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LARS TORSTENSSON: Good morning, everyone, and a warm welcome to Tele2's third quarter 2008 report. We think it is a very exciting day today, not just that we have presented our quarterly results but also because we have a few new features today as well. I would therefore take the opportunity to welcome everyone joining us via the web, remember that you can ask questions online. We will for sure make sure that those questions will be asked.

I would also like to ask everyone joining us via telephone conference, also everyone welcome. We will also take your questions through a telephone queue later on as well.

I think the most exciting part, of course, today is that we have a new CEO presenting so without any further delay I would like to introduce Harri Koponen.

HARRI KOPONEN: Hello and good morning to everybody. It's very nice to be here in Stockholm on so beautiful a morning. It's not grey, the sun is shining and we made nice numbers. What is actually the most important thing is the company is doing well and our shareholders must also be doing well. I don't know what's going on in the market. As I said, I have said always to my people that by talking the share prices don't go up, by working they will do later. I think that's what it is all about. We are hard at to work when we work hard for the consumers.

So let's go to the presentation. We are now about moving from realignment to transforming the company towards something a little bit closer to our roots. If you remember -- at least I remember the time when Tele2 or Comviq started. It was kind of a new company, exciting, people were talking and mocking them a little, you know, like who is this new player coming into play? A few years later they were not mocking any more, they said, "No, these people are serious. They are going after the consumers, they are going after the businesses and they are about the mobility." We are about turning back to our roots, the core DNA of the company, that we should be mobile driven because people are more mobilised we all hear. I hope

that all the people who are watching this on the web and here, you keep your mobile phones open, we don't ask you -- never shut your phones because we like that you are communicating all the time, keep your data on and surfing the web and do your business as normally but if you can get them on silent, because this is a function that you can put it in silent that you don't disturb other people but keep doing the business with mobile, that's the future way of how people are actively looking at these future trends.

When you are out of the office -- I have said to our people that when you are in a one square metre coverage area, what is typical? The fixed telephone, because there is this wire, you can't move -- some people have extended cords that can increase it to about 5 metres or so but that's about the maximum. I say if then it is coming to mobile and the mobile is actually covering you everywhere where you go -- there's only few places in the world where I have known there is no coverage. It was on some mountains and a few places but there's not too many places in the world where you can escape. So that's good positive news for our business. If we believe the mobility is there we will be driving the right way, and actually I think that the promise -- what Tele2 is promising today to customers is very powerful. We're trying to offer you the best deal. So a great price with great quality.

In this uncertain economic environment I think is a pretty good deal for -- at least I think it's compelling for me. And my family, by the way, subscribe to the Compass(?) plan. This is one of the unique features of the Tele2, we can sell stuff in a box and it works. There's very few operators who actually do it but this is a good thing. Thanks to our product and marketing people for that.

So we are moving to transforming the company but before we go there, what customers are looking for and what are they seeing in the world. Mobility everywhere. You know, every device is going to be mobile enabled, either with Bluetooth, Wireless Lan or the HSBA network or future LTE networks. And I promise to keep the technical abbreviations low because I hate them, they typically don't mean anything for consumers, they just confuse them. That's why we are --

when we are talking about this mobile internet, that's what we mean this 4G and 3½G, these kind of things. For customers it means mobile internet. They can go to the internet wherever they are and whenever they can. They don't understand these numbers and what they mean. Some people might say that 4G is better than 3½, it might be, but for the consumer it still doesn't mean anything. But people are looking -- "I need to be connected and be able to do my business wherever I am. Everything has to be covered with high quality, people will not accept bad quality any more. I don't know about you but that applies to me as well. The bad quality you will call somebody and they will say, "Hey, what's wrong with you? Why your quality is not in a place where it's supposed to be?"

Our services must be mobile. That is one of the key areas in the future business, looking at vertically integrated applications, they are not designed to follow the mobile world's infrastructure. So that's the area that we need to work with our partners, how to make these applications that they can be horizontally integrated themselves through the different business areas, because everything today is vertically integrated, and that's a bad thing. We need to also get the applications distributable through the different mediums.

Fast and instant service. Customers will not accept waiting times. It is the most boring thing to be sitting for 60 minutes somewhere in customer care. Talk to somebody and because he has the KPI incentive plan, this person, to quickly stop talking to you and move you back to the queue. That's not customer service as far as I understand. You need to solve the things for the customers instantaneously. The more you can do that online the better it is for the consumer because we should not insult the people's intelligence. They are smart, they understand what it is all about and it should not be your bonuses which drives the things, it should be the customer satisfaction and the feel that I am really respected as an individual to the company, no matter how big my bill is.

Keep it simple. Complicated stuff won't work. So that's WYSIWYG, what you see is what you get. One click, two click maximum, forget the four clicks, it will never work.

Direct the customers who see differently, let's use the internet. Like now we are doing for the first time, this morning you can see webcasting, I think it was already 7.00 there or 7.30, that's the first time. It shows that Tele2 is understanding where the business is moving, that we need to also serve you better because you might not be able to come here physically, like many people are now watching on the web, this webcasting. So we need to also serve the people in a new way.

Customers only pay for the value. Don't try to bring complicated business plans, keep it simple so that I understand what I'm paying for and I will be happy to pay. But keep the price promise, where we said, "We offer you the best deal". It's the good quality, great price, it's an unbeatable combination. And always ask yourself, now I'm talking to Tele2 employees, ask every single minute from yourself, is my action creating value for customer and shareholder? If it's not, change the action. That's what we are trying to educate in our people, everything that we do will have an implication to either living customer or the shareholder at the end of the day. I think it's -- by looking at the shareholder -- the share price, because I hear it from home if something goes wrong. "What have you done wrong, the share price is going down?" Like the last couple of weeks, looking that the share price is going down, I said I'm trying to everything right but I can't affect by talking the share price, but by my actions what I'm doing in the office, that can influence -- that has an impact on the share price at the end of the day. So customers pay only for the value and that's a key message for us.

What that means to the Telecom industry is that voice becomes mobile. Now I'm challenging the Swedish audience here, you know so many of you are at least better than your Eastern neighbour - and I'm not talking Russia, I'm talking somebody big - if they can talk to them -- mobility is already taking over so that people are using the mobile for -- that's the main medium to talk. I would like to see that some thing happen here in Sweden. To really make this mobility eco system here in Sweden. They are a proud company, Ericsson. Here they made a nice result. We have lots of the kind of small companies here who are making these

mobile services available. We need to work together, and I have said to Niclas, that is the challenge for this Swedish organisation. He said, "No, sir, I understand" and is now listening here in the front seat. I said, "Let's move the people to the mobile world" and we need to have it done in a good orderly way. Good quality, great services, simple to use, so that it excites the people. I have been talking about this wow effect, when you use our services you're supposed to think, "Wow, this can be working so nicely".

Then data becomes mobile. I can see more and more people using their devices on the internet. This mobile internet is really happening, it's happening sometimes slower but it will definitely happen. Devices are there and there are more and more different things that are coming -- now people are talking about is it this wireless USB or is it this wireless router or whatever that will drive the development. I don't care which one of them, we have to make them all available because all the consumers are different and their needs are different so we have to have several multiple different devices how they can access the networks. Everything becomes IP. I firmly believe that this business has to change the way of how we think.

Mobility, open IP, work with the partners, believe that the new business model will bring the prices down and execution will be doubly faster so then we can actually adapt the services much, much faster than the consumers and corporate clients, but also keeping in mind that the cost can be coming down. You can get the cost down and get the more functionality, that is really what the new technology can bring to you. That's something new, perhaps, that you hear from Tele2, that we are ready to sometimes take also proactive steps in order to bring a change in market.

Unified IP networks will carry voice, internet, PV. Perhaps not yet. Don't understand this, that you can watch high definition TV on a mobile in the near future, that's kind of a little bit too much to ask. But perhaps the engineers will solve this problem somewhere in the testing labs in future that we can also enjoy that in the future, but that's not going to be a definite future.

Transforming phase, what this means is that we have to make the part portfolio, what is in line with our customer future needs. And I explained that customer needs are more mobility, more simple services and perhaps more purer services that actually all of us will use. How many of you will use the Facebook, MSN or this kind that I'm actually using? Am I the only one? I think that many people are afraid to say that they are actually having this community. It's very boring to go looking in all these different place, why somebody can't make the service that you can look in one place and then you can see everything of where you are active, so that you can have a control of all your different spaces in one place. Wouldn't it be nice? Yes, that's what people are looking for but why have we not provided it? It's a good question, and I'm also asking good questions to help people, why can't we provide that kind of a service? I'm sure that if we provide it, people will use it. These kind of simple things are what drives the users of these new networks, make life a little bit more simple and easier and more enjoyable. That is what it means. And make them fast, don't try to make it completely perfect from the day 1, but if you're 88% there I think it's better to launch and then learn and listen to the customer, what they really need.

I have seen many times that we have made the perfect system and then people have said, "But actually I don't like that" and then you have to scale back and do something else and it costs money. Perhaps this is part of my Finnish management, that sometimes it's better to do it almost right but not perfect right. Core Services. Our core services are price leading and qualitative mobile communications with increased focus on B2B segments. Quite a straight statement of what we are all about. It's mobile services with quality. This is something that we have really work on, get the quality right even with that spot in Snagna(?) or this tunnel. There is this under tunnel I'm driving every night to my son's practice in one ice hockey hall and it always drops in the same spot. So I know that it's an area for improvement. These are the things we are looking proactively at feedback from our customers, where we can improve our services, because we need to get it right.

B2B segment is the business to business. We need to go there and offer the services. And I can tell that our company is already ready to eat our own dog food(?). I promise that our headquarters will move to the mobile switchboard -- is it now this Friday, or soon? Latest two weeks from now.

So we try to also live as we speak. That's also important. We know how these services are impacting you because if our headquarters is down I guarantee a couple of engineers are working on that issue. So you have to kind of face all the challenges your customers are facing, then you know how they feel.

How the Q3 is looking then. We have 24 million customers in 11 countries, it means that we have mobile operations in 9 of them, we have 6 fixed broadband operations and then we have 8 countries with the fixed telephony service. I apologise the yellow is not sticking out but it is supposed to show that Tele2 has covered those areas, but I think you have handouts.

Russian operations, we have 17 licences on existing places, we are actually launching one region as we speak. And the existing businesses are yellow and the new licences that we are building right now are those red ones. There we are trying to accelerate the build out.

How the EBITDA is looking is that we are positively moving towards the upper part, and one key point that I hope you notice is that there is no single business area now in the negative side. So perhaps most people notice that this blue one is also in the positive side. Our mobile side is making a very good healthy EBITDA. Our fixed telephone is also now doing positively and this broadband side is now also on the positive side. So everybody is on the positive side, moving in the right direction, and Lars Nilsson is actually going through the detail, all the numbers, so I don't want to go over it two times.

But the trend is right and we try to keep the trends moving. Then somebody said, of course, this is one time events. This is the trend of how our quarterly EBITDA has been developing and you can see that it has been moving in the right direction now in the last four quarters. It's tough to keep up these levels but we do our best to

kind of keep the execution up. I am sure if everybody is doing what we have promised to do we can actually sustain and continue to develop the company in a positive future.

In the numbers it means that our net sales is 9.8 billion SEK, our EBITDA was 2.2 billion SEK, a little bit above, and our EBIT is 1.3 billion SEK, without the one-off events. Lars is covering that in more detail, what it means. But generally I say that 4% growth in revenue is not bad in the current market conditions and especially I am happy with how the EBITDA has developed strongly and positively throughout in the right direction. It means that we are paying attention about the cost and at the same time we are paying attention about the top line and keeping all the parts in a positive side, that's the key going forward.

In summary, we are giving even more focus to mobile. This mobile internet is in infancy phase. There we see some challenges of how to go forward and how to find the right devices, how to get right trade plans and people can get used to them easier. My challenge is just how I can get every single user to subscribe to mobile internet service. Even with your mobile handsets or your laptop, that's the challenge, how to kind of get everybody there and get the quality feel there, because it is not right now there is everybody champing in and I think the networks can't handle the load right now. I think that is pretty much the situation. But let's hope we have that kind of a challenge in the future, that everybody will subscribe and then we can grow the networks.

Fixed broadband continued to improve the profitability. Keep the nose up and keep it a little bit higher up. So don't go to the stupid price plans, keep the profitability growing and focus on really harvesting the business, making sure that the money is coming in and we don't kind of destroy the profitability line.

Fixed telephony, maximised to the assets on this mature market. As I said, I personally believe that mobility will be the winner, end of the day. There will be a place in fixed when this high definition TV is coming and all those things because there the capacity is so much needed, it is about 40 meg per user and I don't see

right now how -- at least no Ericsson or Nokia or some other engineer has convinced me that that will be available in mobile soon. So until that moment we have a complimentary good offering for all of these three good services, the mobility, the mobility internet and fixed broadband and fixed service.

So that's basically my part of the presentation and now we'll hand it over to Lars Nilsson, he will go through and guide you through the numbers in more depth and then we will be available for Q&As after that presentation. Welcome, Lars.

LARS NILSSON:

Thank you. Hello, everyone. I will, as I normally do, go through some numbers here more in detail and this is just for preparation for the questions you will come up with later. Either you raise the question here or you talk to us after the meeting. First the P&L statement as you have in the presentation, and some of the numbers Harri showed you as well. I think it's important to emphasise that we had a really strong EBITDA margin of almost 23%, which you can compare with the year before, 17%. So a good improvement I would say. Then we are taking out depreciation and the more normal depreciation, that's the depreciation on like for like business as well as the cost for our joint ventures. The joint ventures we have with network sharing in Sweden, Norway and in Germany. So there is a depreciation level of somewhere around 9%, and it is more or less the same as one year ago. Then of course we have these one time events, one-offs. For this quarter it was almost 1 billion krona, but the big thing was, as you have seen before, and we have talked about what the write down of goodwill and surplus in Austria, so you should bear that in mind now that asset value for Austria in our books is only some 400 million SEK. So we have really made an impairment there and we have no surplus value in that asset. So from the financial point of view, if you look at our company, our balance sheet, it will have no significant impact at all. We also had to take a hit in the IT system, a billing system, a billing system that had supported the accounts as we now have.

So a normalised EBIT, if we take away the one-offs and the one-offs have no cash flow impact as you know, we are at some 14%, compared with 9% one year ago. Financial items, a little bit higher than one year ago. This is driven by some FX losses in relation with our US dollar based loan. But then if you look at our equity you can see that currency in our equity for this period, for the year, is almost 600 million krona. So that evens out this currency loss.

Taxes, actually positive taxes because we have made a change in deferred tax assets for Russia, underlying tax cost is somewhere around say 75 million krona. So that is in line with what we have communicated before.

Then you see, as you follow the P&L, the net result for the continuing operation, also considering the write off, 160 million krona. Then we have the discontinued operation that we now have booked profit for the quarter of 700 million krona, derived from the sale of Luxembourg, Lichtenstein, positive and then Switzerland. I think the only sold company where we haven't sort of finalised the deal or have completed the deal is Switzerland but that will come quite soon. So all in all I will say it's a strong result and improvement and then some negative hits which will have no cash flow effect at all.

Yes, strong cash flow for the quarter from operating activities is 2.4 billion positive and also some positive change to working capital. So, all in all 2.6 billion of the existing operation.

CapEx was a bit lower. This quarter 9.5% of sales. I will come back to the cash flow forecast.

Then the investing activities, that was the proceeds, of course, we got from Luxembourg and Poland as well. So 3.8 billion was actually generated during this quarter. So that was sort of a very strong quarter but it's also strong cash flow if you look for the whole year, from the operating activities, 6 billion, in line with EBITDA, what more can you expect? And on CapEx 3.4 billion, 11.6% of the revenue, which I think is a more normalised number and also the positive amounts coming in from investment activities from the realignment process. 4.4 billion generated before we

have given our shareholders their part, and you can also see that on a development of net debt. We have a net debt now of 5.2 billion as at end of Q3. If you compare that with Q3 last year, you can see that the situation was -- I mean we had a higher debt situation and you should also bear in mind that we have paid out some 4 billion krona this year to our shareholders, a dividend of 3.5 and then the share buy back programme of 500 million krona.

Also when you look at our balance sheet, you can see that if you compare -- it's quite easy to see that we have not tied up so much capital and you can see that we have a good flow in the operation.

I get a lot of questions which sort of confused me a little bit regarding our debt situation and our funding situation. I read some strange numbers as well in some newspapers but this is the situation right now. We have external loans of some 6.2 billion, 4.4 out of the bank facility, we have some private placements and some commercial paper programmes, and undrawn credit facilities of 19 billion right now. But you also know that the bank facility matures one year from now and we are, of course, in the process - the pre-process I would say - of starting negotiations on the new facilities and what we will do is -- of course, the bank facilities will be important for us also going forward but we will also use other sources for financing, vendor financing and also bond commercial papers. So we will have a variety. But I will say all in all that we are extremely comfortable with the situation and see no problems whatsoever to -- it's more about timing. Right now, as you know, the credit market is a little bit up and down so we will act in a prudent way. But we have a positive cash flow and underlying business and a net debt to EBITDA of almost 0.5, it's, I would say, a very good situation for us.

Financial view. What you have seen in the report is of course when we manage a company we have to do this in a prudent way. Then we have to consider what's going on right now on the capital markets, on the finance markets, and then -- I mean short term Tele2 will not utilise the share buy back mandate. We will, of course, focus and maintain a strong financial position, a strong balance sheet and

then we will see what will happen going forward. But right now I think it's good to be prudent when we operate the company and I think that's valid for all kinds of business you are in.

Taxes are maintained at 15%, excluding one-offs. There is also -- as some of you know, there will be change in the tax legislation in Sweden and now it has not come up -- the proposal has not come up to parliament yet. But based on the latest proposal that will have no impact on our situation. So we can maintain a good position when it comes to taxes and for the coming years I would say that we do not expect to pay any taxes in Sweden. We have to pay taxes in the Baltics, in Russia for sure, but for Sweden the new legislation will not have an impact on our situation. CapEx level 4.5 to 4.8, that's a little bit lower from the targets we gave you last time. That is not a consequence of being more cautious, I would say it is more that we are down some more smart deals, so we haven't changed ambition at all.

Then Russia is always important in forecasting the future; 40-60 million in the new regions, will have an impact on this year. If we add Trasnol DA(?) maybe some 100 million, and Trasnol will be launched later this year, and a CapEx in the rate of 100-103 million, if we add Trasnol DA it will be a little bit more, of course.

Operational expenditure is for 2009, 300-500, a little bit more compared to what we said last time, but I will explain why in the next slide, and then capital expenditure is in the range of somewhere around 1 billion. But actually the plan now is to launch 12 regions next year, not 9 as we said last time. So we are actually speeding up the process. Harri talked about speed before, the Russians do what you tell them compared to the Swedes, no. So we have really speeded up this and we are on plan. Of course one impact of this is that we will have a little bit higher OpEx but long term it will even make the business case better.

All in all, as we said before, the roll out of the new regions in Russia will of course have a cash flow impact but over the period we expect positive cash flows from Russia every year. So they add all the time.

Some more numbers. Net intake, here you can say that we have, for the quarter, 500,000 more customers, 700,000 coming up from mobile. The driver is, of course, Russian. We had a plan and that was to announce - as you can read in our report - that we had 10 million customers in Russia but you can't see that. But I can tell you yesterday I got the email from Dorma, from Russia, now we have 10 million customers in Russia and we are actually spot on the plan for Russia, the plan we gave to you in May last year. So we are spot on that plan for the existing regions. Revenue, yes, driven by mobile, 12% year on year and as we all know fixed telephony is coming down but nevertheless we are making a lot of money, which you can see here. EBITDA margins of 23%, mobile and still fixed telephony, they are on par right now, despite the fact that we are losing customers on the fixed telephony. It is still very important it doesn't milk(?) out.

Please also note that we have a positive EBITDA, even if it is very, very small, on fixed broadband. So that was also an achievement.

EBIT margin, 23%-24% and I would like to point out that fixed telephony is still strong, we have really maintained this high level and you can also see, for example, for Germany, a strong result for this period.

CapEx to sales, we talked about CapEx before. It was a little bit down, I would say, this quarter but we have given you the guidance for the year to come.

Just a summary before the questions, from realignment to transformation I think that's an important theme. We have taken out also the financial risk that was from Germany last time and also now from Austria. Long term, of course, we will have a net debt EBITDA target in line with the industry but right now, for the time being, it's important for us to what's going on in the financial market and act prudent. But -- and also of course secure the cash flow. But don't think -- we will not stop rolling out all that stuff, we will still be offensive(?) but of course where we can, if we can secure our cash flow it's good. Yes.

LARS TORSTENSSON: Thank you. That concludes our formal presentation. We will now be happy to take any questions that you may have, be it from the floor, online or over the phone. So I would like to start with questions from floor. We can take Stefan Petterson(?).

STEFAN PETTERSON: Hello, Stefan Petterson, Nordia. First of all congratulations on excellent results. I would like to start with a question on the fixed line business. Here you again deliver a very solid EBITA, we do see some positive trends that the subscriber losses are significantly lower this quarter, however the sales growth was slightly -- it was down from last quarter. Can you tell us what you see happening in the fixed line business.

HARRI KOPONEN: Well, as I said -- I can say in general the fixed line business is in decline and it's everywhere where the people are taking more and more mobile -- the voice will move to what is mobility. What you see here in our case that we have stopped doing some marketing campaigns, the heavy acquisitions for the customers. We would rather lose the certain customers who are less profitable and keep the customers who are more profitable for us than going after foolishly, buying the new customers. We would rather keep them in mobile phone or serve them in other ways than in fixed way. You have something to add?

STEFAN PETTERSON: Recording your statement here on the mobile business, Tele2 has also been a price leader, now you had that coverage and quality is very important. What is the difference compared with today? Should we expect higher CapEx going forward in the mobile business?

LARS NILSSON: Let's put it this way, it's when we are using the new technology.

HARRI KOPONEN: Nicely said. We have been together for two months and we learn to know each other better, and he's a great guy. And now when we go home, you know, your

Swedish colleagues will eat you up alive. I didn't say Swedes are slower. I see that -- what is actually going on is new technology, it's coming and it's much less expensive. I don't want to use the word "cheap" because it is actually more inexpensive. If you don't trust me call just one number and ask what has happened in the margins in the systems side. That is what's happening. The new technology is lower cost, it's more capacity and more capable of doing things and that's what we are actually experiencing right now. We can get the great deals and get better stuff out there with less money.

STEFAN PETTERSON: Okay, thank you.

HANS MEDLA(?): Just clarification to Stefan's question, should we expect falling CapEx to save us in the mobile business after Ericssons and other suppliers prices fall?

HARRI KOPONEN: No, I think that you should not expect to see the huge declines because there's mobile internet, what I saw, that's the investment area. You have to kind of make sure that the quality and capacity is there because we need to serve more people on the mobile internet side, and that's what we are actually doing, we're investing heavily on that side. But, no, sometimes we are lowering the money but the absolute money might be kept close but we can get more out of it, much more out of it.

HANS MEDLA: So you go from realignment to transformation, what does that imply in terms of France then no versatile(?) -- Austria, Germany, etc?

HARRI KOPONEN: Now you're mixing, there's a -- you are mixing the mobile and fixed broadband assets, but let's start from the France. France you have to kind of get some kind of MVNO(?) contract in place would make sense, what is a competitor by nature otherwise it's a difficult business, let's put it this way. There has to be an European

kind of understanding of how the MVNO can live and it has to be fair and straightforward. When it comes to Holland, I think our Holland numbers are actually looking quite well, they are looking great. Holland is doing great and I don't see any problems, we have just kept more focused on those people and said, "Hey, guys, focus on the customer, deliver the good things and do the smart investments". I am using the words "smart investment". "Don't go in and do whatever you like but when it brings more revenue, more customer satisfaction and reducing the churn, those investments you are okay to make". When it's coming to Austria that's the same thing, we have to negotiate to make sure our network contract with the ground network is solid for us, because we have an access network but we don't own the core network so we have to have a good contract there that we don't lose money. That is not the case.

HANS MEDLA: A year from now should we expect at least one or maybe several of these assets are still in the portfolio?

HARRI KOPONEN: No, as I said, today is not the right time perhaps to sell but it's a good time to take the money out of it. That's what we are making as a management. We tried to maximise the shareholder return and not losing the money for the shareholders, and we are prudent -- he is using the word "prudent" and it means that we are also prudent when it's coming to kind of Western European assets.

LARS NILSSON: I think Germany is a very good example because we were talked about that many times and that has been sort of on the save list, but then we changed the strategy a little and now we have more sort of milking out theme. It works fine. We're harvesting, and that you can see -- it's not a financial risk any more, it's just to see the best deal. And I think we should look at it in the same way in Austria. Now it's a small asset in the portfolio and we should really work hard to get as much cash as possible out of it.

HARRI KOPONEN: And, for example, in Austria now we don't have this impairment situation where -- we have now put asset value where it's supposed to be.

MALE SPEAKER: (several inaudible words) Bank. Just on mobile internet and the connection with CapEx, 20,000 new subscribers mobile broadband, you set that number during the third quarter and what is the ambition regarding share and mobile broadband? And then the consequence of mobile -- you said that the network was congested so how are you going -- how is the formula then --

HARRI KOPONEN: I didn't use that word.

MALE SPEAKER: That's your word, not mine. Okay, but then how is the formula regarding CapEx now with the collaboration of Tele2 and (inaudible) just on 3G and not on 4G when it comes to CapEx.

And, second, when it comes to acquisition, Tele2 have made an approach in Armenia, could we expect more of this kind of green fee licence activities in the CIS and the East Europe?

HARRI KOPONEN: Let's start from the last, expansion. We will do expansions when it makes sense. So we will not go any foolish way and try and buy licences per se. They have to fit into this geographical area that we mentioned and if it fits to those hurdles, what we have set internally, then, yes, we are looking at the expansion opportunities and especially in the CIS countries. As I call them the Eurasian markets. Then, of course, we have the opportunity to grow in Russia regionally and also in this central European area, that is also opportunity for the growth. Then you said -- you asked about mobile internet. Mobile internet 20,000 customers, we are not after the market share race. Some people started to sell it free of charge but it's not very smart. You are selling the latest technology for free. I don't think that that is a very

smart thing to do. We have to be looking that if that's the name of the game we have to think how this is going -- we hope that there's value and we need to get the right services for people with all these mobiles that you have, that the people actually activate that data, access there. We need to make a lot of work with our backing systems that it's easy to activate and they get the great rate plans to the people. When you have those simple needs to kind of download your emails, read your stock news or get access to your corporate data base, is that you can get it done quickly with no hassle and there is still some room to improve the business. So we are looking to growth but in a profitable way. I would like to see the output to increase, I'm not happy with the levels that output is today, but let's see what we can do there.

Then the third question was ...?

MALE SPEAKER: The relation there on capacity or load factor in the networks and what that will trigger in form of CapEx and to increase capacity in the mobile network here in Sweden.

HARRI KOPONEN: We will follow all the time now the capacity that we will not end up in the situation where we are out of the capacity. We are not ending up in a congestion situation, as you referred, but we invest proactively so that we will not hit that roof. We have a capability of investing but we will not foolishly either invest; overinvestment is as bad as underinvestment. So we are investing trust and time enough before it hits the ground and I think Niclas and his team -- this is exactly that Sweden is one of the lead markets in mobile internet and we need to get all the services also there. Why should I use the mobile internet? That was is what I was saying in the transformation that we have to find a couple of lead services, that everybody will feel that I need to kind of activate my mobile internet in my mobile unit and also my laptop.

LARS TORSTENSSON: Okay, we're going to try the new technology here and see if we get the operator on the line and we can take the first question by phone.

OPERATOR: The first question comes from the line of Mr Andrew Lee. Please go ahead with your question.

ANDREW LEE: Good morning, gentlemen, I've got a couple of questions for you on Russian mobile and then just a quick one on capital returns. Could you give us your RPU(?) in Russia for the quarter in dollars? And also just to check on that, are you sticking to your guidance that RPU there can exceed \$10 in the medium term. Also related to that, what impact are you seeing from the macroeconomic environment on customer Teleco spending in Russia?

Then just on capital returns. On your comment on not utilising the share buy back mandate, can I just check, is your plan not to do buy backs in 2009 either? Thank you very much.

LARS NILSSON: I can answer the first question regarding RPU in US dollars is 9.2 in the third quarter.

HARRI KOPONEN: I can answer the macroeconomic thing. Every country is affected whatever is going on but Russia has a special capability because they have natural resources and they have huge capabilities in that country. They will be differently affected but, as I said earlier, I think Tele2 is supposed to be less affected in this situation where we already have a best price offer to the consumers there. So we are supposed to be less affected, if there is an affect at all. Today we have not seen the affects. I think we missed -- there was another question.

LARS NILSSON: The one about the buy back and the capital return, as we said in the report, we are not considering in the near future to utilise the share buy back programme and I think that's the statement we can give.

ANDREW LEE: Okay, thanks, guys.

LARS TORSTENSSON: Operator, let's have the next question from the telephone as well.

OPERATOR: The next question comes from the line for Mr Uri Yasser(?), please go ahead, sir.

URI YASSER: Thank you. A couple of smaller question as well. First of all on Russia again, you're talking about an acceleration of your plans with the regions launched, on the other hand you are actually guiding down both the OpEx and the CapEx that you will incur in 2008. I was just wondering how that fits together. Is it simply because you are more efficient or are you maybe holding back a bit in 2008 with a big push in 2009? That would be my first question.

The second one is with regards to Germany. Obviously you have record margins there now in the fixed telephony business. On the other hand you are investing relatively little in the transition to broadband, so that is a depreciating asset. You have mentioned in the past that by the end of summer 2008 you want to sort of give the market some news about Germany, that hasn't happened obviously from the market for very good reason, so I was wondering how you think about it now. Do you sort of think that there is a chance to sell Germany, for example, in the near term?

My last question is just a clarification. In the balance sheet your growth debt is 9.5 billion as of Q3, on the slide where you highlight and explain your leverage the number is 6.2, what's the difference?

HARRI KOPONEN: Maybe start from the Russian question. No, we will not hold back, actually we have accelerated, as we said we are now launching more regions in next year than we were doing but at the same time you have to read that we have also a great bargaining position when we are buying the hardware right now. The market position is quite good for us right now. So we aren't holding back, we are just utilising this moment of market situation for our favour and moving faster forward.

LARS NILSSON: The easy question first is the balance sheet. You should also look at the investments we have on the balance sheet and how we have a back to back arrangement that you have to even out. We have a debt which is similar to the investment of some -- is it 2.6 billion, something like that? So that explains the difference. Then when it comes to Germany, as we said before, now we are all the time evaluating the situation and right now we are running this as an own operation. What will happen in the future it is hard to foresee.

HARRI KOPONEN: And we're harvesting in Germany.

URI YASSER: Okay, thank you.

LARS TORSTENSSON: Okay, an online question as well to us all the mediums we have. A major part of the debt of Tele2 is due in 2009, do you have any provisional plans about that?

LARS NILSSON: I think I talked about that in the presentation and of course we are starting a refinancing programme and we are following that schedule. And I would also remind you of the amounts we are talking about.

LARS TORSTENSSON: We'll take another question as well. How many mobile broadband users do we need to get in Sweden to get to EBITDA break even?

HARRI KOPONEN: Next question.

LARS TORSTENSSON: Okay, we'll take a question from the floor.

RICHARD BAGGARE: Yes, my name is Richard Baggare(?), I'm from Sweden. I used to work for Lars Nilsson before so it's quite fun to see each other again. Anyhow you spent 550 million on a spectrum auction in Sweden for the 4G so what is your plans with this investment?

HARRI KOPONEN: What is our plan? This is now perhaps an area where you get me excited. Finally we get up to 100 megabytes mobile internet system, and I hate using number 4 or something, mobile internet. The real fast mobile internet, what starts to really offer the nice user experience. Now I'm challenging the Swedes again. Please provide also those terminals at the same time that the network is coming ready. It doesn't happen now, the third time when the network is ready and then we have to wait one or two more years to get the end user devices ready. We are ready to go, we paid the money already so it's already taken and now we are waiting so we can get the devices, end user devices and the switching devices, and I expect that it's the later part of next year when we get testing stuff and then I think that commercially we are talking 2010, 2011. Don't hang me on these numbers because I'm relying on my partners. The same guys that asked are we minimising the investments? No, we are not minimising investments, we are going for the new technology but it's called long term evolution, that's the LPE and that's the last time I'm going to use that number, it's fast mobile internet experience up to 100 megabytes. And we will be there amongst the first who do it in the world.

MALE SPEAKER: We can take another question from the floor. Leanna.

LEANNA SABYE: Yes, Leanna Sabye(?) from Enskilda Securities. A few questions if I may. Just to return to your new profile, to be more proactive and to provide better quality for your customers. We talked about it from the CapEx side, but what about from the OpEx side, do you still aim to be the price leader but up in quality and use of experience probably increases costs. Do you believe that you could deliver on margin first? Then the second question, Russia, what is the main reason for accelerating the roll out? Are you worried about the challenge of the licences or is it as you mentioned just that you have better deals with the infrastructure providers? Previously you mentioned that you were rather thin on management resources in Russia, do you believe that you have the resources in place to do all these launches? Then a final question on ordinary dividend policy: why was it that the board decided not to comment on that for this quarter?

HARRI KOPONEN: Okay, the first one was this -- remind me now again?

LEANNA SAYBE: That was the whole better quality, confidence in the market --

HARRI KOPONEN: I firmly believe that yes you can deliver by living -- everything that we do internally I try to say to people, "Hey, let's think, will this increase the value for the customer? If it's not, stop doing it and let's start saving." So everything that you do you can save a lot of money. We don't have to have all the nice things around us now. Sometimes it's better to be modest. You are welcome to visit our Tele2 office, you can see immediately that this company is not glass walls and nice open spaces but our people are working, and even me, I'm working in open spaces with the people. We don't need any special stuff. You can drive the cost down, at the same time then your technology is bringing also the OpEx down. Kind of making sure that we can operate the stuff more efficiently. For example, we have one room in the whole company. We are monitoring the whole thing from one place. We have a very unique way how we are kind of tackling this cost issue. Believe me, I have also

seen other ways to do it but I think this is -- like the wall effect, when I first time visited this place and I couldn't believe when they said that everything is in this one room but it was. Of course there's a replication place if something goes down so that we have been taking some extra caution. But don't try to be too cheap or too -- I'm using the word inexpensive because inexpensive -- with that word you also bring the quality with you. That's what I have been saying to people, that we need to be quality driven but cost conscious all the time in what we're doing. And you can drive the margins up by this way, because there is nothing wrong with the investor quality. The worst thing that we can do is that we tried to tell you that there is a quality but there's not, then you can't get the customers to join our bandwagon.

The second question was related to the Russian speed. It's much better to be fast than slow. If we have a licence, why don't we roll out if we can? And we now have the vendors with us who can do the roll out faster and we have been discussing with them and this is doable.

Then the third question was the management resources. Yes, we need to have more management resources there and we are getting them, we will be personally involved in certain things and we are networking and teaming up with the existing resources, they are helping to roll out these things. So that is also some excitement for the existing employees that they can sometimes go to see in some other country how things are done there. Because that is also lesson learnt. We are doing things a new way in Russia, how we implement and deploy the networks and we can learn. So that's also a kind of learning experience for our existing people.

The fourth one --

LARS NILSSON:

If I can just comment on Russia there. It's we were a little bit cautious of course when communicating the plans but it's going even better than we had planned so there's nothing else so it's we had a plan which now we can deliver.

HARRI KOPONEN: When it comes to top -- remuneration policy, it will be communicated in fourth quarter, as it has been historically. So that is the main reason why we do it in the fourth quarter. But I can assure you that the ordinary dividend levels will be at least at the 3.15 which we paid this year.

Operator, I would like to another question from the telephone conference, please.

OPERATOR: The next question comes from the line of Mr Nick Dalsa. Please go ahead with your question, sir.

NICK DALSA: Yes, hi, can you hear me?

HARRI KOPONEN: Yes, we can.

NICK DALSA: Great. Two questions. On the licences in Russia, I'm not sure if I heard an answer, you're talking about the challenges for the new licences, could you elaborate a little bit more on what's going on with that and why you think it's a good idea to go ahead and launch despite those challenges. And on the remuneration policy, I still don't understand exactly why, I think having indicated that you would say something now, you've decided to delay that. Is that just again conservatism on the financial liquidity side? Thanks.

LARS TORSTENSSON: I'm going to take the opportunity, Nick - it's Lars Torstensson - to answer both questions. When it comes to the current court situation with the licences, we have seen -- we have won all the instances now when it comes to the licences so we just want to be prudent in our wording because we haven't got a final decision from the courts yet. So we see no problems with our licences in Russia.

Then when it comes to our view on dividend policy, it was unfortunate that we did give a message that the third quarter could be an opportunity for us to communicate that but we're going to stick to what we historically have done, do it in Q4. We are

conservative, as Lars Nilsson has said, that doesn't mean that we are not going to compensate our shareholders, so I would like to emphasise that again. The level of the ordinary dividend is going to be at least at the same level as this year.

If we could just take one more question from the telephone conference.

HARRI KOPONEN: If I can just have a comment on that. Our intention was to talk, but unfortunately three or four weeks ago there was global change in the world, so I think that also people appreciate this, that we have to live in the changing world.

LARS TORSTENSSON: Operator, another question from the telephone conference, please.

OPERATOR: The next question comes from the line of Mr Maurice Patrick, please go ahead with your question, sir.

MAURICE PATRICK: Yes, hi, it's Maurice Patrick, JP Morgan. Two quick questions. It's good to see you're pushing ahead with the growth in Russia, could you please help us understand though if the 40% margin targets you highlighted are still valid, and in Sweden 35-40%, because it seems you're still some way off delivering those in Russia on the existing business rather than new ones. And the second point on the buy back, should we expect to see the buy back come back again once you have finished the refinancing you've talked about or is it just off until whenever? Thank you.

LARS NILSSON: Well, I can comment on the buy back. I can just repeat what we said in the report, that short term it's no ambition or the board was not utilise at its share buy back mandate.

HARRI KOPONEN: And the first question was this Russia --

MAURICE PATRICK: Margins.

HARRI KOPONEN: Russian margins. When it comes to putting 17 -- let's put it this way, the 16 old excluding Trasnel and the 17 new licences, the guidance is still valid, which means that we are going to be in the upper end of the 35-40, so we're going to have 11 million and a RPU of about US\$10. So that's good about it.

Then you have guidance on the 17 new licences that we have given in the report and then Trasnel we haven't broken out as such but we would like to emphasise that the historic performance of the 16 old licences is applicable to the 17 or 18 new, including Trasnel, which means that they will reach a similar profitability target over time as the older regions.

MAURICE PATRICK: And in Sweden? I think you've also said 35-40%, it's still around 35%.

HARRI KOPONEN: Yes, 35-40% is the range for this year but we haven't given any view on next year.

MAURICE PATRICK: Okay, thank you.

OPERATOR: The next question --

LARS TORSTENSSON: Okay, we'll take a question from the floor, sorry, operator. A question from the floor.

MALE SPEAKER: A follow up on the margin targets, you earlier stated 35-40% margins also for the Baltic region, now we are all aware of economic slowdown in the Baltics. Can you tell us a little bit about what you see happening in the Baltic region and how has your margin targets changed for that region? Secondly, I would also come back to this with the share buy backs. We understand cash is king in the current environment but the financial crisis will not last forever and you've stated that long

term you will have a capital structure in line with the industry, what does that mean in your view, long term?

HARRI KOPONEN: First the Baltic. I know this a little bit better because now I'm directly responsible for the Baltic and Croatia markets and I've been visiting there now a few times. There's one country that is more affected than others, that's Latvia. Latvia seems to be the roughest ride right now. Estonia, Lithuania seems to be -- Lithuania seems to be more resilient and Estonia is affected but Latvia is affected the most. But at the moment we have seen that they are holding quite well. They've been holding quite well in our business and I expect that in this new situation when people are looking for better deals our offerings is supposed to drive that kind of behaviour that people will still use the mobility but they will come to our network because they can get the better and lower price. But we have seen that they are still holding on. Latvia is the hardest hit, Lithuania least and Estonia a bit.

And the follow up question was this -- we have seen that they are holding on now. I don't want to change the guidance right now. It looks like they are holding, if something -- very, very new things happened of course the situation will be revised but at the moment we see that they are holding on.

LARS TORSTENSSON: Okay, we will take the last question from the floor and then we --

HARRI KOPONEN: We have a second question.

LARS TORSTENSSON: Sorry about that.

LARS NILSSON: Yes, it was regarding the financial situation. As we see in the report, that sometimes -- now we focus on what's going on right now and how we see the market as we speak, and then it's important to have a strong balance sheet for sure. And long term we have a -- we will adapt the balance sheet to the markets we are

in. I don't think it's time now to elaborate, it's actually one times EBITDA, two times EBITDA, I think that will come when we develop the company.

HARRI KOPONEN: The good thing is the telecom companies generally are in quite a good position right now, they are all in a much better situation than last time when the same thing happened. So the companies are in a fairly good shape.

LARS NILSSON: May I just add, if you look at our new reading in say Russia for example, there you can see that the sort of return on capital employed for this business is quite high. So I mean there are of course possibilities to improve it but that will come later on.

MICHAEL ANDERSON: Michael Anderson, Everly Bank. Again, a question about mobile broadband and applications. You were saying you don't want to go into a price fight or price war here but mobile broadband is as high up on the agenda for JLC(?) and the other ones. At the same time we've been discussing aggregations today and bytes per second and so on and availability of handsets. A very similar discussion to six, seven years ago when we had the 3G discussions and we got those speeds today and we have got handsets today but still the application are somewhat lacking. Do you have to wait for the other software providers, i.e. Google and Apple and so on or can you do anything yourself with applications. Historically it has been good with simpler ones, SMS and so on but can you go to another step there?

HARRI KOPONEN: This is now exactly the area which makes this transformation. Typically we have been laid low in the back waiting because somebody else is doing things. Here I have set our organisation a clear target, we want to be also in the front line when it's happening, this mobile internet evolution. We need to find one or two services that everybody will feel compliant to use, and they are so easy to use, so easy to install that even the kids can do it. That's the aim. We don't have to -- you know, when you're using the word 3G it's like you're swearing to me. That's a horrible

experience for all the Teleco CEOs, it's like a swearing. You get the platform -- and I knew when I came to the books on Personeria(?), I came from Sony Ericsson directly and I knew exactly how many years we have to wait before we get the handset. So I said zero investments in 3G. Today we have a situation where we know we have a ASBA(?) system, it is working, it is delivering quite nice speed but it's not yet in the level of the internet. LT system will bring that kind of a feeling but before that we need to get those few horizontally integrated applications, it would actually cross the whole industry. We're working your financial systems, we're working your back end systems, we're working your front end systems, and it's like middle ware, what sits there and makes sure that your applications are working harmoniously together. And there we have to make it work internally. We can't wait until somebody else is doing it, we have to do that work.

LARS TORSTENSSON: Okay, we'll end this conference with two more questions from the telephone conference, operator, please.

OPERATOR: The next question comes from the line of Mr Peter Neilson, please go ahead with your question, sir.

PETER NEILSON: I am sorry to return to a question you've replied to twice but I like to be quite sure on your thinking on the matters of the disposal process. You're indicating you've changed your strategy towards a harvesting strategy and in these ways Germany and Austria have been mentioned today. Does that mean that you've changed your ambitions, expectations or hopes for selling these operations in the short term and what does the harvesting strategy mean vis-à-vis an ambition to dispose of these operations?

Second question relates to the issue of balance sheet, etc. I take it that your comments on the share buy back, the balance sheet means that the logical

conclusion first to draw is that we should not expect an extraordinary dividend on top of the ordinary dividend for 2008. Would that be a correct conclusion?

Finally, you seem to have seen some accelerating weakness in Swedish mobile APU, and I was just wondering what's driving that process, is that the intake of the prepaid customers and mobile broadband or is this sort of on the line pricing pressure in the market? Thank you.

HARRI KOPONEN: Let's start from Germany. Now, it's a realism. These market conditions, there's not too many things happening and we need to make sure that existing operations are making the best possible performance. So now they are focusing on profitability and not losing the money, making money, that's the very simple way of how I can put it. There's nothing else than realism. Realising what is the market situation and how we can reserve the value of the maximum for the shareholders in the later stage. That was the answer for Germany.

LARS NILSSON: And the answer for the share back and remuneration to the shareholders, as we said before, we will come back to that issue when we launch the Q4 report.

LARS TORSTENSSON: Okay, operator, can I have the last question from the telephone conference?

OPERATOR: The next question comes from the line of Mr Jake Bluson, please go ahead with your question, sir.

JAKE BLUSON: Hi there, Jake Bluson from Merrill Lynch. Just one question, please. It just seems to me there's a little bit of a disconnect in terms of your use of cash. To me it sounds like on the one hand you are very keen for investing in CapEx and in MNA but on the other hand you're not very keen on gearing up through shareholder remuneration because of the issues in the financial markets. Can you maybe just explain why on the one hand you're quite keen on spending money on projects

where you wouldn't have a lot of flexibility but at the same time, you know, you sort of attribute the lack or the not paying special dividends or share buy back, to conditions in the financial markets?

HARRI KOPONEN: Well, the answer is quite easy. We are not spending money for anything. We have a business case -- for all spending that we are doing we have a business case and we have quite tough hurdles to make the money back to the shareholders. So whatever we do in a company we do it for the longer term return. And if it doesn't meet those return things, we would rather not invest. So there's no investment agent inside to tell it to, it's just investing money somewhere. All the investments are scrutinised, we are quite prudent in that. We have a hurdle rate. We make sure that even in those markets where we are talking now, the central or western European markets, they have to follow the same principle. But in this market condition I think we have to kind of take the realism in our hands and make sure that everybody is investing wisely.

LARS NILSSON: I think Harri has answered the question and, I mean, as we know, we have this year paid back some 4 billion to the shareholders and we have to consider the present situation in financial markets. I think that's the prudent way of running a company, running a company short term and long term.

HARRI KOPONEN: We don't want to be back here in three or four months and say, "Wow, now we suddenly need lots of cash" and we have to go to the financial markets today in these conditions. I think that our shareholders are respecting this situation and where we are today that we can do something.

LARS TORSTENSSON: Okay, thank you very much everyone. I would also like to take the opportunity to remind you that we would release our fourth quarter and full year result on

10 February 2009 and we look forward to keeping you informed about the business until then.

Now, we're going to have the opportunity to have one on ones and group discussions with both Harri Koponen, also Lars Nilsson. We also have Niclas Palmsteirna(?)and Anders Olssen here was well, they are representing the top management team; Pernilla Oldmark, our Group Information Manager is going to help journalists out to get discussions with, I guess, foremost Harri Koponen and I will help analysts out with the possibility of talking to Lars Nilsson about the details. So thank you very much and look forward to talking to you.