

Interim Report January–September 2009

Q3

IN Q3 2009 TELE2'S NET SALES AMOUNTED TO SEK 9,763 MILLION AND EBITDA INCREASED BY 6 PERCENT TO SEK 2,375 MILLION.

SEK million	Q3			9M		
	2009	2008	%	2009	2008	%
Net sales	9,763	9,520	3	29,376	28,286	4
EBITDA	2,375	2,240	6	6,997	6,007	16
EBIT excluding one-off items	1,451	1,388	5	4,238	3,292	29
EBIT	1,567	419	274	4,291	1,669	157
Net profit/loss	2,184	156		3,736	1,025	264
Earnings per share, after dilution (SEK)	4.92	0.30		8.40	2.24	275

The figures presented in this report correspond to Q3 2009 and continued operations unless otherwise stated. The figures shown in parentheses correspond to the comparable periods in 2008.

SOLID CUSTOMER INTAKE IN SWEDEN

- Tele2 Sweden's mobile operations added 107,000 (127,000) customers in Q3 2009, of which 48,000 (28,000) customers were postpaid mobile voice and postpaid mobile internet customers.

EARLY SUCCESS IN ROLL-OUT OF NEW REGIONS IN RUSSIA

- 7 of the new regions were launched in Russia during Q3 2009, leading to a total customer intake of 1,100,000 (449,000). Despite a strong emphasis on rolling out new mobile operations, the total EBITDA margin of Tele2 Russia amounted to 31 (36) percent.

STABLE OPERATIONAL DEVELOPMENT IN THE BALTIC REGION AND IN CROATIA

- Tele2's Baltic operations gained customer market share in Q3 2009 adding 28,000 customers in spite of a difficult economic environment. In Croatia, Tele2 improved the operational performance and is aiming for EBITDA break-even by 2H 2010.

STRONG OPERATIONAL CONTRIBUTION FROM WESTERN EUROPE

- Tele2 Netherlands prolonged the expansion of its EBITDA margin and delivered 26 (21) percent in Q3 2009. In Austria, the restructuring resulted in good operational progress in the quarter with an EBITDA contribution of SEK 102 (24) million. In Q4 2009, Tele2 sold its French operations for SEK 575 million and is reported as discontinued operation in this report.

BACK TO OUR ROOTS:

Renewed focus on mobile

“ TELE2’S FUTURE GROWTH LIES WITHIN OUR EMERGING MARKET FOOTPRINT, WITH A STRONG EMPHASIS ON RUSSIA.”

Tele2 should always provide the best deal, by combining perceived price leadership with expected quality. Existing and future customers evolve and their demands are increasing. Therefore we must make sure that we never deviate from this strategy in any of our markets.

Providing the best deal also means having best-in-class cost control. I would say that we are in this position, but there is always room for improvement, especially in more mature markets. By benchmarking the different parts of our organization against one another, we will be able to protect and enhance the profitability of our company.

RUSSIA

Tele2’s future growth lies within our emerging market footprint, with a strong emphasis on Russia. Our long experience in developing and managing green-field mobile operations gives us the opportunity to explore new regions or geographies that have not yet been fully exploited, when it fits with our DNA.

In its initial phase, the roll-out of new regions in Russia has shown a development in line with or better than our own expectations. A positive sign is that our more mature regions have experienced a prolonged customer growth and expanded operational profitability. We are constantly fine-tuning our method of rolling out new networks followed by commercial launches. This is why we are certain that we will be able to have all our 20 new regions operational by 1H 2010.

NORDIC

Tele2 is, with our strong brand Comviq, the leader in the Swedish mobile prepaid market. As a complement to our prepaid position we see further potential in the postpaid segment. In Q3 2009, we can note a solid net customer intake in mobile postpaid. We will closely monitor the signs of success that we expect to see filter through, such as continued customer growth together with improved revenue profile. By enhancing the operational performance - especially in the mobile internet segment, but also in mobile postpaid voice, we can stabilize and improve the cash flow contribution in Swedish mobile services.

CENTRAL EUROPE

The situation in the Baltic region continues to be tough and recovery will be very slow. Tele2 has a clear position as the best deal provider, and has been able to grab market share despite difficult times. The net intake was solid and the good progress in the business to business segment has continued into the third quarter.

WESTERN EUROPE

Our Western European market area is performing better than ever. Our Dutch operations contributed with an overall EBITDA margin of 26 percent and will carry on investing in the future. In Austria, progress is still to be made and the restructuring of the business will go on. The cash focus in Germany is and will keep being a top priority.

Going forward - the strategy is simple - Tele2 always offers the best deal.

Harri Koponen
President and CEO, Tele2 AB



Financial overview

Tele2's financial performance is a function of a continued focus on mobile services on our own infrastructure, complemented in some countries by fixed broadband services and business to business offerings. Mobile sales, which continued to grow compared to the same period last year, and a greater focus on mobile services on own infrastructure have led to a prolonged expansion in the EBITDA margin. The decline in the fixed-line services customer base is expected to persist. The company will work on maximizing the return from the product line.

FINANCIAL OVERVIEW

Net customer intake amounted to 1,088,000 (498,000) in Q3 2009. The customer intake in mobile services almost doubled to 1,306,000 (685,000), of which 53,000 (21,000) were mobile internet users. The good intake in mobile services resulted from a solid performance mainly in Tele2 Russia and Tele2 Sweden. In Q3 2009, Tele2 Russia launched 7 new regions in the quarter resulting in a total customer intake of 1,100,000 (449,000) of which 742,000 (-1,000) were derived from new operations. Fixed broadband added 10,000 (8,000) customers in Q3 2009, driven by improved product portfolio in the Netherlands with the introduction of VDSL services. Fixed telephony had an expected outflow of customers in the quarter. In Q3 2009, the total customer base increased to 25,692,000 (23,505,000) due to further success in mobile services.

Net sales in Q3 2009 amounted to SEK 9,763 (9,520) million, an increase of 3 percent. The positive revenue development was driven by good trends in core mobile services and fixed broadband services.

EBITDA in Q3 2009 amounted to SEK 2,375 (2,240) million, equivalent to an EBITDA margin of 25 (23) percent. The EBITDA development was positively affected by strong operational development in fixed broadband services and to some extent was hampered by an increased push in mobile marketing spend with an emphasis on the roll-out of new regions in Russia.

EBIT in Q3 2009 amounted to SEK 1,451 (1,388) million excluding one-off items of SEK 116 (-969) million¹⁾. Including one-off items, EBIT amounted to SEK 1,567 (419) million.

Profit/loss before tax amounted to SEK 1,766 (129) million.

Net profit/loss amounted to SEK 2,184 (156) million. Reported tax for Q3 2009 amounted to SEK 418 (27) million affected by one-off items amounting to SEK 862 (102) million²⁾. Tax payment affecting cash flow amounted to SEK -98 (-90) million.

Cash flow after CAPEX amounted to SEK 1,522 (1,664) million.

CAPEX amounted to SEK 1,169 (942) million, mainly driven by expansion in Russia.

Net debt amounted to SEK 3,951 (5,224) million on September 30, 2009, or 0.48 times full-year 2008 EBITDA. Including guarantees to joint ventures, the net debt to full-year 2008 EBITDA amounted to 0.72 times. Tele2's available liquidity amounted to SEK 10,462 (20,866) million.

FINANCIAL COMMENTS

The market

The Tele2 operations performed well in Q3 2009, despite a slow general recovery in the economic environment. The Baltic regions continued to be negatively impacted in the quarter due to a further deterioration in the general business climate and Tele2 does not envision any near term recovery. However, markets such as Sweden and Russia were to a large extent unaffected and the operational performance was solid in the quarter. Measures taken to offset the impact of economic weakness will be prolonged as long as there are not any signs of a more permanent pick-up in consumer and business activity. Hence, the existing efficiency programs will remain in place to make sure financial performance remains steady. These measures include benchmarking operational cost and capital expenditures to make sure Tele2 stays best in class in operational efficiency.

The following points should be considered when estimating 2009 for the group:

- > Tele2 forecasts a corporate tax rate of approximately 20 percent excluding one-off items. The tax payment will affect cash flow by approximately SEK 800 million.
- > Tele2 forecasts a CAPEX level in the range of SEK 4,700-4,900 million.

The following assumptions should also be taken into account when estimating the longer term operational performance of the group:

- > A mobile operation based on own infrastructure should have the ambition to reach mid 30 percent EBITDA margin.
- > A ROCE target of 20 percent for the total operation of Tele2

Tele2 has GSM licenses in 37 regions in Russia covering 61 million inhabitants. The Russian operations have been divided into 17 old regions and 20 new regions. In Q3 2009, 7 of the new regions were commercially launched and the market's response has been in line with or even better than expected compared to the business plan. The following assumptions should be taken into account when estimating the financial impact of the 20 new regions in 2009:

- > Operational expenditures are estimated at SEK 500-700 million. Capital expenditures are estimated at SEK 1,300-1,500 million.
- > Up to 14 (earlier 12) out of the 20 new regions will be launched in 2009.

¹⁾ See page 21 and Note 1-4

²⁾ See Note 7

Financial overview, cont.

The following assumptions should also be taken into account when estimating the operational performance of the total operations in Russia between 2010-2011:

- > Subscriber base should be able to reach 18-19 million by YE 2011.
- > Accumulated ARPU growth should amount to 5 percent
- > EBITDA margin in the old regions should evolve in the range of 40-45 percent. New regions' EBITDA margin should break even 2 years from launch. Tele2 Russia's total EBITDA margin should evolve in the range of 25-30 percent.
- > Accumulated Capex in Russia should be in the range of SEK 4,500-5,000 million.

The following assumptions should be taken into account when estimating the Swedish mobile operations in 2010:

- > Tele2 will continue to target higher market share in the postpaid segment resulting in the EBITDA margin trending towards 30 percent.

SALE OF TELE2 FRANCE

In Q4 2009 Tele2 sold its French operations to Virgin Mobile. Virgin Mobile will pay in cash SEK 575 million on a debt and cash free basis. Completion is expected following approval from relevant regulatory authorities.

The transaction resulted in a goodwill impairment loss of SEK 526 million in Q3 2009. As an effect of the divestment, Tele2's French operation are treated as discontinued operations (see Note 9).

DEFINITION OF AN ACTIVE PREPAID CUSTOMER

As a way of standardizing reporting both internally and externally, Tele2 decided in Q2 2009 to change its principles for calculating the number of active customers in its mobile prepaid base. In Q2 2009, the one-time effect was a net increase of 567,000 in the reported customer base. In Q3 2009 and additional adjustment of -249,000 customers was made due to the changed principle (see Note 10).

SHAREHOLDER REMUNERATION

Tele2's intention over the medium term is to pay a progressive ordinary dividend to its shareholders.

BALANCE SHEET

Tele2's longer term financial leverage, defined as net debt / EBITDA ratio, should be in line with the industry and the markets in which it operates and reflect the status of its operations and future strategic opportunities. In the short term, the company also needs to take the uncertainties in the financial markets into consideration and act accordingly.

Financial overview, cont.

SEK million	2009 Q3	2008 Q3	2009 9M	2008 9M	2008 FY
Mobile¹⁾					
Net customer intake (thousands)	1,306	685	2,094	1,798	2,372
Net sales	6,130	5,970	18,095	17,058	23,224
EBITDA	1,596	1,738	4,748	4,842	6,419
EBIT	1,137	1,391	3,500	3,782	4,988
CAPEX	891	704	2,491	2,263	3,171
Fixed broadband¹⁾					
Net customer intake (thousands)	10	8	-1	73	71
Net sales	1,592	1,495	5,084	4,466	6,098
EBITDA	327	85	815	-55	36
EBIT	-30	-274	-325	-1,219	-1,538
CAPEX	141	156	470	514	735
Fixed telephony¹⁾					
Net customer intake (thousands)	-228	-195	-653	-1,018	-1,292
Net sales	1,433	1,629	4,580	5,205	6,869
EBITDA	414	457	1,266	1,267	1,730
EBIT	352	385	1,075	1,036	1,432
CAPEX	16	18	55	63	116
Total					
Net customer intake (thousands)	1,088	498	1,440	843	1,141
Net sales ²⁾	9,763	9,520	29,376	28,286	38,272
EBITDA	2,375	2,240	6,997	6,007	8,169
EBIT ³⁾	1,567	419	4,291	1,669	2,848
CAPEX	1,169	942	3,422	3,153	4,481
EBT	1,766	129	3,915	1,249	1,835
Net profit/loss	2,184	156	3,736	1,025	1,715
Cash flow from operating activities	2,587	2,594	6,417	5,959	7,896
Cash flow after CAPEX	1,522	1,664	3,125	2,584	3,288

¹⁾ Less one-off items (see Note 1-4)

²⁾ Including one-off items (see Note 1)

³⁾ Total EBIT includes result from sale of operations, impairment and other one-off items stated under the segment reporting section of EBIT (page 21 and Note 1-4)

SIGNIFICANT EVENTS IN THE QUARTER

- Tele2 successfully launched mobile operations in 7 new regions in Russia.
- Tele2 acquired minority stakes in its Russian mobile operation in Izhevsk.
- Tele2 finalized the sale of its fixed broadband operations in Norway.
- Tele2 appointed Dmitry Strashnov as new Executive Vice President and Market Area Director for Russia.
- Tele2 appointed Kristina Vallin as new Director of Human Resources.
- Tele2 held a Capital Markets Day on the 17 September, 2009.

SIGNIFICANT SUBSEQUENT EVENTS

- Tele2 divests Tele2 France to Virgin Mobile for SEK 575 million on a debt and cash free basis.

Overview by region

NORDIC SWEDEN AND NORWAY

THE MOBILE CUSTOMER
BASE IN SWEDEN INCREASED
IN Q3 2009 BY

107,000

The Nordic market area is a strong cash-flow generator to the Tele2 organization and also the test bed for new services.

SWEDEN

> **Mobile** In Q3 2009, Tele2 Sweden had a strong quarter adding 107,000 (127,000) new customers, of which 43,000 (20,000) were mobile internet users. The total mobile internet customer base amounted to 261,000 (155,000) in the quarter. Tele2 Sweden is expecting prolonged growth within the mobile internet segment and will leverage on the company's strong distribution platform. Net sales development in the quarter was stable, amounting to SEK 1,943 (1,969) million

In Q3 2009 an increasing share of net customers on postpaid voice services were with monthly installment plans, resulting in 41 percent of total gross additions being with monthly installments. Within the total postpaid voice consumer segment 25 (19) percent of the customer base had monthly installment plans in Q3 2009. As a consequence, the acquisition costs in the quarter increased.

In the consumer segment, price sensitivity increased in Q3 2009 and subscriptions with low cost and longer contracts became more popular. Likewise there was a higher demand for new terminals. Tele2 Sweden will capitalize on this trend by stressing price perception in marketing campaigns.

EBITDA contribution was SEK 600 (708) million in Q3 2009. The termination rate was lowered by the authorities from SEK 0.43 to SEK 0.32 from July 1, 2009, negatively affecting EBITDA with SEK -33 million in the quarter. The prepaid voice segment showed a stable operational result with an EBITDA margin of 51 (47) percent.

In the business segment, Tele2 Sweden was affected in the quarter by slow economic activity, resulting in decreasing MoU (Minutes of Use). Still, Tele2 Sweden managed to leverage on its best deal position, winning several major contracts in Q3 2009.

The mobile operations in Sweden reported an ARPU of SEK 197 (214). ARPU for mobile internet increased in the quarter to 132 (108) SEK. MoU per customer, excluding mobile internet, increased to 229 (226) in Q3 2009.

In Q3 2009 the first two Tele2 Stores were launched in Sweden. The Tele2 Stores have already delivered good sales and profitability as well as improved sales in value-added services. Tele2 Stores are a good match to the existing distribution channels with the aim of reaching and serving our customers. In order to support increased fixed to mobile substitution, Tele2 Sweden launched a service to connect a fixed number to a mobile subscription in the quarter.

Costs associated with SUNAB joint venture amounted to SEK -103 (-129) million in Q3 2009.

Accelerated depreciation rate of Tele2 Sweden's existing GSM network amounted to SEK 36 million in the quarter. In total, Tele2 Sweden will increase its depreciation by SEK 470 million over 39 months, a process which started with Q2 2009.

> **Fixed Broadband** The fixed broadband market focused in Q3 2009 on bundling offerings of fixed broadband and fixed voice. The sales of fixed broadband in the quarter increased, mainly due to new installed LAN networks. Tele2 Sweden has a clear price position in the fixed broadband market and has focused on cross selling products to existing customers.

In the quarter Tele2 Sweden maintained its market share and improved profitability on fixed broadband services. Tele2 Sweden reached an EBITDA margin of 13 (5) percent, mainly by concentrating on bundled products together with lower direct costs.

> **Fixed Telephony** The scope of the fixed telephony market is slowly decreasing and activities are highly linked with the fixed broadband sales.

Tele2 Sweden had a decreasing churn in the fixed telephony segment in Q3 2009 as a direct result of ongoing retention activities. In the quarter, Tele2 Sweden has seen a continued demand from customers in low tariff fixed price plans and VoIP subscriptions. To respond to current demand, Tele2 Sweden has introduced competitively priced VOIP products sold together with fixed broadband in selected networks.

In the business segment, fixed telephony has shown a healthy growth and margin development.

Lowered mobile termination rate had a positive impact on fixed telephony EBITDA of SEK 11 million.

NORWAY

> **Mobile** Tele2 Norway was able to deliver an improved revenue and EBITDA result compared to previous quarter. This was achieved through intensified efforts to bring costs down and keep improving the quality of the overall customer base. During Q3 2009, mobile prepaid voice services were launched through new retail channels. The net intake in Q3 2009 amounted to 7,000 (4,000).

EBITDA contribution was SEK 58 (63) million in Q3 2009. The termination rate was lowered by the authorities from NOK 1.15 to NOK 1.00 from February 10, 2009, negatively affecting EBITDA with SEK -29 million in the quarter.

The EBIT result was negatively impacted by Tele2 Norway's share of the result from the Mobile Norway joint venture of SEK -17 (-17) million in Q3 2009.

> **Fixed Telephony** The overall performance for fixed telephony was stable in Q3 2009 with an improved EBITDA contribution compared to Q2 2009. This was achieved through intensified efforts to bring costs down and keep improving the quality of the overall customer stock.

Overview by region, cont.

RUSSIA

THE MOBILE CUSTOMER BASE
INCREASED IN Q3 2009 BY

1,100,000



The Russian operation is Tele2's most important growth engine. The company has GSM licenses in 37 regions with approximately 61 million inhabitants.

> **Mobile** During Q3 2009, Tele2 Russia continued with its strategy of improving the operational contribution of its 17 mature regions to support the roll-out of commercial networks in its 20 new regions.

In the quarter, 7 of the new regions were commercially launched and the market's response has been in line with or even better than expected compared to the business plan. The customer base of the new regions grew by 742,000 customers. 6 new regions will be launched in Q4 2009 as planned (the process for awarding the new licenses is still partially challenged at court).

Tele2 Russia had an overall robust customer intake and added 1,100,000 (449,000) new users in the quarter. The customer intake was also supported by lower churn in the total base. Despite an impact from customer base growth in new regions MoU for the total operations increased by 6 percent compared to Q3 2008, amounting to 215 (203). ARPU amounted to 49 (54), negatively affected by an unfavourable currency movement.

Tele2 Russia increased prices in regions where market conditions permitted, but the general pricing environment remained highly competitive.

Supported by customer growth, Tele2 Russia carried on demonstrating good financial performance in the quarter. Revenue grew by 8 percent in Q3 2009 compared to the same period last year. As expected, EBITDA margin declined sequentially because of the launches of new regions. However, the actual decline was lower than expected driven by effective cost management. EBITDA in the 17 old regions amounted to SEK 740 (650) million, equivalent to a margin of 40.5 (37.3) percent. EBITDA in the new regions amounted to SEK -144 (-22) million.

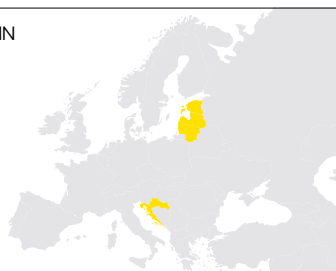
Tele2 Russia will continue to look for possibilities to carefully expand its operations through new licenses as well as complementary acquisitions which fit with its corporate culture.

Overview by region, cont.

CENTRAL EUROPE ESTONIA, LATVIA, LITHUANIA AND CROATIA

THE MOBILE EBITDA MARGIN
IN LITHUANIA AMOUNTED
IN Q3 2009 TO

35%



The current economic turmoil continues to affect the Baltic countries negatively. Tele2 will remain focused on creating a strong operational platform it can leverage on once economic stability re-emerges in the region. To offset the negative GDP impact, Tele2 has selectively increased its marketing activities to gain market share on high value ARPU customers. The tough economic climate is expected to persist throughout 2009. Tele2 sees this development as a possibility to move its market position carefully forward and present the best deal to customers becoming increasingly price-sensitive.

Tele2's Croatian operation is a strong challenger as it offers the best deal in both voice services and mobile internet.

ESTONIA

> **Mobile** The strong economic downturn trend was prolonged in Q3 2009 and price pressure in all customer segments remained high. This challenging economical situation affected the hardware sales most, whereas MoU kept growing. Despite the difficult economical environment, Tele2 Estonia was able to show relatively good operational result.

As the clear price leader, Tele2 Estonia has been taking advantage of more customers reviewing their telecom service provider and acquired both residential and corporate customers. The competitive price pressure on the mobile market was still tough in the quarter. Tele2 Estonia has continued to be an indisputable winner on number portability.

LATVIA

> **Mobile** Latvia still suffered from a very demanding economic climate in Q3 2009. The economy has been heavily affected by fallen trade exports and weak domestic demand driven by low consumer and business confidence, growing unemployment, wage cuts, and the credit squeeze. Together with increasing competition, the mobile market has experienced a very tough pricing environment, affecting the operational result in both the prepaid and the postpaid segments in Q3 2009.

Tele2 Latvia increased its customer base in Q3 2009 with good growth in the prepaid segment. The postpaid segment however was affected by the weak economy and experienced higher bad debt, which had an effect upon the overall profitability in the quarter.

Tele2 Latvia continued to work actively in the corporate segment, including state-owned companies, which has already resulted in important wins over competitors. This opportunity has been facilitated by a slower economy, making business customers more price sensitive.

LITHUANIA

> **Mobile** Tele2 was the market leader in the postpaid residential segment in Q3 2009 with 39 percent customer share according to the National Regulatory Agency (NRA). A sustained price leadership position has been beneficial for Tele2 Lithuania in a period of market slowdown.

The economic downturn negatively affected ARPU in Q3 2009, leading to a decreasing revenue. However, Tele2 was able to successfully increase profitability by better managing acquisition costs, and the EBITDA margin amounted to 35 (29) percent in Q3 2009.

In 2009, Tele2 will enhance its focus on the corporate segment. As the market becomes more price sensitive, there is an opportunity for Tele2 to move its position forward among private companies, municipalities and state-owned organizations. Tele2 will also enter the mobile internet market by providing 3G based services in major parts of Lithuania in 2009.

CROATIA

> **Mobile** Tele2 Croatia developed according to plan during Q3 2009 and added 70,000 (74,000) customers, partly driven by summer tourists. The revenue development was solid and increased by 39 percent to SEK 342 (246) million.

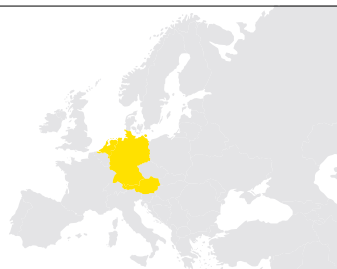
From a regulatory perspective, Q3 2009 was dominated by the introduction of several new fees and taxes, including an increase of VAT and income tax as well as a 6 percent fee imposed on mobile operators' gross revenue (effective from 1 August 2009). Despite the new fees, Tele2 Croatia improved its EBITDA by 44 percent in the quarter.

Overview by region, cont.

WESTERN EUROPE THE NETHERLANDS, GERMANY AND AUSTRIA

THE EBITDA MARGIN IN THE NETHERLANDS AMOUNTED IN Q3 2009 TO

26%



The Western European market area has changed significantly in geographic scope over the last two years. Throughout 2008, the focus has been to manage the existing operations more effectively, by concentrating on customer base management and using more cost effective sales channels, such as web and inbound customer service calls. Hence, the operational performance of the market area improved during the last year. In 2009, Tele2 will keep on improving the efficiency of the different geographies, by paying particular attention to customer base management and the reduction of the overall cost base.

THE NETHERLANDS

> **Mobile** The competitive environment remained –as in previous quarters– fierce, with several MNO's and MVNO's being active in the Dutch market. In order to remain competitive, Tele2 Netherlands moved its customer base to the T-Mobile network at the end of Q3 2009. As a result, Tele2 Netherlands will be able to improve its margins in the following quarters. During the third quarter, Tele2 Netherlands also launched a mobile internet product with data bundles ranging from 250MB to 2.5GB. The mobile internet market in the Netherlands is not fully developed, as prices are at a relatively high level, which allows Tele2 Netherlands (as a MVNO) to offer a competitive product.

> **Fixed Broadband** During the third quarter, the residential fixed broadband market once again developed according to expectations. Tele2 Netherlands continued to materialize on its increased brand awareness, price leadership position and quality awards, leading to a further increase of its broadband order intake in the residential segment, which resulted in Tele2 being the fastest grower in the Dutch market. In Q3 2009, Tele2 Netherlands also launched a VDSL product, called Fiberspeed, which offers customers download speeds of up to 60 Mbps.

During the third quarter, Tele2 saw again an increase in order intake in the large corporate segment, mainly in relation to on-net services such as data and voice.

> **Fixed Telephony** The traditional fixed telephony market declined as a result of bundled (dual play) offers. More price sensitive customers, due to the economic turmoil, might accelerate the trend as consumers recognize savings on package offerings. Tele2 Netherlands continued to up-and cross sale its fixed telephony base towards its bundled offerings. The company also continued to retain its CPS customer base with WLR, which slowed churn down. Tele2 Netherlands has followed the price increases of competition, but kept its price leading position against the incumbent.

GERMANY

> **Fixed Broadband** The German fixed broadband market having showed signs of market saturation, further market consolidation is to be expected. Market players focused on switching resale customers to unbundled products. Mainly cable operators as well as the incumbent continued with promotional pricing as a marketing tool.

Tele2 Germany prolonged its broadband strategy of aiming at profitability rather than market share. Due to a strong focus on customer base management and retention, the churn trended down in Q3 2009.

> **Fixed Telephony** Tele2 Germany remained the largest CPS (Carrier Pre-Select) provider in the market. Thanks to strong emphasis on retention and customer base management, the customer base has developed better than planned in Q3 2009. The EBITDA margin for fixed telephony amounted to 41 (41) percent in the quarter. The pricing environment in the fixed telephony market remained stable in Q3 2009. Most alternative operators centred their marketing activities on fixed broadband services, which led to relatively low price competition.

AUSTRIA

> **Fixed Broadband** Tele2 Austria maintained its effort to improve the overall cost structure and concentrate on a more selective service portfolio in both the consumer and the business segment. Because retention was given precedence over marketing efforts, the turnover in the customer base declined in Q3 2009. The improvement of the overall cost structure of Tele2 Austria brought higher EBITDA contribution in the quarter compared to the same period last year. The cash flow in Q3 2009 improved thanks to less network costs and capital expenditures in combination with lower indirect costs. The process of streamlining the organization will continue throughout 2009.

> **Fixed Telephony** The decline of the fixed-line base slowed down in Q3 2009 because of more effective retention measures that impacted the churn positively. In the business market, fixed telephony services sustained a stable development.

Other items

RISKS AND UNCERTAINTY FACTORS

Tele2's operations are affected by a number of external factors. The risk factors considered to be most significant to Tele2's future development are operating risks such as the economic recession, operations in Russia, changes in regulatory legislation in telecommunication services, increased competition, introduction of new services, ability to attract and retain customers, legal proceedings and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in Tele2's annual report for 2008 (see Directors' report and Note 2 of the report for a detailed description of Tele2's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Tele2 AB (publ) Annual General Meeting 2010

The 2010 Annual General Meeting will be held on May 17, 2010 in Stockholm. Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to agm@tele2.com or to the Company Secretary, Tele2 AB (publ), P.O. Box 62, SE-164 94 Kista, Sweden, at least seven weeks before the Annual General Meeting in order that the proposal may be included in the notice to the meeting.

Further details on how and when to register will be published in advance of the Annual General Meeting.

Nomination committee for the 2010 Annual General Meeting

A Nomination Committee of major shareholders in Tele2 AB (publ) has been formed in accordance with the resolution of the 2009 Annual General Meeting. The Nomination Committee is comprised of Cristina Stenbeck on behalf of Investment AB Kinnevik, Åsa Nisell on behalf of Swedbank Robur Fonder, Peter Lindell on behalf of AMF Pension and Ramsey Brufer on behalf of Alecta. Information about the work of the Nomination Committee can be found on Tele2's corporate website at www.tele2.com.

Shareholders wishing to propose candidates for election to the Board of Directors of Tele2 AB (publ) should submit their proposal in writing to agm@tele2.com or to the Company Secretary, Tele2 AB (publ), P.O. Box 62, SE 164 94, Kista, Sweden.

Other

Tele2 will release the financial and operating results for the period ending December 31, 2009 on February 9, 2010.

Stockholm, October 21, 2009
Tele2 AB

Harri Koponen
President & CEO

REVIEW REPORT

The financial and operating results for this interim report have not been subject to review by the Company's auditors.

INTERIM RESULT CONFERENCE CALL

Tele2 will host a conference call, with an interactive presentation, for the global financial community at 10.00 am CET (09.00 am UK time / 04.00 am NY time) on Wednesday, October 21, 2009. The conference call will be held in English and also available as audiocast on Tele2's website, www.tele2.com.

DIAL-IN INFORMATION:

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the conference call to register your attendance.

DIAL-IN NUMBERS:

Sweden: +46 8 505 598 53
 UK: + 44 203 043 24 36
 US: + 1 866 458 40 87

You will also be in a position to listen to the conference call afterwards:

Replay number until November 4, 2009:
 Sweden: +46 8 506 269 49
 Passcode: 1750100#

VISIT OUR WEBSITE: www.tele2.com

CONTACTS

Harri Koponen

President and CEO
 Telephone: +46 (0)8 5620 0060

Lars Nilsson

CFO
 Telephone: +46 (0)8 5620 0060

Lars Torstensson

Investor Relations
 Telephone: +46 (0)8 5620 0042

Tele2 AB

Company registration nr: 556410-8917
 Skeppsbron 18
 P.O. Box 2094
 SE-103 13 Stockholm
 Sweden
 Tel +46 (0)8 5620 0060
www.tele2.com

APPENDICES

- Income statement
- Comprehensive income
- Change in shareholders' equity
- Balance sheet
- Cash flow statement
- Number of customers
- Net sales
- Internal sales
- EBITDA
- EBIT
- CAPEX
- Key ratios
- Parent company
- Notes

TELE2 IS ONE OF EUROPE'S LEADING TELECOM OPERATORS, ALWAYS PROVIDING THE BEST DEAL. We have 26 million customers in 10 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2008, we had net sales of SEK 38.3 billion and reported an operating profit (EBITDA) of SEK 8.2 billion.

Income statement

SEK million	Note	2009 Jan 1–Sep 30	2008 Jan 1–Sep 30	2008 full year	2009 Q3	2008 Q3
CONTINUING OPERATIONS						
Net sales	1	29,376	28,286	38,272	9,763	9,520
Operating expenses	2	-25,134	-24,976	-33,819	-8,211	-8,213
Impairment of goodwill and customer agreements	2	-	-1,013	-1,033	-	-830
Sale of operations, profit	3	44	87	125	44	1
Sale of operations, loss	4	-8	-22	-13	-4	-20
Result from shares in associated companies and joint ventures	5	-60	-182	-212	-26	-39
Impairment of shares in joint ventures	2	-	-566	-582	-	-11
Other operating income	6	320	306	450	96	98
Other operating expenses	6	-247	-251	-340	-95	-87
Operating profit/loss, EBIT		4,291	1,669	2,848	1,567	419
Net interest expenses		-349	-314	-400	-111	-132
Exchange rate differences, external		64	-93	-344	138	-209
Exchange rate differences, intragroup		-50	58	-206	182	67
Other financial items		-41	-71	-63	-10	-16
Profit/loss after financial items, EBT		3,915	1,249	1,835	1,766	129
Tax on profit/loss	7	-179	-224	-120	418	27
Net profit/loss from continuing operations		3,736	1,025	1,715	2,184	156
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	9	-230	514	718	-478	692
NET PROFIT/LOSS		3,506	1,539	2,433	1,706	848
ATTRIBUTABLE TO						
Equity holders of the parent company		3,478	1,515	2,411	1,697	831
Minority interest		28	24	22	9	17
NET PROFIT/LOSS		3,506	1,539	2,433	1,706	848
Earnings per share (SEK)		7.90	3.41	5.44	3.86	1.87
Earnings per share, after dilution (SEK)		7.88	3.40	5.43	3.84	1.86
FROM CONTINUING OPERATIONS						
Earnings per share (SEK)		8.42	2.25	3.82	4.94	0.31
Earnings per share, after dilution (SEK)		8.40	2.24	3.81	4.92	0.30
Number of outstanding shares, basic	8	440,351,339	440,351,339	440,351,339		
Number of shares in own custody	8	5,798,000	9,448,000	9,448,000		
Number of shares, weighted average	8	440,351,339	444,601,339	443,538,839		
Number of shares after dilution	8	441,500,784	440,937,148	441,063,416		
Number of shares after dilution, weighted average	8	441,193,221	445,000,550	443,867,042		

Comprehensive income

SEK million	Note	2009 Jan 1–Sep 30	2008 Jan 1–Sep 30	2008 full year	2009 Q3	2008 Q3
Net profit/loss		3,506	1,539	2,433	1,706	848
OTHER COMPREHENSIVE INCOME						
Exchange rate differences		-1,766	445	2,351	-1,795	641
Exchange rate differences, tax effect		-749	211	800	-709	234
Reversed cumulative exchange rate differences from divested companies	9	-11	-53	-197	-10	-53
Cash flow hedges		-2	-8	-141	6	-78
Cash flow hedges, tax effect		-1	2	40	-2	22
Other comprehensive income for the period, net of tax		-2,529	597	2,853	-2,510	766
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		977	2,136	5,286	-804	1,614
ATTRIBUTABLE TO						
Equity holders of the parent company		954	2,111	5,259	-810	1,596
Minority interest		23	25	27	6	18
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		977	2,136	5,286	-804	1,614

Change in shareholders' equity

SEK million	Note	Sep 30, 2009			Sep 30, 2008			Dec 31, 2008		
		Attributable to		Total share-holders' equity	Attributable to		Total share-holders' equity	Attributable to		Total share-holders' equity
		equity holders of the parent company	minority interests		equity holders of the parent company	minority interests		equity holders of the parent company	minority interests	
Shareholders' equity, January 1		28,151	50	28,201	26,821	28	26,849	26,821	28	26,849
Costs for stock options	8	14	-	14	24	-	24	24	-	24
New share issues	8	1	-	1	1	-	1	1	-	1
Repurchase of own shares	8	-1	-	-1	-462	-	-462	-462	-	-462
Dividends	8	-2,202	-4	-2,206	-3,492	-	-3,492	-3,492	-	-3,492
Purchase of minority		-	-15	-15	-	-7	-7	-	-12	-12
New share issues to minority		-	-	-	-	7	7	-	7	7
Comprehensive income for the period		954	23	977	2,111	25	2,136	5,259	27	5,286
SHAREHOLDERS' EQUITY, END OF PERIOD		26,917	54	26,971	25,003	53	25,056	28,151	50	28,201

Balance sheet

SEK million	Note	Sep 30, 2009	Sep 30, 2008	Dec 31, 2008
ASSETS				
FIXED ASSETS				
Goodwill	9	10,078	10,345	11,473
Other intangible assets		1,937	2,079	2,121
Intangible assets		12,015	12,424	13,594
Tangible assets		15,304	14,586	15,566
Financial assets		462	477	427
Deferred tax assets	7	4,545	3,737	4,754
FIXED ASSETS		32,326	31,224	34,341
CURRENT ASSETS				
Materials and supplies		245	307	368
Current receivables		6,603	7,963	7,815
Short-term investments		74	2,772	3,359
Cash and cash equivalents		683	1,327	1,250
CURRENT ASSETS		7,605	12,369	12,792
ASSETS CLASSIFIED AS HELD FOR SALE	9	891	546	-
ASSETS		40,822	44,139	47,133
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the parent company		26,917	25,003	28,151
Minority interests		54	53	50
SHAREHOLDERS' EQUITY		26,971	25,056	28,201
LONG-TERM LIABILITIES				
Interest-bearing liabilities		4,386	4,384	2,161
Non-interest-bearing liabilities		681	963	758
LONG-TERM LIABILITIES		5,067	5,347	2,919
SHORT-TERM LIABILITIES				
Interest-bearing liabilities		365	5,136	7,635
Non-interest-bearing liabilities		8,044	8,368	8,378
SHORT-TERM LIABILITIES		8,409	13,504	16,013
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	9	375	232	-
EQUITY AND LIABILITIES		40,822	44,139	47,133

Cash flow statement*

SEK million	Note	2009 Jan1-Sep30	2008 Jan1-Sep30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
OPERATING ACTIVITIES										
Cash flow from operations, other		6,385	6,236	8,166	2,433	2,060	1,892	1,930	2,405	2,086
Taxes paid	7	-678	-257	-377	-98	-124	-456	-120	-90	153
Changes in working capital	1	710	-20	107	252	63	395	127	279	-381
CASH FLOW FROM OPERATING ACTIVITIES		6,417	5,959	7,896	2,587	1,999	1,831	1,937	2,594	1,858
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX	11	-3,292	-3,375	-4,608	-1,065	-1,078	-1,149	-1,233	-930	-1,446
Cash flow after CAPEX		3,125	2,584	3,288	1,522	921	682	704	1,664	412
Acquisition of shares and participations	9	-678	-535	-676	-302	-317	-59	-141	-47	-90
Sale of shares and participations	9	337	2,026	2,273	94	281	-38	247	2,172	-78
Changes of short-term investments etc		3,399	326	331	103	2,934	362	5	12	158
Cash flow from investing activities		-234	-1,558	-2,680	-1,170	1,820	-884	-1,122	1,207	-1,456
CASH FLOW AFTER INVESTING ACTIVITIES		6,183	4,401	5,216	1,417	3,819	947	815	3,801	402
FINANCING ACTIVITIES										
Change of loans, net		-4,540	-1,602	-2,433	-1,564	-1,492	-1,484	-831	-4,577	2,273
Dividends	8	-2,202	-3,492	-3,492	-	-2,202	-	-	-	-3,492
New share issues	8	1	1	1	1	-	-	-	1	-
Repurchase of own shares	8	-1	-462	-462	-1	-	-	-	-462	-
Dividend to minority		-4	-	-	-3	-1	-	-	-	-
Other financing activities		-	7	7	-	-	-	-	-	7
Cash flow from financing activities		-6,746	-5,548	-6,379	-1,567	-3,695	-1,484	-831	-5,038	-1,212
NET CHANGE IN CASH AND CASH EQUIVALENTS		-563	-1,147	-1,163	-150	124	-537	-16	-1,237	-810
Cash and cash equivalents at beginning of period		1,250	2,459	2,459	1,021	792	1,250	1,327	2,524	3,343
Exchange rate differences in cash		-4	15	-46	-188	105	79	-61	40	-9
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		683	1,327	1,250	683	1,021	792	1,250	1,327	2,524

* including discontinued operations (Note 9).

Number of customers

Thousands	Note	Number of customers		Net intake								
		2009 Sep 30	2008 Sep 30	2009 Jan1-Sep30	2008 Jan1-Sep30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Sweden												
Mobile	10	3,343	3,330	185	231	259	107	56	22	28	127	85
Fixed broadband		443	430	10	44	47	7	-3	6	3	12	2
Fixed telephony		763	850	-54	-68	-101	-17	-16	-21	-33	-12	-21
		4,549	4,610	141	207	205	97	37	7	-2	127	66
Norway												
Mobile	10	463	441	5	-7	12	7	2	-4	19	4	-4
Fixed broadband	9	-	98	-7	-14	-21	-	-3	-4	-7	-6	-3
Fixed telephony		120	137	-13	-26	-30	-4	-3	-6	-4	-8	-8
		583	676	-15	-47	-39	3	-4	-14	8	-10	-15
Russia												
Mobile	10	13,302	9,934	1,798	1,374	1,858	1,100	478	220	484	449	606
		13,302	9,934	1,798	1,374	1,858	1,100	478	220	484	449	606
Estonia												
Mobile	10	459	503	-11	11	10	3	-1	-13	-1	-	8
Fixed telephony		14	17	-2	-3	-4	-1	-1	-	-1	-1	-1
		473	520	-13	8	6	2	-2	-13	-2	-1	7
Lithuania												
Mobile	10	1,668	1,912	-5	116	128	22	-19	-8	12	49	32
Fixed broadband		43	40	2	4	5	1	-	1	1	1	1
Fixed telephony		3	5	-1	-1	-2	-1	-	-	-1	-	-1
		1,714	1,957	-4	119	131	22	-19	-7	12	50	32
Latvia												
Mobile	10	1,077	1,131	-17	9	-16	5	1	-23	-25	5	-1
Fixed telephony		1	3	-1	-1	-2	-1	-	-	-1	-	-
		1,078	1,134	-18	8	-18	4	1	-23	-26	5	-1
Croatia												
Mobile	10	616	627	140	157	233	70	8	62	76	74	37
		616	627	140	157	233	70	8	62	76	74	37
Netherlands												
Mobile	10	417	477	-1	-93	-112	-8	-1	8	-19	-23	-26
Fixed broadband		410	349	42	25	44	15	13	14	19	11	7
Fixed telephony		324	412	-65	-82	-105	-20	-18	-27	-23	-30	-27
		1,151	1,238	-24	-150	-173	-13	-6	-5	-23	-42	-46
Germany												
Fixed broadband		145	191	-32	18	4	-8	-10	-14	-14	-7	6
Fixed telephony	10	1,558	1,991	-472	-734	-906	-170	-115	-187	-172	-112	-304
		1,703	2,182	-504	-716	-902	-178	-125	-201	-186	-119	-298
Austria												
Fixed broadband		148	168	-16	-4	-8	-5	-4	-7	-4	-3	-8
Fixed telephony		375	459	-45	-103	-142	-14	-17	-14	-39	-32	-37
		523	627	-61	-107	-150	-19	-21	-21	-43	-35	-45
Other												
Other operations		-	-	-	-10	-10	-	-	-	-	-	-
		-	-	-	-10	-10	-	-	-	-	-	-
TOTAL												
Mobile	10	21,345	18,355	2,094	1,798	2,372	1,306	524	264	574	685	737
Fixed broadband		1,189	1,276	-1	73	71	10	-7	-4	-2	8	5
Fixed telephony	10	3,158	3,874	-653	-1,018	-1,292	-228	-170	-255	-274	-195	-399
Other operations		-	-	-	-10	-10	-	-	-	-	-	-
TOTAL CONTINUING OPERATIONS		25,692	23,505	1,440	843	1,141	1,088	347	5	298	498	343
Acquired companies												
Divested companies		-	-	-	-	4	-	-	-	4	-	-
Changed method of calculation	10	-	-	318	-	211	-249	567	-	211	-	-
Discontinued operations												
Net intake	9	-	-20	-34	-20	-18	-9	-	-25	2	-33	2
Divested companies	9	383	952	-	-1,001	-1,467	-	-	-	-466	-1,001	-
Changed method of calculation	9	-	-	-51	-	-	-37	-14	-	-	-	-
TOTAL OPERATIONS		26,075	24,437	1,589	-284	-235	709	900	-20	49	-536	345

Net sales

SEK million	Note	2009 Jan 1–Sep 30	2008 Jan 1–Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Sweden										
Mobile	13	5,774	5,790	7,698	1,962	1,969	1,843	1,908	2,001	1,983
Fixed broadband	13	1,045	965	1,313	346	349	350	348	328	318
Fixed telephony	13	1,433	1,598	2,120	471	476	486	522	518	536
Other operations	13	212	171	242	49	75	88	71	55	51
		8,464	8,524	11,373	2,828	2,869	2,767	2,849	2,902	2,888
Norway										
Mobile		1,949	1,924	2,533	659	654	636	609	639	647
Fixed broadband	9	191	314	409	2	92	97	95	99	107
Fixed telephony		362	426	554	117	120	125	128	130	143
		2,502	2,664	3,496	778	866	858	832	868	897
Russia										
Mobile		5,445	4,875	6,867	1,918	1,843	1,684	1,992	1,763	1,624
		5,445	4,875	6,867	1,918	1,843	1,684	1,992	1,763	1,624
Estonia										
Mobile		762	782	1,045	247	261	254	263	261	264
Fixed telephony	9	9	11	14	3	3	3	3	3	4
Other operations		43	45	62	15	14	14	17	18	15
		814	838	1,121	265	278	271	283	282	283
Lithuania										
Mobile		1,270	1,144	1,599	413	435	422	455	404	380
Fixed broadband		20	16	22	6	7	7	6	6	5
Fixed telephony		3	5	7	1	-	2	2	2	2
		1,293	1,165	1,628	420	442	431	463	412	387
Latvia										
Mobile	1	1,267	1,291	1,734	399	420	448	443	442	419
Fixed telephony		-	1	2	-	-	-	1	-	1
		1,267	1,292	1,736	399	420	448	444	442	420
Croatia										
Mobile		950	590	859	342	316	292	269	246	194
		950	590	859	342	316	292	269	246	194
Netherlands										
Mobile		782	800	1,060	245	272	265	260	268	274
Fixed broadband	1	2,650	2,099	2,895	869	845	936	796	688	697
Fixed telephony		1,102	1,126	1,505	338	375	389	379	348	392
Other operations		579	603	805	174	198	207	202	194	209
		5,113	4,628	6,265	1,626	1,690	1,797	1,637	1,498	1,572
Germany										
Fixed broadband		338	362	484	103	113	122	122	122	124
Fixed telephony		1,303	1,613	2,117	389	441	473	504	498	524
Other operations		325	328	428	104	109	112	100	101	115
		1,966	2,303	3,029	596	663	707	726	721	763
Austria										
Fixed broadband	1	854	726	996	271	286	297	270	257	261
Fixed telephony		401	457	597	122	131	148	140	141	149
Other operations		485	489	638	173	150	162	149	154	167
		1,740	1,672	2,231	566	567	607	559	552	577
Other										
Other operations	13	844	1,224	1,604	266	276	302	380	330	421
		844	1,224	1,604	266	276	302	380	330	421
TOTAL										
Mobile		18,199	17,196	23,395	6,185	6,170	5,844	6,199	6,024	5,785
Fixed broadband		5,098	4,482	6,119	1,597	1,692	1,809	1,637	1,500	1,512
Fixed telephony		4,613	5,237	6,916	1,441	1,546	1,626	1,679	1,640	1,751
Other operations		2,488	2,860	3,779	781	822	885	919	852	978
Internal sales, elimination		30,398	29,775	40,209	10,004	10,230	10,164	10,434	10,016	10,026
		-1,039	-1,431	-1,847	-317	-355	-367	-416	-438	-503
		29,359	28,344	38,362	9,687	9,875	9,797	10,018	9,578	9,523
One-off items	1	17	-58	-90	76	-59	-	-32	-58	-
TOTAL CONTINUING OPERATIONS		29,376	28,286	38,272	9,763	9,816	9,797	9,986	9,520	9,523
Discontinued operations	9	915	3,243	3,714	278	314	323	471	910	1,174
TOTAL OPERATIONS		30,291	31,529	41,986	10,041	10,130	10,120	10,457	10,430	10,697

Internal sales

SEK million	Note	2009 Jan 1–Sep 30	2008 Jan 1–Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Sweden										
Mobile	13	33	74	93	19	7	7	19	32	26
Fixed broadband	13	-	1	1	-	-	-	-	-	-
Fixed telephony	13	7	-	-	1	3	3	-	-	-
Other operations	13	108	118	154	21	43	44	36	33	41
		148	193	248	41	53	54	55	65	67
Norway										
Mobile		-	3	3	-	-	-	-	-1	1
Fixed telephony		25	28	42	7	7	11	14	9	10
		25	31	45	7	7	11	14	8	11
Russia										
Mobile		44	49	58	25	12	7	9	17	17
		44	49	58	25	12	7	9	17	17
Estonia										
Other operations		43	45	62	15	14	14	17	18	15
		43	45	62	15	14	14	17	18	15
Lithuania										
Mobile		11	7	10	3	5	3	3	3	2
Fixed telephony		1	4	5	-	-	1	1	2	1
		12	11	15	3	5	4	4	5	3
Latvia										
Mobile	1	16	5	7	8	3	5	2	3	2
		16	5	7	8	3	5	2	3	2
Netherlands										
Fixed broadband		14	15	20	5	4	5	5	5	5
Other operations		23	52	61	6	9	8	9	13	25
		37	67	81	11	13	13	14	18	30
Germany										
Other operations		109	176	219	32	40	37	43	49	64
		109	176	219	32	40	37	43	49	64
Austria										
Other operations		33	88	103	11	13	9	15	22	34
		33	88	103	11	13	9	15	22	34
Other										
Other operations	13	572	766	1,009	164	195	213	243	233	260
		572	766	1,009	164	195	213	243	233	260
TOTAL										
Mobile		104	138	171	55	27	22	33	54	48
Fixed broadband		14	16	21	5	4	5	5	5	5
Fixed telephony		33	32	47	8	10	15	15	11	11
Other operations		888	1,245	1,608	249	314	325	363	368	439
TOTAL CONTINUING OPERATIONS		1,039	1,431	1,847	317	355	367	416	438	503
Discontinued operations	9	-	100	107	-	-	-	7	27	39
TOTAL OPERATIONS		1,039	1,531	1,954	317	355	367	423	465	542

EBITDA

SEK million	Note	2009 Jan 1–Sep 30	2008 Jan 1–Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Sweden										
Mobile	13	1,815	2,035	2,646	600	620	595	611	708	707
Fixed broadband	13	98	-54	-34	44	16	38	20	15	-31
Fixed telephony	13	330	319	440	116	96	118	121	107	110
Other operations	13	52	-44	-34	6	32	14	10	-8	-18
		2,295	2,256	3,018	766	764	765	762	822	768
Norway										
Mobile		134	116	143	58	51	25	27	63	65
Fixed broadband	9	-	-38	-39	1	2	-3	-1	-7	-11
Fixed telephony		44	71	84	17	13	14	13	18	26
		178	149	188	76	66	36	39	74	80
Russia										
Mobile		1,778	1,723	2,368	596	644	538	645	628	577
		1,778	1,723	2,368	596	644	538	645	628	577
Estonia										
Mobile		227	269	333	74	77	76	64	94	87
Fixed telephony		-	1	2	-	-	-	1	-	-
Other operations		1	6	10	-1	-	2	4	3	2
		228	276	345	73	77	78	69	97	89
Lithuania										
Mobile		466	359	483	143	167	156	124	116	121
Fixed broadband		4	3	5	1	2	1	2	1	1
Fixed telephony		-	3	4	-1	-	1	1	1	1
		470	365	492	143	169	158	127	118	123
Latvia										
Mobile		419	488	646	132	138	149	158	165	160
		419	488	646	132	138	149	158	165	160
Croatia										
Mobile		-191	-255	-363	-43	-57	-91	-108	-77	-83
		-191	-255	-363	-43	-57	-91	-108	-77	-83
Netherlands										
Mobile		100	107	163	36	50	14	56	41	40
Fixed broadband	1-2	699	381	509	249	201	249	128	129	145
Fixed telephony		260	237	332	82	95	83	95	98	77
Other operations		160	109	154	53	56	51	45	50	43
		1,219	834	1,158	420	402	397	324	318	305
Germany										
Fixed broadband		-111	-207	-270	-20	-38	-53	-63	-45	-75
Fixed telephony	2	501	538	739	158	164	179	201	205	185
Other operations		17	16	22	6	5	6	6	3	4
		407	347	491	144	131	132	144	163	114
Austria										
Fixed broadband	1	125	-140	-135	52	55	18	5	-8	-30
Fixed telephony		131	98	129	42	49	40	31	28	37
Other operations		30	18	23	8	15	7	5	4	8
		286	-24	17	102	119	65	41	24	15
Other										
Other operations	13	-92	-152	-191	-34	-44	-14	-39	-92	-77
		-92	-152	-191	-34	-44	-14	-39	-92	-77
TOTAL										
Mobile		4,748	4,842	6,419	1,596	1,690	1,462	1,577	1,738	1,674
Fixed broadband		815	-55	36	327	238	250	91	85	-1
Fixed telephony		1,266	1,267	1,730	414	417	435	463	457	436
Other operations		168	-47	-16	38	64	66	31	-40	-38
TOTAL CONTINUING OPERATIONS		6,997	6,007	8,169	2,375	2,409	2,213	2,162	2,240	2,071
Discontinued operations	9	110	273	298	55	41	14	25	95	116
TOTAL OPERATIONS		7,107	6,280	8,467	2,430	2,450	2,227	2,187	2,335	2,187

EBIT

SEK million	Note	2009 Jan1-Sep30	2008 Jan1-Sep30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Sweden										
Mobile	13	1,405	1,659	2,170	439	471	495	511	597	573
Fixed broadband	13	-171	-266	-369	-39	-76	-56	-103	-56	-103
Fixed telephony	13	289	282	390	101	83	105	108	95	99
Other operations	13	7	-77	-91	-6	16	-3	-14	-18	-30
		1,530	1,598	2,100	495	494	541	502	618	539
Norway										
Mobile		72	69	75	36	31	5	6	41	45
Fixed broadband	9	-18	-63	-72	2	-8	-12	-9	-16	-19
Fixed telephony		36	65	76	15	10	11	11	16	23
		90	71	79	53	33	4	8	41	49
Russia										
Mobile		1,293	1,333	1,834	419	481	393	501	492	457
		1,293	1,333	1,834	419	481	393	501	492	457
Estonia										
Mobile		173	215	255	55	60	58	40	80	63
Fixed telephony		-	1	1	-	-	-	-	-	-
Other operations		2	6	10	-	-	2	4	3	3
		175	222	266	55	60	60	44	83	66
Lithuania										
Mobile		391	299	401	118	142	131	102	96	101
Fixed broadband		1	1	2	-	-	1	1	-	1
Fixed telephony		-	3	4	-1	-	1	1	1	1
		392	303	407	117	142	133	104	97	103
Latvia										
Mobile		345	425	556	107	114	124	131	144	139
		345	425	556	107	114	124	131	144	139
Croatia										
Mobile		-272	-315	-446	-71	-84	-117	-131	-98	-103
		-272	-315	-446	-71	-84	-117	-131	-98	-103
Netherlands										
Mobile		93	97	143	34	47	12	46	39	37
Fixed broadband	1-2	-30	-334	-435	13	-43	-	-101	-99	-98
Fixed telephony		198	176	250	63	73	62	74	78	58
Other operations		121	71	103	41	43	37	32	38	30
		382	10	61	151	120	111	51	56	27
Germany										
Fixed broadband		-138	-288	-364	-29	-45	-64	-76	-56	-112
Fixed telephony	2	466	492	680	146	153	167	188	191	170
Other operations		17	16	22	6	5	6	6	3	4
		345	220	338	123	113	109	118	138	62
Austria										
Fixed broadband	1	31	-269	-300	23	22	-14	-31	-47	-74
Fixed telephony		86	17	31	28	34	24	14	4	7
Other operations		2	-3	-8	-2	6	-2	-5	-3	2
		119	-255	-277	49	62	8	-22	-46	-65
Other										
Other operations	13	-161	-320	-428	-47	-68	-46	-108	-137	-136
		-161	-320	-428	-47	-68	-46	-108	-137	-136
TOTAL										
Mobile		3,500	3,782	4,988	1,137	1,262	1,101	1,206	1,391	1,312
Fixed broadband		-325	-1,219	-1,538	-30	-150	-145	-319	-274	-405
Fixed telephony		1,075	1,036	1,432	352	353	370	396	385	358
Other operations		-12	-307	-392	-8	2	-6	-85	-114	-127
		4,238	3,292	4,490	1,451	1,467	1,320	1,198	1,388	1,138
One-off items	1-4	53	-1,623	-1,642	116	-59	-4	-19	-969	-737
TOTAL CONTINUING OPERATIONS		4,291	1,669	2,848	1,567	1,408	1,316	1,179	419	401
Discontinued operations	9	-213	501	708	-461	51	197	207	687	-199
TOTAL OPERATIONS		4,078	2,170	3,556	1,106	1,459	1,513	1,386	1,106	202

EBIT, cont.

SEK million	Note	2009 Jan1-Sep30	2008 Jan1-Sep30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT										
EBITDA		6,997	6,007	8,169	2,375	2,409	2,213	2,162	2,240	2,071
Impairment of goodwill	2	-	-967	-986	-	-	-	-19	-784	-183
Impairment of customer agreements	2	-	-46	-47	-	-	-	-1	-46	-
Impairment of shares in joint ventures	2	-	-566	-582	-	-	-	-16	-11	-555
Sale of operations	3-4	36	65	112	40	-	-4	47	-19	1
Other one-off items	1-2	17	-109	-139	76	-59	-	-30	-109	-
Total one-off items		53	-1,623	-1,642	116	-59	-4	-19	-969	-737
Depreciation/amortization and other impairment		-2,699	-2,533	-3,467	-898	-926	-875	-934	-813	-854
Result from shares in associated companies and joint ventures	5	-60	-182	-212	-26	-16	-18	-30	-39	-79
EBIT		4,291	1,669	2,848	1,567	1,408	1,316	1,179	419	401

CAPEX

SEK million	Note	2009 Jan1–Sep30	2008 Jan1–Sep30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Sweden										
Mobile	11, 13	186	677	704	60	50	76	27	22	596
Fixed broadband	13	119	159	210	32	49	38	51	35	37
Fixed telephony	13	5	10	24	2	3	-	14	-	2
Other operations	13	16	20	29	2	8	6	9	4	14
		326	866	967	96	110	120	101	61	649
Norway										
Mobile		2	4	6	1	-	1	2	1	-6
Fixed broadband	9	3	14	24	1	1	1	10	6	3
Fixed telephony		1	1	2	-	1	-	1	1	-
		6	19	32	2	2	2	13	8	-3
Russia										
Mobile		1,791	1,086	1,699	707	529	555	613	498	342
		1,791	1,086	1,699	707	529	555	613	498	342
Estonia										
Mobile		88	129	194	19	24	45	65	46	44
		88	129	194	19	24	45	65	46	44
Lithuania										
Mobile		145	69	107	47	57	41	38	21	21
Fixed broadband		2	3	5	1	-	1	2	1	1
		147	72	112	48	57	42	40	22	22
Latvia										
Mobile		128	149	214	21	38	69	65	47	55
		128	149	214	21	38	69	65	47	55
Croatia										
Mobile		147	144	235	35	60	52	91	68	36
		147	144	235	35	60	52	91	68	36
Netherlands										
Mobile		4	5	12	1	1	2	7	1	2
Fixed broadband		319	279	392	96	84	139	113	98	93
Fixed telephony		32	29	40	9	9	14	11	10	9
Other operations		24	22	30	7	7	10	8	8	7
		379	335	474	113	101	165	139	117	111
Germany										
Fixed broadband		1	11	5	1	-	-	-6	1	-1
Fixed telephony		1	2	2	-	1	-	-	1	-
		2	13	7	1	1	-	-6	2	-1
Austria										
Fixed broadband		26	48	99	10	10	6	51	15	14
Fixed telephony		16	21	48	5	7	4	27	6	2
Other operations		8	13	33	3	3	2	20	4	4
		50	82	180	18	20	12	98	25	20
Other										
Other operations	13	358	258	367	109	143	106	109	48	99
		358	258	367	109	143	106	109	48	99
TOTAL										
Mobile	11	2,491	2,263	3,171	891	759	841	908	704	1,090
Fixed broadband		470	514	735	141	144	185	221	156	147
Fixed telephony		55	63	116	16	21	18	53	18	13
Other operations		406	313	459	121	161	124	146	64	124
TOTAL CONTINUING OPERATIONS		3,422	3,153	4,481	1,169	1,085	1,168	1,328	942	1,374
Discontinued operations	9	-	132	142	-	-	-	10	34	47
TOTAL OPERATIONS		3,422	3,285	4,623	1,169	1,085	1,168	1,338	976	1,421

CAPEX, cont.

SEK million	Note	2009 Jan1-Sep30	2008 Jan1-Sep30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
ADDITIONAL CASH FLOW INFORMATION										
CAPEX according to cash flow statement		3,292	3,375	4,608	1,065	1,078	1,149	1,233	930	1,446
This year unpaid CAPEX and paid CAPEX from previous year										
Continuing operations		30	-88	-1	76	5	-51	87	32	-29
Discontinued operations	9	-	-21	-21	-	-	-	-	9	-2
Sales price in cash flow statement										
Continuing operations		100	19	37	28	2	70	18	5	6
CAPEX according to balance sheet		3,422	3,285	4,623	1,169	1,085	1,168	1,338	976	1,421

Key ratios

SEK million	2009 Jan1-Sep 30	2008 Jan1-Sep 30	2008	2007	2006	2005
CONTINUING OPERATIONS						
Net sales	29,376	28,286	38,272	38,930	38,530	34,335
Number of customers (by thousands)	25,692	23,505	24,018	22,768	23,618	20,899
EBITDA	6,997	6,007	8,169	6,569	6,113	5,262
EBIT	4,291	1,669	2,848	1,588	904	2,733
EBT	3,915	1,249	1,835	857	339	2,291
Net profit/loss	3,736	1,025	1,715	-190	-235	1,636
KEY RATIOS						
EBITDA margin, %	23.8	21.2	21.3	16.8	15.9	15.4
EBIT margin, %	14.6	5.9	7.4	4.1	2.3	8.0
VALUE PER SHARE (SEK)						
Earnings	8.42	2.25	3.82	-0.20	-0.25	3.71
Earnings after dilution	8.40	2.24	3.81	-0.20	-0.25	3.70
TOTAL (INCLUDING DISCONTINUED OPERATIONS)						
Shareholders' equity	26,971	25,056	28,201	26,849	29,123	35,368
Shareholders' equity after dilution	26,971	25,078	28,211	26,893	29,137	35,401
Total assets	40,822	44,139	47,133	48,648	66,164	68,291
Cash flow from operating activities	6,417	5,959	7,896	4,350	3,847	5,487
Cash flow after CAPEX	3,125	2,584	3,288	-819	-1,673	1,847
Available liquidity	10,462	20,866	17,248	25,901	5,963	8,627
Net debt	3,951	5,224	4,952	5,198	15,311	11,839
Investments in intangible and tangible assets, CAPEX	3,422	3,285	4,623	5,198	5,365	3,750
Investments in shares, short-term investments etc	-3,033	-2,144	-2,255	-11,444	1,616	7,953
KEY RATIOS						
Equity/assets ratio, %	66	57	60	55	44	52
Debt/equity ratio, multiple	0.15	0.21	0.18	0.19	0.53	0.33
Return on shareholders' equity, %	16.8	7.8	8.8	-6.0	-11.3	6.9
Return on shareholders' equity after dilution, %	16.8	7.8	8.8	-6.0	-11.3	6.9
Return on capital employed, %	16.9	9.7	12.8	1.6	-5.5	8.3
Average interest rate, %	6.8	6.1	6.2	5.2	4.2	3.7
VALUE PER SHARE (SEK)						
Earnings	7.90	3.41	5.44	-3.75	-8.14	5.30
Earnings after dilution	7.88	3.40	5.43	-3.75	-8.14	5.29
Shareholders' equity	61.13	56.24	63.47	60.31	64.85	78.96
Shareholders' equity after dilution	61.01	56.24	63.44	60.34	64.84	78.93
Cash flow from operating activities	14.57	13.40	17.80	9.78	8.66	12.39
Dividend, ordinary			3.50	3.15	1.83	1.75
Extraordinary dividend			1.50	4.70	-	-
Market price at closing day	92.50	77.75	69.00	129.50	100.00	85.25

Parent company

INCOME STATEMENT

SEK million	2009 Jan 1–Sep 30	2008 Jan 1–Sep 30
Net sales	26	24
Administrative expenses	-55	-143
Operating profit/loss, EBIT	-29	-119
Exchange rate difference on financial items	204	-209
Net interest expenses and other financial items	-121	123
Profit/loss after financial items, EBT	54	-205
Tax on profit/loss	-222	52
NET PROFIT/LOSS	-168	-153

BALANCE SHEET

SEK million	Note	Sep 30, 2009	Dec 31, 2008
ASSETS			
FIXED ASSETS			
Financial assets		32,489	35,529
FIXED ASSETS		32,489	35,529
CURRENT ASSETS			
Current receivables		47	64
Cash and cash equivalents		2	2
CURRENT ASSETS		49	66
ASSETS		32,538	35,595
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Restricted equity	8	17,456	17,460
Unrestricted equity	8	8,811	11,185
SHAREHOLDERS' EQUITY		26,267	28,645
LONG-TERM LIABILITIES			
Interest-bearing liabilities		5,899	2,606
LONG-TERM LIABILITIES		5,899	2,606
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		277	4,244
Non-interest-bearing liabilities		95	100
SHORT-TERM LIABILITIES		372	4,344
EQUITY AND LIABILITIES		32,538	35,595

Notes

ACCOUNTING PRINCIPLES AND DEFINITIONS

For the Group, the interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2.2 Reporting for legal entities and its statements.

Net result from central group functions has, with retroactive effect, been separated from the segment Sweden and are instead reported in segment Other. For additional information please refer to Note 13. As a result segment Other now mainly includes the parent company Tele2 AB, central functions, Datamatrix, Radio Components, Procure IT Right, and other minor operations.

From Q1 2009 divested operations, which have not previously been classified as discontinued operations, are reported in the segment Other. Previous periods have been adjusted retroactively.

As a way of standardizing reporting both internally and externally, Tele2 has decided to change its principles for calculating the number of active customers in its mobile prepaid base. For further information please refer to Note 10.

Revised IAS 1 Presentation of Financial Statements

The adoption of the revised IAS 1 results in that total comprehensive income is now presented in an income statement and a separate statement of comprehensive income. The statement of changes in equity now includes only transactions with owners and comprehensive income. Items of comprehensive income were previously included in the statement of changes in equity.

IFRS 8 Operating Segments

IFRS 8 replaces IAS 14 Segment Reporting and introduces the "management approach" to segment reporting. The operating segments are identified based on the internal reports regularly reviewed by the Tele2's Chief Operating Decision Maker. Tele2's Executive Board has been identified as the Chief Operating Decision Maker. The adoption of IFRS 8 does not require any change in the presentation of the segments as those, as previously, are presented at country level, which corresponds to the level they are reviewed by the Chief Operating Decision Maker. Accordingly, there has been no restatement of previously reported information except for the items described above. The accounting principles applicable for the segment presentation are the same as those principles described in the Annual Report for 2008.

Other new and amended IFRS standards and IFRIC interpretations

The other new or amended IFRS standards and IFRIC interpretations, which became effective January 1, 2009, have had no material effect on the consolidated financial statements.

Tele2 has, in all other respects, presented its interim report in accordance with the accounting principles and calculation methods used in the 2008 Annual Report. Definitions are found in the 2008 Annual Report.

NOTE 1 NET SALES

In Q3 2009, net sales in segment Other were increased by SEK 76 million related to a settlement with another operator. The positive effect is reported as a one-off item.

In Q2 2009, net sales in Sweden were decreased by SEK 59 million related to the revaluation of reserves. The negative effect is reported as a one-off item.

During Q2 2009 two operations in Latvia have been merged. Internal sales between the two companies have been eliminated with retroactive effect on previous periods.

In Q1 2009, net sales for fixed broadband in Netherlands were increased by SEK 50 million related to settlement of disputes with another operator.

In Q4 and Q3 2008, net sales in Sweden were reduced by SEK 32 and 58 million respectively related to interconnect disputes with TeliaSonera and a number of other operators. The amounts are reported as one-off items. Tele2 has from a cash flow view paid SEK 533 million regarding disputes with TeliaSonera in Q2 2008. Decision by the district court in the case of Tele2's claims on TeliaSonera is expected in 2010.

Net sales were negatively impacted in Q1 2008 by SEK 61 million in the Austrian fixed broadband operations due to revaluation of reserves.

NOTE 2 OPERATING EXPENSES

In Q1 2009 Netherlands was negatively affected by SEK 38 million concerning retroactive price adjustments related to network costs mainly related to fixed broadband.

In Q3 2008 Netherlands was positively affected by SEK 63 million concerning a settlement with Versatel AG/APAX mainly related to the valuation of stock options for tax purposes. The amount is reported as a one-off item.

DEPRECIATION/AMORTIZATION AND IMPAIRMENT

In Q4 2008 Sweden recognized impairment losses on fixed assets of SEK 70 million mainly related to the cable TV network.

In Q3 2008 Tele2 recognized goodwill impairment losses in Austria of SEK 783 million and SEK 46 million related to customer agreements. Central IT-systems in Sweden have been impaired with SEK 114 million.

Due to the existing severe competitive market situation for broadband in Germany, in Q2 2008 Tele2 performed an impairment test that resulted in reported impairment losses in the quarter related to goodwill SEK 183 million and in investment in joint venture Plusnet of SEK 555 million.

Impairment of goodwill is stated below.

SEK million	2009 Q3	2009 Q2	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2
Austria	-	-	-	-799	-16	-783	-
Germany	-	-	-	-187	-3	-1	-183
Total impairment of goodwill	-	-	-	-986	-19	-784	-183

NOTE 3 SALE OF OPERATIONS, PROFIT

Tele2 has reported the following capital gains from the divestment of operations.

SEK million	2009 Q3	2009 Q2	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2
Norway, fixed broadband operation	44	-	-	-	-	-	-
Austria, MVNO operation	-	-	-	49	10	-	-
Denmark	-	-	-	15	15	-	-
Hungary	-	-	-	5	5	-	-
Belgium	-	-	-	58	8	1	-
Uni2 Denmark	-	-	-	-5	-3	-	-
Portugal	-	-	-	3	3	-	-
Total	44	-	-	125	38	1	-

NOTE 4 SALE OF OPERATIONS, LOSS

Tele2 has reported the following capital losses from the divestment of operations.

SEK million	2009 Q3	2009 Q2	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2
Alpha Telecom/ Calling Card company	-5	-	-	-13	-1	-12	-
3C Communications	1	-	-2	1	-	1	-
Datamatrix Norway	-	-	-	-1	-	1	1
Portugal	-	-	-	-	10	-10	-
Other	-	-	-2	-	-	-	-
Total	-4	-	-4	-13	9	-20	1

NOTE 5 CONTINGENT LIABILITIES

SEK million	2009 Sep 30	2008 Dec 31
Tax dispute S.E.C. SA liquidation	4,353	4,563
Guarantee related to joint ventures		
- Svenska UMTS-nät, Sweden	1,858	2,021
- Mobile Norway, Norway	37	33
Other commitments	-	1
Total contingent liabilities	6,248	6,618

On January 27, 2009, the County Administrative Court declined Tele2's claim for a tax deduction of SEK 13.9 billion corresponding to a tax effect, excluding interest, of SEK 3.9 billion related to the S.E.C. tax dispute, of which SEK 186 million has been expensed (please refer to Note 7). In Q1 2009 the County Administrative Court's ruling has been appealed to the Administrative Court of Appeal. The interest is estimated to amount to SEK 630 million at September 30, 2009 and SEK 653 million at December 31, 2008. The tax dispute is presented in detail in Note 15 of the 2008 Annual Report.

Additional contractual commitments and liabilities related to joint ventures are stated in Note 32 in the Annual Report for 2008.

NOTE 6 OTHER OPERATING INCOME AND EXPENSES
OTHER OPERATING INCOME

SEK million	2009 Q3	2009 Q2	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2
Service contracts and sales of capacity to sold operations	41	59	92	334	74	77	82
Other	55	17	56	116	70	21	11
Total other operating income	96	76	148	450	144	98	93

OTHER OPERATING EXPENSES

SEK million	2009 Q3	2009 Q2	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2
Service contracts and sales of capacity to sold operations	-31	-36	-58	-288	-64	-74	-70
Other	-64	-17	-41	-52	-25	-13	-4
Total other operating expenses	-95	-53	-99	-340	-89	-87	-74

NET

SEK million	2009 Q3	2009 Q2	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2
Service contracts and sales of capacity to sold operations	10	23	34	46	10	3	12
Other	-9	-	15	64	45	8	7
Total	1	23	49	110	55	11	19

NOTE 7 TAXES

During Q3 2009 net taxes have been positively affected by SEK 1,071 million as a result of valuation of deferred tax assets related to holding companies in Luxembourg.

Tele2 Sweden has received a negative tax ruling, mainly regarding a deduction for contribution to its subsidiary Tele2 Norway for write off of a MVNO-agreement. The declined deductions have affected the tax cost negatively by SEK 209 million in Q3 2009, but will not have any cash flow effects.

In Q1 2009 SEK 186 million as well as SEK 10 million have been expensed regarding the S.E.C. dispute and other tax disputes respectively. Total tax and interest paid in Q1 2009, related to tax disputes, amounted to SEK 395 million out of which SEK 163 million had already been provisioned for in 2005. The tax dispute is presented in Note 15 of the 2008 Annual Report.

In Q4 2008, a revaluation of deferred tax assets was reported negatively affecting the income statement by a net of SEK 143 million due to reduced income tax rates in Sweden and Russia.

The tax cost has during 2008 been affected positively with SEK 676 million as a result of write-downs of shares in group companies are tax deductible in the legal entity in Luxembourg and no temporary differences exist relating to these investments.

In Q3 2008 net taxes have been positively affected by SEK 102 million as a result of valuation of deferred tax assets related to continued improved earnings in Russia.

NOTE 8 SHARES AND CONVERTIBLES

In order to ensure delivery of shares under the incentive program 2009–2012 Tele2 has, in Q3 2009, issued 850,000 Class C shares through a directed placement at a subscription price corresponding to a quota value of SEK 1.25 per share, a total of SEK 1 million. The Class C shares are not entitled to dividends and represent one vote each. Tele2 has immediately after the issue repurchased all Class C shares at a price corresponding to the subscription price.

Tele2 has, in Q2 2009, paid to the shareholders an ordinary dividend of SEK 3.50 per share and an extraordinary dividend of SEK 1.50 per share, corresponding to SEK 1,541 million and SEK 661 million respectively and totalling SEK 2,202 million.

In Q3 2008 Tele2 has repurchased own shares of Series B of 4,500,000, corresponding to 1 percent of all shares in Tele2, for a cost of SEK 462 million. The repurchased shares have been cancelled in Q2 2009, which has resulted in a reduction of the share capital of SEK 5 million.

In Q2 2009, 44,710 class A shares were reclassified into class B shares. The reclassification was made in accordance with the resolution approved at the Annual General Meeting on May 11, 2009. In Q3 2009, additional 12,997,000 class A shares were reclassified into class B shares.

INCENTIVE PROGRAM 2009–2012

The Annual General Meeting on May 11, 2009, approved an incentive programme for allocation to senior executives and other key employees in the Tele2 Group.

The incentive program ("the Plan") includes a total of 72 senior executives and other key employees within the Tele2 Group. The participants in the Plan are required to own shares in Tele2. These shares can either be shares already held or shares purchased on the market in connection with notification to participate in the Plan. Thereafter the participants have been granted, free of charge, retention rights and performance rights on the terms stipulated below.

For each share held under the Plan, the participants will be granted retention rights and performance rights by the company. Subject to fulfilment of certain retention and performance

based conditions during the period April 1, 2009–March 31, 2012 (the "Measure Period"), the participant maintaining the employment within the Tele2 Group at the date of the release of the interim report January–March 2012 and subject to the participant maintaining the invested shares, each retention right and performance right entitles the employee to receive one Class B share in the company. Dividends paid on the underlying share will increase the number of retention and performance shares being allotted in order to treat the shareholders and the participants equally. The participant's maximum profit per right in the Plan is limited to SEK 355, five times the average closing share price of the Tele2 Class B shares during February 2009 (SEK 71).

The Board of Directors was authorized during the period until the next Annual General Meeting, to increase the company's share capital by not more than SEK 1,062,500 by the issue of not more than 850,000 Class C shares, each with a ratio value of SEK 1.25. With disapplication of the shareholders' preferential rights, Nordea Bank AB (publ) shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. Moreover, it was resolved to authorise the Board of Directors, during the period until the next Annual General Meeting, to repurchase the new Class C shares. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be executed at a purchase price corresponding to not less than SEK 1.25 and not more than SEK 1.35. Payment for the Class C shares shall be made in cash. The purpose of the repurchase is to ensure the delivery of Class B shares under the Plan. Further, it was resolved that Class C shares that the Company purchases by virtue of the authorisation to repurchase its own shares, following reclassification into Class B shares, may be transferred to participants in accordance with the terms of the Plan. The new issue and the repurchase were performed during Q3 2009.

The Plan comprise a total number of 140,040 shares and the following number of rights for the different Groups: a) 8,000 shares and 7 rights per invested share for the CEO, b) 28,000 shares and 6 rights per invested share for other senior executives (7 persons) and c) 104,040 shares and 4 rights per invested share for other participants (64 persons).

	2009 Jun 1–Sep 30
Number of rights	
Allocated June 1, 2009	640,160
Total outstanding rights	640,160

Total costs before tax for outstanding rights in the incentive program are expensed as they arise over a three-year period, and these costs are expected to amount to SEK 28 million.

The estimated average fair value of the granted rights was SEK 50.70 on the grant date, June 1, 2009. The calculation of the fair values has been carried out by external analysts. The following variables have been used where Serie A is based on total shareholder return (TSR), Serie B is based on the company's average normalised return on capital employed (ROCE) and Serie C is based on total shareholder return (TSR) compared to a peer Group.

	Serie A	Serie B	Serie C
Annual turnover of personnel	7.0%	7.0%	7.0%
Expected value reduction parameter fulfilment	-	50%	-
Weighted average share price	76.70	76.70	76.70
Expected life	2.90 years	2.90 years	2.90 years
Expected value reduction parameter market condition	70%	-	30%

Value reduction parameter fulfilment is evaluated to be 50 per cent at September 30, 2009.

INCENTIVE PROGRAM 2008–2011

	2009 Jan 1–Sep 30	Cumulative from start
Number of rights		
Allocated May 30, 2008		384,400
Allocated October 24, 2008		56,000
Allocated December 19, 2008		186,872
		627,272
Outstanding as of January 1, 2009	611,272	
Allocated Q2 2009, compensation for dividend	25,165	25,165
Forfeited	-127,152	-143,152
Total outstanding rights	509,285	509,285

Value reduction parameter fulfilment is evaluated to be 50 per cent at September 30, 2009

INCENTIVE PROGRAM 2007–2010/2012

	2009 Jan 1–Sep 30	Cumulative from start
Number of options		
Allocated August 28, 2007		3,552,000
Outstanding as of January 1, 2009	2,823,000	
Forfeited	-231,000	-960,000
Total outstanding stock options	2,592,000	2,592,000

The exercise price has been adjusted from SEK 130.20 to SEK 124 due to a compensation for the extra ordinary dividend paid during 2008 and 2009.

INCENTIVE PROGRAM 2006–2009/2011

	Stock options		Warrants	
	2009 Jan 1–Sep 30	Cumulative from start	2009 Jan 1–Sep 30	Cumulative from start
Number of options				
Allocated March 7, 2006		1,504,000		752,000
Outstanding as of January 1, 2009	934,000		637,000	
Forfeited	-	-570,000	-637,000	-752,000
Total outstanding	934,000	934,000	-	-

In Q2 2009 all outstanding warrants have forfeited without exercise.

NOTE 9 BUSINESS ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments of shares and participations affecting cash flow are the following.

SEK million	2009 Jan 1–Sep 30
Acquisitions	
Izhevsk, Russia	-291
Croatia	-100
Netherlands	-28
Sweden	-70
Other	-30
	-519
Capital contribution to joint venture companies	-159
	-159
Total acquisitions	-678
Divestments	
Norway, fixed broadband operation	117
Settlements of previous years' discontinued operations	280
Settlements of previous years' other divestments	-60
Total divestments	337
TOTAL CASH FLOW EFFECT	-341

ACQUISITIONS

Izhevsk, Russia

In July 2009, Tele2 acquired the remaining 25.5 percent of the shares in Tele2 Izhevsk in Russia for SEK 316 million. After this acquisition Tele2 owns 100 percent of the company's shares. Approximately SEK 25 million of the purchase price will be paid after 12 months of the completion.

Croatia

In June 2009, Tele2 acquired the remaining 7 percent of the shares in Tele2 Croatia for SEK 100 million, which is reported as goodwill. After this acquisition Tele2 owns 100 percent of the company's shares.

Netherlands

During the first half of 2009 Tele2 acquired the remaining 0.34 percent of the shares in Tele2 Netherlands for SEK 28 million. After this acquisition Tele2 owns 100 percent of the company's shares.

Sweden

In March 2009, Tele2 acquired all shares in a company which possesses a license in Sweden, for SEK 70 million. During 2009 the acquisition has had no material impact on Tele2's income statement.

Other acquisitions

SEK 30 million was paid during 2009 regarding previous year's acquisition of Kaliningrad.

Net assets at the time of acquisition

Assets, liabilities and contingent liabilities included in the acquired operations are stated below.

SEK million	Izhevsk			Sweden		
	Reported value at the time of the acquisition	Adjustment to fair value	Fair value	Reported value at the time of the acquisition	Adjustment to fair value	Fair value
Licenses	-	-	-	3	91	94
Deferred tax liabilities	-	-	-	-	-24	-24
Minority interest	8	-	8	-	-	-
Net acquired assets	8	-	8	3	67	70
Goodwill			308			-
Purchase price shares			316			70
Liabilities to former owners etc			-25			-
NET EFFECT ON GROUP CASH ASSETS			291			70

The information above and the pro forma below are to be viewed as preliminary.

DIVESTMENTS

See separate section for discontinued operations.

Norway, fixed broadband operation

On May 29, 2009 Tele2 sold its fixed broadband operation including VoIP customers in Norway for SEK 117 million and with a capital gain of SEK 44 million. The operation has affected Tele2's net sales year-to-date by SEK 181 (301) million and full year 2008 by SEK 391 million, and EBITDA by SEK -3 (-42) million and full year 2008 by SEK -44 million. The sale was completed on July 1, 2009 after receiving approval from the regulatory authorities. The sale has not been reported as discontinued operation since the entire operation in the country has not been sold.

Other divestments

Other cash flow changes include settlements of sales costs and price adjustments in the amount of SEK 60 million, for divestments during 2008 that have not been classified as discontinued operations.

Net assets at the time of divestment

Assets, liabilities and contingent liabilities included in the divested operations at the time of divestment are stated below.

SEK million	Norway, fixed broadband
Tangible assets	58
Divested net assets	58
Capital gain/loss	44
Sales price, net sales costs	102
Sales costs etc, non-cash	15
Less: cash in divested operations	-
TOTAL CASH FLOW EFFECT	117

PRO FORMA

The table below shows the effect of the acquired and divested companies and operations at September 30, 2009 on Tele2's net sales and result, had they been acquired and divested at January 1, 2009.

SEK million	Jan 1–Sep 30, 2009			Tele2 Group, pro forma
	Tele2 Group	Acquired operations before the time of acquisition	Less divested operations ¹⁾	
Net sales	29,376	-	-181	29,195
EBITDA	6,997	-	3	7,000
Net profit/loss	3,736	-	14	3,750

¹⁾ Less Tele2 France since reported as discontinued operations

DISCONTINUED OPERATIONS

France

On October 15, 2009 Tele2 announced the sale of its operation in France for approximately SEK 575 million on a debt and cash free basis. Completion is expected following approval from relevant regulatory authorities.

In Q3 2009 Tele2 recognized goodwill impairment loss in France of SEK 526 million. An agreement to sell the operation in France was signed in October 2009 and the impairment in September reflects the difference between estimated sales price and assets sold. When the sale has been finalized a positive effect of approximately SEK 120 million will be reported as capital gain due to reversal of exchange rate differences previously reported directly in equity. The sale and the impairment loss is related to severe competition on a mobile market where we have a disadvantageous position as MVNO-operator.

In Q3 2009 France was positively affected by SEK 39 million concerning revaluation of reserves.

In Q3 2009, Tele2 decided to change its method for calculation the number of customers in its French mobile post-paid base. The one-time effect was a decrease of 37,000 in the reported customer base in France. In Q2 2009 Tele2 changed its principles for calculating the number of active pre-paid customers according to Note 10, with a one-time effect of -14 000 customers.

The divestment has been reported separately as discontinued operations in the income statement, with retrospective effect on previous periods, and in the balance sheet from September 30, 2009 according to IFRS 5-Non-current assets held for sale and discontinued operations.

Other discontinued operations

Discontinued operations also include settlements of sales costs and price adjustments for discontinued operations sold during previous year, of which SEK 183 million refers to a positive outcome from a dispute in the divested operation in Switzerland with a positive effect on both income statement and cash flow, and a positive cash flow effect of SEK 116 million related to settlement regarding Poland.

Financial statements

Income statement for discontinued operations is stated below.

SEK million	2009 Jan 1-Sep 30	2008 Jan 1-Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Net sales	915	3,243	3,714	278	314	323	471	910	1,174
Operating expenses	-810	-3,108	-3,564	-225	-275	-310	-456	-845	-1,112
Impairment of goodwill	-526	-703	-719	-526	-	-	-16	-440	-263
Sale of operations, profit	198	1,124	1,297	-1	10	189	173	1,124	-
Sale of operations, loss	10	-63	-31	13	2	-5	32	-63	-
Other operating income	-	15	19	-	-	-	4	3	5
Other operating expenses	-	-7	-8	-	-	-	-1	-2	-3
EBIT	-213	501	708	-461	51	197	207	687	-199
Net interest	-	8	8	-	-	-	-	1	5
EBT	-213	509	716	-461	51	197	207	688	-194
Tax on profit/loss	-17	5	2	-17	-	-	-3	4	3
NET PROFIT/LOSS	-230	514	718	-478	51	197	204	692	-191
Earnings per share (SEK)	-0.52	1.16	1.62	-1.08	0.11	0.45	0.46	1.56	-0.43
Earnings per share, after dilution (SEK)	-0.52	1.16	1.62	-1.08	0.11	0.45	0.46	1.56	-0.43

Balance sheet for assets held for sale is stated below. At September 30, 2009 operation in France is included as assets held for sale, and at the same date previous year it included the operations in Switzerland.

SEK million	2009 Sep 30	2008 Sep 30	2008 Dec 31	SEK million	2009 Sep 30	2008 Sep 30	2008 Dec 31
ASSETS				LIABILITIES			
FIXED ASSETS				LONG-TERM LIABILITIES			
Goodwill	601	100	-	Interest-bearing liabilities	1	-	-
Other intangible assets	-	23	-	Non-interest-bearing liabilities	-	14	-
Intangible assets	601	123	-	LONG-TERM LIABILITIES	1	14	-
Tangible assets	4	216	-	SHORT-TERM LIABILITIES			
FIXED ASSETS	605	339	-	Non-interest-bearing liabilities	374	218	-
CURRENT ASSETS				SHORT-TERM LIABILITIES	374	218	-
Materials and supplies	10	4	-	LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	375	232	-
Current receivables	276	203	-				
CURRENT ASSETS	286	207	-				
ASSETS CLASSIFIED AS HELD FOR SALE	891	546	-				

Cash flow statement for discontinued operations is stated below.

SEK million	2009 Jan 1-Sep 30	2008 Jan 1-Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
OPERATING ACTIVITIES									
Cash flow from operations, other	106	283	309	53	39	14	26	98	122
Changes in working capital	40	10	-96	-62	62	40	-106	-8	35
CASH FLOW FROM OPERATING ACTIVITIES	146	293	213	-9	101	54	-80	90	157
INVESTING ACTIVITIES									
Capital expenditure in intangible and tangible assets, CAPEX	-	-153	-163	-	-	-	-10	-25	-49
Cash flow after CAPEX	146	140	50	-9	101	54	-90	65	108
Sale of shares and participations	280	2,071	2,429	2	308	-30	358	2,212	-141
Cash flow from investing activities	280	1,918	2,266	2	308	-30	348	2,187	-190
CASH FLOW AFTER INVESTING ACTIVITIES	426	2,211	2,479	-7	409	24	268	2,277	-33
NET CHANGE IN CASH AND CASH EQUIVALENTS	426	2,211	2,479	-7	409	24	268	2,277	-33

Segment reporting etc for discontinued operations is stated below

Thousands	Number of customers			Net intake					
	2009 Sep 30	2008 Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Mobile	383	565	468	-9	-	-25	6	-6	20
Fixed broadband	-	78	-	-	-	-	-	-	8
Fixed telephony	-	289	-	-	-	-	-4	-27	-26
	383	932	468	-9	-	-25	2	-33	2
Divested companies	-	-	-	-	-	-	-466	-1,001	-
Changed method	-	-	-	-37	-14	-	-	-	-
Total customers/net intake	383	932	468	-46	-14	-25	-464	-1,034	2

SEK million	2009 Jan 1-Sep 30	2008 Jan 1-Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Mobile	915	1,542	1,901	278	314	323	359	436	573
Fixed broadband	-	216	244	-	-	-	28	67	75
Fixed telephony	-	1,386	1,469	-	-	-	83	384	492
Other operations	-	199	207	-	-	-	8	50	73
	915	3,343	3,821	278	314	323	478	937	1,213
Internal sales, elimination	-	-100	-107	-	-	-	-7	-27	-39
Total net sales	915	3,243	3,714	278	314	323	471	910	1,174

SEK million	2009 Jan 1-Sep 30	2008 Jan 1-Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Mobile	110	-39	-40	55	41	14	-1	9	2
Fixed broadband	-	-29	-29	-	-	-	-	-9	-2
Fixed telephony	-	324	350	-	-	-	26	91	110
Other operations	-	17	17	-	-	-	-	4	6
Total EBITDA	110	273	298	55	41	14	25	95	116

SEK million	2009 Jan 1-Sep 30	2008 Jan 1-Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Mobile	105	-117	-122	53	39	13	-5	-5	-31
Fixed broadband	-	-38	-39	-	-	-	-1	-12	-6
Fixed telephony	-	282	305	-	-	-	23	80	95
Other operations	-	16	17	-	-	-	1	3	6
	105	143	161	53	39	13	18	66	64
Impairment of goodwill	-526	-703	-719	-526	-	-	-16	-440	-263
Sale of operations, profit	198	1,124	1,297	-1	10	189	173	1,124	-
Sale of operations, loss	10	-63	-31	13	2	-5	32	-63	-
Total EBIT	-213	501	708	-461	51	197	207	687	-199

Specification of items between EBITDA and EBIT is stated below

EBITDA	110	273	298	55	41	14	25	95	116
Impairment of goodwill	-526	-703	-719	-526	-	-	-16	-440	-263
Sale of operations	208	1,061	1,266	12	12	184	205	1,061	-
Total one-off items	-318	358	547	-514	12	184	189	621	-263
Depreciation/amortization and other impairment	-5	-130	-137	-2	-2	-1	-7	-29	-52
EBIT	-213	501	708	-461	51	197	207	687	-199

SEK million	2009 Jan 1-Sep 30	2008 Jan 1-Sep 30	2008 full year	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2
Mobile	-	118	128	-	-	-	10	31	38
Fixed broadband	-	9	9	-	-	-	-	1	7
Fixed telephony	-	5	5	-	-	-	-	2	2
Total CAPEX	-	132	142	-	-	-	10	34	47
Additional cash flow information									
CAPEX according to cash flow statement	-	153	163	-	-	-	10	25	49
This year unpaid CAPEX and paid CAPEX from previous year	-	-21	-21	-	-	-	-	9	-2
CAPEX according to balance sheet	-	132	142	-	-	-	10	34	47

NOTE 10 NUMBER OF CUSTOMERS

As a way of standardizing reporting both internally and externally, Tele2 has decided to change its principles for calculating the number of active customers in its mobile prepaid base. As of June 30, 2009, Tele2 considers a customer inactive if the customer has not used its mobile service in 3 months, instead of as earlier 3 to 13 months. Previous periods have not been adjusted retroactively. In Q3 2009, additional adjustments have been done of the customer base in Russia and Lithuania to reach conformity with new principle.

An active prepaid customer is a customer that has a refillable active account and has been either refilling or doing an active outgoing transaction during the latest 90 days (if the transaction doesn't generate revenues the customer must have refilled the account at least once before). Outgoing transactions which are free, count only if the customer refilled the card at least once. However, the customer will still, as before, be able to use their SIM card within the period that is valid for each country.

In Q2 and Q3 2009, the one-time effect was a net increase of 567,000 and a decrease of -249,000 respectively in the reported customer base. The large positive effect that the changed principle has had on the Russian customer base is mainly related to the fact that the 3 months period was previously calculated from the time of the payment and not as the new definition from the last outgoing call. In the chart below is presented how the customer base has been affected by the changed definition in each country.

Thousands	Number of customers at June 30, 2009			Q3 2009
	Before	Changed definition	After	Additional change ¹⁾
Sweden	3,436	-200	3,236	-
Norway	458	-2	456	-
Russia	11,120	1,261	12,381	-179
Estonia	488	-32	456	-
Lithuania	1,897	-181	1,716	-70
Latvia	1,084	-12	1,072	-
Croatia	773	-227	546	-
Netherlands	465	-40	425	-
Number of customers	19,721	567	20,288	-249

¹⁾ Additional change due to the new principle decided in Q2 2009

In Q4 2008, Tele2 decided to change its method for calculating the number of customers in the open-call-by-call service in its German fixed telephony base. The one-time effect was an increase of 211,000 in the reported customer base in Germany.

NOTE 11 CAPEX

In Q2 2008 Tele2 Sweden was awarded 4G/LTE (Long Term Evolution) 2.6 GHz spectrum. The payment for the license affected CAPEX by SEK 549 million.

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

Apart from transactions with Transcom no other significant related party transactions have been carried out during 2009. Related parties are presented in Note 39 of the 2008 Annual Report.

NOTE 13 SPLIT OF CENTRAL COSTS IN SWEDEN

From Q2 2009 Tele2 Sweden has been split into core operations and central group functions. Core operations is reported in segment Sweden and central functions is included in the segment Other.

The core operations of Tele2 Sweden comprise the commercial activities within Sweden, comprising the communications services of mobile, fixed telephony, fixed broadband, and domestic carrier business. The central functions of Tele2 Sweden comprise the activities which provide services for the benefit of Tele2 AB's shareholders, other Group companies (including the core operations of Sweden), and the sold entities. These services are provided for example from group wide departments such as group finance, legal, product development, sales & marketing, billing, information technology, international network, and international carrier.

Segment Sweden has, with retroactive effect, been adjusted with the following amounts related to net result from central group functions.

NET SALES

SEK million	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Mobile	-33	-62	-17	-15	-16	-14
Fixed broadband	-1	-10	-5	-6	-5	6
Fixed telephony	-1	-16	2	-3	-7	-8
Other operations	-50	-304	-90	-49	-77	-88
Net sales, total	-85	-392	-110	-73	-105	-104

INTERNAL SALES

SEK million	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Mobile	-3	-47	-8	-10	-20	-9
Fixed broadband	2	1	-	-	-	1
Fixed telephony	4	-1	-	-1	-	-
Other operations	-51	-221	-59	-53	-49	-60
Internal sales	-48	-268	-67	-64	-69	-68

EBITDA

SEK million	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Mobile	21	-	3	-6	15	-12
Fixed broadband	9	56	13	7	17	19
Fixed telephony	-13	44	9	5	13	17
Other operations	-3	-20	19	14	-13	-40
EBITDA	14	80	44	20	32	-16

EBIT

SEK million	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Mobile	35	105	32	15	38	20
Fixed broadband	9	71	16	9	22	24
Fixed telephony	-10	72	14	11	22	25
Other operations	2	27	38	24	-4	-31
EBIT	36	275	100	59	78	38

CAPEX

SEK million	2009 Q1	2008 Full year	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Mobile	-67	-196	-66	-24	-53	-53
Fixed broadband	-10	-42	-11	-5	-11	-15
Fixed telephony	-16	-51	-18	-5	-9	-19
Other operations	-6	-42	-9	-4	-16	-13
CAPEX	-99	-331	-104	-38	-89	-100