

TeliaSonera

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TeliaSonera

- **Telia** - the former national Swedish telecom company
- **TeliaSonera** - an international company group and a leading provider of Internet and communications services in the Nordic and Baltic region
- 29,000 employees
 - 10,000 in Sweden
 - 19,000 abroad

Adaptation of Telia - Driving forces

Deregulation of the Swedish telecom market

- today Telia has more than 100 competitors in Sweden with a licence to provide telecom services
- Sweden has one of the most competitive telecom markets in the world
- Increased competition means continued price pressure

New digital technology

requires less manpower and new skills

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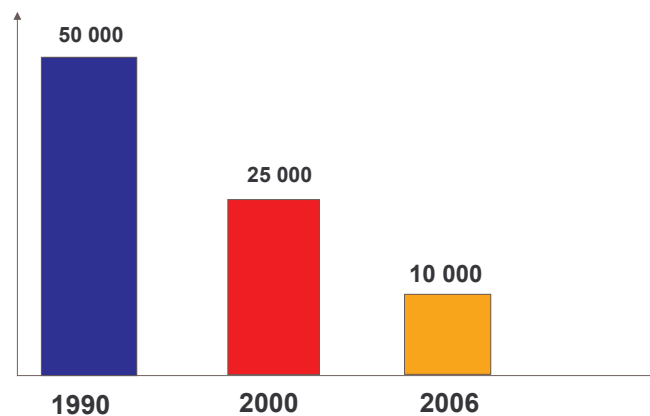
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TeliaSonera - a changing Group

Number of Employees in Sweden



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50,000 – 10,000 employees within 15 years

1993

- 2000 employees laid off
- 1000 employees offered early pensions

1994 – 1995

- Several local restructuring projects

1996 – 1998

- Telia took a complete new approach to restructuring

50,000 – 10,000 employees within 15 years

Results 1996 – 1998

More than 6 500 became redundant

- 3 600 left the company (New job, Studies, Set up own business, Retirement)
- 2 800 went back – often in new roles after shorter courses
- 2 000 people were recruited (new competences)
- Less than 1,5% were laid off

The Winners

- The Company
 - focus on business
 - increased efficiency, restructuring costs kept down
 - goodwill as supplier and employer
 - keep and recruit graduate employees
- The Individual
 - professional help with finding a new job
- Society
 - no costs for unemployed people

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50,000 – 10,000 employees within 15 years

2000 - Telia get quoted on the stock exchange

1999 - 2001

- Out-sourcing and selling of "none-core business"
(40% of the workforce)

2002 - 2004

- Dismissals, in accordance with the Labour Market Law, complemented with coaching-program and severance payment
- Results;
 - Approx. 900 employees to the program
 - 700 left the company (young and well-educated)
 - 200 found new jobs within the TeliaSonera Group

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2005

- **Increased competition**
- **Continued price pressure**

=> Programs for cost reduction

=> Approximately 3000 employees will be redundant during 2005 - 2007

=> New redeployment program – similar to the successful program Telia run 1996 – 1998

A winning concept

**The Telia Redeployment Concept
combines**

➤ **flexibility for the company**

with

➤ **job security for the employee**

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<h2 style="margin: 0;">Severance Payment</h2>															
Time in TSO (months ¹)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Salaries	12	12	12	12	11	10	9	8	7	6	5	4	3	3	3
Bonus - Time of Employment, TSEK															
10 - 19 years	60	60	60	60	60	60	54	48	42	36	30	24	18	12	6
20 - 29 years	120	120	120	120	120	120	108	96	84	72	60	48	36	24	12
30 - years	180	180	180	180	180	180	162	144	126	108	90	72	54	36	18
Incentive Bonus, TSEK															
Age 45- 49	60	60	60	60	60	60	54	48	42	36	30	24	18	12	6
50 - 54	120	120	120	120	120	120	108	96	84	72	60	48	36	24	12
55 - 59	180	180	180	180	180	180	162	144	126	108	90	72	54	36	18