

HARRI

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President &

CEO

TELLE2

FROM REALIGNMENT TO TRANSFORMATION

WHAT DO CUSTOMERS WANT?

MOBILITY EVERYWHERE

- Connected and available anywhere
- Coverage and quality is key...
- Customers and our services must be equally mobile

FAST AND INSTANT SERVICE

- Quick response... Customers do not accept to wait
- Time is money / Impatient
- Keep it simple – if its complicated it's a waste of time
- If we can't provide the service/product directly customers will choose another brand

CUSTOMERS ONLY PAY FOR VALUE!

- Customers can get music, movies, TV, telephony, etc for free online...
- Complicated price plans is a waste of our customers time
- Always ask yourself if we add value to our customers

EFFECTS ON THE TELECOM INDUSTRY?

VOICE BECOMES MOBILE

- Customers will “cut the cord”, moving from fixed to mobile
- Austria and Finland is good examples of where most minutes already are mobile

DATA BECOMES MOBILE

- Data will follow voice
- Customers want “access anywhere”
- “Quality” = simplicity, is essential
- New devices & simple price plans drive demand

EVERYTHING BECOMES IP

- Photons replace electrons
- Traffic is IP-based
- Internet services is IP
- Even voice is going IP
- Unified IP networks carry voice, internet, TV

TRANSFORMATION PHASE

COMPOSING

A PRODUCT PORTFOLIO THAT

GOES IN LINE WITH

FUTURE

CUSTOMER NEEDS

CORE SERVICE

OUR CORE SERVICES ARE

PRICE LEADING

AND QUALITATIVE

MOBILE

COMMUNICATION

WITH INCREASED FOCUS ON

B2B SEGMENT

Q3 2008

TELE2 IN BRIEF

24 million customers
in 11 countries

Mobile operations in 9
countries

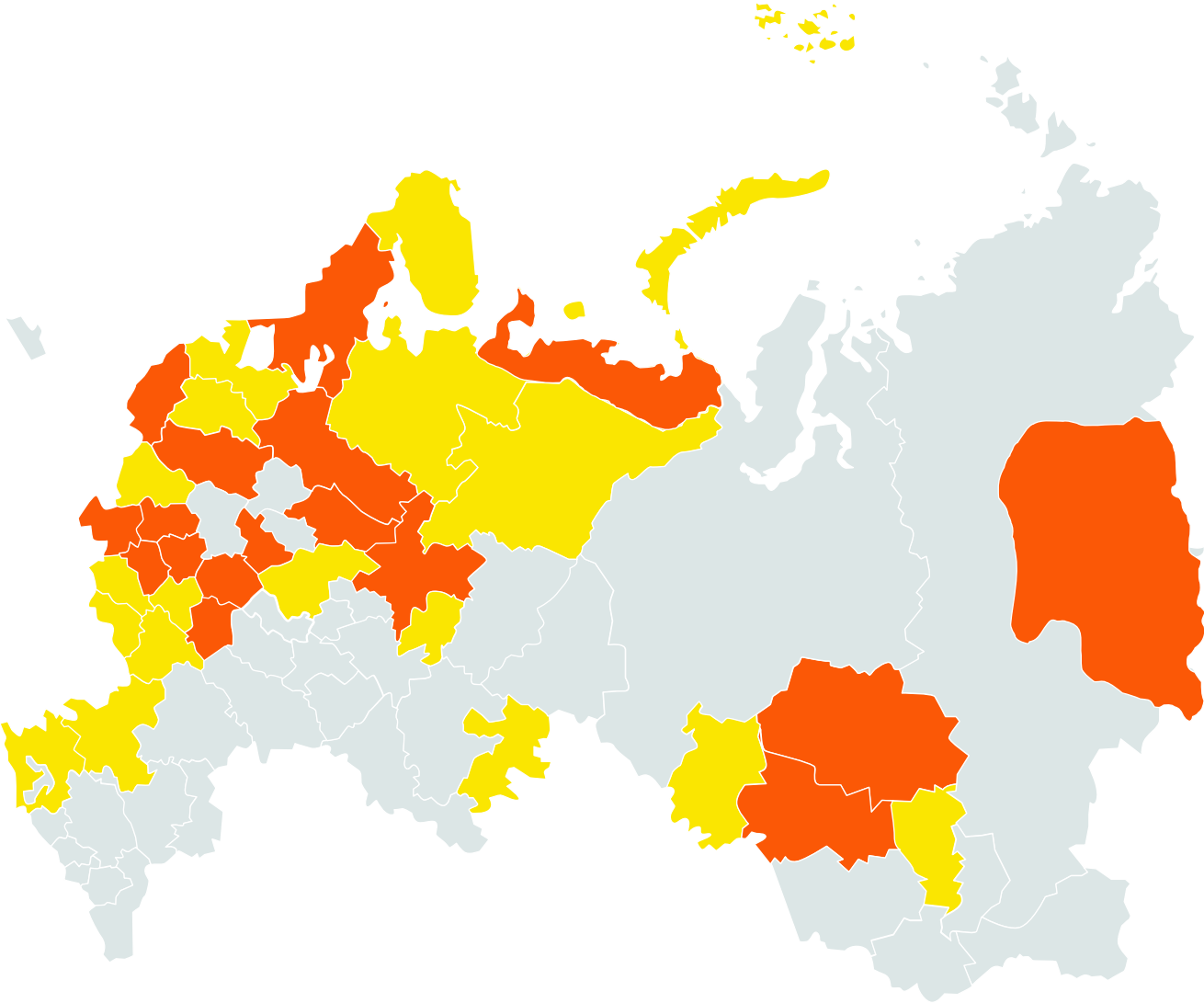
Fixed broadband operations in
6 countries

Fixed telephony operations in
8 countries

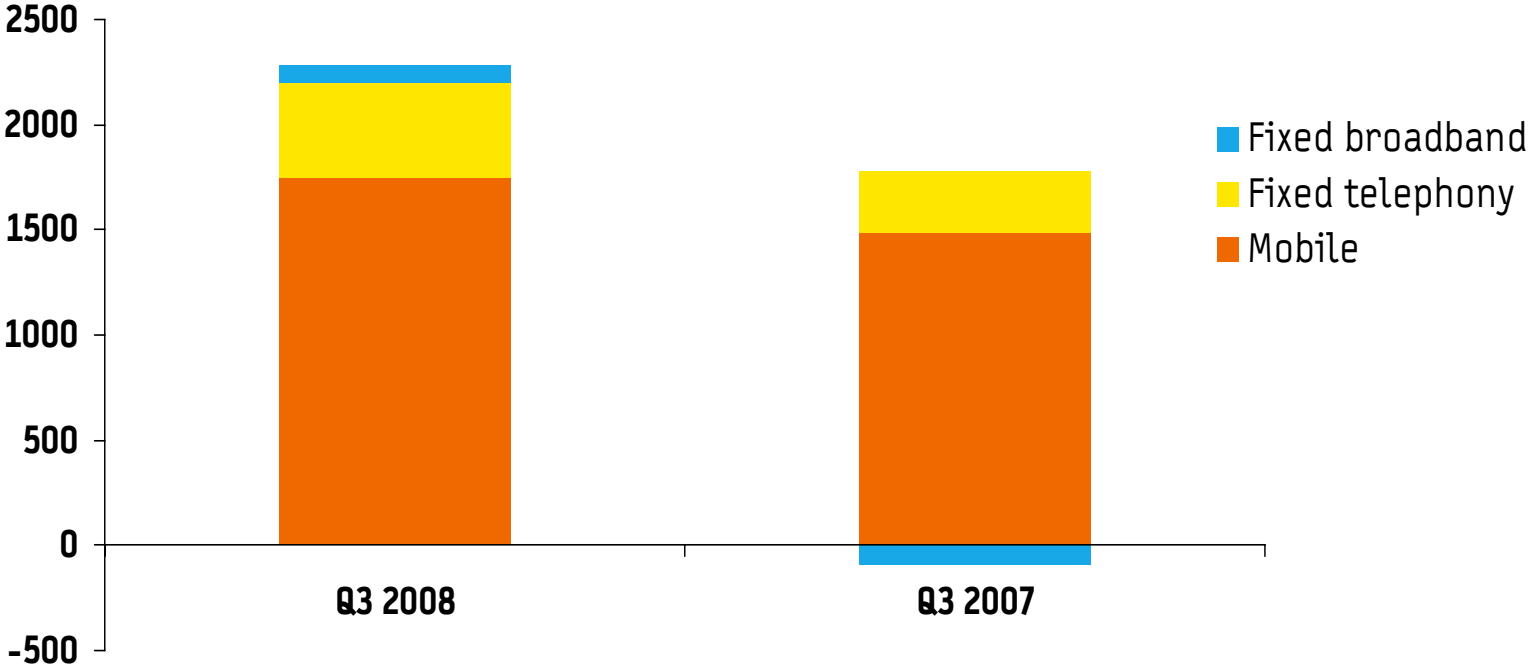


RUSSIAN OPERATIONS

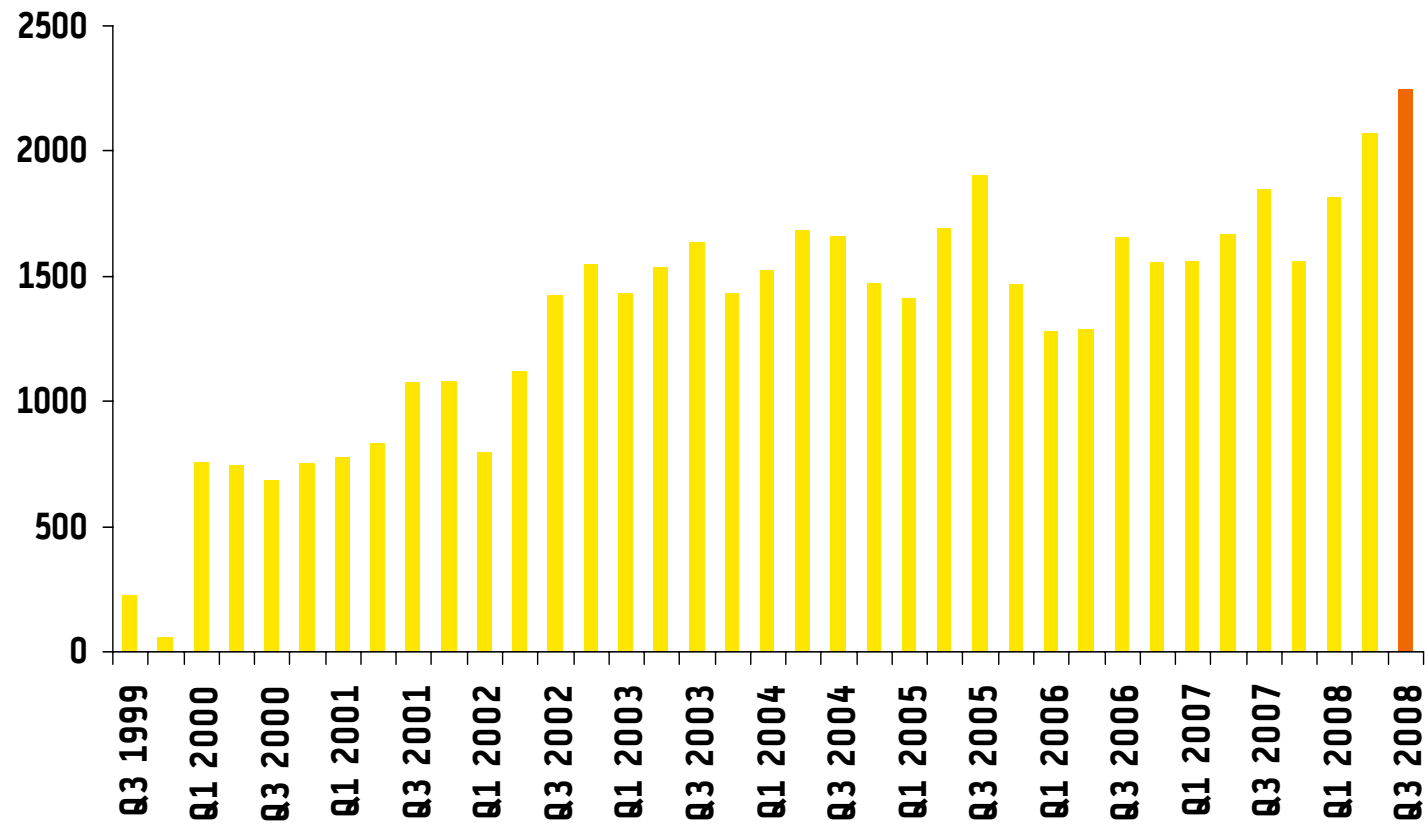
- Existing Business
- New Licenses



EBITDA



EBITDA DEVELOPMENT



Q3 2008 SUMMARY

| SEK million | Q3-08 | Q3-07 | Growth % |
|--------------------|--------------|--------------|-----------------|
| Net Sales | 9,891 | 9,509 | 4% |
| EBITDA | 2,248 | 1,750 | 28% |
| EBIT ¹⁾ | 1,394 | 863 | 62% |

¹⁾ Excluding one-off items of SEK -950 (-1,319) million related to impairment loss in Germany

SUMMARY

MOBILE: Focus even more on growth in mobile, mobile internet and corporate services

FIXED BROADBAND: Continue to improve profitability

FIXED TELEPHONY: Maximize cash flow of a mature asset

**LARS
NILSSON
CFO**

TELLE2

PROFIT & LOSS

| (All figures in MSEK) | Q3-08 | Q3-07 |
|---|--------------|---------------|
| Continuing operations, Net Sales | 9,833 | 10,060 |
| EBITDA | 2,246 | 1,747 |
| - EBITDA margin (%) | 22.8% | 17.4% |
| Depreciation and joint venture | -852 | -884 |
| - Depreciation of net sales (%) | -8.7% | -8.8% |
| One-off items | -971 | -306 |
| EBIT | 423 | 557 |
| Normalized EBIT | 1,394 | 863 |
| - Normalized EBIT margin (%) | 14.2% | 8.6% |
| Financial items | -290 | -182 |
| Taxes | 27 | -563 |
| Net result, continuing operations | 160 | -188 |
| Net result, discontinued operations | 688 | -1,045 |
| Net result | 848 | -1,233 |

CASH FLOW FOR Q3

(All figures in MSEK)

| | Q3-08 | Q3-07 |
|--|--------------|--------------|
| CF from continuing operations, excl taxes paid | 2,315 | 1,208 |
| Taxes paid | -90 | -489 |
| Change in WC | 279 | 615 |
| Cash flow from operating activities | 2,594 | 1,823 |
| CAPEX | -930 | -1,188 |
| - CAPEX as percentage of revenue (%) | 9.5% | 11.8% |
| Other investing activities | 2,137 | 5,122 |
| Cash Flow after investing activities | 3,801 | 5,757 |

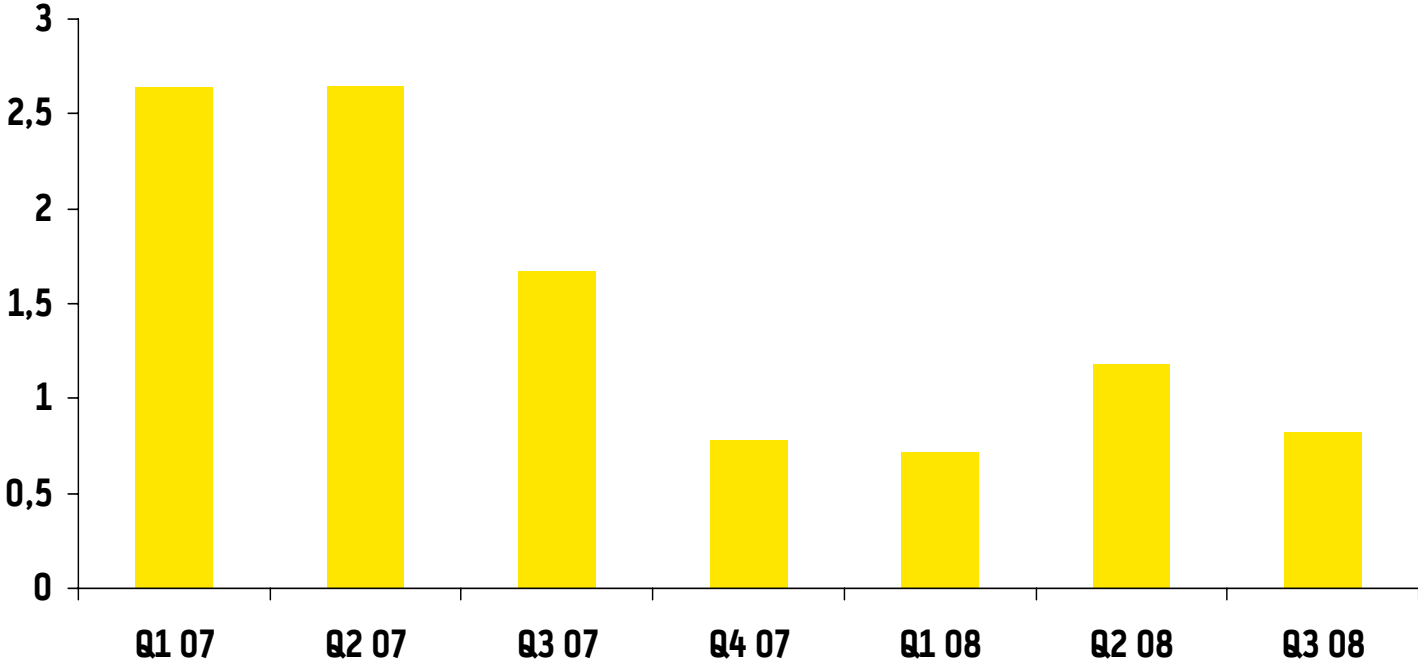
CASH FLOW FOR 9M

(All figures in MSEK)

| | 9M-08 | 9M-07 |
|--|--------------|--------------|
| CF from continuing operations, excl taxes paid | 5,979 | 3,149 |
| Taxes paid | -257 | -1,381 |
| Change in WC | -20 | 229 |
| Cash flow from operating activities | 5,959 | 3,378 |
| CAPEX | -3,375 | -3,854 |
| - CAPEX as percentage of revenue (%) | 11.6% | 11.1% |
| Other investing activities | 1,817 | 5,259 |
| Cash Flow after investing activities | 4,401 | 4,783 |

NET DEBT TO EBITDA

NET DEBT SEK 5.2 BILLION



FUNDING Q3 2008

(All figures in BSEK)

Tele2 external loans

- Revolving bank facility
- Private placements
- CP
- Total undrawn credit facilities

Amount

Maturity

6.2

4.4

1.5

0.3

19.2

Nov 2009

2011-2013

Mar/Apr 2009

Nov 2009

Long term financing strategy

- Increase diversification of funding sources

FINANCIAL COMMENTS

FINANCIAL VIEW: Short term the company needs to take into consideration the uncertainties in the financial markets and act accordingly. Hence, Tele2 will not utilize the current share buy-back mandate. The company will instead maintain a strong financial position.

TAX: Corporate tax rate of 15 percent excluding one-off items. Cash flow affected by SEK 500 million

CAPEX: In the level of SEK 4,500-4,800 including payment of SEK 549 million for 4G spectrum in Sweden

FINANCIAL COMMENTS: RUSSIA

FINANCIAL IMPACT OF THE 17 NEW LICENSES

2008: The operational expenditures are estimated to SEK 40-60 million and the capital expenditures are estimated to SEK 100-300 million

2009: The operational expenditures are estimated to SEK 300-500 million and capital expenditures are estimated to SEK 900-1,100 million

FINANCIAL COMMENTS: RUSSIA

FINANCIAL IMPACT OF THE 17 NEW LICENSES

Up to 12 regions out of 17 will have been launched as 2009

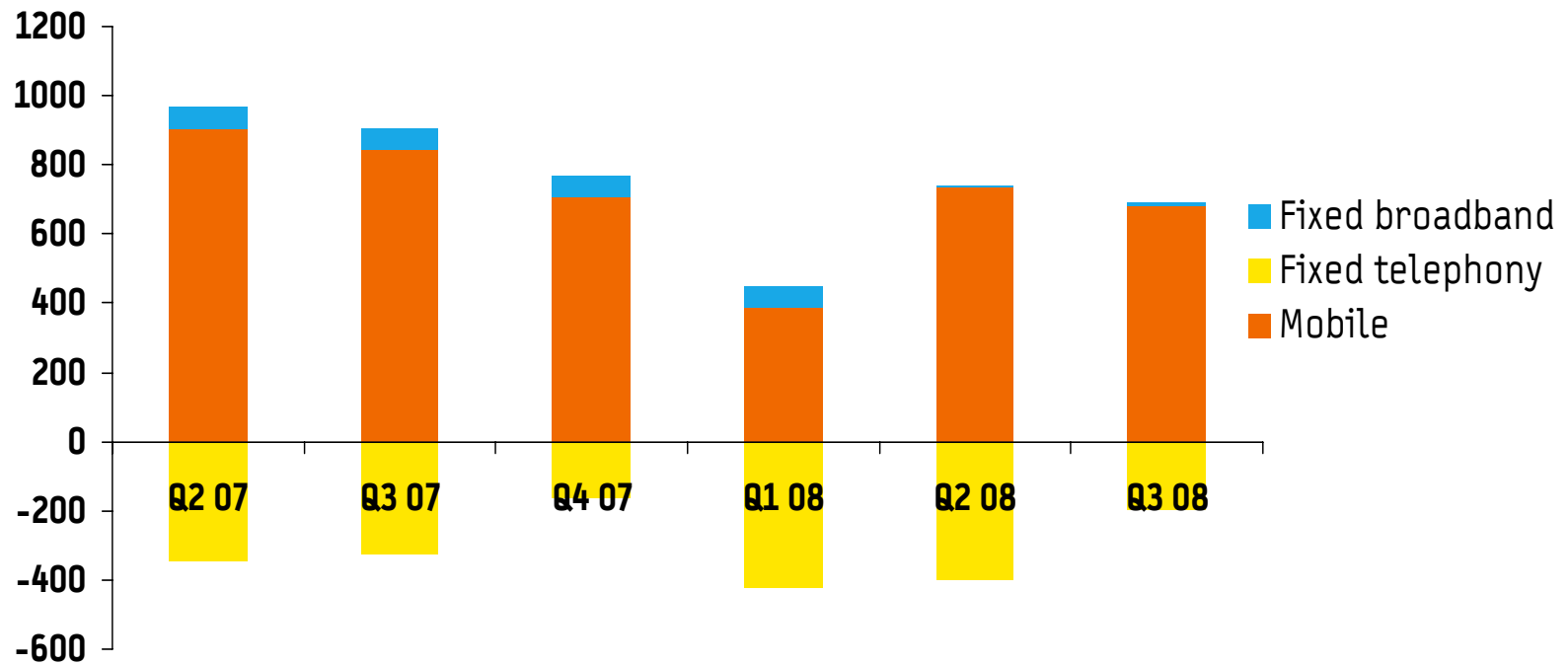
New operations should be able to reach an EBITDA break-even three years after commercial launch date

The longer term market share in the 17 new regions should not deviate significantly from the historic market share of Tele2 Russia

NET INTAKE BY SEGMENT

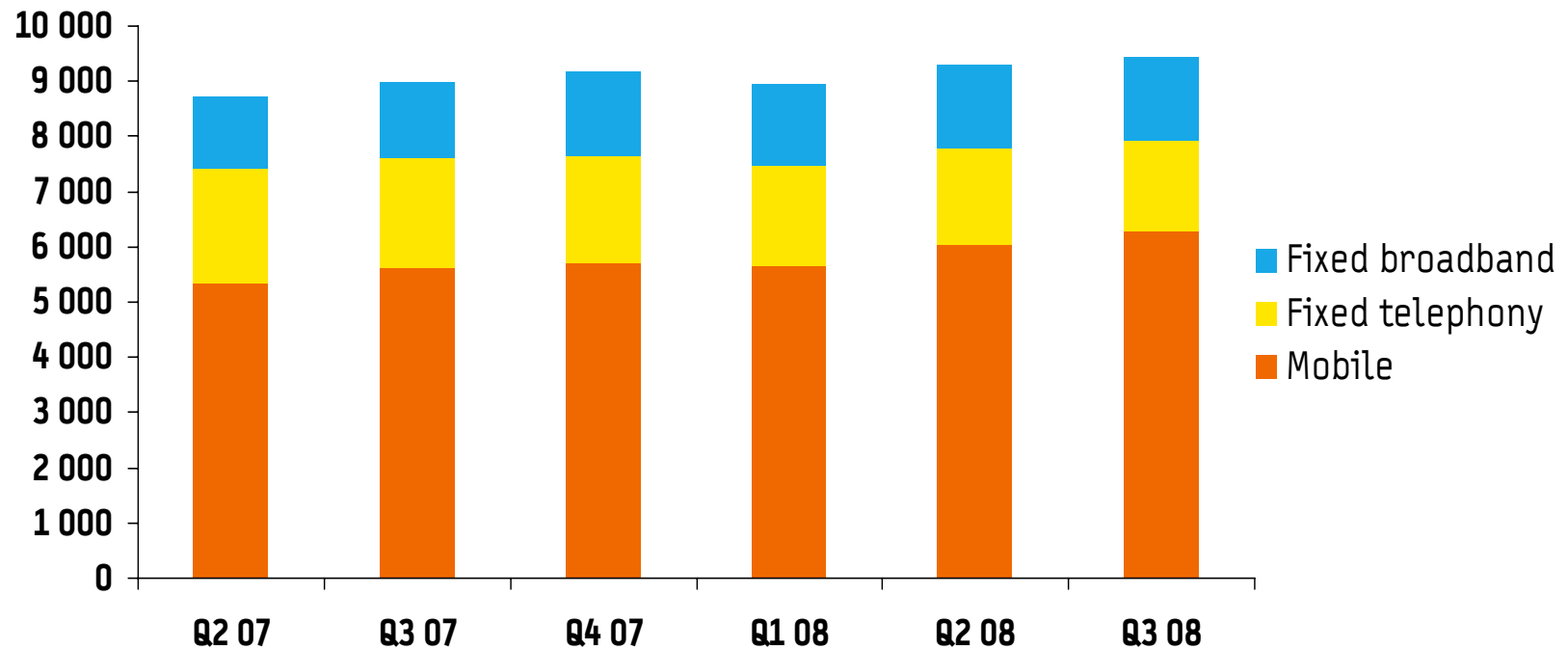
NET CUSTOMER INTAKE DRIVEN BY MOBILE

(Approx. 700 thousand)



NET SALES BY SEGMENT

MOBILE +12% YEAR ON YEAR

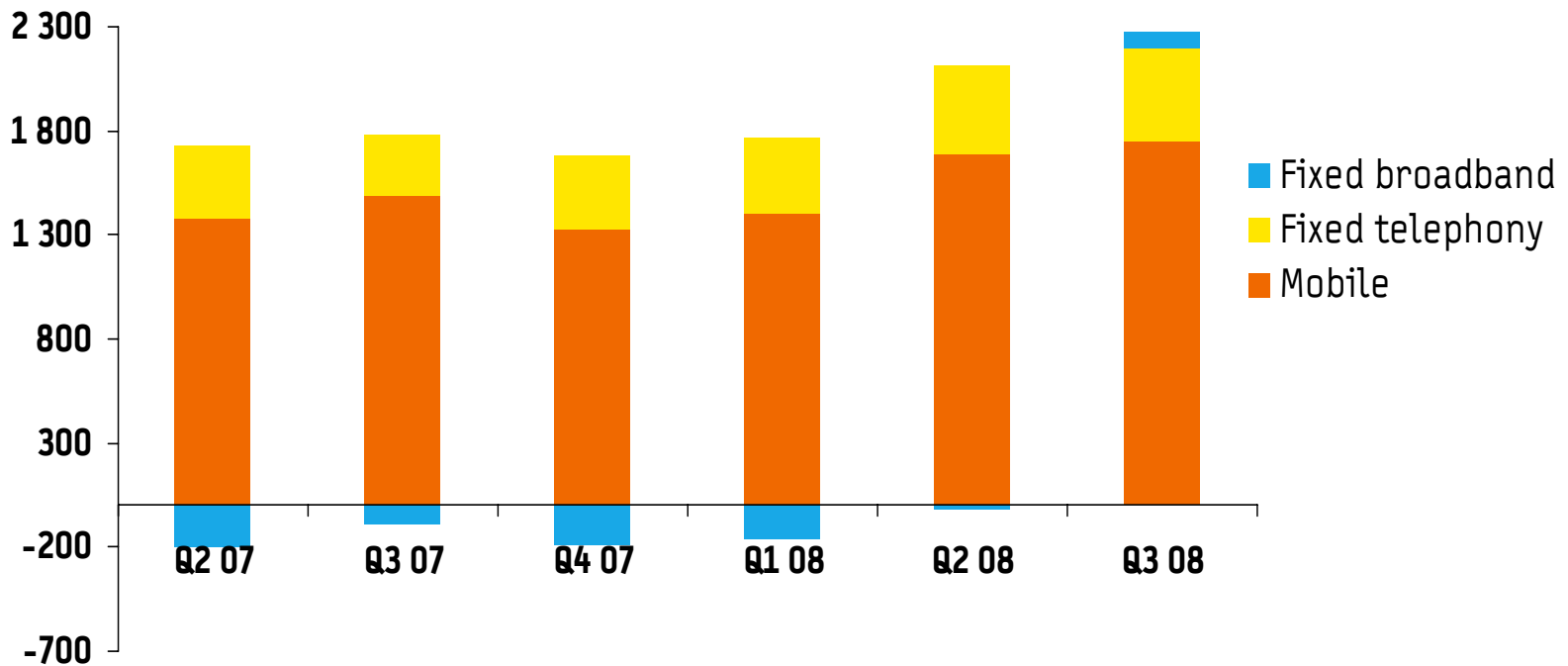


EBITDA BY SEGMENT

EBITDA MARGIN 22.8%

Mobile 27.8%

Fixed Telephony 27.7%

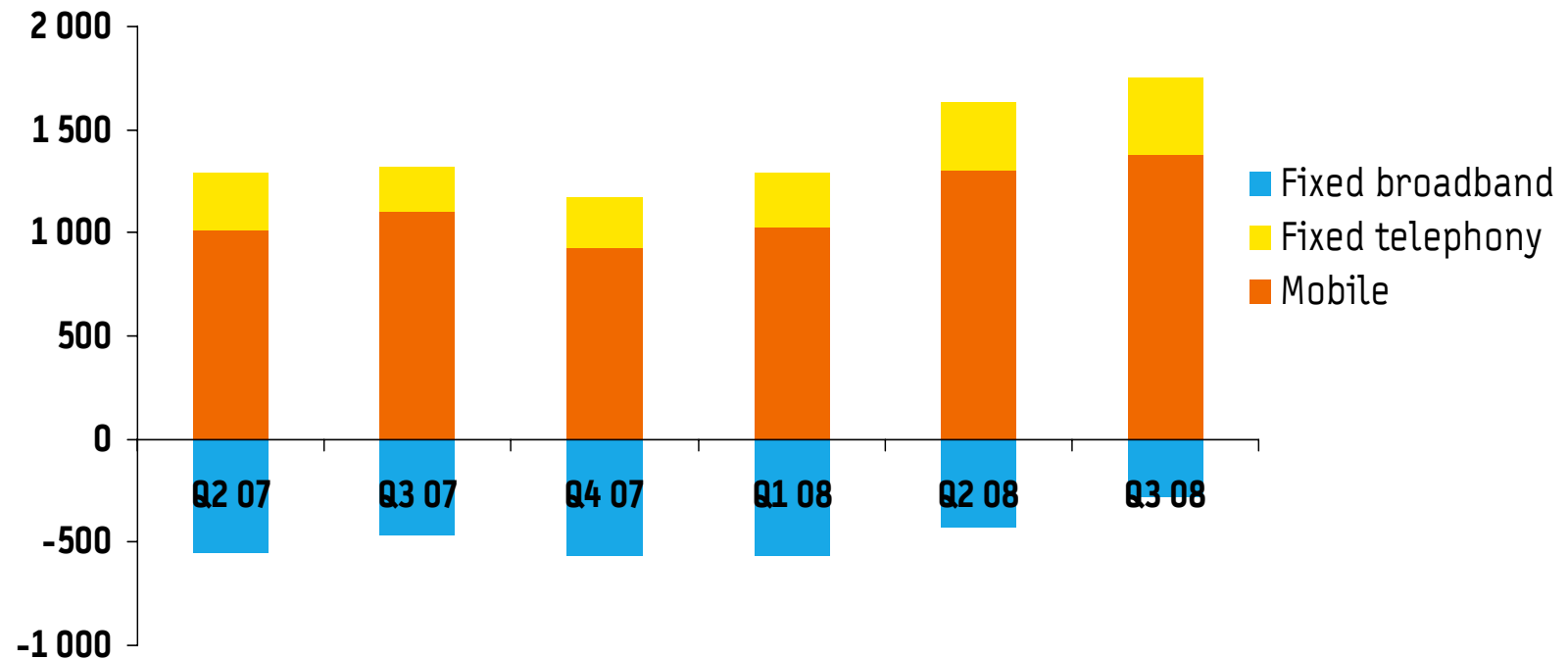


EBIT BY SEGMENT

NORMALIZED EBIT MARGIN 14.2%

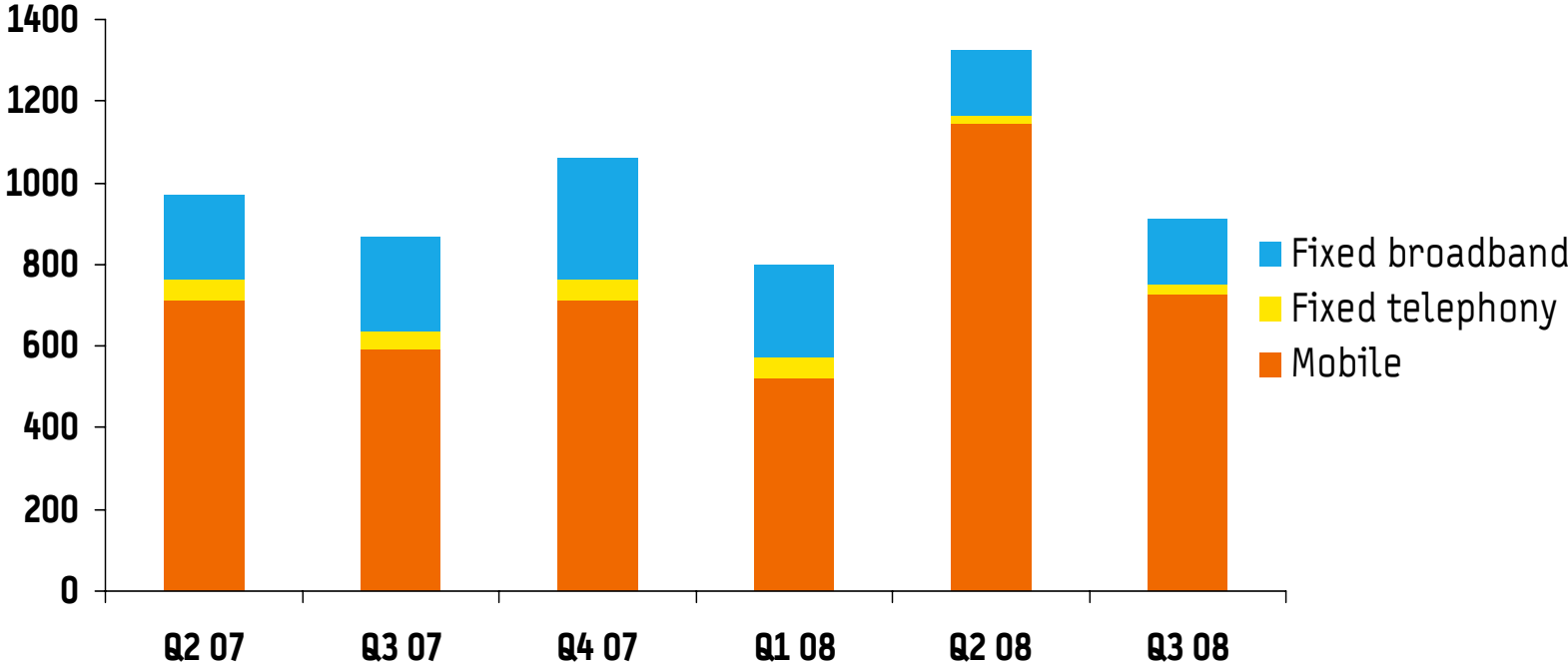
Mobile 23.8%

Fixed Telephony 22.9%



CAPEX BY SEGMENT

CAPEX TO SALES RATIO 9.5%



FINANCIAL SUMMARY

STRUCTURE: Move from realignment to transformation. Long term net debt/EBITDA target in line with industry and the markets in which Tele2 operates and the status of its operations and future strategic opportunities.

FINANCIAL POSITION: Tele2 will not in the near future utilize the current share buy-back mandate. The company will instead maintain a strong financial position.

QUESTIONS?