



Press Release
2013-03-27

Tele2 AB confirms its operational focus, updates its operational guidance and proposes a share redemption program upon the sale of Tele2 Russia

Stockholm – Upon the sale of Tele2 Russia, Tele2 AB confirms its operational focus, updates its operational guidance and proposes a share redemption program to reach a balance sheet target of a net debt to EBITDA ratio of 1.25-1.75.

Financial Guidance

Tele2 AB makes the following revised guidance to that provided in Q4 2012 to give improved clarity on the expected longer term performance of Tele2 AB - proforma for the transaction:

- Tele2 expects to achieve compounded annual revenue growth for the group of between 5 – 7 percent until year 2015, reaching at least SEK 35.6 billion.
- Tele2 expects to achieve compounded annual EBITDA growth for the group of between 10 – 12 percent until year 2015, reaching at least SEK 8.3 billion.
- Each operation in the group should return at least 20 (previously 24) percent on capital employed (ROCE).
- Positive operational development over the next 3 years will be predominantly driven by strong mobile development in Sweden, the Netherlands, Norway and Kazakhstan.

Mats Granryd, President and CEO of Tele2 AB, comments: "We are very excited about the transformed Tele2 and our opportunities. The alignment between growth assets and more mature assets is attractive and I am certain that we can outgrow the mobile industry for many years to come. Given the prospects for our current business, we expect to reach at least net sales of SEK 35.6 billion by 2015 through organic growth. Additionally we have a strong balance sheet, which will give us both strategic flexibility and the possibility to maintain our attractive shareholder remuneration policy."

Capital Structure

Tele2 AB will maintain its established dividend policy most recently described in its Q4 2012 report. Tele2 AB will keep to its announced balance sheet targets of a net debt to EBITDA ratio of between 1.25 and 1.75 over the medium term to permit an efficient capital structure. The proposed ordinary dividend for 2012 of SEK 7.10 remains.

The Board of Directors therefore proposes that upon closing of the sale of Tele2 Russia Tele2 AB distributes SEK 12.5 billion, equivalent to SEK 28 per share, to shareholders as a redemption of shares, expected to be completed shortly after closing of the transaction.



For further information on the redemption program, please visit www.tele2.com.

Press and analyst conference

Tele2 AB will host a press and analyst conference with the possibility to join through conference call and webcast, March 27, 2013, at 18:45 CET, for members of the journalist and investment community to discuss the transaction. Details are as follows:

Venue:

Grand Hotel, The Carl Larsson Room

Wifi will be available

Refreshments will be served

Dial-in information:

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the conference call to register your attendance.

Dial-in numbers:

Sweden: +46 (0)8 505 564 74

UK: +44 (0)203 364 5374

US: +1 855 753 2230

A webcast link will be available on www.tele2.com

Contacts

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TELE2 IS ONE OF EUROPE'S LEADING TELECOM OPERATORS, ALWAYS PROVIDING CUSTOMERS WITH WHAT THEY NEED FOR LESS. We have 38 million customers in 11 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2012, we had net sales of SEK 43.7 billion and reported an operating profit (EBITDA) of SEK 11 billion