



FOR IMMEDIATE RELEASE

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## **TELE2 ACQUIRES 75.1% OF E.ON BREDBAND, A BROADBAND OPERATOR IN SOUTHERN SWEDEN**

**Stockholm- Tele2 AB, (“Tele2”), (Stockholmsbörsen: TEL2A and TEL2B), Europe’s leading alternative telecoms operator, today announced that it has acquired 75.1% of E.ON Bredband Sverige AB from E.ON. E.ON Bredband is a leading broadband provider in southern Sweden.**

E.ON Bredband is well positioned in the broadband market in southern Sweden with a number of significant public and business customers and a fine-meshed network in that region. Its network is capable of providing high speed broadband services and triple play services to more than 500,000 customers, including public bodies, operators and businesses, as well as residential customers.

Tele2 is paying MSEK 409, and is assuming a net debt of MSEK 90, for 75.1% of E.ON Bredband. In 2005 E.ON Bredband had revenues of MSEK 224 and EBITDA of MSEK 79. Synergies are expected to reach some MSEK 25 per year, one year after the acquisition. Integration costs will be in the region of MSEK 35, spread over the next two years.

Niclas Palmstierna, CEO, Tele2 Sverige AB, commented; “This is a significant move for Tele2 in the broadband market in Sweden as we are acquiring a company with an excellent reputation for providing high quality broadband services. It enables us to use this network to offer these services to our own and new customers, improves our time to market and strengthens our position in this region”.

Lars-Johan Jarnheimer, President and CEO of Tele2 AB, commented; “This acquisition shows that we will always seize good opportunities, at the right price, to improve and expand our position in the fast growing broadband markets both in Sweden and Europe”.

The transaction will be concluded the 31<sup>st</sup> of August, subject to approval from the Swedish competition authorities.

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Visit our web site at [www.tele2.com](http://www.tele2.com)

*Tele2 is Europe's leading alternative telecom operator. Tele2's mission is to provide cheap and simple telecom for everyone in Europe. Tele2 always strives to offer the market's best prices. We have more than 30 million customers in 22 countries. Tele2 offers fixed and mobile telephony, broadband, 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. Tele2 has been listed on Stockholmsbörsen since 1996. In 2005 we had operating revenue of SEK 50 billion and reported a profit (EBITDA) of SEK 6.6 billion.*