



Press Release
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Tele2 AB to acquire the majority share in mobile operator NEO in Kazakhstan for approximately SEK 550 million

Stockholm - Tele2 AB, ("Tele2"), (OMX Nordic Exchange: TEL2 A and TEL2 B), announced today that it has signed the contract to acquire a majority share of mobile operator NEO in Kazakhstan. Tele2 will pay in cash approximately SEK 550 million for 51 percent of the shares and commit to a capital injection of around SEK 360 million once the transaction has been finalized. Completion is expected following approval from relevant regulatory authorities.

NEO operates a 900 MHz GSM license in Kazakhstan with a population of approximately 16.2 millions. Tele2 will own 51% of the shares with options to buy the remaining 49% after 5 years from closing. The acquired company will be consolidated into the Tele2 group and will benefit from Tele2's successful brand marketing and product strategies.

The other shareholder will be Asianet Holdings B.V. ("Asianet") which is part of a well established private investment group.

The following should be considered when estimating operational performance of NEO:

- The company should have a market share of more than 20 percent within 4 years of commercial re-launch
- NEO should be able to reach EBITDA break-even within 2-3 years after commercial re-launch
- Accumulated Capital Expenditure between 2010-2013 will amount to SEK 2 400 – 2 600 million

Harri Koponen, President and CEO, comments: "The acquisition of a mobile operation in Kazakhstan goes hand in hand with our ambition to carefully look for complementary assets in or close to our mobile footprint. Given the proximity of the Kazakhstan asset to other Tele2 operations, this acquisition should provide the potential of synergies deriving from the replication of our successful operational model."

Niklas Sonkin, EVP and Market Area Director Central Europe, comments: "Kazakhstan is a country full of opportunities where Tele2 will build on its solid experience as a leading mobile challenger. Tele2 will help to develop NEO so that it can offer the Best Deal to all customers in Kazakhstan."



Patrick Vosgimorukian, future representative of Asianet on NEO board, comments: “We are delighted to be partnering with Tele2, an experienced telecommunications operator with a proven track record in the CIS region. They will bring operational expertise to NEO, accelerate its roll-out and move to profitability.”

Further information can be obtained from:

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TELE2 IS ONE OF EUROPE'S LEADING TELECOM OPERATORS, ALWAYS PROVIDING THE BEST DEAL. We have 26 million customers in 10 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 2008, we had net sales of SEK 38.3 billion and reported an operating profit (EBITDA) of SEK 8.2 billion.