

Press Release**March 29, 2017****Telia Company issues hybrid bonds of in total around SEK 15 billion**

Telia Company has successfully issued hybrid bonds in three separate tranches in EUR and SEK with a total amount of around SEK 15 billion. The proceeds will mainly be used to refinance senior debt.

The rationale for issuing an additional permanent capital layer is to enable financial flexibility and reinforce the commitment to a solid Investment Grade rating of A- to BBB+.

A tender offer for buying back up to EUR 500 million has also been announced. Telia Company will use the proceeds from the hybrid bonds to refinance existing debt of a total value of EUR 1.25 billion.

“We are very pleased to be the second issuer of hybrid bonds in SEK so far and the first hybrid issuer in EUR this year. This transaction provides balance sheet flexibility to execute on our strategy. It also proves our strong commitment to our credit rating and our financial leverage target and the result demonstrates a clear confidence in our company from the credit market. The orderbook was over-subscribed four times in EUR and also exceptionally strong in SEK. We regard this bonds as attractively priced equity and hence find the coupons reasonable. Overall, we are very pleased with the outcome in size, price and quality of the orderbook in this transaction”, says Christian Luiga, CFO of Telia Company.

The bonds are separated in one EUR 900 million tranche with a maturity of 61 years with the first call date after 6 years, one SEK 5.0 billion floating tranche and one SEK 1.5 billion fixed tranche, both with a maturity of 60.5 years with the first call date after 5.5 years. The coupon is 3 percent in EUR and 3,25 percent in SEK.

The hybrid bonds have been rated two notches below Telia Company’s senior rating, i.e. BBB with negative watch (S&P) and Baa3 (Moody’s). The hybrid bonds will be treated as 50 percent equity and 50 percent debt confirmed by the credit rating agencies. These bonds will be accounted for as interest bearing debt and will be subordinated to Telia Company’s senior debt.

The Structuring Advisor of this transaction has been Citi, the Global Coordinators have been BNP Paribas and SEB and in addition the following Joint Bookrunners were mandated for execution of this transaction Barclays, BOAML, Goldman Sachs and Nordea.

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 March 29, 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.

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/>.