



FOR IMMEDIATE RELEASE

March 23, 2005

## THE BOARD'S PROPOSAL FOR SHARE SPLIT AND REDEMPTION PROCEDURE

**New York and Stockholm – Tele2 AB, (“Tele2”), (Nasdaq Stock Market: TLTOA and TLTOB and Stockholmsbörsen: TEL2A and TEL2B), the leading alternative pan-European telecommunications company, today provides information regarding the time plan and structure of the proposed share split and redemption procedure, announced in conjunction with Tele2’s Full Year 2004 report.**

Tele2’s financial position has strengthened significantly the past years, and it is the Board’s opinion that the company’s current balance sheet is more than adequate to secure the development of the business in the medium-term. At the Annual General Meeting on May 11, 2005, a proposal will be made to decide on a share split and a share redemption procedure, whereby every share is split into 3 ordinary shares and 1 redemption share. The redemption share will automatically be redeemed at SEK 10 per share. This corresponds to a total of MSEK 1,476. Combined with the proposed dividend of SEK 5 per share, shareholders will receive MSEK 2,213.

### In brief:

- The company carries out a share split 4:1, whereby every share, irrespective of share class, is split into 3 ordinary shares and 1 redemption share. The estimated record day for the share split is May 23, 2005.
- Trading in the redemption shares is expected to take place on Stockholmsbörsen during the period from May 24 to June 10, 2005, after which all redemption shares are automatically and mandatorily redeemed. The estimated record day for the redemption is June 17, 2005.
- Payment for the redemption shares, corresponding to SEK 10 per share, is estimated to take place on June 22, 2005.

### The redemption procedure is subject to the following resolutions by the Annual General Meeting on May 11, 2005:

- Amendment of the articles of association, whereby among other things the nominal value of each share is reduced to SEK 1.25 and redeemable C shares are introduced.
- Reduction of the company’s share capital through redemption of 15,516,663 A shares and 132,043,512 B shares.
- A directed issue of 147,560,175 new shares of Series C to a securities institution to avoid court approval of the redemption procedure.
- Reduction of the company’s share capital through redemption of all C shares, and, at the same time, transfer of an amount corresponding to the reduction amount to the legal reserve.

An information brochure is available on [www.tele2.com](http://www.tele2.com). For further information about the procedure, please contact Fischer Partners Fondkommission on +46 8 463 85 00.

*Tele2 is Europe's leading alternative telecom operator. Tele2 always strives to offer the market's best prices. With our unique values, we provide cheap and simple telecom for all Europeans every day. We have close to 28 million customers in 24 countries. We offer products and services in fixed and mobile telephony, Internet access, data networks, cable TV and content services. Our main competitors are the former government monopolies. Tele2 was founded in 1993 by Jan Stenbeck and has been listed on Stockholmsbörsen since 1996. The share has also been listed on Nasdaq since 1997. Tele2 always strives to offer the market's best prices. In 2004 we had operating revenue of SEK 43 billion and reported a profit (EBITDA) of SEK 6.6 billion.*

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