

Press release

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## Tele2 reports 1Q18 results

### Moscow – Tele2, an alternative mobile operator, has reported consolidated financial and operating results over 1Q18.

In 1Q18, Tele2 has exhibited the following financial results while maintaining a stable subscriber base:

- operating revenue gained 18.7% compared to 1Q17;
- EBITDA increased 42.5% and totaled RUB9.4 bn having compared to the same period last year;
- EBITDA margin reached 28.6%, having added 4.8 pps compared to 1Q17;
- net loss/EBITDA decreased 42% down to 3.7.

| Indicator (bn rubles) | Q1 2017 | Q1 2018 | Change  |
|-----------------------|---------|---------|---------|
| EBITDA                | 6.6     | 9.4     | 42.5%   |
| EBITDA margin, %      | 23.8%   | 28.6%   | 4.8 pps |
| Net Debt/EBITDA       | 6.3     | 3.7     | (42%)   |

In 1Q18, the company showed the following operating indicators:

- average revenue per user (ARPU) gained 14.5% and totaled RUB264;
- a number of active wireless Internet users increased 33% in 1Q18;
- in 1Q18 Tele2 launched six new 4G networks – an overall number of LTE regions reached 56 as of the reporting period.

| Indicator     | Q1 2017 | Q1 2018 | Change |
|---------------|---------|---------|--------|
| ARPU (rubles) | 231     | 264     | 14.5%  |

### Sergey Emdin, CEO at Tele2:

“We are happy to point out that 1Q results prove efficiency of trends set last year and their influence on the growth of the company’s financial results. We are close to finishing a large-scale program on a launch of LTE networks. Almost all Tele2 regions are now provided with high-speed wireless Internet. Clients have already evaluated the quality of our 4G network, which can be proved by a growth of wireless Internet users on the Tele2 network. We will continue our focus on the high quality of subscriber base. This strategy allowed us to achieve a considerable increase in marginality thanks to the ARPU growth in the first place.”