

**Press Release**  
July 14, 2017

## **Telia Company specifies significant items in the Interim Report January-June 2017**

**Ahead of the Interim Report January-June results announcement on July 20, Telia Company specifies significant items that in total will have a negative impact of SEK 1.2 billion on Operating income in continuing operations and a negative impact of SEK 2.0 billion on Net income in discontinued operations in the second quarter of 2017. The cash flow effect is SEK 6.3 billion for continuing operations while there is no cash flow effect within discontinued operation.**

### **Continuing operations**

The divestment of Sergel Group has been completed and resulted in a capital gain of SEK 1.2 billion which is included in operating income in continuing operations. The divestment had a positive cash flow effect of SEK 1.9 billion and reduced net debt by SEK 1.9 billion.

Following the divestment of 7 percent Turkcell shares a capital loss of SEK 1.8 billion has been recognized, where the impact on equity was positive at SEK 1.3 billion. The divestment had a positive cash flow effect of SEK 4.4 billion.

As a result of an assessment performed on IT and network assets a write-down of SEK 0.6 billion, mainly related to plant and machinery and capitalized development expenses, has been recognized within Other operations. The write-down has no cash flow effect.

### **Discontinued operations**

Due to increased regulatory and currency risks in Uzbekistan as well as an updated view of the valuation ranges for Ucell, management's best estimate of the risk adjusted debt free value of Ucell has been reduced from SEK 3.3 billion to SEK 1.3 billion as of June 30, 2017. An impairment loss relating to Ucell of SEK 1.5 billion (after changes in carrying values and foreign exchange rates) impacts net income in discontinued operations in the second quarter of 2017. The impairment has no cash flow effect. Changes in any of the estimated risk adjustments made for Ucell, would have a material impact on the estimated fair value. The most significant impact on fair value will be the buyer's ability to operate in the country and convert local currency.

Telia Company has made a write-down of SEK 0.3 billion of its holding in the associated company TOO Rodnik in Kazakhstan of which Telia Company consolidates 50 percent. Rodnik owns the listed company AO KazTransCom. The asset is no longer deemed having a recoverable value. The write-down does not impact cash flow.

The divestment of Tcell in Tajikistan resulted in a capital loss of SEK 0.2 billion, which is related to cumulative exchange losses reclassified to net income.

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

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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 [www.teliacompany.com](http://www.teliacompany.com).