital		Part of votes
	2008-12-31	2007-12-31	2008-12-31
Amber Teleholding A/S (Denmark)	60.00%	60.00%	62.94%
Treasury stocks	4.67%	4.67%	--
State of Lithuania	1.26%	1.57%	1.32%
Other shareholders	34.07%	33.76%	35.74%

- 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: 15.7 thousand (31-12-2008)

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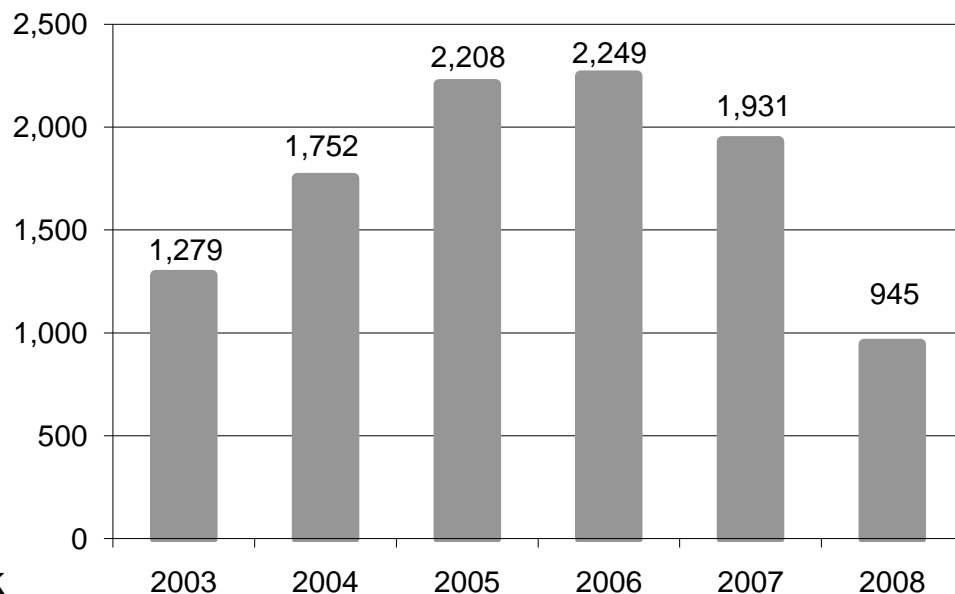
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TEO MARKET CAPITALISATION

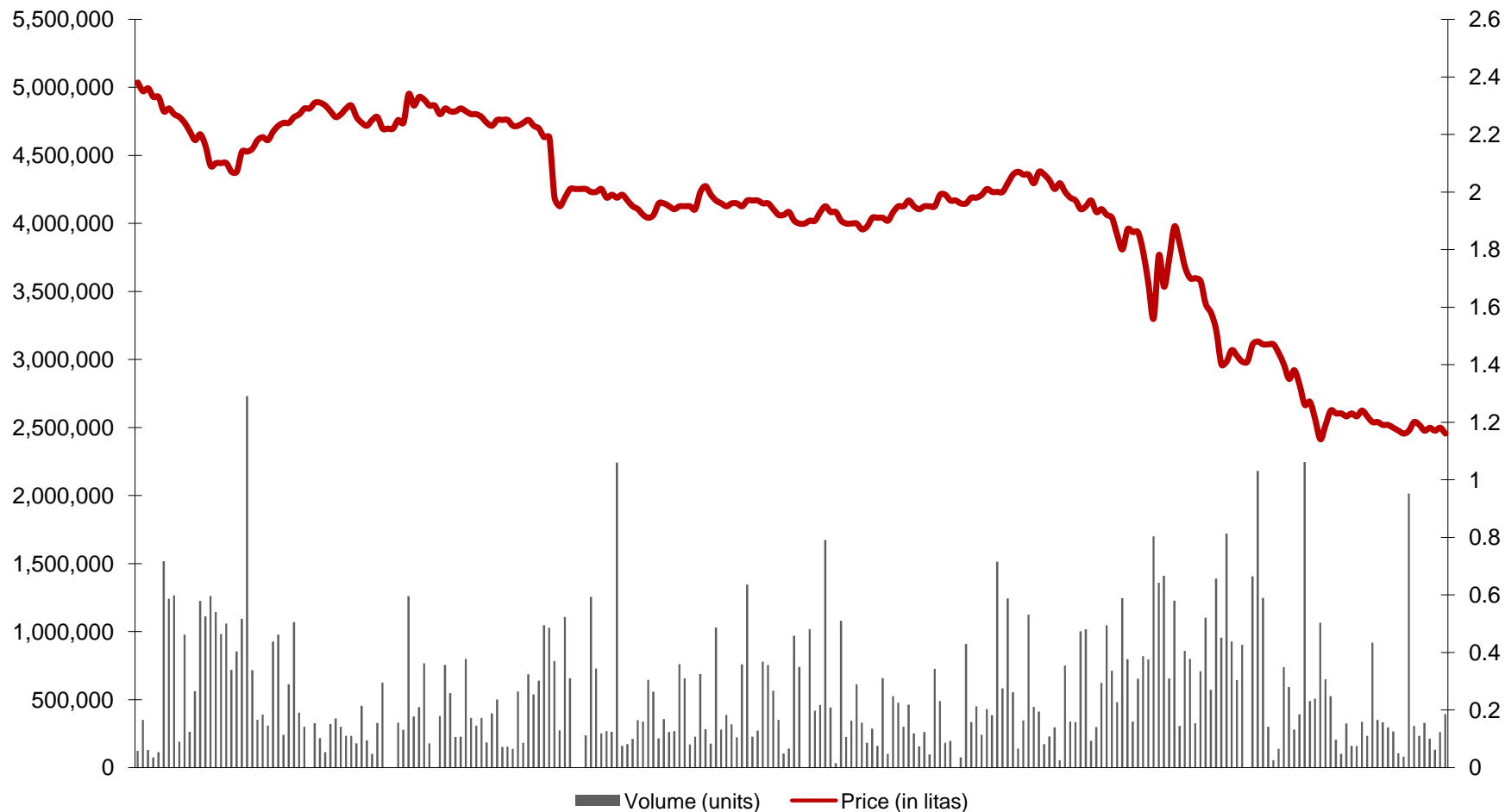
- Shares listed on NASDAQ OMX Vilnius stock exchange (ticker: TEO1L)
- 3.88% of shares are represented by GDRs (1 GDR = 10 shares)
- GDRs are listed on London Stock Exchange (ticker: TEOL).
- Share price on VSE (in LTL)
 - start of 2008: 2.38
 - year low: 1.13
 - year high: 2.39
 - end of 2008: 1.16
- Turnover on NASDAQ OMX Vilnius stock exchange during 2008: 138,6 million shares or LTL 261 million

Market Capitalisation at the end of period (LTL million)



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TRADING IN TEO SHARES ON OMX VILNIUS



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