

TeliaSonera January-September 2007

TeliaSonera reports strong sales and earnings

Nine-month period

- Net sales increased 5.2 percent to SEK 71,423 million (67,873). In local currencies net sales rose 6.1 percent.
- Net income attributable to shareholders of the parent company was SEK 13,207 million (12,958) and earnings per share SEK 2.94 (2.89).
- Free cash flow was SEK 11,165 million (13,731).

Third quarter

- Net sales increased 7.1 percent to SEK 24,798 (23,157). In local currencies net sales rose 7.3 percent.
- EBITDA, excluding non-recurring items, totaled SEK 8,714 million (8,756) and the margin was 35.1 percent (37.8).
- Operating income, excluding non-recurring items, increased to SEK 8,354 million (7,802).
- Net income attributable to shareholders of the parent company was SEK 5,399 million (5,053) and earnings per share SEK 1.20 (1.13).
- Free cash flow increased to SEK 5,078 million (4,870).
- The number of subscriptions increased during the quarter to 109.5 million, with 2.5 million new subscriptions in majority-owned operations and 3.6 million new subscriptions in the associated companies.
- Policy on capital structure and dividend policy changed.

Financial Highlights

SEK in millions, except per share data and return	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	24,798	23,157	71,423	67,873
EBITDA ¹⁾ excl. non-recurring items ²⁾	8,714	8,756	23,813	24,500
Operating income	8,240	7,679	20,097	19,299
Operating income excl. non-recurring items	8,354	7,802	21,120	20,247
Net income	6,213	5,745	15,089	14,745
of which attributable to shareholders of the parent company	5,399	5,053	13,207	12,958
Earnings per share (SEK)	1.20	1.13	2.94	2.89
Return on equity (% , rolling 12 months)	15.8	13.6	15.8	13.6
Free cash flow	5,078	4,870	11,165	13,731

1) Please refer to page 14 for definitions.

2) Non-recurring items; see table on page 18.

In this Interim Report, comparative figures are provided in parentheses following the operational and financial results and refer to the same item in the third quarter of 2006, unless otherwise stated.

Comments from Lars Nyberg, President and CEO

"Group earnings were the best ever in the third quarter, driven by strong sales growth and substantial profit contributions from our minority owned operations in Eurasia. The underlying market trends in the third quarter were unchanged from the second quarter."

Capital structure and dividend policy

The Board of Directors of TeliaSonera has reviewed the company's capital structure and dividend policy.

The Board of Directors decided that the company shall target a solid investment grade long-term credit rating (A- to BBB+) to secure the company's strategically important financial flexibility for investments in future growth, both organically and by acquisitions.

In addition to the ordinary dividend of at least 40 percent of net income attributable to shareholders of the parent company, the Board of Directors intends to propose that excess capital be returned to shareholders, after having taken into consideration the company's cash at hand, cash flow projections and investment plans in a medium term perspective.

Based on the current assessment, the extraordinary dividend for 2007 will be approximately SEK 10 billion.

Summary of five focus areas for the next 24 months, to be presented at the press conference by the President and CEO

- To successfully manage the migration from traditional fixed voice services. Currently traditional fixed voice services generate approximately one third of the company's free cash flow and hence shifting the product mix, including investments and costs, from traditional to new services is crucial.
- To explore growth opportunities that create shareholder value in the business area Eurasia and to focus on liquidity, real influence and control aspects in investments where majority shareholding is not currently possible.
- New business-to-business sales approach, where Mobility Services and Broadband Services will be responsible for the basic offerings to business customers and Integrated Enterprise Services will be turned into a common sales unit for basic telecom services and managed service solutions to business customers.
- Transform into a world-class service company from a technology-driven company by making the right value propositions in relation to competitors and always putting the customers' needs first.
- Intensified efficiency improvement is imperative and, based on benchmarking, the identified preliminary improvement potential is approximately SEK 5 billion of the about SEK 35 billion addressable cost base in 2007.

Outlook (estimates on effects from ongoing efficiency measures changed from the second 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 1.5 billion, decreased from the previous estimate of SEK 2.3 billion, as of 2008. Accordingly, related restructuring costs, to be reported as non-recurring items, are estimated to be

around SEK 1 billion in 2007. Additional efficiency measures will be taken and details on these initiatives will be given in February 2008.

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 mobility capacity.

Review of the Group, Third Quarter 2007

Net sales increased 7.1 percent to SEK 24,798 million (23,157). The net effect of acquisitions and divestitures on sales was positive 2.9 percent and the net effect from exchange rate changes was negative 0.2 percent. Organic growth was 4.4 percent.

In Mobility Services, net sales increased 6.4 percent to SEK 11,551 million (10,859) lifted by the acquisition of debitel in Denmark in April, the continued development of Yoigo in Spain and the solid volume growth in Sweden and the three Baltic countries. Good underlying development continued in Finland.

In Broadband Services, net sales increased 2.6 percent to SEK 10,378 million (10,119). Sales increased in all markets except Sweden, where the decline in net sales, caused by lower fixed voice sales, is slowing down and approaching the point where growth in broadband sales fully compensates for the decrease in fixed voice. In absolute terms sales were strongest in Wholesale where sales of voice, Internet and data services continued to increase. Estonia and Lithuania reported record high sales due to strong growth in broadband sales.

Integrated Enterprise Services net sales increased 8.0 percent to SEK 3,363 million (3,115). The improvement was mainly attributable to the consolidation of Cygate in February, Didata in June and Crescom in July.

In Eurasia, net sales rose 26.5 percent to SEK 2,911 million (2,302) lifted by the continued strong growth especially in Kazakhstan and Azerbaijan and the acquisitions in Uzbekistan and Tajikistan.

The number of subscriptions rose by 17.2 million year-on-year to 109.5 million. In the majority-owned operations, the number of subscriptions rose to approximately 34.6 million at the end of the quarter and to about 74.9 million in the associated companies.

EBITDA, excluding non-recurring items, was SEK 8,714 million (8,756) and the margin 35.1 percent (37.8). Continued investments in future growth in all business areas, including the building of a customer base in Spain and in the Swedish IPTV market, affected EBITDA and the margin. The change in product mix, from traditional fixed voice to IP-based broadband services, and the continued investment in IPTV could not be fully compensated by efficiency measures and thus brought down the margin in Broadband Services. The decrease in EBITDA was partly offset by a positive development in Mobility Services and Eurasia.

Operating income, excluding non-recurring items, increased to SEK 8,354 million (7,802) due to higher income from associated companies in Russia and Turkey. Income from associated companies included a capital gain of SEK 631 million from the sale of Eltel, whereas the comparable quarter included a capital gain of SEK 562 million.

Non-recurring items affecting operating income totaled SEK -114 million (-123), positively impacted by the release of provisions of approximately SEK 200 million, and negatively affected by charges of SEK 233 million related to cost efficiency programs.

Financial items totaled SEK -335 million (-155) of which SEK -401 million (-169) related to net interest expenses.

Income taxes amounted to SEK -1,692 million (-1,779). The effective tax rate was 21.4 percent (23.6).

Minority interests in subsidiaries were SEK 814 million (692) of which SEK 552 million (485) related to Fintur and SEK 247 million (208) to Eesti Telekom, LMT and TEO.

Net income attributable to shareholders of the parent company increased to SEK 5,399 million (5,053) and earnings per share to SEK 1.20 (1.13).

CAPEX was SEK 3,339 million (2,743) and the CAPEX-to-sales ratio 13.5 percent (11.8) driven mainly by increased investments in network capacity, and new services in Mobility Services and Broadband Services.

Free cash flow increased to SEK 5,078 million (4,870) with a positive effect of about SEK 900 million in dividend from the associated company Telefios, mainly related to the sale of Eltel, offsetting higher CAPEX and lower EBITDA. In the comparable quarter free cash flow was positively impacted by a tax refund of approximately SEK 1.5 billion.

Net debt decreased during the quarter to SEK 35,739 million from SEK 39,796 million at June 30, 2007, mainly as a result of free cash flow.

The equity/assets ratio increased to 54.8 percent from 53.6 percent at June 30, 2007.

Acquisitions and divestitures

- TeliaSonera increased its holding in DataInfo Oy to 100 percent from 43.7 percent on September 5, 2007. Specializing in the implementation of information, communication and office solutions, DataInfo provides its services through 29 outlets in Finland. DataInfo was already consolidated before the increase in ownership.
- Telefios AB, 25.6 percent owned by TeliaSonera, on August 9, 2007, closed the sale of its entire shareholding in Eltel Networks to 3i. The transaction had a positive effect of SEK 631 million on earnings in the third quarter.
- TeliaSonera closed the acquisition of MCT Corp. for SEK 1.8 billion on July 16, 2007. To expand its presence in the growing markets in Eurasia, TeliaSonera acquired 100 percent of the shares in MCT with shareholdings in four Eurasian GSM operators, Coscom in Uzbekistan, Indigo Tadjikistan and Somoncom in Tajikistan, and Roshan in Afghanistan. Coscom, Indigo Tadjikistan and Somoncom are consolidated as of July 1. TeliaSonera holds 12.25 percent in Roshan.
- The Finnish managed hosting specialist company Crescom Oy was consolidated as of July 1, 2007. The acquisition supports TeliaSonera's strategy to grow as a provider of companies' integrated telecommunications and IT solutions.

Significant events during the third quarter

- On September 24, 2007, TeliaSonera announced plans to establish a new fully owned telecom infrastructure subsidiary in Sweden. The company will cover copper and fiber networks and ducts and will sell its products on equal terms to TeliaSonera's wholesale customers and the company's own operations. The new company will be established during the fourth quarter of 2007.
- On August 20, 2007, TeliaSonera signed a Memorandum of Understanding with the Republic of Latvia and the management buyout consortium of Lattelecom to increase TeliaSonera's shareholding in the leading mobile operator Latvijas Mobilais Telefons SIA in Latvia to 100 percent from 60.27 percent (direct and indirect) and to divest TeliaSonera's 49.0 percent holding in the Latvian fixed line operator SIA Lattelecom.
- TeliaSonera named Lars Nyberg new President and Chief Executive Officer on July 27, 2007. Lars Nyberg assumed his position on September 3.

Strong sales, stabilizing margin 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.

- Strong mobile volume growth continued in the third quarter, driven by increased voice and data volumes 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 continued to show signs of overheating. New low-price service providers started operating in Denmark and Finland but had only a minor market impact.
- Demand for 3G and data services continued to be fueled by increased laptop usage and lower terminal prices, more transparent pricing and extended functionalities. TeliaSonera is upgrading the 3G networks with HSPA functionality to increase end-user benefit and appreciation.

SEK in millions, except margins and operational data	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	11,551	10,859	33,063	31,542
EBITDA excl. non-recurring items	3,649	3,598	10,400	10,547
Margin (%)	31.6	33.1	31.5	33.4
Operating income	2,494	2,481	6,945	6,989
Operating income excl. non-recurring items	2,608	2,506	7,151	7,308
CAPEX	993	696	2,692	1,922
MoU	192	183	189	180
ARPU, blended (SEK)	234	237	231	235
Churn, blended (%)	29	27	27	26
Subscriptions, period-end (thousands)	14,280	13,229	14,280	13,229

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

- **Net sales** rose 6.4 percent to SEK 11,551 million, driven by subscription growth and increased usage, both for mobile data and voice. Sales growth in absolute terms was strongest in Denmark, Sweden and Spain, driven by the acquisition of debitel in Denmark, higher volumes in Sweden and continued good customer intake in Spain, where sales totaled SEK 167 million. Volume growth was firm in the three Baltic countries. Lower prices curbed sales growth in all markets except Finland where prices were stable, but lower subscription numbers capped sales. Reduced interconnect fees that TeliaSonera receives from other operators in the Nordic countries lowered sales by approximately SEK 230 million. For the business area as a whole, growth measured in local currencies was 5.8 percent.
- **Interconnect fees** in Norway will be reduced gradually. The regulator NPT presented a final decision in May 2007 suggesting symmetric prices between Telenor and NetCom by July 1, 2008, and indicating a reduction of the interconnect fee to NOK 0.45 from July 1, 2010. The price changes will be introduced gradually over three years, with a first reduction to NOK 0.70 as of October 1, 2007. NetCom has filed a complaint with the Ministry of Transport and Communication, which is expected to make a final decision in November 2007 regarding the first reduction. Meanwhile, the Public Registrar and Notary Public rejected a request by NetCom to invalidate the first reduction until the Ministry has announced its decision. NetCom is considering appealing the Notary Public decision to the Court of Appeals. A reduction of NetCom's interconnect fee to NOK 0.70, from NOK 0.91 currently, is estimated to have a negative annual effect of approximately SEK 500 million on revenue.

In Spain, the national regulator CMT has introduced a gradual reduction of interconnect fees, starting October 2007, towards a symmetric price of EUR 0.07 as of April 2009 through September 2009. CMT's previous decision stating that TeliaSonera's Spanish mobile operator Yoigo has the right to receive a premium of just under 50 percent of the Spanish market average on interconnect fees is still valid.

- **The number of subscriptions** increased by 1,051,000 to 14,280,000, mainly due to the acquisition of debitel in Denmark, which added 288,000, an intake of 240,000 subscriptions at Yoigo in Spain, a rise of 314,000 subscriptions in Sweden and the acquisition of ZetCOM in Latvia which added 129,000 subscriptions. In Finland, the subscription base decreased by 44,000 from the previous year although the renewed "My Sonera" mobile offering attracted customers for the third consecutive quarter, strengthened the Sonera brand's position and, together with the reopening of the low-cost brand Tele Finland, added 23,000 subscriptions during the quarter.

During the quarter the total number of subscriptions for the business area as a whole rose by 282,000 mainly as a result of the consolidation of DLG Tele in Denmark as of July 1, 2007, and a positive development in most markets.

- **Blended churn** was 29 percent (27).
- **EBITDA**, excluding non-recurring items, increased to SEK 3,649 million and the EBITDA margin was 31.6 percent. Sweden and Finland showed increased margins, in Sweden attributable to higher sales and lower terminal and roaming-related costs and in Finland due to lower terminal sales and interconnect costs. The margin increased also in Norway where the comparative quarter was burdened by significantly higher costs for sales and marketing. Lithuania, Latvia and Estonia showed lower margins, negatively affected by price pressure and increased competition. As competition remains intense in all TeliaSonera's home markets promotional spending is prioritized in order to keep 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 346 million. In Denmark the consolidation of debitel had a dilutive impact on the margin, since the transfer of traffic to TeliaSonera's network is still at a moderate level. The net effect on EBITDA from changes in interconnect fees in the Nordic countries was a negative SEK 134 million.

- On October 11, 2007, the final payments of the debitel Danmark A/S and DLG-debitel I/S transaction were made, bringing the total cash outflow to SEK 1,338 million. Synergies from the acquisition are mostly related to increased utilization of Telia Denmark's network and TeliaSonera expects that the synergies before implementation costs will add about SEK 250 million annually to EBITDA from 2008.
- CAPEX** rose 42.7 percent to SEK 993 million, driven by investments to secure the network quality and increase coverage and capacity, including the start-up investments in Spain, extended HSPA functionality in Norway and 3G roll-out in Denmark.

Ongoing cost efficiency programs

- In the first quarter 2007, 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 350 million, decreased from the previous estimate of SEK 400 million, as of 2008.
- Efficiency measures implemented since April 1, 2007, mainly related to optimization of marketing and distribution, and staff reduction, are estimated to give an annual gross savings effect of approximately SEK 300 million as of 2008. During the third quarter 2007, the savings effect was SEK 200 million and non-recurring expenses totaled SEK 114 million.

SEK in millions, except margins	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	11,551	10,859	33,063	31,542
of which Sweden	3,246	3,093	9,365	8,997
of which Finland	2,447	2,462	7,195	7,104
of which Norway	2,351	2,332	6,731	6,768
of which Denmark	1,622	1,352	4,470	4,039
of which Lithuania	653	615	1,828	1,808
of which Latvia	687	663	1,985	1,835
of which Estonia	621	546	1,717	1,521
of which Spain	167	–	360	–
EBITDA excl. non-recurring items	3,649	3,598	10,400	10,547
Margin (%), total	31.6	33.1	31.5	33.4
Margin (%), Sweden	42.2	36.9	39.1	37.5
Margin (%), Finland	34.0	31.0	33.9	26.0
Margin (%), Norway	32.4	30.4	35.3	36.1
Margin (%), Denmark	16.0	19.3	14.7	18.1
Margin (%), Lithuania	34.2	42.3	38.0	40.6
Margin (%), Latvia	46.7	49.5	46.5	50.5
Margin (%), Estonia	36.4	39.0	36.8	38.6
Margin (%), Spain	neg	neg	neg	neg

Sustaining top-line growth 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.

- Growth in broadband and the migration from fixed voice prevailed. Bundling of services continued and TeliaSonera expects to have multi-service packages in all its home markets by the end of 2007. Operators are focusing their investments on bundled solutions to cater to TV and other value added services requiring higher bandwidth. TeliaSonera kept its market position in most markets.

SEK in millions, except margins and operational data	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	10,378	10,119	30,907	30,384
EBITDA excl. non-recurring items	3,510	3,793	9,635	10,321
Margin (%)	33.8	37.5	31.2	34.0
Operating income	2,113	2,441	4,937	5,903
Operating income excl. non-recurring items	2,251	2,508	5,826	6,358
CAPEX	1,242	1,030	3,505	2,902
Broadband ARPU (SEK)	273	290	271	290
Subscriptions, period-end (thousands)				
Broadband	2,230	1,867	2,230	1,867
Fixed voice	6,311	6,627	6,311	6,627
Associated company, total	745	706	745	706

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

- **Net sales** increased 2.6 percent to SEK 10,378 million. The acquisition of debitel and DLG Tele in Denmark together with overall strong growth in broadband sales and increased international carrier sales within 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 is slowing down and approaching the point where growth in broadband sales fully compensates for the decrease in fixed voice. Estonia and Lithuania reported record-high sales, driven by strong growth in broadband. In local currencies net sales increased 2.6 percent.
- **The number of subscriptions** for broadband access grew by 363,000 to 2,230,000 while ARPU fell 5.9 percent to SEK 273 per month as broadband access still remained the key revenue source. The number of fixed voice subscriptions declined by 316,000 to 6,311,000, but was positively affected by the acquisition of debitel and DLG Tele in Denmark. During the quarter, the total number of IPTV subscriptions grew to more than 276,000, mainly due to the successful IPTV push in Sweden which increased the number of IPTV subscriptions there by 58,000 to 216,000.
- **EBITDA**, excluding non-recurring items, decreased to SEK 3,510 million and the margin was 33.8 percent. The change in product mix, from traditional fixed voice to IP-based broadband services, and the continued investment in IPTV could not be fully compensated by efficiency measures and thus brought down the margin. In Wholesale, the margin fell partly due to an increased share of sales related to international carrier operations and in addition, the comparative quarter was positively affected by an adjustment of SEK 70 million.

- **CAPEX** rose 20.6 percent to SEK 1,242 million mainly due to increased investments in broadband platforms, particularly in Sweden and Lithuania, and in common infrastructure, including the core network.

Ongoing cost efficiency programs

- In the first quarter 2007, 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 1.0 billion, decreased from the previous estimate of SEK 1,550 million, as of 2008.
- Efficiency measures implemented since April 1, 2007, mainly related to personnel and network, are estimated to give an annual gross savings effect of approximately SEK 500 million as of 2008. During the third quarter 2007, the savings effect was SEK 170 million and non-recurring expenses totaled SEK 107 million, mainly write-downs.

	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
SEK in millions, except margins				
Net sales	10,378	10,119	30,907	30,384
of which Sweden	4,617	4,670	14,077	14,619
of which Finland	1,570	1,527	4,629	4,604
of which Norway	226	212	660	286
of which Denmark	510	451	1,421	1,370
of which Lithuania	539	482	1,543	1,465
of which Estonia	452	388	1,322	1,161
of which Wholesale	2,703	2,578	7,903	7,422
EBITDA excl. non-recurring items	3,510	3,793	9,635	10,321
Margin (%), total	33.8	37.5	31.2	34.0
Margin (%), Sweden	40.2	44.4	34.4	39.7
Margin (%), Finland	26.2	30.4	24.1	26.8
Margin (%), Norway	22.6	21.2	21.7	21.3
Margin (%), Denmark	14.3	19.1	14.4	19.1
Margin (%), Lithuania	45.5	46.5	45.3	49.4
Margin (%), Estonia	29.6	32.5	26.9	34.4
Margin (%), Wholesale	27.4	30.1	28.8	24.8

Integrated Enterprise Services growing through acquisitions

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.

- Since companies are increasingly moving toward purchasing communications services and support solutions from external providers rather than investing in internal maintenance, demand for integrated, hosted services is growing steadily. Recent surveys show that the vast majority of companies want to purchase their services from a single source. By always striving to contribute to the business development of its customers, TeliaSonera aims at becoming the market leader in providing integrated, easy-to-use telecom and IP/IT services in the Nordic and Baltic countries.

- Executing its strategy to create growth via cross-border expansion and increasing its share of customers' investments in managed services, TeliaSonera strengthened its position during the third quarter by making complementary acquisitions in Finland and expanding its EasyBox offering geographically. In cooperation with Cisco, TeliaSonera launched a new generation virtual meeting-service named TelePresence that brings companies significant travel cuts, time savings and reduced carbon dioxide emissions.

SEK in millions, except margins	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	3,363	3,115	10,140	9,642
EBITDA excl. non-recurring items	96	78	64	305
Margin (%)	2.9	2.5	0.6	3.2
Operating income	-23	-31	-328	-71
Operating income excl. non-recurring items	-11	-5	-252	71
CAPEX	79	48	320	202

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

- **Net sales** increased 8.0 percent to SEK 3,363 million. The improvement was attributable to the consolidation of Cygate, Didata and Crescom, which together had a positive effect of 6.8 percent. Sales related to the distribution of mobility and broadband mass-market services decreased by SEK 36 million due to the migration from fixed voice services to mobile services and price erosion in data services. Sales of integrated enterprise services and equipment sales increased by SEK 205 million, mainly due to the consolidation of acquired companies. The share of integrated enterprise services and equipment sales was about 42 percent of net sales.
- **EBITDA**, excluding non-recurring items, increased to SEK 96 million (78) mainly due to acquisitions.
- **CAPEX** increased to SEK 79 million (48).

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 150 million, decreased from the previous estimate of SEK 350 million, as of 2008.
- Efficiency measures implemented since April 1, 2007, mainly related to centralization of server sites, are estimated to give an annual gross savings effect of approximately SEK 35 million as of 2008. During the third quarter 2007, the savings effect was moderate and non-recurring expenses totaled SEK 12 million.

Eurasia shows continued strong performance

The business area Eurasia comprises mobile operations managed by Fintur in Kazakhstan, Azerbaijan, Uzbekistan, Tajikistan, Georgia and Moldova and a shareholding of 12 percent in Afghanistan's largest operator Roshan. 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.

- TeliaSonera further strengthened its footprint in the fast growing markets of Eurasia during the third quarter by acquiring mobile operators Coscom in Uzbekistan and Indigo and Somoncom in Tajikistan, and a minority shareholding in Afghanistan's largest operator, Roshan. With mobile penetration ranging between only 16 and 24 percent and a combined population of over 33 million, Uzbekistan and Tajikistan represent a valuable opportunity for rapid growth. Strong economic growth coupled with weak infrastructure for fixed communication is increasing demand for mobile services across the region. Higher real wages, rising local consumption and foreign direct investment is adding to the development in some of the markets.
- The competitive and regulatory environment is putting margins under growing pressure in all markets and increased sales and marketing efforts are driving subscriber acquisition costs higher, particularly in Kazakhstan. Market leadership was maintained in Azerbaijan and Kazakhstan and the strong positions were held in Moldova and Georgia.

SEK in millions, except margins and operational data	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	2,911	2,302	7,427	6,219
EBITDA excl. non-recurring items	1,534	1,364	3,928	3,552
Margin (%)	52.7	59.3	52.9	57.1
Income from associated companies				
Russia	1,173	761	3,124	1,994
Turkey	568	420	1,834	1,328
Operating income	2,939	2,290	7,957	6,118
Operating income excl. non-recurring items	2,939	2,290	7,957	6,118
CAPEX	929	914	2,266	2,227
Subscriptions, period-end (thousands)				
Subsidiaries	10,878	6,871	10,878	6,871
Associated companies	74,116	61,931	74,116	61,931

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

- **Net sales** rose 26.5 percent to SEK 2,911 million fueled by strong subscription growth and increased usage in all Fintur's markets, particularly in Kazakhstan and Azerbaijan. Consolidated as of July 1, 2007, the acquisitions in Uzbekistan and Tajikistan affected net sales positively by 6.2 percent. Net sales rose 32.4 percent in local currencies.
- **The number of subscriptions** rose by 4.0 to 10.9 million, including 1.0 million subscriptions from the acquired operators in Uzbekistan and Tajikistan. Subscription growth during the quarter excluding acquisitions was 14 percent, or 1,234,000 subscriptions, and was driven by 981,000 net additions in Kazakhstan, mainly due to increased subscriber acquisition campaigns.

- **EBITDA**, excluding non-recurring items, increased to SEK 1,534 million as a result of higher sales. The margin was 52.7 percent and there is a growing pressure on margins through increasing competition in Fintur's markets. In addition, the acquisitions in Uzbekistan and Tajikistan had a dilutive effect on the margin. Sales and marketing activities are constantly prioritized in order to maintain and defend market positions.
- **CAPEX** was SEK 929 million (914) and was driven by investments to maintain the network quality and coverage leadership in the region.
- **MegaFon** (associated company, 43.8 percent holding) in Russia continued to show strong performance and increased its subscription base by 5.8 million to 34.0 million. During the quarter, the number of subscriptions rose by 1.7 million, reflecting a seasonally strong quarter. MegaFon's market share in terms of subscriptions was 20 percent and its position among the three largest mobile operators in terms of revenue was strengthened to an estimated 31 percent.
- TeliaSonera's income from Russia rose to SEK 1,173 million (761), fueled by continued strong sales and earnings growth at MegaFon. The Russian ruble depreciated against the Swedish krona which had a negative impact of SEK 29 million.
- **Turkcell** (associated company, 37.3 percent holding, reported with a one-quarter lag) in Turkey grew its subscription base by 4.0 million to 33.8 million. In the quarter, the number of subscriptions rose by 1.6 million, a sharp increase from the previous quarter as a result of accelerated subscriber acquisition activities, well-received offerings and well-perceived customer service levels and network quality. In Ukraine, the number of subscriptions rose by 0.5 million in the quarter to 6.3 million.
- TeliaSonera's income from Turkcell, which showed continued strong sales and earnings growth, rose to SEK 568 million (420). The Turkish lira appreciated against the Swedish krona, which had a minor positive impact.
- A 3G license tender was held on September 7, 2007. However, Turkey's telecommunication board cancelled the tender citing inadequate competition since Turkcell was the only bidder for the license.

	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
SEK in millions				
Net sales	2,911	2,302	7,427	6,219
of which Kazakhstan	1,519	1,318	4,037	3,552
of which Azerbaijan	839	624	2,154	1,765
of which Uzbekistan	58	–	58	–
of which Tajikistan	85	–	85	–
of which Georgia	317	276	831	677
of which Moldova	98	86	270	232

Stockholm, October 26, 2007

Lars Nyberg
President and CEO

Auditors' Review Report

We have reviewed the interim report for TeliaSonera AB for the period January 1, 2007 - September 30, 2007. Management is responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to report a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information performed by the Independent Auditor of the Entity*, issued by FAR SRS. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

As discussed under the heading "Basis of Preparation", TeliaSonera AB has applied IFRS 8, *Operating Segments*, for its disclosure of segment information. IFRS 8 has not yet been adopted for use in the EU and IAS 14, *Segment Reporting*, remains in force.

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, prepared in accordance with IAS 34 and the Annual Accounts Act.

Stockholm, October 26, 2007

PricewaterhouseCoopers AB

Göran Tidström
Authorized Public Accountant
Auditor in charge

Håkan Malmström
Authorized Public Accountant

Financial Information

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
Interim Report January–June 2008	July 24, 2008
Interim Report January–September 2008	October 28, 2008

Questions regarding the reports:

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Definitions

EBITDA: 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 per subscription and month.

HSPA: High-Speed Packet Access.

Condensed Consolidated Income Statements

SEK in millions, except per share data and number of shares	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	24,798	23,157	71,423	67,873
Cost of sales	-13,365	-11,622	-39,588	-35,371
Gross profit	11,433	11,535	31,835	32,502
Selling, admin., and R&D expenses	-5,630	-5,560	-17,521	-16,733
Other operating income and expenses, net	30	-126	50	-494
Income from associated companies and joint ventures	2,407	1,830	5,733	4,024
Operating income	8,240	7,679	20,097	19,299
Finance costs and other financial items, net	-335	-155	-615	-173
Income after financial items	7,905	7,524	19,482	19,126
Income taxes	-1,692	-1,779	-4,393	-4,381
Net income	6,213	5,745	15,089	14,745
Attributable to:				
Shareholders of the parent company	5,399	5,053	13,207	12,958
Minority interests in subsidiaries	814	692	1,882	1,787
Shareholders' basic and diluted earnings per share (SEK)	1.20	1.13	2.94	2.89
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	—	—	—	—
Weighted average	—	134,564	—	167,854
EBITDA	8,714	8,626	23,401	23,658
EBITDA excl. non-recurring items	8,714	8,756	23,813	24,500
Depreciation, amortization and impairment losses	-2,881	-2,777	-9,038	-8,383
Operating income excl. non-recurring items	8,354	7,802	21,120	20,247

Condensed Consolidated Balance Sheets

SEK in millions	Sep 30, 2007	Dec 31, 2006
Assets		
Goodwill and other intangible assets	80,723	74,172
Property, plant and equipment	50,375	48,195
Investments in associates and joint ventures, deferred tax assets and other non-current assets	44,440	41,826
<i>Total non-current assets</i>	<i>175,538</i>	<i>164,193</i>
Inventories	1,153	997
Trade receivables, current tax assets and other receivables	21,671	20,631
Interest-bearing receivables	1,106	1,958
Cash and cash equivalents	5,641	11,603
<i>Total current assets</i>	<i>29,571</i>	<i>35,189</i>
<i>Non-current assets held-for-sale</i>	<i>3</i>	<i>10</i>
Total assets	205,112	199,392
Equity and liabilities		
Shareholders' equity	109,456	119,217
Minority interests	8,907	8,500
<i>Total equity</i>	<i>118,363</i>	<i>127,717</i>
Long-term borrowings	37,467	24,311
Deferred tax liabilities, other long-term provisions	15,840	14,635
Other long-term liabilities	2,272	2,382
<i>Total non-current liabilities</i>	<i>55,579</i>	<i>41,328</i>
Short-term borrowings	4,540	3,418
Trade payables, current tax liabilities, short-term provisions and other current liabilities	26,630	26,929
<i>Total current liabilities</i>	<i>31,170</i>	<i>30,347</i>
Total equity and liabilities	205,112	199,392

Condensed Consolidated Cash Flow Statements

	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
SEK in millions				
Cash flow before change in working capital	8,625	9,827	21,835	23,459
Change in working capital	-232	-2,009	-1,638	-2,414
Cash flow from operating activities	8,393	7,818	20,197	21,045
Intangible and tangible fixed assets acquired (cash CAPEX)	-3,315	-2,948	-9,032	-7,314
Free cash flow	5,078	4,870	11,165	13,731
Cash flow from other investing activities	-879	-470	-1,938	-2,778
Total cash flow from investing activities	-4,194	-3,418	-10,970	-10,092
Cash flow before financing activities	4,199	4,400	9,227	10,953
Cash flow from financing activities	-3,683	-2,063	-15,217	-19,906
Cash flow for the period	516	2,337	-5,990	-8,953
Cash and cash equivalents, opening balance	5,182	5,447	11,603	16,834
Cash flow for the period	516	2,337	-5,990	-8,953
Exchange rate differences	-57	50	28	-47
Cash and cash equivalents, closing balance	5,641	7,834	5,641	7,834

Condensed Consolidated Statements of Changes in Equity

	Jan-Sep 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	-21	—	-21	-25	—	-25
Hedging of foreign operations, net of tax	-2	—	-2	—	—	—
Currency translation differences	5,345	2	5,347	-8,955	-608	-9,563
Inflation adjustments	—	—	—	-147	—	-147
<i>Net income recognized directly in equity</i>	5,322	2	5,324	-9,102	-608	-9,710
Net income	13,207	1,882	15,089	16,987	2,296	19,283
<i>Comprehensive income</i>	18,529	1,884	20,413	7,885	1,688	9,573
Transactions with minority shareholders in subsidiaries	—	-49	-49	—	-215	-215
Dividends	-28,290	-1,428	-29,718	-15,717	-1,618	-17,335
Closing balance	109,456	8,907	118,363	119,217	8,500	127,717

Basis of Preparation

General. As in the annual accounts for 2006, TeliaSonera's consolidated financial statements as of and for the nine-month period ended September 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, except for the application of IFRS 8. In disclosing segment information, TeliaSonera has applied IFRS 8 "Operating Segments." IFRS 8 replaces IAS 14 "Segment Reporting" but

is not yet adopted by the EU. It 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 as well as standard RR 32:06 "Accounting for Legal Entities" and other statements issued by the Swedish Financial Reporting Board. This report has been prepared in accordance with IAS 34 "Interim Financial Reporting."

New accounting standards (not yet adopted by the EU). A revised IAS 1 "Presentation of Financial Statements" (effective for annual periods beginning on or after January 1, 2009, but early adoption is permitted) was published on September 6, 2007, aiming at improving users' ability to analyze and compare the information given in financial statements. The changes made are to require information to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. The revisions include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles will be used in accounting standards, but are not mandatory for use in financial statements. All owner changes in equity should be presented in the statement of changes in equity, separately from non-owner changes in equity.

For further information, see corresponding sections in the Q1 and Q2 2007 Interim Reports, and the 2006 Annual Report.

Non-recurring Items

	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
SEK in millions				
Within EBITDA	0	-130	-412	-842
Restructuring charges, synergy implementation costs, etc.:				
Mobility Services	-114	-32	-206	-212
Broadband Services	-24	-66	-278	-454
Integrated Enterprise Services	-12	-26	-76	-143
Other operations	150	-6	148	-33
<i>of which TeliaSonera Holding</i>	<i>142</i>	<i>—</i>	<i>159</i>	<i>—</i>
Within Depreciation, amortization and impairment losses	-114	—	-611	—
Impairment losses, accelerated depreciation:				
Broadband Services	-114	—	-611	—
Within Income from associated companies and joint ventures	—	7	—	-106
Impairment losses, capital gains/losses, provisions and other:				
Mobility Services	—	7	—	-106
Within Financial net	—	—	—	183
Capital gains:				
Elisa	—	—	—	183
Total	-114	-123	-1,023	-765

Deferred Taxes

	Sep 30, 2007	Dec 31, 2006
SEK in millions		
Deferred tax assets	11,367	12,054
Deferred tax liabilities	-10,527	-10,121
Net deferred tax assets	840	1,933

Segment and Group Operating Income

	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
SEK in millions				
Mobility Services	2,494	2,481	6,945	6,989
Broadband Services	2,113	2,441	4,937	5,903
Integrated Enterprise Services	-23	-31	-328	-71
Eurasia	2,939	2,290	7,957	6,118
Other operations	724	488	562	332
Total segments	8,247	7,669	20,073	19,271
Elimination of inter-segment profits	-7	10	24	28
Group	8,240	7,679	20,097	19,299

Related Party Transactions

MegaFon. As of September 30, 2007, TeliaSonera had interest-bearing claims on its associated company OAO MegaFon of SEK 304 million.

Telefos. From the beginning of the third quarter and the year, respectively, up until August 9, 2007, TeliaSonera purchased services and products from subsidiaries (companies within the Eltel Group) to its associated company Telefos AB worth SEK 149 million and SEK 1,079 million, respectively, mostly referring to network construction.

Svenska UMTS-nät. In the three-month and the nine-month period ended September 30, 2007, TeliaSonera purchased services from its 50 percent owned joint venture Svenska UMTS-nät AB worth SEK 132 million and SEK 424 million, respectively, and sold services worth SEK 53 million and SEK 163 million, respectively.

Investments

	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
SEK in millions				
CAPEX	3,339	2,743	8,994	7,413
Intangible assets	277	235	864	795
Property, plant and equipment	3,062	2,508	8,130	6,618
Acquisitions and other investments	2,533	15	4,873	3,840
Asset retirement obligations	—	—	—	3
Goodwill and fair value adjustments	2,338	8	4,272	3,732
Equity holdings	195	7	601	105
Total	5,872	2,758	13,867	11,253

Net Debt

SEK in millions	Sep 30, 2007	Dec 31, 2006
Long-term and short-term borrowings	42,007	27,729
Less short-term investments, cash and bank	-6,268	-12,772
Net debt	35,739	14,957

Loan Financing

The underlying cash-flow generation was positive also in the third quarter of 2007. On the back of the problems in the US sub-prime market, funding conditions in general deteriorated during the latter part of the summer. The effects on the domestic Swedish debt capital markets, where TeliaSonera inter alia has some outstanding commercial paper borrowing, have so far been rather limited and funding conditions are still reasonable, albeit less favorable than in the beginning of the year.

Funding conditions in the fourth quarter are uncertain, but it is reasonable to assume that they will remain less favorable than in the first half of 2007. Expected funding and refinancing needs in the quarter are however limited and thus no major impact is expected in the short term from prevailing market conditions.

Financial Key Ratios

	Sep 30, 2007	Dec 31, 2006
Return on equity (% , rolling 12 months)	15.8	17.2
Return on capital employed (% , rolling 12 months)	17.9	19.5
Equity/assets ratio (%)	54.8	49.9
Net debt/equity ratio (%)	31.8	15.0
Shareholders' equity per share (SEK)	24.38	26.55

Business Combinations

MCT

On July 16, 2007, TeliaSonera acquired 100 percent of the shares in MCT Corp., a U.S. based company with shareholdings in four Eurasian GSM operators. 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. 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. 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. MCT has a 12.25 percent interest in Roshan.

The transaction underlines TeliaSonera's strategy to be the leading Eurasian mobile operator and strengthens the commitment and presence in the region. Uzbekistan, Tajikistan and Afghanistan have a combined population of approximately 67 million, growing economies and relatively low mobile penetration levels.

The results of the operations in Uzbekistan and Tajikistan were included in the consolidated financial statements as of July 1, 2007. The operation in Afghanistan is reported as a financial investment, i.e. value changes and dividends will affect "Other financial items" in the income statement.

Preliminary purchase price allocation	SEK in millions
Purchase consideration	1,728
Transaction related direct expenses	56
Total cost of the combination	1,784
Customer relationships	106
Interconnect agreements	276
Licenses	306
Other intangible assets	16
Mobile networks	590
Investments in minority equity holdings	194
Inventories, receivables and other current assets	125
Cash and cash equivalents	32
Minority interests	-218
Deferred income tax liabilities	-608
Other long-term liabilities	-117
Short-term liabilities	-415
Total fair value of net assets acquired	287
Goodwill (allocated to business area Eurasia)	1,497

Cash flow effects	SEK in millions
Total cost of the combination paid in cash	1,764
Repayment of certain MCT borrowings	98
Less acquired cash and cash equivalents	-32
Net cash outflow from the combination	1,830

Impact on consolidated financials, July 1–September 30, 2007	SEK in millions
Net external sales	142
Net income	2

Pro forma effects, as if the combination had taken place at January 1, 2007	TeliaSonera		TeliaSonera
(SEK in millions, except per share data)	Group	MCT	Group pro forma
Net sales	71,423	227	71,650
Net income	15,089	-51	15,038
Earnings per share (SEK)	2.94		2.93

Goodwill is explained by strong market positions, potential increases in customer numbers and synergies from the restructuring of the operations.

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 third quarter

For other business combinations in the third quarter, the combined cost of acquisition was SEK 110 million and the net cash outflow SEK 108 million. Goodwill totaled SEK 77 million, of which SEK 26 million was allocated to business area Mobility Services and SEK 51 million to business area Integrated Enterprise Services.

Collateral Pledged and Guarantees

Collateral pledged at September 30, 2007 totaled SEK 1,307 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 2,078 million, of which SEK 1,773 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 September 30, 2007 totaled SEK 2,284 million, of which SEK 1,702 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)	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006
Net sales	4,303	4,776	13,404	14,753
Gross profit	1,613	1,298	5,347	5,107
Operating income	1,398	1,575	4,452	4,497
Income after financial items	2,844	2,456	21,068	5,603
Income before taxes	2,168	1,395	19,591	2,755
Net income	1,768	1,109	18,829	2,180

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 nine-month period, SEK 9,612 million (10,857) was billed to subsidiaries. Income after financial items increased strongly as a result of dividend payments from subsidiaries.

Condensed Balance Sheets (SEK in millions)	Sep 30, 2007	Dec 31, 2006
Non-current assets	141,260	131,332
Current assets	10,849	17,423
Total assets	152,109	148,755
Shareholders' equity	61,781	71,262
Untaxed reserves	18,953	17,476
Provisions	1,090	2,046
Liabilities	70,285	57,971
Total equity and liabilities	152,109	148,755

Total investments for the nine-month period amounted to SEK 11,868 million (16,218), including SEK 1,829 million (1,490) in property, plant and equipment, primarily for the fixed network. Other investments totaled SEK 10,039 million (14,728), of which SEK 2,019 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

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 part 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.