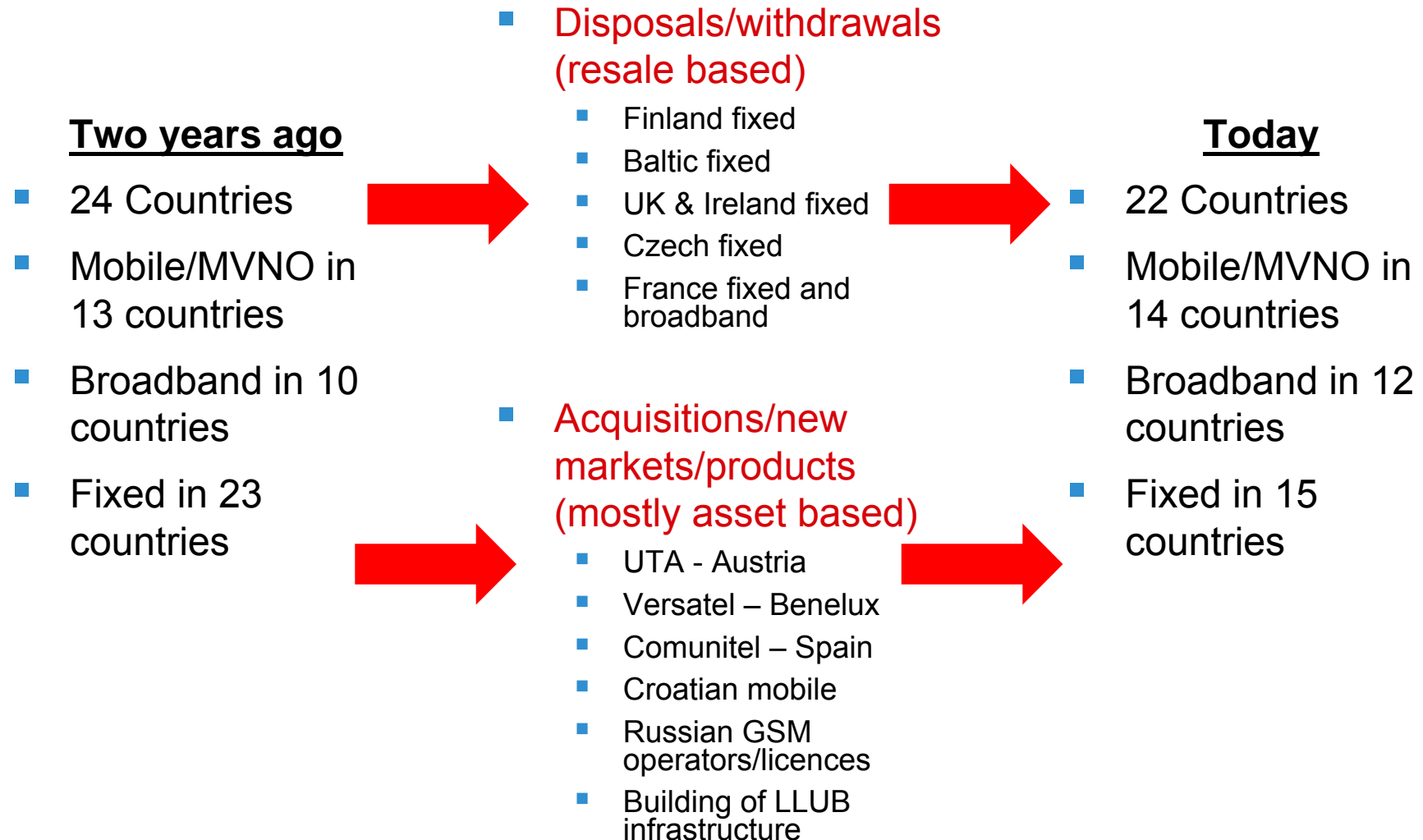


Q3 2006
Financial Report

Lars-Johan Jarnheimer
President and CEO

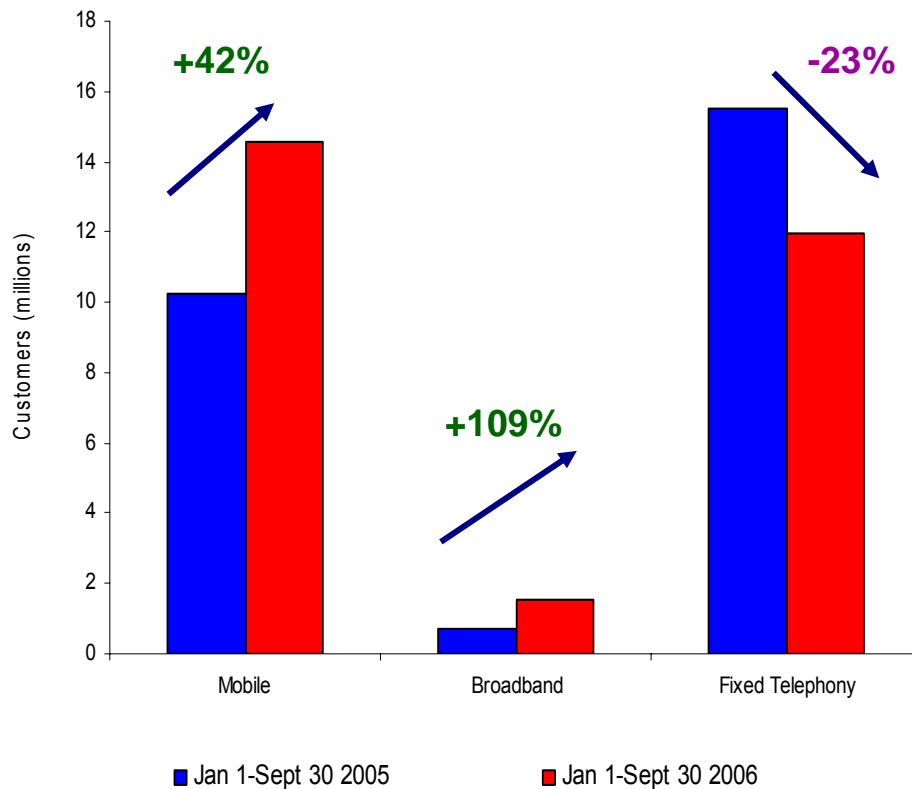


Transitioning our business

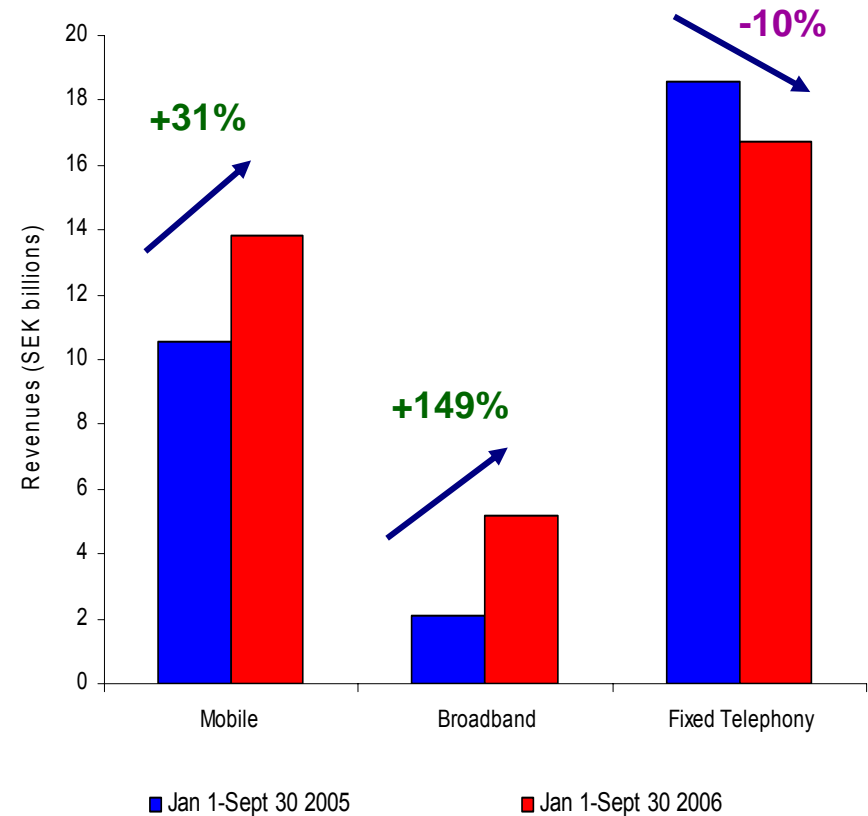


As a result it is changing rapidly

Change in customers over the last year



Change in revenues over the last year



We may further concentrate focus and scope...

Mobile

- Good position in Mobile
- We will seek to further strengthen this position

Broadband

- We have gone through a learning curve – different models, LLUB provisioning, scalability, competitive dynamics etc.
- Based on this experience we are evaluating each market
- This may result in a narrowing of focus

Fixed

- Structurally declining
- Difficult to forecast
- Downturn in fixed, now in this quarter, balanced by increase in broadband

...To achieve the necessary scale to create long term successful businesses

Q3 2006 - Key points

- Overall:
 - Q3 Revenue growth of 11% to SEK 13.7 billion
 - EBITDA SEK 1.8 billion – up sharply on recent quarters
 - SEK 4.3 billion total one time effect of goodwill write down and capital loss related to the SEC acquisition in 2000 (as previously announced)
 - Disposal of French fixed and broadband to SFR for SEK 3.3 billion
- Mobile:
 - Strong performance with mobile revenues rising 32% in Q3 and intake of close to one million customers
 - Russia: very strong all round results – Q3 acquisition of four operations in Northwest Russia
 - French MVNO now has over 350,000 customers
- Broadband:
 - Intake of LLUB customers doubled compared to Q2
 - E.ON Bredband acquisition completed and Plusnet deal approved
- Fixed
 - Fixed telephony EBITDA margin was highest ever at 14%
 - Fixed telephony churn may be starting to level off

Nordic

- Tele2 acquired 75.1% of E.ON Bredband in Southern Sweden
- Continued good performance from Nordic operations with Swedish mobile at 43% EBITDA margin
- Tele2's corporate business in Sweden won a number of significant contracts

MA NORDIC Denmark, Norway & Sweden

MSEK	Q3 2006	Q3 2005	
Operating revenue*	3,961	3,872	+2%
EBITDA*	897	1,124	-20%
Net intake ('000)	10	3	

*Excluding non-recurring items

Baltic & Russia

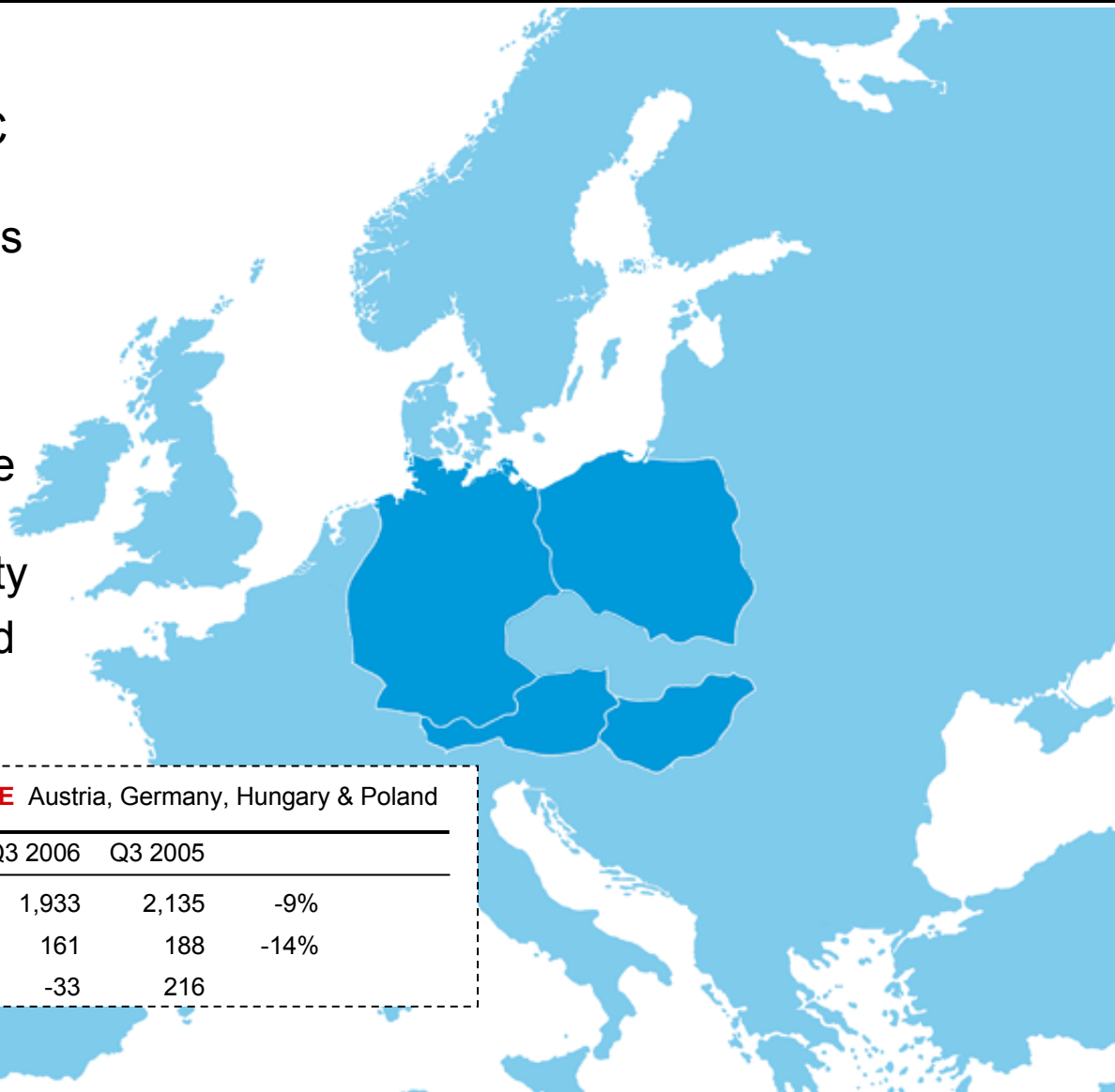
- Strong net intake of 872,000 customers in the quarter
- Russia reaching EBITDA margin of 25%, up from -8% one year ago
- Four GSM operators acquired in Northwest Russia in July

MA BALTIC & RUSSIA Estonia, Latvia, Lithuania, Russia & Croatia

MSEK	Q3 2006	Q3 2005	
Operating revenue	1,884	1,129	+67%
EBITDA	482	286	+69%
Net intake ('000)	872	765	+14%

Central Europe

- “Plusnet” was created with QSC to provide broadband access in Germany
- Fixed resale in Germany had positive net intake of customers and healthy profitability
- Strong broadband intake in Austria



MA CENTRAL EUROPE Austria, Germany, Hungary & Poland

MSEK	Q3 2006	Q3 2005	
Operating revenue	1,933	2,135	-9%
EBITDA	161	188	-14%
Net intake ('000)	-33	216	

Southern Europe (continuing operations)

- French fixed and broadband business sold to SFR
- Retained French mobile business has more than 350,000 customers
- Spanish broadband network will soon cover 60% of households and 70% of SME's
- In Italy 75% of LLUB build out has been completed

MA SOUTHERN EUROPE Italy, Spain, France, Portugal & Switzerland

MSEK	Q3 2006	Q3 2005	
Operating revenue	2,537	2,039	+24%
EBITDA	-188	-17	
Net intake ('000)	-118	-38	

UK & Benelux

- Tele2 is successfully migrating customers in Belgium and the Netherlands from CPS to dual and triple play products
- Digital Television agreement signed with KPN
- Netherlands MVNO is EBITDA positive

MA UK & BENELUX Belgium, The Netherlands, Luxembourg, Liechtenstein, Alpha Telecom and C³

MSEK	Q3 2006	Q3 2005	
Operating revenue	2,252	1,622	+39%
EBITDA*	262	85	+208%
Net intake ('000)	-157	-108	

*Excluding non-recurring items

**Q3 2006
Financial Report**

Håkan Zadler
CFO



Financial overview for Q3 2006 – Total Operations

	Q3 2006	Difference to Q3 2005	
Revenues (MSEK)	13,749	1,368	11%
EBITDA (MSEK)	1,784	-89	
CAPEX (MSEK)	1,200	483	
Customer Net Additions (thousands)	435	-275	

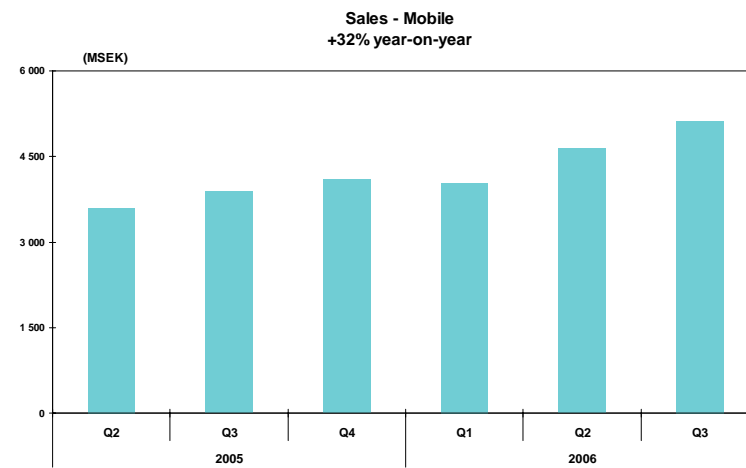
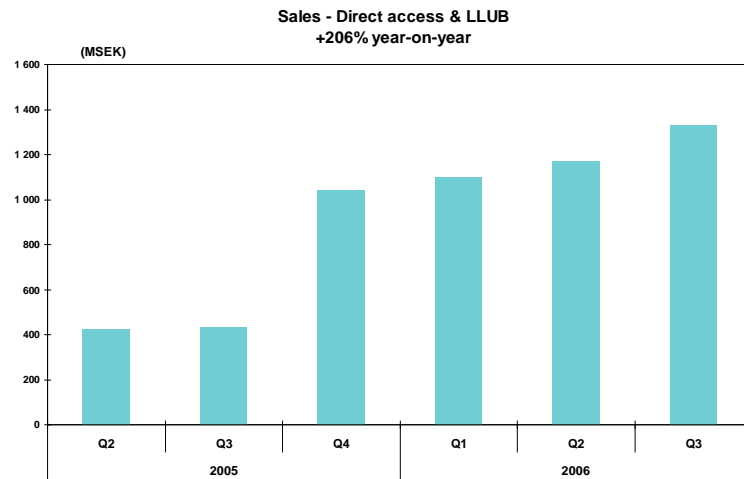
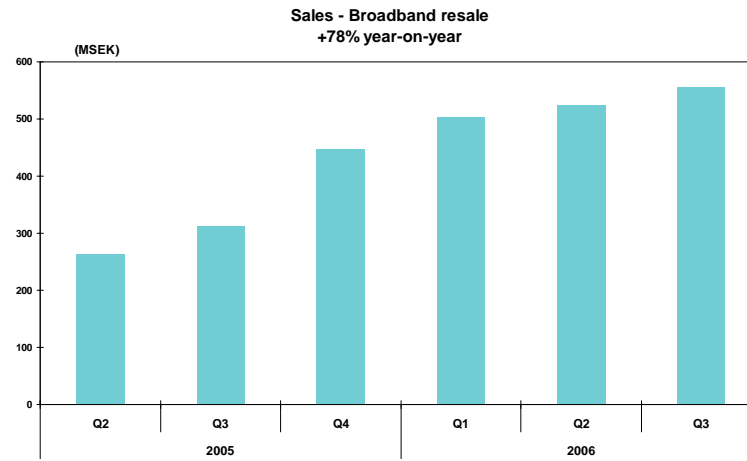
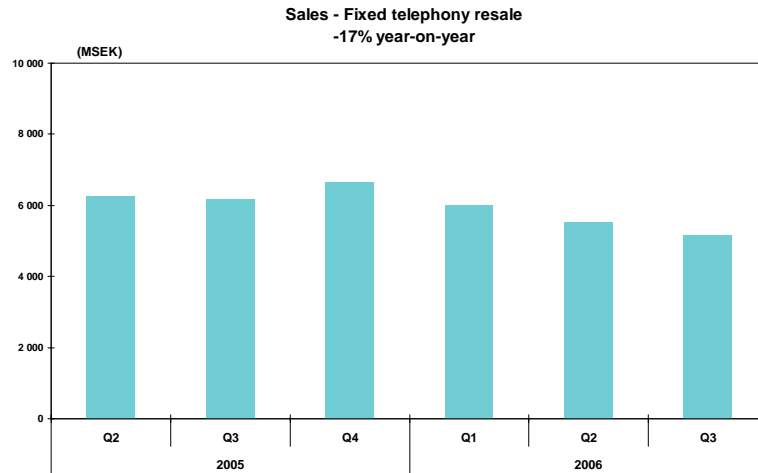
Financial overview for Q3 2006 – Discontinued Operations

	Q3 2006	Difference to Q3 2005	
Revenues (MSEK)	1,024	-289	-22%
EBITDA (MSEK)	105	-104	
CAPEX (MSEK)	32	13	
Customer Net Additions (thousands)	-139	-11	

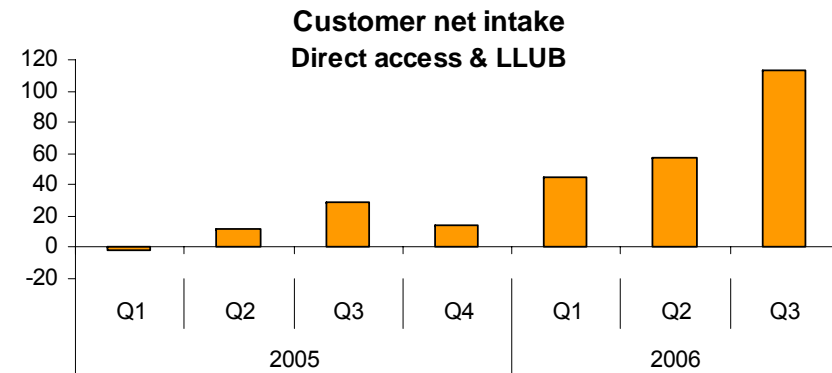
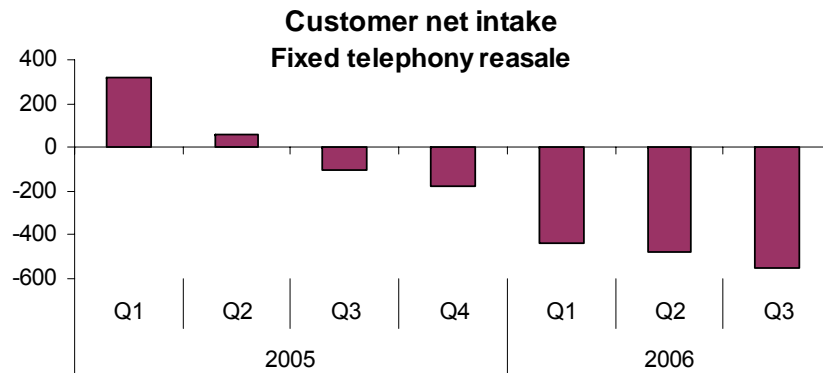
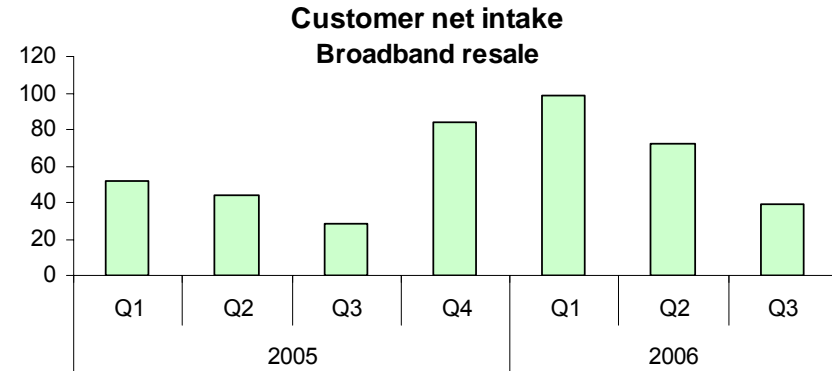
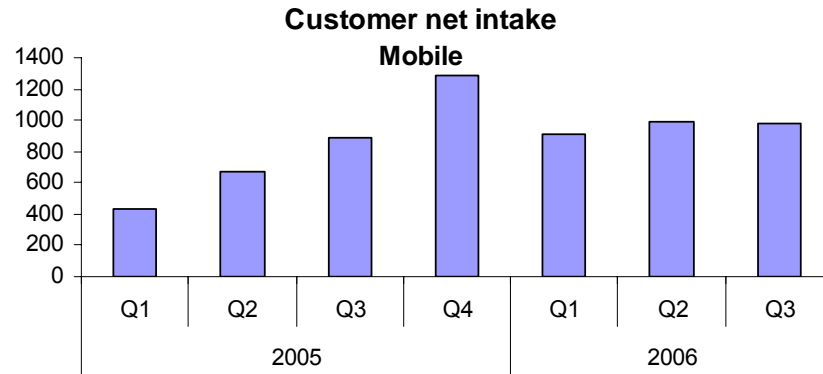
Financial overview for Q3 2006 – Continuing Operations

	Q3 2006	Difference to Q3 2005	
Revenues (MSEK)	12,725	1,657	15%
EBITDA (MSEK)	1,679	15	
CAPEX (MSEK)	1,168	464	
Customer Net Additions (thousands)	574	-264	

Operating Revenue per Segment



Customer net intake ('000)



ARPU per Segment

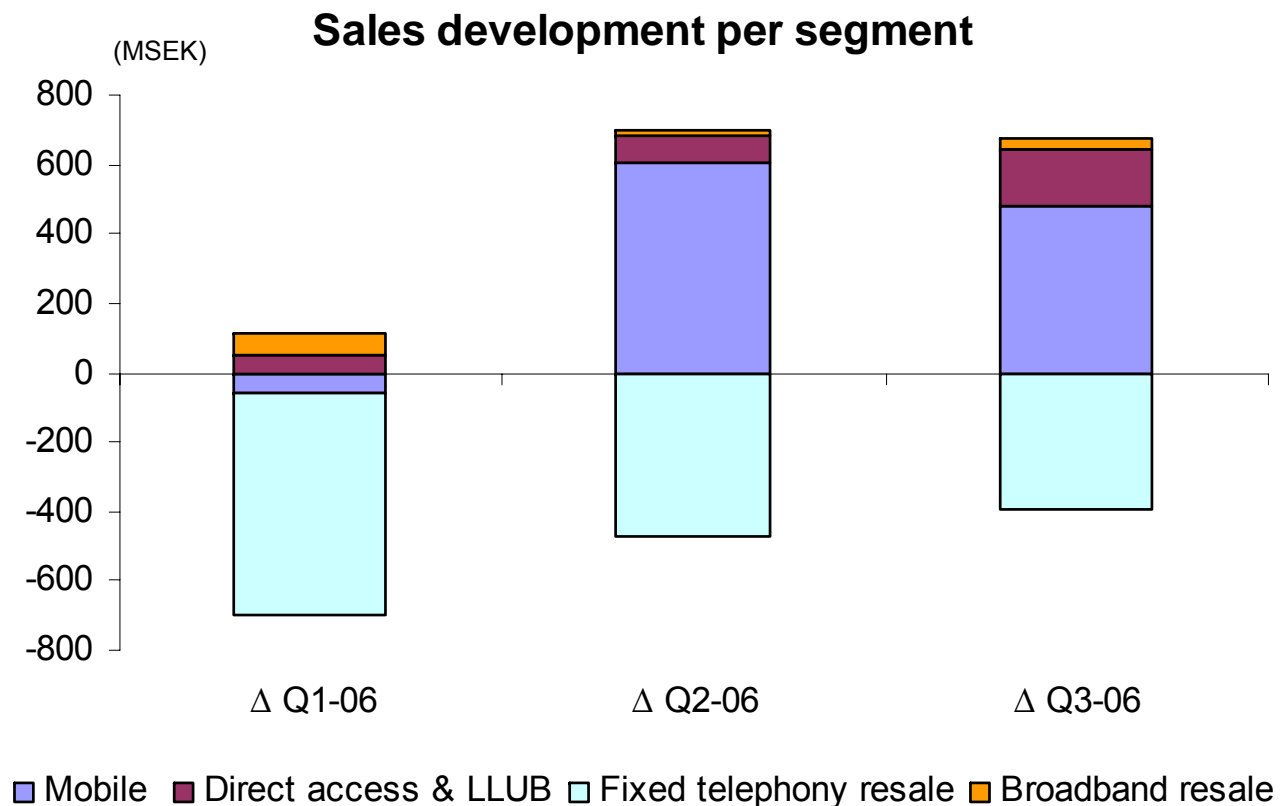
(SEK)	<u>Q3 2005</u>	<u>Q3 2006</u>
Mobile	131	120
Fixed telephony	141	137
Broadband resale	270	230
Direct access & LLUB	450	627

ARPU - Group

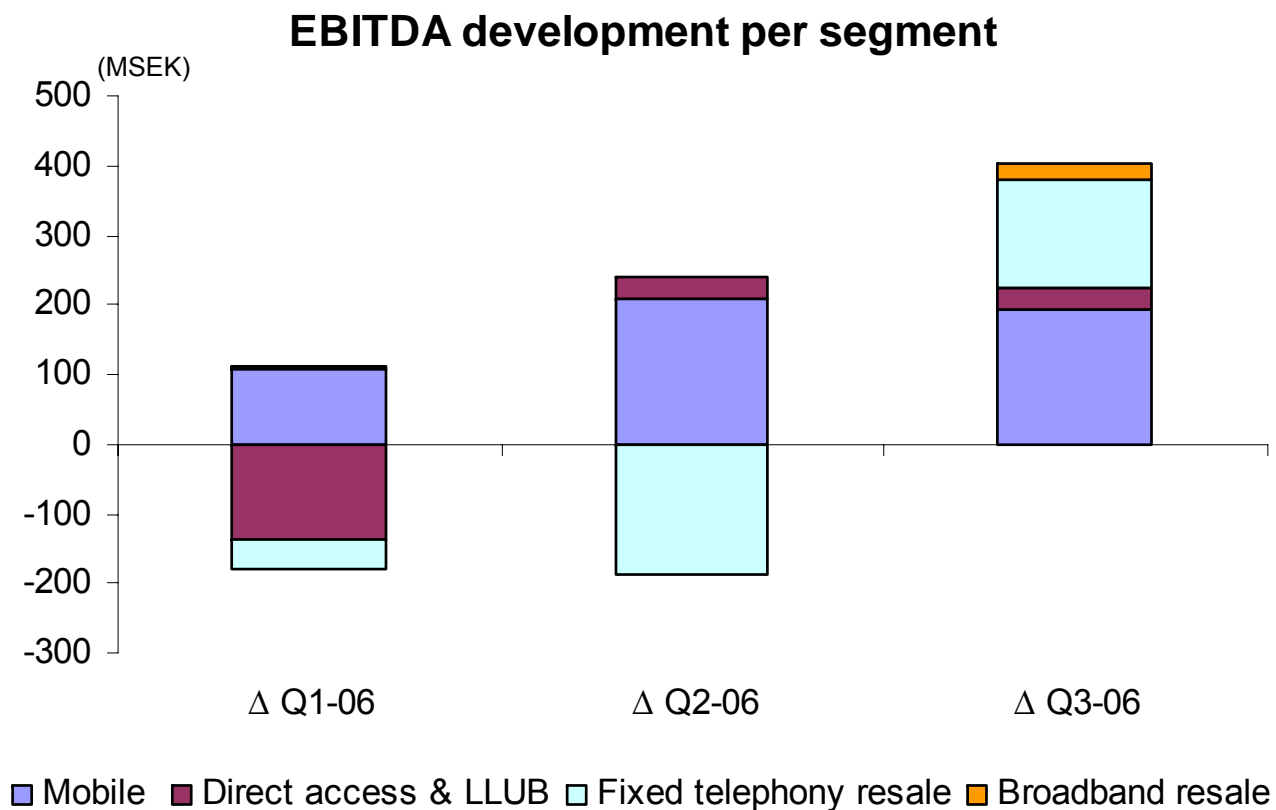
<u>Q3 2005</u>	<u>Q2 2006</u>	<u>Q3 2006</u> (SEK)
145	144	143

- ARPU slightly down at 143 (145)
- Dilution from high growth in low ARPU regions, particularly Russia, offset by increased intake of broadband customers

Sales development



EBITDA development

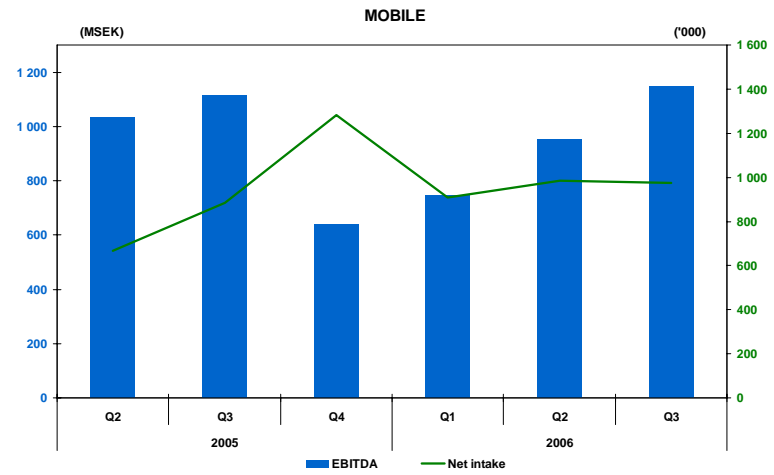
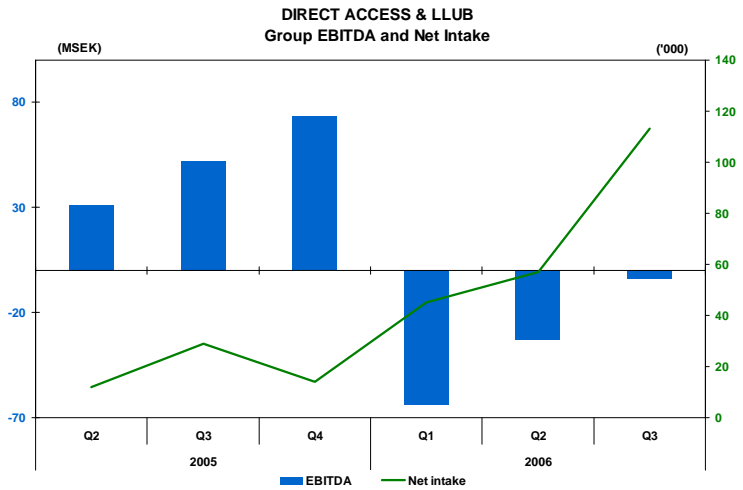
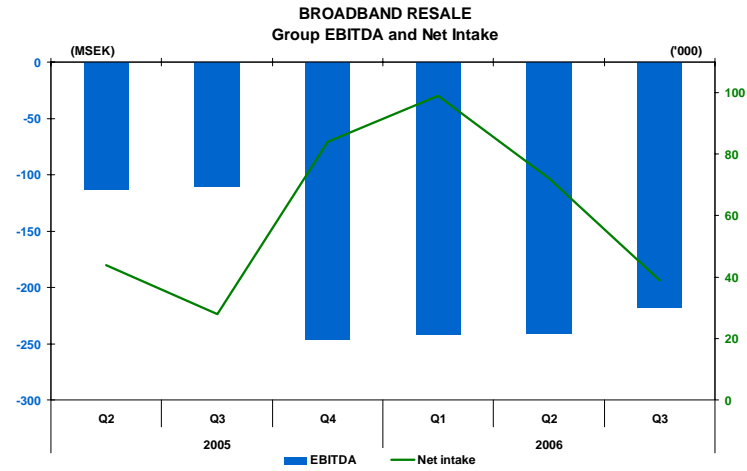
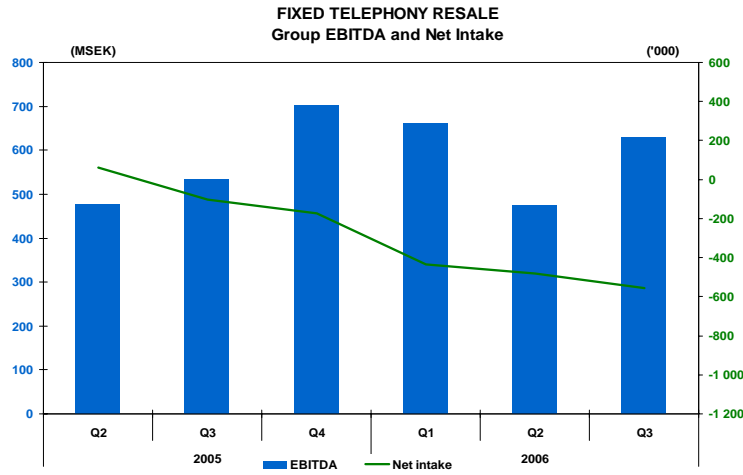


P&L impact from Broadband growth (inclusive discontinued operations)

	Q2 2006	Q3 2006
P&L impact from Broadband growth (MSEK)	300	250
Net intake		
Broadband resale ('000)	72	39
Direct access and LLUB ('000)	57	113
Acquisition cost		
Broadband resale (SEK)	1,500	2,050
Direct access and LLUB (SEK)	3,600	1,500

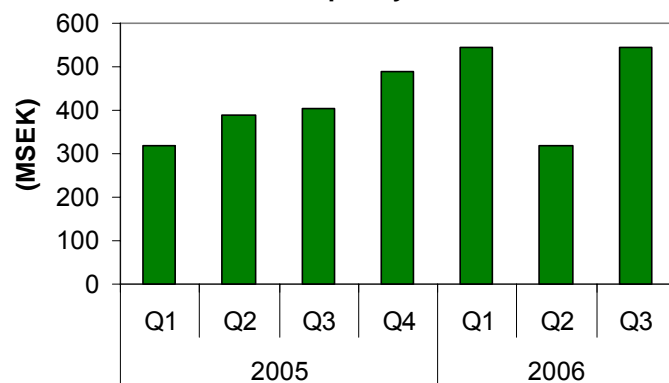
Broadband churn slightly down Q3-06 compared to Q2-06

EBITDA and Net Intake per Segment

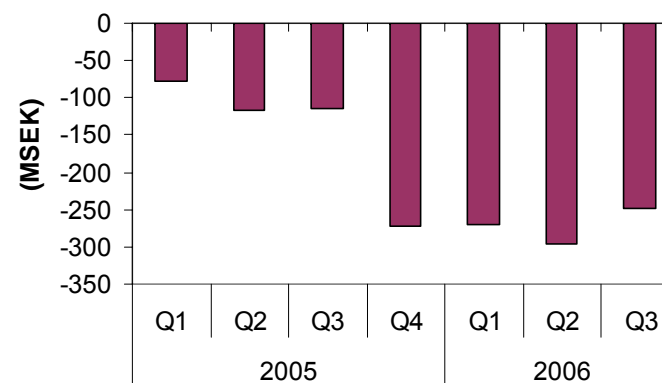


EBITDA – CAPEX

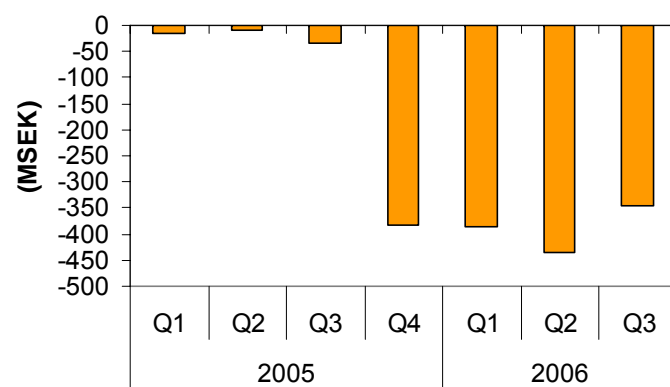
EBITDA - CAPEX
Fixed telephony resale



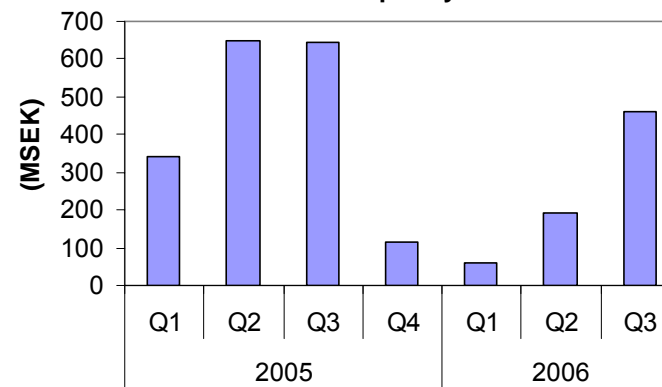
EBITDA - CAPEX
Broadband resale



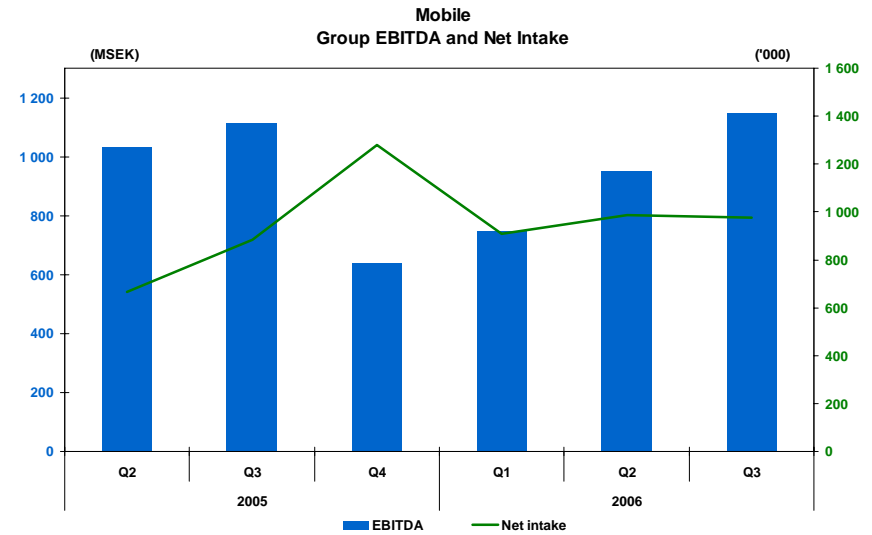
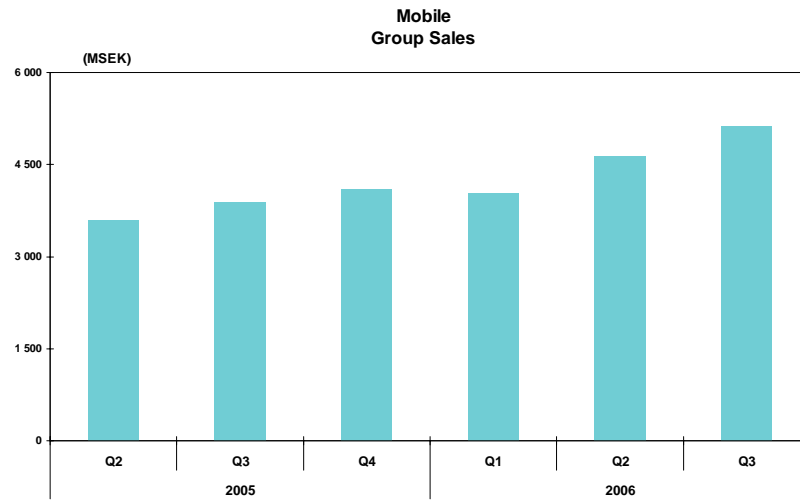
EBITDA - CAPEX
Direct access & LLUB



EBITDA - CAPEX
Mobile telephony



Mobile sales +32%



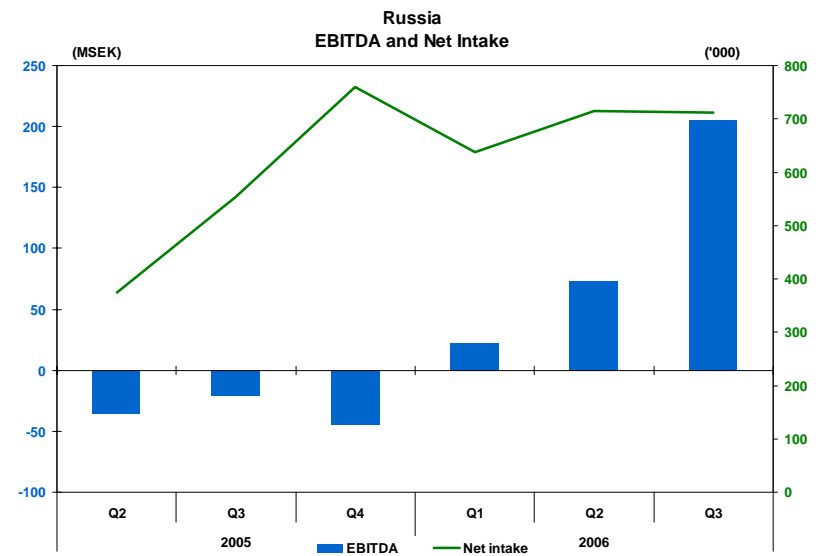
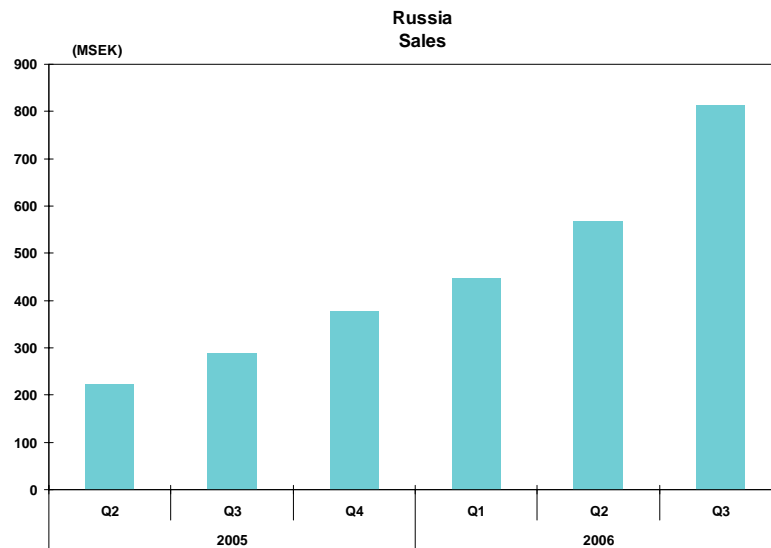
EBITDA impact from France & Croatia:

-275 MSEK in Q3 2006

-156 MSEK compared to Q3 2005

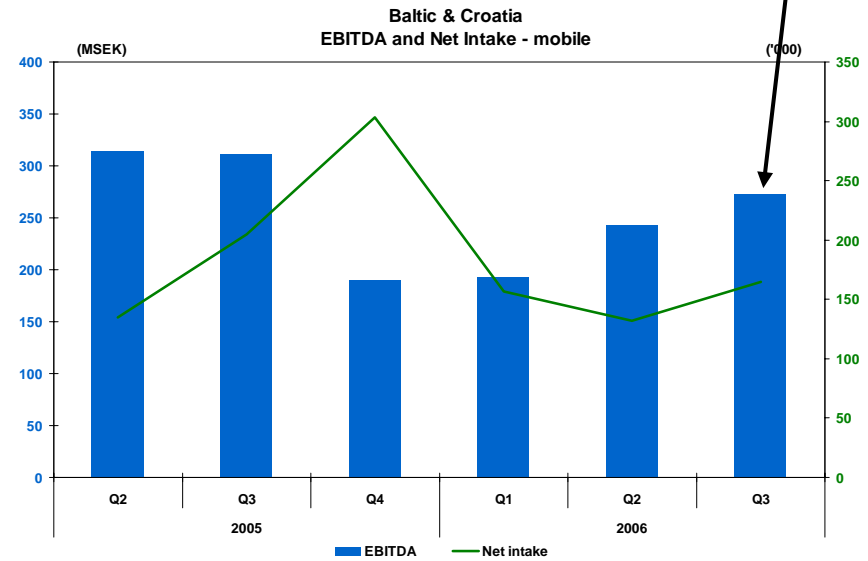
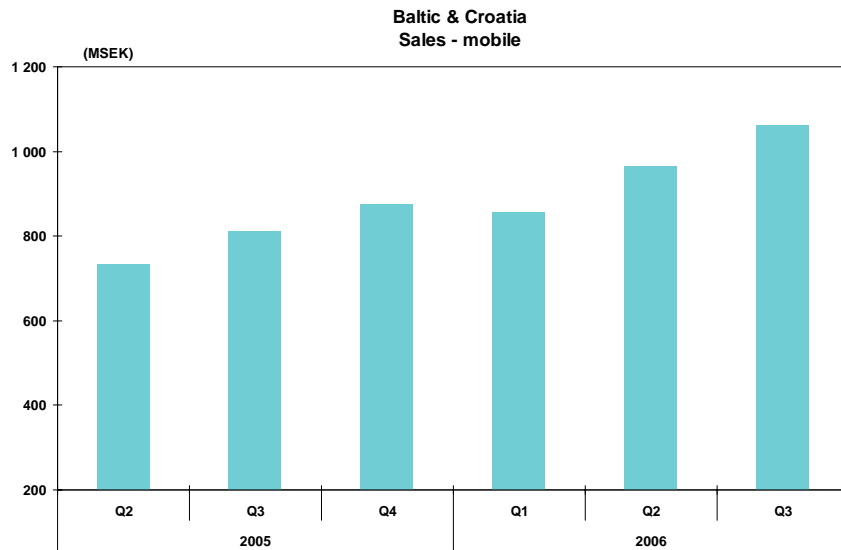
Russia sales +182%

- Net intake of 711,000 customers to a total of 5,520,000 customers
- ARPU of 52 SEK in Q3 2006 compared to 43 SEK in Q3 2005
- EBITDA margin 25% (-8%)

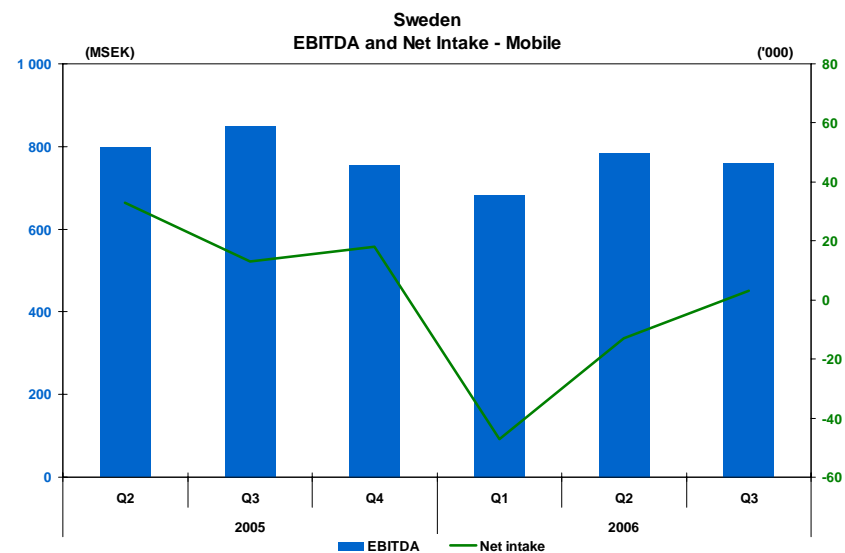
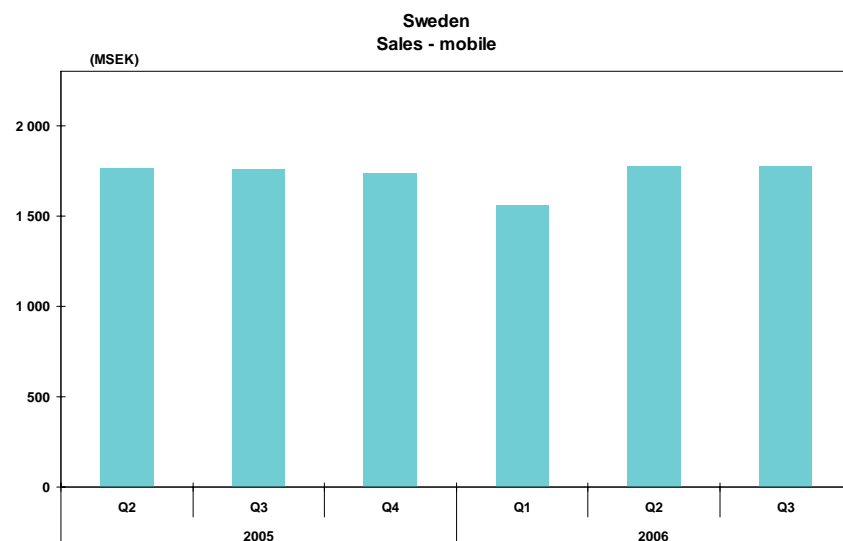


Baltic & Croatia Mobile sales +31%

Mobile roll-out in Croatia
– 104 MSEK

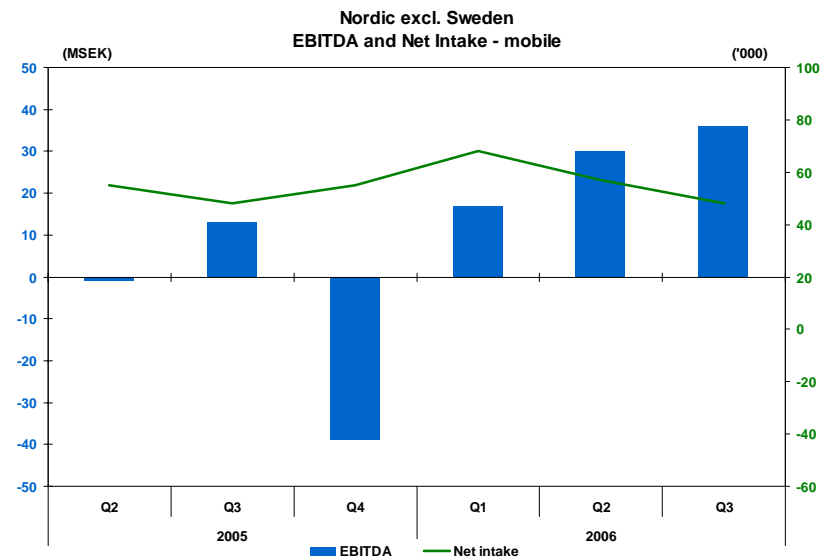
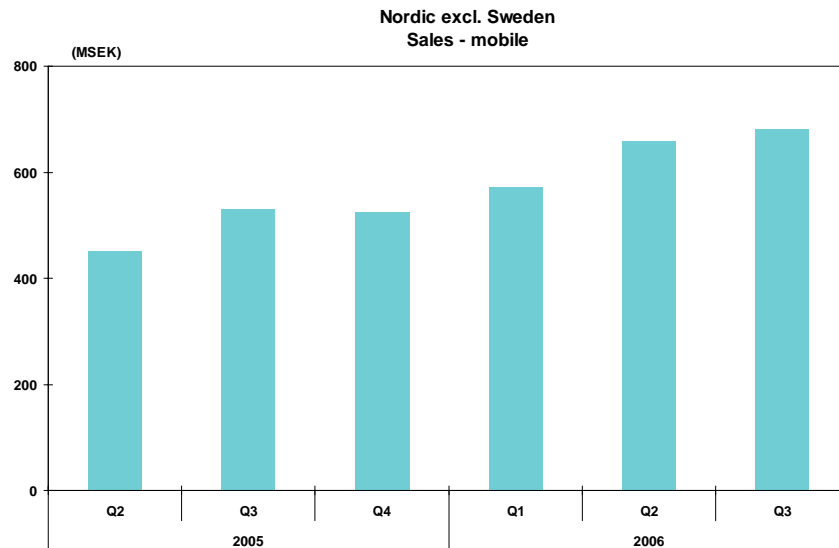


Sweden Mobile sales +1%



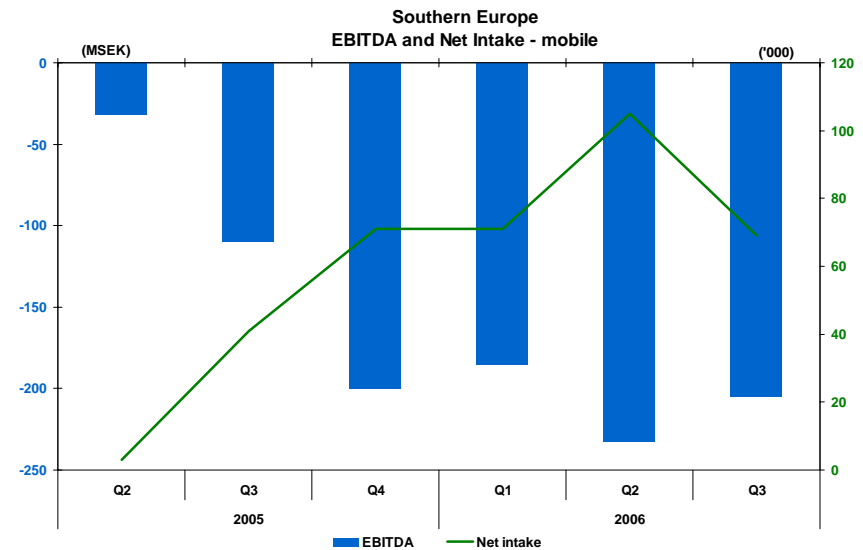
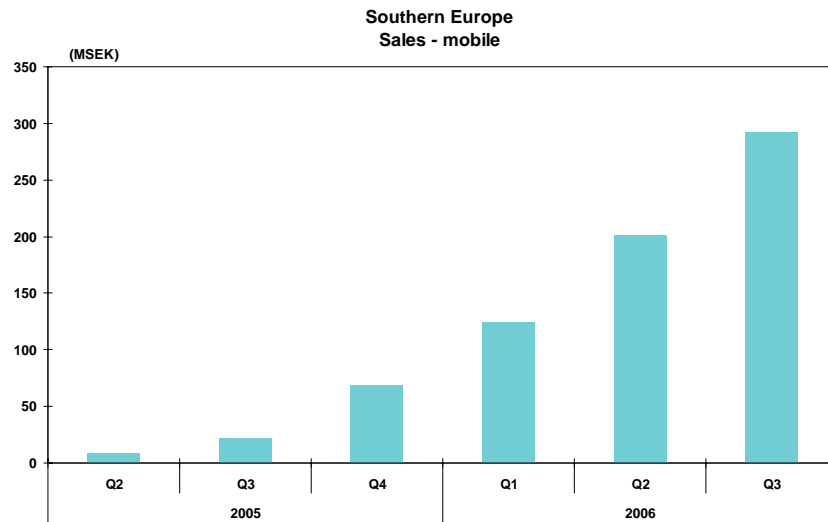
- EBITDA-margin stable at 43%
- Payment to Svenska UMTS-nät MSEK 42 (66)

Nordic excl. Sweden Mobile sales +28%



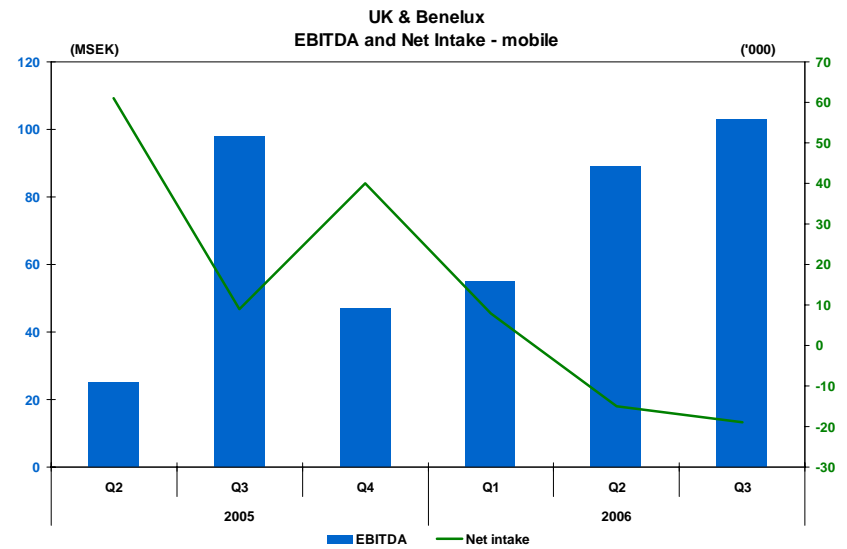
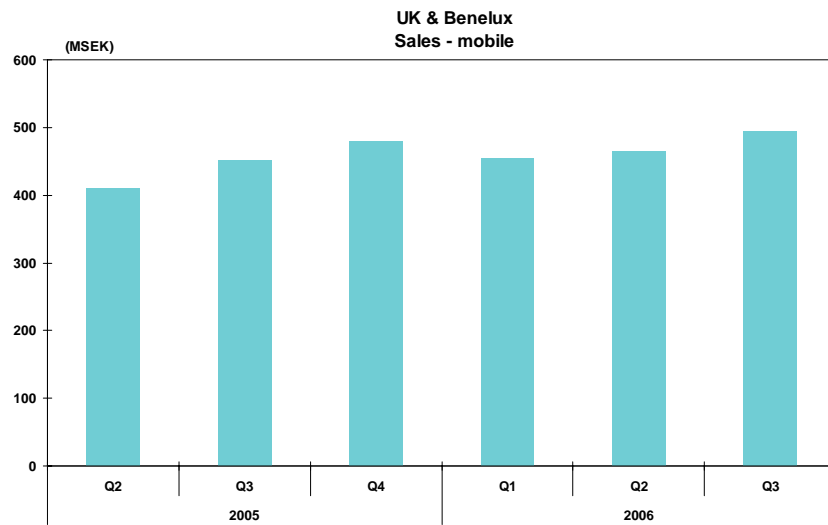
Adjusted for Tele2/Telenor MVNO accounting

Southern Europe Mobile sales

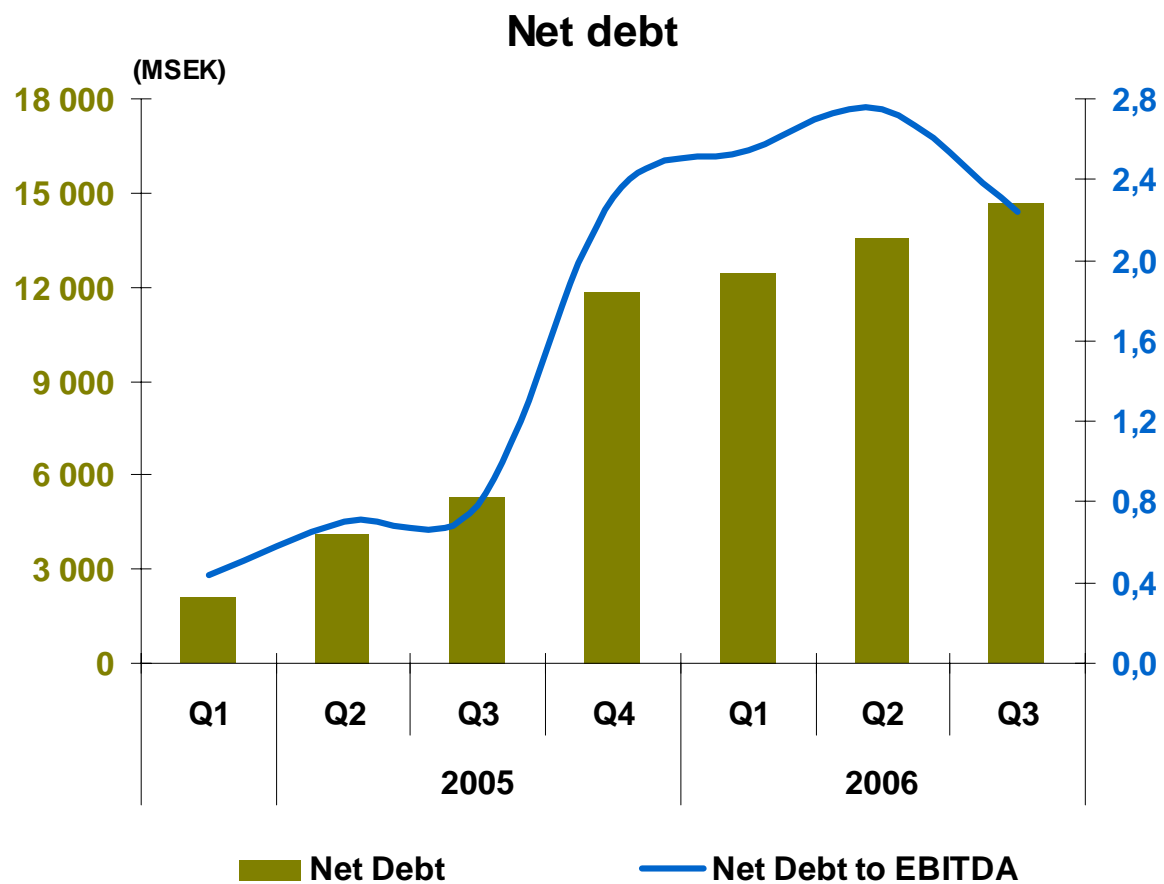


- More than 350,000 MVNO customers in France vs. 300,000 at end Q2 2006

UK & Benelux Mobile sales +9%



Net debt



- (Q3-06 excludes proceeds from divested operations in France, which will have a Net Debt effect of 3,3 billion SEK)

Financial impact of disposal of French fixed and broadband

- The main part of the group's goodwill is associated with the acquisition of SEC in 2000. Payment was made in Tele2 shares at a time where both Tele2 and SEC, in common with most TMT companies at that time, had historically high valuations.
- Divesting parts of the French business has given us an indication of the market value of our other businesses in Continental Europe.
- Even though France, with a fiercely competitive telecoms market and with the impact of current consolidation, is not necessarily representative, we have decided to base the collective valuation on its value at disposal
- Tele2 has taken a writedown of goodwill of SEK 3.3 billion which impacts EBT
- Tele2 has taken an estimated capital loss of SEK 1 billion on the sale of the French businesses, which impacts Net Profit
- The reported losses have no cash flow impact

Financial comments on the coming quarters

- Previous guidance for the full year 2006, including France was:
 - Revenue growth of between 11–14%
 - EBITDA in the range SEK 5,5–6,0 billion
 - Capex in the range SEK 5,5–6,0 billion
- If the assumption is made that the fixed telephony and broadband operations in France had been kept, the guidance for 2006, is now that:
 - EBITDA will come in at the upper end of the range or slightly above
 - Capex at the lower end or slightly below
 - Revenues will be at the lower end or slightly below
- This guidance is based on a stable high mobile intake, a stable decline in fixed telephony intake and a significantly higher broadband intake, compared to Q3.
- Our previous outlook for 2007 remains unchanged. We expect significantly higher EBITDA and higher organic growth for comparable businesses, compared to 2006

Don't forget

VISIT WWW.TELE2.COM



- Conference call today at 16.00 CET
WEBCAST AT WWW.TELE2.COM
- Q4 2006: February 2007

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