AGENDA

About Q3 2010

Financial review

Guidance and Concluding remarks
HIGHLIGHTS Q3

• Group
  – Total customer base amounting to more than 30 million customers. Net customer intake for the group of almost 1.3 million
  – Net sales grew by 2 percent. Currency-adjusted net sales grew by 6 percent, driven by mobile sales
  – EBITDA grew by 13 percent. Currency-adjusted EBITDA grew by 17 percent. EBITDA margin amounted to 28 (25) percent

• Nordic
• Russia
• Central Europe & Eurasia
• Western Europe
HIGHLIGHTS TELE2 SWEDEN

• Increased mobile revenue growth to 10 percent

• Adding 103,000 mobile customers

• Mobile EBITDA margin 34 (34) percent
SHIFT TOWARDS SMART PHONES

- Smartphones demanded by mass market
  - Shift driven by increased variety of smartphones combined with an increased awareness of the possibilities of a mobile internet access

<table>
<thead>
<tr>
<th>Regular phone customers : Smartphone customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data usage per month (Mb)</td>
</tr>
<tr>
<td>1 : 40</td>
</tr>
<tr>
<td>MoU*</td>
</tr>
<tr>
<td>1 : 1.4</td>
</tr>
<tr>
<td>ASPU**</td>
</tr>
<tr>
<td>1 : 1.7</td>
</tr>
</tbody>
</table>

* Out-going minutes
** ARPU Excluding operator revenue and installments

Top 10 phone sales (Aug-Sep)

1. iPhone 4
2. Sony Ericsson X10 Mini Pro
3. iPhone 3GS
4. Samsung Galaxy S
5. HTC Desire
6. Sony Ericsson X10 Mini
7. HTC Wildfire
8. Sony Ericsson X10
9. Sony Ericsson Elm
10. Nokia 6700 Slide
HIGHLIGHTS TELE2 RUSSIA

• Third and fourth new regions now EBITDA break-even

• 1,170,000 (1,100,000) new customers in Q3 2010
HIGHLIGHTS TELE2 BALTIC REGION

• Stabilizing economy leading to better operational environment

• Strong net intake, adding 55,000 (28,000) customers in the region
HIGHLIGHTS TELE2 CROATIA

- Next goal is to deliver positive free cash flow within a year
- 81,000 (70,000) new customers added in Q3 10
HIGHLIGHTS TELE2 KAZAKHSTAN

- Preparing for re-launch under Tele2 brand 1H 2011

- Customer stock of 218,000 in Q3 2010. 18,000 new customers added in September

Net intake 2010

April Maj Jun Jul Aug Sep
HIGHLIGHTS TELE2 WESTERN EUROPE

• Netherlands
  - BBned acquisition completed

• Germany
  - Record high EBITDA margin in fixed telephony of 46 percent

• Austria
  - Continued good progress in restructuring program leading to sequential improvement of EBITDA contribution
AGENDA

About Q3 2010

Financial review

Guidance and Concluding remarks
# Q3 2010 GROUP RESULTS

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q3 10</th>
<th>Q3 09</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>9,998</td>
<td>9,829</td>
<td>2%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2,751</td>
<td>2,441</td>
<td>13%</td>
</tr>
<tr>
<td>- EBITDA margin (%)</td>
<td>28%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Depreciation and joint venture</td>
<td>-876</td>
<td>-924</td>
<td></td>
</tr>
<tr>
<td>- Depreciation of Net sales (%)</td>
<td>9%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>One-off items</td>
<td>17</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1,892</td>
<td>1,633</td>
<td></td>
</tr>
<tr>
<td>Normalized EBIT</td>
<td>1,875</td>
<td>1,517</td>
<td></td>
</tr>
<tr>
<td>- Normalized EBIT margin (%)</td>
<td>19%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Financial items</td>
<td>-16</td>
<td>199</td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>608</td>
<td>401</td>
<td></td>
</tr>
<tr>
<td>Net result, continuing operations</td>
<td>2,484</td>
<td>2,233</td>
<td></td>
</tr>
<tr>
<td>Net result, discontinued operations</td>
<td>29</td>
<td>-478</td>
<td></td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>2,513</td>
<td>1,755</td>
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</tbody>
</table>
## TAXES

### Taxes in income statement

<table>
<thead>
<tr>
<th></th>
<th>YTD Sep 10</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>-1,128</td>
<td>-441</td>
<td>-348</td>
<td>-339</td>
</tr>
<tr>
<td>One-Off</td>
<td>976</td>
<td>1049</td>
<td>-73</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-152</td>
<td>608</td>
<td>-421</td>
<td>-339</td>
</tr>
</tbody>
</table>

### Taxes in cash flow

<table>
<thead>
<tr>
<th></th>
<th>YTD Sep 10</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>-580</td>
<td>-152</td>
<td>-195</td>
<td>-233</td>
</tr>
</tbody>
</table>

- SEC tax dispute: Oral hearing will take place in the end of November, thereafter the outcome will be announced in 1-2 months
- The total value of the SEC tax dispute is SEK 4,6 billion
## CURRENCY MOVEMENTS (VS SEK)

<table>
<thead>
<tr>
<th>YTD Average 2010 vs 2009</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>-10%</td>
<td>-10%</td>
<td>-9%</td>
</tr>
<tr>
<td>RUB</td>
<td>+0.5%</td>
<td>+/- 0</td>
<td>-2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fix rate vs 31/12-2009</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>-12%</td>
<td>-8%</td>
<td>-6%</td>
</tr>
<tr>
<td>RUB</td>
<td>-7.5%</td>
<td>3%</td>
<td>1%</td>
</tr>
</tbody>
</table>

- EUR/RUB pegged currencies approximately:
  - 38% of sales and
  - 33% of EBITDA
# CASH FLOW FOR Q3 2010

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q3 10</th>
<th>Q3 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>2,733</td>
<td>2,499</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>-152</td>
<td>-98</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>39</td>
<td>186</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td>2,620</td>
<td>2,587</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>-923</td>
<td>-1,065</td>
</tr>
<tr>
<td>Cash Flow after CAPEX</td>
<td>1,697</td>
<td>1,522</td>
</tr>
<tr>
<td>Acquisition and sale of shares and participations, net</td>
<td>-96</td>
<td>-208</td>
</tr>
<tr>
<td></td>
<td>1,601</td>
<td>1,314</td>
</tr>
</tbody>
</table>
GROUP FINANCIAL PROFILE

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

Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3
---|----|----|----|----|----|----|----|----|----|----|----|----
2007 | 2008 | 2009 | 2010

6,0% - 25,0%
GROUP EBITDA

Mobile | Fixed broadband | Fixed telephony | Other | Group EBITDA margin

Q2 09 | Q3 09 | Q4 09 | Q1 10 | Q2 10 | Q3 10

(SEK million)

Q2 09: 20% Q3 09: 22% Q4 09: 24% Q1 10: 26% Q2 10: 28% Q3 10: 30%
MoU AND ARPU DEVELOPMENT

- Robust ARPU development
  - Swedish and Russian ARPU grew more than 8 percent in one quarter
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About Q3 2010

Financial review

Guidance and Concluding remarks
TELE2 GOING FORWARD

• Best Deal position

• Targeting a long-term mobile EBITDA margin on own infrastructure of 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
GROUP OUTLOOK (CHANGED)

• Tele2 forecasts a corporate tax rate of approximately 22 percent excluding one-off items in 2010. The tax payment will affect cash flow by approximately SEK 800 million in 2010

• The oral hearing of the SEC tax dispute is expected to be conducted the 26 of November and a verdict will be announced 1-2 month(s) later

• Tele2 forecasts that CAPEX level in 2010 will not exceed SEK 4,000 million
  • Earlier SEK 4,200-4,400 million
SWEDEN OUTLOOK (UNCHANGED)

• 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:
  – An EBITDA margin in the range of 33-35 percent depending on customer intake in 2010
RUSSIA OUTLOOK (CHANGED)

• 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
  – Most New regions’ EBITDA will break-even by 18 months (2 years) from launch
  – Russia’s total EBITDA margin should develop in the range of 34-37 (27-32) percent
• Capex 2010-2011
  – Accumulated Capex in Russia should be in the range of SEK 3,500-4,000 million
  – Earlier SEK 4,500-5,000 million
  – Selected acquisitions – when available and under right conditions
KAZAKHSTAN OUTLOOK (UNCHANGED)

- Subscriber base should aim to reach 400,000-450,000 by YE 2010
- Blended ARPU should be in the range of SEK 40-45
- EBITDA should approximately be:
  - SEK -250 million in 2010
  - SEK -400 to -450 million in 2011
- Accumulated Capex should be in the range of SEK 1,400-1,600 million by YE 2011
- Operations in Kazakhstan should be able to reach breakeven within 2 years from the commercial re-launch, which is planned in 1H 2011
CROATIA OUTLOOK (NEW)

• Tele2 Croatia will reach free cash flow break-even by 2H 2011
CONCLUDING REMARKS

Nordic
• Accelerated mobile revenue growth

Russia
• Record high customer intake and EBITDA

Central Europe and Eurasia
• Improving economy leading to stable cash flow contribution

Western Europe
• Solid operational performance

2010 an investment year
• Russia
• Kazakhstan
• Sweden
  - 4G
  - Spring Mobil
• Norway
  - 3G
• Netherlands
  - BBned
Q&A
Appendix A
TELE2 SWEDEN MOBILE

Mobile subscribers
Net intake

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

In thousands

(In thousands)
TELE2 SWEDEN MOBILE (contd)

- **Mobile Net sales**
- **EBITDA marg.**
- **EBIT marg.**

![Graph showing Mobile Net sales, EBITDA margin, and EBIT margin for Q1 09 to Q3 10.](image)

- **Q1 09**
- **Q2 09**
- **Q3 09**
- **Q4 09**
- **Q1 10**
- **Q2 10**
- **Q3 10**
TELE2 NORWAY MOBILE (contd)

Mobile net sales

- Q1 09
- Q2 09
- Q3 09
- Q4 09
- Q1 10
- Q2 10
- Q3 10

EBITDA marg.

- Q1 09
- Q2 09
- Q3 09
- Q4 09
- Q1 10
- Q2 10
- Q3 10

(SEK million)
TELE2 RUSSIA MOBILE

Mobile subscribers
Net intake

Q1 09 | Q2 09 | Q3 09 | Q4 09 | Q1 10 | Q2 10 | Q3 10

(In thousands)

Q1 09 | Q2 09 | Q3 09 | Q4 09 | Q1 10 | Q2 10 | Q3 10

(In thousands)
TELE2 RUSSIA MOBILE (contd)

Mobile net sales
EBITDA marg.

<table>
<thead>
<tr>
<th>(SEK million)</th>
<th>Q1 09</th>
<th>Q2 09</th>
<th>Q3 09</th>
<th>Q4 09</th>
<th>Q1 10</th>
<th>Q2 10</th>
<th>Q3 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 09</td>
<td>1,600</td>
<td>1,800</td>
<td>2,000</td>
<td>2,200</td>
<td>2,400</td>
<td>2,600</td>
<td>2,800</td>
</tr>
<tr>
<td>Q2 09</td>
<td>2,000</td>
<td>2,400</td>
<td>2,800</td>
<td>3,200</td>
<td>3,600</td>
<td>3,800</td>
<td>4,000</td>
</tr>
<tr>
<td>Q3 09</td>
<td>2,200</td>
<td>2,600</td>
<td>3,000</td>
<td>3,400</td>
<td>3,800</td>
<td>4,200</td>
<td>4,600</td>
</tr>
<tr>
<td>Q4 09</td>
<td>2,400</td>
<td>2,800</td>
<td>3,200</td>
<td>3,600</td>
<td>4,000</td>
<td>4,400</td>
<td>4,800</td>
</tr>
<tr>
<td>Q1 10</td>
<td>2,600</td>
<td>3,000</td>
<td>3,400</td>
<td>3,800</td>
<td>4,200</td>
<td>4,600</td>
<td>5,000</td>
</tr>
<tr>
<td>Q2 10</td>
<td>2,800</td>
<td>3,200</td>
<td>3,600</td>
<td>4,000</td>
<td>4,400</td>
<td>4,800</td>
<td>5,200</td>
</tr>
<tr>
<td>Q3 10</td>
<td>3,000</td>
<td>3,400</td>
<td>3,800</td>
<td>4,200</td>
<td>4,600</td>
<td>5,000</td>
<td>5,400</td>
</tr>
</tbody>
</table>

EBITDA margins:
- Q1 09: 30%
- Q2 09: 31%
- Q3 09: 32%
- Q4 09: 33%
- Q1 10: 34%
- Q2 10: 35%
- Q3 10: 36%

TELE2
TELE2 BALTIC MOBILE

Mobile subscribers
Net intake

Q2 09 | Q3 09 | Q4 09 | Q1 10 | Q2 10 | Q3 10

(In thousands)
Appendix B
NET DEBT AND DIVIDEND TARGETS

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

• 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 Q3 2010

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q3 10</th>
<th>Q3 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>-89</td>
<td>-111</td>
<td>22</td>
</tr>
<tr>
<td>Exchange rate differences, external</td>
<td>56</td>
<td>138</td>
<td>-82</td>
</tr>
<tr>
<td>Other financial items</td>
<td>-40</td>
<td>-10</td>
<td>-30</td>
</tr>
<tr>
<td><strong>Total External</strong></td>
<td>-73</td>
<td>17</td>
<td>-90</td>
</tr>
<tr>
<td><strong>Exchange rate differences, intragroup</strong></td>
<td>57</td>
<td>182</td>
<td>-125</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td>-16</td>
<td>199</td>
<td>-215</td>
</tr>
</tbody>
</table>
CASH FLOW DEVELOPMENT

Cash flow after CAPEX
Cash flow from operating activities

Q1 09  Q2 09  Q3 09  Q4 09  Q1 10  Q2 10  Q3 10
(SEK million)
GROUP NET INTAKE PER SEGMENT

- Mobile
- Fixed broadband
- Fixed telephony

(In thousands)

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

Third quarter 2010
GROUP CUSTOMER STOCK

- Strong intake in the mobile segment
  - Driven by Russia adding 1,170,000 new customers
GROUP FIXED BROADBAND EBITDA

Fixed broadband

Fixed broadband EBITDA margin

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

(SEK million)

0 100 200 300 400

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

0% 5% 10% 15% 20% 25%

Tele2
GROUP FIXED TELEPHONY EBITDA

Fixed telephony

Fixed telephony EBITDA margin

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

(SEK million)
GROUP EBIT

<table>
<thead>
<tr>
<th>Mobile</th>
<th>Fixed broadband</th>
<th>Fixed telephony</th>
<th>Other</th>
<th>Group EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
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<td></td>
<td></td>
<td>5%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
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<td></td>
<td></td>
<td>15%</td>
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<td>20%</td>
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<td>25%</td>
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<td>2 000</td>
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<td></td>
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<td></td>
<td></td>
<td>2 500</td>
</tr>
</tbody>
</table>

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

(SEK million)
GROUP CAPEX

In 2010: Tele2 forecasts a CAPEX level in the range of SEK 4,600 – 4,800 million