

FOR IMMEDIATE RELEASE, Wednesday, October 24, 2007

Stockholm – Wednesday, October 24, 2007 – Tele2 AB ("Tele2") (OMX Nordic Exchange: TEL2 A and TEL2 B), Europe's leading alternative telecom operator, today announced consolidated results for the third quarter 2007.



INTERIM REPORT JANUARY–SEPTEMBER 2007

In Q3 2007, Tele2's EBITDA¹⁾ amounted to SEK 1,992 million including, and SEK 1,844 million excluding discontinued operations²⁾. Mobile revenues increased by 16.5 percent to SEK 5,971 million.

- The realignment of Tele2 continued in the quarter, with a number of announcements concentrating the geographic footprint towards Eastern Europe and the Nordic region, focusing on infrastructure based operations
- Operating revenue in Q3 2007 amounted to SEK 10,909 (11,014) million, or SEK 10,760 (10,016) million less divested companies³⁾ an increase of 7 percent
- EBITDA in Q3 2007 increased by 8.5 percent to SEK 1,844 (1,657) million excluding one-off items of SEK 0 (43) million, or increased by 15 percent to SEK 1,840 (1,594) million less divested companies³⁾
- EBIT in Q3 2007 increased by 13 percent to SEK 851 (756) million excluding one-off items of SEK -242 (-2,416) million related to impairment of goodwill and other assets, as well as to gains/losses from divestments. Including one-off items EBIT amounted to SEK 609 (-1,660) million
- Net profit/loss for Q3 2007 amounted to SEK -138 (-1,769) million affected by a write-down of tax assets amounting to SEK -599 million
- Earnings per share, after dilution, for Q3 2007 amounted to SEK -0.25 (3.92)
- Operating revenue for the first nine months grew by 3 percent to SEK 32,967 (31,946) million
- Net profit/loss for the first nine months amounted to SEK -134 (-1,253) million
- Earnings per share after dilution for the first nine months amounted to SEK -0.07 (-2.58)

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

²⁾ Discontinued operations include the operations in Italy and Spain, and the fixed and broadband operations in France (see note 9). Other divested operations have been included in historical figures up until date of disposal. These disposals are Tele2 Portugal, Tele2 Irkutsk, Tele2 Denmark, 3C Communications, UNI2 Denmark, Alpha/C³, Datamatrix Norway and Tele2 Czech (see Note 8).

³⁾ Figures are adjusted to be less discontinued operations and other divested operations at September 30, 2007.

All figures relate to Tele2's continuing operations.


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


PRESIDENT'S MESSAGE


"Tele2 is running faster than ever. The realignment of Tele2 continued in the quarter with a number of announcements that concentrated our geographic footprint towards Eastern Europe and the Nordic region, but also important announcements of increased investments in countries including Russia and Norway. Our realignment process has this far mostly been visualised in the form of divestments of operations that we believe would not have met our internal financial targets. Concentrating our geographic footprint is only one leg of the process. The other leg is about securing our future success by investing and expanding in markets where we see great opportunities both for growth and enhanced profitability. We will focus on and develop our core businesses in order to stay best in class.

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The number of corporate customers is rising and corporate sales represent 18 percent of group revenue. In addition to our already solid corporate customer base in Austria, the Netherlands and Sweden, we are stepping up our efforts in the SME segment in the Baltic countries and Russia, and we see great opportunities also in other countries.

 **MOBILE TELEPHONY** continued to deliver robust growth and profitability improvement in the quarter. Revenues grew by 17 percent and EBITDA improved by 29 percent compared to Q3 2006, with a net customer intake of 866,000. Once again, Russia was the biggest growth contributor although Sweden had a very strong quarter adding 100,000 new mobile customers. In Sweden, we are finally seeing a clear pick-up in mobile broadband and 3G services during the past two quarters. At the end of Q3 2007 we had 45,000 mobile broadband customers in Sweden. We intend to continue our push into the fourth quarter.

 Tele2 now offers **BROADBAND** services in nine countries. Our continuing broadband operations, excluding Spain and Italy generated revenue growth of 8 percent, driven mainly by our services on own infrastructure. We see the broadband product as a good complement to our core mobile operations.

 We still believe in the potential for **FIXED TELEPHONY** and we strive to maximise value through broadband cross-selling and cost consciousness. Despite a revenue decline of 27 percent year-on-year as the market is in a structural decline, our EBITDA margin within fixed telephony improved to 13 percent in the quarter."



*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 25 million customers in 17 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.

FINANCIAL OVERVIEW¹⁾

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

TOTAL OPERATIONS

Customer net intake decreased in Q3 2007 and amounted to 491,000 (702,000), mainly affected by positive growth in Mobile telephony and Broadband, partially off-set by continued customer outflow from the Fixed telephony customer base. Customer intake was also hampered to some extent by divestments made in the quarter. Fixed line services continue to be negatively affected by increased competition from mobile services together with alternative services such as VoIP (Voice over IP). In the first nine months of 2007, the customer base increased by 1 percent to 24,912,000 (24,786,000).

ARPU in Q3 2007 amounted to SEK 137, compared with SEK 142 in Q3 2006.

Operating revenue in Q3 2007 amounted to SEK 10,909 (11,014) million, or SEK 10,760 (10,016) million less divested companies²⁾ an increase of 7 percent. For the first nine months of 2007, operating revenue increased by 3 percent to SEK 32,967 (31,946) million, or increased by 8 percent to SEK 31,087 (28,852) million less divested companies²⁾.

EBITDA in Q3 2007 amounted to SEK 1,844 (1,657) million, excluding one-off items of SEK 0 (43) million, equivalent to an EBITDA margin of 17 (15) percent, or increased by 15 percent to SEK 1,840 (1,594) million less divested companies²⁾. The positive development in EBITDA is attributable to an improved revenue mix, with a larger contribution from Mobile telephony. In the first nine months of 2007, EBITDA amounted to SEK 5,147 (4,220) million excluding one-off items of SEK 0 (43) million, an increase of 22 percent, or to SEK 5,013 (4,179) million less divested companies²⁾ an increase of 20 percent.

EBIT in Q3 2007 increased by 13 percent to SEK 851 (756) million excluding one-off items of SEK -242 (-2,416) million related to impairment of goodwill and other assets, as well as to gains/losses from divestments. Including one-off items, EBIT amounted to SEK 609 (-1,660) million. In the first nine months of 2007, EBIT amounted to SEK 1,407 (-781) including one-off items of SEK -767 (-2,364) million.

Profit/loss before tax in Q3 2007 amounted to SEK 428 (-1,807) million including, one-off items. In the first nine months of 2007 profit before tax amounted to SEK 784 (-1,183) million including one-off items.

Net profit/loss for Q3 2007 amounted to SEK -138 (-1,769) million affected by write-down of tax assets amounting to SEK -599 million. In the first nine months 2007 net profit/loss amounted to SEK -134 (-1,253) affected by a write-down of tax assets and reduced corporate tax rate in Germany, which amounted to SEK -792 million.

CASH FLOW AND CAPEX

Group cash flow after current investments (CAPEX) amounted to SEK 891 (410) million in Q3 2007. CAPEX amounted to SEK 943 (964) million. Cash flow stated as EBITDA less CAPEX amounted to SEK 901 (736) million. In the first nine months of 2007, cash flow after CAPEX amounted to SEK 636 (-194) million. CAPEX amounted to SEK 3,049 (3,106) million. EBITDA less CAPEX amounted to SEK 2,098 (1,157) million.

Changes in working capital amounted to SEK 696 (-22) million in Q3 2007. In the first nine months of 2007 changes in working capital amounted to SEK 467 (-567) million.

Group highlights



100,000 new mobile customers in Sweden, highest in four years, and 647,000 in Russia. Mobile revenue in Q3 2007 increased by 16.5 percent to SEK 5,971 (5,125) million SEK, or increase by 20 percent to SEK 5,935 (4,944) less divested companies²⁾. EBITDA grew by 29 percent to SEK 1,480 (1,148) million, or grew by 31 percent to SEK 1,468 (1,117) less divested companies²⁾.



Direct access & LLUB added 77,000 (54,000) new customers in Q3 2007. Revenue increased by 12 percent to SEK 1,275 (1,136) million, or increased by 16 percent to SEK 1,265 (1,091) million less divested companies²⁾.



Fixed line telephony EBITDA was stable at 13 (14) percent in Q3 2007, despite declining revenue.

¹⁾ Tele2's operations in Italy and Spain and the fixed and broadband operations in France are reported as discontinued operations. The comments relate to Tele2's continuing operations. Divested operations, other than the above mentioned, are included in historical figures up until date of disposal (See note 8).

²⁾ Figures are adjusted to be less discontinued operations and other divested operations at September 30, 2007. These disposals are Tele2 Portugal, Tele2 Irkutsk, Tele2 Denmark, 3C Communications, UNI2 Denmark, Alpha/Ccube, Datamatrix Norway and Tele2 Czech (Note 8).

FINANCIAL OVERVIEW cont.

SEK million	Continuing operations ¹⁾				2006 FY	Less divested companies ²⁾	
	2007 Q3	2006 Q3	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30		2007 Q3	2006 Q3
Mobile Telephony							
Net customer intake (thousands)	865	976	2,543	2,871	4,017		
ARPU	121	127	–	–	–		
Operating revenue	5,971	5,125	17,016	13,807	19,052	5,935	4,944
EBITDA	1,480	1,148	3,969	2,847	3,856	1,468	1,117
Direct Access & LLUB							
Net customer intake (thousands)	77	54	215	116	150		
ARPU	518	617	–	–	–		
Operating revenue	1,275	1,136	3,776	3,112	4,317	361	334
EBITDA	–48	54	–126	33	44	–86	–156
Broadband resale							
Net customer intake (thousands)	–10	20	31	85	162		
ARPU	228	257	–	–	–		
Operating revenue	361	375	1,154	1,080	1,465	1,265	1,091
EBITDA	–87	–152	–379	–398	–546	–38	53
Fixed telephony							
Net customer intake (thousands)	–441	–348	–1,493	–1,080	–1,372		
ARPU	124	126	–	–	–		
Operating revenue	2,863	3,948	9,845	12,640	16,543	2,784	3,310
EBITDA	376	549	1,381	1,506	2,107	371	529
EBIT	609	–1,660	1,407	–781	–106		
EBT	428	–1,807	784	–1,183	–668		
Net profit/loss	–138	–1,769	–134	–1,253	–1,003		
Cash flow from operating activities	1,831	1,454	3,686	3,169	3,964		
Cash flow after Capex	891	410	636	–194	–508		

¹⁾ Less Tele2's operations in Italy and Spain and fixed and broadband operations in France (see Note 8).

²⁾ Figures are adjusted to be less discontinued operations and other divested operations at September 30, 2007. These disposals are Tele2 Portugal, Tele2 Irkutsk, Tele2 Denmark, 3C Communications, UNI2 Denmark, Alpha/Ccube, Datamatrix Norway and Tele2 Czech (Note 8)

Significant events in the quarter

- Tele2 completed the divestment of 3C Communications International SA ("3C") to Telekurs
- Tele2 completed the divestment of Tele2 Portugal to Sonaecom
- Tele2's subsidiary Versatel announced the divestment of its Belgian operations to KPN
- Tele2 Russia signed a 10-year national roaming agreement with Vimpelcom and completed the sale of its Irkutsk operation to Vimpelcom
- Tele2 announced the EU competition authorities' approval on the sale of its fixed line and broadband operations in France to SFR
- Tele2 completed the divestment of Tele2 Denmark to Telenor.
- Tele2 completed the divestment of UNI2 Denmark to TDC Hosting A/S

Significant subsequent events

- Tele2 completed the divestment of its operations in Hungary to HTCC
- Tele2 announced the divestment of its Austrian MVNO operations to Telekom Austria Group
- Tele2 announced the divestment of Tele2 Italy and Tele2 Spain to Vodafone
- Tele2 Russia completed the acquisition of Telecom Eurasia from ZAO SMARTS
- Tele2's subsidiary Versatel completed the divestment of its Belgian operations to KPN
- Tele2 Norway signed an agreement with Network Norway to jointly build a mobile network in Norway

FINANCIAL OVERVIEW BY MARKET AREA

Comments below relate to Tele2's continuing operations

NORDIC

(Sweden and Norway)

SEK Million	Q3 2007	Q3 2006	Change
Operating revenue	3,783	3,961	-4,5%
EBITDA	804	897	-10%
EBIT*	528	652	-19%
ARPU (SEK)	249	236	

* Including one-off item of SEK 25 (0) million

Tele2 Denmark was sold in Q3 2007, and is not included in the numbers of the quarter. However, Tele2 Denmark is included in the historic numbers of the group (see Note 8). Revenues and EBITDA in Q3 2007 was affected by SEK 2 (411) million and SEK 0 (32) million respectively, related to Tele2 Denmark.

 **Mobile telephony** The Swedish and Norwegian operations continued to develop well and added 120,000 (33,000) new mobile customers in Q3 2007, an increase in net intake of 264 percent compared to the same period last year.

Tele2 Sweden increased sales by almost 9 percent to SEK 1,922 (1,770) million and added 100,000 new customers, which is the highest intake in four years. The growth was driven by a solid intake of pre-paid and post-paid subscribers as well as handset sales. The high customer intake in Sweden in combination with more customers choosing post-paid subscription, had a slight negative impact on profitability during the quarter. Additionally, lowered roaming tariffs, effective in September, weighted on the EBITDA development.


Mobile broadband subscriptions in the Swedish market continued to develop well, once again exceeding internal expectations. The customer base grew by 15,500 new customers with a total customer base of 45,000 in Q3 2007 and an ARPU of SEK 138. In Q4 2007, the growth of mobile broadband subscriptions is expected to accelerate further. The increased intake of mobile broadband customers will however be associated with higher acquisition costs, which will impact margins.

The mobile operations in Sweden reported an ARPU of SEK 214 (205) in Q3 2007, including pre-paid, post-paid and mobile broadband subscriptions. Minutes of use for the Swedish operations were 194 (172) in Q3 2007. EBITDA was SEK 724 (759) million with an EBITDA margin of approximately 38 percent.

Tele2 Norway Mobile continued to see good sales development, adding 20,000 (30,000) new mobile customers and continuing taking market share. In Q3 2007, Tele2 Norway had a market share of 8,2 percent in terms of subscriptions and 8,6 percent in terms of mobile revenue, according to the national regulator.

Mobile revenue for the operations in Norway grew by 21 percent to SEK 680 (563) million during Q3 2007 and EBITDA amounted to SEK 11 (40) million. The EBITDA margin was 2 (7) percent. The decreasing profitability in Norway was mainly an effect of price increases in the current Telenor MVNO agreement due to volume hurdles being passed by Tele2. The new MVNO agreement with Netcom ASA will have a significant positive effect on profitability from Q2 2008 onwards.

In line with the group's ambition to move towards more infrastructure based operations, Tele2 Norway signed an agreement with Network Norway in Q3 2007 to jointly build a mobile network on the 900 MHz frequency. To a large extent the setup is similar to Svenska UMTS-nät (SUNAB) in Sweden.

 **Broadband resale and Direct access & LLUB** Broadband sale and Direct access & LLUB added 22,000 (21,000) new customers in the Nordic market, an increase of 5 percent. Sales also increased by 21 percent to SEK 415 (344) millions. EBITDA added up to SEK -35 (-10) million. In order to increase the margin and control, Tele2 continued during the quarter to migrate customers from broadband resale to direct access & LLUB.

Tele2 Sweden continued its marketing push adding 20,000 (12,000) broadband customers in the quarter. Broadband revenue increased by 17 percent to SEK 303 (259) million. The broadband operations saw EBITDA contribution of SEK -21 (-11) million.

Tele2 Sweden strengthened its position in Cable-TV in the quarter, adding approximately 9,000 new households (which will be activated by the 1st of October 2007) by winning several larger negotiated contracts. In Q3 2007, Tele2 had 125,000 digital TV customers.

Tele2 Norway continued to migrate customers onto its own infrastructure. The broadband customer base increased by 2,000 (10,000) customers in Q3 2007. Tele2 Norway will focus its sale efforts where Tele2 owns infrastructure on LLUB. Tele2's population coverage with own infrastructure was 55 percent in the quarter. Broadband revenue in Norway increased by 26 percent to SEK 113 (90) million and EBITDA amounted to SEK -14 (-5) million in Q3 2007.

 **Fixed telephony resale** Both the Swedish and the Norwegian operations managed to gain market share, despite an overall declining fixed telephony market. Tele2 Sweden experienced good demand for bundled fixed and mobile services within the SME segment. Fixed telephony sales in the Nordic operations declined by 28 percent to SEK 786 (1,100) million in Q3 2007. Combined, Sweden and Norway lost net 29,000 customers in Q3 2007. However, compared with Q3 2006 (-47,000) the decline in the customer base was slowing.

Tele2 Sweden fixed line telephony saw a decline of 20,000 (-36,000) customers in the quarter and sales dropped by 7 percent to SEK 603 (648) million, to some extent helped by a more stabilizing trend in fixed line pricing. EBITDA contribution in Tele2 Sweden expanded to SEK 106 (88) million, an EBITDA margin of 18 percent.

Despite the declining revenue trend in fixed telephony, Tele2 Norway saw a stable EBITDA at SEK 28 (28) million in Q3 2007. Tele2 Norway continued to experience volume shift from fixed to mobile services and sales declined by 22 percent to SEK 179 (229) million in the quarter. Tele2 Norway lost -9,000 (-11,000) customers during the quarter.

BALTIC & RUSSIA

(Russia, Estonia, Latvia, Lithuania and Croatia)

SEK Million	Q3 2007	Q3 2006	Change
Operating revenue	2,551	1,884	+35%
EBITDA	770	482	+60%
EBIT*	551	322	+71%
ARPU (SEK)	73	74	

* Including one-off item of SEK 1,168 (0) million

Tele2 Irkutsk in Russia was sold in Q3 2007, and is included in one month of the quarter. However, Tele2 Irkutsk is included in the historic numbers of the group (see Note 8). Revenues and EBITDA in Q3 2007 was affected by SEK 35 (63) million and SEK 12 (26) million respectively, related to Tele2 Irkutsk.

 **Mobile telephony** Tele2 Russia continued to combine strong customer growth and high profitability in Q3 2007. The customer base grew by 647,000 (711,000) and operating revenue reached SEK 1,324 (815) million, an increase by 62 percent. ARPU was SEK 56 (52) in Q3 2007. EBITDA reached SEK 440 (205) million, which corresponds to an EBITDA margin of 33 (25) percent.

In August, Tele2 Russia signed a 10-year national roaming agreement with Vimpelcom and announced the sale of its Irkutsk operations to Vimpelcom. In October 2007, Tele2 Russia also announced the acquisition of Telecom Eurasia in the Krasnodar region from ZAO

SMARTS. Initially, the focus in Krasnodar will be on developing the infrastructure to fully exploit the mobile opportunity in the region.

After the acquisition, the Russian organization is present in 17 regions with a population coverage of 41 million. Tele2's ambition, going forward, is to expand its Russian footprint into new regions, both through licences as well as through acquisitions.

Out of the three Baltic countries, Lithuania outperformed the others by adding 42,000 (62,000) customers followed by Latvia gaining 18,000 (39,000) customers and Estonia shedding –6,000 (1,000) customers.

Lithuania saw mobile revenue increase by 24 percent to SEK 352 (285) million. Estonia sales increased by 12 percent to SEK 277 (247) million and Latvia by 11 percent to SEK 444 (399) million. Both Estonia and Lithuania saw EBITDA increase by 5 percent to SEK 83 (79) million and SEK 110 (105) million respectively. Latvia increased EBITDA by 10 percent to SEK 212 (192) million.

Tele2 Croatia added 49,000 customers in Q3 2007, compared with 59,000 in Q3 2006. The total customer base amounted to 455,000 at the end of the quarter. Revenue increased by 18 percent to SEK 153 (130) million. EBITDA recovered to SEK –77 (–103) million in Q3 2007.


Going forward, Tele2 sees an opportunity to expand into the corporate field in the Baltic region as well as in Russia. The initial focus will be on the SME segment, an area which is showing promising signs for Tele2.


CENTRAL EUROPE

(Germany, Austria, Poland and Hungary)

SEK Million	Q3 2007	Q3 2006	Change
Operating revenue	1,702	1,933	–12%
EBITDA	–22	163	
EBIT*	–142	–56	
ARPU (SEK)	98	103	

* Including one-off item of SEK –860 (–1,865) million


 **Mobile telephony** The MVNO operation in Austria continued to be negatively affected by tough competition among the network operators in the country, leading to lower mobile tariffs. The Austrian operations lost –7,000 (–1,000) customers during the quarter and reported a revenue decline of 49 percent to SEK 20 (39) million. EBITDA was SEK –14 (1) million in Q3 2007. Tele2 in October announced the divestment of its MVNO operation in Austria to Telekom Austria.

 **Broadband resale and Direct access & LLUB** In Germany, Tele2 shifted marketing and sales activities from Broadband resale towards Direct access & LLUB through the Plusnet Joint Venture. Tele2 Germany increased broadband resale revenue by 57 percent to SEK 88 (56) million adding 1,000 (22,000) customers. Direct access & LLUB sales amounted to SEK 3 (0) million with 6,000 (0) new customers in Q3 2007. Due to the shift in marketing, Broadband resale EBITDA improved to SEK –8 (–79) million while Direct access & LLUB EBITDA decreased to SEK –138 (–10) million. The loss in the quarter as a result of upfront marketing spend and, subscriber acquisition cost and fixed fees associated with Plusnet Joint Venture.

Tele2 Austria continued to deliver good customer growth in Direct access & LLUB, adding 13,000 (11,000) new users in the quarter. The customer development in Broadband resale was relatively stable at –1,000 (2,000) in the quarter. Broadband resale revenue decreased by

16 percent to SEK 32 (38) million in Q3 2007. Direct access & LLUB sales decreased by 3 percent to SEK 227 (234) million. Broadband resale EBITDA recovered to SEK –13 (–22) million and Direct access & LLUB fell to SEK –35 (5) million in the quarter.

Tele2 Poland launched a resold ADSL offer at the end of June, with full national coverage from July. The front end sales have been increasing since the launch in accelerating pace with the expected positive impact on the new active ADSL users already visible in Q4 2007.

 **Fixed telephony resale** The fixed telephony market in Germany and Austria continued to be challenging in Q3 2007, with lower mobile prices leading to fixed-to-mobile substitution. Consequently, the number of Tele2's fixed telephony customers in the market area fell by –299,000 (–67,000) in the quarter leading to a revenue decline of 20 percent to SEK 1,151 (1,438) million. Despite the difficult market environment, the EBITDA margin was robust at 16 (18) percent.

Germany lost 200,000 (28,000) customers in the quarter with a revenue decline of 25 percent to SEK 657 (877) million. EBITDA contribution was SEK 93 (182) million in Q3 2007. Tele2 Austria lost a net of –38,000 (–39,000) customers in the quarter and reported a 27 percent decline in revenue to SEK 195 (267) million. EBITDA decreased by 28 percent to SEK 47 (65) million in Q3 2007.

Tele2 Poland has successfully cross-sold the wholesale line rental product to over 50 percent of its customer base. Together with reduced costs this had a positive effect on both sales and profitability during the quarter. Fixed telephony sales increased by 11 percent to SEK 233 (210) million, despite a loss of –38,000 (–8,000) customers in the quarter. EBITDA contribution amounted to SEK 30 (0) million, corresponding to an EBITDA margin of 13 percent.

SOUTHERN EUROPE

(France, Switzerland and Portugal)

SEK Million	Q3 2007	Q3 2006	Change
Operating revenue	712	826	-14%
EBITDA	3	-169	
EBIT*	-14	-181	
ARPU (SEK)	210	194	


* Including one-off item of SEK 6 (-94) million


Tele2 Portugal was sold in Q3 2007, and is included in two months of the quarter. However, Tele2 Portugal is included in the historic numbers of the group. Tele2 Italy and Spain have been treated as discontinued operations in the quarter (see Note 8 & 9). Revenues and EBITDA in Q3 2007 was affected by SEK 88 (104) million and SEK -3 (-13) million respectively, related to Tele2 Portugal.

 **Mobile telephony** Tele2 France continued the restructuring of its operations, with limited marketing activities. Consequently, the operation had a negative customer intake of -9,000 (60,000) in the quarter. Revenue development was flat at SEK 273 (274) million

while EBITDA continued to improve to SEK -6 (-171) million in the quarter, as a result of improved cost structure and lower subscriber acquisition costs.

Tele2 Switzerland continued to roll-out its GSM network during the quarter and the operation saw continued good market traction for its products. Net additions during the quarter amounted to 9,000 (9,000) new customers. Revenue increased by 83 percent to SEK 33 (18) million and EBITDA dropped to SEK -58 (-34) million.

 **Broadband resale and Direct access & LLUB** Net intake of Broadband resale customers in Switzerland was -1,000 (2,000). Revenue amounted to SEK 61 (63) million and EBITDA contribution was SEK -13 (4) million during Q3 2007.

 **Fixed telephony resale** Tele2 Switzerland had a customer decline of -21,000 (-23,000) in Q3 2007. Fixed telephony revenue dropped by 25 percent to SEK 234 (312) million. EBITDA contribution was SEK 81 (45) million in Q3 2007, affected by retroactive interconnect payment and lower marketing.

BENELUX


(Netherlands, Belgium, Luxembourg and Liechtenstein)

SEK Million	Q3 2007	Q3 2006	Change
Operating revenue	2,099	2,252	-7%
EBITDA*	282	262	8%
EBIT**	-65	-99	
ARPU (SEK)	289	236	


* Including one-off item of SEK 0 (43) million

** Including one-off item of SEK -480 (-457) million

Tele2's subsidiary Versatel Belgium was sold in October 2007, and is included in the full quarter (see Note 8). Revenues and EBITDA in Q3 2007 was affected by SEK 1 (300) million and SEK 0 (11) million respectively, related to Alpha/C3.


 **Mobile telephony** In the Netherlands, Tele2 continued to balance customer intake in postpaid and prepaid subscriptions. The trend towards higher value bundled products continued, which had a positive impact on revenue and EBITDA development in the Netherlands.

In Luxembourg, mobile telephony net intake in Q3 2007 was approximately 2,000 (3,000) customers. Revenue grew by 3 percent to SEK 222 (216) million. The EBITDA margin was 30 (37) percent, negatively affected by new roaming tariffs in September and a larger focus on post-paid net additions.

 **Broadband resale and Direct Access & LLUB** In the Netherlands, Tele2 continued to upgrade existing residential DSL customers to higher-end ADSL 2+ services and migrating its customer base to dual and triple play products (fixed telephony, broadband services and TV). Total broadband revenue continued to expand and EBITDA margin improved during the quarter.

In the quarter, Versatel announced the signing of a Memorandum of Understanding ("MOU") with KPN, for the future use of central switch locations. The MOU secures the continued delivery of unbundled access to Versatel via its own network. Versatel and KPN also agreed on the principles of various alternative access methods.

Tele2 Luxembourg added approximately 1,000 (1,000) new broadband resale customer in Q3 2007. Revenue amounted to SEK 5 (1) million and EBITDA contribution was SEK 0 (-3) million.

 **Fixed telephony resale** In the Netherlands, Tele2 continued to see a customer outflow in the fixed telephony base. The decline was partly offset by continued efforts to build a wholesale line rental customer stock, enabling higher ARPU and reduced churn within the customer base.

Tele2 Luxembourg fixed telephony revenue amounted to SEK 16 (19) million and EBITDA contribution was approximately SEK 1 (1) million in Q3 2007.

SERVICES

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

SEK Million	Q2 2007	Q2 2006	Change
Operating revenue	62	158	-61%
EBITDA	7	22	-68%
EBIT*	-6	6	

* Including one-off item of SEK -101 (0) million

3C and UNI2 Denmark were sold in Q3 2007 and are included in two months of the quarter. However, 3C and UNI2 Denmark are included in the historic numbers of the group (see Note 8).

OTHER ITEMS

RISKS AND UNCERTAINTY FACTORS

Tele2's operations are affected by a number of external factors. The risk factors considered to be most significant to Tele2's future development are operating risks such as changes in regulatory legislation in telecommunication services, increased competition, introduction of new services, ability to attract and retain customers and legal proceedings, and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in Tele2's annual report (see Directors' report and Note 38 of the report for a detailed description of the Group's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Tele2 Annual General Meeting 2007

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

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

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

Nomination committee for the 2008 Annual General Meeting

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

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

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

Other

Tele2 will release the financial and operating results for the period ended December 31, 2007 on February 12, 2008.

Stockholm, October 24, 2007

Lars-Johan Jarnheimer
President and CEO, Tele2 AB

AUDIT REPORT

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

Presentation details

A presentation to discuss the results will be held at 06.45 am UK time (07.45 am CET) in room Aulan, at SalénHuset, Norrlandsgatan 15, 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, with an interactive presentation, to discuss the results will be held at 15.00 (CET) / 14.00 (UK time) / 19.00 am (New York time), on October 24, 2007. The dial-in number is: +44 (0)20 7806 1957 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 6466395#. 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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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 25 million customers in 17 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–Sep 30	2006 Jan 1–Sep 30	2006 Full year	2007 Q3	2006 Q3
CONTINUING OPERATIONS						
Operating revenue		32,967	31,946	43,098	10,909	11,014
Operating expenses	2	–30,921	–30,218	–40,636	–10,293	–10,185
Impairment of goodwill	2	–1,310	–2,457	–2,457	–1,310	–2,457
Sale of operations, profit	3	1,522	50	50	1,522	–2
Sale of operations, loss	4	–695	–3	–20	–170	–
Result from shares in associated companies and joint ventures	10	–174	–93	–135	–55	–22
Other operating revenues		58	34	42	24	7
Other operating expenses		–40	–40	–48	–18	–15
Operating profit/loss, EBIT		1,407	–781	–106	609	–1,660
Net interest expenses		–574	–406	–598	–172	–149
Other financial items		–49	4	36	–9	2
Profit/loss after financial items, EBT		784	–1,183	–668	428	–1,807
Tax on profit/loss	5	–918	–70	–335	–566	38
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		–134	–1,253	–1,003	–138	–1,769
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	9	–1,606	–2,427	–2,737	–1,095	–2,387
NET PROFIT/LOSS		–1,740	–3,680	–3,740	–1,233	–4,156
ATTRIBUTABLE TO:						
Equity holders of the parent company		–1,638	–3,573	–3,615	–1,208	–4,128
Minority interest		–102	–107	–125	–25	–28
NET PROFIT/LOSS		–1,740	–3,680	–3,740	–1,233	–4,156
Earnings per share (SEK)		–3,68	–8,05	–8,14	–2,71	–9,30
Earnings per share, after dilution (SEK)		–3,68	–8,04	–8,14	–2,71	–9,29
FROM CONTINUING OPERATIONS						
Earnings per share (SEK)	9	–0,07	–2,58	–1,98	–0,25	–3,92
Earnings per share, after dilution (SEK)		–0,07	–2,58	–1,98	–0,25	–3,92
Number of shares, basic	7	444,851,339	444,200,018	444,489,593		
Number of shares, weighted average	7	444,685,712	444,074,267	444,129,836		
Number of shares after dilution	7	445,211,019	444,381,912	444,614,065		
Number of shares after dilution, weighted average	7	445,174,708	444,292,219	444,353,295		

BALANCE SHEET

SEK million	Note	2007 Sep 30	2006 Dec 31
Assets			
FIXED ASSETS			
Goodwill		11,417	18,491
Other intangible assets		2,123	3,353
Intangible assets		13,540	21,844
Tangible assets		13,890	16,059
Financial assets		788	876
Deferred tax assets		3,267	4,986
FIXED ASSETS		31,485	43,765
CURRENT ASSETS			
Materials and supplies		363	424
Current receivables		10,627	12,980
Short-term investments		2,597	1,988
Cash and cash equivalents		2,931	2,619
CURRENT ASSETS		16,518	18,011
ASSETS CLASSIFIED AS HELD FOR SALE	9	10,251	4,388
ASSETS		58,254	66,164
Equity and liabilities			
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the parent company		26,541	28,800
Minority interests		527	323
SHAREHOLDERS' EQUITY		27,068	29,123
LONG-TERM LIABILITIES			
Interest-bearing liabilities		9,545	13,050
Non-interest-bearing liabilities		1,225	1,343
LONG-TERM LIABILITIES		10,770	14,393
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		6,935	6,907
Non-interest-bearing liabilities		10,909	14,224
SHORT-TERM LIABILITIES		17,844	21,131
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	9	2,572	1,517
EQUITY AND LIABILITIES		58,254	66,164

CASH FLOW STATEMENT*

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2006 Full year	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
OPERATING ACTIVITIES										
Cash flow from operation		3,149	3,931	4,979	1,208	1,289	652	1,048	1,511	1,161
Change in working capital		229	–680	–1,132	615	–136	–250	–452	67	–170
CASH FLOW FROM OPERATING ACTIVITIES		3,378	3,251	3,847	1,823	1,153	402	596	1,578	991
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX		–3,854	–4,098	–5,520	–1,188	–1,493	–1,173	–1,422	–1,420	–1,374
Cash flow after CAPEX		–476	–847	–1,673	635	–340	–771	–826	158	–383
Acquisition of shares and participations	8	–213	–1,302	–1,346	–27	–166	–20	–44	–1,181	–65
Sale of shares and participations	8	5,639	36	31	5,505	26	108	–5	–	36
Change of long-term receivables		–167	159	–101	–356	122	67	–260	17	8
Cash flow from investing activities		1,405	–5,205	–6,936	3,934	–1,511	–1,018	–1,731	–2,584	–1,395
CASH FLOW AFTER INVESTING ACTIVITIES		4,783	–1,954	–3,089	5,757	–358	–616	–1,135	–1,006	–404
FINANCING ACTIVITIES										
Change of loans, net		–4,069	2,692	3,775	–5,518	1,065	384	1,083	1,380	808
Dividend	7	–814	–777	–777	–	–814	–	–	–	–777
New share issue	7	22	41	58	5	5	12	17	–	8
Other financing activities		351	–	–	1	–2	352	–	–	–
Cash flow from financing activities		–4,510	1,956	3,056	–5,512	254	748	1,100	1,380	39
NET CHANGE IN CASH AND CASH EQUIVALENTS		273	2	–33	245	–104	132	–35	374	–365
Cash and cash equivalents at beginning of period		2,619	2,773	2,773	2,668	2,769	2,619	2,705	2,277	2,731
Exchange rate differences in cash		39	–70	–121	18	3	18	–51	54	–89
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		2,931	2,705	2,619	2,931	2,668	2,769	2,619	2,705	2,277
*Including discontinued operations										
Taxes paid included in cash flow from operation		–1,381	–331	–562	–489	–210	–682	–231	–149	–104
Cash flow from discontinued operations	9									

CHANGE IN SHAREHOLDERS' EQUITY

SEK million	Note	Sep 30, 2007			Sep 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		115	5	120	-769	-15	-784	-1,829	-2	-1,831
Cash flow hedges		51	-	51	-50	-	-50	-5	-	-5
Items recognized directly in shareholders' equity		166	5	171	-819	-15	-834	-1,834	-2	-1,836
Net profit/loss for the period		-1,638	-102	-1,740	-3,573	-107	-3,680	-3,615	-125	-3,740
Total for the period		-1,472	-97	-1,569	-4,392	-122	-4,514	-5,449	-127	-5,576
OTHER CHANGES IN SHAREHOLDERS' EQUITY										
Issue of warrants		-	-	-	7	-	7	7	-	7
Costs for stock options		5	-	5	1	-	1	4	-	4
New share issue	7	22	-	22	34	-	34	51	-	51
Dividend	7	-814	-4	-818	-777	-	-777	-777	-	-777
Minority's share in acquired companies		-	-79	-79	-	61	61	-	61	61
Shareholders contribution from minority		-	384	384	-	-	-	-	-	-
Purchase of minority		-	-	-	-	-15	-15	-	-14	-14
Round off		-	-	-	-	-	-	-1	-	-1
SHAREHOLDERS' EQUITY, END OF PERIOD		26,541	527	27,068	29,838	327	30,165	28,800	323	29,123

At September 30, 2007 SEK 556 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

		Number of customers			Net intake					
		2007 Sep 30	2006 Sep 30	Change	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Thousands	Note									
Nordic										
Mobile telephony	6	3,454	4,208	-18%	120	36	19	41	51	44
Indirect access		1,276	1,731	-26%	-31	-63	-84	-37	-60	-70
<i>of which fixed telephony resale</i>		1,136	1,576	-28%	-29	-67	-95	-42	-62	-75
<i>of which broadband resale</i>		140	155	-10%	-2	4	11	5	2	5
Direct access & LLUB		341	286	19%	24	18	21	25	19	8
		5,071	6,225	-19%	113	-9	-44	29	10	-18
Baltic & Russia										
Mobile telephony		11,821	8,960	32%	751	909	716	1,072	876	847
Indirect access		32	45	-29%	-2	-3	-4	-4	-5	-7
<i>of which fixed telephony resale</i>		32	45	-29%	-2	-3	-4	-4	-5	-7
Direct access & LLUB		35	30	17%	1	1	1	2	1	-
		11,888	9,035	32%	750	907	713	1,070	872	840
Central Europe										
Mobile telephony		124	184	-33%	-7	-13	-30	-10	-1	5
Indirect access		4,766	5,582	-15%	-299	-271	-208	-38	-43	-125
<i>of which fixed telephony resale</i>		4,567	5,466	-16%	-299	-285	-232	-83	-67	-141
<i>of which broadband resale</i>		199	116	72%	-	14	24	45	24	16
Direct access & LLUB		122	57	114%	19	15	18	13	11	-3
		5,012	5,823	-14%	-287	-269	-220	-35	-33	-123
Southern Europe										
Mobile telephony		485	400	21%	-	-3	44	44	69	105
Indirect access		449	926	-52%	-41	-73	-43	-3	-59	-16
<i>of which fixed telephony resale</i>		361	838	-57%	-40	-73	-44	-39	-61	-22
<i>of which broadband resale</i>		88	88	0%	-1	-	1	36	2	6
Direct access & LLUB		-	-	-	8	12	4	-36	-	-
		934	1,326	-30%	-33	-64	5	5	10	89
Benelux										
Mobile telephony		828	828	0%	1	2	-2	-1	-19	-15
Indirect access		830	1,303	-36%	-78	-118	-144	-133	-161	-140
<i>of which fixed telephony resale</i>		743	1,187	-37%	-71	-115	-134	-124	-153	-139
<i>of which broadband resale</i>		87	116	-25%	-7	-3	-10	-9	-8	-1
Direct access & LLUB		349	246	42%	25	21	27	30	23	31
		2,007	2,377	-16%	-52	-95	-119	-104	-157	-124
NET CUSTOMER INTAKE					491	470	335	965	702	664
Acquired companies					-	-	-	-	182	-
Divested companies					-1,376	-	-	-	-	-411
Changed method of calculation					-	-759	-	-	-	-
TOTAL CONTINUING OPERATIONS		24,912	24,786	1%	-885	-289	335	965	884	253
Discontinued operations		9	3,016	6,565	-54%	-141	-239	-238	-213	-248
Divested companies					-2,718	-	-	-	-	-
TOTAL OPERATIONS		27,928	31,351	-11%	-3,744	-528	97	752	617	5
Mobile telephony		6	16,712	14,580	15%	865	931	747	1,146	986
<i>of which prepaid</i>			13,062	11,270	16%	664	857	615	991	785
Indirect access			7,353	9,587	-23%	-451	-528	-483	-215	-328
<i>of which fixed telephony resale</i>			6,839	9,112	-25%	-441	-543	-509	-292	-348
<i>of which broadband resale</i>			514	475	8%	-10	15	26	77	20
Direct access & LLUB			847	619	37%	77	67	71	34	54
Acquired companies					-	-	-	-	182	-
Divested companies					-1,376	-	-	-	-	-411
Changed method of calculation					-	-759	-	-	-	-
Total continuing operations			24,912	24,786	1%	-885	-289	335	965	884

OPERATING REVENUE

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Nordic									
Mobile telephony		7,525	6,938	2,582	2,576	2,367	2,404	2,426	2,405
Indirect access		3,312	3,881	913	1,172	1,227	1,202	1,247	1,286
<i>of which fixed telephony resale</i>		2,868	3,443	786	1,014	1,068	1,054	1,100	1,139
<i>of which broadband resale</i>		444	438	127	158	159	148	147	147
Direct access & LLUB		920	779	289	316	315	305	287	249
Other operations		553	513	195	183	175	178	180	164
Adjustments for internal sales		-591	-590	-196	-185	-210	-208	-179	-242
		11,719	11,521	3,783	4,062	3,874	3,881	3,961	3,862
Baltic & Russia									
Mobile telephony		7,031	4,711	2,550	2,417	2,064	2,014	1,875	1,533
Indirect access		21	29	6	7	8	8	8	10
<i>of which fixed telephony resale</i>		21	29	6	7	8	8	8	10
Direct access & LLUB		14	12	5	5	4	5	4	4
Other operations		35	30	13	12	10	10	11	11
Adjustments for internal sales		-55	-37	-23	-18	-14	-13	-14	-13
		7,046	4,745	2,551	2,423	2,072	2,024	1,884	1,545
Central Europe									
Mobile telephony		57	128	20	22	15	40	39	40
Indirect access		3,966	5,002	1,271	1,295	1,400	1,518	1,532	1,633
<i>of which fixed telephony resale</i>		3,605	4,770	1,151	1,170	1,284	1,409	1,438	1,566
<i>of which broadband resale</i>		361	232	120	125	116	109	94	67
Direct access & LLUB		675	626	230	223	222	223	234	199
Other operations		843	779	308	262	273	311	246	249
Adjustments for internal sales		-344	-375	-127	-110	-107	-131	-118	-116
		5,197	6,160	1,702	1,692	1,803	1,961	1,933	2,005
Southern Europe									
Mobile telephony		936	617	306	322	308	313	292	201
Indirect access		1,282	1,496	371	438	473	505	477	496
<i>of which fixed telephony resale</i>		1,096	1,311	310	376	410	443	414	433
<i>of which broadband resale</i>		186	185	61	62	63	62	63	63
Direct access & LLUB		21	-	10	9	2	-	-	-
Other operations		145	249	41	50	54	76	83	72
Adjustments for internal sales		-59	-87	-16	-22	-21	-25	-26	-30
		2,325	2,275	712	797	816	869	826	739
Benelux									
Mobile telephony		1,467	1,413	513	489	465	474	493	465
Indirect access		2,418	3,306	663	806	949	1,054	1,059	1,047
<i>of which fixed telephony resale</i>		2,255	3,081	610	755	890	988	988	970
<i>of which broadband resale</i>		163	225	53	51	59	66	71	77
Direct access & LLUB		2,146	1,695	741	696	709	672	611	554
Other operations		1,444	1,265	515	464	465	484	475	396
Adjustments for internal sales		-1,124	-894	-333	-373	-418	-414	-386	-244
		6,351	6,785	2,099	2,082	2,170	2,270	2,252	2,218
Services									
Indirect access		-	6	-	-	-	1	-	2
<i>of which fixed telephony resale</i>		-	6	-	-	-	1	-	2
Other operations		613	673	127	161	325	288	226	224
Adjustments for internal sales		-284	-219	-65	-85	-134	-142	-68	-68
		329	460	62	76	191	147	158	158
OPERATING REVENUE FROM CONTINUING OPERATIONS									
		32,967	31,946	10,909	11,132	10,926	11,152	11,014	10,527
Discontinued operations	9	7,844	8,738	1,918	3,023	2,903	2,795	2,735	2,955
TOTAL OPERATIONS		40,811	40,684	12,827	14,155	13,829	13,947	13,749	13,482
Mobile telephony		17,016	13,807	5,971	5,826	5,219	5,245	5,125	4,644
Indirect access		10,999	13,720	3,224	3,718	4,057	4,288	4,323	4,474
<i>of which fixed telephony resale</i>		9,845	12,640	2,863	3,322	3,660	3,903	3,948	4,120
<i>of which broadband resale</i>		1,154	1,080	361	396	397	385	375	354
Direct access & LLUB		3,776	3,112	1,275	1,249	1,252	1,205	1,136	1,006
Other operations		3,633	3,509	1,199	1,132	1,302	1,347	1,221	1,116
Adjustments for internal sales		-2,457	-2,202	-760	-793	-904	-933	-791	-713
Operating revenue from continuing operations		32,967	31,946	10,909	11,132	10,926	11,152	11,014	10,527

EBITDA

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Nordic									
Mobile telephony		2,008	2,238	695	695	618	674	771	792
Indirect access		395	352	101	138	156	102	102	97
<i>of which fixed telephony resale</i>		480	426	120	170	190	130	131	115
<i>of which broadband resale</i>		–85	–74	–19	–32	–34	–28	–29	–18
Direct access & LLUB		–22	48	–16	–25	19	–12	19	6
Other operations		40	32	24	6	10	–4	5	9
One-off items	2	–	–	–	–	–	50	–	–
		2,421	2,670	804	814	803	810	897	904
Baltic & Russia									
Mobile telephony		2,057	1,009	768	726	563	479	478	316
Indirect access		–9	8	–15	3	3	5	3	5
<i>of which fixed telephony resale</i>		–9	8	–15	3	3	5	3	5
Direct access & LLUB		3	2	1	1	1	1	1	–
Other operations		14	2	16	–2	–	–	–	1
		2,065	1,021	770	728	567	485	482	322
Central Europe									
Mobile telephony		–44	–24	–14	–13	–17	–4	1	–11
Indirect access		370	498	137	89	144	195	154	129
<i>of which fixed telephony resale</i>		585	731	183	188	214	282	255	204
<i>of which broadband resale</i>		–215	–233	–46	–99	–70	–87	–101	–75
Direct access & LLUB		–349	–24	–173	–115	–61	–33	–11	3
Other operations		82	84	28	29	25	19	19	38
		59	534	–22	–10	91	177	163	159
Southern Europe									
Mobile telephony		–331	–623	–63	–98	–170	–225	–205	–233
Indirect access		186	86	74	49	63	62	34	20
<i>of which fixed telephony resale</i>		227	109	87	61	79	73	30	28
<i>of which broadband resale</i>		–41	–23	–13	–12	–16	–11	4	–8
Direct access & LLUB		–70	–7	–10	–29	–31	–14	–4	–1
Other operations		11	15	2	5	4	3	6	4
		–204	–529	3	–73	–134	–174	–169	–210
Benelux									
Mobile telephony		279	247	94	91	94	85	103	89
Indirect access		63	167	–7	32	38	96	101	1
<i>of which fixed telephony resale</i>		101	235	2	47	52	118	127	34
<i>of which broadband resale</i>		–38	–68	–9	–15	–14	–22	–26	–33
Direct access & LLUB		312	14	150	72	90	69	49	–
Other operations		107	63	45	35	27	48	9	17
One-off items	2	–	43	–	–	–	–	43	–
		761	534	282	230	249	298	305	107
Services									
Indirect access		–3	–3	–1	–1	–1	–7	3	–2
<i>of which fixed telephony resale</i>		–3	–3	–1	–1	–1	–7	3	–2
Other operations		48	36	8	24	16	17	19	5
		45	33	7	23	15	10	22	3
EBITDA FROM CONTINUING OPERATIONS									
		5,147	4,263	1,844	1,712	1,591	1,606	1,700	1,285
Discontinued operations	9	–2	246	148	–11	–139	–124	86	63
TOTAL OPERATIONS		5,145	4,509	1,992	1,701	1,452	1,482	1,786	1,348

EBITDA, cont.

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Mobile telephony		3,969	2,847	1,480	1,401	1,088	1,009	1,148	953
Indirect access		1,002	1,108	289	310	403	453	397	250
<i>of which fixed telephony resale</i>		1,381	1,506	376	468	537	601	549	384
<i>of which broadband resale</i>		–379	–398	–87	–158	–134	–148	–152	–134
Direct access & LLUB		–126	33	–48	–96	18	11	54	8
Other operations		302	232	123	97	82	83	58	74
One-off items	2	–	43	–	–	–	50	43	–
EBITDA from continuing operations		5,147	4,263	1,844	1,712	1,591	1,606	1,700	1,285
EBITDA MARGIN									
Nordic	2	21%	23%	21%	20%	21%	21%	23%	23%
Baltic & Russia		29%	22%	30%	30%	27%	24%	26%	21%
Central Europe		1%	9%	–1%	–1%	5%	9%	8%	8%
Southern Europe	2	–9%	–23%	0%	–9%	–16%	–20%	–20%	–28%
Benelux	2	12%	8%	13%	11%	11%	13%	14%	5%
Services		14%	7%	11%	30%	8%	7%	14%	2%
EBITDA margin from continuing operations		16%	13%	17%	15%	15%	14%	15%	12%
Mobile telephony		23%	21%	25%	24%	21%	19%	22%	21%
Indirect access		9%	8%	9%	8%	10%	11%	9%	6%
<i>of which fixed telephony resale</i>		14%	12%	13%	14%	15%	15%	14%	9%
<i>of which broadband resale</i>		–33%	–37%	–24%	–40%	–34%	–38%	–41%	–38%
Direct access & LLUB		–3%	1%	–4%	–8%	1%	1%	5%	1%
Other operations		8%	7%	10%	9%	6%	6%	5%	7%
EBITDA margin from continuing operations		16%	13%	17%	15%	15%	14%	15%	12%

EBIT

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Nordic									
Mobile telephony		1,500	1,798	531	521	448	507	632	647
Indirect access		304	231	74	107	123	75	68	54
<i>of which fixed telephony resale</i>		407	313	97	146	164	105	97	77
<i>of which broadband resale</i>		–103	–82	–23	–39	–41	–30	–29	–23
Direct access & LLUB		–223	–88	–84	–94	–45	–79	–38	–35
Other operations		–11	–11	7	–11	–7	–22	–10	–6
One-off items	2–3	25	–	25	–	–	50	–	–
		1,595	1,930	553	523	519	531	652	660
Baltic & Russia									
Mobile telephony		1,442	603	550	524	368	297	321	184
Indirect access		–10	5	–16	3	3	7	–	5
<i>of which fixed telephony resale</i>		–10	5	–16	3	3	7	–	5
Direct access & LLUB		1	1	1	–	–	–	1	–1
Other operations		14	2	16	–2	–	–	–	2
One-off items	3	1,168	–	1,168	–	–	–	–	–
		2,615	611	1,719	525	371	304	322	190
Central Europe									
Mobile telephony		–52	–34	–16	–18	–18	–6	–3	–13
Indirect access		222	355	85	41	96	159	102	85
<i>of which fixed telephony resale</i>		456	597	138	147	171	247	206	163
<i>of which broadband resale</i>		–234	–242	–53	–106	–75	–88	–104	–78
Direct access & LLUB		–508	–166	–231	–165	–112	–56	–53	–45
Other operations		55	55	19	20	16	23	10	28
One-off items	2–3	–860	–1,813	–860	–	–	–	–1,865	52
		–1,143	–1,603	–1,003	–122	–18	120	–1,809	107
Southern Europe									
Mobile telephony		–337	–625	–66	–99	–172	–227	–205	–234
Indirect access		–149	50	62	35	52	52	22	2
<i>of which fixed telephony resale</i>		–196	77	78	49	69	64	20	15
<i>of which broadband resale</i>		–47	–27	–16	–14	–17	–12	2	–13
Direct access & LLUB		–74	–7	–11	–31	–32	–14	–4	4
Other operations		10	11	1	5	4	3	6	–
One-off items	2–3	6	–94	6	–	–	–	–94	–
		–246	–665	–8	–90	–148	–186	–275	–228
Benelux									
Mobile telephony		193	155	65	63	65	56	73	58
Indirect access		–131	–44	–59	–36	–36	3	25	–73
<i>of which fixed telephony resale</i>		–7	97	–20	7	6	58	84	–6
<i>of which broadband resale</i>		–124	–141	–39	–43	–42	–55	–59	–67
Direct access & LLUB		–413	–691	–94	–169	–150	–173	–182	–223
Other operations		40	–5	23	13	4	20	–15	–8
One-off items	2, 4	–1,000	–457	–480	–520	–	–	–457	–
		–1,311	–1,042	–545	–649	–117	–94	–556	–246
Services									
Indirect access		–3	–4	–1	–1	–1	–6	2	–2
<i>of which fixed telephony resale</i>		–3	–4	–1	–1	–1	–6	2	–2
Other operations		6	–8	–5	10	1	6	4	–8
One-off items		–106	–	–101	–	–5	–	–	–
		–103	–12	–107	9	–5	–	6	–10
EBIT FROM CONTINUING OPERATIONS									
		1,407	–781	609	196	602	675	–1,660	473
Discontinued operations	9	–1,569	–2,479	–1,004	–222	–343	–307	–2,395	–53
TOTAL OPERATIONS		–162	–3,260	–395	–26	259	368	–4,055	420

EBIT, cont.

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Mobile telephony		2,746	1,897	1,064	991	691	627	818	642
Indirect access		531	593	145	149	237	290	219	71
<i>of which fixed telephony resale</i>		1,039	1,085	276	351	412	475	409	252
<i>of which broadband resale</i>		–508	–492	–131	–202	–175	–185	–190	–181
Direct access & LLUB		–1,217	–951	–419	–459	–339	–322	–276	–300
Other operations		114	44	61	35	18	30	–5	8
One-off items	2–4	–767	–2,364	–242	–520	–5	50	–2,416	52
EBIT from continuing operations		1,407	–781	609	196	602	675	–1,660	473
EBIT MARGIN									
Nordic	2–3	14%	17%	15%	13%	13%	14%	16%	17%
Baltic & Russia	3	37%	13%	67%	22%	18%	15%	17%	12%
Central Europe	2–3	–22%	–26%	–59%	–7%	–1%	6%	–94%	5%
Southern Europe	2–3	–11%	–29%	–1%	–11%	–18%	–21%	–33%	–31%
Benelux	2, 4	–21%	–15%	–26%	–31%	–5%	–4%	–25%	–11%
Services	3–4	–31%	–3%	–173%	12%	–3%	0%	4%	–6%
EBIT margin from continuing operations		4%	–2%	6%	2%	6%	6%	–15%	4%
Mobile telephony		16%	14%	18%	17%	13%	12%	16%	14%
Indirect access		5%	4%	4%	4%	6%	7%	5%	2%
<i>of which fixed telephony resale</i>		11%	9%	10%	11%	11%	12%	10%	6%
<i>of which broadband resale</i>		–44%	–46%	–36%	–51%	–44%	–48%	–51%	–51%
Direct access & LLUB		–32%	–31%	–33%	–37%	–27%	–27%	–24%	–30%
Other operations		3%	1%	5%	3%	1%	2%	0%	1%
EBIT margin from continuing operations		4%	–2%	6%	2%	6%	6%	–15%	4%
EBIT SPECIFICATION									
EBITDA		5,147	4,263	1,844	1,712	1,591	1,606	1,700	1,285
Write-down of goodwill	2	–1,310	–2,457	–1,310	–	–	–	–2,457	–
Depreciation/amortization and other write-down		–3,083	–2,541	–1,222	–934	–927	–872	–879	–838
Sale of operations	3–4	827	47	1,352	–520	–5	–17	–2	49
Result from shares in associated companies and joint ventures		–174	–93	–55	–62	–57	–42	–22	–23
EBIT from continuing operations		1,407	–781	609	196	602	675	–1,660	473

INVESTMENTS, CAPEX

SEK million	Note	2007 Jan 1-Sep 30	2006 Jan 1-Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Nordic		719	558	224	276	219	399	175	193
Baltic & Russia		1,604	1,833	489	594	521	530	594	644
Central Europe		160	124	65	47	48	104	53	46
Southern Europe		60	56	22	20	18	21	18	25
Benelux		482	496	142	167	173	148	114	193
Services		24	39	1	8	15	8	10	14
CAPEX FROM CONTINUING OPERATIONS		3,049	3,106	943	1,112	994	1,210	964	1,115
Discontinued operations	9	719	695	252	249	218	354	238	302
INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS, CAPEX		3,768	3,801	1,195	1,361	1,212	1,564	1,202	1,417
Mobile telephony		2,016	2,133	615	758	643	760	688	759
Indirect access		240	282	57	93	90	157	65	118
<i>of which fixed telephony resale</i>		83	183	-40	70	53	95	44	67
<i>of which broadband resale</i>		157	99	97	23	37	62	21	51
Direct access & LLUB		675	603	232	219	224	227	189	196
Other operations		118	88	39	42	37	66	22	42
CAPEX from continuing operations		3,049	3,106	943	1,112	994	1,210	964	1,115
ADDITIONAL CASH FLOW INFORMATION									
CAPEX according to cash flow statement		3,854	4,098	1,188	1,493	1,173	1,422	1,420	1,374
Unpaid CAPEX for the period and reversal of during the year paid CAPEX from previous year:									
Continuing operations		-17	-261	-1	-54	38	73	-82	-57
Discontinued operations		-85	-40	4	-80	-9	41	-138	98
Sales price in cash flow statement		16	4	4	2	10	28	2	2
CAPEX according to balance sheet, including discontinued operations		3,768	3,801	1,195	1,361	1,212	1,564	1,202	1,417

SWEDEN*

Thousands	Note	Number of customers			Net intake				
		2007 Sep 30	2006 Sep 30	Change	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Mobile telephony		3,007	3,497	-14%	100	46	17	11	3
Indirect access		1,019	1,144	-11%	-19	-37	-50	-19	-37
<i>of which fixed telephony resale</i>		963	1,102	-13%	-20	-41	-56	-22	-36
<i>of which broadband resale</i>		56	42	33%	1	4	6	3	-1
Direct access & LLUB		309	242	28%	19	14	12	22	13
Net customer intake					100	23	-21	14	-21
Changed method of calculation	6				-	-664	-	-	-
TOTAL OPERATIONS		4,335	4,883	-11%	100	-641	-21	14	-21

SEK million		2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
OPERATING REVENUE									
Mobile telephony	1	5,472	5,098	1,922	1,863	1,687	1,745	1,770	1,770
Indirect access		2,015	2,089	640	672	703	662	680	694
<i>of which fixed telephony resale</i>		1,907	1,994	603	637	667	631	648	662
<i>of which broadband resale</i>		108	95	37	35	36	31	32	32
Direct access & LLUB		786	614	266	259	261	250	227	193
Other operations		553	513	195	183	175	178	180	164
Operating revenue		8,826	8,314	3,023	2,977	2,826	2,835	2,857	2,821
EBITDA									
Mobile telephony		2,027	2,227	724	702	601	672	759	786
Indirect access		290	266	85	81	124	40	68	69
<i>of which fixed telephony resale</i>		342	292	106	99	137	60	88	74
<i>of which broadband resale</i>		-52	-26	-21	-18	-13	-20	-20	-5
Direct access & LLUB		-4	29	-	-24	20	-9	9	-2
Other operations		40	32	24	6	10	-5	5	9
One-off items	2	-	-	-	-	-	50	-	-
EBITDA		2,353	2,554	833	765	755	748	841	862
EBITDA MARGIN									
Mobile telephony		37%	44%	38%	38%	36%	39%	43%	44%
Indirect access		14%	13%	13%	12%	18%	6%	10%	10%
<i>of which fixed telephony resale</i>		18%	15%	18%	16%	21%	10%	14%	11%
<i>of which broadband resale</i>		-48%	-27%	-57%	-51%	-36%	-65%	-63%	-16%
Direct access & LLUB		-1%	5%	0%	-9%	8%	-4%	4%	-1%
Other operations		7%	6%	12%	3%	6%	-3%	3%	5%
EBITDA margin		27%	31%	28%	26%	27%	26%	29%	31%
EBIT									
Mobile telephony		1,527	1,793	561	532	434	509	621	643
Indirect access		198	185	37	60	101	20	42	42
<i>of which fixed telephony resale</i>		256	212	60	80	116	41	63	47
<i>of which broadband resale</i>		-58	-27	-23	-20	-15	-21	-21	-5
Direct access & LLUB		-185	-86	-63	-85	-37	-69	-32	-41
Other operations		-11	-11	7	-11	-7	-22	-11	-5
One-off items	2	-284	-	-284	-	-	50	-	-
EBIT		1,245	1,881	258	496	491	488	620	639
EBIT MARGIN									
Mobile telephony		28%	35%	29%	29%	26%	29%	35%	36%
Indirect access		10%	9%	6%	9%	14%	3%	6%	6%
<i>of which fixed telephony resale</i>		13%	11%	10%	13%	17%	6%	10%	7%
<i>of which broadband resale</i>		-54%	-28%	-62%	-57%	-42%	-68%	-66%	-16%
Direct access & LLUB		-24%	-14%	-24%	-33%	-14%	-28%	-14%	-21%
Other operations		-2%	-2%	4%	-6%	-4%	-12%	-6%	-3%
EBIT margin		14%	23%	9%	17%	17%	17%	22%	23%

*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 Sep 30	2006 Sep 30	Change	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Net customer intake				647	839	644	933	711	715
Acquired companies				–	–	–	–	182	–
Divested companies				–587	–	–	–	–	–
Total number of customers	7,996	5,520	45%	60	839	644	933	893	715

SEK million	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Operating revenue	3,637	1,831	1,324	1,261	1,052	988	815	568
EBITDA	1,151	300	440	414	297	266	205	73
EBITDA-margin	32%	16%	33%	33%	28%	27%	25%	13%
EBIT	1,909	91	1,459	280	170	153	112	12
EBIT-margin	52%	5%	110%	22%	16%	15%	14%	2%

KEY RATIOS

	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2006	2005	2004
CONTINUING OPERATIONS (SEK MILLION)					
Operating revenue	32,967	31,946	43,098	37,870	30,570
Number of customers, in thousand	24,912	24,786	25,751	23,023	19,998
EBITDA	5,147	4,263	5,869	5,266	4,996
EBIT	1,407	781	–106	2,607	2,858
EBT	784	–1,183	–668	2,170	2,686
Net profit/loss	–134	–1,253	–1,003	1,665	2,030
KEY RATIO					
EBITDA margin, %	15.6	13.3	13.6	13.9	16.3
EBIT margin, %	4.3	–2.4	–0.2	6.9	9.3
PER SHARE DATA (SEK)					
Earnings	–0.07	–2.58	–1.98	3.77	4.59
Earnings after dilution	–0.07	–2.58	–1.98	3.77	4.57
TOTAL (INCLUDING DISCONTINUED OPERATIONS) (SEK MILLION)					
Shareholders' equity	27,068	30,165	29,123	35,368	32,900
Shareholders' equity after dilution	27,111	30,178	29,137	35,401	32,965
Total assets	58,254	66,799	66,164	68,291	49,873
Cash flow from operating activities	3,378	3,251	3,847	5,487	5,876
Cash flow after CAPEX	–476	–847	–1,673	1,847	4,314
Available liquidity	20,124	7,323	5,963	8,627	5,113
Net borrowing	11,167	14,638	15,311	11,839	2,831
Investments in intangible and tangible assets, CAPEX	3,768	3,801	5,365	3,750	1,585
Investments in shares and long-term receivables, net	–5,259	1,313	1,616	7,953	1,653
KEY RATIO					
Equity/assets ratio, %	47	45	44	52	66
Debt/equity ratio, multiple	0.41	0.49	0.53	0.33	0.09
Return on shareholders' equity, %	–5.9	–11.0	–11.3	6.9	10.8
Return on shareholders' equity after dilution, %	–5.9	–11.0	–11.3	6.9	10.8
Return on capital employed, %	–0.3	–6.2	–5.3	8.2	12.1
Average interest rate, %	4.9	4.0	4.2	3.7	4.4
PER SHARE DATA (SEK)					
Earnings	–3.68	–8.05	–8.14	5.30	7.74
Earnings after dilution	–3.68	–8.04	–8.14	5.29	7.73
Shareholders' equity	59.68	67.19	64.85	78.96	74.32
Shareholders' equity after dilution	59.72	67.19	64.84	78.93	74.29
Cash flow from operating activities	7.60	7.32	8.66	12.39	13.27
Dividend	–	–	1.83	1.75	1.67
Redemption	–	–	–	–	3.33
Market value at closing day	139.25	74.00	100.00	85.25	87.00

PARENT COMPANY

INCOME STATEMENT

SEK million	Note	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30
Operating revenue		19	16
Administrative expenses	12	–131	–72
Other operating revenues		–	6
Operating profit/loss, EBIT		–112	–50
Exchange rate difference on financial items		–160	165
Net interest expenses and other financial items		178	251
Profit/loss after financial items, EBT		–94	366
Tax on profit/loss for the year		24	–102
NET PROFIT/LOSS		–70	264

BALANCE SHEET

SEK million	Note	2007 Sep 30	2006 Dec 31
Assets			
FIXED ASSETS			
Financial assets		33,803	38,571
FIXED ASSETS		33,803	38,571
CURRENT ASSETS			
Current receivables		145	54
Short-term investments		250	–
Cash and cash equivalents		6	7
CURRENT ASSETS		401	61
ASSETS		34,204	38,632
Equity and liabilities			
SHAREHOLDERS' EQUITY			
Restricted equity	7	17,454	17,432
Unrestricted equity	7	2,794	3,627
SHAREHOLDERS' EQUITY		20,248	21,059
LONG-TERM LIABILITIES			
Interest-bearing liabilities		9,158	12,417
LONG-TERM LIABILITIES		9,158	12,417
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		4,596	4,688
Non-interest-bearing liabilities		202	468
SHORT-TERM LIABILITIES		4,798	5,156
EQUITY AND LIABILITIES		34,204	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.

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

In Q2 2007, the definition for inactive mobile prepaid customers has been changed, please refer to Note 6. The definition for EBITDA has during 2007 been changed to exclude profit and loss from sale 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 exchange of capacity between Tele2 and Telenor on 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 Q3 2006 the costs were reduced by SEK 43 million for the market area Benelux as a result of a settlement with another operator of SEK 95 million and estimated future unused part of leased premises of SEK 52 million.

DEPRECIATION/AMORTIZATION AND IMPAIRMENT

In Q3 2007 Tele2 recognized goodwill impairment losses of SEK 1,310 million, related to operations stated below, and SEK 284 million attributable to Tele2's IT-systems.

IMPAIRMENT OF GOODWILL

SEK million	Q3 2007
Germany, Central Europe	570
Austria, Central Europe	290
Belgium, Benelux	275
Netherlands, Benelux	175
Total impairment of goodwill	1,310

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

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

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

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

NOTE 3 Sales of operations, profit

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

SALE OF OPERATIONS, PROFIT

SEK million	Q3 2007
Irkutsk, Baltic & Russia	1,168
Tele2 Denmark, Nordic	309
Uni2 Denmark, Services	39
Portugal, Southern Europe	6
Total capital gain, divested operations	1,522

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

NOTE 4 Sales of operations, loss

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

SALE OF OPERATIONS, LOSS

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

NOTE 5 Taxes

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

In Q2 2007, a one-off adjustment has been reported of the deferred tax assets which have affected the income statement with SEK -228 million, of which SEK -193 million are related to reduced income tax rate in Germany.

NOTE 6 Number of customers

As a way of standardizing reporting both internally and externally, Tele2 has decided to change its principles for calculating the number of inactive customers in its Nordic mobile prepaid base. As of Q2 2007, Tele2 considers a customer inactive if the customer has not used its mobile service in 6 months, instead of earlier 13 months. However, the customer will still be able to use their SIM card within the 13 months period, as before. In Q2 2007, the one-time effect was a decrease of 759,000 in the reported customer base in the market area Nordic.

NOTE 7 Shares and convertibles

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

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

INCENTIVE PROGRAM 2007-2012

The Extraordinary General Meeting on August 28, 2007 decided to adopt a performance based incentive programme for approximately 80 senior executives and other key employees within the Tele2 group. The incentive programme entails that the participants shall be granted stock options free of charge. Each option entitles the holder to purchase one Class B share at an exercise price of SEK 130,20 corresponding to 110 percent of the average closing price of the company's Class B share 10 trading days prior to the date of grant. The scope of the incentive programme amounts to a maximum of 4,098,000 options.

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

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

The total costs after tax of the incentive programme are expensed as they arise, over a three-year period, starting in September 2007. These costs are expected to amount to SEK 34 million after taxes including social benefit costs. This estimation is based on the assumptions that the fulfilment of the performance conditions will be 50 percent and 20 percent in personnel turnover.

Number of options	Aug 2006-Sep 30, 2007
Allocated August 2007	3,552,000
Total outstanding stock options	3,552,000

INCENTIVE PROGRAM 2006-2011

Number of options	Jan 1-Sep 30, 2007	Feb 2006-Sep 30, 2007
Outstanding as of January 1	2,256,000	
Allocated February 2006		2,256,000
Forfeited	-325,000	-325,000
Total outstanding	1,931,000	1,931,000
<i>of which warrants</i>		717,000
<i>of which stock options</i>		1,214,000

INCENTIVE PROGRAM 2002-2007

	Jan 1-Sep 30, 2007	2002-Sep 30, 2007	
Number of options	Total	Total	of which to wholly-owned subsidiary
Outstanding as of January 1	439,800		
Allocated 2002		2,630,378	482,618
Forfeited	-78,054	-459,564	-78,054
Exercised	-361,746	-2,170,814	-404,564 ¹⁾
Total outstanding	-	-	-

¹⁾ of which 21,378 have been exercised in Q3 2007

NOTE 8 Business acquisitions and divestments

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

SEK million	Jan 1–Sep 30, 2007
Divestments	
Tele2 Portugal	122
Tele2 Irkutsk, Russia	1,570
Tele2 France	2,937
Tele2 Denmark	752
3C Communications	77
UNI2 Denmark	59
Alpha Telecom and Calling Card Company ¹⁾	15
Datamatrix Norway	100
Acquisitions	
Tele2 Syd (formerly E.ON Bredband), minority interest	–135
Versatel, minority interest	–13
Radio Components, minority interest	–7
Other	
Other cash flow changes in shares and participations	–51
Cash flow effect of acquisitions and divestments in shares and participations	5,426

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

ACQUISITIONS

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 re-organization has been carried out as a part of the integration process of Tele2's and Versatel's operations in the Netherlands and Belgium. Versatel has financed the acquisition by an issue of new shares. As a result of the issue Tele2 has increased its share holdings in Versatel by 1.36 percent 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 holding in the company represents 80.3 percent.

On February 1, 2007 Tele2 acquired the remaining 0.03 percent in Comunitel, Spain by issuing new share.

Acquisitions after closing day

On October 5, 2007, Tele2 acquired all shares in Telecom Eurasia, with an 1800 MHz GSM-license in the Russian region Krasnodar and a customer base of 20,000, for SEK 160 million.

On October 1, 2007, Tele2 acquired 50 percent of the shares in AMI AS, AMI being the owner of a GSM 900 licence in Norway, for SEK 160 million. At the same time Tele2 and Network Norway AS have entered into an agreement to build the third mobile network in Norway.

Analysis of the acquired assets and liabilities has not yet been finalized and consequently has not been presented in this report.

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

DIVESTMENTS

Tele2 Portugal

On September 11, 2007, Tele2 divested its operation in Tele2 Portugal for SEK 133 million. Tele2 Portugal has affected Tele2's operating revenue in the market area Southern Europe year-to-date by SEK 348 (297) million, EBITDA by SEK –59 (–60) million and net profit/loss by SEK –67 (–62) million in addition to a recorded capital gain of SEK 6 million.

Tele2 Irkutsk

On August 13, 2007, Tele2 divested its operation in Tele2 Irkutsk in Russia for SEK 1,595 million. Tele2 Irkutsk has affected Tele2's operating revenue in the market area Baltic & Russia year-to-date by SEK 218 (169) million, EBITDA by SEK 65 (56) million and net profit/loss by SEK 35 (34) million in addition to a recorded capital gain of SEK 1,168 million.

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

France fixed and broadband business

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

Tele2 Denmark

On July 12, 2007, Tele2 divested its operation in Tele2 Denmark for SEK 773 million. Tele2 Denmark has affected Tele2's operating revenue in the market area Nordic year-to-date by SEK 735 (1,271) million, EBITDA by SEK 89 (35) million and net profit/loss by SEK 44 (–11) million in addition to a recorded capital gain of SEK 309 million.

Other divestments

On September 19, 2007, Tele2 divested its operation 3C Communications for SEK 46 million. 3C has affected Tele2's operating revenue in the market area Services year-to-date by SEK 45 (55) million, EBITDA by SEK –14 (–10) million and net profit/loss by SEK –28 (–6) million in addition to a recorded capital loss of SEK 133 million.

CONTINUING NOTE 8

On August 31, 2007, Tele2 divested its operation UNI2 Denmark for SEK 64 million. UNI2 Denmark has affected Tele2's operating revenue in the market area Services year-to-date by SEK 37 (40) million, EBITDA by SEK 12 (3) million and net profit/loss by SEK -3 (-6) million in addition to a recorded capital gain of SEK 39 million.

In May 2007, Tele2 divested its Alpha Telecom and Calling Card Company operation for SEK 80 million. The operation has affected Tele2's operating revenue in the market area Benelux year-to-date by SEK 378 (904) million, EBITDA by SEK 37 (16) million and net profit/loss by SEK 9 (-35) million in addition to capital loss recorded of SEK 530 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 118 (244) million, EBITDA by SEK 4 (6) million and net profit/loss by SEK 2 (3) million in addition to a recorded capital loss of SEK 12 million.

Net assets at the time of divestment

Assets, liabilities and contingent liabilities included in the divested operations at the time of divestment are stated below.

SEK million	Tele2 Portugal	Tele2 Irkutsk	Tele2 France	Tele2 Denmark	Other	Total
Goodwill	119	99	2,737	-	377	3,332
Other intangible assets	1	1	468	28	82	580
Tangible assets	65	211	247	87	99	709
Deferred tax receivables	-	-	9	264	172	445
Long-term receivables	-	-	1	6	30	37
Material and supplies	1	2	80	-	26	109
Current receivables	119	38	610	362	465	1,594
Cash and cash equivalents	-	1	386	3	58	448
Exchange rate difference in shareholders' equity	-75	92	-407	27	-10	-373
Deferred tax liabilities	-	-	-	-	-16	-16
Provisions	-4	-	-	-18	-	-22
Long-term liabilities	-	-	-1	-	-44	-45
Short-term liabilities	-131	-41	-1,186	-515	-345	-2,218
Divested net assets	95	403	2,944	244	894	4,580
Capital profit/loss	6	1,168	269	309	-656	1,096
Sales price, net sales costs	101	1,571	3,213	553	238	5,676
Sales costs etc, non-cash	21	-	110	27	13	171
Payment for receivable in divested operation	-	-	-	175	58	233
Less: cash in divested operation	-	-1	-386	-3	-58	-448
EFFECT ON GROUP CASH AND CASH EQUIVALENTS	122	1,570	2,937	752	251	5,632

The divested operation in Tele2 France has been reported as discontinued operations. The remaining divested operations above, was not a significant part of Tele2's result and financial position, therefore separately reporting in the income statement has not been made according to IFRS 5 *Non-current assets held for sale and discontinued operations*.

Divestments after closing day

On July 9, 2007, Tele2 announced the divestment of its Hungarian operations for approximately SEK 40 million. The divestment was finalized on October 18, 2007, after receiving approval from the Hungarian Competition Authorities. The transaction is expected to have a positive one-time effect of approximately SEK 20 million. The operation has affected Tele2's operating revenue in the market area Central Europe year-to-date by SEK 210 (273) million, EBITDA by SEK 46 (-19) million and net profit/loss by SEK 43 (-24) million.

On October 1, 2007, Tele2 divested its Belgium operation for approximately SEK 890 million on a cash and debt free basis. An impairment of goodwill regarding the Belgium operations has been reported during Q3 2007 amounting to SEK 275 million (please refer to Note 2). The operation has affected Tele2's operating revenue in the market area Benelux year-to-date by SEK 900 (1 038) million, EBITDA by SEK -40 (-52) million and net profit by SEK -137 (-148) million.

Assets and liabilities of the operations have been reported separately in the balance sheet according to IFRS 5 *Non-current assets held for sale and discontinued operations*. Since divested operations above, was not a significant part of Tele2's result and financial position, separately reporting in the income statement has not been made according to IFRS 5.

Ongoing divestments

On October 8, 2007, Tele2 divested its mobile telephony operations in Tele2 Austria for approximately SEK 65 million. The capital gain is estimated at SEK 0 million. The operation has affected Tele2's operating revenue in the market area Central Europe year-to-date by SEK 57 (128) million, EBITDA and net profit/loss by SEK -44 (-24) million. Completion is expected following approval from the relevant regulatory authorities.

Assets and liabilities of the operation have been reported separately in the balance sheet according to IFRS 5 *Non-current assets held for sale and discontinued operations*. Since divested operation above, was not a significant part of Tele2's result and financial position, separately reporting in the income statement has not been made according to IFRS 5.

On October 6, 2007 Tele2 announced the sale of its operations in Italy and Spain. Completion is expected following approval from the relevant regulatory authorities. The divested operation has been reported as discontinued operations; please refer to Note 9 for additional information.

PRO FORMA

The table below shows the effect of the divested companies and operations at September 30, 2007 on Tele2's operating revenue and result, had they been divested at January 1, 2007.

SEK million	Jan 1-Sep 30, 2007		
	Tele2 Group ¹⁾	Excluding divested companies and operations	Tele2 Group pro forma
Operating revenue	32,967	-1,880	31,087
EBITDA	5,147	-134	5,013
Net profit/loss	-1,740	-827	-2,567

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

NOTE 9 Discontinued operations and assets classified as held for sale

THE OPERATION IN ITALY AND SPAIN

On October 6, 2007 Tele2 announced the sale of its operations in Italy and Spain for approximately SEK 7.1 billion on cash and debt free basis. Completion is expected following approval from the relevant regulatory authorities.

An impairment of goodwill regarding the Italian and Spanish operations has been reported during Q3 2007 amounting to SEK 1,290 million. The impairment reflects the difference between sales price and assets sold. In Q3 2006 an impairment of goodwill on market area level was reported, of which SEK 843 million is estimated to be attributable to the operation in Italy and Spain.

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

FRANCE FIXED AND BROADBAND BUSINESS

On October 3, 2006 Tele2 announced the sale of its fixed and broadband operations in France for SEK 3,300 million. Tele2's French mobile business is retained by Tele2. On July 18, 2007, Tele2 announced it has received approval from the EU competition authorities on the sale. The divestment was finalized in Q3 2007.

In Q3 2006, a goodwill impairment loss of SEK 1,500 million affected the results from the discontinued operations. This was attributable to the estimated capital loss due to the sale, excluding a reversal of exchange rate differences associated with the French operation recognized directly in equity. The first six months of 2007 includes additional goodwill impairment of SEK 75 million. In Q3 2007, a capital gain has been reported in discontinued operations of SEK 269 million, of which SEK 407 million is related to a reversal of exchange rate differences previously reported directly in equity.

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

INCOME STATEMENT

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

Income statement

SEK million	2007 Jan 1-Sep 30	2006 Jan 1-Sep 30	2006 Full year	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Operating revenue	7,844	8,738	11,533	1,918	3,023	2,903	2,795	2,735	2,955
Operating expenses	-8,321	-8,878	-11,981	-1,903	-3,210	-3,208	-3,103	-2,791	-3,008
Impairment of goodwill	-1,365	-2,343	-2,343	-1,290	-35	-40	-	-2,343	-
Sale of operations, profit	269	-	-	269	-	-	-	-	-
Other operating revenues	8	6	8	3	2	3	2	4	1
Other operating expenses	-4	-2	-3	-1	-2	-1	-1	-	-1
EBIT	-1,569	-2,479	-2,786	-1,004	-222	-343	-307	-2,395	-53
Net interest expenses	3	29	39	1	-4	6	10	5	24
Other financial items	-1	-	-1	-1	-	-	-1	-	-
EBT	-1,567	-2,450	-2,748	-1,004	-226	-337	-298	-2,390	-29
Tax on profit/loss	-39	23	11	-91	22	30	-12	3	7
NET PROFIT/LOSS, TOTAL IMPACT	-1,606	-2,427	-2,737	-1,095	-204	-307	-310	-2,387	-22
Earnings per share (SEK)	-3.61	-5.47	-6.16						
Earnings per share, after dilution (SEK)	-3.61	-5.46	-6.16						

CASH FLOW STATEMENT

SEK million	2007 Jan 1-Sep 30	2006 Jan 1-Sep 30	2006 Full year	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Cash flow from operating activities	-308	82	-117	-8	-3	-297	-199	124	-3
Cash flow from investing activities	2,157	-776	-1,103	2,714	-330	-227	-327	-361	-208
of which sale of shares and participations	2,937	-	-	2,937	-	-	-	-	-
of which other investing activities	-780	-776	-1,103	-223	-330	-227	-327	-361	-208
Cash flow from financing activities	997	642	1,195	173	222	602	553	239	213
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,846	-52	-25	2,879	-111	78	27	2	2

NUMBER OF CUSTOMERS

Thousands	Number of customers			Net intake					
	2007 Jan 1-Sep 30	2006 Jan 1-Sep 30	2006 Full year	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Indirect access	2,361	6,441	6,051	-222	-373	-377	-390	-326	-269
of which fixed telephony resale	2,043	5,822	5,442	-225	-389	-415	-380	-350	-317
of which broadband resale	318	619	609	3	16	38	-10	24	48
Direct access & LLUB	655	124	301	81	134	139	177	59	21
Number of customers	3,016	6,565	6,352	-141	-239	-238	-213	-267	-248

CONTINUING NOTE 9

SEK million	2007 Jan 1–Sep 30	2006 Jan 1–Sep 30	2006 Full year	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2
OPERATING REVENUE									
Indirect access	5,551	7,902	10,241	1,054	2,184	2,313	2,339	2,406	2,688
<i>of which fixed telephony resale</i>	4,596	6,983	8,975	894	1,792	1,910	1,992	2,089	2,378
<i>of which broadband resale</i>	955	919	1,266	160	392	403	347	317	310
Direct access & LLUB	1,819	491	836	705	672	442	345	197	166
Other operations	839	823	1,134	225	314	300	311	315	256
Adjustments for internal sales	-365	-478	-678	-66	-147	-152	-200	-183	-155
Operating revenue	7,844	8,738	11,533	1,918	3,023	2,903	2,795	2,735	2,955
EBITDA									
Indirect access	65	313	302	87	6	-28	-11	113	90
<i>of which fixed telephony resale</i>	596	862	1,108	125	224	247	246	308	259
<i>of which broadband resale</i>	-531	-549	-806	-38	-218	-275	-257	-195	-169
Direct access & LLUB	-141	-134	-219	39	-43	-137	-85	-58	-41
Other operations	74	67	86	22	26	26	19	31	14
One-off items; settlements of disputes	-	-	-47	-	-	-	-47	-	-
EBITDA	-2	246	122	148	-11	-139	-124	86	63
EBIT									
Indirect access	-146	124	6	36	-78	-104	-118	51	35
<i>of which fixed telephony resale</i>	415	684	838	78	153	184	154	251	201
<i>of which broadband resale</i>	-561	-560	-832	-42	-231	-288	-272	-200	-166
Direct access & LLUB	-402	-328	-488	-42	-135	-225	-160	-134	-103
Other operations	75	68	86	23	26	26	18	31	15
One-off items	-1,096	-2,343	-2,390	-1,021	-35	-40	-47	-2,343	-
<i>of which impairment of goodwill</i>	-1,365	-2,343	-2,343	-1,290	-35	-40	-	-2,343	-
<i>of which capital gain</i>	269	-	-	269	-	-	-	-	-
<i>of which settlement of disputes</i>	-	-	-47	-	-	-	-47	-	-
EBIT	-1,569	-2,479	-2,786	-1,004	-222	-343	-307	-2,395	-53
INVESTMENTS, CAPEX									
Indirect access	140	228	351	23	66	51	123	82	95
<i>of which fixed telephony resale</i>	71	180	234	19	31	21	54	43	90
<i>of which broadband resale</i>	69	48	117	4	35	30	69	39	5
Direct access & LLUB	579	467	698	229	183	167	231	156	207
CAPEX	719	695	1,049	252	249	218	354	238	302
<i>of which period's unpaid CAPEX</i>	-85	-40	1	4	-80	-9	41	-138	98
<i>of which CAPEX according to cash flow</i>	804	735	1,048	248	329	227	313	376	204

BALANCE SHEET

On September 30, 2007 assets and liabilities in Tele2 Italy/Spain, Tele2/Versatel Belgium, Tele2 Hungary and the mobile operation in Tele2 Austria have been reported as assets classified as held for sale. On December 31, 2006 the fixed and broadband operations in Tele2 France was reported separately.

SEK million	2007 Sep 30	2006 Dec 31	SEK million	2007 Sep 30	2006 Dec 31
Goodwill	4,223	2,826	Interest-bearing liabilities	68	-
Other intangible assets	483	488	Non-interest-bearing liabilities	85	-
Intangible assets	4,706	3,314	LONG-TERM LIABILITIES	153	-
Tangible assets	2,634	224	Interest-bearing liabilities	164	-
Financial assets	4	-	Non-interest-bearing liabilities	2,255	1,517
Deferred tax assets	944	169	SHORT-TERM LIABILITIES	2,419	1,517
FIXED ASSETS	8,288	3,707	LIABILITIES	2,572	1,517
Materials and supplies	18	49			
Current receivables	1,945	632			
CURRENT ASSETS	1,963	681			
ASSETS	10,251	4,388			

NOTE 10 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. At September 30, 2007 Tele2's guarantee amounted to SEK 1,773 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.

BALANCE SHEET

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

SEK million	Sep 30, 2007		Dec 31, 2006	
	Svenska UMTS-nät	Plusnet GmbH	Svenska UMTS-nät	Plusnet GmbH
Fixed assets	3,662	708	3,688	213
Current assets	317	562	388	560
Assets	3,979	1,270	4,076	773
Shareholders equity	333	758	562	653
Long-term liabilities	3,548	41	3,372	5
Short-term liabilities	98	471	142	115
Shareholders' equity and liabilities	3,979	1,270	4,076	773

NOTE 11 Transactions with related parties

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

NOTE 12 Parent company

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