

CEO's speech at the Annual General Meeting April 3, 2012

Dear shareholders,

2011 was an exciting year, both for TeliaSonera and the telecom industry in general.

It started with the Arab spring, where the importance of telecommunication services became very evident. In our markets, the demand for smartphones and tablets exploded and drove the traffic in our networks to new highs.

It becomes more evident that the telecommunication services that TeliaSonera provides have enormous benefits as they cater to a very basic human need – to communicate – in an easy, efficient and accessible way.

Since the birth of the information society a few decades ago we have seen three major technology leaps, all changing the way people communicate and interact.

The PC entered the scene in the 80's and during the 90's computers were connected to networks and the internet. After the millennium shift laptops and 3G technology made telecommunications mobile.

At the end of 2011, there were globally some 5 billion mobile subscriptions and 2 billion people were connected to the internet. This means that in just a few decades, communication services have transformed from being expensive and exclusive into services which are essential, affordable have become an integral part of our daily lives, all over the world.

Now we are in the midst of the next big shift, the fourth generation information society.

During the past 24 months, we have witnessed an explosive growth in the use of smartphones. Combined with the rise of social media, such as Facebook with close to 1 billion users, these handsets have transformed the way we connect and interact, the way we do business and the way we socialize.

We now have family, friends and colleagues in our pocket – just a swipe away. But the information society has gone smart, social and truly global.

It may sound bold, but we consider ourselves to be at the very core of this development, in the driving seat of the fourth generation information society. Because regardless of your device, operating system, platform or even country, we ensure that your communications function. We make sure that you can connect to anyone at any time and at any location – in short, that you can communicate.

If we just go back a few years in time, few of us would have imagined that communication services would change countries and economies, overthrow dictatorship and give birth to democracy.

We believe that our telecommunication services contribute to the development in society very positively – by making it possible to share information, exchange ideas, stay in touch.

At the same time our services facilitate to enjoying education, doing business, transferring money and taking advantage of medical assistance via internet.

Despite that there are still opinions that TeliaSonera shouldn't operate in countries with defective democratic traditions.

We believe that the access to telephony and internet cater to economic growth as well as more opened societies and therefore it is better to be present also in countries where it leaves more to be desired regarding the right to express oneself and human rights.

There are obvious challenges both when it comes to corruption and human rights. Therefore we are working actively with developing management in the organization based on our shared values and the code of ethics and

conduct. We are also working based on UN's guiding principles and OECD's guidelines for multinational companies.

UN's guiding principles with the aim to protect human rights are distinct and clear:

Politicians and governments are responsible for protecting human rights and that the freedom of speech preserves.

As a company we always have to comply with the national legislation. In addition to that it's our duty to further develop, based on UN's framework, the work to respect human rights.

We do that among other things in dialogue with other companies within the telecommunication industry. Together we strive to develop common principles as a standing point when there are conflicts between human rights and national legislation.

At the same time we can notice that UN as one of the stated millennium goals stresses the importance of further developed telecommunication.

Therefore, TeliaSonera is committed to bridging the digital divide by offering our services and extending our networks in both mature and emerging markets.

In 2011, the number of subscribers using our and our affiliated companies' networks grew by 13 million to 170 million in total, all the way from the Nordic countries, across our Eurasian footprint to the Himalayas in Nepal.

We invested more than SEK 17 billion in networks and licenses last year. We have taken the technology leadership in many of our countries by being the first operator in the world to launch 4G services, and with Azericell's 3G launch in Azerbaijan in November we now provide 3G services in all our Eurasian markets.

All in all this development implies that the data traffic in our networks will continue to grow at an enormous rate. Today the share of net sales from voice stands for 80 percent and data for approximately 20. But if we look at the traffic in the networks the relation is the opposite: voice stands for 20 percent and data for 80.

The development will continue to be pure data and therefore the current business model in the industry has to change the coming years.

During more than hundred years we had only one service: voice. Now our customers use thousands of services via their smartphones, laptops and tablets.

TeliaSonera is a pioneer in this area:

2009 we argued that flat fees for an unlimited amount of data don't work in the long run.

2010 we proved sceptical investors that we in fact can meet the dramatically increasing needs of capacity and bandwidth to a decent level of investment.

2011 we lowered the prices by more than 50 percent and launched a cost control to access our data services internationally. Named roaming.

We pioneer the development!

In May last year, we manifested our heritage and strategy of being a smart, leading international company with a strong local knowledge and connection by uniting all our main brands under a common identity. Eighteen brands now share the same identity, logo and color scheme, but keep their individual names.

The unified brand further strengthens our position on the international scene by manifesting TeliaSonera's unique combination of global reach and local connection.

Our strength lies in the combination of these two features.

We are one of Europe's leading operators with significant experience of rolling out networks, developing telecommunication services and we have significant financial muscles.



At the same time, we operate through strong local brands and are very close to our customers in each market. This clearly differentiates us from our competitors.

Our strategy is based on providing high quality networks, a world-class customer experience and a product portfolio that meets our customers' needs.

Our strategy is also take pride in the early implementation of new technology at a commercially reasonable pace.

Our customers are now able to keep the same mobile behavior when traveling abroad as they do in their home country, without facing any bill shocks when they return as we have lowered the pieces dramatically and launched a cost control.

We are convinced that the increased usage this will generate over time will compensate for a short-term negative impact on revenues.

In fact, we can already see that volumes have more than doubled compared to a year ago.

Financially, 2011 was another strong year for Teliasonera and we are proud that we were able to generate growth and keep a healthy balance between revenues and costs. Thereby, we were able to improve our EBITDA margin for the third consecutive year. Despite significant investments during the last year is our financial position strong and admits the Board of Directors to propose an increased ordinary dividend, which gives our shareholders a good yield.

Looking ahead, we believe our revenues and earnings will continue to grow despite macroeconomic and industrial challenges.

Thanks!