

# the map

TeliaSonera



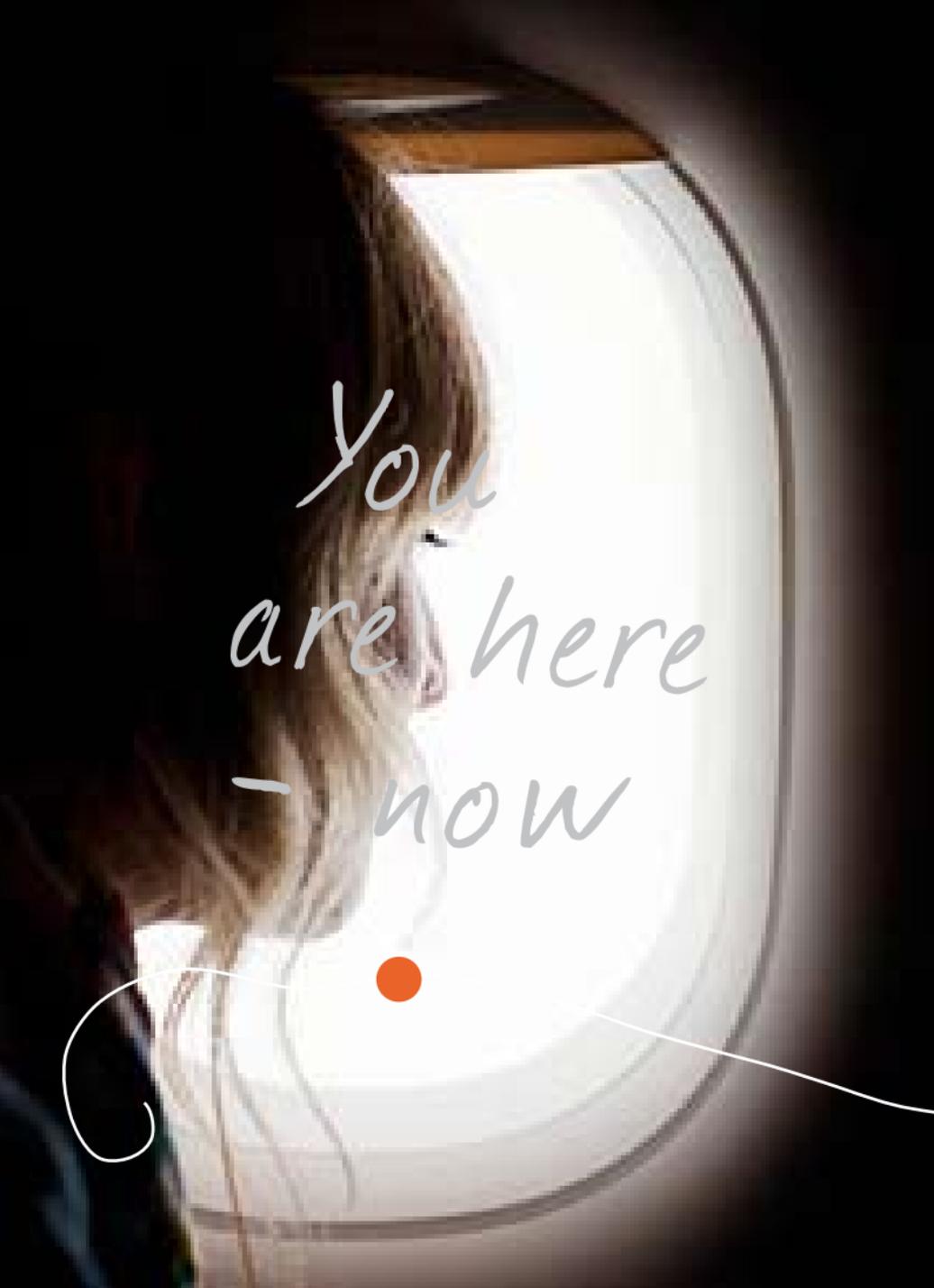
## **Our roadmap to the future**

**No one knows for sure when the first map was constructed. Some suggest that the earliest map was a mental image used by prehistoric man to sort out the area in which he lived. Some say the first maps were made by the Babylonians in 2300 BC.**

**Mapmaking accomplish one of our deepest needs: to understand the world and our place in it. The insight that “You are here” gives a certain relief to all map users.**

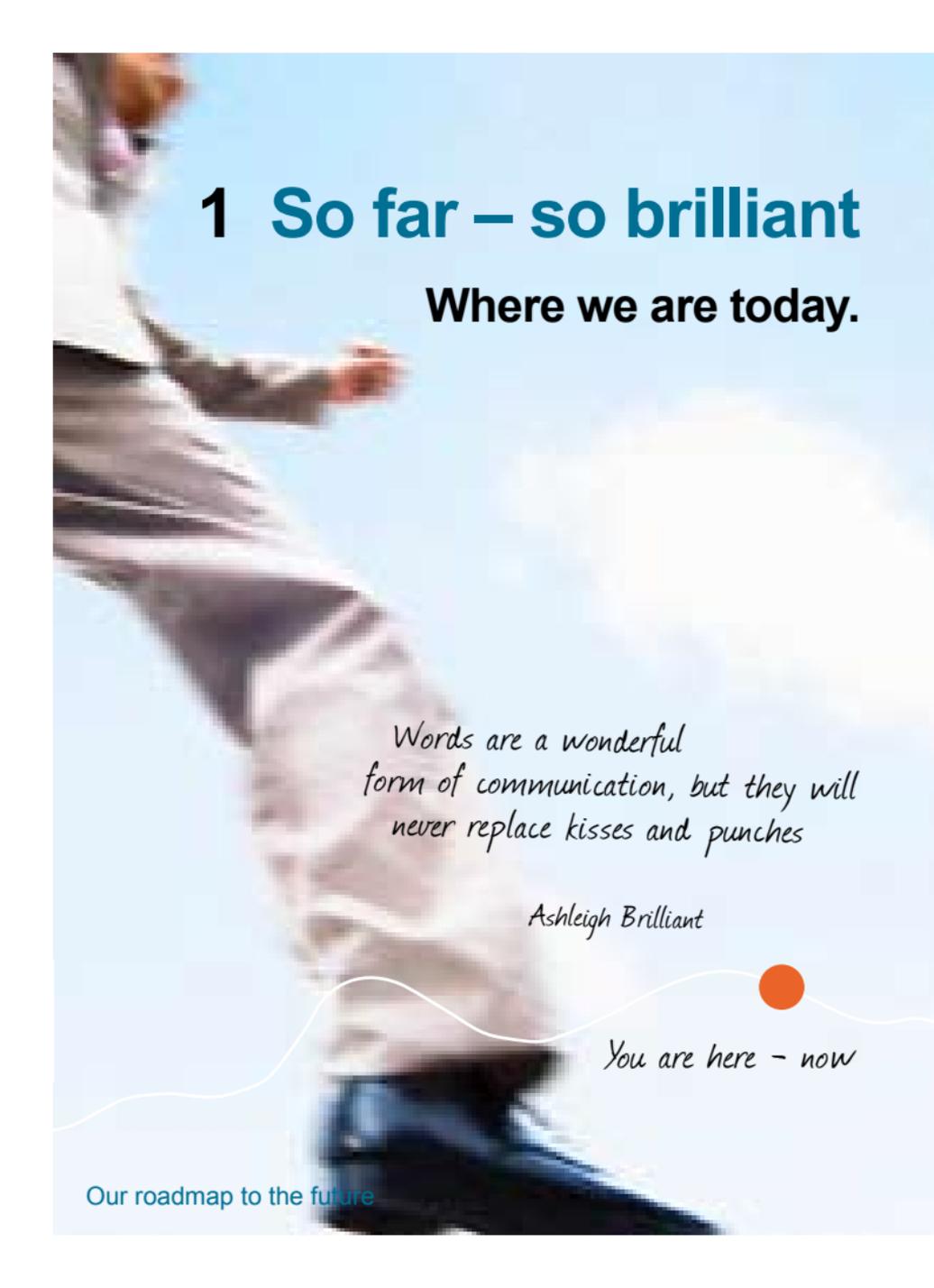
**But maps don't need to just show continents, countries and lakes: there are maps of subway systems and flight routes; of the human body and our brain; maps of humor and mental images.**

**This map is the road to our future. It's a visualizing of our vision and how to reach our goal: To be the global IP Carrier of choice.**

A person with long, wavy hair is seen from the back, looking out of a circular window. The window is brightly lit, creating a strong contrast with the dark interior. The text "You are here - now" is overlaid on the image in a white, handwritten font. A small orange dot is positioned below the text, and a white line curves around it.

You  
are here  
- now





# 1 So far – so brilliant

**Where we are today.**

*Words are a wonderful  
form of communication, but they will  
never replace kisses and punches*

*Ashleigh Brilliant*



*You are here – now*

As recently as a dozen years ago, there was no smart way of transporting voice, capacity or IP across the Atlantic. But the Internet had begun to make its entry into our lives; increasing globalization seemed to demand smooth, global communications; and technological advancements promised new and richer modes of communication.

Few could envision the evolution, but we saw this, and that vision led to the beginnings of our company.

We have done remarkably well since then:

We have expanded our network which now spans three continents and 35 countries – it's overall length is now 43.000 km (slightly more than the diameter of Earth). We have grown faster than the market for IP every year and are now the leaders in Europe and a global top 5.

We have identified and launched new communities such as Education, Gaming and Media – which hold much promise for the future.

We have simultaneously succeeded in maintaining our leadership on domestic markets Finland and Sweden (and Denmark?).

And we have grown our voice business and improved its profitability – despite strong competition and price pressure. In short, we have done well so far.

Make no mistake; there are significant challenges ahead. But looking at our track record, we should feel convinced that we not only can handle them but turn them into great business opportunities. So far – so brilliant.

## **TSIC's list of first ever**

- **First carrier to offer pan-european service level agreements**
- **First carrier to supply Europe with US content**
- **First carrier with US voice licence**
- **First carrier to introduce the standard VPNs rely on**
- **First European Tier 1 Carrier**
- **First carrier in eastern europe**
- **First carrier to introduce wavelengths**
- **First carrier with wholly owned networks in both Europe and USA**
- **First carrier to offer mobile roaming**
- **First carrier to offer cross-border services for gaming**
- **First carrier to implement an anti child sexual abuse service**
- **First carrier to transfer live, uncompressed TV across the Atlantic**

## 2 Every journey has a starting point

**Mission & vision.**



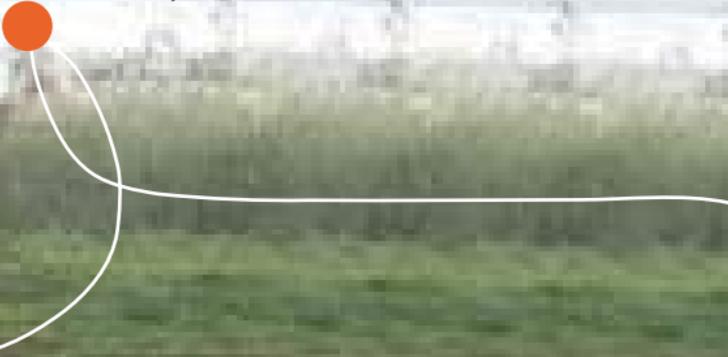
Our roadmap to the future

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A. Lincoln

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- now



## 2 Every journey has a starting point

**Mission & vision.**



Our roadmap to the future

When does a journey begin? For us the answer is crystal clear: When you've a destination in mind. So what is our destination?

Here we describe our mission and vision statements. But what's the difference? Do we need them both? We sure do:

The vision is the bigger picture and future oriented while the mission is more immediately focused on the present. To make it simple: The vision defines the future goal and the mission is the road map that will take us there.

### **Mission:**

We are in the business of providing the communications industry with quality cross-border services globally and quality domestic services in Sweden, Finland and Denmark.

We improve our customers' competitiveness by understanding what they need and delivering services that make a difference.

## **Vision:**

### **The global IP Carrier of choice**

This is a very strong and inspirational vision. But if you look at the different elements it becomes even more powerful:

- **IP: IP will be the bearer for all communication.**
- **Carrier: A carrier is a company that provides wholesale services, thus that does not have any directly consuming customers on its own. A carrier serves large scale users.**
- **Global: any IP backbone is valued by its customers based on quality, size and most important; global reach.**
- **Choice: we should always deliver promise, retaining profitable customers and attract new ones.**

The background is a blurred landscape, possibly a road or a field, with a white wavy line running across the bottom. An orange dot is placed on the line, indicating the current position.

# 3 The future landscape

The terrain ahead  
– key trends.

*You are here – now*

Our roadmap to the future



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The background is a blurred landscape, possibly a road or a field, with a white wavy line running across the lower half. An orange circle is placed on the line, indicating the current position. The text is overlaid on the right side of the image.

# 3 The future landscape

The terrain ahead  
– key trends.

*You are here – now*

Our roadmap to the future

The Internet ecosystem continues to grow dramatically. Most of the growth stems from quality-sensitive applications such as video. As in all ecosystems, the species of the Internet ecosystem are engaged in intense competition. In the midst of growth and change, the competition for resources is intensifying, especially for the scarcest resource of all – money.

The dominant Internet ecosystem species – content providers, access providers and transit providers – are attempting to offset falling revenues by venturing into each other's territories. Content providers, for example, by building distribution networks and access providers by developing content.

But diversification is not going to help. The Internet is still only in its infancy. Specialization rather than diversification will characterize its further development. As in other ecosystems, competition will bring about specialization because a highly specialized entity is more effective at competing with others.

Natural evolution will force the various Internet species to stop doing things that others do better and concentrate on their core skills. Content providers on developing quality content, access providers on providing easy access for users and transit providers on carrying traffic effectively with flawless quality.

This will benefit both Internet users and the entire Internet business.

- 1. Growth in global IP market**
- 2. Growth in online video**
- 3. Fierce competition**

# 4 The art of getting there

Strategy.

*You are here - now*



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Our roadmap to the future



# 4 The art of getting there

**Strategy.**

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Our roadmap to the future

IP continues to grow dramatically. More and more people subscribe to broadband and new access technologies in combination with new quality-sensitive applications such as video mean that subscribers consume more bandwidth. It's estimated that this will lead to a quadrupling of traffic, over the four coming years.

But this does not mean that there is plenty of room – and money – for all. On the contrary, there is intense competition going on. There are several reasons for this:

Maturing technologies command lower prices than novel ones. This is of course true for Capacity and Voice which are being replaced by IP. But it is also true for IP which is maturing and becoming a commodity.

The dominant species of the internet eco system - content providers, access providers and transit providers – are attempting to offset falling revenues by venturing into each other's territories. Content providers, for example, by building distribution net-

works and access providers by developing content. But diversification is not going to help. As in other ecosystems, competition will bring about specialization because a highly specialized entity is more effective at competing with others.

Natural evolution will force the various Internet species to stop doing things that others do better and concentrate on their core skills. Content providers on developing quality content. Access providers on providing easy access for users. Transit providers on carrying traffic effectively with flawless quality.

For us, it means that scale and reach become more important than ever before.

Key trends:

# 5 The art of getting it done

Strategic objectives and initiatives.

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Our roadmap to the future



# 5 The art of getting it done

Strategic objectives  
and initiatives.

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Our roadmap to the future

In order to maximize performance, reach our goals, innovate and be more competitive we need to align ourselves with our strategic objectives and initiatives. The following points has been our strategy since we begun and it's still sound.

- 1. Be a top three global IP carriers**
- 2. Be a top three backbone providers for media, content and application providers**
- 3. Be a top three wholesale provider for mobile operators**
- 4. Retain our leadership position on domestic markets Sweden and Finland (and Denmark?)**
- 5. Improve our operations**

To reach these objectives, we have laid out four strategic initiatives:

- 1. Grow media business**
- 2. Expand our network in Eurasia, Asia and the US**
- 3. Optimize our product portfolios**
- 4. Improve support systems**



# 6 Every action represents a choice

**Values.**

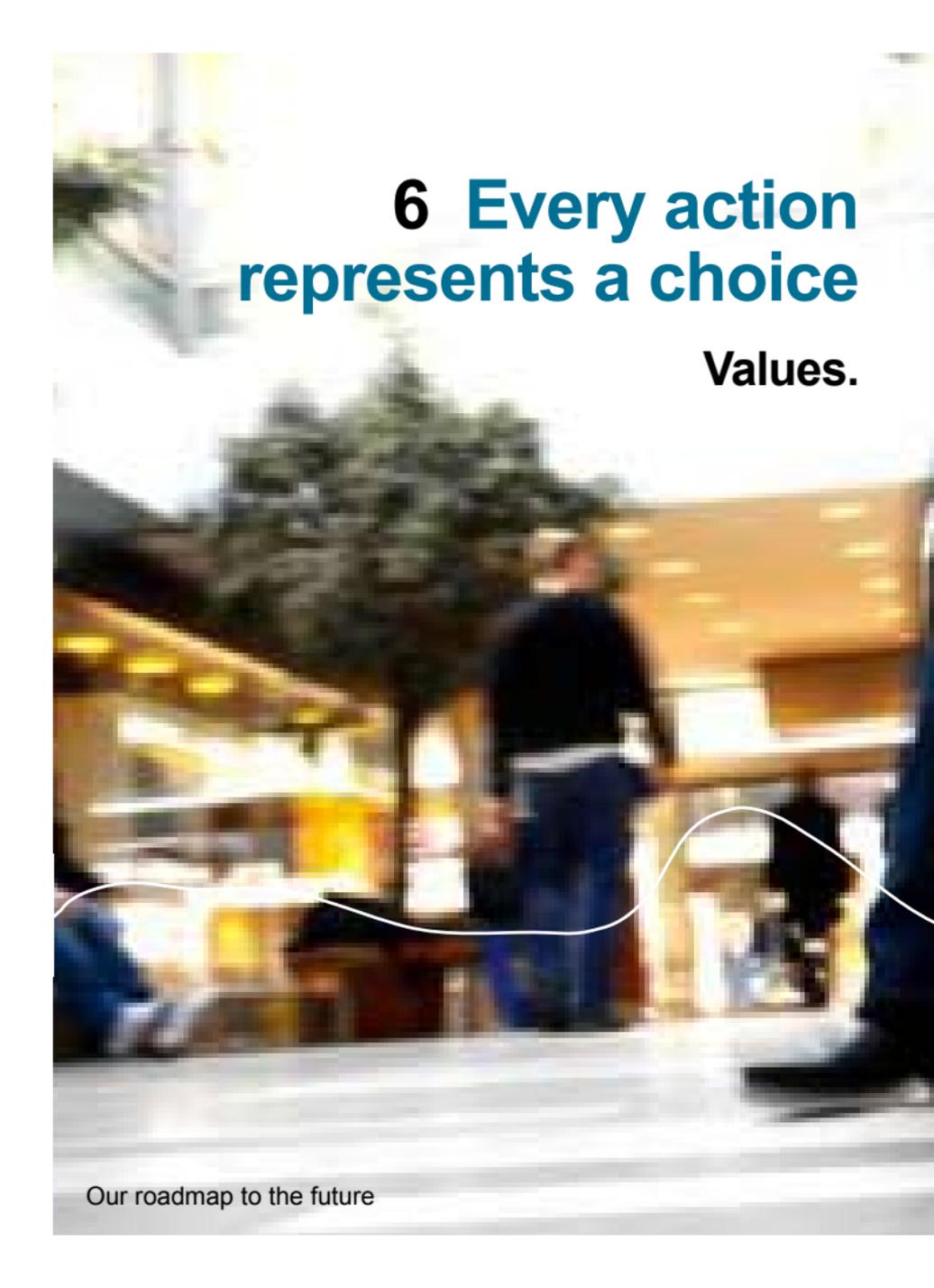
Our roadmap to the future



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**Values.**

Our roadmap to the future

The basic idea with a roadmap is to keep us focused on the right strategies, the right actions, and the right culture. It is also an inspirational tool for boosting our business minds. (creativity?)

This roadmap provides the direction we need; to be inspired, to do a better job and to succeed.

A roadmap cannot tell us about all the situations and challenges we will face on the road or how to deal with them. But one thing we need to make sure is that our behavior as a group of people is positive and consistent across the company, for both our own and for our customers' sake. Remember: Every action we make is a choice and this communicates to the surrounding world. Therefore, we must be sure that we make the right choices.

This is where our values come in; they guide our decision making and our behavior. These are values we as a company believe are conducive to our business success and collective well-being:

## **Add value**

Adding value to customers is the cornerstone of our business. We focus on customers' needs, giving them a fair deal and making it simple for them to buy. To create value, we work in teams, across functions and borders.

## **Show respect**

We have high regard for customers, partners, employees, suppliers, shareholders and other stakeholders. We make it possible for individuals to be heard and contribute, and to know that their achievements are important.

## **Make it happen**

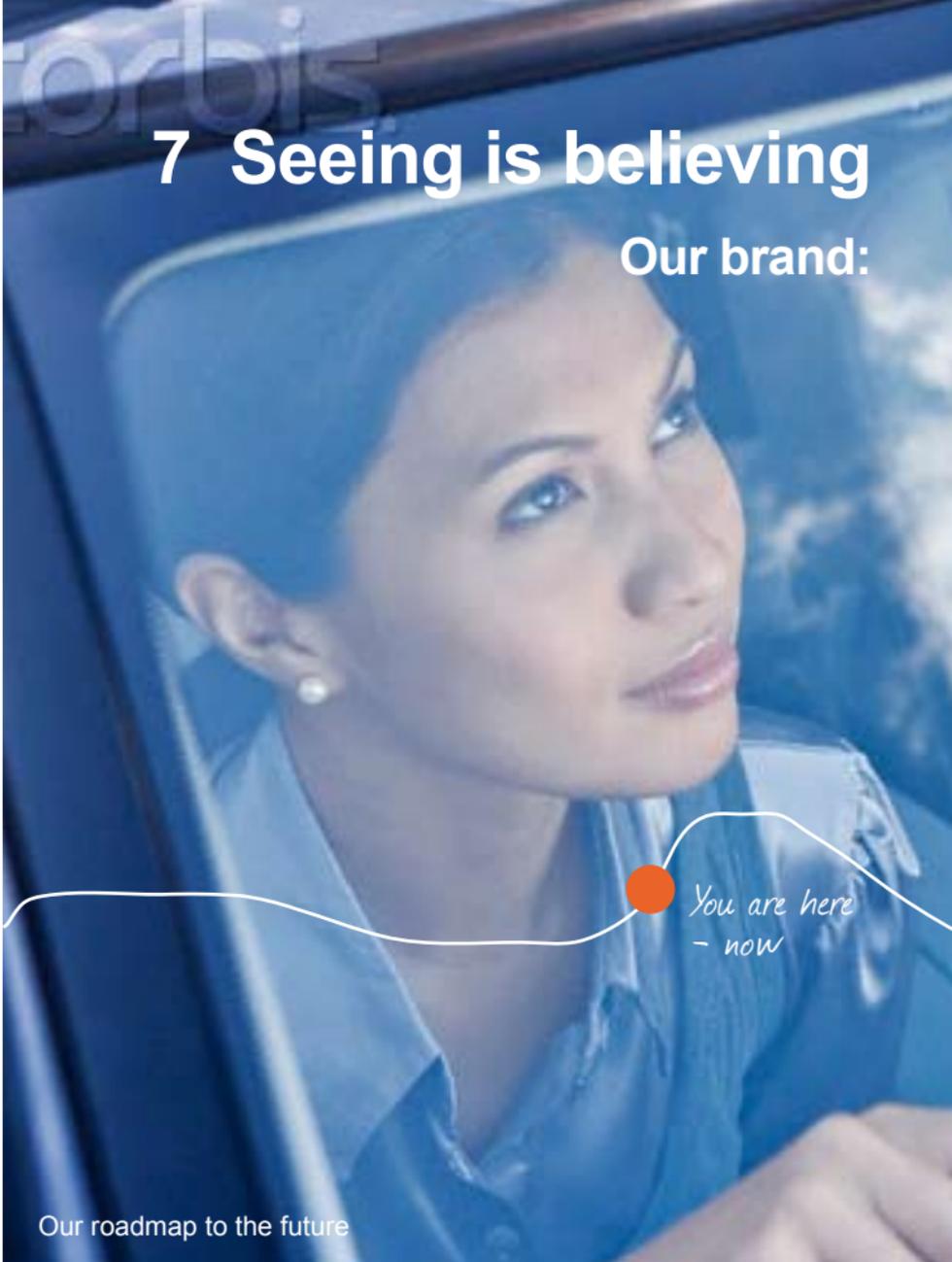
We take action without bureaucracy and in a positive mindset. We strive to make all operations fast and simple. At the same time, we pay great attention to detail.

It goes without saying that the above applies to both external and internal customers – our colleagues. If we all add value, show respect and make it happen within the company, that's what we will do as a group towards our customers outside the company.

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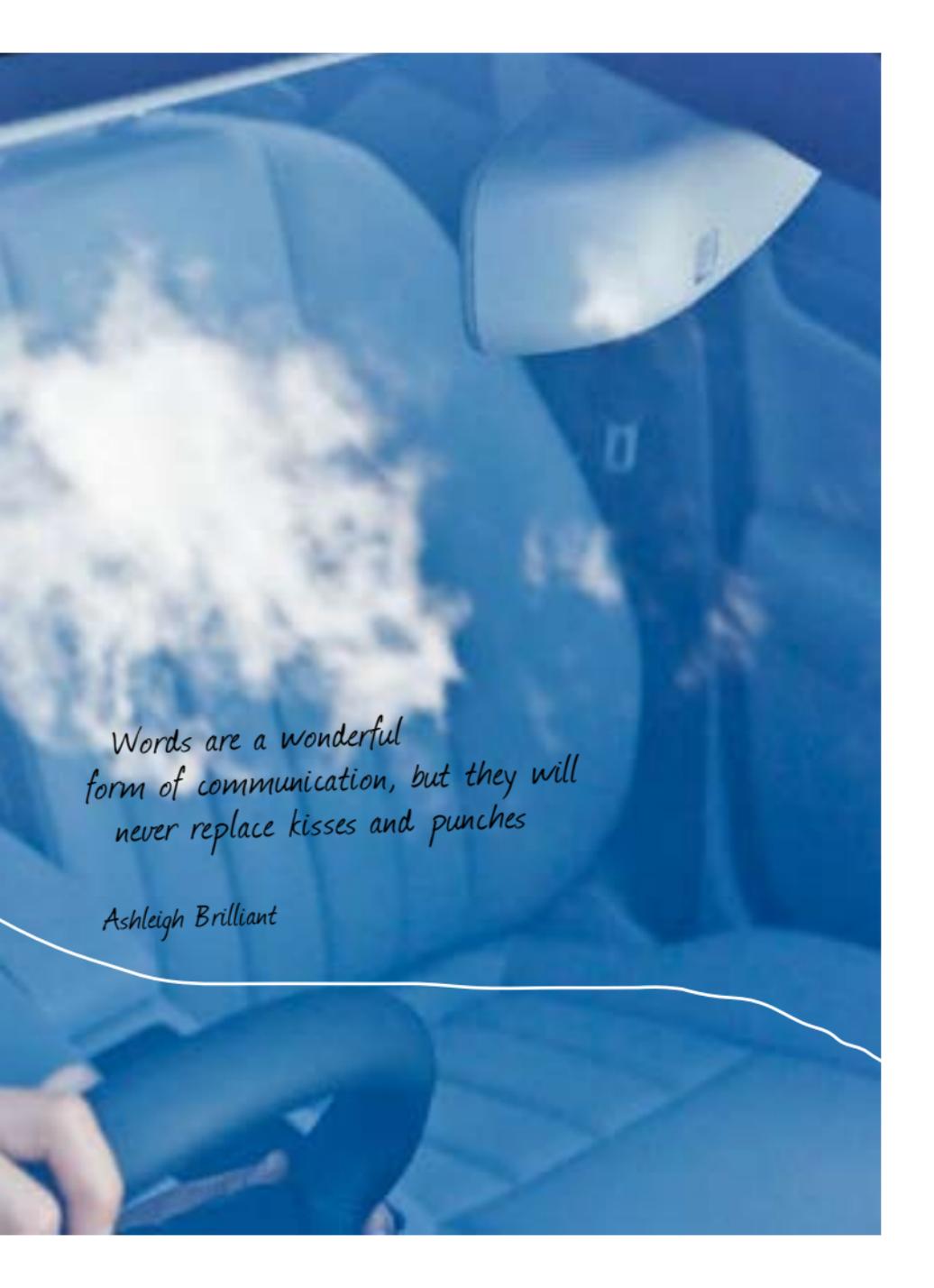
# 7 Seeing is believing

Our brand:



*You are here  
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Our roadmap to the future



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# 7 Seeing is believing

Our brand:

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Our roadmap to the future



So what is a brand? Some people think that a brand is a logo, a certain color, a special font or a unique picture. But it's not. A brand is a promise. It is whatever people think, feel, trust, and believe your business, or your product will give them if they buy from you. It exists inside people's minds, out of your reach.

So why is this important? We have to understand that our brand is not decoration. It is communication. It's important because our brand will become the platform from which we will position our business in the minds of potential customers. What our potential customers feel and believe about us will influence their buying decisions. We have to live up to the promise our brand makes. Show - don't tell is what our customers believe in.

This leads us to what differentiates us from our competitors: We cannot afford to compete on price alone. We need to differentiate ourselves from our competitors. That's the reason why our differentiator is knowledge leader.

This means that, in all contacts with customers and prospects, our services together with our knowledge of their business and market can provide them with a competitive advantage. Merely answering our customers' and prospects' questions is not enough. We must also seize every opportunity to propose ideas and solutions to them.

Our marketing communications and field sales will emphasize knowledge whenever possible. Our sales efforts will focus more on customers' business opportunities, strategic issues and market trends than on technology.

We will demonstrate our knowledge leadership position during public appearances and strive to bring new insights and topics for debate to the industry. However, knowledge will never be the reason why customers buy our services. It will only be the reason why they notice and remember us. They will buy when they experience, understand and feel that we are as committed to their success as they are. Again: Seeing is believing.

# 8 In first hand

Our customers.

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Our roadmap to the future

To truly satisfy customers, delivering what they order with the right quality and at the right time and price is not sufficient. Providing proactive customer service by anticipating their problems and future needs is equally important. Caring for our customers and providing excellent service are our top priorities.

Therefore, it is the duty of every employee always to put the customer first. How can you best contribute to customer satisfaction in your particular job function or with the task that you are performing right now? How does what you say and do appear to the customer?

Customer satisfaction leads to loyalty. Loyal customers will give us more business. They will not leave us even when a competitor has an attractive offer. They will give us the opportunity to meet or beat the other offer. They may even refer new customers to us. Selling to existing customers is generally more profitable than selling to

new ones. That does not mean we should refrain from going after new customers. We must do both. Customer retention is a cornerstone of our business strategy.

### **Focusing on improving customers' business**

As knowledge leaders, we have a thorough understanding of our customers' needs. We continuously identify new business opportunities for our customers – even before they do. We will use our development resources to standardize, productize and package our services so that they are easy to sell, buy and integrate into customers' business operations.

We will also develop attractive offerings for large-scale users other than telecommunications operators. Media, online gaming and mobile companies as well as financial and educational institutions will increasingly become important customers for us.

# 9 Even better than the best

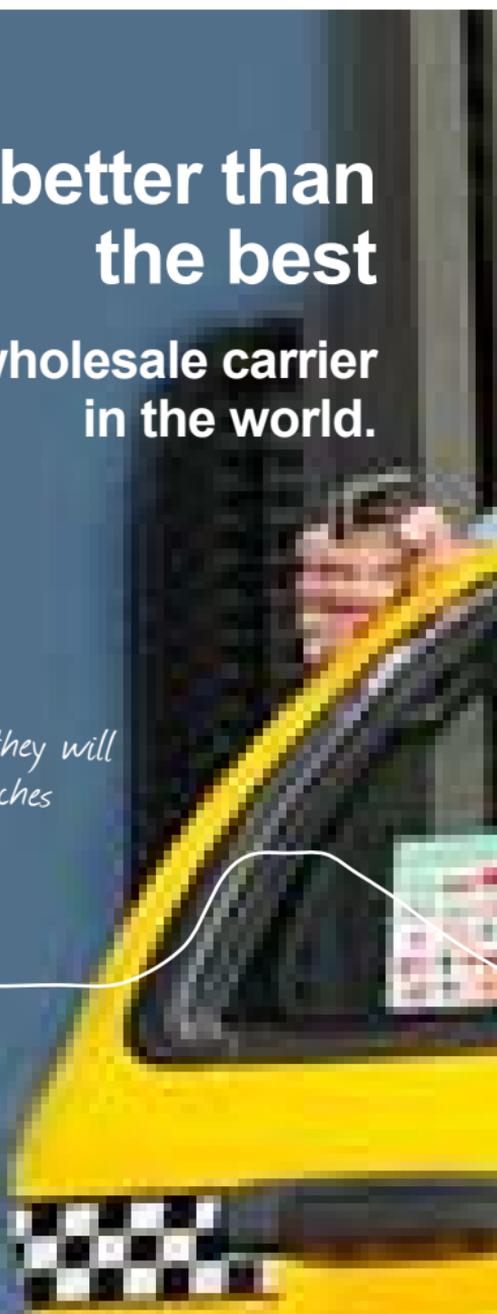
The best wholesale carrier  
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Our roadmap to the future





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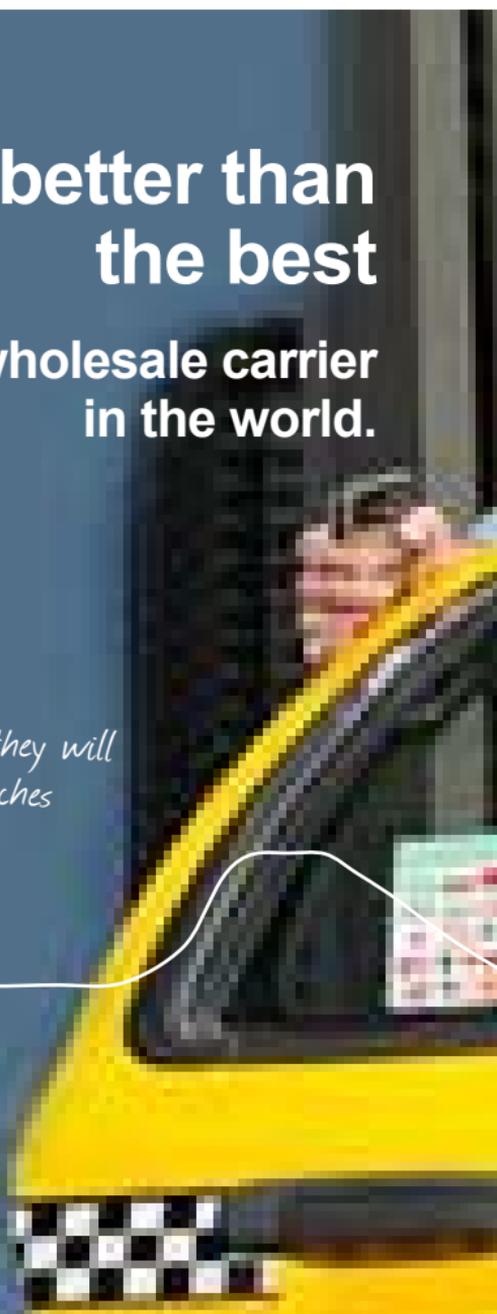
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Our roadmap to the future



Is our ambition to be among the large global providers of cross-border communications realistic? Do we have the necessary resources to make us the spokesperson for the entire industry? The answer is simple:

Yes, we have what it takes.

We have proven this on numerous occasions. We were awarded Best Wholesale Carrier at the prestigious World Communication Awards 2007. We are the number one IP provider in Europe. Our fiber network connects three continents and reaches more destinations in Europe than any other network.

The TeliaSonera Group has been a leading actor in the competitive Nordic telecommunications market for 150 years. This has given us the experience necessary to truly understand customer requirements.

Above all else, we have an exceptionally capable and enterprising group of employees. We understand our strategy. We know our customers' business. We are competent and we execute.

In short, we have what it takes.

Let's do it.

Our roadmap to the future



# Summary

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Our roadmap to the future



TeliaSonera Business Unit Wholesale is in the business of providing the communications industry with quality cross-border services globally as well as quality domestic services in Sweden, Finland and Denmark [Changed order].

We improve the competitiveness of operators, service providers, content providers and other large-scale users by understanding what they need and delivering services that make a difference.

We will be among the top three global IP carriers, the top five European voice carriers and the leading wholesale carrier in the Nordic countries.

To achieve this, we will adopt a cost leadership strategy. We will achieve economies of scale by extending our reach and offering as well as maximizing resource utilization. This will ensure that we meet our goals with desired profitability. Growth, therefore, is crucial to our success.

We will have to grow in markets where we are already established as well as in new ones. This may require investments in extending and modernizing our network, especially in the U.S., Eastern Europe, the Near East and Asia. We will grow by being the best. This includes offering high-quality services, useful know-ledge and excellent customer relations.

When speaking with customers, we will focus on business opportunities rather than on technology. We will consistently communicate our knowledge leadership. We will focus on IP but continue to sell voice and capacity for as long as there is customer demand and it is profitable.

Specific customer groups, which we call communities, represent substantial business potential and therefore require special attention and resources.

Our domestic wholesale operations in Sweden and Finland are offered under the TeliaSonera International Carrier brand, and we plan to do the same in 2010 for our operations in Denmark [Correct?] .

We have an exceptionally capable and enterprising group of employees. We understand our strategy. We know our customers' business. We are competent and we execute.

In short, we have what it takes.

Let's do it.



Summary









