

For immediate release, Monday, April 25, 2005

Stockholm – Monday, April 25, 2005 – Tele2 AB (“Tele2”, “the Group”) (Stockholmsbörsen: TEL2A and TEL2B), Europe’s leading alternative telecom operator, today announced its consolidated results for the first quarter ended March 31, 2005.

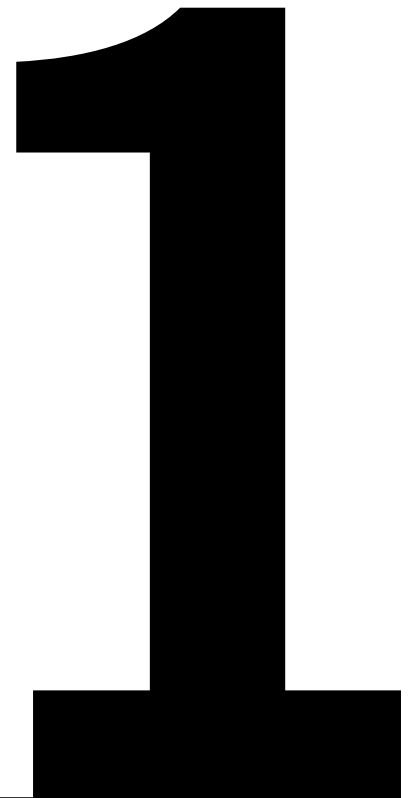


QUARTERLY REPORT JANUARY–MARCH 2005

In the first quarter 2005 Tele2 increased revenues by 12% and reported more than 600,000 ADSL customers.

- Operating revenue increased by 12% to MSEK 11,579 (10,379)
- Profit after tax amounted to MSEK 483 (678)
- Earnings per share amounted to SEK 3.27 (4.50)
- Some 300,000 customers have chosen Tele2’s fixed subscription fee in Sweden, associated with a one-off cost of less than MSEK 100 in Q1 2005

The figures shown in parenthesis correspond to the comparable periods in 2004.



PRESIDENT'S MESSAGE



Lars-Johan Jarnheimer, President and CEO of Tele2 AB commented:

“Tele2 showed good revenue growth in the first quarter, up 12% compared to last year and a solid performance in profitability and cash flow, taking into account the impact of wholesale line rental, UMTS-payments and integration costs in Austria, corresponding to a total of MSEK 185, as well as our new product offerings.

The underlying profitability in Swedish Mobile telephony improved sequentially, largely as a result of successful product launches.

We now offer ADSL services in nine countries, the Netherlands being the latest addition. Our ADSL strategy varies according to the prevailing regulatory and competitive environment in each country. With more than 600,000 customers we are already a significant ADSL provider in Europe.

During the quarter we completed the integration of UTA in Austria and Tiscali in Denmark and we are in an excellent competitive position in both countries.

Two areas that performed well were Central Europe, with a continued strong intake and a steady underlying financial performance, and Swedish mobile with an excellent intake, especially of postpaid customers, driven primarily by our innovative Comviq Knock-out offer.

We continue to fight for an improved regulatory environment. In March we published our third “Monopoly Challenger” report in which we set out the issues that both the EU and the respective regulatory authorities need to address to bring about a more competitive telecoms landscape.

In April we made important progress on two fronts in France. The first is a long awaited MVNO with Orange, in the form of an enhanced service provider agreement. The second is a letter of intent with Neuf Telecom, giving us access to the most comprehensive ULL network in France. In combination, these two agreements give us a more competitive product offering and excellent growth opportunities in France.”

” We continue to fight for an improved regulatory environment”

GROUP FINANCIAL OVERVIEW FOR THE QUARTER ENDED MARCH 31, 2005

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2005		
MSEK and thousands of customers	Q1 2005	Q1 2004
Operating Revenue	11,579	10,379
Customer intake	825*	1,568
EBITDA	1,414	1,525
EBIT	828	1,061
EBT	759	999
Operating cash flow	1,467	1,629
Cash flow after CAPEX	843	1,233

* Excluding customers in acquired companies

SIGNIFICANT EVENTS IN THE QUARTER

- Tele2 acquired Tiscali’s Danish operations, strengthening the company’s position as the third largest ADSL provider in Denmark.
- Tele2 completed the integration of UTA and Tele2 in Austria.
- Tele2 enhanced its product offering in the Netherlands by launching ADSL services.
- Tele2 announced that it had decided to delist from Nasdaq. The last trading day of Tele2’s ADRs on Nasdaq was on April 8, 2005.
- Tele2 published its third Monopoly Challenger report.

From January 1, 2005, Tele2, as previously announced, has adopted a new reporting structure. The affected market areas are UK & Benelux, Southern Europe and Services.

Tele2 continued to grow in all markets.

OPERATING REVENUE

Operating revenue amounted to MSEK 11,579 (MSEK 10,379), corresponding to a growth of 11.6% including, and 12.2% excluding currency effects. Organic growth was over 6%. Tele2 continued to grow in all markets. In Southern Europe in particular, however, the effect from previously announced fixed-to-mobile price cuts was evident. Price cuts were nevertheless mostly offset by lower costs, as made clear in the results comments below.

Growth in the market area Baltic & Russia and UK & Benelux had a negative currency effect of around 3.6%-units and 1.6%-units, respectively. The effect was less in other market areas.

Operating revenue from ADSL was MSEK 404 (242), an increase of 67%.

Gross customer intake was relatively stable for the Group as a whole compared to previous quarters.

CUSTOMER INTAKE

Net customer intake was 901,000, including 76,000 customers from the acquisition of Tiscali in Denmark, compared to 1,568,000 in Q1 2004. The total number of customers is 28.7 million. Net intake of ADSL customers was 66,000, of which 27,000 was through the acquisition of Tiscali. The total number of ADSL customers is more than 600,000, of which more than 400,000 are in Southern Europe.

Market areas Baltic & Russia and Central Europe represented the bulk of the quarter's net customer intake. Within these market areas Russia, Germany and Hungary were the largest contributors.

Gross customer intake was relatively stable for the Group as a whole compared to previous quarters; somewhat lower in UK & Benelux and in Southern Europe, and somewhat higher in Central Europe. Churn increased somewhat; in Russia as a consequence of the rather large customer intake the past year, but also in Italy. Churn in Fixed telephony in the Netherlands continued to be high, although this was partially offset by a good customer intake in Mobile telephony.

ARPU

Group ARPU was SEK 137 in Q1 2005, compared to SEK 150 in Q1 2004 and SEK 141 in Q4 2004. Hence, the sequential ARPU level has been relatively stable in the past few quarters, despite the dilutive effect from adding more customers in countries with low ARPU.

With the exception of Nordic, all market areas reported an improved or stable result.

RESULTS

Group EBITDA amounted to MSEK 1,414 (MSEK 1,525). With the exception of Nordic, all market areas reported an improved or stable result.

Tele2's Fixed telephony operation in Southern Europe continued to generate a return in line with the company's resale business model. The EBITDA margin including ADSL for Southern Europe amounted to 10% and excluding ADSL to 13-14%. ADSL effected total Group EBITDA by circa MSEK -200, in line with the corresponding period last year.

In Sweden payments to Svenska UMTS-nät AB for capacity utilization affected Swedish mobile EBITDA by some MSEK 50 and one-off costs, related to reselling the fixed subscription fee, affected Swedish Fixed telephony and Internet by less than MSEK 100. Underlying mobile profitability in Sweden hence improved sequentially, despite continued tough competition. In Fixed telephony, some 300,000 customers already have chosen Tele2's fixed subscription fee, which is very promising for the future development of Swedish fixed line operations.

Central Europe's EBITDA was affected by some MSEK 35 related to the integration of UTA in Austria.

Group EBIT amounted to MSEK 828 (MSEK 1,061). Comparing Q1 2005 to Q1 2004, the share of profits from the 3G company has affected results by circa MSEK 50. This is due to the operations in the 3G company reaching a critical volume and triggering depreciation. In addition, depreciation in Central Europe has increased following the acquisition of UTA.

Profit before taxes amounted to MSEK 759 (MSEK 999). The financial net includes an internal currency effect of MSEK -49 related to transactions between Tele2 Sweden and Tele2 companies with primarily Euro currency. These differences have not had any cash effect and were previously included in shareholders' equity.

Profit after taxes amounted to MSEK 483 (678).

Tele2 will continue reselling the fixed subscription fee in Sweden, which was a success in the first quarter.

CASH FLOW AND CAPEX

Cash flow stated as EBITDA less CAPEX amounted to MSEK 790 (MSEK 1,129). Investments (CAPEX) amounted to MSEK 624 (MSEK 396), or 5.4% (3.8%) of revenue. More than 50% of investments in Baltic & Russia relate to Croatia.

Change in working capital according to the cash flow statement amounted to MSEK 119 (MSEK 208).

FINANCIAL COMMENTS ON THE COMING QUARTERS

When estimating the financial results for the coming quarters, the following items should be considered:

Payments to Svenska UMTS-nät AB related to capacity purchase are expected to increase to some MSEK 75 the coming two quarters, and to further increase to MSEK 90-100 in Q4 2005.

Tele2 will continue reselling the fixed subscription fee in Sweden, which was a success in the first quarter. There is a one-off cost of some SEK 300 per customer related to this and the total cost depends on the number of customers signing up for the service. Judging from the demand so far, the company expects continued interest in this offering, which will lead to a short-term negative effect on the results.

In France Tele2 will commence offering mobile services this year, following the recently announced agreement with Orange. The experience from other countries indicates that it is possible to cross sell mobile services to some 10% of the Fixed telephony customers at a reasonable cost within the first year. In addition to this, the agreement with Neuf Telecom, described under market area Southern Europe, means that the opportunities for Tele2's ADSL operations in France will increase and it is the company's intention to step up its marketing efforts there.

OPERATIONAL REVIEW BY MARKET AREA

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Nordic

- Some 300 000 customers have chosen Tele2's fixed subscription fee in Sweden
- Swedish Mobile telephony showed good customer intake and stable margins
- Tele2 strengthened its position in the Danish ADSL market with the acquisition of Tiscali

The market area Nordic encompasses operations in Sweden (including Optimal Telecom), Norway, Denmark and Finland and Datamatrix operations.

NORDIC	Q1 2005	Q1 2004	Change
Operating revenue , MSEK	3,481	3,324	+5%
EBITDA, MSEK	723	979	-26%
EBIT, MSEK	463	782	-41%

The mobile operations in Sweden reported 3.5 million customers at March 31, 2005, an increase of 4% since March 31, 2004. Monthly average revenue per mobile user (ARPU), including both postpaid and prepaid customers, was SEK 146 (156) in Q1 2005 and mobile minutes of usage (MOU) were 106 (83). Prepaid mobile customers accounted for 74% of the total mobile customer base.

Sales of the Fixed telephony subscription fee that Tele2 started marketing at the end of 2004, took off in Q1 2005 and some 300,000 of Tele2's fixed line customers have already signed up for the service. The market area's negative customer intake in Fixed telephony and Internet is primarily due to a declining dial-up Internet market, whereas the Fixed telephony customer base was stable.

Mobile telephony in Sweden had a good customer intake in combination with stable margins, in a very competitive market. The success of our subsidy-free Comviq Knock-out subscription proves that consumers today demand simple subscriptions with low prices. The stable underlying EBITDA margin is mainly a result of the decline in subsidies, on both postpaid and prepaid mobile services.

In Norway, Tele2 had good revenue growth, primarily within Mobile telephony. Tele2 launched an Internet based prepaid mobile offering during the quarter, following the success of other Internet based mobile services in Norway.

Tele2 acquired Tiscali's Danish operations in February, strengthening its position as the third largest ADSL-provider in Denmark. The integration is organization-wise completed. With this acquisition, Tele2 reaches 65-70% of Danish households with ADSL.

Baltic & Russia

- Mobile number portability introduced in Estonia, which should benefit Tele2
- Tele2 has begun building out its mobile network in Croatia
- Over 1 million customers now in Lithuania

The market area Baltic & Russia encompasses operations in Estonia, Latvia, Lithuania, Russia and Croatia.

BALTIC & RUSSIA	Q1 2005	Q1 2004	Change
Operating revenue , MSEK	844	726	+16%
EBITDA, MSEK	224	226	-1%
EBIT, MSEK	125	91	+37%

Mobile ARPU for Baltic & Russia, including both postpaid and prepaid customers, was SEK 72 (102) in Q1 2005.

Number portability was introduced in Estonia on January 1, from which Tele2 expects to benefit. To further strengthen the price leadership in Estonia Tele2 introduced an Internet based mobile subscription during the quarter. Tele2 continues to successfully grab market share in Lithuania, and it already has a 40% share of the total prepaid market.

During the quarter, Tele2 commenced building out its mobile network in Croatia and plans to launch its first services in the second half of 2005.

Central Europe

- Continued strong growth and improved profitability
- Germany and Hungary continue to drive the rapid growth
- UTA and Tele2 in Austria completed their integration

The market area Central Europe encompasses operations in Germany, Austria, Poland, the Czech Republic and Hungary.

CENTRAL EUROPE	Q1 2005	Q1 2004	Change
Operating revenue , MSEK	2,008	1,157	+74%
EBITDA, MSEK	86	8	
EBIT, MSEK	-28	-34	

The market area's ARPU for Fixed telephony and Internet was SEK 117 (114) for Q1 2005.

Central Europe delivered continued strong growth in combination with improved profitability. Germany and Hungary remain the primary drivers behind the positive development.

In March, Tele2 announced that the process of integrating UTA and Tele2 in Austria was completed. Integration costs, including synergies, amounted to a net MSEK 35 in the quarter.

OPERATIONAL REVIEW BY MARKET AREA

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Southern Europe

- MVNO agreement signed in France
- Build out of GSM network in Zürich, Switzerland has commenced
- Letter of intent signed to use Neuf Telecom's ULL network in France

The market area Southern Europe encompasses operations in France, Italy, Spain, Switzerland and Portugal.

SOUTHERN EUROPE	Q1 2005	Q1 2004	Change
Operating revenue , MSEK	3,556	3,503	+2%
EBITDA, MSEK	349	293	+19%
EBIT, MSEK	304	260	+17%

Fixed telephony and Internet ARPU for Southern Europe was SEK 144 (156) for Q1 2005.

Tele2 has begun building out its GSM network in Zürich, Switzerland and the company expects to launch services in June.

In April, Tele2 announced that it had signed an MVNO agreement with Orange in France. Tele2 looks forward to offering mobile services to its customers later this year. Tele2's experience from other countries indicates that it is possible to cross sell mobile services to 10% of the fixed line customer base at a reasonable cost within the first year.

Tele2 has signed a letter of intent with Neuf Telecom in France for long-term use of Neuf Telecom's ADSL network, giving Tele2 access to the broadest ULL network in France on favorable terms. This arrangement gives Tele2 a great opportunity to increase its exposure to the French ADSL market. The letter of intent includes an upfront payment of MEUR 35 in Q2 2005, and a second payment of MEUR 27 in three years.

UK & Benelux

- Revenue driven by UK Fixed telephony
- ADSL and an Internet based prepaid mobile service launched in the Netherlands
- First global free TV service for 3G launched in Luxembourg

The market area UK & Benelux encompasses operations in the Netherlands, Luxembourg (including Tango), Liechtenstein, Belgium, the UK and Ireland as well as C³ and 3C operations

UK & BENELUX	Q1 2005	Q1 2004	Change
Operating revenue , MSEK	1,653	1,644	+1%
EBITDA, MSEK	21	10	+110%
EBIT, MSEK	-41	-42	

Fixed telephony and Internet ARPU for UK & Benelux was SEK 218 (285) for Q1 2005.

Operating revenue in UK & Benelux was stable overall. Mobile telephony grew its revenue by 44% and had a strong customer intake.

Tele2 launched ADSL and an Internet based prepaid mobile service in the Netherlands. In Luxembourg, Tele2 launched the first global free TV service for 3G.

Tele2's Fixed telephony operations in the UK are progressing according to plan, and the company is therefore confident in reaching positive results three years from launch. The development of Alpha Telecom has, however, not met expectations. Tele2 has been more efficient than many competitors in implementing VAT on its services, which has had a significant negative impact on revenues. Alpha Telecom's operations are nevertheless now stabilizing and heading in the right direction.

Services

The market area Services includes ProcurelTright, Proceedo Solutions, Radio Components and UNI2 operations.

SERVICES	Q1 2005	Q1 2004	Change
Operating revenue , MSEK	37	25	+48%
EBITDA, MSEK	11	9	+22%
EBIT, MSEK	5	4	+25%

OTHER ITEMS

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Tele2 in brief

Tele2 is Europe's leading alternative telecom operator. Tele2 always strives to offer the market's best prices. With our unique values, we provide cheap and simple telecom for all Europeans every day. We have 28.7 million customers in 25 countries. We offer products and services in fixed and mobile telephony, Internet access, data networks, cable TV and content services. Our main competitors are the former government monopolies. Tele2 was founded in 1993 by Jan Stenbeck and has been listed on Stockholmsbörsen since 1996. In 2004 we had operating revenue of SEK 43 billion and reported a profit (EBITDA) of SEK 6.6 billion.

CONFERENCE CALL DETAILS

A conference call to discuss the results will be held at 16.00 (CET) / 15.00 (UK time) / 10.00 (New York time), on April 25, 2005. The dial-in number is: +44 (0)20 7784 1004 or US: 1 866 850 2201. 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 7784 1024 or US: 1 866 883 4489 with access code 4316922#. The conference call will be web-cast on Tele2's website www.Tele2.com, along with the presentation material.

CONTACTS

- **Lars-Johan Jarnheimer**
Telephone: + 46 (0)8 5626 4000
President and CEO, Tele2 AB
- **Håkan Zadler**
Telephone: + 46 (0)8 5626 4000
CFO, Tele2 AB
- **Dwayne Taylor**
Telephone: + 44 (0)20 7321 5038
Investor enquiries
- **Lena Krauss**
Telephone: + 46 (0)8 5620 0045
Investor enquiries

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Tele2 AB (Company registration number: 556410-8917)
Skeppsbron 18, P. O. Box 2094, SE-103 13 Stockholm,
Sweden
Phone: +46 8 5620 0060 Fax: +46 8 5620 0040
E-mail: info@tele2.com

INVESTMENTS

In Q1 2005, Tele2 acquired all outstanding shares in Tiscali in Denmark for MSEK 131. The acquisition resulted in 76,000 new Fixed telephony and Internet customers.

PARENT COMPANY

At the Parent Company level, Tele2 reported at March 31, 2005 operating revenue of MSEK 4 (4), EBIT of MSEK -5 (-14) and liquidity of MSEK 8 compared to MSEK 7 at December 31, 2004.

At the Annual General Meeting on May 11, 2005 a proposal will be made to decide on a share split and a share redemption procedure, whereby every share is split into 3 ordinary shares and 1 redemption share. The redemption share will automatically be redeemed at SEK 10 per share. This corresponds to a total of MSEK 1,476. Combined with the proposed dividend of SEK 5 per share, shareholders will receive MSEK 2,213.

DELISTING FROM NASDAQ

In Q1 2005, Tele2 announced that it had decided to delist from NASDAQ National Market, based on the fact that the costs were not compensated by the limited benefits of remaining listed on Nasdaq. Of Tele2's total traded volume in 2004, less than 0.1% was at Nasdaq. The last trading day with Tele2 ADRs on Nasdaq, was on April 8, 2005.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The interim report for Q1 2005 is the first interim report of the Tele2 Group conducted according to International Financial Reporting Standards (IFRS). The transition day is set to January 1, 2004 and consequently all financial information post this date is restated to comply with IFRS. For a description of the changeover to IFRS and the effects on Tele2's results and balance sheet, refer to Note 8.

EVENTS POST MARCH 31, 2005

In April, Tele2 announced that it had secured an MVNO in France using Orange's network. The MVNO is in the form of an enhanced service provider (ESP) agreement. Tele2 will commence mobile services in France during 2005.

COMPANY DISCLOSURE

Tele2 will release its financial and operating result for the period ended June 30, 2005 on July 26, 2005.

The Annual General Meeting (AGM) will be held at the Skandia cinema, Drottninggatan 82, Stockholm on Wednesday, May 11, 2005 at 13.30 CET.

Shareholders who wish to participate at the Annual General Meeting shall:

- have their names entered in the register of shareholders maintained by VPC AB (the Swedish Securities Register Center) on Friday 29 April 2005; and
- notify the company of their intention to participate by no later than 1.00 p.m. CET on Wednesday 4 May 2005. The notification can be made on the company's website, www.tele2.com, by telephone +46-433-747 56 or in writing to the company.

STOCKHOLM, APRIL 25, 2005

Lars-Johan Jarnheimer
President and CEO, Tele2 AB

REPORT REVIEW

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

INCOME STATEMENT

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MSEK	Note	2005	2004	2004
		Jan 1–Mar 31	Jan 1–Mar 31	Full year
Operating revenue		11,579	10,379	43,033
Operating expenses		–10,727	–9,338	–38,784
Other operating revenues		22	16	92
Other operating expenses		–10	–12	–40
Share of profit/loss of associated companies		–36	16	17
Operating profit, EBIT		828	1,061	4,318
Net interest expenses	4	–40	–69	–273
Other financial items	4	–29	7	162
Profit after financial items, EBT		759	999	4,207
Taxes		–276	–321	–779
PROFIT AFTER TAXES		483	678	3,428
ATTRIBUTABLE TO:				
Equity holders of the Parent Company		483	666	3,428
Minority interest		–	12	–
PROFIT AFTER TAXES		483	678	3,428
Earnings per share after tax (SEK)		3.27	4.51	23.23
Earnings per share after tax, after dilution (SEK)		3.27	4.50	23.18
Number of shares, basic	6	147,560,175	147,560,175	147,560,175
Number of shares, weighted average	6	147,560,175	147,560,175	147,560,175
Number of shares after dilution	6	148,163,175	148,203,675	148,176,675
Number of shares after dilution, weighted average	6	147,734,624	147,917,841	147,857,185

BALANCE SHEET**9**

MSEK	Note	2005 March 31	2004 March 31	2004 Dec 31
ASSETS				
Fixed assets				
Intangible assets		24,680	24,105	24,016
Tangible assets		9,210	9,120	9,107
Long-term financial assets	5	3,780	2,929	3,842
		37,670	36,154	36,965
Current assets				
Materials and supplies		237	387	308
Current receivables		10,532	9,490	10,458
Cash and cash equivalents		2,594	4,194	2,148
		13,363	14,071	12,914
TOTAL ASSETS		51,033	50,225	49,879
EQUITY AND LIABILITIES				
Shareholders' equity				
Shareholders' equity		33,928	31,718	32,900
Provisions	5	635	27	538
Long-term liabilities				
Interest-bearing liabilities		1,278	4,894	1,719
		1,278	4,894	1,719
Short-term liabilities				
Interest-bearing liabilities		3,483	2,589	3,308
Non-interest-bearing liabilities		11,709	10,997	11,414
		15,192	13,586	14,722
TOTAL EQUITY AND LIABILITIES		51,033	50,225	49,879

CASH FLOW STATEMENT

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MSEK	2005	2004	2004	2005	2004	2004	2004	2004
	Jan 1–Mar 31	Jan 1–Mar 31	Full year	Q1	Q4	Q3	Q2	Q1
Cash flows from operation	1,348	1,421	6,228	1,348	1,734	1,574	1,499	1,421
Change in working capital	119	208	–352	119	–578	12	6	208
Cash flow from operating activities	1,467	1,629	5,876	1,467	1,156	1,586	1,505	1,629
Capital expenditure in intangible and tangible assets, CAPEX	–624	–396	–1,562	–624	–473	–324	–369	–396
Cash flow after CAPEX	843	1,233	4,314	843	683	1,262	1,136	1,233
Purchase of shares and participations	–102	–11	–2,802	–102	–1,726	–1,050	–15	–11
Sale of companies, less liquid funds	22	–	932	22	899	–	33	–
Change of long-term receivables	16	–11	15	16	7	6	13	–11
Cash flow after investing activities	779	1,211	2,459	779	–137	218	1,167	1,211
Financing activities	–381	116	–3,074	–381	–1,065	–14	–2,111	116
Net change in cash	398	1,327	–615	398	–1,202	204	–944	1,327
Cash at beginning of period	2,148	2,773	2,773	2,148	3,361	3,179	4,194	2,773
Exchange rate differences in cash	48	94	–10	48	–11	–22	–71	94
CASH AT END OF PERIOD*	2,594	4,194	2,148	2,594	2,148	3,361	3,179	4,194
<i>*of which restricted funds</i>	<i>387</i>	<i>801</i>	<i>365</i>	<i>387</i>	<i>365</i>	<i>451</i>	<i>456</i>	<i>801</i>

CHANGES OF SHAREHOLDERS' EQUITY

MSEK	Note	2005 March 31	2004 March 31	2004 Dec 31
Equity, January 1	8	32,900	30,378	30,378
Dividend		–	–	–443
Exchange rate differences		545	662	–463
Profit, year-to-date		483	678	3,428
EQUITY, END OF PERIOD		33,928	31,718	32,900

NUMBER OF CUSTOMERS

In thousands	Note	NUMBER OF CUSTOMERS			NET INTAKE				
		2005 March 31	2004 March 31	Change	2005 Q1	2004 Q4	2004 Q3	2004 Q2	2004 Q1
Nordic									
Mobile telephony		3,870	3,636	6%	60	79	50	45	36
Fixed telephony and Internet		2,802	2,875	-3%	-61	-9	-25	-54	-67
Cable TV		191	179	7%	1	11	1	-1	1
		6,863	6,690	3%	-	81	26	-10	-30
Baltic & Russia									
Mobile telephony		3,927	2,352	67%	309	504	435	327	148
Fixed telephony and Internet		70	57	23%	2	11	-1	2	-
Cable TV	3	22	66	-67%	-	1	1	-1	-
		4,019	2,475	62%	311	516	435	328	148
Central Europe									
Mobile telephony		112	55	104%	14	23	7	13	5
Fixed telephony and Internet	3	6,141	4,049	52%	346	328	556	378	630
		6,253	4,104	52%	360	351	563	391	635
Southern Europe									
Mobile telephony		40	41	-2%	-	-1	-	-	1
Fixed telephony and Internet		8,637	8,021	8%	168	306	-58	200	574
		8,677	8,062	8%	168	305	-58	200	575
UK & Benelux									
Mobile telephony		739	545	36%	46	73	33	42	17
Fixed telephony and Internet		2,144	1,998	7%	-60	58	17	131	223
		2,883	2,543	13%	-14	131	50	173	240
NET CUSTOMER INTAKE					825	1,384	1,016	1,082	1,568
Acquired companies	3				76	484	-	-	-
Divested companies	3				-	-	-	-46	-
TOTAL NUMBER OF CUSTOMERS		28,695	23,874	20%	901	1,868	1,016	1,036	1,568
By business area									
Mobile telephony		8,688	6,629	31%	429	678	525	427	207
<i>Of which prepaid</i>		6,409	4,736	35%	337	582	403	351	138
Fixed telephony and Internet	3	19,794	17,000	16%	395	694	489	657	1,360
Cable TV	3	213	245	-13%	1	12	2	-2	1
Acquired companies	3				76	484	-	-	-
Divested companies	3				-	-	-	-46	-
TOTAL NUMBER OF CUSTOMERS		28,695	23,874	20%	901	1,868	1,016	1,036	1,568

OPERATING REVENUE

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MSEK	Note	2005		2004		2004		2004	
		Jan 1–Mar 31	Jan 1–Mar 31	Q1	Q4	Q3	Q2	Q1	
Nordic									
Mobile telephony		1,871	1,736	1,871	1,812	2,029	1,903	1,736	
Fixed telephony and Internet		1,690	1,677	1,690	1,673	1,610	1,667	1,677	
Cable TV		53	53	53	51	46	51	53	
Other operations		90	79	90	99	85	89	79	
Adjustments for internal sales		-223	-221	-223	-215	-211	-238	-221	
		3,481	3,324	3,481	3,420	3,559	3,472	3,324	
Baltic & Russia									
Mobile telephony		818	696	818	854	856	772	696	
Fixed telephony and Internet		26	24	26	31	26	27	24	
Cable TV		3	7	3	2	3	4	7	
Adjustments for internal sales		-3	-1	-3	-2	-1	-1	-1	
		844	726	844	885	884	802	726	
Central Europe									
Mobile telephony		38	16	38	29	24	19	16	
Fixed telephony and Internet		2,095	1,273	2,095	1,500	1,389	1,299	1,273	
Adjustments for internal sales		-125	-132	-125	-125	-113	-121	-132	
		2,008	1,157	2,008	1,404	1,300	1,197	1,157	
Southern Europe									
Mobile telephony		7	8	7	7	8	8	8	
Fixed telephony and Internet	1	3,703	3,612	3,703	3,962	3,416	3,678	3,612	
Adjustments for internal sales		-154	-117	-154	-137	-148	-145	-117	
		3,556	3,503	3,556	3,832	3,276	3,541	3,503	
UK & Benelux									
Mobile telephony		356	248	356	336	322	291	248	
Fixed telephony and Internet		1,424	1,612	1,424	1,468	1,514	1,520	1,612	
Cable TV		2	1	2	3	-2	5	1	
Other operations		21	25	21	21	23	21	25	
Adjustments for internal sales		-150	-242	-150	-175	-194	-174	-242	
		1,653	1,644	1,653	1,653	1,663	1,663	1,644	
Services									
Other operations		79	63	79	87	79	71	63	
Adjustments for internal sales		-42	-38	-42	-51	-48	-35	-38	
		37	25	37	36	31	36	25	
TOTAL OPERATING REVENUE		11,579	10,379	11,579	11,230	10,713	10,711	10,379	
By business area									
Mobile telephony		3,090	2,704	3,090	3,038	3,239	2,993	2,704	
Fixed telephony and Internet	1	8,938	8,198	8,938	8,634	7,955	8,191	8,198	
Cable TV		58	61	58	56	47	60	61	
Other operations		190	167	190	207	187	181	167	
Adjustments for internal sales		-697	-751	-697	-705	-715	-714	-751	
TOTAL OPERATING REVENUE		11,579	10,379	11,579	11,230	10,713	10,711	10,379	

EBITDA

MSEK	2005		2004		2004		2004	
	1 jan-31 mars	1 jan-31 mars	Q1	Q4	Q3	Q2	Q1	
Nordic								
Mobile telephony	630	704	630	636	787	705	704	
Fixed telephony and Internet	89	263	89	265	222	257	263	
Cable TV	7	13	7	6	6	7	13	
Other operations	-3	-1	-3	4	-12	3	-1	
	723	979	723	911	1,003	972	979	
Baltic & Russia								
Mobile telephony	225	228	225	189	241	271	228	
Fixed telephony and Internet	7	-2	7	-5	-2	-3	-2	
Cable TV	-8	-	-8	1	-	26	-	
	224	226	224	185	239	294	226	
Central Europe								
Mobile telephony	-16	-7	-16	-21	-15	-14	-7	
Fixed telephony and Internet	102	15	102	104	129	55	15	
	86	8	86	83	114	41	8	
Southern Europe								
Mobile telephony	-9	-7	-9	-5	-3	-	-7	
Fixed telephony and Internet	358	300	358	717	278	359	300	
	349	293	349	712	275	359	293	
UK & Benelux								
Mobiltelephony	12	65	12	-7	49	60	65	
Fixed telephony and Internet	13	-51	13	-124	-49	-63	-51	
Cable TV	-6	-3	-6	-6	-5	-5	-3	
Other operations	2	-1	2	2	3	4	-1	
	21	10	21	-135	-2	-4	10	
Services								
Other operations	11	9	11	16	32	9	9	
	11	9	11	16	32	9	9	
TOTAL EBITDA	1,414	1,525	1,414	1,772	1,661	1,671	1,525	
By business area								
Mobiltelephony	842	983	842	792	1,059	1,022	983	
Fixed telephony and Internet	569	525	569	957	578	605	525	
Cable TV	-7	10	-7	1	1	28	10	
Other operations	10	7	10	22	23	16	7	
TOTAL EBITDA	1,414	1,525	1,414	1,772	1,661	1,671	1,525	
EBITDA margin								
Nordic	21%	29%	21%	27%	28%	28%	29%	
Baltic & Russia	27%	31%	27%	21%	27%	37%	31%	
Central Europe	4%	1%	4%	6%	9%	3%	1%	
Southern Europe	10%	8%	10%	19%	8%	10%	8%	
UK & Benelux	1%	1%	1%	-8%	0%	0%	1%	
Services	30%	36%	30%	44%	103%	25%	36%	
TOTAL EBITDA MARGIN	12%	15%	12%	16%	16%	16%	15%	

EBIT

MSEK	Note	2005		2004		2004		2004	
		Jan 1–Mar 31	Jan 1–Mar 31	Q1	Q4	Q3	Q2	Q1	
Nordic									
Mobile telephony		483	621	483	492	682	627	621	
Fixed telephony and Internet		-12	165	-12	178	130	160	165	
Cable TV		-3	-2	-3	-50	-8	-8	-2	
Other operations		-5	-2	-5	3	-13	3	-2	
		463	782	463	623	791	782	782	
Baltic & Russia									
Mobile telephony		127	95	127	114	113	129	95	
Fixed telephony and Internet		6	-2	6	-5	-2	-4	-2	
Cable TV		-8	-2	-8	-	-1	26	-2	
		125	91	125	109	110	151	91	
Central Europe									
Mobile telephony		-19	-10	-19	-23	-17	-16	-10	
Fixed telephony and Internet	2	-9	-24	-9	-326	80	10	-24	
		-28	-34	-28	-349	63	-6	-34	
Southern Europe									
Mobile telephony		-9	-7	-9	-5	-3	-	-7	
Fixed telephony and Internet		313	267	313	663	252	318	267	
		304	260	304	658	249	318	260	
UK & Benelux									
Mobile telephony		-21	38	-21	-38	21	31	38	
Fixed telephony and Internet		-13	-70	-13	-137	-63	-73	-70	
Cable TV		-6	-5	-6	-8	-6	-6	-5	
Other operations		-1	-5	-1	-1	2	1	-5	
		-41	-42	-41	-184	-46	-47	-42	
Services									
Other operations		5	4	5	10	27	-2	4	
		5	4	5	10	27	-2	4	
TOTAL EBIT		828	1,061	828	867	1,194	1,196	1,061	
By business area									
Mobile telephony		561	737	561	540	796	771	737	
Fixed telephony and Internet	2	285	336	285	373	397	411	336	
Cable TV		-17	-9	-17	-58	-15	12	-9	
Other operations		-1	-3	-1	12	16	2	-3	
TOTAL EBIT		828	1,061	828	867	1,194	1,196	1,061	
EBIT margin									
Nordic		13%	24%	13%	18%	22%	23%	24%	
Baltic & Russia		15%	13%	15%	12%	12%	19%	13%	
Central Europe	2	-1%	-3%	-1%	-25%	5%	-1%	-3%	
Southern Europe		9%	7%	9%	17%	8%	9%	7%	
UK & Benelux		-2%	-3%	-2%	-11%	-3%	-3%	-3%	
Services		14%	16%	14%	28%	87%	-6%	16%	
TOTAL EBIT MARGIN		7%	10%	7%	8%	11%	11%	10%	

INVESTMENTS, CAPEX

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MSEK	2005		2004		2004		2004	
	Jan 1–Mar 31	Jan 1–Mar 31	Q1	Q4	Q3	Q2	Q1	
Market areas								
Nordic	111	106	111	93	90	141	106	
Baltic & Russia	425	178	425	273	139	94	178	
Central Europe	38	36	38	21	32	67	36	
Southern Europe	18	16	18	33	34	36	16	
UK & Benelux	20	50	20	40	24	16	50	
Services	12	10	12	13	5	15	10	
INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS	624	396	624	473	324	369	396	
Business areas								
Mobile telephony	500	289	500	397	195	182	289	
Fixed telephony and Internet	102	91	102	54	121	166	91	
Cable TV	1	2	1	1	2	2	2	
Other operations	21	14	21	21	6	19	14	
INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS	624	396	624	473	324	369	396	

TELE2 OPERATIONS IN SWEDEN*

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MSEK	2005		2004		2004		2004	
	Jan 1–Mar 31	Jan 1–Mar 31	Q1	Q4	Q3	Q2	Q1	
Operating revenue								
Mobile telephony	1,522	1,523	1,522	1,480	1,681	1,622	1,523	
Fixed telephony and Internet	972	996	972	963	938	970	996	
Cable TV	53	53	53	51	46	51	53	
TOTAL OPERATING REVENUE	2,547	2,572	2,547	2,494	2,665	2,643	2,572	
EBITDA								
Mobile telephony	632	712	632	648	773	716	712	
Fixed telephony and Internet	78	204	78	195	189	204	204	
Cable TV	7	13	7	6	6	7	13	
TOTAL EBITDA	717	929	717	849	968	927	929	
EBITDA margin								
Mobile telephony	42%	47%	42%	44%	46%	44%	47%	
Fixed telephony and Internet	8%	20%	8%	20%	20%	21%	20%	
Cable TV	13%	25%	13%	12%	13%	14%	25%	
TOTAL EBITDA MARGIN	28%	36%	28%	34%	36%	35%	36%	
EBIT								
Mobile telephony	491	627	491	506	674	637	627	
Fixed telephony and Internet	3	124	3	126	113	127	124	
Cable TV	-3	-2	-3	-49	-8	-7	-2	
TOTAL EBIT	491	749	491	583	779	757	749	
EBIT margin								
Mobile telephony	32%	41%	32%	34%	40%	39%	41%	
Fixed telephony and Internet	0%	12%	0%	13%	12%	13%	12%	
Cable TV	-6%	-4%	-6%	-96%	-17%	-14%	-4%	
TOTAL EBIT MARGIN	19%	29%	19%	23%	29%	29%	29%	

*Tele2 Sverige AB, Optimal Telecom AB, Cable TV operations in Sweden and result from shares in the joint venture Svenska UMTS-nät AB

KEY RATIOS

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MSEK	2005	2004	2004
	Jan 1–Mar 31	Jan 1–Mar 31	
Operating revenue	11,579	10,379	43,033
Number of customers, thousands	28,695	23,874	27,794
EBITDA	1,414	1,525	6,629
EBIT	828	1,061	4,318
EBT	759	999	4,207
Profit after taxes	483	678	3,428
Shareholders' equity	33,928	31,718	32,900
Shareholders' equity, after dilution	33,961	31,786	32,957
Total assets	51,033	50,225	49,879
Cash flow from operating activities	1,467	1,629	5,876
Cash flow after CAPEX	843	1,233	4,314
Liquidity	5,809	4,821	5,113
Net borrowing	2,075	3,248	2,814
Investments in intangible and tangible assets, CAPEX	624	396	1,562
Investments in shares and long-term receivables	95	22	1,756
Key ratios			
Equity/assets ratio, %	67	63	66
Debt/equity ratio, multiple	0.06	0.10	0.09
EBITDA margin, %	12.2	14.7	15.4
EBIT margin, %	7.2	10.2	10.0
Return on shareholders' equity, %	1.4	2.2	10.8
Return on shareholders' equity, after dilution, %	1.4	2.2	10.8
Return on capital employed, %	2.3	2.8	12.1
Average interest rate, %	3.4	3.6	3.5
Per share data (SEK)			
Earnings	3.27	4.51	23.23
Earnings, after dilution	3.27	4.50	23.18
Shareholders' equity	229.91	214.76	222.95
Shareholders' equity, after dilution	229.86	214.75	222.88
Cash flow from operating activities	9.94	11.04	39.82
Dividend	–	–	15.00
Market value at closing day	233.50	347.00	261.00

ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim report has been prepared in accordance with IAS 34.

The interim report for Q1 2005 is the first interim report of the Tele2 Group conducted according to International Financial Reporting Standards (IFRS). The transition day is set to January 1, 2004 and consequently all financial information post this date is restated to comply with IFRS. For a description of the changeover to IFRS and the effects on Tele2's results and balance sheet, refer to Note 8.

As of January 1, 2005 Tele2 applies IAS 39 regarding accounting for financial instruments. IAS 39 has not had any significant effect on the results and balance sheet of Tele2.

Tele2 Sweden, in conjunction with IFRS, changed its accounting methods for retailers' commissions on mobile prepaid cards. As of January 1, 2005, they are, on a gross level, included in marketing costs instead of, on a net level, balancing revenue. This means that the absolute EBITDA number in Swedish mobile is unaffected, whereas net revenue increases somewhat, implying a negative effect on Swedish mobile EBITDA-margins of a few percentage points.

As of January 1, 2005 Tele2 reports according to a new market area structure. This new structure means that a number of companies, that previously were included in Southern Europe and Services, are now included in UK & Benelux. The change applies retroactively for historic periods.

In all other respects, Tele2's interim report is conducted according to the same accounting principles and calculation methods as the 2004 Annual Report. Definitions are found in the 2004 Annual Report.

NOTE 1 OPERATING REVENUE

Operating revenue in Q4 2004 increased by some MSEK 300 related to retroactive compensations from suppliers in Southern Europe. Tele2 on an ongoing basis conducts price negotiations in all markets and retroactive compensations are a natural part of Tele2's business. Compensations in Q4 2004 were nevertheless greater than normally occurs and moreover concentrated in one single market area.

NOTE 2 OPERATING EXPENSES

Some of the tax effect of valued loss carry-forwards in Q4 2004 related to acquired loss carry-forwards which at the time of acquisition were valued at zero. This value, adjusted to reflect the remaining amortization period of the acquisition's goodwill, reduced the book value of goodwill through consolidated amortization of MSEK -378 in the income statement for Fixed telephony and Internet in Central Europe.

NOTE 3 DISPOSALS AND ACQUISITIONS OF OPERATIONS

On January 31, 2005 Tele2 acquired Tiscali in Denmark, with operations in ADSL and dial-up Internet, for a consideration of MSEK 131. The total number of Fixed telephony and Internet customers was 76,000 at the time of acquisition.

In May, 2004 the number of customers in Baltic & Russia declined by 46,000 as a result of the divestment of Tele2's Estonian cable TV operation. On December 31, 2004 the number of Fixed telephony and Internet customers in Central Europe increased by 484,000 following Tele2's acquisition of UTA in Austria.

NOTE 4 OTHER FINANCIAL ITEMS

Other financial items for Q1 2005 includes exchange rate differences of MSEK -41 (7).

In 2004, other financial items included a capital gain of MSEK 171 from the sale of shares in Song Networks, and net interest expenses included a one-time cost of MSEK 41 regarding the remaining parts of the financing costs of the old credit facility.

NOTE 5 TAXES

At March 31, 2005 and December 31, 2004 the total deferred net tax assets for the group is MSEK 2,658 and MSEK 2,743 respectively.

NOTE 6 SHARES AND CONVERTIBLES

At March 31, 2005 and December 31, 2004 Tele2 has outstanding warrants, corresponding to 603,000 and 616,500 B shares respectively, with a subscription price of SEK 191 per share and a subscription period from 2005 to 2007.

At the Annual General Meeting on May 11, 2005 a proposal will be made to decide on a share split and a share redemption procedure, whereby every share is split into 3 ordinary shares and 1 redemption share. The redemption share will automatically be redeemed at SEK 10 per share. This corresponds to a total of MSEK 1,476. Combined with the proposed dividend of SEK 5 per share, shareholders will receive MSEK 2,213.

NOTE 7 3G COMPANY IN SWEDEN

Tele2 and TeliaSonera each own 50% of Svenska UMTS-nät AB ("3G company"), which has a 3G license in Sweden. Both companies have injected capital in the 3G company. In addition to this, the build out has external financing, with a loan facility of SEK 7 billion, which is 50% guaranteed by each party. Tele2 and TeliaSonera are technically MVNO's with the 3G company and hence act as capacity purchasers. In the longer run the cost will be variable in relation to purchased volume but until a certain volume threshold is reached the fees are equal for both parties. The size of the fee is mainly proportional to the total investment. The 3G company is to generate a certain return which in simple terms means that depreciation and interest costs will be covered by a certain margin. In Tele2's quarterly reports, an abbreviated version of the 3G company's balance sheet will be disclosed and hence the level of investment at that time.

Tele2's investments in the 3G company are included as a share of results from associated companies in the operating profit (EBIT), but not in the EBITDA. This reflects Tele2's operations, where profit/loss from the 3G company is viewed to be of an operating rather than of a financial nature. The share of results from the 3G company, which will mainly be impacted by depreciation, does not affect the EBITDA for Tele2 Group.

At March 31, 2005 Tele2's guarantee amounted to MSEK 1,207 compared to MSEK 1,007 at December 31, 2004. The balance sheet for the 3G company at March 31, 2005 is stated below:

	MSEK		MSEK
Fixed assets	3,005	Equity	930
Other current assets	285	Provision	2
Liquid funds	134	Long-term liabilities	2,413
		Short-term liabilities	79
ASSETS	3,424	EQUITY AND LIABILITIES	3,424

NOTE 8 CHANGEOVER TO IFRS

From January 1, 2005 Tele2 reports its accounting in accordance with the International Financial Reporting Standards (IFRS). A gradual transition to IFRS has, over a number of years, already taken place in Sweden, involving, by and large, the adaptation of the recommendations of the Swedish Financial Accounting Standards Council to comply with IFRS. Tele2 already followed the recommendations issued by the Swedish Financial Accounting Standards Council and had therefore already largely adapted to comply with IFRS. Despite Tele2's gradual adjustment, the requirement for full adjustment to IFRS has affected the accounts of the Tele2 Group.

The date for the changeover to IFRS is set to January 1, 2004, as IFRS demands that one year is restated according to IFRS for comparison. Switching to IFRS is done in accordance with IFRS 1 "First-time adoption of International Financial Reporting Standards".

NOTES

The main rule of IFRS 1 is that all recommendations are to be implemented retroactively. IFRS 1 allows certain optional exceptions from the principle of retroactive application. Tele2 has decided to apply the following exceptions:

- Only acquisitions and mergers completed in the period after and including January 1, 2004, will be restated according to IFRS 3.
- Stock related compensations will be accounted for according to IFRS 2, for the incentive program allotted after November 7, 2002 and not utilized per January 1, 2005. Tele2 has chosen not to retroactively apply IFRS 2 prior to this date, and consequently no plans are restated.

- Tele2 has chosen to apply IAS 19 from the date of the transition, which means that actuarial gains and losses that occurred prior to this date are directly accounted as equity in the opening balance. This effect is limited, whereby it has not been taken into consideration below.

Financial information related to the financial years prior to 2004 is not restated.

The effects of the implementation of IFRS on Tele2's 2004 results and balance are detailed below.

INCOME STATEMENT FULL YEAR 2004

	Acc. to original principles	a) Goodwill	b) Financial leasing	c) Minority interest	Total IFRS adj.	Acc. to IFRS
Operating revenue	43,033	–	–	–	–	43,033
Operating expenses	-40,261	1,525	4	–	1,529	-38,732
Share of profit of associated companies	17	–	–	–	–	17
EBIT	2,789	1,525	4	–	1,529	4,318
of which EBITDA	6,618	–	11	–	11	6,629
Financial items	-108	–	-3	–	-3	-111
EBT	2,681	1,525	1	–	1,526	4,207
Taxes	-779	–	–	–	–	-779
Minority interest	–	–	–	–	–	–
PROFIT AFTER TAXES	1,902	1,525	1	–	1,526	3,428
ATTRIBUTABLE TO:						
Equity holders of the Parent Company	1,902	1,525	1	–	1,526	3,428
Minority interests	–	–	–	–	–	–
Profit after taxes	1,902	1,525	1	–	1,526	3,428
Earnings per share	12.89	10.33	0.01	–	10.34	23.23
Earnings per share, after dilution	12.86	10.31	0.01	–	10.32	23.18

BALANCE SHEET DECEMBER 31, 2004

Intangible assets	22,526	1,490	–	–	1,490	24,016
Tangible assets	9,015	–	92	–	92	9,107
Long-term financial assets	3,371	–	-4	–	-4	3,367
Current assets	12,914	–	–	–	–	12,914
ASSETS	47,826	1,490	88	–	1,578	49,404
Shareholders' equity	31,396	1,490	12	2	1,504	32,900
Minority interest	2	–	–	-2	-2	–
Provisions	63	–	–	–	–	63
Long-term liabilities	1,651	–	68	–	68	1,719
Short-term liabilities	14,714	–	8	–	8	14,722
EQUITY AND LIABILITIES	47,826	1,490	88	–	1,578	49,404

CHANGES OF SHAREHOLDERS' EQUITY DECEMBER 31, 2004

Equity, January 1	30,360	–	11	7	18	30,378
Translation differences	-423	-35	–	-5	-40	-463
Dividend	-443	–	–	–	–	-443
Profit, year-to-date	1,902	1,525	1	–	1,526	3,428
EQUITY, END OF PERIOD	31,396	1,490	12	2	1,504	32,900

a) Goodwill

Intangible assets are, according to IFRS, to be divided into assets with a defined economic life and assets with an undefined economic life. According to IFRS 3, goodwill is classified as an asset with an undefined economic life, and therefore it should not be amortized but subject to annual impairment tests. Since IFRS 3 applies from the date of transition onwards, goodwill amortization for the financial year 2004 is according to IFRS, reapplied. In accordance with the transition rules, Tele2 has conducted impairment tests per January 1 and December 31, 2004. The tests imply no need for amortization.

IFRS clarifies the criteria for identifying and accounting for certain types of assets in conjunction with acquisitions. IFRS 3 explains various identifiable acquired intangible assets such as customer relations, patents, licenses, brands, agreements etc and determines that they are to be assessed at market value at the time of acquisition and accounted separately from goodwill. Tele2 has analysed its acquisitions conducted in 2004 and concluded that the established valuations fulfil the requirements of IFRS.

b) Financial leasing

Tele2 has certain rental agreements that previously were accounted for as operational leasing, as they were entered into prior to January 1, 1997, and that, according to a transitional rule, are not included in the Swedish Financial Accounting Standards Council's recommendation RR6:99, but that according to IAS 17 are to be accounted for as financial leasing agreements.

c) Minority interest

According to IAS 1, minority interests are included as a separate component in shareholders' equity in the balance sheet, which differs from original rules that prescribe minority interests to be included as an item between liabilities and equity. The minority interest is to be included as a part of net profit in the income statement. The profit attributable to the owners of the parent company and to the minority owners in subsidiaries, are then separately specified below the net profit line.

Group depreciation/amortization

Group depreciation/amortization is previously reported as a separate line in the segment reporting. According to IFRS group depreciation/amortization is now divided between respective market areas.

INCOME STATEMENT 1 JANUARY–31 MARCH 2004

	Acc. to original principles	a) Goodwill	b) Financial leasing	c) Minority interest	Total IFRS adj.	Acc. to IFRS
Operating revenue	10,379	–	–	–	–	10,379
Operating expenses	-9,715	380	1	–	381	-9,334
Share of profit of associated companies	16	–	–	–	–	16
EBIT	680	380	1	–	381	1,061
of which EBITDA	1,522	–	3	–	3	1,525
Financial items	-61	–	-1	–	-1	-62
EBT	619	380	–	–	380	999
Taxes	-321	–	–	–	–	-321
Minority interest	-12	–	–	12	12	–
PROFIT AFTER TAXES	286	380	–	12	392	678
ATTRIBUTABLE TO:						
Equity holders of the Parent Company	286	380	–	–	380	666
Minority interests	12	–	–	–	–	12
Profit after taxes	298	380	–	–	380	678
Earnings per share	1.94	2.57	–	–	2.57	4.51
Earnings per share, after dilution	1.93	2.57	–	–	2.57	4.50

BALANCE SHEET MARCH 31, 2004

Intangible assets	23,735	370	–	–	370	24,105
Tangible assets	9,022	–	98	–	98	9,120
Long-term financial assets	2,933	–	-4	–	-4	2,929
Current assets	14,071	–	–	–	–	14,071
ASSETS	49,761	370	94	–	464	50,225
Shareholders' equity	31,309	370	11	28	409	31,718
Minority interest	28	–	–	-28	-28	–
Provisions	27	–	–	–	–	27
Long-term liabilities	4,820	–	74	–	74	4,894
Short-term liabilities	13,577	–	9	–	9	13,586
EQUITY AND LIABILITIES	49,761	370	94	–	464	50,225

CHANGES OF SHAREHOLDERS' EQUITY MARCH 31, 2004

Equity, January 1	30,360	–	11	7	18	30,378
Translation differences	663	-10	–	9	-1	662
Dividend	–	–	–	–	–	–
Profit, year-to-date	286	380	–	12	392	678
EQUITY, END OF PERIOD	31,309	370	11	28	409	31,718