Tele2 Q3 2007
24 October 2007
Lars-Johan Jarnheimer
President & CEO
Q3 2007 Summary

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q3-07</th>
<th>Q3-06</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td>10,909</td>
<td>11,014</td>
<td>-1.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,844</td>
<td>1,700</td>
<td>+8.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>609</td>
<td>-2,061</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

- Revenue growth, on a comparable basis (excluding divested and acquired entities), was 7% vs Q3 2006
- EBITDA, on a comparable basis, improved by 15% vs Q3 2006
Q3 2007 Summary

• Strong performance in core mobile operations across the group

• Active execution of realignment process July to date
  – Divestments of Hungary, Irkutsk, Belgium and 3C
  – Acquisition of Telecom Eurasia in Krasnodar (Russia)
  – Divestment of operations in Italy & Spain and Austrian MVNO

• National Roaming Agreement in Russia

• Mobile network JV in Norway
Mobile Telephony

- Mobile revenue growth 17%, EBITDA up 29% y-o-y
- Net customer intake 865,000
- Sweden: net customer intake of 100,000
- Russia: net intake of 647,000
  - Revenue growth 62%
  - Maintained EBITDA margin of 33%
- Baltic & Croatia: Continued double-digit growth in all countries
- Norway: Revenue growth 21%
  - Network JV with Network Norway improves profitability and increases flexibility
Mobile Telephony – Sweden

- Strong take-off of mobile broadband services
  - 45,000 mobile broadband customers in Sweden at end-Q3
  - Further acceleration expected in Q4 2007
Mobile Data – Sweden

- 3G and content services picking up, 3G data (MB) up >650% in 9 months
  - However, from a low level
- Number of SMS increased 230% in 12 months, and 340% in 24 months

* MB monthly

* Weekly, customers paying per SMS (bucket plans not included)
Broadband

- Direct Access & LLUB sales growth 12%

- DA & LLUB net intake 77,000 in Q3; resold broadband -10,000
  - Migration of resold customers onto DA & LLUB particularly in Norway, Sweden and Austria

- Continued demanding situation in Germany – we are monitoring our business plan

- Several large Cable TV and Triple Play contracts in Sweden
Fixed Telephony

▶ EBITDA margin stable at 13%

▶ Fixed telephony revenue continues as expected to decline

▶ Customer net loss 441,000
  – But increased market share in Sweden and Norway

▶ Revenue and profitability in Poland positively affected by wholesale line rental

▶ Fixed-to-mobile trend particularly visible in Germany and Austria
Corporate Segment

• Corporate market generates app. 18% of group revenue
• Increased internal focus on corporate market, mainly SME
  – Visible corporate position in Sweden, Netherlands and Austria
• Growing market opportunities for SME in Baltic and Russia
A Company in Change

Geographic Expansion of Tele2 1997-2005

- Present in 25 countries
- Mobile in 9 countries
- MVNO in 6 countries
- Broadband in 18 countries
- Fixed in 23 countries

Realignment of Tele2 2007

- Present in 15 countries
- Mobile in 8 countries
- MVNO in 3 countries
- Broadband in 9 countries
- Fixed in 9 countries

The New Tele2 2008-

- Smaller geographic footprint
- Focused operations - mobile and broadband services
- Operational scale on own infrastructure
Beyond the Realignment Process

• Organic growth and strategic acquisitions
  – Infrastructure investments where it generates superior returns
• Develop core businesses to stay best in class
• Increased management focus on core areas
• Improved margins and cash flow, focus on ROCE
Tele2 Q3 2007
24 October 2007

Lars Nilsson
CFO
Financial Overview Q3 2007 - Continued Operations

(All figures in MSEK)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2007</th>
<th>Q3 2006</th>
<th>YTD 2007</th>
<th>YTD 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>10,909</td>
<td>11,014</td>
<td>32,967</td>
<td>31,946</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,844</td>
<td>1,700</td>
<td>5,147</td>
<td>4,263</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>16.9</td>
<td>15.4</td>
<td>15.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,222 *</td>
<td>-879</td>
<td>-3,083 *</td>
<td>-2,541</td>
</tr>
<tr>
<td>Write-down of goodwill</td>
<td>-1,310</td>
<td>-2,457</td>
<td>-1,310</td>
<td>-2,457</td>
</tr>
<tr>
<td>Sale of operations</td>
<td>1,352</td>
<td>-2</td>
<td>827</td>
<td>47</td>
</tr>
<tr>
<td>Associated comp.</td>
<td>-55</td>
<td>-22</td>
<td>-174</td>
<td>-93</td>
</tr>
<tr>
<td>EBIT</td>
<td>609</td>
<td>-1,660</td>
<td>1,407</td>
<td>-781</td>
</tr>
<tr>
<td>EBIT %</td>
<td>5.6</td>
<td>-15.1</td>
<td>4.3</td>
<td>-2.4</td>
</tr>
<tr>
<td>Financial items</td>
<td>-181</td>
<td>-147</td>
<td>-623</td>
<td>-402</td>
</tr>
<tr>
<td>Taxes</td>
<td>-566 **</td>
<td>-38</td>
<td>-918 **</td>
<td>-70</td>
</tr>
<tr>
<td>Net result</td>
<td>-138</td>
<td>-1,769</td>
<td>-134</td>
<td>-1,253</td>
</tr>
</tbody>
</table>

* Including writedown of IT systems (MSEK -284)
** Including impairment of deferred tax assets (MSEK -599)
Clean EBIT Q3 2007

*Germany (570), Austria (290), Belgium (275), Netherlands (175)*
Reported EBIT | Impairment of Goodwill* | Impairment IT-systems | Net Profit sale of op. | CLEAN EBIT
--- | --- | --- | --- | ---
1407 | 1310 | 284 | -827 | 2174

Corresponding to a 6.6% EBIT-margin

*Germany (570), Austria (290), Belgium (275), Netherlands (175)
# Cash Flow

(All figures in MSEK)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2007</th>
<th>Q3 2006</th>
<th>YTD 2007</th>
<th>YTD 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>CF from operations</td>
<td>1,208</td>
<td>1,511</td>
<td>3,149</td>
<td>3,931</td>
</tr>
<tr>
<td>Change in WC</td>
<td>615</td>
<td>67</td>
<td>229</td>
<td>-680</td>
</tr>
<tr>
<td><strong>Cash Flow from operating activities</strong></td>
<td><strong>1,823</strong></td>
<td><strong>1,578</strong></td>
<td><strong>3,251</strong></td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>-1,188</td>
<td>-1,420</td>
<td>-4,098</td>
<td></td>
</tr>
<tr>
<td>Acquisition/sale of shares</td>
<td>5,478</td>
<td>-1,181</td>
<td>-1,266</td>
<td></td>
</tr>
<tr>
<td>Change in long-term receivables</td>
<td>-356</td>
<td>17</td>
<td>159</td>
<td></td>
</tr>
<tr>
<td><strong>Cash Flow after investing activities</strong></td>
<td><strong>5,757</strong></td>
<td><strong>-1,006</strong></td>
<td><strong>-1,954</strong></td>
<td></td>
</tr>
<tr>
<td>CAPEX Continuing operations</td>
<td>- 943</td>
<td>- 964</td>
<td>- 3,106</td>
<td></td>
</tr>
</tbody>
</table>
Cash Flow Effects from Realignment Process until Q3 2007

<table>
<thead>
<tr>
<th>(All figures in MSEK)</th>
<th>1 Jan-30 Sep 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tele2 Portugal</td>
<td>122</td>
</tr>
<tr>
<td>Tele2 Irkutsk, Russia</td>
<td>1,570</td>
</tr>
<tr>
<td>Tele2 France</td>
<td>2,937</td>
</tr>
<tr>
<td>Tele2 Denmark</td>
<td>752</td>
</tr>
<tr>
<td>Other</td>
<td>45</td>
</tr>
<tr>
<td>Total Cash Flow effect until Q3 2007</td>
<td>5,426</td>
</tr>
</tbody>
</table>
# Cash Flow Effects from Realignment Process after Q3 2007

(All figures in MSEK)

<table>
<thead>
<tr>
<th>Announced</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tele2 Italy / Spain</td>
<td>7,100</td>
</tr>
<tr>
<td>Tele2 Belgium</td>
<td>890</td>
</tr>
<tr>
<td>Tele2 Hungary</td>
<td>40</td>
</tr>
<tr>
<td>Tele2 Austria MVNO</td>
<td>65</td>
</tr>
<tr>
<td>Telecom Eurasia</td>
<td>-160</td>
</tr>
<tr>
<td><strong>Total Cash Flow effect after Q3 2007</strong></td>
<td><strong>7,935</strong></td>
</tr>
</tbody>
</table>
Net Debt to EBITDA

Net Debt and Net Debt/EBITDA

MSEK 7,935 from disposals
Net Intake by Segment

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

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

(000)
Revenue by Segment

(MSEK)

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

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

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

* Excl. non-recurring items
Russia

- Revenue growth 62% year-on-year
- EBITDA margin 33%
- 8 million customers
Sweden Mobile

- Growth 9% year-on-year
- Strong net intake affected EBITDA margin slightly in Q3
Baltic

- Growth 14% year-on-year
- Continuing strong net intake
- EBITDA margin 38%
Questions?
Visit www.tele2.com
• Q4 2007: 12 February 2008

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