



FOR IMMEDIATE RELEASE

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## TELE2 ACQUIRES ALPHA TELECOM

**New York and Stockholm – Monday, February 17, 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 announces the acquisition of Alpha Telcom. Alpha Telecom is the leading “pay as you go” service provider in the UK with pre-paid residential customers as well as being a market leader in pre-paid cards, selling some 1.25 million cards per month in 60,000 outlets across the UK.**

Alpha Telecom had revenues of 1.9 BSEK for 2002, a 30 % increase compared to 2001. The acquisition will give a positive contribution to Tele2’s earnings per share for 2003, excluding the expected synergy effects. The acquisition price is approximately 780 MSEK on a debt free basis.

Alpha was founded in 1996 and has quickly established itself as the brand leader in pre-paid fixed line telephony in the UK. Alpha will benefit from Tele2’s strong market position and will be able extend its offering across all of Tele2’s markets in Europe. Currently Alpha has 60,000 distribution outlets through retails outlets such as WH Smith and John Menzies and Total, Fina and Elf, which can be added to Tele2’s distribution network through its joint venture with the UK Post Office.

Lars-Johan Jarnheimer, CEO of Tele2 said; “The acquisition of Alpha telecom presents an unique opportunity for Tele2 to reach critical mass in the UK market and is in line with our strategy to enter the UK market in stages. Alpha is a profitable business with a strong brand and an extensive customer base, and provides a solid platform to grow our UK business. Our intention is to replicate their successful product concept in other major markets in Europe, and the existing structure of the Tele2 network will ensure large revenue and cost synergies are made in this area. The synergies between the two businesses are very clear and the benefit to Tele2’s earnings are immediate.”

*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 16.8 million people in 21 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 under the Kabelvision brand name 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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