

TELIASONERA AB
Form 20-F
April 06, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g)
OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission File No. 000-50121

TeliaSonera AB

(Exact name of Registrant as specified in its charter)

Sweden

(Jurisdiction of incorporation)

Sturegatan 1, SE-106 63 Stockholm, Sweden

(Address of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Shares, nominal value SEK 3.20

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:

Shares, nominal value SEK 3.20: 4,490,457,213

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Edgar Filing: TELIASONERA AB - Form 20-F

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2), has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Contents

<u>Cross Reference to Form 20-F</u>	2
<u>Forward-looking Statements</u>	6
<u>Non-GAAP Financial Information</u>	6
<u>Information on the Company</u>	7
<u>Shareholder Information</u>	20
<u>Corporate Governance</u>	23
<u>Operating and Financial Review and Prospects</u>	33
<u>Risk Factors</u>	51
<u>Consolidated Financial Statements</u>	56
<u>Ten-Year Summary</u>	180
<u>Supplemental Information</u>	185

TeliaSonera AB is a public limited liability company incorporated under the laws of Sweden. TeliaSonera was created as a result of the merger of Telia AB and Sonera Corporation in December 2002. In this annual report, references to Group, Company, we, our, TeliaSonera and us to TeliaSonera AB or TeliaSonera AB together with its subsidiaries, depending upon the context.

In this document, information about market share and penetration for each country is based on our estimations. The market share is based on the number of subscriptions, except for Sweden where the market share is based on the estimated net sales of market participants. Penetration is based on, for mobile services, the number of SIM cards as a percentage of population, for fixed voice services, the number of subscriptions as a percentage of population, and for Internet and broadband services, the number of subscriptions as a percentage of households.

Cross Reference to Form 20-F

The following cross reference table indicates where information required by Form 20-F may be found in this document.

Form 20-F Item Heading	Location in this document	Page No.
PART I		
1	Identity of Directors, Senior Management and Advisors	Not applicable
2	Offer Statistics and Expected Timetable	Not applicable
3	Key Information	
	A Selected Financial Data	Ten-Year Summary Supplemental Information Item 3.A Selected Financial Data Exchange Rates 180 185
	B Capitalization and Indebtedness	Not applicable
	C Reason for the Offer and Use of Proceeds	Not applicable
	D Risk Factors	Risk Factors 51
4	Information on the Company	
	A History and Development of the Company	Operating and Financial Review and Prospects Liquidity and Capital Resources Acquisitions, Investments and Divestitures Liquidity and Capital Resources Cash Flows Information on the Company History and Development of the Company 7 7
	B Business Overview	Information on the Company 7
	C Organizational Structure	Supplemental Information Item 4.C Organizational Structure 186
	D Property, Plants and Equipment	Notes to Consolidated Financial Statements Note 16 Property, Plant and Equipment, in particular section Buildings and land 97 Note 27 Leasing Agreements, section TeliaSonera as lessee 128
4A	Unresolved Staff Comments	Not applicable
5	Operating and Financial Review and Prospects	
	A Operating Results	Non-GAAP Financial Information Operating and Financial Review and Prospects Financial Results 6 33
	B Liquidity and Capital Resources	Operating and Financial Review and Prospects Liquidity and Capital Resources Notes to Consolidated Financial Statements Note 22 Financial Instruments and Financial Risk Management 38 109
	C Research and Development, Patents and Licenses	Operating and Financial Review and Prospects Research and Development Information on the Company Licenses and Networks 46 15
	D Trend Information	Operating and Financial Review and Prospects Trend Information 47
	E Off-Balance Sheet Arrangements	Operating and Financial Review and Prospects Liquidity and Capital Resources Off-Balance Sheet Arrangements Notes to Consolidated Financial Statements Note 28 Contingencies, Other Contractual Obligations and Litigation, section Dependency on third parties 42 134

Form 20-F Item Heading	Location in this document	Page No.
F Tabular Disclosure of Contractual Obligations	Operating and Financial Review and Prospects Liquidity and Capital Resources Contractual Obligations	40
6	Directors, Senior Management and Employees	
A Directors and Senior Management	Corporate Governance	23
B Compensation	Corporate Governance Salary structure within TeliaSonera Notes to Consolidated Financial Statements Note 31 Human Resources, sections Remuneration to corporate officers and Stock-based compensation Note 4 Significant Accounting Policies, section	145
C Board Practices	Provisions for pensions and employment contracts Corporate Governance	73
D Employees	Responsibilities and duties of the Board of Directors Work of the Board of Directors during 2005 Information on the Company Overview	26
E Share Ownership	Notes to Consolidated Financial Statements Note 31 Human Resources Corporate Governance Composition of the Board of Directors Executive Management and Group Vice Presidents Notes to Consolidated Financial Statements Note 31 Human Resources, section Remuneration to corporate officers	143
7	Major Shareholders and Related Party Transactions	
A Major Shareholders	Shareholder Information Supplemental Information Item 7.A Major Shareholders	20
B Related Party Transactions	Supplemental Information Item 7.B Related Party Transactions Notes to Consolidated Financial Statements Note 10 Related Party Transactions	186
C Interests of Experts and Counsel	Not applicable	81
8	Financial Information	
A Consolidated Statements and Other Financial Information	Consolidated Financial Statements See also Item 17	