



Q1 2007
FINANCIAL REPORT

Lars-Johan Jarnheimer
President and CEO

TELE2

TELE2: Q1 2007 RESULTS

SEK MILLION	2007 Q1	2006 Q1
<u>Continuing operations</u>		
Operating revenue	12,837	12,243
Net customer intake (thousands)	281	617
EBITDA	1,488	1,221

- Mobile revenues in Q1 2007 increased by 29 percent to SEK 5.2 billion
- Strong broadband intake during Q1 2007, adding a total of 254,000 new broadband customers
- Fixed telephony EBITDA margin improved to 14 percent in Q1 2007

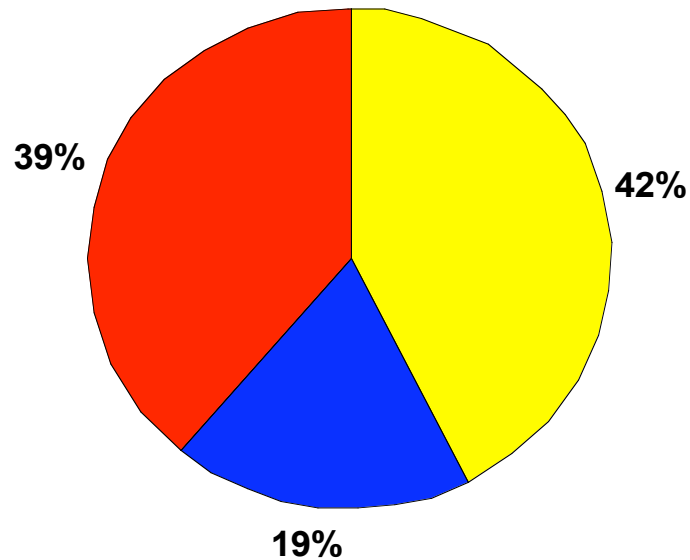
UP DATE ON THE CURRENT STRATEGIC REVIEW

- We will see result of the current strategic review in the second quarter
- The first transaction is likely in the next couple of weeks
- The transaction between Tele2 and SFR will receive a preliminary indication from the EU competition authorities in May
- There is now a firm action plan for the MVNO businesses

Current Strategic Review is progressing according to plan

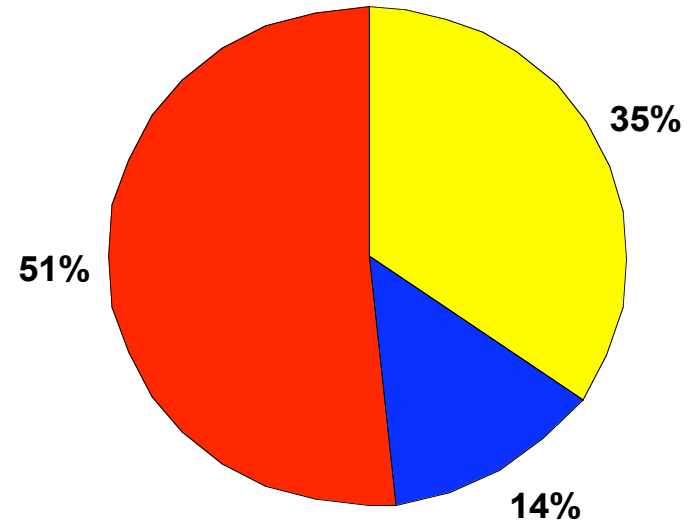
CONTINUED SHIFT TOWARDS INFRASTRUCTURE BASED SERVICES

Sales - Q1 2007



■ Mobile
■ Broadband (resale & direct access)
■ Fixed telephony resale

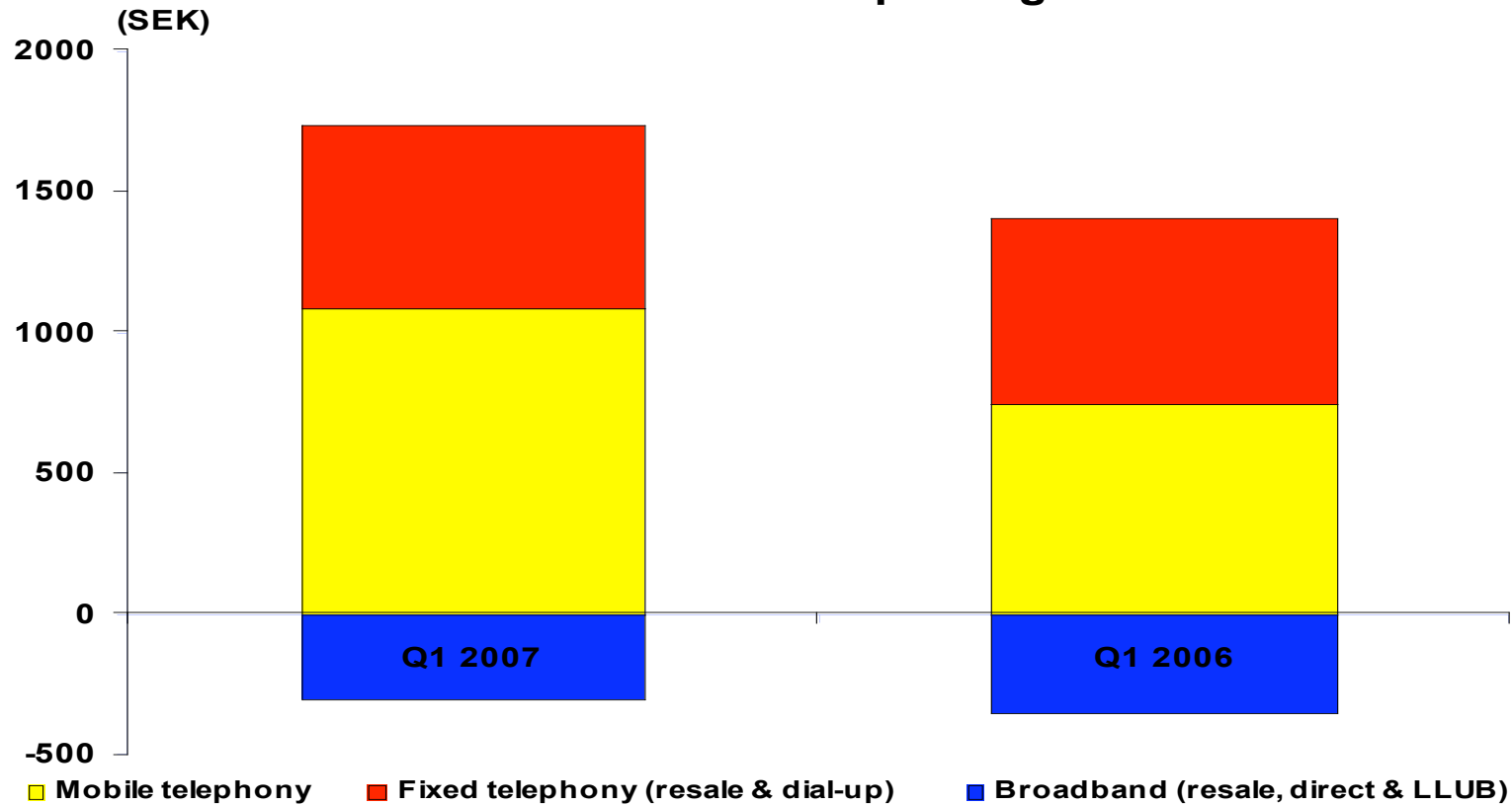
Sales - Q1 2006



■ Mobile
■ Broadband (resale & direct access)
■ Fixed telephony resale

EBITDA CONTRIBUTION WILL FOLLOW

EBITDA contribution per segment



CONTINUED STRONG PERFORMANCE IN MOBILE TELEPHONY

SEK MILLION	2007 Q1	2006 Q1
<u>Mobile Telephony</u>		
Operating revenue	5,219	4,038
Net customer intake (thousands)	747	909
EBITDA	1,088	746



- Mobile revenues in Q1 2007 increased by 29 percent to SEK 5.2 billion
- Russia and Baltic developing above expectations. Total customer base for the market area in excess of 10.8 million
- Mixed development in MVNO.
- Clean up of customer base in the Nordic market area by approximately 900,000 in Q2 2007

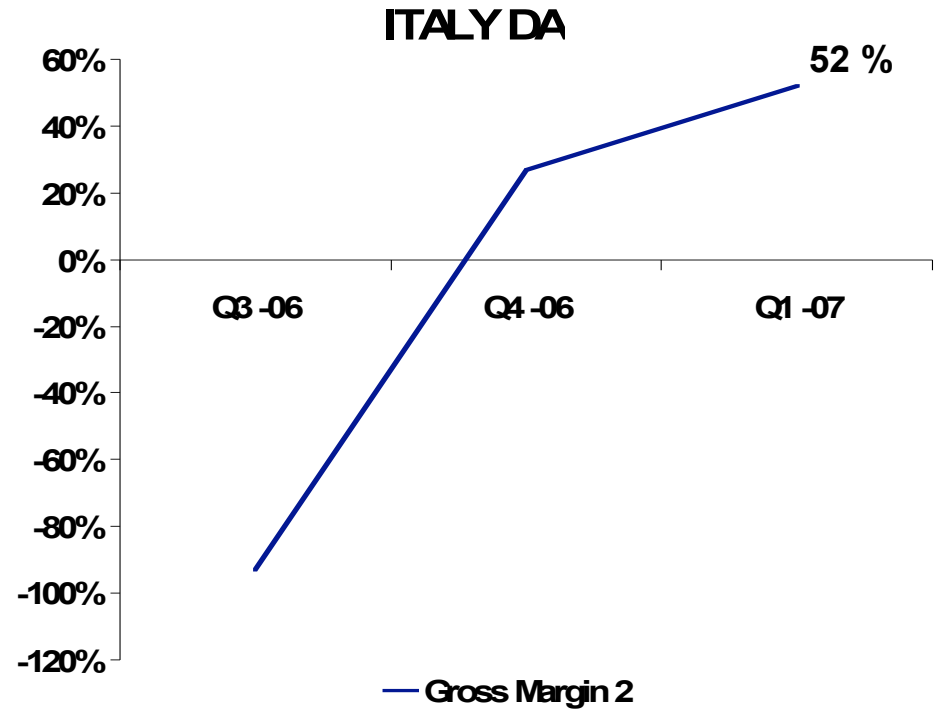
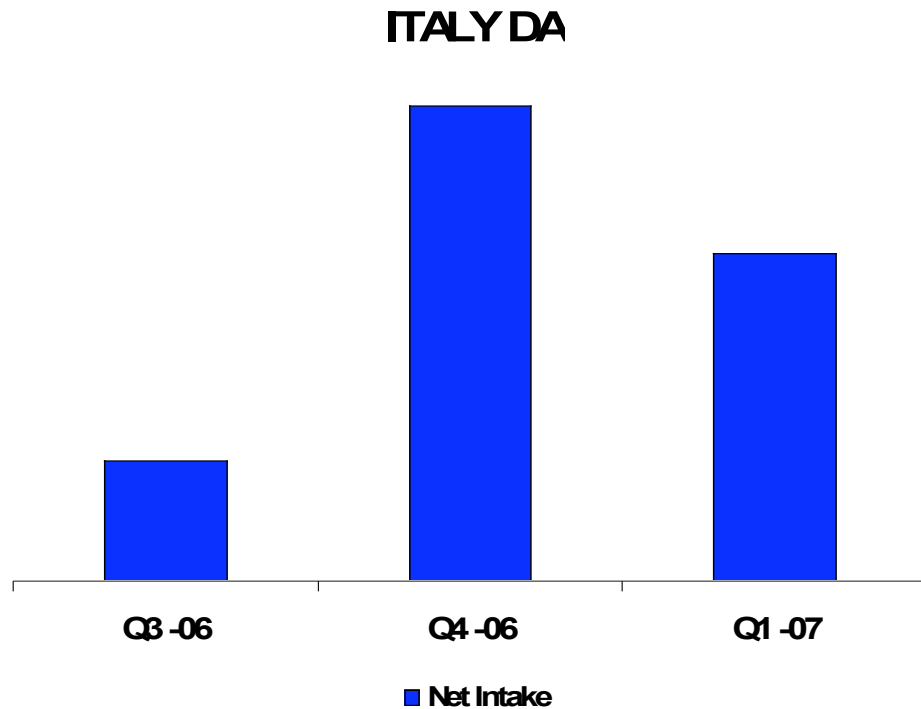
STRONG BROADBAND INTAKE

SEK MILLION	2007 Q1	2006 Q1
<u>Broadband resale, DA/LLUB</u>		
Operating revenue	2,276	1,602
Net customer intake (thousands)	255	144
EBITDA	-361	-295



- Strong broadband intake during Q1 2007, adding a total of 254,000 new broadband customers
- Broadband is being evaluated market by market.
 - Italy showing strong gross margin development in the quarter

TELE2 ITALY: DIRECT ACCESS



- Coverage improved to 40 % of Italian households.
 - Tele2 looks to expand beyond 50 %
- Up-selling from single to dual play services
- Larger customer base leading to scale effects

STABLE MARGIN – INCREASED COMPETITION

SEK MILLION	2007 Q1	2006 Q1
<u>Fixed telephony resale</u>		
Operating revenue	4,796	6,017
Net customer intake (thousands)	-720	-436
EBITDA	649	662



- Fixed telephony EBITDA margin improved to 14 percent in Q1 2007
- Higher level of competition from primarily mobile operators
 - Larger net customer outflow
 - Stronger ARPU decline than expected
- Cross selling still an important opportunity

Q1 2007 SUMMERIZED

- Strong development in Mobile Telephony, with a revenue growth of 29 % in Q1
- Continued strong broadband intake during Q1 2007, adding 254,000 new broadband customers
- Improving EBITDA margins in fixed line. However, competition is increasing
 - Important for Tele2 to move swiftly into more infrastructure based operations

TELE2: CONTINUED OPERATIONS

MSEK	Q1 2007	Q1 2006	
Operating revenue*	12,837	12,243	+5 %
EBITDA*	1,488	1,221	+22 %
Net intake ('000)	281	617	-54 %

*Excluding non-recurring items



NO CHANGE TO FINANCIAL GUIDANCE ON 2007

- Outlook for 2007 remains unchanged:

“We expect significantly higher EBITDA and higher organic growth compared to 2006”



Q1 2007
FINANCIAL REPORT

Donna Cordner
EVP Corporate Finance & Treasury

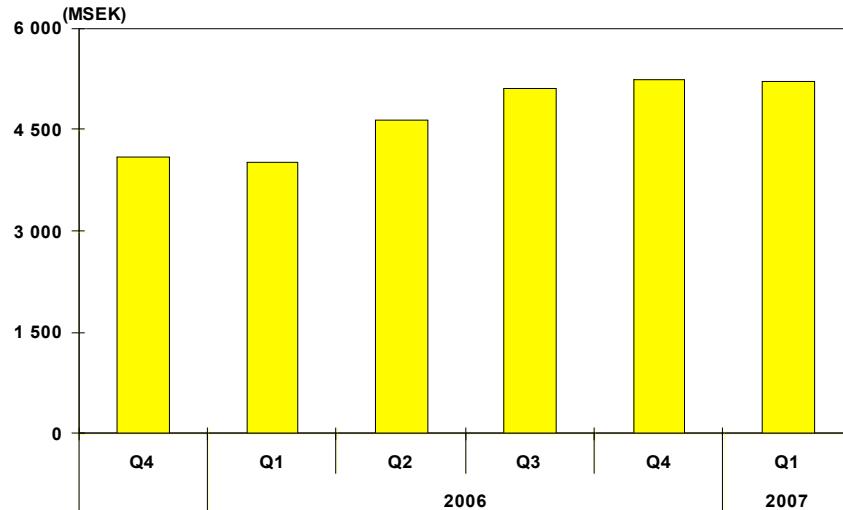
TELE2

FINANCIAL OVERVIEW FOR Q1 2007 – CONTINUING OPERATIONS

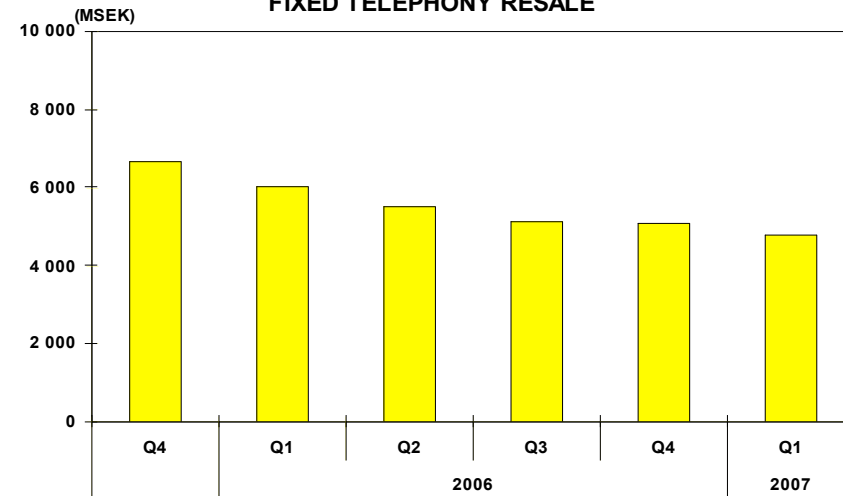
	Q1 2007	Difference to Q1 2007	
Revenues (MSEK)	12,837	594	5%
EBITDA (MSEK)	1,488	267	22%
CAPEX (MSEK)	1,181	3	0%
Customer Net Additions (thousands)	281	-336	-54%

OPERATING REVENUE PER SEGMENT

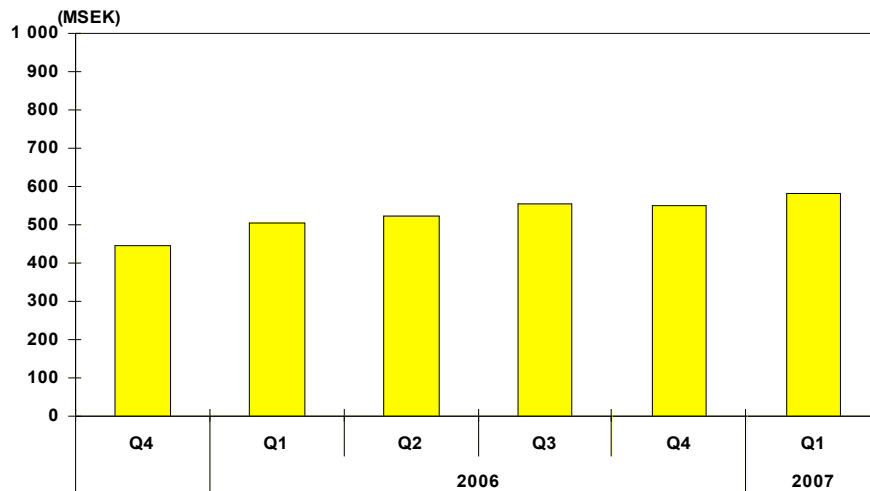
MOBILE



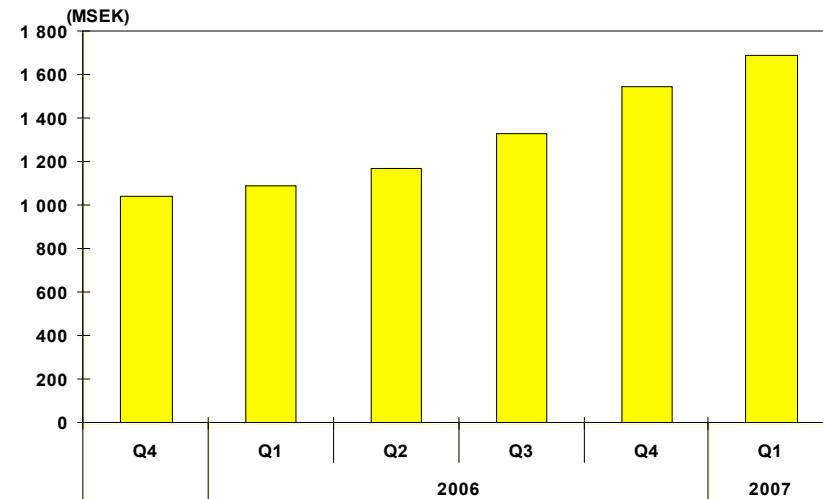
FIXED TELEPHONY RESALE



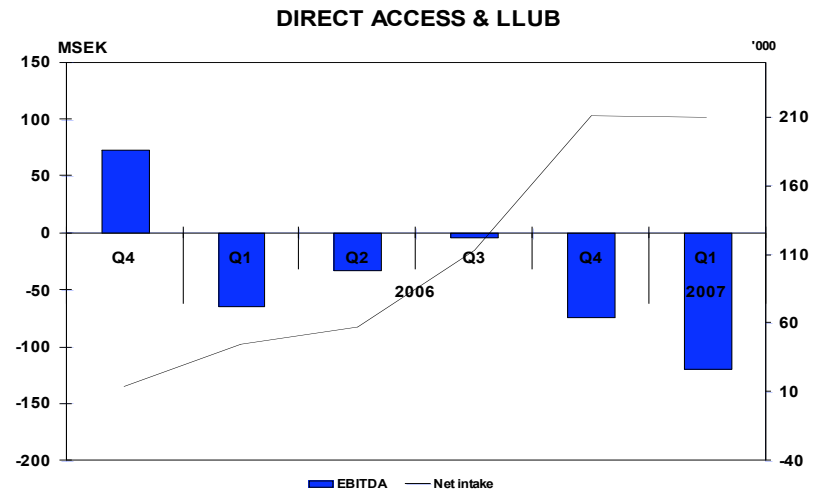
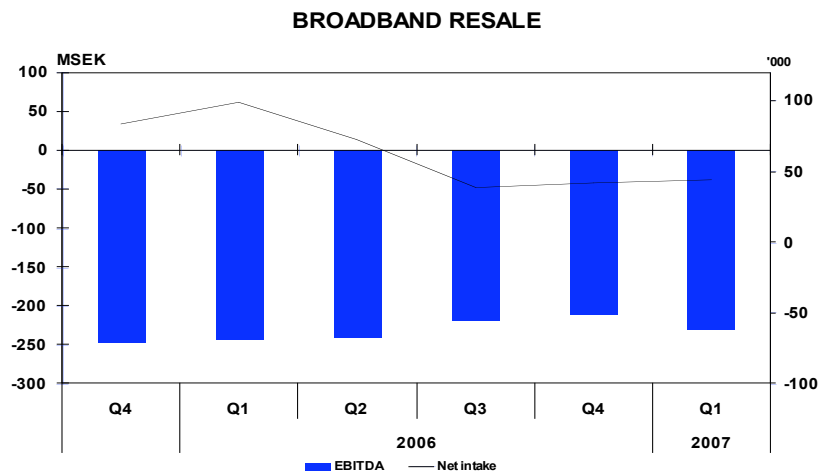
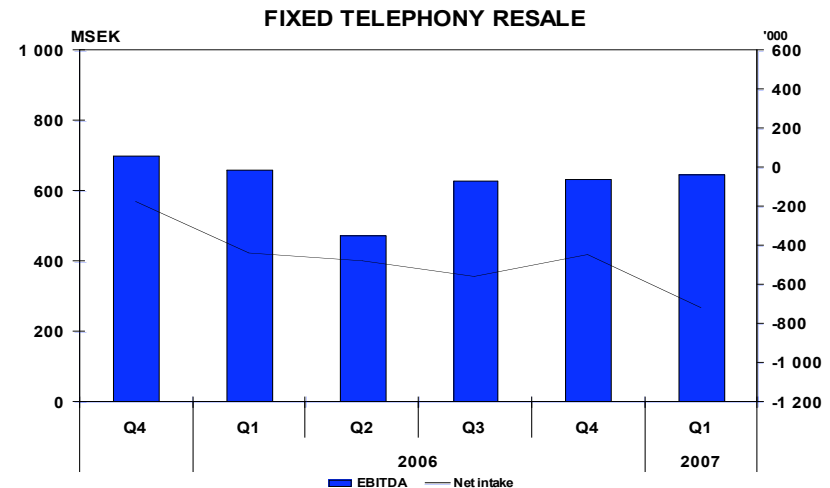
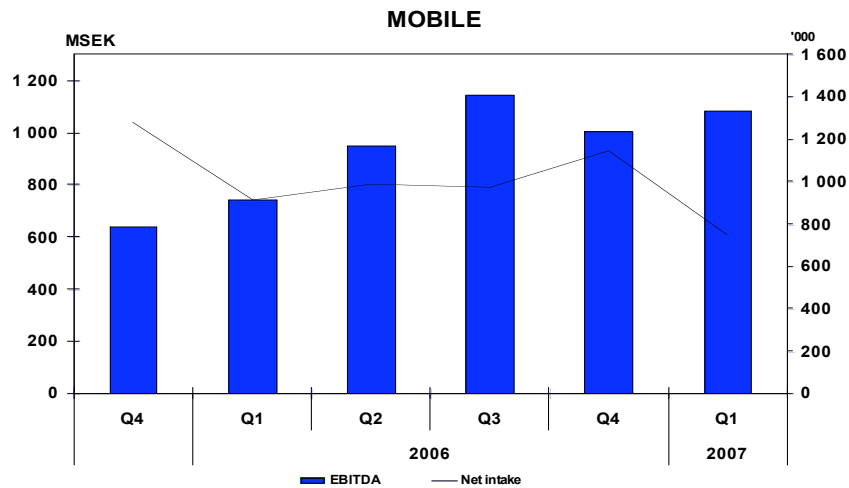
BROADBAND RESALE



DIRECT ACCESS & LLUB



EBITDA AND NET INTAKE PER SEGMENT

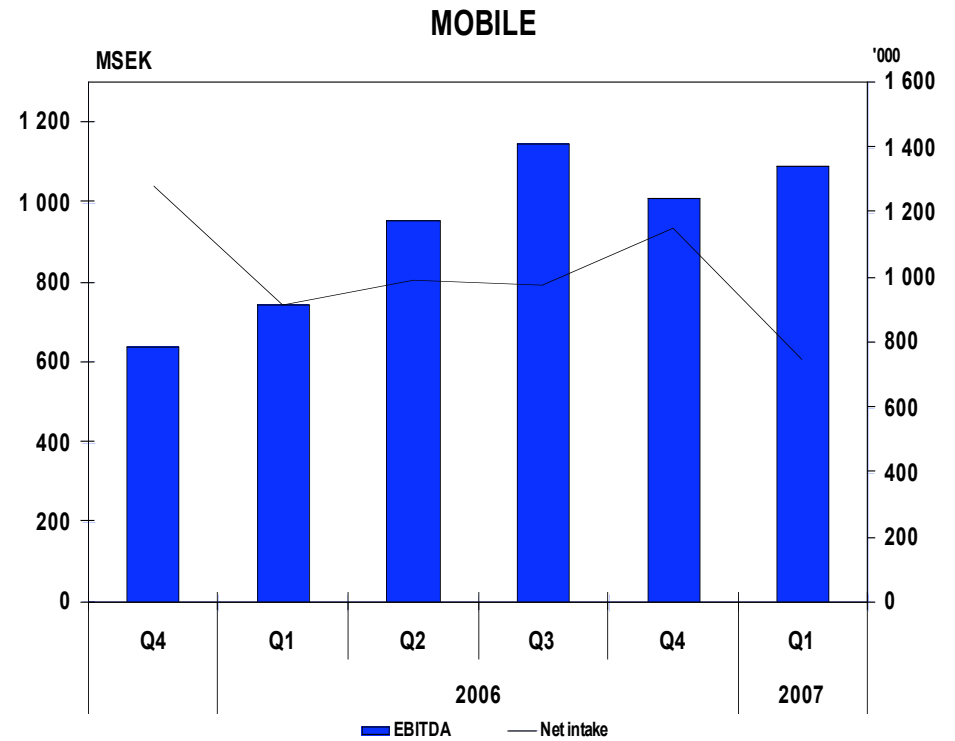
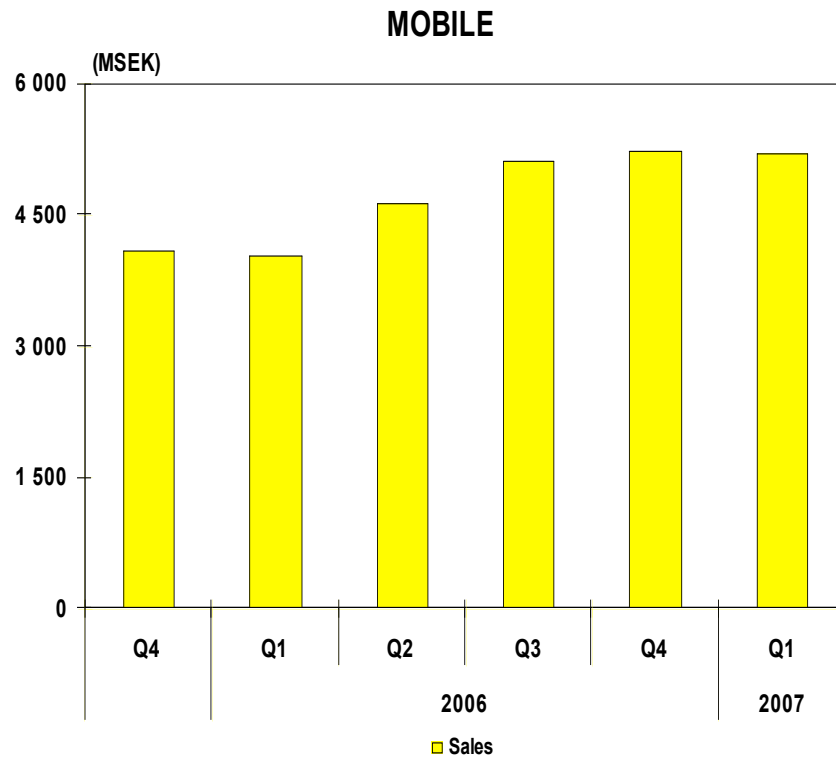


P&L IMPACT FROM BROADBAND GROWTH

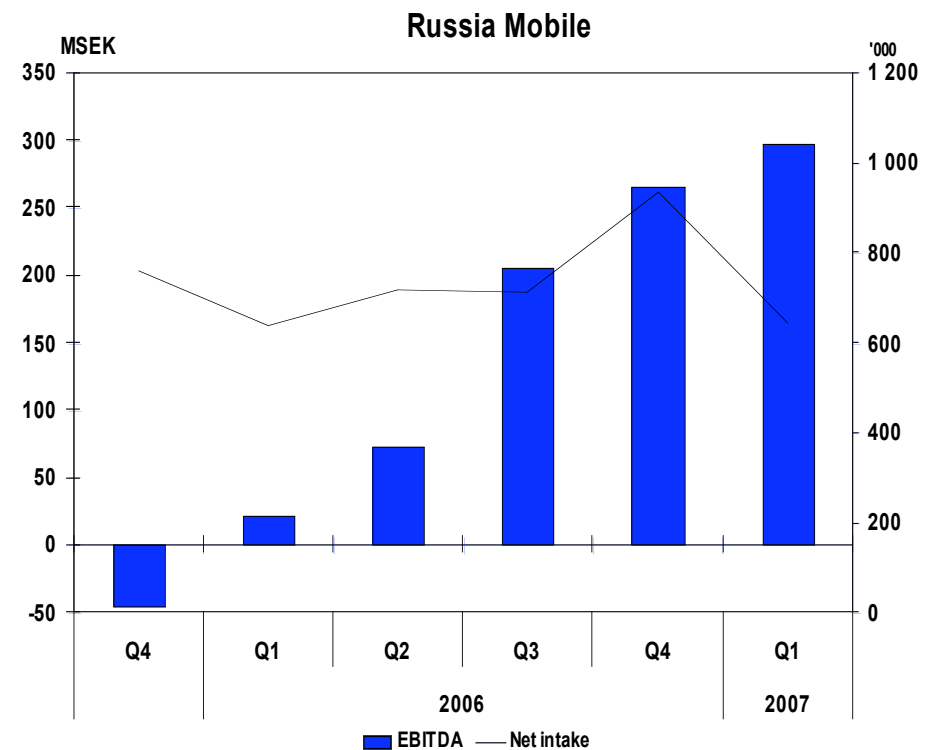
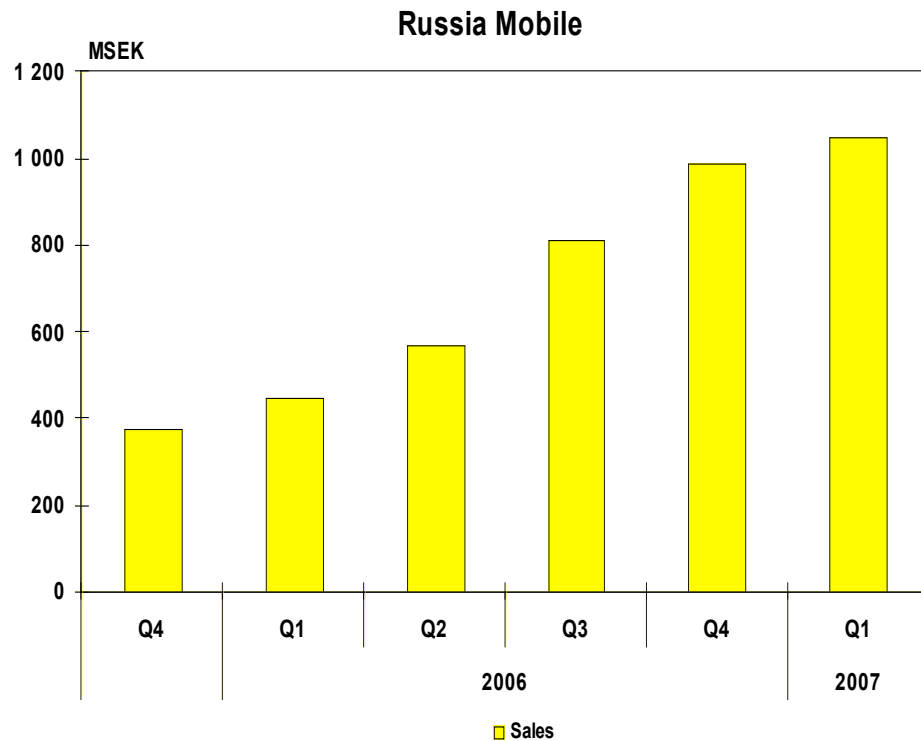
	Q1 2007	Q4 2006	Q3 2006
P&L impact from Broadband growth (MSEK)	445	335	250
NET INTAKE			
Broadband resale ('000)	44	42	39
Direct access and LLUB ('000)	210	211	113
ACQUISITION COST			
Broadband resale (SEK)	1,550	1,450	2,050
Direct access and LLUB (SEK)	1,800	1,300	1,500

- Italy showing stronger intake of DA/ULL customers directly, rather than migrating customers from existing broadband resale base
- Launch of broadband services in Portugal affecting SAC negatively.

MOBILE SALES +29 %

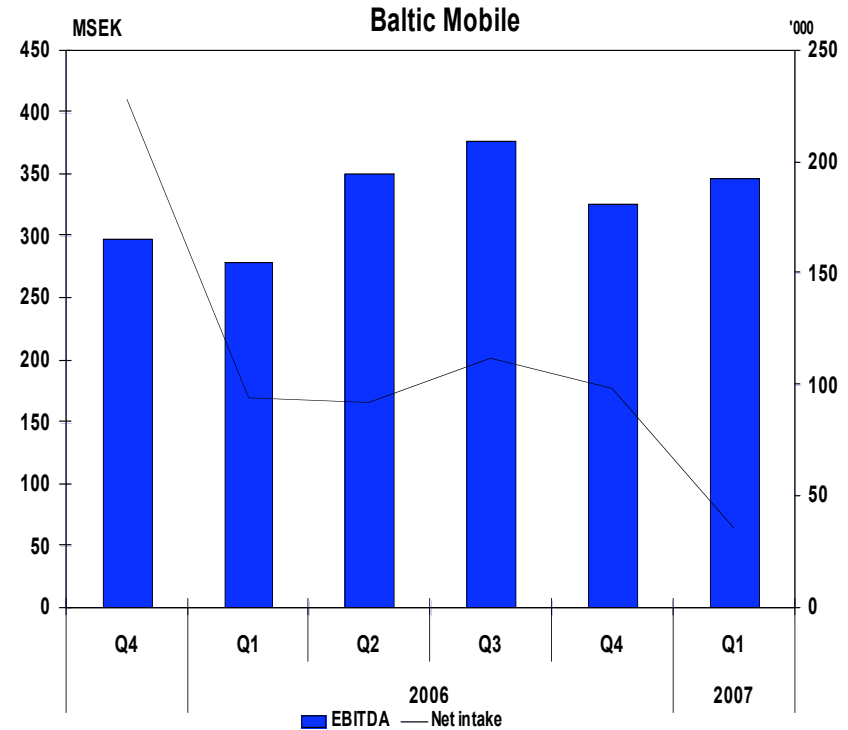
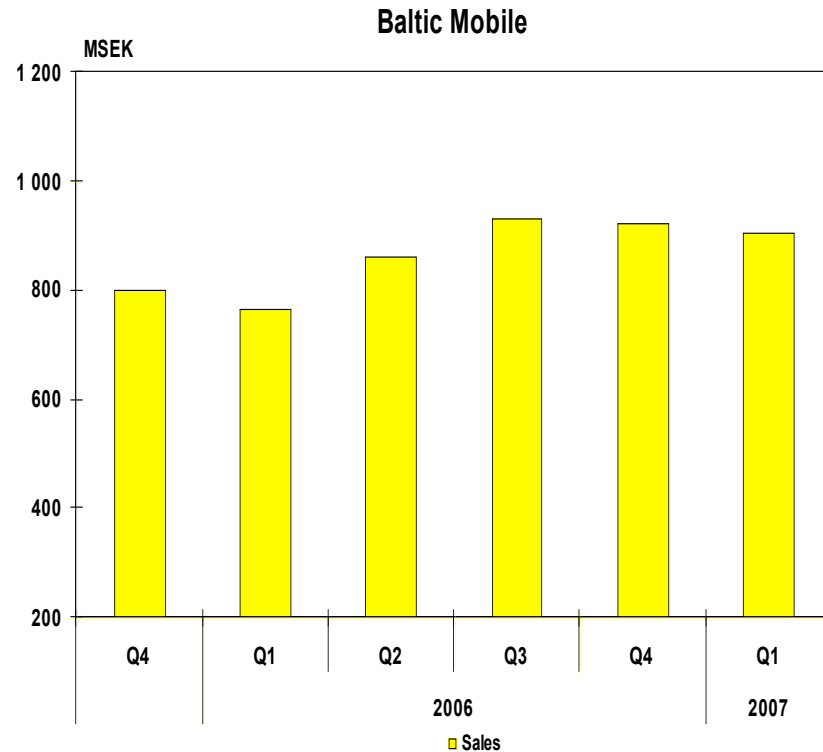


RUSSIA SALES +135 %



- Net intake of 644,000 customers to a total of 7,1 million customers
- ARPU of 52 SEK in Q1 2007 compared to 42 SEK in Q1 2006
- EBITDA margin 28 %

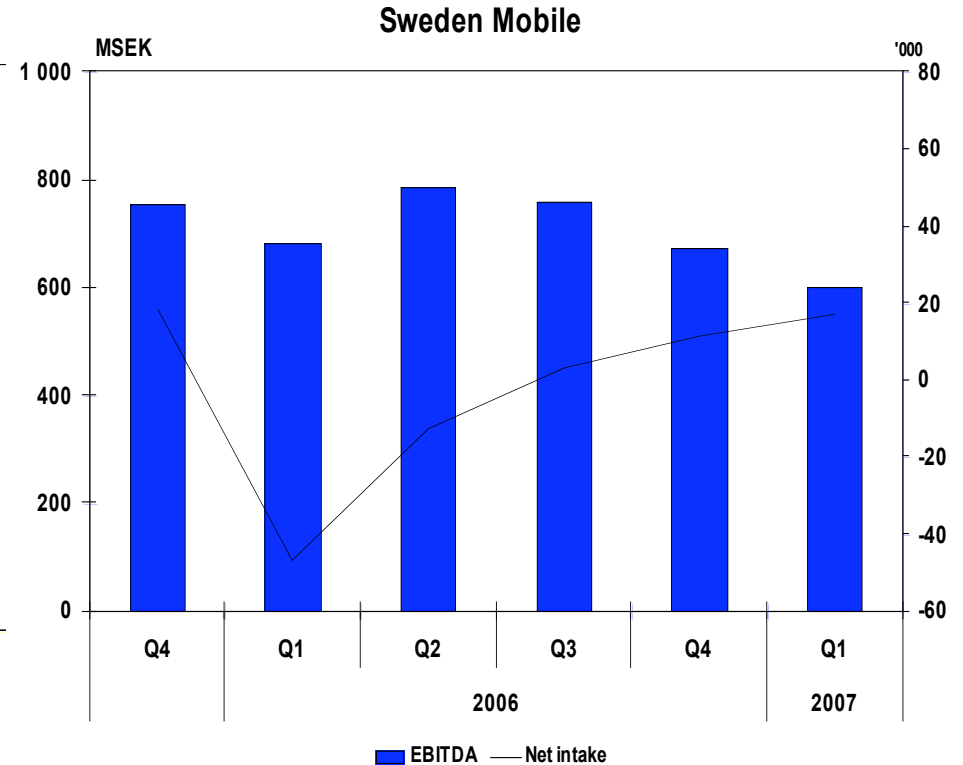
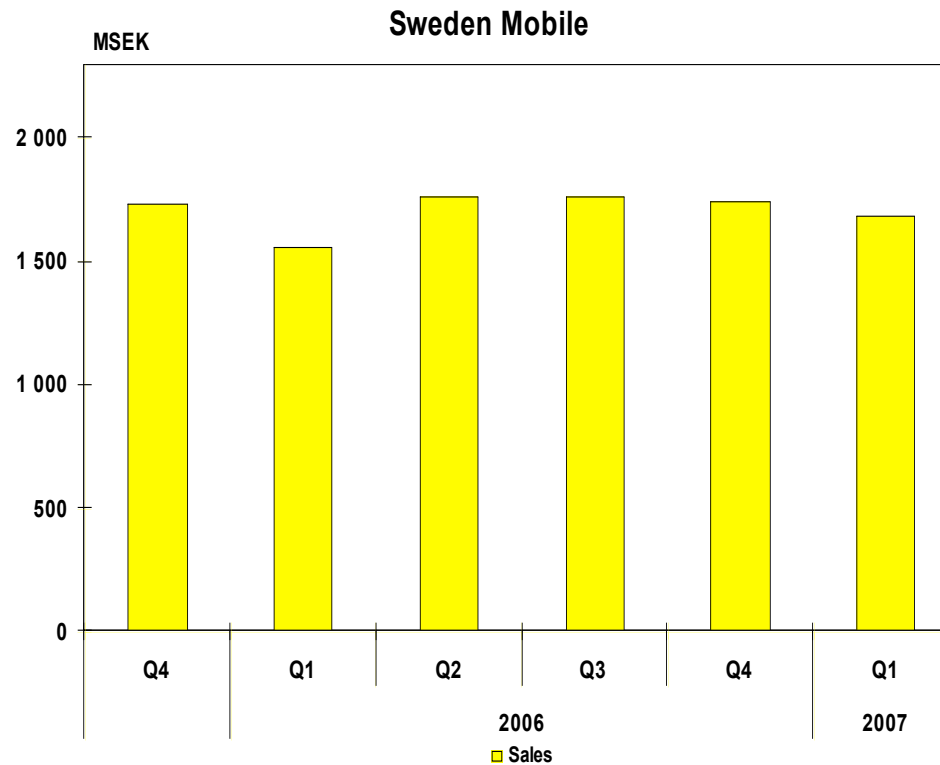
BALTIC MOBILE SALES +18 %



- Revenue growth for the Baltic region was strong at 19 percent
 - All 3 countries had double digit sales growth
- EBITDA for the Baltic region grew 25 percent
- In Lithuania Tele2 has been able to capture 11 percent of the corporate market

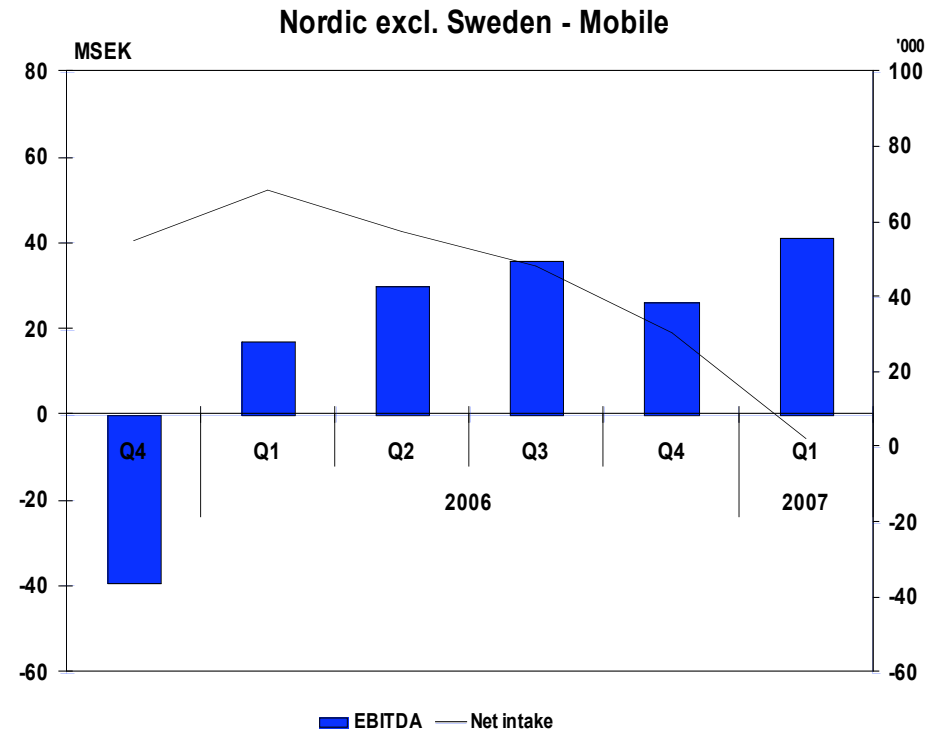
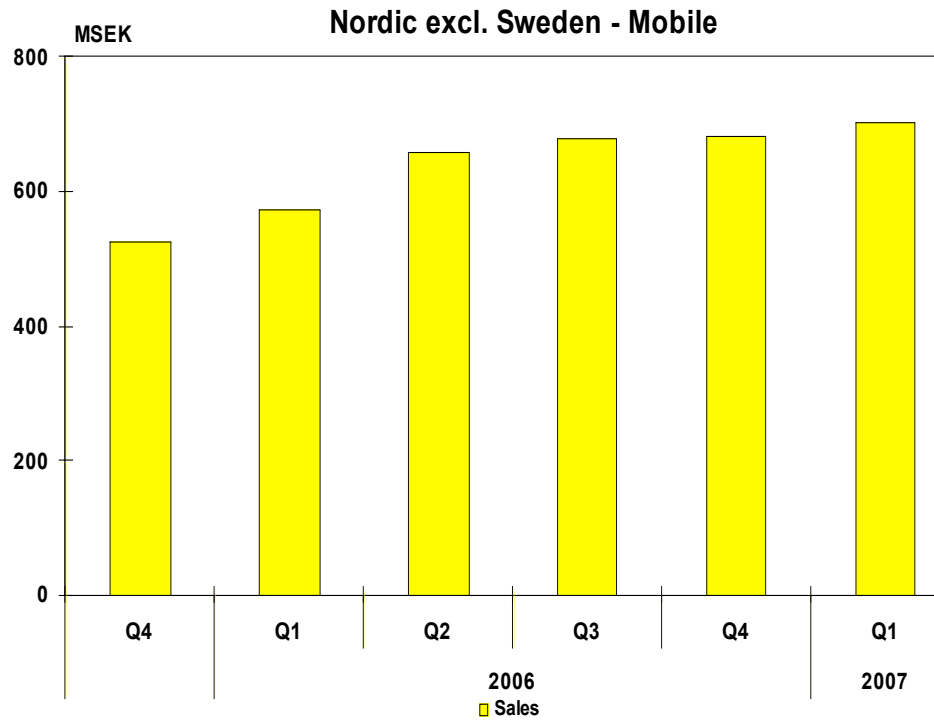


SWEDEN MOBILE SALES +8 %

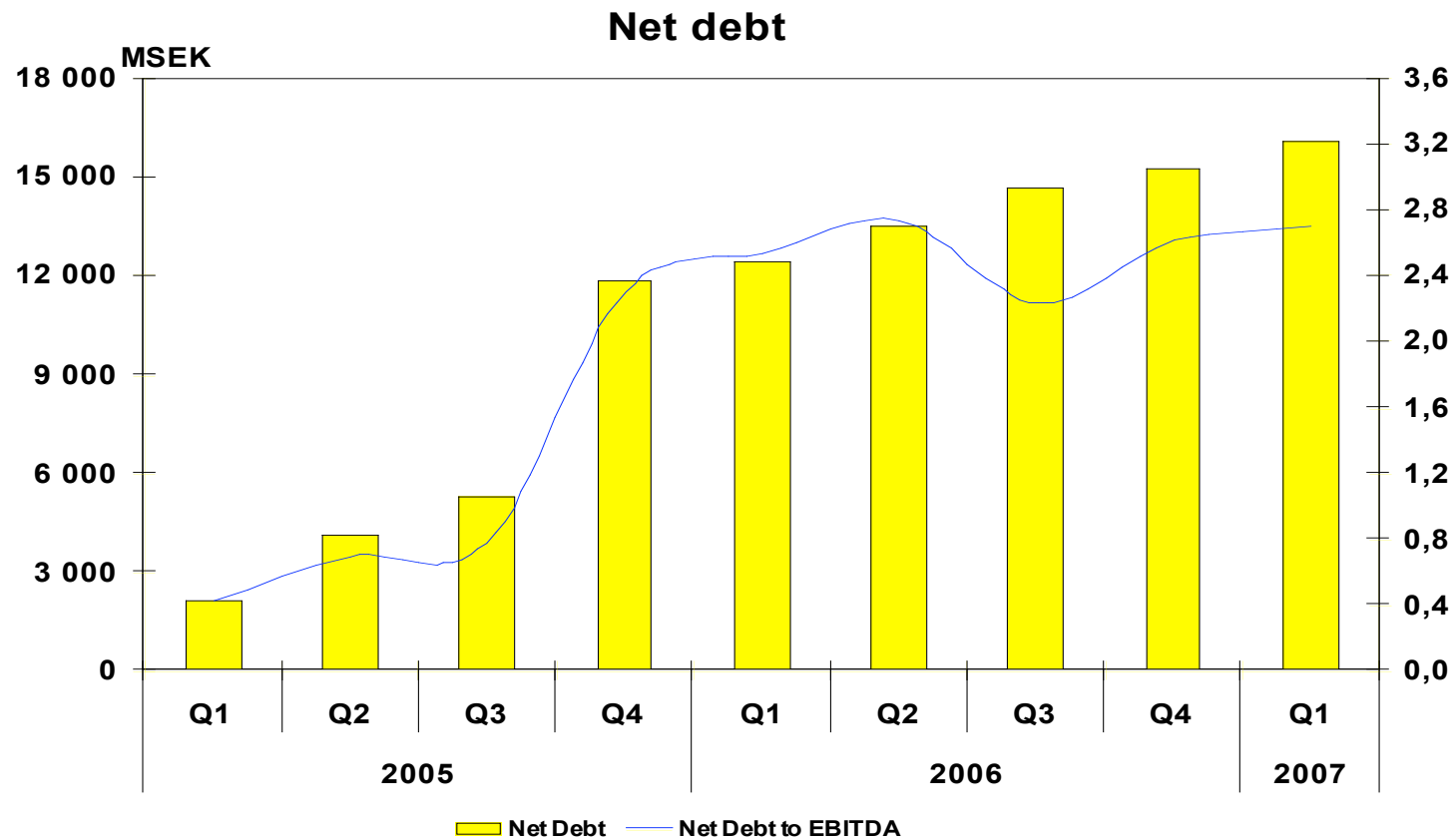


- EBITDA-margin effected by higher marketing costs in Q1 2007
- More than 48 000 post-paid net adds in Q1

NORDIC EXCL. SWEDEN MOBILE SALES +30 %



NET DEBT



DO NOT FORGET

Visit www.tele2.com

- Conference call today at 15.00 CET
Web-cast at www.tele2.com
- Q2 2007: 25 July 2007

Contacts

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