Q2 2007
FINANCIAL REPORT

Lars-Johan Jarnheimer
President and CEO
UPDATE ON THE STRATEGIC REVIEW

**2006**
- 22 Countries
- Mobile/MVNO in 14 countries
- Broadband in 12 countries
- Fixed in 15 countries

**H1 2007**
- Disposals/withdrawals (resale based)
  - France fixed and broadband
  - Denmark
  - Portugal
  - Hungary
  - Alpha and C³
- 18 Countries
- Mobile/MVNO in 13 countries
- Broadband in 10 countries
- Fixed in 12 countries
FINANCIAL HURDLES

We have set a minimum EBITDA hurdle of 20 percent that each of Tele2’s geographies should meet or exceed in the medium term.
TELE2: Q2 2007 RESULTS

• Mobile revenues in Q2 2007 increased by 25.5 percent to SEK 5.8 billion
• Solid broadband intake during Q2 2007, adding a total of 221,000 new broadband customers
• Fixed telephony EBITDA margin at 12 (9) percent in Q2 2007

All numbers including discontinued operations
CONTINUED SHIFT TOWARDS INFRASTRUCTURE BASED SERVICES

Revenue distribution H1 -07

- 44%
- 19%
- 37%

Revenue distribution H1 -06

- 49%
- 14%
- 37%

Mobile telephony
Fixed telephony (resale & dial-up)
Broadband (resale, direct & LLUB)

Sales - Q1 2007
- 42%
- 19%
- 39%

Sales - Q1 2006
- 35%
- 14%
- 51%
EBITDA CONTRIBUTION PER SEGMENT

H1 -07

H1 -06

Mobile telephony
Fixed telephony (resale & dial-up)
Broadband (resale, direct & LLUB)

(MSEK)
CONTINUED STRONG PERFORMANCE IN MOBILE TELEPHONY

<table>
<thead>
<tr>
<th>Mobile telephony</th>
<th>H1-07</th>
<th>H1-06</th>
<th>Q2-07</th>
<th>Q2-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>11,045</td>
<td>8,682</td>
<td>5,826</td>
<td>4,644</td>
</tr>
<tr>
<td>Net customer intake (‘000)</td>
<td>1,678</td>
<td>1,895</td>
<td>931</td>
<td>986</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,489</td>
<td>1,699</td>
<td>1,401</td>
<td>953</td>
</tr>
</tbody>
</table>

- Mobile revenues in Q2 2007 increased by 25.5 percent to SEK 5.8 billion
- Continued excellent performance in Russian mobile operations with EBITDA margin of 33 percent in Q2 2007
- Improved development in MVNO.
- Clean up of customer base in the Nordic market area by 759,000 in Q2 2007
STRONG BROADBAND INTAKE

- Robust broadband intake during Q2 2007, adding a total of 221,000 new broadband customers
- Southern Europe has turned the corner when it comes to operational performance

<table>
<thead>
<tr>
<th></th>
<th>H1-07</th>
<th>H1-06</th>
<th>Q2-07</th>
<th>Q2-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadband resale, DA/LLUB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>4,736</td>
<td>3,299</td>
<td>2,460</td>
<td>1,697</td>
</tr>
<tr>
<td>Net customer intake (‘000)</td>
<td>475</td>
<td>273</td>
<td>221</td>
<td>129</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-672</td>
<td>-580</td>
<td>-322</td>
<td>-274</td>
</tr>
</tbody>
</table>
STABLE MARGIN – INCREASED COMPETITION

<table>
<thead>
<tr>
<th></th>
<th>H1-07</th>
<th>H1 -06</th>
<th>Q2 -07</th>
<th>Q2 -06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed telephony resale</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>9,119</td>
<td>11,558</td>
<td>4,323</td>
<td>5,541</td>
</tr>
<tr>
<td>Net customer intake ('000)</td>
<td>-1,490</td>
<td>-917</td>
<td>-770</td>
<td>-481</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,185</td>
<td>1,136</td>
<td>536</td>
<td>474</td>
</tr>
</tbody>
</table>

• Fixed telephony EBITDA margin 12 (9) percent in Q2 2007
• Continued high level of competition from primarily mobile operators
  - Larger net customer outflow
  - Stronger ARPU decline than expected
• Fixed line operations a valuable asset
  - Strive to maximize value through an extremely cost-conscious regime
  - Broadband cross-selling
Q2 2007 SUMMARIZED

- Good development in the realignment process
- We have implemented a minimum EBITDA hurdle of 20 percent that each of Tele2’s geographies should meet or exceed in the medium term
- Strong operational development in core operations

<table>
<thead>
<tr>
<th></th>
<th>H1 -07</th>
<th>H1 -06</th>
<th>Q2 -07</th>
<th>Q2 -06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue*</td>
<td>25,947</td>
<td>24,629</td>
<td>13,110</td>
<td>12,386</td>
</tr>
<tr>
<td>Net intake ('000)</td>
<td>663</td>
<td>1,251</td>
<td>382</td>
<td>634</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>3,230</td>
<td>2,458</td>
<td>1,737</td>
<td>1,237</td>
</tr>
</tbody>
</table>

*Excluding non-recurring items
Q2 2007
FINANCIAL REPORT

Lars Nilsson
CFO
## FINANCIAL OVERVIEW FOR Q2 2007 – CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>H1 -07</th>
<th>Diff H1 -06</th>
<th>Q2 -07</th>
<th>Diff Q2 -06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues (MSEK)</strong></td>
<td>25,947</td>
<td>5.3%</td>
<td>13,110</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>EBITDA (MSEK)</strong></td>
<td>3,230</td>
<td>31.4%</td>
<td>1,737</td>
<td>40.4%</td>
</tr>
<tr>
<td><strong>CAPEX (MSEK)</strong></td>
<td>2,516</td>
<td>-3.0%</td>
<td>1,335</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>Net Intake ('000)</strong></td>
<td>663</td>
<td>-47.0%</td>
<td>382</td>
<td>-39.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>H1 -07</th>
<th>Diff H1 -06</th>
<th>Q2 -07</th>
<th>Diff Q2 -06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues (MSEK)</strong></td>
<td>24,268</td>
<td>7.4%</td>
<td>12,380</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>EBITDA (MSEK)</strong></td>
<td>3,128</td>
<td>24.7%</td>
<td>1,691</td>
<td>34.7%</td>
</tr>
</tbody>
</table>

*Excluding disposals: Alpha, C³, Datametrix (NO), Denmark, Portugal, Ungern and UNI 2 (DK)*
EBITDA AND NET INTAKE PER SEGMENT

**EBITDA**

- **Q2 -06**: (MSEK) 1,000
- **Q3 -06**: (MSEK) 1,500
- **Q4 -06**: (MSEK) 2,000
- **Q1 -07**: (MSEK) 1,500
- **Q2 -07**: (MSEK) 2,000

**Net Intake**

- **Q2 -06**: (000) 1,000
- **Q3 -06**: (000) 1,500
- **Q4 -06**: (000) 2,000
- **Q1 -07**: (000) 1,500
- **Q2 -07**: (000) 2,000

**Segments**

- **Mobile telephony**
- **Fixed telephony (resale & dial-up)**
- **Broadband (resale, direct & LLUB)**

**TELE2**
TELE2 MOBILE

Sales

EBITDA vs Net Intake

Q2 -06  Q3 -06  Q4 -06  Q1 -07  Q2 -07

(MSEK)

Q2 -06  Q3 -06  Q4 -06  Q1 -07  Q2 -07

0 000

TELE2
• Net intake of 839,000 customers to a total of 7.9 million customers
• ARPU of 56 SEK in Q2 2007 compared to 44 SEK in Q2 2006
• EBITDA margin 33 (13) percent
TELE2 BALTIC

Sales

(MSEK)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>800</td>
<td>900</td>
</tr>
<tr>
<td>Q3</td>
<td>900</td>
<td>1000</td>
</tr>
<tr>
<td>Q4</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>Q1</td>
<td>800</td>
<td>900</td>
</tr>
<tr>
<td>Q2</td>
<td>900</td>
<td>1000</td>
</tr>
</tbody>
</table>

EBITDA vs Net Intake

(MSEK)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>350</td>
<td>500</td>
</tr>
<tr>
<td>Q3</td>
<td>400</td>
<td>350</td>
</tr>
<tr>
<td>Q4</td>
<td>250</td>
<td>300</td>
</tr>
<tr>
<td>Q1</td>
<td>300</td>
<td>250</td>
</tr>
<tr>
<td>Q2</td>
<td>500</td>
<td>1000</td>
</tr>
</tbody>
</table>
SWEDEN MOBILE

- EBITDA-margin still affected by higher costs from adding post-paid subscribers
- Sweden adding 46,000 customers in Q2 2007
NET DEBT

Net Debt and Net Debt to EBITDA

(MSEK)

Q2 -06  Q3 -06  Q4 -06  Q1 -07  Q2 -07

Net Debt: 12000, 14000, 15000, 16000, 18000
Net Debt to EBITDA: 0.5, 1, 1.5, 2, 3

TELE2
CAPEX, depreciation and amortization

Capex

Depreciation and Amortization

(MSEK)

Q2 - 06  Q3 - 06  Q4 - 06  Q1 - 07  Q2 - 07  Q2 - 06  Q3 - 06  Q4 - 06  Q1 - 07  Q2 - 07

Mobile telephony  Fixed telephony (resale & dial-up)  Broadband (resale, direct & LLUB)

Mobile telephony  Fixed telephony (resale & dial-up)  Broadband (resale, direct & LLUB)
COMMENTS ON INCREASED TAX

• Tele2 Germany changed tax rate from 40% to 30%, which had an impact of -193 MSEK
• Increased profits in Russia had an impact of -53 MSEK
• Divestment of operations in C³; revaluate tax-loss-carry-forwards
QUESTIONS & ANSWERS

Contacts

Lars-Johan Jarnheimer
Telephone: + 46 (0)8 5626 4000
President and CEO, Tele2 AB

Lars Nilsson
Telephone: +46 (0)8 5626 4000
CFO, Tele2 AB

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