





FOR IMMEDIATE RELEASE, Wednesday, July 25, 2007

Stockholm – Wednesday, July 25, 2007 – Tele2 AB ("Tele2") (OMX Nordic Exchange: TEL2 A and TEL2 B), Europe's leading alternative telecom operator, today announced its consolidated results for the second quarter 2007.

TELE2

INTERIM REPORT JANUARY–JUNE 2007

In Q2 2007, Tele2's EBITDA¹⁾ increased by 40 percent to SEK 1,737 million with mobile revenues up 25.5 percent to SEK 5.8 billion

- › Operating revenue for Q2 2007 grew by 6 percent to SEK 13,110 (12,386) million
 - › EBITDA in Q2 2007 increased by 40 percent to SEK 1,737 (1,237) million
 - › EBIT in Q2 2007 increased by 110 percent to SEK 604 (288) million excluding one-off items of SEK –520 (52) million related to the sale of Alpha Telecom and Calling Card Company (C³) operations. Including one-off items EBIT decreased by 75 percent to SEK 84 (340) million
 - › Net profit/loss from continuing operations for Q2 2007 amounted to SEK 108 (136) million excluding one-off items of SEK –520 (52) million
 - › Earnings per share from continuing operations, after dilution, for Q2 2007 amounted to SEK 0.32 (0.41) excluding one-off items of SEK –520 (52) million
 - › Operating revenue for H1 2007 grew by 5 percent to SEK 25,947 (24,629) million
 - › Net profit/loss for H1 2007 amounted to SEK 190 (279) excluding, and SEK –330 (331) million including, one-off items of SEK –520 (52) million
 - › Earnings per share, after dilution, for H1 2007 amounted to SEK 0.60 (0.81) excluding, and SEK –0.57 (0.92) including, one-off items of SEK –520 (52) million
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-  › Mobile revenues in Q2 2007 increased by 25.5 percent to SEK 5.8 billion
 -  › Continued excellent performance in Russian mobile operations with EBITDA margin of 33 percent in Q2 2007. Russia now has a customer base in excess of 7.9 million
 -  › Solid broadband intake during Q2 2007, adding a total of 221,000 new broadband customers
 -  › Fixed telephony EBITDA margin at 12 (9) percent in Q2 2007

¹⁾ Tele2's definition of EBITDA excludes profit/loss from sale of operations.

All figures relate to Tele2's continuing operations.


The figures shown in parentheses correspond to the comparable periods in 2006.

AIMING EVEN HIGHER


“Tele2’s realignment process remains on track and is proving successful. As stated previously, a more infrastructure-based strategy will lead to higher margins. These quarterly results prove that we really are on the right track. Our focus on core business in mobile and broadband services is showing key results. EBITDA grew 40 percent, compared to Q2 2006.

However, we’re aiming even higher. Therefore we have introduced a financial hurdle to keep us on our toes. We have set a minimum EBITDA target of 20 percent for each of Tele2’s geographies, and they must stride over this hurdle in the medium term. This is a sign of our dedication, focus and concentration.


Our focus on core business in mobile and broadband services is showing key results. EBITDA grew 40 percent, compared to Q2 2006.

 Our performance in **MOBILE** services is strong. Russia has once again proved star qualities with an EBITDA margin at a record-high 33 percent. Competition is tough in the Russian mobile services market, but we are certain of our ability to master the current situation.

The Baltic region produced impressive revenue growth, with a year-on-year increase of 18 percent. We see promising development, especially in the corporate segment. The Nordic area is showing a good balance between revenue growth and EBITDA development in absolute terms.

 Our **BROADBAND** business continues to show progress with a total customer intake of 221,000 new customers in Q2 2007. Italy accomplished its strongest direct access & LLUB intake ever, adding 107,000 customers during the quarter.

EBITDA in direct access & LLUB was negatively impacted by start-up costs – this time in the German operations. However, I am pleased to see that Southern Europe has turned the corner when it comes to operational performance.

 Tele2’s **FIXED LINE** customer base still offers opportunities in cross-selling broadband services. Despite a high level of competition, our fixed line operations are developing according to plan. We strive to maximize value through an extremely cost-conscious regime and broadband cross-selling.”



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

Tele2 in brief

TELE2 IS EUROPE’S LEADING ALTERNATIVE TELECOM OPERATOR. Tele2’s mission is to provide cheap and simple telecoms for everyone in Europe. Tele2 always strives to offer the market’s best prices. We have 29 million customers in 21 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 2006 we had an operating revenue of SEK 50.3 billion and reported an operating profit (EBITDA) of SEK 5.7 billion.

GROUP FINANCIAL OVERVIEW FOR THE QUARTER ENDED JUNE 30, 2007

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2007

SEK million	2007 Jan 1–June 30	2006 Jan 1–June 30	2007 Q2	2006 Q2
Continuing operations¹⁾				
Operating revenue	25,947	24,629	13,110	12,386
of which mobile telephony	11,045	8,682	5,826	4,644
of which fixed telephony resale	9,119	11,558	4,323	5,541
of which broadband resale	1,121	1,029	539	525
of which direct access & LLUB	3,615	2,270	1,921	1,172
Net customer intake (thousands)	663	1,251	382	634
of which mobile telephony	1,678	1,895	931	986
of which fixed telephony resale	-1,490	-917	-770	-481
of which broadband resale	64	171	20	72
of which direct access & LLUB	411	102	201	57
EBITDA ²⁾	3,230	2,458	1,737	1,237
of which mobile telephony	2,489	1,699	1,401	953
of which fixed telephony resale	1,185	1,136	536	474
of which broadband resale	-414	-483	-183	-241
of which direct access & LLUB	-258	-97	-139	-33
EBIT	464	594	84	340
EBT	22	345	-82	224
Net profit/loss	-330	331	-412	188
Cash flow from operating activities	1,569	1,474	1,096	792
Cash flow after CAPEX	-1,040	-1,198	-371	-580

¹⁾ Less Tele2 France fixed telephony and broadband operations (see Note 8).

²⁾ Tele2's definition of EBITDA excludes profit/loss from sale of operations.

Significant events in the quarter

- › Tele2 announced the sale of Tele2 Hungary to Hungarian Telephone and Cable Corp ("HTCC")
- › Tele2 announced the sale of Tele2 Portugal to Sonaecom
- › Tele2 announced the sale of UNI2 Denmark to TDC Hosting A/S
- › Tele2 completed the purchase of E.ON Bredband
- › Tele2 Norway signed an agreement with TeliaSonera-owned NetCom on access to their mobile network
- › Tele2 sold the Alpha Telecom and Calling Card Company (C³) operation
- › Tele2 announced the sale of Tele2 Denmark to Telenor
- › Tele2 announced new financial targets. In the first stage, Tele2 has set a minimum EBITDA hurdle of 20 percent on a country by country basis in the medium term
- › Tele2 announced targets for Russia and Baltic. The company expects to reach an EBITDA margin of 35–40 percent in Russia and 30–40 percent in the Baltic countries, Latvia being at the upper end of the range. In addition, Tele2 expects, in the mid to long term, to achieve an Average Revenue Per User (ARPU) for its Russian operations of USD 10 and a customer base in existing regions of 10–11 million


Significant subsequent events

- › Tele2 announced it has received approval from the EU competition authorities on the sale of its fixed and broadband operations in France to SFR

The fixed and broadband operations in France are reported as discontinued operations and the comments below relate to Tele2's continuing operations.

FINANCIAL OVERVIEW

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

 **Mobile operations** continue to show strong development, with revenue growth increasing by 25.5 percent compared with Q2 2006. Mobile customer net intake was 931,000 (986,000). EBITDA increased by 47 percent to SEK 1,401 (953) million.


Swedish mobile telephony reported revenue growth of 5.3 percent and an EBITDA margin of 38 percent, in combination with a strong customer intake adding 46,000 new users. The EBITDA margin is still negatively impacted by increased net intake of post-paid subscribers.

The Russian operations continue to develop well with strong customer intake in combination with excellent operational performance. Russia's operating revenue continued to grow strongly and increased by 122 percent compared with the same period last year. EBITDA in Tele2 Russia increased by SEK 341 million compared with Q2 2006 and the EBITDA margin is now 33 percent. The customer base increased with 839,000 net additions.


Revenue growth for the Baltic region continued to be strong, increasing by 18 percent compared with Q2 2006 and once again all three countries had double digit sales growth. The robust revenue growth was mainly driven by a larger customer base, but also by positive ARPU development. Tele2 Baltic continues to experience positive development in the corporate segment. EBITDA for the Baltic region grew by 15 percent compared with Q2 2006.

The Croatian business is still seeing a delay in the rollout of its own GSM network, which has resulted in high roaming charges. The dependency on another operator's network continues to hamper the operational development of Tele2 Croatia.

Mobile ARPU for the group in Q2 2007 was SEK 119 (126). The ARPU dilution is largely due to the very strong growth in Russia.

 **Fixed line resale** revenue decreased by 22 percent compared with Q2 2006. Fixed line services continue to be affected by a very difficult operational environment resulting in net customer outflow. Aggressive pricing of mobile services, especially in Central Europe, has led to a strong volume migration from fixed to mobile services. There are no signs today that this trend will disappear.

EBITDA increased by SEK 62 million to SEK 536 million, compared with Q2 2006. This is equivalent to an EBITDA margin of 12 percent. The Nordic region continued to see an improvement in profitability with an EBITDA margin of almost 17 percent in its fixed line operations, while Central and Southern Europe suffered a fall in profitability due to higher net customer outflow and lower fixed-to-mobile calling volumes. The total number of fixed telephony resale customers fell by 770,000 in Q2 2007.

 **Broadband resale** revenue increased by 3 percent compared with Q2 2006 and the number of customers rose by 20,000 to 872,000. EBITDA improved by SEK 58 million compared with Q2 2006, to SEK -183 million.

 **Direct access & LLUB** revenue increased by 64 percent compared with Q2 2006 and the number of customers rose by 201,000 in the quarter. EBITDA fell by SEK 20 million compared with the previous quarter to SEK -139 million, mainly due to start up costs in Germany and the inclusion of cable and VoIP services together with higher marketing costs in the Swedish operations.

OPERATING REVENUE

Operating revenue amounted to SEK 13,110 (12,386) million, an increase of 6 percent including, and 7 percent excluding, exchange rate differences. Operating revenue for H1 2007 amounted to SEK 25,947 (24,629) million, an increase of 5 percent including, and 7 percent excluding, exchange rate differences.

The **Nordic** market area continued to show healthy growth and increased revenue by 5 percent compared with Q2 2006. Tele2 Sweden Mobile grew by 5 percent, helped by equipment sales. Underlying growth was approximately 2 percent. Tele2 Norway Mobile grew by 21 percent compared with Q2 2006. Operating revenue in Sweden increased by 5.5 percent compared with Q2 2006.

Revenue growth in **Baltic & Russia** continued to be very strong and increased by 57 percent compared with Q2 2006. Russia continues to be the main driver with a year-on-year revenue growth of 122 percent. Baltic, increased its sales by 18 percent compared with Q2 2006 despite a more mature market.

In **Central Europe**, where Tele2 still have a relatively high dependency on fixed line, revenue fell by 16 percent compared with Q2 2006 impacted by a decreasing customer base and lower ARPU as a result of intensified fixed to mobile migration.

Southern Europe increased revenues by 7 percent compared with Q2 2006. Revenues from direct access & LLUB increased by SEK 237 million compared with the previous quarter.

Benelux revenues decreased by 6 percent mainly due to Alpha Telecom and C³ being included in only two out of three months in the quarter. The decline in fixed line telephony accelerated and revenues decreased by 15 percent compared with the previous quarter, once again because of the sale of Alpha Telecom and C³. Price declines in broadband service caused revenue to fall by SEK 21 million compared with the previous quarter, despite a positive customer intake.

CUSTOMER INTAKE

Net customer intake was 382,000, compared with 281,000 in the previous quarter and 634,000 in Q2 2006. Mobile intake was 931,000, compared with 986,000 in Q2 2006, mainly driven by Russia. Total broadband intake was 221,000, compared with 254,000 in the previous quarter and 129,000 in Q2 2006. In H1 2007 the net customer intake was 663,000 compared with 1,251,000 in H1 2006.

Fixed line lost 770,000 customers in the quarter. While the trend over the last two quarters is not satisfactory, the future of the fixed line service in continental Europe is hard to predict in the short to medium term. The current development has been negatively affected by higher competition and lower mobile prices together with alternative services such as VoIP. This leads to lower calling volumes and customers migrating from the Tele2 fixed line network.

Broadband resale customers increased by 20,000, compared with 72,000 in Q2 2006. Direct access & LLUB customers showed an increase of 201,000, compared with 57,000 in Q2 2006. Italy recorded an all-time high in direct access & LLUB intake, adding 107,000 new customers.

Tele2 has changed its principles for calculating active Nordic customers in the pre-paid base, which has led to a one-time negative adjustment of 664,000 customers in Sweden, 93,000 in Denmark and 2,000 in Norway. An active pre-paid customer is defined as someone who has used any mobile service during the last 6 months. However, the customer can still activate a SIM-card within a 13-month period of last top-up.

ARPU

ARPU amounted to SEK 142, compared with SEK 145 in Q2 2006. Mobile ARPU was SEK 119 (126), fixed telephony resale ARPU SEK 128 (135), broadband resale ARPU SEK 206 (232) and direct access & LLUB ARPU SEK 491 (648) in the quarter.

EARNINGS

EBITDA amounted to SEK 1,737 million compared with SEK 1,493 million the previous quarter and SEK 1,237 million in Q2 2006. The EBITDA margin was 13.2 percent compared with 10.0 percent in Q2 2006. In H1 2007 EBITDA amounted to SEK 3,230 (2,458) million, an increase of 31 percent.

Nordic operations reported EBITDA of SEK 814 million, compared with SEK 904 in Q2 2006. Swedish mobile telephony achieved EBITDA margin of 38 percent compared with 44 percent in Q2 2006. The absolute contribution from Swedish mobile telephony in Q2 2007 amounted to SEK 702 million compared with SEK 786 million in Q2 2006.

Baltic & Russia reported EBITDA of SEK 728 million compared with SEK 322 million in Q2 2006. The absolute contribution from Russia was SEK 414 million, an improvement of SEK 341 million on the Q2 2006 figure. The EBITDA margin for Tele2 Russia hit a record-high 33 percent compared with 13 percent in Q2 2006. In Croatia the operational issues still remain, with high dependency on the national roaming agreement, resulting in negative EBITDA of SEK 90 million during the quarter.

Central Europe reported EBITDA of SEK -10 million, compared with SEK 159 million in Q2 2006, where of SEK -142 million of the decrease was related to broadband services. The deteriorating trend in broadband EBITDA is mainly attributable to the soft-launch of direct access products through the Plusnet joint venture in the German market.

Southern Europe reported EBITDA of SEK -48 million, compared with SEK -258 in Q2 2006. The mobile telephony operation in France had a negative impact of SEK 42 million on EBITDA, compared with a negative SEK 186 million in Q2 2006.

Benelux reported EBITDA of SEK 230 million, compared with SEK 107 million in Q2 2006.

EBIT in Q2 2007 increased by 110 percent to SEK 604 (288) million excluding one-off items of SEK –520 (52) million related to the sale of Alpha Telecom and C³ (SEK 52 million related to sale of Czech operations). Including one-off items, EBIT decreased by 75 percent to SEK 84 (340) million. In H1 2007 EBIT for the period amounted to SEK 984 (542) million excluding one-off items.

Profit/loss before tax in Q2 2007 amounted to SEK 438 (172) million excluding, and SEK –82 (224) million including, one-off items of SEK –520 (52) million. In H1 2007 profit before tax amounted to SEK 542 (293) million excluding, and 22 (345) million including, one-off items of SEK –520 (52) million.

Net profit/loss for Q2 2007 amounted to SEK 108 (136) excluding and SEK –412 (188) million including one-off items SEK –520 (52) million. In H1 2007 profit/loss for the period amounted to SEK 190 (279) million excluding, and SEK –330 (331) million including, one-off items. Q2 was also affected by a negative one-off tax assets adjustment of SEK 228 million, where of SEK 193 million related to reduced income tax rate in Germany.

CASH FLOW AND CAPEX

Cash flow after current investments (CAPEX) amounted to SEK –371 (–580) million in Q2 2007. CAPEX amounted to SEK 1,335 (1,415) million. Cash flow stated as EBITDA less CAPEX amounted to SEK 402 (–178) million. In H1 2007 Cash flow after CAPEX amounted to SEK –1,040 (–1,198) million. CAPEX amounted to SEK 2,516 (2,593) million. EBITDA less CAPEX amounted to SEK 714 (–135) million.

Changes in working capital, for total operations including discontinued operations in France, amounted to SEK –136 (–170) million. In H1 2007 changes in working capital amounted to SEK –386 (–747) million.


OPERATIONAL REVIEW BY MARKET AREA

Comments below relate to Tele2's continuing operations

NORDIC

(Sweden, Norway and Denmark)

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	4,062	3,862	+5%
EBITDA	814	904	-10%
EBIT	523	660	-21%
ARPU (SEK)	246	237	+4%


 **Mobile telephony** Tele2 Sweden continues to show strong progress in customer intake and the customer base grew by 46,000 in Q2 2007. Tele2 Norway also showed a positive trend, increasing its customer base by 14,000 in Q2 2007. Revenue for the Nordic operations increased by 7 percent, with the Swedish operations reporting a 5 percent increase on Q2 2006.

EBITDA fell by SEK 90 million compared with Q2 2006, largely due to higher costs related to customer intake. Tele2 Sweden had an EBITDA margin of approximately 38 percent, which is an improvement of 2 percentage points on Q1 2007. The sale of mobile broadband products has accelerated in Q2 2007 and exceeded internal expectations. Simplicity and availability are attracting interest from consumers and corporate users alike.

Tele2 Norway finalized a new MVNO agreement with Netcom ASA during the quarter. The new agreement will lead to strengthened EBITDA margins starting from Q2 2008. In Q2 2007 profitability was affected by strong pricing pressure together with falling termination fees.

Mobile ARPU in Sweden, including pre-paid and post-paid subscriptions, amounted to SEK 213 (205) in Q2 2007. Minutes of use for the Swedish operations was 199 (169) in Q2 2007.

In Q2 2007, Tele2 has changed its principles for calculating active customers in the pre-paid base, which has led to a one-time negative adjustment of 664,000 customers in Sweden, 93,000 in Denmark and 2,000 in Norway. An active pre-paid customer is defined as someone who has used any mobile service during the last 6 months. However, the customer can still activate a SIM-card within a 13-months period of last top-up.

 **Fixed telephony resale** The overall market decline in fixed line telephony continued. Revenue and customer base were also falling for the Nordic market area. However, the market area has managed to improve its EBITDA margin to 17 percent compared with 10 percent in Q2 2006. Prices in the fixed line market have stabilized and this trend is expected to continue.

 **Broadband resale and direct access & LLUB** Tele2's marketing push in broadband during the quarter has resulted in a solid customer intake, especially in Sweden with a net intake of 18,000. Stronger customer growth has initially had a negative impact on the EBITDA margin.

BALTIC & RUSSIA

(Estonia, Latvia, Lithuania, Russia and Croatia)

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	2,423	1,545	+57%
EBITDA	728	322	+126%
EBIT	525	190	+176%
ARPU (SEK)	72	68	+6%

 **Mobile telephony** Russia reported another strong quarter, adding 839,000 customers. Operating revenue increased by 122 percent to SEK 1,261 (568) million. Tele2 Russia proved once again that it can combine strong customer growth with improved profitability, with EBITDA increasing significantly to SEK 414 (73) million. This corresponds to an EBITDA margin of 33 (13) percent. Russian operations should be able to reach an EBITDA margin of between 35-40 percent despite increased competition. ARPU for Russia was SEK 56 (44) in Q2 2007. In the longer term, ARPU levels should be capable of exceeding USD 10. Continued growth in minutes of in excess of decreasing tariffs and keen interest in value added services are the main drivers behind ARPU growth. The Russian operation launched three new regions in the quarter (Murmansk, Arhangelsk, V. Novgorod) and is now operational in 17 regions covering a population of 38 million. Tele2 should be able to achieve a customer base of up to 11 million in existing license areas in the short to medium term.

Tele2 continues to develop strongly in the Baltic area. The region added 54,000 new mobile customers during the quarter. Out of the three countries, Latvia mobile had the best development, adding 38,000 customers, followed by Lithuanian mobile which added 19,000 customers. Revenue growth for the region was robust at 18 percent compared with Q2 2006. Estonian operations grew by 18 percent, Lithuanian operations grew by 23 percent and Latvian operations grew by 15 percent, all compared with the same period last year. The strong revenue growth was driven mainly by a larger subscriber base, but also higher ARPU. EBITDA for the Baltic region grew by 15 percent compared with Q2 2006, mainly due to strong revenue growth. The EBITDA margin was 39 percent. Estonian operations had an EBITDA margin of 32 percent, Lithuanian operations 34 percent and Latvian operations 48 percent.

Tele2 Croatia added 16,000 customers compared with 46,000 in Q2 2006. Tele2 has, during the quarter, focused on sales not only via traditional dealers, but also via alternative channels such as food stores. Revenue increased by 28 percent on the same period last year to SEK 129 million. EBITDA continued to develop below expectations, losing SEK 90 million in Q2 2007, mainly because of unfavorable roaming agreement and the inability to develop the GSM network properly. Tele2 will continue to look for opportunities to build out the existing footprint and in doing so improve both service quality and profitability levels.


CENTRAL EUROPE

(Germany, Austria, Poland and Hungary)

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	1,692	2,005	-16%
EBITDA	-10	159	
EBIT*	-122	55	
ARPU (SEK)	94	103	-9%

* excluding positive one-off items of SEK 52 million in Q2 2006


 **Mobile telephony** Revenue in Austria mobile increased sequentially by SEK 7 million to SEK 22 million in Q2 2007. However, it fell by SEK 18 million compared with Q2 2006. The competitive environment on the Austrian mobile market has been further reinforced towards lower prices, which leaves Tele2 little room for aggressive marketing activities within the current MVNO framework. EBITDA improved sequentially by SEK 4 million to SEK -13, but fell by SEK 2 million compared with Q2 2006. As a niche player in this market, Tele2 has not been able to improve its market position.

 **Fixed telephony resale** In Germany and Austria, fixed line usage continues to decline, mainly due to falling prices in the mobile market, which is fuelling fixed-to-mobile substitution. As an effect, fixed line revenue in Central Europe fell by 25 percent compared with Q2 2006.

Germany lost 158,000 customers in the quarter and saw a revenue decline of 26 percent to SEK 675 million compared with Q2 2006. However, Tele2 Germany has yet again confirmed its number one position on the CPS (carrier pre-select) market. Tight cost control has enabled the German operations to keep EBITDA flat at SEK 114 million.

Austria reported a 12 percent decline in its revenue in fixed line services to SEK 215 million compared with the previous quarter. EBITDA decreased by 15 percent to SEK 59 million compared with Q2 2006.

Poland increased its revenue by 5.5 percent compared with the previous quarter to SEK 211 million. EBITDA was stable at SEK 6 million compared with Q2 2006. In Poland, Tele2 continued to increase its WLR (wholesale line rental) customer base, with higher ARPU and lower fixed line churn as a result.


 **Broadband resale and direct access & LLUB** Tele2 Germany increased revenue by 175 percent to 88 million compared with Q2 2006. In the second quarter of 2007, Tele2 Germany soft-launched its direct access & LLUB product through the Plusnet joint venture and will scale up marketing and sales activities in Q3 2007. At the same time, the company continued to increase its broadband resale customer base and added 16,000 customers in the quarter. The soft launch of the Plusnet joint venture resulted in start-up costs in the quarter, which affected profitability negatively. EBITDA showed a sequential decrease of SEK 48 million to SEK -145 million.

In Austria, robust customer growth was achieved in the direct access & LLUB segment following the launch of a new all-flat product portfolio, and the company added 14,000 new users. The active customer base is now over 100,000, and direct access & LLUB coverage is close to 60 percent of households. As a way of improving the market position in the Austrian corporate market, Tele2 launched new service level agreement products. Tele2 Austria achieved a 2 percent sequential increase in revenue to SEK 260 million. EBITDA was SEK -62 million, which is a decline of SEK 29 million on the previous quarter.


SOUTHERN EUROPE

(Italy, Spain, France, Switzerland and Portugal)

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	2,775	2,598	+7%
EBITDA	-48	-258	
EBIT	-202	-361	
ARPU (SEK)	191	173	+10%

 **Mobile telephony** Tele2's network rollout in Switzerland is progressing according to plan and the license agreement. The prepaid offer that was launched in March continued to produce a good market response and Tele2 added 5,000 customers in Q2 2007.


Tele2 France relaxed its marketing activities in Q2 2007, which resulted in a net loss of 8,000 customers. However, Tele2 is still maintaining its number one MVNO position with its postpaid services in France. Revenue increased by 52 percent to SEK 293 (193) million and EBITDA improved to SEK -42 (-186) million.

 **Fixed telephony resale** Fixed line revenue for Southern Europe declined by 23 percent in Q2 2007 to SEK 2,168 (2,812) million. EBITDA stayed almost flat at SEK 284 million compared to SEK 286 million in Q2 2006.

Fixed line revenue in Tele2 Italy declined by 25 percent to SEK 825 (1,101) SEK and EBITDA decreased by 67 percent to SEK 32 (98) million. The Italian operation was to some extent negatively impacted by internally migration from fixed line service to direct access & LLUB at Tele2. It was also to some extent effected by fixed to mobile migration and customer migrating to VoIP services.

Revenue in Tele2 Spain decreased by 25 percent to SEK 176 (219) million and EBITDA increased to SEK 38 (-8) million.

Revenue in Tele2 Switzerland decreased by 26 percent to SEK 253 (340) million and EBITDA improved by 24 percent to SEK 61 (49) million.

 **Broadband resale and direct access & LLUB** The Italian market continued to develop strongly with a record intake of 107,000 direct access and LLUB customers. Total broadband revenue increased to SEK 436 (122) million and EBITDA improved to SEK 0 (-98) million.

Tele2 Spain added 28,000 direct access & LLUB customers during the quarter. Total broadband revenue increased to SEK 378 (213) million and EBITDA amounted to SEK -67 (-51) million.

The Portuguese market added 11,000 direct access & LLUB customers during the quarter. Revenue amounted to SEK 9 million and EBITDA to SEK -29 million.


BENELUX

(Netherlands, Belgium, Luxembourg and Liechtenstein)

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	2,082	2,218	-6%
EBITDA	230	107	+115%
EBIT*	-129	-246	
ARPU (SEK)	268	224	+20%

* excluding a negative one-off items of SEK 520 million in Q2 2007

During the second quarter of 2007 the divestment of Alpha Telecom and C³ was completed, which resulted in a negative one-time effect of SEK 520 million.

 **Mobile telephony** In the Netherlands, Tele2 continued the positive intake trend of postpaid subscriptions, completely offsetting the decline in prepaid subscribers. Additionally, Tele2 Netherlands succeeded in selling higher valued bundled products.

In Luxembourg, mobile net intake in Q2 2007 was approximately 1,000 customers. On the prepaid market Luxembourg confirmed its market leadership position with a market share of over 50 percent. Revenue grew by 2 percent compared with Q2 2006 to SEK 209

million. The EBITDA margin declined by 1.5 percentage points to 32.5 percent compared with the previous quarter, due to increased competition.



Fixed telephony resale During the second quarter of 2007, Tele2 Netherlands continued to build its WLR (Wholesale Line Rental) customer base, enabling higher ARPU and extended customer lifetime.



Broadband resale and direct access & LLUB In the Netherlands and Belgium, Tele2 continued migrating customers to high end broadband products such as dual play (offered under the product name Tele2 "Compleet") and triple play products (combining fixed, broadband and mobile). In the Dutch market Tele2 also started to offer a convenience package for small shops. In the business market, Tele2 sells IP-VPN connections, making it possible to offer our customers IP telephony, Internet, PIN and Camera Surveillance.

In Luxembourg, Tele2 continued to perform strongly with regard to its broadband resale product. The triple play offer has been a key element in achieving this growth.

SERVICES

(3C, Datamatrix, Procure IT right, Radio Components and UNI2)

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	76	158	-52%
EBITDA	23	3	
EBIT	9	-10	

OTHER ITEMS

ACQUISITIONS

On June 1, 2007 Tele2 acquired the remaining 24.9 percent in Tele2 Syd AB, formerly E.ON Bredband, for SEK 135 million. In June 2007, Tele2 also acquired 10.7 percent in Radio Components Sweden AB. The current 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 shares. Please refer to Note 7 for additional information regarding acquisitions.

DIVESTMENTS

Ongoing divestments

On July 9, 2007, Tele2 announced the divestment of its Hungarian operations to Hungarian Telephone and Cable Corp for approximately SEK 40 million. Completion is expected following approval from the Hungarian Competition Authorities. The transaction is expected to have a positive one-time effect of approximately SEK 20 million.

On June 28, 2007, Tele2 announced the divestment of its operations in Tele2 Portugal to Sonaecom for approximately SEK 160 million. Completion is expected following approval from the Portuguese Competition Authorities. The transaction is expected to have a positive one-time effect of approximately SEK 10 million.

On June 1, 2007, Tele2 announced the divestment of its operations in UNI2 Denmark to TDC Hosting A/S. The transaction is expected to be closed in Q3 2007 and will have a one-time effect of approximately SEK 50 million.

Divestments after closing day

On October 3, 2006 Tele2 announced the sale of its fixed and broadband operations in France to SFR. During Q1 2007, the European competition authorities opened a phase II study regarding the contemplated disposal. On July 18, 2007, Tele2 announced it has received approval from the EU competition authorities on the sale. The cash flow effect for Tele2 will be approximately SEK 3 billion. The transaction will result in a positive exchange rate effect of approximately SEK 430 million in Q3 2007, when the divestment will be finalized. The divestment has been reported separately under discontinued operations in the income statement, with retrospective application for previous periods, and in the balance sheet from September 30, 2006 according to IFRS 5 – *Non-current assets held for sale and discontinued operations*. For additional information regarding discontinued operations, see Note 8.

On July 12, 2007, Tele2 divested its operations in Tele2 Denmark A/S for approximately SEK 1,025 million. The capital gain is estimated at SEK 360 million. The operation has affected Tele2's operating revenue in market area Nordic year-to-date by SEK 733 (860) million, EBITDA by 89 (3) million and net profit by 46 (-22) million.

Divestments at closing day

In May 2007, Tele2 divested its Alpha Telecom and C³ operation for SEK 83 million. The operation has affected Tele2's operating revenue in market area Benelux year-to-date by SEK 378 (604) million, EBITDA by SEK 37 (5) million and net profit by SEK 9 (-35) million in addition to capital loss recorded of SEK 520 million.

On March 31, 2007, Tele2 divested its operation Datamatrix Norway for SEK 128 million on a debt-free basis. Datamatrix Norway has affected Tele2's operating revenue in market area Services year-to-date by SEK 116 (153) million, EBITDA by SEK 4 (4) million and net profit/loss by SEK 2 (1) million in addition to a recorded capital loss of SEK 5 million.

Please refer to Note 7 for additional information regarding divestments.

TELE2 NETHERLANDS AND TELE2 BELGIUM

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 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 shareholdings in Versatel by 1.36 percent and now holds 81.65 percent of the shares.

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

Tele2 Extraordinary General Meeting 2007

The 2007 Extraordinary General Meeting will be held at 9.00 am on August 28, 2007, at Pontus by the Sea, Tullhus 2, Skeppsbrokajen, in Stockholm. Shareholders who wish to participate in the Extraordinary General Meeting must have their names entered in the register of shareholders maintained by VPC AB (the Swedish Central Securities Depository) on Wednesday 22 August 2007, and notify the company of their intention to participate by no later than 1.00 p.m. on Wednesday 22 August 2007. The notification can be made on the company's website, www.tele2.com, by telephone +46 (0)8 5626 4406 or in writing to the company.

Other

Tele2 will release the financial and operating results for the period ended September 30, 2007 on October 24, 2007.

The Board of Directors declares that the undersigned six-month interim report provides a fair overview of the parent company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, July 25, 2007

Tele2 AB

Vigo Carlund
Chairman

Mia Brunell

John Hepburn

Mike Parton

John Shakeshaft

Cristina Stenbeck

Pelle Törnberg

Lars-Johan Jarnheimer
President and CEO

AUDIT REPORT

Introduction

We have reviewed the interim report for the period January 1, 2007 to June 30, 2007, for Tele2 AB (publ). The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. 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 financial information, in all essential respects, has not been prepared for the Group's part in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company's part in accordance with the Annual Accounts Act.

Stockholm, July 25, 2007

Deloitte AB

Jan Bertsson
Authorized Public Accountant

Presentation details

A presentation to discuss the results will be held at 06.45 am UK time (07.45 am CET on July 25, 2007) at Hilton Stockholm Slussen, Guldgränd 8, Stockholm. The presentation will be web-cast on Tele2's website www.tele2.com, along with the presentation material.

Conference call details

A conference call to discuss the results will be held at 16.00 (CET) / 15.00 (UK time) / 10.00 am (New York time), on July 25, 2007. The dial-in number is: +44 (0)20 7806 1956 or US: +1 718 354 1388. Please dial in 10 minutes prior to the start of the conference call to allow time for registration. A recording of the conference call will be available for 10 days after the call on: +44 (0)20 7806 1970 or US: +1 718 354 1112 with access code 3024007#. The conference call will be web-cast on Tele2's website www.tele2.com, with the possibility to enter questions online.

VISIT OUR WEBSITE:

www.tele2.com

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APPENDICES

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

TELE2 IS EUROPE'S LEADING ALTERNATIVE TELECOM OPERATOR. Tele2's mission is to provide cheap and simple telecoms for everyone in Europe. Tele2 always strives to offer the market's best prices. We have 29 million customers in 21 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 2006 we had an operating revenue of SEK 50.3 billion and reported an operating profit (EBITDA) of SEK 5.7 billion.

INCOME STATEMENT

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2006 Full year	2007 Q2	2006 Q2
CONTINUING OPERATIONS						
Operating revenue		25,947	24,629	50,306	13,110	12,386
Operating expenses		-24,853	-24,015	-48,523	-12,447	-12,075
Goodwill impairment	2	–	–	-3,300	–	–
Sale of operations, profit	3	–	52	50	–	52
Sale of operations, loss	4	-525	-3	-20	-520	-3
Result from shares in associated companies and joint ventures		-119	-71	-135	-62	-23
Other operating revenues		39	29	50	14	18
Other operating expenses		-25	-27	-51	-11	-15
Operating profit/loss, EBIT		464	594	-1,623	84	340
Net interest expenses		-402	-251	-592	-201	-121
Other financial items		-40	2	35	35	5
Profit/loss after financial items, EBT		22	345	-2,180	-82	224
Tax on profit/loss	11	-352	-14	-225	-330	-36
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		-330	331	-2,405	-412	188
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	8	-177	145	-1,335	-89	58
NET PROFIT/LOSS		-507	476	-3,740	-501	246
ATTRIBUTABLE TO:						
Equity holders of the parent company		-430	555	-3,615	-467	292
Minority interest		-77	-79	-125	-34	-46
NET PROFIT/LOSS		-507	476	-3,740	-501	246
Earnings per share (SEK)		-0.97	1.25	-8.14	-1.05	0.66
Earnings per share, after dilution (SEK)		-0.97	1.25	-8.14	-1.05	0.66
FROM CONTINUING OPERATIONS						
Earnings per share (SEK)	8	-0.57	0.92	-5.13	-0.85	0.52
Earnings per share, after dilution (SEK)		-0.57	0.92	-5.13	-0.85	0.52
Number of shares, basic	6	444,764,021	444,200,018	444,489,593		
Number of shares, weighted average	6	444,632,005	444,011,392	444,129,836		
Number of shares after dilution	6	445,099,668	444,404,883	444,614,065		
Number of shares after dilution, weighted average	6	445,035,910	444,267,261	444,353,295		

BALANCE SHEET

SEK million	Note	2007 Jun 30	2006 Dec 31
Assets			
FIXED ASSETS			
Goodwill		18,611	18,491
Other intangible assets		2,990	3,353
Intangible assets		21,601	21,844
Tangible assets		16,900	16,059
Financial assets		798	876
Deferred tax assets		5,032	4,986
FIXED ASSETS		44,331	43,765
CURRENT ASSETS			
Materials and supplies		372	424
Current receivables		13,021	12,980
Short-term investments		2,097	1,988
Cash and cash equivalents		2,668	2,619
CURRENT ASSETS		18,158	18,011
ASSETS CLASSIFIED AS HELD FOR SALE	<i>8</i>	4,398	4,388
ASSETS		66,887	66,164
Equity and liabilities			
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the parent company		28,441	28,800
Minority interests		554	323
SHAREHOLDERS' EQUITY		28,995	29,123
LONG-TERM LIABILITIES			
Interest-bearing liabilities		14,961	13,050
Non-interest-bearing liabilities		1,331	1,343
LONG-TERM LIABILITIES		16,292	14,393
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		7,068	6,907
Non-interest-bearing liabilities		12,772	14,224
SHORT-TERM LIABILITIES		19,840	21,131
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	<i>8</i>	1,760	1,517
EQUITY AND LIABILITIES		66,887	66,164

CASH FLOW STATEMENT

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2006 Full year	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
OPERATING ACTIVITIES										
Cash flow from operation		1,941	2,420	4,979	1,289	652	1,048	1,511	1,161	1,259
Change in working capital		-386	-747	-1,132	-136	-250	-452	67	-170	-577
CASH FLOW FROM OPERATING ACTIVITIES		1,555	1,673	3,847	1,153	402	596	1,578	991	682
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX		-2,666	-2,678	-5,520	-1,493	-1,173	-1,422	-1,420	-1,374	-1,304
Cash flow after CAPEX		-1,111	-1,005	-1,673	-340	-771	-826	158	-383	-622
Acquisition of shares and participations	7	-186	-121	-1,346	-166	-20	-44	-1,181	-65	-56
Sale of shares and participations	7	134	36	31	26	108	-5	-	36	-
Change of long-term receivables		189	142	-101	122	67	-260	17	8	134
Cash flow from investing activities		-2,529	-2,621	-6,936	-1,511	-1,018	-1,731	-2,584	-1,395	-1,226
CASH FLOW AFTER INVESTING ACTIVITIES		-974	-948	-3,089	-358	-616	-1,135	-1,006	-404	-544
FINANCING ACTIVITIES										
Change of loans, net		1,449	1,312	3,775	1,065	384	1,083	1,380	808	504
Dividend	6	-814	-777	-777	-814	-	-	-	-777	-
New share issue	6	17	41	58	5	12	17	-	8	33
Other financing activities		350	-	-	-2	352	-	-	-	-
Cash flow from financing activities		1,002	576	3,056	254	748	1,100	1,380	39	537
NET CHANGE IN CASH AND CASH EQUIVALENTS		28	-372	-33	-104	132	-35	374	-365	-7
Cash and cash equivalents at beginning of period		2,619	2,773	2,773	2,769	2,619	2,705	2,277	2,731	2,773
Exchange rate differences in cash		21	-124	-121	3	18	-51	54	-89	-35
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		2,668	2,277	2,619	2,668	2,769	2,619	2,705	2,277	2,731
Taxes paid included in cash flow from operation		-892	-182	-562	-211	-681	-231	-149	-104	-78
Cash flow from discontinued operations	8									

CHANGE IN SHAREHOLDERS' EQUITY

SEK million	Note	Jun 30, 2007			Jun 30, 2006			Dec 31, 2006		
		Attributable to		Total share-holders' equity	Attributable to		Total share-holders' equity	Attributable to		Total share-holders' equity
		equity holders of the parent company	minority interests		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	34,965	403	35,368
ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY										
Exchange rate differences		796	5	801	-958	-16	-974	-1,829	-2	-1,831
Cash flow hedges		69	-	69	-	-	-	-5	-	-5
Items recognized directly in shareholders' equity		865	5	870	-958	-16	-974	-1,834	-2	-1,836
Net profit/loss for the period		-430	-77	-507	555	-79	476	-3,615	-125	-3,740
Total for the period		435	-72	363	-403	-95	-498	-5,449	-127	-5,576
OTHER CHANGES IN SHAREHOLDERS' EQUITY										
Issue of warrants		-	-	-	7	-	7	7	-	7
Costs for stock options		3	-	3	1	-	1	4	-	4
New share issue	6	17	-	17	34	-	34	51	-	51
Dividend	6	-814	-4	-818	-777	-	-777	-777	-	-777
Minority's share in acquired companies		-	-79	-79	-	-	-	-	61	61
Shareholders contribution from minority		-	386	386	-	-	-	-	-	-
Purchase of minority		-	-	-	-	-15	-15	-	-14	-14
Round off		-	-	-	-	-	-	-1	-	-1
SHAREHOLDERS' EQUITY, END OF PERIOD		28,441	554	28,995	33,827	293	34,120	28,800	323	29,123

At June 30, 2007 SEK 430 million (December 31, 2006 SEK 356 million) of shareholders' equity relates to exchange rate differences from assets and liabilities classified as held for sale.

NUMBER OF CUSTOMERS

Thousands	Note	Number of customers			Net intake					
		2007 Jun 30	2006 Jun 30	Change	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Nordic										
Mobile telephony	5	3,545	4,157	-15%	36	19	41	51	44	21
Indirect access		1,547	1,791	-14%	-63	-84	-37	-60	-70	-73
<i>of which fixed telephony resale</i>		1,372	1,638	-16%	-67	-95	-42	-62	-75	-80
<i>of which broadband resale</i>		175	153	14%	4	11	5	2	5	7
Direct access & LLUB		350	267	31%	18	21	25	19	8	5
		5,442	6,215	-12%	-9	-44	29	10	-18	-47
Baltic & Russia										
Mobile telephony		11,657	7,902	48%	909	716	1,072	876	847	795
Indirect access		34	50	-32%	-3	-4	-4	-5	-7	-13
<i>of which fixed telephony resale</i>		34	50	-32%	-3	-4	-4	-5	-7	-13
Direct access & LLUB		34	29	17%	1	1	2	1	-	1
		11,725	7,981	47%	907	713	1,070	872	840	783
Central Europe										
Mobile telephony		131	185	-29%	-13	-30	-10	-1	5	14
Indirect access		5,065	5,625	-10%	-271	-208	-38	-43	-125	-115
<i>of which fixed telephony resale</i>		4,866	5,533	-12%	-285	-232	-83	-67	-141	-139
<i>of which broadband resale</i>		199	92	116%	14	24	45	24	16	24
Direct access & LLUB		103	46	124%	15	18	13	11	-3	6
		5,299	5,856	-10%	-269	-220	-35	-33	-123	-95
Southern Europe										
Mobile telephony		485	331	47%	-3	44	44	69	105	71
Indirect access		3,354	4,359	-23%	-295	-236	-192	-246	-67	-22
<i>of which fixed telephony resale</i>		2,950	3,965	-26%	-300	-255	-193	-267	-119	-88
<i>of which broadband resale</i>		404	394	3%	5	19	1	21	52	66
Direct access & LLUB		590	65	808%	146	143	141	59	21	19
		4,429	4,755	-7%	-152	-49	-7	-118	59	68
Benelux										
Mobile telephony		827	847	-2%	2	-2	-1	-19	-15	8
Indirect access		908	1,464	-38%	-118	-144	-133	-161	-140	-114
<i>of which fixed telephony resale</i>		814	1,340	-39%	-115	-134	-124	-153	-139	-116
<i>of which broadband resale</i>		94	124	-24%	-3	-10	-9	-8	-1	2
Direct access & LLUB		324	223	45%	21	27	30	23	31	14
		2,059	2,534	-19%	-95	-119	-104	-157	-124	-92
NET CUSTOMER INTAKE					382	281	953	574	634	617
Acquired companies					-	-	-	182	-	-
Divested companies					-	-	-	-	-411	-
Changed method of calculation	5				-759	-	-	-	-	-
TOTAL CONTINUING OPERATIONS		28,954	27,341	6%	-377	281	953	756	223	617
Discontinued operations	8	2,718	3,393	-20%	-151	-184	-201	-139	-218	-140
TOTAL OPERATIONS		31,672	30,734	3%	-528	97	752	617	5	477
Additional data for 2007										
Mobile telephony	5	16,645	13,422	24%	931	747	1,146	976	986	909
<i>of which prepaid</i>		12,974	10,287	26%	857	615	991	809	785	764
Indirect access		10,908	13,289	-18%	-750	-676	-404	-515	-409	-337
<i>of which fixed telephony resale</i>		10,036	12,526	-20%	-770	-720	-446	-554	-481	-436
<i>of which broadband resale</i>		872	763	14%	20	44	42	39	72	99
Direct access & LLUB		1,401	630	122%	201	210	211	113	57	45
Acquired companies					-	-	-	182	-	-
Divested companies					-	-	-	-	-411	-
Changed method of calculation	5				-759	-	-	-	-	-
Total continuing operations		28,954	27,341	6%	-377	281	953	756	223	617

OPERATING REVENUE

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Nordic									
Mobile telephony		4,943	4,512	2,576	2,367	2,404	2,426	2,405	2,107
Indirect access		2,399	2,634	1,172	1,227	1,202	1,247	1,286	1,348
<i>of which fixed telephony resale</i>		2,082	2,343	1,014	1,068	1,054	1,100	1,139	1,204
<i>of which broadband resale</i>		317	291	158	159	148	147	147	144
Direct access & LLUB		631	492	316	315	305	287	249	243
Other operations		358	333	183	175	178	180	164	169
Adjustments for internal sales		-395	-411	-185	-210	-208	-179	-242	-169
		7,936	7,560	4,062	3,874	3,881	3,961	3,862	3,698
Baltic & Russia									
Mobile telephony		4,481	2,836	2,417	2,064	2,014	1,875	1,533	1,303
Indirect access		15	21	7	8	8	8	10	11
<i>of which fixed telephony resale</i>		15	21	7	8	8	8	10	11
Direct access & LLUB		9	8	5	4	5	4	4	4
Other operations		22	19	12	10	10	11	11	8
Adjustments for internal sales		-32	-23	-18	-14	-13	-14	-13	-10
		4,495	2,861	2,423	2,072	2,024	1,884	1,545	1,316
Central Europe									
Mobile telephony		37	89	22	15	40	39	40	49
Indirect access		2,695	3,470	1,295	1,400	1,518	1,532	1,633	1,837
<i>of which fixed telephony resale</i>		2,454	3,332	1,170	1,284	1,409	1,438	1,566	1,766
<i>of which broadband resale</i>		241	138	125	116	109	94	67	71
Direct access & LLUB		445	392	223	222	223	234	199	193
Other operations		535	533	262	273	311	246	249	284
Adjustments for internal sales		-217	-257	-110	-107	-131	-118	-116	-141
		3,495	4,227	1,692	1,803	1,961	1,933	2,005	2,222
Southern Europe									
Mobile telephony		630	325	322	308	313	292	201	124
Indirect access		3,376	4,209	1,582	1,794	1,849	1,859	2,088	2,121
<i>of which fixed telephony resale</i>		2,923	3,763	1,377	1,546	1,620	1,615	1,854	1,909
<i>of which broadband resale</i>		453	446	205	248	229	244	234	212
Direct access & LLUB		1,125	294	681	444	345	197	166	128
Other operations		579	546	295	284	307	332	265	281
Adjustments for internal sales		-208	-228	-105	-103	-145	-143	-122	-106
		5,502	5,146	2,775	2,727	2,669	2,537	2,598	2,548
Benelux									
Mobile telephony		954	920	489	465	474	493	465	455
Indirect access		1,755	2,247	806	949	1,054	1,059	1,047	1,200
<i>of which fixed telephony resale</i>		1,645	2,093	755	890	988	988	970	1,123
<i>of which broadband resale</i>		110	154	51	59	66	71	77	77
Direct access & LLUB		1,405	1,084	696	709	672	611	554	530
Other operations		929	790	464	465	484	475	396	394
Adjustments for internal sales		-791	-508	-373	-418	-414	-386	-244	-264
		4,252	4,533	2,082	2,170	2,270	2,252	2,218	2,315
Services									
Indirect access		-	6	-	-	1	-	2	4
<i>of which fixed telephony resale</i>		-	6	-	-	1	-	2	4
Other operations		486	447	161	325	288	226	224	223
Adjustments for internal sales		-219	-151	-85	-134	-142	-68	-68	-83
		267	302	76	191	147	158	158	144
OPERATING REVENUE FROM CONTINUING OPERATIONS		25,947	24,629	13,110	12,837	12,952	12,725	12,386	12,243
Discontinued operations	8	2,037	2,306	1,045	992	995	1,024	1,096	1,210
TOTAL OPERATIONS		27,984	26,935	14,155	13,829	13,947	13,749	13,482	13,453
Mobile telephony		11,045	8,682	5,826	5,219	5,245	5,125	4,644	4,038
Indirect access		10,240	12,587	4,862	5,378	5,632	5,705	6,066	6,521
<i>of which fixed telephony resale</i>		9,119	11,558	4,323	4,796	5,080	5,149	5,541	6,017
<i>of which broadband resale</i>		1,121	1,029	539	582	552	556	525	504
Direct access & LLUB		3,615	2,270	1,921	1,694	1,550	1,333	1,172	1,098
Other operations		2,909	2,668	1,377	1,532	1,578	1,470	1,309	1,359
Adjustments for internal sales		-1,862	-1,578	-876	-986	-1,053	-908	-805	-773
Operating revenue from continuing operations		25,947	24,629	13,110	12,837	12,952	12,725	12,386	12,243

EBITDA

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Nordic									
Mobile telephony		1,313	1,467	695	618	674	771	792	675
Indirect access		294	250	138	156	102	102	97	153
<i>of which fixed telephony resale</i>		360	295	170	190	130	131	115	180
<i>of which broadband resale</i>		-66	-45	-32	-34	-28	-29	-18	-27
Direct access & LLUB		-6	29	-25	19	-12	19	6	23
Other operations		16	27	6	10	-4	5	9	18
One-off items	2	-	-	-	-	50	-	-	-
		1,617	1,773	814	803	810	897	904	869
Baltic & Russia									
Mobile telephony		1,289	531	726	563	479	478	316	215
Indirect access		6	5	3	3	5	3	5	-
<i>of which fixed telephony resale</i>		6	5	3	3	5	3	5	-
Direct access & LLUB		2	1	1	1	1	1	-	1
Other operations		-2	2	-2	-	-	-	1	1
		1,295	539	728	567	485	482	322	217
Central Europe									
Mobile telephony		-30	-25	-13	-17	-4	1	-11	-14
Indirect access		233	344	89	144	195	154	129	215
<i>of which fixed telephony resale</i>		402	476	188	214	282	255	204	272
<i>of which broadband resale</i>		-169	-132	-99	-70	-87	-101	-75	-57
Direct access & LLUB		-176	-13	-115	-61	-33	-11	3	-16
Other operations		54	65	29	25	19	19	38	27
		81	371	-10	91	177	163	159	212
Southern Europe									
Mobile telephony		-268	-418	-98	-170	-225	-205	-233	-185
Indirect access		170	-6	92	78	51	48	3	-9
<i>of which fixed telephony resale</i>		320	258	129	191	124	110	118	140
<i>of which broadband resale</i>		-150	-264	-37	-113	-73	-62	-115	-149
Direct access & LLUB		-240	-79	-72	-168	-99	-62	-42	-37
Other operations		58	38	30	28	23	31	14	24
One-off items	2	-	-	-	-	-47	-	-	-
		-280	-465	-48	-232	-297	-188	-258	-207
Benelux									
Mobile telephony		185	144	91	94	85	103	89	55
Indirect access		70	66	32	38	96	101	1	65
<i>of which fixed telephony resale</i>		99	108	47	52	118	127	34	74
<i>of which broadband resale</i>		-29	-42	-15	-14	-22	-26	-33	-9
Direct access & LLUB		162	-35	72	90	69	49	-	-35
Other operations		62	54	35	27	48	9	17	37
One-off items	2	-	-	-	-	-	43	-	-
		479	229	230	249	298	305	107	122
Services									
Indirect access		-2	-6	-1	-1	-7	3	-2	-4
<i>of which fixed telephony resale</i>		-2	-6	-1	-1	-7	3	-2	-4
Other operations		40	17	24	16	17	19	5	12
		38	11	23	15	10	22	3	8
EBITDA FROM CONTINUING OPERATIONS									
		3,230	2,458	1,737	1,493	1,483	1,681	1,237	1,221
Discontinued operations	8	-77	265	-36	-41	-1	105	111	154
TOTAL OPERATIONS		3,153	2,723	1,701	1,452	1,482	1,786	1,348	1,375

EBITDA, cont.

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Mobile telephony		2,489	1,699	1,401	1,088	1,009	1,148	953	746
Indirect access		771	653	353	418	442	411	233	420
<i>of which fixed telephony resale</i>		1,185	1,136	536	649	652	629	474	662
<i>of which broadband resale</i>		-414	-483	-183	-231	-210	-218	-241	-242
Direct access & LLUB		-258	-97	-139	-119	-74	-4	-33	-64
Other operations		228	203	122	106	103	83	84	119
One-off items	2	-	-	-	-	3	43	-	-
EBITDA from continuing operations		3,230	2,458	1,737	1,493	1,483	1,681	1,237	1,221
EBITDA MARGIN									
Nordic	2	20%	23%	20%	21%	21%	23%	23%	23%
Baltic & Russia		29%	19%	30%	27%	24%	26%	21%	16%
Central Europe		2%	9%	-1%	5%	9%	8%	8%	10%
Southern Europe	2	-5%	-9%	-2%	-9%	-11%	-7%	-10%	-8%
Benelux	2	11%	5%	11%	11%	13%	14%	5%	5%
Services		14%	4%	30%	8%	7%	14%	2%	6%
EBITDA margin from continuing operations		12%	10%	13%	12%	11%	13%	10%	10%
Mobile telephony		23%	20%	24%	21%	19%	22%	21%	18%
Indirect access		8%	5%	7%	8%	8%	7%	4%	6%
<i>of which fixed telephony resale</i>		13%	10%	12%	14%	13%	12%	9%	11%
<i>of which broadband resale</i>		-37%	-47%	-34%	-40%	-38%	-39%	-46%	-48%
Direct access & LLUB		-7%	-4%	-7%	-7%	-5%	-	-3%	-6%
Other operations		8%	8%	9%	7%	7%	6%	6%	9%
EBITDA margin from continuing operations		12%	10%	13%	12%	11%	13%	10%	10%

EBIT

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Nordic									
Mobile telephony		969	1,166	521	448	507	632	647	519
Indirect access		230	163	107	123	75	68	54	109
<i>of which fixed telephony resale</i>		310	216	146	164	105	97	77	139
<i>of which broadband resale</i>		-80	-53	-39	-41	-30	-29	-23	-30
Direct access & LLUB		-139	-50	-94	-45	-79	-38	-35	-15
Other operations		-23	-1	-11	-12	-22	-10	-6	5
One-off items	2	-	-	-	-	50	-	-	-
		1,037	1,278	523	514	531	652	660	618
Baltic & Russia									
Mobile telephony		892	282	524	368	297	321	184	98
Indirect access		6	5	3	3	7	-	5	-
<i>of which fixed telephony resale</i>		6	5	3	3	7	-	5	-
Direct access & LLUB		-	-	-	-	-	1	-1	1
Other operations		-2	2	-2	-	-	-	2	-
		896	289	525	371	304	322	190	99
Central Europe									
Mobile telephony		-36	-31	-18	-18	-6	-3	-13	-18
Indirect access		137	253	41	96	159	102	85	168
<i>of which fixed telephony resale</i>		318	391	147	171	247	206	163	228
<i>of which broadband resale</i>		-181	-138	-106	-75	-88	-104	-78	-60
Direct access & LLUB		-277	-113	-165	-112	-56	-53	-45	-68
Other operations		36	45	20	16	23	10	28	17
One-off items	2-3	-	52	-	-	-	-1,865	52	-
		-140	206	-122	-18	120	-1,809	107	99
Southern Europe									
Mobile telephony		-271	-420	-99	-172	-227	-205	-234	-186
Indirect access		35	-122	18	17	-39	-9	-53	-69
<i>of which fixed telephony resale</i>		197	148	62	135	39	58	62	86
<i>of which broadband resale</i>		-162	-270	-44	-118	-78	-67	-115	-155
Direct access & LLUB		-394	-168	-151	-243	-159	-123	-85	-83
Other operations		58	35	30	28	22	31	11	24
One-off items	2	-	-	-	-	-47	-937	-	-
		-572	-675	-202	-370	-450	-1,243	-361	-314
Benelux									
Mobile telephony		128	82	63	65	56	73	58	24
Indirect access		-72	-69	-36	-36	3	25	-73	4
<i>of which fixed telephony resale</i>		13	13	7	6	58	84	-6	19
<i>of which broadband resale</i>		-85	-82	-43	-42	-55	-59	-67	-15
Direct access & LLUB		-319	-509	-169	-150	-173	-182	-223	-286
Other operations		17	10	13	4	20	-15	-8	18
One-off items	2, 4	-520	-	-520	-	-	-457	-	-
		-766	-486	-649	-117	-94	-556	-246	-240
Services									
Indirect access		-2	-6	-1	-1	-6	2	-2	-4
<i>of which fixed telephony resale</i>		-2	-6	-1	-1	-6	2	-2	-4
Other operations		11	-12	10	1	6	4	-8	-4
		9	-18	9	-	-	6	-10	-8
EBIT FROM CONTINUING OPERATIONS									
		464	594	84	380	411	-2,628	340	254
Discontinued operations	8	-156	201	-75	-81	-43	73	80	121
TOTAL OPERATIONS		308	795	9	299	368	-2,555	420	375

EBIT, cont.

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Mobile telephony		1,682	1,079	991	691	627	818	642	437
Indirect access		334	224	132	202	199	188	16	208
<i>of which fixed telephony resale</i>		842	767	364	478	450	447	299	468
<i>of which broadband resale</i>		-508	-543	-232	-276	-251	-259	-283	-260
Direct access & LLUB		-1,129	-840	-579	-550	-467	-395	-389	-451
Other operations		97	79	60	37	49	20	19	60
One-off items	2-4	-520	52	-520	-	3	-3,259	52	-
EBIT from continuing operations		464	594	84	380	411	-2,628	340	254
EBITDA		3,230	2,458	1,737	1,493	1,483	1,681	1,237	1,221
Goodwill impairment		-	-	-	-	-	-3,300	-	-
Depreciation/amortization and other write-down		-2,122	-1,842	-1,071	-1,051	-1,013	-985	-923	-919
Sale of operations		-525	49	-520	-5	-17	-2	49	-
Result from shares in associated companies and joint ventures		-119	-71	-62	-57	-42	-22	-23	-48
EBIT from continuing operations		464	594	84	380	411	-2,628	340	254
EBIT MARGIN									
Nordic	2	13%	17%	13%	13%	14%	16%	17%	17%
Baltic & Russia		20%	10%	22%	18%	15%	17%	12%	8%
Central Europe	2-3	-4%	5%	-7%	-1%	6%	-94%	5%	4%
Southern Europe	2	-10%	-13%	-7%	-14%	-17%	-49%	-14%	-12%
Benelux	2, 4	-18%	-11%	-31%	-5%	-4%	-25%	-11%	-10%
Services		3%	-6%	12%	-	-	4%	-6%	-6%
EBIT margin from continuing operations		2%	2%	1%	3%	3%	-21%	3%	2%
Mobile telephony		15%	12%	17%	13%	12%	16%	14%	11%
Indirect access		3%	2%	3%	4%	4%	3%	0%	3%
<i>of which fixed telephony resale</i>		9%	7%	8%	10%	9%	9%	5%	8%
<i>of which broadband resale</i>		-45%	-53%	-43%	-47%	-45%	-47%	-54%	-52%
Direct access & LLUB		-31%	-37%	-30%	-32%	-30%	-30%	-33%	-41%
Other operations		3%	3%	4%	2%	3%	1%	1%	4%
EBIT margin from continuing operations		2%	2%	1%	3%	3%	-21%	3%	2%

INVESTMENTS, CAPEX

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Nordic		495	383	276	219	399	175	193	190
Baltic & Russia		1,115	1,239	594	521	530	594	644	595
Central Europe		95	71	47	48	104	53	46	25
Southern Europe		448	489	243	205	315	224	325	164
Benelux		340	382	167	173	148	114	193	189
Services		23	29	8	15	8	10	14	15
CAPEX FROM CONTINUING OPERATIONS		2,516	2,593	1,335	1,181	1,504	1,170	1,415	1,178
Discontinued operations	8	57	6	26	31	60	32	2	4
INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS, CAPEX		2,573	2,599	1,361	1,212	1,564	1,202	1,417	1,182
Mobile telephony		1,401	1,445	758	643	760	688	759	686
Indirect access		243	357	133	110	220	115	211	146
<i>of which fixed telephony resale</i>		166	275	96	70	136	84	156	119
<i>of which broadband resale</i>		77	82	37	40	84	31	55	27
Direct access & LLUB		793	725	402	391	458	345	403	322
Other operations		79	66	42	37	66	22	42	24
CAPEX from continuing operations		2,516	2,593	1,335	1,181	1,504	1,170	1,415	1,178
ADDITIONAL CASH FLOW INFORMATION									
CAPEX according to cash flow statement		2,666	2,678	1,493	1,173	1,422	1,420	1,374	1,304
Unpaid CAPEX for the period and reversal of during the year paid CAPEX from previous year:		-105	-81	-134	29	114	-220	41	-122
Sales price in cash flow statement		12	2	2	10	28	2	2	-
CAPEX according to balance sheet, including discontinued operations		2,573	2,599	1,361	1,212	1,564	1,202	1,417	1,182

SWEDEN*

Thousands	Note	Number of customers			Net intake					
		2007 Jun 30	2006 Jun 30	Change	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Mobile telephony		2,907	3,494	-17%	46	17	11	3	-13	-47
Indirect access		1,038	1,181	-12%	-37	-50	-19	-37	-34	-41
<i>of which fixed telephony resale</i>		983	1,138	-14%	-41	-56	-22	-36	-38	-44
<i>of which broadband resale</i>		55	43	28%	4	6	3	-1	4	3
Direct access & LLUB		290	229	27%	14	12	22	13	4	2
NET CUSTOMER INTAKE					23	-21	14	-21	-43	-86
Changed method of calculation	5				-664	-	-	-	-	-
TOTAL OPERATIONS		4,235	4,904	-14%	-641	-21	14	-21	-43	-86

SEK million	Note	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
OPERATING REVENUE									
Mobile telephony	1	3,550	3,328	1,863	1,687	1,745	1,770	1,770	1,558
Indirect access		1,375	1,409	672	703	662	680	694	715
<i>of which fixed telephony resale</i>		1,304	1,346	637	667	631	648	662	684
<i>of which broadband resale</i>		71	63	35	36	31	32	32	31
Direct access & LLUB		520	387	259	261	250	227	193	194
Other operations		358	333	183	175	178	180	164	169
OPERATING REVENUE		5,803	5,457	2,977	2,826	2,835	2,857	2,821	2,636
EBITDA									
Mobile telephony		1,303	1,468	702	601	672	759	786	682
Indirect access		205	198	81	124	40	68	69	129
<i>of which fixed telephony resale</i>		236	204	99	137	60	88	74	130
<i>of which broadband resale</i>		-31	-6	-18	-13	-20	-20	-5	-1
Direct access & LLUB		-4	20	-24	20	-9	9	-2	22
Other operations		16	27	6	10	-5	5	9	18
Non-recurring items	2	-	-	-	-	50	-	-	-
EBITDA		1,520	1,713	765	755	748	841	862	851
EBITDA MARGIN									
Mobile telephony		37%	44%	38%	36%	39%	43%	44%	44%
Indirect access		15%	14%	12%	18%	6%	10%	10%	18%
<i>of which fixed telephony resale</i>		18%	15%	16%	21%	10%	14%	11%	19%
<i>of which broadband resale</i>		-44%	-10%	-51%	-36%	-65%	-63%	-16%	-3%
Direct access & LLUB		-1%	5%	-9%	8%	-4%	4%	-1%	11%
Other operations		4%	8%	3%	6%	-3%	3%	5%	11%
EBITDA MARGIN		26%	31%	26%	27%	26%	29%	31%	32%
EBIT									
Mobile telephony		966	1,172	532	434	509	621	643	529
Indirect access		161	143	60	101	20	42	42	101
<i>of which fixed telephony resale</i>		196	149	80	116	41	63	47	102
<i>of which broadband resale</i>		-35	-6	-20	-15	-21	-21	-5	-1
Direct access & LLUB		-122	-54	-85	-37	-69	-32	-41	-13
Other operations		-23	-	-11	-12	-22	-11	-5	5
Non-recurring items	2	-	-	-	-	50	-	-	-
EBIT		982	1,261	496	486	488	620	639	622
EBIT MARGIN									
Mobile telephony		27%	35%	29%	26%	29%	35%	36%	34%
Indirect access		12%	10%	9%	14%	3%	6%	6%	14%
<i>of which fixed telephony resale</i>		15%	11%	13%	17%	6%	10%	7%	15%
<i>of which broadband resale</i>		-49%	-10%	-57%	-42%	-68%	-66%	-16%	-3%
Direct access & LLUB		-23%	-14%	-33%	-14%	-28%	-14%	-21%	-7%
Other operations		-6%	-	-6%	-7%	-12%	-6%	-3%	3%
EBIT MARGIN		17%	23%	17%	17%	17%	22%	23%	24%

*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	2007 Jun 30	2006 Jun 30	Change	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Net customer intake				839	644	933	711	715	638
Acquired companies				–	–	–	182	–	–
TOTAL NUMBER OF CUSTOMERS	7,936	4,627	72%	839	644	933	893	715	638

SEK million	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Operating revenue	2,313	1,016	1,261	1,052	988	815	568	448
EBITDA	711	95	414	297	266	205	73	22
EBITDA-margin	31%	9%	33%	28%	27%	25%	13%	5%
EBIT	450	–21	280	170	153	112	12	–33
EBIT-margin	19%	–2%	22%	16%	15%	14%	2%	–7%

KEY RATIOS

	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2006	2005	2004
CONTINUING OPERATIONS (SEK MILLION)					
Operating revenue	25,947	24,629	50,306	44,457	36,613
Number of customers, in thousand	28,954	27,341	29,050	26,501	23,762
EBITDA	3,230	2,458	5,622	5,625	5,528
EBIT	464	594	-1,623	2,814	3,286
EBT	22	345	-2,180	2,386	3,127
Net profit/loss	-330	331	-2,405	1,836	2,491
KEY RATIO					
EBITDA margin, %	12.4	10.0	11.2	12.7	15.1
EBIT margin, %	1.8	2.4	-3.2	6.3	9.0
PER SHARE DATA (SEK)					
Earnings	-0.57	0.92	-5.13	4.16	5.63
Earnings after dilution	-0.57	0.92	-5.13	4.15	5.61
TOTAL (INCLUDING DISCONTINUED OPERATIONS) (SEK MILLION)					
Shareholders' equity	28,995	34,120	29,123	35,368	32,900
Shareholders' equity after dilution	29,029	34,136	29,137	35,401	32,965
Total assets	66,887	68,217	66,164	68,291	49,873
Cash flow from operating activities	1,555	1,673	3,847	5,487	5,876
Cash flow after CAPEX	-1,111	-1,005	-1,673	1,847	4,314
Available liquidity	14,798	8,249	5,963	8,627	5,113
Net borrowing	17,258	13,552	15,311	11,839	2,831
Investments in intangible and tangible assets, CAPEX	2,573	2,599	5,365	3,750	1,585
Investments in shares and long-term receivables, net	-137	288	1,616	7,953	1,653
KEY RATIO					
Equity/assets ratio, %	43	50	44	52	66
Debt/equity ratio, multiple	0.60	0.40	0.53	0.33	0.09
Return on shareholders' equity, %	-1.5	1.6	-11.3	6.9	10.8
Return on shareholders' equity after dilution, %	-1.5	1.6	-11.3	6.9	10.8
Return on capital employed, %	0.6	1.7	-5.3	8.2	12.1
Average interest rate, %	4.9	3.7	4.2	3.7	4.4
PER SHARE DATA (SEK)					
Earnings	-0.97	1.25	-8.14	5.30	7.74
Earnings after dilution	-0.97	1.25	-8.14	5.29	7.73
Shareholders' equity	63.97	76.18	64.85	78.96	74.32
Shareholders' equity after dilution	63.98	76.18	64.84	78.93	74.29
Cash flow from operating activities	3.50	3.77	8.66	12.39	13.27
Dividend	-	-	1.83	1.75	1.67
Redemption	-	-	-	-	3.33
Market value at closing day	112.25	72.75	100.00	85.25	87.00

PARENT COMPANY

INCOME STATEMENT

SEK million	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30
Operating revenue	13	12
Administrative expenses	–46	–52
Other operating revenues	–	5
Operating profit/loss, EBIT	–33	–35
Exchange rate difference on financial items	–287	237
Net interest expenses and other financial items	118	163
Profit/loss after financial items, EBT	–202	365
Tax on profit/loss for the year	57	–100
NET PROFIT/LOSS	–145	265

BALANCE SHEET

SEK million	Note	2007 Jun 30	2006 Dec 31
Assets			
FIXED ASSETS			
Financial assets		39,335	38,571
FIXED ASSETS		39,335	38,571
CURRENT ASSETS			
Current receivables		135	54
Cash and cash equivalents		23	7
CURRENT ASSETS		158	61
ASSETS		39,493	38,632
Equity and liabilities			
SHAREHOLDERS' EQUITY			
Restricted equity	6	17,449	17,432
Unrestricted equity	6	2,737	3,627
SHAREHOLDERS' EQUITY		20,186	21,059
LONG-TERM LIABILITIES			
Interest-bearing liabilities		14,421	12,417
LONG-TERM LIABILITIES		14,421	12,417
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		4,676	4,688
Non-interest-bearing liabilities		210	468
SHORT-TERM LIABILITIES		4,886	5,156
EQUITY AND LIABILITIES		39,493	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.

As of Q2 2007, the definition for inactive mobile prepaid customers has been changed, refer to Note 5.

Tele2 has chosen in the second quarter to exclude from EBITDA profit and loss from sales of operations. Previous periods have been adjusted retrospectively.

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

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 an exchange of capacity between Tele2 and Telenor at a group level, where revenues from the swap are offset against costs.

NOTE 2 Operating expenses

EBITDA

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 addition to this the costs were increased by SEK 47 million for the market area Southern Europe as a result of settlements of disputes. 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 2006, Tele2 recognized goodwill impairment losses of SEK 3,300 million, of which SEK 1,863 million related to Central Europe, SEK 937 million to Southern Europe and SEK 500 million to Benelux.

NOTE 3 Other operating revenues

In Q2 2006, the 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 Other operating expenses

In Q2 2007, the market area Benelux reported a capital loss of SEK 520 million on the divestment of Alpha Telecom and Calling Card Company.

NOTE 5 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 the 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 6 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 274,428 warrants being exercised during 2007, Tele2 has issued new shares resulting in an increase of shareholders' equity of SEK 17 million.

INCENTIVE PROGRAM 2007–2012

The Board of Directors of Tele2 will propose that an Extraordinary General Meeting on August 28, resolve to adopt a new performance based incentive programme for senior executives and other key employees within the Tele2 group. Under the programme participants will be granted stock options free of charge with the intention of strengthening the employees' commitment and improving conditions for the company's continued demands to profitability. The proposed program will replace the incentive program adopted by the Annual General Meeting in May 2007.

INCENTIVE PROGRAM 2006–2011

Number of options	Q2 2007	2006 – Jun 30, 2007
Outstanding as of January 1	2,256,000	
Allocated 2006		2,256,000
Forfeited	-230,000	-230,000
Total outstanding	2,026,000	2,026,000
<i>of which warrants</i>		752,000
<i>of which stock options</i>		1,274,000

INCENTIVE PROGRAM 2002–2007

Number of options	Q2 2007	2002 – Jun 30, 2007	
	Total	Total	of which to wholly-owned subsidiary
Outstanding as of January 1	439,800		
Allocated 2002		2,630,378	482,618
Forfeited	-	-381,510	-
Exercised	-274,428	-2,083,496	-383,186 ¹⁾
Total outstanding	165,372	165,372	99,432

¹⁾ of which 19,851 have been exercised in Q2 2007

NOTE 7 Business acquisitions and divestments

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

SEK million	Jan 1–Jun 30, 2007
Acquisition of minority interest in Versatel	–11
Acquisition of minority interest in Tele2 Syd (former E.ON Bredband)	–135
Acquisition of minority interest in Radio Components	–7
Other cash flow changes in shares and participations	–32
Divestment operations in Alpha Telecom and Calling Card Company ¹⁾	25
Divestment Datamatrix Norway	108
Cash flow effect of acquisitions and divestments in shares and participations	–52

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

TELE2 NETHERLANDS AND TELE2 BELGIUM (BENELUX)

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 through an issue of new shares. As a result of the issue Tele2 has increased its share holdings in Versatel by 1.36 percent and is now holding 81.65 percent of the shares.

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 current 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 shares.

FRANCE FIXED AND BROADBAND BUSINESS

On October 3, 2006 Tele2 announced that the fixed and broadband business in France had been sold to SFR. On July 18, 2007, Tele2 announced it has received approval from the EU competition authorities on the sale. The divestment will be finalized in Q3 2007. Refer to Note 8 for details.

OTHER DIVESTMENTS

In May 2007, Tele2 divested its Alpha Telecom and Calling Card Company operation for SEK 83 million. The operation has affected Tele2's operating revenue in the market area Benelux year-to-date by SEK 378 (604) million and net profit by SEK 9 (–35) million in addition to capital loss recorded of SEK 520 million.

On March 31, 2007, Tele2 divested its operation Datamatrix Norway for SEK 128 million on debt free basis. Datamatrix AS has affected Tele2's operating revenue in the market area Services year-to-date by SEK 116 (153) million and net profit by SEK 2 (1) million in addition to capital loss recorded of SEK 5 million.

Since the divested operations above do not constitute a significant part of Tele2's result and financial position, disclosure in the income statement has not been done according to IFRS 5 *Non-current assets held for sale and discontinued operations*.

Assets, liabilities and contingent liabilities included in the divested operations:

SEK million	Net assets at the time of divestment
Goodwill	377
Other intangible assets	76
Tangible assets	45
Material and supplies	25
Current receivables	395
Cash and cash equivalents	43
Exchange rate difference in shareholders' equity	–9
Deferred tax liabilities	–16
Long-term liabilities	–43
Short-term liabilities	–246
Divested net assets	647
Capital loss	–525
Sales price, net sales costs	122
Sales costs non-cash	11
Payment for receivable in divested operation	43
Less: cash in divested operation	–43
EFFECT ON GROUP CASH AND CASH EQUIVALENTS	133

PRO FORMA

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

Jan 1–Jun 30	Tele2 Group ¹⁾	Excluding divested companies and operations	Tele2 Group pro forma
Operating revenue	25,947	–494	25,453
Net profit/loss	–507	514	7

¹⁾ less the fixed and broadband business in France since reported as discontinued operations.

CONTINUING NOTE 7

DIVESTMENTS AFTER CLOSING DAY

On July 12, 2007, Tele2 divested its operations in Tele2 Danmark A/S for approximately SEK 1,025 million. The capital gain is estimated at SEK 360 million. The operation has affected Tele2's operating revenue in the market area Nordic year-to-date by SEK 733 (860) million and net profit by 46 (-22) million.

ONGOING DIVESTMENTS

On July 9, 2007, Tele2 announced the divestment of its Hungarian operations to Hungarian Telephone and Cable Corp for approximately SEK 40 million. Completion is expected following approval from the Hungarian Competition Authorities. The transaction is expected to have a positive one-time effect of approximately SEK 20 million.

On June 28, 2007, Tele2 announced the divestment of its operations in Tele2 Portugal to Sonaecom for approximately SEK 160 million. Completion is expected following approval from the Portuguese Competition Authorities. The transaction is expected to have a positive one time effect of approximately SEK 10 million.

On June 1, 2007, Tele2 announced the divestment of its operations in UNI2 Danmark to TDC Hosting A/S. The transaction is expected to be closed in Q3 2007 and will have a positive one-time effect of approximately SEK 50 million.

Since the divested operations above, do not constitute a significant part of the Tele2's result and financial position, disclosure in the income statement has not been made according to IFRS 5 *Non-current assets held for sale and discontinued operations*.

NOTE 8 Discontinued operations

On October 3, 2006 Tele2 announced the divestment of its fixed and broadband operations in Tele2 France to SFR for approximately SEK 3.3 billion on a debt free basis. 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 will be finalized in Q3 2007.

In Q3 2006, a goodwill impairment loss of SEK 1.5 billion 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 of which SEK 35 million is related to Q2 2007. In Q3 2007, a reversal of exchange rate differences related to the French business and deferred in equity will result in a positive effect in discontinued operations of approximately SEK 430 million.

Tele2 has successfully marketed fixed line telephony in France since 1998, creating a very profitable business. As the French market is consolidating, Tele2 has decided that selling the fixed line and broadband businesses to SFR is the best way to maximize the value of these businesses.

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*.

The result etc from discontinued operations, formerly reported in the market area Southern Europe, is presented below.

INCOME STATEMENT

SEK million	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2006 Full year	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Operating revenue	2,037	2,306	4,325	1,045	992	995	1,024	1,096	1,210
Operating expenses	-2,193	-2,105	-4,094	-1,120	-1,073	-1,038	-951	-1,016	-1,089
EBIT	-156	201	231	-75	-81	-43	73	80	121
Interest revenue	2	18	33	-1	3	7	8	10	8
EBT	-154	219	264	-76	-78	-36	81	90	129
Tax on profit/loss for the year	52	-74	-99	22	30	3	-28	-32	-42
NET PROFIT/LOSS	-102	145	165	-54	-48	-33	53	58	87
Goodwill impairment	-75	-	-1,500	-35	-40	-	-1,500	-	-
NET PROFIT/LOSS, TOTAL IMPACT	-177	145	-1,335	-89	-88	-33	-1,447	58	87
Earnings per share (SEK)	-0.40	0.33	-3.01						
Earnings per share, after dilution (SEK)	-0.40	0.33	-3.01						

BALANCE SHEET

SEK million	2007 Jun 30	2006 Dec 31
Goodwill	2,811	2,826
Other intangible assets	468	488
Intangible assets	3,279	3,314
Tangible assets	246	224
Financial assets	1	-
Deferred tax assets	284	169
FIXED ASSETS	3,810	3,707
Materials and supplies	80	49
Current receivables	508	632
CURRENT ASSETS	588	681
ASSETS	4,398	4,388
Non-interest-bearing liabilities	1,760	1,517
SHORT-TERM LIABILITIES	1,760	1,517

CONTINUING NOTE 8

CASH FLOW STATEMENT

SEK million	2007	2006	2006	2007	2007	2006	2006	2006	2006
	Jan 1–Jun 30	Jan 1–Jun 30	Full year	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	-14	199	463	57	-71	108	156	199	-
Cash flow from investing activities	-57	-25	-99	-26	-31	-60	-14	-20	-5
Cash flow from financing activities	71	-174	-364	-31	102	-48	-142	-179	5
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-	-	-

SEK million	2007	2006	2006	2007	2007	2006	2006	2006	2006
	Jan 1–Jun 30	Jan 1–Jun 30	Full year	Q2	Q1	Q4	Q3	Q2	Q1
OPERATING REVENUE									
Indirect access	2,032	2,306	4,325	1,040	992	995	1,024	1,096	1,210
<i>of which fixed telephony resale</i>	1,565	2,028	3,731	791	774	815	888	957	1,071
<i>of which broadband resale</i>	467	278	594	249	218	180	136	139	139
Other operations	139	128	274	69	70	80	66	63	65
Adjustments for internal sales	-134	-128	-274	-64	-70	-80	-66	-63	-65
Operating revenue	2,037	2,306	4,325	1,045	992	995	1,024	1,096	1,210
EBITDA									
Indirect access	-80	258	357	-37	-43	-	99	107	151
<i>of which fixed telephony resale</i>	291	375	798	156	135	195	228	169	206
<i>of which broadband resale</i>	-371	-117	-441	-193	-178	-195	-129	-62	-55
Other operations	3	7	12	1	2	-1	6	4	3
EBITDA	-77	265	369	-36	-41	-1	105	111	154
EBIT									
Indirect access	-130	223	278	-61	-69	-27	82	90	133
<i>of which fixed telephony resale</i>	258	342	734	140	118	179	213	154	188
<i>of which broadband resale</i>	-388	-119	-456	-201	-187	-206	-131	-64	-55
Direct access & LLUB	-29	-29	-59	-15	-14	-15	-15	-14	-15
Other operations	3	7	12	1	2	-1	6	4	3
EBIT	-156	201	231	-75	-81	-43	73	80	121
INVESTMENTS, CAPEX									
Indirect access	57	6	98	26	31	60	32	2	4
<i>of which fixed telephony resale</i>	9	1	17	5	4	13	3	1	-
<i>of which broadband resale</i>	48	5	81	21	27	47	29	1	4
CAPEX	57	6	98	26	31	60	32	2	4
<i>of which period's unpaid CAPEX</i>	-	-	-	-	-	-	-	-	-
<i>of which CAPEX according to cash flow</i>	57	6	98	26	31	60	32	2	4

NUMBER OF CUSTOMERS

Thousands	Number of customers			Net intake					
	2007 Jan 1–Jun 30	2006 Jan 1–Jun 30	2006 Full year	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Indirect access	2,718	3,393	3,053	-151	-184	-201	-139	-218	-140
<i>of which fixed telephony resale</i>	2,370	3,106	2,736	-162	-204	-226	-144	-220	-149
<i>of which broadband resale</i>	348	287	317	11	20	25	5	2	9
Number of customers	2,718	3,393	3,053	-151	-184	-201	-139	-218	-140

NOTE 9 Joint ventures

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. An abbreviated version of Svenska UMTS-nät's balance sheet is presented below and hence the level of investment at that time. At June 30, 2007 Tele2's guarantee amounted to SEK 1,779 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 46 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. An abbreviated version of Plusnets balance sheet is presented below and hence the level of investment at that time.

BALANCE SHEET	Jun 30, 2007		Dec 31, 2006	
	Svenska UMTS-nät	Plusnet GmbH	Svenska UMTS-nät	Plusnet GmbH
Fixed assets	3,821	510	3,688	213
Current assets	341	668	388	560
Assets	4,162	1,178	4,076	773
Shareholders equity	406	731	562	653
Long-term liabilities	3,558	47	3,372	5
Short-term liabilities	198	400	142	115
Shareholders' equity and liabilities	4,162	1,178	4,076	773

NOTE 10 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 9. Related parties with which the group has transactions are presented in the 2006 Annual Report, Note 40.

NOTE 11 Tax on profit/loss

In Q2 2007, a one-off adjustment of tax assets has been done which has affected the tax on profit/loss by SEK -228 million, of which SEK -193 million are related to reduced income tax rate in Germany.