



Press Release  
2007-08-28

## **Extraordinary General Meeting**

**Stockholm - Tele2 AB, (“Tele2”), (Stockholm Stock Exchange: TEL2 A and TEL2 B) today announced that all resolutions proposed to its Extraordinary General Meeting (EGM) of shareholders in Stockholm earlier today were duly passed. The proposals comprised resolution regarding the incentive programme including amendments to the Articles of Association, the adoption of an incentive programme, the authorisation to issue Class C shares, authorisation to buy-back Class C shares and transfer of Class B shares.**

The extraordinary general meeting resolved to adopt a performance based incentive programme (the “Plan”) for senior executives and other key employees within the Tele2 group under the terms stipulated below.

The Plan will comprise approximately 80 senior executives and other key employees within the Tele2 group and entails that the participants shall be granted stock options free of charge. Each option entitles the holder to purchase one Class B share at an exercise price corresponding to 110 percent of the average closing price of the company's Class B share 10 trading days prior to the date of grant. The scope of the Plan amounts to a maximum of 4,098,000 Options. The Options may only be exercised three to five years from the time of grant, provided that the holder is still employed within the Tele2 group and that certain performance conditions are fulfilled. Based on the outcome of these performance conditions, the employees will be able to exercise 0 – 100 percent of granted Options, i.e. there will be no guaranteed exercise. The performance conditions for the Options will be measured from 1 July 2007 until 30 June 2010 and are based on the company’s average normalised Return on Capital Employed and Total Shareholder Return compared to a peer group.

In order to ensure delivery of Class B shares to employees under the Plan, it was further resolved to authorise the Board of Directors to issue and buy-back Class C shares that can be reclassified and to transfer Class B shares to employees in accordance with the Plan.

The rationale for the Plan is that the Board of Tele2 considers that it will strengthen the employees’ loyalty, improve the conditions for the company’s continued demands on profitability and create an opportunity for the employees to take part in the group’s development. The Plan will constitute a competitive incentive and a motivating offer for senior executives and other key employees within the group.

It was further resolved to amend § 5 in the Articles of Association, meaning mainly that Class C shares held by the company may be reclassified into Class B shares upon request by the Board.

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# TELE2

*Tele2 is Europe's leading alternative telecom operator. Tele2's mission is to provide cheap and simple telecoms for everyone in Europe. Tele2 always strives to offer the market's best prices. We have 29 million customers in 20 countries. Tele2 offers fixed and mobile telephony, broadband, data network services and cable TV. 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 OMX Nordic Exchange since 1996. In 2006 we had operating revenue of SEK 50.3 billion and we reported an operating profit (EBITDA) of SEK 5.7 billion.*