

Press Release
December 21, 2015

TeliaSonera divests its holding in Ncell

TeliaSonera has agreed to sell its 60.4 percent ownership in the Nepalese operator Ncell to Axiata, one of Asia's largest telecommunication groups, for USD 1,030 million on a cash and debt free basis. At the same time, TeliaSonera will dissolve its economic interests in the 20 percent local ownership and receives approximately USD 48 million. The transactions are conditional on each other.

"In September we announced our ambition to reduce our presence in our seven Eurasian markets and focus on our operations in the Nordics and Baltics, within the strategy of creating the new TeliaSonera. Today, I am very pleased to announce a first step and proof point in this reshaping of TeliaSonera. I am also glad to see Axiata as a new owner. That gives me comfort that our dedicated employees are in good hands when taking Ncell to the next level," says Johan Dannelind, TeliaSonera's President and CEO.

Axiata has more than 260 million customers and 25,000 employees. Ncell will complement its portfolio of Asian telecommunications assets, which includes operations in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia, India, Singapore and Pakistan. Axiata, which is listed on the Malaysian stock exchange, is a reputable company with a strong focus and expertise in South Asia and is also a long-term investor contributing to development and advancements of the countries it operates in.

The divestment comprises of two transactions which are conditional on each other.

TeliaSonera divests its direct ownership of 60.4 percent to Axiata for USD 1,030 million on an cash and debt free basis, corresponding to an EV/EBITDA multiple of 5.0 times based on rolling twelve months. Ncell had a net cash position of approximately USD 284 million, after purchase price adjustments, as of September 30, 2015, and TeliaSonera will be paid for the cash position at closing in proportion to its economic interest of 80.4 percent.

Over and above 60.4 percent, TeliaSonera consolidates a further 20 percent in Ncell, an ownership which is today held locally by Mr. Niraj Shrestha. According to current Nepalese regulation, 20 percent of the ownership in a company is required to be held locally by a Nepalese citizen. All arrangements between TeliaSonera and Mr. Niraj Shrestha, which were entered into in 2012, will lapse in conjunction with closing.

As part of the divestment of Ncell to Axiata, TeliaSonera will dissolve its economic interests in the 20 percent local ownership and will receive approximately USD 48 million from Sunivera Capital Ventures Pte Ltd, a Singapore registered company. Mr. Niraj Shrestha will sell his locally held shares to Mrs. Bhavana Singh Shrestha, who is Axiata's chosen local partner.

As part of the transaction, Visor will sell its 19.6 percent of Ncell to Axiata.

TeliaSonera has conducted extensive due diligence and background checks of companies in this transaction, Mrs. Bhavana Singh Shrestha and related parties, using both inhouse as well as external expertise. TeliaSonera has discussed with Axiata on their commitment, programs and policies on responsible business and corporate governance best practice. TeliaSonera will actively seek to engage the buyer in the Industry Dialogue on Freedom of Expression and the Telecommunications Integrity Initiative against Corruption.

"To make a responsible exit is of utmost importance for us. We will continue our good cooperation with the Nepalese government in our engagement of rebuilding Nepal after the earthquake," says Johan Dannelind.

TeliaSonera provides network access and telecommunication services in the Nordic and Baltic countries, the emerging markets of Eurasia, including Russia and Turkey, and in Spain. TeliaSonera helps people and companies communicate in an easy, efficient and environmentally friendly way. Our ambition is to be number one or two in all our markets, providing the best customer experience, high quality networks and cost efficient operations. TeliaSonera is also a leading wholesale provider who owns and operates one of the world's most extensive fiber backbones. In 2014, net sales amounted to SEK 101.1 billion, EBITDA to SEK 35.2 billion and earnings per share to SEK 3.35. The TeliaSonera share is listed on Nasdaq Stockholm and Nasdaq Helsinki. Read more at www.teliasonera.com.



The divestment, all transactions included, results in a positive net cash effect for TeliaSonera, corresponding to approximately SEK 7.5 billion after provisions, primarily related to tax. The effect on net income is expected to be minor and still dependent on fluctuations of currencies until closing.

The expected divestment proceeds will primarily be used for debt reduction in line with TeliaSonera's ambition to keep a solid investment grade credit rating of A- to BBB+. TeliaSonera reiterates its ambition to distribute a dividend of at least SEK 3 per share for the fiscal year 2015.

TeliaSonera's lead advisors and expertise in relation to the transaction has been UBS, Deloitte, Davis Polk, Mannheimer Swartling, Control Risk and Kroll. The deal is subject to approval from Department of Industries in Nepal, Nepalese Telecom Authority, Malaysian Central Bank and Axiata's shareholders, respectively. Closing of the transaction is expected to take place in the first half of 2016.

Analyst and media telephone conference today at 08.30 a.m. CET

TeliaSonera invites you to a conference call with TeliaSonera's President and CEO Johan Dennelind and CFO Christian Luiga.

Dial-in number: +44 (0) 1452 555566

Access code: 13568170

You can also listen to the conference call afterwards until December 28, 2015.

Replay number: +44 (0) 1452550000

Access code: 13568170

<http://www.teliasonera.com/en/investors/reports-and-presentations/presentations/>

TeliaSonera AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instrument Trading Act. The information was submitted for publication at 06.30 a.m. CET on December 21, 2015.

For more information, please contact the TeliaSonera press office +46 771 77 58 30, press@teliasonera.com, visit our [Newsroom](#) or follow us on Twitter [@TeliaSoneraAB](#).

Forward-Looking Statements

Statements made in the press release relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of TeliaSonera.

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