

President and CEO's speech in TeliaSonera's Annual General Meeting, April 24, 2007

Anders Igel, President and CEO

Dear Shareholders,

- 2006 was a record year for TeliaSonera. Sales, profits and proposed dividends reached their highest levels to date.
- Net income increased by nearly 50 percent, reaching SEK 17 billion. Our market positions developed strongly amid strong competition.
- I want to take the opportunity to thank all employees for their excellent contributions to our financially best year ever.
- A new business structure together with our financial strength and strong performance make a solid platform for profitable growth ahead.

Since the merger between Telia and Sonera four years ago, we have generated a free cash flow of SEK 64 billion in markets characterized by strong price pressure, keen competition and constantly developing customer needs. We have at the same time returned SEK 38 billion to our shareholders. During the past four years our share price has almost doubled and, in 2006, the TeliaSonera share outperformed the Stockholm Stock Exchange's All-Share Index.

A key factor behind the solid earnings development is our vision of making simplicity our strongest competitive edge. This focus has characterised our development work ever since the creation of TeliaSonera. At an early stage we identified one of the strongest trends in the market – the migration from fixed to mobile and Internet based services. Leading and managing that changeover is of paramount importance to our earnings growth.

In 2006, all our businesses contributed to the record results and that I find particularly gratifying. Growth was driven by strong demand for mobile and broadband services, lower operating costs and synergy gains. Also our acquisitions, of in total SEK 3.3 billion, contributed to the strong performance. We entered the Norwegian broadband market by acquiring NextGenTel.

Our operations in Finland showed particularly impressive performance and posted the largest earnings increase in our home markets. Sales and income reached record levels in Norway.

The recently closed acquisition of Cygate will strengthen our position within managed services in the Nordic market. Cygate is a leading supplier of secure and managed IP-network solutions and system integration in Sweden and Finland. In Denmark we have also acquired service provider debitel Danmark A/S. The takeover will increase our

foothold in Denmark. The Danish market is also highly competitive but still our operations there swung to a healthy profit in 2006.

In our single largest market, Sweden, the migration from traditional fixed voice communication was particularly strong and we maintained our margins despite strong price pressure. Restructuring measures and also a gain deriving from a court ruling on interconnect prices helped lift earnings in Sweden.

Sales at our operations in the fast growing markets in Eurasia also reached record levels. Our majority-owned company Fintur's operations in Kazakhstan, Azerbaijan, Georgia and Moldova, and our associated companies in Russia and Turkey, together generated more than 30 percent of group income. The Baltic countries continued their earnings improvement.

Complementary acquisitions are part of our strategy. We also strive to increase our shareholding in Turkcell and MegaFon to take control of these companies. In January, 2007, an arbitration tribunal in Geneva found that a binding share purchase agreement was concluded between TeliaSonera and Cukurova in 2005 calling for Cukurova to sell all the remaining shares in Turkcell Holding to TeliaSonera. The ruling is a step in the right direction but TeliaSonera does not yet know if Cukurova is willing, or able, to proceed with a transfer of the shares. In the long term, if we cannot take control of Turkcell or MegaFon, there is no reason to keep our stakes for ever. Shareholder value projections will determine our actions related to our Eurasian holdings.

The development in our newest market is also gratifying. Last winter we accessed the Spanish market through our acquisition of the majority of Xfera. After a record short period of time following the closing of the acquisition in June we launched our Spanish mobile operation during the brand Yoigo on December 1. Offering easy to use services with transparent and attractive pricing, Yoigo has been very well received in Spain. Customer intake is exceeding all expectations. In Yoigo, we combine our knowledge and experience with a new flexible and cost efficient organization.

Our work to create room for growth by reducing costs and improve profitability continued during 2006. And this work continues also in 2007. We have to work even harder to deliver higher sales growth and maintain a good profitability.

During 2006 the trends in the telecom market became even clearer. Therefore, on January 1, 2007, we introduced a new organization comprising four business areas – Mobility Services, Broadband Services, Integrated Enterprise Services and Eurasia. These business areas will better capture the strong growth within mobility and broadband services as well as managed services for enterprises and in addition the high growth in the eastern markets.

The new organization will through an increased business focus reduce complexity and increase the speed of execution of our strategies. Competence across borders and units will be utilized more effectively and the migration to new services will be accelerated. Efficiency will be increased by focusing on cross-border synergies in the international business areas, faster and simpler decision making, separation of process- and IT-support between mass market services and value-added enterprise

services and through clear targets and benchmarking. Customers will still meet one TeliaSonera at same time as services will be developed closer to customers.

Our main strategy is to develop the operations in our home markets and our investment in Spain, and creating shareholder value related to the eastern positions.

On establishing a new organizational structure we also decided to promote TeliaSonera as a company striving to be in the forefront of Corporate Social Responsibility (CSR). During the year we will establish a clear strategy and goals for the year 2008 in the areas of the environment and fighting child pornography, trafficking and certain other crime over the Internet. We will also deepen our cooperation with the Childhood Foundation where we have been members since its foundation.

Our environmental work will focus on establishing a plan for how we will work systematically with climate issues and how we will report our progress in this field. I would also like to mention that this year we have joined a European initiative aimed at reducing broadband equipment energy consumption and initiated by the association ETNO.

In TeliaSonera we conduct since many years a target-oriented and successful equality work directed by policies and plan. We introduced an equality policy in 1997 and our equality-strategies have developed over the years. The policy creates a culture supporting our ambition for "best-practice" in this field, which involves a more general attitude to learn from experience and means the levelling out between men and women on several levels in the company is increasing year after year.

Following the reorganization that was implemented on January 1, 2007, the share of women among the 300 highest managers increased from 38 to 44 percent.

On the other hand, the share of non-Swedish executives with an international responsibility is less than 30 percent. To increase the pace and maximize the force for profitable growth, we need to utilize the knowledge of the entire company across country borders to a larger extent. If we recruit from TeliaSonera's entire world we will create a more enjoying of working in an internationally united company and reach a better position ahead of the upcoming European consolidation. A future focus on recruiting cross-border is therefore necessary.

A study ordered by the EU-Commission's Information Society and Media Directorate-General on women's career opportunities in the IT-industry in the 25 member states highlights TeliaSonera's equality work as a good example. That we are very proud of.

Focusing our offerings to mobility and broadband services will cannibalize sales of traditional fixed voice communications and that is our intention. The scope for growth is significant when it comes to increasing usage of voice and data communication within personal mobility services both for consumer and enterprise mass markets, and within broadband services for connecting homes and offices and for home communications.

On the much debated issues of equal access to TeliaSonera's copper network in Sweden I am very pleased that discussions have been initiated between a number of actors and PTS. Should we in Sweden find a suitable commercial solution between the parties this could guide the development in Europe. A commercially based solution where the parties find their respective roles is always to prefer before a forced on regulation.

2007 has come to an eventful start. The new organization has started its work and earlier today we presented our financial report on the first quarter. I'm happy with the usage increase within mobility services, where sales growth was 3.4 percent and that we, thanks to aggressive market initiatives, have increased the number of subscriptions by as much as 19 percent. But we have to continue our efficiency work and review our costs, above all in the business area Broadband Services, in order to attain the speed and flexibility needed to keep market leadership amid the changeover from traditional to new, modern telephony.

We are well positioned for the future and I am convinced that we through our current business focus will strengthen our competitiveness and advance TeliaSonera's positions. In 2007 net sales are expected to continue growing, reaching the target of approximately SEK 100 billion within two years with maintained good profitability. Net income is estimated to be somewhat higher than in 2006, adjusted for positive one-off items of SEK 1.7 billion in 2006. The CAPEX-to-sales ratio is expected to grow due to increased investments in broadband and mobile capacity.

In view of the strong development in 2006, and taking into account current cash flow projections and investment plans, the Board of Directors proposes that TeliaSonera increases its ordinary dividend and pays extraordinary dividends to its shareholders. In total, a record SEK 28.3 billion is proposed for distribution to the shareholders during 2007. Thus the TeliaSonera share will be one of the highest yielding stocks in Sweden so far and my hope is that it will continue to be equally good also in the coming years.

I look forward with enthusiasm to yet another exciting and successful year for TeliaSonera 2007.