

31.4 CONTACT DETAILS

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32. TELIA AB

32.1 COMPANY INFORMATION

Exhibit 66 – Telia at a glance

Shareholders	<ul style="list-style-type: none"> • Swedish Government 70.6% • Private investors 6.5% • Institutional investors 17.9% • Foreign investors 5.0%
CEO	Marianne Nivert
Year established	1993
Revenue 2001	SEK 57.2 billion
Export markets (countries)	Denmark, Finland, France, Germany, Czech Republic, Russia
Headquarters	Stockholm
Branches	Denmark, Finland, France, Germany, Hong Kong, USA, Russia, Spain, Sweden, UK
Employees Dec 2001	25,000 (down 17%)

(Source: Paul Budde Communication based on company data)

In July 1993, the Swedish incumbent telecommunications operator Televerket became Telia AB. By 2001, Telia was the leading operator in Sweden and the Nordic region. As the incumbent, Telia owns and operates most of Sweden's fixed infrastructure.

The company's operations are concentrated in the Nordic countries and the Baltics, though operations extend to thirty different nations. Activities are primarily in fixed and mobile telephony, with increasing focus on data and international carrier networks. Telia's key growth areas are in mobile services, network wholesale and international carrier services, as well as increasing demand in Telia Internet services.

In January 1999, Telia announced a merger with Telenor of Norway. Completion of the merger was intended to be by October 1999. By December, however, negotiations had ceased, as had the companies' respective operations in Sweden and Norway, including Telenor's involvement in Telenordia and its bid for a GSM licence in Sweden. Talks apparently failed on the issue of where to locate key business units, particularly the lucrative mobile unit.

Telia's directory company, Eniro, was successfully listed on the Swedish Stock Exchange in October 2000, but subsequently sold in November 2001. The company acquired NetCom ASA and is expanding its international carrier network. Telia sold Telia Contracting AB in 2000.

Telia implemented a new Group structure in April 2001. Five new business areas were formed:

- Telia Mobile;
- Telia International Carrier;
- Telia Networks;
- Telia Internet Services;
- Telia Equity.

Each business area covers the Swedish market and other countries in which that business operates. A common sales unit was formed for the Swedish market – Telia Sweden.

32.1.1 Year 2001 results

Net sales increased 6% to SEK 57.20 billion, giving an underlying EBITDA of SEK 12.92 billion (down 1%). This was clouded somewhat by the divestiture of some non-core operations during the year as part of the company's profit improvement plan. Revenue rose 13% and EBIT rose 10% in the core businesses.

Depreciation and write-downs increased 70% to SEK 13.98 billion. Depreciation rose mainly due to broadband expansion and capacity reinforcement of fixed networks in Sweden, expansion of the carrier network, and the full year effect of amortisation of goodwill from the acquisition of NetCom. In light of prevailing market conditions, the book asset value in Telia International Carrier was written down by SEK 3.03 billion.

Divestitures yielded a cash flow of SEK 15.63 billion, most of which was used to retire debt.

Investments during the year were sharply down at SEK 20.7 billion compared with SEK 47.7 billion the previous year. Ignoring the acquisition of Netcom in 2000, they were still down 17%.

Overall, the net profit was SEK 1.87 billion compared with SEK 10.28 billion the previous year. The company's restructure is now complete.

Table 123 – Revenue for years ending December – 1997–2001

Year	(SEK billion)
1997	45.67
1998	49.57
1999	52.12
2000	54.06
2001	57.20

(Source: Paul Budde Communication based on company data)

Table 124 – Revenue by segment – 2001

Segment	Proportion	Annual change
Mobile	29%	+33%
International Carrier Networks	6%	+20%
Retail networks	45%	-2.5%
Wholesale networks	8%	+48%
Internet Services	6%	+32%
Equity and Other	6%	-50%

(Source: Paul Budde Communication based on company data)

Table 125 – Contribution from associated companies – 2001

Company (SEK million)	2000	2001
Baltic states (Mobile/Networks)	190	195
Netia (Networks)	-411	-2,464
Comsource/Eircom (Networks)	-933	126
Unisource/AUCS (Equity)	1,445	-372
Telia Overseas (Equity)	-1,719	2,794
Eniro (Equity)	185	6,052
Other associated companies	46	-195
Total	-1,197	6,136

(Source: Paul Budde Communication, based on company data)

32.2 TELIA- SONERA MERGER ANALYSIS – OCTOBER 2002

32.2.1 Overview

The Swedish and Finnish incumbents, Telia and Sonera, announced in March 2002 that they would merge to become the Nordic region's largest operator and Europe's first merger of national incumbents. The combined entity would create the largest telecommunications group in the Nordic and Baltic regions with combined revenues of about €9 billion, 34,000 employees, 15 million mobile and 1.2 million fixed-line subscribers. Both governments supported the merger, and each was also a majority shareholder in both companies: 70% of Telia and 53% of Sonera.

In October 2002, Telia issued a prospectus detailing the buy-out of Sonera.

32.2.2 The proposal

Telia offered to buy Sonera in an all-share deal, worth €7.4 billion, representing a 16% premium on Sonera's share value in March 2002. By mid-2002, when the European Union (EU) gave its approval to the deal, subsequent share market changes meant the deal was worth €4.6 billion and at a premium of 6% for Sonera. By the October 2002 prospectus for the merged company, this value had fallen even further.

The merger would be accomplished by means of a share swap, with Sonera shareholders receiving a 16% premium, with the original Telia shareholders holding 64% of the combined company. The new company will be based in Stockholm, will retain its listing in Stockholm and seek secondary listings in Helsinki and New York. The chairman will be the chairman of Sonera. It was later announced that the CEO will be Anders Igel, a Telia board member.

The merged company, named TeliaSonera, will retain the brand names Telia in Sweden and Denmark, Sonera in Finland and NetCom in Norway. Three of the jointly owned Baltic assets, namely UAB Omnitel, AB Lietuvos Telekomas and Latvijas Mobilais Telefons SIA, will become consolidated subsidiaries of the combined entity.

32.2.3 Anticipated cost savings

Telia and Sonera expect to derive significant cost and capital expenditure synergies as a result of the combination. Restructuring costs to combine the companies are expected to be in the order of €250 million during 2002 and 2003, leading to annual savings of approximately €300 million after 2005.

In addition, Telia has operated a Finnish business since 1998, but every year since then it has recorded a loss, and the merger with Sonera is regarded as one way to leave the unsuccessful business. The European Commission (EC) requirements include the sale of Telia's Finnish mobile business.

In September 2002, Telia announced its restructuring plan for its loss-making international carrier business prior to the merger. It involves the closure of Telia's Asian operations and its UK voice resale business, with the loss of 400 jobs. Additionally, US capacity services will be terminated and administrative work will be centralised to Sweden.

32.2.4 EC conditions

The EC approved of the merger between Telia and Sonera in July 2002. However, the approval was based on the following conditions agreed by Telia and Sonera:

- Telia agreed to sell the mobile operations, dealership chain and wireless Local Area Networks (LAN) business in Finland;
- the merged company agreed to provide to the purchaser of its mobile operations in Finland national roaming on commercial terms and at a fair price if the purchaser did not already have a nationwide GSM network in Finland;

- Telia also agreed to sell its comhem AB cable business and related network in Sweden;
- the combined company 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 network companies' boards of directors will include an external director appointed according to corporate law. This commitment can be revised after five years;
- the merged company further agreed to provide regulated wholesale fixed and mobile network products and international GSM roaming in Sweden and Finland to other operators on a non-discriminatory basis compared to the terms on which they are offered internally within the combined company;
- the Swedish fixed operator, Skanova, and the Finnish mobile networks were already operated separately. The Finnish fixed network was operated in a subsidiary, Sonera Carrier Network Ltd, which would have to be separated.

32.2.5 Government support

As both Swedish and Finnish Governments were majority shareholders at the time of the proposal and EC approval, there was a view that the combined entity would result in a share price high enough to make the respective governments' reduction to minority holdings politically acceptable. The market conditions in 2000 and 2001 were not conducive to reduced holdings, and both governments had expressed interest in reducing their holdings in the future.

32.2.6 The region

The Nordic region had been the subject of consolidation for some time. Sonera, the region's smaller player, had admitted that its size inhibited growth prospects and even survival on its own. Telia, on the other hand, was the region's largest operator with ambitions of being the dominant player in the Nordics and the Baltics. Another neighbour, Norway's Telenor, had tried to merge with Telia in 1999. That deal failed amid disagreements about siting mobile business divisions in Sweden or Norway. And while Telenor was not involved in the Telia-Sonera talks - merging two companies is already a major exercise, let alone three - there were still expectations that Telenor could join the group at a later stage.

32.2.7 Regional consolidation

Consolidation in the region is more likely with the TeliaSonera entity in the fray, with Norway's Telenor, and Denmark's TDC chief suspects. Consolidation is to be expected because of the need for TeliaSonera to grow their service offerings in Norway and Denmark, while Telenor and TDC come under competitive pressure from the larger TeliaSonera. All of the region's incumbents are aware of the increasing saturation in their home markets and the need for growth other than organic means.

32.2.8 Existing businesses

In Sweden, Finland and the Baltic countries, TeliaSonera aims to provide the full range of telecoms services to its customers, whereas in Norway and Denmark the combined company will initially offer only a selected range of services - those likely to be delivered profitably. However, according to Telia, if the right expansion opportunities develop, TeliaSonera intends to become a provider of a full range of services in its home markets as well.

32.2.9 Growth

Sonera has had the better growth performance of the two companies, riding on the success of its domestic mobile market, with Telia's growth suffering from margin squeeze in its domestic operations and losses in its international carrier division, though this improved in 2001. Also, Finland's mobile

market is high on saturated, limiting growth prospects on that score. In addition, the merger implicitly accepts that growth for both companies will not come solely from organic growth. The following advantages are foreseeable:

- Telia may benefit from leaving its unsuccessful Finnish mobile business, allowing it to refocus on its strengths in Sweden;
- Sonera may gain growth from the added scale of operations with Telia;
- both companies may benefit from consolidated Baltic activities.

The October 2002 prospectus for the new company made it clear that the growth strategy focussed on the international markets.

32.2.10 *Baltic interests*

The international operations of the two countries hold more promise for growth going forward than the saturated domestic markets in Western Europe.

Sonera and Telia have interests in the Baltics, notably in Latvia. Three of the jointly owned Baltic assets, namely UAB Omnitel, AB Lietuvos Telekomas and Latvijas Mobilais Telefons SIA, will become consolidated subsidiaries of the combined entity. The Baltics are a growth area given intentions to join the EU by 2004, and consolidating the various Baltic interests into the merged company is likely to improve on the 5% contribution (for Telia) to group revenues in 2001.

The merged entity, TeliaSonera, wants to develop its Russian mobile businesses to become part of its domestic operations, as well as developing mobile activities in Turkey, Kazakhstan and Azerbaijan. TeliaSonera also seeks growth in a 'refocused' international carrier business.

32.3 OPERATIONS

32.3.1 *Telia Networks*

Telia Networks is responsible for the fixed networks, services based on fixed networks, such as fixed telephony and data communications, and further development of the Internet Protocol (IP) infrastructure in Sweden. Telia Networks offers network capacity and services on the wholesale and retail markets, primarily to customers in the Swedish market, but also in other Nordic markets and in the Baltic region where Telia has operations.

Telia Networks comprises the operations previously run in the People Solutions and Business Solutions business areas with the exception of those operations transferred to Telia Internet Services and with the exception of Telia Service, Teliks, Telia MultiCom and Scandinavia Online AB, which were transferred to Telia Equity.

Telia Networks also includes network wholesaling in Sweden (Skanova AB, excluding Telia AB Satellit which was transferred to Equity) and network wholesaling operations in Denmark and Finland.

Table 126 – Fixed networks operating data in Sweden – 1997- 2001

Service	1997	1998	1999	2000	2001
Fixed telephony subscribers (000)	6,010	5,965	5,889	5,783	5,663
ISDN channels ('000)	244	424	630	838	922
Domestic calls (million minutes)	31,700	35,600	35,200	31,400	26,500
International calls (million minutes)	660	600	560	520	503
Calls to mobiles (million minutes)	1,110	1,270	1,490	1,590	1,744
ADSL connections for ATM ('000)	n/a	n/a	2	8	9
ADSL/LAN via service providers	n/a	n/a	1	7	47
Fixed telephony, prefix and contract customers in Denmark ('000)	86	160	209	232	264

(Source: Paul Budde Communication based on company data)

32.3.2 *Telia International Carrier*

The business area is responsible for the international carrier business. Telia International Carrier produces and sells international network services in the form of infrastructure, network capacity, and transport of IP and telephony traffic as a wholesaler to operators and service providers, focusing on the European and American markets.

Telia's fibre optic network in Europe connects Brussels, London, Dusseldorf, Amsterdam, Hamburg, Oslo, Stockholm, Helsinki and Haraldsholm. The network's total length at the end of 2000 was estimated at 10,750km. A total of SEK3.9 billion was invested in the Viking Network during 2000.

Telia International Carrier comprises the operations previously run in the International Carrier business unit of the Carrier & Networks business area as well as Telia UK and the Internet operations in Latvia, which were both transferred from the Business Solutions business area.

Table 127 – International carrier operating data – 1999-2001

Service	1999	2000	2001
Europe fibre cable km	4,070	13,000	16,000
Europe fibre ducts km	1,900	5,300	10,000
USA fibre cable	n/a	18,000	18,000
Telephony traffic (000 minutes)	2,451	2,911	4,000

(Source: Paul Budde Communication based on company data)

32.3.2.1 *Viking Network*

Swedish telco Telia operates the Viking Network, a wholly owned subsidiary of Telia International Carrier. By the end of 2001 the network is expected to reach over 40,000 route km, serving as a fibre optic broadband trans-Atlantic backbone linking 50 major business centres in 25 countries in Europe and North America. Total investment in the network is expected to have exceeded US\$1 billion by the end of 2001.

The Viking Network has a meshed structure that gives it diverse routing and inherent reliability that unmeshed ring-based networks are not capable of. Most European segments of the Viking network have 192 fibre cables and use Dense Wave Division Multiplexing (DWDM) technology for enhanced capacity.

32.3.2.2 *TAT-14*

TAT-14, one of Telia's largest submarine cable projects is a system of cables for telephony and data communications traffic requiring high transmission speeds across the Atlantic. The system connects Telia International Carrier's multi-fibre Viking Network between Europe and the USA. Telia started transferring transatlantic traffic to TAT-14 in mid-2001 and it was fully operational from August 2001.

The TAT-14 network is based on Telia's Synchronous Digital Hierarchy (SDH) networks and the Viking Network's DWDM technology. The company reports backhaul reliability of 99.99%. City connections are between New York, London, Paris, Frankfurt, Hamburg, Amsterdam, Copenhagen, Stockholm or Oslo.

32.3.3 *Telia Mobile*

This business area covers the mobile networks, services and development of integrated fixed/mobile services carried out by the Group. Telia Mobile offers network capacity and mobile services in the wholesale and retail markets to consumers and businesses in the Nordic countries and mobile portal services in Europe. The business area largely comprises the operations previously run by the Mobile

business area, with the exception of the associated company WirelessCar Sweden AB, which was transferred to Telia Equity.

The company's wireless portal Speedy Tomato was successfully piloted in Denmark, Finland and the UK in 2000. Telia intends to make the portal available throughout Europe. Telia also acquired the Norwegian mobile operator Netcom ASA in 2000.

The mobile division develops mobile banking services with ForeningsSparbanken (Swedbank) to complement existing e-commerce applications. Telia is also working with Volvo and Ericsson on wireless applications in the automotive industry.

Table 128 – Mobile operational data for Sweden - 1997-2001

Service	1997	1998	1999	2000	2001
Total subscribers (million)	1.94	2.21	2.64	3.26	3.44
GSM customers	1,180	1,703	2,348	3,076	3,300
• contract	1,180	1,390	1,425	1,755	1,760
• prepaid	Na	313	923	1,321	1,540
NMT 900 subscribers	542	316	130	27	n/a
NMT 450 subscribers	213	187	160	154	144
Customers via service providers	n/a	n/a	4,000	48,000	74,000
Traffic per customer (minutes/month)	111	114	121	123	129
SMS messages (millions)	4	13	46	185	389
Churn (%)	12%	14%	9%	8%	10%
ARPU (SEK)	345	362	332	308	289

(Source: Paul Budde Communication based on company data.)

Note: ARPU is Average Revenue Per User.

Table 129 – Mobile operational data for Norway –2000-2001

Service	2000	2001
GSM subscribers (000)	850	870
Of which contract	417	469
Of which prepaid	433	501
Customers via external service providers (000)	50	112
Traffic per customers and month (minutes)	139	141
SMS messages (million)	302	501
Churn (%)	29	26
ARPU (NOK)	308	317

(Source: Paul Budde Communication based on company data.)

Note: NOK is Norwegian Kroner. ARPU is Average Revenue Per User)

Table 130 – Mobile operational data for Denmark - 1998-2001

Service	1998	1999	2000	2001
GSM subscribers (000)	112	170	297	288
SMS messages (million)	Na	23	39	61

(Source: Paul Budde Communication based on company data)

Table 131 – Mobile operational data for Finland - 1998-2001

Service	1998	1999	2000	2001
GSM subscribers (000)	8	33	149	239
SMS messages (million)	1	4	28	57

(Source: Paul Budde Communication based on company data)

32.3.4 Telia Internet Services

The Telia Internet Services business area is responsible for the Group's fixed Internet services, including access, applications and portals. Telia Internet Services offers Internet services to consumers and business customers in Sweden and other Nordic markets.

Telia Internet Services comprises Telia Internet Partner AB, Telia Electronic Commerce AB, the associated company Marakanda Marknadsplats AB, which were all transferred from Business Solutions. Telia e-bolaget, Telia Stofa A/S, Jysk Central Antenne A/S, Chili A/S and eTelia A/S, which were all transferred from People Solutions.

Broadband services are expanding and agreements have been signed with content providers, including Exent, Vision Park, Electronic Arts and Microsoft. The home broadband portal, provided via ADSL, is scheduled for launch in 2001.

Telia Kabel-TV is a dominant provider of cable TV services in Sweden, and upgrades are underway in Sweden, Denmark and Finland.

Table 132 – Internet and cable TV operating data – 1997-2001

Service	1997	1998	1999	2000	2001
Sweden					
• Dial-up subscribers	230,000	439,000	598,000	687,000	747,000
• Dial-up traffic (million minutes)	1,147	2,938	5,330	7,072	7,117
• Broadband via ADSL/LAN	n/a	n/a	2,000	27,000	194,000
• Broadband fixed access	1,000	1,000	1,000	2,000	3,000
• Cable TV subscribers (000)	1,308	1,330	1,348	1,358	1,378
• Of which broadband cable	n/a	n/a	36,000	193,000	420,000
• Of which Internet users	n/a	n/a	3,000	22,000	48,000
Denmark					
• Internet subscribers	11,000	60,000	67,000	78,000	89,000
• Cable TV subscribers	145,000	164,000	170,000	175,000	179,000
Latvia					
• Cable TV subscribers	7,000	19,000	31,000	63,000	66,000
Russia					
• Cable TV subscribers	n/a	n/a	n/a	6,000	13,000

(Source: Paul Budde Communication based on company data)

32.3.5 Telia Equity

Telia Equity is the new division responsible for the Telia's stakes and interests in companies outside of core business areas. Telia Equity comprises the operations which were previously included in the Enterprises business area with the exception of Telia's real estate business, Telia Försäkring and Telia Research which were all transferred to Group-wide business, and with the exception of Telia Handel AB which was transferred to Telia Sweden.

Telia Equity also includes Scandinavia Online AB, Telia Service AB, the Russian cable TV company Teliks and the Latvian cable TV company Telia MultiCom, which were all transferred from People Solutions. In addition, Telia Equity includes WirelessCar Sweden AB, which was transferred from the Mobile business area and Telia AB Satellit, which was transferred from Carrier & Networks.

Telia Equity was wound up as a business area from April 2002. Remaining operations were named Telia Holding and reported under Group-wide from 2002.

32.3.6 Telia Sweden

Telia Sweden was also created in the April 2001 restructure, and is the Group's joint sales and customer unit for consumers and business customers in Sweden. The unit operates on behalf of Telia Mobile, Telia Networks and Telia Internet Services and to a certain extent on behalf of Telia International Carrier. Each business area reports the unit's revenues, costs, investments and staff. Telia Sweden is also responsible for sales, invoicing and customer care under Telia's brand on the Swedish market, partly through its own sales organisation and partly through resellers.

Telia Sweden includes Telia Online AB, Telia Promotor AB, Telia Partner AB and Svenska Infonet AB, which were all transferred from Business Solutions. Telia Nära AB was transferred from People Solutions, excluding the service and installation business Telia Service AB which was transferred to Telia Equity and the development operations and public telephony which were transferred to Telia Networks. Telia Sweden also includes Telia Handel AB, which was transferred from Enterprises.

32.4 OTHER DEVELOPMENTS

32.4.1 Year 2002

February

- Telia International Carrier purchased the assets of 360 networks (UK) Ltd (in administration).

March

- Telia and Sonera announced their plans to merge.

May

- Telia Overseas agreed to sell its 26% stake in Bharti Mobile in India to Bharti Televentures.

July

- The EC approved the merger between Telia and Sonera with some conditions;
- Telia acquired the French and Italian assets of KPNQwest.

September

- Telia's and Tele2's joint venture company, Svenska UMTS-nät AB, signed a SEK 11 billion term loan and revolving credit facility, for the rollout of 3G in Sweden.

32.5 CONTACT DETAILS

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33. TISCALI SPA

33.1 COMPANY INFORMATION

Exhibit 67 – Tiscali at a glance

Ownership	Public Renato Soru Sandoz family	42.2% 26.7% 17.0%
CEO	Renato Soru	
Year established	1998	
Revenue 2001	€636 million	
Headquarters	Cagliari, Italy	
Branches	Austria, Belgium, Czech Republic, Denmark, France, Germany, Italy, Netherlands, Norway, South Africa, Spain, Sweden, Switzerland, United Kingdom.	