

FOR IMMEDIATE RELEASE, Tuesday, February 12, 2008

Stockholm – Tuesday, February 12, 2008 – Tele2 AB ("Tele2") (OMX Nordic Exchange: TEL2 A and TEL2 B), today announced its consolidated results for the fourth quarter and full year 2007.



FULL YEAR REPORT 2007

In Q4 2007, Tele2's EBITDA less divested operations¹⁾ increased by 4 percent to SEK 1,564 million. Mobile telephony EBITDA less divested operations increased by 30 percent to SEK 1,305 (1,001) million.

- › Operating revenue less divested operations in Q4 2007 amounted to SEK 10,447 (9,731) million, an increase of 7 percent
- › EBITDA less divested operations in Q4 2007 increased by 4 percent to SEK 1,564 (1,506) million
- › EBIT less divested operations in Q4 2007 amounted to SEK 247 (708) million including one-off items of SEK -328 (50) million (see note 1 and 2)
- › Operating revenue less divested operations for the full year 2007 grew by 9 percent to SEK 40,313 (37,113) million. Operating revenue from continuing operations²⁾ for the full year 2007 grew by 1 percent to SEK 43,420 (43,098) million
- › Net profit/loss from continuing operations for the full year 2007 amounted to SEK -302 (-1,003) million
- › Earnings per share from continuing operations after dilution for the full year 2007 amounted to SEK -0.45 (-1.98)
- › Tele2's net debt amounted to SEK 5,198 (15,311) million at the end of 2007, a decrease by 66 percent
- › The Board of Directors proposes an ordinary dividend of SEK 3.15 (1.83) per share. The Board of Directors also proposes a special dividend of SEK 4.70 per share together with the authorisation to purchase up to 10 percent of shares in the company

¹⁾ The figures presented correspond to Q4 2007 unless else stated. The figures shown in parentheses correspond to the comparable periods in 2006. All figures relate to Tele2's operations less discontinued operations and other divested operations including operations held for sale. Discontinued operations comprise operations in Italy and Spain, and the fixed and broadband operations in France (see note 9). Other divested operations are Hungary, Belgium, Portugal, Irkutsk, Denmark, 3C, UNI2 Denmark, Alpha/C³, Datamatrix Norway/Denmark and Czech. Operations held for sale comprises MVNO operations in Austria (see Note 8).

²⁾ Discontinued operations include the operations in Italy and Spain, and the fixed and broadband operations in France (see note 9). Other divested operations are included in historical figures up until the date of disposal.

PRESIDENT'S MESSAGE

"2007 was an exciting year dominated by the successful realignment of Tele2 and the strong operational development in our core mobile businesses. Eastern Europe and Sweden have continuously been highlighted as superior performers and we are pleased to notice that Tele2's operations in these countries have ended the year on a high note.


Looking into 2008, we see more of the same positive development.


Looking into 2008, we see more of the same positive development. The realignment process is set to continue. There is still a need to further align the scale and scope of our organization to support the areas where we have the best profitability.


In Q4 2007, Tele2 was awarded 17 new regional GSM 1800 licenses in Russia. With progress comes challenge – we need to find qualified personnel, establish a local presence in all regions and expand commercially viable mobile networks. On the other hand our historic performance in mobile operations proves we have a successful business model in place.

We have said it before, but it is important to emphasize that our core business is mobile services on our own infrastructure. At the end of 2007 mobile services represented 56 percent of revenue and 84 percent of EBITDA. We know that we are world class in operating cost efficient mobile networks and we will continue to focus our management and financial resources in this area. Hence, it is important that we continue to develop mobile services, through investing and expanding in areas where we see extraordinary opportunities, so that we can stay best in class.

In earlier reports we mentioned the promising development of mobile broadband. The Q4 2007 performance strengthens our belief that mobile broadband is the long awaited blockbuster data service. In 2008, we will make sure that we lead this new market and based on the strong acceleration in new customers, we believe that the coming years will be key for our success.

 **MOBILE TELEPHONY** revenue and profitability continued to grow strongly in the quarter. Revenues less divested operations grew by 19 percent and EBITDA improved by 30 percent compared to Q4 2006 with a net customer intake of 706,000. Russia continued to be the main growth driver and Tele2 is now the largest operator in 6 of the regions where we operate. The Swedish operations dominated the mobile broadband market in the quarter, adding 48,000 new customers. At the end of Q4 2007 we had 93,000 mobile broadband customers in Sweden.

 Tele2 offers **BROADBAND** services in nine countries. Our broadband operations less divested operations generated a revenue growth of 18 percent, driven mainly by our services on our own infrastructure. We see the broadband product as a good complement to our core mobile operations and it is important that profitability in this area improves in 2008 and contributes to the operations as a whole.

 **FIXED TELEPHONY** operations less divested operations, continued to deliver robust results and we strove to maximise value by being costs conscious. Our EBITDA margin within fixed telephony was a strong 18 percent in the quarter, despite a revenue decline of 17 percent year-on-year as the market is in a structural decline."



*Lars-Johan Jarnheimer
President and CEO of Tele2 AB*

FINANCIAL OVERVIEW

The following definitions have been used in the full year 2007 report:

Continuing operations – less discontinued operations (see note 9)

Discontinued operations – operations in Italy and Spain as well as fixed and broadband operations in France (see note 9)

Less divested operations – less discontinued operations (see note 9) and other divested operations including operations held for sale (see note 8)

The Group's financial performance continued to reflect the ongoing realignment process and focus on mobile and broadband services. Mobile and broadband sales continued to grow, compared with the previous year. The decline in fixed line services is expected to continue.

FINANCIAL OVERVIEW, LESS DIVESTED OPERATIONS

Customer net intake amounted to 579,000 (972,000) in Q4 2007. Tele2 experienced robust growth in mobile telephony and continued customer outflow from fixed telephony. Fixed telephony services continued to be affected negatively by increased competition from mobile services as well as alternative services such as VoIP (Voice over IP). In the full year of 2007, the customer base increased by 6 percent to 24,605,000 (23,198,000).

Operating revenue in Q4 2007 amounted to SEK 10,447 (9,731) million, an increase by 7 percent. For the full year of 2007, operating revenue increased by 9 percent to SEK 40,313 (37,113) million.

EBITDA in Q4 2007 amounted to SEK 1,564 (1,506) million, equivalent to an EBITDA margin of 15 (15) percent. The EBITDA development was influenced by an improved revenue mix, with a larger contribution from mobile telephony on own infrastructure. In the full year of 2007, EBITDA amounted to SEK 6,636 (5,782) million, an increase by 15 percent.

EBIT in Q4 2007 amounted to SEK 247 (708) million including one-off items of SEK –328 (50) million (see note 1 and 2).

FINANCIAL OVERVIEW, CONTINUING OPERATIONS

Profit/loss before tax in Q4 2007 amounted to SEK -25 (515) million including one-off items. In the full year of 2007 profit before tax amounted to SEK 759 (–668) million including one-off items.

Net profit/loss for Q4 2007 amounted to SEK –168 (250) million. In the full year 2007 net profit/loss amounted to SEK -302 (–1,003) million affected by a write-down of tax assets and reduced corporate tax rate in Germany, which amounted to SEK -793 million.

Cash flow after CAPEX amounted to SEK –373 (–314) million in Q4 2007. In the full year 2007, cash flow after CAPEX amounted to SEK 263 (–508) million.

CAPEX amounted to SEK 1,220 (1,210) million for Q4 2007 and SEK 4,269 (4,316) million for the full year of 2007.

FINANCIAL COMMENTS

Tele2's net debt decreased during 2007 and amounted to SEK 5,198 (15,311) million at year end, or 0.8 times full year 2007 EBITDA.

As a step in aligning the capital structure, the Board of Directors has proposed an ordinary dividend of SEK 3.15 (1.83), a special dividend of SEK 4.70 and the authorisation to purchase up to 10 percent of Tele2's own shares. It is important to emphasise that Tele2 will evaluate the total shareholder remuneration on a continued basis to make sure that the financial position of the company is being utilized in the most efficient way.

FINANCIAL OVERVIEW cont.

| SEK million | Less divested operations | | | | Continuing operations | | | |
|-------------------------------------|--------------------------|-------------------|------------|------------|-----------------------|-------------------|------------|------------|
| | 2007 full year | 2006 full year | 2007 Q4 | 2006 Q4 | 2007 full year | 2006 full year | 2007 Q4 | 2006 Q4 |
| Mobile Telephony | | | | | | | | |
| Net customer intake (thousands) | 3,202 | 3,723 | 714 | 1,081 | 3,249 | 4,017 | 706 | 1,146 |
| ARPU | | | | | | | 116 | 120 |
| Operating revenue | 22,503 | 18,159 | 5,981 | 5,022 | 22,982 | 19,052 | 5,966 | 5,245 |
| EBITDA | 5,260 | 3,829 | 1,305 | 1,001 | 5,225 | 3,856 | 1,256 | 1,009 |
| Direct Access & LLUB | | | | | | | | |
| Net customer intake (thousands) | 234 | 119 | 77 | 47 | 292 | 186 | 77 | 70 |
| ARPU | | | | | | | 529 | 609 |
| Operating revenue | 4,459 | 3,714 | 1,266 | 1,027 | 5,043 | 4,313 | 1,267 | 1,201 |
| EBITDA | -179 | 191 | -134 | 53 | -260 | 44 | -134 | 11 |
| Broadband resale | | | | | | | | |
| Net customer intake (thousands) | 46 | 160 | -8 | 53 | 23 | 126 | -8 | 41 |
| ARPU | | | | | | | 223 | 253 |
| Operating revenue | 1,344 | 1,139 | 324 | 316 | 1,479 | 1,465 | 325 | 385 |
| EBITDA | -460 | -565 | -80 | -159 | -460 | -546 | -81 | -148 |
| Fixed telephony | | | | | | | | |
| Net customer intake (thousands) | -1,419 | -1,009 | -204 | -209 | -1,707 | -1,372 | -214 | -292 |
| ARPU | | | | | | | 132 | 133 |
| Operating revenue | 10,365 | 12,751 | 2,472 | 2,971 | 11,997 | 16,357 | 2,491 | 3,782 |
| EBITDA | 1,725 | 2,037 | 457 | 552 | 1,823 | 2,107 | 442 | 601 |
| All segments | | | | | | | | |
| Net customer intake (thousands) | 2,063 | 2,993 | 579 | 972 | 1,857 | 2,957 | 561 | 965 |
| Operating revenue | 40,313 | 37,113 | 10,447 | 9,731 | 43,420 | 43,098 | 10,453 | 11,152 |
| EBITDA | 6,636 | 5,782 | 1,564 | 1,506 | 6,647 | 5,776 | 1,500 | 1,556 |
| EBIT | 1,285 | 299 | 247 | 708 | 1,485 | -106 | 78 | 675 |
| EBT | | | | | 759 | -668 | -25 | 515 |
| Net profit/loss | | | | | -302 | -1,003 | -168 | 250 |
| Cash flow from operating activities | | | | | 4,491 | 3,964 | 805 | 795 |
| Cash flow after Capex | | | | | 263 | -508 | -373 | -314 |

Significant events in the quarter

- › Tele2 increased its ownership in Tele2 Netherlands Holding N.V. (former Versatel) to 99 percent
- › Tele2 Croatia was awarded 900 MHz EGSM frequency
- › 3G license allocated to Tele2's network company in Norway
- › Tele2 completed the divestment of Tele2 Italy and Tele2 Spain to Vodafone
- › Tele2 Russia was awarded an additional 17 new regional licenses
- › Tele2 Croatia signed a national roaming agreement with T-Mobile
- › Tele2 completed the divestment of its operations in Hungary to HTCC
- › Tele2 announced the divestment of its Austrian MVNO operations to Telekom Austria Group
- › Tele2 Russia completed the acquisition of Telecom Eurasia in Krasnodar from ZAO SMARTS
- › Tele2's subsidiary Tele2 Netherlands Holding N.V. (former Versatel) completed the divestment of its Belgian operations to KPN

FINANCIAL OVERVIEW BY MARKET AREA

Comments below relate to Tele2's operations less divested companies

NORDIC

(Sweden and Norway)

| SEK Million | Q4 2007 | Q4 2006 | Change |
|--------------------|---------|---------|--------|
| Operating revenue* | 3,745 | 3,484 | 7% |
| EBITDA | 682 | 726 | -6% |
| EBIT** | 388 | 461 | -16% |

*Excluding one-off item of SEK -200 (-) million (see note 1)

**Excluding one-off item of SEK -200 (50) million (see note 1-2)

 **Mobile telephony** The Swedish and Norwegian operations continued to show a good development and added 93,000 (39,000) new mobile customers in Q4 2007, an increase in net intake of 138 percent compared to the same period last year.

Mobile telephony in Sweden increased sales by 10 percent to SEK 1,914 (1,745) million and added 92,000 new customers. The growth was driven by a solid intake of post-paid, pre-paid and mobile broadband subscriptions as well as handset sales. The high customer intake in Sweden in combination with more customers choosing post-paid subscription, had a slight negative impact on profitability during the quarter.

Mobile broadband subscriptions in the Swedish market continued to develop well and the demand from the consumer segment is promising. The customer base grew by 48,000 new customers. The total mobile broadband customer base was 93,000 in Q4 2007 and ARPU was SEK 167 in the quarter, boosted by revenue from start-up and administrative fees. In 2008, we expect to see continued growth of mobile broadband subscriptions driven mainly by a strong demand from the consumer segment. The increased intake of mobile broadband customers will however be associated with higher acquisition costs and also higher fees to the Svenska UMTS Nät AB joint venture (see note 10), which will impact margins in 2008.

The mobile operations in Sweden reported an ARPU of SEK 207 (200) in Q4 2007, including pre-paid, post-paid and mobile broadband subscriptions. Minutes of use for the Swedish operations were 194 (180) in Q4 2007. EBITDA was SEK 669 (672) million with an EBITDA margin of 35 percent.

Tele2 Norway Mobile experienced a slower quarter, adding 1,000 (28,000) new mobile customers mainly affected by higher churn caused by the migration process to the new Netcom MVNO agreement. In Q4 2007, Tele2 Norway had a market share of 8,0 percent in terms of subscriptions and 8,6 percent in terms of mobile revenue, according to the national regulator.

Mobile revenue for the operation in Norway grew by 19 percent to SEK 684 (576) million during Q4 2007 and EBITDA amounted to SEK 41 (44) million. The EBITDA margin was 6 (8) percent. The decreasing profitability in Norway was mainly an effect of price increases in the current Telenor MVNO agreement due to volume hurdles being passed by Tele2. However, the new MVNO agreement with Netcom ASA will have a significant positive effect on profitability from Q2 2008 onwards. The Joint Venture (JV) between Tele2 and Network Norway, Mobile

Norway, was allocated a new 3G licence in the quarter. The new 3G license will enable Mobile Norway to increase the efficiency of the network expansion by rolling out both GSM and 3G already in phase one.



Broadband resale and Direct access & LLUB Broadband resale and Direct access & LLUB added 17,000 (30,000) new customers in the Nordic market. Sales increased by 16 percent to SEK 437 (378) million. EBITDA added up to SEK -69 (-48) million. Tele2 continued its efforts during the quarter to migrate customers from resold services to services based on own infrastructure.

Tele2 Sweden added 21,000 (25,000) broadband customers of which 1,500 (300) Cable-TV in the quarter. Broadband revenue increased by 16 percent to SEK 325 (281) million. The broadband operations saw an EBITDA result of SEK -55 (-29) million.

Tele2 Sweden continued to strengthen its position in Cable-TV in the quarter, adding approximately 16,000 new households (in the cities of Norrköping and Växjö). In Q4 2007, Tele2 had 166,500 digital TV customers.

Tele2 Norway relaxed its marketing efforts for resold broadband during the quarter and continued to migrate customers onto its own infrastructure. The broadband customer base decreased by -4,000 (5,000) customers in Q4 2007. Tele2 Norway will continue to focus its marketing efforts where Tele2 owns infrastructure on LLUB. Tele2's population coverage with own infrastructure was 55 percent in the quarter. Broadband revenue in Norway increased by 15 percent to SEK 112 (97) million and EBITDA amounted to SEK -14 (-19) million in Q4 2007.



Fixed telephony resale Both the Swedish and the Norwegian operations continued to gain market shares, despite an overall declining fixed telephony market. Tele2 Sweden experienced good demand for bundled fixed and mobile services within the SME segment. Fixed telephony sales in the Nordic operations declined by 16 percent to SEK 701 (835) million in Q4 2007, due to a deteriorating market. Combined, Sweden and Norway lost net 55,000 customers in Q4 2007.

Tele2 Sweden fixed line telephony saw a decline of -45,000 (-22,000) customers in the quarter and revenue dropped by 16 percent to SEK 528 (631) million, to some extent helped by a more stabilizing trend in fixed line pricing. EBITDA contribution in Tele2 Sweden stayed flat at SEK 60 (60) million, corresponding to an EBITDA margin of 11 percent.

The declining revenue trend in fixed telephony affected Tele2 Norway's profitability and EBITDA declined to SEK 27 (40) million in Q4 2007. Tele2 Norway continued to experience a volume shift from fixed to mobile services and revenue declined by 19 percent to SEK 168 (207) million in the quarter. Tele2 Norway lost -10,000 (-7,000) customers during the quarter.

BALTIC & RUSSIA

(Russia, Estonia, Latvia, Lithuania and Croatia)

| SEK Million | Q4 2007 | Q4 2006 | Change |
|-------------------|---------|---------|--------|
| Operating revenue | 2,614 | 1,956 | 34% |
| EBITDA | 679 | 462 | 47% |
| EBIT | 453 | 287 | 58% |



Mobile telephony Tele2 Russia continued to combine solid customer intake with good profitability in Q4 2007. The customer base grew by 554,000 (859,000) and operating revenue reached SEK 1,418 (920) million, an increase of 54 percent. ARPU was SEK 58 (55) in Q4 2007. EBITDA reached SEK 440 (243) million, which corresponds to an EBITDA margin of 31 (26) percent.

In Q4 2007, Tele2 Russia was awarded 17 new regional GSM 1800 licenses. The population in the new regions added up to 19.1 million. However the licence process has been challenged in court. Tele2's ambition, going forward, is to develop the existing footprint, but also to opportunistically expand into new regions in Russia, both through licenses and through acquisitions.

Of the three Baltic countries, Lithuania continued to outperform the others by adding 43,000 (82,000) customers followed by Estonia gaining 3,000 (2,000) customers and Latvia shedding -6,000

(16,000) customers.

Estonia saw mobile revenue increase by 16 percent to SEK 282 (244) million. Lithuania revenue increased by 15 percent to SEK 336 (292) million and Latvia by 8 percent to SEK 420 (390) million. Tele2 Estonia's EBITDA increased by 35 percent to SEK 96 (71) million. Tele2 Lithuania saw EBITDA decrease by 23 percent to SEK 66 (86) million mainly due to a high intake of corporate customers. Latvia decreased EBITDA by 8 percent to SEK 157 (170) million.

During Q4 2007 the economic development in the Baltic region started to slow, which impacted the development of Tele2's operations.

Tele2 Croatia added 15,000 customers in Q4 2007, compared with 39,000 in Q4 2006. The total customer base amounted to 470,000 at the end of the quarter. Revenue increased by 56 percent to SEK 156 (100) million. EBITDA amounted to SEK -83 (-114) million in Q4 2007.

In Q4 2007 Tele2 Croatia announced a new roaming agreement with T-Mobile, that will be effective as of 1 of June, 2008. Tele2 Croatia was also awarded a 900 MHz EGSM frequency during the quarter. The new frequency will enable the company to enhance its network coverage and reduce capital expenditure.

Going forward, Tele2 will continue its push into the corporate field in the Baltic region as well as in Russia. The focus will be on the SME segment.

CENTRAL EUROPE

(Germany, Austria and Poland)

| SEK Million | Q4 2007 | Q4 2006 | Change |
|-------------------|---------|---------|--------|
| Operating revenue | 1,689 | 1,841 | -8% |
| EBITDA | -6 | 194 | |
| EBIT* | -139 | 141 | |

*Excluding one-off item of SEK -3 (-) million (see note 2)



Mobile telephony The MVNO operation in Austria continued to experience tough competition from the network operators in the country, leading to overall lower mobile tariffs. The Austrian operations lost -8,000 (-10,000) customers during the quarter and reported a revenue of SEK -12 (40) million, due to a correction charge of SEK -33 million. EBITDA was SEK -50 (-4) million in Q4 2007, including a correction charge of SEK -36 million. The sale of the MVNO operations in Austria is still pending approval from the local competition authority.



Broadband resale and Direct access & LLUB In Germany, Tele2 relaxed its marketing and sales activities on broadband services. The market conditions are still difficult with tough competition from both cable and telecom operators, leading to deteriorating prices on broadband services. Tele2 Germany increased broadband resale revenue by 11 percent to SEK 84 (76) million shedding 2,000 (43,000) customers. Direct access & LLUB revenue amounted to SEK 13 (0) million with 15,000 (0) new customers in Q4 2007. Due to the shift in marketing, Broadband resale EBITDA improved to SEK -6 (-75) million while Direct access & LLUB EBITDA decreased to SEK -159 (-30) million. The loss in the quarter was a result of higher subscriber intake together with fixed fees associated with the Plusnet Joint Venture (see note 10).

Tele2 Austria continued to deliver stable customer growth in Direct access & LLUB, adding 13,000 (13,000) new users in the quarter. The customer development in Broadband resale was -2,000 (2,000) in the quarter. Broadband resale revenue decreased by 9 percent to SEK 30 (33) million in Q4 2007. Direct access & LLUB revenue increased by

11 percent to SEK 248 (223) million. Broadband resale EBITDA was stable at SEK -13 (-12) million, hampered by a correction charge of SEK 2 million. Direct access & LLUB EBITDA fell to SEK -60 (-5) million in the quarter, negatively affected by a correction charge of SEK 10 million.

Tele2 Poland continued to push its new resold ADSL offer with full national coverage. The customer base grew by 7,000 (0) new customers in the quarter and revenue amounted to SEK 2 (0) million. EBITDA amounted to SEK -13 million, a sequential improvement by SEK 12 million.



Fixed telephony resale The fixed telephony market in Germany and Austria continued to be a challenge in Q4 2007, with lower mobile prices leading to fixed-to-mobile substitution. However, Tele2 was better at managing its existing customer base, leading to lower churn compared to Q3 2007. Consequently, the number of Tele2's fixed telephony customers in the market area fell by -87,000 (-56,000) compared to -277,000 in Q3 2007. Revenue continued to decline by 17 percent to SEK 1,102 (1,329) million. Due to a combination of lower marketing spend and better churn management, the EBITDA margin stayed fairly flat at 21 (22) percent.


Germany lost 36,000 (71,000) customers in the quarter with a revenue decline of 22 percent to SEK 668 (855) million. EBITDA contribution was SEK 169 (200) million in Q4 2007. Tele2 Austria lost a net of -34,000 (-56,000) customers in the quarter and reported a 33 percent decline in revenue to SEK 180 (268) million, impacted by a correction charge of SEK 9 million. EBITDA decreased by 70 percent to SEK 26 (88) million in Q4 2007 affected by a correction charge of SEK 21 million.

Tele2 Poland has continued to successfully cross-sell the wholesale line rental product to its customer base. Together with reduced costs this has had a positive effect on both sales and profitability during the quarter. Customer loss in the quarter recovered to -17,000 (-71,000) and fixed telephony revenue increased by 23 percent to SEK 254 (206) million as an effect of successful cross-selling. EBITDA contribution amounted to SEK 42 (7) million, corresponding to an EBITDA margin of 17 percent.


SOUTHERN EUROPE


(France and Switzerland)

| SEK Million | Q4 2007 | Q4 2006 | Change |
|-------------------|---------|---------|--------|
| Operating revenue | 626 | 751 | -17% |
| EBITDA | -90 | -159 | |
| EBIT | -105 | -171 | |

 **Mobile telephony** Tele2 France increased its marketing activities in Q4 2007. Consequently, the operation had once again a positive customer intake of 26,000 (41,000) in the quarter. Tele2 France saw a negative revenue development at SEK 275 (289) million due to lower prices, while EBITDA continued to improve to SEK -72 (-202) million in the quarter. Sequentially EBITDA fell as an effect of higher marketing spend related to customer intake and acquisition cost. Tele2 has renegotiated its existing MVNO agreement in France, implying improved underlying profitability as of Q1 2008.

Tele2 Switzerland continued to roll-out its GSM network during the quarter and the operation saw continued market traction for its products. However, during the quarter the mobile operations was negatively effected by higher marketing costs following the expansion of Tele2's GSM network, which led to lower EBITDA. Net additions during the quarter amounted to 7,000 (3,000) new customers. Revenue increased by 58 percent to SEK 38 (24) million and EBITDA dropped to SEK -80 (-23) million.

 **Broadband resale and Direct access & LLUB** Net intake of Broadband resale customers in Switzerland was -3,000 (0). Revenue amounted to SEK 59 (62) million and EBITDA contribution was SEK -11 (-11) million during Q4 2007.

 **Fixed telephony resale** Tele2 Switzerland had a customer decline of 21,000 (-21,000) in Q4 2007. Fixed telephony revenue dropped by 30 percent to SEK 227 (326) million. EBITDA contribution was SEK 73 (76) million in Q4 2007,


BENELUX

(Netherlands, Luxembourg and Liechtenstein)


| SEK Million | Q4 2007 | Q4 2006 | Change |
|-------------------|---------|---------|--------|
| Operating revenue | 1,909 | 1,666 | 15% |
| EBITDA | 312 | 279 | 12% |
| EBIT* | -2 | -60 | |

*Excluding one-off item of SEK -125 (-) million (see note 2)

In Q4 2007, Tele2 increased its ownership in Tele2 Netherlands Holding N.V. (former Versatel) to 99 percent.

 **Mobile telephony Within the mobile segment,** Tele2 Netherlands continued marketing efforts towards high value postpaid subscriptions in the fourth quarter of 2007. Overall mobile revenues benefited from higher postpaid usage and increasing terminating minutes. However, the total base of postpaid subscriptions declined slightly due to an increase in churn.

In Luxemburg, mobile telephony net intake in Q4 2007 was 1,000 (1,000) customers. Revenue declined by 6 percent to SEK 201 (213) million. The EBITDA margin was 37 (38) percent, negatively affected by new roaming tariffs in September and a larger focus on post-paid net additions.

 **Broadband resale and Direct Access & LLUB** In the residential market Tele2 Netherlands continued to experience strong broadband customer growth. The broadband customer base increased

by 22,000 (9,000) subscribers in Q4 2007. Following the success of the first dual play offering, including a free laptop in Q3 2007, Tele2 launched a second offering in Q4 2007, which provided an order intake of approximately 15,000 subscribers. These customers will be provisioned during Q1 2008. On the business side Tele2 continued closing corporate deals. Tele2 has been selected as preferred partner for the delivery of voice services to the Dutch police, and signed the agreement at the beginning of December. In addition, Tele2 renewed its IP VPN contract with DHL, providing data services for 150 locations.

Tele2 Luxemburg added approximately 1,000 (1,000) new broadband resale customer in Q4 2007. Revenue amounted to SEK 6 (2) million and EBITDA contribution was SEK 1 (-4) million.

 **Fixed telephony resale** The carrier preselect (CPS) subscriber base in the Netherlands declined with approximately 35,000 customers, to a total of approximately 465,000 subscribers at Q4 2007. The intake of the wholesale line rental product continued in Q4 2007, enabling higher ARPU and extended customer lifetime of the residential CPS customer base

Tele2 Luxemburg fixed telephony revenue amounted to SEK 22 (23) million and EBITDA contribution was SEK 1 (1) million in Q4 2007.

SERVICES

(Datamatrix, Procure IT right and Radio Components)

| SEK Million | Q4 2007 | Q4 2006 | Change |
|-------------------|---------|---------|--------|
| Operating revenue | 64 | 33 | 94% |
| EBITDA | -13 | 4 | |
| EBIT | -20 | - | |

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 38 of the report for a detailed description of the Group's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Dividend

The Board of Directors will propose to the Annual General Meeting that the dividend is increased to SEK 3.15 (1.83) per share. The Board of Directors also proposes an extra dividend of SEK 4.70 per share together with the authorisation to purchase up to 10 percent of shares in the company.

Tele2 Annual General Meeting 2008

The 2008 Annual General Meeting will be held on 14 May 2008 in Stockholm.

Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to agm@tele2.se or to The Company Secretary, Tele2 AB, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Annual General Meeting in order to guarantee that the proposal may be included in the notice to the meeting.

Further details on how and when to register will be published in advance of the Annual General Meeting.

Nomination committee for the 2008 Annual General Meeting

A Nomination Committee of major shareholders in Tele2 has been convened in accordance with the resolution of the 2007 Annual General Meeting. The Nomination Committee is comprised of Cristina Stenbeck on behalf of Investment AB Kinnevik and Emesco AB, Åsa Nisell on behalf of Swedbank Robur, Ramsay Brufer on behalf of Alecta and Björn Lind on behalf of SEB Fonder and SEB Trygg Liv, who together represent more than 50% of the voting rights in Tele2. The composition of the Nomination Committee may be changed to reflect any changes in the shareholding of the major shareholders during the nomination process. Information about the work of the Nomination Committee can be found on Tele2's corporate website at www.tele2.com.

The Nomination Committee will submit a proposal for the composition of the Board of Directors, remuneration for the Board of Directors and the auditor and proposal for the Chairman of the Annual General Meeting 2008 that will be presented to the 2008 Annual General Meeting for approval.

Shareholders wishing to propose candidates for election to the Board of Directors of Tele2 should submit their proposal in writing to agm@tele2.se or to the Company Secretary, Tele2 AB, Box 2094, SE 103 13, Stockholm, Sweden.

Other

Tele2 will release the financial and operating results for the period ending March 31, 2008 on April 23, 2008.

Stockholm, February 12, 2008

Vigo Carlund
Chairman

Mia Brunell Livfors

John Hepburn

Mike Parton

John Shakeshaft

Cristina Stenbeck

Pelle Törnberg

Lars-Johan Jarnheimer
President and CEO

REPORT REVIEW**Introduction**

We have reviewed the year-end report (interim report) for the period January 1, 2007 to December 31, 2007, for Tele2 AB (publ). The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, February 12, 2008
Deloitte AB

Jan Berntsson
Authorized Public Accountant

Conference call details

A conference call, with an interactive presentation, to discuss the results will be held at 08.00 (CET) / 07.00 (UK time) / 02.00 am (New York time), on February 12, 2008.

The dial-in numbers are:

UK: +44 (0)20 7162 0025,

US: +1 334 323 6201,

France: +33 (0)1 7099 3208,

Germany: +49 (0)695 8999 0507,

The Netherlands: +31 (0)20 7965 008 and

Sweden: +46 (0)8 5052 0110

Please dial in 10 minutes prior to the start of the conference call to allow time for registration. The conference call will also be available as a link on the Tele2 corporate website www.tele2.com, both live and as an archived version.

**VISIT OUR
WEBSITE:**

www.tele2.com

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APPENDICES

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TELE2 IS ONE OF EUROPE'S LEADING TELECOM OPERATOR. Tele2's mission is to provide cheap and simple telecoms. Tele2 always strives to offer the market's best prices. We have 25 million customers in 15 countries. Tele2 offers fixed and mobile telephony, broadband, 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 | 2007 Full year | 2006 Full year | 2007 Q4 | 2006 Q 4 |
|---|------|-------------------|-------------------|-------------|-------------|
| CONTINUING OPERATIONS | | | | | |
| Operating revenue | 1 | 43,420 | 43,098 | 10,453 | 11,152 |
| Operating expenses | 2 | -41,150 | -40,636 | -10,229 | -10,418 |
| Impairment of goodwill | 2 | -1,315 | -2,457 | -5 | - |
| Sale of operations, profit | 3 | 1,562 | 50 | 40 | - |
| Sale of operations, loss | 4 | -823 | -20 | -128 | -17 |
| Result from shares in associated companies and joint ventures | 10 | -234 | -135 | -60 | -42 |
| Other operating revenues | | 125 | 42 | 67 | 8 |
| Other operating expenses | | -100 | -48 | -60 | -8 |
| Operating profit/loss, EBIT | | 1,485 | -106 | 78 | 675 |
| Net interest expenses | | -760 | -598 | -186 | -192 |
| Other financial items | | 34 | 36 | 83 | 32 |
| Profit/loss after financial items, EBT | | 759 | -668 | -25 | 515 |
| Tax on profit/loss | 5 | -1,061 | -335 | -143 | -265 |
| NET PROFIT/LOSS FROM CONTINUING OPERATIONS | | -302 | -1,003 | -168 | 250 |
| DISCONTINUED OPERATIONS | | | | | |
| Net profit/loss from discontinued operations | 9 | -1,467 | -2,737 | 139 | -310 |
| NET PROFIT/LOSS | | -1,769 | -3,740 | -29 | -60 |
| ATTRIBUTABLE TO: | | | | | |
| Equity holders of the parent company | | -1,669 | -3,615 | -31 | -42 |
| Minority interest | | -100 | -125 | 2 | -18 |
| NET PROFIT/LOSS | | -1,769 | -3,740 | -29 | -60 |
| Earnings per share (SEK) | | -3.75 | -8.14 | -0.07 | -0.09 |
| Earnings per share, after dilution (SEK) | | -3.75 | -8.14 | -0.07 | -0.10 |
| FROM CONTINUING OPERATIONS | | | | | |
| Earnings per share (SEK) | 9 | -0.45 | -1.98 | -0.38 | 0.60 |
| Earnings per share, after dilution (SEK) | | -0.45 | -1.98 | -0.38 | 0.60 |
| Number of outstanding shares, basic | 7 | 444,851,339 | 444,489,593 | | |
| Number of shares in own custody | 7 | 4,098,000 | - | | |
| Number of shares, weighted average | 7 | 444,727,119 | 444,129,836 | | |
| Number of shares after dilution | 7 | 445,235,120 | 444,614,065 | | |
| Number of shares after dilution, weighted average | 7 | 445,220,904 | 444,353,295 | | |

BALANCE SHEET

| SEK million | Note | Dec 31, 2007 | Dec 31, 2006 |
|--|------|---------------|---------------|
| Assets | | | |
| FIXED ASSETS | | | |
| Goodwill | 2-4 | 12,603 | 18,491 |
| Other intangible assets | | 2,089 | 3,353 |
| Intangible assets | | 14,692 | 21,844 |
| Tangible assets | | 14,388 | 16,059 |
| Financial assets | | 1,007 | 876 |
| Deferred tax assets | | 3,258 | 4,986 |
| FIXED ASSETS | | 33,345 | 43,765 |
| CURRENT ASSETS | | | |
| Materials and supplies | | 435 | 424 |
| Current receivables | | 9,816 | 12,980 |
| Short-term investments | | 2,593 | 1,988 |
| Cash and cash equivalents | | 2,459 | 2,619 |
| CURRENT ASSETS | | 15,303 | 18,011 |
| ASSETS CLASSIFIED AS HELD FOR SALE | 9 | – | 4,388 |
| ASSETS | | 48,648 | 66,164 |
| Equity and liabilities | | | |
| SHAREHOLDERS' EQUITY | | | |
| Attributable to equity holders of the parent company | | 26,821 | 28,800 |
| Minority interests | | 28 | 323 |
| SHAREHOLDERS' EQUITY | | 26,849 | 29,123 |
| LONG-TERM LIABILITIES | | | |
| Interest-bearing liabilities | | 5,670 | 13,050 |
| Non-interest-bearing liabilities | | 927 | 1,343 |
| LONG-TERM LIABILITIES | | 6,597 | 14,393 |
| SHORT-TERM LIABILITIES | | | |
| Interest-bearing liabilities | | 4,602 | 6,907 |
| Non-interest-bearing liabilities | | 10,600 | 14,224 |
| SHORT-TERM LIABILITIES | | 15,202 | 21,131 |
| LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE | 9 | – | 1,517 |
| EQUITY AND LIABILITIES | | 48,648 | 66,164 |

CASH FLOW STATEMENT*

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|--|------|-------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OPERATING ACTIVITIES | | | | | | | | | |
| Cash flow from operation | | 4,488 | 4,979 | 1,339 | 1,208 | 1,289 | 652 | 1,048 | 1,511 |
| Change in working capital | | -138 | -1,132 | -367 | 615 | -136 | -250 | -452 | 67 |
| CASH FLOW FROM OPERATING ACTIVITIES | | 4,350 | 3,847 | 972 | 1,823 | 1,153 | 402 | 596 | 1,578 |
| INVESTING ACTIVITIES | | | | | | | | | |
| Capital expenditure in intangible and tangible assets, CAPEX | | -5,169 | -5,520 | -1,315 | -1,188 | -1,493 | -1,173 | -1,422 | -1,420 |
| Cash flow after CAPEX | | -819 | -1,673 | -343 | 635 | -340 | -771 | -826 | 158 |
| Acquisition of shares and participations | 8 | -1,438 | -1,346 | -1,225 | -27 | -166 | -20 | -44 | -1,181 |
| Sale of shares and participations | 8 | 13,215 | 31 | 7,576 | 5,505 | 26 | 108 | -5 | - |
| Change of long-term receivables | | -6 | -101 | 161 | -356 | 122 | 67 | -260 | 17 |
| Cash flow from investing activities | | 6,602 | -6,936 | 5,197 | 3,934 | -1,511 | -1,018 | -1,731 | -2,584 |
| CASH FLOW AFTER INVESTING ACTIVITIES | | 10,952 | -3,089 | 6,169 | 5,757 | -358 | -616 | -1,135 | -1,006 |
| FINANCING ACTIVITIES | | | | | | | | | |
| Change of loans, net | | -10,798 | 3,775 | -6,729 | -5,518 | 1,065 | 384 | 1,083 | 1,380 |
| Dividend | 7 | -814 | -777 | - | - | -814 | - | - | - |
| New share issue | 7 | 27 | 58 | 5 | 5 | 5 | 12 | 17 | - |
| Repurchase of own shares | 7 | -5 | - | -5 | - | - | - | - | - |
| Other financing activities | | 351 | - | - | 1 | -2 | 352 | - | - |
| Cash flow from financing activities | | -11,239 | 3,056 | -6,729 | -5,512 | 254 | 748 | 1,100 | 1,380 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | -287 | -33 | -560 | 245 | -104 | 132 | -35 | 374 |
| Cash and cash equivalents at beginning of period | | 2,619 | 2,773 | 2,931 | 2,668 | 2,769 | 2,619 | 2,705 | 2,277 |
| Exchange rate differences in cash | | 127 | -121 | 88 | 18 | 3 | 18 | -51 | 54 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | 2,459 | 2,619 | 2,459 | 2,931 | 2,668 | 2,769 | 2,619 | 2,705 |
| * Including discontinued operations | | | | | | | | | |
| Taxes paid included in cash flow from operation | | -1,570 | -562 | -189 | -489 | -210 | -682 | -231 | -149 |
| Cash flow for discontinued operations | 9 | | | | | | | | |

CHANGE IN SHAREHOLDERS' EQUITY

| SEK million | Note | Dec 31, 2007 | | | Dec 31, 2006 | | |
|--|------|--|-----------------------|----------------------------------|--|-----------------------|----------------------------------|
| | | Attributable to | | Total shareholders' equity | Attributable to | | Total shareholders' equity |
| | | equity holders of the parent company | minority interests | | equity holders of the parent company | minority interests | |
| Shareholders' equity, January 1 | | 28,800 | 323 | 29,123 | 34,965 | 403 | 35,368 |
| ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY | | | | | | | |
| Exchange rate differences | | 1,478 | 9 | 1,487 | -1,829 | -2 | -1,831 |
| Reversed cumulative exchange rate differences from divested companies | | -1,053 | - | -1,053 | - | - | - |
| Cash flow hedges | | 49 | - | 49 | -5 | - | -5 |
| Items recognized directly in shareholders' equity | | 474 | 9 | 483 | -1,834 | -2 | -1,836 |
| Net profit/loss for the period | | -1,669 | -100 | -1,769 | -3,615 | -125 | -3,740 |
| Total for the period | | -1,195 | -91 | -1,286 | -5,449 | -127 | -5,576 |
| OTHER CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | |
| Issue of warrants | | - | - | - | 7 | - | 7 |
| Costs for stock options | | 8 | - | 8 | 4 | - | 4 |
| New share issue | 7 | 27 | - | 27 | 51 | - | 51 |
| Dividend | 7 | -814 | -4 | -818 | -777 | - | -777 |
| Repurchase of own shares | 7 | -5 | - | -5 | - | - | - |
| Minority's share in acquired companies | | - | - | - | - | 61 | 61 |
| Shareholders contribution from minority | | - | 395 | 395 | - | - | - |
| Purchase of minority | | - | -595 | -595 | - | -14 | -14 |
| Round off | | - | - | - | -1 | - | -1 |
| SHAREHOLDERS' EQUITY, END OF PERIOD | | 26,821 | 28 | 26,849 | 28,800 | 323 | 29,123 |

NUMBER OF CUSTOMERS

| Thousands | Note | Number of customers | | | Net intake | | | | | |
|--|------|---------------------|---------------|-------------|---------------|---------------|-------------|-------------|--------------|-------------|
| | | 2007 Dec 31 | 2006 Dec31 | Change | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
| Nordic | | | | | | | | | | |
| Mobile telephony | 6 | 3,547 | 4,249 | -17% | 93 | 120 | 36 | 19 | 41 | 51 |
| Indirect access | | 1,214 | 1,694 | -28% | -62 | -31 | -63 | -84 | -37 | -60 |
| <i>of which fixed telephony resale</i> | | 1,081 | 1,534 | -30% | -55 | -29 | -67 | -95 | -42 | -62 |
| <i>of which broadband resale</i> | | 133 | 160 | -17% | -7 | -2 | 4 | 11 | 5 | 2 |
| Direct access & LLUB | | 365 | 311 | 17% | 24 | 24 | 18 | 21 | 25 | 19 |
| | | 5,126 | 6,254 | -18% | 55 | 113 | -9 | -44 | 29 | 10 |
| Baltic & Russia | | | | | | | | | | |
| Mobile telephony | | 12,440 | 10,032 | 24% | 609 | 751 | 909 | 716 | 1,072 | 876 |
| Indirect access | | 30 | 41 | -27% | -2 | -2 | -3 | -4 | -4 | -5 |
| <i>of which fixed telephony resale</i> | | 30 | 41 | -27% | -2 | -2 | -3 | -4 | -4 | -5 |
| Direct access & LLUB | | 36 | 32 | 13% | 1 | 1 | 1 | 1 | 2 | 1 |
| | | 12,506 | 10,105 | 24% | 608 | 750 | 907 | 713 | 1,070 | 872 |
| Central Europe | | | | | | | | | | |
| Mobile telephony | | 116 | 174 | -33% | -8 | -7 | -13 | -30 | -10 | -1 |
| Indirect access | | 4,221 | 5,544 | -24% | -93 | -299 | -271 | -208 | -38 | -43 |
| <i>of which fixed telephony resale</i> | | 4,019 | 5,383 | -25% | -96 | -299 | -285 | -232 | -83 | -67 |
| <i>of which broadband resale</i> | | 202 | 161 | 25% | 3 | - | 14 | 24 | 45 | 24 |
| Direct access & LLUB | | 150 | 70 | 114% | 28 | 19 | 15 | 18 | 13 | 11 |
| | | 4,487 | 5,788 | -22% | -73 | -287 | -269 | -220 | -35 | -33 |
| Southern Europe | | | | | | | | | | |
| Mobile telephony | | 518 | 444 | 17% | 33 | - | -3 | 44 | 44 | 69 |
| Indirect access | | 425 | 887 | -52% | -25 | -41 | -73 | -43 | -39 | -59 |
| <i>of which fixed telephony resale</i> | | 340 | 799 | -57% | -22 | -40 | -73 | -44 | -39 | -61 |
| <i>of which broadband resale</i> | | 85 | 88 | -3% | -3 | -1 | - | 1 | - | 2 |
| Direct access & LLUB | | - | - | - | - | 8 | 12 | 4 | - | - |
| | | 943 | 1,331 | -29% | 8 | -33 | -64 | 5 | 5 | 10 |
| Benelux | | | | | | | | | | |
| Mobile telephony | | 806 | 827 | -3% | -21 | 1 | 2 | -2 | -1 | -19 |
| Indirect access | | 574 | 1,170 | -51% | -40 | -78 | -118 | -144 | -133 | -161 |
| <i>of which fixed telephony resale</i> | | 520 | 1,063 | -51% | -39 | -71 | -115 | -134 | -124 | -153 |
| <i>of which broadband resale</i> | | 54 | 107 | -50% | -1 | -7 | -3 | -10 | -9 | -8 |
| Direct access & LLUB | | 279 | 276 | 1% | 24 | 25 | 21 | 27 | 30 | 23 |
| | | 1,659 | 2,273 | -27% | -37 | -52 | -95 | -119 | -104 | -157 |
| NET CUSTOMER INTAKE | | | | | 561 | 491 | 470 | 335 | 965 | 702 |
| Acquired companies | | | | | 10 | - | - | - | - | 182 |
| Divested companies | | | | | -762 | -1,376 | - | - | - | - |
| Changed method of calculation | 6 | | | | - | - | -759 | - | - | - |
| TOTAL CONTINUING OPERATIONS | | 24,721 | 25,751 | -4% | -191 | -885 | -289 | 335 | 965 | 884 |
| Discontinued operations | 9 | - | 6,352 | - | -47 | -141 | -239 | -238 | -213 | -267 |
| Divested companies | | | | | -2,969 | -2,718 | - | - | - | - |
| TOTAL OPERATIONS | | 24,721 | 32,103 | -23% | -3,207 | -3,744 | -528 | 97 | 752 | 617 |
| Mobile telephony | 6 | 17,427 | 15,726 | 11% | 706 | 865 | 931 | 747 | 1,146 | 976 |
| <i>of which prepaid</i> | | 13,633 | 12,261 | 11% | 571 | 664 | 857 | 615 | 991 | 809 |
| Indirect access | | 6,464 | 9,336 | -31% | -222 | -451 | -528 | -483 | -251 | -328 |
| <i>of which fixed telephony resale</i> | | 5,990 | 8,820 | -32% | -214 | -441 | -543 | -509 | -292 | -348 |
| <i>of which broadband resale</i> | | 474 | 516 | -8% | -8 | -10 | 15 | 26 | 41 | 20 |
| Direct access & LLUB | | 830 | 689 | 20% | 77 | 77 | 67 | 71 | 70 | 54 |
| Acquired companies | | | | | 10 | - | - | - | - | 182 |
| Divested companies | | | | | -762 | -1,376 | - | - | - | - |
| Changed method of calculation | 6 | | | | - | - | -759 | - | - | - |
| Total continuing operations | | 24,721 | 25,751 | -4% | -191 | -885 | -289 | 335 | 965 | 884 |

OPERATING REVENUE

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|---|------|-------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Nordic | | | | | | | | | |
| Mobile telephony | | 10,105 | 9,342 | 2,580 | 2,582 | 2,576 | 2,367 | 2,404 | 2,426 |
| Indirect access | | 4,131 | 5,083 | 819 | 913 | 1,172 | 1,227 | 1,202 | 1,247 |
| <i>of which fixed telephony resale</i> | | 3,570 | 4,497 | 702 | 786 | 1,014 | 1,068 | 1,054 | 1,100 |
| <i>of which broadband resale</i> | | 561 | 586 | 117 | 127 | 158 | 159 | 148 | 147 |
| Direct access & LLUB | | 1,240 | 1,084 | 320 | 289 | 316 | 315 | 305 | 287 |
| Other operations | | 740 | 691 | 187 | 195 | 183 | 175 | 178 | 180 |
| One-off items | 1 | -200 | - | -200 | - | - | - | - | - |
| Adjustments for internal sales | | -751 | -798 | -160 | -196 | -185 | -210 | -208 | -179 |
| | | 15,265 | 15,402 | 3,546 | 3,783 | 4,062 | 3,874 | 3,881 | 3,961 |
| Baltic & Russia | | | | | | | | | |
| Mobile telephony | | 9,639 | 6,725 | 2,608 | 2,550 | 2,417 | 2,064 | 2,014 | 1,875 |
| Indirect access | | 27 | 37 | 6 | 6 | 7 | 8 | 8 | 8 |
| <i>of which fixed telephony resale</i> | | 27 | 37 | 6 | 6 | 7 | 8 | 8 | 8 |
| Direct access & LLUB | | 19 | 17 | 5 | 5 | 5 | 4 | 5 | 4 |
| Other operations | | 48 | 40 | 13 | 13 | 12 | 10 | 10 | 11 |
| Adjustments for internal sales | | -77 | -50 | -22 | -23 | -18 | -14 | -13 | -14 |
| | | 9,656 | 6,769 | 2,610 | 2,551 | 2,423 | 2,072 | 2,024 | 1,884 |
| Central Europe | | | | | | | | | |
| Mobile telephony | | 45 | 168 | -12 | 20 | 22 | 15 | 40 | 39 |
| Indirect access | | 5,197 | 6,520 | 1,231 | 1,271 | 1,295 | 1,400 | 1,518 | 1,532 |
| <i>of which fixed telephony resale</i> | | 4,720 | 6,179 | 1,115 | 1,151 | 1,170 | 1,284 | 1,409 | 1,438 |
| <i>of which broadband resale</i> | | 477 | 341 | 116 | 120 | 125 | 116 | 109 | 94 |
| Direct access & LLUB | | 936 | 849 | 261 | 230 | 223 | 222 | 223 | 234 |
| Other operations | | 1,132 | 1,090 | 289 | 308 | 262 | 273 | 311 | 246 |
| Adjustments for internal sales | | -422 | -506 | -78 | -127 | -110 | -107 | -131 | -118 |
| | | 6,888 | 8,121 | 1,691 | 1,702 | 1,692 | 1,803 | 1,961 | 1,933 |
| Southern Europe | | | | | | | | | |
| Mobile telephony | | 1,249 | 930 | 313 | 306 | 322 | 308 | 313 | 292 |
| Indirect access | | 1,569 | 2,001 | 287 | 371 | 438 | 473 | 505 | 477 |
| <i>of which fixed telephony resale</i> | | 1,324 | 1,754 | 228 | 310 | 376 | 410 | 443 | 414 |
| <i>of which broadband resale</i> | | 245 | 247 | 59 | 61 | 62 | 63 | 62 | 63 |
| Direct access & LLUB | | 21 | - | - | 10 | 9 | 2 | - | - |
| Other operations | | 179 | 325 | 34 | 41 | 50 | 54 | 76 | 83 |
| Adjustments for internal sales | | -67 | -112 | -8 | -16 | -22 | -21 | -25 | -26 |
| | | 2,951 | 3,144 | 626 | 712 | 797 | 816 | 869 | 826 |
| Benelux | | | | | | | | | |
| Mobile telephony | | 1,944 | 1,887 | 477 | 513 | 489 | 465 | 474 | 493 |
| Indirect access | | 2,552 | 4,174 | 473 | 560 | 694 | 825 | 933 | 994 |
| <i>of which fixed telephony resale</i> | 1 | 2,356 | 3,883 | 440 | 507 | 643 | 766 | 867 | 923 |
| <i>of which broadband resale</i> | | 196 | 291 | 33 | 53 | 51 | 59 | 66 | 71 |
| Direct access & LLUB | | 2,827 | 2,363 | 681 | 741 | 696 | 709 | 668 | 611 |
| Other operations | 1 | 1,428 | 1,469 | 339 | 394 | 349 | 346 | 361 | 364 |
| Adjustments for internal sales | 1 | -484 | -838 | -54 | -109 | -146 | -175 | -166 | -210 |
| | | 8,267 | 9,055 | 1,916 | 2,099 | 2,082 | 2,170 | 2,270 | 2,252 |
| Services | | | | | | | | | |
| Indirect access | | - | 7 | - | - | - | - | 1 | - |
| <i>of which fixed telephony resale</i> | | - | 7 | - | - | - | - | 1 | - |
| Other operations | | 760 | 961 | 147 | 127 | 161 | 325 | 288 | 226 |
| Adjustments for internal sales | | -367 | -361 | -83 | -65 | -85 | -134 | -142 | -68 |
| | | 393 | 607 | 64 | 62 | 76 | 191 | 147 | 158 |
| OPERATING REVENUE FROM CONTINUING OPERATIONS | | 43,420 | 43,098 | 10,453 | 10,909 | 11,132 | 10,926 | 11,152 | 11,014 |
| Discontinued operations | 9 | 9,213 | 11,533 | 1,369 | 1,918 | 3,023 | 2,903 | 2,795 | 2,735 |
| TOTAL OPERATIONS | | 52,633 | 54,631 | 11,822 | 12,827 | 14,155 | 13,829 | 13,947 | 13,749 |
| Mobile telephony | | 22,982 | 19,052 | 5,966 | 5,971 | 5,826 | 5,219 | 5,245 | 5,125 |
| Indirect access | | 13,476 | 17,822 | 2,816 | 3,121 | 3,606 | 3,933 | 4,167 | 4,258 |
| <i>of which fixed telephony resale</i> | 1 | 11,997 | 16,357 | 2,491 | 2,760 | 3,210 | 3,536 | 3,782 | 3,883 |
| <i>of which broadband resale</i> | | 1,479 | 1,465 | 325 | 361 | 396 | 397 | 385 | 375 |
| Direct access & LLUB | | 5,043 | 4,313 | 1,267 | 1,275 | 1,249 | 1,252 | 1,201 | 1,136 |
| Other operations | 1 | 4,287 | 4,576 | 1,009 | 1,078 | 1,017 | 1,183 | 1,224 | 1,110 |
| One-off items | 1 | -200 | - | -200 | - | - | - | - | - |
| Adjustments for internal sales | 1 | -2,168 | -2,665 | -405 | -536 | -566 | -661 | -685 | -615 |
| Operating revenue from continuing operations | | 43,420 | 43,098 | 10,453 | 10,909 | 11,132 | 10,926 | 11,152 | 11,014 |

EBITDA

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|---|------|-------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Nordic | | | | | | | | | |
| Mobile telephony | | 2,681 | 2,912 | 673 | 695 | 695 | 618 | 674 | 771 |
| Indirect access | | 437 | 454 | 42 | 101 | 138 | 156 | 102 | 102 |
| <i>of which fixed telephony resale</i> | | 554 | 556 | 74 | 120 | 170 | 190 | 130 | 131 |
| <i>of which broadband resale</i> | | -117 | -102 | -32 | -19 | -32 | -34 | -28 | -29 |
| Direct access & LLUB | | -59 | 36 | -37 | -16 | -25 | 19 | -12 | 19 |
| Other operations | | 44 | 28 | 4 | 24 | 6 | 10 | -4 | 5 |
| | | 3,103 | 3,430 | 682 | 804 | 814 | 803 | 760 | 897 |
| Baltic & Russia | | | | | | | | | |
| Mobile telephony | | 2,732 | 1,488 | 675 | 768 | 726 | 563 | 479 | 478 |
| Indirect access | | 4 | 13 | 13 | -15 | 3 | 3 | 5 | 3 |
| <i>of which fixed telephony resale</i> | | 4 | 13 | 13 | -15 | 3 | 3 | 5 | 3 |
| Direct access & LLUB | | 4 | 3 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other operations | | 3 | 2 | -11 | 16 | -2 | - | - | - |
| | | 2,743 | 1,506 | 678 | 770 | 728 | 567 | 485 | 482 |
| Central Europe | | | | | | | | | |
| Mobile telephony | | -94 | -28 | -50 | -14 | -13 | -17 | -4 | 1 |
| Indirect access | | 576 | 693 | 206 | 137 | 89 | 144 | 195 | 154 |
| <i>of which fixed telephony resale</i> | | 823 | 1,013 | 238 | 183 | 188 | 214 | 282 | 255 |
| <i>of which broadband resale</i> | | -247 | -320 | -32 | -46 | -99 | -70 | -87 | -101 |
| Direct access & LLUB | | -569 | -57 | -220 | -173 | -115 | -61 | -33 | -11 |
| Other operations | | 93 | 103 | 11 | 28 | 29 | 25 | 19 | 19 |
| | | 6 | 711 | -53 | -22 | -10 | 91 | 177 | 163 |
| Southern Europe | | | | | | | | | |
| Mobile telephony | | -483 | -848 | -152 | -63 | -98 | -170 | -225 | -205 |
| Indirect access | | 247 | 148 | 61 | 74 | 49 | 63 | 62 | 34 |
| <i>of which fixed telephony resale</i> | | 299 | 182 | 72 | 87 | 61 | 79 | 73 | 30 |
| <i>of which broadband resale</i> | | -52 | -34 | -11 | -13 | -12 | -16 | -11 | 4 |
| Direct access & LLUB | | -70 | -21 | - | -10 | -29 | -31 | -14 | -4 |
| Other operations | | 11 | 18 | - | 2 | 5 | 4 | 3 | 6 |
| | | -295 | -703 | -91 | 3 | -73 | -134 | -174 | -169 |
| Benelux | | | | | | | | | |
| Mobile telephony | | 389 | 332 | 110 | 94 | 91 | 94 | 85 | 103 |
| Indirect access | | 102 | 263 | 39 | -7 | 32 | 38 | 96 | 101 |
| <i>of which fixed telephony resale</i> | | 146 | 353 | 45 | 2 | 47 | 52 | 118 | 127 |
| <i>of which broadband resale</i> | | -44 | -90 | -6 | -9 | -15 | -14 | -22 | -26 |
| Direct access & LLUB | | 434 | 83 | 122 | 150 | 72 | 90 | 69 | 49 |
| Other operations | | 133 | 111 | 26 | 45 | 35 | 27 | 48 | 9 |
| | | 1,058 | 789 | 297 | 282 | 230 | 249 | 298 | 262 |
| Services | | | | | | | | | |
| Indirect access | | -3 | -10 | - | -1 | -1 | -1 | -7 | 3 |
| <i>of which fixed telephony resale</i> | | -3 | -10 | - | -1 | -1 | -1 | -7 | 3 |
| Other operations | | 35 | 53 | -13 | 8 | 24 | 16 | 17 | 19 |
| | | 32 | 43 | -13 | 7 | 23 | 15 | 10 | 22 |
| EBITDA FROM CONTINUING OPERATIONS | | 6,647 | 5,776 | 1,500 | 1,844 | 1,712 | 1,591 | 1,556 | 1,657 |
| Discontinued operations | 9 | 302 | 169 | 304 | 148 | -11 | -139 | -77 | 86 |
| TOTAL OPERATIONS | | 6,949 | 5,945 | 1,804 | 1,992 | 1,701 | 1,452 | 1,479 | 1,743 |
| Mobile telephony | | 5,225 | 3,856 | 1,256 | 1,480 | 1,401 | 1,088 | 1,009 | 1,148 |
| Indirect access | | 1,363 | 1,561 | 361 | 289 | 310 | 403 | 453 | 397 |
| <i>of which fixed telephony resale</i> | | 1,823 | 2,107 | 442 | 376 | 468 | 537 | 601 | 549 |
| <i>of which broadband resale</i> | | -460 | -546 | -81 | -87 | -158 | -134 | -148 | -152 |
| Direct access & LLUB | | -260 | 44 | -134 | -48 | -96 | 18 | 11 | 54 |
| Other operations | | 319 | 315 | 17 | 123 | 97 | 82 | 83 | 58 |
| EBITDA from continuing operations | | 6,647 | 5,776 | 1,500 | 1,844 | 1,712 | 1,591 | 1,556 | 1,657 |
| EBITDA MARGIN | | | | | | | | | |
| Nordic | | 20% | 22% | 18% | 21% | 20% | 21% | 20% | 23% |
| Baltic & Russia | | 28% | 22% | 26% | 30% | 30% | 27% | 24% | 26% |
| Central Europe | | 0% | 9% | -3% | -1% | -1% | 5% | 9% | 8% |
| Southern Europe | | -10% | -22% | -15% | 0% | -9% | -16% | -20% | -20% |
| Benelux | | 13% | 9% | 16% | 13% | 11% | 11% | 13% | 12% |
| Services | | 8% | 7% | -20% | 11% | 30% | 8% | 7% | 14% |
| EBITDA margin from continuing operations | | 15% | 13% | 14% | 17% | 15% | 15% | 14% | 15% |
| Mobile telephony | | 23% | 20% | 21% | 25% | 24% | 21% | 19% | 22% |
| Indirect access | | 10% | 9% | 13% | 9% | 9% | 10% | 11% | 9% |
| <i>of which fixed telephony resale</i> | | 15% | 13% | 18% | 14% | 15% | 15% | 16% | 14% |
| <i>of which broadband resale</i> | | -31% | -37% | -25% | -24% | -40% | -34% | -38% | -41% |
| Direct access & LLUB | | -5% | 1% | -11% | -4% | -8% | 1% | 1% | 5% |
| Other operations | | 7% | 7% | 2% | 11% | 10% | 7% | 7% | 5% |
| EBITDA margin from continuing operations | | 15% | 13% | 14% | 17% | 15% | 15% | 14% | 15% |

EBIT

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|--|------|-------------------|-------------------|-------------|---------------|-------------|-------------|-------------|---------------|
| Nordic | | | | | | | | | |
| Mobile telephony | | 2,004 | 2,305 | 504 | 531 | 521 | 448 | 507 | 632 |
| Indirect access | | 317 | 306 | 13 | 74 | 107 | 123 | 75 | 68 |
| <i>of which fixed telephony resale</i> | | 457 | 418 | 50 | 97 | 146 | 164 | 105 | 97 |
| <i>of which broadband resale</i> | | -140 | -112 | -37 | -23 | -39 | -41 | -30 | -29 |
| Direct access & LLUB | | -334 | -167 | -111 | -84 | -94 | -45 | -79 | -38 |
| Other operations | | -28 | -33 | -17 | 7 | -11 | -7 | -22 | -10 |
| One-off items | 1-3 | -166 | 50 | -191 | 25 | - | - | 50 | - |
| | | 1,793 | 2,461 | 198 | 553 | 523 | 519 | 531 | 652 |
| Baltic & Russia | | | | | | | | | |
| Mobile telephony | | 1,893 | 900 | 451 | 550 | 524 | 368 | 297 | 321 |
| Indirect access | | 3 | 12 | 13 | -16 | 3 | 3 | 7 | - |
| <i>of which fixed telephony resale</i> | | 3 | 12 | 13 | -16 | 3 | 3 | 7 | - |
| Direct access & LLUB | | 1 | 1 | - | 1 | - | - | - | 1 |
| Other operations | | 2 | 2 | -12 | 16 | -2 | - | - | - |
| One-off items | 3 | 1,179 | - | 11 | 1,168 | - | - | - | - |
| | | 3,078 | 915 | 463 | 1,719 | 525 | 371 | 304 | 322 |
| Central Europe | | | | | | | | | |
| Mobile telephony | | -105 | -40 | -53 | -16 | -18 | -18 | -6 | -3 |
| Indirect access | | 368 | 514 | 146 | 85 | 41 | 96 | 159 | 102 |
| <i>of which fixed telephony resale</i> | | 641 | 844 | 185 | 138 | 147 | 171 | 247 | 206 |
| <i>of which broadband resale</i> | | -273 | -330 | -39 | -53 | -106 | -75 | -88 | -104 |
| Direct access & LLUB | | -794 | -222 | -286 | -231 | -165 | -112 | -56 | -53 |
| Other operations | | 57 | 78 | 2 | 19 | 20 | 16 | 23 | 10 |
| One-off items | 2-4 | -862 | -1,813 | -2 | -860 | - | - | - | -1,865 |
| | | -1,336 | -1,483 | -193 | -1,003 | -122 | -18 | 120 | -1,809 |
| Southern Europe | | | | | | | | | |
| Mobile telephony | | -492 | -852 | -155 | -66 | -99 | -172 | -227 | -205 |
| Indirect access | | 198 | 102 | 49 | 62 | 35 | 52 | 52 | 22 |
| <i>of which fixed telephony resale</i> | | 258 | 141 | 62 | 78 | 49 | 69 | 64 | 20 |
| <i>of which broadband resale</i> | | -60 | -39 | -13 | -16 | -14 | -17 | -12 | 2 |
| Direct access & LLUB | | -74 | -21 | - | -11 | -31 | -32 | -14 | -4 |
| Other operations | | 11 | 14 | 1 | 1 | 5 | 4 | 3 | 6 |
| One-off items | 2-3 | 3 | -94 | -3 | 6 | - | - | - | -94 |
| | | -354 | -851 | -108 | -8 | -90 | -148 | -186 | -275 |
| Benelux | | | | | | | | | |
| Mobile telephony | | 273 | 211 | 80 | 65 | 63 | 65 | 56 | 73 |
| Indirect access | | -137 | -41 | -6 | -59 | -36 | -36 | 3 | 25 |
| <i>of which fixed telephony resale</i> | | - | 155 | 7 | -20 | 7 | 6 | 58 | 84 |
| <i>of which broadband resale</i> | | -137 | -196 | -13 | -39 | -43 | -42 | -55 | -59 |
| Direct access & LLUB | | -525 | -864 | -112 | -94 | -169 | -150 | -173 | -182 |
| Other operations | | 45 | 15 | 5 | 23 | 13 | 4 | 20 | -15 |
| One-off items | 2,4 | -1,231 | -457 | -231 | -480 | -520 | - | - | -457 |
| | | -1,575 | -1,136 | -264 | -545 | -649 | -117 | -94 | -556 |
| Services | | | | | | | | | |
| Indirect access | | -3 | -10 | - | -1 | -1 | -1 | -6 | 2 |
| <i>of which fixed telephony resale</i> | | -3 | -10 | - | -1 | -1 | -1 | -6 | 2 |
| Other operations | | -11 | -2 | -17 | -5 | 10 | 1 | 6 | 4 |
| One-off items | 3-4 | -107 | - | -1 | -101 | - | -5 | - | - |
| | | -121 | -12 | -18 | -107 | 9 | -5 | - | 6 |
| EBIT FROM CONTINUING OPERATIONS | | 1,485 | -106 | 78 | 609 | 196 | 602 | 675 | -1,660 |
| Discontinued operations | 9 | -1,092 | -2,786 | 477 | -1,004 | -222 | -343 | -307 | -2,395 |
| TOTAL OPERATIONS | | 393 | -2,892 | 555 | -395 | -26 | 259 | 368 | -4,055 |

EBIT, cont.

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|---|------|-------------------|-------------------|------------|------------|------------|------------|------------|---------------|
| Mobile telephony | | 3,573 | 2,524 | 827 | 1,064 | 991 | 691 | 627 | 818 |
| Indirect access | | 746 | 883 | 215 | 145 | 149 | 237 | 290 | 219 |
| <i>of which fixed telephony resale</i> | | 1,356 | 1,560 | 317 | 276 | 351 | 412 | 475 | 409 |
| <i>of which broadband resale</i> | | -610 | -677 | -102 | -131 | -202 | -175 | -185 | -190 |
| Direct access & LLUB | | -1,726 | -1,273 | -509 | -419 | -459 | -339 | -322 | -276 |
| Other operations | | 76 | 74 | -38 | 61 | 35 | 18 | 30 | -5 |
| One-off items | 1-4 | -1,184 | -2,314 | -417 | -242 | -520 | -5 | 50 | -2,416 |
| EBIT from continuing operations | | 1,485 | -106 | 78 | 609 | 196 | 602 | 675 | -1,660 |
| EBIT MARGIN | | | | | | | | | |
| Nordic | 1-3 | 12% | 16% | 6% | 15% | 13% | 13% | 14% | 16% |
| Baltic & Russia | 3 | 32% | 14% | 18% | 67% | 22% | 18% | 15% | 17% |
| Central Europe | 2-4 | -19% | -18% | -11% | -59% | -7% | -1% | 6% | -94% |
| Southern Europe | 2-3 | -12% | -27% | -17% | -1% | -11% | -18% | -21% | -33% |
| Benelux | 2,4 | -19% | -13% | -14% | -26% | -31% | -5% | -4% | -25% |
| Services | 3-4 | -31% | -2% | -28% | -173% | 12% | -3% | 0% | 4% |
| EBIT margin from continuing operations | | 3% | 0% | 1% | 6% | 2% | 6% | 6% | -15% |
| Mobile telephony | | 16% | 13% | 14% | 18% | 17% | 13% | 12% | 16% |
| Indirect access | | 6% | 5% | 8% | 5% | 4% | 6% | 7% | 5% |
| <i>of which fixed telephony resale</i> | | 11% | 10% | 13% | 10% | 11% | 12% | 13% | 11% |
| <i>of which broadband resale</i> | | -41% | -46% | -31% | -36% | -51% | -44% | -48% | -51% |
| Direct access & LLUB | | -34% | -30% | -40% | -33% | -37% | -27% | -27% | -24% |
| Other operations | | 2% | 2% | -4% | 6% | 3% | 2% | 2% | 0% |
| EBIT margin from continuing operations | | 3% | 0% | 1% | 6% | 2% | 6% | 6% | -15% |
| SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT | | | | | | | | | |
| EBITDA | | 6,647 | 5,776 | 1,500 | 1,844 | 1,712 | 1,591 | 1,556 | 1,657 |
| Impairment of goodwill | 2 | -1,315 | -2,457 | -5 | -1,310 | - | - | - | -2,457 |
| Depreciation/amortization and other write-down | 2 | -4,028 | -3,413 | -945 | -1,222 | -934 | -927 | -872 | -879 |
| Sale of operations | 3-4 | 739 | 30 | -88 | 1,352 | -520 | -5 | -17 | -2 |
| Other one-off items | 1-2 | -324 | 93 | -324 | - | - | - | 50 | 43 |
| Result from shares in associated companies and joint ventures | 10 | -234 | -135 | -60 | -55 | -62 | -57 | -42 | -22 |
| EBIT from continuing operations | | 1,485 | -106 | 78 | 609 | 196 | 602 | 675 | -1,660 |

INVESTMENTS, CAPEX

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|--|------|-------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Nordic | | 1,058 | 957 | 339 | 224 | 276 | 219 | 399 | 175 |
| Baltic & Russia | | 2,169 | 2,355 | 575 | 485 | 591 | 518 | 522 | 594 |
| Central Europe | | 261 | 228 | 101 | 65 | 47 | 48 | 104 | 53 |
| Southern Europe | | 93 | 77 | 33 | 22 | 20 | 18 | 21 | 18 |
| Benelux | | 639 | 644 | 157 | 142 | 167 | 173 | 148 | 114 |
| Services | | 49 | 55 | 15 | 5 | 11 | 18 | 16 | 10 |
| CAPEX for continuing operations | | 4,269 | 4,316 | 1,220 | 943 | 1,112 | 994 | 1,210 | 964 |
| Discontinued operations | 9 | 929 | 1,049 | 210 | 252 | 249 | 218 | 354 | 238 |
| INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS, CAPEX | | 5,198 | 5,365 | 1,430 | 1,195 | 1,361 | 1,212 | 1,564 | 1,202 |
| Mobile telephony | | 2,799 | 2,893 | 783 | 615 | 758 | 643 | 760 | 688 |
| Indirect access | | 313 | 439 | 73 | 57 | 93 | 90 | 157 | 65 |
| <i>of which fixed telephony resale</i> | | 215 | 278 | 60 | 32 | 70 | 53 | 95 | 44 |
| <i>of which broadband resale</i> | | 98 | 161 | 13 | 25 | 23 | 37 | 62 | 21 |
| Direct access & LLUB | | 960 | 830 | 285 | 232 | 219 | 224 | 227 | 189 |
| Other operations | | 197 | 154 | 79 | 39 | 42 | 37 | 66 | 22 |
| CAPEX for continuing operations | | 4,269 | 4,316 | 1,220 | 943 | 1,112 | 994 | 1,210 | 964 |
| ADDITIONAL CASH FLOW INFORMATION | | | | | | | | | |
| CAPEX according to cash flow statement | | 5,169 | 5,520 | 1,315 | 1,188 | 1,493 | 1,173 | 1,422 | 1,420 |
| Unpaid CAPEX for the period and paid CAPEX from previous year: | | | | | | | | | |
| Continuing operations | | 23 | -188 | 40 | -1 | -54 | 38 | 73 | -82 |
| Discontinued operations | 9 | -12 | 1 | 73 | 4 | -80 | -9 | 41 | -138 |
| Sales price in cash flow statement | | 18 | 32 | 2 | 4 | 2 | 10 | 28 | 2 |
| CAPEX according to balance sheet, including discontinued operations | | 5,198 | 5,365 | 1,430 | 1,195 | 1,361 | 1,212 | 1,564 | 1,202 |

SWEDEN*

| Thousands | Note | Number of customers | | | Net intake | | | | | |
|--|------|---------------------|---------------|-------------|------------|------------|-------------|------------|------------|------------|
| | | 2007 Dec 31 | 2006 Dec31 | Change | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
| Mobile telephony | | 3,099 | 3,508 | -12% | 92 | 100 | 46 | 17 | 11 | 3 |
| Indirect access | | 977 | 1,125 | -13% | -42 | -19 | -37 | -50 | -19 | -37 |
| <i>of which fixed telephony resale</i> | | 918 | 1,080 | -15% | -45 | -20 | -41 | -56 | -22 | -36 |
| <i>of which broadband resale</i> | | 59 | 45 | 31% | 3 | 1 | 4 | 6 | 3 | -1 |
| Direct access & LLUB | | 327 | 264 | 24% | 18 | 19 | 14 | 12 | 22 | 13 |
| Net customer intake | | | | | 68 | 100 | 23 | -21 | 14 | -21 |
| Changed method of calculation | 6 | | | | - | - | -664 | - | - | - |
| TOTAL OPERATIONS | | 4,403 | 4,897 | -10% | 68 | 100 | -641 | -21 | 14 | -21 |

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|--|------|-------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING REVENUE | | | | | | | | | |
| Mobile telephony | 1 | 7,386 | 6,843 | 1,914 | 1,922 | 1,863 | 1,687 | 1,745 | 1,770 |
| Indirect access | | 2,581 | 2,751 | 566 | 640 | 672 | 703 | 662 | 680 |
| <i>of which fixed telephony resale</i> | | 2,436 | 2,625 | 529 | 603 | 637 | 667 | 631 | 648 |
| <i>of which broadband resale</i> | | 145 | 126 | 37 | 37 | 35 | 36 | 31 | 32 |
| Direct access & LLUB | | 1,074 | 864 | 288 | 266 | 259 | 261 | 250 | 227 |
| Other operations | | 740 | 691 | 187 | 195 | 183 | 175 | 178 | 180 |
| One-off items | 1 | -200 | - | -200 | - | - | - | - | - |
| Operating revenue | | 11,581 | 11,149 | 2,755 | 3,023 | 2,977 | 2,826 | 2,835 | 2,857 |
| EBITDA | | | | | | | | | |
| Mobile telephony | | 2,696 | 2,899 | 669 | 724 | 702 | 601 | 672 | 759 |
| Indirect access | | 318 | 306 | 28 | 85 | 81 | 124 | 40 | 68 |
| <i>of which fixed telephony resale</i> | | 402 | 352 | 60 | 106 | 99 | 137 | 60 | 88 |
| <i>of which broadband resale</i> | | -84 | -46 | -32 | -21 | -18 | -13 | -20 | -20 |
| Direct access & LLUB | | -27 | 20 | -23 | - | -24 | 20 | -9 | 9 |
| Other operations | | 44 | 27 | 4 | 24 | 6 | 10 | -5 | 5 |
| EBITDA | | 3,031 | 3,252 | 678 | 833 | 765 | 755 | 698 | 841 |
| EBITDA MARGIN | | | | | | | | | |
| Mobile telephony | | 37% | 42% | 35% | 38% | 38% | 36% | 39% | 43% |
| Indirect access | | 12% | 11% | 5% | 13% | 12% | 18% | 6% | 10% |
| <i>of which fixed telephony resale</i> | | 17% | 13% | 11% | 18% | 16% | 21% | 10% | 14% |
| <i>of which broadband resale</i> | | -58% | -37% | -86% | -57% | -51% | -36% | -65% | -63% |
| Direct access & LLUB | | -3% | 2% | -8% | 0% | -9% | 8% | -4% | 4% |
| Other operations | | 6% | 4% | 2% | 12% | 3% | 6% | -3% | 3% |
| EBITDA margin | | 26% | 29% | 23% | 28% | 26% | 27% | 25% | 29% |
| EBIT | | | | | | | | | |
| Mobile telephony | | 2,032 | 2,302 | 505 | 561 | 532 | 434 | 509 | 621 |
| Indirect access | | 228 | 205 | 3 | 64 | 60 | 101 | 20 | 42 |
| <i>of which fixed telephony resale</i> | | 321 | 253 | 38 | 87 | 80 | 116 | 41 | 63 |
| <i>of which broadband resale</i> | | -93 | -48 | -35 | -23 | -20 | -15 | -21 | -21 |
| Direct access & LLUB | | -278 | -155 | -93 | -63 | -85 | -37 | -69 | -32 |
| Other operations | | -28 | -33 | -17 | 7 | -11 | -7 | -22 | -11 |
| One-off items | 1-2 | -484 | 50 | -200 | -284 | - | - | 50 | - |
| EBIT | | 1,470 | 2,369 | 198 | 285 | 496 | 491 | 488 | 620 |
| EBIT MARGIN | | | | | | | | | |
| Mobile telephony | | 28% | 34% | 26% | 29% | 29% | 26% | 29% | 35% |
| Indirect access | | 9% | 7% | 1% | 10% | 9% | 14% | 3% | 6% |
| <i>of which fixed telephony resale</i> | | 13% | 10% | 7% | 14% | 13% | 17% | 6% | 10% |
| <i>of which broadband resale</i> | | -64% | -38% | -95% | -62% | -57% | -42% | -68% | -66% |
| Direct access & LLUB | | -26% | -18% | -32% | -24% | -33% | -14% | -28% | -14% |
| Other operations | | -4% | -5% | -9% | 4% | -6% | -4% | -12% | -6% |
| EBIT margin | | 13% | 21% | 7% | 9% | 17% | 17% | 17% | 22% |

*Tele2 Sverige AB, Optimal Telecom AB, Tele2 Syd AB and results from shares in the joint ventures Svenska UMTS-nät AB and Spring Mobil AB.

RUSSIA

| Thousands | Note | 2007 Dec 31 | 2006 Dec31 | Change | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|----------------------------------|------|----------------|---------------|------------|------------|------------|------------|------------|------------|------------|
| Net customer intake | | | | | 554 | 647 | 839 | 644 | 933 | 711 |
| Acquired companies | | | | | 10 | - | - | - | - | 182 |
| Divested companies | | | | | - | -587 | - | - | - | - |
| Total number of customers | | 8,560 | 6,453 | 33% | 564 | 60 | 839 | 644 | 933 | 893 |

| SEK million | Note | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|-------------------|------|-------------------|-------------------|------------|------------|------------|------------|------------|------------|
| Operating revenue | | 5,051 | 2,819 | 1,414 | 1,324 | 1,261 | 1,052 | 988 | 815 |
| EBITDA | | 1,590 | 566 | 439 | 440 | 414 | 297 | 266 | 205 |
| EBITDA-margin | | 31% | 20% | 31% | 33% | 33% | 28% | 27% | 25% |
| EBIT | | 2,209 | 244 | 300 | 1,459 | 280 | 170 | 153 | 112 |
| EBIT-margin | | 44% | 9% | 21% | 110% | 22% | 16% | 15% | 14% |

KEY RATIOS

| SEK million | 2007 | 2006 | 2005 | 2004 |
|--|--------------------|--------|--------|--------|
| CONTINUING OPERATIONS | | | | |
| Operating revenue | 43,420 | 43,098 | 37,870 | 30,570 |
| Number of customers, in thousand | 24,721 | 25,751 | 23,023 | 19,998 |
| EBITDA | 6,647 | 5,776 | 5,293 | 4,996 |
| EBIT | 1,485 | -106 | 2,607 | 2,858 |
| EBT | 759 | -668 | 2,170 | 2,686 |
| Net profit/loss | -302 | -1,003 | 1,665 | 2,030 |
| KEY RATIO | | | | |
| EBITDA margin, % | 15.2 | 13.4 | 14.0 | 16.3 |
| EBIT margin, % | 3.4 | -0.2 | 6.9 | 9.3 |
| PER SHARE DATA (SEK) | | | | |
| Earnings | -0.45 | -1.98 | 3.77 | 4.59 |
| Earnings after dilution | -0.45 | -1.98 | 3.77 | 4.57 |
| TOTAL (INCLUDING DISCONTINUED OPERATIONS) | | | | |
| Shareholders' equity | 26,849 | 29,123 | 35,368 | 32,900 |
| Shareholders' equity after dilution | 26,893 | 29,137 | 35,401 | 32,965 |
| Total assets | 48,648 | 66,164 | 68,291 | 49,873 |
| Cash flow from operating activities | 4,350 | 3,847 | 5,487 | 5,876 |
| Cash flow after CAPEX | -819 | -1,673 | 1,847 | 4,314 |
| Available liquidity | 25,901 | 5,963 | 8,627 | 5,113 |
| Net borrowing | 5,198 | 15,311 | 11,839 | 2,831 |
| Investments in intangible and tangible assets, CAPEX | 5,198 | 5,365 | 3,750 | 1,585 |
| Investments in shares and long-term receivables, net | -11,444 | 1,616 | 7,953 | 1,653 |
| KEY RATIO | | | | |
| Equity/assets ratio, % | 55 | 44 | 52 | 66 |
| Debt/equity ratio, multiple | 0.19 | 0.53 | 0.33 | 0.09 |
| Return on shareholders' equity, % | -6.0 | -11.3 | 6.9 | 10.8 |
| Return on shareholders' equity after dilution, % | -6.0 | -11.3 | 6.9 | 10.8 |
| Return on capital employed, % | 1.5 | -5.4 | 8.2 | 11.4 |
| Average interest rate, % | 5.2 | 4.2 | 3.7 | 4.4 |
| PER SHARE DATA (SEK) | | | | |
| Earnings | -3.75 | -8.14 | 5.30 | 7.74 |
| Earnings after dilution | -3.75 | -8.14 | 5.29 | 7.73 |
| Shareholders' equity | 60.31 | 64.85 | 78.96 | 74.32 |
| Shareholders' equity after dilution | 60.34 | 64.84 | 78.93 | 74.29 |
| Cash flow from operating activities | 9.78 | 8.66 | 12.39 | 13.27 |
| Dividend | 7.85 ¹⁾ | 1.83 | 1.75 | 1.67 |
| Redemption | - | - | - | 3.33 |
| Market value at closing day | 129.50 | 100.00 | 85.25 | 87.00 |

¹⁾ Proposed dividend

PARENT COMPANY

INCOME STATEMENT

| SEK million | Note | 2007 Full year | 2006 Full year |
|---|------|-------------------|-------------------|
| Operating revenue | | 30 | 20 |
| Administrative expenses | 12 | -167 | -84 |
| Other operating revenues | | - | 1 |
| Operating profit/loss, EBIT | | -137 | -63 |
| Dividend | 12 | 13,000 | - |
| Exchange rate difference on financial items | | -396 | 547 |
| Net interest expenses and other financial items | | 265 | 299 |
| Profit/loss after financial items, EBT | | 12,732 | 783 |
| Tax on profit/loss for the year | | 100 | -219 |
| NET PROFIT/LOSS | | 12,832 | 564 |

BALANCE SHEET

| SEK million | Note | 2007 Dec 31 | 2006 Dec 31 |
|----------------------------------|------|----------------|----------------|
| Assets | | | |
| FIXED ASSETS | | | |
| Financial assets | | 27,192 | 38,571 |
| FIXED ASSETS | | 27,192 | 38,571 |
| CURRENT ASSETS | | | |
| Current receivables | | 13,139 | 54 |
| Short-term investments | | 250 | - |
| Cash and cash equivalents | | 15 | 7 |
| CURRENT ASSETS | | 13,404 | 61 |
| ASSETS | | 40,596 | 38,632 |
| Equity and liabilities | | | |
| SHAREHOLDERS' EQUITY | | | |
| Restricted equity | 7 | 17,459 | 17,432 |
| Unrestricted equity | 7 | 15,689 | 3,627 |
| SHAREHOLDERS' EQUITY | | 33,148 | 21,059 |
| LONG-TERM LIABILITIES | | | |
| Interest-bearing liabilities | | 5,152 | 12,417 |
| LONG-TERM LIABILITIES | | 5,152 | 12,417 |
| SHORT-TERM LIABILITIES | | | |
| Interest-bearing liabilities | | 2,154 | 4,688 |
| Non-interest-bearing liabilities | | 142 | 468 |
| SHORT-TERM LIABILITIES | | 2,296 | 5,156 |
| EQUITY AND LIABILITIES | | 40,596 | 38,632 |

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.

From January 1, 2007, IFRS 7, amendments to IAS 1 and IFRIC 7, 8, 9 and 10 are applied. These have had no effect on the reported income statement.

The definition for EBITDA has during 2007 been changed to exclude profit and loss from sale of operations and one off items. Previous periods have been adjusted retrospectively.

In connection with the acquisition of operations, goodwill is allocated to the cash generating units that expect to achieve future financial benefits and synergies as a result of the acquired operations. In the event that separate cash generating units cannot be identified, goodwill is allocated to the lowest level at which the operation and its assets is controlled and monitored internally. Tele2 has in Q3 2007, as a result of the changed strategic focus and divestments of a number of operations, changed allocation of goodwill from market area level to country level. Please refer to Note 2.

In Q2 2007, the definition for inactive mobile prepaid customers has been changed, please refer to Note 6.

Tele2 has, in all other respects presented its interim report in accordance with the accounting principles and calculation methods used in the 2006 Annual Report. Definitions are found in the 2006 Annual Report.

NOTE 1 Operating revenue

In Q4 2007, the operating revenue in Tele2 Sweden was reduced by SEK 200 million which is related to a dispute with Telia Sonera. The negative one off item is related to the interconnect dispute between year 2000-2004. While awaiting decision on appeal from the Swedish Supreme Administrative Court, Tele2 has decided to book this as reduced revenue in Q4 2007.

From Q4 2007 onwards, the two operations in the Netherlands, i.e. Tele2 Netherlands and Versatel Netherlands, is reported as one operation. Internal sales between the companies have been eliminated in market area Benelux and previous periods have been adjusted retrospectively.

Operating revenue from Q4 2004 and onwards for Tele2 in Sweden includes SEK 24 million per quarter relating to mobile telephony according to the MVNO agreement with Telenor. The capacity swap in the agreement is viewed upon as exchange of capacity between Tele2 and Telenor on a group level, where revenues from the swap are offset against costs. The agreement runs up to and including Q1 2008.

NOTE 2 Operating expenses

The Supreme Court in The Hague has 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 market area Benelux were increased by SEK 124 million in Q4 2007.

Tele2 continuously conducts price negotiations in all markets and retroactive adjustments are a natural part of Tele2's business. The adjustments in Q3 and Q4 2006 were nevertheless out of the ordinary and concentrated to certain market areas. In Q4 2006, the costs were reduced by SEK 50 million for the market area Nordic as a result of price negotiations with another operator. In Q3 2006 the costs were reduced by SEK 43 million for the market area Benelux as a result of a settlement with another operator of SEK 95 million and estimated future unused part of leased premises of SEK 52 million.

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, Central Europe | 572 | 570 |
| Austria, Central Europe | 291 | 290 |
| Belgium, Benelux | 276 | 275 |
| Netherlands, Benelux | 176 | 175 |
| Total impairment of goodwill | 1,315 | 1,310 |

In connection with the changed strategic focus, the business and financial performance has started to be monitored to a larger extent on each country rather than on each market area. Tele2 has in line with its adjusted strategic focus divested a number of businesses that did not meet Tele2's long-term financial goals. In Q3 2007 Tele2 has consequently changed its allocation of goodwill from being allocated to each market area to be allocated to each country. The allocation of goodwill has been based on each country's relative value.

The impairment of the operation in Germany and Austria is related to declining volumes and prices. An agreement to sell Belgium was signed in Q3 2007 and the impairment reflects the difference between sales price and assets sold. The impairment in the Netherlands is an effect of allocating goodwill to each country in Q3 2007.

The impairment of IT-systems is related to that the utilization of common billing systems will be lower than planned due to the sales of a number of businesses.

In Q3 2006, Tele2 recognized goodwill impairment losses of SEK 2,457 million, of which SEK 1,863 million related to Central Europe, SEK 94 million to Southern Europe and SEK 500 million to Benelux.

NOTE 3 Sales of operations, profit

In 2007, Tele2 has reported the following capital gains from the divestment of operations.

| SEK million | Q4 2007 | Q3 2007 |
|--|-----------|--------------|
| Irkutsk, Baltic & Russia | 11 | 1,168 |
| Denmark, Nordic | 9 | 309 |
| Uni2 Denmark, Services | 6 | 39 |
| Hungary, Central Europe | 17 | - |
| Portugal, Southern Europe | -3 | 6 |
| Total capital gain, divested operations | 40 | 1,522 |

In Q2 2006, market area Central Europe reported a capital gain from the divestment of Tele2's operations in the Czech Republic, corresponding to SEK 50 million, after a minor adjustment in Q3 2006.

NOTE 4 Sales of operations, loss

In 2007, Tele2 has reported the following capital losses from the divestment of operations.

| SEK million | Q4 2007 | Q3 2007 | Q2 2007 | Q1 2007 |
|--|-------------|-------------|-------------|-----------|
| Alpha Telecom/Calling Card company, Benelux | -99 | -10 | -520 | - |
| 3C Communications, Services | -3 | -133 | - | - |
| Belgium, Southern Europe | - | -20 | - | - |
| Datamatrix Norway, Services | - | -7 | - | -5 |
| Other | -26 | - | - | - |
| Total capital loss, divested operations | -128 | -170 | -520 | -5 |

During the fourth quarter 2006 a capital loss of SEK -20 million was reported.

NOTE 5 Taxes

In Q3 2007 an additional write-down of tax assets has been reported, in connection with the impairment of goodwill according to Note 2, for Tele2 Germany affecting the income statement with SEK -599 million.

In Q2 2007, a one-off adjustment has been reported of the deferred tax assets which has affected the income statement with SEK -228 million, mainly related to reduced income tax rate in Germany.

NOTE 6 Number of customers

As a way of standardizing reporting both internally and externally, Tele2 has decided 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 759,000 in the reported customer base in the market area Nordic.

NOTE 7 Shares and convertibles

Tele2 has, in Q2 2007, paid a dividend of SEK 1.83 per share, corresponding to a total of SEK 814 million.

As a result of 361,746 warrants being exercised during 2007, Tele2 has issued new shares resulting in an increase of shareholders' equity of SEK 22 million.

Tele2 has, in Q4 2007, issued 4,098,000 Class C shares through a directed placement at a subscription price corresponding to a quota value of SEK 1.25 per share, a total of SEK 5 million. The Class C shares do not entitle to dividends and represent one vote each. Tele2 has immediately after the issue repurchased all Class C shares at a price corresponding to the subscription price.

INCENTIVE PROGRAM 2007-2012

The Extraordinary General Meeting on August 28, 2007 decided to adopt a performance based incentive programme for approximately 80 senior executives and other key employees within the Tele2 group. The incentive programme entails that the participants shall be granted stock options free of charge. Each option entitles the holder to purchase one Class B share at an exercise price of SEK 130.20 corresponding to 110 percent of the average closing price of the company's Class B share 10 trading days prior to the date of grant. The scope of the incentive programme amounts to a maximum of 4,098,000 options.

The options may only be exercised three to five years from the time of grant, provided that the holder is still employed within the Tele2 group and that certain performance conditions are fulfilled. Based on the outcome of these performance conditions, the employees will be able to exercise 0-100 percent of granted options, i.e. there will be no guaranteed exercise. The performance conditions for the options will be measured from 1 July 2007 until 30 June 2010 and are based on the company's average normalised return on capital employed and total shareholders return compared to a peer group.

The purpose with the incentive programme is to strengthen the employees' loyalty, improve the conditions for the company's continued demands on profitability and create an opportunity for the employees to take part in the group's development. The incentive programme will constitute a competitive incentive and a motivating offer for senior executives and other key employees within the group.

The total costs after tax of the incentive programme are expensed as they arise, over a three-year period. These costs are expected to amount to SEK 46 million, of which SEK 5 million has been expensed during 2007.

| Number of options | Aug 2007 - Dec 31, 2007 |
|--|-------------------------|
| Allocated August 2007 | 3,552,000 |
| Forfeited | -63,000 |
| Total outstanding stock options | 3,489,000 |

INCENTIVE PROGRAM 2006–2011

| Number of options | Stock options | | Warrants | |
|-----------------------------|------------------|-----------------------|-----------------|-----------------------|
| | Full year, 2007 | Feb 2006–Dec 31, 2007 | Full year, 2007 | Feb 2006–Dec 31, 2007 |
| Allocated February 2006 | | 1,504,000 | | 752,000 |
| Outstanding as of January 1 | 1,504,000 | | 752,000 | |
| Forfeited | -340,000 | -340,000 | -35,000 | -35,000 |
| Total outstanding | 1,164,000 | 1,164,000 | 717,000 | 717,000 |

INCENTIVE PROGRAM 2002–2007

| Number of options | Outstanding | | To wholly owned subsidiary | |
|-----------------------------|-----------------|-------------------|----------------------------|-------------------|
| | Full year, 2007 | 2002–Dec 31, 2007 | Full year, 2007 | 2002–Dec 31, 2007 |
| Allocated 2002 | | 2,147,760 | | 482,618 |
| Outstanding as of January 1 | 273,180 | | 166,620 | |
| Forfeited | - | -381,510 | -78,054 | -78,054 |
| Exercised | -273,180 | -1,766,250 | -88,566 | -404,564 |
| Total | - | - | - | - |

The Incentive program 2002–2007 ended in Q3 2007 and as of December 31, 2007, there are no outstanding stock options or held warrants.

NOTE 8 Business acquisitions and divestments

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

| SEK million | 2007 |
|--|---------------|
| Acquisitions | |
| Versatel, minority interest | -871 |
| Telecom Eurasia, Russia | -105 |
| Mobile Norway, joint venture | -203 |
| Tele2 Syd (formerly E.ON Bredband), minority interest | -135 |
| Radio Components, minority interest | -7 |
| | -1,321 |
| Divestments | |
| Italy/Spain | 6,739 |
| Belgium | 862 |
| Portugal | 125 |
| Irkutsk, Russia | 1,570 |
| France | 2,874 |
| Denmark | 743 |
| Hungary | 36 |
| 3C Communications | 75 |
| UNI2 Denmark | 65 |
| Alpha Telecom och Calling Card Company ¹⁾ | 15 |
| Datamatrix Norway | 100 |
| Other divestments | 2 |
| | 13,206 |
| Other | |
| Other cash flow changes in shares and participations | -108 |
| Cash flow effect of acquisitions and divestments in shares and participations | 11,777 |

¹⁾ The divestment of the operations in Calling Card Company refers to specific assets and liabilities.

ACQUISITIONS

Netherlands and Belgium

During December 2007 Tele2 increased its shares in Versatel with an additional 17.16 percent and is now holding 98.81 percent of the shares. The purchase price amounted to SEK 1,213 million, of which SEK 871 million affected the cash-flow for Q4 2007

On March 6, 2007 Tele2 sold the shares in Tele2 Netherlands and Tele2 Belgium to Versatel Telecom International N.V. The reorganization has been carried out as a part of the integration process of Tele2's and Versatel's operations in the Netherlands and Belgium. Versatel has financed the acquisition by an issue of new shares. As a result of the issue Tele2 has increased its share holdings in Versatel by 1.36 percent.

Telecom Eurasia, Russia

On October 5, 2007, Tele2 acquired all shares in Telecom Eurasia, with an 1800 MHz GSM-license in the Russian region Krasnodar and a customer base of 20,000, for SEK 129 million. The acquisition has affected Tele2's operating revenue in the market area Baltic & Russia year-to-date by SEK 3 million, EBITDA by SEK -5 million and net profit/loss by SEK -6 million.

Krasnodar is the third biggest region in Russia as well as the second biggest roaming region. Goodwill in connection with the acquisition is related to Tele2's expectations of a positive economic development in the region as well as economies of scale and synergies through integration in Tele2 Russia's existing operation with a successful brand and product strategies in the Russian market. Goodwill also arises from a deferred tax asset included in the acquisition that was not judged to meet the criteria for recognition.

Croatia

On October 3, 2007, Tele2 acquired 42 percent of the shares in Tele2 Croatia, for SEK 150 million. The holding in the company represents 93 percent. The acquisition, by an issue of new shares, has not effected Tele2's result, cash-flow or financial position.

CONTINUING NOTE 8

Mobile Norway

On October 1, 2007, Tele2 acquired 50 percent of the shares in Mobile Norway AS (formerly AMI AS), the owner of a GSM 900 license, for SEK 161 million. At the same time Tele2 and Network Norway AS have entered into an agreement to build the third mobile network in Norway. Phase one of the joint venture build-out is ongoing and the new 3G-license that the company was awarded in December 2007 will further enhance the network. Tele2's total investment, after capital contribution, amounts to SEK 209 million at the balance sheet date.

Other acquisitions

On June 1, 2007 Tele2 acquired the remaining 24.9 percent in Tele2 Syd AB, former E.ON Bredband, for SEK 135 million. In June 2007, Tele2 also acquired 10.7 percent in Radio Components Sweden AB. The holding in the company represents 80.3 percent.

On February 1, 2007 Tele2 acquired the remaining 0.03 percent in Comunitel, Spain by issuing new share. During 2007 Tele2 has also contributed capital to its joint ventures Plusnet and Spring Mobil.

The assets, liabilities and contingent liabilities included in the acquisition are stated below:

| SEK million | Telecom Eurasia | | Fair value |
|--|---|--------------------------|-------------|
| | Reported value at the time of acquisition | Adjustment to fair value | |
| Customer contracts | - | 1 | 1 |
| Tangible assets | 4 | - | 4 |
| Materials and supplies | 3 | - | 3 |
| Current receivables | 46 | - | 46 |
| Cash and cash equivalents | 24 | - | 24 |
| Deferred tax liabilities | - | -1 | -1 |
| Short-term liabilities | -209 | - | -209 |
| Acquired net assets | -132 | 0 | -132 |
| Goodwill | | | 154 |
| Purchase price for shares in subsidiary | | | 22 |
| Payment of debts in acquired operations | | | 107 |
| Acquisition value | | | 129 |
| Less: cash in acquired operation | | | -24 |
| EFFECT ON GROUP CASH AND CASH EQUIVALENTS | | | 105 |

The information above and the pro forma below are to be viewed as preliminary.

DIVESTMENTS

Italy/Spain

On October 6, 2007 Tele2 announced the sale of its operations in Italy and Spain. The sale was completed on December 3, 2007 after approval from the European Commission. The divested operation has been reported as discontinued operations; please refer to Note 9 for additional information.

Belgium

On October 1, 2007, Tele2 divested its Belgium operation for SEK 927 million. An impairment of goodwill regarding the Belgium operations has been reported during Q3 2007 amounting to SEK 275 million (please refer to Note 2). The operation has affected Tele2's operating revenue in the market area Benelux year-to-date by SEK 901 (1,381) million, EBITDA by SEK -40 (-56) million and net profit/loss by SEK -156 (-242) million in addition to a capital loss of SEK 20 million.

Portugal

On September 11, 2007, Tele2 divested its operation in Tele2 Portugal for SEK 133 million. Tele2 Portugal has affected Tele2's operating revenue in the market area Southern Europe year-to-date by SEK 349 (415) million, EBITDA by SEK -59 (-74) million and net profit/loss by SEK -67 (-77) million in addition to a recorded capital gain of SEK 3 million.

Irkutsk

On August 13, 2007, Tele2 divested its operation in Tele2 Irkutsk in Russia for SEK 1,595 million. Tele2 Irkutsk has affected Tele2's operating revenue in the market area Baltic & Russia year-to-date by SEK 214 (237) million, EBITDA by SEK 64 (79) million and net profit/loss by SEK 35 (44) million in addition to a recorded capital gain of SEK 1,179 million.

The disposal was done in connection with signing of a 10-year national roaming agreement in Russia with Vimpelcom, which enables Tele2 customers seamless roaming at low prices across Vimpelcom's network in Russia, where Tele2 has no mobile network presence. Both transactions are on commercial terms.

France fixed and broadband business

On October 3, 2006 Tele2 announced the sale of its fixed and broadband business in France. The divestment was finalized on July 18, 2007, after receiving approval from the EU competition authorities. The divested operation has been reported as discontinued operations; please refer to Note 9 for additional information.

Denmark

On July 12, 2007, Tele2 divested its operation in Tele2 Denmark for SEK 776 million. Tele2 Denmark has affected Tele2's operating revenue in the market area Nordic year-to-date by SEK 736 (1,668) million, EBITDA by SEK 89 (68) million and net profit/loss by SEK 44 (-14) million in addition to a recorded capital gain of SEK 318 million.

Other divestments

On July 9, 2007, Tele2 announced the divestment of its Hungarian operations for SEK 87 million. The divestment was finalized on October 18, 2007, after receiving approval from the Hungarian Competition Authorities. The operation has affected Tele2's operating

revenue in the market area Central Europe year-to-date by SEK 223 (353) million, EBITDA by SEK 50 (-31) million and net profit/loss by SEK 46 (-38) million in addition to a capital gain of SEK 17 million.

On September 19, 2007, Tele2 divested its operation 3C Communications for SEK 46 million. 3C has affected Tele2's operating revenue in the market area Services year-to-date by SEK 45 (73) million, EBITDA by SEK -14 (-6) million and net profit/loss by SEK -28 (-13) million in addition to a recorded capital loss of SEK 136 million.

On August 31, 2007, Tele2 divested its operation UNI2 Denmark for SEK 70 million. UNI2 Denmark has affected Tele2's operating revenue in the market area Services year-to-date by SEK 38 (53) million, EBITDA by SEK 12 (6) million and net profit/loss by SEK 3 (-8) million in addition to a recorded capital gain of SEK 45 million.

In May 2007, Tele2 divested its Alpha Telecom and Calling Card Company operation for SEK 82 million. The operation has affected Tele2's operating revenue in the market area Benelux year-to-date by SEK 379 (1,166) million, EBITDA by SEK 36 (40) million and net profit/loss by SEK 9 (-98) million in addition to a recorded capital loss of SEK 629 million.

On March 31, 2007, Tele2 divested its operation Datamatrix Norway for SEK 128 million. Datamatrix AS has affected Tele2's operating revenue in the market area Services year-to-date by SEK 119 (323) million, EBITDA by SEK 4 (5) million and net profit/loss by SEK 2 (2) million in addition to a recorded capital loss of SEK 12 million.

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 | Italy/Spain | Belgium | Portugal | Irkutsk | France | Denmark | Other | Total |
|--|--------------|------------|------------|--------------|--------------|------------|------------|---------------|
| Goodwill | 4,079 | 216 | 119 | 99 | 2,737 | - | 396 | 7,646 |
| Other intangible assets | 389 | 130 | 1 | 1 | 468 | 28 | 83 | 1,100 |
| Tangible assets | 2,083 | 700 | 65 | 211 | 247 | 87 | 100 | 3,493 |
| Deferred tax receivables | 910 | 3 | - | - | 9 | 264 | 172 | 1,358 |
| Long-term receivables | 3 | - | - | - | 1 | 6 | 30 | 40 |
| Material and supplies | 3 | - | 1 | 2 | 80 | - | 26 | 112 |
| Current receivables | 1,787 | 309 | 119 | 36 | 610 | 362 | 549 | 3,772 |
| Cash and cash equivalents | 73 | 60 | - | 1 | 386 | 3 | 102 | 625 |
| Exchange rate differences | -602 | -28 | -76 | 82 | -428 | 9 | -17 | -1,060 |
| Deferred tax liabilities | -153 | -33 | - | - | - | - | -16 | -202 |
| Provisions | -30 | -22 | -4 | - | - | -18 | -10 | -84 |
| Long-term liabilities | -253 | -1 | - | - | -1 | - | -46 | -301 |
| Short-term liabilities | -1,971 | -447 | -131 | -40 | -1,186 | -515 | -375 | -4,665 |
| Divested net assets | 6,318 | 887 | 94 | 392 | 2,923 | 226 | 994 | 11,834 |
| Capital profit/loss | 261 | -20 | 3 | 1,179 | 281 | 318 | -741 | 1,281 |
| Sales price, net sales costs | 6,579 | 867 | 97 | 1,571 | 3,204 | 544 | 253 | 13,115 |
| Sales costs etc, non-cash | 232 | 55 | 28 | - | 56 | 27 | 100 | 498 |
| Payment for receivable in divested operation | - | - | - | - | - | 175 | 43 | 218 |
| Less: cash in divested operation | -72 | -60 | - | -1 | -386 | -3 | -103 | -625 |
| EFFECT ON GROUP CASH AND CASH EQUIVALENTS | 6,739 | 862 | 125 | 1,570 | 2,874 | 743 | 293 | 13,206 |

The divested operations in Tele2 Italy/Spain and Tele2 France have been reported as discontinued operations according to IFRS 5 Non-current assets held for sale and discontinued operations. Since the remaining divested operations above, were 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.

Ongoing divestments

On October 8, 2007, Tele2 divested its mobile telephony operations in Tele2 Austria for approximately SEK 65 million. The capital gain is estimated at SEK 0 million. The operation has affected Tele2's operating revenue in the market area Central Europe year-to-date by SEK 45 (168) million, EBITDA by SEK -94 (-28) million and net profit/loss by SEK -104 (-40) million. Completion is expected following approval from the relevant regulatory authorities.

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

PRO FORMA

The table below shows the effect of the acquired and divested companies and operations at December 31, 2007 on Tele2's operating revenue and result, had they been acquired or divested at January 1, 2007.

| SEK million | 2007 | | | Tele2 Group pro forma |
|-------------------|---------------------------|---|---|-----------------------|
| | Tele2 Group ¹⁾ | Acquired companies before the time of the acquisition | Excluding divested companies and operations | |
| Operating revenue | 43,420 | 20 | -3,009 | 40,431 |
| EBITDA | 6,679 | 19 | -134 | 6,564 |
| Net profit/loss | -270 | 2 | -622 | -890 |

¹⁾ less Tele2 Italy/Spain and the fixed and broadband business in France since these are reported as discontinued operations.

NOTE 9 Discontinued operations and assets classified as held for sale

THE OPERATION IN ITALY AND SPAIN

On October 6, 2007 Tele2 announced the sale of its operations in Italy and Spain for SEK 6,973 million. The sale was completed on December 3, 2007 after approval from the European Commission.

An impairment of goodwill amounting to SEK 1,295 million has been reported 2007 regarding the Italian and Spanish operations, whereof SEK 1,290 million was reported during Q3 2007. The impairment reflects the difference between sales price and assets sold. In Q3 2006 an impairment of goodwill on market area level was reported, of which SEK 843 million is estimated to be attributable to the operation in Italy and Spain. During the fourth quarter 2007, a capital gain of SEK 261 million has been reported as discontinued operations, whereof SEK 580 million is related to a reversal of exchange rate differences previously reported directly in equity.

The divestment has been reported separately under discontinued operations in the income statement, with a retrospective effect on previous periods, and in the balance sheet from September 30, 2007 according to IFRS 5 *Non-current assets held for sale and discontinued operations*.

FRANCE FIXED AND BROADBAND BUSINESS

On October 3, 2006 Tele2 announced the sale of its fixed and broadband operations in France for SEK 3,301 million. Tele2's French mobile business is retained by Tele2. On July 18, 2007, Tele2 announced it has received approval from the EU competition authorities on the sale. The divestment was finalized in Q3 2007.

In Q3 2006, a goodwill impairment loss of SEK 1,500 million affected the results from the discontinued operations. This was attributable to the estimated capital loss due to the sale, excluding a reversal of exchange rate differences associated with the French operation recognized directly in equity. The first six months of 2007 includes additional goodwill impairment of SEK 75 million. A capital gain of total SEK 281 million has been reported in discontinued operations 2007, of which SEK 269 million in the third quarter. The capital gain includes SEK 443 million related to a reversal of exchange rate differences, previously reported directly in equity.

The divestment has been reported separately under discontinued operations in the income statement, with a retrospective effect on previous periods, and in the balance sheet from September 30, 2006 according to IFRS 5-Non-current assets held for sale and discontinued operations.

INCOME STATEMENT

Income Statement for discontinued operations in Italy, Spain and France, formerly reported in market area Southern Europe, is stated below.

| SEK million | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|--|-------------------|-------------------|------------|---------------|-------------|-------------|-------------|---------------|
| Operating revenue | 9,213 | 11,533 | 1,369 | 1,918 | 3,023 | 2,903 | 2,795 | 2,735 |
| Operating expenses | -9,485 | -11,981 | -1,164 | -1,903 | -3,210 | -3,208 | -3,103 | -2,791 |
| Impairment of goodwill | -1,370 | -2,343 | -5 | -1,290 | -35 | -40 | - | -2,343 |
| Sale of operations, profit | 542 | - | 273 | 269 | - | - | - | - |
| Other operating revenues | 11 | 8 | 3 | 3 | 2 | 3 | 2 | 4 |
| Other operating expenses | -3 | -3 | 1 | -1 | -2 | -1 | -1 | - |
| EBIT | -1,092 | -2,786 | 477 | -1,004 | -222 | -343 | -307 | -2,395 |
| Net interest expenses | 1 | 39 | -2 | 1 | -4 | 6 | 10 | 5 |
| Other financial items | -1 | -1 | - | -1 | - | - | -1 | - |
| EBT | -1,092 | -2,748 | 475 | -1,004 | -226 | -337 | -298 | -2,390 |
| Tax on profit/loss | -375 | 11 | -336 | -91 | 22 | 30 | -12 | 3 |
| NET PROFIT/LOSS, TOTAL IMPACT | -1,467 | -2,737 | 139 | -1,095 | -204 | -307 | -310 | -2,387 |
| Earnings per share (SEK) | -3.30 | -6.16 | | | | | | |
| Earnings per share, after dilution (SEK) | -3.30 | -6.16 | | | | | | |

CASH FLOW STATEMENT

| SEK million | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|---|-------------------|-------------------|--------------|--------------|-------------|------------|------------|------------|
| Cash flow from operating activities | -141 | -117 | 167 | -8 | -3 | -297 | -199 | 124 |
| Cash flow from investing activities | 8,749 | -1,103 | 6,592 | 2,714 | -330 | -227 | -327 | -361 |
| <i>of which sale of shares and participations</i> | 9,678 | - | 6,741 | 2,937 | - | - | - | - |
| <i>of which other investing activities</i> | -929 | -1,103 | -149 | -223 | -330 | -227 | -327 | -361 |
| Cash flow from financing activities | 989 | 1,195 | -8 | 173 | 222 | 602 | 553 | 239 |
| Net change in cash and cash equivalents | 9,597 | -25 | 6,751 | 2,879 | -111 | 78 | 27 | 2 |

NUMBER OF CUSTOMERS

| Thousands | Number of customers | | Net intake | | | | | |
|--|---------------------|-------------------|------------|-------------|-------------|-------------|-------------|-------------|
| | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
| Indirect access | - | 6,051 | -135 | -222 | -373 | -377 | -354 | -326 |
| <i>of which fixed telephony resale</i> | - | 5,442 | -134 | -225 | -389 | -415 | -380 | -350 |
| <i>of which broadband resale</i> | - | 609 | -1 | 3 | 16 | 38 | 26 | 24 |
| Direct access & LLUB | - | 301 | 88 | 81 | 134 | 139 | 141 | 59 |
| Number of customers | - | 6,352 | -47 | -141 | -239 | -238 | -213 | -267 |

CONTINUING NOTE 9

| SEK million | 2007 Full year | 2006 Full year | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 | 2006 Q3 |
|--|-------------------|-------------------|--------------|---------------|--------------|--------------|--------------|---------------|
| OPERATING REVENUE | | | | | | | | |
| Indirect access | 6,245 | 10,241 | 694 | 1,054 | 2,184 | 2,313 | 2,339 | 2,406 |
| <i>of which fixed telephony resale</i> | 5,188 | 8,975 | 592 | 894 | 1,792 | 1,910 | 1,992 | 2,089 |
| <i>of which broadband resale</i> | 1,057 | 1,266 | 102 | 160 | 392 | 403 | 347 | 317 |
| Direct access & LLUB | 2,368 | 836 | 549 | 705 | 672 | 442 | 345 | 197 |
| Other operations | 987 | 1,134 | 148 | 225 | 314 | 300 | 311 | 315 |
| Adjustments for internal sales | -387 | -678 | -22 | -66 | -147 | -152 | -200 | -183 |
| Operating revenue | 9,213 | 11,533 | 1,369 | 1,918 | 3,023 | 2,903 | 2,795 | 2,735 |
| EBITDA | | | | | | | | |
| Indirect access | 275 | 302 | 210 | 87 | 6 | -28 | -11 | 113 |
| <i>of which fixed telephony resale</i> | 839 | 1,108 | 243 | 125 | 224 | 247 | 246 | 308 |
| <i>of which broadband resale</i> | -564 | -806 | -33 | -38 | -218 | -275 | -257 | -195 |
| Direct access & LLUB | -64 | -219 | 77 | 39 | -43 | -137 | -85 | -58 |
| Other operations | 91 | 86 | 17 | 22 | 26 | 26 | 19 | 31 |
| EBITDA | 302 | 169 | 304 | 148 | -11 | -139 | -77 | 86 |
| EBIT | | | | | | | | |
| Indirect access | 26 | 6 | 172 | 36 | -78 | -104 | -118 | 51 |
| <i>of which fixed telephony resale</i> | 623 | 838 | 208 | 78 | 153 | 184 | 154 | 251 |
| <i>of which broadband resale</i> | -597 | -832 | -36 | -42 | -231 | -288 | -272 | -200 |
| Direct access & LLUB | -381 | -488 | 21 | -42 | -135 | -225 | -160 | -134 |
| Other operations | 91 | 86 | 16 | 23 | 26 | 26 | 18 | 31 |
| One-off items | -828 | -2,390 | 268 | -1,021 | -35 | -40 | -47 | -2,343 |
| <i>of which impairment of goodwill</i> | -1,370 | -2,343 | -5 | -1,290 | -35 | -40 | - | -2,343 |
| <i>of which capital gain</i> | 542 | - | 273 | 269 | - | - | - | - |
| <i>of which settlements of disputes</i> | - | -47 | - | - | - | - | -47 | - |
| EBIT | -1,092 | -2,786 | 477 | -1,004 | -222 | -343 | -307 | -2,395 |
| INVESTMENTS, CAPEX | | | | | | | | |
| Indirect access | 170 | 351 | 30 | 23 | 66 | 51 | 123 | 82 |
| <i>of which fixed telephony resale</i> | 98 | 234 | 27 | 19 | 31 | 21 | 54 | 43 |
| <i>of which broadband resale</i> | 72 | 117 | 3 | 4 | 35 | 30 | 69 | 39 |
| Direct access & LLUB | 759 | 698 | 180 | 229 | 183 | 167 | 231 | 156 |
| CAPEX | 929 | 1,049 | 210 | 252 | 249 | 218 | 354 | 238 |
| <i>of which period's unpaid CAPEX</i> | -12 | 1 | 73 | 4 | -80 | -9 | 41 | -138 |
| <i>of which CAPEX according to cash flow</i> | 941 | 1,048 | 137 | 248 | 329 | 227 | 313 | 376 |

NOTE 10 Contingent liabilities and joint ventures

| SEK million | Dec 31, 2007 | Dec 31, 2006 |
|-------------------------------------|-----------------|-----------------|
| Guarantee related to joint ventures | 1,885 | 1,730 |
| Future commitments | 1 | 32 |
| Total contingent liabilities | 1,886 | 1,762 |

3G COMPANY IN SWEDEN

Tele2 and TeliaSonera each own 50 percent of Svenska UMTS-nät AB, which holds a 3G license in Sweden. Both companies have contributed capital to the 3G company. In addition to this, the build out has external financing through a loan facility of SEK 4.8 billion, which is 50 percent guaranteed by each party. Tele2 and TeliaSonera are technically MVNOs with the 3G company and hence act as capacity purchasers. The size of the fee is based on used capacity. At December 31, 2007 Tele2's guarantee amounted to SEK 1,838 million (December 31, 2006: SEK 1,685 million).

PLUSNET IN GERMANY

Tele2 owns 32.5 percent of Plusnet GmbH & Co KG and QSC owns 67.5 percent, although both parties have joint control. Tele2 has paid in approximately SEK 0.5 billion and QSC has contributed Unbundled Local Loop (ULL) networks in Germany. Tele2 has provided a bank guarantee of SEK 47 million as security for Plusnet. Both companies act as purchasers of capacity. As the company is not a profit-seeking entity, its fixed costs are shared between Tele2 and QSC, and its variable costs are distributed proportionately in relation to use.

BALANCE SHEET

An abbreviated version of the company's balance sheet is presented below and hence the level of investment at that time.

| SEK million | Dec 31, 2007 | | Dec 31, 2006 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | Svenska UMTS-nät | Plusnet GmbH | Svenska UMTS-nät | Plusnet GmbH |
| Fixed assets | 3,740 | 906 | 3,688 | 213 |
| Current assets | 326 | 512 | 388 | 560 |
| Assets | 4,066 | 1,418 | 4,076 | 773 |
| Shareholders equity | 265 | 903 | 562 | 653 |
| Long-term liabilities | 3,677 | 45 | 3,372 | 5 |
| Short-term liabilities | 124 | 470 | 142 | 115 |
| Shareholders' equity and liabilities | 4,066 | 1,418 | 4,076 | 773 |

NOTE 11 Transactions with related parties

The Invik Group is not included in the group of related parties from Q2 2007 due to Kinnevik no longer holding shares in Invik. Transcom WorldWide Group provides customer services, telemarketing and debt-collection services for Tele2. Apart from transactions with Transcom no other significant related party transactions have been carried out during 2007. Information concerning transactions with major joint ventures is presented in Note 10. Related parties with which the group has transactions with are presented in the 2006 Annual Report, Note 40.

NOTE 12 Parent company

The parent company has in Q4 received an anticipated dividend of 13 billion from its subsidiary. In 2007 the parent company have reported a cost of SEK 66 million related to the incentive program 1997–2006. The cost is a result of a decision by the board to compensate the participators in the incentive program for the negative tax consequences connected with the program. The cost has previously been provided for on group level.