



Press Release
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Tele2 divest Tele2 Hungary to Hungarian Telephone and Cable Corp (“HTCC”)

Stockholm - Tele2 AB, ("Tele2"), (Stockholm Stock Exchange: TEL2 A and TEL2 B), Europe's leading alternative telecom operator, today announced that it has sold its Hungarian fixed telephony operations to HTCC. HTCC will pay in cash approximately MSEK 40 on a debt and cash free basis. Completion is expected following approval from the Hungarian Competition Authorities.

Tele2 has built a strong operation in Hungary. However, in line with its realignment, Tele2 has decided to exit Hungary and continue to concentrate its operations to markets where Tele2 has a stronger position and expectations of higher profitability.

At the end of May 2007, Tele2 Hungary had approximately 490 000 fixed telephony customers. In 2006 Tele2 Hungary had revenues of MSEK 374 and EBITDA of MSEK -31. The transaction will have a positive one time effect on Tele2 of approximately MSEK 20.

Further information can be obtained from:

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Tele2 is Europe's leading alternative telecom operator Tele2's mission is to provide cheap and simple telecoms for everyone in Europe. Tele2 always strives to offer the market's best prices. We have 29 million customers in 22 countries. Tele2 offers fixed and mobile telephony, broadband, data network services and cable TV. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 has been listed on OMX Nordic Exchange since 1996. In 2006 we had operating revenue of SEK 50.3 billion and we reported an operating profit (EBITDA) of SEK 5.7 billion.