

Speech held by Marie Ehrling, Chair of the Board, at the Annual General Meeting on April 8, 2015

Dear Shareholders,

In last year's AGM I explained how TeliaSonera would build a more solid platform in 2014 to meet future challenges and generate profitable and sustainable growth. I also described the ethical challenges that we have had and still have ahead of us. As I now summarize the year, I feel happy and very humble to be able to tell you that the company has taken big steps:

- we have reinforced our core business, and a new organization is now in place;
- we have implemented the sustainability strategy and laid down a comprehensive business strategy for increased capacity, more services and reduced costs.

We have laid a solid foundation. And there is need for it. For the pace of change and the advances in technology are quick. Europe is facing major challenges, for example as a consequence of economic developments following the financial crisis. Many of the countries where TeliaSonera has operations are strongly affected by the prevailing, uncertain geopolitical situation, particularly in Russia but also in Turkey and Eurasia. It is a force that drives a wedge between people, separates groups and divides countries. But there is also another force – a force that is equally strong and drives change even more rapidly. It is people's desire to meet and be together, supported by technical advancement and digitalization.

Our task at TeliaSonera is to utilize the force and make sure it really brings the world closer – on our customers' terms. Development has been very quick in the past 10 years, and the pace continues to accelerate – pushing forward on several fronts at the same time. The telecommunications market in Europe will undergo consolidation. After many years of increasingly many players, now is the time for mergers and acquisitions. Necessary investments can be made profitable and attract capital only when economies of scale are utilized and new business models developed. This requires big players.

TeliaSonera will be active in the process. Where there is a clear business logic and good opportunities, we are ready to act. We do not close doors, not to acquisitions and not to divestments. Our customers' behaviour and need for telecommunications services change at pace with technological developments. For TeliaSonera this is an opportunity – it increases data volumes and opens up entirely new areas for content and online services. This is naturally an opportunity for the company, but at least equally important is that it opens opportunities for us people: for our personal safety, for productivity and growth, for health and our environment. Simultaneously, new challenges arise: challenges related to integrity and security; knowledge and competence; unemployment and what we increasingly call "digital divide".

TeliaSonera must develop and change constantly. We must be able to inspire people and companies – and more importantly, be inspired by their ideas, wishes and ambitions. We must be able to invest in order to build tomorrow's TeliaSonera and simultaneously invest to reduce our costs and become increasingly efficient. Our strategy will inevitably affect our cash flow in the next two years. To build security for our investors during the period, the Board decided last autumn on a new dividend policy, which targets an annual distribution of at least three Swedish kronor per share during two years. This is also what the Board will propose to the Annual General Meeting today.

Company information

TeliaSonera AB
Sturegatan 8 SE-10663 Stockholm, Sweden
Registered office: Stockholm
Business ID 556103-4249 VAT No. SE556103424901

The Board's first year was initially characterized by a retrospective review, but during the past year, the Board has focused more and more on our future strategy. Strategic questions, risk assessment and value creation are high on our agenda. I wish to emphasize that the foundation of the Board's work is a clear link between sustainability issues well-integrated into the business strategy and generation of steady profitability in the long term. Some issues to which the Board has paid special attention during the year include:

- strategic alternatives, particularly the changed business logic in the telecom industry;
- different initiatives in business units, such as price strategies and fiber build-out;
- operation models and organizational issues;
- developments in the associated companies in Turkey and Russia.

The Board also focuses heavily on TeliaSonera's sustainability work and on following all the issues that arose in connection with the Board's external review in the previous year.

To all of us who carry responsibility for TeliaSonera – that is, the Board, management and all our employees – the ethics and sustainability work has been an important focus area in 2014. Sustainability is today a concept that includes many issues. In my mind, to put it simply, it means the role that precisely my company plays in society. Priorities may be very different, depending on the industry, geography and size, for example. It is important that every company considers its own role carefully: how can we make a difference, how can we make an impression. We must all have courage to prioritize and, above all, to turn words into action. Sustainability is also a dynamic concept, as we at TeliaSonera very well know. What is acceptable today may be regarded differently in the future – so this goes beyond legislation. We have an ethical commitment, and expectations for integrity and business decisions and business operations grow increasingly higher, which also increases demand for transparency and openness.

A year ago I gave an account of the conclusions of the Board's external review of the establishment of our operations in Eurasia. Unfortunately, we reached very serious conclusions about the shortcomings and needs for change in the company. In the past year, major efforts were made to gather knowledge, information and competence in the company. As of spring 2014, the Board handed over the operational responsibility to TeliaSonera's management, which has for example launched an extensive anti-corruption program in the company. Thorough risk analyses have been made; increased control and supervision, new governance structure, new processes and new managers are only some of the many actions that have been taken. But first and foremost, leadership has changed, and thereby a cultural change has started. The Board has carefully followed the implementation of all the above measures, and also deviations in the operations. The list of deviations has been long, but we go through it systematically at the pace possible. The work has been more complicated and time-consuming than what we anticipated.

There are ongoing litigation processes in Sweden, the USA and the Netherlands about the establishment of TeliaSonera's business operations in Uzbekistan. TeliaSonera fully cooperates with all the appropriate authorities, and over the year we have put major efforts into gathering the information requested. We do not know at present how long the processes will last or where they may lead to, but we will continue to cooperate with the authorities for as long as it takes.

Last year's Annual General Meeting did not release the former President and CEO Lars Nyberg from liability with regard to financial year 2013. Consequently, the Board commissioned an investigation. Our conclusions from this investigation were reported in December 2014. The Board's conclusion is that there are no grounds for filing a suit against Lars Nyberg because of his limited role in January 2013, which is the period covered by the AGM's resolution not to grant discharge from liability.

However, the company continuously keeps an eye on the possibility of suing for damages against the Group's earlier officials, for example as a consequence of what may be revealed by ongoing investigations or otherwise.

As you can see, much has been done not only based on our anti-corruption program but also as seen from our general sustainability perspective. But we still have a lot to do. We have focused on the big risks, and we build from ground up. We have been left with a legacy. But we in the Board and the management are aware that it is now our responsibility to deal with the consequences. TeliaSonera has established itself in some countries that are among the most challenging countries in the world as regards doing business sustainably, honestly, ethically and abiding by the law. We must feel assured that we are sufficiently strong to continue to conduct these business operations sustainably and be able to handle the big risks that still exist in the operations. We take a stand, and when we have taken a stand, we must dare be transparent and talk about the difficult and complex challenges that we have. The year's Sustainability Report therefore also contains more information about our challenges and deviations than earlier. Integrity and transparency are our guiding stars.

Dear Shareholders, our goal is that by 2018 TeliaSonera has developed into a new generation telco; a company that understands the power in bringing people together and that will help them reach further. Our commitment to the customers and taking responsibility for society are therefore equally important as technical innovations when we are building the new TeliaSonera.

And now, let me warmly welcome the next speaker, TeliaSonera's President and CEO Johan Dannelind.