

TeliaSonera January-June 2007

Speeding up execution of the strategy

First half

- Net sales increased 4.3 percent to SEK 46,625 million (44,716). In local currencies net sales rose 5.5 percent.
- Net income attributable to shareholders of the parent company was SEK 7,808 million (7,905) and earnings per share SEK 1.74 (1.76).
- Free cash flow was SEK 6,087 million (8,861).

Second quarter

- Net sales increased 5.1 percent to SEK 23,901 million (22,737). In local currencies net sales rose 6.0 percent.
- EBITDA, excluding non-recurring items, totaled SEK 7,516 million (7,928) and the margin was 31.4 percent (34.9).
- Operating income, excluding non-recurring items, increased to SEK 6,575 million (6,316).
- Net income attributable to shareholders of the parent company was SEK 3,832 million (4,213) and earnings per share SEK 0.85 (0.94).
- Free cash flow was SEK 3,558 million (4,018).
- The number of subscriptions increased during the quarter to 103.4 million, with 1.2 million new subscriptions in the majority-owned operations and 2.0 million new subscriptions in the associated companies.

Financial Highlights

SEK in millions, except per share data and return	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	23,901	22,737	46,625	44,716
EBITDA ¹⁾ excl. non-recurring items ²⁾	7,516	7,928	15,099	15,744
Operating income	5,796	6,179	11,857	11,620
Operating income excl. non-recurring items	6,575	6,316	12,766	12,445
Net income	4,294	4,726	8,876	9,000
of which attributable to shareholders of the parent company	3,832	4,213	7,808	7,905
Earnings per share (SEK)	0.85	0.94	1.74	1.76
Return on equity (% , rolling 12 months)	16.1	13.0	16.1	13.0
Free cash flow	3,558	4,018	6,087	8,861

1) Please refer to page 13 for definitions.

2) Non-recurring items; see table on page 17.

Comments from Kim Ignatius, acting President and CEO

“Our strategy remains unchanged, which means our focus is on developing the operations in our home markets, creating value related to the eastern positions and developing the investment in Spain. We are speeding up the execution of our strategy in order to accelerate growth with maintained good profitability.”

“Increased commercial activity drove sales higher in the second quarter and the performance is promising. It is gratifying to see that the new organization focused on growth is

able to deliver, with actions taken throughout the Group to move from traditional to future services.”

“The achieved growth comes at a price and is impacting profitability short term. Shifting the cost base from traditional to new services is crucial and in addition to the ongoing efficiency programs additional measures will be taken.”

“Within the business area Broadband Services we are following our ambition to strengthen our focus on IP-based services and reduce complexity. Therefore, we have initiated a separation of traditional and IP-based services, both supported by a shared unit for infrastructure.”

Outlook (unchanged from the first quarter 2007)

Group net sales are expected to continue to grow, reaching the target of approximately SEK 100 billion during 2008 with maintained good profitability.

Ongoing efficiency measures, implemented from April 1 to year-end 2007, in Sweden and Finland are estimated to give an annual gross savings effect of approximately SEK 2.3 billion as of 2008. Related restructuring costs are estimated to about SEK 1.5 billion, to be reported as non-recurring items in 2007.

Net income for 2007 is estimated to be somewhat higher than in 2006, excluding the positive one-off items of approximately SEK 1.7 billion in 2006.

CAPEX-to-sales ratio in 2007 is expected to grow due to increased investments in broadband and mobile capacity.

Review of the Group, Second Quarter 2007

Net sales increased 5.1 percent to SEK 23,901 million (22,737). The net effect of acquisitions and divestitures on sales was a positive 2.6 percent and the negative net effect from exchange rate changes was 0.9 percent. Organic growth was 3.4 percent.

In Mobility Services, net sales increased 3.8 percent to SEK 11,121 million (10,712) lifted by the acquisition of debitel in Denmark in April, the positive development of Yoigo in Spain, healthy subscription growth and increased usage.

Broadband Services posted a net sales increase of 2.7 percent, to SEK 10,334 million (10,059), driven by broadband subscription growth, the acquisition of NextGenTel in Norway in 2006 and strong growth in Wholesale, which included an effect from adjustments made in net sales last year (SEK 70 million). In Sweden, where the decline in fixed voice sales has the largest impact on sales, the fall in net sales slowed down.

In Integrated Enterprise Services net sales increased 7.4 percent to SEK 3,518 million (3,277) lifted by the acquisitions of Cygate in February and Didata in Sweden in June.

Eurasia showed continued strong growth, with a rise in net sales of some 23 percent in local currencies.

The number of subscriptions rose by 15.3 million to 103.4 million. In the majority-owned operations the number of subscriptions rose to approximately 32.2 million at the end of the quarter and to 71.2 million in the associated companies.

EBITDA, excluding non-recurring items, decreased to SEK 7,516 million (7,928) despite higher net sales and the margin was 31.4 percent (34.9). Investments in future growth in all business areas, including building a customer base in Spain and the Swedish TV market, affected EBITDA and the margin. The positive effects from efficiency measures did not fully offset the decrease in fixed voice sales.

Operating income, excluding non-recurring items, increased to SEK 6,575 million (6,316) as higher income from associated companies in Russia and Turkey compensated for the decrease in EBITDA. In Russia, the impact from positive one-off items was lower than in the comparable quarter and totaled some SEK 140 million (340), related to a reversal of a provision and, in Turkey, the comparable quarter was affected by a negative one-off item of SEK 107 million.

Non-recurring items affecting operating income totaled SEK -779 million (-137), of which about SEK 450 million related to a write-down of the access network in Finland, and a provision for dismantling the network. Approximately SEK 330 million related to cost efficiency programs.

Financial items totaled SEK -151 million (-119).

Income taxes amounted to SEK -1,351 million (-1,334). The effective tax rate was 23.9 percent (22.0).

Net income attributable to shareholders of the parent company decreased to SEK 3,832 million (4,213) and earnings per share to SEK 0.85 (0.94) mainly due to higher negative non-recurring items.

CAPEX increased to SEK 3,318 million (2,631) and the CAPEX-to-sales ratio was 13.9 percent (11.6), driven mainly by increased investments in network capacity and new services in Mobility Services and Broadband Services.

Free cash flow decreased to SEK 3,558 million (4,018) as increased CAPEX was partially balanced by higher cash flow from operating activities.

Net debt increased during the quarter to SEK 39,796 million (12,899) due to dividend payments of SEK 28.3 billion to shareholders in May.

The equity/assets ratio increased to 53.6 percent (48.9) during the quarter.

Acquisitions and divestitures

- Telefos AB, 25.6 percent owned by TeliaSonera, signed an agreement with 3i that was announced on June 12, 2007, to sell its shareholding in Eltel Networks. The transaction is subject to regulatory approvals. TeliaSonera expects this transaction to have a positive effect of some SEK 500 million on its third quarter earnings.
- TeliaSonera raised its shareholding in Eesti Telekom to 58.3 percent on May 7, 2007, through the acquisition of 4.61 percent of the outstanding shares in the company for a cash consideration of approximately SEK 485 million.
- TeliaSonera-owned Cygate acquired Didata Dimension Data Sverige AB (now Didata Sverige AB), a Swedish subsidiary of the global systems integrator Dimension Data Holdings plc, on April 12, 2007. The acquisition strengthens TeliaSonera's market position within managed IP/IT services in Sweden. The purchase was approved by

the Swedish Competition Authority in the beginning of June. Didata has been consolidated as of June 1.

- The acquisition of debitel Danmark A/S was closed on April 11, 2007. The transaction also includes debitel's joint venture DLG-debitel I/S operating under the brand DLG Tele. The transaction strengthens TeliaSonera's position in the Danish mobile market. debitel has been consolidated as of April 1.

Significant events during the second quarter

- The Swedish telecommunications regulator (PTS) on June 14, 2007, submitted to the government of Sweden a recommendation that TeliaSonera be forced to place its fixed access network in Sweden in a separate unit in the company. TeliaSonera believes legislation would hamper the willingness to invest and consequently disadvantage consumers.
- TeliaSonera's Board of Directors on June 11, 2007, decided it will initiate the search for a new President and CEO to replace Anders Igel who will leave the company on July 31, 2007. Meanwhile, Executive Vice President and CFO Kim Ignatius is in charge as acting President and CEO.
- The European Union approved on June 7, 2007, a price cap for pan-EU mobile phone calls and also set ceilings on the wholesale prices for roaming calls. Total sales in the home markets related to roaming are less than 5 percent of Group total net sales. TeliaSonera estimates that the negative effect on EBITDA for 2008, excluding assumptions of increasing traffic due to lower prices, will be less than SEK 500 million.
- TeliaSonera's Norwegian operator NetCom signed a MVNO agreement with Tele2 Norge AS on May 11, 2007. Under the agreement, Tele2 Norge will transfer all traffic from Telenor's network to NetCom's network before April 1, 2008. TeliaSonera estimates that after fulfillment of the transfer, the agreement will have a positive annual impact of approximately SEK 500 million on sales.
- The government of Sweden sold 8 percent of TeliaSonera in May 2007 and lowered its shareholding to 37.3 percent from 45.3 percent.

Significant events after the second quarter

- TeliaSonera, to expand its presence in the growing markets in Eurasia, acquired on July 16, 2007, 100 percent of the shares in MCT Corp, a U.S. based company with shareholdings in four Eurasian GSM operators. The transaction is based on an enterprise value of approximately SEK 2.0 billion (USD 300 million). MCT holds 99.97 percent of OOO Coscom, the third largest mobile operator in Uzbekistan, and majority shareholdings in ZAO Indigo Tadzhikistan and ZAO Somoncom, combined the second largest mobile operation in Tajikistan. In addition, MCT has a 12.25 percent interest in the largest mobile operator in Afghanistan, Telecom Development Company Afghanistan Ltd. (Roshan).

Growth actions lift sales, hit margins in Mobility Services

The business area Mobility Services is responsible for personal mobility services for the consumer and enterprise mass markets. Products and services in focus include mobile voice & data, mobile content, WLAN Hotspots, mobile over broadband, mobile/PC convergence and Wireless Office. The operations comprise the mobile operations in Sweden, Finland, Norway, Denmark, Lithuania, Latvia, Estonia and Spain.

- Growth in the mobile market was strong, driven by increased voice and data traffic as well as higher subscription numbers. Regulatory intervention in interconnect and roaming together with keen competition pressured prices and margins in all markets. In Norway, the market started showing signs of overheating.
- Demand for 3G and data services was fueled by lower handset prices, more transparent pricing and extended functionalities. Operators are upgrading their 3G networks with HSDPA functionality to further improve end-user experience.

SEK in millions, except margins and operational data	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	11,121	10,712	21,512	20,683
EBITDA excl. non-recurring items	3,244	3,689	6,751	6,949
Margin (%)	29.2	34.4	31.4	33.6
Operating income	2,039	2,608	4,451	4,508
Operating income excl. non-recurring items	2,103	2,644	4,543	4,802
CAPEX	935	644	1,699	1,226
MoU	192	185	188	179
ARPU, blended (SEK)	236	240	230	233
Churn, blended (%)	27	27	27	26
Subscriptions, period-end (thousands)	13,998	13,145	13,998	13,145

Additional segment information available at www.teliaSonera.com/ir

- **Net sales** increased 3.8 percent to SEK 11,121 million. In local currencies, sales rose in all markets except Lithuania, where certain one-off items weighed on revenue (net effect about SEK 70 million). For the business area as a whole the rise measured in local currencies was 5.1 percent, driven by subscription growth and increased usage but capped by lower prices in most markets. Sales growth in absolute terms was strongest in Denmark, Spain and Sweden, driven by the acquisition of debitel in Denmark in April, good customer intake in Spain, where sales totaled SEK 117 million, and higher volumes in Sweden. The net of reduced interconnect fees that TeliaSonera receives from other operators in Sweden, Finland, Norway and Denmark lowered sales by SEK 189 million.
- **Interconnect fees** were lowered further in Sweden on July 1, 2007, from SEK 0.64 to SEK 0.55, in accordance with the Swedish regulator PTS' recommendation from June 28, 2007. TeliaSonera intends to follow this recommendation as long as other operators do the same.
- In Norway, the regulator NPT presented a final decision in May 2007, which did not deviate from its previous decision in December 2006, suggesting symmetric prices between Telenor and NetCom by July 1, 2008, and indicating a reduction of the voice termination price to NOK 0.45 as of 2010. The price change will be introduced gradually over three years with the first reduction in October 2007 to NOK 0.70 from NOK 0.91. NetCom appealed the decision by NPT to the Ministry of Transport and Communication.

- In Spain, the national regulator CMT has decided that TeliaSonera's mobile operator Yoigo has the right to apply a premium of just below 50 percent to the Spanish market average for interconnect fees. The parties have appealed the decision to the regulator and TeliaSonera expects that the outcome of the appeal process will be finalized during 2007.
- **The number of subscriptions** increased by 853,000 to 13,998,000, mainly due to the acquisition of debitel, which added 235,000 subscriptions, the acquisition in June 2007 of ZetCOM in Latvia and the subsequent 131,000 subscriptions, an intake of 161,000 subscriptions at Yoigo in Spain and a rise of 289,000 subscriptions in Sweden. In Finland, the subscription base decreased by 116,000 from the previous year, but in the quarter, the renewed "My Sonera" mobile offering attracted customers and strengthened the Sonera brand's position in the market, whereas the effect from the reopening of the low-cost brand Tele Finland was moderate. During the quarter, the total number of subscriptions rose by 485,000, mainly as a result of the acquisitions of debitel and ZetCom and the positive development in Sweden and Spain.
- **Blended churn** was 27 percent (27).
- **EBITDA**, excluding non-recurring items, decreased to SEK 3,244 million and the EBITDA margin fell to 29.2 percent. All markets except Finland showed lower margins, affected by price pressure and increased costs for sales and marketing. Since competition remains intense in TeliaSonera's home markets promotional spending is prioritized in order to maintain market leadership and capitalize on the migration to mobile services and the increased usage of voice and data communication. The start-up in Spain affected EBITDA negatively by SEK 315 million. In Denmark, the acquisition of debitel impacted the margin negatively, since the transfer of traffic to TeliaSonera's network has only just been initiated. Costs related to handsets and international roaming also affected the result in Denmark negatively. The net effect on EBITDA from changes in interconnect fees in Sweden, Finland, Norway and Denmark was a negative SEK 39 million.
- **CAPEX** rose 45 percent to SEK 935 million mainly due to start-up investments in Spain, extended coverage and EDGE functionality in Sweden and HSDPA functionality in Finland.

Ongoing cost efficiency programs

- In the first quarter, TeliaSonera divided the responsibilities for the ongoing cost efficiency programs between the new business areas. Cost efficiency measures implemented in Mobility Services in Sweden and Finland from April 1 to year-end 2007 are estimated to give an annual gross savings effect of approximately SEK 400 million as of 2008.
- Efficiency measures implemented during the second quarter, mainly related to sales and distribution functions, are estimated to give an annual gross savings effect of approximately SEK 200 million as of 2008. During the second quarter 2007, the savings effect was at a moderate level and related non-recurring expenses totaled SEK 64 million.

SEK in millions, except margins	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	11,121	10,712	21,512	20,683
of which Sweden	3,140	3,032	6,119	5,904
of which Finland	2,414	2,404	4,748	4,642
of which Norway	2,255	2,314	4,380	4,436
of which Denmark	1,533	1,363	2,848	2,687
of which Lithuania	599	633	1,175	1,193
of which Latvia	674	613	1,298	1,172
of which Estonia	589	524	1,096	975
of which Spain	117	–	193	–
EBITDA excl. non-recurring items	3,244	3,689	6,751	6,949
Margin (%), total	29.2	34.4	31.4	33.6
Margin (%), Sweden	32.4	37.3	37.4	37.8
Margin (%), Finland	32.8	24.7	33.8	23.3
Margin (%), Norway	36.4	41.2	36.9	39.0
Margin (%), Denmark	10.8	18.2	13.9	17.5
Margin (%), Lithuania	38.4	43.6	40.2	39.7
Margin (%), Latvia	47.3	49.6	46.5	51.1
Margin (%), Estonia	36.5	36.8	37.0	38.4
Margin (%), Spain	neg	–	neg	–

Top line growing – breaking the trend in Broadband Services

The business area Broadband Services is responsible for mass-market services for connecting homes and offices and for home communications. Products and services in focus include broadband over copper, fiber and cable, IPTV, voice over Internet, home communications services, IP-VPN/Business Internet, leased lines and traditional telephony. The business area operates the group common core network, including the data network of the international carrier business. The business area comprises operations in Sweden, Finland, Norway, Denmark, Lithuania, Latvia (49 percent), Estonia and international carrier operations.

- The growth in broadband and the migration from fixed voice continued. Focus is moving from prices on broadband access to increased bandwidth, triple play and broadband content. Bundling of services continued and TeliaSonera now offers multi-service packages in most of its markets. By the end of 2007, TeliaSonera expects to have launched multi-service packages in all of its home markets.
- TeliaSonera maintained its market positions in all markets and in Sweden the successful IPTV initiative continued strengthening its market position within broadband.
- **Net sales** increased 2.7 percent to SEK 10,334 million. The acquisition of NextGen-Tel in June 2006, together with overall strong growth in broadband sales and wholesale services more than compensated for the decrease in fixed voice sales. In Sweden, the decline in net sales caused by lower fixed voice sales slowed compared to the first quarter. The significant increase within Wholesale is mainly due to increased sales of voice, Internet and data services and to some extent to an adjustment made between the second and third quarters last year of approximately SEK 70 million. In local currencies net sales increased 3.0 percent.
- **The number of broadband subscriptions** grew by 370,000 to 2,143,000 while ARPU fell 8 percent to SEK 269 per month as broadband access remained the key revenue source and offerings promoted more bandwidth at the same price. The number of fixed voice subscriptions declined by 432,000 to 6,335,000. During the quarter the total number of IPTV subscriptions increased to more than 200,000,

mainly due to the successful IPTV push in Sweden which increased the number of IPTV subscriptions by almost 80,000 to approximately 160,000. The number of fixed voice subscriptions fell by 58,000 during the quarter, continuing the slow-down of the decline seen over recent quarters.

SEK in millions, except margins and operational data	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	10,334	10,059	20,529	20,265
EBITDA excl. non-recurring items	3,186	3,092	6,125	6,528
Margin (%)	30.8	30.7	29.8	32.2
Operating income	1,249	1,627	2,824	3,462
Operating income excl. non-recurring items	1,924	1,690	3,575	3,850
CAPEX	1,240	990	2,263	1,872
Broadband ARPU (SEK)	269	291	269	290
Subscriptions, period-end (thousands)				
Broadband	2,143	1,773	2,143	1,773
Fixed voice	6,335	6,767	6,335	6,767
Associated company, total	847	702	847	702

Additional segment information available at www.teliasonera.com/ir

- **EBITDA**, excluding non-recurring items, increased to SEK 3,186 million and the margin was 30.8 percent. The largest improvement was within Wholesale where the margin rose significantly from an exceptionally low level in the comparable quarter. The margin was stable in Finland, where turnaround measures compensated for the decline in sales. In Sweden, the margin decreased as efforts to lower costs did not fully offset the decline in sales mainly within fixed voice services. Additionally, investments in future growth, including IPTV, put pressure on the margin. In Denmark, the margin fell due to a larger portion of low-margin services sold, including TV-program packages.
- Following a change in the Finnish legislation in February 2007, which removed the universal service obligation, a write-down of the access network in Finland and a provision for dismantling the network totaling about SEK 450 million were made during the second quarter (reported as a non-recurring item).
- **CAPEX** rose 25 percent to SEK 1,240 million mainly due to increased investments in broadband, particularly in Sweden and Lithuania, and in common infrastructure, including the core network.

Ongoing cost efficiency programs

- In the first quarter, TeliaSonera divided the responsibilities for the ongoing cost efficiency programs between the new business areas. Cost efficiency measures implemented in Broadband Services in Sweden and Finland from April 1 to year-end 2007 are estimated to give an annual gross savings effect of approximately SEK 1,550 million as of 2008.
- Efficiency measures implemented during the second quarter, mainly related to network management and personnel, are estimated to give an annual gross savings effect of approximately SEK 300 million as of 2008. In the second quarter 2007, the savings effect was moderate and related non-recurring expenses totaled SEK 225 million, of which more than half were write-downs.
- The ongoing cost efficiency programs will not be sufficient to offset the fixed voice decline and further efficiency measures in addition to the ongoing programs will be taken.

SEK in millions, except margins	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun
	2007	2006	2007	2006
Net sales	10,334	10,059	20,529	20,265
of which Sweden	4,785	5,001	9,460	9,949
of which Finland	1,517	1,533	3,059	3,077
of which Norway	221	74	434	74
of which Denmark	448	456	911	919
of which Lithuania	514	488	1,004	983
of which Estonia	429	393	870	773
of which Wholesale	2,691	2,292	5,200	4,844
EBITDA excl. non-recurring items	3,186	3,092	6,125	6,528
Margin (%), total	30.8	30.7	29.8	32.2
Margin (%), Sweden	32.5	35.4	31.6	37.5
Margin (%), Finland	25.9	26.5	23.0	25.0
Margin (%), Norway	21.7	21.6	21.2	21.6
Margin (%), Denmark	14.5	20.8	14.4	19.2
Margin (%), Lithuania	44.2	50.2	45.2	50.8
Margin (%), Estonia	29.1	36.4	25.5	35.3
Margin (%), Wholesale	28.8	18.2	29.6	22.0

Integrated Enterprise Services strengthens its position

The business area **Integrated Enterprise Services** is responsible for the Nordic and Baltic business where TeliaSonera is engaged in managing the internal IT and telecom infrastructure of the enterprises. The business area is responsible for the enterprises' total telecommunications needs. Customer offerings include networked IT services, voice & data solutions, systems integration and converging services as well as highly standardized solutions for the SME segment. Example of services are management of LAN, servers, work stations, IP PABXs and call centers, mobility and security solutions and horizontal standard applications, e.g. e-mail services. The business area offers end-to-end management solutions with service guarantees.

- Companies are increasingly interested in purchasing their communications services and support as an integrated, hosted service instead of investing in internal maintenance. TeliaSonera aims at becoming the market leader in providing integrated, easy-to-use telecom and IP/IT services for companies operating in the Nordic and Baltic countries.
- TeliaSonera focuses on strengthening its position in the market for managed IP/IT services and telecom system integration by providing cross-border industrialized solutions, offerings and customer service. Growth will be created through geographical expansion and by increasing TeliaSonera's share of customers' investments in managed services.
- During the second quarter, TeliaSonera strengthened its position and made complementary acquisitions. Didata in Sweden was acquired in May to expand TeliaSonera's service reach as an integrator of telecom and IP/IT solutions, and the Finnish managed hosting specialist company Crescom was bought in June (consolidated as of July 1, 2007) to increase capacity in managing critical service systems.
- To meet the rising demand for integrated services, TeliaSonera in Finland has launched a comprehensive service package designed for small and medium-sized companies.

SEK in millions, except margins	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun
	2007	2006	2007	2006
Net sales	3,518	3,277	6,777	6,527
EBITDA excl. non-recurring items	-90	73	-32	227
Margin (%)	neg	2.2	neg	3.5
Operating income	-209	-21	-305	-40
Operating income excl. non-recurring items	-169	-11	-241	76
CAPEX	174	81	241	154

Additional segment information available at www.teliasonera.com/ir

- **Net sales** increased 7.4 percent to SEK 3,518 million, lifted by the acquisitions of Cygate in February and Didata in June which together had a positive effect of 6.9 percent. Sales related to the distribution of mobility and broadband mass market services decreased by SEK 97 million, weighed down by price declines in mobile and data communications as well as migration from traditional data solutions to IP-based solutions. Sales of integrated enterprise services and equipment sales increased by SEK 208 million, mainly due to the consolidation of the acquired companies. The share of integrated enterprise services and equipment sales was about 43 percent of net sales. Organic growth was 0.7 percent.
- **EBITDA**, excluding non-recurring items, fell to SEK -90 million (73) mainly due to lower mobile and data revenues, and increased costs related to IT systems and sub-contracting.
- **CAPEX** increased to SEK 174 million mainly due to higher investments in server operations.

Ongoing cost efficiency programs

- In the first quarter, TeliaSonera divided the responsibilities for the ongoing cost efficiency programs between the new business areas. Cost efficiency measures implemented in Integrated Enterprise Services from April 1 to year-end 2007 are estimated to give an annual gross savings effect of approximately SEK 350 million as of 2008.
- Efficiency measures implemented during the second quarter, mainly related to the centralization of server sites, are estimated to give an annual gross savings effect of approximately SEK 35 million as of 2008. During the second quarter 2007, the savings effect was moderate and related non-recurring expenses totaled SEK 40 million.

Eurasia shows continued strong performance

The business area Eurasia comprises the majority-owned Fintur operations in Kazakhstan, Azerbaijan, Georgia and Moldova. The business area is also responsible for developing TeliaSonera's shareholding in Russian MegaFon (44 percent) and Turkish Turkcell (37 percent). The main responsibility is to create shareholder value and to exploit penetration growth in the respective countries.

- **Net sales** rose 20 percent to SEK 2,451 million with continued strong revenue growth in all Fintur's markets. A growing subscription base and increased usage fueled sales growth. Net sales rose some 23 percent in local currencies.
- **The number of subscriptions** rose by 2.1 million to 8.7 million. Subscription growth during the quarter was 9 percent, or 723,000 subscriptions, four times the growth rate of the comparable quarter in 2006. Net additions were 546,000 in Kazakhstan

where the number of subscriptions fell in the comparable quarter following new requirements for customers to register prepaid subscriptions.

SEK in millions, except margins and operational data	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	2,451	2,047	4,516	3,917
EBITDA excl. non-recurring items	1,248	1,118	2,394	2,188
Margin (%)	50.9	54.6	53.0	55.9
Income from associated companies				
Russia	1,178	796	1,951	1,233
Turkey	602	339	1,266	908
Operating income	2,744	2,001	5,018	3,828
Operating income excl. non-recurring items	2,744	2,001	5,018	3,828
CAPEX	906	845	1,337	1,313
Subscriptions, period-end (thousands)				
Subsidiaries	8,671	6,573	8,671	6,573
Associated companies	70,303	58,007	70,303	58,007

Additional segment information available at www.teliasonera.com/ir

- **EBITDA**, excluding non-recurring items, increased to SEK 1,248 million due to higher sales. Since competition remains intense in all Fintur's markets promotional spending is prioritized in order to maintain and capitalize on market leadership, and as a result the margin decreased.
- **CAPEX** increased 7 percent to SEK 906 million mainly due to the timing of investments between the quarters. New vendor agreements were signed and postponed investment decisions materialized which affected the investment level.
- **MegaFon** (associated company, 43.8 percent holding) in Russia succeeded well and increased its subscription base by 6.3 million to 32.3 million. During the quarter, the number of subscriptions rose by 1.2 million. MegaFon's market share in terms of subscriptions was 20 percent and its position was strengthened in terms of revenue.
- MegaFon won a nationwide 3G license in April 2007.
- TeliaSonera's income from Russia rose to SEK 1,178 million (796), fueled by continued strong sales and earnings growth at MegaFon. The impact from positive one-off items was lower than in the comparable quarter and totaled some SEK 140 million (340), mainly related to a partial reversal of write-downs on old equipment. The Russian ruble depreciated against the Swedish krona which had a negative impact of SEK 31 million.
- **Turkcell** (associated company, 37.3 percent holding, reported with a one-quarter lag) in Turkey increased its subscription base by 3.5 million to 32.2 million. In the quarter, the number of subscriptions rose by 0.4 million. Subscription growth slowed from previous quarters as activity in the market increased. Net subscription additions were at their lowest since 2001 and the churn rate at a historical high. In Ukraine, the number of subscriptions rose by 0.2 million in the quarter to 5.8 million.
- TeliaSonera's income from Turkcell, which showed continued strong sales and earnings growth, rose to SEK 602 million (339). The comparable quarter included a SEK 107 million negative one-off item. Sales growth of 14 percent in local currency and improved margins contributed to the strong performance.

SEK in millions	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	2,451	2,047	4,516	3,917
of which Kazakhstan	1,374	1,192	2,518	2,234
of which Azerbaijan	716	587	1,315	1,141
of which Georgia	271	196	514	401
of which Moldova	92	76	172	146

The Board of Directors and the acting President and CEO certify that the Interim Report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 27, 2007

Tom von Weymarn
Chairman

Majja-Liisa Friman

Elof Isaksson

Conny Karlsson

Arja Kivin

Lars G Nordström

Timo Peltola

Jon Risfelt

Caroline Sundewall

Berith Westman

Kim Ignatius
Executive Vice President and CFO
Acting President and CEO

This report has not been subject to review by TeliaSonera's auditors.

Financial Information

Interim Report January–September 2007

October 26, 2007

Year-end Report January–December 2007

February 8, 2008

Annual General Meeting 2008 in Stockholm

March 31, 2008

Interim Report January–March 2008

April 25, 2008

Please note that the date of the Year-end Report January-December 2007 has been changed.

Questions regarding content in the reports:

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Definitions

EBITDA: An abbreviation of "Earnings Before Interest, Tax, Depreciation and Amortization." Equals operating income before depreciation, amortization and impairment losses and before income from associated companies.

ARPU, blended: Average monthly revenue per subscription.

Churn, blended: The number of lost subscriptions (postpaid and prepaid) expressed as a percentage of the average number of subscriptions (postpaid and prepaid).

MoU: Minutes of usage.

HSDPA: High Speed Downlink Packet Access.

Condensed Consolidated Income Statements

SEK in millions, except per share data and number of shares	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	23,901	22,737	46,625	44,716
Cost of sales	-13,680	-12,120	-26,223	-23,749
Gross profit	10,221	10,617	20,402	20,967
Selling, admin., and R&D expenses	-6,123	-5,800	-11,891	-11,173
Other operating income and expenses, net	-167	120	20	-368
Income from associated companies and joint ventures	1,865	1,242	3,326	2,194
Operating income	5,796	6,179	11,857	11,620
Finance costs and other financial items, net	-151	-119	-280	-18
Income after financial items	5,645	6,060	11,577	11,602
Income taxes	-1,351	-1,334	-2,701	-2,602
Net income	4,294	4,726	8,876	9,000
Attributable to:				
Shareholders of the parent co.	3,832	4,213	7,808	7,905
Minority interests in subsidiaries	462	513	1,068	1,095
Shareholders' basic and diluted earnings per share (SEK)	0.85	0.94	1.74	1.76
Number of shares (thousands)				
Outstanding at period-end	4,490,457	4,490,457	4,490,457	4,490,457
Weighted average, basic and diluted	4,490,457	4,490,457	4,490,457	4,490,457
Number of treasury shares (thousands)				
At period-end	–	184,775	–	184,775
Weighted average	–	184,775	–	184,775
EBITDA	7,234	7,801	14,687	15,032
EBITDA excl. non-recurring items	7,516	7,928	15,099	15,744
Depreciation, amortization and impairment losses	-3,304	-2,864	-6,157	-5,606
Operating income excl. non-recurring items	6,575	6,316	12,766	12,445

Condensed Consolidated Balance Sheets

SEK in millions	Jun 30, 2007	Dec 31, 2006
Assets		
Goodwill and other intangible assets	78,119	74,172
Property, plant and equipment	49,214	48,195
Investments in associates and joint ventures, deferred tax assets and other non-current assets	45,450	41,826
<i>Total non-current assets</i>	<i>172,783</i>	<i>164,193</i>
Inventories	1,136	997
Trade receivables, current tax assets and other receivables	20,872	20,631
Interest-bearing receivables	961	1,958
Cash and cash equivalents	5,182	11,603
<i>Total current assets</i>	<i>28,151</i>	<i>35,189</i>
<i>Non-current assets held-for-sale</i>	<i>3</i>	<i>10</i>
Total assets	200,937	199,392
Equity and liabilities		
Shareholders' equity	103,554	119,217
Minority interests	8,181	8,500
<i>Total equity</i>	<i>111,735</i>	<i>127,717</i>
Long-term borrowings	37,192	24,311
Deferred tax liabilities, other long-term provisions	15,474	14,635
Other long-term liabilities	2,397	2,382
<i>Total non-current liabilities</i>	<i>55,063</i>	<i>41,328</i>
Short-term borrowings	8,162	3,418
Trade payables, current tax liabilities, short-term provisions and other current liabilities	25,977	26,929
<i>Total current liabilities</i>	<i>34,139</i>	<i>30,347</i>
Total equity and liabilities	200,937	199,392

Condensed Consolidated Cash Flow Statements

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
SEK in millions				
Cash flow before change in working capital	6,652	6,182	13,210	13,632
Change in working capital	256	231	-1,406	-405
Cash flow from operating activities	6,908	6,413	11,804	13,227
Intangible and tangible fixed assets acquired (cash CAPEX)	-3,350	-2,395	-5,717	-4,366
Free cash flow	3,558	4,018	6,087	8,861
Cash flow from other investing activities	-873	-2,537	-1,059	-2,308
Total cash flow from investing activities	-4,223	-4,932	-6,776	-6,674
Cash flow before financing activities	2,685	1,481	5,028	6,553
Cash flow from financing activities	-23,529	-13,550	-11,534	-17,843
Cash flow for the period	-20,844	-12,069	-6,506	-11,290
Cash and cash equivalents, opening balance	26,095	17,667	11,603	16,834
Cash flow for the period	-20,844	-12,069	-6,506	-11,290
Exchange rate differences	-69	-151	85	-97
Cash and cash equivalents, closing balance	5,182	5,447	5,182	5,447

Condensed Consolidated Statements of Changes in Equity

	Jan-Jun 2007			Jan-Dec 2006		
	Share-holders' equity	Minority interests	Total equity	Share-holders' equity	Minority interests	Total equity
SEK in millions						
Opening balance	119,217	8,500	127,717	127,049	8,645	135,694
Business combinations	-	-	-	25	-	25
Reporting financial instruments at fair value	8	-	8	-25	-	-25
Hedging of foreign operations, net of tax	-17	-	-17	-	-	-
Currency translation differences	4,828	255	5,083	-8,955	-608	-9,563
Inflation adjustments	-	-	-	-147	-	-147
<i>Net income recognized directly in equity</i>	<i>4,819</i>	<i>255</i>	<i>5,074</i>	<i>-9,102</i>	<i>-608</i>	<i>-9,710</i>
Net income	7,808	1,068	8,876	16,987	2,296	19,283
<i>Total recognized net income</i>	<i>12,627</i>	<i>1,323</i>	<i>13,950</i>	<i>7,885</i>	<i>1,688</i>	<i>9,573</i>
Transactions with minority shareholders in subsidiaries	-	-231	-231	-	-215	-215
Dividends	-28,290	-1,411	-29,701	-15,717	-1,618	-17,335
Closing balance	103,554	8,181	111,735	119,217	8,500	127,717

Basis for Preparation

General. As in the annual accounts for 2006, TeliaSonera's consolidated financial statements as of and for the six-month period ended June 30, 2007, have been prepared in accordance with International Financial Reporting Standards (IFRS) and, given the nature of TeliaSonera's transactions, with IFRSs as adopted by the European Union. In preparing segment reporting, TeliaSonera has applied IFRS 8 "Operating Segments." IFRS 8 is not yet adopted by the EU, but has been recommended for endorsement by EFRAG and

ARC. The parent company TeliaSonera AB's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's standard RR 32:06 "Accounting for Legal Entities" and statements issued by its Emerging Issues Task Force. This report has been prepared in accordance with IAS 34 "Interim Financial Reporting."

New accounting standards (not yet adopted by the EU). IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective January 1, 2008; earlier application permitted) was issued on July 5, 2007. IFRIC 14 provides general guidance on how to assess the limit in IAS 19 *Employee Benefits* on the amount of the surplus that can be recognized as an asset and explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement. No additional liability need be recognized by the employer unless the contributions payable under the minimum funding requirement cannot be returned to the company. TeliaSonera is currently assessing the effects, if any, of adopting IFRIC 14.

IFRIC 13 *Customer Loyalty Programmes* (effective for annual periods beginning on or after July 1, 2008; earlier application permitted) was issued on June 28, 2007. IFRIC 13 explains how to account for obligations to provide free or discounted goods or services ('awards') to customers who redeem award credits. Entities are required to allocate some of the proceeds of the initial sale to the award credits and recognize these proceeds as revenue only when their obligations are fulfilled either by supplying awards themselves or engaging (and paying) a third party to do so. TeliaSonera already defers revenues related to loyalty programs, but is currently assessing any other effects of adopting IFRIC 13.

For further information, see corresponding sections in the Q1 2007 Interim Report and the 2006 Annual Report.

Non-recurring Items

SEK in millions	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Within EBITDA	-282	-127	-412	-712
Restructuring charges, synergy implementation costs, etc.:				
Mobility Services	-64	-25	-92	-179
Broadband Services	-178	-63	-254	-388
Integrated Enterprise Services	-40	-11	-64	-117
Other operations	0	-28	-2	-28
<i>of which TeliaSonera Holding</i>	<i>19</i>	<i>–</i>	<i>17</i>	<i>–</i>
Within Depreciation, amortization and impairment losses	-497	–	-497	–
Impairment losses, accelerated depreciation:				
Broadband Services	-497	–	-497	–
Within Income from associated companies and joint ventures	–	-10	–	-113
Impairment losses, capital gains/losses, provisions and other:				
Mobility Services	–	-10	–	-113
Within Financial net	–	–	–	183
Capital gains:				
Elisa	–	–	–	183
Total	-779	-137	-909	-642

Deferred Taxes

	Jun 30, 2007	Dec 31, 2006
SEK in millions		
Deferred tax assets	11,767	12,054
Deferred tax liabilities	-10,131	-10,121
Net deferred tax assets	1,636	1,933

Segment and Group Operating Income

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
SEK in millions				
Mobility Services	2,039	2,608	4,451	4,508
Broadband Services	1,249	1,627	2,824	3,462
Integrated Enterprise Services	-209	-21	-305	-40
Eurasia	2,744	2,001	5,018	3,828
Other operations	-62	-48	-162	-156
Total segments	5,761	6,167	11,826	11,602
Elimination of inter-segment profits	35	12	31	18
Group	5,796	6,179	11,857	11,620

Related Party Transactions

MegaFon. As of June 30, 2007, TeliaSonera had interest-bearing claims on its associated company OAO MegaFon of SEK 320 million.

Telefos. As of June 30, 2007, TeliaSonera had interest-bearing claims of SEK 101 million on its associated company Telefos AB. In the three-month and the six-month period ended June 30, 2007, TeliaSonera purchased services and products from subsidiaries to Telefos worth SEK 361 million and SEK 930 million, respectively, mostly referring to network construction.

Svenska UMTS-nät. In the three-month and the six-month period ended June 30, 2007, TeliaSonera purchased services from its 50 percent owned joint venture Svenska UMTS-nät AB worth SEK 131 million and SEK 292 million, respectively, and sold services worth SEK 56 million and SEK 110 million, respectively.

Investments

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
SEK in millions				
CAPEX	3,318	2,631	5,655	4,670
Intangible assets	384	365	587	560
Property, plant and equipment	2,934	2,266	5,068	4,110
Acquisitions and other investments	1,676	3,658	2,340	3,825
Asset retirement obligations	-	-	-	3
Goodwill and fair value adjustments	1,271	3,568	1,934	3,724
Equity holdings	405	90	406	98
Total	4,994	6,289	7,995	8,495

Net Debt

SEK in millions	Jun 30, 2007	Dec 31, 2006
Long-term and short-term borrowings	45,354	27,729
Less short-term investments, cash and bank	-5,558	-12,772
Net debt	39,796	14,957

Loan Financing

The underlying cash-flow generation was positive also during the second quarter of 2007. In the quarter, however, high dividend payments were made which led to a significant increase in the Group's net debt. Since most of the funds needed for dividends had been pre-financed, the gross debt only showed a moderate increase in the second quarter. The bulk of the additional debt financing raised during the quarter stemmed from the short-dated commercial paper (CP) market.

Financial Key Ratios

	Jun 30, 2007	Dec 31, 2006
Return on equity (% , rolling 12 months)	16.1	17.2
Return on capital employed (% , rolling 12 months)	19.0	19.5
Equity/assets ratio (%)	53.6	49.9
Net debt/equity ratio (%)	37.0	15.0
Shareholders' equity per share (SEK)	23.06	26.55

Business Combinations

debitel Danmark

On January 31, 2007, TeliaSonera signed a share purchase agreement to acquire 100 percent of the Danish service provider debitel Danmark A/S. After obtaining relevant regulatory approval, closing took place on April 11, 2007. The acquisition includes debitel's joint venture DLG-debitel I/S operating under the brand DLG Tele. The results of the operations were included in the consolidated financial statements as of April 1, 2007.

In addition to the stand-alone valuation of debitel, the transaction is based on transferring debitel's traffic from other mobile networks into Telia Denmark's mobile network.

The transaction strengthens TeliaSonera's position in the Danish mobile market. At December 31, 2006, debitel and DLG Tele had approximately 300,000 mobile subscriptions. debitel will continue to operate as a service provider under a separate brand on the Danish market.

Preliminary purchase price allocation	SEK in millions
Cash purchase consideration	582
Contingent additional purchase consideration ¹⁾	417
Transaction related direct expenses	7
Total cost of the combination	1,006
Customer relationships	147
Other intangible assets	11
Equipment	11
Investments in joint ventures	383
Other financial non-current assets	73
Inventories, receivables and other current assets	143
Cash and cash equivalents	73
Deferred income tax liabilities	-37
Other long-term liabilities	-323
Short-term liabilities	-131
Total fair value of net assets acquired	350
Goodwill (allocated to business area Mobility Services)	656

1) The remaining payments are capped at EUR 45 million plus interest and are dependent on the development of debitel during the following six months after closing.

Cash flow effects	SEK in millions
Total cost of the combination paid in cash	587
Settlement of debitel's debt to one of the sellers	323
Less acquired cash and cash equivalents	-73
Net cash outflow from the combination	837

Impact on consolidated financials, April 1–June 30, 2007	SEK in millions
Net external sales	184
Net income	-12

Pro forma effects, as if the combination had taken place at January 1, 2007 (SEK in millions, except per share data)	TeliaSonera		TeliaSonera Group
	Group	debitel	pro forma
Net sales	46,625	185	46,810
Net income	8,876	-13	8,863
Earnings per share (SEK)	1.74		1.74

The total cost of combination and fair values have been determined provisionally as they are based on preliminary appraisals and subject to confirmation of certain facts. Thus, the purchase price accounting is subject to refinement.

Other business combinations in the second quarter

For other business combinations in the second quarter, the combined cost of acquisition was SEK 237 million and the net cash outflow SEK 211 million. Fair value adjustments related to trade names and customer relationships amounted to SEK 59 million. Goodwill totaled SEK 165 million, of which SEK 139 million was allocated to business area Mobility Services and SEK 26 million to business area Integrated Enterprise Services.

Xfera purchase price allocation finalized

In the quarter, the purchase price allocation for Xfera Móviles S.A., acquired in June 2006, was finalized. A few adjustments were made and the net effect was an increase in goodwill of SEK 176 million, primarily relating to deferred spectrum fees that had already been recognized as a part of the fair value of Xfera's 3G license.

MCT

As described above, the acquisition of MCT Corp. was closed on July 16, 2007. The MCT group of companies includes:

- OOO Coscom, which is the third largest mobile operator in Uzbekistan with 393,000 subscriptions and a market share of approximately 11 percent as of May 2007. Net sales in 2006 were USD 26 million and EBITDA USD 5.8 million. MCT has a 99.97 percent interest in Coscom.
- ZAO Indigo Tadjikistan and ZAO Somoncom, which combined is the second largest mobile operation in Tajikistan with 377,000 subscriptions and a market share of approximately 27 percent as of May 2007. Combined net sales in 2006 were USD 27 million and EBITDA USD 13.7 million. MCT has a 60.0 percent interest in Indigo Tadjikistan and a 59.4 percent interest in Somoncom.
- Telecom Development Company Afghanistan Ltd. (Roshan), which is the largest mobile operator in Afghanistan, with 1,300,000 subscriptions and a market share of approximately 50 percent as of May 2007. Net sales in 2006 were USD 191 million and EBITDA USD 66.5 million. MCT has a 12.25 percent interest in Roshan.

TeliaSonera will consolidate the operations in Uzbekistan and Tajikistan as of the closing. Work on the purchase price allocation has been initiated. To some extent the cost of combination will be allocated to certain identifiable intangible assets (e.g. trade names, customer relationships and licenses), but is expected to mainly be recognized as goodwill. The operation in Afghanistan will be reported as a financial investment.

Collateral Pledged and Guarantees

Collateral pledged at June 30, 2007 totaled SEK 1,356 million, mainly referring to blocked funds in bank accounts for Ipse 2000 S.p.A.'s future license payments and pledges of shares in Svenska UMTS-nät AB. Guarantees totaled SEK 2,087 million, of which SEK 1,779 million referred to credit guarantees on behalf of Svenska UMTS-nät. Under certain third-party agreements, the credit guarantees on behalf of Svenska UMTS-nät are capped at SEK 2,400 million.

Contractual Obligations

Contractual obligations at June 30, 2007 totaled SEK 2,301 million, of which SEK 1,666 million referred to contracted build-out of TeliaSonera's mobile networks in Spain and fixed networks in Sweden.

Parent Company

Condensed Income Statements (SEK in millions)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Net sales	4,671	4,841	9,100	9,977
Gross profit	2,085	1,830	3,734	3,809
Operating income	1,333	1,218	3,054	2,922
Income after financial items	16,439	1,102	18,224	3,147
Income before taxes	16,062	370	17,423	1,360
Net income	15,918	361	17,061	1,071

Net sales, primarily related to fixed network services in Sweden, declined due to migration to mobile services and lower priced IP-based services. Out of the total net sales for the six-month period, SEK 6,545 million (7,377) was billed to subsidiaries. Income after financial items increased strongly as a result of dividend payments from subsidiaries.

Condensed Balance Sheets (SEK in millions)	Jun 30, 2007	Dec 31, 2006
Non-current assets	140,751	131,332
Current assets	16,580	17,423
Total assets	157,331	148,755
Shareholders' equity	60,041	71,262
Untaxed reserves	18,278	17,476
Provisions	1,430	2,046
Liabilities	77,582	57,971
Total equity and liabilities	157,331	148,755

Total investments for the six-month period amounted to SEK 10,569 million (15,626), including SEK 1,217 million (975) in property, plant and equipment, primarily for the fixed network. Other investments totaled SEK 9,352 million (14,651), of which SEK 2,011 million attributable to the acquisitions of Cygate and debitel Danmark, and SEK 7,132 million to transfers of shareholdings within the Group.

Risks and uncertainties

New legislation for listed companies, effective July 1, 2007, requires that the six-month interim report shall include a description of the most significant risks and uncertainties for the remaining six months of the fiscal year.

TeliaSonera operates in a broad range of geographic product and service markets in the highly competitive and regulated telecommunications industry. As a result, TeliaSonera is subject to a variety of risks and uncertainties. TeliaSonera has defined risk as anything that could have a material adverse effect on the achievement of TeliaSonera's goals. Risks can be threats, uncertainties or lost opportunities relating to TeliaSonera's current or future operations or activities. Additionally, these risks may affect TeliaSonera's share price from time to time.

TeliaSonera has an established risk management process in place to regularly identify, analyze and assess, and report business and financial risks and uncertainties, and to mitigate such risks when appropriate. Risk management is an integrated part of TeliaSonera's business planning process.

See "Risk Factors" in TeliaSonera's Annual Report 2006 (pages 46-48) for a detailed description of some of the factors that may affect TeliaSonera's business, financial condition and results of operations. TeliaSonera believes that the risk environment has not materially changed from the one described in the Annual Report 2006.

Risks and uncertainties that could specifically impact the quarterly results of operations during the remaining six months of 2007 include, but may not be limited to:

- *Investments in future growth.* TeliaSonera is currently investing in future growth through, for example, building a customer base in Spain and increasing the expenditure on sales and marketing to retain and acquire customers in most markets. While TeliaSonera believes these investments will improve market position and financial results in the long term, they may not have the targeted positive effects yet in the

short term and the related expenditure may impact the results of operations between the quarters.

- *Efficiency programs.* TeliaSonera is in the process of shifting its cost base from traditional to new services. In the short term, depending on when the related decisions are made and carried out, these efficiency programs may not yet bring the cost savings that will be visible in the long term. Additionally, related amounts of restructuring costs and their timing may increase the volatility of quarterly results in the short term.
- *Non-recurring items.* In accordance with their nature, non-recurring items such as capital gains and losses, restructuring costs, write-downs, etc. may impact the quarterly results in the short term with amounts or timing that deviate from the ones currently expected. Depending on external factors or internal developments, TeliaSonera might also experience non-recurring items that are not currently anticipated.
- *Associated companies.* A significant part of TeliaSonera's results is derived from MegaFon and Turkcell, which TeliaSonera does not control and which operate in growth markets but also in a more volatile political, economic and legal environment. Variations in the financial performance of these associated companies have an impact on TeliaSonera's results of operations also in the short term.
- *Acquisitions.* TeliaSonera has made a number of targeted acquisitions in accordance with its strategy. The efficient integration of these acquisitions and the realization of related cost and revenue synergies, as well as positive development of the acquired operations, are significant for the results of operations both in the long and short term. Integration of acquired companies always includes certain risks, and the integration process may increase the volatility of quarterly earnings in the short term.

Forward-Looking Statements

This report contains statements concerning, among other things, TeliaSonera's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent TeliaSonera's future expectations. TeliaSonera believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Such important factors include, but may not be limited to: TeliaSonera's market position; growth in the telecommunications industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of TeliaSonera, its associated companies and joint ventures, and the telecommunications industry in general. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, TeliaSonera undertakes no obligation to update any of them in light of new information or future events.