



INTERIM REPORT JANUARY–MARCH 2007

In Q1 2007, Tele2’s EBITDA increased by 22 percent to SEK 1.5 Billion with mobile revenues up 29 percent to SEK 5.2 Billion

- › Operating revenue for Q1 2007 grew by 5 percent to SEK 12,837 (12,243) million
- › EBITDA in Q1 2007 increased by 22 percent to SEK 1,488 (1,221) million
- › Net profit/loss for Q1 2007 amounted to SEK 82 (143) million
- › Earnings per share, after dilution, for Q1 2007 amounted to SEK 0.28 (0.40)



- › Mobile revenues in Q1 2007 increased by 29 percent to SEK 5.2 billion



- › Continued excellent performance in Russian mobile operations with revenues and EBITDA in Q1 2007 both growing strongly. Russia now has a customer base in excess of 7.1 million.



- › Strong broadband intake during Q1 2007, adding a total of 254,000 new broadband customers



- › Fixed telephony EBITDA margin improved to 14 (11) percent in Q1 2007

All figures relate to Tele2’s continuing operations
The figures shown in parentheses correspond to the comparable periods in 2006.

IN A STAGE OF FOCUS


“We are in a stage of focus. During 2007, we expect to see the majority of our revenue being generated within our own infrastructure based mobile and broadband services, as a result of our shift in focus from resold fixed line telephony to our own infrastructure based services. These services have grown to 41 percent of group sales in Q1 2007 from 32 percent in Q1 2006 and the trend will be accelerated as a result of our current strategic review.

Our operational results, with EBITDA growing 22 percent year on year, show that our increased focus on mobile and broadband services continues to pay off and that our investments in infrastructure lead to higher margins for Tele2. To be able to defend our higher investment levels, overall profitability must improve.

Our operational results, with EBITDA growing 22 percent year on year, show that our increased focus on mobile and broadband services continues to pay off...

 Our **MOBILE** operations in the Baltic region and Russia continue to show healthy operational performance. Strong net customer intake, despite tough competition, is combined with good margin development. This quarter, I am especially pleased with our development in the Nordic market area, which shows that there is still growth potential in the mobile segment.

 Our **BROADBAND** business continued to produce impressive net customer intake numbers, with 254,000 new customers in Q1. Southern Europe represents the majority of our new broadband customers, and I am particularly pleased with the continued strong intake in Italy. Scale is important, and we are getting closer to critical mass in geographies with a sound potential for growth and profitability.

 **FIXED LINE** EBITDA margins improved during the quarter. However, we experienced a higher level of competition from primarily mobile operators leading to a larger net customer outflow and stronger ARPU decline than expected. As we have pointed out earlier, it continues to be important for Tele2 to move into more infrastructure based operations. The recent developments highlight this rationale as we move swiftly towards mobile and broadband services based on our own infrastructure.”



*Lars-Johan Jarnheimer
President and CEO of Tele2 AB*

Tele2 in brief

TELE2 IS EUROPE'S LEADING ALTERNATIVE TELECOM OPERATOR. Tele2's mission is to provide cheap and simple telecoms for everyone in Europe. Tele2 always strives to offer the market's best prices. We have 29 million customers in 22 countries. Tele2 offers fixed and mobile telephony, broadband, data network services and cable TV. 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 OMX Nordic Exchange since 1996. In 2006 we had operating revenue of SEK 50.3 billion and we reported a operating profit (EBITDA) of SEK 5.7 billion.

GROUP FINANCIAL OVERVIEW FOR THE QUARTER ENDED MARCH 31, 2007

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2007

SEK million	2007 Q1	2006 Q1
Continuing operations¹⁾		
Operating revenue	12,837	12,243
of which mobile telephony	5,219	4,038
of which fixed telephony resale	4,796	6,017
of which broadband resale	582	504
of which direct access & LLUB	1,694	1,098
Net customer intake (thousands)	281	617
of which mobile telephony	747	909
of which fixed telephony resale	-720	-436
of which broadband resale	44	99
of which direct access & LLUB	210	45
EBITDA	1,488	1,221
of which mobile telephony	1,088	746
of which fixed telephony resale	649	662
of which broadband resale	-231	-242
of which direct access & LLUB	-119	-64
EBIT	380	254
EBT	104	121
Net profit	82	143
Cash flow from operating activities	473	682

¹⁾ Less Tele2 France fixed telephony and broadband operations (see Note 7)

Significant events in the quarter


- ▶ Tele2 has signed an MVNO (Mobile Virtual Network Operator) agreement with TDC in Sweden that is expected to come into effect in early 2008 with a validity term of five years.
- ▶ The contemplated divestment of Tele2's French fixed and broadband business has not yet been approved by the EU competition authorities. It is estimated that the sale will close during 2007.
- ▶ Tele2 divested 100 percent of the shares in its Norwegian subsidiary Datamatrix AS to Ignis ASA.
- ▶ Tele 2 has sold all shares in Tele2 Netherlands B.V. and Tele2 Belgium N.V. to Versatel Telecom International N.V. as a part of the integration process between the companies.


The fixed and broadband operations in France are reported as discontinued operations and the comments below relate to Tele2's continuing operations, except for changes in working capital.


FINANCIAL OVERVIEW

As in previous quarters the Group's financial performance reflects an increased focus on broadband and mobile services. Mobile telephony and broadband sales continue to grow compared with the previous year, while fixed telephony sales are declining. Earlier quarters had shown some signs of stabilization in continental fixed telephony services. However, this trend is not expected to continue.

 **Mobile operations** continue to show strong development, with operating revenue increasing by 29 percent compared with Q1 2006. Mobile net customer intake was 747,000 (909,000). EBITDA increased by 46 percent to SEK 1,088 million compared with SEK 746 million in Q1 2006. Swedish mobile telephony reported revenue growth of 8 percent and an EBITDA margin of 36 percent, in combination with a positive customer intake. The EBITDA margin in Sweden was once again affected by increased net intake of post-paid subscribers. In Russia Tele2 continued its strong customer growth and Russia's EBITDA improved by SEK 275 million compared with Q1 2006. Russia also reported an impressive increase of 135 percent in operating revenue, of which 126 percent was organic. The number of customers in Russia has now reached 7.1 million, an increase of 81 percent on the previous year, and together with the Baltic countries and Croatia the market area has a user base of 10.8 million. Revenue growth for the Baltic region was strong at 19 percent compared with Q1 2006 and all 3 countries had double digit sales growth. The strong revenue growth was driven mainly by a larger subscriber base, but also higher ARPU. EBITDA for the Baltic region grew 25 percent compared with Q1 2006, mainly due to revenue growth and lower sales and marketing expenses. Mobile ARPU for the group in Q1 2007 was SEK 107 (112). The ARPU dilution is largely due to the very strong growth in Russia. The Croatian business is still seeing a delay in the rollout of its own network, which has resulted in higher roaming charges than expected.

 **Fixed line** resale revenues decreased by 6 percent compared with the previous quarter. Fixed line services have been negatively effected by lower mobile pricing, especially in Central Europe, leading to an accelerating volume migration from fixed to mobile services. EBITDA increased by SEK 13 million to SEK 649 million, compared with the previous quarter, which is equivalent to an EBITDA margin of 13.5 percent (14.1 percent, including France). The stable EBITDA development was driven by the Nordic market area, while Central and Southern Europe saw a deterioration of profitability because of higher net customer outflow together with lower fixed-to-mobile calling volumes. The number of customers fell by 720,000 in Q1 2007.

 **Broadband resale** revenues increased by 5 percent compared with the previous quarter and the number of customers rose by 44,000 to 852,000. EBITDA decreased by SEK 21 million, compared with the previous quarter, to SEK -231 million.

 **Direct access & LLUB** revenues increased by 9 percent compared with the previous quarter and the number of customers rose by 210,000 to 1,200,000 customers, with Italy once again being especially successful in adding new customers. EBITDA fell by SEK 45 million to SEK -119 million, compared with the previous quarter due to a continued marketing push in selective geographies.

OPERATING REVENUE

Operating revenue amounted to SEK 12,837 (12,243) million, an increase of 4.9 percent including, and 7.4 percent excluding, exchange rate differences.

Nordic showed a promising revenue increase of 5 percent compared with Q1 2006. Mobile telephony in Norway and Denmark continued to show healthy growth with a year on year increase of 23 percent. Operating revenue in Sweden increased by 7 percent compared with Q1 2006.

Revenue growth in **Baltic & Russia** was 57 percent in Q1 2007, with Russia again the prime driver. The increase excluding Russia was 18 percent.

Central Europe revenues fell 19 percent impacted by the disposal of the operation in the Czech Republic, a decreasing customer base and lower ARPU as a result of intensified fixed to mobile migration while **Southern Europe** increased revenues by 7 percent. Southern Europe's broadband and mobile telephony revenues rose by SEK 113 million compared with previous quarter.

UK & Benelux revenues decreased by 6 percent mainly due to poor development in Belgium, Alpha and C³. Fixed telephony revenues decreased by 10 percent compared with the previous quarter, while broadband and mobile telephony rose by SEK 21 million.

CUSTOMER INTAKE

Net customer intake (not including disposals) was 281,000, compared with 953,000 in the previous quarter and 617,000 in Q1 2006. Mobile intake was 747,000, compared with 909,000 in Q1 2006, mainly driven by Russia. The total broadband customer intake was 254 000, compared with 253 000 in the previous quarter and 144 000 in Q1 2006.

The number of fixed telephony customers fell by 720,000 compared with a drop of 436,000 in Q1 2006. The development in Tele2's fixed line base is not satisfactory and has been negatively impacted by both a higher level of competition as well as lower mobile prices in Continental Europe, leading to lower calling volumes and customers migrating from the Tele2 fixed line network.

Broadband resale customers increased by 44,000 compared with the Q1 2006 figure of 99,000, and direct access & LLUB customers increased by 210,000, compared with 45,000 in Q1 2006. Italy in particular showed a sustained strong intake. Tele2's improved processes in connecting new broadband customers have continued to generate results and the intake of direct access & LLUB has continued to be robust.

As a way of standardizing reporting both internally and externally, Tele2 has decided to change its accounting principles for inactive customers in its Nordic mobile prepaid base. As of Q2 2007, Tele2 will look upon a customer as inactive if the customer has not used their mobile service in 6 months, instead of earlier 13 months. However, the customer will still be able to use their SIM card within the 13 months period, as before. This will result in a one time negative adjustment in the Nordic market area of approximately 900,000 customers in Q2 2007.

ARPU

ARPU amounted to SEK 138, compared with SEK 143 in Q1 2006. Mobile ARPU was SEK 107 (112), fixed telephony resale ARPU SEK 138 (145), broadband resale ARPU SEK 231 (251) and direct access & LLUB ARPU was SEK 514 (661) in the quarter.

EARNINGS

EBITDA amounted to SEK 1,488 million, compared with SEK 1,466 million the previous quarter and SEK 1,221 million in Q1 2006.

Nordic reported EBITDA of SEK 798 million, compared with SEK 869 million in Q1 2006. Swedish mobile telephony achieved an EBITDA margin of 36 percent compared with 44 percent in Q1 2006 and EBITDA of SEK 601 million, compared with SEK 682 million in Q1 2006. The capacity payment to Svenska UMTS-nät was SEK 21 million. Swedish fixed telephony reported an EBITDA of SEK 137 million compared with SEK 130 million in Q1 2006.

Baltic & Russia reported EBITDA of SEK 567 million compared with SEK 217 million in Q1 2006. Russia's contribution to the improvement was SEK 275 million, with an EBITDA margin of 28 percent, compared with 5 percent in Q1 2006. In Croatia the operational issues still remain with high dependency on national roaming agreement, which has led to a negative EBITDA of SEK 81 million during the quarter.

Central Europe reported EBITDA of SEK 91 million, compared with SEK 212 million in Q1 2006. In both Germany and Austria, fixed line usage has been hit by dropping prices on the mobile market, fuelling fixed-to-mobile substitution. Lower fixed-to-mobile calling volumes has had a negative effect on profitability.

Southern Europe reported a loss of SEK -232 million, compared with SEK -207 million in Q1 2006. The broadband operations showed a negative EBITDA development because of Tele2's continued marketing push in the market area. The mobile telephony operation in France had a negative impact of SEK 129 million on EBITDA, compared with a negative SEK 164 million in Q1 2006.

UK & Benelux reported EBITDA of SEK 249 million, compared with SEK 122 million in Q1 2006.

EBIT was SEK 380 million, compared with SEK 254 million in Q1 2006.

Profit before tax amounted to SEK 104 (121) million.

Profit for the period amounted to SEK 82 (143) million.

CASH FLOW AND CAPEX

Cash flow stated as **EBITDA less CAPEX** amounted to SEK 307 (43) million. Current investments (CAPEX) amounted to SEK 1,181 (1,178) million.

Changes in working capital, for the total operations including discontinued operations in France, amounted to SEK -250 (-577) million.

OPERATIONAL REVIEW BY MARKET AREA

Comments below relate to Tele2's continuing operations

NORDIC

(Sweden, Norway and Denmark)

SEK Million	Q1 2007	Q1 2006	Change
Operating revenue	3,874	3,698	+5%
EBITDA	798	869	-8%
EBIT	514	618	-17%
ARPU (SEK)	205	195	+5%

Tele2's **mobile** operations showed good progress in Q1 2007. Revenue growth for market area Nordic was 12 percent compared with Q1 2006, and for Sweden it was 8 percent. Tele2 has seen a positive customer trend, with a net intake of 48,000 postpaid subscriptions in Sweden. Norway has seen continued strong customer intake. In total, Swedish mobile had a customer base of 3,525,000 (3,507,000) as at March 31, 2007. ARPU for mobile telephony in Sweden, including both postpaid and prepaid customers, was SEK 157 (146) in Q1 2007, and mobile minutes of usage (MOU) were 146 (123). The EBITDA margin for mobile telephony in Sweden decreased to 36 percent compared with 44 percent in Q1 2006, partly as a result of the strong intake of postpaid customers.

During the quarter, Optimal Telecom introduced Parlino, a new prepaid card with free on net calling to Telia Mobile, Halebop, Tele2 and Parlino.

As a way of standardizing reporting both internally and externally, Tele2 has decided to change its accounting principles for inactive

customers in its Nordic mobile prepaid base. As of Q2 2007, Tele2 will look upon a customer as inactive if the customer has not used their mobile service in 6 months, instead of earlier 13 months. However, the customer will still be able to use their SIM card within the 13 months period, as before. This will result in a one time negative adjustment in the Nordic market area of approximately 900,000 customers in Q2 2007.

The market area's **fixed telephony** revenue demonstrates alignment with the sector's expected overall decline. An exception to this is Tele2 Sweden's sales development within the smaller corporate customer segment, which during the quarter had a positive net customer intake.

Profitability improved in all Nordic countries. Fixed telephony EBITDA margin increased to 18 percent, partly as a result of efficiency measures and continuous cost control.

Broadband customer intake in Sweden has developed according to expectation. The rollout of Tele2's own broadband network, which now covers 35 percent of the households, together with the acquisition of E.ON Bredband has had a positive effect on revenue growth. However, profitability is negatively impacted by the company's current broadband push in Sweden. Tele2Vision has seen a pick up in the number of customers adding broadband to their existing cable TV subscriptions.

BALTIC & RUSSIA

(Estonia, Latvia, Lithuania, Russia and Croatia)

SEK Million	Q1 2007	Q1 2006	Change
Operating revenue	2,072	1,316	+57%
EBITDA	567	217	+161%
EBIT	371	99	+275%
ARPU (SEK)	66	65	+2%

Russia showed yet another strong quarter with a net intake of 644,000 **mobile telephony** customers. Operating revenue increased by 135 percent to SEK 1,052 (448) million. Despite record high customer intake in the Russian market, EBITDA improved significantly to SEK 297 (22) million. This corresponds to an EBITDA margin of 28 (5) percent. 11 out of a total of 17 regions are today EBITDA positive. ARPU for Russia was SEK 52 (42) in Q1 2007. More attractive pricing plans have led to better customer intake and together with improved network quality, Tele2 has experienced lower churn and higher MoU. Tele2 however expects competition to gradually increase in the fast growing Russian market.

In the Baltic area, Tele2 continues to take share in the corporate market. In Lithuania Tele2 has been able to capture 11 percent of the corporate market. Focus has been on growing the business while still producing improving operational margins. Revenue growth for the Baltic region was strong at 19 percent compared with Q1 2006 and all 3 countries had double digit sales growth. The strong revenue growth was driven mainly by a larger subscriber base, but also higher ARPU. EBITDA for the Baltic region grew 25 percent compared with Q1 2006, mainly due to revenue growth and lower sales and marketing expenses.

In Croatia, revenue grew by 19 percent compared with Q1 2006. However, the issues still remain in the region with regards to Tele2's dependency on national roaming agreements instead of running all traffic on the Tele2 network, which has led to EBITDA development below expectations. Going forward, the focus will be on developing the Tele2 GSM network to minimize the dependency on roaming partner. By doing so, it will also be possible to better monitor service quality and manage customer churn.

CENTRAL EUROPE

(Germany, Austria, Poland and Hungary)

SEK Million	Q1 2007	Q1 2006	Change
Operating revenue	1,803	2,222	-19%
EBITDA	91	212	-57%
EBIT	-18	99	-118%
ARPU (SEK)	96	108	-11%

In Austria, competition within **mobile telephony** has further increased, as all operators have entered a price war in the discount segment, with flat-fee offers as low as 4.9 eurocents. As a niche player in this environment, Tele2 has not been able to defend its market share.

In both Germany and Austria, **fixed line** usage has been hit by dropping prices on the mobile market as well as

increased fixed line competition, fuelling fixed-to-mobile substitution and negatively impacting the customer base. Tele2 Germany has confirmed its number one position on the CPS (carrier pre-select) market. In Poland, Tele2, as the first alternative operator, has successfully launched a WLR (Wholesale Line Rental) product, having already captured over 150,000 customers.

While preparing to launch **LLUB** in the second quarter of 2007, Tele2 Germany has continued building its **broadband resale** customer base by launching its "Turbopak" campaign, which claims price leadership in the high speed segment. Net intake for broadband resale in Germany grew by more than 30 percent in comparison with Q1 2006. In Austria, the residential LLUB product, both single and double play, is growing rapidly with revenues and customer base more than doubling in comparison with Q1 2006.

SOUTHERN EUROPE

(Frankrike, Italien, Spanien, Schweiz och Portugal)

SEK Million	Q1 2007	Q1 2006	Change
Operating revenue	2,727	2,548	+7%
EBITDA	-232	-207	
EBIT	-370	-314	
ARPU (SEK)	184	170	+8%

Tele2's **mobile telephony** network rollout in Switzerland is progressing according to plans and license agreement, and today covers 95 percent of the population in Zurich, 50 percent in Basel and over 20 percent in other major cities. A prepaid offer was launched in March with good customer response.

Tele2 is maintaining its number one MVNO position with its post-paid services in France.

During the quarter, the European competition authorities opened a phase II study regarding the contemplated disposal of Tele2's French **fixed** and broadband businesses to SFR. The deal is estimated to close during 2007.

In Portugal, Tele2's WLR offer has met very positive customer response.

The Italian market has continued to develop strongly with a high intake of both **broadband resale** as well as **direct access & LLUB** customers. Up-selling from Single Play to Double Play and migration to Tele2 Italy's own network has significantly expanded gross margins over the past 3 quarters, from -93 percent Q3 2006 and 27 percent in Q4 2006 to 52 percent Q1 2007. The expectation is to reach a longer term gross margin of 60 percent in Italy. The Italian business has completed the first phase of its planned broadband network rollout, now covering more than 40 percent of Italian households, and is now moving for further expansion in order to reach a coverage of over 50 percent.

Tele2 Spain continues to expand its broadband network coverage, having already reached 50 percent of residential and 60 percent of business customers by Q1 2007, while at the same time upgrading existing network to ADSL 2+ standards, thus allowing high speed connections of up to 20 Mbit/s.

Tele2 Portugal launched its LLUB services in mid-January. With over 120 sites installed the company covers in excess of 85 percent in Lisbon and Porto. The first months signified a strong interest from customers and Tele2 expects good volumes in Q2 and onwards.

UK & BENELUX

(the Netherlands, Belgium, Luxembourg, Liechtenstein, C³ and Alpha Telecom)

SEK Million	Q1 2007	Q1 2006	Change
Operating revenue	2 170	2 315	-6%
EBITDA	249	122	+104%
EBIT	-117	-240	
ARPU (SEK)	295	257	+15%

In the Netherlands, Tele2 is displaying a positive intake trend of postpaid **mobile telephony** subscriptions partially offsetting the decline of prepaid subscribers. In Luxembourg, the focus remains on the postpaid product for both the residential and the business segment. Postpaid net intake for Q1 2007 was 17 percent higher compared with Q1 2006. On the prepaid market Luxembourg confirmed its market leader position with a market share of over 50 percent.

In the first quarter of 2007, Tele2 Netherlands successfully introduced the WLR (Wholesale Line Rental) product, enabling higher ARPU for **fixed telephony** and extended customer life time.

In the Netherlands and Belgium, Tele2 continued migrating customers from narrowband to **broadband** products. While the majority of Tele2's broadband intake in the Netherlands is on the dual play product "Tele2 Compleet", the company is also migrating existing dual play customers to the triple play package. During Q1 2007, content revenues continued to increase in the Netherlands as a result of the distribution agreement with KPN regarding the broadcasting of live football matches. In Belgium, the Tele2 "All in" product continues to grow, where the customers reap the benefit of canceling the monthly line subscription and saving over 200 EUR on an annual basis. In Luxembourg, the wholesale DSL product is steadily expanding its customer base, with Tele2Tango already being the third largest broadband provider in the country.

SERVICES

(3C, Datamatrix, Procure IT right, Radio Components and UNI2)

SEK Million	Q1 2007	Q1 2006	Change
Operating revenue	191	144	+33%
EBITDA	15	8	+88%
EBIT	0	-8	

On March 31, 2007, Tele2 divested its operation Datamatrix in Norway (see Note 6).

OTHER ITEMS

ACQUISITIONS AND DIVESTMENT

On March 31, 2007, Tele2 divested its operation Datamatrix Norway for SEK 85 million. Datamatrix Norway has affected Tele2's operating revenue in market area Services year-to-date by SEK 116 (69) million and EBITDA by SEK -1 (0) million in addition to a recorded capital loss of SEK 5 million.

On March 20, 2007, Tele2 announced that the contemplated disposal of its fixed and broadband operations in Tele2 France to SFR had been subject to a phase II study by the European competition authorities. The anticipated divestment is estimated to close during 2007. The divestment has been reported separately as a discontinued operation in the income statement, with retrospective application for previous periods, and in the balance sheet from September 30, 2006 according to IFRS 5 – *Non-current assets held for sale and discontinued operations*. For additional information regarding discontinued operations, see Note 7.

On March 6, 2007, Tele2 sold the shares in Tele2 Netherlands and Tele2 Belgium to Versatel Telecom International N.V. The reorganization has been carried out as a part of the integration process of Tele2 and Versatel operations in the Netherlands and Belgium. Versatel has financed the acquisition by an issue of new shares. As a result of the issue Tele2 has increased its share holdings in Versatel by 1.36 percent and is now holding 81.65 percent of the shares.

Please refer to Note 6 for additional information regarding acquisitions and divestments.

PARENT COMPANY

The parent company, Tele2 AB, reported at March 31, 2007 an operating revenue of SEK 7 (7) million and a profit before tax (EBT) of SEK -397 (57) million. EBT is mainly affected by fluctuations of exchange rate effects from external loan facilities, which is reported directly in equity on group level. Tele2 AB had cash and cash equivalents of SEK 8 million compared with SEK 7 million as at December 31, 2006.

As a result of 193,347 warrants being exercised during 2007, Tele2 has issued new shares resulting in an increase of shareholders' equity of SEK 12 million.

COMPANY DISCLOSURE

Tele2 Annual General Meeting 2007

The 2007 Annual General Meeting will be held at 1.30 pm on May 9, 2007, at the Skandia cinema, Drottninggatan 82, Stockholm.

Shareholders who wish to participate at the Annual General Meeting must have their names entered in the register of shareholders maintained by VPC AB (the Swedish Central Securities Depository) on Thursday, 3rd May, 2007 and notify the company of their intention to participate by no later than 3.00 p.m. on Thursday, 3rd May, 2007. The notification can be made on the company's website, www.tele2.com, by telephone +46-433-747 56 or in writing to the company.

Other

Tele2 will release the financial and operating result for the period ended June 30, 2007 on July 25, 2007.

Stockholm, April 25, 2007

Tele2 AB

Lars-Johan Jarnheimer

President and CEO, Tele2 AB

Report review

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

Presentation details

A presentation to discuss the results will be held at 06.45 am UK time (07.45 am CET on April 25, 2007) at Pontus by the Sea, Tullhus 2 – Skeppsbrogajen, Stockholm. The presentation will be web-cast on Tele2's website www.tele2.com, along with the presentation material.

Conference call details

A conference call to discuss the results will be held at 15.00 (CET) / 14.00 (UK time) / 9.00 am (New York time), on April 25, 2007. The dial-in number is: +44 (0)20 7138 0808 or US: +1 718 354 1357. Please dial in 10 minutes prior to the start of the conference call to allow time for registration. A recording of the conference call will be available for 10 days after the call on: +44 (0)20 7806 1970 or US: +1 718 354 1112 with access code 3350486#. The conference call will be web-cast on Tele2's website www.tele2.com, with the possibility to enter questions online.

VISIT OUR WEBSITE:

www.tele2.com

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APPENDICES

- Income statement
- Balance sheet
- Cash flow statement
- Change in shareholders' equity
- Number of customers
- Operating revenue
- EBITDA
- EBIT
- Investments, CAPEX
- Sweden
- Russia
- Key Ratios
- Notes

TELE2 IS EUROPE'S LEADING ALTERNATIVE TELECOM OPERATOR. Tele2's mission is to provide cheap and simple telecoms for everyone in Europe. Tele2 always strives to offer the market's best prices. We have 29 million customers in 22 countries. Tele2 offers fixed and mobile telephony, broadband, data network services and cable TV. 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 OMX Nordic Exchange since 1996. In 2006 we had operating revenue of SEK 50.3 billion and we reported a operating profit (EBITDA) of SEK 5.7 billion.

INCOME STATEMENT

SEK million	Note	2007 Q1	2006 Q1	2006 Full year
CONTINUING OPERATIONS				
Operating revenue		12,837	12,243	50,306
Operating expenses	2	-12,406	-11,940	-48,523
Write-down of goodwill	2	-	-	-3,300
Other operating revenues	3	25	11	100
Other operating expenses		-19	-12	-71
Result from shares in associated companies and joint ventures		-57	-48	-135
Operating profit/loss, EBIT		380	254	-1,623
Net interest expenses		-201	-130	-592
Other financial items		-75	-3	35
Profit/loss after financial items, EBT		104	121	-2,180
Tax on profit/loss for the year		-22	22	-225
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		82	143	-2,405
DISCONTINUED OPERATIONS				
Net profit/loss from discontinued operations	7	-88	87	-1,335
NET PROFIT/LOSS		-6	230	-3,740
ATTRIBUTABLE TO:				
Equity holders of the parent company		37	263	-3,615
Minority interest		-43	-33	-125
NET PROFIT/LOSS		-6	230	-3,740
Earnings per share (SEK)		0.08	0.59	-8.14
Earnings per share, after dilution (SEK)		0.08	0.59	-8.14
FROM CONTINUING OPERATIONS				
Earnings per share (SEK)	7	0.28	0.40	-5.13
Earnings per share, after dilution (SEK)		0.28	0.40	-5.13
Number of shares, basic	5	444,682,940	444,187,557	444,489,593
Number of shares, weighted average	5	444,554,042	443,831,074	444,129,836
Number of shares after dilution	5	445,024,865	444,429,339	444,614,065
Number of shares after dilution, weighted average	5	444,969,592	444,184,778	444,353,295

BALANCE SHEET

SEK million	Note	Mar 31, 2007	Dec 31, 2006
Assets			
FIXED ASSETS			
Goodwill	2	18,979	18,491
Other intangible assets		3,212	3,353
Intangible assets		22,191	21,844
Tangible assets		16,679	16,059
Financial assets		842	876
Deferred tax assets		5,404	4,986
FIXED ASSETS		45,116	43,765
CURRENT ASSETS			
Materials and supplies		394	424
Current receivables		13,199	12,980
Short-term investments		2,113	1,988
Cash and cash equivalents		2,769	2,619
CURRENT ASSETS		18,475	18,011
ASSETS CLASSIFIED AS HELD FOR SALE	7	4,516	4,388
ASSETS		68,107	66,164
Shareholders' equity and liabilities			
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the parent company		29,994	28,800
Minority interests		660	323
SHAREHOLDERS' EQUITY		30,654	29,123
LONG-TERM LIABILITIES			
Interest-bearing liabilities		14,023	13,050
Non-interest-bearing liabilities		1,379	1,343
LONG-TERM LIABILITIES		15,402	14,393
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		6,946	6,907
Non-interest-bearing liabilities		13,369	14,224
SHORT-TERM LIABILITIES		20,315	21,131
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	7	1,736	1,517
EQUITY AND LIABILITIES		68,107	66,164

CASH FLOW STATEMENT

SEK million	Note	2007 Q1	2006 Q1	2006 Full year	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
OPERATING ACTIVITIES										
Cash flow from operation		652	1,259	4,979	652	1,048	1,511	1,161	1,259	1,315
Change in working capital		-250	-577	-1,132	-250	-452	67	-170	-577	-362
CASH FLOW FROM OPERATING ACTIVITIES		402	682	3,847	402	596	1,578	991	682	953
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX		-1,173	-1,304	-5,520	-1,173	-1,422	-1,420	-1,374	-1,304	-1,441
Cash flow after CAPEX		-771	-622	-1,673	-771	-826	158	-383	-622	-488
Acquisition of shares and participations	6	-20	-56	-1,346	-20	-44	-1,181	-65	-56	-5,295
Sale of shares and participations	6	108	-	31	108	-5	-	36	-	130
Change of long-term receivables		67	134	-101	67	-260	17	8	134	-330
CASH FLOW AFTER INVESTING ACTIVITIES		-616	-544	-3,089	-616	-1,135	-1,006	-404	-544	-5,983
FINANCING ACTIVITIES										
Financing activities		748	537	3,056	748	1,100	1,380	39	537	6,348
NET CHANGE IN CASH AND CASH EQUIVALENTS		132	-7	-33	132	-35	374	-365	-7	365
Cash and cash equivalents at beginning of period		2,619	2,773	2,773	2,619	2,705	2,277	2,731	2,773	2,404
Exchange rate differences in cash		18	-35	-121	18	-51	54	-89	-35	4
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		2,769	2,731	2,619	2,769	2,619	2,705	2,277	2,731	2,773

Cash flow from discontinued operations 7

CHANGE IN SHAREHOLDERS' EQUITY

SEK million	Mar 31, 2007			Mar 31, 2006			Dec 31, 2006		
	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	28,800	323	29,123	34,965	403	35,368	34,965	403	35,368
ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY									
Exchange rate differences	1,129	7	1,136	-148	-12	-160	-1,829	-2	-1,831
Cash flow hedges	15	-	15	-	-	-	-5	-	-5
Total items recognized directly in shareholders' equity	1,144	7	1,151	-148	-12	-160	-1,834	-2	-1,836
Net profit/loss for the period	37	-43	-6	263	-33	230	-3,615	-125	-3,740
Total for the period	1,181	-36	1,145	115	-45	70	-5,449	-127	-5,576
OTHER CHANGES IN SHAREHOLDERS' EQUITY									
Issue of warrants	-	-	-	7	-	7	7	-	7
Costs for stock options	1	-	1	-	-	-	4	-	4
New share issue	5	12	12	32	-	32	51	-	51
Dividend	-	-	-	-	-	-	-777	-	-777
Minority's share in acquired companies	-	-16	-16	-	-	-	-	61	61
Shareholders contribution from minority	-	389	389	-	-	-	-	-	-
Purchase of minority	-	-	-	-	-	-	-	-14	-14
Round off	-	-	-	1	-	1	-1	-	-1
SHAREHOLDERS' EQUITY, END OF PERIOD	29,994	660	30,654	35,120	358	35,478	28,800	323	29,123

At March 31, 2007 SEK 443 million (December 31, 2006: SEK 356 million) of shareholders' equity relates to exchange rate differences from assets and liabilities classified as held for sale.

NUMBER OF CUSTOMERS

Thousands	Note	Number of customers			Net intake					
		2007 Mar 31	2006 Mar 31	Change	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Nordic										
Mobile telephony		4,268	4,113	4%	19	41	51	44	21	73
Indirect access		1,610	1,861	-13%	-84	-37	-60	-70	-73	-79
<i>of which fixed telephony resale</i>		1,439	1,713	-16%	-95	-42	-62	-75	-80	-87
<i>of which broadband resale</i>		171	148	16%	11	5	2	5	7	8
Direct access & LLUB		332	259	28%	21	25	19	8	5	3
		6,210	6,233	0%	-44	29	10	-18	-47	-3
Baltic & Russia										
Mobile telephony		10,748	7,055	52%	716	1,072	876	847	795	1,063
Indirect access		37	57	-35%	-4	-4	-5	-7	-13	-14
<i>of which fixed telephony resale</i>		37	57	-35%	-4	-4	-5	-7	-13	-14
Direct access & LLUB		33	29	14%	1	2	1	-	1	3
		10,818	7,141	51%	713	1,070	872	840	783	1,052
Central Europe										
Mobile telephony		144	180	-20%	-30	-10	-1	5	14	34
Indirect access		5,336	6,160	-13%	-208	-38	-43	-125	-115	95
<i>of which fixed telephony resale</i>		5,151	6,084	-15%	-232	-83	-67	-141	-139	88
<i>of which broadband resale</i>		185	76	143%	24	45	24	16	24	7
Direct access & LLUB		88	50	76%	18	13	11	-3	6	-10
		5,568	6,390	-13%	-220	-35	-33	-123	-95	119
Southern Europe										
Mobile telephony		488	226	116%	44	44	69	105	71	71
Indirect access		3,649	4,426	-18%	-236	-192	-246	-67	-22	39
<i>of which fixed telephony resale</i>		3,250	4,084	-20%	-255	-193	-267	-119	-88	-20
<i>of which broadband resale</i>		399	342	17%	19	1	21	52	66	59
Direct access & LLUB		444	44	909%	143	141	59	21	19	4
		4,581	4,696	-2%	-49	-7	-118	59	68	114
UK & Benelux										
Mobile telephony		825	862	-4%	-2	-1	-19	-15	8	40
Indirect access		1,026	1,604	-36%	-144	-133	-161	-140	-114	-131
<i>of which fixed telephony resale</i>		929	1,479	-37%	-134	-124	-153	-139	-116	-141
<i>of which broadband resale</i>		97	125	-22%	-10	-9	-8	-1	2	10
Direct access & LLUB		303	192	58%	27	30	23	31	14	14
		2,154	2,658	-19%	-119	-104	-157	-124	-92	-77
NET CUSTOMER INTAKE					281	953	574	634	617	1,205
Acquired companies					-	-	182	-	-	436
Divested companies					-	-	-	-411	-	-274
Changed method of calculation	4				-	-	-	-	-	-1,329
TOTAL CONTINUING OPERATIONS		29,331	27,118	8%	281	953	756	223	617	38
Discontinued operations	7	2,869	3,611	-21%	-184	-201	-139	-218	-140	-122
TOTAL OPERATIONS		32,200	30,729	5%	97	752	617	5	477	-84
BY BUSINESS AREA										
Mobile telephony		16,473	12,436	32%	747	1,146	976	986	909	1,281
<i>of which prepaid</i>		12,876	9,502	36%	615	991	809	785	764	1,032
Indirect access		11,658	14,108	-17%	-676	-404	-515	-409	-337	-90
<i>of which fixed telephony resale</i>		10,806	13,417	-19%	-720	-446	-554	-481	-436	-174
<i>of which broadband resale</i>		852	691	23%	44	42	39	72	99	84
Direct access & LLUB		1,200	574	109%	210	211	113	57	45	14
Acquired companies					-	-	182	-	-	436
Divested companies					-	-	-	-411	-	-274
Changed method of calculation	4				-	-	-	-	-	-1,329
Total continuing operations		29,331	27,118	8%	281	953	756	223	617	38

OPERATING REVENUE

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Nordic									
Mobile telephony		2,367	2,107	2,367	2,404	2,426	2,405	2,107	2,235
Indirect access		1,227	1,348	1,227	1,202	1,247	1,286	1,348	1,417
<i>of which fixed telephony resale</i>		1,068	1,204	1,068	1,054	1,100	1,139	1,204	1,280
<i>of which broadband resale</i>		159	144	159	148	147	147	144	137
Direct access & LLUB		315	243	315	305	287	249	243	254
Other operations		175	169	175	178	180	164	169	171
Adjustments for internal sales		-210	-169	-210	-208	-179	-242	-169	-204
		3,874	3,698	3,874	3,881	3,961	3,862	3,698	3,873
Baltic & Russia									
Mobile telephony		2,064	1,303	2,064	2,014	1,875	1,533	1,303	1,253
Indirect access		8	11	8	8	8	10	11	24
<i>of which fixed telephony resale</i>		8	11	8	8	8	10	11	24
Direct access & LLUB		4	4	4	5	4	4	4	7
Other operations		10	8	10	10	11	11	8	9
Adjustments for internal sales		-14	-10	-14	-13	-14	-13	-10	-16
		2,072	1,316	2,072	2,024	1,884	1,545	1,316	1,277
Central Europe									
Mobile telephony		15	49	15	40	39	40	49	58
Indirect access		1,400	1,837	1,400	1,518	1,532	1,633	1,837	1,853
<i>of which fixed telephony resale</i>		1,284	1,766	1,284	1,409	1,438	1,566	1,766	1,801
<i>of which broadband resale</i>		116	71	116	109	94	67	71	52
Direct access & LLUB		222	193	222	223	234	199	193	182
Other operations		273	284	273	311	246	249	284	308
Adjustments for internal sales		-107	-141	-107	-131	-118	-116	-141	-156
		1,803	2,222	1,803	1,961	1,933	2,005	2,222	2,245
Southern Europe									
Mobile telephony		308	124	308	313	292	201	124	68
Indirect access		1,794	2,121	1,794	1,849	1,859	2,088	2,121	2,225
<i>of which fixed telephony resale</i>		1,546	1,909	1,546	1,620	1,615	1,854	1,909	2,044
<i>of which broadband resale</i>		248	212	248	229	244	234	212	181
Direct access & LLUB		444	128	444	345	197	166	128	105
Other operations		284	281	284	307	332	265	281	261
Adjustments for internal sales		-103	-106	-103	-145	-143	-122	-106	-130
		2,727	2,548	2,727	2,669	2,537	2,598	2,548	2,529
UK & Benelux									
Mobile telephony		465	455	465	474	493	465	455	480
Indirect access		949	1,200	949	1,054	1,059	1,047	1,200	1,573
<i>of which fixed telephony resale</i>		890	1,123	890	988	988	970	1,123	1,496
<i>of which broadband resale</i>		59	77	59	66	71	77	77	77
Direct access & LLUB		709	530	709	672	611	554	530	496
Other operations		465	394	465	484	475	396	394	267
Adjustments for internal sales		-418	-264	-418	-414	-386	-244	-264	-285
		2,170	2,315	2,170	2,270	2,252	2,218	2,315	2,531
Services									
Indirect access		-	4	-	1	-	2	4	12
<i>of which fixed telephony resale</i>		-	4	-	1	-	2	4	12
Direct access & LLUB		-	-	-	-	-	-	-	1
Other operations		325	223	325	288	226	224	223	254
Adjustments for internal sales		-134	-83	-134	-142	-68	-68	-83	-87
		191	144	191	147	158	158	144	180
OPERATING REVENUE FROM CONTINUING OPERATIONS									
		12,837	12,243	12,837	12,952	12,725	12,386	12,243	12,635
Discontinued operations	7	992	1,210	992	995	1,024	1,096	1,210	1,305
TOTAL OPERATIONS		13,829	13,453	13,829	13,947	13,749	13,482	13,453	13,940

OPERATING REVENUE, cont.

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Mobile telephony		5,219	4,038	5,219	5,245	5,125	4,644	4,038	4,094
Indirect access		5,378	6,521	5,378	5,632	5,705	6,066	6,521	7,104
<i>of which fixed telephony resale</i>		4,796	6,017	4,796	5,080	5,149	5,541	6,017	6,657
<i>of which broadband resale</i>		582	504	582	552	556	525	504	447
Direct access & LLUB		1,694	1,098	1,694	1,550	1,333	1,172	1,098	1,045
Other operations		1,532	1,359	1,532	1,578	1,470	1,309	1,359	1,270
Adjustments for internal sales		-986	-773	-986	-1,053	-908	-805	-773	-878
Operating revenue from continuing operations		12,837	12,243	12,837	12,952	12,725	12,386	12,243	12,635

EBITDA

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Nordic									
Mobile telephony		618	675	618	674	771	792	675	692
Indirect access		156	153	156	102	102	97	153	202
<i>of which fixed telephony resale</i>		190	180	190	130	131	115	180	222
<i>of which broadband resale</i>		-34	-27	-34	-28	-29	-18	-27	-20
Direct access & LLUB		19	23	19	-12	19	6	23	-
Other operations		5	18	5	-4	5	9	18	32
One-off items	2	-	-	-	50	-	-	-	-
		798	869	798	810	897	904	869	926
Baltic & Russia									
Mobile telephony		563	215	563	479	478	316	215	145
Indirect access		3	-	3	5	3	5	-	-6
<i>of which fixed telephony resale</i>		3	-	3	5	3	5	-	-6
Direct access & LLUB		1	1	1	1	1	-	1	6
Other operations		-	1	-	-	-	1	1	-
		567	217	567	485	482	322	217	145
Central Europe									
Mobile telephony		-17	-14	-17	-4	1	-11	-14	-45
Indirect access		144	215	144	195	154	129	215	200
<i>of which fixed telephony resale</i>		214	272	214	282	255	204	272	223
<i>of which broadband resale</i>		-70	-57	-70	-87	-101	-75	-57	-23
Direct access & LLUB		-61	-16	-61	-33	-11	3	-16	-9
Other operations		25	27	25	19	19	38	27	20
One-off items	3	-	-	-	-	-2	52	-	-
		91	212	91	177	161	211	212	166
Southern Europe									
Mobile telephony		-170	-185	-170	-225	-205	-233	-185	-200
Indirect access		78	-9	78	51	48	3	-9	56
<i>of which fixed telephony resale</i>		191	140	191	124	110	118	140	205
<i>of which broadband resale</i>		-113	-149	-113	-73	-62	-115	-149	-149
Direct access & LLUB		-168	-37	-168	-99	-62	-42	-37	16
Other operations		28	24	28	22	31	11	24	24
One-off items	2	-	-	-	-47	-	-	-	-
		-232	-207	-232	-298	-188	-261	-207	-104
UK & Benelux									
Mobile telephony		94	55	94	85	103	89	55	47
Indirect access		38	65	38	80	101	1	65	3
<i>of which fixed telephony resale</i>		52	74	52	102	127	34	74	57
<i>of which broadband resale</i>		-14	-9	-14	-22	-26	-33	-9	-54
Direct access & LLUB		90	-35	90	69	49	-	-35	60
Other operations		27	37	27	48	9	17	37	24
One-off items	2-3	-	-	-	-	43	-	-	137
		249	122	249	282	305	107	122	271
Services									
Indirect access		-1	-4	-1	-7	3	-2	-4	2
<i>of which fixed telephony resale</i>		-1	-4	-1	-7	3	-2	-4	2
Other operations		16	12	16	17	19	5	12	9
		15	8	15	10	22	3	8	11
EBITDA FROM CONTINUING OPERATIONS									
		1,488	1,221	1,488	1,466	1,679	1,286	1,221	1,415
Discontinued operations	7	-41	154	-41	-1	105	111	154	187
TOTAL OPERATIONS		1,447	1,375	1,447	1,465	1,784	1,397	1,375	1,602

EBITDA, cont.

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Mobile telephony		1,088	746	1,088	1,009	1,148	953	746	639
Indirect access		418	420	418	426	411	233	420	457
<i>of which fixed telephony resale</i>		649	662	649	636	629	474	662	703
<i>of which broadband resale</i>		-231	-242	-231	-210	-218	-241	-242	-246
Direct access & LLUB		-119	-64	-119	-74	-4	-33	-64	73
Other operations		101	119	101	102	83	81	119	109
One-off items	2-3	-	-	-	3	41	52	-	137
EBITDA from continuing operations		1,488	1,221	1,488	1,466	1,679	1,286	1,221	1,415
EBITDA MARGIN									
Nordic	2	21%	23%	21%	21%	23%	23%	23%	24%
Baltic & Russia		27%	16%	27%	24%	26%	21%	16%	11%
Central Europe	3	5%	10%	5%	9%	8%	11%	10%	7%
Southern Europe	2	-9%	-8%	-9%	-11%	-7%	-10%	-8%	-4%
UK & Benelux	2-3	11%	5%	11%	12%	14%	5%	5%	11%
Services		8%	6%	8%	7%	14%	2%	6%	6%
EBITDA margin from continuing operations		12%	10%	12%	11%	13%	10%	10%	11%
Mobile telephony		21%	18%	21%	19%	22%	21%	18%	16%
Indirect access		8%	6%	8%	8%	7%	4%	6%	6%
<i>of which fixed telephony resale</i>		14%	11%	14%	13%	12%	9%	11%	11%
<i>of which broadband resale</i>		-40%	-48%	-40%	-38%	-39%	-46%	-48%	-55%
Direct access & LLUB		-7%	-6%	-7%	-5%	0%	-3%	-6%	7%
Other operations		7%	9%	7%	6%	6%	6%	9%	9%
EBITDA margin from continuing operations		12%	10%	12%	11%	13%	10%	10%	11%

EBIT

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Nordic									
Mobile telephony		448	519	448	507	632	647	519	541
Indirect access		123	109	123	75	68	54	109	160
<i>of which fixed telephony resale</i>		164	139	164	105	97	77	139	182
<i>of which broadband resale</i>		-41	-30	-41	-30	-29	-23	-30	-22
Direct access & LLUB		-45	-15	-45	-79	-38	-35	-15	-40
Other operations		-12	5	-12	-22	-10	-6	5	22
One-off items	2	-	-	-	50	-	-	-	-
		514	618	514	531	652	660	618	683
Baltic & Russia									
Mobile telephony		368	98	368	297	321	184	98	9
Indirect access		3	-	3	7	-	5	-	-6
<i>of which fixed telephony resale</i>		3	-	3	7	-	5	-	-6
Direct access & LLUB		-	1	-	-	1	-1	1	6
Other operations		-	-	-	-	-	2	-	-
		371	99	371	304	322	190	99	9
Central Europe									
Mobile telephony		-18	-18	-18	-6	-3	-13	-18	-47
Indirect access		96	168	96	159	102	85	168	129
<i>of which fixed telephony resale</i>		171	228	171	247	206	163	228	153
<i>of which broadband resale</i>		-75	-60	-75	-88	-104	-78	-60	-24
Direct access & LLUB		-112	-68	-112	-56	-53	-45	-68	-78
Other operations		16	17	16	23	10	28	17	-1
One-off items	2-3	-	-	-	-	-1,865	52	-	-
		-18	99	-18	120	-1,809	107	99	3
Southern Europe									
Mobile telephony		-172	-186	-172	-227	-205	-234	-186	-201
Indirect access		17	-69	17	-39	-9	-53	-69	-3
<i>of which fixed telephony resale</i>		135	86	135	39	58	62	86	147
<i>of which broadband resale</i>		-118	-155	-118	-78	-67	-115	-155	-150
Direct access & LLUB		-243	-83	-243	-159	-123	-85	-83	-21
Other operations		28	24	28	22	31	11	24	23
One-off items	2	-	-	-	-47	-937	-	-	-
		-370	-314	-370	-450	-1,243	-361	-314	-202
UK & Benelux									
Mobile telephony		65	24	65	56	73	58	24	14
Indirect access		-36	4	-36	3	25	-73	4	-72
<i>of which fixed telephony resale</i>		6	19	6	58	84	-6	19	2
<i>of which broadband resale</i>		-42	-15	-42	-55	-59	-67	-15	-74
Direct access & LLUB		-150	-286	-150	-173	-182	-223	-286	-134
Other operations		4	18	4	20	-15	-8	18	4
One-off items	2-3	-	-	-	-	-457	-	-	-126
		-117	-240	-117	-94	-556	-246	-240	-314
Services									
Indirect access		-1	-4	-1	-6	2	-2	-4	1
<i>of which fixed telephony resale</i>		-1	-4	-1	-6	2	-2	-4	1
Other operations		1	-4	1	6	4	-8	-4	-2
		-	-8	-	-	6	-10	-8	-1
TOTAL EBIT FROM CONTINUING OPERATIONS		380	254	380	411	-2,628	340	254	178
Discontinued operations	7	-81	121	-81	-43	73	80	121	152
TOTAL OPERATIONS		299	375	299	368	-2,555	420	375	330

EBIT, cont.

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Mobile telephony		691	437	691	627	818	642	437	316
Indirect access		202	208	202	199	188	16	208	209
<i>of which fixed telephony resale</i>		478	468	478	450	447	299	468	479
<i>of which broadband resale</i>		-276	-260	-276	-251	-259	-283	-260	-270
Direct access & LLUB		-550	-451	-550	-467	-395	-389	-451	-267
Other operations		37	60	37	49	20	19	60	46
One-off items	2-3	-	-	-	3	-3,259	52	-	-126
EBIT from continuing operations		380	254	380	411	-2,628	340	254	178
EBIT MARGIN									
Nordic	2	13%	17%	13%	14%	16%	17%	17%	18%
Baltic & Russia		18%	8%	18%	15%	17%	12%	8%	1%
Central Europe	2-3	-1%	4%	-1%	6%	-94%	5%	4%	0%
Southern Europe	2	-14%	-12%	-14%	-17%	-49%	-14%	-12%	-8%
UK & Benelux	2-3	-5%	-10%	-5%	-4%	-25%	-11%	-10%	-12%
Services		0%	-6%	0%	0%	4%	-6%	-6%	-1%
EBIT margin from continuing operations		3%	2%	3%	3%	-21%	3%	2%	1%
Mobile telephony		13%	11%	13%	12%	16%	14%	11%	8%
Indirect access		4%	3%	4%	4%	3%	0%	3%	3%
<i>of which fixed telephony resale</i>		10%	8%	10%	9%	9%	5%	8%	7%
<i>of which broadband resale</i>		-47%	-52%	-47%	-45%	-47%	-54%	-52%	-60%
Direct access & LLUB		-32%	-41%	-32%	-30%	-30%	-33%	-41%	-26%
Other operations		2%	4%	2%	3%	1%	1%	4%	4%
EBIT margin from continuing operations		3%	2%	3%	3%	-21%	3%	2%	1%

INVESTMENTS, CAPEX

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Nordic		219	190	219	399	175	193	190	176
Baltic & Russia		521	595	521	530	594	644	595	544
Central Europe		48	25	48	104	53	46	25	125
Southern Europe		205	164	205	315	224	325	164	183
UK & Benelux		173	189	173	148	114	193	189	241
Services		15	15	15	8	10	14	15	3
CAPEX IN CONTINUING OPERATIONS		1,181	1,178	1,181	1,504	1,170	1,415	1,178	1,272
Discontinued operations	7	31	4	31	60	32	2	4	15
INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS, CAPEX		1,212	1,182	1,212	1,564	1,202	1,417	1,182	1,287
Mobile telephony		643	686	643	760	688	759	686	524
Indirect access		110	146	110	220	115	211	146	242
<i>of which fixed telephony resale</i>		70	119	70	136	84	156	119	215
<i>of which broadband resale</i>		40	27	40	84	31	55	27	27
Direct access & LLUB		391	322	391	458	345	403	322	457
Other operations		37	24	37	66	22	42	24	49
CAPEX in continuing operations		1,181	1,178	1,181	1,504	1,170	1,415	1,178	1,272
ADDITIONAL CASH FLOW INFORMATION									
CAPEX according to cash flow statement		1,173	1,304	1,173	1,422	1,420	1,374	1,304	1,441
Unpaid CAPEX for the period and reversal of during the year paid CAPEX from previous year:									
Continuing operations		29	-122	29	114	-220	41	-122	-159
Discontinued operations		-	-	-	-	-	-	-	1
Sales price in cash flow statement		10	-	10	28	2	2	-	4
CAPEX according to balance sheet, including discontinued operations		1,212	1,182	1,212	1,564	1,202	1,417	1,182	1,287

SWEDEN*

Thousands	Note	Number of customers			Net intake					
		2007 Mar 31	2006 Mar 31	Change	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Mobile telephony		3,525	3,507	1%	17	11	3	-13	-47	18
Indirect access		1,075	1,215	-12%	-50	-19	-37	-34	-41	-35
<i>of which fixed telephony resale</i>		1,024	1,176	-13%	-56	-22	-36	-38	-44	-38
<i>of which broadband resale</i>		51	39	31%	6	3	-1	4	3	3
Direct access & LLUB		276	225	23%	12	22	13	4	2	-1
NET CUSTOMER INTAKE					-21	14	-21	-43	-86	-18
Changed method of calculation	4				-	-	-	-	-	-512
TOTAL NUMBER OF CUSTOMERS		4,876	4,947	-1%	-21	14	-21	-43	-86	-530

SEK million	Note	2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
OPERATING REVENUE									
Mobile telephony	1	1,687	1,558	1,687	1,745	1,770	1,770	1,558	1,733
Indirect access		703	715	703	662	680	694	715	741
<i>of which fixed telephony resale</i>		667	684	667	631	648	662	684	716
<i>of which broadband resale</i>		36	31	36	31	32	32	31	25
Direct access & LLUB		261	194	261	250	227	193	194	200
Other operations		175	169	175	178	180	164	169	171
Operating revenue		2,826	2,636	2,826	2,835	2,857	2,821	2,636	2,845
EBITDA									
Mobile telephony		601	682	601	672	759	786	682	755
Indirect access		124	129	124	40	68	69	129	116
<i>of which fixed telephony resale</i>		137	130	137	60	88	74	130	122
<i>of which broadband resale</i>		-13	-1	-13	-20	-20	-5	-1	-6
Direct access & LLUB		20	22	20	-9	9	-2	22	-7
Other operations		5	18	5	-5	5	9	18	32
One-off items	2	-	-	-	50	-	-	-	-
EBITDA		750	851	750	748	841	862	851	896
EBITDA MARGIN									
Mobile telephony		36%	44%	36%	39%	43%	44%	44%	44%
Indirect access		18%	18%	18%	6%	10%	10%	18%	16%
<i>of which fixed telephony resale</i>		21%	19%	21%	10%	14%	11%	19%	17%
<i>of which broadband resale</i>		-36%	-3%	-36%	-65%	-63%	-16%	-3%	-24%
Direct access & LLUB		8%	11%	8%	-4%	4%	-1%	11%	-4%
Other operations		3%	11%	3%	-3%	3%	5%	11%	19%
EBITDA margin		27%	32%	27%	26%	29%	31%	32%	31%
EBIT									
Mobile telephony		434	529	434	509	621	643	529	619
Indirect access		101	101	101	20	42	42	101	89
<i>of which fixed telephony resale</i>		116	102	116	41	63	47	102	95
<i>of which broadband resale</i>		-15	-1	-15	-21	-21	-5	-1	-6
Direct access & LLUB		-37	-13	-37	-69	-32	-41	-13	-43
Other operations		-12	5	-12	-22	-11	-5	5	22
One-off items	2	-	-	-	50	-	-	-	-
EBIT		486	622	486	488	620	639	622	687
EBIT MARGIN									
Mobile telephony		26%	34%	26%	29%	35%	36%	34%	36%
Indirect access		14%	14%	14%	3%	6%	6%	14%	12%
<i>of which fixed telephony resale</i>		17%	15%	17%	6%	10%	7%	15%	13%
<i>of which broadband resale</i>		-42%	-3%	-42%	-68%	-66%	-16%	-3%	-24%
Direct access & LLUB		-14%	-7%	-14%	-28%	-14%	-21%	-7%	-22%
Other operations		-7%	3%	-7%	-12%	-6%	-3%	3%	13%
EBIT margin		17%	24%	17%	17%	22%	23%	24%	24%

*Tele2 Sverige AB, Optimal Telecom AB, Tele2 Vision AB, Tele2 Syd AB and results from shares in the joint ventures Svenska UMTS-nät AB and Spring Mobil AB.

RUSSIA

Thousands	Note	2007 Mar 31	2006 Mar 31	Change	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Net customer intake					644	933	711	715	638	759
Acquired companies					–	–	182	–	–	–
TOTAL NUMBER OF CUSTOMERS		7,097	3,912	81%	644	933	893	715	638	759

SEK million		2007 Q1	2006 Q1	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Operating revenue		1,052	448	1,052	988	815	568	448	379
EBITDA		297	22	297	266	205	73	22	–46
EBITDA-margin		28%	5%	28%	27%	25%	13%	5%	–12%
EBIT		170	–33	170	153	112	12	–33	–109
EBIT-margin		16%	–7%	16%	15%	14%	2%	–7%	–29%

KEY RATIOS

	2007 Q1	2006 Q1	2006	2005	2004
CONTINUING OPERATIONS (SEK MILLION)					
Operating revenue	12,837	12,243	50,306	44,457	36,613
Number of customers, in thousand	29,331	27,118	29,050	26,501	23,762
EBITDA	1,488	1,221	5,652	5,772	5,554
EBIT	380	254	-1,623	2,814	3,286
EBT	104	121	-2,180	2,386	3,127
Net profit/loss	82	143	-2,405	1,836	2,491
KEY RATIO					
EBITDA margin, %	11.6	10.0	11.2	13.0	15.2
EBIT margin, %	3.0	2.1	-3.2	6.3	9.0
PER SHARE DATA (SEK)					
Earnings	0.28	0.40	-5.13	4.16	5.63
Earnings after dilution	0.28	0.40	-5.13	4.15	5.61
TOTAL (INCLUDING DISCONTINUED OPERATIONS) (SEK MILLION)					
Shareholders' equity	30,654	35,478	29,123	35,368	32,900
Shareholders' equity after dilution	30,688	35,500	29,137	35,401	32,965
Total assets	68,107	68,259	66,164	68,291	49,873
Cash flow from operating activities	402	682	3,847	5,487	5,876
Cash flow after CAPEX	-771	-622	-1,673	1,847	4,314
Available liquidity	5,176	8,001	5,963	8,627	5,113
Net borrowing	16,072	12,433	15,311	11,839	2,831
Investments in intangible and tangible assets, CAPEX	1,212	1,182	5,365	3,750	1,585
Investments in shares and long-term receivables, net	-155	57	1,616	7,953	1,653
KEY RATIO					
Equity/assets ratio, %	45	52	44	52	66
Debt/equity ratio, multiple	0.52	0.35	0.53	0.33	0.09
Return on shareholders' equity, %	0.1	0.7	-11.3	6.9	10.8
Return on shareholders' equity after dilution, %	0.1	0.7	-11.3	6.9	10.8
Return on capital employed, %	0.5	0.8	-5.3	8.2	12.1
Average interest rate, %	4.9	3.6	4.2	3.7	4.4
PER SHARE DATA (SEK)					
Earnings	0.08	0.59	-8.14	5.30	7.74
Earnings after dilution	0.08	0.59	-8.14	5.29	7.73
Shareholders' equity	67.47	79.13	64.85	78.96	74.32
Shareholders' equity after dilution	67.48	79.11	64.84	78.93	74.29
Cash flow from operating activities	0.90	1.54	8.66	12.39	13.27
Dividend	-	-	1.83 ¹⁾	1.75	1.67
Redemption	-	-	-	-	3.33
Market value at closing day	114.50	92.00	100.00	85.25	87.00

¹⁾ Proposed dividend

NOTES

ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim report has been prepared in accordance with IAS 34.

From January 1, 2007, IFRS 7, amendment to IAS 1 and IFRIC 7, 8, 9 and 10 is applied. These have had no effect. Tele2 has, in all other respect, reported its interim report in accordance with the accounting principles and calculation methods used in the 2006 Annual Report. Definitions are found in the 2006 Annual Report.

NOTE 1 Operating revenue

Operating revenue from Q4 2004 and onwards for Tele2 in Sweden includes SEK 24 million per quarter relating to mobile telephony according to the MVNO agreement with Telenor. The capacity swap in the agreement is viewed on group level as exchange of transactions between Tele2 and Telenor, where revenues from the swap are settled against costs.

NOTE 2 Operating expenses

EBITDA

Tele2 on an annual basis conducts price negotiations in all markets and retroactive adjustments are a natural part of Tele2's business. The adjustment in Q3 and Q4 2006 was nevertheless greater than normally occurs and concentrated in certain market areas.

In Q4 2006, the costs were reduced by SEK 50 million for the market area Nordic as a result of price negotiations with another operator and in addition the costs were increased by SEK 47 million for the market area Southern Europe as a result of settlements of disputes. In Q3 2006 the costs were reduced by SEK 43 million for the market area UK & Benelux as a result of a settlement with another operator of SEK 95 million and estimated future unused part of leased premises of SEK 52 million.

DEPRECIATIONS/AMORTIZATIONS AND WRITE DOWNS

In Q3 2006, Tele2 reported a goodwill write-down of SEK 3,300 million, of which SEK 1,863 million related to Central Europe, SEK 937 million to Southern Europe and SEK 500 million to UK & Benelux. In Q4 2005, market area UK & Benelux reported a goodwill write-down of SEK 263 million in Alpha Telecom.

NOTE 3 Other operating revenues

In Q2 2006, market area Central Europe reported a capital gain from the divestment of Tele2's operations in the Czech Republic, corresponding to SEK 50 million, after a minor adjustment in Q3, 2006.

In Q4 2005, market area UK & Benelux reported a capital gain from the divestment of Tele2's operations in the UK and Ireland, corresponding to SEK 137 million.

NOTE 4 Number of customers

Until September 30, 2005 a fixed telephony customer also using Tele2's dial-up internet service, was reported as two customers. Given that a reported direct access & LLUB-customer can use up to three different services, Tele2 as of October 1, 2005 reports a fixed telephony customer using dial-up internet, as one customer. In Q4 2005, the one-time effect, in continuing operations, from this change was a decrease in the reported customer base of 1,329,000 customers, of which 616,000 were in Nordic, 1,000 in Baltic & Russia, 315,000 in Central Europe, 344,000 in Southern Europe and 53,000 in UK & Benelux.

As a way of standardizing reporting both internally and externally, Tele2 has decided to change its accounting principles for inactive customers in its Nordic mobile prepaid base. As of Q2 2007, Tele2 will look upon a customer as inactive if the customer has not used their mobile service in 6 months, instead of earlier 13 months. However, the customer will still be able to use their SIM card within the 13 months period, as before. This will result in a one time negative adjustment in the Nordic market area of approximately 900,000 customers in Q2 2007.

NOTE 5 Shares and convertibles

The Board proposes to the Annual General Meeting to resolve on a dividend to the shareholders of SEK 1.83 per share (corresponding to SEK 814 million at March 31, 2007). The total dividend paid will depend on the redemption of options up to the record day.

As a result of 193,347 warrants being exercised during Q1 2007, Tele2 has issued new shares resulting in an increase of shareholders' equity of SEK 12 million.

INCENTIVE PROGRAM 2006–2011

Number of options	Q1 2007	2006 – Mar 31, 2007
Outstanding as of January 1	2,256,000	
Allocated 2006		2,256,000
Forfeited	-230,000	-230,000
Total outstanding	2,026,000	2,026,000
<i>of which warrants</i>		752,000
<i>of which stock options</i>		1,274,000

INCENTIVE PROGRAM 2002–2007

Number of options	Q1 2007	2002 – Mar 31, 2007	
	Total	Total	of which to wholly-owned subsidiary
Outstanding as of January 1	439,800		
Allocated 2002		2,630,378	482,618
Forfeited	-	-381,510	-
Exercised	-193,347	-2,002,415	-363,335 ¹⁾
Total outstanding	246,453	246,453	119,283

¹⁾ of which 47,337 have been exercised in Q1 2007

NOTE 6 Business acquisitions and divestments

Acquisitions and divestments of share and participations affecting cash flow refer to the following:

SEK million	Jan 1– Mar 31, 2007
Acquisition of minority interest in Versatel	-11
Other cash flow changes in shares and participations	-9
Divestment Datamatrix Norway	108
Cash flow effect of acquisitions and divestments in shares and participations	88

TELE2 NETHERLANDS AND TELE2 BELGIUM (UK & BENELUX)

On March 6, 2007 Tele2 sold the shares in Tele2 Netherlands and Tele2 Belgium to Versatel Telecom International N.V. The reorganization has been carried out as a part of the integration process of Tele2 and Versatel operations in the Netherlands and Belgium. Versatel has financed the acquisition by an issue of new shares. As a result of the issue Tele2 has increased its shareholdings in Versatel by 1.36 percent and is now holding 81.65 percent of the shares.

OTHER ACQUISITIONS

On February 1, 2007 Tele2 acquired by new share issue, the remaining 0,03 percent in Comunitel, Spain.

DIVESTMENTS

On October 3, 2006 Tele2 announced that the fixed and broadband business in France has been sold to SFR. The agreement is subject to clearance from the EU competition authorities. The divestment is estimated to be finalized during 2007. See Note 7 for details.

On March 31, 2007, Tele2 divested its operation Datamatrix in Norway for SEK 85 million. Datamatrix AS has affected Tele2's operating revenue in market area Services year-to-date by SEK 116 (69) million and net profit by SEK 2 (-1) million in addition to a capital loss recorded of SEK 5 million.

Since the divested operation above, do not constitute a significant part of the Tele2's result and financial position, disclosure in the income statement has not been done according to IFRS 5 *Non-current assets held for sale and discontinued operations*.

Assets, liabilities and contingent liabilities included in the divested operation:

SEK million	Net assets at the time of divestment
Goodwill	56
Tangible assets	3
Material and supplies	23
Current receivables	88
Cash and cash equivalents	20
Exchange rate difference in shareholders' equity	1
Long-term liabilities	-43
Short-term liabilities	-58
Divested net assets	90
Capital loss	-5
Sales price	85
Payment from acquirer for receivable in divested operation	43
Less: cash in divested operation	-20
EFFECT ON GROUP CASH AND CASH EQUIVALENTS	108

PRO FORMA

The table below shows the effect of the divested companies on Tele2's operating revenue and result, had they been divested at January 1, 2007.

Jan 1 – Mar 31	Tele2 Group ¹⁾	Excluding divested companies	Tele2 Group pro forma
Operating revenue	12,837	-116	12,721
Net profit/loss	82	3	85

¹⁾ less the fixed and broadband business in France since reported as discontinued operations.

NOTE 7 Discontinued operations

On October 3, 2006 Tele2 announced the divestment of its fixed and broadband operations in Tele2 France to SFR for approximately SEK 3.3 billion on a debt free basis. Tele2's French mobile business is retained by Tele2. The agreement is subject to clearance from the EU competition authorities and the sale is estimated to close during 2007.

In Q3 2006, a goodwill write-down of SEK 1.5 billion affected results from discontinued operations. This was attributable to the estimated capital loss on the sale, excluding a reversal of exchange rate differences associated with the French operation and was recognized directly in equity. The expected positive currency effect will be reported in the results when the sale is completed. Q1 2007 includes an additional goodwill write-down of SEK 40 million.

Tele2 has successfully marketed fixed line telephony in France since 1998, creating a very profitable business. As the French market is consolidating, Tele2 has decided that selling the fixed line and broadband businesses to SFR is the best way to maximize the value of these businesses.

The divestment has been reported separately as discontinued operations in the income statement, with retroactive effect for previous periods, and in the balance sheet from September 30, 2006 according to IFRS 5-*Non-current assets held for sale and discontinued operations*.

The result etc. from discontinued operations, formerly reported in market area Southern Europe, is presented below.

INCOME STATEMENT

SEK million	2007 Q1	2006 Q1	2006 Full year	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Operating revenue	992	1,210	4,325	992	995	1,024	1,096	1,210	1,305
Operating expenses	-1,073	-1,089	-4,094	-1,073	-1,038	-951	-1,016	-1,089	-1,153
EBIT	-81	121	231	-81	-43	73	80	121	152
Interest revenue	3	8	33	3	7	8	10	8	10
EBT	-78	129	264	-78	-36	81	90	129	162
Tax on profit/loss for the year	30	-42	-99	30	3	-28	-32	-42	-48
NET PROFIT/LOSS	-48	87	165	-48	-33	53	58	87	114
Write-down of goodwill	-40	-	-1,500	-40	-	-1,500	-	-	-
NET PROFIT/LOSS, TOTAL IMPACT	-88	87	-1,335	-88	-33	-1,447	58	87	114
Earnings per share (SEK)	-0.20	0.19	-3.01						
Earnings per share, after dilution (SEK)	-0.20	0.19	-3.01						

BALANCE SHEET

SEK million	Mar 31, 2007	Dec 31, 2006
Goodwill	2,873	2,826
Other intangible assets	488	488
Intangible assets	3,361	3,314
Tangible assets	241	224
Financial assets	1	-
Deferred tax assets	249	169
FIXED ASSETS	3,852	3,707
Material and supplies	74	49
Current receivables	590	632
CURRENT ASSETS	664	681
ASSETS	4,516	4,388
Non-interest-bearing liabilities	1,736	1,517
SHORT-TERM LIABILITIES	1,736	1,517

CASH FLOW STATEMENT

SEK million	2007 Q1	2006 Q1	2006 Full year	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Cash flow from operating activities	-71	-	463	-71	108	156	199	-	89
Cash flow from investing activities	-31	-5	-99	-31	-60	-14	-20	-5	-14
Cash flow from financing activities	102	5	-364	102	-48	-142	-179	5	-75
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-	-	-

CONTINUING NOTE 7

BUSINESS AREAS

SEK million	2007 Q1	2006 Q1	2006 Full year	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Operating revenue									
Indirect access	992	1,210	4,325	992	995	1,024	1,096	1,210	1,305
<i>of which fixed telephony resale</i>	774	1,071	3,731	774	815	888	957	1,071	1,167
<i>of which broadband resale</i>	218	139	594	218	180	136	139	139	138
Other operations	70	65	274	70	80	66	63	65	61
Adjustments for internal sales	-70	-65	-274	-70	-80	-66	-63	-65	-61
Operating revenue	992	1,210	4,325	992	995	1,024	1,096	1,210	1,305
EBITDA									
Indirect access	-43	151	357	-43	-	99	107	151	183
<i>of which fixed telephony resale</i>	135	206	798	135	195	228	169	206	257
<i>of which broadband resale</i>	-178	-55	-447	-178	-195	-129	-62	-55	-74
Other operations	2	3	12	2	-1	6	4	3	4
EBITDA	-41	154	369	-41	-1	105	111	154	187
EBIT									
Indirect access	-69	133	278	-69	-27	82	90	133	163
<i>of which fixed telephony resale</i>	118	188	734	118	179	213	154	188	238
<i>of which broadband resale</i>	-187	-55	-456	-187	-206	-131	-64	-55	-75
Direct access & LLUB	-14	-15	-59	-14	-15	-15	-14	-15	-15
Other operations	2	3	12	2	-1	6	4	3	4
EBIT	-81	121	231	-81	-43	73	80	121	152
Investments, CAPEX									
Indirect access	31	4	98	31	60	32	2	4	12
<i>of which fixed telephony resale</i>	4	0	17	4	13	3	1	0	12
<i>of which broadband resale</i>	27	4	81	27	47	29	1	4	-
Direct access & LLUB	-	-	-	-	-	-	-	-	3
CAPEX	31	4	98	31	60	32	2	4	15
<i>of which period's unpaid CAPEX</i>	-	-	-	-	-	-	-	-	1
<i>of which CAPEX according to cash flow</i>	31	4	98	31	60	32	2	4	14

NUMBER OF CUSTOMERS

Thousands	Number of customers			Net intake					
	2007 Q1	2006 Q1	2006 Full year	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4
Indirect access	2,869	3,611	3,053	-184	-201	-139	-218	-140	-49
<i>of which fixed telephony resale</i>	2,532	3,326	2,736	-204	-226	-144	-220	-149	-46
<i>of which broadband resale</i>	337	285	317	20	25	5	2	9	-3
Number of customers	2,869	3,611	3,053	-184	-201	-139	-218	-140	-49

NOTE 8 Joint ventures

3G COMPANY IN SWEDEN

Tele2 and TeliaSonera each own 50 percent of Svenska UMTS-nät AB, which has a 3G license in Sweden. Both companies have contributed capital in the 3G company. In addition to this, the build out has external financing, with a loan facility of SEK 4.8 billion, which is 50 percent guaranteed by each party. Tele2 and TeliaSonera are technically MVNO's with the 3G company and hence act as capacity purchasers. The size of the fee is mainly proportional to the total investment. An abbreviated version of Svenska UMTS-nät balance sheet is stated below and hence the level of investment at that time. At March 31, 2007 Tele2's guarantee amounted to SEK 1,694 million (December 31, 2006: SEK 1,685 million).

PLUSNET IN GERMANY

Tele2 owns 32.5 percent of Plusnet GmbH & Co KG and QSC owns 67.5 percent, although both parties have joint control. Tele2 has paid in approx. SEK 0.5 billion and QSC has contributed Unbundled Local Loop (ULL) networks in Germany. Tele2 has provided a bank guarantee of SEK 47 million as security for Plusnet. Both companies act as purchasers of capacity. As the company is not a profit-seeking entity, its fixed costs are shared between Tele2 and QSC, and its variable costs are distributed proportionately in relation to use. An abbreviated version of Plusnets balance sheet is stated below and hence the level of investment at that time.

BALANCE SHEET

	Mar 31, 2007		Dec 31, 2006	
	Svenska UMTS-nät	Plusnet GmbH	Svenska UMTS-nät	Plusnet GmbH
Fixed assets	3,653	233	3,688	213
Current assets	316	675	388	560
Assets	3,969	908	4,076	773
Shareholders equity	487	676	562	653
Long-term liabilities	3,389	51	3,372	5
Short-term liabilities	93	181	142	115
Shareholders' equity and liabilities	3,969	908	4,076	773