

# TELE2

## TELE2 AB (publ)

(incorporated with limited liability in the Kingdom of Sweden)

### €3,000,000,000

## Guaranteed Euro Medium Term Note Programme

guaranteed by

## TELE2 SVERIGE AB

(incorporated with limited liability in the Kingdom of Sweden)

Under the Guaranteed Euro Medium Term Note Programme described in this Prospectus (the “**Programme**”), Tele2 AB (publ) (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Guaranteed Euro Medium Term Notes guaranteed by Tele2 Sverige AB (the “**Guarantee**” and the “**Guarantor**”, respectively) (the “**Notes**”). The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and the Receipts and the Coupons relating to them as further described in “Terms and Conditions – Guarantee and Status”. The aggregate nominal amount of Notes outstanding will not at any time exceed €3,000,000,000 (or its equivalent in other currencies).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (the “**Luxembourg Act**”), for the approval of this Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”). Pursuant to Article 7(7) of the Luxembourg Act, by approving this Prospectus the CSSF assumes no responsibility as to the economic and financial soundness of the Notes to be issued hereunder or the quality or solvency of the Issuer. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market. References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market (or any other stock exchange).

The Notes may be issued in bearer form, in registered form, in registered form in accordance with the Swedish Financial Instruments Account Act (*Sw. Lagen om kontoföring av finansiella instrument (1998:1479)*) (“**Swedish Notes**”) or in registered form in the Norwegian Securities Depository System (“*Verdipapirsentralen*”) or any other applicable securities depository system in accordance with the Norwegian Securities Register Act (“**Norwegian Notes**”) only. Each Series (as defined in “General Description of the Programme – Method of Issue”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). Notes in registered form (other than Swedish Notes and Norwegian Notes) will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Swedish Notes and Norwegian Notes are issued in uncertificated and dematerialised book-entry form.

Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depository**”).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “Summary of Provisions Relating to the Notes while in Global Form”.

Tranches of Notes (as defined in “General Description of the Programme – Method of Issue”) to be issued under the Programme may be rated or unrated. Where a Tranche of Notes issued under the Programme is to be rated, such rating will not necessarily be the same as the relevant rating assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union, registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the “**CRA Regulation**”), and included in the list of credit rating agencies published by the European Securities and Markets Authority will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

### Arrangers

Crédit Agricole CIB

The Royal Bank of Scotland

### Dealers

Banca IMI

BNP PARIBAS

Commerzbank

Crédit Agricole CIB

Danske Bank

DNB Bank ASA

Handelsbanken Capital Markets

ING Commercial Banking

Nordea Bank Danmark A/S

The Royal Bank of Scotland

SEB

Swedbank

*This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer, the Guarantor, the Issuer and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor and the rights attaching to the Notes.*

*Each of the Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge of each of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor or any Dealer (as defined in “**General Description of the Programme**”) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “**Documents Incorporated by Reference**”).*

**No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arrangers (as defined in “**General Description of the Programme**”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).**

**The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “**Subscription and Sale**”.**

**This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Dealers or the Arrangers to subscribe for, or purchase, any Notes.**

To the fullest extent permitted by law, none of the Dealers or the Arrangers accepts any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by an Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each Arranger and Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arrangers or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

In connection with the issue of any Tranche (as defined in “General Description of the Programme – Method of Issue”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “U.S. dollars”, “U.S.\$” and “\$” are to United States dollars, to “Sterling” and “£” are to pounds sterling, the lawful currency of the United Kingdom (the “UK”), to “euro” and “€” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, to “Swedish Kronor” and “SEK” are to the currency of the Kingdom of Sweden and to “Norwegian Kroner” are to the currency of the Kingdom of Norway.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) the translations of the audited consolidated financial statements of the Issuer for the financial years ended 2010 and 2011, respectively, together in each case with the auditor's report thereon, as set out in the Issuer's Annual Report 2010 and the Issuer's Annual Report 2011, respectively (the "**2010 and 2011 Issuer's Annual Reports**"); and
- (ii) the translations of the audited non-consolidated financial statements of the Guarantor for the financial years ended 2010 and 2011, respectively, together in each case with the auditor's report thereon, as set out in the Guarantor's Annual Report 2010 and the Guarantor's Annual Report 2011, respectively (the "**2010 and 2011 Guarantor's Annual Reports**"),

which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF. The 2010 and 2011 Issuer's Annual Reports and the 2010 and 2011 Guarantor's Annual Reports are incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Each of the Issuer and the Guarantor takes responsibility for the correctness of the translations of the documents incorporated by reference.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer, the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or the website of the Issuer ([www.tele2.com](http://www.tele2.com)). The table below sets out the relevant page references for the audited consolidated financial statements of the Issuer for the financial years ended 2010 and 2011, respectively, as set out in the Issuer's Annual Report 2010 and the Issuer's Annual Report 2011, respectively, and for the audited non-consolidated financial statements of the Guarantor for the financial years ended 2010 and 2011, respectively, as set out in the Guarantor's Annual Report 2010 and the Guarantor's Annual Report 2011, respectively. Any information not listed in the table but included in the documents incorporated by reference is given for information purpose only.

### **Audited consolidated financial statements of the Issuer for the financial years ended 2010 and 2011, respectively**

#### **Tele2 AB (publ) Annual Report 2010**

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### **Audited non-consolidated financial statements of the Guarantor for the financial years ended 2010 and 2011, respectively**

#### **Tele2 Sverige AB Annual Report 2010**

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## **PROSPECTUS SUPPLEMENT**

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement as required by Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities.

Each of the Issuer and the Guarantor has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to

information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the Guarantor (as applicable) and the rights attaching to the Notes, the Issuer and/or the Guarantor shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement or replacement Prospectus as such Dealer may reasonably request.

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## RISK FACTORS

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under or in connection with the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts under or in connection with any Notes for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's and the Guarantor's ability to fulfil their obligations under or in connection with Notes issued under the Programme**

The Group operates in a broad range of geographic product and service markets in the highly competitive and regulated telecommunications industry. As a result, the Group is subject to a variety of risks and uncertainties. For the purpose of discussing the factors that may affect the Issuer's and the Guarantor's ability to fulfil their obligations under or in connection with Notes issued under the Programme, the Issuer and the Guarantor have identified relevant risks as those which could have a material adverse effect on the achievement of the Group's goals. Risks may be threats, uncertainties or lost opportunities relating to the Group's current or future operations or activities. Set forth below is a description of certain of the factors that the Issuer and the Guarantor believe may affect the business, financial position and results of operations of the Group.

#### **Risks related to the industry and market conditions**

##### ***Global Financial Crisis and Eurozone Debt Crisis***

Concerns about credit risk (including that of sovereigns) and the Eurozone crisis have recently intensified. The large sovereign debts and/or fiscal deficits of a number of European countries as well as the United States of America have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries; (ii) that have direct or indirect exposure to these countries; and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. A default by, or a significant decline in the credit rating of, one or more sovereigns or financial institutions could cause severe stress generally in the global financial system and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group's counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict.

The impact of these conditions could be detrimental to the Group and could adversely affect its business, operations and profitability; its solvency and the solvency of its customers; the value and liquidity of its assets and liabilities; the value and liquidity of the Notes; and/or the ability of the Group to refinance its current financial obligations and meet its obligations under the Notes and/or its debt obligations more generally.

##### ***Competition and price pressure***

The Group is subject to substantial and historically increasing competition and price pressure. Competition from a variety of sources, including current market participants, new entrants and new products and services, may adversely affect the Group's results of operations. Competition has led to an increased customer outflow and a decrease in customer growth rates as well as to decreases in the prices the Group charges for its products and services and may have similar effects in the future.

### ***Regulatory risk***

The Group operates in a highly regulated industry. The regulations the Group is subject to impose significant limits on its flexibility to manage its business. Changes in legislation, regulation or government policy affecting the Group's business activities, as well as decisions by regulatory authorities or courts, including granting of licences to, or amending or revoking of licences of, the Group or other parties, could adversely affect the Group's business and results of operations. It is also possible that new regulations could bar existing operators from acquiring these licences. Additionally, other changes in the regulatory environment concerning the use of mobile phones may lead to a reduction in the usage of mobile phones or otherwise adversely affect the Group.

### ***Emerging markets***

The Group has made significant investments in telecom operators in Kazakhstan and Russia. A large part of the Group's results is derived from emerging markets, and especially from Russia. The Group's exposure related to emerging markets may increase in the future. Weakening of the economies or currencies or other negative developments in these markets could have a material adverse effect on the Group's results of operations.

Historically the political, economic, legal and regulatory systems in these countries have been less predictable than in countries with more mature institutional structures. The future political situation in each of these emerging market countries may remain unpredictable and markets in which the Group operates may also become unstable.

In countries with large and complicated governmental and administration structures, such as Kazakhstan and Russia, national, regional, local and other governmental bodies may issue inconsistent decisions relating to the same matter. As a result, in these emerging markets the Group is exposed to regulatory and legal uncertainty, which is likely to have negative impact on the Group's business prospects as well as its regulatory compliance costs. The Group also enjoys less protection for certain of its legal rights in such jurisdictions.

Other risks associated with operating in emerging market countries include foreign exchange restrictions, which could effectively prevent the Group from receiving dividends or selling its investments if they were introduced in countries where the Group has significant operations. Another risk is the potential establishment of foreign ownership restrictions or other potential actions against entities with foreign ownership, formally or informally.

### ***Actual or perceived health risks relating to mobile handsets or base stations***

Concerns have been expressed that the electromagnetic signals from mobile handsets and base stations, which serve as the platform for transmitting radio signals, may pose health risks and interfere with the operation of electronic equipment. These concerns may intensify as new technology and products are introduced. Actual or perceived risks of mobile handsets or base stations and related publicity or litigation could reduce the growth rate, customer base or average usage per customer of the Group's mobile communications services, may result in significant restrictions on the location and operation of base stations and/or could subject the Group to claims for damages, any of which could have a negative impact on its business, financial position and results of operations.

### ***Network integrity and data security***

The Group manages significant network and data volumes and therefore aims to ensure network integrity and data security and to protect customers' personal data. The Group will only allow interception of customer communication or otherwise provide personal data to authorities to the extent required by law or decisions from competent authorities or with the customer's permission. To ensure privacy, the Group protects assets such as personnel, customers, information, IT infrastructure, internal and public networks as well as office buildings and technical facilities. The Group implements measures to prevent and detect the disclosure of sensitive information to unauthorised parties. External or internal factors may negatively impact security and

have a material adverse effect on customers' perception on how the Group handles these matters, which in turn may have a material adverse effect on the Group's business and results of operations.

## **Risks related to the Group's operations and strategic activities**

### ***Structural subordination***

Most of the Issuer's operations are conducted through its subsidiaries and to a large extent the Issuer depends on the earnings, cash flows, dividends and distributions of these subsidiaries to meet its debt obligations, including its obligations under the Notes. In addition, its subsidiaries' assets constitute a significant part of its operating assets.

The Group's subsidiaries regularly incur financial obligations. For instance, in 2011, one of the Group's subsidiaries, Saint-Petersburg Telecom, established a RUR 30 billion domestic Russian programme for the issuance of securities on the Russian market. The proceeds from such issues have been used to either repay shareholder loans or to finance new investments in Russia. In addition, in the future, the Group may finance other investments by incurring debt in the relevant subsidiary.

With the exception of the obligations of the Guarantor pursuant to the Guarantee, the Issuer's subsidiaries, including Saint-Petersburg Telecom, have no obligation in respect of any amounts due under the Notes and neither the Issuer nor the Noteholders will have any direct or indirect claim against any of the Issuer's subsidiaries (other than the Guarantor) other than by virtue of the Issuer's shareholding in any such subsidiary. In the event of an insolvency or liquidation of such a subsidiary, creditors of any such subsidiary will have a claim to the assets of that subsidiary that ranks ahead of the Issuer's interest in those assets.

### ***The Guarantee will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defences that may limit its validity and enforceability.***

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and the Receipts and the Coupons relating to them. However, the Deed of Guarantee will provide that the Guarantee will be limited if required by an application of the provisions of the Swedish Companies Act (*Sw. aktiebolagslagen*) regulating transfers of values (*Sw. värdeöverföringar*). The liability of the Guarantor in respect of such obligations will only apply to the extent permitted by the mentioned provisions of the Swedish Companies Act. Further, enforcement of the Guarantee would be subject to certain generally available defences. These laws and defences include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. For a brief description of Swedish laws on certain of these provisions, see "Terms and Conditions – Guarantee and Status".

### ***Impairment losses and restructuring charges***

Factors generally affecting the telecom markets, and changes in the economic, regulatory, business or political environment, as well as the Group's on-going review and refinement of its business plans, could adversely affect its financial position and results of operations. The Group could be required to recognise impairment losses with respect to assets if expectations of the management of the Issuer (the "**Management**") of future cash flows attributable to these assets change, including but not limited to goodwill and fair value adjustments that the Group has recorded in connection with acquisitions that it has already made or may make in the future.

### ***Investments in networks, licences, new technology and start-up operations***

In recent years, the Group has made substantial investments in telecom networks and licences and also expects to invest substantial amounts over the coming years in the upgrading, maintaining and expansion of networks. The Group also has had to and may in the future have to pay fees to acquire new licences or to renew or maintain its existing licences. The success of these investments will depend on a variety of factors some of which will be beyond the Group's control, including the cost of acquiring, renewing or maintaining licences, the cost of new technology, availability of new and attractive services, the costs associated with

providing these services, the timing of their introduction, the market demand and prices for such services, and competition. Any failure to realise in full the benefits expected by the Group from these investments may adversely affect the Group's results of operations and financial position.

#### ***Acquisitions, strategic alliances and business combinations***

The Group is constantly reviewing its asset portfolio. In recent years, the Group has made a number of targeted acquisitions. The Group may continue to expand and grow its business through business combinations, strategic alliances, etc. The efficient integration of these acquisitions and the realisation of related cost and revenue synergies, as well as the positive development of the acquired operations, are expected to enhance the Group's results of operations both in the long and short term. If, however, the Group encounters unexpected difficulties in integrating or managing any acquired company or strategic alliance there is a risk that Management's attention will be diverted away from other on-going business concerns and also that the expected benefits will not be realised either in the expected timeframe or at all. In addition, any acquisition could have a material adverse effect on the Group's financial position.

#### ***Shareholder matters in relation to associated companies***

The Group conducts certain of its activities through associated companies in which the Group does not have a controlling interest. Such companies include SUNAB and Net4Mobility in the Nordic region. As a result, the Group has limited influence over the conduct of these businesses. In these jointly controlled ventures, there is a risk that the partners may disagree on important matters, including the funding of the venture. This risk may be greater where the parties are competitors. A disagreement or deadlock regarding the venture or a breach by one of the parties of the material provisions of the cooperation arrangements could have a material adverse effect on the Group's business.

Under the documents which govern the ownership rights in relation to certain associated companies, the parties may have protected rights in relation to certain matters such as approval of business plans, budgets, dividends or other cash distributions, changes in the ownership structure and other shareholder-related matters. As a result, actions outside the Group's control and adverse to its interests may affect the Group's strategy and actions in relation to any of these associated companies.

#### ***Customer service and network quality***

In addition to its focus on cost efficiency in all its operations, the Group's strategy is to focus on delivering high quality service to its customers and on the high quality of its networks. Management believes that the high quality of its networks and services is also fundamental to customers' perception and the Group's success going forward. Any failure to reach or maintain the relevant high standard could have a material adverse effect on the Group's business and results of operations.

#### ***Limited number of suppliers***

The Group is reliant upon a limited number of suppliers to manufacture and supply network equipment and related software, as well as handsets, to allow the Group to develop its networks and to offer its services on a commercial basis. The Group cannot be certain that it will be able to obtain network equipment or handsets from alternative suppliers on a timely basis if its existing suppliers are unable to satisfy the Group's requirements. In addition, like its competitors, the Group currently outsources many of its key support services, including network construction and maintenance of most of its operations. The limited number of suppliers of these services, and the terms of the Group's arrangements with current and future suppliers, could adversely affect the Group's business, including by restricting its operational flexibility.

#### ***Ability to recruit and retain skilled personnel***

To remain competitive and implement its strategy, and to adapt to changing technologies, the Group will need to recruit, retain and, where necessary, retrain highly skilled employees with the relevant expertise. In particular, competition is intense for qualified telecommunications and information technology personnel. To a large extent, the Group's ability to recruit and retain skilled personnel for growth business areas and new technologies will depend on its ability to offer them competitive remuneration packages. If the Group fails to

recruit, retain or retrain necessary highly-skilled employees, its ability to develop its business in high growth and new areas or remain competitive in the traditional business areas may be limited.

### ***Financial risk management***

The Group is exposed to financial risks such as credit risk, liquidity risk, currency risk and interest rate risk. Financial risk management is centralised to the group treasury function.

The Group's credit risk is mainly associated with accounts receivables. The Group regularly assesses its credit risk arising from accounts receivables. As the Group's customer base is highly diversified and includes individuals and companies, the exposure and associated overall credit risk is limited. The Group makes provisions for expected credit losses. At the end of 2011, maximum credit exposure for accounts receivables amounted to SEK 3,822 million (compared to SEK 3,280 million at the end of 2010).

The Group manages its liquidity risk by ensuring that it has access to sufficient liquidity reserves. Excess liquidity is invested on a short-term basis, or used for loan repayments. Liquidity reserves consist of available cash, undrawn committed revolving credit facilities and overdraft facilities. At the end of 2011, the Group had available liquidity of SEK 9.9 billion (compared to SEK 12.8 billion at the end of 2010). At the end of 2011, the Group had four separate syndicated loan facilities with participation from eleven different banks. The Group also issues debt in the domestic and international capital markets in the form of commercial paper and bonds. The Group uses a domestic Swedish Commercial Paper Programme and domestic Bond Programmes to raise funds in both the Norwegian and Russian domestic capital markets to ensure financial flexibility and access to funding and liquidity. Going forward, Tele2 might also raise capital in other markets.

Currency risk is the risk of changes in exchange rates having a negative impact on the Group's performance and equity value. Currency exposure is associated with payment flows in foreign currency (transaction exposure) and the translation of foreign subsidiaries' balance sheets and income statements to SEK (translation exposure). The Group does not generally hedge transaction exposure. When it considers it appropriate, the Group hedges its translation exposure related to some investments in foreign operations by issuing debt in the currencies involved.

The Group manages interest rate risk by monitoring interest rate market trends and decisions to adjust its interest duration strategy. As at 31 December 2011, 65 per cent. of the Issuer's consolidated interest-bearing liabilities carried a variable interest rate (compared to 83 per cent. as at 31 December 2010). As at 31 December 2011, the capital amount of outstanding interest rate derivatives converting variable interest rates to fixed interest rates amounted to SEK 2.2 billion (compared to SEK 1.4 billion as at 31 December 2010). Management expects that the cash flows related to outstanding interest rate derivatives will affect the Issuer's consolidated income statement during the remaining duration of the relevant interest rate swaps.

### ***Financial reporting risks***

The reporting of the Issuer's consolidated results of business operations and financial condition is based on internal and external financial reporting. Internal control over this reporting is an integral part of the Issuer's corporate governance. It includes methods and procedures to safeguard the Group's assets, ensure and control the reliability and correctness of financial reporting in accordance with applicable legislation and guidelines, improve operational efficiency, and control the level of risk in the Group's business operations. The management of financial reporting risks is described in more detail in the Group's corporate governance report. The corporate governance report, including the description of internal controls, forms part of the Issuer's annual report and is audited.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

*Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

#### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

#### *Modification and waivers*

The Terms and Conditions of the Notes (the “**Conditions**”) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### *EU Directive on the taxation of savings income*

EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment to an individual were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer, nor the Guarantor nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

#### *Change of law*

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

#### *Bearer Notes where denominations involve integral multiples*

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations (as defined in the Conditions). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### ***Risks related to the market generally***

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed

above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description is qualified in its entirety by the remainder of this Prospectus.*

<b>Issuer:</b>	Tele2 AB (publ)
<b>Guarantor:</b>	Tele2 Sverige AB
<b>Description:</b>	Guaranteed Euro Medium Term Note Programme
<b>Size:</b>	Up to €3,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arrangers:</b>	Crédit Agricole Corporate and Investment Bank The Royal Bank of Scotland plc
<b>Dealers:</b>	Banca IMI S.p.A. BNP Paribas Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Danske Bank A/S DNB Bank ASA ING Bank N.V. Nordea Bank Danmark A/S The Royal Bank of Scotland plc Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ) <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “<b>Permanent Dealers</b>” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “<b>Dealers</b>” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Fiscal Agent (in respect of Notes other than Swedish Notes and Norwegian Notes):</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Issuing Agent:</b>	For Swedish Notes, an account operator specifically appointed by the Issuer to assist with the issue of Swedish Notes.
<b>Norwegian Issuing Agent:</b>	For Norwegian Notes, an account operator specifically appointed by the Issuer to assist with the issue of Norwegian Notes.

<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “ <b>Final Terms</b> ”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	The Notes may be issued in bearer form (“ <b>Bearer Notes</b> ”), in registered form (“ <b>Registered Notes</b> ”), in registered form in accordance with the Swedish Financial Instruments Account Act ( <i>Sw. Lagen om kontoföring av finansiella instrument (1998:1479)</i> ) (the “ <b>SFIA Act</b> ”) (“ <b>Swedish Notes</b> ”) or in registered form in the Norwegian Securities Depository System (“ <i>Verdipapirsentralen</i> ”) or any other applicable securities depository system in accordance with the Norwegian Securities Register Act (the “ <b>VPS</b> ”) (“ <b>Norwegian Notes</b> ”) only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “ – Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “ <b>Global Certificates</b> ”. Swedish Notes and Norwegian Notes will be issued in uncertificated and dematerialised book-entry form only.
<b>Clearing Systems:</b>	Clearstream, Luxembourg and Euroclear or, in relation to Swedish Notes, Euroclear Sweden AB (“ <b>Euroclear Sweden</b> ”) or, in relation to Norwegian Notes, VPS, and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent, the Trustee and the relevant Dealer.
<b>Initial Delivery of Notes:</b>	On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and

Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems. Swedish Notes and Norwegian Notes will be issued in uncertificated and dematerialised book-entry form with the legal title thereto being evidenced by book entries in the register for such Notes, kept on behalf of the Issuer by Euroclear Sweden and VPS, respectively.

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealer.

**Maturities:** Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.

**Specified Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies). For the avoidance of doubt, definitive Notes will not be issued with respect to Swedish Notes and Norwegian Notes.

**Fixed Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified

Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or

- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

**Zero Coupon Notes:**

Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “Terms and Conditions of the Notes”) will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.

**Index Linked Notes:**

Payments of principal in respect of Index Linked Redemption Notes (as defined in “Terms and Conditions of the Notes”) or of interest in respect of Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes”) will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms. If the redemption amount in respect of an Index Linked Note is to be calculated in accordance with a reference index or formula which directly or indirectly includes the shares in the Issuer, the issuance of such an Index Linked Note may require the approval of the meeting of the shareholders of the Issuer.

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Redemption:**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Redemption by Instalments:**

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

**Optional Redemption:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated

	<p>maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.</p>
<b>Redemption upon a Change of Control:</b>	<p>The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the holders upon the occurrence of a Change of Control Put Event as further described in “Terms and Conditions – Redemption at the Option of Noteholders on a Change of Control”.</p>
<b>Status of Notes and Guarantee:</b>	<p>The Notes and the Guarantee will constitute unsubordinated and (save to the extent specified in “Terms and Conditions – Negative Pledge”) unsecured obligations of the Issuer and the Guarantor, respectively, all as described in “Terms and Conditions of the Notes – Guarantee and Status”.</p> <p>The Guarantee will be limited if required by application of the provisions of the Swedish Companies Act (<i>Sw. aktiebolagslagen</i>) regulating transfers of values (<i>Sw. värdeöverföringar</i>). For a description of the Guarantee see “The Deed of Guarantee”.</p>
<b>Negative Pledge:</b>	<p>Applicable. See “Terms and Conditions of the Notes – Negative Pledge”.</p>
<b>Cross Default:</b>	<p>Applicable. See “Terms and Conditions of the Notes – Events of Default”.</p>
<b>Ratings:</b>	<p>Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes issued under the Programme is to be rated, such rating will not necessarily be the same as the relevant rating assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union, registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the “<b>CRA Regulation</b>”), and included in the list of credit rating agencies published by the European Securities and Markets Authority will be disclosed in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Early Redemption:</b>	<p>Except as provided in “– Optional Redemption” and “– Redemption upon a Change of Control” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.</p>
<b>Withholding Tax:</b>	<p>All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Sweden, as the case may be, unless the withholding is required by law. In such event, the Issuer or the Guarantor (as the case may be) shall, subject to customary exceptions (including the ICMA Standard EU Tax exemption</p>

Tax Language), pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in “Terms and Conditions of the Notes – Taxation”.

**Governing Law:**

English law, save that the provisions of Condition 3(c) (and related provisions of the Deed of Guarantee) relating to limitation of the obligations of the Guarantor are governed by, and shall be construed in accordance with, Swedish law.

Notwithstanding this, the registration of (i) the Swedish Notes in Euroclear Sweden’s system for the registration of financial instruments shall be governed by and construed in accordance with Swedish law and (ii) Norwegian Notes in VPS’s system for the registration of financial instruments shall be governed by and construed in accordance with Norwegian law. The Issuing Agent Agreement will be governed by and construed in accordance with Swedish law. The Norwegian Agency Agreement will be governed by and construed in accordance with Norwegian law.

**Listing and Admission to Trading:**

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

**Redenomination, Renominalisation and/or Consolidation**

Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms.

**Selling Restrictions:**

The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, the Kingdom of Sweden and Japan. See “Subscription and Sale”.

Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not

applicable. The D Rules and the C Rules will not be applicable to Swedish Notes and Norwegian Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Bearer Notes or on the Certificates relating to Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes (except in certain circumstances, Swedish Notes and Norwegian Notes) are issued pursuant to an Agency Agreement (the “**Agency Agreement**”) dated 13 April 2012 between Tele2 AB (publ) (the “**Issuer**”), Tele2 Sverige AB (the “**Guarantor**”), BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and the other agents named in it and with the benefit of a Deed of Covenant (the “**Deed of Covenant**”) dated 13 April 2012 executed by the Issuer and the Guarantor in relation to the Notes and a Deed of Guarantee (the “**Deed of Guarantee**”) dated 13 April 2012 executed by the Guarantor in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

The Swedish Notes will be issued pursuant to an agreement to be entered into on or prior to the date of the first issue of Swedish Notes (the “**Issuing Agent Agreement**”) between the Issuer and the party appointed therein as issuing agent (the “**Issuing Agent**”, which expression shall include any successor of the Issuing Agent in its capacity as such, provided that such successor is duly authorised under the Swedish Financial Instruments Accounts Act (*Sw. Lagen om kontoföring av finansiella instrument (1998:1479)*), as amended (the “**SFIA Act**”). The only provisions of the Agency Agreement applicable to the Swedish Notes (as defined below) are those in Schedule 3 (*Provisions for Meetings of Noteholders*) of the Agency Agreement. The Norwegian Notes will be issued pursuant to an agreement to be entered into on or prior to the date of the first issue of Norwegian Notes (the “**Norwegian Agency Agreement**”) between the Issuer and the party appointed therein as paying agent and registrar (the “**Norwegian Issuing Agent**”, which expression shall include any successor of the Norwegian Issuing Agent under the Norwegian Agency Agreement).

In these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### 1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”), in registered form (“**Registered Notes**”), in registered form in accordance with the SFIA Act (“**Swedish Notes**”), in registered form in the Norwegian Securities Depository System (“**Verdipapirsentralen**”) or any other applicable securities

depository system in accordance with the Norwegian Securities Register Act (the “VPS”) (“**Norwegian Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder. Swedish Notes and Norwegian Notes are issued in uncertificated and dematerialised book-entry form.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). With respect to Swedish Notes, the expression “Register” means the register for such Notes maintained by Euroclear Sweden AB (“**Euroclear**”) on behalf of the Issuer in accordance with the SFIA Act and the then applicable rules and procedures of Euroclear. With respect to Norwegian Notes, the expression “Register” means the register for such Notes maintained by the VPS under which the Issuer will cause Norwegian Notes to be registered to be kept by the Norwegian Issuing Agent in accordance with the relevant legislation governing the VPS. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note, Swedish Note or Norwegian Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note, Swedish Note or Norwegian Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes. Where a nominee (*Sw. förvaltare*) is registered as the holder of a Swedish Note it shall be treated as a Noteholder or “holder” for the purposes of these Conditions.

The Issuer shall have access to the register of creditors (*Sw. skuldboken*) in respect of the Swedish Notes, unless the applicable Final Terms specify that the Issuer shall not have such access.

The names and addresses of the holders of Norwegian Notes, the particulars of Norwegian Notes held by them, all transfers and redemptions of Norwegian Notes and such other information as is required to be registered in the VPS will be registered in the Register.

## **2 No Exchange of Notes and Transfers of Registered Notes**

- (a) **No Exchange of Notes:** Registered Notes, Swedish Notes and Norwegian Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes, Swedish Notes or Norwegian Notes.

- (b) **Transfer of Registered Notes, Swedish Notes and Norwegian Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement or, in respect of Swedish Notes, the then applicable rules and procedures of Euroclear and in respect of Norwegian Notes, the then applicable rules and procedures of VPS. The regulations scheduled to the Agency Agreement may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. The rules and procedures of Euroclear are available on Euroclear's website, *www.euroclear.eu*. Title to Swedish Notes will pass by transfer between accountholders of the Euroclear system, perfected in accordance with applicable legislation (including the SFIA Act) and the then applicable rules and procedures of Euroclear. Norwegian Notes may, subject to the terms of the Norwegian Agency Agreement, be transferred in whole or in part in a Specified Denomination by way of transfer between individual VPS Accounts in accordance with the relevant procedures of the VPS issued from time to time.

No transfer of a Norwegian Note will be valid unless and until entered on the Register. A Norwegian Note may be registered only in the name of, and transferred only to, a person holding a VPS Account.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of part of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Transfer Free of Charge:** Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require). This paragraph shall not apply to Swedish Notes and Norwegian Notes.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. No Noteholder may require the transfer of a Swedish Note to be registered during a period which is the equivalent of any such closed period pursuant to the then applicable rules and procedures of Euroclear.

### 3 Guarantee and Status

- (a) **Guarantee:** Subject to Condition 3(c) below, the Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and the Receipts and the Coupons relating to them. Its obligations in that respect (the “**Guarantee**”) are contained in the Deed of Guarantee.
- (b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor, respectively, present and future.
- (c) **Limitations:** Pursuant to the Deed of Guarantee, the obligations of the Guarantor shall be limited, if (and only if) required by the mandatory provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) (the “**Swedish Companies Act**”) regulating unlawful distribution of assets and transfer of value (Chapter 17, Sections 1 to 4) (or its equivalent from time to time) and the liability of the Guarantor under the Deed of Guarantee will exist only to the extent permitted by the above mentioned provisions of the Swedish Companies Act.

### 4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement) neither the Issuer nor the Guarantor will create, or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Notes and the Coupons the benefit of the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In this Condition, “**Relevant Indebtedness**” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

## 5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including (or, in the case of Swedish Notes, from and excluding) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).
- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including (or, in the case of Swedish Notes, from and excluding) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.
- (A) ISDA Determination for Floating Rate Notes
- Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and

- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Central European time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Central European time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is

LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Central European time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption (or, in the case of Swedish Notes, on the day before redemption) unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to but excluding the Relevant Date (as defined in Condition 8).

- (g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the countries of such currency.
- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest

Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres and/or
- (iv) in the case of Swedish Notes, shall have the meaning ascribed to such term in the then applicable rules and procedures of Euroclear.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last, or, in the case of Swedish Notes, from but excluding the first such day to and including the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30

(viii) if “**Actual/Actual-ICMA**” is specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**Interest Accrual Period**” means the period beginning on and including (or, in the case of Swedish Notes, excluding) the Interest Commencement Date and ending on but excluding (or, in the case of Swedish Notes, including) the first Interest Period Date and each successive period beginning on and including (or, in the case of Swedish Notes, excluding) an Interest Period Date and ending on but excluding (or, in the case of Swedish Notes, including) the next succeeding Interest Period Date

“**Interest Amount**” means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

**“Interest Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date or, in the case of Swedish Notes, from but excluding first Interest Payment Date to and including the last Interest Payment Date

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

**“Norwegian Securities Register Act”** means the Norwegian Act relating to registration of financial instruments of 5 July 2002 No. 64

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions specified hereon

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon

**“Reference Rate”** means the rate specified as such hereon

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto and

**“VPS Account”** means an investor account in the VPS.

- (k) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 Redemption, Purchase and Options

### (a) Redemption by Instalments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### (b) Early Redemption:

#### (i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time, (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b)) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent and, in the case of Swedish Notes and Norwegian Notes, the Issuing Agent and the Norwegian Issuing Agent, respectively, a certificate signed by two duly authorised officers of the Issuer (or the Guarantor, as the case may be) stating that the Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition. In respect of Swedish Notes, the notice shall also specify the closed period for the purposes of Condition 2(f).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, or in the case of Swedish Notes and Norwegian Notes, otherwise specify the Notes or amount of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements and, in the case of Swedish Notes and Norwegian Notes, the then applicable rules and procedures of Euroclear and VPS, respectively.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount, together (where applicable) with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. In the case of Swedish Notes, an Exercise Notice will not take effect against the Issuer before the date of which the relevant Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer by said Issuing Agent (such date will be the first date of a closed period for the purposes of Condition 2(f)). No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption at the Option of Noteholders upon a Change of Control:** If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a “**Change of Control Put Option**”) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d) above) to require the Issuer to redeem that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A “**Change of Control Put Event**” will be deemed to occur if:

- (i) any person or group of persons acting in concert (as defined below), other than a Stenbeck Party or any group of persons acting in concert which group includes a Stenbeck Party, in each case either directly or indirectly, shall acquire ownership of, or otherwise control, one or more classes of the shares in the capital of the Issuer carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (the “**Change of Control**”); and
- (ii) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
- (A) an investment grade credit rating (*Baa3/BBB-*, or their respective equivalents, or better), from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (*Ba1/BB+*, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or
- (B) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (*from Baa1 to Baa2 being or such similar lowering*) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or
- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (A) will apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Further, if at the time of the occurrence of the Change of Control the Notes carry a Non-Investment Grade Rating or no credit rating, a Change of Control Put Event will be deemed to occur upon the occurrence of a Change of Control alone.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 14 giving details of the relevant Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together (if applicable) with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Change of Control Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12) at any time after such payment, but before the expiry of the period of five years from the Relevant Date, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(f) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. In the case of Swedish Notes, the Change of Control Put Option will not take effect against the Issuer before the date on which the relevant Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer by said Issuing Agent (such date will be the first date of a closed period for the purposes of Condition 2(f)).

The Issuer shall redeem the relevant Notes on the Change of Control Put Date unless previously redeemed and cancelled.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 6(f), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption.

If the rating designations employed by any of Moody's, S&P or Fitch are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody's, S&P or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, S&P or Fitch and this Condition 6(f) shall be construed accordingly.

In this Condition 6(f):

**"acting in concert"** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition of shares in the Issuer, to obtain control of the Issuer;

**"Change of Control Period"** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **"Negative Rating Event"** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period;

**"Rating Agency"** means Moody's Investors Service, Inc. ("**Moody's**"), Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("**S&P**") or Fitch Ratings Limited ("**Fitch**") or any of their respective successors or any rating agency (a "**Substitute Rating Agency**") substituted for any of them by the Issuer from time to time;

**"Relevant Potential Change of Control Announcement"** means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

**"Stenbeck Party"** means the estate of Mr. Jan Stenbeck or any of his siblings, uncles, aunts, children, grandchildren or remoter issue or any spouse of any of the foregoing persons or the executors, trustees or other legal representatives of the estate or any assets of any of the foregoing persons; including, for the avoidance of doubt, Investment AB Kinnevik (publ) or any of its subsidiaries and/or companies, trusts or other legal entities controlled (in relation to any such company, by way of capital and/or voting power) by one or more Stenbeck Parties.

- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

- (h) **Purchases:** The Issuer and its Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

In these Conditions “**Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## 7 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(h)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(h)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Swedish Notes:** Payments of principal and/or interest in respect of Swedish Notes shall be made to the Noteholders on the fifth business day (as defined by the then applicable rules and procedures of Euroclear) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the said rules and procedures. Notwithstanding Condition 7(b)(ii), such day shall be the Record Date in respect of Swedish Notes.

- (d) **Norwegian Notes:** Payments of principal and/or interest in respect of Norwegian Notes shall be made to the persons shown in the Register at the close of business on the Record Date.
- (e) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed one or more Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agent(s) would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (f) **Payments Subject to Laws:** All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of any payments.
- (g) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents, the Calculation Agent, the Issuing Agent and the Norwegian Issuing Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents, the Calculation Agent(s), the Issuing Agent and the Norwegian Issuing Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Calculation Agent(s), the Issuing Agent or the Norwegian Issuing Agent and to appoint additional or other Paying Agents, Transfer Agents, Issuing Agents or Norwegian Issuing Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, or, as the case may be, (a) Swedish Notes, which in the latter case shall be a duly authorised central securities depository under the SFIA Act or (b) Norwegian Notes, which shall be a duly authorised securities depository under the Norwegian Securities Register Act, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, (viii) an Issuing Agent in relation to Swedish Notes duly authorised to act as such under the SFIA Act and (ix) a Norwegian Issuing Agent in relation to Norwegian Notes duly authorised to act as such under the Norwegian Securities Register Act.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(e).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (h) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in

the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (i) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
  - (j) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
    - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
    - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer (or the Guarantor, as the case may be) shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of the Note, Receipt or Coupon or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions (and save as provided in Condition 9), “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the applicable Relevant Date in respect of them. In relation to Swedish Notes, “**Relevant Date**” as used in this Condition 9 shall mean the date on which such payment first becomes due, or such later date on which

the period of limitation is suspended (*Sw. preskriptionsavbrott*) in accordance with the Swedish Limitations Act (*Sw. preskriptionslagen (1991:130)*).

## 10 Events of Default

If any of the following events (“**Events of Default**”) occurs, the holder of any Note may give written notice to the Fiscal Agent (or, in the case of Norwegian Notes, the Norwegian Issuing Agent, which will notify the Issuer) at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment or, in the case of Swedish Notes, such later date on which the relevant Notes have been transferred by the Issuing Agent and blocked for further transfer by the Issuing Agent (such date being the first date of the relevant closed period for the purposes of Condition 2 (f)), shall become immediately due and payable:

- (a) **Non-Payment:** default is made for more than 14 days in the payment on the due date of interest or principal in respect of any Note or
- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in respect of the Notes which default is incapable of remedy or is not remedied within 30 days after written notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder or
- (c) **Cross-Default:** (A) any other Indebtedness for Borrowed Money of the Issuer or the Guarantor becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money provided that the aggregate amount of the relevant Indebtedness for Borrowed Money, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds the higher of SEK400,000,000 or Euro40,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates) or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or the Guarantor and is not discharged or stayed within 60 days or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future with respect to all or substantially all of the assets of the Issuer or the Guarantor becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and is not discharged within 60 days or
- (f) **Insolvency:** the Issuer or the Guarantor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor or
- (g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Guarantor, or the Issuer or the Guarantor shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed

by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders or

- (h) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of England is not taken, fulfilled or done or
- (i) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or
- (j) **Guarantee:** the Guarantee is not or ceases to be (or is claimed by the Guarantor not to be) in full force and effect or
- (k) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

In these Conditions, “**Indebtedness for Borrowed Money**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed or (ii) liabilities under or in respect of any acceptance or acceptance credit.

## 11 Meeting of Noteholders and Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be

as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

- (b) **Modification of Agency Agreement:** The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

## 12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Paying Agent in Luxembourg (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

## 14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices to holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

## 15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor, as the case may be, shall only constitute a discharge to the Issuer or the Guarantor to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's or the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## 16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 17 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes, the Receipts, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them are, governed by, and shall be construed in accordance with, English law, save that the provisions of Condition 3(c) (and related provisions of the Deed of Guarantee) relating to limitation of the obligations of the Guarantor are governed by, and shall be construed in accordance with, Swedish law. Notwithstanding this, the registration of (i) Swedish Notes in Euroclear's system for the registration of financial instruments shall be governed by and construed in accordance with Swedish law and (ii) Norwegian Notes in VPS's system for the registration of financial instruments shall be governed by and construed in accordance with Norwegian law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Service of Process:** Each of the Issuer and the Guarantor irrevocably appoints the Swedish Trade Council of Winchester House, 259-269 Old Marylebone Road, London NW1 5RA as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing in this condition shall affect the right to serve process in any manner permitted by law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depository or Common Safekeeper, as the case may be, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **3 Exchange**

#### **3.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

#### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided in paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so ; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### **3.3 Permanent Global Certificates**

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

### **3.4 Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

### **3.5 Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **3.6 Exchange Date**

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## **4 Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been

notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(g)(vii) and Condition 8(d) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(j) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

#### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Conditions 8 and 9).

#### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

#### **4.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions while the relevant Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event

that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

#### **4.7 Noteholders' Options**

Any option of the Noteholders provided for in the Conditions while the relevant Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

#### **4.8 NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

#### **4.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer and the Guarantor under the terms of a Deed of Covenant executed as a deed by the Issuer and the Guarantor on 13 April 2012 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### **4.10 Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to

the holder of the Global Note, except that so long as the Notes are listed on the Luxembourg Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

## **5 Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## TELE2 AB (PUBL)

### General

The Issuer's legal and commercial name is Tele2 AB (publ) ("Tele2"). The Issuer was incorporated under the laws of Sweden on 19 November 1990 and is a public limited liability company registered in Sweden with number 556410-8917. The registered office of the Issuer is c/o Box 2094, SE-10313, Stockholm, Sweden, and its telephone number is +46 8 5626 4000.

In 1993 Tele2 started conducting its telecom business. During the same year fixed telephony was launched in Sweden. In 1996 Tele2 was listed on the O-list of NASDAQ OMX, Stockholmsbörsen. During the period from 1996 to 2000, Tele2's international expansion started with the launch of operations in the Netherlands, Norway, Estonia, Lithuania and Latvia. Tele2 was awarded a 3G licence in Sweden in 2000 and established a joint 3G network company with TeliaSonera in Sweden the following year. In 2003, Tele2's first GSM network in Russia was launched. As at 31 December 2011, Tele2 held 43 regional 2G licences in Russia. Tele2 has further expanded its operations into Eurasia with the acquisition of mobile operations in Kazakhstan in 2009. Since 2009, Tele2 has also operated a joint 4G network company with Telenor in Sweden.

Tele2, together with its subsidiaries and affiliates taken as a whole (the "Group") is one of Europe's leading telecom operators. The Group offers mobile communication services, fixed broadband and telephony, data network services, cable TV and content services to approximately 34 million customers in 11 countries. In some countries, the Group also provides fixed communication services. Mobile communication is the Group's principal business and its most important growth segment. For the year ended 31 December 2011 mobile telephony accounted for more than 73 per cent. of the Group's net sales.

For the year ended 31 December 2011, the Group's net sales amounted to SEK 40,750 (compared to SEK 40,164 million in 2010). Earnings before interest, taxes, depreciation and amortisation ("EBITDA") in 2011 amounted to SEK 10,852 million (compared to SEK 10,284 million in 2010). As at 31 December 2011, net debt of the Group was SEK 11,369 (compared to SEK 1,691 million as at 31 December 2010).

Tele2 had 7,878 employees as at 31 December 2011.

### Share Capital and Shareholders

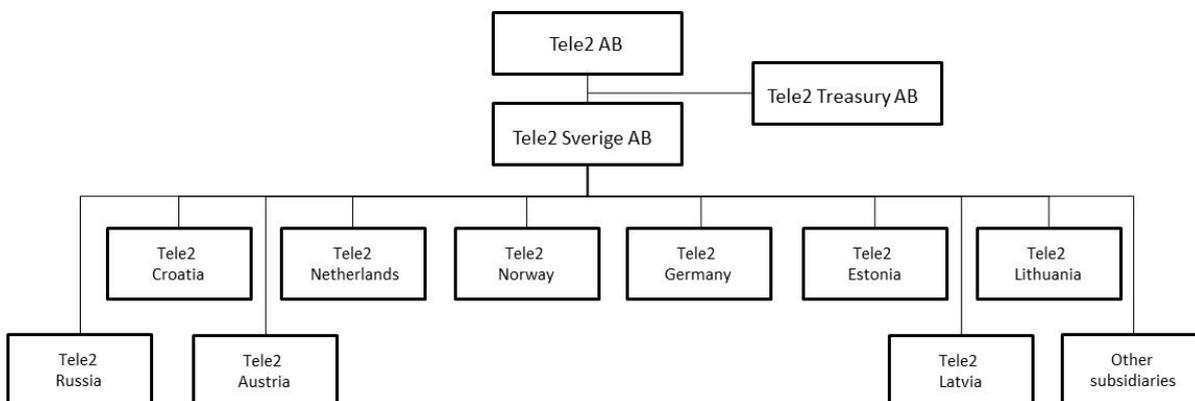
Tele2's share capital amounts to SEK 560,979,173.75, with a total of 448,783,339 shares outstanding. Tele2's shares are divided into three classes: A shares which grant 10 votes per share, B shares which grant 1 vote per share and C shares which grant 1 vote per share.

Tele2's A shares and B shares are listed on the NASDAQ OMX Stockholm Large Cap list under the ticker symbols TEL2 A and TEL2 B. As at 31 December 2011 the fifteen largest shareholders held in aggregate shares corresponding to 51 per cent. of the share capital and 62 per cent. of the voting rights, of which Investment AB Kinnevik (publ) held 30 per cent. of the share capital and 47 per cent. of the voting rights. No other shareholder owns, directly or indirectly, more than 10 per cent. of the shares in Tele2.

Investment AB Kinnevik (publ)'s largest shareholder is Verdere S.à r.l. which as at 31 December 2011 owned 9.1 per cent. of the share capital and 35.1 per cent. of the voting rights in Investment AB Kinnevik (publ). Verdere S.à r.l. has entered into an agreement regarding coordination of its voting with other shareholders of Investment AB Kinnevik (publ) (including SMS Sapere Aude Trust and HS Sapere Aude Trust ) and as at 31 December 2011 together they held shares representing 12.9 per cent. of the share capital and 46.6 per cent. of the voting rights in Investment AB Kinnevik (publ).

## Company Structure

Tele2 is, indirectly, the ultimate holding company of all the companies in the Group and its assets are substantially comprised of shares in such companies. It does not conduct any operations and accordingly depends on the income derived from the other members of the Group and revenues received from them.



In most of its markets, Tele2 pursues a mono brand strategy. However, in order to be able to take into account certain specific market conditions its mobile prepaid services are offered under brands in addition to the Tele2 brand in certain markets such as Comviq in Sweden, Pilydk in Lithuania, and ZeltaZivtina in Latvia. As a consequence of the acquisition of Network Norway in 2011, Tele2 plans to enhance its market presence by integrating its successful brands into the Norwegian operation.

## Products and Services

### *Mobile Voice, Messaging and Handset Data*

The Group currently offers mobile telephony (including such services as mobile voice telephony, messaging services (SMS and MMS) and associated value added services) and handset related data services in all its markets, except for Austria and Germany. In Sweden and Germany, home telephony via the mobile network is also offered. Home telephony via the mobile network is a service that enables customers to use a fixed telephony service at home, i.e. using a telephone number from a fixed telephony number series, at a significantly lower cost.

### *Mobile Broadband*

The Group offers mobile broadband services in all the markets in which it operates, except for Russia, Germany and Austria. Mobile broadband enables data services such as access to the Internet at high data rates.

### *Fixed Broadband*

The Group offers fixed broadband services to households and businesses in Austria, Germany, the Netherlands and Sweden. The main broadband service offered to households is Internet connectivity based on digital subscriber line technology (“DSL”). In Sweden, the Group also offers fiber services to households that require higher bandwidth than DSL provides.

### *Fixed Voice*

The Group offers fixed telephony in Sweden, Norway, the Netherlands, Germany and Austria, either as Internet protocol telephony (“IP”) or traditional fixed telephony. The Group also offers a fixed telephony replacement service using the mobile network in Sweden and Germany.

### *Business-to-Business Services*

The Group targets the business segment in all its markets. Typically the services offered are mobile telephony and data, fixed broadband, fixed telephony and specific Business to Business (“B2B”)

telecommunication services. In Sweden and Norway, the Group offers a full range of mobile business services, whereas in the other markets the introduction of the different services is still on-going.

### ***New Ventures***

The Group continuously investigates opportunities to introduce new services bringing value to customers.

Any new service must have reached an adequate technical state and show satisfactory business viability to be introduced to a market.

Examples of assets and competences that the Group leverages in order to identify such services are, among others, high performing wireless data networks and astute local awareness of the customers' communications needs and behaviours.

In particular, Machine-to-Machine ("M2M") communication continues to be a focus area for new ventures across the Group. The continuously decreasing cost of devices and the regulatory requirements for automatic remote meter readers have stimulated M2M demand across the Group. By leveraging the networks and service quality, a simple and standardised offering and its cost leadership position, the Group expects its M2M market position to grow. An M2M offering is currently provided in Estonia, Latvia, Lithuania, the Netherlands, Russia, and Sweden.

## **Organisational Overview**

### ***Overview by Region***

#### ***The Group***

The Group's markets are divided into four distinct regions, in order to make the best use of the Group's resources: Nordic, Russia, Central Europe & Eurasia and Western Europe. These regions include both emerging and mature markets, where cultural, economic and competitive differences are significant. However, the trend towards mobility is universal, and is clearly evident in all countries. While mobile communication services are fairly standardised across different regions, the level of maturity differs widely. As a consequence, the focus of the Group's operations in each region is different. In the Western European region, the Group aims to develop its operations with emphasis on the business segment. The Nordic region remains the cash flow generator of the Group, as well as its testing platform for new services. In Central Europe & Eurasia, the Group keeps growing and expanding businesses. Lastly, Russia is the growth engine of the Group.

The Group's position and priorities vary within the regions. Local market characteristics differ in many ways, even in the same country. The Group's green field operations, for example in Kazakhstan, are focused on increasing market share, brand awareness and price leadership. In order to build its business in Latvia and Estonia, the Group pays particular attention to price, market share, expected quality, and network capabilities. In order to defend its market share in many parts of Russia, in Sweden and in Lithuania, the Group focuses on retention of its customers, price stability, value added services, and quality.

## **NORDIC**

### ***Sweden***

In 2011, Tele2 Sweden continued to focus on three areas: growth in the postpaid and mobile broadband segments, improved quality and market share expansion in the business segment.

The continued demand for smartphones in the postpaid segment (mobile phones with text and data capacity that handle voice and data and are able to download different applications) further increased mobile data revenues and equipment sales of Tele2 Sweden. At the end of 2011, the smartphone penetration within the postpaid residential segment exceeded 50 per cent. The iPhone remained the most sold smartphone, but 2011 also saw the entry of more low-end smartphones taking market shares primarily in the prepaid segment. As a result, nine out of the top ten phones sold were smartphones, the

majority of them sold together with a data subscription. This trend is expected to continue as the entry and popularity of cheaper low-end smartphones is gaining momentum.

To capitalise on the mobility trend among customers in Sweden, Tele2 Sweden continued the roll-out of its 4G network. By the end of 2011, Tele2 Sweden had successfully launched 4G network in 71 municipalities covering 4,055,000 residents in the country. The roll-out progress continues according to plan, with the aim of covering 99 per cent. of the population by the end of 2012. Faster mobile connections allow customers to perform usual operations via the fixed Asymmetric Digital Subscriber Line (“ADSL”) connection but through the 4G network. During 2011, Tele2 Sweden launched a 4G Wi-Fi home router which offers a good substitute for fixed connections. At end of 2011, Tele2 Sweden was carrying 25,000 4G customers in its network.

Despite increased competition, Tele2 Sweden managed to demonstrate strong results through quality-enhancing activities combined with cost containment efforts. The on-going upgrade of Tele2 Sweden’s network and IT systems has started to show results. Productivity was improved by Tele2’s cost effective networks.

### *Norway*

Tele2 Norway acquired Network Norway on 1 October 2011, increasing its share in the Norwegian mobile market. The purchase of Network Norway also resulted in a 100 per cent. ownership of its former joint venture, Mobile Norway, which is building out Norway’s third mobile network. The Group’s Norwegian operations now consist of the mobile brands Tele2, One Call, Lebara and Network Norway Business.

Tele2 Norway’s revenue was 3,245 in 2011 compared to 3,016 in 2010. The increase was driven by the acquisition affecting the fourth quarter, as well as by organic growth relating to an augmenting mobile customer base.

In 2011, Tele2 Norway continued its efforts to reduce costs and target high Average Revenue Per User (“ARPU”) customers by focusing more strongly on fixed-price subscriptions and subscriptions bundled with smartphones as well as focusing on strengthening its price position and enhancing quality perception. Tele2 Norway experienced strong competition in the market during the second half of 2011 as competitors launched aggressive low-price campaigns which adversely affected customer growth and end-user prices.

In the last quarter of 2011, the brand Tele2 started to transfer traffic onto the Group’s own network. The other brands, Lebara, One Call and Network Norway Business, routed traffic through their own network during the entire year.

In the fixed telephony segment, Tele2 Norway concentrated its efforts on defending market share and maintaining profitability.

### *Russia*

The Russian operation is the Group’s most important growth engine. Tele2 Russia has GSM licences in 43 regions in Russia, covering 62 million inhabitants. Tele2 Russia’s total customer base amounted to 20,636,000 as at 31 December 2011 compared to 18,438,000 as at 31 December 2010. The Group expects that the competitive environment in Russia will remain very tough. Tele2’s main differentiator is a clear price leadership position. However, as the market evolves the Group believes it will become increasingly important to find other means of differentiating its services from those of its competitors whether by way of marketing concepts, distribution channels or customer care. In 2011, Tele2 Russia successfully pursued its strategy of improving the operational contribution of its more mature regions to support the roll-out of commercial networks in new regions. Tele2 Russia gained a total of 2,198,000 new customers in 2011, compared to 3,987,000 in 2010. The turnover of the total customer base was improved during 2011, despite increased competition.

Tele2 Russia intends to continue to seek ways to carefully expand its operations through new licences (which the company will attempt to obtain in regions where it does not yet operate, while trying to secure next generation mobile licences in its existing footprint ) as well as by complementary acquisitions.

On the regulatory side, Tele2 has gained a better understanding of the Russian market and set clear operational priorities in a complex environment. The conclusions of the authorities' technology neutrality study of the Russian 900/1800 Mhz frequency spectrum are expected during 2012. Tele2 Russia believes that the regulatory authorities will maintain their established support to the regional operators and enable them to provide essential future-proof data services.

Distribution will remain an important differentiator in the Russian mobile market. Tele2 Russia intends to pursue further its multi-pronged approach with local distributors, together with federal dealers and mono brand stores. Tele2 Russia also intends to focus on developing long term relationships and securing a well performing distribution network.

## **CENTRAL EUROPE & EURASIA**

### ***Estonia***

Throughout 2011, the Estonian economy continued to show clear signs of recovery. However, the market situation remained challenging as consumer confidence was still relatively weak and price pressure persisted in all segments.

In 2011, Tele2 Estonia continued to focus on enhancing efficiency and cost reduction measures (mainly consisting of outsourcing decisions, reductions in headcount and better management of bad debts) to maintain a solid price position in the market. Net intake remained stable compared to the same period last year, however, Tele2 Estonia gained more valuable residential and business customers. In addition, the mobile broadband segment grew steadily throughout the year.

In 2012, Tele2 Estonia acquired Tele2võrgu AS in order to enable it to offer competitive data services without a significant increase in transmission costs.

Tele2 Estonia intends to continue to concentrate its efforts on attracting residential and business customers by means of a distinct price leadership position and improved quality.

In the prepaid segment, Tele2 Estonia will seek to shift its focus from growing its customer base to taking a market leadership position.

### ***Lithuania***

Tele2 Lithuania demonstrated solid financial performance during 2011, despite enduring difficult market conditions and sustained levels of competition. Tele2 Lithuania achieved the market leader position in absolute EBITDA and the second position in total revenue with a little gap to Omnitel. Tele2 Lithuania further improved its profitability in 2011 compared to the same period last year and was found to be the most valuable mobile operator according to the investment bank GILD Bankers.

Tele2 Lithuania's participation in public tenders (a process through which state organisations purchase services) proved to be very successful. Tele2 Lithuania gained four times more business customers in 2011 than it did in 2010. Strong results were also achieved in the postpaid residential segment, by means of sales and marketing campaigns.

Tele2 Lithuania intends to defend both its actual and perceived price leadership and constantly improve its quality of service to ensure that it keeps delivering the best deal in the market.

### ***Latvia***

The mobile market in Latvia remained highly competitive during 2011. However, Tele2 Latvia managed to keep its leading market position in terms of active customer base. Strong price pressure and

competition persisted across all customer segments in Latvia. Although the prepaid market decreased, Tele Latvia's residential customer base grew, supported by efficient sales and marketing campaigns.

On 3 January 2012 Tele2 Latvia was awarded a 2.6GHz licence for the deployment of LTE.

Tele2 Latvia will continue to strengthen its sales by means of targeted campaigns and offers in order to pursue growth, particularly in the corporate segment. In addition, Tele2 Latvia will aim to enhance customer loyalty and provide good retention offers to defend its customer base.

### ***Croatia***

During 2011, Tele2 Croatia was the only growing operator in the Croatian market, which showed an overall decrease. Tele2 Croatia's revenue growth in 2011 was approximately 5 per cent. in local currency.

Throughout 2011, Tele2 Croatia gained valuable residential and business customers. However, as a result of a strong competition in the prepaid market in general and some changes in the prepaid customer base, Tele2 Croatia's annual net intake in the prepaid segment declined.

In 2011, Tele2 Croatia managed to keep its leading position in perceived price leadership and improved its quality perception significantly, by means of better customer service and an attractive store concept.

Tele2 Croatia intends to concentrate on increasing its market share, particularly in the prepaid customer segment. It intends to focus on maintaining price leadership, while providing products that are tailored to customer needs. At the same time, Tele2 Croatia intends to continue to enhance quality perception and customer experience across all its services.

Tele2 Croatia will also continue to focus on customer retention in order to generate higher revenue and increase customer lifetime value.

### ***Kazakhstan***

During 2011, the roll-out of the 2G and 3G networks was a key focus area for Tele2 Kazakhstan. As a result, the Tele2 brand was launched in 12 out of 16 regions.

Tele2 Kazakhstan gained 1,038 million customers during 2011, with its total customer base reaching 1,371 million by the end of the year.

In 2012, Tele2 Kazakhstan intends to focus on the launch of the Tele2 brand in the four remaining regions, thereby scaling up operations and growing market share.

The company intends to work steadily on strengthening the network infrastructure in terms of coverage, capacity, performance, service quality and development of 2G and 3G capabilities.

Tele2 Kazakhstan also intends to concentrate its efforts on intensive marketing activities, on enhancing the efficiency of its distribution channels and on improving customer care in order to further increase sales.

## **WESTERN EUROPE**

### ***The Netherlands***

In 2011, Tele2 Netherlands showed solid results, despite the general declining trend in voice usage in both the residential and business markets. Synergies derived from the BBned acquisition reinforced the company's number two position in the carrier market. In addition, Tele2 Netherlands acquired ISP Connect Data Solutions to reinforce its position in the SME segment.

The addition of new retail and online distribution channels in the second half of the year as well as the growing demand for smartphones stimulated the intake of Tele2 Netherlands' mobile base. The increased number of smartphone users increased the demand for mobile data services, resulting in higher ARPUs. In 2011, an increased number of residential customers opted for bundled services. The national coverage of Tele2 Netherlands' TV product combined with a successful marketing campaign, enabled the

company to benefit from this trend. Although this led to a decrease in Tele2 Netherlands' total customer base in the fixed broadband segment, it led to higher ARPU's.

In the business segment, competition remained intense during 2011. Tele2 Netherlands' sales force contributed to adding new business contracts to the company's portfolio, although there were some price decreases on renewal of existing contracts.

Both customer base development and voice usage in the fixed telephony segment showed a gradual decline in line with market trends throughout 2011. Tele2 continues to focus on customer retention to maximise value by up- and cross-selling bundled offerings to its fixed telephony customer base.

Furthermore, Tele2 Netherlands intends to expand its indirect B2B sales distribution capacity in order to expand its customer base in the SME segment.

The company also intends to evaluate the possibility of participating in the mobile licence auction planned for October 2012.

### ***Germany***

During 2011, Tele2 Germany effectively managed the transformation of its business from a network operator to a service provider, and from a fixed only to a fixed and mobile provider. The company succeeded in stabilising its customer base during the year and maintained its high profitability, despite a decrease in fixed telephony revenue.

The company's new mobile product line was successfully launched. In the early part of 2011, Tele2 Germany migrated a large portion of its Carrier Preselect ("CPS") customers to the mobile product. The mobile segment reached operational break-even and the company demonstrated positive EBITDA at the end of 2011.

The fixed broadband segment benefited from cost reductions through network optimisations based on the wholesale agreement with QSC AG. By focusing on customer retention activities and by outperforming customer base development expectations, Tele2 Germany managed to achieve good profitability in 2011.

Tele2 Germany's strategy is to ensure high quality and effective sales structures for its mobile services during 2012.

Tele2 Germany will also focus on customer satisfaction after launch of its new mobile products.

### ***Austria***

Tele2 Austria demonstrated an all-time high EBITDA and cash flow performance in 2011. Tele2 Austria strengthened its position in the business segment by acquiring the alternative B2B-focused Internet service provider Silver Server.

Tele2 Austria continued to enhance its focus on growth within the business segment by providing the business community with a superior customer experience at a low price with data network services showing healthy revenue development. In 2011, Tele2 Austria worked across all business areas in order to increase sales efficiency and improve customer retention.

In the residential segment, Tele2 Austria concentrated its efforts on retaining its customer base by emphasising value based-segmentation through various marketing campaigns.

Tele2 Austria intends to continue to grow its services in the B2B segment through focusing on its structure and sales processes, including the full integration of Silver Server.

In the residential segment, Tele2 Austria intends to focus on retention of customers by offering them good value.

## Board of Directors

As at the date of this Prospectus, the Directors of Tele2, their functions and the principal outside activities (if any) performed by them are as follows:

<b>Directors</b>	<b>Role</b>	<b>Principal activities outside the Group</b>
Mike Parton	Chairman, Non-Executive Director, Member of the Remuneration Committee	CEO and Chairman of Damovo Group Ltd, Member of the Chartered Institute of Management Accountants, Member of the Advisory Board of UK Charity Youth at Risk.
John Hepburn	Non-Executive Director, Chairman of the Remuneration Committee	Senior advisor to Morgan Stanley, Chairman of the Board of Sportfact Ltd., Vice Chairman of the Board of UKRD Ltd., Member of the Board of Grand Hotel Holdings AB and Mölnlycke Health Care.
Lars Berg	Non-Executive Director, Member of the Audit Committee	Non-executive Chairman and a board member of Net Insight AB, a non-executive board member of Ratos AB, a non-executive board member of KPN/OnePhone, a non-executive supervisory board member of NORMA Group AG, Frankfurt, and a European Venture Partner of Constellation Growth Capital.
Cristina Stenbeck <sup>1</sup>	Non-Executive Director	Chairman of Investment AB Kinnevik
John Shakeshaft	Non-Executive Director, Chairman of the Audit Committee	Chairman of Ludgate Environmental Fund Ltd, Investment Director of Corestone AG and of Valiance LLP. Member of the Board of TT Electronics plc, Xebec Inc. and the Economy Bank NV.
Erik Mitteregger <sup>2</sup>	Non-Executive Director, Member of the Audit Committee	Director of Investment AB Kinnevik, Chairman of the Board of Wise Group AB and Director of the Board of Firefly AB and Metro International S.A.

Mia Brunell Livfors <sup>3</sup>	Non-Executive Director, Member of the Remuneration Committee	CEO of Investment AB Kinnevik, Chairman of the Board in Metro International S.A and Member of the Board of Korsnäs AB, Transcom Worldwide S.A, Millicom International Cellular S.A., Modern Times Group MTG AB and Hennes & Mauritz AB.
Jere Calmes	Non-Executive Director, Member of the Audit Committee and Member of the Remuneration Committee	Managing Director of Adva Capital, Chairman of the Board in Metro International S.A and Member of the Board of Korsnäs AB, Transcom Worldwide S.A, Millicom International Cellular S.A., Modern Times Group MTG AB and Hennes & Mauritz AB.

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Notes:

- (1) As chairman of the Board of Investment AB Kinnevik, Cristina Stenbeck represents major shareholders who own more than 10 per cent. of Tele2.
- (2) As a Director of Investment AB Kinnevik, Erik Mitteregger represents major shareholders who own more than 10 per cent. of Tele2.
- (3) Mia Brunell Livfors is a member of the Board of Transcom Worldwide SA, a major supplier of CRM services to Tele2. As CEO of Investment AB Kinnevik, Mia Brunell Livfors represents a shareholder which owns more than 10 per cent. of Tele2.

The business address (in respect of Tele2 business) of each of the above Directors is c/o Box 2094, SE-10313, Stockholm, Sweden.

Except as described in the table above, there are no potential conflicts between the duties of any Director to Tele2 and his private interests or other duties.

## TELE2 SVERIGE AB

### General

The Guarantor's legal and commercial name is Tele2 Sverige AB ("Tele2 Sverige"). Tele2 Sverige was incorporated under the laws of Sweden on 31 October 1985 and is a private limited liability company registered in Sweden with number 556267-5164. The registered office of Tele2 Sverige is at Box 62, SE-164 94, Kista, Sweden, with telephone number +46 8 5626 4000.

Tele2 Sverige is the entity through which all Tele2 operations in Sweden are conducted. Tele2 Sverige is engaged in fixed and mobile telephony, and provides data networks and internet services.

Tele2 Sverige's share capital amounts to SEK 150,000,000 with a total of 1,500,000 shares outstanding. The Issuer is the ultimate parent company of Tele2 Sverige. Tele2 Sverige is, indirectly or directly the parent company of all operating subsidiaries within the Group.

### Board of Directors

As at the date of this Prospectus, the Directors of Tele2 Sverige, their functions and the principal outside activities (if any) performed by them are as follows:

<b>Directors</b>	<b>Role</b>	<b>Principal activities outside Tele2 Sverige AB</b>
Mats Granryd	Chairman, Non-Executive Director	CEO of Tele2 AB
Lars Nilsson	Non-Executive Director	CFO of Tele2 AB
Jonas Bengtsson	Non-Executive Director	General Counsel of Tele2 AB

The business address (in respect of Tele2 Sverige business) of each of the above Directors is Box 62, SE-164 94, Kista, Sweden.

Except as described in the table above, there are no potential conflicts between the duties of any Director to Tele2 Sverige and his private interests or other duties.

## TAXATION

### Swedish Taxation

*The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The summary does not address the rules regarding reporting obligations for, amongst others, payers of interest. Investors should consult their professional tax advisors regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.*

#### **Holders not resident in the Kingdom of Sweden**

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a holder of Notes should not be subject to Swedish income tax, provided that such a holder is not resident in the Kingdom of Sweden for Swedish tax purposes and provided that such holder does not have a permanent establishment in the Kingdom of Sweden to which the Notes are effectively connected. However, in somewhat simplified terms, provided that the value or the return of the Notes is related to securities taxed as shares, private individuals who have been residents of the Kingdom of Sweden or have had a habitual abode in the Kingdom of Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption, are liable for capital gains taxation in the Kingdom of Sweden upon disposal or redemption of such Notes. In a number of cases, however, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

No Swedish withholding tax or deduction is imposed or made in respect of payments to a non-resident holder of any principal amount or any amount that is considered to be interest for Swedish tax purposes.

#### **Holders resident in the Kingdom of Sweden**

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in the Kingdom of Sweden for Swedish tax purposes, all capital income (including interest payments and capital gains on the sale, redemption or repayment of Notes) will be taxable. Specific tax consequences, however, may be applicable to certain categories of legal entities, e.g. life insurance companies. Further, specific tax consequences may be applicable if, and to the extent, a holder of Notes realises a capital loss on a Note due to any currency exchange gains or losses.

If amounts that are considered to be interest for Swedish tax purposes are paid by Euroclear Sweden AB or by another legal entity domiciled in the Kingdom of Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in the Kingdom of Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by Euroclear Sweden AB or such legal entity on such payments. New rules entered into force on 1 January 2012 which mean that Swedish preliminary taxes will normally be withheld also on other return on securities and receivables (but not capital gains), if the return is paid out together with an amount that is considered to be interest for Swedish tax purposes.

#### **Payments under the Guarantee**

If the Guarantor makes any payments under the Guarantee, for Swedish tax purposes such payments will be subject to the same tax treatment as if they were made by the Issuer. Please see the relevant section above.

### Luxembourg

#### **Luxembourg tax residency of the Noteholders**

A Noteholder will not become resident, or be deemed to be resident in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

### **Withholding tax and self-applied tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

### **Taxation of Luxembourg non-residents**

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“**EU**”), a Luxembourg-based paying agent (within the meaning of the EU Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another member state of the EU (a “**Member State**”) or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same treatment will apply to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the EU Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish or Swedish companies listed in Article 4.5 of the EU Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not Undertakings for Collective Investment in Transferable Securities (“**UCITS**”) recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and that have not opted to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC). The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### **Taxation of Luxembourg residents**

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008 (the “**Law**”) interest, payments made by Luxembourg paying agents (defined in the same way as in the EU Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or for the exchange of information regime) are subject to a 10 per cent. withholding tax (the “**10 per cent. Luxembourg Withholding Tax**”).

In accordance with the Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax (the “**10 per cent. Tax**”) on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the EU Savings Directive) located in an EU Member State other than Luxembourg, a member state of the European Economic Area or in a state or territory which has concluded an international agreement directly related to the EU Savings Directive. The 10 per cent. Luxembourg Withholding Tax or the 10 per cent. Tax represents the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the course of their private wealth and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis; if applicable, the 10 per cent. Luxembourg Withholding Tax levied will be credited against their final income tax liability.

## **EU Savings Directive**

Under European Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual or to certain other persons in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of non-EU countries and territories have adopted similar measures with effect from the same date.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 13 April 2012 (the “**Dealer Agreement**”) between the Issuer, the Guarantor, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

Each of the Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Fiscal Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Fiscal Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

### **Public Offer Selling Restriction Under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Kingdom of Sweden**

Each Dealer has represented and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definite document in relation to any such offer, invitation or sale in the Kingdom of Sweden except in circumstances

that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

#### **Norway**

Notes denominated in Norwegian Kroner may not be offered or sold within Norway or outside Norway to Norwegian citizens abroad, without the Notes prior thereto having been registered in the VPS.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

#### **General**

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms, in all cases at its own expense.

## THE DEED OF GUARANTEE

*The following is the text of the Deed of Guarantee which has been entered into by Tele2 Sverige.*

“**This Deed of Guarantee** is made on 13 April 2012 by Tele2 Sverige AB (the “**Guarantor**”) in favour of the Holders and the Relevant Account Holders.

### **Whereas:**

- (A) Tele2 AB (publ) (the “**Issuer**”) proposes to issue euro medium term notes guaranteed by the Guarantor (the “**Notes**”, which expression shall, if the context so admits, include the Global Notes (in temporary or permanent form) to be initially delivered in respect of the Notes and any related coupons, receipts and talons) pursuant to (i) an agency agreement, as amended or supplemented from time to time dated 13 April 2012 between, among others, the Issuer, the Guarantor and BNP Paribas Securities Services, Luxembourg Branch as Fiscal Agent (the “**Fiscal Agent**”), (ii) in the case of Swedish Notes, the Issuing Agent Agreement or (iii) in the case of Norwegian Notes, the Norwegian Agency Agreement.
- (B) The Issuer has, in relation to the Notes issued by it, entered into a deed of covenant (as amended and supplemented from time to time, the “**Deed of Covenant**”) dated 13 April 2012.
- (C) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer in respect of the Notes to the holders of any Notes (the “**Holders**”) issued by it and under the Deed of Covenant to the Relevant Account Holders (the “**Guarantee**”).

**This Deed Witnesses** as follows:

### **1 Interpretation**

- 1.1 Defined Terms:** In this Deed, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the Deed of Covenant and the Conditions (as defined in the Deed of Covenant).
- 1.2 Headings:** Headings shall be ignored in construing this Deed.
- 1.3 Contracts:** References in this Deed to “this Deed” or any other document are to this Deed or these documents as amended, supplemented or replaced from time to time in relation to the Programme and includes any document that amends, supplements or replaces them.

### **2 Guarantee and Indemnity**

- 2.1 Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Deed of Covenant or the Notes by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum to each Holder and each Relevant Account Holder before close of business on that date in the city to which payment is so to be made. All payments under this Guarantee by the Guarantor shall be made subject to the Conditions.
- 2.2 Guarantor as Principal Debtor:** As between the Guarantor, the Holders and the Relevant Account Holders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Guarantee, the Deed of Covenant or the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Guarantee, the Notes, the Deed of

Covenant or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Guarantee, the Notes, the Deed of Covenant or any of the Issuer's obligations under any of them.

- 2.3 Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Notes, the Deed of Covenant or this Guarantee and no further Notes may be issued by the Issuer under the Programme. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind.
- 2.4 Exercise of Guarantor's Rights:** So long as any sum remains payable under the Notes, the Deed of Covenant or this Guarantee, the Guarantor shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity.
- 2.5 Avoidance of Payments:** The Guarantor shall on demand indemnify the relevant Holder or Relevant Account Holder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Notes or the Deed of Covenant and shall in any event pay to it on demand the amount as refunded by it.
- 2.6 Debts of Issuer:** If any moneys become payable by the Guarantor under this Guarantee, the Issuer shall not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.
- 2.7 Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (1) that any sum that, although expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, a Holder or a Relevant Account Holder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Holder or Relevant Account Holder (as the case may be) on demand; and (2) as a primary obligation to indemnify each Holder and Relevant Account Holder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee not being paid on the date and otherwise in the manner specified in this Guarantee or in the Conditions or any payment obligation of the Issuer under the Notes, the Deed of Covenant or this Guarantee being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to a Holder or a Relevant Account Holder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.
- 2.8 Incorporation of Terms:** The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.

### **3 Payments**

- 3.1 Payments Free of Taxes:** All payments by the Guarantor under this Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Sweden or any political subdivision or any authority thereof or therein having

power to tax, unless such withholding or deduction is required by law. In that event, the Guarantor shall pay such additional amounts as shall result in receipt by the Holders and Relevant Account Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

- 3.1.1 to, or to a third party on behalf of, a Holder or Relevant Account Holder who is liable to such taxes, duties, assessments or governmental charges in respect of the relevant Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of the Note, Receipt or Coupon; or
- 3.1.2 in respect of any demand for payment made more than 30 days after the Relevant Date except to the extent that the Holder or Relevant Account Holder would have been entitled to such additional amounts on making such demand on the thirtieth such day; or
- 3.1.3 where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- 3.1.4 (except in the case of Registered Notes) in respect of any demand for payment made by or on behalf of a Holder or a Relevant Account Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

Defined terms used in this Clause 3.1 shall have the meanings given to them in the Conditions.

- 3.2 **Stamp Duties:** The Guarantor covenants to and agrees with the Holders and Relevant Account Holders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax payable in the United Kingdom, the Kingdom of Sweden, Belgium or Luxembourg, as the case may be, or in the country of any currency in which the Notes may be denominated or amounts may be payable in respect of the Notes or any political subdivision or taxing authority thereof or therein in connection with the entry into, performance, enforcement or admissibility in evidence of this Deed and/or any amendment of, supplement to or waiver in respect of this Deed, and shall indemnify each of the Holders and Relevant Account Holders, on an after tax basis, against any liability with respect to or resulting from any delay in paying or omission to pay any such tax.

#### 4 Limitations

The obligations of the Guarantor under this Guarantee shall be limited, if (and only if) required by the mandatory provisions of the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*) (the “**Swedish Companies Act**”) regulating unlawful distribution of assets and transfer of value (Chapter 17, Sections 1 to 4) (or its equivalent from time to time) and the liability of the Guarantor under this Guarantee will exist only to the extent permitted by the above mentioned provisions of the Swedish Companies Act.

#### 5 Amendment and Termination

The Guarantor may not amend, vary, terminate or suspend this Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by an Extraordinary Resolution to which the special quorum provisions specified in the Notes apply to the holders of each series of Notes outstanding, save that nothing in this Clause shall prevent the Guarantor from increasing or extending its obligations hereunder by way of supplement to this Guarantee at any time.

#### 6 General

- 6.1 **Benefit:** This Guarantee shall enure for the benefit of the Holders and the Relevant Account Holders.

**6.2 Deposit of Guarantee:** The Guarantor shall deposit this Deed with the Fiscal Agent, to be held by the Fiscal Agent until all the obligations of the Guarantor have been discharged in full. The Guarantor acknowledges the right of each Holder and each Relevant Account Holder to the production of, and to obtain a copy of, this Deed.

## **7 Governing Law and Jurisdiction**

**7.1 Governing Law:** This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law, save that the provisions of Clause 4 relating to limitation of the obligations of the Guarantor are governed by, and shall be construed in accordance with, Swedish law.

**7.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed (“**Proceedings**”) may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Relevant Account Holders and each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**7.3 Agent for Service of Process:** The Guarantor irrevocably appoints the Swedish Trade Council of Winchester House, 259-269 Old Marylebone Road, London NW1 5RA as its agent in England to receive service of process in any Proceedings in England based on this Deed. If for any reason the Guarantor does not have such an agent in England, it shall promptly appoint a substitute process agent and notify the Noteholders of such appointment in accordance with the Conditions. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**In witness** whereof the Guarantor has caused this Deed to be duly delivered as a deed on the date stated at the beginning.

**TELE2 SVERIGE AB**

By: ”

## FORM OF FINAL TERMS

Final Terms dated [●]

Tele2 AB (publ)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €3,000,000,000

Guaranteed Euro Medium Term Note Programme

guaranteed by Tele2 Sverige AB

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated 13 April 2012 [and the Prospectus supplement dated [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the Prospectus supplement] [is] [are] available for viewing at *www.tele2.com* [and] during normal business hours at [address] [and copies may be obtained from [address]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Agency Agreement dated [original date] and set forth in the Prospectus dated [original date] [and the Prospectus supplement dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated [current date] [and the Prospectus supplement dated [●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the Prospectus supplement dated [●] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus supplements dated [original date] and [current date] [and the Prospectus supplement dated [●] and [●]. The Prospectuses [and the Prospectus supplements] are available for viewing at *www.tele2.com* [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

- |   |        |                 |                  |
|---|--------|-----------------|------------------|
| 1 | (i)    | Issuer:         | Tele2 AB (publ)  |
|   | (ii)   | Guarantor:      | Tele2 Sverige AB |
| 2 | [(i)]  | Series Number:  | [●]              |
|   | [(ii)] | Tranche Number: | [●]              |

	(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	[●]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes:	[●]
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
6	(i) Specified Denominations:	[●] <i>[Where multiple denominations above €100,000 (or equivalent) are being used, the following sample wording should be used: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000]</i>
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date	[Specify/Issue Date/Not Applicable]
8	Maturity Date:	[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
11	Change of Interest or Redemption/ Payment Basis:	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]</i>
12	Put/Call Options:	[Investor Put] [Issuer Call] [Change of Control Put Option] [(further particulars specified below)]
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
	[(iii)] [Date [Board] approval for issuance of Notes	[●] and [●], respectively]]

and Guarantee obtained:

*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]*

14 Method of distribution:

[Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

**15 Fixed Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (specify)] in arrear]

(ii) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"/not adjusted]

(iii) Fixed Coupon Amount[(s)]:

[●] per Calculation Amount

(iv) Broken Amount(s):

[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]

(v) Day Count Fraction:

[30/360 / Actual/Actual (ICMA/ISDA) / other]

(vi) [Determination Dates:

[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:

[Not Applicable/give details]

**16 Floating Rate Note Provisions**

[Applicable/Not Applicable *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*]

(i) Interest Period(s):

[●]

(ii) Specified Interest Payment Dates:

[●]

(iii) First Interest Payment Date:

[●]

(iv) Interest Period Date:

[●]

*(Not applicable unless different from Interest Payment Date)*

(v) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]

(vi) Business Centre(s):

[●]

(vii) Manner in which the Rate(s) of Interest is/are to be determined:

[Screen Rate Determination/ ISDA Determination/ other *(give details)*]

(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):

[●]

(ix) Screen Rate Determination:

	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(x)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	– [ISDA Definitions:	[2000/2006]]:
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[●]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
17	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield:	[●] per cent. per annum
	(iii) Any other formula/basis of determining amount payable:	[●]
18	<b>Index-Linked Interest Note/other variable-linked interest Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Index/Formula/other variable:	<i>[give or annex details]</i>
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(iv) Interest Determination Date(s):	[●]
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
	(vi) Interest Period(s):	[●]
	(vii) Specified Interest Payment Dates:	[●]
	(viii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day

		Convention/other ( <i>give details</i> )]
	(ix) Business Centre(s):	[●]
	(x) Minimum Rate of Interest:	[●] per cent. per annum
	(xi) Maximum Rate of Interest:	[●] per cent. per annum
	(xii) Day Count Fraction:	[●]
19	<b>Dual Currency Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[ <i>give details</i> ]
	(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Agent])	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]
	<b>PROVISIONS RELATING TO REDEMPTION</b>	
20	<b>Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period	[●]
21	<b>Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period	[●]
22	<b>Change of Control Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this</i>

- paragraph)*
- Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- 23 **Final Redemption Amount of each Note** [●] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: [give or annex details]
  - (ii) Calculation Agent: [provide name and address]
  - (iii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [●]
  - (iv) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
  - (v) Determination Date(s): [●]
  - (vi) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
  - (vii) Payment Date:
  - (viii) Minimum Final Redemption Amount: [●] per Calculation Amount
  - (ix) Maximum Final Redemption Amount: [●] per Calculation Amount
- 24 **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 25 Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
- (N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of*

*[€1,000] in excess thereof up to and including [€199,000].”)*

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

**Registered Notes:**

[Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]

**Swedish Notes:**

[Registrar: Euroclear Sweden AB]

[Yes] [No]

**Norwegian Notes:**

[Registrar: [ ]]

- 26 New Global Note: [Yes] [No] [Not Applicable (in the case of Swedish Notes and Norwegian Notes)]
- 27 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(v) and 18(ix) relate]
- 28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details] [Not Applicable (in the case of Swedish Notes and Norwegian Notes)]
- 29 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
- 30 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 31 Redenomination, renominatisation and reconventioning provisions: [Not Applicable]
- 32 Consolidation provisions: [Not Applicable]
- 33 Other final terms: [Not Applicable/give details]

*[The Issuer shall have the right to obtain extracts from the register of creditors (Sw. skuldbok) from Euroclear Sweden – only applicable in case of Swedish Notes]*

*(When adding any other final terms consideration should be given as to whether*

*such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

**DISTRIBUTION**

- 34 (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 35 If non-syndicated, name of Dealer: [Not Applicable/give name]
- 36 U.S. Selling Restrictions: [Reg. S Compliance Category: 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
- 37 Additional selling restrictions: [Not Applicable/give details]

**[PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange’s regulated market of the Notes described herein pursuant to the €3,000,000,000 Guaranteed Euro Medium Term Note Programme of Tele2 AB (publ) guaranteed by Tele2 Sverige AB.]

**[RESPONSIBILITY**

Each of the Issuer and the Guarantor accepts responsibility for the information contained in these Final Terms. [Certain information has been extracted from third party sources. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Tele2 AB (publ):

By: .....  
Duly authorised

Signed on behalf of Tele2 Sverige AB:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1 ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: The Notes to be issued have been rated:
- [S & P: [●]]  
[Moody's: [●]]  
[[Fitch: [●]]  
[[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)
- Insert one (or more) of the following options, as applicable:
- Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**
- [Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "CRA Regulation"). As such [insert legal name of particular credit rating agency entity providing rating] is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.
- Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:**
- [Insert legal name of particular credit rating agency entity providing rating] is established in the EU and has applied for registration under

Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**"), although notification of the registration decision has not yet been provided. As such [insert legal name of particular credit rating agency entity providing rating] is therefore not included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

**Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:**

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**"). As such [insert legal name of particular credit rating agency entity providing rating] is therefore not included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

**Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:**

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the [Notes] is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**") and, as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

**Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:**

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**") and is included in the list of credit

rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

**Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "CRA Regulation") and the rating it has given to the [Notes] is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation. As such [insert legal name of particular credit rating agency entity providing rating] is therefore not included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.*

**3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]**

- |                                  |   |
|----------------------------------|---|
| [(i) Reasons for the offer       | [•]<br><i>(See [“Use of Proceeds”] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]</i>  |
| [(ii) Estimated net proceeds:    | [•]<br><i>(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]</i>                          |
| [(iii) Estimated total expenses: | [•]<br><i>(If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure</i> |

is included at (i) above.))<sup>1</sup>

5 **[Fixed Rate Notes only – YIELD**

Indication of yield:

[•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

6 **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]<sup>1</sup>*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

*The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] ] [does not intend to provide post-issuance information] .<sup>1</sup>*

7 **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]<sup>1</sup>*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

8 **OPERATIONAL INFORMATION**

ISIN Code:

[•]

Common Code:

[•]

Any clearing system(s) other than Euroclear Bank S.A/N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):

[Not Applicable/give name(s), number(s) and address(es)]

[Euroclear Sweden AB. Euroclear Sweden identification No.:]

[[ ] VPN identification No.:]

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

[•]

Names and addresses of additional Paying Agent(s) (if any):

[•]

Name and address of Issuing Agent in respect of Swedish Notes:

[Not Applicable/give name and address]

<sup>1</sup> Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

Name and address of Norwegian Issuing Agent in respect of Norwegian Notes: [Not Applicable/*give name and address*]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No] [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if “Yes” selected in which case bearer Notes must be issued in NGN form*]

## GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
- (2) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in the Kingdom of Sweden in connection with the establishment of the Programme and (in the case of the Guarantor) the giving of the Guarantee. The establishment of the Programme was authorised by the Board of Directors of the Issuer and passed on 6 February 2012 and the giving of the Guarantee by the Guarantor was authorised by the Board of Directors of the Guarantor and passed on 10 April 2012.
- (3) There has been no significant change in the financial or trading position, and no material adverse change in the prospects, of the Issuer, the Guarantor or of the Group since 31 December 2011.
- (4) None of the Issuer, the Guarantor or any other member of the Group is nor has it been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor or the Group.
- (5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records for Notes other than Swedish Notes and Norwegian Notes). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of such Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, the address of Euroclear Sweden is Box 191, SE-10123 Stockholm, Sweden and the address of VPS is Verdipapirsentralen ASA, Postboks 4, 0051 Oslo, Norway. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information unless required to do so pursuant to any applicable laws and regulations.
- (8) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and the specified offices of each of the relevant Agents:
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Deed of Covenant;
  - (iii) the Deed of Guarantee;
  - (iv) when entered into by the Issuer in connection with the first issue of Swedish Notes, the Issuing Agent Agreement;

- (v) when entered into by the Issuer in connection with the first issue of Norwegian Notes, the Norwegian Agency Agreement;
- (vi) the constitutional documents of the Issuer and the Guarantor;
- (vii) the published annual report and audited consolidated financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011, respectively;
- (viii) the published annual report and audited non-consolidated financial statements of the Guarantor for the financial years ended 31 December 2010 and 31 December 2011, respectively;
- (ix) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Notes and identity);
- (x) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
- (xi) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

This Prospectus, the Final Terms for Notes that are listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- (9) Copies of the latest annual consolidated financial statements and the latest interim consolidated accounts of the Issuer and the latest annual non-consolidated financial statements of the Guarantor may be obtained, and copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (10) Deloitte AB of Rehnsgatan 11, SE-113-79 Stockholm have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011, respectively and the non-consolidated financial statements of the Guarantor for the financial years ended 31 December 2010 and 31 December 2011, respectively. Deloitte AB is regulated by the Supervisory Board of Public Accountants (*Revisorsnämnden*).
- (11) Certain of the Dealers and their affiliates (including their parent companies) have engaged, and may in the future engage, in investment and/or commercial banking transactions with, and perform services for, or provided financing to, the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates (including their parent companies) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and/or for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of each of the Issuer and/or the Guarantor

**Registered Office of the Issuer**

**Tele2 AB (publ)**  
P.O. Box 2094  
SE-10313 Stockholm

**Registered Office of the Guarantor**

**Tele2 Sverige AB**  
P.O. Box 62  
SE-164 94 Kista

**Dealers**

**Banca IMI S.p.A.**  
Largo Mattioli, 3  
20121 Milan  
Italy

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Commerzbank Commerzbank  
Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

**Crédit Agricole Corporate and  
Investment Bank**  
9, quai du Président Paul Doumer  
92920 Paris  
La Defense Cedex  
France

**Danske Bank A/S**  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

**DNB Bank ASA**  
Stranden 21  
Aker Brygge  
0021 Oslo  
Kingdom of Norway

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
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(in respect of the Notes other than Swedish Notes and Norwegian Notes)**

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