

# **INTERIM REPORT SECOND QUARTER 2015**

**TELE2**

# Continued strong momentum in mobile services

## Q2 2015 HIGHLIGHTS

### Strong mobile end-user service revenue for the Group

■ In the quarter net sales amounted to SEK 6,611 (6,343) million driven by strong performance in mobile end-user service revenue, which grew by 7 percent and amounted to SEK 3,324 (3,094) million.

### EBITDA growth in mobile Tele2 Sweden

■ Mobile end-user service revenue in Tele2 Sweden amounted to SEK 1,829 (1,815) million in Q2 2015 and mobile EBITDA increased by 8 percent to SEK 843 (777) million, positively impacted by the dual brand strategy development. Customer net intake amounted to 52,000 (–8,000).

### Tele2 Netherlands expanded its customer base for the 15<sup>th</sup> consecutive quarter

■ Tele2 Netherlands continued the expansion of its mobile customer base for the 15<sup>th</sup> consecutive quarter by adding 7,000 (27,000) customers reaching a total mobile customer base of 841,000 (768,000). Mobile end-user service revenue amounted to SEK 332 (308) million, growing by 8 percent in Q2 2015. Mobile EBITDA amounted to SEK –71 (–23) million, still affected

by higher national roaming costs due to rapidly growing data consumption and further investments to build the new MNO organization.

### Strong customer intake for Tele2 Kazakhstan

■ Customer net intake in Tele2 Kazakhstan continued its positive momentum amounting to 471,000 (213,000) in Q2 2015. Improved quality of the customer intake and increasing data consumption supported the improved top-line development. As a result, mobile end-user service revenue grew by 65 percent (partially due to FX effects) in Q2 2015, amounting to SEK 371 (225) million despite increased competitive pressure. The EBITDA contribution amounted to SEK 9 (3) million. Improved operational scale and lower interconnect levels were off-set by higher acquisition costs and increased network costs as a result of higher net intake and the subsequent voice and data traffic growth.

### Financial Guidance

■ The guidance provided by Tele2 in connection with the Q4 2014 report remains unchanged.

Net sales  
Q2 2015

6,611

SEK million

EBITDA  
Q2 2015

1,393

SEK million

## Key Financial Data

SEK million	Q2			H1		
	2015	2014	%	2015	2014	%
Net sales	6,611	6,343	+4	13,122	12,495	+5
Net sales, FX adjusted	6,611	6,504	+2	13,122	12,875	+2
Mobile end-user service revenue	3,324	3,094	+7	6,508	5,998	+9
EBITDA	1,393	1,470	–5	2,821	2,832	–
EBITDA, FX adjusted	1,393	1,490	–7	2,821	2,885	–2
EBIT	593	791	–25	1,295	1,751	–26
EBIT excluding one-off items (Note 2)	664	790	–16	1,380	1,508	–8
Net profit	309	821	–62	826	1,406	–41
Earnings per share, after dilution (SEK)	0.69	1.83	–62	1.84	3.14	–41

The figures presented in this report refer to Q2 2015 and continuing operations unless otherwise stated. The figures shown in parentheses refer to the comparable periods in 2014.

# CEO word, Q2 2015

The second quarter once again proved that the strategy to become a value champion is the right way forward. Our customer net intake was strong and we experienced a break-through by having the lowest churn in many quarters. Consideration for the Tele2 brand showed that the company is scoring amongst the highest compared to industry peers. Mobile end-user service revenue grew 7 percent in the quarter, and with data consumption surging, the platform from which to grow and continue to monetize on data, is definitely in place.

In Sweden, we saw a further increase in demand for mobile data and a strong positive net intake in the quarter. The quarter was characterized of a prepaid to postpaid conversion in the Comviq brand and as expected we saw revenue declines in prepaid and mobile broadband segments due to a lower customer stock compared to the same period last year. Mobile EBITDA contribution grew with 8 percent, mainly driven by the Tele2 brand and lower expansion costs. Tele2.0 has continued to perform well resulting in a positive development of customer satisfaction, leading to both lower churn and higher ASPU.

In Netherlands we expanded the coverage area of the new LTE-Advanced 4G-network, reaching 80 percent outdoor population coverage. The pace of transferring existing Tele2 mobile customers onto our new network increased and our residential mobile customer base continued to expand for the 15th consecutive quarter. The surge in data growth coupled with our dependency on an MVNO relationship will however continue to be a drag on EBITDA until full launch. In an effort to improve our fixed broadband business, Tele2 reached an agreement in July with the incumbent enabling us to offer higher fixed broadband speeds and improved services to our customers.

Despite the intense competition, Kazakhstan continued the positive momentum in customer net intake of 471.000 customers, reaching an all-time high customer base, and resulting in a strong mobile end-user service revenue growth compared to last year. Our tariff

**“With loyal customers, high consideration, and the increasing data consumption, Tele2 is in a strong position to continue monetizing on data going forward.”**

plans with bundled voice and data offerings are attracting customers and consideration for Tele2 is constantly growing. We also saw a positive increase in EBITDA compared to last year.

The Baltic region and Croatia showed a strong mobile end-user service revenue growth and solid EBITDA contribution in Q2 2015. The network upgrades to LTE/4G in all the Baltic countries are going according to plan and population coverage in Lithuania has now reached more than 80 percent.

Croatia’s network swap, announced last quarter, is progressing ahead of plan and the first phase is now complete, resulting in improved quality for our customers.

The Challenger program, which is expected to reap SEK 1 billion in net savings per year starting from 2018, is on track and we have now kicked off more than 30 initiatives. One of the initiatives initiated is the off-shoring of certain back office administrative tasks in both Finance and Customer operations to Riga and India respectively, allowing us to reduce labor costs, achieve scale synergies and make sustainable process improvements.

Being a Challenger defines our actions; we run to succeed, we continuously overcome obstacles in challenging environments, and we learn quickly. Our commercial strategy, Value champion, is yielding results. With loyal customers, high consideration, and the increasing data consumption, Tele2 is in an ever strong position to continue monetizing on data going forward.

Mats Granryd  
President and CEO

# Financial Overview

Tele2's financial performance is driven by a consistent focus on developing mobile services on own infrastructure, complemented in certain countries by fixed broadband services and business-to-business offerings. Mobile net sales, which grew compared to the same period last year, combined with greater efforts to develop mobile services on own infrastructure have had a positive impact on Tele2's mobile EBITDA. In addition, the Group will concentrate on maximizing the return from fixed-line services.

**Net customer intake** amounted to 540,000 (250,000) in Q2 2015. The customer net intake in mobile services amounted to 563,000 (286,000). This development was mainly driven by positive customer intake in Kazakhstan and Sweden. The fixed broadband customer base decreased by -13,000 (-9,000) customers in Q2 2015, primarily attributable to Tele2's operations in the Netherlands, Sweden, and Germany. As expected, the number of fixed telephony customers fell in Q2 2015 by -10,000 (-27,000). On June 30, 2015 the total customer base amounted to 14,341,000 (13,439,000).

**Net sales** in Q2 2015 amounted to SEK 6,611 (6,343) million. The net sales development was mainly a result of strong usage of mobile data services, leading to a mobile end-user service revenue growth of 7 percent. It was also positively impacted by strong equipment sales in anticipation of our MNO launch in the Netherlands. This positive development was to some extent hampered by negative net sales development within consumer fixed telephony and fixed broadband.

**EBITDA** in Q2 2015 amounted to SEK 1,393 (1,470) million, equivalent to an EBITDA margin of 21 (23) percent. EBITDA was negatively impacted by declines in our Fixed operations and the further investments to build the new MNO organization ahead of full scale launch in the Netherlands.

**EBIT** in Q2 2015 amounted to SEK 664 (790) million excluding one-off items and SEK 593 (791) million including one-off items. EBIT was affected by a one-off item of SEK -71 million related to the Challenger program (Note 2).

**Profit before tax** in Q2 2015 amounted to SEK 463 (1,030) million. The decrease is partly explained by the revaluation of the Kazakhstan put option last year which resulted in a positive one-off in Q2 last year of SEK 363 million.

**Net profit** in Q2 2015 amounted to SEK 309 (821) million. Reported tax for Q2 2015 amounted to SEK -154 (-209) million. Tax payment affecting cash flow amounted to SEK -104 (-46) million during the quarter. Deferred tax assets amounted to SEK 2.0 billion at the end of the quarter.

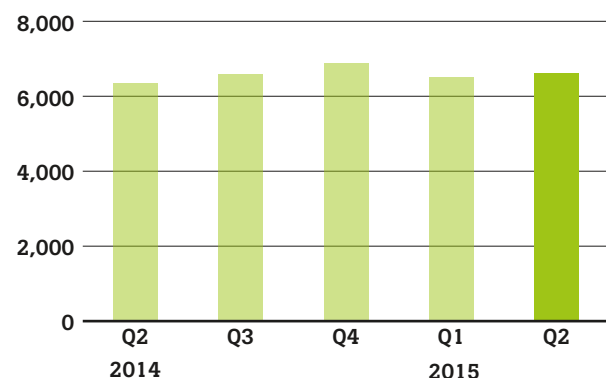
**Free cash flow** in Q2 2015 amounted to SEK -268 (274) million affected by a decrease in working capital SEK -404 (-11) million due to Tele2.0 launch and further investments in the Netherlands.

**CAPEX** in Q2 2015 amounted to SEK 1,134 (850) million, driven principally by increased investments in mobile networks in Netherlands, Sweden and Kazakhstan.

**Net debt** amounted to SEK 11,178 (9,268) million on June 30, 2015, or 1.89 times 12-month rolling EBITDA impacted by dividend payment. Tele2's available liquidity amounted to SEK 8,139 (8,661) million. See Note 3 for further information on financial debt.

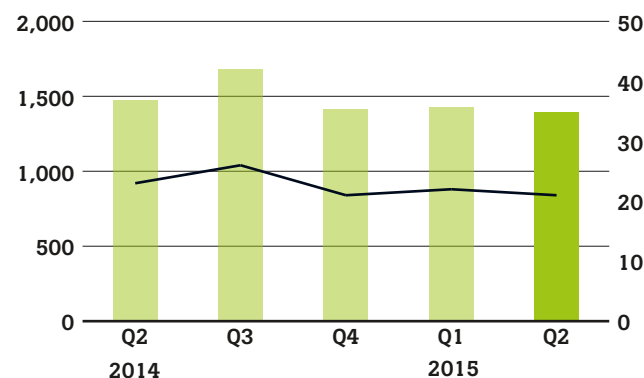
## Net sales

SEK million



## EBITDA/EBITDA margin

SEK million/Percent

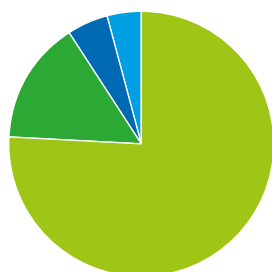


## FINANCIAL SUMMARY

SEK million	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
<b>Mobile<sup>1)</sup></b>					
Net customer intake (thousands)	563	286	881	340	598
Net sales	5,010	4,629	9,835	9,043	19,075
EBITDA	1,031	1,009	2,053	1,940	4,174
EBIT	526	580	1,059	1,093	2,405
CAPEX	830	586	1,438	1,001	2,365
<b>Fixed broadband<sup>1)</sup></b>					
Net customer intake (thousands)	-13	-9	-33	-27	-45
Net sales	980	1,038	2,017	2,080	4,171
EBITDA	187	225	412	458	919
EBIT	7	42	56	104	218
CAPEX	156	108	322	239	504
<b>Fixed telephony<sup>1)</sup></b>					
Net customer intake (thousands)	-10	-27	-73	-71	-156
Net sales	324	391	673	815	1,565
EBITDA	99	179	213	308	572
EBIT	84	154	181	265	491
CAPEX	7	9	19	19	46
<b>Total</b>					
Net customer intake (thousands)	540	250	775	242	397
Net sales	6,611	6,343	13,122	12,495	25,955
EBITDA	1,393	1,470	2,821	2,832	5,926
EBIT excluding one-off items (Note 2)	664	790	1,380	1,508	3,216
EBIT	593	791	1,295	1,751	3,490
CAPEX	1,134	850	2,072	1,559	3,450
EBT	463	1,030	1,138	1,847	3,500
Net profit	309	821	826	1,406	2,626
Cash flow from operating activities, continuing operations	744	1,155	1,583	1,862	4,661
Cash flow from operating activities	744	1,306	1,633	1,813	4,578
Free cash flow, continuing operations	-268	309	-399	268	1,162
Free cash flow	-268	274	-364	-281	432

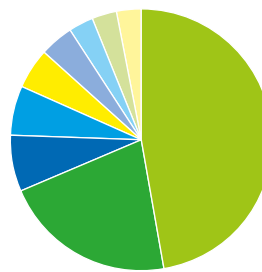
<sup>1)</sup> Excluding one-off items (Note 2)

### Net sales per service area, Q2 2015



Mobile	76%	Fixed telephony	5%
Fixed broadband	15%	Other	4%

### Net sales per country, Q2 2015



Sweden	47%	Austria	4%
Netherlands	21%	Latvia	3%
Kazakhstan	7%	Germany	3%
Lithuania	6%	Estonia	3%
Croatia	5%		

# Financial guidance

The guidance provided by Tele2 AB in connection with Q4 2014 remains unchanged, and are for 2015 for continuing operations the following:

- Mobile end-user service revenue growth of mid-single digits.
- Net revenue of between SEK 25.5 and 26.5 billion.
- EBITDA of between SEK 5.8 and 6.0 billion.
- CAPEX level of between SEK 3.8 and 4.0 billion.

Tele2 expects the restructuring costs to be around SEK 200 million in The Challenger Program in 2015. These will be treated as one-off items, and therefore excluded from the EBITDA guidance indicated above.

## **The Challenger program**

A group-wide program focused on increasing productivity was launched in previous quarter. The program will build over 3 years and is expected to reap full benefits of SEK 1 billion per annum starting in 2018. The investment required will be SEK 1 billion, phased over 3 years. All program investments are, and will be, reported as one-off items, affecting EBIT.

## **Shareholder remuneration**

Tele2 has adopted a progressive ordinary dividend policy which aims to deliver 10 percent growth per annum in the coming 3 years.

Authorization to pay extraordinary dividends will be sought when the company has excess capital.

Pursuant to the approval received at the 2015 AGM, Tele2 has the authorization to repurchase up to 10 percent of its share capital.

## **Balance sheet**

Tele2 believes the financial leverage should be in line with both the industry and the markets in which it operates and reflect the status of its operations, future strategic opportunities and obligations. This would imply a target net debt to EBITDA ratio of 1.5–2.0x over the medium term.

# Overview by country

## FX-adjusted figures

### Net sales less exchange rate fluctuations

SEK million	2015 Q2	2014 Q2*	Growth	2015 YTD	2014 YTD*	Growth
Sweden	3,101	3,111	-	6,231	6,132	2%
Netherlands	1,390	1,355	3%	2,792	2,753	1%
Kazakhstan	475	386	23%	874	734	19%
Croatia	333	340	-2%	636	655	-3%
Lithuania	373	340	10%	706	662	7%
Latvia	230	229	-	446	455	-2%
Estonia	164	166	-1%	334	329	2%
Austria	297	308	-4%	597	616	-3%
Germany	209	232	-10%	433	475	-9%
Other	39	37	5%	73	64	14%
<b>Continued operations</b>	<b>6,611</b>	<b>6,504</b>	<b>2%</b>	<b>13,122</b>	<b>12,875</b>	<b>2%</b>
FX effects		-161	2%		-380	3%
<b>Total</b>	<b>6,611</b>	<b>6,343</b>	<b>4%</b>	<b>13,122</b>	<b>12,495</b>	<b>5%</b>

\* Adjusted for fluctuations in exchange rates

### EBITDA less exchange rate fluctuations

SEK million	2015 Q2	2014 Q2*	Growth	2015 YTD	2014 YTD*	Growth
Sweden	908	882	3%	1,884	1,707	10%
Netherlands	147	275	-47%	288	547	-47%
Kazakhstan	9	4	125%	9	5	80%
Croatia	34	34	-	55	60	-8%
Lithuania	132	131	1%	257	245	5%
Latvia	70	69	1%	138	135	2%
Estonia	36	39	-8%	74	80	-8%
Austria	43	60	-28%	93	112	-17%
Germany	26	32	-19%	58	68	-15%
Other	-12	-36	67%	-35	-74	53%
<b>Continued operations</b>	<b>1,393</b>	<b>1,490</b>	<b>-7%</b>	<b>2,821</b>	<b>2,885</b>	<b>-2%</b>
FX effects		-20	2%		-53	2%
<b>Total</b>	<b>1,393</b>	<b>1,470</b>	<b>5%</b>	<b>2,821</b>	<b>2,832</b>	<b>-</b>

\* Adjusted for fluctuations in exchange rates

## Sweden

Total net sales in Q2 2015 was SEK 3,101 (3,111) million, and EBITDA amounted to SEK 908 (882) million.

The quarter was characterized by a maintained strong demand for mobile data and prepaid to postpaid conversion in the Comviq brand. As expected the company saw revenue declines in the prepaid and mobile broadband segments due to a lower customer stock compared to the same period last year.

The business segment continued to grow in the quarter and data usage continued to increase compared to the same period last year. Customer intake was strong, primarily driven by the Large Enterprise segment where Tele2 Sweden was awarded several large contracts, among others Göteborgs Stad.

**Mobile** In Q2 2015, net sales amounted to SEK 2,744 (2,724) million and mobile end-user service revenue amounted to SEK 1,829 (1,815) million. The underlying revenue growth was strong in the postpaid segment mainly driven by Comviq, and declined as expected in the prepaid segment. Customer net intake was positive 52,000 (-8,000) driven by both brands and all segments, including mobile broadband. The EBITDA contribution grew by 8 percent, primarily attributable to Tele2, and amounted to SEK 843 (777) million due to lower expansion costs which was partly off set by higher network costs due to geographic expansion.

Our dual brand strategy in the consumer postpaid segment has developed according to plan and the segment showed a continued growth driven by high demand for mobile data. The recently launched larger data buckets are appreciated by the customers and are encouraging increased data usage which further enables Tele2 to monetize on data going forward. Tele2.0 has continued to perform well resulting in both lower churn and higher ASPU. Additional proof points of the value of Tele2.0 is that brand consideration as well as Net Promoter Score have shown a positive development since launch.

Tele2 Sweden's overall sales in digital channels continued to increase and the customer satisfaction in customer service is on a high level with CSAT (Customer Satisfaction) at 83 percent (world class benchmark is 85 percent).

**Fixed broadband** The EBITDA contribution decreased in Q2 2015 compared to same period previous year and amounted to SEK 18 (25) million.

**Fixed telephony** The EBITDA contribution in the quarter amounted to SEK 35 (57) million. Tele2 Sweden saw a continued decrease in demand for fixed telephony as a consequence of the increased demand for mobile bucket price plans.

## Netherlands

In the second quarter Tele2 Netherlands rapidly expanded the coverage area of its new LTE-Advanced 4G-network, reaching 80 percent outdoor population coverage. The transferring of the existing mobile customers onto our new network continued during the quarter.

Meanwhile, the consumer mobile customer base continued to grow, expanding for the fifteenth consecutive quarter. In the B2B market, Tele2 continued to be successful in the extensive tender process of the Dutch Government.

**Mobile** Tele2 Netherlands added 7,000 (27,000) customers, bringing the total mobile customer base to 841,000 (768,000). End-user service revenue grew by 8 percent to SEK 332 (308) million driven by a larger customer base and continuing growth in mobile data usage. EBITDA contribution amounted to SEK -71 (-23) million, impacted negatively by the increasing traffic and costs associated with the MVNO agreement as well as building the MNO organization.

**MNO launch** Tele2 continued to deliver more key mobile sites in the Randstad area, in combination with building geographic reach across the rest of the country. This resulted in a significant improvement in population coverage and reinforced Tele2 Netherlands' expectation to reach nationwide coverage before the end of Q1 2016.

**Fixed broadband** At the end of the second quarter, the company had a fixed broadband base of 355,000 (367,000) customers. EBITDA contribution declined compared to same quarter last year, due to higher churn and more off-net traffic, and amounted to SEK 140 (169) million. In the B2B market, Tele2 launched a significant campaign offering existing fixed customers the opportunity to consolidate their communications with the converged fixed and mobile services of Tele2.

## **Kazakhstan**

**Mobile** In Q2 2015, Tele2 Kazakhstan continued its positive momentum with customer net intake of 471,000 (213,000) resulting in a record high customer base of 4,200,000 customers. Despite an intense price competition Tele2's tariff plans with bundled voice and data offerings, are attracting high quality customers. The consideration among customers to purchase Tele2 improved further in the quarter.

Mobile end-user service revenue grew by 65 percent (partially supported by FX), compared to the same quarter previous year, and amounted to SEK 371 (225) million. Mobile data traffic increased by more than 200 percent compared to the same period last year.

The EBITDA increased to SEK 9 (3) million, attributable to improved operational scale and lower interconnect levels. However, the positive development was to some extent off-set by higher customer acquisition costs and increased network costs as a result of higher net intake compared to last year and subsequent voice and data traffic growth. Furthermore, competition in the market continues to be intense.

Tele2 continued to expand geographical coverage, increasing capacity for accommodating higher traffic volumes and improving the quality of customer intake.

## **Croatia**

**Mobile** In Q2 2015, Tele2 Croatia's customer net intake was positive and amounted to 19,000 (45,000). The decline compared to last year is, as expected, due to the structural decline in the prepaid market, but also due to a focus towards attracting customers that churn less.

Mobile end-user service revenue increased 7 percent compared to last year and amounted to SEK 210 (196) million.

EBITDA contribution amounted to SEK 34 (33) million, corresponding to an EBITDA margin of 10 percent in the quarter. The result is negatively affected by the recently implemented frequency charges in 2015 which in the quarter amounted to SEK 19 million.

The first phase of the network swap, announced last quarter, is now complete and resulted in improved quality.

## **Lithuania**

**Mobile** Tele2 Lithuania's mobile end-user service revenue grew with 4 percent compared to last year and amounted to SEK 222 (213) million. The customer net intake in the quarter was 0 (-4,000) and a positive MNP (mobile number portability) in the quarter, enabled the company to maintain its market share position.

During the quarter, EBITDA development was positive and amounted to SEK 132 (127) million, mainly driven by higher mobile data usage. Tele2 Lithuania's EBITDA margin was 35 (38) percent.

In Lithuania, Tele2 continued the LTE network rollout and is now covering around 60 major cities and main roads with population coverage above 80 percent. The company has also launched the LTE Advanced network and LTE roaming services. Furthermore, the company continued its focus on selling LTE enabled smart phones, which in the quarter accounted for more than half of total sales of smart phones.

In cooperation with various partners, Tele2 Lithuania continued to offer new products for business and private customers.

## **Latvia**

**Mobile** Tele2 Latvia's mobile end-user service revenue grew with 8 percent to SEK 145 (134) million, positively impacted by the continued positive trend with growing mobile data usage, value added services and an increasing amount of postpaid subscribers with higher ASPU. Customer net intake was positive 10,000 (1,000) as a result of Tele2 Latvia's increased commercial efforts to attract new customers. The customer satisfaction in the quarter hit an all-time high.

EBITDA contribution was SEK 70 (67) million, leading to an EBITDA margin of 30 (30) percent.

During the quarter Tele2 Latvia focused on strengthening its market position through a clear mobile data position, customer satisfaction and strong emphasis on LTE infrastructure rollout.

Using previously acquired 800 MHz frequency, Tele2 Latvia deployed LTE infrastructure which now serves 90 percent of the population.

## **Estonia**

**Mobile** Due to a high quality network and strong demand for data services, Tele2 Estonia's mobile end user service revenue grew 6 percent and amounted to SEK 103 (97) million. In the quarter, net customer intake was 0 (-6,000).

EBITDA declined to SEK 30 (32) million mainly due to higher network costs (additional LTE technology) and higher acquisition costs resulting from the strong competitive environment.

Tele2 continued its fast 4G rollout during the quarter. Tele2 Estonia customer satisfaction continued to improve in Q2 2015.

## **Austria**

In the quarter, Tele2 Austria had a negative customer net intake of -5,000 (-6,000) due to market decline within the residential fixed telephony and broadband segments. Net sales amounted to SEK 297 (299) million and EBITDA amounted to SEK 43 (58) million, mainly due to the decline within the residential customer base. Tele2 Austria will continue to focus on retention and selective growth in the residential segment as well as prepare for the launch of the B2B MVNO offering that will take place later this year.

## **Germany**

Net sales in the quarter amounted to SEK 209 (226) million and EBITDA to SEK 26 (31) million. Planned changes in the provisioning of new mobile customers, and a focused shift to an improved customer value, explains the moderate net intake of mobile customers which was 4,000 (18,000). Mobile end-user service revenue grew 6 percent compared to same period last year and amounted to SEK 112 (106) million. Residential and Business broadband customer base declined. Fixed line business continues to deliver good profitability and the company is focusing on retaining the current customer base.

Consistent with our corporate strategy, restructuring initiatives under the Challenger program is initiated in Tele2 Germany.



# Other items

## Risks and uncertainty factors

Tele2's operations are affected by a number of external factors. The risk factors considered to be most significant to Tele2's future development are operating risks, such as the availability of frequencies and telecom licenses, integration of new business models, changes in regulatory legislation, data privacy, dependency on suppliers and business partners, operation in Kazakhstan, geopolitical risks, and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition, to the risks described in Tele2's annual report for 2014 (see Directors' report and Note 2 of the report for a detailed description of Tele2's risk exposure and risk management), no additional significant risks are estimated to have developed.

## Company disclosure

### Other

Tele2 will release its financial and operating results for the period ending September 30, 2015 on October 21, 2015.

The Board of Directors and CEO declare that the six-month interim report provides a fair overview of the parent company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, July 21, 2015  
Tele2 AB

Mike Parton,  
*Chairman*

Lorenzo Grabau

Irina Hemmers

Erik Mitteregger

Carla Smits-Nusteling

Eamonn Ohare

Mario Zanotti

Mats Granryd  
*President and CEO*

# Auditors' review report

## Introduction

We have reviewed the interim report for Tele2 AB (publ.) for the period January 1 – June 30, 2015. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level

of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 21, 2015  
Deloitte AB

Thomas Strömberg  
Authorized Public Accountant

## Q2 2015 PRESENTATION

Tele2 will host a presentation with the possibility to join through a conference call, for the global financial community at 10:45 am CEST (09:45 am BST/04:45 am EDT) on Tuesday, July 21, 2015. The presentation will be held in English and also made available as a webcast on Tele2's website: [www.tele2.com](http://www.tele2.com).

### 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

Sweden: +46 8 505 564 74

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**VISIT OUR WEBSITE: [www.tele2.com](http://www.tele2.com)**

## APPENDICES

Income statement

Comprehensive income

Balance sheet

Cash flow statement

Change in equity

Numbers of customers

Net sales

Mobile external net sales split

EBITDA

EBIT

CAPEX

Five-year summary

Parent company

Notes

**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 9 countries. Tele2 offers mobile services, fixed broadband and fixed 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 2014, we had net sales of SEK 26 billion and reported an operating profit (EBITDA) of SEK 5.9 billion.

# Income statement

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2014 Q2
<b>CONTINUING OPERATIONS</b>						
Net sales	1	13,122	12,495	25,955	6,611	6,343
Cost of services provided	2	-8,007	-7,187	-15,054	-4,067	-3,636
<b>Gross profit</b>		<b>5,115</b>	<b>5,308</b>	<b>10,901</b>	<b>2,544</b>	<b>2,707</b>
Selling expenses	2	-2,560	-2,667	-5,298	-1,300	-1,343
Administrative expenses	2	-1,342	-1,196	-2,518	-696	-610
Result from shares in joint ventures and associated companies	10	-5	-6	-14	-5	-3
Other operating income	2	161	441	647	75	93
Other operating expenses	2	-74	-129	-228	-25	-53
<b>Operating profit, EBIT</b>		<b>1,295</b>	<b>1,751</b>	<b>3,490</b>	<b>593</b>	<b>791</b>
Interest income/costs	3	-186	-185	-378	-86	-95
Other financial items	4	29	281	388	-44	334
<b>Profit after financial items, EBT</b>		<b>1,138</b>	<b>1,847</b>	<b>3,500</b>	<b>463</b>	<b>1,030</b>
Income tax	5	-312	-441	-874	-154	-209
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		<b>826</b>	<b>1,406</b>	<b>2,626</b>	<b>309</b>	<b>821</b>
<b>DISCONTINUED OPERATIONS</b>						
Net profit/loss from discontinued operations	10	1,718	-227	-415	1	-117
<b>NET PROFIT</b>		<b>2,544</b>	<b>1,179</b>	<b>2,211</b>	<b>310</b>	<b>704</b>
ATTRIBUTABLE TO						
Equity holders of the parent company		2,544	1,179	2,211	310	704
Earnings per share (SEK)	9	5.71	2.65	4.96	0.70	1.58
Earnings per share, after dilution (SEK)	9	5.67	2.63	4.93	0.69	1.57
<b>FROM CONTINUING OPERATIONS</b>						
ATTRIBUTABLE TO						
Equity holders of the parent company		826	1,406	2,626	309	821
Earnings per share (SEK)	9	1.86	3.16	5.89	0.70	1.84
Earnings per share, after dilution (SEK)	9	1.84	3.14	5.86	0.69	1.83

# Comprehensive income

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2014 Q2
<b>NET PROFIT</b>		<b>2,544</b>	<b>1,179</b>	<b>2,211</b>	<b>310</b>	<b>704</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
COMPONENTS NOT TO BE RECLASSIFIED TO NET PROFIT						
Pensions, actuarial gains/losses		40	-15	-82	40	-14
Pensions, actuarial gains/losses, tax effect		-9	3	18	-9	3
<b>Components not to be reclassified to net profit</b>		<b>31</b>	<b>-12</b>	<b>-64</b>	<b>31</b>	<b>-11</b>
COMPONENTS THAT MAY BE RECLASSIFIED TO NET PROFIT						
<b>Exchange rate differences</b>						
Translation differences in foreign operations	2, 4	-403	446	1,137	-213	495
Tax effect on above		-86	-53	-179	58	-39
Reversed cumulative translation differences from divested companies	10	18	-3	-3	-	-
<i>Translation differences</i>		<i>-471</i>	<i>390</i>	<i>955</i>	<i>-155</i>	<i>456</i>
Hedge of net investments in foreign operations		-78	-101	4	24	-90
Tax effect on above		17	22	-1	-5	20
Reversed cumulative hedge from divested companies	10	-107	-	-	-	-
<i>Hedge of net investments</i>		<i>-168</i>	<i>-79</i>	<i>3</i>	<i>19</i>	<i>-70</i>
<b>Exchange rate differences</b>		<b>-639</b>	<b>311</b>	<b>958</b>	<b>-136</b>	<b>386</b>
<b>Cash flow hedges</b>						
Gain/loss arising on changes in fair value of hedging instruments		-21	-102	-172	7	-53
Reclassified cumulative loss to income statement		39	29	61	20	15
Tax effect on cash flow hedges		-4	16	25	-6	8
<b>Cash flow hedges</b>		<b>14</b>	<b>-57</b>	<b>-86</b>	<b>21</b>	<b>-30</b>
<b>Components that may be reclassified to net profit</b>		<b>-625</b>	<b>254</b>	<b>872</b>	<b>-115</b>	<b>356</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>-594</b>	<b>242</b>	<b>808</b>	<b>-84</b>	<b>345</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,950</b>	<b>1,421</b>	<b>3,019</b>	<b>226</b>	<b>1,049</b>
ATTRIBUTABLE TO						
Equity holders of the parent company		1,950	1,421	3,019	226	1,049

# Balance sheet

SEK million	Note	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill		9,293	9,133	9,503
Other intangible assets		4,742	4,811	4,913
<b>Intangible assets</b>		<b>14,035</b>	<b>13,944</b>	<b>14,416</b>
Tangible assets		11,714	10,006	11,138
Financial assets	3	543	307	531
Deferred tax assets	5	2,039	2,246	2,062
<b>NON-CURRENT ASSETS</b>		<b>28,331</b>	<b>26,503</b>	<b>28,147</b>
<b>CURRENT ASSETS</b>				
Inventories		552	602	500
Current receivables		7,180	6,800	7,179
Current investments		36	41	38
Cash and cash equivalents	6	309	526	151
<b>CURRENT ASSETS</b>		<b>8,077</b>	<b>7,969</b>	<b>7,868</b>
<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>	10	–	4,092	3,833
<b>ASSETS</b>		<b>36,408</b>	<b>38,564</b>	<b>39,848</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Attributable to equity holders of the parent company		18,029	21,062	22,680
Non-controlling interests		–	2	2
<b>EQUITY</b>	9	<b>18,029</b>	<b>21,064</b>	<b>22,682</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing liabilities	3	5,381	5,177	5,353
Non-interest-bearing liabilities	5	688	395	358
<b>NON-CURRENT LIABILITIES</b>		<b>6,069</b>	<b>5,572</b>	<b>5,711</b>
<b>CURRENT LIABILITIES</b>				
Interest-bearing liabilities	3	6,152	4,573	3,837
Non-interest-bearing liabilities		6,158	6,463	6,869
<b>CURRENT LIABILITIES</b>		<b>12,310</b>	<b>11,036</b>	<b>10,706</b>
<b>LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE</b>	10	–	892	749
<b>EQUITY AND LIABILITIES</b>		<b>36,408</b>	<b>38,564</b>	<b>39,848</b>

# Cash flow statement

(Total operations)

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>OPERATING ACTIVITIES</b>										
Operating profit from continuing operations		1,295	1,751	3,490	593	702	735	1,004	791	960
Operating profit from discontinued operations		1,702	-218	-388	1	1,701	-72	-98	-112	-106
<b>Operating profit</b>		<b>2,997</b>	<b>1,533</b>	<b>3,102</b>	<b>594</b>	<b>2,403</b>	<b>663</b>	<b>906</b>	<b>679</b>	<b>854</b>
Adjustments for non-cash items in operating profit		-243	1,324	2,909	734	-977	773	812	806	518
Financial items paid/received	4	-279	-163	-246	-76	-203	37	-120	-122	-41
Taxes paid		-219	-171	-327	-104	-115	-93	-63	-46	-125
<b>Cash flow from operations before changes in working capital</b>		<b>2,256</b>	<b>2,523</b>	<b>5,438</b>	<b>1,148</b>	<b>1,108</b>	<b>1,380</b>	<b>1,535</b>	<b>1,317</b>	<b>1,206</b>
Changes in working capital		-623	-710	-860	-404	-219	-58	-92	-11	-699
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>1,633</b>	<b>1,813</b>	<b>4,578</b>	<b>744</b>	<b>889</b>	<b>1,322</b>	<b>1,443</b>	<b>1,306</b>	<b>507</b>
<b>INVESTING ACTIVITIES</b>										
CAPEX paid	7	-1,997	-2,094	-4,146	-1,012	-985	-1,084	-968	-1,032	-1,062
<b>Free cash flow</b>		<b>-364</b>	<b>-281</b>	<b>432</b>	<b>-268</b>	<b>-96</b>	<b>238</b>	<b>475</b>	<b>274</b>	<b>-555</b>
Acquisition and sale of shares and participations	2, 10	4,886	710	674	-5	4,891	-18	-18	-39	749
Other financial assets		1	17	-235	1	-	-252	-	3	14
<b>Cash flow from investing activities</b>		<b>2,890</b>	<b>-1,367</b>	<b>-3,707</b>	<b>-1,016</b>	<b>3,906</b>	<b>-1,354</b>	<b>-986</b>	<b>-1,068</b>	<b>-299</b>
<b>CASH FLOW AFTER INVESTING ACTIVITIES</b>		<b>4,523</b>	<b>446</b>	<b>871</b>	<b>-272</b>	<b>4,795</b>	<b>-32</b>	<b>457</b>	<b>238</b>	<b>208</b>
<b>FINANCING ACTIVITIES</b>										
Change of loans, net	3	2,305	654	-200	4,303	-1,998	-308	-546	1,640	-986
Dividends	9	-6,626	-1,960	-1,960	-6,626	-	-	-	-1,960	-
Other financing activities	9	-2	-	-	-2	-	-	-	-	-
<b>Cash flow from financing activities</b>		<b>-4,323</b>	<b>-1,306</b>	<b>-2,160</b>	<b>-2,325</b>	<b>-1,998</b>	<b>-308</b>	<b>-546</b>	<b>-320</b>	<b>-986</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>200</b>	<b>-860</b>	<b>-1,289</b>	<b>-2,597</b>	<b>2,797</b>	<b>-340</b>	<b>-89</b>	<b>-82</b>	<b>-778</b>
Cash and cash equivalents at beginning of period		151	1,348	1,348	2,886	151	418	526	593	1,348
Exchange rate differences in cash and cash equivalents		-42	38	92	20	-62	73	-19	15	23
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	6	<b>309</b>	<b>526</b>	<b>151</b>	<b>309</b>	<b>2,886</b>	<b>151</b>	<b>418</b>	<b>526</b>	<b>593</b>

## Change in equity

SEK million	Note	Jun 30, 2015			Jun 30, 2014			Dec 31, 2014		
		Attributable to		Total equity	Attributable to		Total equity	Attributable to		Total equity
		equity holders of the parent company	non-controlling interests		equity holders of the parent company	non-controlling interests		equity holders of the parent company	non-controlling interests	
<b>Equity, January 1</b>		<b>22,680</b>	<b>2</b>	<b>22,682</b>	<b>21,589</b>	<b>2</b>	<b>21,591</b>	<b>21,589</b>	<b>2</b>	<b>21,591</b>
Net profit for the period		2,544	-	2,544	1,179	-	1,179	2,211	-	2,211
Other comprehensive income for the period, net of tax		-594	-	-594	242	-	242	808	-	808
<b>Total comprehensive income for the period</b>		<b>1,950</b>	<b>-</b>	<b>1,950</b>	<b>1,421</b>	<b>-</b>	<b>1,421</b>	<b>3,019</b>	<b>-</b>	<b>3,019</b>
<b>OTHER CHANGES IN EQUITY</b>										
Share-based payments	9	25	-	25	13	-	13	29	-	29
Share-based payments, tax effect	9	-	-	-	-1	-	-1	3	-	3
Dividends	9	-6,626	-	-6,626	-1,960	-	-1,960	-1,960	-	-1,960
Sale of non-controlling interests		-	-2	-2	-	-	-	-	-	-
<b>EQUITY, END OF THE PERIOD</b>		<b>18,029</b>	<b>-</b>	<b>18,029</b>	<b>21,062</b>	<b>2</b>	<b>21,064</b>	<b>22,680</b>	<b>2</b>	<b>22,682</b>

# Number of customers

by thousands	Note	Number of customers		Net intake								
		2015 Jun 30	2014 Jun 30	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>Sweden</b>												
Mobile		3,630	3,717	9	-21	-51	52	-43	-58	28	-8	-13
Fixed broadband		75	68	-10	-12	-23	-5	-5	-7	-4	-6	-6
Fixed telephony		221	252	-21	-21	-41	-11	-10	-11	-9	-12	-9
		<b>3,926</b>	<b>4,037</b>	<b>-22</b>	<b>-54</b>	<b>-115</b>	<b>36</b>	<b>-58</b>	<b>-76</b>	<b>15</b>	<b>-26</b>	<b>-28</b>
<b>Netherlands</b>												
Mobile		841	768	28	74	119	7	21	22	23	27	47
Fixed broadband		355	367	-14	-7	-5	-5	-9	1	1	-1	-6
Fixed telephony		64	90	-11	-17	-32	-5	-6	-10	-5	-7	-10
		<b>1,260</b>	<b>1,225</b>	<b>3</b>	<b>50</b>	<b>82</b>	<b>-3</b>	<b>6</b>	<b>13</b>	<b>19</b>	<b>19</b>	<b>31</b>
<b>Kazakhstan</b>												
Mobile		4,196	2,984	899	233	546	471	428	205	108	213	20
		<b>4,196</b>	<b>2,984</b>	<b>899</b>	<b>233</b>	<b>546</b>	<b>471</b>	<b>428</b>	<b>205</b>	<b>108</b>	<b>213</b>	<b>20</b>
<b>Croatia</b>												
Mobile		818	844	-5	51	30	19	-24	-54	33	45	6
		<b>818</b>	<b>844</b>	<b>-5</b>	<b>51</b>	<b>30</b>	<b>19</b>	<b>-24</b>	<b>-54</b>	<b>33</b>	<b>45</b>	<b>6</b>
<b>Lithuania</b>												
Mobile		1,763	1,865	-47	14	-41	-	-47	-40	-15	-4	18
		<b>1,763</b>	<b>1,865</b>	<b>-47</b>	<b>14</b>	<b>-41</b>	<b>-</b>	<b>-47</b>	<b>-40</b>	<b>-15</b>	<b>-4</b>	<b>18</b>
<b>Latvia</b>												
Mobile		974	993	-1	-38	-56	10	-11	-28	10	1	-39
		<b>974</b>	<b>993</b>	<b>-1</b>	<b>-38</b>	<b>-56</b>	<b>10</b>	<b>-11</b>	<b>-28</b>	<b>10</b>	<b>1</b>	<b>-39</b>
<b>Estonia</b>												
Mobile		484	492	-4	-11	-15	-	-4	-6	2	-6	-5
Fixed telephony		3	4	-	-	-1	-	-	-	-1	-1	1
		<b>487</b>	<b>496</b>	<b>-4</b>	<b>-11</b>	<b>-16</b>	<b>-</b>	<b>-4</b>	<b>-6</b>	<b>1</b>	<b>-7</b>	<b>-4</b>
<b>Austria</b>												
Fixed broadband		106	114	-2	-4	-10	-1	-1	-2	-4	-1	-3
Fixed telephony		137	156	-11	-11	-19	-4	-7	-4	-4	-5	-6
		<b>243</b>	<b>270</b>	<b>-13</b>	<b>-15</b>	<b>-29</b>	<b>-5</b>	<b>-8</b>	<b>-6</b>	<b>-8</b>	<b>-6</b>	<b>-9</b>
<b>Germany</b>												
Mobile		244	214	2	38	66	4	-2	9	19	18	20
Fixed broadband		57	67	-7	-4	-7	-2	-5	-2	-1	-1	-3
Fixed telephony		373	444	-30	-22	-63	10	-40	-26	-15	-2	-20
		<b>674</b>	<b>725</b>	<b>-35</b>	<b>12</b>	<b>-4</b>	<b>12</b>	<b>-47</b>	<b>-19</b>	<b>3</b>	<b>15</b>	<b>-3</b>
<b>TOTAL</b>												
Mobile		12,950	11,877	881	340	598	563	318	50	208	286	54
Fixed broadband		593	616	-33	-27	-45	-13	-20	-10	-8	-9	-18
Fixed telephony		798	946	-73	-71	-156	-10	-63	-51	-34	-27	-44
<b>TOTAL NUMBER OF CUSTOMERS AND NET INTAKE</b>												
		<b>14,341</b>	<b>13,439</b>	<b>775</b>	<b>242</b>	<b>397</b>	<b>540</b>	<b>235</b>	<b>-11</b>	<b>166</b>	<b>250</b>	<b>-8</b>
Divested companies	1			-	-385	-385	-	-	-	-	-	-385
Changed method of calculation	1			-28	-	-	-28	-	-	-	-	-
<b>TOTAL NUMBER OF CUSTOMERS AND NET CHANGE</b>												
		<b>14,341</b>	<b>13,439</b>	<b>747</b>	<b>-143</b>	<b>12</b>	<b>512</b>	<b>235</b>	<b>-11</b>	<b>166</b>	<b>250</b>	<b>-393</b>

# Net sales

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>Sweden</b>										
Mobile	1	5,511	5,352	11,113	2,744	2,767	3,006	2,755	2,726	2,626
Fixed broadband	1	364	365	728	176	188	187	176	185	180
Fixed telephony		285	349	660	139	146	153	158	168	181
Other operations		72	69	140	42	30	35	36	34	35
		<b>6,232</b>	<b>6,135</b>	<b>12,641</b>	<b>3,101</b>	<b>3,131</b>	<b>3,381</b>	<b>3,125</b>	<b>3,113</b>	<b>3,022</b>
<b>Netherlands</b>										
Mobile		1,145	893	1,957	592	553	567	497	458	435
Fixed broadband		1,193	1,243	2,496	578	615	626	627	617	626
Fixed telephony		176	220	421	84	92	97	104	103	117
Other operations		279	283	567	137	142	143	141	141	142
		<b>2,793</b>	<b>2,639</b>	<b>5,441</b>	<b>1,391</b>	<b>1,402</b>	<b>1,433</b>	<b>1,369</b>	<b>1,319</b>	<b>1,320</b>
<b>Kazakhstan</b>										
Mobile		874	603	1,334	475	399	382	349	309	294
		<b>874</b>	<b>603</b>	<b>1,334</b>	<b>475</b>	<b>399</b>	<b>382</b>	<b>349</b>	<b>309</b>	<b>294</b>
<b>Croatia</b>										
Mobile		636	628	1,390	333	303	372	390	329	299
		<b>636</b>	<b>628</b>	<b>1,390</b>	<b>333</b>	<b>303</b>	<b>372</b>	<b>390</b>	<b>329</b>	<b>299</b>
<b>Lithuania</b>										
Mobile	1	717	638	1,375	381	336	358	379	332	306
		<b>717</b>	<b>638</b>	<b>1,375</b>	<b>381</b>	<b>336</b>	<b>358</b>	<b>379</b>	<b>332</b>	<b>306</b>
<b>Latvia</b>										
Mobile		450	441	916	232	218	238	237	226	215
		<b>450</b>	<b>441</b>	<b>916</b>	<b>232</b>	<b>218</b>	<b>238</b>	<b>237</b>	<b>226</b>	<b>215</b>
<b>Estonia</b>										
Mobile		294	288	582	152	142	142	152	148	140
Fixed telephony		3	4	7	2	1	2	1	2	2
Other operations		39	23	45	11	28	10	12	11	12
		<b>336</b>	<b>315</b>	<b>634</b>	<b>165</b>	<b>171</b>	<b>154</b>	<b>165</b>	<b>161</b>	<b>154</b>
<b>Austria</b>										
Fixed broadband		387	388	783	192	195	199	196	195	193
Fixed telephony		75	83	165	36	39	41	41	41	42
Other operations		135	119	261	69	66	71	71	63	56
		<b>597</b>	<b>590</b>	<b>1,209</b>	<b>297</b>	<b>300</b>	<b>311</b>	<b>308</b>	<b>299</b>	<b>291</b>
<b>Germany</b>										
Mobile		226	212	440	112	114	116	112	108	104
Fixed broadband		73	84	164	34	39	39	41	41	43
Fixed telephony		134	159	312	63	71	74	79	77	82
		<b>433</b>	<b>455</b>	<b>916</b>	<b>209</b>	<b>224</b>	<b>229</b>	<b>232</b>	<b>226</b>	<b>229</b>
<b>Other</b>										
Other operations		76	66	135	40	36	33	36	38	28
		<b>76</b>	<b>66</b>	<b>135</b>	<b>40</b>	<b>36</b>	<b>33</b>	<b>36</b>	<b>38</b>	<b>28</b>
<b>TOTAL</b>										
Mobile		<b>9,853</b>	<b>9,055</b>	<b>19,107</b>	<b>5,021</b>	<b>4,832</b>	<b>5,181</b>	<b>4,871</b>	<b>4,636</b>	<b>4,419</b>
Fixed broadband		<b>2,017</b>	<b>2,080</b>	<b>4,171</b>	<b>980</b>	<b>1,037</b>	<b>1,051</b>	<b>1,040</b>	<b>1,038</b>	<b>1,042</b>
Fixed telephony		<b>673</b>	<b>815</b>	<b>1,565</b>	<b>324</b>	<b>349</b>	<b>367</b>	<b>383</b>	<b>391</b>	<b>424</b>
Other operations		<b>601</b>	<b>560</b>	<b>1,148</b>	<b>299</b>	<b>302</b>	<b>292</b>	<b>296</b>	<b>287</b>	<b>273</b>
		<b>13,144</b>	<b>12,510</b>	<b>25,991</b>	<b>6,624</b>	<b>6,520</b>	<b>6,891</b>	<b>6,590</b>	<b>6,352</b>	<b>6,158</b>
<b>Internal sales, elimination</b>										
Sweden, mobile		-1	-3	-12	-	-1	-8	-1	-2	-1
Lithuania, mobile		-11	-4	-11	-8	-3	-3	-4	-2	-2
Latvia, mobile		-4	-5	-9	-2	-2	-2	-2	-3	-2
Estonia, mobile		-2	-	-	-1	-1	-	-	-	-
Netherlands, other operations		-1	-1	-2	-1	-	-1	-	-1	-
Other, other operations		-3	-2	-2	-1	-2	-1	1	-1	-1
<b>TOTAL</b>		<b>13,122</b>	<b>12,495</b>	<b>25,955</b>	<b>6,611</b>	<b>6,511</b>	<b>6,876</b>	<b>6,584</b>	<b>6,343</b>	<b>6,152</b>



# Mobile external net sales split

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>Sweden, mobile</b>										
End-user service revenue		3,638	3,531	7,252	1,829	1,809	1,856	1,865	1,815	1,716
Operator revenue	1	465	508	955	254	211	225	222	224	284
Service revenue		4,103	4,039	8,207	2,083	2,020	2,081	2,087	2,039	2,000
Equipment revenue	1	1,084	994	2,258	500	584	759	505	527	467
Other revenue		323	316	636	161	162	158	162	158	158
		<b>5,510</b>	<b>5,349</b>	<b>11,101</b>	<b>2,744</b>	<b>2,766</b>	<b>2,998</b>	<b>2,754</b>	<b>2,724</b>	<b>2,625</b>
<b>Netherlands, mobile</b>										
End-user service revenue		637	581	1,203	332	305	301	321	308	273
Operator revenue		83	73	149	43	40	38	38	39	34
Service revenue		720	654	1,352	375	345	339	359	347	307
Equipment revenue		425	239	605	217	208	228	138	111	128
		<b>1,145</b>	<b>893</b>	<b>1,957</b>	<b>592</b>	<b>553</b>	<b>567</b>	<b>497</b>	<b>458</b>	<b>435</b>
<b>Kazakhstan, mobile</b>										
End-user service revenue		686	441	978	371	315	280	257	225	216
Operator revenue		179	152	338	99	80	98	88	80	72
Service revenue		865	593	1,316	470	395	378	345	305	288
Equipment revenue		9	10	18	5	4	4	4	4	6
		<b>874</b>	<b>603</b>	<b>1,334</b>	<b>475</b>	<b>399</b>	<b>382</b>	<b>349</b>	<b>309</b>	<b>294</b>
<b>Croatia, mobile</b>										
End-user service revenue		407	378	803	210	197	205	220	196	182
Operator revenue		98	120	274	55	43	66	88	66	54
Service revenue		505	498	1,077	265	240	271	308	262	236
Equipment revenue		131	130	313	68	63	101	82	67	63
		<b>636</b>	<b>628</b>	<b>1,390</b>	<b>333</b>	<b>303</b>	<b>372</b>	<b>390</b>	<b>329</b>	<b>299</b>
<b>Lithuania, mobile</b>										
End-user service revenue	1	432	409	847	222	210	207	231	213	196
Operator revenue		97	84	183	51	46	50	49	44	40
Service revenue		529	493	1,030	273	256	257	280	257	236
Equipment revenue		177	141	334	100	77	98	95	73	68
		<b>706</b>	<b>634</b>	<b>1,364</b>	<b>373</b>	<b>333</b>	<b>355</b>	<b>375</b>	<b>330</b>	<b>304</b>
<b>Latvia, mobile</b>										
End-user service revenue		282	262	551	145	137	144	145	134	128
Operator revenue		92	111	203	46	46	46	46	55	56
Service revenue		374	373	754	191	183	190	191	189	184
Equipment revenue		72	63	153	39	33	46	44	34	29
		<b>446</b>	<b>436</b>	<b>907</b>	<b>230</b>	<b>216</b>	<b>236</b>	<b>235</b>	<b>223</b>	<b>213</b>
<b>Estonia, mobile</b>										
End-user service revenue		200	188	382	103	97	96	98	97	91
Operator revenue		35	32	64	18	17	13	19	17	15
Service revenue		235	220	446	121	114	109	117	114	106
Equipment revenue		57	68	136	30	27	33	35	34	34
		<b>292</b>	<b>288</b>	<b>582</b>	<b>151</b>	<b>141</b>	<b>142</b>	<b>152</b>	<b>148</b>	<b>140</b>
<b>Germany, mobile</b>										
End-user service revenue		226	208	439	112	114	116	115	106	102
Equipment revenue		–	4	1	–	–	–	–3	2	2
		<b>226</b>	<b>212</b>	<b>440</b>	<b>112</b>	<b>114</b>	<b>116</b>	<b>112</b>	<b>108</b>	<b>104</b>
<b>TOTAL, MOBILE</b>										
End-user service revenue		<b>6,508</b>	<b>5,998</b>	<b>12,455</b>	<b>3,324</b>	<b>3,184</b>	<b>3,205</b>	<b>3,252</b>	<b>3,094</b>	<b>2,904</b>
Operator revenue		<b>1,049</b>	<b>1,080</b>	<b>2,166</b>	<b>566</b>	<b>483</b>	<b>536</b>	<b>550</b>	<b>525</b>	<b>555</b>
Service revenue		<b>7,557</b>	<b>7,078</b>	<b>14,621</b>	<b>3,890</b>	<b>3,667</b>	<b>3,741</b>	<b>3,802</b>	<b>3,619</b>	<b>3,459</b>
Equipment revenue		<b>1,955</b>	<b>1,649</b>	<b>3,818</b>	<b>959</b>	<b>996</b>	<b>1,269</b>	<b>900</b>	<b>852</b>	<b>797</b>
Other revenue		<b>323</b>	<b>316</b>	<b>636</b>	<b>161</b>	<b>162</b>	<b>158</b>	<b>162</b>	<b>158</b>	<b>158</b>
<b>TOTAL, MOBILE</b>		<b>9,835</b>	<b>9,043</b>	<b>19,075</b>	<b>5,010</b>	<b>4,825</b>	<b>5,168</b>	<b>4,864</b>	<b>4,629</b>	<b>4,414</b>

# EBITDA

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>Sweden</b>										
Mobile	1–2	1,736	1,522	3,224	843	893	792	910	777	745
Fixed broadband	1–2	51	35	85	18	33	16	34	25	10
Fixed telephony	2	76	100	195	35	41	44	51	57	43
Other operations		21	50	108	12	9	28	30	23	27
		<b>1,884</b>	<b>1,707</b>	<b>3,612</b>	<b>908</b>	<b>976</b>	<b>880</b>	<b>1,025</b>	<b>882</b>	<b>825</b>
<b>Netherlands</b>										
Mobile		–177	–59	–182	–71	–106	–78	–45	–23	–36
Fixed broadband		301	361	693	140	161	169	163	169	192
Fixed telephony	2	31	93	142	13	18	20	29	63	30
Other operations		133	129	250	65	68	62	59	58	71
		<b>288</b>	<b>524</b>	<b>903</b>	<b>147</b>	<b>141</b>	<b>173</b>	<b>206</b>	<b>267</b>	<b>257</b>
<b>Kazakhstan</b>										
Mobile		9	4	43	9	–	17	22	3	1
		<b>9</b>	<b>4</b>	<b>43</b>	<b>9</b>	<b>–</b>	<b>17</b>	<b>22</b>	<b>3</b>	<b>1</b>
<b>Croatia</b>										
Mobile		55	58	169	34	21	39	72	33	25
		<b>55</b>	<b>58</b>	<b>169</b>	<b>34</b>	<b>21</b>	<b>39</b>	<b>72</b>	<b>33</b>	<b>25</b>
<b>Lithuania</b>										
Mobile	1	257	235	506	132	125	128	143	127	108
		<b>257</b>	<b>235</b>	<b>506</b>	<b>132</b>	<b>125</b>	<b>128</b>	<b>143</b>	<b>127</b>	<b>108</b>
<b>Latvia</b>										
Mobile		138	129	294	70	68	82	83	67	62
		<b>138</b>	<b>129</b>	<b>294</b>	<b>70</b>	<b>68</b>	<b>82</b>	<b>83</b>	<b>67</b>	<b>62</b>
<b>Estonia</b>										
Mobile	2	59	65	149	30	29	49	35	32	33
Fixed telephony		2	1	4	1	1	1	2	–	1
Other operations		13	11	20	5	8	5	4	6	5
		<b>74</b>	<b>77</b>	<b>173</b>	<b>36</b>	<b>38</b>	<b>55</b>	<b>41</b>	<b>38</b>	<b>39</b>
<b>Austria</b>										
Mobile		–10	–	–2	–7	–3	–2	–	–	–
Fixed broadband		50	52	119	24	26	33	34	28	24
Fixed telephony		42	45	95	20	22	26	24	24	21
Other operations		11	10	19	6	5	5	4	6	4
		<b>93</b>	<b>107</b>	<b>231</b>	<b>43</b>	<b>50</b>	<b>62</b>	<b>62</b>	<b>58</b>	<b>49</b>
<b>Germany</b>										
Mobile		–14	–14	–27	–9	–5	–10	–3	–7	–7
Fixed broadband		10	10	22	5	5	6	6	3	7
Fixed telephony		62	69	136	30	32	35	32	35	34
		<b>58</b>	<b>65</b>	<b>131</b>	<b>26</b>	<b>32</b>	<b>31</b>	<b>35</b>	<b>31</b>	<b>34</b>
<b>Other</b>										
Other operations		–35	–74	–136	–12	–23	–55	–7	–36	–38
		<b>–35</b>	<b>–74</b>	<b>–136</b>	<b>–12</b>	<b>–23</b>	<b>–55</b>	<b>–7</b>	<b>–36</b>	<b>–38</b>
<b>TOTAL</b>										
Mobile		2,053	1,940	4,174	1,031	1,022	1,017	1,217	1,009	931
Fixed broadband		412	458	919	187	225	224	237	225	233
Fixed telephony		213	308	572	99	114	126	138	179	129
Other operations		143	126	261	76	67	45	90	57	69
<b>TOTAL</b>		<b>2,821</b>	<b>2,832</b>	<b>5,926</b>	<b>1,393</b>	<b>1,428</b>	<b>1,412</b>	<b>1,682</b>	<b>1,470</b>	<b>1,362</b>

# EBIT

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>Sweden</b>										
Mobile	1–2	1,244	995	2,139	597	647	515	629	513	482
Fixed broadband	1–2	4	–15	–13	–7	11	–8	10	–1	–14
Fixed telephony	2	66	91	178	31	35	40	47	51	40
Other operations		8	29	67	4	4	18	20	12	17
		<b>1,322</b>	<b>1,100</b>	<b>2,371</b>	<b>625</b>	<b>697</b>	<b>565</b>	<b>706</b>	<b>575</b>	<b>525</b>
<b>Netherlands</b>										
Mobile		–292	–82	–244	–137	–155	–109	–53	–37	–45
Fixed broadband		42	100	178	12	30	46	32	34	66
Fixed telephony	2	20	86	126	7	13	16	24	60	26
Other operations		100	93	177	48	52	45	39	40	53
		<b>–130</b>	<b>197</b>	<b>237</b>	<b>–70</b>	<b>–60</b>	<b>–2</b>	<b>42</b>	<b>97</b>	<b>100</b>
<b>Kazakhstan</b>										
Mobile		–150	–96	–178	–61	–89	–53	–29	–46	–50
		<b>–150</b>	<b>–96</b>	<b>–178</b>	<b>–61</b>	<b>–89</b>	<b>–53</b>	<b>–29</b>	<b>–46</b>	<b>–50</b>
<b>Croatia</b>										
Mobile		–17	20	87	–10	–7	16	51	14	6
		<b>–17</b>	<b>20</b>	<b>87</b>	<b>–10</b>	<b>–7</b>	<b>16</b>	<b>51</b>	<b>14</b>	<b>6</b>
<b>Lithuania</b>										
Mobile	1	216	198	430	110	106	112	120	108	90
		<b>216</b>	<b>198</b>	<b>430</b>	<b>110</b>	<b>106</b>	<b>112</b>	<b>120</b>	<b>108</b>	<b>90</b>
<b>Latvia</b>										
Mobile		80	82	187	37	43	54	51	45	37
		<b>80</b>	<b>82</b>	<b>187</b>	<b>37</b>	<b>43</b>	<b>54</b>	<b>51</b>	<b>45</b>	<b>37</b>
<b>Estonia</b>										
Mobile	2	9	10	47	8	1	24	13	4	6
Fixed telephony		2	1	3	1	1	1	1	1	–
Other operations		5	4	5	1	4	–	1	2	2
		<b>16</b>	<b>15</b>	<b>55</b>	<b>10</b>	<b>6</b>	<b>25</b>	<b>15</b>	<b>7</b>	<b>8</b>
<b>Austria</b>										
Mobile		–10	–	–2	–7	–3	–2	–	–	–
Fixed broadband		2	13	37	–2	4	11	13	8	5
Fixed telephony		33	29	61	17	16	16	16	17	12
Other operations		3	–1	–2	1	2	–	–1	–1	–
		<b>28</b>	<b>41</b>	<b>94</b>	<b>9</b>	<b>19</b>	<b>25</b>	<b>28</b>	<b>24</b>	<b>17</b>
<b>Germany</b>										
Mobile		–21	–34	–61	–11	–10	–19	–8	–21	–13
Fixed broadband		8	6	16	4	4	6	4	1	5
Fixed telephony		60	58	123	28	32	33	32	25	33
		<b>47</b>	<b>30</b>	<b>78</b>	<b>21</b>	<b>26</b>	<b>20</b>	<b>28</b>	<b>5</b>	<b>25</b>
<b>Other</b>										
Other operations		–32	–79	–145	–7	–25	–58	–8	–39	–40
		<b>–32</b>	<b>–79</b>	<b>–145</b>	<b>–7</b>	<b>–25</b>	<b>–58</b>	<b>–8</b>	<b>–39</b>	<b>–40</b>
<b>TOTAL</b>										
Mobile		1,059	1,093	2,405	526	533	538	774	580	513
Fixed broadband		56	104	218	7	49	55	59	42	62
Fixed telephony		181	265	491	84	97	106	120	154	111
Other operations		84	46	102	47	37	5	51	14	32
		<b>1,380</b>	<b>1,508</b>	<b>3,216</b>	<b>664</b>	<b>716</b>	<b>704</b>	<b>1,004</b>	<b>790</b>	<b>718</b>
One-off items	2	–85	243	274	–71	–14	31	–	1	242
<b>TOTAL</b>		<b>1,295</b>	<b>1,751</b>	<b>3,490</b>	<b>593</b>	<b>702</b>	<b>735</b>	<b>1,004</b>	<b>791</b>	<b>960</b>

# CAPEX

SEK million	Note	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>Sweden</b>										
Mobile		344	218	553	215	129	220	115	133	85
Fixed broadband		29	26	46	20	9	8	12	13	13
Fixed telephony		5	5	8	3	2	2	1	3	2
Other operations		6	6	15	4	2	3	6	3	3
		<b>384</b>	<b>255</b>	<b>622</b>	<b>242</b>	<b>142</b>	<b>233</b>	<b>134</b>	<b>152</b>	<b>103</b>
<b>Netherlands</b>										
Mobile		563	409	1,042	327	236	313	320	272	137
Fixed broadband		263	201	426	124	139	118	107	90	111
Fixed telephony		8	4	15	4	4	7	4	2	2
Other operations		44	17	44	22	22	13	14	8	9
		<b>878</b>	<b>631</b>	<b>1,527</b>	<b>477</b>	<b>401</b>	<b>451</b>	<b>445</b>	<b>372</b>	<b>259</b>
<b>Kazakhstan</b>										
Mobile		255	151	319	136	119	78	90	85	66
		<b>255</b>	<b>151</b>	<b>319</b>	<b>136</b>	<b>119</b>	<b>78</b>	<b>90</b>	<b>85</b>	<b>66</b>
<b>Croatia</b>										
Mobile		105	33	116	81	24	70	13	24	9
		<b>105</b>	<b>33</b>	<b>116</b>	<b>81</b>	<b>24</b>	<b>70</b>	<b>13</b>	<b>24</b>	<b>9</b>
<b>Lithuania</b>										
Mobile		64	46	107	26	38	27	34	26	20
		<b>64</b>	<b>46</b>	<b>107</b>	<b>26</b>	<b>38</b>	<b>27</b>	<b>34</b>	<b>26</b>	<b>20</b>
<b>Latvia</b>										
Mobile		42	38	82	19	23	34	10	27	11
		<b>42</b>	<b>38</b>	<b>82</b>	<b>19</b>	<b>23</b>	<b>34</b>	<b>10</b>	<b>27</b>	<b>11</b>
<b>Estonia</b>										
Mobile	7	41	96	133	15	26	11	26	15	81
Other operations		5	4	5	3	2	–	1	4	–
		<b>46</b>	<b>100</b>	<b>138</b>	<b>18</b>	<b>28</b>	<b>11</b>	<b>27</b>	<b>19</b>	<b>81</b>
<b>Austria</b>										
Mobile		22	–	–	11	11	–	–	–	–
Fixed broadband		29	12	30	12	17	12	6	5	7
Fixed telephony		6	10	23	–	6	7	6	4	6
Other operations		5	4	9	–	5	4	1	2	2
		<b>62</b>	<b>26</b>	<b>62</b>	<b>23</b>	<b>39</b>	<b>23</b>	<b>13</b>	<b>11</b>	<b>15</b>
<b>Germany</b>										
Mobile		2	10	13	–	2	1	2	4	6
Fixed broadband		1	–	2	–	1	–	2	–	–
		<b>3</b>	<b>10</b>	<b>15</b>	<b>–</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>6</b>
<b>Other</b>										
Other operations		233	269	462	112	121	102	91	130	139
		<b>233</b>	<b>269</b>	<b>462</b>	<b>112</b>	<b>121</b>	<b>102</b>	<b>91</b>	<b>130</b>	<b>139</b>
<b>TOTAL</b>										
Mobile		1,438	1,001	2,365	830	608	754	610	586	415
Fixed broadband		322	239	504	156	166	138	127	108	131
Fixed telephony		19	19	46	7	12	16	11	9	10
Other operations		293	300	535	141	152	122	113	147	153
<b>TOTAL</b>	7	<b>2,072</b>	<b>1,559</b>	<b>3,450</b>	<b>1,134</b>	<b>938</b>	<b>1,030</b>	<b>861</b>	<b>850</b>	<b>709</b>

# Five-year summary

SEK million	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014	2013	2012	2011
<b>CONTINUING OPERATIONS</b>						
Net sales	13,122	12,495	25,955	25,757	25,993	26,219
Numbers of customers (by thousands)	14,341	13,439	13,594	13,582	14,229	12,392
EBITDA	2,821	2,832	5,926	5,891	6,040	6,755
EBIT	1,295	1,751	3,490	2,548	2,190	3,613
EBT	1,138	1,847	3,500	1,997	1,668	3,074
Net profit	826	1,406	2,626	968	1,158	2,169
<b>Key ratios</b>						
EBITDA margin, %	21.5	22.7	22.8	22.9	23.2	25.8
EBIT margin, %	9.9	14.0	13.4	9.9	8.4	13.8
<b>Value per share (SEK)</b>						
Net profit	1.86	3.16	5.89	2.17	2.61	4.88
Net profit after dilution	1.84	3.14	5.86	2.15	2.59	4.85
<b>TOTAL</b>						
Equity	18,029	21,064	22,682	21,591	20,429	21,452
Total assets	36,408	38,564	39,848	39,855	49,189	46,864
Cash flow from operating activities	1,633	1,813	4,578	5,813	8,679	9,690
Cash flow after CAPEX	–364	–281	432	572	4,070	4,118
Available liquidity	8,139	8,661	8,224	9,306	12,933	9,986
Net debt	11,178	9,268	9,061	8,007	15,745	13,518
Investments in intangible and tangible assets, CAPEX	2,085	1,974	3,976	5,534	5,294	6,095
Investments/divestments in shares and other financial assets	–4,887	–727	–439	–17,235	215	1,563
<b>Key ratios</b>						
Equity/assets ratio, %	50	55	57	54	42	46
Debt/equity ratio, multiple	0.62	0.44	0.40	0.37	0.77	0.63
Return on equity, %	16.5	11.1	10.0	69.5	15.6	18.9
ROCE, return on capital employed, %	14.3	10.2	10.1	48.0	15.4	20.5
Average interest rate, %	4.9	5.3	5.0	5.2	6.7	6.2
<b>Value per share (SEK)</b>						
Net profit	5.71	2.65	4.96	32.77	7.34	10.69
Net profit after dilution	5.67	2.63	4.93	32.55	7.30	10.63
Equity	40.44	47.28	50.90	48.49	45.95	48.33
Cash flow from operating activities	3.66	4.07	10.27	13.06	19.53	21.83
Dividend, ordinary	–	–	4.85	4.40	7.10	6.50
Extraordinary dividend	–	–	10.00	–	–	6.50
Redemption	–	–	–	28.00	–	–
Market price at closing day	96.40	78.70	94.95	72.85	117.10	133.90

# Parent company

## Income statement

SEK million	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year
Net sales	26	35	55
Administrative expenses	-60	-70	-122
<b>Operating loss, EBIT</b>	<b>-34</b>	<b>-35</b>	<b>-67</b>
Dividend from group company	-	967	967
Exchange rate difference on financial items	12	-70	-35
Net interest expenses and other financial items	-134	-120	-268
<b>Profit/loss after financial items, EBT</b>	<b>-156</b>	<b>742</b>	<b>597</b>
Appropriations, group contribution	-	-	372
Tax on profit/loss	39	50	-
<b>NET PROFIT/LOSS</b>	<b>-117</b>	<b>792</b>	<b>969</b>

## Balance sheet

SEK million	Note	Jun 30, 2015	Dec 31, 2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Tangible assets		2	2
Financial assets		13,612	13,617
<b>NON-CURRENT ASSETS</b>		<b>13,614</b>	<b>13,619</b>
<b>CURRENT ASSETS</b>			
Current receivables		5,995	10,407
Cash and cash equivalents		107	3
<b>CURRENT ASSETS</b>		<b>6,102</b>	<b>10,410</b>
<b>ASSETS</b>		<b>19,716</b>	<b>24,029</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Restricted equity	9	5,546	5,546
Unrestricted equity	9	5,373	12,077
<b>EQUITY</b>		<b>10,919</b>	<b>17,623</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	3	4,284	4,305
<b>NON-CURRENT LIABILITIES</b>		<b>4,284</b>	<b>4,305</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	3	4,493	2,018
Non-interest-bearing liabilities		20	83
<b>CURRENT LIABILITIES</b>		<b>4,513</b>	<b>2,101</b>
<b>EQUITY AND LIABILITIES</b>		<b>19,716</b>	<b>24,029</b>

# Notes

## ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board.

The amended IFRS standards and new IFRIC interpretations (IAS 19 and IFRIC 21), which became effective January 1, 2015, have had no material effect on the consolidated financial statements.

In all other respects, Tele2 has presented this interim report in accordance with the accounting principles and calculation methods used in the 2014 Annual Report. The description of these principles and definitions is found in the 2014 Annual Report.

## NOTE 1 NET SALES AND CUSTOMERS

### Net sales

Equipment revenue in Sweden was positively impacted by sale to other than end-users as presented below.

SEK million	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2014 Q2
Sweden	114	155	445	25	125

In Q3 2014, the net sales in Lithuania was positively impacted by SEK 15 million as a result of expired prepaid balances.

In Q1 2014, the net sales in Sweden was positively impacted by SEK 73 million as a result of decisions by the Swedish Post and Telecom Authority (PTS) regarding termination rates for previous periods, of which mobile amounted to SEK 78 million and fixed broadband to SEK –5 million. The effect on EBITDA is stated in Note 2.

### Customers

In Q2 2015, customer stock in Sweden decreased with –28,000 customers in connection with a change-over to a new IT system and changed principle for twin cards.

In Q1 2014, the fixed broadband customer stock in Sweden decreased with –385,000 customers as a result of the sale of the Swedish residential cable and fiber operations.

## NOTE 2 OPERATING EXPENSES EBITDA

In Q4 2014, the EBITDA for mobile in Estonia was positively impacted by SEK 20 million as a result of the sales of a mobile license in the 2600 MHz frequency band.

In Q2 2014, the EBITDA for fixed telephony in Netherlands was positively impacted by SEK 48 million as a result of settled disputes regarding wholesale line rental.

In Q1 2014, the EBITDA in Sweden was positively impacted by SEK 8 million as a result of decisions by PTS, as stated in Note 1, regarding termination rates for previous periods, of which mobile amounted to SEK 35 million, fixed broadband to SEK –15 million and fixed telephony to SEK –12 million.

### Bridge from EBITDA to EBIT

SEK million	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2014 Q2
<b>EBITDA</b>	<b>2,821</b>	<b>2,832</b>	<b>5,926</b>	<b>1,393</b>	<b>1,470</b>
Sale of operations	–	261	261	–	1
Challenger program	–85	–	–10	–71	–
Other one-off items	–	–18	23	–	–
<b>Total one-off items</b>	<b>–85</b>	<b>243</b>	<b>274</b>	<b>–71</b>	<b>1</b>
Depreciation/amortization and other impairment	–1,436	–1,318	–2,696	–724	–677
Result from shares in joint ventures and associated companies	–5	–6	–14	–5	–3
<b>EBIT</b>	<b>1,295</b>	<b>1,751</b>	<b>3,490</b>	<b>593</b>	<b>791</b>

## One-off items in segment reporting

### Sale of operations

The sale of the Swedish residential cable and fiber operations was completed in Q1 2014 and the capital gain amounted to SEK 258 million.

### Challenger program: restructuring costs

In 2014, Tele2 announced its Challenger program, which is a program to step change productivity in the Tele2 Group. The program will strengthen the organization further and enable it to continue to challenge the industry. The costs associated with the program amounted in Q2 2015 to SEK –71 million and refer mainly to employee redundancy costs and external consultancy project costs.

The costs associated with the program are reported in the income statement on the following items.

SEK million	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2014 Q2
Cost of service provided	–8	–	–1	–4	–
Selling expenses	–15	–	–	–15	–
Administrative expenses	–62	–	–9	–52	–
<b>Total Challenger program costs</b>	<b>–85</b>	<b>–</b>	<b>–10</b>	<b>–71</b>	<b>–</b>

### Other one-off items

In Q4 2014, Sweden has been positively affected by SEK 41 million, due to the counterparty withdrew its claim concerning the ruling from the Administrative Court of Appeal in June 2010 regarding price on whole and split copper cable.

In Q1 2014, other operating expenses was negatively affected by SEK 18 million, related to the devaluation in Kazakhstan. The total foreign exchange rate effect of assets and liabilities in Kazakhstan was reported in other comprehensive income and amounted in Q1 2014 to SEK –117 million. Please refer to Note 4 regarding effects on change in fair value of put option Kazakhstan.

## NOTE 3 FINANCIAL ASSETS AND LIABILITIES Financing

SEK million	Interest-bearing liabilities			
	Jun 30, 2015		Dec 31, 2014	
	Current	Non-current	Current	Non-current
Bonds NOK, Sweden	–	1,041 <sup>1)</sup>	315	1,049
Bonds SEK, Sweden	500	2,547	1,250	2,547
Commercial papers, Sweden	3,773	–	215	–
Financial institutions	566	654	715	667
	<b>4,839</b>	<b>4,242</b>	<b>2,495</b>	<b>4,263</b>
Put option, Kazakhstan (Note 4)	887	–	887	–
Other liabilities	426	1,139	455	1,090
<b>Total interest-bearing liabilities</b>	<b>6,152</b>	<b>5,381</b>	<b>3,837</b>	<b>5,353</b>

<sup>1)</sup> The bonds in NOK are hedged for currency exposure via currency swaps.

## Classification and fair values

Tele2's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. Tele2's financial liabilities consist mainly of loans, bonds and accounts payables. Classification of financial assets and liabilities including their fair value is presented below. During the first six months 2015, compared to year-end 2014, no transfers were made between the different levels in the fair value hierarchy and no significant changes were made to valuation techniques, inputs used or assumptions.

The valuation of the put option for Tele2 Kazakhstan held by the non-controlling shareholder amounting to SEK 887 (887) million was based on the net present value of future cash flows per Tele2's business plan for Tele2 Kazakhstan. The valuation is sensitive to changes in projected revenue growth, profit margins, investment levels and discount rates. The present valuation also considers the risk for a devaluation of the Kazakh tenge.

The Group has derivative contracts which are covered by master netting agreements. That means a right exists to set off assets and liabilities with the same party, which is not reflected in the accounting where gross accounting is applied. The value of these derivatives at June 30, 2015 amounted on the asset side to SEK 10 (47) million and on the liabilities side to SEK 229 (294) million of which SEK 4 (28) million can be netted against the asset side.

SEK million	Jun 30 2015					
	Assets and liabilities at fair value through profit/loss	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost	Total reported value	Fair value
Other financial assets	8	448	-	-	456	456
Accounts receivables	-	2,221	-	-	2,221	2,221
Other current receivables	-	530	10	-	540	540
Current investments	-	36	-	-	36	36
Cash and cash equivalents	-	309	-	-	309	309
<b>Total financial assets</b>	<b>8</b>	<b>3,544</b>	<b>10</b>	<b>-</b>	<b>3,562</b>	<b>3,562</b>
Liabilities to financial institutions and similar liabilities	-	-	-	9,081	9,081	9,352
Other interest-bearing liabilities	887	-	229	485	1,601	1,530
Accounts payable	-	-	-	2,401	2,401	2,401
Other current liabilities	-	-	-	440	440	440
<b>Total financial liabilities</b>	<b>887</b>	<b>-</b>	<b>229</b>	<b>12,407</b>	<b>13,523</b>	<b>13,723</b>

SEK million	Dec 31, 2014					
	Assets and liabilities at fair value through profit/loss	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost	Total reported value	Fair value
Other financial assets	8	465	-	-	473	473
Accounts receivables	-	2,480	-	-	2,480	2,480
Other current receivables	-	375	47	-	422	422
Current investments	-	38	-	-	38	38
Cash and cash equivalents	-	151	-	-	151	151
Assets classified as held for sale	1	337	-	-	338	338
<b>Total financial assets</b>	<b>9</b>	<b>3,846</b>	<b>47</b>	<b>-</b>	<b>3,902</b>	<b>3,902</b>
Liabilities to financial institutions and similar liabilities	-	-	-	6,758	6,758	7,085
Other interest-bearing liabilities	887	-	294	444	1,625	1,553
Accounts payable	-	-	-	2,848	2,848	2,848
Other current liabilities	-	-	-	467	467	467
Liabilities directly associated with assets classified as held for sale	-	-	-	249	249	249
<b>Total financial liabilities</b>	<b>887</b>	<b>-</b>	<b>294</b>	<b>10,766</b>	<b>11,947</b>	<b>12,202</b>

#### NOTE 4 OTHER FINANCIAL ITEMS

In Q1 2015, the cash flow was negatively affected by SEK 130 million related to currency derivatives designated for hedge accounting.

Other financial items in the income statement consist of the following items.

SEK million	2015 Jan 1– Jun 30	2014 Jan 1– Jun 30	2014 Full year	2015 Q2	2014 Q2
Exchange rate differences	3	-23	-27	1	-1
Change in fair value, put option Kazakhstan	30	295	427	-43	330
EUR net investment hedge, interest component	-	6	9	-1	3
NOK net investment hedge, interest component	-1	5	-11	-	3
Other financial expenses	-3	-2	-10	-1	-1
<b>Total other financial items</b>	<b>29</b>	<b>281</b>	<b>388</b>	<b>-44</b>	<b>334</b>

In Q2 2014, financial items in the income statement was positively affected by SEK 363 million, due to a revaluation of the put option of the business in Kazakhstan. The change was related to the devaluation of the Kazakhstan currency as well as increased financing provided by Tele2.

#### NOTE 5 TAXES

During the first six months 2015, the effective tax rate was mainly affected by below stated items, indicating an underlying effective tax rate of 21 (23) percent. The decrease on the previous year's figure was mainly due to the fact that countries with a higher tax rate, such as Netherlands, having relatively lower impact on the result than countries with lower tax rate, such as Sweden.

SEK million	2015 Jan 1–Jun 30		2014 Jan 1–Jun 30		2014 Full year	
<b>Profit before tax</b>	<b>1,138</b>		<b>1,847</b>		<b>3,500</b>	
Income tax	-312	27.4%	-441	23.9%	-874	25.0%
<b>Tax effect of:</b>						
Sale of operations	-	-	-95	5.2%	-96	2.7%
Expired tax loss carry-forwards	-	-	-	-	36	-1.0%
Result from JV and associated companies	-1	0.1%	1	-	3	-0.1%
Not valued tax loss-carry forwards	58	-5.1%	-8	0.4%	148	-4.2%
Non-deductible expenses	39	-3.4%	90	-4.9%	23	-0.6%
Adjustment due to changed tax rate	-	-	-	-	-5	0.1%
Adjustment of taxes from previous years	-27	2.4%	29	-1.6%	-33	0.9%
<b>Adjusted tax expense and effective tax rate</b>	<b>-243</b>	<b>21.4%</b>	<b>-424</b>	<b>23.0%</b>	<b>-798</b>	<b>22.8%</b>

#### NOTE 6 RELATED PARTIES

Tele2's share of cash and cash equivalents in joint operations, for which Tele2 has limited disposal rights was included in the Group's cash and cash equivalents and amounted at each closing date to the sums stated below.

SEK million	2015 Jun 30	2015 Mar 31	2014 Dec 31	2014 Sep 30	2014 Jun 30	2014 Mar 31
Cash and cash equivalents in joint operations	11	33	4	133	58	42

In 2015, additional sites were transferred from Tele2 and Telenor to their joint operation Net4Mobility. The transfers did not have any material effect on Tele2's financial statements. Apart from transactions with joint operations, no other significant related party transactions were carried out during 2015. Related parties are presented in Note 37 of the Annual Report 2014.

#### NOTE 7 CAPEX

In Q1 2014, Tele2 Estonia acquired two mobile licenses in the 800 MHz and 2100 MHz frequency bands for SEK 54 million and in Q4 2014, Tele2 Estonia sold a mobile license in the 2600 MHz frequency band for SEK 24 million.

#### Bridge from CAPEX to paid CAPEX

SEK million	2015 Jan 1– Jun 30	2014 Jan 1– Jun 30	2014 Full year	2015 Q2	2014 Q2
CAPEX, continued operations	-2,072	-1,559	-3,450	-1,134	-850
CAPEX, discontinued operations	-13	-415	-526	-	-161
<b>CAPEX, total operation</b>	<b>-2,085</b>	<b>-1,974</b>	<b>-3,976</b>	<b>-1,134</b>	<b>-1,011</b>
This year's unpaid CAPEX and paid CAPEX from previous year	81	-143	-226	119	-32
Received payment of sold non-current assets	7	23	56	3	11
<b>Paid CAPEX</b>	<b>-1,997</b>	<b>-2,094</b>	<b>-4,146</b>	<b>-1,012</b>	<b>-1,032</b>



## NOTE 8 CONTINGENT LIABILITIES

SEK million	Jun 30, 2015	Dec 31, 2014
Asset dismantling obligation	134	137
Dispute KPN, Netherlands	80	83
Tax dispute, Russia	100	90
<b>Total contingent liabilities</b>	<b>314</b>	<b>310</b>

Tele2 has obligations to dismantle assets and restore premises within fixed telephony and fixed broadband in the Netherlands as well as in Austria. Tele2 assesses such dismantling as unlikely and consequently only reported this obligation as contingent liabilities.

Tele2 Netherlands is, in the ordinary course of its business, involved in several regulatory complaints and disputes pending with the appropriate governmental authorities. In a specific case regarding the rental fees of copper lines, which Tele2 Netherlands uses as part of its fixed operations, the regulator (ACM) has determined that the rental fees are to be adjusted with retroactive effect from 2009. This has resulted in a claim from KPN amounting to EUR 8.7 million (SEK 80 million) and is subject to pending appeals and court cases. Our assessment is that it is unlikely that Tele2 will have to pay these fees and consequently no provision has been made. We expect the Administrative Court to give its ruling in Q4 2015 or later.

The tax authorities in Russia are currently performing tax audits on several of Tele2's former subsidiaries in Russia. Per the sales agreement with the VTB-Group Tele2 is liable for any additional taxes payable as result of the tax audits. On June 30, 2015 Tele2 has won tax disputes of SEK 236 million, of which the Russian tax authorities has appealed SEK 122 million. In addition, Tele2 has lost tax disputes of SEK -12 million, of which Tele2 has appealed SEK -8 million. A decrease from last quarter as Tele2 has won several tax disputes in Russian courts. In Q1 2015, Tele2 made an additional provision for one tax dispute of SEK 6 million. On June 30, 2015 total provisions for Russian tax disputes amounted to SEK 11 million. Even though it cannot be ruled out that Tele2 may be liable to certain costs, Tele2 assesses that it is not likely that any additional taxes need to be paid and consequently no additional provisions have been made.

Additional contractual commitments are stated in Note 30 in the Annual Report 2014.

## NOTE 9 EQUITY AND NUMBER OF SHARES

	Jun 30, 2015	Dec 31, 2014
<b>Number of shares</b>		
Outstanding	446,188,367	445,722,973
In own custody	2,594,972	3,060,366
Weighted average	445,877,615	445,594,010
After dilution	449,521,002	448,799,576
Weighted average, after dilution	448,563,027	448,606,438

As a result of share rights in the LTI 2011 being exercised during Q1 and Q2 2015, Tele2 delivered 26,032 and 8,307 B-shares respectively, in own custody to the participants in the Plan. As a result of share rights in the LTI 2012 being exercised during Q2 2015, Tele2 delivered an additional 431,055 B-shares in own custody to the participants in the Plan.

In Q1 2015, 1,700,000 class C shares in own custody were reclassified into class B shares in own custody.

### Dividend

In Q2 2015, Tele2 paid to its shareholders a dividend for 2014 of SEK 4.85 (4.40) per share and an extraordinary dividend of SEK 10.00 per share. This corresponded to a total of SEK 6,626 (1,960) million.

## Long-term incentive program (LTI)

Additional information related to LTI programs is presented in Note 34 of the Annual Report 2014.

### LTI 2015

	2015 Jan 1–Jun 30
Number of share rights	
Allocated June 8, 2015	1,239,935
<b>Total outstanding share rights</b>	<b>1,239,935</b>

During the Annual General Meeting held on May 19, 2015, the shareholders approved a retention and performance-based incentive program (the Plan) for senior executives and other key employees in the Tele2 Group. The Plan has the same structure as last year's incentive program.

The objective of the Plan is to create conditions for retaining competent employees in the Tele2 Group. The Plan has been designed based on the view that it is desirable that senior executives and other key employees within the Group are shareholders in Tele2 AB. By offering an allotment of retention rights and performance rights which are based on profits and other retention and performance-based conditions, the participants are rewarded for increasing shareholder value. Furthermore, the Plan rewards employees' loyalty and long-term growth in the Group. In that context, the Board of Directors is of the opinion that the Plan will have a positive effect on the future development of the Tele2 Group and thus be beneficial to both the company and its shareholders.

The incentive program included a total of 197 senior executives and other key employees within the Tele2 Group. In general, the participants in the Plan are required to own shares in Tele2. Thereafter, the participants were granted retention rights and performance rights free of charge. In the event delivery of shares under the plan cannot be achieved at reasonable costs, with reasonable administrative efforts or due to market conditions, participants may instead be offered a cash-based settlement. Outstanding share rights that will be settled in cash are remeasured to fair value in each period and the obligation is reported as a liability.

Subject to the fulfilment of certain retention and performance-based conditions during the period April 1, 2015 - March 31, 2018 (the measurement period), the participant maintaining employment within the Tele2 Group at the release of the interim report January - March 2018 and subject to the participant maintaining the invested shares (where applicable) during the vesting period, each right entitles the employee to receive one Class B share in the company. Dividends paid on the underlying share will increase the number of shares that each retention and performance right entitles to in order to treat the shareholders and the participants equally.

The rights are divided into Series A (retention rights) and Series B and C (performance rights). The number of shares the participant will receive depends on which category the participant belongs to and on the fulfilment of the following defined conditions:

**Series A** Tele2's total shareholder return on the Tele2 shares (TSR) during the measure period exceeding 0 percent as entry level.

**Series B** Tele2's average normalized return of capital employed (ROCE) during the measurement period being at least 9 percent as entry level and at least 12 percent as the stretch target.

**Series C** Tele2's total shareholder return on the Tele2 shares (TSR) during the measure period being equal to the average TSR for a peer Group including Elisa, Iliad, Millicom International Cellular, TalkTalk Telecom Group, Telenor, TeliaSonera and TDC as entry level, and exceeding the average TSR for the peer Group with 10 percentage points as the stretch target.

The determined levels of the conditions include an entry level and a stretch target with a linear interpolation applied between those levels as regards the number of rights that vests. The entry level constitutes the minimum level which must be reached in order to enable the vesting of the rights in that series. If the entry level is reached, the number of rights that vests is 100 percent for Series A and 20 percent for Series B and C. If the entry level is not reached, all rights to retention and performance shares (as applicable) in that series lapse. If a stretch target is met, all retention rights or performance rights (as applicable) vest in that series.

The Plan comprised a total number of 271,107 shares. In total this resulted in an allotment of 1,239,935 share rights, of which 271,107 Series A, 484,414 Series B and 484,414 Series C. The participants were divided into different categories and were granted the following number of share rights for the different categories:

At grant date	No of participants	Maximum no of shares	Share right				Total allotment
			A	B	C	Tot	
CEO	1	8,500	1	3.5	3.5	8	68,000
Other senior executives and other key employees	9	4,500	1	3	3	7	283,500
Category 1	40	2,000	1	1.5	1.5	4	280,845
Category 2	52	1,500	1	1.5	1.5	4	278,722
Category 3	95	1,000	1	1.5	1.5	4	328,868
<b>Total</b>	<b>197</b>						<b>1,239,935</b>

Total costs before tax for outstanding rights in the incentive program are expensed over the three-year vesting period, and these costs are expected to amount to SEK 83 million, of which social security costs amount to SEK 28 million.

The participant's maximum profit per share right in the Plan is limited to SEK 329, four times the average closing share price of the Tele2 Class B shares during February 2015 with deduction for the dividend paid in May 2015.

The estimated average fair value of the granted rights was SEK 71 on the grant date, June 8, 2015. The calculation of the fair value was carried out by an external expert. The following variables were used:

	Series A	Series B	Series C
Expected annual turnover of personnel	7.0%	7.0%	7.0%
Weighted average share price	101.42	101.42	101.42
Expected life	2.87 years	2.87 years	2.87 years
Expected value reduction parameter market condition	75%	-	35%
Estimated fair value	76.10	101.40	35.50

To ensure the delivery of Class B shares under the Plan, the Annual General Meeting decided to authorise the Board of Directors to resolve on a directed issue of a maximum of 2,300,000 Class C shares and subsequently to repurchase the Class C shares. The Class C shares will then be held by the company during the vesting period, after which the appropriate number of Class C shares will be reclassified into Class B shares and delivered to the participants under the Plan. The Board of Directors has not yet used the mandate.

#### LTI 2014

Number of share rights	2015 Jan 1–Jun 30	Cumulative from start
Allocated June 2, 2014		1,180,268
Outstanding as of January 1, 2015	1,117,168	
Allocated, compensation for dividend	109,288	109,288
Forfeited	-82,564	-145,664
Performance conditions not reached, Norway	-43,665	-43,665
Exercised, cash settled, Norway	-1,732	-1,732
<b>Total outstanding share rights</b>	<b>1,098,495</b>	<b>1,098,495</b>
<i>of which will be settled in cash</i>	<i>13,305</i>	<i>13,305</i>

#### LTI 2013

Number of share rights	2015 Jan 1–Jun 30	Cumulative from start
Allocated June 4, 2013		1,204,128
Outstanding as of January 1, 2015	1,029,026	
Allocated, compensation for dividend	99,212	139,134
Forfeited	-77,984	-293,008
Performance conditions not reached, Norway	-41,260	-41,260
Exercised, cash settled, Norway	-14,789	-14,789
<b>Total outstanding share rights</b>	<b>994,205</b>	<b>994,205</b>
<i>of which will be settled in cash</i>	<i>12,972</i>	<i>12,972</i>

#### LTI 2012

Number of share rights	2015 Jan 1–Jun 30	Cumulative from start
Allocated June 15, 2012		1,132,186
Outstanding as of January 1, 2015	896,070	
Allocated, compensation for dividend	-	274,177
Forfeited	-11,924	-358,557
Performance conditions not reached, Russia	-	-163,660
Performance conditions not reached, Norway	-18,188	-18,188
Performance conditions not reached, other	-416,701	-416,701
Exercised, cash settled, Norway	-16,439	-16,439
Exercised, cash settled, other	-3,175	-3,175
Exercised, equity settled, other	-429,643	-429,643
<b>Total outstanding share rights</b>	<b>-</b>	<b>-</b>

The exercise of the share rights in LTI 2012 was conditional upon the fulfilment of certain retention and performance based conditions, measured from April 1, 2012 until March 31, 2015. The outcome of these performance conditions was in accordance with below and the outstanding share rights has been exchanged for shares in Tele2 or cash during Q2 2015. Weighted average share price for share rights in LTI 2012 at date of exercise amounted to SEK 109.65 during 2015 and SEK 109.07 for all exercised LTI programs during the year.

	Retention and performance based conditions	Minimum hurdle (20%)	Stretch target (100%)	Performance outcome	Allotment
Series A	Total Shareholder Return Tele2 (TSR)		≥ 0%	26.0%	100%
Series B	Average normalised Return on Capital Employed (ROCE) <sup>1)</sup>	19%/8%	23%/12.5%	18.2%/11.2%	51.3%
Series C	Total Shareholder Return Tele2 (TSR) compared to a peer group	> 0%	≥ 10%	0.4%	23.2%

<sup>1)</sup> The targets are split into two parts; before and after the divestment of Tele2 Russia

#### LTI 2011

Number of share rights	2015 Jan 1–Jun 30	Cumulative from start
Allocated June 17, 2011		1,056,436
Outstanding as of January 1, 2015	34,339	
Allocated, compensation for dividend	-	294,579
Forfeited	-	-351,296
Performance conditions not reached, Russia	-	-92,041
Performance conditions not reached, other	-	-602,796
Exercised, cash settled, Russia	-	-44,156
Exercised, cash settled, other	-	-1,014
Exercised, share settled	-34,339	-259,712
<b>Total outstanding share rights</b>	<b>-</b>	<b>-</b>

Weighted average share price for share rights at date of exercise amounted to SEK 101.77 during 2015.

## NOTE 10 BUSINESS ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments of shares and participations affecting cash flow were as follows:

SEK million	2015	2015
	Jan 1–Jun 30	Q2
<b>Acquisitions</b>		
Capital contribution to joint ventures	-3	-
<b>Total acquisition of shares and participations</b>	<b>-3</b>	<b>-</b>
<b>Divestments</b>		
Norway	4,897	-
Residential cable and fiber operations, Sweden	-4	-2
Transaction costs, Russia	-4	-3
<b>Total sale of shares and participations</b>	<b>4,889</b>	<b>-5</b>
<b>TOTAL CASH FLOW EFFECT</b>	<b>4,886</b>	<b>-5</b>

### Divestments

#### 4T Sverige (WyWallet), Sweden

On April 30, 2015 Tele2 announced, together with Telia, Telenor and Tre, the sale of its Swedish joint venture 4T Sverige AB to PayEx. 4T Sverige AB offers payment services through WyWallet and in connection with the sale an agreement was made to continue to offer WyWallets services via the mobile operators' invoices. WyWallet has had no significant impact on Tele2's income statement during the periods presented.

### Discontinued operations

On February 5, 2015 the Norwegian competition authorities announced that they have approved Tele2's divestment of its Norwegian operations to TeliaSonera announced in July 2014. The Norwegian operations were sold for SEK 5.1 billion and resulted in a capital gain in Q1 2015 of SEK 1.7 billion, including transaction costs and costs for central support system for the Norwegian operation. The capital gain include a positive effect of SEK 89 million related to

exchange rate differences previously reported in other comprehensive income which have been recycled over the income statement but with no effect on total equity.

On April 4, 2013 Tele2 completed the divestment of the Russian operation.

The divested operations, including capital gain, has been reported separately under discontinued operations in the income statement, with a retrospective effect on previous periods.

### Net assets at the time of divestment

Assets, liabilities and contingent liabilities included in the divested operations are stated below.

SEK million	Norway
Goodwill	497
Other intangible assets	318
Tangible assets	2,113
Financial assets	22
Deferred tax assets	315
Inventories	5
Current receivables	869
Current investments	-
Cash and cash equivalents	209
Exchange rate difference	-2
Non-current provisions	-108
Current provisions	-10
Current non-interest-bearing liabilities	-810
<b>Divested net assets</b>	<b>3,418</b>
Capital gain	1,651
<b>Sales price, net sales costs</b>	<b>5,069</b>
Sales costs etc, non-cash	37
Less: cash in divested operations	-209
<b>TOTAL CASH FLOW EFFECT</b>	<b>4,897</b>

The Norwegian and Russian operations reported as discontinued operations are stated below.

### Income statement

SEK million	2015	2014	2014	2015	2015	2014	2014	2014	2014
	Jan 1–Jun 30	Jan 1–Jun 30	Full year	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	311	1,980	4,009	2	309	970	1,059	1,024	956
Cost of services provided	-249	-1,551	-3,115	-2	-247	-731	-833	-797	-754
<b>Gross profit</b>	<b>62</b>	<b>429</b>	<b>894</b>	<b>-</b>	<b>62</b>	<b>239</b>	<b>226</b>	<b>227</b>	<b>202</b>
Selling expenses	-64	-486	-932	-	-64	-202	-244	-254	-232
Administrative expenses	-32	-161	-332	-	-32	-90	-81	-84	-77
Result from shares in joint ventures	-	-	-1	-	-	-1	-	-1	1
Sale of operations, profit	1,735	-	-17	1	1,734	-17	-	-	-
Other operating income	1	1	3	-	1	1	1	-	1
Other operating expenses	-	-1	-3	-	-	-2	-	-	-1
<b>EBIT</b>	<b>1,702</b>	<b>-218</b>	<b>-388</b>	<b>1</b>	<b>1,701</b>	<b>-72</b>	<b>-98</b>	<b>-112</b>	<b>-106</b>
Interest income/costs	1	2	4	-	1	1	1	1	1
<b>EBT</b>	<b>1,703</b>	<b>-216</b>	<b>-384</b>	<b>1</b>	<b>1,702</b>	<b>-71</b>	<b>-97</b>	<b>-111</b>	<b>-105</b>
Income tax	15	-11	-31	-	15	-14	-6	-6	-5
of which from the operation	-3	-11	-31	-	-3	-14	-6	-6	-5
of which from the capital gain	18	-	-	-	18	-	-	-	-
<b>NET PROFIT/LOSS</b>	<b>1,718</b>	<b>-227</b>	<b>-415</b>	<b>1</b>	<b>1,717</b>	<b>-85</b>	<b>-103</b>	<b>-117</b>	<b>-110</b>
Earnings per share (SEK)	3.85	-0.51	-0.93	-	3.85	-0.19	-0.23	-0.26	-0.25
Earnings per share, after dilution (SEK)	3.83	-0.51	-0.93	-	3.83	-0.19	-0.23	-0.26	-0.25

## Cash flow statement

SEK million	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>OPERATING ACTIVITIES</b>									
Operating profit/loss	1,702	-218	-388	1	1,701	-72	-98	-112	-106
Adjustments for non-cash items in operating profit	-1,713	244	444	-1	-1,712	77	123	119	125
Financial items paid	-	3	7	-	-	1	3	2	1
<b>Cash flow from operations before changes in working capital</b>	<b>-11</b>	<b>29</b>	<b>63</b>	<b>-</b>	<b>-11</b>	<b>6</b>	<b>28</b>	<b>9</b>	<b>20</b>
Changes in working capital	61	-78	-146	-	61	-1	-67	142	-220
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>50</b>	<b>-49</b>	<b>-83</b>	<b>-</b>	<b>50</b>	<b>5</b>	<b>-39</b>	<b>151</b>	<b>-200</b>
<b>INVESTING ACTIVITIES</b>									
CAPEX paid	-15	-500	-647	-	-15	-40	-107	-186	-314
<b>Free cash flow</b>	<b>35</b>	<b>-549</b>	<b>-730</b>	<b>-</b>	<b>35</b>	<b>-35</b>	<b>-146</b>	<b>-35</b>	<b>-514</b>
Sale of shares	4,893	-25	-32	-3	4,896	-1	-6	-21	-4
Changes of non-current receivables	-	13	13	-	-	-	-	2	11
<b>Cash flow from investing activities</b>	<b>4,878</b>	<b>-512</b>	<b>-666</b>	<b>-3</b>	<b>4,881</b>	<b>-41</b>	<b>-113</b>	<b>-205</b>	<b>-307</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,928</b>	<b>-561</b>	<b>-749</b>	<b>-3</b>	<b>4,931</b>	<b>-36</b>	<b>-152</b>	<b>-54</b>	<b>-507</b>

## Additional information

Thousands	Numbers of customers			Net intake					
	2015 Jun 30	2014 Jun 30	2014 Dec 31	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Mobile	-	1,161	1,125	-	-19	-33	-3	28	14
Fixed telephony	-	57	51	-	-1	-3	-3	-3	-3
<b>Numbers of customers and net intake</b>	<b>-</b>	<b>1,218</b>	<b>1,176</b>	<b>-</b>	<b>-20</b>	<b>-36</b>	<b>-6</b>	<b>25</b>	<b>11</b>
Divested companies	-	-	-	-	-1,156	-	-	-	-
<b>Numbers of customers and net change</b>	<b>-</b>	<b>1,218</b>	<b>1,176</b>	<b>-</b>	<b>-1,176</b>	<b>-36</b>	<b>-6</b>	<b>25</b>	<b>11</b>

SEK million	Net sales			Net sales					
	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Mobile	298	1,888	3,832	2	296	929	1,015	980	908
Fixed telephony	15	102	198	-	15	46	50	51	51
Other operations	-	-	-	-	-	-	-	-1	1
	<b>313</b>	<b>1,990</b>	<b>4,030</b>	<b>2</b>	<b>311</b>	<b>975</b>	<b>1,065</b>	<b>1,030</b>	<b>960</b>
Internal sales, elimination	-2	-10	-21	-	-2	-5	-6	-6	-4
<b>Net sales</b>	<b>311</b>	<b>1,980</b>	<b>4,009</b>	<b>2</b>	<b>309</b>	<b>970</b>	<b>1,059</b>	<b>1,024</b>	<b>956</b>

SEK million	EBITDA			EBITDA					
	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Mobile	-12	13	36	-	-12	3	20	3	10
Fixed telephony	2	20	40	-	2	10	10	10	10
Other operations	-1	-7	-20	-	-1	-8	-5	-6	-1
<b>EBITDA</b>	<b>-11</b>	<b>26</b>	<b>56</b>	<b>-</b>	<b>-11</b>	<b>5</b>	<b>25</b>	<b>7</b>	<b>19</b>

SEK million	EBIT			EBIT					
	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Mobile	-34	-235	-402	-	-34	-61	-106	-119	-116
Fixed telephony	1	17	32	-	1	7	8	8	9
Other operations	-	-	-1	-	-	-1	-	-1	1
	<b>-33</b>	<b>-218</b>	<b>-371</b>	<b>-</b>	<b>-33</b>	<b>-55</b>	<b>-98</b>	<b>-112</b>	<b>-106</b>
Sale of operations	1,735	-	-17	1	1,734	-17	-	-	-
<b>EBIT</b>	<b>1,702</b>	<b>-218</b>	<b>-388</b>	<b>1</b>	<b>1,701</b>	<b>-72</b>	<b>-98</b>	<b>-112</b>	<b>-106</b>

SEK million	Specification of items between EBITDA and EBIT			Specification of items between EBITDA and EBIT					
	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>EBITDA</b>	<b>-11</b>	<b>26</b>	<b>56</b>	<b>-</b>	<b>-11</b>	<b>5</b>	<b>25</b>	<b>7</b>	<b>19</b>
Sale of operations	1,735	-	-17	1	1,734	-17	-	-	-
Depreciation/amortization and other impairment	-22	-244	-426	-	-22	-59	-123	-118	-126
Result from shares in joint ventures	-	-	-1	-	-	-1	-	-1	1
<b>EBIT</b>	<b>1,702</b>	<b>-218</b>	<b>-388</b>	<b>1</b>	<b>1,701</b>	<b>-72</b>	<b>-98</b>	<b>-112</b>	<b>-106</b>

SEK million	CAPEX			CAPEX					
	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Mobile	13	405	513	-	13	21	87	156	249
Fixed telephony	-	10	13	-	-	-	3	5	5
<b>CAPEX</b>	<b>13</b>	<b>415</b>	<b>526</b>	<b>-</b>	<b>13</b>	<b>21</b>	<b>90</b>	<b>161</b>	<b>254</b>

SEK million	Additional cash flow information			Additional cash flow information					
	2015 Jan 1–Jun 30	2014 Jan 1–Jun 30	2014 Full year	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
<b>CAPEX</b>	<b>-13</b>	<b>-415</b>	<b>-526</b>	<b>-</b>	<b>-13</b>	<b>-21</b>	<b>-90</b>	<b>-161</b>	<b>-254</b>
This year unpaid CAPEX and paid CAPEX from previous year	-2	-85	-121	-	-2	-19	-17	-25	-60
<b>Paid CAPEX</b>	<b>-15</b>	<b>-500</b>	<b>-647</b>	<b>-</b>	<b>-15</b>	<b>-40</b>	<b>-107</b>	<b>-186</b>	<b>-314</b>

**TELE2**