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## **PRESS RELEASE**

# **Tele2 announces the final terms regarding the rights issue**

**Stockholm - Tele2 AB (publ), (“Tele2” or the “Company”), (NASDAQ OMX Stockholm: TEL2 A and TEL2 B), announced on October 4, 2016, that the Board of Directors had resolved on a rights issue (“Rights Issue”) of approximately SEK 3 billion with preferential rights for existing shareholders. The intention to raise equity through a rights issue, to maintain the company’s financial strength, was announced in connection with the TDC acquisition. Today, Tele2’s Board of Directors announces the final terms for the Rights Issue.**

### **The Rights Issue in brief**

- Issue of new A shares and B shares to an amount of approximately SEK 3 billion with preferential rights for existing shareholders.
- Every existing A share entitles the holder to one (1) subscription right of an A share and every existing B share entitles the holder to one (1) subscription right of a B share. Eight (8) subscription rights of A shares or B shares, respectively, entitle the holder to subscribe for one (1) new share of the corresponding share class.
- The subscription price amounts to SEK 53 per share. This corresponds to a discount of approximately 37.1 percent in relation to Tele2 A Shares and approximately 30.2 percent in relation to Tele2 B Shares of the theoretical ex-rights price, based on the closing price on October 21, 2016 on Nasdaq Stockholm.
- Record date for participation in the Rights Issue with preferential rights is October 31, 2016.
- The subscription period will run from November 2, 2016, up to and including November 16, 2016.
- Tele2’s largest shareholder, Kinnevik AB (publ), representing 30.34 percent of the total number of outstanding shares and 47.92 percent of the number of outstanding votes in Tele2 as of September 30, 2016, has committed to subscribe for new shares in the Rights Issue corresponding to its pro rata share. In addition, the First Swedish National Pension Fund (“**AP1**”), the Second Swedish National Pension Fund (“**AP2**”) and the Fourth Swedish National Pension Fund (“**AP4**”), whom in total represent 6.60 percent of the total number of outstanding shares and 4.68 percent of the number of outstanding votes as of the date of their respective subscription undertaking, have committed to subscribe for new shares in the Rights Issue corresponding to their pro rata share. Kinnevik, AP1, AP2 and AP4 have also committed to vote in favor of the Rights Issue at the Extraordinary General

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Meeting. For the remaining amount, not committed by shareholders, Nordea Bank AB (publ), have entered into an underwriting commitment, subject to customary conditions.

· The Rights Issue is subject to approval by the Extraordinary General Meeting to be held on October 27, 2016.

· The Rights Issue is carried out in order to maintain the company's financial strength, in connection with the acquisition of TDC Sweden. The acquisition of TDC Sweden is not conditional upon equity financing as Tele2 has available funds and existing credit facilities in place to finance the acquisition. However, in conjunction with the announcement of the acquisition of TDC Sweden, Tele2 also communicated the intention to undertake an equity issue with preferential rights for existing shareholders to maintain the Company's financial strength.

#### **Final terms of the Rights Issue**

As of the record date, October 31, 2016, every existing A share entitles the holder to one (1) subscription right of an A share and every existing B share entitles the holder to one (1) subscription right of a B share. Eight (8) subscription rights of A shares or B shares, respectively, entitle the holder to subscribe for one (1) new share of the corresponding share class (primary preferential right). Shares that are not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential right). Regarding shares that have not been subscribed for by virtue of primary or subsidiary preferential rights, the allocation shall firstly be made to the other subscribers, and secondly to Nordea Bank AB (publ) in accordance with the underwriting commitment described below.

The Rights Issue will increase Tele2's share capital by a maximum of SEK 69,770,841.25 from SEK 563,854,173.75 to not more than SEK 633,625,015.00 by an issue of not more than 55,816,673 new shares, whereof not more than 2,532,613 new A shares and not more than 53,284,060 new B shares in Tele2. After the Rights Issue, the number of shares in Tele2 will be not more than 506,900,012 shares.

The subscription price amounts to SEK 53 per share. This corresponds to a discount of approximately 37.1 percent in relation to Tele2 A Shares and approximately 30.2 percent in relation to Tele2 B Shares of the theoretical ex-rights price, based on the closing price on October 21, 2016 on Nasdaq Stockholm. No commission will be charged.

The Rights Issue will raise Tele2 proceeds of a maximum of approximately SEK 2,958 million before issue costs.

The record date at Euroclear Sweden AB for participation in the Rights Issue with preferential rights is October 31, 2016. This means that the share will be traded including right to participate in the Rights Issue up to and including October 27, 2016. The subscription period will run from November 2, 2016, up to and including November 16, 2016, or such later date as decided by the Board of Directors.

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Trading in subscription rights will be conducted at Nasdaq Stockholm during the period from and including November 2, 2016, up to and including November 14, 2016.

For shareholders who choose not to participate in the Rights Issue, there will be a dilution effect of approximately 11 percent. However, shareholders can gain economic compensation for this dilution by selling their subscription rights.

The Rights Issue is subject to approval by the Extraordinary General Meeting to be held on October 27, 2016, at 10:00 a.m. (CET) at Bygget Fest & Konferens, Stockholm, Sweden. For further information, see the press release from October 4, 2016, regarding notice to the Extraordinary General Meeting.

#### **Subscription undertakings, shareholders support and underwriting commitments**

Tele2's largest shareholder, Kinnevik AB (publ), representing 30.34 percent of the total number of outstanding shares and 47.92 percent of the number of outstanding votes as of September 30, 2016, has committed to subscribe for new shares corresponding to its pro rata share of the Rights Issue. In addition, AP1, AP2 and AP4, whom in total represent 6.60 percent of the total number of outstanding shares and 4.68 percent of the number of outstanding votes as of the date of their respective subscription undertaking, have committed to subscribe for new shares in the Rights Issue corresponding to their pro rata share. Kinnevik, AP1, AP2 and AP4 have also committed to vote in favor of the Rights Issue at the Extraordinary General Meeting. In addition, Carnegie Fonder, Handelsbanken Fonder AB and Nordea Funds, whom in total represents approximately 8.3 percent of the total number of outstanding shares, have expressed their support for the Rights Issue and their intention to subscribe for their pro rata share.

For the remaining amount, not committed by shareholders, Nordea Bank AB (publ) have entered into an underwriting commitment, subject to customary conditions.

#### **Indicative timetable for the Rights Issue**

October 27, 2016	Extraordinary General Meeting to approve the Rights Issue resolved by the Board of Directors
October 27, 2016	Last day of trading in the shares including right to participate in the Rights Issue
October 28, 2016	First day of trading in the shares excluding right to participate in the Rights Issue
October 28, 2016	Estimated date for the publication of the prospectus
October 31, 2016	Record date for participation in the Rights Issue, i.e. shareholders who are registered in the share register as of this day will receive subscription rights for participation in the Rights Issue
November 2 – November 14, 2016	Trading in subscription rights
November 2 – November 16, 2016	Subscription period

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On or around November 21, 2016	Press release of preliminary result of the Rights Issue
On or around November 23, 2016	Press release of final result of the Rights Issue

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#### **Financial and legal advisors**

Nordea Bank AB (publ) is acting as financial advisor and Advokatfirman Vinge KB is acting as legal advisor in connection with the Rights Issue.

#### **For more information, please contact:**

Louise Tjeder, Head of Investor Relations, Tele2 AB, Phone: +46 704 26 46 52  
Angelica Gustafsson, Press Inquiries, Tele2 AB, Phone: +46 704 26 41 42

*This information is information that Tele2 AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the Head of Investor Relations set out above, at 08.00 CET on October 24, 2016*

#### **Important information**

This announcement does not constitute or form part of an offer for sale or solicitation of an offer to purchase or subscribe for securities in the United States, any Member State of the European Economic Area ("EEA") or any other jurisdiction.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold, directly or indirectly, in the United States absent registration under or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company does not intend to register any portion of this offering in the United States or to conduct a public offering in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about the Company and its management, as well as financial statements. Copies of this announcement are not being, and should not be, distributed in or sent into the United States.

This announcement is an advertisement and not a prospectus for the purposes of the Prospectus Directive. Any purchase of securities of Tele2 pursuant to the Rights Issue should only be made on the basis of the information contained in the formal prospectus to be issued in due course in connection with Rights Issue (the "Prospectus") and any supplement or amendment thereto. The Prospectus relating to the Rights Issue will contain detailed information about Tele2 and its management, as well as financial statements and other financial data. The Prospectus, when published, will be available at the offices of Tele2 at the address given above.

Offers to the public are permitted in Sweden, the United Kingdom, Ireland, Denmark, Norway and Finland from and including the date of approval of the prospectus by the competent authority in Sweden and notified to the relevant competent authorities in other Member States of the EEA in accordance with the Prospectus Directive ("Prospectus Publication"), through to and including the settlement date.

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Elsewhere in the EEA, and in advance of Prospectus Publication, this announcement and this offering are only addressed to and directed at persons in Member States of the EEA, who are "Qualified Investors" within the meaning of Article 2(1)(e) of the Prospectus Directive. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with Qualified Investors. This announcement should not be acted upon or relied upon in any member state of the EEA by persons who are not Qualified Investors.

"Prospectus Directive" means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in any Member State concerned.

In advance of Prospectus Publication, this announcement is for distribution only to and is directed only at persons who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom this announcement, to the extent that it constitutes an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may lawfully be communicated or caused or be communicated, or who otherwise may receive this announcement on the basis that section 21 of the Financial Services and Markets Act 2000 does not apply (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only relevant persons.

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**TELE2 IS ONE OF EUROPE'S FASTEST GROWING TELECOM OPERATORS, ALWAYS PROVIDING CUSTOMERS WITH WHAT THEY NEED FOR LESS.** We have 17 million customers in 9 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services, content services and global IoT solutions. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2015, we had net sales of SEK 27 billion and reported an operating profit (EBITDA) of SEK 5.8 billion. For definitions of measures, please see the last page of the Annual report 2015.