

RESULTS FOR THE NINE MONTHS OF 2009

TEO LT, AB GROUP

16-10-2009

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HIGHLIGHTS OF Q3 2009

- Revenue up by 0.2%, expenses are under control and down by 0.7%
- EBITDA up by 2.1% and margin at 45.2%
- Number of telephone lines down by 41 thousand while number of broadband connections up by 21 thousand
- Total number of TV service users exceeded 90 thousand
- TeliaSonera launched a tender offer for remaining Company's shares. Offer price: LTL 1.83 per share
- TeliaSonera Group increased its holding in TEO up to 64.90% of shares and 68.08% of votes



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TEO GROUP

TEO LT, AB

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

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 services)

100%

UAB Verslo Investicijos (investment project)

100%

VšĮ TEO Sportas (women's basketball team TEO)

- Kompetencijos Ugdymo Centras terminated its activities due lack of demand for its services

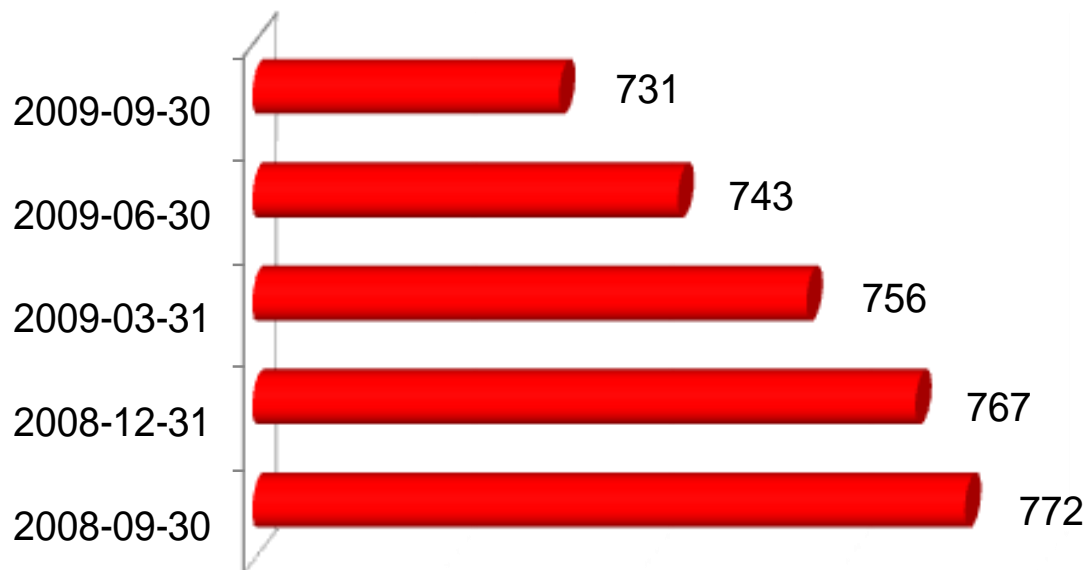
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VOICE TELEPHONY SERVICES

Number of main lines (thou.)



- Over the year number of telephone lines decreased by 41 thousand
- 38 thousand of new lines were installed while 79 thousand were disconnected
- Residential customers' traffic increased by 1.8%, business customers' traffic decreased by 18.4%
- From 1 January 2009 tariffs for calls termination in Lithuanian mobile networks were reduced

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INTERNET SERVICES

	2009-09-30	2008-09-30	Change
Number of DSL retail connections	230,944	245,686	(14,742)
Number of FTTH connections	40,372	9,042	31,330
Number of FTTB connections	11,012	8,314	2,698
Number of WiFi connections	23,093	21,029	2,064
Number of DSL wholesale connections	1,756	2,282	(526)
Number of leased line and fiber optic connections	344	305	39
Total broadband connections:	307,521	286,568	20,863
Number of WiFi hot-spots	4,019	3,934	85

- Accelerates switchover from copper to fibre optical Internet access

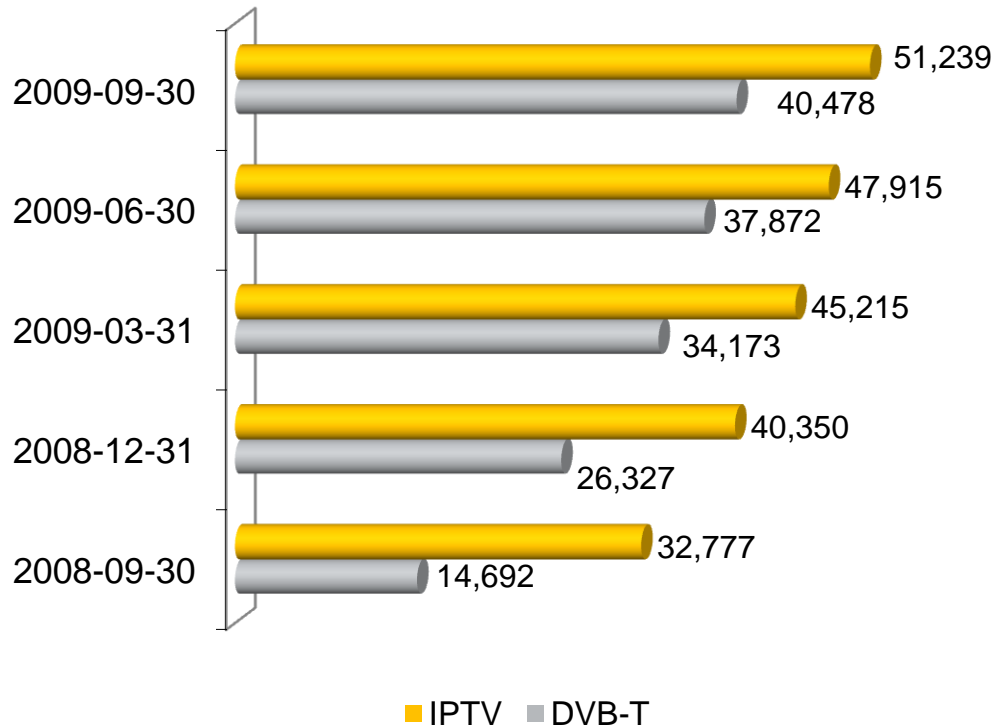
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TELEVISION SERVICES

Number of television service users



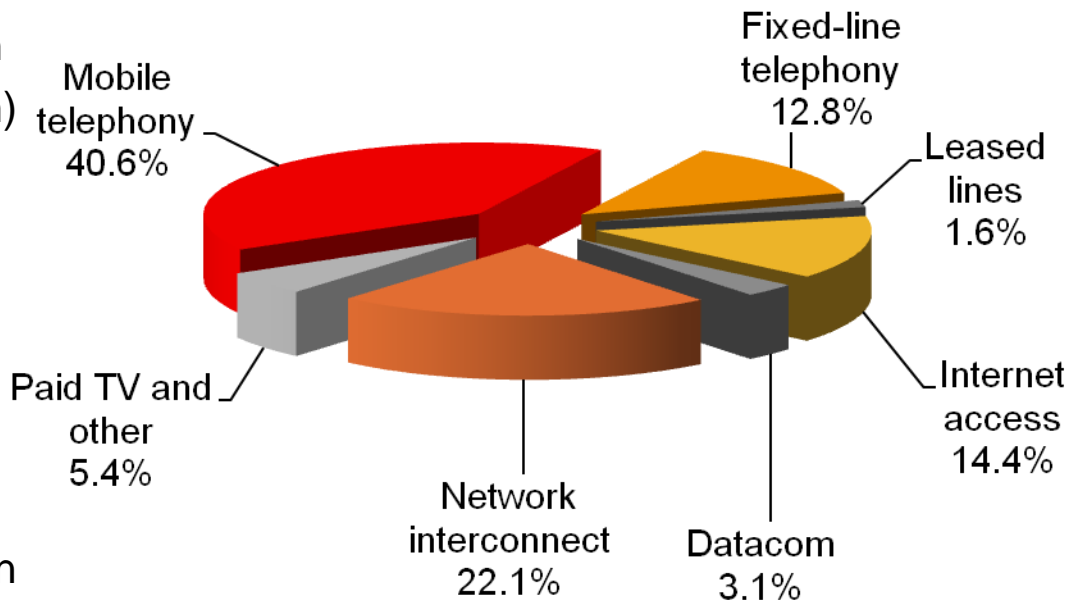
- Over the year number of DVB-T users increased by 25.8 thousand and IPTV by 18.5 thousand
- In October DVB-T users were offered 3 high-definition television (HDTV) channels in Vilnius area. IP TV users may watch 4 HDTV channels since May.
- On 29 October 2012 Lithuania shall switch from analogue to digital TV broadcasting

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TELECOMMUNICATION MARKET IN LITHUANIA (H1 2009)

- Total revenue: LTL 1,444 million
(H1 2008: LTL 1,539 million)
- Change: (6.2)%
- Penetration per 100 residents:
 - fixed voice: 22.8
 - mobile voice: 147.9
 - internet: 22.7
 - broadband: 18.3
- Capital investments: LTL 173 million
(H1 2008: 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 2009 (LTL million)	Change to H1 2008 (%)	Number of players	TEO share in Q2 2009 (%)
Fixed voice	185	(8.5)	51	94.7
Leased lines	23	62.4	13	62.8
Internet access	208	15.4	111	40.5
Data communication	45	41.5	14	67.5
Network interconnection	319	(9.3)	>5	16.8
Mobile voice	587	(15.4)	3+4	-

- Paid TV market (49 operators) revenue: LTL 52 million (19.9% growth to H1 2008)
- TEO has 97.5% of IPTV and ~100% of DVB-T customers; in total, 15% of all pay TV users
- TV and radio program transmission is dominated by one player.
Market revenue: LTL 15 million (5.6% growth compared to H1 2008)

Source: Report of Communications Regulatory Authority

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FIXED VOICE TELEPHONY MARKET IN LITHUANIA (H1 2009)

- 51 companies are providing fixed voice services:
 - 30 provide national and international calls
 - 15 only international calls
 - 6 only wholesales (transit) services
- 34 companies are using IP network, 17 of them CATV networks
- Number of alternative operators subscribers: 53.6 thousand or 6.7% of total subscribers' number
- TEO market share (Q2 2009) in terms of:
 - total number of customers: 93.2%
 - total traffic: 96.1%
 - revenue from local calls: 99.4%
 - revenue from domestic long distance calls: 87.1%
 - revenue from international calls: 76.4%

Source: Report of Communications Regulatory Authority



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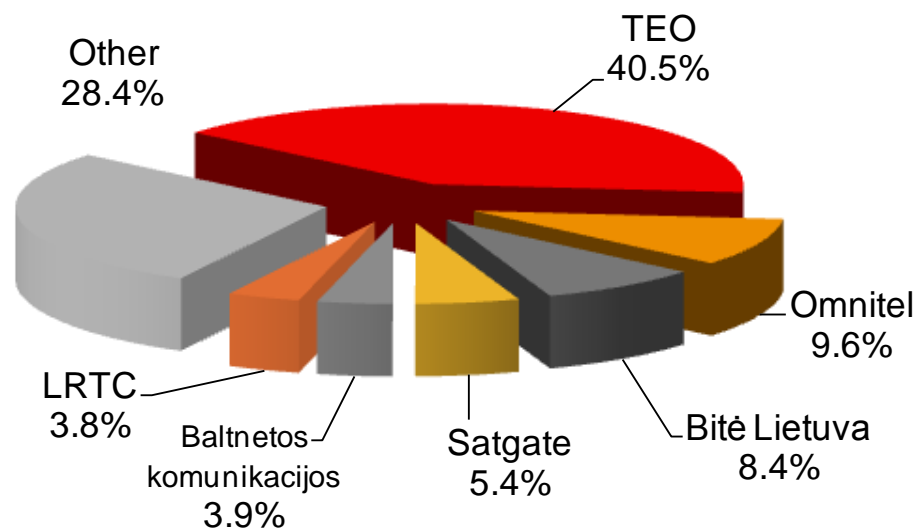


INTERNET ACCESS MARKET IN LITHUANIA (H1 2009)

Access type	Number of users ('000)	Change to H1 2008 (%)
DSL	239	(2.0)
Fiber optics	210	57.4
Via mobile network	146	82.0
Wireless	66	20.2
Via CATV networks	62	(4.2)
Via LAN	31	(34.0)
Dial-up	3	(37.0)
Via leased-lines	1	(11.9)
Total:	758	20.2

Source: Report of Communications Regulatory Authority

Q2 2009 revenue by service providers



- TEO has 50.2% of broadband internet using fixed connection market in terms of revenue

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PAID TELEVISION MARKET IN LITHUANIA (H1 2009)

Access type	Number of operators	Number of users ('000)	Revenue (LTL million)	Change to Q1 2009 (%)	Change to H1 2008 (%)
Analogue CATV	49	378.1	36.47	0.5	n/a
Analogue MVDS	4				
Digital CATV	15	42.7	5.66	5.2	n/a
Digital MVDS	4				
Total CATV & MVDS		420.8	42.13	1.1	11.1
IP TV	5	49.2	7.14	1.8	n/a
DVB-T	2	38.0	2.45	n/a	n/a
Digital satellite	1	n/a	n/a	n/a	n/a
Total:		508	51.75	11.3	19.9

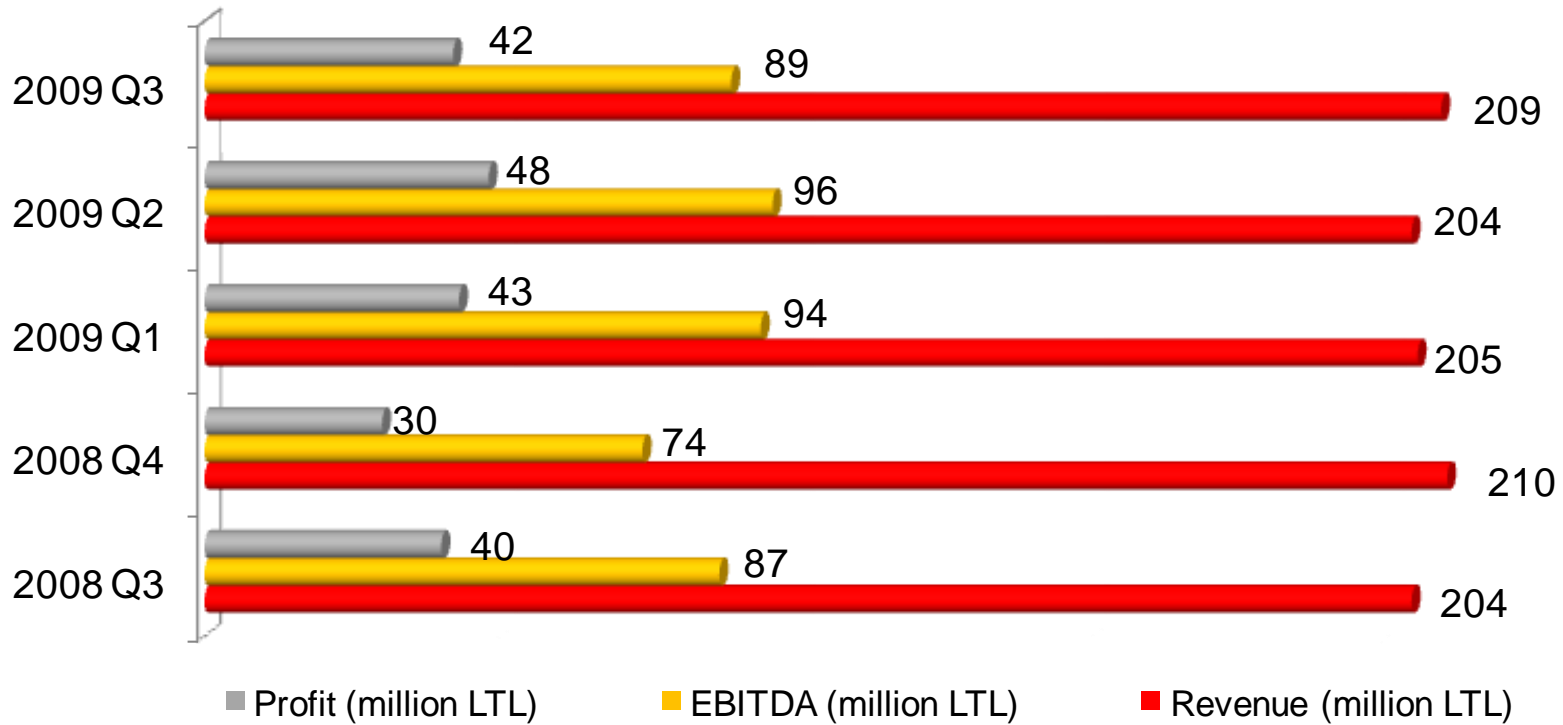
Source: Report of Communications Regulatory Authority

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REVENUE, EBITDA & NET PROFIT



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MAJOR FINANCIAL INDICATORS

(thousand LTL)	Q3 2009	Q3 2008	Change (%)	9 months of 2009	9 months of 2008	Change (%)
Revenue	208,766	204,055	2.3%	617,630	616,094	0.2%
Operating expenses	120,924	118,996	1.6%	346,744	349,292	(0.7)%
EBITDA	89,376	86,956	2.8%	279,329	273,696	2.1%
EBITDA margin	42.8%	42.6%		45.2%	44.4%	
Depreciation and amortization	34,616	41,840	(17.3)%	107,453	127,859	(16.0)%
Operating profit	54,762	45,116	21.4%	171,876	145,837	17.9%
Operating profit margin	26.2%	22.1%		27.8%	23.7%	
Net profit	42,354	40,155	5.5%	134,242	129,476	3.7%
Profit margin	20.3%	19.7%		21.7%	21.0%	
Earnings per share (LTL)	0.055	0.052		0.173	0.167	

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REVENUE

(thousand LTL)	Q3 2009	Q3 2008	Change (%)	9 months of 2009	9 months of 2008	Change (%)
Voice telephony services	119,522	124,307	(3.8)	352,050	383,637	(8.2)
Internet & data communications services	68,596	65,208	5.2	208,822	187,624	11.3
TV services	6,946	4,194	65.6	19,661	11,104	77.1
IT services	6,726	4,524	48.7	17,245	15,911	8.4
Other services	6,976	5,822	19.8	19,852	17,818	11.4
Total:	208,766	204,055	2.3	617,630	616,094	0.2

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OPERATING EXPENSES

(thousand LTL)	Q3 2009	Q3 2008	Change (%)	9 months of 2009	9 months of 2008	Change (%)
Employee related	38,617	44,957	(14.1)	124,895	129,258	(3.4)
Interconnection	35,783	29,914	19.6	87,305	90,682	(3.7)
Other	46,524	44,125	5.4	134,544	129,352	4.0
Total:	120,924	118,996	1.6	346,744	349,292	(0.7)

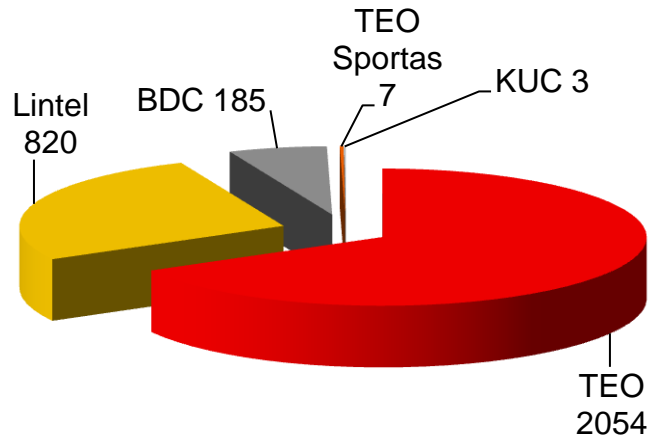
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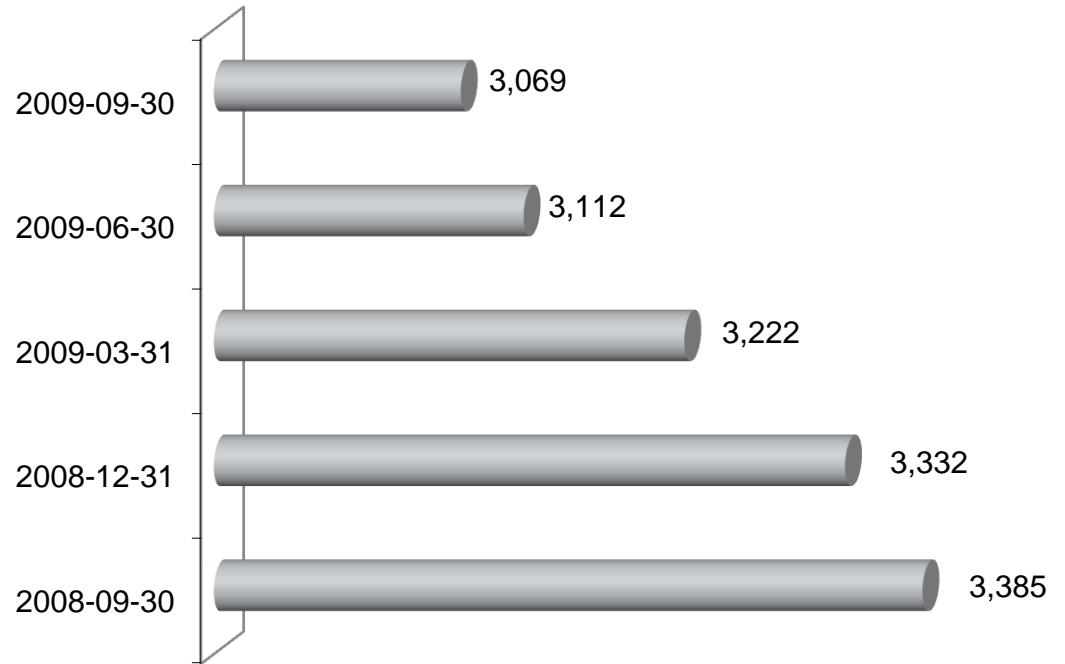


EMPLOYEES

Breakdown of TEO Group employees



Number of TEO Group employees



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BALANCE SHEET

(thousand LTL)	2009-09-30	2008-12-31	Change
Total assets	1,085,573	1,182,623	(8.2)%
Cash, held-to-maturity investments, loans to banks	264,878	322,193	(17.8)%
Equity	991,804	1,036,230	(4.3)%
Borrowings (financial liabilities)	6,184	6,808	(9.2)%
Net debt	(258,694)	(315,385)	
Gearing ratio	(26.1)%	(30.4)%	
ROAA	18.6%	16.0%	
ROE	16.4%	15.7%	

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CASH FLOW

(thousand LTL)	9 months of 2009	9 months of 2008
Net cash from operating activities	227,150	246,781
Net cash used in investing activities	(63,683)	(129,074)
Net cash used in financing activities	(179,292)	(194,805)
Increase in cash and cash equivalents	(15,825)	(77,098)

- Capital investments during January-September 2009 amounted to LTL 74.3 million
- LTL 67.8 million were invested into expansion of core network and development of broadband access network
- In May, LTL 179 million (i.e. 0.23 litas per share) of dividends for year 2008 were paid

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SHAREHOLDERS OF TEO

	Part of share capital		Part of votes
	2009-09-30	2008-12-31	2009-09-30
Amber Teleholding A/S (Denmark)	60.00%	60.00%	62.94%
TeliaSonera AB (publ) (Sweden)	0.79%	--	0.82%
Treasury stocks	4.67%	4.67%	--
State of Lithuania	0.97%	1.26%	1.02%
Other shareholders	33.57%	34.07%	35.21%

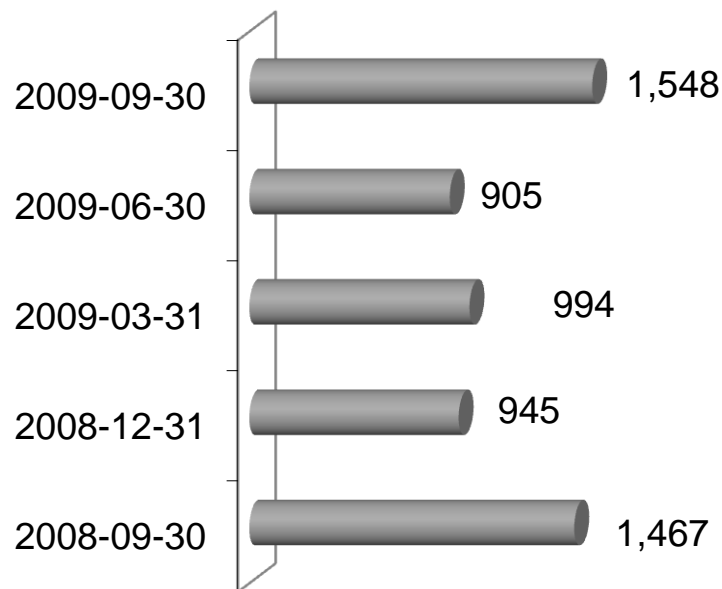
- In September, TeliaSonera made a tender offer to buy remaining TEO shares for LTL 1.83 per share. Tender offer was over on 9 October 2009.
- After implementation of tender offer and acquisitions of shares on open market TeliaSonera increased its direct holding in TEO up to 4.90% of shares and 5.14% of votes.
- As Amber Teleholding is a subsidiary of TeliaSonera, in total TeliaSonera Group as of 14 October 2009 has 64.90% of share capital and 68.08% of votes.
- In October, East Capital Assets Management exceeded the 5% limit of votes at GM

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TEO SHARES

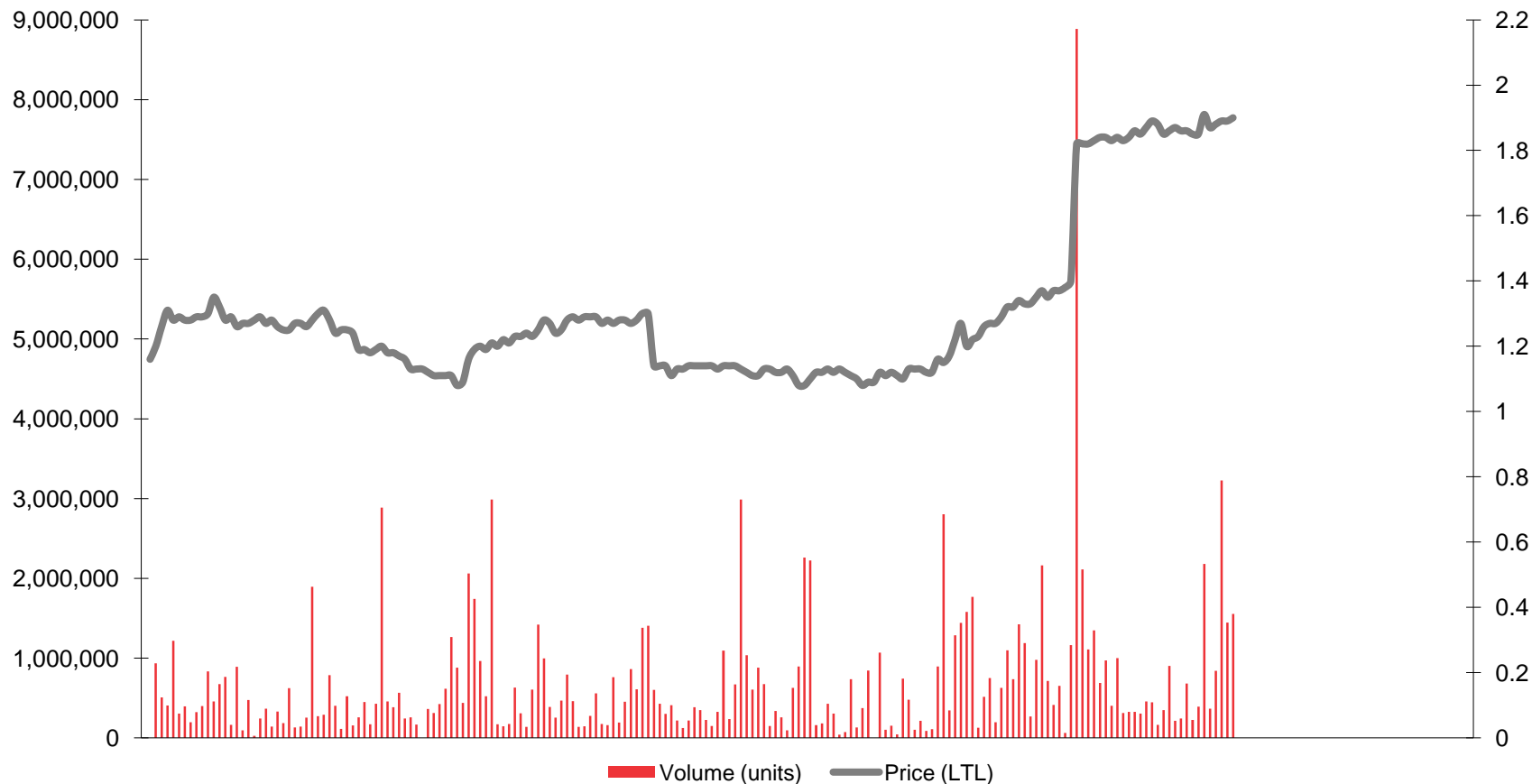
- Shares are listed on NASDAQ OMX Vilnius stock exchange (ticker: TEO1L)
- GDRs (1 GDR = 10 shares) are traded on London Stock Exchange (ticker: TEOL). As of 30-09-2009 GDRs amounted to 3.81% of total share capital
- Share price on NASDAQ OMX Vilnius:
 - start of 2009: LTL 1.16
 - low: LTL 1.07
 - high: LTL 2.03
 - end of September 2009: LTL 1.90
- Turnover on NASDAQ OMX Vilnius stock exchange during January-September 2009: 128.7 million shares or LTL 179.2 million

Market Capitalisation (LTL million)



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TRADING IN TEO SHARES ON NASDAQ OMX VILNIUS STOCK EXCHANGE IN 2009

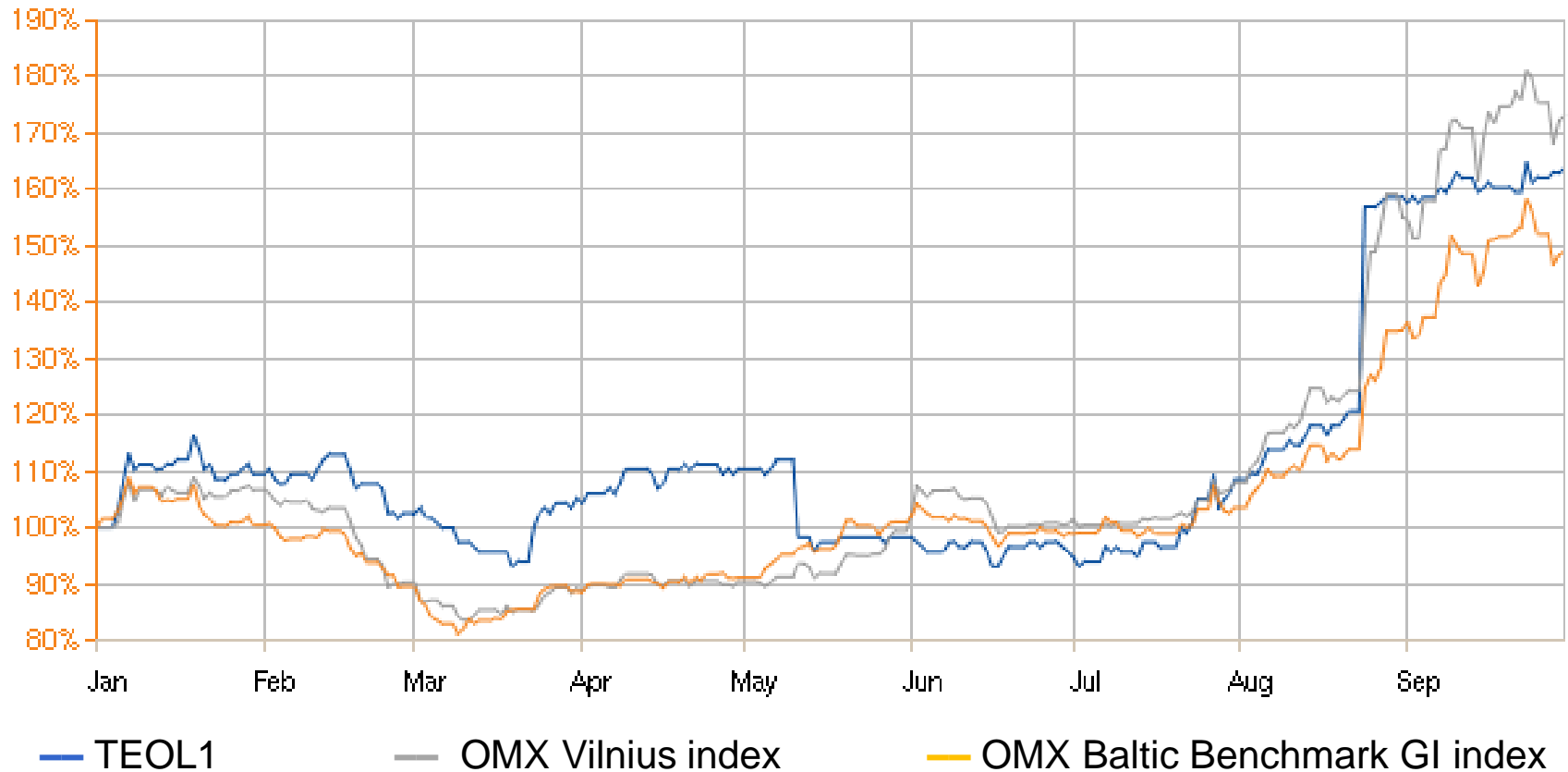


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TEO SHARE AND NASDAQ OMX VILNIUS STOCK EXCHANGE INDEXES COMPARISON

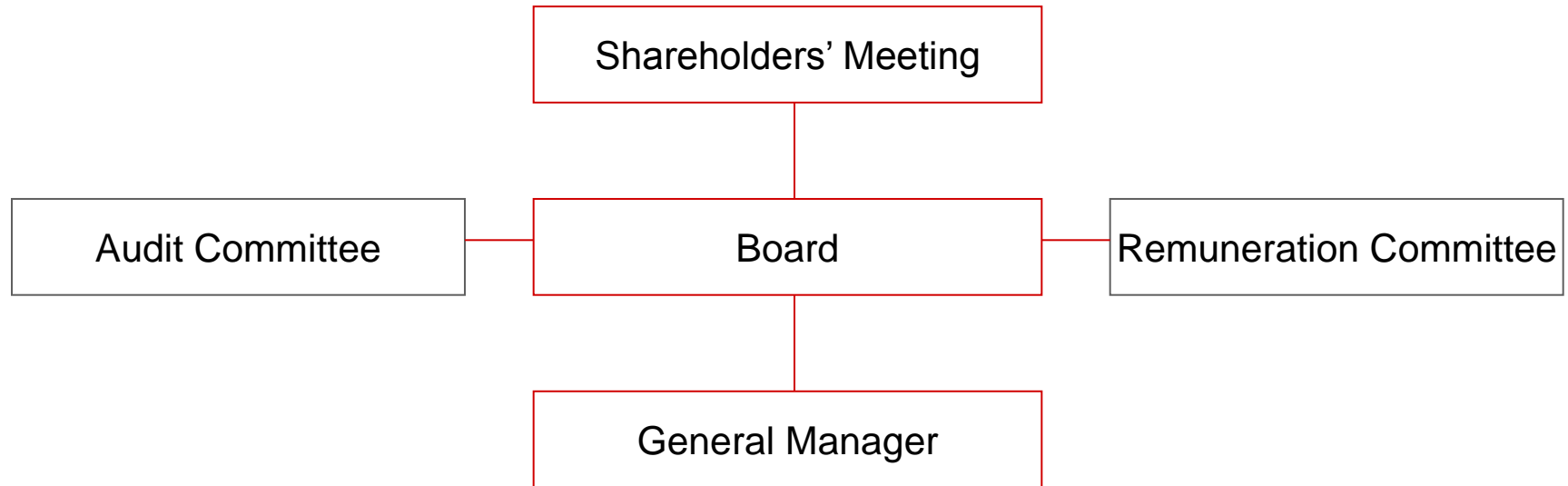


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TEO CORPORATE GOVERNANCE



- EGM was held on 9 February 2009 and AGM on 28 April 2009
- During the AGM a new Board was elected
- The Board consist of 7 members elected for a 2 years term
- New members of Audit and Remuneration Committees (3 Board members per committee) were elected in June 2009

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NEW TEO BOARD



Håkan Dahlström,
Representative of
TeliaSonera AB



Anders Gylder,
Representative of
TeliaSonera AB



Ove Alm,
Representative of
TeliaSonera AB



Joakim Sundström,
Representative of
TeliaSonera AB



Tiia Tuovinen,
Representative of
TeliaSonera AB



Lars Ohnemus,
Independent member
of the Board



Martynas Česnavičius,
Independent member
of the Board

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TEO MANAGEMENT



Arūnas Šikšta
(born in 1968),
General
Manager
(CEO)



**Darius
Gudačiauskas**
(born in 1975),
Chief Sales
Officer and
Deputy General
Manager



**Nerijus
Ivanauskas**
(born in 1970),
Chief Marketing
Officer and
Deputy General
Manager



**Darius
Didžgalvis**
(born in 1969)
Chief Technology
Officer and
Deputy General
Manager



Giedrius Vegys
(born in 1959)
Chief Financial
Officer

- In September Darius Gudačiauskas and in October Darius Didžgalvis disposed their shareholdings in TEO – 13,719 and 4,669 shares, respectively. Top managers of the Company do not own any shares of the Company.

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THANK YOU FOR YOUR
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