FOURTH QUARTER 2013

7th of February 2014
Tele2 AB

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Q4 2013 in brief

Tele2 Group – Financial overview

Net Sales (SEK billion)	EBITDA (SEK billion)	EBITDA Margin (percent)	CAPEX (SEK billion)
7.57 (7.87)	1.46 (1.44)	19 (18)	1.26 (1.08)

Q4 Financial Highlights

- Stable performance
- Mobile end-user service revenue growth of 5.3% for the Group

Note: Numbers in parenthesis are Q4 2012 numbers

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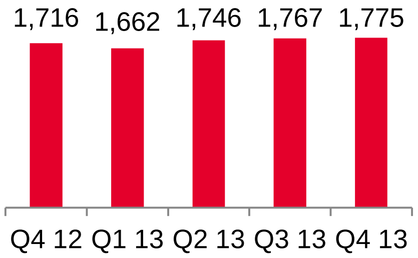
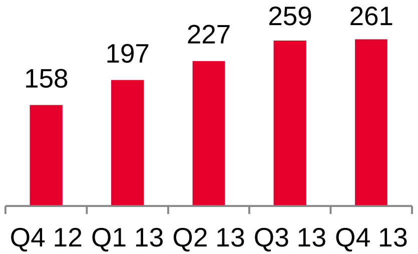
Mobile end-user service revenue

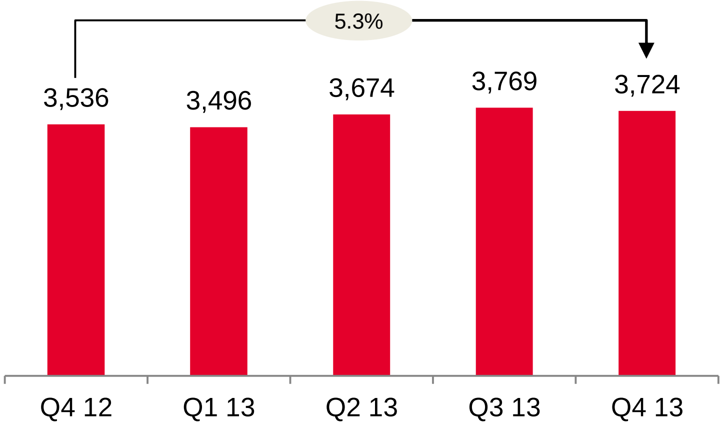
Sweden
(SEK million)



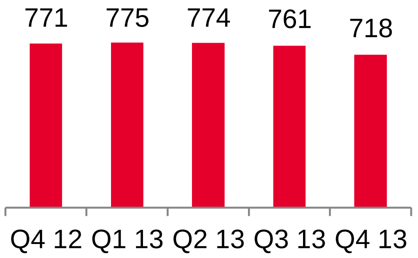
Netherlands
(SEK million)



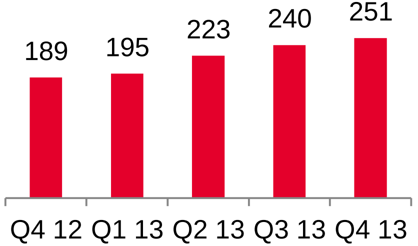
Tele2 Group
(SEK million)



Norway
(SEK million)



Kazakhstan
(SEK million)



Note: Mobile end-user service revenue excludes interconnect and equipment sales

Significant events in the quarter

All Tele2 Companies in the Baltics secured 800 MHz LTE licenses

Tele2 Norway did not obtain any licenses in the multiband frequency auction held on December 2nd 2013

Tele2 Sweden reached an agreement with Telenor to sell its residential cable and fiber operations

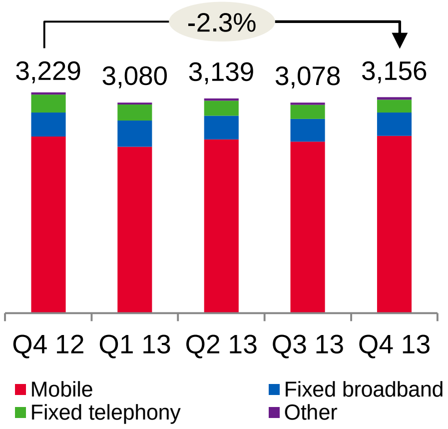
MNO roll out on track

Tele2 launched a global machine-to-machine M2M solution in Sweden, Norway and the Netherlands

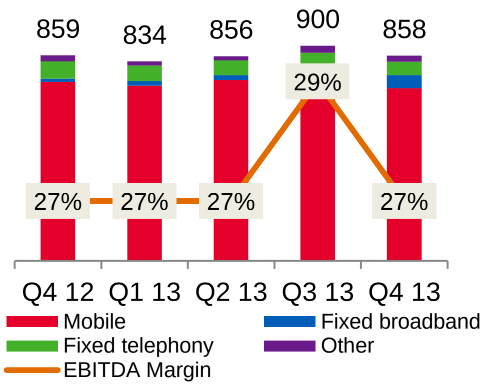
Country Performance

Tele2 Sweden

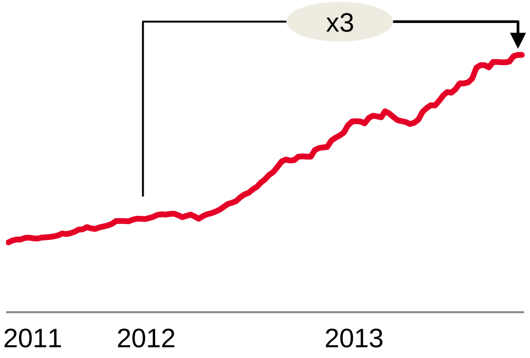
Net Sales
(SEK million)



EBITDA
(SEK million)



Total data volume, 3G and 4G



Q4 Highlights

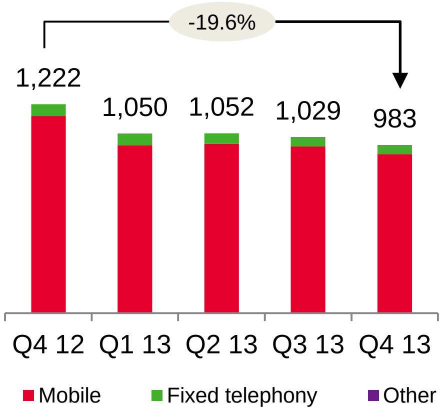
– **Comviq:** Launched the revolutionary new price plan “Fastpris EU” as well as a mobile web store in Q4, further increasing mobile sales

– **Tele2:** Continued the Tele2 stores roll-out, with a total of 57 stores in Q4 2013. Shift from “pay as you go” to bucket price plans, 53% of customer stock now on bucket price plans

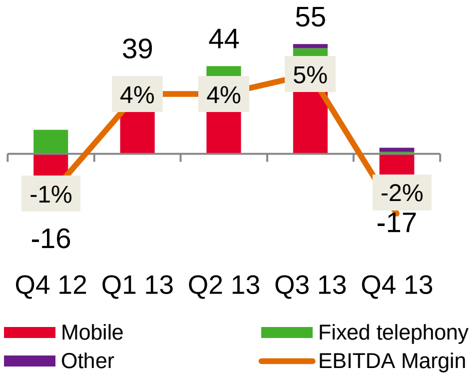
– **Tele2 Business:** Continued the mobile revenue growth leading to market share gain, with increasing brand recognition. Launched a new M2M / Telematics product

Tele2 Norway

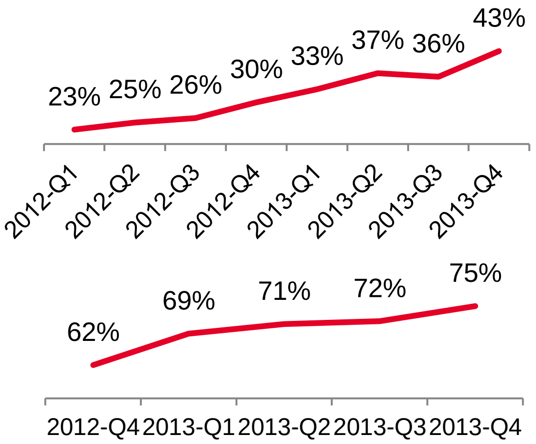
Net Sales
(SEK million)



EBITDA
(SEK million)



Traffic on own Network and Population Coverage

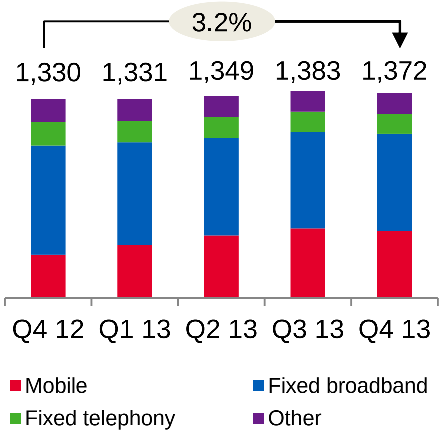


Q4 Highlights

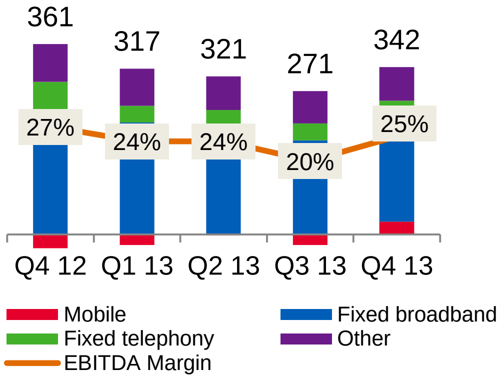
- Tele2 Norway did not obtain any resources in the multiband frequency auction held on December 2nd
- Commercial efforts remain intact and the current setup allows Tele2 Norway to develop a profitable business
- Net sales negatively affected by lowered interconnect and currency movement resulting in negative sales development
- EBITDA has declined due to restructuring costs primarily related to customer care of SEK 32 million in Q4
- World class customer service (Customer satisfaction >85%)

Tele2 Netherlands

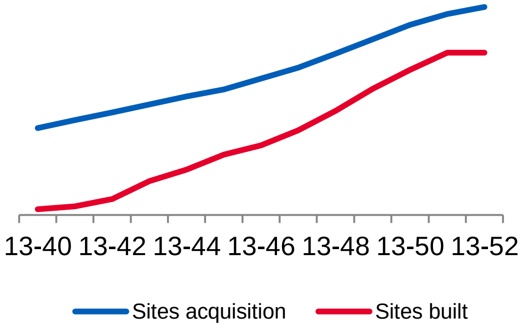
Net Sales
(SEK million)



EBITDA
(SEK million)



Roll out development

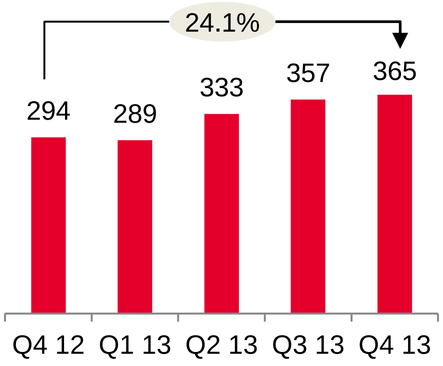


Q4 Highlights

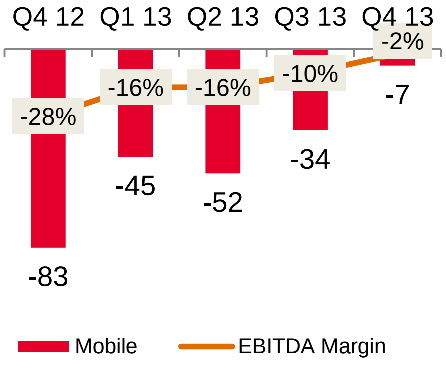
- Maintained momentum for mobile services, adding 62,000 customers in the quarter
- Network roll-out according to plan in Q4 2013
- Continuous pressure on DSL base in line with current market conditions
- Substantial improvement of the customer satisfaction index (64% in Q4 2012 vs. 74% in Q4 2013)
- Important B2B order intakes:

Tele2 Kazakhstan

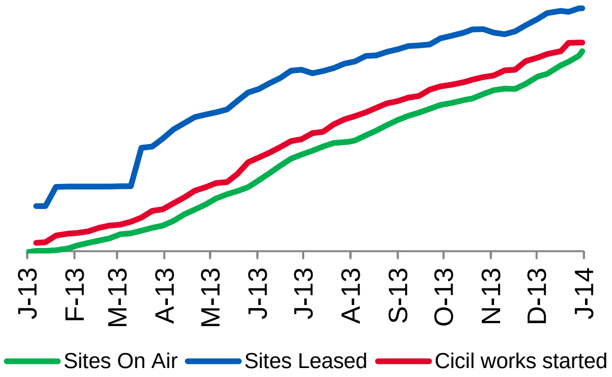
Net Sales
(SEK million)



EBITDA
(SEK million)



Roll out development



Q4 Highlights

- December EBITDA was positive
- Continue to improve quality of the customer base, artificially high churn
- Increased Net Sales by 24.1% despite reducing total customer base with 24%
- ARPU increased by 43% YoY
- Focus on network roll-out, increase traffic and subscriber growth

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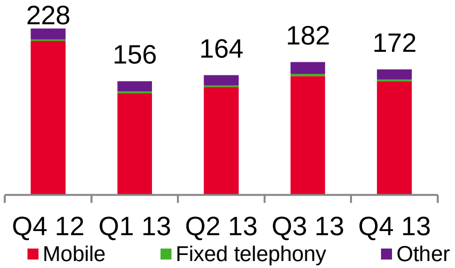
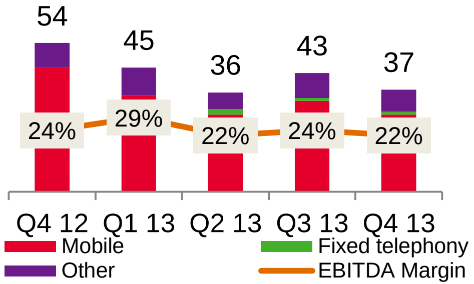
Tele2 Estonia and Tele2 Latvia

Estonia Net Sales
(SEK million)



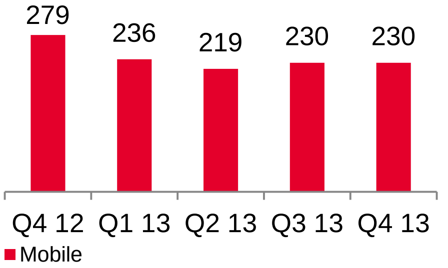
Estonia EBITDA
(SEK million)



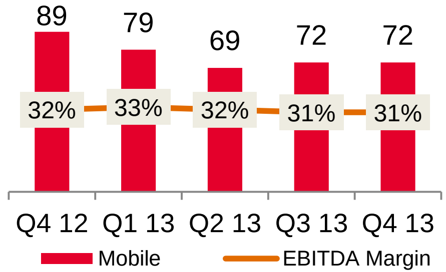
Estonia Q4 Highlights

- 800 MHz LTE license secured, network roll out will start during 2014
- Intensive price competition resulted in a low EBITDA margin
- Key focus is to increase sales and to reduce churn

Latvia Net Sales
(SEK million)



Latvia EBITDA
(SEK million)

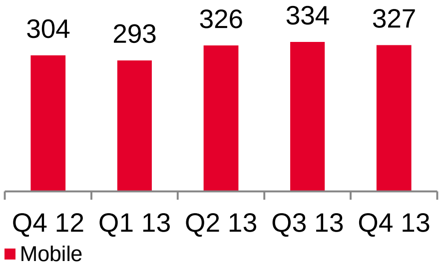


Latvia Q4 Highlights

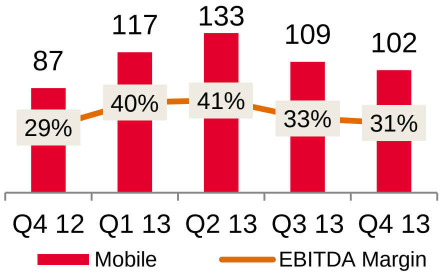
- 800 MHz LTE license secured, network roll out will start during 2014
- Mobile Revenue market has declined due to introduction of bucket price plans
- Solid financial performance with an EBITDA margin of 31%

Tele2 Lithuania and Tele2 Croatia

Lithuania Net Sales
(SEK million)



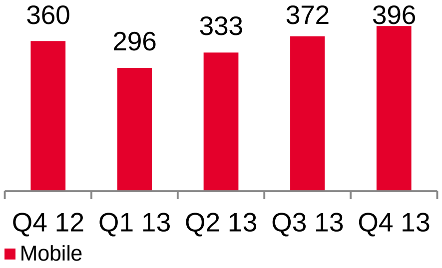
Lithuania EBITDA
(SEK million)



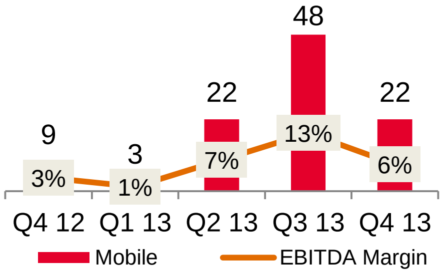
Lithuania Q4 Highlights

- 800 MHz LTE license secured, network roll out will start during 2014
- Net Sales growth of 7.6%
- The competitive environment was intense during the quarter with bucket price plans offers being introduced by all three mobile players

Croatia Net Sales
(SEK million)



Croatia EBITDA
(SEK million)

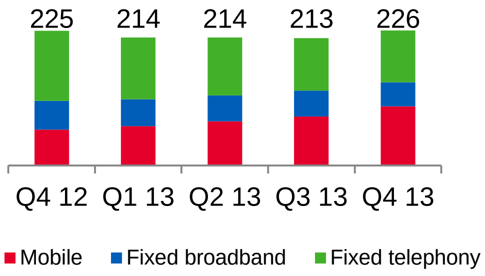


Croatia Q4 Highlights

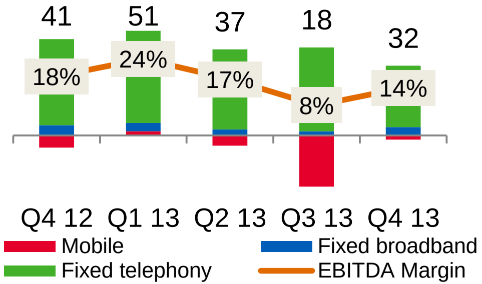
- Positive Net Sales and EBITDA development
- Third consecutive quarter with profitable growth
- Tele2 is the only operator growing in the market

Tele2 Germany and Tele2 Austria

Germany Net Sales
(SEK million)



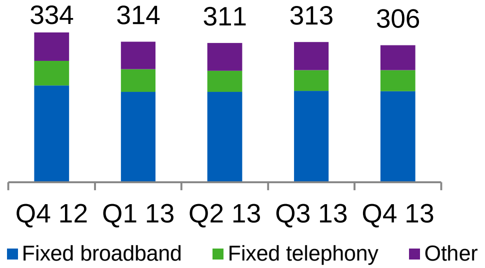
Germany EBITDA
(SEK million)



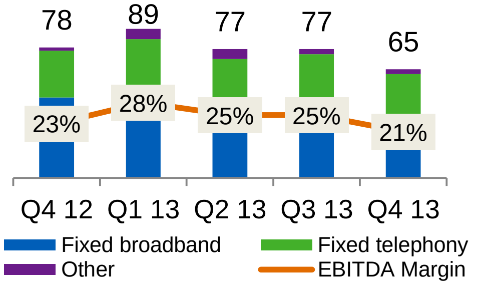
Germany Q4 Highlights

- Continued growth of mobile customer base now reaching 176,000*
- Stable Net Sales development supported by mobile

Austria Net Sales
(SEK million)



Austria EBITDA
(SEK million)



Austria Q4 Highlights

- Focus on B2B marketing activities sales has negatively impacted EBITDA margin in Q4

*Fixed via Mobile service & Mobile as service provider

Financial Overview

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Group result Q4 2013

SEK million	Q4 2013	Q4 2012	▲%
Net sales	**7,568**	**7,873**	**-3.9%**
EBITDA	**1,461**	**1,444**	**1.2%**
EBITDA margin (%)	19.3%	18.3%	1.0%
Depreciation & associated companies	-886	-865	2.4%
Depreciation of net sales (%)	-11.7%	-10.9%	-0.7%
One-off items	11	-3	
EBIT	**586**	**576**	**1.7%**
Normalized EBIT	575	579	-0.7%
Normalized EBIT margin (%)	7.6%	7.4%	0.2%
Financial items	**-162**	**-195**	
Taxes	**-255**	**-165**	
Net profit, continuing operations	**169**	**216**	**-21.8%**
Discontinued operations	-	349	
Net profit	**169**	**565**	**-70.1%**

Group result YTD

SEK million	FY 2013	FY 2012	▲%
Net sales	**29,871**	**30,742**	**-2.8%**
EBITDA	**5,990**	**6,240**	**-4.0%**
EBITDA margin (%)	20.1%	20.3%	-0.2%
Depreciation & associated companies	-3,364	-3,707	-9.3%
Depreciation of net sales (%)	-11.2%	-12.0%	0.8%
One-off items	-434	-558	
EBIT	**2,192**	**1,975**	**11.0%**
Normalized EBIT	2,626	2,533	3.7%
Normalized EBIT margin (%)	8.8%	8.2%	0.6%
Financial items	**-614**	**-553**	
Taxes	**-923**	**-446**	
Net profit, continuing operations	**655**	**976**	**-32.9%**
Discontinued operations	13,935	2,288	
Net profit	**14,590**	**3,264**	**347.0%**

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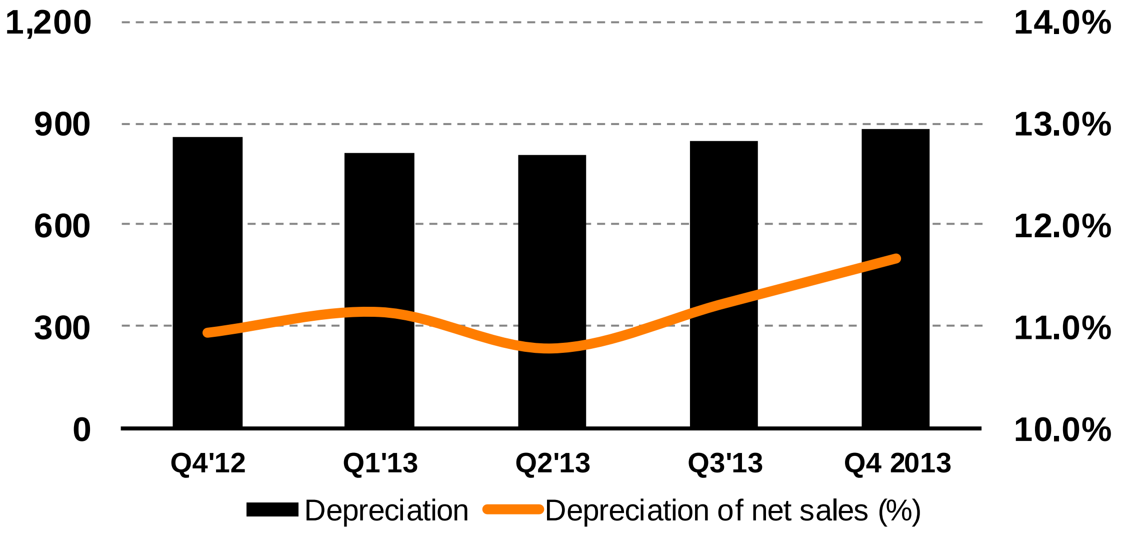
Depreciation

Depreciation and
Depreciation as a percentage of net sales

SEK million



- Write-down of former billing system etc in Kazakhstan of SEK 89 million

Financial items

SEK million

Financial items, expensed	Q4 2013	Q4 2012	FY 2013	FY 2012
Interst income/costs	-90	-120	-391	-494
Exchange rate differences, external	-43	5	-35	-20
Exchange rate differences, intragroup	3	-42	-33	116
Other financial items	-32	-38	-155	-155
Total	**-162**	**-195**	**-614**	**-553**

Financial items, paid	Q4 2013	Q4 2012	FY 2013	FY 2012
Excluding Russia				
Interst paid	-51	-105	-305	-292
Russia				
Interst paid	-	-175	-69	-376
TOTAL				
Interst paid	-51	-280	-374	-668

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Taxes

SEK million

Taxes, expensed	Q4 2013	Q4 2012	FY 2013	FY 2012
Normal	-252	-66	-920	-609
One-off	-3	-99	-3	163
Total	**-255**	**-165**	**-923**	**-446**

Taxes, paid	Q4 2013	Q4 2012	FY 2013	FY 2012
Excluding Russia				
Normal	-109	-43	-302	-110
One-off	-	-	-	-
	-109	**-43**	**-302**	**-110**
Discontinued operations				
Russia	-	-454	-177	-879
Total	**-109**	**-497**	**-479**	**-989**

- Deferred tax assets at year end amounted to SEK 2.8 (Dec 2012: 4.3) billion
- Taxes expensed include tax costs in Luxembourg with no cash flow effect of SEK -130 (-31) million for Q4 and SEK -368 (-258) million for full year

Cash flow

SEK million	Q4 2013	Q4 2012	FY 2013	FY 2012
OPERATING ACTIVITIES				
Cash flow from operations, excl taxes and interest	1,387	2,595	7,117	10,794
Interest paid	-51	-280	-374	-668
Taxes paid	-109	-497	-479	-989
Change in working capital	293	-3	-451	-458
Cash flow from operating activities	**1,520**	**1,815**	**5,813**	**8,679**
INVESTING ACTIVITIES				
CAPEX paid	-1,013	-1,286	-5,241	-4,609
Cash flow after paid CAPEX	**507**	**529**	**572**	**4,070**
Shares and other financial assets	-10	-15	17,235	-215
Cash flow after investing activities	**497**	**514**	**17,807**	**3,855**

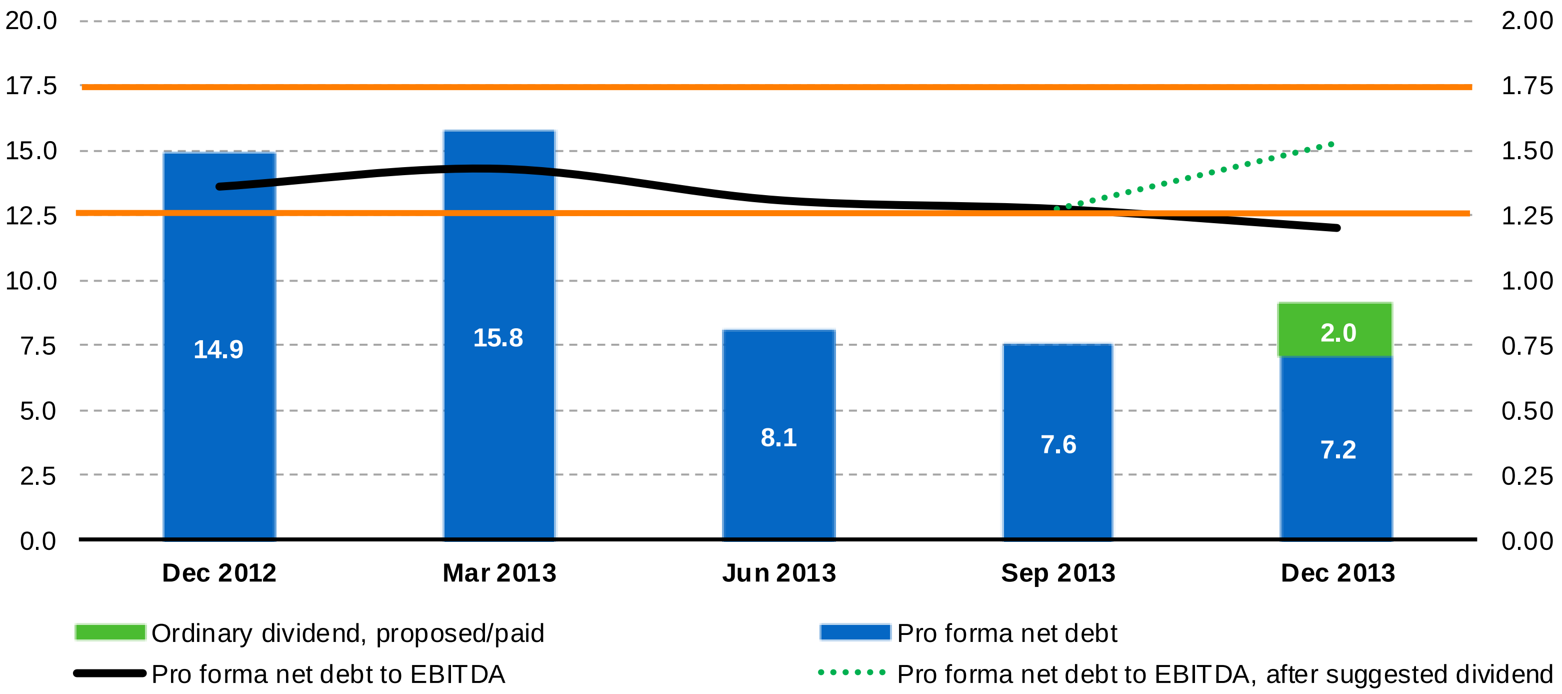
Cash flow excl. Russia

SEK million	Q4 2013	Q4 2012	FY 2013	FY 2012
OPERATING ACTIVITIES				
Cash flow from operations, excl taxes and interest	1,387	1,369	5,932	6,065
Interest paid	-51	-105	-305	-292
Taxes paid	-109	-43	-302	-110
Change in working capital	293	-211	-235	-696
Cash flow from operating activities	**1,520**	**1,010**	**5,090**	**4,967**
INVESTING ACTIVITIES				
CAPEX paid	-1,013	-1,111	-4,925	-3,283
Cash flow after paid CAPEX	**507**	**-101**	**165**	**1,684**
Shares and other financial assets	-9	-15	-17	-215
Cash flow after investing activities	**498**	**-116**	**148**	**1,469**

- Working capital affected by SEK -161 (-241) million for Q4 due to accrued handset sales and SEK -481 (-597) million for full year.

Debt position and ratio

Pro forma net debt/ EBITDA 12 m rolling
SEK billion / Ratio



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Conclusion

Guidance – 2014

Net Sales (SEK billion)	EBITDA (SEK billion)	CAPEX (SEK billion)
30.0	6.0	4.5

Rationale

"The two year financial guidance for 2014 and 2015 that Tele2 provided in April 2013 was undertaken in connection with the disposal of our Russian business, which generated a one-time gain of SEK 13.9 billion and distribution to shareholders of SEK 12.5 billion. Recently, as a consequence of the uncertainty arising from the developments in our Norwegian business, we decided to bring our guidance policy back into line with our peer group and providing current year group consolidated Net Sales, EBITDA and CAPEX."

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Summary and Priorities

Summary

- Encouraging mobile end-user service revenue growth in Sweden, the Netherlands and Kazakhstan
- Fixed operations in Netherlands showing sign of stabilization
- Shift from pay-as-you go to bucket price plans in Sweden continues

Priorities

- Norway will be addressed in a way that maximizes value for shareholders
- Continued focus on MNO roll out in the Netherlands and Kazakhstan
- Intensified focus on B2B in Sweden and in the Netherlands
- Continue to improve customer quality in Kazakhstan

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Q&A

THE END

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