

RESULTS FOR THE YEAR 2010

(approved by the Annual General Meeting of Shareholders)

TEO LT, AB GROUP

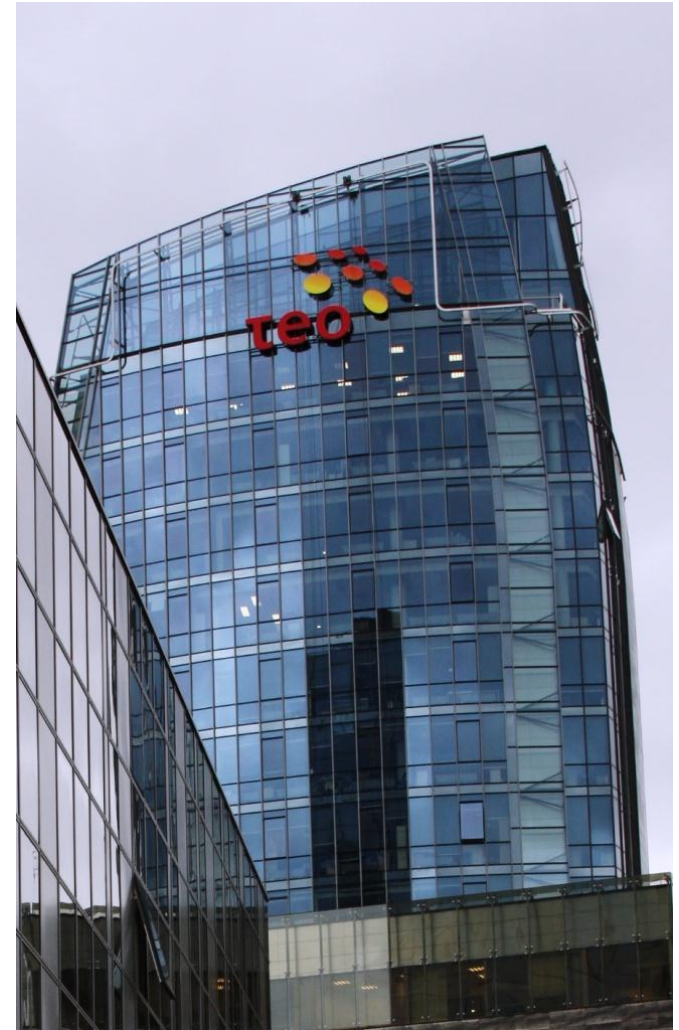
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THIS IS TEO

- The largest integrated telecommunication, IT and television services provider in Lithuania
- **TEO vision:**
'Your best partner in communicating with the constantly changing world'
By employing the most modern technologies we enable our customers to reach people, knowledge and entertainment
- **TEO mission:**
'To create value for shareholders and customers by providing professional and high-quality telecommunications, TV and IT services'



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HIGHLIGHTS OF 2010

- Number of FTTH and FTTB connections exceeded 100 thousand
- TEO closed its GDRs program and delisted from the London Stock Exchange
- The Company cancelled its treasury stocks and reduced share capital
- TEO disposed VŠĮ TEO Sportas (women basketball team) and established a non profit organisation for management of Communications History Museum in Kaunas
- Baltic Data Center acquired UAB Hostex
- Lintel opened 2 new Call Centers and employed more than 400 specialists
- TEO head-office moved to new premises



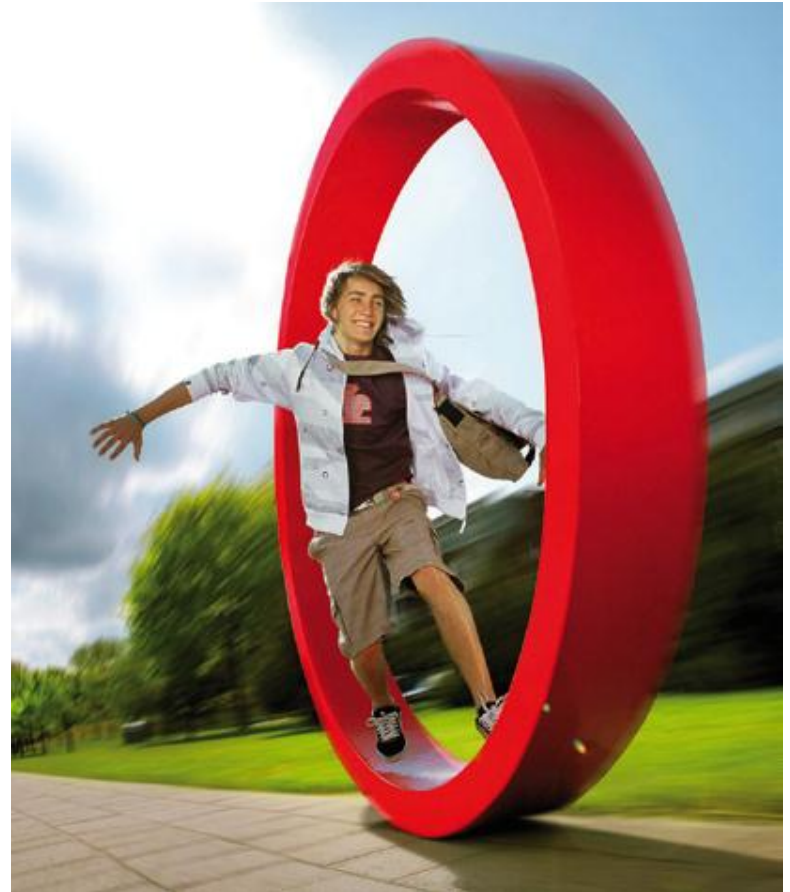
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TEO LEADERSHIP IN LITHUANIA

- **No. 1** telecom operator in terms of revenue
- **No. 1** in fixed voice telephony
- **No. 1** in broadband internet
- **No. 1** in data communication and leased lines
- **No. 1** in internet television (IPTV)
- **No. 1** in digital terrestrial television (DVB-T)
- **No. 1** in Contact Centre services
- **No. 1** in data center business
- **The most** liquid stock on NASDAQ OMX Vilnius stock exchange



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BUSINESS OF TEO



VOX - voice services for residential customers



ZEBRA - internet services for residential customers



GALA – digital television services



TEO VERSLAS - voice, internet, data communication and IT services for business customers

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TEO – PART OF TELIASONERA GROUP

- TeliaSonera provides telecommunication services in the Nordic and Baltic countries, the emerging markets of Eurasia, including Russia and Turkey, and in Spain.
- TeliaSonera Group in Baltic States:

Company	Stake (%)
Eesti Telekom (Estonia)	100.00
Omnitel (Lithuania)	100.00
TEO (Lithuania)	68.08
LMT (Latvia)	60.27
Lattelecom (Latvia)	49.00



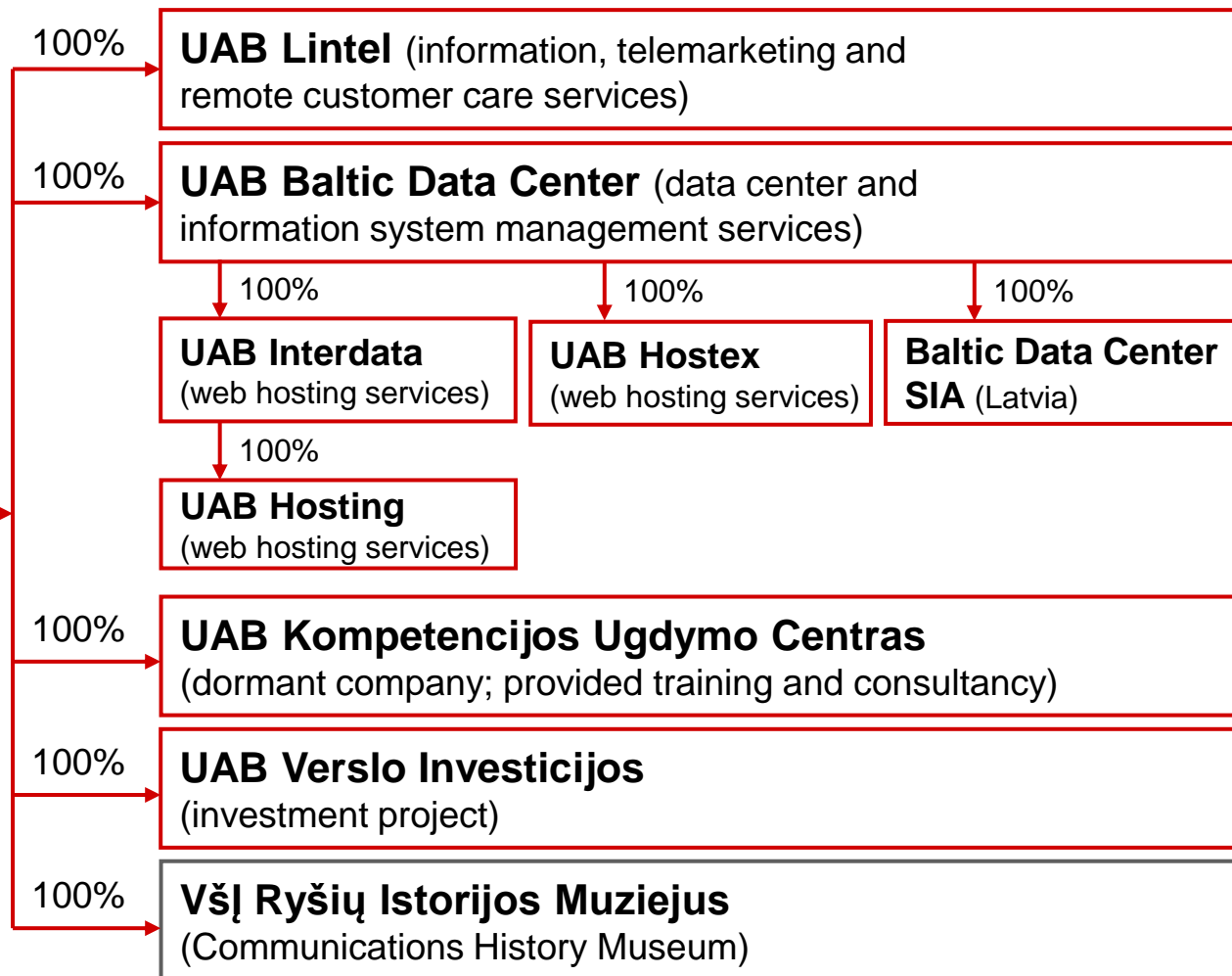
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TEO GROUP

TEO LT, AB
(voice, internet, data communication, television and network services; Internet portal *Zebra*)



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VOICE TELEPHONY SERVICES

Number of telephone lines (thou.)



- During 2010, the total number of main telephone lines in service decreased by 32.9 thousand
- Traffic volume generated by residential customers decreased by 1.5%, while traffic volume of business customers down by 14.8%
- In 2010, TEO offered lower prices for calls to mobile and other fixed networks of Lithuania for residential and business customers using flat-fee payment plans, and from June – free calls to mobile network of Omnitel

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FASTER INTERNET PLANS FOR RESIDENTIAL CUSTOMERS

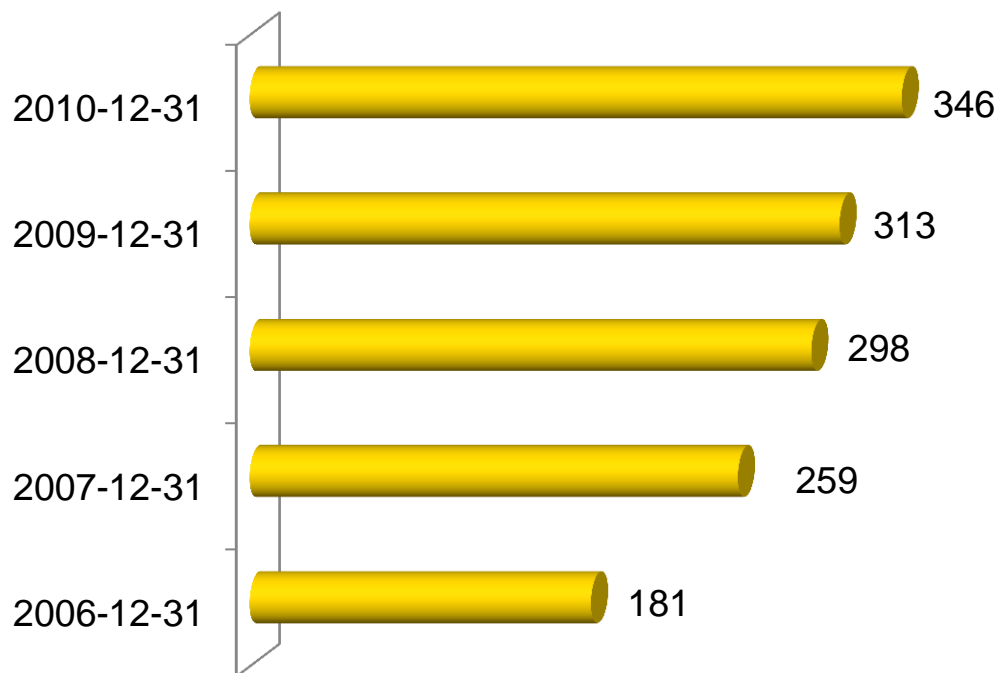
Internet plan	Monthly fee (incl. VAT)	Internet speed in Lithuania/abroad (Mbps)	
		Fiber optic (FTTH/FTTB) access	Copper (DSL) access
'Mega'	LTL 99.90	up to 200 / 80	--
'Premium'	LTL 79.90	up to 100 / 40	up to 12
'Optimal'	LTL 49.90	up to 80 / 20	up to 8
'Basic'	LTL 36.90	up to 20 / 5	up to 4
'24 hours'	LTL 9.90	up to 10 / 1	up to 1

- In spring 2010, TEO increased the speed of Internet access over fiber optic (FTTH/FTTB) and DSL connections
- Internet speed in Lithuania and abroad for DSL access users became the same
- New Internet plans: 200 Mbps speed over fiber optics and flexible payment plan '24 hours'
- TEO doubled the speed of its international Internet connections

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INTERNET SERVICES

Number of broadband connections (thou.)



- During 2010, the total number of broadband connections increased by 32.4 thousand
- 104 thousand of fiber optical (FTTB, FTTH) connections
- 29 thousand WiFi connection users
- 3,785 WiFi hot-spots network – the largest in the country
- 51% of Lithuania's direct international Internet traffic goes through TEO connections

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DIGITAL TERRESTRIAL TELEVISION

- Digital terrestrial television (DVB-T) service *Skaitmeninė GALA (Digital GALA)* was launched in March 2008
- It offers up to 40 TV channels all over the country and 3 HDTV channels in Vilnius and Kaunas regions
- Regular monthly fee – 29 Litas
- DVB-T transmitters networks cover more than 95% of Lithuanian population
- TEO operates 2 networks of DVB-T transmitters



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INTERNET TELEVISION

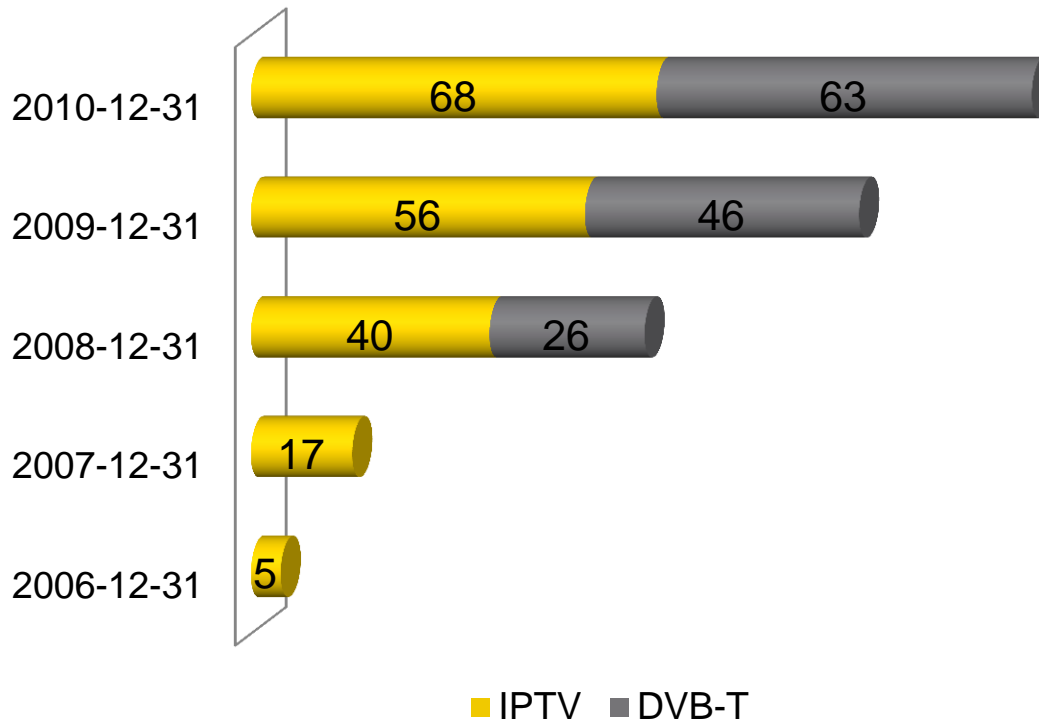
- Internet television (IPTV) service *Interaktyvioji GALA (Interactive GALA)* was launched in October 2006
- Basic package consist of more than 50 TV channels
- 7 additional packages: news, sports, cinema, leisure, knowledge, for kids and HDTV (in total more than 30 TV channels)
- Basic monthly fee – 35 Litas
- Video-on-demand service offers more than 1200 video records
- Private video recording (PVR) functionality
- Gaming, karaoke, digital radio, horoscopes, weather forecasts and etc.



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TELEVISION SERVICES

Number of TV services users (thou.)



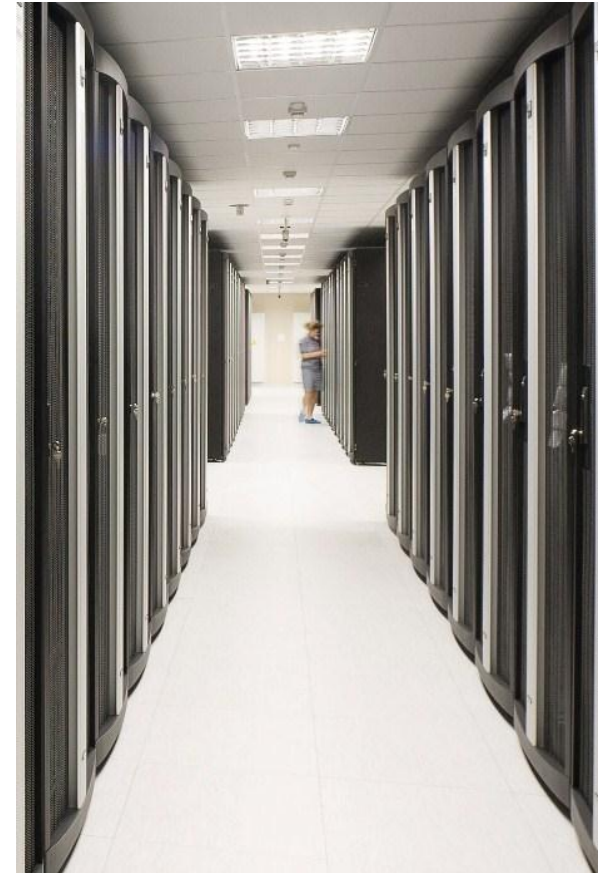
- During 2010 the total number of television service users increased by 28.8 thousand and exceeded 131 thousand
- On 29 October 2012 Lithuania shall switch from analogue to digital TV broadcasting

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TEO GROUP IT SERVICES



- Baltic Data Center (BDC) – data centers and outsourced IT services leader in Baltic region
- 7 data centers fully complying with international standards
- Outsourced IT services portfolio
- More than 210 highly skilled IT professionals
- Professional support 24x7 (IT Service Desk)
- Long term contract with DnB NORD Finance Group for IT infrastructure implementation and management
- International information security certificate ISO 27001
- Webhosting services
- In 2010, BDC revenue amounted to LTL 50 million (LTL 40 million in 2009)



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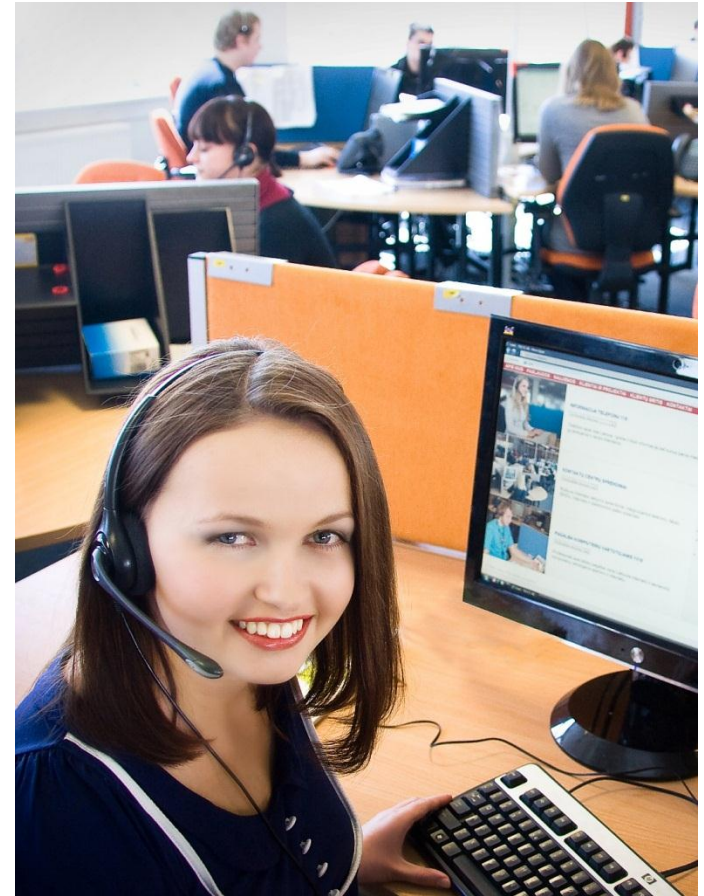
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OTHER GROUP SERVICES



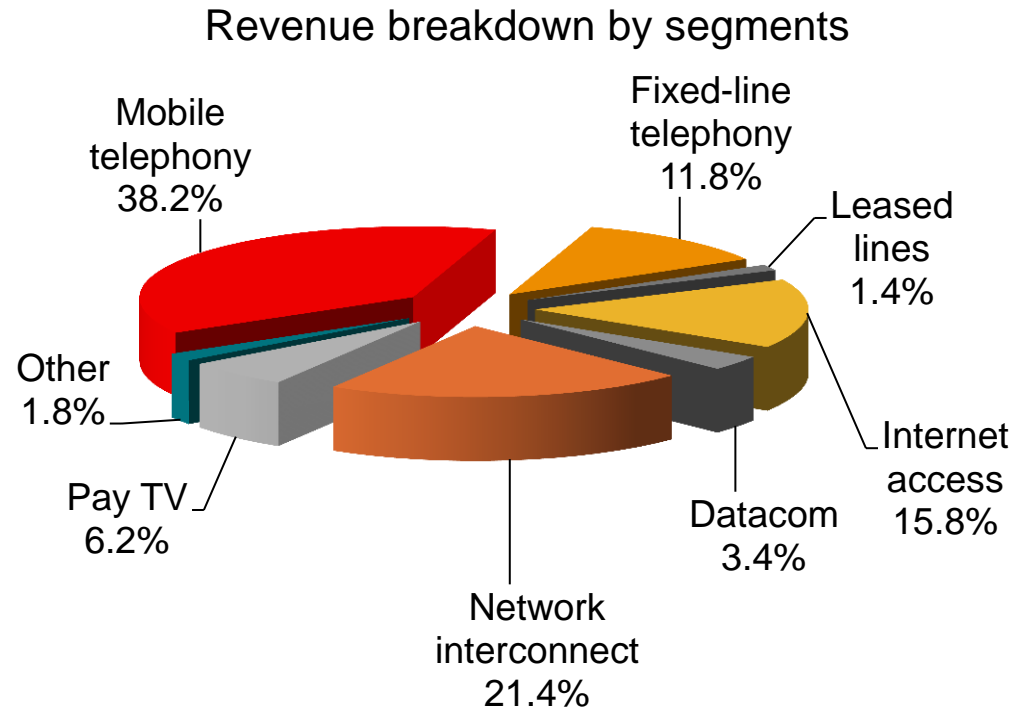
- Lintel – the largest and most modern Call Center service provider in Lithuania
- 6 Call Centers handle around 13 million calls a year
- All geographically remote Call Centers are connected into one virtual Call Center
- Directory Inquiry Service 118
- Telemarketing and remote customer care services for business customers
- IT consultations service 24x7
- In 2010, Lintel revenue amounted to LTL 46 million (LTL 42 million in 2009)



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TELECOMMUNICATION MARKET IN LITHUANIA (2010)

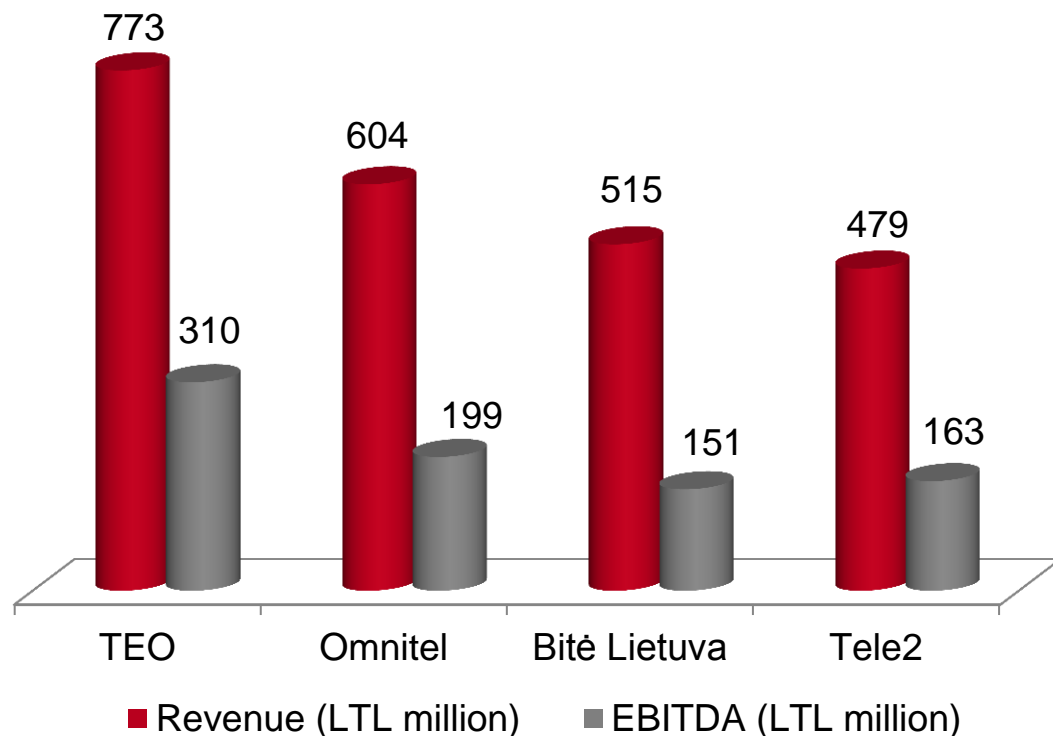
- Total revenue: LTL 2,572 million
(2009: LTL 2,884 million)
- Change: (10.8)%
- Penetration per 100 residents:
 - fixed voice: 22.6
 - mobile voice: 150.7
 - Internet: 27.1
 - fixed broadband: 21.1
 - digital Pay-TV: 20.6
- Capital investments: LTL 359 million
(2009: LTL 328 million)



Source: Report of Communications Regulatory Authority

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MAJOR PLAYERS ON LITHUANIAN TELECOMMUNICATIONS MARKET (2010)



- TEO is the largest operator in Lithuania in terms of revenue
- Omnitel, Tele2 and Bitė Lietuva are mobile operators
- Change in revenue (y-o-y):
 - TEO (5.2)%
 - Omnitel (16.3)%
 - Bitė Lietuva (12.3)%
 - Tele2 (10.7)%
- Omnitel and TEO belong to TeliaSonera Group

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TEO COMPETES IN ALL AREAS EXCEPT MOBILE VOICE

Market	Market revenue for 2010 (LTL million)	Change from 2009 (%)	Number of players	TEO share in Q4 2010 (%)
Fixed voice	303	(14.8)	51	93.3
Leased lines	35	(21.0)	13	63.8
Internet access	406	(1.5)	108	38.5
Data communication	87	(1.8)	15	64.1
Network interconnection	549	(18.8)	>5	23.3
Pay-TV	159	25.1	49	n/a
TV and radio program transmission	29	(4.7)	2	n/a
Mobile voice	982	(12.8)	3+4	-

Source: Report of Communications Regulatory Authority

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FIXED VOICE TELEPHONY MARKET IN LITHUANIA (2010)

- 51 companies are providing fixed voice services:
 - 39 provide national and international calls
 - 4 – only international calls
 - 7 – only wholesales (transit) services
- 34 companies are using IP network, 16 of them CATV and data communication networks
- Number of alternative operators' subscribers: 64.3 thousand or 8.5% of total subscribers' number
- TEO market share (Q4 2010) in terms of:
 - total number of customers: 91.5%
 - total traffic: 95.1%
 - revenue from local calls: 99.0%
 - revenue from domestic long distance calls: 88.4%
 - revenue from international calls: 72.5%

Source: Report of Communications Regulatory Authority



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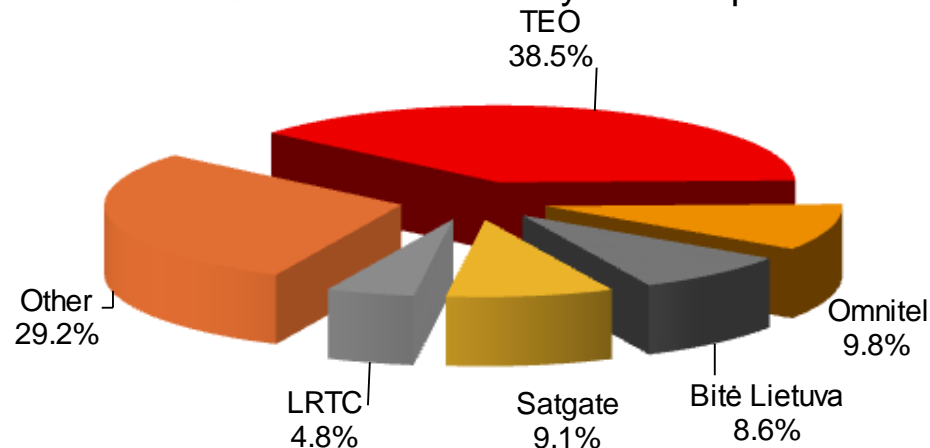


INTERNET ACCESS MARKET IN LITHUANIA (2010)

Access type	Number of users ('000)	Change from 9m 2009 (%)
Fiber optics	308	20.1
DSL	213	(6.6)
Via mobile network	194	21.4
Wireless	89	27.6
Via CATV networks	49	(7.6)
Via LAN	25	(9.7)
Dial-up	1	(48.0)
Via leased-lines	1	(20.6)
Total:	880	10.5

Source: Report of Communications Regulatory Authority

Q4 2010 revenue by service providers



- TEO has 51.7% of the broadband Internet using fixed connection market in terms of revenue

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PAY TV MARKET IN LITHUANIA (2010)

Access type	Number of operators	Number of users ('000)	Change to 2009 (%)	Revenue 2010 (mLTL)	Change to 2009 (%)
Analogue CATV	49	359	(3.4)	71	(1.4)
Digital:					
Digital CATV	19	45	70.3	8	54.4
Digital MVDS	3	20	(5.4)	6	(14.3)
IP TV	8	71	22.3	19	28.0
DVB-T	2	64	36.4	17	97.8
Digital satellite	1	79	5.8	38	94.6
Total digital:	27	278	22.8	88	59.7
Total:		638	6.5	159	25.1

- TEO has 47.1% of all digital TV users and 20.6% of all pay TV users.

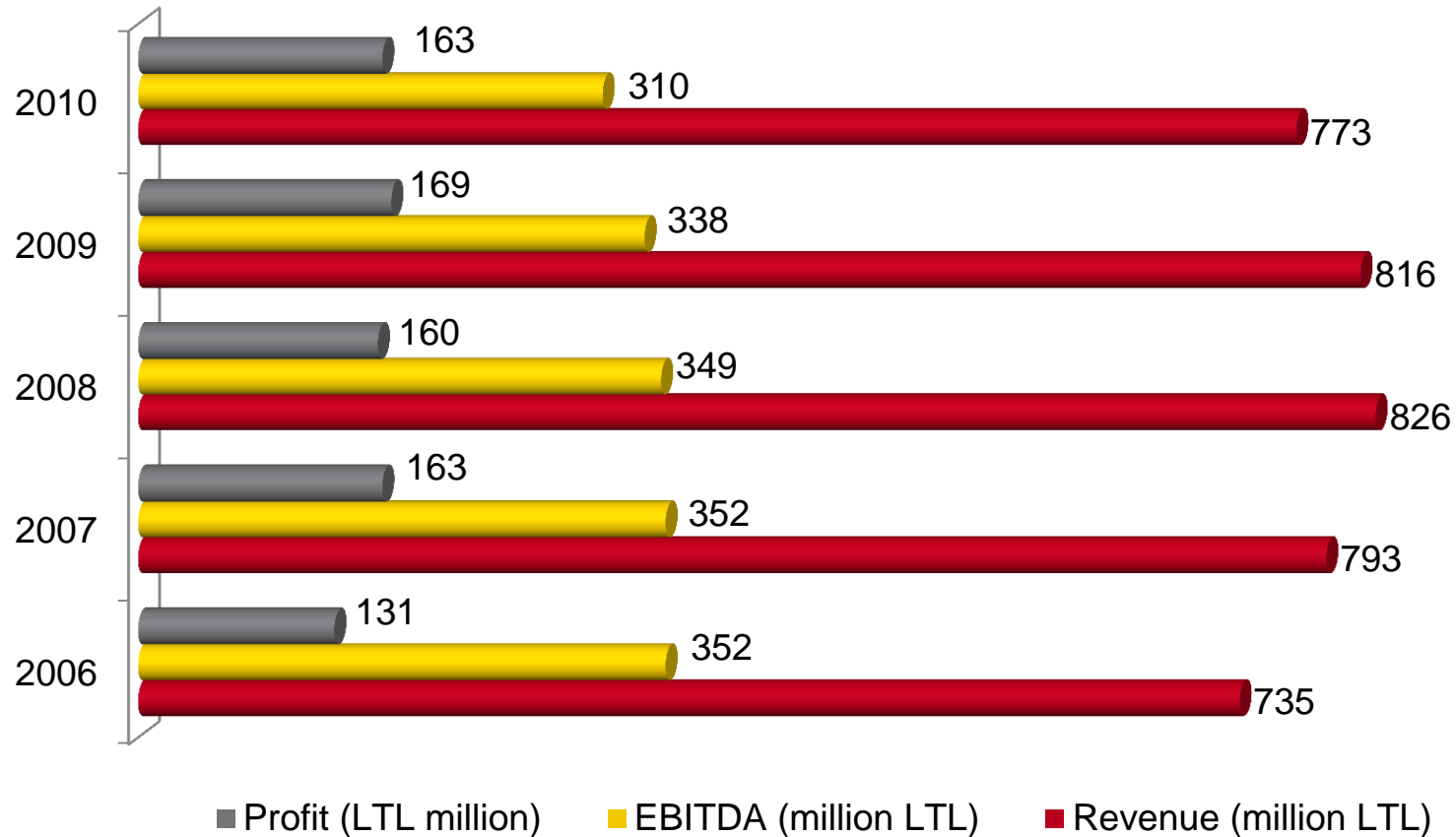
Source: Report of Communications Regulatory Authority

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REVENUE, EBITDA & NET PROFIT



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MAJOR FINANCIAL INDICATORS

(thousand LTL)	2010	2009	Change (%)
Revenue	773,423	815,551	(5.2)
Operating expenses	464,968	486,701	(4.5)
EBITDA	310,477	338,087	(8.2)
EBITDA margin	40.1%	41.5%	
Depreciation and amortization	131,702	142,040	(7.3)
Operating profit	178,775	196,047	(8.8)
Operating profit margin	23.1%	24.0%	
Net profit	162,935	169,072	(3.6)
Profit margin	21.2%	20.7%	
Earnings per share (LTL)	0.210	0.218	(3.6)



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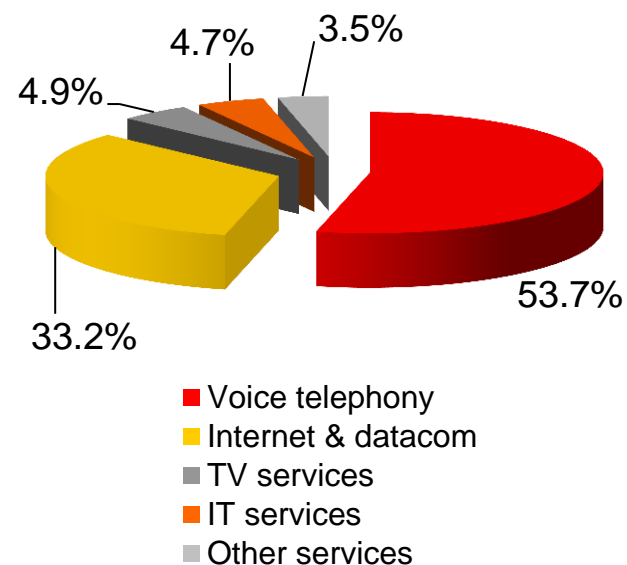
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REVENUE

(thousand LTL)	2010	2009	Change (%)
Voice telephony services	415,561	461,180	(9.9)
Internet & data communications services	256,844	275,339	(6.7)
TV services	37,738	27,598	36.7
IT services	36,067	24,866	45.0
Other services	27,213	26,568	2.4
Total:	773,423	815,551	(5.2)

Breakdown of revenue for 2010

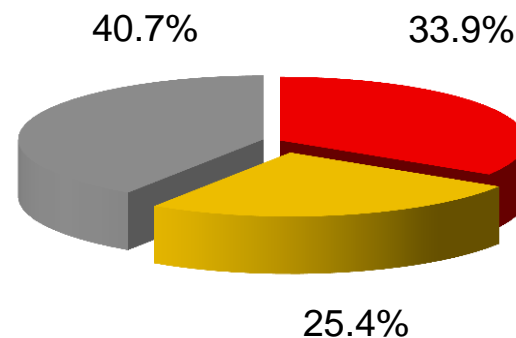


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OPERATING EXPENSES

(thousand LTL)	2010	2009	Change (%)
Employee-related	157,647	178,029	(11.4)
Interconnection	118,073	114,663	3.0
Other	189,248	194,009	(2.5)
Total:	464,968	486,701	(0.1)

Breakdown of expenses
for 2010

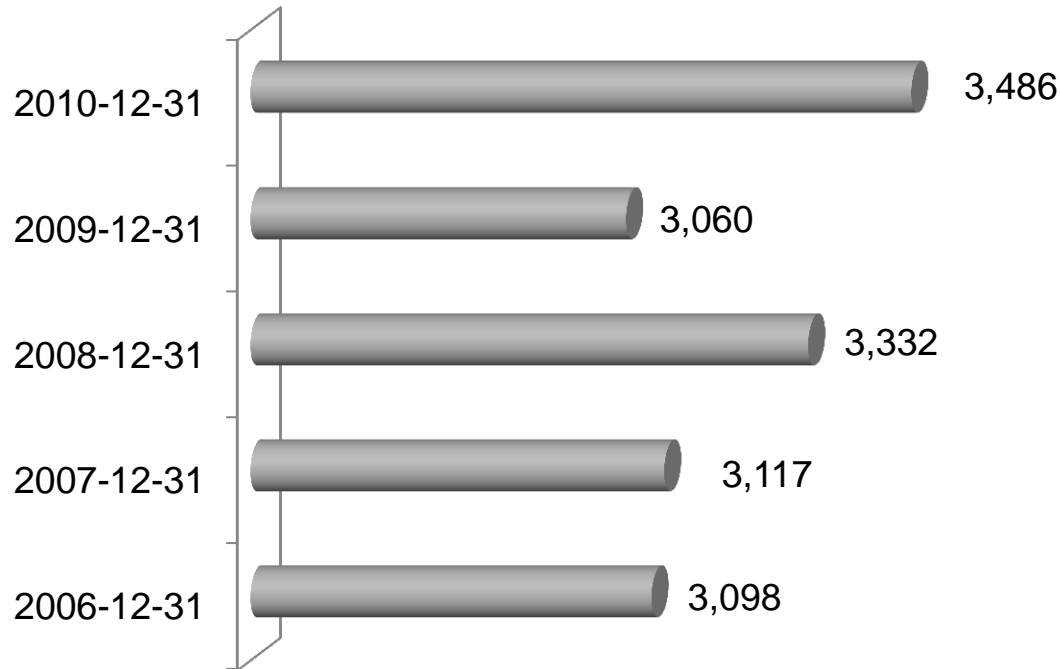


- Employee-related
- Interconnection
- Other

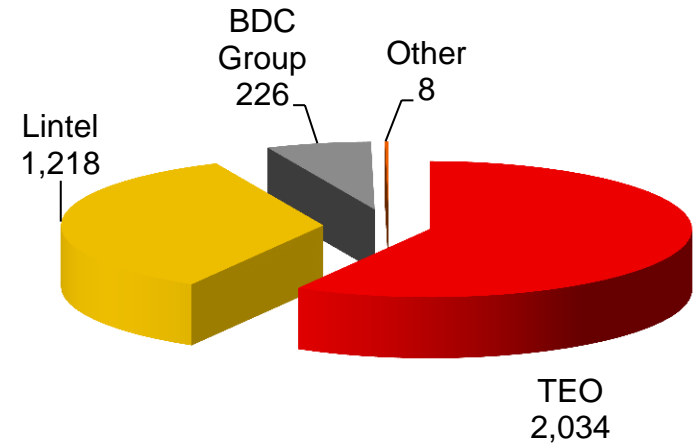
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EMPLOYEES

Number of TEO Group employees



Breakdown of TEO Group employees (31-12-2010)



- In 2010, Contact Center of Lintel was expanding its activities and employed new consultants

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BALANCE SHEET

(thousand LTL)	2010-12-31	2009-12-31	Change (%)
Total assets	1,178,567	1,150,717	2.4
Cash, held-to-maturity investments, loans to banks	259,710	307,242	(15.5)
Equity	1,026,438	1,026,634	(0.02)
Borrowings	5,422	6,163	(12.0)
Net debt	(254,288)	(301,079)	
Gearing ratio	(24.8)%	(29.3)%	
ROAA	16.1%	17.6%	
ROE	16.4%	16.9%	

- In September 2010, following the AGM decision, 38.1 million treasury stocks were cancelled and authorised share capital was reduced by LTL 38.1 million to LTL 776.8 million

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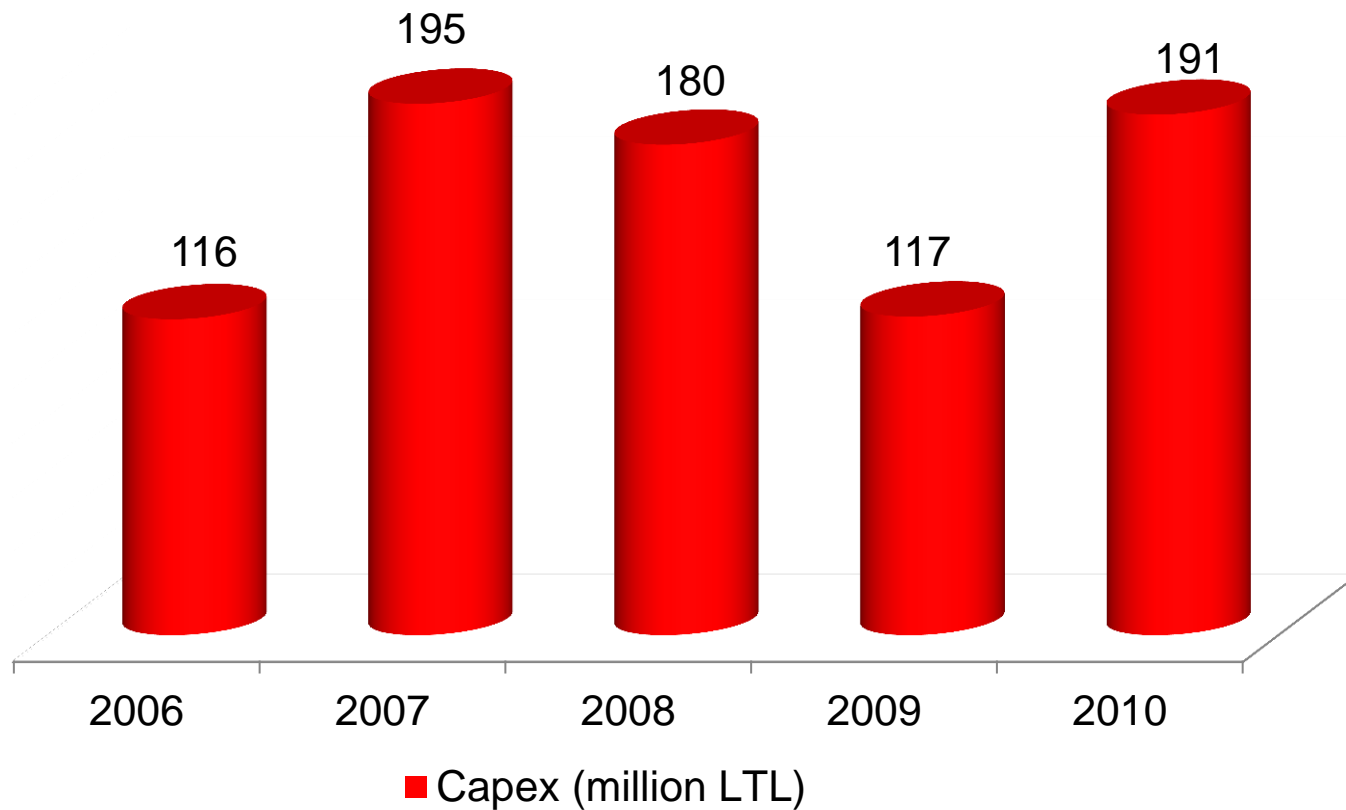
CASH FLOW

(thousand LTL)	2010	2009
Net cash from operating activities	287,962	293,673
Net cash used in investing activities	(86,005)	(82,062)
Net cash used in financing activities	(164,374)	(179,566)
Increase in cash and cash equivalents	37,583	32,045

- Capital investments during 2010 amounted to LTL 191 million
- LTL 158 million were invested into development of core and fiber-optic access networks, LTL 19 million into IT systems, LTL 5 million into renovation of premises
- By the end of 2010 number of households passed by FTTH network reached 556 thousand
- In May 2010, LTL 163 million (i.e. 0.21 litas per share) of dividends for year 2009 were paid
- In September 2010, UAB Baltic Data Center acquired UAB Hostex

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CAPITAL INVESTMENTS

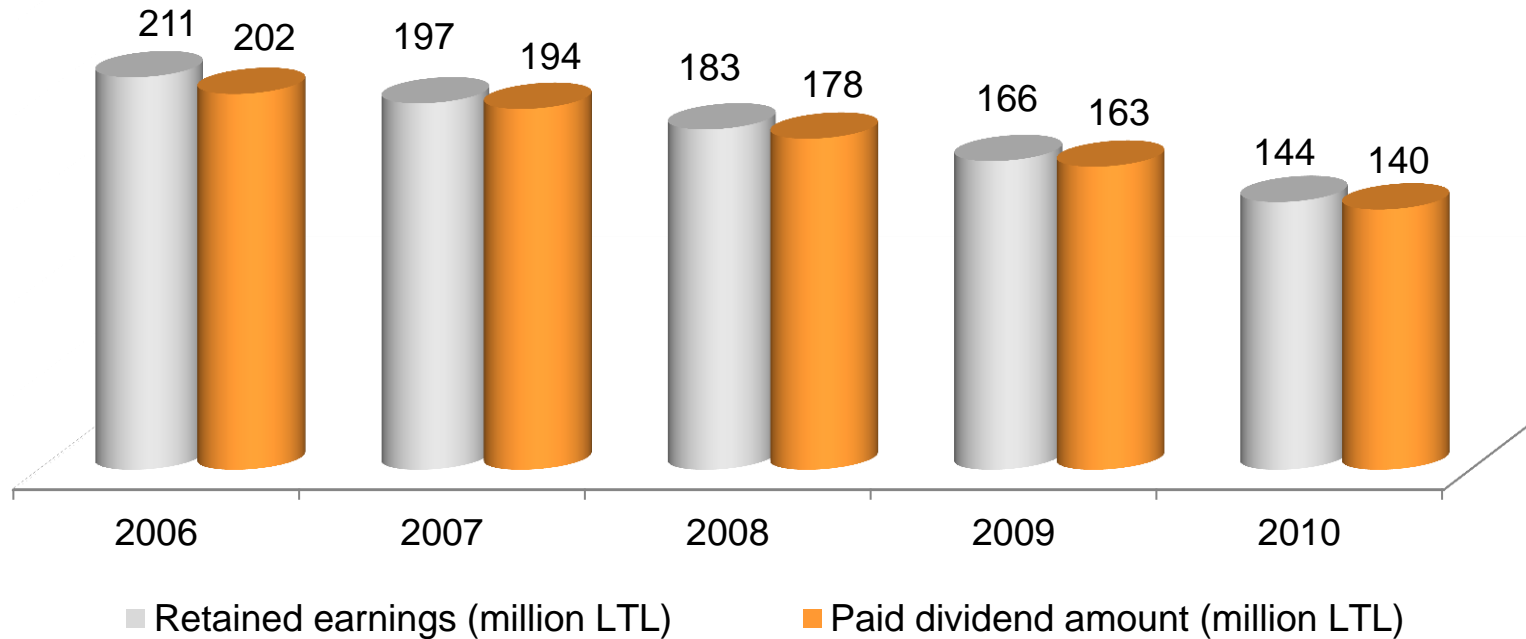


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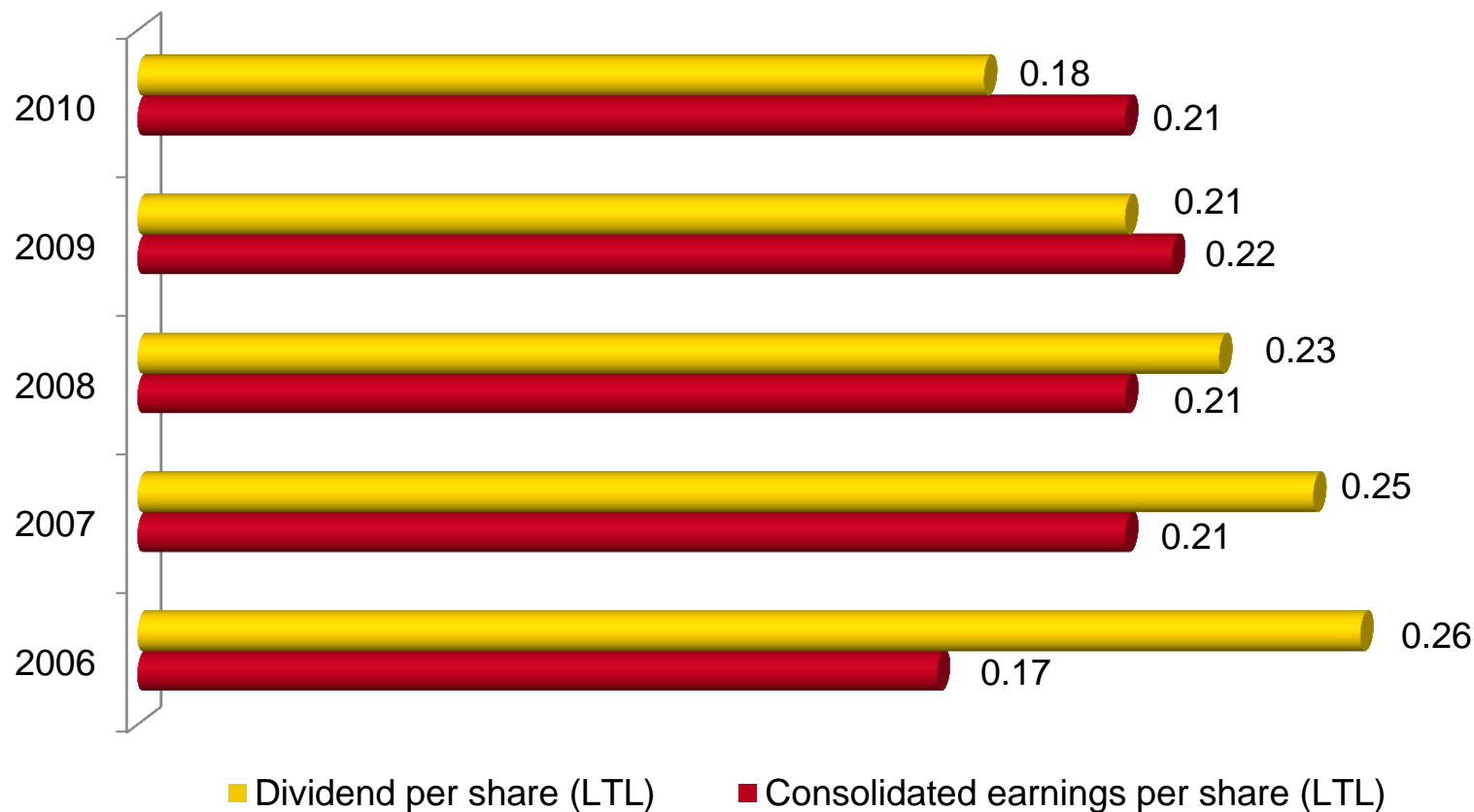
TEO RETAINED EARNINGS VS DIVIDENDS



- Following the Lithuanian Law on Company dividends shall be paid from the Parent company's retained earnings
- The Annual General Meeting of Shareholders held on 28 April 2011 decided to pay LTL 140 million or LTL 0.18 per share of dividends for the year 2010

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STABLE DIVIDEND PAYOUT



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SHAREHOLDERS OF TEO

	2010-12-31		2009-12-31	
	Part of share capital	Part of votes	Part of share capital	Part of votes
Amber Teleholding A/S (Denmark)	62.94%	62.94%	60.00%	62.94%
TeliaSonera AB (publ) (Sweden)	5.14%	5.14%	4.90%	5.14%
East Capital (Sweden)	6.80%	6.80%	4.89%	5.12%
Treasury stocks	--	--	4.67%	--
State of Lithuania	0.44%	0.44%	0.51%	0.54%
Other shareholders	24.68%	24.68%	25.03%	26.26%

- In September 2010, treasury stocks were cancelled and total share capital was reduced
- Part of share capital of all shareholders increased and became the same as part of votes
- Amber Teleholding is a subsidiary of TeliaSonera AB, in total TeliaSonera Group holds 68.08% of share capital and votes
- TEO Global Depository Receipts (GDR) program was terminated on 1 July 2010 and GDRs were delisted from the London Stock Exchange. One GDR represented 10 ordinary shares

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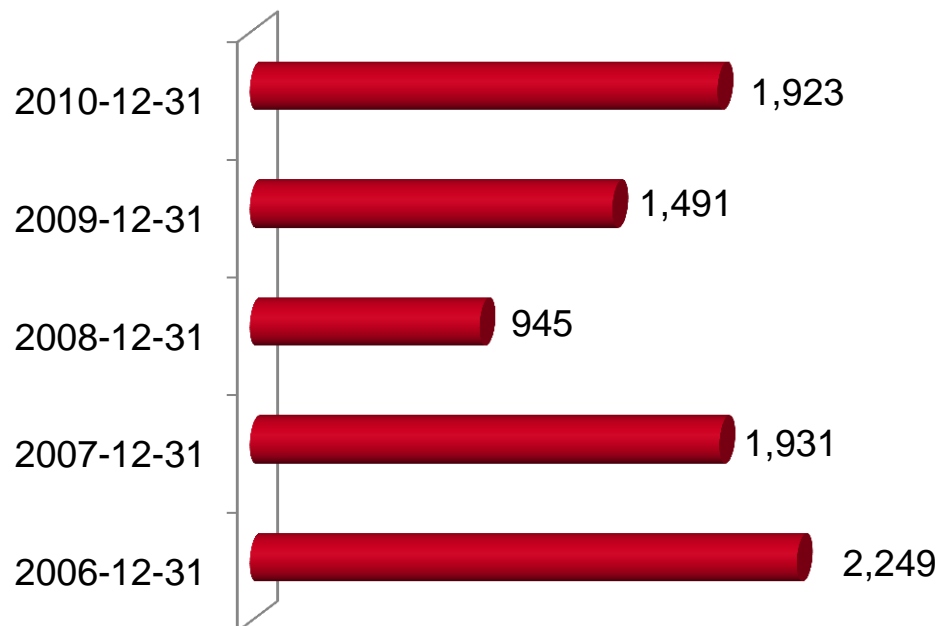
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TEO SHARES

- Shares are listed on NASDAQ OMX Vilnius stock exchange (ticker: TEO1L)
- Global Depository Receipts until 30 June 2010 were traded on the London Stock Exchange (ticker: TEOL).
- Share price on NASDAQ OMX Vilnius:
 - start of 2010: LTL 1.860
 - low: LTL 1.840
 - high: LTL 2.483
 - end of 2010: LTL 2.476
- Turnover on NASDAQ OMX Vilnius stock exchange in 2010: 62.9 million shares or LTL 140.3 million

Market Capitalisation (LTL million)



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TRADING IN TEO SHARES ON NASDAQ OMX VILNIUS STOCK EXCHANGE IN 2010

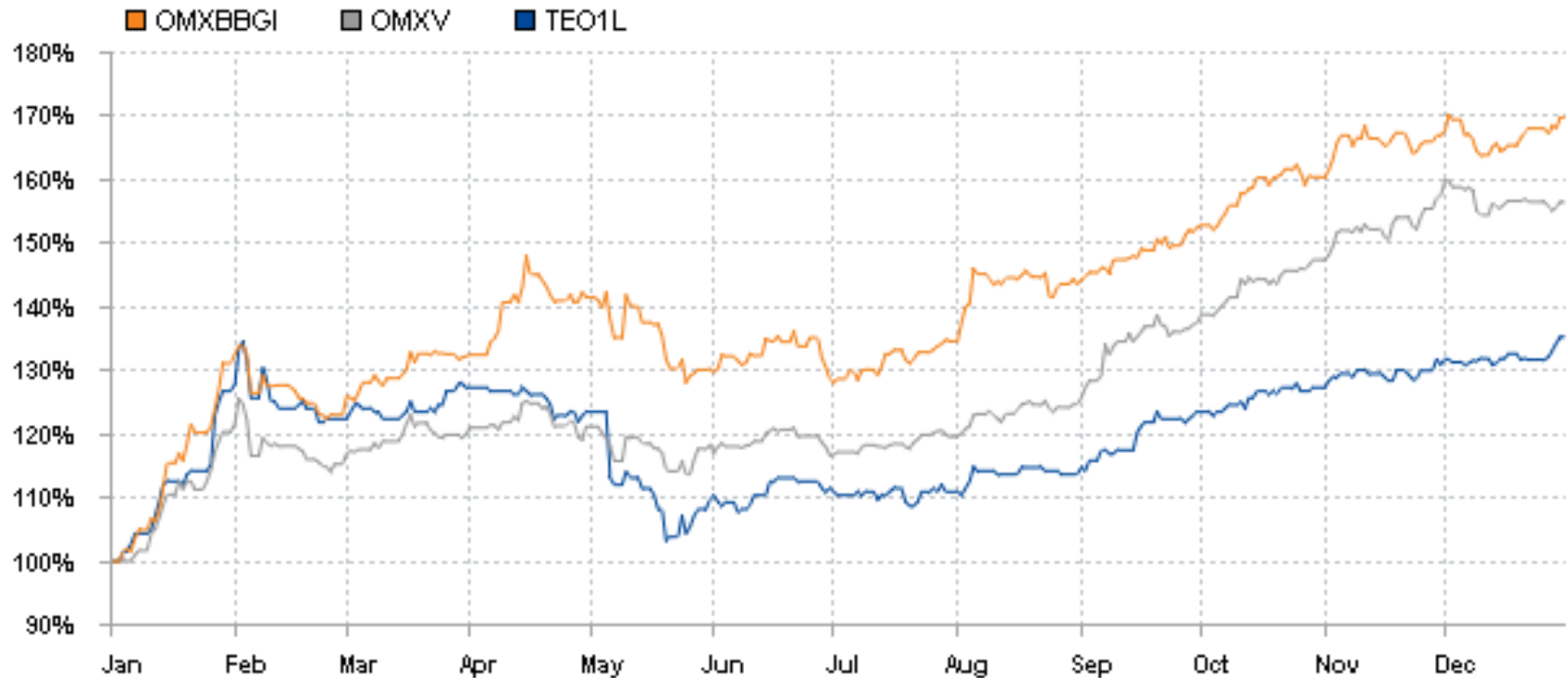


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TEO SHARE AND NASDAQ OMX VILNIUS STOCK EXCHANGE INDEXES COMPARISON



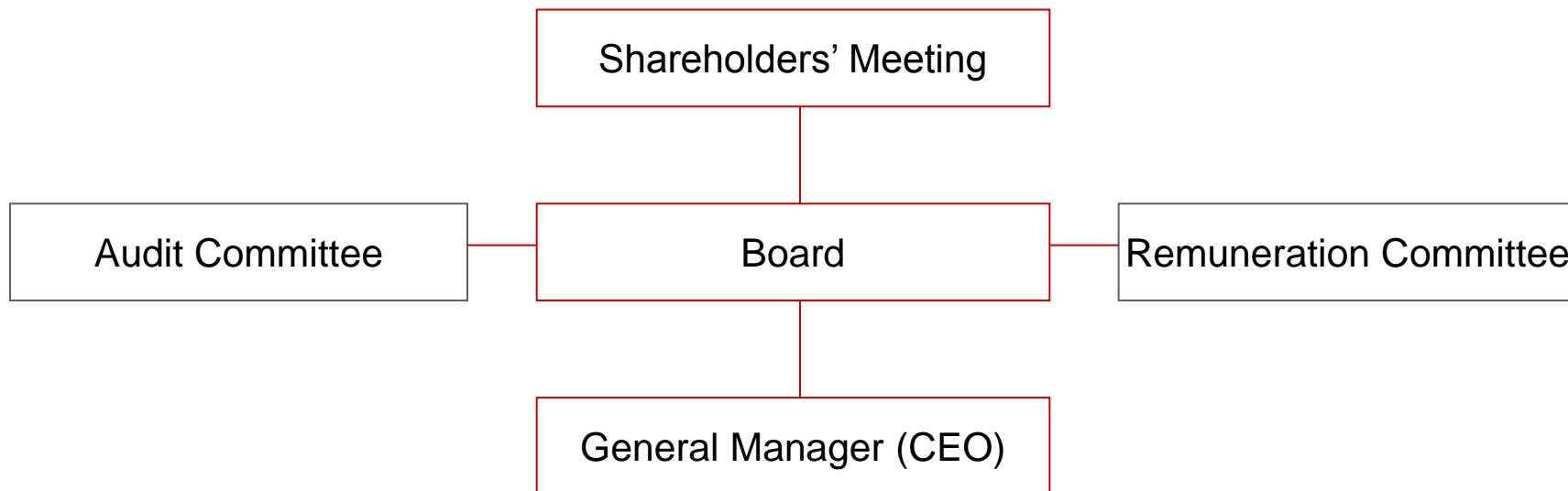
Source: NASDAQ OMX Vilnius

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TEO CORPORATE GOVERNANCE



- The Annual General Meeting of Shareholders was held on 28 April 2011
- Upon termination of the 2 years term of the Board the AGM elected a new Board
- The Company's independent auditor, UAB PricewaterhouseCoopers, for the 2 years term was elected in 2010

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NEWLY ELECTED TEO BOARD



Malin Frenning,
Representative of
TeliaSonera AB



Lars Klasson,
Representative of
TeliaSonera AB



Joakim Sundström,
Representative of
TeliaSonera AB



Tiia Tuovinen,
Representative of
TeliaSonera AB



Inga Skisaker,
Independent member
of the Board



Jonas Pilkauskas,
Independent member
of the Board

- Members of the Board have no direct interest in the share capital of TEO

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TEO BOARD



Håkan Dahlström,
Representative of
TeliaSonera AB



Malin Frenning,
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

- Top managers of the Company do not own any shares of the Company

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TEO - SOCIALLY RESPONSIBLE COMPANY

- In 2005, the Company joined the UN Global Compact
- In 2010, TEO spend almost LTL 2.5 million for sponsorship and support of:
 - educational projects
 - local communities
 - cultural events
 - social projects
 - women basketball team
- Since 2007 TEO annually issues its Social Corporate Responsibility Reports



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THANK YOU FOR YOUR ATTENTION

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