



Interim Report Second Quarter 2014

Stockholm - Tele2 AB, (Tele2), (NASDAQ OMX Stockholm: TEL2 A and TEL2 B) today announced its consolidated results for the second quarter 2014.

CEO comment:

“This quarter’s results demonstrate that we are delivering on our growth strategy in all major regions with mobile end-user service revenue growth rising by 7 percent. Our investment in this growth is having the anticipated impact on our margins, as we are developing our mobile operations in the Netherlands, Kazakhstan, and other markets.”

Financial highlights

Strong mobile end-user service revenue growth for the Group

In the quarter, total net sales amounted to SEK 6,343 (6,424) million, affected by fixed line telephony and termination rates. However, more importantly mobile end-user service revenue grew by 7 percent amounting to SEK 3,094 (2,900) million. This trend was driven by positive usage of mobile data, compensating less revenue from mobile voice and SMS.

Robust operational performance in Tele2 Sweden

Mobile end-user service revenue in Sweden grew by 4 percent in Q2 2014, driven by increased usage in the postpaid segment. The mobile EBITDA contribution in the quarter was SEK 777 (757) million.

Maintained positive customer intake within mobile for Tele2 Netherlands

Tele2 Netherlands continued to gain market share by adding 27,000 (49,000) customers and taking the total mobile customer base to 768,000 (584,000). Mobile end-user service revenue amounted to SEK 308 (227) million, growing by 36 percent in Q2 2014.

Strong customer intake for Tele2 Kazakhstan

Customer intake amounted to 213,000 (309,000) in Q2 2014, as the new commission structure yielded results. End-user service revenue grew by 1 percent in Q2 2014, amounting to SEK 225 (223) million impacted by devaluation of the local currency and lower interconnect levels. However, thanks to improved operational scale and lower interconnect levels, EBITDA amounted to SEK 3 (-52) million.

Sale of Tele2 Norway

In July 2014, Tele2 agreed to sell its Norwegian business to TeliaSonera for an Enterprise Value of SEK 5.1 billion, equivalent to a cash value of SEK 5.3 billion. The transaction follows Tele2’s strategic review of its Norwegian business prompted by changes to the structure of the Norwegian market as a result of the license auction in December 2013. The sale will be completed after approval by regulatory authorities. Tele2 Norway has been presented in this report as discontinued operations.

Changed financial guidance

As a result of the sale of Tele2 Norway, the financial guidance for 2014 has changed (see page 4).

The Interim Report is available on www.tele2.com

Presentation Q2 2014 result

Tele2 will host a presentation with the possibility to join through a conference call, for the global financial community at 10:00 am CEST (09:00 am BST/04:00 am EDT) on Wednesday, July 16, 2014. The presentation will be held in English and also made available as an audiocast on Tele2's website: www.tele2.com.

Dial-in information:

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

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TELE2 IS ONE OF EUROPE'S FASTEST GROWING TELECOM OPERATORS, ALWAYS PROVIDING CUSTOMERS WITH WHAT THEY NEED FOR LESS. We have 13 million customers in 9 countries. Tele2 offers mobile services, fixed broadband and fixed telephony, data network services, and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2013, we had net sales of SEK 26 billion and reported an operating profit (EBITDA) of SEK 6 billion.