



FOR IMMEDIATE RELEASE

August 16, 2006

## PRESS RELEASE REGARDING VERSATEL AND TELE2

**Stockholm – Further to the press release of Versatel Telecom International N.V. (“Versatel”) dated 21 April 2006 and the joint announcement by Versatel and Tele2 AB (“Tele2”) of 16 June 2006, Versatel and Tele2 jointly announce that they agreed in principle to combine their Dutch and Belgian operations. It is intended that the combination is effected by means of an acquisition by Versatel of the Dutch and Belgian businesses of Tele2. It is the intention to finance the acquisition by issuing new Versatel shares, whereby all existing shareholders will be entitled to participate, pro rata to their existing shareholdings. It is anticipated that this transaction will be finalized before the end of this year. More details will follow as appropriate.**

In addition, Versatel reiterates that it may require additional capital to fund its existing business plan. Whether additional capital that Versatel may raise will take the form of debt or equity (or a combination) has not been decided.

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*Tele2 is Europe's leading alternative telecom operator. Our mission is to offer cheap and simple telecoms. Tele2 always strives to offer the market's best prices. We have 31 million customers in 22 countries. Tele2 offers products and services in fixed and mobile telephony, broadband and cable TV. Ever since Jan Stenbeck founded Tele2 in 1993, the company has been a tough challenger to the former government monopolies. Tele2 has been listed on the Stockholm Stock Exchange since 1996. In 2005, we reported operating revenue of SEK 50 billion and EBITDA of SEK 6.6 billion.*