



FOR IMMEDIATE RELEASE
Tuesday, August 5, 2003

TELE2 REPORTS CUSTOMER INTAKE OF 1,063,000, WITH REVENUES UP 21% TO MSEK 9,225 AND EBT MORE THAN TRIPLING TO MSEK 567

New York and Stockholm – Tuesday, August 5, 2003 – Tele2 AB (“Tele2”, “the Group”) (Nasdaq Stock Market: TLTOA and TLTOB and Stockholmsbörsen: TEL2A and TEL2B), the leading alternative pan-European telecommunications company, today announced its consolidated results for the second quarter ended June 30, 2003.

- **Number of customers rises by 1,063,000 to 18.7 million**
- **Revenues up 21%, by MSEK 1,602 to MSEK 9,225 compared to Q2 2002***
- **EBITDA MSEK 1,538 compared to MSEK 1,120 in Q2 2002***
- **EBT more than triples to MSEK 567 compared to Q2, 2002***
- **Fixed line EBITDA margin in Continental Europe over 7% while adding 570,000 new customers**
- **Cash flow after investments MSEK 965 compared to MSEK 70 in Q2 2002**
- **Launch of four GSM networks in Russia**

*excl. MSEK 87 Telia court settlement (note 1)

Lars-Johan Jarnheimer, President and CEO of Tele2 AB stated:

“These are again strong results from Tele2. We have had our largest ever organic subscriber intake of over one million customers while again showing faster growth than our competitors, with revenue up 21% in the quarter. In Q2 we achieved record cash flow from operating activities of SEK 1.5 billion and more than tripled pre-tax profits to SEK 0.6 billion. It remains our objective to maintain this balance between customer growth, profitability and cash flow generation.

“The fixed telephony and Internet operations in continental Europe continue to see strong growth, reaching nearly ten million customers in total, and delivering consistent improvements in EBITDA. A key development in the quarter was the introduction of local call by call in Germany in April and the subsequent introduction of local pre-select calling in early July. This combined with the continued strong intake augurs well for Central Europe. In Southern Europe the strong growth of the previous quarters continued, with revenue up 27% and the EBITDA margin now at 11%, which has been reached earlier than planned. In Sweden, Comviq continues to generate EBITDA margins over 50%, which remain amongst the best in Europe. In Russia we have now launched four GSM networks and the development there is encouraging. Our focus continues to be on low customer acquisition cost, churn management and operational cost control.”

FINANCIAL AND OPERATING HIGHLIGHTS

(The figures shown in parenthesis correspond to the comparable periods in 2002 and all negative amounts are distinguished with a minus sign).

Financial highlights for the second quarter

SEK millions	Q2, 2003	Q2, 2002
Operating Revenue	9,225	7,623*
EBITDA (i)	1,538	1,120*
EBIT (ii)	694	336*
EBT (iii)	567	162*

*excl. MSEK 87 Telia court settlement (note 1)

- (i) Operating Profit (loss) before interest, tax, depreciation and amortization
- (ii) Operating Profit (loss) before interest and tax
- (iii) Profit (loss) before tax

Operating highlights for the second quarter ended June 30, 2003

- Tele2 had its largest ever organic intake with 1,063,000 customers added during the quarter. The operations in Central and Southern Europe again showed strong growth with customers up by 357,000 and 249,000 respectively. Also Eastern Europe & Russia showed strong growth with subscribers up by 257,000
- In April local call-by-call was introduced in Germany, followed on July 9 by the introduction of local call pre-select. As a result local pre-select calling is now available in all our operating countries. Tele2 also successfully appealed the introduction of a local call origination surcharge by Deutsche Telekom. The Administrative Court of Cologne was of the opinion that its introduction contravenes certain EU laws and ordered its suspension
- In Russia Tele2 has now launched four GSM networks, Irkutsk, Rostov, St Petersburg and Kemerovo and the early signs of customer demand are encouraging
- In Finland Tele2 announced the acquisition of the remaining shares of Suomen 3G Oy for a price of MSEK 74, which was equivalent to the proportion of the company's cash position acquired by Tele2. Tele2 previously held 27.4% of the company. Suomen 3G Oy already has a network in 9 Finnish cities. In June Tele2 announced an MVNO agreement with Radiolinja Origo, enabling Tele2 to offer GSM mobile services in addition to the fixed line and internet services it already offers
- Tele2 launched its 3G network in Luxembourg at the end of April. This was a soft launch and allows Tele2 to use Luxembourg as a test market for its other 3G operations
- Tele2 is confident that a pragmatic solution will be reached regarding the 3G rollout requirements in Sweden, which currently stipulate coverage of 99.9% of the population by the end of 2003. The effect of an extension would be to substantially reduce short-term capital expenditure requirements for Svenska UMTS-nät AB, Tele2's 50% owned 3G operation.
- PTS, the Swedish regulator determined in a ruling at the end of May that Tele2 would be given Significant Market Power (SMP) status in the Swedish mobile market but importantly that it would not be classified as having SMP in the interconnect market. In a separate ruling on mobile termination charges, the PTS determined that Tele2 would only be allowed to charge what Telia Mobile charges plus 10%. Tele2 will appeal this decision and in the meantime continues to account for these revenues based on what it thinks will be the most likely outcome
- In early July following the successful launch of fixed line services in Brussels in Q1 2003, the rollout of the Tele2 fixed line service throughout the rest of Belgium was announced

OPERATIONAL REVIEW BY MARKET AREA

Nordic

Operating revenue Q2 2003, MSEK 3,372 (3,292*), +2%

EBITDA Q2 2003, MSEK 1,031 (1,117*), -8%

EBIT Q2 2003, MSEK 806 (889*), -9%

The Nordic market area encompasses Tele2 operations in Sweden, Norway, Denmark and Finland, Optimal Telecom and Datametrix.

Sweden

The mobile operations in Sweden reported 3.2 million customers at the end of the quarter, an annualized increase of 18%, and Comviq continues to increase its market share, adding approximately 150,000 customers during the second quarter. EBITDA margins of over 50% in mobile were achieved. Within the Fixed telephony and Internet business area, where DNS services are included, the EBITDA margin declined to 17%. The main reason is increased price pressure within DNS services. In addition to this, an offer to new customers to have half price calling during the first 6 months has had a continued negative short-term effect on the margin but a positive effect on the customer intake. An action plan, mainly for the DNS-area, has been initiated and we believe that the entire business area will again generate margins over 20% during the second half year. Monthly average revenue per mobile customer (ARPU), including both postpaid and prepaid customers, was SEK 178 (194*) in the second quarter and monthly mobile minutes of usage (MOU) were 89 (97**) in the second quarter. Prepaid mobile customers accounted for 75% of the total mobile customer base.

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Tele2 is confident that a pragmatic solution will be reached regarding the 3G rollout requirements in Sweden, which currently stipulate coverage of 99.9% of the population by the end of 2003. The effect of an extension would be to substantially reduce short-term capital expenditure requirements for Svenska UMTS-nät AB, Tele2's 50% owned 3G operation.

* excl. MSEK 87 Telia court settlement (note 1)

** The system used to measure minutes of use has been further improved as from Q1 2003. Previously part of the traffic between two Comviq/Tele2 Mobile subscriptions was accounted for as both incoming and outgoing traffic. This is now measured in one direction only. The comparable figure for 2002 has been adjusted to take account of this change.

Denmark, Norway and Finland

Denmark, Norway and Finland operations are predominantly fixed telephony and Internet. Tele2 is the leading alternative operator in Denmark and Norway.

In Finland during May, Tele2 announced the acquisition of the remaining shares of Suomen 3G Oy for a price of MSEK 74 million, which was equivalent to the proportion of the company's cash position acquired by Tele2. Tele2 previously held 27.4% of the company. Suomen 3G Oy has a UMTS network in 9 Finnish cities. Its license states that it needs to have built 3G coverage in 18 Finnish cities by the end of 2003, however it is possible that these requirements may be deferred.

In June, Tele2 announced an MVNO agreement in Finland with Radiolinja Origo, enabling Tele2 to offer GSM mobile services in addition to the fixed line and internet services it already offers.

In Norway, in an important development, Tele2 has signed an agreement with Telenor for the resale of the fixed fee and is likely to launch this sometime in the fall. Also, Tele2's Norwegian MVNO will be launched in Q3.

Denmark experienced strong customer intake during the period.

Eastern Europe & Russia

Operating revenue Q2 2003, MSEK 712 (588), +21%

EBITDA Q2 2003, MSEK 162 (133), +22%

EBIT Q2 2003, MSEK 44 (37), +19%

The Eastern Europe & Russia market area encompasses Tele2 operations in the Baltics (Lithuania, Latvia and Estonia), in Poland, the Czech Republic and in Russia, and X-Source operations.

The market area experienced a sharp rise in customer intake with 257,000 new subscribers during the second quarter, of which over 70% were mobile customers.

In Russia Tele2 has now launched four GSM networks, Irkutsk and Rostov in April, St Petersburg in June and Kemerovo in July. All the networks have been launched based on the GSM1800 standard, having similar coverage per base station as the GSM900 standard by using a phased array antenna solution from Radio Components. The early signs of customer demand are encouraging and Tele2 views the Russian mobile market as offering great potential.

In the Baltics, Tele2's service offering is developing well. Tele2 is the leading alternative operator in Estonia and Latvia, and the second largest alternative operator in Lithuania. Tele2 continues to study the ongoing regulatory situation in Latvia and Lithuania following the deregulation of the fixed line markets at the beginning of the year and will launch services when the situation is more favorable.

In the Czech Republic the business continues to move ahead and Tele2 intends to introduce pre-selection with local calling during 2003. Tele2 is the leading alternative operator in the Czech Republic.

In Poland, the Customer Premises Equipment (CPE) fixed line services, which Tele2 launched at the beginning of the year, are progressing well, however the regulatory situation is still difficult and Tele2 will accordingly develop the business as appropriate.

Central Europe

Operating revenue Q2 2003, MSEK 1,773 (1,374), +29%

EBITDA Q2 2003, MSEK -6 (-51), of which MSEK 30 (12) +150%, for fixed telephony & Internet.

EBIT Q2 2003, MSEK -53 (-81), of which MSEK -10 (-14) for fixed telephony & Internet.

The Central European market area encompasses Tele2 operations in Germany, the Netherlands, Switzerland and Austria, and a license in Ireland.

Tele2 continued its marketing push in Germany following the introduction of local call by calls at the end of April and pre-select local calling on 9 July. Tele2 expects similar benefits from these services to those it experienced in Southern Europe during 2002; although due to implementation delays from the incumbent in terms of how many pre-select customers can be switched on each day, the full financial impact will not be felt until later in 2003. Tele2 is one of only three alternative operators in Germany to have built out the maximum number of interconnect points which consequently minimises its interconnect payments. The outlook for the German market continues to improve with minutes of use up on the same period last year, churn continuing to fall and unprompted awareness of Tele2 now at 62%. Tele2 is confident that it will reach EBITDA breakeven in the German fixed line business before the year-end.

In an important decision Tele2 also successfully appealed the introduction of a local call origination surcharge of €0.004 by Deutsche Telekom. The Administrative Court of Cologne was of the opinion that its introduction contravenes certain EU laws and ordered its suspension from July 1 2003.

Central Europe showed strong customer growth in the second quarter adding 357,000 customers whilst increasing revenue by 29% compared to the second quarter 2002. Fixed telephony and internet ARPU for the Central Europe market area was SEK 157 (148).

In the Netherlands the Tele2 MVNO continues to see strong growth having the highest net new adds of any operator. Tele2 is continuing with its strategy of converting its fixed line customers to become MVNO customers. Tele2 is the largest alternative operator and the Tele2 brand has 80% recognition across the population.

Tele2 Austria is now the largest alternative operator with brand recognition of some 85% within the population; the low churn achieved reflecting a high level of customer satisfaction. Tele2's MVNO in Austria is performing according to plan.

In Switzerland Tele2 is now the second-largest alternative operator with a broad offering of fixed, mobile, Internet and ADSL services. In early July, Tele2 announced an enhanced ADSL service for its customers providing them faster speeds both upstream and downstream.

Southern Europe

Operating revenue Q2 2003, MSEK 2,561 (2,010), +27%

EBITDA Q2 2003, MSEK 291 (-72)

EBIT Q2 2003, MSEK 269 (-101)

The Southern Europe market area includes Tele2 operations in France, Italy, Spain and Portugal.

Southern Europe has continued to show strong growth, adding 249,000 customers in the second quarter while increasing revenue by 27% compared to the second quarter 2002. EBITDA reached MSEK 291 (-72) in the second quarter with a margin of 11% (-4%). Tele2 achieved an ARPU for Southern Europe for fixed telephony and internet of SEK 160 (148).

In May ADSL was launched in France, based on the unbundling of France Telecom's local loop. Tele2 is still seeking an MVNO agreement in Southern Europe and is optimistic that an agreement can be reached in at least one of the countries within the next 12 months.

Tele2 France continued to grow strongly and confirms its position as the leading alternative operator taking over 60% of those customers who choose to leave the incumbent.

Tele2 Italy is the second alternative operator and continues to show a strong intake in customers and additional services such as the recently launched dial-up Internet service.

In Spain, in combination with sharp revenue growth, there has been a significant improvement in Tele2's gross margin as a result of moderate interconnection reductions and steep declines in leased line tariffs. Consequently, Spain has reached EBITDA breakeven on a monthly basis, within the target three-year period from launch. Tele2 will seek to launch further services in Spain later in the year, making the customer proposition even more attractive.

Tele2 is preparing to launch services from Portugal in the fall of 2003.

Luxembourg

Operating revenue Q2 2003, MSEK 209 (195), +7%

EBITDA Q2 2003, MSEK 44 (32), +38%

EBIT Q2 2003, MSEK 16 (10), +60%

The Luxembourg market area includes Tele2 operations in Luxembourg, Liechtenstein and Belgium, and 3C operations and Transac.

Tango, Tele2's mobile operator in Luxembourg launched its 3G network, which covers 90% of the population and 70% of the territory, at the end of April. This low-key launch allows Tele2 to use Luxembourg as a test market for its other 3G operations.

In early July following the highly successful launch of fixed line services in Brussels during the first quarter 2003, the rollout of the Tele2 fixed line service throughout the rest of Belgium was announced.

Branded Products & Services

Operating revenue Q2 2003, MSEK 598 (164), +265%
EBITDA Q2 2003, MSEK 16 (-39)
EBIT Q2 2003, MSEK 0 (-42)

Branded Products & Services include Tele2 UK, Alpha Telecom in the UK, C³ operations, Everyday operations and IntelliNet operations.

GROUP REVIEW

Investments

In May 2003, Tele2 acquired the remaining shares in (72.6%) of Suomen 3G Oy, a company with a UMTS network in 9 Finnish cities.

Alpha Group was acquired on February 17 2003. The net cash outlay, including expected additional earn out payments, was MSEK 700. Alpha Telecom customers are not included in the total number of customers for the Tele2 Group.

Alpha is the UK's leading operator in prepaid fixed network telephony for individuals and a market leader in cash cards for fixed telephony. Tele2 Alpha Telecom sells about 1.25 million cash cards per month from 60,000 sales outlets in the UK and had sales of SEK 1.9 billion in 2002. The acquisition will directly contribute to Tele2's earnings per share in 2003, even without the expected synergy effects.

The acquisition of Alpha Telecom is a unique opportunity for Tele2 to attain critical mass in the UK and is in line with Tele2's strategy of steadily establishing a presence in the UK market. Alpha is a stable base on which to further develop Tele2's operations in the UK. The objective is to emulate Alpha's successful product concept in other significant markets in Europe, through which Tele2's existing presence will contribute major revenue and cost synergies.

Other long-term holdings of securities

The Balance Sheet for Svenska UMTS-nät AB in Sweden, in which Tele2 has a 50% interest, is stated in note 7.

Parent Company

At the Parent company level, Tele2 reported at June 30, 2003 operating revenue of MSEK 9 (8), EBIT of MSEK -46 (-41) and liquidity MSEK 12 compared to MSEK 10 at December 31, 2002.

COMPANY DISCLOSURE

Third Quarter of 2003 Results

Tele2 will release the financial and operating result for the period ended September 30, 2003, on October 21, 2003.

Stockholm, August 5, 2003

Board of Tele2 AB

REPORT REVIEW

The financial and operating results for the period ended June 30, 2003 have not been subject to specific review by the Company's auditor.

Tele2 AB, formed in 1993, is the leading alternative pan-European telecommunications company offering fixed and mobile telephony, data network and Internet services under the brands Tele2, Tango and Comviq to 18.7 million people in 22 countries. Tele2 operates Datametrix, which specializes in systems integration, 3C Communications, providing integrated credit card processing, web payment solutions and public payphones; Transac, providing billing and transaction processing service; C³, offering co-branded pre-paid calling cards and Optimal Telecom, the price-guaranteed residential router device. The Group offers cable television services and, together with MTG, owns the Internet portal Everyday.com. The Company is listed on the Stockholmsbörsen, under TEL2A and TEL2B, and on the Nasdaq Stock Market under TLTOA and TLTOB.

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Visit us at our homepage: <http://www.Tele2.com>

CONFERENCE CALL DETAILS

A conference call to discuss the results will be held at 16:30 (Swedish time) / 10:30 (New York time), on 5 August, 2003. The dial in number is: +44 (0) 1452 542300 or US: 1866 220 1452 and participants should quote 'Tele2'. Please dial in 5 minutes prior to the start of the conference call to allow time for registration. A recording of the conference call will be available for 7 days after the call on +44 (0)1452 550000 access code 373962#. An audio stream of the conference call can also be accessed on demand from 21.00 CET on 5 August at www.Tele2.com.

APPENDICES

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CONSOLIDATED INCOME STATEMENT (MSEK)

		2003	2002	2002	2003	2002
		Jan 1- June 30	Jan 1- June 30	Full year	Q2	Q2
Operating revenue	Note 1	17,841	15,096	31,282	9,225	7,710
Operating expenses		-16,492	-14,512	-29,740	-8,543	-7,297
Other revenues		45	17	50	25	12
Other expenses		-31	-18	-62	-13	-2
Operating Profit, EBIT	Note 2	1,363	583	1,530	694	423
Share of profit (loss) of associated companies		-2	-20	-41	-1	-9
Sale of associated company		-	-	5	-	-
Net interest and other financial expenses	Note 3	-303	-303	-698	-126	-165
Profit after financial items, EBT		1,058	260	796	567	249
Taxes	Note 4	-607	-550	-574	-293	-299
Minority interest		21	3	1	11	2
Profit (loss) after taxes		472	-287	223	285	-48
Earnings (loss) per share after tax (SEK)		3.20	-1.95	1.51	1.93	-0.33
Earnings (loss) per share after tax, after dilution (SEK)		3.19	-1.94	1.51	1.93	-0.33
Number of shares, basic	Note 5	147,460,175	147,360,175	147,460,175		
Number of shares, weighted average	Note 5	147,460,175	147,360,175	147,360,175		
Number of shares after dilution	Note 5	148,223,175	147,560,175	148,223,175		
Number of shares after dilution, weighted average	Note 5	147,782,309	147,560,175	147,634,293		

CONSOLIDATED BALANCE SHEET (MSEK)

	2003	2002	2002
	June 30	June 30	Dec 31
ASSETS			
Fixed assets			
Intangible assets	24,790	26,226	25,096
Tangible assets	9,315	9,354	9,257
Long-term financial assets	Note 4 1,455	2,150	2,020
	35,560	37,730	36,373
Current assets			
Materials and supplies	415	296	353
Current receivables	8,764	7,351	7,673
Cash and cash equivalents	3,339	2,135	2,473
	12,518	9,782	10,499
Total assets	48,078	47,512	46,872
EQUITY AND LIABILITIES			
Shareholders' Equity			
Restricted equity	24,473	27,037	25,138
Non-restricted equity	4,295	899	3,590
	28,768	27,936	28,728
Minority interest	18	21	22
Provisions			
Shares in associated companies	-	11	28
Other provisions	20	2	-
	20	13	28
Long-term liabilities			
Interest-bearing liabilities	7,367	10,882	7,899
Non-interest-bearing liabilities	-	4	-
	7,367	10,886	7,899
Short-term liabilities			
Interest-bearing liabilities	2,412	559	2,382
Non-interest-bearing liabilities	9,493	8,097	7,813
	11,905	8,656	10,195
Total equity and liabilities	48,078	47,512	46,872

CONSOLIDATED CASH FLOW STATEMENT (MSEK)

	2003	2002	2002	2003	2003	2002	2002	2002	2002
	Jan 1-	Jan 1-	Full	Q2	Q1	Q4	Q3	Q2	Q1
	June 30	June 30	year						
Cash flows from operation	2,678	1,906	4,564	1,360	1,318	1,408	1,250	1,060	846
Change in working capital	196	-40	-199	138	58	-154	-5	27	-67
Cash flows provided by operating activities	2,874	1,866	4,365	1,498	1,376	1,254	1,245	1,087	779
Capital expenditure in intangible and tangible assets	-983	-946	-1,890	-550	-433	-526	-418	-415	-531
Change of long-term receivables	55	-11	-3	45	10	-3	11	-11	-
Sale of companies	-	-	40	-	-	40	-	-	-
Purchase of companies	-817	-615	-667	-111	-706	-46	-6	-591	-24
Liquid funds in purchased companies	208	-	4	83	125	4	-	-	-
Cash flow after investing activities	1,337	294	1,849	965	372	723	832	70	224
Financing activities	-417	-224	-1,398	-680	263	-799	-375	-196	-28
Net change in cash	920	70	451	285	635	-76	457	-126	196
Cash at beginning of period	2,473	2,275	2,275	3,014	2,473	2,600	2,135	2,388	2,275
Exchange difference in cash	-54	-210	-253	40	-94	-51	8	-127	-83
Cash at end of period*	3,339	2,135	2,473	3,339	3,014	2,473	2,600	2,135	2,388
*of which restricted funds	945	892	870	945	986	870	960	892	963

CHANGE OF CONSOLIDATED SHAREHOLDERS' EQUITY (MSEK)

	2003			2002		
	Restricted	Other	Non restricted	Restricted	Other	Non restricted
	Share capital			Share capital		
Equity, January 1	737	24,401	3,590	737	35,741	-6,961
Withdrawal from the share premium service	-	-	-	-	-7,387	7,387
Translation differences and other transfers	-	-665	233	-	-2,054	760
Profit (loss), year-to-date	-	-	472	-	-	-287
Equity, June 30	737	23,736	4,295	737	26,300	899
Total restricted and non-restricted equity		24,473	4,295		27,037	899

NUMBER OF CUSTOMERS (in thousands)

	Number of customers			Net intake					
	2003 June 30	2002 June 30	Change	2003 Q2	2003 Q1	2002 Q4	2002 Q3	2002 Q2	2002 Q1
<u>Nordic</u>									
Mobile telephony	3,487	2,938	19%	182	84	134	149	116	180
Fixed telephony and Internet	2,892	3,317	-13%	8	62	-406	-89	-118	-197
Cable TV	186	192	-3%	-11	-12	13	4	3	189
	6,565	6,447	2%	179	134	-259	64	1	172
<u>Eastern Europe & Russia</u>									
Mobile telephony	1,609	1,071	50%	181	62	191	104	117	101
Fixed telephony and Internet	264	83	218%	75	45	51	10	2	4
Cable TV	65	63	3%	1	-	1	-	-3	-
	1,938	1,217	59%	257	107	243	114	116	105
<u>Central Europe</u>									
Mobile telephony	346	159	118%	36	39	70	42	63	48
Fixed telephony and Internet	3,993	3,264	22%	321	356	59	-7	70	51
	4,339	3,423	27%	357	395	129	35	133	99
<u>Southern Europe</u>									
Fixed telephony and Internet	5,640	4,743	19%	249	262	174	212	212	245
	5,640	4,743	19%	249	262	174	212	212	245
<u>Luxembourg</u>									
Mobile telephony	185	174	6%	3	1	3	4	3	4
Fixed telephony and Internet	70	47	49%	18	11	-5	-1	2	1
	255	221	15%	21	12	-2	3	5	5
Total number of customers	18,737	16,051	17%	1,063	910	285	428	467	626
BY BUSINESS AREA									
Mobile telephony	5,627	4,342	30%	402	186	398	299	299	333
<i>of which prepaid</i>	3,935	2,703	46%	375	197	281	379	193	331
Fixed telephony and Internet	12,859	11,454	12%	671	736	-127	125	168	104
Cable TV	251	255	-2%	-10	-12	14	4	-	189
Total number of customers	18,737	16,051	17%	1,063	910	285	428	467	626

MARKET AREAS SPLIT BY BUSINESS AREAS (MSEK)

OPERATING REVENUE

		2003	2002	2003	2003	2002	2002	2002	2002
		Jan 1- June 30	Jan 1- June 30	Q2	Q1	Q4	Q3	Q2	Q1
<u>Nordic</u>									
Mobile telephony	Note 1	3,548	3,454	1,861	1,687	1,806	1,849	1,784	1,670
Fixed telephony and Internet	Note 8	3,132	3,341	1,575	1,557	1,656	1,560	1,630	1,711
Cable TV	Note 8	101	106	50	51	60	56	53	53
Data processing	Note 8	159	166	81	78	107	69	84	82
Adjustments for sales internal		-390	-290	-195	-195	-161	-213	-172	-118
		6,550	6,777	3,372	3,178	3,468	3,321	3,379	3,398
<u>Eastern Europe & Russia</u>									
Mobile telephony		1,164	968	622	542	549	551	523	445
Fixed telephony and Internet		141	88	77	64	61	49	50	38
Cable TV		13	13	7	6	7	6	7	6
Data processing		44	33	23	21	25	19	19	14
Adjustments for sales internal		-30	-20	-17	-13	-16	-13	-11	-9
		1,332	1,082	712	620	626	612	588	494
<u>Central Europe</u>									
Mobile telephony		170	38	98	72	62	45	22	16
Fixed telephony and Internet		3,559	2,845	1,808	1,751	1,613	1,464	1,438	1,407
Adjustments for sales internal		-273	-161	-133	-140	-129	-88	-86	-75
		3,456	2,722	1,773	1,683	1,546	1,421	1,374	1,348
<u>Southern Europe</u>									
Fixed telephony and Internet		5,167	3,933	2,648	2,519	2,455	2,027	2,065	1,868
Adjustments for sales internal		-156	-135	-87	-69	-97	-78	-55	-80
		5,011	3,798	2,561	2,450	2,358	1,949	2,010	1,788
<u>Luxembourg</u>									
Mobile telephony		277	250	143	134	143	142	130	120
Fixed telephony and Internet		114	102	59	55	59	48	52	50
Cable TV		6	2	3	3	1	-1	1	1
Data processing		55	53	26	29	42	29	28	25
Adjustments for sales internal		-50	-46	-22	-28	-29	-41	-16	-30
		402	361	209	193	216	177	195	166
<u>Branded products & services</u>									
Fixed telephony and Internet		1,203	430	666	537	320	254	210	220
Adjustments for sales internal		-113	-74	-68	-45	-43	-39	-46	-28
		1,090	356	598	492	277	215	164	192
Total operating revenue		17,841	15,096	9,225	8,616	8,491	7,695	7,710	7,386
BY BUSINESS AREA									
Mobile telephony	Note 1	5,159	4,710	2,724	2,435	2,560	2,587	2,459	2,251
Fixed telephony and Internet	Note 8	13,316	10,739	6,833	6,483	6,164	5,402	5,445	5,294
Cable TV	Note 8	120	121	60	60	68	61	61	60
Data processing	Note 8	258	252	130	128	174	117	131	121
Adjustments for sales internal		-1,012	-726	-522	-490	-475	-472	-386	-340
Total operating revenue		17,841	15,096	9,225	8,616	8,491	7,695	7,710	7,386

MARKET AREAS SPLIT BY BUSINESS AREAS (MSEK), continued

		<u>EBITDA</u>		2003	2003	2002	2002	2002	2002
		2003	2002	2003	2003	2002	2002	2002	2002
		Jan 1- June 30	Jan 1- June 30	Q2	Q1	Q4	Q3	Q2	Q1
<u>Nordic</u>									
Mobile telephony	Note 1	1,584	1,727	821	763	894	955	903	824
Fixed telephony and Internet	Note 8	450	561	199	251	350	281	292	269
Cable TV	Note 8	17	8	9	8	11	13	6	2
Data processing	Note 8	2	6	2	-	6	2	3	3
		2,053	2,302	1,031	1,022	1,261	1,251	1,204	1,098
<u>Eastern Europe & Russia</u>									
Mobile telephony		429	287	211	218	131	193	150	137
Fixed telephony and Internet		-90	-27	-52	-38	-32	-17	-16	-11
Cable TV		-1	-	1	-2	-1	-	-	-
Data processing		6	-1	2	4	6	2	-1	-
		344	259	162	182	104	178	133	126
<u>Central Europe</u>									
Mobile telephony		-85	-102	-36	-49	-45	-39	-63	-39
Fixed telephony and Internet		60	24	30	30	65	16	12	12
		-25	-78	-6	-19	20	-23	-51	-27
<u>Southern Europe</u>									
Fixed telephony and Internet		534	-253	291	243	156	-4	-72	-181
		534	-253	291	243	156	-4	-72	-181
<u>Luxembourg</u>									
Mobile telephony		99	64	53	46	44	53	35	29
Fixed telephony and Internet		-17	13	-9	-8	-5	-2	7	6
Cable TV		-3	-14	-1	-2	-7	-8	-5	-9
Data processing		1	-8	1	-	-1	-3	-5	-3
		80	55	44	36	31	40	32	23
<u>Branded products & services</u>									
Fixed telephony and Internet		32	-129	16	16	-23	-20	-39	-90
		32	-129	16	16	-23	-20	-39	-90
Total EBITDA		3,018	2,156	1,538	1,480	1,549	1,422	1,207	949
BY BUSINESS AREA									
Mobile telephony	Note 1	2,027	1,976	1,049	978	1,024	1,162	1,025	951
Fixed telephony and Internet	Note 8	969	189	475	494	511	254	184	5
Cable TV	Note 8	13	-6	9	4	3	5	1	-7
Data processing	Note 8	9	-3	5	4	11	1	-3	-
		3,018	2,156	1,538	1,480	1,549	1,422	1,207	949
EBITDA MARGIN									
Nordic	Note 1	31%	34%	31%	32%	36%	38%	36%	32%
Eastern Europe & Russia		26%	24%	23%	29%	17%	29%	23%	26%
Central Europe		-1%	-3%	0%	-1%	1%	-2%	-4%	-2%
Southern Europe		11%	-7%	11%	10%	7%	0%	-4%	-10%
Luxembourg		20%	15%	21%	19%	14%	23%	16%	14%
Branded products & services		3%	-36%	3%	3%	-8%	-9%	-24%	-47%
Total EBITDA margin		17%	14%	17%	17%	18%	18%	16%	13%

MARKET AREAS SPLIT BY BUSINESS AREAS (MSEK), continued

		<u>EBIT</u>		2003	2003	2002	2002	2002	2002
		2003	2002	2003	2003	2002	2002	2002	2002
		Jan 1- June 30	Jan 1- June 30	Q2	Q1	Q4	Q3	Q2	Q1
<u>Nordic</u>									
Mobile telephony	Note 1-2	1,380	1,537	717	663	393	855	805	732
Fixed telephony and Internet	Note 8	237	322	95	142	226	172	179	143
Cable TV		-14	-23	-6	-8	-5	-4	-9	-14
Data processing	Note 8	-3	2	-	-3	3	1	1	1
		1,600	1,838	806	794	617	1,024	976	862
<u>Eastern Europe & Russia</u>									
Mobile telephony		247	121	104	143	30	121	67	54
Fixed telephony and Internet		-102	-38	-57	-45	-43	-24	-23	-15
Cable TV		-7	-4	-3	-4	-5	-4	-2	-2
Data processing		1	-11	-	1	9	-1	-5	-6
		139	68	44	95	-9	92	37	31
<u>Central Europe</u>									
Mobile telephony		-98	-110	-43	-55	-49	-44	-67	-43
Fixed telephony and Internet		-19	-28	-10	-9	30	-13	-14	-14
		-117	-138	-53	-64	-19	-57	-81	-57
<u>Southern Europe</u>									
Fixed telephony and Internet		476	-312	269	207	123	-41	-101	-211
		476	-312	269	207	123	-41	-101	-211
<u>Luxembourg</u>									
Mobile telephony		64	33	35	29	27	36	19	14
Fixed telephony and Internet		-31	5	-14	-17	-10	-7	3	2
Cable TV		-7	-15	-4	-3	-8	-11	-6	-9
Data processing		-6	-11	-1	-5	-2	-3	-6	-5
		20	12	16	4	7	15	10	2
<u>Branded products & services</u>									
Fixed telephony and Internet		6	-135	-	6	-26	-23	-42	-93
		6	-135	-	6	-26	-23	-42	-93
Group adjustments, depreciation		-761	-750	-388	-373	-378	-378	-376	-374
Total EBIT		1,363	583	694	669	315	632	423	160
BY BUSINESS AREA									
Mobile telephony	Note 1-2	1,593	1,581	813	780	401	968	824	757
Fixed telephony and Internet	Note 8	567	-186	283	284	300	64	2	-188
Cable TV		-28	-42	-13	-15	-18	-19	-17	-25
Data processing	Note 8	-8	-20	-1	-7	10	-3	-10	-10
Group adjustments, depreciation		-761	-750	-388	-373	-378	-378	-376	-374
Total EBIT		1,363	583	694	669	315	632	423	160
EBIT MARGIN									
Nordic	Note 1-2	24%	27%	24%	25%	18%	31%	29%	25%
Eastern Europe & Russia		10%	6%	6%	15%	-1%	15%	6%	6%
Central Europe		-3%	-5%	-3%	-4%	-1%	-4%	-6%	-4%
Southern Europe		9%	-8%	11%	8%	5%	-2%	-5%	-12%
Luxembourg		5%	3%	8%	2%	3%	8%	5%	1%
Branded products & services		1%	-38%	0%	1%	-9%	-11%	-26%	-48%
Total EBIT margin		8%	4%	8%	8%	4%	8%	5%	2%

INVESTMENTS (MSEK)

	2003	2002	2003	2003	2002	2002	2002	2002
	Jan 1-	Jan 1-	Q2	Q1	Q4	Q3	Q2	Q1
	June 30	June 30						
<u>Market areas</u>								
Nordic	257	536	122	135	164	202	243	293
Eastern Europe & Russia	476	226	297	179	227	141	101	125
Central Europe	93	53	58	35	54	28	16	37
Southern Europe	92	81	25	67	35	26	30	51
Luxembourg	65	44	45	20	28	22	22	22
Branded products and services	-	6	3	-3	18	-1	3	3
Investments in intangible and tangible assets	983	946	550	433	526	418	415	531
<u>Additional investments, non-cash transactions:</u>								
Finance lease	-	-	-	-	66	-	-	-
Total, CAPEX	983	946	550	433	592	418	415	531
<u>Business areas</u>								
Mobile telephony	610	455	366	244	308	235	206	249
Fixed telephony and Internet	335	436	165	170	208	150	189	247
Cable TV	21	49	9	12	5	31	21	28
Data processing	17	6	10	7	5	2	-1	7
Investments in intangible and tangible assets	983	946	550	433	526	418	415	531

TELE2 IN SWEDEN (MSEK)

		2003	2002	2003	2003	2002	2002	2002	2002
		Jan 1- June 30	Jan 1- June 30	Q2	Q1	Q4	Q3	Q2	Q1
<u>Operating revenue</u>									
Mobile telephony	Note 1	3,241	3,259	1,697	1,544	1,657	1,695	1,670	1,589
Fixed telephony and Internet	Note 8	1,880	2,024	950	930	988	913	967	1,057
Cable TV	Note 8	92	98	46	46	55	52	49	49
Total Tele2 in Sweden		5,213	5,381	2,693	2,520	2,700	2,660	2,686	2,695
<u>EBITDA</u>									
Mobile telephony	Note 1	1,626	1,812	857	769	880	954	938	874
Fixed telephony and Internet	Note 8	343	439	158	185	219	221	221	218
Cable TV	Note 8	14	9	7	7	11	12	7	2
Total Tele2 in Sweden		1,983	2,260	1,022	961	1,110	1,187	1,166	1,094
<u>EBITDA margin</u>									
Mobile telephony	Note 1	50%	56%	51%	50%	53%	56%	56%	55%
Fixed telephony and Internet		18%	22%	17%	20%	22%	24%	23%	21%
Cable TV	Note 8	15%	9%	15%	15%	20%	23%	14%	4%
Total Tele2 in Sweden		38%	42%	38%	38%	41%	45%	43%	41%
<u>EBIT</u>									
Mobile telephony	Note 1	1,427	1,623	757	670	780	855	842	781
Fixed telephony and Internet		176	257	75	101	131	135	135	122
Cable TV	Note 8	-16	-22	-8	-8	-4	-3	-9	-13
Total Tele2 in Sweden		1,587	1,858	824	763	907	987	968	890
<u>EBIT margin</u>									
Mobile telephony	Note 1	44%	50%	45%	43%	47%	50%	50%	49%
Fixed telephony and Internet		9%	13%	8%	11%	13%	15%	14%	12%
Cable TV	Note 8	-17%	-22%	-17%	-17%	-7%	-6%	-18%	-27%
Total Tele2 in Sweden		30%	35%	31%	30%	34%	37%	36%	33%

FIVE YEAR SUMMARY

	2003	2002	2002	2001	2000	1999
	Jan 1- June 30	Jan 1- June 30				
<u>Income Statement and Balance Sheet (MSEK)</u>						
Operating revenue	17,841	15,096	31,282	25,085	12,440	8,171
EBITDA	3,018	2,156	5,127	1,699	1,820	2,060
EBIT	1,363	583	1,530	-1,356	420	1,152
EBT	1,058	260	796	-1,944	165	4,184
Profit (loss) after taxes	472	-287	223	392	-396	3,768
Shareholders' equity	28,768	27,936	28,728	29,517	26,539	6,659
Shareholders' equity, after dilution	28,910	27,966	28,870	29,547	26,584	6,659
Total assets	48,078	47,512	46,872	49,258	42,397	14,408
Cash flow provided by operating activities	2,874	1,866	4,365	413	883	1,753
Liquidity	2,393	1,352	2,332	1,625	1,304	1,123
Net borrowing	6,370	9,123	7,729	9,286	7,095	4,605
Net borrowing, after dilution	6,228	9,093	7,587	9,256	7,050	4,605
Investments in intangible and tangible assets, CAPEX	983	946	1,956	2,162	1,514	1,165
Investments in shares and long-term receivables	554	626	626	304	20,512	4,051
<u>Key ratio</u>						
Solidity, %	60	59	61	60	63	46
Solidity, after dilution, %	60	59	61	60	63	46
Debt/equity ratio, %	0.22	0.33	0.27	0.31	0.27	0.69
Result before depreciation margin, %	16.9	14.3	16.4	6.8	14.6	25.2
Result after depreciation margin, %	7.6	3.9	4.9	-5.4	3.4	14.1
Return on shareholders' equity, %	1.6	-1.0	0.8	1.4	-2.4	78.6
Return on shareholders' equity, after dilution, %	1.6	-1.0	0.8	1.4	-2.4	78.6
Return on capital employed, %	3.7	1.6	3.9	-3.3	1.9	45.2
Average interest rate, %	5.4	7.0	6.4	6.3	4.8	4.8
Average interest rate, after dilution, %	5.4	7.0	6.4	6.3	4.8	4.8
<u>Value per share (SEK)</u>						
Profit (loss)	3.20	-1.95	1.51	2.70	-3.47	36.28
Profit (loss), after dilution	3.19	-1.94	1.51	2.70	-3.47	36.28
Shareholders' equity	195.09	189.57	194.95	203.56	232.62	64.12
Shareholders' equity, after dilution	195.62	189.52	195.55	203.46	232.74	64.12
Cash flow	19.49	12.66	29.62	2.85	7.74	16.88
Cash flow, after dilution	19.45	12.65	29.56	2.85	7.73	16.88
Dividend	-	-	-	-	-	-
Market value at closing day	297.50	169.00	230.50	378.00	392.00	598.00

NOTES TO THE ACCOUNTS

Accounting principles and definitions

The Interim report has been prepared in accordance with the recommendations RR1:00-RR28 of the Swedish Financial Accounting Standards Council. Tele2 has reported its interim report in accordance with the accounting principles and methods used in the Annual Report and Accounts for the financial year of 2002. Definitions are stated in the Annual Report for 2002.

Note 1 Case against Telia

In the first quarter of 2002, Tele2 won a case in the Administrative Court against Telia regarding payment principles for interconnection. The decision was that Telia is liable for payments regarding traffic transited via their network ("Cascade Accounting") at certain tariffs rates. Telia has decided to ignore the court's ruling. The Administrative Court of Appeal did not grant Telia inhibition in this case and has at June 26, 2003 determined that Telia is liable for payments. The judgement has been appealed to the Supreme Administrative Court.

The effect of the decision is that Telia should pay a total of approximately MSEK 350 to Tele2. As a consequence hereof an amount of approximately MSEK 150 and MSEK 87 is included in operating revenue for mobile telephony in Sweden in the first and second quarter of 2002, respectively. The claim is hereby fully recorded at June 30, 2002.

Note 2 Returned UMTS-licenses in Norway

During Q4 2002, Tele2 Norway returned its UMTS license. Consequently the net book value of capitalized costs was entirely eliminated and MSEK -400 was charged against depreciation in the fourth quarter 2002.

Note 3 Net interest and other financial expenses

The Q4 2002 result is effected by a write-down of MSEK -86 regarding shares in the investment Xsource Corporation. The cost is recorded in item "Net interest and other financial expenses".

Note 4 Taxes

At June 30, 2003 and December 31, 2002 the total deferred tax receivable for the group is MSEK 693 and MSEK 1,246 respectively, and is included in the item "Long-term financial assets".

Note 5 Shares and Convertibles

In October 2000, three Convertible debenture loans were issued at a par value of SEK 1, each with rights to subscribe for 100,000 B-shares in Tele2 AB at a subscription price of SEK 150 per share, and maturing in 2001, 2002 and 2003. Tele2 had convertible debentures with right to subscribe to 100,000 B-shares outstanding at June 30, 2003. Tele2 does also have outstanding warrants, corresponding to 663,000 B-shares, with a subscription price of SEK 191 per share and a subscription period from 2005 to 2006.

Note 6 Number of customers in Denmark

In Denmark the reported number of active customers is from Q4 2002 fully adopted to the definitions within the Group. As a result of this, as a one-time effect, the number of fixed and Internet customers was in Q4 2002 adjusted by -461,000.

Note 7 UMTS-nät AB in Sweden

The balance sheet for Svenska UMTS-nät AB in Sweden at June 30, 2003, in which Tele2 owns 50% of the shares, is set out below.

	<u>MSEK</u>		<u>MSEK</u>
Fixed assets	795	Equity	986
Current receivables	451	Long-term liabilities	275
Cash and bank balances	42	Short-term liabilities	27
Total assets	1,288	Total equity and liabilities	1,288

Contingent liabilities for Tele2 regarding guarantee for the loans of Svenska UMTS-nät AB are MSEK 137 at June 30, 2003

Note 8 Nordic Market Area

Within the Nordic Market Area, parts of the Datamatrix operation were previously reported under fixed telephony and Internet. These are now reported under data processing. Furthermore, parts of ADSL and other broadband services were previously reported under Cable TV. These are now reported under fixed telephony and Internet. The historical numbers in this report have been restated accordingly. This change was made to simplify internal reporting and to improve product categorisation. These changes have had a negative, but not material, impact on revenues and margins in the fixed telephony and Internet operation.