

Strong position for growth with new geographical footprint

INTERIM REPORT | January–March 2013

Stable net sales growth for the Group excluding exchange rate differences

■ Net intake was 211,000 (269,000), of which mobile 313,000 (375,000) in the quarter. Net sales amounted to SEK 7,298 (7,433) million corresponding to a growth excluding exchange rate difference of 0.2 percent. EBITDA in Q1 2013 amounted to SEK 1,488 (1,506) million, equivalent to an EBITDA margin of 20 (20) percent.

Announcement and closing of the sale of Tele2 Russia

■ In Q1 2013, Tele2 AB announced its sale of Tele2 Russia to VTB Group in a cash transaction comprising USD 2.4 billion (approximately SEK 15.6 billion) in equity value and USD 1.15 billion (approximately SEK 7.5 billion) in net debt, equivalent to an EBITDA multiple of 4.9 based on FY 2012 results. The transaction was successfully completed on the 4 April, 2013.

Improved margin development in Tele2 Sweden

■ Mobile net sales in Sweden grew by 2.4 percent, as customer demand for smartphones and data services persisted throughout Q1 2013. The mobile EBITDA contribution in the quarter was SEK 732 (656) million, equivalent to an EBITDA margin of 30 percent.

Significant progress within mobile for Tele2 Netherlands

■ Tele2 Netherlands continued its marketing push within the mobile segment, accelerating its customer intake to 57,000 (13,000) custo-

mers and taking the total mobile customer base to 535,000. In the quarter, Tele2 Netherlands started the preparatory work to become an MNO, including procurement processes.

Good progress in network roll-out for Tele2 Norway

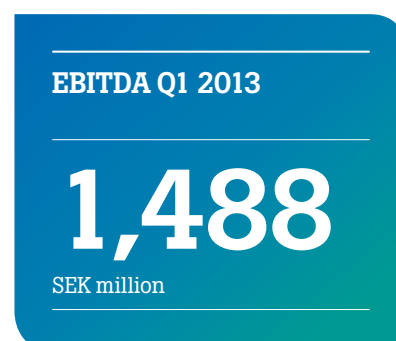
■ Tele2 Norway performed according to plan during the quarter, focusing on rolling out the country's third mobile network, which now reaches approximately 70 percent of the population.

Enhanced operational performance in Tele2 Kazakhstan

■ Tele2 Kazakhstan continued to expand its market share and added 252,000 (332,000) new customers in the quarter. The total customer base amounted to 3.7 (1.7) million. Thanks to improved operational scale, EBITDA losses diminished to SEK -45 (-97) million.

The Board of Directors proposed a dividend amounting to SEK 7.10 for 2012 and a mandatory redemption program of SEK 28.00 following the completion of the sale of Tele2 Russia

■ The Board of Tele2 AB decided to recommend an increase in its ordinary dividend of 9 percent to SEK 7.10 (6.50) per share in respect of the financial year 2012. Following the completion of the sale of Tele2 Russia, the Board of Tele2 AB also proposes to distribute SEK 12.5 billion, equivalent to SEK 28.00 per share, to shareholders through a mandatory redemption of shares.



Key Financial Data Q1

SEK million	2013	2012	%
Net Sales	7,298	7,433	-2
Net Sales excluding exchange rate differences	7,298	7,282	0.2
EBITDA	1,488	1,506	-1
EBITDA excluding exchange rate differences	1,488	1,478	1
EBIT	670	546	23
Net Profit	353	264	34
Earnings per share, after dilution (SEK)	0.70	0.59	34

The figures presented in this report refer to Q1 2013 and continuing operations unless otherwise stated. The figures shown in parentheses refer to the comparable periods in 2012.

TELE2

CEO comment

Today's results show the strength of the new Tele2 with robust performance in customer intake, revenue and EBITDA during the first quarter of 2013. I believe that we are well on track to meet our full year guidance. We are a European and Eurasian operator and mobile is our strategy, which now accounts for 70 percent of total revenue.

As mobile services continue to grow, I feel confident in setting ambitious long-term targets. The new Tele2 Group is rooted in four attractive and complementary markets - Sweden, the Netherlands, Norway and Kazakhstan - with a superior growth profile. Investment payoff is starting to materialize in Sweden, as we begin to exploit our operation's full potential, and in Kazakhstan which in Q1 2013 is already very close to break-even, as the company builds scale. We clearly see and will reap the benefits of building out our own network in Norway from 2014. In the Netherlands, we are now beginning to execute our strategic intent to become a mobile network operator in 4G. We do things differently at Tele2. We challenge and develop our businesses to the limits in order to promote our shareholders' interests.

We are pragmatic: once we have challenged outdated pricing models in a market and used our recognized expertise to develop sustainable telecom assets, we may divest an operation before reaching maturity - as in the case of Tele2 Russia - or maintain it if we expect longer term strategic value. We are challengers, fast-movers and will always be committed to offering our customers what they need, for less.

I am very excited about our new footprint which has great balance between mobile growth assets and operations with a strong cash contribution. Today, our proven business model will enable us not only to grow but also to outgrow our competitors. Our continued success will be built on four pillars:

- We are a leading infrastructure-based challenger with an attractive market mix - a strong spectrum portfolio, the best commercial offer in our markets and a healthy balance sheet to support growth.
- We are very well positioned to capitalise on mobile data and Internet growth. Interest in telecommunications keeps growing and the data deluge continues to flood across our entire footprint:

"I am very excited about our new footprint which has great balance between mobile growth assets and operations with a strong cash contribution."

we are in an excellent position to cater for surging data demand through 4G in all our mobile markets. An efficient pricing model for data is still being designed, which we see as a major opportunity.

- We will continue to develop best-in-class cost efficiency. We are a growth company but our revenues must grow faster than headcount. In such a dynamic industry as telecom, where the fast eat the slow, it is important to be lean and mean to succeed. We must

learn to do even more with the same resources and reduce costs wherever possible: less bureaucracy, quicker decision processes and generally enhanced operational performance. Rethinking how we do things and how we work, we will actively seek partnerships and joint ventures to expand coverage and lower cost.

- We have a strong track record of attractive value creation. We enjoy robust revenue growth across mature and developing markets with a solid EBITDA profile driven by Sweden, the Netherlands, Norway, and Kazakhstan. Likewise, our established, sustainable and progressive shareholder remuneration policy is supported by an optimal and disciplined capital structure.

The new Tele2 Group needs to ensure that it stays nimble and aggressive to continue challenging the competition and its customers. Hence, it is vital that we secure our cost leadership and put our money where strictly necessary. Although this mentality is in our DNA, we will focus additionally on operational performance throughout 2013.

Mats Granryd,
President and CEO

SIGNIFICANT EVENTS | Q1

- **Jere Calmes** was appointed new CEO of Tele2 Russia and stepped down as a Board Member
- **Tele2 AB** changed its Leadership Team structure, to enhance focus on its main markets and ensure maintained attention to the smaller growth assets

- **Tele2 AB** agreed to sell Tele2 Russia to VTB Group in a cash transaction comprising USD 2.4 billion (approximately SEK 15.6 billion) in equity value and USD 1.15 billion (approximately SEK 7.5 billion) in net debt
- **Tele2 AB** confirmed its operational focus, updated its operational guidance

and proposed a share redemption program of SEK 12.5 billion upon the sale of Tele2 Russia

Subsequent events

- **Tele2 AB** announced the successful completion of its sale of Tele2 Russia to VTB Group

Financial Overview

Tele2's financial performance is driven by a relentless focus on developing mobile services on own infrastructure, complemented in certain countries by fixed broadband services and business-to-business offerings. Mobile sales, which grew compared to the same period last year, and greater efforts to develop mobile services on own infrastructure have further improved Tele2's EBITDA contribution. The Group will concentrate on maximizing the return from fixed-line operations, as their customer base continues to decline.

Net customer intake amounted to 211,000 (255,000) in Q1 2013. The customer intake in mobile services amounted to 313,000 (375,000). This trend was mainly driven by a good customer intake in Tele2 Kazakhstan and in Tele2 Netherlands, whose customer bases grew by 252,000 (332,000) and 57,000 (13,000) customers respectively. The fixed broadband customer base lost -34,000 (-22,000) customers in Q1 2013, primarily attributable to Tele2's operations in the Netherlands and Sweden. As expected, the number of fixed telephony customers fell in Q1 2013. On March 31, 2013 the total customer base amounted to 15,657,000 (13,819,000) due to continued growth in mobile services.

Net sales in Q1 2013 amounted to SEK 7,298 (7,433) million corresponding to a growth excluding exchange rate differences and one-off items of 0.2 percent. The revenue development was mainly a result of sustained success in mobile services, which grew by 7.5 percent compared to the same period last year.

EBITDA in Q1 2013 amounted to SEK 1,488 (1,506) million, equivalent to an EBITDA margin of 20 (20) percent. The EBITDA development was impacted by improved performance in the mobile segment, but also tougher competition in fixed line services.

EBIT in Q1 2013 amounted to SEK 670 (546) million.

Profit before tax in Q1 2013 amounted to SEK 553 (462) million.

Net profit in Q1 2013 amounted to SEK 353 (264) million. Reported tax for Q1 2013 amounted to SEK -200 (-198) million. Tax payment affecting cash flow, excluding Russia, amounted to SEK -155 (-34) million with Tele2 Netherlands being the largest contributor.

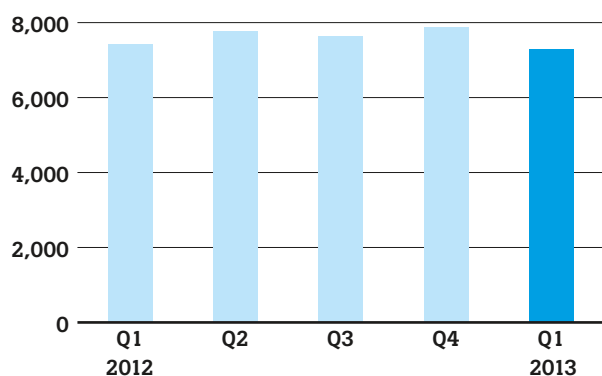
Cash flow after CAPEX in Q1 2013 amounted to SEK -1,293 (-444) million mainly affected by the acquired mobile licenses in Tele2 Netherlands (Note 6).

CAPEX in Q1 2013 amounted to SEK 2,133 (762) million, driven mainly by the acquisition of mobile licenses in Tele2 Netherlands (Note 6) and further network expansion in Sweden, Norway and Kazakhstan.

Net debt amounted to SEK 16,471 (15,745) million on March 31, 2013, or 1.49 times 12-month rolling EBITDA, including Russia. Tele2's available liquidity amounted to SEK 11,057 (15,656) million (Note 3 for further information on financial debt).

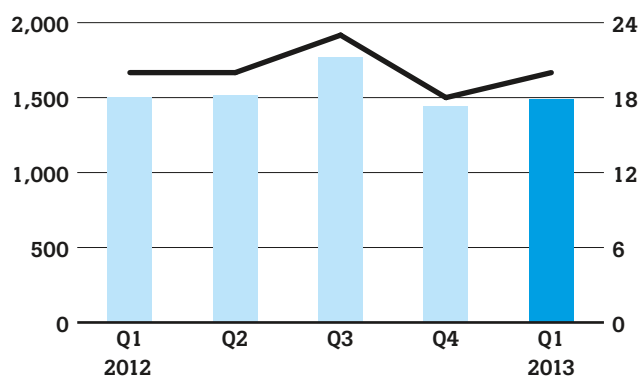
Net sales

MSEK



EBITDA/EBITDA margin

MSEK/Percent



¹⁾ See section EBIT on page 1.

Financial Guidance 2013

Tele2's objective is to maintain a healthy balance between growth regions and more mature markets and to be established in Europe and Eurasia. Tele2's core markets should be characterized in the longer term by:

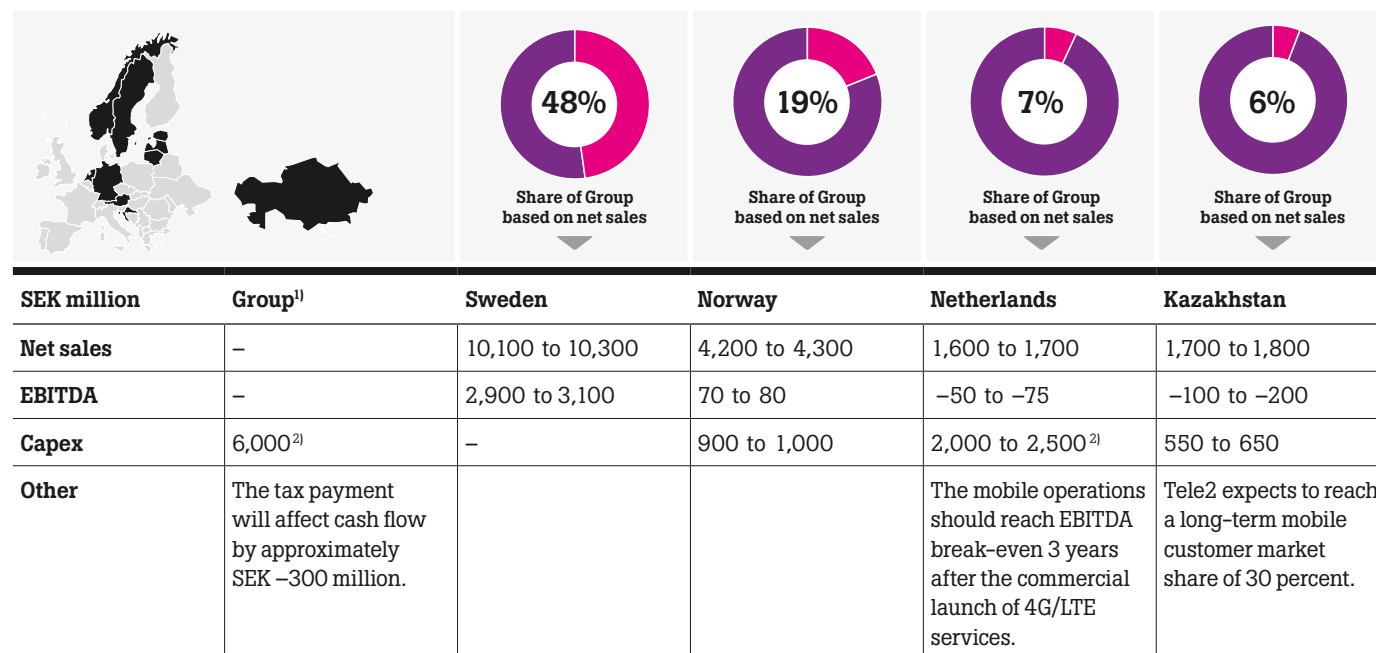
- The capability to reach a top 2 position in terms of customer market share, in an individual country.
- A mobile operation based on own infrastructure should return at least 35 percent EBITDA margin excluding equipment sales.
- All operations in the Group should have at least 20 percent return on capital employed (ROCE).

Longer term financial guidance

Tele2 makes the following longer term guidance to give improved clarity on the expected longer term performance of Tele2 AB:

- Tele2 expects to achieve a compounded annual revenue growth for the Group of between 5 - 7 percent until year 2015, reaching at least SEK 35.6 billion.
- Tele2 expects to achieve a compounded annual EBITDA growth for the Group of between 10 - 12 percent until year 2015, reaching at least SEK 8.3 billion.
- Positive operational development over the next 3 years will be driven by predominantly strong mobile development in Sweden, the Netherlands, Norway and Kazakhstan.

The following assumptions should be taken into account when estimating 2013 results for Tele2's mobile operations:



1) Total operations.

2) Whereof licences in the Netherlands for 4G/LTE SEK 1,400 million.

Shareholder remuneration

Tele2 will seek to pay a progressive ordinary dividend of 50 percent or more of net income excluding one-off items. Extraordinary dividends and the authority to purchase Tele2's own shares will be sought when the anticipated total return to shareholders is deemed to be greater than the achievable returns from the deployment of the capital within the Group's operating segments or the acquisition of assets within Tele2's economic requirements.

In respect of the financial year 2012, the Board of Tele2 AB has decided to recommend to the Annual General Meeting (AGM) in May 2013 an ordinary dividend payment of SEK 7,10 (6,50) per ordinary A or B share, equivalent to SEK 3.1 billion.

Following the completion of the sale of Tele2 Russia the Board of Tele2 AB also proposes to distribute SEK 12.5 billion, equivalent to SEK 28.00 per share, to shareholders through a mandatory redemption of shares.

Balance sheet

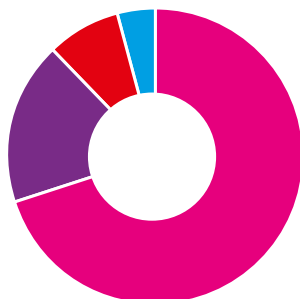
Tele2 has a target net debt to EBITDA ratio of between 1.25 and 1.75 times over the medium term. The Group's longer term financial leverage should be in line with the industry and the markets in which it operates, and reflect the status of its operations, future strategic opportunities and contingent liabilities.

SEK million	Note	Q1 2013	Q1 2012	FY 2012
Mobile¹⁾				
Net customer intake (thousands)		313	375	2,492
Net sales		5,090	4,813	20,920
EBITDA		928	856	3,687
EBIT		390	193	1,173
CAPEX	6	1,857	505	2,570
Fixed broadband¹⁾				
Net customer intake (thousands)		-34	-22	-69
Net sales		1,315	1,462	5,566
EBITDA		307	361	1,357
EBIT		89	133	450
CAPEX		125	118	584
Fixed telephony¹⁾				
Net customer intake (thousands)		-68	-98	-541
Net sales		597	785	2,865
EBITDA		183	247	966
EBIT		161	219	857
CAPEX		12	10	45
Total				
Net customer intake (thousands)		211	255	1,882
Net sales		7,298	7,433	30,742
EBITDA		1,488	1,506	6,240
EBIT ²⁾		670	546	1,975
CAPEX	6	2,133	762	3,746
EBT		553	462	1,422
Net profit		353	264	976
Cash flow from operating activities, excluding Russia		852	1,031	4,967
Cash flow after CAPEX	6	-1,293	444	1,684

1) Excluding one-off items (see section EBIT on page 20).

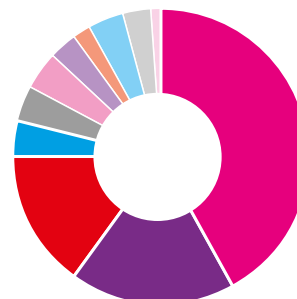
2) Total EBIT includes result from sale of operations and other one-off items stated under the segment reporting section of EBIT (page 20).

Net sales per product area, Q1 2013



Mobile	70%	Fixed telephony	8%
Fixed broadband	18%	Other	4%

Net sales per country, Q1 2013



Sweden	42%	Latvia	3%
Netherlands	18%	Estonia	2%
Norway	15%	Austria	4%
Kazakhstan	4%	Germany	3%
Croatia	4%	Other	1%
Lithuania	4%		

Overview by country

NET SALES LESS EXCHANGE RATE FLUCTUATIONS

	2013 Q1	2012 Q1	Growth
Sweden	3,080	3,071	0%
Netherlands	1,331	1,296	3%
Norway	1,050	1,113	-6%
Kazakhstan	289	155	86%
Croatia	296	256	16%
Lithuania	293	278	5%
Latvia	236	228	4%
Estonia	156	200	-22%
Austria	314	340	-8%
Germany	214	244	-12%
Other	39	101	-61%
	7,298	7,282	0%
FX effects		151	-2%
Total	7,298	7,433	-2%

EBITDA LESS EXCHANGE RATE FLUCTUATIONS

	2013 Q1	2012 Q1	Growth
Sweden	834	774	8%
Netherlands	317	393	-19%
Norway	39	25	56%
Kazakhstan	-45	-91	51%
Croatia	3	7	-57%
Lithuania	117	116	1%
Latvia	79	84	-6%
Estonia	45	55	-18%
Austria	89	79	13%
Germany	51	87	-41%
Other	-41	-51	20%
	1,488	1,478	1%
FX effects		28	-2%
Total	1,488	1,506	-1%

Sweden

Mobile In Q1 2013, the net intake amounted to -34,000 (-21,000) equalling a total customer base of 3,723,000. Mobile net sales amounted to SEK 2,434 (2,376) million, with a growth of 2.4 percent compared to the same period last year. The EBITDA contribution reached SEK 732 (656) million in the quarter.

The postpaid market was characterized by slow customer movements and prices were stable during Q1 2013. Bucket price plans kept winning ground in the market, as customers demonstrated that the amount of data included was of greater importance than the amount of minutes and SMS when choosing price plan.

During the quarter, the demand for handsets continued to drive the shift from prepaid to postpaid in the market. The smartphone installed base in the postpaid segment increased its growth and reached 78 percent at the end of the quarter.

Although still in decline, the prepaid segment delivered gross intake above expectations.

Tele2 Sweden continued the roll-out of the combined 2G and 4G networks in the joint venture Net4Mobility, covering at the end of Q1 2013 99 percent of the population, and is now the most extensive 4G network in the country. With this new network, Tele2 Sweden has improved its 2G coverage by increasing its amount of base stations by 20 percent, while future proofing customers' ever increasing demand for data through 4G. During the quarter, Tele2 Sweden started the roll-out of both LTE800 and LTE1800, which will further strengthen the network in terms of 4G capacity and coverage.

In the business segment, Q1 2013 showed continued growth in overall EBITDA. In the large enterprise segment, Tele2 Sweden won several full-service contracts and sees good growth potential going forward. In the SME segment, Tele2 Sweden delivered increased revenue and profitability with increased ASPU levels.

Fixed broadband Despite a negative customer intake in the fixed broadband customer base, the development was positive within the fibre segment, driven mainly by increased interest in triple play offerings. The EBITDA contribution in the quarter was SEK 20 (32) million.

Fixed telephony The EBITDA contribution in the quarter amounted to SEK 65 (76) million. Tele2 Sweden saw, as expected, a continued decrease in demand for fixed telephony as a consequence of the increased demand for mobile bucket price plans.

The Netherlands

Q1 2013 marked the beginning of Tele2 Netherlands' transformation into a full mobile network operator. A growing number of dedicated teams worked on the planning and execution of the network roll-out and the launch of a high quality nationwide 4G service on own infrastructure. In this phase, the Dutch operation is highly benefiting from the network roll-out experience within the Tele2 Group. The project is on track and the aim is to launch as soon as possible.

Mobile Tele2 Netherlands continued to benefit from its successful SmartMix proposition and the expanded on- and offline distribution channels. This resulted in further growth during Q1 2013 in both the postpaid and prepaid residential segments. Furthermore, the business segment continued to experience growth as many companies migrated their mobile customer base to Tele2 Netherlands during the quarter. As a result, net additions amounted to 57,000 (13,000) in Q1 2013, equalling a customer base of 535,000.

Fixed broadband Tele2 Netherlands' fixed broadband base showed a decline in line with the total residential DSL market. To counteract the negative trend for broadband based on DSL, Tele2 Netherlands increased its focus on fibre to the home. The expansion of the fixed broadband portfolio enabled Tele2 Netherlands to defend its position in the residential market. The business segment continued its solid performance during the quarter.

Norway

Mobile In the quarter, Tele2 Norway had a net intake of -4,000 (16,000) due to less marketing activities, leading to a total customer base of 1,132,000. In the residential market, continued sales campaigns focused on smartphones bundled with fixed fee subscriptions. All brands aimed to increase the share of fixed fee subscriptions in order to secure revenue streams. At the end of the quarter 72 percent of Tele2 and One Call customers had fixed fee subscriptions.

In Q1 2013, Tele2 Norway reported net sales of SEK 982 (1,060) million. The decrease was due to the reduction in termination rates affecting net sales negatively with approximately SEK 160 million.

Tele2 Norway reached an EBITDA contribution of SEK 27 (15) million in Q1 2013, equalling an EBITDA margin of 3 (1) percent during the quarter. Although more traffic volume moved to Tele2's own network during the quarter, Tele2 Norway's result was negatively impacted by a margin squeeze due to the incumbent's national roaming tariffs. The incumbent continued its aggressive market activities in the quarter, although the company is under investigation by both the European (ESA) and Norwegian Competition Authorities for abuse of its dominant position and anti-competitive agreements.

In March 2013, the Norwegian Government announced the framework for the upcoming national auction for the 800-, 900- and 1,800 MHz spectrum. There will be a frequency cap of 2x10 MHz in the 800 spectrum on operators who control a large proportion of all relevant mobile frequency resources, a cap of 2x15 MHz in the 900 spectrum and a cap of 2x20 MHz in the 1800 spectrum. The concluded framework is positive for Tele2 Norway, indicating the Government's will to secure better competition in the Norwegian mobile market.

The network roll-out is on track and covered at the end of Q1 2013 70 percent of the population. As soon as the colocation problems with some competitors are solved, Tele2 Norway will accelerate the roll-out.

Fixed telephony Fixed telephony showed a stable development of net sales and profitability during Q1 2013. Fixed telephony had an EBITDA contribution of SEK 10 (10) million in the quarter. Tele2 Norway reported an EBITDA margin of 15 (14) percent during the quarter.

Kazakhstan

Mobile The intensive growth of mobile voice and data traffic consumption was maintained during the quarter. Tele2's achievements in Kazakhstan proved very satisfactory in terms of customer intake thanks to a good value proposition in both the voice and data segments. Customer intake amounted to 252,000 (332,000) during the quarter, despite a review of the customer base resulting in 140,000 customers being defined as inactive on top of normal churn. Tele2 Kazakhstan's total customer base reached 3,664,000 by the end of Q1 2013.

The gross margin development saw a strong improvement during the quarter, thanks to a better interconnect environment. The company will continue to work toward getting more competitive interconnect levels in the country to lay the foundation for even more attractively priced offerings in the market.

The Russian research agency "ComNews" conducted a comparative research on all mobile operators' tariffs in Kazakhstan (September 2012 - February 2013). The results of this research confirmed that Tele2 is the most affordable operator in Kazakhstan.

Further network expansion, quality and coverage improvement, especially in small towns and rural areas, enabled the company to increase its commercial activity and attract new customers in the

different regions of the country. The network comprised of approximately 3000 sites at the end of the quarter. Tele2 Kazakhstan focused on the development of data network quality and successfully tested the technology "Dual Carrier 64QAM" at frequencies UMTS2100, showing recorded peak speeds around 37 Mbps. Tele2 Kazakhstan will pursue network deployment into 2013 to have a geographic coverage comparable to that of its competitors.

Croatia

Mobile Despite high market competitiveness in both the prepaid and postpaid segments, Tele2 Croatia continued to work on improving profitability and strengthening its position as the best value operator on the Croatian market.

Tele2 Croatia launched successful advertising campaigns in the prepaid voice and business segments and worked further on retention and acquisition activities to develop a product portfolio with constant attractive offerings both for residential and business customers. Hence, the net intake amounted to 22,000 (12,000), leading to a total customer base of 776,000. The revenue development continued to be robust and grew by 11 percent in the quarter.

Through a maintained effort on cost optimization, the EBITDA result further improved in the quarter compared to the same period last year.

Lithuania

Mobile Tele2 Lithuania started the year with a strong quarter, both commercially and financially.

Thanks to successful sales and marketing activities, Tele2 Lithuania achieved a positive customer intake of 12,000 (9,000) leading to a total customer base of 1,795,000 during Q1 2013, handling the prepaid to postpaid migration efficiently.

Besides, Tele2 Lithuania managed to defend its prepaid customer base amid increased price competition in the market.

Revenue increased by 1 percent compared to the same period last year due to improved customer intake, despite the negative impact derived from lower interconnect rates.

In Q1 2013, Tele2 Lithuania had a healthy EBITDA margin of 40 percent, as a result of successful acquisition and retention management, leading to lower churn rates.

Tele2 Lithuania will keep focusing on growing its market share in the business segment, benefiting from general price sensitivity among private companies and state-owned organizations. Moreover, Tele2 will continue to capitalize on the mobile data momentum and further develop infrastructure in terms of coverage, capacity and data capabilities through a network upgrade.

Latvia

Mobile Tele2 Latvia continued to show good performance during Q1 2013, delivering a robust level of profitability in a competitive market.

During the quarter the company continued to promote its attractive service offers in all segments resulting in a stable development of the customer base. Net intake amounted to -3,000 (-9,000) and the total customer base was 1,040,000 at the end of Q1 2013.

Tele2 Latvia maintained its focus on operational efficiency to keep up with increasing demand for mobile data in a price competitive market. The company's effort to further increase network quality continued in the quarter.

The company will carry on improving its position by executing an effective market strategy and further developing infrastructure in terms of coverage, capacity and data capabilities through a network upgrade.

Estonia

Mobile Tele2 Estonia continued to execute its price leadership strategy and managed to grow its residential segment customer base despite growing price pressure in the market during the quarter.

Price competition moved into the business and prepaid segments and is likely to persist during the coming quarters. Despite a tough market environment, the customer base development was stable with net intake of -1,000 (2,000) in Q1 2013. The total customer base amounted to 505,000.

Tele2 Estonia made additional cost cuts and improved the efficiency of its operation, as synergy effects between Tele2 and Telework started to show.

The revenue and profitability development was negatively impacted by interconnect regulations as well as price war market conditions. The impact from lowered interconnect affected net sales by approximately SEK -36 million and EBITDA by SEK -5 million.

Tele2 Estonia will continue to upgrade its network in order to enhance its efficiency and better serve the customers' needs.

Austria

In Q1 2013, Tele2 Austria demonstrated further steady financial performance in all segments as a consequence of a better-than-planned customer base development, higher minutes of use and successful churn prevention. Likewise, Tele2 Austria laid further emphasis on cost control during the quarter, particularly in the business segment.

Fixed broadband Tele2 Austria ran several retention and upselling campaigns successfully during the quarter, securing the customer base as well as total revenue.

Fixed telephony Successful up- and cross- selling campaigns drove high performance in the quarter, based on higher customer numbers supported by a positive trend in minutes of use.

Germany

Tele2 Germany showed a solid financial performance in Q1 2013, balancing the growth in the mobile segment and the profitability focus in the fixed and broadband segments. The intake of Fixed Via Mobile products drew a shift from the migration of CPS (Carrier Pre-Select) customers to the acquisition of new customers, resulting in higher acquisition cost.

Mobile Customer intake, particularly in relation to combined Internet and telephony products, demonstrated positive trend which contributed to sustaining the growth of the mobile segment. The intake of new customers, compared to the migration of existing customers, proved higher than planned. Nevertheless, revenue and EBITDA performance exceeded expectations during the quarter.

Fixed broadband Tele2 Germany successfully managed to further stabilize its customer base, which resulted in a solid gross margin and greater profitability of fixed telephony from ADSL wholesale customers.

Fixed telephony Customers in fixed telephony migrated during the quarter to significantly higher ARPU's in Fixed Via Mobile products. Despite the general decline in the fixed market, Tele2 Germany continued to deliver strong cash flows from this segment due to strict performance-driven management.

Other Items

Risks and uncertainty factors

Tele2's operations are affected by a number of external factors. The risk factors considered to be most significant to Tele2's future development are operating risks such as the availability of frequencies and telecom licences, operations in Kazakhstan, network sharing with other parties, integration of new business models, destructive price competition, changes in regulatory legislation, and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in Tele2's annual report for 2012 (see Directors' report and Note 2 of the report for a detailed description of Tele2's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Tele2 AB (publ) Annual General Meeting 2013

The 2013 Annual General Meeting will be held on May 13, 2013 in Stockholm at 2 p.m. CET at the Hotel Rival, Mariatorget 3 in Stockholm. Shareholders who wish to attend the Annual General Meeting shall:

- Be entered in the share register maintained by Euroclear Sweden on Monday 6 May 2013,
- Give notice of their attendance no later than Monday 6 May 2013 at 1.00 p.m. CET.

The notification may be submitted on the company's website www.tele2.com, by telephone +46 (0) 771,246,400 or in writing to the address Tele2 AB, c/o Computershare AB, P.O. Box 610, SE-182 16 Danderyd, Sweden.

Other

Tele2 will release the financial and operating results for the period ending June 30, 2013 on July 18, 2013.

Stockholm, April 18, 2013

Tele2 AB

Mats Granryd
President and CEO

Review Report

This interim report has not been subject to specific review by the company's auditors.

Q1 2013 PRESENTATION

Tele2 will host a presentation with the possibility to join through a conference call, for the global financial community at 10:00 am CET (09:00 am UK time/04:00 am NY time) on Thursday, April 18, 2013. The presentation will be held in English and also made available as an audiocast on Tele2's dedicated Q1 2013 website, <http://reports.tele2.com/2013/Q1>.

Venue

Royal Coin Cabinet, Slottsbacken 6, Stockholm

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.

Dial-in numbers

Sweden: +46 8 505 564 74

UK: +44 203 364 5374

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APPENDICES

Income statement

Comprehensive income

Change in equity

Balance sheet

Cash flow statement

Number of customers

Net sales

Internal sales

EBITDA

EBIT

CAPEX

Key ratios

Parent company

Notes

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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 16 million customers in 10 countries. Tele2 offers mobile services, fixed broadband and fixed telephony, data network services, cable TV 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 2012, we had net sales of SEK 31 billion and reported an operating profit (EBITDA) of SEK 6 billion.

Income statement

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year
CONTINUING OPERATIONS				
Net sales		7,298	7,433	30,742
Cost of services sold	2	-4,447	-4,639	-19,159
Gross profit		2,851	2,794	11,583
Selling expenses	2	-1,581	-1,587	-6,554
Administrative expenses	2	-621	-701	-3,144
Result from shares in associated companies		-7	-1	-7
Other operating income		47	51	190
Other operating expenses		-19	-10	-93
Operating profit, EBIT		670	546	1,975
Interest income/costs	3	-130	-96	-494
Other financial items	4	13	12	-59
Profit after financial items, EBT		553	462	1,422
Income tax	5	-200	-198	-446
NET PROFIT FROM CONTINUING OPERATIONS		353	264	976
DISCONTINUED OPERATIONS				
Net profit from discontinued operations	10	656	605	2,288
NET PROFIT		1,009	869	3,264
ATTRIBUTABLE TO				
Equity holders of the parent company		1,009	869	3,264
Earnings per share (SEK)	9	2.27	1.96	7.34
Earnings per share, after dilution (SEK)	9	2.25	1.95	7.30
FROM CONTINUING OPERATIONS				
ATTRIBUTABLE TO				
Equity holders of the parent company		353	264	976
Earnings per share (SEK)	9	0.79	0.59	2.20
Earnings per share, after dilution (SEK)	9	0.79	0.59	2.18

Comprehensive income

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year
Net profit		1,009	869	3,264
OTHER COMPREHENSIVE INCOME				
Components not to be reclassified to net profit				
Pensions, actuarial gains/losses		–	–	–49
Pensions, actuarial gains/losses, tax effect		–	–	8
Total components not to be reclassified to net profit		–	–	–41
Components that may be reclassified to net profit				
Exchange rate differences		–536	47	–358
Exchange rate differences, tax effect	5	–75	–145	1,857
Reversed cumulative exchange rate differences from divested companies		1	–	16
Cash flow hedges		–32	46	–37
Cash flow hedges, tax effect		7	–12	1
Total components that may be reclassified to net profit		–635	–64	1,479
Other comprehensive income for the period, net of tax		–635	–64	1,438
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		374	805	4,702
ATTRIBUTABLE TO				
Equity holders of the parent company		374	805	4,702

Change in equity

SEK million	Note	Mar 31, 2013			Mar 31, 2012			Dec 31, 2012		
		Attributable to		Total equity	Attributable to		Total equity	Attributable to		Total equity
		equity holders of the parent company	non-controlling interests		equity holders of the parent company	non-controlling interests		equity holders of the parent company	non-controlling interests	
Equity, January 1		20,426	3	20,429	21,449	3	21,452	21,449	3	21,452
Net profit for the period		1,009	–	1,009	869	–	869	3,264	–	3,264
Other comprehensive income for the period, net of tax		–635	–	–635	–64	–	–64	1,438	–	1,438
Total comprehensive income for the period		374	–	374	805	–	805	4,702	–	4,702
Other changes in equity										
Share-based payments	9	12	–	12	10	–	10	50	–	50
Share-based payments, tax effect	9	11	–	11	–	–	–	–	–	–
Sale of own shares	9	–	–	–	4	–	4	6	–	6
Dividends	9	–	–	–	–	–	–	–5,781	–	–5,781
Purchase of minority	9	–	–1	–1	–	–	–	–	–	–
EQUITY, END OF PERIOD		20,823	2	20,825	22,268	3	22,271	20,426	3	20,429

Balance sheet

SEK million	Note	Mar 31, 2013	Mar 31, 2012	Dec 31, 2012
ASSETS				
NON-CURRENT ASSETS				
Goodwill	2	9,109	10,504	10,174
Other intangible assets	2	5,275	5,698	5,540
Intangible assets		14,384	16,202	15,714
Tangible assets	2	11,525	18,094	18,079
Financial assets	3	98	122	105
Deferred tax assets	5	3,317	2,669	4,263
NON-CURRENT ASSETS		29,324	37,087	38,161
CURRENT ASSETS				
Inventories		344	481	473
Current receivables		8,185	8,422	8,823
Short-term investments		58	59	59
Cash and cash equivalents	8	386	546	1,673
CURRENT ASSETS		8,973	9,508	11,028
ASSETS CLASSIFIED AS HELD FOR SALE	10	10,010	-	-
ASSETS		48,307	46,595	49,189
EQUITY AND LIABILITIES				
EQUITY				
Attributable to equity holders of the parent company	5	20,823	22,268	20,426
Non-controlling interests		2	3	3
EQUITY	9	20,825	22,271	20,429
LONG-TERM LIABILITIES				
Interest-bearing liabilities	3	6,136	7,822	13,240
Non-interest-bearing liabilities	5	607	1,148	933
LONG-TERM LIABILITIES		6,743	8,970	14,173
SHORT-TERM LIABILITIES				
Interest-bearing liabilities	3	5,245	5,524	4,272
Non-interest-bearing liabilities		7,846	9,830	10,315
SHORT-TERM LIABILITIES		13,091	15,354	14,587
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	10	7,648	-	-
EQUITY AND LIABILITIES		48,307	46,595	49,189

Cash flow statement

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
OPERATING ACTIVITIES										
Operating profit	2	1,579	1,383	5,653	1,579	1,524	1,317	1,429	1,383	1,663
Adjustments for non-cash items in operating profit		1,108	1,193	5,021	1,108	1,138	1,401	1,289	1,193	1,197
Financial items paid		-113	-59	-598	-113	-363	-6	-170	-59	-217
Taxes paid	5	-332	-202	-989	-332	-497	-178	-112	-202	-163
Cash flow from operations before changes in working capital		2,242	2,315	9,087	2,242	1,802	2,534	2,436	2,315	2,480
Changes in working capital		-667	-419	-408	-667	13	244	-246	-419	-52
CASH FLOW FROM OPERATING ACTIVITIES		1,575	1,896	8,679	1,575	1,815	2,778	2,190	1,896	2,428
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX	6	-2,461	-830	-4,609	-2,461	-1,286	-1,076	-1,417	-830	-1,753
Cash flow after CAPEX		-886	1,066	4,070	-886	529	1,702	773	1,066	675
Acquisition and sale of shares and participations	10	-108	-224	-246	-108	-16	1	-7	-224	-1,560
Other financial assets		4	26	31	4	1	2	2	26	-
Cash flow from investing activities		-2,565	-1,028	-4,824	-2,565	-1,301	-1,073	-1,422	-1,028	-3,313
CASH FLOW AFTER INVESTING ACTIVITIES		-990	868	3,855	-990	514	1,705	768	868	-885
FINANCING ACTIVITIES										
Change of loans, net	3	-229	-1,351	2,498	-229	511	-2,256	5,594	-1,351	-925
Dividends	9	-	-	-5,781	-	-	-	-5,781	-	-
Other financing activities	9	-94	4	6	-94	-	-	2	4	5
Cash flow from financing activities		-323	-1,347	-3,277	-323	511	-2,256	-185	-1,347	-920
NET CHANGE IN CASH AND CASH EQUIVALENTS		-1,313	-479	578	-1,313	1,025	-551	583	-479	-1,805
Cash and cash equivalents at beginning of period		1,673	1,026	1,026	1,673	632	1,147	546	1,026	2,812
Exchange rate differences in cash and cash equivalents		26	-1	69	26	16	36	18	-1	19
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8	386	546	1,673	386	1,673	632	1,147	546	1,026

Number of customers

by thousands	Note	Number of customers		Net intake								
		2013 Mar 31	2012 Mar 31	2013 Jan 1– Mar 31	2012 Jan 1– Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Sweden												
Mobile		3,723	3,703	-34	-21	33	-34	-38	34	58	-21	-25
Fixed broadband		471	479	-13	5	10	-13	-2	3	4	5	2
Fixed telephony	1	320	510	-21	-34	-203	-21	-113	-27	-29	-34	-27
		4,514	4,692	-68	-50	-160	-68	-153	10	33	-50	-50
Netherlands												
Mobile		535	340	57	13	151	57	55	51	32	13	2
Fixed broadband		407	457	-14	-18	-54	-14	-17	-13	-6	-18	-12
Fixed telephony		130	169	-11	-13	-41	-11	-8	-8	-12	-13	-11
		1,072	966	32	-18	56	32	30	30	14	-18	-21
Norway												
Mobile		1,132	1,082	-4	16	70	-4	15	16	23	16	-12
Fixed telephony		77	89	-4	-3	-11	-4	-3	-2	-3	-3	-2
		1,209	1,171	-8	13	59	-8	12	14	20	13	-14
Kazakhstan												
Mobile		3,664	1,703	252	332	2,041	252	361	589	759	332	249
		3,664	1,703	252	332	2,041	252	361	589	759	332	249
Croatia												
Mobile	1	776	722	22	12	44	22	-44	33	43	12	-117
		776	722	22	12	44	22	-44	33	43	12	-117
Lithuania												
Mobile		1,795	1,730	12	9	62	12	-5	38	20	9	-2
Fixed telephony		-	2	-	-	-2	-	-	-2	-	-	-
		1,795	1,732	12	9	60	12	-5	36	20	9	-2
Latvia												
Mobile		1,040	1,010	-3	-9	24	-3	1	21	11	-9	-31
		1,040	1,010	-3	-9	24	-3	1	21	11	-9	-31
Estonia												
Mobile		505	506	-1	2	2	-1	-14	11	3	2	1
Fixed telephony		5	6	-	-2	-3	-	-	-	-1	-2	-1
		510	512	-1	-	-1	-1	-14	11	2	-	-
Austria												
Fixed broadband		124	132	-3	-2	-7	-3	-2	-1	-2	-2	-2
Fixed telephony		184	212	-7	-19	-40	-7	-5	-7	-9	-19	-11
		308	344	-10	-21	-47	-10	-7	-8	-11	-21	-13
Germany												
Mobile		122	66	12	21	65	12	13	14	17	21	31
Fixed broadband		78	93	-4	-7	-18	-4	-3	-5	-3	-7	-5
Fixed telephony		569	808	-25	-27	-241	-25	-73	-54	-87	-27	-174
		769	967	-17	-13	-194	-17	-63	-45	-73	-13	-148
TOTAL												
Mobile		13,292	10,862	313	375	2,492	313	344	807	966	375	96
Fixed broadband		1,080	1,161	-34	-22	-69	-34	-24	-16	-7	-22	-17
Fixed telephony		1,285	1,796	-68	-98	-541	-68	-202	-100	-141	-98	-226
TOTAL NUMBER OF CUSTOMERS AND NET INTAKE		15,657	13,819	211	255	1,882	211	118	691	818	255	-147
Acquired companies	10			-	14	14	-	-	-	-	14	577
TOTAL NUMBER OF CUSTOMERS AND NET CHANGE		15,657	13,819	211	269	1,896	211	118	691	818	269	430

Net sales

SEK million	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Sweden									
Mobile	2,437	2,379	10,002	2,437	2,585	2,522	2,516	2,379	2,442
Fixed broadband	383	365	1,440	383	351	359	365	365	376
Fixed telephony	232	304	1,141	232	261	281	295	304	323
Other operations	31	26	120	31	34	27	33	26	17
	3,083	3,074	12,703	3,083	3,231	3,189	3,209	3,074	3,158
Netherlands									
Mobile	355	185	920	355	288	234	213	185	215
Fixed broadband	685	813	3,043	685	731	709	790	813	841
Fixed telephony	143	180	662	143	158	151	173	180	192
Other operations	148	172	644	148	153	150	169	172	207
	1,331	1,350	5,269	1,331	1,330	1,244	1,345	1,350	1,455
Norway									
Mobile	982	1,060	4,467	982	1,153	1,117	1,137	1,060	1,128
Fixed broadband	–	1	4	–	–	1	2	1	1
Fixed telephony	70	84	316	70	76	75	81	84	90
Other operations	2	–	–	2	–	–	–	–	9
	1,054	1,145	4,787	1,054	1,229	1,193	1,220	1,145	1,228
Kazakhstan									
Mobile	289	165	957	289	294	270	228	165	161
	289	165	957	289	294	270	228	165	161
Croatia									
Mobile	296	267	1,321	296	360	357	337	267	319
	296	267	1,321	296	360	357	337	267	319
Lithuania									
Mobile	295	291	1,213	295	306	306	310	291	337
	295	291	1,213	295	306	306	310	291	337
Latvia									
Mobile	238	240	1,044	238	281	265	258	240	274
	238	240	1,044	238	281	265	258	240	274
Estonia									
Mobile	139	196	825	139	211	207	211	196	219
Fixed telephony	3	2	7	3	2	1	2	2	1
Other operations	14	10	54	14	15	17	12	10	–
	156	208	886	156	228	225	225	208	220
Austria									
Fixed broadband	202	227	874	202	216	209	222	227	213
Fixed telephony	50	63	228	50	55	52	58	63	70
Other operations	62	64	251	62	63	61	63	64	60
	314	354	1,353	314	334	322	343	354	343
Germany									
Mobile	66	36	192	66	60	52	44	36	21
Fixed broadband	45	56	205	45	48	48	53	56	61
Fixed telephony	103	162	549	103	117	123	147	162	190
	214	254	946	214	225	223	244	254	272
Other									
Other operations	39	101	324	39	68	70	85	101	154
	39	101	324	39	68	70	85	101	154
TOTAL									
Mobile	5,097	4,819	20,941	5,097	5,538	5,330	5,254	4,819	5,116
Fixed broadband	1,315	1,462	5,566	1,315	1,346	1,326	1,432	1,462	1,492
Fixed telephony	601	795	2,903	601	669	683	756	795	866
Other operations	296	373	1,393	296	333	325	362	373	447
	7,309	7,449	30,803	7,309	7,886	7,664	7,804	7,449	7,921
Internal sales, elimination	–11	–16	–61	–11	–13	–15	–17	–16	–57
TOTAL	7,298	7,433	30,742	7,298	7,873	7,649	7,787	7,433	7,864

Internal sales

SEK million	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Sweden									
Mobile	3	3	5	3	2	–	–	3	2
	3	3	5	3	2	–	–	3	2
Netherlands									
Other operations	–	–	2	–	–	1	1	–	–
	–	–	2	–	–	1	1	–	–
Norway									
Fixed telephony	4	10	38	4	7	9	12	10	12
	4	10	38	4	7	9	12	10	12
Lithuania									
Mobile	2	1	8	2	2	3	2	1	1
	2	1	8	2	2	3	2	1	1
Latvia									
Mobile	2	2	8	2	2	2	2	2	1
	2	2	8	2	2	2	2	2	1
Other									
Other operations	–	–	–	–	–	–	–	–	41
	–	–	–	–	–	–	–	–	41
TOTAL									
Mobile	7	6	21	7	6	5	4	6	4
Fixed telephony	4	10	38	4	7	9	12	10	12
Other operations	–	–	2	–	–	1	1	–	41
TOTAL	11	16	61	11	13	15	17	16	57

EBITDA

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Sweden										
Mobile	2	732	656	2,869	732	748	828	637	656	798
Fixed broadband	2	20	32	93	20	14	35	12	32	14
Fixed telephony	2	65	76	327	65	72	89	90	76	89
Other operations		17	10	76	17	25	14	27	10	10
		834	774	3,365	834	859	966	766	774	911
Netherlands										
Mobile		-22	-	-34	-22	-28	5	-11	-	21
Fixed broadband		229	273	1,040	229	254	248	265	273	305
Fixed telephony		34	58	235	34	58	60	59	58	57
Other operations		76	78	308	76	77	73	80	78	118
		317	409	1,549	317	361	386	393	409	501
Norway										
Mobile	2	27	15	169	27	-28	101	81	15	-67
Fixed broadband		-	-	1	-	-	-	1	-	1
Fixed telephony		10	10	44	10	12	11	11	10	15
Other operations		2	-	-	2	-	-	-	-	-3
		39	25	214	39	-16	112	93	25	-54
Kazakhstan										
Mobile		-45	-97	-387	-45	-83	-102	-105	-97	-110
		-45	-97	-387	-45	-83	-102	-105	-97	-110
Croatia										
Mobile		3	7	60	3	9	34	10	7	24
		3	7	60	3	9	34	10	7	24
Lithuania										
Mobile		117	121	432	117	87	106	118	121	123
		117	121	432	117	87	106	118	121	123
Latvia										
Mobile		79	88	358	79	89	90	91	88	94
		79	88	358	79	89	90	91	88	94
Estonia										
Mobile		35	54	205	35	45	51	55	54	58
Other operations		10	3	31	10	9	9	10	3	-
		45	57	236	45	54	60	65	57	58
Austria										
Fixed broadband		54	48	197	54	48	58	43	48	54
Fixed telephony		29	32	123	29	28	31	32	32	33
Other operations		6	2	13	6	2	6	3	2	5
		89	82	333	89	78	95	78	82	92
Germany										
Mobile		2	12	15	2	-6	2	7	12	9
Fixed broadband		4	8	26	4	5	5	8	8	13
Fixed telephony		45	71	237	45	42	59	65	71	82
		51	91	278	51	41	66	80	91	104
Other										
Other operations		-41	-51	-198	-41	-35	-42	-70	-51	-59
		-41	-51	-198	-41	-35	-42	-70	-51	-59
TOTAL										
Mobile		928	856	3,687	928	833	1,115	883	856	950
Fixed broadband		307	361	1,357	307	321	346	329	361	387
Fixed telephony		183	247	966	183	212	250	257	247	276
Other operations		70	42	230	70	78	60	50	42	71
TOTAL		1,488	1,506	6,240	1,488	1,444	1,771	1,519	1,506	1,684

EBIT

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Sweden										
Mobile	2	482	352	1,780	482	512	596	320	352	507
Fixed broadband	2	-58	-43	-219	-58	-66	-43	-67	-43	-90
Fixed telephony	2	58	66	288	58	63	79	80	66	78
Other operations		4	-	32	4	14	3	15	-	1
		486	375	1,881	486	523	635	348	375	496
Netherlands										
Mobile		-29	-11	-64	-29	-36	-2	-15	-11	15
Fixed broadband		110	149	545	110	133	130	133	149	180
Fixed telephony		30	53	219	30	55	56	55	53	41
Other operations		59	60	237	59	60	56	61	60	90
		170	251	937	170	212	240	234	251	326
Norway										
Mobile	2	-80	-89	-253	-80	-137	-2	-25	-89	-127
Fixed broadband		-	-	1	-	-	-	1	-	1
Fixed telephony		9	9	39	9	10	10	10	9	13
Other operations		2	-	-	2	-	-	-	-	-3
		-69	-80	-213	-69	-127	8	-14	-80	-116
Kazakhstan										
Mobile	2	-96	-177	-691	-96	-135	-190	-189	-177	-239
		-96	-177	-691	-96	-135	-190	-189	-177	-239
Croatia										
Mobile		-25	-23	-65	-25	-20	-	-22	-23	-7
		-25	-23	-65	-25	-20	-	-22	-23	-7
Lithuania										
Mobile		87	78	259	87	42	63	76	78	101
		87	78	259	87	42	63	76	78	101
Latvia										
Mobile		41	32	142	41	45	35	30	32	62
		41	32	142	41	45	35	30	32	62
Estonia										
Mobile		13	23	67	13	5	18	21	23	40
Other operations		6	2	19	6	5	6	6	2	-
		19	25	86	19	10	24	27	25	40
Austria										
Fixed broadband		35	23	109	35	27	39	20	23	35
Fixed telephony		21	23	86	21	17	21	25	23	25
Other operations		1	-3	-8	1	-3	-	-2	-3	-1
		57	43	187	57	41	60	43	43	59
Germany										
Mobile		-3	8	-2	-3	-11	-1	2	8	4
Fixed broadband		2	4	14	2	2	3	5	4	12
Fixed telephony		43	68	225	43	39	55	63	68	78
		42	80	237	42	30	57	70	80	94
Other										
Other operations		-44	-59	-227	-44	-42	-53	-73	-59	-75
		-44	-59	-227	-44	-42	-53	-73	-59	-75
TOTAL										
Mobile		390	193	1,173	390	265	517	198	193	356
Fixed broadband		89	133	450	89	96	129	92	133	138
Fixed telephony		161	219	857	161	184	221	233	219	235
Other operations		28	-	53	28	34	12	7	-	12
		668	545	2,533	668	579	879	530	545	741
One-off items		2	1	-558	2	-3	-538	-18	1	-26
TOTAL		670	546	1,975	670	576	341	512	546	715

EBIT, cont.

		SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT								
SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
EBITDA		1,488	1,506	6,240	1,488	1,444	1,771	1,519	1,506	1,684
Impairment of goodwill and other assets	2	–	–	–249	–	1	–250	–	–	–
Sale of operations		2	1	–13	2	2	–	–16	1	–1
Acquisition costs	10	–	–	–2	–	–	–	–2	–	–25
Other one-off items	2	–	–	–294	–	–6	–288	–	–	–
Total one-off items		2	1	–558	2	–3	–538	–18	1	–26
Depreciation/amortization and other impairment		–813	–960	–3,700	–813	–861	–888	–991	–960	–943
Result from shares in associated companies		–7	–1	–7	–7	–4	–4	2	–1	–
EBIT		670	546	1,975	670	576	341	512	546	715

CAPEX

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Sweden										
Mobile		185	223	907	185	271	177	236	223	404
Fixed broadband		52	29	206	52	46	44	87	29	67
Fixed telephony		1	2	5	1	1	1	1	2	–
Other operations		7	6	33	7	9	4	14	6	7
		245	260	1,151	245	327	226	338	260	478
Netherlands										
Mobile	6	1,371	2	32	1,371	22	5	3	2	4
Fixed broadband		67	82	333	67	70	76	105	82	92
Fixed telephony		3	2	11	3	7	2	–	2	13
Other operations		6	6	27	6	9	6	6	6	11
		1,447	92	403	1,447	108	89	114	92	120
Norway										
Mobile		150	99	572	150	165	132	176	99	139
Fixed telephony		2	2	6	2	–2	1	5	2	2
		152	101	578	152	163	133	181	101	141
Kazakhstan										
Mobile		88	120	749	88	233	238	158	120	262
		88	120	749	88	233	238	158	120	262
Croatia										
Mobile		4	5	54	4	26	17	6	5	19
		4	5	54	4	26	17	6	5	19
Lithuania										
Mobile		29	16	82	29	20	22	24	16	39
		29	16	82	29	20	22	24	16	39
Latvia										
Mobile		13	18	77	13	33	12	14	18	20
		13	18	77	13	33	12	14	18	20
Estonia										
Mobile		10	13	71	10	31	5	22	13	17
Other operations		–	–	8	–	5	1	2	–	–
		10	13	79	10	36	6	24	13	17
Austria										
Fixed broadband		6	7	43	6	18	10	8	7	18
Fixed telephony		6	3	22	6	8	6	5	3	8
Other operations		2	2	14	2	6	4	2	2	6
		14	12	79	14	32	20	15	12	32
Germany										
Mobile		7	9	26	7	9	2	6	9	9
Fixed broadband		–	–	2	–	1	–	1	–	–
Fixed telephony		–	1	1	–	–	–	–	1	–
		7	10	29	7	10	2	7	10	9
Other										
Other operations		124	115	465	124	119	103	128	115	138
		124	115	465	124	119	103	128	115	138
TOTAL										
Mobile		1,857	505	2,570	1,857	810	610	645	505	913
Fixed broadband		125	118	584	125	135	130	201	118	177
Fixed telephony		12	10	45	12	14	10	11	10	23
Other operations		139	129	547	139	148	118	152	129	162
TOTAL		2,133	762	3,746	2,133	1,107	868	1,009	762	1,275

CAPEX, cont.

SEK million	ADDITIONAL CASH FLOW INFORMATION								
	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
CAPEX, according to balance sheet									
- Continuing operations	-2,133	-762	-3,746	-2,133	-1,107	-868	-1,009	-762	-1,275
- Discontinued operations	-365	-281	-1,590	-365	-371	-361	-577	-281	-575
This year's unpaid CAPEX and paid CAPEX from previous year	-20	193	518	-20	173	-3	155	193	98
Received payment of sold non-current assets	57	20	209	57	19	156	14	20	-1
Paid CAPEX, according to cash flow statement	-2,461	-830	-4,609	-2,461	-1,286	-1,076	-1,417	-830	-1,753

Key ratios

SEK million	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012	2011	2010	2009
CONTINUING OPERATIONS						
Net sales	7,298	7,433	30,742	29,538	30,443	32,296
Number of customers (by thousands)	15,657	13,819	15,446	13,550	12,445	12,128
EBITDA	1,488	1,506	6,240	6,760	7,083	7,154
EBIT	670	546	1,975	3,634	4,257	3,961
EBT	553	462	1,422	3,681	3,855	3,707
Net profit	353	264	976	2,741	4,121	3,446
Key ratios						
EBITDA margin, %	20.4	20.3	20.3	22.9	23.7	22.2
EBIT margin, %	9.2	7.3	6.4	12.3	14.0	12.3
Value per share (SEK)						
Net profit	0.79	0.59	2.20	4.63	9.34	7.21
Net profit after dilution	0.79	0.59	2.18	4.60	9.30	7.20
TOTAL						
Equity	20,825	22,271	20,429	21,452	28,875	28,823
Equity after dilution	20,825	22,272	20,429	21,455	28,894	28,823
Total assets	48,307	46,595	49,189	46,864	42,085	43,005
Cash flow from operating activities	1,575	1,896	8,679	9,690	9,966	9,427
Cash flow after CAPEX	-886	1,066	4,070	4,118	6,008	4,635
Available liquidity	11,057	15,656	12,933	9,986	13,254	12,520
Net debt	16,471	12,714	15,745	13,518	3,417	4,013
Investments in intangible and tangible assets, CAPEX	2,498	1,043	5,336	6,105	4,095	4,891
Investments in shares, short-term investments etc	104	198	215	1,563	1,424	-3,709
Key ratios						
Equity/assets ratio, %	43	48	42	46	69	67
Debt/equity ratio, multiple	0.79	0.57	0.77	0.63	0.12	0.14
Return on equity, %	19.6	15.9	15.6	18.9	24.0	16.3
Return on equity after dilution, %	19.6	15.9	15.6	18.9	24.0	16.3
Return on capital employed, %	16.7	15.5	15.3	20.4	22.2	16.7
Average interest rate, %	6.6	5.7	6.7	6.2	7.3	5.9
Value per share (SEK)						
Net profit	2.27	1.96	7.34	10.69	15.67	10.57
Net profit after dilution	2.25	1.95	7.30	10.63	15.61	10.55
Equity	46.83	50.13	45.95	48.33	65.44	65.31
Equity after dilution	46.53	49.87	45.68	48.09	65.23	65.18
Cash flow from operating activities	3.54	4.27	19.53	21.83	22.59	21.41
Dividend, ordinary	-	-	7.10 ¹⁾	6.50	6.00	3.85
Extraordinary dividend	-	-	-	6.50	21.00	2.00
Redemption	28.00 ²⁾	-	-	-	-	-
Market price at closing day	113.40	135.00	117.10	133.90	139.60	110.20

1) Proposed dividend

2) Proposed redemption

Parent company

INCOME STATEMENT

SEK million	Note	2013 Jan 1–Mar 31	2012 Jan 1–Mar 31	2012 Full year
Net sales		10	11	49
Administrative expenses	9	-41	-28	-135
Operating loss, EBIT		-31	-17	-86
Exchange rate difference on financial items		77	25	22
Net interest expenses and other financial items		-54	15	-116
Profit/loss after financial items, EBT		-8	23	-180
Appropriations, group contribution		-	-	163
Tax on profit/loss		4	-7	-5
NET PROFIT/LOSS		-4	16	-22

BALANCE SHEET

SEK million	Note	Mar 31, 2013	Dec 31, 2012	Dec 31, 2011 (see Note 7)
ASSETS				
NON-CURRENT ASSETS				
Financial assets	9	32,322	32,315	33,915
NON-CURRENT ASSETS		32,322	32,315	33,915
CURRENT ASSETS				
Current receivables	9	581	237	4,548
Cash and cash equivalents		2	2	3
CURRENT ASSETS		583	239	4,551
ASSETS		32,905	32,554	38,466
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity	9	5,546	5,546	17,546
Unrestricted equity	9	18,719	18,670	12,467
EQUITY		24,265	24,216	30,013
LONG-TERM LIABILITIES				
Interest-bearing liabilities	3	5,326	5,663	8,221
LONG-TERM LIABILITIES		5,326	5,663	8,221
SHORT-TERM LIABILITIES				
Interest-bearing liabilities	3	3,219	2,586	172
Non-interest-bearing liabilities	9	95	89	60
SHORT-TERM LIABILITIES		3,314	2,675	232
EQUITY AND LIABILITIES		32,905	32,554	38,466

Notes

ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and the interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Reporting for legal entities and its statements.

New and amended IFRS standards and IFRIC interpretations

The new and amended IFRS standards and IFRIC interpretations (IFRS 13, IAS 19 and Annual Improvements), which became effective January 1, 2013, have had no material effect on the consolidated financial statements.

From January 1, 2013 the long-term incentive programs are also reported in the parent company's financial statements. The comparable periods are re-presented and the effects on the parent company's financial statements are stated in Note 9. There are no effects on the Group's financial statements.

In all other respects, Tele2 has presented its interim report in accordance with the accounting principles and calculation methods used in the 2012 Annual Report. The description of these principles and definitions is found in the 2012 Annual Report.

NOTE 1 CUSTOMERS

In Q4 2012, the fixed line customer stock in Sweden was negatively impacted with -87,000 customers as a result of the closing down of the dial-up internet service.

In Q4 2011, number of customers in Croatia decreased by 60 000 customers, as a one-time adjustment, due to changes in IT systems.

NOTE 2 OPERATING EXPENSES

EBITDA

In Q2 2012, Sweden was negatively affected by SEK 25 million due to a new method for calculation of bad debt reserves, of which SEK 20 million related to mobile, SEK 3 million to fixed broadband and SEK 2 million to fixed telephony.

In Q4 2011, the mobile operation in Norway was negatively affected by SEK 53 million due to restructuring costs in connection with the acquisition of Network Norway.

DEPRECIATION/AMORTIZATION AND IMPAIRMENT

In Q3 2012, an impairment loss was recognized in Croatia amounting to SEK 250 million, of which goodwill SEK 88 million and other fixed assets SEK 162 million. The impairment loss was based on the estimated value in use. Tele2 expects growth and profitability in Croatia going forward. However, due to unsatisfactory development during 2011-2012, Tele2 assesses that the estimated future profit levels do not support the previous book value. The negative effect has been reported as a one-off item.

In Q4 2011, Kazakhstan was negatively affected by SEK 59 million due to impairment loss of obsolete equipment.

OTHER ONE-OFF ITEMS

Tele2 has been a party to arbitration proceedings in Stockholm regarding a share option agreement, which previously was reported as a contingent liability at an amount of SEK 265 million. The arbitral tribunal issued its award during the third quarter and the tribunal did not rule in favour of Tele2. Tele2 has paid the counterparty in accordance with the award and the operating profit for Q3 2012 was negatively affected by SEK 288 million. The negative effect has been reported as a one-off item.

NOTE 3 FINANCIAL ASSETS AND LIABILITIES FINANCING

SEK million	Interest-bearing liabilities			
	Mar 31, 2013		Dec 31, 2012	
	Short-term	Long-term	Short-term	Long-term
Bonds RUB, Russia	-	-	-	5,555
Bonds NOK, Sweden	-	1,442	-	1,511
Bonds SEK, Sweden	1,000	3,293	-	3,544
Commercial papers, Sweden	2,044	-	2,377	-
Financial institutions	629	619	219	1,692
Put option, Kazakhstan	1,250	-	1,214	-
Other liabilities	322	782	462	938
	5,245	6,136	4,272	13,240
Liabilities directly associated with assets classified as held for sale	1,474	4,136	-	-
	6,719	10,272	4,272	13,240
Total interest-bearing liabilities		16,991		17,512

Under the Euro Medium-Term Note (EMTN) Program Tele2 issued the following bonds in Q1 2013:

- on January 3, 2013 a SEK 500 million bond with one single investor. The issue has an investor put/issuer call every third month and is therefore reported as short term funding. The bond has a floating rate coupon, and will not be listed.
- on February 12, 2013 a SEK 250 million 7-year bond on the Swedish bond market with a coupon of three months STIBOR +2.45 percent and is listed on the Luxembourg Stock Exchange.

For detailed information concerning Tele2 financing please refer to 2012 Annual report Note 25.

CLASSIFICATION AND FAIR VALUES

Tele2's financial assets consist mainly of receivables from end customers and resellers and cash and cash equivalents. Tele2's financial liabilities consist mainly of loans, bonds and accounts payables. Classification of financial assets and liabilities including their fair value is presented below. In Q1 2013, compared to year-end 2012, no transfers were made between the different levels in the fair value hierarchy and no significant changes were made to valuation techniques, inputs used or assumptions.

SEK million	Mar 31, 2013					
	Asset and liabilities at fair value through profit/loss	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost	Total reported value	Fair value
Other financial assets	14	38	-	-	52	52
Accounts receivables	-	3,431	-	-	3,431	3,431
Other current receivables	-	707	62	-	769	769
Short-term investments	-	58	-	-	58	58
Cash and cash equivalents	-	283	-	-	283	283
Total financial assets	14	4,517	62	-	4,593	4,593
Liabilities to financial institutions and similar liabilities	-	-	-	9,027	9,027	9,242
Other interest-bearing liabilities	1,250	-	176	400	1,826	1,837
Accounts payable	-	-	-	2,937	2,937	2,937
Other short-term liabilities	-	-	-	667	667	667
Total financial liabilities	1,250	-	176	13,031	14,457	14,683

SEK million	Dec 31, 2012				Total reported value	Fair value
	Asset and liabilities at fair value through profit/loss	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost		
Other financial assets	19	37	-	-	56	56
Accounts receivables	-	3,985	-	-	3,985	3,985
Other current receivables	-	649	18	-	667	667
Short-term investments	-	59	-	-	59	59
Cash and cash equivalents	-	1,673	-	-	1,673	1,673
Total financial assets	19	6,403	18	-	6,440	6,440
Liabilities to financial institutions and similar liabilities	-	-	-	14,898	14,898	14,655
Other interest-bearing liabilities	1,214	-	209	632	2,055	2,070
Accounts payable	-	-	-	3,488	3,488	3,488
Other short-term liabilities	-	-	-	1,008	1,008	1,008
Total financial liabilities	1,214	-	209	20,026	21,449	21,221

NOTE 4 OTHER FINANCIAL ITEMS

SEK million	2013		2012	
	Jan 1-Mar 31	Jan 1-Mar 31	Jan 1-Mar 31	2012 full year
Exchange rate differences, external	15	-17	-17	-20
Exchange rate differences, intragroup	37	68	68	116
Change in fair value, put option Kazakhstan	-40	-39	-39	-166
EUR net investment hedge, interest component	4	-	-	19
Gain on sale of shares and participations	-	1	1	2
Other financial expenses	-3	-1	-1	-10
Total other financial items	13	12	12	-59

NOTE 5 TAXES

In Q4 2012, the tax expenses were negatively affected by SEK 127 million and positively affected by SEK 28 million, due to decreased tax rate in Sweden and increased tax rate in Luxembourg, respectively, from January 1, 2013.

In Q4 2012, certain intra-group loans in Luxembourg were restructured, which resulted in cumulative foreign exchange differences on the loans, reported in other comprehensive income are no longer taxable. Consequently, a deferred tax liability of SEK 2,425 million was reversed over other comprehensive income. The transaction had no cash flow or income statement effect.

In Q3 2012, net taxes were positively affected by a valuation of deferred tax assets in Austria of SEK 262 million.

In Q4 2011, net taxes were positively affected by SEK 108 million as a result of a valuation of deferred tax assets related to BBned in Netherlands.

NOTE 6 CAPEX

In Q1 2013, Tele2 Netherlands acquired two mobile licenses (2x10 MHz spectrum) in the 800 MHz band for SEK 1.4 billion. With the acquired spectrum in the 800 MHz band and earlier obtained spectrum in the 2,600 MHz band, the roll out is on going of the next generation 4G network, offering businesses and consumers higher speed and lower pricing for mobile broadband.

NOTE 7 CONTINGENT LIABILITIES

SEK million	Mar 31, 2013	Dec 31, 2012
Total contingent liabilities	-	-

Tele2 has been a party to arbitration proceedings in Stockholm regarding a share option agreement, which previously was reported as a contingent liability at an amount of SEK 265 million. The arbitral tribunal issued its award during the third quarter 2012 and the tribunal did

not rule in favour of Tele2. The effect on Tele2's financial statements is stated in Note 2.

Additional contractual commitments are stated in Note 29 in the Annual Report 2012.

NOTE 8 TRANSACTIONS WITH RELATED PARTIES

Tele2's share of liquid funds in joint ventures, for which Tele2 has limited disposal rights, amounted at each closing date to the sums stated below and was included in the Group's cash and cash equivalents.

SEK million	2013 Mar 31	2012 Dec 31	2012 Sep 30	2012 Jun 30	2012 Mar 31	2011 Dec 31
Cash and cash equivalents at end of the period in joint ventures	34	65	35	33	31	50

In Q4 2012 and Q1 2013, frequencies and sites were transferred from Tele2 and Telenor to their joint venture Net4Mobility. The transfer did not have any material effect on Tele2's financial statements. Apart from transactions with joint ventures, no other significant related party transactions were carried out during Q1 2013. Related parties are presented in Note 36 of the Annual Report 2012.

NOTE 9 EQUITY AND NUMBERS OF SHARES

	Mar 31, 2013	Dec 31, 2012
Number of shares		
Outstanding	444,661,211	444,661,211
In own custody	4,122,128	4,122,128
Weighted average	444,661,211	444,504,182
After dilution	447,519,904	447,579,409
After dilution, weighted average	447,549,656	447,146,240

DIVIDEND

Tele2's Board of Directors has proposed to the Annual General Meeting in May 2013 an ordinary dividend of SEK 7.10 per share in respect of the financial year 2012, equivalent to SEK 3.1 billion. As a result of the sale of Tele2 Russia in April 2013 the Board of Directors has also proposed a mandatory share redemption programme of SEK 28 per share, equivalent to SEK 12.5 billion. In total SEK 15.6 billion is proposed to be paid to the shareholders in May 2013.

In Q2 2012, Tele2 paid to its shareholders a dividend of SEK 13.00 (27.00) per share for 2011, of which the ordinary dividend amounted to SEK 6.50 (6.00) per share and the extraordinary dividend amounted to SEK 6.50 (21.00) per share. This corresponded to a total of SEK 5,781 (11,991) million, of which an ordinary dividend of SEK 2,890 (2,665) million and an extraordinary dividend SEK 2,890 (9,326) million.

SALE OF SHARES

As a result of share rights in the LTI 2009 being exercised during Q2 2012, Tele2 sold 466,252 B-shares in own custody.

As a result of stock options in the LTI 2007 being exercised during Q1 and Q2 2012, Tele2 sold 37,000 and 8,000 B-shares respectively in own custody, resulting in an increase of shareholders' equity of SEK 4 and 2 million.

RECLASSIFICATION

In Q1 2013, 15 Class A shares were reclassified into Class B shares and 900 000 C shares into Class B shares.

In Q1 and Q3 2012, 1,194 and 875 class A shares respectively were reclassified into class B shares in Tele2.

In Q2 2012, the Annual General Meeting decided to reduce the restricted reserves in the parent company with SEK 12,000 million for transfer to unrestricted equity.

CONT. NOTE 9

PURCHASE OF MINORITY

In February 2013, Tele2 acquired the remaining 7.76 percent of the shares in the subsidiary Officer AS in Norway for SEK 1 million.

In July 2009 and January 2010, Tele2 acquired the remaining 25.5 and 12.5 percent respectively of the shares in the subsidiaries Tele2 Izhevsk and Tele2 Rostov in Russia. The final purchase price of SEK 3 and 90 million respectively were paid in Q1 2013.

LONG-TERM INCENTIVE PROGRAM (LTI)

Additional information related to LTI programs are presented in Note 33 of the Annual Report 2012.

LTI 2012

	2013 Jan 1–Mar 31	Cumulative from start
Number of share rights		
Allocated June 15, 2012		1,132,186
Outstanding as of January 1, 2013	1,078,436	
Forfeited	-23,750	-77,500
Total outstanding share rights	1,054,686	1,054,686

LTI 2011

	2013 Jan 1–Mar 31	Cumulative from start
Number of share rights		
Allocated June 17, 2011		1,056,436
Outstanding as of January 1, 2013	998,389	
Allocated, compensation for dividend	-	77,819
Forfeited	-30,771	-166,637
Total outstanding share rights	967,618	967,618

LTI 2010

	2013 Jan 1–Mar 31	Cumulative from start
Number of share rights		
Allocated June 9, 2010		873,120
Outstanding as of January 1, 2013	841,373	
Allocated, compensation for dividend	-	190,679
Forfeited	-4,984	-227,410
Total outstanding share rights	836,389	836,389

The exercise of the share rights in LTI 2010 was conditional upon the fulfilment of certain retention and performance based conditions, measured from April 1, 2010 until March 31, 2013. The outcome of these decided performance conditions was in accordance with below and the outstanding share rights will be exchanged for shares in Tele2 during Q2 2013:

	Minimum hurdle (20%)	Stretch target (100%)	Performance outcome	Allotment
Retention and performance based conditions				
Series A Total Shareholder Return Tele2 (TSR)		≥ 0%	29.4%	100%
Series B Average normalised Return on Capital Employed (ROCE)	15%	18%	21.3%	100%
Series C Total Shareholder Return Tele2 (TSR) compared to a peer group	> 0%	≥ 10%	19.4%	100%

Reporting of LTI in the parent company

From January 1, 2013 the long-term incentive programs are also reported in the parent company's financial statements. The comparable periods are restated and the effects per December 31, 2012 amount to SEK -11 (11) million on net profit for the year, SEK 64 (39) million on equity, SEK 8 (4) million on accrued expenses, SEK 11 (7) million on shares in group companies and SEK 61 (36) million on receivables from group companies. There are no effects on the Group's financial statements.

NOTE 10 BUSINESS ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments of shares and participations affecting cash flow were as follows:

SEK million	2013 Jan 1 – Mar 31
Acquisitions	
Capital contribution to associated companies	-5
Total acquisition of shares and participations	-5
Divestments	
Russia	-103
Total sale of shares and participations	-103
TOTAL CASH FLOW EFFECT, NET	-108

DISCONTINUED OPERATIONS

On March 27, 2013 Tele2 announced the sale of its Russian operations, Tele2 Russia Group, to VTB Group. The sale was completed on April 4, 2013 after approval by regulatory authorities. The transaction, including estimated costs for central support systems for the Russian operation and other transaction costs, is estimated to result in a capital gain during Q2 2013 of approximately SEK 15.0 billion. In addition, capital gain will be affected negatively with approximately SEK -1.5 billion related to a reversal of exchange rate differences previously reported in other comprehensive income and will be reversed over the income statement but will not result in any effect on total equity.

To hedge the sales price denominated in USD from the sale of Tele2 Russia Tele2 acquired a currency option for SEK 127 million in Q1 2013. The currency option has a nominal value of USD 2 billion and a fair value of SEK 62 million on March 31, 2013.

The divestment has been reported separately under discontinued operations in the income statement, with a retrospective effect on previous periods, and as assets held for sale in the balance sheet from March 31, 2013.

The Russian operation reported as discontinued operations is stated below.

Income statement

SEK million	2013 Jan 1– Mar 31	2012 Jan 1– Mar 31	2012 full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Net sales	3,261	3,048	12,984	3,261	3,402	3,257	3,277	3,048	2,988
Cost of services sold	-1,724	-1,587	-6,832	-1,724	-1,775	-1,720	-1,750	-1,587	-1,509
Gross profit	1,537	1,461	6,152	1,537	1,627	1,537	1,527	1,461	1,479
Selling expenses	-402	-401	-1,643	-402	-458	-379	-405	-401	-343
Administrative expenses	-231	-226	-833	-231	-223	-187	-197	-226	-191
Other operating income	6	5	14	6	3	7	-1	5	-2
Other operating expenses	-1	-2	-12	-1	-1	-2	-7	-2	5
EBIT	909	837	3,678	909	948	976	917	837	948
Interest income/costs	-122	-82	-463	-122	-127	-129	-125	-82	-63
Other financial items	21	-12	-62	21	-38	6	-18	-12	-14
EBT	808	743	3,153	808	783	853	774	743	871
Tax on profit/loss	-152	-138	-865	-152	-434	-156	-137	-138	-135
NET PROFIT	656	605	2,288	656	349	697	637	605	736
Earnings per share (SEK)	1.48	1.37	5.14	1.48	0.78	1.56	1.43	1.37	1.96
Earnings per share, after dilution (SEK)	1.46	1.36	5.12	1.46	0.78	1.56	1.42	1.36	1.95

Balance sheet

SEK million	2013 Mar 31									
Assets										
FIXED ASSETS										
Goodwill	792									
Other intangible assets	1,517									
Intangible assets	2,309									
Tangible assets	6,203									
Financial assets	5									
Deferred tax assets	720									
FIXED ASSETS	9,237									
CURRENT ASSETS										
Materials and supplies	23									
Current receivables	750									
Cash and cash equivalents	-									
CURRENT ASSETS	773									
ASSETS CLASSIFIED AS HELD FOR SALE	10,010									
Liabilities										
LONG-TERM LIABILITIES										
Interest-bearing liabilities	4,136									
Non-interest-bearing liabilities	346									
LONG-TERM LIABILITIES	4,482									
SHORT-TERM LIABILITIES										
Interest-bearing liabilities	1,474									
Non-interest-bearing liabilities	1,692									
SHORT-TERM LIABILITIES	3,166									
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	7,648									

Cash flow statement

SEK million	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
OPERATING ACTIVITIES									
Operating profit	909	837	3,678	909	948	976	917	837	948
Adjustments for non-cash items in operating profit	274	230	1,046	274	279	255	282	230	244
Financial items paid	-69	-3	-376	-69	-175	-76	-122	-3	-122
Taxes paid	-177	-168	-879	-177	-454	-163	-94	-168	-148
Cash flow from operations before changes in working capital	937	896	3,469	937	598	992	983	896	922
Changes in working capital	-214	-31	243	-214	207	15	52	-31	95
CASH FLOW FROM OPERATING ACTIVITIES	723	865	3,712	723	805	1,007	1,035	865	1,017
INVESTING ACTIVITIES									
CAPEX paid	-316	-243	-1,326	-316	-175	-407	-501	-243	-519
Cash flow after CAPEX	407	622	2,386	407	630	600	534	622	498
Sale of shares	-103	-	-	-103	-	-	-	-	-
CASH FLOW AFTER INVESTING ACTIVITIES	304	622	2,386	304	630	600	534	622	498
FINANCING ACTIVITIES									
Changes of loans, net	-1	1,563	2,810	-1	-21	-63	1,331	1,563	-40
Other financing activities	-93	-	-	-93	-	-	-	-	-
Cash flow from financing activities	-94	1,563	2,810	-94	-21	-63	1,331	1,563	-40
NET CHANGE IN CASH AND CASH EQUIVALENTS	210	2,185	5,196	210	609	537	1,865	2,185	458

Additional information

Additional information for discontinued operations related to the Russian operation is stated below.

Thousands	Number of customers			Net intake					
	2013 Mar 31	2012 Mar 31	2012 Dec 31	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Mobile	22,882	20,940	22,716	166	373	710	693	304	250
Customers/ net intake	22,882	20,940	22,716	166	373	710	693	304	250

SEK million	Net sales			2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year						
Mobile	3,261	3,048	12,984	3,261	3,402	3,257	3,277	3,048	2,988
Net sales	3,261	3,048	12,984	3,261	3,402	3,257	3,277	3,048	2,988

SEK million	EBITDA			2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year						
Russia									
Mobile	1,189	1,063	4,744	1,189	1,243	1,239	1,199	1,063	1,209
Other									
Other operations	-3	2	-24	-3	-15	-8	-3	2	-20
EBITDA	1,186	1,065	4,720	1,186	1,228	1,231	1,196	1,065	1,189

SEK million	EBIT			2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year						
Russia									
Mobile	909	831	3,683	909	959	976	917	831	966
Other									
Other operations	-	6	-5	-	-11	-	-	6	-18
EBIT	909	837	3,678	909	948	976	917	837	948

SEK million	Specification of items between EBITDA and EBIT			2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year						
EBITDA	1,186	1,065	4,720	1,186	1,228	1,231	1,196	1,065	1,189
Depreciation/ amortization and other impairment	-277	-228	-1,042	-277	-280	-255	-279	-228	-241
EBIT	909	837	3,678	909	948	976	917	837	948

SEK million	CAPEX			2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year						
Mobile	365	281	1,590	365	371	361	577	281	575
CAPEX	365	281	1,590	365	371	361	577	281	575

SEK million	Additional cash flow information			2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
	2013 Jan 1- Mar 31	2012 Jan 1- Mar 31	2012 full year						
CAPEX, according to balance sheet	-365	-281	-1,590	-365	-371	-361	-577	-281	-575
This year unpaid CAPEX and paid CAPEX from previous year	-	38	117	-	193	-189	75	38	57
Received payment of sold non-current assets	49	-	147	49	3	143	1	-	-1
Paid CAPEX	-316	-243	-1,326	-316	-175	-407	-501	-243	-519

SEK million	2012	2011	2010	2009
Net sales	12,984	11,463	10,142	7,540
Number of customers (by thousands)	22,716	20,636	18,438	14,451
EBITDA	4,720	4,452	3,560	2,467
EBIT	3,678	3,553	2,765	1,820
EBT	3,153	3,416	2,784	1,529
Net profit	2,288	2,695	2,348	1,290
CAPEX	1,590	2,010	1,495	2,236