



FOR IMMEDIATE RELEASE  
Wednesday, April 25, 2001

**TELE2 AB ANNOUNCES STRONG GROUP CUSTOMER INTAKE,  
AND SIGNIFICANT IMPROVEMENT IN EBITDA MARGINS IN ALL  
FIXED LINE OPERATIONS, MAKING THE GROUP EBITDA  
POSITIVE IN THE FIRST QUARTER OF 2001**

- 59% Annualized increase in Proforma Operating Revenue
- 140% Annualized increase in Group Operating Revenue
- Group EBITDA Positive for first time since SEC Acquisition, a MSEK 358 improvement Q1/Q4
  - Increasing profitability per subscriber across Continental Europe
  - 14% Annualized increase in EBITDA for Tele2 Sweden
- Tele2's Mobile Operations in Sweden reported 2.2 million subscribers and 53% EBITDA margins
  - 53% Annualized increase in Proforma Subscribers to 12.4 million
- Baltic and Eastern Europe increased EBITDA from MSEK -23 in Q4 to MSEK 59 in Q1

New York and Stockholm – April 25, 2001 – Tele2 AB (formerly NetCom AB, “Tele2”, “the Group”) (Nasdaq Stock Market: TLTO), the leading alternative pan-European telecommunications company, today announced its consolidated results for the first quarter 2001.

**Tele2 Financial Summary**

SEK millions	First Quarter 2001	Fourth Quarter 2000	First Quarter 2000
Operating Revenue	5,619	4,949	2,346
Operating Profit (Loss)			
before depreciation and amortization (i)	2	-356	767

(i) EBITDA

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

*“Tele2 is now the largest pan-European telecoms brand, with more than 12.4 million subscribers covering 21 countries. The strong start to the year reflects the improving profitability of our mobile and fixed telephony operations in the Swedish market and in particular our ability to manage sustained margins of over 50% in our mobile operations. In our operations in Central and Southern Europe, as well as Luxembourg, our subscriber intake has been strong, driving revenue growth, EBITDA losses have been reduced and margins improved. We remain focused on customer acquisition, churn management and cost control and believe that margin improvements will continue to be made across the Group in 2001.”*

## **FINANCIAL AND OPERATING HIGHLIGHTS**

- Tele2's operating revenues were MSEK 5,619 for the three months ended March 31, 2001, an increase of 59% over the MSEK 3,531 reported proforma in the same period last year and Group Operating revenues consolidated increased by 140% over the same period
- The total number of subscribers for the Group at March 31, 2001 was 12.4 million, an increase of 53% proforma over the same period of 2000. Tele2 Sweden's mobile operations marketed under the brand name Comviq reported 2.2 million subscribers
- Nordic operating revenues increased by 18% to MSEK 2,921 and EBITDA increased to MSEK 784
- Tele2 Sweden's operating revenues were MSEK 2,140 for the three months ended March 31, 2001, an increase of 16% over the same period last year. EBITDA increased by 14% to MSEK 835 over the same period, and increasing minutes of usage (MOU) up more than 7%
- EBITDA at the Group level improved from MSEK -356 in the fourth quarter of 2000 to MSEK 2 in the first quarter of 2001, representing a quarterly improvement of MSEK 358
- Tele2 Sweden's mobile telephony business reported stable monthly average revenue per subscriber (ARPU) of SEK 201, inclusive of postpaid and prepaid customers, the later represents 60% of total mobile subscribers
- Tele2's three operating market areas, Central Europe, Southern Europe and Luxembourg, reported the following:
  - Central Europe reported operating revenues of MSEK 1,230 (+84%), Southern Europe MSEK 1,204 (+137%) and Luxembourg MSEK 167 (+42%)
  - EBITDA losses contained and improvement in margins in Q1 increasing profitability per subscriber
  - Strong Q1 ARPU's for Central Europe of SEK 149 compared to SEK 121 for the same period of 2000
  - Strong Q1 ARPU's for Southern Europe of SEK 126 compared to SEK 113 for the same period of 2000
  - Tele2 France reported approximately 2.2 million customers and 50% market share of customers leaving France Telecom
  - Launched fixed telephony services in Spain
- Tele2 has an unrivalled position in UMTS, with license awards in Sweden, Finland, Norway and most recently in Liechtenstein. The UMTS system in Sweden will be constructed in partnership with Telia.
- Effective February 16, 2001, NetCom AB changed its name to Tele2 AB to reflect the pan European strength of its Tele2 brand.

## **FINANCIAL RESULTS**

*(The figures shown in parenthesis correspond to the comparable periods in 2000 and all negative amounts are distinguished with a minus sign).*

*As of January 1, 2001 and thereafter, Tele2 will report results by six market areas*

### **Proforma results for the three months ended March 31, 2001**

**Operating revenue** proforma increased by 59% to MSEK 5,619 (3,531). Group operating revenue was MSEK 5,619 (2,346) an increase of 140%. There has been strong revenue growth in mobile telephony and fixed telephony operations in particular Tele2's operations in the Baltics and Eastern Europe and Central Europe.

Operating revenue for Tele2 Sweden was MSEK 2,140, an increase of 16% with an encouraging 22% increase in mobile telephony in Tele2 Sweden.

**Operating profit before depreciation and amortization (EBITDA)** was MSEK 2 (246).

EBITDA at the Group level improved from MSEK -356 in the fourth quarter of 2000 compared to MSEK 2 in the first quarter of 2001, representing a quarterly improvement of MSEK 358.

Group EBITDA margins improved from -7% in the fourth quarter to 0% in the first quarter of 2001.

EBITDA for Tele2 Sweden was MSEK 835 (731), an annualized increase of 14% and an EBITDA margin of 39% (40%). EBITDA margins for Tele2 Sweden have shown consistent improvements on a quarterly basis during the previous three quarters.

**Operating profit (loss) after depreciation and amortization (EBIT)** was MSEK -707 (-374).

EBIT for Tele2 Sweden was MSEK 645 (562) an increase of 15%.

**Net interest expense and other financial items** totaled MSEK -127 (-37). The average interest rate applied to debt outstanding was 6.2%.

**Profit (loss) after financial items** was MSEK -867 (-412).

**Profit (loss) after tax** was MSEK -1,036 (-554). **Earnings (loss) per share** was SEK -7.15 (-5.34), after dilution.

Tax for the period was MSEK -171 (-143) reflecting tax payable within the Swedish operations. Deferred tax receivables are only recorded for losses carried forward where it is anticipated these will be used in the near future. A cautious valuation has been made for deferred taxes from foreign operations, which as of the three months ended March 31, 2001 were recorded as zero.

**Tele2's total assets** at March 31, 2001 increased by 3% to MSEK 43,523 compared to MSEK 42,345 reported at December 31, 2000.

#### OPERATIONAL REVIEW BY MARKET AREA

	Number of customers		
	March 31,		
	2001	2000 Proforma	%
<b>By Market Area</b>			
Nordic	5,664,000	4,483,000	+26
Baltics and Eastern Europe	357,000	55,000	+549
Central Europe	2,811,000	1,837,000	+53
Southern Europe	3,419,000	1,646,000	+108
Luxembourg	173,000	105,000	+65
<b>TOTAL</b>	<b>12,423,000</b>	<b>8,126,000</b>	<b>+53</b>
<b>By Business Area</b>			
Fixed telephony	8,371,000	5,197,000	+61
Mobile telephony	2,773,000	1,839,000	+51
<i>Whereof Prepaid</i>	<i>1,524,000</i>	<i>1,014,000</i>	<i>+50</i>
Dial up Internet	1,279,000	1,090,000	+17
<b>TOTAL</b>	<b>12,423,000</b>	<b>8,126,000</b>	<b>+53</b>

## **All comparative numbers are proforma**

### **Nordic**

**Operating revenue**, MSEK 2,921 (2,465), +18%

**EBITDA**, MSEK 784 (758), +3%

The Nordic market encompasses operations in Sweden, Norway, Denmark and Finland.

The Nordic market reported revenue growth across all of its core market areas.

Tele2 Sweden is the main component, representing operating revenues of MSEK 2,140, an increase of 16% over the three months ended March 31, 2001. The growth in the number of mobile prepaid and contract subscribers accelerated during the quarter due to Tele2's market position as the price-leading operator. Tele2 Sweden reported 2.2 million subscribers an annualized increase of 28%. Monthly average revenue per subscriber (ARPU), inclusive of postpaid and prepaid customers, remained stable at SEK 201 compared to SEK 209 in the same period in 2000, despite the higher customer intake during the period. Minutes of usage (MOU) increased by 7.4% from 92 to 98 over the same period.

Prepaid mobile customers accounted for 60% of the total mobile subscriber base and 41% of net new subscriber additions in the period.

Fixed telephony customer intake in Sweden was very strong, increasing 32% on an annualized basis to 1.2 million and this was reflected in increased sales and marketing spend which reduced margins.

In January, Tele2 announced a joint venture with Telia to share the cost of developing a UMTS network in Sweden.

Denmark and Norway are predominantly fixed telephony operations, with a growing internet component and reported a total of 941,000 fixed subscribers an increase of 17% over the prior year.

Tele2 Denmark recently became the first mobile virtual network operator (MVNO), allowing the company to offer competitively priced mobile telephony services to its existing customer base. In association with Sonofon, Tele2 will be able to offer prepaid and ultimately post paid contracts without the need to invest in infrastructure. Tele2 will look to replicate MVNO status in other countries of operations where appropriate.

Tele2 in Norway has an agreement with Telenor to lease network capacity enabling Tele2Mobil to offer an equal range of network coverage. Tele2 was the first service provider to offer pre-paid cards in Norway and Tele2Mobil has been operational since the second quarter of 2000.

Tele2 offers pre-paid international telephony services in Finland and plans to launch international, long distance and Internet services to be marketed under the Tele2 brand.

### **Baltics and Eastern Europe**

**Operating revenue**, MSEK 210 (36), +483%

**EBITDA**, MSEK 59 (4)

The Baltic and Eastern Europe market encompasses operations in the Baltics, Poland and the Czech Republic.

The region reported a positive EBITDA in the first quarter of 2001 compared to an EBITDA loss of 23 in the fourth quarter of 2000.

At March 31, 2001, Tele2's operations reported 357,000 gross cellular subscribers, compared to 55,000 subscribers reported in the same period of 2000, 44% of which were prepaid subscribers.

SIA Tele2, is the second largest mobile telecommunications company in Latvia.

### **Central Europe**

**Operating revenue**, MSEK 1,230 (668), +84%

**EBITDA**, MSEK -293 (-245)

The Central European market encompasses Tele2 operations in Germany, the Netherlands, Switzerland, Austria and the United Kingdom and reported a strong first quarter of EBITDA growth compared to the fourth quarter of 2000, reflecting the maturity of certain of the operations and their progress to EBITDA breakeven within the three years from operational launch.

### **Southern Europe**

**Operating revenue**, MSEK 1,204 (507), +137%

**EBITDA**, MSEK -397 (-254)

The Southern Europe market includes Tele2 operations in France, Italy and Spain and a license in Portugal. This region had a strong first quarter in terms of EBITDA margin growth reflecting the improving profitability of Tele2's operations in France and their significant subscriber base.

Tele2 entered the French market in March 1999 and has grown to become the largest private operator with a subscriber base of approximately 2.2 million. Tele2's large customer base gives it a strong foundation to negotiate with mobile network operators to secure MVNO status.

Tele2 is now one of Italy's three leading private fixed line operators.

In February, Tele2 launched fixed telephony services in Spain and the reaction from the market has been very good. Tele2 aims to be the second leading alternative operator by the year-end. The network in Spain is IP based using CISCO switches and the offer is entirely pre-paid.

### **Luxembourg**

**Operating revenue**, MSEK 167 (118), +42%

**EBITDA**, MSEK 10 (1)

The Luxembourg market includes Tele2 operations in Liechtenstein, Luxembourg and Belgium and 3C companies in all countries of operation.

Tele2 offers mobile telephony services in Liechtenstein under the Tango brand and launched fixed telephony services under the Tele2 brand in the second half of 2000. In March, Tele2 was awarded a UMTS license in Liechtenstein.

In Luxembourg, Tango has a 42% market share. In March, Tango launched GPRS in Luxembourg.

### **Branded Products and Services**

**Operating revenue**, MSEK 361 (135), +167%

**EBITDA**, MSEK -161 (-18)

Branded Products and Services includes Optimal Telecom, C<sup>3</sup>, Everyday.com and IntelliNet in all countries of operation. The main revenue generator within this area is Optimal Telecom and C<sup>3</sup>.

## **GROUP REVIEW**

### **Tele2 Sweden**

At March 31, 2001, Tele2 Sweden recorded short term liabilities of MSEK 2,203, however, a refinancing is anticipated during the second quarter of 2001 and hence this sum will not become payable.

## **Associated Companies**

### **Everyday.com**

Tele2 is the leading Internet service provider (ISP) in the Nordic region and Tele2's 1,279,000 Internet subscribers are being offered Everyday.com as their starting page in 11 countries. MTG publishes content on the WWW and has significant experience in the mass media, and marketing and advertising sales through TV channels, radio stations and newspapers. The Everyday.com content offering is growing continuously. The service was launched most recently in Denmark in June.

## **Investments and Divestments**

### **Finland**

Tele2 is the largest shareholder in Suomen Kolmegee OY (3G), which has been granted one of only four nationwide licenses for a third generation mobile telephony network in Finland. The Everyday.com portal and free Internet services have been launched in the capital, Helsinki and expansion will follow throughout the country.

In addition, Tele2 is offering an extremely competitive tariff structure through its pre-paid phone card offering for international and national calls. The cards are distributed through one of the major distribution chains in Finland.

### **Transcom Worldwide SA**

In January, Tele2 divested its 37.45% holding (acquired through the merger with SEC) in the call center company Transcom Worldwide SA (Transcom) to Industriförvaltnings AB Kinnevik (Kinnevik). At its forthcoming AGM, the Board of Kinnevik will propose a dividend of Transcom shares to its shareholders and also a public listing of Transcom. The proceeds due to Tele2 on the sale of its interest in Transcom will be determined by the market price of Transcom's publicly listed equity 60 days after the market quotation day. It is therefore anticipated that a capital gain on disposal will be recorded in the income statement in the third quarter of 2001.

## **Parent Company**

At the Parent company level, Tele2 reported operating revenue of MSEK 2 (2) and EBITDA of MSEK -12 (-16). Liquidity at March 31, 2001 and March 31, 2000 was MSEK 6 and MSEK 7 respectively.

## **COMPANY DISCLOSURE**

### **Annual General Meeting (AGM)**

The AGM will be held at 1.30 pm local time on May 17, 2001 at Gamla Stans Bryggerier, Tullhus 2 in Skeppsbron, Stockholm.

### **Second Quarter of 2001 Results**

The proposed date for the release of Tele2's financial and operating results for the period ended June 30, 2001 is August 6, 2001.

**Stockholm, April 25, 2001  
President and CEO, Tele2 AB**

## **REPORT REVIEW**

The financial and operating results for the period ended March 31, 2001 have not been subject to specific review by the Company's auditor.

*Tele2 AB, (formerly NetCom 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, Comviq and Q-GSM to more than 12 million people in 21 countries. Tele2 operates Datamatrix, which specializes in systems integration, 3C Communications, operating public pay telephones and public Internet services; Transac, providing billing and transaction processing service; C<sup>3</sup>, offering co-branded pre-paid calling cards and IntelliNet 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 TLTO.*

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## **CONFERENCE CALL DETAILS**

A conference call to discuss the results will be held at 14.00 (Swedish time) / 08.00 (New York time), on Wednesday, April 25, 2001. The dial in number is: +44 (0) 20 8240 8244 and participants should quote Tele2 AB. A live audio stream of the conference call can also be accessed at [www.Tele2.com](http://www.Tele2.com). Please dial in / log on 10 minutes prior to the start of the conference call to allow time for registration. An instantaneous recording of the conference call will be available for 48 hours after the call on +44 (0) 20 8288 4459, access code 665 522.

## **APPENDICES**

**Consolidated Income Statement**  
**Consolidated Balance Sheet**  
**Consolidated Cashflow Statement**  
**Consolidated Changes in Shareholders Equity**  
**Market Areas split by Business Areas, Proforma**  
**Market Areas split by Business Areas, non-Proforma**  
**Five Year Summary**  
**Notes to the Accounts**

## CONSOLIDATED INCOME STATEMENT (MSEK)

		2001	2000	2000
		Q1	Q1	Full Year
Operating revenue		5,619	2,346	12,470
Operating expenses		-6,372	-1,899	-12,383
Option to Management	Note 2	-	-	229
Other revenues		61	72	212
Other expenses		-15	-	-87
<b>Operating Profit (loss)</b>		<b>-707</b>	<b>519</b>	<b>441</b>
Share of profit (loss) of associated companies		-33	-1	-44
Net interest and other financial expenses		-127	-51	-211
<b>Profit (loss) after financial items</b>		<b>-867</b>	<b>467</b>	<b>186</b>
Taxes		-171	-143	-567
Minority interest		2	1	-
<b>Profit (loss) after taxes</b>		<b>-1,036</b>	<b>325</b>	<b>-381</b>
<b>Earnings (loss) per share after tax (SEK)</b>		-7.15	3.13	-3.34
<b>Earnings (loss) per share after tax, after dilution (SEK)</b>		-7.15	3.13	-3.34
Number of shares, basic	Note 1	144,798,726	103,850,246	144,798,726
Number of shares, weighted average	Note 1	144,798,726	103,850,246	114,087,366
Number of shares, after dilution	Note 1	145,098,726	103,850,246	145,098,726
Number of shares after dilution, weighted average	Note 1	145,098,726	103,850,246	114,224,866



## CONSOLIDATED BALANCE SHEET (MSEK)

	<b>2001</b>	<b>2000</b>	<b>2000</b>
	<b>March 31</b>	<b>March 31</b>	<b>Dec 31</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	27,942	1,962	27,352
Tangible assets	8,323	6,200	8,031
Long-term financial assets	326	3,612	445
	<b>36,591</b>	<b>11,774</b>	<b>35,828</b>
<b>Current assets</b>			
Materials and supplies	482	41	246
Current receivables	5,579	2,136	4,760
Cash and cash equivalents	871	568	1,511
	<b>6,932</b>	<b>2,745</b>	<b>6,517</b>
<b>Total assets</b>	<b>43,523</b>	<b>14,519</b>	<b>42,345</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Restricted equity	26,745	4,761	25,822
Non-restricted equity	-222	2,271	829
	<b>26,523</b>	<b>7,032</b>	<b>26,651</b>
<b>Minority interest</b>	<b>6</b>	<b>1</b>	<b>8</b>
<b>Provisions</b>			
Deferred tax liabilities	789	203	615
Options issued	-	236	-
	<b>789</b>	<b>439</b>	<b>615</b>
<b>Long-term liabilities</b>			
Interest-bearing liabilities	6,218	4,609	5,590
Non-interest-bearing liabilities	7	14	25
	<b>6,225</b>	<b>4,623</b>	<b>5,615</b>
<b>Short-term liabilities</b>			
Interest-bearing liabilities	2,868	142	3,228
Non-interest-bearing liabilities	7,112	2,282	6,228
	<b>9,980</b>	<b>2,424</b>	<b>9,456</b>
<b>Total equity and liabilities</b>	<b>43,523</b>	<b>14,519</b>	<b>42,345</b>

### CONSOLIDATED CASHFLOW STATEMENT (MSEK)

	<b>2001</b>	<b>2000</b>	<b>2000</b>
	<b>Q1</b>	<b>Q1</b>	<b>Full Year</b>
Cash flow from operations	-131	728	1,595
Changes in working capital	-80	43	-712
Cash flows provided by operating activities	-211	771	883
Investing activities	-588	-288	-770
Financing activities	138	-321	1,121
<b>Net change in cash</b>	<b>-661</b>	<b>162</b>	<b>1,234</b>
Cash at beginning of year	1,511	421	421
Exchange difference in cash	21	-15	-144
Cash at end of period	<b>871</b>	<b>568</b>	<b>1,511</b>

### CHANGE OF CONSOLIDATED SHAREHOLDERS' EQUITY (MSEK)

	March 31, 2001			March 31, 2000		
	Restricted		Non-restricted	Restricted		Non-restricted
	Share capital	Other		Share capital	Other	
Equity, January 1	724	25,098	829	519	4,242	1,996
Translation differences and other transfers	-	923	-15	-	-	-50
Profit for the year	-	-	-1,036	-	-	325
<b>Equity, year-to-date</b>	<b>724</b>	<b>26,021</b>	<b>-222</b>	<b>519</b>	<b>4,242</b>	<b>2,271</b>
Total restricted and retained losses		26,745	-222		4,761	2,271

**MARKET AREAS SPLIT BY BUSINESS AREAS, PROFORMA (MSEK)**

**OPERATING REVENUE**

	<b>2001</b>	<b>2000</b>	<b>Proforma</b>	<b>Proforma</b>	<b>Proforma</b>
	<b>Q1</b>	<b>Q4</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>
			<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
			Note 5	Note 5	Note 5
<b><u>Nordic:</u></b>					
Mobile telephony	1,327	1,344	1,316	1,122	1,048
Fixed telephony and Internet	1,478	1,439	1,265	1,275	1,315
Cable Television	47	55	43	64	28
Data processing	69	56	26	41	74
<b>Total Nordic</b>	<b>2,921</b>	<b>2,894</b>	<b>2,650</b>	<b>2,502</b>	<b>2,465</b>
<b><u>Baltic and Eastern Europe:</u></b>					
Mobile telephony	196	125	38	31	28
Fixed telephony and Internet	3	2	1	1	1
Data processing	11	11	8	8	7
<b>Total Baltic and Eastern Europe</b>	<b>210</b>	<b>138</b>	<b>47</b>	<b>40</b>	<b>36</b>
<b><u>Central Europe:</u></b>					
Mobile telephony	5	4	3	1	-
Fixed telephony and Internet	1,225	1,014	796	622	668
<b>Total Central Europe</b>	<b>1,230</b>	<b>1,018</b>	<b>799</b>	<b>623</b>	<b>668</b>
<b><u>Southern Europe:</u></b>					
Fixed telephony and Internet	1,204	882	632	553	507
<b>Total Southern Europe</b>	<b>1,204</b>	<b>882</b>	<b>632</b>	<b>553</b>	<b>507</b>
<b><u>Luxembourg:</u></b>					
Mobile telephony	100	74	92	83	66
Fixed telephony and Internet	50	50	47	46	38
Data processing	17	37	14	12	14
<b>Total Luxembourg</b>	<b>167</b>	<b>161</b>	<b>153</b>	<b>141</b>	<b>118</b>
<b><u>Branded products and services:</u></b>					
<b>Total Branded products and services</b>	<b>361</b>	<b>198</b>	<b>322</b>	<b>134</b>	<b>135</b>
Adjustments for sales internal	-474	-342	-526	-277	-398
<b>Total operating revenue</b>	<b>5,619</b>	<b>4,949</b>	<b>4,077</b>	<b>3,716</b>	<b>3,531</b>

**MARKET AREAS SPLIT BY BUSINESS AREAS, PROFORMA (MSEK), continued**

**OPERATING PROFIT (LOSS) BEFORE DEPRECIATION & AMORTIZATION, EBITDA**

	2001	2000	Proforma	Proforma	Proforma
	Q1	Q4	2000	2000	2000
			Q3	Q2	Q1
			Note 5	Note 5	Note 5
<u>Nordic:</u>					
Mobile telephony	589	634	581	528	515
Fixed telephony and Internet	188	98	100	249	220
Cable Television	2	19	4	1	2
Data processing	5	23	-1	-30	21
<b>Total Nordic</b>	<b>784</b>	<b>774</b>	<b>684</b>	<b>748</b>	<b>758</b>
<u>Baltic and Eastern Europe:</u>					
Mobile telephony	63	-9	-8	-1	4
Fixed telephony and Internet	-7	-17	-3	-2	-2
Data processing	3	3	2	2	2
<b>Total Baltic and Eastern Europe</b>	<b>59</b>	<b>-23</b>	<b>-9</b>	<b>-1</b>	<b>4</b>
<u>Central Europe:</u>					
Mobile telephony	1	1	-	-	-
Fixed telephony and Internet	-294	-501	-489	-406	-245
<b>Total Central Europe</b>	<b>-293</b>	<b>-500</b>	<b>-489</b>	<b>-406</b>	<b>-245</b>
<u>Southern Europe:</u>					
Fixed telephony and Internet	-397	-331	-459	-232	-254
<b>Total Southern Europe</b>	<b>-397</b>	<b>-331</b>	<b>-459</b>	<b>-232</b>	<b>-254</b>
<u>Luxembourg:</u>					
Mobile telephony	25	6	25	36	21
Fixed telephony and Internet	-4	-98	-33	-43	-18
Data processing	-11	1	-3	-2	-2
<b>Total Luxembourg</b>	<b>10</b>	<b>-91</b>	<b>-11</b>	<b>-9</b>	<b>1</b>
<u>Branded products and services:</u>					
<b>Total Branded products and services</b>	<b>-161</b>	<b>-185</b>	<b>-36</b>	<b>-20</b>	<b>-18</b>
<b>Total EBITDA</b>	<b>2</b>	<b>-356</b>	<b>-320</b>	<b>80</b>	<b>246</b>
 <u>EBITDA-Margin</u>					
Nordic	27%	27%	26%	30%	31%
Baltic and Eastern Europe	28%	-17%	-19%	-3%	11%
Central Europe	-24%	-49%	-61%	-65%	-37%
Southern Europe	-33%	-38%	-73%	-42%	-50%
Luxembourg	6%	-57%	-7%	-6%	1%
Branded products and services	-45%	-93%	-11%	-15%	-13%
<b>Total EBITDA margin</b>	<b>0%</b>	<b>-7%</b>	<b>-8%</b>	<b>2%</b>	<b>7%</b>

**MARKET AREAS SPLIT BY BUSINESS AREAS, NON-PROFORMA (MSEK)**

<b><u>OPERATING REVENUE</u></b>	<b>2001</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>1999</b>
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<b><u>Nordic:</u></b>						
Mobile telephony	1,327	1,344	1,316	1,122	1,048	1,048
Fixed telephony and Internet	1,478	1,439	1,265	1,275	1,315	1,290
Cable Television	47	55	43	64	28	32
Data processing	69	56	26	41	74	47
<b>Total Nordic</b>	<b>2,921</b>	<b>2,894</b>	<b>2,650</b>	<b>2,502</b>	<b>2,465</b>	<b>2,417</b>
<b><u>Baltic and Eastern Europe:</u></b>						
Mobile telephony	196	125	38	31	28	34
Fixed telephony and Internet	3	2	1	1	1	2
Data processing	11	11	8	8	7	6
<b>Total Baltic and Eastern Europe</b>	<b>210</b>	<b>138</b>	<b>47</b>	<b>40</b>	<b>36</b>	<b>42</b>
<b><u>Central Europe:</u></b>						
Mobile telephony	5	4	-	-	-	-
Fixed telephony and Internet	1,225	1,014	-	-	-	-
<b>Total Central Europe</b>	<b>1,230</b>	<b>1,018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Southern Europe:</u></b>						
Fixed telephony and Internet	1,204	882	-	-	-	-
<b>Total Southern Europe</b>	<b>1,204</b>	<b>882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Luxembourg:</u></b>						
Mobile telephony	100	74	-	-	-	-
Fixed telephony and Internet	50	50	-	-	-	-
Data processing	17	37	-	-	-	-
<b>Total Luxembourg</b>	<b>167</b>	<b>161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Branded products and services:</u></b>						
<b>Total Branded products and services</b>	<b>361</b>	<b>198</b>	<b>99</b>	<b>99</b>	<b>100</b>	<b>70</b>
Adjustments for sales internal	-474	-342	-142	-120	-255	-167
<b>Total operating revenue</b>	<b>5,619</b>	<b>4,949</b>	<b>2,654</b>	<b>2,521</b>	<b>2,346</b>	<b>2,362</b>

**MARKET AREAS SPLIT BY BUSINESS AREAS, NON- PROFORMA(MSEK), continued**

**OPERATING PROFIT (LOSS) BEFORE DEPRECIATION & AMORTIZATION, EBITDA**

	2001 Q1	2000 Q4	2000 Q3	2000 Q2	2000 Q1	1999 Q4
<u>Nordic:</u>						
Mobile telephony	589	634	581	528	515	414
Fixed telephony and Internet	188	98	100	249	220	128
Cable Television	2	19	4	1	2	5
Data processing	5	23	-1	-30	21	8
<b>Total Nordic</b>	<b>784</b>	<b>774</b>	<b>684</b>	<b>748</b>	<b>758</b>	<b>555</b>
<u>Baltic and Eastern Europe:</u>						
Mobile telephony	63	-9	-8	-1	4	-7
Fixed telephony and Internet	-7	-17	-3	-2	-2	-5
Data processing	3	3	2	2	2	2
<b>Total Baltic and Eastern Europe</b>	<b>59</b>	<b>-23</b>	<b>-9</b>	<b>-1</b>	<b>4</b>	<b>-10</b>
<u>Central Europe:</u>						
Mobile telephony	1	1	-	-	-	-
Fixed telephony and Internet	-294	-501	-	-	-	-
<b>Total Central Europe</b>	<b>-293</b>	<b>-500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Southern Europe:</u>						
Fixed telephony and Internet	-397	-331	-	-	-	-
<b>Total Southern Europe</b>	<b>-397</b>	<b>-331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Luxembourg:</u>						
Mobile telephony	25	6	-	-	-	-
Fixed telephony and Internet	-4	-98	-	-	-	-
Data processing	-11	1	-	-	-	-
<b>Total Luxembourg</b>	<b>10</b>	<b>-91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Branded products and services:</u>						
<b>Total Branded products and services</b>	<b>-161</b>	<b>-185</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>-5</b>
<b>Total EBITDA</b>	<b>2</b>	<b>-356</b>	<b>676</b>	<b>754</b>	<b>767</b>	<b>540</b>

**EBITDA-Margin**

Nordic	27%	27%	26%	30%	31%	23%
Baltic and Eastern Europe	28%	-17%	-19%	-3%	11%	-24%
Central Europe	-24%	-49%	-	-	-	-
Southern Europe	-33%	-38%	-	-	-	-
Luxembourg	6%	-57%	-	-	-	-
Branded products and services	-45%	-93%	1%	7%	5%	-7%
<b>Total EBITDA margin</b>	<b>0%</b>	<b>-7%</b>	<b>25%</b>	<b>30%</b>	<b>33%</b>	<b>23%</b>

**MARKET AREAS SPLIT BY BUSINESS AREAS, NON- PROFORMA (MSEK), continued**

**OPERATING PROFIT (LOSS) AFTER DEPRECIATION & AMORTIZATION, EBIT**

	<b>2001</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>1999</b>
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<u>Nordic:</u>						
Mobile telephony	500	553	507	465	446	343
Fixed telephony and Internet	74	-52	-15	127	106	21
Cable Television	-15	2	-10	-16	-13	-9
Data processing	4	23	-3	-34	13	-1
<b>Total Nordic</b>	<b>563</b>	<b>526</b>	<b>479</b>	<b>542</b>	<b>552</b>	<b>354</b>
<u>Baltic and Eastern Europe:</u>						
Mobile telephony	29	-30	-18	-10	-3	-20
Fixed telephony and Internet	-8	-18	-4	-6	-2	-4
Data processing	-2	3	1	-	-1	3
<b>Total Baltic and Eastern Europe</b>	<b>19</b>	<b>-45</b>	<b>-21</b>	<b>-16</b>	<b>-6</b>	<b>-21</b>
<u>Central Europe:</u>						
Mobile telephony	1	-	-	-	-	-
Fixed telephony and Internet	-320	-511	-	-	-	-
<b>Total Central Europe</b>	<b>-319</b>	<b>-511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Southern Europe:</u>						
Fixed telephony and Internet	-413	-336	-	-	-	-
<b>Total Southern Europe</b>	<b>-413</b>	<b>-336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Luxembourg:</u>						
Mobile telephony	11	-8	-	-	-	-
Fixed telephony and Internet	-14	-103	-	-	-	-
Data processing	-12	1	-	-	-	-
<b>Total Luxembourg</b>	<b>-15</b>	<b>-110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Branded products and services:</u>						
Total Branded products and services:	<b>-169</b>	<b>-193</b>	<b>-4</b>	<b>5</b>	<b>2</b>	<b>-8</b>
Group adjustments, depreciation	-373	-337	-29	-28	-29	-32
<b>Total EBIT</b>	<b>-707</b>	<b>-1,006</b>	<b>425</b>	<b>503</b>	<b>519</b>	<b>293</b>

**MARKET AREAS SPLIT BY BUSINESS AREAS, NON-PROFORMA (MSEK), continued**

**INVESTMENTS**

	<b>2001</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>1999</b>
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<b><u>Market areas:</u></b>						
Nordic	329	482	285	240	259	215
Baltic and Eastern Europe	67	89	54	16	15	22
Central Europe	22	13	4	2	-	-
Southern Europe	96	11	-	-	-	-
Luxembourg	8	8	-	-	-	-
Branded products and services	15	20	11	7	2	6
	<b>537</b>	<b>623</b>	<b>354</b>	<b>265</b>	<b>276</b>	<b>243</b>
Change of long-term receivables	51	32	22	29	12	5
Purchase of companies (net) <span style="float: right;">Note 4</span>	-	-842	-1	-	-	37
<b>Total investments</b>	<b>588</b>	<b>-187</b>	<b>375</b>	<b>294</b>	<b>288</b>	<b>285</b>

**Business areas:**

Mobile telephony	212	359	170	117	127	111
Fixed telephony and Internet	280	234	167	133	124	105
Cable Television	38	13	13	8	6	6
Data processing	7	17	4	7	19	21
	<b>537</b>	<b>623</b>	<b>354</b>	<b>265</b>	<b>276</b>	<b>243</b>
Change of long-term receivables	51	32	22	29	12	5
Purchase of companies (net)	-	-842	-1	-	-	37
<b>Total investments</b>	<b>588</b>	<b>-187</b>	<b>375</b>	<b>294</b>	<b>288</b>	<b>285</b>

**TELE2 SVERIGE AB, SWEDEN**

	<b>2001</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>1999</b>
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<b><u>Operating revenue:</u></b>						
Mobile telephony	1,275	1,333	1,311	1,117	1,046	1,048
Fixed telephony and Internet	822	815	695	735	768	776
Cable Television	43	52	39	61	25	29
<b>Total Tele2 Sweden</b>	<b>2,140</b>	<b>2,200</b>	<b>2,045</b>	<b>1,913</b>	<b>1,839</b>	<b>1,853</b>

**Operating profit before depreciation and amortization, EBITDA:**

Mobile telephony	680	686	594	418	523	496
Fixed telephony and Internet	153	116	80	99	204	198
Cable Television	2	21	5	-1	4	4
<b>Total Tele2 Sweden</b>	<b>835</b>	<b>823</b>	<b>679</b>	<b>516</b>	<b>731</b>	<b>698</b>

**EBITDA-Margin:**

Mobile telephony	53%	51%	45%	37%	50%	47%
Fixed telephony and Internet	19%	14%	12%	13%	27%	26%
Cable Television	5%	40%	13%	-2%	16%	14%
<b>Total Tele2 Sweden</b>	<b>39%</b>	<b>37%</b>	<b>33%</b>	<b>27%</b>	<b>40%</b>	<b>38%</b>

**Operating profit after depreciation and amortization, EBIT:**

Mobile telephony	593	608	518	354	455	426
Fixed telephony and Internet	67	23	-11	6	118	119
Cable Television	-15	5	-10	-17	-11	-10
<b>Total Tele2 Sweden</b>	<b>645</b>	<b>636</b>	<b>497</b>	<b>343</b>	<b>562</b>	<b>535</b>



## FIVE YEAR SUMMARY

	2001 Q1	2000 Q1	2000	1999	1998	1997
<b><u>Income Statement and Balance Sheet (MSEK)</u></b>						
Operating revenue	5,619	2,346	12,470	8,175	5,957	4,030
Operating profit before depreciation	2	767	1,841	2,062	1,192	1,026
Operating profit after depreciation	-707	519	441	1,154	533	507
Profit/loss after financial items	-867	467	186	4,186	246	78
Profit after taxes	-1,036	325	-381	3,769	73	130
Shareholders' equity	26,523	7,032	26,651	6,756	3,022	2,903
Shareholders' equity, after dilution	26,568	7,032	26,696	6,756	3,022	2,940
Total assets	43,523	14,519	42,345	14,401	9,958	8,435
Cash flow provided by operating activities	-211	771	883	1,753	971	441
Liquidity	945	1,471	1,304	1,123	821	1,499
Net borrowing	7,961	4,110	7,095	4,605	4,600	3,579
Net borrowing, after dilution	7,916	4,110	7,095	4,605	4,600	3,542
Investments including financial lease	560	288	774	1,475	1,941	1,147
<b><u>Key ratios</u></b>						
Solidity, %	61%	48%	63%	47%	30%	34%
Solidity, after dilution, %	61%	48%	63%	47%	30%	35%
Debt/equity ratio	0.30	0.59	0.27	0.68	1.52	1.23
Result before depreciation margin, %	0.0%	32.7%	14.8%	25.2%	20.0%	25.5%
Result after depreciation margin, %	-12.6%	22.1%	3.5%	14.1%	8.9%	12.6%
Return on shareholders' equity, %	-3.9%	4.7%	-2.3%	77.1%	2.5%	6.9%
Return on shareholders' equity, after dilution, %	-3.9%	4.7%	-2.3%	77.1%	2.5%	6.4%
Return on capital employed, %	-2.0%	4.4%	1.9%	44.8%	7.1%	6.8%
Average interest rate, %	6.2%	4.6%	4.8%	4.8%	6.6%	7.1%
Average interest rate, after dilution, %	6.2%	4.6%	4.8%	4.8%	6.6%	7.1%
<b><u>Value per share (SEK)</u></b>						
Profit/loss	-7.15	3.13	-3.34	36.29	0.71	1.32
Profit/loss, after dilution	-7.15	3.13	-3.34	36.29	0.70	1.36
Shareholders' equity	183.17	67.71	233.60	65.06	29.17	29.60
Shareholders' equity, after dilution	183.10	67.71	233.72	65.06	29.10	28.42
Cash flow	-1.46	7.42	7.74	16.88	9.38	4.50
Cash flow, after dilution	-1.45	7.42	7.73	16.88	9.35	4.26
Dividend	-	-	-	-	-	-
Market value at closing day	320.00	745.00	392.00	598.00	330.00	170.50
P/E-ratio	-11.19	59.27	-117.33	16.48	467.07	128.82
P/E-ratio, after dilution	-11.21	59.27	-117.47	16.48	468.21	125.61

## NOTES TO THE ACCOUNTS

### **Accounting principals and definitions**

In 2001, Tele2 modified its accounting principles to conform to the following recommendation of the Swedish Financial Accounting Standards Council: RR18-Result per share and RR20-Interim Financial Statement. The new recommendations have no essential effect on the Financial Statements for Tele2. Tele2 follows recommendation RR1:00 - RR18 and RR20. In all other cases 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 2000.

For definitions, please refer to the 2000 Annual Report and Accounts.

### **Note 1 Shares and Convertibles**

At the AGM in May 2000 the AGM permitted the board to settle the option obligation through new issue. In October 2000, three Convertible debt issues were made with option rights to subscribe to new shares of 100 000 Class B Tele2 shares during each of the years 2001, 2002 and 2003.

### **Note 2 Option to Management**

EBITDA in the second quarter of 2000 includes a fully reversed option cost of MSEK 229 following a decision by the Board to resolve the obligation through new issue, of which MEK 28 is shown as fixed telephony in Tele2 Sverige AB, Sweden.

### **Note 3 Loan Facilities**

As a result of the acquisition of SEC by Tele2 AB, the new Groups loan facilities will be refinanced during Spring 2001.

### **Note 4 Investments**

Tele2 AB Group has in addition to the shown investments with a cash-effect purchased shares in SEC through a new issue totaling MSEK 19,772, of which only cash in purchased companies is stated as investments in the cashflow statement amounting to MSEK -3 008.

### **Note 5 Proforma, purchase of SEC**

Proforma financial information gives effect to the acquisition by Tele2 AB of Société Européenne de Communication SA (SEC) in a transaction accounted for as a purchase made as at January 1, 1999. The proforma is based on an issue of 40,748,480 Tele2 AB-shares. Goodwill arising from the purchase has an effect on the income statement of MSEK 1,158 on an annual basis, as a result of a 20-year depreciation period. No material difference occurs between the companies accounting principles. Both Tele2 AB and SEC have during 1999 and 2000 recorded the disposal of shares in the Norwegian company Netcom ASA in the accounts. The proforma is calculated as if the new group sold the whole investment in Netcom ASA by the 1st of January 1999. The received payment has been discounted applying an annualized interest rate of approximately 4.8%, with an effect on the financial items in the Income statement for each proforma-period.

Proforma figures for SEC are from January 1, 1999 to September 30, 2000.