INTERIM REPORT THIRD QUARTER 2017

TELE2

Q3 2017 HIGHLIGHTS

- Mobile end-user service revenue growth of 9 percent, or 7 percent on a like-for-like[1] basis
- Free cash flow of SEK 2.3 billion YTD, providing the possibility of reaching full dividend cover for financial year 2017
- Strong uptake of new mobile commercial propositions driving double digit end-user service revenue and EBITDA growth in the Baltics, Netherlands and Kazakhstan
- In July, Tele2 agreed to sell its Austrian operation to Hutchison Drei Austria GmbH
- 2017 financial guidance upgraded (see p.5)

Key Financial Data

	Q3			9M		
SEK million	**2017**	**2016**	**%**	**2017**	**2016**	**%**
Net sales	7,542	6,674	13	22,838	19,221	19
Net sales, like-for-like[1]	7,542	7,487	1	22,838	22,256	3
Mobile end-user service revenue	3,927	3,597	9	11,557	10,032	15
Mobile end-user service revenue, like-for-like[1]	3,927	3,684	7	11,557	10,581	9
EBITDA	1,848	1,523	21	5,101	3,752	36
EBITDA, like-for-like[1]	1,848	1,651	12	5,101	4,094	25
EBIT	943	−1,820	152	2,242	−1,496	250
EBIT excluding items affecting comparability (Note 3)	978	730	34	2,453	1,513	62
Net profit/loss	512	−2,273	123	1,151	−2,010	157
Earnings per share, after dilution (SEK)	1.01	−4.85	121	2.40	−4.00	160
Operating cash flow, rolling 12 months[2]	3,556	1,161	206	3,556	1,161	206

[1] Like-for-like (LFL) is a non-IFRS measurement calculated at constant currency and pro forma for TDC in Sweden and Altel in Kazakhstan, which means that figures before the acquisition of TDC on October 31, 2016 and Altel on February 29, 2016 are included from the beginning of the current period and in comparative periods.
[2] Operating cash flow is a non-IFRS measurement defined by Tele2 as EBITDA less CAPEX, with CAPEX as reported in the CAPEX segment split on page 19.

Net sales Q3 2017

7,542

SEK million

EBITDA Q3 2017

1,848

SEK million

Continuing operations

Figures presented in this report refer to Q3 2017 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2016. Tele2 Austria is reported as a discontinued operation from Q3 2017 with comparative figures represented. Discontinued operations also include the former operations in Italy and Russia. See note 11.

CEO Word, Q3 2017

The third quarter was a test of our ability to operate in a dynamic environment, as we saw the full effect of Europe's new roaming regime, the new Dutch consumer credit regulation and our new service offerings which we launched across our markets in the first half of 2017. Mobile end-user service revenue grew by 7 percent, like-for-like, despite the impact of Roam Like at Home, and I am particularly pleased to see how consumers across our footprint are embracing the new mobile offerings. This, combined with our challenger cost structure focus, drove strong business momentum.

We can now raise our full-year EBITDA guidance to SEK 6.4–6.6 billion, despite excluding the contribution of SEK 0.2 billion from Tele2 Austria, which we agreed to sell in the quarter. The sale of our Austrian operations follows a strategic choice to focus even more on opportunities in markets where we can be the customer champion of connectivity on our own infrastructure and build profitable and scalable market positions.

Our established Baltic Sea Challenger business as a whole – including Sweden and the Baltics – delivered operating cash flow of SEK 4.4 billion on a rolling 12 month basis, an increase of 22 percent despite the regulatory headwind.

In Sweden, consumer mobile end-user service revenue grew 1 percent driven by increasing data consumption, despite the impact of Roam Like at Home. We received more evidence of the strength of our price fighter brand position as Comviq was named the strongest telecom brand in Sweden by Evimetrix Swedish Brand Award, based on customer satisfaction and brand awareness. In our B2B operation, as expected, net sales fell by 2 percent in a price competitive market where we are yet to recover from a period of weak customer additions in previous quarters. Synergies from the integration of TDC continue to be ahead of plan as cost savings from the terminated MVNO contract are now fully realized.

In the Baltics, mobile end-user service revenue grew 11 percent in local currency, driven by the popularity of our brands and products, a continued rise in smartphone penetration and a strong increase in data consumption.

Our Investment Markets of Kazakhstan, the Netherlands and Croatia all delivered high growth levels, with a strong, revenue-driven improvement in EBITDA, and a further acceleration towards cash flow breakeven. The negative operating cash flow, which was SEK -0.6 billion on a rolling 12 month basis in Q3, has declined by more than two thirds since its peak in Q2 2016.

It is now five months since we launched our new, disruptive product portfolio in the Netherlands and it is clear from both a revenue and a Net Promotor Score perspective, that we are gaining strong traction from Dutch consumers and businesses, despite a tough competitive environment. Our mobile net additions increased versus last quarter to 57,000 and our mobile end-user service revenue grew by 26 percent in local currency. In the absence of anything extraordinary, we now expect a positive EBITDA for Tele2 Netherlands also in the fourth quarter.

"The third quarter was a test of our ability to operate in a dynamic environment, as we saw the full effect of Europe's new roaming regime."

Tele2 Kazakhstan continues to make excellent progress, as strong growth in mobile end-user service revenue coupled with further integration benefits increased the EBITDA margin for the quarter to 26 percent, up from 14 percent a year earlier.

In our pursuit to fearlessly liberate people to live a more connected life, we are acutely aware of our responsibility to protect and support the communities we operate in, especially when it comes to children. During the quarter, our entire Leadership Team set aside two days to bike from Riga to Vilnius, to visit Baltic customers and raise proceeds for SOS Children's Villages. Furthermore, as part of our work to make children's online life safer, we commissioned an important research report on the everyday internet experiences of children in Sweden and the Baltics, available at our corporate website.

Looking forward, in addition to the revision of our EBITDA guidance, we are reducing our CAPEX forecast for the year. The third quarter was unusually low with regard to CAPEX, and we do not expect to fully catch up with the previous full-year CAPEX forecast before year-end. This has contributed to strong free cash flow, which now at SEK 2.3 billion for the first nine months is increasingly likely to fully cover our dividend for 2017. As we earlier assumed dividend cover only in 2019, our Board of Directors will now review our dividend policy for 2018 and beyond in connection with our full-year results. With the balance sheet strength we are now seeing, and dependent on the closing of the sale of Tele2 Austria, we will also review means beyond the ordinary dividend to return these proceeds to shareholders.

To conclude, I am extremely proud that as a company we are increasingly able to combine a relentless focus on driving strong business momentum, in a responsible manner, as we pursue our mission to liberate people to live a more connected life. This, we believe, is the way to sustainable value creation for our shareholders, our employees, our customers and the world around us.

Allison Kirkby
President and CEO

Financial overview

Tele2's financial performance is driven by a consistent focus on developing mobile services on own infrastructure, complemented in certain countries by fixed broadband services and B2B offerings. In addition to investing in mobile, the Group concentrates on maximizing the return from legacy fixed line services.

Net customer intake amounted to 185,000 (171,000) customers in Q3 2017. The customer net intake in mobile services amounted to 216,000 (196,000), mainly driven by the Netherlands, Kazakhstan and Croatia. The fixed broadband customer base decreased by –12,000 (0), with declines in Sweden, the Netherlands and Germany. As expected, the number of fixed telephony customers fell by –18,000 (–25,000), in line with the market trend. On September 30, 2017, the total customer base amounted to 16,916,000 (16,327,000).

Net sales in Q3 2017 amounted to SEK 7,542 (6,674) million. The increase in net sales is mainly explained by the inclusion of TDC in Sweden and strong mobile end-user service revenue growth in the Netherlands, Kazakhstan and the Baltics.

Mobile end-user service revenue in Q3 2017 amounted to SEK 3,927 (3,597) million. The increase compared to last year is mainly related to customer and ASPU growth in the Netherlands, Kazakhstan and the Baltics as well as the inclusion of TDC Sweden.

EBITDA in Q3 2017 amounted to SEK 1,848 (1,523) million, which is equivalent to an EBITDA margin of 25 (23) percent. The increase in EBITDA compared to last year is mainly related to the inclusion of TDC in Sweden, Challenger Program benefits, as well as higher profitability levels in the Netherlands, Kazakhstan and the Baltics.

EBIT in Q3 2017 amounted to SEK 943 (–1,820) million and SEK 978 (730) million excluding items affecting comparability. EBIT was negatively affected by items affecting comparability totaling SEK –35 (–2,550) million, consisting of costs related to the Challenger Program as well as integration costs for TDC in Sweden and Altel in Kazakhstan (Note 3). Last year's items affecting comparability included an impairment of goodwill of SEK –2,456 million in the Netherlands.

Profit/loss before tax in Q3 2017 amounted to SEK 701 (–1,910) million. The improvement compared to last year is mainly explained by a higher EBITDA and the impairment in the Netherlands last year.

Net profit/loss in Q3 2017 was SEK 512 (–2,273) million. Reported tax for Q3 2017 amounted to SEK –189 (–363) million. Tax payment affecting cash flow amounted to SEK –120 (–114) million during the quarter.

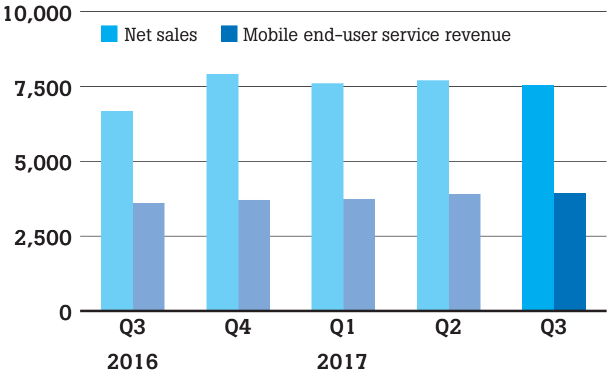
Free cash flow from total operations in Q3 2017 amounted to SEK 1,290 (838) million. The positive development compared to last year is mainly related to a higher EBITDA and lower CAPEX.

CAPEX in Q3 2017 amounted to SEK 532 (766) million. Lower investments compared to last year chiefly related to the Netherlands and Kazakhstan.

Net debt amounted to SEK 11,338 (10,628) million and economic net debt amounted to SEK 10,698 (10,437) million on September 30, 2017 and December 31, 2016 respectively, or 1.66 times 12 months rolling EBITDA. Tele2's available liquidity amounted to SEK 10,772 (10,042) million.

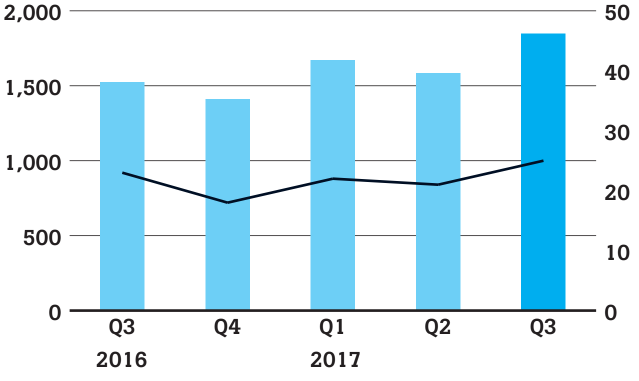
Net sales and Mobile end-user service revenue

SEK million



EBITDA / EBITDA margin

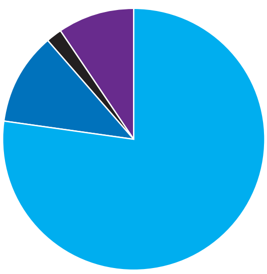
SEK million / Percent



FINANCIAL SUMMARY

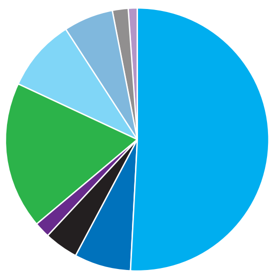
SEK million	Q3 2017	Q3 2016	FY 2016
Mobile			
Net customer intake (thousands)	216	196	378
Net sales	5,878	5,443	21,723
EBITDA	1,517	1,226	3,935
EBIT excl. items affecting comparability (Note 3)	958	641	1,661
CAPEX	365	576	2,542
Fixed broadband			
Net customer intake (thousands)	–12	0	–13
Net sales	829	738	3,075
EBITDA	146	139	587
EBIT excl. items affecting comparability (Note 3)	–64	–26	–78
CAPEX	63	83	581
Fixed telephony			
Net customer intake (thousands)	–18	–25	–108
Net sales	181	225	923
EBITDA	60	78	298
EBIT excl. items affecting comparability (Note 3)	53	73	263
CAPEX	12	6	25
Other operations			
Net sales	654	268	1,423
EBITDA	125	80	343
EBIT excl. items affecting comparability (Note 3)	31	42	176
CAPEX	92	101	612
Total			
Net customer intake (thousands)	185	171	257
Net sales	7,542	6,674	27,144
EBITDA	1,848	1,523	5,163
EBIT excl. items affecting comparability (Note 3)	978	730	2,022
EBIT	943	–1,820	–1,258
CAPEX	532	766	3,760
EBT	701	–1,910	–1,271
Net profit/loss	512	–2,273	–2,190
Cash flow from operating activities, total operations	1,959	1,734	5,017
Cash flow from operating activities, continued operations	1,898	1,672	4,848
Free cash flow, total operations	1,290	838	1,217
Free cash flow, continued operations	1,248	796	1,141

Net sales per service area, Q3 2017



Mobile	78%
Fixed broadband	11%
Fixed telephony	2%
Other	9%

Net sales per country, Q3 2017



Sweden	51%
Lithuania	7%
Latvia	4%
Estonia	2%
Netherlands	18%
Kazakhstan	9%
Croatia	6%
Germany	2%
Other	1%

Financial guidance

Tele2 AB upgrades its full-year 2017 guidance for continuing operations in constant currencies:

- Mobile end-user service revenue growth of high-single digits (previously mid-single digits)
- Net sales between SEK 30.0 and 31.0 billion (previously between 31.0 and 32.0 billion)
- EBITDA between SEK 6.4 and 6.6 billion (previously SEK 6.2 and 6.5 billion)
- CAPEX between SEK 2.9 and 3.2 billion (previously SEK 3.6 and 3.9 billion)

Previous guidance included Tele2 Austria, with an expected net sales contribution of approximately SEK 1.1 billion, EBITDA of SEK 0.2 billion and CAPEX of SEK 0.1 billion. Tele2 Austria is now reported as discontinued and therefore gives no contribution to the new full-year guidance.

The Challenger Program

A group-wide program focused on increasing productivity was launched at the end of 2014. The program will build over 3 years and is expected to reap full benefits of SEK 1 billion per annum starting in 2018. The investment required is estimated at below SEK 1 billion, phased over 3 years. All program investments are, and will be, reported as items affecting comparability, with an impact on EBIT. For more details, see Note 3.

Dividend policy

Tele2 expects to propose a dividend of SEK 4.00 per share for financial year 2017. Based on cash generation during the first nine months, the full year dividend will potentially be covered by the equity free cash flow generated in 2017.

Authorization to pay extraordinary dividends will be sought when the company has excess capital.

Pursuant to the approval received at the 2017 AGM, Tele2 has the authorization to repurchase up to 10 percent of its share capital.

The dividend policy for 2018 and beyond will be reviewed alongside our final quarter results for 2017, to be released on 2 February 2018. Depending on closing of the sale of Tele2 Austria, the possibility of returning these proceeds to shareholders in an appropriate form will also be assessed at that time.

Balance sheet

Tele2 believes the financial leverage should reflect the status of its operations, future strategic opportunities and obligations. It should also be in line with both the industry and the markets in which it operates. This would imply a target economic net debt to EBITDA ratio of 2.0–2.5x over the medium term.

Overview by country

Constant currency basis

Net sales

SEK million	2017 Q3	2016 Q3	Growth
Sweden	3,833	3,095	24%
Lithuania	502	437	15%
Latvia	299	270	11%
Estonia	182	182	–
Netherlands	1,390	1,483	–6%
Kazakhstan	653	565	16%
Croatia	459	411	12%
Germany	150	174	–14%
Other	74	65	14%
Total, constant FX	**7,542**	**6,682**	**13%**
FX effects		–8	0%
Total	**7,542**	**6,674**	**13%**

EBITDA

SEK million	2017 Q3	2016 Q3	Growth
Sweden	1,121	1,068	5%
Lithuania	173	153	13%
Latvia	119	91	31%
Estonia	47	45	4%
Netherlands	101	–1	n/a
Kazakhstan	169	80	111%
Croatia	80	51	57%
Germany	67	80	–16%
Other	–29	–39	26%
Total, constant FX	**1,848**	**1,528**	**21%**
FX effects		–5	0%
Total	**1,848**	**1,523**	**21%**

BALTIC SEA CHALLENGERS

Sweden

In line with recent quarters, the market continued to be competitive particularly in the sub-brand segment, while main brands largely focused on adding additional value to their offerings.

Tele2's "Power 2" campaign was running at full speed, with a set of commercial propositions including Roam Like at Home (RLAH) and Unlimited, aligned with our strategy to offer customers mobile data freedom.

Net sales declined by 2 percent including TDC pro forma to SEK 3,833 million (SEK 3,095 million for Tele2 and SEK 805 million for TDC in Q3 2016).

Mobile end-user service revenue declined by 1.5 percent including TDC pro forma (SEK 1,885 million for Tele2 and SEK 84 million for TDC in Q3 2016), but grew 1 percent excluding the effects of RLAH.

EBITDA decreased by 6 percent including TDC pro forma to SEK 1,121 million (SEK 1,068 million for Tele2 and SEK 123 million for TDC in Q3 2016), but was unchanged excluding the effects of RLAH. A decline of fixed service revenue was mitigated by integration synergies and benefits from the Challenger Program. Mobile EBITDA decreased to SEK 975 million (SEK 978 million for Tele2 and SEK 22 million for TDC in Q3 2016).

Sweden Consumer

Consumer mobile end-user service revenue grew by 1 percent, or 3 percent adjusted for RLAH effects. This was driven by continued strong growth in Comviq postpaid, with sustained momentum in pre to postpaid migration, and stable performance by the Tele2 brand. In September, Comviq won the Evimetrix Swedish Brand Award, being named the strongest telecom brand in the market.

Demand for larger data buckets continued and data consumption on the Tele2 brand grew by more than 50 percent to an average of 6.9 GB per month.

Sweden B2B

The B2B market continued to be price competitive in several product areas including mobile.

The integration of TDC continued to develop according to plan. Accumulated integration synergies amounted to SEK 137 million as of the end of September, as another SEK 65 million were recognized as benefits in the third quarter. The final MVNO customers were migrated during Q2 and there was no remaining cost for the previous MVNO contract in the quarter.

The Large Enterprise segment reported a 2 percent decline in net sales, like-for-like, as a result of price competition, and since the effect of weak customer additions in previous quarters is expected to continue to impact revenue trends into 2018. Significant contract wins in the third quarter included University of Gothenburg, an extended contract with Attendo and a renewed contract with Transportstyrelsen.

Lithuania

The quarter was competitive in terms of handset offerings and Tele2's price leadership was also challenged by our main competitor. Tele2 responded successfully through counter offerings, including promotions on data pricing outside of the EU.

Mobile end-user service revenue grew by 13 percent in local currency, driven by continued data monetization and growth in the mobile broadband segment.

Despite the increased competition in the market and introduction of RLAH, the EBITDA margin was largely constant at 34 (35) percent.

Tele2 strengthened its corporate responsibility perception as the Group Leadership Team's bike tour from Riga to Vilnius became a significant public event.

Latvia

The market competition was characterized by the operators' different approaches to RLAH and introduction of new price plans. Tele2's price plans launched in June were well-received and contributed to the mobile net customer intake of 14,000 (21,000) customers. The normally strong prepaid intake during the third quarter was subdued due to the RLAH introduction.

The strong trend of Tele2's brand perception seen in previous quarters continued, supported by a focused effort to improve service quality.

Mobile end-user service revenue growth of 13 percent in local currency was driven mainly by a swift uptake of new price plans. The EBITDA margin increased to 40 (34) percent as a result of higher service revenue, declining churn and disciplined cost management.

Estonia

All operators concentrated on back to school campaigns to boost handset sales. Similar to previous quarters, there was also significant competition from telemarketing. Tele2 continued to execute its online strategy with a new, improved web shop which has been well-received by customers, and several online-only offerings, successfully driving sales of both handsets and SIM only products.

Mobile end-user service revenue grew by 5 percent in local currency on the back of continued data monetization, which contributed to the increased mobile EBITDA margin of 25 (24) percent.

INVESTMENT MARKETS

Netherlands

Q3 was the first quarter in which the new consumer credit regulation was implemented during the entire quarter. Competition remained intensive, especially in the low-end price segment, but the overall competitiveness of Tele2's product and price positions was sustained and the mobile net customer intake increased versus last quarter to 57,000 customers.

During the quarter, Tele2 Netherlands was awarded "Best Telecom Webshop" and "Best Telecom Shop" in 2017 by the ABN AMRO Retail chain of the Year and Webshop Award election. This is further evidence that our efforts to create a best in class shopping experience both online as well as in physical retail are working well.

Mobile end-user service revenue grew by 26 percent in local currency, driven by an 18 percent increase in customers coupled with ASPU growth of 6 percent, which was mainly related to sales of larger bundles.

Equipment revenue declined by 41 percent, mainly as revenue from handsets sold via third party retailers is no longer recognized as revenue by Tele2 following the new consumer credit regulation, and due to a higher share of SIM only sales.

Network economics continued to improve as 93 percent of data traffic and 54 percent of voice traffic were on-net in September, and the number of active VoLTE customers reached 557,000 at the end of the quarter.

Mobile EBITDA improved to SEK –51 (–179) million mainly due to higher end-user service revenue and lower expansion costs.

Mobile CAPEX was low in the quarter as the roll-out was focused on a lower number of more complex sites which require more time to complete.

Within fixed broadband, the company continued to focus on cash generation and maintained a disciplined investment approach.

Kazakhstan

The market competition was largely focused around bonus data offerings, i.e. time-limited promotions of extra data. In August, Tele2 introduced two new, speed-differentiated unlimited offerings in the mobile broadband segment through its Altel brand, one of which is capped to 10 Mbit/s and one premium service without a speed limit. The radio network integration was finalized during Q3 2017, with 1,740 network sites now merged.

Mobile end-user service revenue grew by 20 percent in local currency, driven both by a 13 percent higher ASPU and a 7 percent higher customer base.

The EBITDA margin increased to 26 (14) percent, driven mainly by improved scale, integration benefits and a higher-margin product mix.

Croatia

Market competition increased somewhat towards the end of the quarter as competitors launched product initiatives including larger data bundles and zero-rating features for postpaid services. After launching a set of unlimited propositions in April, Tele2 Croatia continued to focus its marketing efforts during the quarter on strengthening the position as the only operator in the market with an unlimited offering for handsets.

Net customer intake of 62,000 (70,000) was mainly attributable to more prepaid customers, which follows the normal seasonality pattern, with limited impact from the RLAH introduction.

Mobile end-user service revenue grew by 6 percent in local currency, driven both by a higher ASPU and an increased customer base.

EBITDA increased to SEK 80 (49) million, representing an EBITDA margin of 17 (12) percent, which was driven by higher mobile end-user service revenue, more visitor roaming following the RLAH introduction, and cost optimization.

CASH GENERATOR

Germany

The decline of the customer base continued, although at a slower pace than expected. As a consequence of the lower customer base, net sales declined compared to the same quarter last year.

Continued focus on profitability and cash generation resulted in an EBITDA of SEK 67 (80) million, representing a margin of 45 (46) percent.

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 spectrum auctions, availability of frequencies and telecom licenses, changes in regulatory legislation, competition, new business models, technology and market dependency, strategy implementation, acquisitions (including integration) and divestments, operations in Kazakhstan, mobile networks & service delivery interruptions, network and IT integrity and personal data security, external relationships (joint operations, suppliers and business partners), macroeconomic and geopolitical risks, and financial risks such as currency risk, interest risk, liquidity risk, credit risk, risks related to tax matters and impairment of assets. Additionally, there is a risk that Tele2 may not be able to obtain sufficient funding for its operations. Please refer to Tele2's annual report for 2016 (Administration report and Note 2) for a detailed description of Tele2's risk exposure and risk management.

The Supreme Court of the Netherlands as the final instance found in 2016 that mobile contracts that are bundled with a free or discounted device are to be treated as consumer credit or installment purchases. Accordingly, such contracts are subject to the Dutch consumer credit law. Contracts that do not comply with the new consumer credit regulations can be rescinded. As of May 1, 2017, the indirect sales partner of Tele2 Netherlands is the customer's contracting party for the sale of the handset, and Tele2 is the offeror of the handset credit. As a consequence, sales of handsets by indirect sales partners are not reported as revenue by Tele2. In addition, the consumer credit regulations may potentially have an adverse effect on sales of subscriptions bundled with handsets in the market going forward.

On April 25, the European Commission initiated an investigation on the premises of Tele2 in Kista about possible anti-competitive cooperation between operators in the mobile market and/or possible abuse of collective dominant position. Similar investigations were simultaneously initiated towards other Swedish mobile network operators.

Subsequent events

On October 10, 2017, the Austrian competition authority cleared the sale of Tele2 Austria to Hutchison Drei Austria GmbH.

Tele2 AB (publ) Annual General Meeting 2018

The 2018 Annual General Meeting will be held on May 21, 2018 in Stockholm. Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to agm@tele2.com or to legal counsel Katarina Areskoug, Tele2 AB (publ), P.O. Box 62, SE 164 94 Kista, Sweden, at least seven weeks before the Annual General Meeting for the proposal to be included in the notice to the meeting. Further details on how and when to register will be published in advance of the Annual General Meeting.

Nomination committee for the 2018 Annual General Meeting

In accordance with the resolution of the 2017 Annual General Meeting, Mike Parton, Chairman of the Board of Directors, has convened a Nomination Committee consisting of members appointed by the largest shareholders in terms of voting interest in Tele2 AB (publ) ("Tele2").

The Nomination Committee comprises Mike Parton as Chairman of the Board of Directors; Cristina Stenbeck appointed by Kinnevik AB; John Hernander appointed by Nordea Funds and Martin Wallin appointed by Lannebo Funds.

The three shareholder representatives on the Nomination Committee have been appointed by shareholders that jointly represent approximately 52 percent of the total votes in Tele2. The members of the Nomination Committee will appoint a Committee Chairman at their first meeting.

Information about the work of the Nomination Committee can be found on Tele2's corporate website at www.tele2.com. Shareholders wishing to propose candidates for election to the Board of Directors of Tele2 should submit their proposal in writing to agm@tele2.com or to legal counsel Katarina Areskoug, Tele2 AB (publ), P.O. Box 62, SE 164 94 Kista, Sweden.

Auditors' review report

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

Other

Tele2 will release its financial and operating results for the period ending December 31, 2017 on February 2, 2018.

Stockholm, October 19, 2017
Tele2 AB

Allison Kirkby
President and CEO

Q3 2017 PRESENTATION

Tele2 will host a presentation, with the possibility to join through a conference call, for the global financial community at 10:15 am CEST (09:15 am BST/04:15 am EDT) on Thursday, October 19, 2017. The presentation will be held in English and also made available as a web-cast on Tele2's website: www.tele2.com.

Dial-in information
To ensure that you are connected to the conference call, please dial in a few minutes before the start of the conference call to register your attendance.

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APPENDICES

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TELE2'S MISSION IS TO FEARLESSLY LIBERATE PEOPLE TO LIVE A MORE CONNECTED LIFE. We believe the connected life is a better life, and so our aim is to make connectivity increasingly accessible to our customers, no matter where or when they need it. 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 offers mobile services, fixed broadband and telephony, data network services, content services and global IoT solutions. Every day our 17 million customers across 9 countries enjoy a fast and wireless experience through our award winning networks. Tele2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2016, Tele2 had net sales of SEK 28 billion and reported an operating profit (EBITDA) of SEK 5.3 billion. For definitions of measures, please see the last pages of the Annual Report 2016. Follow @Tele2group on Twitter for the latest updates.

Income statement

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2016 Q3
CONTINUING OPERATIONS						
Net sales		22,838	19,221	27,144	7,542	6,674
Cost of services provided	3	–14,086	–14,792	–19,969	–4,502	–6,551
Gross profit		**8,752**	**4,429**	**7,175**	**3,040**	**123**
Selling expenses	3	–4,302	–3,963	–5,560	–1,382	–1,269
Administrative expenses	3	–2,259	–2,018	–2,960	–735	–697
Result from shares in joint ventures and associated companies		1	1	–	–	–
Other operating income		94	105	153	41	41
Other operating expenses		–44	–50	–66	–21	–18
Operating profit/loss, EBIT		**2,242**	**–1,496**	**–1,258**	**943**	**–1,820**
Interest income/expenses	6	–227	–226	–310	–70	–85
Other financial items	4	–297	411	297	–172	–5
Profit/loss after financial items, EBT		**1,718**	**–1,311**	**–1,271**	**701**	**–1,910**
Income tax	5	–567	–699	–919	–189	–363
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		**1,151**	**–2,010**	**–2,190**	**512**	**–2,273**
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	11	85	–70	–74	63	–86
NET PROFIT/LOSS		**1,236**	**–2,080**	**–2,264**	**575**	**–2,359**
ATTRIBUTABLE TO						
Equity holders of the parent company		1,299	–1,857	–1,962	577	–2,264
Non-controlling interests		–63	–223	–302	–2	–95
NET PROFIT/LOSS		**1,236**	**–2,080**	**–2,264**	**575**	**–2,359**
Earnings per share (SEK)	10	2.58	–4.16	–4.34	1.14	–5.05
Earnings per share, after dilution (SEK)	10	2.57	–4.16	–4.34	1.14	–5.04
FROM CONTINUING OPERATIONS						
ATTRIBUTABLE TO						
Equity holders of the parent company		1,214	–1,787	–1,888	514	–2,178
Non-controlling interests		–63	–223	–302	–2	–95
NET PROFIT/LOSS		**1,151**	**–2,010**	**–2,190**	**512**	**–2,273**
Earnings per share (SEK)	10	2.41	–4.00	–4.18	1.01	–4.86
Earnings per share, after dilution (SEK)	10	2.40	–4.00	–4.18	1.01	–4.85

Comprehensive income

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2016 Q3
NET PROFIT/LOSS	**1,236**	**–2,080**	**–2,264**	**575**	**–2,359**
OTHER COMPREHENSIVE INCOME					
COMPONENTS NOT TO BE RECLASSIFIED TO NET PROFIT/LOSS					
Pensions, actuarial gains/losses	–23	–103	–16	–23	–79
Pensions, actuarial gains/losses, tax effect	5	22	3	5	16
Components not to be reclassified to net profit/loss	**–18**	**–81**	**–13**	**–18**	**–63**
COMPONENTS THAT MAY BE RECLASSIFIED TO NET PROFIT/LOSS					
Exchange rate differences					
Translation differences in foreign operations	–281	1,028	1,094	–413	416
Tax effect on above	86	–86	–117	82	–38
Translation differences	*–195*	*942*	*977*	*–331*	*378*
Hedge of net investments in foreign operations	–	–171	–149	37	–72
Tax effect on above	–	38	33	–8	16
Hedge of net investments	*–*	*–133*	*–116*	*29*	*–56*
Exchange rate differences	**–195**	**809**	**861**	**–302**	**322**
Cash flow hedges					
Loss arising on changes in fair value of hedging instruments	–11	–113	–83	–6	–19
Reclassified cumulative loss to income statement	53	50	68	17	18
Tax effect on cash flow hedges	–9	14	3	–2	–
Cash flow hedges	**33**	**–49**	**–12**	**9**	**–1**
Components that may be reclassified to net profit/loss	**–162**	**760**	**849**	**–293**	**321**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**–180**	**679**	**836**	**–311**	**258**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,056**	**–1,401**	**–1,428**	**264**	**–2,101**
ATTRIBUTABLE TO					
Equity holders of the parent company	1,075	–1,178	–1,117	233	–2,002
Non-controlling interests	–19	–223	–311	31	–99
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,056**	**–1,401**	**–1,428**	**264**	**–2,101**

Balance sheet

SEK million	Note	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
ASSETS				
NON-CURRENT ASSETS				
Goodwill	3	7,696	6,217	7,729
Other intangible assets		5,394	4,734	5,821
Intangible assets		**13,090**	**10,951**	**13,550**
Tangible assets		13,397	13,358	14,376
Financial assets	6	1,272	1,154	1,324
Deferred tax assets	5	1,368	1,842	1,702
NON-CURRENT ASSETS		**29,127**	**27,305**	**30,952**
CURRENT ASSETS				
Inventories		837	578	655
Current receivables		7,846	7,295	8,592
Current investments		3	21	21
Cash and cash equivalents	7	1,068	1,172	257
CURRENT ASSETS		**9,754**	**9,066**	**9,525**
ASSETS CLASSIFIED AS HELD FOR SALE	11	609	–	–
ASSETS		**39,490**	**36,371**	**40,477**
EQUITY AND LIABILITIES				
EQUITY				
Attributable to equity holders of the parent company		16,948	15,503	18,474
Non-controlling interests		–297	–195	–278
EQUITY	10	**16,651**	**15,308**	**18,196**
NON-CURRENT LIABILITIES				
Interest-bearing liabilities	6	11,721	7,758	9,030
Non-interest-bearing liabilities	5	1,069	743	1,066
NON-CURRENT LIABILITIES		**12,790**	**8,501**	**10,096**
CURRENT LIABILITIES				
Interest-bearing liabilities	6	2,026	5,749	3,401
Non-interest-bearing liabilities		7,731	6,813	8,784
CURRENT LIABILITIES		**9,757**	**12,562**	**12,185**
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	11	292	–	–
EQUITY AND LIABILITIES		**39,490**	**36,371**	**40,477**

Cash flow statement

(Total operations)

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
OPERATING ACTIVITIES										
Operating profit/loss from continuing operations		2,242	–1,496	–1,258	943	632	667	238	–1,820	186
Operating profit/loss from discontinued operations		108	–62	–61	72	24	12	1	–84	5
Operating profit/loss		**2,350**	**–1,558**	**–1,319**	**1,015**	**656**	**679**	**239**	**–1,904**	**191**
Adjustments for non-cash items in operating profit/loss	3	2,722	5,228	6,192	866	917	939	964	3,381	814
Financial items paid/received		–153	–185	–272	–	–145	–8	–87	–80	–59
Taxes paid		–359	–317	–403	–120	–133	–106	–86	–114	–136
Cash flow from operations before changes in working capital		**4,560**	**3,168**	**4,198**	**1,761**	**1,295**	**1,504**	**1,030**	**1,283**	**810**
Changes in working capital		98	512	819	198	379	–479	307	451	183
CASH FLOW FROM OPERATING ACTIVITIES		**4,658**	**3,680**	**5,017**	**1,959**	**1,674**	**1,025**	**1,337**	**1,734**	**993**
INVESTING ACTIVITIES										
CAPEX paid	8	–2,370	–2,857	–3,800	–669	–854	–847	–943	–896	–854
Free cash flow		***2,288***	***823***	***1,217***	***1,290***	***820***	***178***	***394***	***838***	***139***
Acquisition and sale of shares and participations		–8	34	–2,876	–	–8	–	–2,910	–10	5
Other financial assets		20	12	13	–	4	16	1	11	1
Cash flow from investing activities		**–2,358**	**–2,811**	**–6,663**	**–669**	**–858**	**–831**	**–3,852**	**–895**	**–848**
CASH FLOW AFTER INVESTING ACTIVITIES		**2,300**	**869**	**–1,646**	**1,290**	**816**	**194**	**–2,515**	**839**	**145**
FINANCING ACTIVITIES										
Change of loans, net	6	1,150	2,667	1,350	–526	1,389	287	–1,317	170	2,202
Dividends	10	–2,629	–2,389	–2,389	–	–2,629	–	–	–	–2,389
Acquisition of non-controlling interests	10	–	–125	–125	–	–	–	–	–	–
New share issues	10	–	–	2,910	–	–	–	2,910	–	–
Cash flow from financing activities		**–1,479**	**153**	**1,746**	**–526**	**–1,240**	**287**	**1,593**	**170**	**–187**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**821**	**1,022**	**100**	**764**	**–424**	**481**	**–922**	**1,009**	**–42**
Cash and cash equivalents at beginning of period		257	107	107	318	752	257	1,172	149	184
Exchange rate differences in cash and cash equivalents		–10	43	50	–14	–10	14	7	14	7
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7	**1,068**	**1,172**	**257**	**1,068**	**318**	**752**	**257**	**1,172**	**149**

Change in equity

		Sep 30, 2017			Sep 30, 2016			Dec 31, 2016		
		Attributable to			Attributable to			Attributable to		
SEK million	Note	equity holders of the parent company	non-controlling interests	Total equity	equity holders of the parent company	non-controlling interests	Total equity	equity holders of the parent company	non-controlling interests	Total equity
Equity, January 1		**18,474**	**–278**	**18,196**	**17,901**	**–**	**17,901**	**17,901**	**–**	**17,901**
Net profit/loss for the period		1,299	–63	1,236	–1,857	–223	–2,080	–1,962	–302	–2,264
Other comprehensive income for the period, net of tax		–224	44	–180	679	–	679	845	–9	836
Total comprehensive income for the period		**1,075**	**–19**	**1,056**	**–1,178**	**–223**	**–1,401**	**–1,117**	**–311**	**–1,428**
OTHER CHANGES IN EQUITY										
Share-based payments	10	19	–	19	17	–	17	1	–	1
Share-based payments, tax effect	10	4	–	4	–	–	–	1	–	1
New share issues	10	7	–	7	–	–	–	2,910	–	2,910
Taxes on new share issue costs	10	–2	–	–2	–	–	–	11	–	11
Dividends	10	–2,629	–	–2,629	–2,389	–	–2,389	–2,389	–	–2,389
Acquisition of non-controlling interests	10	–	–	–	465	484	949	469	489	958
Divestment to non-controlling interests	10	–	–	–	687	–456	231	687	–456	231
EQUITY, END OF THE PERIOD		**16,948**	**–297**	**16,651**	**15,503**	**–195**	**15,308**	**18,474**	**–278**	**18,196**

Number of customers

by thousands	Note	Number of customers 2017 Sep 30	2016 Sep 30	Net intake 2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Sweden												
Mobile		3,874	3,750	–30	9	–32	13	10	–53	–41	36	14
Fixed broadband		53	62	–9	–8	–11	–3	–3	–3	–3	–2	–3
Fixed telephony		138	170	–25	–26	–33	–7	–8	–10	–7	–9	–8
Other operations		1	–	–1	–	–	–1	–	–	–	–	–
		4,066	**3,982**	**–65**	**–25**	**–76**	**2**	**–1**	**–66**	**–51**	**25**	**3**
Lithuania												
Mobile		1,795	1,789	22	20	4	20	8	–6	–16	38	–
		1,795	**1,789**	**22**	**20**	**4**	**20**	**8**	**–6**	**–16**	**38**	**–**
Latvia												
Mobile		968	968	23	14	–9	14	12	–3	–23	21	6
		968	**968**	**23**	**14**	**–9**	**14**	**12**	**–3**	**–23**	**21**	**6**
Estonia												
Mobile		469	483	–10	–1	–5	–5	–	–5	–4	3	1
Fixed telephony		–	1	–	–2	–3	–	–	–	–1	–	–
		469	**484**	**–10**	**–3**	**–8**	**–5**	**–**	**–5**	**–5**	**3**	**1**
Netherlands												
Mobile		1,170	991	124	147	202	57	51	16	55	59	57
Fixed broadband		332	351	–18	7	6	–6	–7	–5	–1	4	2
Fixed telephony		35	45	–7	–10	–13	–3	–2	–2	–3	–3	–3
		1,537	**1,387**	**99**	**144**	**195**	**48**	**42**	**9**	**51**	**60**	**56**
Kazakhstan												
Mobile		6,814	6,384	374	196	252	61	239	74	56	–18	104
		6,814	**6,384**	**374**	**196**	**252**	**61**	**239**	**74**	**56**	**–18**	**104**
Croatia												
Mobile		884	871	83	86	16	62	34	–13	–70	70	23
		884	**871**	**83**	**86**	**16**	**62**	**34**	**–13**	**–70**	**70**	**23**
Germany												
Mobile		147	178	–22	–41	–50	–6	–7	–9	–9	–13	–14
Fixed broadband		37	47	–8	–6	–8	–3	–2	–3	–2	–2	–2
Fixed telephony		199	237	–29	–50	–59	–8	–10	–11	–9	–13	–11
		383	**462**	**–59**	**–97**	**–117**	**–17**	**–19**	**–23**	**–20**	**–28**	**–27**
TOTAL												
Mobile		**16,121**	**15,414**	**564**	**430**	**378**	**216**	**347**	**1**	**–52**	**196**	**191**
Fixed broadband		**422**	**460**	**–35**	**–7**	**–13**	**–12**	**–12**	**–11**	**–6**	**–**	**–3**
Fixed telephony		**372**	**453**	**–61**	**–88**	**–108**	**–18**	**–20**	**–23**	**–20**	**–25**	**–22**
Other operations		**1**	**–**	**–1**	**–**	**–**	**–1**	**–**	**–**	**–**	**–**	**–**
TOTAL NUMBER OF CUSTOMERS AND NET INTAKE		**16,916**	**16,327**	**467**	**335**	**257**	**185**	**315**	**–33**	**–78**	**171**	**166**
Acquired companies	11			–	1,788	1,988	–	–	–	200	–	–
Changed method of calculation	2			–	23	23	–	–	–	–	–	–4
TOTAL NUMBER OF CUSTOMERS AND NET CHANGE		**16,916**	**16,327**	**467**	**2,146**	**2,268**	**185**	**315**	**–33**	**122**	**171**	**162**

Net sales

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Sweden										
Mobile		8,970	8,086	11,279	2,954	2,999	3,017	3,193	2,739	2,663
Fixed broadband		951	490	769	307	317	327	279	162	163
Fixed telephony		286	342	453	90	97	99	111	111	112
Other operations		1,480	248	695	482	509	489	447	83	80
		11,687	**9,166**	**13,196**	**3,833**	**3,922**	**3,932**	**4,030**	**3,095**	**3,018**
Lithuania										
Mobile		1,439	1,216	1,703	507	484	448	487	440	390
		1,439	**1,216**	**1,703**	**507**	**484**	**448**	**487**	**440**	**390**
Latvia										
Mobile		842	748	1,019	305	280	257	271	277	238
		842	**748**	**1,019**	**305**	**280**	**257**	**271**	**277**	**238**
Estonia										
Mobile		507	473	646	173	181	153	173	170	157
Fixed telephony		2	3	4	–	1	1	1	1	1
Other operations		32	29	44	11	11	10	15	10	9
		541	**505**	**694**	**184**	**193**	**164**	**189**	**181**	**167**
Netherlands										
Mobile	2	2,377	2,150	2,979	726	784	867	829	738	721
Fixed broadband		1,553	1,630	2,184	495	527	531	554	545	539
Fixed telephony		162	199	262	50	55	57	63	64	64
Other operations		382	400	540	126	128	128	140	133	130
		4,474	**4,379**	**5,965**	**1,397**	**1,494**	**1,583**	**1,586**	**1,480**	**1,454**
Kazakhstan										
Mobile		2,015	1,450	2,152	653	713	649	702	573	527
		2,015	**1,450**	**2,152**	**653**	**713**	**649**	**702**	**573**	**527**
Croatia										
Mobile		1,224	1,090	1,529	462	407	355	439	405	369
		1,224	**1,090**	**1,529**	**462**	**407**	**355**	**439**	**405**	**369**
Germany										
Mobile		254	288	382	82	85	87	94	94	93
Fixed broadband		80	92	122	27	26	27	30	31	29
Fixed telephony		130	153	204	41	43	46	51	49	50
		464	**533**	**708**	**150**	**154**	**160**	**175**	**174**	**172**
Other										
Mobile		110	51	75	38	40	32	24	21	17
Other operations		98	122	158	36	32	30	36	44	45
		208	**173**	**233**	**74**	**72**	**62**	**60**	**65**	**62**
TOTAL										
Mobile		**17,738**	**15,552**	**21,764**	**5,900**	**5,973**	**5,865**	**6,212**	**5,457**	**5,175**
Fixed broadband		**2,584**	**2,212**	**3,075**	**829**	**870**	**885**	**863**	**738**	**731**
Fixed telephony		**580**	**697**	**923**	**181**	**196**	**203**	**226**	**225**	**227**
Other operations		**1,992**	**799**	**1,437**	**655**	**680**	**657**	**638**	**270**	**264**
		22,894	**19,260**	**27,199**	**7,565**	**7,719**	**7,610**	**7,939**	**6,690**	**6,397**
Internal sales, elimination		**–56**	**–39**	**–55**	**–23**	**–16**	**–17**	**–16**	**–16**	**–11**
Sweden, mobile		–1	–	–1	–	–1	–	–1	–	–
Lithuania, mobile		–14	–13	–16	–5	–4	–5	–3	–5	–3
Latvia, mobile		–13	–15	–23	–6	–3	–4	–8	–9	–5
Estonia, mobile		–4	–	–1	–2	–1	–1	–1	–	–
Netherlands, mobile		–17	–	–	–6	–5	–6	–	–	–
Netherlands, other operations		–1	–8	–11	–1	–	–	–3	–2	–2
Croatia, mobile		–6	–	–	–3	–2	–1	–	–	–
Other, other operations		–	–3	–3	–	–	–	–	–	–1
TOTAL		**22,838**	**19,221**	**27,144**	**7,542**	**7,703**	**7,593**	**7,923**	**6,674**	**6,386**

Mobile external net sales split

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Sweden, mobile										
End-user service revenue		5,791	5,421	7,349	1,939	1,930	1,922	1,928	1,885	1,778
Operator revenue		641	663	875	222	216	203	212	220	225
Service revenue		6,432	6,084	8,224	2,161	2,146	2,125	2,140	2,105	2,003
Equipment revenue		2,084	1,518	2,420	642	703	739	902	479	499
Other revenue		453	484	634	151	149	153	150	155	161
		8,969	**8,086**	**11,278**	**2,954**	**2,998**	**3,017**	**3,192**	**2,739**	**2,663**
Lithuania, mobile										
End-user service revenue		823	706	968	283	281	259	262	251	229
Operator revenue		166	163	220	59	55	52	57	54	54
Service revenue		989	869	1,188	342	336	311	319	305	283
Equipment revenue		436	334	499	160	144	132	165	130	104
		1,425	**1,203**	**1,687**	**502**	**480**	**443**	**484**	**435**	**387**
Latvia, mobile										
End-user service revenue		505	441	600	181	170	154	159	158	143
Operator revenue		158	153	200	56	53	49	47	56	48
Service revenue		663	594	800	237	223	203	206	214	191
Equipment revenue		166	139	196	62	54	50	57	54	42
		829	**733**	**996**	**299**	**277**	**253**	**263**	**268**	**233**
Estonia, mobile										
End-user service revenue		340	319	431	118	113	109	112	112	105
Operator revenue		59	58	79	21	20	18	21	22	20
Service revenue		399	377	510	139	133	127	133	134	125
Equipment revenue		104	96	135	32	47	25	39	36	32
		503	**473**	**645**	**171**	**180**	**152**	**172**	**170**	**157**
Netherlands, mobile										
End-user service revenue	2	1,491	1,077	1,515	531	509	451	438	419	336
Operator revenue		148	141	193	32	61	55	52	53	45
Service revenue		1,639	1,218	1,708	563	570	506	490	472	381
Equipment revenue	2	721	932	1,271	157	209	355	339	266	340
		2,360	**2,150**	**2,979**	**720**	**779**	**861**	**829**	**738**	**721**
Kazakhstan, mobile										
End-user service revenue		1,548	1,085	1,555	506	547	495	470	426	394
Operator revenue		450	353	513	142	160	148	160	143	130
Service revenue		1,998	1,438	2,068	648	707	643	630	569	524
Equipment revenue		17	12	84	5	6	6	72	4	3
		2,015	**1,450**	**2,152**	**653**	**713**	**649**	**702**	**573**	**527**
Croatia, mobile										
End-user service revenue		695	644	866	249	232	214	222	231	211
Operator revenue		195	177	235	89	60	46	58	79	52
Service revenue		890	821	1,101	338	292	260	280	310	263
Equipment revenue		328	269	428	121	113	94	159	95	106
		1,218	**1,090**	**1,529**	**459**	**405**	**354**	**439**	**405**	**369**
Germany, mobile										
End-user service revenue		254	288	382	82	85	87	94	94	93
		254	**288**	**382**	**82**	**85**	**87**	**94**	**94**	**93**
Other, mobile										
End-user service revenue		110	51	75	38	40	32	24	21	17
		110	**51**	**75**	**38**	**40**	**32**	**24**	**21**	**17**
TOTAL, MOBILE										
End-user service revenue		**11,557**	**10,032**	**13,741**	**3,927**	**3,907**	**3,723**	**3,709**	**3,597**	**3,306**
Operator revenue		**1,817**	**1,708**	**2,315**	**621**	**625**	**571**	**607**	**627**	**574**
Service revenue		**13,374**	**11,740**	**16,056**	**4,548**	**4,532**	**4,294**	**4,316**	**4,224**	**3,880**
Equipment revenue		**3,856**	**3,300**	**5,033**	**1,179**	**1,276**	**1,401**	**1,733**	**1,064**	**1,126**
Other revenue		**453**	**484**	**634**	**151**	**149**	**153**	**150**	**155**	**161**
TOTAL, MOBILE		**17,683**	**15,524**	**21,723**	**5,878**	**5,957**	**5,848**	**6,199**	**5,443**	**5,167**

EBITDA

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Sweden										
Mobile		2,848	2,567	3,436	975	922	951	869	978	777
Fixed broadband		126	76	127	48	38	40	51	37	17
Fixed telephony		83	86	109	27	31	25	23	24	29
Other operations		195	79	164	71	49	75	85	29	23
		3,252	**2,808**	**3,836**	**1,121**	**1,040**	**1,091**	**1,028**	**1,068**	**846**
Lithuania										
Mobile		505	440	567	173	176	156	127	152	146
		505	**440**	**567**	**173**	**176**	**156**	**127**	**152**	**146**
Latvia										
Mobile		303	230	318	119	96	88	88	90	71
		303	**230**	**318**	**119**	**96**	**88**	**88**	**90**	**71**
Estonia										
Mobile		120	109	152	42	39	39	43	41	35
Fixed telephony		1	1	1	1	–	–	–	–	1
Other operations		10	9	15	4	3	3	6	4	3
		131	**119**	**168**	**47**	**42**	**42**	**49**	**45**	**39**
Netherlands										
Mobile	2–3	–192	–699	–930	–51	–93	–48	–231	–179	–277
Fixed broadband	3	262	312	439	89	45	128	127	98	90
Fixed telephony		19	37	47	4	7	8	10	8	11
Other operations		181	201	272	59	59	63	71	71	60
		270	**–149**	**–172**	**101**	**18**	**151**	**–23**	**–2**	**–116**
Kazakhstan										
Mobile		451	129	221	169	160	122	92	79	44
		451	**129**	**221**	**169**	**160**	**122**	**92**	**79**	**44**
Croatia										
Mobile		129	80	102	80	30	19	22	49	20
		129	**80**	**102**	**80**	**30**	**19**	**22**	**49**	**20**
Germany										
Mobile		85	100	133	30	27	28	33	30	30
Fixed broadband		22	13	21	9	7	6	8	4	3
Fixed telephony		87	101	141	28	29	30	40	46	27
		194	**214**	**295**	**67**	**63**	**64**	**81**	**80**	**60**
Other										
Mobile		–67	–37	–64	–20	–18	–29	–27	–14	–13
Other operations		–67	–82	–108	–9	–24	–34	–26	–24	–46
		–134	**–119**	**–172**	**–29**	**–42**	**–63**	**–53**	**–38**	**–59**
TOTAL										
Mobile		**4,182**	**2,919**	**3,935**	**1,517**	**1,339**	**1,326**	**1,016**	**1,226**	**833**
Fixed broadband		**410**	**401**	**587**	**146**	**90**	**174**	**186**	**139**	**110**
Fixed telephony		**190**	**225**	**298**	**60**	**67**	**63**	**73**	**78**	**68**
Other operations		**319**	**207**	**343**	**125**	**87**	**107**	**136**	**80**	**40**
TOTAL		**5,101**	**3,752**	**5,163**	**1,848**	**1,583**	**1,670**	**1,411**	**1,523**	**1,051**

EBIT

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Sweden										
Mobile		2,129	1,846	2,485	735	686	708	639	736	534
Fixed broadband		–68	4	1	–18	–24	–26	–3	13	–7
Fixed telephony		76	74	94	25	29	22	20	19	26
Other operations		–21	27	69	–6	–23	8	42	11	5
		2,116	**1,951**	**2,649**	**736**	**668**	**712**	**698**	**779**	**558**
Lithuania										
Mobile		403	361	455	138	141	124	94	124	121
		403	**361**	**455**	**138**	**141**	**124**	**94**	**124**	**121**
Latvia										
Mobile		209	134	185	87	68	54	51	59	40
		209	**134**	**185**	**87**	**68**	**54**	**51**	**59**	**40**
Estonia										
Mobile		38	40	56	13	11	14	16	16	11
Fixed telephony		1	1	1	1	–	–	–	5	–3
Other operations		5	1	6	2	2	1	5	2	1
		44	**42**	**63**	**16**	**13**	**15**	**21**	**23**	**9**
Netherlands										
Mobile	2–3	–488	–967	–1,335	–148	–194	–146	–368	–273	–366
Fixed broadband	3	–176	–81	–95	–53	–105	–18	–14	–42	–39
Fixed telephony		4	24	29	–1	2	3	5	4	6
Other operations		126	153	207	40	42	44	54	54	45
		–534	**–871**	**–1,194**	**–162**	**–255**	**–117**	**–323**	**–257**	**–354**
Kazakhstan										
Mobile		105	–212	–268	67	44	–6	–56	–63	–92
		105	**–212**	**–268**	**67**	**44**	**–6**	**–56**	**–63**	**–92**
Croatia										
Mobile		63	25	27	58	7	–2	2	28	3
		63	**25**	**27**	**58**	**7**	**–2**	**2**	**28**	**3**
Germany										
Mobile		82	93	121	30	25	27	28	28	27
Fixed broadband		18	10	16	7	6	5	6	3	3
Fixed telephony		87	99	139	28	29	30	40	45	26
		187	**202**	**276**	**65**	**60**	**62**	**74**	**76**	**56**
Other										
Mobile		–71	–37	–65	–22	–19	–30	–28	–14	–13
Other operations		–69	–82	–106	–5	–28	–36	–24	–25	–47
		–140	**–119**	**–171**	**–27**	**–47**	**–66**	**–52**	**–39**	**–60**
TOTAL										
Mobile		**2,470**	**1,283**	**1,661**	**958**	**769**	**743**	**378**	**641**	**265**
Fixed broadband		**–226**	**–67**	**–78**	**–64**	**–123**	**–39**	**–11**	**–26**	**–43**
Fixed telephony		**168**	**198**	**263**	**53**	**60**	**55**	**65**	**73**	**55**
Other operations		**41**	**99**	**176**	**31**	**–7**	**17**	**77**	**42**	**4**
		2,453	**1,513**	**2,022**	**978**	**699**	**776**	**509**	**730**	**281**
Items affecting comparability	3	–211	–3,009	–3,280	–35	–67	–109	–271	–2,550	–95
TOTAL		**2,242**	**–1,496**	**–1,258**	**943**	**632**	**667**	**238**	**–1,820**	**186**

CAPEX

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Sweden										
Mobile		287	462	665	106	119	62	203	193	109
Fixed broadband		105	40	78	31	42	32	38	17	5
Fixed telephony		6	9	12	2	3	1	3	4	4
Other operations		84	36	141	25	32	27	105	–4	18
		482	**547**	**896**	**164**	**196**	**122**	**349**	**210**	**136**
Lithuania										
Mobile		77	203	228	25	23	29	25	23	30
		77	**203**	**228**	**25**	**23**	**29**	**25**	**23**	**30**
Latvia										
Mobile		56	51	68	19	20	17	17	9	17
		56	**51**	**68**	**19**	**20**	**17**	**17**	**9**	**17**
Estonia										
Mobile		56	57	71	22	20	14	14	20	16
		56	**57**	**71**	**22**	**20**	**14**	**14**	**20**	**16**
Netherlands										
Mobile		435	656	865	107	170	158	209	182	260
Fixed broadband		127	437	501	32	48	47	64	65	94
Fixed telephony		37	10	13	10	15	12	3	2	3
Other operations		40	49	62	10	16	14	13	10	17
		639	**1,152**	**1,441**	**159**	**249**	**231**	**289**	**259**	**374**
Kazakhstan										
Mobile		353	319	514	56	168	129	195	134	106
		353	**319**	**514**	**56**	**168**	**129**	**195**	**134**	**106**
Croatia										
Mobile		54	100	130	22	25	7	30	16	31
		54	**100**	**130**	**22**	**25**	**7**	**30**	**16**	**31**
Germany										
Mobile		–	–	1	–	–	–	1	–1	1
Fixed broadband		–	2	2	–	–	–	–	1	1
		–	**2**	**3**	**–**	**–**	**–**	**1**	**–**	**2**
Other										
Mobile		18	–	–	8	7	3	–	–	–
Other operations		169	277	409	57	49	63	132	95	89
		187	**277**	**409**	**65**	**56**	**66**	**132**	**95**	**89**
TOTAL										
Mobile		**1,336**	**1,848**	**2,542**	**365**	**552**	**419**	**694**	**576**	**570**
Fixed broadband		**232**	**479**	**581**	**63**	**90**	**79**	**102**	**83**	**100**
Fixed telephony		**43**	**19**	**25**	**12**	**18**	**13**	**6**	**6**	**7**
Other operations		**293**	**362**	**612**	**92**	**97**	**104**	**250**	**101**	**124**
TOTAL	8	**1,904**	**2,708**	**3,760**	**532**	**757**	**615**	**1,052**	**766**	**801**

Five-year summary

SEK million	Note	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2015 Full year	2014 Full year	2013 Full year
CONTINUING OPERATIONS							
Net sales		22,838	19,221	27,144	25,668	24,746	24,513
Numbers of customers (by thousands)		16,916	16,327	16,449	14,181	13,338	13,297
EBITDA		5,101	3,752	5,163	5,570	5,703	5,596
EBIT		2,242	–1,496	–1,258	2,390	3,397	2,369
EBT		1,718	–1,311	–1,271	1,959	3,409	1,820
Net profit/loss		1,151	–2,010	–2,190	1,216	2,554	829
Key ratios							
EBITDA margin, %		22.3	19.5	19.0	21.7	23.0	22.8
EBIT margin, %		9.8	–7.8	–4.6	9.3	13.7	9.7
Value per share (SEK)							
Net profit/loss	10	2.41	–4.00	–4.18	2.66	5.58	1.81
Net profit/loss after dilution	10	2.40	–4.00	–4.18	2.64	5.55	1.80
TOTAL							
Equity		16,651	15,308	18,196	17,901	22,682	21,591
Total assets		39,490	36,371	40,477	36,149	39,848	39,855
Cash flow from operating activities		4,658	3,680	5,017	3,529	4,578	5,813
Free cash flow		2,288	823	1,217	–486	432	572
Available liquidity		10,772	10,196	10,042	7,890	8,224	9,306
Net debt	6	11,338	11,013	10,628	9,878	8,135	7,328
Economic net debt	6	10,698	10,985	10,437	9,878	8,135	7,328
Net investments in intangible and tangible assets, CAPEX		1,948	2,753	3,831	4,240	3,976	5,534
Key ratios							
Debt/equity ratio, multiple		0.68	0.72	0.58	0.55	0.36	0.34
Equity/assets ratio, %		42	42	45	50	57	54
ROCE, return on capital employed, %	10	10.7	–4.0	–4.5	14.0	10.1	48.0
Average interest rate, %		2.3	2.7	2.7	4.1	4.7	5.2
Value per share (SEK)							
Net profit/loss	10	2.58	–4.16	–4.34	6.52	4.83	31.90
Net profit/loss after dilution	10	2.57	–4.16	–4.34	6.48	4.80	31.69
Equity	10	33.72	33.81	40.86	39.07	49.55	47.20
Cash flow from operating activities	10	9.27	8.03	11.10	7.70	10.00	12.71
Dividend, ordinary		–	–	5.23	5.35	4.85	4.40
Extraordinary dividend		–	–	–	–	10.00	–
Redemption		–	–	–	–	–	28.00
Market price at closing day		93.20	74.05	73.05	84.75	94.95	72.85

Parent company

Income statement

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year
Net sales	44	27	28
Administrative expenses	–92	–77	–105
Operating loss, EBIT	**–48**	**–50**	**–77**
Dividend from group company	7,000	–	–
Exchange rate difference on financial items	–5	–139	–131
Net interest expenses and other financial items	–187	–198	–272
Profit/loss after financial items, EBT	**6,760**	**–387**	**–480**
Appropriations, group contribution	–	–	774
Tax on profit/loss	53	85	–65
NET PROFIT/LOSS	**6,813**	**–302**	**229**

Balance sheet

SEK million	Note	Sep 30, 2017	Dec 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Tangible assets		–	1
Financial assets		13,607	13,617
NON-CURRENT ASSETS		**13,607**	**13,618**
CURRENT ASSETS			
Current receivables		14,021	8,521
Cash and cash equivalents		–	4
CURRENT ASSETS		**14,021**	**8,525**
ASSETS		**27,628**	**22,143**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	10	5,619	5,619
Unrestricted equity	10	10,268	6,026
EQUITY		**15,887**	**11,645**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	6	9,786	7,485
NON-CURRENT LIABILITIES		**9,786**	**7,485**
CURRENT LIABILITIES			
Interest-bearing liabilities	6	1,868	2,850
Non-interest-bearing liabilities		87	163
CURRENT LIABILITIES		**1,955**	**3,013**
EQUITY AND LIABILITIES		**27,628**	**22,143**

Notes

NOTE 1 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 for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. Disclosures in accordance with IAS 34 Interim Financial Reporting are presented either in the Notes or elsewhere in the interim report.

Tele2 has presented this interim report in accordance with the accounting principles and calculation methods used in the 2016 Annual Report. The description of these principles and definitions, including non-IFRS measures, is found in the 2016 Annual Report, pages 34–41 and 76–77. There are no new IFRSs or amendments to IFRSs applicable as from January 1, 2017 that significantly affects Tele2's financial reports 2017.

NOTE 2 NET SALES AND CUSTOMERS

Net sales

In Q1 2017, net sales in Netherlands was positively affected by a SEK 53 million revaluation of handset receivables.

Customers

Number of customers has in Q2 2016 changed with –4,000 customers in Latvia without affecting the net intake due to implementation of new IT systems leading to more improved reporting of number of customers.

NOTE 3 OPERATING EXPENSES

EBITDA

In Q2 2017, the EBITDA for fixed broadband in Netherlands was negatively affected by SEK 64 million related to the provision for the ongoing dispute with KPN concerning retroactive price adjustment for rented copper lines. The case has previously been reported as a contingent liability, please refer to note 9 for additional information.

In Q1 2017, the EBITDA in Netherlands was positively affected in total by SEK 95 million of which mobile by SEK 77 million, as a result mainly of the revaluation of handset receivables as stated in Note 2 and fixed broadband by SEK 18 million as a result of a settlement of a dispute.

In Q4 2016, a provision for a dispute was recorded in Netherlands affecting the EBITDA for mobile negatively by SEK 36 million.

Bridge from EBITDA to EBIT

SEK million	2017 Jan 1– Sep 30	2016 Jan 1– Sep 30	2016 Full year	2017 Q3	2016 Q3
EBITDA	**5,101**	**3,752**	**5,163**	**1,848**	**1,523**
Impairment of goodwill	–	–2,791	–2,825	–	–2,460
Sale of operations	–	–1	–1	–	–1
Acquisition costs	–1	–23	–61	–	–5
Integration costs	–136	–27	–81	–25	–21
Challenger program	–74	–167	–312	–10	–63
Total items affecting comparability	**–211**	**–3,009**	**–3,280**	**–35**	**–2,550**
Depreciation/amortization and other impairment	–2,649	–2,240	–3,141	–870	–793
Result from shares in joint ventures and associated companies	1	1	–	–	–
EBIT	**2,242**	**–1,496**	**–1,258**	**943**	**–1,820**

Items affecting comparability in segment reporting

Definition of items affecting comparability (formerly one-off items) is stated in the 2016 Annual Report, page 76.

Impairment of goodwill

SEK million	2017 Jan 1– Sep 30	2016 Jan 1– Sep 30	2016 Full year	2017 Q3	2016 Q3
Netherlands	–	–2,456	–2,481	–	–2,456
Kazakhstan	–	–335	–344	–	–4
Total impairment of goodwill	**–**	**–2,791**	**–2,825**	**–**	**–2,460**
of which:					
–cost of service provided	*–*	*–2,791*	*–2,825*	*–*	*–2,460*

In Q3 2016, an impairment loss on goodwill of SEK 2,456 million was recognized in cost of service provided referring to the cash generating unit Netherlands. The impairment loss was based on the estimated value in use of SEK 9.0 billion by using a pre-tax discount rate (WACC) of 13 percent. The impairment was recognized as a result of reassessment of future cash flow generation in Netherlands.

In Q1 2016, an impairment loss on goodwill of SEK 326 million was recognized referring to the cash generating unit Kazakhstan. The impairment was due to the macro environment, including the Tenge devaluation which implied weaker consumer purchase power and higher expenses. In addition, intense competitive pressure during Q1 eroded pricing power for all market participants. This also resulted during Q1 2016, in a decrease in the value of the put option obligation to the former non-controlling interest in Tele2 Kazakhstan, which represents an 18 percent economic interest in the jointly owned company with Kazakhtelecom, with a positive effect in the income statement of SEK 413 million reported under financial items (Note 4).

Acquisition costs

SEK million	2017 Jan 1– Sep 30	2016 Jan 1– Sep 30	2016 Full year	2017 Q3	2016 Q3
TDC, Sweden	–1	–9	–35	–	–3
Altel, Kazakhstan	–	–12	–24	–	–
Other acquisitions	–	–2	–2	–	–2
Total acquisition costs	**–1**	**–23**	**–61**	**–**	**–5**
of which:					
–administrative expenses	*–1*	*–23*	*–61*	*–*	*–5*

Integration costs

SEK million	2017 Jan 1– Sep 30	2016 Jan 1– Sep 30	2016 Full year	2017 Q3	2016 Q3
TDC, Sweden	–120	–1	–36	–24	–1
Altel, Kazakhstan	–16	–26	–45	–1	–20
Total integration costs	**–136**	**–27**	**–81**	**–25**	**–21**
of which:					
–cost of service provided	*–40*	*–4*	*–15*	*–1*	*–3*
–selling expenses	*–23*	*–3*	*–5*	*–*	*–3*
–administrative expenses	*–73*	*–20*	*–61*	*–24*	*–15*
of which:					
–redundancy costs	*–57*	*–7*	*–28*	*–*	*–2*
–other employee and consultancy costs	*–48*	*–17*	*–36*	*–19*	*–17*
–exit of contracts and other costs	*–31*	*–3*	*–17*	*–6*	*–2*

Challenger program: restructuring costs

At the end of 2014, Tele2 announced its Challenger program, which is a program to step change productivity in the Tele2 Group. The program will strengthen the organization further and enable it to continue to challenge the industry. The costs associated with the program are reported as items affecting comparability as defined by Tele2's definition of EBITDA and in the income statement on the following line items.

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2016 Q3
Costs of service provided	–5	–14	–16	–1	–2
Selling expenses	–1	–6	–8	–	–1
Administrative expenses	–68	–147	–288	–9	–60
Total Challenger program costs	**–74**	**–167**	**–312**	**–10**	**–63**
of which:					
–redundancy costs	*–36*	*–75*	*–181*	*–5*	*–34*
–other employee and consultancy costs	*–37*	*–89*	*–120*	*–5*	*–29*
–exit of contracts and other costs	*–1*	*–3*	*–11*	*–*	*–*

NOTE 4 OTHER FINANCIAL ITEMS

Other financial items in the income statement consist of the following items.

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2016 Q3
Change in fair value, earn out Kazakhstan	–292	–	–100	–171	–
Change in fair value, put option Kazakhstan	–	413	413	–	–
Exchange rate differences	6	13	2	2	–
EUR net investment hedge, interest component	–2	–4	–5	–1	–1
Sale of Modern Holding Inc	–	–2	–2	–	–
Other financial expenses	–9	–9	–11	–2	–4
Total other financial items	**–297**	**411**	**297**	**–172**	**–5**

The previous put option obligation in Kazakhstan was in Q1 2016 replaced with an earn-out obligation representing 18 percent economic interest in the jointly owned company in Kazakhstan. To cover for the estimated earn-out obligation, that is based on fair value, the earn-out obligation was on September 30, 2017 and December 31, 2016 valued at SEK 392 (100) million and reported as a financial liability with fair value changes reported as financial items in the income statement. The change in fair value on December 31, 2016 was due to an improved outlook, in light of the positive business development during 2016 as well as reaching a significant share of the integration milestones. The change in 2017 is related to a continuation of the positive trends in the Kazakhstan operation. The fair value estimate is sensitive to changes in key assumptions supporting the expected future cash flows for the jointly owned company in Kazakhstan. A deviation from the current assumptions regarding the fair value would impact the earn-out liability.

NOTE 5 TAXES

The difference between recorded tax expense for the Group and the tax expense based on tax rate in Sweden of 22 percent, consists of the below listed components.

SEK million	2017 Jan 1–Sep 30		2016 Jan 1–Sep 30		2016 Full year	
Profit/loss before tax	**1,718**		**–1,311**		**–1,271**	
Tax expense/income						
Theoretic tax according to tax rate in Sweden	–378	–22.0%	288	22.0%	280	22.0%
Tax effect of						
Impairment of goodwill, non-deductible	–	–	–681	–51.9%	–689	–54.2%
Change in fair value, Kazakhstan:						
–earn-out	–64	–3.7%	–	–	–22	–1.7%
–put option	–	–	91	6.9%	91	7.2%
Valuation tax loss-carry forwards	81	4.7%	40	3.1%	40	3.1%
Not valued tax loss-carry forwards	–193	–11.2%	–371	–28.3%	–510	–40.1%
Adjustment due to changed tax rate	–	–	–140	–10.7%	–140	–11.0%
Other	–13	–0.8%	74	5.6%	31	2.4%
Tax expense and effective tax rate	**–567**	**–33.0%**	**–699**	**–53.3%**	**–919**	**–72.3%**

In Q1 and Q3 2017, taxes were positively affected by a valuation of deferred tax assets in Germany of SEK 19 (40) million and SEK 62 (–) million respectively.

In Q2 2017, the Administrative Court in Sweden rejected Tele2 Sweden's claims for a deduction of interest expenses on intra-group loans related to the years 2013 and 2014 according to interest limitation rules introduced in 2013. Tele2 will appeal the Administrative Court's rulings. The decision did not have any effect on Tele2's results since the amount was already reserved.

In Q3 2016, net taxes were negatively impacted by SEK –140 million due to revaluation of deferred tax assets in Luxembourg as a consequence of reduced tax rates.

NOTE 6 FINANCIAL ASSETS AND LIABILITIES

Net debt and economic net debt

SEK million	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Interest-bearing non-current and current liabilities	13,747	13,507	12,431	10,991	9,190	9,430
Excluding equipment financing	–21	–76	–70	–	–	–
Excluding provisions	–1,337	–1,205	–1,399	–926	–807	–679
Cash & cash equivalents, current investments and restricted funds	–1,072	–1,195	–279	–139	–189	–1,413
Derivatives	–	–18	–55	–48	–47	–10
Net debt for assets classified as held for sale	21	–	–	–	–12	–
Net debt	**11,338**	**11,013**	**10,628**	**9,878**	**8,135**	**7,328**
Excluding:						
–liabilities to Kazakhtelecom	–24	–22	–24	–	–	–
–loan guaranteed by Kazakhtelecom	–224	–6	–67	–	–	–
–liability for earn-out obligation Kazakhstan	–392	–	–100	–	–	–
Economic net debt	**10,698**	**10,985**	**10,437**	**9,878**	**8,135**	**7,328**

The definition of net debt is the net of non-operating interest-bearing liabilities, cash and cash equivalents, current investments, restricted cash and derivatives.

Financing

	Interest-bearing liabilities			
	Sep 30, 2017		Dec 31, 2016	
SEK million	Current	Non-current	Current	Non-current
Bonds SEK, Sweden	–	8,532	2,153	6,237
Bonds NOK, Sweden	–	–	188	–
Commercial papers, Sweden	1,700	–	300	–
Financial institutions	2	1,429	305	1,266
	1,702	**9,961**	**2,946**	**7,503**
Provisions	116	1,221	147	1,252
Other liabilities	208	539	308	275
	2,026	**11,721**	**3,401**	**9,030**
Total interest-bearing liabilities		**13,747**		**12,431**

On April 28, 2017 Tele2 completed the issuance of a SEK 400 million bond in the Swedish bond market. The bond has a final maturity of 6 years with a floating coupon rate of STIBOR 3m +1.45 percent. The bond is issued under the Tele2 EMTN program and is listed on the Luxembourg exchange.

On February 24, 2017 Tele2 completed the issuance of a SEK 800 million bond in the Swedish bond market. The bond has a final maturity of 6 years with a fixed rate coupon of 2 percent. The bond is issued under the Tele2 EMTN program and is listed on the Luxembourg exchange. The issuance was done in combination with a repurchase of SEK 400 million of the Tele2 bond maturing in May 2017. In April 2017, Tele2 completed the issuance of a SEK 400 million increase of its February 2023 fixed rate bond.

In January 2017, Tele2 completed the issuance of a SEK 700 million increase (tap) of its March 2022 bond. The bond has a floating coupon rate of STIBOR 3m +1.55 percent, is issued under the Tele2 EMTN program and listed on the Luxembourg exchange.

Tele2 has a credit facility with a syndicate of banks. The facility has a tenor of five years with two one-year extension options. In Q1 2017, the facility was extended with one year to 2022. In Q2 2017, the credit facility was reduced by EUR 40 million. The remaining facility amount after the reduction is EUR 760 million. In 2016, Tele2 entered into a six-year loan agreement with European Investment Bank (EIB) amounting to EUR 125 million. On September 30, 2017 both facilities were unutilized.

At the time of the acquisition of Tele2 Kazakhstan the company had an existing interest free liability to the former owner Kazakhtelecom. On September 30, 2017 and December 31, 2016 the reported debt amounted to SEK 24 (24) million and the nominal value to SEK 277 (319) million.

Transfer of right of payment of receivables

In Q1 2016 and onwards, Tele2 Sweden started to transfer the right for payment of certain operating receivables to financial institutions. The receiving payment obtained from financial institutions, in relation to the transfer of right of payment of receivables for sold handsets and other equipment, has been netted against the receivables in the balance sheet and resulted in a positive effect on cash flow. During 2017, the right of payment transferred to third parties without recourse or remaining credit exposure for Tele2 corresponded to SEK 999 (1,447) million, of which SEK 308 (361) million in Q3 2017.

Classification and fair values

Tele2's financial assets consist mainly of receivables from end customers, other operators and resellers as well as 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. During 2017, 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.

	Sep 30, 2017					
SEK million	Assets and liabilities at fair value through profit/loss (level 3)	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost	Total reported value	Fair value
Other financial assets	1	1,135	–	–	1,136	1,136
Accounts receivables	–	2,456	–	–	2,456	2,456
Other current receivables	–	3,129	–	–	3,129	3,129
Current investments	–	3	–	–	3	3
Cash and cash equivalents	–	1,068	–	–	1,068	1,068
Total financial assets	**1**	**7,791**	**–**	**–**	**7,792**	**7,792**
Liabilities to financial institutions and similar liabilities	–	–	–	11,663	11,663	11,730
Other interest-bearing liabilities	410	–	173	164	747	775
Accounts payable	–	–	–	2,527	2,527	2,527
Other current liabilities	–	–	–	1,313	1,313	1,313
Total financial liabilities	**410**	**–**	**173**	**15,667**	**16,250**	**16,345**

	Dec 31, 2016					
SEK million	Assets and liabilities at fair value through profit/loss (level 3)	Loans and receivables	Derivative instruments designated for hedge accounting	Financial liabilities at amortized cost	Total reported value	Fair value
Other financial assets	1	1,171	–	–	1,172	1,172
Accounts receivables	–	2,584	–	–	2,584	2,584
Other current receivables	–	3,717	55	–	3,772	3,772
Current investments	–	21	–	–	21	21
Cash and cash equivalents	–	257	–	–	257	257
Total financial assets	**1**	**7,750**	**55**	**–**	**7,806**	**7,806**
Liabilities to financial institutions and similar liabilities	–	–	–	10,449	10,449	10,343
Other interest-bearing liabilities	124	–	217	242	583	597
Accounts payable	–	–	–	3,462	3,462	3,462
Other current liabilities	–	–	–	1,037	1,037	1,037
Total financial liabilities	**124**	**–**	**217**	**15,190**	**15,531**	**15,439**

Changes in financial assets and liabilities valued at fair value through profit/loss in level 3 is presented below.

	Sep 30, 2017		Dec 31, 2016	
SEK million	Assets	Liabilities	Assets	Liabilities
As of January 1	**1**	**124**	**9**	**541**
Changes in fair value:				
-earn-out Kazakhstan	–	292	–	100
-put-option Kazakhstan	–	–	–	–413
Divestment of shares	–	–	–8	–
Payment of liability	–	–	–	–125
Other contingent considerations:				
-paid	–	–8	–	–
-other changes	–	2	–	24
Exchange rate differences*	–	–	–	–3
As of the end of the period	**1**	**410**	**1**	**124**

* recognized in other comprehensive income

In Q4 2016, a liability was reported for estimated deferred consideration to the former owner of TDC Sweden. The estimated fair value of the deferred consideration amounted on December 31, 2016 to SEK 12 million. The fair value was calculated based on expected future cash flows. In Q2 2017, the deferred consideration was settled.

In Q3 2016, a liability was reported for contingent deferred consideration to the former owners of Kombridge, Sweden. The estimated fair value of the deferred consideration amounted on September 30, 2017 and December 31, 2016 to SEK 18 (12) million. The fair value was calculated based on expected future cash flows at which a maximum turnout has been assumed.

In Q1 2016, an initial purchase price of SEK 125 million was paid to the former non-controlling shareholder Asianet in Tele2 Kazakhstan for its 49 percent stake. According to the agreement between the parties Asianet has right to 18 percent of the economic interest in the jointly owned company with Kazakhtelecom. The estimated fair value of the deferred consideration amounted on September 30, 2017 and December 31, 2016 to SEK 392 (100) million. The fair value was calculated based on expected future cash flows of the jointly owned company, please refer to Note 4.

NOTE 7 RELATED PARTIES

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

SEK million	2017 Sep 30	2017 Jun 30	2017 Mar 31	2016 Dec 31	2016 Sep 30	2016 Jun 30
Cash and cash equivalents in joint operations	15	16	17	60	12	7

As part of the business combination in Q1 2016 of Tele2's and Kazakhtelecom's operations in Kazakhstan, Kazakhtelecom has 49 percent of the voting rights in the combined company. Tele2 and Kazakhtelecom sell and purchase telecommunication services to and from each other. Business relations and pricing between the parties are based on commercial terms and conditions. Apart from transactions with joint operations and previously described transactions, no other significant related party transactions were carried out during 2017. Other related parties are presented in Note 37 of the 2016 Annual Report.

NOTE 8 CAPEX

Bridge from CAPEX to paid CAPEX

SEK million	2017 Jan 1– Sep 30	2016 Jan 1– Sep 30	2016 Full year	2017 Q3	2016 Q3
CAPEX, continued operations	–1,904	–2,708	–3,760	–532	–766
CAPEX, discontinued operations	–44	–45	–71	–19	–13
CAPEX, total operations	**–1,948**	**–2,753**	**–3,831**	**–551**	**–779**
This year's unpaid CAPEX and paid CAPEX from previous year	–433	–126	6	–120	–122
Received payment of sold non-current assets	11	22	25	2	5
Paid CAPEX	**–2,370**	**–2,857**	**–3,800**	**–669**	**–896**

NOTE 9 CONTINGENT LIABILITIES AND ASSETS

SEK million	Sep 30, 2017	Dec 31, 2016
Asset dismantling obligation	154	151
KPN dispute, Netherlands	–	222
Factoring dispute, Croatia	132	–
Total contingent liabilities	**286**	**373**

Contingent assets

In May 2016, the Stockholm District Court ordered Telia to pay damages to Tele2 concerning Telia's abuse of its dominant position on wholesale ADSL-services. The judgement has been appealed by both parties and the Court of Appeal has granted leave to appeal. Due to the uncertainty in the final outcome Tele2 has not recognized any benefits from the judgement.

Contingent liabilities

Tele2 has obligations to dismantle assets and restore premises within fixed telephony and fixed broadband in the Netherlands as well as in Austria. Tele2 assesses such dismantling as unlikely and consequently only reported this obligation as contingent liabilities.

Tele2 Netherlands is, in the ordinary course of its business, involved in several regulatory complaints and disputes pending with the appropriate governmental authorities. In a specific case regarding the rental fees of copper lines, which Tele2 Netherlands uses as part of its fixed operations, the regulator (ACM) has determined that the rental fees are to be adjusted with retroactive effect from 2009. On July 21, 2015 the Supreme Administrative Court (CBb) ruled that ACM had no powers to impose any deduction on the WPC IIA price caps from 2009 till now. This resulted in an additional claim from KPN of EUR 14.5 million for the first 3 years (2009–2011), which were previously deducted by ACM in their ruling. Together with the claim for the period 2012-July 2014 this has resulted in a total claim from KPN for the time period 2009-July 2014 amounting to EUR 23.2 million (SEK 222 million) excluding interest, which is subject to pending appeals and court cases expected to go on for several years. On April 12, 2017 the Rotterdam Civil Court passed a ruling in which the court in principle ruled in favor of KPN. Although the ruling will be appealed by Tele2 and that ACM is in a position to reduce KPN's potential claims based on regulatory grounds, Tele2 reported a provision of EUR 7.8 million (SEK 75 million) in Q2 2017, including interest of EUR 1.1 million (SEK 11 million). Tele2 will continue to challenge the aforementioned case as it is of the opinion that there is no legal basis for charging the adjusted rental fees with retroactive effect.

Tele2 Croatia has as part of its ordinary course of business entered into factoring agreements with Croatian banks, whereby Tele2 assigns to the banks some of its accounts receivables relating to third party distribution of prepaid vouchers. One of the third-party distributors, Tisak, is part of the Croatian Agrokor Group that currently is facing liquidity and solvency problems. Since the banks have not been able to collect payment for assigned and due accounts receivables from Tisak, they have instead requested payment from Tele2. On April 7, 2017 a new Croatian law was adopted under which the Agrokor Group has applied and been granted so called extraordinary management with the aim to improve the Group's financial status. The implications of the extraordinary management of the Agrokor Group are not yet known in detail and great uncertainty exists over the whole Agrokor Group situation. Due to the great uncertainty, Tele2 has not made any provisions for the amounts Tele2 potentially may be liable to repay the banks. On September 30, 2017 the Tisak's total outstanding debts to the banks amounted to HRK 104 million (SEK 132 million) including interest of HRK 8 million. In addition to the factoring agreements, the carrying value of Tele2's receivables on September 30, 2017 due from Tisak amounted to HRK 15 million (SEK 19 million).

Additional information about contractual commitments is provided in Note 29 in the 2016 Annual Report.

NOTE 10 EQUITY, NUMBER OF SHARES AND INCENTIVE PROGRAMS

Number of shares

	Sep 30, 2017	Dec 31, 2016
Number of shares		
Outstanding	502,755,553	502,350,065
In own custody	4,144,459	4,549,947
Weighted average	502,567,827	452,146,472
After dilution	506,064,302	505,041,442
Weighted average, after dilution	505,513,524	454,887,620

As a result of share rights in the LTI 2014 being exercised during Q2 2017, Tele2 delivered 405,488 B-shares in own custody to the participants in the program.

In Q1 2017, Tele2 released SEK 7 million of the 2016-year accrual for new share issue costs.

Changes of number of shares during previous year are stated in Note 24 in the 2016 Annual Report.

Outstanding share rights

	Sep 30, 2017	Dec 31, 2016
Number of outstanding share rights		
LTI 2017–2020	1,417,398	–
LTI 2016–2019	1,115,134	1,195,370
LTI 2015–2018	776,217	837,616
LTI 2014–2017	–	668,560
of which will be settled in cash	*–*	*10,169*
Total outstanding share rights	**3,308,749**	**2,701,546**

All outstanding long-term incentive programs (LTI 2015, LTI 2016 and LTI 2017) are based on the same structure and additional information regarding the objective, conditions and requirements related to the LTI programs 2015 and 2016 is stated in Note 33 of the 2016 Annual Report. During the first nine months 2017, the total cost before tax for the long-term incentive programs (LTI) amounted to SEK 30 (17) million.

LTI 2017

At the Annual General Meeting held on May 9, 2017, the shareholders approved a retention and performance-based incentive program (LTI 2017) for senior executives and other key employees in the Tele2 Group. The program has the same structure as last year's incentive program. The measurement period for retention and performance-based conditions for LTI 2017 is from April 1, 2017 until March 31, 2020.

Total costs before tax for outstanding rights in the incentive program are expensed over the three-year vesting period. These costs were initially expected to amount to SEK 86 million, of which social security costs amount to SEK 22 million.

To ensure the delivery of Class B shares under the program, the Annual General Meeting decided to authorize the Board of Directors to resolve on a directed issue of a maximum of 450,000 Class C shares and subsequently to repurchase the Class C shares. The Board of Directors has not yet used its mandate.

LTI 2014

The exercise of the share rights in LTI 2014 was conditional upon the fulfilment of certain retention and performance-based conditions, measured from April 1, 2014 until March 31, 2017. The outcome of these performance conditions was in accordance with below and the outstanding share rights of 405,488 have been exchanged for shares in Tele2 and 5,199 share rights have been exchanged for cash during Q2 2017. The weighted average share price for share rights for the LTI 2014 at date of exercise amounted to SEK 90.32 during 2017.

	Retention and performance-based conditions	Minimum hurdle (20%)	Stretch target (100%)	Performance outcome	Allotment
Series A	Total Shareholder Return Tele2 (TSR)		≥ 0%	42.6%	100%
Series B	Average normalised Return on Capital Employed (ROCE)	9%	12%	7.2%	0%
Series C	Total Shareholder Return Tele2 (TSR) compared to a peer group	> 0%	≥ 10%	36.4%	100%

Outstanding synthetic options

At the Annual General Meeting held on May 9, 2017, the shareholders approved a long-term incentive program (IoTP) for Tele2 employees that have a direct impact on the value creation of Tele2's IoT business (internet-of-things). The program is built on transferable synthetic options.

The settlement of the program is cash-based and conditional upon a liquidity event comprising at least 20 percent of the subsidiary Tele2 IoT AB with a realized value that is at least 150 percent of the value at the start date of the program. The possible exercise period is from July 1, 2017 to July 1, 2023.

In Q3 2017, 15 employees were offered to purchase synthetic options. The participants paid the market price of in total SEK 3 million for the synthetic options. Thereafter, Tele2 has granted the participants a subsidy in the form of a cash compensation of 50 percent of the option premium. Tele2 has, according to certain conditions, the right to reclaim the subsidy during the first three years of the program if for example a participant in the program would leave Tele2.

The part of the program which has been subsidized by Tele2 will be recognized over the three-year vesting period with changes in fair value recognized in the income statement. The part not subsidized by Tele2 has been recognized as a liability and changes in fair value is recognized in full over the income statement.

The actual cost for Tele2 is based on any change in the fair value of the IoT business. The fair value of the liability is determined by an independent valuation institute, applying a standard valuation model (Black-Scholes). The maximum value is limited to 10 percent of 7.5 times the initial value of the IoT business at the grant date.

Dividend

In Q2 2017, Tele2 paid to its shareholders a dividend for 2016 of SEK 5.23 (5.35) per share. The dividend paid in 2017 corresponded to a total of SEK 2,629 (2,389) million.

Transactions with non-controlling interests

The transaction with Kazakhtelecom, which is described in Note 24 of the 2016 Annual Report, resulted in Q1 2016, in a positive effect in equity attributable to the equity holders of the parent company of SEK 1,143 million. The positive effect mainly refers to Kazakhtelecom's contribution of Altel to Tele2 in exchange for Kazakhtelecom becoming partly owner of Tele2 Kazakhstan. As part of setting up the new structure in Kazakhstan, an initial purchase price of SEK 125 million was paid during Q1 2016 to the former non-controlling shareholder Asianet in Tele2 Kazakhstan for its 49 percent stake.

ROCE, return on capital employed

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2015 Full year	2014 Full year	2013 Full year
EBIT, total operation	2,350	–1,558	–1,319	4,149	3,102	16,339
Financial income, total operation	16	13	18	9	26	55
Return[1]	**2,366**	**–1,545**				
Annualized return	**3,155**	**–1,130**	**–1,301**	**4,158**	**3,128**	**16,394**
in relation to						
Total assets	38,881	36,371	40,477	36,149	36,015	39,407
Non-interest bearing liabilities	–8,800	–7,556	–9,850	–7,257	–7,227	–8,781
Provisions for asset dismantling	–1,073	–974	–1,160	–771	–634	–488
Capital employed for assets classified as held for sale	338	–	–	–	3,098	395
Capital employed, closing balance	29,346	27,841	29,467	28,121	31,252	30,533
Capital employed, average	**29,407**	**27,981**	**28,794**	**29,687**	**30,893**	**34,132**
ROCE, %	**10.7**	**–4.0**	**–4.5**	**14.0**	**10.1**	**48.0**

[1] Including impairment of goodwill of SEK 0 (–2,791) million.

NOTE 11 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

SEK million	2017 Jan 1–Sep 30	2016 Full year
Acquisitions		
TDC, Sweden	–8	–2,910
Altel, Kazakhstan	–	42
Kombridge, Sweden	–	–9
Capital contribution to joint ventures	–	–1
Total acquisition of shares and participations	**–8**	**–2,878**
Divestments		
Transaction costs, Russia	–	–2
Other divestments	–	4
Total sale of shares and participations	**–**	**2**
TOTAL CASH FLOW EFFECT	**–8**	**–2,876**

Additional information about acquisitions made in 2016 is provided in Note 15 in the 2016 Annual Report.

DISCONTINUED OPERATIONS

On July 28, 2017 Tele2 announced the divestment of its Austrian operations to Hutchison Drei Austria GmbH (Three Austria) for EUR 95 million (SEK 910 million) on a debt free basis. On October 10, 2017 the Austrian competition authority approved the transaction and the divestment is expected to be closed on October 31, 2017. Tele2 will receive a consideration of EUR 85 million (SEK 814 million) adjusted for net debt and working capital at closing of the transaction and an earn-out up to EUR 10 million (SEK 96 million) to be paid over 12 to 24 months depending on the development of the business. In Q4 2017, the capital gain is expected to amount to approximately SEK 335 million, including costs for central support system for the Austrian operation and other transaction costs. In addition, the capital gain in Q4 2017 is expected to be affected negatively with approximately SEK 540 million related to reversal of exchange rate differences previously reported in other comprehensive income, which will be reversed over the income statement but with no effect on total equity or cash flow.

The divested operations in Austria 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 July 31, 2017 and onwards.

In Q3 2017, discontinued operations were positively affected by SEK 38 million related to a resolved provision for a VAT dispute related to the previously sold operations in Italy.

Discontinued operations also refer to provisions for Russian tax disputes related to the previously sold operations in Russia, with a negative effect on net profit/loss in 2017 and full year 2016 of SEK –17 (–100) million.

The Austrian, Russian and Italian operations reported as discontinued operations are stated below.

Income statement

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Net sales	852	854	1,148	285	285	282	294	287	282
Cost of services provided	–562	–562	–756	–189	–192	–181	–194	–194	–185
Gross profit	**290**	**292**	**392**	**96**	**93**	**101**	**100**	**93**	**97**
Selling expenses	–89	–118	–156	–28	–31	–30	–38	–36	–43
Administrative expenses	–113	–143	–196	–35	–38	–40	–53	–48	–49
Other operating expenses	–1	–	–1	–	–	–1	–1	–	–
EBIT	**87**	**31**	**39**	**33**	**24**	**30**	**8**	**9**	**5**
Interest income/costs	–1	–1	–2	–	–1	–	–1	–	–1
EBT	**86**	**30**	**37**	**33**	**23**	**30**	**7**	**9**	**4**
Income tax from the operation	–22	–7	–11	–9	–6	–7	–4	–2	–1
NET PROFIT FROM THE OPERATION	**64**	**23**	**26**	**24**	**17**	**23**	**3**	**7**	**3**
Gain on disposal of operation including cumulative exchange rate gain[1]	21	–93	–100	39	–	–18	–7	–93	–
NET PROFIT/LOSS	**85**	**–70**	**–74**	**63**	**17**	**5**	**–4**	**–86**	**3**

[1] refer to the Russian and Italien operations divested in 2013 and 2007 respectively

Earnings per share (SEK)	0.17	–0.16	–0.16	0.13	0.03	0.01	–	–0.19	–
Earnings per share, after dilution (SEK)	0.17	–0.16	–0.16	0.13	0.03	0.01	–	–0.19	–

Balance sheet

Assets held for sale refer to the Austrian operation.

SEK million	2017 Sep 30	2016 Sep 30	2016 Dec 31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	–	–
Other intangible assets	47	–	–
Intangible assets	**56**	**–**	**–**
Tangible assets	149	–	–
Deferred tax assets	253	–	–
NON-CURRENT ASSETS	**458**	**–**	**–**
CURRENT ASSETS			
Current receivables	151	–	–
CURRENT ASSETS	**151**	**–**	**–**
ASSETS CLASSIFIED AS HELD FOR SALE	**609**	**–**	**–**
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	44	–	–
NON-CURRENT LIABILITIES	**44**	**–**	**–**
CURRENT LIABILITIES			
Interest-bearing liabilities	8	–	–
Non-interest-bearing liabilities	240	–	–
CURRENT LIABILITIES	**248**	**–**	**–**
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**292**	**–**	**–**

Cash flow statement

SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
OPERATING ACTIVITIES									
Operating profit/loss	108	–62	–61	72	24	12	1	–84	5
Adjustments for non-cash items in operating profit	47	184	222	–17	22	42	38	123	31
Financial items paid	–1	–1	–1	–	–1	–	–	–	–1
Cash flow from operations before changes in working capital	**154**	**121**	**160**	**55**	**45**	**54**	**39**	**39**	**35**
Changes in working capital	–13	13	9	6	–3	–16	–4	23	–25
CASH FLOW FROM OPERATING ACTIVITIES	**141**	**134**	**169**	**61**	**42**	**38**	**35**	**62**	**10**
INVESTING ACTIVITIES									
CAPEX paid	–40	–67	–93	–19	–9	–12	–26	–20	–13
Free cash flow	***101***	***67***	***76***	***42***	***33***	***26***	***9***	***42***	***–3***
Sale of shares[1]	–	–2	–2	–	–	–	–	–1	–
Cash flow from investing activities	**–40**	**–69**	**–95**	**–19**	**–9**	**–12**	**–26**	**–21**	**–13**
CASH FLOW AFTER INVESTING ACTIVITIES	**101**	**65**	**74**	**42**	**33**	**26**	**9**	**41**	**–3**
FINANCING ACTIVITIES									
Changes of loans, net	–10	–9	–13	–3	–4	–3	–4	–3	–3
Cash flow from financing activities	**–10**	**–9**	**–13**	**–3**	**–4**	**–3**	**–4**	**–3**	**–3**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**91**	**56**	**61**	**39**	**29**	**23**	**5**	**38**	**–6**

[1] refer to the Russian operation divested in 2013

Additional information

The Austrian operation reported as discontinued operation is stated below.

	Numbers of customers			Net intake					
Thousands	2017 Sep 30	2016 Sep 30	2016 Dec 31	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Mobile	9	6	6	1	–	2	–	1	5
Fixed broadband	89	96	94	–1	–2	–2	–2	–2	–2
Fixed telephony	107	120	117	–4	–2	–4	–3	–2	–4
Numbers of customers and net intake	**205**	**222**	**217**	**–4**	**–4**	**–4**	**–5**	**–3**	**–1**

	Net sales								
SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Mobile	14	4	8	5	5	4	4	3	1
Fixed broadband	541	568	763	175	182	184	195	189	186
Fixed telephony	95	95	128	37	28	30	33	30	32
Other operations	209	188	251	70	73	66	63	66	63
	859	**855**	**1,150**	**287**	**288**	**284**	**295**	**288**	**282**
Internal sales, elimination	–7	–1	–2	–2	–3	–2	–1	–1	–
Net sales	**852**	**854**	**1,148**	**285**	**285**	**282**	**294**	**287**	**282**

	Mobile external net sales split								
SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
End-user service revenue	6	2	4	3	1	2	2	1	1
Operator revenue	1	–	1	1	–	–	1	–	–
Service revenue	*7*	*2*	*5*	*4*	*1*	*2*	*3*	*1*	*1*
Equipment revenue	–	1	1	–1	1	–	–	1	–
Mobile external net sales	**7**	**3**	**6**	**3**	**2**	**2**	**3**	**2**	**1**

	EBITDA								
SEK million	2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Mobile	–32	–49	–67	–14	–7	–11	–18	–14	–20
Fixed broadband	138	126	177	44	45	49	51	42	38
Fixed telephony	54	48	65	24	14	16	17	16	15
Other operations	–5	–2	–4	–	–4	–1	–2	–5	3
EBITDA	**155**	**123**	**171**	**54**	**48**	**53**	**48**	**39**	**36**

SEK million	EBIT 2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Mobile	–42	–57	–79	–18	–10	–14	–22	–16	–23
Fixed broadband	92	59	88	30	29	33	29	19	16
Fixed telephony	47	38	52	22	12	13	14	13	11
Other operations	–9	–8	–12	–1	–6	–2	–4	–7	1
	88	**32**	**49**	**33**	**25**	**30**	**17**	**9**	**5**
Challenger program	–1	–1	–10	–	–1	–	–9	–	–
EBIT	**87**	**31**	**39**	**33**	**24**	**30**	**8**	**9**	**5**

SEK million	Bridge from EBITDA to EBIT 2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
EBITDA	**155**	**123**	**171**	**54**	**48**	**53**	**48**	**39**	**36**
Challenger program	–1	–1	–10	–	–1	–	–9	–	–
Total items affecting comparability	**–1**	**–1**	**–10**	**–**	**–1**	**–**	**–9**	**–**	**–**
Depreciation/amortization and other impairment	–67	–91	–122	–21	–23	–23	–31	–30	–31
EBIT	**87**	**31**	**39**	**33**	**24**	**30**	**8**	**9**	**5**

SEK million	CAPEX 2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Mobile	3	6	7	1	2	–	1	1	2
Fixed broadband	32	32	48	14	9	9	16	11	13
Fixed telephony	4	3	4	2	1	1	1	1	1
Other operations	5	4	12	2	1	2	8	–	3
CAPEX	**44**	**45**	**71**	**19**	**13**	**12**	**26**	**13**	**19**

SEK million	Bridge from CAPEX to paid CAPEX 2017 Jan 1–Sep 30	2016 Jan 1–Sep 30	2016 Full year	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
CAPEX	**–44**	**–45**	**–71**	**–19**	**–13**	**–12**	**–26**	**–13**	**–19**
This year unpaid CAPEX and paid CAPEX from previous year	4	–22	–22	–	4	–	–	–7	6
Paid CAPEX	**–40**	**–67**	**–93**	**–19**	**–9**	**–12**	**–26**	**–20**	**–13**