FIRST QUARTER 2010

21 April 2010

TELE2

AGENDA

About Q1 2010

Financial review

Concluding remarks

HIGHLIGHTS Q1

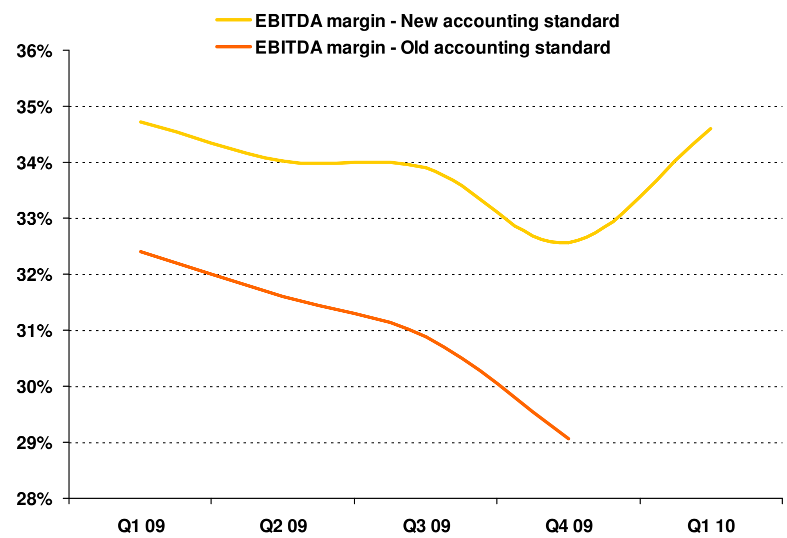
Robust operational result

- **Nordic**
  - Sweden mobile revenue grew by 3 percent
  - Mobile margin Sweden 35 percent
- **Russia**
  - Highest ever EBITDA contribution
    - EBITDA amounted to 719 SEK million
  - 949 000 new customers
- **Central Europe & Eurasia**
  - Sustained cash flow contribution
  - Welcoming Kazakhstan, our newest member in the Tele2 group
- **Western Europe**
  - Further success in corporate segment

HIGHLIGHTS TELE2 SWEDEN

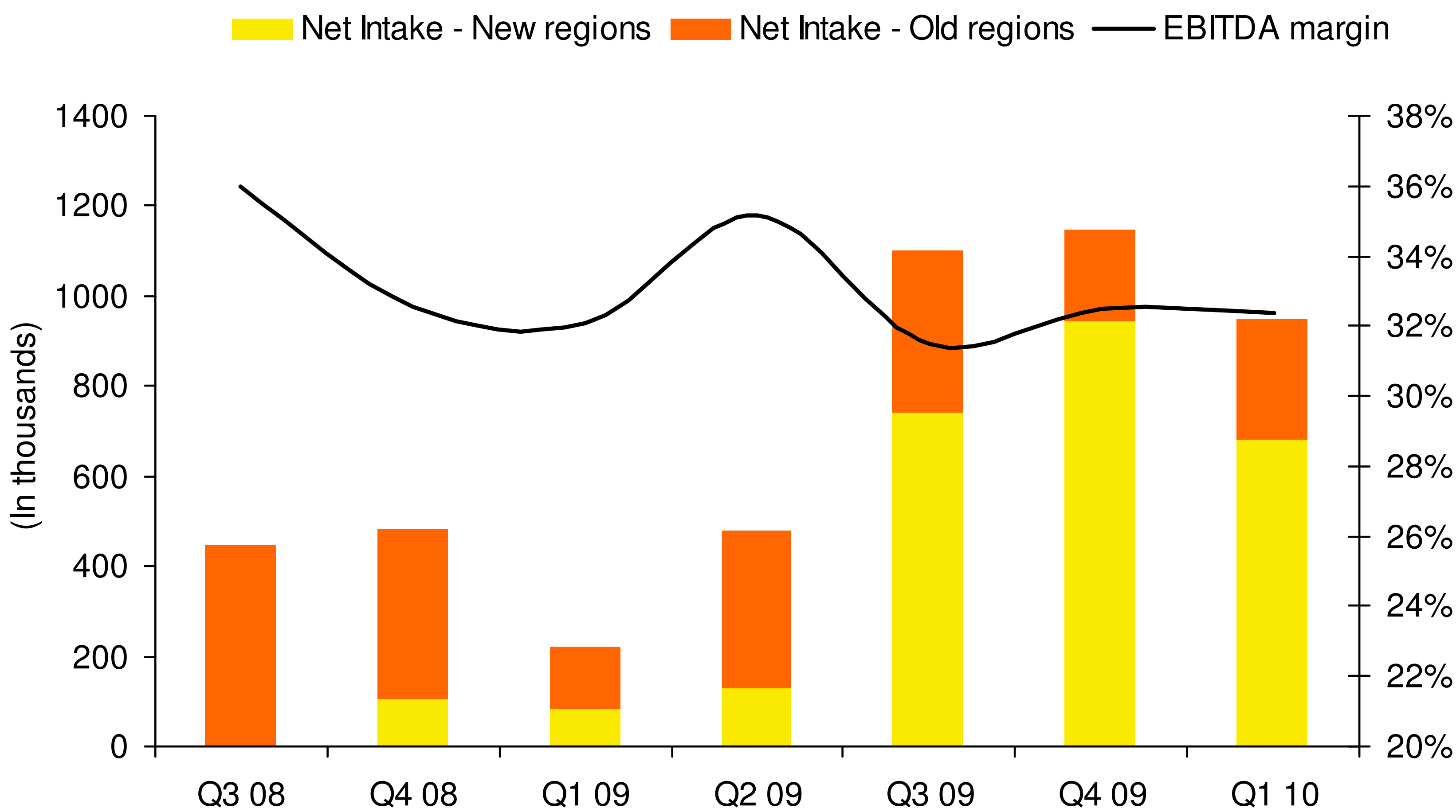
- **Adding 29 000 new postpaid customers, of which:**
  - **15 000 mobile internet**
  - **14 000 mobile voice**
- **Continued revenue growth**
  - **Driven by mobile**
- **EBITDA amounted to 794 SEK million**
- **Continued focus on growth in postpaid segment**

- **New accounting treatment for handsets sold with monthly instalments**



TELE2

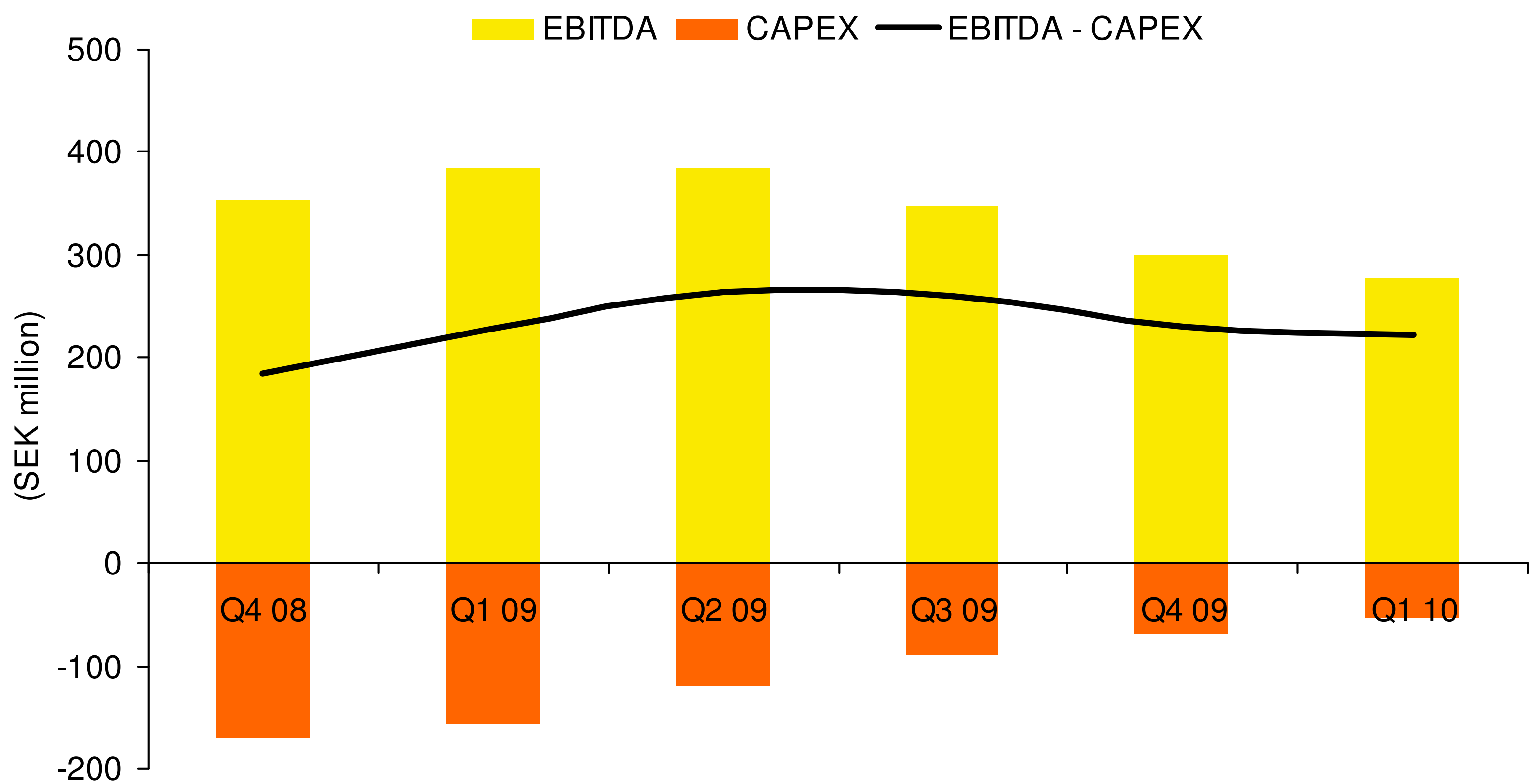
HIGHLIGHTS TELE2 RUSSIA



HIGHLIGHTS TELE2 NETHERLANDS

- Gold standard for the group in the corporate segment
  - Successful Best Deal strategy
- EBITDA increased to SEK 611 (594) million in the quarter

HIGHLIGHTS TELE2 BALTIC REGION



TELE2

AGENDA

About Q1 2010

Financial review

Concluding remarks

Q1 2010 GROUP RESULTS

SEK million	Q1 10	Q1 09	Change %
Continuing operations, Net Sales	**9,535**	**9,828**	**-3%**
EBITDA	**2,358**	**2,244**	**5%**
- EBITDA margin (%)	24,7%	22,8%	
Depreciation and joint venture	-809	-893	
- Depreciation of net sales (%)	8,5%	9,1%	
One-off items	-3	-4	
EBIT	**1,549**	**1,351**	
Normalized EBIT	1,546	1,347	
- Normalized EBIT margin (%)	16,2%	13,7%	
Financial items	42	-592	
Taxes	-339	-281	
Net result, continuing operations	1,249	474	
Net result, discontinued operations	19	197	
Net result	**1,268**	**671**	

TAXES

Taxes in income statement (MSEK)	One-Off	Normal	Reported
Q1	-	-339	-339

Taxes in cash flow statement (MSEK)	One-Off	Normal	Reported
Q1	-	-233	-233

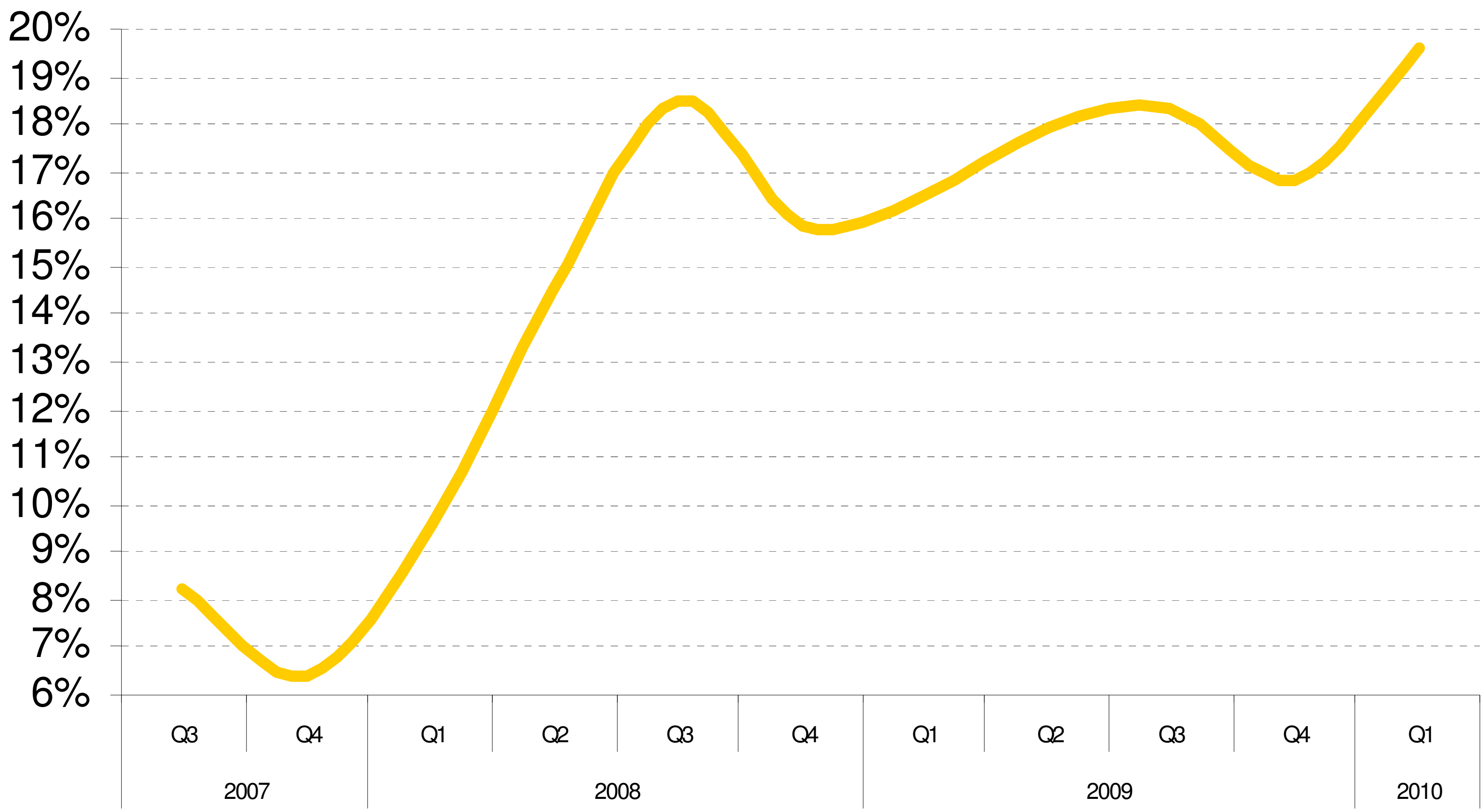
In 2010: Tele2 forecast a corporate tax rate of approximately 22 (earlier 20) percent excluding one-off items. The tax payment will affect cash flow by approximately SEK 800 (earlier 700) million due to better than expected operational performance in Tele2 Russia.

CASH FLOW FOR Q1 2010

SEK million	Q1 10	Q1 09
OPERATING ACTIVITIES		
Cash flow from operations, less paid taxes	2,341	1,923
Taxes paid	-233	-456
Changes in working capital	183	364
CASH FLOW FROM OPERATING ACTIVITIES	**2,291**	**1,831**
INVESTING ACTIVITIES		
CAPEX	-608	-1,149
Cash Flow after CAPEX	**1,683**	**682**
Acquisition and sale of shares and participations, net	-819	-97
	864	**585**

TELE2

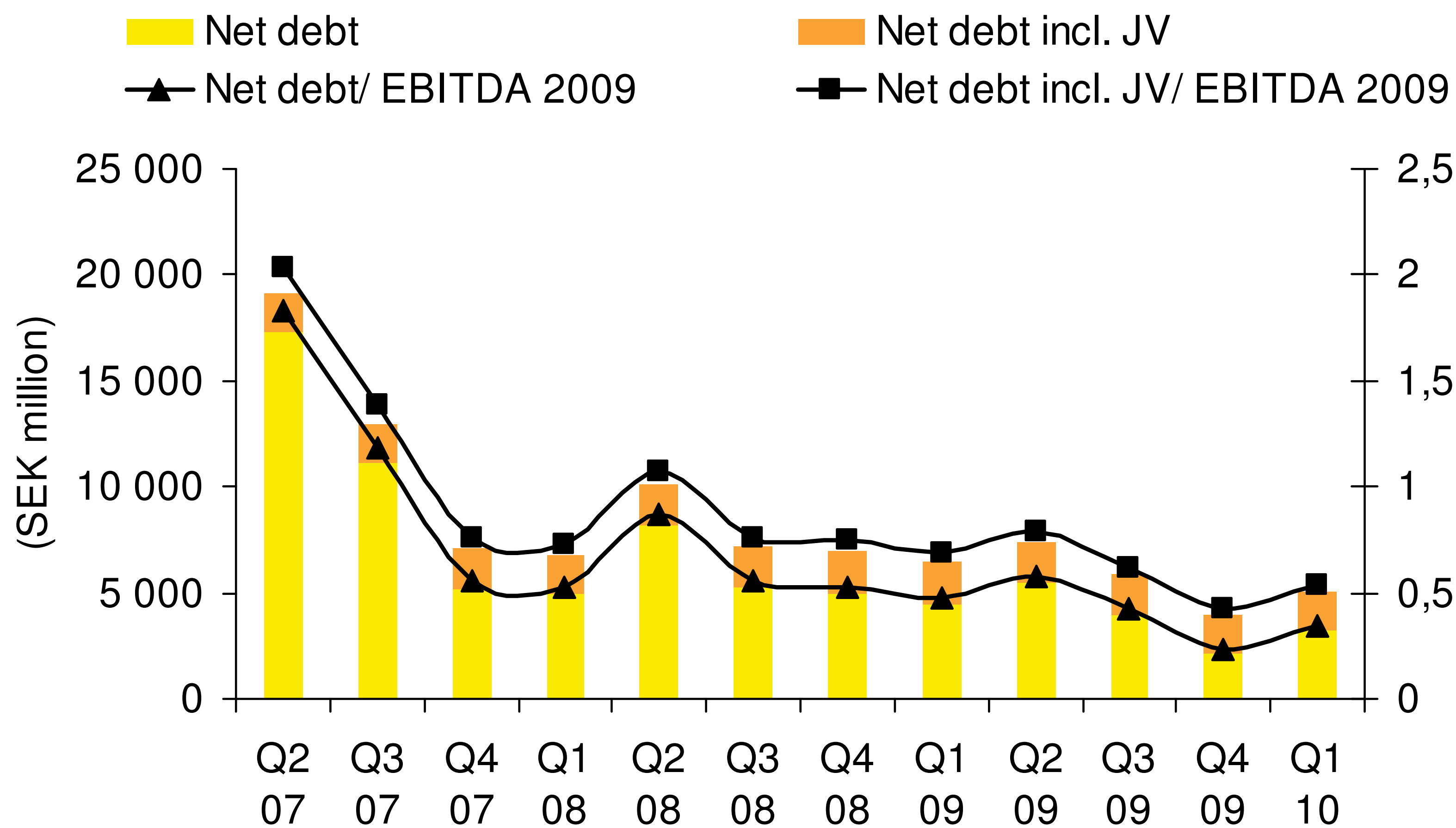
ROCE



20%
19%
18%
17%
16%
15%
14%
13%
12%
11%
10%
9%
8%
7%
6%
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
2007
2008
2009
2010

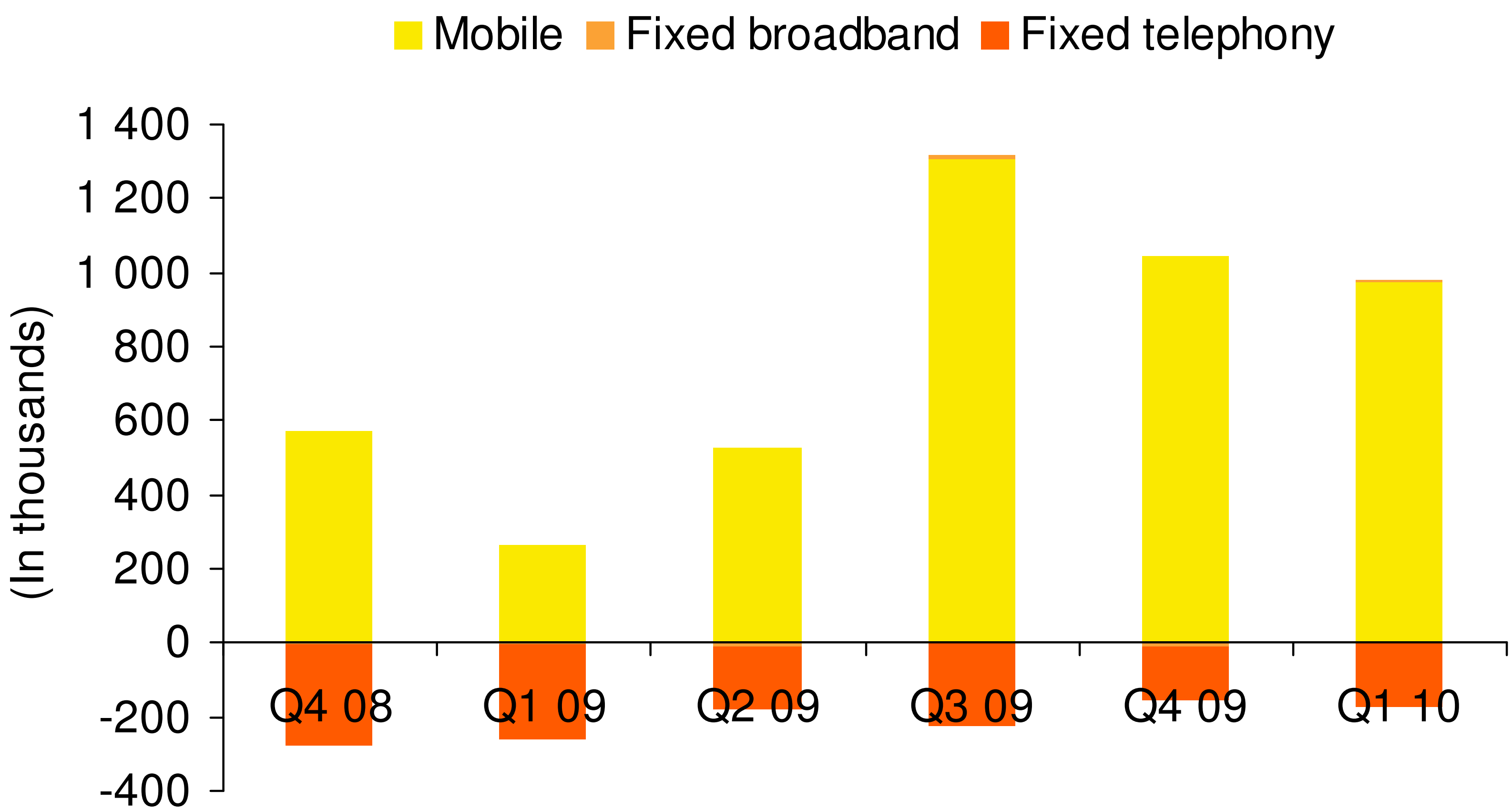
TELE2

GROUP FINANCIAL PROFILE



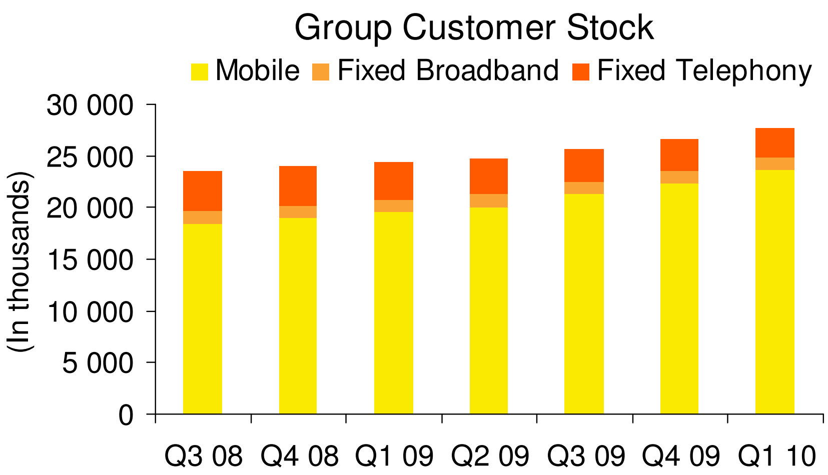
TELE2

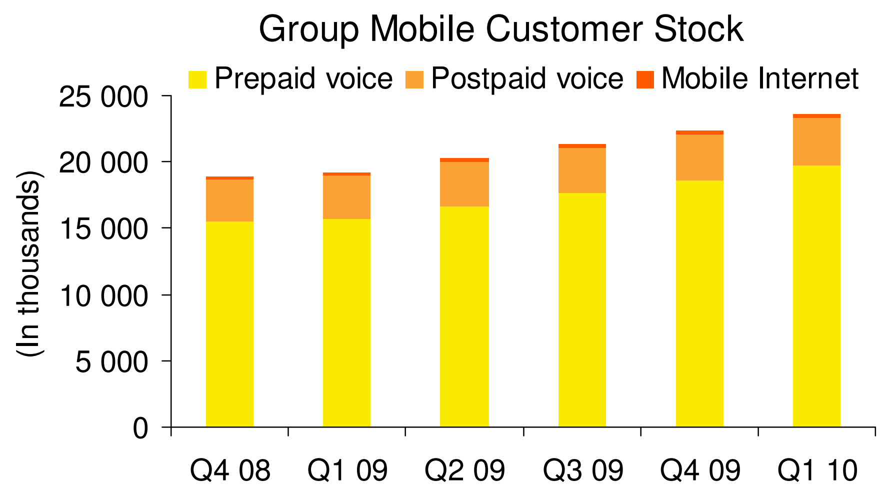
GROUP NET INTAKE PER SEGMENT



TELE2

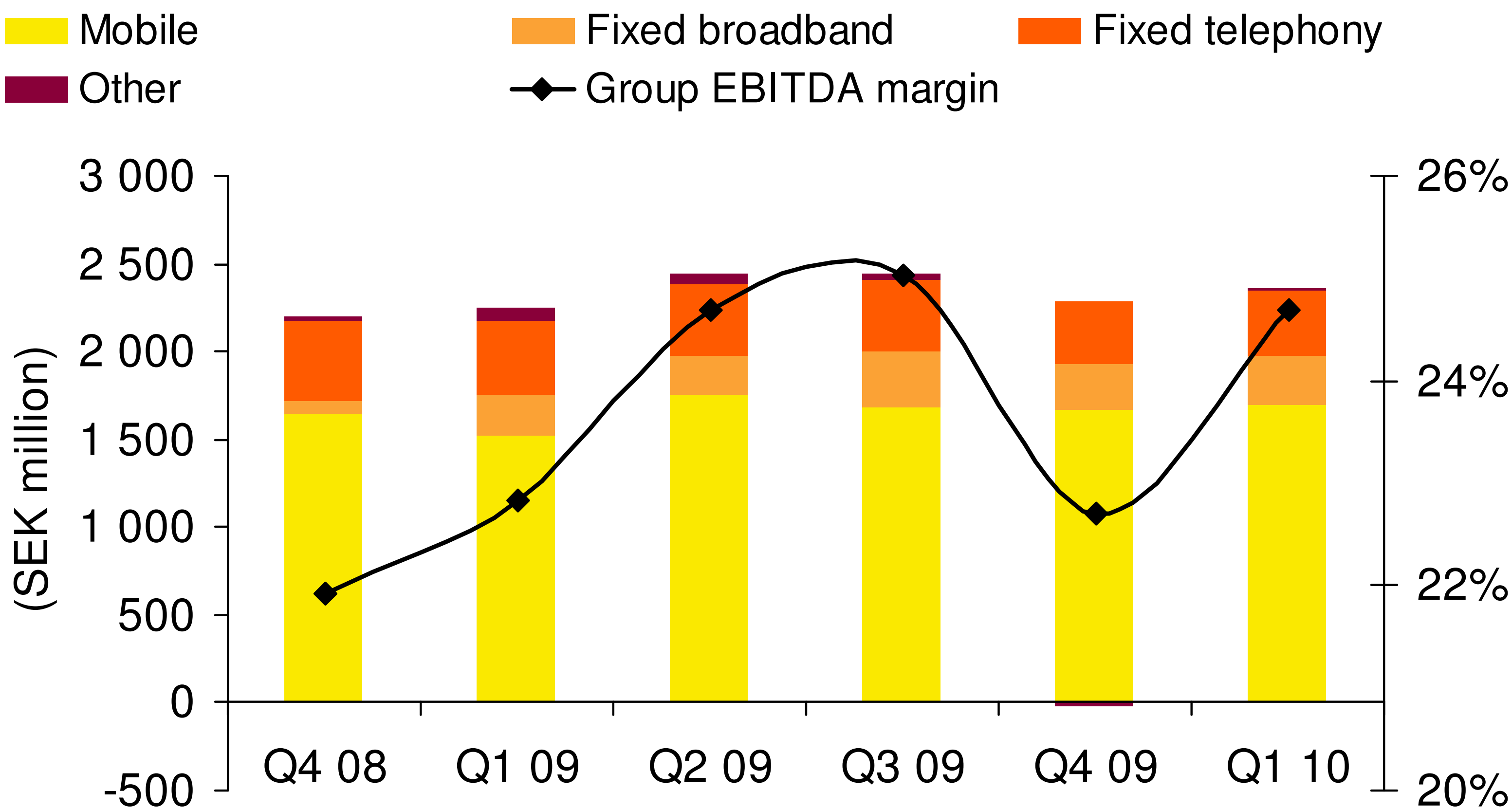
GROUP CUSTOMER STOCK



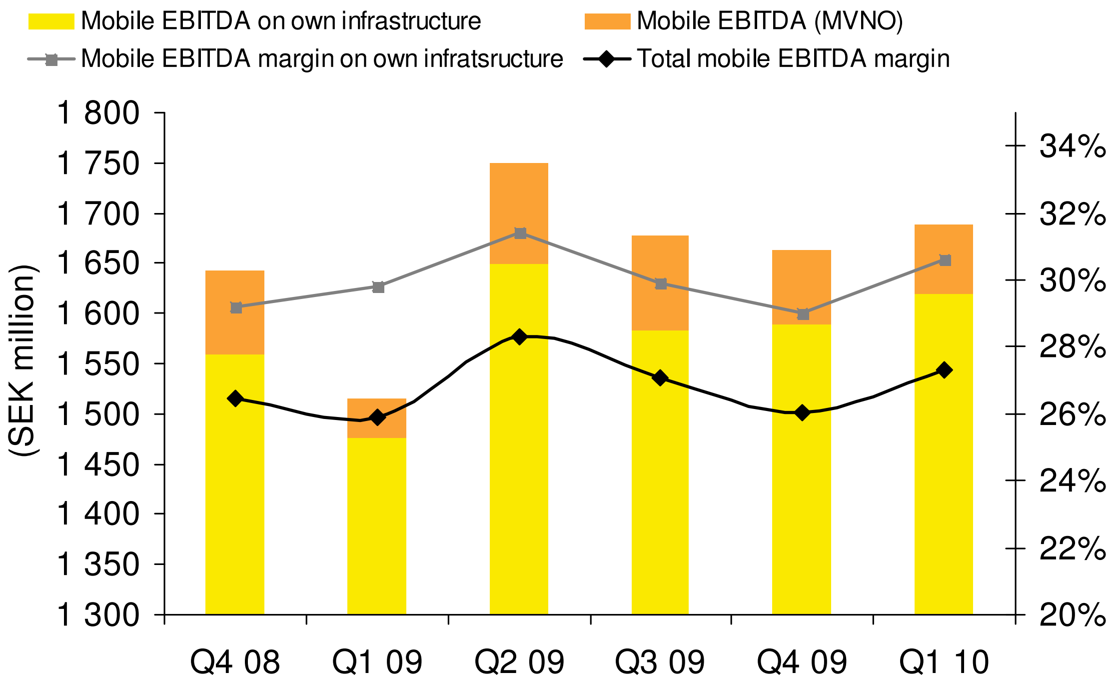


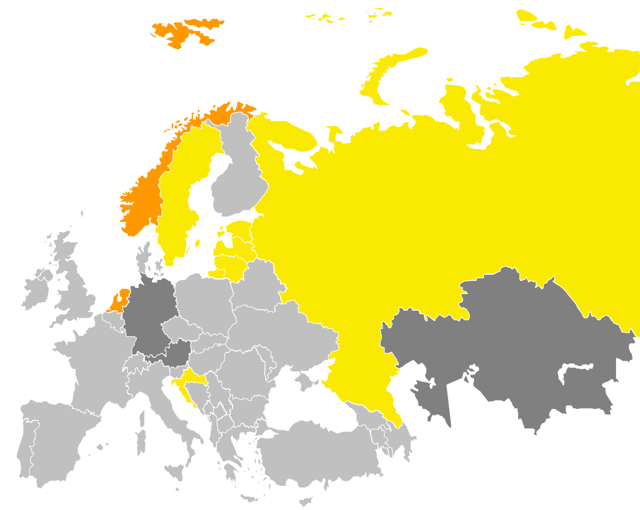
- Strong intake in the mobile segment
  - Driven by Russia adding 949 000 new customers

GROUP EBITDA



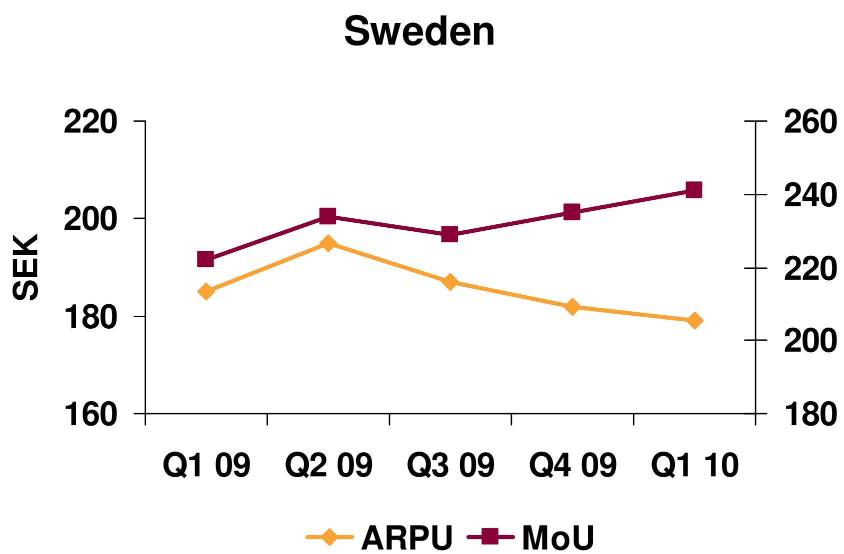
GROUP MOBILE EBITDA

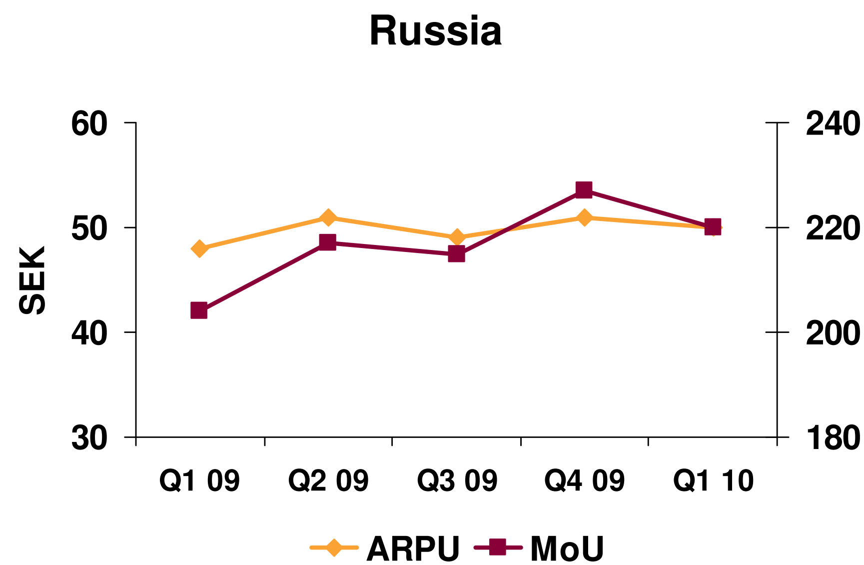




TELE2

MoU AND ARPU DEVELOPMENT





- Relatively stable development
  - Swedish ARPU being diluted by an increasing customer base in Mobile Internet and softness in corporate customer MoU

TELE2 GOING FORWARD

- Best Deal position
  - Perceived price leader
  - Expected quality
- Targeting a long term mobile EBITDA margin on own infrastructure at least 35 percent
- All operations should have the ambition of reaching ROCE of at least 20 percent
- The capability to reach a top 2 position, in terms of customer market share, in an individual country or region

TELE2

SWEDEN OUTLOOK

- Tele2 will continue to target the postpaid segment, which in the longer term will lead to:
  - Increased ARPU
  - Lower churn

- In the short term, this strategy will lead to higher total acquisition costs resulting in:
  - A full year EBITDA margin in the range of 33-35 percent depending on customer intake

RUSSIA OUTLOOK

- Subscriber base should be able to reach 19-20 million by YE 2011
- Maintain ARPU growth at 5 percent by 2011
- EBITDA 2010-2011
  - Old regions’ EBITDA margin should stabilize at 45 percent
  - New regions’ EBITDA margin should break even 2 years from launch
  - EBITDA contribution from new regions should be in the range of SEK -600 to -800 million
  - Russia’s total EBITDA margin should develop in the range of 27-32 percent
- Capex 2010-2011
  - Accumulated Capex in Russia should be in the range of SEK 4.5-5.0 billion
- Selected acquisitions – when available and under right conditions

TELE2

CROATIA OUTLOOK

”WE WILL REACH EBITDA BREAK EVEN DURING 2H 2010”

AGENDA

About Q1 2010

Financial review

Concluding remarks

CONCLUDING REMARKS

Nordic

- Continued revenue growth

Russia

- Record high EBITDA

Central Europe and Eurasia

- Stable cash flow contribution

Western Europe

- Solid operational performance

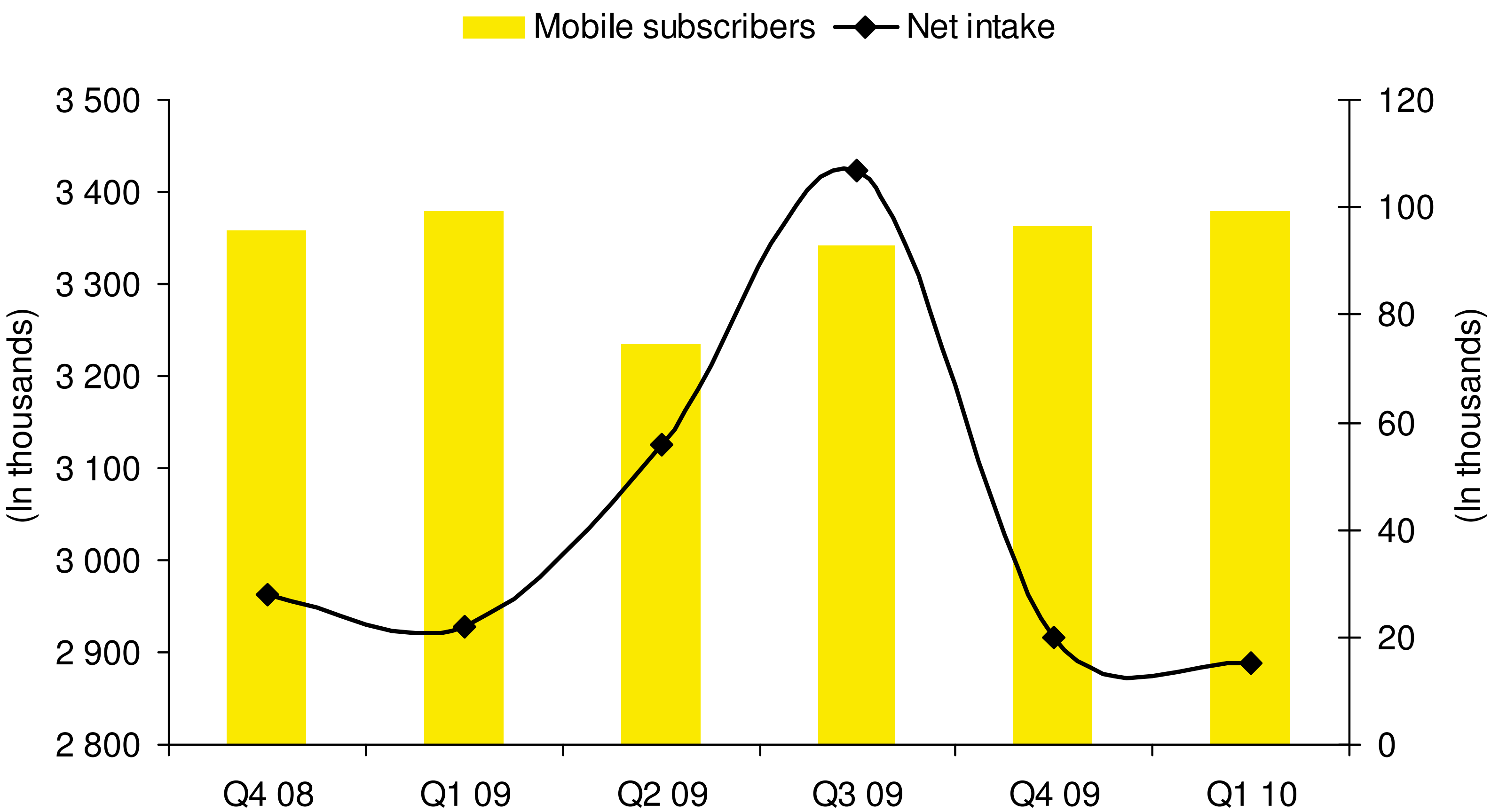
2010 an investment year

- Russia
- Kazakhstan
- 4G Sweden
- 3G Norway

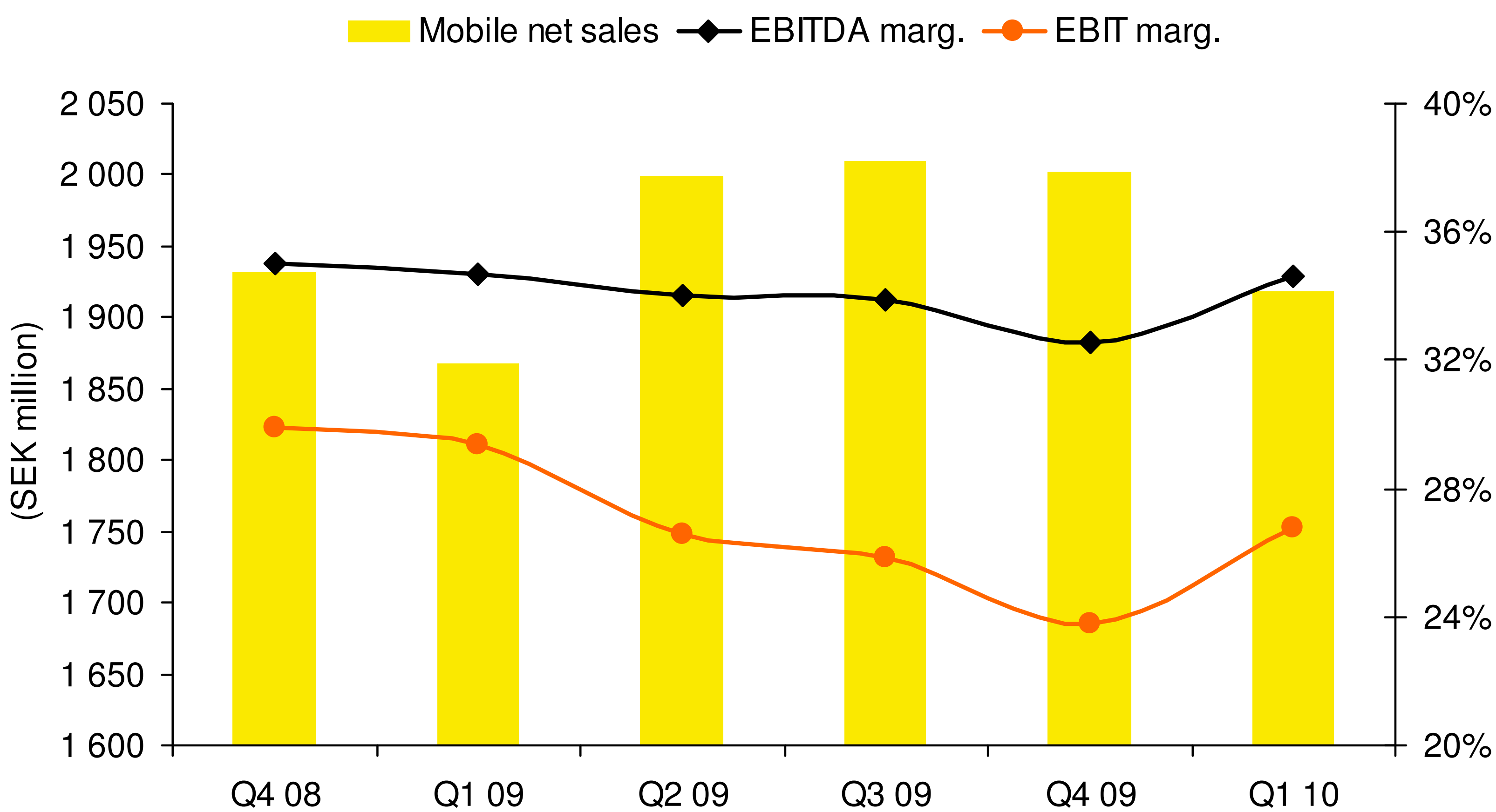
Q&A

Appendix A

TELE2 SWEDEN MOBILE

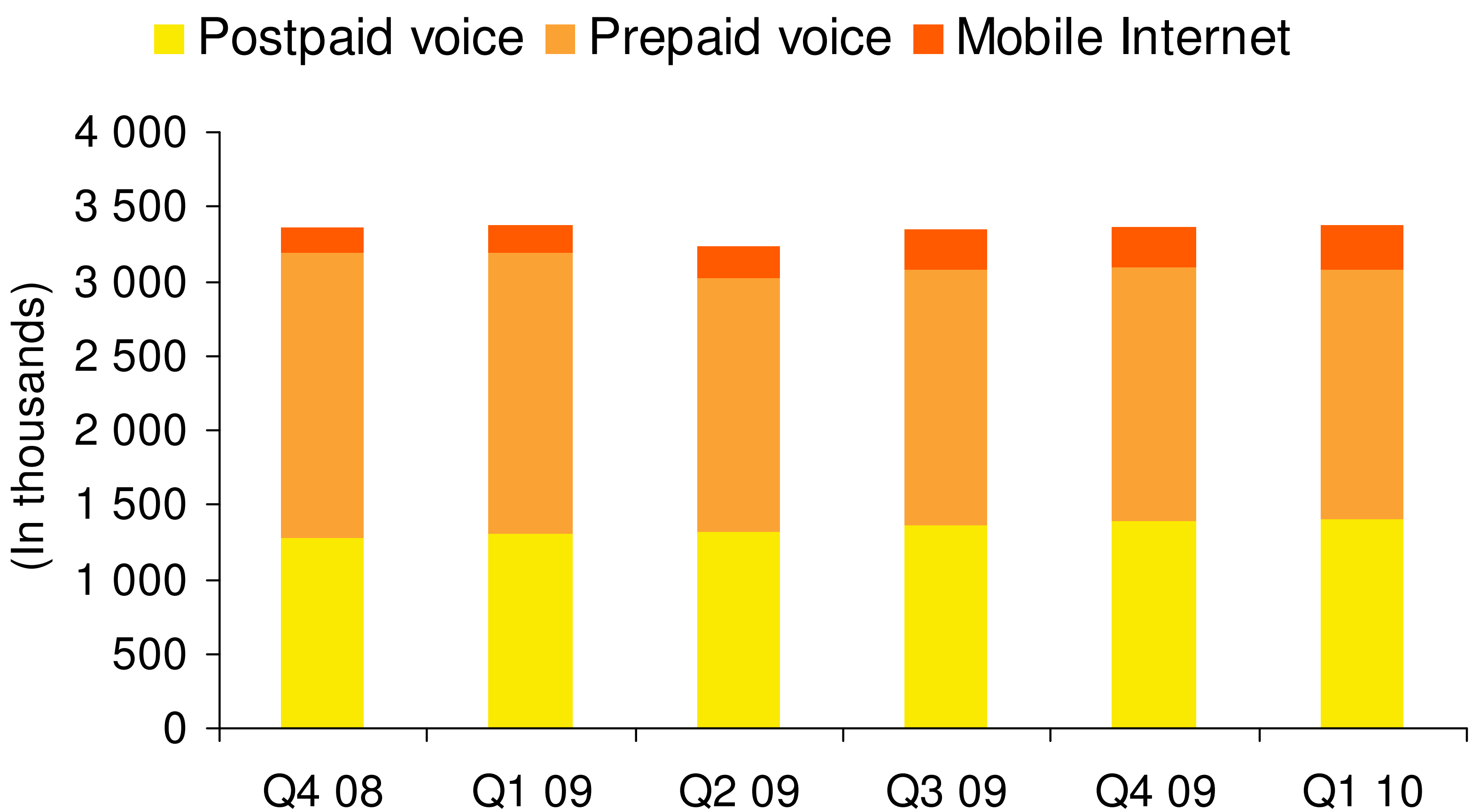


TELE2 SWEDEN MOBILE (contd)

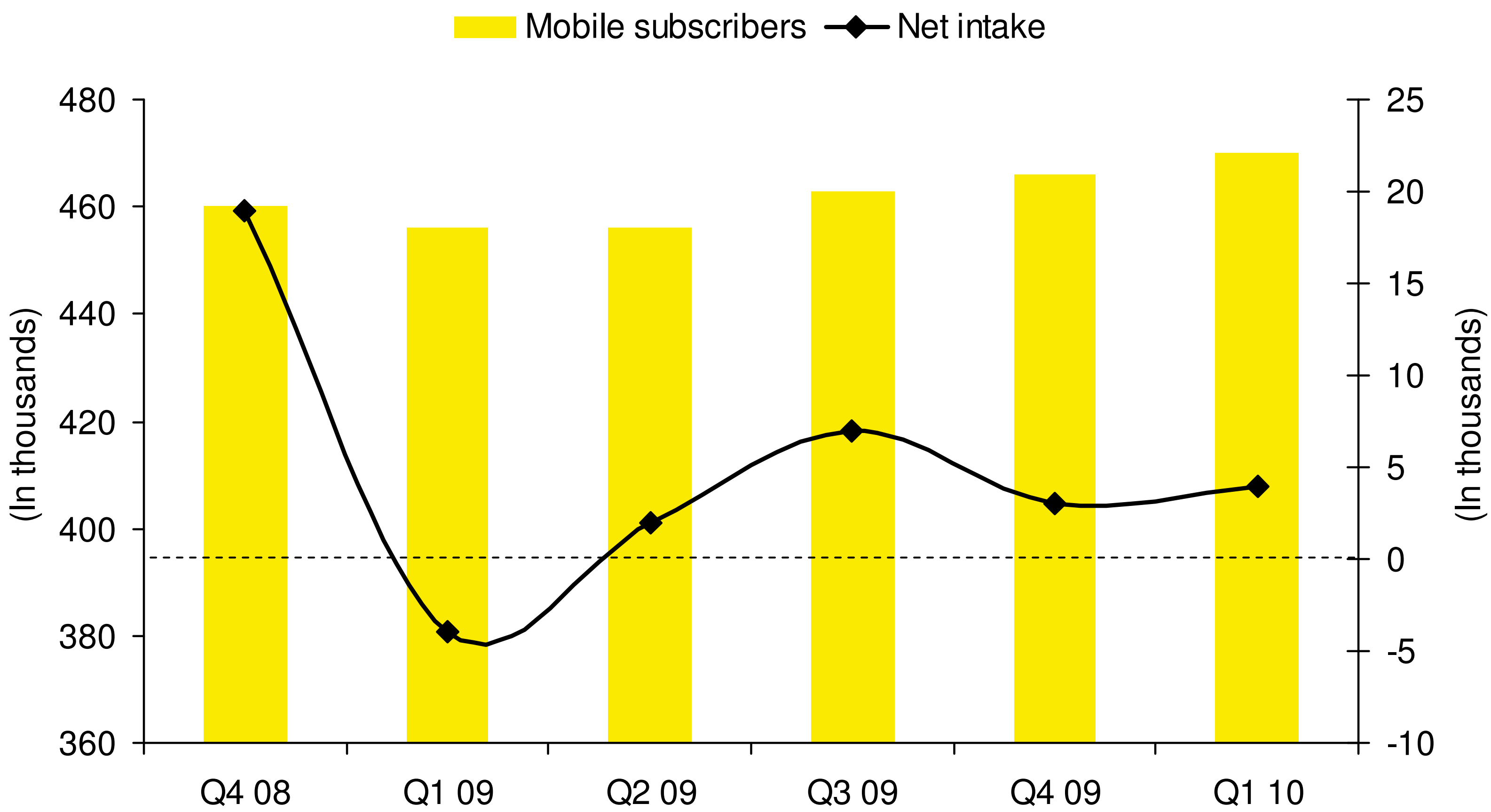


TELE2

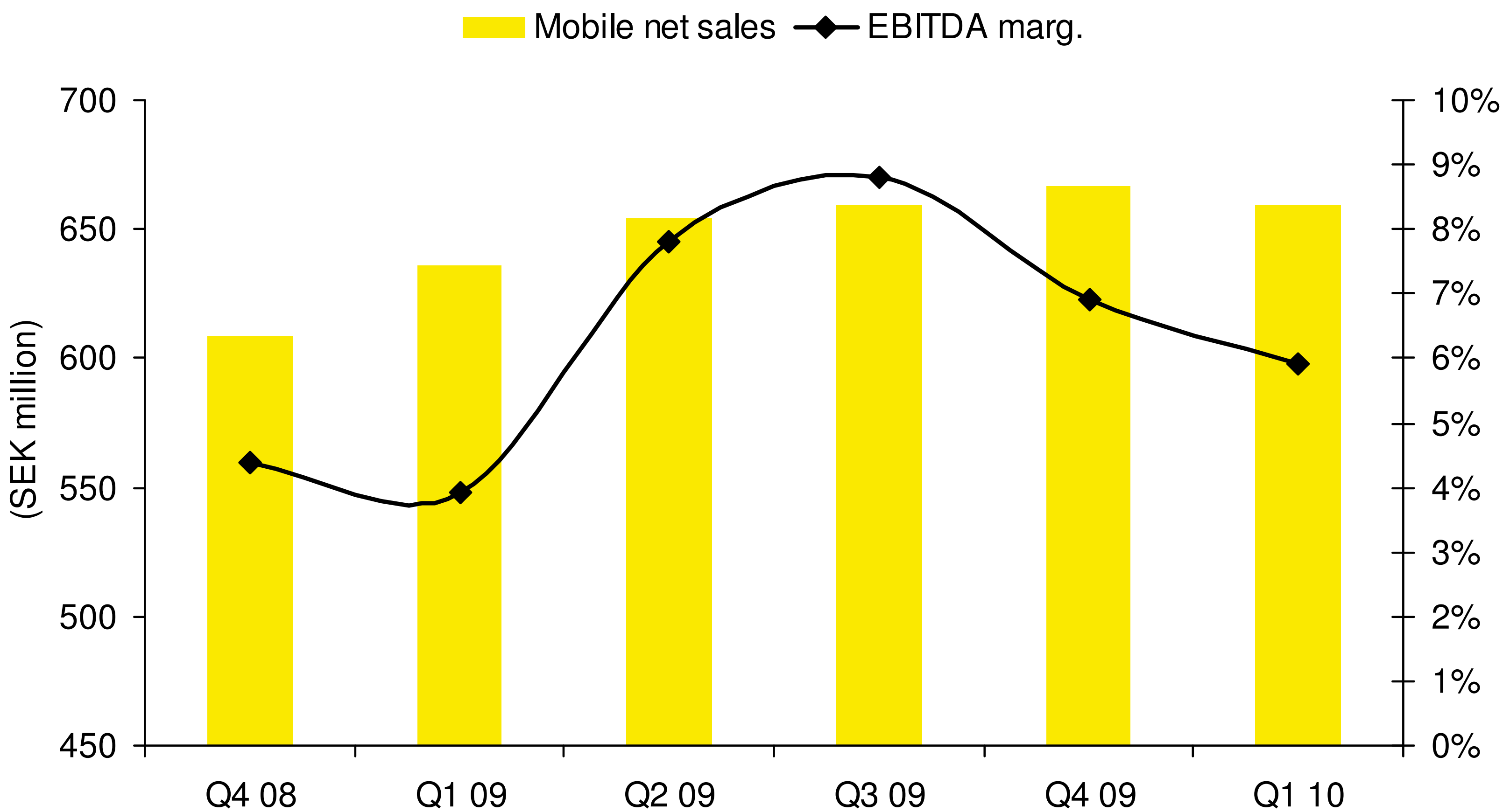
TELE2 SWEDEN MOBILE (contd)



TELE2 NORWAY MOBILE

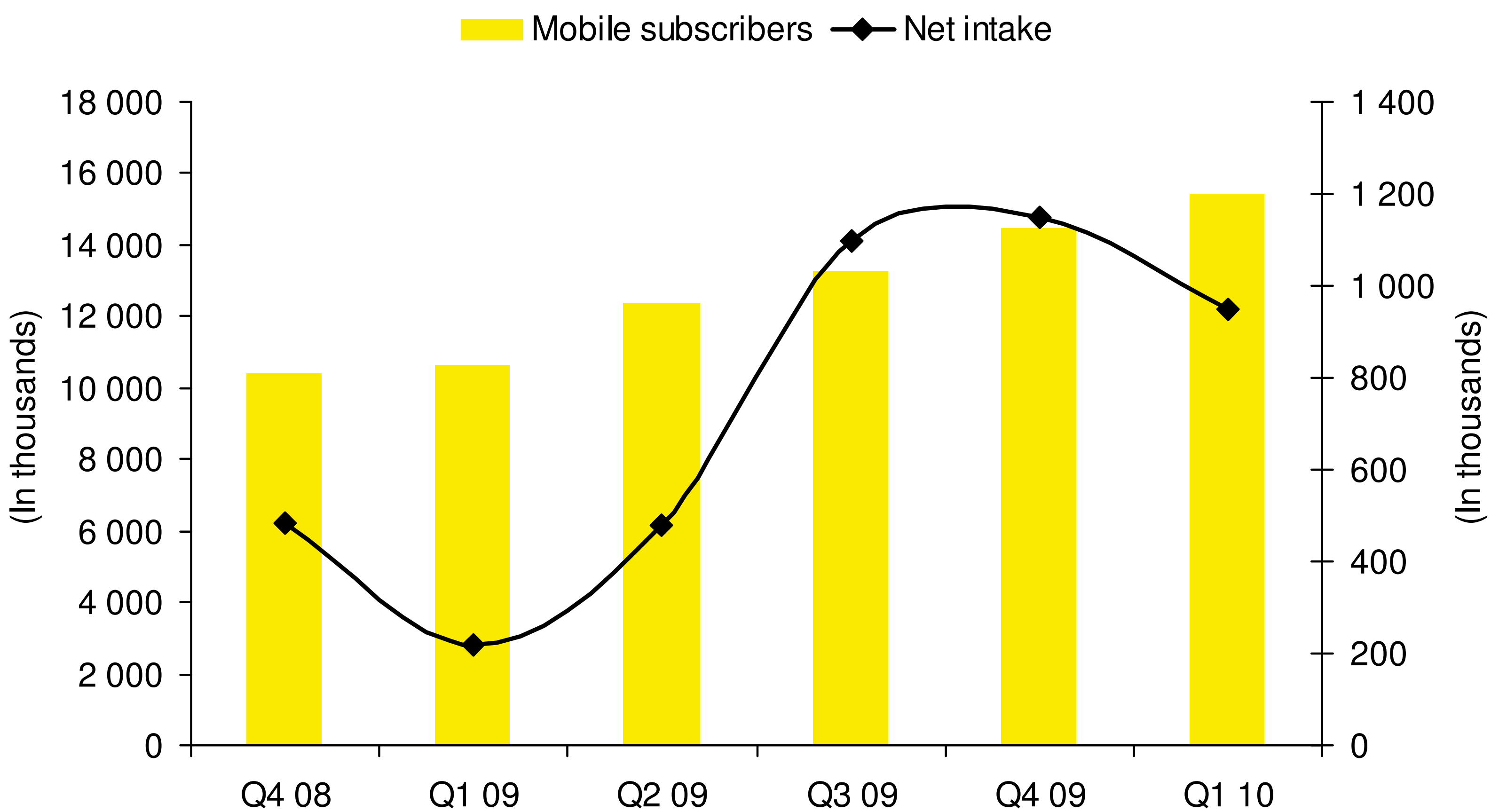


TELE2 NORWAY MOBILE (contd)

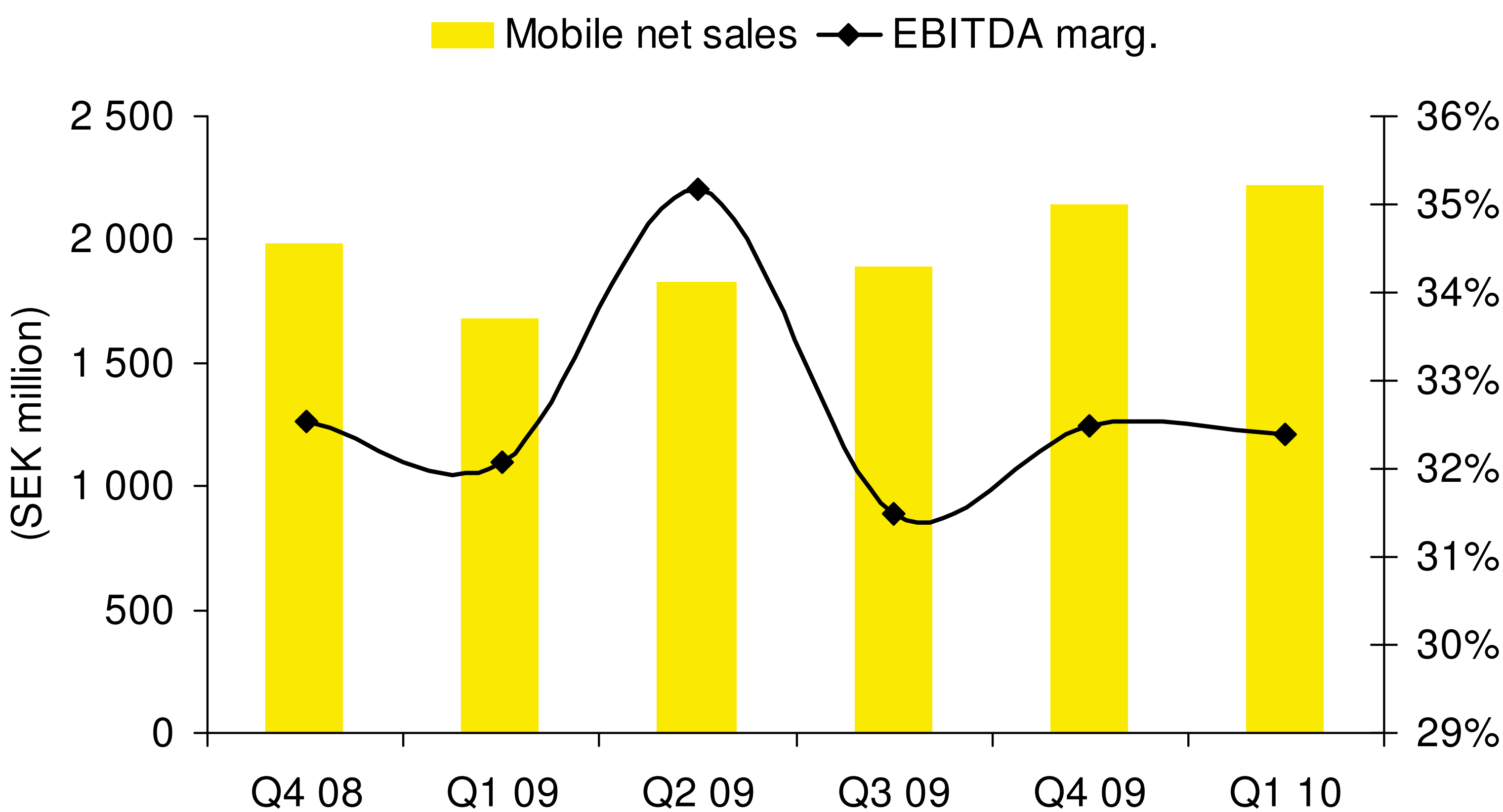


TELE2

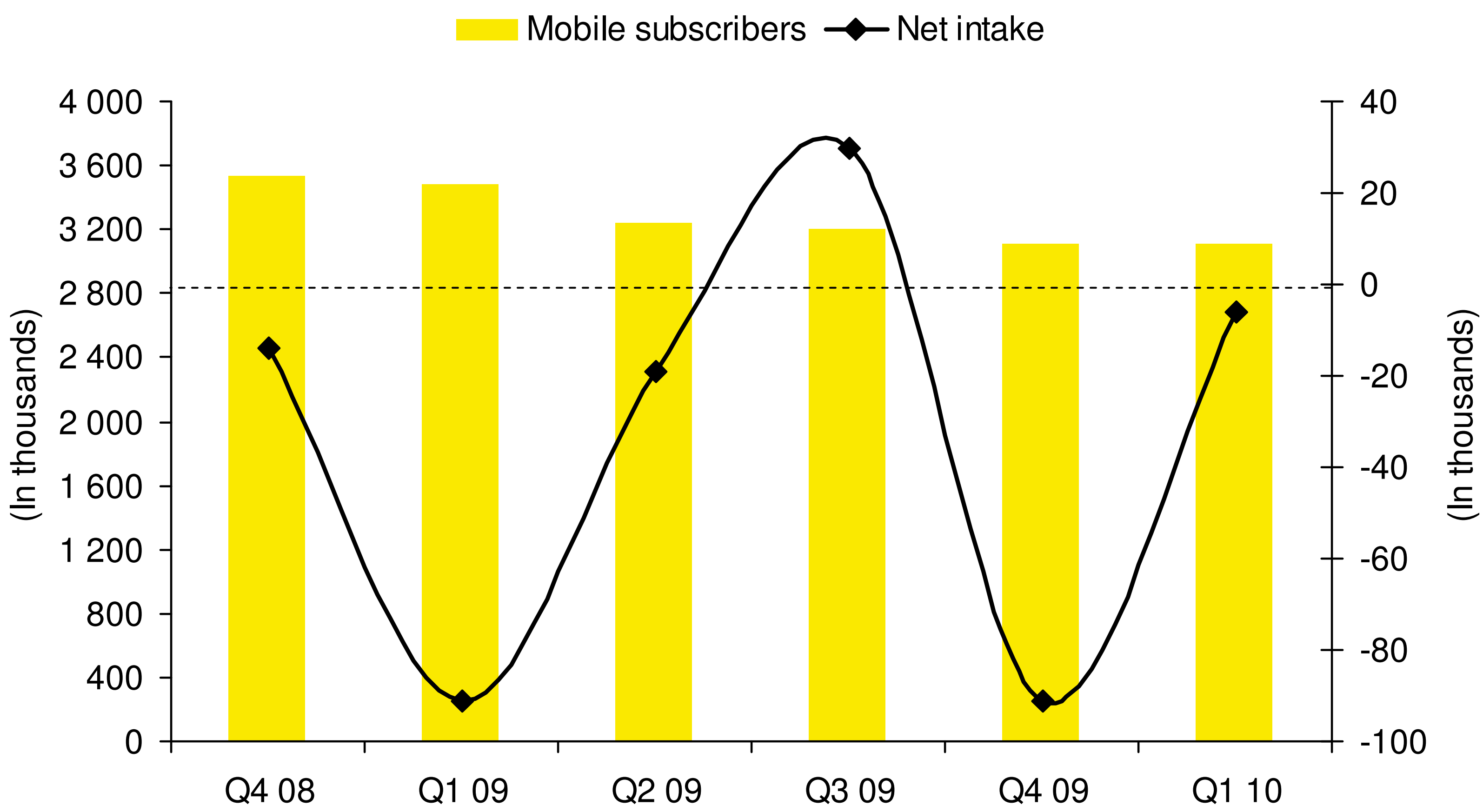
TELE2 RUSSIA MOBILE



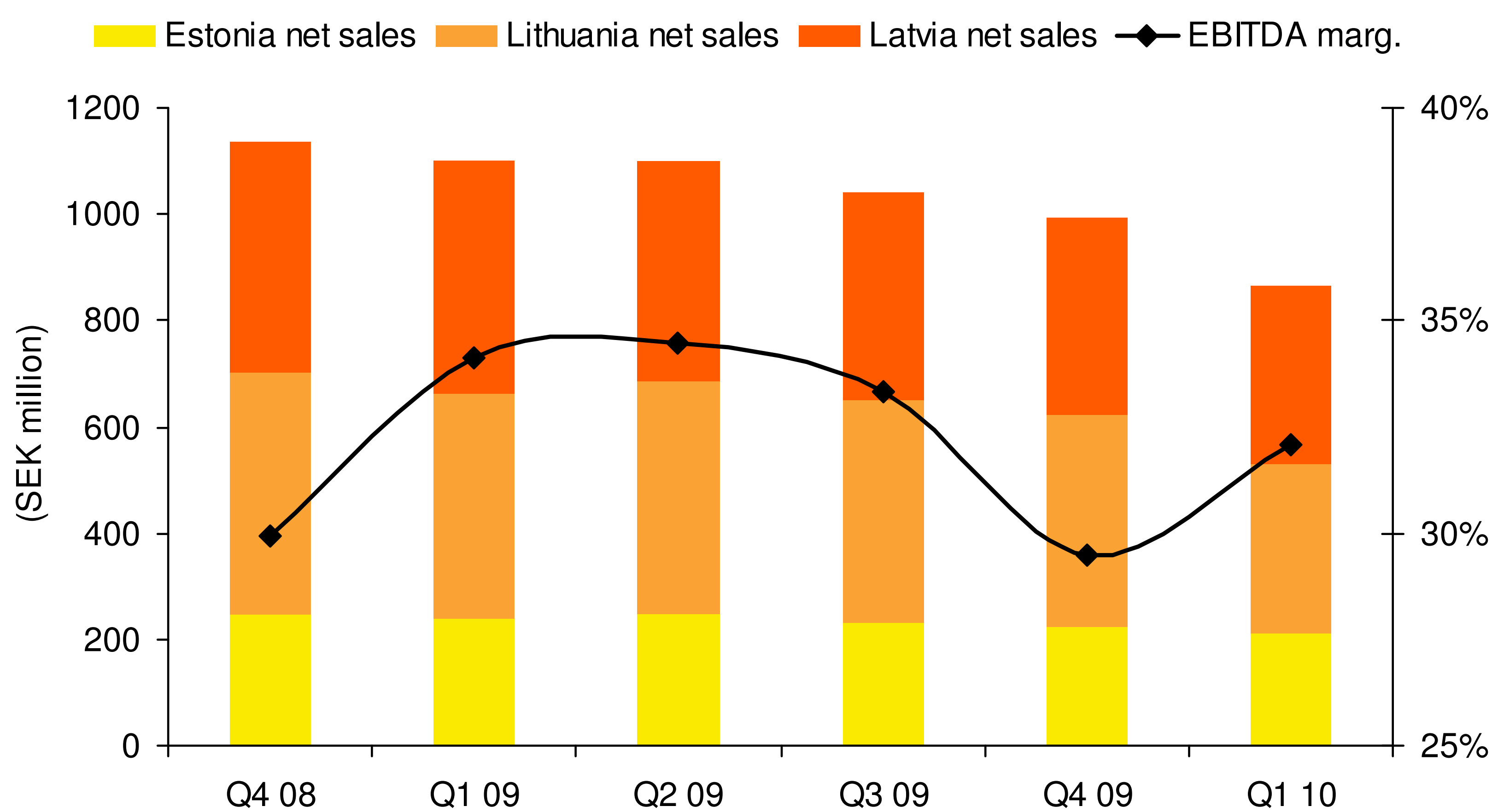
TELE2 RUSSIA MOBILE (contd)



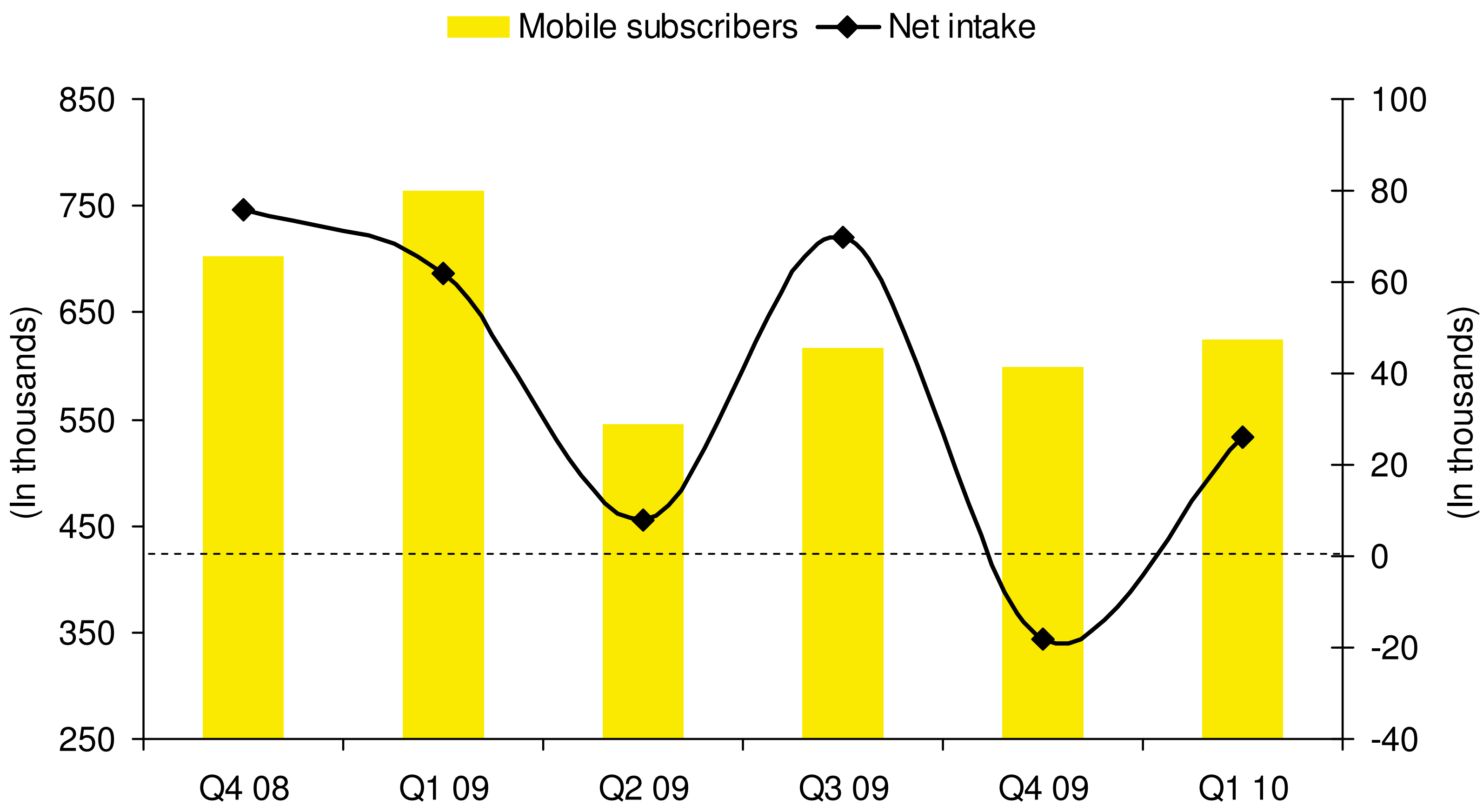
TELE2 BALTIC MOBILE



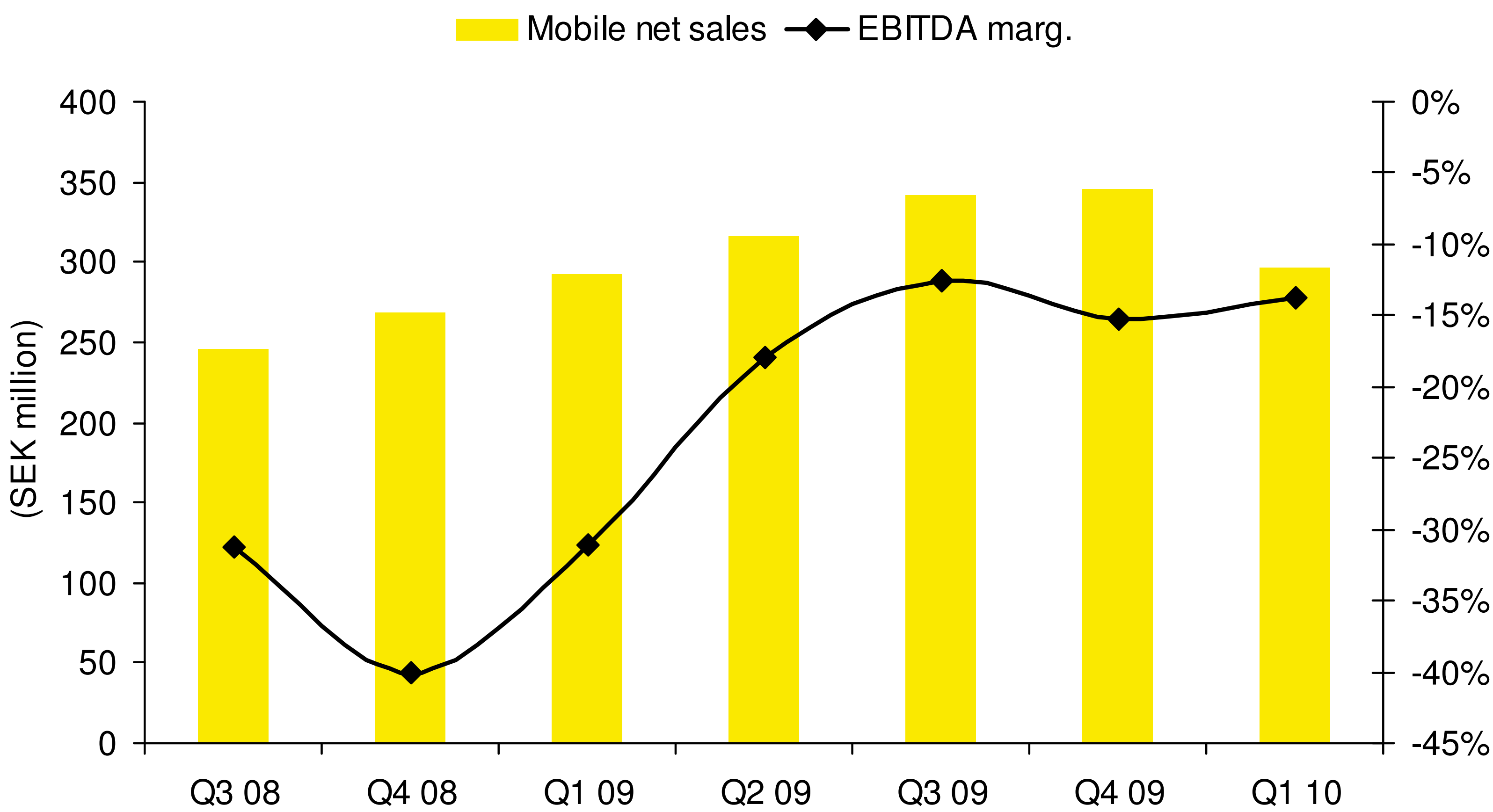
TELE2 BALTIC MOBILE (contd)



TELE2 CROATIA MOBILE



TELE2 CROATIA MOBILE (contd)



Appendix B

NET DEBT AND DIVIDEND TARGETS

- Shareholder remuneration
  - “Tele2’s intention over the medium term is to pay a progressively increasing ordinary dividend”
- Long-term financial leverage
  - “Tele2’s longer-term financial leverage, defined as the net debt /EBITDA ratio, should be in line with the industry and the markets in which it operates”
- Short-term consideration
  - “The company needs to take the uncertainties in the financial markets into consideration and act accordingly”

Appendix C

FINANCIAL ITEMS Q1 2010

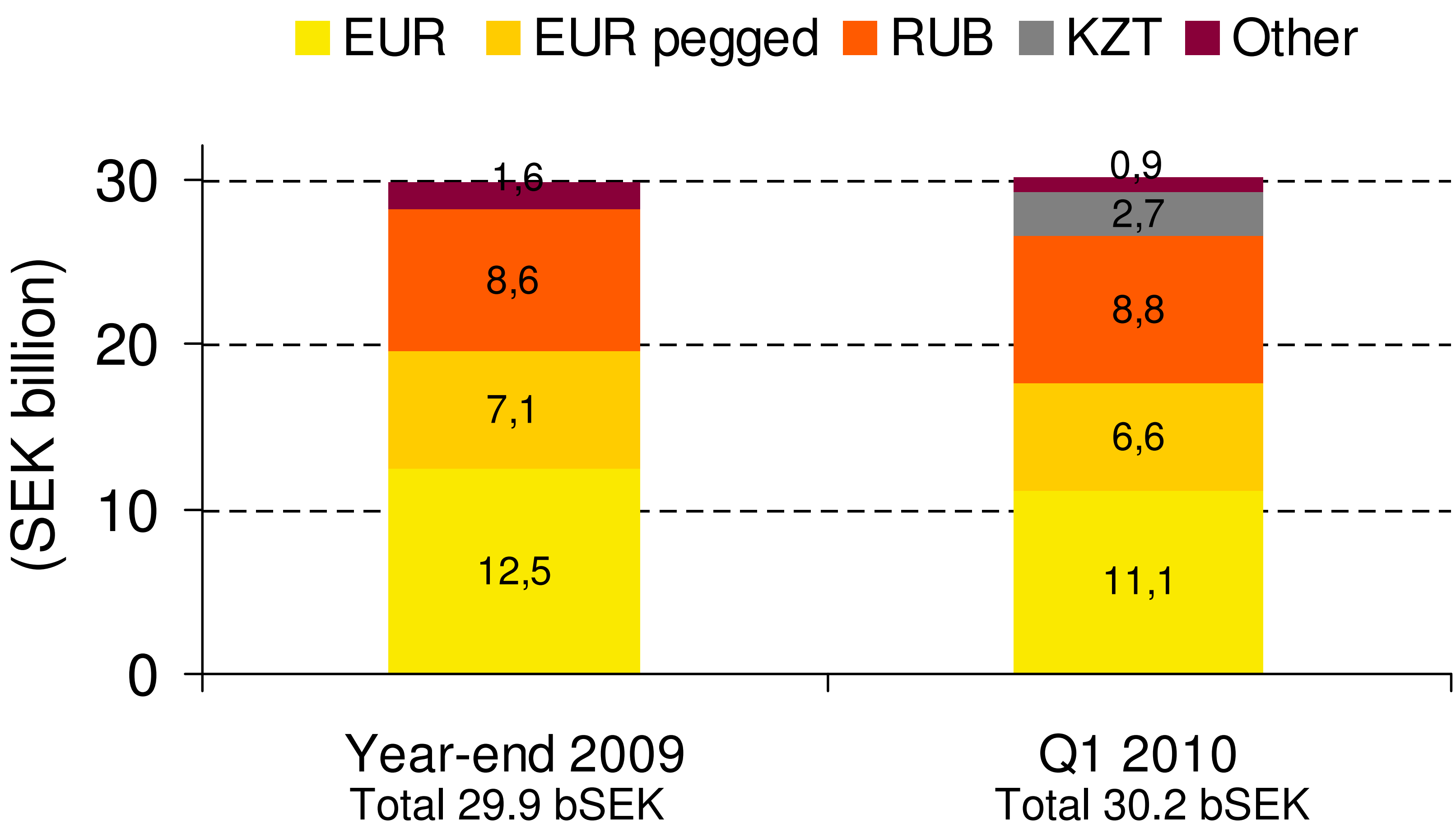
SEK million	Q1 10	Q1 09	Change
External			
Net interest expenses	-77	-139	62
Exchange rate differences, external	-11	-166	155
Other financial items	-2	-20	18
	-90	**-325**	**235**
Exchange rate differences, intragroup	132	-267	399
Financial items	**42**	**-592**	**634**

"OUR" CURRENCIES

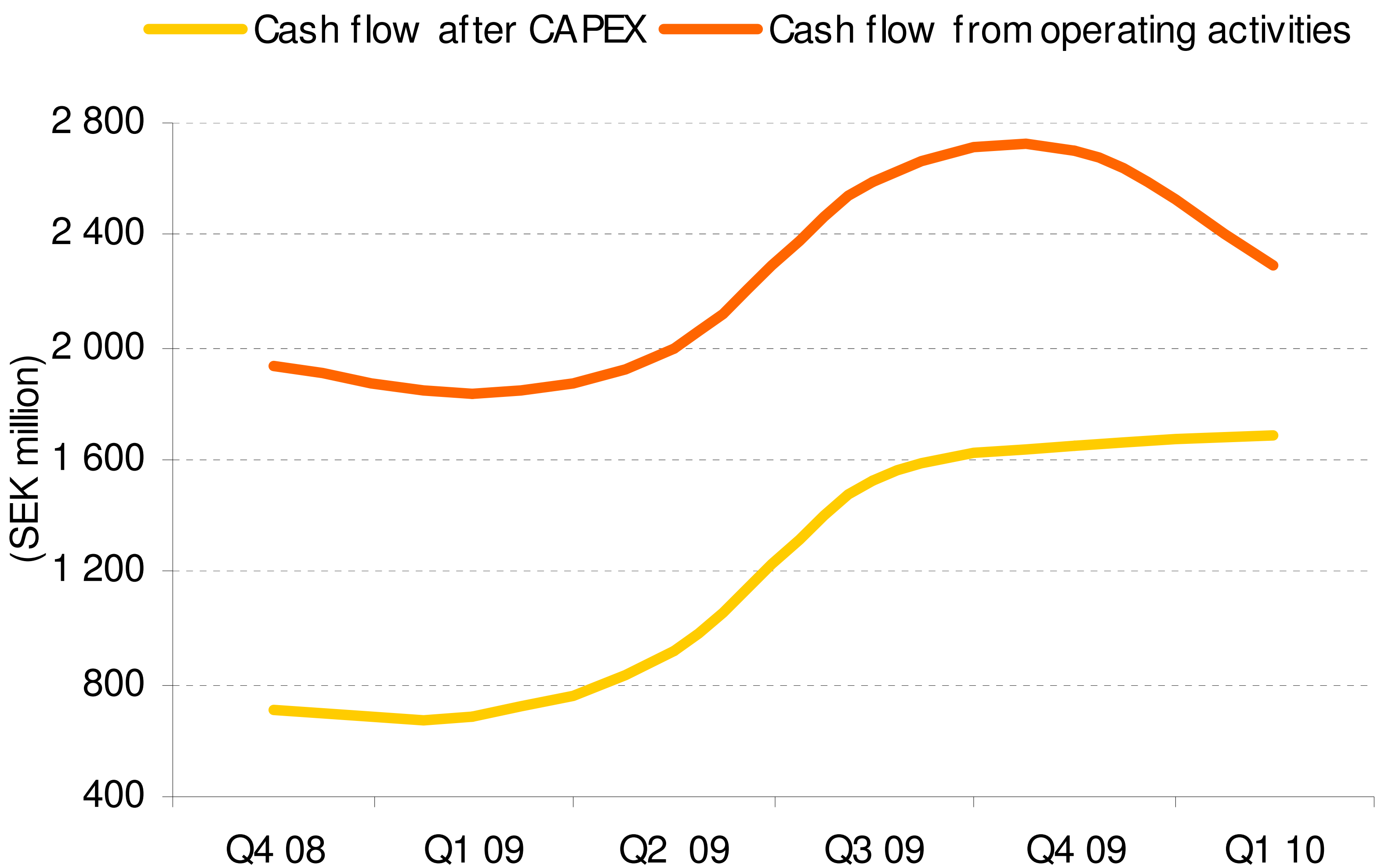
Currency	YTD Average 10 vs. 09	Fixing rate Mar 10 vs. Mar 09
EUR / EUR pegged	-9,1 %	- 11,3 %
RUB	-2,2 %	0,4 %
USD	-14,4 %	- 12,4 %

TELE2

NET ASSETS IN FOREIGN CURRENCIES

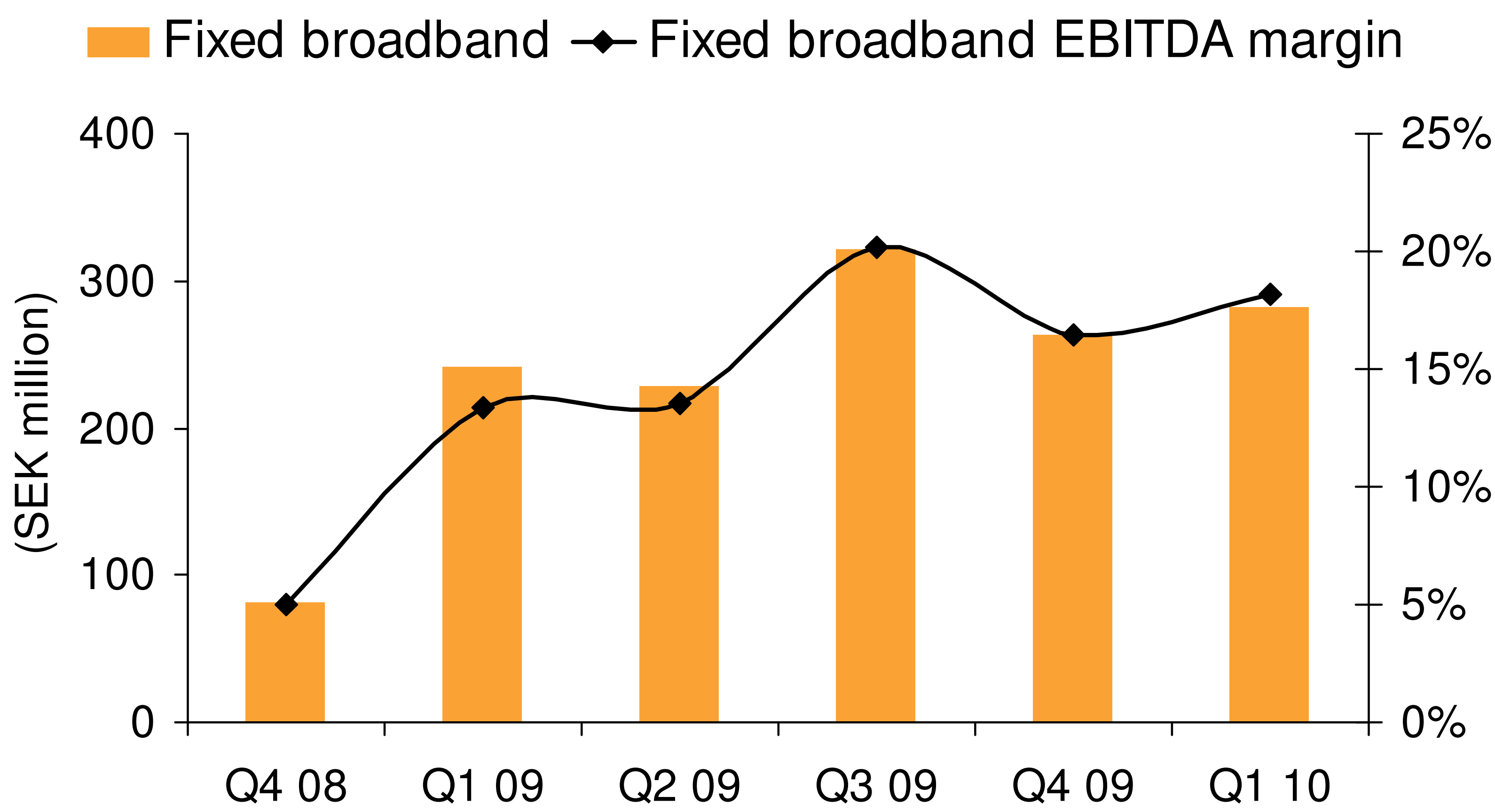


CASH FLOW DEVELOPMENT



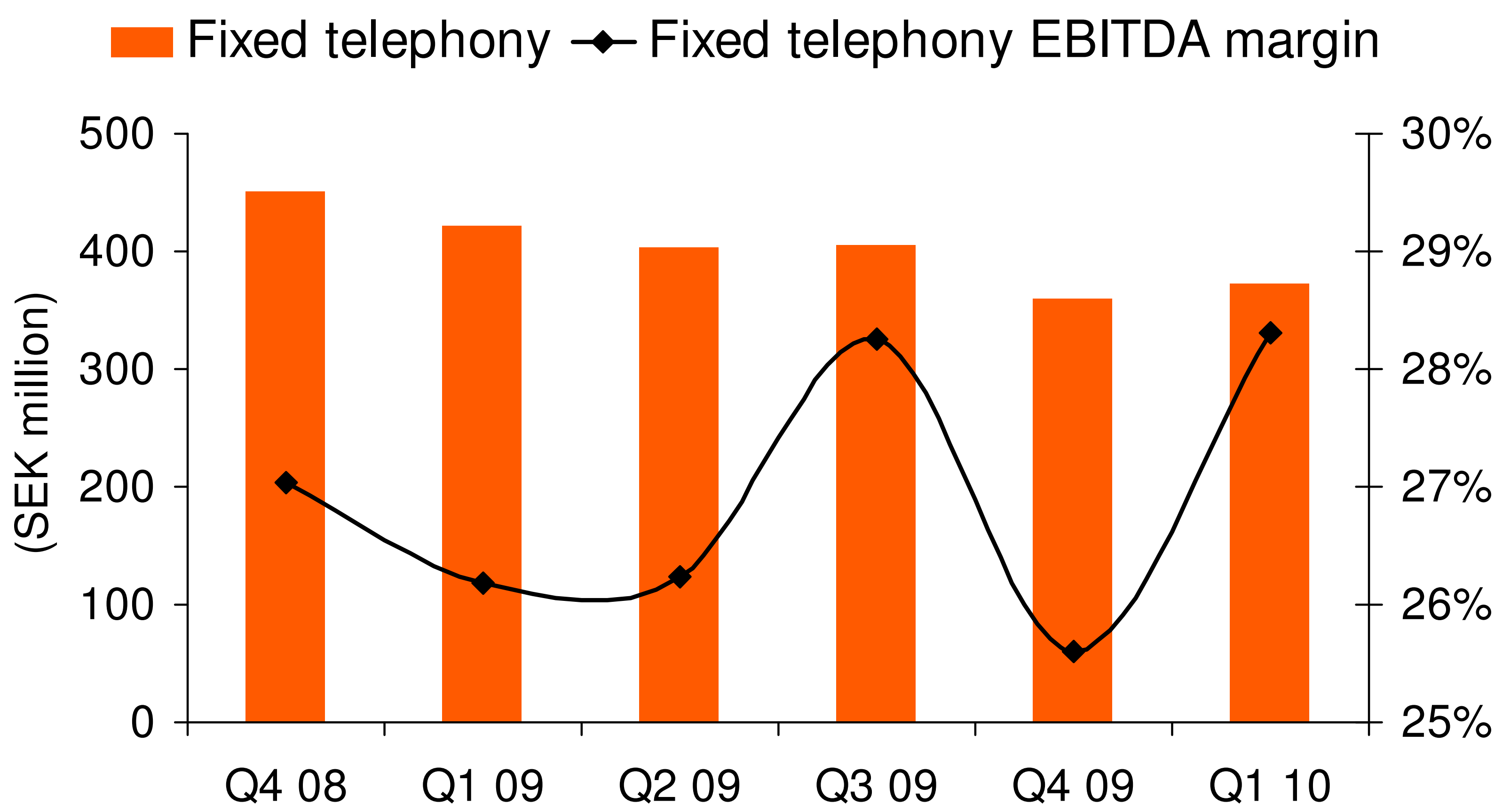
TELE2

GROUP FIXED BROADBAND EBITDA

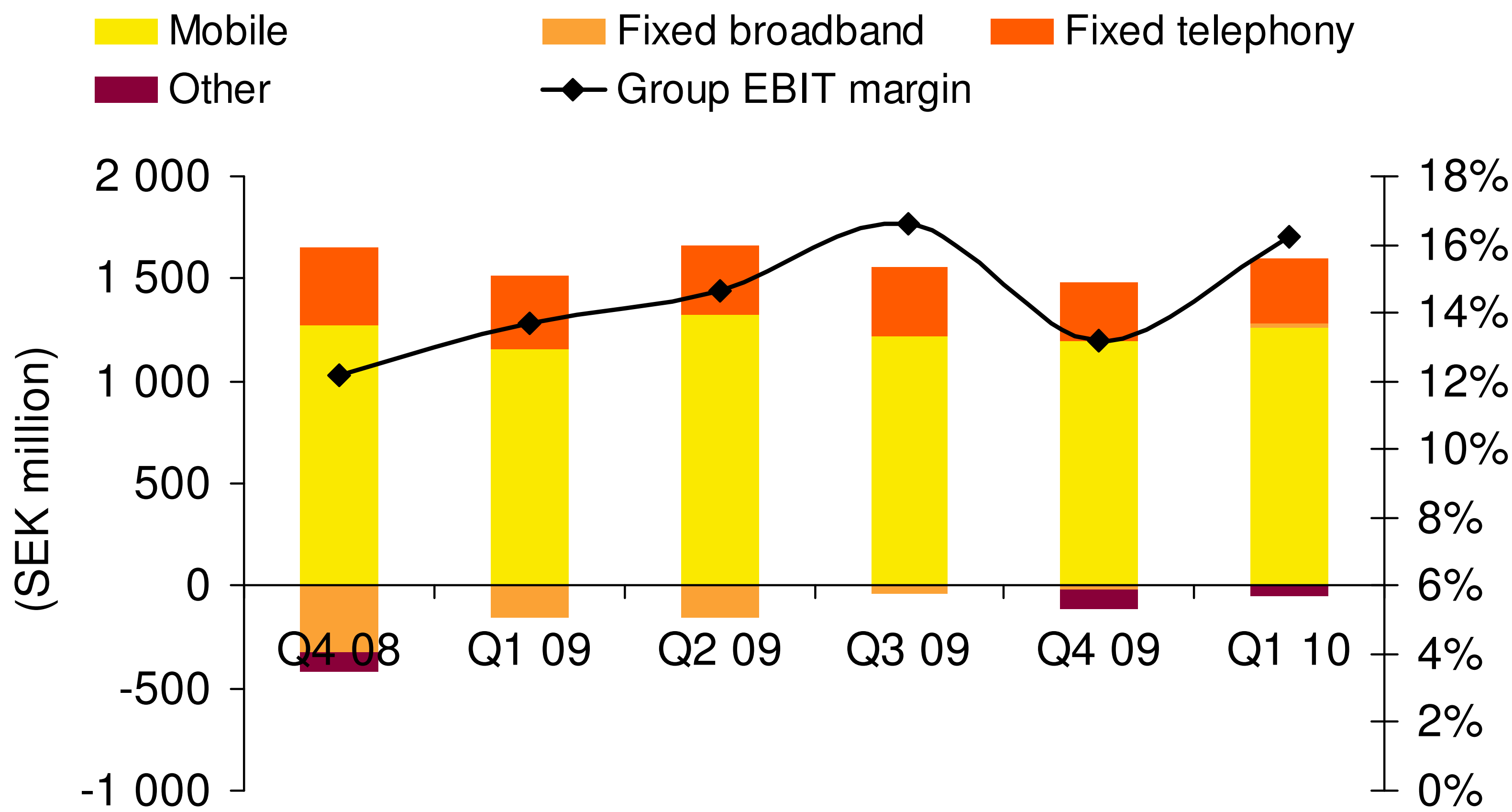


TELE2

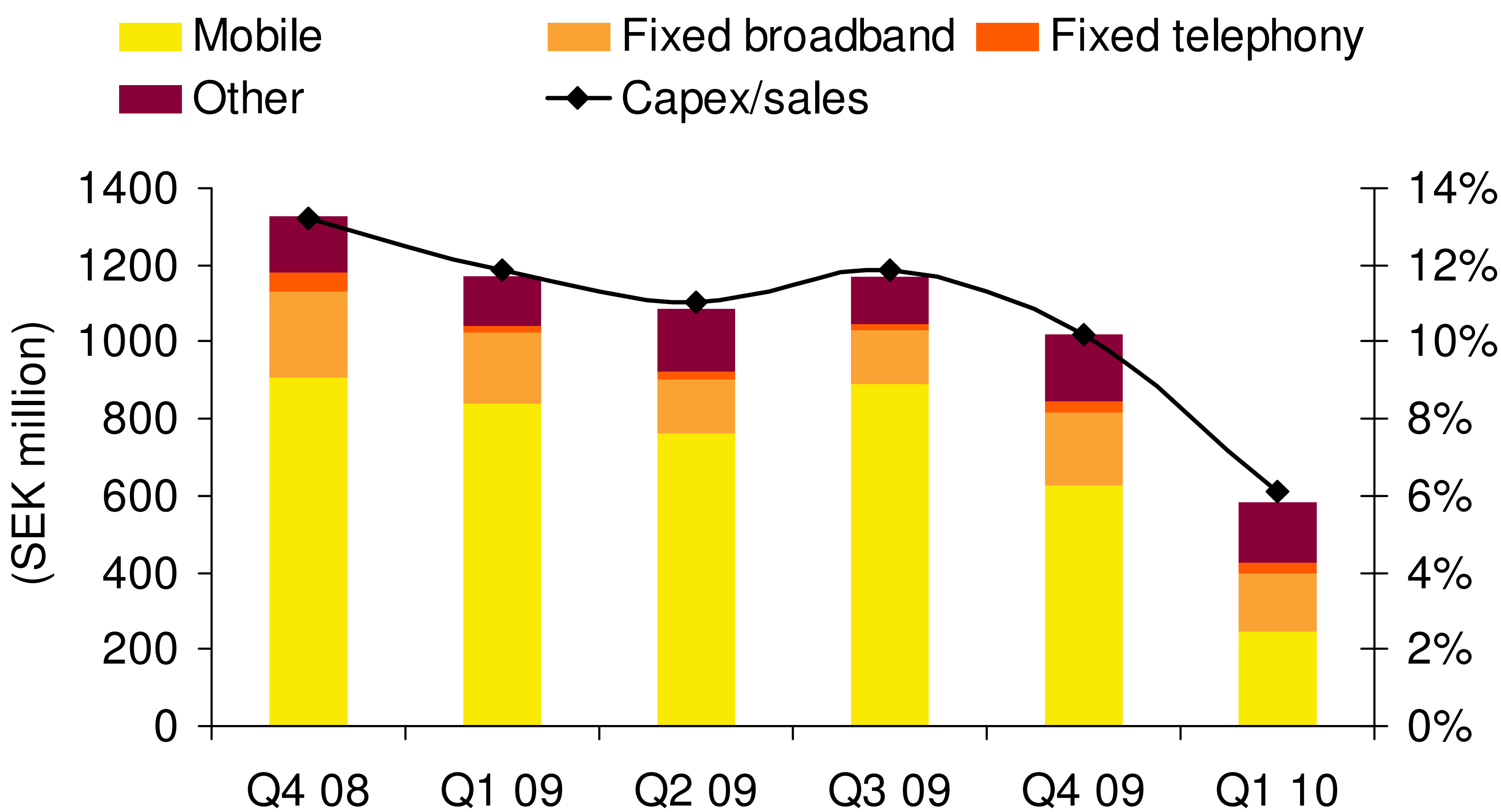
GROUP FIXED TELEPHONY EBITDA



GROUP EBIT


Mobile
Fixed broadband
Fixed telephony
Other
Group EBIT margin
2 000
1 500
1 000
500
0
-500
-1 000
(SEK million)
Q4 08
Q1 09
Q2 09
Q3 09
Q4 09
Q1 10
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%

GROUP CAPEX



In 2010: Tele2 forecasts a CAPEX level in the range of SEK 4,600 – 4,800 million