

## **CEO's speech Annual General Meeting April 6, 2011**

Dear shareholders,

We live in interesting times.

The services that TeliaSonera offers are becoming a more important part of our lives and the reason is being to fulfil a basic human need – to communicate – in a simple, efficient and easily accessible way.

I normally talk about times before and after the "smartphones". They have drastically changed my and many others' way of communicating. We are constantly connected, and always have access to the internet via our mobiles, which means the need of carrying heavy equipment – like a pc for example - is more or less non-existent.

But it's not only when we are on the move that we want to have high speed and quality, we want the same experience at home and at the office.

This drives the traffic in our networks and makes the demand for bandwidth practically unlimited.

TeliaSonera is a pioneer in the telecommunication industry, by being at the forefront of introducing new technology and offering new services to customers in all our markets.

Our engineers were extremely involved in developing and establishing the first mobile communication standard, NMT or Nordic Mobile Telephone. And since the beginning of the 1990s we have introduced three new generations of mobile communication systems. The latest, the 4G, is a network solely for data communication, and is up to ten times faster than its forerunner 3G.

In 2010, we continued the roll-out of 4G services, which started in late 2009 when we as the first operator in the world, launched 4G in Sweden and Norway. We were also the first operator to launch commercial 4G services in Finland, Denmark and Estonia.

In Estonia it took just six minutes from the time we got the license until we were up and running, offering services to our customers – thanks to our experiences from earlier launches.

We also increased our investments in fiber transmission and fixed access networks in the Nordic markets during the year.

In Eurasia, we started rolling out 3G networks in Uzbekistan and Nepal. In connection to the Asian Winter Games in Kazakhstan we acquired a long sought after 3G license also there.

By introducing new services and investing in high quality networks with improved capacity and coverage, we continue to cater to the public's steadily increasing need for bandwidth and connectivity.

We can divide our markets in mature markets, where basically everyone has a mobile phone and where most of the growth comes from value added services, such as fixed and mobile internet access and high quality TV services. In the growth markets, we are still building coverage and capacity, as a smaller part of the populations has a mobile phone or access to the internet.

In Northern Europe, the demand for smartphones is growing at an exceptional rate. In 2010, seven out of ten new mobile phones sold in our Swedish stores were smartphones. Already today that share has increased to eight out of ten and during the Christmas shopping the share was as high as nine out of ten.

These handsets are used more and more to access the internet to enjoy a variety of services, in addition to calling and sending text messages.

Moreover, the demand for on-demand services, such as video and films, is growing steadily. We rented out more than 2 million films through our TV service last year, corresponding to five thousand five hundred films per evening – or Sweden's biggest cinema ☺.

In Eurasia, where there are many growth markets, populations are larger and younger than in Europe, mobile penetration is lower and fixed networks are limited.

We help customers in these markets leapfrog the development, and to jump right to the forefront of mobile telecommunications, by offering new services at affordable rates. The speed of development is impressive.

TeliaSonera has a strong track record in Eurasia. Already in the early 1990s we were founding partners in some of the operations, among others Turkcell in Turkey, MegaFon in Russia and Kcell in Kazakhstan. All these operators are leaders on their respective markets.

We offer technology and services to customers on markets with different conditions but our operations are built on a common platform of values which is described in more detail in our Code of Ethics.

Our strategy is to combine local expertise with international competence, know-how and financial resources. It has created leading telecom operators on markets with strong growth potential.

In countries where democracy doesn't prevail, which is the case in many countries in Eurasia, telecommunication, access to telephony, e-mail and internet is one of the most important tools for increased transparency and dialogue.

To make telecommunication services available to as many people as possible in the world, is one of the millennium targets set by UN. It creates economic growth, increases transparency and promotes democracy. The power that can emerge when people get the possibility to communicate has been witnessed by us all when looking at recent uprisings in North Africa.

Continued growth in Eurasia is a top priority for TeliaSonera. The growth potential lies in expanding the customer base and increasing mobile voice and data usage over internet.

We also aim to grow by increasing ownership in core holdings and we will continue to look for new opportunities within or neighbouring our existing footprint.

Last year we increased our ownership in UCell in Uzbekistan, a market we entered in 2007 with more than 27 million inhabitants. At that time the company had around half a million customers. Today we have almost seven million subscribers in the country – to compare to the almost 6 million mobile customers in Sweden, which is our largest market in Europe.

We also increased our ownership in Ncell in Nepal, a company we entered two years ago with 1.5 million customers on a market with almost 30 million inhabitants. Today we have more than 4 million subscriptions and have overtaken the former market leader.

Our success is built on our focus areas:

- to offer the best customer experience,
- to have high quality and capacity in the networks, and
- an efficient cost structure,
- and not least, to be at the forefront of introducing new technology and offering new services to customers.

You have certainly noted our interest in investing in new markets.

An interesting investment is characterized by the following, the market needs to have a relatively large population, it has to have growth potential and we are to have a fair chance of getting a market leading position being number one or two.

In addition to that the price has to be at such a level so that the investment creates value for our shareholders.

In this context it's good time to comment on the complicated development and actions regarding the ownership in Turkcell and MegaFon. You have certainly read in the newspapers that the situation in Turkey has intensified, partly caused by our decision to take a more explicit standpoint than previously and express our rights, also in media. I'm quite convinced that we will come to some solution during this year, but what it means in concrete terms remains to be seen.

TeliaSonera has developed into an international group with a global strategy. At the same time we act as local operator in each market. By combining these aspects, we can build on our common strengths when introducing new technologies and services. We can rely on synergies and best practice throughout our footprint to bring the best to each customer in each market in terms of competence and know-how.

By acting locally, we stay close to our customers to ensure that offerings, sales and marketing are tailored to their specific needs acting whether it is to introduce a new price plan in Spain, a TV-offer in Estonia or a cloud service solution to a Swedish enterprise.

This strategy provides a solid foundation to the future development of our business.

Finally I have to mention on 2010, which was a successful year for TeliaSonera.

The revenue growth improved throughout the year after a couple of years of a weaker development due to the economic downturn, and earnings per share increased by 13 percent.

We have systematically worked for an increased yield to the shareholders. Thanks to TeliaSonera's strong financial position, the Board of Directors could for the second consecutive year propose an increased ordinary dividend for 2010. In addition to that a repurchase offer has been executed and was finalized some days ago. In total we repurchased shares corresponding to a value of around SEK 10 billion and we are happy that the acceptance level was very high.

One of our focus areas is to run cost-efficient operations to safeguard our competitiveness. During the first half of 2010, we had tailwind from previous cost savings. During the second half, the organization identified further savings to be implemented during 2011. We foresee that the

common operating model and cross border organization within Mobility and Broadband Services will result in synergies, but there is also a need to recruit new competence.

Ladies and gentlemen, TeliaSonera has transformed into an international group and our services are becoming more important to people's daily lives.

We are in the fore-front of introducing new technology and offer services to an increasing number of customers.

We have a global strategy and are well positioned locally in our markets.

We are financially strong and have motivated and competent employees.

That makes me convinced that we have a prosperous future.

Thank you!