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October 25, 2006

TELE2 TO INCREASE DAMAGE CLAIM AGAINST TELEFÓNICA O2 CZECH REPUBLIC FOLLOWING SUPPORTIVE COURT RULING

Stockholm - Tele2 AB, ("Tele2"), (Stockholm Stock Exchange: TEL2 A and TEL2 B), Europe's leading alternative telecoms operator, today announced that it intends to increase its CZK 2.14 billion (approx. EUR 74 million) claim for damages against Telefónica O2 Czech Republic (formerly Cesky Telecom). Tele2 considers its claim further strengthened by the rejection of Telefónica O2's appeal against the decision of the Czech competition authority, which found Telefónica O2's retail pricing to be damaging alternative operators.

Tele2 submitted its claim for damages to the Municipal Court in Prague in February 2005, following its repeated complaints to the Czech competition authority. In November 2005 the Czech competition authority imposed a CZK 205 million (approx. EUR 7.1 million) fine on Telefónica O2, ruling that the pricing of its retail bundles of telephone services with "free" minutes constituted an abuse of its dominant position. The competition authority also concluded that the bundles damaged competing alternative operators, preventing them from attracting residential customers. In view of this and the lack of improvement in the regulatory environment Tele2 decided to sell its Czech operations in early 2006.

At the end of September 2006, the Regional Court in Brno rejected Telefónica O2's appeal against the decision of the competition authority. The Court's ruling confirms Tele2's allegations that Telefónica O2 damaged alternative operators. In light of this, Tele2 intends to increase its claim for damages to also reflect the damages that occurred after it submitted its damages claim to the Court.

Jan Tjernell, Director Legal and Regulatory Affairs of Tele2, commented: "We welcome the Court's ruling and will continue to defend our interests in relation to the Czech market. It is essential that the national enforcement of competition law functions well and that compensation for damages is granted by courts across Europe. We are confident that we will be successful in achieving this in the Czech Republic".

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Visit our web site at www.tele2.com

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 31 million customers in 22 countries. Tele2 offers fixed and mobile telephony, broadband, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies. Tele2 has been listed on Stockholmsbörsen since 1996. In 2005 we had operating revenue of SEK 50 billion and reported a profit (EBITDA) of SEK 6.6 billion.