

INTERIM REPORT THIRD QUARTER 2015

TELE2

CEO word, Q3 2015

It was a great honour to be appointed CEO of Tele2 on September 1st. Going forward, our strategic focus remains; as the champions of customer value through innovation in data monetization, we will continue to create sustainable and attractive returns for our shareholders.

With that in mind, our third quarter results show solid momentum, with mobile end-user service revenue growing 5 percent. Mobile EBITDA is flat largely reflecting our continued investment in the Netherlands.

Within our established markets of Sweden and the Baltics, mobile trends are again positive, despite a tough comparison last year. Mobile end-user service revenues and EBITDA continue to grow, supported by higher customer intake, increased data usage, and innovative pricing. To ensure an excellent customer experience as well as to encourage more data usage in our networks, we continued to extend 4G coverage, resulting in 90 percent population coverage in the Baltic region. We also made further progress in Sweden towards our ambition to reach 90 percent LTE coverage in 2016 and are currently at 83 percent.

In the Netherlands, a shift in the mobile customer base from low-end subscribers to higher data and higher ASPU customers is driving the positive revenue development in the quarter, but as expected mobile margins are being impacted by both increasing costs to our MVNO host and costs relating to our MNO rollout. The fixed business remains challenging, and the competition within the

segment has intensified. Our Virtual Unbundled Local Access (VULA) agreement with the incumbent will stabilize this, in the medium term, as will our ability to offer an improved triple/quad play offer when we launch our 4G network. This has been our priority, and having now reached 90 percent of the Dutch population, earlier than planned, we will accelerate our launch into this year. In achieving our long term ambition in Netherlands, thereby maximizing the value of our network, there will be further investment required this year and next.

In Kazakhstan, despite an intense competitive environment, we are increasing our customer base, improving the quality and coverage of our network enabling greater customer satisfaction, increased incoming traffic and therefore continued top line momentum. This momentum is driving improved operational scale and consequently EBITDA. Data consumption is increasing, up by more than 200 percent compared to the same period last year.



However, data monetization is a challenge, so we continue to monitor the pricing dynamics in the market.

Looking forward and as a result of the earlier than planned launch in the Netherlands, our 2015 EBITDA outlook, being at the lower end of our guidance range prior to considering the impact of the Dutch launch, has changed and so our full year EBITDA guidance will be reduced by the 4th quarter investment of SEK 100–200 million. We expect this level of launch investment per quarter to continue in 2016.

Finally, the Challenger program continues to build momentum within the business and is on track to deliver SEK 1bn of annualized cost savings over three years. As a management team our focus on the creation of shareholder value has never been more determined.

Allison Kirkby,
President and CEO

Key Financial Data

SEK million	Q3			9 M		
	2015	2014	%	2015	2014	%
Net sales	6,791	6,584	+3	19,913	19,079	+4
Net sales, FX adjusted	6,791	6,682	+2	19,913	19,557	+2
Mobile end-user service revenue	3,422	3,252	+5	9,930	9,250	+7
EBITDA	1,599	1,682	-5	4,420	4,514	-2
EBITDA, FX adjusted	1,599	1,701	-6	4,420	4,586	-4
EBIT	788	1,004	-22	2,083	2,755	-24
EBIT excluding one-off items (Note 2)	908	1,004	-10	2,288	2,512	-9
Net profit	397	726	-45	1,223	2,132	-43
Earnings per share, after dilution (SEK)	0.88	1.62	-45	2.72	4.76	-43

The figures presented in this report refer to Q3 2015 and continuing operations unless otherwise stated. The figures shown in parentheses refer to the comparable periods in 2014.

Q3 2015 HIGHLIGHTS

- Solid mobile end user service revenue across the Group
- Sweden mobile EBITDA 2nd highest ever quarter with 34% margin
- Strong EBITDA development in Kazakhstan
- Netherlands EBITDA impacting overall EBITDA progress
- **Updated financial guidance**
As a result of the accelerated launch in the Netherlands, financial guidance for 2015 has changed (see page 5).

Significant events:

- Allison Kirkby appointed new President and CEO of Tele2 effective 1 September 2015, succeeding Mats Granryd who is leaving Tele2 by end of 2015.
- James Maclaurin appointed Interim Group CFO and Member of Tele2 AB's Leadership Team effective as of 1st October.

Significant events after the quarter:

- Tele2 announced internal reorganization including changes of responsibilities in the Leadership team to enable a more customer centric organization and Challenger program ambitions.

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 249,000 (166,000) in Q3 2015. The customer net intake in mobile services amounted to 333,000 (208,000). This development was mainly driven by positive customer intake in Kazakhstan, Sweden and Croatia. The fixed broadband customer base decreased by -13,000 (-8,000) in Q3 2015, primarily attributable to Tele2's operations in the Netherlands. As expected, the number of fixed telephony customers fell in Q3 2015 by -71,000 (-34,000). On September 30, 2015 the total customer base amounted to 14,590,000 (13,605,000).

Net sales in Q3 2015 amounted to SEK 6,791 (6,584) 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 5 percent. It was also positively impacted by strong equipment sales in anticipation of our MNO launch in the Netherlands as well as in Lithuania. This positive development was hampered by negative net sales development within consumer fixed telephony and fixed broadband.

EBITDA in Q3 2015 amounted to SEK 1,599 (1,682) million, equivalent to an EBITDA margin of 24 (26) 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 Q3 2015 amounted to SEK 908 (1,004) million excluding one-off items and SEK 788 (1,004) million including one-off items. EBIT was affected by one-off items totaling SEK -120 million which mainly consists of an impairment loss of goodwill related to Estonia

amounting to SEK -197 million, a positive effect of SEK 112 million concerning transactions related to the dismantling and sales of the 2G network to Net4Mobility as well as to restructuring costs of SEK -29 million related to the Challenger program (Note 2).

Profit before tax in Q3 2015 amounted to SEK 646 (958) million partly explained by the revaluation of the Kazakhstan put option due to the devaluation of the Kazakhstan currency which affected financial items with -30 MSEK (Note 4).

Net profit in Q3 2015 amounted to SEK 397 (726) million. Reported tax for Q3 2015 amounted to SEK -249 (-232) million. Tax payment affecting cash flow amounted to SEK -68 (-63) million during the quarter. Deferred tax assets amounted to SEK 2.0 billion at the end of the quarter.

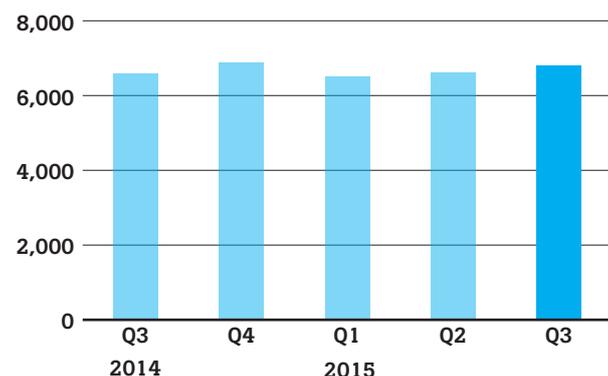
Free cash flow in Q3 2015 amounted to SEK 169 (475) million mainly affected by the increase in working capital SEK -255 (-92) million.

CAPEX in Q3 2015 amounted to SEK 932 (861) million, driven principally by increased investments in mobile networks in Sweden (SEK135 m), Kazakhstan (SEK123 m) and Croatia (SEK74 m).

Net debt amounted to SEK 10,698 (8,993) million on September 30, 2015, or 1.83 times 12-month rolling EBITDA impacted by dividend payment. Tele2's available liquidity amounted to SEK 8,598 (8,788) million. See Note 3 for further information on financial debt.

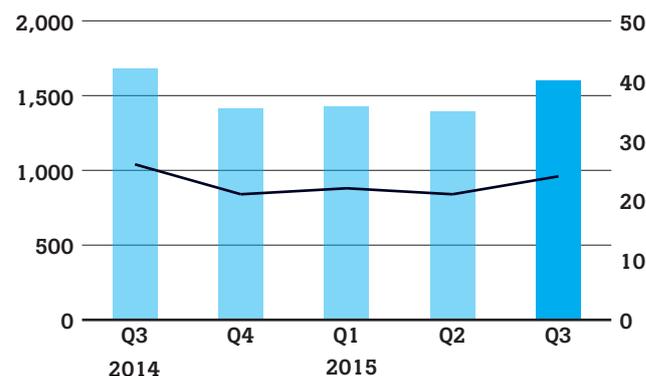
Net sales

SEK million



EBITDA/EBITDA margin

SEK million/Percent

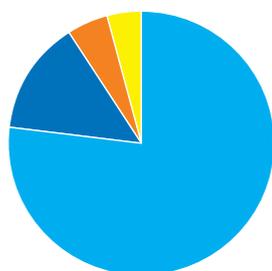


FINANCIAL SUMMARY

SEK million	Q3 2015	Q3 2014	9 M 2015	9 M 2014	FY 2014
Mobile					
Net customer intake (thousands)	333	208	1,214	548	598
Net sales	5,208	4,864	15,043	13,907	19,075
EBITDA	1,222	1,217	3,275	3,157	4,174
EBIT ¹⁾	728	774	1,787	1,867	2,405
CAPEX	722	610	2,160	1,611	2,365
Fixed broadband					
Net customer intake (thousands)	-13	-8	-46	-35	-45
Net sales	979	1,040	2,996	3,120	4,171
EBITDA	201	237	613	695	919
EBIT ¹⁾	37	59	93	163	218
CAPEX	92	127	414	366	504
Fixed telephony					
Net customer intake (thousands)	-71	-34	-144	-105	-156
Net sales	312	383	985	1,198	1,565
EBITDA	100	138	313	446	572
EBIT ¹⁾	87	120	268	385	491
CAPEX	7	11	26	30	46
Total					
Net customer intake (thousands)	249	166	1,024	408	397
Net sales	6,791	6,584	19,913	19,079	25,955
EBITDA	1,599	1,682	4,420	4,514	5,926
EBIT excluding one-off items (Note 2)	908	1,004	2,288	2,512	3,216
EBIT	788	1,004	2,083	2,755	3,490
CAPEX	932	861	3,004	2,420	3,450
EBT	646	958	1,784	2,805	3,500
Net profit	397	726	1,223	2,132	2,626
Cash flow from operating activities, continuing operations	1,115	1,482	2,698	3,344	4,661
Cash flow from operating activities	1,114	1,443	2,747	3,256	4,578
Free cash flow, continuing operations	170	621	-229	889	1,162
Free cash flow	169	475	-195	194	432

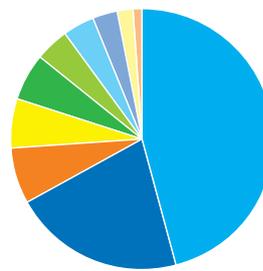
¹⁾ Excluding one-off items (Note 2)

Net sales per service area, Q3 2015



Mobile	77%	Fixed telephony	5%
Fixed broadband	14%	Other	4%

Net sales per country, Q3 2015



Sweden	46%	Austria	4%
Netherlands	21%	Latvia	4%
Kazhakstan	7%	Germany	3%
Lithuania	6%	Estonia	2%
Croatia	6%	Other	1%

Financial guidance

Following the accelerated launch in the Netherlands that will take place before yearend, Tele2 AB makes the following update to the guidance 2015 for continuing operations:

- Mobile end-user service revenue growth of mid-single digits (unchanged).
- Net revenue of between SEK 25.5 and 26.5 billion (unchanged).
- EBITDA of between SEK 5.6 and 5.8 billion. (earlier SEK 5.8–6.0 million before impact of Netherlands launch).
- CAPEX level of between SEK 3.8 and 4.0 billion (unchanged).

Tele2 expects the quarterly investments in the Netherlands to amount to around SEK 100–200 million per quarter starting in 4th quarter 2015, and throughout 2016.

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 the first quarter. The program will build over three 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 three years. All program investments are, and will be, reported as one-off items, affecting EBIT.

Dividend Policy

Tele2 has adopted a progressive ordinary dividend policy which aims to deliver 10 percent growth per annum in the coming three 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 reflect the status of its operations, future strategic opportunities and obligations. It should also be in line with both the industry and the markets in which it operates. This would imply a target net debt to EBITDA ratio of 1.5–2.0x over the medium term. In 2016, it is expected the ratio will be slightly above the upper end of this range, to support investments in the Netherlands.

Overview by country

FX-adjusted figures

Net sales less exchange rate fluctuations

SEK million	2015 Q3	2014 Q3*	Growth	2015 YTD	2014 YTD*	Growth
Sweden	3,100	3,124	-1%	9,331	9,256	1%
Netherlands	1,440	1,401	3%	4,232	4,154	2%
Kazakhstan	497	372	34%	1,371	1,106	24%
Croatia	377	402	-6%	1,013	1,057	-4%
Lithuania	412	384	7%	1,118	1,046	7%
Latvia	247	241	2%	693	696	0%
Estonia	173	169	2%	507	498	2%
Austria	302	315	-4%	899	931	-3%
Germany	205	237	-14%	638	712	-10%
Other	38	37	3%	111	101	10%
Continued operations	6,791	6,682	2%	19,913	19,557	2%
FX effects		-98	1%		-478	2%
Total	6,791	6,584	3%	19,913	19,079	4%

* Adjusted for fluctuations in exchange rates

EBITDA less exchange rate fluctuations

SEK million	2015 Q3	2014 Q3*	Growth	2015 YTD	2014 YTD*	Growth
Sweden	1,014	1,025	-1%	2,898	2,732	6%
Netherlands	122	210	-42%	410	757	-46%
Kazakhstan	50	25	100%	59	30	97%
Croatia	54	75	-28%	109	135	-19%
Lithuania	143	147	-3%	400	392	2%
Latvia	79	85	-7%	217	220	-1%
Estonia	41	42	-2%	115	122	-6%
Austria	61	63	-3%	154	175	-12%
Germany	47	36	31%	105	104	1%
Other	-12	-7	-71%	-47	-81	42%
Continued operations	1,599	1,701	-6%	4,420	4,586	-4%
FX effects		-19	1%		-72	2%
Total	1,599	1,682	-5%	4,420	4,514	-2%

* Adjusted for fluctuations in exchange rates

Sweden

Total net sales in Q3 2015 was SEK 3,100 (3,124) million, and EBITDA amounted to SEK 1,014 (1,025) million.

Customer net intake in the quarter was strong, driven by the mobile postpaid and prepaid segment. Mobile end-user service revenue growth developed positively within the consumer postpaid segment fueled by improved ASPU levels within Tele2 and net customer intake on Comviq.

Within the business segment, revenue decreased slightly, primarily due to a decline in the fixed segment. Large enterprise however showed a positive momentum in terms of customer net intake, data usage and ASPU levels compared to last year.

In the quarter, Tele2 continued to extend coverage with the target to reach above 85 percent by yearend, allowing our customers wherever they are, an excellent mobile experience. Three additional Tele2 stores were opened and sales in digital channels continued to increase. Customer satisfaction in customer service is maintained on a high level with CSAT (Customer Satisfaction) at 83 percent (world class benchmark is 85 percent).

Mobile In Q3 2015, customer net intake was high at 84,000 (28,000) customers. Net sales amounted to SEK 2,764 (2,754) million. Mobile end-user service revenue amounted to SEK 1,889 (1,865) million. EBITDA grew with 3 percent and amounted to SEK 938 (910) million. Our dual brand strategy with the aim of positioning our brands in different segments of the market combined with smart pricing, continues to prove right, leading to positive customer net intake, increasing ASPU levels on our quality brand and positive EBITDA development.

Fixed broadband Net sales and EBITDA contribution in the consumer segment remained stable in the quarter whereas the business segment declined. The EBITDA contribution amounted to SEK 28 (34) million.

Fixed telephony The EBITDA contribution in the quarter amounted to SEK 34 (51) million. Tele2 saw a continued decrease in demand for fixed telephony as a consequence of the increased demand for mobile bucket price plans.

Netherlands

Mobile Customer net intake in the quarter was 0 (23,000) customers. The expected lower intake is due to high churn within the prepaid and low-end subscriber base as the company's focus is on growing the number of high value 4G capable customers. As a result, mobile end-user service revenue grew by 13 percent to SEK 364 (321). Increasing data traffic and costs associated with the MVNO agreement as well acceleration of the mobile rollout resulted in a decline in EBITDA which amounted to SEK -83 (-45) million.

In the quarter Tele2 launched a specific new B2B 4G mobile proposition, enabling Tele2 to also target the VSE (very small enterprises) segment with the offer of converged fixed and mobile services. The first mobile wholesale customer *Bleep was transferred to Tele2 in the third quarter.

MNO launch By the end of the third quarter the new LTE-Advanced 4G-network reached close to 90 percent outdoor population coverage and a majority of the existing mobile customer with a 4G handset can now utilize the new network. The company is in the process of finalizing the plans of the launch which will take place this year.

Fixed broadband Customer net intake was -7,000 (1,000) customers. EBITDA contribution declined compared to same quarter last year, due to higher churn and an increased use of lower margin off-net broadband infrastructure and amounted to SEK 128 (163) million.

Tele2 Business continued to have success with large tenders, adding important new customers such as the Dutch branch of Swedish Handelsbanken.

Kazakhstan

Mobile In Q3 2015, Tele2 had a customer net intake of 166,000 (108,000). Mobile end-user service revenue grew by 36 percent and amounted to SEK 348 (257) million.

The EBITDA increased to SEK 50 (22) million, attributable to improved operational scale and increased incoming traffic. 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. Mobile data traffic increased by more

than 220 percent compared to the same period last year and the company will continue to focus on improved monetization of it.

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

In the quarter, the government has informed that technological neutrality allowing LTE and additional spectrum in 800MHz and 1800MHz will be issued in December 2015. Three equal spectrum lots will be sold at a fixed price.

Croatia

Mobile In Q3 2015, Tele2's customer net intake was positive and amounted to 67,000 (33,000) due to a strong tourist season. Mobile end-user service revenue increased 2 percent compared to last year and amounted to SEK 225 (220) million. EBITDA amounted to SEK 54 (72) million, corresponding to an EBITDA margin of 14 (18) percent in the quarter. The result is negatively impacted by the frequency charges implemented in 2015.

Lithuania

Mobile Customer net intake in the quarter was 16,000 (-15,000). Mobile end-user service revenue amounted to SEK 230 (231) million. Excluding the non-recurring item in Q3 previous year, mobile end-user service revenue grew with 6 percent. EBITDA amounted to SEK 143 (143) million. EBITDA margin was 35 (38) percent.

The company also introduced data roaming buckets for customers and launched its own handset service center. Furthermore, the company continued its focus on selling LTE enabled smart phones, which in the quarter accounted for more than 80 percent of total sales of smart phones.

Latvia

Mobile Customer net intake in the quarter was 11,000 (10,000). Mobile end-user service revenue grew with 5 percent compared to last year and amounted to SEK 152 (145) million, positively impacted by a number of important new customers in the B2B sector, growing mobile data usage and an increasing amount of postpaid subscribers with higher ASPU. EBITDA contribution was

SEK 79 (83) million, negatively affected by increased expansion costs due to higher net intake.

The company has continued to focus on strengthening its market position through a clear mobile data position and high customer satisfaction.

Estonia

Mobile In the quarter, net customer intake was 2,000 (2,000) customers. Mobile end-user service revenue grew 8 percent and amounted to SEK 106 (98) million, mainly driven by a strong demand for data services. Mobile EBITDA amounted to SEK 37 (35) million. In the third quarter a write down of goodwill of SEK 197 million was recognized as a result of the underlying performance of the Estonian economy and Tele2 business.

Tele2 continued the 4G rollout during the quarter. The company's customer satisfaction continued to improve in Q3 2015.

Austria

In the quarter, Tele2 focused on new intake on the fixed business segment while managing the declining residential consumer base, resulting in customer net intake of -5,000 (-8,000) customers. Net sales amounted to SEK 302 (308) million and EBITDA amounted to SEK 61 (62) million. Tele2 Austria continued to focus on retention and selective growth in the residential segment as well as preparing for the launch of the B2B MVNO offering that will take place later this year.

Germany

In the quarter, customer net intake was negative and amounted to -66,000 (3,000) customers. Net sales amounted to SEK 205 (232) million. Consistent with our group strategy, restructuring initiatives under the Challenger program in Germany have been implemented during the quarter resulting in improved EBITDA amounting to SEK 47 (35) million corresponding to an EBITDA margin of 23 (15) percent. Fixed line and broadband segment continued to deliver good profitability while customer base declined in line with market trend.

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

Tele2 AB (publ) Annual General Meeting 2016

The 2016 Annual General Meeting will be held on May 24, 2016 in Stockholm. Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to agm@tele2.com or to legal counsel Pontus Ericson, Tele2 AB (publ), P.O. Box 62, SE 164 94 Kista, Sweden, at least seven weeks before the Annual General Meeting for the proposal to be included in the notice to the meeting. Further details on how and when to register will be published in advance of the Annual General Meeting.

Nomination committee for the 2016 Annual General meeting

In accordance with the resolution of the 2015 Annual General Meeting, Mike Parton, Chairman of the Board of Directors, has

convened a Nomination Committee consisting of members appointed by the largest shareholders in Tele2 AB (publ) ("Tele2") in terms of voting interest.

The Nomination Committee comprises Mike Parton as Chairman of the Board of Directors; Lorenzo Grabau appointed by Investment AB Kinnevik; Mathias Leijon appointed by Nordea Funds; Jonas Eixmann appointed by Andra AP-fonden; and Hans Ek appointed by SEB Investment Management.

The four shareholder-appointed members of the Nomination Committee have been appointed by shareholders that jointly represent approximately 56 percent of the total votes in Tele2. The members of the Nomination Committee will appoint its Chairman at the Nomination Committee's first meeting.

Information about the work of the Nomination Committee can be found on Tele2's corporate website at www.tele2.com. Shareholders wishing to propose candidates for election to the Board of Directors of Tele2 should submit their proposal in writing to agm@tele2.com or to legal counsel Pontus Ericson, Tele2 AB (publ), P.O. Box 62, SE 164 94 Kista, Sweden.

Auditors' Review Report

This interim report has not been subject to review by the Company's auditors.

Other

Tele2 will release its financial and operating results for the period ending December 31, 2015 on January 28, 2016.

Stockholm, October 21, 2015
Tele2 AB

Allison Kirkby
President and CEO

Q3 2015 PRESENTATION

Tele2 will host a presentation with the possibility to join through a conference call, for the global financial community at 10:00 am CEST (09:00 am BST/04:00 am EDT) on Wednesday, October 21, 2015. The presentation will be held in English and also made available as a webcast on Tele2's website: 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

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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 15 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–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2014 Q3
CONTINUING OPERATIONS						
Net sales	1	19,913	19,079	25,955	6,791	6,584
Cost of services provided	2	-12,295	-10,943	-15,054	-4,288	-3,756
Gross profit		7,618	8,136	10,901	2,503	2,828
Selling expenses	2	-3,786	-3,935	-5,298	-1,226	-1,268
Administrative expenses	2	-1,982	-1,790	-2,518	-640	-594
Result from shares in joint ventures and associated companies	10	-5	-9	-14	-	-3
Other operating income	2	337	531	647	176	90
Other operating expenses	2	-99	-178	-228	-25	-49
Operating profit, EBIT		2,083	2,755	3,490	788	1,004
Interest income/costs	3	-275	-283	-378	-89	-98
Other financial items	4	-24	333	388	-53	52
Profit after financial items, EBT		1,784	2,805	3,500	646	958
Income tax	5	-561	-673	-874	-249	-232
NET PROFIT FROM CONTINUING OPERATIONS		1,223	2,132	2,626	397	726
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	10	1,718	-330	-415	-	-103
NET PROFIT		2,941	1,802	2,211	397	623
ATTRIBUTABLE TO						
Equity holders of the parent company		2,941	1,802	2,211	397	623
Earnings per share (SEK)	9	6.59	4.04	4.96	0.88	1.39
Earnings per share, after dilution (SEK)	9	6.55	4.02	4.93	0.88	1.39
FROM CONTINUING OPERATIONS						
ATTRIBUTABLE TO						
Equity holders of the parent company		1,223	2,132	2,626	397	726
Earnings per share (SEK)	9	2.74	4.78	5.89	0.88	1.62
Earnings per share, after dilution (SEK)	9	2.72	4.76	5.86	0.88	1.62

Comprehensive income

SEK million	Note	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2014 Q3
NET PROFIT		2,941	1,802	2,211	397	623
OTHER COMPREHENSIVE INCOME						
COMPONENTS NOT TO BE RECLASSIFIED TO NET PROFIT						
Pensions, actuarial gains/losses		7	-67	-82	-33	-52
Pensions, actuarial gains/losses, tax effect		-1	15	18	8	12
Components not to be reclassified to net profit		6	-52	-64	-25	-40
COMPONENTS THAT MAY BE RECLASSIFIED TO NET PROFIT						
Exchange rate differences						
Translation differences in foreign operations	2, 4	-610	588	1,137	-207	142
Tax effect on above		48	-130	-179	134	-77
Reversed cumulative translation differences from divested companies	10	18	-3	-3	-	-
<i>Translation differences</i>		<i>-544</i>	<i>455</i>	<i>955</i>	<i>-73</i>	<i>65</i>
Hedge of net investments in foreign operations		-145	-189	4	-67	-88
Tax effect on above		32	42	-1	15	20
Reversed cumulative hedge from divested companies	10	-107	-	-	-	-
<i>Hedge of net investments</i>		<i>-220</i>	<i>-147</i>	<i>3</i>	<i>-52</i>	<i>-68</i>
Exchange rate differences		-764	308	958	-125	-3
Cash flow hedges						
Gain/loss arising on changes in fair value of hedging instruments		-40	-134	-172	-19	-32
Reclassified cumulative loss to income statement		61	44	61	22	15
Tax effect on cash flow hedges		-5	19	25	-1	3
Cash flow hedges		16	-71	-86	2	-14
Components that may be reclassified to net profit		-748	237	872	-123	-17
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-742	185	808	-148	-57
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,199	1,987	3,019	249	566
ATTRIBUTABLE TO						
Equity holders of the parent company		2,199	1,987	3,019	249	566

Balance sheet

SEK million	Note	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
ASSETS				
NON-CURRENT ASSETS				
Goodwill		8,998	9,180	9,503
Other intangible assets		4,570	4,802	4,913
Intangible assets		13,568	13,982	14,416
Tangible assets		11,577	10,397	11,138
Financial assets	3	500	517	531
Deferred tax assets	5	1,976	2,128	2,062
NON-CURRENT ASSETS		27,621	27,024	28,147
CURRENT ASSETS				
Inventories		500	486	500
Current receivables		7,449	6,777	7,179
Current investments		37	40	38
Cash and cash equivalents	6	204	418	151
CURRENT ASSETS		8,190	7,721	7,868
ASSETS CLASSIFIED AS HELD FOR SALE	10	–	4,204	3,833
ASSETS		35,811	38,949	39,848
EQUITY AND LIABILITIES				
EQUITY				
Attributable to equity holders of the parent company		18,285	21,638	22,680
Non-controlling interests		–	2	2
EQUITY	9	18,285	21,640	22,682
NON-CURRENT LIABILITIES				
Interest-bearing liabilities	3	5,312	5,287	5,353
Non-interest-bearing liabilities	5	591	392	358
NON-CURRENT LIABILITIES		5,903	5,679	5,711
CURRENT LIABILITIES				
Interest-bearing liabilities	3	5,638	4,077	3,837
Non-interest-bearing liabilities		5,985	6,676	6,869
CURRENT LIABILITIES		11,623	10,753	10,706
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	10	–	877	749
EQUITY AND LIABILITIES		35,811	38,949	39,848

Cash flow statement

(Total operations)

SEK million	Note	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
OPERATING ACTIVITIES										
Operating profit from continuing operations		2,083	2,755	3,490	788	593	702	735	1,004	791
Operating profit from discontinued operations		1,702	-316	-388	-	1	1,701	-72	-98	-112
Operating profit		3,785	2,439	3,102	788	594	2,403	663	906	679
Adjustments for non-cash items in operating profit		535	2,136	2,909	778	734	-977	773	812	806
Financial items paid/received	4	-408	-283	-246	-129	-76	-203	37	-120	-122
Taxes paid		-287	-234	-327	-68	-104	-115	-93	-63	-46
Cash flow from operations before changes in working capital		3,625	4,058	5,438	1,369	1,148	1,108	1,380	1,535	1,317
Changes in working capital		-878	-802	-860	-255	-404	-219	-58	-92	-11
CASH FLOW FROM OPERATING ACTIVITIES		2,747	3,256	4,578	1,114	744	889	1,322	1,443	1,306
INVESTING ACTIVITIES										
CAPEX paid	7	-2,942	-3,062	-4,146	-945	-1,012	-985	-1,084	-968	-1,032
Free cash flow		-195	194	432	169	-268	-96	238	475	274
Acquisition and sale of shares and participations	2, 10	4,893	692	674	7	-5	4,891	-18	-18	-39
Other financial assets		1	17	-235	-	1	-	-252	-	3
Cash flow from investing activities		1,952	-2,353	-3,707	-938	-1,016	3,906	-1,354	-986	-1,068
CASH FLOW AFTER INVESTING ACTIVITIES		4,699	903	871	176	-272	4,795	-32	457	238
FINANCING ACTIVITIES										
Change of loans, net	3	2,048	108	-200	-257	4,303	-1,998	-308	-546	1,640
Dividends	9	-6,626	-1,960	-1,960	-	-6,626	-	-	-	-1,960
Other financing activities	9	-2	-	-	-	-2	-	-	-	-
Cash flow from financing activities		-4,580	-1,852	-2,160	-257	-2,325	-1,998	-308	-546	-320
NET CHANGE IN CASH AND CASH EQUIVALENTS		119	-949	-1,289	-81	-2,597	2,797	-340	-89	-82
Cash and cash equivalents at beginning of period		151	1,348	1,348	309	2,886	151	418	526	593
Exchange rate differences in cash and cash equivalents		-66	19	92	-24	20	-62	73	-19	15
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	204	418	151	204	309	2,886	151	418	526

Change in equity

SEK million	Note	Sep 30, 2015			Sep 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	
Equity, January 1		22,680	2	22,682	21,589	2	21,591	21,589	2	21,591
Net profit for the period		2,941	-	2,941	1,802	-	1,802	2,211	-	2,211
Other comprehensive income for the period, net of tax		-742	-	-742	185	-	185	808	-	808
Total comprehensive income for the period		2,199	-	2,199	1,987	-	1,987	3,019	-	3,019
OTHER CHANGES IN EQUITY										
Share-based payments	9	33	-	33	21	-	21	29	-	29
Share-based payments, tax effect	9	-1	-	-1	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	-	-	-	-	-	-
EQUITY, END OF THE PERIOD		18,285	-	18,285	21,638	2	21,640	22,680	2	22,682

Number of customers

by thousands	Note	Number of customers		Net intake								
		2015 Sep 30	2014 Sep 30	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Sweden												
Mobile		3,714	3,745	93	7	-51	84	52	-43	-58	28	-8
Fixed broadband		73	64	-12	-16	-23	-2	-5	-5	-7	-4	-6
Fixed telephony		209	243	-33	-30	-41	-12	-11	-10	-11	-9	-12
		3,996	4,052	48	-39	-115	70	36	-58	-76	15	-26
Netherlands												
Mobile		841	791	28	97	119	-	7	21	22	23	27
Fixed broadband		348	368	-21	-6	-5	-7	-5	-9	1	1	-1
Fixed telephony		59	85	-16	-22	-32	-5	-5	-6	-10	-5	-7
		1,248	1,244	-9	69	82	-12	-3	6	13	19	19
Kazakhstan												
Mobile		4,362	3,092	1,065	341	546	166	471	428	205	108	213
		4,362	3,092	1,065	341	546	166	471	428	205	108	213
Croatia												
Mobile		885	877	62	84	30	67	19	-24	-54	33	45
		885	877	62	84	30	67	19	-24	-54	33	45
Lithuania												
Mobile		1,779	1,850	-31	-1	-41	16	-	-47	-40	-15	-4
		1,779	1,850	-31	-1	-41	16	-	-47	-40	-15	-4
Latvia												
Mobile		985	1,003	10	-28	-56	11	10	-11	-28	10	1
		985	1,003	10	-28	-56	11	10	-11	-28	10	1
Estonia												
Mobile		486	494	-2	-9	-15	2	-	-4	-6	2	-6
Fixed telephony		3	3	-	-1	-1	-	-	-	-	-1	-1
		489	497	-2	-10	-16	2	-	-4	-6	1	-7
Austria												
Fixed broadband		104	110	-4	-8	-10	-2	-1	-1	-2	-4	-1
Fixed telephony		134	152	-14	-15	-19	-3	-4	-7	-4	-4	-5
		238	262	-18	-23	-29	-5	-5	-8	-6	-8	-6
Germany												
Mobile		231	233	-11	57	66	-13	4	-2	9	19	18
Fixed broadband		55	66	-9	-5	-7	-2	-2	-5	-2	-1	-1
Fixed telephony		322	429	-81	-37	-63	-51	10	-40	-26	-15	-2
		608	728	-101	15	-4	-66	12	-47	-19	3	15
TOTAL												
Mobile		13,283	12,085	1,214	548	598	333	563	318	50	208	286
Fixed broadband		580	608	-46	-35	-45	-13	-13	-20	-10	-8	-9
Fixed telephony		727	912	-144	-105	-156	-71	-10	-63	-51	-34	-27
TOTAL NUMBER OF CUSTOMERS AND NET INTAKE												
		14,590	13,605	1,024	408	397	249	540	235	-11	166	250
Divested companies	1			-	-385	-385	-	-	-	-	-	-
Changed method of calculation	1			-28	-	-	-	-28	-	-	-	-
TOTAL NUMBER OF CUSTOMERS AND NET CHANGE												
		14,590	13,605	996	23	12	249	512	235	-11	166	250

Net sales

SEK million	Note	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Sweden										
Mobile	1	8,275	8,107	11,113	2,764	2,744	2,767	3,006	2,755	2,726
Fixed broadband		536	541	728	172	176	188	187	176	185
Fixed telephony		416	507	660	131	139	146	153	158	168
Other operations		105	105	140	33	42	30	35	36	34
		9,332	9,260	12,641	3,100	3,101	3,131	3,381	3,125	3,113
Netherlands										
Mobile		1,788	1,390	1,957	643	592	553	567	497	458
Fixed broadband		1,769	1,870	2,496	576	578	615	626	627	617
Fixed telephony		258	324	421	82	84	92	97	104	103
Other operations		418	424	567	139	137	142	143	141	141
		4,233	4,008	5,441	1,440	1,391	1,402	1,433	1,369	1,319
Kazakhstan										
Mobile		1,371	952	1,334	497	475	399	382	349	309
		1,371	952	1,334	497	475	399	382	349	309
Croatia										
Mobile		1,013	1,018	1,390	377	333	303	372	390	329
		1,013	1,018	1,390	377	333	303	372	390	329
Lithuania										
Mobile	1	1,134	1,017	1,375	417	381	336	358	379	332
		1,134	1,017	1,375	417	381	336	358	379	332
Latvia										
Mobile		700	678	916	250	232	218	238	237	226
		700	678	916	250	232	218	238	237	226
Estonia										
Mobile		453	440	582	159	152	142	142	152	148
Fixed telephony		5	5	7	2	2	1	2	1	2
Other operations		51	35	45	12	11	28	10	12	11
		509	480	634	173	165	171	154	165	161
Austria										
Fixed broadband		583	584	783	196	192	195	199	196	195
Fixed telephony		111	124	165	36	36	39	41	41	41
Other operations		205	190	261	70	69	66	71	71	63
		899	898	1,209	302	297	300	311	308	299
Germany										
Mobile		335	324	440	109	112	114	116	112	108
Fixed broadband		108	125	164	35	34	39	39	41	41
Fixed telephony		195	238	312	61	63	71	74	79	77
		638	687	916	205	209	224	229	232	226
Other										
Other operations		116	102	135	40	40	36	33	36	38
		116	102	135	40	40	36	33	36	38
TOTAL										
Mobile		15,069	13,926	19,107	5,216	5,021	4,832	5,181	4,871	4,636
Fixed broadband		2,996	3,120	4,171	979	980	1,037	1,051	1,040	1,038
Fixed telephony		985	1,198	1,565	312	324	349	367	383	391
Other operations		895	856	1,148	294	299	302	292	296	287
		19,945	19,100	25,991	6,801	6,624	6,520	6,891	6,590	6,352
Internal sales, elimination										
Sweden, mobile		-1	-4	-12	-	-	-1	-8	-1	-2
Lithuania, mobile		-16	-8	-11	-5	-8	-3	-3	-4	-2
Latvia, mobile		-7	-7	-9	-3	-2	-2	-2	-2	-3
Estonia, mobile		-2	-	-	-	-1	-1	-	-	-
Netherlands, other operations		-1	-1	-2	-	-1	-	-1	-	-1
Other, other operations		-5	-1	-2	-2	-1	-2	-1	1	-1
TOTAL		19,913	19,079	25,955	6,791	6,611	6,511	6,876	6,584	6,343

Mobile external net sales split

SEK million	Note	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Sweden, mobile										
End-user service revenue		5,527	5,396	7,252	1,889	1,829	1,809	1,856	1,865	1,815
Operator revenue		711	730	955	246	254	211	225	222	224
Service revenue		6,238	6,126	8,207	2,135	2,083	2,020	2,081	2,087	2,039
Equipment revenue	1	1,566	1,499	2,258	482	500	584	759	505	527
Other revenue		470	478	636	147	161	162	158	162	158
		8,274	8,103	11,101	2,764	2,744	2,766	2,998	2,754	2,724
Netherlands, mobile										
End-user service revenue		1,001	902	1,203	364	332	305	301	321	308
Operator revenue		127	111	149	44	43	40	38	38	39
Service revenue		1,128	1,013	1,352	408	375	345	339	359	347
Equipment revenue		660	377	605	235	217	208	228	138	111
		1,788	1,390	1,957	643	592	553	567	497	458
Kazakhstan, mobile										
End-user service revenue		1,034	698	978	348	371	315	280	257	225
Operator revenue		324	240	338	145	99	80	98	88	80
Service revenue		1,358	938	1,316	493	470	395	378	345	305
Equipment revenue		13	14	18	4	5	4	4	4	4
		1,371	952	1,334	497	475	399	382	349	309
Croatia, mobile										
End-user service revenue		632	598	803	225	210	197	205	220	196
Operator revenue		172	208	274	74	55	43	66	88	66
Service revenue		804	806	1,077	299	265	240	271	308	262
Equipment revenue		209	212	313	78	68	63	101	82	67
		1,013	1,018	1,390	377	333	303	372	390	329
Lithuania, mobile										
End-user service revenue	1	662	640	847	230	222	210	207	231	213
Operator revenue		148	133	183	51	51	46	50	49	44
Service revenue		810	773	1,030	281	273	256	257	280	257
Equipment revenue		308	236	334	131	100	77	98	95	73
		1,118	1,009	1,364	412	373	333	355	375	330
Latvia, mobile										
End-user service revenue		434	407	551	152	145	137	144	145	134
Operator revenue		138	157	203	46	46	46	46	46	55
Service revenue		572	564	754	198	191	183	190	191	189
Equipment revenue		121	107	153	49	39	33	46	44	34
		693	671	907	247	230	216	236	235	223
Estonia, mobile										
End-user service revenue		306	286	382	106	103	97	96	98	97
Operator revenue		53	51	64	18	18	17	13	19	17
Service revenue		359	337	446	124	121	114	109	117	114
Equipment revenue		92	103	136	35	30	27	33	35	34
		451	440	582	159	151	141	142	152	148
Germany, mobile										
End-user service revenue		334	323	439	108	112	114	116	115	106
Equipment revenue		1	1	1	1	–	–	–	–3	2
		335	324	440	109	112	114	116	112	108
TOTAL, MOBILE										
End-user service revenue		9,930	9,250	12,455	3,422	3,324	3,184	3,205	3,252	3,094
Operator revenue		1,673	1,630	2,166	624	566	483	536	550	525
Service revenue		11,603	10,880	14,621	4,046	3,890	3,667	3,741	3,802	3,619
Equipment revenue		2,970	2,549	3,818	1,015	959	996	1,269	900	852
Other revenue		470	478	636	147	161	162	158	162	158
TOTAL, MOBILE		15,043	13,907	19,075	5,208	5,010	4,825	5,168	4,864	4,629

EBITDA

SEK million	Note	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Sweden										
Mobile		2,674	2,432	3,224	938	843	893	792	910	777
Fixed broadband		79	69	85	28	18	33	16	34	25
Fixed telephony		110	151	195	34	35	41	44	51	57
Other operations		35	80	108	14	12	9	28	30	23
		2,898	2,732	3,612	1,014	908	976	880	1,025	882
Netherlands										
Mobile		-260	-104	-182	-83	-71	-106	-78	-45	-23
Fixed broadband		429	524	693	128	140	161	169	163	169
Fixed telephony	2	43	122	142	12	13	18	20	29	63
Other operations		198	188	250	65	65	68	62	59	58
		410	730	903	122	147	141	173	206	267
Kazakhstan										
Mobile		59	26	43	50	9	-	17	22	3
		59	26	43	50	9	-	17	22	3
Croatia										
Mobile		109	130	169	54	34	21	39	72	33
		109	130	169	54	34	21	39	72	33
Lithuania										
Mobile	1	400	378	506	143	132	125	128	143	127
		400	378	506	143	132	125	128	143	127
Latvia										
Mobile		217	212	294	79	70	68	82	83	67
		217	212	294	79	70	68	82	83	67
Estonia										
Mobile	2	96	100	149	37	30	29	49	35	32
Fixed telephony		3	3	4	1	1	1	1	2	-
Other operations		16	15	20	3	5	8	5	4	6
		115	118	173	41	36	38	55	41	38
Austria										
Mobile		-16	-	-2	-6	-7	-3	-2	-	-
Fixed broadband		90	86	119	40	24	26	33	34	28
Fixed telephony		63	69	95	21	20	22	26	24	24
Other operations		17	14	19	6	6	5	5	4	6
		154	169	231	61	43	50	62	62	58
Germany										
Mobile		-4	-17	-27	10	-9	-5	-10	-3	-7
Fixed broadband		15	16	22	5	5	5	6	6	3
Fixed telephony		94	101	136	32	30	32	35	32	35
		105	100	131	47	26	32	31	35	31
Other										
Other operations		-47	-81	-136	-12	-12	-23	-55	-7	-36
		-47	-81	-136	-12	-12	-23	-55	-7	-36
TOTAL										
Mobile		3,275	3,157	4,174	1,222	1,031	1,022	1,017	1,217	1,009
Fixed broadband		613	695	919	201	187	225	224	237	225
Fixed telephony		313	446	572	100	99	114	126	138	179
Other operations		219	216	261	76	76	67	45	90	57
TOTAL		4,420	4,514	5,926	1,599	1,393	1,428	1,412	1,682	1,470

EBIT

SEK million	Note	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Sweden										
Mobile		1,955	1,624	2,139	711	597	647	515	629	513
Fixed broadband		20	-5	-13	16	-7	11	-8	10	-1
Fixed telephony		97	138	178	31	31	35	40	47	51
Other operations		20	49	67	12	4	4	18	20	12
		2,092	1,806	2,371	770	625	697	565	706	575
Netherlands										
Mobile		-446	-135	-244	-154	-137	-155	-109	-53	-37
Fixed broadband		43	132	178	1	12	30	46	32	34
Fixed telephony	2	27	110	126	7	7	13	16	24	60
Other operations		147	132	177	47	48	52	45	39	40
		-229	239	237	-99	-70	-60	-2	42	97
Kazakhstan										
Mobile		-166	-125	-178	-16	-61	-89	-53	-29	-46
		-166	-125	-178	-16	-61	-89	-53	-29	-46
Croatia										
Mobile		-7	71	87	10	-10	-7	16	51	14
		-7	71	87	10	-10	-7	16	51	14
Lithuania										
Mobile	1	335	318	430	119	110	106	112	120	108
		335	318	430	119	110	106	112	120	108
Latvia										
Mobile		130	133	187	50	37	43	54	51	45
		130	133	187	50	37	43	54	51	45
Estonia										
Mobile	2	22	23	47	13	8	1	24	13	4
Fixed telephony		3	2	3	1	1	1	1	1	1
Other operations		4	5	5	-1	1	4	-	1	2
		29	30	55	13	10	6	25	15	7
Austria										
Mobile		-17	-	-2	-7	-7	-3	-2	-	-
Fixed broadband		18	26	37	16	-2	4	11	13	8
Fixed telephony		50	45	61	17	17	16	16	16	17
Other operations		5	-2	-2	2	1	2	-	-1	-1
		56	69	94	28	9	19	25	28	24
Germany										
Mobile		-19	-42	-61	2	-11	-10	-19	-8	-21
Fixed broadband		12	10	16	4	4	4	6	4	1
Fixed telephony		91	90	123	31	28	32	33	32	25
		84	58	78	37	21	26	20	28	5
Other										
Other operations		-36	-87	-145	-4	-7	-25	-58	-8	-39
		-36	-87	-145	-4	-7	-25	-58	-8	-39
TOTAL										
Mobile		1,787	1,867	2,405	728	526	533	538	774	580
Fixed broadband		93	163	218	37	7	49	55	59	42
Fixed telephony		268	385	491	87	84	97	106	120	154
Other operations		140	97	102	56	47	37	5	51	14
		2,288	2,512	3,216	908	664	716	704	1,004	790
One-off items	2	-205	243	274	-120	-71	-14	31	-	1
TOTAL		2,083	2,755	3,490	788	593	702	735	1,004	791

CAPEX

SEK million	Note	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Sweden										
Mobile		479	333	553	135	215	129	220	115	133
Fixed broadband		45	38	46	16	20	9	8	12	13
Fixed telephony		9	6	8	4	3	2	2	1	3
Other operations		10	12	15	4	4	2	3	6	3
		543	389	622	159	242	142	233	134	152
Netherlands										
Mobile		878	729	1,042	315	327	236	313	320	272
Fixed broadband		331	308	426	68	124	139	118	107	90
Fixed telephony		11	8	15	3	4	4	7	4	2
Other operations		56	31	44	12	22	22	13	14	8
		1,276	1,076	1,527	398	477	401	451	445	372
Kazakhstan										
Mobile		378	241	319	123	136	119	78	90	85
		378	241	319	123	136	119	78	90	85
Croatia										
Mobile		179	46	116	74	81	24	70	13	24
		179	46	116	74	81	24	70	13	24
Lithuania										
Mobile		92	80	107	28	26	38	27	34	26
		92	80	107	28	26	38	27	34	26
Latvia										
Mobile		62	48	82	20	19	23	34	10	27
		62	48	82	20	19	23	34	10	27
Estonia										
Mobile	7	59	122	133	18	15	26	11	26	15
Other operations		6	5	5	1	3	2	–	1	4
		65	127	138	19	18	28	11	27	19
Austria										
Mobile		31	–	–	9	11	11	–	–	–
Fixed broadband		37	18	30	8	12	17	12	6	5
Fixed telephony		6	16	23	–	–	6	7	6	4
Other operations		6	5	9	1	–	5	4	1	2
		80	39	62	18	23	39	23	13	11
Germany										
Mobile		2	12	13	–	–	2	1	2	4
Fixed broadband		1	2	2	–	–	1	–	2	–
		3	14	15	–	–	3	1	4	4
Other										
Other operations		326	360	462	93	112	121	102	91	130
		326	360	462	93	112	121	102	91	130
TOTAL										
Mobile		2,160	1,611	2,365	722	830	608	754	610	586
Fixed broadband		414	366	504	92	156	166	138	127	108
Fixed telephony		26	30	46	7	7	12	16	11	9
Other operations		404	413	535	111	141	152	122	113	147
TOTAL	7	3,004	2,420	3,450	932	1,134	938	1,030	861	850

Five-year summary

SEK million	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014	2013	2012	2011
CONTINUING OPERATIONS						
Net sales	19,913	19,079	25,955	25,757	25,993	26,219
Numbers of customers (by thousands)	14,590	13,605	13,594	13,582	14,229	12,392
EBITDA	4,420	4,514	5,926	5,891	6,040	6,755
EBIT	2,083	2,755	3,490	2,548	2,190	3,613
EBT	1,784	2,805	3,500	1,997	1,668	3,074
Net profit	1,223	2,132	2,626	968	1,158	2,169
Key ratios						
EBITDA margin, %	22.2	23.7	22.8	22.9	23.2	25.8
EBIT margin, %	10.5	14.4	13.4	9.9	8.4	13.8
Value per share (SEK)						
Net profit	2.74	4.78	5.89	2.17	2.61	4.88
Net profit after dilution	2.72	4.76	5.86	2.15	2.59	4.85
TOTAL						
Equity	18,285	21,640	22,682	21,591	20,429	21,452
Total assets	35,811	38,949	39,848	39,855	49,189	46,864
Cash flow from operating activities	2,747	3,256	4,578	5,813	8,679	9,690
Cash flow after CAPEX	-195	194	432	572	4,070	4,118
Available liquidity	8,598	8,788	8,224	9,306	12,933	9,986
Net debt	10,698	8,993	9,061	8,007	15,745	13,518
Investments in intangible and tangible assets, CAPEX	3,017	2,925	3,976	5,534	5,294	6,095
Investments/divestments in shares and other financial assets	-4,894	-709	-439	-17,235	215	1,563
Key ratios						
Equity/assets ratio, %	51	56	57	54	42	46
Debt/equity ratio, multiple	0.59	0.42	0.40	0.37	0.77	0.63
Return on equity, %	16.3	11.1	10.0	69.5	15.6	18.9
ROCE, return on capital employed, %	15.0	10.7	10.1	48.0	15.4	20.5
Average interest rate, %	4.6	5.1	5.0	5.2	6.7	6.2
Value per share (SEK)						
Net profit	6.59	4.04	4.96	32.77	7.34	10.69
Net profit after dilution	6.55	4.02	4.93	32.55	7.30	10.63
Equity	41.00	48.56	50.90	48.49	45.95	48.33
Cash flow from operating activities	6.16	7.31	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	81.45	87.15	94.95	72.85	117.10	133.90

Parent company

Income statement

SEK million	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year
Net sales	40	42	55
Administrative expenses	-81	-92	-122
Operating loss, EBIT	-41	-50	-67
Dividend from group company	-	967	967
Exchange rate difference on financial items	49	-105	-35
Net interest expenses and other financial items	-203	-195	-268
Profit/loss after financial items, EBT	-195	617	597
Appropriations, group contribution	-	-	372
Tax on profit/loss	48	77	-
NET PROFIT/LOSS	-147	694	969

Balance sheet

SEK million	Note	Sep 30, 2015	Dec 31, 2014
ASSETS			
NON-CURRENT ASSETS			
Tangible assets		2	2
Financial assets		13,611	13,617
NON-CURRENT ASSETS		13,613	13,619
CURRENT ASSETS			
Current receivables		6,232	10,407
Cash and cash equivalents		3	3
CURRENT ASSETS		6,235	10,410
ASSETS		19,848	24,029
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	9	5,546	5,546
Unrestricted equity	9	5,353	12,077
EQUITY		10,899	17,623
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	3	4,252	4,305
NON-CURRENT LIABILITIES		4,252	4,305
CURRENT LIABILITIES			
Interest-bearing liabilities	3	4,641	2,018
Non-interest-bearing liabilities		56	83
CURRENT LIABILITIES		4,697	2,101
EQUITY AND LIABILITIES		19,848	24,029

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–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2014 Q3
Sweden	118	265	445	4	110

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

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.

Bridge from EBITDA to EBIT

SEK million	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2014 Q3
EBITDA	4,420	4,514	5,926	1,599	1,682
Impairment of goodwill	–197	–	–	–197	–
Sale of operations	–	261	261	–	–
Challenger program	–114	–	–10	–29	–
Other one-off items	106	–18	23	106	–
Total one-off items	–205	243	274	–120	–
Depreciation/amortization and other impairment	–2,127	–1,993	–2,696	–691	–675
Result from shares in joint ventures and associated companies	–5	–9	–14	–	–3
EBIT	2,083	2,755	3,490	788	1,004

One-off items in segment reporting

Impairment of goodwill

In Q3 2015, an impairment loss on goodwill of SEK 197 million was recognized referring to the cash generating unit Estonia. The impairment loss was based on the estimated value in use. Since the operation has not recovered as fast as previously expected, Tele2 assesses that the estimated future profit levels do not support the previous book value.

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 Q3 2015 to SEK –29 million and refer mainly to contract termination costs and external consultancy project costs.

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

SEK million	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2014 Q3
Cost of service provided	–18	–	–1	–10	–
Selling expenses	–17	–	–	–2	–
Administrative expenses	–79	–	–9	–17	–
Total Challenger program costs	–114	–	–10	–29	–

Other one-off items

In Q3 2015, other operating revenues in Sweden was positively affected by SEK 112 million, concerning transactions related to sales of 2G sites to Net4Mobility, an infrastructure joint operation between Tele2 Sweden and Telenor Sweden, and the result of dismantling 2G sites. The mission for Net4Mobility is to build and operate a combined 2G and 4G network. From its establishment Tele2 and Telenor have transferred sites to the joint operation. These site transfers have now been completed resulting in a positive impact on Tele2's financial statement. Tele2 and Telenor are technically MVNO's with Net4Mobility and hence act as capacity purchasers.

In Q3 2015 and Q1 2014, other operating expenses was negatively affected by SEK –6 and –18 million respectively, related to the devaluations in Kazakhstan. The total foreign exchange rate effect of assets and liabilities in Kazakhstan was reported in other comprehensive income and amounted to SEK –416 and –117 million respectively. Please refer to Note 4 regarding effects on change in fair value of put option Kazakhstan.

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.

NOTE 3 FINANCIAL ASSETS AND LIABILITIES

Financing

SEK million	Interest-bearing liabilities			
	Sep 30, 2015		Dec 31, 2014	
	Current	Non-current	Current	Non-current
Bonds NOK, Sweden	–	991 ¹⁾	315	1,049
Bonds SEK, Sweden	500	2,547	1,250	2,547
Commercial papers, Sweden	3,924	–	215	–
Financial institutions	168	672	715	667
Total	4,592	4,210	2,495	4,263
Put option, Kazakhstan (Note 4)	642	–	887	–
Other liabilities	404	1,102	455	1,090
Total interest-bearing liabilities	5,638	5,312	3,837	5,353
		10,950		9,190

¹⁾ 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 nine 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 642 (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 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 September 30, 2015 amounted on the asset side to SEK 11 (47) million and on the liabilities side to SEK 253 (294) million of which SEK - (28) million can be netted against the asset side.

SEK million	Sep 30 2015					Total reported value	Fair value
	Assets and liabilities at fair value through profit/loss	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost			
Other financial assets	9	428	-	-	-	437	437
Accounts receivables	-	2,341	-	-	-	2,341	2,341
Other current receivables	-	588	11	-	-	599	599
Current investments	-	37	-	-	-	37	37
Cash and cash equivalents	-	204	-	-	-	204	204
Total financial assets	9	3,598	11	-	-	3,618	3,618
Liabilities to financial institutions and similar liabilities	-	-	-	8,802	-	8,802	9,070
Other interest-bearing liabilities	642	-	253	360	-	1,255	1,215
Accounts payable	-	-	-	2,339	-	2,339	2,339
Other current liabilities	-	-	-	416	-	416	416
Total financial liabilities	642	-	253	11,917	-	12,812	13,040

SEK million	Dec 31, 2014					Total reported value	Fair value
	Assets and liabilities at fair value through profit/loss	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost			
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
Total financial assets	9	3,846	47	-	-	3,902	3,902
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
Total financial liabilities	887	-	294	10,766	-	11,947	12,202

NOTE 4 OTHER FINANCIAL ITEMS

In Q3 and Q1 2015, the cash flow was negatively affected by SEK 76 and 130 million respectively 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– Sep 30	2014 Jan 1– Sep 30	2014 Full year	2015 Q3	2014 Q3
Exchange rate differences	-17	-29	-27	-20	-6
Change in fair value, put option Kazakhstan	-	359	427	-30	64
EUR net investment hedge, interest component	-1	8	9	-1	2
NOK net investment hedge, interest component	-1	-1	-11	-	-6
Other financial expenses	-5	-4	-10	-2	-2
Total other financial items	-24	333	388	-53	52

In Q3 2015, the fair value of the put option of the business in Kazakhstan decreased by SEK 245 million affecting financial items in the income statement negatively by SEK 30 million and other comprehensive income positively by SEK 275 million mainly due to the devaluation of the Kazakhstan currency during the quarter.

In Q2 2014, the fair value of the put option of the business in Kazakhstan decreased by SEK 293 million affecting financial items in the income statement positively by SEK 363 million and other comprehensive income negatively by SEK 70 million mainly due to the devaluation in Q1 2014 of the Kazakhstan currency as well as increased financing provided by Tele2.

NOTE 5 TAXES

During the first nine 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– Sep 30	2014 Jan 1– Sep 30	2014 Full year		
Profit before tax	1,784	2,805	3,500		
Income tax	-561	-673	-874	31.4%	25.0%
Tax effect of:					
Sale of operations	-	-95	-96	3.4%	2.7%
Expired tax loss carry-forwards	-	36	36	-1.3%	-1.0%
Result from JV and associated companies	-1	2	3	-0.1%	-0.1%
Not valued tax loss-carry forwards	120	-11	148	-6.7%	-4.2%
Non-deductible expenses	91	114	23	-5.1%	-0.6%
Adjustment due to changed tax rate	-	-	-5	-	0.1%
Adjustment of taxes from previous years	-27	-3	-33	1.5%	0.9%
Adjusted tax expense and effective tax rate	-378	-630	-798	21.2%	22.8%

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 Sep 30	2015 Jun 31	2015 Mar 31	2014 Dec 31	2014 Sep 30	2014 Jun 31
Cash and cash equivalents in joint operations	1	11	33	4	133	58

In 2015, additional sites were transferred from Tele2 and Telenor to their joint operation Net4Mobility. These site transfers have now been completed resulting in a gain of SEK 57 million recognized in Q3 2015 (please refer to Note 2). The transfers did not have any other 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		2014		2015 Q3	2014 Q3
	Jan 1- Sep 30	Jan 1- Sep 30	Jan 1- Sep 30	Full year		
CAPEX, continued operations	-3,004	-2,420	-3,450	-932	-861	
CAPEX, discontinued operations	-13	-505	-526	-	-90	
CAPEX, total operation	-3,017	-2,925	-3,976	-932	-951	
This year's unpaid CAPEX and paid CAPEX from previous year	59	-164	-226	-22	-21	
Received payment of sold non-current assets	16	27	56	9	4	
Paid CAPEX	-2,942	-3,062	-4,146	-945	-968	

NOTE 8 CONTINGENT LIABILITIES

SEK million	Sep 30, 2015	Dec 31, 2014
Asset dismantling obligation	140	137
KPN dispute, Netherlands	218	83
Tax dispute, Russia	170	90
Total contingent liabilities	528	310

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. On July 21, 2015 the Supreme Administrative Court (CBb) ruled that ACM had no powers to impose any deduction on the WPC IIA price caps from 2009 till now. This resulted in an additional claim from KPN of EUR 14.5 million for the first 3 years (2009–2011), which were previously deducted by ACM in their ruling. This has resulted in a total claim from KPN for the time period 2009–2014 amounting to EUR 23.2 million (SEK 218 million) which is subject to pending appeals and court cases which are expected to go on for several years. Our assessment is that it is unlikely that Tele2 will have to pay these fees and consequently no provision has been made.

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 September 30, 2015 Tele2 has won tax disputes of SEK 207 million, of which the Russian tax authorities has appealed SEK 170 million. In addition, Tele2 has lost tax disputes of SEK -10 million, of which Tele2 has appealed SEK -7 million. In Q1 2015, Tele2 made an additional provision for one tax dispute of SEK 6 million. On September 30, 2015 total provisions for Russian tax disputes amounted to SEK 10 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

	Sep 30, 2015	Dec 31, 2014
Number of shares		
Outstanding	446,188,367	445,722,973
In own custody	2,594,972	3,060,366
Weighted average	445,981,199	445,594,010
After dilution	449,261,484	448,799,576
Weighted average, after dilution	448,825,111	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)

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

For additional information related to the LTI programs 2011–2015 please refer to Note 34 of the Annual Report 2014 and the interim report for Q2 2015.

LTI 2015

Number of share rights	2015 Jan 1–Sep 30	Cumulative from start
Allocated June 8, 2015	1,241,935	1,241,935
Forfeited	-85,200	-85,200
Total outstanding share rights	1,156,735	1,156,735

The Plan comprised a total number of 271,607 shares. In total this resulted in an allotment of 1,241,935 share rights, of which 271,607 Series A, 485,164 Series B and 485,164 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	
			per Series				
			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	282,845
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
Total	197						1,241,935

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 its mandate.

LTI 2014

	2015 Jan 1–Sep 30	Cumulative from start
Number of share rights		
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	–167,520	–230,620
Performance conditions not reached, Norway	–43,665	–43,665
Exercised, cash settled, Norway	–1,732	–1,732
Total outstanding share rights	1,013,539	1,013,539
<i>of which will be settled in cash</i>	<i>10,810</i>	<i>10,810</i>

LTI 2013

	2015 Jan 1–Sep 30	Cumulative from start
Number of share rights		
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	–169,346	–384,370
Performance conditions not reached, Norway	–41,260	–41,260
Exercised, cash settled, Norway	–14,789	–14,789
Total outstanding share rights	902,843	902,843
<i>of which will be settled in cash</i>	<i>10,380</i>	<i>10,380</i>

LTI 2012

	2015 Jan 1–Sep 30	Cumulative from start
Number of share rights		
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
Total outstanding share rights	–	–

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) ¹⁾	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%

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

LTI 2011

	2015 Jan 1–Sep 30	Cumulative from start
Number of share rights		
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
Total outstanding share rights	–	–

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 Jan 1–Sep 30	2015 Q3
Acquisitions		
Capital contribution to joint ventures	–3	–
Total acquisition of shares and participations	–3	–
Divestments		
Norway	4,900	3
Residential cable and fiber operations, Sweden	–4	–
Transaction costs, Russia	–5	–1
Proceeds from liquidation, Adworx Austria	5	5
Total sale of shares and participations	4,896	7
TOTAL CASH FLOW EFFECT	4,893	7

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.

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
Cash and cash equivalents	207
Non-current provisions	-108
Current provisions	-10
Current non-interest-bearing liabilities	-810
Divested net assets	3,418
Capital gain	1,651
Sales price, net sales costs	5,069
Sales costs etc, non-cash	38
Less: cash in divested operations	-207
TOTAL CASH FLOW EFFECT	4,900

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

Income statement

SEK million	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Net sales	306	3,039	4,009	-5	2	309	970	1,059	1,024
Cost of services provided	-245	-2,384	-3,115	4	-2	-247	-731	-833	-797
Gross profit	61	655	894	-1	-	62	239	226	227
Selling expenses	-63	-730	-932	1	-	-64	-202	-244	-254
Administrative expenses	-32	-242	-332	-	-	-32	-90	-81	-84
Result from shares in joint ventures	-	-	-1	-	-	-	-1	-	-1
Sale of operations, profit	1,735	-	-17	-	1	1,734	-17	-	-
Other operating income	1	2	3	-	-	1	1	1	-
Other operating expenses	-	-1	-3	-	-	-	-2	-	-
EBIT	1,702	-316	-388	-	1	1,701	-72	-98	-112
Interest income/costs	1	3	4	-	-	1	1	1	1
EBT	1,703	-313	-384	-	1	1,702	-71	-97	-111
Income tax	15	-17	-31	-	-	15	-14	-6	-6
<i>of which from the operation</i>	-3	-17	-31	-	-	-3	-14	-6	-6
<i>of which from the capital gain</i>	18	-	-	-	-	18	-	-	-
NET PROFIT/LOSS	1,718	-330	-415	-	1	1,717	-85	-103	-117
Earnings per share (SEK)	3.85	-0.74	-0.93	-	-	3.85	-0.19	-0.23	-0.26
Earnings per share, after dilution (SEK)	3.83	-0.74	-0.93	-	-	3.83	-0.19	-0.23	-0.26

Cash flow statement

SEK million	2015 Jan 1–Sep 30	2014 Jan 1–Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
OPERATING ACTIVITIES									
Operating profit/loss	1,702	-316	-388	-	1	1,701	-72	-98	-112
Adjustments for non-cash items in operating profit	-1,713	367	444	-	-1	-1,712	77	123	119
Financial items paid	-	6	7	-	-	-	1	3	2
Cash flow from operations before changes in working capital	-11	57	63	-	-	-11	6	28	9
Changes in working capital	60	-145	-146	-1	-	61	-1	-67	142
CASH FLOW FROM OPERATING ACTIVITIES	49	-88	-83	-1	-	50	5	-39	151
INVESTING ACTIVITIES									
CAPEX paid	-15	-607	-647	-	-	-15	-40	-107	-186
Free cash flow	34	-695	-730	-1	-	35	-35	-146	-35
Sale of shares	4,895	-31	-32	2	-3	4,896	-1	-6	-21
Changes of non-current receivables	-	13	13	-	-	-	-	-	2
Cash flow from investing activities	4,880	-625	-666	2	-3	4,881	-41	-113	-205
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,929	-713	-749	1	-3	4,931	-36	-152	-54

Additional information

Thousands	Numbers of customers				Net intake				
	2015 Sep 30	2014 Sep 30	2014 Dec 31	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Mobile	-	1,158	1,125	-	-	-19	-33	-3	28
Fixed telephony	-	54	51	-	-	-1	-3	-3	-3
Numbers of customers and net intake	-	1,212	1,176	-	-	-20	-36	-6	25
Divested companies	-	-	-	-	-	-1,156	-	-	-
Numbers of customers and net change	-	1,212	1,176	-	-	-1,176	-36	-6	25

SEK million	Net sales				Net sales				
	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Mobile	294	2,903	3,832	-4	2	296	929	1,015	980
Fixed telephony	14	152	198	-1	-	15	46	50	51
Other operations	-	-	-	-	-	-	-	-	-1
	308	3,055	4,030	-5	2	311	975	1,065	1,030
Internal sales, elimination	-2	-16	-21	-	-	-2	-5	-6	-6
Net sales	306	3,039	4,009	-5	2	309	970	1,059	1,024

SEK million	EBITDA				EBITDA				
	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Mobile	-12	33	36	-	-	-12	3	20	3
Fixed telephony	2	30	40	-	-	2	10	10	10
Other operations	-1	-12	-20	-	-	-1	-8	-5	-6
EBITDA	-11	51	56	-	-	-11	5	25	7

SEK million	EBIT				EBIT				
	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Mobile	-34	-341	-402	-	-	-34	-61	-106	-119
Fixed telephony	1	25	32	-	-	1	7	8	8
Other operations	-	-	-1	-	-	-	-1	-	-1
	-33	-316	-371	-	-	-33	-55	-98	-112
Sale of operations	1,735	-	-17	-	1	1,734	-17	-	-
EBIT	1,702	-316	-388	-	1	1,701	-72	-98	-112

SEK million	Specification of items between EBITDA and EBIT				Specification of items between EBITDA and EBIT				
	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
EBITDA	-11	51	56	-	-	-11	5	25	7
Sale of operations	1,735	-	-17	-	1	1,734	-17	-	-
Depreciation/amortization and other impairment	-22	-367	-426	-	-	-22	-59	-123	-118
Result from shares in joint ventures	-	-	-1	-	-	-	-1	-	-1
EBIT	1,702	-316	-388	-	1	1,701	-72	-98	-112

SEK million	CAPEX				CAPEX				
	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Mobile	13	492	513	-	-	13	21	87	156
Fixed telephony	-	13	13	-	-	-	-	3	5
CAPEX	13	505	526	-	-	13	21	90	161

SEK million	Additional cash flow information				Additional cash flow information				
	2015 Jan 1-Sep 30	2014 Jan 1-Sep 30	2014 Full year	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
CAPEX	-13	-505	-526	-	-	-13	-21	-90	-161
This year unpaid CAPEX and paid CAPEX from previous year	-2	-102	-121	-	-	-2	-19	-17	-25
Paid CAPEX	-15	-607	-647	-	-	-15	-40	-107	-186

TELE2