Delivering on our long term strategy

- Group mobile end-user service revenue up 6%
- Sweden mobile end-user service revenue growth of 2%
- Netherlands mobile end-user service revenue up 15%

- Swedish 4G geographic coverage reaches 88%
- Baltics 4G population coverage now at 99%
- Netherlands data on-loading on own network at 77%

- Strong EBITDA contribution from Sweden, Baltics and Kazakhstan
- Kazakhstan JV synergy plan progressing well
- Challenger program on track for SEK1bn per annum benefits

- Integration of Altel employees on track
- Preparing for integration of TDC
### Group highlights – Q3 2016

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>% Change Reported</th>
<th>% Change LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile end-user service revenue (SEK billion)</td>
<td>3.64</td>
<td>+6%</td>
<td>+6%</td>
</tr>
<tr>
<td>Net sales (SEK billion)</td>
<td>6.96</td>
<td>+3%</td>
<td>+1%</td>
</tr>
<tr>
<td>EBITDA (SEK billion)</td>
<td>1.56</td>
<td>-2%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

LFL is constant currencies and pro forma for Altel
## Sweden – Financials

<table>
<thead>
<tr>
<th></th>
<th>Net sales (SEK million)</th>
<th>Mobile end-user service revenue (SEK million)</th>
<th>EBITDA and EBITDA margin (SEK million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q3 Highlights</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Record mobile end-user service revenue driven by seasonal ASPU increase and strong intake</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Net sales flat mainly due to higher mobile revenues, offset by lower fixed telephony and wholesale revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– EBITDA uplift through improved data monetization, strong roaming and realized efficiencies from Challenger initiatives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Q3 Highlights

- EBITDA uplift through improved data monetization, strong roaming and realized efficiencies from Challenger initiatives.
Sweden – Improving trends

Q3 Highlights

- Consumer postpaid mobile end-user service revenue up 7% driven by increased data consumption and strong Comviq customer intake
- Tele2 increasingly attracting customers to premium value buckets
- New Tele2 advertising campaign, launched post quarter end, to strengthen Tele2 within our dual brand strategy
Baltics – Financials

**Q3 Highlights**

- Net sales driven by continued demand for data services
- Mobile end-user service revenue growth driven by data monetisation and strong summer marketing campaigns
- Strong EBITDA performance continues
Baltics – Data monetization continues

Q3 Highlights
- Strong data monetization driven by prepaid to postpaid transition and data centric pricing
- Data consumption stimulated by an increasing rate of 4G handset penetration
- 99% network coverage drives higher data usage and purchase of top-up data buckets

ASPU development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 15</th>
<th>Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>+7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Share of 4G capable smartphones in base

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 15</th>
<th>Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td></td>
<td>32%</td>
</tr>
</tbody>
</table>

4G population coverage

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 15</th>
<th>Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>82%</td>
<td></td>
<td>99%</td>
</tr>
</tbody>
</table>
Netherlands – Financials

Q3 Highlights

– Net sales up due to strong mobile momentum, offset by decline in fixed
– Strong mobile end-user service revenue driven by almost 20% increase in customer base year-on-year
– EBITDA impacted by investments related to mobile launch and decline in fixed
– An impairment of SEK 2.5bn was recognized in Q3
Netherlands – Continuing momentum

Spontaneous brand awareness & brand consideration (Memo2)

Share of total new postpaid (GfK)

Data usage on own network

Q3 Highlights

- Awareness and consideration continued to build behind our innovative “Fun Rebel Campaign”, competitive offerings and network performance
- Maintaining a strong market share of new postpaid contracts, despite increased competitive pressure
- Good progress in data on-loading on own network driven by network rollout at 98% outdoor and 83% indoor coverage
- Roll-out of VoLTE initiated with over 50k subscribers
Kazakhstan – Financials

Q3 Highlights
- Significant mobile end-user service revenue growth due to pricing and an increasing customer base
- Net sales lower this quarter due to Altel handset sales campaign launched in Q3 last year
- Positive EBITDA development driven by revenue growth, improved operating leverage and synergies from JV integration

LFL is constant currency and pro forma for Altel
Kazakhstan – Strong performance

Customer base, LFL (thousands)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>LFL (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 15</td>
<td>5,767</td>
</tr>
<tr>
<td>Q3 16</td>
<td>6,384</td>
</tr>
</tbody>
</table>

+11%

4G outdoor population coverage

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 16 E</td>
<td>30%</td>
</tr>
<tr>
<td>Q3 15</td>
<td>70%</td>
</tr>
</tbody>
</table>

Tele2

JV integration

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Plan</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

80%

Q3 Highlights

- 4G outdoor population coverage remains a competitive advantage
- Customer base continues to grow year-on-year, despite competitive pressure
- JV integration plan on track

LFL is pro forma for Altel
Challenger program on track

Simplify
% of products harmonized on shared platforms

Baseline | 2016 target | 2018 target
---------|-------------|-------------
30%      | 40%         | 60%         

Discipline
% of spend strategically sourced & procured

Baseline | 2016 target | 2018 target
---------|-------------|-------------
40%      | 75%         | 80%         

Consolidate
% of reduction in IT OpEx as share of revenue

Baseline | 2016 target | 2018 target
---------|-------------|-------------
0%       | 5%          | 20%         

Transform
% of staff in Shared Operations

Baseline | 2016 target | 2018 target
---------|-------------|-------------
12%      | 18%         | 25%         

Key progress areas in the quarter

- Product simplification initiative progressing. More than 900 products closed year-to-date
- Data analytics and optimized marketing spend driving improved ROI
- Transfer of ~90 Dutch FTEs to Indian partner started this quarter, bringing total to ~200 FTEs
- Productivity improvement program announced in Sweden, with an estimated reduction of 225 FTEs

2016 target 2018 target
30% 40% 60%
40% 75% 80%
0% 5% 20%
12% 18% 25%
Financial Overview
Mobile end-user service revenue

Tele2 Group
(SEK million)

Development per market
(SEK million)
EBITDA

Tele2 Group
(SEK million)

Development per market
(SEK million)
**Tele2 Group (SEK million)**

- Q3 15: 932, 13.7%
- Q4 15: 1,223, 17.6%
- Q1 16: 1,154, 17.9%
- Q2 16: 820, 12.3%
- Q3 16: 779, 11.2%

**Development per market (SEK million)**

- Q3 15: 932
- Sweden: 51, -15
- Baltics: -139
- NL: 11
- KZ: -63
- RoW: 2
- Q3 16: 779

**CAPEX / Net sales**

- Q3 15: 13.7%
- Q4 15: 17.6%
- Q1 16: 17.9%
- Q2 16: 12.3%
- Q3 16: 11.2%
Free cash flow

Total operations

Tele2 Group
(SEK million)

Development
(SEK million)

Free cash flow = Cash flow from operating activities and CAPEX paid
Debt position and financial leverage

Economic net debt to EBITDA 12 m rolling

Economic net debt is defined as net debt excluding liabilities from Kazakhtelecom and liabilities guaranteed by Kazakhtelecom.
Rights Issue

Background

• Acquisition of TDC Sweden announced on 21st June to strengthen our B2B position in Sweden (not conditional upon equity financing)
• In conjunction, the company announced the intention to raise equity through a Rights issue
• EGM to be held on 27th October

Equity financing

• Financing through equity issue with preferential rights for existing shareholders to maintain the Company’s financial strength
  • Tele2’s largest shareholder, Kinnevik, has committed to subscribe for its rights
  • Nordea Bank AB has entered into a standby underwriting commitment for the remaining portion
Financial guidance 2016

- **Mobile end-user service revenue**
  - Mid-single digit % growth*

- **Net sales (SEK billion)**
  - 26 – 27

- **EBITDA (SEK billion)**
  - 4.6 – 5.0

- **CAPEX (SEK billion)**
  - 3.7 – 4.1

* Based on LFL which is constant currencies and pro forma for Altel
Key priorities moving forward

- Sustain momentum in Sweden
- Continue to monetize 4G investments
- Continued integration of Altel in Kazakhstan
- Execute on Challenger Program
- Closing of TDC
# Tele2’s Way2Win

## Vision
We will be champions of customer value in everything we do

## Mission
We are challengers, fast-movers and will always offer our customers what they need for less

### Where we play
- Mobile access
- Our current footprint
- Residential and Business
- IoT

### How we win
- Focused Technology Choices
- Value Champion
- Step-Change Productivity
- Winning People & Culture

## Responsible Challenger

## The Tele2 Way
THE END