



Press Release
2014-10-23

Interim Report Third Quarter 2014

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

CEO comment:

“Q3 2014 was a high quality quarter with strong results across the board, resulting from our ability to monetize a great customer experience from our excellent mobile network. Our persistent focus on LTE/4G is now paying off, with strong top and bottom line progress in the quarter. This trend has been very clear in Sweden, and is now also apparent in other parts of our footprint. As a result, our mobile end-user service revenue grew by 8 percent in combination with strong operational performance.”

Financial highlights

Strong mobile end-user service revenue and EBITDA growth for the Group

In the quarter, total net sales amounted to SEK 6,584 (6,500) million and EBITDA to SEK 1,682 (1,471) million, positively impacted by strong development in the mobile segment. Mobile end-user service revenue grew by 8 percent amounting to SEK 3,252 (3,008) million, driven by improved monetization of mobile data usage.

Healthy top and bottom line progress in Tele2 Sweden

Mobile end-user service revenue in Sweden grew by 6 percent in Q3 2014 and EBITDA increased to SEK 910 (760) million, both impacted by accelerated data usage in predominantly the postpaid segment.

Maintained positive customer intake within mobile for Tele2 Netherlands

Tele2 Netherlands continued to gain market share by adding 23,000 (56,000) customers and taking the total mobile customer base to 791,000 (640,000). Mobile end-user service revenue amounted to SEK 321 (259) million, growing by 24 percent in Q3 2014.

Quality customer intake for Tele2 Kazakhstan

Customer intake amounted to 108,000 (-14,000) in Q3 2014, as the new commission structure started to yield results. Improved quality of customer intake and increasing data consumption supported the operational development. As a result, Mobile end-user service revenue grew by 7 percent in Q3 2014, amounting to SEK 257 (240) million despite being impacted by devaluation of the local currency. Through improved operational scale and lower interconnect levels, EBITDA amounted to SEK 22 (-34) million.



Sale of Tele2 Norway

In July 2014, Tele2 agreed to sell its Norwegian business to TeliaSonera for 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, which is expected in Q1 2015. Tele2 Norway has been presented in this report as discontinued operations.

The Interim Report is available on www.tele2.com

Presentation Q3 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 Thursday, October 23, 2014. The presentation will be held in English and also made available as a webcast 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 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 30 billion and reported an operating profit (EBITDA) of SEK 6 billion.