



Press Release

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Issue and repurchase of class C shares under incentive program

Stockholm - Tele2 AB, ("Tele2"), (NASDAQ OMX Stockholm: TEL2 A and TEL2 B), today announced that the Board of Directors resolved to issue and immediately thereafter repurchase 1,700,000 new Class C shares.

By virtue of authorization from the Annual General Meeting of shareholders on 16 May 2011, the Board of Directors has resolved to increase the share capital by SEK 2,125,000, through a private cash placement of 1,700,000 new Class C shares aimed at Nordea Bank AB (publ) ("Nordea"), each with a quota value of SEK 1.25, at a subscription price of SEK 1.25 per share. The Class C shares do not entitle to dividends and represent one vote each. Furthermore, the Board of Directors has resolved upon immediate repurchase of all 1,700,000 Class C shares from Nordea at a price corresponding to the subscription price.

The reason for the disapplication of the shareholders' preferential rights and the purpose of the issue and the repurchase is to ensure delivery of Class B shares to employees in the Group under the performance based incentive program that was adopted at the Annual General Meeting of shareholders on 16 May 2011, by subsequently reclassifying these Class C shares into Class B shares.

Apart from what is stated above Tele2 holds 2,859,000 Class C shares.

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TELE2 IS ONE OF EUROPE'S LEADING TELECOM OPERATORS, ALWAYS PROVIDING THE BEST DEAL. We have 34 million customers in 11 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services, cable TV and content services. 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 2010, we had net sales of SEK 40.2 billion and reported an operating profit (EBITDA) of SEK 10.3 billion.