



Press Release

2014-07-07

Tele2 AB sells Tele2 Norway to TeliaSonera for SEK 5.1 billion

Stockholm – Tele2 AB, (Tele2), (NASDAQ OMX Stockholm: TEL2 A and TEL2 B) has agreed to sell its Norwegian business ‘Tele2 Norway’ to TeliaSonera for an Enterprise Value of SEK 5.1 billion, equivalent to a cash value of SEK 5.3 billion. The transaction follows Tele2’s strategic review of its Norwegian business prompted by changes to the structure of the Norwegian market as a result of the license auction in December 2013.

The divestment delivers an attractive value for Tele2 and will generate a capital gain of approximately SEK 2 billion upon expected closing. The capital gain, and the value created in this transaction, is confirmation of Tele2’s continued focus on creating value for its shareholders.

Mats Granryd, President and CEO of Tele2 AB, comments: “Since we formed Tele2 Norway in 1995 we have built a successful mobile business of 1.2 million customers. We are proud to have strong brand names, an effective organization, and talented employees. However, the competitive constraints we faced without resources on the multiband frequency required us to evaluate different options for our Norwegian businesses. Whilst we have not been able to complete our originally desired strategy, the proposed deal is good for our customers, shareholders and for Tele2 as a whole. This is an attractive transaction at a good valuation and it enhances our opportunities to challenge and take new steps on other markets.”

Arild Hustad, CEO of Tele2 Norway, comments: “The transaction will bring together two great players in the Norwegian market. The combined strength will create a company that is better able to serve Norwegian mobile customers and businesses. One immediate benefit of the combination is a more rapid nationwide rollout of 4G, to enable further value creation and growth in the Norwegian market.”

The transaction is subject to regulatory approval from the Norwegian Competition Authority which is anticipated at the latest first quarter of 2015. Tele2 and TeliaSonera are confident that all relevant regulatory approvals will be obtained. At this stage it is too early for the company to provide information on its intended use of the cash generated. However, Tele2 will update the market in due course and remain committed to maintain its mid term objective of delivering a return of capital employed of around 20 percent and a progressive dividend policy. As of the Q2 2014 interim report, the Norwegian operations will be excluded from the financial guidance.

Tele2 Norway had net sales in 2013 of SEK 4.1 billion and an EBITDA of SEK 121 million. The customer base amounted to 1.2 million and the operations had 432 employees at the end of 2013.

Press and analyst conference call

Tele2 AB will host a press and analyst conference call, Monday 7 July, 2014, at 08.00 CET, for members of the journalist and investment community to discuss the transaction.



Dial-in information

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the conference call to register your attendance.

Dial-in numbers

UK: +44 2033645374

SE: +46 850556474

US: +1 855 753 22 30

For further information, contact

Lars Torstensson, EVP Corporate Communication, Telephone: +46 702 73 48 79

TELE2 IS ONE OF EUROPE'S FASTEST GROWING TELECOM OPERATORS, ALWAYS PROVIDING CUSTOMERS WITH WHAT THEY NEED FOR LESS. We have 14 million customers in 10 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services 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 2013, we had net sales of SEK 30 billion and reported an operating profit (EBITDA) of SEK 6 billion.