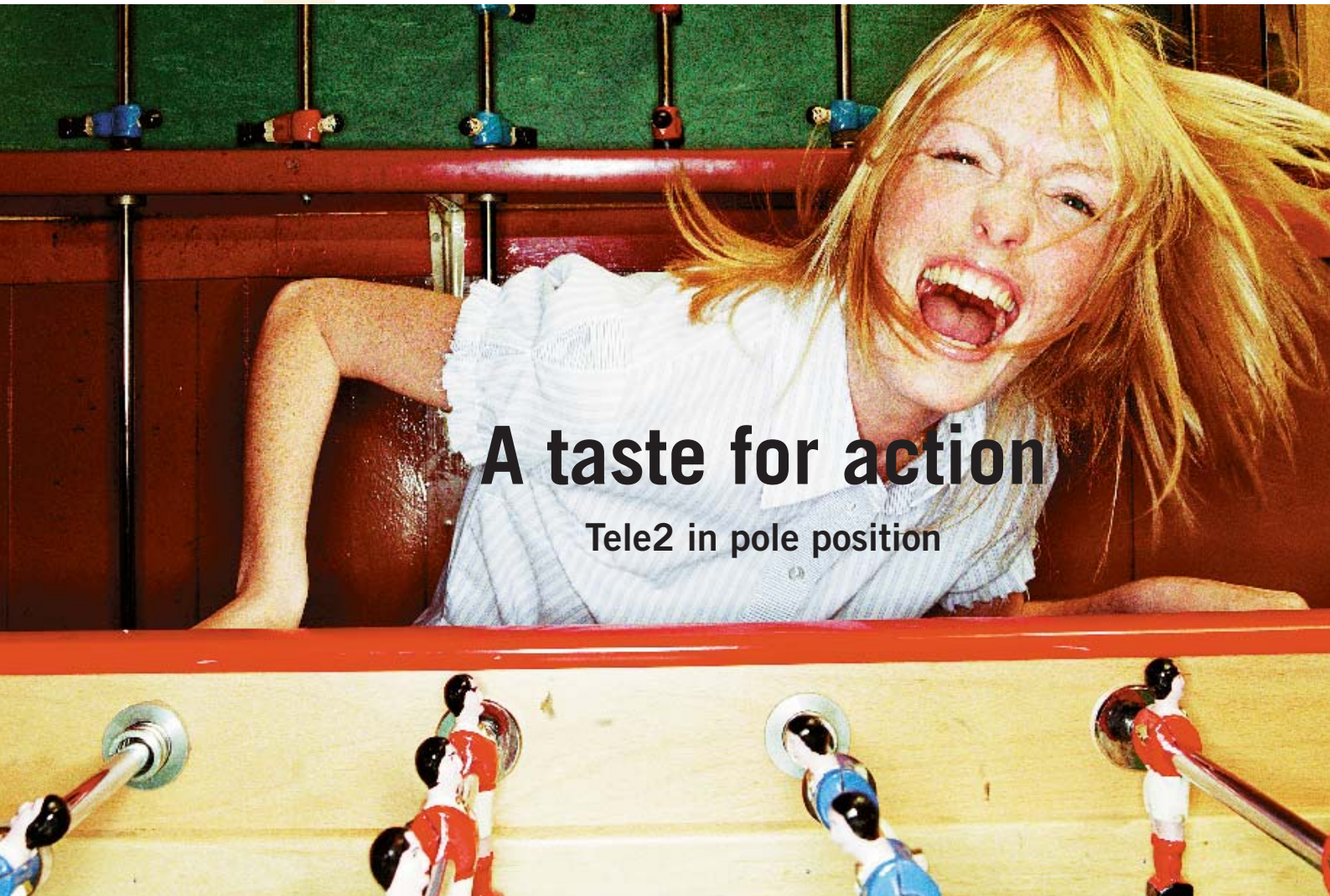


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TELE2

Quarterly Report January – March 2003



A taste for action

Tele2 in pole position

Tele2 reports record cash flow of SEK 1.4bn before investments, with EBT increasing to MSEK 491, while adding 910,000 customers

- 19% increase in revenues, by MSEK 1,380 to MSEK 8,616 compared to Q1 2002*
- Q1 EBITDA increased by MSEK 681 to MSEK 1,480, compared to EBITDA of MSEK 799 in Q1, 2002*
- 7% EBITDA margin for Central and Southern Europe fixed operations, with EBITDA of MSEK 273 compared to MSEK -169 in Q1 2002
- Purchase of Alpha Telecom in the UK for net cash payment of MSEK 700
- 910,000 increase in customers to 17.7 million

**excl. MSEK 150 Telia court settlement (note 1)*

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).

Operating highlights for the quarter to March 31, 2003

- The fixed line operations in Central and Southern Europe showed strong growth in customers up by 356,000 and 262,000 respectively
- Tele2 in Sweden reached 3.1 million mobile customers at March 31. Tele2 grew faster than its two main competitors with a market share of over 50% in terms of new customers acquired. Swedish mobile reported EBITDA of MSEK 769 a rise of MSEK 45 from quarter one, 2002 excluding the MSEK 150 Telia court settlement in 2002. Traditionally quarter one is the slowest quarter for the mobile business and after a stronger first quarter in 2002 the business has returned to its traditional pattern
- Svenska UMTS nät, the Swedish UMTS Network Company jointly owned with Telia completed the SEK 11 billion funding in 2002 to fully build out of the UMTS network in Sweden. However in quarter one, following applications by other 3G operators to the PTS to delay 3G roll-out, Telia and Tele2 have made a similar application
- On January 14, Tele2 Belgium launched fixed line telephony services

- Tele2 acquired Alpha Telecom for a net cash payment of MSEK 700 on 17 February. Alpha Telecom is the leading "pre-paid" service provider in the UK with both a residential and pre-paid cards. The acquisition will positively contribute to Tele2's earnings per share for 2003
- Tele2 is preparing to launch fixed line services in Portugal
- On April 1, 2003 Tele2 launched its first Russian GSM-network in Irkutsk, its first GSM roll-out in Russia

Financial highlights for the quarter to March 31, 2003

SEK millions	Q1 2003	Q1 2002
Operating Revenue	8,616	7,386
EBITDA (i)	1,480	949
EBIT (ii)	669	160
EBT (iii)	491	11

- (i) Operating Profit before depreciation and amortization
(ii) Operating Profit after depreciation and amortization
(iii) Profit after financial items

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

"Tele2 continues to grow faster than its competitors with revenue growth of 19% in the quarter. In Q1 we achieved record cash flow from operating activities of MSEK 1,376 and increased pre-tax profits by more than MSEK 630 to MSEK 491, while adding an impressive 910,000 customers. It is our objective to maintain this balance between customer growth, profitability and cash flow generation.

"The fixed line operations in continental Europe are seeing strong growth, reaching over nine million customers in total, and delivering steady improvements in EBITDA. The 37% revenue growth in Southern Europe has been assisted

by the introduction of local pre-select calling during 2002 and this is encouraging as local pre-select calling is due to be introduced in Germany in July 2003. With a fixed telephony and Internet customer intake of 356,000 in Central during Q1, the prospects for Central in 2003 are good. The EBITDA margins in our Swedish fixed line operations were maintained within our target range at 20% and Tele2's mobile businesses remain best in class. Our focus continues to be on low customer acquisition cost, churn management and operational cost control."

Operational review by market area

Nordic

Operating revenue Q1 2003,

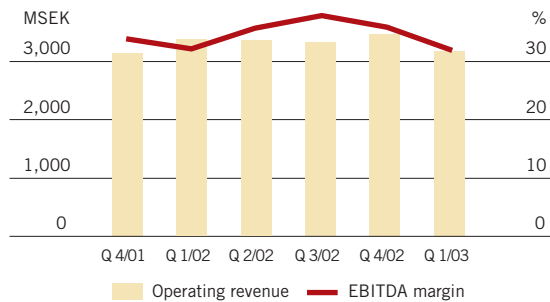
MSEK 3,178 (3,248*), -2%

EBITDA Q1 2003,

MSEK 1,022 (948*), +8%

EBIT Q1 2003,

MSEK 794 (712*), +12%



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

Sweden

The mobile operations in Sweden reported 3.1 million customers at the end of the quarter, an annualized increase of 16%, and Comviq continues to increase its market share of new sales in what is traditionally the quietest period of the year. Despite slight reductions in margins, Tele2 in Sweden was able to maintain EBITDA margins of 20% in fixed line and Internet and of 50% in mobile even after taking account of further interconnection cuts, in terms of what Tele2 books, during the quarter. There was strong customer intake in Sweden and in particular some 53,000 fixed line and Internet customers were added in the first quarter. The fixed line business in Sweden has been affected by a special offer launched for Tele2's 10 years in operation, the offer over the last two quarters means that some 100,000 new customers have had half price calling for six months. Monthly average revenue per mobile customers (ARPU), including both post-paid and prepaid customers, was SEK 168 (182*) in the first quarter and monthly mobile minutes of usage (MOU) were 83 (89**) in the first quarter. Prepaid mobile customers accounted for 74% of the total mobile customer base.

All the 3G operators have now appealed to the regulator to relax the 3G build out requirements. In quarter one, following their competitors' appeals, Tele2 and Telia have requested a delay for build out from the PTS for their joint UMTS company Svenska UMTS nät. Following the submission of a draft telecoms law to Parliament extending the roll-out deadline by some 18 months, PTS has indicated that these changes are likely to give operators until mid-2005, rather than end-2003, to complete 3G infrastructure build-out.

* excl. MSEK 150 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.

During 2002 Tele2 reached agreement for an MVNO for UMTS in Norway with Telenor, in exchange for Telenor's access to Tele2's UMTS network in Sweden and this MVNO is expected to be launched in the first half of 2003.

In Denmark Tele2 has completed the unbundling process and now invoices its customers for the fixed line rental fee. This is an important development, which has substantially reduced churn within the customer base.

Eastern Europe and Russia

Operating revenue Q1, 2003,

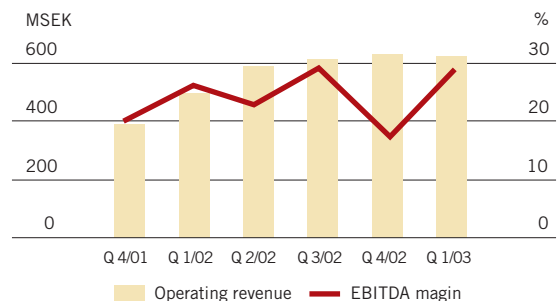
MSEK 620 (494), +26%

EBITDA Q1, 2003,

MSEK 182 (126), +44%

EBIT Q1 2003,

MSEK. 95 (31), +206%



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

In the Baltics, Tele2's service offering continues to see very strong growth in customers, predominantly driven by the mobile operations and in particular the prepaid product. Tele2 is the leading alternative operator in Estonia and Latvia, and the second largest alternative operator in Lithuania. In Latvia and Lithuania fixed line markets were opened to competition during January 2003. Tele2 will watch the developing regulatory situation and only launch fixed services when the situation is more favorable to competition.

In the Czech Republic there was strong intake and Tele2 will introduce pre-selection with local calling during 2003. Tele2 is the leading alternative operator in the Czech Republic.

In Poland, Tele2 launched Customer Premises Equipment (CPE) fixed line services following the deregulation of international calls from 1 January. We expect the regulatory envi-

ronment to improve over time but currently Tele2 is developing this business slowly until the situation improves.

Tele2 launched its first GSM network in Russia in Irkutsk. Tele2 Russia expects to convert a further four networks to GSM by the end of 2003 in order to exploit the high growth and low penetration in Russia.

Central Europe

Operating revenue Q1, 2003,

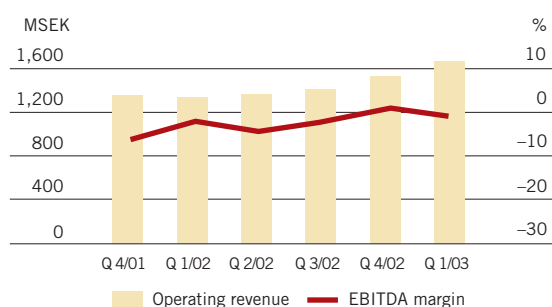
MSEK 1,683 (1,348), +25%

EBITDA Q1, 2003,

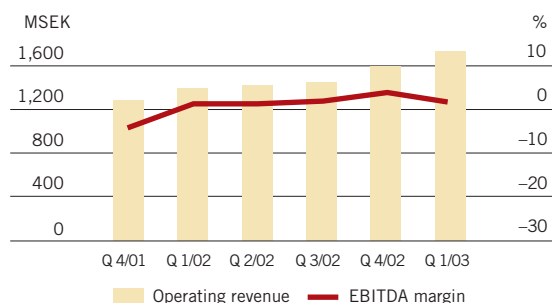
MSEK -19 (-27), of which MSEK 30 (12) +150%, for fixed telephony and Internet.

EBIT Q1 2003,

MSEK -64 (-57), of which MSEK -9 (-14) for fixed telephony and Internet.



Fixed telephony and Internet



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

Central Europe showed strong customer growth in quarter one adding 395,000 customers whilst revenues grew to MSEK 1,683. Fixed line ARPU for the market area was SEK 167 (148).

In Germany Tele2 is the third largest alternative fixed line provider and is one of the fastest growing operators in the country. In 2002 the Tele2 brand recognition increased dramatically and it is now the third most recognized brand in fixed telephony and not far behind second-ranked Arcor. Tele2 has simplified its price structures and had real success in marketing which explains the high customer intake in quarter one. The prospects for the German market are much improved.

Germany is expected to see the same benefits of local pre-select calling introduced in July, 2003 so receiving the benefits that Southern experienced in 2002.

In the Netherlands Tele2 is the largest alternative operator and the Tele2 brand has 80% recognition across the population. The Tele2 MVNO continues to see strong growth and is now the sixth largest mobile operator in the country, having achieved its target of converting 10% of its fixed line customers in the first year of operation. These mobile customers have been acquired at a low cost.

Tele2 Austria is now the largest alternative operator with brand recognition of some 85% of the population; the low churn being achieved reflects a high level of customer satisfaction. Tele2 has successfully launched mobile services in Austria during Q1, 2003.

In Switzerland Tele2 is now the second-largest alternative operator with a broad offering of fixed, mobile, Internet and ADSL services.

Southern Europe

Operating revenue Q1, 2003,

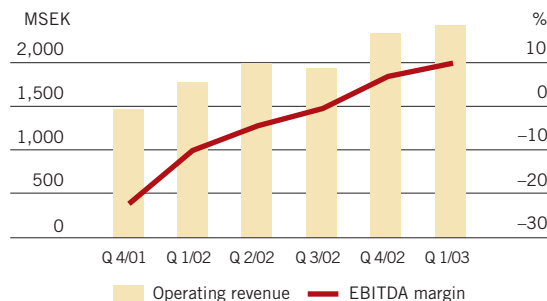
MSEK 2,450 (1,788), +37%

EBITDA Q1, 2003,

MSEK 243 (-181)

EBIT Q1 2003,

MSEK 207 (-211)



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

Southern Europe has continued to show strong growth in customers adding 262,000 in the first quarter. Operating revenue was up 37% and EBITDA was up to 243 (-181) in the first quarter. The strong trend in EBITDA in quarter four continued into the first quarter with MSEK 243 compared to MSEK 156 in quarter four. These results reflect strong results in both Italy and France. Tele2 achieved an ARPU for Southern Europe for fixed line of SEK 160 (141).

Southern Europe has now experienced strong momentum in growth and profitability for two quarters even excluding retroactive interconnect cuts in Italy in quarter one of approximately MSEK 50. Tele2 now offers a complete product portfolio including local, long distance, international and fixed to mobile calls and has recently added internet services. In the second quarter Tele2 is planning to launch ADSL services in France, based on unbundling France Telecom's local loop. Local pre-select calling is now available to all clients in France, Italy and Spain, and this has had a very positive impact on traffic, revenues and churn.

Tele2 France continued to grow strongly and confirms its position as the leading alternative operator. A recent inde-

pendent survey shows that Tele2 has a market share of 13% of all active clients, compared to Cegetel with 6%, 9Telecom at 4% and others 2%.

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, Tele2 introduced local pre-select calling in June, which has increased traffic substantially.

Tele2 is preparing to launch services in Portugal.

Luxembourg

Operating revenue Q1, 2003,

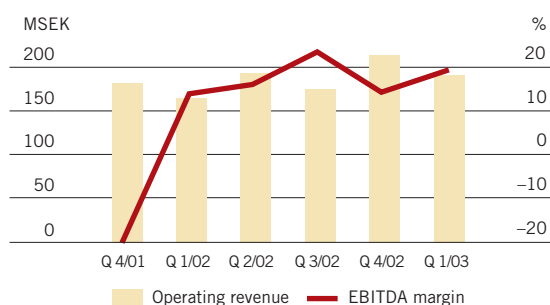
MSEK 193 (166), +16%

EBITDA Q1, 2003,

MSEK 36 (23), +57%

EBIT Q1 2003,

MSEK 4 (2), +100%



The Luxembourg market includes Tele2 operations in Luxembourg, Liechtenstein and Belgium, and 3C operations and Transac. Tele2 is the leading alternative operator in Luxembourg and Liechtenstein.

Tango is the largest mobile provider in Luxembourg. Tele2 was awarded a UMTS license in Luxembourg and Liechtenstein. On 15 January 2003 Tele2 launched fixed line services in Belgium.

Branded Products and Services

Operating revenue Q1, 2003,

MSEK 492 (192), +156%

EBITDA Q1 2003,

MSEK 16 (-90)

EBIT Q1 2003,

MSEK 6 (-93)

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

On 17 February, Tele2 acquired Alpha Telecom, the leading pre-paid service provider in the UK. Alpha Telecom had revenues of 1.9 BSEK for 2002, which were up by 30% compared to 2001. The acquisition price for Alpha Telecom was a net cash payment of MSEK 700, on a debt free basis, resulting in goodwill of approximately MSEK 690. The

acquisition will make a positive contribution to Tele2's earnings per share for 2003. Alpha Telecom is a profitable business with a strong brand and extensive customer base and provides a solid platform to grow Tele2's UK business.

Group review

Investments

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 has sales of SEK 1.9 billion. 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 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, in which Tele2's current 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 presented in note 9.

Parent Company

At the Parent company level, Tele2 reported at March 31, 2003 operating revenue of MSEK 6 (4), EBIT of MSEK -25 (-17) and liquidity MSEK 3 compared to MSEK 10 at December 31, 2002.

Company disclosure

The Annual General Meeting

Tele2's Annual General Meeting will be held at 1.30 pm (CET) on Thursday, May 15, 2003 at Gamla Stans Bryggeri, Tullhus 2, Skeppsbron, Stockholm.

Second Quarter of 2003 Results

Tele2 will release the financial and operating result for the period ended 30 June 2003, on 5, August 2003.

Stockholm, April 23, 2003

Lars-Johan Jarnheimer

President and CEO, Tele2 AB

Report review

The financial and operating results for the period ended March 31, 2003 have not been subject to specific review by the Company's auditor.

Consolidated Income Statement

MSEK	Note	2003	2002	2002
		Jan 1-Mar 31	Jan1-Mar 31	Full year
Operating revenue	1	8,616	7,386	31,282
Operating expenses		-7,949	-7,215	-29,740
Other revenues		20	5	50
Other expenses		-18	-16	-62
Operating Profit, EBIT	2	669	160	1 530
Share of profit (loss) of associated companies		-1	-11	-41
Sale of associated company		—	—	5
Net interest and other financial expenses	3	-177	-138	-698
Profit after financial items, EBT		491	11	796
Taxes	4	-314	-251	-574
Minority interest		10	1	1
Profit (loss) after taxes		187	-239	223
Earnings (loss) per share after tax (SEK)		1.27	-1.62	1.51
Earnings (loss) per share after tax, after dilution (SEK)		1.27	-1.62	1.51
Number of shares, basic	5	147,460,175	147,360,175	147,460,175
Number of shares, weighted average	5	147,460,175	147,360,175	147,360,175
Number of shares after dilution	5	148,223,175	147,560,175	148,223,175
Number of shares after dilution, weighted average	5	147,787,695	147,560,175	147,634,293

Consolidated Cash flow Statement

MSEK	Note	2003	2002	2002	2003	2002	2002	2002	2002	2001
		Jan 1- Mar 31	Jan 1- Mar 31	Full Year	Q1	Q4	Q3	Q2	Q1	Q4
Cash flows from operation		1,318	846	4,564	1,318	1,408	1,250	1,060	846	508
Change in working capital		58	-67	-199	58	-154	-5	27	-67	108
Cash flows provided by operating activities		1,376	779	4,365	1,376	1,254	1,245	1,087	779	616
Capital expenditure in intangible and tangible assets		-433	-531	-1 890	-433	-526	-418	-415	-531	-550
Change of long-term receivables		10	—	-3	10	-3	11	-11	—	—
Sale of companies		—	—	40	—	40	—	—	—	236
Purchase of companies	7	-706	-24	-667	-706	-46	-6	-591	-24	-6
Liquid funds in purchased companies		125	—	4	125	4	—	—	—	889
Cash flow after investing activities		372	224	1,849	372	723	832	70	224	1,185
Financing activities	7	263	-28	-1,398	263	-799	-375	-196	-28	98
Net change in cash		635	196	451	635	-76	457	-126	196	1,283
Cash at beginning of period		2,473	2,275	2,275	2,473	2,600	2,135	2,388	2,275	968
Exchange difference in cash		-94	-83	-253	-94	-51	8	-127	-83	24
Cash at end of period*		3,014	2,388	2,473	3,014	2,473	2,600	2,135	2,388	2,275
* of which restricted funds		986	963	870	986	870	960	892	963	897

Consolidated Balance Sheet

MSEK	Note	2003 Mar 31	2002 Mar 31	2002 Dec 31
ASSETS				
Fixed assets				
Intangible assets		25,534	26,311	25,096
Tangible assets		9,302	9,415	9,257
Long-term financial assets	4	1,754	2,168	2,020
		36,590	37,894	36,373
Current assets				
Materials and supplies		425	355	353
Current receivables		8,135	6,812	7,673
Cash and cash equivalents		3,014	2,388	2,473
		11,574	9,555	10,499
Total assets		48,164	47,449	46,872
EQUITY AND LIABILITIES				
Shareholders' Equity				
Restricted equity		24,935	34,893	25,138
Non-restricted equity		3,955	-6,772	3,590
		28,890	28,121	28,728
Minority interest		20	26	22
Provisions				
Shares in associated companies		28	7	28
Other provisions		21	2	—
		49	9	28
Long-term liabilities				
Interest-bearing liabilities		8,141	11,088	7,899
Non-interest-bearing liabilities		—	5	—
		8,141	11,093	7,899
Short-term liabilities				
Interest-bearing liabilities		2,394	607	2,382
Non-interest-bearing liabilities		8,670	7,593	7,813
		11,064	8,200	10,195
Total equity and liabilities		48,164	47,449	46,872

Change of Consolidated Shareholders' Equity

MSEK	2003			2002		
	Share capital	Restricted Other	Non restricted	Share capital	Restricted Other	Non restricted
Equity, January 1	737	24,401	3,590	737	35,741	-6,961
Translation differences and other transfers	—	-203	178	—	-1,585	428
Profit (loss), year-to-date	—	—	187	—	—	-239
Equity, March 31	737	24,198	3,955	737	34,156	-6,772
Total restricted and non-restrid equity		24,935	3,955		34,893	-6,772

Number of Customers

thousands	Note	Number of customers			Net intake					
		2003 Mar 31	2002 Mar 31	Change	2003 Q1	2002 Q4	2002 Q3	2002 Q2	2002 Q1	2001 Q4
Nordic										
Mobile telephony	8	3,305	2 822	17%	84	134	149	116	180	121
Fixed telephony and Internet	6,8	2,884	3 435	-16%	62	-406	-89	-118	-197	77
Cable TV		197	189	4%	-12	13	4	3	189	—
		6,386	6 446	-1%	134	-259	64	1	172	198
Eastern Europe & Russia										
Mobile telephony		1,428	954	50%	62	191	104	117	101	287
Fixed telephony and Internet		189	81	133%	45	51	10	2	4	69
Cable TV		64	66	-3%	—	1	—	-3	—	66
		1,681	1,101	53%	107	243	114	116	105	422
Central Europe										
Mobile telephony		310	96	223%	39	70	42	63	48	14
Fixed telephony and Internet		3,672	3,194	15%	356	59	-7	70	51	229
		3,982	3,290	21%	395	129	35	133	99	243
Southern Europe										
Fixed telephony and Internet		5,391	4,531	19%	262	174	212	212	245	418
		5,391	4,531	19%	262	174	212	212	245	418
Luxembourg										
Mobile telephony		182	171	6%	1	3	4	3	4	10
Fixed telephony and Internet		52	45	16%	11	-5	-1	2	1	2
		234	216	8%	12	-2	3	5	5	12
Total number of customers		17,674	15,584	13%	910	285	428	467	626	1,293
BY BUSINESS AREA										
Mobile telephony		5,225	4,043	29%	186	398	299	299	333	432
of which prepaid		3,560	2,510	42%	197	281	379	193	331	215
Fixed telephony and Internet		12,188	11,286	8%	736	-127	125	168	104	795
Cable TV		261	255	2%	-12	14	4	-	189	66
Total number of customers		17 674	15 584	13%	910	285	428	467	626	1,293

Market Areas split by Business Areas

MSEK	Note	2003 Jan 1- Mar 31	2002 Jan 1- Mar 31	2003 Q1	2002 Q4	2002 Q3	2002 Q2	2002 Q1	2001 Q4
OPERATING REVENUE									
Nordic									
Mobile telephony	1,8	1,687	1,670	1,687	1,806	1,849	1,784	1,670	1,591
Fixed telephony and Internet	8	1,564	1,736	1,564	1,669	1,576	1,656	1,736	1,607
Cable TV		68	62	68	76	68	64	62	52
Data processing		54	48	54	78	41	47	48	55
Adjustments for sales internal		-195	-118	-195	-161	-213	-172	-118	-160
		3,178	3,398	3,178	3,468	3,321	3,379	3,398	3,145
Eastern Europe & Russia									
Mobile telephony		542	445	542	549	551	523	445	370
Fixed telephony and Internet		64	38	64	61	49	50	38	12
Cable TV		6	6	6	7	6	7	6	—
Data processing		21	14	21	25	19	19	14	18
Adjustments for sales internal		-13	-9	-13	-16	-13	-11	-9	-11
		620	494	620	626	612	588	494	389
Central Europe									
Mobile telephony		72	16	72	62	45	22	16	7
Fixed telephony and Internet		1,751	1,407	1,751	1,613	1,464	1,438	1,407	1,444
Adjustments for sales internal		-140	-75	-140	-129	-88	-86	-75	-79
		1,683	1,348	1,683	1,546	1,421	1,374	1,348	1,372
Southern Europe									
Fixed telephony and Internet		2,519	1,868	2,519	2,455	2,027	2,065	1,868	1,566
Adjustments for sales internal		-69	-80	-69	-97	-78	-55	-80	-84
		2,450	1,788	2,450	2,358	1,949	2,010	1,788	1,482
Luxembourg									
Mobile telephony		134	120	134	143	142	130	120	149
Fixed telephony and Internet		55	50	55	59	48	52	50	46
Cable TV		3	1	3	1	-1	1	1	5
Data processing		29	25	29	42	29	28	25	29
Adjustments for sales internal		-28	-30	-28	-29	-41	-16	-30	-45
		193	166	193	216	177	195	166	184
Branded products & services									
Mobile telephony	8	—	—	—	—	—	—	—	13
Fixed telephony and Internet	8	537	220	537	320	254	210	220	368
Adjustments for sales internal		-45	-28	-45	-43	-39	-46	-28	-27
		492	192	492	277	215	164	192	354
Total operating revenue		8,616	7,386	8,616	8,491	7,695	7,710	7,386	6,926
BY BUSINESS AREA									
Mobile telephony	1	2,435	2,251	2,435	2,560	2,587	2,459	2,251	2,130
Fixed telephony and Internet		6,490	5,319	6,490	6,177	5,418	5,471	5,319	5,043
Cable TV		77	69	77	84	73	72	69	57
Data processing		104	87	104	145	89	94	87	102
Adjustments for sales internal		-490	-340	-490	-475	-472	-386	-340	-406
Total operating revenue		8,616	7,386	8,616	8,491	7,695	7,710	7,386	6,926

Market Areas split by Business Areas

MSEK	Note	2003 Jan 1- Mar 31	2002 Jan 1- Mar 31	2003 Q1	2002 Q4	2002 Q3	2002 Q2	2002 Q1	2001 Q4
EBITDA									
Nordic									
Fixed telephony and Internet	1,8	763	824	763	894	955	903	824	754
Mobile telephony	8	246	269	246	347	279	292	269	303
Cable TV		11	4	11	14	15	8	4	19
Data processing		2	1	2	6	2	1	1	3
		1,022	1,098	1,022	1,261	1,251	1,204	1,098	1,079
Eastern Europe & Russia									
Mobile telephony		218	137	218	131	193	150	137	96
Fixed telephony and Internet		-38	-11	-38	-32	-17	-16	-11	-24
Cable TV		-2	—	-2	-1	—	—	—	—
Data processing		4	—	4	6	2	-1	—	4
		182	126	182	104	178	133	126	76
Central Europe									
Mobile telephony		-49	-39	-49	-45	-39	-63	-39	-23
Fixed telephony and Internet		30	12	30	65	16	12	12	-54
		-19	-27	-19	20	-23	-51	-27	-77
Southern Europe									
Fixed telephony and Internet		243	-181	243	156	-4	-72	-181	-329
		243	-181	243	156	-4	-72	-181	-329
Luxembourg									
Mobile telephony		46	29	46	44	53	35	29	4
Fixed telephony and Internet		-8	6	-8	-5	-2	7	6	-25
Cable TV		-2	-9	-2	-7	-8	-5	-9	-4
Data processing		—	-3	—	-1	-3	-5	-3	-12
		36	23	36	31	40	32	23	-37
Branded products & services									
Mobile telephony	8	—	—	—	—	—	—	—	-15
Fixed telephony and Internet	8	16	-90	16	-23	-20	-39	-90	-64
		16	-90	16	-23	-20	-39	-90	-79
Total EBITDA		1,480	949	1,480	1,549	1,422	1,207	949	633
BY BUSINESS AREA									
Mobile telephony	1	978	951	978	1,024	1,162	1,025	951	816
Cable TV		489	5	489	508	252	184	5	-193
Cable TV		7	-5	7	6	7	3	-5	15
Data processing		6	-2	6	11	1	-5	-2	-5
Total EBITDA		1,480	949	1,480	1,549	1,422	1,207	949	633
EBITDA MARGIN									
Nordic	1,8	32%	32%	32%	36%	38%	36%	32%	34%
Eastern Europe & Russia		29%	26%	29%	17%	29%	23%	26%	20%
Central Europe		-1%	-2%	-1%	1%	-2%	-4%	-2%	-6%
Southern Europe		10%	-10%	10%	7%	0%	-4%	-10%	-22%
Luxembourg		19%	14%	19%	14%	23%	16%	14%	-20%
Branded products & services	8	3%	-47%	3%	-8%	-9%	-24%	-47%	-22%
Total EBITDA margin		17%	13%	17%	18%	18%	16%	13%	9%

Market Areas split by Business Areas

MSEK	Note	2003 Jan 1- Mar 31	2002 Jan 1- Mar 31	2003 Q1	2002 Q4	2002 Q3	2002 Q2	2002 Q1	2001 Q4
EBIT									
Nordic									
Mobile telephony	1, 2, 8	663	732	663	393	855	805	732	663
Fixed telephony and Internet	8	139	144	139	225	172	180	144	179
Cable TV		-8	-14	-8	-5	-4	-9	-14	1
Data processing		—	—	—	4	1	—	—	2
		794	862	794	617	1 024	976	862	845
Eastern Europe & Russia									
Mobile telephony		143	54	143	30	121	67	54	-38
Fixed telephony and Internet		-45	-15	-45	-43	-24	-23	-15	-34
Cable TV		-4	-2	-4	-5	-4	-2	-2	—
Data processing		1	-6	1	9	-1	-5	-6	3
		95	31	95	-9	92	37	31	-69
Central Europe									
Mobile telephony		-55	-43	-55	-49	-44	-67	-43	-26
Fixed telephony and Internet		-9	-14	-9	30	-13	-14	-14	-75
		-64	-57	-64	-19	-57	-81	-57	-101
Southern Europe									
Fixed telephony and Internet		207	-211	207	123	-41	-101	-211	-359
		207	-211	207	123	-41	-101	-211	-359
Luxembourg									
Mobile telephony		29	14	29	27	36	19	14	-13
Fixed telephony and Internet		-17	2	-17	-10	-7	3	2	-43
Cable TV		-3	-9	-3	-8	-11	-6	-9	-5
Data processing		-5	-5	-5	-2	-3	-6	-5	-13
		4	2	4	7	15	10	2	-74
Branded products & services									
Mobile telephony	8	—	—	—	—	—	—	—	-15
Fixed telephony and Internet	8	6	-93	6	-26	-23	-42	-93	-74
		6	-93	6	-26	-23	-42	-93	-89
Group adjustments, depreciation		-373	-374	-373	-378	-378	-376	-374	-378
Total EBIT		669	160	669	315	632	423	160	-225

BY BUSINESS AREA

Mobile telephony	1,2	780	757	780	401	968	824	757	571
Fixed telephony and Internet		281	-187	281	299	64	3	-187	-406
Cable TV		-15	-25	-15	-18	-19	-17	-25	-4
Data processing		-4	-11	-4	11	-3	-11	-11	-8
Group adjustments, depreciation		-373	-374	-373	-378	-378	-376	-374	-378
Total EBIT		669	160	669	315	632	423	160	-225

EBIT MARGIN

Nordic	1, 2, 8	25%	25%	25%	18%	31%	29%	25%	27%
Eastern Europe & Russia		15%	6%	15%	-1%	15%	6%	6%	-18%
Central Europe		-4%	-4%	-4%	-1%	-4%	-6%	-4%	-7%
Southern Europe		8%	-12%	8%	5%	-2%	-5%	-12%	-24%
Luxembourg		2%	1%	2%	3%	8%	5%	1%	-40%
Branded products & services	8	1%	-48%	1%	-9%	-11%	-26%	-48%	-25%
Total EBIT margin		8%	2%	8%	4%	8%	5%	2%	-3%

Investments

MSEK	2003	2002	2003	2002	2002	2002	2002	2001
	Jan 1- Mar 31	Jan 1- Mar 31	Q1	Q4	Q3	Q2	Q1	Q4
Market areas								
Nordic	135	293	135	164	202	243	293	200
Eastern Europe & Russia	179	125	179	227	141	101	125	128
Central Europe	35	37	35	54	28	16	37	6
Southern Europe	67	51	67	35	26	30	51	105
Luxembourg	20	22	20	28	22	22	22	92
Branded products and services	-3	3	-3	18	-1	3	3	19
Investments in intangible and tangible assets	433	531	433	526	418	415	531	550
Additional investments, non-cash transactions:								
Finance lease	—	—	—	66	—	—	—	—
Total, CAPEX	433	531	433	592	418	415	531	550
Business areas								
Mobile telephony	244	249	244	308	235	206	249	166
Fixed telephony and Internet	170	247	170	208	150	189	247	400
Cable TV	12	28	12	5	31	21	28	-25
Data processing	7	7	7	5	2	-1	7	9
Investments in intangible and tangible assets	433	531	433	526	418	415	531	550

Tele2 in Sweden

Optimal Telecom is included from January 1, 2002 (see Note 8).

MSEK	Note	2003	2002	2003	2002	2002	2002	2002	2001
		Jan 1- Mar 31	Jan 1- Mar 31	Q1	Q4	Q3	Q2	Q1	Q4
Operating revenue									
Mobile telephony	1	1,544	1,589	1,544	1,657	1,695	1,670	1,589	1 513
Fixed telephony and Internet		913	1,048	913	972	901	956	1,048	853
Cable TV		63	58	63	71	64	60	58	49
Total Tele2 in Sweden		2,520	2,695	2,520	2,700	2,660	2,686	2,695	2,415
EBITDA									
Mobile telephony	1	769	874	769	880	954	938	874	808
Fixed telephony and Internet		182	216	182	216	219	219	216	220
Cable TV		10	4	10	14	14	9	4	19
Total Tele2 in Sweden		961	1 094	961	1,110	1,187	1,166	1,094	1,047
EBITDA margin									
Mobile telephony	1	50%	55%	50%	53%	56%	56%	55%	53%
Fixed telephony and Internet		20%	21%	20%	22%	24%	23%	21%	26%
Cable TV		16%	7%	16%	20%	22%	15%	7%	39%
Total Tele2 in Sweden		38%	41%	38%	41%	45%	43%	41%	43%
EBIT									
Mobile telephony	1	670	781	670	780	855	842	781	718
Fixed telephony and Internet		101	122	101	131	135	135	122	130
Cable TV		-8	-13	-8	-4	-3	-9	-13	2
Total Tele2 in Sweden		763	890	763	907	987	968	890	850
EBIT margin									
Mobile telephony	1	43%	49%	43%	47%	50%	50%	49%	47%
Fixed telephony and Internet		11%	12%	11%	13%	15%	14%	12%	15%
Cable TV		-13%	-22%	-13%	-6%	-5%	-15%	-22%	4%
Total Tele2 in Sweden		30%	33%	30%	34%	37%	36%	33%	35%

Five Year Summary

MSEK	2003 Jan 1- Mar 31	2002 Jan 1- Mar 31	2002	2001	2000	1999
Income Statement and Balance Sheet (MSEK)						
Operating revenue	8,616	7,386	31,282	25,085	12,440	8,171
EBITDA	1,480	949	5,127	1,699	1,820	2,060
EBIT	669	160	1,530	-1,356	420	1,152
EBT	491	11	796	-1,944	165	4,184
Profit (loss) after taxes	187	-239	223	392	-396	3,768
Shareholders' equity	28,890	28,121	28,728	29,517	26,539	6,659
Shareholders' equity, after dilution	29,032	28,151	28,870	29,547	26,584	6,659
Total assets	48,164	47,449	46,872	49,258	42,397	14,408
Cash flow provided by operating activities	1,376	779	4,365	413	883	1,753
Liquidity	2,656	1,425	2,332	1,625	1,304	1,123
Net borrowing	7,454	9,086	7,729	9,286	7,095	4,605
Net borrowing, after dilution	7,313	9,056	7,587	9,256	7,050	4,605
Investments in intangible and tangible assets, CAPEX	433	531	1,956	2,162	1,514	1,165
Investments in shares and long-term receivables	571	24	626	304	20,512	4,051
Key ratio						
Solidity, %	60	59	61	60	63	46
Solidity, after dilution, %	60	59	61	60	63	46
Debt/equity ratio, %	0.26	0.32	0.27	0.31	0.27	0.69
Result before depreciation margin, %	17.2	12.8	16.4	6.8	14.6	25.2
Result after depreciation margin, %	7.8	2.2	4.9	-5.4	3.4	14.1
Return on shareholders' equity, %	0.6	-0.8	0.8	1.4	-2.4	78.6
Return on shareholders' equity, after dilution, %	0.6	-0.8	0.8	1.4	-2.4	78.6
Return on capital employed, %	1.8	0.5	3.9	-3.3	1.9	45.2
Average interest rate, %	5.9	6.6	6.4	6.3	4.8	4.8
Average interest rate, after dilution, %	5.9	6.6	6.4	6.3	4.8	4.8
Value per share (SEK)						
Profit (loss)	1.27	-1.62	1.51	2.70	-3.47	36.28
Profit (loss), after dilution	1.27	-1.62	1.51	2.70	-3.47	36.28
Shareholders' equity	195.92	190.83	194.95	203.56	232.62	64.12
Shareholders' equity, after dilution	196.44	190.78	195.55	203.46	232.74	64.12
Cash flow	9.33	5.29	29.62	2.85	7.74	16.88
Cash flow, after dilution	9.31	5.28	29.56	2.85	7.73	16.88
Dividend	—	—	—	—	—	—
Market value at closing day	256.50	311.00	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. The Administrative Court of Appeal did not grant Telia inhibition in this case. Telia has decided to ignore the court's ruling. Final judgement is expected in the first half of 2003.

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-licences in Norway

During Q4 2002, Tele2 Norway returned its UMTS licence. 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 March 31, 2003 and December 31, 2002 the total deferred tax receivable for the group is MSEK 971 and MSEK 1,246 respectively, and is included in the item "Long-term financial assets".

Deferred tax receivables from losses carried forward are recognized to the extent that it is estimated that it can be utilized in the near future. Due to the improved results in Continental Europe deferred tax receivables of a total amount of MSEK 576 is recognized in the profit and loss statement in Q4 2002. Total losses carried forward for the Group at December 31 2002 amounted to SEK 19.2 billion, of which SEK 7.9 billion has been utilized for deferred tax accounting and the remaining part, SEK 11.3 billion, is valued to zero.

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 March 31 2003, as well as 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 Non-cash transactions

The purchase of shares in Tele2 AB RussiaTelecom BV (formerly Fora Telecom BV) in Q4 2001 was made by means of an issue of MSEK 849 and the acquisition of shares in Levicom Broadband in Q4 2001 was undertaken through loan financing through the seller in the amount of MSEK 134. These transactions have no cash effect and are not included in the cash flow statement as investments nor as financing.

Note 8 Optimal Telecom moved to market area Nordic

Optimal Telecom is included in market area Nordic from 1 January 2002, having previously being reported in the market area Branded products & services.

Note 9 UMTS-nät AB in Sweden

Contingent liabilities for Tele2 regarding guarantees for the loans of Svenska UMTS-nät were MSEK 25 at March 31, 2003. The balance sheet for Svenska UMTS-nät AB in Sweden at March 31, 2003, in which Tele2 owns 50% of the shares, is set out below.

	MSEK
Fixed assets	664
Current receivables	489
Cash and bank balances	9
Total assets	1,162
Equity	991
Long-term liabilities	50
Short-term liabilities	121
Total equity and liabilities	1,162

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 17.7 million people in 22 countries. Tele2 operates Datamatrix, 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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