Agenda

About Q4 2011

Financial review

Guidance and Concluding remarks
Highlights Q4

• Group
  – Total customer base amounting to almost 31 million customers. Net customer intake for the group 803,000
  – Net sales grew by 2 percent. Currency-adjusted net sales grew by 8 percent, driven by mobile sales
  – EBITDA grew by 10 percent. Currency-adjusted EBITDA grew by 18 percent. EBITDA margin amounted to 25 (23) percent

• Russia
• Nordic
• Central Europe & Eurasia
• Western Europe
Highlights Tele2 Russia

- 755,000 (1,149,000) new customers in Q4 2010
- Revenue grew by 24 percent in Q4 2010
Tele2 Russia: Mobile market overview

**Mobile Subscribers (‘000 000) and Penetration (%)**

- 2006: 152, 1053%
- 2007: 173, 119%
- 2008: 188, 129%
- 2009: 208, 143%
- 1Q10: 212, 146%
- 2Q10: 213, 147%
- 3Q10: 217, 149%
- 4Q10: 219, 151%

**Prepaid Share (%)**

- 2006: 93.9%
- 2007: 92.8%
- 2008: 92.5%
- 2009: 89.7%
- 1H 2010: 89.8%

**Net Additions Share of adds (%)**

- MTS
- Vimpelcom
- MegaFon
- Tele2

**Quarterly Churn Percent**

- Tele2

Source: AC&M – 3Q10 Report, Mayson Analysis – Voice Quarterly Metrics, Nov 8th 2010
Tele2 Russia: Mobile market overview

**MOBILE MARKET SHARES**
PERCENT OF ACTIVE SUBSCRIBERS

Average TELE2 share (old regions) - 38.5%
Average TELE2 share (new regions) - 14%
Average TELE2 share (total 37) - 28%

**MOBILE MARKET SHARES**
PERCENT OF RETAIL REVENUES

Source: AC&M Consulting – 3Q10 Report, Mayson Analysis – Voice Quarterly Metrics, Nov 8th 2010
Tele2 Russia: Mobile data market

DATA REVENUE

<table>
<thead>
<tr>
<th>Quarter</th>
<th>MTS</th>
<th>Vimpelcom</th>
<th>MegaFon</th>
<th>Tele2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q09</td>
<td>8</td>
<td>7</td>
<td>9</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>3Q09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data Rev, % of total Revenues

BIG4 DATA REVENUE BREAKDOWN*

TELE2 REGIONS, PERCENT, 3Q10

- MГС: 29%
- МегаФон: 35%
- ВымпелКом: 22%
- Tele2: 14%

BIG4 DATA TRAFFIC BREAKDOWN*

TELE2 REGIONS, PERCENT, 3Q10

- MГС: 58%
- МегаФон: 21%
- ВымпелКом: 18%
- Tele2: 3%

* Tele2 regions internal, BIG 3 – J’son & Partners, 2011, otherwise AC&M, 2010
Highlights Tele2 Sweden

- Increased mobile revenue growth to 12 percent

- Adding 20,000 (20,000) mobile customers, of which 65,000 (51,000) postpaid

- Mobile EBITDA margin 30 (33) percent, due to a larger intake of smart phone customers and increased costs to JVs

- 4G launch in five major cities
Smart phones change the customers’ behavior

• Switching to a smartphone changes the customer’s behavior
  – A customer used to a regular phone quickly increases its usage of voice, text and data.
  – ASPU increases with almost 20%

Top 10 phone sales (Oct-Dec)

<table>
<thead>
<tr>
<th>No.</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>iPhone4</td>
</tr>
<tr>
<td>2</td>
<td>iPhone 3GS</td>
</tr>
<tr>
<td>3</td>
<td>Sony Ericsson X8</td>
</tr>
<tr>
<td>4</td>
<td>HTC Desire</td>
</tr>
<tr>
<td>5</td>
<td>HTC Desire HD</td>
</tr>
<tr>
<td>6</td>
<td>Samsung E1080</td>
</tr>
<tr>
<td>7</td>
<td>Samsung Galaxy S</td>
</tr>
<tr>
<td>8</td>
<td>HTC Wildfire</td>
</tr>
<tr>
<td>9</td>
<td>Nokia 1208</td>
</tr>
<tr>
<td>10</td>
<td>Sony Ericsson X10 Mini Pro</td>
</tr>
</tbody>
</table>

Smartphone user, who previously used a regular phone

<table>
<thead>
<tr>
<th></th>
<th>Minutes*</th>
<th>SMS</th>
<th>MMS</th>
<th>Data</th>
<th>ASPU**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up-lift</td>
<td>13%</td>
<td>21%</td>
<td>26%</td>
<td>975%</td>
<td>19%</td>
</tr>
</tbody>
</table>

* Out-going minutes
** ARPU excluding operator revenue and installments
4G roll out

NETWORK AND TERMINALS PLAN ON TRACK

- 4G Core network installed and operational
- Roll out started of new combined 2G and 4G network in Stockholm, Gothenburg, Malmö, Lund & Karlskrona
- >350 sites swapped to date
- 30 – 50 sites will be swapped each week
- Quality and speed improvements in the 2G network
- Emphasis on 2G quality and coverage
Highlights Tele2 Western Europe

- The Netherlands
  - BBned acquisition completed

- Germany
  - Continued strong EBITDA contribution in fixed telephony of 42 percent
  - Sold shares in Plusnet

- Austria
  - Continued good progress in restructuring program leading to sequential improvement of EBITDA contribution
## Tele2 Netherlands: Revenues, segments & focus areas

### Tele2 NL network

### Share of total revenue 2010

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Fixed &amp; BB (22%)</td>
<td></td>
</tr>
<tr>
<td>SME Fixed &amp; BB (7%)</td>
<td></td>
</tr>
<tr>
<td>Wholesale (10%)</td>
<td></td>
</tr>
<tr>
<td>Residential Fixed &amp; BB (46%)</td>
<td></td>
</tr>
<tr>
<td>Mobile (15%)</td>
<td></td>
</tr>
</tbody>
</table>

### Corporate Fixed & BB (22%)

- Tele2 Business is the largest competitor to KPN. That position will be developed & strengthened by acquisition of BBned.
- Focus on Fixed Data & Telephony, strong position in the corporate & governmental segment.

### SME Fixed & BB (7%)

- Big potential in addressing SME segment by building indirect channel.
- Improved offering and market position via BBned ('BBeyond') with a strong indirect channel.

### Wholesale (10%)

- Shift from voice to more data.
- Focus on Ethernet portfolio

### Residential Fixed & BB (46%)

- Focus on Broadband 3P bundles
- Develop Best Deal position

### Mobile (15%)

- Currently MVNO based
Highlights Tele2 Baltic Region

- Stabilizing economy leading to better operational environment
- Improved demand for postpaid services
- Investment in network capabilities, as demand for mobile internet increases
  - Tele2 Estonia was awarded 4G license
Highlights Tele2 Croatia

• Goal to deliver positive free cash flow 2H 2011 on track

• Solid customer intake despite high seasonal churn

• Tele2 launched 21 Mbps in its 3G network
Highlights Tele2 Kazakhstan

- During the quarter, Tele2 added 114,000 new customers in Kazakhstan, a sequential improvement of the total customer stock by 52 percent.

- Focus on widening the distribution network throughout the country

- Interconnect lowered as of 2011 with good support from NRA
Agenda

About Q3 2010

Financial review

Guidance and Concluding remarks
## Q4 2010 group results

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q4 10</th>
<th>Q4 09</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>10,109</td>
<td>9,953</td>
<td>2%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2,488</td>
<td>2,263</td>
<td>10%</td>
</tr>
<tr>
<td>- <strong>EBITDA margin (%)</strong></td>
<td>25%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation and joint venture</strong></td>
<td>-975</td>
<td>-888</td>
<td></td>
</tr>
<tr>
<td>- <strong>Depreciation of Net sales (%)</strong></td>
<td>10%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td><strong>One-off items</strong></td>
<td>-157</td>
<td>-64</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1,356</td>
<td>1,311</td>
<td></td>
</tr>
<tr>
<td>Normalized EBIT</td>
<td>1,513</td>
<td>1,375</td>
<td></td>
</tr>
<tr>
<td>- <strong>Normalized EBIT margin (%)</strong></td>
<td>15%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td>-155</td>
<td>-124</td>
<td></td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>-102</td>
<td>-267</td>
<td></td>
</tr>
<tr>
<td>Net result, continuing operations</td>
<td>1,099</td>
<td>920</td>
<td></td>
</tr>
<tr>
<td>Net result, discontinued operations</td>
<td>404</td>
<td>184</td>
<td></td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>1,503</td>
<td>1,104</td>
<td></td>
</tr>
</tbody>
</table>
Taxes

<table>
<thead>
<tr>
<th>Taxes in income statement</th>
<th>Q4 2010</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>-277</td>
<td>-441</td>
<td>-348</td>
<td>-339</td>
</tr>
<tr>
<td>One-Off</td>
<td>175</td>
<td>1049</td>
<td>-73</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-102</td>
<td>608</td>
<td>-421</td>
<td>-339</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxes in cash flow</th>
<th>Q4 2010</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>-160</td>
<td>-152</td>
<td>-195</td>
<td>-233</td>
</tr>
</tbody>
</table>

- Administrative Court of Appeal approved Tele2’s claim for a deduction of capital loss of SEK 13.3 billion, which was associated with the liquidation of SEC SA in 2001
## Currency movements (vs SEK)

<table>
<thead>
<tr>
<th>YoY Difference in YTD Ave FX Rates, 2010 vs 2009</th>
<th>Q4 2010</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>-10%</td>
<td>-9%</td>
</tr>
<tr>
<td>RUB</td>
<td>-1.5%</td>
<td>0,5%</td>
<td>+/- 0</td>
<td>-2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End of Quarter Spot rate vs 31/12-2009</th>
<th>Q4 2010</th>
<th>Q3 2010</th>
<th>Q2 2010</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>-13%</td>
<td>-12%</td>
<td>-8%</td>
<td>-6%</td>
</tr>
<tr>
<td>RUB</td>
<td>-6%</td>
<td>-7,5%</td>
<td>3%</td>
<td>1%</td>
</tr>
</tbody>
</table>

- EUR/RUB pegged currencies approximately:
  - 62% of sales and
  - 67% of EBITDA
# Cash flow for Q4 2010

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q4 10</th>
<th>Q4 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>2,311</td>
<td>2,560</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>-160</td>
<td>-205</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-374</td>
<td>346</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td>1,777</td>
<td>2,701</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>-1,163</td>
<td>-1,048</td>
</tr>
<tr>
<td><strong>Cash Flow after CAPEX</strong></td>
<td>614</td>
<td>1,653</td>
</tr>
<tr>
<td>Acquisition and sale of shares and participations, net</td>
<td>-323</td>
<td>344</td>
</tr>
<tr>
<td></td>
<td>291</td>
<td>1,997</td>
</tr>
</tbody>
</table>
Group financial profile

- **Net debt**
- **Net debt incl. JV**

**Net debt/ EBITDA 2010**

**Net debt incl. JV/ EBITDA 2010**
Net debt and dividend targets

• Shareholder remuneration
  – “Tele2 will seek to pay a progressive ordinary dividend of 50 percent or more of net income excluding one-off items. Extraordinary dividends and the authority to purchase Tele2’s own shares will be sought when the anticipated total return to shareholders is deemed to be greater than the achievable returns from the deployment of the capital within the group's operating segments or the acquisition of assets within Tele2’s economic requirements.”

• Balance sheet
  – “Tele2 has a target net debt to EBITDA ratio of between 1.25 and 1.75 times over the medium term. The company’s longer term financial leverage should be in line with the industry and the markets in which it operates and reflect the status of its operations, future strategic opportunities and contingent liabilities.”
Agenda

About Q4 2010

Financial review

Guidance and Concluding remarks
Tele2 general group targets

- 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)

The following assumptions should be taken into account when estimating 2011 results for the Group:

• Tele2 forecasts a corporate tax rate in the range of 26-27 percent excluding one-off items. The tax payment will affect cash flow by approximately SEK 1,000 million.

• Tele2 forecasts a CAPEX level that will not exceed SEK 5,500 million, excluding license payments.
Sweden outlook (changed)

The following assumptions should be taken into account when estimating results for the Swedish mobile operations in 2011:

• Tele2 expects mobile revenue to grow with high single digits.

• Tele2 expects a similar EBITDA contribution in 2011 as in 2010 due to instalments and start up costs related to joint venture Net4Mobility.
Norway outlook (new)

The following assumptions should be taken into account when estimating results for the Norwegian mobile operations in 2011:

• Tele2 expects an EBITDA contribution of SEK -100 million due to lower interconnect tariffs and start up costs related to joint venture Mobile Norway
Russia outlook (changed)

Tele2 has GSM licenses in 37 regions in Russia covering approximately 61 million inhabitants. The following assumptions should be taken into account when estimating the operational performance of the total operations in Russia in 2011:

• Subscriber base should reach 20-21 (earlier 19-20) million by YE 2011.
• ARPU should remain stable in local currency.
• Tele2 Russia’s total EBITDA margin should evolve in the range of 36-39 (earlier 34-37) percent.
• Capex in Russia should be approximately SEK 2,000 million by YE 2011.
Kazakhstan outlook (changed)

The following assumptions should be taken into account when estimating the operational performance of the total operations in Kazakhstan in 2011:

- EBITDA contribution in 2011 should be approximately SEK -500 million.
- Capex in Kazakhstan should be in the range of SEK 1,200-1,400 million by YE 2011.
Croatia outlook (unchanged)

• Tele2 Croatia will reach free cash flow break-even by 2H 2011
Concluding remarks

Russia
• Strong customer intake and EBITDA contribution in market area Russia

Nordic
• Solid mobile revenue growth in market area Nordic

Western Europe
• Further strengthening its position in the consumer and business segment

Central Europe and Eurasia
• Improved net intake in Kazakhstan, driving better customer trends

2011: Also an investment year
• Russia
• Kazakhstan
• Sweden
  - 4G
• Norway
  - 3G
Q&A
Appendix A
Group mobile EBITDA

[Graph showing mobile EBITDA over different quarters with various metrics and a map of Europe]
MoU and ARPU development

- ARPU development
  - Swedish seeing normal seasonality, supported by data trends
  - Russia affected by currency movement and increased price competition
Tele2 Sweden mobile (contd)
Tele2 Norway mobile

Customer base (thousands)

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

Mobile subscribers Net intake

Net intake (thousands)
Tele2 Russia mobile

Customer base (million):
- Q3 09: 12
- Q4 09: 14
- Q1 10: 15
- Q2 10: 16
- Q3 10: 17
- Q4 10: 18

Net intake (thousands):
- Q3 09: 500
- Q4 09: 600
- Q1 10: 700
- Q2 10: 800
- Q3 10: 900
- Q4 10: 1,000
Tele2 Russia mobile (contd)
Tele2 Baltic mobile

- Mobile subscribers
- Net intake

Customer base (thousands)

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

-100 | -50 | 0 | 50 | 100
Tele2 Croatia mobile

[Diagram showing customer base and net intake from Q3 09 to Q4 10]
Tele2 Croatia mobile (contd)
Appendix B
## Financial items Q4 2010

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q4 10</th>
<th>Q4 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>-190</td>
<td>-9</td>
<td>-181</td>
</tr>
<tr>
<td>Exchange rate differences, external</td>
<td>71</td>
<td>-61</td>
<td>+132</td>
</tr>
<tr>
<td>Other financial items</td>
<td>-48</td>
<td>-24</td>
<td>-24</td>
</tr>
<tr>
<td></td>
<td><strong>-167</strong></td>
<td><strong>-94</strong></td>
<td><strong>-73</strong></td>
</tr>
<tr>
<td><strong>Exchange rate differences, intragroup</strong></td>
<td>12</td>
<td>-30</td>
<td>+42</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td><strong>-155</strong></td>
<td><strong>-124</strong></td>
<td><strong>-31</strong></td>
</tr>
</tbody>
</table>
Cash flow development

Cash flow from operating activities
Cash flow after CAPEX

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

(SEK million)
Group net intake per segment

- **Mobile**
- **Fixed broadband**
- **Fixed telephony**

Net intake (thousands)

Q3 09  Q4 09  Q1 10  Q2 10  Q3 10  Q4 10
Group customer stock

- Strong intake in the mobile segment
  - Driven by Russia adding 755,000 new customers in Q4 2010
Group fixed broadband EBITDA
Group fixed telephony EBITDA
Group CAPEX

![Bar chart showing CAPEX for different categories: Mobile, Fixed broadband, Fixed telephony, Other, and Capex/Net sales. The chart highlights the financial data for Q3 09 to Q4 10, with a notable increase in Capex/Net sales from Q2 10 to Q4 10.](image-url)