

SONERA CORP  
Form 425  
July 26, 2002

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**PROSPECTUS FILED PURSUANT TO RULE 425 UNDER THE SECURITIES ACT  
OF 1933 AND DEEMED FILED PURSUANT TO RULE 14D-2 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934**

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**July 26, 2002**

**TELIA AB**

(Name of Filer)

**SONERA CORPORATION**

(Subject Company)

0-30340

(Exchange Act File No. of Subject Company)

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THE FOLLOWING IS THE SECOND QUARTER INTERIM REPORT FOR TELIA AB PUBLISHED ON JULY 25, 2002.

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Interim Report

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Table of Contents**Interim Report****January June 2002**

Telia AB (publ), SE-123 86 Farsta, Corp. Reg. No. 556103-4249, Registered office: Stockholm

**Q2 in Brief**

Group net sales increased 1% to MSEK 14,346 (14,203)  
- Core business +6 percent

Underlying EBITDA improved 19% to MSEK 3,587 (3,014)  
- Core business +12 percent

The margin increased to 25% (21%)

Operating income totaled MSEK 119 (988) and was burdened with restructuring costs of MSEK 482

Capital expenditure declined to MSEK 2,091 (3,666) and operating cash flow was MSEK 1,472

The EU approved the merger with Sonera on July 10

**Review of Earnings**

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001	Jan-Dec 2001
Net sales	14,346	14,203	28,231	27,795	57,196
Change in net sales (%)	1.0	7.8	1.6	6.8	5.8
Underlying EBITDA	3,587	3,014	6,968	6,362	12,915
Underlying EBITDA margin (%)	25.0	21.2	24.7	22.9	22.6
Depreciation, amortization and write-downs	-3,004	-2,505	-5,711	-4,915	-13,975
Items not reflecting underlying business operations	-827	271	-804	301	384
Income from associated companies	363	208	375	51	6,136
Operating income	119	988	828	1,799	5,460
Income after financial items	-78	909	457	1,411	4,808
Net income	30	250	157	541	1,869
Basic and diluted earnings per share (SEK)	0.01	0.08	0.05	0.18	0.62
Operating cash flow	1,472	3,158	607	132	14,048
Investments	2,637	5,954	4,690	9,613	20,735
of which capex	2,091	3,666	4,113	7,234	17,713
Number of employees	16,561	22,468	16,561	22,468	17,149

**Comments from Anders Igel, President and CEO**

Telia stands strong in today's turbulent market situation. Telia's focus on its core business and the ongoing efficiency-enhancing measures are starting to yield results. We will now sharpen our customer- and

The earnings trend within the international carrier business is not satisfactory. That is why we now have a comprehensive review underway in order to determine the actions required to attain a

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earnings-focus to make Telia better equipped to employ our strength in the home market.

We are now seeing an increase in mobile usage in all the Nordic markets and we have strengthened our market position in broadband, particularly in the business segment.

positive cash flow position as soon as possible.

It is highly gratifying that the planned merger with Sonera was approved by the EU. This means that we can now proceed with the preparatory work in earnest.

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Telia Interim Report January-June 2002

**Review of the Group****Positive underlying earnings trend.  
Streamlining costs affected earnings**

The Telia Group's net sales rose by 1 percent to MSEK 14,346 during the second quarter compared to the same quarter of 2001. Both sales and earnings were affected by the divestiture of businesses carried out as part of the Group's refine and focus efforts.

Sales in the core business climbed 6 percent. During the second quarter, Mobile's sales increased 17 percent, Internet Services' sales increased 25 percent and International Carrier's sales increased 22 percent. Within Networks, sales fell 5 percent.

Underlying EBITDA climbed 19 percent to MSEK 3,587 and the margin improved from 21 to 25 percent. The improvement in core business was 12 percent. Mobile improved its underlying EBITDA 26 percent and strengthened its margin. Internet Services and International Carrier showed improved earnings by MSEK 24 and MSEK 15, respectively. EBITDA in Networks was on the same level as the second quarter of 2001 with a somewhat strengthened margin.

**Net Sales and Margins by Quarter (MSEK)**

Depreciation, amortization and write-downs totaled MSEK 3,004 (2,505). Major investments made in 2001 in the build-out of broadband in Sweden, in capacity reinforcements in the fixed network and in the expansion of the international carrier network led to increased depreciation. Write-downs totaled MSEK 137 and were primarily attributable to the portal business.

Items not reflecting underlying business operations totaled MSEK -827 (271). Restructuring costs totaled MSEK 482,

mainly comprised of provisions for redundant personnel, and MSEK 304 refers to certain pension-related costs.

Income from associated companies rose to MSEK 363 (208). Income were affected by capital gains of MSEK 335. Not including capital gains and the write-down of goodwill in Netia from the previous year, the improvement in income was MSEK 768, primarily attributable to the fact that companies that reported deficits were divested in 2001 and that the earnings in Netia no longer affect Group earnings since the book value of the Group's holdings in Netia is zero.

**Distribution of Net Sales in Q2**

Operating income decreased to MSEK 119 (988).

During the second quarter, financial items totaled MSEK -197 compared with MSEK -79 during the comparative quarter, which was positively affected by non-recurring financial effects in conjunction with the divestiture of operations.

Income after financial items totaled MSEK -78 (909).

After minority stakes and positive tax effect arising from a previously unutilized loss carry-forward, the net income reported is MSEK 30 (250).

**Six-month period**

Net sales increased 2 percent to MSEK 28,231 during the first six months compared with the same period in the preceding year. The increase for core business was 7 percent.

Underlying EBITDA increased 10 percent to MSEK 6,968 (6,362). The increase for core business was 9 percent.

Depreciation, amortization and write-downs climbed to MSEK 5,711 (4,915), of which write-downs totaled MSEK 137.

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Telia Interim Report January-June 2002

Items not reflecting underlying business operations totaled MSEK -804 (301). Restructuring costs and certain pension-related costs totaled MSEK 513 and MSEK 195, respectively.

Income from associated companies rose to MSEK 375 (51), including capital gains of MSEK 310. Not including capital gains and the write-down of goodwill in Netia in 2001, the improvement in earnings was MSEK 1,595.

Operating income decreased to MSEK 828 (1,799).

Financial items totaled MSEK -371 (-388), resulting in income after financial items totaling MSEK 457 (1,411).

After minority shares and tax, the reported net income is MSEK 157 (541).

## Improved operating cash flow, sustained low debt/equity ratio

Strong improvement in cash flow from operating activities led to an improvement in operating cash flow to MSEK 1,472 during the second quarter compared with the first quarter when operating cash flow was MSEK -865. Operating cash flow in the second quarter of 2001 was MSEK 3,158 after a cash inflow of MSEK 5,089 from divestitures.

MSEK	Jun 30, 2002	Dec 31, 2001	Dec 31, 2000
Interest coverage ratio (multiple)	1.5	3.0	7.3
Change in total assets (%)	-7.0	4.5	60.2
Asset turnover ratio (multiple)	0.46	0.46	0.54
Equity/assets ratio (%)	49.9	46.2	44.4
Capital employed	85,249	90,971	92,374
Net interest-bearing liability	10,336	10,661	20,235
Debt/equity ratio (multiple)	0.17	0.18	0.37

During the first six months, operating cash flow improved to MSEK 607 (132).

Total assets decreased during the first six months, chiefly attributable to the use of capital gains from the sale of businesses at the end of 2001 to amortize loans. The equity/assets ratio increased from 46.2 to 49.9 percent during the first six-month period.

During the first quarter, interest-bearing loans of approximately GSEK 5 were paid off, while the loan volume during the second quarter remained

## Reduced investments

Investments declined 56 percent to MSEK 2,637 (5,954) during the second quarter. Most of Telia's business areas reduced their levels of investment. Reduced capital expenditure primarily concerned the fixed network in Sweden and the international carrier network. Other investments consisted of limited capital infusions to associated companies.

Investments during the first six months totaled MSEK 4,690, which represents a 51 percent decrease compared with the same period in the preceding year.

## Efficiency measures in core business

The efforts to streamline the core business that started at the beginning of the year are continuing with full force. Substantial efficiency measures and restructuring efforts have been made within sales and distribution, among other areas. The streamlining affected over 1,000 employees, of which over 500 staff members within Mobile, approximately 400 within Networks, approximately 70 within Internet Services and some 50 within Holding. This redundancy is in line with Telia's previously communicated plans.

The streamlining efforts will continue in the autumn and may lead to further redundancies, mainly within the Swedish operations.

The redundancies in the wholly-owned Swedish operations are being handled by a Group-wide unit, Telia Resources and Redeployment, which will support redundant employees in their efforts to find new employment either within or outside the Group for the statutory period of notice as well as a further six months, although for a period of no less than 10 months in all. Telia is working in close collaboration with the union organizations and external players, including Trygghetsrådet and Manpower.

During the streamlining efforts, a freeze has been imposed on the employment of permanent staff and also on the employment of temporary staff and consultants.

During the first six months, the average number of employees decreased 34 percent to 16,529.

## The EU approved the merger with Sonera



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largely unchanged. The Group's interest-bearing loans at June 30, 2002 amounted to approximately GSEK 24 with duration of approximately 2 years. Net indebtedness decreased slightly compared with year-end. Telia still has a low debt/equity ratio and is one of the most creditworthy telecommunications companies in Europe.

Extensive preparatory work has been completed for the planned merger with Sonera. The EU approved the merger on July 10. The approval requires certain commitments from Telia and Sonera.

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Telia Interim Report January-June 2002

Telia has committed to sell its mobile operations, its dealership chain and its wireless LAN business in Finland as well as its ComHem cable business in Sweden.

The combined company has committed to ensure that its fixed and mobile network businesses in Sweden and Finland are held in separate legal entities, which are distinct from related retail activities.

The combined company has committed to make available to other telecommunications operators in Sweden and

Finland its regulated wholesale fixed and mobile network products and international GSM roaming in Sweden and Finland on a non-discriminatory basis compared to the terms on which they are offered internally within the combined company.

Telia and Sonera are of the opinion that the EU requirement will have only a minor effect on the combined company's result of operations, financial situation and cash flow.

**Review of Business Areas****Mobile Higher traffic and revenue per customer in all Nordic markets**

Continued customer growth, increased SMS usage and increased traffic per customer in all Nordic markets contributed to a 17 percent surge in external net sales, to MSEK 5,110 in the second quarter compared to the corresponding quarter of 2001. The number of customers during the quarter increased by 117,000 to 5,128,000, while the number of customers via service providers fell by 11,000 to 179,000.

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001
Net sales	5,412	4,919	10,471	9,445
of which external	5,110	4,372	9,764	8,357
Underlying EBITDA	1,357	1,074	2,591	2,241
EBITDA margin (%)	25.1	21.8	24.7	23.7
Depreciation, amortization etc.	-942	-778	-1,839	-1,519
Items not reflecting underlying business operations	-332	2	-348	-14
Income from associates	71	77	131	119
Operating income	154	375	535	827
Investments	934	697	1,379	1,207
of which CAPEX	683	685	1,128	1,192

Underlying EBITDA climbed 26 percent to MSEK 1,357 and the margin improved to 25 percent (22).

Depreciation increased to MSEK 942 (778).

Items not reflecting underlying business operations totaled MSEK -332 (2). Ongoing revamping measures, including the implementation of a common organization for the Nordic market, have affected over 500

MSEK 20 for restructuring costs related to the establishment of MegaFon.

Operating income totaled MSEK 154 (375).

Investments in the second quarter totaled MSEK 934 (697). The majority of these investments targeted expanding the networks in Sweden and Norway and the construction of the GSM networks in Denmark and Finland. In addition, Svenska UMTS-nät AB received a capital infusion of MSEK 250.

**Increased ARPU in Sweden despite lower prices**

External net sales in mobile telephony rose 8 percent to MSEK 2,650 for the Swedish operations. The average price level fell 4 percent due to reduced interconnect fees. On May 16, the County Administrative Court confirmed the decision of PTS that the interconnect fee in Telia's GSM network is to be SEK 0.92 per minute, which is significantly lower than the interconnect fee of other operators with substantial market shares. The price took effect on March 1, 2002.

The number of GSM customers during the quarter increased by 27,000 to 3,344,000, while the number of customers via service providers fell by 4,000 to 87,000.

The average traffic volume per customer and month rose to a record high of 139 minutes (130). During the quarter, nearly 114 million SMS messages were sent, up 24 percent from the same quarter of 2001.

Monthly average revenue per user (ARPU) increased to SEK 283 (280) despite lower interconnect fees.

Churn remained at the same level as in the first quarter of 2002, i.e. 11 percent.

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employees to date this year. Costs, including provisions for redundant personnel, are reported at MSEK 236 under Items not reflecting underlying business operations.

Income from associated companies in the Baltic states and Russia totaled MSEK 71 (77), including a provision of

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Telia Interim Report January-June 2002

Underlying EBITDA climbed 5 percent to MSEK 1,271 and the margin decreased to 42.8 percent (43.0).

New sales consisted mainly of prepaid cards and the trend towards a greater share of prepaid cards. A new mobile subscription, Mobitel Classic, was launched in Sweden during the quarter. This subscription allows the customer to select the services connected to the subscription and to choose either quarterly or monthly billing.

Telia was the first operator in Europe to sign a roaming agreement for wireless broadband (HomeRun) with the Italian mobile operator Megabeam.

**Improved earnings in Norway**

In Norway external net sales in mobile telephony rose 28 percent to MSEK 1,337. The number of customers during the first quarter increased by 11,000 to 996,000, while the number of customers via service providers fell by 7,000 to 92,000.

176 million SMS messages were sent during the quarter, up 54 percent from the same quarter of 2001.

Simple and attractive customer offers contributed to an increase in the average traffic volume per customer per month to 162 (141) minutes and ARPU climbed to NOK 338 (317).

Underlying EBITDA climbed 82 percent to MSEK 590 and the margin improved to 44.3 percent (30.7). This improvement is attributable to volume growth, greater cost-effectiveness and lower customer recruitment costs.

**Customer growth in Denmark**

In Denmark external sales in mobile telephony rose 27 percent to MSEK 213. The increase was mainly attributable to customer growth. Several successful campaigns were completed during the quarter, bringing the number of customers up by 91,000 to 413,000 in the second quarter. This strong customer growth is expected to yield a significant increase in revenue during the second half of the year, thereby laying the ground for more rapidly attaining positive underlying EBITDA.

Underlying EBITDA declined to MSEK -232 (-75), primarily due to higher customer recruitment costs.

The ongoing installation of a GSM network in Denmark is expected to be completed during the year.

**Sales growth in Finland**

In the Finnish market, external sales for mobile telephony jumped 69 percent to MSEK 244 compared with the same quarter of 2001. In June, a switch over from Radiolinja's network to Telia's own network took place and a roaming agreement was signed with Suomen 2G. This enhances

Telia's opportunities to make the Finnish business profitable as this lowers costs and provides nationwide coverage throughout Finland. The number of customers fell by 10,000 to 235,000 in conjunction with the Suomen 2G deal, which required customers to change their SIM cards. This decrease in the number of customers was less than anticipated.

Underlying EBITDA totaled MSEK 99 (-99).

Telia has committed to selling its mobile operations in Finland and the sales process is already underway.

**Growth in the Baltic states and Russia**

The mobile operator companies in Russia and the Baltic states continued to show positive development and the number of customers increased by 828,000 to 3,179,000. The increase includes 520,000 customers for MegaFon when the company was restructured.

Income from associated companies in the Baltic states and Russia totaled MSEK 71 (77) during the quarter.

**Mobile exchange launch**

A new exchange solution, Mobile Switcher, was launched on the market. The exchange function is integrated in the network and the solution targets small and medium-size companies with employees on the move as part of their job, for example various types of service companies.

External net sales for Business Solutions, telephony totaled MSEK 515 during the quarter and underlying EBITDA improved to MSEK -31 (-52).

**Reduced losses in other business**

Other operations, including mobile portals, paging, shops and radio contracting, reported decreased net sales by 21 percent to MSEK 151, while underlying EBITDA improved by MSEK 90 to MSEK -142. Improved earnings were mainly attributable to the portal operations.

Telia transferred some 30 of its retail outlets in Finland to TeleMaaria Oy during the quarter as part of the streamlining efforts.

**Internet Services Stronger market position in broadband**

Continued customer growth in broadband and price increases contributed to a 25 percent year on year increase in external net sales to MSEK 1,018. The number of broadband customers increased by 39,000 to 392,000 and the average price level for the business area's products climbed 6 percent.



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Underlying EBITDA improved MSEK 24 to MSEK 144. The improvement is attributable both to price increases and to reduced developmental costs.

Several major customer contracts were signed during the second quarter.

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A general agreement was signed with the Swedish Sports **MSEK**  
**Apr-Jun**  
**2002 Apr-Jun**  
**2001 Jan-Jun**  
**2002 Jan-Jun**  
**2001** Confederation for the delivery of ADSL connections to the confederation s over 20,000 clubs in Sweden.

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Net sales  
of which external  
Underlying EBITDA  
EBITDA margin (%)  
Depreciation, amortization etc.  
Items not reflecting underlying business operations  
Income from associates  
Operating income  
Investments  
of which CAPEX  
1,029  
1,018  
-144  
-14.0  
-260

-96

-9

-509  
121  
106  
853  
813  
-168  
-19.7

-97

-8

-12  
-285  
292  
240  
2,011  
1,993  
-314  
-15.6

-369

-97

-18  
-798  
236  
206  
1,572  
1,528  
-518  
-33.0

-173

-9

-27  
-727  
543  
476

An agreement was signed with Apoteket AB (National Corporation of Swedish Pharmacies) for the delivery of a virtual private network linking approximately 950 of Apoteket's geographically widespread units via the Internet. This is the largest IP-VPN deal in the Nordic countries and

represents a breakthrough in the market.

### **Weak demand for content and payment services**

Weak demand for content services and payment services led to a decline in sales of Internet services to MSEK 34 (39). The services are being reviewed and some have already been removed from the product range or have been adapted to new market conditions.

Internet Services began a collaboration with TV 4 during the quarter for digital distribution of TV 4's programs and interactive

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advertising. The collaboration also includes portals.

The operations are currently being streamlined and restructured in order to increase profitability. The streamlining has affected approximately 70 employees to date this year. Under Items not reflecting underlying business operations, Internet Services reported MSEK 87 in restructuring costs, including provisions for redundant personnel.

During the quarter, the book value of the portal business and payment and security services was written down by MSEK 137, which explains the greater part of the increase in the item Depreciation and write-downs.

Income from associated companies (the e-commerce company Marakanda) totaled MSEK -9 (-12).

Operating income fell to MSEK -509 (-285).

The majority of the investments concerned the digitization and upgrade of the cable television networks to broadband. Investments declined to MSEK 121 (292).

### **Strong demand for broadband access**

Sales of Internet accesses surged 31 percent to MSEK 630. Behind this jump are the price increases introduced in the first quarter for ADSL and Internet Cable and sustained demand for broadband, particularly ADSL in the business segment. During the quarter, the number of ADSL customers increased by 31,000 to 264,000 and the number of Internet Cable customers increased by 8,000 to 125,000.

### **Cable TV business more profitable**

The cable TV operations in Sweden and Denmark have stable growth and gradually improving profitability. Second-quarter sales jumped 18 percent to MSEK 333, primarily due to price increases.

A large part of the Swedish cable TV network is digitized and broadband-ready. Of Telia's 1.4 million connected households, 1.2 million have access to digital TV and 470,000 have access to broadband Internet. At the end of the second quarter the number of digital TV customers was 130,000.

A collaboration with Telenor for a digital TV initiative in Denmark was launched during the quarter.

Telia has made a commitment to the European Commission to divest its Swedish cable TV business as a result of the planned merger between Telia and Sonera.

### **International Carrier Order increase in turbulent market**

Telia commands a strong position in the international carrier market by virtue of its financial stability and established position as a telecom operator. Despite an increase in orders received in a turbulent market, the volume and earnings trends are unsatisfactory. To resolve this, a comprehensive review of International Carrier's



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This strengthened Telia's position as the leading broadband provider in Sweden. operations is

The number of dial-up customers is falling as the number of broadband customers grows. The number of dial-up Internet access subscriptions fell by 17,000 to 816,000 during the quarter.

ADSL was soft launched on the Danish market during the quarter. Telia has a strong ADSL offer with a transfer speed of 2 Mbps.

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Telia Interim Report January-June 2002

underway in order to clarify the actions required to attain a positive cash flow position as soon as possible.

External net sales rose 22 percent to MSEK 1,074 during the second quarter compared with the same quarter of 2001, despite severe pressure on prices.

The sales increase was 6 percent compared with the first quarter of 2002. The increase is primarily attributable to IP traffic and voice while network capacity fell 18 percent due to the fact that two carriers that were Telia customers canceled payments.

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001
Net sales	1,295	1,094	2,490	2,078
of which external	1,074	877	2,088	1,627
Underlying EBITDA	-287	-302	-618	-567
EBITDA margin (%)	-22.2	-27.6	-24.8	-27.3
Depreciation, amortization etc.	-214	-101	-411	-170
Items not reflecting underlying business operations	-1	-1	-1	-1
Income from associates	0	0	0	0
Operating income	-502	-404	-1,030	-738
Investments	265	1,128	438	2,260
of which CAPEX	265	1,126	438	2,237

Several players are having significant financial difficulties. Telia is focusing on taking customers from players forced to exit the market. This has led to an increase in orders received during the quarter, despite the continued turbulence and uncertainty on the market. Some 100 additional ip customers were connected to the Viking Network and sales of IP traffic surged by almost 50 percent compared with the first quarter of 2002.

Several contracts were signed, including with Nexion and Albacom as well as university networks such as NordUnet and Belnet. In addition, the agreements with Telenor and kpn were expanded. A large number of fibers in the English section of the Viking Network were sold to the cable tv company Telewest.

The number of orders received doubled during the quarter compared with the first quarter of 2002. Most of the agreements will begin to have an impact on earnings in the third quarter.

**Improved underlying EBITDA**

Compared with the first quarter of 2002, underlying EBITDA improved from MSEK -331 to MSEK -287. International Carrier has thus improved its underlying earnings for the third consecutive quarter. The improvement is attributable to increased sales as well as streamlining the operations.

having a positive impact on the cost picture. Ongoing renegotiations on network operation and maintenance agreements have also contributed to lower costs.

**Reduced investments**

Investments dropped during the second quarter to MSEK 265 (1,128), the majority of which concerned upgrading network sections that are already in service.

The major investments made in 2001 led to greatly increased depreciation, which is why operating income fell to MSEK 502 compared with MSEK 404 in the same quarter of 2001.

**Networks Recent market development creates opportunities in the retail market**

Networks external net sales fell 5 percent to MSEK 6,879. The decline is attributable to the implementation of local carrier preselection, but also to a weakening trend in the wholesale market. Sales for comparable units fell 4 percent.

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001
Net sales	8,350	8,464	16,639	16,513
of which external	6,879	7,262	13,788	14,289
Underlying EBITDA	2,794	2,793	5,608	5,630
EBITDA margin (%)	33.5	33.0	33.7	34.1
Depreciation, amortization etc.	-1,451	-1,285	-2,821	-2,532
Items not reflecting underlying business operations	-229	83	-263	41
Income from associates	122	-2,534	106	-2,906
Operating income	1,236	-943	2,630	233
Investments	884	1,859	2,060	3,286
of which CAPEX	884	1,449	2,057	2,862

The Swedish and Danish telecom markets have become overcrowded in recent years, causing financial trouble for more and more players and forcing some to cancel payments. This opens up opportunities for Telia to strengthen its position in the retail market.

Provisions of MSEK 184 were made during the quarter for bad debts. The greater part of these provisions are for second-quarter invoicing to wholesale customers with weak solvency.

**Sustained underlying EBITDA despite drop in sales**

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Bringing Telia's own infrastructure into service has reduced the need for leased long distance capacity, which is

The preselection reform caused Telia to lose revenues on the consumer side, but this was partially compensated by increased interconnect traffic. Since local carrier preselection was introduced on February 2, the net effect is esti-

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mated at MSEK -170, which corresponds to an annual effect of approximately MSEK -400.

Despite the provisions and reduced sales, underlying EBITDA was sustained at the same level and the margin was strengthened somewhat.

Major efficiency measures were implemented during the quarter, including within distribution, which together with reduced costs for interconnect traffic had a positive impact he quarter, there were 351,000 customers on earnings.

Depreciation, amortization and write-downs increased to MSEK -1,451 (-1,285) due to the high level of investment in 2001.

The ongoing streamlining of the operations, mainly within distribution, has affected approximately 400 employees to date this year. Streamlining costs, including provisions for redundant personnel, totaled MSEK 146 and are reported under Items not reflecting underlying business operations.

Income from associated companies improved to MSEK 122 (-2,534), including a capital gain of MSEK 153 from the divestiture of Comsource. In the comparative quarter, the remaining goodwill in Netia was written down and Eircom burdened earnings.

creased 16 percent. The growth has flagged as a result of the turbulent market situation.

Interconnect traffic sales in Sweden increased 16 percent to MSEK 548.

Sales of ADSL/LAN increased to MSEK 47 (2). Second quarter deliveries of ADSL/LAN connections totaled 42,000, of which 11,000 were to service providers outside Telia. At the end of the quarter, there were 351,000 customers connected to Telia s broadband network via ADSL or LAN.

Sales for network capacity increased 17 percent to MSEK 334.

The acquisition of Powercom in 2001 contributed to sales in the

Danish  
wholesale  
business  
increasing to  
MSEK 139.

## Holding

Telia Holding  
is responsible  
for the Group's  
investments  
outside of  
Telia's core  
businesses.  
Telia Holding  
comprises a  
number of  
consolidated  
businesses,  
including  
Finans/Credit,  
Sergel  
Kredittjänster,  
Division  
Satellit,  
Division  
Offentlig  
Telecom, Telia  
Promotor,  
Telia Overseas  
and Suntel, as  
well as several  
associated  
companies,  
including  
Slottsbacken,  
INGROUP,  
Drutt Corp,  
Telefos,  
AUCS, Infonet  
Services and  
COOP Bank.

Operating income improved to MSEK 1,236 (-943), which is mainly attributable to the negative result from Netia in 2001.

The large investments previously made in broadband and capacity reinforcements in the backbone network mean that the level of investment is now greatly reduced. Investments dropped off to MSEK 884 (1,859) during the second quarter, contributing to improved cash flow.

### Retail market

retail market sales declined 8 percent to MSEK 5,745. This is primarily due to the introduction of local carrier

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001
Net sales	458	3,455	920	7,240
of which external	201	837	461	1,901
Underlying EBITDA	131	-67	203	130
EBITDA margin (%)	28.6	-1.9	22.1	1.8
Depreciation, amortization etc.	-121	-221	-240	-476
Items not reflecting underlying business operations	-30	70	-101	41
Income from associates	186	2,697	176	2,886
Operating income	166	2,479	38	2,581
Investments	353	1,996	471	2,370
of which CAPEX	71	184	177	520

preselection in Sweden in the beginning of February. Swedish traffic revenues dropped 17 percent to MSEK 2,102 during the quarter.

The number of telephone subscriptions in Sweden dropped by 37,000 to 5,605,000 during the quarter. The number of ISDN channels is also falling as more consumers switch from ISDN to ADSL/LAN.

During the quarter, several new teleconferencing services were launched. The market for these services is growing.

**Wholesale market**

Second-quarter sales jumped 14 percent to MSEK 1,134 in the wholesale business. Sales for comparable units in-

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Extensive divestitures in 2001 along with the closing down of Vimera (customer training) and Time (accounting services) Satellit led to a decline in external net sales, but in the second quarter and the current discontinuation of improved underlying EBITDA and strengthened the margin.

External net sales in remaining operations decreased to MSEK 201 (232) while underlying EBITDA improved to MSEK 131 (20). The drop in sales is primarily attributable to Promotor while underlying EBITDA mainly improved within Offentlig Telecom, Suntel, Sergel Kreditjänster and Overseas.

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Telia Interim Report January-June 2002

Depreciation decreased to MSEK 121 (221) due to the divestitures/close-downs.

Income from associated companies totaled MSEK 186 (2,697). Income was affected by capital gains and issue proceeds of MSEK 264. The sale of the minority stake in Bharti Mobile is a two-stage process. The shares were sold to Overseas in April, generating a capital gain of MSEK 176. During the second half of the year, Overseas expects to sell the shares and anticipates a capital gain of an additional MSEK 400 for the Group. The comparative quarter of 2001 includes capital gains of MSEK 2,794, of which the sale of Tess in Brazil represented MSEK 2,624.

The closing down and streamlining underway in 2002 has led to a redundancy of 50 employees to date. Under Items not reflecting underlying business operations, Holding reported MSEK 44 in restructuring costs, including provisions for redundancy.

Operating income fell to MSEK 166 (2,479).

Investments amounted to MSEK 353. A loan of MSEK 228 to AUCS, which manages remaining operations in the former company Unisource, was converted to shares, MSEK 72 refers to Finans/Credit's leasing operations and MSEK 25 refers to COOP Bank.

On July 1, Telia divested its remaining 9 percent interest in the Orbiant Group to Flextronics for MSEK 106.

**Outlook 2002**

Telia is continuing its efforts aimed at developing and streamlining its core businesses. We expect these measures to yield positive effects during the second half of the year.

The current situation in the telecommunications market benefits strong and established players like Telia. The market situation, combined with increased customer- and earnings-focus, will enable Telia to strengthen its future positions in the home market.

A continued lower level of investment than that of 2001 will have a positive effect on operating cash flow.

Stockholm, July 25, 2002

*Anders Igel*  
President and CEO

**Auditors Review Report**

We have made a review of this interim report in accordance with recommendations issued by the Swedish Institute of Authorized Public Accountants. A review is substantially limited in scope in comparison to an audit. Nothing has come to our attention that indicates that this interim report fails to comply with the requirements of the Swedish Securities Exchange Act and International Accounting Standards (IAS)

Stockholm, July 25, 2002

*Ernst & Young AB*  
Authorized Public

*Gunnar Widhagen*

*Filip Cassel*

Accountant Authorized Public  
Accountant Torsten Lyth Authorized  
Public Accountant

**Financial Information**

**Questions regarding content:**

**Reports may be ordered via:**

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Telia Interim Report January-June 2002

**Consolidated Income Statements**

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001	Jul 2001- Jun 2002	Jan-Dec 2001	Jan-Dec 2000
Net sales	14,346	14,203	28,231	27,795	57,632	57,196	54,064
Costs of production	-9,513	-9,363	-18,344	-18,001	-40,778	-40,435	-33,028
<b>Gross income</b>	<b>4,833</b>	<b>4,840</b>	<b>9,887</b>	<b>9,794</b>	<b>16,854</b>	<b>16,761</b>	<b>21,036</b>
Sales, administrative, and R&D expenses	-4,686	-4,193	-9,004	-8,324	-18,623	-17,943	-16,326
Other operating revenues and expenses, net	-391	133	-430	278	-202	506	8,493
Income from associated companies	363	208	375	51	6,460	6,136	-1,197
<b>Operating income</b>	<b>119</b>	<b>988</b>	<b>828</b>	<b>1,799</b>	<b>4,489</b>	<b>5,460</b>	<b>12,006</b>
Net financial revenues and expenses	-197	-79	-371	-388	-635	-652	-289
<b>Income after financial items</b>	<b>-78</b>	<b>909</b>	<b>457</b>	<b>1,411</b>	<b>3,854</b>	<b>4,808</b>	<b>11,717</b>
Income taxes	89	-640	-308	-848	-2,377	-2,917	-1,447
Minority interests	19	-19	8	-22	8	-22	8
<b>Net income</b>	<b>30</b>	<b>250</b>	<b>157</b>	<b>541</b>	<b>1,485</b>	<b>1,869</b>	<b>10,278</b>
Earnings per share, basic (SEK)	0.01	0.08	0.05	0.18	0.49	0.62	3.50
Earnings per share, diluted (SEK)	0.01	0.08	0.05	0.18	0.49	0.62	3.50

**Quarterly Data**

MSEK	2002			2001			2000		
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
Net sales	14,346	13,885	14,970	14,431	14,203	13,592	14,540	13,487	13,180
Underlying EBITDA	3,587	3,381	3,133	3,420	3,014	3,348	3,790	3,180	2,857
Items not reflecting underlying business operations	-827	23	322	-239	271	30	6,937	-116	201
Income from associates	363	12	3,746	2,339	208	-157	-370	-759	-710
EBITDA	3,123	3,416	7,201	5,520	3,493	3,221	10,357	2,305	2,348
Depreciation and write-downs	-3,004	-2,707	-6,285	-2,775	-2,505	-2,410	-2,427	-2,099	-1,860
Operating income	119	709	916	2,745	988	811	7,930	206	488
Income after financial items	-78	535	906	2,491	909	502	7,658	267	356
Net income	30	127	-572	1,900	250	291	7,408	172	308
Earnings per share, basic (SEK)	0.01	0.04	-0.19	0.63	0.08	0.10	2.47	0.06	0.10
	0.01	0.04	-0.19	0.63	0.08	0.10	2.47	0.06	0.10

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Earnings per share, diluted (SEK)									
Operating cash flow	1,472	-865	9,171	4,745	3,158	-3,026	3,486	-25,923	-1,935
Investments	2,637	2,053	5,157	5,965	5,954	3,659	10,311	16,745	16,042
of which capex	2,091	2,022	4,849	5,630	3,666	3,568	7,185	3,369	3,841
of which acquisitions	546	31	308	335	2,288	91	3,126	13,376	12,201

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Telia Interim Report January-June 2002

**Condensed Consolidated Balance Sheets**

MSEK	June 30, 2002	June 30, 2001	Dec 31, 2001	Dec 31, 2000
<b>Assets</b>				
Intangible fixed assets	27,233	26,884	26,816	25,198
Tangible fixed assets	45,700	47,361	47,314	43,807
Financial fixed assets	19,695	20,563	20,784	22,335
<i>Total fixed assets</i>	<i>92,628</i>	<i>94,808</i>	<i>94,914</i>	<i>91,340</i>
Inventories, etc.	485	821	636	773
Receivables	22,843	33,004	23,521	29,072
Short-term investments	1,634	508	7,602	178
Cash and bank	1,619	1,051	1,518	1,352
<i>Total current assets</i>	<i>26,581</i>	<i>35,384</i>	<i>33,277</i>	<i>31,375</i>
<b>Total assets</b>	<b>119,209</b>	<b>130,192</b>	<b>128,191</b>	<b>122,715</b>
<b>Equity and liabilities</b>				
Equity	59,728	58,570	59,885	55,988
Minority shares	245	1,497	204	320
Provisions for pensions	1,794	3,028	2,358	3,525
Other provisions	10,681	9,014	10,749	7,826
<i>Total provisions</i>	<i>12,475</i>	<i>12,042</i>	<i>13,107</i>	<i>11,351</i>
Long-term loans	20,933	26,092	25,193	20,876
Short-term loans	2,850	10,685	3,931	13,166
Non-interest-bearing liabilities	22,978	21,306	25,871	21,014
<i>Total liabilities</i>	<i>46,761</i>	<i>58,083</i>	<i>54,995</i>	<i>55,056</i>
<b>Total equity and liabilities</b>	<b>119,209</b>	<b>130,192</b>	<b>128,191</b>	<b>122,715</b>

**Condensed Consolidated Cash Flow Statements and Changes in Net Interest-bearing Liability**

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001	Jul 2001- Jun 2002	Jan-Dec 2001	Jan-Dec 2000
Cash flow before change in working capital	2,587	1,988	5,269	4,649	10,892	10,272	9,589
Change in working capital	1,240	336	-568	-1,839	1,415	144	563
<b>Cash flow from operating activities</b>	<b>3,827</b>	<b>2,324</b>	<b>4,701</b>	<b>2,810</b>	<b>12,307</b>	<b>10,416</b>	<b>10,152</b>
Cash flow from investing activities	-2,355	834	-4,094	-2,678	2,216	3,632	-37,121
<b>Operating cash flow</b>	<b>1,472</b>	<b>3,158</b>	<b>607</b>	<b>132</b>	<b>14,523</b>	<b>14,048</b>	<b>-26,969</b>
Cash flow from financing activities	-1,258	-3,267	-6,535	-405	-12,738	-6,608	26,818
<b>Cash flow for the period</b>	<b>214</b>	<b>-109</b>	<b>-5,928</b>	<b>-273</b>	<b>1,785</b>	<b>7,440</b>	<b>-151</b>
	<b>2,761</b>	<b>1,296</b>	<b>8,923</b>	<b>1,437</b>	<b>1,207</b>	<b>1,437</b>	<b>1,575</b>

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<b>Cash and cash equivalents, opening balance</b>							
Cash flow for the period	214	-109	-5,928	-273	1,785	7,440	-151
Exchange rate differences in cash and cash equivalents	52	20	32	43	35	46	13
<b>Cash and cash equivalents, closing balance</b>	<b>3,027</b>	<b>1,207</b>	<b>3,027</b>	<b>1,207</b>	<b>3,027</b>	<b>8,923</b>	<b>1,437</b>

<b>Net interest-bearing liability, opening balance</b>	<b>11,908</b>	<b>24,425</b>	<b>10,661</b>	<b>20,235</b>	<b>19,069</b>	<b>20,235</b>	<b>7,527</b>
Change in net borrowing	-1,147	-4,775	239	-669	-7,499	-8,407	12,429
Change in pension provisions	-425	-581	-564	-497	-1,234	-1,167	279
<b>Net interest-bearing liability, closing balance</b>	<b>10,336</b>	<b>19,069</b>	<b>10,336</b>	<b>19,069</b>	<b>10,336</b>	<b>10,661</b>	<b>20,235</b>

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**Condensed Consolidated Statements of Changes in Shareholders Equity**

MSEK	June 30, 2002	June 30, 2001	Dec 31, 2001	Dec 31, 2000
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**Business Area Breakdown****April-June 2002 or June 30, 2002**

MSEK	Mobile	Internet Services	International Carrier	Networks	Group- wide	<i>of which Holding</i>	<b>Group</b>
Net sales	5,412	1,029	1,295	8,350	-1,740	458	<b>14,346</b>
External net sales	5,110	1,018	1,074	6,879	265	201	<b>14,346</b>
Underlying EBITDA	1,357	-144	-287	2,794	-133	131	<b>3,587</b>
Depreciation, amortization & write-downs	-942	-260	-214	-1,451	-137	-121	<b>-3,004</b>
Items not reflecting underlying business operations	-332	-96	-1	-229	-169	-30	<b>-827</b>
Income from associated companies	71	-9	0	122	179	186	<b>363</b>
Operating income	154	-509	-502	1,236	-260	166	<b>119</b>
Operating capital	36,323	1,093	8,937	29,219	-5,564	1,522	<b>70,008</b>
Equity participations in associates	2,960	33	0	2,586	2,839	2,839	<b>8,418</b>
Investments	934	121	265	884	433	353	<b>2,637</b>
of which CAPEX	683	106	265	884	153	71	<b>2,091</b>
Number of employees	4,484	1,447	796	7,492	2,342	1,523	<b>16,561</b>
Average number of full-time employees	4,538	1,450	794	7,414	2,333	1,522	<b>16,529</b>

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**April-June 2001 or June 30, 2001 (restated)**

MSEK	Mobile	Internet Services	International Carrier	Networks	Group-wide	of which Holding	Group
Net sales	4,919	853	1,094	8,464	-1,127	3,455	<b>14,203</b>
External net sales	4,372	813	877	7,262	879	837	<b>14,203</b>
Underlying EBITDA	1,074	-168	-302	2,793	-383	-67	<b>3,014</b>
Depreciation, amortization & write-downs	-778	-97	-101	-1,285	-244	-221	<b>-2,505</b>
Items not reflecting underlying business operations	2	-8	-1	83	195	70	<b>271</b>
Income from associated companies	77	-12	0	-2,534	2,677	2,697	<b>208</b>
Operating income	375	-285	-404	-943	2,245	2,479	<b>988</b>
Operating capital	35,088	1,827	10,203	29,393	1,850	4,996	<b>78,361</b>
Equity participations in associates	2,209	39	0	3,261	4,561	4,561	<b>10,070</b>
Investments	697	292	1,128	1,859	1,978	1,996	<b>5,954</b>
of which CAPEX	685	240	1,126	1,449	166	184	<b>3,666</b>
Number of employees	4,897	1,218	686	7,919	7,748	6,965	<b>22,468</b>
Average number of full-time employees	4,699	1,164	631	7,717	13,426	12,637	<b>27,637</b>

**January-June 2002 or June 30, 2002**

MSEK	Mobile	Internet Services	International Carrier	Networks	Group-wide	of which Holding	Group
Net sales	10,471	2,011	2,490	16,639	-3,380	920	<b>28,231</b>
External net sales	9,764	1,993	2,088	13,788	598	461	<b>28,231</b>
Underlying EBITDA	2,591	-314	-618	5,608	-299	203	<b>6,968</b>
Depreciation, amortization & write-downs	-1,839	-369	-411	-2,821	-271	-240	<b>-5,711</b>
Items not reflecting underlying business operations	-348	-97	-1	-263	-95	-101	<b>-804</b>
Income from associated companies	131	-18	0	106	156	176	<b>375</b>
Operating income	535	-798	-1,030	2,630	-509	38	<b>828</b>
Operating capital	36,323	1,093	8,937	29,219	-5,564	1,522	<b>70,008</b>
Equity participations in associates	2,960	33	0	2,586	2,839	2,839	<b>8,418</b>
Investments	1,379	236	438	2,060	577	471	<b>4,690</b>
of which CAPEX	1,128	206	438	2,057	284	177	<b>4,113</b>
Number of employees	4,484	1,447	796	7,492	2,342	1,523	<b>16,561</b>
Average number of full-time employees	4,538	1,450	794	7,414	2,333	1,522	<b>16,529</b>

**January-June 2001 or June 30, 2001 (restated)**

MSEK	Mobile	Internet Services	International Carrier	Networks	Group-wide	of which Holding	Group
Net sales	9,445	1,572	2,078	16,513	-1,813	7,240	<b>27,795</b>
External net sales	8,357	1,528	1,627	14,289	1,994	1,901	<b>27,795</b>

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Underlying EBITDA	2,241	-518	-567	5,630	-424	130	<b>6,362</b>
Depreciation, amortization & write-downs	-1,519	-173	-170	-2,532	-521	-476	<b>-4,915</b>
Items not reflecting underlying business operations	-14	-9	-1	41	284	41	<b>301</b>
Income from associated companies	119	-27	0	-2,906	2,865	2,886	<b>51</b>
Operating income	827	-727	-738	233	2,204	2,581	<b>1,799</b>
Operating capital	35,088	1,827	10,203	29,393	1,850	4,996	<b>78,361</b>
Equity participations in associates	2,209	39	0	3,261	4,561	4,561	<b>10,070</b>
Investments	1,207	543	2,260	3,286	2,317	2,370	<b>9,613</b>
of which CAPEX	1,192	476	2,237	2,862	467	520	<b>7,234</b>
Number of employees	4,897	1,218	686	7,919	7,748	6,965	<b>22,468</b>
Average number of full-time employees	4,699	1,164	631	7,717	13,426	12,637	<b>27,637</b>

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**January-December 2001 or December 31, 2001 (restated)**

MSEK	Mobile	Internet Services	International Carrier	Networks	Group-wide	of which Holding	Group
Net sales	19,830	3,305	4,632	34,065	-4,636	10,680	57,196
External net sales	17,857	3,288	3,652	29,159	3,240	3,072	57,196
Underlying EBITDA	4,705	-970	-1,569	11,710	-961	265	12,915
Depreciation, amortization & write-downs	-3,385	-606	-3,589	-5,422	-973	-886	-13,975
Items not reflecting underlying business operations	-49	-28	-1	-71	533	-209	384
Income from associated companies	361	-45	0	-2,363	8,183	8,233	6,136
Operating income	1,632	-1,649	-5,159	3,854	6,782	7,403	5,460
Operating capital	36,499	1,401	8,652	30,795	-7,197	287	70,150
Equity participations in associates	3,061	22	0	3,488	3,356	3,356	9,927
Investments	4,979	903	5,037	7,129	2,687	2,744	20,735
of which CAPEX	4,341	836	5,037	6,767	732	788	17,713
Number of employees	4,813	1,369	777	7,910	2,280	1,576	17,149
Average number of full-time employees	4,857	1,257	671	7,693	10,501	9,729	24,979

**Geographic Segment Breakdown****January-June 2002 or June 30, 2002**

MSEK	Sweden	Other Nordic countries	Baltic Region	Rest of Europe	Rest of world	Group
External net sales	22,285	4,469	110	931	436	28,231
Depreciation, amortization & write-downs	-3,725	-1,640	-14	-218	-114	-5,711
Income from associated companies	-145	1	86	194	239	375
Operating income	2,181	-1,185	88	-328	72	828
Operating capital	20,631	35,806	5,126	5,498	2,947	70,008
Equity participations in associates	779	-2	5,046	430	2,165	8,418
Investments	2,959	1,162	37	498	34	4,690
of which CAPEX	2,628	1,158	37	257	33	4,113
Number of employees	12,916	2,614	190	355	486	16,561
Average number of full-time employees	12,843	2,644	195	354	493	16,529

**January-June 2001 or June 30, 2001**

MSEK	Sweden	Other Nordic countries	Baltic Region	Rest of Europe	Rest of world	Group
External net sales	22,792	3,709	58	755	481	27,795
Depreciation, amortization & write-downs	-3,422	-1,253	-9	-99	-132	-4,915
Income from associated companies	125	-3	-1,629	-1,075	2,633	51



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Operating income	3,788	-978	-1,643	-1,673	2,305	<b>1,799</b>
Operating capital	28,178	34,085	5,921	6,367	3,810	<b>78,361</b>
Equity participations in associates	1,778	23	5,792	78	2,399	<b>10,070</b>
Investments	5,211	1,835	833	1,445	289	<b>9,613</b>
of which CAPEX	4,121	1,382	20	1,430	281	<b>7,234</b>
Number of employees	18,687	2,606	202	407	566	<b>22,468</b>
Average number of full-time employees	23,231	3,143	197	446	620	<b>27,637</b>

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**January-December 2001 or December 31, 2001**

MSEK	Sweden	Other Nordic countries	Baltic Region	Rest of Europe	Rest of world	Group
External net sales	46,348	8,113	133	1,667	935	57,196
Depreciation, amortization & write-downs	-7,975	-2,788	-23	-2,920	-269	-13,975
Income from associated companies	5,497	-22	-1,923	-246	2,830	6,136
Operating income	12,403	-2,483	-1,967	-4,474	1,981	5,460
Operating capital	24,218	34,289	5,623	5,647	373	70,150
Equity participations in associates	557	-3	5,508	1,568	2,297	9,927
Investments	10,122	5,136	1,271	3,661	545	20,735
of which CAPEX	8,668	4,752	83	3,611	599	17,713
Number of employees	13,365	2,739	196	352	497	17,149
Average number of full-time employees	20,922	2,880	201	411	565	24,979

**Selected Explanatory Notes to the Financial Statements****Items Not Reflecting Underlying Business Operations**

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001	Jul 2001-Jun 2002	Jan-Dec 2001	Jan-Dec 2000
Phase-out of operations (excluding depreciation, amortization and write-downs)	-157		-188		-666	-478	
Personnel redundancy costs	-325		-325		-325		
Certain pension related items	-304	141	-195	158	-265	88	854
Initial public offering/integration expenses							-144
Capital gains/losses (excluding associates)	-41	130	-96	143	535	774	7,628

**Income from Associated Companies**

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001	Jul 2001-Jun 2002	Jan-Dec 2001	Jan-Dec 2000
<b>Core business</b>	<b>176</b>	<b>-2,534</b>	<b>199</b>	<b>-2,937</b>	<b>1,033</b>	<b>-2,103</b>	<b>301</b>
Baltic states (Mobile/Networks)	42	57	77	80	192	195	189
Netia (Networks)	0	-1,779	0	-1,922	-542	-2,464	-411
Comsource/Eircom (Networks)	151	-762	151	-966	1,243	126	-933
Other	-17	-50	-29	-129	140	40	1,456
<b>Holding</b>	<b>187</b>	<b>2,742</b>	<b>176</b>	<b>2,988</b>	<b>5,427</b>	<b>8,239</b>	<b>-1,498</b>
Unisource/AUCS	40	-61	40	-110	-222	-372	1,445
Telia Overseas	239	2,603	256	2,601	449	2,794	-1,719
Eniro	-1	88	-1	380	5,671	6,052	185

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Other	-91	112	-119	117	-471	-235	-1,409
<b>Total</b>	<b>363</b>	<b>208</b>	<b>375</b>	<b>51</b>	<b>6,460</b>	<b>6,136</b>	<b>-1,197</b>

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**Long-lived Assets**

MSEK	Intangible assets								
	Jun 30, 2002	Goodwill Dec 31, 2001	Dec 31, 2000	Jun 30, 2002	Other intangibles		Jun 30, 2002	Tangible assets Dec 31, 2001	Dec 31, 2000
<b>Opening balance</b>	<b>24,686</b>	<b>23,935</b>	<b>1,143</b>	<b>2,130</b>	<b>1,263</b>	<b>1,003</b>	<b>47,314</b>	<b>43,807</b>	<b>33,318</b>
Purchases	4	448	22,893	202	1,316	509	3,919	16,409	16,084
Operations acquired			19			40		1,291	2,431
Sales/discards	-4		-31	-12	-1	-23	-86	-875	-579
Operations divested		-396	-251		-86	-4	-2	-1,258	-387
Reclassifications	-2	-2	-10	161	-68	-76	-384	-620	54
Amortization, depreciation	-725	-1,375	-655	-209	-338	-212	-4,649	-8,825	-7,352
Write-downs, reversals of write-downs	-0	-28	-1	-57	-2		-80	-3,428	-36
CAPEX contribution from CATV customers							-1	6	21
Advances							-3	3	
Exchange rate differences	1,084	2,104	828	-25	46	26	-328	804	253
<b>Closing balance</b>	<b>25,043</b>	<b>24,686</b>	<b>23,935</b>	<b>2,190</b>	<b>2,130</b>	<b>1,263</b>	<b>45,700</b>	<b>47,314</b>	<b>43,807</b>

**Cash Flow from Investing Activities**

MSEK	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001	Jul 2001- Jun 2002	Jan-Dec 2001	Jan-Dec 2000
Shares, participations & operations acquired	-316	-1,416	-345	-1,514	-1,072	-2,241	-30,841
Shares, participations & operations divested	1,053	5,089	1,038	5,660	11,009	15,631	9,325
Intangible & tangible fixed assets acquired	-2,105	-3,628	-4,086	-7,196	-13,812	-16,922	-15,997
Other investing activities, net	-987	789	-701	372	6,091	7,164	392
<b>Total</b>	<b>-2,355</b>	<b>834</b>	<b>-4,094</b>	<b>-2,678</b>	<b>2,216</b>	<b>3,632</b>	<b>-37,121</b>