AGENDA

About Q1 2010

Financial review

Concluding remarks
HIGHLIGHTS Q1

Robust operational result

• **Nordic**
  – Sweden mobile revenue grew by 3 percent
  – Mobile margin Sweden 35 percent

• **Russia**
  – Highest ever EBITDA contribution
    • EBITDA amounted to 719 SEK million
  – 949 000 new customers

• **Central Europe & Eurasia**
  – Sustained cash flow contribution
  – Welcoming Kazakhstan, our newest member in the Tele2 group

• **Western Europe**
  – Further success in corporate segment
HIGHLIGHTS TELE2 SWEDEN

• Adding 29 000 new postpaid customers, of which:
  – 15 000 mobile internet
  – 14 000 mobile voice

• Continued revenue growth
  – Driven by mobile

• EBITDA amounted to 794 SEK million

• Continued focus on growth in postpaid segment

• New accounting treatment for handsets sold with monthly instalments
HIGHLIGHTS TELE2 RUSSIA

- Net Intake - New regions
- Net Intake - Old regions
- EBITDA margin

(Q3 08, Q4 08, Q1 09, Q2 09, Q3 09, Q4 09, Q1 10)

(In thousands)

EBITDA margin:
- 20%
- 22%
- 24%
- 26%
- 28%
- 30%
- 32%
- 34%
- 36%
- 38%
HIGHLIGHTS TELE2 NETHERLANDS

- Gold standard for the group in the corporate segment
  - Successful Best Deal strategy
- EBITDA increased to SEK 611 (594) million in the quarter
HIGHLIGHTS TELE2 BALTIC REGION

EBITDA
CAPEX
EBITDA - CAPEX

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10

(SEK million)
AGENDA

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Q1 2010 GROUP RESULTS

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 10</th>
<th>Q1 09</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing operations, Net Sales</td>
<td>9,535</td>
<td>9,828</td>
<td>-3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,358</td>
<td>2,244</td>
<td>5%</td>
</tr>
<tr>
<td>- EBITDA margin (%)</td>
<td>24,7%</td>
<td>22,8%</td>
<td></td>
</tr>
<tr>
<td>Depreciation and joint venture</td>
<td>-809</td>
<td>-893</td>
<td></td>
</tr>
<tr>
<td>- Depreciation of net sales (%)</td>
<td>8,5%</td>
<td>9,1%</td>
<td></td>
</tr>
<tr>
<td>One-off items</td>
<td>-3</td>
<td>-4</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>1,549</td>
<td>1,351</td>
<td></td>
</tr>
<tr>
<td>Normalized EBIT</td>
<td>1,546</td>
<td>1,347</td>
<td></td>
</tr>
<tr>
<td>- Normalized EBIT margin (%)</td>
<td>16,2%</td>
<td>13,7%</td>
<td></td>
</tr>
<tr>
<td>Financial items</td>
<td>42</td>
<td>-592</td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>-339</td>
<td>-281</td>
<td></td>
</tr>
<tr>
<td>Net result, continuing operations</td>
<td>1,249</td>
<td>474</td>
<td></td>
</tr>
<tr>
<td>Net result, discontinued operations</td>
<td>19</td>
<td>197</td>
<td></td>
</tr>
<tr>
<td>Net result</td>
<td>1,268</td>
<td>671</td>
<td></td>
</tr>
</tbody>
</table>
TAXES

Taxes in income statement (MSEK) | One-Off | Normal | Reported
--- | --- | --- | ---
Q1 | - | -339 | -339

Taxes in cash flow statement (MSEK) | One-Off | Normal | Reported
--- | --- | --- | ---
Q1 | - | -233 | -233

In 2010: Tele2 forecast a corporate tax rate of approximately 22 (earlier 20) percent excluding one-off items. The tax payment will affect cash flow by approximately SEK 800 (earlier 700) million due to better than expected operational performance in Tele2 Russia.
# CASH FLOW FOR Q1 2010

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 10</th>
<th>Q1 09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, less paid taxes</td>
<td>2,341</td>
<td>1,923</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>-233</td>
<td>-456</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>183</td>
<td>364</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td>2,291</td>
<td>1,831</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>-608</td>
<td>-1,149</td>
</tr>
<tr>
<td><strong>Cash Flow after CAPEX</strong></td>
<td>1,683</td>
<td>682</td>
</tr>
<tr>
<td>Acquisition and sale of shares and participations, net</td>
<td>-819</td>
<td>-97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>864</td>
<td>585</td>
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</tbody>
</table>
ROCE

<table>
<thead>
<tr>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>17%</td>
<td>18%</td>
<td>19%</td>
<td>20%</td>
<td>17%</td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>10%</td>
<td>9%</td>
<td>8%</td>
<td>7%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
</tr>
</tbody>
</table>
GROUP FINANCIAL PROFILE

- Net debt
- Net debt incl. JV
- Net debt/ EBITDA 2009
- Net debt incl. JV/ EBITDA 2009

(SEK million)
GROUP NET INTAKE PER SEGMENT

Mobile  Fixed broadband  Fixed telephony

Q4 08  Q1 09  Q2 09  Q3 09  Q4 09  Q1 10

(In thousands)
GROUP CUSTOMER STOCK

- Strong intake in the mobile segment
  - Driven by Russia adding 949,000 new customers
GROUP EBITDA

- Mobile
- Fixed broadband
- Fixed telephony
- Other

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10

Group EBITDA margin

20% 22% 24% 26% 24% 22% 20%
MoU AND ARPU DEVELOPMENT

- Relatively stable development
  - Swedish ARPU being diluted by an increasing customer base in Mobile Internet and softness in corporate customer MoU
TELE2 GOING FORWARD

• Best Deal position
  – Perceived price leader
  – Expected quality

• Targeting a long term mobile EBITDA margin on own infrastructure at least 35 percent

• All operations should have the ambition of reaching ROCE of at least 20 percent

• The capability to reach a top 2 position, in terms of customer market share, in an individual country or region
SWEDEN OUTLOOK

• Tele2 will continue to target the postpaid segment, which in the longer term will lead to:
  – Increased ARPU
  – Lower churn

• In the short term, this strategy will lead to higher total acquisition costs resulting in:
  – A full year EBITDA margin in the range of 33-35 percent depending on customer intake
RUSSIA OUTLOOK

- Subscriber base should be able to reach 19-20 million by YE 2011
- Maintain ARPU growth at 5 percent by 2011
- EBITDA 2010-2011
  - Old regions’ EBITDA margin should stabilize at 45 percent
  - New regions’ EBITDA margin should break even 2 years from launch
  - EBITDA contribution from new regions should be in the range of SEK -600 to -800 million
  - Russia’s total EBITDA margin should develop in the range of 27-32 percent
- Capex 2010-2011
  - Accumulated Capex in Russia should be in the range of SEK 4.5-5.0 billion
- Selected acquisitions – when available and under right conditions
CROATIA OUTLOOK

"WE WILL REACH EBITDA BREAK EVEN DURING 2H 2010"
AGENDA

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CONCLUDING REMARKS

Nordic
• Continued revenue growth

Russia
• Record high EBITDA

Central Europe and Eurasia
• Stable cash flow contribution

Western Europe
• Solid operational performance

2010 an investment year
• Russia
• Kazakhstan
• 4G Sweden
• 3G Norway
Q&A
Appendix A
TELE2 SWEDEN MOBILE

Mobile subscribers: Q4 08, Q1 09, Q2 09, Q3 09, Q4 09, Q1 10
Net intake: Q4 08, Q1 09, Q2 09, Q3 09, Q4 09, Q1 10

(In thousands)

Q4 08 | Q1 09 | Q2 09 | Q3 09 | Q4 09 | Q1 10
TELE2 SWEDEN MOBILE (contd)

Mobile net sales EBITDA marg. EBIT marg.

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10

20% 24% 28% 32% 36% 40%

1 600 1 650 1 700 1 750 1 800 1 850 1 900 1 950 2 000 2 050

(SEK million)
TELE2 NORWAY MOBILE (contd)

Mobile net sales

EBITDA marg.

Q4 08  Q1 09  Q2 09  Q3 09  Q4 09  Q1 10

(SEK million)

0%  1%  2%  3%  4%  5%  6%  7%  8%  9%  10%

0%  1%  2%  3%  4%  5%  6%  7%  8%  9%  10%

Q4 08  Q1 09  Q2 09  Q3 09  Q4 09  Q1 10

First quarter 2010
TELE2 RUSSIA MOBILE

Mobile subscribers

Net intake

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10

(In thousands)

0
1000
2000
3000
4000
5000
6000
7000
8000
9000
10000
11000
12000
13000
14000

0
200
400
600
800
1000
1200
1400

TELE2 RUSSIA MOBILE

Net intake

Mobile subscribers

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10

(In thousands)
TELE2 RUSSIA MOBILE (contd)

- Mobile net sales
- EBITDA marg.

(Q4 08, Q1 09, Q2 09, Q3 09, Q4 09, Q1 10)

(SEK million)

- Q4 08: 2000
- Q1 09: 1500
- Q2 09: 2000
- Q3 09: 1500
- Q4 09: 2000
- Q1 10: 3000

(29%, 30%, 31%, 32%, 33%, 34%, 35%, 36%)

2010-04-21 First quarter 2010
TELE2 BALTIC MOBILE

Mobile subscribers - Net intake

Q4 08 | Q1 09 | Q2 09 | Q3 09 | Q4 09 | Q1 10
---|---|---|---|---|---
(Net intake) -100 | -80 | -60 | -40 | -20 | 0
(Mobile subscribers) 3400 | 3600 | 3200 | 3200 | 3600 | 2000

(In thousands)
TELE2 BALTIC MOBILE (contd)

- Estonia net sales
- Lithuania net sales
- Latvia net sales
- EBITDA marg.

(Q4 08, Q1 09, Q2 09, Q3 09, Q4 09, Q1 10)

(SEEK million)
TELE2 CROATIA MOBILE

Mobile subscribers

Net intake

(Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10)

(In thousands)

(0 20 40 60 80 100)

250 350 450 550 650 750 850

(In thousands)

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10
TELE2 CROATIA MOBILE (contd)

Mobile net sales

EBITDA marg.

Q3 08 Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10

0% -5% -10% -15% -20% -25% -30% -35% -40% -45%
NET DEBT AND DIVIDEND TARGETS

• Shareholder remuneration
  – “Tele2’s intention over the medium term is to pay a progressively increasing ordinary dividend”

• Long-term financial leverage
  – “Tele2’s longer-term financial leverage, defined as the net debt / EBITDA ratio, should be in line with the industry and the markets in which it operates”

• Short-term consideration
  – “The company needs to take the uncertainties in the financial markets into consideration and act accordingly”
Appendix C
### FINANCIAL ITEMS Q1 2010

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 10</th>
<th>Q1 09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest expenses</td>
<td>-77</td>
<td>-139</td>
<td>62</td>
</tr>
<tr>
<td>Exchange rate differences, external</td>
<td>-11</td>
<td>-166</td>
<td>155</td>
</tr>
<tr>
<td>Other financial items</td>
<td>-2</td>
<td>-20</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total External</strong></td>
<td>-90</td>
<td>-325</td>
<td>235</td>
</tr>
<tr>
<td>Exchange rate differences, intragroup</td>
<td>132</td>
<td>-267</td>
<td>399</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td>42</td>
<td>-592</td>
<td>634</td>
</tr>
</tbody>
</table>
“OUR” CURRENCIES

<table>
<thead>
<tr>
<th>Currency</th>
<th>YTD Average 10 vs. 09</th>
<th>Fixing rate Mar 10 vs. Mar 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR / EUR pegged</td>
<td>-9,1 %</td>
<td>-11,3 %</td>
</tr>
<tr>
<td>RUB</td>
<td>-2,2 %</td>
<td>0,4 %</td>
</tr>
<tr>
<td>USD</td>
<td>-14,4 %</td>
<td>-12,4 %</td>
</tr>
</tbody>
</table>
NET ASSETS IN FOREIGN CURRENCIES

Year-end 2009
Total 29.9 bSEK

- EUR: 12.5
- EUR pegged: 7.1
- RUB: 8.6
- KZT: 0.9
- Other: 1.6

Q1 2010
Total 30.2 bSEK

- EUR: 11.1
- EUR pegged: 6.6
- RUB: 8.8
- KZT: 2.7
- Other: 0.9

Total 2009: 29.9 bSEK
Total 2010 Q1: 30.2 bSEK
CASH FLOW DEVELOPMENT

Cash flow after CAPEX
Cash flow from operating activities

(SeK million)

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10
GROUP FIXED BROADBAND EBITDA
GROUP FIXED TELEPHONY EBITDA

Fixed telephony

Fixed telephony EBITDA margin

(Q4 08) (Q1 09) (Q2 09) (Q3 09) (Q4 09) (Q1 10)

(SEK million)

25% 26% 27% 28% 29% 30%

25% 26% 27% 28% 29% 30%

Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10
In 2010: Tele2 forecasts a CAPEX level in the range of SEK 4,600 – 4,800 million