TeliaSonera in Brief
TeliaSonera is a global telecom pioneer. We provide network access and telecommunication services that help people and companies to communicate in an easy, efficient and environmentally friendly way.

Our vision is to be a world-class service company, recognized as an industry leader. We are proud of being pioneers of the telecom industry, a position we have gained by being innovative, reliable and customer friendly.

Our products and services are delivered in a cost-effective and sustainable manner, based on a deep understanding of customer needs. Through sustainable and improved profitability and cash flows, we secure shareholder value.

TeliaSonera is listed on the NASDAQ OMX Stockholm and NASDAQ OMX Helsinki stock exchanges.

World-class Service Company
Our focus areas are:
- To build a world-class service company
- To secure high quality in our networks
- To have an efficient cost structure

A global telecom pioneer
TeliaSonera is an international group with a global strategy, but wherever we operate we act as a local company. We offer our services in the Nordic and Baltic countries, the emerging markets of Eurasia, including Russia and Turkey, and in Spain.

Our Operations
TeliaSonera’s operations are organized in three business areas: Mobility Services, Broadband Services and Eurasia.
The Year in Brief
TeliaSonera provides network access and telecommunication services that help people and companies communicate in an easy, efficient and environmentally friendly way.

### Financial Highlights

<table>
<thead>
<tr>
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<th>2010</th>
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<th>2008</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>106,582</td>
<td>109,161</td>
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<td>EBITDA, excluding non-recurring items</td>
<td>36,977</td>
<td>36,666</td>
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<td>Margin (%)</td>
<td>34.7</td>
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<td>Operating income</td>
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<tr>
<td>Operating income, excluding non-recurring items</td>
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<tr>
<td>Net income</td>
<td>23,562</td>
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<td>of which attributable to owners of the parent company</td>
<td>21,257</td>
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<td>Earnings per share (SEK)</td>
<td>4.73</td>
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<td>Return on equity (% , rolling 12 months)</td>
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<td>CAPEX-to-sales (%)</td>
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<td>12.8</td>
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<td>Free cash flow</td>
<td>12,901</td>
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### Highlights and achievements

#### Strong financial performance
The organic revenue growth improved throughout the year and earnings per share increased 13 percent to a record-high SEK 4.73 per share.

#### TeliaSonera - a pioneer in the industry
During the year, we were the first operator to launch commercial 4G services also in Finland, Denmark and Estonia. 4G services were launched as early as in December 2009 in Sweden and Norway and the roll-out continues in 2011.

#### Growth continued in Eurasia
Strong subscription intake and an improved macroeconomic situation led to an organic revenue growth of 16 percent. In line with our strategy, we increased our ownership in Ncell in Nepal and in UCell in Uzbekistan during the year.

#### Gaining market share in Spain
Our Spanish mobile operator Yoigo reached the EBITDA breakeven target in the fourth quarter of 2010, only four years after the launch in 2006. Yoigo has now reached a market share of four percent.

#### On-demand services gaining momentum
Services such as films are gaining momentum and we rented out more than 2 million films through our video on demand TV service in Sweden during the year.
Dear Shareholders,

TeliaSonera continues to grow and pioneer the telecommunications industry, by being at the forefront of introducing new technology and offering new services to customers in all our markets.

In 2010, we continued the roll-out of 4G services, which started in late 2009, to customers in Sweden and Norway and we were also the first operator to launch commercial 4G services in Finland, Denmark and Estonia. We increased our investments in fiber transmission and fixed access networks in the Nordic markets. In Eurasia, we started rolling out 3G networks in Uzbekistan and Nepal and acquired a long sought after 3G license in Kazakhstan.

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

Market drivers

We can divide our markets in mature markets, where basically everyone has a mobile phone and most of the growth comes from value added services, such as fixed and mobile internet access. In the growth markets, we are still building coverage and capacity, as a smaller part of the populations have 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. These handsets are more and more used to access the internet to enjoy a variety of services, in addition to calling, sending text and email messages. Moreover, the demand for on-demand services, such as films, is growing steadily and we rented out more than 2 million films through our TV service in Sweden last year.

In Eurasia, 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 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. By combining local expertise and international experience we, together with our local partners, are developing our business to become the leading telecom operator in each market where the combined population is more than 380 million, including Russia and Turkey. The demand for mobile services has grown dramatically during recent years due to limited fixed networks, more comprehensive network coverage, more developed international roaming, sought after value added services and attractive pricing.

Growing in the region is a top priority for TeliaSonera and the growth potential lies in expanding the customer base and increasing mobile voice and data usage.
Wherever we operate we have the same ambition: to be number one or two in the market based on providing the best customer experience, high quality networks and cost efficient operations.”
Lars Nyberg, President and CEO, TeliaSonera

Our asset portfolio
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.

In the first quarter of 2010, we increased our ownership in UCell in Uzbekistan, a market we entered in 2007, and in the fourth quarter, we increased our ownership in Ncell in Nepal. Both these countries have showcased very strong growth, with increasing penetration, and we grew the customer base by 35 and 85 percent, respectively, compared to the year before.

We are constantly reviewing our asset portfolio and during the year we divested Telia Stofa in Denmark, as it was not regarded as a core asset. In the fourth quarter, our Spanish mobile operator Yoigo, reached the EBITDA breakeven target we set out in 2006, only four years after the launch. Yoigo is well positioned as the challenger in Spain and has reached a market share of four percent. To maximize shareholder value, we will now continue to develop the business and the next milestone is to become cash flow positive by the end of 2011.

Focus areas
Wherever we operate we have the same ambition: to be number one or two in the market based on providing the best customer experience, high quality networks and cost-efficient operations.

In 2010, we continued to roll out high-quality fixed and mobile networks, with improved capacity and coverage. We also made progress in working in a more integrated way throughout the company. Within Mobility and Broadband Services, a common operating model was put in place in every country to serve our customers’ needs in a better way and to extract cost and scale advantages. In Eurasia, all operations except UCell in Uzbekistan have now been rebranded which further emphasizes their integration into the group.

Acting locally, based on a global strategy
TeliaSonera has transformed into an international group with a global strategy. At the same time, we act as local operators 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, whether it is to introduce a new price plan in Spain, a TV-offer in Estonia or a cloud service solution to a Swedish public or private enterprise. This strategy provides a solid foundation to the future development of our business.

A successful year
2010 was a successful year for TeliaSonera. The organic revenue growth improved throughout the year and earnings per share increased by as much as 13 percent. Add to that a strong financial position, and the Board of Directors was able to propose a 22 percent increase in ordinary dividend. In addition, they have decided to execute the authorization from the Annual General Meeting to repurchase shares. TeliaSonera will repurchase outstanding shares for a total value of around SEK 10 billion.

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.

Looking ahead, we believe revenue growth in local currencies will be around 4 percent in 2011, mainly driven by mobile data in the Nordic region, increased market share in Spain and higher mobile penetration in Eurasia.

Stockholm March 8, 2011
Lars Nyberg
President and CEO
Vision and Strategy
TeliaSonera is an international company with a global strategy, but wherever we operate, we act as a local company. We provide network access and telecommunication services that help people and companies communicate in an easy, efficient and environmentally friendly way.

Mission – to provide network access and telecommunication services
TeliaSonera’s mission is to provide network access and telecommunication services that help people and companies communicate in an easy, efficient and environmentally friendly way.

We create value by focusing on delivering a world-class customer experience, securing the quality of our networks and having an efficient cost structure.

TeliaSonera is an international company with a global strategy, but wherever we operate we act as a local company. This gives us advantages in terms of knowing the local culture and market better than others.

World-class Service Company
Our focus areas are:
- To build a world-class service company
- To secure high quality in our networks
- To have an efficient cost structure

Read more about our achievements in 2010 in the CEO Letter.

A world with better opportunities
Read more about how TeliaSonera contributes to a world with better opportunities in our CR Report 2010:
- Case: “Sanam tariff for women creates opportunities”
- Case: “Training activities invite people to join the digital highway”
- Case: “Mobile communication for social change”

Shared values – a platform for our everyday work
Our shared values form the foundation of our everyday work. They are:
- Add value
- Show respect
- Make it happen

Add value
The key to adding value lies in being customer focused and business minded. Being innovative and acting as pioneers is part of our heritage. We strive to share knowledge by collaborating in teams and across borders, letting us use our resources efficiently. We take ownership, follow up and give feedback to ensure that we foster simple and sustainable solutions that add value to our customers.

Show respect
We show trust, courage and integrity in everything we do. Our employees’ knowledge and diversity are highly valued, with everyone sharing the responsibility for creating a good working climate. We treat others the way we want to be treated; in a professional and fair manner. Customer privacy and network integrity are carefully protected, and we always act in the best interest of both our customers and the company.

Make it happen
We make decisions to drive development and change; making planning and fast implementation crucial. We foster a lively business climate where everyone can contribute, and we make the best use of our employees’ competence and commitment. Our customers should experience that it is easy and rewarding to do business with us, and recognize that we deliver on our promises.

Vision – a world-class service company and an industry leader
TeliaSonera’s vision is to be a world-class service company, recognized as an industry leader. We are proud of being pioneers of the telecom industry, a position we have gained by being innovative, reliable and customer friendly.

We act in a responsible way, basing our activities on a firm set of values and business principles. Read more in TeliaSonera Code of Conduct and Corporate Responsibility Report 2010, respectively.

Our services form a major part of people’s daily lives – for business, education and pleasure.
We contribute to a world with better opportunities.
Shared values in our everyday work
Read more about how our shared values influence our everyday work in our CR Report 2010:
- CR Report Executive Summary
- Code – A common foundation

Overall strategy – offerings based on deep understanding
TeliaSonera's overall strategy is to deliver products and services, tailored to our different customer segments, based on a deep understanding of their present and future needs.

To create shareholder value through sustainable and improved profitability and cash flows, we will deliver our services in a cost-effective and sustainable manner.

Nordic and Baltic markets – focus on margins and cash flow
The Nordic and Baltic markets are mature markets with high mobile penetration. Here TeliaSonera enjoys a leading market position. The aim is to grow in line with these markets or better, to take advantage of the increased growth in mobile data maintaining profitability.

The Nordic and Baltic markets are exposed to price pressures caused by intense competition and regulatory intervention, making operational efficiency a top priority in this environment. TeliaSonera continually strives to improve efficiency in order to develop new mobile and IP-based services.

Our strategy in the Nordic and Baltic markets is to focus on:
- Strong growth in mobile data
- Migration to IP-based services
- Margins and cash flow

Read more about our operations in the Nordic and Baltic markets in the Our Operations section:
- Broadband Services
- Mobility Services

Eurasia – growth and high margins
TeliaSonera aims to expand in Eurasia and the surrounding region. Therefore, we aim to grow organically as well as increase ownership in core holdings and make complementary acquisitions within our existing footprint.

The focus is on markets with low mobile penetration, reasonably sized populations and growing economies, where we can leverage our management experience most effectively.

In Eurasia, mobile penetration is lower than in TeliaSonera’s other markets while fixed networks are not as developed; as a result these countries are reliant on mobile networks. This creates a great potential for TeliaSonera.

Our strategic priorities for Eurasia in the coming years are:
- Strengthening and creating leading market positions,
- Securing high quality networks and services,
- Achieving balanced growth and profitability,
- Providing new services, like mobile broadband,
- Securing strong corporate governance and risk management.

Read more about our operations in Eurasia in the Our Operations section.

Spain – development of Yoigo
In the Spanish market TeliaSonera aims, together with its local partners, to create an efficient low-cost mobile operator with a market position that achieves strong, sustainable profits and cash flows thereby increasing the value of the operation.

Read more about Mobility Services in the Our Operations section.

Data traffic increases more than customers
Our strategy is built upon the assumption that data and voice traffic increases more than the number of customers and there is an unlimited demand for bandwidth. This has two consequences:
- Fixed networks remain competitive in regions where fixed networks already exist with strong growth in new services such as IPTV, video-on-demand and IP-based broadband.
- The pricing model will evolve. We will move from a voice based price model to introducing charging for access, consumption and speed.

Read more about market trends in the Trends section.
The TeliaSonera Share

The TeliaSonera share is listed on the NASDAQ OMX Stockholm and the NASDAQ OMX Helsinki stock exchanges. The share rose 2.8 percent to SEK 53.30 during 2010. During the same period, the OMX Stockholm 30 Index rose 21.4 percent and the Dow Jones Euro Stoxx Telecommunications Index decreased 9.8 percent.

The highest price in 2010 was paid on November 9 and amounted to SEK 56.90. The lowest price was paid on May 8 and amounted to SEK 44.00.

Europe’s fifth largest telecom company

TeliaSonera’s market capitalization was SEK 239 billion at the end of 2010, representing 5 percent of the total market value on the Stockholm stock exchange. In terms of market value, TeliaSonera was the fifth largest company on the Stockholm stock exchange at the end of 2010 and the company is Europe’s fifth largest telecommunications operator.

Dividend SEK 2.75 per share

For 2010, the proposed ordinary dividend is SEK 2.75 (2.25) per share, totaling SEK 12.3 billion, or 58 percent of net income attributable to owners of the parent company.

The proposal is in accordance with TeliaSonera’s capital structure and dividend policy.

Increased foreign ownership

The number of shareholders decreased during 2010 from 635,799 to 601,736. Ownership by the Swedish State as a percentage of outstanding shares was 37.3 percent and ownership by the Finnish State was 13.7 percent. Holdings outside Sweden and Finland increased from 13.8 percent to 17.6 percent.
Trends

In mature markets, developments in telecommunications are being driven by users' increasing desire to connect at any time, from anywhere and from all kinds of terminals. New technology and new services have developed to make this possible. In growth markets, a greater proportion of growth comes from new customers and increased mobile penetration.

The market for telecommunications is characterized by the rapid development of technology, services and behavior patterns. Communication services are growing as a proportion of GDP and disposable income, both in developed countries and in growth markets. However, growth is being generated in slightly different ways, depending on the maturity of the respective markets.

In more mature markets in the Nordic and Baltic regions, penetration is high and the customer base stable. Development is being driven in parallel by both new technology and new customer requirements. Growth potential lies largely in customers using more services from several different terminals.

The potential in growth markets, with limited fixed network infrastructures and only partially-developed mobile networks, lies primarily in the considerable growth in the customer base, new services and increased mobile usage.

The trends in customer behavior, technology and applications described below are most obvious today in markets like Sweden and Finland, but are expected to gradually assume importance on markets that are slightly less developed today.

Customer behavior

Customers' requirements increasingly concern improvements in four areas: availability, simplicity, quality and security.

Availability, anytime - anywhere

Mobile behavior is becoming increasingly obvious for both private and business customers. People want to have access to all communication services anywhere, at any time and on their own personal devices.

All services must also be accessible from any type of terminal (mobile phone, tablet, computer or TV). The platforms that are successful are those that offer the best user experience with implementation benefits, thus reducing development and support costs. The trend towards independence from terminals and sites also makes cloud-based web services more attractive.

Simplicity

Attractive user interfaces have major strategic value as good serviceability increases the likelihood that customers will use volume and advanced services.

An important consequence of Apple's successful launch of the iPhone is that it shows that it is possible to gain access to advanced services in a simple manner. This realization is spreading among customers, who are less and less willing to accept difficult solutions.

Quality

For simple services such as messaging or e-mail, the quality of transmission is often of secondary importance. A delay of a few seconds makes no difference. However, for more advanced, capacity-intensive services such as video and IPTV, any delay is irritating to the customers.

Quality problems are becoming less acceptable, mirroring terrestrial TV distribution. Customers expect the same high quality and reliability for IPTV.

Quality requirements are also driven by the increased use of cloud services, as the access is needed every time the service is used.

Security

The use of cloud services also increases the demand for secure transmission, in particular from companies that want to have access to the information and services in the cloud from several different locations.

Consumers are increasingly using the internet as a secure location for various forms of backup and storage.

New technology

While customer behavior is changing, technology developments are also offering greater opportunities to meet new customer requirements.

Expansion of 4G

As early as 2009, TeliaSonera was the first operator in the world to offer its customers 4G services. The expansion of 4G continued rapidly in 2010. The result is considerably better opportunities to meet the growing requirements for capacity and transmission speed. 4G offers up to 10 times higher mobile broadband speeds than the turbo 3G network.

New mobile core network

The new mobile core network, EPC (Evolved Packet Core), will be very important as it improves performance considerably, boosting the efficiency and quality for IP-based services.

Cloud computing is growing

Cloud computing services are based on the ease-of-access to Internet. Instead of buying computers and software customers subscribe to the services and access them using the Internet. The services are subscribed from a third-party supplier and the customers only pay for the resources they use. Users no longer need to have any knowledge, expertise or control over the technical infrastructure on which the services are based. They also reduce the need to make expensive investments.
Suppliers normally offer standard business applications online that are accessed from a web browser, while the software and data are stored on servers. Sharing the computer power with a large number of subscribers via cloud services produces a better utilization ratio as the servers are not unnecessarily idle. One side-effect is that the total computer usage increases as the customers no longer need to worry about load limits. Cloud computing also drives the demand for security. Cloud services are still in their infancy but TeliaSonera provides a number of such services in the Nordic and Baltic countries.

Strong growth in new applications
The combination of new user requirements and new technology paves the way for strong growth in new applications. The use of services and content is changing for both mobile and fixed. The basic pattern is that voice traffic accounts for an ever smaller proportion of traffic, while data, music, video, etc. are increasing fast.

Online social activities are increasing
Virtual networks and social activities on the internet, such as Facebook, Twitter and blogs, continue to increase. The focus is on social interaction as a supplement to meeting in person or talking over the phone. Individuals can express their opinions quickly to a broad audience in a way that only large media companies were able to achieve previously.

Change in media consumption
Modern communications are fundamentally changing the way in which we consume media. Information and entertainment have long been some of the most attractive services on the internet.

High interest in music and video-on-demand
Interest in access to music via computers and mobile phones continues to grow. The digital distribution of music continues to gain ground at the expense of physical distribution, as users can have direct access to digital music whenever and wherever they want.

In a similar manner, video-on-demand offers customer value as consumers can rent a film without needing to go to a video store. TeliaSonera’s video-on-demand service has become Sweden’s biggest video store in just 18 months. This trend is expected to be boosted by the growing use of tablets, such as the iPad.

The desire for interactivity increases the demand for IPTV
As the broadband infrastructure is upgraded, interest in digital broadband TV, also called IPTV, is increasing. The digitization of the TV networks paves the way for a higher degree of interactivity and for new types of services.

From a consumer perspective, freedom of choice is increasing as you can watch TV programs and films when you want. When TV becomes IP-based, the possibility of watching media on several units will be a fact.

Growing demand for smart home solutions
The convergence of broadband, TV and telephony is creating growth in the digital home solutions. TeliaSonera offers all three services, plus mobile telephony, i.e. quadruple play.

When an increasing number of services are converged to a single offering, so-called smart home solutions, simplicity will be even more important to attract customers.

Talking gadgets
Communication through telecommunications networks also takes place directly between different types of machines, such as electricity meters and vending machines. This is called machine-to-machine communication. TeliaSonera currently has around 2 million SIM cards in such applications. A considerable increase is expected in 2011 and the future.

Rapid increase in data traffic
Requirements for availability, technical opportunities and new applications are leading to a very rapid increase in total data traffic. The growth consists mainly of increased internet use and IPTV.

At the same time, voice traffic accounts for an ever smaller proportion of total traffic.
Strong competition dynamics

Convergence in industries, services and terminals
As customer behavior changes and new technology allows attractive, user-friendly services, telecommunications is converging with other industries such as media, entertainment and IT in terms of both services and terminals.

Converged services will increase as there is demand from both consumers and companies to have access to services regardless of the technology used. Customers now expect the same services regardless of the terminal they use and the distinction between mobile phone, laptop and TV is being put aside.

This paves the way for new business models and new players. Mobile phone manufacturers and new players such as Apple, as well as software suppliers and strong internet brands, are trying to position themselves on the content and service markets. Competition will only increase as everyone aims to achieve strong positions on the mobile market in particular.

At the same time, telecommunications operators are expanding and enhancing their positions in new areas. One example is that TeliaSonera is one of the fastest growing companies in TV services in the Nordic and Baltic regions, with almost 1 million TV customers.

A challenge for all players is to find balanced models where several companies in different areas can be both competitors and partners. The trend for this is increasing.

Convergence means both threats and opportunities. One threat is that services are linked to a greater extent to terminals and applications than to transmission. One opportunity is that high-quality networks are an important strength for the delivery of the new services.

New price models
Operators are striving to adapt their price models to better reflect usage and the services offered. The trend is towards value-based pricing that comprises a price for access (a type of admission charge) plus separate charges for services such as music or IPTV. This development is at an early stage in Sweden and Finland.

At the same time, it is important that the price models are easy to understand as users appreciate simplicity.

Fixed connection still most efficient
Fixed connections will provide the most efficient access for many years to come for services to fixed locations with several users such as offices or households in regions in which there is already a fixed infrastructure.

To exploit new business opportunities, TeliaSonera will invest in upgrading the fixed network. Wireless technology will be implemented for greater coverage and range in all markets, in particular where fixed networks are not financially justifiable.

Uncertain rules
Public authority regulation is an important part of the market conditions. As a strong player on many markets, TeliaSonera may be severely affected by changes in legislation. This concerns, in particular, the rules for pricing access to networks. Uncertainty about this pricing will probably remain, making future investment appraisals difficult. Public authority regulation will, therefore, continue to be a major challenge.

The regulations in Eurasia are different to those in the EU. In Eurasia, there is no overarching regulation system for telecommunications as in the EU.

Regulatory issues are country-specific and often involve the allocation of frequencies for mobile activities and regulation of mobile roaming and interconnection charges.

Growth markets
Many of the trends in customer behavior, technology and applications described above are gradually assuming importance in Eurasian growth markets as well.

The growth opportunities in these markets consist, at present, mainly of increasing the number of customers and increasing mobile usage.

In the developing markets where TeliaSonera operates, penetration varies from below 40 percent in Nepal to around 150 percent in Russia.

Penetration is driven by the expansion of the telecommunications networks. As the traditional fixed network infrastructure is often limited on these markets, mobile networks assume relatively high importance.

At present voice and text traffic still accounts for the major parts of revenues. Mobile data traffic is expected to grow rapidly but from a low level. This growth will be driven by more advanced terminals such as smartphones.

In relation to the countries in the Nordic and Baltic regions, the markets in Eurasia are generally very large in terms of population. This means that there is considerable potential when the proportion of the population using telecommunications services increases.
# Markets and Brands

| Country       | Trademark            | Ownership (percent) | Service                        | No. of Subscriptions (thousands) | Market Position | Market Share (percent)¹ | Main Competitors          | Logotypes               |
|---------------|----------------------|---------------------|********************************|----------------------------------|-----------------|--------------------------|---------------------------|-------------------------|
| **Majority-owned companies** |                      |                     |                                |                                  |                 |                          |                           |                         |
| Sweden        | Telia, Halebop       | 100                 | Mobile                         | 5,869                            | 1               | 41                       | Tele2, Telenor, “3”        | ![Telia](image)          |
|               | Telia                | 100                 | Broadband                      | 1,129                            | 1               | 44                       | Telenor, Com Hem           | ![Telia](image)          |
|               | Telia                | 100                 | Fixed Voice incl. VoIP         | 3,491                            | 1               | 65                       | Tele2, Telenor, Com Hem    | ![Telia](image)          |
|               | Telia                | 100                 | TV                              | 450                              | 4               | 10                       | Com Hem, Boxer, Telenor, Tele2 | ![Telia](image)          |
| Finland       | Sonera, TelFinland   | 100                 | Mobile                         | 3,237                            | 2               | 37                       | Elisa, DNA                 | ![Sonera](image)         |
|               | Sonera               | 100                 | Broadband                      | 476                              | 2               | 30                       | Elisa, DNA                 | ![Sonera](image)         |
|               | Sonera               | 100                 | Fixed Voice incl. VoIP         | 278                              | 2               | 24                       | Elisa, Finnet, DNA         | ![Sonera](image)         |
|               | Sonera               | 100                 | TV                              | 218                              | 4               | 12                       | DNA, PlusTV, Elisa         | ![Sonera](image)         |
| Norway        | NetCom, Chess        | 100                 | Mobile                         | 1,680                            | 2               | 27                       | Telenor, Tele2             | ![NetCom](image)         |
|               | NextGenTel           | 100                 | Broadband                      | 195                              | 2               | 14                       | Telenor, Get, Ventelo      | ![NextGenTel](image)     |
|               | NextGenTel           | 100                 | Fixed Voice (VoIP)             | 36                               | 5               | 1                       | Telenor, Ventelo, Telio    | ![NextGenTel](image)     |
|               | NextGenTel           | 100                 | TV                              | 6                                | 10              | <1                      | Telenor, Get, RiksTV, Viasat | ![NextGenTel](image)     |
| Denmark       | Telia, Call me       | 100                 | Mobile                         | 1,450                            | 3               | 18                       | TDC, Telenor, “3”          | ![Telia](image)          |
|               | Telia, DLG Tele²     | 100                 | Broadband                      | 67                               | 4               | 3                        | TDC, Telenor, StaRa        | ![Telia](image)          |
|               | Telia, Call me, DLG Tele² | 100 | Fixed Voice incl. VoIP       | 181                             | 3               | 5                        | TDC, Telenor               | ![Telia](image)          |
|               | Telia                | 100                 | TV                              | 5                                | 10              | <1                      | TDC, StaRa, Viasat, Telier | ![Telia](image)          |
| Lithuania     | Omnitel, Ezys        | 100                 | Mobile                         | 2,000                            | 1               | 40                       | Bité GSM, Tele2            | ![Omnitel](image)        |
|               | TEO                  | 68.1                | Broadband                      | 345                              | 1               | 50                       | Dokeda, Viginta, Penkiu    | ![TEO](image)            |
|               | TEO                  | 68.1                | Fixed Voice incl. VoIP         | 690                              | 1               | 94                       | Baltinetos komunikacijos, Eurocom SIP | ![TEO](image)            |
|               | TEO                  | 68.1                | TV                              | 131                              | 1               | 19                       | Viasat, Vinta, Balticum TV | ![TEO](image)            |
| Latvia        | LMT, Okarte, Amigo   | 60.3                | Mobile                         | 1,068                            | 1               | 44                       | Tele2, Bité Latvia         | ![LMT](image)            |
| Estonia       | EMT, Diil            | 100                 | Mobile                         | 797                              | 1               | 47                       | Tele2, Elisa               | ![EMT](image)            |
|               | Ellion               | 100                 | Broadband                      | 190                              | 1               | 52                       | Starman, STV               | ![Ellion](image)         |
|               | Ellion               | 100                 | Fixed Voice incl. VoIP         | 364                              | 1               | 80                       | Starman, Elisa             | ![Ellion](image)         |
| Spain         | Yoigo                | 76.6                | Mobile                         | 2,283                            | 4               | 4                        | Telefónica, Vodafone, Orange | ![Yoigo](image)          |
| Kazakhstan¹  | Kcell                | 51                  | Mobile                         | 8,921                            | 1               | 50                       | VimpelCom, Tele2           | ![Kcell](image)          |
| Azerbaijan⁵  | Azercell             | 51.3                | Mobile                         | 3,994                            | 1               | 55                       | Bakcell, Azerfon           | ![Azercell](image)       |
| Uzbekistan    | UCell                | 94                  | Mobile                         | 6,832                            | 2               | 32                       | MTS, VimpelCom             | ![UCell](image)          |
| Tajikistan    | ToCell¹              | 59.4                | Mobile                         | 1,723                            | 1               | 36                       | Babilon Mobile, VimpelCom  | ![ToCell](image)         |
| Georgia⁴     | Geocell              | 100                 | Mobile                         | 2,044                            | 1               | 44                       | Magticom, VimpelCom        | ![Geocell](image)        |
| Moldova⁴     | Moldcell             | 100                 | Mobile                         | 907                              | 2               | 32                       | Orange                     | ![Moldcell](image)       |
| Nepal²       | Ncell                | 80                  | Mobile                         | 4,084                            | 2               | 42                       | NTC                        | ![Ncell](image)          |
### Associated companies

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Sector</th>
<th>Market Share</th>
<th>Rank</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Lattelecom</td>
<td>Broadband</td>
<td>49</td>
<td>1</td>
<td>Balticom, Izzi</td>
</tr>
<tr>
<td>Latvia</td>
<td>Lattelecom</td>
<td>Fixed Voice incl. VoIP</td>
<td>49</td>
<td>1</td>
<td>Balticom, Izzi</td>
</tr>
<tr>
<td>Latvia</td>
<td>Lattelecom</td>
<td>TV</td>
<td>49</td>
<td>1</td>
<td>Balticom, Izzi, Viasat</td>
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<tr>
<td>Russia</td>
<td>MegaFon</td>
<td>Mobile</td>
<td>43.8</td>
<td>2</td>
<td>MTS, VimpelCom</td>
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<tr>
<td>Turkey</td>
<td>Turkcell</td>
<td>Mobile</td>
<td>38.0</td>
<td>1</td>
<td>Vodafone, Avea</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Life</td>
<td>Mobile</td>
<td>38.0</td>
<td>1</td>
<td>Kyivstar, MTS</td>
</tr>
<tr>
<td>Belarus</td>
<td>Life</td>
<td>Mobile</td>
<td>38.0</td>
<td>1</td>
<td>Velcom, MTS</td>
</tr>
</tbody>
</table>

¹ In Broadband and Fixed Voice TeliaSonera’s market share estimate is based on the share of revenues. In Mobile the market share is based on the number of subscriptions except for subsidiaries in Eurasia where it is based on interconnect traffic. For TV market share is based on the number of pay-TV subscriptions of cable TV, satellite TV, terrestrial TV and IPTV.

² TeliaSonera owns 50 percent of DLG Tele and controls the company.

³ For Kazakhstan, Azerbaijan, Georgia and Moldova, the ownership percent indicates Fintur Holdings B.V.’s ownership in the four companies. TeliaSonera holds directly and indirectly 74 percent in Fintur Holdings.

⁴ Comprising Indigo Tajikistan (60 percent) and Somoncom (59.4 percent).

⁵ For Nepal the ownership percent indicates TeliaSonera Asia Holding B.V.’s ownership. TeliaSonera holds 75.45 percent in TeliaSonera Asia Holding B.V.

⁶ Turkcell’s subsidiaries in Ukraine and Belarus, in which Turkcell holds 55 percent and 80 percent, respectively.
Our Operations

TeliaSonera offers services that help people and companies communicate in an easy, efficient and environmentally friendly way. We are the leading telecommunications company in the Nordic and Baltic countries as well as a leader in mobile communication services in Eurasia.

More and more people want to be connected all the time, which creates a constantly increasing demand for our services.

Our markets have different conditions and maturity levels and our operations are organized into three business areas: Mobility Services, Broadband Services and Eurasia.

Mobility Services
Mobility Services offers mobile communication services in the forefront of the telecom development throughout the Nordic and the Baltic countries as well as in Spain.

Broadband Services
Broadband Services offers communication and entertainment services to homes and offices through leading brands in the Nordic and Baltic countries. The business area also operates the group’s common core network.

Eurasia
TeliaSonera is the biggest telecom investor in Eurasia. We have strong or leading brands in seven markets in Eurasia and minority holdings in Russia and Turkey.

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility</td>
<td>SEK 50,597 million</td>
<td>48%</td>
</tr>
<tr>
<td>Broadband</td>
<td>SEK 39,875 million</td>
<td>37%</td>
</tr>
<tr>
<td>Eurasia</td>
<td>SEK 16,043 million</td>
<td>15%</td>
</tr>
</tbody>
</table>
Mobility Services
Business area Mobility Services offers mobile communication services throughout the Nordic and Baltic countries as well as in Spain. We were first in the world to launch 4G services, remaining at the forefront of this development with broad deployment throughout the Nordic and Baltic region. Our brands have leading market positions in the Nordic and Baltic countries.

Our services include voice and mobile data via mobile phones, laptops and tablets. Our brands are very strong and in Sweden, Lithuania, Latvia and Estonia, where we are market leaders. In Norway and Finland we are number two while in Denmark we are number three. In Spain, we are the fourth largest operator.

The demand for mobile data traffic in our Nordic and Baltic markets has increased dramatically over the last few years; and we expect that the demand for data traffic will double every year in the foreseeable future.

Voice still generates the largest portion of our revenues, whilst data traffic drives growth.

A telecom pioneer
We are proud of our history as pioneers within the telecom industry, a position we have achieved by being innovative, reliable and customer friendly.

In late 2009, we confirmed our pioneering position in telecom with the launch of the first 4G networks in the world, in Stockholm and Oslo.

4G is the fastest technology for mobile broadband available in the market today, enabling speeds of up to ten times faster than what is possible using other existing mobile networks.

4G will dramatically improve our customers’ experience of interactive and capacity demanding services such as web TV broadcasting, online gaming and web conferences.

The pioneering 4G city networks cover the central areas of capitals and larger cities. During 2010, we have also launched the first commercial 4G networks in Finland (Helsinki and Turku), and Denmark (Copenhagen, Aarhus, Odense and Aalborg), Estonia (Tallinn, Tartu and Kohila) and carried out market pilots in Latvia and Lithuania.

The demand for data traffic capacity continues to increase
Our strategy for growth is built upon the assumption that the demand for data traffic capacity will continue to increase at a very high speed – the demand for bandwidth is unlimited.

The great demand for capacity for mobile data traffic is driven by customers’ demands for constant access to their services, anywhere, anytime. This is made possible by the development of new wireless access technologies and availability of more advanced handsets, laptops and tablets that are optimized for surfing and downloading of data. The strong technical development continuously enables increased network capacity and speed. Attractive pricing also contributes to the data traffic increase.

Regulations – an unavoidable challenge
Regulation is part of the market environment and forms one of our primary challenges.

Managing the effects of regulatory intervention – including interconnect and roaming fees – is an inevitable part of our business and the impact on TeliaSonera varies from country to country.
Strategic priorities
The strategic priorities for business area Mobility Services in the coming years are to:
- Increase revenues and achieve top-line growth
- Offer a world-class customer experience
- Secure cost leadership

Increase revenues and achieve top-line growth
The competition on our home markets in the Nordic and Baltic region is very tough and the price for mobile voice has been reduced throughout the last ten years. The possibility to increase revenues is driven by several other underlying trends:
- Mobile behavior – both companies and individuals in all markets demand more and more mobile communication services and solutions that allow them to stay connected anywhere, anytime.
- Continuous increasing demand for mobile data capacity.
- Smart phones and tablets have become every man’s property.
- More and more people are opting out of fixed telephony in favor of mobile voice.
- Applications, such as the possibility of communication between machines, are increasing.

Offer a world-class customer experience
Our success is created by good relationships with our customers. Our priority is to be clear in what we promise and always deliver on our promises. It is our mission to provide every customer every reason to stay with us. In order to bring the best of TeliaSonera to each customer in each of our markets, we coordinate our way of working and our customer offerings between markets.

Secure cost leadership
By coordinating our working methods, production, service offerings, and more, we ensure the best customer experience, as well as a cost effective organization by reducing complexity.

2010: Strong demand for mobile broadband and smart phones
The economic development stabilized in 2010 and growth improved in all Nordic and Baltic markets. Net sales in local currencies and excluding acquisitions increased 6.2 percent in 2010.
- The strong demand for mobile broadband and smart phones in the Nordic countries continued to drive increased data usage and equipment sales.
- The 4G roll-out continued and TeliaSonera has now launched commercial services in the four Nordic countries and in Estonia.
- Yoigo, TeliaSonera’s Spanish mobile operator, reached its target to become EBITDA positive in the fourth quarter, only four years after launch.
- In the Baltic countries, the trends in net sales have stabilized and higher equipment sales compensated for a continued reduction in voice revenues.

Financial overview Mobility Services

<table>
<thead>
<tr>
<th>MSEK, except margin and no of subscriptions</th>
<th>Jan–Dec 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
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</tr>
<tr>
<td>EBITDA excl. non-recurring items</td>
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<tr>
<td>Margin (%)</td>
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<tr>
<td>Operating income excl. non-recurring items</td>
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<tr>
<td>CAPEX</td>
<td>3,879</td>
</tr>
<tr>
<td>Subscriptions, period-end (thousands)</td>
<td>18,384</td>
</tr>
</tbody>
</table>
Broadband Services
Business area Broadband Services offers communication and entertainment services to homes and offices through leading brands in the Nordic and Baltic countries. In our home markets we are the fastest growing media company, the largest access provider and the leader within IPTV and video-on-demand. Broadband Services operates the group’s common core network.

Our services include:
- Broadband and IP-VPN access over copper and fiber
- Voice over IP
- Entertainment services such as TV and video-on-demand
- Business communication services such as unified communication, video and teleconferencing
- Infrastructure services such as storage, security and managed LAN
- Traditional fixed telephony and datacom

These services are combined in The Digital Home concept for the consumer and in The Digital Office concept for business customers.

We are the market leader in Sweden, Finland, Lithuania and Estonia – as well as in Latvia through our associated company Lattelecom. In Norway we are number two and in Denmark we are ranked third.

Through TeliaSonera International Carrier, we have a strong position in the carrier market where we are ranked among the top four in the world.

Strategic priorities
The strategic priorities for business area Broadband Services in the coming years are to:
- Secure a world class customer experience
- Achieve operational excellence
- Grow IP-based services and migrate customers to IP
- Manage access renewal to meet the demand for increased bandwidth

Secure a world-class customer experience
We aim to secure a world-class customer experience through high-quality products, services and networks.

Our aim is to exceed the customer’s expectations and always deliver on our promises. Ease-of-use and quality in both products and networks are our guiding principles.

According to the customer satisfaction ranking EPSI, we are on the right track and have improved our results for several years in a row.

For more information on EPSI, see TeliaSonera Corporate Responsibility Report 2010.
Achieve operational excellence
To achieve operational excellence we continue to harmonize our working methods and customer offerings between our different markets through cross-border operational units and utilizing best practices between markets.

With common processes we can achieve more efficient operations and secure that all customers, in all markets, get the best of TeliaSonera.

Changing market conditions are impacting our profitability, but new IP-based services enable us to achieve higher ARPU (Average Revenue per User) and growth. In order to maintain current margin levels we need to produce IP-based services in a highly industrialized manner.

Grow IP based services and migrate customers to IP
A pure IP based service environment is the future. Our high quality IP access is the doorway to a new digital world which will provide the base for future growth. We estimate that within a few years about half of our revenues will come from these services.

With broadband as a base, our customers can get access to a large number of services – not only voice and internet access, but also internet-based media services such as TV and video-on-demand.

For business customers, services in the Digital Office concept generate benefits like secure transmission, high availability, lower travel costs and reduced carbon dioxide emissions. New cloud-based communication and collaboration tools allow the rapid exchange of documents and video presentations as well as the usage of virtual meeting services.

Demands for business services were in 2009 driven mainly by the global recession and further boosted in 2010 due to travel disruptions caused by the Icelandic ash cloud combined with the harsh winter climate in the Nordic countries.

The migration from traditional fixed voice to voice over internet (VoIP), is a big opportunity since it also drives growth in Broadband Services.

Manage access renewal to meet demand for increased bandwidth
The demand for bandwidth is constantly increasing as our customers expand their usage of the internet for a growing number of services, such as on-demand entertainment, gaming, social networking, business meetings and customer contact centers. This development transforms us from a carrier of voice to a carrier of data and video.

To meet this demand we will continue to renew and deploy our networks in densely populated areas where we experience the greatest demand. We have accelerated the expansion of fast fiber access in several markets while increasing the capacity of our transport network. We aim to be the leading fiber-based access provider in Sweden, Finland, Estonia and Lithuania.

The leading European carrier
TeliaSonera enjoys a strong position in the international carrier market and is currently ranked among the top four carriers globally. We are the only European tier one carrier.

With 43,000 kilometers of network, we provide the communication industry with high quality IP and cross border services. We provide direct internet connectivity to 85 percent of all European broadband service providers. TeliaSonera International Carrier has during 2010 won awards for Best Customer Care as well as Best Wholesale Carrier.

2010: On-demand services is gaining momentum
During 2010 the loss of fixed-voice subscriptions continued but was partly compensated for by a strong demand for bundled offerings including IPTV and VoIP subscriptions. Net sales in local currencies and excluding acquisitions decreased but EBITDA margin increased to 32.7 percent (32.1).

- The demand for on-demand services, such as films, is gaining momentum and we rented out more than 2 million films through our video on demand TV service in Sweden last year.
- In Sweden, 40 percent of the broadband customers also have TV services from TeliaSonera.
- Due to accelerated intake of broadband, VoIP and TV subscriptions the subscription intake was positive again by the end of the year.
- Customer satisfaction improved during 2010 and TeliaSonera was ranked as the best telecom operator in both fixed voice and in the broadband segment in Sweden.
- The roll-out of fiber increased during the year.

Financial overview Broadband Services

<table>
<thead>
<tr>
<th>Financial overview Broadband Services</th>
<th>Jan–Dec 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MSEK, except margin and no of subscriptions</strong></td>
<td><strong>Jan–Dec 2010</strong></td>
</tr>
<tr>
<td>Net sales</td>
<td>39,875</td>
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<tr>
<td>EBITDA excl. non-recurring items</td>
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<td>Margin (%)</td>
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<td>CAPEX</td>
<td>4,528</td>
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<tr>
<td>Subscriptions, period-end (thousands)</td>
<td>8,377</td>
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</tbody>
</table>
Eurasia

TeliaSonera is the biggest telecom investor in Eurasia, with leading or strong positions in all countries where we are present. We are committed to continuing to invest in the future development of telecommunications, thereby contributing to the future prosperity of the region and its citizens.

TeliaSonera has majority-owned operators in Kazakhstan, Azerbaijan, Uzbekistan, Tajikistan, Georgia, Moldova and Nepal. In addition, we are minority owners of MegaFon in Russia and Turkcell in Turkey, including Turkcell’s subsidiaries in the Ukraine and Belarus.

TeliaSonera has a strong track record of creating value in Eurasia; beginning in the early 1990s we were founding partners in some of the operations in Eurasia. By combining local expertise and international experience we, together with our local partners, are developing our business to become the leading telecom operator in this part of the world.

Growing in Eurasia – a top priority

In markets with a combined population of more than 380 million, TeliaSonera’s majority- and minority-owned operators contribute strongly to group earnings and the focus ahead continues to be on growth and high profitability.

The markets in Eurasia differ from the Nordic and Baltic markets in many ways. The populations are large and younger, while mobile penetration is lower and fixed networks are limited. The majority of revenues come from prepaid mobile voice services. Finally, the economies are growing, making Eurasia a valuable opportunity for TeliaSonera to grow.

The popularity of mobile services in general has grown dramatically during recent years due to limited fixed networks, more comprehensive network coverage, more developed international roaming, sought after value-added services and attractive pricing.

We see several market trends promoting continued strong development of telecommunication services in the Eurasian markets:

- Emergence of a middle class with increasing real wages
- Growing domestic consumption
- Higher foreign direct investment
- Opening up of regulatory frameworks and transparency

In addition, the share of telecommunication as a percentage of gross domestic products is still low and represents a great opportunity. So does the less developed fixed-line infrastructure, as this leaves room for high demand for mobile services, including a growing demand for mobile broadband.

A contributor to society

Telecommunication services drive growth, competitiveness and the transition to a knowledge-based society. These services strongly encourage and promote economic, social and environmental benefits across industries, driving domestic and foreign investments to the region.

Therefore, the development of telecommunication and IT infrastructure and services is essential for the future prosperity of the emerging markets where we are present.

People who previously have never had access to telecommunication services will inevitably gain from increased possibilities to connect to others and access information.

However, being a good corporate citizen means more. Our companies are important contributors to the societies in which they operate. TeliaSonera is a significant investor in the region and plays an important role as an infrastructure builder, employer and tax payer.
Being part of local society is a prerequisite for success in the region, in addition to a deep understanding of, and the ability to manage, local culture whilst maintaining strong internal control.

We view high ethical standards and continuous follow-up of business conduct as the path toward sustainability.

For more information see TeliaSonera Corporate Responsibility Report 2010.

**Strategic priorities**

Growth in Eurasia is a top priority for TeliaSonera and the growth potential lies in expanding the customer base and increasing mobile voice usage.

Furthermore, we see the mobile data market taking off with an emerging demand for mobile broadband. Our success in these areas is based upon providing high-quality services and networks.

The strategic priorities for business area Eurasia in the coming years are:

- Strengthening and creating leading market positions
- Securing high quality networks and services
- Achieving balanced growth and profitability
- Providing new services, like mobile broadband
- Securing strong corporate governance and risk management

**Strengthening and creating leading market positions**

We intend to grow our assets in Eurasia both organically, through increased ownership in our core holdings and selectively through acquisitions.

We aim to be the number one or two in each of our markets with our first priority being to stimulate subscription and revenue growth. In addition, to support the growth in the majority-owned operations, we are implementing a regional brand harmonization.

**Securing high quality networks and services**

Providing high quality networks and the best customer experience are key to success in the region, making securing them an important priority for us.

Our networks are strong assets, providing a competitive advantage over our competitors, since many of them cannot afford the investments required to offer the best quality service.

Our investment focus in Eurasia is on network coverage and capacity, licenses and subsequently, the further development of transmission and transport networks to cater to a growing demand for mobile data and internet access.

**Achieving balanced growth and profitability**

We have a good mix in the region, featuring more penetrated markets, such as Uzbekistan and Nepal. This mix gives us the opportunity to achieve balanced growth and profitability.

**Providing new services, like mobile broadband**

We expect to see a gradually increased demand for mobile data in Eurasia, and our past experience in this field from the Nordic market is a strength that we can benefit from.

**Securing strong corporate governance and risk management**

Political and economic risks could be a challenge – but TeliaSonera is well equipped to handle such risks, which are also outweighed by the opportunities in the region.

As we expand to new, fast-growing, and profitable markets we do so in cooperation with strong local partners. We maintain strong corporate governance and risk management.

**2010: Improved growth and profitability**

The organic growth improved during the year due to high subscription intake and improved macroeconomic situation.

Net sales in local currencies and excluding acquisitions rose 16.4 percent.

- Kcell in Kazakhstan secured a 3G license and launched 3G services in the cities of Almaty and Astana in December.
- In October, the world's highest located mobile data service was launched when Ncell introduced 3G services in the Mount Everest area.
- TeliaSonera maintained market leadership in Kazakhstan, Azerbaijan, Tajikistan and Georgia, and improved or maintained the positions in all other markets.
- In Russia, MegaFon strengthened its position and became the second largest mobile operator in terms of revenues.
- In Turkey, Turkcell maintained its leading position.

**Financial overview Eurasia**

<table>
<thead>
<tr>
<th>M€K, except margin and no of subscriptions</th>
<th>Jan–Dec 2010</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Margin (%)</td>
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<td>Subscriptions, period-end (thousands)</td>
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<td>Subsidiaries</td>
<td>100,286</td>
</tr>
<tr>
<td>Associated companies</td>
<td></td>
</tr>
</tbody>
</table>
CR is embedded in our business strategy

TeliaSonera’s services contribute to a more open and digitally inclusive society by providing possibilities for more people to communicate in better and easier ways. It is important for us to be regarded as a responsible employer, a good corporate citizen, and a company that meets globally recognized standards. Corporate responsibility (CR) is embedded in our business strategy and a part of every employee’s daily work.

Our vision is to be a world-class service company and contribute to a world with better opportunities for people and businesses. This also means that we have to deal with important and sensitive issues in our daily work.

We have identified the CR risks and opportunities, and act locally in all our markets to address those.

We have defined the following areas as the most material for TeliaSonera to address in our CR work:

- Digital inclusion
- Leadership and employee competence
- Fair business practices
- Privacy and network integrity
- Protecting children on-line
- Responsible supply chain
- Responsible marketing
- Responsible employer
- Environment
- Mobile devices, masts and health

CR governance

TeliaSonera’s CR work is based on our Group Code of Ethics and Conduct, a group-wide CR foundation.

CR is part of the ordinary line organization responsibility. The corporate governance model frames the operational implementation and describes roles and responsibilities. The TeliaSonera Board has ownership of the Code of Ethics and Conduct and reviews it and other policies annually.

On Group Management level, the Head of Group Communications is responsible for CR issues. The Head of Corporate Responsibility, who reports to the Head of Group Communications, is responsible for planning, coordinating and handling overall CR issues.

Day-to-day activities are integrated with each manager’s and employee’s responsibility. There is also a CR network with representatives from the wholly-owned and majority-owned companies.

Bridging the digital divide

TeliaSonera is committed to bridging the digital divide by developing infrastructure and services that are accessible across all our markets. We act in a responsible way, based on a firm set of joint values and business principles. We take pride in making our competence and services available to people within all of our markets.
TeliaSonera has transformed into an international group with a global strategy. At the same time, we act as a local company in each market.

In mature markets basically everyone has a mobile phone. In Eurasia, the penetration is not as high, but the speed of development and growth is impressive. TeliaSonera is an important investor in the Eurasian markets where we are present.

A good corporate citizen
TeliaSonera is dependent on our employees to implement our principles into every day actions. By being responsive to the expectations of our stakeholders, TeliaSonera has earned the reputation of being a responsible employer, a good corporate citizen and a company that meets globally recognized standards.

CR Report 2010 tells our CR story
In CR Report 2010 we address both challenges and opportunities – efforts to overcome risks and reduce our environmental impact as well as efforts to deliver positive contributions to society. We have made good progress in 2010 and our intention is to continue this journey.

CR achievements in 2010

Investments to expand coverage
TeliaSonera invested SEK 14,934 million, during 2010, to expand coverage and improve connectivity where people live, work, travel and spend their leisure time. For instance 4G services are now commercially available in five countries, and we continued rolling out 3G services also in Eurasia.

Implementation of the Code
In 2010 we have focused on rolling out the TeliaSonera Code of Ethics and Conduct and extending the corporate governance model to all operations where TeliaSonera has management control. Some milestones were the translation of the Code into 21 languages, the integration of the Code into introduction programs and Code workshops for our Eurasian management teams.

Introducing a new Supplier Code
A new Supplier Code has been introduced in 2010. The Supplier Code shall be applied in all supplier relations where TeliaSonera Group Procurement is involved. All sourcing managers in Group Procurement, from Sweden, Finland, Norway and Denmark, received training on the Supplier Code.

Group Privacy Policy
We developed a Group Privacy Policy during 2010. The policy clarifies TeliaSonera’s commitment to protecting user privacy and includes provisions on data collection, responding to inquiries, privacy risk assessments, etc. The Board formally approved the policy in February 2011.

Increased customer satisfaction
In 2010, Extended Performance Satisfaction Index (EPSI) was conducted in nine countries. The overall group average satisfaction score reached 70.2, up from 69.5 the year before.

Prevention of child abuse
Group Instructions on Fighting Child Sexual Abuse and Limiting Erotic Content Offerings have been adopted during the year. The first part of the instructions provides guidance on how to report on child sexual abuse images, among other things.

In cooperation towards digital inclusion
TeliaSonera continued to involve the society to increase digital inclusion with various initiatives. One example was the Eurasian conference on “Mobile Communications for Social Change” in Azerbaijan, the first of its kind.

Employees at the core of success
In 2010, we have strengthened our employees by continued implementation of the performance management process, arranging training sessions on the Code of Ethics and Conduct and strengthening the whistle-blowing system, among other things.

Reduction of environmental impact
To reduce TeliaSonera’s direct environmental impact, we strive to manage our operations as efficiently as possible. An initial estimation revealed a potential annual saving of at least 16 GWh. The proportion of renewable electricity across the group increased somewhat, to 67 percent in 2010.