

**Press Release**  
October 31, 2017

## Telia Company divests its stake in MegaFon

**Telia Company has agreed to sell its 19.0 percent holding in MegaFon to Gazprombank. The transaction is in line with Telia Company's strategy to focus on the Nordics and Baltics.**

"Telia Company is one of the founders of MegaFon and we have since the inception actively contributed to its success of becoming a mobile and digital leader in Russia. After recently commencing our exit from MegaFon by placing 6.2 percent of our holding on the open stock market, this divestment now puts an end to Telia Company's ownership in MegaFon in accordance with our strategy to focus on the Nordics and Baltics," says Johan Dennelind, Telia Company's President and CEO.

Telia Company sells its 19.0 percent holding in MegaFon which has been classified as a financial investment, at a price of RUB 514 per share, raising gross proceeds of RUB 60.4 billion (equivalent to approximately SEK 8.6 billion) with pro forma positive effect on net debt to EBITDA by approximately 0.3x. Gazprombank has agreed to a lock-up of six months from the date of the sale, subject to certain exceptions.

Telia Company has conducted due diligence and background checks of the party in this transaction.

Gazprombank is the third largest bank in Russia and is funding the acquisition with cash in immediately available funds and there is no funding or credit commitments from Telia Company or any other party. The European Union and the U.S. have placed several Russian banks, among them Gazprombank, under sectorial sanctions. Gazprombank is subject to EU capital market sanctions and to Russia US Directive 1 Sanctions. The sanctions are prohibiting US and EU companies from financing, directly or indirectly, entities that are subject to the sanctions. This transaction does not involve any financing of Gazprombank or any trade in stock or other securities issued by Gazprombank and the sanctions are therefore not applicable.

BofA Merrill Lynch, CitiGroup and Morgan Stanley have assisted Telia Company in this transaction where CitiGroup has been the leading bank. White & Case and Houthoff have assisted as legal advisors.

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.00 CET on October 31, 2017.

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

### **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 Telia Company.



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We're Telia Company, the New Generation Telco. Our 21,000 talented colleagues serve millions of customers every day in one of the world's most connected regions. With a strong connectivity base, we're the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we're set to change the industry and bring the world even closer for our customers. Read more at <http://www.teliacompany.com/>.