Q1 2007
FINANCIAL REPORT

Lars-Johan Jarnheimer
President and CEO
Mobile revenues in Q1 2007 increased by 29 percent to SEK 5.2 billion

Strong broadband intake during Q1 2007, adding a total of 254,000 new broadband customers

Fixed telephony EBITDA margin improved to 14 percent in Q1 2007
UP DATE ON THE CURRENT STRATEGIC REVIEW

• We will see result of the current strategic review in the second quarter
• The first transaction is likely in the next couple of weeks
• The transaction between Tele2 and SFR will receive a preliminary indication from the EU competition authorities in May
• There is now a firm action plan for the MVNO businesses
CONTINUED SHIFT TOWARDS INFRASTRUCTURE BASED SERVICES

Sales - Q1 2007

Sales - Q1 2006

- Mobile
- Broadband (resale & direct access)
- Fixed telephony resale
EBITDA CONTRIBUTION WILL FOLLOW

EBITDA contribution per segment

<table>
<thead>
<tr>
<th></th>
<th>Q1 2007</th>
<th>Q1 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile telephony</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed telephony (resale &amp; dial-up)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadband (resale, direct &amp; LLUB)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(SEK)
CONTINUED STRONG PERFORMANCE IN MOBILE TELEPHONY

<table>
<thead>
<tr>
<th>SEK MILLION</th>
<th>2007 Q1</th>
<th>2006 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile Telephony</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>5,219</td>
<td>4,038</td>
</tr>
<tr>
<td>Net customer intake (thousands)</td>
<td>747</td>
<td>909</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,088</td>
<td>746</td>
</tr>
</tbody>
</table>

- Mobile revenues in Q1 2007 increased by 29 percent to SEK 5.2 billion
- Russia and Baltic developing above expectations. Total customer base for the market area in excess of 10.8 million
- Mixed development in MVNO.
- Clean up of customer base in the Nordic market area by approximately 900,000 in Q2 2007
## STRONG BROADBAND INTAKE

<table>
<thead>
<tr>
<th>SEK MILLION</th>
<th>2007 Q1</th>
<th>2006 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broadband resale, DA/LLUB</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>2,276</td>
<td>1,602</td>
</tr>
<tr>
<td>Net customer intake (thousands)</td>
<td>255</td>
<td>144</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-361</td>
<td>-295</td>
</tr>
</tbody>
</table>

- Strong broadband intake during Q1 2007, adding a total of 254,000 new broadband customers
- Broadband is being evaluated market by market.
  - Italy showing strong gross margin development in the quarter
TELE2 ITALY: DIRECT ACCESS

- Coverage improved to 40% of Italian households.
- Tele2 looks to expand beyond 50%.
- Up-selling from single to dual play services.
- Larger customer base leading to scale effects.
STABLE MARGIN – INCREASED COMPETITION

- Fixed telephony EBITDA margin improved to 14 percent in Q1 2007
- Higher level of competition from primarily mobile operators
  - Larger net customer outflow
  - Stronger ARPU decline than expected
- Cross selling still an important opportunity

<table>
<thead>
<tr>
<th>SEK MILLION</th>
<th>2007 Q1</th>
<th>2006 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed telephony resale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>4,796</td>
<td>6,017</td>
</tr>
<tr>
<td>Net customer intake (thousands)</td>
<td>-720</td>
<td>-436</td>
</tr>
<tr>
<td>EBITDA</td>
<td>649</td>
<td>662</td>
</tr>
</tbody>
</table>
Q1 2007 SUMMERIZED

• Strong development in Mobile Telephony, with a revenue growth of 29% in Q1
• Continued strong broadband intake during Q1 2007, adding 254,000 new broadband customers
• Improving EBITDA margins in fixed line. However, competition is increasing
  – Important for Tele2 to move swiftly into more infrastructure based operations

<table>
<thead>
<tr>
<th></th>
<th>TELE2: CONTINUED OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MSEK</td>
</tr>
<tr>
<td>Operating revenue*</td>
<td>12,837</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>1,488</td>
</tr>
<tr>
<td>Net intake (’000)</td>
<td>281</td>
</tr>
</tbody>
</table>

*Excluding non-recurring items
NO CHANGE TO FINANCIAL GUIDENCE ON 2007

• Outlook for 2007 remains unchanged:

  “We expect significantly higher EBITDA and higher organic growth compared to 2006”
## FINANCIAL OVERVIEW FOR Q1 2007 – CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Q1 2007</th>
<th>Difference to Q1 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (MSEK)</td>
<td>12,837</td>
<td>594</td>
</tr>
<tr>
<td>EBITDA (MSEK)</td>
<td>1,488</td>
<td>267</td>
</tr>
<tr>
<td>CAPEX (MSEK)</td>
<td>1,181</td>
<td>3</td>
</tr>
<tr>
<td>Customer Net Additions (thousands)</td>
<td>281</td>
<td>-336</td>
</tr>
</tbody>
</table>
OPERATING REVENUE PER SEGMENT

MOBILE

FIXED TELEPHONY RESALE

BROADBAND RESALE

DIRECT ACCESS & LLUB
EBITDA AND NET INTAKE PER SEGMENT

MOBILE

BROADBAND RESALE

FIXED TELEPHONY RESALE

DIRECT ACCESS & LLUB
P&L IMPACT FROM BROADBAND GROWTH

<table>
<thead>
<tr>
<th></th>
<th>Q1 2007</th>
<th>Q4 2006</th>
<th>Q3 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&amp;L impact from Broadband growth (MSEK)</td>
<td>445</td>
<td>335</td>
<td>250</td>
</tr>
<tr>
<td><strong>NET INTAKE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadband resale ('000)</td>
<td>44</td>
<td>42</td>
<td>39</td>
</tr>
<tr>
<td>Direct access and LLUB ('000)</td>
<td>210</td>
<td>211</td>
<td>113</td>
</tr>
<tr>
<td><strong>ACQUISITION COST</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadband resale (SEK)</td>
<td>1,550</td>
<td>1,450</td>
<td>2,050</td>
</tr>
<tr>
<td>Direct access and LLUB (SEK)</td>
<td>1,800</td>
<td>1,300</td>
<td>1,500</td>
</tr>
</tbody>
</table>

- Italy showing stronger intake of DA/ULL customers directly, rather than migrating customers from existing broadband resale base
- Launch of broadband services in Portugal affecting SAC negatively.
MOBILE SALES +29 %

Graph showing MOBILE sales in MSEK for Q4-Q1 of 2006 and 2007.

Graph showing MOBILE EBITDA and Net intake in MSEK for Q4-Q1 of 2006 and 2007.

TELE2
• Net intake of 644,000 customers to a total of 7.1 million customers
• ARPU of 52 SEK in Q1 2007 compared to 42 SEK in Q1 2006
• EBITDA margin 28 %
• Revenue growth for the Baltic region was strong at 19 percent
  – All 3 countries had double digit sales growth
• EBITDA for the Baltic region grew 25 percent
• In Lithuania Tele2 has been able to capture 11 percent of the corporate market
• EBITDA-margin effected by higher marketing costs in Q1 2007
• More than 48 000 post-paid net adds in Q1
NORDIC EXCL. SWEDEN
MOBILE SALES +30 %

Nordic excl. Sweden - Mobile

MSEK

Q4
Q1
Q2
Q3
Q4
Q1

2006
Sales

2007

Nordic excl. Sweden - Mobile

MSEK

Q4
Q1
Q2
Q3
Q4
Q1

2006
EBITDA
Net intake

2007
NET DEBT

Net Debt

Net Debt to EBITDA
DO NOT FORGET

Visit www.tele2.com
• Conference call today at 15.00 CET
  Web-cast at www.tele2.com
• Q2 2007: 25 July 2007

Contacts
Lars-Johan Jarnheimer
Telephone: + 46 (0)8 562 640 00
President and CEO, Tele2 AB

Lars Torstensson
Telephone: + 46 (0) 702 73 48 79
IR Director, Tele2 AB