

FOURTH QUARTER 2015

January 28th, 2016

Tele2 AB

TELE2

Highlights from the quarter



Value Champion

- Mobile-end user service revenue continues to grow
- Solid quarter for Swedish consumer postpaid
- Data monetization particularly strong in the Baltic region



Focused Technology Choices

- Commercial launch of our Dutch 4G-only network
- 4G coverage now at 90% in all major markets
- Croatia network swap complete and ready for 4G launch



Step-Change Productivity

- Sweden mobile EBITDA up 6% and margin improved to 28%
- JV with Kazakhtelecom announced
- Challenger on track for 1 bn savings target in 2018



Winning People & Culture

- Tele2 and Comviq awarded for most satisfied customers in 2015
- Shared Operations established in India and expanding in Latvia
- Post-quarter end introducing new Leadership Team members

Monetization of data is our key priority

Year-on-year growth, Tele2 Group

**Mobile end-user service
revenue**

+2%
(+5%*)

Mobile EBITDA

-4%
(-4%*)

**Average data usage
per mobile customer****

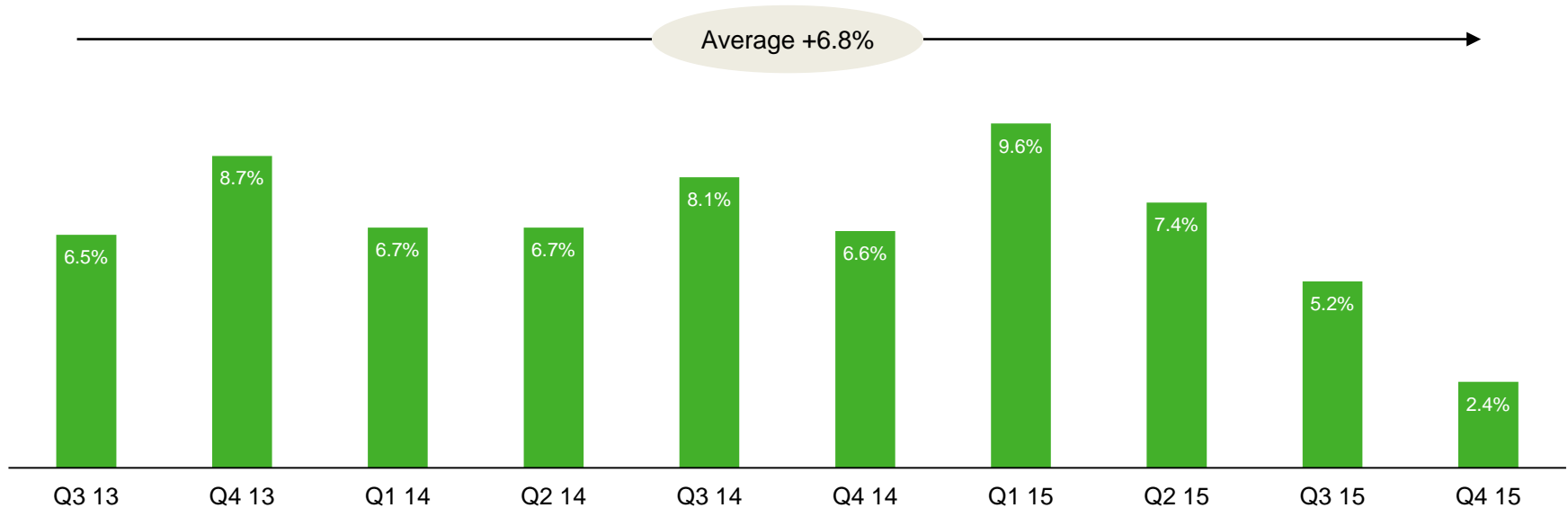
+94%

*FX adjusted

**Average data usage excludes traffic on MVNO networks.

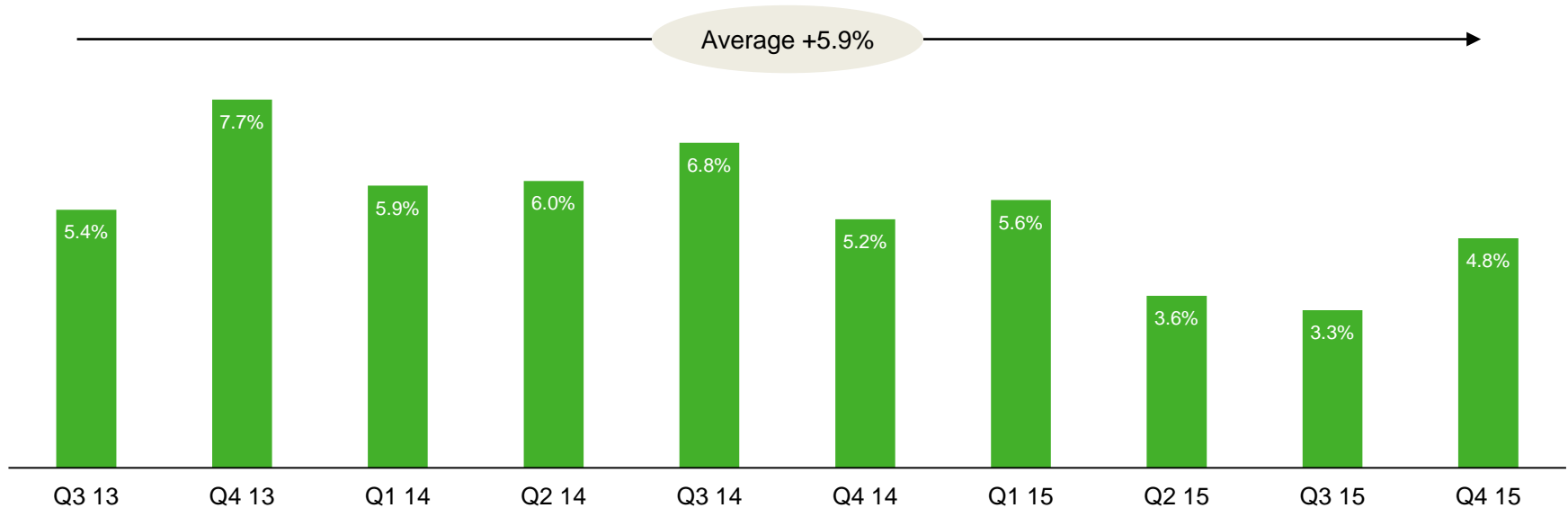
Continued growth in mobile end-user service revenue

Year-on-year growth for mobile end-user service revenue, Tele2 Group



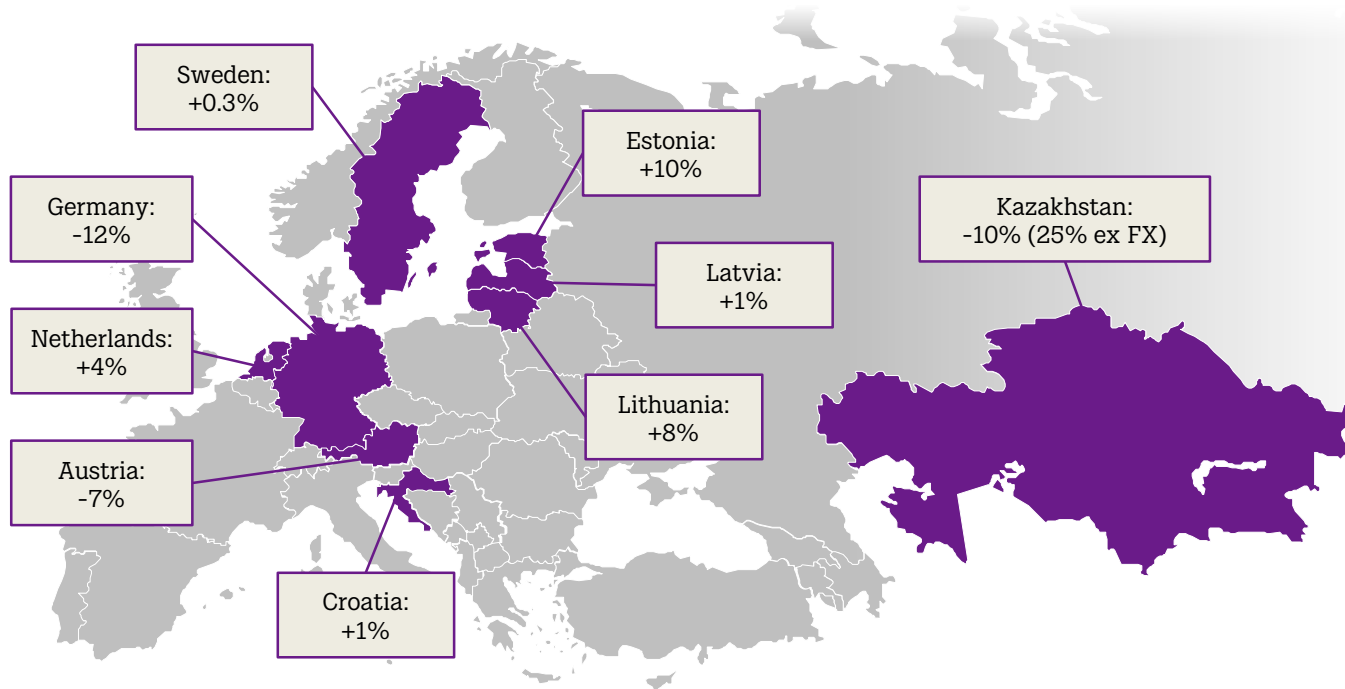
Continued growth in mobile end-user service revenue FX adjusted

Year-on-year growth for mobile end-user service revenue, Tele2 Group

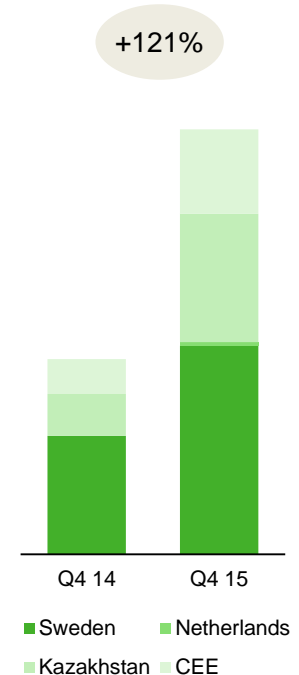


Market year-on-year development

Mobile end-user service revenue*

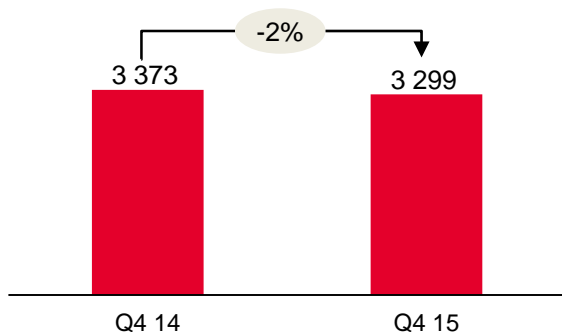


Data usage growth (Excluding MVNO networks)

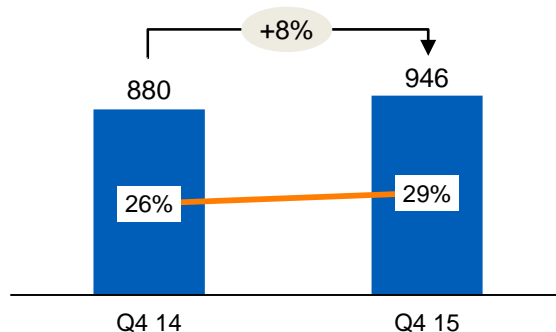


Tele2 Sweden

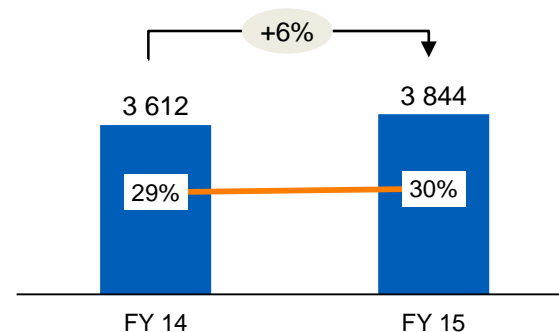
Net sales
(SEK million)



EBITDA and EBITDA margin
Q4 (SEK million)



EBITDA and EBITDA margin
YTD (SEK million)

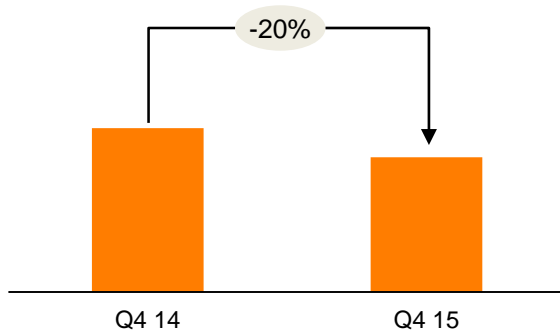


Q4 Highlights

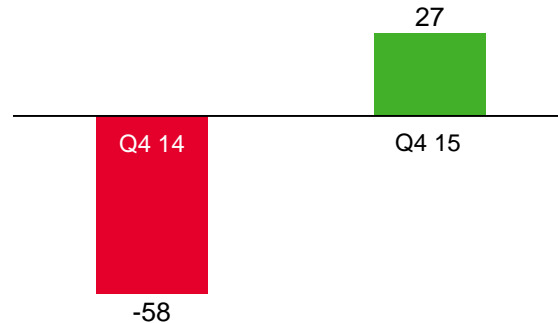
- Total revenue impacted by lower equipment sales and decline within fixed and B2B. Large enterprise continued to show stable growth, while SME declined due to price aggression in the market
- Consumer mobile postpaid grew mid-single digit, driven by Comviq
- Data monetization continues with mobile margin up from 26% to 28% for the quarter

Tele2 Sweden

Churn Tele2 brand



Mobile net intake (thousands)



Most satisfied customers award

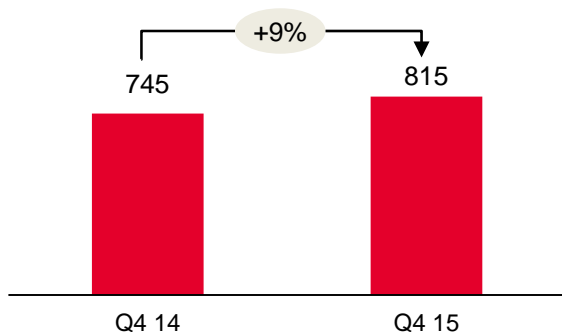


Q4 Highlights

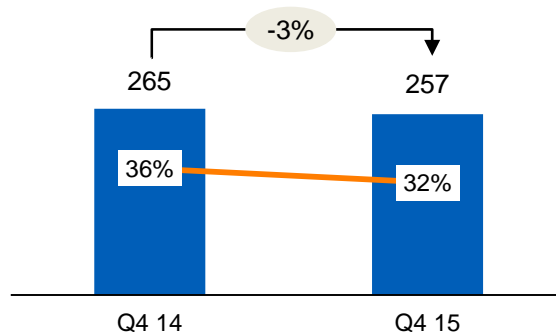
- Tele2.0 provides more flexibility, transparency and simplicity which has led to increased loyalty and lower churn
- Customer net intake in the quarter continued to grow across all segments, particularly in mobile postpaid
- Comviq and Tele2 awarded no 1 and no 2 respectively for the most satisfied residential customers, by the Swedish Quality Index. Tele2 awarded no 1 in B2B fixed telephony and broadband

Tele2 Baltics

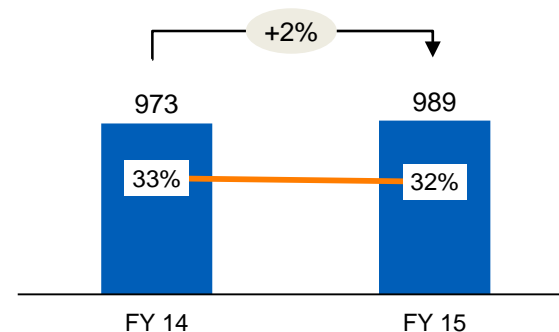
Net sales
(SEK million)



EBITDA and EBITDA margin
Q4 (SEK million)



EBITDA and EBITDA margin
YTD (SEK million)

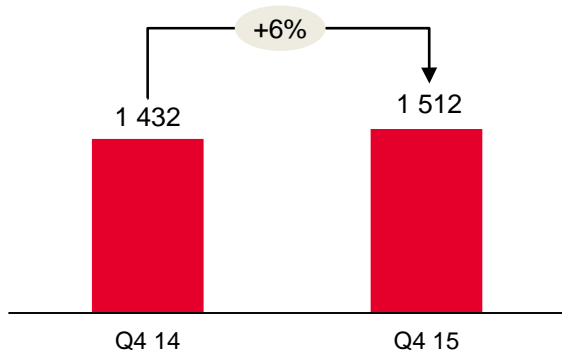


Q4 Highlights

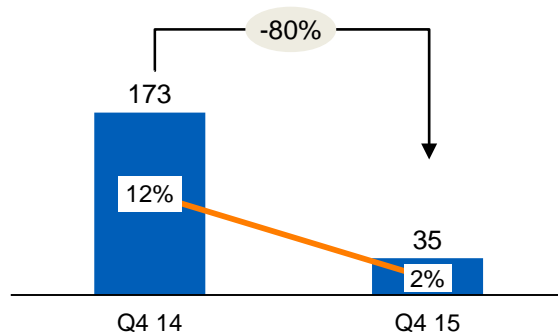
- Monetization driven by data centric pricing and trade-ups in data buckets
- Lithuania grew 8%, and Estonia grew 10% in mobile end-user service revenue
- Customers moving into towards higher value postpaid, and prepaid declining as expected
- Excluding gain from sale of frequency licence in Q4 2014, EBITDA growth YoY was 5%
- First operator in the region to test triple carrier aggregation LTE advanced with speeds above 300Mbps

Tele2 Netherlands

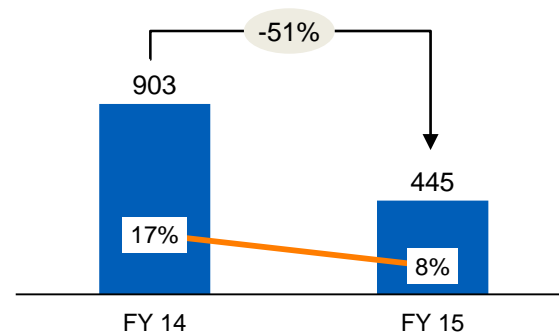
Net sales
(SEK million)



EBITDA and EBITDA margin
Q4 (SEK million)



EBITDA and EBITDA margin
YTD (SEK million)

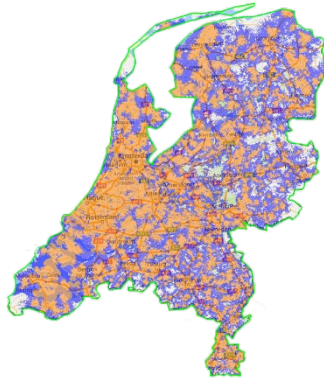


Q4 Highlights

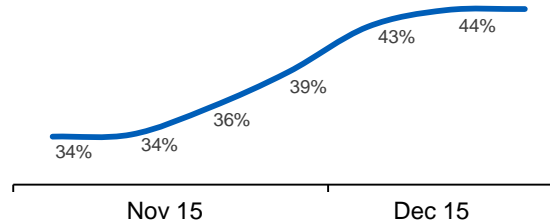
- Official launch of 4G-only network negatively impacted the results for the quarter
- Gross intake higher since launch however net intake impacted by higher churn due to competitive pressure in 3G SIM-only market
- B2B announced significant new deal from a strong pipeline
- First pilots with VULA high speed broadband services commenced in the quarter

Tele2 Netherlands

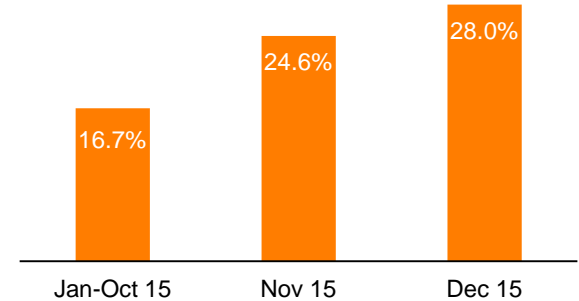
Outdoor population coverage
now at 95%



Spontaneous Brand Awareness
(Memo2)



Share of switchers, postpaid
handset segment (GFK)

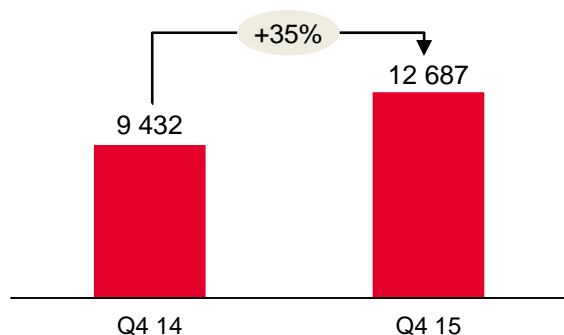


Q4 Highlights

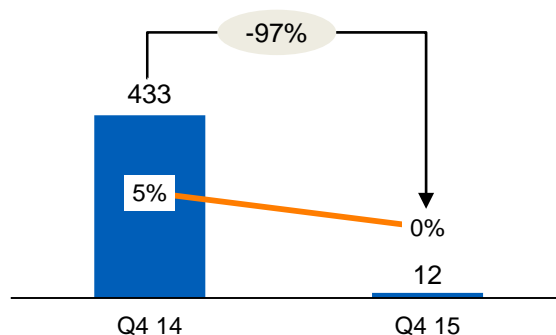
- 4G Network came out on top in 3 out of 6 categories on TV show "Kassa", one of the largest consumer review TV shows in the Netherlands. Outdoor coverage is now at 95%
- Spontaneous Brand Awareness increased 10% during 5 weeks following launch
- Handset sales are up 50% since launch
- Measures underway to reduce churn and attract higher value customers

Tele2 Kazakhstan

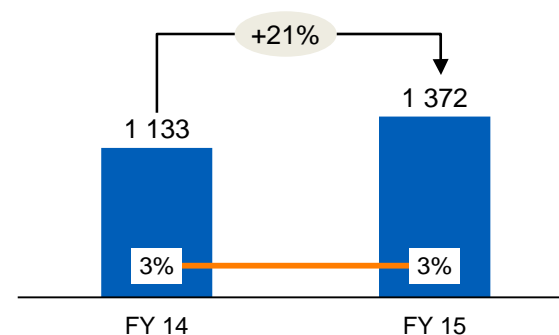
Net sales Q4
(KZT million)



EBITDA and EBITDA margin Q4
(KZT million)



EBITDA and EBITDA margin
YTD (KZT million)



Q4 Highlights

- Strong net sales growth of 35% due to strong customer growth and higher incoming traffic
- Continued positive net intake of 38K
- EBITDA in the quarter impacted by intensified competition
- Final regulatory approval received. JV deal closing anticipated in Q1 2016. Integration planning well underway
- Government announced technological neutrality and issued additional spectrum for LTE in 800MHz and 1800MHz

Financial Overview

Financial highlights

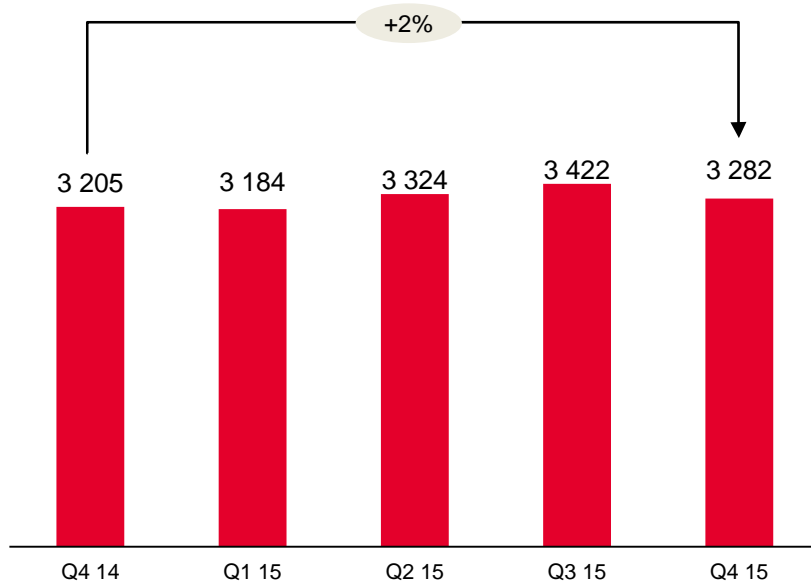
	Q4 2014	Q4 2015	% Change
Net sales (SEK billion)	6.9	6.9	+1%
Mobile end-user service revenue (SEK billion)	3.2	3.3	+2%
EBITDA (SEK billion)	1.4	1.3	-5%
CAPEX (SEK billion)	1.0	1.2	+19%

Financial highlights

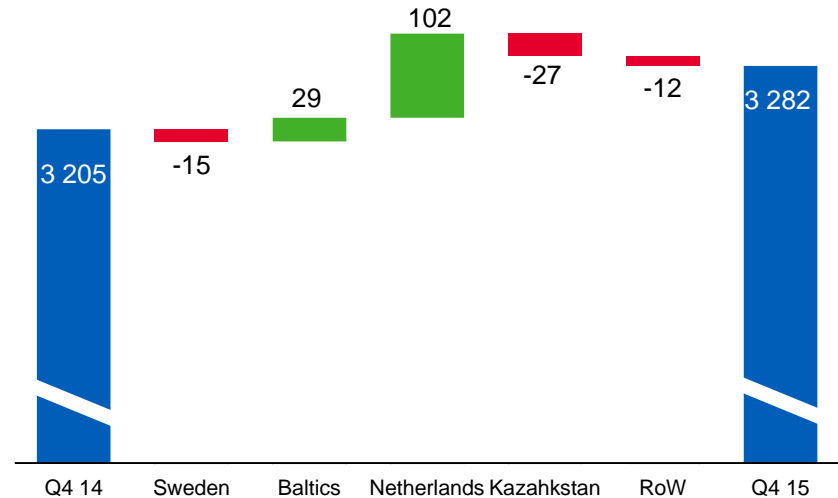
	FY 2014	FY 2015	% Change
Net sales (SEK billion)	26.0	26.9	+3%
Mobile end-user service revenue (SEK billion)	12.5	13.2	+6%
EBITDA (SEK billion)	5.9	5.8	-3%
CAPEX (SEK billion)	3.5	4.2	+23%
Ordinary dividend (SEK billion)	2.2	2.4	+10%

Mobile end-user service revenue

Tele2 Group
(SEK million)

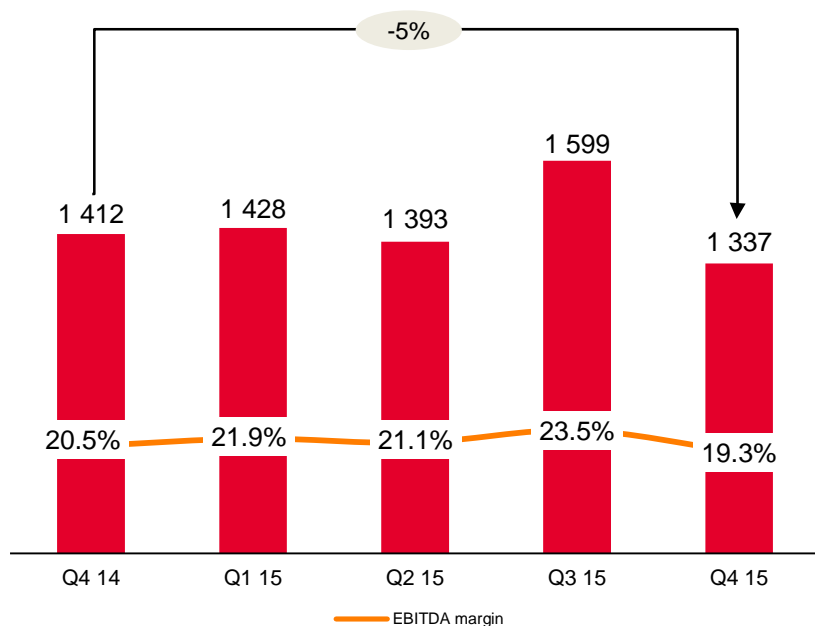


Development per market
(SEK million)

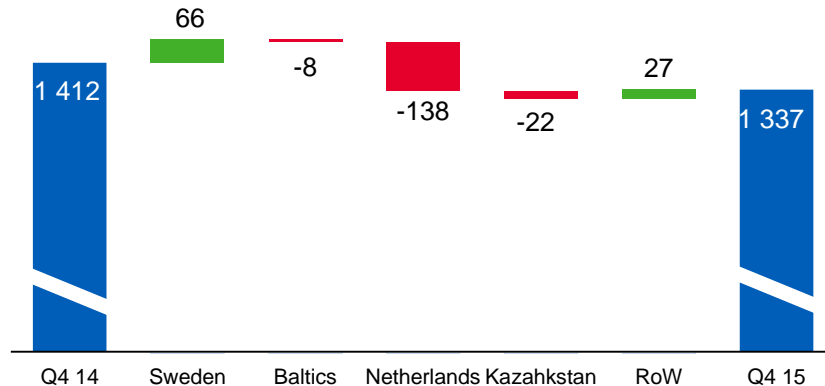


EBITDA

Tele2 Group
(SEK million)

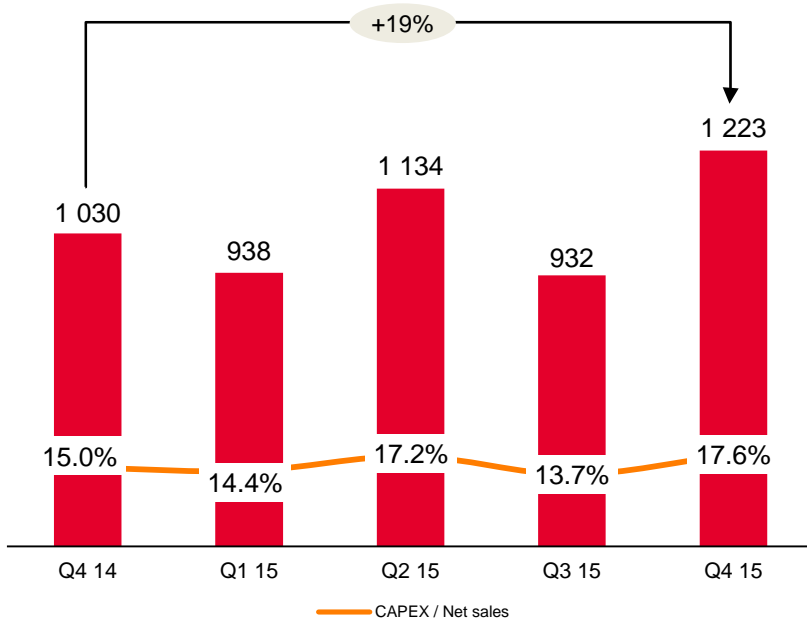


Development per market
(SEK million)

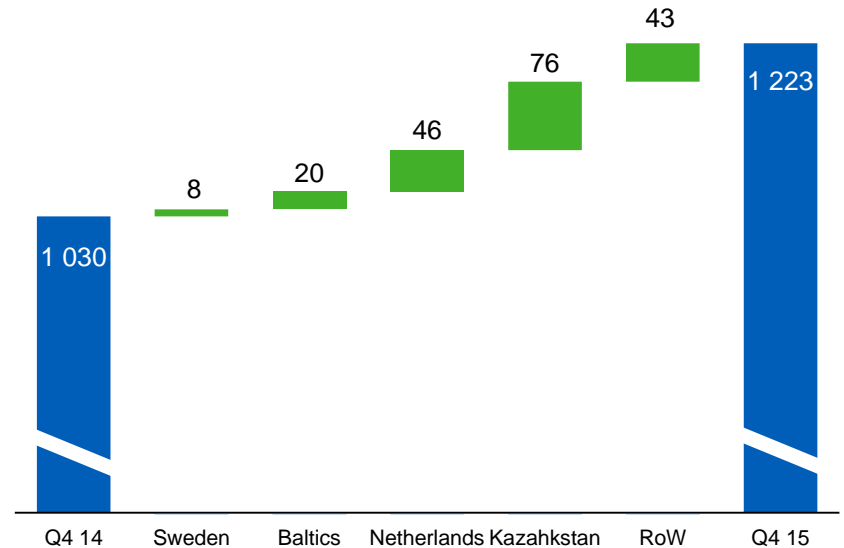


CAPEX

Tele2 Group
(SEK million)



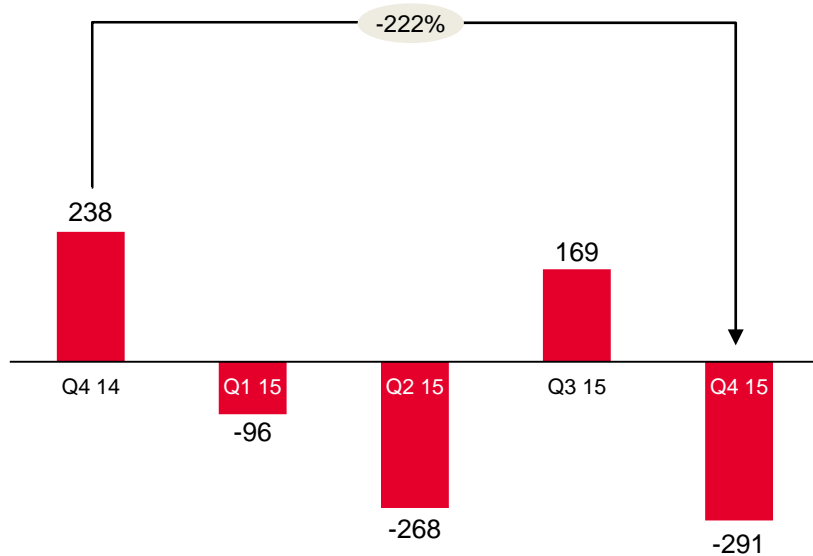
Development per market
(SEK million)



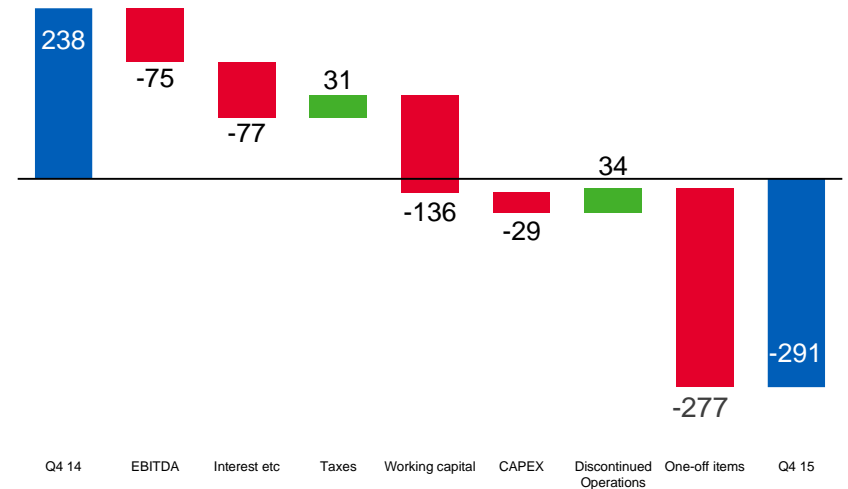
Free cash flow

Total operations

Tele2 Group
(SEK million)

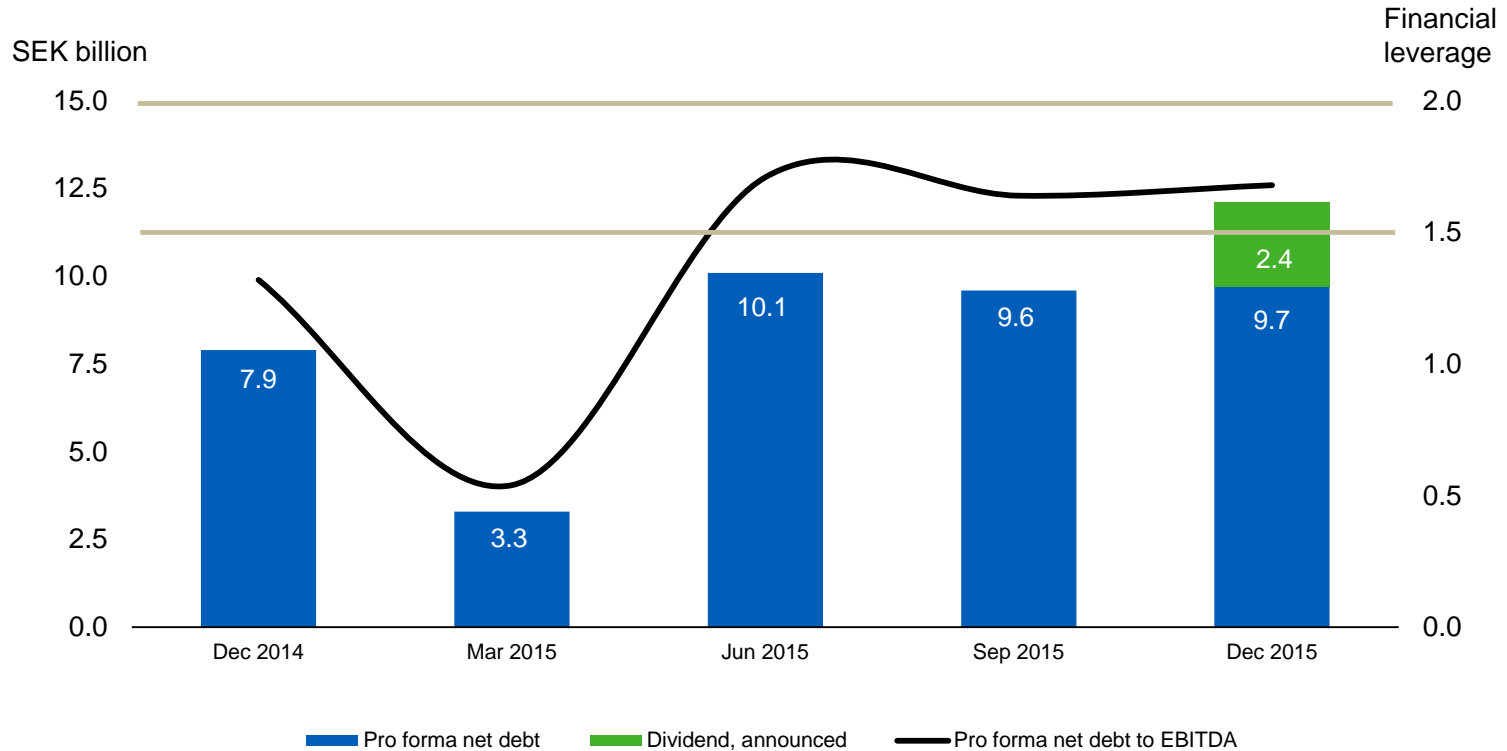


Development
(SEK million)



Debt position and financial leverage

Pro forma net debt / EBITDA 12 m rolling



Challenger Program Update

Challenger Program progressing

	2014	2015	2018
Simplify % of products harmonized on shared platforms	30%	30%	60%
Discipline % of spend strategically sourced & procured	40%	67%	80%
Consolidate % reduction in IT OpEx as share of revenue	0%	4%	20%
Transform % of staff in shared operations	12%	15%	25%

Initiatives commenced in 2015

Simplify

- Product Harmonization
- Application Rationalization

Discipline

- ICB & Roaming
- Return on Marketing Investment

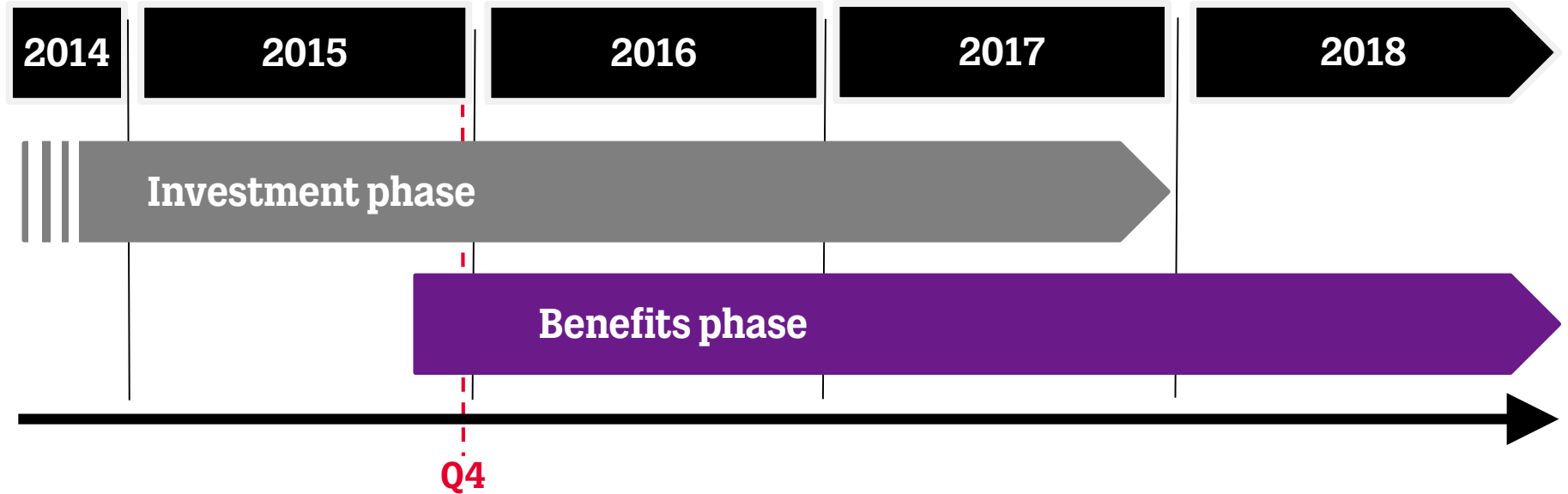
Consolidate

- Field Force outsourcing
- Transmission optimization

Transform

- Customer Service offshoring
- Finance back office nearshoring
- Germany restructuring

Challenger Program roadmap



Financial Guidance

Financial guidance 2016

Mobile end-user
service revenue

**Mid-single digit
% growth**

Net sales
(SEK billion)

26 – 27

EBITDA
(SEK billion)

4.6 – 5.0

CAPEX
(SEK billion)

3.7 – 4.1

Summary

Key priorities moving forward

- Maximize our dual brand strategy strength in Sweden
- Accelerate next phase of Netherlands commercial launch
- JV integration in Kazakhstan
- Commercialize and monetize 4G investments in Baltics, Croatia
- Continuing execution on the Challenger Program
- New Leadership Team established to take business forward



Focused
Technology
Choices



Value
Champion



Step-Change
Productivity



Winning
People &
Culture

Tele2's Way2Win

Vision

We will be champions of customer value in everything we do

Mission

We are challengers, fast-movers and will always offer our customers what they need for less

Where we play



Mobile access



Our current footprint



Residential and Business



M2M & IoT

How we win



Focused Technology Choices



Value Champion



Step-Change Productivity



Winning People & Culture

Responsible Challenger

The Tele2 Way

**THE
END**

TELE2