

FOURTH QUARTER 2012

Tele2 AB

February 5, 2013

The logo for Tele2, featuring the word "TELE2" in a bold, black, sans-serif font. The letters are slightly slanted to the right. The "2" is significantly larger than the other characters and has a white vertical bar through its center.

Agenda



- **About Q4 2012**

- Financial review

- Concluding remarks

Tele2 Group Q4 Highlights

- **Net mobile customer intake of 0.7 million leading to a total customer base of 38.2 million**
- **Net sales growth for the Group amounted to 6%, corresponding to SEK 11,275 million**
- **EBITDA amounted to SEK 2,672 million, equivalent to a margin of 24%**
- **CAPEX amounted to SEK 1,478 million**

Market Area Russia: Overview

Population

Appr. 143 million

Tele2 Russia

- 43 regions of Russian Federation
- 22.7 million subscribers
- Mobile operator #4 in Russia in terms of subscribers and revenue

Represents 30% of total net sales in Q4 2012



Focus

- Continue to grow customer base and maximize the 2G opportunity
- Evaluate possibilities to expand carefully through new licenses as well as by complementary acquisitions
- Make progress on technology neutrality

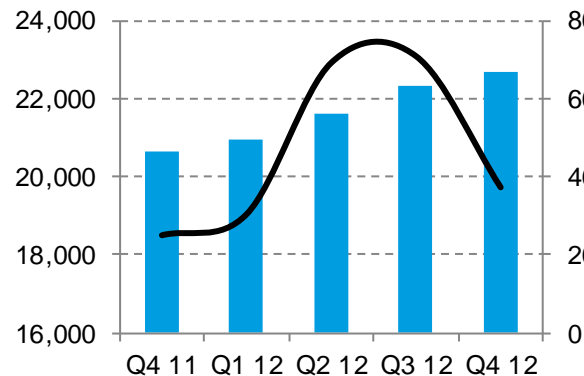
Q4 Highlights Russia

- Strong customer net intake of 373,000
- Stable EBITDA margin, amounting to 37%
- ARPU grew by 4% YoY, and MoU by 7% YoY



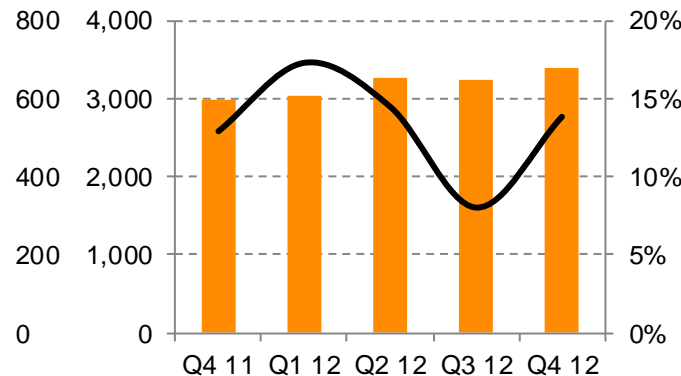
CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



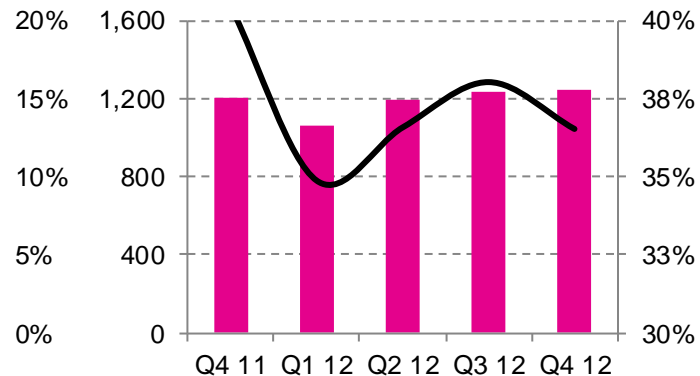
NET SALES and YoY NET SALES GROWTH

SEK Million



EBITDA and EBITDA MARGIN

SEK Million



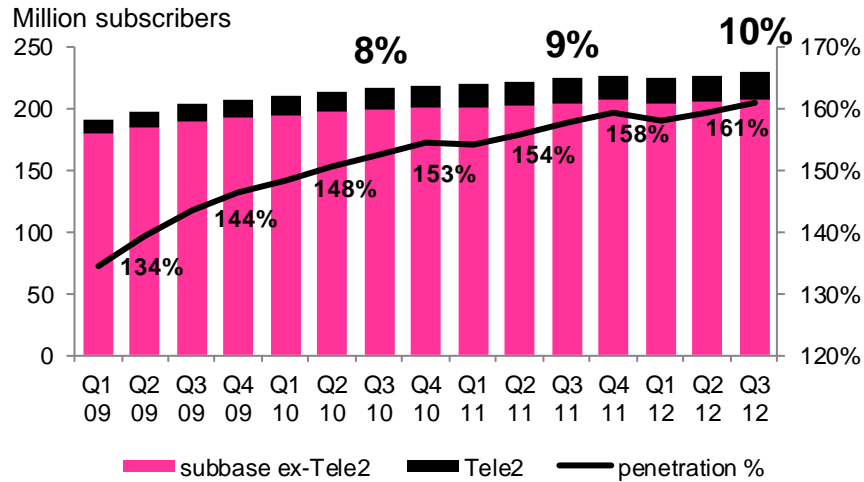
■ Customer base (left)
 — Customer net intake (right)

■ Net sales (left)
 — YoY net sales growth (right)

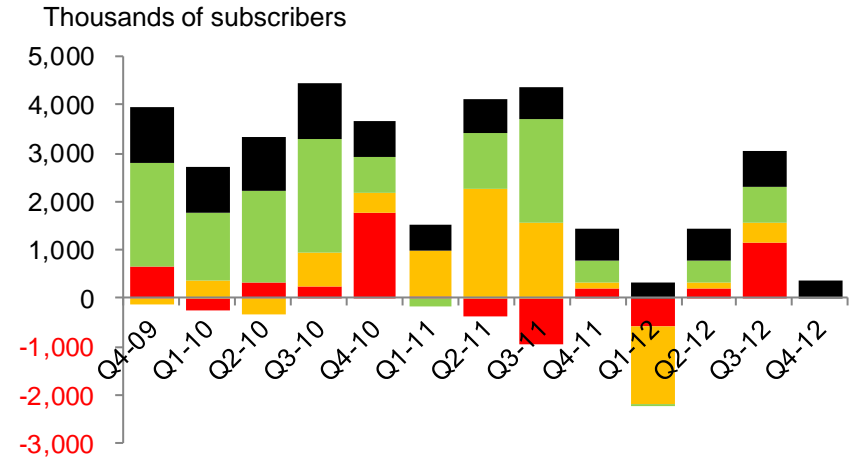
■ EBITDA (left)
 — EBITDA margin (right)

The Russian mobile market overview

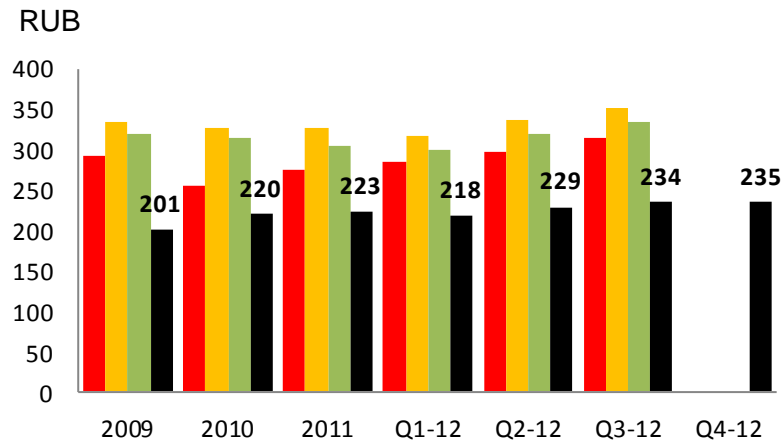
TELE2 SUBSCRIBERS AS PART OF TOTAL RUSSIAN MOBILE MARKET



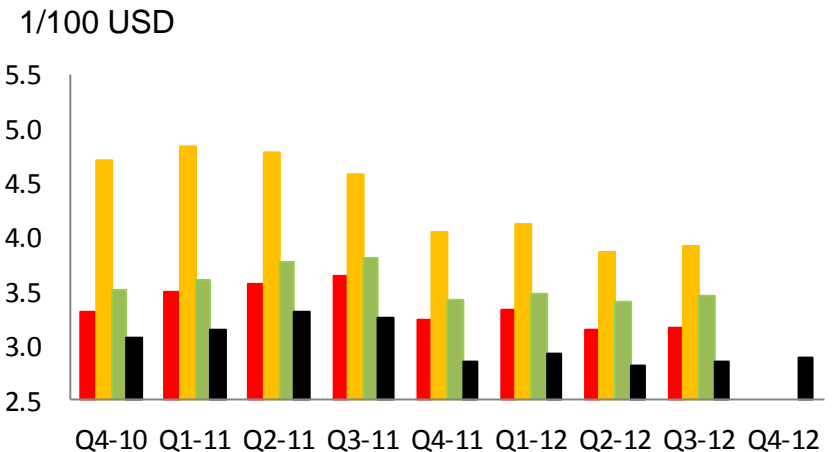
NET ADDITIONS



ARPU DEVELOPMENT

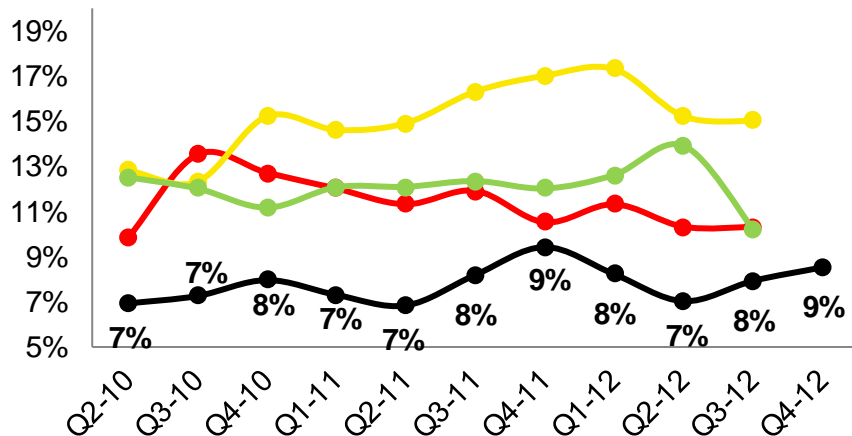


APPM



Customer statistics

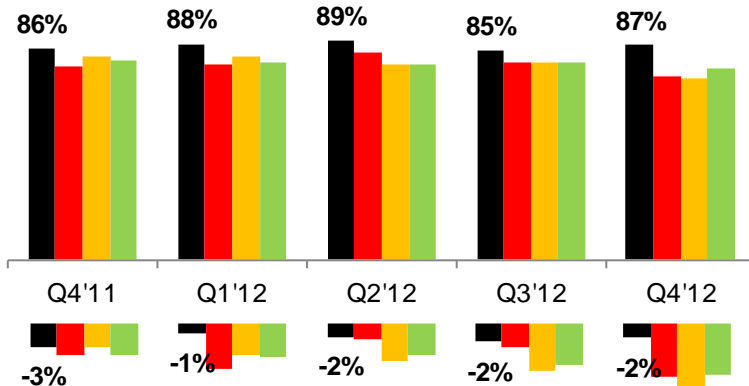
Quarterly Churn



- Tele2's churn level is the lowest in the industry, showing normal seasonality development

CUSTOMER SERVICE SATISFACTION OVERALL

Top-3 on 10 point scale

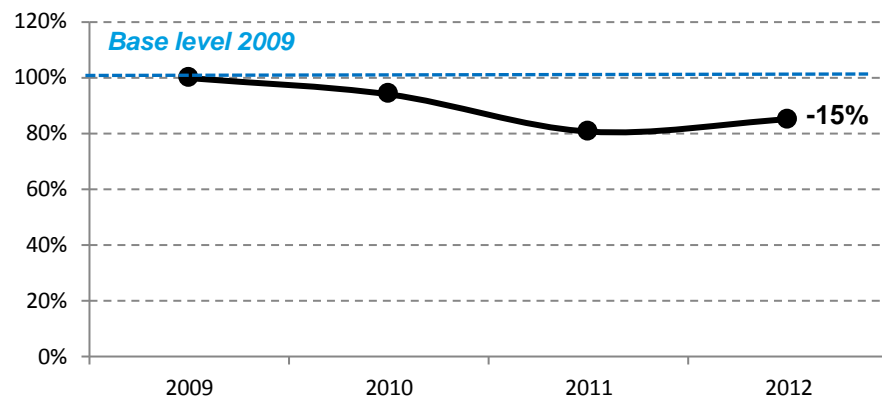


Bottom-3 on 10 point scale

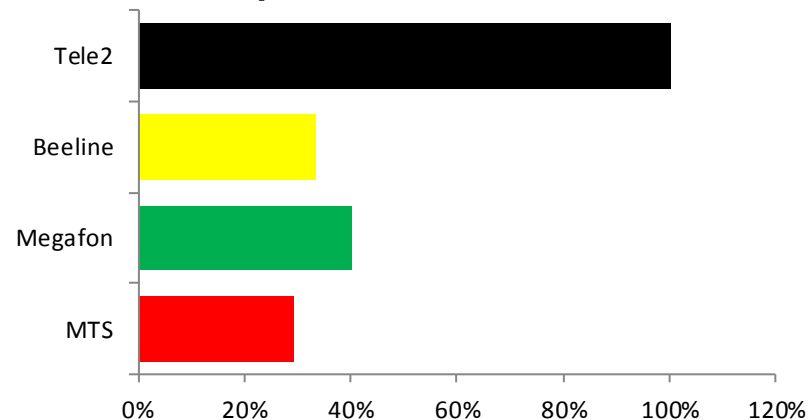
- Tele2's own call centers show the highest customer satisfaction in Russia combined with decreasing costs per contact

Cost efficiency Tele2 Russia

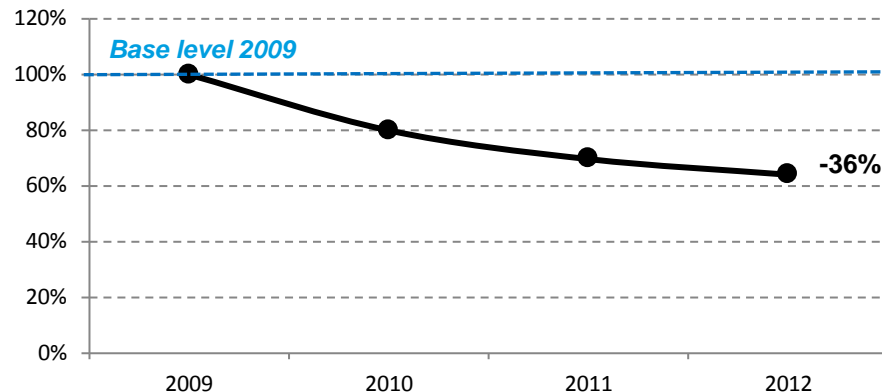
SALES and MARKETING COSTS / REVENUE



CUSTOMERS per EMPLOYEE



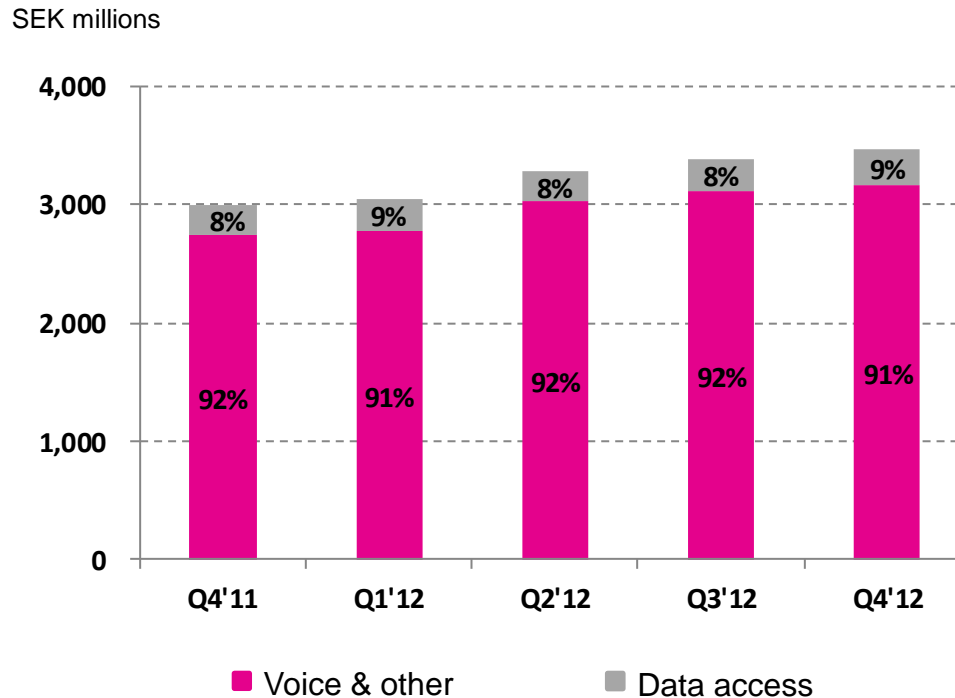
ADMINISTRATIVE COSTS / REVENUE



**Continued focus on
cost efficiency**

Q4 Revenue Source Development

VOICE & OTHER and DATA REVENUE SPLIT DEVELOPMENT



Voice and data demonstrate 8% and 15% YoY growth respectively

Regulatory update: significant developments

Technology neutrality

The mobile operators shall jointly conduct LTE trials on 1,800 MHz, with trial report to be submitted by June 1, 2013. A decision is pending before end of 2013.

On Dec. 28, 2012 the Prime Minister approved a roadmap for "Development of Competition and Improvement of Antimonopoly Policy" listing a number of issues impeding the development of the telecom market. Lack of TN is regarded as the main obstacle to the development of competition in the Russian telecom market, concluding that it is necessary to introduce TN by the end of 2013

MNP

MNP launch is due on Dec. 1, 2013. Customer fee for porting shall not exceed 100 Rub. Details of MNP implementation such as regional or national porting, MNP database set-up, charges incurred for porting subs and MNP database administration etc. shall be defined by the Regulator by Q2, 2013

New GSM licenses

GKRCh approved distribution of 9 regional GSM licenses (1800 MHz band) via auctions. Roscomnadzor is expected to work out the auctions terms and conditions as well as timing during Q1 2013

* GKRCh – State Commission on Radio Frequencies

Tele2 Russia forward looking statement

The following assumptions should be taken into account when estimating the operational performance of the Russian mobile operations in 2013:

- Tele2 expects total revenue of between SEK 13,700 - 13,800 million.
- Tele2 expects EBITDA of between SEK 4,800 - 4,900 million.



Market Area Nordic: Overview

Population

14.4 million

Tele2 Sweden and Tele2 Norway

Home market and test bed for new services

Represents 40% of total net sales in Q4 2012

Sweden 29%; Norway 11%

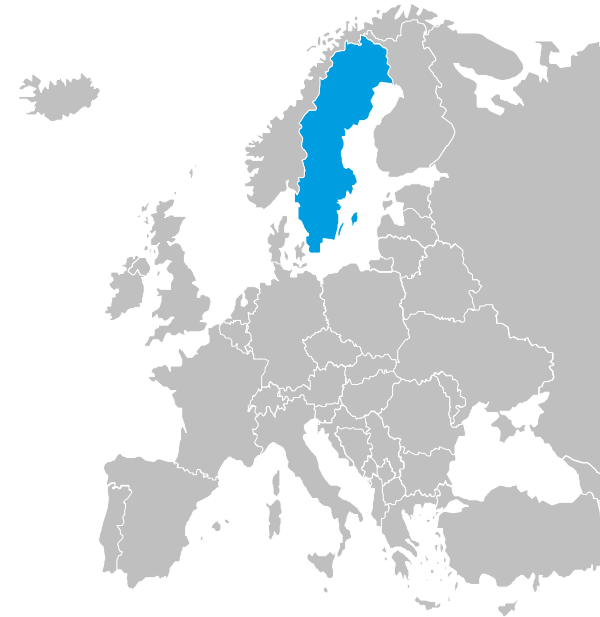


Focus

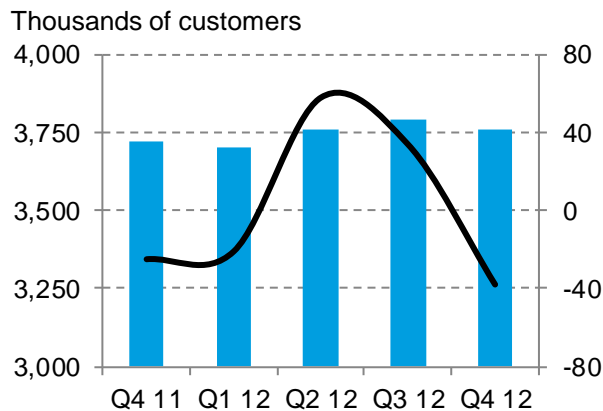
- Sweden: Build on mobile growth and 4G roll-out coupled with household / corporate fiber strategy
- Norway: Roll out own network and focus on bucket-price subscriptions

Q4 Highlights Tele2 Sweden

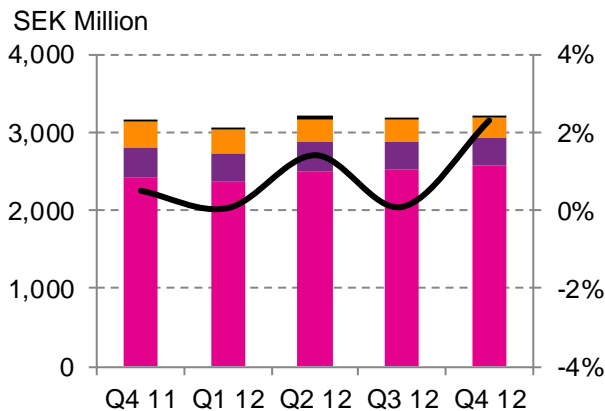
- Net sales amounted to SEK 3,229 million and EBITDA amounted to SEK 859 million
- Mobile service revenue growth of 5% YoY
- Mobile EBITDA margin of 29%, affected by high expansion costs such as handset subsidies and higher than expected intake for Comviq postpaid



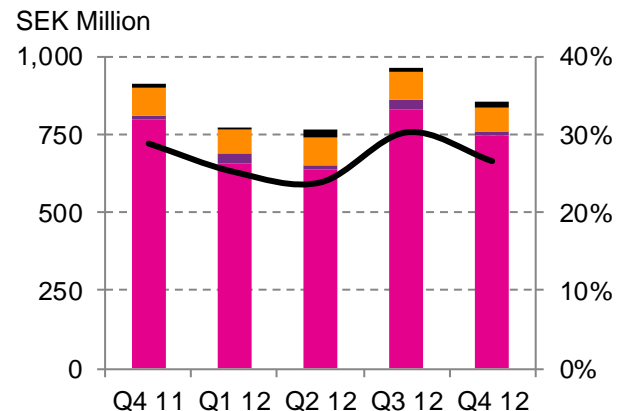
MOBILE CUSTOMER BASE and CUSTOMER INTAKE



NET SALES and YoY NET SALES GROWTH



EBITDA and EBITDA MARGIN



■ Customer base (left)
 — Customer net intake (right)

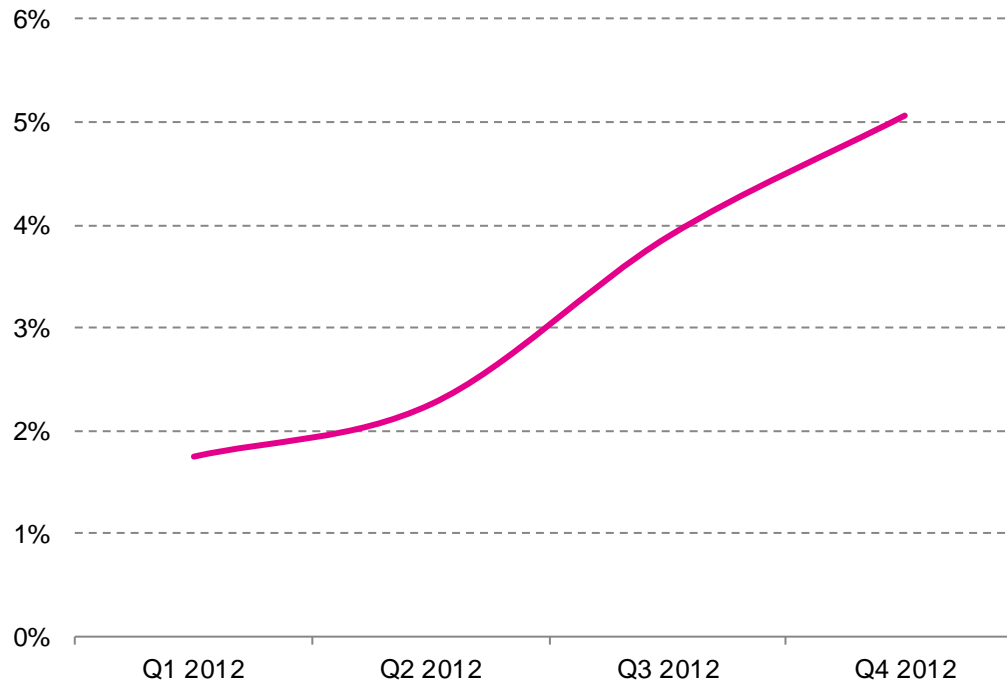
■ Mobile ■ Fixed broadband ■ Fixed telephony
 — YoY net sales growth (right)

■ Other
 — EBITDA margin (right)



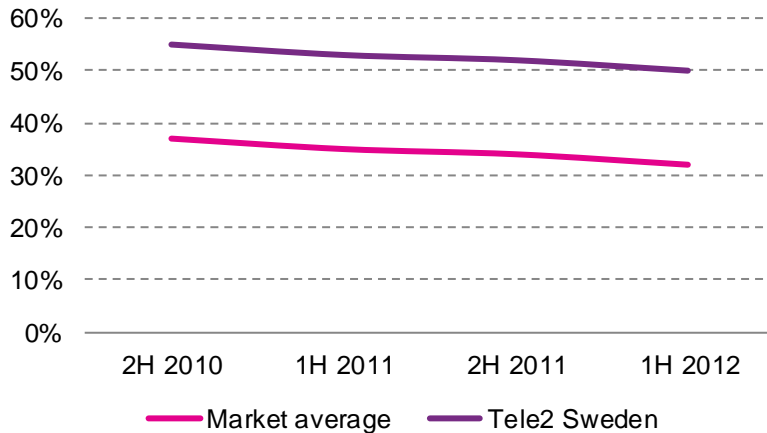
Strong underlying revenue growth despite continued prepaid decline

UNDERLYING MOBILE REVENUE GROWTH

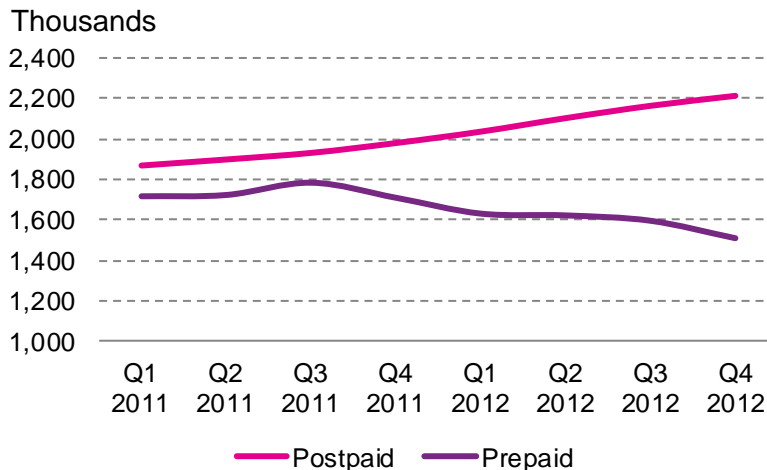


Postpaid growth key to mitigate our strong position in a declining prepaid market

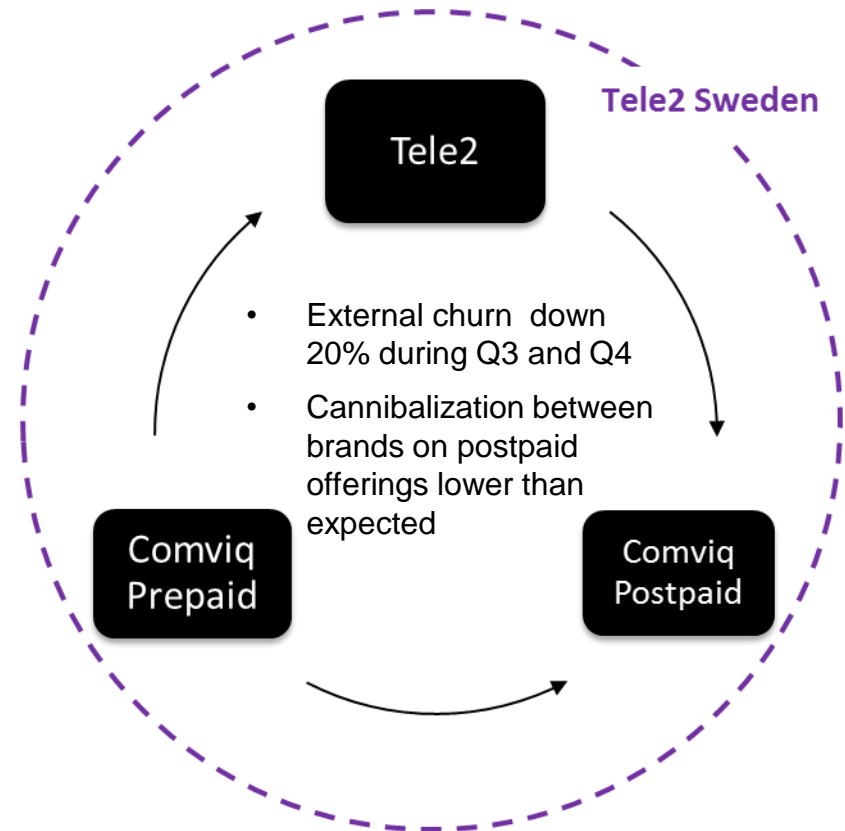
PREPAID SHARE OF CUSTOMER STOCK



TELE2 SWEDEN MOBILE CUSTOMER STOCK

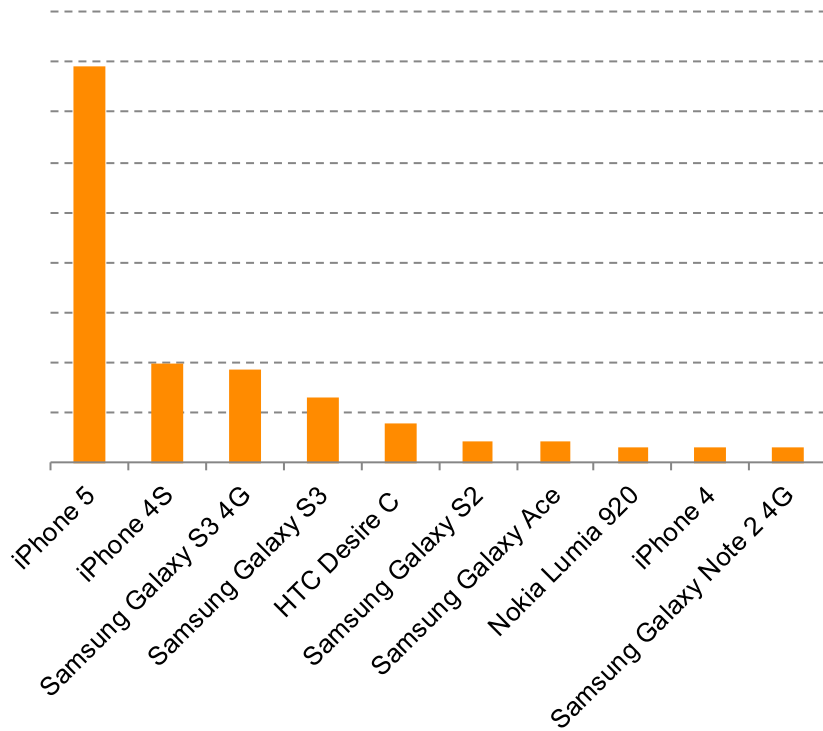


TELE2 SWEDEN CUSTOMER CHURN PATTERN

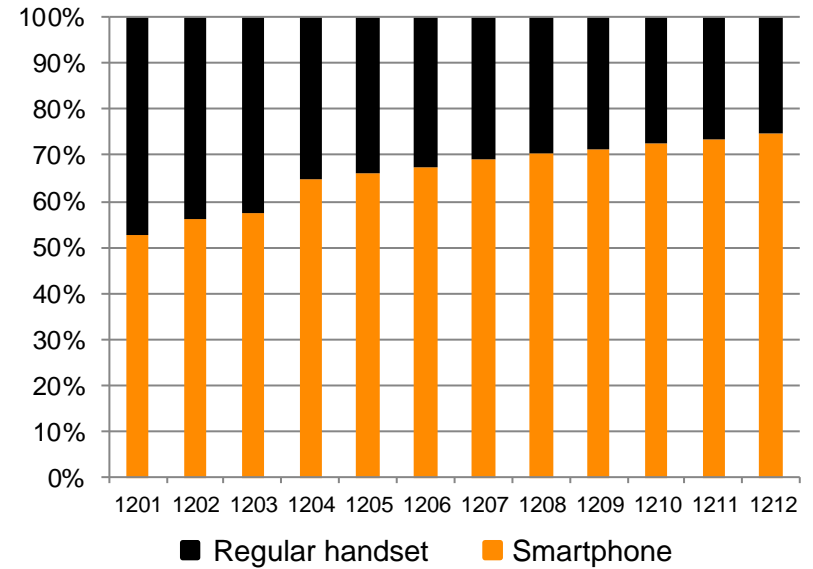


Smartphone market development

**SALES of TOP TEN MOBILE PHONES
TELE2 SWEDEN (Q4 2012)**



SMARTPHONE INSTALLED BASE



Note: Postpaid residential, quantity of handsets

Change in strategy already commenced

COMVIQ

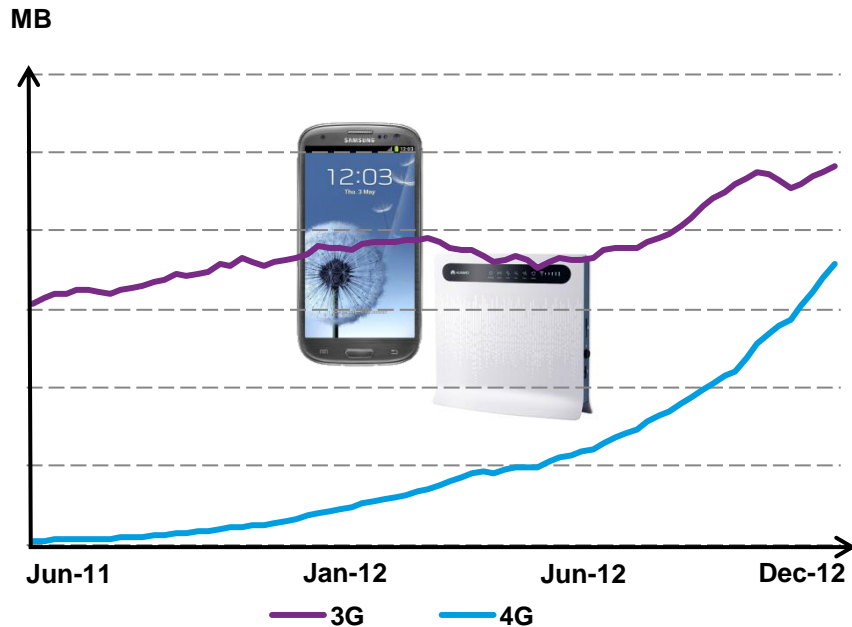
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New distribution concept and prepaid product under Comviq brand



4G main source of data growth in Sweden

3G and 4G DATA USAGE DEVELOPMENT



4G NETWORK ROLL-OUT



**99% population coverage
end of Q1**

Continued pursuit of growth in line with new strategy

Bucket price plans to handle **voice to data transition**

Launching platform for **upsale of data**

Augmenting **Billing system** and **data warehouse**, leading to a better understanding of our customers

Continued **roll-out of 4G** network along with **4G handset push**

VoLTE implementation to improve network efficiency and voice quality

Continued roll-out of **Comviq distribution concept** together with Reitan

Continued **roll-out of Tele2 stores**

Increased **focus on B2B**

Tele2 Sweden forward looking statement

The following assumptions should be taken into account when estimating the operational performance of the Swedish mobile operations in 2013:

- Tele2 expects total revenue of between SEK 10,100 - 10,300 million.
- Tele2 expects EBITDA of between SEK 2,900 - 3,100 million.



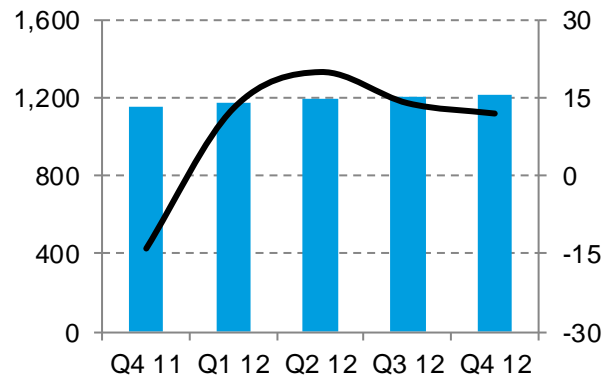
Q4 Highlights Tele2 Norway

- Strong focus on network roll-out
- Satisfactory net intake of 15,000 mobile customers
- Tele2 Norway reported total external revenue of SEK 1,222 million, of which SEK 1,153 million was mobile revenue
- Mobile EBITDA negative, affected by high sales and marketing costs as well as handset subsidies



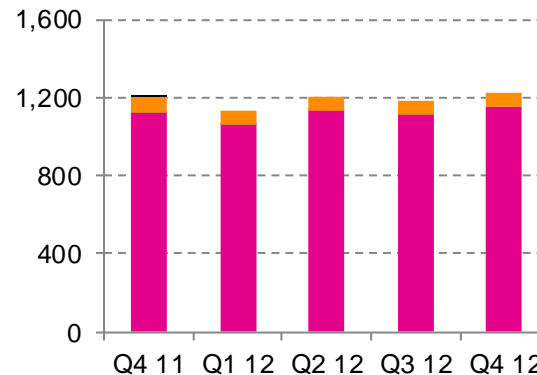
CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



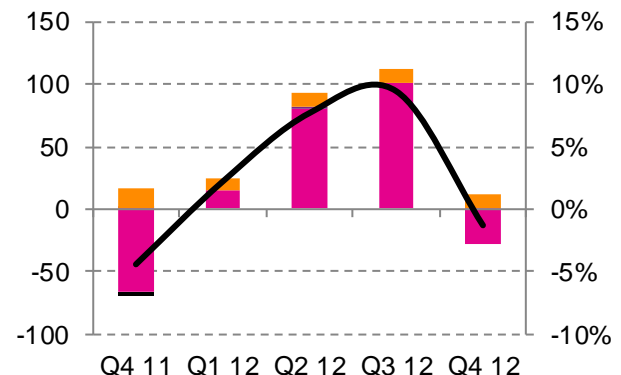
NET SALES and YoY NET SALES GROWTH

SEK Million



EBITDA and EBITDA MARGIN

SEK Million



■ Customer base (left)

— Customer net intake (right)

■ Mobile ■ Fixed broadband ■ Fixed telephony ■ Other

— YoY net sales growth (right)

— EBITDA margin (right)

TELE2

Tele2 Norway forward looking statement

The following assumptions should be taken into account when estimating the operational performance of the Norwegian mobile operations in 2013:

- Tele2 expects total revenue of between SEK 4,200 - 4,300 million.
- Tele2 expects EBITDA of between SEK 70 - 80 million.
- Tele2 expects capex of between SEK 900 -1,000 million.



Market Area Western Europe: Overview

Population

108 million

Leading the group in business to business services
and consumer fixed broadband

Represents 17% of total net sales in Q4 2012

Netherlands 12%; Germany 2%; Austria 3%



Focus

- Netherlands Build a full service MNO, while growing existing business
- Austria B2B & continuous integration of Silver Server
- Germany Grow Fixed Via Mobile product

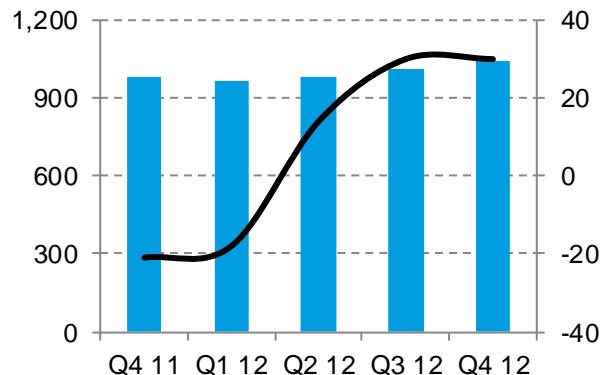
Q4 Highlights Tele2 Netherlands

- Successfully secured mobile licenses. Roll out of 4G network will make Tele2 the fourth mobile operator
- Mobile intake continues at previous quarter levels, significant part in the high value mobile postpaid segment
- EBITDA affected by high mobile acquisition costs



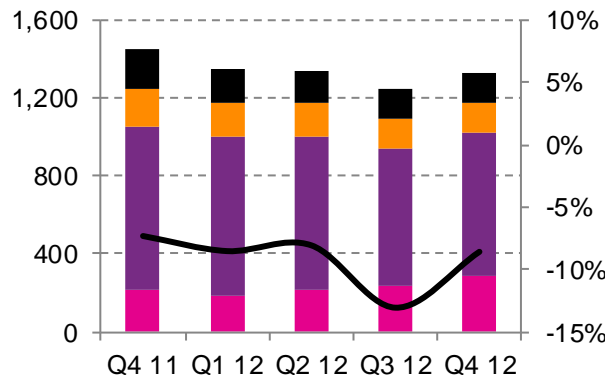
CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



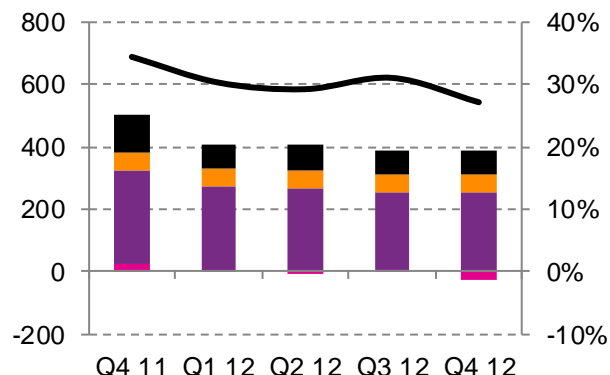
NET SALES and YoY NET SALES GROWTH

SEK Million



EBITDA and EBITDA MARGIN

SEK Million



■ Customer base (left)
 — Customer net intake (right)

■ Mobile ■ Fixed broadband ■ Fixed telephony ■ Other
 — YoY net sales growth (right)

— EBITDA margin (right)

TELE2

Dutch regulatory requirements



- **All frequencies are technology neutral**
- **License duration: 17 years, valid until 2030 in sync with 2,600 MHz licenses**
- **11,000 existing sites, of which an increasing number are independent due to MNO's selling off sites**
- **MNOs have an obligation to share sites in towers, and to cooperate on roof top sites**

MNO building blocks

Network

Greenfield Tele2 NL		
1. Frequency license	<input type="checkbox"/>	✓ - 2x10Mhz 800 + 2x20Mhz 2.6
2. Base stations	<input type="checkbox"/>	<input type="checkbox"/>
3. Mobile Switches	<input type="checkbox"/>	✓
4. Backhaul	<input type="checkbox"/>	✓ - Nationwide Fiber Optic network
5. Radio nodes	<input type="checkbox"/>	✓ - 55 radio Nodes

Commercial

6. Brand awareness	<input type="checkbox"/>	✓ - 15 years presence, 47% b.a.
7. Customer base	<input type="checkbox"/>	✓ - Over 1 million customers
8. Ordering + Billing systems	<input type="checkbox"/>	✓
9. Distribution	<input type="checkbox"/>	✓

- Tele2 is well positioned
- Many building blocks are already available
- Most importantly our own fiber optic nation wide network



— = Tele2's current Fiber optic Network

Dutch 4G launch

2x 10 MHz 800MHz band licenses activated on January 1st 2013

We will start rolling out our own out 4G Network in 2013

Ambition to launch as soon as possible with 4G propositions

4G technique will offer new experience to Dutch consumers

Tele2 Netherlands has a growing mobile customer base (MVNO)

Tele2 Netherlands forward looking statement

The following assumptions should be taken into account when estimating the operational performance of the Dutch mobile operations in 2013:

- Tele2 expects total revenue of between SEK 1,600 – 1,700 million.
- Tele2 expects EBITDA of between SEK -50 to -75 million.
- Tele2 expects capex of between SEK 2,000 – 2,500 million, whereof licences for 4G/LTE SEK 1,400 million.
- The mobile operations should reach EBITDA break-even 3 years after commercial launch of 4G/LTE services.

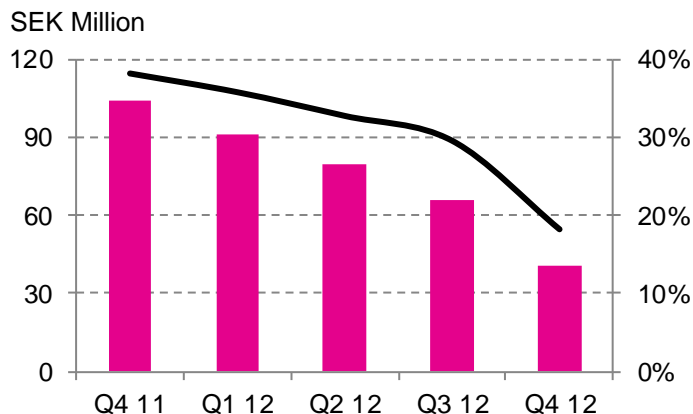


Q4 Highlights Tele2 Germany and Tele2 Austria

- Tele2 Germany: Fixed via Mobile (FVM) partly compensates the decline in fixed, EBITDA margin affected by high acquisition costs on FVM
- Tele2 Austria: Focus on growing the B2B segment resulted in an increased net intake

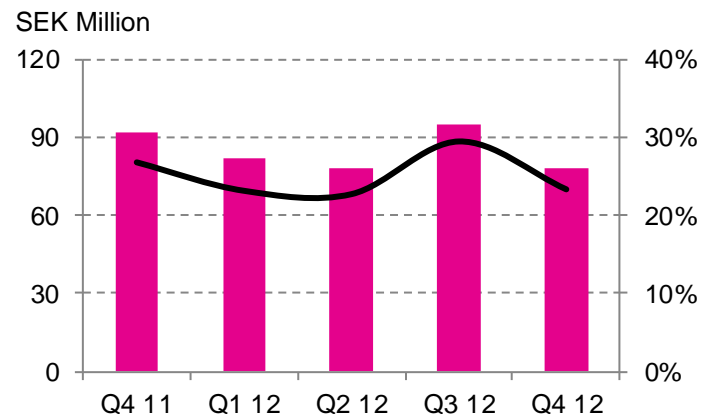


TELE2 GERMANY EBITDA and EBITDA MARGIN



■ EBITDA (left)
— EBITDA margin (right)

TELE2 AUSTRIA EBITDA and EBITDA MARGIN



■ EBITDA (left)
— EBITDA margin (right)

TELE2

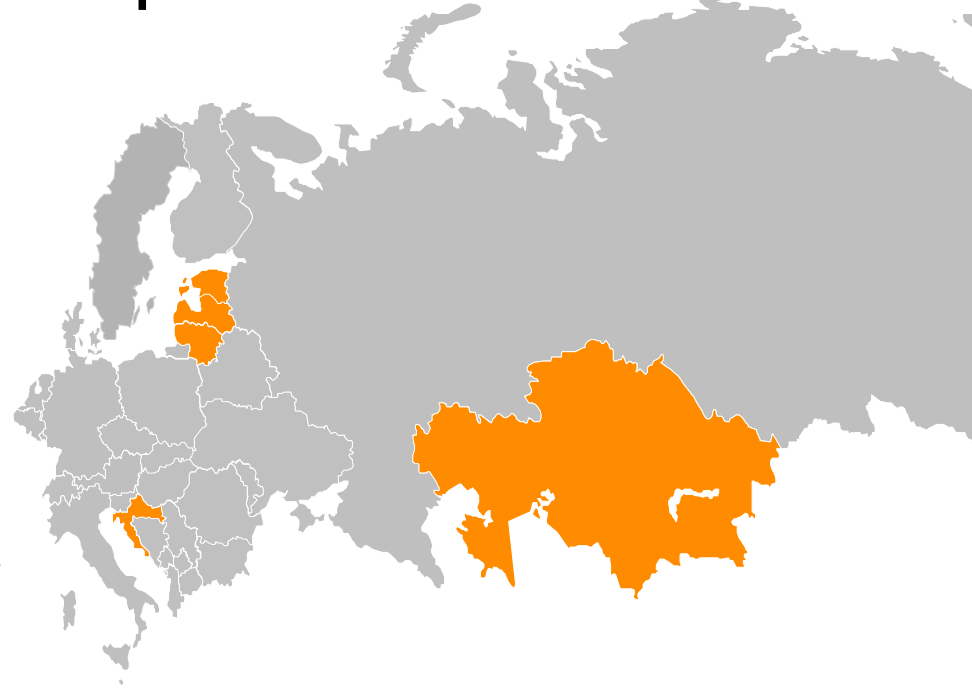
Market Area Central Europe and Eurasia: Overview

Population

28 million

**Represents 13% of total net sales in Q4
2012**

Estonia 2%; Latvia 2%; Lithuania 3%;
Croatia 3%; Kazakhstan 3%



Focus

- Continued rapid market share growth in Kazakhstan
- Efficiency improvements in Baltics
- Improvements in market share growth in Croatia

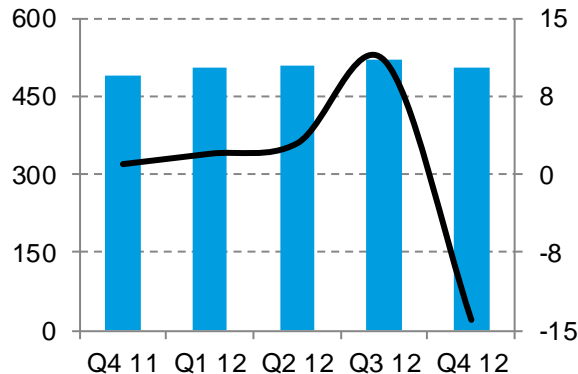
Q4 Highlights Tele2 Estonia

- Commercial launch of 4G in November
- Modernization of network currently ongoing
- Focus on efficiency improvements, EBITDA affected by price war in the postpaid segment



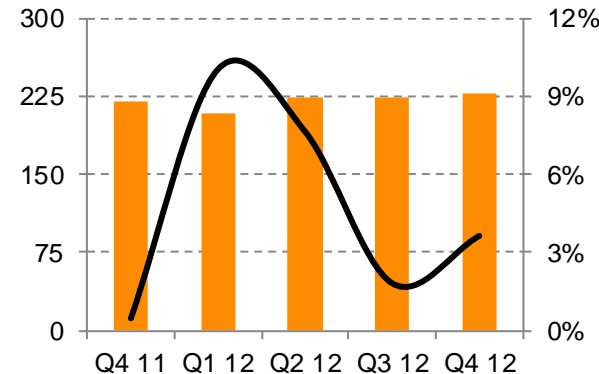
MOBILE CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



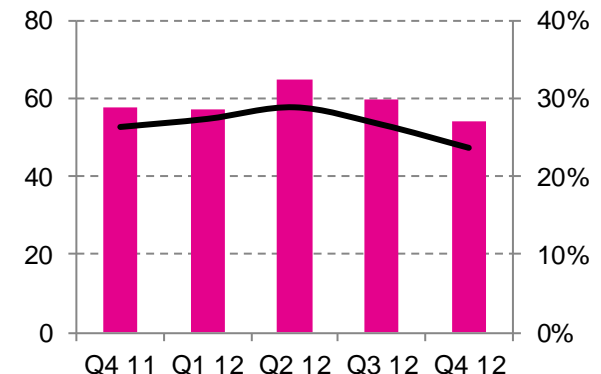
NET SALES and YoY NET SALES GROWTH

SEK Million



EBITDA and EBITDA MARGIN

SEK Million



■ Mobile customer base (left)

— Customer net intake (right)

■ Net sales (left)

— YoY net sales growth (right)

■ EBITDA (left)

— EBITDA margin (right)

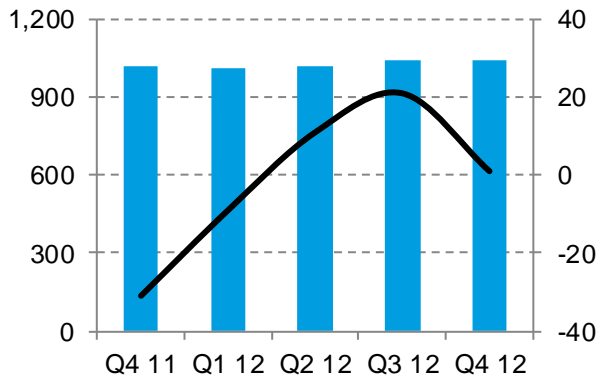
Q4 Highlights Tele2 Latvia

- Tele2 Latvia maintains high efficiency in a competitive market
- EBITDA margin amounted to 32%
- Rolling out 4G when commercially attractive



CUSTOMER BASE and CUSTOMER INTAKE

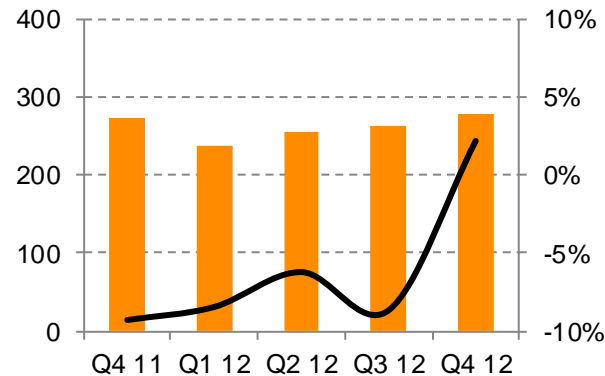
Thousands of customers



■ Customer base (left)
— Customer net intake (right)

NET SALES and YoY NET SALES GROWTH

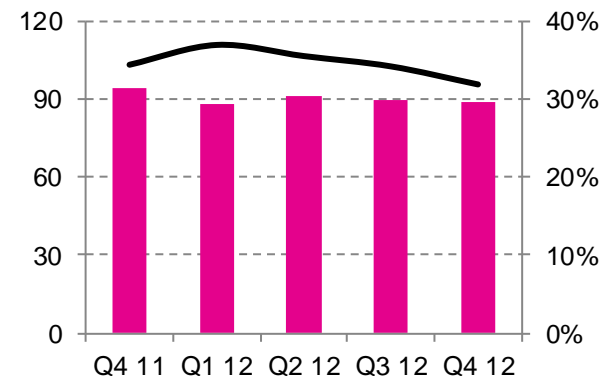
SEK Million



■ Net sales (left)
— YoY net sales growth (right)

EBITDA and EBITDA MARGIN

SEK Million



■ EBITDA (left)
— EBITDA margin (right)

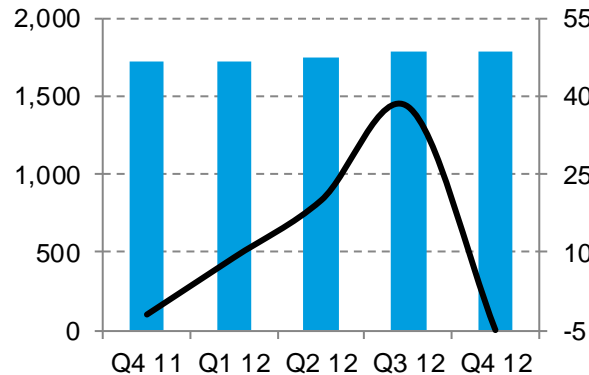
Q4 Highlights Tele2 Lithuania



- EBITDA margin amounted to 29%, affected by high sales and marketing costs in the quarter due to strong competition on handset pricing leading to increased subsidies

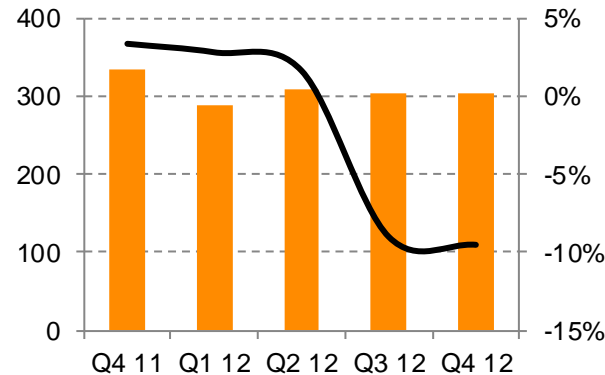
MOBILE CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



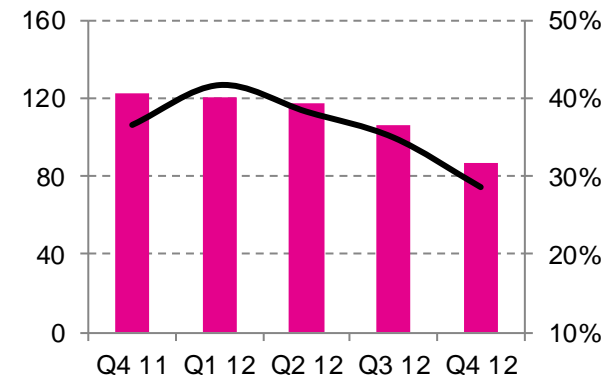
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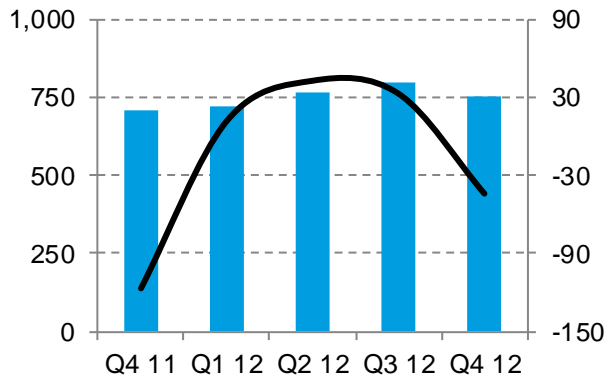
Q4 Highlights Tele2 Croatia

- Strong sales growth of 13% YoY
- Continuing to improve market position
- Cash flow positive in Q4 and full year



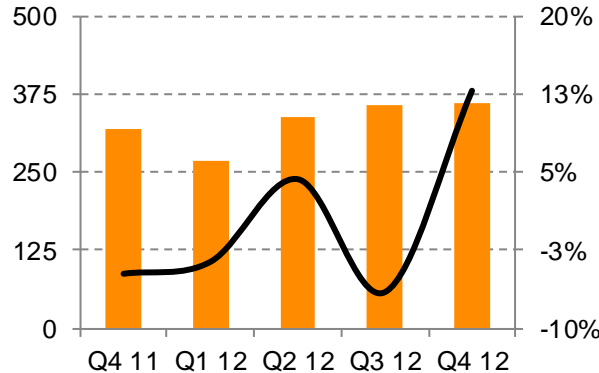
CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



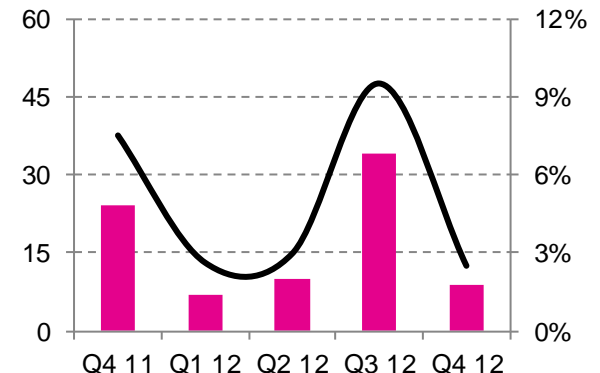
NET SALES and YoY NET SALES GROWTH

SEK Million



EBITDA and EBITDA MARGIN

SEK Million



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TELE2

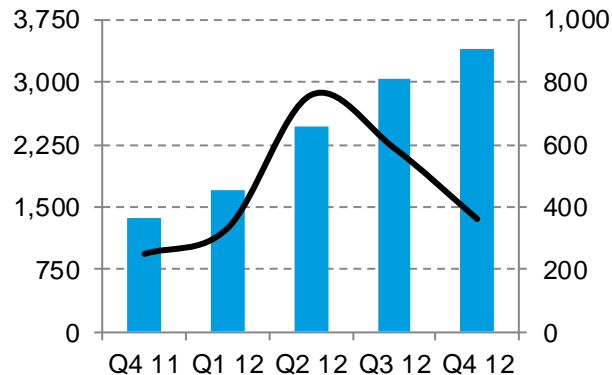
Q4 Highlights Tele2 Kazakhstan

- Continuing strong net intake of 361,000 customers
- Total number of customers amounted to 3.4 million
- Continuing rapid roll-out of new base stations for increased coverage



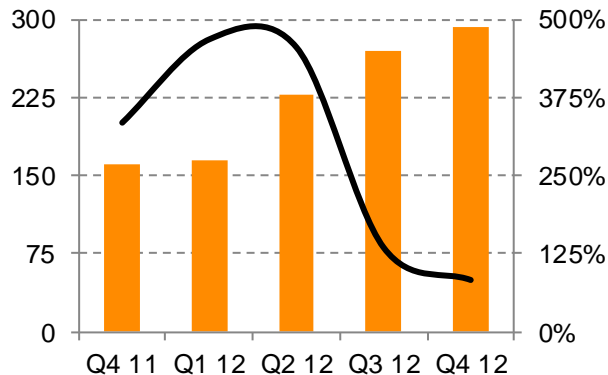
CUSTOMER BASE and CUSTOMER INTAKE

Thousands of customers



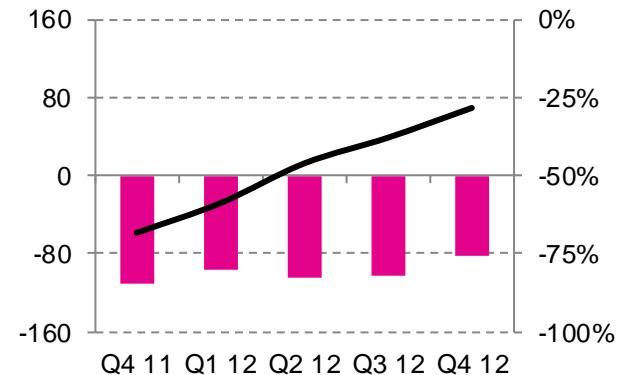
NET SALES and YoY NET SALES GROWTH

SEK Million



EBITDA and EBITDA MARGIN

SEK Million



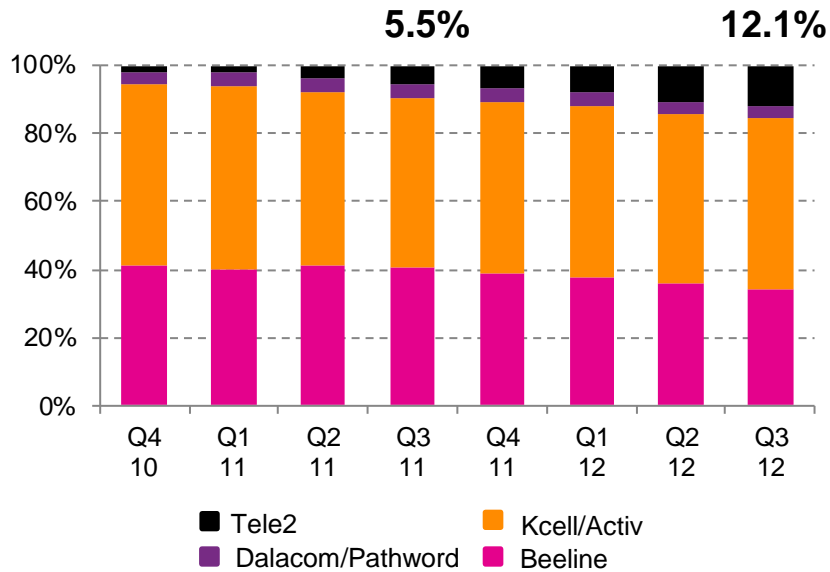
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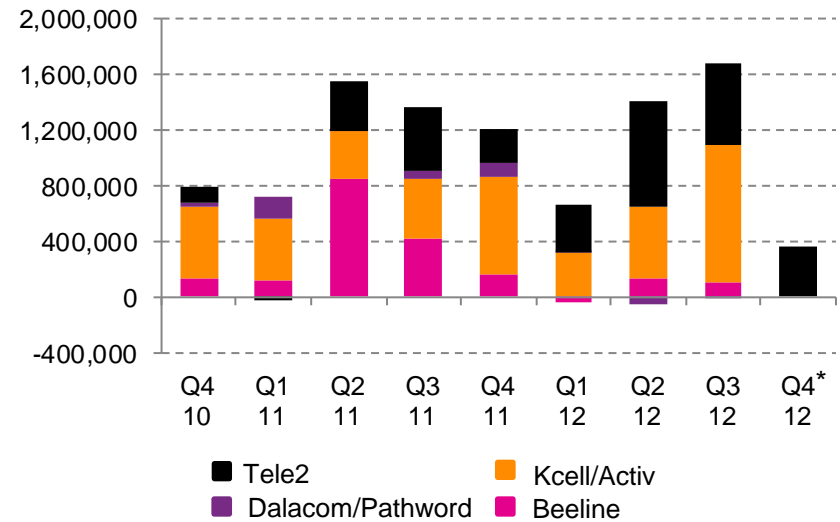
Overview of the Kazakh mobile market

MOBILE SUBSCRIBERS – MARKET SHARE



NET ADDITIONS

Thousands of subscribers



Tele2 Kazakhstan forward-looking statement

The following assumptions should be taken into account when estimating the operational performance of the Kazakh mobile operations in 2013:

- Tele2 expects total revenue of between SEK 1,700 - 1,800 million.
- Tele2 expects EBITDA of between SEK -100 to -200 million.
- Tele2 expects capex of between SEK 550 – 650 million.
- Tele2 expects to reach a long-term mobile customer market share of 30 percent.



Agenda



- About Q4 2012

- **Financial review**

- Concluding remarks

Group result Q4

<i>SEK million</i>	Q4 2012	Q4 2011	▲ %
Net sales	11,275	10,852	3.9%
EBITDA	2,672	2,873	-7.0%
EBITDA margin (%)	23.7%	26.5%	-2.8%
Depreciation & associated companies	-1,145	-1,184	-3.3%
Depreciation of net sales (%)	-10.1%	-10.9%	0.8%
One-off items	-3	-26	
EBIT	1,524	1,663	-8.4%
Normalized EBIT	1,527	1,689	-9.6%
Normalized EBIT margin (%)	13.5%	15.6%	-2.0%
Financial items	-360	-83	
Taxes	-599	-270	
Net profit from continuing operations	565	1,310	-56.9%
Discontinued operations	-	-	
Net profit	565	1,310	-56.9%

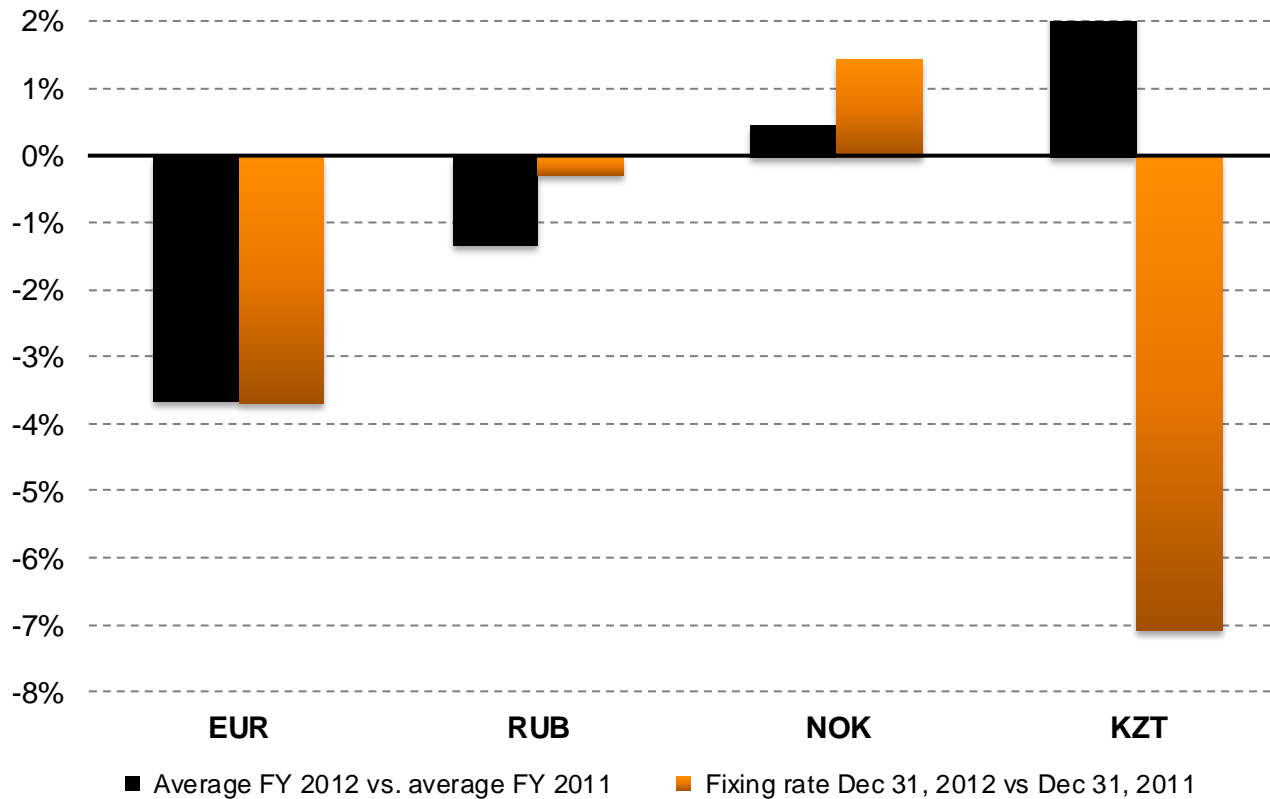
- Net sales include equipment sales of SEK 909 million (728) +25%
- EBITDA margin development explained by higher expansion costs

Group result full-year

<i>SEK million</i>	FY 2012	FY 2011	▲ %
Net sales	43,726	41,001	6.6%
EBITDA	10,960	11,212	-2.2%
EBITDA margin (%)	25.1%	27.3%	-2.3%
Depreciation & associated companies	-4,749	-4,158	14.2%
Depreciation of net sales (%)	-10.8%	-10.1%	-0.7%
One-off items	-558	-4	
EBIT	5,653	7,050	-19.8%
Normalized EBIT	6,211	7,054	-12.0%
Normalized EBIT margin (%)	14.2%	17.2%	-3.0%
Financial items	-1,078	-674	
Taxes	-1,311	-1,625	
Net profit from continuing operations	3,264	4,751	-31.3%
Discontinued operations	-	-7	
Net profit	3,264	4,744	-31.2%

- Net sales include equipment sales of SEK 2,875 million (2,272) +27%

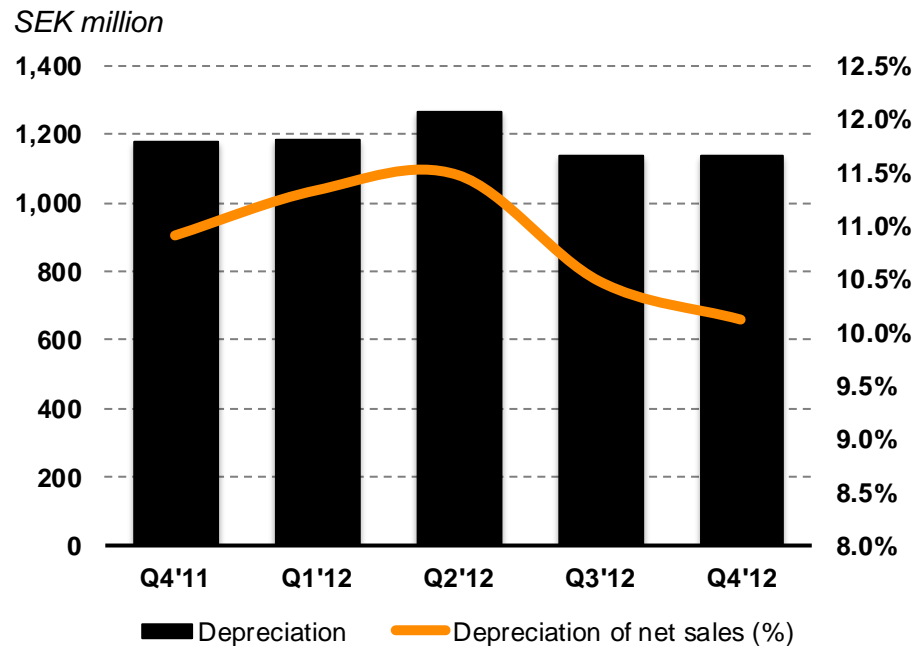
Currency movements full-year



EUR/EUR pegged and RUB currencies represent 57% of external sales and 73% of EBITDA

Depreciation

Depreciation and Depreciation as a percentage of net sales



Change year-on-year for Q4

- Acquisition of Network Norway: SEK 49 million
- Upgrade/replacement of networks in the Baltics: SEK 52 million
- Reduction in Sweden: SEK -79 million
- Growth in Russia: SEK 41 million

Financial items

SEK million

<i>Financial items in income statement</i>	Q4 2012	Q4 2011	FY 2012	FY 2011
Interest income/costs	-247	-175	-957	-483
Exchange rate differences, external	5	29	-14	-24
Exchange rate differences, intragroup	-76	105	59	13
Other financial items	-42	-42	-166	-180
Total	-360	-83	-1,078	-674
<i>Financial items in cash flow statement</i>	Q4 2012	Q4 2011	FY 2012	FY 2011
Interest paid	-280	-216	-668	-366

Taxes

SEK million

<i>Taxes in income statement</i>	Q4 2012	Q4 2011	FY 2012	FY 2011
Normal	-500	-378	-1,474	-1,733
One-off	-99	108	163	108
Total	-599	-270	-1,311	-1,625

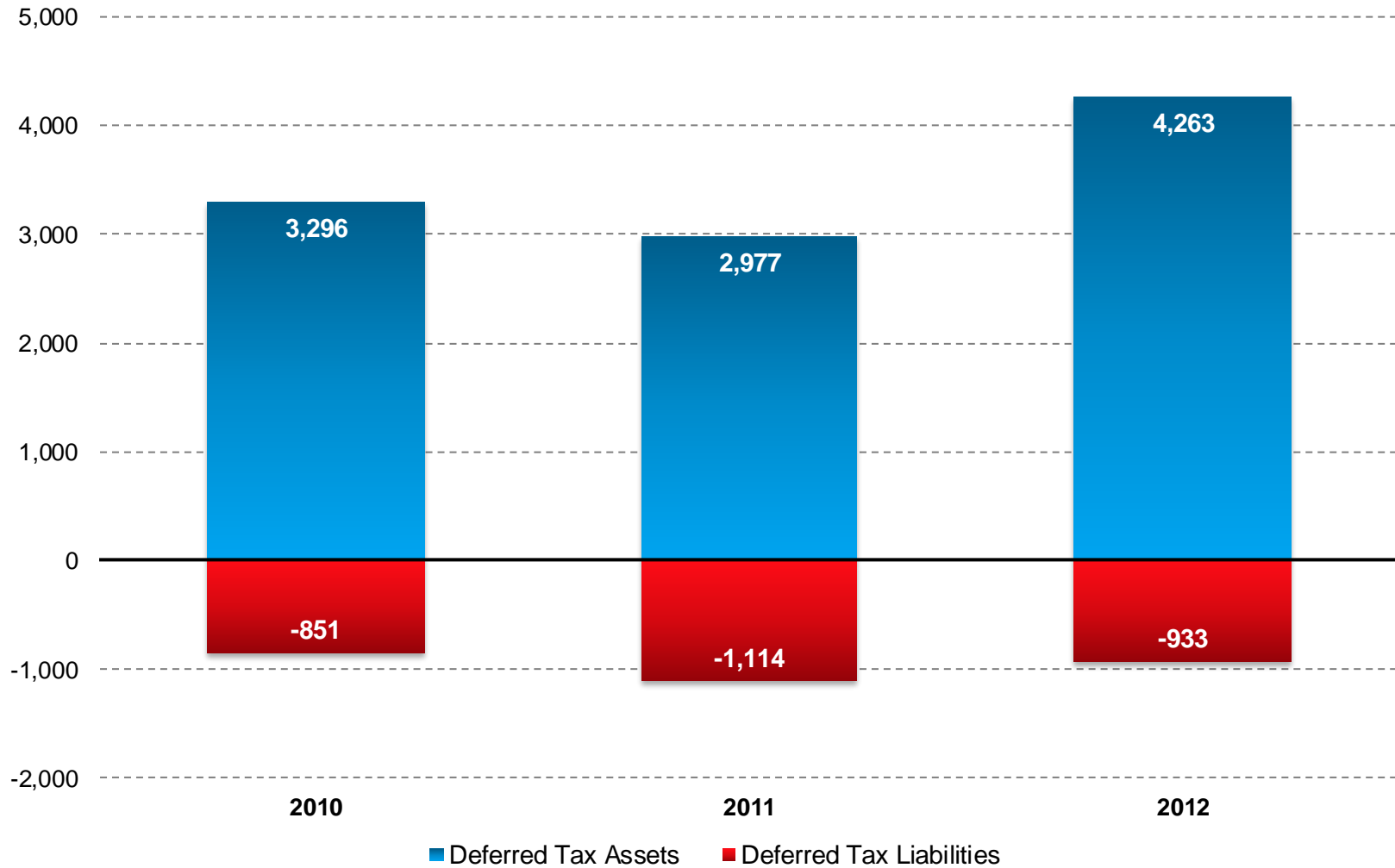
<i>Taxes in cash flow statement</i>	Q4 2012	Q4 2011	FY 2012	FY 2011
Normal	-497	-163	-989	-948
One-off	-	-	-	-
Total	-497	-163	-989	-948

- Net taxes were negatively affected by SEK -127 million due to decreased tax rate in Sweden from January 1, 2013
- Cash flow taxes 2013 expected to be SEK -1,000 million

Taxes

Closing balances

SEK million



Cash flow

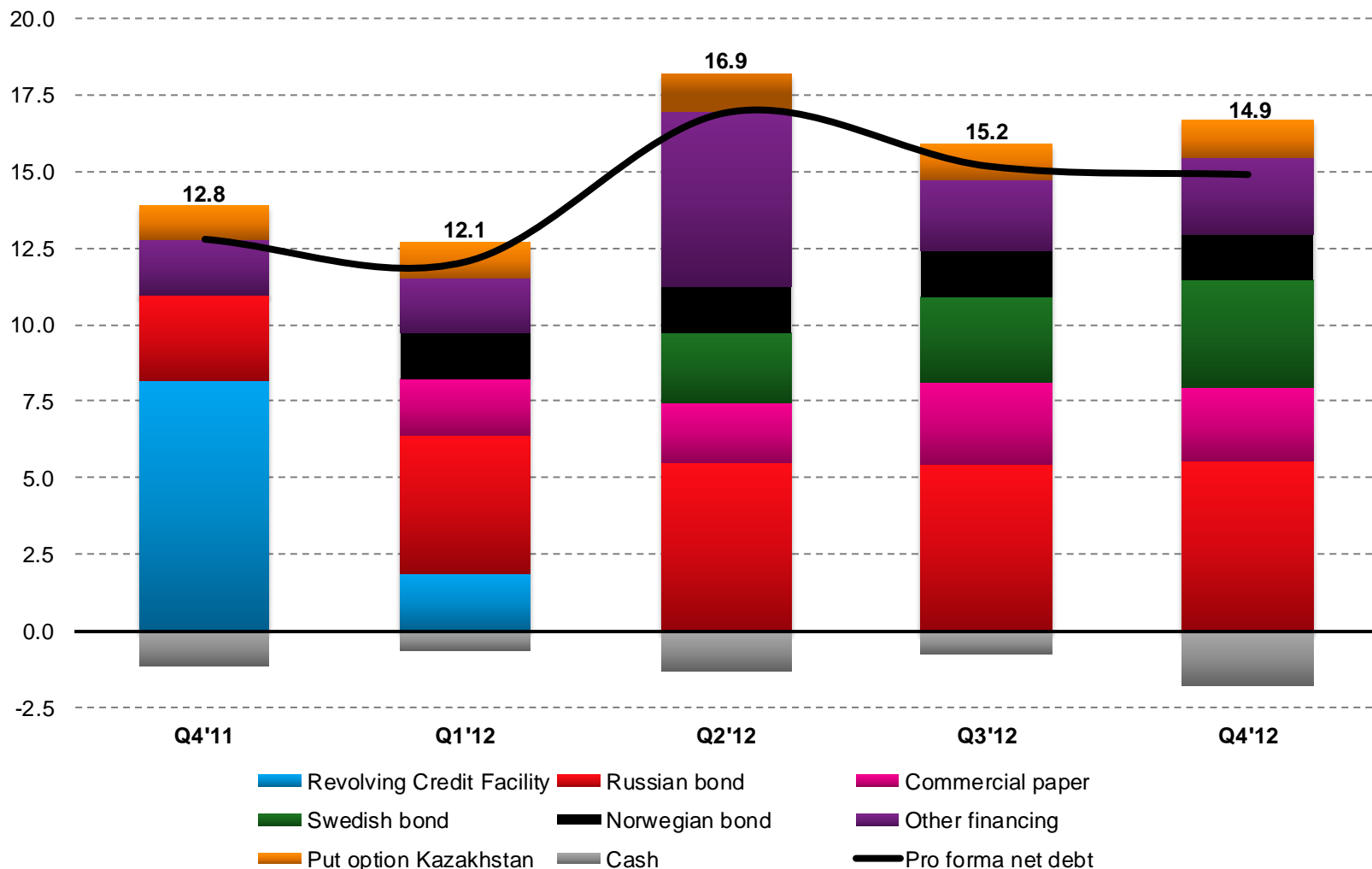
<i>SEK million</i>	Q4 2012	Q4 2011	FY 2012	FY 2011
OPERATING ACTIVITIES				
Cash flow from operations, excl. taxes and interest	2,579	2,859	10,744	11,261
Interest paid	-280	-216	-668	-366
Taxes paid	-497	-163	-989	-948
Change in working capital	13	-52	-408	-257
Cash flow from operating activities	1,815	2,428	8,679	9,690
INVESTING ACTIVITIES				
CAPEX	-1,286	-1,753	-4,609	-5,572
Cash flow after CAPEX	529	675	4,070	4,118
Shares and other financial assets	-15	-1,560	-215	-1,563
Cash flow after investing activities	514	-885	3,855	2,555

- Full-year 2012 CAPEX according to balance sheet SEK 5,336 million (6,105)
- CAPEX for 2013 expected to reach SEK 6,000 million (incl. Dutch LTE license)

Pro forma financial debt profile

Sources of funding

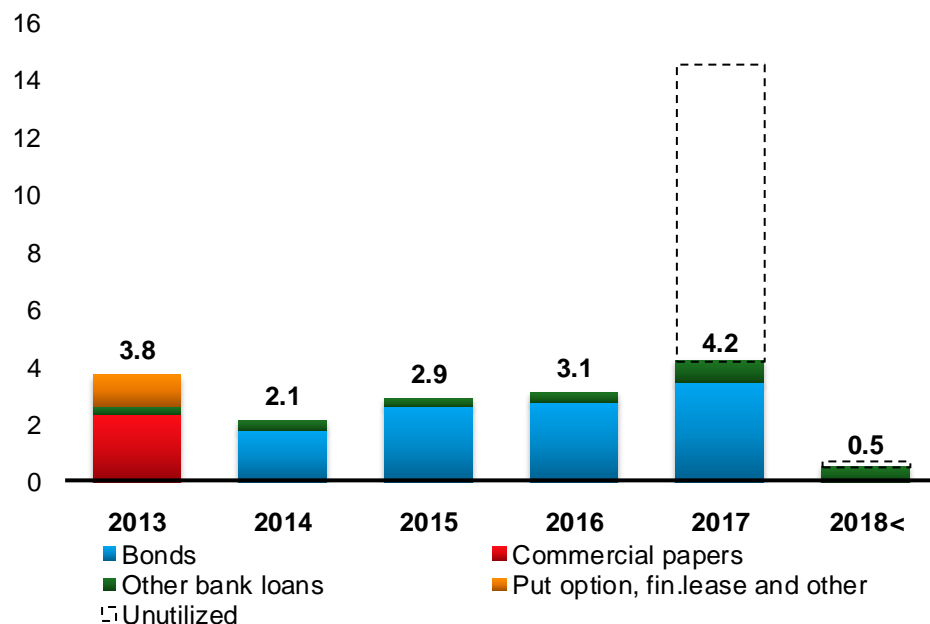
SEK billion



Debt maturity and currency profile

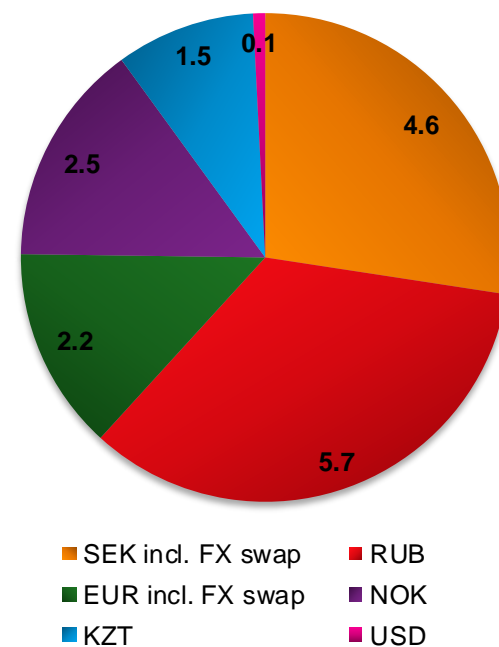
Debt maturity profile

Gross debt SEK 16.6 billion (incl. unutilized SEK 27.3 billion)














Debt currency profile

Gross debt SEK 16.6 billion



Tele2 in Debt Capital Markets

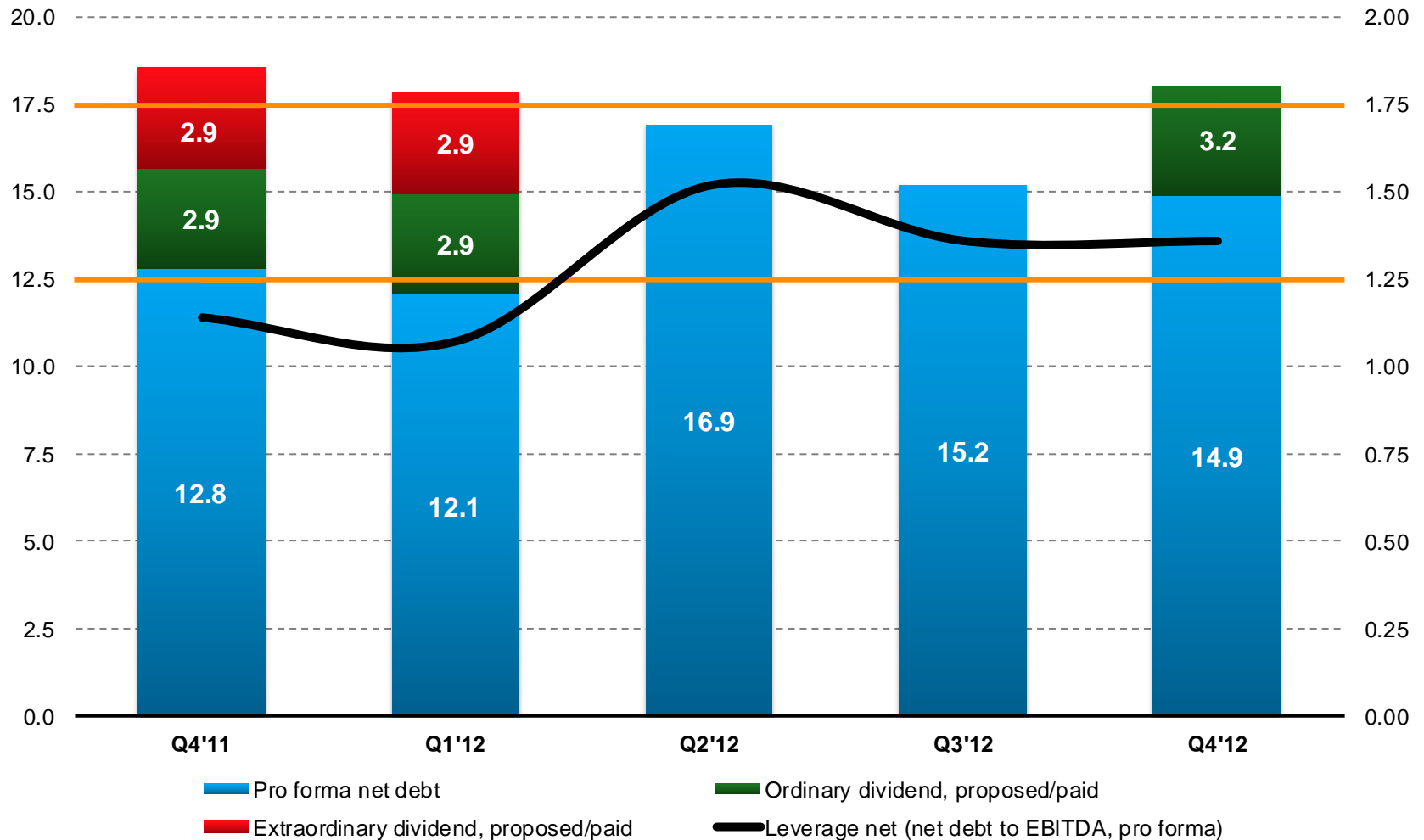
	Instrument	Date of issue	Maturity date	Volume	in MSEK*
	RUB Bond 5yr	2011-06-24	2016-06-24	13,000 MRUB	2,791
	RUB Bond 3yr	2012-04-13	2015-04-18	6,000 MRUB	1,288
	RUB Bond 2yr	2012-02-09	2014-02-14	7,000 MRUB	1,503
	NOK Bond 5yr	2012-02-20	2017-02-24	1,000 MNOK	1,167
	NOK Bond 3yr	2012-02-20	2015-02-24	300 MNOK	350
	SEK Bond	2012-05-08	2017-05-17	1,500 MSEK	1,500
	SEK Bond	2012-05-08	2017-05-15	800 MSEK	800
	SEK PP Bond	2012-09-27	2014-03-27	500 MSEK	500
	SEK PP Bond	2012-12-06	2015-03-06	750 MSEK	750
	SEK PP Bond	2013-01-03	3 months rolling	500 MSEK	500
	SEK CP	on-going	within 1yr	2,390 MSEK	2,390
				Total	13,540

* Fixing rate 31 Dec, 2012

Debt position and ratio

Pro forma net debt / EBITDA 12 m rolling

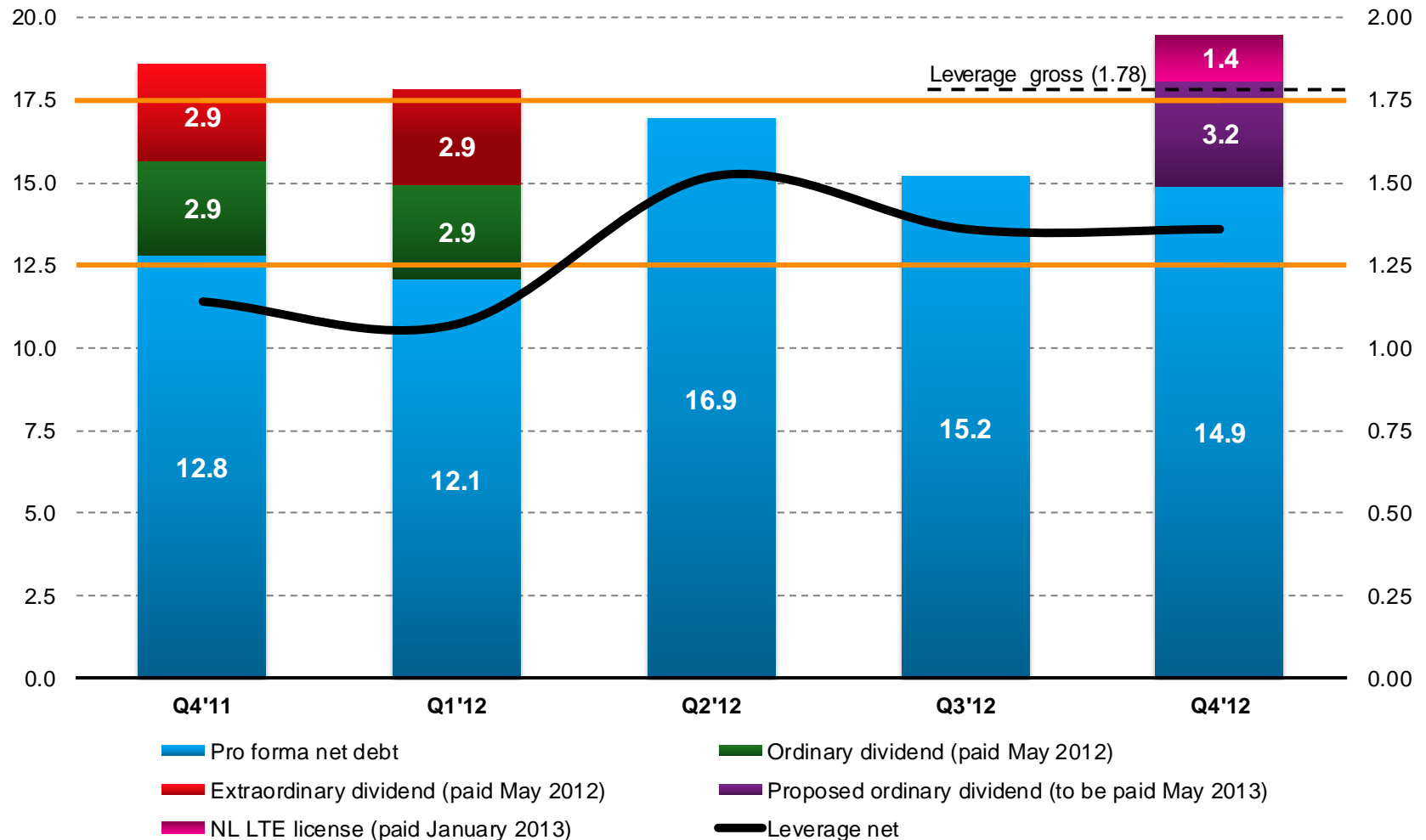
SEK billion / Ratio



Debt position and ratio incl. NL LTE

Pro forma net debt / EBITDA 12 m rolling

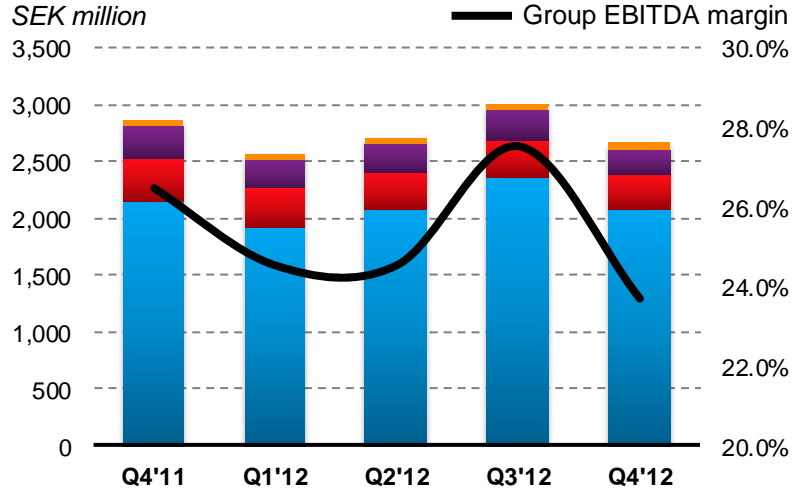
SEK billion / Ratio



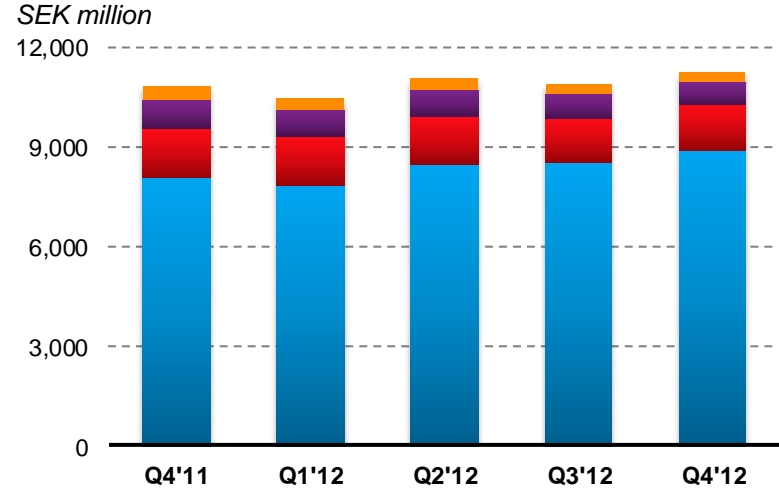
Group financials

- Mobile
- Fixed broadband
- Fixed telephony
- Other operations

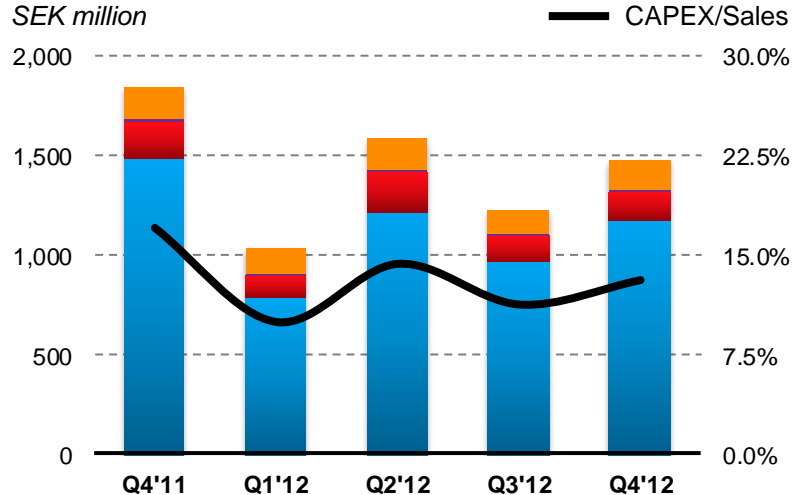
Group EBITDA and Group EBITDA margin



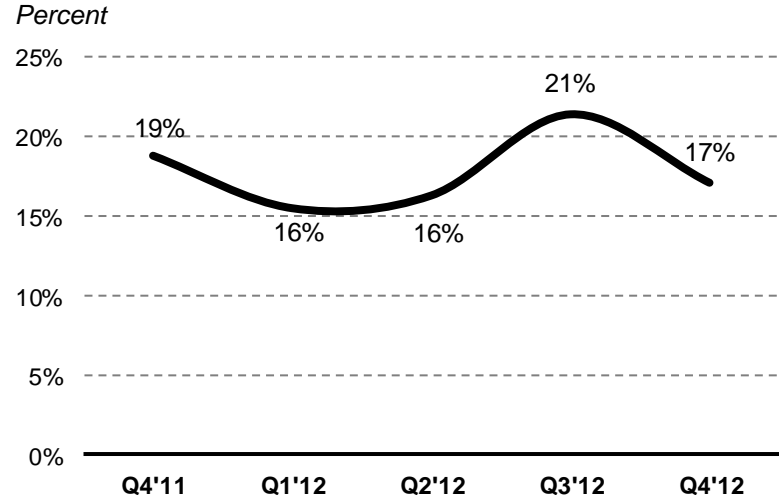
Group Net Sales



Group CAPEX (BS) and CAPEX/Sales

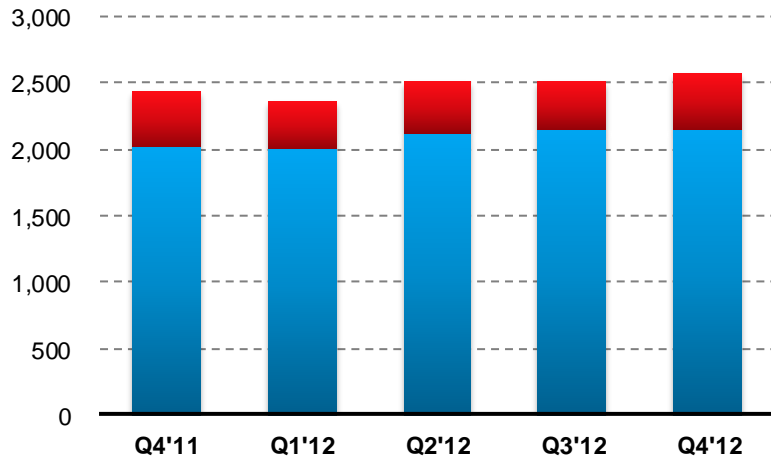


ROCE (Normalized)

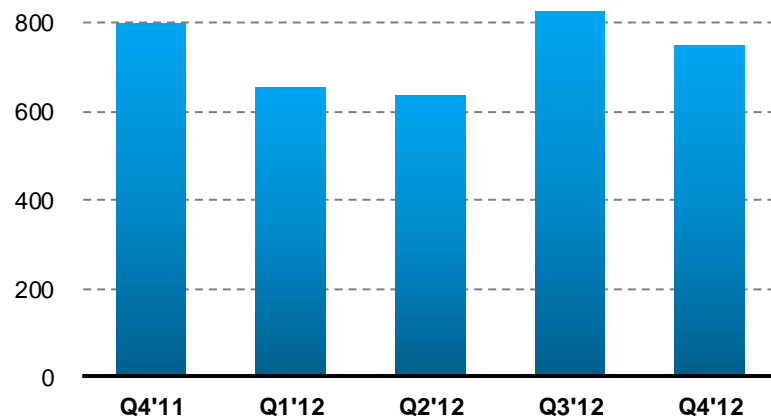


Sweden – Mobile

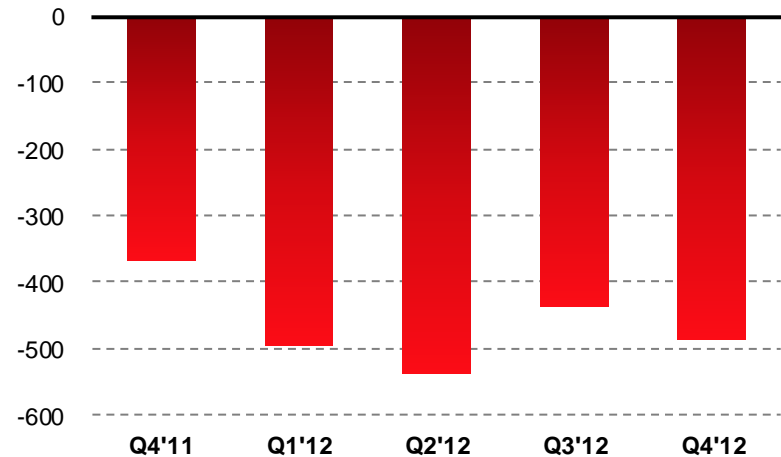
External revenue excl. equipment sales and
Equipment sales
SEK million



EBITDA
SEK million



Expansion costs
SEK million



Change year-on-year for Q4

- Year-on-year revenue growth excl. equipment sales of 6%
- Year-on-year expansion costs increased by SEK 122 million (33%)

Agenda



• About Q4 2012

• Financial review

• **Concluding remarks**

Concluding remarks

Continue to grow as an operator

Manage the shift from voice to data

Continue to migrate from prepaid to postpaid

Invest in new growth initiatives

The logo for TELE2, featuring the word "TELE2" in a bold, black, sans-serif font. The letters are stylized with a slight shadow effect, giving them a three-dimensional appearance. The "2" is particularly large and prominent.

Q&A

TELE2