

PRESS RELEASE

Tele2 AB sells Tele2 Austria to Hutchison Drei Austria GmbH for EUR 95 million

Stockholm – Tele2 AB, (Tele2), (NASDAQ OMX Stockholm: TEL2 A and TEL2 B) has agreed to sell its Austrian business ‘Tele2 Austria’ to Hutchison Drei Austria GmbH (Three Austria) for an Enterprise Value of EUR 95 million. The transaction provides an opportunity for Tele2 to realise value from a combination with Three Austria, and better position the business to meet future customer needs in the Austrian market.

Tele2 is pleased to be selling their Austrian operations to Three Austria, who are committed to growing the business and creating value for its customers going forward. The transaction enables Tele2’s continued focus on growth opportunities in markets where the company can be the customer champion of connectivity on its own infrastructure.

Allison Kirkby, President and CEO of Tele2 AB, comments: “Since we entered Austria in 1999 we have built a successful business and are extremely proud of the brand we have built, and the talented employees who have supported our valued customer base. However, to create greater value for our customers and our shareholders over the longer term, we believe Tele2 Austria will benefit from consolidation with Three Austria. This opportunity also enables an increased focus on successfully executing our strategy in our remaining footprint. I would like to take this opportunity to thank the Austrian team for their engagement and their many contributions to Tele2 over the past 18 years.”

Alfred Pufitsch, CEO of Tele2 Austria, comments: “The transaction will bring together two great players in the Austrian market. The combined strength will create a company that is even better at serving the Austrian customers.”

Tele2 Austria had net sales of SEK 1.1 billion and an EBITDA of SEK 185 million in 2016. The customer base amounted to 217 000 and the operations had 241 employees at the end of 2016.

Tele2 will receive a consideration of EUR 85 million at closing and up to EUR 10 million in the form of an earn-out to be paid over 12-24 months depending on the success of the integration process.

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Closing is expected to occur after customary competition approval which is anticipated within the next months.

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TELE2'S MISSION IS TO FEARLESSLY LIBERATE PEOPLE TO LIVE A MORE CONNECTED LIFE. We believe the connected life is a better life, and so our aim is to make connectivity increasingly accessible to our customers, no matter where or when they need it. 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 offers mobile services, fixed broadband and telephony, data network services, content services and global IoT solutions. Every day our 17 million customers across 9 countries enjoy a fast and wireless experience through our award winning networks. Tele2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2016, Tele2 had net sales of SEK 28 billion and reported an operating profit (EBITDA) of SEK 5.3 billion. For definitions of measures, please see the last pages of the Annual Report 2016. Follow @Tele2group on Twitter for the latest updates.

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