

# TeliaSonera

Cash Offer by

## Baltic Tele AB

a company incorporated pursuant to the laws of Sweden,  
all shares of which are owned by TeliaSonera AB (publ)

for the acquisition of all shares of

## AS Eesti Telekom

a company incorporated pursuant to the laws of Estonia

Tallinn, 13 January 2005

This document is an English language translation of the prospectus (the "**Prospectus**") for the cash offer being made by Baltic Tele AB for the acquisition of all shares of AS Eesti Telekom. The cash offer is being made in accordance with the laws of the Republic of Estonia. In the event of any inconsistency between the contents of the Prospectus and this document, the provisions of the Prospectus shall prevail.

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The Offer (as defined on page 3 of this document) is not being made in the Republic of Italy and has not been cleared by CONSOB pursuant to Italian laws and regulations. Accordingly, persons resident in Italy may not participate in the Offer and neither this document nor any other offering material relating to the Offer may be distributed or made available in the Republic of Italy.

Neither this document, the Prospectus nor any other information supplied in connection with the Offer should be considered as a recommendation by Baltic Tele AB, TeliaSonera AB (publ) or any other company belonging to the TeliaSonera group of companies that any recipient of this document or any other information supplied in connection with the Offer should sell any Shares. Each person contemplating selling any Shares should make its own independent investigation of the financial condition and affairs of AS Eesti Telekom and its subsidiaries, and its own appraisal of the merits of the Offer.

All information contained in this document is presented as at 28 December 2004, the date of submission of the Prospectus and notice of the Offer to Financial Supervision Authority (*Finantsinspeksioon*) for approval.



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## CASH OFFER

On 28 December 2004, as a result of a transaction concluded on the Tallinn Stock Exchange on 23 December 2004, **Baltic Tele AB** (a company incorporated pursuant to the laws of Sweden, registration number 556454-0085, address c/o TeliaSonera AB, Ekonomi, Box 7754, SE-103 96, Stockholm, Sweden) acquired **100** shares of **AS Eesti Telekom** (a company incorporated pursuant to the laws of Estonia, registry code 10234957, address Roosikrantsi 2, 10119 Tallinn). Thereby Baltic Tele AB became the owner of **50.00004 per cent** of votes represented by shares of AS Eesti Telekom and, accordingly, gained dominant influence over AS Eesti Telekom within the meaning of Article 167 of the Securities Market Act of Estonia.

Pursuant to Article 166(1) of the Securities Market Act, a person who has gained dominant influence over the issuer of a share listed on an Estonian exchange (target issuer) either directly or together with other persons acting in concert is required to make a takeover bid for all shares of the target issuer with a duration of at least for 28 days within 20 days as of gaining dominant influence.

In adherence to Article 166(1) of the Securities Market Act and in accordance with the Rules of Takeover Bids and other laws effective in the Republic of Estonia, Baltic Tele AB is hereby offering to acquire from the shareholders of **AS Eesti Telekom** (“**Shareholders**”) all shares of AS Eesti Telekom not already owned by Baltic Tele AB on the following terms and conditions (the “**Offer**”):

### 1. **Baltic Tele AB and persons acting in concert with Baltic Tele AB:**

Baltic Tele AB is a company belonging to the TeliaSonera group of companies (“**TeliaSonera**” or “**TeliaSonera Group**”). All shares of Baltic Tele AB are owned by TeliaSonera AB (publ), a company incorporated pursuant to the laws of Sweden with registration number 556103-4249 (“**TeliaSonera AB**”) which is the ultimate parent company of the TeliaSonera Group. The persons acting in concert with Baltic Tele AB within the meaning of Article 168 of the Securities Market Act of Estonia are the companies controlled by TeliaSonera AB.

### 2. **Number of shares of AS Eesti Telekom owned by Baltic Tele AB and persons acting in concert:**

Baltic Tele AB owns **68,977,314 shares** of AS Eesti Telekom, representing **50.00004 %** of the total number of shares of AS Eesti Telekom. None of the persons acting in concert with Baltic Tele AB owns any shares of AS Eesti Telekom or any securities convertible into or rights to subscribe for any shares of AS Eesti Telekom.

### 3. **Description of shares in respect of which the Offer is made:**

The total number of shares issued by AS Eesti Telekom is **137,954,528**, which is made up of one class of shares.

The Offer is made in respect of all shares of AS Eesti Telekom not already owned by Baltic Tele AB, being **68,977,214** shares representing **49.99996 %** of all shares of AS Eesti Telekom (the “**Shares**”).

The Shares are freely transferable shares with a nominal value of EEK 10 each. The Shares are listed on the Tallinn Stock Exchange and global depository receipts (“**GDRs**”) representing the Shares (each GDR represents 3 Shares) are admitted to the official list of the United Kingdom Financial Services Authority in its capacity as competent authority under the FSMA (the “**UK Listing Authority**”) and to trading on the market organised by the London Stock Exchange plc (the “**London Stock Exchange**”), where listed securities are traded. Each Share gives the Shareholder one vote at the general meeting of shareholders of AS Eesti Telekom.

### 4. **Purchase price:**

**EEK 109.84** per Share (the “**Share Price**”)

### 5. **Offer period**

The period of acceptance of the Offer (the “**Offer Period**”) begins on 13 January 2005 and ends on 23 February 2005 (the “**Closing Date**”). The transaction instructions of the Shareholders wishing to accept the Offer must be registered with the Estonian Central Register of Securities (the “**ECRS**”) by 5.00 p.m. Estonian time on the Closing Date.

### 6. **Method of payment of the purchase price and transfer of Shares**

Baltic Tele AB shall pay the purchase price to each Shareholder who has accepted the offer to sell his/her/its respective Shares to Baltic Tele AB on 7 March 2005 (the “**Value Date**”) to such accepting Shareholder’s cash account connected to his/her/its securities account against the delivery of the respective Shares by such accepting Shareholder to Baltic Tele AB (delivery against payment method).

### 7. **Procedure for accepting the Offer**

Each Shareholder wishing to accept the Offer should contact the relevant financial institution operating the securities account on which the Shares belonging to such Shareholder are held (ECRS account operator) and register a transaction instruction, in accordance with the terms of the Offer, containing the data specified on page 4 of this document.

OFFER PERIOD																												VALUE DATE																											
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	1	2	3	4	5	6	7
JANUARY											FEBRUARY																	MARCH																											

The authorised arranger of the Offer is AS Hansapank, registry code 10060701, address Liivalaia 8, Tallinn 15040.

The prospectus and the terms of the Offer have been approved by *Finantsinspeksioon* on 12 January 2005.

## 1.1. PROCEDURE FOR ACCEPTING THE OFFER

Each Shareholder wishing to accept the Offer should contact the relevant financial institution operating the securities account on which the respective Shares belonging to such Shareholder are held (ECRS account operator) and register, by the deadline given by each respective account operator to its clients (respective Shareholders), a transaction instruction containing the following data:

Security:	Eesti Telekom share
ISIN code:	EE3100007220
Transaction price per security:	EEK 109.84
Number of shares:	(to be determined by the Shareholder)
Transaction counterparty:	Baltic Tele AB
Securities' account operator of the counterparty:	Hansapank
Securities account number of the counterparty:	99011176594
Value Date of the transaction:	7 March 2005
Type of transaction:	delivery against payment

The ECRS account operators are Hansabank (Hansapank), Union Bank of Estonia (Eesti Ühispank), Estonian Credit Bank (Eesti Krediitipank), Sampo Bank (Sampo Pank), SBM Bank (SBM Pank), Lõhmus, Haavel and Viisemann, Tallinn Business Bank (Tallinna Äripank), HEX Back Office and Custody Services, Nordea Bank Estonia (Nordea Panga Eesti filiaal).

By registering the above-specified transaction instruction with the ECRS account operator each Shareholder shall be deemed to have duly authorised and instructed the account operator to forward such instructions to the registrar of ECRS.

The acceptance by the Shareholder to sell the respective Shares specified in the transaction instruction to Baltic Tele AB pursuant to the terms of the Offer shall be deemed to have been given and taken effect from the moment the registrar of ECRS has received the transaction instruction of the respective Shareholder (the “**Accepting Shareholder**”) from his/her/its respective ECRS account operator.

From that moment an agreement for the sale of the respective Shares specified in the transaction instruction shall be deemed to have been entered into between Baltic Tele AB and the Accepting Shareholder on the terms specified in the Offer (the “**Transfer Agreement**”).

By registering the above-specified instructions in accordance with the initial terms of the Offer (i.e. terms of the Offer effective as at the moment of publication of the Prospectus and notice of the Offer) in the format required by each respective ECRS account operator, each Accepting Shareholder shall be deemed to have accepted any new Value Date announced by Baltic Tele AB as a result of an extension of the Offer Period in accordance with Section 1.2.2 below as well as any increase of the Share Price announced by Baltic Tele AB. The abovesaid does not exclude or restrict in any way the right of any Accepting Shareholder to withdraw from the Transfer Agreement in accordance with the terms of the Offer and law.

Each Shareholder who wishes to accept the Offer but who does not hold the Shares directly on a securities account operated by an ECRS account operator should contact the respective international custodian bank operating the securities account on which the Shares belonging to such Shareholder are held.

Each holder of GDRs (representing the Shares) wishing to take any action in connection with the Offer (and lawfully able to do so) should contact Deutsche Bank Trust Company Americas (at the contact information specified immediately below) being the international depository for the respective GDRs or the account operator which operates the securities account on which the GDRs belonging to such GDR holder are held.

**Deutsche Bank AG**  
**Winchester House**  
**1 Great Winchester Street**  
**London EC2N 2DB**

**Tel: (44) 207 547 6500**

## **1.2. OTHER PROVISIONS AND CONDITIONS**

- 1.2.1. The respective Shares to be acquired by Baltic Tele AB pursuant to the Transfer Agreements entered into in the course of the Offer shall be transferred from each Accepting Shareholder to Baltic Tele AB on the Value Date simultaneously with the transfer of the purchase price for such Shares to the cash account of such Accepting Shareholder (delivery against payment). In accordance with the Rules of Takeover Bids, the respective Shares to be acquired by Baltic Tele AB shall not be transferred to the securities account of Baltic Tele AB until the purchase price has been paid for such Shares.
- 1.2.2. In the event that during the Offer Period another offeror discloses a takeover bid with respect to the Shares in accordance with the applicable laws and regulations (“**Competing Bid**”), the Shareholders shall have the right to choose between the bids and, in order to do so, the Shareholders shall have the right to withdraw, until the expiry of the Offer Period, from the Transfer Agreement entered into in the course of this Offer. In the event of a Competing Bid, the Offer Period shall be automatically extended until the expiry of the offer period for the Competing Bid and, if necessary, Baltic Tele AB shall disclose a new Value Date.
- 1.2.3. If between 28 December 2004 (i.e. the date of submission of the prospectus and notice of the Offer to the Financial Supervision Authority for approval) and the Closing Date Baltic Tele AB acquires Shares under conditions more favourable for the Shareholders than those specified in the Offer (e.g. for a higher price), the respective conditions shall be retroactively incorporated into this Offer. In such case Baltic Tele AB shall amend the terms of the Offer and disclose such amendments immediately.
- 1.2.4. Any increase of the Share Price shall apply retroactively also to all Shareholders who have given their acceptance and entered into the Transfer Agreements earlier.

- 1.2.5. In the event Baltic Tele AB acquires any Shares on more favourable conditions, as set out in Section 1.2.3 above, or increases the Share Price, then each Accepting Shareholder has the right to withdraw, until the expiry of the Offer Period, from the Transfer Agreement entered into in the course of this Offer.
- 1.2.6. Baltic Tele AB has agreed to pay the Share Price for the Shares to be acquired on the terms of this Offer assuming that the Shares will be transferred to Baltic Tele AB free and clear of encumbrances (including pledges) and third persons' rights or claims of any nature whatsoever which rights could be exercised with respect to Baltic Tele AB or which claims could be submitted to Baltic Tele AB.
- 1.2.7. All rights to the Shares transferred by each Accepting Shareholder to Baltic Tele AB in the course of the Offer shall be transferred from such Accepting Shareholder to Baltic Tele AB from the moment of payment of the purchase price for the respective Shares by Baltic Tele AB to such Accepting Shareholder in accordance with the terms of the Offer.
- 1.2.8. The Offer and all acceptances given and/or transactions entered into in the course thereof shall be governed by the laws of the Republic of Estonia. Any disputes arising in connection with the Offer and/or the acceptances given and/or transactions entered into in the course thereof shall be settled in the Tallinn City Court.
- 1.2.9. Each Accepting Shareholder wishing to withdraw from the Transfer Agreement in accordance with the terms of this Offer should revoke, during the Offer Period, the transaction instruction registered pursuant to the terms of this Offer. The withdrawal by the Accepting Shareholder from the Transfer Agreement shall be deemed to have taken effect from the moment the registrar of the ECRS has annulled the transaction instruction of the respective Accepting Shareholder based on the annulment instruction received from such Shareholder's account operator.
- 1.2.10. Baltic Tele AB has obtained all necessary approvals from competent authorities for the acquisition of control in AS Eesti Telekom, taking into consideration that by virtue of the decision No. 15-KO, dated 12 May 2004, the Competition Board approved the concentration of Baltic Tele AB and AS Eesti Telekom in the meaning of Article 19(1)2) of the Competition Act (i.e. acquisition of control by one undertaking over another).
- 1.2.11. The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States. This includes but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, the Offer cannot be acted on by any such use, means, instrumentality or facility from or within the United States, and copies of any documents or materials related to the Offer are not being, and must not be, mailed or otherwise transmitted or distributed in or into the United States. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions will be invalid, and any acceptance of the Offer by a resident of the United States of America or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will not be accepted. Other restrictions with regard to the Offer are specified on the cover page of this document.

## 2. BACKGROUND TO AND DESCRIPTION OF THE OFFER

### 2.1. OFFEROR AND PERSONS ACTING IN CONCERT WITH THE OFFEROR

#### Baltic Tele AB

Baltic Tele AB is a company established in 1992 by Posti- ja TeleLaitos in Finland (Post and Telecommunications of Finland) and Swedish Telecom International AB<sup>1</sup>. According to its articles of association, the main areas of activity of Baltic Tele AB are the purchase, sale and administration of shares and other holdings in companies within the area of telecommunications and other similar businesses.

All shares of Baltic Tele AB are held by TeliaSonera AB (publ).

More detailed information about Baltic Tele AB and the TeliaSonera Group and the history of involvement of TeliaSonera Group with AS Eesti Telekom is provided in Sections 3 and 4 below. Further information about TeliaSonera Group and its services can be also obtained from the Internet website [www.teliaSonera.com](http://www.teliaSonera.com).

#### Persons acting in concert with Baltic Tele AB

The persons acting in concert with Baltic Tele AB within the meaning of Article 168 of the Securities Markets Act of Estonia are the companies controlled by TeliaSonera AB (“**TeliaSonera Group Companies**”). The list of TeliaSonera Group Companies as at 28 December 2004 is set forth in Annex 1.

The main area of activities of the TeliaSonera Group Companies is telecommunications or activities related thereto. The list of TeliaSonera Group Companies also include companies within the area of insurance, banking, real estate etc for the provision of such services primarily to other companies within the TeliaSonera Group.

### 2.2. CURRENT HOLDINGS OF BALTIC TELE AB AND PERSONS ACTING IN CONCERT WITH BALTIC TELE AB IN AS EESTI TELEKOM

As at 28 December 2004, the date of the submission of the notice and prospectus of the Offer to *Finantsinspeksioon* for approval, Baltic Tele AB held 68,977,314 shares of AS Eesti Telekom, representing 50.00004 per cent of the total number of shares of AS Eesti Telekom.

As at 28 December 2004, Baltic Tele AB did not hold any securities convertible into or rights to subscribe for any shares of AS Eesti Telekom and no person acting in concert with Baltic Tele AB held any shares of AS Eesti Telekom or any securities convertible into or rights to subscribe for any shares of AS Eesti Telekom.

Baltic Tele AB and persons acting in concert with Baltic Tele AB have not entered into any agreements between themselves or with any third person for the purpose of acquiring any additional shares of AS Eesti Telekom or securities convertible into or rights to subscribe for any additional shares of AS Eesti Telekom.

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<sup>1</sup> Swedish Telecom International AB was the subsidiary of Teleinvest AB (subsequently named Telia AB).

## 2.3. TELIASONERA'S STRATEGY AND REASONS FOR THE OFFER

### Strategic Focus

*Pursue profitable growth.* TeliaSonera is the leading telecommunications provider in the Nordic and Baltic region as well as the leading mobile operator in Turkey and Russia and certain other Eurasian markets. TeliaSonera's main focus is on further developing its position in these markets, where TeliaSonera remains committed to pursuing profitable growth.

*Seek Majority Control of Associated Companies<sup>2</sup>.* As an important part of its strategy, TeliaSonera will seek, to the greatest extent practicable in light of the realities of the local market, to increase its percentage ownership in its associated companies. TeliaSonera believes that obtaining a controlling interest in its operating companies is important, particularly in the Baltic region, to fully extract economies of scale, and to continue to develop TeliaSonera's position in these markets in parallel with its position in the Nordic markets.

*Fortify Its Position in Its Home Markets.* TeliaSonera continues to view its home market as the Nordic and Baltic countries. In Sweden, Finland and in the three Baltic countries, TeliaSonera will continue to develop its offering of a full range of telecommunications services. In Norway and Denmark, TeliaSonera will continue to offer its customers a focused product portfolio. TeliaSonera's intention is to fortify its position in its home market by continuing to simplify its services and improving customer service. TeliaSonera's wide range of products and services, in combination with its broad customer base, lays the foundation for effective bundling and increased cross-selling of services. Through its strong local presence, TeliaSonera also aims at enhancing its pan-Nordic communications services.

*Continue to Develop Innovative and Practical Services.* TeliaSonera seeks to continue to develop innovative service and product offerings in order to satisfy its customers' need for easy-to-use, practical services and to involve customers early on in the development process. TeliaSonera aims to make all of its products and services easy to understand, easy to buy and easy to use. In order to hone its competitive edge without endangering profitability, TeliaSonera will continue to adapt its cost structures to market conditions in various customer segments.

*Participate in the Consolidation of the European Telecommunications Service Industry.* TeliaSonera's strong financial position, together with its experience in implementing a successful cross-border merger, provides a strong platform from which TeliaSonera aims to take an active role in the consolidation of the European telecommunications services industry. TeliaSonera's starting point is to build on or increase its strength in the Nordic and Baltic home market, if and when the right opportunity occurs. TeliaSonera will only pursue acquisitions that are value enhancing and fulfil its financial return requirements and which do not jeopardize its solid financial position.

### Reasons for the Offer

TeliaSonera offers a strong and coherent telecommunications concept while at the same time recognising the importance, as well as the potential, of cultural diversity. Since the merger between Finnish Sonera and Swedish Telia in December 2002, TeliaSonera has pursued its aim of strengthening TeliaSonera as the leading telecom operator in the Nordic and Baltic region. This Offer, which TeliaSonera, through Baltic Tele AB, was required to launch after increasing its

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<sup>2</sup> I.e. companies in which TeliaSonera has a holding, but which have not been consolidated by TeliaSonera, as TeliaSonera does not have control in the respective companies in the meaning of Swedish and international accounting rules applicable to TeliaSonera.

shareholding in AS Eesti Telekom over 50 per cent on 28 December 2004, is consistent with the strategy of taking advantage of opportunities for creating enhanced shareholder value.

Since TeliaSonera's shareholding in AS Eesti Telekom, through Baltic Tele AB, exceeds 50 per cent, TeliaSonera will consolidate AS Eesti Telekom. The consolidation of AS Eesti Telekom is an important step in pursuing TeliaSonera's strategy to strengthen TeliaSonera as the leading telecom operator in the Nordic and Baltic region.

TeliaSonera is of the opinion that AS Eesti Telekom's future prospects will improve if AS Eesti Telekom becomes a wholly owned subsidiary of TeliaSonera. As part of a larger group, AS Eesti Telekom and its subsidiaries will benefit from economies of scale. AS Eesti Telekom and its subsidiaries will gain access to TeliaSonera's research and technology which will enable them to develop and implement enhanced and new services to customers at a lower cost.

On 28 December 2004 Baltic Tele AB acquired 100 shares of AS Eesti Telekom and thereby became the owner of 50.00004 per cent of votes represented by shares of AS Eesti Telekom and, accordingly, gained dominant influence over AS Eesti Telekom within the meaning of Article 167 of the Securities Market Act of Estonia.

Pursuant to Article 166(1) of the Securities Market Act of Estonia, a person who has gained dominant influence over the issuer of a share listed on an Estonian exchange (target issuer) either directly or together with other persons acting in concert is required to make a takeover bid for all shares of the target issuer with a duration of at least for 28 days within 20 days as of gaining dominant influence.

This Offer has been made in accordance with Article 166(1) of the Securities Market Act of Estonia.

#### **2.4. INTENTIONS OF BALTIC TELE AB CONCERNING AS EESTI TELEKOM**

Baltic Tele AB will, after the acquisition of Shares, review the composition of the supervisory council of AS Eesti Telekom and consider changing the composition of the supervisory council as a result of the new situation in the division of shares of AS Eesti Telekom. At present, Baltic Tele AB does not intend to change the management board of AS Eesti Telekom following the acquisition of Shares. With regard to AS Eesti Telekom's other employees, no immediate structural changes are foreseen but Baltic Tele AB will seek to optimally utilise the human resource capacity in AS Eesti Telekom.

Following the acquisition of Shares, Baltic Tele AB will, depending on the number of Shares acquired, seek to delist the shares of AS Eesti Telekom from the main list of the Tallinn Stock Exchange and the GDRs from the official list of UK Listing Authority and to trading on the market organised by the London Stock Exchange, where listed securities are traded.

Following the acquisition of Shares, Baltic Tele AB will, depending on the number of Shares acquired, seek to exercise the takeover of shares of AS Eesti Telekom belonging to the remaining minority shareholders in return for fair monetary compensation pursuant to Chapter 29<sup>1</sup> of the Commercial Code of Estonia ("*squeeze out*").

Baltic Tele AB's expressed interest is to become the owner of all (100%) shares of AS Eesti Telekom. The strategic issues regarding AS Eesti Telekom's operation are entirely the responsibility of the supervisory council of AS Eesti Telekom and AS Eesti Telekom group

management. TeliaSonera AB (publ) does not have strategic plans in respect of AS Eesti Telekom group that in the foreseeable future would lead to a significant increase of value of the Share in comparison with the Share Price.

## **2.5. DESCRIPTION OF THE SHARES SUBJECT TO THE OFFER**

As at 28 December 2004, the share capital of AS Eesti Telekom (as registered with the Commercial Registry) was **EEK 1,379,545,280**.

The share capital of AS Eesti Telekom was divided into **137,954,528 shares**, each with a nominal value of EEK 10. AS Eesti Telekom has only one class of shares.

The Offer is made in respect of 68,977,214 shares of AS Eesti Telekom representing 49.99996 % of the total number of shares of AS Eesti Telekom.

Pursuant to the articles of association of AS Eesti Telekom, each share of AS Eesti Telekom gives the shareholder one vote at the General Meeting, the right to participate in the General Meeting and in the distribution of profit, and in the distribution of remaining assets upon dissolution as well as other rights stipulated in the law and articles of association of AS Eesti Telekom.

The shares of AS Eesti Telekom are listed on the Tallinn Stock Exchange and GDRs representing the shares (each GDR represents 3 shares) are admitted to the official list of the UK Listing Authority and to trading on the market organised by the London Stock Exchange, where listed securities are traded.

## **2.6. BASIS FOR DETERMINING THE PURCHASE PRICE**

The Share Price offered by Baltic Tele AB to the Shareholders is EEK 109.84 in cash.

In determining the Share Price, Baltic Tele AB has taken the following aspects into consideration.

From a historical perspective, the shares of AS Eesti Telekom have had a positive development on the Tallinn Stock Exchange, both on an absolute and a relative basis.

In measuring the performance of the price of the share of AS Eesti Telekom, a 30-month period commencing on 28 June 2002, i.e. the date when Telia and Sonera announced their aim to obtain controlling interests in the companies where TeliaSonera AB (publ) has shareholding in the Baltic countries, has been used. It has been suggested that the aforementioned information had a positive influence on the price of the share of AS Eesti Telekom and it is therefore important for the comparison period to commence at the time of disclosure of the aforementioned information<sup>3</sup>. During the 30-month period from 28 June 2002 until 27 December 2004, the share of AS Eesti Telekom increased by approximately 60 per cent<sup>4</sup>.

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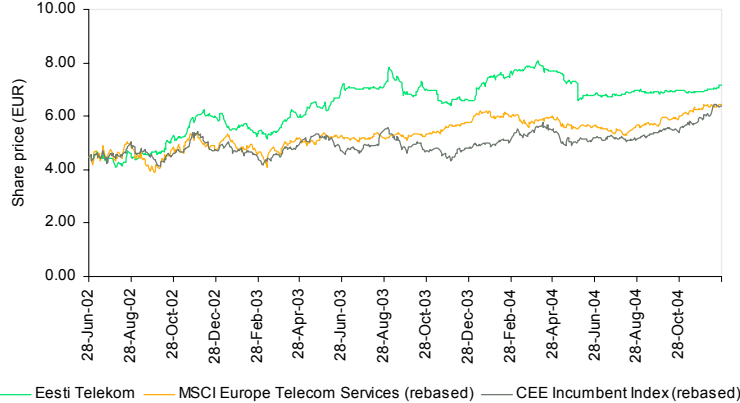
<sup>3</sup> ING has stated in its report on AS Eesti Telekom, dated August 2002, that news of the intention of TeliaSonera to obtain holdings in the Baltic telecommunications operators presumably support the price of the shares [of AS Eesti Telekom] and restrain future decline.

<sup>4</sup> Source: Datastream.

The development of the price of the share of AS Eesti Telekom has been compared to an index comprising a number of listed Central and Eastern European telecommunications operators<sup>5</sup> and the MSCI Europe Telecommunication Services index<sup>6</sup>. Each of the indices has been rebased to equate to the share price of AS Eesti Telekom at the start of the period, so as to illustrate the relative performance of the price of the share of AS Eesti Telekom' against each of these indices.

The reasons for using an index comprising a number of listed Central and Eastern European telecommunications operators and comparing this index to the development of the price of the share of AS Eesti Telekom is that the companies in this index are, in Baltic Tele AB's view, the most comparable listed companies to AS Eesti Telekom with respect to region, size and future growth prospects. In addition, the MSCI Europe Telecommunication Services Index has been used in order to compare the development of the price of the share of AS Eesti Telekom to all the major listed European telecom operators.

Relative to the index comprising a number of listed Central and Eastern European telecommunications operators and relative to the MSCI Europe Telecommunication Services Index, the share of AS Eesti Telekom increased, during the same time period, by approximately 16 per cent<sup>4</sup> and approximately 16 per cent<sup>4</sup>, respectively.



Source: Datastream

Based on EBITDA trading multiples (i.e. Enterprise Value / EBITDA<sup>7</sup>), AS Eesti Telekom is valued at a premium of approximately 41 per cent in relation to the average multiple for the comparable listed companies Cesky Telecom, Telekomunikacja Polska and Matav. Based on P/E trading multiples (i.e. Market capitalisation / Net profit before amortizations<sup>8</sup>) AS Eesti Telekom is valued at a premium of approximately 45 per cent in relation to the average multiple for the comparable listed companies Telekomunikacja Polska and Matav. Based on Operating Free Cash Flow multiples (i.e. Enterprise Value / EBITDA less capital expenditures<sup>9</sup>), AS Eesti Telekom is valued at a premium of approximately 24 per cent in relation to the average multiple for the

<sup>5</sup> The index comprises Cesky Telecom, Telekomunikacja Polska and Matav. Each company has an equal weight in the index.

<sup>6</sup> The index comprises the aggregate market capitalisation of 24 European telecommunication operators.

<sup>7</sup> Calculated based on market capitalisation as of 27 December 2004 plus net debt as of 30 September 2004 divided by EBITDA for 1 October 2003 - 30 September 2004. EBITDA means Earnings Before Interest, Tax, Depreciation and Amortization.

<sup>8</sup> Calculated based on market capitalisation as of 27 December 2004 divided by net profit before amortizations for 1 October 2003 – 30 September 2004. Cesky Telecom has been excluded from the average multiple for the comparable companies due to negative net profit for the period.

<sup>9</sup> Calculated based on market capitalisation as of 27 December 2004 plus net debt as of 30 September 2004 divided by EBITDA less capital expenditures for 1 October 2003 - 30 September 2004.

comparable listed companies Cesky Telecom, Telekomunikacja Polska and Matav<sup>10</sup>. The herein used trading multiples are commonly used to compare companies within telecom sector. Though such trading multiples have not been used by Baltic Tele AB in the calculation of the Share Price.

In addition to the above-mentioned aspects, Baltic Tele AB has determined the Share Price by taking into account the following circumstances:

- 1) The weighted average of prices paid for the shares of AS Eesti Telekom in transactions on the Tallinn Stock Exchange during the period from 28 June 2004 until 27 December 2004 (i.e. six months preceding the date of submission of the notice and prospectus of the Offer to *Finantsinspeksioon*) is EEK 108.15.
- 2) The weighted average of prices paid for the shares of AS Eesti Telekom in transactions on the Tallinn Stock Exchange during the period from 14 December 2004 until 27 December 2004 (i.e. ten (10) trading days immediately preceding the date of the submission of the notice and prospectus of the Offer to *Finantsinspeksioon*) is EEK 110.11. Such weighted average of EEK 110.11 has not been reduced by 10 per cent as specified in Article 2(2)4 of the Rules of Takeover Bids. Reducing the weighted average by 10 per cent in accordance with Article 2(2)4 of the Rules of Takeover Bids gives a weighted average price of EEK 99.10.
- 3) The book value of the share of AS Eesti Telekom as at 30 September 2004 was EEK 26.98.
- 4) During the period from 28 June 2004 until 27 December 2004 Baltic Tele AB purchased 812,058 shares of AS Eesti Telekom. The highest price paid by Baltic Tele AB for the shares of AS Eesti Telekom during this period is EEK 109.84. The weighted average of prices paid by Baltic Tele AB for the shares of AS Eesti Telekom during this period is EEK 108.41.

The persons acting in concert with Baltic Tele AB have not acquired any shares of AS Eesti Telekom during the above-referred period.

Baltic Tele AB's overall assessment, taking all of the above aspects into consideration, is that the Share Price of EEK 109.84 is fair. The Share Price of EEK 109.84 values the total equity of AS Eesti Telekom at approximately EEK 15,153 million (EUR 968 million), calculated based on all shares of AS Eesti Telekom.

Baltic Tele AB, as a company belonging to the TeliaSonera Group, confirms on behalf of the TeliaSonera Group that:

- 1) the Share Price offered to the Shareholders has been determined by persons who have worked independently in a separate project, using external advice from Alfred Berg ABN

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<sup>10</sup> The data source used when calculating the trading multiples is publicly available company reports for the respective companies. The average multiple for the comparable listed companies Cesky Telecom, Telekomunikacja Polska and Matav is calculated as a simple average (i.e. not weighted average). When calculating the trading multiples the latest publicly available source of information has been used. The latest publicly available quarterly reports from the companies in the comparison are for the period ending on 30 September 2004 and the share prices that have been used for the companies are as at the time immediately preceding the submission of the prospectus to *Finantsinspeksioon* (i.e. as at 27 December 2004). The multiples are therefore based on the latest available market information. If the share price of the companies as at 30 September 2004 were used, it would not reflect the current multiples of the comparable companies.

AMRO, and who have had no inside information, upon the disclosure of which the price of the Share would increase significantly in comparison with the Share Price;

- 2) the TeliaSonera Group has no inside information upon the disclosure of which the price of the Share would increase significantly in comparison with the Share Price;
- 3) upon determining the value of the AS Eesti Telekom group or the Share the TeliaSonera Group has not implemented models, methods or other criteria that have not been explicitly described in this Section 2.6.

## **2.7. PRINCIPLES AND PROCEDURE FOR PAYING THE PURCHASE PRICE**

Baltic Tele AB shall pay the purchase price to each Accepting Shareholder on the Value Date against the delivery of the respective Shares by such Accepting Shareholder (delivery against payment).

## **2.8. INFORMATION ON FINANCING THE OFFER**

All Shares acquired by Baltic Tele AB in the course of the Offer will be paid for in cash by utilising Baltic Tele AB's and TeliaSonera's own funds as well as credit facilities available to Baltic Tele AB and TeliaSonera (borrowed funds).

### **3. INFORMATION ABOUT BALTIC TELE AB AND TELIASONERA**

#### **3.1. BALTIC TELE AB**

Baltic Tele AB is a company established in 1992 by *Posti- ja TeleLaitos* in Finland (Post and Telecommunications of Finland) and Swedish Telecom International AB<sup>11</sup>. Currently, Baltic Tele AB is a company belonging to TeliaSonera Group.

#### **3.2. TELIASONERA**

##### **3.2.1. GENERAL INFORMATION**

TeliaSonera is the leading telecommunications group in the Nordic and Baltic regions. The group provides fixed and mobile telephony services (delivering voice, images, data, information and entertainment) in the Nordic and Baltic countries, Russia and certain other Eurasian markets. TeliaSonera also provides network services for fixed and mobile network operators and other service providers.

##### **3.2.2. HISTORIC BACKGROUND**

Telia was originally managed directly by the Swedish State as a public service corporation, Televerket (the Swedish Telecommunications Administration). Although the company never operated under a statutorily sanctioned monopoly, Televerket was virtually the sole provider of public voice telecommunications services in Sweden. In 1993 Televerket was restructured by the Swedish State to become a fully state-owned public company through the transfer of Televerket's assets to TeleInvest AB, a limited liability company previously incorporated in 1966 that was subsequently renamed Telia AB. During the 1980s and 1990s, Telia developed from a near monopoly to a competitor in an open market for telecommunications. In June 2000 the shares of Telia AB were listed on the Stockholm Stock Exchange.

Sonera originated as a part of a state organization, the Telegraph Office of Finland which was created in 1917 and subsequently merged with another state organization, Post of Finland, in 1927 to form the Post and Telegraph Office of Finland, subsequently renamed Post and Telecommunications of Finland. The latter was the only Finnish long distance and international call operator until 1992, when the Finnish state began granting licenses to competing telephone operators. Internationalisation and increased competition in the telecommunication industry required changes in the company form and in 1994 the state-owned limited liability company Telecom Finland was formed. In 1997 the Finnish parliament approved a gradual privatisation of Telecom Finland, and in 1998 the company changed its name to Sonera and was listed on the Helsinki Stock Exchange and on Nasdaq.

In 2002 Telia and Sonera merged and changed name to TeliaSonera. The TeliaSonera Group started to operate on January 1, 2003. The combined company became the leading telecommunications group in the Nordic and Baltic regions. Currently the shares of TeliaSonera AB are listed on the Stockholm and Helsinki stock exchanges.

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<sup>11</sup> Swedish Telecom International AB was the subsidiary of Teleinvest AB (subsequently named Telia AB).

### 3.2.3. BUSINESS ORGANISATION AND ACTIVITIES

The TeliaSonera Group is organised in four profit centres and two operational units. The four profit centres are: (i) Sweden, (ii) Finland, (iii) Norway, Denmark and the Baltic countries and (iv) International Operations. The two operational units are: (i) Networks and Technology and (ii) Marketing, Products and Services.

#### TeliaSonera Sweden

TeliaSonera provides a full-range of telecommunications services in Sweden and is the market leader in fixed and mobile telephony and Internet services. In Sweden, TeliaSonera operates under the Telia brand. As of December 31, 2003, TeliaSonera Sweden had approximately 3.8 million mobile subscribers, 6.3 million fixed-line subscribers and about 1.2 million Internet access customers, of which 399,000 had broadband.

#### TeliaSonera Finland

In Finland, TeliaSonera operates as a full-range telecommunications services supplier mainly under the Sonera brand. The product range includes mobile telecommunications, fixed voice, Internet and data communications as well as value-added services, service and support. As of December 31, 2003, TeliaSonera Finland had approximately 2.4 million mobile subscribers, 804,000 fixed-line subscribers and 305,000 Internet access customers.

#### TeliaSonera Norway, Denmark, and Baltic countries

##### *Norway*

In Norway, TeliaSonera operates under the NetCom brand. NetCom is the second largest mobile operator in Norway with about 1.2 million customers at the end of 2003.

##### *Denmark*

TeliaSonera Denmark offers mobile services and fixed telephony to business and consumers and network capacity to operators and service providers. Broadband Internet and cable television is offered via the wholly-owned company Telia Stofa. TeliaSonera operates under the Telia brand in Denmark. TeliaSonera Denmark had 525,000 mobile and 172,000 fixed-line subscribers at the end of 2003. During October 2004 TeliaSonera acquired Orange Denmark. Thereby the number of mobile customers increased by 636,000.

##### *Baltic countries*

In the Baltic countries TeliaSonera operates via majority-owned (e.g. AB Lietuvos Telekomas, UAB Omnitel, Latvijas Mobilais Telefon, AS Eesti Telekom) and minority-owned (e.g. Lattelekom SIA) companies and offers a full range of telecommunications services. TeliaSonera's operators in the Baltic region had an aggregate of approximately 2 million mobile subscribers and 1.9 million fixed-line accesses at the end of 2003.

#### TeliaSonera International Operations

##### *TeliaSonera International Carrier*

TeliaSonera International Carrier provides network services for fixed and mobile operators, carriers and service providers in Viking Networks, its wholly-owned international broadband

network. The Viking Network is mainly focused on Europe and connects over the Atlantic via the TAT 14 digital cable, in which TeliaSonera is a partner.

#### *Eurasian subsidiaries*

TeliaSonera has a 58.55% holding in Fintur Holdings B.V., which operates through majority-owned subsidiaries in Azerbaijan, Kazakhstan, Georgia and Moldova. Fintur had approximately 2.4 million mobile subscribers at the end of 2003. The Fintur-owned operations are the largest or second largest in their respective markets.

#### *Associated companies in Russia and Turkey*

In Russia, one of largest and fastest growing mobile communications markets in the world, TeliaSonera has a 43.8% holding in MegaFon. MegaFon's customer base was 6.2 million at the end of 2003. TeliaSonera also has a 37.3% holding in Turkcell, Turkey's leading mobile operator. Turkcell had approximately 19 million customers at the end of 2003.

### **3.3. SHARES AND SHAREHOLDERS**

As at 28 December 2004, the share capital of Baltic Tele AB was SEK 10,000,000, consisting of 100,000 shares with the nominal value of SEK 100 per share.

As at 28 December 2004, all shares of Baltic Tele AB were held by TeliaSonera AB.

As at 28 December 2004, the share capital of TeliaSonera AB was SEK 14,960,742,620.80 and the total number of shares was 4,675,232,069 with the nominal value of SEK 3.20 per share.

TeliaSonera AB (at that time called Telia AB) was listed on the Stockholm Stock Exchange on June 13, 2000. As a part of the merger between Telia and Sonera the company was also quoted on the Helsinki Exchange and on Nasdaq on December 9, 2002. Currently the process of delisting the shares on Nasdaq is under way and the trade with the shares on Nasdaq was stopped on 6 August 2004<sup>12</sup>.

As at 30 June 2004, the ownership of TeliaSonera AB was divided in the following manner:

<b>Shareholder</b>	<b>Number of shareholders</b>	<b>Percentage of total share capital/votes</b>
Swedish State	1	45.3
Finnish State	1	19.1
Institutions and companies, Sweden	12,250	18.1
Individual investors, Sweden	702,938	3.8
Institutions and companies, Finland	3,956	4.1
Individual investors, Finland	123,749	2.6
Shareholders outside Sweden and Finland	9,095	7.0
<b>Total</b>	<b>851,990</b>	<b>100</b>

*Source: VPC (the Swedish Securities Register Centre).*

As at 30 June 2004, the principal shareholders of TeliaSonera AB and their respective holdings were:

<sup>12</sup> On Nasdaq the shares were traded in the form of ADS's (American Depository Shares) and 1 ADS represented 5 underlying shares.

Shareholder	Number of shares	Percentage of total share capital/votes
Swedish State	2,118,278,261	45.3
Finnish State	891,800,230	19.1
Robur funds	137,500,882	2.9
SEB funds	56,137,856	1.2
SEB-Trygg Försäkring	55,309,000	1.2
Skandia	49,613,833	1.1
AMF Pension	41,000,000	0.9
SHB/SPP funds	40,194,921	0.9
Nordea funds	39,282,357	0.8
Tredje AP-fonden	38,760,376	0.8
<b>Total 10 largest shareholders</b>	<b>3,467,877,716</b>	<b>74.2</b>
Other shareholders	1,207,354,353	25.8
<b>Total</b>	<b>4,675,232,069</b>	<b>100</b>

Source: SIS Ägarservice.

### 3.4. BOARD AND MANAGEMENT

#### Baltic Tele AB

As at 28 December 2004, the members of the Board of Directors of Baltic Tele AB were

Name	Year born	Position
Mats Salomonsson	1950	Chairman
Erik Hallberg	1956	Director
Ingrid Stenmark	1966	Director

No executive management of Baltic Tele AB has been appointed.

#### TeliaSonera AB

As at 28 December 2004, the members of Board of Directors of TeliaSonera AB were<sup>13</sup>:

Name	Year born	Position
<i>Ordinary Members:</i>		
Tom von Weymarn	1944	Chairman
Carl Bennet	1951	Vice Chairman
Lennart Låftman	1945	Director
Eva Liljebloom	1958	Director
Sven-Christer Nilsson	1944	Director
Paul Smits	1946	Director
Caroline Sundewall	1958	Director

<sup>13</sup> TeliaSonera AB's Board of Directors has 12 ordinary members, three of whom are employee representatives and, as such, union appointees. TeliaSonera AB also has three deputy directors who are each union appointees.

Timo Peltola	1946	Director
Roger Talermo	1955	Director
Yvonne Karlsson	1959	Director <sup>14</sup>
Berith Westman	1945	Director <sup>14</sup>
Elof Isaksson	1942	Director <sup>14</sup>
<i>Deputy Members:</i>		
Magnus Brattström	1953	Deputy Director <sup>14</sup>
Stefan Carlsson	1956	Deputy Director <sup>14</sup>
Arja Kovin	1964	Deputy Director <sup>14</sup>

As at 28 December 2004, the members of TeliaSonera AB's executive management and group vice presidents were:

<b>Name</b>	<b>Year born</b>	<b>Principal Occupation</b>
Anders Igel	1951	President and Chief Executive Officer
Kim Ignatius	1956	Executive Vice President and Chief Financial Officer
Lars-Gunnar Johansson	1944	Group Vice President, responsible for Corporate Networks and Technology
Rune Nyberg	1949	Group Vice President, responsible for Corporate Human Resources
Michael Kongstad	1960	Group Vice President, responsible for Corporate Communications
Jan Henrik Ahnrel	1959	Group Vice President and General Counsel, responsible for Corporate Legal Affairs
Marie Ehrling	1955	President of TeliaSonera Sweden
Anni Vepsäläinen	1963	President of TeliaSonera Finland
Kenneth Karlberg	1954	President of TeliaSonera Norway, Denmark and the Baltic Countries
Terje Christoffersen	1952	Group Vice President, Responsible for Corporate Marketing, Products and Services

### 3.5. ANNUAL REPORTS

The translations into English of the 2001, 2002 and 2003 annual reports of Baltic Tele AB are appended to this document.

The 2002 and 2003 annual reports of TeliaSonera AB are available for inspection at the locations referred to in Section 5.2 and may also be viewed at TeliaSonera's internet website ([www.teliasonera.com](http://www.teliasonera.com)).

Financial information for Baltic Tele AB and TeliaSonera Group are provided below. For Baltic Tele AB the figures have been extracted from the 2001, 2002 and 2003 annual reports. For TeliaSonera the data has been extracted from the 2002 and 2003 annual reports.

<sup>14</sup> Employee representative appointed by the trade unions.

<b>Baltic Tele AB (SEKm)</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b><i>Profit and loss account</i></b>			
Net sales	0	0	0.93
Operating loss	-0.13	-0.14	-0.15
Profit after financial items	122.10	112.95	111.41
Profit for the year	122.10	112.95	111.41
<b><i>Balance sheet</i></b>			
Fixed assets	2,144.86	196.00	196.00
Current assets	0.01	0.36	1.17
<i>Total assets</i>	<i>2,144.87</i>	<i>196.36</i>	<i>197.17</i>
Equity	195.94	196.35	197.00
Current liabilities	1,948.93	0.01	0.17
<i>Total equity and liabilities</i>	<i>2,144.87</i>	<i>196.36</i>	<i>197.17</i>

<b>TeliaSonera Group Pro forma<sup>15</sup> (SEKm)</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b><i>Income statements</i></b>			
Net sales	81,772	80,979	80,925
Operating expenses	-51,450	-65,579	
<b>EBITDA</b>	<b>30,322</b>	<b>15,400</b>	
Depreciation, amortization and write-downs	-17,564	-28,319	
Income from associated companies	382	-33,039	
<b>Operating income</b>	<b>13,140</b>	<b>-45,958</b>	<b>9,586</b>
Net financial revenues and expenses	-794	-833	
Income after financial items	12,346	-46,791	5,253
Income taxes	-3,706	14,409	
Minority interests	<b>-969</b>	<b>-508</b>	
<b>Net income</b>	<b>7,671</b>	<b>-32,890</b>	<b>2,143</b>
Average number of shares ('000)	4,675,232	4,675,232	
-after dilution ('000)	4,676,040	4,676,262	
Basic loss/earnings per share (SEK)	1.64	-7.03	
Diluted loss/earnings per share (SEK)	1.64	-7.03	
EBITDA excl. non-recurring items	30,690	25,457	21,768
<i>EBITDA excl. non-recurring items margin (%)</i>	<i>37.5</i>	<i>31.4</i>	<i>26.9</i>
Operating income excl. non-recurring items	14,831	5,992	
<b><i>Balance sheet</i></b>			
Assets			
Intangible fixed assets	61,820	68,095	
Tangible fixed assets	49,161	55,023	
Financial fixed assets	42,061	48,533	

<sup>15</sup> Assuming a 100% ownership of Sonera and excluding Telia's Finnish mobile operations and Swedish cable TV operations. In TeliaSonera's legal accounts, Sonera operations and the new Baltic subsidiaries are consolidated since December 3, 2002, and including Telia's Finnish mobile operations and Swedish cable TV operations through May 31, 2003

<i>Total fixed assets</i>	153,042	171,651	
Inventories, etc.	501	554	
Receivables	24,170	26,518	
Short-term investments	8,658	3,826	
Cash and bank	3,689	2,821	
<i>Total current assets</i>	37,018	33,719	
<b>Total assets</b>	<b>190,060</b>	<b>205,370</b>	
Shareholders' equity and liabilities			
Shareholders' equity	112,393	108,829	
Minority interests	3,441	5,120	
Provisions for pensions and employments contracts	522	183	
Deferred tax liability and other provisions	14,775	18,141	
<i>Total provisions</i>	15,297	18,324	
Long-term loans	25,867	31,336	
Short-term loans	4,687	12,608	
Non-interest-bearing liabilities	28,375	29,153	
<i>Total liabilities</i>	58,929	73,097	
<b>Total shareholders' equity and liabilities</b>	<b>190,060</b>	<b>205,370</b>	
<b><i>Cash flows</i></b>			
Cash flow from operating activities	26,554	20,717	14,181
Intangible and tangible assets acquired (cash capex)	-9,055	-11,183	-21,189
<i>Free cash flow</i>	17,499	9,534	-7,008
Cash flow from other investing activities	3,334	7,685	35,200
Total cash flow from investing activities	-5,721	-3,498	14,011
<i>Cash flow before financing activities</i>	20,833	17,219	28,192
Cash flow from financing activities	-14,162	-21,889	-20,511
Cash flow for the period	6,671	-4,670	7,681

## 4. INFORMATION ABOUT AS EESTI TELEKOM

### 4.1. GENERAL INFORMATION

AS Eesti Telekom is a company established pursuant to the laws of the Republic of Estonia.

According to the articles of association of AS Eesti Telekom as at 28 December 2004, the areas of activity of AS Eesti Telekom are investment into other companies active in the field of telecommunications and the managing of such companies.

AS Eesti Telekom is not directly involved in commercial operations and its profit accumulates mainly from the profits of other companies in the group.

AS Eesti Telekom is the sole shareholder of its two subsidiaries, Elion Ettevõtted AS and AS EMT.

**Elion Ettevõtted AS** is the main provider of fixed telephony services in Estonia. Elion Ettevõtted AS also offers a wide range of data communication solutions (xDSL services, Internet dial-up services etc). The company owns the public telecommunications network covering the whole territory of Estonia and offers network services to other telecommunications network operators.<sup>16</sup>

**AS EMT** is the largest mobile telephony operator in Estonia. AS EMT also offers to its clients various information technology solutions (wireless internet service, virtual private network service etc). The company is involved in the establishment and operation of mobile communications networks and systems.<sup>17</sup>

In addition to Elion Ettevõtted AS and AS EMT, AS Eesti Telekom group includes also other companies.

### 4.2. HISTORIC BACKGROUND OF AS EESTI TELEKOM AND HISTORY OF INVOLVEMENT OF TELIASONERA IN AS EESTI TELEKOM

Prior to May 1991, telecommunications services in Estonia were conducted by the state through the Estonian Ministry of Communications. With effect from 1 May 1991, the Ministry of Communications was dissolved and, pursuant to the regulation of the Government of the Republic of Estonia No 75 of 10 April 1991, the state enterprise “Eesti Telekom”, the predecessor of AS Eesti Telekom, was formed. The state enterprise “Eesti Telekom” received all of the telecommunications assets of the former Ministry of Communications, which principally comprised the fixed line network throughout Estonia but also included a participation in AS EMT as described below.

In April 1991, AS EMT was formed as a joint venture pursuant to an agreement entered into by the Estonian Ministry of Communications with the Post and Telecommunications of Finland (subsequently Telecom Finland Oy and thereafter Sonera Ltd, “**Sonera**”) and Swedish Telecom International AB (“**Telia**”), each of whom acquired 24.5 per cent of the shares in AS EMT.

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<sup>16</sup> For detailed information about services see [www.elion.ee](http://www.elion.ee).

<sup>17</sup> For detailed information about services see [www.emt.ee](http://www.emt.ee).

Upon the dissolution of the Ministry of Communications in May 1991, the Ministry's 51 per cent holding in AS EMT was transferred to state enterprise "Eesti Telekom".

In order to begin modernising and developing the local fixed line network, AS Eesti Telefon was formed in December 1992. 51 per cent of the shares of AS Eesti Telefon were owned by state enterprise "Eesti Telekom" and 49 per cent of the shares were owned by Baltic Tele AB. At the same time, all of the fixed line telephony assets of the state enterprise "Eesti Telekom" were transferred to AS Eesti Telefon.

In 1997, the State enterprise "Eesti Telekom" was transformed into a joint stock company, AS Eesti Telekom, all shares of which were owned by the Republic of Estonia. AS Eesti Telekom was registered in the Estonian Commercial Register on 5 August 1997.

Pursuant to the restructuring agreement entered into on 21<sup>st</sup> December 1998 in the course of a public offering of A-shares in AS Eesti Telekom (IPO), Baltic Tele AB, Telia<sup>18</sup> and Sonera<sup>19</sup> exchanged all of their shares in AS Eesti Telefon and AS EMT for the A-shares of AS Eesti Telekom.

At the same time, a B-share was issued by AS Eesti Telekom and acquired by the Republic of Estonia.

After IPO and the implementation of the restructuring, Baltic Tele AB, Telia and Sonera (and Sonera Holding B.V.) owned together approx. 49% of the A-shares of AS Eesti Telekom and the Republic of Estonia owned approx. 27% of A-shares and the B-share.

As of February 1999 the A-shares of AS Eesti Telekom have been listed on the Tallinn Stock Exchange and GDRs have been admitted to the official list of the UK Listing Authority and to the market organised by the London Stock Exchange, where listed securities are traded

As a result of the internal restructuring of shareholdings within TeliaSonera after the merger of Telia and Sonera in 2002, Baltic Tele AB became the owner of approx. 49 per cent of the A-shares.

On 30 April 2004 Baltic Tele AB made a voluntary takeover bid to the shareholders of AS Eesti Telekom for the acquisition of all shares of AS Eesti Telekom not already owned by Baltic Tele AB at that time.

The term for accepting the takeover bid ended on 10 June 2004.

Among others, the takeover bid was conditional upon shareholders of AS Eesti Telekom giving acceptances to the takeover bid in such extent that would have resulted in Baltic Tele AB holding at least 85% of all shares of AS Eesti Telekom. As the aforementioned condition was not fulfilled, the rights and obligations determined by the takeover bid did not arise and the holding of Baltic Tele AB in AS Eesti Telekom did not change as a result of the takeover bid.

The annual general meeting of AS Eesti Telekom held on 18 May 2004 decided to convert the B-share into one hundred (100) A-shares by terminating the special rights attached to the B-share and splitting its par value (EEK 1,000) into 100 shares with the par value of EEK 10 each, such shares bearing one vote each. Pursuant to amendments to the articles of association of AS Eesti

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<sup>18</sup> At that time the shareholder of AS EMT was Telia AB.

<sup>19</sup> At that time the shareholder of AS Eesti Telefon was Sonera Holding B.V.

Telekom adopted by the same general meeting, the share capital of AS Eesti Telekom is divided into one class of registered common shares with the nominal value of EEK 10 per share.

Pursuant to the data available from the electronic information system of the Commercial Registry on 28 December 2004, the above-referred amendments to the Articles of Association of AS Eesti Telekom were registered with the Commercial Registry and entered into force on 6 August 2004.

Pursuant to the data available from the web page of the Estonian Central Registry of Securities, the B-share was deleted from the Estonian Central Registry of Securities on 30 August 2004<sup>20</sup>.

#### 4.3. MANAGEMENT BOARD AND SUPERVISORY COUNCIL

As at 28 December 2004, the members of the Management Board of AS Eesti Telekom were:

Name	Year born	Position
Jaan Männik	1945	Chairman
Hille Võrk	1967	Member

As at 28 December 2004, the members of the Supervisory Council of AS Eesti Telekom were:

Name	Year born	Position
Erik Hallberg <sup>21</sup>	1956	Chairman
Kennet Rådne <sup>21</sup>	1957	Member
Raivo Vare	1958	Member
Annika Christiansson <sup>21</sup>	1946	Member
Mats Salomonsson <sup>21</sup>	1950	Member
Alo Kelder	1975	Member
Tarmo Porgand	1977	Member

#### 4.4. ANNUAL REPORTS

The audited annual reports of AS Eesti Telekom 2001, 2002 and 2003 are available for inspection at the locations referred to in Section 5.2. The information may also be viewed at the company's Internet website ([www.telekom.ee](http://www.telekom.ee)).

The financial information below has been extracted from AS Eesti Telekom's audited annual report 2003.

##### AS Eesti Telekom and subsidiary companies (EEK 000')

Income statement	2003	2002 Restated
<b>Revenues</b>		
Renevue	4,777,858	4,468,627
Other operating income	30,393	91,737
<b>Total revenues</b>	<b>4,808,251</b>	<b>4,560,364</b>
<b>Operating expenses</b>		
Change in work-in-progress	-	(452)

<sup>20</sup> [http://statistics.e-register.ee/vaartpaberite\\_nimekiri/paber.php?isin=EE3200007229&lang=en](http://statistics.e-register.ee/vaartpaberite_nimekiri/paber.php?isin=EE3200007229&lang=en)

<sup>21</sup> Representative of TeliaSonera in the Supervisory Council of AS Eesti Telekom.

Materials, consumables, supplies and services	(1,662,093)	(1,455,050)
Other operating expenses	(457,253)	(427,532)
Personnel expenses	(532,140)	(503,698)
Other expenses	(39,164)	(42,730)
<b>Total operating expenses</b>	<b>(2,690,650)</b>	<b>(2,429,462)</b>
<b>Profit / (loss) from operations before depreciation</b>	<b>2,117,601</b>	<b>2,130,902</b>
Depreciation and amortisation	(880,941)	(1,000,468)
<b>Profit / (loss) from operations</b>	<b>1,236,660</b>	<b>1,130,434</b>
Net income / (expenses) from subsidiaries and associates	55,462	(5,153)
Other net financing items	33,495	6,443
<b>Profit before tax</b>	<b>1,325,617</b>	<b>1,131,724</b>
Income tax on dividends	(286,022)	(91,298)
<b>Profit after tax</b>	<b>1,039,595</b>	<b>1,040,426</b>
Minority interest	(4,047)	-
<b>Net profit for the period</b>	<b>1,035,548</b>	<b>1,040,426</b>
<b><i>Earnings per share</i></b>		
Basic earnings per share (in kroons)	7.53	7.57
Diluted earnings per share (in kroons)	7.53	7.57

<b>Balance sheet</b>	<b>2003</b>	<b>2002 Restated</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,275,868	2,673,673
Goodwill	10,287	3,687
Licences, patents and trademarks	113,808	38,853
Investments in subsidiaries and associates	16,638	22,696
Other investments	2,700	2,710
Other non-current assets	6,852	2,048
<b>Total non-current assets</b>	<b>2,426,153</b>	<b>2,743,667</b>
<b>Current assets</b>		
Inventories	97,417	91,769
Trade and other receivables	705,930	644,851
Investments held for trading	48,709	79,054
Cash and cash equivalents	1,320,802	883,989
<b>Total current assets</b>	<b>2,172,858</b>	<b>1,699,663</b>
<b>TOTAL ASSETS</b>	<b>4,599,011</b>	<b>4,443,330</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Issued capital	1,376,445	1,373,833
Reserves	468,410	447,348
Translation reserve	(11)	(25)
Accumulated profits	2,290,218	2,078,979
<b>Total capital and reserves</b>	<b>4,135,062</b>	<b>3,900,135</b>
<b>Minority interest</b>	<b>13,540</b>	<b>-</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	3,694	12,095

Provisions	8,777	7,666
<b>Total non-current liabilities</b>	<b>12,471</b>	<b>19,761</b>
<b>Current liabilities</b>		
Trade and other payables	423,567	478,802
Interest-bearing loans and borrowings	8,346	35,055
Provisions	6,025	9,577
<b>Total current liabilities</b>	<b>437,938</b>	<b>523,434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,599,011</b>	<b>4,443,330</b>

<b>Cash flow statement</b>	<b>2003</b>	<b>2002 Restated</b>
<b>Operating activities</b>		
Profit / (loss) from operations	1,236,660	1,130,434
Adjustments for:		
Depreciation and amortisation	880,941	1,000,468
(Profit) / loss from sales and write-off of fixed assets	(6,231)	(54,718)
Increase in retirement benefit provisions	2,273	-
Operating cash flow before working capital changes	2,113,643	2,076,184
Change in current receivables	(43,213)	(94,409)
Change in inventories	(3,006)	13,335
Change in current liabilities	(70,512)	2,198
Cash generated by operations	1,996,912	1,997,308
Interest paid	(1,868)	(9,395)
Income tax paid	(286,022)	(91,298)
<b>Net cash from / (used in) operating activities</b>	<b>1,709,022</b>	<b>1,896,615</b>
<b>Investing activities</b>		
Purchase of property plant and equipment	(473,180)	(593,035)
Purchase of licences	(90,263)	(33,682)
Proceeds from sales of property, plant and equipment	30,652	85,421
Acquisition of subsidiaries	(24,593)	(26)
Proceeds from sales of subsidiaries	68,137	-
Acquisition of associated companies	-	(10,000)
Repayment of long-term promissory note	-	-
Purchase of trading investments	(48,709)	(236,942)
Proceeds on disposal of trading investments	79,079	218,868
Loans granted	(2,248)	(440)
Cash receipts from repayment of loans	60	86
Dividends received	8	96
Interest received	28,941	16,736
<b>Net cash from / (used in) investing activities</b>	<b>(432,116)</b>	<b>(552,918)</b>
<b>Financing activities</b>		
Proceeds from long-term convertible debt	-	484
Repayment of long-term convertible debt	(224)	(10)
Proceeds from nonconvertible long-term debt	360	1,576
Repayment of nonconvertible long-term debt	(13,326)	(5,308)
Repayment of long-term borrowings	(23,273)	(79,238)
Repayment of obligations under finance lease liabilities	(1,066)	(17,769)
Repayment of short-term borrowings	(810)	-
Shares issuance (Rights Offering)	23,413	-
Dividends paid	(824,309)	(755,617)
<b>Net cash used in financing activities</b>	<b>(839,235)</b>	<b>(855,882)</b>

<b>Net increase in cash and cash equivalents</b>	<b>437,671</b>	<b>487,815</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of year</b>	<b>883,989</b>	<b>403,633</b>
Effect of foreign exchange rate changes	(858)	(7,459)
<b>Cash and cash equivalents at end of year</b>	<b>1,320,802</b>	<b>883,989</b>

## **5. OTHER INFORMATION**

### **5.1. SOURCES OF INFORMATION**

The following main sources of information have been used for composing this document:

- 1) Articles of Association of AS Eesti Telekom
- 2) Electronic information system of the Estonian Commercial Registry  
[https://info.eer.ee/ari/ariweb\\_package.avaleht?keel=1](https://info.eer.ee/ari/ariweb_package.avaleht?keel=1)
- 3) Web page of AS Eesti Telekom ([www.telekom.ee](http://www.telekom.ee)), web page of Elion Ettevõtted AS ([www.elion.ee](http://www.elion.ee)) and web page of AS EMT ([www.emt.ee](http://www.emt.ee))
- 4) Web page of TeliaSonera AB, [www.teliasonera.com](http://www.teliasonera.com)
- 5) Web page of Tallinn Stock Exchange, <http://www.ee.omxgroup.com/>

### **5.2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available to Shareholders for inspection at the Hansapank branch at Liivalaia 8, Tallinn, Estonia from 9 a.m to 5 p.m on any day (Saturdays, Sundays and public holidays excepted) during the Offer Period:

- 1) Prospectus (with Appendices)
- 2) TeliaSonera annual reports 2002 and 2003 (in English)
- 3) AS Eesti Telekom annual reports 2001, 2002 and 2003

### **5.3. APPENDICES**

- 1) List of TeliaSonera Group Companies
- 2) Baltic Tele AB annual reports 2001, 2002 and 2003 (translations into English)

## APPENDIX 1

### List of TeliaSonera Group Companies (as at 28 December 2004)

Company name (according to certificate of registration)	Registration number	Registered office	Country
<b>TeliaSonera AB (publ)</b>	556103-4249	Stockholm	SE
<b>Amber Mobile Teleholding AB</b>	556554-7774	Stockholm	SE
UAB Omnitel	1030528	Vilnius	LT
<b>Amber Teleholding A/S</b>	20758694	København	DK
AB Lietuvos Telekomas	2121543	Vilnius	LT
UAB Comliet		Vilnius	LT
UAB Comliet Sprendimai		Kaunas	LT
Comliet-Kaliningrad		Kaliningrad	RU
Comliet-Kaliningrad		Kaliningrad	RU
AS Telegrupp	10201478	Tallinn	EE
UAB Lietuvos telekomo verslo sprendimai	3451716	Vilnius	LT
UAB Lintel		Vilnius	LT
UAB Voicecom		Vilnius	LT
VsI Lietuvos Telekomo sporto klubas		Vilnius	LT
UAB Baltic Data Center		Vilnius	LT
SIA Baltic Data Center		Riga	LV
<b>Baltic Tele AB</b>	556454-0085	Stockholm	SE
AS Eesti Telekom	10234957	Tallinn	EE
AS EMT	10096159	Tallinn	EE
AS Mobile Wholesale	10096418	Tallinn	EE
EMT Esindused AS	10003940	Tallinn	EE
Elion Ettevõtted AS	10283074	Tallinn	EE
AS Elion Esindus	10457261	Tallinn	EE
AS Esdata	10279799	Tallinn	EE
Eltel Networks AS	10722319	Tallinn	EE
Reveko Telekom AS	10078032	Tallinn	EE
SIA Connecto Latvia		Riga	LV
UAB Lidivos Technologijos		Vilnius	LT
<b>Halebop AB</b>	556603-7312	Stockholm	SE
<b>Infonet Svenska AB</b>	556263-3080	Stockholm	SE
<b>Netpool Sverige AB</b>	556557-4554	Stockholm	SE
<b>NorSea Com AS</b>	979696892	Oslo	NO
<b>Phone Park AB</b>	556523-1478	Bollnäs	SE
<b>Sergel Kredittjänster AB</b>	556264-8310	Stockholm	SE
<b>SIA Telia Latvija</b>	40003057574	Riga	LV
<b>Sonera Corporation U.S.</b>	2890416	Wilmington, DE	US
<b>Sonera Deutschland GmbH</b>	HRB36244	Düsseldorf	DE
<b>Sonera Sverige AB</b>	556476-3133	Stockholm	SE
Telecom Finland AB	556552-1803	Stockholm	SE
<b>Sonera UK Ltd</b>	03857926	London	GB
<b>Speedy Tomato Oy Ab</b>	1475296-7	Helsingfors	FI
<b>Tele Control Communications Ibérica, S.A.</b>	A79245155	Madrid	ES
<b>Teli System Support AB</b>	556258-5769	Stockholm	SE
DOF AB	556173-3808	Stockholm	SE
Netpool International AB	556557-4562	Stockholm	SE
Näringslivets Informationsservice, NärInfo AB	556199-4616	Stockholm	SE
Svenska Videotex AB	556429-6696	Stockholm	SE

TeleMedia Group TMG AB	556429-6704	Stockholm	SE
Telemuseum AB	556588-0944	Stockholm	SE
Telia Fordon AB	556287-3983	Stockholm	SE
Telia Förlagslån AB	556210-0932	Stockholm	SE
Telia InfoMedia Content Center AB	556479-7370	Stockholm	SE
Telia InfoMedia Partner AB	556429-6688	Stockholm	SE
<b>Telia Business Innovation AB</b>	556559-2473	Stockholm	SE
Unite AB	556583-2234	Helsingborg	SE
<b>Telia Communications AB</b>	556027-2287	Haninge	SE
<b>Telia Credit AB</b>	556404-6661	Stockholm	SE
Telia Credit Danmark (branch)	25370457	Glostrup	DK
<b>Telia Electronic Commerce AB</b>	556228-8976	Stockholm	SE
<b>Telia exBN AB</b>	556455-2304	Stockholm	SE
Telia Consulting AB	556474-4976	Stockholm	SE
<b>Telia Exorb AB</b>	556599-4729	Stockholm	SE
<b>Telia Fastigheter AB</b>	556343-6434	Stockholm	SE
AB Jericho Holding	556549-5768	Stockholm	SE
Fastighets AB Söderbymalm	556414-2015	Stockholm	SE
Telaris Fastigheter och Bostäder AB	556248-4450	Stockholm	SE
KB Malholmen Fastigheter	969646-1525	Stockholm	SE
KB Malmholmen	969646-0428	Stockholm	SE
KB Malholmen Fastigheter	969646-1525	Stockholm	SE
KB Malmholmen	969646-0428	Stockholm	SE
<b>Telia Försäljning AB</b>	556248-6240	Stockholm	SE
<b>Telia Handel AB</b>	556323-0258	Stockholm	SE
<b>Telia Holding Personal AB</b>	556595-2958	Stockholm	SE
<b>Telia InfoMedia Interactive AB</b>	556138-5781	Stockholm	SE
<b>Telia International AB</b>	556352-1284	Stockholm	SE
TeliaSonera International Carrier UK Ltd	02796345	London	GB
Tirex Global Trading Ltd.	03847797	London	GB
<b>Telia International Carrier Networks Pte Ltd.</b>		Singapore	SG
<b>Telia International Holdings AB</b>	556572-1486	Stockholm	SE
Telia International Holdings B.V.	34132663	Hoofddorp	NL
Speedy Tomato AB	556572-1510	Stockholm	SE
Telia Telecommunications International B.V.	34135584	Hoofddorp	NL
<b>Telia International Management AB</b>	556595-2917	Stockholm	SE
OAo Kontakt-S		Priozersk	RU
<b>Telia Internet Partner AB</b>	556572-1494	Stockholm	SE
<b>Telia Internet Services AB</b>	556559-5930	Stockholm	SE
<b>Telia Internet Services Management AB</b>	556248-8410	Stockholm	SE
<b>Telia Lager 15 AB</b>	556588-0928	Stockholm	SE
<b>Telia Lithuania AB</b>	556452-9617	Stockholm	SE
<b>Telia Net Fastigheter AB</b>	556368-4801	Stockholm	SE
<b>Telia NetCom Holding AS</b>	954393232	Oslo	NO
NetCom ASA	965361413	Oslo	NO
NetCom AS	951589888	Oslo	NO
Nettselskapet AS	979438362	Oslo	NO
Mother ANS	982358108	Oslo	NO
Mother ANS	982358108	Oslo	NO
<b>Telia Networks Management AB</b>	556468-4388	Stockholm	SE
<b>Telia Networks Podjetje za Telekomunikacije d.o.o.</b>	1555472	Ljubljana	SI
<b>Telia Networks Portugal S.A. (tbr TeliaSonera International Carrier Portugal S.A.)</b>	505019655	Algés	PT
<b>Telia Norge AS</b>	975961176	Oslo	NO
North Sea Communications AS	986520635	Oslo	NO
<b>Telia Norge Holding AB</b>	556591-9759	Stockholm	SE

NetCom ASA	965361413	Oslo	NO
NetCom AS	951589888	Oslo	NO
Nettselskapet AS	979438362	Oslo	NO
Mother ANS	982358108	Oslo	NO
Mother ANS	982358108	Oslo	NO
<b>Telia Nättjänster Norden AB</b>	556459-3076	Stockholm	SE
Telia Net (branch)	20367997	Glostrup	DK
<b>Telia Online AB</b>	556240-6396	Stockholm	SE
<b>Telia Partner AB (publ)</b>	556458-7011	Stockholm	SE
<b>Telia Promotor AB</b>	556255-1902	Stockholm	SE
<b>Telia Research AB</b>	556235-8738	Stockholm	SE
<b>Telia Scanswitch AB</b>	556345-6622	Stockholm	SE
<b>Telia Service Oy</b>	0676258-3	Espoo	FI
<b>TeliaSonera Danmark A/S</b>	18530740	Glostrup	DK
Holmbladsgade 139 A/S	28115792	København	DK
Powercom Holding A/S	25943317	Glostrup	DK
Telia Telecom A/S	20595108	Glostrup	DK
Telia Stofa A/S	42405310	Horsens	DK
ApS Anelro - Handelsfirma for elektroniske specialprodukter	24318516	Horsens	DK
Stofa Kommunikationsnet Aalborg ApS	46402111	Horsens	DK
Telia Telecom A/S	20595108	Glostrup	DK
<b>TeliaSonera Finland Oyj</b>	1475607-9	Helsinki	FI
Consaura Oy	1612560-9	Helsinki	FI
Data-Info Oy	0606359-8	Helsinki	FI
Gesam Oy	0518220-2	Helsinki	FI
Helsingin Teollisuuskatu 13 Oy	0523953-9	Helsinki	FI
Intellect Capital Ventures	3173982	Los Angeles, CA	US
Intellitel Communications Oy	0968783-0	Lappenranta	FI
Kiinteistö Oy Saajomaja	0495161-2	Helsinki	FI
Kiinteistö Oy Sturenportti	0631183-8	Helsinki	FI
Mspace Oy	1585379-4	Helsinki	FI
Sonera Belgium N.V.		Zaventem	BE
Sonera Carrier Networks Oy	1566178-4	Helsinki	FI
Sonera Holding B.V.	33271992	Rotterdam	NL
Reach Out Mobile AB	556593-4881	Stockholm	SE
Sonera Hungary Holding B.V.	24311137	Rotterdam	NL
Sonera Italian UMTS Holding B.V.	24311525	Rotterdam	NL
Sonera Secure Technologies Oy	1571416-1	Helsinki	FI
Sonera SmartTrust Holding B.V.	24300349	Rotterdam	NL
Sonera UMTS Sweden Holding B.V.	24311056	Rotterdam	NL
Tilts Communications A/S	17260642	København	DK
Latvijas Mobilais Telefons SIA	40003050934	Riga	LV
Sonera International N.V.	BL622632	Zaventem	BE
Fintur Holdings B.V.	24111385	Rotterdam	NL
Fintur International B.V.	24324358	Rotterdam	NL
Global LLC		Tbilisi	GE
Molfintur S.R.L.	177020778	Chisinau	MD
Moldcell S.A.	177019701	Chisinau	MD
Gürtel Telekomünikasyon Yatirim ve Dis Ticaret A.S.	357463-305045	Istanbul	TR
Geocell LLC		Tbilisi	GE
Moldcell S.A.	177019701	Chisinau	MD
Azertel Telekomünikasyon Yatirim Dis Ticaret A.S.	346411-293993	Istanbul	TR
Azercell Telekom B.M.		Baku	AZ
Azeronline B.M.		Baku	AZ
GSM Kazakhstan LLP	19305-1910-TOO	Almaty	KZ

Fintur Holdings B.V.	24111385	Rotterdam	NL
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Azercell Telekom B.M.		Baku	AZ
Azeronline B.M.		Baku	AZ
GSM Kazakhstan LLP	19305-1910-TOO	Almaty	KZ
Latvijas Mobilais Telefons SIA	40003050934	Riga	LV
Fintur Holdings B.V.	24111385	Rotterdam	NL
Fintur International B.V.	24324358	Rotterdam	NL
Global LLC		Tbilisi	GE
Molfintur S.R.L.	177020778	Chisinau	MD
Moldcell S.A.	177019701	Chisinau	MD
Gürtel Telekomünikasyon Yatırım ve Dis Ticaret A.S.	357463-305045	Istanbul	TR
Geocell LLC		Tbilisi	GE
Moldcell S.A.	177019701	Chisinau	MD
Azertel Telekomünikasyon Yatırım Dis Ticaret A.S.	346411-293993	Istanbul	TR
Azercell Telekom B.M.		Baku	AZ
Azeronline B.M.		Baku	AZ
GSM Kazakhstan LLP	19305-1910-TOO	Almaty	KZ
Sonera 3G Holding B.V.	24300363	Rotterdam	NL
Sonera Juxto AB	556228-3464	Ånge	SE
Sonera Media Holding B.V.	24300357	Rotterdam	NL
Sonera Mobile Networks Oy	1628641-0	Helsinki	FI
Sonera Telekomünikasyon Hizmetleri L.S.		Istanbul	TR
TelAdvent L.P.	2705077	Boston, MA	US
Tele Finland Oy	1099504-8	Helsinki	FI
Telering Oy	1566165-3	Helsinki	FI
Unibase Oy	1554428-9	Helsinki	FI
Auria Oy	0134817-2	Loimaa	FI
ASP Suomi Oy	1593055-0	Turku	FI
Auria Networks Oy	1862355-6	Turku	FI
Espoon Puhelin Oy	1598842-9	Espoo	FI
Laatukaista Oy	1002619-1	Helsinki	FI
Sano Tietoliikennepalvelut Oy	1546805-2	Turku	FI
Suomen Antennitoimi Oy	0646950-4	Turku	FI
Sähkötaso Oy	0982276-4	Tampere	FI
Turku-Portaali Oy	1634607-3	Turku	FI
Turun Matkapuhelin Oy	1063763-8	Turku	FI
Veikon Kone Oy	0115764-0	Helsinki	FI
West Connection Oy	1563075-0	Turku	FI
Turun Konemyynti Oy	1549408-2	Turku	FI
Kuulalaakeri Oy	1545919-9	Turku	FI
Koreo Oy	0927064-8	Turku	FI
Sonera 3G Holding B.V.	24300363	Rotterdam	NL
Oy Infonet Finland Ltd	0912434-1	Helsinki	FI
Päämies-kauppiat Oy	1090044-0	Helsinki	FI
Aribom Oy	0860899-3	Helsinki	FI
Künteistö Oy Pietarsaaren Isokatu 8	0181832-2	Pietarsaari	FI
UAB Sontel	UI 98-355	Vilnius	LT

Sonera International N.V.	BL622632	Zaventem	BE
<b>TeliaSonera Försäkring AB</b>	516401-8490	Stockholm	SE
Telia Reinsurance S.A.	B53015	Luxembourg	LU
<b>TeliaSonera International Carrier AB</b>	556583-2226	Stockholm	SE
TeliaSonera International Carrier France S.A.	B421204793	Puteaux	FR
<b>TeliaSonera International Carrier Austria GmbH</b>	FN191783i	Wien	AT
<b>TeliaSonera International Carrier Belgium S.A.</b>	RCB638443	Bruxelles	BE
<b>TeliaSonera International Carrier Czech Republic a.s.</b>	26207842	Praha	CZ
<b>TeliaSonera International Carrier Denmark A/S</b>	24210413	Glostrup	DK
<b>TeliaSonera International Carrier Finland Ab</b>	1649304-9	Helsinki	FI
<b>TeliaSonera International Carrier Germany GmbH</b>	HRB50081	Frankfurt am Main	DE
<b>TeliaSonera International Carrier Hong Kong Ltd.</b>	700272	Hong Kong	HK
<b>TeliaSonera International Carrier Hungaria Távközlési Kft.</b>	01-09-688192	Budapest	HU
<b>TeliaSonera International Carrier Ireland Ltd.</b>	347074	Dublin	IE
<b>TeliaSonera International Carrier Italy S.p.A.</b>	29580/2000	Torino	IT
<b>TeliaSonera International Carrier Latvia SIA</b>	40003251354	Riga	LV
<b>TeliaSonera International Carrier Luxembourg S.A.</b>	B73909	Luxembourg	LU
<b>TeliaSonera International Carrier Netherlands B.V.</b>	34128048	Amsterdam	NL
<b>TeliaSonera International Carrier Norway AS</b>	981946685	Oslo	NO
<b>TeliaSonera International Carrier Poland Sp. z o.o.</b>	KRS0000018616	Warszawa	PL
Infrainvest Sp. z o.o.	KRS0000027464	Warszawa	PL
Prima Communications Sp. z o.o.	KRS0000002409	Warszawa	PL
<b>TeliaSonera International Carrier Spain S.A.</b>	A82573072	Madrid	ES
<b>TeliaSonera International Carrier Switzerland AG</b>	2171000547-8	Zürich	CH
<b>TeliaSonera International Carrier, Inc.</b>	541837195	Herndon, VA	US
Telia Leasing, Inc.	542002780	Reston, VA	US
<b>TeliaSonera IT-Service AB</b>	556329-5566	Haninge	SE
<b>TeliaSonera Mobile Networks AB</b>	556025-7932	Nacka	SE
Telia Mobile (branch)	19797945	Glostrup	DK
TeliaSonera Mobile Networks Finland (branch)	1501177-3	Helsingfors	FI
<b>TeliaSonera Network Sales AB</b>	556458-0040	Stockholm	SE
<b>TeliaSonera Payphone AB</b>	556446-3734	Sundbyberg	SE
<b>TeliaSonera Sverige AB</b>	556430-0142	Stockholm	SE
<b>Thoreb ITMobile AB</b>	556480-1180	Stockholm	SE
<b>UAB TeliaSonera International Carrier Lietuva</b>	1169051	Vilnius	LT
<b>ZAO Telia International Carrier Russia</b>	1027700557169	Moskva	RU
<b>ZAO TeliaSonera International Carrier Russia</b>	1027809197327	Moskva	RU
<b>TeliaSonera International Carrier France S.A.</b>	B421204793	Puteaux	FR
<b>Telia Swedtel (Philippines), Inc.</b>	AS095-003695	Manila	PH
<b>Telia Reinsurance S.A.</b>	B53015	Luxembourg	LU
<b>Telia S.P.R.L.</b>	RCB559938	Bruxelles	BE
TeliaSonera International Carrier France S.A.	B421204793	Puteaux	FR
<b>UAB Sontel</b>	UI 98-355	Vilnius	LT
<b>Latvijas Mobilais Telefons SIA</b>	40003050934	Riga	LV

## APPENDIX 2

### Baltic Tele AB annual reports 2001, 2002 and 2003 (translations into English)

#### Baltic Tele AB Annual Report 2001

The Board of Directors and the Managing Director herewith submit the annual report for the financial year 1 January 2001 - 31 December 2001.

#### Directors' Report

##### Operations

Telia AB and Sonera Corporation each own 50 per cent of Baltic Tele AB. During the financial year, Baltic Tele AB has co-ordinated the interests of Telia and Sonera within AS Eesti Telefon, and managed its ownership within AS Eesti Telekom.

##### Holdings in associated companies

Baltic Tele AB owns 25.5% of AS Eesti Telekom. AS Eesti Telekom is a holding company which conducts telecommunications operations within the fixed and mobile telecommunications networks in Estonia through the wholly-owned subsidiaries, AS Eesti Telefon, and AS Eesti Mobiiltelefon.

##### Proposed appropriation of profits

The following profits are at the disposal of the general meeting:

Retained profits	73 589 436
Profit for the year	<u>111 412 473</u>
SEK	185 001 909

The Board of Directors proposes that the profits be appropriated so that:

A dividend is paid to the shareholders of	113 600 000
Profit carried forward	<u>71 401 909</u>
SEK	185 001 909

The company's results and financial position in general for the last two financial years are set forth in the following profit and loss account and balance sheet and comments to the accounts containing accounting principles and related notes.

Profit and loss account (SEK)	Note	2001	2000
Net sales		932 005	860 325
<b>Gross profit</b>		<b>932 005</b>	<b>860 325</b>
Sales expenses		-933 995	-869 150
Administration expenses		-66 000	-66 000

Other operating expenses	-77 153	-68 711
	-1 077 148	-1 003 861
<b>Operating loss</b>	<b>-145 143</b>	<b>-143 536</b>
<i>Profit/loss from financial investments:</i>		
Dividends from associated companies	111 421 892	74 549 607
Interest expenses	134 547	151 817
Exchange rate differences	1 177	5 154
	111 557 616	74 706 578
<b>Profit after financial items</b>	<b>111 412 473</b>	<b>74 563 042</b>
Tax on the year's result	0	0
<b>Profit for the year</b>	<b>111 412 473</b>	<b>74 563 042</b>

#### Balance sheet (SEK)

Note 31 Dec. 2001 31 Dec. 2000

#### ASSETS

##### Fixed assets

###### *Financial fixed assets*

Interests in associated companies	3	196 000 000	196 000 000
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##### **Total fixed assets**

<b>196 000 000</b>	<b>196 000 000</b>
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##### Current assets

###### *Current receivables*

Trade debtors	159 105	74 550
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Other receivables	4 177	4 125
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163 282	78 675
---------	--------

<b>Cash and bank balances</b>	1 012 732	6 005 411
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<b>Total current assets</b>	<b>1 176 014</b>	<b>6 084 086</b>
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<b>Total assets</b>	<b>197 176 014</b>	<b>202 084 086</b>
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#### EQUITY AND LIABILITIES

Note 31 Dec. 2001 31 Dec. 2000

##### Equity

4

###### *Restricted equity*

Share capital (100,000 shares, each at nominal value SEK 100 SEK)	10 000 000	10 000 000
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Statutory reserve	2 000 000	2 000 000
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12 000 000	12 000 000
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###### *Unrestricted equity*

Retained profits	73 589 436	115 426 394
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Profit for the year	111 412 473	74 563 042
---------------------	-------------	------------

185 001 909	189 989 436
-------------	-------------

<b>Total equity</b>		<b>197 001 909</b>	<b>201 989 436</b>
<b>Current liabilities</b>			
Trade creditors		159 105	74 650
Accrued expenses and deferred income	5	15 000	20 000
<b>Total current liabilities</b>		<b>174 105</b>	<b>94 650</b>
<b>Total equity and liabilities</b>		<b>197 176 014</b>	<b>202 084 086</b>

<b>Security provided</b>		None	None
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**Contingent liabilities**

Conditional shareholders' contribution		186 000 000	186 000 000
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**Notes (SEK)**

**Note 1 Accounting and valuation principles**

Receivables are recorded in the amount which is expected to be received. Liabilities are reported at nominal value. Valuation of receivables and liabilities in foreign currencies has occurred in accordance with Recommendation Number 7 issued by the Swedish Accounting Standards Board.

**Note 2 Average number of employees and salaries**

The company does not have any employees; rather, it is managed on a consultancy basis by Telia AB, Economy. No compensation has been paid to the Board of Directors and the Managing Director.

**Note 3 Interests in associated companies**

	<i>Share of equity</i>	<i>Share of voting rights</i>	<i>Number of shares</i>	<i>Book value</i>
AS Eesti Telekom	25.5%	25.5%	35 032 710	196 000 000
Share of equity	547 901 216			
Share of the year's result	117 503 296			

**Note 4 Changes in equity**

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Retained profit</i>	<i>The year's result</i>
<b>OPENING BALANCE</b>	<b>10 000 000</b>	<b>2 000 000</b>	<b>115 426 394</b>	<b>74 563 042</b>
Appropriation of profits according to resolution adopted at general meeting			74 563 042	-74 563 042

Dividend			-116 400 000	
Profit/loss for the year				111 412 473
<b>CLOSING BALANCE</b>	<b>10 000 000</b>	<b>2 000 000</b>	<b>73 589 436</b>	<b>111 412 473</b>

<b>Note 5</b>	<b>Accrued expenses and deferred income</b>	<b>2001</b>	<b>2000</b>
Deferred expenses		0	0
Accrued auditor's fees		15 000	20 000
<b>Total</b>		<b>15 000</b>	<b>20 000</b>

**Signatures of the members of the Board of Directors**

Stockholm, - 2002

Mart Nurk

Semi Korpela

Morgan Ekberg

Timo Virtanen

Mats Öberg, Managing Director

**Auditor's signature**

My auditor's report regarding this annual report was submitted on - - 2001

Lars-Olov Steen

Authorised public accountant

## Baltic Tele AB Annual Report 2002

The Board of Directors and the Managing Director herewith submit the annual report for the financial year 1 January 2002 - 31 December 2002.

### Directors' Report

#### Ownership

TeliaSonera AB and Sonera Holding B.V each own 50 per cent of Baltic Tele AB. Sonera Holding B.V. is a subsidiary of Sonera Oyj which, in turn, is owned to 100 per cent by TeliaSonera AB.

#### Operations

During the financial year, Baltic Tele AB has co-ordinated the interests of Telia and Sonera within AS Eesti Telefon and managed its ownership within AS Eesti Telekom.

#### Holdings in associated companies

Baltic Tele AB owns 25.5 per cent of AS Eesti Telekom. AS Eesti Telekom is a holding company which conducts telecommunications operations within the fixed and mobile telecommunications network in Estonia through the wholly-owned subsidiaries, AS Eesti Telefon, and AS Eesti Mobiiltelefon.

#### Proposed appropriation of profits

The following profits are at the disposal of the general meeting:

Retained profits	71 401 909
Profit for the year	<u>112 954 750</u>
SEK	184 356 659

The Board of Directors proposes that the profits be appropriated so that:

A dividend is paid to the shareholders of	122 512 000
Profit carried forward	<u>61 844 659</u>
SEK	184 356 659

The company's results and financial position in general for the last two financial years are set forth in the following profit and loss account and balance sheet and comments to the accounts containing accounting principles and related notes.

Profit and loss account (SEK)	Note	2002	2001
Net sales		0	932 005
Gross profit		0	932 005

Sales expenses	0	-933 995
Administration expenses	-66 000	-66 000
Other operating expenses	<u>-75 653</u>	<u>-77 153</u>
	-141 653	-1 077 148
<b>Operating loss</b>	<b>-141 653</b>	<b>-145 143</b>
<i>Profit/loss from financial investments:</i>		
Dividends from associated companies	113 056 861	111 421 892
Interest expenses	40 640	134 547
Exchange rate differences	<u>-1 098</u>	<u>1 177</u>
	113 096 403	111 557 616
<b>Profit after financial items</b>	<b>112 954 750</b>	<b>111 412 473</b>
Tax on the year's result	0	0
<b>Profit for the year</b>	<b>112 954 750</b>	<b>111 412 473</b>

Balance sheet (SEK)	Note	31 Dec. 2002	31 Dec. 2001
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial fixed assets</i>			
Interests in associated companies	3	196 000 000	196 000 000
<b>Total fixed assets</b>		<b>196 000 000</b>	<b>196 000 000</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade debtors		0	159 105
Other receivables		<u>6 625</u>	<u>4 177</u>
		6 625	163 282
<b>Cash and bank balances</b>		356 284	1 012 732
<b>Total current assets</b>		<b>362 909</b>	<b>1 176 014</b>
<b>Total assets</b>		<b>196 362 909</b>	<b>197 176 014</b>

EQUITY AND LIABILITIES	Note	31 Dec. 2002	31 Dec. 2001
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (100,000 shares, each at nominal value SEK 100)		10 000 000	10 000 000
Statutory reserve		<u>2 000 000</u>	<u>2 000 000</u>
		12 000 000	12 000 000
<i>Unrestricted equity</i>			
Retained profits		71 401 909	73 589 436
Profit for the year		<u>112 954 750</u>	<u>111 412 473</u>
		184 356 659	185 001 909

<b>Total equity</b>		<b>196 356 659</b>	<b>197 001 909</b>
<b>Current liabilities</b>			
Trade creditors		6 250	159 105
Accrued expenses and deferred income	5	0	15 000
<b>Total current liabilities</b>		<b>6 250</b>	<b>174 105</b>
<b>Total equity and liabilities</b>		<b>196 362 909</b>	<b>197 176 014</b>
<hr/>			
<b>Security provided</b>		None	None
<b>Contingent liabilities</b>			
Conditional shareholders' contribution		186 000 000	186 000 000
<hr/>			

## Notes (SEK)

### Note 1 Accounting and valuation principles

Receivables are reported in the amount which is expected to be received. Liabilities are reported at nominal value. Valuation of receivables and liabilities in foreign currencies has occurred in accordance with Recommendation Number 7 issued by the Swedish Accounting Standards Board.

### Note 2 Average number of employees and salaries

The company does not have any employees; rather, it is managed on a consultancy basis by Telia AB, Economy. No compensation has been paid to the Board of Directors and the Managing Director.

### Note 3 Interests in associated companies

	<i>Share of equity</i>	<i>Share of voting rights</i>	<i>Number of shares</i>	<i>Book value</i>
AS Eesti Telekom	25.5%	25.5%	35 032 710	196 000 000
Share of equity	584 288 975			
Share of the year's result	155 408 510			

### Note 4 Changes in equity

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Retained profit</i>	<i>The year's result</i>
<b>OPENING BALANCE</b>	<b>10 000 000</b>	<b>2 000 000</b>	<b>73 589 436</b>	<b>111 412 473</b>
Appropriation of profits according to resolution adopted at general meeting			111 412 473	-111 412 473

Dividend			-113 600 000	
Result for the year				112 954 750
<b>CLOSING BALANCE</b>	<b>10 000 000</b>	<b>2 000 000</b>	<b>71 401 909</b>	<b>112 954 750</b>

<b>Note 5</b>	<b>Accrued expenses and deferred income</b>	<b>2002</b>	<b>2001</b>
Deferred income		0	0
Accrued auditor's fees		0	15 000
<b>Total</b>		<b>0</b>	<b>15 000</b>

**Signatures of the members of the Board of Directors**

Stockholm, 19 June 2003

\_\_\_\_\_  
Mats Salomonsson

\_\_\_\_\_  
Ingrid Stenmark

\_\_\_\_\_  
Erik Hallberg

**Auditor's signature**

My auditor's report regarding this annual report was submitted on - - 2003

\_\_\_\_\_  
Lars-Olov Steen

Authorised public accountant

**Baltic Tele AB**  
**Annual Report**  
**2003**

The Board of Directors herewith submits the annual report for the financial year 1 January 2003 - 31 December 2003.

**Directors' report**

**Ownership relations**

Baltic Tele AB is a 100% subsidiary of TeliaSonera AB.

**Operations**

During the financial year, Baltic Tele AB has managed its holding in AS Eesti Telekom. Baltic Tele AB does not prepare a separate annual report of the group but refers to the annual report of the group of TeliaSonera AB, registry code 556103-4249. The seat of the management board of TeliaSonera AB is Stockholm.

**Associated companies**

Baltic Tele AB owns 48.91% of the shares in AS Eesti Telekom. AS Eesti Telekom is a holding company actively engaged in the field of telecommunication, which conducts telecommunications operations within the fixed and mobile telecommunications networks in Estonia through its 100% subsidiaries AS EMT (mobile telecommunication networks) and Elion Ettevõtte AS (fixed telecommunications networks).

**Proposals regarding profit distribution**

The following profits are at the disposal of the general meeting:

Retained profits	61,844,659
Profit for the year	<u>122,100,183</u>
SEK	183,944,842

The Board of Directors proposes that the profits be distributed as follows:

Dividend payable to shareholders	183,940,000
Profit carried forward	<u>4,842</u>
SEK	183,944,842

The company's results and financial position in general for the last two financial years are set forth in the following profit and loss account and balance sheet and comments to the accounts, accounting principles and notes.

<b>Profit and loss account (SEK)</b>	<b>Note</b>	<b>2003</b>	<b>2002</b>
Administration expenses		-66,000	-66,000
Other operating expenses	2	<u>-60,070</u>	<u>-75,653</u>
		-126,070	-141,653
<b>Operating profit (loss)</b>		<b>-126,070</b>	<b>-141,653</b>
<i>Profit/loss from financial investments:</i>			
Dividends from associated companies		122,481,361	113,056,861
Interest gain		75,609	40,640
Interest expenses		-330,179	0
Exchange rate differences		<u>-538</u>	<u>-1,098</u>
		122,226,253	113,096,403
<b>Profit after financial items</b>		<b>122,100,183</b>	<b>112,954,750</b>
Tax on the year's result		0	0
<b>Profit for the annual year</b>		<b>122,100,183</b>	<b>112,954,750</b>

Balance sheet (SEK)	Note	31.12.2003	31.12.2002
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial fixed assets</i>			
Interests in associated companies	4	2,144,861,399	196,000,000
<b>Total fixed assets</b>		<b>2,144,861,399</b>	<b>196,000,000</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Other receivables		4,125	6,625
		<hr/>	<hr/>
		4,125	6,625
<b>Cash and bank balances</b>		7,969	356,284
<b>Total current assets</b>		<b>12,094</b>	<b>362,909</b>
<b>Total assets</b>		<b>2,144,873,493</b>	<b>196,362,909</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (100,000 shares, each at nominal value SEK 100)			
		10,000,000	10,000,000
Statutory reserve		2,000,000	2,000,000
		<hr/>	<hr/>
		12,000,000	12,000,000
<i>Unrestricted equity</i>			
Retained profits		61,844,659	71,401,909
Profit for the year		122,100,183	112,954,750
		<hr/>	<hr/>
		183,944,842	184,356,659
<b>Total equity</b>		<b>195,944,842</b>	<b>196,356,659</b>
<b>Current liabilities</b>			
Debts to parent companies		1,948,928,651	0
Trade creditors		0	6,250
<b>Total current liabilities</b>		<b>1,948,928,651</b>	<b>6,250</b>
<b>Total equity and liabilities</b>		<b>2,144,873,493</b>	<b>196,362,909</b>
<b>Securities provided</b>		none	none
<b>Contingent liabilities</b>			
Conditional shareholders' contribution		186,000,000	186,000,000

## Notes (SEK)

### Note 1 Accounting and valuation principles

The annual report has been prepared in compliance with the provisions of the Annual Report Act and the recommended general practices of the Accounting Standards Board.

### Note 2 Inter-group purchases and sales

52% (46%) of the yearly expenses form purchases from group companies.

### Note 3 Average number of employees and salaries

The company does not have any employees; rather, it is managed on a consultancy basis by TeliaSonera AB, Ekonomi. No remuneration has been paid to the Board of Directors.

### Note 4 Interests in associated companies

	<i>Share of equity</i>	<i>Share of votes</i>	<i>Number of shares</i>	<i>Book value</i>
AS Eesti Telekom	48.91%	48.91%	67,317,756	2,144,861,399
Share of equity	1,175,302,139			
Share of the year's result	295,983,312			

### Note 5 Changes in equity

	<i>Equity</i>	<i>Reserve capital</i>	<i>Retained profits</i>	<i>Profit for the year</i>
<b>Opening balance</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>71,401,909</b>	<b>112,954,750</b>
Distribution of profits pursuant to the resolution of the general meeting as dividend			112,954,750	112,954,750
Profit/loss for the year			-122,512,000	122,100,183
<b>Closing balance</b>	<b>10,000,000</b>	<b>2,000,000</b>	<b>61,844,659</b>	<b>122,100,183</b>

### Signatures of the members of the Board of Directors

Stockholm 23 April 2004

\_\_\_\_/signature/\_\_\_\_\_  
Mats Salomonsson

\_\_\_\_/signature/\_\_\_\_\_  
Ingrid Stenmark

\_\_\_\_/signature/\_\_\_\_\_  
Erik Hallberg

### Auditor's signature

The auditor's report regarding the annual report has been submitted on 16 June 2004.

\_\_\_\_/signature/\_\_\_\_\_  
Lars Olov Steen  
Authorised public accountant

**Advisers to Baltic Tele AB/TeliaSonera**

**Financial adviser:**

**Alfred Berg ABN AMRO**  
*Birger Jarlsgatan 7*  
*107 25 Stockholm*  
*Sweden*  
*Telephone: +46(0)8-5723 58 00*  
*Telefax: +46(0)8-5723 63 50*

**Estonian execution agent:**

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*15040 Tallinn*  
*Estonia*  
*Telephone: +372 6 310 310*  
*Telefax: + 372 6 131 545*

**Estonian legal adviser:**

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*Roosikerantsi street 2*  
*10119 Tallinn*  
*Estonia*  
*Telephone: +372 6 407 170*  
*Telefax: +372 6 407 171*  
*E-mail: [email@raidla.ee](mailto:email@raidla.ee)*

**International legal advisers:**

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*United Kingdom*  
*Telephone: +44 20 7330 3000*  
*Telefax: +44 20 7330 9999*

To the best of our knowledge all information provided in this document is correct and accurate and nothing of material importance has been omitted from this document that would affect the content or meaning of the information provided.

Baltic Tele AB:



Mats Salomonsson

Ingjrid Stenmark