

FOR IMMEDIATE RELEASE, Wednesday, April 23, 2008

Stockholm – Wednesday, April 23, 2008 – Tele2 AB ("Tele2") (OMX Nordic Exchange: TEL2 A and TEL2 B), today announced its consolidated results for the first quarter 2008.



INTERIM REPORT JANUARY–MARCH 2008

In Q1 2008, Tele2's EBITDA¹⁾ increased by 13 percent to SEK 1,764 million. Mobile EBITDA¹⁾ increased by 27 percent to SEK 1,392 million.

- › Operating revenue¹⁾ amounted to SEK 10,378 (9,551) million, an increase by 9 percent. Operating revenue was negatively impacted by a nonrecurring charge of SEK 61 million from the Austrian operations.
- › EBITDA¹⁾ increased by 13 percent to SEK 1,764 (1,558) million. EBITDA was negatively impacted by a nonrecurring charge of SEK 61 million from the Austrian operations.
- › EBIT¹⁾ amounted to SEK 786 (674) million.
- › Net profit²⁾ amounted to SEK 750 (301) million.
- › Earnings per share²⁾ amounted to SEK 1.66 (0.77).
- › Tele2's net debt amounted to SEK 4,935 (16,072) million, a decrease by 69 percent.

The figures presented correspond to Q1 2008 unless else stated. The figures shown in parentheses correspond to the comparable periods in 2007.

¹⁾ Less divested operations (see note 8)

²⁾ From continued operations (see note 9)

MOVING ON WITH SHARPER FOCUS


“The hard work of the realignment process continues to show result, providing us with more space to manoeuvre.

The environment for corporate transactions is affected by the current credit turmoil. Nevertheless, we are certain that our dedication, focus and concentration will show results. Hence, we feel assured that the realignment process will develop according to plan.


Our mobile operations in Russia continue to impress. We are – step by step – reaching our communicated goals regarding this market area. New challenges lie ahead with the build-out based on the new licences that Tele2 was awarded in 2007.


We will make a strong push in our Russian business, and plan to double the number of regions in the coming years. This will increase the population under Tele2 coverage by 50 percent in Russia. It is a truly demanding task, and if successful, will result in great rewards.

The hard work of the realignment process continues to show result, providing us with more space to manoeuvre.

 **MOBILE** operations once again delivered a solid operational performance. We had a robust customer intake in Russia, Croatia and the Baltic. Russia improved its EBITDA margin to 35 percent, a new record level.

The Baltic managed to improve the overall EBITDA margin to 35 percent, despite a challenging economical environment. Croatia delivered a strong customer intake of 46,000 and despite continued losses, the future prospects of the operations look increasingly more promising. The Swedish mobile operations saw a somewhat slower net intake of customers due to seasonality. We are confident about the continued growth in new customers, especially in mobile broadband.

 Our **FIXED BROADBAND** operations added 66,000 customers during the quarter and generated a revenue growth of 11 percent, driven mainly by services on our own infrastructure. We consider our fixed broadband product as a good complement to our core operations in mobile. However, it is important to emphasize that the fixed broadband business must improve its profitability and meet the operational hurdles set by the management.

 **FIXED TELEPHONY** operations continued to deliver robust results and profitability. The EBITDA margin was a solid 20 percent in the quarter. Even though we are well aware of the long term prospects of fixed line services, good cash flows remain to be generated in this area.”



Lars-Johan Jarnheimer
President and CEO of Tele2 AB

FINANCIAL OVERVIEW

Tele2's financial performance reflects the ongoing realignment process and continued focus on mobile and fixed broadband services. Mobile and fixed broadband sales continued to grow, compared with the same period last year. A smaller scale and scope of the total operations and a greater focus on mobile services on own infrastructure has led to a continued expansion of the EBITDA margin. The decline in fixed line services is expected to continue.

FINANCIAL OVERVIEW, LESS DIVESTED OPERATIONS

Customer net intake amounted to 23,000 (411,000) in Q1 2008. Mobile services continue the positive trend with robust customer intake in Russia, Baltic and Croatia. Swedish mobile saw as expected a somewhat slower quarter, adding 19,000 (17,000) mobile customers in total. However, Q1 2008 still represented a solid quarter for mobile broadband in Sweden, attracting 18,000 new customers.

Fixed telephony continued to see an outflow of customers and Tele2 lost 459,000 (400,000) users in the quarter. However, the larger outflow of customers was mainly driven by seasonally lower call-by-call volumes in Germany effecting the calculation of the call-by-call customer base negatively. In Q1 2008, the total customer base increased to 24,628,000 (23,609,000).

Operating revenue in Q1 2008 amounted to SEK 10,378 (9,551) million, an increase of 9 percent. The positive revenue development was mainly driven by mobile but also by fixed broadband services. Operating revenue, EBITDA and EBIT were negatively effected during the quarter by a nonrecurring charge of SEK 61 million from Tele2 Austria.

EBITDA in Q1 2008 amounted to SEK 1,764 (1,558) million, equivalent to an EBITDA margin of 17 (16) percent. The EBITDA development was influenced by an improved revenue mix, with a larger contribution from mobile services on own infrastructure. Tele2 also focused on maintaining the profit from its mature fixed telephony operations, which contributed to the overall operational development.

EBIT in Q1 2008 amounted to SEK 786 (674) million.

FINANCIAL OVERVIEW, CONTINUING OPERATIONS¹⁾

Profit/loss before tax amounted to SEK 836 (323) million.

Net profit/loss amounted to SEK 750 (301) million.

Cash flow after CAPEX amounted to SEK 508 (-771²⁾) million.

CAPEX amounted to SEK 888 (994) million.

Net debt amounted to SEK 4,935 (16,072) million at March 31, 2008, or 0.74 times full year 2007 EBITDA.

FINANCIAL COMMENTS

Tele2's longer term financial leverage should reflect both the status of its operations and the future strategic possibilities and obligations. Tele2 is still pursuing its realignment process, focusing the scope of its current geographic footprint. The company will also continue to invest in its core operations and also consider potential acquisitions.

Tele2's view on a longer term target for financial leverage, defined as net debt/EBITDA ratio, is that it should be in line with the industry and the markets in which it operates.

Toward the end of 2007, Tele2 Russia was awarded mobile telephony licenses for GSM in 17 new regions in Russia. In total, Tele2 now has licenses in 34 regions covering 60 million inhabitants. Tele2 will update the market on the development of the business plan of the 17 new regions on a regular basis. However, it should still be emphasised that the process for awarding the new licenses has been challenged in court. The following points should be taken into consideration when estimating the financial impact of the 17 new licenses:

- > In 2008 the operational expenditures are estimated to SEK 50–75 million and the capital expenditures are estimated to SEK 500–600 million.
- > In 2009 the operational expenditures are estimated to SEK 175–200 million and capital expenditures are estimated to SEK 800–1,000 million.
- > Four regions will have been launched as of 1H 2009 and five regions as of 2H 2009. The base plan of the infrastructure based operation should be able to reach an EBITDA break-even three years after commercial launch date. However, there might be regional differences, moving the break-even date both forward and backwards.
- > The longer term market share in the 17 new regions should not deviate significantly from the historic market share of Tele2 Russia.

¹⁾ Less discontinued operations (see note 9)

²⁾ Including discontinued operations

FINANCIAL OVERVIEW cont.

SEK million	2008 Q1	2007 Q1	2007 full year
Mobile			
Net customer intake (thousands)	416	725	3,202
Operating revenue	5,886	4,961	22,351
EBITDA	1,392	1,094	5,303
EBIT	978	714	3,687
Capex	571	627	2,759
Fixed broadband			
Net customer intake (thousands)	66	86	280
Operating revenue	1,533	1,385	5,770
EBITDA	-176	-76	-639
EBIT	-584	-433	-2,114
Capex	227	234	979
Fixed telephony			
Net customer intake (thousands)	-459	-400	-1,419
Operating revenue	2,348	2,763	10,246
EBITDA	480	482	1,775
EBIT	375	387	1,371
Capex	52	40	195
Total less divested operations			
Net customer intake (thousands)	23	411	2,154
Operating revenue	10,378	9,551	40,513
EBITDA	1,764	1,558	6,636
EBIT	786	674	2,932
Capex	888	939	4,123
Continuing operations			
Net customer intake (thousands)	-93	335	1,857
Operating revenue	10,402	10,926	43,420
EBITDA	1,758	1,591	6,647
EBIT	862	602	1,485
Capex	888	994	4,269
EBT	836	323	759
Net profit/loss	750	301	-302
Cash flow from operating activities ¹⁾	1,507	402	4,350
Cash flow after Capex ¹⁾	508	-771	-819

¹⁾ 2007 figures include discontinued operations

Significant events in the quarter

- › Tele2 completed the divestment of its Austrian MVNO operations to Telekom Austria Group.

OVERVIEW BY PRODUCT

Comments below relate to selected Tele2 operations less divested companies.

MOBILE



Tele2 currently offers mobile services in 12 countries. In most of these Tele2 sells mobile telephony to consumers and companies. Tele2 has its own network in nine countries. In other countries Tele2 lease network capacity from other operators under MVNO agreements.

The core mobile operations of Tele2 continued to develop strongly. Net intake amounted to 416,000 (725,000), driven mainly by Russia and the Baltic region but also by Croatia. Mobile revenue grew by 19 percent to SEK 5,886 (4,961) million and EBITDA margin amounted to 24 (22) percent.

Sweden The customer growth in Q1 2008 was driven mainly by mobile broadband, which delivered a solid quarter adding 18,000 customers. The total mobile broadband customer base was 111,000 in Q1 2008 and ARPU was SEK 117, to some extent boosted by revenue from start-up and administrative fees.

Tele2 continues to expect a strong demand for mobile broadband services, especially from the consumer segment and in Q1 2008 new high speed offerings were introduced. The increased intake of mobile broadband customers will however be associated with higher acquisition costs as well as higher fees to the Svenska UMTS Nät AB joint venture, which will continue to impact margins.

Pre-paid services saw a net outflow of customers, driven mainly by a seasonal effect from high intake of holiday subscriptions in Q3 2007. The mobile operations in Sweden reported an ARPU of SEK 192 (171) in Q1 2008, including post-paid, pre-paid and mobile broadband subscriptions. Minutes of use per customer for the Swedish operations were 188 (161) in Q1 2008.

Norway Q1 2008 was characterized mainly by the migration of the customer base to the new MVNO agreement with Netcom ASA. Although the majority of the customers were migrated as of the month of March, Tele2 Norway was obligated to pay the minimum volume commitment fee to the former MVNO host. The migration process, together with a clean-up of the customer base, increased churn in Q1 2008 and led to a net loss of -7,000 (16,000) customers.

EBITDA in Norway was negatively affected by increased customer turnover together with MVNO fees being paid to both Netcom ASA and the old host. As of Q2 2008 payments associated with the MVNO operation will only be paid to Netcom ASA.

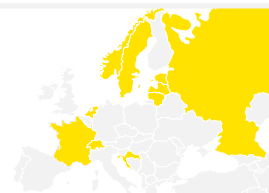
Russia The EBITDA margin improved to 35 (29) percent during the quarter, mainly driven by scale effects in the 17 operational regions. ARPU amounted to SEK 56 (51). The increased usage was driven by improved network quality together with strong economic development. Customer net intake amounted to 319,000 (578,000) in Q1 2008. Tele2 Russia will continue to look for possibilities to expand its operations in Russia and CIS-countries through new licenses as well as complementary acquisitions.

Estonia The economic environment in the country continues to be challenging with slowing GDP growth, resulting in a more price sensitive market. As a result, Tele2 has been able to take market share both in the corporate as well as the consumer segment thanks to a clear price leadership position.

Churn continued to improve, especially in the corporate segment, mainly due to continued network expansion and quality improvement together with price leadership.

19%

**MOBILE REVENUE
GROWTH IN Q1 2008**



We offer mobile telephony in Croatia, Estonia, France, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Russia, Sweden and Switzerland.

Interconnect rates lowered significantly in Q4 2007, which has had a negative impact in Q1 2008 and it is expected to be lowered further as of Q3 2008

Lithuania Tele2 continued its inroad into the post-paid and corporate segment, adding 35,000 (37,000) customers in Q1 2008. Despite the good market response, acquisition cost increased slightly during the quarter. Competition in the country continued to be high, however, Tele2 customer churn remained stable through effective retention activities and high customer satisfaction.

Latvia The economic situation in Latvia continued to be difficult yet stable. Price competition has been tough in the quarter, led by the incumbent. However, through perceived price leadership, Tele2 Latvia was able to gain market share during Q1 2008. Tele2 Latvia continues to make inroads into the corporate segment and there are also early market signs that mobile broadband is picking up in the country.

Croatia The operations in Croatia continued to develop according to plan. A new media strategy has led to a better perception of the Tele2 brand, especially on price leadership. Customer churn is still on the higher end, but has improved during the quarter. With the new roaming agreement, effective as of 1 June, 2008, customer churn and profitability are expected to improve. Pricing was stable in the market during Q1 2008, with no major changes from the competition.

Switzerland Mobile telephony showed signs of positive development during Q1 2008 with revenues and subscriber base increasing and churn rate improving. In order to further strengthen the market position, the Tele2 brand was re-launched at the end of Q1 2008 in order to increase the brand awareness as a mobile operator and to increase the perception of Tele2 as a price leader.

France Tele2 continued to add customers in the quarter. The pricing environment in the French mobile market was stable in Q1 2008, with a tendency towards more fixed pricing plans. Thanks to the new MVNO agreement together with lower marketing expenses in general, EBITDA improved sequentially to SEK -36 million compared to SEK -72 million in Q4 2007.

FINANCIAL OVERVIEW BY PRODUCT cont.

FIXED BROADBAND



Tele2 currently offers fixed broadband solutions to consumers and companies in ten countries. Tele2 operate its own or jointly owned network in six countries and are resellers of network capacity in the others.

Fixed broadband services are seen as a good complement to Tele2's core mobile services on own infrastructure.

The total fixed broadband customer base grew by 66,000 (86,000) users, mainly driven by robust development in Sweden adding 30,000 (18,000) customers. Revenue increased by 11 percent to SEK 1,533 (1,385). EBITDA amounted to SEK -176 (-76). In 2008 it is important that profitability in fixed broadband services will increase and contribute to the operations as a whole.

Sweden Tele2 Sweden added 30,000 (18,000) customers in the quarter and continued to gain market share. Operating revenue grew by 5 percent and EBITDA margin amounted to -18 (2) percent in the quarter.

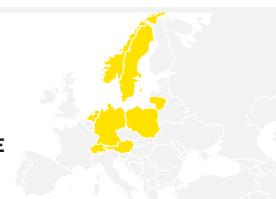
Norway Tele2 Norway continued to move its marketing efforts away from resold broadband and continued to migrate customers onto its own infrastructure. Hence, Tele2 Norway will continue to focus its marketing efforts where Tele2 owns infrastructure on LLUB.

Switzerland The ARPU development was stable in the quarter and churn rate in the customer base trended downwards. Competition from LLUB based operators was lower than forecasted. Tele2 Switzerland successfully implemented cost saving programmes during the quarter and EBITDA improved to SEK -2 (-16) million in Q1 2008.

Netherlands Tele2 Netherlands managed to gain market share in the fixed broadband market in Q1 2008. Acquisition cost remained stable but churn increased slightly leading to some pressure on net intake during the quarter. New retention measurements were taken to improve the situation. The pricing environment in the Netherlands remains competitive, driven by other ISPs and the incumbents' multi-brand strategy.

10%

FIXED BROADBAND REVENUE GROWTH IN Q1 2008



We offer fixed broadband services in Austria, Germany, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Sweden and Switzerland.

Germany The fixed broadband market continued to be competitive in Q1 2008, with some early signs of market consolidation. However, the price environment during the quarter was relatively stable.

Tele2 Germany reduced the use of push sales activities significantly in Q1 2008, and switched to a more reactive customer acquisition strategy. This led to an improvement in profitability in fixed broadband services. Churn rate in the customer base improved during the quarter, due to better provisioning.

Austria Tele2 Austria continued to gain market share in the fixed broadband market. Competition from bundled offerings together with new low pricing points on mobile broadband services resulted in higher marketing costs and churn in Q1 2008. In the corporate segment, Tele2 Austria continued to be successful, especially in the IP Centrex market. Operating revenue, EBITDA and EBIT were negatively affected during the quarter by a nonrecurring charge of SEK 61 million.

Poland Tele2 Poland continued to push its resold ADSL offer with full national coverage. The customer base grew by 8,000 (0) in Q1 2008.

FINANCIAL OVERVIEW BY PRODUCT cont.

FIXED TELEPHONY



Tele2 currently offers fixed telephony services in 12 countries. Use of the traditional fixed telephone line declined in pace with growth in mobile and IP telephony. During the quarter, Tele2 focused on minimizing the need for investments and use of marketing to maintain the cash flow generation of the service.

In Q1 2008, churn stayed high leading to a net loss of –459,000 (–400,000) users. As an effect, revenue declined by 15 percent to SEK 2,348 (2,763) million. However, EBITDA contribution was SEK 480 (482) million in Q1 2008, corresponding to a margin of 20 (17) percent.

Sweden The EBITDA margin recovered from Q4 2007 and amounted to 15 percent. The margin improved partly as a result of capitalising on synergies from the integration of EON broadband.

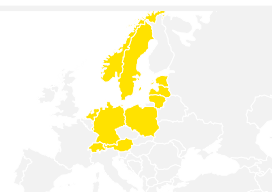
Norway Tele2 Norway continued to experience a volume shift from fixed to mobile services, but the EBITDA margin increased to 19 (16) percent thanks to reduced customer sale and customer service cost control.

Netherlands The CPS (Carrier Pre-Select) business in the Netherlands declined by –25,000 (–100,000) customers. The intake of WLR (Wholesale Line Rental) customers continued in Q1 2008, enabling better retention and lower churn level in the fixed telephony customer base. Tele2 Netherlands has approximately 60 percent of the total WLR market. The subscriber acquisition cost remained stable during Q1 2008.

Germany The pricing environment in the fixed telephony market was stable during Q1 2008, with few marketing initiatives from the competition. The majority of the operators were more focused on broadband services, leading to relatively less competition and hence better profitability. The EBITDA margin for fixed telephony was 25 (14) percent.

20%

**FIXED TELEPHONY
EBITDA MARGIN IN Q1 2008**



We offer fixed telephony in Austria, Estonia, Germany, Latvia, Lithuania, Liechtenstein, Luxembourg, Netherlands, Norway, Poland, Sweden and Switzerland.

The overall customer turnover in fixed telephony was high, driven mainly by lower volumes from call-by-call, together with high minutes of use from the CPS customer base. Due to a lack of customer relationship towards call-by-call users, the amount of customers is calculated as the total call-by-call volume divided by average minutes of use of a CPS customer. This causes high volatility between the quarters, which was the case in Q1 2008 compared to Q4 2007. However, the churn in the CPS customer base was stable in Q1 2008 and the trend points towards a slow improvement.

Tele2 Germany's EBITDA was in the quarter negatively effected by SEK 52 million in costs related to a lost court case against Deutsche Post.

Poland Tele2 Poland remains the largest alternative carrier in the residential segment and the success in selling the WLR continued in Q1 2008. Market activities from competition have been benign in the quarter and the pricing environment on fixed telephony services has been stable. Customer churn developed better than planned during the quarter and Tele2 Poland lost merely –16,000 (–64,000) customers. This trend was mainly driven by increased penetration of WLR, which exceeded 65 percent of the customer base in Q1 2008.

OTHER ITEMS

RISKS AND UNCERTAINTY FACTORS

Tele2's operations are affected by a number of external factors. The risk factors considered to be most significant to Tele2's future development are operating risks such as changes in regulatory legislation in telecommunication services, increased competition, introduction of new services, ability to attract and retain customers and legal proceedings, and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in Tele2's annual report (see Directors' report and Note 40 of the report for a detailed description of Tele2's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Tele2 Annual General Meeting 2008

The 2008 Annual General Meeting will be held at 1.30 p.m. CET on May 14, 2008, at Hotel Rival, Mariatorget 3 in Stockholm.

Shareholders who wish to participate at the Annual General Meeting shall have their names entered in the register of shareholders maintained by VPC AB (the Swedish Central Securities Depository) on Thursday 8 May 2008 and notify the company of their intention to participate by no later than 1.00 p.m. on Thursday 8 May 2008. The notification can be made on the company's website, www.tele2.com, by telephone +46 (0)8 562 00 112 or in writing to the company.

Other

Tele2 will release the financial and operating results for the period ending June 30, 2008 on July 23, 2008.

Stockholm, April 23, 2008

Tele2 AB

Lars-Johan Jarnheimer
President and CEO, Tele2 AB

REPORT REVIEW

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

Presentation Details

A presentation to discuss the result will be held at 07.45 (CET) / 06.45 (UK time) / 01.45 am (New York time) at SalénHuset, Norrlandsgatan 15, Stockholm. The presentation will be webcasted on Tele2's website at www.tele2.com, along with the presentation material.

Conference call details

A conference call, with an interactive presentation, to discuss the results will be held at 16.00 (CET) / 15.00 (UK time) / 10.00 am (New York time), on April 23, 2008. To register for the conference call and receive a dial-in number together with an access code, please visit the Tele2 corporate website www.tele2.com. The conference call will also be available as a link on the Tele2 corporate website, both live and as archived version.

Please dial in 10 minutes prior to the start of the conference call to allow time for registration.

VISIT OUR WEBSITE:

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APPENDICES

- Income statement
- Balance sheet
- Cash flow statement
- Change in shareholders' equity
- Number of customers
- Operating revenue
- Internal sales
- EBITDA
- EBIT
- CAPEX
- Key Ratios
- Parent Company
- Notes

TELE2 IS ONE OF EUROPE'S LEADING ALTERNATIVE TELECOM OPERATORS. Tele2's mission is to provide price leading and easy to use telecoms. Tele2 always strives to offer the market's best prices. We have 25 million customers in 15 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 has been listed on the OMX Nordic Exchange since 1996. In 2007, we had an operating revenue of SEK 43.4 billion and reported an operating profit (EBITDA) of SEK 6.6 billion.

INCOME STATEMENT

SEK million	Note	2008 Jan 1–Mar 31	2007 Jan 1–Mar 31	2007 Full year
CONTINUING OPERATIONS				
Operating revenue	1	10,402	10,926	43,420
Operating expenses	2	-9,589	-10,271	-41,150
Impairment of goodwill	2	-	-	-1,315
Sale of operations, profit	3	86	-	1,562
Sale of operations, loss	4	-3	-5	-823
Result from shares in associated companies and joint ventures	5	-64	-57	-234
Other operating revenues	2	122	22	125
Other operating expenses	2	-92	-13	-100
Operating profit/loss, EBIT		862	602	1,485
Net interest expenses		-86	-204	-760
Other financial items		60	-75	34
Profit/loss after financial items, EBT		836	323	759
Tax on profit/loss	6	-86	-22	-1,061
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		750	301	-302
DISCONTINUED OPERATIONS				
Net profit/loss from discontinued operations	9	-	-307	-1,467
NET PROFIT/LOSS		750	-6	-1,769
ATTRIBUTABLE TO				
Equity holders of the parent company		738	37	-1,669
Minority interest		12	-43	-100
NET PROFIT/LOSS		750	-6	-1,769
Earnings per share (SEK)		1.66	0.08	-3.75
Earnings per share, after dilution (SEK)		1.66	0.08	-3.75
FROM CONTINUING OPERATIONS				
Earnings per share (SEK)		1.66	0.77	-0.45
Earnings per share, after dilution (SEK)		1.66	0.77	-0.45
Number of outstanding shares, basic	7	444,851,339	444,682,940	444,851,339
Number of shares in own custody	7	4,098,000	-	4,098,000
Number of shares, weighted average	7	444,851,339	444,554,042	444,727,119
Number of shares after dilution	7	445,225,883	445,024,865	445,235,120
Number of shares after dilution, weighted average	7	445,246,739	444,969,592	445,220,904

BALANCE SHEET

SEK million	Mar 31, 2008	Dec 31, 2007
Assets		
FIXED ASSETS		
Goodwill	12,463	12,603
Other intangible assets	2,043	2,089
Intangible assets	14,506	14,692
Tangible assets	14,279	14,388
Financial assets	996	1,007
Deferred tax assets	3,085	3,258
FIXED ASSETS	32,866	33,345
CURRENT ASSETS		
Materials and supplies	362	435
Current receivables	9,157	9,816
Short-term investments	2,623	2,593
Cash and cash equivalents	3,343	2,459
CURRENT ASSETS	15,485	15,303
ASSETS	48,351	48,648
Equity and liabilities		
SHAREHOLDERS' EQUITY		
Attributable to equity holders of the parent company	27,134	26,821
Minority interests	39	28
SHAREHOLDERS' EQUITY	27,173	26,849
LONG-TERM LIABILITIES		
Interest-bearing liabilities	4,811	5,670
Non-interest-bearing liabilities	920	927
LONG-TERM LIABILITIES	5,731	6,597
SHORT-TERM LIABILITIES		
Interest-bearing liabilities	6,129	4,602
Non-interest-bearing liabilities	9,318	10,600
SHORT-TERM LIABILITIES	15,447	15,202
EQUITY AND LIABILITIES	48,351	48,648

CASH FLOW STATEMENT

SEK million	Note	2008 Jan 1–Mar 31	2007 Jan 1–Mar 31	2007 Full year	2008 Q1	2007 Q4*	2007 Q3*	2007 Q2*	2007 Q1*	2006 Q4*
OPERATING ACTIVITIES										
Cash flow from operation		1,425	652	4,488	1,425	1,339	1,208	1,289	652	1,048
Change in working capital		82	-250	-138	82	-367	615	-136	-250	-452
CASH FLOW FROM OPERATING ACTIVITIES		1,507	402	4,350	1,507	972	1,823	1,153	402	596
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX		-999	-1,173	-5,169	-999	-1,315	-1,188	-1,493	-1,173	-1,422
Cash flow after CAPEX		508	-771	-819	508	-343	635	-340	-771	-826
Acquisition of shares and participations	8	-398	-20	-1,438	-398	-1,225	-27	-166	-20	-44
Sale of shares and participations	8	-68	108	13,215	-68	7,576	5,505	26	108	-5
Change of long-term receivables		156	67	-6	156	161	-356	122	67	-260
Cash flow from investing activities		-1,309	-1,018	6,602	-1,309	5,197	3,934	-1,511	-1,018	-1,731
CASH FLOW AFTER INVESTING ACTIVITIES		198	-616	10,952	198	6,169	5,757	-358	-616	-1,135
FINANCING ACTIVITIES										
Change of loans, net		702	384	-10,798	702	-6,729	-5,518	1,065	384	1,083
Dividend	7	-	-	-814	-	-	-	-814	-	-
New share issue		-	12	27	-	5	5	5	12	17
Repurchase of own shares		-	-	-5	-	-5	-	-	-	-
Other financing activities		-	352	351	-	-	1	-2	352	-
Cash flow from financing activities		702	748	-11,239	702	-6,729	-5,512	254	748	1,100
NET CHANGE IN CASH AND CASH EQUIVALENTS		900	132	-287	900	-560	245	-104	132	-35
Cash and cash equivalents at beginning of period		2,459	2,619	2,619	2,459	2,931	2,668	2,769	2,619	2,705
Exchange rate differences in cash		-16	18	127	-16	88	18	3	18	-51
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		3,343	2,769	2,459	3,343	2,459	2,931	2,668	2,769	2,619
Taxes paid included in cash flow from operation		-320	-682	-1,570	-320	-189	-489	-210	-682	-231

* Including discontinued operations (Note 9)

CHANGE IN SHAREHOLDERS' EQUITY

SEK million	Note	Mar 31, 2008			Mar 31, 2007			Dec 31, 2007		
		Attributable to		Total share holders' equity	Attributable to		Total share holders' equity	Attributable to		Total share holders' equity
		equity holders of the parent	minority interests		equity holders of the parent	minority interests		equity holders of the parent	minority interests	
Shareholders' equity, January 1		26,821	28	26,849	28,800	323	29,123	28,800	323	29,123
ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY										
Exchange rate differences		-399	-1	-400	1,128	7	1,135	1,478	9	1,487
Reversed cumulative exchange rate differences from divested companies		-	-	-	1	-	1	-1,053	-	-1,053
Cash flow hedges		-31	-	-31	15	-	15	49	-	49
Items recognized directly in shareholders' equity		-430	-1	-431	1,144	7	1,151	474	9	483
Net profit/loss for the period		738	12	750	37	-43	-6	-1,669	-100	-1,769
Total for the period		308	11	319	1,181	-36	1,145	-1,195	-91	-1,286
OTHER CHANGES IN SHAREHOLDERS' EQUITY										
Costs for stock options		5	-	5	1	-	1	8	-	8
New share issue		-	-	-	12	-	12	27	-	27
Dividend	7	-	-	-	-	-	-	-814	-4	-818
Repurchase of own shares		-	-	-	-	-	-	-5	-	-5
Shareholders contribution from minority		-	-	-	-	389	389	-	395	395
Purchase of minority		-	-	-	-	-16	-16	-	-595	-595
SHAREHOLDERS' EQUITY, END OF PERIOD		27,134	39	27,173	29,994	660	30,654	26,821	28	26,849

NUMBER OF CUSTOMERS

Thousands	Note	Number of customers			Net intake					
		2008 Mar 31	2007 Mar 31	Change	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Sweden										
Mobile	11	3,118	3,525	-12%	19	92	100	46	17	11
Fixed telephony		883	1,024	-14%	-35	-45	-20	-41	-56	-22
Fixed broadband		416	327	27%	30	21	20	18	18	25
		4,417	4,876	-9%	14	68	100	23	-21	14
Norway										
Mobile	11	441	415	6%	-7	1	20	14	16	28
Fixed telephony		153	191	-20%	-10	-10	-9	-9	-17	-7
Fixed broadband		107	107	0%	-5	-4	2	7	15	5
		701	713	-2%	-22	-13	13	12	14	26
Russia										
Mobile		8,879	6,587	35%	319	554	631	778	578	859
		8,879	6,587	35%	319	554	631	778	578	859
Estonia										
Mobile		495	497	0%	3	3	-6	-2	-13	2
Fixed telephony		19	24	-21%	-1	-2	-1	-1	-2	-2
		514	521	-1%	2	1	-7	-3	-15	-
Lithuania										
Mobile		1,831	1,692	8%	35	43	43	18	37	82
Fixed telephony		6	8	-25%	-	-	-1	-1	-	-1
Fixed broadband		38	33	15%	2	1	1	1	1	2
		1,875	1,733	8%	37	44	43	18	38	83
Latvia										
Mobile		1,127	1,072	5%	5	-6	18	38	15	16
Fixed telephony		3	5	-40%	-1	-	-	-1	-2	-1
		1,130	1,077	5%	4	-6	18	37	13	15
Croatia										
Mobile		516	390	32%	46	15	49	16	33	39
		516	390	32%	46	15	49	16	33	39
Switzerland										
Mobile		91	44	107%	26	7	9	5	7	3
Fixed telephony		321	415	-23%	-19	-21	-21	-33	-23	-21
Fixed broadband		82	89	-8%	-3	-3	-1	-	1	-
		494	548	-10%	4	-17	-13	-28	-15	-18
France										
Mobile		465	444	5%	12	26	-9	-8	37	41
		465	444	5%	12	26	-9	-8	37	41
Luxembourg										
Mobile		238	232	3%	2	1	2	1	4	1
Fixed telephony		26	27	-4%	-	-	-	-1	-2	-1
Fixed broadband		10	6	67%	1	1	1	1	2	1
		274	265	3%	3	2	3	1	4	1
Netherlands										
Mobile		526	592	-11%	-44	-22	-1	1	-6	-1
Fixed telephony		469	675	-31%	-25	-39	-54	-88	-100	-98
Fixed broadband		331	275	20%	7	22	16	11	7	9
		1,326	1,542	-14%	-62	-39	-39	-76	-99	-90

NUMBER OF CUSTOMERS, cont.

Thousands	Note	Number of customers			Net intake					
		2008 Mar 31	2007 Mar 31	Change	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Germany										
Fixed telephony		2,407	3,119	-23%	-318	-36	-200	-158	-84	71
Fixed broadband		192	137	40%	19	13	7	16	28	43
		2,599	3,256	-20%	-299	-23	-193	-142	-56	114
Austria										
Fixed telephony		528	683	-23%	-34	-34	-39	-48	-50	-56
Fixed broadband		179	136	32%	7	11	12	13	14	15
		707	819	-14%	-27	-23	-27	-35	-36	-41
Poland										
Fixed telephony		716	838	-15%	-16	-17	-38	-51	-64	-71
Fixed broadband		15	-	-	8	7	-	-	-	-
		731	838	-13%	-8	-10	-38	-51	-64	-71
TOTAL										
Mobile	11	17,727	15,490	14%	416	714	856	907	725	1,081
Fixed telephony		5,531	7,009	-21%	-459	-204	-383	-432	-400	-209
Fixed broadband		1,370	1,110	23%	66	69	58	67	86	100
		24,628	23,609	4%	23	579	531	542	411	972
Divested operations	8,11	-	2,477		-116	-18	-40	-72	-76	-7
NET CUSTOMER INTAKE					-93	561	491	470	335	965
Acquired companies					-	10	-	-	-	-
Divested companies					-	-762	-1,376	-	-	-
Changed method of calculation	11				-	-	-	-759	-	-
TOTAL CONTINUING OPERATIONS		24,628	26,086	-6%	-93	-191	-885	-289	335	965
Discontinued operations										
Net intake	9	-	6,114		-	-47	-141	-239	-238	-213
Divested companies	9				-	-2,969	-2,718	-	-	-
TOTAL OPERATIONS		24,628	32,200	-24%	-93	-3,207	-3,744	-528	97	752

OPERATING REVENUE

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Sweden							
Mobile		1,820	1,890	1,898	1,839	1,663	1,721
Fixed telephony		552	528	603	637	667	631
Fixed broadband		313	325	303	294	297	281
Other operations		153	187	195	183	175	178
		2,838	2,930	2,999	2,953	2,802	2,811
Norway							
Mobile		638	684	681	630	590	576
Fixed telephony		153	168	178	188	199	207
Fixed broadband		108	112	113	109	102	97
		899	964	972	927	891	880
Russia							
Mobile		1,488	1,418	1,289	1,161	969	920
		1,488	1,418	1,289	1,161	969	920
Estonia							
Mobile		257	282	276	279	242	244
Fixed telephony		4	4	4	5	5	5
Other operations		12	13	13	12	10	10
		273	299	293	296	257	259
Lithuania							
Mobile		360	336	352	327	290	292
Fixed telephony		1	1	2	1	2	2
Fixed broadband		5	5	5	5	4	5
		366	342	359	333	296	299
Latvia							
Mobile		436	420	445	421	375	390
Fixed telephony		–	–	–	1	1	1
		436	420	445	422	376	391
Croatia							
Mobile		150	156	153	129	105	100
		150	156	153	129	105	100
Switzerland							
Mobile		48	38	33	29	23	24
Fixed telephony		224	227	233	254	286	326
Fixed broadband		62	59	61	62	63	62
Other operations		28	35	34	38	43	63
		362	359	361	383	415	475
France							
Mobile		284	275	273	293	285	289
		284	275	273	293	285	289
Luxembourg							
Mobile		201	204	225	211	211	215
Fixed telephony		23	24	22	21	25	26
Fixed broadband		7	6	5	5	3	3
Other operations		14	15	16	16	14	14
		245	249	268	253	253	258
Netherlands							
Mobile		258	272	288	276	251	253
Fixed telephony		386	412	381	371	400	447
Fixed broadband		714	706	598	558	590	563
Other operations		200	186	168	166	151	152
		1,558	1,576	1,435	1,371	1,392	1,415

OPERATING REVENUE, cont.

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Germany							
Fixed telephony		591	668	657	674	769	855
Fixed broadband		116	97	91	88	82	76
Other operations		112	106	122	111	109	127
		819	871	870	873	960	1,058
Austria							
Fixed telephony	1	167	180	196	215	242	268
Fixed broadband	1	208	278	259	260	256	256
Other operations		168	158	159	135	151	165
		543	616	614	610	649	689
Poland							
Fixed telephony		263	254	233	211	200	206
Fixed broadband		5	2	–	–	–	–
Other operations		34	24	25	13	10	13
		302	280	258	224	210	219
Other							
Other operations		325	285	241	211	248	209
		325	285	241	211	248	209
TOTAL							
Mobile		5,940	5,975	5,913	5,595	5,004	5,024
Fixed telephony		2,364	2,466	2,509	2,578	2,796	2,974
Fixed broadband		1,538	1,590	1,435	1,381	1,397	1,343
Other operations		1,046	1,009	973	885	911	931
		10,888	11,040	10,830	10,439	10,108	10,272
One-off items	1	–	–200	–	–	–	–
Divested operations	8	25	7	609	1,254	1,471	1,565
Internal sales, elimination		–511	–394	–530	–561	–653	–685
TOTAL CONTINUING OPERATIONS		10,402	10,453	10,909	11,132	10,926	11,152
Discontinued operations	9	–	1,369	1,918	3,023	2,903	2,795
TOTAL OPERATIONS		10,402	11,822	12,827	14,155	13,829	13,947

INTERNAL SALES

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Sweden							
Mobile		25	19	21	17	34	39
Fixed telephony		–	–3	–	1	6	10
Fixed broadband		–	1	–	2	6	7
Other operations		104	120	152	139	137	138
		129	137	173	159	183	194
Norway							
Mobile		3	1	3	1	2	1
Fixed telephony		9	11	14	12	13	10
Fixed broadband		–	–	–	–	–	2
		12	12	17	13	15	13
Russia							
Mobile		15	3	5	2	2	–
		15	3	5	2	2	–
Estonia							
Other operations		12	13	13	12	10	9
		12	13	13	12	10	9
Lithuania							
Mobile		2	2	3	3	2	3
Fixed telephony		1	1	2	1	–	1
		3	3	5	4	2	4
Latvia							
Mobile		6	3	–	–	–	–
		6	3	–	–	–	–
Switzerland							
Other operations		8	8	10	11	12	13
		8	8	10	11	12	13
Luxembourg							
Mobile		3	3	3	4	3	4
Fixed telephony		6	6	5	3	4	–
Other operations		13	13	15	15	14	14
		22	22	23	22	21	18
Netherlands							
Fixed telephony		–	2	7	8	10	19
Fixed broadband		5	6	6	6	6	8
Other operations		14	6	3	5	4	2
		19	14	16	19	20	29
Germany							
Other operations		63	59	97	85	80	93
		63	59	97	85	80	93
Austria							
Other operations		32	15	23	18	18	26
		32	15	23	18	18	26
Poland							
Other operations		4	4	5	5	6	6
		4	4	5	5	6	6
Other							
Other operations		185	100	85	132	188	136
		185	100	85	132	188	136
TOTAL							
Mobile		54	31	35	27	43	47
Fixed telephony		16	17	28	25	33	40
Fixed broadband		5	7	6	8	12	17
Other operations		435	338	403	422	469	437
		510	393	472	482	557	541
Divested operations	8	1	1	58	79	96	144
Internal sales, elimination		–511	–394	–530	–561	–653	–685
TOTAL CONTINUING OPERATIONS		–	–	–	–	–	–

EBITDA

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Sweden							
Mobile		632	645	700	678	577	648
Fixed telephony		85	60	106	99	137	60
Fixed broadband		-57	-55	-21	-42	7	-29
Other operations		22	4	24	6	10	-4
		682	654	809	741	731	675
Norway							
Mobile		-12	41	10	29	52	44
Fixed telephony		27	27	28	28	30	40
Fixed broadband		-20	-14	-14	-21	-28	-19
		-5	54	24	36	54	65
Russia							
Mobile		518	440	428	382	276	243
		518	440	428	382	276	243
Estonia							
Mobile		88	96	83	89	80	71
Fixed telephony		1	-	-4	2	1	1
Other operations		1	1	4	-2	-	1
		90	97	83	89	81	73
Lithuania							
Mobile		122	66	111	112	98	86
Fixed telephony		1	1	1	-	1	-
Fixed broadband		1	1	1	1	1	1
		124	68	113	113	100	87
Latvia							
Mobile		163	157	211	202	168	170
Fixed telephony		-	-	-	-	-	3
		163	157	211	202	168	173
Croatia							
Mobile		-95	-83	-77	-91	-80	-114
		-95	-83	-77	-91	-80	-114
Switzerland							
Mobile		-68	-80	-57	-56	-41	-23
Fixed telephony		86	73	81	61	79	76
Fixed broadband		-2	-11	-13	-12	-16	-11
Other operations		1	-	-	3	2	1
		17	-18	11	-4	24	43
France							
Mobile		-36	-72	-6	-42	-129	-202
		-36	-72	-6	-42	-129	-202
Luxembourg							
Mobile		54	74	68	67	71	79
Fixed telephony		3	2	2	-2	-6	-
Fixed broadband		-1	1	-1	-2	-5	-4
Other operations		1	-	1	-	1	1
		57	77	70	63	61	76
Netherlands							
Mobile		26	33	27	24	22	5
Fixed telephony		62	73	23	46	56	89
Fixed broadband		107	116	136	72	95	76
Other operations		16	24	32	33	31	54
		211	246	218	175	204	224

EBITDA, cont.

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Germany							
Fixed telephony	2	148	169	93	114	111	200
Fixed broadband		-87	-165	-147	-146	-96	-105
Other operations		9	3	11	6	9	5
		70	7	-43	-26	24	100
Austria							
Fixed telephony	1-2	33	26	47	59	70	88
Fixed broadband	1-2	-102	-73	-47	-62	-33	-17
Other operations		6	12	6	22	15	13
		-63	-35	6	19	52	84
Poland							
Fixed telephony		34	42	30	6	3	7
Fixed broadband		-15	-14	-25	-6	-1	2
Other operations		5	-5	11	1	1	-
		24	23	16	1	3	9
Other							
Other operations		7	-51	-16	9	-11	-30
		7	-51	-16	9	-11	-30
TOTAL							
Mobile		1,392	1,317	1,498	1,394	1,094	1,007
Fixed telephony		480	473	407	413	482	564
Fixed broadband		-176	-214	-131	-218	-76	-106
Other operations		68	-12	73	78	58	41
		1,764	1,564	1,847	1,667	1,558	1,506
Divested operations	8	-6	-64	-3	45	33	50
TOTAL CONTINUING OPERATIONS		1,758	1,500	1,844	1,712	1,591	1,556
Discontinued operations	9	-	304	148	-11	-139	-77
TOTAL OPERATIONS		1,758	1,804	1,992	1,701	1,452	1,479

EBIT

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Sweden							
Mobile		469	481	537	508	410	485
Fixed telephony		63	38	87	80	116	41
Fixed broadband		-131	-128	-86	-105	-52	-86
Other operations		2	-17	7	-11	-7	-22
		403	374	545	472	467	418
Norway							
Mobile		-17	35	9	25	51	41
Fixed telephony		26	24	25	26	28	37
Fixed broadband		-28	-19	-21	-26	-32	-21
		-19	40	13	25	47	57
Russia							
Mobile		384	290	280	258	162	136
		384	290	280	258	162	136
Estonia							
Mobile		72	77	67	76	65	55
Fixed telephony		1	-	-4	2	1	3
Other operations		-	-	4	-2	-	-
		73	77	67	76	66	58
Lithuania							
Mobile		102	47	93	94	80	70
Fixed telephony		1	-	-	1	1	-
Fixed broadband		-	-	1	-	-	-
		103	47	94	95	81	70
Latvia							
Mobile		142	136	191	179	146	142
		142	136	191	179	146	142
Croatia							
Mobile		-114	-98	-92	-105	-93	-123
		-114	-98	-92	-105	-93	-123
Switzerland							
Mobile		-71	-82	-60	-56	-43	-25
Fixed telephony		76	62	72	52	69	67
Fixed broadband		-4	-13	-16	-14	-17	-12
Other operations		1	1	1	2	2	1
		2	-32	-3	-16	11	31
France							
Mobile		-36	-73	-6	-43	-129	-202
		-36	-73	-6	-43	-129	-202
Luxembourg							
Mobile		26	47	39	40	45	53
Fixed telephony		3	2	2	-3	-7	-10
Fixed broadband		-1	-	-	-3	-5	-4
Other operations		1	1	1	1	-	1
		29	50	42	35	33	40
Netherlands							
Mobile		21	31	26	22	20	3
Fixed telephony		40	33	1	27	36	70
Fixed broadband		-137	-112	-100	-161	-140	-178
Other operations		3	9	18	18	17	39
		-73	-39	-55	-94	-67	-66

EBIT, cont.

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Germany							
Fixed telephony	2	131	152	81	101	99	187
Fixed broadband		-120	-192	-166	-158	-107	-114
Other operations		9	3	11	6	9	5
		20	-37	-74	-51	1	78
Austria							
Fixed telephony	1-2	6	-3	24	34	45	72
Fixed broadband	1-2	-148	-118	-93	-105	-79	-23
Other operations		-2	4	-4	13	6	17
		-144	-117	-73	-58	-28	66
Poland							
Fixed telephony		28	38	27	3	-1	2
Fixed broadband		-15	-14	-25	-7	-1	-6
Other operations		5	-5	11	1	1	-
		18	19	13	-3	-1	-4
Other							
Other operations		-2	-62	-27	-2	-22	-43
		-2	-62	-27	-2	-22	-43
TOTAL							
Mobile		978	891	1,084	998	714	635
Fixed telephony		375	346	315	323	387	469
Fixed broadband		-584	-596	-506	-579	-433	-444
Other operations		17	-66	22	26	6	-2
		786	575	915	768	674	658
One-off items	1-2	-	-328	-1,319	-	-	50
Divested operations	8	76	-169	1,013	-572	-72	-33
TOTAL CONTINUING OPERATIONS		862	78	609	196	602	675
Discontinued operations	9	-	477	-1,004	-222	-343	-307
TOTAL OPERATIONS		862	555	-395	-26	259	368
SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT							
EBITDA		1,758	1,500	1,844	1,712	1,591	1,556
Impairment of goodwill	2	-	-5	-1,310	-	-	-
Depreciation/amortization and other write-down		-915	-945	-1,222	-934	-927	-872
Sale of operations	3-4	83	-88	1,352	-520	-5	-17
Other one-off items	1-2	-	-324	-	-	-	50
Result from shares in associated companies and joint ventures	5	-64	-60	-55	-62	-57	-42
EBIT		862	78	609	196	602	675

CAPEX

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Sweden							
Mobile		112	132	107	134	110	210
Fixed telephony		27	19	31	31	21	53
Fixed broadband		102	127	75	73	60	101
Other operations		15	39	13	12	5	10
		256	317	226	250	196	374
Norway							
Mobile		9	2	1	3	-	3
Fixed broadband		5	20	15	9	13	16
		14	22	16	12	13	19
Russia							
Mobile		246	352	327	459	399	358
		246	352	327	459	399	358
Estonia							
Mobile		39	43	33	22	10	24
		39	43	33	22	10	24
Lithuania							
Mobile		27	22	15	23	24	15
Fixed broadband		1	1	1	1	1	1
		28	23	16	24	25	16
Latvia							
Mobile		47	33	48	23	26	49
		47	33	48	23	26	49
Croatia							
Mobile		40	124	61	49	44	85
		40	124	61	49	44	85
Switzerland							
Mobile		42	30	18	13	11	8
Fixed telephony		-	1	1	1	-	2
Fixed broadband		-	-1	1	1	4	2
		42	30	20	15	15	12
France							
Mobile		-	3	-	-	1	1
		-	3	-	-	1	1
Luxembourg							
Mobile		7	37	3	15	2	13
Fixed broadband		-	-	-	-	1	1
		7	37	3	15	3	14
Netherlands							
Mobile		2	-	-	-	-	-
Fixed telephony		10	2	10	17	10	12
Fixed broadband		88	110	98	94	125	80
Other operations		7	7	6	7	8	12
		107	119	114	118	143	104

CAPEX, cont.

SEK million	Note	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4
Germany							
Fixed telephony		1	–	–	1	1	2
Fixed broadband		11	11	11	4	14	41
		12	11	11	5	15	43
Austria							
Fixed telephony		13	32	5	2	8	11
Fixed broadband		19	29	30	27	15	27
Other operations		5	18	7	7	4	10
		37	79	42	36	27	48
Poland							
Fixed telephony		1	1	–	1	–	1
Fixed broadband		1	1	5	2	1	–
		2	2	5	3	1	1
Other							
Other operations		11	19	–8	25	21	16
		11	19	–8	25	21	16
TOTAL							
Mobile		571	778	613	741	627	766
Fixed telephony		52	55	47	53	40	81
Fixed broadband		227	298	236	211	234	269
Other operations		38	83	18	51	38	48
		888	1,214	914	1,056	939	1,164
Divested operations	8	–	6	29	56	55	46
TOTAL CONTINUING OPERATIONS		888	1,220	943	1,112	994	1,210
Discontinued operations	9	–	210	252	249	218	354
TOTAL OPERATIONS		888	1,430	1,195	1,361	1,212	1,564
ADDITIONAL CASH FLOW INFORMATION							
CAPEX according to cash flow statement		999	1,315	1,188	1,493	1,173	1,422
This year unpaid CAPEX and paid CAPEX from previous year							
Continuing operations		–119	40	–1	–54	38	73
Discontinued operations	9	–	73	4	–80	–9	41
Sales price in cash flow statement		8	2	4	2	10	28
CAPEX according to balance sheet		888	1,430	1,195	1,361	1,212	1,564

KEY RATIOS

SEK million	2008	2007	2007	2006	2005	2004
	Jan 1–Mar 31	Jan 1–Mar 31				
CONTINUING OPERATIONS						
Operating revenue	10,402	10,926	43,420	43,098	37,870	30,570
Number of customers, by thousands	24,628	26,086	24,721	25,751	23,023	19,998
EBITDA	1,758	1,591	6,647	5,776	5,293	4,996
EBIT	862	602	1,485	–106	2,607	2,858
EBT	836	323	759	–668	2,170	2,686
Net profit/loss	750	301	–302	–1,003	1,665	2,030
KEY RATIOS						
EBITDA margin, %	16.9	14.6	15.2	13.4	14.0	16.3
EBIT margin, %	8.3	5.5	3.4	–0.2	6.9	9.3
VALUE PER SHARE (SEK)						
Earnings	1.66	0.77	–0.45	–1.98	3.77	4.59
Earnings after dilution	1.66	0.77	–0.45	–1.98	3.77	4.57
TOTAL (INCLUDING DISCONTINUED OPERATIONS)						
Shareholders' equity	27,173	30,654	26,849	29,123	35,368	32,900
Shareholders' equity after dilution	27,210	30,688	26,893	29,137	35,401	32,965
Total assets	48,351	68,107	48,648	66,164	68,291	49,873
Cash flow from operating activities	1,507	402	4,350	3,847	5,487	5,876
Cash flow after CAPEX	508	–771	–819	–1,673	1,847	4,314
Available liquidity	26,134	5,176	25,901	5,963	8,627	5,113
Net debt	4,935	16,072	5,198	15,311	11,839	2,831
Investments in intangible and tangible assets, CAPEX	888	1,212	5,198	5,365	3,750	1,585
Investments in shares and long-term receivables	310	–155	–11,444	1,616	7,953	1,653
KEY RATIOS						
Equity/assets ratio, %	56	45	55	44	52	66
Debt/equity ratio, multiple	0.18	0.52	0.19	0.53	0.33	0.09
Return on shareholders' equity, %	2.7	0.1	–6.0	–11.3	6.9	10.8
Return on shareholders' equity after dilution, %	2.7	0.1	–6.0	–11.3	6.9	10.8
Return on capital employed, %	2.5	0.6	1.5	–5.4	8.2	11.4
Average interest rate, %	5.9	4.9	5.2	4.2	3.7	4.4
VALUE PER SHARE (SEK)						
Earnings	1.66	0.08	–3.75	–8.14	5.30	7.74
Earnings after dilution	1.66	0.08	–3.75	–8.14	5.29	7.73
Shareholders' equity	61.00	67.47	60.31	64.85	78.96	74.32
Shareholders' equity after dilution	61.03	67.48	60.34	64.84	78.93	74.29
Cash flow from operating activities	3.39	0.90	9.78	8.66	12.39	13.27
Dividend	–	–	7.85 ¹⁾	1.83	1.75	1.67
Redemption	–	–	–	–	–	3.33
Market price at closing day	112.25	114.50	129.50	100.00	85.25	87.00

¹⁾ Proposed dividend

PARENT COMPANY

INCOME STATEMENT

SEK million	Note	2008 Jan 1–Mar 31	2007 Jan 1–Mar 31
Operating revenue		8	7
Administrative expenses		-13	-24
Operating profit/loss, EBIT		-5	-17
Exchange rate difference on financial items		145	-438
Net interest expenses and other financial items		52	58
Profit/loss after financial items, EBT		192	-397
Tax on profit/loss		-52	112
NET PROFIT/LOSS		140	-285

BALANCE SHEET

SEK million	Note	Mar 31, 2008	Dec 31, 2007
Assets			
FIXED ASSETS			
Financial assets		27,303	27,192
FIXED ASSETS		27,303	27,192
CURRENT ASSETS			
Current receivables		13,095	13,139
Short-term investments		255	250
Cash and cash equivalents		819	15
CURRENT ASSETS		14,169	13,404
ASSETS		41,472	40,596
Equity and liabilities			
SHAREHOLDERS' EQUITY			
Restricted equity	7	17,459	17,459
Unrestricted equity	7	15,798	15,689
SHAREHOLDERS' EQUITY	7	33,257	33,148
LONG-TERM LIABILITIES			
Interest-bearing liabilities		4,345	5,152
LONG-TERM LIABILITIES		4,345	5,152
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		3,663	2,154
Non-interest-bearing liabilities		207	142
SHORT-TERM LIABILITIES		3,870	2,296
EQUITY AND LIABILITIES		41,472	40,596

NOTES

ACCOUNTING PRINCIPLES AND DEFINITIONS

For the Group, the interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act.

As a result of the changed strategic focus and divestment of a number of operations in 2007, Tele2 has in Q1 2008 chosen to change the reporting of the primary segment from market area level to country level. This change corresponds with the internal reporting to the Board and management. Segment *Other* mainly includes the parent company Tele2 AB, operations in UK, Datamatrix, Radio Components and Procure IT Right.

Tele2 has in Q1 2008 chosen to change the definition of the following business areas (previous periods have been adjusted retrospectively). The *Fixed telephony* business area includes resold products within fixed telephony. The product portfolio within resold fixed telephony consists of prefix telephony, preselection (dialing the number without a prefix) and subscription. The *Fixed broadband* business area includes direct access & LLUB, i.e. our own services based on access via copper cable, and other forms of access, such as cable TV networks, DNS networks, wireless broadband and metropolitan area networks. Fixed broadband also includes resold broadband while mobile broadband is included in business area *Mobile*. The product portfolio within direct access & LLUB includes telephony services (including IP telephony), internet access services (including Tele2's own ADSL) and TV services.

Tele2 has, in all other respects, presented its interim report in accordance with the accounting principles and calculation methods used in the 2007 Annual Report. Definitions are found in the 2007 Annual Report.

NOTE 1 Operating revenue

Operating revenue was negatively impacted in Q1 2008 by a non-recurring item of SEK 61 million in the Austrian fixed broadband operations. A negative non-recurring item of SEK 9 million, attributable to the fixed telephony operations in Austria, was recorded in Q4 2007.

In Q4 2007, the operating revenue in Tele2 Sweden was reduced by SEK 200 million reported as a one-off item which is related to a number of disputes with Telia Sonera. The negative one-off item concerns the interconnect dispute between year 2000–2004. In Q1 2008, the Supreme Administrative Court decided to refuse appeal in one of the disputes. There is no need to book additional costs in excess of the SEK 200 million reported in Q4 2007. From a cash flow view Tele2 will pay SEK 550 million to Telia Sonera in Q2 2008 and the decision by the district court in the case of Tele2's claims on Telia Sonera is expected later in 2008.

NOTE 2 Operating expenses

Tele2 Germany's EBITDA for fixed telephony was in Q1 2008 negatively affected by SEK 52 million in costs related to a lost court case against Deutsche Post. In addition to the non-recurring item described in Note 1, the costs in the Austrian operations were negatively impacted in Q4 2007 by a non-recurring item in fixed telephony and fixed broadband, amounting to SEK 25 million.

The Supreme Court in The Hague ruled negatively on Tele2 Netherlands Holding N.V.'s (formerly Versatel) appeal regarding a dispute with the tax authorities about the valuation of stock options for tax purposes. As a result the costs for the Netherlands were increased by SEK 124 million reported as one-off items in Q4 2007.

In Q4 2006, a one-off item reduced the costs by SEK 50 million in Sweden as a result of price negotiations with another operator.

DEPRECIATION/AMORTIZATION AND IMPAIRMENT

In Q3 2007 Tele2 recognized goodwill impairment losses of SEK 1,310 million, related to operations stated below, and SEK 284 million attributable to Tele2's IT-systems.

SEK million	2007	Q3 2007
Germany	572	570
Austria	291	290
Belgium	276	275
Netherlands	176	175
Total impairment of goodwill	1,315	1,310

OTHER OPERATING REVENUES AND OTHER OPERATING EXPENSES

Service contracts and sales of capacity to sold operations are included in Other operating revenues by SEK 101 million and in Other operating expenses by SEK –80 million.

NOTE 3 Sale of operations, profit

Tele2 has reported the following capital gains from the divestment of operations.

SEK million	Q1 2008	Q4 2007	Q3 2007
Belgium	49	–	–
MVNO operations Austria	40	–	–
Irkutsk, Russia	–	11	1,168
Denmark	–	9	309
Uni2 Denmark	–3	6	39
Hungary	–	17	–
Portugal	–	–3	6
Total	86	40	1,522

NOTE 4 Sale of operations, loss

Tele2 has reported the following capital losses from the divestment of operations.

SEK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Alpha Telecom/Calling Card company	–	–99	–10	–520	–	–
3C Communications	–	–3	–133	–	–	–
Belgium	–	–	–20	–	–	–
Datamatrix Norway	–3	–	–7	–	–5	–
Other	–	–26	–	–	–	–20
Total	–3	–128	–170	–520	–5	–20

NOTE 5 Contingent liabilities

SEK million	2008 Mar 31	2007 Dec 31
Guarantee related to joint ventures		
–Svenska UMTS-nät, Sweden	1,806	1,838
–Plusnet, Germany	47	47
–Mobile Norway, Norway	28	28
Other commitments	1	1
Total contingent liabilities	1,882	1,914

Additional contractual commitments and liabilities related to the joint venture Plusnet and Mobile Norway are stated in Note 35 in the Annual Report for 2007.

NOTE 6 Taxes

In Q2 2007, a one-off adjustment of the deferred tax assets was reported affecting the income statement with SEK –228 million, of which SEK –193 million was related to reduced income tax rate in Germany. In Q3 2007, in connection with the impairment of goodwill according to Note 2, an additional write-down of tax assets for Tele2 Germany was reported, affecting the income statement with SEK -599 million.

NOTE 7 Shares and convertibles

The Board and CEO propose to the Annual General Meeting to resolve on an ordinary dividend of SEK 3.15 per share and an extraordinary dividend of SEK 4.70 per share to be paid to the shareholders, corresponding to SEK 1,401 million and SEK 2,091 million respectively and totalling SEK 3,492 million at March 31, 2008.

INCENTIVE PROGRAM 2007–2012

Number of options	Jan 1, 2008– Mar 31, 2008	Aug 2007 – Mar 31, 2008
Allocated August 2007		3,552,000
Outstanding as of January 1, 2008	3,489,000	
Forfeited	–273,000	–336,000
Total outstanding stock options	3,216,000	3,216,000

INCENTIVE PROGRAM 2006–2011

Number of options	Stock options		Warrants	
	Jan 1, 2008– Mar 31, 2008	Feb 2006– Mar 31, 2008	Jan 1, 2008– Mar 31, 2008	Feb 2006– Mar 31, 2008
Allocated February 2006		1,504,000		752,000
Outstanding as of January 1, 2008	1,164,000		717,000	
Forfeited	–120,000	–460,000	–25,000	–60,000
Total outstanding	1,044,000	1,044,000	692,000	692,000

NOTE 8 Business acquisitions and divestments

Acquisitions and divestments of shares and participations affecting cash flow are the following:

SEK million	2008 Jan 1–Mar 31
Acquisitions	
Netherlands, minority interest	–334
Adigeja, Russia	–13
	–347
Other	
Capital contribution to joint venture companies	–51
Other cash flow changes in shares and participations	–68
	–119
TOTAL CASH FLOW EFFECT	–466

ACQUISITIONS

Netherlands

During the first quarter 2008 Tele2 increased its shares in Versatel with an additional 0.06 percent and is now holding 98.87 percent of the shares. The purchase price amounted to SEK 2 million. An additional SEK 332 million was paid during the first quarter 2008 as settlement for shares purchased in 2007.

Adigeja, Russia

On February 22, 2008 Tele2 acquired all shares in Adigeja Cellular Communications, with an 1800 MHz GSM-license in the Russian region Adigeja, for SEK 13 million. Adigeja is a small enclave inside of Krasnodar.

DIVESTMENTS

MVNO operations in Austria

On October 8, 2007 Tele2 announced its divestment of the mobile operation in Tele2 Austria. The sale was completed on March 31, 2008 after receiving approval from the regulatory authorities. The sales price was SEK 18 million which will affect the cash flow for the second quarter 2008. The operation has affected Tele2's operating revenue year-to-date by SEK 19 (15) million, EBITDA by SEK –6 (–17) million and net profit/loss by SEK –7 (–19) million in addition to a capital gain of SEK 40 million.

Since the divested operation above, was not a significant part of Tele2's result and financial position, separate reporting in the income statement according to IFRS 5 has not been made.

Other

Other cash flow changes in shares and participations include settlements of sales costs in the amount of SEK –68 million, for divestments during 2007.

For additional information on divested operations please refer to the Q4 2007 Interim Report.

Net assets at the time of divestment

Assets, liabilities and contingent liabilities included in the divested operations at the time of divestment are stated below.

SEK million	Austria MVNO
Tangible assets	9
Deferred tax receivables	21
Material and supplies	1
Current receivables	6
Short-term liabilities	–59
Divested net assets	–22
Capital profit	40
Sales price, net sales costs	18
Receivable on new owner	–18
TOTAL CASH FLOW EFFECT	–

PRO FORMA

The table below shows the effect of the acquired and divested companies and operations at March 31, 2008 on Tele2's operating revenue and result, had they been acquired or divested at January 1, 2008.

SEK million	2008		
	Tele2 Group	Excluding acquired and divested operations	Tele2 Group pro forma
Operating revenue	10,402	–24	10,378
EBITDA	1,758	6	1,764
Net profit/loss	750	7	757

NOTE 9 Discontinued operations

The discontinued operations during 2007 comprised the fixed and broadband business in France as well as Tele2's operations in Italy and Spain. For additional information please refer to the Q4 2007 Interim Report.

NOTE 10 Transactions with related parties

Apart from transactions with Transcom no other significant related party transactions have been carried out during 2008. Related parties are presented in Note 42 of the 2007 Annual Report.

NOTE 11 Number of customers

As a way of standardizing reporting both internally and externally, Tele2 decided in 2007 to change its principles for calculating the number of inactive customers in its Nordic mobile prepaid base. As of Q2 2007, Tele2 considers a customer inactive if the customer has not used its mobile service in 6 months, instead of earlier 13 months. However, the customer will still be able to use their SIM card within the 13 months period, as before. In Q2 2007, the one-time effect was a decrease of 664,000 in the reported customer base in Sweden, Norway a decrease of 2,000 customers and Denmark a decrease of 93,000 customers.