



Tele2 Q3 2007

24 October 2007

Lars-Johan Jarnheimer
President & CEO

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Q3 2007 Summary

SEK million	Q3-07	Q3-06	Growth %
<u>Continuing operations</u>			
Operating revenue	10,909	11,014	-1.0
EBITDA	1,844	1,700	+8.5
EBIT	609	-2,061	n.m.

- Revenue growth, on a comparable basis (excluding divested and acquired entities), was 7 % vs Q3 2006
- EBITDA, on a comparable basis, improved by 15 % vs Q3 2006

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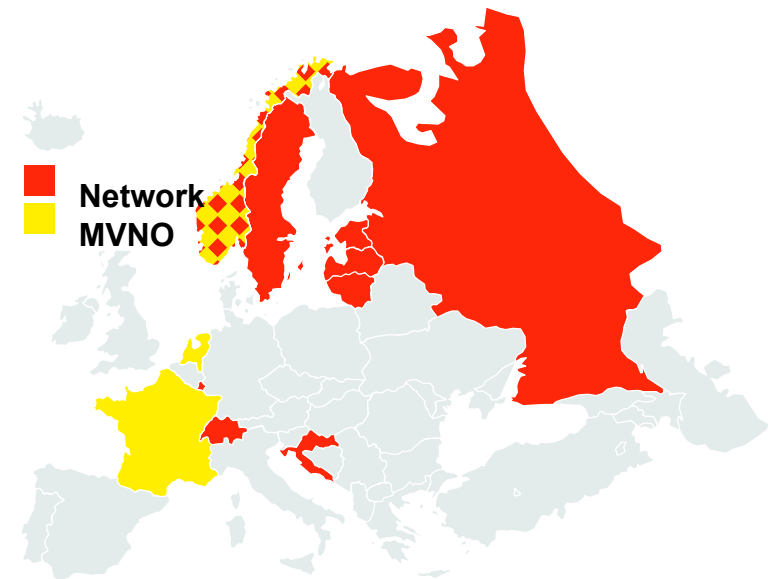
Q3 2007 Summary

- Strong performance in core mobile operations across the group
- Active execution of realignment process July to date
 - Divestments of Hungary, Irkutsk, Belgium and 3C
 - Acquisition of Telecom Eurasia in Krasnodar (Russia)
 - Divestment of operations in Italy & Spain and Austrian MVNO
- National Roaming Agreement in Russia
- Mobile network JV in Norway

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Mobile Telephony

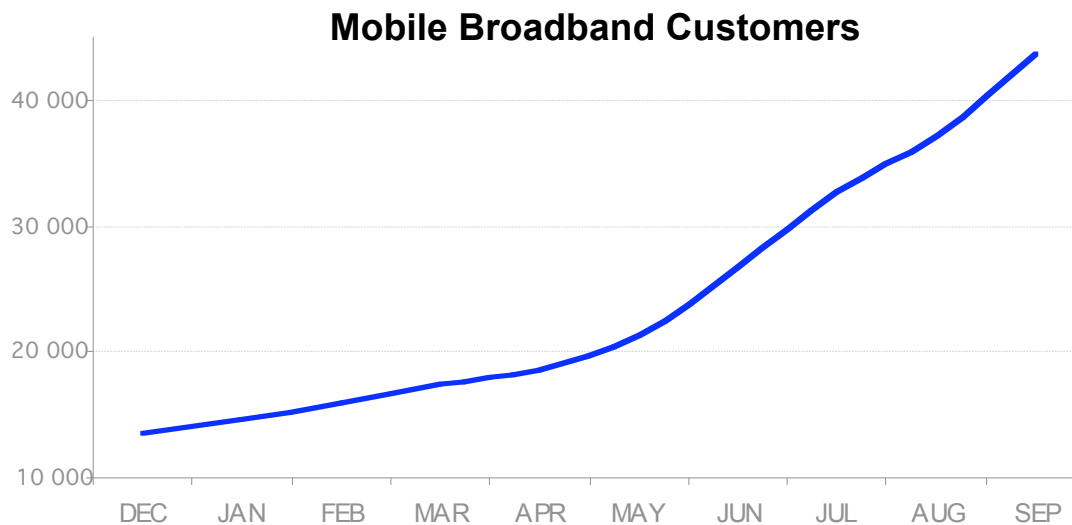
- 📱 Mobile revenue growth 17%, EBITDA up 29% y-o-y
- 📱 Net customer intake 865,000
- 📱 Sweden: net customer intake of 100,000
- 📱 Russia: net intake of 647,000
 - Revenue growth 62%
 - Maintained EBITDA margin of 33%
- 📱 Baltic & Croatia: Continued double-digit growth in all countries
- 📱 Norway: Revenue growth 21%
 - Network JV with Network Norway improves profitability and increases flexibility



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Mobile Telephony – Sweden

- 📶 Strong take-off of mobile broadband services
 - 45,000 mobile broadband customers in Sweden at end-Q3
 - Further acceleration expected in Q4 2007



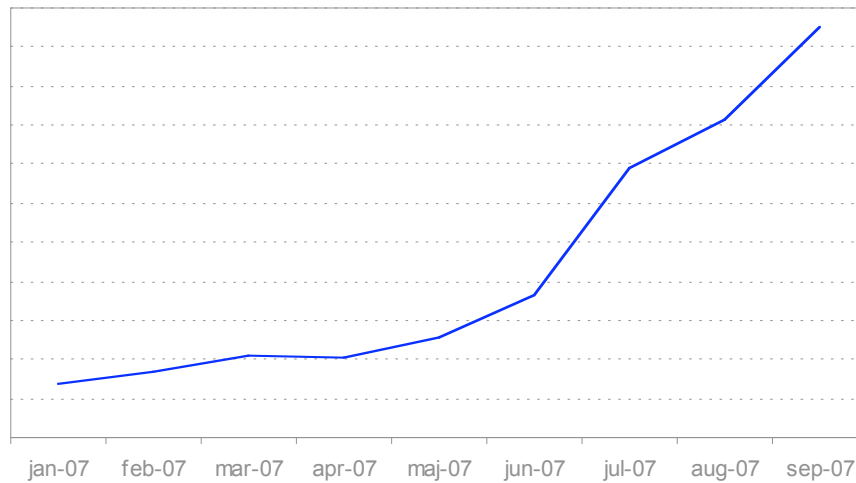
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Mobile Data – Sweden

📱 3G and content services picking up, 3G data (MB) up >650% in 9 months

– However, from a low level

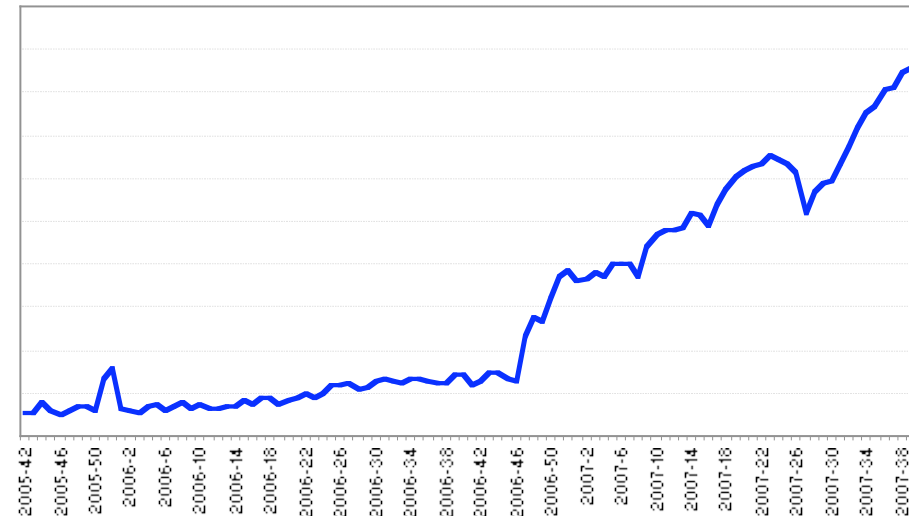
3G Data*



* MB monthly

📱 Number of SMS increased 230% in 12 months, and 340% in 24 months

SMS*

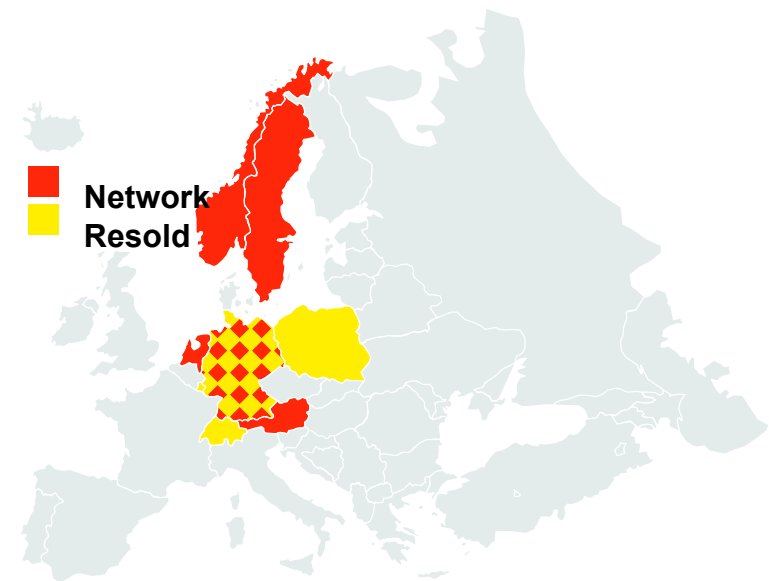


* Weekly, customers paying per SMS (bucket plans not included)

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Broadband

- 📺 Direct Access & LLUB sales growth 12%
- 📺 DA & LLUB net intake 77,000 in Q3; resold broadband -10,000
 - Migration of resold customers onto DA & LLUB particularly in Norway, Sweden and Austria
- 📺 Continued demanding situation in Germany – we are monitoring our business plan
- 📺 Several large Cable TV and Triple Play contracts in Sweden



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Fixed Telephony

- 📞 EBITDA margin stable at 13%
- 📞 Fixed telephony revenue continues as expected to decline
- 📞 Customer net loss 441,000
 - But increased market share in Sweden and Norway
- 📞 Revenue and profitability in Poland positively affected by wholesale line rental
- 📞 Fixed-to-mobile trend particularly visible in Germany and Austria



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Corporate Segment

- Corporate market generates app. 18% of group revenue
- Increased internal focus on corporate market, mainly SME
 - Visible corporate position in Sweden, Netherlands and Austria
- Growing market opportunities for SME in Baltic and Russia

A Company in Change

Geographic Expansion of Tele2 1997-2005

- Present in 25 countries
- Mobile in 9 countries
- MVNO in 6 countries
- Broadband in 18 countries
- Fixed in 23 countries

Realignment of Tele2 2007

- Present in 15 countries
- Mobile in 8 countries
- MVNO in 3 countries
- Broadband in 9 countries
- Fixed in 9 countries

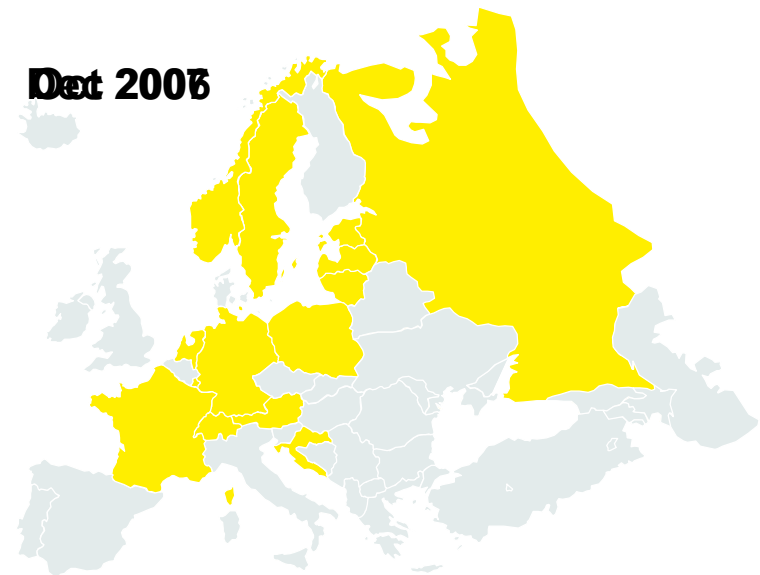
The New Tele2 2008-

- Smaller geographic footprint
- Focused operations - mobile and broadband services
- Operational scale on own infrastructure

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Beyond the Realignment Process

- Organic growth and strategic acquisitions
 - Infrastructure investments where it generates superior returns
- Develop core businesses to stay best in class
- Increased management focus on core areas
- Improved margins and cash flow, focus on ROCE



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Tele2 Q3 2007

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Lars Nilsson
CFO

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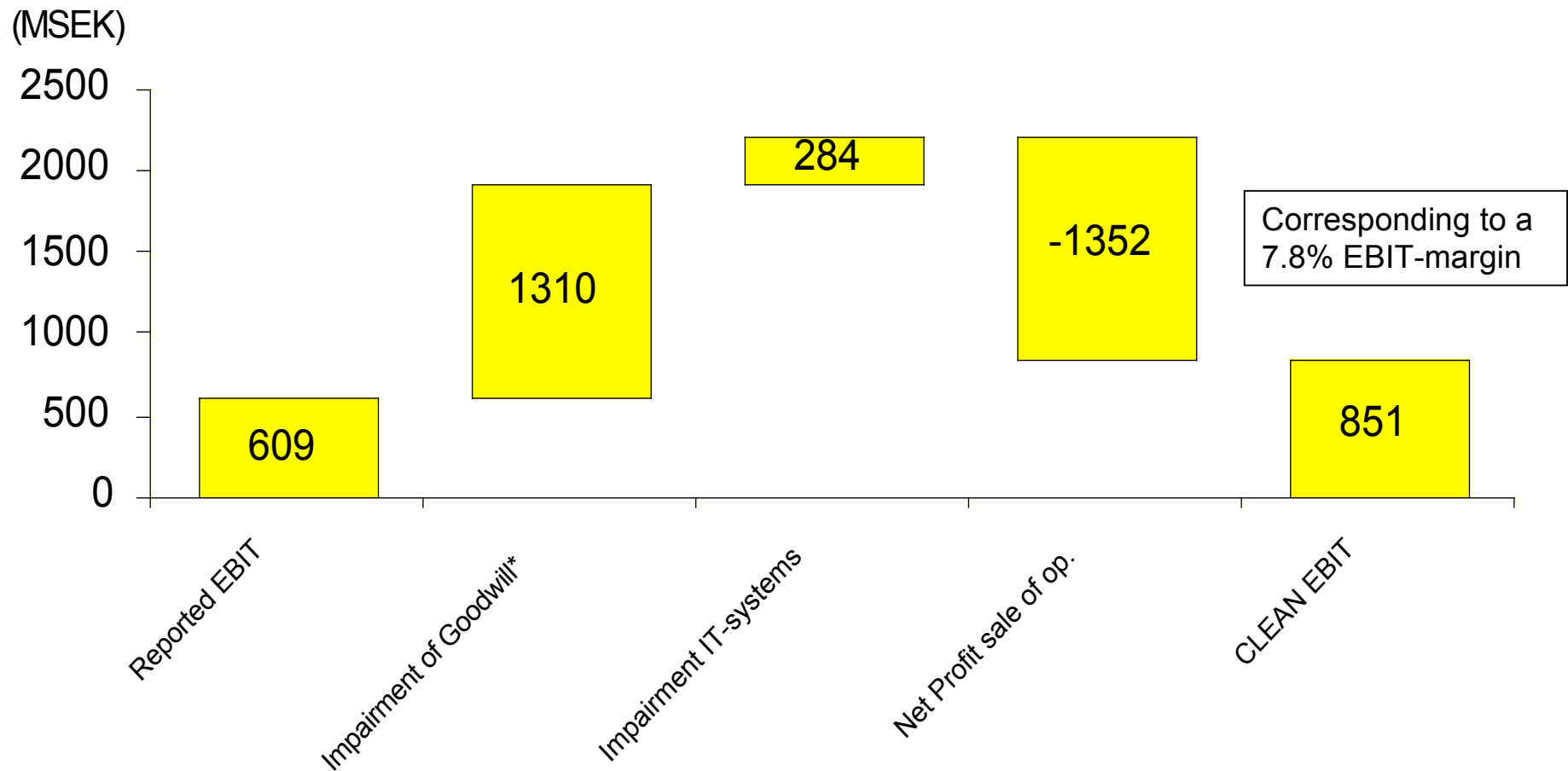
Financial Overview Q3 2007 - Continued Operations

(All figures in MSEK)	Q3 2007	Q3 2006	YTD 2007	YTD 2006
Revenues	10,909	11,014	32,967	31,946
EBITDA	1,844	1,700	5,147	4,263
<i>EBITDA %</i>	16.9	15.4	15.6	13.3
Depreciation	1,222 *	-879	-3,083 *	-2,541
Write-down of goodwill	-1,310	-2,457	-1,310	-2,457
Sale of operations	1,352	-2	827	47
Associated comp.	-55	-22	-174	-93
EBIT	609	-1,660	1,407	-781
<i>EBIT %</i>	5.6	-15.1	4.3	-2.4
Financial items	-181	-147	-623	-402
Taxes	-566 **	-38	-918 **	-70
Net result	-138	-1,769	-134	-1,253

* Including writedown of IT systems (MSEK -284)

** Including impairment of deferred tax assets (MSEK -599)

Clean EBIT Q3 2007

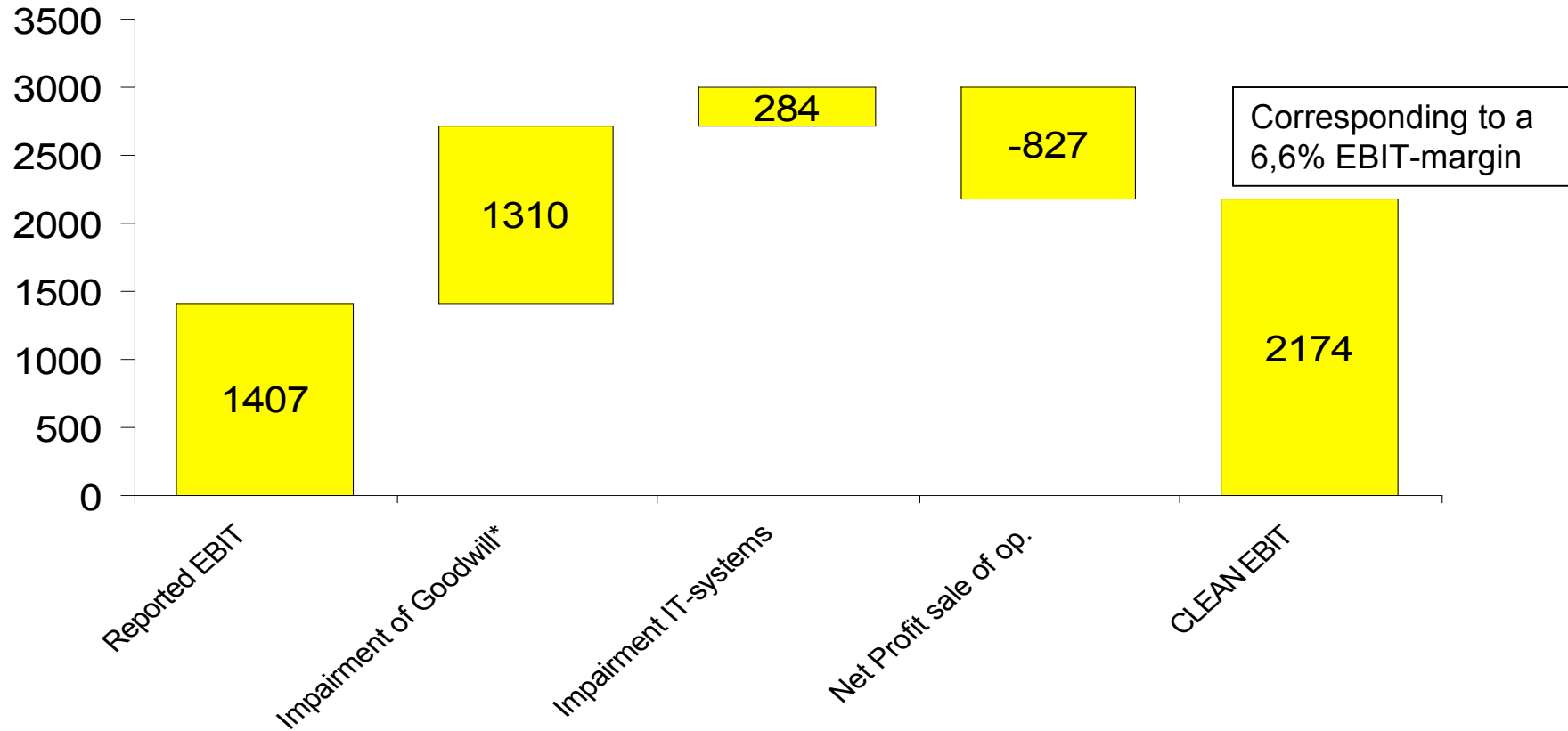


*Germany (570), Austria (290), Belgium (275), Netherlands (175)

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Clean EBIT Y-t-d 2007

(MSEK)



*Germany (570), Austria (290), Belgium (275), Netherlands (175)

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Cash Flow

(All figures in MSEK)

	Q3 2007	Q3 2006	YTD 2007	YTD 2006
CF from operations	1,208	1,511	3,149	3,931
Change in WC	615	67	229	-680
Cash Flow from operating activities	1,823	1,578		3,251
CAPEX	-1,188	-1,420		-4,098
Acquisition/sale of shares	5,478	-1,181		-1,266
Change in long-term receivables	-356	17		159
Cash Flow after investing activities	5,757	-1,006		-1,954
CAPEX Continuing operations	- 943	- 964		- 3,106

Cash Flow Effects from Realignment Process until Q3 2007

(All figures in MSEK)	1 Jan-30 Sep 2007
Tele2 Portugal	122
Tele2 Irkutsk, Russia	1,570
Tele2 France	2,937
Tele2 Denmark	752
Other	45
Total Cash Flow effect until Q3 2007	5,426

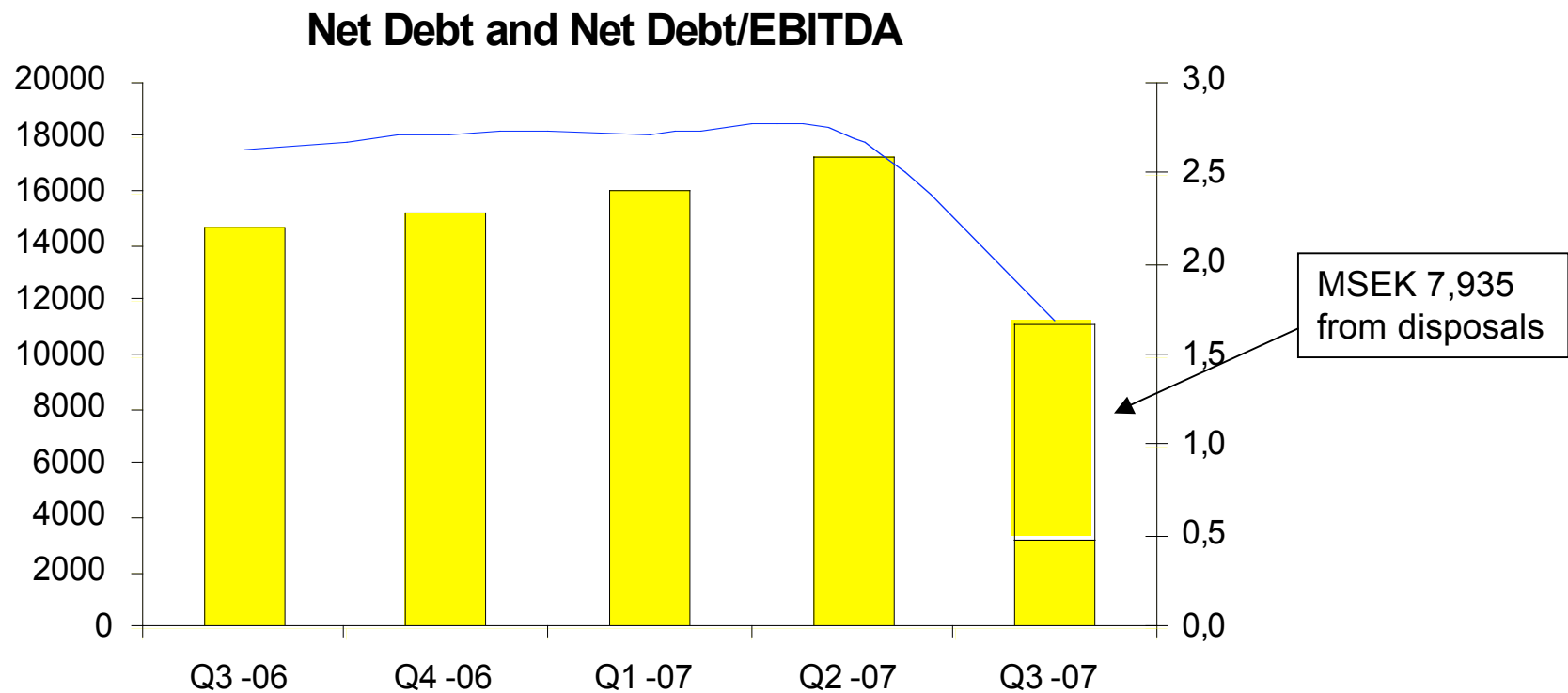
The logo for TELE2, featuring the word "TELE2" in a bold, black, sans-serif font. The "2" is significantly larger and more stylized than the other characters.

Cash Flow Effects from Realignment Process after Q3 2007

(All figures in MSEK)	Announced
Tele2 Italy / Spain	7,100
Tele2 Belgium	890
Tele2 Hungary	40
Tele2 Austria MVNO	65
Telecom Eurasia	-160
Total Cash Flow effect after Q3 2007	7,935

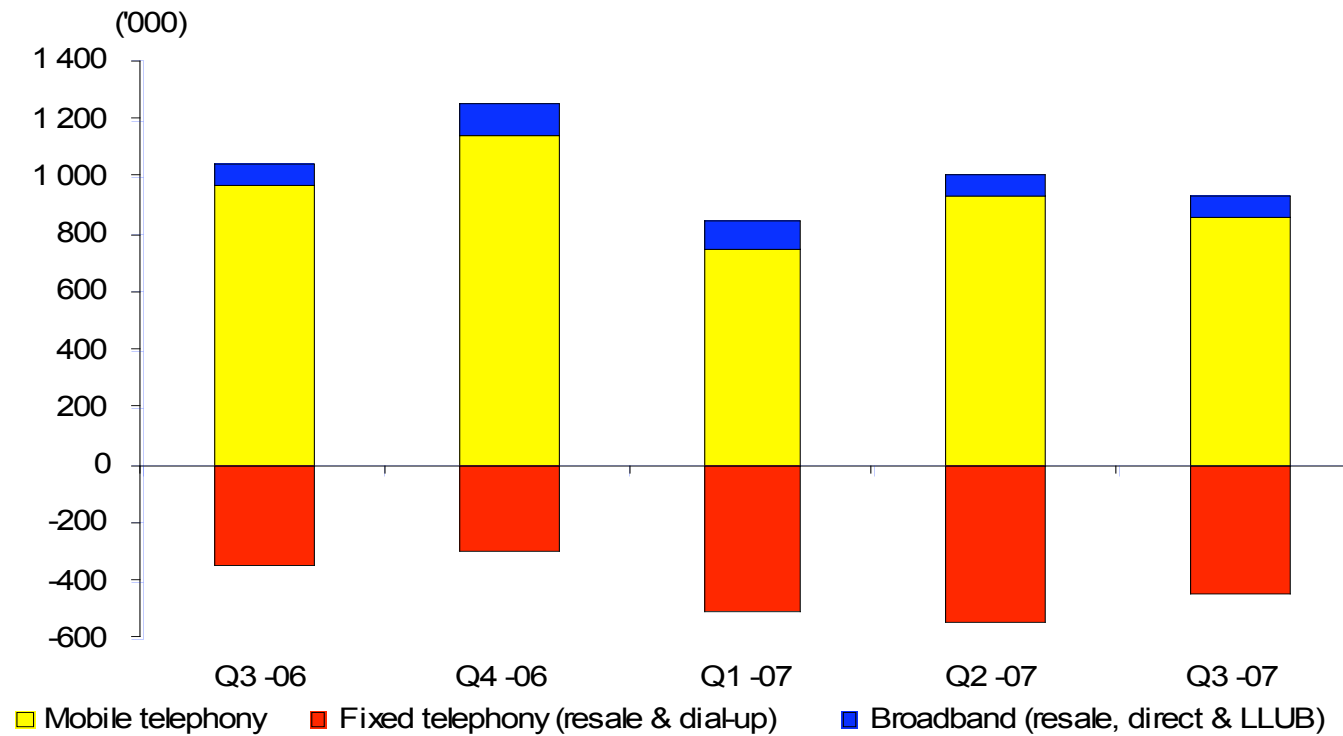
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Net Debt to EBITDA



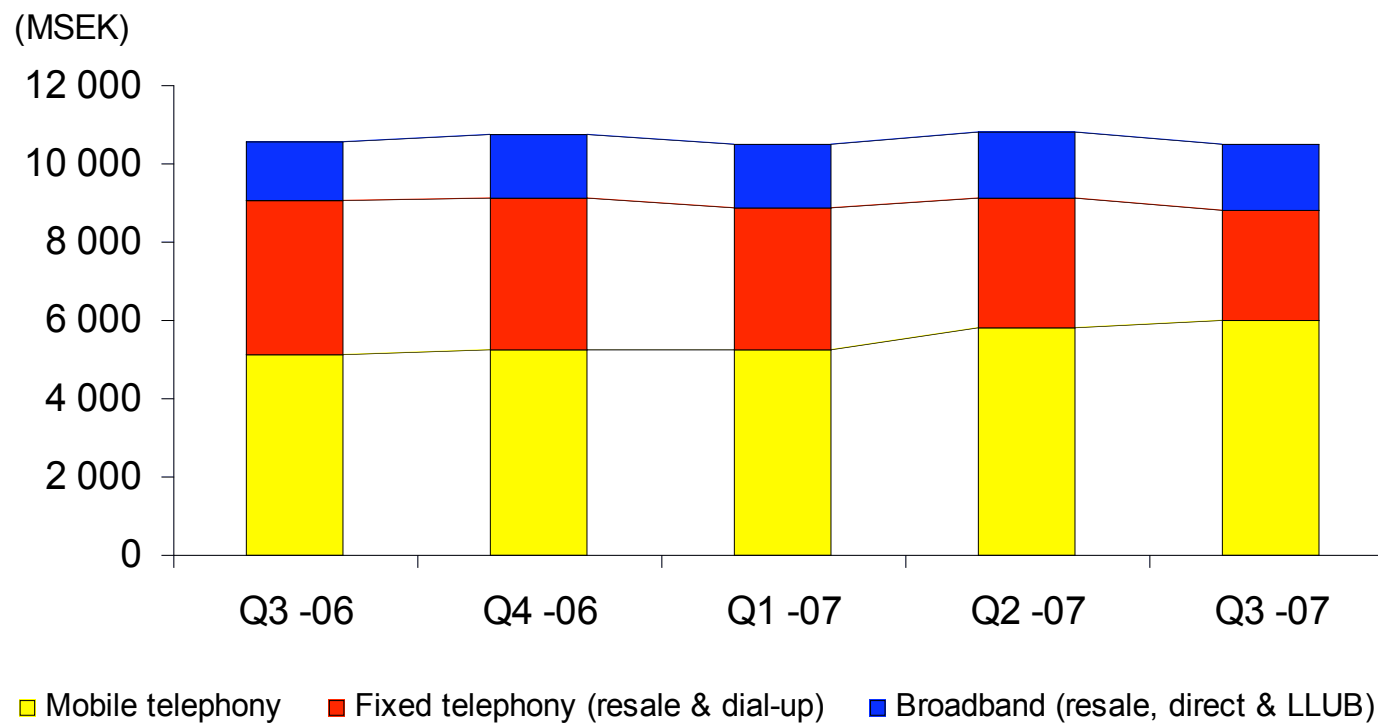
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Net Intake by Segment



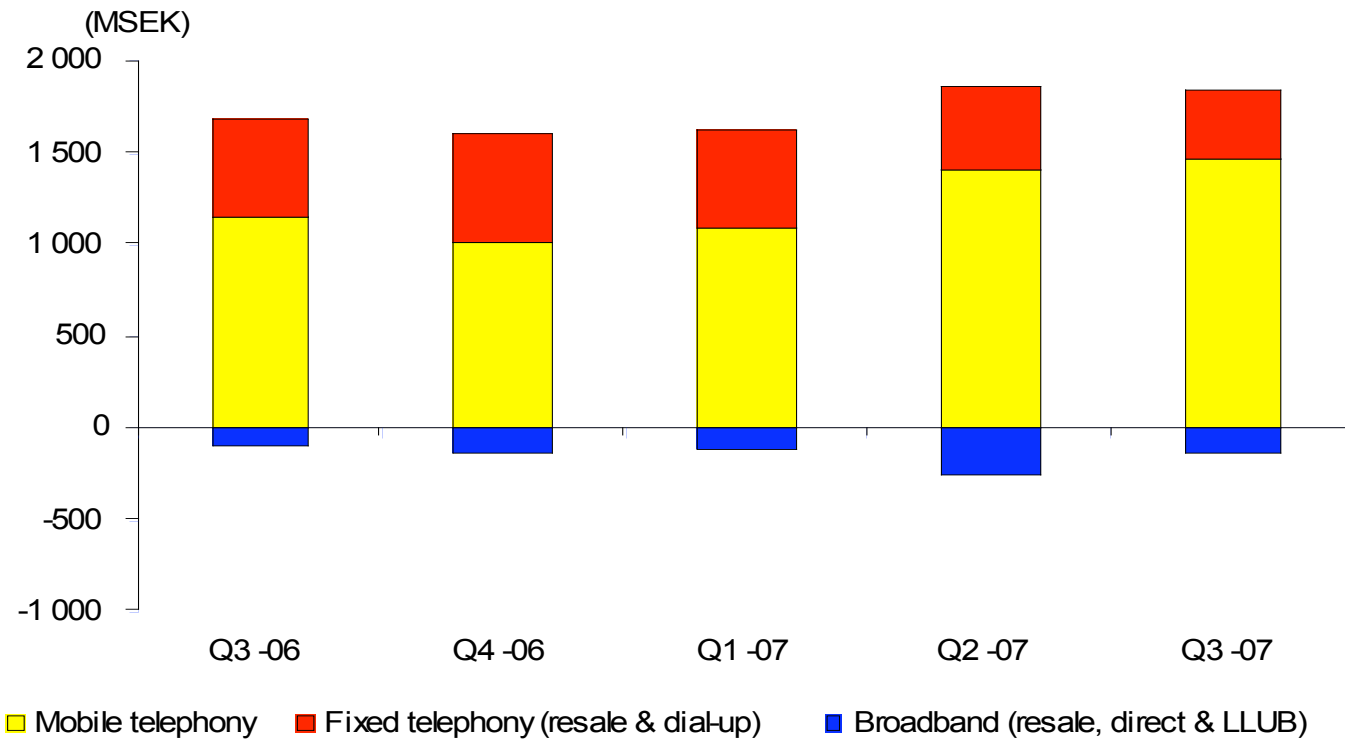
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Revenue by Segment



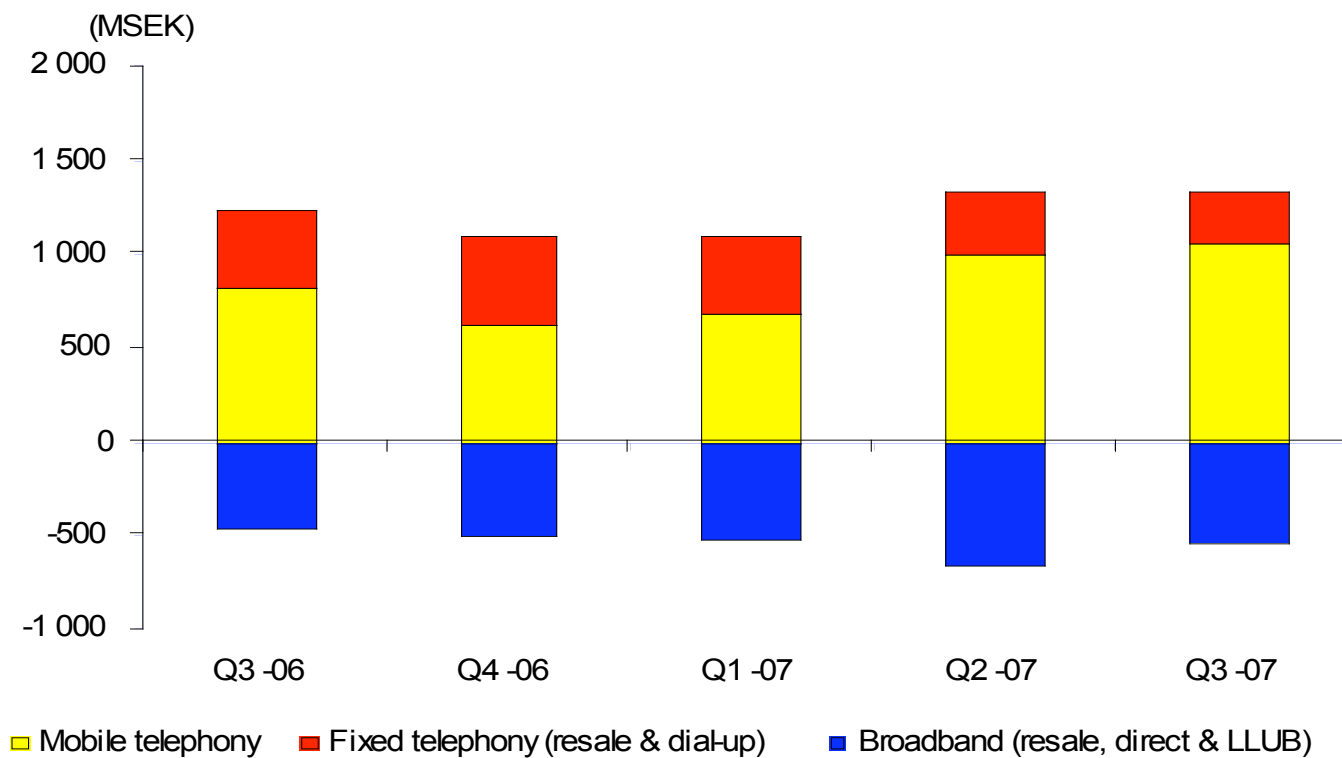
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EBITDA by Segment



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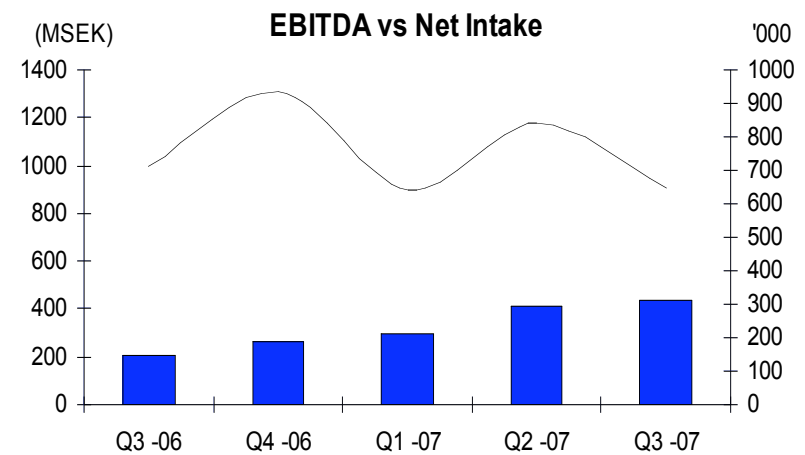
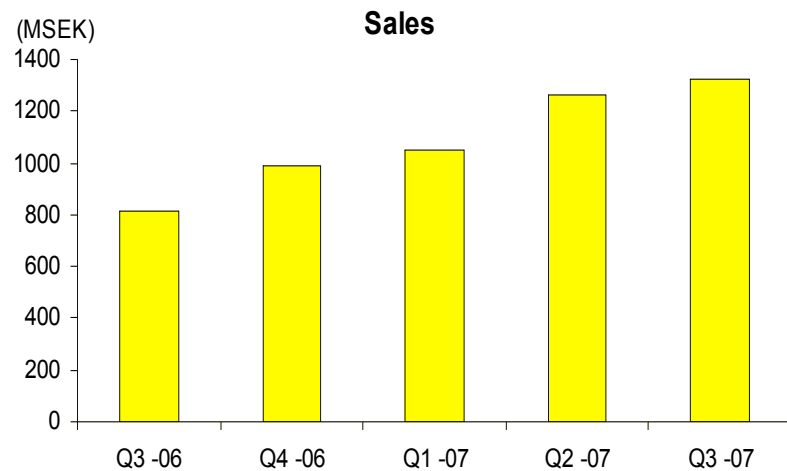
EBIT* by Segment



* Excl. non-recurring items

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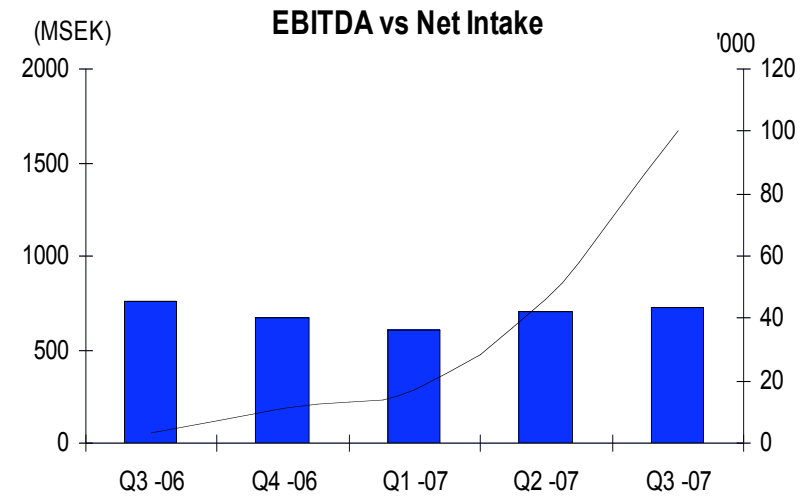
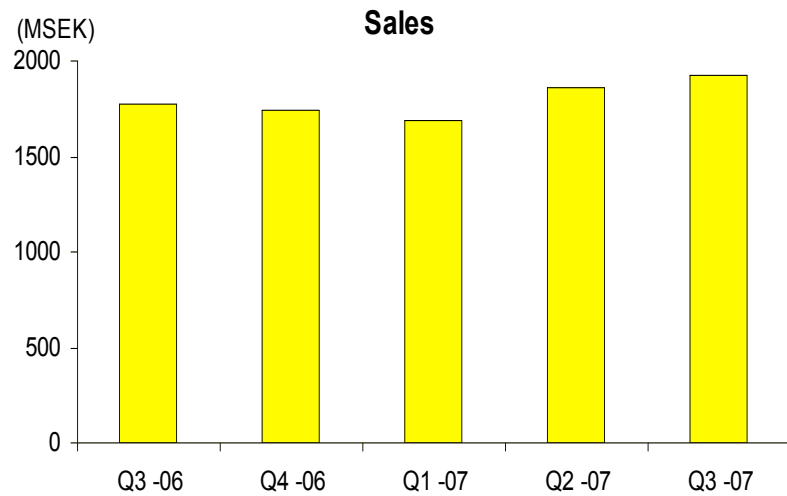
Russia



- **Revenue growth 62% year-on-year**
- **EBITDA margin 33%**
- **8 million customers**

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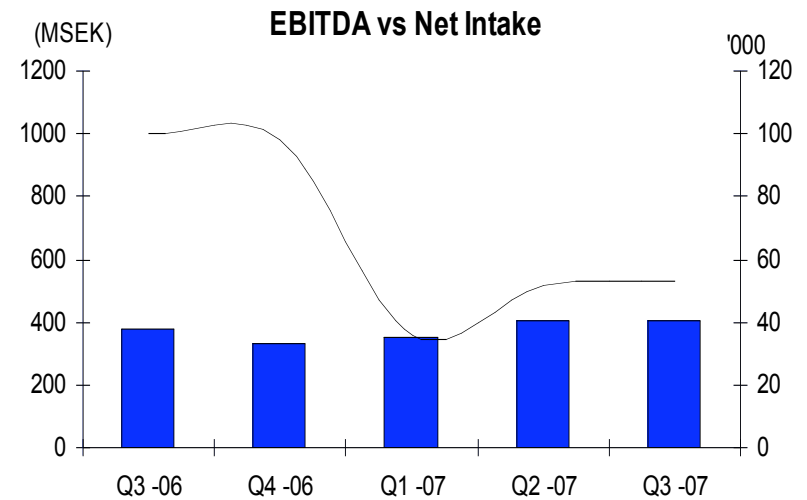
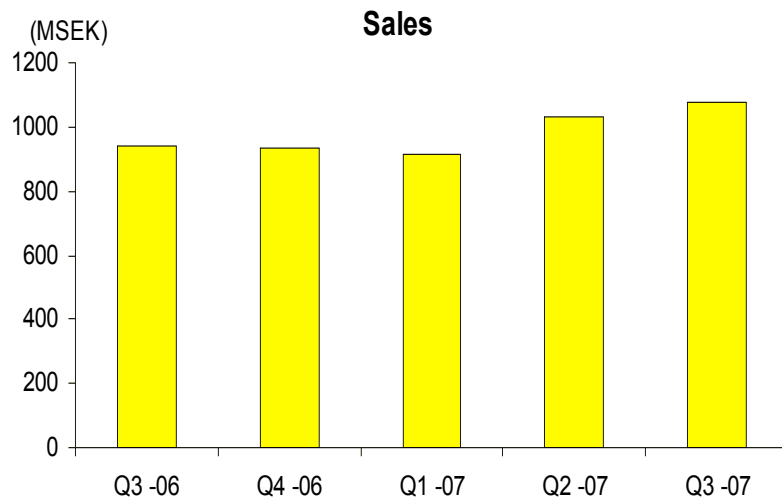
Sweden Mobile



- **Growth 9% year-on-year**
- **Strong net intake affected EBITDA margin slightly in Q3**

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Baltic



- **Growth 14% year-on-year**
- **Continuing strong net intake**
- **EBITDA margin 38%**

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A black and white cow is shown in profile on the left side of the frame, looking towards the right. In the background, a man in a dark suit and red tie stands in a green field, holding a large, bright red cloth that is spread out on the ground. The sky is clear and blue. The word "Questions?" is written in white text in the upper right quadrant of the image.

Questions?



Visit www.tele2.com

- Q4 2007: 12 Februar 2008

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