

RESULTS FOR THE THREE MONTHS OF 2011

TEO LT, AB GROUP

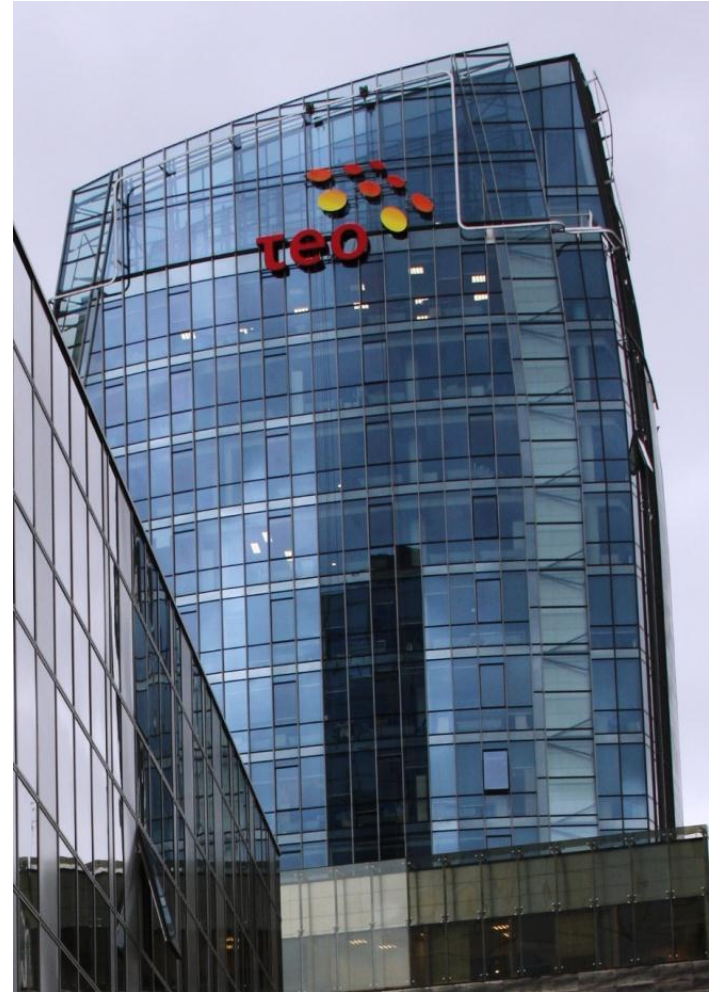
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HIGHLIGHTS OF Q1 2011

- TEO was awarded for the Best Investor Relations in the Baltic Countries
- The Board proposed to the AGM to pay 0.18 litas of dividend per share for the year 2010
- TEO shares were including into the trading list of a few German stock exchanges
- Capital investments amounted to LTL 14.6 million
- BDC provided Cloud computing solutions for the electronic census of Lithuanian population
- TEO launched new Virtual IP PBX service
- In January, TEO installed two new DVB-T transmitters in Plungė and Kėdainiai
- At the end of March, the list of IPTV channels was supplemented with Sony Entertainment Television



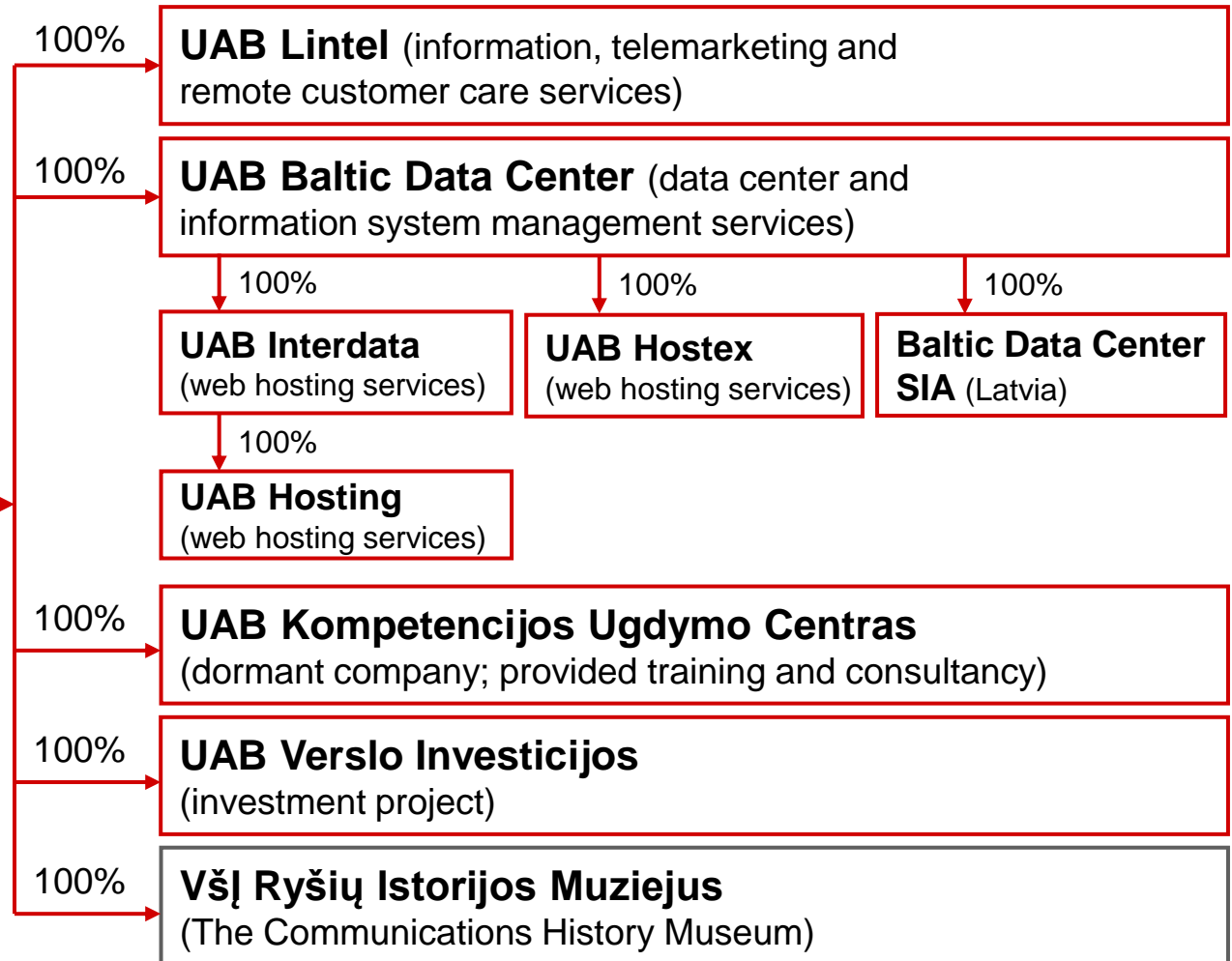
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TEO GROUP

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



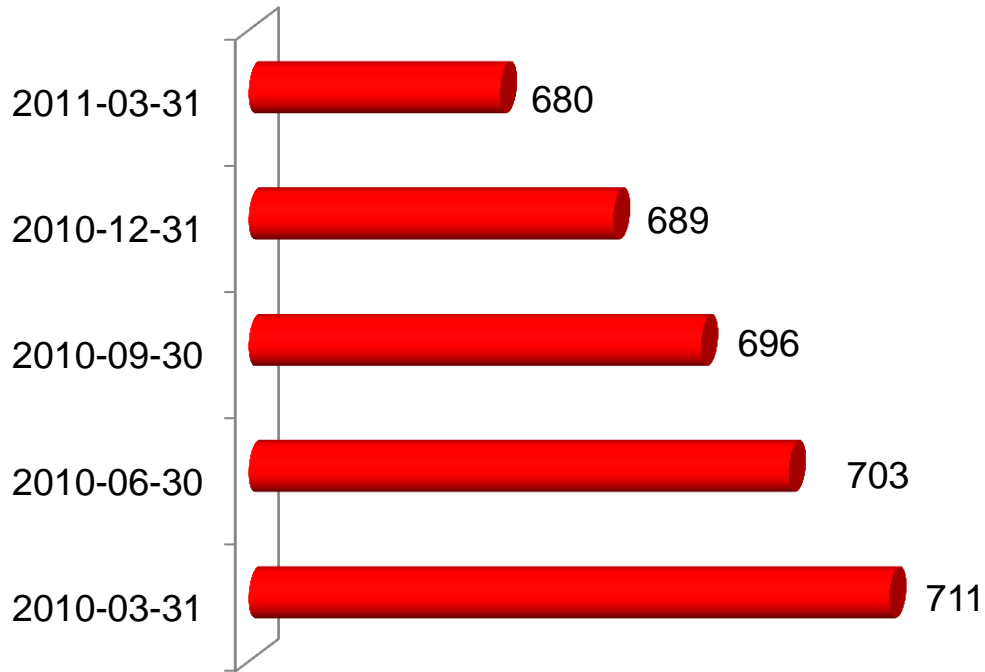
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VOICE TELEPHONY SERVICES

Number of telephone lines (thou.)

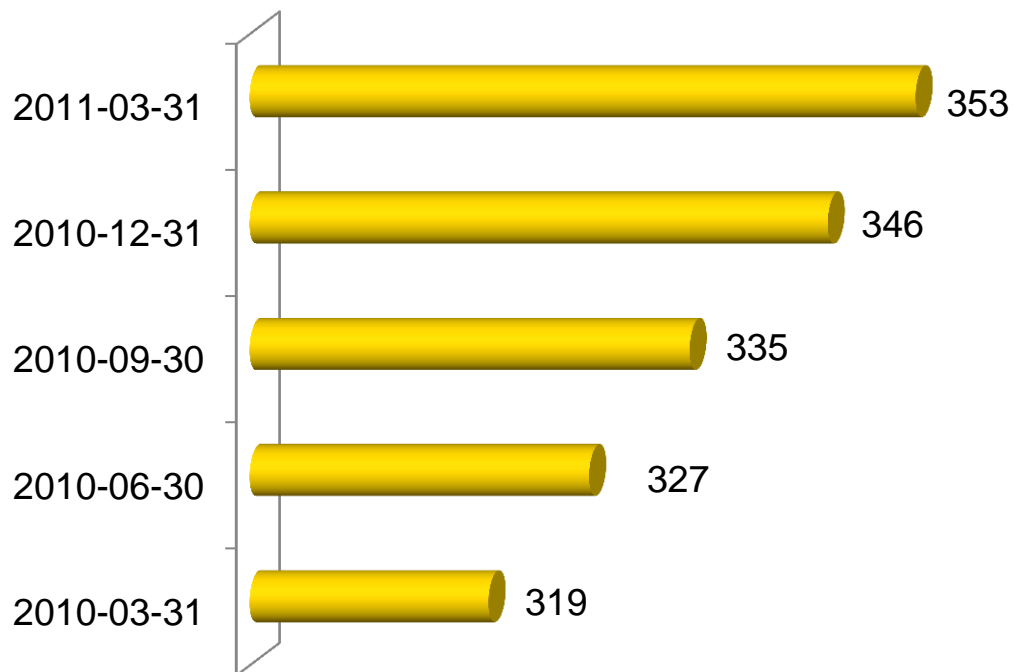


- During January-March 2011, the total number of main telephone lines in service decreased by 9.5 thousand, while over the last twelve months – by 31.6 thousand lines.
- Total traffic volume generated by residential and business customers decreased by 5.1 and 11.2 per cent, respectively
- In March 2011, TEO has offered major business enterprises and organisations its cloud computing-based voice telephony service – Virtual IP PBX

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INTERNET SERVICES

Number of broadband connections (thou.)

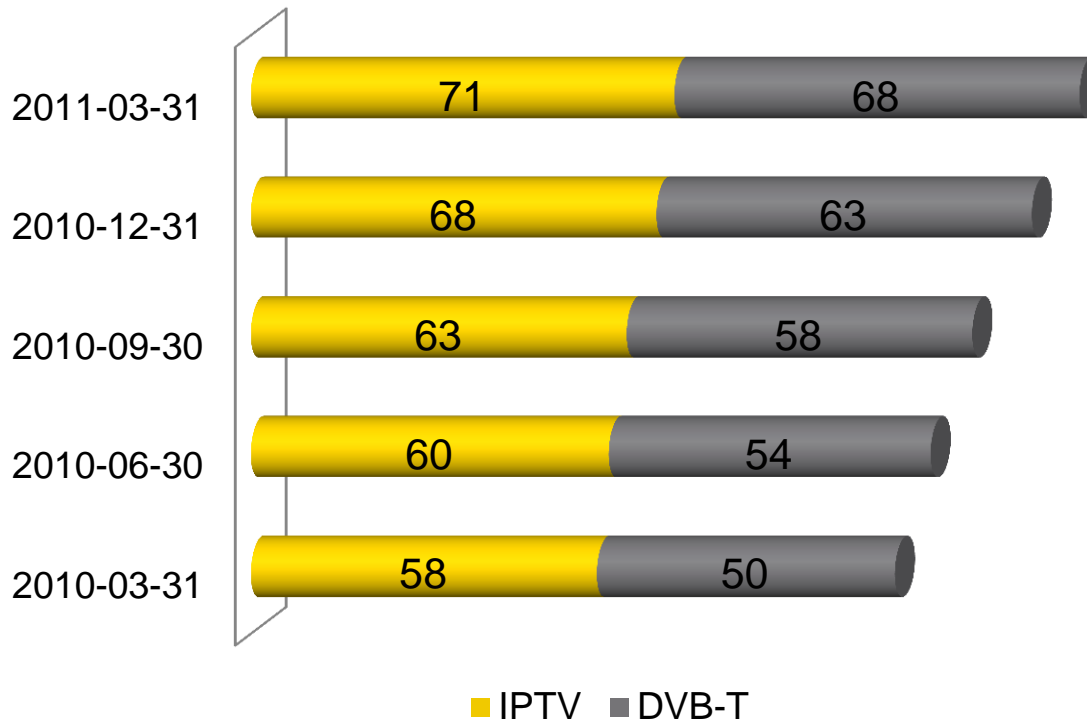


- During January-March 2011, the total number of broadband Internet access users increased by 6.8 thousand, while over the last twelve months – by 33.4 thousand
- 113 thousand of fiber optical (FTTB, FTTH) connections
- 30 thousand WiFi connection users
- 3,689 WiFi hot-spots network – the largest in the country
- 51% of Lithuania's direct international Internet traffic goes through TEO connections

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TELEVISION SERVICES

Number of TV services users (thou.)

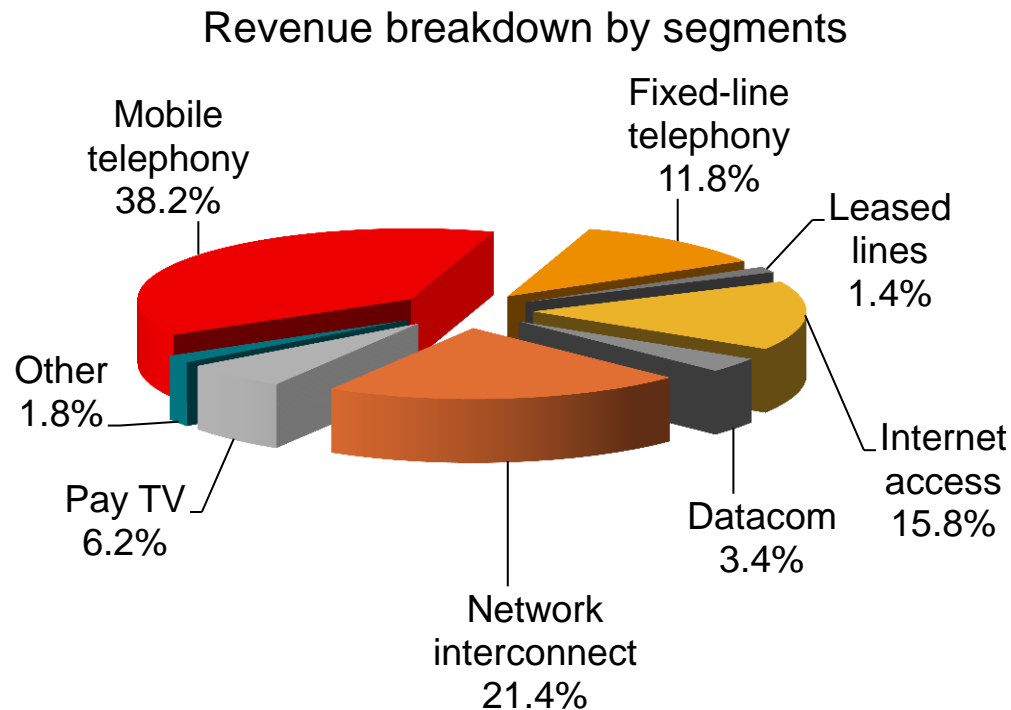


- During January-March 2011 the total number of television service users increased by 7.3 thousand
- Two new DVB-T transmitters installed in Plungė and Kėdainiai
- A new IPTV channel – Sony Entertainment Television
- On 29 October 2012 Lithuania shall switch from analogue to digital TV broadcasting

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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)



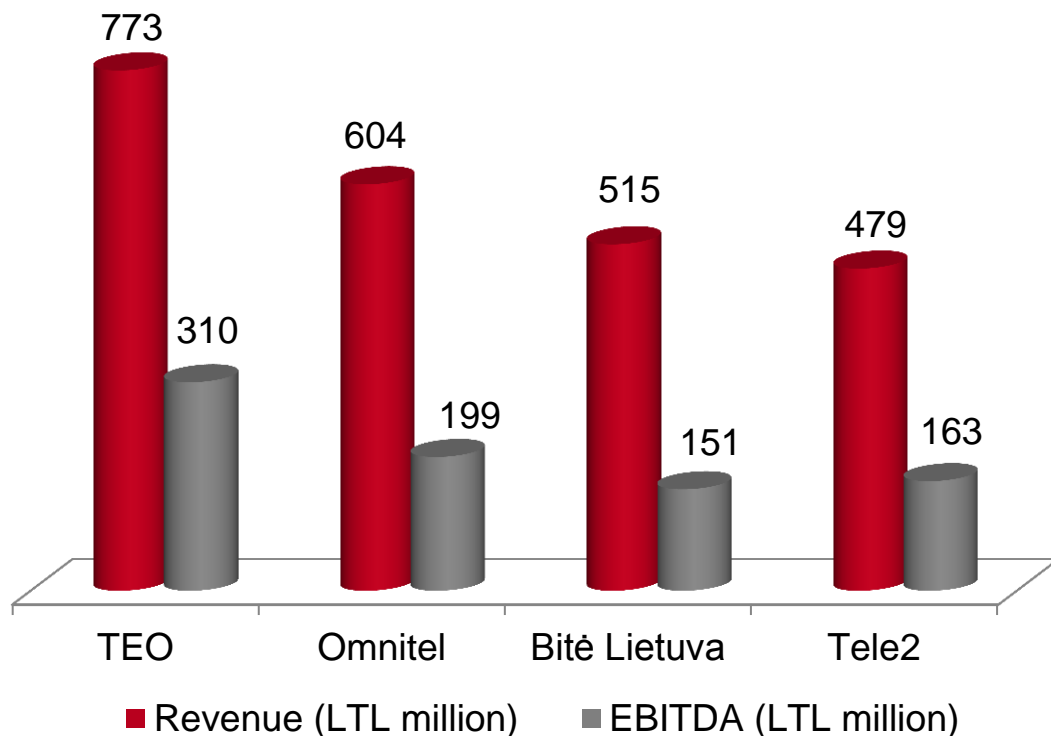
Source: Report of Communications Regulatory Authority

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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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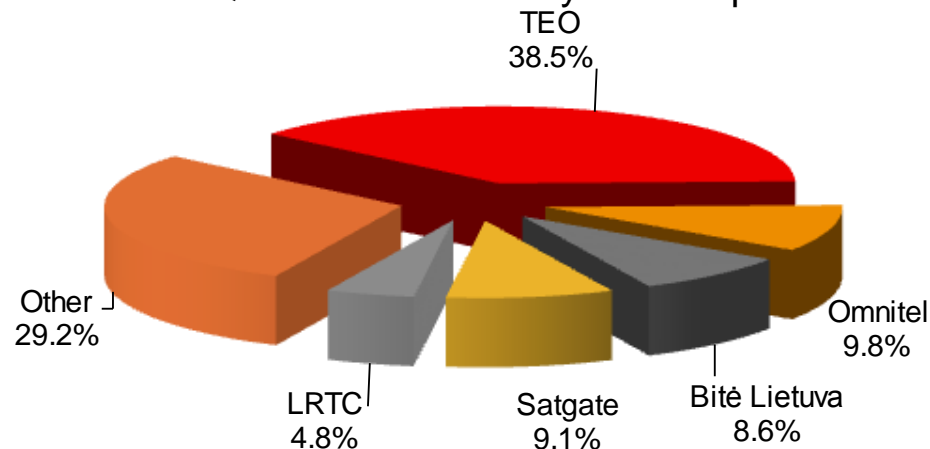


INTERNET ACCESS MARKET IN LITHUANIA (2010)

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.

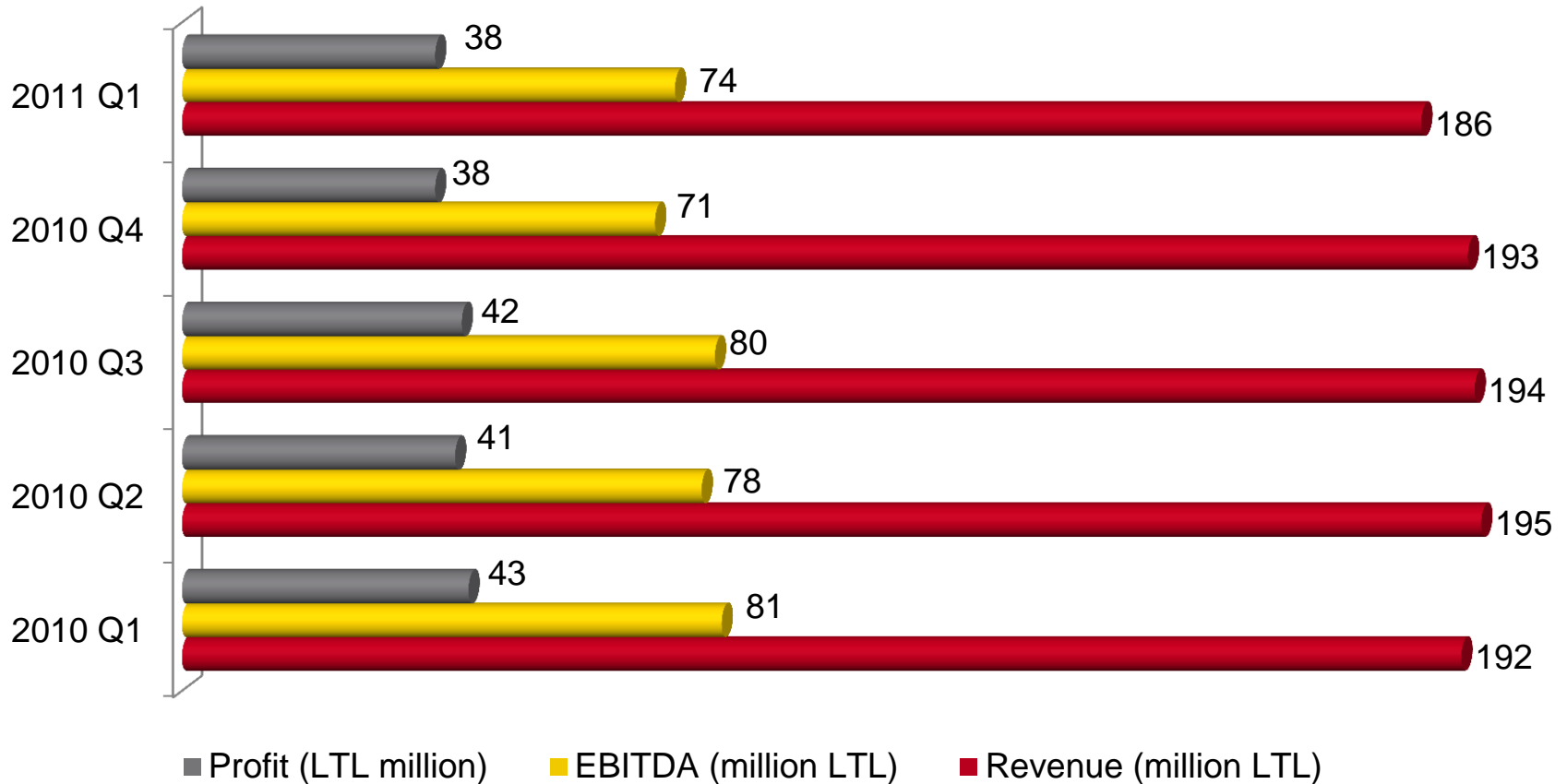
Source: Report of Communications Regulatory Authority

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REVENUE, EBITDA & NET PROFIT



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MAJOR FINANCIAL INDICATORS

(thousand LTL)	Q1 2011	Q1 2010	Change (%)
Revenue	185,782	191,994	(3.2)
Operating expenses	112,102	111,080	0.9
EBITDA	73,896	81,407	(9.2)
EBITDA margin	39.8 %	42.4 %	
Depreciation and amortization	32,430	32,887	(1.4)
Operating profit	41,466	48,520	(14.5)
Operating profit margin	22.3 %	25.3 %	
Net profit	37,731	43,049	(12.4)
Profit margin	20.3 %	22.4 %	
Earnings per share (LTL)	0.05	0.06	



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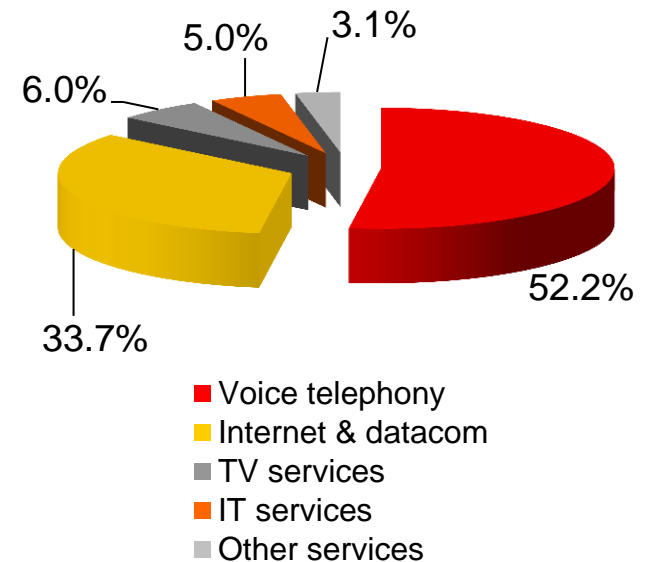
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REVENUE

(thousand LTL)	Q1 2011	Q1 2010	Change (%)
Voice telephony services	96,959	105,366	(8.0)
Internet & data communications services	62,692	64,905	(3.4)
TV services	11,094	8,705	27.4
IT services	9,340	7,132	31.0
Other services	5,697	5,886	(3.2)
Total:	185,782	191,994	(3.2)

Breakdown of revenue for Q1 2011

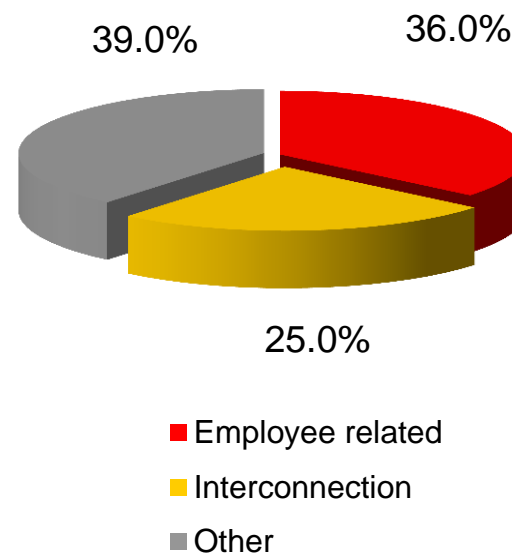


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OPERATING EXPENSES

(thousand LTL)	Q1 2011	Q1 2010	Change (%)
Employee related	40,407	38,875	3.9
Interconnection	27,904	26,558	5.1
Other	43,790	45,647	(4.1)
Total:	112,102	111,080	0.9

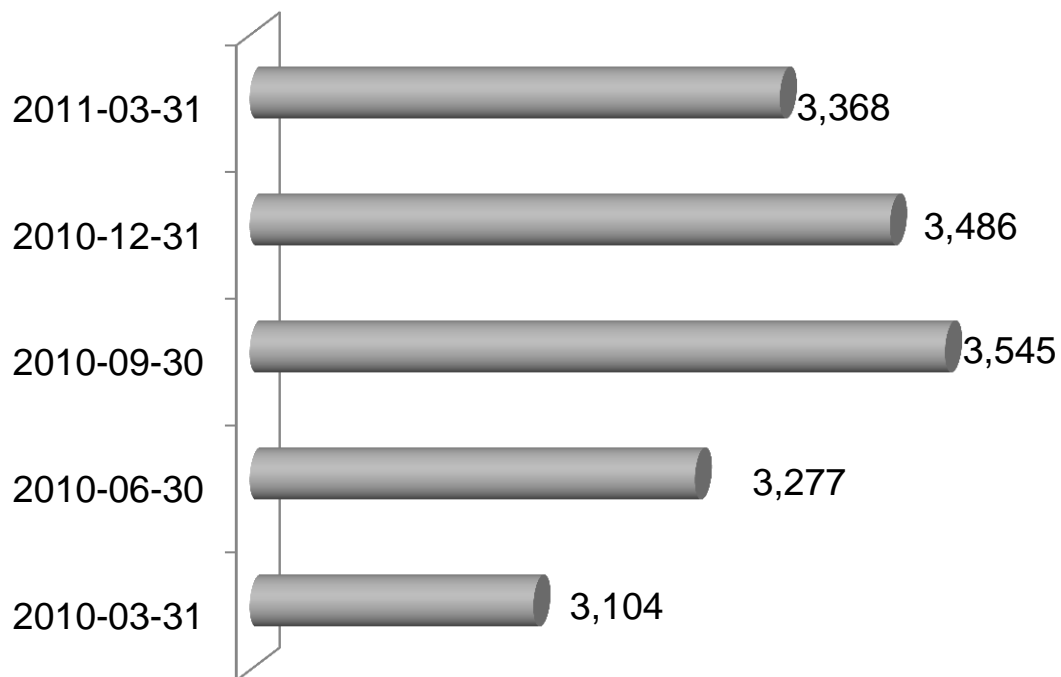
Breakdown of expenses
for Q1 2011



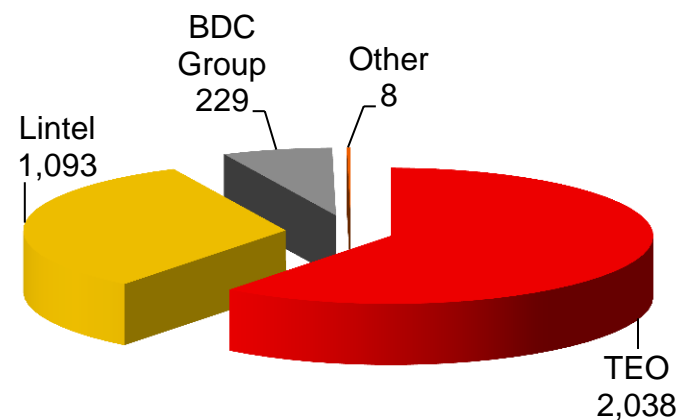
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EMPLOYEES

Number of TEO Group employees



Breakdown of TEO Group employees (31-03-2011)



- During January-March 2011 number of employees went down by 118 (mainly in Lintel)

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BALANCE SHEET

(thousand LTL)	2011-03-31	2010-12-31	Change (%)
Total assets	1,158,715	1,178,567	(1.7)
Cash, held-to-maturity investments, loans to banks	271,768	259,710	4.6
Equity	1,064,169	1,026,438	3.7
Borrowings	5,108	5,422	(5.8)
Net debt	(266,660)	(254,288)	
Gearing ratio	(25.1)%	(24.8)%	
ROAA	15.4%	16.1%	
ROE	15.8%	16.4%	

- The Board proposed to AGM to decrease Company's obligatory reserve by LTL 3,817 thousand and to reallocate this amount to the Company's retained earnings

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CASH FLOW

(thousand LTL)	Q1 2011	Q1 2010
Net cash from operating activities	72,688	61,937
Net cash used in investing activities	(68,753)	(14,296)
Net cash used in financing activities	(314)	(267)
Increase in cash and cash equivalents	3,621	47,374

- Capital investments during Q1 2011 amounted to LTL 14.6 million (LTL 19.1 million in 2010)
- LTL 13.6 million went to expansion of the core network and fiber-optic access network
- LTL 0.7 million was invested into IT systems and LTL 0.3 million were other investments
- The Board proposed to pay dividends of LTL 140 million for the year 2010 (i.e. 0.18 litas per share)
- Annual General Meeting will be held on 28 April 2011
- Shareholders who on 12 May 2011 will be on the shareholders list of the Company will have a right to dividends

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SHAREHOLDERS OF TEO

	Part of share capital and votes	
	2011-03-31	2010-12-31
Amber Teleholding A/S (Denmark)	62.94%	62.94%
TeliaSonera AB (publ) (Sweden)	5.14%	5.14%
East Capital (Sweden)	7.18%	6.80%
State of Lithuania	0.05%	0.44%
Other shareholders	24.69%	24.68%

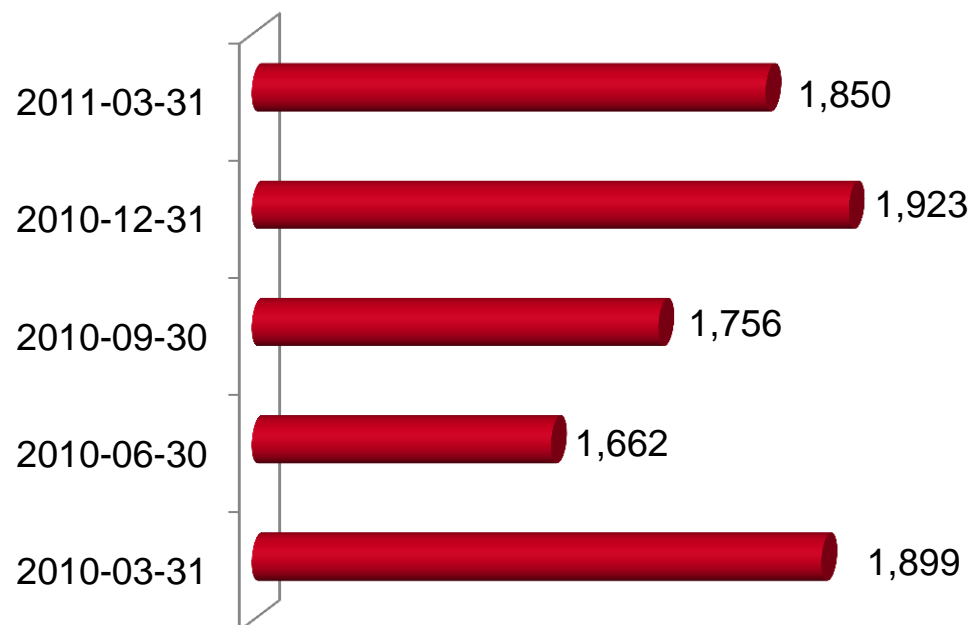
- TeliaSonera AB (publ) plans to take from its subsidiary Amber Teleholding A/S controlling interest in TEO.
- During January-March 2011, Republic of Lithuania, represented by State Property Fund, reduced its holding in TEO from 3,075,315 (31-Dec-2010) to 2,047 (31-Mar-2010) shares
- As of 31 March 2010, Republic of Lithuania, represented by State Tax Inspectorate, held 362,630 shares
- In total, the Republic of Lithuania has 364,677 shares of the Company

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TEO SHARES

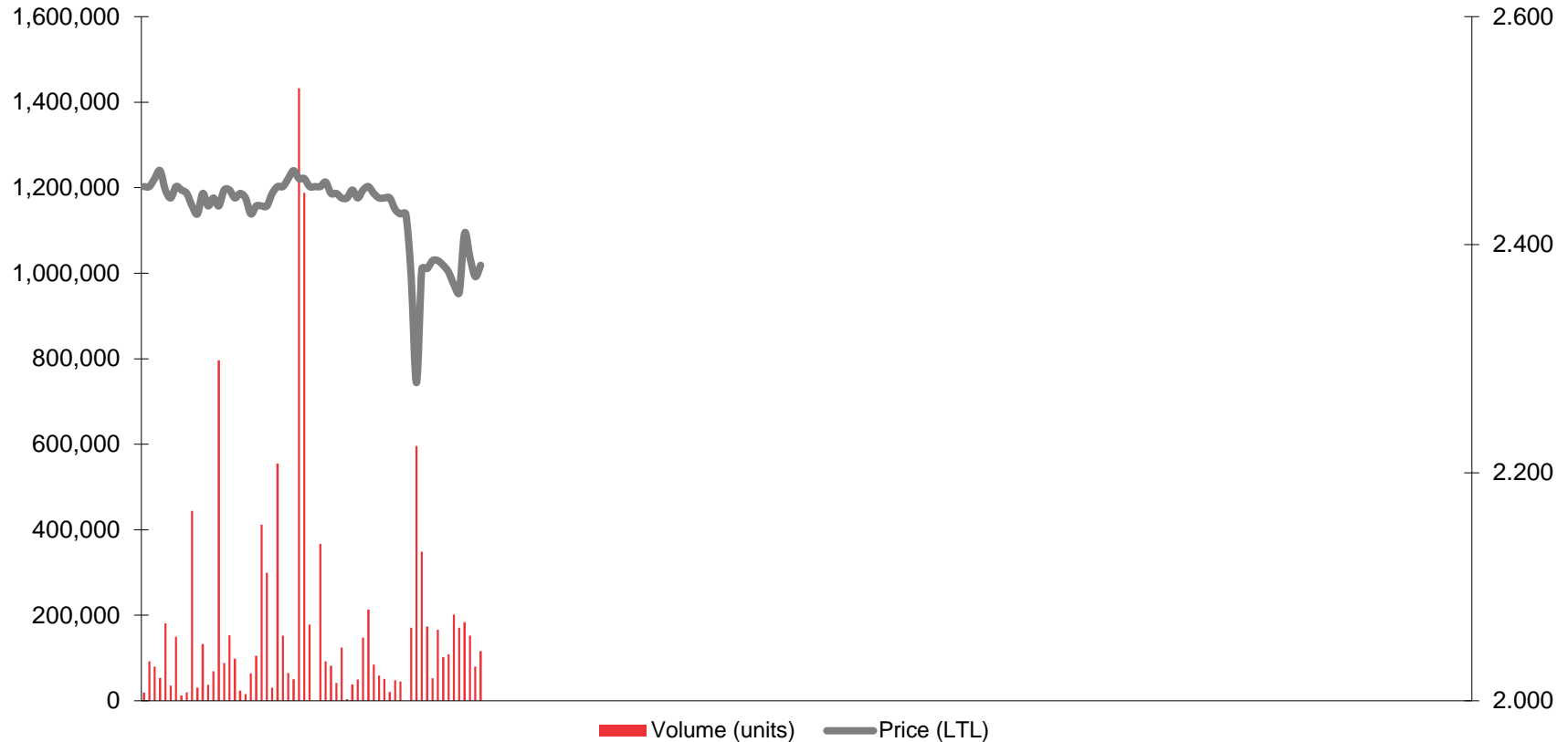
- Shares are listed on NASDAQ OMX Vilnius stock exchange (ticker: TEO1L)
- In January 2011, TEO shares were included into the trading lists of a few German stock exchange (ticker: ZWS)
- Share price on NASDAQ OMX Vilnius:
 - 01-01-2011: LTL 2.472
 - low: LTL 2.258
 - high: LTL 2.472
 - 31-03-2011: LTL 2.382
- Turnover on NASDAQ OMX Vilnius stock exchange during Q1 2010: 11.2 million shares or LTL 27 million

Market Capitalisation (LTL million)



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TRADING IN TEO SHARES ON NASDAQ OMX VILNIUS STOCK EXCHANGE IN 2011

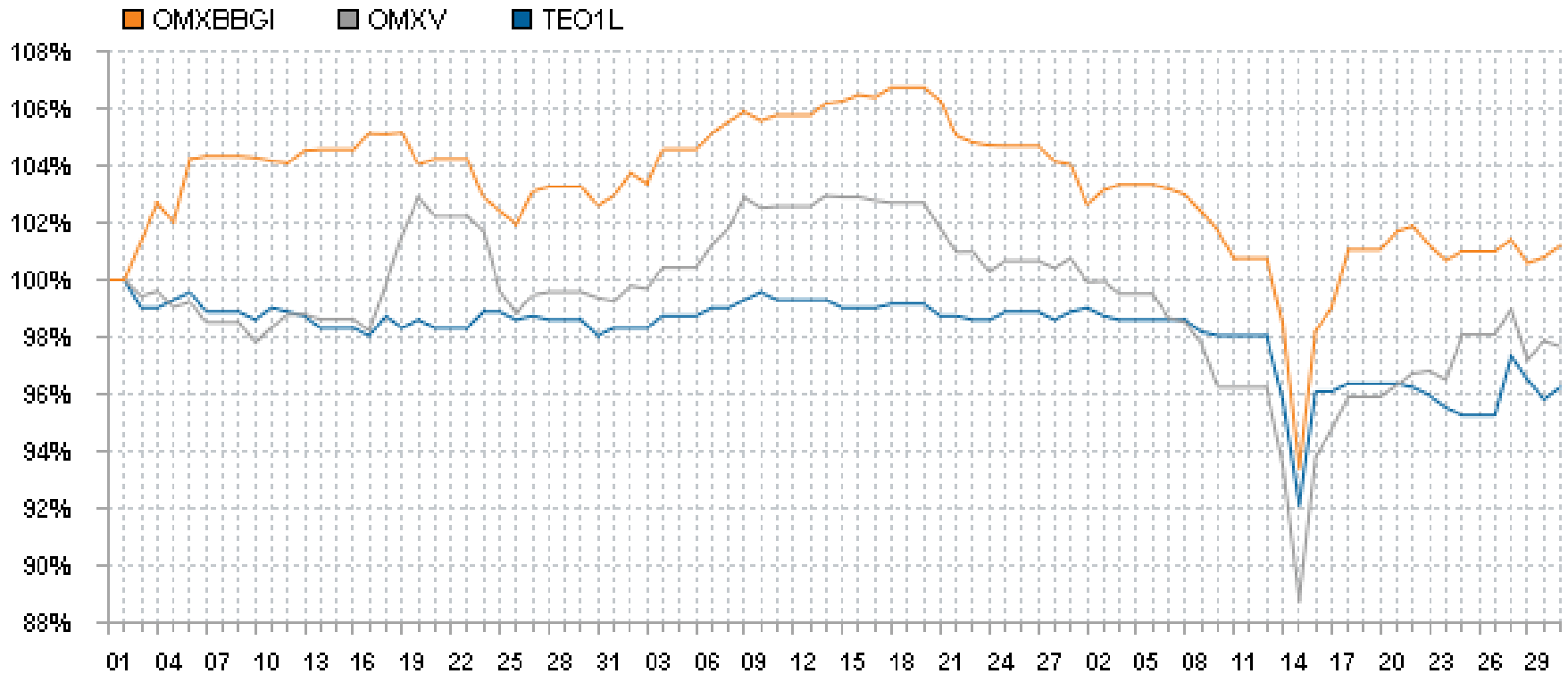


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TEO SHARE AND NASDAQ OMX VILNIUS STOCK EXCHANGE INDEXES COMPARISON



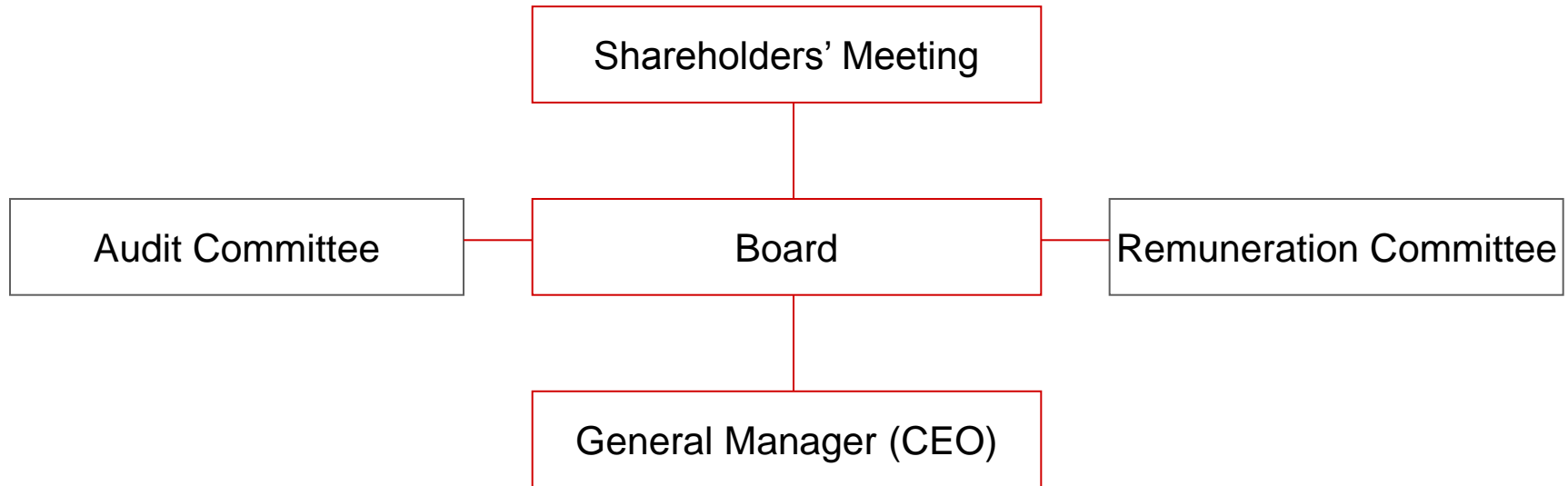
Source: NASDAQ OMX Vilnius

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TEO CORPORATE GOVERNANCE



- The Annual General Meeting of Shareholders will be held on 28 April 2011
- Upon termination of the 2 years term of the Board the AGM will have to elect a new Board
- It is proposed to reduce number of the Board members from 7 to 6
- UAB PricewaterhouseCoopers as the Company's auditor for 2 years was elected in 2010

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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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THANK YOU FOR YOUR
ATTENTION

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